Federal Communications Commission
Washington, DC 20554

Approved By OMB
3060-0573

FCC 394

APPLICATION FOR FRANCHISE AUTHORITY CONSENT TO ASSIGNMENT OR TRANSFER OF CONTROL OF CABLE TELEVISION FRANCHISE

FOR FRANCHISE AUTHORITY USE ONLY

SECTION I. GENERAL INFORMATION

DATE 1-Jun-07	1. Community Unit Identification Number: #08370

2. Application for: [ ] Assignment of Franchise [X] Transfer of Control

note:There will be no change in majority voting power, management or working control of the franchisee, and the current franchisee, CSC Acquisition-MA, Inc. will continue to hold the franchise after this transaction is complete. Transfer of control refers only to a transfer of a majority equity interest of the parent company, which indirectly holds the franchise in your community through its subsidiary,CSC Acquisition-MA, Inc.

3. Franchising Authority: Town/Village of Harrison	
4. Identify community where the system/franchise that is the subject of the assignment or transfer of control is located: Same as above	
5. Date system was acquired or (for system's constructed by the transferor/assignor) the date on which service was provided to the first subscriber in the franchise area:	4-Jan-88
6. Proposed effective date of closing of the transaction assigning or transferring ownership of the system to transferee/assignee: 1-Sep-07	

7. Attach as an Exhibit a schedule of any and all additional information or material filed with this application that is identified in the franchise as required to be provided to the franchising authority when requesting its approval of the type of transaction that is the subject of this application. none

Exhibit No. n/a

PART I - TRANSFEROR/ASSIGNOR

1. Indicate the name, mailing address, and telephone number of the transferor/assignor.

Legal name of Transferor/Assignor (if individual, list last name first) CSC Acquisition-MA, Inc.			
Assumed name used for doing business (if any) Cablevision			
Mailing street address or P.O. Box 1111 Stewart Avenue			
City Bethpage	State NY	ZIP Code 11714	Telephone No. (include area code) 516-803-2300

2.(a) Attach as an Exhibit a copy of the contract or agreement that provides for the assignment or transfer of control (including any exhibits or schedules thereto necessary in order to understand the terms thereof). If there is only an oral agreement, reduce the terms to writing and attach. (Confidential trade, business, pricing or marketing information, or other information not otherwise publicly available, may be redacted).

Exhibit No. A

(b) Does the contract submitted in response to (a) above embody the full and complete agreement between the transferor/assignor and the transferee/assignee? [x] Yes [ ] No

If No, explain in an Exhibit.

Exhibit No. n/a

PART II - TRANSFEREE/ASSIGNEE

1.(a) Indicate the name, mailing address, and telephone number of the transferee/assignee.

Legal name of Transferee/Assignee (if individual, list last name first)			
CSC Acquisition-MA, Inc.			
Assumed name used for doing business (if any) Cablevision			
Mailing street address or P.O. Box 1111 Stewart Avenue			
City Bethpage	State NY	ZIP Code 11714	Telephone No. (include area code) 516-803-2300

(b) Indicate the name, mailing address, and telephone number of person to contact, if other than transferee/assignee.

Name of contact person (list last name first)			
Michael E Olsen			
Firm or company name (if any) Cablevision Systems Corporation			
Mailing street address or P.O. Box 1111 Stewart Avenue			
City Bethpage	State NY	ZIP Code 11714	Telephone No. (include area code) 516-803-2583

(c) Attach as an Exhibit the name, mailing address, and telephone number of each additional person who should be contacted, if any.

Exhibit No.
B

(d) Indicate the address where the system's records will be maintained.

Street address		
1111 Stewart Avenue		
City Bethpage	State NY	ZIP Code 11714

2. Indicate on an attached exhibit any plans to change the current terms and conditions of service and operations of the system as a consequence of the transaction for which approval is sought.

Exhibit No.
n/a

SECTION II. TRANSFEREE'S/ASSIGNEE'S LEGAL QUALIFICATIONS

1. Transferee/Assignee is:

[x] Corporation

a. Jurisdiction of incorporation: Delaware	d. Name and address of registered agent in jurisdiction: Prentice Hall, 2711 Centerville Road, Suite 400, Wilmington, DE 19808
b. Date of incorporation: 6/29/1989	
c. For profit or not-for-profit: For-Profit	

[ ] Limited Partnership

a. Jurisdiction in which formed:	c. Name and address of registered agent in jurisdiction:
b. Date of formation:	

[ ] General Partnership

a. Jurisdiction whose laws govern formation:	b. Date of formation:

[ ] Individual

[ ] Other. Describe in an Exhibit.

Exhibit No. n/a

2. List the transferee/assignee, and, if the transferee/assignee is not a natural person, each of its officers, directors, stockholders beneficially holding more than 5% of the outstanding voting shares, general partners, and limited partners holding an equity interest of more than 5%. Use only one column for each individual or entity. Attach additional pages if necessary. (Read carefully - the lettered items below refer to corresponding lines in the following table.)

(a) Name, residence, occupation or principal business, and principal place of business. (If other than an individual, also show name, address and citizenship of natural person authorized to vote the voting securities of the applicant that it holds.) List the applicant first, officers, next, then directors and, thereafter, remaining stockholders and/or partners.
(b) Citizenship.
(c) Relationship to the transferee/assignee (e.g., officer, director, etc.).
(d) Number of shares or nature of partnersihp interest.
(e) Number of votes.
(f) Percentage of votes.

(a)	CSC Acquisition-MA, Inc. 1111 Stewart Avenue Bethpage, NY 11714 see Exhibit C	CSC Acquisition Corporation 1111Stewart Avenue Bethpage, NY 11714 see Exhibit C	
(b)	Delaware Corporation	Delaware Corporation	
(c)	sole owner	sole owner	
(d)	100 shares of common stock	100 shares of common stock	
(e)	100	100	
(f)	100%	100%	

3. If the applicant is a corporation or a limited partnership, is the transferee/assignee formed under the laws of, or duly qualified to transact business in, the State or other jurisdiction in which the system operates? [x] Yes [ ] No

If the answer is No, explain in an Exhibit.

Exhibit No. n/a

4. Has the transferee/assignee had any interest in or in connection with an applicant which has been dismissed or denied by any franchise authority? [ ] Yes [x] No

If the answer is Yes, describe circumstances in an Exhibit.

Exhibit No. n/a

5. Has an adverse finding been made or an adverse final action been taken by any court or administrative body with respect to the transferee/assignee in a civil, criminal or administrative proceeding, brought under the provisions of any law or regulation related to the following: any felony; revocation, suspension or involuntary transfer of any authorization (including cable franchises) to provide video programming services; mass media related antitrust or unfair competition; fraudulent statements to another government unit; or employment discrimination? [ ] Yes [x] No

If the answer is Yes, attach as an Exhibit a full description of the persons and matter(s) involved, including an identification of any court or administrative body and any proceeding (by dates and file numbers, if applicable), and the disposition of such proceeding.

Exhibit No. n/a

6. Are there any documents, instruments, contracts or understandings relating to ownership or future ownership rights with respect to any attributable interest as described in Question 2 (including, but not limited to, non-voting stock interests, beneficial stock ownership interests, options, warrants, debentures)? [ ] Yes [x] No

If Yes, provide particulars in an Exhibit.

7. Do documents, instruments, agreements or understandings for the pledge of stock of the transferee/assignee, as security for loans or contractual performance, provide that: (a) voting rights will remain with the applicant, even in the event of default on the obligation; (b) in the event of default, there will be either a private or public sale of the stock; and (c) prior to the exercise of any ownership rights by a purchaser at a sale described in (b), any prior consent of the FCC and/or of the franchising authority, if required pursuant to federal, state or local law or pursuant to the terms of the franchise agreement will be obtained? [x] Yes [ ] No

If No, attach as an Exhibit a full explanation.

Exhibit No. n/a

SECTION III. TRANSFEREE'S/ASSIGNEE'S FINANCIAL QUALIFICATIONS

1. The transferee/assignee certifies that it has sufficient net liquid assets on hand or available from committed resources to consummate the transaction and operate the facilities for three months. [x] Yes [ ] No

2. Attach as an Exhibit the most recent financial statements, prepared in accordance with generally accepted accounting principals, including a balance sheet and income statement for at least one full year, for the transferee/assignee or parent entity that has been prepared in the ordinary course of business, if any such financial statements are routinely prepared. Such statements, if not otherwise publicly available, may be marked CONFIDENTIAL and will be maintained as confidential by the franchise authority and its agents to the extent permissible under local law.

Exhibit No. D

SECTION IV. TRANSFEREE'S/ASSIGNEE'S TECHNICAL QUALIFICATIONS

Set forth in an Exhibit a narrative account of the transferee's/assignee's technical qualifications, experience and expertise regarding cable television systems, including, but not limited to, summary information about appropriate management personnel that will be involved in the system's management and operations. The transferee/assignee may, but need not, list a representative sample of cable systems currently or formerly owned or operated.

Exhibit No. E

SECTION V - CERTIFICATIONS

Part I - Transferor/Assignor

All the statements made in the application and attached exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date Print full name

Check appropriate classification:

☐ Individual ☐ General Partner ☐ Corporate Officer (Indicate Title) ☐ Other. Explain:

Part II - Transferee/Assignee

All the statements made in the application and attached Exhibits are considered material representations, and all the Exhibits are a material part hereof and are incorporated herein as if set out in full in the application.

The transferee/assignee certifies that he/she:

(a) Has a current copy of the FCC's Rules governing cable television systems.

(b) Has a current copy of the franchise that is the subject of this application, and of any applicable state laws or local ordinances and related regulations.

(c) Will use its best efforts to comply with the terms of the franchise and applicable state laws or local ordinances and related regulations, and to effect changes, as promptly as practicable, in the operation system, if any changes are necessary to cure any violations thereof or defaults thereunder presently in effect or ongoing.

I CERTIFY that the statements in this application are true, complete and correct to the best of my knowledge and belief and are made in good faith.	Signature
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT. U.S. CODE, TITLE 18, SECTION 1001.	Date Print full name

Check appropriate classification:

☐ Individual ☐ General Partner ☐ Corporate Officer (Indicate Title) ☐ Other. Explain:

Exhibit A

[merger agreement and commitment letter]

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 20)*

Cablevision Systems Corporation

(Name of Issuer)

Cablevision NY Group Class A Common Stock, par value $.01 per share

(Title of Class of Securities)

Cablevision NY Group Class A Common Stock: 12686C-10-9

(CUSIP Number)

Richard D. Bohm
Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
212-909-6000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

May 2, 2007

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 12686C-10-9

1	NAMES OF REPORTING PERSONS: Charles F. Dolan I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 - See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: 26,677,934
		8	SHARED VOTING POWER: 1,189,350
		9	SOLE DISPOSITIVE POWER: 26,677,934
		10	SHARED DISPOSITIVE POWER: 1,189,350
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 27,867,284		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 10.9%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 37,586,244 shares of Cablevision NY Group Class A Common Stock, par value $0.01 per share (“Class A Common Stock”), issuable upon conversion of an equal number of shares of Cablevision NY Group Class B Common Stock, par value $0.01 per share (“Class B Common Stock”), held by other Reporting Persons hereto as to which Charles F. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Helen A. Dolan I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00- See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: 0
		8	SHARED VOTING POWER: 27,867,284
		9	SOLE DISPOSITIVE POWER: 0
		10	SHARED DISPOSITIVE POWER: 27,867,284
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 27,867,284		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 10.9%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 37,586,244 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Helen A. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

1	NAMES OF REPORTING PERSONS: James L. Dolan I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐	
3	SEC USE ONLY:	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 1,150,283
	8	SHARED VOTING POWER: 27,328
	9	SOLE DISPOSITIVE POWER: 1,150,283
	10	SHARED DISPOSITIVE POWER: 27,328
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 1,177,611	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.5%	

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which James L. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

1	NAMES OF REPORTING PERSONS: Thomas C. Dolan I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐	
3	SEC USE ONLY:	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 122,668
	8	SHARED VOTING POWER: 0
	9	SOLE DISPOSITIVE POWER: 122,668
	10	SHARED DISPOSITIVE POWER: 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 122,668	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.05%	

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Thomas C. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Patrick F. Dolan I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 115,834	
	8	SHARED VOTING POWER: 1,228	
	9	SOLE DISPOSITIVE POWER: 115,834	
	10	SHARED DISPOSITIVE POWER: 1,228	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 117,062		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.05%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Patrick F. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

1	NAMES OF REPORTING PERSONS: Kathleen M. Dolan, individually and as a Trustee of the Dolan Descendants Trust, the Dolan Grandchildren Trust, the Dolan Spouse Trust, the Dolan Progeny Trust, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5, the CFD Trust No. 6, and as Trustee of the Marissa Waller 1989 Trust, of the Charles Dolan 1989 Trust, the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐
3	SEC USE ONLY:
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 248,889
	8	SHARED VOTING POWER: 30,938,630
	9	SOLE DISPOSITIVE POWER: 248,889
	10	SHARED DISPOSITIVE POWER: 30,938,630

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 31,187,519
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS):

	☑*
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 12.0%
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes the 1,737,098 Shares of Class A Common Stock beneficially owned by Dolan Children 's Foundation as to which the Reporting Person serves as a director and the 33,231,083 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Kathleen M. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Marianne Dolan Weber I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: 17,944
		8	SHARED VOTING POWER: 0
		9	SOLE DISPOSITIVE POWER: 17,944
		10	SHARED DISPOSITIVE POWER: 0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 17,944		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.008%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes the 1,737,098 Shares of Class A Common Stock beneficially owned by Dolan Children's Foundation as to which the Reporting Person serves as a director and the 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Marianne Dolan Weber disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Deborah A. Dolan-Sweeney I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: 6,381
		8	SHARED VOTING POWER: 97,373
		9	SOLE DISPOSITIVE POWER: 6,381
		10	SHARED DISPOSITIVE POWER: 97,373
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 103,754		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.045%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes the 1,737,098 Shares of Class A Common Stock beneficially owned by Dolan Children's Foundation as to which the Reporting Person serves as a director and the 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Deborah A. Dolan-Sweeney disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Lawrence J. Dolan, as a Trustee of the Charles F. Dolan 2001 Family Trust I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐	
3	SEC USE ONLY:	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 0
	8	SHARED VOTING POWER: 7,834,110
	9	SOLE DISPOSITIVE POWER: 0
	10	SHARED DISPOSITIVE POWER: 7,834,110
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,834,110	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.3%	

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 55,837,279 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Lawrence J. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: David M. Dolan, as a Trustee of the Charles F. Dolan 2001 Family Trust I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00- See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 1,221,859	
	8	SHARED VOTING POWER: 7,831,110	
	9	SOLE DISPOSITIVE POWER: 1,221,859	
	10	SHARED DISPOSITIVE POWER: 7,831,110	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 9,052,969		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.8%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 55,837,279 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto. David M. Dolan disclaims beneficial ownership of these shares of Class A Common Stock and Class B Common Stock and this report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Paul J. Dolan, as a Trustee the Dolan Descendants Trust, the Dolan Grandchildren Trust, the Dolan Spouse Trust, the Dolan Progeny Trust, the D.C. Kathleen Trust, the D.C. James Trust, the CFD Trust No. 1 and the CFD Trust No. 6 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐	
3	SEC USE ONLY:	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 461,006
	8	SHARED VOTING POWER: 15,728,115
	9	SOLE DISPOSITIVE POWER: 461,006
	10	SHARED DISPOSITIVE POWER: 15,728,115
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 16,189,121	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*	
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):	

13	6.6%
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes the 47,964,620 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Paul J. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

CUSIP No. 12686C-10-9

1	NAMES OF REPORTING PERSONS: Matthew J. Dolan, as a Trustee of the D.C. Marianne Trust, the D.C. Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐	
3	SEC USE ONLY:	
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐	
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 3,850
	8	SHARED VOTING POWER: 7,622,045
	9	SOLE DISPOSITIVE POWER: 3,850
	10	SHARED DISPOSITIVE POWER: 7,622,045
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,625,895	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.2%	

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 56,056,261 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Matthew J. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

1	NAMES OF REPORTING PERSONS: Mary S. Dolan, as a Trustee of the D.C. Deborah Trust, the D.C. Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not applicable		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: U.S.A.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 6,750	
	8	SHARED VOTING POWER: 7,626,736	
	9	SOLE DISPOSITIVE POWER: 6,750	
	10	SHARED DISPOSITIVE POWER: 7,626,736	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,633,486		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.2%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): IN

*Excludes 56,107,316 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons hereto as to which Mary S. Dolan disclaims beneficial ownership. This report shall not be construed as an admission that such person is the beneficial owner of such securities.

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1	NAMES OF REPORTING PERSONS: Dolan Family LLC I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): 11-3519521		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS): (a) ☑ (b) ☐		
3	SEC USE ONLY:		
4	SOURCE OF FUNDS (SEE INSTRUCTIONS): 00 — See Item 3 of Statement		
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e): ☐		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: 0
		8	SHARED VOTING POWER: 0
		9	SOLE DISPOSITIVE POWER: 0
		10	SHARED DISPOSITIVE POWER: 7,977,325
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,977,325		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS): ☑*		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.4%		

14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS): OO

*Excludes 55,349,978 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons as to which the Reporting Person disclaims beneficial ownership.

Amendment No. 20 to Schedule 13D

This Amendment to Schedule 13D is being filed jointly by Charles F. Dolan; Helen A. Dolan; James L. Dolan; Thomas C. Dolan; Patrick F. Dolan; Kathleen M. Dolan, individually and as a Trustee of the Dolan Grandchildren Trust, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Deborah Trust, the DC Marianne Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5 and the CFD Trust No. 6 and as sole Trustee of the Charles Dolan 1989 Trust (for the benefit of Charles P. Dolan), the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust; Marianne Dolan Weber; Deborah A. Dolan-Sweeney; Lawrence J. Dolan, as a Trustee of the Charles F. Dolan 2001 Family Trust (the “2001 Trust”); David M. Dolan, as a Trustee of the 2001 Trust; Paul J. Dolan, as a Trustee of each of the Family Trusts, the DC Kathleen Trust, the DC James Trust, the CFD Trust No. 1 and the CFD Trust No. 6; Matthew J. Dolan, as a Trustee of the DC Marianne Trust, the DC Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5; Mary S. Dolan, as a Trustee of the DC Deborah Trust, the DC Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4; (the “Reporting Persons”). The Reporting Persons report on Schedule 13D as members of a group with the Dolan Descendants Trust, the Dolan Spouse Trust and the Dolan Progeny Trust (collectively with the Dolan Grandchildren Trust, the “Family Trusts”), the Marissa Waller 1989 Trust and Dolan Family LLC, a limited liability company organized under the laws of the State of Delaware (collectively, the “Group Members”).

The Schedule 13D (the “Schedule”) filed by the Group Members on March 19, 2004, as amended and supplemented by Amendment No. 1 filed on April 9, 2004, Amendment No. 2 filed on June 30, 2004, Amendment No. 3 filed on March 3, 2005, Amendment No. 4 filed on March 10, 2005, Amendment No. 5 filed on March 25, 2005, Amendment No. 6 filed on March 31, 2005, Amendment No. 7 filed on April 26, 2005, Amendment No. 8 filed on June 20, 2005, Amendment No. 9 filed on July 19, 2005, Amendment No. 10 filed on August 10, 2005, Amendment No. 11 filed on September 16, 2005, Amendment No. 12 filed on October 13, 2005, Amendment No. 13 filed on October 25, 2005, Amendment No. 14 filed on December 29, 2005, Amendment No. 15 filed on August 11, 2006, Amendment No. 16 filed on October 10, 2006, Amendment No. 17 filed on November 13, 2006, Amendment No. 18 filed on December 11, 2006, and Amendment No. 19 filed on January 12, 2007, is hereby amended and supplemented by the Reporting Persons as set forth below in this Amendment No. 20.

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Item 2 Identity and Background

The disclosure in part (a) of Item 2 is hereby amended and restated in its entirety to read as follows in order to reflect the withdrawal of the CFD Trust No. 10 from the Class B Stockholders Agreement on February 9, 2007, pursuant to a letter from Paul J. Dolan, trustee, to Class B Stockholders, which is attached hereto as Exhibit 36.

"(a) The names of Group Members are: Charles F. Dolan; Helen A. Dolan; James L. Dolan; Thomas C. Dolan; Patrick F. Dolan; Kathleen M. Dolan, individually and as a Trustee of the Dolan Descendants Trust, the Dolan Grandchildren Trust, the Dolan Spouse Trust, and the Dolan Progeny Trust (collectively, the "Family Trusts"), the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Deborah Trust, the DC Marianne Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5 and the CFD Trust No. 6 and as sole Trustee of the Marissa Waller 1989 Trust, the Charles Dolan 1989 Trust (for the benefit of Charles P. Dolan), the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust; Marianne Dolan Weber; Deborah A. Dolan-Sweeney; Lawrence J. Dolan, as a Trustee of the Charles F. Dolan 2001 Family Trust (the "2001 Trust"); David M. Dolan, as Trustee of the 2001 Trust; Paul J. Dolan, as a Trustee of each of the Family Trusts, the DC Kathleen Trust, the DC James Trust, the CFD Trust No. 1 and the CFD Trust No. 6, Matthew J. Dolan, as a Trustee of the DC Marianne Trust, the DC Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5; Mary S. Dolan, as a Trustee of the DC Deborah Trust, the DC Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4; and Dolan Family LLC, a limited liability company organized under the laws of the State of Delaware."

Item 3 The disclosure in Item 3 is hereby amended and supplemented by inserting the following after the final paragraph thereof:

"It is anticipated that the funding for the transactions contemplated by the Merger Agreement (as defined in Item 4, below), will be approximately $13.9 billion (including refinancing the Issuer's existing credit facilities). MergerCo (as defined in Item 4) has entered into a commitment letter, dated as of May 2, 2007, with Merrill Lynch Capital Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc., Bear Stearns Corporate Lending Inc., Bank of America, N.A., Banc of America Securities LLC and Banc of America Bridge LLC (the "Executed Commitment Letter") to provide, or to cause certain of its subsidiaries and affiliated entities to provide, the required funding through a combination of revolving credit facilities, term loans, high yield notes and, under certain circumstances, preferred stock.

This summary of the Executed Commitment Letter does not purport to be complete and is qualified in its entirety by the Executed Commitment Letter attached hereto as Exhibit 37, the complete text of which is incorporated herein by reference."

Item 4 **Purpose of Transaction**

The disclosure in Item 4 is hereby amended and supplemented by inserting the following after the final paragraph thereof:

"On May 2, 2007, Central Park Holding Company, LLC ("Parent"), a Delaware limited liability company formed by Charles F. Dolan, Central Park Merger Sub, Inc. ("MergerCo"), a Delaware corporation and wholly-owned subsidiary of Parent, and the Issuer entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, MergerCo would merge with and into the Issuer, with the Issuer surviving as a wholly-owned subsidiary of Parent and each issued and outstanding share of Class A Stock being converted into the right to receive $36.26 in cash without interest (other than shares of Class A Stock held by Parent or any of its subsidiaries immediately prior to the effective time of the merger, employee restricted shares of Class A Stock, shares of Class A Stock held by the Issuer or any of its subsidiaries, and shares of Class A Stock held by the Issuer's stockholders who perfect their appraisal rights under Delaware law). The merger, which is anticipated to be completed in the second half of 2007, is subject to the receipt of financing necessary to complete the transaction on the terms set forth in the Executed Commitment Letter (or upon other terms and conditions which are acceptable to Family LLC in its sole discretion), regulatory approvals, the approval of the Issuer's stockholders (including the approval of a majority of the stockholders of the Issuer who are unaffiliated with Parent), and other customary conditions. This summary of the Merger Agreement does not purport to be complete and is qualified in its entirety by the Merger Agreement, which is attached hereto as Exhibit 38 and incorporated by reference herein.

In connection with the execution of the Merger Agreement, the Reporting Persons entered into an Exchange Agreement, dated as of the date of the Merger Agreement, with Parent (the "Exchange Agreement"), in which each of them agreed, subject to the terms and conditions set forth therein, to contribute their shares of the Issuer's common stock to Parent in exchange for an equity interest in Parent, immediately prior to the effective time of the Merger. The foregoing summary of the Exchange Agreement does not purport to be complete and is qualified in its entirety by the Exchange Agreement, which is attached hereto as Exhibit 39 and incorporated by reference herein.

Also in connection with the execution of the Merger Agreement, the Reporting Persons entered into a Voting Agreement, dated as of the date of the Merger Agreement, with the Issuer (the "Voting Agreement"), in which they agreed, subject to the terms and conditions set forth therein, to vote their shares of the Issuer's common stock in favor of the Merger Agreement and the transactions contemplated thereby. The foregoing summary of the Voting Agreement does not purport to be complete and is qualified in its entirety by the Voting Agreement, which is attached hereto as Exhibit 40 and incorporated by reference herein.

In addition, Charles F. Dolan and James L. Dolan (together, the "Guarantors") entered into a Guarantee with the Issuer, dated as of the date of the Merger Agreement (the "Guarantee"). Under the Guarantee, the Guarantors guarantee to the Issuer the due and punctual payment of any obligation or liability of Parent or MergerCo under the Merger Agreement as a result of a material and willful breach of their obligations hereunder, subject to a cap. This summary of the Guarantee does not purport to be complete and is qualified in its entirety by the Guarantee, which is attached hereto as Exhibit 41 and incorporated by reference herein.

On May 1, 2007, acting by written consent, Charles F. Dolan, individually, and Lawrence J. Dolan and David M. Dolan, as trustees of the 2001 Trust, as holders in the aggregate in excess of 50% of the voting power of the Class B Common Stock, elected Thomas C. Dolan to fill the vacancy on the Company's Board of Directors created by the resignation of

John C. Malone."

Item 5 Interest in Securities of the Issuer

The disclosure in Item 5 is hereby amended and restated to read in its entirety as follows:
"(a) and (b) The Group Members may be deemed to beneficially own an aggregate of 70,181,683 shares of Class A Common Stock as a result of their beneficial ownership of (i) 6,854,380 shares of Class A Common Stock (including 1,090,353 shares of restricted stock, 3,563 restricted stock units and options to purchase 918,176 shares of Class A Common Stock that are exercisable within 60 days of the date of this filing), and (ii) 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 23.9% of the shares of Class A Common Stock currently outstanding. Group Members in the aggregate may be deemed to have the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 63,327,303 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock (representing all outstanding Class B Common Stock) because of the terms of the Class B Stockholders Agreement. Each of the Reporting Persons disclaims beneficial ownership of the securities held by the other Reporting Persons, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities.

Charles F. Dolan may be deemed to beneficially own an aggregate of 27,867,284 shares of Class A Common Stock, including (i) 2,126,225 shares of Class A Common Stock (including 458,000 shares of restricted stock), (ii) options to purchase 477,200 shares of Class A Common Stock that are exercisable within 60 days of the date of this report, and (iii) 25,741,059 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 10.9% of the shares of Class A Common Stock currently outstanding. He may be deemed to have (a) the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 936,875 shares of Class A Common Stock (including 458,000 shares of restricted stock and options to purchase 477,200 shares of Class A Common Stock that are exercisable within 60 days of this report) owned of record personally, and 25,741,059 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record personally and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 1,189,350 shares of Class A Common Stock owned of record by the Dolan Family Foundation. He disclaims beneficial ownership of 1,189,350 shares of Class A Common Stock owned of record by the Dolan Family Foundation, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities.

Helen A. Dolan may be deemed to beneficially own an aggregate of 27,867,284 shares of Class A Common Stock, including (i) 2,126,225 shares of Class A Common Stock (including 458,000 shares of restricted stock), (ii) options to purchase 477,200 shares of Class A Common Stock that are exercisable within 60 days of the date of this report and (iii) 25,741,059 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 10.9% of the shares of Class A Common Stock currently outstanding.

Helen A. Dolan holds no Issuer securities directly. She may be deemed to have the current shared power to vote or direct the vote of and to dispose of or direct the disposition of (a) 1,189,350 shares of Class A Common Stock owned of record by the Dolan Family Foundation and (b) 936,875 shares of Class A Common Stock (including 458,000 shares of restricted stock and options to purchase 477,200 shares of Class A Common Stock exercisable within 60 days of this report) owned of record by Charles F. Dolan personally, and 25,741,059 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by Charles F. Dolan personally. She disclaims beneficial ownership of all such securities, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities.

James L. Dolan may be deemed to beneficially own an aggregate of 1,177,611 shares of Class A Common Stock, including (i) 795,944 shares of Class A Common Stock (including 570,100 shares of restricted stock) and (ii) options to purchase 381,667 shares of Class A Common Stock that are exercisable within 60 days of the date of this report. This aggregate amount represents approximately 0.5% of the shares of Class A Common Stock currently outstanding. He may be deemed to have (a) the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 1,150,283 shares of Class A Common Stock (including 215,958 shares of Class A Common Stock owned of record personally, 559,500 shares of restricted stock owned of record personally, 159 shares of Class A Common Stock held as custodian for a minor child and options to purchase 374,666 shares of Class A Common Stock that are exercisable within 60 days of this report, owned of record personally) and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 27,328 shares of Class A Common Stock (including 10,600 shares of restricted stock and options to purchase 7,001 shares of Class A Common Stock exercisable within 60 days of this report) owned of record by his spouse. He disclaims beneficial ownership of 159 shares of Class A Common Stock held as custodian for a minor child, and 27,328 shares of Class A Common Stock (including 10,600 shares of restricted stock and options to purchase 7,001 shares of Class A Common Stock exercisable within 60 days of this report) owned of record by his spouse, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities.

Thomas C. Dolan may be deemed to beneficially own 122,668 shares of Class A Common Stock. This amount represents approximately 0.05% of the shares of Class A Common Stock currently outstanding. He may be deemed to have the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 122,668 shares of Class A Common Stock.

Patrick F. Dolan may be deemed to beneficially own an aggregate of 117,062 shares of Class A Common Stock, including (i) 90,818 shares of Class A Common Stock (including 14,100 shares of restricted stock) and (ii) options to purchase 26,244 shares of Class A Common Stock that are exercisable within 60 days of the date of this report. This aggregate amount represents approximately 0.05% of the shares of Class A Common Stock currently outstanding. He may be deemed to have the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 115,834 shares of Class A Common Stock (including 75,490 shares of Class A Common Stock owned of record personally, 14,100 shares of restricted stock and options to purchase 26,244 shares of Class A Common Stock that are exercisable within 60 days of the date of this report), and (b) the current shared power to vote or direct the vote of and to dispose of or to direct the disposition of 1,228 shares of Class A Common Stock owned of record by the Daniel P. Mucci Trust (the "Mucci Trust") for which he serves as co-trustee. He disclaims beneficial ownership of the securities held by the Mucci Trust, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities.

Kathleen M. Dolan may be deemed to beneficially own an aggregate of 31,187,519 shares of Class A Common Stock, including (i) 1,091,299 shares of Class A Common

Stock and (ii) 30,096,220 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 12.0% of the shares of Class A Common Stock currently outstanding. She may be deemed to have (a) the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 6,381 shares of Class A Common Stock owned of record personally and an aggregate of 242,508 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the Charles Dolan 1989 Trust (for the benefit of Charles P. Dolan), the Ryan Dolan 1989 Trust, the Marissa Waller 1989 Trust and the Tara Dolan 1989 Trust, and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 1,084,918 shares of Class A Common Stock owned of record by the CFD Trusts Nos. 1 -6 and 29,853,712 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the Family Trusts, Dolan Family LLC, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust and the CFD Trusts Nos. 1 — 6. She disclaims beneficial ownership of 1,084,918 shares of Class A Common Stock owned of record by the CFD Trusts Nos. 1 – 6 and 30,096,220 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the Family Trusts, Dolan Family LLC, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust, the CFD Trusts Nos. 1 — 6, the Marissa Waller 1989 Trust, the Charles Dolan 1989 Trust (for the benefit of Charles P. Dolan), the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities. See Exhibit A.

Marianne Dolan Weber may be deemed to beneficially own an aggregate of 17,944 shares of Class A Common Stock, including (i) 9,944 shares of Class A Common Stock (including 6,381 shares of Class A Common Stock owned of record personally and 3,563 restricted stock units) and (ii) options to purchase 8,000 shares of Class A Common Stock that are exercisable within 60 days of this report. This aggregate amount represents approximately 0.008% of the shares of Class A Common Stock currently outstanding. She may be deemed to have the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 17,944 shares of Class A Common Stock owned of record personally (including 6,381 shares of Class A Common Stock owned of record personally, 3,563 restricted stock units and options to purchase 8,000 shares of Class A Common Stock that are exercisable within 60 days of this report).

Deborah A. Dolan-Sweeney may be deemed to beneficially own an aggregate of 103,754 shares of Class A Common Stock, including (i) 78,689 shares of Class A Common Stock (including 48,153 shares of restricted stock) and (ii) options to purchase 25,065 shares of Class A Common Stock that are exercisable within 60 days of the date of this report. This aggregate amount represents approximately 0.045% of the shares of Class A Common Stock currently outstanding. She may be deemed to have (a) the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 6,381 shares of Class A Common Stock owned of record personally, and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 97,373 shares of Class A Common Stock (including 48,153 shares of restricted stock and options to purchase 25,065 shares of Class A Common Stock that are exercisable within 60 days of the date of this report) owned of record by her spouse. She disclaims beneficial ownership of the 97,373 shares of Class A Common Stock (including 48,153 shares of restricted stock and options to purchase 25,065 shares of Class A Common Stock that are exercisable within 60 days) owned of record by her spouse, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities.

Lawrence J. Dolan may be deemed to beneficially own an aggregate of 7,834,110 shares of Class A Common Stock, including (i) 344,086 shares of Class A Common Stock and (ii) 7,490,024 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 3.3% of the shares of Class A Common Stock currently outstanding. He may be deemed to have the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 7,834,110 shares of Class A Common Stock, including 25,000 shares of Class A Common Stock owned jointly with his spouse, 319,086 shares of Class A Common Stock owned of record by the 2001 Trust and 7,490,024 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the 2001 Trust. He disclaims beneficial ownership of 319,086 shares of Class A Common Stock owned of record by the 2001 Trust and 7,490,024 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the 2001 Trust, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities. See Exhibit A.

David M. Dolan may be deemed to beneficially own an aggregate of 9,052,969 shares of Class A Common Stock, including (i) 1,562,945 shares of Class A Common Stock and (ii) 7,490,024 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 3.8% of the shares of Class A Common Stock currently outstanding. He may be deemed to have (a) the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 1,221,859 shares of Class A Common Stock, including 25,036 shares of Class A Common Stock owned of record by the David M. Dolan Revocable Trust and 1,196,823 shares of Class A Common Stock owned of record by the Charles F. Dolan Charitable Remainder Trust and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 7,831,110 shares of Class A Common Stock, including 21,000 shares of Class A Common Stock owned of record by the Ann H. Dolan Revocable Trust, 1,000 shares of Class A Common Stock held by his spouse as custodian for a minor child, 319,086 shares of Class A Common Stock owned of record by the 2001 Trust, and 7,490,024 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the 2001 Trust. He disclaims beneficial ownership of 1,196,823 shares of Class A Common Stock owned of record by the Charles F. Dolan Charitable Remainder Trust, 21,000 shares of Class A Common Stock owned of record by the Ann H. Dolan Revocable Trust, 1,000 shares of Class A Common Stock held by his spouse as custodian for a member of his household, 319,086 shares of Class A Common Stock owned of record by the 2001 Trust, and 7,490,024 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the 2001 Trust, and this report shall not be deemed to be an admission that he is the beneficial owner of such securities. See Exhibit A.

Paul J. Dolan may be deemed to beneficially own an aggregate of 16,189,121 shares of Class A Common Stock, including (i) 826,438 shares of Class A Common Stock, and (ii) 15,362,683 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 6.6% of the shares of Class A Common Stock currently outstanding. He may be deemed to have (a) the sole power to vote or direct the vote of and to dispose of or to direct the disposition of 461,006 shares of Class A Common Stock, including 12,236 shares of Class A Common Stock held as custodian for minor children and 448,770 shares of Class A Common Stock owned of record by the CFD Trust No. 10, and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 15,728,115 shares of Class A Common Stock, including 14,429 shares of Class A Common Stock owned jointly with his spouse, an aggregate of 351,003 shares of Class A Common Stock owned of record by the CFD Trust Nos. 1 and 6, and an aggregate of 15,362,683 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the Family Trusts, Dolan Family LLC, the DC James Trust, the DC Kathleen Trust, the CFD Trust Nos. 1 and 6. He disclaims beneficial ownership of the 12,236 shares of Class A Common Stock held as custodian for minor children, the 448,770 shares of Class A Common Stock owned of record by the CFD Trust No. 10, an aggregate of 351,003 shares of Class A Common Stock owned of record by the CFD Trust Nos. 1 and 6, and an aggregate of 15,362,683 shares of Class B Common Stock owned of record by the Family Trusts, Dolan Family LLC, the DC James Trust, the DC Kathleen Trust, the CFD Trust Nos. 1 and 6, and this report shall not be deemed to be an admission that he is the beneficial owner of such securities. See Exhibit A.

Matthew J. Dolan may be deemed to beneficially own an aggregate of 7,625,895 shares of Class A Common Stock, including (i) 354,853 shares of Class A Common Stock and (ii) 7,271,042 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 3.2% of the shares of Class A Common Stock currently outstanding. He may be deemed to have (a) the current sole power to vote or direct the vote of and to dispose of or to direct the disposition of 3,850 shares of Class A Common Stock, including 2,400 shares of Class A Common Stock owned of record personally and 1,450 shares of Class A Common Stock held as custodian for a minor child and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 7,622,045 shares of Class A Common Stock, including an aggregate of 351,003 shares of Class A Common stock owned of record by the CFD Trust Nos. 3 and 5 and 7,271,042 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the DC Marianne Trust, the DC Thomas Trust, and the CFD Trust Nos. 3 and 5. He disclaims beneficial ownership of 1,450 shares of Class A Common Stock held as custodian for a minor child, an aggregate of 351,003 shares of Class A Common Stock owned of record by the CFD Trust Nos. 3 and 5 and an aggregate of 7,271,042 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the DC Marianne Trust, the DC Thomas Trust, and the CFD Trust Nos. 3 and 5, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities. See Exhibit A.

Mary S. Dolan may be deemed to beneficially own an aggregate of 7,633,486 shares of Class A Common Stock, including (i) 413,499 shares of Class A Common Stock and (ii) 7,219,987 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock. This aggregate amount represents approximately 3.2% of the shares of Class A Common Stock currently outstanding. She may be deemed to have (a) the current sole power to vote or direct the vote and to dispose of or direct the disposition of 6,750 shares of Class A Common Stock held as custodian for minor children and (b) the current shared power to vote or direct the vote of and to dispose of or direct the disposition of 7,626,736 shares of Class A Common Stock, including 23,837 shares of Class A Common Stock owned jointly with her spouse, an aggregate of 382,912 shares of Class A Common Stock owned of record by CFD Trust Nos. 2 and 4 and an aggregate of 7,219,987 shares of Class A Common Stock issuable upon conversion of an equal number of shares of Class B Common Stock owned of record by the DC Deborah Trust, DC Patrick Trust, and CFD Trust Nos. 2 and 4. She disclaims beneficial ownership of 6,750 shares of Class A Common Stock held as custodian for minor children, an aggregate of 382,912 shares of Class A Common Stock owned of record by CFD Trust Nos. 2 and 4 and an aggregate of 7,219,987 shares of Class A Common Stock issuable upon the conversion of Class B Common Stock owned of record by the DC Deborah Trust, the DC Patrick Trust, and CFD Trust Nos. 2 and 4, and this report shall not be deemed to be an admission that such person is the beneficial owner of such securities. See Exhibit A.

(c)Since the most recent Amendment to the Schedule 13D filed on January 12, 2007, the following transactions in the Issuer's Securities have been effected by Group Members:

On October 12, 2006, Charles F. Dolan disposed of 6,500 shares of Class A Common Stock through multiple gifts to different recipients.

On December 6, 2006, Charles F. Dolan disposed of 500 shares of Class A Common Stock through a gift.

On December 15, 2006, Charles F. Dolan disposed of 250 shares of Class A Common Stock through a gift.

On January 17, 2007, David M. Dolan, as Trustee of the David M. Dolan Revocable Trust, sold 10,000 shares of Class A Common Stock at $29.00 per share in an open market transaction to purchase a new residence.

On February 9, 2007, Paul J. Dolan as Trustee of CFD Trust No. 10, converted 409,511 shares of Class B Common Stock to 409,511 shares of Class A Common Stock and the CFD Trust No. 10 withdrew from the Class B Stockholders Agreement.

On March 2, 2007, it was determined that the 74,400 options granted to Charles F. Dolan on November 8, 2005 had met certain performance criteria and as a result the options become fully vested and exercisable on October 1, 2007.

On March 2, 2007, it was determined that the 74,400 options granted to James L. Dolan on November 8, 2005 had met certain performance criteria and as a result the options become fully vested and exercisable on October 1, 2007.

On March 2, 2007, James L. Dolan received a compensatory grant from the Issuer of 101,500 restricted shares of Class A Common Stock.

On March 2, 2007, James L. Dolan’s spouse received a compensatory grant of 5,800 restricted shares of Class A Common Stock. James L. Dolan may be deemed to have shared voting and dispositive power over the securities held by his spouse. He disclaims beneficial ownership of the securities owned of record by his spouse and this report shall not be deemed to be an admission that he is the beneficial owner of such securities.

On March 2, 2007, Patrick F. Dolan received a compensatory grant from the Issuer of 8,200 restricted shares of Class A Common Stock.

On March 2, 2007, Deborah A. Dolan-Sweeney’s spouse received a compensatory grant from the Issuer of 8,200 restricted shares of Class A Common Stock. Deborah A. Dolan-Sweeney may be deemed to have shared voting and dispositive power over the securities held by her spouse. She disclaims beneficial ownership of the securities owned of record by her spouse and this report shall not be deemed to be an admission that she is the beneficial owner of such securities.

On March 12, 2007, James L. Dolan exercised his tax withholding right with respect to the vesting of 365,982 restricted shares of Class A Common Stock. As a result, 156,405 shares, valued at the closing price on March 12, 2007 of $30.12 per share of Class A Common Stock, were withheld for the payment of taxes.

On March 12, 2007, James L. Dolan’s spouse exercised her tax withholding right with respect to the vesting of 14,512 restricted shares of Class A Common Stock. As a result, 4,785 shares, valued at the closing price on March 12, 2007 of $30.12 per share of Class A Common Stock, were withheld for the payment of taxes. James L. Dolan may be deemed to have shared voting and dispositive power over the securities held by his spouse. He disclaims beneficial ownership of the securities owned of record by his spouse and this report shall not be deemed to be an admission that he is the beneficial owner of such securities.

On March 12, 2007, Thomas C. Dolan exercised his tax withholding right with respect to the vesting of 87,422 restricted shares of Class A Common Stock. As a result, 36,953 shares, valued at the closing price on March 12, 2007 of $30.12 per share of Class A Common Stock, were withheld for the payment of taxes.

On March 12, 2007, Patrick F. Dolan exercised his tax withholding right with respect to the vesting of 28,334 restricted shares of Class A Common Stock. As a result, 10,179

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shares, valued at the closing price on March 12, 2007 of $30.12 per share of Class A Common Stock, were withheld for the payment of taxes.

On March 12, 2007, Deborah A. Dolan-Sweeney's spouse exercised his tax withholding right with respect to the vesting of 24,584 restricted shares of Class A Common Stock. As a result, 9,375 shares, valued at the closing price on March 12, 2007 of $30.12 per share of Class A Common Stock, were withheld for the payment of taxes. Deborah A. Dolan-Sweeney may be deemed to have shared voting and dispositive power over the securities held by her spouse. She disclaims beneficial ownership of the securities owned of record by her spouse and this report shall not be deemed to be an admission that she is the beneficial owner of such securities."

Item 6 Contracts, Arrangements, Understandings or Relationships with respect to Securities of the Issuer

The disclosure in Item 6 is hereby amended by inserting the following after the final paragraph thereof:

"See the discussion in Item 4 regarding the Merger Agreement, the Exchange Agreement, the Voting Agreement and the Guarantee."

Item 7 Material to be Filed as an Exhibit.

The disclosure in Item 7 is hereby amended by restating Exhibit A in its entirety as Exhibit A attached hereto and supplemented by adding the following in appropriate numerical order:

Exhibit B.4: Joint Filing Agreement.

Exhibit 36: Letter from Paul J. Dolan to Class B Stockholders, dated February 6, 2007.

Exhibit 37: Commitment Letter, dated as of May 2, 2007.

Exhibit 38: Agreement and Plan of Merger, dated as of May 2, 2007.

Exhibit 39: Exchange Agreement, dated as of May 2, 2007.

Exhibit 40: Voting Agreement, dated as of May 2, 2007.

Exhibit 41: Guarantee, dated as of May 2, 2007.

Exhibit 42: Letter from Charles F. Dolan to Issuer's Board of Directors, dated as of May 1, 2007.

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Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: May 2, 2007

CHARLES F. DOLAN

By: *

HELEN A. DOLAN

By: *

JAMES L. DOLAN

By: /s/ James L. Dolan

THOMAS C. DOLAN

By: /s/ Thomas C. Dolan

PATRICK F. DOLAN

By: *

KATHLEEN M. DOLAN, individually and as a Trustee for Dolan Grandchildren Trust, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5 and the CFD Trust No. 6, and as Trustee of the Charles Dolan 1989 Trust, the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust

By: *

MARIANNE DOLAN WEBER

By: *

DEBORAH A. DOLAN-SWEENEY

By: *

LAWRENCE J. DOLAN, as a Trustee of the Charles F. Dolan 2001 Family Trust

By: *

DAVID M. DOLAN, as a Trustee of the Charles F. Dolan 2001 Family Trust

By: *

PAUL J. DOLAN, as a Trustee of the Dolan Grandchildren Trust, the D.C. Kathleen Trust, the D.C. James Trust, the CFD Trust No. 1 and the CFD Trust No. 6

By: ______*______

MATTHEW J. DOLAN, as a Trustee of the D.C. Marianne Trust, the D.C. Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5

By: ______*______

MARY S. DOLAN, as a Trustee of the D.C. Deborah Trust, the D.C. Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4

By: ______*______

* By: /s/ Brian G. Sweeney
Brian G. Sweeney
As Attorney-in-Fact

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Exhibit A

Each of Kathleen M. Dolan and Paul J. Dolan is currently a trustee (a "Trustee" and together, the "Trustees") for each of the trusts listed below (collectively, the "Family Trusts"), which as of April 27, 2007, beneficially owned in the aggregate, either directly or indirectly through their membership interests in Dolan Family LLC, 7,978,925 shares of Class B Common Stock, par value $.01 per share, of the Issuer (the "Class B Common Stock"). Class B Common Stock is convertible at the option of the holder thereof, share for share, into Class A Common Stock, par value $.01 per share, of the Issuer (the "Class A Common Stock"). Under each trust, if there are more than three Trustees, a majority of the Trustees must act with respect to voting and disposition of the Class B Common Stock, and unanimous consent is not required. If there are only two Trustees, both must consent. As a Trustee of the Family Trusts, each of the Trustees may be deemed to share the power to vote and dispose of all shares held by the Family Trusts and Dolan Family LLC. Under certain rules of the Securities and Exchange Commission, so long as the Trustees retain such powers, they may be deemed to have beneficial ownership thereof for purposes of Schedule 13D reporting. The Trustees expressly disclaim beneficial ownership of such shares and this report shall not be construed as an admission that such persons are the beneficial owners of such securities.

The following table lists the name of each Family Trust and the name of its beneficiary or description of its beneficiary class.

Name of Trust	Beneficiary
Dolan Descendants Trust	All descendants of Charles F. Dolan living at any time and from time to time.
Dolan Progeny Trust	All children of Charles F. Dolan living at any time and from time to time.
Dolan Grandchildren Trust	All children and grandchildren of Charles F. Dolan living at any time and from time to time.
Dolan Spouse Trust	All descendants of Charles F. Dolan living at any time and from time to time and their spouses.

Pursuant to the provisions of the agreements governing the Family Trusts, the economic interest in the shares of the Issuer owned by each Family Trust is held by such trust's beneficiary class. For each Trust, distributions of income and principal can be made in the discretion of the non-beneficiary Trustee (in each case, Paul J. Dolan) to any one or more of the members of such trust's beneficiary class.

Kathleen M. Dolan is a co-Trustee of each of the DC James Trust (with Paul J. Dolan as co-Trustee), the DC Patrick Trust (with Mary S. Dolan as co-Trustee), the DC Thomas Trust (with Matthew J. Dolan as co-Trustee), the DC Kathleen Trust (with Paul J. Dolan as co-Trustee), the DC Marianne Trust (with Matthew J. Dolan as co-Trustee) and the DC Deborah Trust (with Mary S. Dolan as co-Trustee) (together, the "DC Trusts"), which as of April 27, 2007, beneficially owned in the aggregate 11,493,942 shares of Class B Common Stock.

The following table lists each DC Trust's name and the name of its beneficiary (each a "Current Beneficiary") .

Name of Trust	Beneficiary
DC James Trust	James L. Dolan
DC Patrick Trust	Patrick F. Dolan
DC Thomas Trust	Thomas C. Dolan
DC Kathleen Trust	Kathleen M. Dolan
DC Marianne Trust	Marianne Dolan Weber
DC Deborah Trust	Deborah A. Dolan-Sweeney

For each of the DC Trusts other than the DC Kathleen Trust, distributions of income and principal can be made in the discretion of the Trustees to the Current Beneficiary. For the DC Kathleen Trust, distributions of income and principal can be made in the discretion of the non-beneficiary Trustee to the Current Beneficiary. For each of the DC Trusts, the Current Beneficiary has the power during his or her life to appoint all or part of his or her DC Trust to or for the benefit of one or more of his or her descendants.

The beneficiary of any DC Trust can be said to have only a contingent economic interest in the securities of the Issuer held by such DC Trust because the non-beneficiary Trustee thereof has the sole discretion to distribute or accumulate the income from each DC Trust and the sole discretion to distribute the principal of each DC Trust to the beneficiary of such DC Trust.

Kathleen M. Dolan is a co-Trustee of each of the CFD Trust No. 1 (with Paul J. Dolan as co-Trustee), CFD Trust No. 2 (with Mary Dolan as co-Trustee), CFD Trust No. 3 (with Matthew Dolan as co-Trustee), CFD Trust No. 4 (with Mary Dolan as co-Trustee), CFD Trust No. 5 (with Matthew J. Dolan as co-Trustee), and CFD Trust No. 6 (with Paul J. Dolan as co-Trustee) (collectively, the "CFD Children's Trusts"). As of April 27, 2007, the CFD Children's Trusts beneficially owned an aggregate of 1,084,918 shares of Class A Common Stock and 10,380,845 shares of Class B Common Stock.

For each of the CFD Children's Trusts, except CFD Trust No. 1, distributions of income and principal can be made in the Trustees' discretion to the child of Charles F. Dolan and Helen A. Dolan who is the current beneficiary of the respective CFD Children's Trust (the "Current CFD Beneficiary"). For CFD Trust No. 1, distributions of income and principal can be made in the non-beneficiary Trustee's discretion to Kathleen M. Dolan who is the current beneficiary of this trust. The Current CFD Beneficiary has a power during his or her life to appoint all or part of the relevant CFD Children's Trust to or for the benefit of one or more of the Current CFD Beneficiary's descendants. Upon the death of the Current CFD Beneficiary, the relevant CFD Children's Trust, if not previously terminated, will pass as appointed by the Current CFD Beneficiary to or for the benefit of one or more of the Current CFD Beneficiary's descendants. Any unappointed portion of such Trust will pass, in further trust, per stirpes to the Current CFD Beneficiary's then living descendants, or if none, per stirpes to the then living descendants of Charles F. Dolan, or if none, among the heirs-at-law of Charles F. Dolan.

The following table lists the CFD Children's Trusts and the name of its beneficiary.

Name of Trust	Beneficiary
CFD Trust No. 1	Kathleen M. Dolan
CFD Trust No. 2	Deborah A. Dolan-Sweeney
CFD Trust No. 3	Marianne Dolan Weber
CFD Trust No. 4	Patrick F. Dolan
CFD Trust No. 5	Thomas C. Dolan
CFD Trust No. 6	James L. Dolan

Paul J. Dolan is the sole Trustee of CFD Trust No. 10. As of April 27, 2007, CFD Trust No. 10 owned 448,770 shares of Class A Common Stock. Paul J. Dolan does not have an economic interest in any such shares, but, as the Trustee of CFD Trust No. 10, does have the power to vote and dispose of such shares. Under certain rules of the Securities and Exchange Commission, so long as he retains such powers, he may be deemed to have beneficial ownership thereof for purposes of Schedule 13D reporting.

Distributions of income and principal of CFD Trust No. 10 can be made in the Trustee's discretion to Marie Atwood, the current beneficiary, who is the sister of Helen A. Dolan. Marie Atwood has a power during her life to appoint all or part of CFD Trust No. 10 to or for the benefit of one or more of her descendants. Upon the death of Marie Atwood, the trust, if not previously terminated, will pass as appointed by Marie Atwood to or for the benefit of one or more of her descendants. Any unappointed portion of the trust will pass, in further trust, per stirpes to Marie Atwood's then living descendants, or if none, among Marie Atwood's heirs-at-law. Marie Atwood's spouse, if he survives her, has a power during his life and upon his death to appoint all or part of any such continuing trust(s) to or for the benefit of one or more of Marie Atwood's descendants.

Kathleen M. Dolan is the sole Trustee of the Charles Dolan 1989 Trust (for the benefit of Charles P. Dolan), the Ryan Dolan 1989 Trust, the Marissa Waller 1989 Trust, and the Tara Dolan 1989 Trust (collectively, the "DC Grandchildren Trusts"). As of April 27, 2007, the DC Grandchildren Trusts beneficially owned an aggregate of 242,508 shares of Class B Common Stock. Until the respective beneficiary attains age 21, the income of the relevant DC Grandchildren Trust may be distributed to or for the benefit of such beneficiary as the Trustee's discretion determines. Any net income not so distributed is to be accumulated and added to the principal of the relevant DC Grandchildren Trust. From and after the respective beneficiary attaining age 21, all of the net income of the relevant DC Grandchildren Trust is to be distributed to such beneficiary. In addition, during the continuance of relevant DC Grandchildren Trust, the Trustee in the Trustee's discretion may distribute the principal of the relevant DC Grandchildren Trust to or for the benefit of the respective beneficiary. Upon the respective beneficiary attaining age 40, the relevant DC Grandchildren Trust for the respective beneficiary terminates and is to be distributed to such beneficiary. If the respective beneficiary dies before attaining age 40, such beneficiary has a testamentary general power of appointment over the relevant DC Grandchildren Trust. In default of the exercise of such power of appointment, the relevant DC Grandchildren Trust will be distributed to the respective beneficiary's then-living issue, per stirpes, or if none, to Charles F. Dolan's then-living grandchildren, in equal shares, or if none, to Charles F. Dolan's then-living issue, per stirpes.

Marissa Waller has attained the age of 21 and has an economic interest in the Issuer's shares held by her respective trust. Beneficiaries of each of the other DC Grandchildren Trusts can be said to have only a contingent economic interest in the securities of the Issuer, because such beneficiaries have not attained the age of 21.

The following table lists the DC Grandchildren Trusts and the name of its beneficiary or description of the beneficiary class with respect to each such trust.

Name of Trust	Beneficiary
Charles Dolan 1989 Trust	Charles P. Dolan and descendants
Ryan Dolan 1989 Trust	Ryan Dolan and descendants
Marissa Waller 1989 Trust	Marissa Waller and descendants
Tara Dolan 1989 Trust	Tara Dolan and descendants

Each of Lawrence J. Dolan and David M. Dolan (each, a "2001 Trustee" and together, the "2001 Trustees") is currently a Trustee of the Charles F. Dolan 2001 Family Trust (the "2001 Trust"). As of April 27, 2007, the 2001 Trust owned 319,086 shares of Class A Common Stock and 7,490,024 shares of Class B Common Stock. The property held in the trust is divided into equal portions, each held in separate sub-trust, such that at all times there is one sub-trust in respect of each then living child of Charles F. Dolan. The beneficiary of each sub-trust is the child for whom the sub-trust was set apart, and the descendants of such child (each, a "Beneficiary" and, together, "the Beneficiaries"). As a 2001 Trustee, Lawrence J. Dolan has the shared power to vote and dispose of all shares held by the 2001 Trust. David M. Dolan, as a 2001 Trustee, shares the power to vote and dispose of all shares held by the 2001 Trust. Under certain rules of the Securities and Exchange Commission, so long as Lawrence J. Dolan and David M. Dolan retain such powers, each may be deemed to have beneficial ownership thereof for purposes of Schedule 13D reporting.

During the lives of Charles F. Dolan and Helen A. Dolan, distributions of income and principal of any sub-trust can be made in the discretion of Lawrence J. Dolan and David M. Dolan, as Trustees, to any of the Beneficiaries of such sub-trust. Upon the death of the survivor of Charles F. Dolan and Helen A. Dolan, the Trustee shall distribute any remaining trust principal to the child for whom such sub-trust was set apart or if such child is not then living, to such child's then living descendants, per stirpes. If there are no such living descendants, then the Trustee shall distribute any remaining trust principal to the Dolan Family Foundation or any successor thereto or, if it is not then in existence, then to a charitable organization.

Each Beneficiary has a right of withdrawal with respect to certain contributions made to his or her respective sub-trust that constitute a gift within the meaning of Chapter 12 of the Internal Revenue Code, and that do not exceed the gift tax exclusion found in Section 2503(b) of the Code. If the right of withdrawal is not exercised, such right lapses with respect to all or a certain portion of such gift (i) 30 days following Charles F. Dolan's death, (ii) on the last day of the calendar year in which such gift is made (or 60 days following the gift, if later), and (iii) on the first day of the subsequent calendar year. A donor may deny any Beneficiary the right of withdrawal with respect to a gift. To the extent of this right of withdrawal, the Beneficiaries may be said to have a direct economic interest in trust assets, including, if applicable, securities of the Issuer which may be contributed as a gift to the 2001 Trust. Currently, no portion of trust assets may be withdrawn by any Beneficiary pursuant to the right of withdrawal.

Except to the extent of the right of withdrawal, Beneficiaries of the 2001 Trust have only a contingent economic interest in the securities of the Issuer held by the 2001 Trust because Lawrence J. Dolan and David M. Dolan, as Trustees thereof have the sole discretion to distribute or accumulate the income and the sole discretion to distribute the principal of the 2001 Trust to the Beneficiaries.

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Exhibit B.4

JOINT FILING AGREEMENT

Pursuant to Rule 13d-1(k)(1) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned agree that the Statement on Schedule 13D to which this exhibit is attached is filed on behalf of each of them.

Date: May 2, 2007

CHARLES F. DOLAN

By: *

HELEN A. DOLAN

By: *

JAMES L. DOLAN

By: /s/ James L. Dolan

THOMAS C. DOLAN

By: /s/ Thomas C. Dolan

PATRICK F. DOLAN

By: *

KATHLEEN M. DOLAN, individually and as a Trustee for Dolan Grandchildren Trust, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5 and the CFD Trust No. 6, and as Trustee of the Charles Dolan 1989 Trust, the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust

By: *

MARIANNE DOLAN WEBER

By: *

DEBORAH A. DOLAN-SWEENEY

By: *

LAWRENCE J. DOLAN, as a Trustee of the Charles F. Dolan 2001 Family Trust

By: ______________*______________

DAVID M. DOLAN, as a Trustee of the Charles F. Dolan 2001 Family Trust

By: ______________*______________

PAUL J. DOLAN, as a Trustee of the Dolan Grandchildren Trust the D.C. Kathleen Trust, the D.C. James Trust, the CFD Trust No. 1 and the CFD Trust No. 6

By: ______________*______________

MATTHEW J. DOLAN, as a Trustee of the D.C. Marianne Trust, the D.C. Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5

By: ______________*______________

MARY S. DOLAN, as a Trustee of the D.C. Deborah Trust, the D.C. Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4

By: ______________*______________

* By: /s/ Brian G. Sweeney
Brian G. Sweeney
As Attorney-in-Fact

<DOCUMENT>
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<DESCRIPTION> EX-99.36: LETTER TO CLASS B STOCKHOLDERS
<TEXT>

Exhibit 36

PAUL J. DOLAN
7585 TWIN LAKES TRAIL
CHAGRIN FALLS, OH 44022

February 6, 2007

Class B Stockholders
c/o Mr. William A. Frewin, Jr.
Dolan Family Office
340 Crossways Park Drive
Woodbury, NY 11797

Dear Fellow Class B Stockholders:

This letter shall serve as written notice, in accordance with Section 8.1 of the Class B Stockholders Agreement, dated as of March 19, 2004 (the "Stockholders Agreement"), that the CFD Trust No. 10 has elected to opt out of the Stockholders Agreement. The Trust has requested that Cablevision System Corporation convert all shares of Cablevision NY Group Class B common stock held by the Trust into shares of Cablevision NY Group Class A common stock (the "Conversion"). The Trust's withdrawal from the Stockholders Agreement will be effective upon the consummation of the Conversion.

Sincerely,

CFD TRUST NO. 10

By: /s/ Paul J. Dolan
Name: Paul J. Dolan
Title: Trustee

<DOCUMENT>
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MERRILL LYNCH CAPITAL CORPORATION
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
4 World Financial Center
North Tower
New York, NY 10080

BEAR, STEARNS & CO. INC.
BEAR STEARNS CORPORATE LENDING INC.
383 Madison Avenue
New York, New York 10197

BANK OF AMERICA, N.A.
BANC OF AMERICA BRIDGE LLC
BANC OF AMERICA SECURITIES LLC
9 West 57th Street
New York, NY 10019

HIGHLY CONFIDENTIAL

May 2, 2007

Central Park Merger Sub, Inc.

c/o Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, New York 11714
Attention: Brian G. Sweeney

Project Central Park
Commitment Letter

Ladies and Gentlemen:

You, Central Park Merger Sub, Inc., a Delaware corporation ("you" or "Merger Co."), a wholly-owned subsidiary of Central Park Holding Company LLC, a Delaware limited liability company ("Family LLC") formed at the direction of the Controlling Shareholders (as defined in Exhibit A hereto), have advised Merrill Lynch Capital Corporation ("Merrill Lynch"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), Bear Stearns Corporate Lending Inc. ("BSCL"), Bear, Stearns & Co. Inc. ("BSC"), Bank of America, N.A. ("Bank of America"), Banc of America Bridge LLC ("Banc of America Bridge") and Banc of America Securities LLC ("BAS") that you intend to acquire, through a going private recapitalization transaction, Cablevision Systems Corporation, a Delaware corporation ("Central Park or the "Company"), by consummating the Specified Transactions described in Exhibit A hereto. The sources and uses of the funds necessary to consummate the Specified Transactions and the other transactions contemplated hereby are set forth on Schedule I to this Commitment Letter. For purposes of this Commitment Letter, Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS are collectively referred to as the "Banks", "we" or "us" and individually as a "Bank". This Commitment Letter supersedes in its entirety the Commitment Letter dated as of January 11, 2007 between Merrill Lynch, MLPF&S, BSCL, BSC and Central Park.

In addition, you have advised Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS that, in connection with the consummation of the Specified Transactions:

(a) Super Holdco (as defined in Exhibit A hereto) will raise gross cash proceeds of not less than $4.425 billion from either (A) the issuance of a to-be-determined combination of unsecured senior fixed and floating rate and PIK toggle notes (the "Super Holdco Senior Notes") due not earlier than ten years from the date of issuance and having no scheduled principal payments prior to maturity (the "Super Holdco Senior Note Offering") or (B) the draw down under each of an unsecured senior interim loan (the "Super Holdco Senior Interim Loan") and an unsecured senior PIK interim loan (the "Super Holdco Senior PIK Interim Loan" and, together with the Super Holdco Senior Interim Loan, the "Super Holdco Interim Loan") that would be anticipated to be refinanced with debt securities substantially similar to the Super Holdco Senior Notes (the "Super Holdco Take-out Securities");

(b) CSC (as defined in Exhibit A hereto) will enter into senior secured credit facilities in the aggregate amount of $7.25 billion (the "CSC Senior Credit Facilities"), consisting of (i) a $1.0 billion term A loan facility (the "Term Loan A Facility"), (ii) a $4.75 billion term B loan facility (the "Term Loan B Facility"), (iii) a $500 million delayed draw term loan facility (the "Delayed Draw Term Loan Facility" and, together with the Term Loan A Facility and the Term Loan B Facility, the "Term Loan Facilities") and (iv) a $1.0 billion revolving loan facility (the "CSC Revolving Credit Facility");

(c) Intermediate Holdco (as defined in Exhibit A hereto) will raise gross cash proceeds of not less than $800.0 million from either (A) the issuance of a to-be-determined combination of unsecured senior fixed and floating rate notes (the "Intermediate Holdco Senior Notes") due not earlier than eight years from the date of issuance and having no scheduled principal payments prior to maturity (the "Intermediate Holdco Senior Note Offering") or (B) the draw down under an unsecured senior interim loan (the "Intermediate Holdco Interim Loan") that would be anticipated to be refinanced with debt securities substantially similar to the Intermediate Holdco Senior Notes (the "Intermediate Holdco Take-out Securities");

(d) RPH (as defined in Exhibit A hereto) will raise gross cash proceeds of not less than $1.0 billion from either (A) the issuance of a to-be-determined combination of unsecured senior fixed and floating rate notes (the "RPH Senior Notes", and together with the Super Holdco Senior Notes and the Intermediate Holdco Senior Notes, the "Senior Notes") due not earlier than ten years from the date of issuance and having no scheduled principal payments prior to maturity (the "RPH Senior Note Offering", and together with the Super Holdco Senior Note Offering and the Intermediate Holdco Senior Note Offering, the "Senior Notes Offerings") or (B) the draw down under an unsecured senior interim loan (the "RPH Interim Loan", and together with the Super Holdco Interim Loan and the Intermediate Holdco Interim Loan, the "Interim Loans") that would be anticipated to be refinanced with debt securities substantially similar to the RPH Senior Notes (the "RPH Take-out Securities");

(e) RNS (as defined in Exhibit A hereto) will enter into senior secured credit facilities in the aggregate amount of $1.030 billion (the "RNS Senior Credit Facilities"), consisting of (i) an $730.0 million term B loan facility (the "RNS

Term Loan B Facility") and (ii) a $300.0 million revolving loan facility (the "RNS Revolving Credit Facility"); and

(f) RPP (as defined in Exhibit A hereto) will enter into senior secured credit facilities in the aggregate amount of a $950.0 million (the "RPP Senior Credit Facilities", and together with the CSC Senior Credit Facilities and the RNS Senior Credit Facilities, the "Senior Facilities"), consisting of (i) a $900.0 million term B loan facility (the "RPP Term Loan B Facility") and (ii) a $50.0 million revolving loan facility (the "RPP Revolving Credit Facility").

The Super Holdco Interim Loan, the CSC Senior Credit Facilities, the Intermediate Holdco Interim Loan, the RPH Interim Loan, the RNS Senior Credit Facilities and the RPP Senior Credit Facilities are collectively referred to herein as the "Facilities".

The proceeds of the CSC Senior Credit Facilities, the Super Holdco Senior Notes (or the Super Holdco Interim Loan), the Intermediate Holdco Senior Notes (or the Intermediate Holdco Interim Loan), the RPH Senior Notes (or the RPH Interim Loan), the RNS Senior Credit Facilities and the RPP Senior Credit Facilities will be applied (i) to effect the Specified Transactions and (ii) to pay fees and expenses in connection therewith.

The Specified Transactions, the Super Holdco Senior Note Offerings (if any are consummated), the Intermediate Holdco Senior Note Offerings (if any are consummated), the RPH Senior Note Offerings (if any are consummated), the entering into and funding under the Facilities by the parties herein described, the other transactions contemplated hereby entered into and consummated in connection with the Specified Transactions and the payment of any related fees and expenses are herein collectively referred to as the "Transactions".

You have requested that Merrill Lynch, BSCL, Bank of America and Banc of America Bridge consider the package of financings described above and commit to provide the Facilities to finance in part the Specified Transactions and to pay certain related fees and expenses.

Accordingly, subject to the terms and conditions set forth below, Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS hereby agree with you as follows:

1. Commitments.

(a) (i) Merrill Lynch hereby severally commits to provide to CSC $33^1/_3$% of the aggregate principal amount of the CSC Senior Credit Facilities, (ii) BSCL hereby severally commits to provide to CSC $33^1/_3$% of the aggregate principal amount of the CSC Senior Credit Facilities and (iii) Bank of America hereby severally commits to provide to CSC $33^1/_3$% of the aggregate principal amount of the CSC Senior Credit Facilities, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter dated as of the date hereof (the "Fee Letter"), addressed to Merger Co by Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS and accepted by Merger Co, and in the CSC Senior Credit Facilities Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit B (the "CSC Senior Credit Facilities Term Sheet").

(b) (i) (A) Merrill Lynch hereby severally commits to provide to Super Holdco an amount equal to $33^1/_3$% of the aggregate principal amount of the Super Holdco Senior Interim Loan, (B) BSCL hereby severally commits to provide to Super Holdco an amount equal to $33^1/_3$% of the aggregate principal amount of the Super Holdco Senior Interim Loan, and (C) Banc of America Bridge hereby severally commits to provide to Super Holdco an amount equal to $33\frac{1}{3}\%$ of the aggregate principal amount of the Super Holdco Senior Interim Loan, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter and in the Super Holdco Senior Interim Loan Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit C (the "Super Holdco Senior Interim Loan Term Sheet") and (ii) (A) Merrill Lynch hereby severally commits to provide to Super Holdco an amount equal to $33\frac{1}{3}\%$ of the aggregate principal amount of the Super Holdco Senior PIK Interim Loan, (B) BSCL hereby severally commits to provide to Super Holdco an amount equal to $33\frac{1}{3}\%$ of the aggregate principal amount of the Super Holdco Senior PIK Interim Loan and (C) Banc of America Bridge hereby severally commits to provide to Super Holdco an amount equal to $33\frac{1}{3}\%$ of the aggregate principal amount of the Super Holdco Senior PIK Interim Loan, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter and in the Super Holdco Senior PIK Interim Loan Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit H (the "Super Holdco Senior PIK Interim Loan Term Sheet").

(c) (i) Merrill Lynch hereby severally commits to provide to Intermediate Holdco an amount equal to $33\frac{1}{3}\%$ of the Intermediate Holdco Interim Loan, (ii) BSCL hereby severally commits to provide to Intermediate Holdco an amount equal to $33\frac{1}{3}\%$ of the aggregate principal amount of the Intermediate Holdco Interim Loan and (iii) Banc of America Bridge hereby severally commits to provide to Intermediate Holdco an amount equal to $33\frac{1}{3}\%$ of the Intermediate Holdco Interim Loan, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter and in the Intermediate Holdco Interim Loan Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit D (the "Intermediate Holdco Interim Loan Term Sheet").

(d) (i) Merrill Lynch hereby severally commits to provide to RPH $33\frac{1}{3}\%$ of the aggregate principal amount of the RPH Interim Loan, (ii) BSCL hereby severally commits to provide to RPH $33\frac{1}{3}\%$ of the aggregate principal amount of the RPH Interim Loan and (iii) Banc of America Bridge hereby severally commits to provide to RPH $33\frac{1}{3}\%$ of the aggregate principal amount of the RPH Interim Loan, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter and in the RPH Interim Loan Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit E (the "RPH Interim Loan Term Sheet", and together with the Super Holdco Interim Loan Term Sheet and the Intermediate Holdco Interim Loan Term Sheet, the "Interim Loan Term Sheets").

(e) (i) Merrill Lynch hereby severally commits to provide to RNS $33\frac{1}{3}\%$ of the aggregate principal amount of the RNS Senior Credit Facilities, (ii) BSCL hereby severally commits to provide to RNS $33\frac{1}{3}\%$ of the aggregate principal amount of the RNS Senior Credit Facilities and (iii) Bank of America hereby severally commits to provide to RNS $33\frac{1}{3}\%$ of the aggregate principal amount of the RNS Senior Credit Facilities, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter and in the RNS Senior Credit Facilities Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit F (the "RNS Senior Credit Facilities Term Sheet").

(f) (i) Merrill Lynch hereby severally commits to provide to RPP $33\frac{1}{3}\%$ of the aggregate principal amount of the RPP Senior Credit Facilities, (ii) BSCL hereby severally commits to provide to RPP $33\frac{1}{3}\%$ of the aggregate principal amount of the RPP Senior Credit Facilities and (iii) Bank of America hereby severally commits to provide to RPP $33\frac{1}{3}\%$ of the aggregate principal amount of the RPP Senior Credit Facilities, in each case upon the terms and subject to the conditions set forth or referred to herein, in the Fee Letter and in the RPP Senior Credit Facilities Summary of Terms and Conditions attached hereto (and incorporated by reference herein) as Exhibit G (the "RPP Senior Credit Facilities Term Sheet").

The CSC Senior Credit Facilities Term Sheet, the Super Holdco Senior Interim Loan Term Sheet, the Super Holdco Senior PIK Interim Loan Term Sheet, the Intermediate Holdco Interim Loan Term Sheet, the RPH Interim Loan Term Sheet, the RNS Senior Credit Facilities Term Sheet and the RPP Senior Credit Facilities Term Sheet are collectively referred to as the "Term Sheets" and each as a "Term Sheet".

The commitments of each of Merrill Lynch, BSCL, Bank of America and Banc of America Bridge hereunder are subject to the negotiation, execution and delivery of definitive documentation governing each of the Facilities consistent with the terms and conditions set forth herein and in the Term Sheets and otherwise reasonably satisfactory to you and us (collectively, the "Loan Documents"). All the material terms and conditions of such commitments are limited to those set forth herein or in the Term Sheets. Matters that are not covered or made clear herein or in the Term Sheets or the Fee Letter are subject to the mutual agreement of the parties.

2. Syndication. We reserve the right and intend, prior to or after the execution of the Loan Documents, to syndicate all or a portion of our commitments related to each Facility to the Primary Target Lenders (as defined in the Fee Letter) and one or more other financial institutions in consultation with you (together with Merrill Lynch, BSCL, Bank of America and Banc of America Bridge, the "Lenders"), and you agree to provide the Lead Arrangers (as defined below) with a period of at least 30 consecutive days following the launch of the general syndication of the Facilities and immediately prior to the Closing Date to syndicate the Facilities; provided, however, that any such syndication of the Commitments related to any Interim Loan prior to the execution of the Loan Documents for such Interim Loan shall not result in Merrill Lynch, BSCL, Banc of America Bridge and any other entity with a bookrunning manager role in respect of such Interim Loan (or such entity's affiliate that is a Lender thereunder) (such entity referred to as "Other Interim Loan Bookrunner") holding in the aggregate less than 51% of the aggregate amount of such Interim Loan made on the Closing Date. Notwithstanding anything to the contrary contained herein, any assignments of any Interim Loan by any Lender thereunder (including Merrill Lynch, BSCL, Banc of America Bridge and any Other Interim Loan Bookrunner) on or following the Closing Date shall be governed by the provisions in the section entitled "Assignments and Participations" set forth in the applicable Interim Loan Term Sheet. Upon any such additional Lender (including a Primary Target Lender) issuing its commitment to provide a portion of any of the Facilities, Merrill Lynch, BSCL, Bank of America and Banc of America Bridge, in each case shall be released on a pro rata basis from a portion of their commitment in respect of such Facility in an aggregate amount equal to the commitment of such Lender; provided that, prior to the date of the initial funding under the Facilities, (a) Merrill Lynch, BSCL, Bank of America, Banc of America Bridge and the Primary Target Lenders shall retain collectively at least 61% of the aggregate commitments in respect of each Facility and (b) the commitments of each of Merrill Lynch, BSCL, Bank of America, Banc of America Bridge and the Primary Target Lenders hereunder shall be reduced if and only to the extent that (i) such commitments are received from other lending institutions consented to by you (such consent not to be unreasonably withheld, delayed or conditioned) and (ii) such commitments are in fact funded by such other lending institutions on the Closing Date.

It is understood and agreed that:

(a) MLPF&S (or one of its affiliates), BSC (or one of its affiliates) and BAS (or one of its affiliates) shall act as joint lead arrangers and bookrunning managers for the Senior Facilities (in such capacity, the "Senior Lead Arrangers"),

(b) MLPF&S (or one of its affiliates), BSC (or one of its affiliates) and BAS (or one of its affiliates) shall act as joint lead arrangers and bookrunning managers for the Interim Loans (in such capacity, the "Bridge Lead Arrangers" and, together with the Senior Lead Arrangers, the "Lead Arrangers"),

(c) as to any particular Facility, one or more of MLPF&S (or one of its affiliates), BSC (or one of its affiliates) or BAS (or one of its affiliates) shall act as syndication agent and documentation agent for such Facility, and

(d) as to any particular Facility, one of Merrill Lynch, BSC, Bank of America and/or Banc of America Bridge (or, in each case, one of their respective affiliates) shall act as sole and exclusive administrative agent for such Facility (in such capacity, the "Administrative Agents").

Subject to the immediately succeeding paragraph, (a) any agent or arranger titles (including co-agents) awarded to other Lenders for any Facility are subject to the Lead Arrangers' prior approval and shall not entail any role with respect to the matters referred to in this paragraph or in paragraph 1 above without the Lead Arrangers' prior consent, and (b) you agree that no Lender will receive compensation outside the terms contained herein and in the Fee Letter in order to obtain its commitment to participate in any of the Facilities or in any other respect in connection with the financing of the Specified Transactions.

It is understood and agreed that, subject to the immediately succeeding paragraph, you may appoint additional arranger titles other than lead arrangers (including co-agents) to other lenders, underwriters, initial purchasers or placement agents in connection with a Facility, provided that (a) no more than three additional bookrunner or equivalent titles or roles, with total economics of no greater than 30%, may be awarded in connection with any one Facility, (b) no more than two additional co-manager or equivalent titles or roles, with total economics of no greater than 10%, may be awarded in connection with any one Facility, (c) each of (i) Merrill Lynch, MLPF&S or their respective affiliates, taken as a whole, (ii) BSC, BSCL or their respective affiliates, taken as a whole, and (iii) Bank of America, Banc of America Bridge, BAS or their respective affiliates, taken as a whole, shall be offered equal and no less than 20% of the total economics in connection with each such Facility and (d) no additional arranger, agent, manager, underwriter, initial purchaser, placement agent or bookrunner shall be offered economics greater than Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge or BAS in connection with any Facility.

It is further understood and agreed that with respect to any marketing, legal or informational material in connection with the Facilities, (a) each of, and only each of, MLPF&S, BSC and BAS, shall receive "top-line" placement, (b) one of MLPF&S's name, BSC's name or BAS' name shall receive "top-left" placement for a particular Facility and (c) MLPF&S, BSC and BAS shall be the only joint Lead Arrangers with respect to any Facility.

The Lead Arrangers (or their respective affiliates) will manage all aspects of the syndication of each Facility (in consultation with you), including decisions as to the selection of potential Lenders to be approached and when they will be approached, when their commitments will be accepted, which Lenders will participate and the final allocations of the commitments among the Lenders (which are likely not to be pro rata across facilities among Lenders) for each Facility, and will perform all functions and exercise all authority as is customarily performed and exercised in the capacities of lead arranger, book running manager and syndication agent and documentation agent, including selecting counsel for the Lenders and negotiating the Loan Documents. You understand that we intend to commence the separate syndication of each of the Facilities promptly, and you agree actively to assist us, and to use your commercially reasonable efforts to cause Central Park and its subsidiaries to actively assist us, in achieving a timely syndication that is reasonably satisfactory to you and us. The syndication efforts will be accomplished by a variety of means, including direct contact during the syndication between your senior management, advisors and affiliates (and your using of commercially reasonable efforts to cause direct contact during syndication between senior management, advisors and affiliates of Central Park and its restricted subsidiaries) on the one hand, and the proposed Lenders on the other hand,

and your (and your using of commercially reasonable efforts to cause Central Park's and its restricted subsidiaries and affiliates') hosting, with us, one or more meetings with prospective Lenders at such times and places as the Lead Arrangers may reasonably request. You agree, upon our request, to (a) provide, and use commercially reasonable efforts to cause Central Park and its subsidiaries and your and their affiliates and advisors to provide, to us all information available to you or them and reasonably requested by us to successfully complete the syndication, including the information and projections (including updated projections) contemplated hereby, and (b) assist, and use commercially reasonable efforts to cause Central Park and its subsidiaries and your and their affiliates and advisors to assist, us in the preparation of one or more Confidential Information Memoranda and other marketing materials (the contents of which you shall be solely responsible for and which may include separate "public" and "private" memoranda in customary form as further described below) to be used in connection with the syndication, including using commercially reasonable efforts to make available representatives of Central Park and its restricted subsidiaries, RNS and its restricted subsidiaries and RPP and its restricted subsidiaries for due diligence and road shows. You also agree to use your commercially reasonable efforts to ensure, and to use your commercially reasonable efforts to cause Central Park to use its commercially reasonable efforts to ensure, that our syndication efforts benefit materially from your and Central Park's (and your and its affiliates') existing lending relationships. Each Lead Arranger reserves the right to engage the services of its respective affiliates in furnishing the services to be performed as contemplated herein and to allocate (in whole or in part) to any such affiliates any fees payable to it in such manner as it and its affiliates may agree in their sole discretion.

It is also agreed that, after the date hereof and prior to and during the syndication of the Facilities, none of Central Park or any of its subsidiaries, nor Topco, Super Holdco or Merger Co, shall have syndicated or issued, attempted to syndicate or issue, announced or authorized the announcement of, or engaged in discussions concerning the syndication or issuance of any preferred equity security (including convertibles), debt facility or debt security of any of them, including renewals thereof, other than the following (collectively, the "Permitted Financings"): (a) the Facilities; (b) the Senior Notes; and (c) a refinancing of the Refinanced Notes occurring prior to the Closing Date (provided that the Lead Arrangers shall have been offered a bona fide right of first refusal to provide any such financing; and provided further that, to the extent that the Lead Arrangers do not provide such financing, Merger Co and its affiliates shall coordinate, and shall use their reasonable commercial efforts to cause the lenders providing such financing to coordinate, with the Lead Arrangers in connection with any syndication or marketing in respect of such financing).

3. Fees. As consideration for our commitments hereunder and our undertakings to arrange, manage, structure and syndicate the Facilities, you agree to pay or cause to be paid to us the fees set forth in the Fee Letter as and when payable thereunder.

4. Conditions. Our commitments and undertakings hereunder are subject to the conditions set forth in the last paragraph of Section 1 and in Section 3 herein, in the Term Sheets and in Exhibit I attached hereto.

Notwithstanding anything in this Commitment Letter, the Fee Letter, the definitive documentation or any other letter agreement or other undertaking concerning the financing of the Transactions contemplated hereby to the contrary, (a) the only representation and warranties the making of which shall be a condition to the availability of the Facilities on the Closing Date shall be (i) such of the representations made by or on behalf of Central Park and its subsidiaries in the Merger Agreement (as defined in Exhibit A) as are material to the interests of the Lenders thereunder, but only to the extent that you have the right to terminate your obligations under the Merger Agreement as a result of a breach of such representations in the Merger Agreement (determined without regard to whether any notice is required to be delivered by you or any other party to the Merger Agreement) and (ii) the Specified

Representations (as defined below) and (b) the terms of the definitive documentation shall be in a form such that they do not impair the availability of the Facilities on the Closing Date if the conditions set forth in the last paragraph of Section 1 and in Section 3 herein, in the Term Sheets and in Exhibit I are satisfied. For purposes hereof, "Specified Representations" means those representations and warranties described in the Term Sheets relating to (a) corporate status, power and authority, due authorization, execution and delivery and the enforceability of the definitive documentation (subject to customary qualifications and exceptions), in each case as they relate to the entering into and performance of the definitive documentation, Federal Reserve margin regulations, the Investment Company Act, status of the Senior Facilities as "senior debt" as defined in and under the existing indentures to which CSC is a party and consolidated solvency, and (b) no violation, ownership of properties, no material adverse litigation or change, accuracy of information and disclosure, governmental approvals, compliance with laws and inapplicability of takeover statutes or rights agreements, in each case with respect to this clause (b), to the extent that the failure of any such representation or warranty to be true and correct as so made, individually or in the aggregate with all other such failures, has had or would reasonably be expected to have a Material Adverse Effect (as defined in the Merger Agreement referred to in Exhibit A).

5. Information and Investigations. You hereby represent and covenant that (a) all written information and data (excluding financial projections, forecasts and other forward-looking information) that have been or will be made available by you, or on your behalf by any of your affiliates, representatives or advisors, to us or any Lender (whether before or after the date hereof) in connection with the Transactions (the "Information"), taken as a whole, is and will be complete and correct in all material respects and does not and will not, taken as a whole, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements contained therein not misleading in light of the circumstances under which such statements are made and (b) all financial projections, forecasts and other forward-looking information concerning Central Park and its subsidiaries and the Transactions (the "Projections") that have been made or will be prepared by you or on behalf of you by any of your affiliates, representatives or advisors and that have been or will be made available to us or any Lender in connection with the Transactions have been and will be prepared in good faith based upon assumptions believed by you to be reasonable (it being understood that such Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, and that no assurance can be given that the Projections will be realized). You agree to supplement the Information and the Projections from time to time until the consummation of the Merger and the initial funding under any of the Facilities (the "Closing Date") and, if reasonably requested by us, for a reasonable period thereafter necessary to complete the syndication of the Facilities so that the representation and covenant in the preceding sentence remain correct. In syndicating the Facilities we will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent check or verification thereof.

You hereby acknowledge that (a) Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and/or BAS will make available Information and Projections (collectively, "Borrower Materials") to the proposed syndicate of Lenders by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the proposed Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrowers (as defined in the Term Sheets) or their respective securities) (each, a "Public Lender"). You hereby agree that (w) you will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and include a reasonably detailed term sheet among such Borrower Materials and that all such Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC", you shall be deemed to have authorized Merrill Lynch, MLPF&S, BSC, BSCL , Bank of America, Banc of America Bridge, BAS and the proposed Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrowers or their respective securities for purposes of United States federal and state securities laws, it being understood that certain of such Borrower Materials may be subject to the confidentiality requirements of the definitive credit documentation; and (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Lender". Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS shall be entitled, and hereby agree, to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Lender". The provisions of this paragraph are subject to, and do not qualify, our obligations under paragraph 8 below with respect to information. Except for our own gross negligence or willful misconduct, we shall not be liable for or in connection with the transmission of any materials by electronic means.

6. Indemnification. You agree to indemnify and hold harmless Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge, BAS and each other Lender and their respective officers, directors, employees, affiliates, agents and controlling persons (each of Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge, BAS, each other Lender and each such other person being an "Indemnified Party") from and against any and all losses, claims, damages, costs, expenses and liabilities, joint or several, to which any Indemnified Party may become subject under any applicable law, or otherwise related to or arising out of or in connection with this Commitment Letter, the Fee Letter, the Term Sheets, the Facilities, the advances and/or purchases under the Facilities, the use of proceeds of any such advances and/or purchases, any part of the Transactions or any related transaction and the performance by any Indemnified Party of the services contemplated hereby and will promptly reimburse each Indemnified Party for any and all expenses (including counsel fees and expenses) incurred in connection with the investigation of, preparation for or defense of any pending or threatened claim or any action or proceeding arising therefrom, whether or not such Indemnified Party is a party and whether or not such claim, action or proceeding is initiated or brought by or on behalf of you or any of your subsidiaries, affiliates, security holders or equity holders and whether or not any of the Transactions are consummated or this Commitment Letter is terminated, except to the extent that such loss, claim, damage, cost, expense or liability is finally determined by a court of competent jurisdiction to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnified Party or any Related Person (defined below) of such Indemnified Party. You further agree not to assert any claim against any Indemnified Party for consequential, punitive or exemplary damages on any theory of liability in connection in any way with the transactions described in or contemplated by this Commitment Letter. For purposes hereof, a "Related Person" of an Indemnified Party means (a) any of Merrill Lynch or MLPF&S or any of their respective affiliates, or any of the officers, directors, employees, agents or controlling persons thereof if the Indemnified Party is Merrill Lynch or MLPF&S or any of their affiliates, or any of their respective officers, directors, employees, agents or controlling persons, (b) BSC or BSCL or any of their respective affiliates, or the officers, directors, employees, agents or controlling persons thereof if the Indemnified Party is BSC or BSCL or any of their respective affiliates, or any of their respective officers, directors, employees, agents or controlling persons and (c) Bank of America, Banc of America Bridge or BAS or any of their respective affiliates, or the officers, directors, employees, agents or controlling persons thereof if the Indemnified Party is Bank of America, Banc of America Bridge or BAS or any of their respective affiliates, or any of their respective officers, directors, employees, agents or controlling persons.

You agree that, without the prior written consent of Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS (which consent shall not be unreasonably withheld or delayed), neither you nor any of your affiliates or subsidiaries will settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding in respect of which indemnification has been or could be sought under the indemnification provisions hereof (whether or not any Indemnified Party is an actual or potential party to such claim, action or proceeding), unless such settlement, compromise or consent (a) includes an unconditional written release in form and substance reasonably satisfactory to Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS of each Indemnified Party from all liability arising out of such claim, action or proceeding and (b) does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnified Party.

In the event that an Indemnified Party is requested or required to appear as a witness in any action brought by or on behalf of or against you or any of your subsidiaries or affiliates in which such Indemnified Party is not named as a defendant, you agree to reimburse such Indemnified Party for all reasonable expenses incurred by it in connection with such Indemnified Party's appearing and preparing to appear as such a witness, including, without limitation, the fees and expenses of its legal counsel.

7. Expenses. You agree to reimburse us and our respective affiliates for our and their reasonable expenses upon our request made from time to time (including, without limitation, all reasonable due diligence investigation expenses, syndication expenses (including printing, distribution, bank meetings, IntraLinks and comparable services), travel expenses, duplication fees and expenses, audit fees, search fees, filing and recording fees and the reasonable fees, disbursements and other charges of Shearman & Sterling LLP (other than fees and expenses related to any Senior Notes Offering and any other offering of debt securities) (including any local counsel (if necessary) acting on our behalf) and any sales, use or similar taxes (and any additions to such taxes) related to any of the foregoing) incurred in connection with the negotiation, preparation, execution and delivery, waiver or modification, collection and enforcement of this Commitment Letter, the Term Sheets, the Fee Letter and the Loan Documents and the security arrangements in connection therewith, whether or not such fees and expenses are incurred before or after the date hereof, (i) in the event that the Merger and initial funding under any of the Facilities is consummated, (ii) to the extent that you or any of your affiliates are reimbursed by a third party for such costs and expenses, or (iii) in the event that Central Park receives and accepts an acquisition or recapitalization offer that is higher than the offer submitted in connection with this financing commitment on or prior to April 30, 2008, subject in the case of this clause (iii), to (x) a cap equal to $1,500,000 for expenses incurred prior to the date hereof, and (y) an overall cap equal to $5,000,000.

8. Confidentiality. This Commitment Letter, the Term Sheets, the Fee Letter, the Engagement Letter, the contents of any of the foregoing and our and/or our respective affiliates' activities pursuant hereto or thereto are confidential and shall not be disclosed by or on behalf of you or any of your affiliates to any person without our prior written consent, except that you may disclose this Commitment Letter, the Term Sheets and Annexes I and II to the Fee Letter (the "Annexes") or the contents thereof or any such activities pursuant thereto and/or our affiliates' activities pursuant hereto and thereto (a) to you and your affiliates, officers, directors, employees and advisors, and to Central Park and its affiliates, officers, directors, employees and advisors, but in each case only in connection with the Transactions and on a confidential need-to-know basis, (b) to the extent required by applicable law or compulsory legal process (based on the advice of legal counsel); provided, however, that in the event of any such compulsory legal process, you agree, to the extent practicable, to give us prompt notice thereof and to cooperate with us in securing a protective order in the event of compulsory disclosure; and provided, further that, to the extent practicable, any disclosure made pursuant to public filings by you and Central Park, and any of your or its subsidiaries, shall be subject to our prior review (it being understood and agreed that in no event shall the Fee Letter (other than the Annexes) or any part thereof or the contents thereof be disclosed pursuant to such public filings without our prior written consent) and (c) to any actual or prospective Lender or any actual or prospective lender or investor in connection with the financing of the Transactions, any of their respective affiliates, and any of their respective partners, officers, directors, employees, agents, accountants, attorneys or other advisors of any of the foregoing, but only in connection with the Transactions and on a confidential need-to-know basis.

You agree that you will permit us to review and approve any reference to Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge, BAS or any of our respective affiliates in connection with the Facilities, the Transactions or any of the transactions contemplated hereby contained in any press release or similar public disclosure prior to public release. You agree that Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS and our respective affiliates may share among us and/or with any of our respective affiliates, officers and advisors any information relating to or concerning the Transactions, you and your subsidiaries and affiliates, or any of the matters contemplated hereby, on a confidential basis. Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS each agree to treat, and cause any of its respective affiliates and officers to treat, all non-public information provided to it by you or on your behalf as confidential information, except that such information may be disclosed (a) to its and its affiliates' partners, directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such information and agree to keep such information confidential), (b) to the extent requested or required by any state, Federal or foreign authority or examiner regulating such Bank, (c) to the extent required by applicable law, rule or regulation or by any subpoena or similar legal process, (d) in connection with any litigation or legal proceeding relating to this Commitment Letter, the Fee Letter, the Engagement Letter or any other documentation in connection therewith or the enforcement of rights hereunder or thereunder or to which such Bank or any of its affiliates may be a party, (e) to any prospective Lender (it being understood that the persons to whom such disclosure is made will be informed of the confidential nature of such information and agree to keep such information confidential), (f) to any rating agency when required by it, (g) to the extent such information becomes publicly available other than as a result of a breach of this paragraph or (h) to the extent applicable, for purposes of establishing a "due diligence" defense. Your and our obligations under this paragraph shall remain effective whether or not any Loan Documents are entered into or the Transactions are consummated or any extensions of credit are made under the Facilities or this Commitment Letter is terminated or expires.

You should be aware that Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS and/or our respective affiliates may be providing financing or other services to parties whose interests may conflict with yours. Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS each agree that it will not furnish confidential information obtained from you to any of our other customers. By the same token, Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS will not make available to you confidential information that we have obtained or may obtain from any other customer.

Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS each hereby notify you that, pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "Patriot Act"), each of us and each of the other Lenders is required to obtain, verify and record information that identifies you, Central Park, each of the Central Park Entities and each Loan Party (as defined in the Term Sheets), which information includes names and addresses and other information that will allow each of us or such other Lender, as applicable, to identify you, Central Park, each of the Central Park Entities and each Loan Party in accordance with the Patriot Act.

9. Termination. Our commitments hereunder are based upon the financial and other information regarding Central Park and its subsidiaries previously provided to us. Our respective commitments and undertakings hereunder shall terminate in their entirety automatically and without further notice or action on the first to occur of (a) 5:00 p.m., New York City time, on March 31, 2008 (the "Final Termination Date"), unless on or prior to such date the Transactions have been consummated and the Loan Documents evidencing the respective Facilities, in form and substance reasonably satisfactory to us and the Lenders, shall have been executed and delivered by the applicable Central Park Entities, the

other Loan Parties and the Lenders and the initial borrowings and/or purchases shall have occurred thereunder and (b) any time after the execution of the Merger Agreement and prior to the consummation of the Transactions, the date of the termination of the Merger Agreement. Our respective commitments and undertakings hereunder may also be terminated by us if you fail to perform your obligations under this Commitment Letter, the Fee Letter or, with respect to the Interim Loans, the Engagement Letter referred to in Exhibit I hereto on a timely basis. Nothing herein shall be deemed to obligate you or Central Park to consummate the Merger, and therefore you shall have the right to terminate this Commitment Letter at any time prior to the execution and delivery of the Loan Documents by written notice to Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS. Notwithstanding the foregoing, the provisions of Sections 6, 7, 8 and 11 hereof shall survive any termination pursuant to this Section 9, except that Sections 6, 7 and 8 hereof (other than your obligations in connection with assistance to be provided in respect of the syndication of the Facilities and the confidentiality of the Fee Letter and the contents thereof) will be superseded by the corresponding provisions of the Loan Documents.

10. Assignment; etc. This Commitment Letter and our respective commitments and undertakings hereunder shall not be assignable by any party hereto without the prior written consent of the other parties hereto, and any attempted assignment shall be void and of no effect; provided that Merger Co shall have the right to assign all of its rights and obligations under this Commitment Letter to Central Park prior to the closing of the Specified Transactions on terms and conditions reasonably satisfactory to the Lead Arrangers, and upon such assignment becoming effective and subject to the terms and conditions of such assignment, we agree that you will be released from all liability hereunder, other than with respect to your obligations pursuant to the last sentence of Section 9 hereof; and provided further that nothing contained in this Section 10 shall prohibit Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS (each in their sole discretion) from (a) performing any of their duties hereunder through any of their respective affiliate or affiliates, and you will owe any related duties (including those set forth in Section 2 above) to any such affiliate or affiliates, and (b) granting (in consultation with you) participations in, or selling (subject to the provisions of Section 2 hereof) assignments of all or a portion of, the commitments or the advances and/or purchases under the Facilities pursuant to arrangements consistent with the terms and conditions hereof and of the Term Sheets and otherwise reasonably satisfactory to the Lead Arrangers. Notwithstanding the foregoing to the contrary, the Banks hereby agree that (a) with respect to any commitment of Merrill Lynch, BSCL and Bank of America under any of the Senior Facilities, any assignment of, or any agreement to assign, sell or grant a participation in, any such commitment by Merrill Lynch, BSCL or Bank of America (the "Credit Facility Assigning Party") shall only be effective to the extent it reduces the commitment of the non-Credit Facility Assigning Party pro rata with respect to its portion of the aggregate initial commitments under such Senior Facility and (b) with respect to any commitment of Merrill Lynch, BSCL and Banc of America Bridge under any of the Interim Loans, any assignment of, or any agreement to assign, sell or grant a participation in, any such commitment by Merrill Lynch, BSCL or Banc of America Bridge (the "Interim Loan Assigning Party") shall only be effective to the extent it reduces the commitment of the non-Interim Loan Assigning Party pro rata with respect to its portion of the aggregate initial commitments under such Interim Loan. This Commitment Letter is solely for the benefit of the parties hereto and does not confer any benefits upon, or create any rights in favor of, any other person.

11. Governing Law; Waiver of Jury Trial. This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York. Each of the parties hereto waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of this Commitment Letter, any of the Transactions or the performance by us or any of our respective affiliates of the services contemplated hereby. In addition, with respect to any action or proceeding arising out of or relating to this Commitment Letter or the Transactions or the performance of any of the parties hereunder, each of the parties hereto hereby

irrevocably (a) submits to the non-exclusive jurisdiction of any New York State or Federal court sitting in New York, New York; (b) agrees that all claims with respect to such action or proceeding may be heard and determined in such New York State or Federal court; and (c) waives the defense of any inconvenient forum to such New York State or Federal court.

12. Amendments; Counterparts; etc. No amendment or waiver of any provision hereof or of the Term Sheets shall be effective unless in writing and signed by the parties hereto and then only in the specific instance and for the specific purpose for which given. This Commitment Letter, the Engagement Letter, the Term Sheets and the Fee Letter are the only agreements between the parties hereto with respect to the matters contemplated hereby and thereby and set forth the entire understanding of the parties with respect thereto. This Commitment Letter may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Commitment Letter by telecopier or facsimile shall be effective as delivery of a manually executed counterpart.

13. Public Announcements. Following completion of the Transaction, we may, subject to your prior consent (not to be unreasonably withheld, delayed or conditioned) at our expense, publicly announce as we may choose the capacities in which we have acted hereunder.

14. Notices. Any notice given pursuant hereto shall be mailed or hand delivered in writing, if to: (a) you, at your address set forth on page one hereof; (b) Merrill Lynch or MLPF&S, at 4 World Financial Center, North Tower, New York, New York 10080, Attention: Loan Capital Markets; (c) BSC or BSCL, at 383 Madison Avenue, New York, NY 10197, Attention: High Yield Capital Markets and (d) Bank of America, Banc of America Bridge or BAS, at 9 West 57th Street, New York, NY 10019, Attention: Leveraged Finance; and, in the event of any such notice given to a Bank listed in clauses (b), (c) or (d) hereof, with a copy to Michael I. Zinder, Esq., at Shearman & Sterling LLP, 599 Lexington Ave., New York, NY 10022.

You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and any Bank is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether any Bank has advised or is advising you on other matters, (b) each Bank, on the one hand, and you, on the other hand, have an arms-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of such Bank, (c) you are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, (d) you have been advised that each Bank is engaged in a broad range of transactions that may involve interests that differ from your interests and that no Bank has any obligation to disclose such interests and transactions to you by virtue of any fiduciary, advisory or agency relationship, and (e) you waive, to the fullest extent permitted by law, any claims you may have against Merrill Lynch, MLPF&S, BSCL, BSC, Bank of America, Banc of America Bridge and BAS for breach of fiduciary duty or alleged breach of fiduciary duty and agree that no Bank shall have any liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

The parties further acknowledge and agree that if Central Park or any of its subsidiaries shall sell or otherwise dispose of any material assets or interests in excess of $100 million prior to the Closing Date, you shall exercise commercially reasonable efforts to ensure that an amount equal to the net cash proceeds of any such sale or other disposition shall be applied or utilized (or set aside for application or utilization) by Central Park in its existing lines of business conducted within its existing or, in the case of RPP and RPH, prospective restricted groups (including the acquisition of entities in such existing lines of business that are to be included in such existing or prospective restricted groups) or in connection with the Specified Transactions and/or other Transactions (including reductions in the commitments in respect of the Facilities) in a manner as may be reasonably determined by Central Park and in consultation with the Lead Arrangers; provided that, to the extent that any portion of such proceeds are not applied or utilized (or set aside therefor) in respect of any existing line of business within Central Park's existing or prospective restricted groups, you shall exercise commercially reasonable efforts to ensure that such application or utilization (or set aside therefor) shall be as reasonably determined by Central Park and the Lead Arrangers mutually; in each case subject to applicable contractual or other legal restrictions on the Central Park's ability to utilize such proceeds.

Please confirm that the foregoing correctly sets forth our agreement of the terms hereof and the Fee Letter by signing and returning to the Lead Arrangers the duplicate copy of this Commitment Letter, the Fee Letter and, if you are accepting this Commitment Letter with respect to the Interim Loans, the Engagement Letter enclosed herewith. Unless we receive your executed duplicate copies hereof and thereof by 5:00 p.m., New York City time, on May 3, 2007, our respective commitments and undertakings hereunder will expire automatically without notice or further action at such time (and we shall thereafter have no obligations whatsoever to you).

BY SIGNING THIS COMMITMENT LETTER, EACH OF THE PARTIES HERETO HEREBY ACKNOWLEDGES AND AGREES THAT (A) BANK OF AMERICA IS OFFERING TO PROVIDE THE SENIOR FACILITIES SEPARATE AND APART FROM BANC OF AMERICA BRIDGE'S OFFER TO PROVIDE THE INTERIM LOANS AND (B) BANC OF AMERICA BRIDGE IS OFFERING TO PROVIDE THE INTERIM LOANS SEPARATE AND APART FROM THE OFFER BY BANK OF AMERICA TO PROVIDE THE SENIOR FACILITIES. YOU MAY, AT YOUR OPTION, ELECT TO ACCEPT THIS COMMITMENT LETTER (AND THE APPLICABLE PROVISIONS OF THE FEE LETTER), AS TO BANK OF AMERICA AND BANC OF AMERICA BRIDGE, WITH RESPECT TO EITHER THE SENIOR FACILITIES OR THE INTERIM LOANS OR BOTH.

[*Remainder of Page Intentionally Left Blank*]

We are pleased to have this opportunity and we look forward to working with you on this transaction.

Very truly yours,

MERRILL LYNCH CAPITAL CORPORATION

By: ______________________________
Name:
Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By: ______________________________
Name:
Title:

[Signature page to Commitment Letter]

BEAR, STEARNS & CO. INC.

By: ______________________________
Name:
Title:

BEAR STEARNS CORPORATE LENDING INC.

By: ______________________________
Name:
Title:

[Signature page to Commitment Letter]

BANK OF AMERICA, N.A.

By: ______________________________

Name:

Title:

BANC OF AMERICA BRIDGE LLC

By: ______________________________

Name:

Title:

BANC OF AMERICA SECURITIES LLC

By: ______________________________

Name:

Title:

[Signature page to Commitment Letter]

Accepted and agreed to as of
the date first written above:

CENTRAL PARK MERGER SUB, INC.

By: ____________________________________

Name:
Title:

By signing above, acceptance is made of all Facilities offered by Bank of America and Banc of America Bridge. If acceptance is desired of only certain of the Facilities, so specify next to such signature.

[Signature page to Commitment Letter]

SCHEDULE I

Estimated Sources and Uses of Funds

($ millions)

Sources		Uses	
Super Holdco Senior Notes or Super Holdco Interim Loan	$ 4,425	Purchase Price for Merger****	$ 9,005
Revolving Credit Facility under CSC Senior Credit Facilities*	$ 0	CSC Refinancing	$ 4,453
Term Loan A Facility under CSC Senior Credit Facilities	$ 1,000	RNS Refinancing	$ 533
Term Loan B Facility, under CSC Senior Credit Facilities	$ 4,750		
Intermediate Holdco Senior Notes or Intermediate Holdco Interim Loan	$ 800		
RPH Senior Notes or RPH Interim Loan	$ 1,000		
RNS Revolving Credit Facility**	$ 0		
RNS Term Loan B Facility	$ 730		
RPP Revolving Credit Facility***	$ 0		
RPP Term Loan B Facility	$ 900		
Excess Cash	$ 386		
Total Sources	$13,991	Total Uses	$13,991

* $1 billion of CSC Revolving Credit Facility commitments; it is currently estimated that none of the CSC Revolving Credit Facility will be drawn at closing for purposes of financing in part the Transactions.

** $300 million of RNS Revolving Credit Facility commitments; it is currently estimated that none of the RNS Revolving Credit Facility will be drawn at closing for purposes of financing in part the Transactions.

*** $50 million of RPP Revolving Credit Facility commitments; it is currently estimated that none of the RPP Revolving Credit Facility will be drawn at closing for purposes of financing in part the Transactions.

**** Includes redemption of existing equity and cash awards and transaction fees and expenses.

EXHIBIT A

Specified Transactions Description[1]

All capitalized terms used herein but not defined herein shall have the meanings provided in the Commitment Letter to which this Exhibit A is attached. The following transactions are referred to herein as the "Specified Transactions".

Certain of Central Park's shareholders and/or their affiliates, as disclosed in the Merger Agreement as in effect on the date hereof (the "Controlling Shareholders"), have formed Family LLC, which in turn has formed Merger Co as a direct wholly-owned subsidiary.

Central Park will create a newly formed direct wholly-owned subsidiary ("Super Holdco"), which will in turn create a newly formed direct wholly-owned subsidiary ("Intermediate Holdco") and contribute to Super Holdco, which will then contribute to Intermediate Holdco, all the capital stock of Central Park's direct wholly-owned subsidiary, CSC Holdings, Inc. ("CSC"), as equity and Intermediate Holdco will then assume all of Central Park's obligations under its 8% Senior Notes due 2012 and Floating Rate Senior Notes due 2009 (collectively, the "Existing Central Park Senior Notes") in accordance with the terms of the indentures governing such Existing Central Park Senior Notes.

Super Holdco will, on the date of the Merger (as defined below), raise gross cash proceeds of no less than $4.425 billion from either the issuance of the Super Holdco Senior Notes or the Super Holdco Interim Loan. Super Holdco will make a dividend payment to Topco/Central Park in an aggregate amount of approximately $8.581 billion (the "Super Holdco Dividend Payment").

CSC will, on the date of the Merger, (i) repay and refinance in full all indebtedness and terminate all commitments to make extensions of credit under the Credit Agreement, dated as of February 24, 2006 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Existing CSC Credit Facility"), among CSC, as borrower, the restricted subsidiaries party thereto, the lenders party thereto, Bank of America, N.A., as administrative agent, and the agents, arrangers and bookmanagers party thereto (the "CSC Refinancing") with a portion of the proceeds of the CSC Senior Credit Facilities and pay fees and expenses in connection therewith and (ii) make a dividend payment to Central Park through its parent entities in an aggregate amount of approximately $3.469 billion (the "CSC Dividend Payment", and together with the CSC Refinancing, the "CSC Transactions").

Intermediate Holdco (as defined below) will, on the date of the Merger, (i) raise gross proceeds of no less than $800.0 million from either the issuance of the Intermediate Holdco Senior Notes or the Intermediate Holdco Interim Loan and (ii) make a dividend payment through its parent to Central Park in an aggregate amount of approximately $4.294 billion (the "Intermediate Holdco Dividend Payment").

Rainbow Programming Holdings LLC ("RPH"), an indirect wholly-owned subsidiary of CSC, will, on the date of the Merger, (i) borrow at least $1.0 billion from either the issuance of the RPH Senior Notes or the RPH Interim Loan and (ii) make a dividend payment to its indirect parent Rainbow Media Holdings LLC ("RMHI") through its parent in an aggregate amount of approximately $1.154 billion (the "RPH Dividend Payment").

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1 Super Holdco and Intermediate Holdco are expected to be formed as single member limited liability companies. In addition, prior to the Merger, it is expected that CSC will be converted (by merger or otherwise) into a single member limited liability company. Satisfactory co-issuer provision will be made in connection with the Senior Note Offerings.

Rainbow National Services LLC ("RNS"), a direct wholly-owned subsidiary of RPH, will, on the date of the Merger, (i) repay and refinance in full all indebtedness and terminate all commitments to make extensions of credit under the Credit Agreement, dated as of July 5, 2006 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Existing RNS Credit Facility"), among RNS, as borrower, the restricted subsidiaries party thereto, the lenders party thereto, JP Morgan Chase Bank, N.A., as administrative agent, and the agents, arrangers and bookmanagers party thereto (the "RNS Refinancing") with a portion of the proceeds of the RNS Senior Credit Facilities and pay fees and expenses in connection therewith and (ii) make a dividend payment to RMHI through its parent entities in an aggregate amount of approximately $184.0 million (the "RNS Dividend Payment", and together with the RNS Refinancing, the "RNS Transactions").

Regional Programming Partners ("RPP"), an indirect subsidiary of CSC, will, on the date of the Merger, (i) borrow at least $900.0 million from the RPP Term Loan B Facility and (ii) make a dividend payment to RMHI through its parent entities in an aggregate amount of approximately $1.126 billion (the "RPP Dividend Payment").

RMHI will purchase qualified preferred securities of CSC in an aggregate amount of approximately $2.280 billion (the "RMHI Purchase").

In connection with the Merger, all of the common equity (excluding restricted shares) of Central Park held by the Controlling Shareholders will be contributed to Family LLC and rolled over (directly or indirectly) into common equity of Topco (the "Rollover Equity Contribution").

Pursuant to an agreement and plan of merger (the "Merger Agreement"), Merger Co will be merged with and into Central Park with Central Park being the surviving corporation (such merger being referred to as the "Merger", and such surviving entity being referred to as either Central Park or "Topco").

After giving effect to the Merger, (i) all of the outstanding equity interests of Topco will be owned by Family LLC, (ii) all of the outstanding equity interests of Super Holdco will be owned by Topco, (iii) all of the outstanding equity interests of Intermediate Holdco will be owned by Super Holdco and (iv) all of the outstanding equity interests of CSC will be owned by Intermediate Holdco.

"Central Park Entities" shall mean Topco, Merger Co, Super Holdco, Intermediate Holdco, CSC and RPH.

CONFIDENTIAL **EXHIBIT B**

CSC SENIOR CREDIT FACILITIES

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	CSC Holdings, Inc. ("CSC" or the "Borrower").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Bank of America, N.A. (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Bank of America, N.A. (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Senior Credit Facilities:	Senior secured credit facilities (the "CSC Senior Credit Facilities") in an aggregate principal amount of $7.25 billion, such CSC Senior Credit Facilities consisting of the following: (A) Term Loan Facilities. Term loan facilities in an aggregate principal amount of $6.25 billion (the "Term Loan Facilities"), such aggregate amount to be allocated among (i) a Term Loan A Facility in an aggregate principal amount of $1.0 billion (the "Term Loan A Facility"), (ii) a Term Loan B Facility in an aggregate principal amount of $4.75 billion (the "Term Loan B Facility") and (iii) a Delayed Draw Term Loan Facility in an aggregate principal amount of $500.0 million (the "Delayed Draw Term Loan Facility"). Loans made under the Term Loan Facilities are herein referred to as "Term Loans"). (B) Revolving Credit Facility. A revolving credit facility in an aggregate principal amount of $1.0 billion (the "Revolving Credit Facility"). Loans made under the Revolving Credit Facility are herein referred to as "Revolving Loans"; the Term Loans and Revolving Loans are herein referred to collectively as "Loans". An amount to be agreed of the Revolving Credit

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

	Facility will be available as a letter of credit subfacility and as a swing line subfacility, in each case on customary terms.
Documentation:	The documentation for the CSC Senior Credit Facilities will include, among others, a credit agreement (the "Credit Agreement"), guarantees and appropriate pledge, security interest and other collateral documents (collectively, the "Credit Documents"). The Borrower and the Guarantors (as defined below under the section entitled "Guarantors") are herein referred to as the "Loan Parties" and individually as a "Loan Party". The Credit Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. As the CSC Senior Credit Facilities are intended to replace the Existing CSC Credit Facility, it is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the Credit Documents shall, except as otherwise noted herein, and taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon such corresponding terms contained in the documentation for the Existing CSC Credit Facility.
Closing Date:	The date of the consummation of the Merger (the "Closing Date").
Use of Proceeds:	The proceeds of the Term Loan A Facility and the Term Loan B Facility will be used (a) to finance in part the Transactions and (b) to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the Credit Documents. The proceeds of the Delayed Draw Term Loan Facility will be used (a) to refinance the Borrower's 7.875% Senior Notes due December 2007 (the "CSC 2007 Refinanced Notes"), (b) to refinance the Borrower's 7.25% Senior Notes due July 2008 (the "CSC 2008 Refinanced Notes" and, together with the CSC 2007 Refinanced Notes, the "Refinanced Notes") or (c) to refinance any financing arrangements used to refinance the Refinanced Notes prior to the Closing Date, in each case subject to the terms and conditions set forth in the Credit Documents. Proceeds of not more than an amount to be mutually agreed of the Revolving Credit Facility (the "Permitted Revolver Amount") may be used on the Closing Date to finance a portion

of the Transactions. The Revolving Credit Facility will also be used after the Closing Date for working capital and general corporate purposes of the Borrower and its subsidiaries, subject to the terms and conditions set forth in the Credit Documents.

Availability:

Term Loan Facilities.

The full amount of the Term Loan A Facility and the Term Loan B Facility will be available on the Closing Date in one drawing.

The full amount of the Delayed Draw Term Loan Facility will be available for the applications described above under "Use of Proceeds", subject to the terms and conditions set forth below under "Conditions to All Extensions of Credit", at any time prior to March 31, 2008 in one drawing.

Any and all advances made under the Term Loan Facilities that are repaid or prepaid may not be reborrowed.

Revolving Credit Facility.

The Revolving Credit Facility will be available on a fully revolving basis, subject to the terms and conditions set forth in the Credit Documents, in the form of revolving advances, swing line advances and letters of credit issued on and after the Closing Date until the date that is six years after the Closing Date (the "R/C Termination Date"); provided, however, that (subject to the limitations set forth above) the Permitted Revolver Amount may be drawn on the Closing Date to finance in part the Transactions.

Guarantors:

Each of the Borrower's direct and indirect domestic subsidiaries existing on the Closing Date that currently guarantee the Existing CSC Credit Facility and each of the Borrower's direct and indirect domestic "Restricted Subsidiaries" thereafter created or acquired shall unconditionally guarantee, on a joint and several basis, all obligations of the Borrower under the CSC Senior Credit Facilities, other than any immaterial or inactive subsidiaries. Each guarantor of any of the CSC Senior Credit Facilities is herein referred to as a "Guarantor" and its guarantee is referred to herein as a "Guarantee."

Security:

The CSC Senior Credit Facilities and the obligations of the Borrower under each interest rate protection agreement entered into with a Lender or any affiliate of a Lender will be secured by a perfected security interest in all of the capital stock (or other ownership interests) of each of the direct subsidiaries of the Borrower and the Guarantors pledged to secure the Existing CSC Credit Facility and in all of the capital stock (or other ownership interests) of each of the direct subsidiaries of the Borrower and the Guarantors created or acquired after the Closing Date, in each case, limited to, in the case of non-domestic subsidiaries,

	65% of the shares of any direct, "first tier" non-domestic subsidiaries of the Borrower and the Guarantors. Notwithstanding the foregoing, the CSC Senior Credit Facilities shall not be secured by (a) RPH and its subsidiaries, (b) ownership interests in subsidiaries that cannot be pledged without the consent of one or more third parties or governmental authorities, (c) interests in subsidiaries the pledge of which would be prohibited by contract, license, permit, applicable law or regulation (and not overridden by the UCC or other applicable law) and (d) other exceptions to be agreed (collectively, the "Collateral"). All such security interests will be created pursuant to documentation customary for facilities similar to the CSC Senior Credit Facilities and reasonably satisfactory in all respects to the Lead Arrangers and the Borrower. On the Closing Date, such security interests shall have become perfected (or arrangements for the perfection thereof reasonably satisfactory to the Lead Arrangers shall have been made) and the Lead Arrangers shall have received reasonably satisfactory evidence as to the enforceability, perfection and priority thereof.
Termination of Commitments:	The commitment in respect of all the CSC Senior Credit Facilities will automatically and permanently terminate in its entirety on the Final Termination Date, if the Term Loan Facilities are not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter. In addition, the commitment in respect of the Delayed Draw Term Loan Facility will automatically and permanently terminate in its entirety on March 31, 2008, if the Delayed Draw Term Loan Facility is not drawn down on or prior to such date.
Final Maturity:	(A) Term Loan A Facilities. The Term Loan A Facility will mature on the date that occurs six years after the Closing Date. (B) Term Loan B Facility. The Term Loan B Facility will mature on the date that occurs seven years after the Closing Date (the "Term Loan B Maturity Date"). (C) Delayed Draw Term Loan Facility. The Delayed Draw Term Loan Facility will mature on the Term Loan B Maturity Date. (D) Revolving Credit Facility. The Revolving Credit Facility will mature on the R/C Termination Date.
Amortization Schedule:	The Term Loan A Facility will amortize on a quarterly basis (beginning with the first full fiscal quarter after the Closing Date) in amounts to be agreed.

	The Term Loan B Facility will amortize at a rate of 1.00% per annum on a quarterly basis (beginning with the first full quarter after the Closing Date) for the first six years after the Closing Date, with the balance paid on the Term Loan B Maturity Date. The Delayed Draw Term Loan Facility will amortize at a rate of 1.00% per annum on a quarterly basis (beginning with the first full quarter after the draw down under the Delayed Draw Term Loan Facility) for the first six years after the Closing Date, with the balance paid on the Term Loan B Maturity Date.
Letters of Credit:	Letters of credit under the Revolving Credit Facility ("Letters of Credit") will be issued by a Lender or Lenders to be agreed by the Lead Arrangers and the Borrower (in such capacity, each an "Issuing Bank"). The issuance of all Letters of Credit shall be subject to the customary documentation requirements, procedures and fees of the Issuing Bank(s).
Interest Rates and Fees:	Interest rates and fees in connection with the CSC Senior Credit Facilities will be as specified on Annex I attached hereto.
Default Rate:	Overdue principal, interest and other amounts under the Credit Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex I to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Voluntary Prepayments/Reductions in Commitments:	(A) Term Loan Facilities. Advances under the Term Loan Facilities may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty (except, in the case of LIBOR borrowings, breakage costs related to prepayments not made on the last day of the relevant interest period). The outstanding commitments in respect of the Delayed Draw Term Loan Facility may be reduced at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty. Voluntary prepayments will be applied among the Term Loan Facilities at the direction of the Borrower. Any application to (x) the Term Loan A Facility shall be applied in order of maturity for the first twelve months after the Closing Date and thereafter pro rata to the remaining scheduled amortization payments in respect thereof, and (y) the Term Loan B Facility and the Delayed Draw Term Loan Facility shall be applied pro rata to the remaining scheduled amortization payments in respect thereof. (B) Revolving Credit Facility. The unutilized portion of the commitments under the Revolving Credit Facility may be

reduced and advances under the Revolving Credit Facility may be repaid at any time, in each case, at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty (except, in the case of LIBOR advances, breakage costs related to prepayments not made on the last day of the relevant interest period).

Mandatory Prepayments:	Subject to paragraph (i) below, an amount equal to:

(A) 100% of the net cash proceeds (including condemnation and insurance proceeds) of asset sales and other asset dispositions by CSC or any of its restricted subsidiaries (including, without limitation, insurance proceeds and subject to baskets, exceptions and reinvestment rights to be agreed upon), and

(B) 100% of the net cash proceeds of the issuance or incurrence of debt by CSC or any of its restricted subsidiaries (subject to baskets and exceptions to be agreed upon),

in each case shall be applied as follows: first, if permitted by the terms of the indentures to which the Borrower and, if applicable, Intermediate Holdco are a party, to the Intermediate Holdco Interim Loan and then to the Super Holdco Interim Loan (ratably to the Super Holdco Senior Interim Loan and the Super Holdco Senior PIK Interim Loan); and second, to the CSC Senior Credit Facilities.

(i) With respect to net cash proceeds of the disposition of assets by any restricted subsidiary of CSC or net cash proceeds of any issuance or incurrence of debt by any restricted subsidiary of CSC in each case that would otherwise be required to be applied as provided above will be applied as set forth above if and only to the extent that (x) such subsidiary is not required to repay its indebtedness (other than intercompany indebtedness) with such net cash proceeds, (y) there are no contractual or legal restrictions on the ability of CSC to access such net cash proceeds and (z) no parent of CSC, and neither CSC nor any of its restricted subsidiaries is required under its existing indebtedness (other than intercompany indebtedness) as in effect of the date of the Commitment Letter to repay such indebtedness with such net cash proceeds.

Mandatory prepayments will be applied pro rata among the Term Loan Facilities based on the aggregate principal amount of Term Loans then outstanding under each such Term Loan Facility. Any application to the Term Loan A Facility shall be applied pro rata to the remaining scheduled amortization payments. Any application to the Term Loan B Facility and the Delayed Draw Term Loan Facility shall be applied pro rata to the remaining scheduled amortization payments. To the extent that the amount

	to be applied to the prepayment of Term Loans exceeds the aggregate amount of Term Loans then outstanding, such excess shall be applied to the Revolving Facility to repay the Revolving Loans and to permanently reduce the commitments thereunder; provided, however, that if at the time of such application the aggregate commitments under the Revolving Credit Facility are equal to or less than $200.0 million ("Threshold"), then such excess shall not be required to permanently reduce the commitments under the Revolving Credit Facility, and in no event shall such excess permanently reduce the commitments under the Revolving Credit Facility below the Threshold. Advances under the Revolving Credit Facility will be immediately prepaid to the extent that the aggregate extensions of credit under the Revolving Credit Facility exceed the commitments then in effect under the Revolving Credit Facility.
Conditions to Effectiveness and to Initial Advances:	The effectiveness of the Credit Agreement and the making of the initial Loans under the CSC Senior Credit Facilities shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Conditions to All Extensions of Credit:	Each extension of credit under the CSC Senior Credit Facilities will be subject to (A) the absence of any Default or Event of Default (to be defined), (B) the continued accuracy of representations and warranties in all material respects (which materiality exception will not apply to representations and warranties to the extent already qualified by materiality standards) and (C) delivery of a notice of borrowing.
Representations and Warranties:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the CSC Senior Credit Facilities.
Affirmative Covenants:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the CSC Senior Credit Facilities.
Negative Covenants:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the CSC Senior Credit Facilities (all such covenants to be subject to customary baskets and exceptions and such others to be agreed upon), but in any event including: limitation on indebtedness and contingent obligations; limitation on liens and further negative pledges; limitation on investments; limitation on dividends and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25:1.00, the payment or distribution of up to $28.0 million in the aggregate per year (the "Minimum Distribution"), to be dividended up to the Controlling Shareholders); limitation on

	redemptions and repurchases of equity interests; limitation on mergers, acquisitions and asset sales; limitation on issuance, sale and other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other specified material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness (other than subordinated indebtedness under existing indentures).
Financial Covenants:	With respect to the Revolving Credit Facility and the Term Loan A Facility only, financial maintenance covenants appropriate in the context of the proposed transaction, and customary for facilities similar to the CSC Senior Credit Facilities, consisting of (definitions and numerical calculations to be set forth in the Credit Agreement): (a) total leverage ratio; (b) interest coverage ratio; (c) debt service ratio; and (d) senior secured leverage ratio.
Events of Default:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the CSC Senior Credit Facilities, but in any event including: breach of representation or warranty; nonpayment of principal, interest, fees or other amounts; breach of covenants; change of control; bankruptcy, insolvency proceedings, etc.; judgment defaults; ERISA defaults; cross-defaults to other indebtedness (provided that failure to comply with financial maintenance covenants in the Revolving Credit Facility and the Term Loan A Facility shall not trigger a cross default to the Term Loan B Facility or Delayed Draw Term Loan Facility); and actual or asserted invalidity of loan documentation.
Yield Protection and Increased Costs; and Replacement of Lenders:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the CSC Senior Credit Facilities, including protective provisions for such matters as defaulting banks, capital adequacy, increased costs, reserves, funding losses, breakage costs, illegality and withholding taxes. Subject to customary conditions (including that no default shall have occurred and be continuing), the Borrower shall have the right to replace any Lender that (a) charges an amount with respect to contingencies described in the immediately preceding paragraph or (b) refuses to consent to certain amendments or waivers of the CSC Senior Credit Facilities which expressly require the consent of such Lender and which have been approved by the Required Lenders (or, in certain circumstances applicable to a particular tranche, a majority of the applicable tranche of Lenders).
Assignments and Participations:	Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million for each of the Term Loan Facilities and $5.0 million for the Revolving Credit Facility

	(unless the Borrower and the Lead Arrangers otherwise consent or unless the assigning Lender's exposure is thereby reduced to zero). Assignments (which may be non-pro rata among the CSC Senior Credit Facilities) shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.
Required Lenders:	Lenders having a majority of the outstanding credit exposure under the CSC Senior Credit Facilities (the "Required Lenders"), subject to amendments or waivers of certain provisions of the Credit Documents requiring the consent of each affected Lender (or all Lenders) or Lenders having a majority of the outstanding credit exposure under each affected CSC Senior Credit Facility (including a requirement for a majority of the Lenders under the Revolving Credit Facility to approve waivers or amendments affecting the conditions to additional advances under the Revolving Credit Facility).
Expenses and Indemnification:	All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the negotiation, preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any Credit Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Loan Parties. The Loan Parties will jointly and severally indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and hold them harmless from and against all costs, expenses (including fees, disbursements and other charges of counsel) and all liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relate to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.
Governing Law and Forum:	New York.
Waiver of Jury Trial:	All parties to the Credit Documents waive the right to trial by

jury.

Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (including local counsel as selected by the Lead Arrangers).

ANNEX I

Interest Rates and Fees:	The Borrower will be entitled to make borrowings based on the ABR plus the Applicable Margin or LIBOR plus the Applicable Margin. The Loans under the CSC Senior Credit Facilities will bear interest, at the option of the Borrower, at (a) ABR plus the Applicable Margin or (b) LIBOR plus the Applicable Margin. The "Applicable Margin" with respect to the Revolving Credit Facility and the Term Loan A Facility will be (a) prior to the Trigger Date (as defined below), a percentage per annum set forth in Annex I to the Fee Letter and (b) on and after the Trigger Date, determined pursuant to a grid to be determined which will be based on the Total Leverage Ratio (to be defined). The "Applicable Margin" with respect to the Term Loan B Facility and the Delayed Draw Term Loan Facility will be a percentage per annum set forth in Annex I to the Fee Letter. "Trigger Date" means the first date after the Closing Date on which the Borrower delivers financial statements and a computation of the Total Leverage Ratio (to be defined) for the first fiscal quarter ended at least three months after the Closing Date in accordance with the Credit Agreement. Unless consented to by the Lead Arrangers in their sole discretion, no LIBOR Loans may be elected on the Closing Date and thereafter all LIBOR Loans will have a 30 day interest period ending on the same date approximately 30 days after the Closing Date (unless the completion of the primary syndication of the CSC Senior Credit Facilities as determined by the Lead Arrangers shall have occurred). "ABR" means the higher of (a) the prime rate of interest announced or established by the Lender acting as the Administrative Agent from time to time, changing effective on the date of announcement or establishment of said prime rate changes and (b) the Federal Funds Rate plus 0.50% per annum. The prime rate is not necessarily the lowest rate charged by the Lender acting as the Administrative Agent to its customers. "LIBOR" means the rate published by such source to be agreed upon or, if not available, determined by the Administrative Agent to be available to the Lenders in the London interbank market for deposits in US Dollars in the amount of, and for a maturity corresponding to, the amount of the applicable LIBOR

advance, as adjusted for maximum statutory reserves.

The Borrower may select interest periods of one, two, three or six months and, if available to all Lenders, nine or twelve months, for LIBOR borrowings. Interest will be payable in arrears (a) in the case of ABR advances, at the end of each quarter and (b) in the case of LIBOR advances, at the end of each interest period and, in the case of any interest period longer than three months, no less frequently than every three months. Interest on all borrowings shall be calculated on the basis of the actual number of days elapsed over (a) in the case of LIBOR Loans, a 360-day year and (b) in the case of ABR Loans, a 365-or 366-day year, as the case may be.

Commitment fees accrue on the undrawn amount of the Revolving Credit Facility and the Delayed Draw Term Loan Facility, commencing on the Closing Date. The commitment fee in respect of the Revolving Credit Facility and the Delayed Draw Term Loan Facility will be a percentage per annum (the "Unutilized Commitment Fee Percentage") set forth in Annex I to the Fee Letter.

All commitment fees will be payable in arrears at the end of each quarter and upon any termination of any commitment, in each case for the actual number of days elapsed over a 360-day year.

Letter of Credit fees will be payable for the account of the Revolving Credit Facility Lenders on the daily average undrawn face amount of each Letter of Credit at a rate per annum equal to the Applicable Margin for Loans under the Revolving Credit Facility that bear interest at LIBOR in effect at such time, which fees shall be paid quarterly in arrears. In addition, an issuing fee on the face amount of each Letter of Credit equal to a percentage per annum (the "Issuing Fee Percentage") set forth in Annex I to the Fee Letter shall be payable to the Issuing Bank for its own account, which fee shall also be payable quarterly in arrears.

The Lead Arrangers and the Administrative Agent shall receive such other fees as shall have been separately agreed with the Borrower in the fee letter between them.

SUPER HOLDCO SENIOR INTERIM LOAN

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	A newly formed direct, wholly-owned subsidiary of Central Park (the "Borrower" or "Super Holdco").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Banc of America Bridge LLC (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Banc of America Bridge LLC (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Interim Loan:	Senior interim loan (the "Super Holdco Senior Interim Loan") in a principal amount of $2.675 billion.
Documentation:	The documentation for the Super Holdco Senior Interim Loan will include an interim loan agreement (the "Super Holdco Senior Interim Loan Agreement") and other appropriate documents (collectively, the "Super Holdco Senior Interim Loan Documents"). The Super Holdco Senior Interim Loan Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. It is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the Super Holdco Senior Interim Loan Documents shall, except as otherwise

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

	noted herein, and taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon such corresponding terms contained in the documentation for the CSC Senior Credit Facilities (it being understood that such adjustments shall be made as are customary in the context of an interim loan).
Use of Proceeds:	To finance in part the Transactions and to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the Super Holdco Senior Interim Loan Documents.
Closing Date:	The date of consummation of the Merger (the "Closing Date").
Availability:	On the Closing Date in one drawing.
Security:	None (including in respect of the Super Holdco Senior Rollover Securities and Super Holdco Senior Rollover Loans).
Ranking:	The Super Holdco Senior Interim Loan (and the Super Holdco Senior Rollover Securities and Super Holdco Senior Rollover Loans) will be a senior obligation of the Borrower ranking pari passu with all unsubordinated indebtedness of the Borrower and senior to all subordinated indebtedness of the Borrower.
Termination of Commitment:	The commitment in respect of the Super Holdco Senior Interim Loan will automatically and permanently terminate in its entirety on the Final Termination Date, if not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter. In addition, the commitment in respect of the Super Holdco Senior Interim Loan will automatically and permanently terminate in its entirety on the date of the consummation of the Merger to the extent not drawn down on such date.
Maturity:	The Super Holdco Senior Interim Loan will mature on the date (the "Initial Maturity Date") that is twelve months after the initial funding date (the "Funding"). Upon the satisfaction of the terms and conditions described under "Exchange Feature; Rollover Securities and Rollover Loans," the Super Holdco Senior Interim Loan will be exchanged for, at the option of each Lender, either (A) unsecured senior debt securities ("Super Holdco Senior Rollover Securities"), evidenced by an indenture in the form attached to the Super Holdco Senior Interim Loan Agreement and maturing on the date that occurs nine years

after the Initial Maturity Date or (B) unsecured senior loans maturing on the date that occurs nine years after the Initial Maturity Date (the "Super Holdco Senior Rollover Loans"), evidenced by the Super Holdco Senior Interim Loan Agreement.

Interest Rate:

(A) Super Holdco Senior Interim Loan. The Super Holdco Senior Interim Loan will bear interest at a rate per annum equal to the greater (as determined on the Closing Date and each three-month period thereafter) of (i) three-month LIBOR and (ii) a certain percentage (the "Interim Floor Percentage") set forth in Annex II to the Fee Letter, in each case plus the Spread (defined below). The "Spread" will initially be, with respect to clause (i) above, a certain number of basis points (the "Interim Initial Basis Points") set forth in Annex II to the Fee Letter; and with respect to clause (ii) above, a certain number of basis points (the "Interim Floor Basis Points") set forth in Annex II to the Fee Letter. If the Super Holdco Senior Interim Loan is not repaid in full within six months following the Closing Date, each Spread will increase by an additional number of basis points (the "Additional Basis Points") set forth in Annex II to the Fee Letter at the end of such six-month period and shall increase by an additional number of basis points equal to the Additional Basis Points at the end of each three-month period thereafter. LIBOR will be adjusted for maximum statutory reserve requirements (if any).

Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed a certain percentage per annum (the "Interest Rate Cap") set forth in Annex II to the Fee Letter (exclusive of any additional interest payable due to an event of default).

(B) Super Holdco Senior Rollover Securities and Super Holdco Senior Rollover Loans. The Super Holdco Senior Rollover Securities and the Super Holdco Senior Rollover Loans will bear interest at a rate per annum equal to the greater (as determined on the Initial Maturity Date and each three-month period thereafter) of (i) three-month LIBOR plus a certain number of basis points (the "Rollover Basis Points") set forth in Annex II to the Fee Letter and (ii) the Initial Rate (defined below), in each case plus the Exchange Spread (as defined below). The "Initial Rate" shall be equal to the interest rate applicable to the Super Holdco Senior Interim Loan and in effect on the Initial Maturity Date. "Exchange Spread" shall mean the Additional Basis Points. LIBOR will be adjusted for maximum statutory reserve requirements (if any). At any time after the date that is six months following the Initial Maturity Date, any

	holder of Super Holdco Senior Rollover Securities or Super Holdco Senior Rollover Loans may elect, at its sole option, to fix the interest rate per annum on its Super Holdco Senior Rollover Securities or Super Holdco Senior Rollover Loans at the then effective rate of interest per annum. Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed the Interest Rate Cap (exclusive of any additional interest payable due to an event of default).
Default Rate:	Overdue principal, interest and other amounts under the Super Holdco Senior Interim Loan Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex II to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Interest Payment Dates:	(A) Super Holdco Senior Interim Loan. Quarterly, in arrears. (B) Super Holdco Senior Rollover Securities and Super Holdco Senior Rollover Loans. Semi-annually, in arrears.
Voluntary Prepayment:	The Super Holdco Senior Interim Loan may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, together with accrued interest to the date of prepayment, but without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).
Mandatory Prepayment:	Subject to paragraphs (i), (ii) and (iii) below, (A) 100% of the net cash proceeds of asset sales and other asset dispositions (including, without limitation, insurance proceeds) by Super Holdco or any of its restricted subsidiaries (subject to exceptions, baskets and reinvestment rights to be agreed), (B) 100% of the net cash proceeds of the issuance or incurrence of debt by Super Holdco or any of its restricted subsidiaries (subject to exceptions and baskets to be agreed) and (C) 100% of the net cash proceeds from any issuance of equity securities of Super Holdco or any parent entity (whether direct or indirect, existing or future) of Super Holdco in any public offering or private placement or from any capital contribution,

in each case shall be applied as follows: first, to the Super Holdco Interim Loan (ratably to the Super Holdco Senior Interim Loan and the Super Holdco Senior PIK Interim Loan) and then to the Intermediate Holdco Interim Loan; and second, to the CSC Senior Credit Facilities.

(i) The net cash proceeds of the Super Holdco Senior Notes and the Super Holdco Take-out Securities shall be applied (ratably with the Super Holdco Senior PIK Interim Loan) to reduce to zero the commitments in respect of, or, if after the Closing Date, to reduce to zero the funded amount of the Super Holdco Senior Interim Loan.

(ii) With respect to net cash proceeds of the disposition of assets by any restricted subsidiary of Super Holdco or net cash proceeds of any issuance or incurrence of debt by any restricted subsidiary of Super Holdco, in each case that would otherwise be required to be applied as provided above will be applied as set forth above if and only to the extent that no restricted subsidiary of Super Holdco is required to repay its indebtedness (other than intercompany indebtedness) as in effect as of the date of the Commitment Letter with such net cash proceeds and there are no contractual or legal restrictions on the ability of Super Holdco to access such net cash proceeds.

(iii) With respect to the net cash proceeds of the type described in clause (C) above in this section "Mandatory Prepayments", any such net cash proceeds shall be applied as set forth above to the extent such proceeds are not required to be applied by such parent to repay its indebtedness (other than intercompany indebtedness).

In addition, upon the occurrence of a Change of Control (to be defined), the Borrower will be required to offer to prepay the entire aggregate principal amount of the Super Holdco Senior Interim Loan (or the Super Holdco Senior Rollover Securities and Super Holdco Senior Rollover Loans) in cash at par or, in the case of Super Holdco Senior Rollover Securities upon which the interest rate has been fixed, with a prepayment premium of 1.0% of the principal amount thereof.

Each such prepayment shall be made together with accrued interest to the date of prepayment, but, except as noted above, without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).

Exchange Feature; Rollover Securities and	On the Initial Maturity Date, so long as no event of default has occurred and is continuing under the Super Holdco

Rollover Loans: Senior Interim Loan Documents and all applicable fees have been paid in full, each Lender shall have its interest in the Super Holdco Senior Interim Loan exchanged for Super Holdco Senior Rollover Loans. At any time on or after the Initial Maturity Date, any Lender may exchange all or any portion of its Super Holdco Senior Rollover Loans for Super Holdco Senior Rollover Securities, it being understood and agreed that upon any such exchange occurring within six months after the Initial Maturity Date, the Borrower shall be obligated to immediately pay to such holder a duration fee equal to 0.50% of the principal amount so exchanged. The Super Holdco Senior Rollover Securities and the Super Holdco Senior Rollover Loans will be (A) mandatorily redeemable or prepayable, as the case may be, under the same circumstances as the Super Holdco Senior Interim Loan, except that, in lieu of mandatory redemptions or prepayments, the Borrower shall be required to make mandatory offers to purchase or prepay such Super Holdco Senior Rollover Securities or Super Holdco Senior Rollover Loans and (B) optionally redeemable or prepayable, as the case may be, without premium or penalty or, if the holder has elected to fix the interest rate thereon, at declining premiums on terms customary for high-yield debt securities, including (subject to the next paragraph) four year no-call provisions; provided that on or before the third anniversary of the Closing Date, up to 35% of the aggregate principal amount of the Super Holdco Senior Rollover Loans and the Super Holdco Senior Rollover Securities will be optionally redeemable or prepayable, as the case may be, with the net cash proceeds of one or more Equity Offerings (to be defined), at par plus accrued interest plus a premium equal to the coupon in effect on the date on which the interest rate was fixed. In the case of any Super Holdco Senior Rollover Securities and Super Holdco Senior Rollover Loans that have a variable rate, any optional redemption or prepayment thereof shall be made pro rata between such Super Holdco Senior Rollover Securities and such Super Holdco Senior Rollover Loans. All mandatory offers to purchase or prepay shall be made pro rata between the Super Holdco Senior Rollover Securities and the Super Holdco Senior Rollover Loans.

Notwithstanding anything herein to the contrary, the Borrower shall be permitted to prepay Super Holdco Senior Rollover Securities at any time on or prior to the date that is six months following the Initial Maturity Date, so long as such prepayment is accompanied by a prepayment premium of 2.0% of the principal amount so prepaid.

	The Super Holdco Senior Rollover Securities will be evidenced by an indenture in form suitable for qualification under the Trust Indenture Act and will otherwise contain covenants and other provisions customary for high yield debt securities similar to the Super Holdco Senior Rollover Securities (it being the intention of the parties that such covenants and customary provisions shall, taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon high yield debt securities issued by CSC). The Super Holdco Senior Rollover Loans will be evidenced by the Super Holdco Senior Interim Loan Agreement. The holders of the Super Holdco Senior Rollover Securities will be entitled to exchange offer and other registration rights to permit resale without restriction under applicable securities laws on terms no less favorable to the holders than those customarily applicable to an offering pursuant to Rule 144A (subject to applicable legal restrictions, including SEC staff interpretations).
Conditions to Effectiveness and to Super Holdco Senior Interim Loan:	The effectiveness of the Super Holdco Senior Interim Loan Documents and the making of the Super Holdco Senior Interim Loan shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Representations and Warranties:	Customary for facilities similar to the Super Holdco Senior Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that representations and warranties shall also apply to Super Holdco).
Affirmative Covenants:	Customary for facilities similar to the Super Holdco Senior Interim Loan (including a covenant to refinance the Super Holdco Senior Interim Loan with Super Holdco Senior Notes or Super Holdco Take-out Securities as soon as reasonably possible) and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that affirmative covenants shall also apply to Super Holdco). Upon the issuance of the Super Holdco Senior Rollover Securities and the Super Holdco Senior Rollover Loans, the affirmative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of “Exchange Feature; Rollover Securities and Rollover Loans” above, conform to affirmative covenants customary in an indenture for high yield debt securities issued by CSC.
Take-out Covenant:	The Super Holdco Senior Interim Loan Agreement will contain provisions pursuant to which the Borrower shall

	undertake to refinance in full the Super Holdco Senior Interim Loan as promptly as practicable through the issuance of the Super Holdco Take-out Securities or otherwise in accordance with the Engagement Letter.
Negative Covenants:	Customary for facilities similar to the Super Holdco Senior Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that such negative covenants shall also apply to Super Holdco) (subject to baskets and exceptions, where customary and appropriate), including the following: limitation on indebtedness and contingent obligations; limitation on liens and further negative pledges; limitation on investments; limitation on dividends and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25 to 1.00, to make the Minimum Distribution (as defined in the CSC Senior Credit Facilities Term Sheet)); limitation on redemptions and repurchases of equity interests; limitation on mergers, acquisitions and asset sales; limitation on issuance, sale or other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness. There shall be no financial maintenance covenants. Upon the issuance of the Super Holdco Senior Rollover Securities and the Super Holdco Senior Rollover Loans, the negative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of “Exchange Feature; Rollover Securities and Rollover Loans” above, conform to negative covenants customary in an indenture for high-yield debt securities issued by CSC.
Events of Default:	Customary for facilities similar to the Super Holdco Senior Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood and agreed that such events of default shall also apply to Super Holdco).
Yield Protection and Increased Costs:	Customary for facilities similar to the Super Holdco Senior Interim Loan.
Assignments and Participations:	Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million (unless the

Borrower and the Lead Arrangers otherwise consent or unless the assigning Lender's exposure is thereby reduced to zero). Assignments shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.

Required Lenders: Lenders having a majority of the outstanding credit exposure (the "Required Lenders"), subject to amendments of certain provisions of the Super Holdco Senior Interim Loan Documents requiring the consent of Lenders having a greater share (or all) of the outstanding credit exposure.

Expenses and Indemnification: All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any Super Holdco Senior Interim Loan Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Borrower.

The Borrower will indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relates to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.

Governing Law and Forum: New York.

Waiver of Jury Trial: All parties to the Super Holdco Senior Interim Loan Documents waive the right to trial by jury.

Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (and such local counsel as may be selected by the Lead Arrangers).

CONFIDENTIAL **EXHIBIT D**

INTERMEDIATE HOLDCO INTERIM LOAN

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	A newly formed direct wholly-owned subsidiary of Super Holdco ("Intermediate Holdco" or the "Borrower").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Banc of America Bridge LLC (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Banc of America Bridge LLC (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Interim Loan:	Senior interim loan (the "Intermediate Holdco Interim Loan") in a principal amount of $800.0 million.
Documentation:	The documentation for the Intermediate Holdco Interim Loan will include an interim loan agreement (the "Intermediate Holdco Interim Loan Agreement") and other appropriate documents (collectively, the "Intermediate Holdco Interim Loan Documents"). The Intermediate Holdco Interim Loan Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. It is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the Intermediate Holdco Interim Loan Documents shall, except as otherwise

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

	noted herein, and taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon such corresponding terms contained in the documentation for the CSC Senior Credit Facilities (it being understood that such adjustments shall be made as are customary in the context of an interim loan).
Use of Proceeds:	To finance in part the Transactions and to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the Intermediate Holdco Interim Loan Documents.
Closing Date:	The date of consummation of the Merger (the "Closing Date").
Availability:	On the Closing Date in one drawing.
Security:	None (including in respect of the Intermediate Holdco Rollover Securities and Intermediate Holdco Rollover Loans).
Ranking:	The Intermediate Holdco Interim Loan (and the Intermediate Holdco Rollover Securities and Intermediate Holdco Rollover Loans) will be a senior obligation of the Borrower ranking pari passu with all unsubordinated indebtedness of the Borrower and senior to all subordinated indebtedness of the Borrower.
Termination of Commitment:	The commitment in respect of the Intermediate Holdco Interim Loan will automatically and permanently terminate in its entirety on the Final Termination Date, if not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter. In addition, the commitment in respect of the Intermediate Holdco Interim Loan will automatically and permanently terminate in its entirety on the date of the consummation of the Merger to the extent not drawn down on such date.
Maturity:	The Intermediate Holdco Interim Loan will mature on the date (the "Initial Maturity Date") that is twelve months after the initial funding date (the "Funding"). Upon the satisfaction of the terms and conditions described under "Exchange Feature; Rollover Securities and Rollover Loans," the Intermediate Holdco Interim Loan will be exchanged for, at the option of each Lender, either (A) unsecured senior debt securities ("Intermediate Holdco Rollover Securities"), evidenced by an indenture in the form attached to the Intermediate Holdco Interim Loan Agreement and maturing on the date that occurs seven

years after the Initial Maturity Date or (B) unsecured senior loans maturing on the date that occurs seven years after the Initial Maturity Date (the "Intermediate Holdco Rollover Loans"), evidenced by the Intermediate Holdco Interim Loan Agreement.

Interest Rate:	(A) Intermediate Holdco Interim Loan. The Intermediate Holdco Interim Loan will bear interest at a rate per annum equal to (as determined on the Closing Date and each three-month period thereafter) three-month LIBOR plus the Spread (defined below). The "Spread" will initially be a certain number of basis points (the "Interim Initial Basis Points") set forth in Annex II to the Fee Letter. If the Intermediate Holdco Interim Loan is not repaid in full within six months following the Closing Date, the Spread will increase by an additional number of basis points (the "Additional Basis Points") set forth in Annex II to the Fee Letter at the end of such six-month period and shall increase by an additional number of basis points equal to the Additional Basis Points at the end of each three-month period thereafter. LIBOR will be adjusted for maximum statutory reserve requirements (if any). Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed a certain percentage per annum (the "Interest Rate Cap") set forth in Annex II to the Fee Letter (exclusive of any additional interest payable due to an event of default). (B) Intermediate Holdco Rollover Securities and Intermediate Holdco Rollover Loans. The Intermediate Holdco Rollover Securities and the Intermediate Holdco Rollover Loans will bear interest at a rate per annum equal to the greater (as determined on the Initial Maturity Date and each three-month period thereafter) of (i) three-month LIBOR plus a certain number of basis points (the "Rollover Basis Points") set forth in Annex II to the Fee Letter and (ii) the Initial Rate (defined below), in each case plus the Exchange Spread (as defined below). The "Initial Rate" shall be equal to the interest rate applicable to the Intermediate Holdco Interim Loan and in effect on the Initial Maturity Date. "Exchange Spread" shall mean the Additional Basis Points. LIBOR will be adjusted for maximum statutory reserve requirements (if any). At any time after the date that is six months following the Initial Maturity Date, any holder of Intermediate Holdco Rollover Securities or Intermediate Holdco Rollover Loans may elect, at its sole option, to fix the interest rate per annum on its Intermediate Holdco Rollover Securities or Intermediate Holdco Rollover Loans at the then effective rate of interest

	per annum.
	Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed the Interest Rate Cap (exclusive of any additional interest payable due to an event of default).
Default Rate:	Overdue principal, interest and other amounts under the Intermediate Holdco Interim Loan Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex II to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Interest Payment Dates:	(A) Intermediate Holdco Interim Loan. Quarterly, in arrears. (B) Intermediate Holdco Rollover Securities and Intermediate Holdco Rollover Loans. Semi-annually, in arrears.
Voluntary Prepayment:	The Intermediate Holdco Interim Loan may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, together with accrued interest to the date of prepayment, but without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).
Mandatory Prepayment:	Subject to paragraphs (i), (ii) and (iii) below, (A) 100% of the net cash proceeds of asset sales and other asset dispositions (including, without limitation, insurance proceeds) by Intermediate Holdco or any of its restricted subsidiaries (subject to exceptions, baskets and reinvestment rights to be agreed), (B) 100% of the net cash proceeds of the issuance or incurrence of debt by Intermediate Holdco or any of its restricted subsidiaries (subject to exceptions and baskets to be agreed) and (C) 100% of the net cash proceeds from any issuance of equity securities of Intermediate Holdco or any parent entity (whether direct or indirect, existing or future) of Intermediate Holdco in any public offering or private placement or from any capital contribution, in each case shall be applied as follows: first, to the Intermediate Holdco Interim Loan and then to the Super Holdco Interim Loan (ratably to the Super Holdco Senior

Interim Loan and the Super Holdco Senior PIK Interim Loan); and second, to the CSC Senior Credit Facilities.

(i) The net cash proceeds of the Intermediate Holdco Senior Notes and the Intermediate Holdco Take-out Securities shall be applied to reduce to zero the commitments in respect of, or, if after the Closing Date, to reduce to zero the funded amount of the Intermediate Holdco Interim Loan.

(ii) With respect to net cash proceeds of the disposition of assets by any restricted subsidiary of Intermediate Holdco or net cash proceeds of any issuance or incurrence of debt by any restricted subsidiary of Intermediate Holdco, in each case that would otherwise be required to be applied as provided above will be applied as set forth above if and only to the extent that no restricted subsidiary of Intermediate Holdco is required to repay its indebtedness (other than intercompany indebtedness) as in effect as of the date of the Commitment Letter with such net cash proceeds and there are no contractual or legal restrictions on the ability of Intermediate Holdco to access such net cash proceeds.

(iii) With respect to the net cash proceeds of the type described in clause (C) above in this section "Mandatory Prepayments", any such net cash proceeds shall be applied as set forth above to the extent such proceeds are not required to be applied by such parent to repay its indebtedness (other than intercompany indebtedness).

In addition, upon the occurrence of a Change of Control (to be defined), the Borrower will be required to offer to prepay the entire aggregate principal amount of the Intermediate Holdco Interim Loan (or the Intermediate Holdco Rollover Securities and Intermediate Holdco Rollover Loans) in cash at par or, in the case of Intermediate Holdco Rollover Securities upon which the interest rate has been fixed, with a prepayment premium of 1.0% of the principal amount thereof.

Each such prepayment shall be made together with accrued interest to the date of prepayment, but, except as noted above, without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).

Exchange Feature; Rollover Securities and Rollover Loans:	On the Initial Maturity Date, so long as no event of default has occurred and is continuing under the Intermediate Holdco Interim Loan Documents and all applicable fees have been paid in full, each Lender shall have its interest in

the Intermediate Holdco Interim Loan exchanged for Intermediate Holdco Rollover Loans. At any time on or after the Initial Maturity Date, any Lender may exchange all or any portion of its Intermediate Holdco Rollover Loans for Intermediate Holdco Rollover Securities, it being understood and agreed that upon any such exchange occurring within six months after the Initial Maturity Date, the Borrower shall be obligated to immediately pay to such holder a duration fee equal to 0.50% of the principal amount so exchanged. The Intermediate Holdco Rollover Securities and the Intermediate Holdco Rollover Loans will be (A) mandatorily redeemable or prepayable, as the case may be, under the same circumstances as the Intermediate Holdco Interim Loan, except that, in lieu of mandatory redemptions or prepayments, the Borrower shall be required to make mandatory offers to purchase or prepay such Intermediate Holdco Rollover Securities or Intermediate Holdco Rollover Loans and (B) optionally redeemable or prepayable, as the case may be, without premium or penalty or, if the holder has elected to fix the interest rate thereon, at declining premiums on terms customary for high-yield debt securities, including (subject to the next paragraph) four year no-call provisions; provided that on or before the third anniversary of the Closing Date, up to 35% of the aggregate principal amount of the Intermediate Holdco Rollover Loans and the Intermediate Holdco Rollover Securities will be optionally redeemable or prepayable, as the case may be, with the net cash proceeds of one or more Equity Offerings (to be defined), at par plus accrued interest plus a premium equal to the coupon in effect on the date on which the interest rate was fixed. In the case of any Intermediate Holdco Rollover Securities and Intermediate Holdco Rollover Loans that have a variable rate, any optional redemption or prepayment thereof shall be made pro rata between such Intermediate Holdco Rollover Securities and such Intermediate Holdco Rollover Loans. All mandatory offers to purchase or prepay shall be made pro rata between the Intermediate Holdco Rollover Securities and the Intermediate Holdco Rollover Loans.

Notwithstanding anything herein to the contrary, the Borrower shall be permitted to prepay Intermediate Holdco Rollover Securities at any time on or prior to the date that is six months following the Initial Maturity Date, so long as such prepayment is accompanied by a prepayment premium of 2.0% of the principal amount so prepaid.

The Intermediate Holdco Rollover Securities will be evidenced by an indenture in form suitable for qualification under the Trust Indenture Act and will otherwise contain

	covenants and other provisions customary for high yield debt securities similar to the Intermediate Holdco Rollover Securities (it being the intention of the parties that such covenants and customary provisions shall, taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon high yield debt securities issued by CSC). The Intermediate Holdco Rollover Loans will be evidenced by the Intermediate Holdco Interim Loan Agreement. The holders of the Intermediate Holdco Rollover Securities will be entitled to exchange offer and other registration rights to permit resale without restriction under applicable securities laws on terms no less favorable to the holders than those customarily applicable to an offering pursuant to Rule 144A (subject to applicable legal restrictions, including SEC staff interpretations).
Conditions to Effectiveness and to Intermediate Holdco Interim Loan:	The effectiveness of the Intermediate Holdco Interim Loan Documents and the making of the Intermediate Holdco Interim Loan shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Representations and Warranties:	Customary for facilities similar to the Intermediate Holdco Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that representations and warranties shall also apply to Intermediate Holdco).
Affirmative Covenants:	Customary for facilities similar to the Intermediate Holdco Interim Loan (including a covenant to refinance the Intermediate Holdco Interim Loan with Intermediate Holdco Senior Notes or Intermediate Holdco Take-out Securities as soon as reasonably possible) and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that affirmative covenants shall also apply to Intermediate Holdco). Upon the issuance of the Intermediate Holdco Rollover Securities and the Intermediate Holdco Rollover Loans, the affirmative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of "Exchange Feature; Rollover Securities and Rollover Loans" above, conform to affirmative covenants customary in an indenture for high yield debt securities issued by CSC.
Take-out Covenant:	The Intermediate Holdco Interim Loan Agreement will contain provisions pursuant to which the Borrower shall undertake to refinance in full the Intermediate Holdco Interim Loan as promptly as practicable through the

	issuance of the Intermediate Holdco Take-out Securities or otherwise in accordance with the Engagement Letter.
Negative Covenants:	Customary for facilities similar to the Intermediate Holdco Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that such negative covenants shall also apply to Intermediate Holdco) (subject to baskets and exceptions, where customary and appropriate), including the following: limitation on indebtedness and contingent obligations; limitation on liens and further negative pledges; limitation on investments; limitation on dividends and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25 to 1.00, to make the Minimum Distribution (as defined in the CSC Senior Credit Facilities Term Sheet)); limitation on redemptions and repurchases of equity interests; limitation on mergers, acquisitions and asset sales; limitation on issuance, sale or other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness. There shall be no financial maintenance covenants. Upon the issuance of the Intermediate Holdco Rollover Securities and the Intermediate Holdco Rollover Loans, the negative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of "Exchange Feature; Rollover Securities and Rollover Loans" above, conform to negative covenants customary in an indenture for high yield debt securities issued by CSC.
Events of Default:	Customary for facilities similar to the Intermediate Holdco Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood and agreed that such events of default shall also apply to Intermediate Holdco).
Yield Protection and Increased Costs:	Customary for facilities similar to the Intermediate Holdco Interim Loan.
Assignments and Participations:	Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million (unless the Borrower and the Lead Arrangers otherwise consent or unless the assigning Lender's exposure is thereby reduced

	to zero). Assignments shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.
Required Lenders:	Lenders having a majority of the outstanding credit exposure (the "Required Lenders"), subject to amendments of certain provisions of the Intermediate Holdco Interim Loan Documents requiring the consent of Lenders having a greater share (or all) of the outstanding credit exposure.
Expenses and Indemnification:	All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any Intermediate Holdco Interim Loan Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Borrower. The Borrower will indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relates to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.
Governing Law and Forum:	New York.
Waiver of Jury Trial:	All parties to the Intermediate Holdco Interim Loan Documents waive the right to trial by jury.
Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (and such local counsel as may be selected by the Lead Arrangers).

CONFIDENTIAL **EXHIBIT E**

RPH INTERIM LOAN

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	Rainbow Programming Holdings LLC ("RPH" or the "Borrower").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Banc of America Bridge LLC (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Banc of America Bridge LLC (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Interim Loan:	Senior interim loan (the "RPH Interim Loan") in a principal amount of $1.0 billion.
Documentation:	The documentation for the RPH Interim Loan will include an interim loan agreement (the "RPH Interim Loan Agreement") and other appropriate documents (collectively, the "RPH Interim Loan Documents").
	The RPH Interim Loan Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. It is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the RPH Interim Loan Documents shall, except as otherwise noted herein, and taking into account the financings related to the Merger and the other

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

	Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon such corresponding terms contained in the documentation for the RNS Senior Credit Facilities (it being understood that such adjustments shall be made as are customary in the context of an interim loan).
Use of Proceeds:	To finance in part the Transactions and to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the RPH Interim Loan Documents.
Closing Date:	The date of consummation of the Merger (the "Closing Date").
Availability:	On the Closing Date in one drawing.
Security:	None (including in respect of the RPH Rollover Securities and RPH Rollover Loans).
Ranking:	The RPH Interim Loan (and the RPH Rollover Securities and RPH Rollover Loans) will be a senior obligation of the Borrower ranking pari passu with all unsubordinated indebtedness of the Borrower and senior to all subordinated indebtedness of the Borrower.
Termination of Commitment:	The commitment in respect of the RPH Interim Loan will automatically and permanently terminate in its entirety on the Final Termination Date, if not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter. In addition, the commitment in respect of the RPH Interim Loan will automatically and permanently terminate in its entirety on the date of the consummation of the Merger to the extent not drawn down on such date.
Maturity:	The RPH Interim Loan will mature on the date (the "Initial Maturity Date") that is twelve months after the initial funding date (the "Funding"). Upon the satisfaction of the terms and conditions described under "Exchange Feature; Rollover Securities and Rollover Loans," the RPH Interim Loan will be exchanged for, at the option of each Lender, either (A) unsecured senior debt securities ("RPH Rollover Securities"), evidenced by an indenture in the form attached to the RPH Interim Loan Agreement and maturing on the date that occurs nine years after the Initial Maturity Date or (B) unsecured senior loans maturing on the date that occurs nine years after the Initial Maturity Date (the "RPH Rollover Loans"), evidenced by the RPH Interim Loan Agreement.

Interest Rate:	(A) RPH Interim Loan. The RPH Interim Loan will bear interest at a rate per annum equal to the greater (as determined on the Closing Date and each three-month period thereafter) of (i) three-month LIBOR and (ii) a certain percentage (the "Interim Floor Percentage") set forth in Annex II to the Fee Letter, in each case plus the Spread (defined below). The "Spread" will initially be, with respect to clause (i) above, a certain number of basis points (the "Interim Initial Basis Points") set forth in Annex II to the Fee Letter; and with respect to clause (ii) above, a certain number of basis points (the "Interim Floor Basis Points") set forth in Annex II to the Fee Letter. If the RPH Interim Loan is not repaid in full within six months following the Closing Date, each Spread will increase by an additional number of basis points (the "Additional Basis Points") set forth in Annex II to the Fee Letter at the end of such six-month period and shall increase by an additional number of basis points equal to the Additional Basis Points at the end of each three-month period thereafter. LIBOR will be adjusted for maximum statutory reserve requirements (if any). Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed a certain percentage per annum (the "Interest Rate Cap") set forth in Annex II to the Fee Letter (exclusive of any additional interest payable due to an event of default). (B) RPH Rollover Securities and RPH Rollover Loans. The RPH Rollover Securities and the RPH Rollover Loans will bear interest at a rate per annum equal to the greater (as determined on the Initial Maturity Date and each three-month period thereafter) of (i) three-month LIBOR plus a certain number of basis points (the "Rollover Basis Points") set forth in Annex II to the Fee Letter and (ii) the Initial Rate (defined below), in each case plus the Exchange Spread (as defined below). The "Initial Rate" shall be equal to the interest rate applicable to the RPH Interim Loan and in effect on the Initial Maturity Date. "Exchange Spread" shall mean the Additional Basis Points. LIBOR will be adjusted for maximum statutory reserve requirements (if any). At any time after the date that is six months following the Initial Maturity Date, any holder of RPH Rollover Securities or RPH Rollover Loans may elect, at its sole option, to fix the interest rate per annum on its RPH Rollover Securities or RPH Rollover Loans at the then effective rate of interest per annum. Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed the Interest Rate Cap (exclusive of any additional interest payable due to an event of default).

Default Rate:	Overdue principal, interest and other amounts under the RPH Interim Loan Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex II to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Interest Payment Dates:	(A) RPH Interim Loan. Quarterly, in arrears. (B) RPH Rollover Securities and RPH Rollover Loans. Semi-annually, in arrears.
Voluntary Prepayment:	The RPH Interim Loan may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, together with accrued interest to the date of prepayment, but without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).
Mandatory Prepayment:	Subject to paragraphs (i), (ii) and (iii) below, (A) 100% of the net cash proceeds of asset sales and other asset dispositions (including, without limitation, insurance proceeds) by RPH or any of its restricted subsidiaries (subject to exceptions, baskets and reinvestment rights to be agreed), (B) 100% of the net cash proceeds of the issuance or incurrence of debt by RPH or any of its restricted subsidiaries (subject to exceptions and baskets to be agreed) and (C) 100% of the net cash proceeds from any issuance of equity securities of RPH or any parent entity (whether direct or indirect, existing or future) of Super Holdco in any public offering or private placement or from any capital contribution, in each case shall be applied as follows: first, to the RPH Interim Loan; and second, to the RNS Senior Credit Facilities. (i) The net cash proceeds of the RPH Senior Notes and the RPH Take-out Securities shall be applied to reduce to zero the commitments in respect of, or, if after the Closing Date, to reduce to zero the funded amount of the RPH Interim Loan.

(ii) With respect to net cash proceeds of the disposition of assets by any restricted subsidiary of RPH or net cash proceeds of any issuance or incurrence of debt by any restricted subsidiary of RPH, in each case that would otherwise be required to be applied as provided above will be applied as set forth above if and only to the extent that no restricted subsidiary of RPH is required to repay its indebtedness (other than intercompany indebtedness) as in effect as of the date of the Commitment Letter with such net cash proceeds and there are no contractual or legal restrictions on the ability of RPH to access such net cash proceeds.

(iii) With respect to the net cash proceeds of the type described in clause (C) above in this section "Mandatory Prepayments", any such net cash proceeds shall be applied as set forth above to the extent such proceeds are not required to be applied by such parent to repay its indebtedness (other than intercompany indebtedness).

In addition, upon the occurrence of a Change of Control (to be defined), the Borrower will be required to offer to prepay the entire aggregate principal amount of the RPH Interim Loan (or the RPH Rollover Securities and RPH Rollover Loans) in cash at par or, in the case of RPH Rollover Securities upon which the interest rate has been fixed, with a prepayment premium of 1.0% of the principal amount thereof.

Each such prepayment shall be made together with accrued interest to the date of prepayment, but, except as noted above, without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).

Exchange Feature; Rollover Securities and Rollover Loans:	On the Initial Maturity Date, so long as no event of default has occurred and is continuing under the RPH Interim Loan Documents and all applicable fees have been paid in full, each Lender shall have its interest in the RPH Interim Loan exchanged for RPH Rollover Loans. At any time on or after the Initial Maturity Date, any Lender may exchange all or any portion of its RPH Rollover Loans for RPH Rollover Securities, it being understood and agreed that upon any such exchange occurring within six months after the Initial Maturity Date, the Borrower shall be obligated to immediately pay to such holder a duration fee equal to 0.50% of the principal amount so exchanged. The RPH Rollover Securities and the RPH Rollover Loans will be (A) mandatorily redeemable or prepayable, as the case may be, under the same circumstances as the RPH Interim Loan, except that, in lieu of mandatory redemptions or

prepayments, the Borrower shall be required to make mandatory offers to purchase or prepay such RPH Rollover Securities or RPH Rollover Loans and (B) optionally redeemable or prepayable, as the case may be, without premium or penalty or, if the holder has elected to fix the interest rate thereon, at declining premiums on terms customary for high-yield debt securities, including (subject to the next paragraph) four year no-call provisions; provided that on or before the third anniversary of the Closing Date, up to 35% of the aggregate principal amount of the RPH Rollover Loans and the RPH Rollover Securities will be optionally redeemable or prepayable, as the case may be, with the net cash proceeds of one or more Equity Offerings (to be defined), at par plus accrued interest plus a premium equal to the coupon in effect on the date on which the interest rate was fixed. In the case of any RPH Rollover Securities and RPH Rollover Loans that have a variable rate, any optional redemption or prepayment thereof shall be made pro rata between such RPH Rollover Securities and such RPH Rollover Loans. All mandatory offers to purchase or prepay shall be made pro rata between the RPH Rollover Securities and the RPH Rollover Loans.

Notwithstanding anything herein to the contrary, the Borrower shall be permitted to prepay RPH Rollover Securities at any time on or prior to the date that is six months following the Initial Maturity Date, so long as such prepayment is accompanied by a prepayment premium of 2.0% of the principal amount so prepaid.

The RPH Rollover Securities will be evidenced by an indenture in form suitable for qualification under the Trust Indenture Act and will otherwise contain covenants and other provisions customary for high yield debt securities similar to the RPH Rollover Securities (it being the intention of the parties that such covenants and customary provisions shall, taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon high yield debt securities issued by RNS). The RPH Rollover Loans will be evidenced by the RPH Interim Loan Agreement. The holders of the RPH Rollover Securities will be entitled to exchange offer and other registration rights to permit resale without restriction under applicable securities laws on terms no less favorable to the holders than those customarily applicable to an offering pursuant to Rule 144A (subject to applicable legal restrictions, including SEC staff interpretations).

Conditions to Effectiveness and to RPH Interim Loan:	The effectiveness of the RPH Interim Loan Documents and the making of the RPH Interim Loan shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Representations and Warranties:	Customary for facilities similar to the RPH Interim Loan and no more restrictive than those for the RNS Senior Credit Facilities (it being understood that representations and warranties shall also apply to RPH).
Affirmative Covenants:	Customary for facilities similar to the RPH Interim Loan (including a covenant to refinance the RPH Interim Loan with the RPH Senior Notes or the RPH Take-out Securities as soon as reasonably possible) and no more restrictive than those for the RNS Senior Credit Facilities (it being understood that affirmative covenants shall also apply to RPH). Upon the issuance of the RPH Rollover Securities and the RPH Rollover Loans, the affirmative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of “Exchange Feature; Rollover Securities and Rollover Loans” above, conform to affirmative covenants customary in an indenture for high yield debt securities issued by RNS.
Take-out Covenant:	The RPH Interim Loan Agreement will contain provisions pursuant to which the Borrower shall undertake to refinance in full the RPH Interim Loan as promptly as practicable through the issuance of the RPH Take-out Securities or otherwise in accordance with the Engagement Letter.
Negative Covenants:	Customary for facilities similar to the RPH Interim Loan and no more restrictive than those for the RNS Senior Credit Facilities (it being understood that such negative covenants shall also apply to RPH) (subject to baskets and exceptions, where customary and appropriate), including the following: limitation on indebtedness and contingent obligations; limitation on liens and further negative pledges; limitation on investments; limitation on dividends and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25 to 1.00, to make the Minimum Distribution (as defined in the CSC Senior Credit Facilities Term Sheet)); limitation on redemptions and repurchases of equity interests; limitation on mergers, acquisitions and asset sales; limitation on issuance, sale or other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other

	payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness. There shall be no financial maintenance covenants. Upon the issuance of the RPH Rollover Securities and the RPH Rollover Loans, the negative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of "Exchange Feature; Rollover Securities and Rollover Loans" above, conform to negative covenants customary in an indenture for high yield debt securities issued by RNS.
Events of Default:	Customary for facilities similar to the RPH Interim Loan and no more restrictive than those for the RNS Senior Credit Facilities (it being understood and agreed that such events of default shall also apply to RPH).
Yield Protection and Increased Costs:	Customary for facilities similar to the RPH Interim Loan.
Assignments and Participations:	Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million (unless the Borrower and the Lead Arrangers otherwise consent or unless the assigning Lender's exposure is thereby reduced to zero). Assignments shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.
Required Lenders:	Lenders having a majority of the outstanding credit exposure (the "Required Lenders"), subject to amendments of certain provisions of the RPH Interim Loan Documents requiring the consent of Lenders having a greater share (or all) of the outstanding credit exposure.
Expenses and Indemnification:	All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any RPH Interim Loan Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local

counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Borrower.

The Borrower will indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relates to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.

Governing Law and Forum:	New York.
Waiver of Jury Trial:	All parties to the RPH Interim Loan Documents waive the right to trial by jury.
Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (and such local counsel as may be selected by the Lead Arrangers).

CONFIDENTIAL **EXHIBIT F**

RNS SENIOR CREDIT FACILITIES

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	Rainbow National Services LLC, a Delaware limited liability company ("RNS" or the "Borrower").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Bank of America, N.A. (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Bank of America, N.A. (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Senior Credit Facilities:	Senior secured credit facilities (the "RNS Senior Credit Facilities") in an aggregate principal amount of $1.030 billion, such RNS Senior Credit Facilities consisting of the following: (A) Term Loan B Facility. Term loan B facility in an aggregate principal amount of $730.0 million (the "Term Loan B Facility"). Loans made under the Term Loan B Facility are herein referred to as "Term Loans"). (B) Revolving Credit Facility. A revolving credit facility in an aggregate principal amount of $300.0 million (the "Revolving Credit Facility"). Loans made under the Revolving Credit Facility are herein referred to as "Revolving Loans"; the Term Loans and Revolving Loans are herein referred to collectively as "Loans". An amount to be agreed of the Revolving Credit Facility will be available as a letter of credit subfacility and as a swing line subfacility, in each case on customary terms.
Documentation:	The documentation for the RNS Senior Credit Facilities will include, among others, a credit agreement (the "Credit

1 Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

Agreement”), guarantees and appropriate pledge, security interest and other collateral documents (collectively, the “Credit Documents”). The Borrower and the Guarantors (as defined below under the section entitled “Guarantors”) are herein referred to as the “Loan Parties” and individually as a “Loan Party”.

The Credit Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. As the RNS Senior Credit Facilities are intended to replace the Existing RNS Credit Facility, it is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the Credit Documents shall, except as otherwise noted herein, and taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon such corresponding terms contained in the documentation for the Existing RNS Credit Facility.

Closing Date: The date of the consummation of the Merger (the “Closing Date”).

Use of Proceeds: The proceeds of the Term Loan B Facility will be used (a) to finance in part the Transactions and (b) to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the Credit Documents.

Proceeds of not more than an amount to be mutually agreed of the Revolving Credit Facility (the “Permitted Revolver Amount”) may be used on the Closing Date to finance a portion of the Transactions. The Revolving Credit Facility will also be used after the Closing Date for working capital and general corporate purposes of the Borrower and its subsidiaries, subject to the terms and conditions set forth in the Credit Documents.

Availability: Term Loan B Facility.

The full amount of the Term Loan B Facility will be available on the Closing Date in one drawing.

Any and all advances made under the Term Loan B Facility that are repaid or prepaid may not be reborrowed.

Revolving Credit Facility.

The Revolving Credit Facility will be available on a fully revolving basis, subject to the terms and conditions set forth in the Credit Documents, in the form of revolving advances, swing line advances and letters of credit issued on and after the Closing Date until the date that is six years after the Closing Date (the "R/C Termination Date"); provided, however, that (subject to the limitations set forth above) the Permitted Revolver Amount may be drawn on the Closing Date to finance in part the Transactions.

Guarantors:

Each of the Borrower's direct and indirect domestic subsidiaries existing on the Closing Date that currently guarantee the Existing RNS Credit Facility and each of the Borrower's direct and indirect domestic "Restricted Subsidiaries" thereafter created or acquired, shall unconditionally guarantee, on a joint and several basis, all obligations of the Borrower under the RNS Senior Credit Facilities, other than any immaterial or inactive subsidiaries. Each guarantor of any of the RNS Senior Credit Facilities is herein referred to as a "Guarantor" and its guarantee is referred to herein as a "Guarantee."

Security:

The RNS Senior Credit Facilities and the obligations of the Borrower under each interest rate protection agreement entered into with a Lender or any affiliate of a Lender will be secured by the following property (collectively, the "Collateral"):

(A) a perfected security interest in all of the capital stock (or other ownership interests) of each of the direct subsidiaries of the Borrower and the Guarantors pledged to secure the Existing RNS Credit Facility and in all of the capital stock (or other membership interests) of each of the direct subsidiaries of the Borrower and the Guarantors created or acquired after the Closing Date, in each case limited to, in the case of non-domestic subsidiaries, 65% of the shares of any direct, "first tier" non-domestic subsidiaries of the Borrower and the Guarantors. Notwithstanding the foregoing, the RNS Senior Credit Facilities shall not be secured by (a) ownership interests in subsidiaries that cannot be pledged without the consent of one or more third parties or governmental authorities, (b) interests in subsidiaries the pledge of which would be prohibited by contract, license, permit, applicable law or regulation (and not overridden by the UCC or other applicable law) and (c) other exceptions to be agreed (collectively, the "Pledged Equity Collateral"); and

(B) a perfected lien on, and security interest in, all of the tangible and intangible properties and assets (including all equipment, inventory, contract rights, real property interests, trademarks, trade names and other intellectual property and proceeds of the foregoing) of each Loan Party (collectively, other than the Pledged Equity Collateral, the "Other Pledged Collateral"), except in each case for those properties and assets (a) as to which the Lead Arrangers shall determine in their reasonable discretion that the costs of obtaining such security interest are excessive in relation to the value of the security to be afforded thereby, (b) that cannot be pledged without the consent of one or more third parties, (c) that are subject to any restrictions and limitations relating to granting of any liens under applicable law or regulation (and not overridden by the UCC or other applicable law) or (d) that are subject to any restrictions and limitations relating to granting of any liens that are set forth in the indentures governing RNS' and its restricted subsidiaries' senior and senior subordinated notes as in effect as of the date of the Commitment Letter.

All such security interests will be created pursuant to documentation customary for facilities similar to the RNS Senior Credit Facilities and reasonably satisfactory in all respects to the Lead Arrangers and the Borrower. On the Closing Date, such security interests shall have become perfected (or arrangements for the perfection thereof reasonably satisfactory to the Lead Arrangers shall have been made) and the Lead Arrangers shall have received reasonably satisfactory evidence as to the enforceability, perfection and priority thereof, it being understood that, notwithstanding anything to the contrary in the Commitment Letter or its Exhibits, to the extent that any Collateral (other than the pledge and perfection of security interests (i) in domestic Pledged Equity Collateral and (ii) in other assets with respect to which a lien may be perfected by the filing of a financing statement under the UCC) is not provided on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the delivery of such collateral shall not constitute a condition precedent to the availability of the RNS Senior Credit Facilities on the Closing Date and the parties to the Commitment Letter acting reasonably shall negotiate arrangements for the delivery of such collateral within a reasonably satisfactory period following the Closing Date.

Termination of Commitments:

The commitment in respect of all the RNS Senior Credit Facilities will automatically and permanently terminate in its entirety on the Final Termination Date, if the Term Loan B Facility is not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter.

Final Maturity:

(A) Term Loan B Facility. The Term Loan B Facility will mature on the date that occurs eight years after the Closing Date.

(B) Revolving Credit Facility. The Revolving Credit Facility will mature on the R/C Termination Date.

Amortization Schedule:

The Term Loan B Facility will amortize at a rate of 1.00% per annum on a quarterly basis (beginning with the first full quarter after the Closing Date) for the first six years after the Closing

	Date, with the balance paid on the Term Loan B Maturity Date.
Letters of Credit:	Letters of credit under the Revolving Credit Facility ("Letters of Credit") will be issued by a Lender or Lenders to be agreed by the Lead Arrangers and the Borrower (in such capacity, each an "Issuing Bank"). The issuance of all Letters of Credit shall be subject to the customary documentation requirements, procedures and fees of the Issuing Bank(s).
Interest Rates and Fees:	Interest rates and fees in connection with the RNS Senior Credit Facilities will be as specified on Annex I attached hereto.
Default Rate:	Overdue principal, interest and other amounts under the Credit Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex I to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Voluntary Prepayments/Reductions in Commitments:	(A) Term Loan B Facility. Advances under the Term Loan B Facility may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty (except, in the case of LIBOR borrowings, breakage costs related to prepayments not made on the last day of the relevant interest period). Voluntary prepayments of the Term Loan B Facility shall be applied pro rata to the remaining scheduled amortization payments in respect thereof. (B) Revolving Credit Facility. The unutilized portion of the commitments under the Revolving Credit Facility may be reduced and advances under the Revolving Credit Facility may be repaid at any time, in each case, at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty (except, in the case of LIBOR advances, breakage costs related to prepayments not made on the last day of the relevant interest period).
Mandatory Prepayments:	An amount equal to: (A) 100% of the net cash proceeds (including condemnation and insurance proceeds) of asset sales and other asset dispositions by RNS or any of its restricted subsidiaries (including, without limitation, insurance proceeds and subject to baskets, exceptions and reinvestment rights to be agreed upon), and (B) 100% of the net cash proceeds of the issuance or incurrence of debt by RNS or any of its restricted subsidiaries (subject to baskets and exceptions to be agreed upon),

	in each case shall be applied as follows: first, if permitted by the terms of any indenture to which the Borrower and, if applicable, RPH are a party, to the RPH Interim Loan, and second, to the RNS Senior Credit Facilities. Mandatory prepayments will be applied to the Term Loan B Facility. Any application to the Term Loan B Facility shall be applied pro rata to the remaining scheduled amortization payments. To the extent that the amount to be applied to the prepayment of Term Loans exceeds the aggregate amount of Term Loans then outstanding, such excess shall be applied to the Revolving Facility to permanently reduce the commitments thereunder; provided, however, that if at the time of such application the aggregate commitments under the Revolving Credit Facility are equal to or less than $100 million ("Threshold"), then such excess shall not be required to permanently reduce the commitments under the Revolving Credit Facility, and in no event shall such excess permanently reduce the commitments under the Revolving Credit Facility below the Threshold. Advances under the Revolving Credit Facility will be immediately prepaid to the extent that the aggregate extensions of credit under the Revolving Credit Facility exceed the commitments then in effect under the Revolving Credit Facility.
Conditions to Effectiveness and to Initial Advances:	The effectiveness of the Credit Agreement and the making of the initial Loans under the RNS Senior Credit Facilities shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Conditions to All Extensions of Credit:	Each extension of credit under the RNS Senior Credit Facilities will be subject to (A) the absence of any Default or Event of Default (to be defined), (B) the continued accuracy of representations and warranties in all material respects (which materiality exception will not apply to representations and warranties to the extent already qualified by materiality standards) and (C) delivery of a notice of borrowing.
Representations and Warranties:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RNS Senior Credit Facilities.
Affirmative Covenants:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RNS Senior Credit Facilities.
Negative Covenants:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RNS Senior Credit Facilities (all such covenants to be subject to customary baskets and exceptions and such others to be agreed upon), but in any event

	including: limitation on indebtedness and contingent obligations (which shall permit the incurrence of indebtedness (including additional secured indebtedness up to an amount to be agreed), so long as there is no default or event of default and the Borrower is in pro forma compliance with a leverage or interest coverage ratio to be agreed); limitation on liens and further negative pledges; limitation on investments; limitation on dividends, redemptions and repurchases of equity interests and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25 to 1.00, to make the Minimum Distribution (as defined in the CSC Senior Credit Facilities Term Sheet)); limitation on mergers, acquisitions and asset sales; limitation on issuance, sale and other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness (other than subordinated indebtedness under existing indentures).
Financial Covenants:	With respect to the Revolving Credit Facility only, financial maintenance covenants appropriate in the context of the proposed transaction, and customary for facilities similar to the RNS Senior Credit Facilities, consisting of (definitions and numerical calculations to be set forth in the Credit Agreement): (a) total leverage ratio; (b) interest coverage ratio; and (c) senior secured leverage ratio; and shall be substantially consistent with the financial maintenance covenants contained in the Existing RNS Credit Facility (in existence as of the date of the Commitment Letter), and, notwithstanding the foregoing, with covenant levels to be mutually agreed.
Events of Default:	Subject to the provisions set forth under “Documentation” above, customary for facilities similar to the RNS Senior Credit Facilities, but in any event including: breach of representation or warranty; nonpayment of principal, interest, fees or other amounts; breach of covenants; change of control; bankruptcy, insolvency proceedings, etc.; judgment defaults; ERISA defaults; cross-defaults to other indebtedness (provided that failure to comply with financial maintenance covenants in the Revolving Credit Facility shall not trigger a cross default to the Term Loan B Facility); and actual or asserted invalidity of loan documentation.
Yield Protection and Increased Costs; and Replacement of Lenders:	Subject to the provisions set forth under “Documentation” above, customary for facilities similar to the RNS Senior Credit Facilities, including protective provisions for such matters as defaulting banks, capital adequacy, increased costs, reserves,

funding losses, breakage costs, illegality and withholding taxes.

Subject to customary conditions (including that no default shall have occurred and be continuing), the Borrower shall have the right to replace any Lender that (a) charges an amount with respect to contingencies described in the immediately preceding paragraph or (b) refuses to consent to certain amendments or waivers of the RNS Senior Credit Facilities which expressly require the consent of such Lender and which have been approved by the Required Lenders (or, in certain circumstances applicable to a particular tranche, a majority of the applicable tranche of Lenders).

Assignments and Participations:

Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million for the Term Loan B Facility and $5.0 million for the Revolving Credit Facility (unless the Borrower and the Lead Arrangers otherwise consent or unless the assigning Lender's exposure is thereby reduced to zero). Assignments (which may be non-pro rata among the RNS Senior Credit Facilities) shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.

Required Lenders:

Lenders having a majority of the outstanding credit exposure under the RNS Senior Credit Facilities (the "Required Lenders"), subject to amendments or waivers of certain provisions of the Credit Documents requiring the consent of each affected Lender (or all Lenders) or Lenders having a majority of the outstanding credit exposure under each affected RNS Senior Credit Facility (including a requirement for a majority of the Lenders under the Revolving Credit Facility to approve waivers or amendments affecting the conditions to additional advances under the Revolving Credit Facility).

Expenses and Indemnification:

All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the negotiation, preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any Credit Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Loan Parties.

	The Loan Parties will jointly and severally indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and hold them harmless from and against all costs, expenses (including fees, disbursements and other charges of counsel) and all liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relate to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.
Governing Law and Forum:	New York.
Waiver of Jury Trial:	All parties to the Credit Documents waive the right to trial by jury.
Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (including local counsel as selected by the Lead Arrangers).

ANNEX I

Interest Rates and Fees:	The Borrower will be entitled to make borrowings based on the ABR plus the Applicable Margin or LIBOR plus the Applicable Margin. The Loans under the RNS Senior Credit Facilities will bear interest, at the option of the Borrower, at (a) ABR plus the Applicable Margin or (b) LIBOR plus the Applicable Margin.

The "Applicable Margin" with respect to the Revolving Credit Facility will be (a) prior to the Trigger Date (as defined below), a percentage per annum set forth in Annex I to the Fee Letter and (b) on and after the Trigger Date, determined pursuant to a grid to be determined which will be based on the Total Leverage Ratio (to be defined).

The "Applicable Margin" with respect to the Term Loan B Facility will be a percentage per annum set forth in Annex I to the Fee Letter.

"Trigger Date" means the first date after the Closing Date on which the Borrower delivers financial statements and a computation of the Total Leverage Ratio (to be defined) for the first fiscal quarter ended at least three months after the Closing Date in accordance with the Credit Agreement.

Unless consented to by the Lead Arrangers in their sole discretion, no LIBOR Loans may be elected on the Closing Date and thereafter all LIBOR Loans will have a 30 day interest period ending on the same date approximately 30 days after the Closing Date (unless the completion of the primary syndication of the RNS Senior Credit Facilities as determined by the Lead Arrangers shall have occurred).

"ABR" means the higher of (a) the prime rate of interest announced or established by the Lender acting as the Administrative Agent from time to time, changing effective on the date of announcement or establishment of said prime rate changes and (b) the Federal Funds Rate plus 0.50% per annum. The prime rate is not necessarily the lowest rate charged by the Lender acting as the Administrative Agent to its customers.

"LIBOR" means the rate published by such source to be agreed upon or, if not available, determined by the Administrative Agent to be available to the Lenders in the London interbank market for deposits in US Dollars in the amount of, and for a maturity corresponding to, the amount of the applicable LIBOR

advance, as adjusted for maximum statutory reserves.

The Borrower may select interest periods of one, two, three or six months and, if available to all Lenders, nine or twelve months, for LIBOR borrowings. Interest will be payable in arrears (a) in the case of ABR advances, at the end of each quarter and (b) in the case of LIBOR advances, at the end of each interest period and, in the case of any interest period longer than three months, no less frequently than every three months. Interest on all borrowings shall be calculated on the basis of the actual number of days elapsed over (a) in the case of LIBOR Loans, a 360-day year and (b) in the case of ABR Loans, a 365-or 366-day year, as the case may be.

Commitment fees accrue on the undrawn amount of the Revolving Credit Facility, commencing on the Closing Date. The commitment fee in respect of the Revolving Credit Facility will be a percentage per annum (the "Unutilized Commitment Fee Percentage") set forth in Annex I to the Fee Letter.

All commitment fees will be payable in arrears at the end of each quarter and upon any termination of any commitment, in each case for the actual number of days elapsed over a 360-day year.

Letter of Credit fees will be payable for the account of the Revolving Credit Facility Lenders on the daily average undrawn face amount of each Letter of Credit at a rate per annum equal to the Applicable Margin for Loans under the Revolving Credit Facility that bear interest at LIBOR in effect at such time, which fees shall be paid quarterly in arrears. In addition, an issuing fee on the face amount of each Letter of Credit equal to a percentage per annum (the "Issuing Fee Percentage") set forth in Annex I to the Fee Letter shall be payable to the Issuing Bank for its own account, which fee shall also be payable quarterly in arrears.

The Lead Arrangers and the Administrative Agent shall receive such other fees as shall have been separately agreed with the Borrower in the fee letter between them.

RPP SENIOR CREDIT FACILITIES

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	Regional Programming Partners ("RPP" or the "Borrower").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Bank of America, N.A. (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Bank of America, N.A. (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Senior Credit Facilities:	Senior secured credit facilities (the "RPP Senior Credit Facilities") in an aggregate principal amount of $950.0 million, such RPP Senior Credit Facilities consisting of the following: (A) Term Loan B Facility. Term loan B facility in an aggregate principal amount of $900.0 million (the "Term Loan B Facility"). Loans made under the Term Loan B Facility are herein referred to as "Term Loans"). (B) Revolving Credit Facility. A revolving credit facility in an aggregate principal amount of $50.0 million (the "Revolving Credit Facility"). Loans made under the Revolving Credit Facility are herein referred to as "Revolving Loans"; the Term Loans and Revolving Loans are herein referred to collectively as "Loans". An amount to be agreed of the Revolving Credit Facility will be available as a letter of credit subfacility and as a swing line subfacility, in each case on customary terms.
Documentation:	The documentation for the RPP Senior Credit Facilities will include, among others, a credit agreement (the "Credit Agreement"), guarantees and appropriate pledge, security

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

	interest and other collateral documents (collectively, the "Credit Documents"). The Borrower and the Guarantors (as defined below under the section entitled "Guarantors") are herein referred to as the "Loan Parties" and individually as a "Loan Party". The Credit Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. It is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the Credit Documents shall, taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be customary for facilities similar to the RPP Senior Credit Facilities.
Closing Date:	The date of the consummation of the Merger (the "Closing Date").
Use of Proceeds:	The proceeds of the Term Loan B Facility will be used (a) to finance in part the Transactions and (b) to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the Credit Documents. The Revolving Credit Facility will also be used after the Closing Date for working capital and general corporate purposes of the Borrower and its subsidiaries, subject to the terms and conditions set forth in the Credit Documents.
Availability:	Term Loan B Facility. The full amount of the Term Loan B Facility will be available on the Closing Date in one drawing. Any and all advances made under the Term Loan B Facility that are repaid or prepaid may not be reborrowed. Revolving Credit Facility. The Revolving Credit Facility will be available on a fully revolving basis, subject to the terms and conditions set forth in the Credit Documents, in the form of revolving advances, swing line advances and letters of credit issued on and after the Closing Date until the date that is five years after the Closing Date (the "R/C Termination Date"); provided, however, that (subject to the limitations set forth above) no amount may be drawn on the

	Closing Date.
Guarantors:	The direct parent of the Borrower and each of the Borrower's direct and indirect wholly-owned domestic "Restricted Subsidiaries" existing on the date hereof or thereafter created or acquired, shall unconditionally guarantee, on a joint and several basis, all obligations of the Borrower under the RPP Senior Credit Facilities, other than (a) any immaterial or inactive subsidiaries and (b) any other subsidiary if the entering into such a guarantee would cause it to breach any law, regulations (including sports league constituent documents and regulations) or agreement applicable to it or to which it is a party. Each guarantor of any of the RPP Senior Credit Facilities is herein referred to as a "Guarantor" and its guarantee is referred to herein as a "Guarantee."
Security:	The RPP Senior Credit Facilities and the obligations of the Borrower under each interest rate protection agreement entered into with a Lender or any affiliate of a Lender will be secured by the following property (collectively, the "Collateral"): (A) a perfected security interest in all of the capital stock (or other membership interests) of each of the direct subsidiaries of the Borrower and the Guarantors existing on the Closing Date or thereafter created or acquired, limited to, in the case of non-domestic subsidiaries, 65% of the shares of any direct, "first tier" non-domestic subsidiaries of the Borrower and the Guarantors. Notwithstanding the foregoing, the RPP Senior Credit Facilities shall not be secured by (a) ownership interests in subsidiaries that cannot be pledged without the consent of one or more third parties or governmental entities, (b) interests in subsidiaries the pledge of which would be prohibited by contract, license, permit, applicable law or regulation (and not overridden by the UCC or other applicable law) and (c) other exceptions to be agreed (collectively, the "Pledged Equity Collateral"); and (B) a perfected lien on, and security interest in, all of the tangible and intangible properties and assets (including all equipment, inventory, contract rights, real property interests, trademarks, trade names and other intellectual property and proceeds of the foregoing) of each Loan Party (collectively, other than the Pledged Equity Collateral, the "Other Pledged Collateral"), except in each case for those properties and assets (a) as to which the Lead Arrangers shall determine in their reasonable discretion that the costs of obtaining such security interest are excessive in relation to the value of the security to be afforded thereby, (b) that cannot be pledged without the consent of one or more third parties or governmental entities, (c) that are subject to any restrictions and limitations relating to granting of any liens under contract, license, permit, applicable law or regulation (and not overridden by the UCC or other applicable law) or (d) that are

	subject to any restrictions and limitations relating to granting of any liens that are set forth in any agreements to which RPP is a party as in effect as of the date of the Commitment Letter. All such security interests will be created pursuant to documentation customary for facilities similar to the RPP Senior Credit Facilities and reasonably satisfactory in all respects to the Lead Arrangers and the Borrower. On the Closing Date, such security interests shall have become perfected (or arrangements for the perfection thereof reasonably satisfactory to the Lead Arrangers shall have been made) and the Lead Arrangers shall have received reasonably satisfactory evidence as to the enforceability, perfection and priority thereof, it being understood that, notwithstanding anything to the contrary in the Commitment Letter or its Exhibits, to the extent that any Collateral (other than the pledge and perfection of security interests (i) in domestic Pledged Equity Collateral and (ii) in other assets with respect to which a lien may be perfected by the filing of a financing statement under the UCC) is not provided on the Closing Date after the Borrower's use of commercially reasonable efforts to do so, the delivery of such collateral shall not constitute a condition precedent to the availability of the RPP Senior Credit Facilities on the Closing Date and the parties to the Commitment Letter acting reasonably shall negotiate arrangements for the delivery of such collateral within a reasonably satisfactory period following the Closing Date.
Termination of Commitments:	The commitment in respect of all the RPP Senior Credit Facilities will automatically and permanently terminate in its entirety on the Final Termination Date, if the Term Loan B Facility is not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter.
Final Maturity:	(A) <u>Term Loan B Facility</u>. The Term Loan B Facility will mature on the date that occurs seven years after the Closing Date. (B) <u>Revolving Credit Facility</u>. The Revolving Credit Facility will mature on the R/C Termination Date.
Amortization Schedule:	The Term Loan B Facility will amortize at a rate to be determined, with the balance paid on the Term Loan B Maturity Date.
Letters of Credit:	Letters of credit under the Revolving Credit Facility ("<u>Letters of Credit</u>") will be issued by a Lender or Lenders to be agreed by the Lead Arrangers and the Borrower (in such capacity, each an "<u>Issuing Bank</u>"). The issuance of all Letters of Credit shall be subject to the customary documentation requirements,

	procedures and fees of the Issuing Bank(s).
Interest Rates and Fees:	Interest rates and fees in connection with the RPP Senior Credit Facilities will be as specified on Annex I attached hereto.
Default Rate:	Overdue principal, interest and other amounts under the Credit Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex I to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Voluntary Prepayments/Reductions in Commitments:	(A) Term Loan B Facility. Advances under the Term Loan B Facility may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty (except, in the case of LIBOR borrowings, breakage costs related to prepayments not made on the last day of the relevant interest period). Voluntary prepayments of the Term Loan B Facility shall be applied pro rata to the remaining scheduled amortization payments in respect thereof. (B) Revolving Credit Facility. The unutilized portion of the commitments under the Revolving Credit Facility may be reduced and advances under the Revolving Credit Facility may be repaid at any time, in each case, at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, without premium or penalty (except, in the case of LIBOR advances, breakage costs related to prepayments not made on the last day of the relevant interest period).
Mandatory Prepayments:	An amount equal to: (A) 100% of the net cash proceeds (including condemnation and insurance proceeds) of asset sales and other asset dispositions by RPP's direct parent entity, RPP or any of its restricted subsidiaries (including, without limitation, insurance proceeds and subject to customary baskets, exceptions and reinvestment rights to be agreed upon), and (B) 100% of the net cash proceeds of the issuance or incurrence of debt by RPP's direct parent entity, RPP or any of its restricted subsidiaries (subject to customary baskets and exceptions to be agreed upon). With respect to net cash proceeds of the disposition of assets by any restricted subsidiary of RPP or net cash proceeds of any issuance or incurrence of debt by any restricted subsidiary of RPP in each case that would otherwise be required to be applied as provided above will be applied as set forth above if and only to the extent that (x) such subsidiary is not required to repay its

	indebtedness (other than intercompany indebtedness) with such net cash proceeds, (y) there are no contractual or legal restrictions on the ability of RPP to access such net cash proceeds and (z) no parent of RPP, and neither RPP nor any of its restricted subsidiaries is required under its existing indebtedness (other than intercompany indebtedness) as in effect of the date of the Commitment Letter to repay such indebtedness with such net cash proceeds. Mandatory prepayments will be applied to the Term Loan B Facility. Any application to the Term Loan B Facility shall be applied pro rata to the remaining scheduled amortization payments. To the extent that the amount to be applied to the prepayment of Term Loans exceeds the aggregate amount of Term Loans then outstanding, such excess shall be applied to the Revolving Facility to permanently reduce the commitments thereunder; provided, however, that if at the time of such application the aggregate commitments under the Revolving Credit Facility are equal to or less than $10 million ("Threshold"), then such excess shall not be required to permanently reduce the commitments under the Revolving Credit Facility, and in no event shall such excess permanently reduce the commitments under the Revolving Credit Facility below the Threshold. Advances under the Revolving Credit Facility will be immediately prepaid to the extent that the aggregate extensions of credit under the Revolving Credit Facility exceed the commitments then in effect under the Revolving Credit Facility.
Conditions to Effectiveness and to Initial Advances:	The effectiveness of the Credit Agreement and the making of the initial Loans under the RPP Senior Credit Facilities shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Conditions to All Extensions of Credit:	Each extension of credit under the RPP Senior Credit Facilities will be subject to (A) the absence of any Default or Event of Default (to be defined), (B) the continued accuracy of representations and warranties in all material respects (which materiality exception will not apply to representations and warranties to the extent already qualified by materiality standards) and (C) delivery of a notice of borrowing.
Representations and Warranties:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RPP Senior Credit Facilities.
Affirmative Covenants:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RPP Senior Credit Facilities.

Negative Covenants:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RPP Senior Credit Facilities (all such covenants to be subject to customary baskets and exceptions and such others to be agreed upon), but in any event including: limitation on indebtedness and contingent obligations (which shall permit the incurrence of indebtedness (including additional secured indebtedness up to an amount to be agreed), so long as there is no default or event of default and the Borrower is in pro forma compliance with a leverage or interest coverage ratio to be agreed); limitation on liens and further negative pledges; limitation on investments; limitation on dividends, redemptions and repurchases of equity interests and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25 to 1.00, to make the Minimum Distribution (as defined in the CSC Senior Credit Facilities Term Sheet)); limitation on mergers, acquisitions and asset sales; limitation on issuance, sale and other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness.
Financial Covenants:	With respect to the Revolving Credit Facility only, financial maintenance covenants appropriate in the context of the proposed transaction, and customary for facilities similar to the RPP Senior Credit Facilities, consisting of (definitions and numerical calculations to be set forth in the Credit Agreement): (a) total leverage ratio; (b) interest coverage ratio; and (c) senior secured leverage ratio; with covenant levels to be mutually agreed.
Events of Default:	Subject to the provisions set forth under "Documentation" above, customary for facilities similar to the RPP Senior Credit Facilities, but in any event including: breach of representation or warranty; nonpayment of principal, interest, fees or other amounts; breach of covenants; change of control; bankruptcy, insolvency proceedings, etc.; judgment defaults; ERISA defaults; cross-defaults to other indebtedness (provided that failure to comply with financial maintenance covenants in the Revolving Credit Facility shall not trigger a cross default to the Term Loan B Facility); and actual or asserted invalidity of loan documentation.
Yield Protection and Increased Costs; and Replacement of Lenders:	Customary for facilities similar to the RPP Senior Credit Facilities, including protective provisions for such matters as defaulting banks, capital adequacy, increased costs, reserves, funding losses, breakage costs, illegality and withholding taxes.

Subject to customary conditions (including that no default shall have occurred and be continuing), the Borrower shall have the right to replace any Lender that (a) charges an amount with respect to contingencies described in the immediately preceding paragraph or (b) refuses to consent to certain amendments or waivers of the RPP Senior Credit Facilities which expressly require the consent of such Lender and which have been approved by the Required Lenders (or, in certain circumstances applicable to a particular tranche, a majority of the applicable tranche of Lenders).

Assignments and Participations:	Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million for the Term Loan B Facility and $5.0 million for the Revolving Credit Facility (unless the Borrower and the Lead Arrangers otherwise consent or unless the assigning Lender's exposure is thereby reduced to zero). Assignments (which may be non-pro rata among the RPP Senior Credit Facilities) shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.
Required Lenders:	Lenders having a majority of the outstanding credit exposure under the RPP Senior Credit Facilities (the "Required Lenders"), subject to amendments or waivers of certain provisions of the Credit Documents requiring the consent of each affected Lender (or all Lenders) or Lenders having a majority of the outstanding credit exposure under each affected RPP Senior Credit Facility (including a requirement for a majority of the Lenders under the Revolving Credit Facility to approve waivers or amendments affecting the conditions to additional advances under the Revolving Credit Facility).
Expenses and Indemnification:	All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the negotiation, preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any Credit Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Loan Parties. The Loan Parties will jointly and severally indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and

	hold them harmless from and against all costs, expenses (including fees, disbursements and other charges of counsel) and all liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relate to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.
Governing Law and Forum:	New York.
Waiver of Jury Trial:	All parties to the Credit Documents waive the right to trial by jury.
Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (including local counsel as selected by the Lead Arrangers).

ANNEX I

Interest Rates and Fees:	The Borrower will be entitled to make borrowings based on the ABR plus the Applicable Margin or LIBOR plus the Applicable Margin. The Loans under the RPP Senior Credit Facilities will bear interest, at the option of the Borrower, at (a) ABR plus the Applicable Margin or (b) LIBOR plus the Applicable Margin. The "Applicable Margin" with respect to the Revolving Credit Facility will be (a) prior to the Trigger Date (as defined below), a percentage per annum set forth in Annex I to the Fee Letter and (b) on and after the Trigger Date, determined pursuant to a grid to be determined which will be based on the Total Leverage Ratio (to be defined). The "Applicable Margin" with respect to the Term Loan B Facility will be a percentage per annum set forth in Annex I to the Fee Letter. "Trigger Date" means the first date after the Closing Date on which the Borrower delivers financial statements and a computation of the Total Leverage Ratio (to be defined) for the first fiscal quarter ended at least three months after the Closing Date in accordance with the Credit Agreement. Unless consented to by the Lead Arrangers in their sole discretion, no LIBOR Loans may be elected on the Closing Date and thereafter all LIBOR Loans will have a 30 day interest period ending on the same date approximately 30 days after the Closing Date (unless the completion of the primary syndication of the RPP Senior Credit Facilities as determined by the Lead Arrangers shall have occurred). "ABR" means the higher of (a) the prime rate of interest announced or established by the Lender acting as the Administrative Agent from time to time, changing effective on the date of announcement or establishment of said prime rate changes and (b) the Federal Funds Rate plus 0.50% per annum. The prime rate is not necessarily the lowest rate charged by the Lender acting as the Administrative Agent to its customers. "LIBOR" means the rate published by such source to be agreed upon or, if not available, determined by the Administrative Agent to be available to the Lenders in the London interbank market for deposits in US Dollars in the amount of, and for a maturity corresponding to, the amount of the applicable LIBOR

advance, as adjusted for maximum statutory reserves.

The Borrower may select interest periods of one, two, three or six months and, if available to all Lenders, nine or twelve months, for LIBOR borrowings. Interest will be payable in arrears (a) in the case of ABR advances, at the end of each quarter and (b) in the case of LIBOR advances, at the end of each interest period and, in the case of any interest period longer than three months, no less frequently than every three months. Interest on all borrowings shall be calculated on the basis of the actual number of days elapsed over (a) in the case of LIBOR Loans, a 360-day year and (b) in the case of ABR Loans, a 365-or 366-day year, as the case may be.

Commitment fees accrue on the undrawn amount of the Revolving Credit Facility, commencing on the Closing Date. The commitment fee in respect of the Revolving Credit Facility will be a percentage per annum (the "Unutilized Commitment Fee Percentage") set forth in Annex I to the Fee Letter.

All commitment fees will be payable in arrears at the end of each quarter and upon any termination of any commitment, in each case for the actual number of days elapsed over a 360-day year.

Letter of Credit fees will be payable for the account of the Revolving Credit Facility Lenders on the daily average undrawn face amount of each Letter of Credit at a rate per annum equal to the Applicable Margin for Loans under the Revolving Credit Facility that bear interest at LIBOR in effect at such time, which fees shall be paid quarterly in arrears. In addition, an issuing fee on the face amount of each Letter of Credit equal to a percentage per annum (the "Issuing Fee Percentage") set forth in Annex I to the Fee Letter shall be payable to the Issuing Bank for its own account, which fee shall also be payable quarterly in arrears.

The Lead Arrangers and the Administrative Agent shall receive such other fees as shall have been separately agreed with the Borrower in the fee letter between them.

CONFIDENTIAL **EXHIBIT H**

SUPER HOLDCO SENIOR PIK INTERIM LOAN

SUMMARY OF TERMS AND CONDITIONS[1]

Borrower:	A newly formed direct, wholly-owned subsidiary of Central Park (the "Borrower" or "Super Holdco").
Joint Lead Arrangers and Joint Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and Banc of America Securities LLC (in such capacity, the "Lead Arrangers").
Syndication Agents and Documentation Agents:	Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co. Inc. and/or Banc of America Securities LLC.
Administrative Agent:	Merrill Lynch Capital Corporation, Bear Stearns Corporate Lending Inc. or Banc of America Bridge LLC (in such capacity, the "Administrative Agent").
Lenders:	Merrill Lynch Capital Corporation (or one of its affiliates), Bear Stearns Corporate Lending Inc. (or one of its affiliates), Banc of America Bridge LLC (or one of its affiliates) and a syndicate of financial institutions (collectively, the "Lenders") arranged by the Lead Arrangers in accordance with the provisions set forth in Section 2 of the Commitment Letter.
Interim Loan:	Senior PIK toggle interim loan (the "Super Holdco Senior PIK Interim Loan") in a principal amount of $1.75 billion.
Documentation:	The documentation for the Super Holdco Senior PIK Interim Loan will include an interim loan agreement (the "Super Holdco Senior PIK Interim Loan Agreement") and other appropriate documents (collectively, the "Super Holdco Senior PIK Interim Loan Documents"). The Super Holdco Senior PIK Interim Loan Documents will contain the terms and conditions set forth in this Commitment Letter and such other terms as the Borrower and the Lead Arrangers shall agree, it being understood that there shall not be any conditions to the Closing Date other than as set forth herein, in the Commitment Letter and Exhibit I thereto. It is the intention of the parties that the representations and warranties, covenants, events of default and other customary provisions (including definitions related to such provisions) contained in the Super Holdco Senior PIK Interim Loan Documents shall, except as

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

	otherwise noted herein, and taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon such corresponding terms contained in the documentation for the CSC Senior Credit Facilities (it being understood that such adjustments shall be made as are customary in the context of an interim loan).
Use of Proceeds:	To finance in part the Transactions and to pay related fees and expenses in connection with the foregoing, subject to the terms and conditions set forth in the Super Holdco Senior PIK Interim Loan Documents.
Closing Date:	The date of consummation of the Merger (the "Closing Date").
Availability:	On the Closing Date in one drawing.
Security:	None (including in respect of the Super Holdco Senior PIK Rollover Securities and Super Holdco Senior PIK Rollover Loans).
Ranking:	The Super Holdco Senior PIK Interim Loan (and the Super Holdco Senior PIK Rollover Securities and Super Holdco Senior PIK Rollover Loans) will be a senior obligation of the Borrower ranking pari passu with all unsubordinated indebtedness of the Borrower and senior to all subordinated indebtedness of the Borrower.
Termination of Commitment:	The commitment in respect of the Super Holdco Senior PIK Interim Loan will automatically and permanently terminate in its entirety on the Final Termination Date, if not drawn down on or prior to such date, or sooner if such commitment is terminated in accordance with the Commitment Letter. In addition, the commitment in respect of the Super Holdco Senior PIK Interim Loan will automatically and permanently terminate in its entirety on the date of the consummation of the Merger to the extent not drawn down on such date.
Maturity:	The Super Holdco Senior PIK Interim Loan will mature on the date (the "Initial Maturity Date") that is twelve months after the initial funding date (the "Funding"). Upon the satisfaction of the terms and conditions described under "Exchange Feature; Rollover Securities and Rollover Loans," the Super Holdco Senior PIK Interim Loan will be exchanged for, at the option of each Lender, either (A) unsecured senior debt securities ("Super Holdco Senior PIK Rollover Securities"), evidenced by an indenture in the

form attached to the Super Holdco Senior PIK Interim Loan Agreement and maturing on the date that occurs nine years after the Initial Maturity Date or (B) unsecured senior loans maturing on the date that occurs nine years after the Initial Maturity Date (the "Super Holdco Senior PIK Rollover Loans"), evidenced by the Super Holdco Senior PIK Interim Loan Agreement.

Interest Rate:

(A) Super Holdco Senior PIK Interim Loan. The Super Holdco Senior PIK Interim Loan will bear interest at a rate per annum equal to the greater (as determined on the Closing Date and each three-month period thereafter) of (i) three-month LIBOR and (ii) a certain percentage (the "Interim Floor Percentage") set forth in Annex II to the Fee Letter, in each case plus the Spread (defined below). The "Spread" will initially be, with respect to clause (i) above, a certain number of basis points (the "Interim Initial Basis Points") set forth in Annex II to the Fee Letter; and with respect to clause (ii) above, a certain number of basis points (the "Interim Floor Basis Points") set forth in Annex II to the Fee Letter. If the Super Holdco Senior PIK Interim Loan is not repaid in full within six months following the Closing Date, each Spread will increase by an additional number of basis points (the "Additional Basis Points") set forth in Annex II to the Fee Letter at the end of such six-month period and shall increase by an additional number of basis points equal to the Additional Basis Points at the end of each three-month period thereafter. LIBOR will be adjusted for maximum statutory reserve requirements (if any).

At any time subsequent to the Closing Date, with respect to an interest period (the "Toggle Term"), the Borrower may, in its sole discretion, elect to pay interest on 50% or 100% of the principal amount of the outstanding Super Holdco Senior PIK Interim Loan by adding such interest to such principal amount (any such election, a "PIK Election") for the Toggle Term. Upon each PIK Election, the Applicable Interest Rate shall increase by an additional 0.75% per annum during such Toggle Term.

The Borrower may make a PIK Election with respect to each such interest period by providing at least 5 business days' notice to the Administrative Agent prior to the date on which such interest period commences. If a PIK Election is not made by the Borrower in a timely fashion or at all with respect to an interest period, the Borrower shall pay all such interest in cash. The Administrative Agent shall provide written notice of the Borrower's election to all Lenders.

Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed a certain percentage per annum (the "Interest Rate Cap") set forth in Annex II to the Fee Letter (exclusive of any additional interest payable due to an event of default).

(B) Super Holdco Senior PIK Rollover Securities and Super Holdco Senior PIK Rollover Loans. The Super Holdco Senior PIK Rollover Securities and the Super Holdco Senior PIK Rollover Loans will bear interest at a rate per annum equal to the greater (as determined on the Initial Maturity Date and each three-month period thereafter) of (i) three-month LIBOR plus a certain number of basis points (the "Rollover Basis Points") set forth in Annex II to the Fee Letter and (ii) the Initial Rate (defined below), in each case plus the Exchange Spread (as defined below). The "Initial Rate" shall be equal to the interest rate applicable to the Super Holdco Senior PIK Interim Loan and in effect on the Initial Maturity Date. "Exchange Spread" shall mean the Additional Basis Points. LIBOR will be adjusted for maximum statutory reserve requirements (if any). At any time after the date that is six months following the Initial Maturity Date, any holder of Super Holdco Senior PIK Rollover Securities or Super Holdco Senior PIK Rollover Loans may elect, at its sole option, to fix the interest rate per annum on its Super Holdco Senior PIK Rollover Securities or Super Holdco Senior PIK Rollover Loans at the then effective rate of interest per annum.

At any time subsequent to the Closing Date, with respect to an interest period prior to the four year anniversary of the Initial Maturity Date (the "Rollover Toggle Term"), the Borrower may, in its sole discretion, elect to pay interest on either 50% or 100% of the principal amount of the outstanding Super Holdco Senior PIK Rollover Loans and Super Holdco Senior PIK Rollover Securities by adding such interest to such principal amount (any such election, a "Rollover PIK Election") for the Rollover Toggle Term. Upon each Rollover PIK Election, the Rollover Applicable Rate shall increase by an additional 0.75% per annum during such Rollover Toggle Term.

The Borrower may make a Rollover PIK Election with respect to each such interest period by providing at least 5 business days' notice to the Administrative Agent prior to the date on which such interest period commences. If a Rollover PIK Election is not made by the Borrower in a timely fashion or at all with respect to an interest period, the Borrower shall pay all such interest in cash. The Administrative Agent shall provide written notice of the

	Borrower's election to all Lenders. Notwithstanding the foregoing, the interest rate in effect at any time shall not exceed the Interest Rate Cap (exclusive of any additional interest payable due to an event of default).
Default Rate:	Overdue principal, interest and other amounts under the Super Holdco Senior PIK Interim Loan Documents shall bear interest at a rate per annum equal to a certain percentage (the "Default Rate Percentage") set forth in Annex II to the Fee Letter in excess of the otherwise applicable interest rate (including applicable margin).
Interest Payment Dates:	(A) Super Holdco Senior PIK Interim Loan. Quarterly, in arrears. (B) Super Holdco Senior PIK Rollover Securities and Super Holdco Senior PIK Rollover Loans. Semi-annually, in arrears.
Voluntary Prepayment:	The Super Holdco Senior PIK Interim Loan may be prepaid at any time in whole or in part at the option of the Borrower, in a minimum principal amount and in multiples to be agreed upon, together with accrued interest to the date of prepayment, but without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).
Mandatory Prepayment:	Subject to paragraphs (i), (ii) and (iii) below, (A) 100% of the net cash proceeds of asset sales and other asset dispositions (including, without limitation, insurance proceeds) by Super Holdco or any of its restricted subsidiaries (subject to exceptions, baskets and reinvestment rights to be agreed), (B) 100% of the net cash proceeds of the issuance or incurrence of debt by Super Holdco or any of its restricted subsidiaries (subject to exceptions and baskets to be agreed) and (C) 100% of the net cash proceeds from any issuance of equity securities of Super Holdco or any parent entity (whether direct or indirect, existing or future) of Super Holdco in any public offering or private placement or from any capital contribution, in each case shall be applied as follows: first, to the Super Holdco Interim Loan (ratably to the Super Holdco Senior Interim Loan and the Super Holdco Senior PIK Interim

Loan) and then to the Intermediate Holdco Interim Loan; and second, to the CSC Senior Credit Facilities.

(i) The net cash proceeds of the Super Holdco Senior Notes and the Super Holdco Take-out Securities shall be applied (ratably with the Super Holdco Senior Interim Loan) to reduce to zero the commitments in respect of, or, if after the Closing Date, to reduce to zero the funded amount of the Super Holdco Senior PIK Interim Loan.

(ii) With respect to net cash proceeds of the disposition of assets by any restricted subsidiary of Super Holdco or net cash proceeds of any issuance or incurrence of debt by any restricted subsidiary of Super Holdco, in each case that would otherwise be required to be applied as provided above will be applied as set forth above if and only to the extent that no restricted subsidiary of Super Holdco is required to repay its indebtedness (other than intercompany indebtedness) as in effect as of the date of the Commitment Letter with such net cash proceeds and there are no contractual or legal restrictions on the ability of Super Holdco to access such net cash proceeds.

(iii) With respect to the net cash proceeds of the type described in clause (C) above in this section “Mandatory Prepayments”, any such net cash proceeds shall be applied as set forth above to the extent such proceeds are not required to be applied by such parent to repay its indebtedness (other than intercompany indebtedness).

In addition, upon the occurrence of a Change of Control (to be defined), the Borrower will be required to offer to prepay the entire aggregate principal amount of the Super Holdco Senior PIK Interim Loan (or the Super Holdco Senior PIK Rollover Securities and Super Holdco Senior PIK Rollover Loans) in cash at par or, in the case of Super Holdco Senior PIK Rollover Securities upon which the interest rate has been fixed, with a prepayment premium of 1.0% of the principal amount thereof.

Each such prepayment shall be made together with accrued interest to the date of prepayment, but, except as noted above, without premium or penalty (except breakage costs related to prepayments not made on the last day of the relevant interest period).

Exchange Feature; Rollover Securities and Rollover Loans:	On the Initial Maturity Date, so long as no event of default has occurred and is continuing under the Super Holdco Senior PIK Interim Loan Documents and all applicable fees have been paid in full, each Lender shall have its interest in the Super Holdco Senior PIK Interim Loan exchanged for

Super Holdco Senior PIK Rollover Loans. At any time on or after the Initial Maturity Date, any Lender may exchange all or any portion of its Super Holdco Senior PIK Rollover Loans for Super Holdco Senior PIK Rollover Securities, it being understood and agreed that upon any such exchange occurring within six months after the Initial Maturity Date, the Borrower shall be obligated to immediately pay to such holder a duration fee equal to 0.50% of the principal amount so exchanged. The Super Holdco Senior PIK Rollover Securities and the Super Holdco Senior PIK Rollover Loans will be (A) mandatorily redeemable or prepayable, as the case may be, under the same circumstances as the Super Holdco Senior PIK Interim Loan, except that, in lieu of mandatory redemptions or prepayments, the Borrower shall be required to make mandatory offers to purchase or prepay such Super Holdco Senior PIK Rollover Securities or Super Holdco Senior PIK Rollover Loans and (B) optionally redeemable or prepayable, as the case may be, without premium or penalty or, if the holder has elected to fix the interest rate thereon, at declining premiums on terms customary for high-yield debt securities, including (subject to the next paragraph) four year no-call provisions; provided that on or before the third anniversary of the Closing Date, up to 35% of the aggregate principal amount of the Super Holdco Senior PIK Rollover Loans and the Super Holdco Senior PIK Rollover Securities will be optionally redeemable or prepayable, as the case may be, with the net cash proceeds of one or more Equity Offerings (to be defined), at par plus accrued interest plus a premium equal to the coupon in effect on the date on which the interest rate was fixed. In the case of any Super Holdco Senior PIK Rollover Securities and Super Holdco Senior PIK Rollover Loans that have a variable rate, any optional redemption or prepayment thereof shall be made pro rata between such Super Holdco Senior PIK Rollover Securities and such Super Holdco Senior PIK Rollover Loans. All mandatory offers to purchase or prepay shall be made pro rata between the Super Holdco Senior PIK Rollover Securities and the Super Holdco Senior PIK Rollover Loans.

Notwithstanding anything herein to the contrary, the Borrower shall be permitted to prepay Super Holdco Senior PIK Rollover Securities at any time on or prior to the date that is six months following the Initial Maturity Date, so long as such prepayment is accompanied by a prepayment premium of 2.0% of the principal amount so prepaid.

The Super Holdco Senior PIK Rollover Securities will be evidenced by an indenture in form suitable for qualification under the Trust Indenture Act and will otherwise contain

	covenants and other provisions customary for high yield debt securities similar to the Super Holdco Senior PIK Rollover Securities (it being the intention of the parties that such covenants and customary provisions shall, taking into account the financings related to the Merger and the other Transactions and the credit profile of the Borrower after giving effect thereto, be substantially based upon high yield debt securities issued by CSC). The Super Holdco Senior PIK Rollover Loans will be evidenced by the Super Holdco Senior PIK Interim Loan Agreement. The holders of the Super Holdco Senior PIK Rollover Securities will be entitled to exchange offer and other registration rights to permit resale without restriction under applicable securities laws on terms no less favorable to the holders than those customarily applicable to an offering pursuant to Rule 144A (subject to applicable legal restrictions, including SEC staff interpretations).
Conditions to Effectiveness and to Super Holdco Senior PIK Interim Loan:	The effectiveness of the Super Holdco Senior PIK Interim Loan Documents and the making of the Super Holdco Senior PIK Interim Loan shall be subject to the conditions precedent set forth in Exhibit I to the Commitment Letter.
Representations and Warranties:	Customary for facilities similar to the Super Holdco Senior PIK Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that representations and warranties shall also apply to Super Holdco).
Affirmative Covenants:	Customary for facilities similar to the Super Holdco Senior PIK Interim Loan (including a covenant to refinance the Super Holdco Senior PIK Interim Loan with Super Holdco Senior Notes or Super Holdco Take-out Securities as soon as reasonably possible) and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that affirmative covenants shall also apply to Super Holdco).
	Upon the issuance of the Super Holdco Senior PIK Rollover Securities and the Super Holdco Senior PIK Rollover Loans, the affirmative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of "Exchange Feature; Rollover Securities and Rollover Loans" above, conform to affirmative covenants customary in an indenture for high yield debt securities issued by CSC.
Take-out Covenant:	The Super Holdco Senior PIK Interim Loan Agreement will contain provisions pursuant to which the Borrower shall undertake to refinance in full the Super Holdco Senior PIK Interim Loan as promptly as practicable through the

	issuance of the Super Holdco Take-out Securities or otherwise in accordance with the Engagement Letter.
Negative Covenants:	Customary for facilities similar to the Super Holdco Senior PIK Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood that such negative covenants shall also apply to Super Holdco) (subject to baskets and exceptions, where customary and appropriate), including the following: limitation on indebtedness and contingent obligations; limitation on liens and further negative pledges; limitation on investments; limitation on dividends and other distributions (with exceptions to include, so long as no default has occurred and is continuing or would result therefrom and so long as the total leverage ratio (to be defined) of Topco on a consolidated basis is less than 8.25 to 1.00, to make the Minimum Distribution (as defined in the CSC Senior Credit Facilities Term Sheet)); limitation on redemptions and repurchases of equity interests; limitation on mergers, acquisitions and asset sales; limitation on issuance, sale or other disposition of subsidiary stock; limitation on sale-leaseback transactions; limitation on transactions with affiliates; limitation on dividend and other payment restrictions affecting subsidiaries; limitation on changes in business conducted; limitation on amendment of documents relating to other material indebtedness and other material documents; and limitation on prepayment or repurchase of subordinated indebtedness. There shall be no financial maintenance covenants.
	Upon the issuance of the Super Holdco Senior PIK Rollover Securities and the Super Holdco Senior PIK Rollover Loans, the negative covenants shall, subject to the provisions set forth in the first sentence of the second paragraph of “Exchange Feature; Rollover Securities and Rollover Loans” above, conform to negative covenants customary in an indenture for high yield debt securities issued by CSC.
Events of Default:	Customary for facilities similar to the Super Holdco Senior PIK Interim Loan and no more restrictive than those for the CSC Senior Credit Facilities (it being understood and agreed that such events of default shall also apply to Super Holdco).
Yield Protection and Increased Costs:	Customary for facilities similar to the Super Holdco Senior PIK Interim Loan.
Assignments and Participations:	Each assignment (unless to another Lender or its affiliates) shall be in a minimum amount of $1.0 million (unless the Borrower and the Lead Arrangers otherwise consent or

	unless the assigning Lender's exposure is thereby reduced to zero). Assignments shall be permitted with the Borrower's and the Lead Arrangers' consent (such consents not to be unreasonably withheld, delayed or conditioned), except that no such consent of the Borrower need be obtained to effect (a) an assignment to any Lender (or its affiliates) or (b) an assignment if any event of default has occurred and is continuing. Participations shall be permitted without restriction. Voting rights of participants will be subject to customary limitations.
Required Lenders:	Lenders having a majority of the outstanding credit exposure (the "Required Lenders"), subject to amendments of certain provisions of the Super Holdco Senior PIK Interim Loan Documents requiring the consent of Lenders having a greater share (or all) of the outstanding credit exposure.
Expenses and Indemnification:	All reasonable out-of-pocket expenses of the Lead Arrangers and the Administrative Agent (and of all Lenders in the case of enforcement costs and documentary taxes) associated with the preparation, execution and delivery of any waiver or modification (whether or not effective) of, and the enforcement of, any Super Holdco Senior PIK Interim Loan Document (including the reasonable fees, disbursements and other charges of one counsel to the Administrative Agent and the Lenders taken as a whole and, if necessary, one local counsel in any jurisdiction (and of additional counsel if an actual or perceived conflict of interest exists)) are to be paid by the Borrower. The Borrower will indemnify each of the Lead Arrangers, the Administrative Agent and the Lenders and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any such Lender is a party thereto) that relates to the Transactions or any transactions related thereto, except to the extent finally determined by a court of competent jurisdiction to have resulted from such person's bad faith, gross negligence or willful misconduct.
Governing Law and Forum:	New York.
Waiver of Jury Trial:	All parties to the Super Holdco Senior PIK Interim Loan Documents waive the right to trial by jury.
Special Counsel for Lead Arrangers:	Shearman & Sterling LLP (and such local counsel as may

be selected by the Lead Arrangers).

CREDIT FACILITIES

CONDITIONS PRECEDENT[1]

Conditions to Effectiveness and to Initial Advances and initial purchases:	The entering into and the effectiveness of the documentation for the Facilities and the making of the initial advances and/or purchases under the Facilities shall be subject to the following conditions precedent: (A) The execution and delivery of Loan Documents for each Facility reasonably acceptable in form and substance to the Lenders thereunder by each Borrower and the Guarantors party thereto and the receipt by the Lenders of (i) reasonably satisfactory opinions of counsel, corporate resolutions, customary certificates, customary "know-your-client" information, notices of borrowing and other customary documents and (ii) in the case of the Senior Facilities, reasonably satisfactory evidence that the Administrative Agent thereunder (on behalf of the Lenders thereunder) shall have a valid and perfected first priority (subject to certain exceptions set forth in the Commitment Letter and others to be specified in the Credit Documents) security interest in the Collateral (as defined in the CSC Senior Credit Facilities Term Sheet, the RNS Senior Credit Facilities Term Sheet and the RPP Senior Credit Facility Term Sheet, as applicable). (B) All requisite governmental authorities and third parties shall have approved or consented to the Transactions and the other transactions contemplated by the Commitment Letter to the extent required (without the imposition of any materially burdensome condition or qualification in the reasonable judgment of each Lead Arranger) and all such approvals shall be in full force and effect, except for any such approvals and consents the failure of which to be obtained would not reasonably be expected to have a Material Adverse Effect (as defined in the Merger Agreement); and all applicable waiting periods shall have expired. (C) The absence of any action, suit, investigation or proceeding pending or, to the knowledge of Topco, Super Holdco, Central Park, Intermediate Holdco, CSC, RPH, RNS, RPP or any of their respective restricted subsidiaries threatened in any court or before any arbitrator or

[1] Capitalized terms used herein and not defined shall have the meanings assigned to such terms in the attached Commitment Letter (the "Commitment Letter").

governmental authority (including, without limitation, the absence of any adverse change or development in any litigation reported on the latest Form 10-K filing or in the SEC's or the Department of Justice's investigation or any related investigation of Central Park's accounting practices) that would reasonably be expected to have a Material Adverse Effect (as defined in the Merger Agreement).

(D) Each Lead Arranger and the Lenders shall have received:

(i)(1) audited consolidated financial statements of Central Park and its subsidiaries, of RPH and its subsidiaries, of RNS and its subsidiaries, and of RPP and its subsidiaries, in each case for the three fiscal years (or, solely in the case of RPP and its subsidiaries, two fiscal years) ended most recently prior to the Merger; (2) unaudited consolidated financial statements of Central Park and its subsidiaries, of RPH and its subsidiaries, of RNS and its subsidiaries, and of RPP and its subsidiaries, in each case for any interim quarterly periods that have ended since the most recent of such audited financial statements referred to in clause (1) above, and at least 40 days prior to the Closing Date; and (3) pro forma financial statements of Super Holdco and its subsidiaries, Intermediate Holdco and its subsidiaries, CSC and its subsidiaries, RPH and its subsidiaries, RNS and its subsidiaries, and of RPP and its subsidiaries, in each case after giving effect to the Transactions for the most recently completed fiscal year and the period commencing with the end of the most recently completed fiscal year and ending with the most recently completed fiscal quarter, which in each case with respect to clauses (1), (2) and this clause (3) hereof, shall meet the requirements of Regulation S-X under the Securities Act of 1933, as amended, and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under such Act on Form S-1; and

(ii) pro forma financial statements delivered pursuant to clause D(i) above, prepared in good faith on the basis of the assumptions stated therein, which assumptions were believed reasonable in light of the then existing conditions, and the chief financial officer of the applicable Borrower and Guarantor shall have provided the Lenders a written certification to that effect.

(E) [Reserved.]

(F) (i) with respect to the Interim Loans, Merger Co, MLPF&S, BSC and BAS shall have executed and delivered the engagement letter (the "Engagement Letter") dated as of the date hereof from MLPF&S, BSC and BAS to Merger Co, the Engagement Letter shall be in full force and effect, and Merger Co shall not be in breach thereof.

(ii) Merger Co, Merrill Lynch, MLPF&S, BSC, BSCL, Bank of America, Banc of America Bridge and BAS shall have executed and delivered the Fee Letter, the Fee Letter shall be in full force and effect, and Merger Co shall not be in breach thereof.

(G) All accrued fees and expenses (including, without limitation, the reasonable fees and expenses of counsel to Lead Arrangers) of each Lead Arranger in connection with the Loan Documents that are payable on the Closing Date shall have been paid.

(H) The delivery of a solvency opinion from a third party appraisal or valuation firm (including the Lead Arrangers on behalf of the Lenders as an addressee or including a reliance letter or provision permitting the Lenders to rely thereon).

(I) (i) Prior to the making of the initial advances and/or purchases under the Facilities,

(1) the Lead Arrangers shall have received evidence reasonably satisfactory to them that Intermediate Holdco, CSC and RNS shall have restricted payment capacities under all applicable outstanding bond indentures sufficient to allow the Intermediate Holdco Dividend Payment, the CSC Dividend Payment and the RNS Dividend Payment, respectively, and

(2) the other Specified Transactions (other than the Merger, the CSC Transactions, the RNS Transactions and the making of the Super Holdco Dividend Payment, Intermediate Holdco Dividend Payment, the RPH Dividend Payment, the RPP Dividend Payment and the RMHI Purchase) shall have been, or shall substantially concurrently be, consummated.

(ii) Simultaneously with the making of the initial advances and/or purchases under the Facilities,

(1) the CSC Transactions and the RNS Transactions shall have been, or shall substantially concurrently be, consummated and the Super Holdco Dividend Payment, the Intermediate Holdco Dividend Payment, the RPH Dividend Payment, the RPP Dividend Payment and the RMHI Purchase shall have been made, and

(2) the Merger shall have been, or shall substantially concurrently be, consummated in accordance with the Merger

Agreement and any other related documentation, which shall not have been amended in any manner adverse to the lenders except as approved by each Lead Arranger). Each of the parties thereto shall have complied in all material respects with all covenants set forth in the Merger Agreement and any other related documentation to be complied by it on or prior to the Closing Date (without any waiver or amendment of any material term or condition thereof that would be adverse to the Lenders unless approved by each Lead Arranger, which approval shall not be unreasonably withheld or delayed).

(iii) Each of the Facilities (other than the Revolving Credit Facility and the Delayed Draw Term Loan Facility, in each case in respect of the CSC Senior Credit Facilities, the RNS Revolving Credit Facility and the RPP Revolving Credit Facility) shall have been drawn down substantially concurrently (or, in the case of the Super Holdco Interim Loan, the Intermediate Holdco Interim Loan or the RPH Interim Loan, the Super Holdco Senior Notes, the Intermediate Holdco Senior Notes or the RPH Senior Notes, as the case may be, shall have been issued substantially concurrently in lieu of such drawing).

(iv) Each of the Specified Transactions shall have been consummated on terms and conditions and pursuant to documentation reasonably satisfactory to each Lead Arranger (without any waiver or amendment of any material term or condition thereof not approved by each Lead Arranger) (including, in the case of the CSC Refinancing and the RNS Refinancing, pay-off letters and releases of liens).

(J) Each aspect of the Transactions, the financing thereof and the consummation thereof shall be in compliance in all respects with all applicable laws and regulations, except to the extent that the failure to so be in compliance has had or would reasonably be expected to have a Material Adverse Effect (as defined in the Merger Agreement).

(K) After giving effect to the Transactions, none of the Central Park Entities nor any of their respective restricted subsidiaries shall have outstanding any indebtedness for borrowed money or preferred stock or lien or encumbrances on their assets other than the loans and/or purchases made and liens created under the Facilities (or, in the case of the Super Holdco Interim Loan, the Intermediate Holdco Interim Loan or the RPH Interim Loan, the Super Holdco Senior Notes, the Intermediate Holdco Senior Notes or the RPH Senior Notes in lieu thereof), customary permitted liens, indebtedness incurred in the ordinary course of business, and such other debt or preferred stock as is set forth on

Appendix I to this Exhibit I.

(L) Since January 1, 2007, there shall not have been any state of facts, event, change, effect, development, condition or occurrence (or, with respect to facts, events, changes, effects, developments, conditions, or occurrences existing prior to the date hereof, any worsening thereof) that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect (as defined in the Merger Agreement).

(M) There shall be insurance coverage for Topco, Super Holdco, Intermediate Holdco, CSC, RPH, RNS, RPP and their respective restricted subsidiaries, in each case of such types, in such amounts and on such terms and conditions as are customarily maintained by entities engaged in the same or similar business.

(N) Each Borrower shall have obtained corporate and corporate family ratings and a debt rating of each of the Facilities and of the Senior Notes from Moody's Investors Service Inc. ("Moody's") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P").

(O) In the case of any of the Interim Loans, the applicable Borrower thereof shall have provided to each Lead Arranger not later than 30 days prior to the Closing Date a substantially complete initial draft of a registration statement or a Rule 144A confidential offering memorandum relating to the issuance of the Senior Notes in respect of such Interim Loan that contains all financial statements and other data that the Securities and Exchange Commission would require in a registered offering of such Senior Notes or that each Lead Arranger otherwise reasonably consider necessary or desirable and is reasonably available for the marketing of such Senior Notes (collectively, the "Required Information"), including, without limitation, (A) audited consolidated financial statements of (x) Central Park and its subsidiaries in the case of the Super Holdco Senior Notes and the Intermediate Holdco Senior Notes and (y) RPH and its subsidiaries in the case of the RPH Senior Notes, in each case for the three fiscal years ended most recently prior to the Merger, (B) unaudited consolidated financial statements of (x) Central Park and its subsidiaries in the case of the Super Holdco Senior Notes and the Intermediate Holdco Senior Notes and (y) RPH and its subsidiaries in the case of the RPH Senior Notes, for any interim quarterly periods that have ended since the most recent of such audited financial statements, and (C) pro forma financial statements as to such Borrower and its subsidiaries after giving effect to the Transactions for the most recently completed fiscal year and the period commencing with the end of the most recently completed fiscal year and ending with the most recently completed fiscal quarter, which in each case with respect to the foregoing, shall meet the requirements of Regulation S-X under the Securities Act of 1933, as amended, and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under such Act on Form S-1.

(P) In the case of any of the Interim Loans, the applicable Borrower thereof shall have cooperated reasonably and in good faith with the marketing effort for the applicable Senior Notes Offering with a view to effecting the issuance of the Senior Notes with respect thereto in lieu of the draw down of such Interim Loan and shall have provided to each Lead Arranger not later than 20 days prior to the Closing Date (such 20 days shall not include any day from and including August 18, 2007 through and including August 31, 2007), a complete printed preliminary offering memorandum or, in the case of a registered offering, a complete printed preliminary prospectus reflecting Securities and Exchange Commission final comment responses usable in a customary high-yield road show relating to the issuance of such Senior Notes and containing all Required Information.

(Q) Since the date of the Commitment Letter, neither Central Park nor any of its restricted subsidiaries shall engage in any business activities or make any material investments in any person or business, other than those businesses engaged or contemplated to be engaged in by, and those investments currently being made or contemplated to be made by, Central Park and/or any of its restricted subsidiaries as of the date of the Commitment Letter, investments in Central Park or any restricted subsidiary thereof, ordinary course investments and other than in connection with the Transactions.

APPENDIX I

OUTSTANDING INDEBTEDNESS

1. CSC's Senior Notes and Senior Debentures:

   $500.0 million 8 1/8% Senior Notes due 2009

   $500.0 million 7 1/4% Senior Notes due 2008

   $500.0 million 7 5/8% Senior Debentures due 2018

   $300.0 million 7 7/8% Senior Debentures due 2018

   $500.0 million 7 7/8% Senior Notes due 2007

   $400.0 million 8 1/8% Senior Debentures due 2009

   $1.0 billion 7 5/8% Senior Notes due 2011

   $500.0 million 6 3/4% Senior Notes due 2012

2. $59.429 million of capital leases

3. Intermediate Holdco's Senior Notes:

   $500.0 million Floating Rate Senior Notes due 2009

   $1.0 billion 8% Senior Notes due 2012

4. RNS' Senior and Senior Subordinated Notes:

   $300.0 million 8.75% Senior Notes due 2012

   $500.0 million 10 3/8% Senior Subordinated Notes due 2014

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EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

CENTRAL PARK HOLDING COMPANY, LLC,

CENTRAL PARK MERGER SUB, INC.

AND

CABLEVISION SYSTEMS CORPORATION

DATED AS OF MAY 2, 2007

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AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of May 2, 2007, is entered into by and among CENTRAL PARK HOLDING COMPANY, LLC, a Delaware limited liability company ("Family LLC"), CENTRAL PARK MERGER SUB, INC., a Delaware corporation and wholly-owned subsidiary of Family LLC ("CVC MergerCo"), and CABLEVISION SYSTEMS CORPORATION, a Delaware corporation (the "Company" and, together with Family LLC and CVC MergerCo, the "Parties").

RECITALS

WHEREAS, as of the date hereof, the Persons listed on Exhibit A (the "Family Stockholders") own in the aggregate 1,838,938 shares of Cablevision NY Group Class A common stock, par value $.01 per share, of the Company ("Class A Stock") and 55,289,351 shares of Cablevision NY Group Class B common stock, par value $.01 per share, of the Company ("Class B Stock", and together with Class A Stock, "Company Stock");

WHEREAS, concurrently with the execution and delivery of this Agreement, the Family Stockholders are entering into an exchange agreement with Family LLC, dated as of the date of this Agreement, substantially in the form of Exhibit B (the "Exchange Agreement"), providing for the contribution immediately prior to the Effective Time (as defined below) of the shares of Company Stock owned by the Family Stockholders to Family LLC, in exchange for all of the membership interests of Family LLC;

WHEREAS, the Board of Directors, based on the unanimous recommendation of a special transaction committee thereof consisting solely of disinterested directors of the Company (the "Special Committee"), has determined that a business combination with Family LLC, on the terms and subject to the conditions set forth herein, is fair to, and in the best interests of, the holders of Company Stock other than the Family Stockholders, Family LLC, any Subsidiary of Family LLC and the Other Dolan Entities (the "Public Stockholders");

WHEREAS, the Board of Directors, based on the unanimous recommendation of the Special Committee, has (a) approved and adopted (i) this Agreement and the Ancillary Agreements to which the Company is a party and the transactions contemplated hereby and thereby and (ii) the Charter Amendment, and declared their advisability, (b) recommended adoption of this Agreement and the Charter Amendment by the stockholders of the Company and (c) approved, for purposes of Section 203 of the DGCL, the transactions contemplated hereby;

WHEREAS, concurrently with the execution and delivery of this Agreement, the Family Stockholders are entering into a voting agreement with the Company, substantially in the form of Exhibit C (the "Voting Agreement"), pursuant to which, among other things, they agree to vote the shares of Company Stock owned by them in favor of the adoption of this Agreement and the Charter Amendment; and

WHEREAS, concurrently with the execution and delivery of this Agreement, Charles F. Dolan and James L. Dolan are executing a guarantee, substantially in the form of Exhibit D (the "Guarantee"), pursuant to which they have agreed, subject to the terms and conditions set forth therein, to guarantee any obligation or liability of Family LLC or CVC MergerCo hereunder in an aggregate amount not to exceed the Family Liability Cap (as defined below).

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth in this Agreement, the Parties hereby agree as follows:

ARTICLE I

THE MERGER

Section 1.01 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, CVC MergerCo shall be merged with and into the Company and the separate corporate existence of CVC MergerCo shall thereupon cease (the "Merger"). The Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation"), and the separate corporate existence of the Company, with all its rights, privileges, immunities, powers and franchises, shall continue unaffected by the Merger.

Section 1.02 Closing. The closing of the transactions contemplated by Section 1.01 (the "Closing") shall take place on the fifth Business Day after the earlier of (i) a date during the Marketing Period to be specified by Family LLC and (ii) the final day of the Marketing Period, unless this Agreement has been theretofore terminated pursuant to its terms or unless another date is agreed to in writing by Family LLC and the Company. The Closing shall be held at the offices of Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York, at 10:00 a.m., New York City time, or at such other place and time as the Company and Family LLC shall agree in writing. At the Closing, the Company and Family LLC shall file (i) a certificate setting forth the Charter Amendment and then (ii) a certificate of merger (the "Merger Certificate") with the Secretary of State of the State of Delaware in respect of the Merger, and the Merger shall become effective upon such filing or at such later time as is agreed to by the Company and Family LLC and specified in the Merger Certificate (the "Effective Time").

Section 1.03 Effects of the Merger. From and after the Effective Time, the Merger shall have the effects set forth in this Agreement and the DGCL (including, without limitation, Sections 259, 260 and 261 thereof).

Section 1.04 Certificate of Incorporation and By-laws. The certificate of incorporation and the by-laws of the Company shall be amended in the Merger to read in their entirety in the form of Exhibit E (in the case of the certificate of incorporation) and Exhibit F (in the case of the by-laws), and, as so amended, shall be the certificate of incorporation and by-laws of the Surviving Corporation until thereafter amended in accordance with their respective terms and the DGCL.

Section 1.05 Directors. The directors of CVC MergerCo immediately prior to the Effective Time shall from and after the Effective Time be the initial directors of the Surviving Corporation, each to hold office, subject to the applicable provisions of the certificate of incorporation and by-laws of the Surviving Corporation, until their respective successors shall be duly elected or appointed and qualified in the manner provided in the certificate of incorporation and by-laws of the Surviving Corporation, or until their earlier death, resignation or removal, or as otherwise provided by Law.

Section 1.06 Officers. The officers of the Company immediately prior to the Effective Time shall from and after the Effective Time be the initial officers of the Surviving Corporation, subject to the applicable provisions of the by-laws of the Surviving Corporation, until their respective successors are duly elected or appointed and qualified in the manner provided in the certificate of incorporation and by-laws of the Surviving Corporation, or until their earlier death, resignation or removal, or otherwise as provided by Law.

Section 1.07 Conversion of Shares. At the Effective Time, by virtue of the Merger and without any action on the part of the Parties hereto or any holder of Company Stock, each share of Class A Stock issued and outstanding immediately prior to the Effective Time (other than Excluded Shares, Restricted Shares and any Dissenting Shares) shall be converted into the right to receive $36.26 in cash (the "Merger Consideration"). At the Effective Time, all shares of Class A Stock (other than Excluded Shares, Restricted Shares and any Dissenting Shares) shall cease to be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of a certificate that immediately prior to the Effective Time represented such share of Company Stock (a "Certificate") shall cease to have any rights with respect thereto, except the right to receive the Merger Consideration for each share of Class A Stock represented by such Certificate, to be paid in consideration therefor, without interest, upon surrender of such Certificate in accordance with Section 2.02(b). All shares of Class A Stock held by the Family Stockholders, Family LLC, any Subsidiary of Family LLC, the Company or any wholly-owned Subsidiary of the Company (or held in the Company's treasury) and all shares of Class B Stock shall cease to be outstanding and shall automatically be cancelled and shall cease to exist, and each holder of a certificate that immediately prior to the

Effective Time represented such shares shall cease to have any rights with respect thereto and no consideration shall be delivered in exchange therefor. Each share of common stock of CVC MergerCo shall be converted into one share of newly issued common stock of the Surviving Corporation.

Section 1.08 Stock Options and Restricted Stock.

(a) At the Effective Time, (i) each outstanding stock option and other right to purchase shares of Class A Stock (each, an "Option" and, collectively, the "Options") heretofore granted to any employee under any stock option or stock based compensation plan of the Company or otherwise (the "Employee Stock Plans") shall be no longer be exercisable for the purchase of Class A Stock and shall automatically convert, at the Effective Time, from a right in respect of Class A Stock into a right in respect of cash in an amount, if any, equal to (A) the number of shares of Class A Stock subject to or relating to the Option multiplied by (B) the excess of (x) the Equity Award Price Per Share over (y) the exercise price of the Class A Stock subject to or relating to the Option, provided that the right of the holder of such Options to receive such cash amount, if any, in respect of such Options shall be subject to the vesting, payment and other terms and conditions set forth in the applicable Employee Stock Plans and Option agreements pursuant to which such options were awarded, and (ii) any other outstanding Options, including Options heretofore granted to any non-employee director under the Company's equity compensation plans for non-employee directors of the Company (the "Director Stock Plans" and, together with the Employee Stock Plans, the "Stock Plans"), shall no longer be exercisable for the purchase of Class A Stock but shall entitle each holder thereof, in cancellation and settlement therefor, to payments in cash from the Surviving Corporation, at the Effective Time, equal to the product of (A) the total number of shares of Class A Stock subject to such Option and (B) the amount, if any, by which the Merger Consideration exceeds the exercise price per share of Class A Stock subject to such Option, each such cash payment to be payable at the Effective Time.

(b) Each Restricted Share outstanding under the Stock Plans shall convert, as of the Effective Time, from a right in respect of Class A Stock into a right in respect of cash in an amount equal to the Equity Award Price Per Share; provided that the right of the holder of such Restricted Shares to receive such cash amount shall be subject to the vesting, payment and other terms and conditions set forth in the applicable Stock Plans and award agreements pursuant to which such Restricted Shares were awarded.

(c) The Company shall cause each restricted stock unit (each an "RSU") outstanding under the Director Stock Plans to convert, as of the Effective Time, from a right in respect of Class A Stock into a right in respect of cash in an amount equal to the Merger Consideration; provided that the right of the holder of such RSU to receive such cash amount shall be subject to the payment and other terms and conditions set forth in the applicable Director Stock Plans and award agreements pursuant to which such RSU was awarded.

Section 1.09 Stockholders' Meeting; Proxy Materials and Other SEC Filings.

(a) The Company shall (i) duly take all lawful action to call, give notice of, convene and hold a meeting of its stockholders on a date as soon as reasonably practicable after the Proxy Statement is cleared by the SEC (the "Company Stockholders Meeting"), for the purpose of obtaining Company Stockholder Approval and Minority Approval with respect to the adoption of this Agreement and the Charter Amendment and (ii) use reasonable best efforts to solicit the adoption of this Agreement and the Charter Amendment by Company Stockholder Approval and Minority Approval; provided that, in the event of a Change in the Company Recommendation pursuant to Section 5.07(c), notwithstanding clause (ii) of this Section 1.09(a), (x) the Company may disclose the fact of such Change in the Company Recommendation in any solicitation made by the Company to its stockholders and (y) the Company shall not be required to solicit in favor of Company Stockholder Approval and Minority Approval. The Board of Directors shall recommend adoption of this Agreement and the Charter Amendment by the stockholders of the Company as set forth in Section 3.12 (the "Company Recommendation"), and shall not withdraw, modify or qualify (or propose to withdraw, modify or qualify) in any manner adverse to Family LLC or any of its Affiliates such recommendation or take any action or make any statement in connection with the Company Stockholders Meeting inconsistent with such recommendation, including, without limitation, approving or recommending or proposing to approve or recommend a third-party Takeover Proposal with respect to the Company or failing to recommend the adoption of this Agreement (collectively, a "Change in the Company Recommendation"); provided that the Special Committee may make a Change in the Company Recommendation pursuant to Section 5.07(c) hereof; and provided, further, that the provision of factual information by the Company to its stockholders shall not be deemed to constitute a Change in the Company Recommendation so long as the disclosure through which such factual information is conveyed, taken as a whole, is not contrary to or inconsistent with the Company Recommendation.

(b) As promptly as practicable following the date of this Agreement, the Company shall prepare and file with the SEC a proxy statement on Schedule 14A relating to the adoption of this Agreement and the Charter Amendment by the Company's stockholders (as amended or supplemented, the "Proxy Statement") and the Company and Family LLC shall prepare and file with the SEC a Schedule 13E-3 (as amended or supplemented, the "Schedule 13E-3"). The Parties shall cooperate with each other in connection with the preparation of the foregoing documents. The Company shall use its reasonable best efforts to ensure that the Proxy Statement and the Schedule 13E-3 do not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, other than with respect to statements made based on information supplied in writing by Family LLC specifically for inclusion therein. Family LLC shall use its reasonable best efforts to ensure that none of the information it supplies in writing specifically for inclusion in the Proxy Statement or Schedule 13E-3 contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The Company shall use its reasonable best efforts to have the Proxy Statement, and the Company and Family LLC shall use their reasonable best efforts to have the Schedule 13E-3, cleared by the SEC as promptly as practicable.

(c) The Company shall cause the Proxy Statement to be mailed to the Company's stockholders as promptly as practicable after the Proxy Statement is cleared by the SEC. Family LLC shall retain a proxy solicitor in connection with the solicitation of the Company Stockholder Approval and Minority Approval.

(d) The Company shall promptly notify Family LLC of the receipt of any oral or written comments from the SEC relating to the Proxy Statement or the Schedule 13E-3. The Company shall cooperate with Family LLC with respect to, and provide Family LLC with a reasonable opportunity to review and comment on, drafts of the Proxy Statement (including each amendment or supplement thereto), and the Parties shall cooperate with respect to, and provide each other with a reasonable opportunity to review and comment on, the draft Schedule 13E-3 (including each amendment or supplement thereto) and all responses to requests for additional information by, and replies to comments of, the SEC, prior to filing such with or sending such to the SEC, and the Parties shall provide each other with copies of all such filings made and correspondence with the SEC.

(e) If at any time prior to the Effective Time, any information should be discovered by any Party that should be set forth in an amendment or supplement to the Proxy Statement or the Schedule 13E-3 so that the Proxy Statement or the Schedule 13E-3, as the case may be, would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Party that discovers such information shall promptly notify the other Parties and, to the extent required by applicable Law, an appropriate amendment or supplement describing such information shall be promptly filed by the appropriate Party with the SEC and disseminated by the Company to the stockholders of the Company.

Section 1.10 Further Assurances. After the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of any Party, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of any Party, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

ARTICLE II

DISSENTING SHARES; PAYMENT FOR SHARES

Section 2.01 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, shares of Class A Stock outstanding immediately prior to the Effective Time that are held by stockholders (i) who shall have neither voted for adoption of this Agreement and the Merger nor consented thereto in writing and (ii) who shall be entitled to and shall have demanded properly in writing appraisal for such shares in accordance with Section 262 of the DGCL ("Dissenting Shares"), shall not be converted into the right to receive the Merger Consideration at the Effective Time unless and until the holder of such shares of Class A Stock fails to perfect, withdraws or otherwise loses such holder's right to appraisal. If a holder of Dissenting Shares shall withdraw (in accordance with Section 262 of the DGCL) the demand for such appraisal or shall become ineligible for such appraisal, then, at the Effective Time or the occurrence of such event, whichever last occurs, such holder's Dissenting Shares shall cease to be Dissenting Shares and shall be converted or deemed to have been converted, as the case may be, into the right to receive the Merger Consideration in the manner provided in Section 1.07. The Company shall give Family LLC (i) prompt notice of any written demands for appraisal, withdrawals (or attempted withdrawals) of demands for appraisal and any other instruments served pursuant to Section 262 of the DGCL and received by the Company and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal. The Company shall not, except with the prior written consent of Family LLC, make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

Section 2.02 Payment Fund.

(a) Payment Fund. As soon as practicable after the execution of this Agreement, Family LLC and the Company shall enter into an agreement (the "Paying Agent Agreement"), subject to the Special Committee's approval (not to be unreasonably withheld, conditioned or delayed) with a bank or trust company selected by the Company and reasonably satisfactory to Family LLC to act as paying agent hereunder for the purpose of exchanging Certificates for the Merger Consideration (the "Paying Agent"). As promptly as reasonably practicable after the Effective Time, the Surviving Corporation shall deposit or cause to be deposited with the Paying Agent, in trust for the benefit of holders of shares of Class A Stock (other than Excluded Shares, Restricted Shares and any Dissenting Shares), an amount of cash representing the aggregate cash consideration payable pursuant to Section 1.07. Any cash deposited with the Paying Agent shall hereinafter be referred to as the "Payment Fund."

(b) Payment Procedures. As soon as reasonably practicable after the Effective Time, the Surviving Corporation will instruct the Paying Agent to mail to each holder of record of a Certificate or Certificates that immediately prior to the Effective Time evidenced outstanding shares of Class A Stock (other than Excluded Shares and Restricted Shares), (i) a form letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Paying Agent and shall be in such form and have such other provisions as the Surviving Corporation may reasonably specify) and (ii) instructions for use in effecting the surrender of such Certificates in exchange for the Merger Consideration pursuant to Section 1.07. Upon surrender of such a Certificate for cancellation to the Paying Agent or to such other agent or agents as may be appointed by the Surviving Corporation, together with a letter of transmittal, duly executed, and such other customary documents as may be required pursuant to such instructions (collectively, the "Transmittal Documents"), the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration for each share of Class A Stock formerly represented by such Certificate, without any interest thereon, less any required withholding of taxes, and the Certificate so surrendered shall thereupon be canceled. In the event of a transfer of ownership of Class A Stock that is not registered in the transfer records of the Company, the Merger Consideration may be issued and paid in accordance with this Article II to the transferee of such shares if the Certificate evidencing such shares is presented to the Paying Agent and is properly endorsed or otherwise in proper form for transfer. In such event, the signature on the Certificate or any related stock power must be properly guaranteed and the Person requesting payment of the Merger Consideration must either pay any transfer or other taxes required by reason of the payment to a Person other than the registered holder of the Certificate so surrendered or establish to the Surviving Corporation that such tax has been paid or is not applicable. The Merger Consideration will be delivered by the Paying Agent as promptly as practicable following surrender of such a Certificate and the related Transmittal Documents. Cash payments may be made by check unless otherwise required by a depositary institution in connection with the book-entry delivery of securities. No interest will be payable on any Merger Consideration. Until surrendered in accordance with this Section 2.02, each Certificate shall be deemed at any time after the Effective Time to evidence only the right to receive, upon such surrender, the Merger Consideration for each share of Class A Stock (other than Excluded Shares, Restricted Shares and any Dissenting Shares) formerly represented by such Certificate. The Payment Fund shall not be used for any purpose other than as set forth in this Article II. Any interest, dividends or other income earned on the investment of cash held in the Payment Fund shall be for the account of the Surviving Corporation. The Merger Consideration delivered upon surrender of the Certificates in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares represented by such Certificates.

(c) Termination of Payment Fund. Any portion of the Payment Fund (including, without limitation, the proceeds of any investments thereof) that remains undistributed to the Public Stockholders for six months following the Effective Time shall be delivered by the Paying Agent to the Surviving Corporation. Any Public

Stockholders who have not theretofore complied with this Article II shall thereafter look only to the Surviving Corporation for payment of the Merger Consideration.

(d) No Liability. None of the Company, the Surviving Corporation, Family LLC or the Paying Agent shall be liable to any Person for any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar Law.

(e) Investment of the Payment Fund. The Paying Agent shall invest any cash included in the Payment Fund as directed by the Surviving Corporation on a daily basis and in accordance with the Paying Agent Agreement; provided that any gain or loss thereon shall not affect the amounts payable to the stockholders of the Company pursuant to Article I or this Article II. Any interest and other income resulting from such investments shall promptly be paid to the Surviving Corporation. If for any reason (including as a result of losses) the cash in the Payment Fund shall be insufficient to fully satisfy all of the payment obligations to be made in cash by the Paying Agent hereunder, the Surviving Corporation shall promptly deposit cash into the Payment Fund in an amount which is equal to the deficiency in the amount of cash required to fully satisfy such cash payment obligations.

(f) Withholding Rights. Each of the Surviving Corporation, Family LLC and the Paying Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Class A Stock, Options or Restricted Shares such amounts as it is required to deduct and withhold with respect to the making of such payment under the United States Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Class A Stock, Options or Restricted Shares in respect of which such deduction and withholding was made.

(g) Lost, Stolen or Destroyed Certificates. In the event any Certificate shall have been lost, stolen or destroyed, the holder of such lost, stolen or destroyed Certificate shall execute an affidavit of that fact upon request. The holder of any such lost, stolen or destroyed Certificate shall also deliver a reasonable indemnity against any claim that may be made against Family LLC, the Surviving Corporation or the Paying Agent with respect to such Certificate alleged to have been lost, stolen or destroyed. The affidavit and any indemnity which may be required hereunder shall be delivered to the Paying Agent (or, after the six-month anniversary of the Effective Time, the Surviving Corporation), which shall be responsible for making payment for such lost, stolen or destroyed Certificates pursuant to the terms hereof.

Section 2.03 Stock Transfer Books. From and after the Effective Time, the holders of Certificates representing shares of Company Stock shall cease to have any rights with respect to such shares, except as provided in this Agreement or by applicable Law. Any Certificate presented to the Paying Agent or the Surviving Corporation for any reason at or after the Effective Time shall be canceled and, in the case of any Certificates representing Class A Stock (other than Class A Stock held by Family LLC, the Company or any wholly-owned Subsidiary of the Company (or held in the Company's treasury) and Restricted Shares), exchanged for the Merger Consideration pursuant to the terms of this Article II.

Section 2.04 Section 16 Matters. Prior to the Effective Time, the Company and Family LLC shall take such steps, to the extent required and permitted, to cause the transactions contemplated by this Agreement, including any dispositions of equity securities (including derivative securities) of the Company by each individual who is or will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Section 2.05 Adjustments to Prevent Dilution. In the event that prior to the Effective Time, solely as a result of a reclassification, combination, stock split (including, without limitation, a reverse stock split), stock dividend or stock distribution which in any such event is made on a pro rata basis to all holders of Company Stock, there is a change in the number of shares of Company Stock outstanding or issuable upon the conversion, exchange or exercise of securities or rights convertible or exchangeable or exercisable for shares of Company Stock, then the Merger Consideration shall be equitably adjusted to eliminate the effects of such event.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except (x) in the case of all representations and warranties contained in any provision of this Article III other than Sections 3.02 and 3.04, as set forth in reasonable detail any SEC Reports filed prior to the date hereof or (y) as disclosed to Family LLC and CVC MergerCo in a letter (the "Company Disclosure Letter") delivered to them by the Company prior to the execution of this Agreement (with specific reference to the representations and warranties in this Article III to which the information in such letter relates, except to the extent it is reasonably apparent from the face of such disclosure that such disclosure is applicable to any other representation or warranty), the Company hereby represents and warrants to Family LLC and CVC MergerCo as follows:

Section 3.01 Corporate Organization. The Company and each of its Subsidiaries is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization and has the requisite power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except as would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect. The Company and each of its Subsidiaries is duly qualified or licensed and in good standing to do business in each jurisdiction in which the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for any failure to be so qualified or licensed or in good standing that would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

Section 3.02 Capitalization.

(a) As of the date prior to the date of this Agreement, the authorized capital stock of the Company consists of 800,000,000 shares of Class A Stock, 320,000,000 shares of Class B Stock, 50,000,000 shares of a class designated as preferred stock (the "Company Preferred Stock"), 600,000 shares of Cablevision-Rainbow Media Group Class A common stock and 160,000 shares of Cablevision-Rainbow Media Group Class B common stock. As of the date of this Agreement, (i) 229,905,864 shares of Class A Stock were issued and outstanding, (ii) 23,977,133 shares of Class A Stock were held in treasury by the Company, (iii) 63,327,303 shares of Class B Stock were issued and outstanding, and (iv) no shares of Class B Stock were held in treasury by the Company. As of the date of this Agreement, no shares of Company Preferred Stock were issued and outstanding. All issued and outstanding equity securities of the Company and each of its Subsidiaries are duly authorized, validly issued, fully paid and nonassessable.

(b) Section 3.02(b) of the Company Disclosure Letter contains a schedule, as of the date of this Agreement, setting forth (as applicable) the number of, exercise or reference price, vesting date (or dates) and expiration date (or delivery date) of each outstanding employee equity award in respect of Company Stock.

(c) Except as set forth in Section 3.02(c) of the Company Disclosure Letter, there are no preemptive or similar rights on the part of any holder of any class of securities of the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the stockholders of the Company or any of its Subsidiaries on any matter submitted to stockholders or a separate class of holders of capital stock. Except as set forth in Section 3.02(b) or (c) of the Disclosure Letter, as of the date of this Agreement, there are no options, warrants, calls, rights, convertible or exchangeable securities, "phantom" stock rights, stock appreciation rights, stock-based performance units, commitments, contracts, arrangements or undertakings of any kind relating to issued or unissued capital stock or other securities of the Company or any of its Subsidiaries to which the Company or any of its Subsidiaries is a party or by which any of them is bound (i) obligating the Company or any of its Subsidiaries to issue, deliver, sell or transfer or repurchase, redeem or otherwise acquire, or cause to be issued, delivered, sold or transferred or repurchased, redeemed or otherwise acquired, any shares of the capital stock of, or other equity interests in, the Company or any of its Subsidiaries, any additional shares of capital stock of, or other equity interests in, or any security convertible or exercisable for or exchangeable into any capital stock of, or other equity interest in, the Company or any of its Subsidiaries, (ii) obligating the Company or any of its Subsidiaries to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, contract, arrangement or undertaking or (iii) that give any Person the right to receive any economic benefit or right similar to or derived from the economic benefits and rights accruing to holders of capital stock of, or other equity interests in, the Company or any of its Subsidiaries.

(d) Except for this Agreement, the Voting Agreement and agreements to which the Family Stockholders are party, there are no voting trusts or other agreements or understandings to which the Company is a party or is bound, or of which it has approved (for purposes of Section 203 of the DGCL or otherwise) with respect to the voting of capital stock of the Company.

Section 3.03 Authority Relative to this Agreement and the Ancillary Agreements.

(a) The Company has all necessary corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and, subject to receipt of the Company Stockholder Approval, to consummate the transactions contemplated hereby and thereby. The execution and delivery by the Company of this Agreement and each of the Ancillary Agreements to which it is a party and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance by the Company of this Agreement and each of the Ancillary Agreements to which it is a party or the consummation by the Company of the transactions contemplated hereby and thereby or the adoption (other than the Company Stockholder Approval and the filing of the Charter Amendment and the Certificate of Merger in accordance with the DGCL). This Agreement and each Ancillary Agreement to which the Company is a party has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by each other party hereto and thereto, constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(b) The Special Committee, at a meeting duly called and held, has by unanimous vote of all its members approved and declared this Agreement and the Ancillary Agreements to which the Company is a party and the transactions contemplated hereby and thereby, including the Merger and the Charter Amendment, advisable and has determined that such transactions are fair to, and in the best interests of, the Public Stockholders. The Board of Directors, based on the unanimous recommendation of the Special Committee, has (i) determined that the transactions contemplated by this Agreement and the Ancillary Agreements to which the Company is a party are fair to, and in the best interests of, the Public Stockholders, (ii) approved and adopted this

Agreement and the Ancillary Agreements to which the Company is a party and the transactions contemplated hereby and thereby, including the Merger and the Charter Amendment, and declared their advisability, (iii) recommended adoption by the stockholders of the Company, subject to the terms and conditions set forth herein, of this Agreement and the Charter Amendment, and (iv) approved, for purposes of Section 203 of the DGCL, this Agreement and the Ancillary Agreements to which the Company is a party and the transactions contemplated hereby and thereby, including, without limitation, the formation of Family LLC and CVC MergerCo.

Section 3.04 No Conflict; Required Filings and Consents.

(a) Except as set forth in Section 3.04(a) of the Company Disclosure Letter, the execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby, will not, (i) assuming the effectiveness of the Charter Amendment, conflict with or violate the Constituent Documents of the Company or any of its Subsidiaries, (ii) assuming the receipt of the approvals referred to in clauses (i), (ii) and (iii) of Section 3.04(b), conflict with or violate any Law applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected or (iii) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) or require a Consent under, result in the loss of a material benefit under or give to others any right of termination, amendment, acceleration, payment or cancellation of, or result in the creation of a lien or other encumbrance on any property or under any contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their properties or assets is bound or affected, except in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect or prevent or materially delay the performance by the Company of any of its obligations under this Agreement or the Ancillary Agreements to which it is a party or the consummation of any of the transactions contemplated hereby or thereby.

(b) The execution, delivery and performance by the Company of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby will not require any material Consent of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign (each a "Governmental Entity"), except for (i) the applicable requirements of the Exchange Act and the HSR Act, (ii) the filing of appropriate merger and other documents as required by the DGCL in connection with the Merger, the Charter Amendment and the other transactions contemplated by this Agreement and the Ancillary Agreements, (iii) the approvals from other regulatory agencies set forth in Section 3.04(b) of the Company Disclosure Letter (the "Governmental Approvals"), (iv) such Consents for which the failure to obtain or make would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or prevent or materially delay the performance by the Company of any of its obligations under this Agreement or the Ancillary Agreements to which it is a party or the consummation of any of the transactions contemplated hereby or thereby or (v) such other items as may be required solely by reason of the business or identity of Family LLC and its Affiliates.

Section 3.05 SEC Filings and Financial Statements. The Company has heretofore filed all forms, reports, statements, schedules and other materials with the SEC required to be filed pursuant to the Exchange Act or other federal securities laws since January 1, 2005 (the "SEC Reports"). As of their respective dates, or, if applicable, the dates such SEC Reports were amended prior to the date hereof, the SEC Reports (including all financial statements included therein, exhibits and schedules thereto and documents incorporated by reference therein) complied in all material respects with all applicable requirements of the Exchange Act and other federal securities laws as of the applicable date and did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 (including the related notes thereto), as such report was amended on September 21, 2006, the Company's Quarterly Reports on Forms 10-Q for the periods ended March 31, 2006, as such report was amended on September 21, 2006, and June 30, 2006 and September 30, 2006 (including, in each case, the related notes thereto), and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 have been prepared from, and are in accordance with, the books and records of the Company and its Subsidiaries, comply in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto as of the date filed, have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto and subject, in the case of unaudited interim financial statements, to normal year-end adjustments) and fairly present in all material respects the consolidated financial position and the consolidated results of operations and cash flows of the Company and its Subsidiaries as at the dates thereof or for the periods presented therein.

Section 3.06 Taxes.

(a) The Company and each of its Subsidiaries has (i) duly and timely filed with the appropriate Taxing Authorities all material Tax Returns required to be filed by it in respect of any Taxes, (ii) duly and timely paid in full all material Taxes that are due and payable by it except to the extent such Taxes are being disputed in good faith and for which adequate reserves have been established in accordance with GAAP applied on a consistent basis and (iii) established reserves in accordance with GAAP that are adequate for the payment of all material Taxes not yet due and payable with respect to the results of operations of the Company and each of its Subsidiaries through the date of this Agreement.

(b) There is no deficiency, claim, audit, suit, proceeding, request for information or investigation now pending, outstanding or threatened against or with respect to the Company or any of its Subsidiaries in respect of any material Taxes, in each case, the resolution of which would reasonably be expected to result in a material liability or obligation to the Company or the applicable Subsidiary of the Company.

Section 3.07 Restricted Payment Capacity.

(a) The Company has provided to Family LLC all material information as of the date hereof regarding the CVC Restricted Payment Capacity, under the provisions of each CVC Indenture (as defined below), including the "Limitation on Restricted Payments" covenant and related definitions contained therein. The CVC Indentures comprise all the indentures and other agreements governing outstanding publicly or privately placed debt securities of the Company, other than any credit agreements to be terminated in connection with the transactions contemplated by the Commitment Letter. As used herein, the term "CVC Indentures" means (i) the Indenture, dated as of April 6, 2004, among the Company and The Bank of New York ("BONY"), as Trustee, with respect to the Company's Floating Rate Senior Notes and Floating Rate Series B Senior Notes due 2009, and (ii) the Indenture, dated as of April 6, 2004, among the Company and BONY, as Trustee, with respect to the Company's 8% Senior Notes and 8% Series B Senior Notes due 2012.

(b) The Company has provided to Family LLC all material information as of the date hereof regarding the CSC Restricted Payment Capacity, under the provisions of each CSC Indenture (as defined below), including the "Limitation on Restricted Payments" covenant and related definitions contained therein. The CSC Indentures comprise all the indentures and other agreements governing outstanding publicly or privately placed debt securities of CSC, other than any credit agreements to be terminated in connection with the transactions contemplated by the Commitment Letter. As used herein, the term "CSC Indentures" means (i) the Indenture, dated as of April 6, 2004, among CSC and BONY, as Trustee, (ii) the Indenture, dated as of March 22, 2001, among CSC and BONY, as Trustee, (iii) the Indenture, dated as of July 1, 1999, among CSC and BONY, as Trustee, (iv) the Indenture, dated as of July 1, 1998, among CSC and BONY, as Trustee, for senior debt securities, (v) the Indenture, dated as of December 1, 1997, among CSC (f/k/a Cablevision Systems Corporation) and BONY, as Trustee, (vi) the Indenture, dated as of August 15, 1997, among CSC (f/k/a Cablevision Systems Corporation) and BONY, as Trustee, and (vii) the Indenture, dated as of November 1, 1995, among CSC (f/k/a Cablevision Systems Corporation) and BONY, as Trustee.

(c) The Company has provided to Family LLC all material information as of the date hereof regarding the RNS Restricted Payment Capacity, under the provisions of each RNS Indenture (as defined below), including the “Limitation on Restricted Payments” covenant and related definitions contained therein. The RNS Indentures comprise all the indentures and other agreements governing outstanding publicly or privately placed debt securities of RNS, other than any credit agreements to be terminated in connection with the transactions contemplated by the Commitment Letter. As used herein, the term “RNS Indentures” means (i) the Indenture, dated as of August 20, 2004, among RNS, RNS Co-Issuer Corp., the Initial Guarantors (as defined therein) and BONY, as Trustee, for 8 3/4% Senior Notes due 2012, and (ii) the Indenture, dated as of August 20, 2004, among RNS, RNS Co-Issuer Corp., the Initial Guarantors (as defined therein) and BONY, as Trustee, for 10 3/8% Senior Notes due 2012.

(d) Each of the CVC Restricted Payment Capacity, the CSC Restricted Payment Capacity and the RNS Restricted Payment Capacity will be sufficient at Closing to permit the initial distributions contemplated by the Commitment Letter, as applicable, and the payment by CVC of the Merger Consideration to the Public Stockholders.

Section 3.08 Employee Benefit Plans and Related Matters; ERISA.

(a) Section 3.08(a) of the Company Disclosure Letter contains a true and complete list of all of the material compensation and benefit plans, including, but not limited to, “employee benefit plans” within the meaning of Section 3(3) of ERISA, deferred compensation, stock-based incentive bonus or other equity-based arrangement and any employment, termination, retention bonus, severance plan, policy, arrangement or contract maintained or contributed to by the Company or its Subsidiaries, or with respect to which any of them could incur any material liability, for the benefit of any employee or former employees of the Company or its Subsidiaries.

(b) Except as provided in Section 3.08(b) of the Company Disclosure Letter, the entering into, or the consummation of the transactions contemplated by, this Agreement will not result in an increase in the amount of compensation or benefits or the acceleration of the vesting or timing of payment of any compensation or benefits payable to or in respect of any current or former employee, officer, director, stockholder or contract worker of the Company or of any of its Subsidiaries.

Section 3.09 Franchise Renewal Rights. Except as set forth in Section 3.09 of the Company Disclosure Letter, the Company is not operating under any temporary operating authority with respect to any franchise granted under any Franchise Agreement to which the Company is a party as of the date hereof. Neither the Company nor any of its Subsidiaries has received notice from any Person that any Franchise Agreement to which the Company or any of its Subsidiaries is a party as of the date hereof will not be renewed or that the applicable Governmental Entity has challenged or raised any objection to or otherwise questioned the Company’s request for renewal under Section 626 of the Cable

Act, and the Company and its Subsidiaries have duly and timely complied with any and all inquiries and demands by any and all Governmental Entities made with respect to such requests for renewal.

Section 3.10 Absence of Undisclosed Liabilities. The Company and its Subsidiaries do not have any liabilities or obligations, known or unknown, contingent or otherwise, except (i) liabilities and obligations in the respective amounts reflected on or reserved against in the Company Financial Statements (including the notes thereto) and (ii) liabilities and obligations incurred in the ordinary course of business, consistent with past practice, since December 31, 2006, that would not be prohibited by this Agreement and that would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

Section 3.11 Stockholder Approval. The only vote of stockholders of the Company required under the DGCL, the Company's Constituent Documents and the rules and regulations of the NYSE in order for the Company to validly perform its obligations under this Agreement is the affirmative vote of (i) with respect to the Merger, a majority of the aggregate voting power of the issued and outstanding shares of Company Stock (the "Merger Approval") and (ii) with respect to the Charter Amendment, the holders, voting separately as a class, of (A) a majority of the outstanding shares of Class A Stock and (B) a majority of the outstanding shares of Class B Stock, in each case, entitled to be voted at the Company Stockholders Meeting (the "Charter Approval" and, together with the Merger Approval, the "Company Stockholder Approval"). This Agreement also requires, as a condition to the Closing, that Public Stockholders holding more than 50% of the outstanding shares of Class A Stock held by Public Stockholders other than executive officers and directors of the Company and its Subsidiaries shall have voted in favor of the Merger and the Charter Amendment (the "Minority Approval").

Section 3.12 Opinion of Financial Advisors. The Special Committee has received the written opinions of Morgan Stanley & Co. Incorporated and Lehman Brothers Inc., dated the date hereof, to the effect that, as of such date, the Merger Consideration is fair from a financial point of view to the Public Stockholders, true, complete and signed copies of which have been delivered to Family LLC for informational purposes only. Each of the opinions described in this Section 3.12 includes a consent to the inclusion in its entirety of such opinion in any documents required to be filed with the SEC in connection with the transactions contemplated by this Agreement, which consent has not been withdrawn.

Section 3.13 Brokers. No broker, finder or investment banker (other than Morgan Stanley & Co. Incorporated and Lehman Brothers Inc.) is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby based upon arrangements made by or on behalf of the Company. The Company has heretofore furnished to Family LLC a complete and correct copy of all agreements between the Company and Morgan Stanley & Co. Incorporated and Lehman Brothers Inc. pursuant to which such firms would be entitled to any payment relating to any of the transactions contemplated hereby.

Section 3.14 No Other Representations or Warranties. The Company agrees that except for the representations and warranties contained in this Agreement and the Ancillary Agreements, none of Family LLC, CVC MergerCo or any other Person on their behalf makes any other express or implied representation or warranty with respect to Family LLC, CVC MergerCo or any other information provided to the Company by or on behalf of Family LLC or CVC MergerCo.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF FAMILY LLC

Family LLC hereby represents and warrants to the Company as follows:

Section 4.01 Organization. Family LLC and CVC MergerCo are duly organized, validly existing and in good standing under the Laws of the State of Delaware.

Section 4.02 Authority Relative to this Agreement and the Ancillary Agreements. Each of Family LLC and CVC MergerCo has all necessary limited liability company or corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each of Family LLC and CVC MergerCo of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby by Family LLC and CVC MergerCo have been duly and validly authorized by, in the case of Family LLC, its members, and, in the case of CVC MergerCo, its board of directors and sole stockholder, and no other limited liability company or corporate proceedings on the part of Family LLC or CVC MergerCo are necessary to authorize the execution, delivery and performance by each of Family LLC and CVC MergerCo of this Agreement and the Ancillary Agreements to which it is a party or the consummation by Family LLC and CVC MergerCo of the transactions contemplated hereby and thereby (other than, with respect to the Merger, the filing of the Certificate of Merger). Each of Family LLC and CVC MergerCo has duly and validly executed and delivered this Agreement and the Ancillary Agreements to which it is a party and, assuming the due authorization, execution and delivery by the other parties thereto, such agreements constitute valid and binding obligations of each of Family LLC and CVC MergerCo, enforceable against each of them in accordance with their respective terms.

Section 4.03 No Conflict; Required Filings and Consents.

(a) The execution, delivery and performance by each of Family LLC and CVC MergerCo of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby by Family LLC and CVC MergerCo will not (i) conflict with or violate the Constituent Documents of Family LLC or CVC MergerCo, (ii) conflict with or violate any Law applicable to Family LLC or CVC MergerCo or by which any of their properties or assets are bound or affected, or (iii) result in any breach of or constitute a default (or an event which, with notice, lapse of time or both, would become a default) under, result in the loss of a material benefit under or give to others any right of termination, amendment, acceleration, payment or cancellation of, or result in the creation of a lien or other encumbrance on any property or contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Family LLC or CVC MergerCo is a party or by which Family LLC, CVC MergerCo or any of their properties or assets is bound or affected, except in the case of clauses (ii) and (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not, or would not reasonably be expected to, individually or in the aggregate, prevent or materially delay the performance by each Family LLC or CVC MergerCo of any of its obligations under this Agreement or the Ancillary Agreements to which it is a party or the consummation of any of the transactions contemplated hereby or thereby (a "Family Material Adverse Effect").

(b) The execution, delivery and performance by each of Family LLC and CVC MergerCo of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby by Family LLC and CVC MergerCo will not require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity by Family LLC or CVC MergerCo, except (i) for (A) compliance with the HSR Act, (B) the requirements of the Exchange Act, (C) the filing of appropriate merger and other documents as required by the DGCL in connection with the transactions contemplated hereby, and (D) the Governmental Approvals and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, have or reasonably be expected to have a Family Material Adverse Effect.

Section 4.04 Financing. Family LLC has delivered to the Company a true and complete copy of the executed commitment letter between CVC MergerCo, on the one hand, and Merrill Lynch Capital Corporation, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear Stearns Corporate Lending Inc., Bear, Stearns & Co. Inc., Bank of America, N.A., Banc of America Securities LLC and Banc of America Bridge LLC, on the other hand (together, the "Lenders"), dated as of the date hereof, providing for financing necessary for the Parties to consummate the transactions contemplated by this Agreement (the "Commitment Letter"). As of the date hereof, the Commitment Letter is in full force and effect (assuming the due authorization, execution and delivery thereof by the Lenders) and has not been replaced, amended or modified and the commitments contained therein have not been withdrawn or rescinded in any respect. There are no conditions precedent related to the funding of the full amount of the financing contemplated by the Commitment Letter other than as set forth in or contemplated by the Commitment Letter. Assuming (i) the Company has at the Closing the amount of cash on hand contemplated by the Commitment Letter and (ii) the receipt of the full amount of funding contemplated by the Commitment Letter in accordance with its terms, the Surviving Corporation will have sufficient funds available to it at the Closing to pay the aggregate Merger Consideration and any other repayment or refinancing of debt contemplated by the Commitment Letter and to pay all fees and expenses to be paid by the Surviving Corporation or any of its Affiliates at Closing.

Section 4.05 Exchange Agreement; Guarantee. Family LLC has delivered to the Company true and complete copies of the executed Exchange Agreement and the executed Guarantee. None of the Exchange Agreement and the Guarantee has been replaced, amended or modified. As of the date hereof, the Exchange Agreement and the Guarantee are in full force and effect.

Section 4.06 No Material Transactions. Between October 8, 2006 and the date hereof, none of Family LLC, CVC MergerCo or any of their Affiliates (other than the Company and any of its Subsidiaries) has engaged in material negotiations, agreed in principle or executed any agreement pursuant to which at least 20.1% of the consolidated assets of the Surviving Corporation would be, directly or indirectly, offered, sold, leased, exchanged or otherwise disposed of, including by way of merger, sale of equity securities or otherwise. As of the date hereof, none of Family LLC, CVC MergerCo or any of their Affiliates (other than the Company and any of its Subsidiaries) has any current plan to, directly or indirectly, offer, sell, lease, exchange or otherwise dispose of at least 20.1% of the consolidated assets of the Surviving Corporation.

Section 4.07 Subsidiaries. CVC MergerCo is a direct wholly-owned Subsidiary of Family LLC. Family LLC and CVC MergerCo were formed specifically for the transactions contemplated by this Agreement and have conducted no operations and incurred no obligation other than in connection with the transactions contemplated by this Agreement and related to the Financing.

Section 4.08 Brokers. No broker, finder or investment banker, other than Merrill Lynch & Co. and Bear, Stearns & Co. Inc., is entitled to any brokerage, finder's or other fee or commission in connection with this Agreement or the Ancillary Agreements or the transactions contemplated hereby or thereby based upon arrangements made by or on behalf of Family LLC, CVC MergerCo or their Affiliates (other than the Company and any of its Subsidiaries).

Section 4.09 No Other Representations or Warranties. Family LLC and CVC MergerCo agree that except for the representations and warranties contained in this Agreement and the Ancillary Agreements, neither the Company nor any other Person on its behalf makes any other express or implied representation or warranty with respect to the Company or any information provided to Family LLC and/or CVC MergerCo by or on behalf of the Company.

ARTICLE V

COVENANTS AND OTHER AGREEMENTS

Section 5.01 Conduct of Business of the Company. From the date of this Agreement until the Effective Time, unless Family LLC shall otherwise consent in writing or except as set forth in Section 5.01 of the Company Disclosure Letter or as otherwise expressly provided for in this Agreement, the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course of business consistent with past practice and shall use its reasonable best efforts to preserve intact its business organization and goodwill and relationships with customers, suppliers and others having business dealings with it and to keep available the services of its current officers and key employees on terms and conditions substantially comparable to those currently in effect and maintain its current rights and franchises, in each case, consistent with past practice. In addition to and without limiting the generality of the foregoing, except as expressly set forth in Section 5.01 of the Company Disclosure Letter as otherwise expressly provided for or otherwise expressly required or contemplated by this Agreement, from the date hereof until the Effective Time, without the prior written consent of Family LLC, not to be unreasonably withheld or delayed, the Company shall not, and shall not permit any of its Subsidiaries to:

(a) adopt or propose any change in its certificate of incorporation or by-laws or other comparable organizational documents other than the Charter Amendment;

(b) (i) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or property) in respect of any of its capital stock (other than, subject to Section 5.01(l), dividends or distributions declared, set aside, made or paid by any Subsidiary wholly-owned by the Company or another Subsidiary to the Company or such other Subsidiary), (ii) split, combine or reclassify any of its capital stock or issue or propose or authorize the issuance of any other securities (including options, warrants or any similar security exercisable for, or convertible into, such other security) in respect of, in lieu of, or in substitution for, shares of its capital stock, or (iii) repurchase, redeem or otherwise acquire any shares of the capital stock of the Company or any of its Subsidiaries, or any other equity interests or any rights, warrants or options to acquire any such shares or interests other than pursuant to the Stock Plans;

(c) other than in the ordinary course of business consistent with past practice, issue, sell, grant, pledge or otherwise encumber any shares of its capital stock or other securities (including, without limitation, any options, warrants or any similar security exercisable for or convertible into such capital stock or similar security) other than (i) pursuant to the exercise of existing options in accordance with their present terms, (ii) options authorized by the Compensation Committee or the Board of Directors as of the date hereof for grant to employees or (iii) options and RSUs issued to members of the Board of Directors pursuant to the Director Stock Plans.

(d) merge or consolidate with any other Person or, other than in the ordinary course of business consistent with past practice and in accordance with the 2007 Budget, acquire an amount of assets or equity of any other Person in excess of $25,000,000;

(e) sell, lease, license, subject to a Lien, other than a Permitted Lien or otherwise surrender, relinquish or dispose of any assets, property or rights (including, without limitation, capital stock of a Subsidiary of the Company) except (i) pursuant to existing written contracts or commitments, (ii) sales of network capacity in the ordinary course, consistent with past practice, (iii) sales of assets listed in Section 5.01(e) of the Company Disclosure Letter or (iv) in an amount not in excess of $25,000,000 individually or in the aggregate;

(f) (i) make any loans, advances or capital contributions to, or investments (other than investments in the ordinary course of business consistent with past practice in wholly-owned Subsidiaries of the Company existing on the date hereof) in, any Person other than (x) pursuant to any contract or other legal obligation existing at the date of this Agreement, or (y) advances to employees in the ordinary course of business consistent with past practice, not to exceed $10,000 in each individual case, (ii) create, incur, guarantee or assume any Indebtedness, issuances of debt securities, guarantees, loans or advances, other than any of the foregoing in existence as of the date of this Agreement (including borrowings in the ordinary course of business consistent with past practices, under credit facilities of the Company or any of its Subsidiaries in existence as of the date of this Agreement), or (iii) make or commit to make any capital expenditure other than in an aggregate amount not to exceed the amount set forth in the Company's first quarter 2007 budget forecast by more than 10%;

(g) materially amend or otherwise materially modify benefits under any Company Benefit Plan, accelerate the payment or vesting of benefits or amounts payable or to become payable under any Company Benefit Plan as currently in effect on the date hereof, fail to make any required contribution to any Company Benefit Plan, merge or transfer any Company Benefit Plan or the assets or liabilities of any Company Benefit Plan, change the sponsor of any Company Benefit Plan, or terminate or establish any Company Benefit Plan, in each case except as required by applicable Law or an existing agreement or plan identified in Section 3.08(a) of the Company Disclosure Letter;

(h) grant any increase in the compensation or benefits of directors, officers, employees, consultants, representatives or agents of the Company or any of its Subsidiaries other than in the ordinary course of business consistent with past practice, and in the aggregate not to exceed the amounts used in determining the 2007 Budget by more than 5%;

(i) other than in the ordinary course of business consistent with past practice, enter into or amend or modify any change of control, severance, consulting, retention or employment agreement with any Senior Officer, or any change of control, severance, consulting, retention or employment plan, program or arrangement;

(j) other than in the ordinary course of business consistent with past practice, settle or compromise any action, suit, claim, litigation, proceeding, arbitration, investigation, audit or controversy material to the Business of the Company and its Subsidiaries, taken as a whole (each, a "Proceeding") or enter into any consent, decree, injunction or similar restraint or form of equitable relief in settlement of any material Proceeding other than such settlements and compromises that relate to Taxes (which are the subject of Section 5.01(j)) or that, individually or in the aggregate, are not material to the Business or the Company and its Subsidiaries, taken as a whole;

(k) other than in the ordinary course of business consistent with past practice, (i) make or rescind any express or deemed material election relating to Taxes or consent to any extension of the limitations period applicable to any material Tax claim or assessment, (ii) settle or compromise any material Proceeding relating to Taxes or surrender any right to obtain a material Tax refund or credit, offset or other reduction in Tax liability or (iii) change any material method of reporting income or deductions for federal income tax purposes from those employed in the preparation of its federal income tax returns for the taxable year ending December 31, 2005;

(l) enter into any extraordinary transaction that would result in a material reduction of the CVC Restricted Payment Capacity, the CSC Restricted Payment Capacity or the RNS Restricted Payment Capacity;

(m) enter into or renew or extend any agreements or arrangements that limit materially or otherwise materially restrict the Company or any of its Affiliates or any successor thereto, or that could, after the Effective Time, limit or restrict the Surviving Corporation or any of its Affiliates or any successor thereto, from engaging or competing in any line of business or in any geographic area;

(n) materially change any method of accounting or accounting principles or practices by the Company or any of its Subsidiaries, except for any such change required by a change in GAAP or a change in applicable Law;

(o) other than in the ordinary course of business consistent with past practice, terminate, cancel, amend or modify any material insurance policies maintained by it covering the Company or any of its Subsidiaries or their respective properties which is not replaced by a comparable amount of insurance coverage;

(p) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of the Company or any of its Subsidiaries;

(q) take any actions or omit to take any actions that would or would be reasonably expected to (i) result in any of the conditions to the consummation of the transactions contemplated by this Agreement set forth in Article VI not being satisfied or (ii) materially impair the ability of the Parties to consummate the transactions contemplated hereby in accordance with the terms hereof or materially delay such consummation; or

(r) agree or commit to do any of the foregoing.

Notwithstanding anything to the contrary herein, any action taken by either of Charles F. Dolan or James L. Dolan (or at either of such individual's express direction) will not be deemed actions of the Company for purposes of this Section 5.01.

Section 5.02 Notification of Certain Matters.

(a) The Company shall give prompt notice to Family LLC, and Family LLC shall give prompt notice to the Company, of the occurrence, or failure to occur, of any event which occurrence or failure to occur would be likely to cause (a) any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect or (b) any material failure of the Company, on the one hand, or CVC MergerCo or Family LLC, on the other hand, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement; provided, however, that no such notification shall affect the representations, warranties or agreements of the Parties or the conditions to the performance by the Parties hereunder.

(b) From the date hereof through the Closing, Family LLC shall notify the Company if it or any of its Affiliates (other than the Company) engages in material negotiations, agrees in principle or executes any agreement pursuant to which at least 20.1% of the consolidated assets of the Surviving Corporation would be, directly or indirectly, offered, sold, leased, exchanged or otherwise disposed of, including by way of merger, sale of equity securities or otherwise.

Section 5.03 Indemnification; Directors' and Officers' Insurance.

(a) Family LLC and the Company agree that all rights to indemnification, advancement of expenses and exculpation now existing in favor of each individual who, as of the Effective Time, is a present or former director or officer of the Company or any of its Subsidiaries (each, an "Indemnified Person") as provided in the Constituent Documents of the Company or any of such Subsidiaries, in effect as of the date hereof, shall, with respect to matters occurring prior to the Effective Time, survive the Merger and continue in full force and effect after the Effective Time. Until the sixth anniversary of the Effective Time, the Constituent Documents of the Surviving Corporation and the Constituent Documents of its Subsidiaries shall, with respect to matters occurring prior to the Effective Time, contain provisions no less favorable with respect to indemnification, advancement of expenses and exculpation of the Indemnified Persons than are set forth in the Company's Constituent Documents or in the Constituent Documents of the Surviving Corporation's Subsidiaries in effect as of the date of execution of this Agreement, and such provisions shall not be amended, repealed or otherwise modified prior to the sixth anniversary of the Effective Time in any manner that would adversely affect the rights thereunder, as of the Effective Time, of any Indemnified Person, with respect to matters occurring prior to the Effective Time. Family LLC and the Company further agree that all rights to indemnification or advancement of expenses now existing in favor of Indemnified Persons in any indemnification agreement between such person and the Company or any of its Subsidiaries, as the case may be, or under Law shall survive the Merger and continue in full force and effect in accordance with the terms of such agreement or Law.

(b) The Surviving Corporation shall obtain and maintain directors and officers liability insurance policies for the Indemnified Persons with respect to matters occurring prior to the Effective Time for a period of six years from the Effective Time on terms with respect to coverage and amount no less favorable than those of the applicable policies in effect on the date hereof; provided, however, that (i) in no event shall the Surviving Corporation be obligated to expend in order to obtain or maintain insurance coverage pursuant to this Section 5.03(b) any amount per annum in excess of 200% of the aggregate premiums currently paid or payable by the Company in 2007 (on an annualized basis) for such purpose (the "Cap"), and (ii) if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Cap, the Surviving Company shall only be required to obtain as much coverage as can be obtained by paying an annual premium equal to the Cap.

(c) In the event the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or a substantial portion of its properties and assets to any Person, then, and in each such case, proper provision shall be made so that the successors and assigns of the

Surviving Corporation (or their respective successors or assigns) assume the obligations of the Surviving Corporation (or their respective successors or assigns) as contemplated by this Section 5.03. The Surviving Corporation shall pay all reasonable expenses, including, without limitation, reasonable attorneys' fees, that may be incurred by any Indemnified Person in enforcing the indemnity and other obligations provided in this Section 5.03. The provisions of this Section 5.03 shall survive the consummation of the Merger and expressly are intended to benefit each of the Indemnified Persons. Notwithstanding anything to the contrary, it is agreed that the rights of an Indemnified Person under this Section 5.03 shall be in addition to, and not a limitation of, any other rights such Indemnified Person may have under the Company's Constituent Documents, any other indemnification arrangements, the DGCL or otherwise, and nothing in this Section 5.03 shall have the effect of, or be construed as having the effect of, reducing the benefits to the Indemnified Persons under the Company's Constituent Documents, any other indemnification arrangements, the DGCL or otherwise with respect to matters occurring prior to the Effective Time.

Section 5.04 Access and Information. The Company shall afford to Family LLC and its representatives such access during normal business hours throughout the period prior to the Effective Time to the Company's books, records (including, without limitation, tax returns and work papers of the Company's independent auditors), facilities, personnel, management reports and to such other information as Family LLC shall reasonably request, including, without limitation, all material information regarding the amount and calculation of each of the CVC Restricted Payment Capacity, the CSC Restricted Payment Capacity and the RNS Restricted Payment Capacity, and all related worksheets and other materials with respect to such matters. All information obtained by Family LLC pursuant to this Section 5.04 shall continue to be governed by the Confidentiality Agreement.

Section 5.05 Publicity. Family LLC and the Special Committee have agreed upon the text of a press release to be issued with respect to this Agreement and the transactions contemplated hereby. None of the Parties shall issue or cause the publication of any other press release or other public announcement with respect to this Agreement, the Merger or the other transactions contemplated hereby without the prior written consent of the other Parties, except as may be required by Law or any listing agreement with a national securities exchange to which the Company is a party (provided that, in any such event, the Company shall provide Family LLC a reasonable opportunity to review and comment on such public announcement).

Section 5.06 Reasonable Best Efforts; Financing.

(a) Subject to the terms and conditions hereof, each of the Parties hereto agrees to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, and to cooperate with each other in connection with the foregoing, including, without limitation, using its reasonable best efforts to (i) obtain all necessary Consents from other parties to material agreements, leases and other contracts, including those set forth in Section 3.04 of the Company Disclosure Schedule, provided that the Company shall not be required to make any payments or provide any economic benefits to third parties prior to the Effective Time in order to obtain any waivers, consents or approvals from any third parties hereunder, (ii) obtain all necessary Consents from Governmental Entities as are required to be obtained under any applicable Law, (iii) lift or rescind any Order adversely affecting the ability of the Parties to consummate the transactions contemplated hereby, (iv) effect any necessary registrations and filings and submissions of information requested by Governmental Entities, including, without limitation, those contemplated by or required in connection with the performance of the obligations contained in Section 1.09, (v) complete the transactions contemplated by the Commitment Letter, including, without limitation, (w) providing all information reasonably requested by the Lenders in connection with the arrangement of such financing, (x) participating in due diligence sessions, management presentations, road show presentations, drafting sessions, syndication meetings and meetings with ratings agencies, (y) preparing such audited and unaudited financial statements (including those required by the SEC), offering, private placement and syndication memoranda, prospectuses and similar documents, and providing such financial and other information, necessary for the consummation of such financing within the time periods required by the Commitment Letter and (z) assisting in the preparation of, and executing and delivering in a timely manner, underwriting, purchase, placement, credit, indemnification, registration rights and other definitive financing agreements and other certificates and documents, including, without limitation, solvency certificates, comfort letters, officers' certificates demonstrating compliance with restrictive covenants in the CVC Indentures, the CSC Indentures and the RNS Indentures, consents, pledge and security documents and perfection certificates, as may be reasonably requested in connection with the foregoing (the information and cooperation described in this clause (v), the "Required Information and Cooperation"), and (vi) fulfill all other conditions to this Agreement.

(b) Family LLC shall use its reasonable best efforts to arrange the financing contemplated by the Commitment Letter and may, in its sole discretion, replace, amend, modify, supplement or restate the Commitment Letter so long as the effect of doing so would not reasonably be expected to materially adversely impact the ability of Family LLC to consummate the transactions contemplated hereby. At the request of Family LLC, the Company shall, and shall cause its Subsidiaries to, take, solely under the direction and control of Family LLC, all action necessary or desirable in connection with the transactions contemplated by the Commitment Letter or such other financing transactions on terms and conditions no less favorable than those in the Commitment Letter as Family LLC may agree to in its sole discretion (subject to the foregoing sentence) or as may be required by Section 5.06(e) (collectively, the "Financing Transactions"), including, without limitation, being, and causing its Subsidiaries to be, issuers, borrowers and co-obligors in the Financing Transactions. The Company shall not, and shall cause its Subsidiaries not to, close or agree to close on any of the Financing Transactions other than pursuant to instructions from Family LLC.

(c) In the event that (i) any portion of the financing contemplated by the Commitment Letter that is structured as high yield financing has not been consummated, (ii) all closing conditions contained in Article VI shall have been satisfied or waived (other than Section 6.01(g) and any conditions that by their nature will not be satisfied until the Closing), and (iii) the Interim Loans (as defined in the Commitment Letter) are available on the terms and conditions described in the Commitment Letter, then Family LLC shall instruct the Company and its Subsidiaries to borrow under and use the proceeds of the Interim Loans in lieu of the proceeds that would have been obtained from such affected portion of the high yield financing no later than the last day of the Marketing Period or, if earlier, the Termination Date. For purposes of this Agreement, the "Marketing Period" shall mean a period of 30 days beginning after the date on which on all of the closing conditions contained in Article VI have been satisfied or waived (other than Section 6.01(g) and any conditions that by their nature will not be satisfied until the Closing) throughout which (x) Family LLC has all of the Required Information and Cooperation and (y) the conditions contained in Article VI continue to be satisfied or waived (other than Section 6.01(g) and any conditions that by their nature will not be satisfied until the Closing); provided that (A) the Marketing Period shall not be deemed to have commenced or occurred if, prior to the completion of the Marketing Period, any applicable auditor shall have withdrawn its audit opinion with respect to any financial statements contained in the Required Information and Cooperation or the SEC Reports, and (B) if the Marketing Period would end during the period from August 20, 2007 through September 3, 2007, or the period from December 17, 2007 through January 1, 2008, the Marketing Period shall commence no earlier than September 3, 2007 or January 2, 2008, respectively.

(d) It is understood and agreed that Family LLC and the Company will both participate in the negotiation of the Financing Transactions (including but not limited to the negotiation of definitive financing documentation), with Family LLC having ultimate approval and control with respect to such matters, and that counsel for Family LLC will be primarily responsible for the negotiation of the terms of all definitive financing documentation; provided that, notwithstanding anything in this Section 5.06 to the contrary, the Company shall not be obligated to execute any definitive financing documentation if to do so, or to make borrowings thereunder, would be a violation of applicable law, and Family LLC and CVC MergerCo shall not be obligated to attempt to obtain financing if the execution of the related definitive documentation, or any borrowings thereunder, would be a violation of applicable law.

(e) If any portion of the financing contemplated by the Commitment Letter becomes unavailable on the terms and conditions contemplated by the Commitment

Letter (including, without limitation, as a result of the insufficiency of the CVC Restricted Payment Capacity, the CSC Restricted Payment Capacity or the RNS Restricted Payment Capacity), Family LLC shall use its reasonable best efforts to arrange for alternative financing in an amount sufficient to replace such portion of the financing contemplated by the Commitment Letter and the Company shall provide all reasonable assistance to Family LLC in connection therewith; provided that Family LLC shall be under no obligation to arrange for such alternative financing if (i) the terms and conditions thereof are materially less favorable to Family LLC or the Company than the terms and conditions contemplated by the Commitment Letter or (ii) such portion of the financing contemplated by the Commitment Letter has become unavailable as a result of the failure of the Company or any of is Subsidiaries to comply in any material respect with its obligations under this Agreement. Family LLC shall keep the Company informed on a reasonably current basis in reasonable detail of the status of its efforts to arrange the Financing Transactions and, upon the Company's request, provide copies of all documents related thereto to the Company.

Section 5.07 No Solicitation.

(a) The Company shall not, nor shall it authorize or permit any of its Subsidiaries or any of its or their respective Representatives to (and shall use its reasonable best efforts to cause such Persons not to), directly or indirectly (i) initiate, induce, solicit, facilitate or encourage any inquiry or the making, submission or announcement of any proposal that constitutes or would reasonably be expected to lead to a Takeover Proposal, (ii) enter into any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to, or that would reasonably be expected to lead to, any Takeover Proposal, or (iii) continue or otherwise participate in any discussions or negotiations regarding, furnish to any Person any information or data with respect to the Company in connection with or in response to, or otherwise cooperate with or take any other action to facilitate any proposal that (A) constitutes, or would reasonably be expected to lead to, any Takeover Proposal or (B) requires the Company to abandon, terminate or fail to consummate the Merger or any other transactions contemplated by this Agreement. Notwithstanding the foregoing, prior to the receipt of the Company Stockholder Approval and Minority Approval, the Company may, in response to a *bona fide* written Takeover Proposal that did not result from a breach of this Section 5.07(a), and subject to compliance with Section 5.07(c):

(x) furnish information or data with respect to the Company or any of its Subsidiaries to the Person making such Takeover Proposal and its Representatives pursuant to and in accordance with a confidentiality agreement containing terms and conditions not materially less restrictive than those contained in the Confidentiality Agreement, provided that (I) such confidentiality agreement shall not contain any provisions that would prevent the Company from complying with its obligation to provide the required disclosure to Family LLC pursuant to Section 5.07(b), and (II) that all such information provided to such Person has previously been provided to Family LLC or is provided to Family LLC prior to or concurrently with the time it is provided to such Person; and

(y) participate in discussions or negotiations with such Person or its Representatives regarding such Takeover Proposal;

provided, in each case, that the Special Committee determines in good faith, by resolution duly adopted after consultation with its outside legal counsel and a financial advisor of nationally recognized reputation, that (i) the failure to furnish such information or participate in such discussions or negotiations would reasonably be expected to constitute a breach of its fiduciary duties to the Public Stockholders under applicable Law and (ii) such Takeover Proposal constitutes or would reasonably be expected to lead to a Superior Proposal. The Company shall promptly inform its Representatives of the obligations undertaken in this Section 5.07. Without limiting the foregoing, any violation of the restrictions set forth in this Section 5.07 by any Representative of the Company or any of its Subsidiaries whether or not such Person is purporting to act on behalf of the Company or any of its Subsidiaries shall be deemed to be a breach of this Section 5.07 by the Company; provided that notwithstanding anything to the contrary set forth in this Agreement, in no event shall any action taken by, or at the express direction of, Charles F. Dolan or James L. Dolan constitute a violation by the Company of this Section 5.07. Nothing contained in this Section 5.07 shall prohibit the Company from responding to any unsolicited proposal or inquiry solely by advising the Person making such proposal or inquiry of the terms of this Section 5.07.

(b) As promptly as practicable after the receipt by the Company of any Takeover Proposal or any inquiry with respect to, or that would reasonably be expected to lead to, any Takeover Proposal, and in any case within 24 hours after the receipt thereof, the Company shall provide notice to Family LLC of (i) such Takeover Proposal or inquiry, (ii) the identity of the Person making any such Takeover Proposal or inquiry, and (iii) the material terms and conditions of any such Takeover Proposal or inquiry (including, without limitation, any amendments or modifications thereto). The Company shall keep Family LLC informed on a current basis of the status of any such Takeover Proposal, including, without limitation, any changes to the price or other material terms and conditions thereof, and promptly provide Family LLC with copies of all written or e-mail correspondence or other communications and other written materials, and summaries of all oral correspondence or other communications, sent or provided to or by the Company and its Representatives in connection with any Takeover Proposal that relate to the price or other material terms and conditions of such Takeover Proposal. Notwithstanding the foregoing, if any Takeover Proposal or inquiry is made, or any other information with respect to such Takeover Proposal or inquiry is provided, solely to Charles F. Dolan or James L. Dolan, the Company shall have no obligations to Family LLC under this Section 5.07(b) with respect to such Takeover Proposal, inquiry or other information until such time as any member of the Special Committee is made aware of such Takeover Proposal, inquiry or other information.

(c) Neither the Board of Directors nor any committee thereof (including, without limitation, the Special Committee) shall, directly or indirectly, (i) effect a Change in the Company Recommendation or (ii) approve any letter of intent, memorandum of understanding, merger agreement or other agreement, arrangement or understanding relating to, or that may reasonably be expected to lead to, any Takeover Proposal. Notwithstanding the foregoing, at any time prior to the Company Stockholder Approval or Minority Approval, the Special Committee may, subject to Section 5.7(d), in response to a Superior Proposal or an Intervening Event, effect a Change in the Company Recommendation, provided that the Special Committee determines in good faith, by resolution duly adopted after consultation with its outside legal counsel and financial advisors of nationally recognized reputation, that such action is required to comply with its fiduciary duties to the stockholders of the Company under applicable Law. Notwithstanding any Change in the Company Recommendation, this Agreement shall be submitted to the stockholders of the Company at the Company Stockholders Meeting for the purpose of adopting this Agreement and approving the Merger (it being understood and agreed that the condition contained in Section 6.01(b), as well as all of the other provisions of Article VI, shall continue to be conditions to the Parties obligations to consummate the transactions contemplated hereby to the extent set forth in Article VI).

(d) No Change in the Company Recommendation shall change the approval of the Board of Directors for purposes of causing any state takeover statute or other state law to be inapplicable to the transactions contemplated by this Agreement. The Special Committee shall not effect a Change in the Company Recommendation pursuant to Section 5.07(c) unless the Company has (x) provided written notice to Family LLC (a "Notice of Superior Proposal or Intervening Event") advising Family LLC that the Special Committee has received a Superior Proposal or an Intervening Event has occurred, which notice shall, in the case of a Superior Proposal, specify the material terms and conditions of such Superior Proposal and identify the Person making such Superior Proposal or, in the case of an Intervening Event, describe such event and its effect on the Company in reasonable detail, (y) negotiated during the four Business Day period following Family LLC's receipt of the Notice of Superior Proposal or Intervening Event in good faith with Family LLC (to the extent Family LLC wishes to negotiate) to enable Family LLC to make a proposal that renders the Superior Proposal no longer a Superior Proposal or obviates the need for a Change in the Company Recommendation as a result of the Intervening Event, as the case may be, and (z) determined in good faith, after consultation with its financial advisors of nationally recognized reputation, that any such proposal from Family LLC is not as favorable to the Public Stockholders as such Superior Proposal and does not obviate the need for a Change in the Company Recommendation as a result of the Intervening Event, as the case may be.

(e) Nothing contained in this Section 5.07 shall prohibit the Company from complying with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act in respect of any Takeover Proposal or making any disclosure to the stockholders of the Company if the Special Committee determines in good faith, by resolution duly adopted after consultation with its outside counsel, that the failure to make such disclosure would reasonably be expected to constitute a breach of its fiduciary duties under applicable Law, provided, however that neither the Board of Directors nor any committee thereof shall, except as expressly permitted by Section 5.07(c), effect a Change in the Company Recommendation.

(f) For purposes of this Agreement:

"Intervening Event" means an event, fact, circumstance or development, unknown to the Special Committee as of the date hereof, which becomes known prior to the Company Stockholder Approval and Minority Approval.

"Takeover Proposal" means any proposal or offer in respect of (i) a tender or exchange offer, merger, consolidation, business combination, share exchange, reorganization, recapitalization, liquidation, dissolution, or similar transaction involving the Company (any of the foregoing, a "Business Combination Transaction") with any Person other than Family LLC or any Affiliate thereof (a "Third Party"), (ii) the Company's acquisition of any Third Party in a Business Combination Transaction in which the stockholders of the Third Party immediately prior to consummation of such Business Combination Transaction will own more than 20% of the Company's outstanding capital stock immediately following such Business Combination Transaction, including, without limitation, the issuance by the Company of more than 20% of any class of its equity securities as consideration for assets or securities of a Third Party, or (iii) any direct or indirect acquisition by any Third Party of 20% or more of any class of capital stock of the Company or of 20% or more of the consolidated assets of the Company and its Subsidiaries, in a single transaction or a series of related transactions.

"Superior Proposal" means any *bona fide* written proposal or offer made by a Third Party in respect of a Business Combination Transaction involving, or any purchase or acquisition of, (i) all or substantially all of the outstanding shares of Class A Stock or (ii) at least 66% of the consolidated assets of the Company and its Subsidiaries, which Business Combination Transaction or other purchase or acquisition contains terms and conditions that the Special Committee determines in good faith, by resolution duly adopted after consultation with its outside counsel and financial advisors of nationally recognized reputation, would result in a transaction that (A) if consummated, would be more favorable to the Public Stockholders than the transactions contemplated by this Agreement, taking into account all of the terms and conditions of such proposal and of this Agreement (including, without limitation, any proposal by Family LLC to amend the terms of this Agreement), and (B) is reasonably capable of being consummated on the terms so proposed, without significant incremental delay or cost, taking into account all financial, regulatory, legal and other aspects of such proposal.

Section 5.08 Stockholder Litigation. The Company shall give Family LLC the opportunity to participate in the defense or settlement of any stockholder litigation against the Company and/or its directors relating to the transactions contemplated by this Agreement, whether commenced prior to or after the execution and delivery of this Agreement. The Company agrees that it shall not settle or offer to settle any litigation commenced prior to or after the date hereof against the Company or any of its directors or executive officers by any stockholder of the Company relating to this Agreement, the Merger, any other transaction contemplated hereby or otherwise, without the prior written consent of Family LLC, not to be unreasonably withheld, conditioned or delayed.

Section 5.09 Solvency Opinion. The Company and Family LLC shall use their reasonable best efforts to retain an appraisal or valuation firm for purposes of obtaining from such firm its opinion as to whether each of the Company and each of its Subsidiaries that is contemplated to make a distribution in connection with the transactions contemplated by the Commitment Letter will (i) in the case of any such Person that is a corporation, have at the Closing sufficient surplus under Delaware law out of which to make such distribution, (ii) in the case any such Person that is a limited liability company, after giving effect to the transactions contemplated by the Commitment Letter, have at the Closing assets the fair market value of which exceeds its liabilities and (iii) in the case of all such Persons, after giving effect to the transactions contemplated by the Commitment Letter, (x) be able to pay its debts as they come due, (y) have assets the fair value and present fair salable value of which exceed its stated liabilities and identified contingent liabilities and (z) have remaining capital that is not unreasonably small for the business in which such Person is engaged and proposed to be engaged (a favorable opinion from such firm with respect to each of the foregoing, the "Solvency Opinion").

ARTICLE VI

CONDITIONS

Section 6.01 Conditions to Obligation of Each Party to Effect the Merger. The respective obligations of the Parties to consummate the transactions contemplated by this Agreement, including the Merger, are subject to the satisfaction or waiver (by mutual written consent of the Parties) at or prior to the Closing of each of the following conditions:

(a) Stockholder Approval; Charter Amendment. The Company Stockholder Approval shall have been obtained and the Charter Amendment shall have become effective.

(b) Minority Approval. The Minority Approval shall have been obtained.

(c) Regulatory Approval. The waiting period (and any extension thereof) applicable to the transactions contemplated by the Exchange Agreement under the HSR Act shall have been terminated or shall have expired, any investigation opened by means of a second request for additional information or otherwise shall have been terminated or closed and no action shall have been instituted by the Department of Justice or the Federal Trade Commission challenging or seeking to enjoin the consummation of this transaction, which action shall not have been withdrawn or terminated.

(d) Proxy Statement. No orders suspending the use of the Proxy Statement shall have issued and no proceeding for that purpose shall have been initiated by the SEC.

(e) No Order. No court of competent jurisdiction or United States federal or state Governmental Entity shall have issued an order, decree, ruling or taken any other action restraining, enjoining or otherwise prohibiting the consummation of the Merger or the other transactions contemplated by this Agreement; provided, however, that the Parties shall use their reasonable best efforts to cause any such decree, judgment, injunction or other order to be vacated or lifted.

(f) Solvency Opinion. The Company shall have received the Solvency Opinion.

(g) Financing. The Company and certain of its Affiliates shall have received the funding from the Financing Transactions, which, together with cash held by the Company and its Subsidiaries at the Closing, is sufficient to fund the aggregate Merger Consideration and other payments required to be made by the Surviving Corporation at the Closing in connection with the transactions contemplated hereby.

Section 6.02 Conditions to Obligation of Family LLC and CVC MergerCo. The obligations of Family LLC and CVC MergerCo to effect the transactions contemplated by this Agreement, including the Merger, are subject to the satisfaction or waiver by Family LLC, at or prior to the Closing of the following additional conditions:

(a) Representations and Warranties. Each of the representations and warranties of the Company set forth in this Agreement, in each case, made as if none of such representations and warranties contained any qualifications or limitations as to materiality or Material Adverse Effect, shall be true and correct, in each case, as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except to the extent that any such representation or warranty speaks as of another date), except where the failure of any such representation or warranty to be true and correct as so made, individually or in the aggregate with all other such failures, has had or would reasonably be expected to have a Material Adverse Effect, provided that the representations and warranties of the Company in Sections 3.02 and 3.03 shall be true in all respects (except, with respect to Section 3.02, for any de minimis failure of the representations and warranties contained therein to be true and correct). Family LLC shall have received a certificate of an executive officer of the Company to such effect (without any personal liability to such executive officer).

(b) Performance of Obligations of the Company. The Company shall have performed or complied in all material respects with all agreements and covenants required to be performed by it under this Agreement at or prior to the Closing Date and Family LLC shall have received a certificate of an executive officer of the Company to such effect (without any personal liability to such executive officer).

(c) No Material Adverse Change. Since January 1, 2007, there shall not have been any state of facts, event, change, effect, development, condition or occurrence (or, with respect to facts, events, changes, effects, developments, conditions, or occurrences existing prior to the date hereof, any worsening thereof) that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

(d) No Litigation. There shall not be pending any suit, action or proceeding by any Governmental Entity or other Person (other than any suit, action or proceeding by any stockholder of the Company challenging the fairness of the transactions contemplated hereby or alleging a breach of the fiduciary duties of the members of the Board of Directors in connection herewith), in each case that has a reasonable likelihood of success as reasonably determined by Family LLC (provided that, in the case of any of the foregoing brought by any Person other than a Governmental Entity, the Company shall have reasonably agreed with such determination), challenging or seeking to restrain or prohibit any of the transactions contemplated hereby.

(e) Tax Certification. Family LLC shall have received a certification from the Company in the form prescribed by Treasury regulations under Section 1445 of the Code to the effect that the Company is not (and was not at any time during the five-year period ending on the date of the Closing) a "United States real property holding corporation" within the meaning of Section 897 (c)(2) of the Code.

(f) Dissenting Shares. The total number of Dissenting Shares shall not exceed 10% of the issued and outstanding shares of Class A Stock immediately prior to the filing of the Merger Certificate.

(g) Third-Party Consents. Each of the Consents required to be listed in Section 3.04(a) and (b) of the Company Disclosure Letter shall have been made or obtained, unless the failure to obtain such Consent would, individually or in the aggregate, not be reasonably expected to have a Material Adverse Effect; provided that each of the Consents listed on Section 6.02(g) of the Company Disclosure Letter shall have been obtained.

(h) Ancillary Agreements. The Company shall have duly executed and delivered to Family LLC a copy of each Ancillary Agreement to which it is party, each of which shall be in full force and effect.

Section 6.03 Conditions to Obligations of the Company. The obligation of the Company to effect the transactions contemplated by this Agreement, including the Merger, is subject to the satisfaction or waiver by the Company at or prior to the Closing, of the following additional conditions:

(a) Representations and Warranties. Each of the representations and warranties of CVC MergerCo and Family LLC set forth in this Agreement, in each case, made as if none of such representations and warranties contained any qualifications or limitations as to materiality or material adverse effect, shall be true and correct, in each case, as of the date of this Agreement and as of the Closing as though made on and as of the Closing (except to the extent that any such representation and warranty speaks as of another date), except where the failure of any such representation and warranty to be true and correct as so made does not, individually or in the aggregate with all such failures, has had or could reasonably be expected to have a Family Material Adverse Effect, provided that the representations and warranties of Family LLC in Section 4.02 shall be true in all material respects. The Company shall have received a certificate of Charles F. Dolan or James L. Dolan to such effect (without any personal liability to such executive officer).

(b) Performance of Obligations of CVC MergerCo and Family LLC. Each of CVC MergerCo and Family LLC shall have performed or complied in all material respects with all agreements and covenants required to be performed by it under this Agreement and the Ancillary Agreements at or prior to the Closing and the Company shall have received a certificate of the managing member or an executive officer of Family LLC to such effect (without any personal liability to such executive officer).

(c) Ancillary Agreements. Each of the Ancillary Agreements shall have been executed and delivered by each party thereto other than the Company and shall be in full force and effect.

ARTICLE VII

TERMINATION, AMENDMENT AND WAIVER

Section 7.01 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Effective Time, whether prior to or after receipt of the Company Stockholder Approval:

(a) by mutual written consent of Family LLC and the Company (acting at the direction of the Special Committee);

(b) by either Family LLC or the Company (with the prior approval of the Special Committee), if:

(i) the Merger shall not have been consummated by March 31, 2008 (such date, the "Termination Date"), provided that the right to terminate the Agreement pursuant to this Section 7.01(b)(i) shall not be available to any Party whose failure to perform any of its obligations under this Agreement has been the cause of the failure of the Merger to be consummated by such time;

(ii) any Governmental Entity of competent jurisdiction issues an order, judgment, decision, opinion, decree or ruling or takes any other action (which the party seeking to terminate this Agreement shall have used its reasonable best efforts to resist, resolve, annul, quash or lift, as applicable) permanently restraining, enjoining or otherwise prohibiting the Merger and such order, judgment, decision, opinion, decree or ruling or other action shall have become final and non-appealable; or

(iii) the Company Stockholder Approval and the Minority Approval shall not have been obtained at the Company Stockholders Meeting or any adjournment or postponement thereof; provided that the right to terminate the Agreement pursuant to this Section 7.01(b)(iii) shall not be available to the Company if it has not complied in all material respects with its obligations under Section 5.07;

(c) by Family LLC, if:

(i) the Company shall have breached or failed to perform in any material respect any of its representations, warranties or covenants contained in this Agreement, which breach or failure to perform (A) is incapable of being cured by the Company prior to the Termination Date or is not cured by the Termination Date, and (B) would result in a failure of any condition set forth in Sections 6.02(a) or (b); or

(ii) a Change in the Company Recommendation shall have occurred;

(d) by the Company if CVC MergerCo or Family LLC shall have breached or failed to perform in any material respect any of their representations, warranties or covenants contained in this Agreement, which breach or failure to perform (A) is incapable of being cured by CVC MergerCo or Family LLC, as the case may be, prior to the Termination Date or is not cured by the Termination Date and (B) would result in a failure of any condition set forth in Sections 6.03(a) or (b).

Section 7.02 Effect of Termination. In the event of the termination of this Agreement as provided in Section 7.01, except as provided in Section 8.01, this

Agreement shall forthwith become void and have no effect, and there shall be no liability on the part of any Party, except for the provisions of this Section 7.02, Section 7.03 and Article VIII, each of which shall remain in full force and effect; provided, however, that no Party shall be relieved or released from any liability or damages arising from a willful and material breach of any provision of this Agreement.

Section 7.03 Expenses. All Expenses shall be borne by the Party incurring such Expenses, it being understood and agreed that (i) Expenses associated with the printing, filing and mailing of the Proxy Statement and the Schedule 13E-3 and any amendments or supplements thereto, the solicitation of stockholder approvals and the Solvency Opinion shall be borne by the Company, and (ii) each of the Company and Family LLC shall pay one-half of any filing fees required to be paid in connection with any filing made under the HSR Act in connection with the transactions contemplated hereby.

Section 7.04 Amendment; Company Action. This Agreement may not be amended and no waiver, consent or approval by or on behalf of the Company (or Special Committee, if applicable) may be granted except pursuant to an instrument in writing signed by or on behalf of the Company (or Special Committee, if applicable) following approval of such action by the Special Committee and signed by Family LLC; provided, however, that following the Company Stockholder Approval and Minority Approval at the Company Stockholders Meeting, if applicable, no amendment may be made to this Agreement that by law requires further approval or authorization by the stockholders of the Company or CVC MergerCo without such further approval or authorization. From and after the date hereof, the Board of Directors shall act solely through the Special Committee with respect to any actions of the Company to be taken with respect to this Agreement, including any amendment, modification, or waiver of this Agreement.

Section 7.05 Extension and Waiver. At any time prior to the Effective Time, whether before or after receipt of the Company Stockholder Approval at the Company Stockholders Meeting, if applicable:

(a) the Special Committee on behalf of the Company may (i) extend the time for the performance of any of the obligations or other acts of CVC MergerCo and Family LLC, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document, certificate or writing delivered by CVC MergerCo or Family LLC pursuant hereto or (iii) waive compliance by CVC MergerCo or Family LLC with any of the agreements or with any conditions to the Company's obligations.

(b) Family LLC may (i) extend the time for the performance of any of the obligations or other acts of the Company, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document, certificate or writing delivered by the Company pursuant hereto or (iii) waive compliance by the Company with any of the agreements or with any conditions to CVC MergerCo or Family LLC's obligations.

(c) Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party by a duly authorized officer.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Non-Survival of Representations, Warranties and Agreements. The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or the termination of this Agreement pursuant to Section 7.01, as the case may be, except that the agreements set forth in Section 7.02, 7.03 and Article VIII shall survive termination and this Section 8.01 shall not limit any covenant or agreement of the Parties which by its terms contemplates performance after the Effective Time. Upon any termination of this Agreement, the Guarantee shall terminate to the extent provided therein.

Section 8.02 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by telecopy, overnight courier service or by registered or certified mail (postage prepaid, return receipt requested), to the respective Parties at the following addresses or at such addresses as shall be specified by the Parties by like notice:

(a) If to Family LLC or CVC MergerCo:

c/o Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Telecopier: (516) 803-1186
Attention: Brian G. Sweeney

with a copy to (which shall not constitute notice):

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Telecopier: (212) 909-6836
Attention: Richard D. Bohm

(b) If to the Company or the Special Transaction Committee:

Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Telecopier: (516) 803-2577
Attention: Victoria D. Salhus

with a copy to (which shall not constitute notice):

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telecopier: (212) 728-9261
Attention: Daniel D. Rubino

and

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telecopier: (212) 558-3588
Attention: John P. Mead

Section 8.03 Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of laws thereof, except to the extent that mandatory provisions of federal law apply. Each of the Parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of Delaware and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action except in such court, (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such Delaware state court, (c) waives, to the fullest extent it may legally and effectively do so any objection which it may now or hereafter have to venue of any such action or proceeding in any such Delaware state court, and (d) waives, to the fullest extent permitted by Law, the defense of any inconvenient forum to the maintenance of such action or proceeding in any such Delaware state court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the Parties to this Agreement irrevocably consents to service of process in any such action or proceeding in the manner provided for notices in Section 8.02 of this Agreement; provided, however, that nothing in this Agreement shall affect the right of any Party to this Agreement to serve process in any other manner permitted by Law.

Section 8.04 Entire Agreement; Assignment. This Agreement (together with the Exhibits hereto and the Disclosure Letters), the Confidentiality Agreement and the Ancillary Agreements contain the entire agreement among the Parties with respect to the Merger and the other transactions contemplated hereby and thereby and supersede all prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to these matters. Each Party has participated in the drafting of this Agreement, which each Party acknowledges is the result of extensive negotiations between the Parties. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other Parties, and any attempt to make any such assignment without such consent shall be null and void, except that Family LLC may assign, in its sole discretion, any or all of its rights, interests and obligations under this Agreement to any wholly owned Subsidiary of Family LLC without the consent of the Company, but no such assignment shall relieve Family LLC of any of its obligations under this Agreement. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

Section 8.05 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any terms or provisions of this Agreement in any other jurisdiction so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.06 Headings. Headings are used for reference purposes only and do not affect the meaning or interpretation of this Agreement.

Section 8.07 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective successors, legal representatives and permitted assigns, and, except for the provisions of Section 5.03

hereof, which shall be enforceable by the beneficiaries contemplated thereby, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement; provided that after the Effective Time the Public Stockholders shall be express third-party beneficiaries of the provisions of Section 1.07 and 2.02 to the extent such provisions obligate the Company to make payments to the Public Stockholders of the Merger Consideration and for no other purpose.

Section 8.08 Remedies.

(a) The Parties hereto agree that irreparable harm would occur in the event any of the provisions of this Agreement were not to be performed in accordance with the terms hereof and that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms hereof in addition to any other remedies to which they are entitled at law or in equity.

(b) The Parties hereto further agree that (i) the current, former and prospective members of Family LLC and their respective Affiliates (other than Family LLC and CVC MergerCo) are not Parties to this Agreement, (ii) the Company shall not have any right to cause any monies or other assets to be contributed to Family LLC or CVC MergerCo by any current, former or prospective holder of membership interests in Family LLC or any of their respective Affiliates, trustees or beneficiaries, and (iii) except to the extent provided in the Guarantee, the Company may not otherwise pursue any claim or seek any legal or equitable remedy in connection with this Agreement (including, for avoidance of doubt, monetary damages and specific performance) against any current, former or prospective holder of membership interests in Family LLC or any Affiliate, trustee or beneficiary thereof (other than CVC MergerCo). Neither Family LLC nor CVC MergerCo shall have any liability to the Company in respect of any claims for monetary damages that the Company may bring against Family LLC and/or CVC MergerCo pursuant to or in connection with this Agreement that are in an aggregate amount, including all other such claims that have been brought by the Company against Family LLC or CVC MergerCo, in excess of $300,000,000 (the “Family Liability Cap”). Notwithstanding any other provision of this Agreement, if the payment to the Company of any judgment for monetary damages would cause the Family Liability Cap to be exceeded, such judgment shall be paid only in such portion as would not cause the Family Liability Cap to be exceeded. No Party shall be liable to any other Party hereunder for monetary damages except for a material breach of this Agreement.

Section 8.09 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

Section 8.10 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS CONTAINED IN THIS SECTION 8.10.

Section 8.11 Definitions. As used in this Agreement:

"2007 Budget" means the budget of the Company for fiscal year 2007 as approved by the Board of Directors on December 19, 2006, as updated by the first quarter forecast.

An "Affiliate" of any Person means another Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through the ownership of voting securities, by contract, as trustee or executor or otherwise.

"Ancillary Agreements" means the Voting Agreement, the Exchange Agreement, the Guarantee, and any other agreements contemplated by this Agreement or the foregoing.

"Board of Directors" means the board of directors of the Company.

"Business" means the business and operations of the Company and its Subsidiaries as currently conducted.

"Business Day" means any day on which banks are not required or authorized to close in the City of New York.

"Charter Amendment" means an amendment to the certificate of incorporation of the Company, substantially in the form of Exhibit G.

"Company Benefit Plan" means each "employee benefit plan", as such term is defined in Section 3(3) of ERISA, and each employment, consulting, bonus, incentive or deferred compensation, severance, termination, retention, change of control, stock option, stock appreciation, stock purchase, restricted stock, deferred stock, phantom stock or other equity-based, performance or other employee or retiree benefit or compensation plan, program, arrangement, agreement, policy or understanding, whether written or unwritten, that provides or may provide benefits or compensation in respect of any current or former stockholder, officer, director or employee of the Company or the beneficiaries or dependents of any such person that is or has been maintained or established by the Company or any other Related Person, or to which the Company or any Related Person contributes or is or has been obligated or required to contribute.

"Company Financial Statements" means the consolidated financial statements of the Company and its Subsidiaries included in the Company SEC Reports together, in the case of year-end statements, with reports thereon by the independent auditors of the Company, including in each case a consolidated balance sheet, a consolidated statement of income, a consolidated statement of stockholders' equity and a consolidated statement of cash flows, and accompanying notes.

"Confidentiality Agreement" means the Confidentiality Agreement, dated as of October 12, 2006, between Charles F. Dolan, James L. Dolan and the Company.

"Consents" means consents, approvals, waivers, authorizations, permits, filings or notifications.

"Constituent Documents" means with respect to any entity, the certificate or articles of incorporation, the by-laws of such entity or any similar charter or other organizations documents of such entity.

"CSC" means CSC Holdings, Inc., a Delaware corporation and wholly-owned subsidiary of the Company.

"CSC Restricted Payment Capacity" means, at any given time, the amount of "Restricted Payments" (as defined in the applicable CSC Indenture) that would be permitted as of such time by the most restrictive of the CSC Indentures.

"CVC Restricted Payment Capacity" means, at any given time, the amount of "Restricted Payments" (as defined in the applicable CVC Indenture) that would be permitted as of such time by the most restrictive of the CVC Indentures.

"DGCL" means the General Corporation Law of the State of Delaware.

"Equity Award Price Per Share" means the greater of (A) the Merger Consideration and (B) the highest fair market value per share of Class A Stock during the ninety-day period ending on the Effective Time.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Exchange Act" means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excluded Shares" means shares of Company Stock held by the Family Stockholders, Family LLC, any Subsidiary of Family LLC, the Company or any wholly-owned Subsidiary of the Company or held in the Company's treasury.

"Expenses" of a Person means all out-of-pocket expenses (including, without limitation, all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a Party hereto and its Affiliates), incurred by or on behalf of such Person in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby, including the preparation, printing, filing and mailing, as the case may be, of the Proxy Statement and the Schedule 13E-3 and any amendments or supplements thereto, and the solicitation of stockholder approvals and all other matters related to the transactions contemplated hereby.

"Franchise Agreements" means all franchise agreements and similar governing agreements, instruments and resolutions and franchise related statutes and ordinances or written acknowledgements of a Governmental Entity that are necessary or required to operate cable television services.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"Indebtedness" means, with respect to any Person, without duplication, (i) all obligations of such Person for borrowed money, or with respect to deposits or advances of any kind, (ii) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (iii) all obligations of such Person upon which interest charges are customarily paid (other than trade payables incurred in the ordinary course of business consistent with past practices), (iv) all obligations of such Person under conditional sale or other title retention agreements relating to any property purchased by such Person, (v) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding obligations of such Person to creditors for raw materials, inventory, services and supplies incurred in the ordinary course of business consistent with past practices), (vi) all lease obligations of such Person capitalized on the books and records of such Person, (vii) all obligations of others secured by a Lien on property or assets owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (viii) all obligations of such Person under interest rate, currency or commodity derivatives or hedging transactions, (ix) all letters of credit or performance bonds issued for the account of such Person (excluding (a) letters of credit issued for the benefit of local franchising authorities, or suppliers to support accounts payable to suppliers incurred in the ordinary course of business consistent with past practices, (b) standby letters of credit relating to workers' compensation insurance and surety bonds and (c) surety bonds and customs bonds) and (x) all guarantees and arrangements having the economic effect of a guarantee of such Person of any Indebtedness of any other Person.

"Law" (and with the correlative meaning "Laws") means rule, regulation, statutes, orders, ordinance, guideline, code, or other legally enforceable requirement, including but not limited to common law, state, local and federal laws or securities laws and laws of foreign jurisdictions.

"Liens" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, adverse claim, encumbrance, lien (statutory or other), other charge or security interest; or any preference, priority or other agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, or any capital lease having substantially the same economic effect as any of the foregoing).

"Material Adverse Effect" means any effect that is or would reasonably be expected to be materially adverse to the business, assets (including intangible assets), condition (financial or otherwise) or results of operations of the Company or would reasonably be expected to materially impair the Company's ability to perform its obligations under this Agreement; provided, however, that none of the following, alone or in combination, shall be deemed to constitute, or be taken into account in determining whether there has been or would be, a Material Adverse Effect: (A) any adverse effect that results from general economic, business, financial or market conditions that does not disproportionately affect the Company or any Company Subsidiary, (B) any adverse effect arising from any action taken by the Company to comply with its obligations under this Agreement, (C) any adverse effect that results from any change in the Laws governing the Company's Franchise Agreements, (D) any adverse effect that results from the matter set forth on Section 8.11 of the Company Disclosure Letter and (E) any adverse effect generally affecting the industry or industry sectors in which the Company or any of the Company's Subsidiaries operates that does not disproportionately affect the Company or any Company Subsidiary relative to the other participants in the industry or industry sectors in which the Company or such Company Subsidiary operates.

"NYSE" means The New York Stock Exchange.

"Order" means any charge, order, writ, injunction, judgment, decree, ruling, determination, directive, award or settlement, whether civil, criminal or administrative and whether formal or informal, applicable to the Company or any Subsidiary.

"Other Dolan Entities" means Dolan Family LLC, the Charles F. Dolan Charitable Remainder Trust, the Dolan Family Foundation, the Marissa Waller 1989 Trust and the Dolan Children's Foundation.

"Person" means an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act).

"Related Person" means any trade or business, whether or not incorporated, which, together with the Company, is or would have been at any date of determination occurring within the preceding six years, treated as a single employer under Section 414 of the Code.

"Representatives" of a Person means the officers, directors, employees, accountants, counsel, financial advisors, consultants, financing sources and other advisors or representatives of such Person.

"Restricted Shares" means shares of Class A Stock issued under the Stock Plans, which remain subject to vesting requirements under the applicable Stock Plan and award agreement as of the Closing.

"RNS" means Rainbow National Services, LLC, a Delaware limited liability company.

"RNS Restricted Payment Capacity" means, at any given time, the amount of "Restricted Payments" (as defined in the applicable RNS Indenture) that would be permitted as of such time by the most restrictive of the RNS Indentures.

"SEC" means the United States Securities and Exchange Commission.

"Senior Officer" means any "executive officer" of the Company, as that term is defined in Rule 3b-7 of the Exchange Act.

"Subsidiary" when used with respect to any party means any corporation or other organization, whether incorporated or unincorporated, (i) of which such party or any other Subsidiary of such party is a general partner (excluding partnerships, the general partnership interests of which held by such party or any Subsidiary of such party do not have a majority of the voting interests in such partnership) or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its Subsidiaries, or by such party and one or more of its Subsidiaries.

"Tax" (and with the correlative meaning "Taxes") shall mean all federal, state, local or foreign net income, franchise, gross income, sales, use, ad valorem, property, gross receipts, license, capital stock, payroll, withholding, excise, severance, transfer, employment, alternative or add-on minimum, stamp, occupation, premium, environmental or windfall profits taxes, and other taxes, charges, fees, levies, imposts, customs, duties, licenses or other assessments, together with any interest and any penalties, additions to tax or additional amounts imposed by any taxing authority.

"Tax Return" means all federal, state, local and foreign tax returns, estimates, information statements, schedules and reports relating to Taxes.

"Taxing Authority" means, with respect to any Tax, the Governmental Entity that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such Governmental Entity.

[Signatures on the following page]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

CENTRAL PARK HOLDING COMPANY, LLC

By: /s/ Charles F. Dolan
Name: Charles F. Dolan
Title: President

CENTRAL PARK MERGER SUB, INC.

By: /s/ Charles F. Dolan
Name: Charles F. Dolan
Title: President

CABLEVISION SYSTEMS CORPORATION

By: /s/ Michael P. Huseby
Name: Michael P. Huseby
Title: Executive Vice President and Chief Financial Officer

Exhibit A

Family Stockholders

Charles F. Dolan
James F. Dolan
Patrick F. Dolan
Thomas C. Dolan
Kathleen M. Dolan
Deborah A. Dolan-Sweeney
Marianne Dolan Weber
Dolan Grandchildren Trust
DC James Trust
DC Patrick Trust
DC Thomas Trust
DC Kathleen Trust
DC Deborah Trust
DC Marianne Trust
CFD Trust No. 1.
CFD Trust No. 2
CFD Trust No. 3
CFD Trust No. 4
CFD Trust No. 5
CFD Trust No. 6
Tara Dolan 1989 Trust
Charles Dolan 1989 Trust
Ryan Dolan 1989 Trust
Charles F. Dolan 2001 Family Trust

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EXECUTION COPY

Exhibit B

EXCHANGE AGREEMENT

This Exchange Agreement (this "Agreement") is made and entered into as of May 2, 2007, among Central Park Holding Company, LLC, a Delaware limited liability company ("Family LLC"), and the stockholders ("Stockholders") of Cablevision Systems Corporation (the "Company") listed on Annex A attached hereto.

WHEREAS, concurrently with the execution and delivery of this Agreement, Family LLC, Central Park Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Family LLC ("MergerCo"), and the Company are entering into an Agreement and Plan of Merger (as the same may be amended, modified or supplemented from time to time, the "Merger Agreement"), which provides, among other things, for the merger of MergerCo with and into the Company, with the Company surviving as a wholly-owned subsidiary of Family LLC (the "Merger");

WHEREAS, as of the date hereof, each Stockholder is the beneficial owner of, and has the sole or shared right to vote and dispose of, that number of shares of Class A common stock, par value $0.01 per share, of the Company ("Class A Stock") and that number of shares of Class B common stock, par value $0.01 per share, of the Company ("Class B Stock" and together with Class A Stock, "Common Stock"), set forth opposite such Stockholder's name on Annex A hereto;

WHEREAS, subject to the conditions set forth herein, immediately prior to the Effective Time (i) each Stockholder desires to exchange that number of shares of Common Stock set forth opposite such Stockholder's name on Annex A hereto (such Stockholder's "Rollover Shares"), and (ii) Family LLC desires to issue to such Stockholder, in exchange (the "Exchange") for such Rollover Shares, limited liability company interests in Family LLC ("Family LLC Units") as set forth opposite each Stockholder's name on Annex A hereto.

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties contained herein, the parties hereto agree as follows:

1. Share Exchange.

(a) Immediately prior to the Effective Time (as defined in the Merger Agreement), each Stockholder will assign, transfer, convey and deliver such Stockholder's Rollover Shares to Family LLC and, in exchange for such Rollover Shares, Family LLC shall issue and deliver to such Stockholder the number of Family LLC Units set forth opposite such Stockholder's name on Annex A. If any Rollover Shares are held in "street name" by the Stockholder, such Stockholder agrees to arrange for appropriate transfer to Family LLC hereunder.

(b) In the event that the Exchange is consummated but the Merger Agreement is terminated in accordance with its terms, then the Exchange will be void *ab initio* and deemed not to have occurred and each Stockholder will deliver to Family LLC the number of Family LLC Units received by such Stockholder pursuant to paragraph (a) of this Section 1 and Family LLC will deliver to each Stockholder the Rollover Shares previously delivered by such Stockholder to Family LLC.

2. Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Exchange Closing") will take place at the offices of Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, immediately prior to the Closing (as defined in the Merger Agreement).

(b) At the Exchange Closing, each Stockholder will deliver to Family LLC stock certificates duly endorsed for transfer to Family LLC, or accompanied by stock powers duly endorsed in blank, and representing each such Stockholder's Rollover Shares, and Family LLC will reflect on its books and records such Stockholder's ownership of the number of Family LLC Units set forth opposite such Stockholder's name on Annex A.

3. Representations and Warranties of the Investors. Each Stockholder represents and warrants, severally but not jointly, as follows:

(a) Binding Agreement. Each Stockholder has the capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Such Stockholder has duly and validly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is considered in a proceeding in equity or at law).

(b) Ownership of Shares. Such Stockholder is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended, which meaning will apply for all purposes of this Agreement) of, and has the sole or shared power to vote and dispose of the number of shares of Common Stock set forth opposite such Stockholder's name in Annex A hereto, free and clear of any security interests, liens, charges, encumbrances, equities, claims, options or limitations of whatever nature and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such shares), except as may exist by reason of this Agreement, any margin loan, any agreement among the Stockholders or pursuant to applicable law. Except as provided for in this Agreement, there are no outstanding options or other rights to acquire from such Stockholder, or obligations of such Stockholder to sell or to dispose of, any of such shares.

(c) No Conflict. Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the performance of such Stockholder's obligations hereunder will (a) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, or acceleration) under any contract, agreement, instrument, commitment, arrangement or understanding to which such Stockholder is a party, or result in the creation of a security interest, lien, charge, encumbrance, equity or claim with respect to such Stockholder's Rollover Shares, or (b) require any material consent, authorization or approval of any person, entity or governmental entity, or (c) violate or conflict with any writ, injunction or decree applicable to such Stockholder or such Stockholder's Rollover Shares.

(d) Accredited Investor. Such Stockholder is an "accredited investor" as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the "Securities Act").

(e) Investor's Experience. (A) Such Stockholder's financial situation is such that the Stockholder can afford to bear the economic risk of holding the Family LLC Units to be received by such Stockholder, (B) such Stockholder can afford to suffer complete loss of his investment in such Family LLC Units, and (C) such Stockholder's knowledge and experience in financial and business matters are such that the Stockholder is capable of evaluating the merits and risks of the Stockholder's investment in such Family LLC Units.

(f) Investment Intent. Such Stockholder is acquiring Family LLC Units solely for the Stockholder's own account for investment and not with a view to or for sale in connection with any distribution thereof. The Stockholder agrees that the Stockholder will not, directly or indirectly, offer, transfer, sell, pledge, hypothecate or otherwise dispose of any Family LLC Units (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any of the Family LLC Units), except in compliance with (i) the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, (ii) applicable state and non-U.S. securities or "blue sky" laws and (iii) the provisions of this Agreement and any other agreement entered into among the Stockholders.

4. Conditions Precedent. The obligations of each Stockholder to consummate the transactions contemplated hereby are subject to the conditions set forth in Article VI of the Merger Agreement being satisfied or waived by the Company or Family LLC, as the case may be.

5. Certain Approvals. Family LLC shall not agree to any material amendment to the Merger Agreement, including, without limitation, any increase in the Merger Consideration (as defined in the Merger Agreement), or the Commitment Letter (as defined in the Merger Agreement) without the consent of the holders of two-thirds of the aggregate number of shares of Common Stock set forth on Schedule A.

6. Operating Agreement. Simultaneously with the Closing (as defined in the Merger Agreement), the Stockholders, including Charles F. Dolan in his capacity as a Stockholder and the sole member of Family LLC, shall enter into an Amended and Restated Limited Liability Company Agreement of Family LLC, substantially on the terms contained in Annex B hereto.

7. Miscellaneous.

(a) Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by telecopy, overnight courier service or by registered or certified mail (postage prepaid, return receipt requested), to any Stockholder at the address of such Stockholder set forth on Annex A (or at such other address as shall be specified by such Stockholder by like notice) and to Family LLC at the following addresses or at such other address as shall be specified by Family LLC by like notice:

to:

Central Park Holding Company, LLC
c/o Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Telecopier: (516) 803-1186
Attention: Brian G. Sweeney

with a copy to (which shall not constitute notice):

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Telecopier: (212) 909-6836
Attention: Richard D. Bohm

(b) Binding Effect; Benefits. This Agreement will be binding upon the successors, heirs, executors and administrators of the parties hereto. Nothing in this Agreement, express or implied, is intended or will be construed to give any person other than the parties to this Agreement and their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein. No party will have liability for any breach of any representation or warranty contained herein, except for any knowing or intentional breach thereof.

(c) Amendments. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by all of the parties hereto.

(d) Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof will be assignable by any Stockholder without the prior written consent of Family LLC.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of laws thereof, except to the extent that mandatory provisions of federal law apply. Each of the Parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of Delaware and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the Parties hereby irrevocably and unconditionally (a) agrees not to commence any such action except in such court, (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such Delaware state court, (c) waives, to the fullest extent it may legally and effectively do so any objection which it may now or hereafter have to venue of any such action or proceeding in any such Delaware state court, and (d) waives, to the fullest extent permitted by Law, the defense of any inconvenient forum to the maintenance of such action or proceeding in any such Delaware state court. Each of the Parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the Parties to this Agreement irrevocably consents to service of process in any such action or proceeding in the manner provided for notices in Section 7(a) of this Agreement; provided, however, that nothing in this Agreement shall affect the right of any Party to this Agreement to serve process in any other manner permitted by Law.

(f) Counterparts. This Agreement may be executed by facsimile and in two or more counterparts, each of which will be deemed to be an original, but all of which together will constitute one and the same instrument.

(g) Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated herein are not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner.

(h) Waiver. Any party to this Agreement may waive any condition to their obligations contained herein.

(i) Termination. This Agreement will terminate on the earliest to occur of (i) the termination of the Merger Agreement in accordance with its terms and (ii) the consummation of the Merger pursuant to the Merger Agreement. Termination will not relieve any party from liability for any intentional breach of its obligations hereunder committed prior to such termination.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CENTRAL PARK HOLDING COMPANY, LLC

By: /s/ Charles F. Dolan
Name: Charles F. Dolan
Title: President

/s/ Charles F. Dolan
Charles F. Dolan

/s/ James L. Dolan
James L. Dolan

/s/ Thomas C. Dolan
Thomas C. Dolan

/s/ Patrick F. Dolan
Patrick F. Dolan

/s/ Deborah A. Dolan-Sweeney
Deborah A. Dolan-Sweeney

/s/ Marianne Dolan Weber
Marianne Dolan Weber

/s/ Kathleen Dolan

Kathleen Dolan, individually and as a Trustee of the Dolan Grandchildren Trust, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5 and the CFD Trust No. 6 and as Trustee of the Charles Dolan 1989 Trust, the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust

/s/ Paul J. Dolan

Paul J. Dolan, not individually, but solely as a Trustee of the Dolan Grandchildren Trust, the DC James Trust, the DC Kathleen Trust, the CFD Trust No. 1 and the CFD Trust No. 6

/s/ Mary S. Dolan

Mary S. Dolan, not individually, but solely as a Trustee of the DC Deborah Trust, the DC Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4

/s/ Matthew J. Dolan

Matthew J. Dolan, not individually, but solely as a Trustee of the DC Marianne Trust, the DC Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5

/s/ Lawrence J. Dolan

Lawrence J. Dolan, not individually, but solely as a Trustee of the Charles F. Dolan 2001 Family Trust

/s/ David M. Dolan

David M. Dolan, not individually, but solely as a Trustee of the Charles F. Dolan 2001 Family Trust

Annex A

Name and Address of Investor	Rollover Shares	Family LLC Units
Charles F. Dolan 119 Cove Neck Road Oyster Bay, NY 11771	25,742,734	25,742,734
James F. Dolan c/o JLD Family Office 1111 Stewart Avenue Bethpage, NY 11714	215,958	215,958
Patrick F. Dolan 48 Midland Street Cold Spring Harbor, NY 11724	75,490	75,490
Thomas C. Dolan c/o Cablevision Systems Corporation 1111 Stewart Avenue Bethpage, NY 11714	122,668	122,668
Kathleen M. Dolan 94B Bowman Road Barnard, VT 05031	6,381	6,381
Deborah A. Dolan-Sweeney 91 Cove Neck Road Oyster Bay, NY 11771	6,381	6,381
Marianne Dolan Weber 33 Southard Avenue Rockville Centre, NY 11570	6,381	6,381
Dolan Grandchildren Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,600	1,600

Name and Address of Investor	Rollover Shares	Family LLC Units
DC James Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,934,443	1,934,443
DC Patrick Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,878,085	1,878,085
DC Thomas Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,934,443	1,934,443
DC Kathleen Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,934,443	1,934,443
DC Deborah Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,934,443	1,934,443
DC Marianne Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,878,085	1,878,085
CFD Trust No. 1 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,932,937	1,932,937

Name and Address of Investor	Rollover Shares	Family LLC Units
CFD Trust No. 2 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,932,937	1,932,937
CFD Trust No. 3 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,876,579	1,876,579
CFD Trust No. 4 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,857,434	1,857,434
CFD Trust No. 5 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,932,938	1,932,938
CFD Trust No. 6 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	1,932,938	1,932,938
Tara Dolan 1989 Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	60,627	60,627
Charles Dolan 1989 Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	60,627	60,627

Name and Address of Investor	Rollover Shares	Family LLC Units
Ryan Dolan 1989 Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	60,627	60,627
Charles F. Dolan 2001 Family Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	7,809,110	7,809,110

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EXECUTION COPY
Exhibit C

VOTING AGREEMENT

This VOTING AGREEMENT (this "Agreement"), dated as of May 2, 2007, is entered into by and among Cablevision Systems Corporation, a Delaware corporation ("CVC"), and each of the stockholders of CVC listed on Annex A hereto (each a "Stockholder" and collectively, the "Stockholders").

WHEREAS, concurrently with the execution and delivery of this Agreement, Central Park Holding Company, LLC, a Delaware limited liability company ("Parent"), Central Park Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of Parent ("MergerCo"), and CVC are entering into an Agreement and Plan of Merger (as the same may be amended, modified or supplemented from time to time, the "Merger Agreement"), which provides, among other things, for the merger of MergerCo with and into CVC, with CVC surviving as a wholly-owned subsidiary of Parent (the "Merger");

WHEREAS, as of the date hereof, each Stockholder is the beneficial owner of, and has the sole or shared right to vote and dispose of, the number of shares of Class A common stock of CVC (the "Class A Shares") and shares of Class B common stock of CVC (the "Class B Shares" and together with the Class A Shares, the "Shares") set forth opposite such Stockholder's name on Annex A hereto;

WHEREAS, as a condition to its willingness to enter into the Merger Agreement, CVC has required that each of the Stockholders agree, and each of the Stockholders is willing to agree, to the matters set forth herein; and

NOW, THEREFORE, in consideration of the foregoing and the agreements set forth below, the parties hereto agree as follows:

1. Voting of Shares.

1.1 Voting Agreement. From the date hereof, and until the termination of this Agreement pursuant to Section 5, each Stockholder hereby agrees to vote (or cause to be voted) all of its Shares, at any annual, special or other meeting of the stockholders of CVC, and at any adjournment or adjournments or postponement thereof, or pursuant to any consent in lieu of a meeting or otherwise, which such Stockholder has the right to so vote in favor of the approval of the Merger Agreement, the transactions contemplated thereby (including, without limitation, the Merger) and any actions required in furtherance thereof, including the adoption of the Charter Amendment (as defined in the Merger Agreement).

1.2 Irrevocable Proxy. Each Stockholder constitutes and appoints CVC and each of Charles F. Dolan and James L. Dolan, from and after the date hereof until the earlier to occur of the Effective Time (as defined in the Merger Agreement) and the termination of this Agreement pursuant to Section 5 (at which point such constitution and appointment shall automatically be revoked), as such Stockholder's attorney, agent and proxy (each such constitution and appointment, an "Irrevocable Proxy"), with full power of substitution, to vote and otherwise act with respect to all of such Stockholder's Shares at any annual, special or other meeting of the stockholders of CVC, and at any adjournment or adjournments or postponement thereof, and in any action by written consent of the stockholders of CVC, on the matters and in the manner specified in Section 1.1. EACH SUCH PROXY AND POWER OF ATTORNEY IS IRREVOCABLE AND COUPLED WITH AN INTEREST AND, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, SHALL BE VALID AND BINDING ON ANY PERSON TO WHOM SUCH STOCKHOLDER MAY TRANSFER ANY OF ITS SHARES IN BREACH OF THIS AGREEMENT. Each Stockholder hereby revokes all other proxies and powers of attorney with respect to all of such Stockholder's Shares that may have heretofore been appointed or granted with respect to the matters covered by Section 1.1, and no subsequent proxy or power of attorney shall be given (and if given, shall not be effective) by such Stockholder with respect thereto on the matters covered by Section 1.1. All authority herein conferred or agreed to be conferred by any Stockholder shall survive the death or incapacity of such Stockholder and any obligation of any Stockholder under this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of such Stockholder. It is agreed that CVC will not use the Irrevocable Proxy granted by any Stockholder unless such Stockholder fails to comply with Section 1.1 and that, to the extent CVC uses any such Irrevocable Proxy, it will only vote the Shares subject to such Irrevocable Proxy with respect to the matters specified in, and in accordance with the provisions of, Section 1.1.

1.3 Waiver of Appraisal Rights. Each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger.

1.4 Stop Transfer. Each Stockholder agrees that it shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing such Stockholder's Shares, unless such Transfer (as defined below) is made in compliance with this Agreement.

2. Representations and Warranties of Each Stockholder.

Each Stockholder, severally, as to itself, represents and warrants to CVC as follows:

2.1 Binding Agreement. Such Stockholder has the capacity or trust power, as applicable, to execute and deliver this Agreement and to consummate the transactions contemplated hereby. Such Stockholder has duly and validly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms.

2.2 No Conflict. Neither the execution and delivery of this Agreement, the consummation by such Stockholder of the transactions contemplated hereby, nor the performance of such Stockholder's obligations hereunder will (a) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation, or acceleration) under any contract, agreement, instrument, commitment, arrangement or understanding, or result in the creation of a security interest, lien, charge, encumbrance, equity or claim with respect to such Stockholder's Shares, (b) require any consent, authorization or approval of any Person or (c) violate or conflict with any law, writ, injunction or decree applicable to such Stockholder or such Stockholder's Shares.

2.3 Ownership of Shares. Such Stockholder is the owner of the number of Shares set forth opposite such Stockholder's name on Annex A hereto, free and clear of any security interests, liens, charges, encumbrances, equities, claims, options or limitations of whatever nature and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such Shares), except, in each case, as may exist by reason of this Agreement, in connection with any margin loan, pursuant to applicable law or under the Stockholders Agreement, dated as of March 19, 2004, as amended, by and among each of the holders of Cablevision NY Group Class B common stock of CVC listed on Schedule A thereto.

3. Transfer and Other Restrictions.

Until the termination of this Agreement pursuant to Section 5:

3.1 Certain Prohibited Transfers. Each Stockholder agrees not to, except as provided for in the Exchange Agreement (as defined in the Merger Agreement),

(a) sell, sell short, transfer (including by gift), pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, pledge, encumbrance, assignment or other disposition of (each a "Transfer"), any of its Shares or any interest contained therein, other than pursuant to this Agreement;

(b) with respect to any of its Shares, grant any proxy or power of attorney or enter into any voting agreement or other arrangement relating to the matters covered by Section 1.1, other than this Agreement; or

(c) deposit any of its Shares into a voting trust;

provided that, notwithstanding the foregoing, the Stockholders, in the aggregate, shall be entitled to Transfer up to 250,000 Shares between the date hereof and the Closing.

3.2 Additional Shares. Without limiting any provisions of the Merger Agreement, in the event of any stock dividend, stock split, recapitalization, reclassification, combination or exchange of shares of capital stock of CVC on, of or affecting any Stockholder's Shares, then the terms of this Agreement shall apply to the shares of capital stock or other such securities of CVC held by such Stockholder immediately following the effectiveness of such event.

4. Specific Enforcement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with the terms hereof or were otherwise breached and that each party shall be entitled to seek specific performance of the terms hereof in addition to any other remedy which may be available at law or in equity.

5. Termination. This Agreement shall terminate on the earliest to occur of (a) the termination of the Merger Agreement in accordance with its terms, (b) a written agreement between CVC and any Stockholder to terminate this Agreement, provided that any such termination shall be effective only with respect to such Stockholder and (c) the consummation of the transactions contemplated by the Merger Agreement. The termination of this Agreement in accordance with this Section 5 shall not relieve any party from liability for any willful breach of its obligations hereunder committed prior to such termination.

6. Survival. The representations, warranties and agreements of the parties contained in this Agreement shall not survive any termination of this Agreement, provided, however, that no such termination shall relieve any party hereto from any liability for any willful breach of this Agreement.

7. Notices. All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid), (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number, e-mail address or person as a party may designate by notice to the other parties):

If to CVC, to:

Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Telecopier:
Attention:

with a copy (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telecopier: (212) 728-9261
Attention: Daniel D. Rubino

and

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telecopier: (212) 558-3588
Attention: John P. Mead

If to any Stockholder, to the address of such Stockholder set forth opposite such Stockholder's name on Annex A hereto, with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Attention: Richard D. Bohm
Fax: (212) 909-6836
Email: rdbohm@debevoise.com

8. Entire Agreement. This Agreement (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof.

9. Amendment; Release. This Agreement may not be modified, amended, altered or supplemented except by a written agreement between CVC and any Stockholder, provided that any such modification, amendment, alteration or supplement shall be effective only with respect to such Stockholder; and provided further that no such written

agreement shall be binding on CVC unless approved by the Special Committee (as defined in the Merger Agreement).

10. Successors and Assigns.

10.1 This Agreement shall not be assigned by operation of law or otherwise by any Stockholder without the prior written consent of CVC and each Stockholder. This Agreement will be binding upon, inure to the benefit of and be enforceable by each party and such party's respective heirs, beneficiaries, executors, representatives and permitted assigns.

10.2 Each Stockholder agrees that this Agreement and the obligations hereunder shall attach to such Stockholder's Shares and shall be binding upon any Person to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, other than any Shares transferred in accordance with Section 3.1.

11. Counterparts. This Agreement may be executed by facsimile and in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

12. Governing Law; Jurisdiction; Service of Process. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of laws thereof, except to the extent that mandatory provisions of federal law apply. Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of Delaware and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the parties hereby irrevocably and unconditionally (a) agrees not to commence any such action except in such court, (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such Delaware state court, (c) waives, to the fullest extent it may legally and effectively do so any objection which it may now or hereafter have to venue of any such action or proceeding in any such Delaware state court, and (d) waives, to the fullest extent permitted by Law, the defense of any inconvenient forum to the maintenance of such action or proceeding in any such Delaware state court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the parties to this Agreement irrevocably consents to service of process in any such action or proceeding in the manner provided for notices in Section 7 of this Agreement; provided, however, that nothing in this Agreement shall affect the right of any party to this Agreement to serve process in any other manner permitted by Law.

13. Waiver of Jury Trial. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

14. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

15. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by a duly authorized officer of CVC and each Stockholder, on the day and year first written above.

CABLEVISION SYSTEMS CORPORATION

By: /s/ Michael P. Huseby
Name: Michael P. Huseby
Title: Executive Vice President and Chief Financial Officer

STOCKHOLDERS:

/s/ Charles F. Dolan
Charles F. Dolan

/s/ James L. Dolan
James L. Dolan

/s/ Thomas C. Dolan
Thomas C. Dolan

/s/ Patrick F. Dolan
Patrick F. Dolan

/s/ Deborah A. Dolan-Sweeney

Deborah A. Dolan-Sweeney

/s/ Marianne Dolan Weber

Marianne Dolan Weber

/s/ Kathleen Dolan

Kathleen Dolan, individually and as a Trustee of the Dolan Grandchildren Trust, the DC James Trust, the DC Thomas Trust, the DC Patrick Trust, the DC Kathleen Trust, the DC Marianne Trust, the DC Deborah Trust, the CFD Trust No. 1, the CFD Trust No. 2, the CFD Trust No. 3, the CFD Trust No. 4, the CFD Trust No. 5 and the CFD Trust No. 6 and as Trustee of the Charles Dolan 1989 Trust, the Ryan Dolan 1989 Trust and the Tara Dolan 1989 Trust

/s/ Paul J. Dolan

Paul J. Dolan, not individually, but solely as a Trustee of the Dolan Grandchildren Trust, the DC James Trust, the DC Kathleen Trust, the CFD Trust No. 1 and the CFD Trust No. 6

/s/ Mary S. Dolan

Mary S. Dolan, not individually, but solely as a Trustee of the DC Deborah Trust, the DC Patrick Trust, the CFD Trust No. 2 and the CFD Trust No. 4

/s/ Matthew J. Dolan

Matthew J. Dolan, not individually, but solely as a Trustee of the DC Marianne Trust, the DC Thomas Trust, the CFD Trust No. 3 and the CFD Trust No. 5

/s/ Lawrence J. Dolan

Lawrence J. Dolan, not individually, but solely as a Trustee of the Charles F. Dolan 2001 Family Trust

/s/ David M. Dolan

David M. Dolan, not individually, but solely as a Trustee of the Charles F. Dolan 2001 Family Trust

Annex A

Name and Address of Investor	Class A Shares	Class B Shares
Charles F. Dolan 119 Cove Neck Road Oyster Bay, NY 11771	1,675	25,741,059
James F. Dolan c/o JLD Family Office 1111 Stewart Avenue Bethpage, NY 11714	215,958	0
Patrick F. Dolan 48 Midland Street Cold Spring Harbor, NY 11724	75,490	0
Thomas C. Dolan c/o Cablevision Systems Corporation 1111 Stewart Avenue Bethpage, NY 11714	122,668	0
Kathleen M. Dolan 94B Bowman Road Barnard, VT 05031	6,381	0
Deborah A. Dolan-Sweeney 91 Cove Neck Road Oyster Bay, NY 11771	6,381	0
Marianne Dolan Weber 33 Southard Avenue Rockville Centre, NY 11570	6,381	0
Dolan Grandchildren Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,600

Name and Address of Investor	Class A Shares	Class B Shares
DC James Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,934,443
DC Patrick Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,878,085
DC Thomas Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,934,443
DC Kathleen Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,934,443
DC Deborah Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,934,443
DC Marianne Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	1,878,085
CFD Trust No. 1 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	191,456	1,741,481

Name and Address of Investor	Class A Shares	Class B Shares
CFD Trust No. 2 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	191,456	1,741,481
CFD Trust No. 3 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	191,456	1,685,123
CFD Trust No. 4 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	191,456	1,665,978
CFD Trust No. 5 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	159,547	1,773,391
CFD Trust No. 6 c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	159,547	1,773,391
Tara Dolan 1989 Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	60,627
Charles Dolan 1989 Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	60,627

Name and Address of Investor	Class A Shares	Class B Shares
Ryan Dolan 1989 Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	0	60,627
Charles F. Dolan 2001 Family Trust c/o Dolan Family Office 340 Crossways Park Drive Woodbury, NY 11797 Attention: William A. Frewin, Jr.	319,086	7,490,024

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EXECUTION COPY
Exhibit D

GUARANTEE

Guarantee, dated as of May 2, 2007 (this "Guarantee"), by Charles F. Dolan and James L. Dolan (each a "Guarantor" and collectively, the "Guarantors") in favor of Cablevision Systems Corporation (the "Guaranteed Party").

1. GUARANTEE. To induce the Guaranteed Party to enter into the Agreement and Plan of Merger, dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Merger Agreement"; capitalized terms used herein but not defined shall have the meanings given thereto in the Merger Agreement), among Central Park Holding Company, LLC, a Delaware limited liability company ("Family LLC"), Central Park Merger Sub, Inc., a Delaware corporation ("MergerCo", and together with Family LLC, "Buyers") and the Guaranteed Party, pursuant to which Family LLC will acquire 100% of the outstanding common stock of the Guaranteed Party through the merger of MergerCo with and into the Guaranteed Party, with the Guaranteed Party continuing as the surviving corporation, the Guarantors hereby absolutely, unconditionally and irrevocably guarantee, on a joint and several basis, to the Guaranteed Party, the due and punctual payment of any obligation or liability payable by Buyers as a result of a breach by Buyers of their obligations under the Merger Agreement (collectively, the "Obligation"); provided, that in no event shall the Guarantors' liability under this Guarantee exceed $300,000,000, in the aggregate (the "Cap").

2. NATURE OF GUARANTEE. The Guaranteed Party shall not be obligated to file any claim relating to the Obligation in the event that either Buyer becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Guaranteed Party to so file shall not affect the Guarantors' obligations hereunder. In the event that any payment to the Guaranteed Party in respect of the Obligation is rescinded or must otherwise be returned for any reason whatsoever, the Guarantors shall remain liable hereunder with respect to the Obligation as if such payment had not been made. This is an unconditional guarantee of payment and not of collectibility.

3. CHANGES IN OBLIGATIONS, CERTAIN WAIVERS. The Guarantors agree that the Guaranteed Party may at any time and from time to time, without notice to or further consent of the Guarantors, extend the time of payment of the Obligation, and may also make any agreement with Buyers or any Person liable with respect to the Obligation or interested in the transactions contemplated by the Merger Agreement for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between the Guaranteed Party and Buyers or any such other Person without in any way impairing or affecting the Guarantors' obligations under this Guarantee. The Guarantors agree that the obligations of the Guarantors hereunder shall not be released or discharged, in whole or in part, or otherwise affected by, among other things, (a) the failure (or delay) on the part of the Guaranteed Party to assert any claim or demand or to enforce any right or remedy against Buyers or any other Person interested in the transactions contemplated by the Merger Agreement; (b) any change in the time, place or manner of payment of the Obligation or any rescission, waiver, compromise, consolidation or other amendment or modification of any of the terms or provisions of the Merger Agreement, any Ancillary Agreement or any other agreement evidencing, securing or otherwise executed in connection with the Obligation; (c) the addition, substitution or release of any Person primarily or

secondarily liable for the Obligation; (d) any change in the existence, structure or ownership of Buyers or any other Person liable with respect to the Obligation; (e) any insolvency, bankruptcy, reorganization or other similar proceeding affecting Buyers or any other Person liable with respect to the Obligation; (f) the existence of any claim, set-off or other right which the Guarantors may have at any time against Buyers or the Guaranteed Party or any of its Affiliates, whether in connection with the Obligation or otherwise; (g) the adequacy of any other means the Guaranteed Party may have of obtaining payment of the Obligation; (h) the death, disability or incapacity of any Guarantor or (i) any other act or omission which might in any manner or to any extent vary the risk of the Guarantors or otherwise operate as a release or discharge of the Guarantors. To the fullest extent permitted by law, the Guarantors hereby expressly waive any and all rights or defenses arising by reason of any law which would otherwise require any election of remedies by the Guaranteed Party. The Guarantors waive promptness, diligence, notice of the acceptance of this Guarantee and of the Obligation, presentment, demand for payment, notice of non-performance, default, dishonor and protest, notice of the incurrence of the Obligation and all other notices of any kind, all defenses which may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect, any right to require the marshalling of assets of Buyers or any other Person primarily or secondarily liable with respect to the Obligation, and all suretyship defenses generally (other than defenses to the payment of the Obligation that are available to Buyers under the Merger Agreement or a breach by the Guaranteed Party of the Guarantee). The Guarantors acknowledge that they will receive substantial direct and indirect benefits from the transactions contemplated by the Merger Agreement and that the waivers set forth in this Guarantee are knowingly made in contemplation of such benefits.

The Guarantors hereby unconditionally and irrevocably agree not to exercise any rights that they may now have or hereafter acquire against Buyers or any other Person liable with respect to the Obligation that arise from the existence, payment, performance, or enforcement of the Guarantors' obligations under or in respect of this Guarantee or any other agreement in connection therewith, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of the Guaranteed Party against Buyers or such other Person, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Buyers or such other Person, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, unless and until the Obligation shall have been satisfied in full. If any amount shall be paid to the Guarantor in violation of the immediately preceding sentence at any time prior to the payment in full in cash of the Obligation and all other amounts payable under this Guarantee, such amount shall be received and held in trust for the benefit of the Guaranteed Party, shall be segregated from other property and funds of the Guarantors and shall forthwith be paid or delivered to the Guaranteed Party in the same form as so received (with any necessary endorsement or assignment) to be credited and applied to the Obligation, in accordance with the terms of the Merger Agreement, or to be held as collateral for the Obligation thereafter arising. Notwithstanding anything to the contrary contained in this Guarantee, the Guaranteed Party hereby agrees that to the extent any of Buyers' representations, warranties, covenants or agreements contained in the Merger Agreement are waived by the Guaranteed Party, then such waiver shall extend to the Guarantors.

4. NO WAIVER; CUMULATIVE RIGHTS. No failure on the part of the Guaranteed Party to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Guaranteed Party of any right, remedy or power hereunder or under the Merger Agreement or otherwise preclude any other or future exercise of any right, remedy or power hereunder. Each and every right, remedy and power hereby granted to the Guaranteed Party or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the Guaranteed Party at any time or from time to time. The Guaranteed Party shall not have any obligation to proceed at any time or in any manner against, or exhaust any or all of its rights against, either Buyer or any other Person liable for any Obligations prior to proceeding against either Guarantor. No amendment or waiver of any provision of this Guarantee shall be valid and binding unless it is in writing and signed, in the case of an amendment, by the Guarantors and the Guaranteed Party, or in the case of waiver, by the party or parties against whom the waiver is sought to be enforced. Notwithstanding anything contained herein to the contrary, the Guaranteed Party shall act solely at the direction of the Special Committee with respect to any amendment or waiver hereunder.

5. REPRESENTATIONS AND WARRANTIES. The Guarantors hereby represent and warrant to the Guaranteed Party that:

a. each of the Guarantors has the legal capacity to execute, deliver and perform this Guarantee and the execution, delivery and performance of this Guarantee by the Guarantors do not contravene any agreement or other document to which either Guarantor is a party or any law, regulation, rule, decree, order, judgment or contractual restriction binding on a Guarantor or a Guarantor’s assets;

b. all consents, approvals, authorizations, permits of, filings with and notifications to, any governmental authority necessary for the due execution, delivery and performance of this Guarantee by the Guarantors have been obtained or made and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee;

c. this Guarantee constitutes a legal, valid and binding obligation of the Guarantors enforceable against each Guarantor in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting creditors’ rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law); and

d. the Guarantors, together, have the financial capacity to satisfy the Obligation to the extent of the Cap, and all funds necessary for the Guarantors to fulfill their obligations under this Guarantee shall be available to the Guarantors for so long as this Guarantee shall remain in effect in accordance with Section 8 hereof.

6. NO ASSIGNMENT. Neither Guarantor nor the Guaranteed Party may assign its rights, interests or obligations hereunder to any other person (except in the case of an assignment by the Guaranteed Party by operation of law) without the prior written consent of the Guaranteed

Party (in the case of an assignment by either Guarantor) or the Guarantors (in the case of an assignment by the Guaranteed Party).

7. NOTICES. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by telecopy or telex, overnight courier service or by registered or certified mail (postage prepaid, return receipt requested), to the respective Parties at the following addresses or at such addresses as shall be specified by the Parties by like notice:

(a) if to the Guaranteed Party, to it at:

Cablevision Systems Corporation or the Special Transaction Committee
1111 Stewart Avenue
Bethpage, NY 11714
Telecopier: Victoria D. Salhus
Attention: (516) 803-2577

with copies to (which shall not constitute notice):

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Telecopier: (212) 728-9261
Attention: Daniel D. Rubino

and

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Telecopier: (212) 558-3588
Attention: John P. Mead

(b) if to the Guarantors, to them at:

Charles F. Dolan
c/o Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714
Telecopier: (516) 803-1179

and

James L. Dolan
c/o Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714

Telecopier: (516) 803-1181

with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022
Telecopier: (212) 909-6863
Attention: Richard D. Bohm

or to such other Person or address as a party shall specify by notice in writing to the other party. All such notices, requests, demands, waivers and communications shall be deemed to have been given on the date of personal receipt or proven delivery.

8. CONTINUING GUARANTEE. This Guarantee may not be revoked or terminated and shall remain in full force and effect and shall be binding on the Guarantors, their heirs, estates, survivors, conservators, personal representative, successors and assigns until the Obligation is satisfied in full or the Cap has been reached. Notwithstanding the foregoing, this Guarantee shall terminate and the Guarantors shall have no further obligations under this Guarantee as of the earlier of (i) the Effective Time and (ii) any termination of the Merger Agreement in accordance with its terms other than pursuant to Section 7.01(d) of the Merger Agreement; provided that it shall survive any other termination with respect to any liability or damages arising out of any claim made within 90 days of the termination of the Merger Agreement to the extent a claim for such liabilities or damages is permitted under Section 7.02.

9. NO RECOURSE. The Guaranteed Party acknowledges that recourse against the Guarantors under this Guarantee constitutes the sole and exclusive remedy of the Guaranteed Party against the Guarantors and all other direct and indirect current and prospective holders of membership interests in Family LLC in respect of any liabilities or obligations arising under, or in connection with the Merger Agreement and the transactions contemplated thereby. The Guaranteed Party by its acceptance of the benefits hereof, covenants, agrees and acknowledges that, except as set forth in Section 8, no Person other than the Guarantors shall have any obligation hereunder and that no recourse hereunder or under the Merger Agreement shall be had against any Affiliate of either Guarantor, including, without limitation, Family LLC or MergerCo or any of their respective current, former or prospective stockholders, partners, members, directors, officers, Affiliates, agents, trustees or beneficiaries, whether by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any statute, regulation or other applicable law.

10. GOVERNING LAW. This Guarantee shall be governed by and construed in accordance with the Laws of the State of Delaware, regardless of the Laws that might otherwise govern under applicable principles of conflicts of laws thereof, except to the extent that mandatory provisions of federal law apply. Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the courts of the State of Delaware and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment

relating thereto, and each of the parties hereto hereby irrevocably and unconditionally (a) agrees not to commence any such action except in such court, (b) agrees that any claim in respect of any such action or proceeding may be heard and determined in such Delaware state court, (c) waives, to the fullest extent it may legally and effectively do so any objection which it may now or hereafter have to venue of any such action or proceeding in any such Delaware state court, and (d) waives, to the fullest extent permitted by Law, the defense of any inconvenient forum to the maintenance of such action or proceeding in any such Delaware state court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Each of the parties hereto irrevocably consents to service of process in any such action or proceeding in the manner provided for notices in Section 7 of this Guarantee; provided, however, that nothing in this Agreement shall affect the right of any party hereto to serve process in any other manner permitted by Law.

11. Waiver of Jury Trial. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS GUARANTEE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTEE AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE SUCH WAIVER, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (C) IT MAKES SUCH WAIVER VOLUNTARILY, AND (D) IT HAS BEEN INDUCED TO ENTER THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS CONTAINED IN THIS SECTION 11.

12. COUNTERPARTS. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

13. EXPENSES. In the event that a party hereto brings an action, suit or proceeding in respect of this Guarantee, the prevailing party in such action, suit or proceeding shall be entitled to recover from the other party all reasonable fees and out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by the prevailing party in connection therewith.

14. ENTIRE AGREEMENT. This Guarantee constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof, except for the Merger Agreement and the Ancillary Agreements.

15. SEVERABILITY. If any term or other provision of this Guarantee is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Guarantee shall nevertheless remain in full force and effect. No party hereto shall assert, and each party shall cause its respective Affiliates not to assert, that this Guarantee or any part hereof is invalid, illegal or unenforceable. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Guarantee so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Guarantors have caused this Guarantee to be executed and delivered as of the date first written above.

/s/ Charles F. Dolan
Charles F. Dolan

/s/ James L. Dolan
James L. Dolan

IN WITNESS WHEREOF, the Guaranteed Party has caused this Guarantee to be executed and delivered as of the date first written above.

CABLEVISION SYSTEMS CORPORATION

By: /s/ Michael P. Huseby
Name: Michael P. Huseby
Title: Executive Vice President and Chief Financial Officer

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Exhibit 42

May 1, 2007

Board of Directors
Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, NY 11714

Dear Board of Directors:

I am writing to inform you that Class B stockholders owning a majority of the Class B shares have elected Thomas C. Dolan to fill the vacancy created by the resignation of John C. Malone. The foregoing action is effective immediately. A copy of the action of the Class B stockholders is attached to the copy of this letter being sent to the corporate secretary.

Our expectation is that the new Class B director will participate in our next board meeting.

Sincerely,

/s/ Charles F. Dolan

cc: Victoria Salhus, Secretary (with attachment)

Exhibit B

David Ellen, Senior Vice President & General Counsel
Cable, Telecommunications and Programming
Cablevision Systems Corporation
1111 Stewart Avenue
Bethpage, New York 11714
516-803-2300

Richard D. Bohm, Esq.
Debevoise and Plimpton LLP
919 Third Avenue
New York, New York 10022
212-909-6000

Exhibit C

[list of directors and officers for CSC Acquisition-MA, Inc. and CSC Acquisition]

CSC ACQUISITION - MA, INC.

Directors

	Title
Charles F. Dolan	Director

Officers

	Title
Charles F. Dolan	Chairman
Hank J. Ratner	Vice Chairman
John Bickham	President, Cable & Communications
Thomas M. Rutledge	Chief Operating Officer
Thomas C. Dolan	Executive Vice President & Chief Information Officer
Michael P. Huseby	Executive Vice President & Chief Financial Officer
Kathleen Mayo	Executive Vice President
Reginald Workman	Executive Vice President
Victoria D. Salhus	Senior Vice President & Secretary
Philip D'Ambrosio	Senior Vice President, Tax
James L. Dolan	Chief Executive Officer & President
James L. Dolan	Director

Direct Owners

	% Ownership	Units Held
CSC ACQUISITION CORPORATION	100.00 %	100.00

CSC ACQUISITION CORPORATION

Directors

	Title
Charles F. Dolan	Director

Officers

	Title
Charles F. Dolan	Chairman
Hank J. Ratner	Vice Chairman
John Bickham	President, Cable & Communications
Thomas M. Rutledge	Chief Operating Officer
Thomas C. Dolan	Executive Vice President & Chief Information Officer
Michael P. Huseby	Executive Vice President & Chief Financial Officer
Kathleen Mayo	Executive Vice President
Reginald Workman	Executive Vice President
Victoria D. Salhus	Senior Vice President & Secretary
Philip D'Ambrosio	Senior Vice President, Tax
Andrew Heeren	Vice President
James L. Dolan	Chief Executive Officer & President
James L. Dolan	Director

Direct Owners

	% Ownership	Units Held
CSC HOLDINGS, INC.	100.00 %	100.00

Exhibit D

[financial statement: 10-K]

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

FORM 10-K

(Mark One)

X	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2006

OR

______	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED] For the transition period from ________ to _______

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-14764	**Cablevision Systems Corporation** Delaware 1111 Stewart Avenue Bethpage, NY 11714 (516) 803-2300	11-3415180
1-9046	**CSC Holdings, Inc.** Delaware 1111 Stewart Avenue Bethpage, NY 11714 (516) 803-2300	11-2776686

Securities registered pursuant to Section 12(b) of the Act: Title of each class:	Name of each Exchange on which Registered:
Cablevision Systems Corporation Cablevision NY Group Class A Common Stock	New York Stock Exchange
CSC Holdings, Inc.	None

Securities registered pursuant to Section 12(g) of the Act:

Cablevision Systems Corporation	None
CSC Holdings, Inc.	None

Indicate by check mark if the Registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act.

Cablevision Systems Corporation	Yes	____	No	X
CSC Holdings, Inc.	Yes	____	No	X

Indicate by check mark if the Registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Cablevision Systems Corporation	Yes		No	X
CSC Holdings, Inc.	Yes		No	X

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrants were required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Cablevision Systems Corporation	Yes		No	X
CSC Holdings, Inc.	Yes		No	X

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Cablevision Systems Corporation	
CSC Holdings, Inc.	

Indicate by check mark whether each Registrant is a large accelerated filer, accelerated filer or non-accelerated filer (as defined in Exchange Act Rule 12b-2).

	Large accelerated filer				Accelerated filer				Non-accelerated filer			
Cablevision Systems Corporation	Yes	X	No		Yes		No		Yes		No	
CSC Holdings, Inc.	Yes		No		Yes		No		Yes	X	No	

Indicate by check mark whether the Registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Cablevision Systems Corporation	Yes		No	X
CSC Holdings, Inc.	Yes		No	X

Aggregate market value of the voting and non-voting common equity held by non-affiliates of Cablevision Systems Corporation computed by reference to the price at which the common equity was last sold on the New York Stock Exchange as of June 30, 2006: $4,707,474,927

Number of shares of common stock outstanding as of February 22, 2007:

Cablevision NY Group Class A Common Stock	-	229,121,577
Cablevision NY Group Class B Common Stock	-	63,327,303
CSC Holdings, Inc. Common Stock	-	11,595,635

Documents incorporated by reference - Cablevision Systems Corporation intends to file with the Securities and Exchange Commission, not later than 120 days after the close of its fiscal year, a definitive proxy statement or an amendment to this report containing the information required to be disclosed under Part II, Item 5 and Part III of Form 10-K filed under cover of Form 10-K/A.

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* Some or all of these items are omitted because Cablevision intends to file with the Securities and Exchange Commission, not later than 120 days after the close of its fiscal year, a definitive proxy statement or an amendment to this report containing the information required to be disclosed under Part II, Item 5 and Part III of Form 10-K filed under cover of Form 10-K/A.

PART I

Item 1. Business

This combined Annual Report on Form 10-K is separately filed by Cablevision Systems Corporation ("Cablevision") and CSC Holdings, Inc. ("CSC Holdings" and collectively with Cablevision, the "Company" or the "Registrants").

Cablevision Systems Corporation

Cablevision Systems Corporation is a Delaware corporation which was organized in 1997. Cablevision owns all of the outstanding common stock of CSC Holdings and its liabilities consist primarily of $1.5 billion senior notes issued in April 2004. Cablevision has no operations independent of its CSC Holdings subsidiary.

CSC Holdings

CSC Holdings is a Delaware corporation which was organized in 1985 and is one of the largest cable operators in the United States based on the number of basic video subscribers. We also operate cable programming networks, entertainment businesses and telecommunications companies. As of December 31, 2006, we served approximately 3.1 million basic video subscribers in and around the New York City metropolitan area, making us the fifth largest cable operator in the United States based on the number of basic video subscribers. We believe that our cable television systems comprise the largest metropolitan cluster of cable television systems under common ownership in the United States (measured by number of basic video subscribers). Through our wholly-owned subsidiary, Rainbow Media Holdings LLC ("Rainbow Media Holdings"), we own interests in and manage numerous national and regional programming networks, the Madison Square Garden sports and entertainment businesses and cable television advertising sales companies. Through Cablevision Lightpath, Inc. ("Lightpath"), our wholly-owned subsidiary, we provide telephone services and high-speed Internet access to the business market.

We classify our business interests into three segments: Telecommunications Services; Rainbow; and Madison Square Garden.

Our Telecommunications Services segment includes CSC Holdings' cable television business, including its video, high-speed data, Voice over Internet Protocol ("VoIP") and residential telephone services operations and the operations of the commercial telephone and high-speed data services provided by Lightpath.

Our Rainbow segment consists principally of our interests in national programming services - AMC, IFC, WE tv (formerly WE: Women's Entertainment), fuse and VOOM HD Networks and regional programming businesses and investments held by Rainbow Media Holdings including Fox Sports Net Bay Area, Fox Sports Net New England and News 12 Networks, a regional news business in the New York City metropolitan area. Rainbow also includes a local advertising sales representation business.

Our Madison Square Garden segment owns and operates the Madison Square Garden Arena and the adjoining Theater at Madison Square Garden, the New York Knickerbockers professional basketball team, the New York Rangers professional hockey team, the New York Liberty professional women's basketball team, the Hartford Wolf Pack professional hockey team, the regional sports programming networks Madison Square Garden Network and Fox Sports Net New York (collectively, "MSG Networks"), and MSG Entertainment (which operates Radio City Music Hall and the Beacon Theater in New York City under long-term leases). Additionally, Madison Square Garden manages and operates the

Hartford Civic Center and Rentschler Field in Connecticut. Madison Square Garden is a wholly-owned subsidiary of Rainbow Media Holdings.

In addition, we own or have interests in the following businesses and assets:

- the motion picture theater business of Clearview Cinemas, which operates 52 movie theaters containing 258 screens,
- PVI Virtual Media Services LLC, which markets a real time video insertion system that places computer generated electronic images into telecasts of sporting events and other programming, and
- the common stock of the following entities (which we monetized through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective stock):
  - Comcast Corporation,
  - General Electric Company,
  - Charter Communications, Inc.,
  - Leapfrog Enterprises, Inc., a designer, developer and marketer of technology-based educational products.

Telecommunications Services

General

Cable television is a service that delivers multiple channels of television programming to subscribers who pay a monthly fee for the services they receive. Television signals are received over-the-air, by fiber optic transport or via satellite delivery by antennas, microwave relay stations and satellite earth stations and are modulated, amplified and distributed over a network of coaxial and fiber optic cable to the subscribers' television sets. Cable television systems typically are constructed and operated pursuant to non-exclusive franchises awarded by local and state governmental authorities for specified periods of time.

Our cable television systems offer varying packages of service marketed under the Optimum brand name, which may include, among other programming, local broadcast network affiliates and independent television stations, certain other news, information and entertainment channels such as CNN, CNBC, ESPN, and MTV, and certain premium services such as HBO, Showtime, The Movie Channel, Starz!/Encore and Cinemax. We also offer digital video service, branded "iO, Interactive Optimum," which enables customers to receive video on demand and subscription video on demand services, as well as additional viewing channels.

Our cable television revenues are derived principally from monthly fees paid by subscribers. In addition to recurring subscriber revenues, we derive revenues from the sales of pay-per-view movies and events, video on demand and subscription video on demand program tiers, from the sale of advertising time on advertiser supported programming and from installation and equipment charges. Certain services and equipment provided by substantially all of our cable television systems are subject to regulation. See "Regulation - Cable Television."

We also provide residential high-speed data services using our cable television broadband network. High-speed data services are provided to customers through a cable modem device. The high-speed data service, marketed as "Optimum Online", served approximately 2.0 million subscribers at December 31, 2006 for an overall penetration rate of 44.7% of the homes passed by our cable television network. We believe that our high-speed data service penetration has been driven by superior quality and speed and, in part, by a large number of customers installing the necessary equipment without the need for a service call.

In addition, the Company offers Optimum Voice, VoIP technology services which is offered exclusively to our Optimum Online subscribers. As of December 31, 2006, we provided Optimum Voice services to approximately 1.2 million customers for an overall penetration rate of 26.5% of the homes passed by our cable television network. As of December 31, 2006, we also provided switched residential telephone services to approximately 5,200 subscribers in Long Island, New York and parts of southern Connecticut.

Through Optimum Lightpath, a business broadband service provider, we provide telecommunications services to the business market in the greater New York City metropolitan area. Lightpath provides converged data, Internet and voice solutions to mid-sized and large businesses, hospital systems, municipalities, and school systems.

Optimum Lightpath has built an advanced fiber optic network extending more than 2,700 route miles (131,000 fiber miles) throughout the New York Metropolitan area. Optimum Lightpath provides scalable advanced Metro Ethernet services that support a variety of business applications. Metro Ethernet enables organizations to replace older phone line technology with a single IP based solution that satisfies their telecommunications needs, including voice, video, data and Internet. Because Optimum Lightpath builds its wholly owned fiber optic network directly into customers' office locations, it can deliver its Metro Ethernet services at high speeds (from 10Mbps up to 10Gbps), while offering cost savings over traditional services.

As of December 31, 2006, Lightpath serviced over 2,000 buildings with approximately 127,000 access lines.

The following table sets forth certain statistical data regarding our video, high-speed data and VoIP operations as of the dates indicated.

	As of December 31,		
	2006	2005	2004
Revenue Generating Units:			
Basic Video Customers (1)	3,127,000	3,027,000	2,963,000
iO Digital Video Customers	2,447,000	1,963,000	1,483,000
Optimum Online High-Speed Data Customers	2,039,000	1,694,000	1,353,000
VoIP Customers	1,209,000	731,000	273,000
Residential Telephone Customers	5,000	8,000	9,000
Total Revenue Generating Units	8,827,000	7,423,000	6,081,000
Customer Relationships (2)	3,300,000	3,175,000	3,096,000
Homes Passed by Cable (3)	4,562,000	4,484,000	4,443,000
Penetration:			
Basic Video to Homes Passed	68.5%	67.5%	66.7%
iO Digital to Basic Penetration	78.2%	64.8%	50.1%
Optimum Online to Homes Passed	44.7%	37.8%	30.4%
VoIP to Homes Passed	26.5%	16.3%	6.1%
Average Monthly Revenue per Basic Video Customer ("RPS") (4)	$115.30	$100.46	$88.33

(1) Basic video customers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one subscriber, regardless of size, revenue generated, or number of boxes, units, or outlets. In calculating the number of customers, the Company counts 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 such as current and retired Company employees, and free status is not granted to regular customers as a promotion. Such accounts are also not entirely free, as they typically generate revenue through pay-per-view or other services for which they must pay. The Company counts a bulk commercial customer, such as a hotel, as one customer, and does not count individual room units at that hotel. In counting bulk residential customers such as an apartment building, the Company counts each subscribing family unit within the building as one customer, but does not count the master account for the entire building as a customer.

(2) Number of customers who receive at least one of the Company's services, including business modem only customers.

(3) Homes passed represent the estimated number of single residence homes, apartment and condominium units and commercial establishments passed by the cable distribution network in areas serviceable without further extending the transmission lines.

(4) Average monthly revenue per basic video customer is calculated by dividing the GAAP revenues for the Telecommunications Services segment, less the revenue attributable to Lightpath, for the fourth quarter of each year presented by the average monthly number of basic video customers served by the Company's cable television systems for the same period. For purposes of this calculation, both revenue and average number of basic video customers exclude the Company's Lightpath operations because Lightpath's third-party revenues are unrelated to the Company's cable television system customers.

Subscriber Rates and Services; Marketing and Sales

Basic Cable

Our cable television systems offer a government mandated broadcast basic level of service which includes local over-the-air broadcast stations, such as network affiliates (e.g., ABC, NBC, CBS, FOX), and public, educational or governmental channels.

All of our cable television systems also offer an expanded basic package of services, generally marketed as "Family Cable", which includes, among other programming, certain news, information, entertainment, and sports channels such as CNN, AMC, CNBC, Discovery, ESPN and MTV. For additional charges our cable television systems provide certain premium services such as HBO, Showtime, The Movie Channel, Starz!/Encore and Cinemax, which may be purchased either individually or in tiers.

iO, Interactive Optimum

iO, Interactive Optimum, our digital video service, is available to Cablevision's entire service area. We ended 2006 with approximately 2.4 million iO subscribers.

The digital video programming services currently offered to subscribers include:

- over 230 channels of entertainment,
- over 50 additional movie channels including multiple channels ("multiplexes") of HBO, Showtime, Cinemax, Starz!/Encore and The Movie Channel,
- access to over 1,200 titles each month on demand, featuring hundreds of movies, and subscription video on demand programming including HBO On Demand, Showtime On Demand, Cinemax On Demand, and Disney Channel On Demand, Anime On Demand, Howard TV On Demand, Playboy TV on Demand, and here! TV On Demand**,**
- over 150 hours of special interest programming on demand featuring Mag Rack, a collection of 17 video magazines, plus free on demand programming from Thirteen on Demand, Nick on Demand, WE on Demand, fuse, TV Guide Spot and sportskool,
- 45 channels of uninterrupted commercial-free digital music from Music Choice,
- iO Sports Pak - 10 sports channels featuring college sports, golf, soccer, extreme sports and recreational activities for $4.95 per month,
- optional sports packages from the National Basketball Association ("NBA"), National Hockey League ("NHL"), and college football and basketball,
- iO en espanol- over 30 Spanish language channels including programming from Latin America, the Caribbean, Mexico, and featuring latino, video on demand content,
- 17 channels of international programming from around the world, with channels from Korea, Russia, China, Portugal, Italy, Poland, Japan and India/Southeast Asia,
- 21 channels available in high definition, including local channels such as WCBS, WABC, WNBC, WNYW (FOX), the CW, My9 and WNET (PBS), as well as local sports channels, Madison Square Garden Network, YES Network, SportsNet NY and Fox Sports Net New York. Offerings also include high definition channels from HBO, Cinemax, Showtime, The Movie Channel, Starz!/Encore, Universal, ESPN and INHD. In addition, high definition movies are available on demand for an additional fee,
- a collection of enhanced television applications including News 12 Traffic and Weather (formerly Metro Traffic and Weather) interactive, iO dashboard, iO Showcase, Optimum Autos, and Optimum Homes,
- iO DVR service, giving subscribers the ability to record, pause and rewind live television, currently priced at $9.95 per month, and
- iO Games, a wide variety of interactive games offered in distinct packages including the Arcade Pak, Casino Pak, Variety Pak, and Logic Pak. Each package is currently priced at $4.95 per month.

Packaging of the iO, Interactive Optimum product includes the iO Gold package currently priced at $87.95 per month. iO Gold features over 230 channels, including more than 50 premium movie channels and 21 high definition (HDTV) channels. iO Silver, currently priced at $67.95 per month, includes everything in iO Gold except for NBA TV, Flix and premium movie channels from Showtime, Cinemax and The Movie Channel. The currently priced $9.95 per month iO package (which is included in iO Gold and iO Silver) can be added to any level of cable service and includes an additional 34 digital video channels, 45 digital music channels from Music Choice, and access to video on demand programming, including 'free' on demand programming such as Mag Rack and PBS (Thirteen on Demand) as well as iO's enhanced television services such as iO Games and interactive news and weather sites. Discount pricing is available when iO is combined with other service offerings.

Since our network serving our existing cable television systems is substantially upgraded to provide advanced digital video services, our sales efforts are primarily directed toward increasing our penetration to homes passed for all of our existing services. We market our cable television services through in-person selling, as well as telemarketing, direct mail advertising, promotional campaigns and local media and newspaper advertising.

Optimum Online

Optimum Online is our high-speed Internet access for the home. Optimum Online connects customers to the Internet using the same network that delivers our cable television service. It is significantly faster than digital subscriber line ("DSL") and traditional dial-up services. Optimum Online is available to Cablevision's entire service area.

During 2006, we completed the upgrade of our plant to allow a 50% increase in download speeds to a maximum of 15Mbps downstream (2Mbps upstream) and we have made available two additional levels of service: Optimum Online Boost (30Mbps/2Mbps) and Optimum Online Ultra (50Mbps/50Mbps) to a portion of our service area.

Optimum Online is currently priced at $49.95 per month on an a la carte basis with Optimum Online Boost available for an additional charge of $14.95 per month. Discount pricing is available when Optimum Online is combined with other service offerings.

We ended 2006 with approximately 2.0 million Optimum online subscribers.

Optimum Voice

Optimum Voice is a VoIP service available exclusively to Optimum Online subscribers that offers unlimited local, regional and long-distance calling within the United States, Puerto Rico and Canada with popular calling features at one low, flat monthly rate.

With Optimum Voice, customers can call anywhere within the United States, Puerto Rico and Canada, any time of the day or night, and talk as long as they like at the current price of $34.95 a month. Discount pricing is available when Optimum Voice is combined with other service offerings.

Optimum Voice includes the following premium calling features, plus "My Optimum Voice":

- Enhanced Voicemail
- Call Waiting
- Caller ID
- Caller ID Blocking
- Call Return
- Three-Way Calling
- Call Forwarding
- Anonymous call blocker - blocks all calls to a Voice customer where a calling party does not display their name or number
- Anonymous calling - hides the Voice customer's name and number on all calls they make
- Find me - allows calls to a Voice customer's phone number to ring up to three additional phone lines, such as a cell phone or work number, simultaneously
- Call waiting with caller ID
- Busy Redial

- VIP Ringing - a Voice customer can designate up to a certain number of telephone numbers to ring with a second, distinct ringtone

My Optimum Voice allows customers to easily manage calling features and receive voicemails via the Internet. Customers can view all their call details at their convenience.

We launched Optimum Voice World Call in the second quarter of 2006, which provides flat-rate international calling to anywhere in the world, for $19.95 per month (250 minutes per month).

Optimum Voice is available to Cablevision's entire service area. We ended 2006 with approximately 1.2 million Optimum Voice customers.

Bundled Offers

We offer several promotional packages with discounted pricing to customers who subscribe to one or more of our products as compared to the a la carte prices for each individual product. Our "Optimum Triple Play" family package currently offers iO Interactive Optimum, Optimum Online and Optimum Voice for $29.95 per month for each for the first twelve months when purchased together. Our "Optimum Double Play" package currently offers Optimum Online and Optimum Voice for $29.95 per month for each for the first twelve months when purchased together. We also offer other pricing discounts for certain products that are added to existing service.

System Capacity

Our cable plant network uses state of the art technology including fiber optic cable. The network is a minimum of 750 MHz two-way interactive system offering a minimum of 67 analog, various digital channels, high-speed data and voice services.

Programming

Adequate programming is available to the cable television systems from a variety of sources, including from Rainbow Media Holdings. Program suppliers' compensation is typically a fixed, per subscriber monthly fee (subject to contractual escalations) based, in most cases, either on the total number of basic video subscribers of the cable television systems, or on the number of subscribers subscribing to the particular service. The programming contracts are generally for a fixed period of time and are subject to negotiated renewal. Cable programming costs have increased in recent years and are expected to continue to increase due to additional programming being provided to most subscribers, increased costs to produce or purchase cable programming and other factors.

Franchises

The Company's cable television systems are operated in New York, New Jersey and Connecticut under non-exclusive franchise agreements with state or municipal franchising authorities. Franchise agreements usually require payment of franchise fees and contain regulatory provisions addressing, among other things, upgrades, service quality, cable service to schools and other public institutions, insurance and indemnity bonds. The terms and conditions of cable franchises vary from jurisdiction to jurisdiction. Franchise authorities generally charge a franchise fee of up to 5% of certain of our revenues that are derived from the operation of the system within such locality. The Company generally passes the franchise fee on to its subscribers, listing it as a separate item on the bill.

Franchise agreements are usually for a term of five to fifteen years from the date of grant; most are ten years. Franchises usually are terminable only if the cable operator fails to comply with material provisions, and then only after complying with substantive and procedural protections afforded by federal and state law. As of December 31, 2006, one of our ten largest franchises is expired and we are currently operating in this area under temporary authority. Approximately 58,000 of the Company's basic video customers are in this franchise area. The Company has never lost a franchise for an area in which it operates. Historically, expired franchises have routinely been renewed upon expiration. When a franchise agreement reaches expiration, a franchising authority may seek to impose new requirements, including requirements to upgrade facilities, to increase channel capacity and to provide additional support for local public, education and government access programming. Negotiations can be protracted. Franchise agreements sometimes expire before a renewal is negotiated and finalized. State laws provide that pre-existing franchise terms continue in force during the renewal negotiations until one or both parties seek to pursue "formal" franchise remedies under federal law. Federal law provides significant substantive and procedural protections for cable operators seeking renewal of their franchises. See "Regulation - Cable Television." Despite the Company's efforts and the protections of federal law, it is possible that one or more of the Company's franchises may be subject to termination or non-renewal or we may be required to make significant additional investments in the cable systems in response to requirements imposed in the course of the franchise renewal process.

Rainbow

General

We conduct our programming activities through Rainbow Media Holdings, a wholly-owned subsidiary of CSC Holdings. Rainbow Media Holdings' businesses include ownership interests in national and regional programming networks.

Rainbow Media Holdings' national entertainment programming networks include AMC, WE tv, IFC, fuse, VOOM HD Networks, Mag Rack and sportskool.

Rainbow Media Holdings holds a 50% interest in a regional sports network that provides regional sports programming to the New England area and also has a 60% interest in Fox Sports Net Bay Area, a regional sports network that provides regional sports programming to the San Francisco/Oakland Bay area.

Rainbow Media Holdings owns News 12 which operates regional news networks servicing the New York City metropolitan area and also owns and operates Rainbow Advertising Sales Corporation, a cable television advertising company.

The following table sets forth estimated subscriber information as of December 31, 2006, 2005 and 2004 for Rainbow Media Holdings' programming businesses. These businesses are wholly-owned subsidiaries of Rainbow Media Holdings, except for as noted below.

	Viewing Subscribers [a]		
	2006	2005	2004
		(in thousands)	
Programming and Related Businesses			
National Entertainment Programming Networks:			
AMC	81,100	77,200	76,100
WE tv	52,700	50,900	49,900
IFC	40,100	37,300	34,600
fuse	42,000	35,500	33,100
VOOM HD Networks [b]	300	25	-
Mag Rack	4,700	4,800	2,700
sportskool	20,100	12,300	1,200
Regional Sports Networks:			
Fox Sports Net Bay Area [c]	3,700	3,600	3,600
Fox Sports Net New England [d]	3,900	3,800	3,800
Madison Square Garden Network/Fox Sports Net New York [e]	15,300	14,700	14,000
Regional News Services:			
News12 Services	3,800	3,700	3,300
News12 Traffic and Weather	2,800	2,600	-

(a) Represents the number of subscribers to distributors' systems that receive the referenced programming network.
(b) Rainbow Media Holdings holds an 80% interest in the VOOM HD Networks and EchoStar Communication Corporation holds the remaining 20%.
(c) Rainbow Media Holdings holds a 60% interest in Fox Sports Net Bay Area and News Corporation holds the remaining 40%.
(d) Rainbow Media Holdings holds a 50% interest in Fox Sports Net New England and Comcast holds the remaining 50%.
(e) Madison Square Garden Network and Fox Sports Net New York are part of the Company's Madison Square Garden segment.

National Entertainment Programming Networks

AMC

With a comprehensive library of popular films, AMC offers movie-based entertainment for movie lovers.

AMC is available on cable television and other distribution platforms such as direct broadcast satellite (DBS) in the United States, and in the fourth quarter of 2006, the AMC service was launched by a cable television operator in Canada. It is principally carried on basic or expanded basic tiers for which subscribers do not have to pay a premium to receive the network. Affiliate revenues, which in 2006 accounted for approximately 60% of AMC's net revenues, are based on fees paid by the distributors for the right to carry the programming.

AMC's film library consists of films that are licensed from major studios such as Twentieth Century Fox, Warner Bros., Sony (MGM), NBC Universal, Paramount, and Buena Vista under long-term contracts, with sufficient films under contract as of December 31, 2006 to meet its minimum film programming needs through midyear 2009. AMC generally structures its contracts for the exclusive cable television right to carry the films during identified windows. AMC's programming also includes original series such as *Sunday Morning Shootout, Movies that Shook the World* and *Movies 101*.

WE tv

WE tv is a 24-hour entertainment service oriented to women. The programming features films and original series and specials of particular interest to women.

WE tv has licensed exclusive films and off-network series from major studios such as Twentieth Century Fox, NBC Universal and Warner Bros., as well as independent studios like Miramax and New Line to supplement its slate of original programming. The library has sufficient films licensed under contract as of December 31, 2006 to meet WE tv's minimum film programming needs through approximately midyear 2010. WE tv's acquired series include *Hope and Faith*, *Dharma & Greg* and *Take This House & Sell It!*. *Bridezillas, Secret Lives of Women, Platinum Weddings* and *John Edward Cross Country* are WE tv's most successful original series.

IFC

IFC was the first network dedicated to independent films and related programming. IFC presents feature-length films (domestically and internationally produced), documentaries, shorts, animation, new works, "cult classics" and originally produced programs which chronicle independent film trends.

IFC's film library includes titles from Rainbow Media Holdings' film production and distribution businesses, as well as from leading independent film studios like Miramax, MGM/UA, Lions Gate and New Line, with sufficient films under contract as of December 31, 2006 to meet its minimum film programming requirements needs through 2008. IFC also features exclusive live coverage of notable international film events like the *Cannes Film Festival* and the *Independent Spirit Awards* as well as original series such as *Greg the Bunny*, *The Henry Rollins Show, The Minor Accomplishments of Jackie Woodman, Gunslinger Girl* and *Basilisk,* and original documentaries such as *This Film Is Not Yet Rated* and *Yo Soy Boricua*.

fuse

fuse is the nation's only viewer-influenced multi-platform, music television network, featuring music videos, artist interviews, live concerts, series and specials. fuse is a destination for established and emerging artists.

VOOM HD Networks

VOOM HD Networks is currently a suite of 15 channels, produced exclusively in high-definition and marketed for distribution to direct broadcast satellite and cable operators. VOOM HD Networks range from extreme sports and fashion to art and movies. VOOM HD Networks offer: concerts on Rave HD, art and museum tours on Gallery HD, exploration and nature on Equator HD, extreme sports on Rush HD and 24/7 news and weather on HDNews. Currently, the VOOM HD Networks are available only on EchoStar Communications Corporation's ("EchoStar") DISH Network.

In April 2005, subsidiaries of the Company entered into agreements with EchoStar relating to the launch and operation of the business of Rainbow HD Holdings LLC, the Company's VOOM HD Networks, subject to the closing of the sale of our satellite (Rainbow 1) to EchoStar, which occurred in November 2005. Under those arrangements, EchoStar initially distributed a portion of the VOOM HD Networks programming service and, beginning in 2006 began carrying all 15 of the channels included in the programming service. In connection with the arrangements, EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks, and that 20% interest will not be diluted until $500 million in cash has been invested in Rainbow HD Holdings' equity by the Company.

Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100 million per year, up to a maximum of $500 million in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future.

Regional Sports Networks

Rainbow Media Holdings holds a 60% indirect interest in Fox Sports Net Bay Area and a 50% indirect interest in Fox Sports Net New England. Rainbow Media Holdings manages each of these regional sports networks, which are distributed in their respective region in the United States through cable television as well as other distribution platforms such as direct broadcast satellite.

In April 2005, the Company and News Corporation restructured their ownership of Regional Programming Partners. Prior to the April 2005 transaction, Regional Programming Partners was owned 60% by the Company and 40% by News Corporation. As a result of the restructuring, the Company now owns 100% of Madison Square Garden, 100% of Fox Sports Net Chicago (which was shut down in June 2006) and 50% of Fox Sports Net New England. In connection with the restructuring, these businesses extended the terms of their long-term affiliation agreements with National Sports Partners and their advertising representation agreements with National Advertising Partners.

National Sports Partners and National Advertising Partners were owned 50% by the Company and 50% by News Corporation prior to the restructuring. As a result of the restructuring, the Company no longer owns an interest in National Sports Partners, National Advertising Partners, Fox Sports Net Ohio or Fox Sports Net Florida.

The Company and News Corporation continue to own 60% and 40%, respectively, of Fox Sports Net Bay Area through a separate partnership. The Company continues to manage that network. In connection with the restructuring, Fox Sports Net Bay Area extended the terms of its long-term affiliation agreement with National Sports Partners and its advertising representation agreement with National Advertising Partners.

Other Services

Video-On-Demand Services

Rainbow Media Holdings' on-demand services include Mag Rack and sportskool. Mag Rack provides a variety of on-demand special interest television programming on a variety of topics including cars, motorcycles, personal relationships, children's entertainment and music instruction. sportskool features expert sports instruction, coaching and guidance for a wide range of sports and fitness activities. These services are currently offered to Cablevision's subscribers and are also carried by other distributors.

Rainbow Network Communications

Rainbow Network Communications, servicing primarily Rainbow Media Holdings' programming offerings, is a full service network programming origination and distribution company. Its services include origination, transmission, video engineering, uplinking, encryption, affiliate engineering, technology consulting, transponder negotiation, content ordering, quality control and editing. Rainbow Network Communications has a state of the art technology center that consolidates all master control/playback and uplink facilities in one location. This center is fully digital which enables Rainbow Network Communications to process audio and video signals in both standard and high definition.

Film Production and Distribution Businesses

Rainbow leveraged IFC's brand name in 1997 to create IFC Productions, a feature film production company that provides financing for select independent film projects, and in 2000 to create IFC Films, a theatrical distribution company. Historically, IFC Productions has provided financing for the production of such films as *Boys Don't Cry* and *Girlfight*. In 2005, IFC Production's *Me and You and Everyone We Know* won major awards at the Sundance and Cannes Film Festivals and became one of the top 5 grossing films in IFC Production's history. In 2004, *Fahrenheit 9/11*, distributed by IFC Films and Lions Gate, received critical acclaim.

Madison Square Garden

Madison Square Garden is a sports and entertainment company that owns and operates the Madison Square Garden Arena and the adjoining Theater at Madison Square Garden, the New York Knickerbockers professional basketball team, the New York Rangers professional hockey team, the New York Liberty professional women's basketball team, the Hartford Wolf Pack professional hockey team, the Madison Square Garden Network, Fox Sports Net New York and MSG Entertainment (which operates Radio City Music Hall and the Beacon Theater in New York City under long-term leases). Additionally, Madison Square Garden manages and operates the Hartford Civic Center and Rentschler Field in Connecticut. Madison Square Garden is an indirect wholly-owned subsidiary of the Company.

Other Businesses and Assets

Clearview Cinemas operates 52 motion picture theaters containing 258 screens in the New York metropolitan area. Substantially all of the theaters were acquired in transactions completed in 1998 and 1999. A newly constructed five screen theater was opened in November 2006 in South Orange, New Jersey.

An indirect subsidiary of Rainbow Media Holdings owns a 90% interest in an entity, DTV Norwich LLC that holds FCC licenses in 45 metropolitan areas in the United States, including New York, Miami, Los Angeles, and Cleveland, to provide multichannel video distribution and data service ("MVDDS"), which could be used to distribute video, data or other applications to subscribers via terrestrial transmission facilities and rooftop antennas. The Company is not currently utilizing such spectrum.

CSC Holdings holds a 49.9% interest, and certain preferential distribution rights, in Northcoast Communications. Northcoast Communications is controlled by John Dolan, a nephew of Charles F. Dolan and a cousin of James L. Dolan, the Company's Chairman and Chief Executive Officer, respectively. The Company's investment in Northcoast Communications was zero at December 31, 2006 and 2005.

PVI Virtual Media Services LLC is a wholly-owned subsidiary of the Company, which markets a real time video insertion system that through patented technology places computer generated electronic images into telecasts of sporting events and other programming.

We also own 3,724,460 shares of Charter Communications common stock and 14,318,412 shares of Comcast common stock acquired in connection with the sale of certain cable television systems. We also own 12,742,033 shares of General Electric common stock acquired in connection with the sale of our interest in the Bravo programming service and 800,000 shares of Leapfrog Enterprises, Inc. common stock. All of these shares have been monetized pursuant to collateralized prepaid forward contracts.

Competition

Cable Television

Our cable television systems operate in an intensely competitive environment, competing with a variety of other television programming delivery systems, including satellite delivered signals, delivery systems of incumbent telephone companies and broadcast television signals available to homes within our market by over-the-air reception.

DBS. A primary competitor to our cable television systems is direct broadcast satellite (DBS). Two major DBS services, EchoStar and DirecTV, are available to the vast majority of our customers. According to the Federal Communications Commission's most recent (2006) report on video competition, DBS providers serve over 27% of households that subscribe to multichannel video programming services. These services each offer over 300 channels of programming, including programming that is substantially similar to the programming that we offer. Federal laws permit DBS systems to retransmit local broadcast television signals to their customers. This has also enhanced the competitive position of DBS. Our ability to compete with these DBS services is also affected by the quality and quantity of programming available to us and to them. Federal law also generally provides DBS operators with access to all satellite-delivered cable programming services. One of these services, DirecTV, also has exclusive arrangements with the NFL that gives it access to programming that we cannot offer and similar deals for other sporting events have been announced or reported.

Incumbent Telephone Companies. We face intense competition from incumbent telephone companies such as Verizon and AT&T Inc., which have recently begun to offer video programming in addition to their voice and high-speed Internet access services, evidencing their commitment to compete across all of the Company's telecommunications products. Their competitive position has been improved by recent operational, regulatory and legislative advances that they have made. Verizon and AT&T are constructing fiber-based systems designed to provide video programming as well as voice and data services to residential customers in our service area. The attractive demographics of the Company's service territory make this region a desirable location for investment in video distribution technologies by these companies. Verizon has constructed fiber to the home network plant that passes a significant number of households in our service area, though currently less than a quarter of the households according to our estimates. Verizon has obtained authority to provide video service (it already has or needs no authority to provide phone and data services) for a majority of these homes passed, on a statewide basis in New Jersey and through numerous local franchises in New York. Verizon has so far not indicated any plans to offer video service in Connecticut. AT&T has announced the commencement of video programming service in several markets in Connecticut, where it is currently permitted to offer such service without any state authorization. See "Regulation" and "Risk Factors - Pending FCC, Congressional and judicial proceedings may affect our businesses" for a discussion of regulatory and legislative issues. Verizon and AT&T also market DBS services in our service area. Each of these companies has greater financial resources than we do.

OVS. In addition, competitive service providers that utilize the public rights-of-way can operate an "open video system" (OVS) subject only to selected portions of the federal regulations applicable to our cable systems, but still subject to certain local municipal franchising powers. RCN Corporation is authorized to operate OVS systems that may compete with us in New York City.

Other Competitors. Other sources of actual or potential video competition to cable television systems include broadcast television stations, private home dish earth stations, multichannel multipoint distribution services ("MMDS"), which deliver television programming over microwave super-high frequency channels received by subscribers with a special antenna, satellite master antenna television ("SMATV") systems, which like MMDS generally serve large multiple dwelling units under an agreement with the landlord, and new services such as wireless local multipoint distribution service ("LMDS"), and MVDDS. The statutory definition of a cable television system excludes facilities that do not use public rights-of-way. This exempts wireless services from local franchise and other requirements applicable only to cable television system operators. No MVDDS systems have yet been commercially deployed in the United States. Cable television systems also compete with entities that make videotaped movies and programs available for home rental or sale.

Another potential source of competition is the delivery of video programming over the Internet directly to subscribers. There can be no assurance that the provision of video over the Internet or other existing, proposed, or as yet undeveloped technologies will not become dominant in the future and render our cable television systems less profitable or even obsolete.

High-Speed Data

Our high-speed data offering to consumers, Optimum Online, faces intense competition from other providers of high-speed Internet access including services offered by local telephone companies such as Verizon and AT&T. In addition, DBS providers have tested the use of certain spectrum to offer satellite-based high-speed data services and are offering broadband data services via partnerships and marketing arrangements with other providers such as Verizon, AT&T, and Earthlink. The FCC has allocated spectrum for use by licensed and unlicensed providers of wireless broadband service including LMDS, MVDDS, and WiMax, which, if offered within Cablevision's service area, could compete with our high-speed data offering.

VoIP

Our VoIP service, Optimum Voice, faces intense competition from other providers of voice services, including local exchange carriers such as Verizon and AT&T and other competitive providers of voice services, as well as VoIP providers like Vonage that do not own networks but can provide service to any person with a broadband connection from a cable company or other network. Traditional wireline local exchange carriers and wireless providers have established customer relationships and existing network interconnection arrangements, which may give them an advantage in providing VoIP services.

Lightpath

Lightpath operates in the most competitive business telecommunications market in the country and competes against the very largest telecommunications companies - incumbent local exchange carriers ("ILECs"), other competitive local exchange companies and long distance companies. More specifically, Lightpath faces substantial competition from Verizon and AT&T, which are the dominant providers of local telephone and broadband services in their respective service areas, smaller independent ILECs such as Frontier/Citizens and Warwick Valley Telephone Company, and VoIP providers such as Vonage. ILECs have significant advantages over Lightpath, including greater capital resources, an existing fully operational local network, and long-standing relationships with customers.

While Lightpath and the ILECs are competitors, Lightpath must enter into interconnection agreements with each ILEC so that Lightpath's customers can make and receive calls to and from customers served by the ILECs and other telecommunications providers. Federal and state law and regulations require ILECs to enter into such agreements and provide such facilities and services, at prices subject to regulation. The specific price, terms and conditions of each agreement, however, depend on the outcome of negotiations between Lightpath and an ILEC. Agreements are also subject to approval by the state regulatory commissions. Lightpath has entered into interconnection agreements with Verizon for New York, New Jersey and portions of Connecticut and with AT&T for portions of Connecticut, which have been approved by the respective state commissions. Lightpath also entered into interconnection agreements with regional carriers in New York and New Jersey. These agreements, like all interconnection agreements, are for limited terms and are required to be renegotiated, arbitrated and approved subject to the laws in effect at that time.

Lightpath also faces competition from one or more competitive access providers and other new entrants in the local telecommunications and data marketplace, and competitive local exchange carriers ("CLECs"). In addition to the ILECs and CLECs, other potential competitors capable of offering voice and broadband services include electric utilities, long distance carriers, microwave carriers, wireless telephone system operators (such as cellular, PCS, and specialized mobile radio), and private networks built by large end users. A continuing trend toward business combinations and alliances in the telecommunications industry may create stronger competition for Lightpath.

Programming and Entertainment

Rainbow Media Holdings' programming networks operate in highly competitive markets. First, our programming networks compete with other programming networks to obtain distribution on cable television systems and other multichannel video programming distribution systems, such as DBS, and ultimately for viewing by each system's subscribers. Second, our programming networks compete with other video programming distributors, including broadcasters and other programming entities, to secure desired entertainment and sports programming. In each of these markets, some of our competitors are large publicly held companies that have greater financial resources than we do. In addition, Rainbow Media Holdings competes with these entities for advertising revenue.

It is difficult to predict the future effect of technology on many of the factors affecting Rainbow Media Holdings' competitive position. For example, data compression technology has made it possible for most video programming distributors to increase their channel capacity, which may reduce the competition among programming networks and broadcasters for channel space. On the other hand, the addition of channel space could also increase competition for desired entertainment and sports programming and ultimately, for viewing by subscribers. As more channel space becomes available, the position of our programming networks in the most favorable tiers of these distributors would be an important goal. Additionally, video content delivered directly to viewers over the Internet could compete with our programming networks for viewership.

Distribution of Programming Networks

The business of distributing programming networks to cable television systems and other multichannel video programming distributors is highly competitive. Our programming networks face competition from other programming networks for the right to be carried by a particular cable system or other multichannel video programming distribution system, and for the right to be carried on the service tier that will attract the most subscribers. Once our programming network is selected by a cable or other multichannel video programming distribution system for carriage, that network competes for viewers not only with the other channels available on the system, but also with off-air broadcast television, pay-per-view channels and video-on-demand channels, as well as online services, mobile services, radio, print media, motion picture theaters, DVDs, video cassettes and other sources of information, sporting events and entertainment.

Important to our success in each area of competition Rainbow Media Holdings faces are the prices we charge for our programming networks; the quantity, quality and variety of the programming offered on our networks; and the effectiveness of our networks' marketing efforts. The competition for viewers in the context of nonpremium programming networks directly correlates with the competition for advertising revenues with each of our competitors.

Our ability to successfully compete with other programming networks for distribution may be hampered because the cable television systems, DBS services or other systems through which distribution is sought may be affiliated with other programming networks. In addition, because such affiliated cable television systems or DBS services may have a substantial number of subscribers, the ability of such programming networks to obtain distribution on affiliated cable television or DBS services may lead to increased subscriber and advertising revenue for such networks because of their increased penetration compared to our programming networks. Even if such affiliated cable television or DBS operators carry our programming networks, there is no assurance that such cable television or DBS operators would not place their affiliated programming network on a more desirable tier, thereby giving the affiliated programming network a competitive advantage over our own.

New or existing programming networks with affiliations to desired broadcasting networks like NBC, ABC, CBS or FOX may also have a competitive advantage over our networks in obtaining distribution through the "bundling" of agreements to carry those programming networks with the agreements giving the cable system or other distributor the right to carry a broadcast station affiliated with the broadcasting network.

An important part of our strategy involves exploiting identified niches of the viewing audience that are generally well-defined and limited in size. Rainbow Media Holdings has faced and will continue to face increasing competition as other programming networks and online or other services are launched that seek to serve the same or similar niches.

Sources of Programming

We also compete with other programming networks to secure desired programming. Although some of this programming is generated internally through our efforts in original programming, most of our programming is obtained through agreements with other parties that have produced or own the rights to such programming. Competition for this programming will increase as the number of programming networks increases. Other programming networks that are affiliated with programming sources such as movie or television studios, film libraries or sports teams may have a competitive advantage over us in this area.

Competition for Entertainment Programming Sources. With respect to the acquisition of entertainment programming, such as syndicated programs and movies, which are not produced by or specifically for programming networks, our competitors include national commercial broadcast television networks, local commercial broadcast television stations, the Public Broadcasting Service and local public television stations, pay-per-view programs, and other cable programming networks. Some of these competitors have exclusive contracts with motion picture studios or independent motion picture distributors or own film libraries. In the future, Internet-based video content distributors may also emerge as competitors for the acquisition of content or the rights to distribute content.

Competition for Sports Programming Sources. Because the loyalty of the sports viewing audience to a sports programming network is primarily driven by loyalty to a particular team or teams, access to adequate sources of sports programming is particularly critical to our sports networks. Our sports networks compete for local and regional rights for teams or events principally with national or regional cable networks that specialize in or carry sports programming, some of which also own or control, or are owned or controlled by, sports teams or leagues; television "superstations" which distribute sports and other programming by satellite; local and national commercial broadcast television networks; and independent syndicators that acquire and resell such rights nationally, regionally and locally. Some of our competitors may also have ownership interests in, or are owned or controlled by, sports teams, leagues or sports promoters. This gives them an advantage in obtaining broadcast rights for such teams or sports. Owners of distribution outlets such as DBS and cable television systems may also contract directly with the sports teams in their local service areas for the right to distribute games on their systems.

To remain competitive in acquiring rights to sports programming, our sports networks attempt to secure long-term rights agreements with teams, leagues, athletic conferences and other sports program suppliers. Our sports networks, however, are not always successful in doing so, and we cannot be assured that our strategy will enable our sports networks to offer sports programming of the type and in the quantity or quality necessary for such networks to remain competitive. In addition, the increasing amount of sports programming available on a national basis, including pursuant to national rights arrangements (e.g., NBA on ABC, ESPN and TNT and NHL on NBC and vice versa), as part of league-controlled sports networks (e.g., NBA TV and NFL Network), and out-of-market packages (e.g., NBA's League Pass), may have an adverse impact on our competitive position as our sports networks compete for distribution and for viewers.

In the New York market, the two local professional baseball teams have each organized their own cable television networks featuring the games of their teams. This adversely affects the competitive position of our regional sports programming networks in New York by denying or limiting our access to those games for our own networks and subjecting our networks to competition from these team-owned services.

Competition for Advertising Revenue. The financial success of our programming businesses also depends in part upon unpredictable and volatile factors beyond our control, such as viewer preferences, the strength of the advertising market, the quality and appeal of the competing programming and the availability of other entertainment activities. A shift in viewer preferences could cause our programming to decline in popularity, which could cause a decline in advertising revenues and could jeopardize renewal of our contracts with distributors. A decline in available advertising expenditures by advertisers could also cause a decline in advertising revenues regardless of a change in viewer preferences, especially from increased competition by other programmers providing similar programming. In addition, our competitors may have more flexible programming arrangements, as well as greater volumes of production, distribution and capital resources, and may be able to react more quickly to shifts in tastes and interests.

Madison Square Garden - Sports and Entertainment Businesses

In addition to the competition faced by Madison Square Garden's programming networks (as discussed above), Madison Square Garden sports teams' financial success is dependent on their ability to generate advertising sales, paid attendance, luxury box rentals, and food, beverage and merchandise sales. To a large extent, the ability of the teams to build excitement among fans, and therefore produce higher revenue streams, depends on the teams' winning performance, which generates regular season and playoff attendance and luxury box rentals, and which also supports increases in prices charged for tickets, luxury box rentals, and advertising placement. Each team's success is dependent on its ability to acquire highly competitive personnel. The governing bodies of the NBA and the NHL have the power and authority to take certain actions that they deem to be in the best interest of their respective leagues, which may not necessarily be consistent with maximizing the professional sports teams' results of operations. The venues owned and/or operated by Madison Square Garden compete with other entertainment venues in the New York metropolitan area. Competition is affected primarily by the quality of the sports and entertainment offered to consumers and, to a lesser extent, by factors such as price, arena quality and location.

Clearview Cinemas

Clearview Cinemas as a smaller, regional film exhibitor, competes with a number of large theater chains and independent theaters with respect to acquiring licenses to films and attracting patrons. The principal competitive factors in obtaining films from distributors include licensing terms, seating capacity, location, prestige of the theater chain and of the particular theater, quality of projection and sound equipment and the exhibitor's ability and willingness to promote the distributor's films. Most of our competitors are in a stronger competitive position than Clearview Cinemas based upon these factors. We believe that the principal competitive factors in attracting film audiences are the availability of marketable films, the location of theaters, theater comfort and environment, projection and sound quality, level of service and ticket price. The theater exhibition industry also faces competition from other motion picture exhibition delivery systems, such as network, syndicated, pay television, DVD and other home video systems, including the availability of films over the internet.

Regulation

Cable Television

Our cable television systems are subject to extensive federal, state and local regulations. Our systems are regulated under congressionally imposed uniform national guidelines, first set in the Cable Communications Policy Act of 1984 and amended by the Cable Television Consumer Protection and Competition Act of 1992 and the Telecommunications Act of 1996.

The following paragraphs describe the existing legal and regulatory requirements that are most significant to our business today.

Franchising. Regulatory responsibility for local aspects of the cable business such as franchisee selection, system construction, safety, and customer service remains with state and local officials. New York, New Jersey and Connecticut laws provide for comprehensive cable regulation, including approval of transfers of our cable franchises and consumer protection legislation. State and local franchising jurisdiction, however, must be exercised consistently with federal law. Verizon is seeking state legislation in New York that would eliminate the need for, or accelerate, additional local franchises. The Federal Cable Act authorizes states or localities to franchise our cable television systems on a non-exclusive basis but sets limits on their franchising powers. It sets a ceiling on cities and other communities imposing franchise fees of not more than 5% of our gross revenues from our provision of cable television service. It prohibits localities from requiring us to carry specific programming services, and protects us in seeking franchise renewals by limiting the factors a locality may consider and requiring a due process hearing before denial of renewal. Our franchising authorities cannot grant an exclusive cable franchise to us and cannot unreasonably refuse to award an additional franchise to compete with us. The FCC has announced, but not released, a decision that would require municipalities to act more expeditiously on local franchises for competitive providers like Verizon and is intended to limit areas of negotiation that might otherwise slow the franchising process. See "Risk Factors - Pending FCC, Congressional and judicial proceedings may affect our businesses."

Rate Regulation. In some of our cable television systems, the rates for our basic service package are subject to regulation by local franchising authorities in accordance with FCC rules. Local municipalities or state cable television regulators may also regulate the rates we charge for the installation and lease of the equipment used by subscribers to receive the basic service package, including equipment that may also be used to receive other packages of programming, and the installation and monthly use of connections for additional television sets. However, we are permitted to compute our regulated equipment rates by aggregating our costs of broad categories of equipment at the franchise, system, regional or company level.

Rate regulation is by federal law eliminated if one of our cable systems is subject to "effective competition" from another multichannel video programming distributor. We have been successful in obtaining from the FCC such an "effective competition" finding in a number of communities in our market and are currently seeking such a finding in other communities.

Must-Carry/Retransmission Consent. We are required by federal law to carry local broadcast stations ("must-carry"), or, at the option of a local broadcaster, to obtain the broadcaster's prior consent for retransmission of its signal. A substantial number of local broadcast stations currently carried by our cable television systems have elected to negotiate for retransmission consent. Our cable television systems have reached retransmission consent agreements with most broadcast stations they currently carry, but the potential remains for broadcast station carriage to be discontinued if such an agreement is not renewed following its expiration.

Congress has established a "hard" date of February 17, 2009, as the deadline by which broadcasters must relinquish their analog spectrum. No later than February 18, 2009, they must transmit solely in digital format. The FCC has ruled that when a broadcaster completes its transition from analog to digital transmission, only its primary digital video stream will be entitled to must-carry. The FCC has twice found that "dual must carry" rules (requiring cable systems to carry both the analog and digital broadcast signals) would be unconstitutional. The FCC has also ruled that broadcasters may not demand mandatory carriage for other than the primary digital video programming stream. The orders rejecting dual must carry and mandatory "multicasting" are currently subject to petitions for reconsideration pending before the FCC.

Ownership Limitations. Congress has required the FCC to set limits on the number of channels that a cable operator can program with programming services we control, and a national limit on the number of subscribers we can serve. In 2001, a federal appellate court held unconstitutional the FCC's rules establishing a 40% limit on the number of channels of one of our cable television systems that can be occupied by programming services in which we have an attributable interest and a national limit of 30% on the number of multichannel video households that we can serve. The FCC is reviewing its ownership rules in light of that decision.

Set Top Boxes. The FCC requires cable operators to separate security from non-security functions in digital set-top boxes in order to permit the manufacture and sale of these devices by third parties. By July 2007, cable operators themselves must cease providing new digital set-top boxes that integrate security functions with the other capabilities provided by these boxes. The FCC also requires cable operators to allow consumers to connect televisions and other consumer electronics equipment with a slot for a cable security card directly to digital cable systems to enable receipt of one-way digital programming without need for a set-top box. The FCC has granted our request for a limited waiver of the integration ban for our set-top boxes, which rely on a different type of security card for separated security, and has temporarily grandfathered the use of our separate security solution until July 1, 2009.

Network Blackout/Nonduplication. FCC rules require that we black out certain network and sports programming on imported distant broadcast television signals upon request. The FCC also requires that we delete syndicated programming carried on distant signals upon the request of any local television/broadcast station holding the exclusive right to broadcast the same program within our local television market.

PEG and Leased Access. Localities may require free access to public, educational or governmental channels on our systems. We must make a limited number of commercial leased access channels available to third parties (including parties with potentially competitive video services) at regulated rates.

Tiering/A La Carte. Federal law requires us to establish a "basic service" package consisting, at a minimum, of all local broadcast signals that we carry, as well as, if the locality requests, all public, educational and governmental access programming carried by our systems. All subscribers are required to purchase this tier as a condition of gaining access to any other programming that a cable operator provides. We are also required to carry leased access programming on the most widely purchased tier. Federal law does not otherwise dictate the number or nature of programming services carried by a cable operator on each service tier.

Pole Attachments. The FCC has authority to regulate utility company rates for cable rental of pole and conduit space unless states establish preemptive regulations in this area. The states in which our cable television systems operate have adopted such regulations. Utilities must provide cable television systems and telecommunications carriers with nondiscriminatory access to any pole, conduit or rights-of-way controlled by the utility.

The FCC has adopted regulations to govern the charges for pole attachments used by companies providing telecommunications services, including cable operators, and for attachments used by cable operators to provide Internet access services. The states in which we operate have, to date, adopted the FCC regulations, with minor exceptions, although they remain free to adopt other pole attachment rules.

Telemarketing. The FCC and the Federal Trade Commission have adopted rules limiting the telemarketing practices of cable operators.

Privacy. Our collection and disclosure of subscribers' personal information is subject to a variety of Federal and state privacy requirements, including those imposed specifically on cable operators by the Communications Act.

Other FCC Regulation. The FCC regulates us in such areas as technical standards, and emergency alerts. We also are prohibited by the Communications Act from transmitting obscene programming over our cable systems. The FCC is also tasked by Congress to promote compatibility between cable television systems and other consumer electronic equipment. The FCC is currently reviewing proposed standards for compatibility of digital equipment.

The FCC also imposes restrictions on our origination cablecasting channels and imposes rules governing political broadcasts; ownership and control of cable home wiring in single family residences and multiple dwelling units; closed captioning on networks we carry; and limitations on advertising contained in children's programming that we carry.

The FCC requires us to pay annual "regulatory fees" for its services that we may pass on to subscribers. Other fees are assessed for the FCC licenses we hold for business radio, cable television relay systems and earth stations. These fees may not be collected from our subscribers.

Federal Copyright Regulation. We are required to pay copyright royalty fees to receive a statutory compulsory license to carry broadcast television signals. The U.S. Copyright Office has increased our royalty fees from time to time and has, at times, recommended to Congress changes in the statutory compulsory licenses for cable television carriage of broadcast signals. Such changes, if made, could adversely affect the ability of our cable television systems to obtain such programming, and could increase the cost of such programming.

<u>High-Speed Internet</u>

In March 2002, the FCC determined that broadband Internet access services like Optimum Online should be classified as "information services" for regulatory purposes, and the Supreme Court upheld that determination. The FCC has traditionally subjected information services to a lesser degree of regulation than "telecommunications services," which are offered to the public for a fee on a common carrier basis. The FCC has asked whether it should nonetheless require cable operators to provide transmission capacity to unaffiliated Internet service providers. The outcome of the FCC's proceeding could affect the regulatory obligations imposed on Optimum Online, and the extent to which states and local authorities may regulate it or assess fees upon revenues generated by it. The FCC has adopted principles, but not rules, that similarly state that consumers are entitled to access all lawful Internet content using their broadband connections.

Currently, the Communications Act's limitations on our collection and disclosure of cable subscribers' personal information also apply with respect to broadband Internet access service provided by cable operators. Broadband Internet access service is also subject to other federal and state privacy laws applicable to electronic communications. Additionally, the FCC has ruled that providers of broadband Internet access services like Optimum Online must comply with the FCC's regulations implementing the Communications Assistance for Law Enforcement Act ("CALEA"), which requires providers to make their services and facilities accessible for law enforcement intercept requests. The compliance deadline for these providers is May 14, 2007. Various other federal and state laws apply to providers of services that are accessible through Optimum Online, including copyright laws, prohibitions on obscenity, and a ban on unsolicited commercial e-mail. Online content provided by Cablevision is also subject to these laws.

VoIP

The FCC, Congress, and several state commissions are examining issues surrounding the provision of VoIP services like Optimum Voice. In February 2004, the FCC initiated a generic rulemaking proceeding concerning the legal and regulatory implications of IP-based services, including VoIP services. In November 2004, the FCC determined that VoIP services with certain characteristics, including cable-provided VoIP services, are interstate services subject to federal rather than state jurisdiction. The FCC's determination has been appealed to a federal court of appeals. Although the FCC has not concluded its generic rulemaking proceeding, it has applied some regulations to VoIP service providers like Optimum Voice that have certain characteristics (these services are known as "interconnected VoIP services"). There are several other proceedings pending in which the FCC is reviewing the application of additional regulations to VoIP services. The outcome of the FCC's generic proceeding or other pending proceedings could affect the regulatory obligations imposed on Optimum Voice.

Emergency 911 Services. In June 2005, the FCC determined that interconnected VoIP services are required to provide enhanced 911 emergency services to their customers and must obtain affirmative acknowledgements that their customers understand the potential limitations of emergency 911 services offered in connection with interconnected VoIP services. The FCC ruled that interconnected VoIP service providers were not permitted to further market their services unless they could provide 911 services and obtain all necessary acknowledgements from existing and new customers.

CALEA. In May 2006, the FCC determined that interconnected VoIP service providers must comply with CALEA. Interconnected VoIP service providers like Optimum Voice are required to be compliant by May 14, 2007.

Universal Service. The FCC decided in June 2006 that interconnected VoIP services such as Optimum Voice should be required to contribute to the universal service fund on an interim basis. The amount of universal service contribution for interconnected VoIP service providers is based on a percentage of revenues earned from end user interstate services. The FCC developed three alternatives under which an interconnected VoIP service provider may elect to calculate its universal service contribution: (1) an interim safe harbor that assumes 64.9% of the provider's end user revenues are interstate; (2) a traffic study, which has been pre-approved by the FCC, to determine an allocation for interstate end user revenues; or (3) actual interstate and international end user revenues. If an interconnected VoIP service provider calculates its universal service contributions based on its actual percentage of interstate calls, the interstate classification of the service might no longer apply, in which case the interconnected VoIP service provider could be subject to regulation by each state in which it operates as well as federal regulation.

Other Services

Cablevision provides other services and features over its cable system, such as games and interactive advertising, that may be subject to a range of federal, state, and local laws such as privacy and consumer protection regulations. Cablevision also maintains various websites that provide information and content regarding its businesses and offer merchandise for sale. The operation of these websites is also subject to a similar range of requirements.

Telecommunications Services

The Telecommunications Act of 1996 was enacted to remove barriers to entry in the local telephone market that continues to be monopolized by the Bell Operating Companies ("BOCs") and other ILECs by preempting state and local laws that restrict competition and by requiring ILECs to provide competitors, such as cable operators and long distance companies, with nondiscriminatory access and interconnection to the BOC and ILEC networks and access to certain portions of their communications networks (known as network elements) at cost-based rates. The 1996 Telecommunications Act entitles our Lightpath subsidiary to certain rights, but as a telecommunications carrier, it also subjects Lightpath to regulation by the FCC and the states. Lightpath's designation as a telecommunications carrier also results in other regulations that may affect Lightpath and the services it offers.

Interconnection and Intercarrier Compensation. The 1996 Telecommunications Act requires Lightpath to interconnect directly or indirectly with other telecommunications carriers. In some cases, interconnecting carriers must compensate each other for the transport and termination of calls on their network (*i.e.*, intercarrier compensation). Accordingly, Lightpath is entitled, in some cases, to compensation from carriers when it terminates their originating calls on its network and in other cases is required to compensate another carrier for utilizing that carrier's network to terminate traffic. The FCC has adopted limits on the amounts of compensation that may be charged for certain types of traffic.

Universal Service. Lightpath is required to contribute to federal and state universal service funds. Currently, the FCC assesses Lightpath for payments and other subsidies on the basis of a percentage of interstate revenue it receives from certain customers. The FCC has placed limits on the mark-up carriers may place on the universal service line items on their customer bills. States may also assess such payments and subsidies for state universal service programs.

Other Federal Regulation. Lightpath is also subject to other FCC requirements in connection with the interstate long distance services it provides, including the payment of fees to fund the Telecommunication Relay Services fund, local number portability administration, the North American Numbering Plan, and the payment of regulatory fees to support the FCC.

CPNI and Marketing Restrictions. Lightpath is required to comply with the FCC's rules restricting use of customer proprietary network information ("CPNI"), which includes obtaining permission in certain cases prior to utilizing a customer's information to market service. Lightpath's communications with its customers are subject to FCC, Federal Trade Commission, and state regulations on telemarketing, the sending of commercial e-mail messages, and the sending of commercial fax messages.

State Regulation. Lightpath is also subject to regulation by the state commissions in each state in which it provides service. In order to provide service, Lightpath must seek approval from each such state commission and may at times require local approval to construct facilities. Lightpath is currently authorized and provides service in New York, Connecticut, and New Jersey. Lightpath's regulatory obligations vary from state to state and include some or all of the following requirements: filing tariffs (rates, terms and conditions); filing operational, financial, and customer service reports; seeking approval to transfer the assets or capital stock of the telephone company; seeking approval to issue stocks, bonds, and other forms of indebtedness of the telephone company; reporting customer service and quality of service requirements; making contributions to state universal service support programs; geographic build-out; and other matters relating to competition.

Programming and Entertainment

Cable television programming networks, such as those owned by Rainbow Media Holdings, are regulated by the FCC in certain respects if they are affiliated with a cable television system operator like Cablevision. Other FCC regulations, although imposed on cable television operators and satellite operators, affect programming networks indirectly.

Closed Captioning and Advertising Restrictions on Children's Programming. Certain of Rainbow Media Holdings' networks must provide closed-captioning of programming for the hearing impaired, and its programming and Internet websites intended primarily for children 12 years of age and under must comply with certain limits on advertising.

Indecency and Obscenity Restrictions. Cable operators and other distributors are prohibited from transmitting obscene programming, and our affiliation agreements generally require us to refrain from including such programming on our networks.

Program Access. The "program access" provisions of the Federal Cable Act generally require us to make Rainbow Media Holdings' satellite-delivered video programming available to competing multichannel video programming providers, such as DBS providers and telephone companies on nondiscriminatory prices, terms and conditions, subject to certain exceptions specified in the statute and the FCC's rules. Rainbow Media Holdings cannot have exclusive contracts with cable operators for these services. The program-access rules do not generally cover terrestrially-delivered programming created by cable-system affiliated programmers such as Rainbow Media Holdings.

Effect of "Must-Carry" Requirements. The FCC's implementation of the statutory "must-carry" obligations requires cable and DBS operators to give broadcasters preferential access to channel space. This reduces the amount of channel space that is available for carriage of Rainbow Media Holdings' networks by cable television systems and DBS operators.

Satellite Carriage. All satellite carriers must under federal law offer their service to deliver Rainbow Media Holdings and its competitor programming networks on a nondiscriminatory basis (including by means of a lottery). A satellite carrier cannot unreasonably discriminate against any customer in its charges or conditions of carriage. Numerous competing satellite services today provide transponders that Rainbow Media Holdings could use to deliver its programming networks.

MVDDS

An indirect subsidiary of Rainbow Media Holdings owns a 90% interest in an entity that holds MVDDS licenses in 45 metropolitan areas including New York, Miami, Los Angeles, and Cleveland. These licenses are for a 10 year term, with a renewal expectancy based on a showing of "substantial service" within each of these market areas at the end of 5 and 10 years into the license period. The FCC's rules prohibit the Company from holding more than a 20% interest in the MVDDS license in the New York market because of common ownership with the Company's cable systems there. Absent a waiver of this restriction by the FCC, the Company would need to divest all or a sufficient portion of its investment in the New York City MVDDS license to comply with the restriction. On October 18, 2006, the FCC granted a one-year extension, until October 18, 2007, for the Company to come into compliance with the FCC's ownership restrictions. We cannot provide any assurance that the FCC would grant a further waiver necessary for the Company to retain its interest in the New York license.

Employees and Labor Relations

As of December 31, 2006, we had 13,938 full-time, 2,280 part-time and 5,857 temporary employees of which 508, 1,214 and 3,476, respectively, were covered under collective bargaining agreements. We believe that our relations with employees are satisfactory.

Our Internet address is www.cablevision.com and the investor relations section of our web site is located at http://www.cablevision.com/index.jhtml?pageType=investor. We make available free of charge, on or through the investor relations section of our web site, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission.

Item 1A. Risk Factors

Government investigations and litigation relating to stock option matters are pending, the scope and outcome of which could have a negative impact on the price of our securities and our business.

On August 8, 2006 the Company disclosed that, based on a voluntary review of past practices in connection with grants of stock options and stock appreciation rights ("SARs"), we had determined that the grant date and exercise price assigned to a number of our stock option and SAR grants during the 1997-2002 period did not correspond to the actual grant date and the closing price of our common stock on the actual grant date. In such cases, the date assigned to the grant corresponded to the date of a unanimous written consent executed by the members of the compensation committee of the Company's Board of Directors, but the date of that consent did not correspond to the actual date of the grant. In nearly all such cases, the stock price on the assigned date was lower, sometimes substantially lower, than the price on the date the award was actually granted. At all relevant times, the Company's stock plan required that the exercise price of options be not less than the fair market value per share of the Company's common stock on the date of grant. In addition, two awards of options and one option modification were also incorrectly accounted for as having been granted to employees or modified for employees. One of these two awards was to the Company's former compensation consultant (which was subsequently cancelled in 2003) and the other award related to an executive officer whose death occurred after the stated grant date of the award and before the actual grant date. As a result, the Company restated its consolidated financial statements for 1997 through March 31, 2006 as reported in its amended 2005 Form 10-K and its amended March 31, 2006 Form 10-Q filed with the SEC on September 21, 2006. In addition, the Company notified the Internal Revenue Service of the stock option review and provided the IRS an adjustment to reduce the Company's net operating loss carry forward by $86.2 million for all tax years through December 31, 2004 and in connection with the Company's filing of its 2005 tax return, the net operating loss was further reduced by $2.2 million. We have advised the SEC and the U.S. Attorney's Office for the Eastern District of New York of these matters and each has commenced an investigation. We received a grand jury subpoena from the U.S. Attorney's Office for the Eastern District of New York seeking documents related to the stock options issues. We received a document request from the SEC relating to its informal investigation into these matters. We are cooperating fully with such investigations and intend to continue to do so. In addition, purported derivative lawsuits (including one purported combined derivative and class action lawsuit) relating to our past stock option and SAR grants have been filed. On October 27, 2006, the Board of Directors established a special litigation committee of the Board, consisting of two newly appointed directors. The special litigation committee was given responsibility to review and analyze the facts and circumstances surrounding claims that have been raised in the options litigation in which the Company has been named as a nominal defendant, and which purport to have been brought derivatively on behalf of the Company. The special litigation committee has full and sole authority to consider and determine whether or not prosecution of such claims is in the best interests of the Company and its shareholders, and what actions the Company should take with respect to the cases. We are unable to predict the outcome of these government investigations and lawsuits but such matters will result in substantial legal and other defense costs, have occupied and will continue to occupy the time and attention of our management team and could have a material adverse impact on us and our stock price, including increased stock price volatility, and could negatively impact our business and our ability to raise additional funds in the future.

We have substantial indebtedness and we are highly leveraged, which reduces our capability to withstand adverse developments or business conditions.

We have incurred substantial amounts of indebtedness to finance operations, to upgrade our cable plant and acquire other cable television systems, programming networks, sources of programming and other businesses. We also have incurred indebtedness in order to offer our new services to our current and potential customers. We have also incurred substantial debt to pursue activities outside our core businesses such as our acquisitions of the Wiz, Clearview Cinemas and our development of Rainbow DBS. In 2006, CSC Holdings incurred $3.5 billion of debt, approximately $3.0 billion of which was distributed to Cablevision to fund a $10 per share dividend on its common stock and approximately $414 million of which was used to repay existing indebtedness, including interest, fees and expenses. We may continue to incur substantial amounts of debt in the future. At December 31, 2006, our total indebtedness aggregated approximately $12.5 billion. Because of our substantial indebtedness, we are highly leveraged and we will continue to be highly leveraged. This means that our payments on our borrowings are significant in relation to our revenues and cash flow. This leverage exposes us to significant risk in the event of downturns in our businesses (whether through competitive pressures or otherwise), in our industries or in the economy generally, because although our cash flows would decrease in this scenario, our required payments in respect of indebtedness will not.

Our financial statements reflect substantial losses from continuing operations and a significant stockholders' deficiency, and we expect that our net losses, absent one-time gains, may continue and remain substantial for the foreseeable future, which may reduce our ability to raise needed capital.

We reported losses from continuing operations of $133.0 million, $127.5 million and $486.0 million for the years ended December 31, 2006, 2005 and 2004, respectively. Our losses from continuing operations primarily reflect our high interest expense, our preferred stock dividends (through May 2004) and depreciation and amortization charges, which may continue to be significant. Our continuing losses may limit our ability to raise needed financing, or to do so on favorable terms, as those losses are taken into account by the organizations that issue investment ratings on our indebtedness.

A lowering or withdrawal of the ratings assigned to our debt securities by ratings agencies may further increase our future borrowing costs and reduce our access to capital.

Our debt ratings are below the "investment grade" category, which results in higher borrowing costs as well as a reduced pool of potential purchasers of our debt as some investors will not purchase debt securities that are not rated in an investment grade rating category. In addition, there can be no assurance that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency, if in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. A lowering or withdrawal of a rating may further increase our future borrowing costs and reduce our access to capital. All of Cablevision's, CSC Holdings' and RNS' ratings were placed on creditwatch with negative implications and review for downgrade by both Standard & Poor's and Moody's twice during 2006 as a result of the stock option review and subsequent non-compliance with the financial reporting and other information delivery requirements under the Company's debt instruments and also following the announcement of the Dolan Family Group proposal. While neither occurrence resulted in any downgrades to our ratings and we are no longer on creditwatch, there can be no assurance that this will not occur again.

Our financial performance may be harmed by the significant and credible risks of competition in our cable television, high-speed data and voice businesses.

Competition in our various business segments could adversely affect our business and financial results and our ability to service our debt. Our cable systems compete with a variety of video programming distribution systems, including broadcast television stations, direct broadcast satellite systems, incumbent telephone companies, multichannel multipoint distribution services, satellite master antenna television systems, private home dish earth stations, and OVS operators like RCN. We face intense competition from incumbent telephone companies such as Verizon and AT&T, which have recently begun to offer video programming in addition to their voice and high-speed Internet access services, evidencing their commitment to compete across all of the Company's telecommunications products. Their competitive position has been improved by recent operational, regulatory and legislative advances that they have made. Verizon and AT&T are constructing fiber-based systems designed to provide video programming as well as voice and data services to residential customers in our service area. The attractive demographics of the Company's service territory make this region a desirable location for investment in video distribution technologies by these companies. This intense competition could lead to pressure upon our pricing of telecommunications services, our ability to add or retain customers and our ability to expand services purchased by our customers. Cable systems also compete with the entities that make videotaped movies and programs available for home rental or sale. Actual or potential video competition to cable systems is also possible from the delivery of video programming over the Internet directly to subscribers, and wireless technologies, including LMDS and MVDDS.

Our high-speed data offering to consumers faces intense competition from other providers of high-speed Internet access including services offered by local telephone providers such as Verizon and AT&T. These lines may also be used to offer video programming in competition with our cable systems. In addition, DBS providers have tested the use of certain spectrum to offer satellite-based high-speed data services and are offering broadband data services via partnerships and marketing arrangements with other providers such as Verizon, AT&T and Earthlink. The FCC has allocated spectrum for use by licensed and unlicensed providers of wireless broadband service, including LMDS, MVDDS, and WiMax, which, if offered within Cablevision's service area, could compete with our high-speed data offering.

Our voice service offerings to consumers face intense competition from other providers of voice services, including local exchange carriers such as Verizon and AT&T and other competitive providers of voice services, as well as VoIP providers like Vonage.

Our ability to meet our obligations under our indebtedness may be restricted by limitations on our subsidiaries' ability to send us funds.

Our principal subsidiaries include various entities that own cable television systems or own interests in programming networks. Our ability to pay interest on and repay principal of our outstanding indebtedness is dependent primarily upon the operations of our subsidiaries and the distributions or other payments of the cash they generate to us in the form of dividends, loans or advances. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on our public indebtedness or to make any funds available to us to do so. RNS is a party to a credit agreement and indentures that contain various financial and operating covenants that restrict the payment of dividends or other distributions. In addition, our subsidiaries' creditors, including trade creditors, in the event of a liquidation or reorganization of any subsidiary, would be entitled to a claim on the assets of such subsidiaries, including any assets transferred to those subsidiaries, prior to any of our claims as a stockholder. Creditors of our subsidiaries are likely to be paid in full before any distribution is made to us. To the extent that we are a creditor of a subsidiary, our claims would be subordinated to any security interest in the assets of that subsidiary and/or any indebtedness of that subsidiary senior to that held by us.

Our ability to incur debt and the use of our funds are limited by significant restrictive covenants in financing agreements.

Our credit facilities and debt instruments contain various financial and operating covenants that, among other things, require the maintenance of financial ratios and restrict the relevant borrower's ability to incur debt from other sources and to use funds for various purposes, including investments in some subsidiaries. Violation of these covenants could result in a default that would permit the parties who have lent money under such credit facilities and such other debt instruments to:

- restrict the ability to borrow undrawn funds under such credit facilities, and
- require the immediate repayment of the borrowings thereunder.

These events would be likely to have a material adverse effect on the value of our debt and equity securities.

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.

Our business is very capital intensive. Operating and maintaining our cable television plant requires significant amounts of cash payments to third parties. Capital expenditures for our businesses were $886.3 million $769.3 million, and $697.5 million in 2006, 2005 and 2004, respectively, and primarily include payments for consumer premises equipment, such as new digital video cable boxes and modems, as well as infrastructure and maintenance expenditures on our cable and Lightpath telecommunications network, in addition to the capital requirements of our other businesses. We expect these capital expenditures to continue to be significant over the next several years, as we continue to market our video, high-speed data and voice services to our customers. Some of our subsidiaries have substantial future capital commitments in the form of long-term contracts that require substantial payments over a long period of time. For example, rights agreements with sports teams under which their games are carried on the networks of certain of our programming subsidiaries almost always involve multi-year contracts that are difficult and expensive to terminate. In addition, if we fail to spend the requisite amounts under our affiliation agreement with EchoStar, up to a maximum of $500 million during the 2005-2010 period in our VOOM HD Networks programming business, EchoStar may terminate the affiliation agreement. We also face the need to renovate our Madison Square Garden Arena in the next several years or pursue a relocation alternative either of which would require significant funding. We will not be able to generate sufficient cash internally to both meet these obligations and repay our indebtedness at maturity. In that regard, we also have maturing debt obligations (excluding collateralized indebtedness) of approximately $3.0 billion over the 2007-2009 period. Accordingly, we will have to do one or more of the following:

- refinance existing obligations to extend maturities,
- raise additional capital, through debt or equity issuances or both,
- cancel or scale back current and future spending programs, or
- sell assets or interests in one or more of our businesses.

However, you should not assume that we will be able to refinance existing obligations or raise any required additional capital or to do so on favorable terms. If we are unable to pursue our current and future spending programs, we may be forced to cancel or scale back those programs. Our choice of which spending programs to cancel or reduce may be limited. Failure to successfully pursue our capital expenditure and other spending plans could materially and adversely affect our ability to compete effectively.

Government investigations relating to improper expense recognition and the timing of recognition of launch support, marketing and other payments under affiliation agreements are pending, the scope and outcome of which could have a negative impact on the price of our securities and our business.

In June 2003, we reported that we had discovered certain improper expense accruals primarily at the national programming services of our Rainbow segment. Following that announcement, investigations were commenced by the SEC and the U.S. Attorney's Office for the Eastern District of New York. In addition, in July 2004, in connection with our response to comments of the staff of the Division of Corporation Finance of the SEC with respect to our filings under the Securities Exchange Act of 1934, we provided the SEC with information with respect to certain of our previous restatements/adjustments relating to the timing of recognition of launch support, marketing and other payments under affiliation agreements. The SEC is continuing to investigate the improper expense recognition matter and the timing of recognition of launch support, marketing and other payments under affiliation agreements. The matter has occupied and will continue to occupy the time and attention of our management team. We are cooperating fully and intend to continue to do so. Any adverse developments in connection with this matter, including a determination that we have acted improperly, could have a material adverse effect on our stock price, including increased stock price volatility and could negatively impact our business and our ability to raise additional funds in the future.

Programming costs of our cable television systems are increasing and we may not have the ability to pass these increases on to our subscribers.

Programming costs paid by our cable television systems are one of our largest categories of expenses. These costs have increased rapidly and are expected to continue to increase, particularly with respect to costs for sports programming. We may not be able to pass programming cost increases on to our subscribers due to the increasingly competitive environment. If we are unable to pass these increased programming costs on to our subscribers, our operating results would be adversely affected.

We face intense competition in obtaining content for our programming businesses.

Rainbow Media Holdings' programming businesses compete with other programming networks to secure desired programming. Most of Rainbow Media Holdings' programming is obtained through agreements with other parties that have produced or own the rights to such programming. Competition for and choices of programming will increase as the number of programming networks increases. Other programming networks that are affiliated with programming sources such as movie or television studios, film libraries or sports teams may have a competitive advantage over Rainbow Media Holdings in this area.

The success of our programming businesses depends upon the availability of programming that is adequate in quantity and quality, and our ability to obtain carriage of our programming.

Rainbow Media Holdings' programming networks compete in two highly competitive markets. First, our programming networks compete with other programming networks to obtain distribution on cable television systems and other multichannel video programming distribution services. Second, the success of our programming businesses depends upon the availability of programming that is adequate in quantity and quality. In particular, the national entertainment networks depend upon the availability of films, television programming and music in their niche markets and the regional sports networks depend upon the availability of local sports programming, especially professional sports programming.

The national entertainment networks are parties to film rights agreements giving the networks the right to carry certain films during certain window periods. The regional sports networks are parties to sports rights agreements giving the networks the right to carry all or a portion of the games of local professional sports teams. These rights agreements expire at varying times, may be terminated by the other party if we are not in compliance with the terms of the agreement and, in the case of all sports rights agreements, are subject to league rules and regulations. In addition, our programming businesses are parties to affiliation agreements with distributors that require those programming businesses to deliver programming that meets certain standards as to quantity, quality or content. For example, certain affiliation agreements require that our regional sports networks deliver a certain minimum number of local professional sports games. We would not be able to satisfy those requirements if we did not have the rights to carry the prerequisite number of games from the local professional sports teams. In 2005, we settled litigation with Time Warner, which attempted to terminate its affiliation agreement with AMC, based on the allegation that AMC had changed its programming. To the extent that we do not or are not able to satisfy the quantity, quality or content standards set forth in our affiliation agreements, distributors may have the right to terminate those affiliation agreements. We cannot assure you that our programming businesses will ultimately be successful in negotiating renewals of their rights agreements or program supply agreements or in negotiating adequate substitute rights or program supply agreements in the event that their rights or program supply agreements expire or are terminated.

A significant amount of our book value consists of intangible assets that may not generate cash in the event of a voluntary or involuntary sale.

At December 31, 2006, we reported $9.8 billion of consolidated total assets, of which $2.5 billion were intangible. Intangible assets include franchises from city and county governments to operate cable television systems, affiliation agreements, and amounts representing the cost of some acquired assets and businesses in excess of their identifiable tangible and intangible assets. While we believe that the carrying value of our intangible assets are recoverable, you should not assume that we would receive any cash from the voluntary or involuntary sale of these intangible assets, particularly if we were not continuing as an operating business. We urge you to read carefully our consolidated financial statements contained herein, which provide more detailed information about these intangible assets.

We are controlled by the Dolan family. As a result of their control of us, the Dolan family has the ability to prevent or cause a change in control or approve, prevent or influence certain actions by us.

We have two classes of common stock:

- Class B common stock, which is generally entitled to ten votes per share and is entitled collectively to elect 75% of the Cablevision Board of Directors, and
- Class A common stock, which is entitled to one vote per share and is entitled collectively to elect the remaining 25% of the Cablevision Board of Directors.

As of February 22, 2007, the Dolan family, including trusts for the benefit of members of the Dolan family, collectively owned all of Cablevision's Class B common stock, less than 3% of Cablevision's Class A common stock and approximately 74% of the total voting power of all the outstanding Cablevision common stock. Of this amount, our Chairman, Charles F. Dolan, owned approximately 41% of Cablevision's Class B common stock, less than 1% of Cablevision's Class A common stock and approximately 30% of the total voting power of all the outstanding Cablevision common stock. The members of the Dolan family holding Class B common stock have executed a voting agreement that has the effect of causing the voting power of the Class B stockholders to be cast as a block with respect to the election of the directors elected by the Class B stockholders and any change of control transaction. The Dolan family is able to prevent a change in control of Cablevision and no person interested in acquiring Cablevision will be able to do so without obtaining the consent of the Dolan family. On June 19, 2005, Cablevision received a proposal from the Dolan Family Group to acquire the outstanding, publicly-held interests in Cablevision following a pro-rata distribution to all Cablevision stockholders of Rainbow Media Holdings. On October 24, 2005, Cablevision received a letter from the Dolan Family Group withdrawing the June 19, 2005 proposal. In that letter, the Dolan Family Group also recommended that Cablevision's Board of Directors consider the declaration of a $3 billion one-time, special dividend payable pro rata to all shareholders. The dividend was paid on April 24, 2006 to holders of Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock. On October 8, 2006, Cablevision received a proposal from the Dolan family to acquire all of the outstanding publicly-held interests in Cablevision, and the proposal was revised by the Dolan family on January 12, 2007. The Special Transaction Committee of Cablevision's Board of Directors rejected the revised proposal as inadequate on January 16, 2007. The revised proposal expired on January 17, 2007. This proposed transaction would have resulted in the incurrence by CSC Holdings of very substantial additional indebtedness. In both of their proposals, the Dolan family stated that they were only interested in pursuing their proposed transaction and would not sell their stake in Cablevision. There can be no assurances that the Dolan family will not propose, undertake or consummate a similar transaction in the future.

As a result of the Dolan family's ownership of all of the Class B common stock, the Dolan family has the power to elect all the directors of Cablevision subject to election by holders of Class B common stock. In addition, Dolan family members may control stockholder decisions on matters in which holders of all classes of Cablevision common stock vote together as a single class. These matters could include the amendment of some provisions of Cablevision's certificate of incorporation and the approval of fundamental corporate transactions. In addition, the affirmative vote or consent of the holders of at least 66-2⁄3% of the outstanding shares of the Class B common stock, voting separately as a class, is required to approve the authorization or issuance of any additional shares of Class B common stock. Furthermore, the Dolan family members also have the power to prevent any amendment, alteration or repeal of any of the provisions of Cablevision's certificate of incorporation that adversely affects the powers, preferences or rights of the Class B common stock.

One purpose of the voting agreement referred to above is to consolidate Dolan family control of Cablevision. The Dolan family requested Cablevision's Board of Directors to exercise Cablevision's right, as a "controlled company", to opt-out of the New York Stock Exchange listing standards that, among other things, require listed companies to have a majority of independent directors on their board and to have an independent corporate governance and nominating committee. Cablevision's Board of Directors and the directors elected by holders of Class A common stock each approved this request on March 8, 2004.

Our business is subject to extensive government regulation and changes in current or future laws or regulations could restrict our ability to operate our business as we currently do.

The FCC and state and local governments extensively regulate the basic rates we may charge our customers for certain of our video services. They also regulate us in other ways that affect the daily conduct of our video delivery and video programming businesses, our telephone business and, possibly in the future, our high-speed data services business. Our businesses are dependent upon FCC licenses to carry on their operations. Any action by the FCC, the states of New York, New Jersey or Connecticut, or concerted action by local regulators, the likelihood or extent of which we cannot predict, could have a material adverse financial effect on us.

Pending FCC, Congressional and judicial proceedings may affect our businesses.

Changes in Franchising Requirements. In 2006, Congress considered but did not enact legislation that, for the telephone companies and other wireline video competitors, would relax or eliminate some or all of the local franchising requirements applicable to existing cable operators. New Jersey enacted state franchise legislation in August 2006, but included a provision enabling existing operators to elect regulation under the new franchising scheme. Several other states, including New York and Connecticut, are considering or have considered similar legislation. In June 2006, the Connecticut Department of Public Utility Control issued a decision concluding that AT&T did not need to obtain a cable franchise or comply with other cable regulatory requirements before offering its video services throughout Connecticut. The cable industry is currently challenging this decision in court.

In December 2006, the FCC adopted an order imposing a 90-day deadline on local franchising authority consideration of franchise applications from new video entrants, such as local telephone companies, that have pre-existing authority to occupy public rights-of-way authority. The FCC also preempted local franchising laws, regulations and requirements regarding such matters as fees, the provision of "institutional networks," and system deployment, as applied to new entrants. The FCC issued a Further Notice of Proposed Rulemaking seeking comment on whether these limitations should also apply with respect to incumbent cable operators, but tentatively concluded that they should not be applied to incumbent operators until their existing franchises are renewed.

Access Obligations and "Net Neutrality." Some parties have proposed federal, state and local requirements that would force cable systems to provide access to third-party Internet service providers in addition to services the cable system itself provides, such as our Optimum Online cable modem service. In 2002, the FCC asked whether it should nonetheless require cable operators to provide transmission capacity to unaffiliated Internet service providers. The outcome of the FCC's proceeding could affect the regulatory obligations imposed on Optimum Online, and the extent to which states and local authorities may regulate it or assess fees upon revenues generated by it. Relatedly, some members of Congress have suggested that cable operators and other broadband service providers should be subject to a "net neutrality" requirement barring them from "interfering" with subscriber access to Internet content or from reaching agreement with certain content providers for preferential access. The FCC has adopted principles, but not rules, that state that consumers are entitled to access all lawful Internet content using their broadband connections. We cannot predict whether the pending bills will become law or whether the FCC will adopt binding rules embodying these principles.

Must-Carry/Retransmission Consent. We are required by federal law to carry all local broadcast stations ("must-carry"), or, at the option of a local broadcaster, to obtain the broadcaster's prior consent for retransmission of its signal ("retransmission consent"). When a broadcaster completes its transition from analog to digital transmission in February 2009, only its primary digital video stream will be entitled to must-carry. The FCC has twice found that "dual must carry" rules (requiring cable systems to carry both the analog and digital broadcast signals) would be unconstitutional. The FCC has also ruled that broadcasters may not demand mandatory carriage for other than the primary digital video programming stream. The orders rejecting dual must carry and mandatory "multicasting" are currently subject to petitions for reconsideration pending for the FCC. We cannot predict how the FCC will rule on those petitions or whether Congress will enact legislation modifying the FCC's orders.

In the wake of publicized disputes between several cable operators and broadcasters, several members of Congress have expressed concern that that current retransmission consent requirements and practices have had a negative effect on consumers, and stated that it is time for Congress to reexamine those requirements. Other members of Congress have suggested that binding arbitration may be an appropriate means of resolving such disputes. We cannot predict whether Congress will enact legislation to modify the retransmission consent scheme, or whether the FCC will modify its current rules governing this scheme.

Tiering/A La Carte. Some members of Congress have proposed requiring cable operators to offer programming services on an unbundled basis rather than as part of a tier or to provide a greater array of tiers to give subscribers the option of purchasing a more limited number of programming services. The FCC also has indicated an interest in requiring cable operators to offer programming services in this "a la carte" manner, and in February 2006 released a report finding "substantial benefits" in the a la carte model of delivering video programming. We cannot predict whether Congress or the FCC might adopt such a requirement, what form it would take, or the effect of such a requirement on our cable television business or Rainbow Media Holdings.

Program Access. The "program access" provisions of the Federal Cable Act barring providers of satellite-delivered cable-owned video programming from entering into exclusive distribution arrangements with cable operators are set to expire in October 2007. We cannot predict whether the ban on exclusive arrangements will be extended, or whether Congress will apply all or some of the program access requirements to terrestrially-delivered programming services, or what effect such an extension or other modifications might have on Rainbow Media Holdings or Cablevision.

Indecency and Obscenity Restrictions. Cable operators and broadcasters are prohibited from transmitting obscene programming, but only broadcasters currently are subject to restrictions on the transmission of indecent material. They may not transmit indecent programming when there is a reasonable risk of children in the audience (6 a.m. to 10 p.m.). Some Members of Congress have proposed expanding the prohibitions on indecent programming to include cable and satellite programs, and to prohibit violent programming, notwithstanding the availability of program blocking devices provided by cable and DBS operators. Penalties for violations of this restriction can be severe. We cannot predict the likelihood that such restrictions on cable programming can or will be imposed or the effect such restrictions would have on our cable television and cable programming businesses. Some members of Congress and the Chairman of the Federal Communications Commission have suggested that indecency restrictions for cable might be unnecessary if cable operators were to offer a separate tier of "family" programming or to offer programming services for purchase on an individual, "a la carte", basis. We cannot predict whether the FCC or Congress would mandate such a tier or offering, or the effect of either such requirement on our cable television and cable programming businesses.

Diversity Requirements. The FCC has announced that it may open a proceeding to examine whether the so-called "70/70 test" in the Federal Cable Act has been satisfied. Under this provision, when cable systems with 36 or more activated channels are available to 70 percent of households within the United States, and when 70 percent of those households subscribe to them, the FCC may promulgate any additional rules necessary to promote diversity of information sources. We cannot predict whether the FCC will impose any such requirements, the nature of any such requirements, or the effect of such on our cable television or cable programming businesses.

Ownership Limitations. Congress has required the FCC to set a national limit on the number of subscribers a cable company can serve, and a limit (the "channel occupancy" limit) on the number of channels that a cable operator can program on any given cable system with programming services controlled by that operator. In 2001, a federal appellate court invalidated the 30% national multichannel subscriber limit and the 40% channel occupancy limit that the FCC had imposed pursuant to this requirement. The FCC is reviewing the ownership rules in light of that decision. We cannot predict at this time how the FCC will rule on these matters.

Internet Access Service Consumer Protection. The FCC is reviewing whether it should develop consumer protection requirements for all providers of broadband Internet access services like Optimum Online. Congress also is considering proposals that would require all broadband Internet access service providers to comply with various rules, such as customer privacy, consumer service standards, and access for persons with disabilities. We cannot predict what, if any, additional regulations will be imposed on Optimum Online.

VoIP. Our rollout of Optimum Voice, a VoIP service that is offered via our cable modem service as an add-on to our Optimum Online service, could also be affected by additional FCC decisions regulating VoIP, state attempts to regulate VoIP, and Congressional action. We cannot predict what, if any, statutory or regulatory obligations will be imposed on VoIP services like Optimum Voice, including the application of various indirect taxes, and what, if any, role state and local authorities will have in regulating these services.

Universal Service. Lightpath and Optimum Voice are required to contribute to the federal universal service fund. Rather than use the current revenue-based approach, the FCC is considering assessing universal service contributions based on a flat-fee charge, such as a per-line or per-number charge. The FCC also is considering whether to apply universal service requirements to interconnected VoIP service providers on a permanent basis, and how contributions should be assessed in the future. States may also assess such payments and subsidies on Lightpath for state universal service programs, and some states are looking at whether VoIP services like Optimum Voice should be subject to state universal service contribution requirements. We cannot predict how the FCC and states may rule on these matters. Any changes to the assessment and recovery rules for universal service may affect Lightpath's and Optimum Voice's financial results.

Intercarrier Compensation. The FCC is currently reviewing whether to adopt a new regime to govern intercarrier compensation, including the adoption of unified compensation rates. In addition, proceedings have been initiated to determine what intercarrier compensation charges should apply to the termination of VoIP traffic. We cannot predict how the FCC might rule on these matters. Any changes to the current intercarrier compensation regime may affect Lightpath's and Optimum Voice's revenues.

CPNI. The FCC is considering revising its CPNI rules to place additional restrictions on storage and use of CPNI. The revised rules may also extend the CPNI rules to VoIP services like Optimum Voice. Lightpath and Optimum Voice (if applicable) will be expected to comply with any future changes in CPNI regulations.

Our current franchises are non-exclusive and our franchisors need not renew our franchises.

Our cable television systems are operated primarily under non-exclusive franchise agreements with state or municipal government franchising authorities, in some cases with the approval of state cable television authorities. Consequently, our business is dependent on our ability to obtain and renew our franchises. Although we have never lost a franchise as a result of a failure to obtain a renewal, our franchises are subject to non-renewal or termination under some circumstances. In some cases, franchises have not been renewed at expiration, and we operate under temporary authority from the state while negotiating renewal terms with the franchise authorities. As of December 31, 2006, one of our ten largest franchises is expired and we are currently operating in this area under temporary authority. Approximately 58,000 of the Company's basic video customers are in this franchise area.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We own our headquarters building located in Bethpage, New York with approximately 558,000 square feet of space, and certain other real estate where our earth stations, headend equipment and microwave receiving antennae are located primarily in New York, New Jersey and Connecticut, aggregating approximately 662,000 square feet of space. Through Madison Square Garden, we also own the Madison Square Garden Arena (with a maximum capacity of approximately 21,000 seats) and theater complex (approximately 5,600 seats) in New York City comprising approximately 985,600 square feet and a training center in Greenburgh, New York with approximately 105,000 square feet of space. We generally own all assets (other than real property) related to our cable television operations, including our program production equipment, headend equipment (towers, antennae, electronic equipment and satellite earth stations), cable system plant (distribution equipment, amplifiers, subscriber drops and hardware), converters, test equipment, tools and maintenance equipment. We also generally own our service and other vehicles.

We lease real estate where certain of our business offices, earth stations, transponders, microwave towers, warehouses, headend equipment, hub sites, program production studios, access studios and microwave receiving antennae are located, aggregating approximately 2,024,000 square feet of space primarily in New York, New Jersey and Connecticut. We lease several business offices in Woodbury, New York with an aggregate of approximately 224,000 square feet of space and business offices in Jericho, New York with approximately 621,000 square feet of space. Of the amounts above, we currently sublease approximately 320,000 square feet of space to third party tenants and approximately 58,000 square feet of space is currently vacant. Other significant properties that are leased are in New York City and include approximately 145,000 square feet housing Madison Square Garden's administrative offices, approximately 577,000 square feet comprising Radio City Music Hall (approximately 5,900 seats) and approximately 57,000 square feet comprising the Beacon Theater (approximately 2,900 seats).

Clearview Cinemas leases 42 theaters (21 in New Jersey, 18 in New York, two in Pennsylvania and one in Connecticut) with approximately 37,000 seats and owns an additional nine theaters (five in New York and four in New Jersey) with approximately 6,100 seats. In addition, Clearview Cinemas manages a 940 seat theater in New York for a third party.

We believe our properties are adequate for our use.

Item 3. Legal Proceedings

Refer to Note 18 to Cablevision's consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for a discussion of our legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

PART II

Item 5. Market for the Registrants' Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The information called for by Item 201(d) of Regulation S-K under Item 5 is hereby incorporated by reference to Cablevision's definitive proxy statement for its Annual Meeting of Shareholders anticipated to be held in May 2007 or if such definitive proxy statement is not filed with the Commission prior to April 30, 2007, to an amendment to this report on Form 10-K filed under cover of Form 10-K/A.

Cablevision NY Group Class A common stock is traded on the NYSE under the symbol "CVC."

Price Range of Cablevision NY Group Class A Common Stock

The following tables set forth for the periods indicated the intra-day high and low sales prices per share of the Cablevision NY Group Class A common stock as reported on the NYSE:

	High	Low
Year Ended December 31, 2006:		
First Quarter	$27.35	$22.99
Second Quarter	$28.65	$18.00
Third Quarter	$24.52	$20.23
Fourth Quarter	$28.80	$22.57

	High	Low
Year Ended December 31, 2005:		
First Quarter	$31.64	$23.54
Second Quarter	$33.86	$25.02
Third Quarter	$32.94	$30.11
Fourth Quarter	$30.75	$22.60

As of February 22, 2007, there were 1,084 holders of record of Cablevision NY Group Class A common stock.

There is no public trading market for the Cablevision NY Group Class B common stock, par value $.01 per share. As of February 22, 2007, there were 25 holders of record of Cablevision NY Group Class B common stock.

All outstanding shares of common stock of CSC Holdings are held by Cablevision.

Dividends

On April 7, 2006, the Board of Directors of the Company declared a special cash dividend of $10.00 per share on each outstanding share of its Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock. The dividend was paid on April 24, 2006 to holders of record at the close of business on April 18, 2006. The dividend payment on all outstanding shares of Cablevision common stock and certain common stock equivalents amounted to approximately $2.8 billion. In addition, up to approximately $126.8 million representing $10.00 for each outstanding restricted share and each stock appreciation right and stock option vested as of December 31, 2004, would be payable when, and if, the restrictions lapse on each restricted share and when, and if, such stock appreciation rights and stock options are exercised.

CSC Holdings paid approximately $60.6 million of cash dividends on the Series H and M Preferred Stock in 2004.

Cablevision and CSC Holdings may pay dividends on their capital stock only from surplus as determined under Delaware law. If dividends are paid on the Cablevision NY Group common stock, holders of the Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock are entitled to receive dividends, and other distributions in cash, stock or property, equally on a per share basis, except that stock dividends with respect to Cablevision NY Group Class A common stock may be paid only with shares of Cablevision NY Group Class A common stock and stock dividends with respect to Cablevision NY Group Class B common stock may be paid only with shares of Cablevision NY Group Class B common stock. Cablevision's and CSC Holdings' senior debentures and CSC Holdings' senior subordinated debt instruments restrict the amount of dividends and distributions in respect of any shares of capital stock that can be made.

Recent Sales and Use of Proceeds

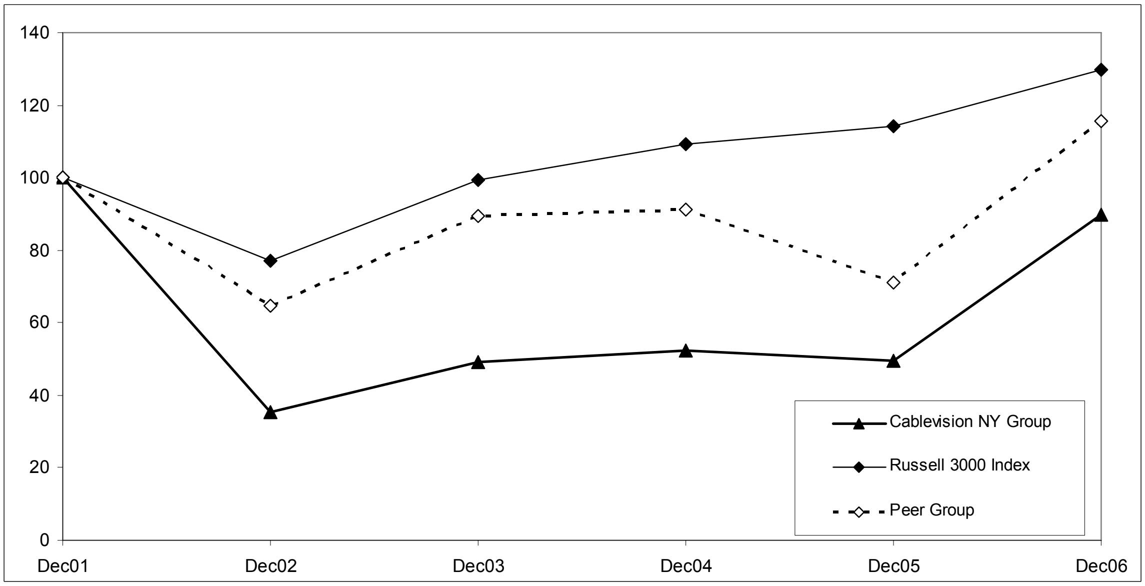
None.

Cablevision NY Group Stock Performance Graph

The chart below compares the performance of the Company's Cablevision NY Group Class A common stock with the performance of the Russell 3000 Index and a Peer Group Index by measuring the changes in Cablevision NY Group Class A common stock prices from December 31, 2001 through December 31, 2006. The chart has been adjusted for the distribution of the Rainbow Media Group Class A tracking stock on March 29, 2001 and subsequent exchange of the Rainbow Media Group Class A tracking stock for shares of Cablevision NY Group Class A common stock on August 20, 2002. As required by the SEC, the values shown assume the reinvestment of all dividends. Because no published index of comparable media companies currently reports values on a dividends-reinvested basis, the Company has created a Peer Group Index for purposes of this graph in accordance with the requirements of the SEC. The Peer Group Index is made up of companies that engage in cable television operations as a significant element of their business, although not all of the companies included in the Peer Group Index participate in all of the lines of business in which the Company is engaged and some of the companies included in the Peer Group Index also engage in lines of business in which the Company does not participate. Additionally, the market capitalizations of many of the companies included in the Peer Group are quite different from that of the Company. The common stocks of the following companies have been included in the Peer Group Index for 2006: Charter Communications, Inc., Comcast Corporation, Cox Communications, Inc. (through December 8, 2004 after which date Cox Communications was no longer a public company), Insight Communications Inc. (through December 16, 2005 after which date Insight Communications was no longer a public company) and Mediacom Communications Corporation. The chart assumes $100 was invested on December 31, 2001 in each of the Company's Cablevision NY Group

Class A common stock, the Russell 3000 Index and in a Peer Group Index and reflects reinvestment of dividends on a quarterly basis and market capitalization weighting.

FIVE YEAR CUMULATIVE TOTAL STOCKHOLDER RETURN FOR CABLEVISION NY GROUP, RUSSELL 3000 INDEX AND PEER GROUP

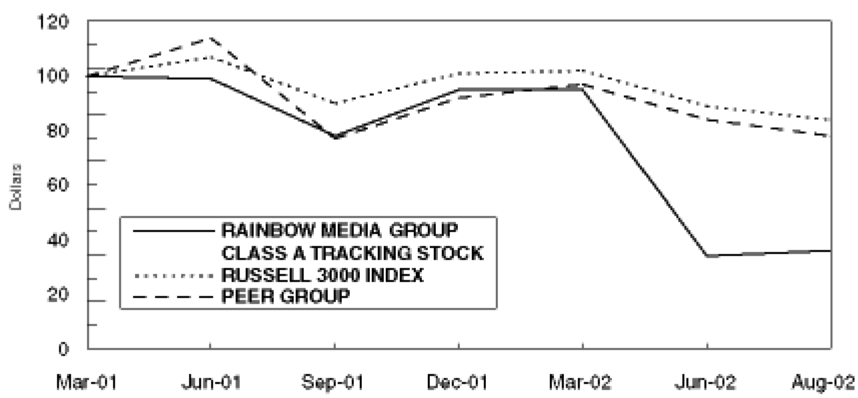


CABLEVISION NY GROUP	100	35	49	52	49	90
RUSSELL 3000 INDEX	100	77	99	109	114	130
PEER GROUP	100	65	90	91	71	116

Rainbow Media Group Stock Performance Graph

The chart below compares the performance of the Company's Rainbow Media Group Class A tracking stock with the performance of the Russell 3000 Index and a Peer Group Index by measuring the changes in Rainbow Media Group Class A tracking stock prices for the period from March 30, 2001 (the date Rainbow Media Group Class A tracking stock commenced trading on the New York Stock Exchange) through August 20, 2002, (the date that Rainbow Media Group Class A tracking stock was exchanged for shares of Cablevision NY Group Class A common stock). The Peer Group Index is made up of companies that engage in cable programming operations as a significant element of their business, although not all of the companies included in the Peer Group Index participate in all of the lines of business in which the Company is engaged and some of the companies included in the Peer Group Index also engage in lines of business in which the Company does not participate. Additionally, the market capitalizations of many of the companies included in the Peer Group are quite different from that of the Company. The common stocks of the following companies have been included in the Peer Group Index: Viacom, Inc., Fox Entertainment Group, Inc., Liberty Media Corporation, The E.W. Scripps Company and The Walt Disney Company. The chart assumes $100 was invested on March 30, 2001 in each of the Company's Rainbow Media Group Class A tracking stock, the Russell 3000 Index and the Peer Group Index and reflects reinvestment of dividends on a quarterly basis and market capitalization weighting.

2001-2002
CUMULATIVE TOTAL STOCKHOLDER RETURN
FOR RAINBOW MEDIA GROUP,
RUSSELL 3000 INDEX AND PEER GROUP



RAINBOW MEDIA GROUP CLASS A TRACKING STOCK	100	99	78	95	95	34	36
RUSSELL 3000 INDEX	100	107	90	101	102	89	84
PEER GROUP	100	114	77	92	97	84	78

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 Report.

	Cablevision Systems Corporation				
	Years Ended December 31,				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per subscriber, per unit and per share data)				
Operating Data:					
Revenues, net	$5,927,462	$5,172,478	$4,632,537	$4,017,283	$3,664,365
Operating expenses:					
Technical and operating (excluding depreciation, amortization and impairments shown below)	2,707,970	2,296,908	2,191,247	1,859,994	1,664,441
Selling, general and administrative	1,480,187	1,291,845	1,184,682	1,093,755	900,593
Other operating income	-	-	(95,758)	(4,758)	-
Restructuring charges (credits)	(3,484)	(537)	(835)	10,725	74,091
Depreciation and amortization (including impairments)	1,128,813	1,083,643	1,138,675	1,042,496	862,671
Operating income	613,976	500,619	214,526	15,071	162,569
Other income (expense):					
Interest expense, net	(891,015)	(748,078)	(712,708)	(604,802)	(485,316)
Equity in net income (loss) of affiliates	6,698	3,219	(12,997)	428,753	(41,691)
Gain (loss) on sale of cable assets and programming and affiliate interests, net	-	64,968	2,232	(13,644)	-
Gain (loss) on investments, net	290,052	(138,312)	134,598	235,857	(881,394)
Write-off of deferred financing costs	(14,083)	-	(18,961)	(388)	(6,931)
Gain (loss) on derivative contracts, net	(253,712)	119,180	(165,305)	(208,323)	924,037
Loss on extinguishment of debt	(13,125)	-	(78,571)	-	(17,237)
Minority interests	(8,894)	(5,471)	(50,307)	(116,777)	(201,853)
Miscellaneous, net	2,837	651	63	3,726	(5,644)
Loss from continuing operations before income taxes	(267,266)	(203,224)	(687,430)	(260,527)	(553,460)
Income tax benefit (expense)	134,217	75,691	201,397	(23,534)	77,100
Loss from continuing operations	(133,049)	(127,533)	(486,033)	(284,061)	(476,360)
Income (loss) from discontinued operations, net of taxes	7,446	216,853	(185,476)	(22,351)	572,422
Income (loss) before extraordinary item	(125,603)	89,320	(671,509)	(306,412)	96,062
Extraordinary loss on investment, net of taxes	-	-	(7,436)	-	-
Income (loss) before cumulative effect of a change in accounting principle	(125,603)	89,320	(678,945)	(306,412)	96,062
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-	-	-
Net income (loss)	$ (126,465)	$ 89,320	$ (678,945)	$ (306,412)	$ 96,062

	Cablevision Systems Corporation				
	Years Ended December 31,				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per subscriber, per unit and per share data)				
INCOME (LOSS) PER SHARE:					
Basic and diluted net income (loss) per common share					
Loss from continuing operations	$(0.47)	$(0.45)	$(1.69)	$(1.00)	$(1.62)
Income (loss) from discontinued operations	$ 0.03	$ 0.77	$(0.65)	$(0.08)	$ 1.95
Extraordinary loss	$ -	$ -	$(0.03)	$ -	$ -
Cumulative effect of a change in accounting principle	$ -	$ -	$ -	$ -	$ -
Net income (loss)	$(0.45)	$ 0.32	$(2.36)	$(1.07)	$ 0.33
Basic and diluted weighted average common shares (in thousands)	283,627	281,936	287,085	285,486	293,516
Cash dividends declared and paid per common share	$10.00	$ -	$ -	$ -	$ -

	Cablevision Systems Corporation				
	December 31,				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per subscriber, per unit and per share data)				
Balance Sheet Data:					
Total assets	$ 9,844,857	$9,851,112	$11,416,982	$11,259,558	$10,605,071
Bank debt	4,992,500	1,851,500	2,489,887	2,357,039	2,085,768
Collateralized indebtedness	921,574	1,170,126	1,553,427	1,617,620	1,234,106
Senior notes and debentures	5,993,956	5,992,760	5,991,564	3,692,699	3,691,772
Subordinated notes and debentures	497,011	746,621	746,231	599,203	599,128
Notes payable	18,843	15,905	150,000	150,000	-
Capital leases	61,458	59,787	71,563	84,856	86,208
Total debt	12,485,342	9,836,699	11,002,672	8,501,417	7,696,982
Minority interests	49,670	55,190	685,877	580,766	626,571
Preferred stock of CSC Holdings	-	-	-	1,624,295	1,544,294
Stockholders' deficiency	(5,339,253)	(2,493,380)	(2,647,264)	(2,002,890)	(1,737,894)

	Years Ended December 31,				
	2006	2005	2004	2003	2002
Statistical Data (Unaudited):					
Revenue Generating Units :					
Basic Video Customers (1)	3,127,000	3,027,000	2,963,000	2,945,000	2,963,000
iO Digital Video Customers	2,447,000	1,963,000	1,483,000	905,000	217,000
Optimum Online High-Speed Data Customers	2,039,000	1,694,000	1,353,000	1,057,000	770,000
VoIP Customers	1,209,000	731,000	273,000	29,000	-
Residential Telephone Customers	5,000	8,000	9,000	11,000	12,000
Total Revenue Generating Units	8,827,000	7,423,000	6,081,000	4,947,000	3,962,000
Customer Relationships (2)	3,300,000	3,175,000	3,096,000	3,051,000	3,015,000
Homes Passed (3)	4,562,000	4,484,000	4,443,000	4,401,000	4,369,000
Penetration:					
Basic Video to Homes Passed	68.5%	67.5%	66.7%	66.9%	67.8%
iO Digital to Basic Penetration	78.2%	64.8%	50.1%	30.8%	7.3%
Optimum Online to Homes Passed	44.7%	37.8%	30.4%	24.0%	17.6%
VoIP to Homes Passed	26.5%	16.3%	6.1%	0.7%	-
Average Monthly Revenue per Basic Video Customer ("RPS") (4)	$115.30	$100.46	$88.33	$77.49	$66.07

(1) Basic video subscribers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one subscriber, regardless of size, revenue generated, or number of boxes, units, or outlets. In calculating the number of customers, the Company counts 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 such as current and retired Company employees, and free status is not granted to regular customers as a promotion. Such accounts are also not entirely free, as they typically generate revenue through pay-per-view or other services for which they must pay. The Company counts a bulk commercial customer, such as a hotel, as one customer, and does not count individual room units at that hotel. In counting bulk residential customers such as an apartment building, the Company counts each subscribing family unit within the building as one customer, but does not count the master account for the entire building as a customer.

(2) Number of customers who receive at least one of the Company's services, including business modem only customers.

(3) Homes passed represent the estimated number of single residence homes, apartment and condominium units and commercial establishments passed by the cable distribution network in areas serviceable without further extending the transmission lines.

(4) Average monthly revenue per basic subscriber is calculated by dividing the GAAP revenues for the Telecommunications Services segment, less the revenue attributable to Lightpath for the fourth quarter of each year presented by the average monthly number of basic video subscribers served by the Company's cable television systems for the same period. For purposes of this calculation, both revenue and average number of basic video subscribers exclude the Company's Lightpath operations because Lightpath's third-party revenues are unrelated to the Company's cable television system subscribers.

	CSC Holdings, Inc.				
	Years Ended December 31,				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per subscriber, per unit and per share data)				
Operating Data:					
Revenues, net	$5,927,462	$5,172,478	$4,632,537	$4,017,283	$3,664,365
Operating expenses:					
Technical and operating (excluding depreciation, amortization and impairments shown below)	2,707,970	2,296,908	2,191,247	1,859,994	1,664,441
Selling, general and administrative	1,480,187	1,291,845	1,184,682	1,093,755	900,593
Other operating income	-	-	(95,758)	(4,758)	-
Restructuring charges (credits)	(3,484)	(537)	(835)	10,725	74,091
Depreciation and amortization (including impairments)	1,128,813	1,083,643	1,138,675	1,042,496	862,671
Operating income	613,976	500,619	214,526	15,071	162,569
Other income (expense):					
Interest expense, net	(762,189)	(623,669)	(627,660)	(601,012)	(485,316)
Equity in net income (loss) of affiliates	6,698	3,219	(12,997)	428,753	(41,691)
Gain (loss) on sale of cable assets and programming and affiliate interests, net	-	64,968	2,232	(13,644)	-
Gain (loss) on investments, net	290,052	(138,312)	134,598	235,857	(881,394)
Write-off of deferred financing costs	(14,083)	-	(18,961)	(388)	(6,931)
Gain (loss) on derivative contracts, net	(253,712)	119,180	(165,305)	(208,323)	924,037
Loss on extinguishment of debt	(13,125)	-	(78,571)	-	(17,237)
Minority interests	(8,894)	(5,471)	(50,307)	(24,517)	(27,337)
Miscellaneous, net	2,837	828	63	3,726	(5,644)
Loss from continuing operations before income taxes and dividend requirements	(138,440)	(78,638)	(602,382)	(164,477)	(378,944)
Income tax benefit (expense)	81,386	24,698	166,272	(25,126)	77,100
Loss from continuing operations before dividend requirements	(57,054)	(53,940)	(436,110)	(189,603)	(301,844)
Dividend requirements applicable to preferred stock	-	-	-	(92,260)	(174,516)
Loss from continuing operations	(57,054)	(53,940)	(436,110)	(281,863)	(476,360)
Income (loss) from discontinued operations, net of taxes	7,446	216,853	(185,476)	(22,351)	572,422
Income (loss) applicable to common shareholder before extraordinary item	(49,608)	162,913	(621,586)	(304,214)	96,062
Extraordinary loss on investment, net of taxes	-	-	(7,436)	-	-
Income (loss) applicable to common shareholder before cumulative effect of a change in accounting principle	(49,608)	162,913	(629,022)	(304,214)	96,062
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-	-	-
Net income (loss) applicable to common shareholder	$ (50,470)	$ 162,913	$ (629,022)	$ (304,214)	$ 96,062

	CSC Holdings, Inc.				
	December 31,				
	2006	2005	2004	2003	2002
	(Dollars in thousands, except per subscriber, per unit and per share data)				
Balance Sheet Data:					
Total assets	$ 9,973,228	$9,957,801	$11,390,840	$11,270,880	$10,605,071
Bank debt	4,992,500	1,851,500	2,489,887	2,357,039	2,085,768
Collateralized indebtedness	921,574	1,170,126	1,553,427	1,617,620	1,234,106
Senior notes and debentures	4,493,956	4,492,760	4,491,564	3,692,699	3,691,772
Subordinated notes and debentures	497,011	746,621	746,231	599,203	599,128
Notes payable	18,843	15,905	150,000	150,000	-
Capital leases	61,458	59,787	71,563	84,856	86,208
Total debt	10,985,342	8,336,699	9,502,672	8,501,417	7,696,982
Minority interests	49,670	55,190	685,877	580,766	626,571
Redeemable preferred stock	-	-	-	1,544,294	1,544,294
Exchangeable preferred stock	-	-	-	80,001	-
Stockholder's deficiency	(3,803,327)	(967,974)	(1,181,509)	(1,993,019)	(1,790,572)

	Years Ended December 31,				
	2006	2005	2004	2003	2002
Statistical Data (Unaudited):					
Revenue Generating Units :					
Basic Video Customers (1)	3,127,000	3,027,000	2,963,000	2,945,000	2,963,000
iO Digital Video Customers	2,447,000	1,963,000	1,483,000	905,000	217,000
Optimum Online High-Speed Data Customers	2,039,000	1,694,000	1,353,000	1,057,000	770,000
VoIP Customers	1,209,000	731,000	273,000	29,000	-
Residential Telephone Customers	5,000	8,000	9,000	11,000	12,000
Total Revenue Generating Units	8,827,000	7,423,000	6,081,000	4,947,000	3,962,000
Customer Relationships (2)	3,300,000	3,175,000	3,096,000	3,051,000	3,015,000
Homes Passed (3)	4,562,000	4,484,000	4,443,000	4,401,000	4,369,000
Penetration:					
Basic Video to Homes Passed	68.5%	67.5%	66.7%	66.9%	67.8%
iO Digital to Basic Penetration	78.2%	64.8%	50.1%	30.8%	7.3%
Optimum Online to Homes Passed	44.7%	37.8%	30.4%	24.0%	17.6%
VoIP to Homes Passed	26.5%	16.3%	6.1%	0.7%	-
Average Monthly Revenue per Basic Video Customer ("RPS") (4)	$115.30	$100.46	$88.33	$77.49	$66.07

(1) Basic video subscribers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one subscriber, regardless of size, revenue generated, or number of boxes, units, or outlets. In calculating the number of customers, the Company counts 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 such as current and retired Company employees, and free status is not granted to regular customers as a promotion. Such accounts are also not entirely free, as they typically generate revenue through pay-per-view or other services for which they must pay. The Company counts a bulk commercial customer, such as a hotel, as one customer, and does not count individual room units at that hotel. In counting bulk residential customers such as an apartment building, the Company counts each subscribing family unit within the building as one customer, but does not count the master account for the entire building as a customer.

(2) Number of customers who receive at least one of the company's services, including business modem only customers.

(3) Homes passed represent the estimated number of single residence homes, apartment and condominium units and commercial establishments passed by the cable distribution network in areas serviceable without further extending the transmission lines.

(4) Average monthly revenue per basic subscriber is calculated by dividing the GAAP revenues for the Telecommunications Services segment, less the revenue attributable to Lightpath for the fourth quarter of each year presented by the average monthly number of basic video subscribers served by the Company's cable television systems for the same period. For purposes of this calculation, both revenue and average number of basic video subscribers exclude the Company's Lightpath operations because Lightpath's third-party revenues are unrelated to the Company's cable television system subscribers.

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, including restructuring charges, availability under credit facilities, levels of capital expenditures, sources of funds and funding requirements, among others. Investors are cautioned that such forward looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the level of our revenues;
- competition from existing competitors (such as direct broadcast satellite providers) and new competitors (such as telephone companies and high-speed wireless providers) entering our franchise areas;
- demand for and growth of our digital video, high-speed data and voice services, which are impacted by competition from other services and the other factors discussed herein;
- the cost of programming and industry conditions;
- the regulatory environment in which we operate;
- developments in the government investigations and litigation related to past practices of the Company in connection with grants of stock options and stock appreciation rights ("SARs");
- developments in the government investigations relating to improper expense recognition and the timing of recognition of launch support, marketing and other payments under affiliation agreements;
- the outcome of litigation and other proceedings, including the matters described under "Legal Matters" and "Other Matters" in the notes to our consolidated financial statements;
- general economic conditions in the areas in which we operate;
- demand for advertising inventory;
- our ability to obtain or produce content for our programming businesses;
- the level of our capital expenditures;
- the level of our expenses;
- future acquisitions and dispositions of assets;
- the demand for our programming among other cable television and DBS operators and telephone companies and our ability to maintain and renew affiliation agreements with cable television and DBS operators and telephone companies;
- market demand for new services;
- whether pending uncompleted transactions, if any, are completed on the terms and at the times set forth (if at all);
- other risks and uncertainties inherent in the cable television business, the programming and entertainment businesses and our other businesses;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate; and
- the factors described in our filings with the Securities and Exchange Commission, including under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained herein.

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

CABLEVISION SYSTEMS CORPORATION

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

Management's Discussion and Analysis of Financial Condition and Results of Operations

Summary

Our future performance is dependent, to a large extent, on general economic conditions including capital market conditions, the impact of direct competition, our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers.

Telecommunications Services

Our Telecommunications Services segment derives revenues principally through monthly charges to subscribers of our video, high-speed data and voice services. These monthly charges include fees for cable television programming, as well as, in many cases, equipment rental, pay-per-view and video-on-demand, high-speed data and voice services. Revenue increases are derived from rate increases, increases in the number of subscribers to these services, upgrades by video customers in the level of programming package to which they subscribe, and additional services sold to our existing subscribers. We also derive revenues from the sale of advertising time available on the programming carried on our cable television systems. Revenues from advertising vary based upon the number and demographics of our subscribers who view the programming carried on our cable television systems. Because 59% of our basic video customers are already subscribers to our high-speed data services, our ability to grow our high-speed data services may be limited. Programming costs are the most significant part of our operating expenses and are expected to increase as a result of digital subscriber growth, additional service offerings and contractual rate increases.

Our cable television video services, which accounted for 46% of our consolidated revenues for the year ended December 31, 2006, face competition from the direct broadcast satellite business and the delivery systems of incumbent telephone companies. There are two major providers of DBS service in the United States, each with significantly higher numbers of subscribers than we have. We compete with these DBS competitors by "bundling" our service offerings with products that the DBS companies cannot efficiently provide at this time, such as high-speed data service and voice service carried over the cable distribution plant, as well as by providing interactive and "on demand" services that are currently unavailable to a DBS subscriber, such as video-on-demand. As discussed in greater detail below, we face intense competition from incumbent telephone companies such as Verizon and AT&T, which have recently begun to offer video programming in addition to their voice and high-speed Internet access services, evidencing their commitment to compete across all of the Company's telecommunications products. Their competitive position has been improved by recent operational, regulatory and legislative advances that they have made. Historically, we have made substantial investments in the development of new and innovative programming options for our customers as a way of differentiating ourselves from our competitors. We likely will continue to do so in order to be a more effective competitor.

Our high-speed data services business, which accounted for 15% of our consolidated revenues for the year ended December 31, 2006, faces competition from DSL providers, including Verizon and AT&T, and wireless Internet providers. These providers have become increasingly aggressive in their pricing strategies in recent years, and customers may decide that a reduced price is more important to them than the superior speed that cable modems provide. As discussed in greater detail below, another source of competition is incumbent telephone companies such as Verizon and AT&T. This competition, together with our already high penetration, is expected to slow our growth in cable modem penetration from the growth rates we have experienced in the past.

Our consumer voice offering, which accounted for approximately 6% of our consolidated revenues for the year ended December 31, 2006, is competitive with incumbent offerings primarily on the basis of pricing, where unlimited United States, Canada and Puerto Rico long distance, regional and local calling, together with certain features for which the incumbent providers charge extra, are offered at one low price. To the extent the incumbents, who have financial resources that exceed those of the Company, decide to meet our pricing and/or features or reduce their pricing, future growth and success of this business may be impaired. The regulatory framework for cable modem service and voice service is being developed and changes in how we are regulated, including increased regulation, may affect our competitive position.

The telephone companies continue constructing systems designed to provide video programming as well as voice and data services to residential customers in our service area. AT&T has announced plans to begin offering video services in our service area in Connecticut, where it is currently permitted to offer such service without any state authorization. Verizon has constructed fiber to the home network plant that passes a significant number of households in our service area, though currently less than a quarter of the households according to our estimates. Verizon has obtained authority to provide video service (it already has or needs no authority to provide phone and data services) for a majority of these homes passed, on a statewide basis in New Jersey and through numerous local franchises in New York. Verizon has so far not indicated any plans to offer video service in Connecticut. See "Item 1. Business-Regulation" for a discussion of regulatory and legislative issues and "Item 1A. Risk Factors - Pending FCC, Congressional and judicial proceedings may affect our businesses".

Optimum Lightpath, our commercial voice and commercial broadband business, which accounted for approximately 4% of our consolidated revenues for the year ended December 31, 2006, operates in the most competitive business telecommunications market in the country and competes against the very largest telecommunications companies - incumbent local exchange companies such as Verizon and AT&T, other competitive local exchange companies and long distance companies. To the extent that dominant market leaders decide to reduce their prices, future success of our Optimum Lightpath may be impaired. The trend in business communications has been shifting from a wired voice medium to a wireless, data medium. Should this trend accelerate dramatically, future growth of Optimum Lightpath may be negatively impacted.

Rainbow

In our Rainbow segment, which accounted for 15% of our consolidated revenues for the year ended December 31, 2006, we earn revenues in two principal ways. First, we receive affiliate fee payments principally from cable television systems and DBS operators. These revenues are generally on a per subscriber basis and earned under multi-year contracts with those operators referred to as affiliation agreements. The specific affiliate fees we earn vary from operator to operator and also vary among our networks but are generally based upon the number of each operator's subscribers who receive our programming, referred to as "viewing subscribers." The second principal source of revenues in this segment is from advertising. Under our agreements with cable television system and DBS operators, we have the right to sell a specific amount of national advertising time on our programming networks. Our advertising revenues are more variable than affiliate fees because most of our advertising is sold on a short-term basis, not under long-term contracts. Also, our advertising revenues vary based upon the popularity of our programming as measured by rating services.

We seek to grow our revenues in the Rainbow segment by increasing the number of distributors that carry our services and the number of viewing subscribers. We refer to this as our "penetration." AMC, which is widely distributed, has less ability to increase its penetration than our newer, less penetrated services. Our revenues may also increase over time through contractual rate increases stipulated in certain of our affiliation agreements. In negotiating for increased or extended carriage, we may be subject to requests by distributors to make upfront payments in exchange for additional subscribers or extended carriage, which we record as deferred carriage fees and which are amortized as a reduction to revenue over the period of the related subscriber guarantee, or to waive or accept lower subscriber fees if certain additional subscribers are provided. We also may help fund the distributors' efforts to market our channels or we may permit distributors to offer limited promotional periods without payment of subscriber fees. As we continue our efforts to add subscribers, our subscriber revenue may be negatively affected by subscriber acquisition fees (deferred carriage), discounted subscriber fees and other payments; however, we believe that these transactions generate a positive return on investment over the contract period. We seek to increase our advertising revenues by increasing the number of minutes of national advertising and by increasing rates for such advertising, but, ultimately, the level of our advertising revenues is directly related to the overall distribution of our programming, penetration of our services, and the popularity (including within desirable demographic groups) of our services as measured by rating services.

The principal goals in this segment are to increase our affiliation fee revenues and our advertising revenues by increasing distribution and penetration of our national services. To do this we must continue to contract for and produce high-quality, attractive programming. Our greatest challenge arises from the increasing concentration of subscribers in the hands of a few cable television systems and DBS operators because of the disparate bargaining power between us and the largest cable television systems and DBS operators. This increased concentration could adversely affect our ability to increase the penetration of our services or even result in decreased penetration. In addition, this concentration gives those operators greater leverage in negotiating the price and other terms of affiliation agreements. Moreover, as a result of this concentration, the potential impact of a loss of any one of our major affiliates would have a significant impact on this segment.

Madison Square Garden

Madison Square Garden which accounted for 14% of our consolidated revenues for the year ended December 31, 2006, consists of professional sports teams (principally the New York Knicks of the National Basketball Association ("NBA") and the New York Rangers of the National Hockey League ("NHL"), along with the Hartford Wolf Pack of the American Hockey League and the New York Liberty of the Women's National Basketball Association), the MSG Networks sports programming business, and an entertainment business. It also operates the Madison Square Garden Arena, Radio City Music Hall, the Hartford Civic Center and Rentschler Field (sports and entertainment venues in Connecticut), and effective January 1, 2007, the Beacon Theater in New York City. Madison Square Garden faces competitive challenges unique to these activities. We derive revenues in this segment primarily from the MSG Networks (see below), the sale of tickets, including luxury box rentals, to sporting and entertainment events, from rental rights fees paid to this segment by promoters that present events at our entertainment venues and the sports teams' share of league-wide distributions of national television rights fees and royalties. We also derive revenue from the sale of advertising at our owned and operated venues, from food, beverage and merchandise sales at these venues and from the licensing of our trademarks. MSG Networks derives its revenues from affiliate fees paid by cable television providers (including our cable television systems), satellite providers that provide video service and sales of advertising. This segment's financial performance is related to the performance of all the teams presented and the attractiveness of its entertainment events.

Our sports teams' financial success is dependent on their ability to generate advertising sales, paid attendance, luxury box rentals, and food, beverage and merchandise sales. To a large extent, the ability of the teams to build excitement among fans, and therefore produce higher revenue streams, depends on the teams' winning performance, which generates regular season and playoff attendance and luxury box rentals, and which also supports increases in prices charged for tickets, luxury box rentals, and advertising placement. Each team's success is dependent on its ability to acquire highly competitive personnel. The governing bodies of the NBA and the NHL have the power and authority to take certain actions that they deem to be in the best interest of their respective leagues, which may not necessarily be consistent with maximizing our professional sports teams' results of operations.

MSG Networks sports programming business is affected by our ability to secure desired programming of professional sports teams, in addition to our proprietary programming. The continued carriage and success of the teams that are telecast by us will impact our revenues from distribution and from the rates charged for affiliation and advertising, as well as the ability to attract advertisers. In the second quarter of 2004, the New York Mets gave notice of termination of its broadcast rights agreement with MSG Networks. The termination of the rights agreement was effective after the end of the 2005 baseball season. Although the termination of the rights agreement had a negative impact on Madison Square Garden's revenue, it did not have a significant impact on Madison Square Garden's results of operations for the year ended December 31, 2006.

Madison Square Garden's entertainment business is largely dependent on the continued success of our Radio City Christmas Spectacular and our touring Christmas shows, as well as the availability of, and our venues' ability to attract concerts, family shows and events.

The dependence of this segment's revenues on its sports teams and Christmas shows generally make it seasonal with a disproportionate share of its revenues and operating income being derived in the fourth quarter of each year.

Stock Option Related Matters

We incurred substantial expenses in 2006 for legal, accounting, tax and other professional services in connection with the Company's voluntary review of past practices in connection with grants of stock options and SARs, the preparation of restated financial statements, stock option related litigation, and the investigations by the Securities and Exchange Commission ("SEC") and the U.S. Attorney's Office for the Eastern District of New York. We expect to continue to incur substantial expenses in connection with these matters. Refer to Note 18 of our consolidated financial statements.

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:

Impairment of Long-Lived and Indefinite-Lived Assets:

The Company's long-lived and indefinite lived assets at December 31, 2006 include excess costs over fair value of net assets acquired ("goodwill") of approximately $1,032,117, approximately $1,510,034 of other intangible assets ($893,879 of which are indefinite-lived intangibles) and approximately $3,714,842 of property, plant and equipment. Such assets accounted for approximately 64% of the Company's consolidated total assets.

In accordance with Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, 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 a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of 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 impairment test for other indefinite-lived intangible assets consists of a comparison of the 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. For other long-lived assets, including intangibles that are amortized, the Company evaluates assets for recoverability when there is an indicator 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. 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 the determination of whether a premium or discount should be applied to comparables. For the Telecommunications Services segment, 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. For the Madison Square Garden and Rainbow segments, these valuations also include assumptions for projected average rates per basic and viewing subscribers, number of events (MSG segment only), access to sports programming and film rights and the cost of such programming and film rights, amount of programming time that is advertiser supported, number of advertising spots available and the sell through rates for those spots, average fee per advertising spot, and operating margins, among other assumptions. If these estimates or material related assumptions change in the future, we may be required to record additional impairment charges related to our long-lived assets.

In order to evaluate the sensitivity of the fair value calculations of the Company's reporting units on the impairment calculation for indefinite-lived intangibles, the Company applied a hypothetical 10% decrease to the fair values of each reporting unit. This hypothetical decrease would have no impact on the impairment analysis for any of the Company's reporting units.

Rights to feature film inventory acquired under license agreements along with the related obligations are recorded at the contract value when a license agreement is executed or the license period has begun, unless there is uncertainty with respect to either cost, acceptability or availability, then when the uncertainty is resolved. Costs are amortized to technical and operating expense on the straight-line basis over the respective license periods. We periodically review the programming usefulness of our feature film inventory based on a series of factors, including ratings, type and quality of program material, standards and practices, and fitness for exhibition based on the programming of the individual programming service. If we determine that substantially all of the films in a film license agreement have no future programming usefulness and will no longer be exploited, we would record a write-off for the portion of the unamortized cost of the film license agreement that was attributed to those films.

In 2004, the Company recorded impairment losses totaling $354,812 related to its decision to seek strategic alternatives for the Rainbow DBS segment of its operations. The Company recorded impairment charges of $90,540 included in depreciation and amortization expense relating to long-lived assets and other indefinite-lived intangible assets and $75,805 included in technical and operating expenses representing the write down of certain film and programming contracts relating to its VOOM HD Networks programming service. In addition, the Company recorded an impairment charge relating to the Rainbow DBS satellite distribution business of $155,415 reflecting the excess of the carrying value over the estimated fair value of long-lived assets and goodwill and other indefinite-lived intangible assets and a charge of approximately $33,052 representing the write off of equipment inventory and deposits which have been recorded in discontinued operations**.** In addition to the Rainbow DBS segment impairment losses, we recorded impairment losses of approximately $1,640, $663 and $297 in the years ended December 31, 2006, 2005 and 2004, respectively, included in technical and operating expense, representing the impairment of certain film and programming contracts and $2,104 and $7,697 in 2006 and 2005, respectively, included in depreciation and amortization related to certain other long-lived assets and intangibles primarily within our theater operations and PVI Virtual Media business in 2006 and within our theater operations and Rainbow segment in 2005.

Useful Lives of Finite-Lived Intangible Assets:

The Company has recognized intangible assets for affiliation relationships, affiliation agreements, advertiser relationships, season ticket holder relationships and suite holder contracts and relationships as a result of the Regional Programming Partners restructuring transaction with News Corporation in April 2005. In addition, the Company has also recognized intangible assets for affiliation agreements and advertiser relationships as a result of the July 2003 repurchase of Metro-Goldwyn-Mayer, Inc.'s ("MGM") 20% interest in each of American Movie Classics Company LLC, WE: Women's Entertainment and The Independent Film Channel LLC and the repurchase of NBC's interests in Rainbow Media Holdings in various transactions in 2001 and 2002. The Company has determined that such intangible assets have finite lives and has estimated those lives to be 4 to 11 years for affiliation agreements, 24 years for affiliation relationships, 7 to 10 years for advertiser relationships, 10 to 15 years for season ticket holder relationships and 3 to 11 years for suite holder contracts and relationships. At December 31, 2006, the carrying values, net of accumulated amortization, were $416,886 for affiliation agreements and affiliation relationships, $36,002 for broadcast rights and other agreements, $61,257 for advertiser relationships, $64,978 for season ticket holder relationships, $15,352 for suite holder contracts and relationships and $21,680 for other intangibles.

The amount we originally allocated in purchase accounting to the affiliation agreements and affiliation relationships finite-lived intangibles in our consolidated financial statements is the estimated aggregate fair value of those affiliation agreements, affiliation relationships and the related customer relationships. The useful lives for the affiliation agreements were determined based upon an analysis of the weighted average lives of existing agreements the Company had in place with its major customers at the time that purchase accounting was applied, plus an estimate for renewals of such agreements. The Company has been successful in renewing its affiliation agreements and maintaining customer relationships in the past and believes it will be able to renew its major affiliation agreements and maintain those customer relationships in the future. However, it is possible that the Company will not successfully renew such agreements as they expire or that if it does, the net revenue earned may not equal or exceed the net revenue currently being earned, which could have a significant adverse impact on our business. In light of these facts and circumstances, the Company has determined that an estimated useful life of 4 to 11 years for affiliation agreements and 24 years for affiliation relationships is appropriate depending on the nature of the underlying intangible asset.

There have been periods when an existing affiliate 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. In substantially all these instances, the affiliates continued to carry and pay for the service under oral or written interim agreements until execution of definitive replacement agreements or renewal. In one case during 2004, there was a 10 day period in which an affiliate was restricted from carrying certain of the Company's sports and entertainment networks because the parties had not reached agreement on contract renewal terms. We reached a short-term agreement with the affiliate at the end of the 10 day period and that affiliate continuously carried the networks pursuant to successive subsequent short-term agreements through March 7, 2005. However, we were unable to reach an agreement with this affiliate at expiration on March 7, 2005, and this affiliate discontinued carriage of certain of the Company's sports networks. On May 9, 2005, we reached a multi-year agreement on key rate and positioning terms for carriage of these sports networks and the parties subsequently entered into definitive documentation reflecting such agreement. See "Impairment of Long-Lived and Indefinite-Lived Assets" discussion above.

If an affiliate were to cease carrying the service on an other than temporary basis, the Company would record an impairment charge for the then remaining carrying value of that affiliate agreement intangible asset. If the Company were to renew an affiliate agreement at rates that produced materially less net revenue compared to the net revenue produced under the previous agreement, the Company would evaluate the impact on its cash flows and, if necessary, would further evaluate such indication of potential impairment by following the policy described above under "Impairment of Long-Lived and Indefinite-Lived Assets" for the asset group containing that intangible. The Company also would evaluate whether the remaining useful life of the affiliate agreement remained appropriate. Based on December 31, 2006 carrying values, if the estimated life of all affiliate agreements and affiliation relationships were shortened by 10%, the effect on amortization in the year ending December 31, 2007 would be to increase our annual amortization expense by approximately $6,683.

Valuation of Deferred Tax Assets:

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 statement of operations. 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 net operating loss carry forwards. In 2006, the Company recorded a decrease in the valuation allowance of $10,404 relating to certain state net operating loss carry forwards. In 2005 and 2004, the Company recorded increases in the valuation allowance of $6,459 and $14,036, respectively, relating to certain state net operating loss carry forwards. During 2006 and 2005, certain state net operating loss carry forwards expired prior to utilization. The deferred tax asset corresponding to the expired net operating loss carry forwards had been fully offset by a valuation allowance. The associated deferred tax asset and valuation allowance were both reduced by $2,638 and $6,953 in 2006 and 2005, respectively.

Plant and Equipment:

Costs incurred in the construction of the Company's cable television system, including line extensions to, and upgrade of, the Company's hybrid fiber-coaxial infrastructure 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 Company 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 and headend facilities. Costs of operating the plant and the technical facilities, including repairs and maintenance and call completion fees, are expensed as incurred.

Costs incurred to connect businesses or residences that have not been previously connected to the infrastructure or digital platform are also capitalized. These costs include materials, subcontractor labor, internal labor to connect, provision and provide on-site and remote technical assistance and other related costs associated with the connection activities. In addition, on-site and remote technical assistance during the provisioning process for new digital product offerings are capitalized. 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. New connections are amortized over 5 years or 12 years for residence wiring and feeder cable to the home, respectively. The portion of departmental costs related to reconnection, programming service up- and down- grade, repair and maintenance, and disconnection activities are expensed as incurred.

Defined Benefit Pension Plans:

The Company sponsors both funded and unfunded defined benefit pension plans in various forms covering employees who meet the applicable eligibility requirements. The Company's company-wide plans include a non-contributory cash balance retirement plan, an unfunded non-qualified excess cash balance plan and an unfunded supplemental defined benefit plan (collectively, the "Cablevision Qualified and Non-qualified Defined Benefit Plans"). In addition, Madison Square Garden sponsors a non-contributory pension plan covering its non-union employees (hired prior to January 1, 2001), an unfunded non-qualified defined benefit pension plan and two non-contributory pension plans covering certain of its union employees (collectively, the "Madison Square Garden Qualified and Non-qualified Defined Benefit Plans").

The Company utilizes actuarial methods required by Statement of Financial Accounting Standards ("SFAS") No. 87, Employers' Accounting for Pensions ("Statement No. 87"), in calculating the liability and expense related to these plans. These actuarial methods require numerous assumptions in an attempt to estimate future events, including the discount rate, expected long-term rate of return on plan assets and the rate of future compensation increases, as determined annually by the Company. Material changes in the pension costs of the plans may occur in the future due to changes in these assumptions, changes in the number of the plan participants, changes in the level of benefits provided, changes in asset levels and changes in legislation. Our assumptions reflect our historical experience and management's best judgment regarding future expectations.

Since liabilities under defined benefit plans are measured on a discounted basis, the discount rate is a significant assumption. The discount rate is subject to change each year, consistent with changes in applicable high-quality, long-term corporate bond indices. Based on the expected duration of the benefit payments for the plans, we refer to applicable bond yields (such as Moody's Aaa Corporate Bonds) and the Buck Consultants' Discount Rate Model (which is developed by examining the yields on selected highly rated corporate bonds), to select a rate at which we believe the plans' benefits could be effectively settled. Based on the published rates and the results from the Buck Consultants' Discount Rate Model as of December 31, 2006 and 2005, we used the following weighted average discount rates for the Cablevision Qualified and Non-qualified Defined Benefit Plans and the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans:

	Weighted-Average Discount Rate Used to Calculate the Benefit Obligation at	
	December 31, 2006	December 31, 2005
Cablevision Qualified and Non-qualified Defined Benefit Plans	5.80%	5.80%
Madison Square Garden Qualified and Non-qualified Defined Benefit Plans	6.14%	5.75%

For the year ended December 31, 2006, these discount rates had an aggregate effect of decreasing the Madison Square Garden Qualified and Non-qualified Plans' benefit obligation by approximately $6,797. There was no effect on the benefit obligation for the Cablevision Qualified and Non-qualified Defined Benefit Plans.

The expected long-term return on 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 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 and economic/financial market theory. The expected long-term rate of return was selected from within the reasonable range of rates 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. The expected rate of return for the Cablevision Qualified and the Madison Square Garden Qualified Defined Benefit Plans was 8.00% for 2006 and 2005, respectively.

The following table reflects the Company's estimates of the possible effects of changes in the discount rates and expected rates of return on its 2007 net periodic benefit cost and its benefit obligation at December 31, 2006 for the Cablevision Qualified and Non-qualified Defined Benefit Plans and the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans:

	Discount Rate			
	25 Basis Points Increase		25 Basis Points Decrease	
	Increase (Decrease) in			
	Net Periodic Benefit Cost	Projected Benefit Obligation	Net Periodic Benefit Cost	Projected Benefit Obligation
Cablevision Qualified and Non-qualified Defined Benefit Plans	$(223)	$(2,701)	$418	$2,890
Madison Square Garden Qualified and Non-qualified Defined Benefit Plans	(517)	(4,362)	578	4,856

	Expected Rate of Return	
	Increase (Decrease) in Net Periodic Benefit Cost	
	25 Basis Points Increase	25 Basis Points Decrease
Cablevision Qualified and Non-qualified Defined Benefit Plans	(309)	309
Madison Square Garden Qualified and Non-qualified Defined Benefit Plans	(131)	131

Generally accepted accounting principles include mechanisms that serve to limit the volatility in our earnings which otherwise would result from recording changes in the value of plan assets and benefit obligations in our consolidated financial statements in the periods in which those changes occur. For example, while the expected long-term rate of return on the Plans' assets should, over time, approximate the actual long-term returns, differences between the expected and actual returns could occur in any given year. These differences contribute to the deferred actuarial gains or losses, which are then amortized over time.

The rate of future compensation increases is another assumption used by the Company's third party actuary. The weighted average rate of future compensation increases used in 2006 and in 2005 for the Cablevision Qualified and Non-qualified Defined Benefit Plans and the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans are as follows:

	Net Periodic Benefit Cost		Benefit Obligation	
	2006	2005	2006	2005
Cablevision Qualified and Non-qualified Defined Benefit Plans	4.15%	4.12%	4.40%	4.15%
Madison Square Garden Qualified and Non-qualified Defined Benefit Plans	4.00%	3.16%	4.39%	4.00%

In addition, the Company's actuary also uses other assumptions such as termination and mortality rates. The actuarial assumptions used by the Company may differ materially from actual results due to changing economic and market conditions, higher or lower benefit payments or longer or shorter life spans of participants, among other things. Differences between actual and expected occurrences could significantly impact the actual amount of net periodic cost and the benefit obligation recorded by the Company.

Certain Transactions

The following transactions occurred during the periods covered by this Management's Discussion and Analysis of Financial Condition and Results of Operations.

2005 Transactions. In April 2005, the Company and News Corporation restructured Regional Programming Partners. As a result, the Company now owns 100% of Madison Square Garden and no longer owns interests in Fox Sports Net Ohio, Fox Sports Net Florida, National Sports Partners or National Advertising Partners. The Company also owns 100% of Fox Sports Net Chicago, which was shut down in June 2006, as well as 50% of Fox Sports Net New England and continues to own 60% of Fox Sports Net Bay Area.

In April 2005, subsidiaries of the Company entered into agreements with EchoStar relating to the launch and operation of the business of Rainbow HD Holdings, the Company's VOOM HD Networks high definition television programming service, subject to the closing of the sale of our satellite (Rainbow 1) to EchoStar which occurred in November 2005. Under those arrangements, EchoStar was initially distributed a portion of the VOOM HD Networks programming service and, beginning in 2006 began carrying all 15 of the channels included in the programming service. In connection with the arrangements, EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings' equity by the Company.

Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year, up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future.

2004 Transactions. In 2004, Rainbow DBS invested approximately $84,600 in exchange for a substantial interest in an entity that had acquired licenses from the FCC to provide multichannel video distribution and data service in 46 metropolitan areas in the United States.

In July 2004, Northcoast Communications, a 49.9% owned subsidiary of the Company, completed its sale of its wholly-owned subsidiary, Cleveland PCS, to an unaffiliated entity. The Company did not record any gain or loss in connection with the sale.

Results of Operations - Cablevision Systems Corporation

The following table sets forth on a historical basis certain items related to operations as a percentage of net revenues for the periods indicated:

STATEMENT OF OPERATIONS DATA

	Years Ended December 31,				Increase (Decrease) in Net Income
	2006		2005		
	Amount	% of Net Revenues	Amount	% of Net Revenues	
Revenues, net	$5,927,462	100%	$5,172,478	100%	$ 754,984
Operating expenses:					
Technical and operating (excluding depreciation, amortization and impairments shown below)	2,707,970	46	2,296,908	44	(411,062)
Selling, general and administrative	1,480,187	25	1,291,845	25	(188,342)
Restructuring credits	(3,484)	-	(537)	-	2,947
Depreciation and amortization (including impairments)	1,128,813	19	1,083,643	21	(45,170)
Operating income	613,976	10	500,619	10	113,357
Other income (expense):					
Interest expense, net	(891,015)	(15)	(748,078)	(14)	(142,937)
Equity in net income of affiliates	6,698	-	3,219	-	3,479
Gain on sale of programming and affiliate interests, net	-	-	64,968	1	(64,968)
Gain (loss) on investments, net	290,052	5	(138,312)	(3)	428,364
Write-off of deferred financing costs	(14,083)	-	-	-	(14,083)
Gain (loss) on derivative contracts, net	(253,712)	(4)	119,180	2	(372,892)
Loss on extinguishment of debt	(13,125)	-	-	-	(13,125)
Minority interests	(8,894)	-	(5,471)	-	(3,423)
Miscellaneous, net	2,837	-	651	-	2,186
Loss from continuing operations before taxes	(267,266)	(5)	(203,224)	(4)	(64,042)
Income tax benefit	134,217	2	75,691	1	58,526
Loss from continuing operations	(133,049)	(2)	(127,533)	(2)	(5,516)
Income from discontinued operations, net of taxes	7,446	-	216,853	4	(209,407)
Income (loss) before cumulative effect of a change in accounting principle	(125,603)	(2)	89,320	2	(214,923)
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-	-	(862)
Net income (loss)	$ (126,465)	(2)%	$ 89,320	2%	$(215,785)

STATEMENT OF OPERATIONS DATA (continued)

	Years Ended December 31,				Increase (Decrease) in Net Income
	2005		2004		
	Amount	% of Net Revenues	Amount	% of Net Revenues	
Revenues, net	$5,172,478	100%	$4,632,537	100%	$ 539,941
Operating expenses:					
Technical and operating (excluding depreciation, amortization and impairments shown below)	2,296,908	44	2,191,247	47	(105,661)
Selling, general and administrative	1,291,845	25	1,184,682	26	(107,163)
Other operating income, net	-	-	(95,758)	(2)	(95,758)
Restructuring credits	(537)	-	(835)	-	(298)
Depreciation and amortization (including impairments)	1,083,643	21	1,138,675	25	55,032
Operating income	500,619	10	214,526	5	286,093
Other income (expense):					
Interest expense, net	(748,078)	(14)	(712,708)	(15)	(35,370)
Equity in net income (loss) of affiliates	3,219	-	(12,997)	-	16,216
Gain on sale of programming and affiliate interests, net	64,968	1	2,232	-	62,736
Gain (loss) on investments, net	(138,312)	(3)	134,598	3	(272,910)
Write-off of deferred financing costs	-	-	(18,961)	-	18,961
Gain (loss) on derivative contracts, net	119,180	2	(165,305)	(4)	284,485
Loss on extinguishment of debt	-	-	(78,571)	(2)	78,571
Minority interests	(5,471)	-	(50,307)	(1)	44,836
Miscellaneous, net	651	-	63	-	588
Loss from continuing operations before taxes	(203,224)	(4)	(687,430)	(15)	484,206
Income tax benefit	75,691	1	201,397	4	(125,706)
Loss from continuing operations	(127,533)	(2)	(486,033)	(10)	358,500
Income (loss) from discontinued operations, net of taxes	216,853	4	(185,476)	(4)	402,329
Income (loss) before extraordinary item	89,320	2	(671,509)	(14)	760,829
Extraordinary loss on investment, net of taxes	-	-	(7,436)	-	7,436
Net income (loss)	$ 89,320	2%	$ (678,945)	(15)%	$ 768,265

Comparison of Consolidated Year Ended December 31, 2006 Versus Year Ended December 31, 2005

Consolidated Results – Cablevision Systems Corporation

The Company classifies its business interests into three reportable segments:

- Telecommunications Services, consisting principally of our video, high-speed data, and Voice over Internet Protocol services and our commercial data and voice services operations of Lightpath;
- Rainbow, consisting principally of interests in national and regional cable television programming networks, including AMC, IFC, WE tv (formerly WE: Women's Entertainment), fuse and VOOM HD Networks; and
- Madison Square Garden, which owns and operates professional sports teams, regional cable television sports programming networks and an entertainment business.

The Company allocates certain costs to each segment based upon their proportionate estimated usage of services. The segment financial information set forth below, including the discussion related to individual line items, does not reflect intersegment eliminations unless specifically indicated.

See "Business Segments Results" for a more detailed discussion relating to the operating results of our segments.

Revenues, net for the year ended December 31, 2006 increased $754,984 (15%) as compared to revenues for the prior year. The net increase is attributable to the following:

Increase in revenues of the Telecommunication Services segment	$630,942
Increase in revenues of the Rainbow segment	60,425
Increase in revenues of the Madison Square Garden segment	49,645
Other net decreases	(994)
Intersegment eliminations	14,966
	$754,984

Technical and operating expenses (excluding depreciation, amortization and impairments) include primarily:

- cable programming costs which are costs paid to programmers, net of amortization of any launch support received, for cable content and are generally paid on a per-subscriber basis;
- network management and field service costs which represent costs associated with the maintenance of our broadband network, including costs of certain customer connections;
- contractual rights payments to broadcast certain live sporting events and contractual payments pursuant to employment agreements with professional sports teams' personnel;
- amortization of costs to license programming, including feature films, and programming and production costs of our Rainbow businesses; and
- interconnection, call completion and circuit fees relating to our telephone and VoIP businesses which represent the transport and termination of calls with other telecommunications carriers.

Technical and operating expenses (excluding depreciation and amortization and impairments) in 2006 increased $411,062 (18%) as compared to 2005. The net increase is attributable to the following:

Increase in expenses of the Telecommunications Services segment	$269,941
Increase in expenses of the Rainbow segment	37,128
Increase in expenses of the Madison Square Garden segment	87,793
Other net increases	596
Intersegment eliminations	15,604
	$411,062

As a percentage of revenues, technical and operating expenses increased 2% during 2006 as compared to 2005. This increased percentage is primarily attributable to increases in technical and operating expenses of the Madison Square Garden segment and to a lesser extent the Rainbow segment.

Selling, general and administrative expenses include primarily sales, marketing and advertising expenses, administrative costs, and costs of customer call centers. Selling, general and administrative expenses increased $188,342 (15%) for 2006 as compared to 2005. The net increase is attributable to the following:

Increase in expenses of the Telecommunications Services segment	$129,474
Increase in expenses of the Rainbow segment	39,851
Increase in expenses of the Madison Square Garden segment	20,292
Other net decreases	(578)
Intersegment eliminations	(697)
	$188,342

On January 1, 2006, the Company adopted SFAS No. 123R, Share-Based Payment ("Statement No. 123R"). Statement No. 123R eliminates the ability to account for share-based compensation transactions, as the Company formerly did, using the intrinsic value method as prescribed by Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and generally requires that share-based payments be accounted for using a fair-value-based method. As a result of the adoption of Statement No. 123R, the Company's stock plan expense for 2006 for all segments has increased as compared to 2005.

As a percentage of revenues, selling, general and administrative expenses remained constant in 2006 compared to 2005.

Restructuring credits amounted to $3,484 in 2006 and $537 in 2005. The 2006 amount related primarily to adjustments to facility realignment provisions recorded in connection with the 2001 and 2002 restructuring plans of $3,996, partially offset by a charge of $512 relating to facility realignment and severance costs associated with the 2006 restructuring plans. The 2005 amount is comprised of a $2,060 credit resulting from changes in estimates of facility realignment costs relating to the 2001 and 2002 restructuring plans, partially offset by $1,025 of severance costs in 2005 and $498 of additional provisions for severance costs associated with the 2004 and 2003 restructuring plans.

Depreciation and amortization (including impairments) increased $45,170 (4%) for 2006 as compared to 2005. The net increase consisted of an increase in depreciation expense of $53,571 primarily from depreciation of new fixed assets in our telecommunication services segment, partially offset by a decrease in amortization expense of $8,401 primarily resulting from an impairment of certain intangibles recorded in 2005 attributable to the shutdown of two of three MetroChannels and a net decrease of $741 relating to the impairment of certain long-lived assets within our theater operations.

Net interest expense increased $142,937 (19%) during 2006 compared to 2005. The net increase is attributable to the following:

Increase due to higher average debt balances related primarily to the financing of the special dividend on March 29, 2006, partially offset by lower outstanding collateralized indebtedness and the redemption of certain senior subordinated debentures	$118,328
Increase due to higher average interest rates	48,990
Higher interest income	(20,757)
Other net decreases	(3,624)
	$142,937

Equity in net income of affiliates amounted to $6,698 in 2006 compared to $3,219 in 2005. Such amounts consist of the Company's share of the net income or loss of certain businesses in which the Company does not have a majority ownership interest.

Gain on sale of affiliate interests of $64,968 for the year ended December 31, 2005 resulted primarily from the Company and News Corporation restructuring their ownership of National Sports Partners and National Advertising Partners.

Gain (loss) on investments, net for the years ended December 31, 2006 and 2005 of $290,052 and $(138,312) respectively, consists primarily of the net increase or decrease in the fair value of Comcast, General Electric, AT&T, Charter Communications, Leapfrog, and Adelphia Communications common stock owned by the Company. The effects of these gains and losses are largely offset by the losses and gains on related derivative contracts described below.

Write-off of deferred financing costs for the year ended December 31, 2006 of $14,083 includes $6,084 of costs written off in connection with the refinancing of the Rainbow National Services LLC credit agreement in July 2006, $3,412 of costs written off in connection with the early redemption of CSC Holdings' $250,000 principal amount of 10-1/2% Senior Subordinated Debentures due 2016 in May 2006, and $4,587 of costs written off in connection with the refinancing of the CSC Holdings credit agreement.

Gain (loss) on derivative contracts, net for the years ended December 31, 2006 and 2005 consisted of the following:

	Years Ended December 31,	
	2006	2005
Unrealized and realized gain (loss) due to the change in fair value of the Company's prepaid forward contracts relating to the AT&T, Comcast, Charter Communications, General Electric, Leapfrog and Adelphia Communications shares	$(214,352)	$135,677
Unrealized and realized losses on interest rate swap contracts	(39,360)	(16,497)
	$(253,712)	$119,180

The effects of these gains and losses are largely offset by the losses and gains on investment securities pledged as collateral which are included in gain (loss) on investments, net discussed above.

Loss on extinguishment of debt of $13,125 for the year ended December 31, 2006 represents the premium paid on the early redemption of CSC Holdings' $250,000 principal amount of 10-1/2% Senior Subordinated Debentures due 2016 in May 2006.

Minority interests represent other parties' share of the net income (losses) of entities which are not entirely owned by us but which are consolidated in our financial statements. For the years ended December 31, 2006 and 2005 minority interests consisted of the following:

	Years Ended December 31,	
	2006	2005
News Corporation's 40% share of the net income of Fox Sports Net Bay Area	$(7,228)	$(6,896)
News Corporation's 40% share of the net loss of Regional Programming Partners	-	2,123
Other	(1,666)	(698)
	$(8,894)	$(5,471)

Net miscellaneous income of $2,837 and $651 for the years ended December 31, 2006 and 2005, respectively, resulted primarily from dividends received on certain of the Company's investment securities, partially offset by other miscellaneous expenses.

Income tax benefit attributable to continuing operations of $134,217 for the year ended December 31, 2006 resulted primarily from the Company's pretax loss, state income tax benefit of $24,315, increased by a $10,404 decrease in the valuation allowance relating to certain state net operating loss carry forwards, a tax benefit of $16,356 resulting from the reduction in a tax contingency liability pursuant to a change in judgment, a tax benefit of $5,013 resulting from the favorable settlement of an issue with a taxing authority, partially offset by the impact of non-deductible officers' compensation of $4,443 and other non-deductible expenses of $6,768.

Income tax benefit attributable to continuing operations of $75,691 for the year ended December 31, 2005 resulted primarily from the pretax loss, state income tax benefit of $12,211, increased by a tax benefit of $6,701 resulting from an adjustment to a state tax rate, partially offset by an increase in the valuation allowance of $6,459 relating to certain state net operating loss carry forwards and the impact of non-deductible officers' compensation of $6,226 and other non-deductible expenses of $10,637.

The Company is currently being audited by the state of Ohio for the tax year ended December 31, 2000. The primary audit issue is the amount of gain that should be subject to tax in Ohio pursuant to the 2000 sale of certain cable television systems. Ohio has asserted that more of the gain should be taxed in Ohio. Ohio has issued a proposed assessment of additional tax due of approximately $55,000 plus interest of approximately $12,000. As of December 31, 2006, the Company has recorded a liability with respect to such matter of approximately $11,000, including interest, which represents management's current estimate of the additional amount that may be owed.

Income (loss) from discontinued operations

In April 2005, the operations of the Rainbow DBS satellite distribution business were shut down. In connection with the shut down, certain assets of the business, including the Rainbow 1 direct broadcast satellite and certain other related assets were sold to a subsidiary of EchoStar for $200,000 in cash. This transaction closed in November 2005.

In September 2005, Loral Space & Communications Holding Corporation ("Loral") filed an action against Cablevision and Rainbow DBS Holdings, Inc. ("Rainbow DBS") for breach of contract based on a letter agreement dated March 23, 2001 ("the Letter Agreement") between Loral and Rainbow DBS. Loral alleges that the sale of the Rainbow-1 satellite and related assets to EchoStar constituted a sale of "substantially all of the assets of Rainbow DBS" triggering a "Make Whole Payment" under the Letter Agreement of $33,000 plus interest. A trial in this matter took place in January 2007 in New York Supreme Court for New York County. On January 24, 2007, the jury returned a verdict finding that the EchoStar sale had triggered a Make Whole Payment under the Letter Agreement, requiring a payment to Loral of $50,898, including interest, which has been accrued for as of December 31, 2006 and reflected as an expense in discontinued operations. Cablevision and Rainbow DBS have filed a motion for judgment as a matter of law, or in the alternative for a new trial, which is pending.

In April 2005, the Company and News Corporation restructured Regional Programming Partners. As a result, the Company now owns 100% of Madison Square Garden, 50% of Fox Sports Net New England and continues to own 60% of Fox Sports Net Bay Area and no longer owns interests in Fox Sports Net Ohio, Fox Sports Net Florida, National Sports Partners or National Advertising Partners. The Company also owned 100% of Fox Sports Net Chicago which was shut down in June 2006.

The operating results of the Fox Sports Net Chicago, Fox Sports Net Ohio and Fox Sports Net Florida businesses and those of the Rainbow DBS distribution business, which was shut down in April 2005, have been reported in discontinued operations in the Company's consolidated statements of operations for all periods presented.

Income (loss) from discontinued operations, net of taxes for the years ended December 31, 2006 and 2005 reflects the following items, net of related income taxes and minority interests:

	Years Ended December 31,	
	2006	2005
Net operating results of the Rainbow DBS distribution business, including shutdown costs, net of taxes*	$(33,472)	$(60,832)
Net operating results of Fox Sports Net Ohio and Fox Sports Net Florida, net of taxes	-	6,652
Gain on sale of Fox Sports Net Ohio and Fox Sports Net Florida, net of taxes	-	266,810
Net operating results of Fox Sports Net Chicago, net of taxes**	40,955	1,620
Other, net of taxes	(37)	2,603
	$ 7,446	$216,853

* The 2006 amount includes $30,025, net of taxes, representing the Make Whole Payment due to Loral. See Note 18 to the consolidated financial statements.

** The 2006 amount includes approximately $46,100, net of taxes, representing the collection in June 2006 of affiliate revenue from a cable affiliate, including approximately $42,200, net of taxes, relating to periods prior to 2006, that had not been previously recognized due to a contractual dispute. The underlying contract was terminated in June 2006 and no further payments will be received under this contract.

Business Segments Results – Cablevision Systems Corporation

Telecommunications Services

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenue for the Company's Telecommunications Services segment:

	Years Ended December 31,				
	2006		2005		
	Amount	% of Net Revenues	Amount	% of Net Revenues	Increase (Decrease) in Operating Income
Revenues, net	$4,237,707	100%	$3,606,765	100%	$ 630,942
Technical and operating expenses (excluding depreciation and amortization)	1,774,607	42	1,504,666	42	(269,941)
Selling, general and administrative expenses	834,031	20	704,557	20	(129,474)
Restructuring charges (credits)	(17)	-	295	-	312
Depreciation and amortization	915,724	22	843,177	23	(72,547)
Operating income	$ 713,362	17%	$ 554,070	15%	$ 159,292

Revenues, net for the year ended December 31, 2006 increased $630,942 (17%) as compared to revenues for the prior year. The following table presents the increases by major components of revenues for the years ended December 31, 2006 and 2005 for the Company's Telecommunications Services segment:

	As of December 31,			Percent
	2006	2005	Increase	Increase
Video (including analog, digital, pay-per-view, video-on-demand and digital video recorder)	$2,576,598	$2,309,293	$267,305	12%
High-speed data	900,024	761,775	138,249	18%
Voice	369,793	171,701	198,092	115%
Advertising	119,239	110,033	9,206	8%
Other (including installation, home shopping, advertising sales commissions, and other products)	109,781	98,093	11,688	12%
Total cable television	4,075,435	3,450,895	624,540	18%
Optimum Lightpath	210,594	195,486	15,108	8%
Intra-segment eliminations	(48,322)	(39,616)	(8,706)	(22)%
Total Telecommunications Services	$4,237,707	$3,606,765	$630,942	17%

Revenue increases reflected above are primarily derived from increases in the number of subscribers to these services (set forth in the table below), upgrades by video customers from the level of the programming package to which they subscribe, additional services sold to our existing subscribers and general increases in rates, offset in part by offer discounts and other rate changes. As a result, our average monthly revenue per basic video subscriber for the fourth quarter of December 2006 was $115.30 as compared with $100.46 for the fourth quarter of December 2005. The increase in Optimum Lightpath net revenues is primarily attributable to growth in Ethernet data services and Optimum Voice call completion activity, partially offset by a decline in traditional circuit switched services. The following table presents certain subscriber information for the years ended December 31, 2006 and 2005 for the Company's cable television systems (excluding Lightpath):

	As of December 31,		Increase	Percent Increase
	2006	2005	(Decrease)	(Decrease)
Basic video customers	3,127,000	3,027,000	100,000	3%
iO digital video customers	2,447,000	1,963,000	484,000	25%
Optimum Online high-speed data customers	2,039,000	1,694,000	345,000	20%
Optimum voice customers	1,209,000	731,000	478,000	65%
Residential telephone customers	5,000	8,000	(3,000)	(33)%
Total revenue generating units	8,827,000	7,423,000	1,404,000	19%

The Company added basic video customers and revenue generating units ("RGUs") in each quarter of 2006 aggregating approximately 100,000 and 1,404,000, respectively, for the year. However, fewer basic video customers and RGUs were added during the fourth quarter of 2006 as compared to the fourth quarter of 2005. Because of our relatively high digital video penetration rates and, to a lesser extent, the increasing competition in our service territory, we expect our basic video customer and RGU growth in 2007 to be lower than what we experienced in 2006.

<u>Technical and operating expenses (excluding depreciation and amortization)</u> for 2006 increased $269,941 (18%) compared to 2005. The net increase is attributable to the following:

Increase in programming costs (including costs of on-demand services) due primarily to subscriber growth, expanded service offerings, and programming rate increases	$164,162
Increase in field service and network related costs primarily due to growth in revenue generating units	57,205
Increase in call completion and interconnection costs related to the VoIP business due primarily to subscriber growth and the costs of our flat-rate international service offering beginning in the second quarter of 2006	48,996
Resolution of a contractual programming dispute*	(26,476)
Increase in VoIP related taxes and surcharges due primarily to subscriber growth, partially offset by favorable tax settlements	12,033
Other net increases	23,915
Intra-segment eliminations	(9,894)
	$269,941

* Represents the collection of $26,500 in June 2006 related to the resolution of a contractual programming dispute, $19,476 of which was due in periods prior to 2006 but not recognized as a reduction to programming costs because it was being disputed and was not being paid by the affiliate. The underlying contract was terminated in June 2006 and no further payments will be received under the contract. Payments received under the contract are accounted for as a reduction to programming costs.

As a percentage of revenues, technical and operating expenses remained constant, during 2006 as compared to 2005.

<u>Selling, general and administrative expenses</u> increased $129,474 (18%) for 2006 as compared to 2005. The net increase is attributable to the following:

Increase in customer related costs (principally call center related costs) primarily due to increased revenue generating units	$ 42,005
Increase in sales and marketing costs	41,666
Increase in share-based compensation expenses (includes the effects of adopting Statement No. 123R effective January 1, 2006)	24,828
Other general and administrative cost increases	11,400
Increase in expenses relating to a long-term incentive plan	8,387
Intra-segment eliminations	1,188
	$129,474

As a percentage of revenues, selling, general and administrative expenses remained constant in 2006 as compared to 2005.

Restructuring charges amounted to $295 in 2005. This amount is comprised primarily of $894 of severance costs associated with the 2005 restructuring plans and $263 of additional provisions for severance associated with the 2004 restructuring plans, partially offset by a credit of $896 resulting from changes in estimates of facility realignment costs relating to the 2002 restructuring plans.

Depreciation and amortization increased $72,547 (9%) for 2006 as compared to 2005. The increase resulted primarily from depreciation of new fixed assets, primarily subscriber devices.

Rainbow

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's Rainbow segment:

	Years Ended December 31,				
	2006		2005		
	Amount	% of Net Revenues	Amount	% of Net Revenues	Increase (Decrease) in Operating Income
Revenues, net	$885,986	100%	$825,561	100%	$ 60,425
Technical and operating expenses (excluding depreciation, amortization and impairments)	382,695	43	345,567	42	(37,128)
Selling, general and administrative expenses	367,845	42	327,994	40	(39,851)
Restructuring charges	143	-	-	-	(143)
Depreciation and amortization (including impairments)	106,556	12	113,429	14	6,873
Operating income	$ 28,747	3%	$ 38,571	5%	$ (9,824)

Included in the Rainbow segment's results of operations is operating income from AMC, IFC and WE tv aggregating $197,294 and $185,703, and operating losses from Rainbow's other programming services aggregating $168,547 and $147,132 for the years ended December 31, 2006 and 2005, respectively. These other programming services consist of Fox Sports Net Bay Area, fuse, Mag Rack, sportskool, News 12 Networks, IFC Entertainment, VOOM HD Networks, Rainbow Network Communications, Rainbow Advertising Sales Corp. and other Rainbow ventures. The operating loss was attributable primarily to VOOM HD Networks, as well as the News 12 Networks and fuse, which more than offset operating income generated by Fox Sports Net Bay Area. The VOOM HD Networks business has been incurring substantial operating losses and these losses are expected to continue for at least the next several years.

Revenues, net for the year ended December 31, 2006 increased $60,425 (7%) as compared to revenues for the prior year. The net increase is attributable to the following:

Increase in advertising revenues at the AMC/IFC/WE tv businesses	$ 34,762
Increase in affiliate and other revenue at Rainbow's other programming businesses	20,150
Increase in advertising revenues at Rainbow's other programming businesses	13,689
Increase in affiliate and other revenue at the AMC/IFC/WE tv businesses resulting from increases in programming network subscribers and rate changes.	9,809
Decrease attributable to the MetroChannel business which shut down two of its three channels in the second quarter of 2005	(17,985)
	$ 60,425

Advertising revenue as a percentage of total revenue increased in 2006 as compared to 2005 and we expect this trend to continue.

Revenue increases discussed above are primarily derived from increases in the level of advertising on our networks, increases in the number of subscribers to our programming services, and increases in fees charged for our services. The following table presents certain viewing subscriber information for the years ended December 31, 2006 and 2005:

	As of December 31,			Percent
	2006	2005	Increase	Increase
	(in thousands)			
Viewing Subscribers:				
AMC	81,100	77,200	3,900	5.1%
WE tv	52,700	50,900	1,800	3.5%
IFC	40,100	37,300	2,800	7.5%
fuse	42,000	35,500	6,500	18.3%
VOOM HD Networks	300	25	275	-
Fox Sports Net Bay Area	3,700	3,600	100	2.8%

Technical and operating expenses (excluding depreciation and amortization and impairments) for the year ended December 31, 2006 increased $37,128 (11%) compared to 2005. The net increase is attributable to the following:

Net increase resulting from higher programming and contractual costs at the other Rainbow businesses, including the VOOM HD Networks	$31,861
Net increase in programming costs at the AMC/IFC/WE tv businesses which resulted primarily from increased series development/original programming costs	9,240
Decrease resulting from the MetroChannel business, which shut down two of its three channels in the second quarter of 2005	(3,973)
	$37,128

As a percentage of revenues, technical and operating increased 1% during 2006 as compared to 2005 resulting primarily from higher programming costs associated with the VOOM HD Networks.

Selling, general and administrative expenses increased $39,851 (12%) for 2006 compared to 2005. The net increase is attributable to the following:

Increase in share-based compensation expenses (includes the effects of adopting Statement No. 123R effective January 1, 2006)	$19,160
Increase in administrative costs, including corporate allocations	10,421
Increase in expenses relating to Cablevision's long-term incentive plan	5,341
Net increase in selling, marketing and advertising costs primarily related to marketing and promotional activities	4,929
	$39,851

As a percentage of revenues, selling, general and administrative expenses increased 2% in 2006 compared to 2005.

Depreciation and amortization (including impairments) decreased $6,873 (6%) for 2006 as compared to 2005. The net decrease was comprised of approximately $4,963 resulting from the impairment of certain intangibles during the second quarter of 2005, a decrease of approximately $3,585 attributable to the MetroChannel business, which shut down two of its three channels in the second quarter of 2005, and a decrease of approximately $1,237 due to the transfer of certain intangibles to another operating segment in the second quarter of 2005. Partially offsetting these decreases was an increase of approximately $2,912 resulting primarily from depreciation of new fixed assets.

Madison Square Garden

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to net revenues for Madison Square Garden.

	Years Ended December 31,				
	2006		2005		
	Amount	% of Net Revenues	Amount	% of Net Revenues	Increase (Decrease) in Operating Income
Revenues, net	$854,040	100%	$804,395	100%	$ 49,645
Technical and operating expenses (excluding depreciation and amortization)	606,566	71	518,773	64	(87,793)
Selling, general and administrative expenses	189,310	22	169,018	21	(20,292)
Restructuring charges	-	-	366	-	366
Depreciation and amortization	60,160	7	62,834	8	2,674
Operating income (loss)	$ (1,996)	-%	$ 53,404	7%	$(55,400)

The dependence of this segment's revenues on its sports teams and Christmas shows generally make it seasonal with a disproportionate share of its revenues and operating income being derived in the fourth quarter of each year.

Revenues, net for the year ended December 31, 2006 increased $49,645 (6%) as compared to revenues for the prior year. This net increase is attributable to the following:

Return of National Hockey League games after the cancellation of 2004-2005 season	$ 52,118
Higher other team related revenues	9,368
Lower advertising sales revenue and sublicense fees resulting from loss of Mets broadcast rights agreement	(26,877)
Retroactive MSG Networks affiliate rate adjustments recorded in 2005*	(17,834)
Net higher other MSG Networks affiliate fees (excluding the impact of the cancellation of the NHL 2004-2005 season and the 2005 retroactive affiliate rate adjustments noted above) including the impact of the loss of the Mets broadcast rights agreement	16,541
Net higher revenues from entertainment events	19,029
Other net decreases	(2,700)
	$ 49,645

* The retroactive MSG Networks affiliate rate adjustments discussed above resulted from the signing of certain affiliate contracts in 2005 that increased rates for periods prior to January 1, 2005. Therefore the results for the year ended December 31, 2005 reflect positive retroactive rate adjustments related to the periods prior to January 1, 2005 that did not recur in 2006.

Technical and operating expenses for the year ended December 31, 2006 increased $87,793 (17%) as compared to the prior year. This increase is attributable to the following:

Return of National Hockey League games after the cancellation of the 2004-2005 season	$ 70,153
Lower benefit from amortization of team related purchase accounting liabilities (see discussion below)	23,439
Higher provision for National Basketball Association's luxury tax, including impact of certain team personnel transactions	21,844
Lower net provisions for certain team personnel transactions (excluding the impact of purchase accounting liabilities (see discussion below) and luxury tax)*	(17,418)
Higher other team operating expenses, primarily team personnel compensation	13,828
Higher costs associated with the higher revenues from entertainment events	10,968
Lower broadcast rights fees other than those related to the resumption of the National Hockey League games, primarily due to the termination of the Mets broadcast rights agreement.	(39,831)
Other net increases	4,810
	$ 87,793

* The change in the provisions for certain team personnel transactions includes the settlement in 2006 of the dispute with the Knicks ex-head coach, Larry Brown, under which the Knicks agreed to pay Mr. Brown $18,500 of the disputed amount in connection with his employment agreement.

The purchase accounting liabilities discussed above were established in April 2005 as a result of the Company's acquisition of the minority interest in Madison Square Garden. Following this transaction the Company began to amortize these purchase accounting liabilities over the period of the respective player contracts. During 2006 and 2005, the majority of these players were subsequently waived or traded and the unamortized purchase accounting liabilities associated with these players were immediately written off. As a result, the amount of amortization associated with these team personnel transactions declined from $25,358 in 2005 to $3,381 in 2006.

As a percentage of revenues, technical and operating expenses increased 7% during the year ended December 31, 2006 as compared to the prior year.

Selling, general, and administrative expenses for the year ended December 31, 2006 increased $20,292 (12%) as compared to the prior year. This increase is attributable to the following:

Increase in share-based compensation expenses (including the effects of adopting Statement No. 123R effective January 1, 2006)	$10,396
Higher employee salaries and related benefits due primarily to higher expenses relating to Cablevision's long term incentive plan	6,689
Higher legal and other professional fees	4,153
Return of National Hockey League games after the cancellation of the 2004-2005 season	2,120
Lower charitable contributions due primarily to contributions in 2005 related to Hurricane Katrina relief	(4,287)
Other net increases	1,221
	$20,292

As a percentage of revenues, selling, general and administrative expenses increased 1% during the year ended December 31, 2006 as compared to the prior year.

Restructuring charges of $366 for the year ended December 31, 2005 primarily represent charges recorded as a result of the final cost determination for benefits associated with the elimination of certain staff positions.

Depreciation and amortization expense for the year ended December 31, 2006 decreased $2,674 (4%) as compared to the prior year resulting primarily from lower depreciation expense due to assets which became fully depreciated. The lower depreciation expense was partly offset by higher amortization due primarily to the amortization of certain intangible assets recorded as a result of the Company's acquisition of the minority interest in Madison Square Garden in April 2005 and the transfer of certain intangibles from another operating segment in 2005. This increase in amortization expense was partly offset by a decrease in the amortization of certain other intangibles that became fully amortized in 2005.

Comparison of Consolidated Year Ended December 31, 2005 Versus Year Ended December 31, 2004

Revenues, net for the year ended December 31, 2005 increased $539,941 (12%) as compared to revenues for the prior year. The net increase is attributable to the following:

Increase in revenues of the Telecommunication Services segment	$482,809
Increase in revenues of the Rainbow segment	19,167
Increase in revenues of the Madison Square Garden segment	25,641
Other net decreases	(1,380)
Intersegment eliminations	13,704
	$539,941

Technical and operating expenses (excluding depreciation and amortization, and impairments) include primarily:

- cable programming costs which are costs paid to programmers, net of amortization of any launch support received, for cable content and are generally paid on a per-subscriber basis;
- network management and field service costs which represent costs associated with the maintenance of our broadband network, including costs of certain customer connections;
- contractual rights payments to broadcast certain live sporting events and contractual payments pursuant to employment agreements with professional sports teams' personnel;
- amortization of costs to license programming, including feature films, and programming and production costs of our Rainbow businesses; and
- interconnection, call completion and circuit fees relating to our telephone and VoIP businesses which represent the transport and termination of calls with other telecommunications carriers.

Technical and operating expenses (excluding depreciation and amortization and impairments) for 2005 increased $105,661 (5%) compared to 2004. The net increase is attributable to the following:

Increase in expenses of the Telecommunications Services segment	$228,137
Decrease in expenses of the Rainbow segment	(84,607)
Decrease in expenses of the Madison Square Garden segment	(42,553)
Other net decreases	(3,502)
Intersegment eliminations	8,186
	$105,661

As a percentage of revenues, technical and operating expenses decreased 3% during 2005 as compared to 2004. The decrease resulted primarily from impairment charges in 2004 amounting to 2% of revenues.

Selling, general and administrative expenses include primarily sales, marketing and advertising expenses, administrative costs and costs of customer call centers. Selling, general and administrative expenses increased $107,163 (9%) for 2005 as compared to 2004. The net increase is attributable to the following:

Increase in expenses of the Telecommunications Services segment	$ 67,602
Increase in expenses of the Rainbow segment	3,976
Increase in expenses of the Madison Square Garden segment	22,038
Other net increases	7,970
Intersegment eliminations	5,577
	$107,163

As a percentage of revenues, selling, general and administrative expenses decreased 1% during 2005 compared to 2004.

Other operating income, net of $95,758 for the year ended December 31, 2004 includes primarily a $54,052 cash payment received in connection with the New York Mets' notice of termination of the broadcast rights agreement with Madison Square Garden which was effective at the end of the 2005 baseball season and a $41,788 reversal of a purchase accounting liability related to this broadcast rights agreement.

Restructuring credits amounted to $537 in 2005 and $835 in 2004. The 2005 amount is comprised of a $2,060 credit resulting from changes in estimates of facility realignment costs relating to the 2001 and 2002 restructuring plans, partially offset by $1,025 of current severance costs in 2005 and $498 of additional provisions for severance costs associated with the 2004 and 2003 restructuring plans. The 2004 amount is comprised of a $5,761 credit resulting from changes in estimates of facility realignment and other costs relating to the 2001, 2002 and 2003 restructuring plans, partially offset by $4,926 of severance costs.

Depreciation and amortization (including impairments) decreased $55,032 (5%) for 2005 as compared to 2004. The decrease resulted primarily from impairment charges in 2004 of $78,497 relating to certain Rainbow DBS assets that were not held for sale and $12,043 related to certain assets of the VOOM HD Networks and lower write-off and disposal costs of certain fixed assets in 2005. These decreases were partially offset by an increase of $35,508 resulting primarily from depreciation of new fixed assets, impairment charges of $7,697 recorded in 2005 relating primarily to certain long-lived assets and intangibles within our theater operations and Rainbow segment and an increase in amortization expense as a result of an increase in amortizable intangibles resulting from the Regional Programming Partners transaction.

Net interest expense increased $35,370 (5%) during 2005 compared to 2004. The net increase is attributable to the following:

Increase due to higher average debt balances	$ 56,017
Increase due to higher average interest rates	52,223
Decrease in dividends on CSC Holdings' Series H and Series M Redeemable Preferred Stock due to their redemption in May 2004	(60,593)
Higher interest income	(8,130)
Other net decreases	(4,147)
	$ 35,370

Equity in net income of affiliates amounted to $3,219 in 2005 compared to equity in net loss of affiliates of $12,997 in 2004. Such amounts consist of the Company's share of the net income or loss of certain businesses in which the Company does not have majority ownership interest.

Gain on sale of programming and affiliate interests amounted to $64,968 for the year ended December 31, 2005 compared to $2,232 for the year ended December 31, 2004. The 2005 gain resulted primarily from the Company and News Corporation restructuring their ownership of National Sports Partners and National Advertising Partners. The 2004 gain resulted from the sale of a minority-owned affiliate interest.

Gain (loss) on investments, net for the years ended December 31, 2005 and 2004 consisted of the following:

	Years Ended December 31,	
	2005	2004
Increase (decrease) in the fair value of Charter Communications, Adelphia Communications, AT&T, AT&T Wireless (2004 period only), Comcast, General Electric and Leapfrog common stock	$(138,459)	$133,544
Income related to other investments	147	1,054
	$(138,312)	$134,598

The effects of these gains and losses are largely offset by the losses and gains on related derivative contracts described below.

Write-off of deferred financing costs of $18,961 in 2004 consisted of costs written off in connection with the redemption of CSC Holdings' Series H and Series M Redeemable Exchangeable Preferred Stock and CSC Holdings' 9-7/8% senior subordinated debentures aggregating $5,080 and termination of certain of the Company's credit agreements aggregating $13,881.

Gain (loss) on derivative contracts, net for the years ended December 31, 2005 and 2004 consisted of the following:

	Years Ended December 31,	
	2005	2004
Unrealized and realized gain (loss) due to the change in fair value of the Company's prepaid forward contracts relating to the AT&T, AT&T Wireless (2004 period only), Comcast, Charter Communications, General Electric, Leapfrog and Adelphia Communications shares	$135,677	$(132,941)
Loss on exchange right and put option related to CSC Holdings' Series A Preferred Stock	-	(31,709)
Unrealized and realized losses on interest rate swap contracts	(16,497)	(655)
	$119,180	$(165,305)

The effects of these gains and losses are largely offset by the losses and gains on investment securities pledged as collateral which are included in gain (loss) on investments, net discussed above.

Loss on extinguishment of debt of $78,571 for the year ended December 31, 2004 represents premiums of $58,170 on the early redemption of CSC Holdings' Series H and Series M Redeemable Preferred Stock, $14,325 on the early redemption of CSC Holdings' 9-7/8% senior subordinated debentures, and $6,076 on the termination of the AT&T Wireless stock monetization contracts.

Minority interests represent other parties' share of the net income (losses) of entities which are not entirely owned by us but which are consolidated in our financial statements. For the years ended December 31, 2005 and 2004 minority interests consisted of the following:

	Years Ended December 31,	
	2005	2004
News Corporation's 40% share of the net income or loss of Regional Programming Partners	$ 2,123	$(57,218)
News Corporation's 40% share of the net income of Fox Sports Net Bay Area	(6,896)	-
Minority partner's interest in DTV Norwich	-	7,850
Other	(698)	(939)
	$(5,471)	$(50,307)

Net miscellaneous income of $651 for the year ended December 31, 2005 resulted primarily from dividends received on certain of the Company's investment securities, partially offset by other miscellaneous expenses.

Income tax benefit attributable to continuing operations of $75,691 for the year ended December 31, 2005 resulted primarily from the pretax loss, state income tax benefit of $12,211, increased by a tax benefit of $6,701 resulting from an adjustment to the state tax rate, partially offset by an increase in the valuation allowance of $6,459 relating to certain state net operating loss carry forwards and the impact of non-deductible officers' compensation and other non-deductible expenses of $6,226 and $10,637, respectively. Income tax benefit attributable to continuing operations of $201,397 in 2004 resulted primarily from the pretax loss, offset by an increase in the valuation allowance of $14,036, non-deductible preferred stock dividends of $21,208, a non-deductible adjustment related to the exchange right and put option related to the Series A Preferred Stock of CSC Holdings of $11,098, a non-deductible redemption premium related to the Series H and M Preferred Stock of CSC Holdings of $20,360, state income tax benefit of $25,692, a tax benefit of $21,615 resulting from an adjustment to the deferred tax rate, and the impact of non-deductible officers' compensation and other non-deductible expenses of $8,303 and $4,776, respectively.

Income (loss) from discontinued operations

In April 2005, the operations of the Rainbow DBS satellite distribution business were shut down. In connection with the shut down, certain assets of the business, including the Rainbow 1 direct broadcast satellite and certain other related assets were sold to a subsidiary of EchoStar for $200,000 in cash. This transaction closed in November 2005.

In April 2005, the Company and News Corporation restructured Regional Programming Partners. As a result, the Company now owns 100% of Madison Square Garden, 50% of Fox Sports Net New England and continues to own 60% of Fox Sports Net Bay Area and no longer owns interests in Fox Sports Net Ohio, Fox Sports Net Florida, National Sports Partners or National Advertising Partners. The Company also owned 100% of Fox Sports Net Chicago which was shut down in June 2006.

The operating results of the Fox Sports Net Chicago (which was shut down in June 2006), Fox Sports Net Ohio and Fox Sports Net Florida businesses and those of the Rainbow DBS distribution business, which was shut down in April 2005, have been reported in discontinued operations in the Company's consolidated statements of operations for all periods presented.

Income (loss) from discontinued operations, net of taxes for the years ended December 31, 2005 and 2004 reflects the following items, net of related income taxes and minority interests:

	Years Ended December 31,	
	2005	2004
Net operating results of the Rainbow DBS distribution business including shutdown costs (including impairment charges of $188,467 in 2004), net of taxes	$(60,832)	$(220,327)
Net operating results of Fox Sports Net Ohio and Fox Sports Net Florida, net of taxes	6,652	22,924
Gain on sale of Fox Sports Net Ohio and Fox Sports Net Florida, net of taxes	266,810	-
Net operating results of Fox Sports Net Chicago, net of taxes	1,620	13,581
Other, net of taxes	2,603	(1,654)
	$216,853	$(185,476)

Extraordinary loss, net of taxes of $7,436 for the year ended December 31, 2004 resulted from Rainbow DBS' investment in DTV Norwich, LLC and represents the excess of the purchase price over fair value of the acquired assets.

Business Segments Results – Cablevision Systems Corporation

Telecommunications Services

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenue for the Company's Telecommunications Services segment:

	Years Ended December 31,				
	2005		2004		
	Amount	% of Net Revenues	Amount	% of Net Revenues	Increase (Decrease) in Operating Income
Revenues, net	$3,606,765	100%	$3,123,956	100%	$ 482,809
Technical and operating expenses (excluding depreciation and amortization)	1,504,666	42	1,276,529	41	(228,137)
Selling, general and administrative expenses	704,557	20	636,955	20	(67,602)
Restructuring charges	295	-	736	-	441
Depreciation and amortization	843,177	23	786,485	25	(56,692)
Operating income	$ 554,070	15%	$ 423,251	14%	$ 130,819

Revenues, net for the year ended December 31, 2005 increased $482,809 (15%) as compared to revenues for the prior year. The following table presents the increases by major components of revenues for the years ended December 31, 2005 and 2004:

	As of December 31, 2005	As of December 31, 2004	Increase	Percent Increase
Video (including analog, digital, pay-per-view, video-on-demand and digital video recorder)	$2,309,293	$2,116,795	$192,498	9%
High-speed data	761,775	618,899	142,876	23%
Voice	171,701	56,739	114,962	203%
Advertising	110,033	106,435	3,598	3%
Other (including installation, commissions, home shopping and other products)	98,093	81,389	16,704	20%
Total cable television	3,450,895	2,980,257	470,638	16%
Lightpath	195,486	167,660	27,826	17%
Intra-segment eliminations	(39,616)	(23,961)	(15,655)	(65)%
Total Telecommunications Services	$3,606,765	$3,123,956	$482,809	15%

Revenue increases reflected above are primarily derived from increases in the number of subscribers to these services (set forth in the table below), upgrades by video customers in the level of the programming package to which they subscribe, additional services sold to our existing subscribers and general increases in rates, offset in part by offer discounts and other rate changes. The increase in Lightpath net revenues is attributable primarily to growth in Ethernet data services over Lightpath's fiber infrastructure and to growth in traditional data services. As a result, our average monthly revenue per basic video subscriber for the fourth quarter of December 2005 was $100.46 as compared to $88.33 for the fourth quarter of December 2004. The following table presents certain subscriber information for the years ended December 31, 2005 and 2004 for the Company's cable television systems:

	As of December 31, 2005	As of December 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Basic video customers	3,027,000	2,963,000	64,000	2%
iO digital video customers	1,963,000	1,483,000	480,000	32%
Optimum Online high-speed data customers	1,694,000	1,353,000	341,000	25%
Optimum voice customers	731,000	273,000	458,000	168%
Residential telephone customers	8,000	9,000	(1,000)	(11)%
Total revenue generating units	7,423,000	6,081,000	1,342,000	22%

Technical and operating expenses (excluding depreciation and amortization) for 2005 increased $228,137 (18%) compared to 2004. The net increase is attributable to the following:

Increase in programming costs (including costs of on-demand services) due primarily to subscriber growth, expanded service offerings, and programming rate increases	$114,548
Increase in field service and network related costs primarily due to growth in revenue generating units	67,563
Increase in call completion and interconnection costs related to the VoIP business due primarily to subscriber growth	28,339
Other net increases, including intra-segment eliminations	17,687
	$228,137

As a percentage of revenues, technical and operating expenses increased 1% during 2005 as compared to 2004.

Selling, general and administrative expenses increased $67,602 (11%) for 2005 as compared to 2004. The net increase is attributable to the following:

Increase in sales and marketing costs	$33,468
Increase in customer related costs primarily due to increased revenue generating units	31,910
Decrease in stock plan expenses (includes the effects of changes in stock price, the vesting of restricted shares and employee separations)	(1,661)
Increase in expenses relating to a long-term incentive plan	4,800
Other net decreases, including intra-segment eliminations	(915)
	$67,602

As a percentage of revenues, selling, general and administrative expenses remained constant in 2005 as compared to 2004.

Restructuring charges amounted to $295 in 2005 and $736 in 2004. The 2005 amount is comprised of $894 of current severance costs and $297 of additional provisions for severance associated with the 2004 restructuring plans, partially offset by a $896 credit resulting from changes in estimates of facility realignment costs relating to the 2002 restructuring plans. The 2004 amount is comprised of $882 of new provisions associated with the elimination of positions, including severance and outplacement costs, partially offset by a credit of $146 in facility realignment costs relating to the 2001 and 2002 restructuring.

Depreciation and amortization increased $56,692 (7%) for 2005 as compared to 2004. The increase resulted primarily from depreciation of new fixed assets, primarily subscriber devices and increases in amortization expense relating to other amortizable intangibles.

Rainbow

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to revenues for the Company's Rainbow segment:

	Years Ended December 31,				
	2005		2004		
	Amount	% of Net Revenues	Amount	% of Net Revenues	Increase (Decrease) in Operating Income
Revenues, net	$825,561	100%	$ 806,394	100%	$ 19,167
Technical and operating expenses (excluding depreciation, amortization and impairments)	345,567	42	430,174	53	84,607
Selling, general and administrative expenses	327,994	40	324,018	40	(3,976)
Restructuring credits	-	-	(77)	-	(77)
Depreciation and amortization (including impairments)	113,429	14	213,896	27	100,467
Operating income (loss)	$ 38,571	5%	$(161,617)	(20)%	$200,188

Included in the Rainbow segment's results of operations is operating income from AMC, IFC and WE tv aggregating $185,703 and $159,815 and operating losses from Rainbow's other programming services aggregating $147,132 and $321,432 for the years ended December 31, 2005 and 2004, respectively. These other programming services consist of Fox Sports Net Bay Area, fuse, Mag Rack, sportskool, News 12 Networks, IFC Entertainment, VOOM HD Networks, Rainbow Network Communications, Rainbow Advertising Sales Corp. and other Rainbow ventures. The operating loss was attributable primarily to the VOOM HD Networks, as well as the News 12 Networks and fuse which more than offset operating income generated by Fox Sports Net Bay Area. The 2004 operating loss included impairment charges relating to the VOOM HD Networks and certain Rainbow DBS assets that were not held for sale.

Revenues, net for the year ended December 31, 2005 increased $19,167 (2%) as compared to revenues for the prior year. The net increase is attributable to the following:

Increase in advertising revenues at the AMC/IFC/WE tv and fuse businesses	$ 39,552
Increase in affiliate revenue, partially offset by a decrease in other revenue	2,049
Decrease attributable to the MetroChannel business which shut down two of its three channels in the second quarter of 2005	(22,434)
	$ 19,167

Revenue increases discussed above are primarily derived from increases in the level of advertising on our networks, increases in the number of subscribers to our programming services, and increases in fees charged for our services. The following table presents certain viewing subscriber information for the years ended December 31, 2005 and 2004:

	As of December 31,			Percent
	2005	2004	Increase	Increase
	(in thousands)			
Viewing Subscribers:				
AMC	77,200	76,100	1,100	1.4%
WE tv	50,900	49,900	1,000	2.0%
IFC	37,300	34,600	2,700	7.8%
fuse	35,500	33,100	2,400	7.3%
VOOM HD	25	-	25	-
Fox Sports Net Bay Area	3,600	3,600	-	-

Technical and operating expenses (excluding depreciation and amortization and impairments) for the year ended December 31, 2005 decreased $84,607 (20%) compared to 2004. The net decrease is attributable to the following:

Net decrease resulting from lower programming and contractual costs for the VOOM HD Networks (including an impairment charge of $75,805 recorded in 2004)	$(107,068)
Net increase resulting from higher programming and contractual costs at other Rainbow businesses	22,461
	$ (84,607)

As a percentage of revenues, technical and operating expenses decreased 11% during 2005 as compared 2004. The decrease resulted primarily from impairment charges in 2004 amounting to approximately 9% of revenues.

Selling, general and administrative expenses increased $3,976 (1%) for 2005 compared to 2004. The net increase is attributable to the following:

Increase in expenses relating to a long-term incentive plan	$ 9,392
Increase in selling, marketing and advertising costs	3,578
Decrease in administrative costs across all other Rainbow businesses, including a decrease in costs relating to the investigation into improper expense recognition	(7,857)
Decrease in share-based compensation expenses	(1,137)
	$ 3,976

As a percentage of revenues, selling, general and administrative expenses remained constant in 2005 compared to 2004.

Depreciation and amortization (including impairments) decreased $100,467 (47%) for 2005 as compared to 2004. The decrease resulted primarily from impairment charges in 2004 of $78,497 relating to certain Rainbow DBS assets that were not held for sale and $12,043 related to certain assets of the VOOM HD Networks. A decrease of approximately $11,970 resulted primarily from certain intangibles becoming fully amortized in 2004 and a decrease of $3,720 resulted from certain fixed assets becoming fully depreciated. These decreases were partially offset by increases of $4,963 resulting from the impairment in 2005 of certain intangibles and $800 from the impairment of fixed assets.

Madison Square Garden

The table below sets forth, for the periods presented, certain historical financial information and the percentage that those items bear to net revenues for Madison Square Garden:

	Years Ended December 31,				
	2005		2004		
	Amount	% of Net Revenues	Amount	% of Net Revenues	Increase (Decrease) in Operating Income
Revenues, net	$804,395	100%	$778,754	100%	$ 25,641
Technical and operating expenses (excluding depreciation and amortization)	518,773	64	561,326	72	42,553
Selling, general and administrative expenses	169,018	21	146,980	19	(22,038)
Other operating income	-	-	(95,840)	(12)	(95,840)
Restructuring charges	366	-	4,146	-	3,780
Depreciation and amortization	62,834	8	45,445	6	(17,389)
Operating income	$ 53,404	7%	$116,697	15%	$(63,293)

Revenues, net for the year ended December 31, 2005 increased $25,641 (3%) as compared to revenues for the prior year. This net increase is attributable to the following:

Net impact of National Hockey League cancellation of 2004-2005 season	$(11,604)
Absence of National Basketball Association expansion revenue received in 2004	(10,345)
Absence of Knicks playoff related revenue	(6,192)
Lower revenues from *Christmas Spectacular*, including touring shows	(6,986)
Other net decreases	(2,879)
Higher MSG Networks revenues due to:	
Retroactive increase in affiliate rates recorded in 2005 that related to periods prior to January 1, 2005	17,834
Other MSG Networks revenues, (excluding the impact of the cancellation of the NHL 2004-2005 season and the Knicks playoffs reflected above) primarily from net affiliate rate adjustments related to the year ended December 31, 2005	35,101
Net higher revenues from other events at Madison Square Garden and Radio City Music Hall	5,709
Higher Knicks related regular season revenues	5,003
	$ 25,641

Technical and operating expenses (excluding depreciation and amortization) for the year ended December 31, 2005 decreased $42,553 (8%) as compared to the prior year. This net decrease is attributable to the following:

Net impact of National Hockey League cancellation of 2004-2005 season	$(37,078)
Amortization of certain purchase accounting liabilities	(32,173)
Higher net provisions for certain team personnel transactions (excluding the impact of purchase accounting liabilities and luxury tax)	25,032
Higher net provision for luxury tax, including the impact of certain team personnel transactions	2,908
Other net decreases	(1,242)
	$(42,553)

The purchase accounting liabilities discussed above were established in April 2005 as a result of the Company's acquisition of the minority interest in Madison Square Garden. Following this transaction the Company began to amortize these purchase accounting liabilities over the period of the respective player contracts. Some of these players were subsequently waived or traded before December 31, 2005 resulting in the complete amortization of the associated purchase accounting liabilities. The higher net luxury tax provision of $2,908 resulted primarily from luxury tax associated with a player who was waived prior to the new NBA Collective Bargaining Agreement and whose contractual obligations are now subject to luxury tax. This was substantially offset by lower luxury tax for the current calendar year's portion of the tax for the 2005-2006 season as compared to the prior year's portion of the 2003-2004 season. There was no luxury tax attributable to the 2004-2005 season.

Selling, general, and administrative expenses for the year ended December 31, 2005 increased $22,038 (15%) as compared to the prior year primarily driven by an increase in expenses related to employee salaries and related benefits, including stock and long-term incentive plans, higher professional fees and other costs relating primarily to the Company's efforts to acquire the development rights over the New York Metropolitan Transportation Authority's Hudson Rail Yards, and higher charitable contributions.

Other operating income of $95,840 in 2004 results from the notice of termination of Madison Square Garden's broadcast rights agreement with the New York Mets. In the second quarter of 2004, the New York Mets gave notice of termination of their rights agreement with Madison Square Garden, and with the notice paid Madison Square Garden a contractually obligated termination fee of $54,052. The termination of the rights agreement was effective at the end of the 2005 baseball season. In addition, Madison Square Garden recorded a $41,788 credit reflecting the reversal of a purchase accounting liability related to this rights agreement.

Restructuring charges of $366 in 2005 primarily represent charges recorded as a result of the final cost determination for benefits associated with the elimination of certain staff positions. Restructuring charges of $4,146 for 2004 primarily represent severance costs associated with the elimination of certain staff positions in 2004.

Depreciation and amortization for the year ended December 31, 2005 increased $17,389 (38%), as compared to the prior year. An increase of $10,668 resulted from higher amortization of intangibles primarily due to certain intangible assets recorded as a result of the Company's acquisition of the minority interest in Madison Square Garden. An increase of $6,721 resulted from higher depreciation expense primarily due to the acceleration of depreciation of certain Madison Square Garden Arena assets due to its planned renovation.

CSC HOLDINGS, INC.

The statement of operations results of CSC Holdings are identical to the statement of operations results of Cablevision, except for the following:

- Interest expense of $132,784, $124,498 and $85,048 for the years ended December 31, 2006, 2005 and 2004, respectively, relating to $1,500,000 of Cablevision senior notes issued in April 2004 included in Cablevision's consolidated statements of operations,
- Interest income of $3,958 and $89 for the years ended December 31, 2006 and 2005, respectively, related to cash held at Cablevision,
- Miscellaneous expenses of $177 included in Cablevision's consolidated statement of operations for the year ended December 31, 2005, and
- Income tax benefit of $52,831, $50,993 and $35,125 for the years ended December 31, 2006, 2005 and 2004, respectively, included in Cablevision's consolidated statements of operations related to the items listed above.

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

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cablevision has no operations independent of its subsidiaries. Cablevision's outstanding securities consist of Cablevision NY Group Class A and Cablevision NY Group Class B common stock and $1,500,000 of debt securities. Funding for the debt service requirements of our debt securities is provided by our subsidiaries operations, principally CSC Holdings, as permitted by the covenants governing CSC Holdings' credit agreements and public debt securities. Funding for our subsidiaries is generally provided by cash flow from operations, cash on hand, and borrowings under bank credit facilities made available to the Restricted Group (as later defined) and to Rainbow National Services LLC ("RNS") and the proceeds from the issuance of notes and debentures in the capital markets. The Company has accessed the debt markets for significant amounts of capital in the past and may do so in the future. For the year ended December 31, 2006, Cablevision had cash flow from operating activities in excess of capital expenditures.

The following table summarizes our outstanding debt and present value of capital leases as well as interest expense and capital expenditures as of and for the year ended December 31, 2006:

	Cablevision	Restricted Group	Rainbow National Services	Other Entities	Total
Bank debt	$ -	$4,482,500	$ 510,000	$ -	$ 4,992,500
Capital leases	-	256	11,507	49,695	61,458
Notes payable	-	18,843	-	-	18,843
Senior notes and debentures	1,500,000	4,195,480	298,476	-	5,993,956
Senior subordinated debentures	-	-	497,011	-	497,011
Collateralized indebtedness relating to stock monetizations	-	-	-	921,574	921,574
Total debt	$1,500,000	$8,697,079	$1,316,994	$971,269	$12,485,342
Interest expense	$ 132,784	$ 615,460	$ 125,195	$ 54,763	$ 928,202
Capital expenditures	$ -	$ 819,043	$ 5,219	$ 62,035	$ 886,297

Total amounts payable by the Company and its subsidiaries in connection with its outstanding obligations during the five years subsequent to December 31, 2006 and thereafter, including capital leases and related interest, the value deliverable at maturity under monetization contracts and the $4,992,500 of outstanding bank debt as of December 31, 2006 are as follows:

	Cablevision	Restricted Group	Rainbow National Services	Other Entities	Total
2007	$ -	$ 611,832	$ 1,676	$ 111,326*	$ 724,834
2008	-	586,017	26,536	258,972*	871,525
2009	500,000	1,185,000	26,536	670,455*	2,381,991
2010	-	285,000	26,536	3,000	314,536
2011	-	1,435,000	51,536	3,000	1,489,536
Thereafter	1,000,000	4,598,750	1,196,648	-	6,795,398
Total	$1,500,000	$8,701,599	$1,329,468	$1,046,753	$12,577,820

* Cablevision has the option, at maturity, to deliver the shares of common stock underlying the monetization contracts along with proceeds from the related derivative contracts in full satisfaction of the maturing collateralized indebtedness or obtain the required cash equivalent of the common stock through new monetization and derivative contracts. The amounts included in the table are $102,469 in 2007, $222,624 in 2008 and $667,455 in 2009.

Restricted Group

As of December 31, 2006, CSC Holdings and those of its subsidiaries which conduct our cable television video operations (including approximately 3.1 million basic video customers and 2.4 million digital video customers) and high-speed data service (which encompasses approximately 2.0 million customers) and our residential voice services operations (which encompasses approximately 1.2 million customers), as well as Optimum Lightpath, our commercial data and voice service business comprise the "Restricted Group" since they are subject to the covenants and restrictions of the credit facility and the indentures governing the notes and debentures securities 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 bank credit agreement and issuance of notes and debentures in the capital markets and, from time to time, distributions or loans from its subsidiaries. The Restricted Group's principal uses of cash (excluding the cash used to pay the special dividend discussed below) include capital spending, in particular the capital requirements associated with the growth of its services such as digital video, high-speed data and voice; debt service, including distributions made to Cablevision to service interest expense on its debt securities; other corporate expenses and changes in working capital; and investments that it may fund from time to time. We currently expect that the net funding and investment requirements of the Restricted Group will be met with cash generated by its operating activities and borrowings under the Restricted Group's bank credit facility and that the Restricted Group's available borrowing capacity under that facility will be sufficient to meet these requirements for the next 12 months.

On February 24, 2006, the Restricted Group entered into a $2,400,000 credit facility with a group of banks consisting of three components: a $1,000,000 revolver, a $1,000,000 term A-1 loan facility and a $400,000 term A-2 loan facility that has since been refinanced and repaid in full, as described below. Of the $1,400,000 proceeds received from the term loans under the credit facility, $1,265,648 was used to repay the outstanding borrowings and accrued interest under the prior Restricted Group credit facility that was scheduled to mature in June 2006, and $26,059 for fees and expenses. On March 29, 2006, the Restricted Group entered into a $3,500,000 term B loan facility, of which $414,077 of the proceeds was used to prepay the outstanding borrowings of the term A-2 loan facility, including accrued interest, fees and expenses. The balance of the outstanding term B loan facility borrowings was invested in short-term AAA rated funds until approval of the special dividend by the Company's Board of Directors, and was then distributed to Cablevision on April 24, 2006 after the special dividend was approved by the Board of Directors.

The three components of the new Restricted Group credit facility, the $1,000,000 revolver, the $1,000,000 term A-1 loan facility and the $3,500,000 term B loan facility, are direct obligations of CSC Holdings, guaranteed by most Restricted Group subsidiaries and secured by the pledge of the stock of most Restricted Group subsidiaries. As of February 23, 2007, $51,994 of the $1,000,000 revolving credit facility was restricted for certain letters of credit issued on behalf of CSC Holdings and $948,006 of the revolver was undrawn. The revolving credit facility and the term A-1 loan facility mature in six years in February 2012 and the term B loan facility matures in seven years in March 2013. The revolver has no required interim repayments, the $1,000,000 term A-1 loan facility requires quarterly repayments aggregating 0% in year one, 5% in each of years two and three, 25% in each of years four and five, and 40% in the final year and the $3,500,000 term B loan facility is subject to quarterly repayments totaling 1% ($8,750 per quarter) in each of years one through six and 94% ($822,500 per quarter) in the final year. The interest rate on the term A-1 loan facility varies, depending on the Restricted Group's cash flow ratio (as defined) from .75% to 1.75% over the Eurodollar Rate for Eurodollar-based borrowings and from zero to .75% over the Base Rate for Base Rate Borrowings (as defined). The interest rate on the borrowings under the term B loan facility is the Eurodollar Rate (as defined) plus 1.75% or prime rate plus .75%, at the Company's election. The weighted average interest rates as of December 31, 2006 on borrowings under the term A-1 loan facility and term B loan facility were 6.62% and 7.12%, respectively.

The principal financial covenants, which are not identical for the revolving credit facility and the term A-1 loan facility, on the one hand, and the term B loan facility, on the other, include (i) under the revolving credit facility and the term A-1 loan facility, maximum total leverage of 7.50 to 1 with subsequent stepdowns over the life of the revolving credit facility and the term A-1 loan facility until reaching 4.50 to 1 for periods beginning on and after January 1, 2010, (ii) under the revolving credit facility and the term A-1 loan facility, maximum senior secured leverage of 4.00 times cash flow through December 31, 2006 with annual stepdowns thereafter over the life of the revolving credit facility and the term A-1 loan facility until reaching 3.00 to 1 for periods beginning on and after January 1, 2010, (iii) under the revolving credit facility and the term A-1 loan facility, minimum ratios for cash flow to interest expense of 1.75 to 1 initially, increasing to 2.00 to 1 on and after July 1, 2007, and (iv) under the revolving credit facility and the term A-1 loan facility, a minimum ratio of cash flow less cash taxes to total debt expense (defined to include interest expense, certain payments of principal and dividends paid by CSC Holdings to Cablevision to permit Cablevision to pay interest and certain principal payments on its debt) of 1.50 to 1. These covenants and restrictions on the permitted use of borrowed funds in the revolving credit facility may limit our ability to utilize all of the undrawn revolver funds. Additional covenants include limitations on liens and the issuance of additional debt. Under the term B loan facility, we are limited in our ability to incur additional indebtedness based on a maximum ratio of total indebtedness to cash flow (as defined in the term B loan facility) of 7.50 to 1 with subsequent stepdowns over the life of the term B loan facility until reaching 5.00 to 1 for periods beginning on and after January 1, 2010 and a maximum senior secured leverage ratio of 4.50 times cash flow (as defined in the term B loan facility).

Under the revolving credit facility and the term A-1 loan facility, there are generally no restrictions on investments that the Restricted Group may make, provided it is not in default. The Restricted Group can make distributions or other restricted payments so long as CSC Holdings is not in default but there is a limitation (initially $200,000, subject to increase to reflect capital contributions or issuance of equity interests) on restricted payments during any period when the cash flow leverage ratio is greater than 6.00 to 1. The $200,000 limitation does not apply to restricted payments by CSC Holdings to Cablevision to be used by Cablevision to make scheduled payments of principal or interest on its indebtedness. Under the term B loan facility, there also are generally no restrictions on investments that the Restricted Group may make provided it is not in default; however, CSC Holdings must also remain in compliance with the maximum ratio of total indebtedness to cash flow and the maximum senior secured leverage ratio. Our ability to make restricted payments is also limited by provisions in the term B loan facility and the indentures covering our notes and debentures.

CSC Holdings, a member of the Restricted Group, has issued senior and senior subordinated notes and debentures, which also contain financial and other covenants, though they are generally less restrictive than the covenants contained in the Restricted Group's bank credit facility. Principal covenants include a limitation on the incurrence of additional indebtedness based upon a maximum ratio of total indebtedness to cash flow (as defined in the indentures) of 9.00 to 1 and limitations on dividends and distributions. The indentures governing the Cablevision note and debenture issuances contain similar covenants and restrictions, including a limitation on additional debt incurrence based on a 9.00 to 1 debt to cash flow ratio. There are no covenants, events of default, borrowing conditions or other terms in the Restricted Group's credit facility or in any of CSC Holdings' or Cablevision's other debt securities that are based on changes in the credit ratings assigned by any rating agency. The Restricted Group was in compliance with all of its financial covenants under its various credit agreements as of December 31, 2006.

Cablevision's and CSC Holdings' future access to the debt markets and the cost of any future debt issuances are also influenced by their credit ratings, which are provided by Moody's Investors Service and Standard & Poor's. Key factors in the assessment of Cablevision's and CSC Holdings' credit ratings include Cablevision and CSC Holdings' financial strength and flexibility, operating capabilities, management risk tolerance and ability to respond to changes in the competitive landscape. The corporate credit rating for Cablevision and CSC Holdings is B1 with a stable outlook by Moody's and BB with a negative outlook by Standard & Poor's. Any future downgrade to the Cablevision and/or CSC Holdings credit ratings by either rating agency could increase the interest rate on future debt issuances and could adversely impact our ability to raise additional funds. See discussion under Item 1A - Risk Factors, "A lowering or withdrawal of the ratings assigned to our debt securities by ratings agencies may further increase our future borrowing costs and reduce our access to capital."

Rainbow and Rainbow National Services

RNS, our wholly-owned subsidiary which owns the common equity interests in the Company's AMC, WE tv and IFC programming operations, generated positive cash from operating activities in 2006. Its cash on hand, plus cash flow from operations and proceeds from borrowings available to it, provides the capital required for net funding and investment requirements of other Rainbow programming entities including the VOOM HD Networks, News 12 Networks and fuse subject to the applicable covenants and limitations contained in RNS' financing agreements.

On July 5, 2006, RNS entered into an $800,000 senior secured credit facility (the "New RNS Credit Facility") which consists of a $500,000 term A loan facility and a $300,000 revolving credit facility. The term A loan facility matures June 30, 2013 and the revolving credit facility matures June 30, 2012. The New RNS Credit Facility allows RNS to utilize up to $50,000 of the revolving credit facility for letters of credit and up to $5,000 for a swing loan. Further, the New RNS Credit Facility provides for an incremental facility of up to $925,000, provided that it be for a minimum amount of $100,000. If an incremental facility is established, RNS and the lenders will enter into a supplement to the New RNS Credit Facility with terms and conditions that are no more restrictive than those of the New RNS Credit Facility. There are no commitments from the lenders to fund an incremental facility.

On July 5, 2006, RNS borrowed the entire $500,000 term A loan facility and $10,000 under the revolving credit facility. RNS used the $510,000 borrowed under the New RNS Credit Facility and $88,048 of additional available cash to repay all of its outstanding borrowings, accrued interest and fees due under its August 2004 $950,000 senior secured credit facility of which $592,500 was outstanding under a term loan at July 5, 2006 (scheduled to mature March 31, 2012) and to pay certain fees and expenses incurred in connection with the New RNS Credit Facility. RNS may use future borrowings under the New RNS Credit Facility to make investments, distributions, and other payments permitted under the New RNS Credit Facility and for general corporate purposes. The borrowings under the New RNS Credit Facility may be repaid without penalty at any time. Outstanding borrowings under the term loan and revolving credit facility at February 23, 2007 were $500,000 and $10,000, respectively. RNS had $290,000 in undrawn revolver commitments at February 23, 2007.

Borrowings under the New RNS Credit Facility are direct obligations of RNS which are guaranteed jointly and severally by substantially all of its subsidiaries and by Rainbow Programming Holdings LLC, the direct parent of RNS, and are secured by the pledge of the stock of RNS and substantially all of its subsidiaries, and all of the other assets of RNS and substantially all of its subsidiaries (subject to certain limited exceptions). Borrowings under the New RNS Credit Facility bear interest based on either the Base Rate (the greater of the Federal Funds Rate plus 0.5% and the prime rate (as defined in the New RNS Credit Facility)) or the Eurodollar Rate (as defined in the New RNS Credit Facility). The interest rate under the New RNS Credit Facility varies, depending on RNS' cash flow ratio (as defined in the New RNS Credit Facility), from 1.0% to 1.5% over the Eurodollar Rate for Eurodollar-based borrowings and from zero to 0.5% over the Base Rate for Base Rate borrowings. At December 31, 2006, the interest rate on the term A loan facility and the revolving credit facility was 6.62% and 6.60%, respectively. The term A loan is to be repaid in quarterly installments of 1.25% of the original outstanding balance ($6,250) from March 31, 2008 until December 31, 2010, 2.5% of the original outstanding balance ($12,500) from March 31, 2011 until December 31, 2012, and 32.5% of the original outstanding balance ($162,500) on March 31, 2013 and June 30, 2013, the maturity of the term A loan. Any amounts outstanding under the revolving credit facility are due at maturity on June 30, 2012.

The financial covenants consist of (i) a minimum ratio of operating cash flow to total interest expense for each quarter (all as defined in the New RNS Credit Facility) of 1.75 to 1, (ii) a maximum cash flow ratio of total indebtedness to annualized operating cash flow (as defined in the New RNS Credit Facility) of 6.75 to 1 through June 30, 2008, decreasing thereafter to 6.25 to 1, and (iii) a maximum senior secured leverage ratio of senior secured debt to annualized operating cash flow (all as defined in the New RNS

Credit Facility) of 5.50 to 1. Additional covenants include restrictions on indebtedness, guarantees, liens, investments, dividends and distributions and transactions with affiliates.

RNS is obligated to pay fees of 0.375% per annum on any undrawn revolver commitment.

RNS also has notes outstanding consisting of $300,000 principal amount of 8-3/4% senior notes due September 1, 2012 and $500,000 principal amount of 10-3/8% senior subordinated notes due September 1, 2014. These notes are guaranteed by substantially all of RNS' subsidiaries.

RNS was in compliance with all of its financial covenants under its various credit agreements as of December 31, 2006.

In April 2005, subsidiaries of the Company entered into agreements with EchoStar relating to the launch and operation of the business of Rainbow HD Holdings LLC, the Company's VOOM HD Networks high definition television programming service, subject to the closing of the sale of our satellite (Rainbow 1) to EchoStar which occurred in November 2005. Under those arrangements, EchoStar was initially distributed a portion of the VOOM HD Networks programming service and, beginning in 2006 began carrying all 15 of the channels included in the programming service. In connection with the arrangements, EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings' equity by the Company.

Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year, up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future.

RNS' future access to the debt markets and the cost of any future debt issuances are also influenced by its credit ratings, which are provided by Moody's Investors Service and Standard & Poor's. Key factors in the assessment of RNS' credit ratings include its free cash flow generating capacity, fiscal strategy, enterprise value and industry risk. The corporate credit rating for RNS is B1 with a stable outlook by Moody's and BB with a negative outlook by Standard & Poor's. Any future downgrade to the RNS credit ratings by either rating agency could increase the interest rate on future debt issuances and could adversely impact its ability to raise additional funds. See discussion under Item 1A - Risk Factors, "A lowering or withdrawal of the ratings assigned to our debt securities by ratings agencies may further increase our future borrowing costs and reduce our access to capital."

Madison Square Garden

We currently expect Madison Square Garden's funding requirements for the next twelve months to be met by its cash on hand and cash from operations.

During the fourth quarter of 2004, the Company announced its intent to renovate the MSG Arena. Although management of the Company is committed to this renovation project, another alternative, which would involve construction of a new arena on the site of the Farley post office, is also being pursued. A substantial renovation or relocation of the Arena would require significant funding.

Debt Covenants Compliance

CSC Holdings and RNS Credit Agreements:

On August 29, 2006, CSC Holdings advised the agent bank and the lenders under the new Restricted Group credit facility that due to the expected restatement of its financial statements resulting from the stock option review, it was unable to comply with its covenant to deliver financial information, due on that date, with respect to the periods ended June 30, 2005 and 2006.

On August 29, 2006, the lenders under the new Restricted Group credit facility, other than the term B lenders, agreed to waive until September 22, 2006 any default resulting from this covenant noncompliance. CSC Holdings delivered all required information under the new Restricted Group credit facility on September 21, 2006 and the information delivery covenant noncompliance was cured by that delivery.

The Restricted Group did not obtain a waiver of the default resulting from this covenant noncompliance from the lenders holding term B loans under the new Restricted Group credit facility and the bank serving as administrative agent under the new Restricted Group credit facility gave a notice of default to CSC Holdings with respect to such term B covenant noncompliance. CSC Holdings delivered all required information under the new Restricted Group credit facility on September 21, 2006, which cured the information delivery covenant noncompliance within the applicable cure period.

In December 2005, the Company determined that there were certain technical covenant violations under the prior Restricted Group credit facility and the prior RNS credit facility. CSC Holdings and RNS received waivers from the lenders under the credit facilities and RNS entered into a related amendment of its credit agreement. In addition, the Company obtained waivers under the agreements governing its monetizations and interest rate swaps. On January 31, 2006, the Company announced that it had cured these covenant violations and was in compliance with all of the covenants of its debt instruments.

Cablevision and CSC Holdings Indentures:

As a result of not filing their Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 by September 8, 2006, Cablevision and CSC Holdings were not in compliance with the information delivery and filing requirements under the indentures relating to their notes and debentures. An entity stating that it represented holders of more than 25% of the outstanding securities of a series under one of Cablevision's indentures notified Cablevision that it is serving a notice of default under the applicable indenture and demanded that the covenant noncompliance be remedied. Cablevision and CSC Holdings delivered all required information under the indentures on September 21, 2006, which cured any potential default within the applicable cure period, upon which time the Company was in compliance with all of the covenants of its debt instruments.

Monetization Contract Maturities

During the year ended December 31, 2006, monetization contracts covering 5,586,687 shares of our Charter Communications stock, 3,449,785 shares of our AT&T stock, 12,742,033 shares of our General Electric stock and 7,159,206 shares of our Comcast Communications stock matured. We settled our obligations under the related Charter Communications and AT&T collateralized indebtedness by delivering an equivalent number of Charter Communications and AT&T shares and the cash proceeds from the related equity derivative contracts.

We settled our obligations under the related Comcast and General Electric collateralized indebtedness by delivering cash equal to the collateralized loan value, net of the value of the related equity derivative contracts. The cash was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast and General Electric shares, proceeds from a prepaid interest rate swap executed in conjunction with the equity derivative contract related to the Comcast shares and, in certain instances, cash from CSC Holdings. The terms of the new contracts allow the Company to retain upside participation in both Comcast and General Electric shares up to each respective contract's upside appreciation limit with downside exposure limited below the respective hedge price.

During the next twelve months, monetization contracts covering 3,724,460 shares of Charter Communications stock and 800,000 shares of Leapfrog stock also mature. The Company intends to settle such transactions by either delivering shares of the applicable stock and proceeds of the equity derivative contracts or delivering cash from the proceeds of a new monetization transaction.

CASH FLOW DISCUSSION

Operating Activities

Net cash provided by operating activities amounted to $961,642 for the year ended December 31, 2006 compared to $923,044 for the year ended December 31, 2005. The 2006 cash provided by operating activities resulted from $995,764 of income before depreciation and amortization, $129,496 of non-cash items, a $54,075 increase in accrued and other liabilities and $41,170 from an increase in accounts payable. Partially offsetting these increases were decreases in cash resulting from a $137,196 increase in feature film inventory resulting primarily from new film licensing and original programming agreements, a $59,616 increase in current and other assets, a $29,784 decrease in feature film and contract obligations, a $17,336 decrease in deferred carriage fees payable, and a $14,931 increase in other deferred costs, including an $11,469 increase in deferred carriage fees.

Net cash provided by operating activities amounted to $923,044 for the year ended December 31, 2005 compared to $685,836 for the year ended December 31, 2004. The 2005 cash provided by operating activities resulted from $956,110 of income before depreciation and amortization, $97,282 of non-cash items, $88,716 from an increase in accrued and other liabilities, and $45,371 from a net increase in deferred carriage fees payable, $30,606 from an increase in accounts payable and $25,671 from an increase in deferred revenue. Partially offsetting these increases were decreases in cash resulting from a $142,703 increase in feature film inventory resulting from new film licensing agreements, a $96,752 increase in current and other assets and an $81,257 increase in deferred carriage fees. The increase of $81,257 in deferred carriage fees and an offsetting increase in current and non-current liabilities of $52,527 arose as one part of a series of multiple agreements entered into simultaneously with the settlement of the litigation between AMC and Time Warner Entertainment, L.P.

Net cash provided by operating activities amounted to $685,836 for the year ended December 31, 2004. The 2004 cash provided by operating activities resulted primarily from $652,642 of income before depreciation and amortization, $218,479 of non-cash items, a $52,033 increase in accrued interest, a $129,777 increase in feature film rights payable and a $11,915 increase in accounts payable. Partially offsetting these increases were decreases in cash resulting from a $258,371 increase in feature film inventory resulting from new film licensing agreements, a $89,283 increase in current and other assets and a $31,356 decrease in accrued and other liabilities.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2006 was $873,173 compared to $763,600 for the year ended December 31, 2005. The 2006 investing activities consisted primarily of $886,297 of capital expenditures ($819,747 of which relate to our Telecommunications Services segment), partially offset by other net cash receipts aggregating $13,124.

Net cash used in investing activities for the year ended December 31, 2005 was $763,600 compared to $792,315 for the year ended December 31, 2004. The 2005 investing activities consisted of $769,292 of capital expenditures ($695,327 of which relate to our Telecommunication Services Segment), $12,886 in additions to other intangible assets and $9,520 in increases to investment securities and other investments, partially offset by a decrease of $27,342 in restricted cash and other net cash receipts of $756.

Net cash used in investing activities for the year ended December 31, 2004 was $792,315. The 2004 investing activities consisted of $697,514 of capital expenditures ($621,480 of which relate to our Telecommunication Services Segment), an $84,738 payment for the acquisition of our interest in DTV Norwich and its acquisition of FCC licenses to provide multichannel video distribution and data service, a $35,797 increase in restricted cash and other net cash payments of $4,341, partially offset by $30,075 received in connection with Northcoast Communications' sale of PCS licenses, representing the release of funds held in escrow.

Financing Activities

Net cash used in financing activities amounted to $16,759 for the year ended December 31, 2006 compared to $644,594 for the year ended December 31, 2005. In 2006, the Company's financing activities consisted primarily of a $2,840,780 dividend distribution to common stockholders, $263,125 used for the redemption of CSC Holdings' senior subordinated debentures, $47,540 in deferred financing costs and other net cash payments of $6,314, partially offset by net proceeds from bank debt of $3,141,000.

Net cash used in financing activities amounted to $644,594 for the year ended December 31, 2005 compared to net cash provided by financing activities of $805,200 for the year ended December 31, 2004. In 2005, the Company's financing activities consisted of net repayments of bank debt of $638,000 and other net cash payments of $6,594.

Net cash provided by financing activities amounted to $805,200 for the year ended December 31, 2004. In 2004, the Company's financing activities consisted primarily of $2,793,922 of proceeds from the issuance of senior notes, net bank debt proceeds of $132,848 and $7,270 from the issuance of common stock, partially offset by payments of $1,694,622 for the redemption of CSC Holdings' Series H and Series M Redeemable Preferred Stock and its Series A Exchangeable Participating Preferred Stock, $350,000 to redeem CSC Holdings' 9-7/8% senior subordinated debentures, $70,086 of deferred financing costs and other net cash payments of $14,132.

Discontinued Operations

The net effect of discontinued operations on cash and cash equivalents amounted to a cash inflow of $79,656 and $110,976 for the years ended December 31, 2006 and 2005, respectively, and a cash outflow of $157,052 for the year ended December 31, 2004, respectively.

Operating Activities

Net cash provided by operating activities of discontinued operations amounted to $75,189 for the year ended December 31, 2006 compared to net cash used by operating activities of $64,535 for the year ended December 31, 2005. The 2006 cash provided by operating activities resulted primarily from the collection of $77,996 of affiliate revenue in June 2006 from a cable affiliate that had not been previously collected due to a contractual dispute.

Net cash used by operating activities of discontinued operations amounted to $64,535 for the year ended December 31, 2005 compared to $73,860 for the year ended December 31, 2004. The 2005 cash used by operating activities resulted primarily from a loss of $67,691 before depreciation and amortization and non-cash items, partially offset by net changes in assets and liabilities of $3,156.

Net cash used by operating activities of discontinued operations amounted to $73,860 for the year ended December 31, 2004. The 2004 operating activities resulted primarily from a loss of $72,184 before depreciation and amortization and non-cash items and net changes in assets and liabilities of $1,676.

Investing Activities

Net cash provided by investing activities of discontinued operations for the year ended December 31, 2006 was $4,467 compared to net cash provided by investing activities of $80,174 for the year ended December 31, 2005. The 2006 investing activities consisted of a $3,912 refund from a supplier and $555 of other net cash receipts.

Net cash provided by investing activities of discontinued operations for the year ended December 31, 2005 was $80,174 compared to net cash used by investing activities of $84,816 for the year ended December 31, 2004. The 2005 investing activities consisted of $200,801 of proceeds primarily from the sale of the Rainbow DBS satellite, partially offset by $108,947 of net cash transferred to News Corporation as part of the Regional Programming Partners restructuring, $11,504 of capital expenditures and other net cash payments of $176.

Net cash used in investing activities of discontinued operations for the year ended December 31, 2004 was $84,816. The 2004 investing activities consisted of $78,121 of capital expenditures and $6,695 of additions to intangible assets.

The net increase in cash classified in assets held for sale was $95,337 and $1,624 for the years ended December 31, 2005 and 2004, respectively.

Contractual Obligations and Off Balance Sheet Commitments

The Company's contractual obligations as of December 31, 2006, 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
Off balance sheet arrangements:					
Programming obligations (1)	$ 2,902,599	$ 828,101	$1,175,374	$ 699,735	$ 199,389
Purchase obligations (2)	2,208,418	474,833	446,360	269,695	1,017,530
Operating lease obligations (3)	960,028	91,214	189,237	170,722	508,855
Guarantees (4)	2,221	2,221	-	-	-
Letters of Credit (5)	54,295	2,300	1,722	-	50,273
	6,127,561	1,398,669	1,812,693	1,140,152	1,776,047
Contractual obligations reflected on the balance sheet:					
Debt obligations (6)	12,503,891	714,045	3,211,096	1,795,000	6,783,750
Feature film obligations	434,234	121,890	151,440	78,673	82,231
Capital lease obligations (7)	73,929	10,789	42,420	9,072	11,648
Purchase obligations (8)	87,707	57,026	9,593	6,592	14,496
	13,099,761	903,750	3,414,549	1,889,337	6,892,125
Total	$19,227,322	$2,302,419	$5,227,242	$3,029,489	$8,668,172

See "Liquidity and Capital Resources" section for a discussion on payment options the Company has on its monetization contracts and notices of default received under various debt obligations. See Notes 9 and 10 to our consolidated financial statements for a discussion of our long-term debt. See Note 13 to our consolidated financial statements for a discussion of our operating leases. See Note 1 to our consolidated financial statements for a discussion of our feature film obligations.

(1) Programming obligations represent contractual commitments with various programming vendors to provide video services to the Company's subscribers. Future fees under such contracts are based on numerous factors, including the number of subscribers receiving the programming. Amounts reflected above are based on the number of subscribers receiving the programming as of December 2006 multiplied by the per subscriber rates contained in the executed agreements in effect as of December 31, 2006.

(2) Purchase obligation amounts not reflected on the balance sheet consist primarily of (i) long-term rights agreements which provide Madison Square Garden and other regional sports networks with exclusive broadcast rights to certain live sporting events in exchange for minimum contractual payments, (ii) payments under employment agreements that we have with our professional sports teams' personnel that are generally guaranteed regardless of employee injury or termination, and (iii) minimum purchase requirements incurred in the normal course of the Company's operations.

(3) Operating lease commitments represent primarily future minimum payment obligations on various long-term, noncancelable leases for office and storage space, lease commitments for Radio City Music Hall, the Beacon Theater and Clearview Cinemas, and rental space on utility poles used for the Company's Telecommunications Segment.

(4) Includes outstanding guarantees primarily by CSC Holdings in favor of certain financial institutions in respect of ongoing interest expense obligations and potential early termination events in connection with the monetization of the Company's holdings of Charter Communications. Amounts payable under such monetization guarantees are estimated as of a particular point in time by the financial institution counterparty and are based upon the current price of the underlying common stock and various other assumptions, including stock market volatility and prevailing interest rates. Such guaranteed amounts approximate the fair value of the monetization indebtedness less the sum of the fair values of the underlying stock and the equity collar as reflected in the Company's accompanying consolidated balance sheet.

(5) Consist primarily of letters of credit obtained by CSC Holdings in favor of insurance providers and certain governmental authorities for the Telecommunications Services segment.

(6) Excludes interest payments and includes future payments due on the Company's (i) bank debt, (ii) senior notes and debentures, (iii) senior subordinated notes and debentures, (iv) collateralized indebtedness, and (v) notes payable.

(7) Reflects the face amount of capital lease obligations, including related interest.
(8) Consist principally of amounts earned under employment agreements that we have with our professional sports teams' personnel. Other long-term obligations also include deferred carriage payments.

The future cash payments reflected above do not include the impact of potential insurance recoveries or amounts which may be due to the NBA for luxury tax payments.

In addition, the future cash payments reflected above do not include the payments required under the Company's agreements with EchoStar relating to the launch and operation of the business of Rainbow HD Holdings, the Company's VOOM HD Networks high-definition television programming service. EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks programming service, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings by the Company. Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year, up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future. On the fifth or eighth anniversary of the effective date of the agreement, the termination of the affiliation agreement by EchoStar, or other specified events, EchoStar has a put right to require a wholly-owned subsidiary of Rainbow Media Holdings to purchase all of its equity interests in Rainbow HD Holdings at fair value. On the seventh or tenth anniversary of the effective date of the agreement, or the second anniversary date of the termination of the Affiliation Agreement by EchoStar, a wholly-owned subsidiary of Rainbow Media Holdings has a call right to purchase all of EchoStar's ownership in Rainbow HD Holdings at fair value.

Managing our Interest Rate and Equity Price Risk

Interest Rate Risk

To manage interest rate risk, we have 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 do not enter into interest rate swap contracts for speculative or trading purposes and have only entered into transactions with counterparties that are rated investment grade.

All of our interest rate derivative contracts are entered into by CSC Holdings and are thus attributable to the Restricted Group; all such contracts are carried at their fair market values on our consolidated balance sheets, with changes in value reflected in the consolidated statements of operations.

Equity Price Risk

We have entered into derivative contracts to hedge our equity price risk and monetize the value of our shares of Comcast, Charter Communications, General Electric, and Leapfrog. 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. The underlying stock and the equity collars are carried at fair market value on our consolidated balance sheets and the collateralized indebtedness is carried at its accreted value. Please refer to Note 10 to our consolidated financial statements for additional information on these transactions.

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 certain wholly-owned subsidiaries that are not part of the Restricted Group; however, in the Charter Communications transactions and certain of the 2005 Comcast transactions, CSC Holdings 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). 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 market value on our consolidated balance sheets with changes in value reflected in the consolidated statements of operations, and all of the counterparties to such transactions currently carry investment grade credit ratings.

Related Party Transactions

Dolan Family Group Proposals

On June 19, 2005, the Company received a proposal from the Dolan Family Group to acquire the outstanding, publicly-held interests in the Company following a pro-rata distribution to all Company stockholders of Rainbow Media Holdings. On October 24, 2005, Cablevision received a letter from the Dolan Family Group withdrawing the June 19, 2005 proposal. In that letter, the Dolan Family Group also recommended that the Company's Board of Directors consider the declaration of a $3 billion one-time, special dividend payable pro rata to all shareholders. The dividend was paid on April 24, 2006 to holders of Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock.

On October 8, 2006, the Company received a proposal from the Dolan Family Group (the "Dolan Family Group Proposal") to acquire, at a purchase price of $27.00 per share in cash, all the outstanding shares of the Company's common stock, except for the shares held by the Dolan Family Group. The Dolan Family Group Proposal contemplated that substantially all of the purchase price would be funded by the incurrence of additional indebtedness by Cablevision, CSC Holdings, RNS and several other subsidiaries of the Company.

Cablevision's Board of Directors appointed a special transaction committee (the "Committee") of independent directors, which consisted of Thomas V. Reifenheiser and Vice Admiral John R. Ryan USN (Ret.), to review the proposal. The Committee retained Willkie Farr & Gallagher LLP, as its legal counsel, and Lehman Brothers Inc. and Morgan Stanley, as financial advisors.

On January 12, 2007, the Committee received a letter from Charles F. Dolan and James L. Dolan, on behalf of members of the Dolan Family Group, outlining a revised proposal (the "Revised Proposal") to acquire all of the outstanding shares of the common stock of Cablevision, except for the shares held by the Dolan Family Group, at a purchase price of $30.00 per share in cash.

On January 16, 2007, the Committee delivered a letter to Charles F. Dolan and James L. Dolan, rejecting the Revised Proposal as inadequate. The Revised Proposal expired on January 17, 2007. There can be no assurances that the Dolan Family Group will not propose, undertake or consummate a similar transaction in the future.

Recently Issued Accounting Pronouncements Not Yet Adopted

In February 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115 ("Statement No. 159"). Statement No. 159 permits entities to elect, at specified election dates, to measure eligible financial instruments and certain other items at fair value. An entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date, and recognize upfront costs and fees related to those items in earnings as incurred. Statement No. 159 is effective as of January 1, 2008 for the Company. Early adoption is permitted, but an entity is prohibited from retrospectively applying Statement No. 159, unless it chooses early adoption of Statement No. 157 and Statement No. 159. SFAS No. 159 also applies to eligible items existing at January 1, 2008 (or when the date of early adoption occurs).

In December 2006, the FASB issued Staff Position No. EITF 00-19-2, Accounting for Registration Payment Arrangements ("FSP 00-19-2"). FSP 00-19-2 provides guidance related to the accounting for registration payment arrangements and specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement, whether issued as a separate arrangement or included as a provision of a financial instrument or arrangement, should be separately recognized and measured in accordance with SFAS No. 5, Accounting for Contingencies ("Statement No. 5"). FSP 00-19-2 requires that if the transfer of consideration under a registration payment arrangement is probable and can be reasonably estimated at inception, the contingent liability under such arrangement shall be included in the allocation of proceeds from the related financing transaction using the measurement guidance in Statement No. 5. FSP 00-19-2 applies immediately to any registration payment arrangement entered into subsequent to the issuance of FSP 00-19-2. For such arrangements issued prior to the issuance of FSP 00-19-2, the guidance is effective for financial statements issued for fiscal years beginning after December 15, 2006 and interim periods within those fiscal years. The Company has not yet determined the impact that the adoption of FSP 00-19-2 will have on its financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements ("Statement No. 157"). Statement No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. Under Statement No. 157, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It also clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. This Statement applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, this Statement does not require any new fair value measurements, however, for some entities, the application of Statement No. 157 could change current practices. Statement No. 157 will be effective for financial statements issued with fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company has not yet determined the impact that the adoption of Statement No. 157 will have on its financial statements.

In June 2006, the FASB issued FASB Interpretation ("FIN") 48, Accounting for Uncertainty in Income Taxes - an interpretation of SFAS No. 109. This Interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Any change in the net assets and liabilities recognized as a result of applying the provisions of FIN 48 would be recorded as an adjustment to the opening balance of retained earnings. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company does not expect the adoption of FIN 48 to have a significant impact on its financial statements.

In June 2006, the Emerging Issues Task Force reached a consensus on Issue No. 06-3, How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation) ("EITF No. 06-3"), which addresses the income statement disclosures for taxes assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer, and may include, but are not limited to, sales, use, value added, and some excise taxes. The presentation of taxes on either a gross (included in revenues and costs) or a net (excluded from revenues) basis is an accounting policy decision that should be disclosed pursuant to Accounting Principles Board Opinion 22. In addition, for any such taxes that are reported on a gross basis, a company should disclose the amounts of those taxes in interim and annual financial statements for each period for which an income statement is presented if those amounts are significant and can be done on an aggregate basis. EITF No. 06-3 will be effective for financial reports for interim and annual reporting periods beginning after December 15, 2006. Had the Company adopted EITF 06-3 for the year ended December 31, 2006, the amount of franchise fees that would have been separately disclosed as a component of net revenue would have approximated $101,000.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

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

Equity Price Risk

The Company is 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, Charter Communications, General Electric and Leapfrog common stock held by us. We have entered into prepaid forward 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. The following table details our estimated early termination exposure as of December 31, 2006:

	Comcast	Charter Communications	General Electric	Leapfrog	Total
Collateralized indebtedness (carrying value)	$(431,123)	$(83,231)	$(388,183)	$(19,037)	$(921,574)
Collateralized indebtedness (fair value estimate)	(423,211)	(83,404)	(375,483)	(18,937)	(901,035)
Derivative contract	(116,576)	69,787	(46,573)	11,353	(82,009)
Fair value of investment securities pledged as collateral	606,098	11,397	474,131	7,584	1,099,210
Net excess (shortfall)	66,311	(2,220)	52,075	-	116,166
Net excess (shortfall) including prepaid swaps	$ 66,311	$ (2,220)	$ 52,075	$ -	$ 116,166

The underlying stock and equity collars are carried at fair value on our consolidated balance sheet and the collateralized indebtedness is carried at its accreted value. The carrying value of our collateralized indebtedness amounted to $921,574 at December 31, 2006. At maturity, the contracts provide for the option to deliver cash or shares of General Electric, Charter Communications, Comcast, or Leapfrog stock (as the case may be), with a value determined by reference to the applicable stock price at maturity.

As of December 31, 2006, the fair value and the carrying value of our holdings of Comcast, Charter Communications, General Electric and Leapfrog common stock aggregated $1,099,210. Assuming a 10% change in price, the potential change in the fair value of these investments would be approximately $109,921. As of December 31, 2006, the net fair value and the carrying value of the equity collar component of the prepaid forward contracts entered into to hedge the equity price risk of certain of these securities aggregated $82,009, a net payable position. For the year ended December 31, 2006, we recorded a net loss on all outstanding equity derivative contracts of $214,352. We also recorded an unrealized and realized gain on our holdings of the underlying stocks of $284,096 for the year ended December 31, 2006, as shown in the following table:

Fair Market Value of Equity Derivative Contracts

Fair market value as of December 31, 2005	$ 296,017
Change in fair value	(214,352)
Maturity of contracts	(163,674)
Fair market value as of December 31, 2006	$ (82,009)
Unrealized and realized gain on underlying stock positions due to changes in prevailing market conditions, net	$ 284,096

In addition, at December 31, 2006, the Company had other investment securities with a carrying value of approximately $10,715. Assuming a 10% change in the price of the securities, the potential change in the fair value of these investments would be approximately $1,072.

The maturity, number of shares deliverable at the relevant maturity, hedge price per share, and the lowest and highest cap prices received for each security monetized via a prepaid forward contract are summarized in the following table:

Security	# of Shares Deliverable	Maturity	Hedge Price per Share*	Cap Price** Low	Cap Price** High
Comcast	7,159,206 7,159,206	2008 2009	$26.69 - $41.23	$33.57	$49.48
Charter Communications	3,724,460	2007	$22.35	$38.33	$38.33
General Electric	12,742,033	2009	$32.52 - $34.14	$39.03	$40.96
Leapfrog	800,000	2007	$24.05	$30.37	$30.37

* 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.

** Represents the price up to which we receive the benefit of stock price appreciation.

Fair Value of Debt: Based on the level of interest rates prevailing at December 31, 2006, the fair value of our fixed rate debt of $6,886,074 exceeded its carrying value of $6,812,986 by $73,088. 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 approximate fair value. The effect of a hypothetical 100 basis point decrease in interest rates prevailing at December 31, 2006 would increase the estimated fair value of our fixed rate debt by $236,505 to $7,122,579. This estimate is based on the assumption of an immediate and parallel shift in interest rates across all maturities.

Interest Rate Derivative Contracts: Our exposure to interest rate movements results from our use of floating rate debt, including $3,500,000 of debt incurred in 2006 to fund the approximately $3,000,000 special dividend described herein and to repay existing indebtedness of approximately $414,000, including accrued interest, fees and expenses. To manage interest rate risk, from time to time we have 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. In addition, from time to time we may utilize short-term interest rate lock agreements to hedge the risk that the cost of a future issuance of fixed rate debt may be adversely affected by changes in interest rates. We do not enter into interest rate swap contracts for speculative or trading purposes. All of our interest rate derivative contracts are entered into by CSC Holdings and are thus attributable to the Restricted Group; all such contracts are carried at their fair market values on our consolidated balance sheets, with changes in value reflected in the consolidated statements of operations.

As of December 31, 2006, we had outstanding interest rate swap contracts to convert fixed rate debt to floating rate debt covering a total notional principal amount of $450,000. As of December 31, 2006, the fair market value and carrying value of these interest rate swap contracts was $6,568, a net liability position, reflected as liabilities under derivative contracts in our consolidated balance sheet. Assuming an immediate and parallel shift in interest rates across the yield curve, a 100 basis point increase in interest rates from December 31, 2006 prevailing levels would increase the fair value of these contracts to a net liability of $10,963.

As of December 31, 2006, we also had outstanding interest rate swap contracts in the notional amount of $3,700,000 to effectively fix borrowing rates on floating rate debt. As of December 31, 2006, these interest rate swap contracts had a fair market value and carrying value of $31,398, a net liability position, as reflected under derivative contracts in our consolidated balance sheet. Assuming an immediate and parallel shift in interest rates across the yield curve, a 100 basis point decrease in interest rates prevailing at December 31, 2006 would increase our liability under these derivative contracts by $98,663 to a liability of $130,061.

For the year ended December 31, 2006, we recorded a net loss on interest swap contracts of $36,473, as detailed in the table below:

Fair Market Value of Interest Rate Derivative Contracts

Fair market value as of December 31, 2006, a net payable position	$(37,966)
Less: fair market value as of December 31, 2005	(10,541)
Change in fair market value, net	(27,425)
Plus: realized loss from cash interest expense	(9,048)
Net loss on interest rate swap contracts	$(36,473)

In addition, we had outstanding at December 31, 2006 prepaid interest rate swap contracts with a notional value of $105,061 entered into in connection with our monetization transactions. As of December 31, 2006, the fair value of our prepaid interest rate derivative contracts was $10,340, a net liability position. Assuming an immediate and parallel shift in interest rates across the yield curve, a 100 basis point increase in interest rates from December 31, 2006 prevailing levels would increase our liability under these derivative contracts by $697 to a liability of $11,037.

For the year ended December 31, 2006, we recorded a net loss on such derivative contracts of $2,887 as detailed below:

Fair Market Value of Prepaid Interest Rate Derivative Contracts

Fair market value as of December 31, 2005	$(26,881)
Change in fair market value, net	23,037
New derivative contract	(6,496)
Fair market value as of December 31, 2006	$(10,340)
Change in fair market value, net	$ 23,037
Realized loss resulting from net cash payments	(25,924)
Net gain on prepaid interest rate swap contracts	$ 2,887

Item 8. Financial Statements and Supplementary Data.

For information required by Item 8, refer to the Index to Financial Statements on page 109.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined under SEC rules). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as of December 31, 2006.

Management's Annual Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is a process designed under the supervision of the Company's Chief Executive Officer and Chief Financial Officer to provide reasonable assurance to the Company's management and Board of Directors regarding the reliability of financial reporting and the preparation of the Company's external financial statements, including estimates and judgments, in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those internal controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2006.

Attestation Report of the Registered Public Accounting Firm

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2006 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation reports appearing on pages I-1, I-2, II-1 and II-2.

Changes in Internal Control

None.

Item 9B. Other Information

None.

PART III

Information required under Item 10, Directors, Executive Officers and Corporate Governance, Item 11, Executive Compensation, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, Item 13, Certain Relationships and Related Transactions, and Director Independence and Item 14, Principal Accountant Fees and Services, is hereby incorporated by reference from Cablevision's definitive proxy statement for its Annual Meeting of Stockholders or, if such definitive proxy statement is not filed with the Securities and Exchange Commission prior to April 30, 2007, an amendment to this annual report on Form 10-K filed under cover of Form 10-K/A.

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to regulations promulgated by the Securities and Exchange Commission, the Company is required to identify, based solely on a review of reports filed under Section 16(a) of the Securities Exchange Act of 1934, each person who, at any time during its fiscal year ended December 31, 2006, was a director, officer or beneficial owner of more than 10% of the Company's Class A common stock that failed to file on a timely basis any such reports. Based on such review, the Company is aware of no such failure other than an amended Form 4 report filed by Thomas C. Dolan in connection with stock option exercises in February 2006 and reports on Form 4 by Patrick F. Dolan and Brian Sweeney reporting a grant of restricted stock which were filed after the required filing date.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. The financial statements as indicated in the index set forth on page 109.
2. Financial statement schedule:

	Page No.
Schedule supporting consolidated financial statements:	
Schedule II - Valuation and Qualifying Accounts	97

Schedules other than that listed above have been omitted, since they are either not applicable, not required or the information is included elsewhere herein.

3. The Index to Exhibits is on page 100.

(Dollars in thousands, except per unit and per share data)

SCHEDULE II

VALUATION AND QUALIFYING 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, 2006				
Allowance for doubtful accounts	$18,807	$40,829	$(42,291)	$17,345
Year Ended December 31, 2005				
Allowance for doubtful accounts	$16,312	$35,806	$(33,311)	$18,807
Year Ended December 31, 2004				
Allowance for doubtful accounts	$24,729	$35,788	$(44,205)	$16,312

CSC Holdings, Inc.

	Balance at Beginning of Period	Provision for Bad Debt	Deductions/ Write-Offs and Other Charges	Balance at End of Period
Year Ended December 31, 2006				
Allowance for doubtful accounts	$18,807	$40,829	$(42,291)	$17,345
Year Ended December 31, 2005				
Allowance for doubtful accounts	$16,312	$35,806	$(33,311)	$18,807
Year Ended December 31, 2004				
Allowance for doubtful accounts	$24,729	$35,788	$(44,205)	$16,312

Certain amounts in prior years have been reclassed to conform to the current year presentation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized on the 27th day of February, 2007.

Cablevision Systems Corporation
CSC Holdings, Inc.

By:	/s/ Michael P. Huseby
Name:	Michael P. Huseby
Title:	Executive Vice President and Chief Financial Officer of Cablevision Systems Corporation and CSC Holdings, Inc.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James L. Dolan and Michael P. Huseby, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign this report, and file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons in the capacities and on the dates indicated on behalf of each of the Registrants.

Name	Title	Date
/s/ James L. Dolan James L. Dolan	Chief Executive Officer, President and Director (Principal Executive Officer)	February 27, 2007
/s/ Michael P. Huseby Michael P. Huseby	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 27, 2007
/s/ Wm. Keith Harper Wm. Keith Harper	Senior Vice President and Controller (Principal Accounting Officer)	February 27, 2007
/s/ Charles F. Dolan Charles F. Dolan	Chairman of the Board of Directors	February 27, 2007

SIGNATURES

Name	Title	Date
/s/ Rand Araskog Rand Araskog	Director	February 27, 2007
/s/ Frank Biondi Frank Biondi	Director	February 27, 2007
/s/ Grover C. Brown Grover C. Brown	Director	February 27, 2007
/s/ Zachary W. Carter Zachary W. Carter	Director	February 27, 2007
/s/ Marianne Dolan Weber Marianne Dolan Weber	Director	February 27, 2007
/s/ Patrick F. Dolan Patrick F. Dolan	Director	February 27, 2007
/s/ Charles D. Ferris Charles D. Ferris	Director	February 27, 2007
/s/ Richard H. Hochman Richard H. Hochman	Director	February 27, 2007
/s/ Victor Oristano Victor Oristano	Director	February 27, 2007
/s/ Thomas V. Reifenheiser Thomas V. Reifenheiser	Director	February 27, 2007
/s/ John R. Ryan John R. Ryan	Director	February 27, 2007
/s/ Brian Sweeney Brian Sweeney	Director	February 27, 2007
/s/ Vincent Tese Vincent Tese	Director	February 27, 2007
/s/ Leonard Tow Leonard Tow	Director	February 27, 2007

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
3.1	Amended and Restated Certificate of Incorporation of Cablevision Systems Corporation (incorporated herein by reference to Annex II to Cablevision Systems Corporation's Proxy Statement, dated October 10, 2000, as supplemented, (the "2000 Proxy Statement")).
3.2	Bylaws of Cablevision Systems Corporation (incorporated herein by reference to Exhibit 3.2 of the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001).
3.3	Certificate of Incorporation of CSC Holdings, Inc. (incorporated herein by reference to Exhibits 3.1A(i) and 3.1A(ii) to CSC Holdings' Annual Report on Form 10-K for the fiscal year ended December 31, 1989).
3.4	Bylaws of CSC Holdings, Inc. (incorporated herein by reference to Exhibit 3.1 of the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2006).
3.5	Certificate of Amendment of Certificate of Incorporation of CSC Holdings, Inc., dated April 1, 1999 (incorporated herein by reference to Exhibit 3.1 of CSC Holdings' Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1999).
3.6	Certificate of Amendment of Certificate of Incorporation of CSC Holdings, Inc., dated April 1, 1999 (incorporated herein by reference to Exhibit 3.2 of CSC Holdings' Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1999).
3.7	Certificate of Designations for CSC Holdings, Inc. 10% Series A Exchangeable Participating Preferred Stock (incorporated herein by reference to Exhibit 10.13 to the 2002 10-K).
3.8	Certificate of Amendment of Certificate of Incorporation of CSC Holdings, Inc., dated April 19, 2006 (incorporated herein by reference to the Current Report on Form 8-K filed on April 21, 2006).
4.1	Indenture, dated August 15, 1997 relating to CSC Holdings' $400,000,000 8-1/8% Senior Debentures due 2009 (incorporated herein by reference to CSC Holdings' Registration Statement on Form S-4, Registration No. 333-38013).
4.2	Indenture, dated as of December 1, 1997 relating to CSC Holdings' $500,000,000 7-7/8% Senior Notes due 2007 and $300,000,000 7-7/8% Senior Debentures due 2018 (incorporated by reference to Exhibit 4.4 to Cablevision Systems Corporation's Registration Statement on Form S-4, dated January 20, 1998, File No. 333-44547).
4.3	Senior Indenture, dated as of July 1, 1998, relating to CSC Holdings, Inc.'s $500,000,000 7-1/4% Senor Notes due 2008 and $500,000,000 7-5/8% Senior Debentures due 2018 (incorporated by reference to Exhibit 4.1 to CSC Holdings' Registration Statement on Form S-3, Registration No. 333-57407).
4.4	Indenture, dated as of July 1, 1999 relating to CSC Holdings $500,000,000 8-1/8% Senior Notes due 2009 (incorporated by reference to Exhibit 4.2 to Registration Statement on Form S-4 Registration No. 333-84449).
4.5	Indenture, dated as of March 22, 2001 relating to CSC Holdings $1,000,000,000 7-5/8% Senior Notes due 2011 (incorporated herein by reference to Exhibit 4.11 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2000).

4.6	Indenture, dated as of April 6, 2004 relating to Cablevision's $1,000,000,000 8% Senior Notes due 2012 (incorporated by reference to Exhibit 4.1 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004).
4.7	Indenture, dated as of April 6, 2004 relating to Cablevision's $500,000,000 floating rate Senior Notes due 2009 (incorporated by reference to Exhibit 4.2 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004).
4.8	Indenture, dated as of April 6, 2004 relating to CSC Holdings' $500,000,000 6-3/4% Senior Notes due 2012 (incorporated by reference to Exhibit 4.3 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004).
4.9	Indenture, dated as of August 20, 2004, relating to Rainbow National Services LLC's and RNS Co-Issuer Corporation's $300,000,000 8-3/4% Senior Notes due 2012 (incorporated by reference to Exhibit 4.1 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004).
4.10	Indenture, dated as of August 20, 2004, relating to Rainbow National Services LLC's and RNS Co-Issuer Corporation's $500,000,000 10-3/8% Senior Subordinated Notes due 2014 (incorporated by reference to Exhibit 4.2 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004).
10.1	Registration Rights Agreement, dated April 6, 2004 between CSC Holdings, Inc. and Citigroup Globalmarkets Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Wachovia Capital Markets, LLC Credit Lyonnais Securities (USA) Inc. and Harris Nesbitt Corp. (incorporated by reference to Exhibit 4.1 to CSC Holdings' Registration Statement on Form S-4, Registration No. 33-124061).
10.2	Registration Rights Agreement between CSC Systems Company and CSC Holdings (incorporated herein by reference to Exhibit 10.1 of CSC Holdings' Registration Statement on Form S-1, Registration No. 033-01936 ("CSC Holdings' Form S-1")).
10.3	Registration Rights Agreement between Cablevision Company and CSC Holdings (incorporated herein by reference to Exhibit 10.2 to CSC Holdings' Form S-1).
10.4	Form of Right of First Refusal Agreement between Charles F. Dolan and CSC Holdings (incorporated herein by reference to Exhibit 10.4 to CSC Holdings' Form S-1).
10.5	Interchange Agreement, dated as of March 1, 2002, by and between CSC Transport IV, Inc. and Sterling Aviation LLC. 2011 (incorporated herein by reference to Exhibit 10.5 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).
10.6	Amendment to Interchange Agreement, dated as of March 17, 2004, by and between CSC Transport IV, Inc. and Sterling Aviation LLC. (incorporated herein by reference to Exhibit 10.6 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).
10.7	Extension of Interchange Agreement, dated as of March 15, 2005, by and between CSC Transport IV, Inc. and Sterling Aviation LLC. (incorporated herein by reference to Exhibit 10.7 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).

10.8	Employment Agreement between Charles F. Dolan and CSC Holdings, dated January 27, 1986 (incorporated herein by reference to Exhibit 10.9 to CSC Holdings' Form S-1).
10.9	Employment Agreement, dated as of April 29, 2003, between Cablevision Systems Corporation and James L. Dolan (incorporated herein by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003).
10.10	Amendment to Employment Arrangements between Cablevision Systems Corporation and James L. Dolan, dated March 2, 2005 (incorporated herein by reference to Exhibit 10.47 to the 2004 10-K).
10.11	Employment Agreement, dated as of June 11, 2003, between Cablevision Systems Corporation and Hank Ratner (incorporated herein by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003).
10.12	Amendment to Employment Arrangements between Cablevision Systems Corporation and Hank Ratner, dated March 2, 2005 (incorporated herein by reference to Exhibit 10.48 to the 2004 10-K).
10.13	Employment Agreement, dated as of June 23, 2003, between Cablevision Systems Corporation and Thomas Rutledge (incorporated by reference to Exhibit 10.1 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004).
10.14	Amendment to Employment Arrangements between Cablevision Systems Corporation and Thomas Rutledge, dated March 2, 2005 (incorporated herein by reference to Exhibit 10.49 to the 2004 10-K).
10.15	Letter Agreement, dated August 2, 2004, between Cablevision Systems Corporation and Michael Huseby (incorporated by reference to Exhibit 10.2 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004).
10.16	Amendment to Employment Arrangements between Cablevision Systems Corporation and Michael Huseby, dated March 2, 2005 (incorporated herein by reference to Exhibit 10.50 to the 2004 10-K).
10.17	Letter Agreement, dated April 28, 2006, between Cablevision Systems Corporation and Michael Huseby (incorporation herein by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2006).
10.18	Letter Agreement, dated October 11, 2004, between Cablevision Systems Corporation and Wm. Keith Harper (incorporated by reference to Exhibit 10.3 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004).
10.19	Retirement Agreement, dated as of June 23, 2003 and Consulting Agreement as of January 3, 2004, between Cablevision Systems Corporation, CSC Holdings, Inc. and Sheila Mahony (incorporated herein by reference to Exhibit 10.3 of the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003).
10.20	Amendment to Retirement Agreement, dated as of January 2, 2004, between Cablevision Systems Corporation, CSC Holdings, Inc. and Sheila Mahony (incorporated by reference to Exhibit 10.45 of the Annual Report on Form 10-K for fiscal year ended December 31, 2003).

10.21 Employment Agreement, dated as of November 7, 2002, between CSC Holdings and William J. Bell (incorporated herein by reference to Exhibit (d)(3) to Cablevision Systems Corporation's Schedule TO Tender Offer Statement, dated January 23, 2002).

10.22 Extension to Employment Agreement, dated as of March 12, 2004 and Consulting Agreement as of January 1, 2005, between CSC Holdings and William J. Bell (incorporated by reference to Exhibit 10.46 of the Annual Report on Form 10-K for fiscal year ended December 31, 2003).

10.23 Supplemental Benefit Plan of CSC Holdings (incorporated herein by reference to Exhibit 10.7 to CSC Holdings' Form S-1).

10.24 Cablevision Systems Corporation Employee Stock Plan (incorporated herein by reference to Exhibit A to Cablevision Systems Corporation's June 3, 2003 Proxy Statement).

10.25 Cablevision Systems Corporation 2006 Employee Stock Plan (incorporated herein by reference to Exhibit A to Cablevision System Corporation's 2006 Proxy Statement).

10.26 Cablevision Systems Corporation Executive Performance Incentive Plan (incorporated herein by reference to Exhibit 10.24 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).

10.27 Cablevision Systems Corporation Long-Term Incentive Plan (incorporated herein by reference to Exhibit B to Cablevision Systems Corporation's June 3, 2003 Proxy Statement).

10.28 Cablevision Systems Corporation 2006 Cash Incentive Plan (incorporated herein by reference to Exhibit B to Cablevision System Corporation's 2006 Proxy Statement).

10.29 Cablevision Systems Corporation Amended and Restated Stock Plan for Non-Employee Directors (incorporated herein by reference to Exhibit D to Cablevision Systems Corporation's 2003 Proxy Statement).

10.30 Cablevision Systems Corporation 2006 Stock Plan for Non-Employee Directors (incorporated herein by reference to Exhibit C to Cablevision System Corporation's 2006 Proxy Statement).

10.31 Cablevision CHOICE Severance Pay Plan (incorporated herein by reference to Exhibit 10.49 to the 2003 10-K).

10.32 Formation Agreement, dated as of June 22, 1997, among Rainbow Media Sports Holdings, Inc. and Fox Sports Net, LLC, attaching Partners) and Annex B (Partnership Agreement of National Sports Partners) (incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K, filed April 1997).

10.33 Lease Agreement between Nassau Cable Business Trust, as Landlord and CSC Holdings, as Tenant, dated as of November 1, 1997 2007 (incorporated by reference to Exhibit 10.56 to Cablevision Systems Corporation's Registration Statement on Form S-4, dated January 20, 1998, File No. 333-44547).

10.34 Amended and Restated Contribution and Merger Agreement, dated as of June 6, 1997, among Cablevision Systems Corporation, CSC Holdings, CSC Merger Corporation and TCI Communications, Inc. (incorporated by reference to Appendix A to Cablevision Systems Corporation's Registration Statement on Form S-4, dated January 20, 1998, File No. 333-44547).

10.35 Stockholders Agreement, dated as of March 4, 1998, by and among CSC Holdings, Tele-Communications, Inc., a Delaware corporation, the Class B Entities and the Investors (incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K, filed March 4, 1998).

10.36 Agreement and Plan of Merger, dated as of April 18, 2000, by and among CSC Holdings, Inc., Cablevision of Massachusetts, Inc., AT&T Corp. and AT&T CSC, Inc. (incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K, filed on May 5, 2000).

10.37 Asset Exchange Agreement, dated as of April 18, 2000, by and among CSC Holdings, Inc., Cablevision of Brookline, L.P., Cablevision of Boston, Inc. and AT&T Corp. (incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K, filed on May 5, 2000).

10.38 Letter Agreement, dated January 31, 2001, among Cablevision Systems Corporation, Rainbow Media Holdings, Inc., Metro-Goldwyn-Mayer Inc., American Movie Classics Holding Corporation, AMC II Holding Corporation, Bravo Holding Corporation, and Bravo II Holding Corporation (incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K filed, February 5, 2001).

10.39 Agreement and Plan of Merger and Exchange, dated as of November 4, 2002, by and between Cablevision Systems Corporation, Bravo Holding Corporation, Bravo II Holding Corporation, Rainbow Media Group, LLC, National Broadcasting Company, Inc., NBC-Rainbow Holding, Inc. and Applause Acquisition Corporation (incorporated herein by reference to Exhibit 99.1 to Current Report on Form 8-K, filed November 6, 2002).

10.40 Purchase Agreement, dated as of June 27, 2003, by and among Rainbow Media Holdings, Inc., American Movie Classics III Holding Corporation, American Movie Classics IV Holding Corporation, IFC II Holding Corporation, IFC III Holding Corporation, Metro-Goldwyn-Mayer Inc., MGM Networks U.S. Inc and, solely for purposes of Sections 2.02(b), 2.02(c), 5.01, 10.05, 10.08 and 10.11, Cablevision Systems Corporation (incorporated by reference to Exhibit 10.38 of the Annual Report on Form 10-K for fiscal year ended December 31, 2003).

10.41 Registration Rights Agreement, dated as of July 18, 2003, between Cablevision Systems Corporation, and MGM Networks U.S. Inc. (incorporated by reference to Exhibit 10.39 of the Annual Report on Form 10-K for fiscal year ended December 31, 2003).

10.42 Purchase Agreement, dated as of December 12, 2003, by and among Fox Sports Net Bay Area Holdings, LLC, Fox Sports Net Chicago Holdings, LLC and Fox Sports Net, LLC and Regional Pacific Holdings II, LLC and Regional Chicago Holdings II, LLC (incorporated by reference to Exhibit 10.40 of the Annual Report on Form 10-K for fiscal year ended December 31, 2003).

10.43 Letter Agreement, dated as of January 12, 2004, between DTV Norwich, LLC, wholly-owned by George S. Blumenthal and Company, LLC and Rainbow MVDDS Company, LLC (incorporated by reference to Exhibit 10.43 of the Annual Report on Form 10-K for fiscal year ended December 31, 2003).

10.44 Credit Agreement, dated as of February 24, 2006 among CSC Holdings, Inc., as the Company, certain subsidiaries of the company, as Restricted Subsidiaries, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, Collateral Agent and L/C Issuer, Banc of America Securities LLC and Citigroup Global Markets Inc., as Joint Lead Arrangers, Banc of Americas Securities LLC, Citigroup Global Markets Inc. and JPMorgan Securities, Inc., as Book Runners on the Revolving Credit Facility and the Term A Facility, Citibank, N.A., as Syndication Agent, and Credit Suisse, Bear Stearns Corporate Lending Inc., JPMorgan Securities, Inc. and Merrill Lynch Capital Corporation, as Co-Documentation Agents (incorporated herein by reference to Exhibit 10.41 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).

10.45 First Amendment, dated as of March 27, 2006, to the Credit Agreement, dated as of February 24, 2006, among CSC Holdings, Inc., as the Company, certain subsidiaries of the Company, as Restricted Subsidiaries, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, Collateral Agent and L/C Issuer, Banc of America Securities LLC and Citigroup Global Markets Inc., as Joint Lead Arrangers, Banc of Americas Securities LLC, Citigroup Global Markets Inc. and JPMorgan Securities, Inc., as Book Runners on the Revolving Credit Facility and the Term A Facility, Citibank, N.A., as Syndication Agent, and Credit Suisse, Bear Stearns Corporate Lending Inc., JPMorgan Securities, Inc. and Merrill Lynch Capital Corporation, as Co-Documentation Agents (incorporated herein by reference to Exhibit 10.2 to the Current Report on Form 10-Q for the fiscal quarter ended March 31, 2006).

10.46 Second Amendment, dated as of March 29, 2006, to the Credit Agreement, dated as of February 24, 2006, among CSC Holdings, Inc., as the Company, certain subsidiaries of the Company, as Restricted Subsidiaries, the Lenders party thereto, Bank of America, N.A., as Administrative Agent, Collateral Agent and L/C Issuer, Banc of America Securities LLC and Citigroup Global Markets Inc., as Joint Lead Arrangers, Banc of Americas Securities LLC, Citigroup Global Markets Inc. and JPMorgan Securities, Inc., as Book Runners on the Revolving Credit Facility and the Term A Facility, Citibank, N.A., as Syndication Agent, and Credit Suisse, Bear Stearns Corporate Lending Inc., JPMorgan Securities, Inc. and Merrill Lynch Capital Corporation, as Co-Documentation Agents (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 10-Q for the fiscal quarter ended March 31, 2006).

10.47 Incremental Term Supplement, dated as of March 29, 2006, among CSC Holdings, Inc., the banks party thereto, and Bank of America, N.A., as Administrative Agent (incorporated herein by reference to Exhibit 10.4 to the Current Report on Form 10-Q for the fiscal quarter ended March 31, 2006).

10.48 Pledge Agreement, dated as of February 24, 2006, among CSC Holdings, Inc., certain subsidiaries of CSC Holdings, Inc. as Pledgors and Bank of America, N.A. as Secured Party (incorporated herein by reference to Exhibit 10.42 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).

10.49 Loan Agreement, dated as of August 20, 2004, among Rainbow National Services LLC, the Guarantors party thereto, Bank of America, N.A. as Syndication Agent, Credit Suisse First Boston, Citicorp North America, Inc. and Wachovia Bank, National Association as Co-Documentation Agents, JP Morgan Chase Bank as Administrative Agent and the other Credit Parties thereto (incorporated by reference to Exhibit 10.1 to Cablevision's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2004).

10.50	First Amendment, dated as of January 20, 2006, to the Loan Agreement, dated as of August 20, 2004, among Rainbow National Services LLC, the Guarantors party thereto, Bank of America, N.A. as Syndication Agent, Credit Suisse First Boston, Citicorp North America, Inc. and Wachovia Bank, National Association as Co-Documentation Agents, JP Morgan Chase Bank as Administrative Agent and the other Credit Parties thereto (incorporated herein by reference to Exhibit 10.44 to Cablevision Systems Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).
10.51	Credit Agreement, dated as of July 5, 2006, among Rainbow National Services LLC, as Borrower, Rainbow Programming Holdings LLC and certain subsidiaries of RNS, as guarantors, the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and L/C Issuer, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Book Runners, Bank of America, N.A., as Syndication Agent, and Credit Suisse, Citicorp North America, Inc. and Wachovia Bank, National Association as Co-Documentation Agents (incorporated herein by reference to Exhibit 99.1 to the Current Report on Form 8-K filed on April 21, 2006).
10.52	Pledge Agreement, dated as of July 5, 2006, among Rainbow National Services LLC, the Guarantors party thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and L/C Issuer, J.P. Morgan Securities Inc. and Banc of America Securities LLC, as Joint Lead Arrangers and Book Runners, Bank of America, N.A., as Syndication Agent, and Credit Suisse, Citicorp North America, Inc. and Wachovia Bank, National Association as Co-Documentation Agents.
10.53	Distribution and Transfer Agreement entered into as of February 18, 2005 by and among Rainbow Regional Holdings LLC, Fox Sports RPP Holdings, Inc., Rainbow National Sports Holdings LLC, Fox Sports Net National Network Holdings II, LLC, Rainbow Advertising Holdings LLC, Fox Sports Net National Ad Sales Holdings II, LLC, Rainbow Media Holdings, LLC, Fox Sports Net Bay Area Holdings, LLC, Regional Pacific Holdings II, LLC, Fox Sports Net Chicago Holdings, LLC, Fox Sports Net, Inc. and Exhibit B (Partnership Agreement of Pacific Regional Programming Partners) (incorporated herein by reference to Exhibit 10.44 to the 2004 10-K).
10.54	Satellite Sale Agreement between Rainbow DBS Company LLC and EchoStar Satellite LLC, dated January 20, 2005 (incorporated herein by reference to Exhibit 10.45 to the 2004 10-K).
10.55	Agreement between Cablevision Systems Corporation, Charles F. Dolan and Thomas C. Dolan, dated March 8, 2005 (incorporated herein by reference to Exhibit 10.46 to the 2004 10-K).
10.56	Contract, dated November 21, 2004 between Lockheed Martin Corporation, acting through Lockheed Martin Commercial Space Systems and Rainbow DBS Company LLC. (Confidential portions of this Exhibit have been deleted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.) (incorporated herein by reference to Exhibit 10.56 to the 2004 10-K).
10.57	Letter agreement amending the contract, dated November 21, 2004 between Lockheed Martin Corporation, acting through Lockheed Martin Commercial Space Systems and Rainbow DBS Company LLC (incorporated by reference to Exhibit 10.56.1 to Current Report on Form 8-K, filed June 6, 2005).

10.58 Form of Nonqualified Stock Option Agreement (February 16, 2005) (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed November 16, 2005).

10.59 Form of Restricted Shares Agreement (February 16, 2005) (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed February 16, 2005).

10.60 Form of Two-Year Performance Award Agreement (February 16, 2005) (incorporated herein by reference to Exhibit 10.3 to Current Report on Form 8-K, filed February 16, 2005).

10.61 Form of Three-Year Performance Award Agreement (February 16, 2005) (incorporated herein by reference to Exhibit 10.4 to Current Report on Form 8-K, filed February 16, 2005).

10.62 Form of Deferred Compensation Agreement (February 16, 2005) (incorporated herein by reference to Exhibit 10.5 to Current Report on Form 8-K, filed February 16, 2005).

10.63 Form of Nonqualified Stock Option Agreement (November 7, 2005) (incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K, filed November 7, 2005).

10.64 Form of Nonqualified Stock Option Agreement (Vesting Subject to Performance Metric) (November 7, 2005) (incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K, filed November 7, 2005).

10.65 Form of Restricted Shares Agreement (November 7, 2005) (incorporated by reference to Exhibit 10.3 to Current Report on Form 8-K, filed November 7, 2005).

10.66 Form of Performance Award Agreement (November 7, 2005) (incorporated by reference to Exhibit 10.4 to Current Report on Form 8-K, filed November 7, 2005).

10.67 Form of Deferred Compensation Agreement (November 7, 2005) (incorporated by reference to Exhibit 10.5 to Current Report on Form 8-K, filed November 7, 2005).

10.68 Form of Nonqualified Stock Option Agreement (June 5, 2006) (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed June 7, 2006).

10.69 Form of Restricted Shares Agreement (June 5, 2006) (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed June 7, 2006).

10.70 Form of Restricted Shares Agreement (June 5, 2006) (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed June 7, 2006).

10.71 Form of Stock Option and Restricted Stock Unit Agreement for Non-Employee Directors (June 5, 2006) (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, filed June 7, 2006).

10.72 Summary of the Cablevision CHOICE Excess Savings Plan.

10.73 Summary of the Cablevision CHOICE Excess Cash Balance Plan.

10.74 Time Sharing Agreement, dated as of November 22, 2006 between CSC Transport IV, Inc. and Charles F. Dolan (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed November 29, 2006).

10.75	Time Sharing Agreement, dated as of November 22, 2006 between CSC Transport V, Inc. and Charles F. Dolan (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed November 29, 2006).
10.76	Time Sharing Agreement, dated as of November 22, 2006 between CSC Transport IV, Inc. and James L. Dolan (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, filed November 29, 2006).
10.77	Time Sharing Agreement, dated as of November 22, 2006 between CSC Transport V, Inc. and James L. Dolan (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K, filed November 29, 2006).
21	Subsidiaries of the Registrants.
23.1	Consent of Independent Registered Public Accounting Firm.
23.2	Consent of Independent Registered Public Accounting Firm.
31.1	Section 302 Certification of the CEO.
31.2	Section 302 Certification of the CFO.
32	Section 1350 Certification of the CEO and CFO.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Cablevision Systems Corporation:

We have audited management's assessment, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*, that Cablevision Systems Corporation and subsidiaries maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Cablevision Systems Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Cablevision Systems Corporation and subsidiaries maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, Cablevision Systems Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Cablevision Systems Corporation and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of operations, stockholders' deficiency and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2006, and our report dated February 27, 2007 expressed an unqualified opinion on those consolidated financial statements. As discussed in our report dated February 27, 2007, the Company changed its method of quantifying errors in 2006 in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, adopted the provisions of Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment* as of January 1, 2006 and adopted the provisions of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans,* as of December 31, 2006.

/s/ KPMG LLP
Melville, New York
February 27, 2007

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Cablevision Systems Corporation:

We have audited the accompanying consolidated balance sheets of Cablevision Systems Corporation and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of operations, stockholders' deficiency and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2006. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule listed in Item 15(a)(2). These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 subsidiaries as of December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Notes 1 and 2 to the accompanying consolidated financial statements, the Company changed its method of quantifying errors in 2006 in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, adopted the provisions of Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment,* as of January 1, 2006 and adopted the provisions of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans,* as of December 31, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Cablevision Systems Corporation and subsidiaries' internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 27, 2007 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

/s/ KPMG LLP
Melville, New York
February 27, 2007

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2006 and 2005
(Dollars in thousands)

	2006	2005
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 548,862	$ 397,496
Restricted cash	11,390	8,454
Accounts receivable, trade (less allowance for doubtful accounts of $17,345 and $18,807)	536,057	453,167
Notes and other receivables	46,915	74,211
Investment securities	10,715	10,408
Prepaid expenses and other current assets	104,577	98,921
Feature film inventory, net	124,778	108,607
Deferred tax asset	184,032	10,788
Investment securities pledged as collateral	18,981	723,476
Derivative contracts	81,140	268,539
Assets held for sale	-	7,557
Total current assets	1,667,447	2,161,624
Property, plant and equipment, net of accumulated depreciation of $6,257,078 and $5,494,994	3,714,842	3,868,077
Investments in affiliates	49,950	39,463
Notes and other receivables	29,659	42,987
Investment securities pledged as collateral	1,080,229	199,430
Derivative contracts	-	109,207
Other assets	80,273	83,801
Deferred tax asset	-	25,662
Feature film inventory, net	375,700	378,502
Deferred carriage fees, net	174,377	188,135
Franchises	731,848	731,848
Affiliation, broadcast and other agreements, net of accumulated amortization of $417,634 and $349,752	452,888	519,363
Other intangible assets, net of accumulated amortization of $77,795 and $68,192	325,298	388,622
Excess costs over fair value of net assets acquired	1,032,117	993,426
Deferred financing and other costs, net of accumulated amortization of $68,705 and $85,450	130,229	120,965
	$9,844,857	$9,851,112

See accompanying notes to
consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2006 and 2005
(Dollars in thousands, except share and per share amounts)

	2006	2005
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	$ 392,605	$ 373,362
Accrued liabilities:		
Interest	224,135	177,109
Employee related costs	387,868	288,751
Other accrued expenses	412,248	489,989
Defined benefit plan and other postretirement plan obligations	1,091	-
Deferred revenue	162,956	162,514
Feature film and other contract obligations	122,362	112,817
Liabilities under derivative contracts	6,568	101,580
Bank debt	93,750	8,560
Collateralized indebtedness	102,268	857,774
Capital lease obligations	7,069	8,586
Notes payable	17,826	8,438
Senior notes and debentures	499,952	-
Total current liabilities	2,430,698	2,589,480
Defined benefit plan and other postretirement plan obligations	82,517	-
Feature film and other contract obligations	312,344	351,673
Deferred revenue	14,337	16,219
Liabilities under derivative contracts	204,887	17,571
Other liabilities	251,456	361,018
Deferred tax liability	73,724	-
Bank debt	4,898,750	1,842,940
Collateralized indebtedness	819,306	312,352
Senior notes and debentures	5,494,004	5,992,760
Senior subordinated notes and debentures	497,011	746,621
Notes payable	1,017	7,467
Capital lease obligations	54,389	51,201
Minority interests	49,670	55,190
Total liabilities	15,184,110	12,344,492
Commitments and contingencies		
Stockholders' Deficiency:		
Preferred Stock, $.01 par value, 50,000,000 shares authorized, none issued	-	-
CNYG Class A common stock, $.01 par value, 800,000,000 shares authorized, 250,927,804 and 247,430,685 shares issued and 228,643,568 and 225,268,714 shares outstanding	2,509	2,474
CNYG Class B common stock, $.01 par value, 320,000,000 shares authorized, 63,736,814 and 64,160,264 shares issued and outstanding	637	642
RMG Class A common stock, $.01 par value, 600,000,000 shares authorized, none issued	-	-
RMG Class B common stock, $.01 par value, 160,000,000 shares authorized, none issued	-	-
Paid-in capital	57,083	1,307,786
Accumulated deficit	(5,027,473)	(3,440,967)
	(4,967,244)	(2,130,065)
Treasury stock, at cost (22,284,236 and 22,161,971 shares)	(360,059)	(359,753)
Accumulated other comprehensive loss	(11,950)	(3,562)
Total stockholders' deficiency	(5,339,253)	(2,493,380)
	$ 9,844,857	$ 9,851,112

See accompanying notes to
consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands, except per share amounts)

	2006	2005	2004
Revenues, net	$5,927,462	$5,172,478	$4,632,537
Operating expenses:			
Technical and operating (excluding depreciation, amortization and impairments shown below)	2,707,970	2,296,908	2,191,247
Selling, general and administrative	1,480,187	1,291,845	1,184,682
Other operating income	-	-	(95,758)
Restructuring credits	(3,484)	(537)	(835)
Depreciation and amortization (including impairments)	1,128,813	1,083,643	1,138,675
	5,313,486	4,671,859	4,418,011
Operating income	613,976	500,619	214,526
Other income (expense):			
Interest expense	(928,202)	(764,508)	(721,008)
Interest income	37,187	16,430	8,300
Equity in net income (loss) of affiliates	6,698	3,219	(12,997)
Gain on sale of programming and affiliate interests, net	-	64,968	2,232
Gain (loss) on investments, net	290,052	(138,312)	134,598
Write-off of deferred financing costs	(14,083)	-	(18,961)
Gain (loss) on derivative contracts, net	(253,712)	119,180	(165,305)
Loss on extinguishment of debt	(13,125)	-	(78,571)
Minority interests	(8,894)	(5,471)	(50,307)
Miscellaneous, net	2,837	651	63
	(881,242)	(703,843)	(901,956)
Loss from continuing operations before income taxes	(267,266)	(203,224)	(687,430)
Income tax benefit	134,217	75,691	201,397
Loss from continuing operations	(133,049)	(127,533)	(486,033)
Income (loss) from discontinued operations, net of taxes (including net gain primarily from the Regional Programming Partners restructuring of $269,428 in 2005)	7,446	216,853	(185,476)
Income (loss) before extraordinary item	(125,603)	89,320	(671,509)
Extraordinary loss on investment, net of taxes	-	-	(7,436)
Income (loss) before cumulative effect of a change in accounting principle	(125,603)	89,320	(678,945)
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-
Net income (loss)	$ (126,465)	$ 89,320	$ (678,945)
INCOME (LOSS) PER SHARE:			
Basic and diluted net income (loss) per share:			
Loss from continuing operations	$(0.47)	$(0.45)	$(1.69)
Income (loss) from discontinued operations	$ 0.03	$ 0.77	$(0.65)
Extraordinary loss	$ -	$ -	$(0.03)
Cumulative effect of a change in accounting principle	$ -	$ -	$ -
Net income (loss)	$(0.45)	$ 0.32	$(2.36)
Basic and diluted weighted average common shares (in thousands)	283,627	281,936	287,085

See accompanying notes to
consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY AND COMPREHENSIVE INCOME (LOSS)
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	CNYG Class A Common Stock	CNYG Class B Common Stock	RMG Class A Common Stock	RMG Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2003	$2,414	$672	$ -	$ -	$ 1,206,068	$(2,851,342)	$(359,750)	$ (952)	$(2,002,890)
Net loss	-	-	-	-	-	(678,945)	-	-	(678,945)
Minimum pension liability adjustment, net of taxes	-	-	-	-	-	-	-	(2,792)	(2,792)
Foreign currency translation, net of taxes	-	-	-	-	-	-	-	(191)	(191)
Comprehensive loss									(681,928)
Employee and non-employee director stock transactions	10	-	-	-	37,607	-	-	-	37,617
Conversion of CNYG Class B common stock to CNYG Class A common stock	14	(14)	-	-	-	-	-	-	-
Tax expense related to stock options	-	-	-	-	(63)	-	-	-	(63)
Balance at December 31, 2004	2,438	658	-	-	1,243,612	(3,530,287)	(359,750)	(3,935)	(2,647,264)
Net income	-	-	-	-	-	89,320	-	-	89,320
Minimum pension liability adjustment, net of taxes	-	-	-	-	-	-	-	182	182
Foreign currency translation, net of taxes	-	-	-	-	-	-	-	191	191
Comprehensive income									89,693
Employee and non-employee director stock transactions	20	-	-	-	46,184	-	-	-	46,204
Conversion of CNYG Class B common stock to CNYG Class A common stock	16	(16)	-	-	-	-	-	-	-
Treasury stock acquired from forfeiture of restricted shares	-	-	-	-	-	-	(3)	-	(3)
Contribution from CNYG Class B shareholder	-	-	-	-	6,337	-	-	-	6,337
Gain on issuance of members' interest by subsidiary, net	-	-	-	-	10,397	-	-	-	10,397
Tax benefit related to stock options	-	-	-	-	1,256	-	-	-	1,256
Balance at December 31, 2005	2,474	642	-	-	1,307,786	(3,440,967)	(359,753)	(3,562)	(2,493,380)
Cumulative effect of adjustments resulting from the adoption of SAB No. 108, net of tax (Note 2)	-	-	-	-	-	121,668	-	-	121,668
Adjusted balance at January 1, 2006	2,474	642	-	-	1,307,786	(3,319,299)	(359,753)	(3,562)	(2,371,712)
Net loss	-	-	-	-	-	(126,465)	-	-	(126,465)
Minimum pension liability adjustment, net of taxes	-	-	-	-	-	-	-	(1,484)	(1,484)
Comprehensive loss									(127,949)
Adjustment related to initial application of FASB Statement No. 158, net of tax (Note 15)	-	-	-	-	-	-	-	(6,904)	(6,904)
Employee and non-employee director stock transactions	30	-	-	-	75,524	-	-	-	75,554
Treasury stock acquired from forfeiture of restricted shares	-	-	-	-	-	-	(306)	-	(306)
Conversion of CNYG Class B common stock to CNYG Class A common stock	5	(5)	-	-	-	-	-	-	-
Special cash dividend paid to CNYG Class A and CNYG Class B shareholders	-	-	-	-	(1,326,227)	(1,581,709)	-	-	(2,907,936)
Balance at December 31, 2006	$2,509	$637	$ -	$ -	$ 57,083	$(5,027,473)	$(360,059)	$(11,950)	$(5,339,253)

See accompanying notes to
consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	2006	2005	2004
Cash flows from operating activities:			
Loss from continuing operations	$ (133,049)	$ (127,533)	$ (486,033)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Depreciation and amortization (including impairments)	1,128,813	1,083,643	1,138,675
Non-cash other operating income	-	-	(41,788)
Equity in net (income) loss of affiliates	(6,698)	(3,219)	12,997
Minority interests	8,894	5,471	50,307
Gain on sale of programming and affiliate interests, net	-	(64,968)	(2,232)
Loss (gain) on investments, net	(284,542)	138,312	(134,598)
Write-off of deferred financing costs	14,083	-	18,961
Unrealized loss (gain) on derivative contracts, net	218,740	(156,082)	149,911
Loss on extinguishment of debt	13,125	-	3,987
Equity classified stock based compensation expense	63,894	29,002	30,341
Deferred income tax	(143,763)	(85,184)	(208,159)
Amortization and write-off of feature film inventory	123,827	113,926	192,682
Amortization of deferred financing costs, discounts on indebtedness and other deferred costs	80,524	85,490	114,069
Provision for doubtful accounts	41,412	34,534	32,001
Change in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable, trade	(109,445)	(80,371)	(69,132)
Notes and other receivables	48,525	11,486	(20,814)
Note receivable from affiliate	-	-	12,877
Inventory, prepaid expenses and other assets	1,387	(11,159)	5,259
Advances/payables to affiliates	(1,263)	1,223	(2,906)
Feature film inventory	(137,196)	(142,703)	(258,371)
Other deferred costs	(14,931)	(99,203)	(17,690)
Accounts payable	41,170	30,606	11,915
Accrued liabilities	59,075	88,710	18,296
Feature film and other contract obligations	(29,784)	(222)	129,777
Deferred revenue	(3,820)	25,671	1,669
Deferred carriage payable	(17,336)	45,371	4,782
Minority interests	-	243	(947)
Net cash provided by operating activities	961,642	923,044	685,836
Cash flows from investing activities:			
Capital expenditures	(886,297)	(769,292)	(697,514)
Payments for acquisitions, net of cash acquired	-	(4,231)	(84,738)
Proceeds from sale of equipment, net of costs of disposal	17,704	5,407	(194)
Decrease (increase) in investments in affiliates, net	(1,000)	(420)	32,664
Proceeds from sale of investment	-	-	2,029
Decrease (increase) in investment securities and other investments	907	(9,520)	61
Decrease (increase) in restricted cash	(2,936)	27,342	(35,797)
Additions to other intangible assets	(1,551)	(12,886)	(8,826)
Net cash used in investing activities	$ (873,173)	$ (763,600)	$ (792,315)

See accompanying notes to
consolidated financial statements.

CABLEVISION SYSTEMS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	2006	2005	2004
Cash flows from financing activities:			
Proceeds from bank debt	$ 5,463,000	$ 554,614	$ 3,342,095
Repayment of bank debt	(2,322,000)	(1,192,614)	(3,209,247)
Redemption of senior subordinated notes and debentures	(263,125)	-	(350,000)
Issuance of senior notes	-	-	2,793,922
Proceeds from collateralized indebtedness	595,035	210,973	125,100
Repayment of collateralized indebtedness	(548,867)	(222,623)	(121,239)
Dividend distribution to common stockholders	(2,840,780)	-	-
Proceeds from derivative contracts	6,496	6,462	-
Settlement of derivative contracts	(50,864)	-	-
Redemption of preferred stock	-	-	(1,694,622)
Issuance of common stock	15,334	13,942	7,270
Principal payments on capital lease obligations and other debt	(8,739)	(11,956)	(16,245)
Deemed net capital contribution from shareholder	-	6,337	-
Additions to deferred financing and other costs	(47,540)	(70)	(70,086)
Distributions to minority partners	(14,709)	(9,659)	(1,748)
Net cash provided by (used in) financing activities	(16,759)	(644,594)	805,200
Effect of exchange rate changes on cash and cash equivalents	-	191	(191)
Net increase (decrease) in cash and cash equivalents from continuing operations	71,710	(484,959)	698,530
Cash flows of discontinued operations:			
Net cash provided by (used in) operating activities	75,189	(64,535)	(73,860)
Net cash provided by (used in) investing activities	4,467	80,174	(84,816)
Net change in cash classified in assets held for sale	-	95,337	1,624
Net effect of discontinued operations on cash and cash equivalents	79,656	110,976	(157,052)
Cash and cash equivalents at beginning of year	397,496	771,479	230,001
Cash and cash equivalents at end of year	$ 548,862	$ 397,496	$ 771,479

See accompanying notes
to consolidated financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company and Related Matters

Cablevision Systems Corporation and its majority-owned subsidiaries ("Cablevision" or the "Company") own and operate cable television systems and through its subsidiary, Rainbow Media Holdings LLC, have ownership interests in companies that produce and distribute national and regional entertainment and sports programming services, including Madison Square Garden, L.P. The Company also owns companies that provide advertising sales services for the cable television industry, provide telephone service, operate motion picture theaters, and through April 30, 2005, provided direct broadcast satellite service. The Company classifies its business interests into three segments: Telecommunications Services, consisting principally of its video, high-speed data, Voice over Internet Protocol and its commercial data and voice services operations; Rainbow, consisting principally of interests in national and regional cable television programming networks, including AMC, IFC, WE tv (formerly WE: Women's Entertainment), fuse and the VOOM HD Networks; and Madison Square Garden, which owns and operates professional sports teams, regional cable television networks and an entertainment business.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries and certain variable interest entities. All significant intercompany transactions and balances are eliminated in consolidation.

Revenue Recognition

The Company recognizes video, high-speed data, Voice over Internet Protocol, and telephony revenues as the services are provided to subscribers. Installation revenue for our video, consumer high-speed data and Voice over Internet Protocol services is recognized as installations are completed, as direct selling costs have exceeded this revenue in all periods reported. The Company classifies amounts billed to its customers for franchise and regulatory fees as a component of revenue.

The Company's programming businesses recognize affiliate fees from cable system, direct broadcast satellite operators and telecommunications companies as the programming is provided. Advertising revenues are recognized when commercials are aired. In some advertising sales arrangements, the Company's programming businesses guarantee specified viewer ratings for their programming. For these types of transactions, a portion of such revenue is deferred if the guaranteed viewer ratings are not met and is subsequently recognized either when the Company provides the required additional advertising time, the guarantee obligation contractually expires or performance becomes remote.

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

Multiple-Element Transactions

If there is objective and reliable evidence of fair value for all elements of accounting in a multiple-element arrangement, the arrangement consideration is allocated to the separate elements of accounting based on relative fair values. There may be cases in which there is objective and reliable evidence of the fair value of undelivered items in an arrangement but no such evidence for the delivered items. In those cases, the Company utilizes the residual method to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered items equals the total arrangement consideration less the aggregate fair value of the undelivered items. In determining fair value, the Company refers to historical transactions or comparable cash transactions.

The Company may enter into affiliation agreements which are documented in one or more contracts; however negotiated contemporaneously. Amounts paid/received by the Company may differ from the amounts that would have been paid/received if such arrangements were negotiated separately. Judgments made in determining fair value impact the amount and period in which revenues are recognized over the term of the individual affiliation agreements.

Technical and Operating Expenses

Costs of revenue related to sales of services are classified as "technical and operating" expenses in the accompanying statements of operations.

Programming Costs

The Company's cable television business included in the Telecommunications Services segment has received, or may receive, incentives from programming distributors for carriage of the distributors' programming. The Company recognizes these incentives as a reduction of programming costs in technical and operating expense, generally over the term of the programming agreement.

Programming Rights

Rights acquired to broadcast various professional sports teams' events and programming for exhibition on the Company's networks, are expensed over the contract or license period. Estimated future revenues are reviewed regularly and write-downs to net realizable value are made as required. Estimates of total gross revenues can change due to a variety of factors, including the level of advertising rates and subscriber fees. Accordingly, revenue estimates are reviewed periodically and amortization is adjusted as necessary.

Rights to feature film inventory acquired under license agreements along with the related obligations are recorded at the contract value when a license agreement is executed or the license period has begun, unless there is uncertainty with respect to either costs, acceptability or availability, then when the uncertainty is resolved. Costs are amortized to technical and operating expense on a straight-line basis over the respective license periods. The Company periodically reviews the programming usefulness of feature film inventory based on a series of factors, including ratings, type and quality of program material, standards and practices, and fitness of exhibition based on the programming of the individual programming service. If it is determined that substantially all of the films in a film license agreement have no future programming usefulness and will no longer be exploited, a write-off for the portion of the unamortized cost of the film license agreement that was attributed to those films is recognized.

See Note 5 for a discussion of the Company's review of the programming usefulness of our feature film inventory and impairment charges.

Advertising Expenses

Advertising costs are charged to expense when incurred. Advertising costs amounted to $222,839, $204,019 and $195,046 for the years ended December 31, 2006, 2005 and 2004, respectively.

Restricted Cash

Restricted cash at December 31, 2006 and 2005 of $11,390 and $8,454, respectively, includes cash required to be set aside under operating agreements between Madison Square Garden and the Hartford Civic Center, Rentschler Field, and the National Hockey League, and for collateralized letters of credit entered into by Madison Square Garden.

Accounts Receivable

The Company periodically assesses the adequacy of valuation allowances for uncollectible accounts receivable by evaluating the collectibility of outstanding receivables and general factors such as length of time individual receivables are past due, historical collection experience, 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 (loss).

The Company's interests in less than majority-owned entities in which the Company has the ability to exercise significant influence over the operating and financial policies of the investee are accounted for under the equity method. Equity method investments are recorded at original cost and adjusted to recognize the Company's proportionate share of the investees' net income or losses, additional contributions made and distributions received and amortization of basis differences. The Company recognizes a loss if it is determined that an other than temporary decline in the value of the investment exists.

Long-Lived and Indefinite-Lived 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 television transmission and distribution systems, and the costs of new product and subscriber 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.

Intangible assets established in connection with acquisitions consist of affiliation agreements and affiliation relationships, broadcast rights and other agreements (primarily cable television system programming agreements), season ticket holder relationships, suite holder contracts and relationships, advertising relationships, other intangibles and excess costs over fair value of net assets acquired. These intangible assets are amortized on a straight-line basis over their respective estimated useful lives. Excess costs over fair value of net assets acquired ("goodwill") and the value of franchises, trademarks and certain other intangibles acquired in purchase business combinations which have indefinite useful lives are not amortized.

(Dollars in thousands, except per share amounts)

The Company reviews its long-lived assets (property, plant and equipment, and intangible assets subject to amortization that arose from business combinations accounted for under the purchase method) 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.

The Company evaluates the recoverability of its goodwill and indefinite-lived intangible assets annually or more frequently whenever events or circumstances indicate that the asset may be impaired. Goodwill impairment is determined 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 a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of 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 impairment test for other intangible assets not subject to amortization consists of a comparison of the 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.

Feature Film Obligations

Amounts payable subsequent to December 31, 2006 related to the license of feature film inventory are as follows:

Years Ending December 31,	
2007	$121,890
2008	84,152
2009	67,288
2010	48,988
2011	29,685
Thereafter	82,231

Deferred Carriage Fees

Deferred carriage fees represent amounts principally paid or payable to cable system and/or satellite operators to guarantee carriage of certain programming services and are amortized as a reduction to revenue over the period of the related guarantee (1 to 15 years).

Deferred Financing Costs

Costs incurred to obtain debt are deferred and amortized to interest expense using the straight-line method over the life of the related debt.

(Dollars in thousands, except per share amounts)

Income Taxes

Income taxes are provided based upon the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes, which requires the asset and liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets, subject to an ongoing assessment of realizability. The Company provides deferred taxes for the outside basis difference of its investment in partnerships.

Common Stock

Each holder of Cablevision NY Group Class A common stock has one vote per share while holders of Cablevision NY Group Class B common stock have ten votes per share. Cablevision NY Group Class B stockholders have the right to elect 75% of the members of the Company's Board of Directors while the Cablevision NY Group Class A stockholders are entitled to elect the remaining 25% of the Company's board. In addition, Class B stockholders entered into an agreement which has the effect of causing the voting power of these Class B stockholders to be cast as a block. The Company has never paid dividends on its common stock, except for a special cash dividend of $10.00 per share paid on April 24, 2006 to all Class A and Class B holders of record at the close of business on April 18, 2006.

Cablevision and CSC Holdings, a wholly-owned subsidiary of Cablevision, may pay dividends on their capital stock only from surplus as determined under Delaware law. If dividends are paid on the Cablevision NY Group common stock, holders of the Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock are entitled to receive dividends, and other distributions in cash, stock or property, equally on a per share basis, except that stock dividends with respect to Cablevision NY Group Class A common stock may be paid only with shares of Cablevision NY Group Class A common stock and stock dividends with respect to Cablevision NY Group Class B common stock may be paid only with shares of Cablevision NY Group Class B common stock. Cablevision's and CSC Holdings' senior notes and debentures and Rainbow National Services LLC's senior and senior subordinated notes restrict the amount of dividends and distributions in respect of any equity interests that can be made.

	Shares Outstanding	
	CNYG Class A Common Stock	CNYG Class B Common Stock
Balance at December 31, 2004	221,986,022	65,817,742
Conversion of CNYG Class B common stock to CNYG Class A common stock	1,657,478	(1,657,478)
Employee and non-employee director stock transactions	1,625,214	-
Balance at December 31, 2005	225,268,714	64,160,264
Conversion of CNYG Class B common stock to CNYG Class A common stock	423,450	(423,450)
Employee and non-employee director stock transactions	2,951,404	-
Balance at December 31, 2006	228,643,568	63,736,814

Special Dividend Payment

On April 7, 2006, the Board of Directors of the Company declared a special cash dividend of $10.00 per share on each outstanding share of its Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock. The dividend was paid on April 24, 2006 to holders of record at the close of business on April 18, 2006. The dividend was paid from the proceeds of a distribution of approximately $3,000,000 held in cash and cash equivalents from CSC Holdings to Cablevision. The

CSC Holdings distribution was funded from the proceeds of its term B loan facility which closed on March 29, 2006 (see Note 9). The dividend payment on all outstanding shares of Cablevision common stock and certain common stock equivalents amounted to $2,834,649. In addition, up to $126,838 representing $10.00 for each outstanding restricted share and each stock appreciation right and stock option vested as of December 31, 2004, would be payable when, and if, the restrictions lapse on each restricted share and when, and if, such stock appreciation rights and stock options are exercised. The Company recorded a decrease in additional paid in capital of $1,326,227 and an increase in accumulated deficit of $1,581,709 in connection with the payment of the special dividend on April 24, 2006.

Income (Loss) Per Common Share

Basic and diluted net loss per common share are computed by dividing net loss by the weighted average number of common shares outstanding during the period. Potential dilutive common shares are not included in the diluted computation as their effect would be antidilutive.

Basic net income per share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted net income per share is computed by dividing net income by the weighted average number of common shares and common stock equivalents outstanding during the period.

Because the Company generated a loss from continuing operations for the years ended December 31, 2006, 2005 and 2004, the outstanding common stock equivalents during each respective period had no dilutive effect.

In the second quarter of 2004, the Company implemented Emerging Issues Task Force ("EITF") Issue No. 03-6, Participating Securities and the Two-Class Method under FASB Statement No. 128. EITF 03-6 requires convertible participating securities to be included in the computation of earnings per share using the "two-class" method. The Company's Series A Exchangeable Participating Preferred Stock was considered a convertible participating security. When applicable, basic and diluted earnings per share would be restated to reflect the impact of utilizing the two-class method required by EITF 03-6. The implementation of EITF 03-6 had no impact on earnings per share for the year ended December 31, 2004, and subsequent to August 2004, the Company has not had any convertible participating securities outstanding.

Comprehensive Income (Loss)

Comprehensive income (loss), which is reported on the accompanying consolidated statements of shareholders' deficiency consists of net income (loss) and other gains and losses affecting shareholders' deficiency or attributed net assets that, under U.S. generally accepted accounting principles ("GAAP"), are excluded from net income (loss). These components of accumulated other comprehensive income (loss) consist primarily of minimum pension liability adjustments, net of taxes and in 2005 and 2004 foreign currency translation gains (losses), net of taxes.

In 2006, 2005 and 2004, the accumulated benefit obligation of the Company's defined benefit plans exceeded the fair value of plan assets. As a result, the Company recorded a non-cash charge (benefit) to accumulated comprehensive loss, net of taxes, of $1,484, $(182) and $2,792, respectively, as required by SFAS No. 87 Employers' Accounting for Pensions ("Statement No. 87"). Additionally, as of December 31, 2006, the Company adopted the recognition and disclosure provisions of SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans ("Statement No. 158") as described in Note 15. As a result of adopting Statement No. 158 in 2006, the Company recognized an additional $6,904, net of taxes, which was also charged to accumulated other comprehensive loss, net of taxes.

Share-Based Compensation

On January 1, 2006, the Company adopted SFAS No. 123R, Share-Based Payment ("Statement No. 123R"), that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for either equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. Statement No. 123R eliminates the ability to account for share-based compensation transactions, as the Company formerly did, using the intrinsic value method as prescribed by Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and generally requires that such transactions be accounted for using a fair-value-based method and recognize such fair value of share-based payments as expenses in the consolidated statement of operations.

The Company adopted Statement No. 123R using the modified prospective method as of January 1, 2006. The Company's consolidated financial statements as of and for the year ended December 31, 2006 reflect the impact of adopting Statement No. 123R. In accordance with the modified prospective method, the consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of Statement No. 123R (See note 16).

Share-based compensation expense recognized during the period is based on the fair value of the portion of share-based payment awards that is ultimately expected to vest. Share-based compensation expense recognized in the consolidated statement of operations during the year ended December 31, 2006 included compensation expense for share-based payment awards granted prior to, but not yet vested, as of December 31, 2005 based on the grant date fair value estimated in accordance with the pro forma provisions of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation ("Statement No. 123"). As share-based compensation expense recognized in the statements of operations for the year ended December 31, 2006 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. Statement No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the pro forma information required under Statement No. 123 for the periods prior to January 1, 2006, the Company accounted for forfeitures as they occurred.

Reclassifications

Certain reclassifications have been made to the 2005 financial statements to conform to the 2006 presentation. In addition, the operating results of Fox Sports Net Chicago have been classified as discontinued operations in the consolidated statements of operations and cash flows for all periods presented.

Cash Flows

For purposes of the consolidated statements of cash flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

(Dollars in thousands, except per share amounts)

During 2006, 2005 and 2004, the Company's non-cash investing and financing activities and other supplemental data were as follows:

	Years Ended December 31,		
	2006	2005	2004
Non-Cash Investing and Financing Activities:			
Continuing Operations			
Acquisition of the 40% minority interest in certain Regional Programming Partners entities in exchange for the Company's interests in Fox Sports Net Ohio, Fox Sports Net Florida, National Sports Partners and National Advertising Partners	$ -	$604,080	$ -
Notes payable, including interest, contributed by News Corporation to Regional Programming Partners for no consideration	-	152,907	-
Capital lease obligations	11,751	180	2,952
Asset retirement obligations	136	10,870	-
Dividends payable on equity classified share-based awards	67,156	-	-
Leasehold improvements paid by landlord	1,960	-	-
Investment in affiliate	1,294	-	-
Redemption of collateralized indebtedness with restricted cash and related prepaid forward contracts	-	116,544	-
Redemption of collateralized indebtedness with related prepaid forward contracts and stock	290,943	247,647	-
Redemption of collateralized indebtedness with related prepaid forward contracts	31,385	43,604	-
Redemption of collateralized indebtedness associated with AT&T Wireless shares with restricted cash, net of related forward contract	-	-	105,000
Receipt of restricted cash for AT&T Wireless shares	-	-	213,647
Rights payments offset with repayment of a note receivable	-	40,000	-
Discontinued Operations			
Make whole payment obligation, including interest, to Loral	50,898	-	-
Supplemental Data:			
Cash interest paid - continuing operations	$831,019	$698,184	$636,277
Cash interest paid - discontinued operations	15	90	314
Income taxes paid (refunded), net - continuing operations	11,184	(4,005)	6,952
Income taxes paid (refunded), net - discontinued operations	-	18	(539)

Derivative Financial Instruments

The Company accounts for derivative financial instruments in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended ("Statement No. 133"). Statement No. 133 requires that an entity recognize all derivatives, as defined, 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 earnings as gains (losses) on derivative contracts.

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 receivables. Cash is invested in money market funds, bank time deposits or in obligations of the U.S. Treasury. The Company's cash investments are placed with money market funds or financial institutions that have received the highest rating awarded by Standard & Poor's and Moody's Investors Services. The Company did not have a single customer that represented 10% or more of its consolidated net revenues for the years ended December 31, 2006, 2005 and 2004, respectively, or 10% or more of its consolidated net trade receivables at December 31, 2006 and 2005, respectively.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Commitments and Contingencies

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

Recently Adopted Accounting Standards

Defined Benefit Pension and Other Postretirement Plans

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement No. 158 which requires companies to recognize in their statement of financial position an asset for a postretirement benefit plan's overfunded status or a liability for a plan's underfunded status and to measure a plan's assets and its obligations that determine its funded status as of the end of the company's fiscal year. Additionally, Statement No. 158 requires companies to recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur and to report those changes in comprehensive income (loss). The provisions of Statement No. 158 have two separate effective dates. The provision of Statement No. 158 that requires a company (with a calendar year-end) to recognize the funded status of its pension plan, and the disclosure requirements, was effective as of December 31, 2006, and the provision of Statement No. 158 that requires a company (with a calendar year-end) to measure plan assets and benefit obligations as of the date of its fiscal year-end balance sheet is effective as of December 31, 2008. See Note 15 for a discussion of the impact of the Company's adoption of Statement No. 158.

Accounting Changes and Error Corrections

In June 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3 ("Statement No. 154"). Statement No. 154 applies to all voluntary changes in accounting principle, and changes the requirements for accounting for and reporting of a change in accounting principle. It requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. Statement No. 154 requires that a change in method of calculating depreciation, amortization, or depletion for long-lived nonfinancial assets be accounted for as a change in accounting estimate that is affected by a change in accounting principle. APB Opinion No. 20 previously required that such a change be reported as a change in accounting principle. Statement No. 154 was effective for accounting changes and corrections of errors made by the Company beginning January 1, 2006.

Limited Partnerships

In June 2005, the EITF reached a consensus on Issue No. 04-5, Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights ("EITF No. 04-5"). EITF No. 04-5 provides guidance in assessing when a general partner should consolidate its investment in a limited partnership or similar entity. The provisions of EITF No. 04-5 were required to be applied beginning June 30, 2005 by general partners of all newly formed limited partnerships and for existing limited partnerships for which the partnership agreements are modified subsequent to June 30, 2005 and the provisions of EITF No. 04-5 were effective for general partners in all other limited partnerships beginning January 1, 2006. EITF No. 04-5 did not have any impact on the Company's financial position or results of operations upon adoption.

NOTE 2. STAFF ACCOUNTING BULLETIN NO. 108

On September 13, 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 ("SAB No. 108"), Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. SAB No. 108 is effective for the Company's year ended December 31, 2006. The primary concepts set forth in SAB No. 108 are as follows:

- Registrants should quantify errors using both the "rollover" approach and "iron curtain" approach (collectively referred to as the "dual approach") and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. The rollover approach focuses primarily on the impact of a misstatement on the income statement, including the reversing effect of prior year misstatements. Because the focus is on the income statement, the rollover approach can lead to the accumulation of misstatements in the balance sheet that may become material. The iron curtain approach focuses primarily on the effect of correcting for the accumulated misstatement as of the balance sheet date, essentially correcting the balance sheet with less emphasis on the reversing effects of prior year errors on the income statement.
- If correcting an error in the current year materially affects the current year but the item was not material in any prior year, "the prior year financial statements should be corrected, even though such revision previously was and continues to be immaterial to the prior year financial statements." However, in this circumstance, correcting prior year financial statements for immaterial errors does not require amending previously filed financial statements - the correction can be made the next time the prior year financial statements are filed.
- For purposes of evaluating materiality under the "iron curtain" approach, all uncorrected errors on the balance sheet are presumed to be reversed into the statement of operations in the current period even though some or all of the uncorrected difference may relate to periods prior to the latest statement of operations presented and, therefore, would only impact opening accumulated earnings (deficit). If the amount of the uncorrected difference(s) is determined to be material to the current period statement of operations, then such amount would be deemed material and would have to be corrected for in the manner set forth above.

(Dollars in thousands, except per share amounts)

SAB No. 108 provides for the following transition guidance in the initial period of adoption:

- Restatement of prior years is not required if the registrant properly applied its previous approach, either "rollover" or "iron curtain" approach, so long as all relevant qualitative factors were considered.
- The SEC Staff will not object if a registrant records a one-time cumulative effect adjustment to correct errors existing in prior years that previously had been considered immaterial - quantitatively and qualitatively - based on the appropriate use of the registrant's previous approach.
- If prior years are not restated, the cumulative effect adjustment is recorded in opening accumulated earnings (deficit) as of the beginning of the fiscal year of adoption (e.g. January 1, 2006 for a calendar year company).

Historically, the Company has evaluated uncorrected differences utilizing the "rollover" approach. The Company believes its prior period assessments of uncorrected differences utilizing the "rollover" approach and the conclusions reached regarding its quantitative and qualitative assessments of materiality of such uncorrected differences, individually and in the aggregate, were appropriate. In accordance with the guidance set forth in SAB No. 108, the Company has corrected certain identified historical uncorrected balance sheet differences, which arose prior to January 1, 2006, as a cumulative effect adjustment to opening accumulated deficit as of January 1, 2006 in accordance with the "dual approach" set forth in SAB No. 108 as discussed above. The requirement to adopt the guidance set forth in SAB No. 108, including the estimated impact, was initially disclosed in the Company's Form 10-Q for the quarter ended June 30, 2006.

The following table summarizes the impact of applying the guidance set forth in SAB No. 108 on the Company's 2006 opening accumulated deficit balance:

	Additional Income (Expense)			
	Period in which the Uncorrected Differences Originated			
	Cumulative Uncorrected Differences as of December 31, 2003	Years Ended December 31, 2004	2005	Adjustment Recorded as of January 1, 2006 to Accumulated Deficit
Excess accrual balances and other items, net of taxes (a)	$103,865	$ 531	$(1,952)	$102,444
Tax adjustment relating to disability insurance (b)	1,858	(1,497)	9,734	10,095
Rent expense, net of taxes (c)	(6,756)	(914)	(766)	(8,436)
Revenue related to promotional rates, net of taxes (d)	311	5,325	4,845	10,481
Video on demand revenue, net of related expenses and taxes (e)	791	45	54	890
Programmer audit accruals, net of taxes (f)	216	1,348	373	1,937
Disability and life insurance accruals, net of taxes (g)	1,564	389	254	2,207
Goodwill amortization, net of taxes (h)	2,076	-	(26)	2,050
Impact on accumulated deficit	$103,925	$ 5,227	$12,516	$121,668

(a) In periods prior to 2000, the Company had determined that certain accounts payable and accrued liability account balances (including accruals for programming costs, non-income based taxes, worker's compensation, franchise fees, health and dental, and pensions, among others) which had accumulated over a number of years to an aggregate $108,646, net of taxes, as of December 31, 2003, were not supportable as liabilities that the Company would be required to satisfy.

These amounts were substantially "frozen" as of December 31, 1999. Historically, the Company had concluded that such prior year uncorrected differences were quantitatively and qualitatively immaterial to the Company's prior year financial statements using the rollover method. This adjustment also includes $2,190, net of taxes, as of December 31, 2003, representing an excess reserve for unreturned analog converters that was not adjusted in prior periods to reflect actual losses and $(3,677), net of taxes, as of December 31, 2003, relating to unreconciled cash receipts. Additionally, this adjustment includes goodwill aggregating $3,292, net of taxes, as of December 31, 2003, and $1,994, net of taxes, for the year ended December 31, 2005, relating primarily to businesses that were sold where such goodwill was not included in their cost basis at the time of their sale for purposes of computing the associated gain on sale.

(b) In calculating the Company's tax provision for periods through December 31, 2005, the Company incorrectly treated tax-exempt disability insurance proceeds as taxable and non-deductible disability insurance premiums as tax deductible with regard to disability insurance arrangements associated with players of certain of the Company's professional sports teams.

(c) The Company historically recorded rent expense related to certain of its operating leases based on the contractual terms of the respective lease agreements instead of on a straight-line basis over the lease term as required by U.S. generally accepted accounting principles. This adjustment represents the impact of correcting the recognition of rent expense to the straight-line basis.

(d) The Company determined that it did not recognize in the appropriate period a portion of revenue earned related to certain cable television customers with promotional rates. This revenue was recognized when the promotional rates expired, generally occurring one year after the promotion commenced. This adjustment represents the revenue that should have been recognized in the respective periods when the services were provided, net of related tax effects.

(e) Prior to 2006, the Company recorded certain revenue from video on demand services as the services were billed to the customer instead of when the services were provided. Such revenue was historically recorded in the subsequent month's billing cycle. This adjustment reflects the recognition of revenue, net of related expenses and taxes, which should have been recorded in the respective periods when the services were provided.

(f) The Company's contracts with programming content providers typically allow for periodic audits of the programming payments made by the Company to these providers. The Company records an accrual for a loss contingency related to the associated potential underpayment of programming fees if such amounts are deemed probable and estimable. Based on the Company's review of this accrual balance, it determined that the accrual was overstated in previous years based upon the occurrence of historical events. This adjustment reflects the reduction of the accrual balance, net of taxes, in the appropriate periods.

(g) The Company determined that its accrual for disability and life insurance premiums for one of the Company's segments was based on an estimate that was not adjusted on a quarterly basis to reflect actual premiums paid. This adjustment reflects the reduction of the accrual, net of taxes, for the respective periods.

(h) In 2002, the Company inappropriately amortized goodwill of $2,076, net of taxes. This adjustment reflects the reversal of the amortization recognized in 2002. U.S. generally accepted accounting principles required the Company to cease amortization of goodwill effective January 1, 2002.

(Dollars in thousands, except per share amounts)

The following table summarizes the impact of applying the guidance in SAB No. 108 related to the adjustments described above on the Company's 2006 opening accumulated deficit by segment:

	Additional Income (Expense) Cumulative Uncorrected Differences as of January 1, 2006				
	Tele-communications	Rainbow	Madison Square Garden	Other	Total
Excess accrual balances and other items	$ 70,045	$22,837	$4,792	$29,737	$127,411
Rent expense	(10,040)	(1,380)	-	(2,920)	(14,340)
Revenue related to promotional rates	17,768	-	-	-	17,768
Video on demand revenue, net of related expenses	1,509	-	-	-	1,509
Programmer audit accruals	3,284	-	-	-	3,284
Disability and life insurance accruals	-	3,819	-	-	3,819
Goodwill amortization	-	-	3,474	-	3,474
	$ 82,566	$25,276	$8,266	$26,817	142,925
Income tax expense *					(31,352)
Tax adjustment relating to disability insurance					10,095
Impact on accumulated deficit					$121,668

* The income tax expense impact presented above is less than the amount that would be derived by applying the statutory rate to the aggregate pre-tax adjustment due to an income tax benefit of $28,553 resulting from a decrease in the required amount of the valuation allowance at the beginning of 2002 due to the decrease in deferred tax assets recognized in connection with the adjustments related to the excess accrual balances. The valuation allowance was eliminated later in 2002 in connection with the application of purchase accounting associated with an acquisition.

(Dollars in thousands, except per share amounts)

The following table summarizes the impact of applying the cumulative effect adjustments discussed above to the Company's consolidated balance sheet, including the impact on accumulated deficit, as of December 31, 2005, as recognized effective January 1, 2006:

	Cumulative Effect Adjustment Recorded in Accumulated Deficit as of January 1, 2006 Increase (Decrease)
Accounts receivable, trade	$ 14,570
Deferred tax asset	(10,788)
Total current assets	3,782
Property, plant and equipment	3,714
Investment in affiliates	341
Deferred tax asset	(25,662)
Intangible assets (1)	45,641
Total assets	27,816
Accounts payable	(20,639)
Accrued employee related costs	(15,515)
Other accrued expenses	(102,844)
Deferred tax liability	29,649
Total current liabilities	(109,349)
Deferred tax liabilities	1,470
Other long-term liabilities	13,732
Minority interests	295
Total liabilities	(93,852)
Accumulated deficit (aggregate cumulative effect adjustment, net of taxes)	$(121,668)

(1) Includes the impact on previously recorded goodwill related to certain prior period purchase accounting transactions which result from the adjustment to deferred tax assets related to the reversal of the excess accrual balances discussed in footnote (a) above and the item discussed in footnote (h) above.

NOTE 3. TRANSACTIONS

2005 Transactions

Regional Programming Partners Restructuring

In April 2005, the Company and News Corporation restructured their ownership of Regional Programming Partners. Prior to the April 2005 transaction, Regional Programming Partners was owned 60% by the Company and 40% by News Corporation. As a result of the restructuring, the Company now owns 100% of Madison Square Garden, 100% of Fox Sports Net Chicago (which was shut down in June 2006) and 50% of Fox Sports Net New England and therefore, no portion of the results of operations of these businesses is allocated to minority interests after the acquisition. In connection with the restructuring, these businesses extended the terms of their long-term affiliation agreements with National Sports Partners and their advertising representation agreements with National Advertising Partners.

In connection with its December 2003 purchase of the interests that it did not own in Fox Sports Net Chicago and Fox Sports Net Bay Area, subsidiaries of Regional Programming Partners issued promissory notes in the aggregate amount of $150,000 to News Corporation. As part of the restructuring, those promissory notes and accrued interest of $2,907 were contributed by News Corporation to Regional Programming Partners for no additional consideration and were cancelled without any payment being made on them.

(Dollars in thousands, except per share amounts)

National Sports Partners and National Advertising Partners were owned 50% by the Company and 50% by News Corporation. As a result of the restructuring, the Company no longer owns any interest in National Sports Partners, National Advertising Partners, Fox Sports Net Ohio or Fox Sports Net Florida.

The Company and News Corporation continue to own 60% and 40%, respectively, of Fox Sports Net Bay Area through a separate partnership. The Company continues to manage that network. In connection with the restructuring, Fox Sports Net Bay Area extended the terms of its long-term affiliation agreement with National Sports Partners and its advertising representation agreement with National Advertising Partners.

The Company has accounted for this exchange in accordance with APB Opinion No. 29, Accounting for Nonmonetary Transactions and, accordingly, the Company recorded the transaction with News Corporation at fair value at the date of the restructuring. The Company recorded a gain in discontinued operations of $266,810, net of taxes, in connection with the transfer of the Company's interests in Fox Sports Net Ohio and Fox Sports Net Florida. The Company recorded a gain in continuing operations of $66,558 in connection with the transfer of National Sports Partners and National Advertising Partners. In addition, the excess of the net book value of the assets acquired over the purchase price of $94,320 was allocated to specific assets and liabilities based on fair values as follows:

	Useful Life	
Land and development rights	Indefinite	$ 37,573
Property and equipment, net	2 to 27.5 years	12,396
Amortizable intangible assets:		
Affiliation agreements	4 years	17,951
Affiliation relationships	24 years	85,824
Advertiser relationships	7 years	6,004
Season ticket holder relationships	12 to 15 years	73,124
Suite holder contracts and relationships	3 to 11 years	21,167
Indefinite-lived intangible assets:		
Trademarks		53,880
Sports franchises		96,215
Excess costs over fair value of net assets acquired		(460,853)
Other assets and liabilities, net		9,399
Unfavorable contracts		(47,000)
Net step-down to historical carrying values		$ (94,320)

The Regional Programming Partners restructuring transaction was substantially tax deferred.

(Dollars in thousands, except per share amounts)

The unaudited pro forma revenue, loss from continuing operations, net income (loss), loss per share from continuing operations and net income (loss) per share of the Company, as if the Company's acquisition of the interests in entities exchanged with News Corporation had occurred on January 1, 2005 and 2004, are as follows:

	Years Ended December 31,	
	2005	2004
Revenues	$5,172,478	$4,632,537
Loss from continuing operations	$ (137,388)	$ (510,564)
Net income (loss)	$ 79,465	$ (703,476)
Basic and diluted loss per share from continuing operations	$ (0.49)	$ (1.78)
Basic and diluted net income (loss) per share	$ 0.28	$ (2.45)

Agreements with EchoStar

In April 2005, subsidiaries of Cablevision and CSC Holdings entered into agreements with EchoStar Communications Corporation ("EchoStar") relating to the launch and operation of the business of Rainbow HD Holdings LLC, the Company's VOOM HD Networks high-definition television programming service. This transaction closed in November 2005. Under those arrangements, EchoStar was initially distributing a portion of the VOOM HD Networks programming service and, beginning in 2006, began carrying 15 of the channels included in the programming service. In connection with the arrangements, EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings' equity by the Company.

Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year, up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future. The agreements resulted in a non-monetary exchange whereby the Company provided EchoStar a 20% interest in Rainbow HD Holdings in exchange for deferred carriage fees. Accordingly, the Company recorded deferred carriage fees for the fair value of the 20% interest in Rainbow HD Holdings LLC surrendered of $18,101, which resulted in a gain on the issuance of member's interest by a subsidiary of $10,397 (net of transaction costs of $295 and taxes of $7,409). Since Rainbow HD Holdings LLC is a start-up company, the gain was recorded as an increase to paid-in capital.

2004 Transactions

DTV Norwich

In January 2004, Rainbow DBS Company, LLC, ("Rainbow DBS") an indirect wholly-owned subsidiary of the Company, invested $100 for a 49% interest in DTV Norwich, an entity that acquired licenses at auction from the Federal Communications Commission ("FCC") to provide multichannel video distribution and data service ("MVDDS") in 46 metropolitan areas in the United States. In connection with the equity investment, the Company loaned DTV Norwich an additional $84,600 for the acquisition of these licenses (the "DTV Norwich Transaction"). Under the terms of the promissory note with DTV Norwich, the loan was forgiven when the FCC granted the MVDDS licenses to DTV Norwich on July 27, 2004 and September 23, 2004.

Rainbow DBS also agreed to a put/call option with the other investor in DTV Norwich. Rainbow DBS had a call option to purchase an additional 41% membership interest in DTV Norwich at an exercise price of $4,230. Rainbow DBS exercised its call option on October 29, 2004. Rainbow DBS received FCC approval to acquire the 41% membership interest which gave Rainbow DBS control of this entity. The other investor has the right, for ten years, to put its remaining 10% interest to Rainbow DBS at fair value to be determined by a process involving independent valuation experts.

Pursuant to FASB Interpretation No. 46R ("FIN No. 46R"), Consolidation of Variable Interest Entities, this entity was consolidated with the Company as of the date of the transaction, January 2004, since it did not have sufficient equity to demonstrate that it could finance its activities without additional subordinated financial support. The acquired licenses were recorded as other intangible assets and were deemed to have indefinite lives. Since this variable interest entity is not considered a business pursuant to FIN No. 46R, the excess of the fair value of the consideration paid and the newly consolidated non-controlling interest over the fair value of the newly consolidated identifiable assets, of $7,436 net of taxes of $5,384, was recorded as an extraordinary loss. In connection with the Company's decision in December 2004 to seek strategic alternatives for the Rainbow DBS business, the Company reduced the carrying value of the acquired licenses to their estimated fair value of $6,113 based on available MVDDS auction value information.

NOTE 4. RESTRUCTURING CHARGES

In December 2001, the Company recorded restructuring charges of $56,442 (including $13,720 for discontinued operations) which included expenses of $21,018 (including $9,403 for discontinued operations) associated with the elimination of approximately 600 positions, primarily in corporate, administrative and infrastructure functions across various business units of the Company, and estimated expenses of $35,424 (including $4,317 for discontinued operations) associated with facility realignment and other related costs.

In 2002, the Company announced a new operating plan and restructuring which included the closing of 26 retail electronics store locations, the consolidation of customer service call centers, and the elimination of certain staff positions. Additionally, the Company reached an agreement with its supplier of set top boxes which reduced the Company's purchase commitments for set top boxes from $378,500 in 2002, $378,500 in 2003, and $567,750 in 2004 to a total remaining commitment of $87,500 in 2002 and nothing thereafter and required the Company to make certain other cash payments aggregating $50,000 plus interest on a portion of such amount with respect to, among other things, a license for certain software (valued at $17,500 based on an independent appraisal). In connection with this plan, the Company recorded restructuring charges of $85,965 (including $11,553 for discontinued operations) which included $22,072 (including $3,642 for discontinued operations) associated with the elimination of approximately 3,000 positions, $31,393 (including $7,911 for discontinued operations) associated with facility realignment and other related costs and $32,500 associated with the reduction in required digital set top box commitments.

In 2003, the Company eliminated staff positions and incurred severance costs aggregating $6,111.

During 2006, 2005 and 2004, the Company recorded restructuring charges aggregating $392, $1,024 and $4,756, respectively, associated with the elimination of certain positions in various business units of the Company and facility realignment costs.

At December 31, 2006, the restructuring liability of $4,201 was classified as a current liability in the consolidated balance sheet.

(Dollars in thousands, except per share amounts)

The following table summarizes the restructuring liability, net of related sublease amounts, at December 31, 2006:

	2001 Plan	2001 Plan	2002 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan
	Employee Severance	Facility Realignment and Other Costs (b)	Employee Severance	Facility Realignment and Other Costs (a) (b)	Employee Severance	Employee Severance	Employee Severance	Facility Realignment
Balance at December 31, 2003	$ 3	$19,212	$ 207	$ 39,623	$ 2,258	$ -	$ -	$ -
Additional charges (credits)	-	(5,589)	(68)	(172)	238	4,756	-	-
Payments	(3)	(7,242)	(139)	(9,218)	(2,418)	(3,818)	-	-
Balance at December 31, 2004	-	6,381	-	30,233	78	938	-	-
Additional charges (credits)	-	(1,480)	-	(578)	234	263	1,024	-
Payments	-	(3,114)	-	(28,857)	(312)	(1,201)	(1,001)	-
Balance at December 31, 2005	-	1,787	-	798	-	-	23	-
Additional charges (credits)	-	(4,521)	-	525	-	-	(23)	392
Payments and accrual of sublease receivable, net	-	2,734	-	(1,323)	-	-	-	(290)
Accrued restructuring balance at December 31, 2006	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 102

(a) In August 2005, the Company made a $25,000 payment to satisfy its required commitment with a supplier associated with the 2002 restructuring plan.

(b) For the year ended December 31, 2006, the Company recorded restructuring credits of $3,996 relating primarily to changes to the Company's previous estimates recorded in connection with the 2001 and 2002 facility realignment. Based on the restructuring credits recorded and payments made by the Company, the restructuring liability relating to these plans, net of sublease amounts, as of December 31, 2006 was zero.

In addition to the facility realignment charges of $392 in 2006 which are expected to be completed by June 2009, the Company recorded restructuring charges of $143 associated with the elimination of approximately ten positions at a programming business within the Rainbow segment (which was fully paid as of December 31, 2006).

(Dollars in thousands, except per share amounts)

The cumulative amount of restructuring charges incurred by the Company for continuing operations for each of the restructuring plans are as follows:

	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan	Total
Employee severance	$15,108	$19,586	$6,583	$5,019	$1,001	$143	$ 47,440
Facility realignment and other costs	23,234	54,545	-	-	-	392	78,171
Cumulative restructuring charges recognized as of December 31, 2006	$38,342	$74,131	$6,583	$5,019	$1,001	$535	$125,611

NOTE 5. IMPAIRMENT CHARGES

In connection with the Company's Board of Directors' decision in December 2004 to suspend pursuing the spin-off of its Rainbow Media Enterprises subsidiary and instead to pursue strategic alternatives for its Rainbow DBS business, the Company performed a review of its assets for recoverability. The Company recorded an impairment charge of $90,540 included in depreciation and amortization expense relating to long-lived assets and other indefinite-lived intangible assets and a charge of $75,805 included in technical and operating expenses representing the write down of certain film and programming contracts of the VOOM HD Networks within the Rainbow segment. In addition, the Company recorded an impairment charge of $155,415 reflecting the excess of the carrying value over the estimated fair value of long-term assets and goodwill and other indefinite-lived intangible assets and a charge of $33,052 representing the write-off of equipment inventory and deposits which have been recorded in discontinued operations. The impairment charges related to film and programming contracts, equipment inventory and deposits are based on net realizable value and the impairment charges related to goodwill, intangible and long-lived assets are based on estimates of fair value of those assets.

The Company recorded impairment charges of $2,394, included in depreciation and amortization, relating to certain other long-lived assets deemed impaired within its theater operations and Rainbow segment in 2004.

In 2005, the Company recorded impairment charges of $7,697, included in depreciation and amortization, primarily for certain long-lived assets and intangibles within its Rainbow segment and theater operations.

During 2006, the Company recorded impairment charges of $2,104, included in depreciation and amortization, primarily for certain long-lived assets and intangibles within its theater operations and PVI Virtual Media business.

As part of its periodic review of expected programming usefulness, the Company recorded an impairment loss of $1,640, $663 and $297 in 2006, 2005 and 2004, respectively. Such amounts represent the write-off of the carrying value of certain film and programming contracts of the Company's Rainbow segment and are included in technical and operating expense.

In June 2006, the operations of the Fox Sports Net Chicago programming business were shut down. In connection with the shut down, the Company recorded a goodwill impairment charge of $5,121 which was classified in discontinued operations.

(Dollars in thousands, except per share amounts)

NOTE 6. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

The operating results of Fox Sports Net Ohio and Fox Sports Net Florida (in connection with the Regional Programming Partners restructuring in April 2005), Fox Sports Net Chicago and the Rainbow DBS satellite distribution business (in connection with the Board of Directors' authorization to shut down the business), net of taxes, have been classified in the consolidated statements of operations as discontinued operations for all periods presented. Operating results of discontinued operations for the years ended December 31, 2006, 2005 and 2004 are summarized below:

	Year Ended December 31, 2006			
	Fox Sports Net Chicago [a]	Rainbow DBS Satellite Distribution Business [b]	Other	Total
Revenues, net	$ 79,204	$ -	$ -	$79,204
Income (loss) before income taxes	$ 72,985	$(56,741)	$(62)	$16,182
Income tax benefit (expense)	(32,030)	23,269	25	(8,736)
Net income (loss)	$ 40,955	$(33,472)	$(37)	$ 7,446

(a) Revenues, net includes $77,996 representing the collection in June 2006 of affiliate revenue from a cable affiliate, including $71,396 relating to periods prior to 2006, that had not been previously recognized due to a contractual dispute. The underlying contract was terminated in June 2006 and no further payments will be received under this contract.

(b) Income (loss) before income taxes includes the recognition of the Make Whole Payment obligation due to Loral Space and Communications Holding Corporation (see discussion below).

	Year Ended December 31, 2005				
	Fox Sports Net Chicago	Fox Sports Net Ohio and Fox Sports Net Florida	Rainbow DBS Satellite Distribution Business	Other	Total
Revenues, net	$ 3,433	$ 40,018	$ 8,776	$ -	$ 52,227
Income (loss) before income taxes	$ 2,743	$ 466,460	$(102,983)	$ 4,405	$ 370,625
Income tax benefit (expense)	(1,123)	(192,998)	42,151	(1,802)	(153,772)
Net income (loss) including gain on restructuring of Regional Programming Partners of $266,810, and other gain of $2,618, net of taxes	$ 1,620	$273,462	$ (60,832)	$ 2,603	$ 216,853

For the year ended December 31, 2005, the Company recorded a gain, net of taxes, of $2,521, primarily representing the transfer of the Company's ownership interest in a subsidiary of PVI to PVI's minority partner for the minority partner's remaining ownership interest in PVI. In addition, the Company recorded a gain, net of taxes, of $97 for the year ended December 31, 2005 that related primarily to a reduction of health and welfare expenses in connection with the transfer of the retail electronics business.

(Dollars in thousands, except per share amounts)

	Year Ended December 31, 2004				
	Fox Sports Net Chicago	Fox Sports Net Ohio and Fox Sports Net Florida	Rainbow DBS Satellite Distribution Business	Other	Total
Revenues, net	$117,500	$168,085	$ 14,742	$ -	$ 300,327
Income (loss) before income taxes	$ 23,136	$ 39,054	$(375,345)	$(6,954)	$(320,109)
Income tax benefit (expense)	(9,555)	(16,130)	155,018	5,300	134,633
Net income (loss)	$ 13,581	$ 22,924	$(220,327)	$(1,654)	$(185,476)

For the year ended December 31, 2004, the Company recorded losses, net of taxes, of $1,092, representing the finalization of film asset adjustments that relate to the sale of the Bravo programming business in 2002. In addition, the Company recorded losses, net of taxes, of $562 for the year ended December 31, 2004 that related primarily to estimated legal and payroll tax settlements in connection with the transfer of the retail electronics business.

Rainbow DBS

In April 2005, the operations of the Rainbow DBS satellite distribution business were shut down. In connection with the shut down, certain assets of the business, including the Rainbow 1 direct broadcast satellite and certain other related assets were sold to a subsidiary of EchoStar for $200,000 in cash. This transaction closed in November 2005. In addition, Rainbow DBS had FCC licenses to construct, launch and operate five fixed service Ka-band satellites and had entered into a contract in November 2004 for the construction by Lockheed Martin of these five Ka-band satellites at a cost of $740,000. Rainbow DBS had the right to terminate the contract at any time, subject to certain maximum termination liabilities. Rainbow DBS exercised this right on November 21, 2005, and the amount paid to Lockheed Martin in excess of the termination liability was repaid to the Company in March 2006.

In September 2005, Loral filed an action against Cablevision and Rainbow DBS for breach of contract based on a letter agreement dated March 23, 2001 ("the Letter Agreement") between Loral and Rainbow DBS. Loral alleges that the sale of the Rainbow-1 satellite and related assets to EchoStar constituted a sale of "substantially all of the assets of Rainbow DBS" triggering a "Make Whole Payment" under the Letter Agreement of $33,000 plus interest. A trial in this matter took place in January 2007 in New York Supreme Court for New York County. On January 24, 2007, the jury returned a verdict finding that the EchoStar sale had triggered a Make Whole Payment under the Letter Agreement, requiring a payment to Loral of $50,898, including interest, which has been accrued for as of December 31, 2006 and reflected as an expense in discontinued operations. Cablevision and Rainbow DBS have filed a motion for judgment as a matter of law, or in the alternative for a new trial, which is pending.

Certain assets of the Rainbow DBS satellite distribution business, previously included in the Rainbow DBS segment, amounting to $7,557, had been classified as assets held for sale in the consolidated balance sheet of the Company at December 31, 2005. These assets related to the direct broadcast satellite television business of Rainbow DBS and consisted of equipment and other assets. In the first quarter of 2006, the Company recorded an impairment loss of $7,179 which has been classified in discontinued operations. In the second quarter of 2006, the assets were sold.

(Dollars in thousands, except per share amounts)

Fox Sports Net Chicago

In June 2006, the operations of the Fox Sports Net Chicago programming business were shut down. In connection with the shut down, the Company recorded a goodwill impairment charge of $5,121 which was classified in discontinued operations.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Costs incurred in the construction of the Company's cable television system, including line extensions to, and upgrade of, the Company's hybrid fiber-coaxial infrastructure 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 Company 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 (12-25 years), and headend facilities (4-15 years). Costs of operating the plant and the technical facilities, including repairs and maintenance and call completion fees, are expensed as incurred.

Costs incurred to connect businesses or residences that have not been previously connected to the infrastructure or digital platform are also capitalized. These costs include materials, subcontractor labor, internal labor to connect, provision and provide on-site and remote technical assistance and other related costs associated with the connection activities. In addition, on-site and remote technical assistance during the provisioning process for new digital product offerings are capitalized. 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. New connections are amortized over 5 years or 12 years for residence wiring and feeder cable to the home, respectively. The portion of departmental costs related to reconnection, programming service up- and down- grade, repair and maintenance, and disconnection activities are expensed as incurred.

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,		Estimated
	2006	2005	Useful Lives
Customer equipment	$1,565,089	$1,359,758	3 to 5 years
Headends and related equipment	610,563	578,880	4 to 15 years
Central office equipment	456,670	397,450	5 to 10 years
Infrastructure	4,599,159	4,391,527	3 to 25 years
Program, service and data processing equipment	1,254,713	1,201,999	2 to 13 years
Microwave equipment	37,484	35,084	5 to 8 years
Construction in progress (including materials and supplies)	68,136	63,157	-
Furniture and fixtures	171,311	163,035	3 to 10 years
Transportation equipment	228,414	217,604	3 to 15 years
Buildings and building improvements	368,921	358,140	2 to 40 years
Leasehold improvements	531,471	516,452	Term of lease
Land	79,989	79,985	-
	9,971,920	9,363,071	
Less accumulated depreciation and amortization	6,257,078	5,494,994	
	$3,714,842	$3,868,077	

(Dollars in thousands, except per share amounts)

Depreciation expense on property, plant and equipment (including capital leases) for the years ended December 31, 2006, 2005 and 2004 amounted to $1,034,628, $981,057 and $967,306 (including impairments of $1,205, $2,734 and $14,437 in 2006, 2005 and 2004), respectively.

At December 31, 2006 and 2005, the gross amount of equipment and related accumulated amortization recorded under capital leases were as follows:

	December 31,	
	2006	2005
Equipment	$122,400	$113,766
Less accumulated amortization	75,817	67,443
	$ 46,583	$ 46,323

NOTE 8. INTANGIBLE ASSETS

The following table summarizes information relating to the Company's acquired intangible assets at December 31, 2006 and 2005:

	December 31,		Estimated
	2006	2005	Useful Lives
Gross carrying amount of amortizable intangible assets			
Affiliation relationships and affiliation agreements	$ 783,774	$ 782,367	4 to 24 years
Broadcast rights and other agreements	86,748	86,748	10 to 11 years
Season ticket holder relationships	75,005	75,005	10 to 15 years
Suite holder contracts and relationships	21,167	21,167	3 to 11 years
Advertiser relationships	104,071	104,071	7 to 10 years
Other intangibles	40,819	87,400	1 to 20 years
	1,111,584	1,156,758	
Accumulated amortization			
Affiliation relationships and affiliation agreements	366,888	305,677	
Broadcast rights and other agreements	50,746	44,075	
Season ticket holder relationships	10,027	4,576	
Suite holder contracts and relationships	5,815	2,491	
Advertiser relationships	42,814	31,315	
Other intangibles	19,139	29,810	
	495,429	417,944	
Indefinite-lived intangible assets			
Franchises	731,848	731,848	
Sports franchises	96,215	96,215	
FCC licenses and other intangibles	11,936	19,076	
Trademarks	53,880	53,880	
Excess costs over the fair value of net assets acquired	1,032,117	993,426	
	1,925,996	1,894,445	
Total intangible assets, net	$2,542,151	$2,633,259	
Aggregate amortization expense			
Years ended December 31, 2006 and 2005 (excluding impairment charges of $899 and $4,963, respectively)	$ 93,286	$ 97,623	

(Dollars in thousands, except per share amounts)

Estimated amortization expense	
Year ending December 31, 2007	$ 91,553
Year ending December 31, 2008	89,112
Year ending December 31, 2009	82,699
Year ending December 31, 2010	79,637
Year ending December 31, 2011	78,838

The changes in the carrying amount of excess costs over the fair value of net assets acquired for the years ended December 31, 2006, 2005 and 2004 are as follows:

	Tele-communications	MSG	Rainbow	Other	Total Company
Balance as of December 31,2004	$206,971	$1,152,131	$ 70,722	$13,558	$1,443,382
Adjustments recorded in connection with the Regional Programming Partners restructuring	-	(460,853)	14,026	-	(446,827)
Reclassification as a result of the Regional Programming Partners restructuring	-	32,755	(32,755)	-	-
Impairment loss	-	-	(4,963)	-	(4,963)
Other	-	-	935	899	1,834
Balance as of December 31, 2005	206,971	724,033	47,965	14,457	993,426
Cumulative effect of adjustments resulting from the adoption of SAB No. 108 (Note 2)	-	14,228	30,483	-	44,711
Adjusted balance at January 1, 2006	206,971	738,261	78,448	14,457	1,038,137
Impairment loss - continuing operations	-	-	-	(899)	(899)
Impairment loss - discontinued operations (Note 6)	-	-	(5,121)	-	(5,121)
Balance as of December 31, 2006	$206,971	$ 738,261	$ 73,327	$13,558	$1,032,117

See Note 3 for a discussion of changes to acquired intangible assets primarily as a result of the Regional Programming Partners restructuring in 2005.

(Dollars in thousands, except per share amounts)

NOTE 9. DEBT

Bank Debt

The Company's outstanding bank debt at December 31, 2006 and 2005 is as follows:

	December 31, 2006	December 31, 2005
Restricted Group:		
Restricted Group credit facility (terminated in 2006)	$ -	$1,256,000
Term A-1 credit facility	1,000,000	-
Term B credit facility	3,482,500	-
	4,482,500	1,256,000
Rainbow National Services:		
Credit facility (terminated in 2006)	-	595,500
Term A credit facility	500,000	-
Revolving credit facility	10,000	-
	$4,992,500	$1,851,500

Restricted Group

On February 24, 2006, the Restricted Group (comprised primarily of the CSC Holdings' cable television subsidiaries and its commercial data and voice services subsidiary) entered into a $2,400,000 credit facility with a group of banks consisting of three components: a $1,000,000 revolver that was undrawn at December 31, 2006, a $1,000,000 term A-1 loan facility and a $400,000 term A-2 loan facility that has since been refinanced and repaid in full, as described below. Approximately $1,300,000 of the $1,400,000 proceeds received from the term loans under the new credit facility was used to repay the outstanding borrowings and accrued interest under the prior Restricted Group credit facility that was scheduled to mature in June 2006, and fees and expenses. On March 29, 2006, the Restricted Group entered into a new $3,500,000 term B loan facility, of which approximately $400,000 of the proceeds was used to prepay the outstanding borrowings of the term A-2 loan facility, including accrued interest, and fees and expenses. The balance of the outstanding term B loan facility borrowings was invested in short-term AAA rated funds until approval of the special dividend by the Company's Board of Directors. On April 24, 2006 the approved special dividend was paid (see Note 1).

The three components of the new Restricted Group credit facility, the $1,000,000 revolver, the $1,000,000 term A-1 loan facility and the $3,500,000 term B loan facility, are direct obligations of CSC Holdings, guaranteed by most Restricted Group subsidiaries and secured by the pledge of the stock of most Restricted Group subsidiaries. As of December 31, 2006, $51,994 of the $1,000,000 revolving credit facility was restricted for certain letters of credit issued on behalf of CSC Holdings. The revolving credit facility and the term A-1 loan facility mature in six years in February 2012 and the term B loan facility matures in seven years in March 2013. The revolver has no required interim repayments, the $1,000,000 term A-1 loan facility requires quarterly repayments aggregating 0% in year one, 5% in each of years two and three, 25% in each of years four and five, and 40% in the final year and the $3,500,000 term B loan facility is subject to quarterly repayments totaling 1% ($8,750 per quarter) in each of years one through six and 94% ($822,500 per quarter) in the final year. The interest rate on the term A-1 loan facility varies, depending on the Restricted Group's cash flow ratio (as defined), from .75% to 1.75% over the Eurodollar Rate for Eurodollar-based borrowings and from zero to .75% over the Base Rate for Base Rate Borrowings (as defined). The interest rate on the borrowings under the term B loan facility is the Eurodollar Rate (as defined) plus 1.75% or prime rate plus .75%, at the Company's election. The weighted average interest rates as of December 31, 2006 on borrowings under the term A-1 loan facility and term B loan facility was 6.62% and 7.12%, respectively.

The principal financial covenants, which are not identical for the revolving credit facility and the term A-1 loan facility, on the one hand, and the term B loan facility, on the other, include (i) under the revolving credit facility and the term A-1 loan facility, maximum total leverage of 7.50 to 1 with subsequent stepdowns over the life of the revolving credit facility and the term A-1 loan facility until reaching 4.50 to 1 for periods beginning on and after January 1, 2010, (ii) under the revolving credit facility and the term A-1 loan facility, maximum senior secured leverage of 4.00 times cash flow through December 31, 2006 with annual stepdowns thereafter over the life of the revolving credit facility and the term A-1 loan facility until reaching 3.00 to 1 for periods beginning on and after January 1, 2010, (iii) under the revolving credit facility and the term A-1 loan facility, minimum ratios for cash flow to interest expense of 1.75 to 1 initially, increasing to 2.00 to 1 on and after July 1, 2007, and (iv) under the revolving credit facility and the term A-1 loan facility, a minimum ratio of cash flow less cash taxes to total debt expense (defined to include interest expense, certain payments of principal and dividends paid by CSC Holdings to Cablevision to permit Cablevision to pay interest and certain principal payments on its debt) of 1.50 to 1. These covenants and restrictions on the permitted use of borrowed funds in the revolving credit facility may limit the Company's ability to utilize all of the undrawn revolver funds. Additional covenants include limitations on liens and the issuance of additional debt.

Under the term B loan facility, the Company is limited in its ability to incur additional indebtedness based on a maximum ratio of total indebtedness to cash flow (as defined in the term B loan facility) of 7.50 to 1 with subsequent stepdowns over the life of the term B loan facility until reaching 5.00 to 1 for periods beginning on and after January 1, 2010 and a maximum senior secured leverage ratio of 4.50 times cash flow (as defined in the term B loan facility).

Under the revolving credit facility and the term A-1 loan facility, there are generally no restrictions on investments that the Restricted Group may make, provided it is not in default. The Restricted Group can make distributions or other restricted payments so long as CSC Holdings is not in default, but there is a limitation (initially $200,000, subject to increase to reflect capital contributions or issuance of equity interests) on restricted payments during any period when the cash flow leverage ratio is greater than 6.0 to 1. The $200,000 limitation does not apply to restricted payments by CSC Holdings to Cablevision to be used by Cablevision to make scheduled payments of principal or interest on its indebtedness. Under the term B loan facility, there also are generally no restrictions on investments that the Restricted Group may make provided it is not in default; however, CSC Holdings must also remain in compliance with the maximum ratio of total indebtedness to cash flow and the maximum senior secured leverage ratio. The Restricted Group's ability to make restricted payments is also limited by provisions in the term B loan facility and the indentures covering the Company's notes and debentures.

In connection with the repayment of the term A-2 loan facility and the prior Restricted Group credit facility, the Company wrote off $4,587 of unamortized deferred financing costs and in connection with the new Restricted Group credit facility, related costs of $42,004 were recorded as deferred financing costs.

Rainbow National Services

On July 5, 2006, Rainbow National Services LLC ("RNS"), an indirect wholly-owned subsidiary of the Company, entered into a replacement bank facility (the "New RNS Credit Facility") providing for an $800,000 senior secured facility which consists of a $500,000 term A loan facility and a $300,000 revolving credit facility which was used primarily to refinance its then existing credit facility. The term A loan facility matures June 30, 2013 and the revolving credit facility matures June 30, 2012. The New RNS Credit Facility allows RNS to utilize up to $50,000 of the revolving credit facility for letters of credit and up to $5,000 for a swing loan. Further, the New RNS Credit Facility provides for an incremental facility of up to $925,000, provided that it be for a minimum amount of $100,000. If an incremental facility is established, RNS and the lenders will enter into a supplement to the New RNS Credit Facility with terms and conditions that are no more restrictive than those of the New RNS Credit Facility. There are no commitments from the lenders to fund an incremental facility.

On July 5, 2006, RNS borrowed the entire $500,000 term A loan facility and $10,000 under the revolving credit facility. RNS used the $510,000 borrowed under the New RNS Credit Facility and $88,048 of additional available cash to repay all of its outstanding borrowings, accrued interest and fees due under its August 2004 $950,000 senior secured credit facility of which $592,500 was outstanding under a term loan at July 5, 2006 (scheduled to mature March 31, 2012) and to pay certain fees and expenses incurred in connection with the New RNS Credit Facility. RNS may use future borrowings under the credit agreement to make investments, distributions, and other payments permitted under the New RNS Credit Facility and for general corporate purposes. The borrowings under the New RNS Credit Facility may be repaid without penalty at any time. At December 31, 2006, $500,000 was outstanding under the term A loan and $10,000 was outstanding under the revolving credit facility. RNS had $290,000 in undrawn revolver commitments at December 31, 2006.

Borrowings under the New RNS Credit Facility are direct obligations of RNS which are guaranteed jointly and severally by substantially all of its subsidiaries and by Rainbow Programming Holdings LLC, the direct parent of RNS, and are secured by the pledge of the stock of RNS and substantially all of its subsidiaries and all of the other assets of RNS and substantially all of its subsidiaries (subject to certain limited exceptions). Borrowings under the New RNS Credit Facility bear interest based on either the Base Rate (the greater of the Federal Funds Rate plus 0.5% and the prime rate (as defined in the New RNS Credit Facility)), or the Eurodollar Rate (as defined in the New RNS Credit Facility). The interest rate under the New RNS Credit Facility varies, depending on RNS' cash flow ratio (as defined in the New RNS Credit Facility) from 1.0% to 1.5% over the Eurodollar Rate for Eurodollar-based borrowings and from zero to 0.5% over the Base Rate for Base Rate borrowings. On December 31, 2006, the interest rate on the term A loan facility and the revolving credit facility was 6.62% and 6.60%, respectively. The term A loan is to be repaid in quarterly installments of 1.25% of the original outstanding balance ($6,250) from March 31, 2008 until December 31, 2010, 2.5% of the original outstanding balance ($12,500) from March 31, 2011 until December 31, 2012, and 32.5% of the original outstanding balance ($162,500) on March 31, 2013 and June 30, 2013, the term A loan maturity date. Any amounts outstanding under the revolving credit facility are due at maturity on June 30, 2012.

The financial covenants consist of (i) a minimum ratio of operating cash flow to total interest expense for each quarter (all as defined in the New RNS Credit Facility) of 1.75 to 1, (ii) a maximum cash flow ratio of total indebtedness to annualized operating cash flow (as defined in the New RNS Credit Facility) of 6.75 to 1 through June 30, 2008, decreasing thereafter to 6.25 to 1, and (iii) a maximum senior secured leverage ratio of senior secured debt to annualized operating cash flow (as defined in the New RNS Credit Facility) of 5.50 to 1. Additional covenants include restrictions on indebtedness, guarantees, liens, investments, dividends and distributions and transactions with affiliates.

RNS is obligated to pay fees of 0.375% per annum on any undrawn revolver commitment.

In connection with the New RNS Credit Facility, RNS incurred deferred financing costs of $5,536, which are being amortized to interest expense over the term of the New RNS Credit Facility. The Company recorded $6,084 as a write-off of deferred financing costs associated with the repayment of the August 2004 credit facility in 2006.

Rainbow Media Holdings

In December 2003, Rainbow Media Holdings, a wholly-owned subsidiary of CSC Holdings entered into an $823,000 credit facility consisting of a $200,000 revolving credit facility and a $623,000 term loan, maturing on March 31, 2008 and March 31, 2009, respectively. At December 31, 2003, the weighted average rate of interest was 3.57%.

Loans under the Rainbow Media Holdings credit facility bore interest at the Eurodollar rate plus a margin based upon Rainbow Media Holdings' leverage ratio.

In August 2004, RNS distributed approximately $704,900 to Rainbow Media Holdings which it used to repay all outstanding amounts under its credit facility and collateralized outstanding letters of credit. Such proceeds were obtained through the issuance of bank debt and the issuance of senior and senior subordinated notes by RNS. The Company wrote off $12,694 of unamortized deferred financing costs in connection with the termination of the credit facility in 2004.

Madison Square Garden

Madison Square Garden, L.P. ("MSG"), a wholly-owned indirect subsidiary of Rainbow Media Holdings, had a $500,000 revolving credit facility with a group of banks which was to mature on December 31, 2004. MSG had pledged substantially all of its assets as collateral under the credit facility. Loans under the MSG credit facility bore interest at either prime rate or a Eurodollar rate plus a margin based upon MSG's consolidated leverage ratio. At December 31, 2003, loans outstanding amounted to $110,000, and bore interest at a weighted average rate of 1.93%. In March 2004, borrowings under the credit facility were repaid in full and the credit facility was terminated with proceeds from a $146,000 equity contribution from its direct parent, Regional Programming Partners. The Company wrote off $1,187 of unamortized deferred financing costs in connection with the termination of the MSG credit facility in 2004.

(Dollars in thousands, except per share amounts)

Senior Notes and Debentures

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

Issuer	Date Issued	Maturity Date	Rate	Face Amount	Carrying Amount at December 31, 2006	Carrying Amount at December 31, 2005
CSC Holdings [a]	December 1997	December 2007	7.875%	$ 500,000	$ 499,952	$ 499,896
Cablevision [a]	April 2004	April 2009	Floating	500,000	500,000	$ 500,000
Cablevision [b]	April 2004	April 2012	8.00%	1,000,000	1,000,000	1,000,000
CSC Holdings [b] [d]	April 2004	April 2012	6.75%	500,000	500,000	500,000
CSC Holdings [a]	July 1999	July 2009	8.125%	500,000	499,423	499,191
CSC Holdings [a]	July 1998	July 2008	7.25%	500,000	500,000	500,000
CSC Holdings [a]	July 1998	July 2018	7.625%	500,000	499,714	499,689
CSC Holdings [a]	February 1998	February 2018	7.875%	300,000	298,088	297,918
CSC Holdings [a]	August 1997	August 2009	8.125%	400,000	399,668	399,544
CSC Holdings [a]	March 2001	April 2011	7.625%	1,000,000	998,635	998,315
RNS [c]	August 2004	September 2012	8.75%	300,000	298,476	298,207
				$6,000,000	$5,993,956	$5,992,760

(a) These notes are not redeemable by the Company prior to maturity.
(b) The Company may redeem some or all of the notes at any time at a make-whole redemption price calculated by reference to market interest rates for comparable maturity treasury notes plus a spread.
(c) The senior notes are redeemable, in whole or in part, at a redemption price equal to 104.375% of face value at any time on or after September 1, 2008, 102.188% of face value on or after September 1, 2009, and 100% of face value on or after September 1, 2010. In addition, the Company may redeem up to 35% of the senior notes before September 1, 2007 at a redemption price of 108.75% of the principal amounts, with the net cash proceeds from specified equity offerings (as defined under the terms of the indentures) provided that at least 65% of the aggregate principal amount of the notes remains outstanding immediately subsequent to the redemption.
(d) These notes have not been exchanged as required by the purchase agreement under which the notes were sold and consequently, the interest rate has increased from 6.75% to 7.25% until the exchange is accomplished. Upon exchange, the interest rate would revert to 6.75%.

The indentures under which the senior notes and debentures were issued contain various covenants, which are generally less restrictive than those contained in the credit agreement of the issuer.

(Dollars in thousands, except per share amounts)

Senior Subordinated Notes and Debentures

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

	Principal Amount	Carrying Amount at December 31, 2006	Carrying Amount at December 31, 2005	Redemption [b] Date	Redemption [b] Price
RNS 10-3/8% Senior Subordinated Notes due 2014, issued August 2004 [a]	$ 500,000	$497,011	$496,621	September 1, 2009 September 1, 2010 September 1, 2011 September 1, 2012	105.188% 103.458% 101.729% 100%
CSC Holdings 10-1/2% Senior Subordinated Debentures due 2016, issued May 1996 (d)	250,000	-	250,000		
CSC Holdings 9-7/8% Senior Subordinated Debentures due 2013, issued February 1993 (c)	200,000	-	-		
CSC Holdings 9-7/8% Senior Subordinated Debentures due 2023, issued April 1993 (c)	150,000	-	-		
	$1,100,000	$497,011	$746,621		

(a) These notes were discounted $3,915 upon original issuance. The Company may redeem up to 35% of the senior subordinated notes before September 1, 2007 at a redemption price of 110.375% of the principal amounts, with the net cash proceeds from specified equity offerings (as defined under the terms of the indenture) provided that at least 65% of the aggregate principal amount of the notes remains outstanding immediately subsequent to the redemption.

(b) The notes/debentures are redeemable, at the Company's option, in whole or in part, on the redemption dates listed at the respective percentage of the principal amount and one year after the last date above at 100% of the aggregate principal amount, in each case together with accrued interest to the redemption date.

(c) In May 2004, the Company redeemed these senior subordinated debentures. In connection with these redemptions, the Company recognized a loss of $14,325 representing primarily the redemption premiums paid.

(d) In June 2006, the Company redeemed these senior subordinated debentures at a redemption price of 105.25%. In connection with the redemption, the Company recognized a loss on extinguishment of debt of $13,125, representing the redemption premiums paid and wrote off the remaining deferred financing costs of $3,412.

The indentures under which the senior subordinated notes and debentures were issued contain various covenants, which are generally less restrictive than those contained in the credit agreement of the issuer.

Debt Covenant Compliance

CSC Holdings Credit Agreement:

On August 29, 2006, CSC Holdings advised the agent bank and the lenders under the new Restricted Group credit facility that due to the expected restatement of its financial statements resulting from the stock option review discussed in Note 18, it was unable to comply with its covenant to deliver financial information, due on that date, with respect to the periods ended June 30, 2005 and 2006. Under the new Restricted Group credit facility, the covenant noncompliance would become an event of default if the noncompliance remained unremedied for 30 days after notice from the agent bank or any lender (other than a lender under the term B facility), or for 60 days after notice from the agent bank or term B lenders holding at least 25% of the term B facility.

(Dollars in thousands, except per share amounts)

On August 29, 2006, the lenders under the new Restricted Group credit facility, other than the term B lenders, agreed to waive until September 22, 2006 any default resulting from the covenant noncompliance under the new Restricted Group credit facility due to the expected restatement so notice of default could not be given by such a lender until September 25, 2006 at the earliest and the Restricted Group would have 30 days from the date of any such notice to cure the default. CSC Holdings delivered all required information under the new Restricted Group credit facility on September 21, 2006 and the information delivery covenant noncompliance was cured by that delivery.

The Restricted Group did not obtain a waiver of the default resulting from the covenant noncompliance from the lenders holding term B loans under the new Restricted Group credit facility and, on September 7, 2006, the bank serving as administrative agent under the new Restricted Group credit facility gave a notice of default to CSC Holdings with respect to such term B covenant noncompliance. As a result, the Restricted Group had 60 days (until November 6, 2006) to cure its noncompliance with the financial information covenant. CSC Holdings delivered all required information under the new Restricted Group credit facility on September 21, 2006 and the information delivery covenant noncompliance was cured by that delivery.

Cablevision and CSC Holdings Indentures:

As a result of not filing their Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 by September 8, 2006, Cablevision and CSC Holdings were not in compliance with the information delivery and filing requirements under the indentures relating to their notes and debentures. Such noncompliance would become an event of default as to any series of notes or debentures if Cablevision or CSC Holdings, as the case may be, received notice of such default from the trustee or the holders of at least 25% of the securities of that series and failed to cure the covenant noncompliance within 60 days after receipt of the notice. On September 12, 2006, Cablevision received a letter from an investment manager stating that it was acting for funds beneficially owning more than 25% of the outstanding securities of a series under one of Cablevision's indentures. The letter stated that it served as a notice of default under the applicable indenture and demanded that the covenant noncompliance be remedied. Assuming the letter constituted a valid notice of default from holders of at least 25% of the securities of the relevant series, Cablevision had 60 days (until November 11, 2006) to cure its noncompliance with the information delivery and filing covenant. Cablevision and CSC Holdings delivered all required information under the indentures on September 21, 2006, at which time the Company was in compliance with all of the covenants of its debt instruments.

Summary of Five Year Debt Maturities

Total amounts payable by the Company and its subsidiaries under its various debt obligations outstanding as of December 31, 2006, including collateralized indebtedness (see Note 10) and capital leases (including interest), during the five years subsequent to December 31, 2006, are as follows:

Years Ending December 31,	
2007	$ 724,834
2008	871,525
2009	2,381,991
2010	314,536
2011	1,489,536

(Dollars in thousands, except per share amounts)

NOTE 10. COLLATERALIZED INDEBTEDNESS AND DERIVATIVES

To manage interest rate risk, the Company has 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 fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or convert fixed rate borrowings to variable rates to provide an economic hedge against the risk of higher borrowing costs in a declining interest rate environment. At December 31, 2006 and 2005, the Company was a party to interest rate swap agreements to pay floating rates of interest with a total notional value of $450,000 and a fair value of $6,568, and $10,541, a net liability position, respectively. These agreements have not been designated as hedges for accounting purposes.

In addition, the Company has entered into prepaid interest rate swap agreements in connection with its monetization of certain of its stock holdings, discussed below. These contracts require the Company to pay a floating rate of interest in exchange for fixed rate interest payments, the net present value of which was paid to the Company at the contract's inception. As of December 31, 2006 and 2005, the total notional value of such contracts was $105,061 and $613,960, respectively and the fair values of such contracts were $10,340 and $26,881, a net liability position, respectively. These agreements have not been designated as hedges for accounting purposes.

In April 2006, CSC Holdings entered into several interest rate swap contracts in the notional amount of $3,700,000 to effectively fix borrowing rates on floating rate debt. As a result of these transactions, the interest rate paid on approximately 80% of the Company's debt is fixed. The table below summarizes certain terms of these interest rate swap contracts as of December 31, 2006:

Maturity Date	Notional Amount	Weighted Average Fixed Rate Paid by the Company	Weighted Average Effective Floating Rate Received by the Company as of December 31, 2006
April 2008	$ 500,000	5.24%	5.37%
April 2009	$ 600,000	5.25%	5.38%
June 2010	$2,600,000	5.34%	5.36%

As of December 31, 2006, the interest rate swap contracts noted above had a fair value and carrying value of $31,398, a net liability position, as reflected under derivative contracts in our consolidated balance sheet.

The changes in the fair value of the Company's swap agreements and the net realized gains (losses) as a result of net cash interest income (expense) for the years ended December 31, 2006, 2005 and 2004 aggregating $(39,360), $(16,497) and $(656), respectively, are reflected in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

The Company has also entered into various transactions to provide an economic hedge against equity price risk on certain of its stock holdings. The Company had monetized all of its stock holdings in Charter Communications, Inc., Adelphia Communications Corporation, AT&T, AT&T Wireless, Comcast Corporation, General Electric Company and Leapfrog Enterprises, Inc. through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective underlying stock. The contracts set a floor and cap on the Company's participation in the changes in the underlying stock prices and at maturity are expected to offset declines in the fair values of the underlying stock below the hedge price per share, while allowing the Company to retain upside appreciation from the hedge price per share to the cap price. At maturity, the contracts provide for the option to deliver cash or shares of AT&T,

(Dollars in thousands, except per share amounts)

Comcast, Charter Communications, Adelphia Communications, General Electric or Leapfrog stock (as the case may be) with a value determined by reference to the applicable stock price at maturity.

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 fair values of the equity derivatives of $(82,009) and $296,017, at December 31, 2006 and 2005, respectively, have been reflected in the accompanying consolidated balance sheets as an asset (liability) and the net increases (decreases) in the fair value of the equity derivative component of the prepaid forward contracts of $(214,352), $135,677 and $(132,940), as of December 31, 2006, 2005 and 2004, respectively, are included in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

For the years ended December 31, 2006, 2005 and 2004, the Company recorded a gain (loss) on investments of $284,096, $(135,082) and $135,649 respectively, representing the net increases or decreases in the fair values of all investment securities pledged as collateral for the period.

2006 Settlements of Collateralized Indebtedness

The following table summarizes the settlement of the Company's collateralized indebtedness for the year ended December 31, 2006. The Company's collateralized indebtedness obligations relating to shares of Charter Communications, Inc. and AT&T Inc. common stock were settled by delivering the underlying securities and proceeds from the related equity derivative contracts. The Company's collateralized indebtedness obligations relating to Comcast Corporation and General Electric Company shares were settled by delivering the cash equal to the collateralized loan value, net of the value of the related equity derivative contracts. The cash was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast and General Electric shares, proceeds from a prepaid interest rate swap executed in conjunction with the equity derivative contract related to the Comcast shares and, in certain instances, cash from CSC Holdings. The terms of the new contracts allow the Company to retain upside participation in both Comcast and General Electric shares up to each respective contract's upside appreciation limit with downside exposure limited below the respective hedge price.

	Charter	AT&T	Comcast	General Electric	Total
Number of shares	5,586,687	3,449,785	7,159,206	12,742,033	
Collateralized indebtedness settled	$(125,907)	$(165,036)	$(266,224)	$(314,028)	$(871,195)
Prepaid forward contracts	119,177	63,974	31,385	(50,864)	163,672
Fair value of underlying securities delivered	6,730	101,062	-	-	107,792
Net cash payment	$ -	$ -	$(234,839)	$(364,892)	$(599,731)
Proceeds from new monetization contracts	$ -	$ -	$ 212,774	$ 382,261	$ 595,035
Proceeds from prepaid interest rate swap contract	-	-	6,496	-	6,496
	-	-	219,270	382,261	601,531
Net cash receipt (payment)	$ -	$ -	$ (15,569)	$ 17,369	$ 1,800

(Dollars in thousands, except per share amounts)

2005 Settlements of Collateralized Indebtedness

The following table summarizes the settlement of the Company's collateralized indebtedness for the year ended December 31, 2005. The Company's collateralized indebtedness obligations relating to AT&T Wireless, Charter, Adelphia and AT&T shares were settled by delivering the underlying securities and proceeds from the related equity derivative contracts. The Company's collateralized indebtedness obligations relating to Comcast shares were settled by delivering the cash equal to the market value of the Comcast shares and proceeds from the related equity derivative contracts. The cash was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast shares, and, in certain cases, proceeds from a prepaid interest rate swap executed in conjunction with the equity derivative contract. The terms of the new contracts are similar in all material respects to the contracts that had matured and allow the Company to retain upside participation in the Comcast shares up to the contract's upside appreciation limit with downside exposure limited below the hedge price.

	Adelphia	AT&T Wireless	Charter	AT&T	Comcast	Total
Number of shares......	1,010,000	7,243,166	1,862,229	4,183,455	7,159,206	
Collateralized indebtedness..........	$(39,935)	$(116,544)	$(42,676)	$(165,036)	$(266,227)	$(630,418)
Prepaid forward contracts...............	39,834	8,897	39,678	79,502	43,604	211,515
Underlying securities	101	-	2,998	85,534	-	88,633
Restricted cash..........	-	108,647	-	-	-	108,647
Net cash receipt (payment).............	$ -	$ 1,000	$ -	$ -	$(222,623)	$(221,623)
Proceeds from new monetization contracts...............	$ -	$ -	$ -	$ -	$ 209,973	$ 209,973
Proceeds from prepaid interest rate swap contract .	-	-	-	-	6,462	6,462
	-	-	-	-	216,435	216,435
Net cash receipt (payment).............	$ -	$ 1,000	$ -	$ -	$ (6,188)	$ (5,188)

At December 31, 2006, the Company had principal collateralized indebtedness obligations of $102,268 that mature during the next twelve months. The Company intends to settle such obligations by either delivering shares of the applicable stock and proceeds of the equity derivative contracts or delivering cash from the proceeds of new monetization transactions. In the event of an early termination of any of these contracts, 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, 2006, this settlement amount totaled $2,221.

In October 2004, the Company received $213,647 in cash in exchange for all 14.2 million shares it owned of AT&T Wireless common stock, representing the $15 share price paid in consideration of the merger between AT&T Wireless and Cingular Wireless LLC. The shares and resultant cash exchanged for such shares had previously been pledged in support of the repayment of the collateralized debt. As a result of that exchange, the Company's prepaid forward contracts relating to its shares of AT&T Wireless were terminated. The termination provisions under the prepaid forward contracts required the Company to repay the fair value of the collateralized indebtedness less the sum of the fair value of the underlying stock and equity collars. The Company recognized a loss on the extinguishment of debt of $6,076 representing the difference between the fair value and the carrying value of the collateralized indebtedness. At December 31, 2004, the Company had settled certain collateralized indebtedness with a fair value of $124,100 by releasing to the counterparty cash proceeds from the related prepaid forward contract totaling $20,100 and the cash from the merger transaction of $105,000 both of which had been pledged in settlement of the debt. The Company received the net difference of $1,000 in cash upon settlement in February 2005.

In February 2003, Quadrangle Capital Partners LP ("Quadrangle"), a private investment firm, invested $75,000 in CSC Holdings, in the form of 10% Series A Exchangeable Participating Preferred Stock convertible into Cablevision NY Group Class A common stock. In connection with the issuance of the Series A Preferred Stock to Quadrangle Capital Partners LP, the Company entered into an agreement with Quadrangle which granted Quadrangle the right to require the Company to purchase the preferred stock ("put option") for cash or through the issuance of registered equity securities of the Company, at the Company's option. The exchange right and the put option were accounted for as a derivative. The change in the fair value of the exchange right and put option of $31,709 for the year ended December 31, 2004 has been reflected as a loss on derivative contracts in the accompanying consolidated statements of operations. In October 2003, Quadrangle exercised its put option to require CSC Holdings to purchase all of its Series A Exchangeable Participating Preferred Stock. The parties entered into an agreement that the put price was $150,328. The put price was paid in cash by CSC Holdings in August 2004.

NOTE 11. PREFERRED STOCK OF CSC HOLDINGS, INC.

In February 1996, CSC Holdings issued 6,500,000 depositary shares, representing 65,000 shares of 11-1/8% Series L Redeemable Exchangeable Preferred Stock (the "Series L Preferred Stock"), which were subsequently exchanged for Series M Redeemable Exchangeable Preferred Stock (the "Series M Preferred Stock") in August 1996 with terms identical to the Series L Preferred Stock. The depositary shares were exchangeable, in whole but not in part, at the option of CSC Holdings, for CSC Holdings' 11-1/8% Senior Subordinated Debentures due 2008. CSC Holdings was required to redeem the Series M Preferred Stock on April 1, 2008 at a redemption price equal to the liquidation preference of $10,000 per share plus accumulated and unpaid dividends. The Series M Preferred Stock was redeemable at various redemption prices beginning at 105.563% at any time on or after April 1, 2003, at the option of CSC Holdings, with accumulated and unpaid dividends thereon to the date of redemption. Before April 1, 2001, dividends could, at the option of CSC Holdings, be paid in cash or by issuing fully paid and nonassessable shares of Series M Preferred Stock with an aggregate liquidation preference equal to the amount of such dividends. On and after April 1, 2001, dividends were payable in cash. CSC Holdings paid cash dividends on the Series M Preferred Stock of $42,882 in 2004.

In September 1995, CSC Holdings issued 2,500,000 shares of its $.01 par value 11-3/4% Series H Redeemable Exchangeable Preferred Stock (the "Series H Preferred Stock") with an aggregate liquidation preference of $100 per share. CSC Holdings was required to redeem the Series H Preferred Stock on October 1, 2007 at a redemption price per share equal to the liquidation preference of $100 per share, plus accrued and unpaid dividends thereon. The Series H Preferred Stock was redeemable at various redemption prices beginning at 105.875% at any time on or after October 1, 2002, at the option of CSC Holdings, with accumulated and unpaid dividends thereon to the date of redemption. Before October 1, 2000, dividends could, at the option of CSC Holdings, be paid in cash or by issuing fully paid and nonassessable shares of Series H Preferred Stock with an aggregate liquidation preference equal to the amount of such dividends. On and after October 1, 2000, dividends were payable in cash. The terms of the Series H Preferred Stock permitted CSC Holdings, at its option, to exchange the Series H Preferred Stock for CSC Holdings' 11-3/4% Senior Subordinated Debentures due 2007 in an aggregate principal amount equal to the aggregate liquidation preference of the shares of Series H Preferred Stock. CSC Holdings paid cash dividends on the Series H Preferred Stock of $17,712 in 2004.

(Dollars in thousands, except per share amounts)

In May 2004, CSC Holdings redeemed all of its Series H Preferred Stock and its Series M Preferred Stock. In connection with the redemptions, the Company recognized a loss of $58,170 representing the redemption premiums paid. In addition, the Company wrote off $5,080 of unamortized deferred financing costs in connection with these redemptions.

NOTE 12. INCOME TAXES

The Company files a consolidated federal income tax return with its 80% or more owned subsidiaries.

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

	Years Ended December 31,		
	2006	2005	2004
Current expense:			
Federal	$ -	$ -	$ 93
State	9,546	9,493	6,669
	9,546	9,493	6,762
Deferred benefit:			
Federal	(79,510)	(58,282)	(85,001)
State	(64,253)	(26,902)	(123,158)
	(143,763)	(85,184)	(208,159)
Income tax benefit	$(134,217)	$(75,691)	$(201,397)

The income tax benefit attributable to continuing operations for 2005 and 2004 excludes deferred federal and state tax benefits of $1,256 and $3,388, respectively, resulting from the exercise of stock options, which were credited directly to paid-in capital. No income tax benefit has been recognized as an increase to paid in capital with regard to excess tax benefits occurring during the year ended December 31, 2006.

The income tax expense attributable to discontinued operations was classified as deferred income tax expense for all periods presented (see Note 6).

The income tax expense (benefit) attributable to 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:

	Years Ended December 31,		
	2006	2005	2004
Federal tax benefit at statutory federal rate	$ (93,543)	$(71,128)	$(240,601)
State income taxes, net of federal benefit	(24,315)	(12,211)	(25,692)
Changes in the valuation allowance	(10,404)	6,459	14,036
State rate change, net of federal benefit	1,706	(6,701)	(21,615)
Nondeductible expense relating to Series A Preferred Stock	-	-	11,098
Nondeductible preferred stock dividends	-	-	21,208
Nondeductible redemption premium on Series H and Series M Preferred Stock	-	-	20,360
Reduction of a tax contingency liability	(16,356)	-	-
Favorable settlement of an issue with a taxing authority	(5,013)	-	-
Nondeductible officers' compensation	4,443	6,226	8,303
Other nondeductible expenses	6,768	10,637	4,776
Other	2,497	(8,973)	6,730
Income tax benefit	$(134,217)	$(75,691)	$(201,397)

(Dollars in thousands, except per share amounts)

At December 31, 2006, the Company had consolidated federal tax net operating loss carry forwards ("NOLs") of $2,830,369 expiring on various dates through 2026. The Company has recorded a deferred tax asset for such NOLs.

The Company's NOLs expire as follows:

2008	$ 19,933
2009	137,011
2010	142,821
2011	151,008
2012	72,442
2018	101,547
2019	497,669
2020	110,970
2021	362,821
2022	231,138
2023	347,362
2024	591,350
2026	64,297
	$2,830,369

During 2006, the tax deduction resulting from the exercise and issuance of certain share-based awards exceeded the aggregate compensation expense for such awards by $18,387. This 'windfall' deduction results in an excess tax benefit that must be analyzed to determine whether it has been realized. As described in Note 16, the Company uses the 'with-and-without' approach to determine whether an excess tax benefit has been realized. Given the Company's NOL position, no income tax benefit has been recognized for such excess tax benefit. Accordingly, the NOLs above exclude $18,387 of windfall tax deductions occurring in 2006.

(Dollars in thousands, except per share amounts)

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, 2006 and 2005 are as follows:

	December 31,	
	2006	2005
Deferred Tax Asset (Liability)		
Current		
Benefits of tax loss carry forwards	$ 67,418	$ 137,034
Compensation and benefit plans	62,201	7,598
Allowance for doubtful accounts	4,416	3,878
Reserve for restructuring	1,723	3,833
Investments	14,694	-
Other assets	-	1,671
Other liabilities	37,368	71,680
Deferred tax asset	187,820	225,694
Valuation allowance	(3,788)	(6,518)
Net deferred tax asset, current	184,032	219,176
Investments	-	(208,388)
Deferred tax liability, current	-	(208,388)
Net deferred tax asset, current	184,032	10,788
Noncurrent		
Benefits of tax loss carry forwards	1,103,588	1,124,720
Compensation and benefit plans	87,992	78,058
Other	32,895	8,472
Deferred tax asset	1,224,475	1,211,250
Valuation allowance	(24,700)	(35,012)
Net deferred tax asset, noncurrent	1,199,775	1,176,238
Fixed assets and intangibles	(461,372)	(517,201)
Investments	(221,902)	(73,718)
Partnership investments	(573,744)	(556,872)
Other assets	(16,481)	(2,785)
Deferred tax liability, noncurrent	(1,273,499)	(1,150,576)
Net deferred tax asset (liability), noncurrent	(73,724)	25,662
Total net deferred tax asset	$ 110,308	$ 36,450

In general, deferred tax assets and liabilities are classified as either current or noncurrent based on the balance sheet classification of the underlying asset or liability. Current deferred tax assets and liabilities are netted and presented as either a current deferred tax asset or a current deferred tax liability. As of December 31, 2005, the current net deferred tax asset of $10,788 included a deferred tax liability of $208,388 relating to investments, which was primarily comprised of a deferred tax liability of $253,555 relating to investment securities pledged as collateral and derivative contracts offset by a deferred tax asset of $44,733 relating to an unrealized loss on an investment in Adelphia stock, which was realized in December 2006. Due primarily to the classifications of current and noncurrent investment securities pledged as collateral and derivative contracts, a deferred tax asset of $14,694 corresponding to these items has been included in current deferred tax assets as of December 31, 2006.

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 statement of operations. 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 net operating loss carry forwards. In 2006, the Company recorded a decrease in the valuation allowance of $10,404 relating to certain state net operating loss carry forwards. In 2005 and 2004, the Company recorded increases in the valuation allowance of $6,459 and $14,036, respectively, relating to certain state net operating loss carry forwards. During 2006 and 2005, certain state net operating loss carry forwards expired prior to utilization. The deferred tax asset corresponding to the expired net operating loss carry forwards had been previously fully offset by a valuation allowance. The deferred tax asset and valuation allowance were both reduced by $2,638 and $6,953 in 2006 and 2005, respectively.

At times, the Company takes certain positions on its tax returns that may be challenged by various taxing authorities. These tax positions arise in connection with certain transactions or operations. Although the Company believes it has support for its tax positions, it has recorded a liability for its best estimate of the probable loss on such positions. Management does not believe that the resolution of these matters will have a material adverse impact on the financial position of the Company.

The Company is currently being audited by the state of Ohio for the tax year ended December 31, 2000. The primary audit issue is the amount of gain that should be subject to tax in Ohio pursuant to the 2000 sale of certain cable television systems. Ohio has asserted that more of the gain should be taxed in Ohio. Ohio has issued a proposed assessment of additional tax due of approximately $55,000 plus interest of approximately $12,000. As of December 31, 2006, the Company has recorded a liability with respect to such matter of approximately $11,000, including interest, which represents management's current estimate of the additional amount that may be owed.

NOTE 13. OPERATING LEASES

The Company leases certain office, production, transmission, theater and event facilities under terms of leases expiring at various dates through 2027. The leases generally provide for fixed annual rentals plus certain real estate taxes and other costs. Rent expense for the years ended December 31, 2006, 2005 and 2004 amounted to $82,342, $79,590 and $76,300, respectively.

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. Pole rental expense for the years ended December 31, 2006, 2005 and 2004 amounted to $13,777, $12,325 and $13,607, respectively.

Madison Square Garden operates Radio City Music Hall under a long-term lease. Under the terms of the lease agreement, Madison Square Garden is required to meet certain net worth, cash flow, and building utilization requirements. In the event Madison Square Garden were to fail to meet the lease requirements and was unable to remedy such defaults, the landlord could have the option of terminating the lease.

(Dollars in thousands, except per share amounts)

The minimum future annual payments for all operating leases for continuing operations (with initial or remaining terms in excess of one year) during the next five years, including pole rentals from January 1, 2007 through December 31, 2011, and thereafter, at rates now in force are as follows:

2007	$ 91,214
2008	96,484
2009	92,753
2010	87,976
2011	82,746
Thereafter	508,855

NOTE 14. AFFILIATE AND RELATED PARTY TRANSACTIONS

Equity Method Investments

The following table reflects the Company's ownership percentages and balances of equity method investments as of December 31, 2006 and 2005:

	Ownership Percentages		Investment Balances	
	December 31,			
	2006	2005	2006	2005
Fox Sports Net New England	50.0%	50.0%	$47,656	$39,463
Other	22.2%	N/A	2,294	-
Net investment in affiliates			$49,950	$39,463

The Company's share of the net income (loss) of these affiliates for the years ended December 31, 2006, 2005 and 2004 is as follows:

	Years Ended December 31,		
	2006	2005	2004
Fox Sports Net New England	$6,698	$ 6,645	$ 6,194
National Sports Partners (a)	-	(3,379)	(19,731)
National Advertising Partners (a)	-	(47)	1,992
PVI Virtual Media Services LLC (b)	-	-	(1,668)
New York Metro, LLC	-	-	216
	$6,698	$ 3,219	$(12,997)

(a) See Note 3 for a discussion of the Regional Programming Partners restructuring in 2005 which eliminated our ownership interest in these entities.
(b) PVI Virtual Media Services LLC was consolidated in the second quarter of 2004, pursuant to FIN No. 46R and the ownership interest not owned by the Company was purchased in 2005.

The following table includes certain unaudited financial information for Fox Sports Net New England:

	December 31,	
	2006	2005
	(unaudited)	
Total assets	$85,861	$67,391
Total liabilities*	13,502	12,049

* Includes amounts due to the Company from affiliates referred to below.

(Dollars in thousands, except per share amounts)

Amounts due to these affiliates at December 31, 2006 and 2005 aggregated $477 and $1,428, respectively.

The Company provides certain transmission and production services to certain of these affiliates. For the years ended December 31, 2006, 2005 and 2004, $1,358, $1,608 and $1,502, respectively, of revenues were earned from services provided to these entities. Costs incurred by the Company for programming, entertainment and advertising services provided by these affiliates and included in operating expenses for the years ended December 31, 2006, 2005 and 2004 amounted to $342, $3,509 and $16,186, respectively.

Other Affiliates and Related Parties

During 2006, 2005 and 2004, the Company provided services to or incurred costs on behalf of other affiliates. These costs are reimbursed to the Company. Aggregate amounts due from and due to these affiliates at December 31, 2006 and 2005 are summarized below:

	December 31,	
	2006	2005
Advances to affiliates	$153	$70
Accounts payable to affiliates	94	39

In February 2005, the Company signed a letter of intent under which VOOM HD, LLC, a private company formed by two of the Company's Class B shareholders, Charles F. Dolan and Thomas C. Dolan, had planned to acquire from the Company the business, assets and liabilities of the Company's Rainbow DBS satellite business not included in the agreement with EchoStar (see Note 3). The letter of intent between the Company and VOOM HD, LLC expired on February 28, 2005 without a definitive agreement being reached.

Following the expiration of the letter of intent, the Company began shutting down the Rainbow DBS satellite distribution operations. In March 2005, the Company entered into an agreement with Charles F. Dolan and Thomas C. Dolan ("March 2005 Agreement") pursuant to which the parties agreed to work cooperatively to finalize the separation of Rainbow DBS from the Company. The Company agreed that no new shutdown activities would be undertaken at Rainbow DBS during the term of the agreement. In accordance with the March 2005 Agreement, Charles F. Dolan deposited $15,000 with the Company to fund any expenditures above those contemplated in the shutdown budget, net of March 2005 revenue earned. This agreement terminated on March 31, 2005 and, in accordance with its terms, the distribution business of Rainbow DBS was shutdown effective April 30, 2005 and the Board of Directors confirmed such shutdown decision at a meeting on April 7, 2005.

Cash deposited by Charles F. Dolan under the March 2005 Agreement that was not used to fund costs or segregated to pay costs associated with new commitments or other agreements of $8,663 was returned to him prior to December 31, 2005. Cash of $6,337 deposited by Charles F. Dolan which was used to fund the incremental costs less March 2005 revenue earned related to the Rainbow DBS satellite distribution business, net of the related discounted income tax benefit to the Company, has been recorded as a deemed net equity contribution.

Fox Sports Net Ohio and Cleveland Indians Baseball Club Limited Partnership (the "Indians") are parties to a multi-year rights agreement under which Fox Sports Net Ohio pays license fees to the Indians in exchange for telecast rights to substantially all regular season Indians games. As a result of the restructuring of Regional Programming Partners in April 2005, the Company no longer owns interests in Fox Sports Net Ohio. The Indians are owned by (i) Lawrence Dolan, a brother of Charles F. Dolan, the Company's Chairman, (ii) a trust, the beneficiaries of which are Lawrence Dolan and certain descendants of Lawrence Dolan, and (iii) certain other trusts, the beneficiaries of which are certain descendants of Charles F. Dolan, including James L. Dolan, the Company's Chief Executive Officer, and Marianne Dolan Weber and Patrick F. Dolan, officers of the Company and brothers of James L. Dolan and a trust whose discretionary beneficiaries include Brian Sweeney, son-in-law of Charles F. Dolan, brother-in-law of James L. Dolan, and a director. Management control of the Indians is held by Lawrence Dolan.

(Dollars in thousands, except per share amounts)

NOTE 15. BENEFIT PLANS

Adoption of Statement No. 158

Effective December 31, 2006, the Company adopted the recognition and disclosure provisions of Statement No. 158 which requires employers to recognize in their balance sheets the overfunded or underfunded status of defined benefit postretirement plans, measured as the difference between the fair value of plan assets and the benefit obligation (the projected benefit obligation for pension plans and the accumulated postretirement benefit obligation for other postretirement plans). Employers must recognize the change in the funded status of the plan in the year in which the change occurs through accumulated other comprehensive income. Statement No. 158 also requires plan assets and obligations to be measured as of the employers' balance sheet date. The measurement provision of Statement No. 158 will be effective on January 1, 2009 for the Company with early application encouraged. This will not have an impact to the Company as its current measurement date is December 31.

Prior to the adoption of the recognition provisions of Statement No. 158, the Company accounted for its defined benefit postretirement plans under Statement No. 87 and SFAS No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions ("Statement No. 106"). Statement No. 87 required that a liability (additional minimum pension liability or "AML") be recorded when the accumulated benefit obligation ("ABO") liability exceeded the fair value of plan assets. Any adjustment was recorded as a non-cash charge to accumulated other comprehensive income in shareholders' equity (deficit). Statement No. 106 required that the liability recorded should represent the actuarial present value of all future benefits attributable to an employee's service rendered to date. Under both Statement No. 87 and Statement No. 106, changes in the funded status were not immediately recognized, rather they were deferred and recognized ratably over future periods. Upon adoption of the recognition provisions of Statement No. 158, the Company recognized the amounts of prior changes in the funded status of its postretirement benefit plans through accumulated other comprehensive loss. As a result, the Company recognized the following adjustments in individual line items of its consolidated balance sheet as of December 31, 2006:

	Prior to AML and Statement No. 158 Adjustments	Pretax 2006 AML Adjustment	Pretax Effect of Adopting Statement No. 158	Post AML and Statement No. 158 Adjustments
Accrued employee related costs	$69,389	$ -	$(69,389)	$ -
Defined benefit obligations	-	2,516	81,092	83,608
Accumulated other comprehensive loss	(6,028)	(2,516)	(11,703)	(20,247)

Income tax benefits associated with the effect of adopting Statement No. 158 and the 2006 AML adjustment amounted to $4,799 and $1,032, respectively.

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost (credit) during the next fiscal year are as follows:

	Total
Prior service cost recognition	$(108)
Actuarial loss	187
Transition asset recognition	(3)
Total	$ 76

The adoption of Statement No. 158 had no effect on the Company's consolidated statement of operations for the year ended December 31, 2006, or for any prior period presented and does not have a material impact to any of the Company's debt covenants under its various credit agreements.

Plan Descriptions

Qualified and Non-qualified Defined Benefit Plans

Cablevision Retirement Plans (collectively, the "Cablevision Qualified and Non-qualified Defined Benefit Plans)

The Company sponsors a non-contributory qualified defined benefit Cash Balance Retirement Plan (the "Retirement Plan") for the benefit of non-union employees other than those of the theater business. Under the Retirement Plan, the Company credits a certain percentage of eligible base pay into an account established for each participant which is credited with a market based rate of return annually.

The Company also maintains an unfunded non-contributory non-qualified defined benefit excess cash balance plan covering certain Company employees who participate in the Retirement Plan and an unfunded supplemental defined benefit plan (the "CSC Supplemental Benefit Plan") for the benefit of certain officers and employees of the Company. As part of the CSC Supplemental Benefit Plan, the Company established a nonqualified defined benefit pension plan, which provides that, upon attaining normal retirement age, a participant will receive a benefit equal to a specified percentage of the participant's average compensation, as defined. All participants are 100% vested in the CSC Supplemental Benefit Plan.

Madison Square Garden Retirement Plans (collectively, the "Madison Square Garden Qualified and Non-qualified Defined Benefit Plans)

Madison Square Garden sponsors a non-contributory qualified defined benefit pension plan ("MSG Plan") covering its non-union employees hired prior to January 1, 2001. Benefits payable to retirees under this plan are based upon years of service and participants' compensation.

Madison Square Garden also maintains an unfunded, non-qualified defined benefit pension plan for the benefit of certain employees of Madison Square Garden who participate in the underlying qualified plan. This plan provides that, upon retirement, a participant will receive a benefit based on a formula which reflects the participant's compensation. In addition, Madison Square Garden sponsors two non-contributory qualified defined benefit pension plans covering certain of its union employees ("MSG Union Plans"). Benefits payable to retirees under these plans are based upon years of service and, for one plan, participants' compensation, and are funded through trusts established under the plans.

Other Postretirement Benefit Plan

Madison Square Garden sponsors a contributory welfare plan ("Madison Square Garden Postretirement Benefit Plan") which provides certain postretirement health care benefits to certain of its employees hired prior to January 1, 2001 and their dependents.

Defined Contribution Benefit Plans

The Company also maintains the Cablevision CHOICE 401(k) savings plan, a contributory qualified defined contribution plan for the benefit of non-union employees of the Company. The Company also has five additional 401(k) plans covering various union employees, as well as employees of certain businesses. Employees can contribute a percentage of eligible annual compensation and the Company will make a matching cash contribution or discretionary contribution, as defined in the respective plan. In addition, the Company maintains an unfunded non-qualified excess savings plan that the Company provides a matching contribution to similar to the Cablevision CHOICE 401(k) plan. The cost associated with these plans was $16,909, $13,554 and $13,255 for the years ended December 31, 2006, 2005 and 2004, respectively.

Multi-employer Plans

Madison Square Garden also contributes to various multiemployer pension plans. Contributions made to these multiemployer plans for the years ended December 31, 2006, 2005 and 2004 amounted to $6,966, $5,846 and $5,516, respectively.

(Dollars in thousands, except per share amounts)

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 qualified and non-qualified defined benefit pension and other postretirement benefit plans at December 31, 2006 and 2005:

	Cablevision Qualified and Non-qualified Defined Benefit Plans		Madison Square Garden Qualified and Non-qualified Defined Benefit Plans		Madison Square Garden Postretirement Benefit Plan	
	2006	2005	2006	2005	2006	2005
Change in benefit obligation:						
Benefit obligation at beginning of year	$142,922	$117,668	$ 93,670	$ 77,921	$ 7,494	$ 6,237
Service cost	29,378	26,593	4,988	4,205	399	415
Interest cost	8,212	6,727	5,441	4,508	361	361
Actuarial loss (gain)	3,776	682	(2,718)	8,538	(1,086)	710
Benefits paid	(6,632)	(8,748)	(1,572)	(1,502)	(261)	(229)
Benefit obligation at end of year	177,656	142,922	99,809	93,670	6,907	7,494
Change in plan assets:						
Fair value of plan assets at beginning of year	116,604	92,002	45,198	36,905	-	-
Actual return on plan assets	10,737	6,758	5,091	1,236	-	-
Employer contributions	25,511	26,592	5,827	8,559	-	-
Benefits paid	(6,632)	(8,748)	(1,572)	(1,502)	-	-
Fair value of plan assets at end of year	146,220	116,604	54,544	45,198	-	-
Unfunded status at end of year	(31,436)	(26,318)	(45,265)	(48,472)	(6,907)	(7,494)
Unrecognized actuarial loss	-	4,801	-	17,557	-	1,662
Unrecognized prior service cost (credit)	-	-	-	284	-	(1,315)
Unrecognized transition asset	-	-	-	(7)	-	-
Net amount recognized	$(31,436)	$(21,517)	$(45,265)	$(30,638)	$(6,907)	$(7,147)

The accumulated benefit obligations for the Cablevision Qualified and Non-qualified Defined Benefit Plans and Madison Square Garden Qualified and Non-qualified Defined Benefit Plans aggregated $252,952 and $215,189 for the years ended December 31, 2006 and 2005, respectively.

The Company's net unfunded liability relating to its defined benefit and other postretirement benefit plans at December 31, 2006 is as follows:

Cablevision Qualified and Non-qualified Defined Benefit Plans	$(31,436)
Madison Square Garden Qualified and Non-qualified Defined Benefit Plans	(45,265)
Madison Square Garden Postretirement Benefit Plan	(6,907)
	(83,608)
Less: Current portion	1,091
Long-term defined benefit plan and other postretirement plan obligations	$(82,517)

(Dollars in thousands, except per share amounts)

Components of the net periodic pension cost, recorded primarily in selling, general and administrative expenses, for the Company's qualified and non-qualified defined benefit and other postretirement plans for the years ended December 31, 2006, 2005 and 2004, are as follows:

	Cablevision Qualified and Non-qualified Defined Benefit Plans			Madison Square Garden Qualified and Non-qualified Defined Benefit Plans			Madison Square Garden Postretirement Benefit Plan		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
Service cost	$29,378	$26,593	$26,459	$ 4,988	$ 4,205	$ 4,231	$ 399	$ 415	$ 395
Interest cost	8,212	6,727	5,950	5,441	4,508	4,176	361	361	337
Amortization of prior service cost	-	-	-	-	-	-	-	-	-
Expected return on plan assets	(9,882)	(8,046)	(6,667)	(3,686)	(3,032)	(2,561)	-	-	-
Recognized prior service cost (credit)	11	62	62	25	29	40	(133)	(156)	(222)
Recognized actuarial (gain) loss	-	93	-	627	117	212	(4)	17	35
Recognized transition (asset) obligation	-	-	-	(3)	(3)	(4)	-	-	-
Net periodic benefit cost	$27,719	$25,429	$25,804	$ 7,392	$ 5,824	$ 6,094	$ 623	$ 637	$ 545

Plan Assumptions for Defined Benefit Plans

Weighted-average assumptions used to determine net periodic cost and benefit obligations for the Cablevision Qualified and Non-qualified Defined Benefit Plans are as follows:

	Weighted-Average Assumptions				
	Net Periodic Benefit Cost for the Years Ended December 31,			Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
Discount rate	5.80%	6.05%	6.30%	5.80%	5.80%
Rate of increase in future compensation levels	4.15%	4.12%	4.12%	4.40%	4.15%
Rate of return on plan assets (qualified plans only)	8.00%	8.00%	8.00%	N/A	N/A

(Dollars in thousands, except per share amounts)

Weighted-average assumptions used to determine net periodic benefit cost and benefit obligations for the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans are as follows:

	Weighted-Average Assumptions				
	Net Periodic Benefit Cost for the Years Ended December 31,			Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
Discount rate	5.75%	6.00%	6.25%	6.14%	5.75%
Rate of increase in future compensation levels	4.00%	3.16%	3.17%	4.39%	4.00%
Rate of return on plan assets (qualified plans only)	8.00%	8.00%	8.00%	N/A	N/A

Prior to 2005, the discount rate used by the Company was based upon published yields for high quality fixed income investments from Moody's and Merrill Lynch. In 2006 and 2005, the discount rate was determined (based on the expected duration of the benefit payments for the pension plan) by referring to applicable bond yields (such as Moody's Aaa Corporate Bonds) and the Buck Consultants' Discount Rate Model (which is developed by examining the yields on selected highly rated corporate bonds), to select a rate at which the Company believed the pension benefits could be effectively settled. The Company's expected long-term return on 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 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 and economic/financial market theory. The expected long-term rate of return was selected from within the reasonable range of rates 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.

Weighted-average assumptions used to determine net periodic benefit cost and benefit obligations for the Madison Square Garden Postretirement Plan are as follows:

	Weighted-Average Assumptions				
	Net Periodic Benefit Cost for the Years Ended December 31,			Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
Discount rate	5.75%	6.00%	6.25%	6.05%	5.75%
Health care trend rate assumed for next year	9.00%	8.00%	9.00%	9.00%	9.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2012	2009	2009	2013	2012

(Dollars in thousands, except per share amounts)

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage point change in the assumed health care cost trend rates would have the following effects:

	Increase (Decrease) in net Periodic Benefit Cost for the Years Ended December 31,			Increase (Decrease) in Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
One percentage point increase	$ 129	$ 137	$ 131	$1,001	$1,148
One percentage point decrease	$(107)	$(114)	$(110)	$ (840)	$ (958)

Plan Assets and Investment Policy

The weighted average asset allocation of Cablevision's qualified plan at December 31, 2006 and 2005 was as follows:

	Plan Assets at December 31,	
	2006	2005
Asset Category:		
Equity securities	57%	57%
Fixed income securities	34	34
Other	9	9
	100%	100%

The weighted average asset allocation of the MSG's qualified plans at December 31, 2006 and 2005 was as follows:

	Plan Assets at December 31,	
	2006	2005
Asset Category:		
Equity securities	62%	61%
Fixed income securities	29	32
Other	9	7
	100%	100%

Generally, the plans' investment objectives are to invest in portfolios that would obtain a market rate of return throughout economic cycles, commensurate with the investment risk and cash flow needs of the plans. This requires the plans to subject a portion of their assets to increased risk to generate a greater rate of return. The investments in each portfolio are readily marketable and can be sold to fund benefit payment obligations of the plans as they become payable.

Benefit Payments and Contributions for Defined Benefit Plans

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid relating to Cablevision's Qualified and Non-qualified Defined Benefit Plans:

2007	$ 16,033
2008	22,066
2009	28,888
2010	25,435
2011	27,098
2012-2016	152,266

(Dollars in thousands, except per share amounts)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid relating to the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans:

2007	$ 2,088
2008	2,376
2009	2,767
2010	2,930
2011	3,063
2012-2016	19,822

Of the amounts expected to be paid in 2007, the Company has recorded $1,091 as a current liability in its consolidated balance sheet at December 31, 2006, since this amount represents the aggregate benefit payment obligation payable in the next twelve months that exceeds the fair value of aggregate plan assets at December 31, 2006.

The Company makes contributions to the Retirement Plan, the MSG Plan and MSG Union Plans, which are all qualified defined benefit plans. The Company currently expects to contribute approximately $24,000 to the Retirement Plan and contribute to the MSG Plan and MSG Union Plans in 2007 approximately $4,800 and $320, respectively.

NOTE 16. EQUITY AND LONG-TERM INCENTIVE PLANS

Equity Plans

In April 2006, the Company's Board of Directors approved the Cablevision Systems Corporation 2006 Employee Stock Plan and the Cablevision Systems Corporation 2006 Stock Plan for Non-Employee Directors, which was approved by the Company's stockholders at its annual stockholders meeting on May 18, 2006.

Under the 2006 Employee Stock Plan, the Company is authorized to grant incentive stock options, nonqualified stock options, restricted shares, restricted stock units, stock appreciation rights and other equity-based awards. The Company may grant awards for up to 23,000,000 shares of Cablevision NY Group Class A common stock (subject to certain adjustments). Options and stock appreciation rights under the 2006 Employee Stock Plan must be granted with an exercise price of not less than the fair market value of a share of Cablevision NY Group Class A common stock on the date of grant and must expire no later than 10 years from the date of grant (or up to one additional year in the case of the death of a holder). The terms and conditions of awards granted under the 2006 Employee Stock Plan, including vesting and exercisability, will be determined by the compensation committee of the Board of Directors and may be based upon performance criteria. In 2006, subsequent to stockholder approval, the Company granted options to purchase 1,411,600 shares of the Company's common stock, which will vest over three years in 33-1/3% annual increments and will expire 10 years from the grant date (or up to one additional year in the case of the death of a holder). In addition, in 2006, subsequent to stockholder approval, the Company granted 1,805,242 restricted shares to employees, which are subject to three year cliff vesting from the date of grant.

Under the 2006 Stock Plan for Non-Employee Directors, the Company is authorized to grant nonqualified stock options, restricted stock units and other equity-based awards. The Company may grant awards for up to 1,000,000 shares of Cablevision NY Group Class A common stock (subject to certain adjustments). Options under this plan must be granted with an exercise price of not less than the fair market value of a share of Cablevision NY Group Class A common stock on the date of grant and must expire no later than 10 years from the date of grant (or up to one additional year in the case of the death of a holder). The terms and conditions of awards granted under the 2006 Stock Plan for Non-Employee Directors, including vesting and exercisability, will be determined by the compensation committee. Unless otherwise provided in an applicable award agreement, options granted under this plan will be fully vested and exercisable, and restricted stock units granted under this plan will be fully vested, upon the date of grant. Until otherwise determined by the compensation committee, on the date of each annual meeting of the Company's stockholders, each non-employee director will receive restricted stock units with a fair market value of $40,000 and a grant of 4,000 options on such date. In 2006, on the date of the annual meeting of the Company's stockholders, subsequent to stockholder approval, the Company granted its non-employee directors options to purchase an aggregate of 40,000 shares of the Company's common stock which vested on the date of grant and an aggregate of 20,110 restricted stock units which also vested on the date of grant.

Previously, the Company had an employee stock plan ("1996 Employee Stock Plan") under which it was authorized to grant incentive stock options, nonqualified stock options, restricted shares, restricted stock units, stock appreciation rights, and bonus awards and a non-employee director stock plan ("1996 Non-Employee Director Stock Plan") under which it was authorized to grant options and restricted stock units. The 1996 Employee Stock Plan expired in February 2006 and the 1996 Non-Employee Director Stock Plan expired in May 2006. These plans provided that the exercise price of stock options and stock appreciation rights could not be less than the fair market value per share of Cablevision NY Group Class A common stock on the date the option was granted and the options expired no later than 10 years from the date of grant (or up to one additional year in the case of the death of a holder of nonqualified options). As discussed in Note 18, a review has determined that during the 1997-2002 period there were a number of instances in which stock options and stock appreciation rights were issued with exercise prices that were lower, and in some cases substantially lower, than the fair market value per share of the Company's common stock on the actual date of grant.

Stock appreciation rights provide for the employee to receive a cash payment in an amount equal to the difference between the fair market value of the stock as of the date the right is exercised, and the exercise price. Options and stock appreciation rights typically vest over three years in 33-1/3% annual increments and expire 10 years from the grant date. Restricted shares are typically subject to three or four year cliff vesting. Performance based options issued under the plans are typically subject to approximately two year or three year cliff vesting, with exercisability subject to performance criteria. Performance based options expire 10 years from the date of grant (or up to one additional year in the case of the death of the holder). Options and restricted stock units issued to non-employee directors fully vest on the date of grant.

As a result of the special dividend (see Note 1), options or stock appreciation rights issued under the 1996 Employee Stock Plan and the 1996 Non-Employee Director Stock Plan that were not vested on or prior to December 31, 2004 were adjusted to reduce their per share exercise price by the $10.00 amount of the special dividend. The per share exercise price of options or stock appreciation rights that were vested on or prior to December 31, 2004 were not adjusted and the holder will receive the $10.00 special dividend amount upon exercise of the option or right. Holders of restricted shares outstanding on April 24, 2006 will receive $10.00 per restricted share when and if the restrictions lapse on such shares. Holders of non-employee director restricted stock units received $10.00 per share underlying such units on the date the special dividend was paid.

Impact of the Adoption of Statement No. 123R

The Company adopted Statement No. 123R using the modified prospective transition method beginning January 1, 2006. Accordingly, for the year ended December 31, 2006, the Company recorded share-based compensation expense for awards granted prior to, but not yet vested, as of January 1, 2006, as if the fair value method required for pro forma disclosure under Statement No. 123 were in effect for expense recognition purposes, adjusted for estimated forfeitures. For these awards, the Company has continued to recognize compensation expense using the accelerated attribution method under FASB Interpretation No. 28, Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans. For options and performance based option awards granted after January 1, 2006, the Company recognizes compensation expense based on the estimated grant date fair value using the Black-Scholes valuation model using a straight-line amortization method.

(Dollars in thousands, except per share amounts)

For restricted shares and restricted stock units granted after January 1, 2006, the Company recognizes compensation expense using a straight-line amortization method, based on the grant date price of Cablevision NY Group Class A common stock over the vesting period, except for restricted stock units granted to non-employee directors which vest 100% and are expensed at the date of grant.

For stock appreciation rights granted after January 1, 2006, the Company recognizes compensation expense using a straight-line amortization method based on the estimated fair value at each reporting period using the Black-Scholes valuation model. The Company did not grant any stock appreciation rights during the year ended December 31, 2006.

As Statement No. 123R requires that options and performance based option compensation expense be based on awards that are ultimately expected to vest, share-based compensation (which includes options, performance options, restricted stock, restricted stock units and stock appreciation rights) for the year ended December 31, 2006 has been reduced for estimated forfeitures. Forfeitures were estimated based on historical experience. Share-based compensation expense recognized as selling, general and administrative expense for the year ended December 31, 2006 amounted to $81,122 (of which $63,894 related to equity classified awards). An income tax benefit of $28,837 was recognized in continuing operations resulting from this share-based compensation expense. In connection with the adoption of Statement No. 123R, the Company recorded $862 as a cumulative effect of a change in accounting principle, net of taxes, in the Company's statement of operations for the year ended December 31, 2006.

The following table presents actual expense (income) relating to the Company's stock plan recorded pursuant to Statement No. 123R for 2006 and APB 25 for 2005 and 2004 and the pro forma information disclosed pursuant to Statement 123 for 2005 and 2004:

	Stock Plan Expense (Income)				
	2006 Actual	2005 Actual	2005 Pro forma	2004 Actual	2004 Pro forma
Stock options	$25,989	$ 1,007	$13,502	$ 3,306	$ 897
Stock appreciation rights	17,228	(1,367)	(1,367)	2,724	2,724
Restricted shares	37,905	27,155	27,155	28,409	28,409
Share based compensation	$81,122	$26,795	$39,290	$34,439	$32,030

In connection with the Company's adoption of Statement No. 123R, the Company uses the 'with-and-without' approach described in EITF Topic No. D-32, Intraperiod Tax Allocation of the Tax Effect of Pretax Income from Continuing Operations, to determine the recognition and measurement of excess tax benefits. Accordingly, due to the Company's current tax position, no income tax benefit has been recognized as an increase to paid in capital with regard to excess tax benefits occurring during the year ended December 31, 2006.

Prior to adopting Statement No. 123R, the Company presented all tax benefits resulting from the exercise of stock options as operating cash flows in the statement of cash flows. Statement No. 123R requires cash flows resulting from excess tax benefits to be classified as a part of cash flows from financing activities. This requirement will reduce net operating cash flows and increase net financing cash flows in periods after the effective date in which the excess tax deductions result in a reduction of income taxes payable. Excess tax benefits are realized tax benefits from tax deductions for options exercised and restricted shares issued in excess of the deferred tax asset attributable to stock compensation costs for such awards. No excess tax benefits for the year ended December 31, 2006 were recorded as a result of adopting Statement No. 123R. Cash received from option exercises for the years ended December 31, 2006, 2005 and 2004 was $15,334, $13,925 and $7,156, respectively. The total income tax benefit recognized pursuant to the exercise of options recorded in stockholders' deficiency was $1,256 and $3,388 for the years ended December 31, 2005 and 2004, respectively.

Valuation Assumptions - Stock Options

The Company calculates the fair value of each option award on the date of grant using the Black-Scholes option pricing model. For unvested share-based awards as of January 1, 2006, granted prior to 2006, the Company'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. The interest rate for periods within the contractual life of the award is based on interest yields for U.S. Treasury instruments in effect at the time of grant. The Company applies a dividend yield of zero since it has historically never paid an ordinary dividend. For options granted in 2006, the Company's computation of expected life was based on the simplified method (the average of the vesting period and option term) as prescribed in SEC Staff Accounting Bulletin No. 107, Share Based Payments. The following weighted average assumptions were used in calculating the fair value of options granted for the year ended December 31, 2006: Weighted average risk-free interest rate - 4.95%, Expected life (in years) - 6.0, Dividend yield - 0%, and Weighted average volatility - 53.33%. The weighted average grant date fair value for options granted in 2006 was $11.46.

Valuation Assumptions - Stock Appreciation Rights

The Company calculates the fair value of each stock appreciation right on the date of grant and at the end of each reporting period using the Black-Scholes option pricing model. The following assumptions were used to calculate the fair value of stock appreciation rights outstanding as of December 31, 2006: Weighted average risk-free interest rate - 4.98%, Weighted average expected life (in years) - 1.30, Dividend yield - 0%, and Weighted average volatility - 20.61%. The weighted average grant date fair value of rights outstanding at December 31, 2006 was $18.66.

The Company's computation of expected volatility is based on historical volatility of our common stock. The Company's computation of expected life was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock appreciation rights and vesting schedules through December 31, 2006. The interest rate for the period within the contractual life of the award is based on the interest yield for U.S. Treasury instruments in effect at December 31, 2006. The Company applies a dividend yield of zero since it has historically never paid an ordinary dividend.

(Dollars in thousands, except per share amounts)

Share-Based Payment Award Activity

The following table summarizes activity for the Company's stock options for the year ended December 31, 2006:

	Shares Under Option		Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value**
	Time Vesting Options	Performance Vesting Options			
Balance, December 31, 2005	9,402,430	809,000	$21.22		
Granted	1,447,000	4,600	20.51		
Exercised	(1,326,157)	-	12.15		
Forfeited/Expired	(458,907)	-	27.94		
Balance, December 31, 2006*	9,064,366	813,600	$16.60	6.84	$156,226
Options exercisable at December 31, 2006*	5,747,586	-	$16.72	5.35	$106,452
Options expected to vest in the future*	3,166,003	796,852	$16.39	8.90	$ 47,897

* As a result of the special dividend (see Note 1), options issued under the 1996 Employee Stock Plan and the 1996 Non-Employee Director Plan that were not vested on or prior to December 31, 2004 were adjusted to reduce their per share exercise price by the $10.00 amount of the special dividend. The per share exercise price of options that were vested on or prior to December 31, 2004 was not adjusted and the holders will receive the $10.00 special dividend amount upon exercise. The weighted average exercise price per share reflected in the table above has not been adjusted for the special dividend for periods prior to the payment of the special dividend in April 2006.

** The aggregate intrinsic value is calculated as the difference between (i) the exercise price of the underlying award and (ii) the quoted price of the Company's NY Group Class A common stock on December 31, 2006 plus, where applicable, the $10.00 special dividend.

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's common stock for the 9,531,533 options outstanding (which included 5,401,153 exercisable options) that were in-the-money at December 31, 2006. For the years ended December 31, 2006, 2005 and 2004, the aggregate intrinsic value of options exercised under the Company's stock option plans was $22,794, $12,358 and $8,451, respectively, determined as of the date of option exercise, plus for the 2006 period, the $10.00 special dividend which each holder of options vested on or prior to December 31, 2004 received upon exercise. When an option is exercised, the Company issues new shares of stock.

(Dollars in thousands, except per share amounts)

The following table summarizes activity for the Company's stock appreciation rights and restricted shares (which includes restricted stock units) for the year ended December 31, 2006:

	Stock Appreciation Rights	Weighted Average Fair Value Per Share	Restricted Shares	Weighted Average Fair Value Per Share at Date of Grant
Unvested award balance,				
December 31, 2005	5,500	$ 7.38	6,549,966	$18.85
Granted	-	-	1,825,352	20.60
Awards vested	(5,500)	11.79	(132,492)	17.90
Forfeited	-	-	(134,187)	18.72
Unvested award balance,				
December 31, 2006	-	$ -	8,108,639	$19.26

	Outstanding Vested Stock Appreciation Rights	Weighted Average Exercise Price Per Share at December 31, 2006	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value*
Balance, December 31, 2006	1,600,907	$22.25	3.28	$28,736

* The aggregate intrinsic value, which will be settled in cash, is calculated as the difference between (i) the exercise price of the underlying award and (ii) the quoted price of the Company's NY Group Class A common stock plus, where applicable, the $10.00 special dividend.

For the years ended December 31, 2006, 2005 and 2004, the aggregate intrinsic value of stock appreciation rights exercised under the Company's stock plans was $11,258, $6,549 and $3,748, respectively, determined as of the date of exercise. The aggregate intrinsic value, which was settled in cash, is calculated as the difference between (i) the exercise price of the underlying awards and (ii) the quoted price of the Cablevision NY Group Class A common stock as of the date of exercise, plus for the 2006 period, the $10.00 special dividend which each holder of rights vested prior to December 31, 2004 received upon exercise.

As of December 31, 2006, there was $65,083 of total unrecognized compensation cost related to the Company's unvested options and restricted shares granted under the Company's stock plans. The unrecognized compensation cost is expected to be recognized over a weighted-average period of 1.1 years.

Pro Forma Information for Periods Prior to the Adoption of Statement No. 123R

Prior to the adoption of Statement No. 123R, the Company had applied the intrinsic value based method of accounting prescribed by APB Opinion No. 25 and related interpretations, to account for its share-based compensation awards. Under this method, compensation expense was recorded only if on the date of grant the current market price of the underlying stock exceeded the exercise price. The Company provided the disclosures required under Statement No. 123, as amended by Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation - Transition and Disclosures. Employee share-based compensation expense for the years ended December 31, 2005 and 2004, is based on the accounting prescribed by APB Opinion No. 25 and related interpretations and has not been restated for the adoption of Statement No. 123R. Forfeitures of awards were recognized as they occurred.

(Dollars in thousands, except per share amounts)

The table below sets forth the pro forma net income (loss) as if compensation cost was determined in accordance with Statement No. 123 for options granted in 1995 through 2005:

	Years Ended December 31	
	2005	2004
Net income (loss)	$ 89,320	$(678,945)
Add: Stock based employee compensation cost included in reported net income (loss), net of taxes	20,703	23,134
Deduct: Stock based employee compensation expense determined under fair value based method, net of taxes	(28,078)	(21,719)
Pro forma net income (loss)	$ 81,945	$(677,530)
Basic and diluted net income (loss) per common share:		
As reported	$ 0.32	$ (2.36)
Pro forma	$ 0.29	$ (2.36)

The Company estimated the fair value of each option grant using the Black-Scholes option pricing model. The following assumptions were used in calculating these fair values:

	Years Ended December 31,	
	2005	2004
Risk free interest rate	4.5%	3.5%
Volatility	57.0%	55.7%
Dividend Yield	0%	0%
Weighted average grant date fair value	$13.60	$10.29
Expected life in years	5.0	5.0

Long-Term Incentive Plans

In April 2006, Cablevision's Board of Directors approved the Cablevision Systems Corporation 2006 Cash Incentive Plan, which was approved by Cablevision's stockholders at its annual stockholders meeting in May 2006.

Pursuant to Cablevision's Long-Term Incentive Plan, certain executives have been granted cash awards, some of which are performance based, that vest over varying required service periods and are typically payable at the end of the vesting period or on specified dates. One form of award received by certain executives under the Plan was a performance retention award, vesting over 7 years. The terms of the performance retention awards provide that the executive could have requested a loan from the Company in the amount of the award prior to its vesting, subject to certain limitations, provided that such loan was secured by a lien in favor of the Company on property owned by the executive. Effective July 30, 2002, such requests for advances on amounts of awards are no longer permitted. Imputed interest to those executives on these interest free loans amounted to $900, $911 and $1,293, respectively for the years ended December 31, 2006, 2005 and 2004. As of December 31, 2006 and 2005, $23,850 was outstanding in respect of advances made pursuant to this plan.

In connection with long-term incentive awards granted under the two plans, the Company has recorded expense of $59,348, $41,959 and $31,505 for the years ended December 31, 2006, 2005 and 2004, respectively. At December 31, 2006 and 2005, the Company had accrued $51,905 and $17,990 for performance-based awards for which the performance criteria had not been met as of December 31, 2006 as such awards are based on achievement of certain performance criteria through December 31, 2008. The Company currently believes that it is probable that the performance criteria established for these performance-based awards will be met. If the Company subsequently determines that the performance criteria for such awards is not probable of being achieved, the Company would reverse the accrual in respect of such award at that time.

(Dollars in thousands, except per share amounts)

In addition, in 2003, the Company granted certain management employees cash awards that vested in July 2005 when the Company reached certain performance goals. Such awards were amortized ratably over the period in which the Company was expected to achieve these goals, and accordingly recorded expense of $2,380 and $18,868 in respect of these awards in 2005 and 2004, respectively.

NOTE 17. CONTRACTUAL OBLIGATIONS

Future cash payments required under unconditional purchase obligations pursuant to contracts entered into by the Company in the normal course of business are as follows as of December 31, 2006:

	Payments Due by Period				
	Total	Year 1	Years 2-3	Years 4-5	More than 5 years
Off balance sheet arrangements:					
Programming obligations (1)	$2,902,599	$ 828,101	$1,175,374	$699,735	$ 199,389
Purchase obligations (2)	2,208,418	474,833	446,360	269,695	1,017,530
Guarantees (3)	2,221	2,221	-	-	-
Letters of credit (4)	54,295	2,300	1,722	-	50,273
Total	5,167,533	1,307,455	1,623,456	969,430	1,267,192
Contractual obligations reflected on the balance sheet:					
Purchase obligations (5)	87,707	57,026	9,593	6,592	14,496
Total	$5,255,240	$1,364,481	$1,633,049	$976,022	$1,281,688

(1) Programming obligations represent contractual commitments with various programming vendors to provide video services to the Company's subscribers. Future fees under such contracts are based on numerous factors, including the number of subscribers receiving the programming. Amounts reflected above are based on the number of subscribers receiving the programming as of December 2006 multiplied by the per subscriber rates contained in the executed agreements in effect as of December 31, 2006.

(2) Purchase obligation amounts not reflected on the balance sheet consist primarily of (i) long-term rights agreements which provide Madison Square Garden and other regional sports networks with exclusive broadcast rights to certain live sporting events in exchange for minimum contractual payments, (ii) payments under employment agreements that we have with our professional sports teams' personnel that are generally guaranteed regardless of employee injury or termination, and (iii) minimum purchase requirements incurred in the normal course of the Company's operations.

(3) Includes outstanding guarantees primarily by CSC Holdings in favor of certain financial institutions in respect of ongoing interest expense obligations and potential early termination events in connection with the monetization of the Company's holdings of Charter Communications common stock. Amounts payable under such monetization guarantees are estimated as of a particular point in time by the financial institution counterparty and are based upon the current price of the underlying common stock and various other assumptions, including stock market volatility and prevailing interest rates. Such guaranteed amounts approximate the fair value of the monetization indebtedness less the sum of the fair values of the underlying stock and the equity collar as reflected in the Company's accompanying consolidated balance sheet.

(4) Consist primarily of letters of credit obtained by CSC Holdings in favor of insurance providers and certain governmental authorities for the Telecommunications Services segment.

(5) Consist principally of amounts earned under employment agreements that we have with our professional sports teams' personnel. Other long-term obligations also include deferred carriage payments.

The future cash payments reflected above do not include the impact of potential insurance recoveries or amounts which may be due to the National Basketball Association ("NBA") for luxury tax payments.

The future cash payments reflected above also do not include the payments required under the Company's agreements with EchoStar relating to the launch and operation of the business of Rainbow HD Holdings, LLC, the Company's VOOM HD Networks high-definition television programming service. EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks programming service, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings by the Company. Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future. On the fifth or eighth anniversary of the effective date of the agreement, the termination of the affiliation agreement by EchoStar, or other specified events, EchoStar has a put right to require a wholly-owned subsidiary of Rainbow Media Holdings to purchase all of its equity interests in Rainbow HD Holdings at fair value. On the seventh or tenth anniversary of the effective date of the agreement, or the second anniversary date of the termination of the Affiliation Agreement by EchoStar, a wholly-owned subsidiary of Rainbow Media Holdings has a call right to purchase all of EchoStar's ownership in Rainbow HD Holdings at fair value.

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.

NOTE 18. LEGAL MATTERS

Tracking Stock Litigation

In August 2002, purported class actions naming as defendants Cablevision and each of its directors were filed in the Delaware Chancery Court. The actions, which allege breach of fiduciary duties and breach of contract with respect to the exchange of the Rainbow Media Group tracking stock for Cablevision NY Group common stock, were purportedly brought on behalf of all holders of publicly traded shares of Rainbow Media Group tracking stock. The actions sought to (i) enjoin the exchange of Rainbow Media Group tracking stock for Cablevision NY Group common stock, (ii) enjoin any sales of "Rainbow Media Group assets," or, in the alternative, award rescissory damages, (iii) if the exchange is completed, rescind it or award rescissory damages, (iv) award compensatory damages, and (v) award costs and disbursements. The actions were consolidated into one action on September 17, 2002, and on October 3, 2002, Cablevision filed a motion to dismiss the consolidated action. The action was stayed by agreement of the parties pending resolution of a related action brought by one of the plaintiffs to compel the inspection of certain books and records of Cablevision. On October 26, 2004, the parties entered into a stipulation dismissing the related action, and providing for Cablevision's production of certain documents. On December 13, 2004, plaintiffs filed a consolidated amended complaint. Cablevision filed a motion to dismiss the amended complaint. On April 19, 2005, the court granted that motion in part, dismissing the breach of contract claim but declining to dismiss the breach of fiduciary duty claim on the pleadings.

In August 2003, a purported class action naming as defendants Cablevision, directors and officers of Cablevision and certain current and former officers and employees of the Company's Rainbow Media Holdings and American Movie Classics subsidiaries was filed in New York Supreme Court by the Teachers Retirement System of Louisiana ("TRSL"). The actions relate to the August 2002 Rainbow Media Group tracking stock exchange and allege, among other things, that the exchange ratio was based upon a price of the Rainbow Media Group tracking stock that was artificially deflated as a result of the improper recognition of certain expenses at the national services division of Rainbow Media Holdings. The complaint alleges breaches by the individual defendants of fiduciary duties. The complaint also alleges breaches of contract and unjust enrichment by Cablevision. The complaint seeks monetary damages and such other relief as the court deems just and proper. On October 31, 2003, Cablevision and other defendants moved to stay the action in favor of the previously filed actions pending in Delaware or, in the alternative, to dismiss for failure to state a claim. On June 10, 2004, the court stayed the action on the basis of the previously filed action in Delaware. TRSL subsequently filed a motion to vacate the stay in the New York action, and simultaneously filed a motion to intervene in the Delaware action and to stay that action. Cablevision opposed both motions. On April 19, 2005, the court in the Delaware action denied the motion to stay the Delaware action and granted TRSL's motion to intervene in that action. On June 22, 2005, the court in the New York action denied TRSL's motion to vacate the stay in that action.

Cablevision believes the claims in both the Delaware action and the New York action are without merit and is contesting the lawsuits vigorously.

The Wiz Bankruptcy

TW, Inc. ("TW"), a former subsidiary of the Company and operator of The Wiz consumer retail electronics business, is the subject of a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court for the District of Delaware. In February 2005, TW filed a complaint in the bankruptcy proceeding against Cablevision and certain of its affiliates seeking recovery of alleged preferential transfers in the aggregate amount of $193,457. Also in February 2005, the Official Committee of Unsecured Creditors of TW (the "Committee") filed a motion seeking authority to assume the prosecution of TW's alleged preference claims and to prosecute certain other causes of action. The bankruptcy court granted the Committee's motion on or about March 10, 2005, thereby authorizing the Committee, on behalf of TW, to continue the preference suit and to assert other claims. On March 12, 2005, the Committee filed a complaint in the bankruptcy court against Cablevision, certain of its affiliates, and certain present and former officers and directors of Cablevision and of its former subsidiary Cablevision Electronics Investments, Inc. ("CEI"). The Committee's complaint, as amended, asserts preferential transfer claims allegedly totaling $193,858, breach of contract, promissory estoppel, and misrepresentation claims allegedly totaling $310,000, and fraudulent conveyance, breach of fiduciary duty, and other claims seeking unspecified damages. On June 30, 2005, the defendants filed a motion to dismiss several of the claims in the amended complaint. On October 31, 2005, the bankruptcy court denied the motion to dismiss. The bankruptcy court's ruling on the motion to dismiss allowed the Committee to proceed with its claims against Cablevision and the other defendants. Cablevision believes that the claims asserted by the Committee are without merit and is contesting them vigorously.

Dolan Family Group 2005 Proposal and Special Dividend Litigation

In June and July 2005, a number of shareholder class action lawsuits were filed against Cablevision and its individual directors in the Delaware Chancery Court and the New York State Supreme Court for Nassau County relating to the Dolan Family Group proposal to acquire the outstanding, publicly held interests in Cablevision following a pro rata distribution of Rainbow Media Holdings. On October 24, 2005, Cablevision received a letter from the Dolan Family Group withdrawing its June 19, 2005 proposal and recommending the consideration of a special dividend. On November 17, 2005, the plaintiffs filed a consolidated amended complaint in the New York Supreme Court action to relate to the special dividend proposed by the Dolan Family Group. On February 9, 2006, the plaintiffs filed a second amended complaint adding allegations related to the December 19, 2005 announcement that the Board had decided not to proceed with the proposed special dividend, and the January 31, 2006 announcement that the Board was expected to begin reconsideration of a possible special dividend at its regularly scheduled meeting in March 2006. The amended complaint sought, among other things, to enjoin the payment of the special dividend proposed by the Dolan Family Group. As set forth below, the Nassau County actions were subsequently dismissed following settlement by the parties. The Delaware Chancery Court action is pending.

On December 28, 2005, a purported shareholder derivative complaint was filed in the U.S. District Court for the Eastern District of New York alleging that certain events during 2005, including those relating to the proposed special dividend, constitute breaches of fiduciary duty. The action was brought derivatively on behalf of Cablevision and names as defendants each member of the Board of Directors. The complaint sought unspecified damages and contribution and indemnification by the defendants for any claims asserted against Cablevision as a result of the alleged breaches. The Eastern District of New York action was dismissed following settlement of the Nassau County actions, as set forth below.

On March 27, 2006, Cablevision entered into a memorandum of understanding with respect to the settlement of the actions pending in the New York Supreme Court for Nassau County relating to a proposed special dividend. On April 7, 2006, Cablevision's Board of Directors declared a special cash dividend of $10.00 per share which was paid on April 24, 2006 to holders of record at the close of business on April 18, 2006. A hearing on the proposed settlement was held on September 25, 2006. On January 5, 2007, the court signed an order approving the settlement and terminating these actions.

Dolan Family Group 2006 Proposal

In October 2006, a number of shareholder class action lawsuits were filed against Cablevision and its individual directors in New York Supreme Court, Nassau County, relating to the October 8, 2006 offer by the Dolan Family Group to acquire all of the outstanding shares of Cablevision's common stock, except for the shares held by the Dolan Family Group. These lawsuits allege breaches of fiduciary duty and seek injunctive relief to prevent consummation of the proposed transaction and compensatory damages. The trial court ordered expedited discovery, which began in November 2006. On January 12, 2007, the Special Transaction Committee of the Board received a revised proposal from the Dolan Family Group to acquire all of the outstanding shares of common stock of Cablevision, except for the shares held by the Dolan Family Group. On January 16, 2007, the Special Transaction Committee delivered a letter to Charles F. Dolan and James L. Dolan, rejecting as inadequate the revised proposal. This litigation is pending.

Director Litigation

Cablevision was named as a nominal defendant in a purported shareholder derivative complaint filed in the Court of Chancery of the State of Delaware. The action was brought derivatively on behalf of Cablevision and named as additional defendants Charles F. Dolan, the Chairman of Cablevision, and Rand Araskog, Frank Biondi, John Malone and Leonard Tow, each of whom was appointed as a director on March 2, 2005 by Mr. Dolan and certain other holders of the Company's NY Group Class B common stock. The complaint alleges that Charles F. Dolan, as the controlling Class B shareholder of Cablevision, by purporting to remove three Cablevision Board members (William J. Bell, Sheila Mahony and Steven Rattner) and replace them with the four new directors, wrongfully interfered with the Board's role in managing the affairs of Cablevision and sought to substitute his judgment of how to proceed with the VOOM service of Cablevision's Rainbow DBS subsidiary above that of the Board. The action seeks, among other things, to preliminarily and permanently enjoin Charles F. Dolan from interfering with the managerial prerogatives of Cablevision's Board; rescinding the purported appointment of the new directors; rescinding the removal of Mr. Bell, Ms. Mahony and Mr. Rattner as directors and restoring them to their positions as directors and directing Charles F. Dolan to account to Cablevision for its damages. There have been no developments in the case since May 2005, when the parties agreed that defendants need not respond to the complaint until further notice from the plaintiff.

Patent Litigation

Cablevision is named as a defendant in certain lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants. In certain of these cases we expect that any potential liability would be the responsibility of our equipment vendors pursuant to applicable contractual indemnification provisions. To the extent that the allegations in these lawsuits have been analyzed by us at the current stage of their proceedings, we believe that the claims are without merit and intend to defend the actions vigorously. The final disposition of these actions is not expected to have a material adverse effect on our consolidated financial position.

Contract Dispute

In September 2005, Loral filed an action against Cablevision and Rainbow DBS for breach of contract based on a letter agreement dated March 23, 2001 ("the Letter Agreement") between Loral and Rainbow DBS. Loral alleges that the sale of the Rainbow-1 satellite and related assets to EchoStar constituted a sale of "substantially all of the assets of Rainbow DBS" triggering a "Make Whole Payment" under the Letter Agreement of $33,000 plus interest. A trial in this matter took place in January 2007 in New York Supreme Court for New York County. On January 24, 2007, the jury returned a verdict finding that the EchoStar sale had triggered a Make Whole Payment under the Letter Agreement, requiring a payment to Loral of $50,898, including interest, which has been accrued for as of December 31, 2006 and reflected as an expense in discontinued operations. Cablevision and Rainbow DBS have filed a motion for judgment as a matter of law, or in the alternative for a new trial, which is pending.

Accounting Related Investigations

The improper expense recognition matter previously reported by the Company has been the subject of investigations by the SEC and the U.S. Attorney's Office for the Eastern District of New York. The SEC is continuing to investigate the improper expense recognition matter and the Company's timing of recognition of launch support, marketing and other payments under affiliation agreements. The Company continues to fully cooperate with such investigations.

Stock Option Related Matters

The Company announced on August 8, 2006 that, based on a voluntary review of its past practices in connection with grants of stock options and SARs, it has determined that the grant date and exercise price assigned to a number of its stock option and SAR grants during the 1997-2002 period did not correspond to the actual grant date and the fair market value of Cablevision's common stock on the actual grant date. The review was conducted with a law firm that was not previously involved with the Company's stock option plans. The Company has advised the SEC and the U.S. Attorney's Office for the Eastern District of New York of these matters and each has commenced an investigation. The Company received a grand jury subpoena from the U.S. Attorney's Office for the Eastern District of New York seeking documents related to the stock options issues. The Company received a document request from the SEC relating to its informal investigation into these matters. The Company continues to fully cooperate with such investigations.

In addition, in August, September and October 2006, purported derivative lawsuits (including one purported combined derivative and class action lawsuit) relating to the Company's past stock option and SAR grants were filed in New York State Supreme Court for Nassau County, the United States District Court for the Eastern District of New York, and Delaware Chancery Court for New Castle County, by parties identifying themselves as shareholders of Cablevision purporting to act on behalf of Cablevision. These lawsuits named as defendants certain present and former members of Cablevision's Board of Directors and certain present and former executive officers, alleging breaches of fiduciary duty and unjust enrichment relating to practices with respect to the dating of stock options, recordation and accounting for stock options, financial statements and SEC filings, and alleged violation of IRC 162(m). In addition, certain of these lawsuits asserted claims under Sections 10(b), 14(a), and 20(a) of the Securities Exchange Act of 1934 and Section 304 of the Sarbanes-Oxley Act. The lawsuits sought damages from all defendants, disgorgement from the officer defendants, declaratory relief, and equitable relief, including rescission of the 2006 Employee Stock Plan and voiding of the election of the director defendants. On October 27, 2006, the Board of Directors of Cablevision appointed Grover C. Brown and Zachary W. Carter as directors and, on the same date, appointed Messrs. Brown and Carter to a newly formed special litigation committee ("SLC") of the Board. The SLC was directed by the Board to review and analyze the facts and circumstances surrounding these claims, which purport to have been brought derivatively on behalf of the Company, and to consider and determine whether or not prosecution of such claims is in the best interests of the Company and its shareholders, and what actions the Company should take with respect to the cases. The SLC, through its counsel, filed motions in all three courts to intervene and to stay all proceedings until completion of the SLC's independent investigation of the claims raised in these actions. The Delaware action subsequently was voluntarily dismissed without prejudice by the plaintiff. The actions pending in Nassau County have been consolidated and a single amended complaint has been filed in that jurisdiction. Similarly, the actions pending in the Eastern District of New York have been consolidated and a single amended complaint has been filed in that jurisdiction. Both the Nassau County action and the Eastern District of New York action assert derivative claims on behalf of the Company as well as direct claims on behalf of Cablevision shareholders relating to the Company's past stock option and SAR grants. On November 14, 2006, the trial court in the Nassau County action denied the SLC's motion for a stay of proceedings and ordered expedited discovery. The Appellate Division of the New York State Supreme Court subsequently stayed all proceedings in the Nassau County action (including all discovery) pending the SLC's appeal of the denial of its stay motion. The SLC's appeal has been fully submitted but has not been scheduled for oral argument. In the Eastern District of New York action, the trial court has issued a stay of all proceedings until May 1, 2007.

We have incurred substantial expenses in 2006 for legal, accounting, tax and other professional services in connection with the Company's voluntary review of its past practices in connection with grants of stock options and SARs, the preparation of the restated financial statements, stock option related litigation, and the investigations by the SEC and the U.S. Attorney's Office for the Eastern District of New York.

Other Matters

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 with certainty and the impact of the final resolution of these other matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these 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 19. DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable, Trade, Notes and Other Receivables, Prepaid Expenses and Other Assets, Advances to Affiliates, Accounts Payable, Accounts Payable to Affiliates and Accrued Liabilities.

The carrying amount approximates fair value due to the short-term maturity of these instruments.

Derivative Contracts and Liabilities Under Derivative Contracts

Derivative contracts are carried on the accompanying consolidated balance sheets at fair value based on dealer quotes.

Investment Securities and Investment Securities Pledged as Collateral

Marketable securities are carried on the accompanying consolidated balance sheets at their fair value based upon quoted market prices.

Bank Debt, Collateralized Indebtedness, Notes Payable, Senior Notes and Debentures and Senior Subordinated Notes and Debentures

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.

Interest Rate Swap Agreements

Interest rate swap agreements are carried on the accompanying consolidated balance sheets at fair value based on valuations provided by a derivative valuation system using current market interest rate data. These values represent the estimated amount the Company would receive or pay to terminate agreements, taking into consideration current interest rates.

(Dollars in thousands, except per share amounts)

The fair value of the Company's debt instruments are summarized as follows:

	December 31, 2006	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Bank debt	$ 4,992,500	$ 4,992,500
Collateralized indebtedness	921,574	901,035
Senior notes and debentures	5,993,956	6,032,589
Senior subordinated notes and debentures	497,011	551,682
Notes payable	18,843	19,165
	$12,423,884	$12,496,971

	December 31, 2005	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Bank debt	$1,851,500	$1,851,500
Collateralized indebtedness	1,170,126	1,171,731
Senior notes and debentures	5,992,760	5,888,636
Senior subordinated notes and debentures	746,621	819,982
Notes payable	15,905	15,778
	$9,776,912	$9,747,627

Fair value estimates related to our debt instruments and interest rate swap agreements discussed 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.

Minority Interest in Limited-Life Partnership

The Company consolidates a 60% majority-owned interest in a limited-life partnership. The estimated liquidation value of the 40% minority interest is approximately $133,600 and $106,000 as of December 31, 2006 and 2005, respectively, compared to the carrying value of such minority interest of $48,430 and $53,820, respectively. Such liquidation value estimate is made at a specific point in time based on relevant market information and consideration regarding current and expected future operating performance. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

NOTE 20. SEGMENT INFORMATION

The Company classifies its business interests into three segments: Telecommunications Services, consisting principally of its video, high-speed data, Voice over Internet Protocol and its commercial data and voice services operations; Rainbow, consisting principally of interests in national and regional cable television programming networks, including AMC, IFC, WE tv, fuse and the VOOM HD Networks; and Madison Square Garden, which owns and operates professional sports teams, regional cable television networks and an entertainment business. Beginning in the first quarter of 2005, the VOOM HD Networks have been included in the Rainbow Segment. Those channels were previously included in the Rainbow DBS segment which has been discontinued. Prior period segment information has been reported on a comparable basis.

(Dollars in thousands, except per share amounts)

The Company's reportable segments are strategic business units that are managed separately. The Company evaluates segment performance based on several factors, of which the primary financial measure is business segment adjusted operating cash flow (defined as operating income (loss) before depreciation and amortization (including impairments), stock plan income or expense and restructuring charges or credits), a non-GAAP measure. The Company has presented the components that reconcile adjusted operating cash flow to operating income (loss), an accepted GAAP measure. Information as to the operations of the Company's business segments is set forth below.

	Years Ended December 31,		
	2006	2005	2004
Revenues, net from continuing operations			
Telecommunications Services	$4,237,707	$3,606,765	$3,123,956
Rainbow	885,986	825,561	806,394
Madison Square Garden	854,040	804,395	778,754
All other [(a)]	84,391	85,385	86,765
Intersegment eliminations	(134,662)	(149,628)	(163,332)
	$5,927,462	$5,172,478	$4,632,537

Intersegment eliminations are primarily affiliate revenues recognized by our Rainbow and MSG segments from the sale of cable network programming to our Telecommunication Services segment.

	Years Ended December 31,		
	2006	2005	2004
Intersegment revenues			
Telecommunications Services	$ 1,529	$ 2,420	$ 7,123
Rainbow	38,438	48,547	62,650
Madison Square Garden	94,695	98,661	93,559
	$134,662	$149,628	$163,332

Reconciliation (by Segment and in Total) of Adjusted Operating Cash Flow to Operating Income (Loss) from Continuing Operations

	Years Ended December 31,		
	2006	2005	2004
Adjusted operating cash flow from continuing operations			
Telecommunications Services	$1,668,554	$1,412,199	$1,226,790
Rainbow	161,119	158,513	59,852
Madison Square Garden	72,396	120,440	170,057
All other [(b)]	(81,642)	(80,632)	(69,894)
	$1,820,427	$1,610,520	$1,386,805

	Years Ended December 31,		
	2006	2005	2004
Depreciation and amortization (including impairments) included in continuing operations			
Telecommunications Services	$ (915,724)	$ (843,177)	$ (786,485)
Rainbow	(106,556)	(113,429)	(213,896)
Madison Square Garden	(60,160)	(62,834)	(45,445)
All other [(c)]	(46,373)	(64,203)	(92,849)
	$(1,128,813)	$(1,083,643)	$(1,138,675)

(Dollars in thousands, except per share amounts)

	Years Ended December 31,		
	2006	2005	2004
Stock expense included in continuing operations			
Telecommunications Services	$(39,485)	$(14,657)	$(16,318)
Rainbow	(25,673)	(6,513)	(7,650)
Madison Square Garden	(14,232)	(3,836)	(3,769)
All other (c)	(1,732)	(1,789)	(6,702)
	$(81,122)	$(26,795)	$(34,439)

	Years Ended December 31,		
	2006	2005	2004
Restructuring credits (charges) included in continuing operations			
Telecommunications Services	$ 17	$ (295)	$ (736)
Rainbow	(143)	-	77
Madison Square Garden	-	(366)	(4,146)
All other (c)	3,610	1,198	5,640
	$3,484	$ 537	$ 835

	Years Ended December 31,		
	2006	2005	2004
Operating income (loss) from continuing operations			
Telecommunications Services	$ 713,362	$ 554,070	$ 423,251
Rainbow	28,747	38,571	(161,617)
Madison Square Garden	(1,996)	53,404	116,697
All other (b)	(126,137)	(145,426)	(163,805)
	$ 613,976	$ 500,619	$ 214,526

(Dollars in thousands, except per share amounts)

A reconciliation of reportable segment amounts to the Company's consolidated balances is as follows:

	Years Ended December 31,		
	2006	2005	2004
Operating income (loss) from continuing operations before income taxes			
Total operating income for reportable segments	$ 740,113	$ 646,045	$ 378,331
Other operating loss [(b)]	(126,137)	(145,426)	(163,805)
Operating income	613,976	500,619	214,526
Items excluded from operating income (loss):			
Interest expense	(928,202)	(764,508)	(721,008)
Interest income	37,187	16,430	8,300
Equity in net income (loss) of affiliates	6,698	3,219	(12,997)
Gain on sale of programming and affiliate interests, net	-	64,968	2,232
Gain (loss) on investments, net	290,052	(138,312)	134,598
Write-off of deferred financing costs	(14,083)	-	(18,961)
Gain (loss) on derivative contracts, net	(253,712)	119,180	(165,305)
Loss on extinguishment of debt	(13,125)	-	(78,571)
Minority interests	(8,894)	(5,471)	(50,307)
Miscellaneous, net	2,837	651	63
Loss from continuing operations before income taxes	$(267,266)	$(203,224)	$(687,430)

(a) Represents net revenues of Clearview Cinemas and PVI Virtual Media, which was consolidated in the second quarter of 2004 in accordance with FIN No. 46. In May 2005, Cablevision exchanged its 60% interest in PVI Latin America for the 40% interest in the rest of PVI that it did not already own.

(b) Principally includes unallocated corporate general and administrative costs, in addition to the operating results of Clearview Cinemas and PVI Virtual Media. It also includes costs allocated to Fox Sports Net Ohio, Fox Sports Net Florida, Fox Sports Net Chicago and Rainbow DBS (distribution operations) that were not eliminated as a result of the disposition or shut down of these businesses.

(c) Includes expenses and/or credits relating to Clearview Cinemas, PVI Virtual Media, certain corporate expenses/credits and certain costs allocated to Fox Sports Net Ohio, Fox Sports Net Florida, Fox Sports Net Chicago and Rainbow DBS (distribution operations) that were not eliminated as a result of the disposition or shut down of these businesses.

	December 31,	
	2006	2005
Assets		
Telecommunications Services	$ 6,636,723	$4,558,423
Rainbow [(d)]	2,377,835	2,573,132
Madison Square Garden	1,852,913	1,893,525
Corporate, other and intersegment eliminations	(1,022,614)	818,475
Assets held for sale	-	7,557
	$ 9,844,857	$9,851,112

(d) Rainbow assets include amounts due from the Rainbow DBS distribution business of $276,245 and $271,277 at December 31, 2006 and 2005, respectively, which are eliminated in consolidation.

	Years Ended December 31,		
	2006	2005	2004
Capital Expenditures			
Telecommunications Services	$819,747	$695,327	$621,480
Rainbow	21,062	29,063	44,313
Madison Square Garden	23,444	20,993	12,153
Corporate and other	22,044	23,909	19,568
	$886,297	$769,292	$697,514

(Dollars in thousands, except per share amounts)

Substantially all revenues and assets of the Company's reportable segments are attributed to or located in the United States and are primarily concentrated in the New York metropolitan area.

NOTE 21. INTERIM FINANCIAL INFORMATION (Unaudited)

The following is a summary of selected quarterly financial data for the years ended December 31, 2006 and 2005:

2006:	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	Total 2006
Revenues, net	$ 1,409,358	$ 1,423,923	$ 1,408,736	$ 1,685,445	$ 5,927,462
Operating expenses	(1,305,631)	(1,257,420)	(1,273,301)	(1,477,134)	(5,313,486)
Operating income	$ 103,727	$ 166,503	$ 135,435	$ 208,311	$ 613,976
Income (loss) from continuing operations	$ (54,722)	$ (26,116)	$ (58,736)	$ 6,525	$ (133,049)
Income (loss) from discontinued operations, net of taxes	(2,386)	40,702	(421)	(30,449)	7,446
Income (loss) before cumulative effect of a change in accounting principle	(57,108)	14,586	(59,157)	(23,924)	(125,603)
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-	-	(862)
Net income (loss)	$ (57,970)	$ 14,586	$ (59,157)	$ (23,924)	$ (126,465)
Basic and diluted income (loss) per share:					
Income (loss) from continuing operations	$(0.19)	$(0.09)	$(0.21)	$ 0.02	$(0.47)
Income (loss) from discontinued operations	$(0.01)	$ 0.14	$ -	$(0.11)	$ 0.03
Net income (loss)	$(0.20)	$ 0.05	$(0.21)	$(0.08)	$(0.45)

(Dollars in thousands, except per share amounts)

2005:	March 31, 2005	June 30, 2005	September 30, 2005	December 31, 2005	Total 2005
Revenues, net	$ 1,213,126	$ 1,231,859	$ 1,241,745	$ 1,485,748	$ 5,172,478
Operating expenses	(1,145,457)	(1,136,790)	(1,133,888)	(1,255,724)	(4,671,859)
Operating income	$ 67,669	$ 95,069	$ 107,857	$ 230,024	$ 500,619
Income (loss) from continuing operations	$ (95,698)	$ (26,963)	$ (63,822)	$ 58,950	$ (127,533)
Income (loss) from discontinued operations, net of taxes	(30,439)	240,761	870	5,661	216,853
Net income (loss)	$ (126,137)	$ 213,798	$ (62,952)	$ 64,611	$ 89,320
Basic and diluted income (loss) per share:					
Basic and diluted income (loss) from continuing operations	$(0.33)	$(0.09)	$(0.22)	$0.21	$(0.45)
Basic and diluted income (loss) from discontinued operations	$(0.11)	$ 0.84	$ -	$0.02	$ 0.77
Basic and diluted net income (loss)	$(0.44)	$ 0.74	$(0.22)	$0.23	$ 0.32

NOTE 22. OTHER MATTERS

Settlement with Time Warner

On September 29, 2005, AMC and Time Warner Entertainment, L.P. settled existing litigation whereby the Company simultaneously entered into 11 separate affiliation agreements with Time Warner. These agreements included amendments and enhancements to existing affiliation agreements for some of the Company's programming services and new affiliation agreements and new distribution for other programming services of the Company. The amendments included a long-term extension of Time Warner's affiliation agreement with AMC with rate and positioning terms that are favorable to AMC. Because of the long-term benefits to the Company from the extension and enhancement of the AMC agreement, substantially all of the required payments ($74,000 is payable to Time Warner over the 2005-2007 period) attributable to AMC have been capitalized as deferred carriage fees and will be amortized as a reduction to revenue over the remaining 13 year life of the extended AMC agreement.

New York Mets Agreement Termination

In the second quarter of 2004, Madison Square Garden received $54,052 in cash in connection with the New York Mets' notice of termination of their broadcast rights agreement with Madison Square Garden. The termination of the rights agreement was effective at the end of the 2005 baseball season. As a result of the termination notice, the Company recorded a reversal of a purchase accounting liability of $41,788 related to this broadcast rights agreement. These items have been reflected as other operating income in the Company's 2004 consolidated statement of operations.

Resolutions of Contract Disputes

In June 2006, the Company collected $26,500 related to the resolution of a contractual programming dispute, $19,476 of which was due in periods prior to 2006 but not recognized as a reduction to programming costs because it was being disputed and was not being paid by the affiliate. The underlying contract was terminated in June 2006 and no further payments will be received under the contract.

In connection with the resolution of another contract dispute, Fox Sports Net Chicago, which was shut down in June 2006, recorded $77,996 of affiliate revenue in June 2006 including $71,396, relating to periods prior to 2006, that had not been previously recognized due to the dispute. Such affiliate revenue has been reported in discontinued operations. The underlying contract was terminated in June 2006 and no further payments will be received under the contract.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder
CSC Holdings, Inc.:

We have audited management's assessment, included in the accompanying *Management's Report on Internal Control Over Financial Reporting*, that CSC Holdings, Inc. and subsidiaries maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). CSC Holdings, Inc.'s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that CSC Holdings, Inc. and subsidiaries maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Also, in our opinion, CSC Holdings, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of CSC Holdings, Inc. and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of operations, stockholder's deficiency and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2006, and our report dated February 27, 2007 expressed an unqualified opinion on those consolidated financial statements. As discussed in our report dated February 27, 2007, the Company changed its method of quantifying errors in 2006 in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, adopted the provisions of Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment* as of January 1, 2006 and adopted the provisions of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans,* as of December 31, 2006.

/s/ KPMG LLP
Melville, New York
February 27, 2007

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder
CSC Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of CSC Holdings, Inc. and subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of operations, stockholder's deficiency and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2006. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule listed in Item 15(a)(2). These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CSC Holdings, Inc. and subsidiaries as of December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Notes 1 and 2 to the accompanying consolidated financial statements, the Company changed its method of quantifying errors in 2006 in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, adopted the provisions of Statement of Financial Accounting Standards No. 123 (Revised 2004), *Share-Based Payment* as of January 1, 2006 and adopted the provisions of Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans,* as of December 31, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of CSC Holdings, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 27, 2007 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

/s/ KPMG LLP
Melville, New York
February 27, 2007

CSC HOLDINGS, INC. AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED BALANCE SHEETS
December 31, 2006 and 2005
(Dollars in thousands)

	2006	2005
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 414,604	$ 394,969
Restricted cash	11,390	8,454
Accounts receivable, trade (less allowance for doubtful accounts of $17,345 and $18,807)	536,057	453,167
Notes and other receivables	46,718	74,141
Investment securities	10,715	647
Prepaid expenses and other current assets	104,577	98,921
Feature film inventory, net	124,778	108,607
Deferred tax asset	236,037	58,049
Advances to affiliates	229,677	121,128
Investment securities pledged as collateral	18,981	723,476
Derivative contracts	81,140	268,539
Assets held for sale	-	7,557
Total current assets	1,814,674	2,317,655
Property, plant and equipment, net of accumulated depreciation of $6,257,078 and $5,494,994	3,714,842	3,868,077
Investments in affiliates	49,950	39,463
Notes and other receivables	29,659	42,987
Investment securities pledged as collateral	1,080,229	199,430
Derivative contracts	-	109,207
Other assets	80,273	83,801
Feature film inventory, net	375,700	378,502
Deferred carriage fees, net	174,377	188,135
Franchises	731,848	731,848
Affiliation, broadcast and other agreements, net of accumulated amortization of $417,634 and $349,752	452,888	519,363
Other intangible assets, net of accumulated amortization of $77,795 and $68,192	325,298	388,622
Excess costs over fair value of net assets acquired	1,032,117	993,426
Deferred financing and other costs, net of accumulated amortization of $55,445 and $77,014	111,373	97,285
	$9,973,228	$9,957,801

See accompanying notes to
consolidated financial statements

CSC HOLDINGS, INC. AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED BALANCE SHEETS (continued)
December 31, 2006 and 2005
(Dollars in thousands, except share and per share amounts)

	2006	2005
LIABILITIES AND STOCKHOLDER'S DEFICIENCY		
Current Liabilities:		
Accounts payable	$ 392,605	$ 373,362
Accrued liabilities		
Interest	194,634	149,083
Employee related costs	328,360	288,751
Other accrued expenses	412,231	489,989
Defined benefit plan and other postretirement plan obligations	1,091	-
Deferred revenue	162,956	162,514
Feature film and other contract obligations	122,362	112,817
Liabilities under derivative contracts	6,568	101,580
Bank debt	93,750	8,560
Collateralized indebtedness	102,268	857,774
Capital lease obligations	7,069	8,586
Notes payable	17,826	8,438
Senior notes and debentures	499,952	-
Total current liabilities	2,341,672	2,561,454
Defined benefit plan and other postretirement plan obligations	82,517	-
Feature film and other contract obligations	312,344	351,673
Deferred revenue	14,337	16,219
Deferred tax liability	262,843	109,309
Liabilities under derivative contracts	204,887	17,571
Other liabilities	243,808	361,018
Bank debt	4,898,750	1,842,940
Collateralized indebtedness	819,306	312,352
Senior notes and debentures	3,994,004	4,492,760
Senior subordinated notes and debentures	497,011	746,621
Notes payable	1,017	7,467
Capital lease obligations	54,389	51,201
Minority interests	49,670	55,190
Total liabilities	13,776,555	10,925,775
Commitments and contingencies		
Stockholder's Deficiency:		
Series A Cumulative Convertible Preferred Stock, 200,000 shares authorized, none issued	-	-
Series B Cumulative Convertible Preferred Stock, 200,000 shares authorized, none issued	-	-
8% Series D Cumulative Preferred Stock, $.01 par value, 112,500 shares authorized, none issued ($100 per share liquidation preference)	-	-
Common stock, $.01 par value, 20,000,000 shares authorized, 11,595,635 and 9,529,987 shares issued and outstanding	116	95
Paid-in capital	120,017	2,392,805
Accumulated deficit	(3,911,510)	(3,357,312)
	(3,791,377)	(964,412)
Accumulated other comprehensive loss	(11,950)	(3,562)
Total stockholder's deficiency	(3,803,327)	(967,974)
	$ 9,973,228	$ 9,957,801

See accompanying notes to
consolidated financial statements

CSC HOLDINGS, INC. AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF OPERATIONS
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	2006	2005	2004
Revenues, net	$5,927,462	$5,172,478	$4,632,537
Operating expenses:			
Technical and operating (excluding depreciation, amortization and impairments shown below)	2,707,970	2,296,908	2,191,247
Selling, general and administrative	1,480,187	1,291,845	1,184,682
Other operating income	-	-	(95,758)
Restructuring credits	(3,484)	(537)	(835)
Depreciation and amortization (including impairments)	1,128,813	1,083,643	1,138,675
	5,313,486	4,671,859	4,418,011
Operating income	613,976	500,619	214,526
Other income (expense):			
Interest expense	(795,418)	(640,010)	(635,960)
Interest income	33,229	16,341	8,300
Equity in net income (loss) of affiliates	6,698	3,219	(12,997)
Gain on sale of programming and affiliate interests, net	-	64,968	2,232
Gain (loss) on investments, net	290,052	(138,312)	134,598
Write-off of deferred financing costs	(14,083)	-	(18,961)
Gain (loss) on derivative contracts, net	(253,712)	119,180	(165,305)
Loss on extinguishment of debt	(13,125)	-	(78,571)
Minority interests	(8,894)	(5,471)	(50,307)
Miscellaneous, net	2,837	828	63
	(752,416)	(579,257)	(816,908)
Loss from continuing operations before income taxes	(138,440)	(78,638)	(602,382)
Income tax benefit	81,386	24,698	166,272
Loss from continuing operations	(57,054)	(53,940)	(436,110)
Income (loss) from discontinued operations, net of taxes (including net gain primarily from the Regional Programming Partners restructuring of $269,428 in 2005)	7,446	216,853	(185,476)
Income (loss) before extraordinary item	(49,608)	162,913	(621,586)
Extraordinary loss on investment, net of taxes	-	-	(7,436)
Income (loss) before cumulative effect of a change in accounting principle	(49,608)	162,913	(629,022)
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-
Net income (loss)	$ (50,470)	$ 162,913	$ (629,022)

See accompanying notes
to consolidated financial statements.

CSC HOLDINGS, INC. AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S DEFICIENCY AND COMPREHENSIVE INCOME (LOSS)
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	Common Stock	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2003,	$ 53	$ 899,083	$(2,891,203)	$ (952)	$(1,993,019)
Net loss	-	-	(629,022)	-	(629,022)
Minimum pension liability adjustment, net of taxes	-	-	-	(2,792)	(2,792)
Foreign currency translation, net of taxes	-	-	-	(191)	(191)
Comprehensive loss					(632,005)
Tax benefit related to stock options	-	(63)	-	-	(63)
Net contributions from Cablevision	11	1,413,220	-	-	1,413,231
Employee and non-employee stock transactions	-	(113)	-	-	(113)
Issuance of Cablevision restricted shares to employees	-	30,460	-	-	30,460
Balance at December 31, 2004	64	2,342,587	(3,520,225)	(3,935)	(1,181,509)
Net income	-	-	162,913	-	162,913
Minimum pension liability adjustment, net of taxes	-	-	-	182	182
Foreign currency translation, net of taxes	-	-	-	191	191
Comprehensive income					163,286
Tax benefit related to stock options	-	1,256	-	-	1,256
Employee and non-employee director stock transactions	-	32,259	-	-	32,259
Gain on issuance of member's interest by subsidiary, net	-	10,397	-	-	10,397
Contribution from shareholder	-	6,337	-	-	6,337
Net contributions from Cablevision	31	(31)	-	-	-
Balance at December 31, 2005	$ 95	$ 2,392,805	$(3,357,312)	$ (3,562)	$(967,974)
Cumulative effect of adjustments resulting from the adoption of SAB No. 108, net of tax (Note 2)	-	-	121,668	-	121,668
Adjusted balance at January 1, 2006	95	2,392,805	(3,235,644)	(3,562)	(846,306)
Net loss	-	-	(50,470)	-	(50,470)
Minimum pension liability adjustment, net of taxes	-	-	-	(1,484)	(1,484)
Comprehensive income					(51,954)
Adjustment related to initial application of FASB Statement No. 158, net of tax (Note 15)	-	-	-	(6,904)	(6,904)
Employee and non-employee director stock transactions	-	59,914	-	-	59,914
Distributions to Cablevision relating to special cash dividend paid to CNYG Class A and CNYG Class B shareholders	-	(2,332,681)	(625,396)	-	(2,958,077)
Issuance of stock to Cablevision	21	(21)			-
Balance at December 31, 2006	$116	$ 120,017	$(3,911,510)	$(11,950)	$(3,803,327)

See accompanying notes
to consolidated financial statements.

CSC HOLDINGS, INC. AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	2006	2005	2004
Cash flows from operating activities:			
Loss from continuing operations	$ (57,054)	$ (53,940)	$ (436,110)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities:			
Depreciation and amortization (including impairments)	1,128,813	1,083,643	1,138,675
Non-cash other operating income	-	-	(41,788)
Equity in net (income) loss of affiliates	(6,698)	(3,219)	12,997
Minority interests	8,894	5,471	50,307
Gain on sale of programming and affiliate interests, net	-	(64,968)	(2,232)
Loss (gain) on investments, net	(284,542)	138,312	(134,598)
Write-off of deferred financing costs	14,083	-	18,961
Unrealized loss (gain) on derivative contracts, net	218,740	(156,082)	149,911
Loss on extinguishment of debt	13,125	-	3,987
Equity classified stock based compensation expense	63,894	29,002	30,341
Deferred income tax	(90,932)	(34,191)	(173,034)
Amortization and write-off of feature film inventory	123,827	113,926	192,682
Amortization of deferred financing costs, discounts on indebtedness and other deferred costs	75,699	80,664	110,459
Provision for doubtful accounts	41,412	34,534	32,001
Change in assets and liabilities, net of effects of acquisitions and dispositions:			
Accounts receivable, trade	(109,445)	(80,371)	(69,132)
Notes and other receivables	48,569	11,435	(20,763)
Note receivable from affiliate	-	-	12,877
Inventory, prepaid expenses and other assets	1,387	(11,159)	5,259
Advances/payables to affiliates	(122,917)	(114,253)	2,834
Feature film inventory	(137,196)	(142,703)	(258,371)
Other deferred costs	(14,931)	(99,203)	(17,690)
Accounts payable	41,170	30,606	11,915
Accrued liabilities	57,584	86,208	(7,010)
Feature film and other contract obligations	(29,784)	(222)	129,777
Deferred revenue	(3,820)	25,671	1,669
Deferred carriage payable	(17,336)	45,371	4,782
Minority interests	-	243	(947)
Net cash provided by operating activities	962,542	924,775	747,759
Cash flows from investing activities:			
Capital expenditures	(886,297)	(769,292)	(697,514)
Payments for acquisitions, net of cash acquired	-	(4,231)	(84,738)
Proceeds from sale of equipment, net of costs of disposal	17,704	5,407	(194)
Decrease (increase) in investments in affiliates, net	(1,000)	(420)	32,664
Proceeds from sale of investment	-	-	2,029
Decrease in investment securities and other investments	907	164	61
Decrease (increase) in restricted cash	(2,936)	27,342	(35,797)
Additions to other intangible assets	(1,551)	(12,886)	(8,826)
Net cash used in investing activities	$ (873,173)	$ (753,916)	$ (792,315)

See accompanying notes
to consolidated financial statements.

CSC HOLDINGS, INC. AND SUBSIDIARIES
(a wholly-owned subsidiary of Cablevision Systems Corporation)
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Years ended December 31, 2006, 2005 and 2004
(Dollars in thousands)

	2006	2005	2004
Cash flows from financing activities:			
Proceeds from bank debt	$ 5,463,000	$ 554,614	$ 3,342,095
Repayment of bank debt	(2,322,000)	(1,192,614)	(3,209,247)
Redemption of senior subordinated notes and debentures	(263,125)	-	(350,000)
Issuance of senior notes	-	-	1,293,922
Proceeds from collateralized indebtedness	595,035	210,973	125,100
Repayment of collateralized indebtedness	(548,867)	(222,623)	(121,239)
Principal payments on capital lease obligations and other debt	(8,739)	(11,956)	(16,245)
Redemption of preferred stock	-	-	(1,694,622)
Capital contribution (distribution) from (to) Cablevision, net	(2,958,077)	-	1,413,231
Proceeds from derivate contracts	6,496	6,462	-
Settlement of derivative contracts	(50,864)	-	-
Deemed net capital contribution from shareholder	-	6,337	-
Additions to deferred financing and other costs	(47,540)	(70)	(37,970)
Distributions to minority partners	(14,709)	(9,659)	(1,748)
Net cash provided by (used in) financing activities	(149,390)	(658,536)	743,277
Effect of exchange rate changes on cash and cash equivalents	-	191	(191)
Net increase (decrease) in cash and cash equivalents from continuing operations	(60,021)	(487,486)	698,530
Cash flows of discontinued operations:			
Net cash provided by (used in) operating activities	75,189	(64,535)	(73,860)
Net cash provided by (used in) investing activities	4,467	80,174	(84,816)
Net change in cash classified in assets held for sale	-	95,337	1,624
Net effect of discontinued operations on cash and cash equivalents	79,656	110,976	(157,052)
Cash and cash equivalents at beginning of year	394,969	771,479	230,001
Cash and cash equivalents at end of year	$ 414,604	$ 394,969	$ 771,479

See accompanying notes
to consolidated financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company and Related Matters

CSC Holdings, Inc. ("CSC Holdings" or the "Company"), is a wholly-owned subsidiary of Cablevision Systems Corporation ("Cablevision"). The Company and its majority-owned subsidiaries own and operate cable television systems and through its subsidiary, Rainbow Media Holdings LLC, have ownership interests in companies that produce and distribute national and regional entertainment and sports programming services, including Madison Square Garden, L.P. The Company also owns companies that provide advertising sales services for the cable television industry, provide telephone service, operate motion picture theaters, and through April 30, 2005, provided direct broadcast satellite service. The Company classifies its business interests into three segments: Telecommunications Services, consisting principally of its video, high-speed data, Voice over Internet Protocol and its commercial data and voice services operations; Rainbow, consisting principally of interests in national and regional cable television programming networks, including AMC, IFC, WE tv (formerly WE: Women's Entertainment), fuse and the VOOM HD Networks; and Madison Square Garden, which owns and operates professional sports teams, regional cable television networks and an entertainment business.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries and certain variable interest entities. All significant intercompany transactions and balances are eliminated in consolidation.

Revenue Recognition

The Company recognizes video, high-speed data, Voice over Internet Protocol, and telephony revenues as the services are provided to subscribers. Installation revenue for our video, consumer high-speed data and Voice over Internet Protocol services is recognized as installations are completed, as direct selling costs have exceeded this revenue in all periods reported. The Company classifies amounts billed to its customers for franchise and regulatory fees as a component of revenue.

The Company's programming businesses recognize affiliate fees from cable system, direct broadcast satellite operators and telecommunications companies as the programming is provided. Advertising revenues are recognized when commercials are aired. In some advertising sales arrangements, the Company's programming businesses guarantee specified viewer ratings for their programming. For these types of transactions, a portion of such revenue is deferred if the guaranteed viewer ratings are not met and is subsequently recognized either when the Company provides the required additional advertising time, the guarantee obligation contractually expires or performance becomes remote.

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

Multiple-Element Transactions

If there is objective and reliable evidence of fair value for all elements of accounting in a multiple-element arrangement, the arrangement consideration is allocated to the separate elements of accounting based on relative fair values. There may be cases in which there is objective and reliable evidence of the fair value of undelivered items in an arrangement but no such evidence for the delivered items. In those cases, the Company utilizes the residual method to allocate the arrangement consideration. Under the residual method, the amount of consideration allocated to the delivered items equals the total arrangement consideration less the aggregate fair value of the undelivered items. In determining fair value, the Company refers to historical transactions or comparable cash transactions.

The Company may enter into affiliation agreements which are documented in one or more contracts; however negotiated contemporaneously. Amounts paid/received by the Company may differ from the amounts that would have been paid/received if such arrangements were negotiated separately. Judgments made in determining fair value impact the amount and period in which revenues are recognized over the term of the individual affiliation agreements.

Technical and Operating Expenses

Costs of revenue related to sales of services are classified as "technical and operating" expenses in the accompanying statements of operations.

Programming Costs

The Company's cable television business included in the Telecommunications Services segment has received, or may receive, incentives from programming distributors for carriage of the distributors' programming. The Company recognizes these incentives as a reduction of programming costs in technical and operating expense, generally over the term of the programming agreement.

Programming Rights

Rights acquired to broadcast various professional sports teams' events and programming for exhibition on the Company's networks, are expensed over the contract or license period. Estimated future revenues are reviewed regularly and write-downs to net realizable value are made as required. Estimates of total gross revenues can change due to a variety of factors, including the level of advertising rates and subscriber fees. Accordingly, revenue estimates are reviewed periodically and amortization is adjusted as necessary.

Rights to feature film inventory acquired under license agreements along with the related obligations are recorded at the contract value when a license agreement is executed or the license period has begun, unless there is uncertainty with respect to either costs, acceptability or availability, then when the uncertainty is resolved. Costs are amortized to technical and operating expense on a straight-line basis over the respective license periods. The Company periodically reviews the programming usefulness of feature film inventory based on a series of factors, including ratings, type and quality of program material, standards and practices, and fitness of exhibition based on the programming of the individual programming service. If it is determined that substantially all of the films in a film license agreement have no future programming usefulness and will no longer be exploited, a write-off for the portion of the unamortized cost of the film license agreement that was attributed to those films is recognized.

See Note 5 for a discussion of the Company's review of the programming usefulness of our feature film inventory and impairment charges.

Advertising Expenses

Advertising costs are charged to expense when incurred. Advertising costs amounted to $222,839, $204,019 and $195,046 for the years ended December 31, 2006, 2005 and 2004, respectively.

Restricted Cash

Restricted cash at December 31, 2006 and 2005 of $11,390 and $8,454, respectively, includes cash required to be set aside under operating agreements between Madison Square Garden and the Hartford Civic Center, Rentschler Field, and the National Hockey League, and for collateralized letters of credit entered into by Madison Square Garden.

Accounts Receivable

The Company periodically assesses the adequacy of valuation allowances for uncollectible accounts receivable by evaluating the collectibility of outstanding receivables and general factors such as length of time individual receivables are past due, historical collection experience, 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 (loss).

The Company's interests in less than majority-owned entities in which the Company has the ability to exercise significant influence over the operating and financial policies of the investee are accounted for under the equity method. Equity method investments are recorded at original cost and adjusted to recognize the Company's proportionate share of the investees' net income or losses, additional contributions made and distributions received and amortization of basis differences. The Company recognizes a loss if it is determined that an other than temporary decline in the value of the investment exists.

Long-Lived and Indefinite-Lived 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 television transmission and distribution systems, and the costs of new product and subscriber 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.

Intangible assets established in connection with acquisitions consist of affiliation agreements and affiliation relationships, broadcast rights and other agreements (primarily cable television system programming agreements), season ticket holder relationships, suite holder contracts and relationships, advertising relationships, other intangibles and excess costs over fair value of net assets acquired. These intangible assets are amortized on a straight-line basis over their respective estimated useful lives. Excess costs over fair value of net assets acquired ("goodwill") and the value of franchises, trademarks and certain other intangibles acquired in purchase business combinations which have indefinite useful lives are not amortized.

(Dollars in thousands, except per share amounts)

The Company reviews its long-lived assets (property, plant and equipment, and intangible assets subject to amortization that arose from business combinations accounted for under the purchase method) 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.

The Company evaluates the recoverability of its goodwill and indefinite-lived intangible assets annually or more frequently whenever events or circumstances indicate that the asset may be impaired. Goodwill impairment is determined 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 a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of 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 impairment test for other intangible assets not subject to amortization consists of a comparison of the 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.

Feature Film Obligations

Amounts payable subsequent to December 31, 2006 related to the license of feature film inventory are as follows:

Years Ending December 31,	
2007	$121,890
2008	84,152
2009	67,288
2010	48,988
2011	29,685
Thereafter	82,231

Deferred Carriage Fees

Deferred carriage fees represent amounts principally paid or payable to cable system and/or satellite operators to guarantee carriage of certain programming services and are amortized as a reduction to revenue over the period of the related guarantee (1 to 15 years).

Deferred Financing Costs

Costs incurred to obtain debt are deferred and amortized to interest expense using the straight-line method over the life of the related debt.

Income Taxes

Income taxes are provided based upon the provisions of Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes, which requires the asset and liability method of accounting for deferred income taxes and permits the recognition of deferred tax assets, subject to an ongoing assessment of realizability. The Company provides deferred taxes for the outside basis difference of its investment in partnerships.

Income (Loss) Per Common Share

Basic and diluted net income (loss) per common share are not presented since the Company is a wholly-owned subsidiary of Cablevision.

Comprehensive Income (Loss)

Comprehensive income (loss), which is reported on the accompanying consolidated statements of stockholder's deficiency consists of net income (loss) and other gains and losses affecting shareholder's equity or attributed net assets that, under U.S. generally accepted accounting principles ("GAAP"), are excluded from net income (loss). These components of accumulated other comprehensive income (loss) consist primarily of minimum pension liability adjustments, net of taxes and in 2005 and 2004 foreign currency translation gains (losses), net of taxes.

In 2006, 2005 and 2004, the accumulated benefit obligation of the Company's defined benefit plans exceeded the fair value of plan assets. As a result, the Company recorded a non-cash charge (benefit) to accumulated comprehensive loss, net of taxes, of $1,484, $(182) and $2,792, respectively, as required by SFAS No. 87 Employers' Accounting for Pensions ("Statement No. 87"). Additionally, as of December 31, 2006, the Company adopted the recognition and disclosure provisions of SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans ("Statement No. 158") as described in Note 15. As a result of adopting Statement No. 158 in 2006, the Company recognized an additional $6,904, net of taxes, which was also charged to accumulated other comprehensive loss, net of taxes.

Reclassifications

Certain reclassifications have been made to the 2005 financial statements to conform to the 2006 presentation. In addition, the operating results of Fox Sports Net Chicago have been classified as discontinued operations in the consolidated statements of operations and cash flows for all periods presented.

(Dollars in thousands, except per share amounts)

Cash Flows

For purposes of the consolidated statements of cash flows, the Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

During 2006, 2005 and 2004, the Company's non-cash investing and financing activities and other supplemental data were as follows:

	Years Ended December 31,		
	2006	2005	2004
Non-Cash Investing and Financing Activities:			
Continuing Operations			
Acquisition of the 40% minority interest in certain Regional Programming Partners entities in exchange for the Company's interests in Fox Sports Net Ohio, Fox Sports Net Florida, National Sports Partners and National Advertising Partners	$ -	$604,080	$ -
Notes payable, including interest, contributed by News Corporation to Regional Programming Partners for no consideration	-	152,907	-
Capital lease obligations	11,751	180	2,952
Asset retirement obligations	136	10,870	-
Leasehold improvements paid by landlord	1,960	-	-
Investment in affiliate	1,294	-	-
Redemption of collateralized indebtedness with restricted cash and related prepaid forward contracts	-	116,544	-
Redemption of collateralized indebtedness with related prepaid forward contracts and stock	290,943	247,647	-
Redemption of collateralized indebtedness with related prepaid forward contracts	31,385	43,604	-
Redemption of collateralized indebtedness associated with AT&T Wireless shares with restricted cash, net of related forward contract		-	105,000
Receipt of restricted cash for AT&T Wireless shares		-	213,647
Rights payments offset with repayment of a note receivable	-	40,000	-
Discontinued Operations			
Make whole payment obligation, including interest, to Loral	50,898	-	-
Supplemental Data:			
Cash interest paid - continuing operations	$704,535	$581,127	$580,249
Cash interest paid - discontinued operations	15	90	314
Income taxes paid (refunded), net - continuing operations	11,184	(4,005)	6,952
Income taxes paid (refunded), net - discontinued operations	-	18	(539)

Derivative Financial Instruments

The Company accounts for derivative financial instruments in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended ("Statement No. 133"). Statement No. 133 requires that an entity recognize all derivatives, as defined, 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 earnings as gains (losses) on derivative contracts.

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 receivables. Cash is invested in money market funds, bank time deposits or in obligations of the U.S. Treasury. The Company's cash investments are placed with money market funds or financial institutions that have received the highest rating awarded by Standard & Poor's and Moody's Investors Services. The Company did not have a single customer that represented 10% or more of its consolidated net revenues for the years ended December 31, 2006, 2005 and 2004, respectively, or 10% or more of its consolidated net trade receivables at December 31, 2006 and 2005, respectively.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Commitments and Contingencies

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

Recently Adopted Accounting Standards

Defined Benefit Pension and Other Postretirement Plans

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement No. 158 which requires companies to recognize in their statement of financial position an asset for a postretirement benefit plan's overfunded status or a liability for a plan's underfunded status and to measure a plan's assets and its obligations that determine its funded status as of the end of the company's fiscal year. Additionally, Statement No. 158 requires companies to recognize changes in the funded status of a defined benefit postretirement plan in the year in which the changes occur and to report those changes in comprehensive income (loss). The provisions of Statement No. 158 have two separate effective dates. The provision of Statement No. 158 that requires a company (with a calendar year-end) to recognize the funded status of its pension plan, and the disclosure requirements, was effective as of December 31, 2006, and the provision of Statement No. 158 that requires a company (with a calendar year-end) to measure plan assets and benefit obligations as of the date of its fiscal year-end balance sheet is effective as of December 31, 2008. See Note 15 for a discussion of the impact of the Company's adoption of Statement No. 158.

Accounting Changes and Error Corrections

In June 2005, the FASB issued SFAS No. 154, Accounting Changes and Error Corrections - a replacement of APB Opinion No. 20 and FASB Statement No. 3 ("Statement No. 154"). Statement No. 154 applies to all voluntary changes in accounting principle, and changes the requirements for accounting for and reporting of a change in accounting principle. It requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20 previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle. Statement No. 154 requires that a change in method of calculating depreciation, amortization, or depletion for long-lived nonfinancial assets be accounted for as a change in accounting estimate that is affected by a change in accounting principle. APB Opinion No. 20 previously required that such a change be reported as a change in accounting principle. Statement No. 154 was effective for accounting changes and corrections of errors made by the Company beginning January 1, 2006.

Limited Partnerships

In June 2005, the EITF reached a consensus on Issue No. 04-5, Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights ("EITF No. 04-5"). EITF No. 04-5 provides guidance in assessing when a general partner should consolidate its investment in a limited partnership or similar entity. The provisions of EITF No. 04-5 were required to be applied beginning June 30, 2005 by general partners of all newly formed limited partnerships and for existing limited partnerships for which the partnership agreements are modified subsequent to June 30, 2005 and the provisions of EITF No. 04-5 were effective for general partners in all other limited partnerships beginning January 1, 2006. EITF No. 04-5 did not have any impact on the Company's financial position or results of operations upon adoption.

NOTE 2. STAFF ACCOUNTING BULLETIN NO. 108

On September 13, 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 ("SAB No. 108"), Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements. SAB No. 108 is effective for the Company's year ended December 31, 2006. The primary concepts set forth in SAB No. 108 are as follows:

- Registrants should quantify errors using both the "rollover" approach and "iron curtain" approach (collectively referred to as the "dual approach") and evaluate whether either approach results in quantifying a misstatement that, when all relevant quantitative and qualitative factors are considered, is material. The rollover approach focuses primarily on the impact of a misstatement on the income statement, including the reversing effect of prior year misstatements. Because the focus is on the income statement, the rollover approach can lead to the accumulation of misstatements in the balance sheet that may become material. The iron curtain approach focuses primarily on the effect of correcting for the accumulated misstatement as of the balance sheet date, essentially correcting the balance sheet with less emphasis on the reversing effects of prior year errors on the income statement.
- If correcting an error in the current year materially affects the current year but the item was not material in any prior year, "the prior year financial statements should be corrected, even

though such revision previously was and continues to be immaterial to the prior year financial statements." However, in this circumstance, correcting prior year financial statements for immaterial errors does not require amending previously filed financial statements - the correction can be made the next time the prior year financial statements are filed.

- For purposes of evaluating materiality under the "iron curtain" approach, all uncorrected errors on the balance sheet are presumed to be reversed into the statement of operations in the current period even though some or all of the uncorrected difference may relate to periods prior to the latest statement of operations presented and, therefore, would only impact opening accumulated earnings (deficit). If the amount of the uncorrected difference(s) is determined to be material to the current period statement of operations, then such amount would be deemed material and would have to be corrected for in the manner set forth above.

SAB No. 108 provides for the following transition guidance in the initial period of adoption:

- Restatement of prior years is not required if the registrant properly applied its previous approach, either "rollover" or "iron curtain" approach, so long as all relevant qualitative factors were considered.
- The SEC Staff will not object if a registrant records a one-time cumulative effect adjustment to correct errors existing in prior years that previously had been considered immaterial - quantitatively and qualitatively - based on the appropriate use of the registrant's previous approach.
- If prior years are not restated, the cumulative effect adjustment is recorded in opening accumulated earnings (deficit) as of the beginning of the fiscal year of adoption (e.g. January 1, 2006 for a calendar year company).

Historically, the Company has evaluated uncorrected differences utilizing the "rollover" approach. The Company believes its prior period assessments of uncorrected differences utilizing the "rollover" approach and the conclusions reached regarding its quantitative and qualitative assessments of materiality of such uncorrected differences, individually and in the aggregate, were appropriate. In accordance with the guidance set forth in SAB No. 108, the Company has corrected certain identified historical uncorrected balance sheet differences, which arose prior to January 1, 2006, as a cumulative effect adjustment to opening accumulated deficit as of January 1, 2006 in accordance with the "dual approach" set forth in SAB No. 108 as discussed above. The requirement to adopt the guidance set forth in SAB No. 108, including the estimated impact, was initially disclosed in the Company's Form 10-Q for the quarter ended June 30, 2006.

(Dollars in thousands, except per share amounts)

The following table summarizes the impact of applying the guidance set forth in SAB No. 108 on the Company's 2006 opening accumulated deficit balance:

	Additional Income (Expense)			
	Period in which the Uncorrected Differences Originated			
	Cumulative Uncorrected Differences as of December 31, 2003	Years Ended December 31, 2004	2005	Adjustment Recorded as of January 1, 2006 to Accumulated Deficit
Excess accrual balances and other items, net of taxes (a)	$103,865	$ 531	$(1,952)	$102,444
Tax adjustment relating to disability insurance (b)	1,858	(1,497)	9,734	10,095
Rent expense, net of taxes (c)	(6,756)	(914)	(766)	(8,436)
Revenue related to promotional rates, net of taxes (d)	311	5,325	4,845	10,481
Video on demand revenue, net of related expenses and taxes (e)	791	45	54	890
Programmer audit accruals, net of taxes (f)	216	1,348	373	1,937
Disability and life insurance accruals, net of taxes (g)	1,564	389	254	2,207
Goodwill amortization, net of taxes (h)	2,076	-	(26)	2,050
Impact on accumulated deficit	$103,925	$ 5,227	$12,516	$121,668

(a) In periods prior to 2000, the Company had determined that certain accounts payable and accrued liability account balances (including accruals for programming costs, non-income based taxes, worker's compensation, franchise fees, health and dental, and pensions, among others) which had accumulated over a number of years to an aggregate $108,646, net of taxes, as of December 31, 2003, were not supportable as liabilities that the Company would be required to satisfy. These amounts were substantially "frozen" as of December 31, 1999. Historically, the Company had concluded that such prior year uncorrected differences were quantitatively and qualitatively immaterial to the Company's prior year financial statements using the rollover method. This adjustment also includes $2,190, net of taxes, as of December 31, 2003, representing an excess reserve for unreturned analog converters that was not adjusted in prior periods to reflect actual losses and $(3,677), net of taxes, as of December 31, 2003, relating to unreconciled cash receipts. Additionally, this adjustment includes goodwill aggregating $3,292, net of taxes, as of December 31, 2003, and $1,994, net of taxes, for the year ended December 31, 2005, relating primarily to businesses that were sold where such goodwill was not included in their cost basis at the time of their sale for purposes of computing the associated gain on sale.

(b) In calculating the Company's tax provision for periods through December 31, 2005, the Company incorrectly treated tax-exempt disability insurance proceeds as taxable and non-deductible disability insurance premiums as tax deductible with regard to disability insurance arrangements associated with players of certain of the Company's professional sports teams.

(c) The Company historically recorded rent expense related to certain of its operating leases based on the contractual terms of the respective lease agreements instead of on a straight-line basis over the lease term as required by U.S. generally accepted accounting principles. This adjustment represents the impact of correcting the recognition of rent expense to the straight-line basis.

(d) The Company determined that it did not recognize in the appropriate period a portion of revenue earned related to certain cable television customers with promotional rates. This revenue was recognized when the promotional rates expired, generally occurring one year after the promotion commenced. This adjustment represents the revenue that should have been recognized in the respective periods when the services were provided, net of related tax effects.

(e) Prior to 2006, the Company recorded certain revenue from video on demand services as the services were billed to the customer instead of when the services were provided. Such revenue was historically recorded in the subsequent month's billing cycle. This adjustment reflects the recognition of revenue, net of related expenses and taxes, which should have been recorded in the respective periods when the services were provided.

(f) The Company's contracts with programming content providers typically allow for periodic audits of the programming payments made by the Company to these providers. The Company records an accrual for a loss contingency related to the associated potential underpayment of programming fees if such amounts are deemed probable and estimable. Based on the Company's review of this accrual balance, it determined that the accrual was overstated in previous years based upon the occurrence of historical events. This adjustment reflects the reduction of the accrual balance, net of taxes, in the appropriate periods.

(Dollars in thousands, except per share amounts)

(g) The Company determined that its accrual for disability and life insurance premiums for one of the Company's segments was based on an estimate that was not adjusted on a quarterly basis to reflect actual premiums paid. This adjustment reflects the reduction of the accrual, net of taxes, for the respective periods.

(h) In 2002, the Company inappropriately amortized goodwill of $2,076, net of taxes. This adjustment reflects the reversal of the amortization recognized in 2002. U.S. generally accepted accounting principles required the Company to cease amortization of goodwill effective January 1, 2002.

The following table summarizes the impact of applying the guidance in SAB No. 108 related to the adjustments described above on the Company's 2006 opening accumulated deficit by segment:

	Additional Income (Expense) Cumulative Uncorrected Differences as of January 1, 2006				
	Telecommunications	Rainbow	Madison Square Garden	Other	Total
Excess accrual balances and other items	$ 70,045	$22,837	$4,792	$29,737	$127,411
Rent expense	(10,040)	(1,380)	-	(2,920)	(14,340)
Revenue related to promotional rates	17,768	-	-	-	17,768
Video on demand revenue, net of related expenses	1,509	-	-	-	1,509
Programmer audit accruals	3,284	-	-	-	3,284
Disability and life insurance accruals	-	3,819	-	-	3,819
Goodwill amortization	-	-	3,474	-	3,474
	$ 82,566	$25,276	$8,266	$26,817	142,925
Income tax expense *					(31,352)
Tax adjustment relating to disability insurance					10,095
Impact on accumulated deficit					$121,668

* The income tax expense impact presented above is less than the amount that would be derived by applying the statutory rate to the aggregate pre-tax adjustment due to an income tax benefit of $28,553 resulting from a decrease in the required amount of the valuation allowance at the beginning of 2002 due to the decrease in deferred tax assets recognized in connection with the adjustments related to the excess accrual balances. The valuation allowance was eliminated later in 2002 in connection with the application of purchase accounting associated with an acquisition.

(Dollars in thousands, except per share amounts)

The following table summarizes the impact of applying the cumulative effect adjustments discussed above to the Company's consolidated balance sheet, including the impact on accumulated deficit, as of December 31, 2005, as recognized effective January 1, 2006:

	Cumulative Effect Adjustment Recorded in Accumulated Deficit as of January 1, 2006
	Increase (Decrease)
Accounts receivable, trade	$ 14,570
Deferred tax asset	(10,788)
Total current assets	3,782
Property, plant and equipment	3,714
Investment in affiliates	341
Deferred tax asset	(25,662)
Intangible assets (1)	45,641
Total assets	27,816
Accounts payable	(20,639)
Accrued employee related costs	(15,515)
Other accrued expenses	(102,844)
Deferred tax liability	29,649
Total current liabilities	(109,349)
Deferred tax liabilities	1,470
Other long-term liabilities	13,732
Minority interests	295
Total liabilities	(93,852)
Accumulated deficit (aggregate cumulative effect adjustment, net of taxes)	$(121,668)

(1) Includes the impact on previously recorded goodwill related to certain prior period purchase accounting transactions which result from the adjustment to deferred tax assets related to the reversal of the excess accrual balances discussed in footnote (a) above and the item discussed in footnote (h) above.

NOTE 3. TRANSACTIONS

2006 Transactions

CSC Holdings Stock

On April 20, 2006, CSC Holdings issued 2.1 million shares of its common stock, $0.01 par value, to Cablevision Systems Corporation ("Cablevision") in consideration of previous contributions of cash and assets by acquired Cablevision and were assigned to CSC Holdings in prior years.

2005 Transactions

CSC Holdings Stock

In December 2005, CSC Holdings issued 3.1 million shares of common stock, $0.01 par value, to Cablevision in consideration for certain cable systems that Cablevision had acquired and were assigned to CSC Holdings in 1999. The issuance was approved at the time of the assignment but the shares were not issued and delivered until December 2005.

Regional Programming Partners Restructuring

In April 2005, the Company and News Corporation restructured their ownership of Regional Programming Partners. Prior to the April 2005 transaction, Regional Programming Partners was owned 60% by the Company and 40% by News Corporation. As a result of the restructuring, the Company now owns 100% of Madison Square Garden, 100% of Fox Sports Net Chicago (which was shut down in June 2006) and 50% of Fox Sports Net New England and therefore, no portion of the results of operations of these businesses is allocated to minority interests after the acquisition. In connection with the restructuring, these businesses extended the terms of their long-term affiliation agreements with National Sports Partners and their advertising representation agreements with National Advertising Partners.

In connection with its December 2003 purchase of the interests that it did not own in Fox Sports Net Chicago and Fox Sports Net Bay Area, subsidiaries of Regional Programming Partners issued promissory notes in the aggregate amount of $150,000 to News Corporation. As part of the restructuring, those promissory notes and accrued interest of $2,907 were contributed by News Corporation to Regional Programming Partners for no additional consideration and were cancelled without any payment being made on them.

National Sports Partners and National Advertising Partners were owned 50% by the Company and 50% by News Corporation. As a result of the restructuring, the Company no longer owns any interest in National Sports Partners, National Advertising Partners, Fox Sports Net Ohio or Fox Sports Net Florida.

The Company and News Corporation continue to own 60% and 40%, respectively, of Fox Sports Net Bay Area through a separate partnership. The Company continues to manage that network. In connection with the restructuring, Fox Sports Net Bay Area extended the terms of its long-term affiliation agreement with National Sports Partners and its advertising representation agreement with National Advertising Partners.

The Company has accounted for this exchange in accordance with APB Opinion No. 29, Accounting for Nonmonetary Transactions and, accordingly, the Company recorded the transaction with News Corporation at fair value at the date of the restructuring. The Company recorded a gain in discontinued operations of $266,810, net of taxes, in connection with the transfer of the Company's interests in Fox Sports Net Ohio and Fox Sports Net Florida. The Company recorded a gain in continuing operations of $66,558 in connection with the transfer of National Sports Partners and National Advertising Partners. In addition, the excess of the net book value of the assets acquired over the purchase price of $94,320 was allocated to specific assets and liabilities based on fair values as follows:

(Dollars in thousands, except per share amounts)

	Useful Life	
Land and development rights	Indefinite	$ 37,573
Property and equipment, net	2 to 27.5 years	12,396
Amortizable intangible assets:		
Affiliation agreements	4 years	17,951
Affiliation relationships	24 years	85,824
Advertiser relationships	7 years	6,004
Season ticket holder relationships	12 to 15 years	73,124
Suite holder contracts and relationships	3 to 11 years	21,167
Indefinite-lived intangible assets:		
Trademarks		53,880
Sports franchises		96,215
Excess costs over fair value of net assets acquired		(460,853)
Other assets and liabilities, net		9,399
Unfavorable contracts		(47,000)
Net step-down to historical carrying values		$ (94,320)

The Regional Programming Partners restructuring transaction was substantially tax deferred.

The unaudited pro forma revenue, loss from continuing operations, net income (loss), loss per share from continuing operations and net income (loss) per share of the Company, as if the Company's acquisition of the interests in entities exchanged with News Corporation had occurred on January 1, 2005 and 2004, are as follows:

	Years Ended December 31,	
	2005	2004
Revenues	$5,172,478	$4,632,537
Loss from continuing operations	$ (63,795)	$ (460,641)
Net income (loss)	$ 153,058	$ (653,553)

Agreements with EchoStar

In April 2005, subsidiaries of Cablevision and CSC Holdings entered into agreements with EchoStar Communications Corporation ("EchoStar") relating to the launch and operation of the business of Rainbow HD Holdings LLC, the Company's VOOM HD Networks high-definition television programming service. This transaction closed in November 2005. Under those arrangements, EchoStar was initially distributing a portion of the VOOM HD Networks programming service and, beginning in 2006, began carrying 15 of the channels included in the programming service. In connection with the arrangements, EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings' equity by the Company.

Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future. The agreements resulted in a non-monetary exchange whereby the Company provided EchoStar a 20% interest in Rainbow HD Holdings in exchange for deferred carriage fees. Accordingly, the Company recorded deferred carriage fees for the fair value of the 20% interest in Rainbow HD Holdings LLC surrendered of $18,101, which resulted in a gain on the issuance of member's interest by a subsidiary of $10,397 (net of transaction costs of $295 and taxes of $7,409). Since Rainbow HD Holdings LLC is a start-up company, the gain was recorded as an increase to paid-in capital.

2004 Transactions

DTV Norwich

In January 2004, Rainbow DBS Company, LLC, ("Rainbow DBS") an indirect wholly-owned subsidiary of the Company, invested $100 for a 49% interest in DTV Norwich, an entity that acquired licenses at auction from the Federal Communications Commission ("FCC") to provide multichannel video distribution and data service ("MVDDS") in 46 metropolitan areas in the United States. In connection with the equity investment, the Company loaned DTV Norwich an additional $84,600 for the acquisition of these licenses (the "DTV Norwich Transaction"). Under the terms of the promissory note with DTV Norwich, the loan was forgiven when the FCC granted the MVDDS licenses to DTV Norwich on July 27, 2004 and September 23, 2004.

Rainbow DBS also agreed to a put/call option with the other investor in DTV Norwich. Rainbow DBS had a call option to purchase an additional 41% membership interest in DTV Norwich at an exercise price of $4,230. Rainbow DBS exercised its call option on October 29, 2004. Rainbow DBS received FCC approval to acquire the 41% membership interest which gave Rainbow DBS control of this entity. The other investor has the right, for ten years, to put its remaining 10% interest to Rainbow DBS at fair value to be determined by a process involving independent valuation experts.

Pursuant to FASB Interpretation No. 46R ("FIN No. 46R"), Consolidation of Variable Interest Entities, this entity was consolidated with the Company as of the date of the transaction, January 2004, since it did not have sufficient equity to demonstrate that it could finance its activities without additional subordinated financial support. The acquired licenses were recorded as other intangible assets and were deemed to have indefinite lives. Since this variable interest entity is not considered a business pursuant to FIN No. 46R, the excess of the fair value of the consideration paid and the newly consolidated non-controlling interest over the fair value of the newly consolidated identifiable assets, of $7,436 net of taxes of $5,384, was recorded as an extraordinary loss. In connection with the Company's decision in December 2004 to seek strategic alternatives for the Rainbow DBS business, the Company reduced the carrying value of the acquired licenses to their estimated fair value of $6,113 based on available MVDDS auction value information.

NOTE 4. RESTRUCTURING CHARGES

In December 2001, the Company recorded restructuring charges of $56,442 (including $13,720 for discontinued operations) which included expenses of $21,018 (including $9,403 for discontinued operations) associated with the elimination of approximately 600 positions, primarily in corporate, administrative and infrastructure functions across various business units of the Company, and estimated expenses of $35,424 (including $4,317 for discontinued operations) associated with facility realignment and other related costs.

In 2002, the Company announced a new operating plan and restructuring which included the closing of 26 retail electronics store locations, the consolidation of customer service call centers, and the elimination of certain staff positions. Additionally, the Company reached an agreement with its supplier of set top boxes which reduced the Company's purchase commitments for set top boxes from $378,500 in 2002, $378,500 in 2003, and $567,750 in 2004 to a total remaining commitment of $87,500 in 2002 and nothing thereafter and required the Company to make certain other cash payments aggregating $50,000 plus interest on a portion of such amount with respect to, among other things, a license for certain software (valued at $17,500 based on an independent appraisal). In connection with this plan, the Company recorded restructuring charges of $85,965 (including $11,553 for discontinued operations) which included $22,072 (including $3,642 for discontinued operations) associated with the elimination of approximately 3,000 positions, $31,393 (including $7,911 for discontinued operations) associated with facility realignment and other related costs and $32,500 associated with the reduction in required digital set top box commitments.

In 2003, the Company eliminated staff positions and incurred severance costs aggregating $6,111.

During 2006, 2005 and 2004, the Company recorded restructuring charges aggregating $392, $1,024 and $4,756, respectively, associated with the elimination of certain positions in various business units of the Company and facility realignment costs.

At December 31, 2006, the restructuring liability of $4,201 was classified as a current liability in the consolidated balance sheet.

(Dollars in thousands, except per share amounts)

The following table summarizes the restructuring liability, net of related sublease amounts, at December 31, 2006:

	2001 Plan	2001 Plan	2002 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan
	Employee Severance	Facility Realignment and Other Costs (b)	Employee Severance	Facility Realignment and Other Costs (a) (b)	Employee Severance	Employee Severance	Employee Severance	Facility Realignment
Balance at December 31, 2003	$ 3	$19,212	$ 207	$ 39,623	$ 2,258	$ -	$ -	$ -
Additional charges (credits)	-	(5,589)	(68)	(172)	238	4,756	-	-
Payments	(3)	(7,242)	(139)	(9,218)	(2,418)	(3,818)	-	-
Balance at December 31, 2004	-	6,381	-	30,233	78	938	-	-
Additional charges (credits)	-	(1,480)	-	(578)	234	263	1,024	-
Payments	-	(3,114)	-	(28,857)	(312)	(1,201)	(1,001)	-
Balance at December 31, 2005	-	1,787	-	798	-	-	23	-
Additional charges (credits)	-	(4,521)	-	525	-	-	(23)	392
Payments and accrual of sublease receivable, net	-	2,734	-	(1,323)	-	-	-	(290)
Accrued restructuring balance at December 31, 2006	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 102

(a) In August 2005, the Company made a $25,000 payment to satisfy its required commitment with a supplier associated with the 2002 restructuring plan.

(b) For the year ended December 31, 2006, the Company recorded restructuring credits of $3,996 relating primarily to changes to the Company's previous estimates recorded in connection with the 2001 and 2002 facility realignment. Based on the restructuring credits recorded and payments made by the Company, the restructuring liability relating to these plans, net of sublease amounts, as of December 31, 2006 was zero.

In addition to the facility realignment charges of $392 in 2006 which are expected to be completed by June 2009, the Company recorded restructuring charges of $143 associated with the elimination of approximately ten positions at a programming business within the Rainbow segment (which was fully paid as of December 31, 2006).

(Dollars in thousands, except per share amounts)

The cumulative amount of restructuring charges incurred by the Company for continuing operations for each of the restructuring plans are as follows:

	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan	Total
Employee severance	$15,108	$19,586	$6,583	$5,019	$1,001	$143	$ 47,440
Facility realignment and other costs	23,234	54,545	-	-	-	392	78,171
Cumulative restructuring charges recognized as of December 31, 2006	$38,342	$74,131	$6,583	$5,019	$1,001	$535	$125,611

NOTE 5. IMPAIRMENT CHARGES

In connection with the Company's Board of Directors' decision in December 2004 to suspend pursuing the spin-off of its Rainbow Media Enterprises subsidiary and instead to pursue strategic alternatives for its Rainbow DBS business, the Company performed a review of its assets for recoverability. The Company recorded an impairment charge of $90,540 included in depreciation and amortization expense relating to long-lived assets and other indefinite-lived intangible assets and a charge of $75,805 included in technical and operating expenses representing the write down of certain film and programming contracts of the VOOM HD Networks within the Rainbow segment. In addition, the Company recorded an impairment charge of $155,415 reflecting the excess of the carrying value over the estimated fair value of long-term assets and goodwill and other indefinite-lived intangible assets and a charge of $33,052 representing the write-off of equipment inventory and deposits which have been recorded in discontinued operations. The impairment charges related to film and programming contracts, equipment inventory and deposits are based on net realizable value and the impairment charges related to goodwill, intangible and long-lived assets are based on estimates of fair value of those assets.

The Company recorded impairment charges of $2,394, included in depreciation and amortization, relating to certain other long-lived assets deemed impaired within its theater operations and Rainbow segment in 2004.

In 2005, the Company recorded impairment charges of $7,697, included in depreciation and amortization, primarily for certain long-lived assets and intangibles within its Rainbow segment and theater operations.

During 2006, the Company recorded impairment charges of $2,104, included in depreciation and amortization, primarily for certain long-lived assets and intangibles within its theater operations and PVI Virtual Media business.

As part of its periodic review of expected programming usefulness, the Company recorded an impairment loss of $1,640, $663 and $297 in 2006, 2005 and 2004, respectively. Such amounts represent the write-off of the carrying value of certain film and programming contracts of the Company's Rainbow segment and are included in technical and operating expense.

(Dollars in thousands, except per share amounts)

In June 2006, the operations of the Fox Sports Net Chicago programming business were shut down. In connection with the shut down, the Company recorded a goodwill impairment charge of $5,121 which was classified in discontinued operations.

NOTE 6. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

The operating results of Fox Sports Net Ohio and Fox Sports Net Florida (in connection with the Regional Programming Partners restructuring in April 2005), Fox Sports Net Chicago and the Rainbow DBS satellite distribution business (in connection with the Board of Directors' authorization to shut down the business), net of taxes, have been classified in the consolidated statements of operations as discontinued operations for all periods presented. Operating results of discontinued operations for the years ended December 31, 2006, 2005 and 2004 are summarized below:

	Year Ended December 31, 2006			
	Fox Sports Net Chicago (a)	Rainbow DBS Satellite Distribution Business (b)	Other	Total
Revenues, net	$ 79,204	$ -	$ -	$79,204
Income (loss) before income taxes	$ 72,985	$(56,741)	$(62)	$16,182
Income tax benefit (expense)	(32,030)	23,269	25	(8,736)
Net income (loss)	$ 40,955	$(33,472)	$(37)	$ 7,446

(a) Revenues, net includes $77,996 representing the collection in June 2006 of affiliate revenue from a cable affiliate, including $71,396 relating to periods prior to 2006, that had not been previously recognized due to a contractual dispute. The underlying contract was terminated in June 2006 and no further payments will be received under this contract.
(b) Income (loss) before income taxes includes the recognition of the Make Whole Payment obligation due to Loral Space and Communications Holding Corporation (see discussion below).

	Year Ended December 31, 2005				
	Fox Sports Net Chicago	Fox Sports Net Ohio and Fox Sports Net Florida	Rainbow DBS Satellite Distribution Business	Other	Total
Revenues, net	$ 3,433	$ 40,018	$ 8,776	$ -	$ 52,227
Income (loss) before income taxes	$ 2,743	$ 466,460	$(102,983)	$ 4,405	$ 370,625
Income tax benefit (expense)	(1,123)	(192,998)	42,151	(1,802)	(153,772)
Net income (loss) including gain on restructuring of Regional Programming Partners of $266,810, and other gain of $2,618, net of taxes	$ 1,620	$ 273,462	$ (60,832)	$ 2,603	$ 216,853

(Dollars in thousands, except per share amounts)

For the year ended December 31, 2005, the Company recorded a gain, net of taxes, of $2,521, primarily representing the transfer of the Company's ownership interest in a subsidiary of PVI to PVI's minority partner for the minority partner's remaining ownership interest in PVI. In addition, the Company recorded a gain, net of taxes, of $97 for the year ended December 31, 2005 that related primarily to a reduction of health and welfare expenses in connection with the transfer of the retail electronics business.

	Year Ended December 31, 2004				
	Fox Sports Net Chicago	Fox Sports Net Ohio and Fox Sports Net Florida	Rainbow DBS Satellite Distribution Business	Other	Total
Revenues, net	$117,500	$168,085	$ 14,742	$ -	$ 300,327
Income (loss) before income taxes	$ 23,136	$ 39,054	$(375,345)	$(6,954)	$(320,109)
Income tax benefit (expense)	(9,555)	(16,130)	155,018	5,300	134,633
Net income (loss)	$ 13,581	$ 22,924	$(220,327)	$(1,654)	$(185,476)

For the year ended December 31, 2004, the Company recorded losses, net of taxes, of $1,092, representing the finalization of film asset adjustments that relate to the sale of the Bravo programming business in 2002. In addition, the Company recorded losses, net of taxes, of $562 for the year ended December 31, 2004 that related primarily to estimated legal and payroll tax settlements in connection with the transfer of the retail electronics business.

Rainbow DBS

In April 2005, the operations of the Rainbow DBS satellite distribution business were shut down. In connection with the shut down, certain assets of the business, including the Rainbow 1 direct broadcast satellite and certain other related assets were sold to a subsidiary of EchoStar for $200,000 in cash. This transaction closed in November 2005. In addition, Rainbow DBS had FCC licenses to construct, launch and operate five fixed service Ka-band satellites and had entered into a contract in November 2004 for the construction by Lockheed Martin of these five Ka-band satellites at a cost of $740,000. Rainbow DBS had the right to terminate the contract at any time, subject to certain maximum termination liabilities. Rainbow DBS exercised this right on November 21, 2005, and the amount paid to Lockheed Martin in excess of the termination liability was repaid to the Company in March 2006.

In September 2005, Loral filed an action against Cablevision and Rainbow DBS for breach of contract based on a letter agreement dated March 23, 2001 ("the Letter Agreement") between Loral and Rainbow DBS. Loral alleges that the sale of the Rainbow-1 satellite and related assets to EchoStar constituted a sale of "substantially all of the assets of Rainbow DBS" triggering a "Make Whole Payment" under the Letter Agreement of $33,000 plus interest. A trial in this matter took place in January 2007 in New York Supreme Court for New York County. On January 24, 2007, the jury returned a verdict finding that the EchoStar sale had triggered a Make Whole Payment under the Letter Agreement, requiring a payment to Loral of $50,898, including interest, which has been accrued for as of December 31, 2006 and reflected as an expense in discontinued operations. Cablevision and Rainbow DBS have filed a motion for judgment as a matter of law, or in the alternative for a new trial, which is pending.

Certain assets of the Rainbow DBS satellite distribution business, previously included in the Rainbow DBS segment, amounting to $7,557, had been classified as assets held for sale in the consolidated balance sheet of the Company at December 31, 2005. These assets related to the direct broadcast satellite television business of Rainbow DBS and consisted of equipment and other assets. In the first quarter of 2006, the Company recorded an impairment loss of $7,179 which has been classified in discontinued operations. In the second quarter of 2006, the assets were sold.

Fox Sports Net Chicago

In June 2006, the operations of the Fox Sports Net Chicago programming business were shut down. In connection with the shut down, the Company recorded a goodwill impairment charge of $5,121 which was classified in discontinued operations.

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

Costs incurred in the construction of the Company's cable television system, including line extensions to, and upgrade of, the Company's hybrid fiber-coaxial infrastructure 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 Company 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 (12-25 years), and headend facilities (4-15 years). Costs of operating the plant and the technical facilities, including repairs and maintenance and call completion fees, are expensed as incurred.

Costs incurred to connect businesses or residences that have not been previously connected to the infrastructure or digital platform are also capitalized. These costs include materials, subcontractor labor, internal labor to connect, provision and provide on-site and remote technical assistance and other related costs associated with the connection activities. In addition, on-site and remote technical assistance during the provisioning process for new digital product offerings are capitalized. 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. New connections are amortized over 5 years or 12 years for residence wiring and feeder cable to the home, respectively. The portion of departmental costs related to reconnection, programming service up- and down- grade, repair and maintenance, and disconnection activities are expensed as incurred.

(Dollars in thousands, except per share amounts)

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, 2006	December 31, 2005	Estimated Useful Lives
Customer equipment	$1,565,089	$1,359,758	3 to 5 years
Headends and related equipment	610,563	578,880	4 to 15 years
Central office equipment	456,670	397,450	5 to 10 years
Infrastructure	4,599,159	4,391,527	3 to 25 years
Program, service and data processing equipment	1,254,713	1,201,999	2 to 13 years
Microwave equipment	37,484	35,084	5 to 8 years
Construction in progress (including materials and supplies)	68,136	63,157	-
Furniture and fixtures	171,311	163,035	3 to 10 years
Transportation equipment	228,414	217,604	3 to 15 years
Buildings and building improvements	368,921	358,140	2 to 40 years
Leasehold improvements	531,471	516,452	Term of lease
Land	79,989	79,985	-
	9,971,920	9,363,071	
Less accumulated depreciation and amortization	6,257,078	5,494,994	
	$3,714,842	$3,868,077	

Depreciation expense on property, plant and equipment (including capital leases) for the years ended December 31, 2006, 2005 and 2004 amounted to $1,034,628, $981,057 and $967,306 (including impairments of $1,205, $2,734 and $14,437 in 2006, 2005 and 2004), respectively.

At December 31, 2006 and 2005, the gross amount of equipment and related accumulated amortization recorded under capital leases were as follows:

	December 31, 2006	December 31, 2005
Equipment	$122,400	$113,766
Less accumulated amortization	75,817	67,443
	$ 46,583	$ 46,323

(Dollars in thousands, except per share amounts)

NOTE 8. INTANGIBLE ASSETS

The following table summarizes information relating to the Company's acquired intangible assets at December 31, 2006 and 2005:

	December 31, 2006	December 31, 2005	Estimated Useful Lives
Gross carrying amount of amortizable intangible assets			
Affiliation relationships and affiliation agreements	$ 783,774	$ 782,367	4 to 24 years
Broadcast rights and other agreements	86,748	86,748	10 to 11 years
Season ticket holder relationships	75,005	75,005	10 to 15 years
Suite holder contracts and relationships	21,167	21,167	3 to 11 years
Advertiser relationships	104,071	104,071	7 to 10 years
Other intangibles	40,819	87,400	1 to 20 years
	1,111,584	1,156,758	
Accumulated amortization			
Affiliation relationships and affiliation agreements	366,888	305,677	
Broadcast rights and other agreements	50,746	44,075	
Season ticket holder relationships	10,027	4,576	
Suite holder contracts and relationships	5,815	2,491	
Advertiser relationships	42,814	31,315	
Other intangibles	19,139	29,810	
	495,429	417,944	
Indefinite-lived intangible assets			
Franchises	731,848	731,848	
Sports franchises	96,215	96,215	
FCC licenses and other intangibles	11,936	19,076	
Trademarks	53,880	53,880	
Excess costs over the fair value of net assets acquired	1,032,117	993,426	
	1,925,996	1,894,445	
Total intangible assets, net	$2,542,151	$2,633,259	
Aggregate amortization expense			
Years ended December 31, 2006 and 2005 (excluding impairment charges of $899 and $4,963, respectively)	$ 93,286	$ 97,623	
Estimated amortization expense			
Year ending December 31, 2007	$ 91,553		
Year ending December 31, 2008	89,112		
Year ending December 31, 2009	82,699		
Year ending December 31, 2010	79,637		
Year ending December 31, 2011	78,838		

(Dollars in thousands, except per share amounts)

The changes in the carrying amount of excess costs over the fair value of net assets acquired for the years ended December 31, 2006, 2005 and 2004 are as follows:

	Tele-communications	MSG	Rainbow	Other	Total Company
Balance as of December 31, 2004	$206,971	$1,152,131	$ 70,722	$13,558	$1,443,382
Adjustments recorded in connection with the Regional Programming Partners restructuring	-	(460,853)	14,026	-	(446,827)
Reclassification as a result of the Regional Programming Partners restructuring	-	32,755	(32,755)	-	-
Impairment loss	-	-	(4,963)	-	(4,963)
Other	-	-	935	899	1,834
Balance as of December 31, 2005	206,971	724,033	47,965	14,457	993,426
Cumulative effect of adjustments resulting from the adoption of SAB No. 108 (Note 2)	-	14,228	30,483	-	44,711
Adjusted balance at January 1, 2006	206,971	738,261	78,448	14,457	1,038,137
Impairment loss - continuing operations	-	-	-	(899)	(899)
Impairment loss - discontinued operations (Note 6)	-	-	(5,121)	-	(5,121)
Balance as of December 31, 2006	$206,971	$ 738,261	$ 73,327	$13,558	$1,032,117

See Note 3 for a discussion of changes to acquired intangible assets primarily as a result of the Regional Programming Partners restructuring in 2005.

(Dollars in thousands, except per share amounts)

NOTE 9. DEBT

Bank Debt

The Company's outstanding bank debt at December 31, 2006 and 2005 is as follows:

	December 31, 2006	December 31, 2005
Restricted Group:		
Restricted Group credit facility (terminated in 2006)	$ -	$1,256,000
Term A-1 credit facility	1,000,000	-
Term B credit facility	3,482,500	-
	4,482,500	1,256,000
Rainbow National Services:		
Credit facility (terminated in 2006)	-	595,500
Term A credit facility	500,000	-
Revolving credit facility	10,000	-
	$4,992,500	$1,851,500

Restricted Group

On February 24, 2006, the Restricted Group (comprised primarily of the CSC Holdings' cable television subsidiaries and its commercial data and voice services subsidiary) entered into a $2,400,000 credit facility with a group of banks consisting of three components: a $1,000,000 revolver that was undrawn at December 31, 2006, a $1,000,000 term A-1 loan facility and a $400,000 term A-2 loan facility that has since been refinanced and repaid in full, as described below. Approximately $1,300,000 of the $1,400,000 proceeds received from the term loans under the new credit facility was used to repay the outstanding borrowings and accrued interest under the prior Restricted Group credit facility that was scheduled to mature in June 2006, and fees and expenses. On March 29, 2006, the Restricted Group entered into a new $3,500,000 term B loan facility, of which approximately $400,000 of the proceeds was used to prepay the outstanding borrowings of the term A-2 loan facility, including accrued interest, and fees and expenses. The balance of the outstanding term B loan facility borrowings was invested in short-term AAA rated funds until approval of the special dividend by the Company's Board of Directors. On April 24, 2006 the approved special dividend was paid (see Note 22).

The three components of the new Restricted Group credit facility, the $1,000,000 revolver, the $1,000,000 term A-1 loan facility and the $3,500,000 term B loan facility, are direct obligations of CSC Holdings, guaranteed by most Restricted Group subsidiaries and secured by the pledge of the stock of most Restricted Group subsidiaries. As of December 31, 2006, $51,994 of the $1,000,000 revolving credit facility was restricted for certain letters of credit issued on behalf of CSC Holdings. The revolving credit facility and the term A-1 loan facility mature in six years in February 2012 and the term B loan facility matures in seven years in March 2013. The revolver has no required interim repayments, the $1,000,000 term A-1 loan facility requires quarterly repayments aggregating 0% in year one, 5% in each of years two and three, 25% in each of years four and five, and 40% in the final year and the $3,500,000 term B loan facility is subject to quarterly repayments totaling 1% ($8,750 per quarter) in each of years one through six and 94% ($822,500 per quarter) in the final year. The interest rate on the term A-1 loan facility varies, depending on the Restricted Group's cash flow ratio (as defined), from .75% to 1.75% over the Eurodollar Rate for Eurodollar-based borrowings and from zero to .75% over the Base Rate for Base Rate Borrowings (as defined). The interest rate on the borrowings under the term B loan facility is the

Eurodollar Rate (as defined) plus 1.75% or prime rate plus .75%, at the Company's election. The weighted average interest rates as of December 31, 2006 on borrowings under the term A-1 loan facility and term B loan facility was 6.62% and 7.12%, respectively.

The principal financial covenants, which are not identical for the revolving credit facility and the term A-1 loan facility, on the one hand, and the term B loan facility, on the other, include (i) under the revolving credit facility and the term A-1 loan facility, maximum total leverage of 7.50 to 1 with subsequent stepdowns over the life of the revolving credit facility and the term A-1 loan facility until reaching 4.50 to 1 for periods beginning on and after January 1, 2010, (ii) under the revolving credit facility and the term A-1 loan facility, maximum senior secured leverage of 4.00 times cash flow through December 31, 2006 with annual stepdowns thereafter over the life of the revolving credit facility and the term A-1 loan facility until reaching 3.00 to 1 for periods beginning on and after January 1, 2010, (iii) under the revolving credit facility and the term A-1 loan facility, minimum ratios for cash flow to interest expense of 1.75 to 1 initially, increasing to 2.00 to 1 on and after July 1, 2007, and (iv) under the revolving credit facility and the term A-1 loan facility, a minimum ratio of cash flow less cash taxes to total debt expense (defined to include interest expense, certain payments of principal and dividends paid by CSC Holdings to Cablevision to permit Cablevision to pay interest and certain principal payments on its debt) of 1.50 to 1. These covenants and restrictions on the permitted use of borrowed funds in the revolving credit facility may limit the Company's ability to utilize all of the undrawn revolver funds. Additional covenants include limitations on liens and the issuance of additional debt.

Under the term B loan facility, the Company is limited in its ability to incur additional indebtedness based on a maximum ratio of total indebtedness to cash flow (as defined in the term B loan facility) of 7.50 to 1 with subsequent stepdowns over the life of the term B loan facility until reaching 5.00 to 1 for periods beginning on and after January 1, 2010 and a maximum senior secured leverage ratio of 4.50 times cash flow (as defined in the term B loan facility).

Under the revolving credit facility and the term A-1 loan facility, there are generally no restrictions on investments that the Restricted Group may make, provided it is not in default. The Restricted Group can make distributions or other restricted payments so long as CSC Holdings is not in default, but there is a limitation (initially $200,000, subject to increase to reflect capital contributions or issuance of equity interests) on restricted payments during any period when the cash flow leverage ratio is greater than 6.0 to 1. The $200,000 limitation does not apply to restricted payments by CSC Holdings to Cablevision to be used by Cablevision to make scheduled payments of principal or interest on its indebtedness. Under the term B loan facility, there also are generally no restrictions on investments that the Restricted Group may make provided it is not in default; however, CSC Holdings must also remain in compliance with the maximum ratio of total indebtedness to cash flow and the maximum senior secured leverage ratio. The Restricted Group's ability to make restricted payments is also limited by provisions in the term B loan facility and the indentures covering the Company's notes and debentures.

In connection with the repayment of the term A-2 loan facility and the prior Restricted Group credit facility, the Company wrote off $4,587 of unamortized deferred financing costs and in connection with the new Restricted Group credit facility, related costs of $42,004 were recorded as deferred financing costs.

Rainbow National Services

On July 5, 2006, Rainbow National Services LLC ("RNS"), an indirect wholly-owned subsidiary of the Company, entered into a replacement bank facility (the "New RNS Credit Facility") providing for an $800,000 senior secured facility which consists of a $500,000 term A loan facility and a $300,000 revolving credit facility which was used primarily to refinance its then existing credit facility. The term A loan facility matures June 30, 2013 and the revolving credit facility matures June 30, 2012. The New RNS Credit Facility allows RNS to utilize up to $50,000 of the revolving credit facility for letters of credit and up to $5,000 for a swing loan. Further, the New RNS Credit Facility provides for an incremental facility of up to $925,000, provided that it be for a minimum amount of $100,000. If an incremental facility is established, RNS and the lenders will enter into a supplement to the New RNS Credit Facility with terms and conditions that are no more restrictive than those of the New RNS Credit Facility. There are no commitments from the lenders to fund an incremental facility.

On July 5, 2006, RNS borrowed the entire $500,000 term A loan facility and $10,000 under the revolving credit facility. RNS used the $510,000 borrowed under the New RNS Credit Facility and $88,048 of additional available cash to repay all of its outstanding borrowings, accrued interest and fees due under its August 2004 $950,000 senior secured credit facility of which $592,500 was outstanding under a term loan at July 5, 2006 (scheduled to mature March 31, 2012) and to pay certain fees and expenses incurred in connection with the New RNS Credit Facility. RNS may use future borrowings under the credit agreement to make investments, distributions, and other payments permitted under the New RNS Credit Facility and for general corporate purposes. The borrowings under the New RNS Credit Facility may be repaid without penalty at any time. At December 31, 2006, $500,000 was outstanding under the term A loan and $10,000 was outstanding under the revolving credit facility. RNS had $290,000 in undrawn revolver commitments at December 31, 2006.

Borrowings under the New RNS Credit Facility are direct obligations of RNS which are guaranteed jointly and severally by substantially all of its subsidiaries and by Rainbow Programming Holdings LLC, the direct parent of RNS, and are secured by the pledge of the stock of RNS and substantially all of its subsidiaries and all of the other assets of RNS and substantially all of its subsidiaries (subject to certain limited exceptions). Borrowings under the New RNS Credit Facility bear interest based on either the Base Rate (the greater of the Federal Funds Rate plus 0.5% and the prime rate (as defined in the New RNS Credit Facility)), or the Eurodollar Rate (as defined in the New RNS Credit Facility). The interest rate under the New RNS Credit Facility varies, depending on RNS' cash flow ratio (as defined in the New RNS Credit Facility) from 1.0% to 1.5% over the Eurodollar Rate for Eurodollar-based borrowings and from zero to 0.5% over the Base Rate for Base Rate borrowings. On December 31, 2006, the interest rate on the term A loan facility and the revolving credit facility was 6.62% and 6.60%, respectively. The term A loan is to be repaid in quarterly installments of 1.25% of the original outstanding balance ($6,250) from March 31, 2008 until December 31, 2010, 2.5% of the original outstanding balance ($12,500) from March 31, 2011 until December 31, 2012, and 32.5% of the original outstanding balance ($162,500) on March 31, 2013 and June 30, 2013, the term A loan maturity date. Any amounts outstanding under the revolving credit facility are due at maturity on June 30, 2012.

The financial covenants consist of (i) a minimum ratio of operating cash flow to total interest expense for each quarter (all as defined in the New RNS Credit Facility) of 1.75 to 1, (ii) a maximum cash flow ratio of total indebtedness to annualized operating cash flow (as defined in the New RNS Credit Facility) of 6.75 to 1 through June 30, 2008, decreasing thereafter to 6.25 to 1, and (iii) a maximum senior secured leverage ratio of senior secured debt to annualized operating cash flow (as defined in the New RNS Credit

Facility) of 5.50 to 1. Additional covenants include restrictions on indebtedness, guarantees, liens, investments, dividends and distributions and transactions with affiliates.

RNS is obligated to pay fees of 0.375% per annum on any undrawn revolver commitment.

In connection with the New RNS Credit Facility, RNS incurred deferred financing costs of $5,536, which are being amortized to interest expense over the term of the New RNS Credit Facility. The Company recorded $6,084 as a write-off of deferred financing costs associated with the repayment of the August 2004 credit facility in 2006.

Rainbow Media Holdings

In December 2003, Rainbow Media Holdings, a wholly-owned subsidiary of CSC Holdings entered into an $823,000 credit facility consisting of a $200,000 revolving credit facility and a $623,000 term loan, maturing on March 31, 2008 and March 31, 2009, respectively. At December 31, 2003, the weighted average rate of interest was 3.57%.

Loans under the Rainbow Media Holdings credit facility bore interest at the Eurodollar rate plus a margin based upon Rainbow Media Holdings' leverage ratio.

In August 2004, RNS distributed approximately $704,900 to Rainbow Media Holdings which it used to repay all outstanding amounts under its credit facility and collateralized outstanding letters of credit. Such proceeds were obtained through the issuance of bank debt and the issuance of senior and senior subordinated notes by RNS. The Company wrote off $12,694 of unamortized deferred financing costs in connection with the termination of the credit facility in 2004.

Madison Square Garden

Madison Square Garden, L.P. ("MSG"), a wholly-owned indirect subsidiary of Rainbow Media Holdings, had a $500,000 revolving credit facility with a group of banks which was to mature on December 31, 2004. MSG had pledged substantially all of its assets as collateral under the credit facility. Loans under the MSG credit facility bore interest at either prime rate or a Eurodollar rate plus a margin based upon MSG's consolidated leverage ratio. At December 31, 2003, loans outstanding amounted to $110,000, and bore interest at a weighted average rate of 1.93%. In March 2004, borrowings under the credit facility were repaid in full and the credit facility was terminated with proceeds from a $146,000 equity contribution from its direct parent, Regional Programming Partners. The Company wrote off $1,187 of unamortized deferred financing costs in connection with the termination of the MSG credit facility in 2004.

(Dollars in thousands, except per share amounts)

Senior Notes and Debentures

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

Issuer	Date Issued	Maturity Date	Rate	Face Amount	Carrying Amount at December 31, 2006	Carrying Amount at December 31, 2005
CSC Holdings [a]	December 1997	December 2007	7.875%	$ 500,000	$ 499,952	$ 499,896
CSC Holdings [b] [d]	April 2004	April 2012	6.75%	500,000	500,000	500,000
CSC Holdings [a]	July 1999	July 2009	8.125%	500,000	499,423	499,191
CSC Holdings [a]	July 1998	July 2008	7.25%	500,000	500,000	500,000
CSC Holdings [a]	July 1998	July 2018	7.625%	500,000	499,714	499,689
CSC Holdings [a]	February 1998	February 2018	7.875%	300,000	298,088	297,918
CSC Holdings [a]	August 1997	August 2009	8.125%	400,000	399,668	399,544
CSC Holdings [a]	March 2001	April 2011	7.625%	1,000,000	998,635	998,315
RNS [c]	August 2004	September 2012	8.75%	300,000	298,476	298,207
				$4,500,000	$4,493,956	$4,492,760

(a) These notes are not redeemable by the Company prior to maturity.

(b) The Company may redeem some or all of the notes at any time at a make-whole redemption price calculated by reference to market interest rates for comparable maturity treasury notes plus a spread.

(c) The senior notes are redeemable, in whole or in part, at a redemption price equal to 104.375% of face value at any time on or after September 1, 2008, 102.188% of face value on or after September 1, 2009, and 100% of face value on or after September 1, 2010. In addition, the Company may redeem up to 35% of the senior notes before September 1, 2007 at a redemption price of 108.75% of the principal amounts, with the net cash proceeds from specified equity offerings (as defined under the terms of the indentures) provided that at least 65% of the aggregate principal amount of the notes remains outstanding immediately subsequent to the redemption.

(d) These notes have not been exchanged as required by the purchase agreement under which the notes were sold and consequently, the interest rate has increased from 6.75% to 7.25% until the exchange is accomplished. Upon exchange, the interest rate would revert to 6.75%.

The indentures under which the senior notes and debentures were issued contain various covenants, which are generally less restrictive than those contained in the credit agreement of the issuer.

(Dollars in thousands, except per share amounts)

Senior Subordinated Notes and Debentures

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

	Principal Amount	Carrying Amount at December 31, 2006	Carrying Amount at December 31, 2005	Redemption [b] Date	Redemption [b] Price
RNS 10-3/8% Senior Subordinated Notes due 2014 issued August 2004 [a]	$ 500,000	$497,011	$496,621	September 1, 2009 September 1, 2010 September 1, 2011 September 1, 2012	105.188% 103.458% 101.729% 100%
CSC Holdings 10-1/2% Senior Subordinated Debentures due 2016, issued May 1996 (d)	250,000	-	250,000		
CSC Holdings 9-7/8% Senior Subordinated Debentures due 2013, issued February 1993(c)	200,000	-	-		
CSC Holdings 9-7/8% Senior Subordinated Debentures due 2023, issued April 1993(c)	150,000	-	-		
	$1,100,000	$497,011	$746,621		

(a) These notes were discounted $3,915 upon original issuance. The Company may redeem up to 35% of the senior subordinated notes before September 1, 2007 at a redemption price of 110.375% of the principal amounts, with the net cash proceeds from specified equity offerings (as defined under the terms of the indenture) provided that at least 65% of the aggregate principal amount of the notes remains outstanding immediately subsequent to the redemption.

(b) The notes/debentures are redeemable, at the Company's option, in whole or in part, on the redemption dates listed at the respective percentage of the principal amount and one year after the last date above at 100% of the aggregate principal amount, in each case together with accrued interest to the redemption date.

(c) In May 2004, the Company redeemed these senior subordinated debentures. In connection with these redemptions, the Company recognized a loss of $14,325 representing primarily the redemption premiums paid.

(d) In June 2006, the Company redeemed these senior subordinated debentures at a redemption price of 105.25%. In connection with the redemption, the Company recognized a loss on extinguishment of debt of $13,125, representing the redemption premiums paid, and wrote off the remaining deferred financing costs of $3,412.

The indentures under which the senior subordinated notes and debentures were issued contain various covenants, which are generally less restrictive than those contained in the credit agreement of the issuer.

Debt Covenant Compliance

CSC Holdings Credit Agreement:

On August 29, 2006, the Company advised the agent bank and the lenders under the new Restricted Group credit facility that due to the expected restatement of its financial statements resulting from the stock option review discussed in Note 18, it was unable to comply with its covenant to deliver financial information, due on that date, with respect to the periods ended June 30, 2005 and 2006. Under the new Restricted Group credit facility, the covenant noncompliance would become an event of default if the noncompliance remained unremedied for 30 days after notice from the agent bank or any lender (other than a lender under the term B facility), or for 60 days after notice from the agent bank or term B lenders holding at least 25% of the term B facility.

On August 29, 2006, the lenders under the new Restricted Group credit facility, other than the term B lenders, agreed to waive until September 22, 2006 any default resulting from the covenant noncompliance under the new Restricted Group credit facility due to the expected restatement so notice of default could not be given by such a lender until September 25, 2006 at the earliest and the Restricted Group would have 30 days from the date of any such notice to cure the default. The Company delivered all required information under the new Restricted Group credit facility on September 21, 2006 and the information delivery covenant noncompliance was cured by that delivery.

The Restricted Group did not obtain a waiver of the default resulting from the covenant noncompliance from the lenders holding term B loans under the new Restricted Group credit facility and, on September 7, 2006, the bank serving as administrative agent under the new Restricted Group credit facility gave a notice of default to the Company with respect to such term B covenant noncompliance. As a result, the Restricted Group had 60 days (until November 6, 2006) to cure its noncompliance with the financial information covenant. The Company delivered all required information under the new Restricted Group credit facility on September 21, 2006 and the information delivery covenant noncompliance was cured by that delivery.

CSC Holdings Indentures:

As a result of not filing their Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 by September 8, 2006, the Company was not in compliance with the information delivery and filing requirements under the indentures relating to its notes and debentures. Such noncompliance would become an event of default as to any series of notes or debentures if the Company, as the case may be, received notice of such default from the trustee or the holders of at least 25% of the securities of that series and failed to cure the covenant noncompliance within 60 days after receipt of the notice. On September 12, 2006, the Company received a letter from an investment manager stating that it was acting for funds beneficially owning more than 25% of the outstanding securities of a series under one of the Company's indentures. The letter stated that it served as a notice of default under the applicable indenture and demanded that the covenant noncompliance be remedied. Assuming the letter constituted a valid notice of default from holders of at least 25% of the securities of the relevant series, Cablevision had 60 days (until November 11, 2006) to cure its noncompliance with the information delivery and filing covenant. The Company delivered all required information under the indentures on September 21, 2006, at which time the Company was in compliance with all of the covenants of its debt instruments.

Summary of Five Year Debt Maturities

Total amounts payable by the Company and its subsidiaries under its various debt obligations outstanding as of December 31, 2006, including collateralized indebtedness (see Note 10) and capital leases (including interest), during the five years subsequent to December 31, 2006, are as follows:

Years Ending December 31,

2007	$ 724,834
2008	871,525
2009	1,881,991
2010	314,536
2011	1,489,536

NOTE 10. COLLATERALIZED INDEBTEDNESS AND DERIVATIVES

To manage interest rate risk, the Company has 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 fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or convert fixed rate borrowings to variable rates to provide an economic hedge against the risk of higher borrowing costs in a declining interest rate environment. At December 31, 2006 and 2005, the Company was a party to interest rate swap agreements to pay floating rates of interest with a total notional value of $450,000 and a fair value of $6,568, and $10,541, a net liability position, respectively. These agreements have not been designated as hedges for accounting purposes.

In addition, the Company has entered into prepaid interest rate swap agreements in connection with its monetization of certain of its stock holdings, discussed below. These contracts require the Company to pay a floating rate of interest in exchange for fixed rate interest payments, the net present value of which was paid to the Company at the contract's inception. As of December 31, 2006 and 2005, the total notional value of such contracts was $105,061 and $613,960, respectively and the fair values of such contracts were $10,340 and $26,881 a net liability position, respectively. These agreements have not been designated as hedges for accounting purposes.

In April 2006, the Company entered into several interest rate swap contracts in the notional amount of $3,700,000 to effectively fix borrowing rates on floating rate debt. As a result of these transactions, the interest rate paid on approximately 80% of the Company's debt is fixed. The table below summarizes certain terms of these interest rate swap contracts as of December 31, 2006:

Maturity Date	Notional Amount (in thousands)	Weighted Average Fixed Rate Paid by the Company	Weighted Average Effective Floating Rate Received by the Company as of December 31, 2006
April 2008	$ 500,000	5.24%	5.37%
April 2009	$ 600,000	5.25%	5.38%
June 2010	$2,600,000	5.34%	5.36%

As of December 31, 2006, the interest rate swap contracts noted above had a fair value and carrying value of $31,398, a net liability position, as reflected under derivative contracts in our consolidated balance sheet.

The changes in the fair value of the Company's swap agreements and the net realized gains (losses) as a result of net cash interest income (expense) for the years ended December 31, 2006, 2005 and 2004 aggregating $(39,360), $(16,497) and $(656), respectively, are reflected in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

The Company has also entered into various transactions to provide an economic hedge against equity price risk on certain of its stock holdings. The Company had monetized all of its stock holdings in Charter Communications, Inc., Adelphia Communications Corporation, AT&T, AT&T Wireless, Comcast Corporation, General Electric Company and Leapfrog Enterprises, Inc. through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective underlying stock. The contracts set a floor and cap on the Company's participation in the changes in the underlying stock prices and at maturity are expected to offset declines in the fair values of the underlying stock below the hedge price per share, while allowing the Company to retain upside appreciation from the hedge price per share to the cap price. At maturity, the contracts provide for the option to deliver cash or shares of AT&T, Comcast, Charter Communications, Adelphia Communications, General Electric or Leapfrog stock (as the case may be) with a value determined by reference to the applicable stock price at maturity.

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 fair values of the equity derivatives of $(82,009) and $296,017, at December 31, 2006 and 2005, respectively, have been reflected in the accompanying consolidated balance sheets as an asset (liability) and the net increases (decreases) in the fair value of the equity derivative component of the prepaid forward contracts of $(214,352), $135,677 and $(132,940), as of December 31, 2006, 2005 and 2004, respectively, are included in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

For the years ended December 31, 2006, 2005 and 2004, the Company recorded a gain (loss) on investments of $284,096, $(135,082) and $135,649 respectively, representing the net increases or decreases in the fair values of all investment securities pledged as collateral for the period.

2006 Settlements of Collateralized Indebtedness

The following table summarizes the settlement of the Company's collateralized indebtedness for the year ended December 31, 2006. The Company's collateralized indebtedness obligations relating to shares of Charter Communications, Inc. and AT&T Inc. common stock were settled by delivering the underlying securities and proceeds from the related equity derivative contracts. The Company's collateralized indebtedness obligations relating to Comcast Corporation and General Electric Company shares were settled by delivering the cash equal to the collateralized loan value, net of the value of the related equity derivative contracts. The cash was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast and General Electric shares, proceeds from a prepaid interest rate swap executed in conjunction with the equity derivative contract related to the Comcast shares and, in certain instances, cash from CSC Holdings. The terms of the new contracts allow the Company to retain upside participation in both Comcast and General Electric shares up to each respective contract's upside appreciation limit with downside exposure limited below the respective hedge price.

(Dollars in thousands, except per share amounts)

	Charter	AT&T	Comcast	General Electric	Total
Number of shares	5,586,687	3,449,785	7,159,206	12,742,033	
Collateralized indebtedness settled	$(125,907)	$(165,036)	$(266,224)	$(314,028)	$(871,195)
Prepaid forward contracts	119,177	63,974	31,385	(50,864)	163,672
Fair value of underlying securities delivered	6,730	101,062	-	-	107,792
Net cash payment	$ -	$ -	$(234,839)	$(364,892)	$(599,731)
Proceeds from new monetization contracts	$ -	$ -	$ 212,774	$ 382,261	$ 595,035
Proceeds from prepaid interest rate swap contract	-	-	6,496	-	6,496
	-	-	219,270	382,261	601,531
Net cash receipt (payment)	$ -	$ -	$ (15,569)	$ 17,369	$ 1,800

2005 Settlements of Collateralized Indebtedness

The following table summarizes the settlement of the Company's collateralized indebtedness for the year ended December 31, 2005. The Company's collateralized indebtedness obligations relating to AT&T Wireless, Charter, Adelphia and AT&T shares were settled by delivering the underlying securities and proceeds from the related equity derivative contracts. The Company's collateralized indebtedness obligations relating to Comcast shares were settled by delivering the cash equal to the market value of the Comcast shares and proceeds from the related equity derivative contracts. The cash was obtained from the proceeds of new monetization contracts covering an equivalent number of Comcast shares, and, in certain cases, proceeds from a prepaid interest rate swap executed in conjunction with the equity derivative contract. The terms of the new contracts are similar in all material respects to the contracts that had matured and allow the Company to retain upside participation in the Comcast shares up to the contract's upside appreciation limit with downside exposure limited below the hedge price.

(Dollars in thousands, except per share amounts)

	Adelphia	AT&T Wireless	Charter	AT&T	Comcast	Total
Number of shares	1,010,000	7,243,166	1,862,229	4,183,455	7,159,206	
Collateralized indebtedness	$(39,935)	$(116,544)	$(42,676)	$(165,036)	$(266,227)	$(630,418)
Prepaid forward contracts	39,834	8,897	39,678	79,502	43,604	211,515
Underlying securities	101	-	2,998	85,534	-	88,633
Restricted cash	-	108,647	-	-	-	108,647
Net cash receipt (payment)	$ -	$ 1,000	$ -	$ -	$(222,623)	$(221,623)
Proceeds from new monetization contracts	$ -	$ -	$ -	$ -	$ 209,973	$ 209,973
Proceeds from prepaid interest rate swap contract	-	-	-	-	6,462	6,462
	-	-	-	-	216,435	216,435
Net cash receipt (payment)	$ -	$ 1,000	$ -	$ -	$ (6,188)	$ (5,188)

At December 31, 2006, the Company had principal collateralized indebtedness obligations of $102,268 that mature during the next twelve months. The Company intends to settle such obligations by either delivering shares of the applicable stock and proceeds of the equity derivative contracts or delivering cash from the proceeds of new monetization transactions. In the event of an early termination of any of these contracts, 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, 2006, this settlement amount totaled $2,221.

In October 2004, the Company received $213,647 in cash in exchange for all 14.2 million shares it owned of AT&T Wireless common stock, representing the $15 share price paid in consideration of the merger between AT&T Wireless and Cingular Wireless LLC. The shares and resultant cash exchanged for such shares had previously been pledged in support of the repayment of the collateralized debt. As a result of that exchange, the Company's prepaid forward contracts relating to its shares of AT&T Wireless were terminated. The termination provisions under the prepaid forward contracts required the Company to repay the fair value of the collateralized indebtedness less the sum of the fair value of the underlying stock and equity collars. The Company recognized a loss on the extinguishment of debt of $6,076 representing the difference between the fair value and the carrying value of the collateralized indebtedness. At December 31, 2004, the Company had settled certain collateralized indebtedness with a fair value of $124,100 by releasing to the counterparty cash proceeds from the related prepaid forward contract totaling $20,100 and the cash from the merger transaction of $105,000 both of which had been pledged in settlement of the debt. The Company received the net difference of $1,000 in cash upon settlement in February 2005.

In February 2003, Quadrangle Capital Partners LP ("Quadrangle"), a private investment firm, invested $75,000 in CSC Holdings, in the form of 10% Series A Exchangeable Participating Preferred Stock convertible into Cablevision NY Group Class A common stock. In connection with the issuance of the Series A Preferred Stock to Quadrangle Capital Partners LP, the Company entered into an agreement with

Quadrangle which granted Quadrangle the right to require the Company to purchase the preferred stock ("put option") for cash or through the issuance of registered equity securities of the Company, at the Company's option. The exchange right and the put option were accounted for as a derivative. The change in the fair value of the exchange right and put option of $31,709 for the year ended December 31, 2004 has been reflected as a loss on derivative contracts in the accompanying consolidated statements of operations. In October 2003, Quadrangle exercised its put option to require CSC Holdings to purchase all of its Series A Exchangeable Participating Preferred Stock. The parties entered into an agreement that the put price was $150,328. The put price was paid in cash by CSC Holdings in August 2004.

NOTE 11. PREFERRED STOCK

In February 1996, the Company issued 6,500,000 depositary shares, representing 65,000 shares of 11-1/8% Series L Redeemable Exchangeable Preferred Stock (the "Series L Preferred Stock"), which were subsequently exchanged for Series M Redeemable Exchangeable Preferred Stock (the "Series M Preferred Stock") in August 1996 with terms identical to the Series L Preferred Stock. The depositary shares were exchangeable, in whole but not in part, at the option of the Company, for the Company's 11-1/8% Senior Subordinated Debentures due 2008. The Company was required to redeem the Series M Preferred Stock on April 1, 2008 at a redemption price equal to the liquidation preference of $10,000 per share plus accumulated and unpaid dividends. The Series M Preferred Stock was redeemable at various redemption prices beginning at 105.563% at any time on or after April 1, 2003, at the option of the Company, with accumulated and unpaid dividends thereon to the date of redemption. Before April 1, 2001, dividends could, at the option of the Company, be paid in cash or by issuing fully paid and nonassessable shares of Series M Preferred Stock with an aggregate liquidation preference equal to the amount of such dividends. On and after April 1, 2001, dividends were payable in cash. The Company paid cash dividends on the Series M Preferred Stock of $42,882 in 2004.

In September 1995, the Company issued 2,500,000 shares of its $.01 par value 11-3/4% Series H Redeemable Exchangeable Preferred Stock (the "Series H Preferred Stock") with an aggregate liquidation preference of $100 per share. The Company was required to redeem the Series H Preferred Stock on October 1, 2007 at a redemption price per share equal to the liquidation preference of $100 per share, plus accrued and unpaid dividends thereon. The Series H Preferred Stock was redeemable at various redemption prices beginning at 105.875% at any time on or after October 1, 2002, at the option of the Company, with accumulated and unpaid dividends thereon to the date of redemption. Before October 1, 2000, dividends could, at the option of the Company, be paid in cash or by issuing fully paid and nonassessable shares of Series H Preferred Stock with an aggregate liquidation preference equal to the amount of such dividends. On and after October 1, 2000, dividends were payable in cash. The terms of the Series H Preferred Stock permitted the Company, at its option, to exchange the Series H Preferred Stock for the Company's 11-3/4% Senior Subordinated Debentures due 2007 in an aggregate principal amount equal to the aggregate liquidation preference of the shares of Series H Preferred Stock. The Company paid cash dividends on the Series H Preferred Stock of $17,712 in 2004.

In May 2004, the Company redeemed all of its Series H Preferred Stock and its Series M Preferred Stock. In connection with the redemptions, the Company recognized a loss of $58,170 representing the redemption premiums paid. In addition, the Company wrote off $5,080 of unamortized deferred financing costs in connection with these redemptions.

(Dollars in thousands, except per share amounts)

NOTE 12. INCOME TAXES

The Company and its 80% or more owned subsidiaries were included in the consolidated federal income tax returns of Cablevision for the years presented herein. The income tax provision is determined on a stand-alone basis as if the Company filed separate consolidated income tax returns.

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

	Years Ended December 31,		
	2006	2005	2004
Current expense:			
Federal	$ -	$ -	$ 93
State	9,546	9,493	6,669
	9,546	9,493	6,762
Deferred benefit:			
Federal	(38,595)	(18,651)	(58,117)
State	(52,337)	(15,540)	(114,917)
	(90,932)	(34,191)	(173,034)
Income tax benefit	$(81,386)	$(24,698)	$(166,272)

The income tax benefit attributable to continuing operations for 2005 and 2004 excludes deferred federal and state tax benefits of $1,256 and $3,388, respectively, resulting from the exercise of stock options, which were credited directly to paid-in capital. No income tax benefit has been recognized as an increase to paid in capital with regard to excess tax benefits occurring during the year ended December 31, 2006.

The income tax expense attributable to discontinued operations was classified as deferred income tax expense for all periods presented (see Note 6).

The income tax expense (benefit) attributable to 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:

	Years Ended December 31,		
	2006	2005	2004
Federal tax benefit at statutory federal rate	$(48,454)	$(27,523)	$(210,834)
State income taxes, net of federal benefit	(16,573)	(4,823)	(20,334)
Changes in the valuation allowance	(10,404)	6,459	14,036
State rate change, net of federal benefit	1,706	(6,701)	(21,615)
Nondeductible expense relating to Series A Preferred Stock	-	-	11,098
Nondeductible preferred stock dividends	-	-	21,208
Nondeductible redemption premium on Series H and Series M Preferred Stock	-	-	20,360
Reduction of a tax contingency liability	(16,356)	-	-
Favorable settlement of an issue with a taxing authority	(5,013)	-	-
Nondeductible officers' compensation	4,443	6,226	8,303
Other nondeductible expenses	6,768	10,637	4,776
Other	2,497	(8,973)	6,730
Income tax benefit	$(81,386)	$(24,698)	$(166,272)

(Dollars in thousands, except per share amounts)

At December 31, 2006, the Company had consolidated federal tax net operating loss carry forwards ("NOLs") of $2,496,479, expiring on various dates through 2024. The Company has recorded a deferred tax asset for such NOLs.

The Company's NOLs expire as follows:

2010	$ 117,954
2011	151,008
2012	72,442
2018	101,547
2019	497,669
2020	110,970
2021	362,821
2022	231,138
2023	343,572
2024	507,358
	$2,496,479

During 2006, the tax deduction resulting from the exercise and issuance of certain share-based awards exceeded the aggregate compensation expense for such awards by $11,876. This 'windfall' deduction results in an excess tax benefit that must be analyzed to determine whether it has been realized. The Company uses the 'with-and-without' approach to determine whether an excess tax benefit has been realized. Given the Company's NOL position, no income tax benefit has been recognized for such excess tax benefit. Accordingly, the NOLs above exclude $11,876 of windfall tax deductions occurring in 2006.

(Dollars in thousands, except per share amounts)

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, 2006 and 2005 are as follows:

	December 31, 2006	December 31, 2005
Deferred Tax Asset (Liability)		
Current		
Benefits of tax loss carry forwards	$ 121,047	$ 186,232
Compensation and benefit plans	62,201	7,598
Allowance for doubtful accounts	4,416	3,878
Reserve for restructuring	1,723	3,833
Investments	14,694	-
Other assets	-	1,671
Other liabilities	37,368	71,680
Deferred tax asset	241,449	274,892
Valuation allowance	(5,412)	(8,455)
Net deferred tax asset, current	236,037	266,437
Investments	-	(208,388)
Deferred tax liability, current	-	(208,388)
Net deferred tax asset, current	236,037	58,049
Noncurrent		
Benefits of tax loss carry forwards	912,845	987,812
Compensation and benefit plans	87,992	78,058
Other	32,895	8,472
Deferred tax asset	1,033,732	1,074,342
Valuation allowance	(23,076)	(33,075)
Net deferred tax asset, noncurrent	1,010,656	1,041,267
Fixed assets and intangibles	(461,372)	(517,201)
Investments	(221,902)	(73,718)
Partnership investments	(573,744)	(556,872)
Other assets	(16,481)	(2,785)
Deferred tax liability, noncurrent	(1,273,499)	(1,150,576)
Net deferred tax liability, noncurrent	(262,843)	(109,309)
Total net deferred tax liability	$ (26,806)	$ (51,260)

In general, deferred tax assets and liabilities are classified as either current or noncurrent based on the balance sheet classification of the underlying asset or liability. Current deferred tax assets and liabilities are netted and presented as either a current deferred tax asset or a current deferred tax liability. As of December 31, 2005, the current net deferred tax asset of $58,049 included a deferred tax liability of $208,388 relating to investments, which was primarily comprised of a deferred tax liability of $253,555 relating to investment securities pledged as collateral and derivative contracts offset by a deferred tax asset of $44,733 relating to an unrealized loss on an investment in Adelphia stock, which was realized in December 2006. Due primarily to the classifications of current and noncurrent investment securities pledged as collateral and derivative contracts, a deferred tax asset of $14,694 corresponding to these items has been included in current deferred tax assets as of December 31, 2006.

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 statement of operations. 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 net operating loss carry forwards. In 2006, the Company recorded a decrease in the valuation allowance of $10,404 relating to certain state net operating loss carry forwards. In 2005 and 2004, the Company recorded increases in the valuation allowance of $6,459 and $14,036, respectively, relating to certain state net operating loss carry forwards. During 2006 and 2005, certain state net operating loss carry forwards expired prior to utilization. The deferred tax asset corresponding to the expired net operating loss carry forwards had been previously fully offset by a valuation allowance. The deferred tax asset and valuation allowance were both reduced by $2,638 and $6,953 in 2006 and 2005, respectively.

At times, the Company takes certain positions on its tax returns that may be challenged by various taxing authorities. These tax positions arise in connection with certain transactions or operations. Although the Company believes it has support for its tax positions, it has recorded a liability for its best estimate of the probable loss on such positions. Management does not believe that the resolution of these matters will have a material adverse impact on the financial position of the Company.

The Company is currently being audited by the state of Ohio for the tax year ended December 31, 2000. The primary audit issue is the amount of gain that should be subject to tax in Ohio pursuant to the 2000 sale of certain cable television systems. Ohio has asserted that more of the gain should be taxed in Ohio. Ohio has issued a proposed assessment of additional tax due of approximately $55,000 plus interest of approximately $12,000. As of December 31, 2006, the Company has recorded a liability with respect to such matter of approximately $11,000, including interest, which represents management's current estimate of the additional amount that may be owed.

NOTE 13. OPERATING LEASES

The Company leases certain office, production, transmission, theater, and event facilities under terms of leases expiring at various dates through 2027. The leases generally provide for fixed annual rentals plus certain real estate taxes and other costs. Rent expense for the years ended December 31, 2006, 2005 and 2004 amounted to $82,342, $79,590 and $76,300, respectively.

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. Pole rental expense for the years ended December 31, 2006, 2005 and 2004 amounted to $13,777, $12,325 and $13,607, respectively.

Madison Square Garden operates Radio City Music Hall under a long-term lease. Under the terms of the lease agreement, Madison Square Garden is required to meet certain net worth, cash flow, and building utilization requirements. In the event Madison Square Garden were to fail to meet the lease requirements and was unable to remedy such defaults, the landlord could have the option of terminating the lease.

(Dollars in thousands, except per share amounts)

The minimum future annual payments for all operating leases for continuing operations (with initial or remaining terms in excess of one year) during the next five years, including pole rentals from January 1, 2007 through December 31, 2011, and thereafter, at rates now in force are as follows:

2007	$ 91,214
2008	96,484
2009	92,753
2010	87,976
2011	82,746
Thereafter	508,855

NOTE 14. AFFILIATE AND RELATED PARTY TRANSACTIONS

Equity Method Investments

The following table reflects the Company's ownership percentages and balances of equity method investments as of December 31, 2006 and 2005:

	Ownership Percentages		Investment Balances	
	December 31,			
	2006	2005	2006	2005
Fox Sports Net New England	50.0%	50.0%	$47,656	$39,463
Other	22.2%	N/A	2,294	-
Net investment in affiliates			$49,950	$39,463

The Company's share of the net income (loss) of these affiliates for the years ended December 31, 2006, 2005 and 2004 is as follows:

	Years Ended December 31,		
	2006	2005	2004
Fox Sports Net New England	$6,698	$ 6,645	$ 6,194
National Sports Partners (a)	-	(3,379)	(19,731)
National Advertising Partners (a)	-	(47)	1,992
PVI Virtual Media Services LLC (b)	-	-	(1,668)
New York Metro, LLC	-	-	216
	$6,698	$ 3,219	$(12,997)

(a) See Note 3 for a discussion of the Regional Programming Partners restructuring in 2005 which eliminated our ownership interest in these entities.

(b) PVI Virtual Media Services LLC was consolidated in the second quarter of 2004, pursuant to FIN No. 46R and the ownership interest not owned by the Company was purchased in 2005.

(Dollars in thousands, except per share amounts)

The following table includes certain unaudited financial information for Fox Sports Net New England:

	December 31, 2006	December 31, 2005
	(unaudited)	
Total assets	$85,861	$67,391
Total liabilities*	13,502	12,049

* Includes amounts due to the Company from affiliates referred to below.

Amounts due to these affiliates at December 31, 2006 and 2005 aggregated $477 and $1,428, respectively.

The Company provides certain transmission and production services to certain of these affiliates. For the years ended December 31, 2006, 2005 and 2004, $1,358, $1,608 and $1,502, respectively, of revenues were earned from services provided to these entities. Costs incurred by the Company for programming, entertainment and advertising services provided by these affiliates and included in operating expenses for the years ended December 31, 2006, 2005 and 2004 amounted to $342, $3,509 and $16,186, respectively.

Other Affiliates and Related Parties

During 2006, 2005 and 2004, the Company provided services to or incurred costs on behalf of other affiliates. These costs are reimbursed to the Company. Aggregate amounts due from and due to these affiliates at December 31, 2006 and 2005 are summarized below:

	December 31, 2006	December 31, 2005
Advances to affiliates	$229,677	$121,128
Accounts payable to affiliates	94	39

In February 2005, the Company signed a letter of intent under which VOOM HD, LLC, a private company formed by two of the Company's Class B shareholders, Charles F. Dolan and Thomas C. Dolan, had planned to acquire from the Company the business, assets and liabilities of the Company's Rainbow DBS satellite business not included in the agreement with EchoStar (see Note 3). The letter of intent between the Company and VOOM HD, LLC expired on February 28, 2005 without a definitive agreement being reached.

Following the expiration of the letter of intent, the Company began shutting down the Rainbow DBS satellite distribution operations. In March 2005, the Company entered into an agreement with Charles F. Dolan and Thomas C. Dolan ("March 2005 Agreement") pursuant to which the parties agreed to work cooperatively to finalize the separation of Rainbow DBS from the Company. The Company agreed that no new shutdown activities would be undertaken at Rainbow DBS during the term of the agreement. In accordance with the March 2005 Agreement, Charles F. Dolan deposited $15,000 with the Company to fund any expenditures above those contemplated in the shutdown budget, net of March 2005 revenue earned. This agreement terminated on March 31, 2005 and, in accordance with its terms, the distribution business of Rainbow DBS was shutdown effective April 30, 2005 and the Board of Directors confirmed such shutdown decision at a meeting on April 7, 2005.

Cash deposited by Charles F. Dolan under the March 2005 Agreement that was not used to fund costs or segregated to pay costs associated with new commitments or other agreements of $8,663 was returned to him prior to December 31, 2005. Cash of $6,337 deposited by Charles F. Dolan which was used to fund the incremental costs less March 2005 revenue earned related to the Rainbow DBS satellite distribution business, net of the related discounted income tax benefit to the Company, has been recorded as a deemed net equity contribution.

Fox Sports Net Ohio and Cleveland Indians Baseball Club Limited Partnership (the "Indians") are parties to a multi-year rights agreement under which Fox Sports Net Ohio pays license fees to the Indians in exchange for telecast rights to substantially all regular season Indians games. As a result of the restructuring of Regional Programming Partners in April 2005, the Company no longer owns interests in Fox Sports Net Ohio. The Indians are owned by (i) Lawrence Dolan, a brother of Charles F. Dolan, the Company's Chairman, (ii) a trust, the beneficiaries of which are Lawrence Dolan and certain descendants of Lawrence Dolan, and (iii) certain other trusts, the beneficiaries of which are certain descendants of Charles F. Dolan, including James L. Dolan, the Company's Chief Executive Officer, and Marianne Dolan Weber and Patrick F. Dolan, officers of the Company and brothers of James L. Dolan and a trust whose discretionary beneficiaries include Brian Sweeney, son-in-law of Charles F. Dolan, brother-in-law of James L. Dolan, and a director. Management control of the Indians is held by Lawrence Dolan.

NOTE 15. BENEFIT PLANS

Adoption of Statement No. 158

Effective December 31, 2006, the Company adopted the recognition and disclosure provisions of Statement No. 158 which requires employers to recognize in their balance sheets the overfunded or underfunded status of defined benefit postretirement plans, measured as the difference between the fair value of plan assets and the benefit obligation (the projected benefit obligation for pension plans and the accumulated postretirement benefit obligation for other postretirement plans). Employers must recognize the change in the funded status of the plan in the year in which the change occurs through accumulated other comprehensive income. Statement No. 158 also requires plan assets and obligations to be measured as of the employers' balance sheet date. The measurement provision of Statement No. 158 will be effective on January 1, 2009 for the Company with early application encouraged. This will not have an impact to the Company as its current measurement date is December 31.

Prior to the adoption of the recognition provisions of Statement No. 158, the Company accounted for its defined benefit postretirement plans under Statement No. 87 and SFAS No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions ("Statement No. 106"). Statement No. 87 required that a liability (additional minimum pension liability or "AML") be recorded when the accumulated benefit obligation ("ABO") liability exceeded the fair value of plan assets. Any adjustment was recorded as a non-cash charge to accumulated other comprehensive income in shareholders' equity (deficit). Statement No. 106 required that the liability recorded should represent the actuarial present value of all future benefits attributable to an employee's service rendered to date. Under both Statement No. 87 and Statement No. 106, changes in the funded status were not immediately recognized, rather they were deferred and recognized ratably over future periods. Upon adoption of the recognition provisions of Statement No. 158, the Company recognized the amounts of prior changes in the funded status of its postretirement benefit plans through accumulated other comprehensive loss. As a result, the Company recognized the following adjustments in individual line items of its consolidated balance sheet as of December 31, 2006:

(Dollars in thousands, except per share amounts)

	Prior to AML and Statement No. 158 Adjustments	Pretax 2006 AML Adjustment	Pretax Effect of Adopting Statement No. 158	Post AML and Statement No. 158 Adjustments
Accrued employee related costs	$69,389	$ -	$(69,389)	$ -
Defined benefit obligations	-	2,516	81,092	83,608
Accumulated other comprehensive loss	(6,028)	(2,516)	(11,703)	(20,247)

Income tax benefits associated with the effect of adopting Statement No. 158 and the 2006 AML adjustment amounted to $4,799 and $1,032, respectively.

The amounts in accumulated other comprehensive loss that are expected to be recognized as components of net periodic benefit cost (credit) during the next fiscal year are as follows:

	Total
Prior service cost recognition	$(108)
Actuarial loss	187
Transition asset recognition	(3)
Total	$ 76

The adoption of Statement No. 158 had no effect on the Company's consolidated statement of operations for the year ended December 31, 2006, or for any prior period presented and does not have a material impact to any of the Company's debt covenants under its various credit agreements.

Plan Descriptions

Qualified and Non-qualified Defined Benefit Plans

Cablevision Retirement Plans (collectively, the "Cablevision Qualified and Non-qualified Defined Benefit Plans)

The Company sponsors a non-contributory qualified defined benefit Cash Balance Retirement Plan (the "Retirement Plan") for the benefit of non-union employees other than those of the theater business. Under the Retirement Plan, the Company credits a certain percentage of eligible base pay into an account established for each participant which is credited with a market based rate of return annually.

The Company also maintains an unfunded non-contributory non-qualified defined benefit excess cash balance plan covering certain Company employees who participate in the Retirement Plan and an unfunded supplemental defined benefit plan (the "CSC Supplemental Benefit Plan") for the benefit of certain officers and employees of the Company. As part of the CSC Supplemental Benefit Plan, the Company established a nonqualified defined benefit pension plan, which provides that, upon attaining normal retirement age, a participant will receive a benefit equal to a specified percentage of the participant's average compensation, as defined. All participants are 100% vested in the CSC Supplemental Benefit Plan.

Madison Square Garden Retirement Plans (collectively, the "Madison Square Garden Qualified and Non-qualified Defined Benefit Plans)

Madison Square Garden sponsors a non-contributory qualified defined benefit pension plan ("MSG Plan") covering its non-union employees hired prior to January 1, 2001. Benefits payable to retirees under this plan are based upon years of service and participants' compensation.

Madison Square Garden also maintains an unfunded, non-qualified defined benefit pension plan for the benefit of certain employees of Madison Square Garden who participate in the underlying qualified plan. This plan provides that, upon retirement, a participant will receive a benefit based on a formula which reflects the participant's compensation. In addition, Madison Square Garden sponsors two non-contributory qualified defined benefit pension plans covering certain of its union employees ("MSG Union Plans"). Benefits payable to retirees under these plans are based upon years of service and, for one plan, participants' compensation, and are funded through trusts established under the plans.

Other Postretirement Benefit Plan

Madison Square Garden sponsors a contributory welfare plan ("Madison Square Garden Postretirement Benefit Plan") which provides certain postretirement health care benefits to certain of its employees hired prior to January 1, 2001 and their dependents.

Defined Contribution Benefit Plans

The Company also maintains the Cablevision CHOICE 401(k) savings plan, a contributory qualified defined contribution plan for the benefit of non-union employees of the Company. The Company also has five additional 401(k) plans covering various union employees, as well as employees of certain businesses. Employees can contribute a percentage of eligible annual compensation and the Company will make a matching cash contribution or discretionary contribution, as defined in the respective plan. In addition, the Company maintains an unfunded non-qualified excess savings plan that the Company provides a matching contribution to similar to the Cablevision CHOICE 401(k) plan. The cost associated with these plans was $16,909, $13,554 and $13,255 for the years ended December 31, 2006, 2005 and 2004, respectively.

Multi-employer Plans

Madison Square Garden also contributes to various multiemployer pension plans. Contributions made to these multiemployer plans for the years ended December 31, 2006, 2005 and 2004 amounted to $6,966, $5,846 and $5,516, respectively.

(Dollars in thousands, except per share amounts)

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 qualified and non-qualified defined benefit pension and other postretirement benefit plans at December 31, 2006 and 2005:

	Cablevision Qualified and Non-qualified Defined Benefit Plans		Madison Square Garden Qualified and Non-qualified Defined Benefit Plans		Madison Square Garden Postretirement Benefit Plan	
	2006	2005	2006	2005	2006	2005
Change in benefit obligation:						
Benefit obligation at beginning of year	$142,922	$117,668	$ 93,670	$ 77,921	$ 7,494	$ 6,237
Service cost	29,378	26,593	4,988	4,205	399	415
Interest cost	8,212	6,727	5,441	4,508	361	361
Actuarial loss (gain)	3,776	682	(2,718)	8,538	(1,086)	710
Benefits paid	(6,632)	(8,748)	(1,572)	(1,502)	(261)	(229)
Benefit obligation at end of year	177,656	142,922	99,809	93,670	6,907	7,494
Change in plan assets:						
Fair value of plan assets at beginning of year	116,604	92,002	45,198	36,905	-	-
Actual return on plan assets	10,737	6,758	5,091	1,236	-	-
Employer contributions	25,511	26,592	5,827	8,559	-	-
Benefits paid	(6,632)	(8,748)	(1,572)	(1,502)	-	-
Fair value of plan assets at end of year	146,220	116,604	54,544	45,198	-	-
Unfunded status at end of year	(31,436)	(26,318)	(45,265)	(48,472)	(6,907)	(7,494)
Unrecognized actuarial loss	-	4,801	-	17,557	-	1,662
Unrecognized prior service cost (credit)	-	-	-	284	-	(1,315)
Unrecognized transition asset	-	-	-	(7)	-	-
Net amount recognized	$(31,436)	$(21,517)	$(45,265)	$(30,638)	$(6,907)	$(7,147)

The accumulated benefit obligations for the Cablevision Qualified and Non-qualified Defined Benefit Plans and Madison Square Garden Qualified and Non-qualified Defined Benefit Plans aggregated $252,952 and $215,189 for the years ended December 31, 2006 and 2005, respectively.

The Company's net unfunded liability relating to its defined benefit and other postretirement benefit plans at December 31, 2006 is as follows:

Cablevision Qualified and Non-qualified Defined Benefit Plans	$(31,436)
Madison Square Garden Qualified and Non-qualified Defined Benefit Plans	(45,265)
Madison Square Garden Postretirement Benefit Plan	(6,907)
	(83,608)
Less: Current portion	1,091
Long-term defined benefit plan and other postretirement plan obligations	$(82,517)

(Dollars in thousands, except per share amounts)

Components of the net periodic pension cost, recorded primarily in selling, general and administrative expenses, for the Company's qualified and non-qualified defined benefit and other postretirement plans for the years ended December 31, 2006, 2005 and 2004, are as follows:

	Cablevision Qualified and Non-qualified Defined Benefit Plans			Madison Square Garden Qualified and Non-qualified Defined Benefit Plans			Madison Square Garden Postretirement Benefit Plan		
	2006	2005	2004	2006	2005	2004	2006	2005	2004
Service cost	$29,378	$26,593	$26,459	$ 4,988	$ 4,205	$ 4,231	$ 399	$ 415	$ 395
Interest cost	8,212	6,727	5,950	5,441	4,508	4,176	361	361	337
Amortization of prior service cost	-	-	-	-	-	-	-	-	-
Expected return on plan assets	(9,882)	(8,046)	(6,667)	(3,686)	(3,032)	(2,561)	-	-	-
Recognized prior service cost (credit)	11	62	62	25	29	40	(133)	(156)	(222)
Recognized actuarial (gain) loss	-	93	-	627	117	212	(4)	17	35
Recognized transition (asset) obligation	-	-	-	(3)	(3)	(4)	-	-	-
Net periodic benefit cost	$27,719	$25,429	$25,804	$ 7,392	$ 5,824	$ 6,094	$ 623	$ 637	$ 545

Plan Assumptions for Defined Benefit Plans

Weighted-average assumptions used to determine net periodic cost and benefit obligations for the Cablevision Qualified and Non-qualified Defined Benefit Plans are as follows:

	Weighted-Average Assumptions				
	Net Periodic Benefit Cost for the Years Ended December 31,			Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
Discount rate	5.80%	6.05%	6.30%	5.80%	5.80%
Rate of increase in future compensation levels	4.15%	4.12%	4.12%	4.40%	4.15%
Rate of return on plan assets (qualified plans only)	8.00%	8.00%	8.00%	N/A	N/A

(Dollars in thousands, except per share amounts)

Weighted-average assumptions used to determine net periodic benefit cost and benefit obligations for the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans are as follows:

	Weighted-Average Assumptions				
	Net Periodic Benefit Cost for the Years Ended December 31,			Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
Discount rate	5.75%	6.00%	6.25%	6.14%	5.75%
Rate of increase in future compensation levels	4.00%	3.16%	3.17%	4.39%	4.00%
Rate of return on plan assets (qualified plans only)	8.00%	8.00%	8.00%	N/A	N/A

Prior to 2005, the discount rate used by the Company was based upon published yields for high quality fixed income investments from Moody's and Merrill Lynch. In 2006 and 2005, the discount rate was determined (based on the expected duration of the benefit payments for the pension plan) by referring to applicable bond yields (such as Moody's Aaa Corporate Bonds) and the Buck Consultants' Discount Rate Model (which is developed by examining the yields on selected highly rated corporate bonds), to select a rate at which the Company believed the pension benefits could be effectively settled. The Company's expected long-term return on 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 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 and economic/financial market theory. The expected long-term rate of return was selected from within the reasonable range of rates 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.

Weighted-average assumptions used to determine net periodic benefit cost and benefit obligations for the Madison Square Garden Postretirement Plan are as follows:

	Weighted-Average Assumptions				
	Net Periodic Benefit Cost for the Years Ended December 31,			Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
Discount rate	5.75%	6.00%	6.25%	6.05%	5.75%
Health care trend rate assumed for next year	9.00%	8.00%	9.00%	9.00%	9.00%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.00%	5.00%	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2012	2009	2009	2013	2012

(Dollars in thousands, except per share amounts)

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage point change in the assumed health care cost trend rates would have the following effects:

	Increase (Decrease) in net Periodic Benefit Cost for the Years Ended December 31,			Increase (Decrease) in Benefit Obligations at December 31,	
	2006	2005	2004	2006	2005
One percentage point increase	$ 129	$ 137	$ 131	$1,001	$1,148
One percentage point decrease	$(107)	$(114)	$(110)	$ (840)	$ (958)

Plan Assets and Investment Policy

The weighted average asset allocation of Cablevision's qualified plan at December 31, 2006 and 2005 was as follows:

	Plan Assets at December 31,	
	2006	2005
Asset Category:		
Equity securities	57%	57%
Fixed income securities	34	34
Other	9	9
	100%	100%

The weighted average asset allocation of the MSG's qualified plans at December 31, 2006 and 2005 was as follows:

	Plan Assets at December 31,	
	2006	2005
Asset Category:		
Equity securities	62%	61%
Fixed income securities	29	32
Other	9	7
	100%	100%

Generally, the plans' investment objectives are to invest in portfolios that would obtain a market rate of return throughout economic cycles, commensurate with the investment risk and cash flow needs of the plans. This requires the plans to subject a portion of their assets to increased risk to generate a greater rate of return. The investments in each portfolio are readily marketable and can be sold to fund benefit payment obligations of the plans as they become payable.

(Dollars in thousands, except per share amounts)

Benefit Payments and Contributions for Defined Benefit Plans

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid relating to Cablevision's Qualified and Non-qualified Defined Benefit Plans:

2007	$ 16,033
2008	22,066
2009	28,888
2010	25,435
2011	27,098
2012-2016	152,266

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid relating to the Madison Square Garden Qualified and Non-qualified Defined Benefit Plans:

2007	$ 2,088
2008	2,376
2009	2,767
2010	2,930
2011	3,063
2012-2016	19,822

Of the amounts expected to be paid in 2007, the Company has recorded $1,091 as a current liability in its consolidated balance sheet at December 31, 2006, since this amount represents the aggregate benefit payment obligation payable in the next twelve months that exceeds the fair value of aggregate plan assets at December 31, 2006.

The Company makes contributions to the Retirement Plan, the MSG Plan and MSG Union Plans, which are all qualified defined benefit plans. The Company currently expects to contribute approximately $24,000 to the Retirement Plan and contribute to the MSG Plan and MSG Union Plans in 2007 approximately $4,800 and $320, respectively.

NOTE 16. EQUITY AND LONG-TERM INCENTIVE PLANS

Equity Plans

Cablevision has employee stock plans under which it is authorized to grant incentive stock options, nonqualified stock options, restricted shares, stock appreciation rights, and bonus awards. The exercise price of stock options can not be less than the fair market value per share of Cablevision's Class A common stock on the date the option is granted and the options expire no later than ten years from date of grant (or up to one additional year in the case of the death of a holder of nonqualified options). Stock appreciation rights provide for the employee to receive a cash payment in an amount equal to the difference between the fair market value of the stock as of the date the right is exercised, and the exercise price. Options and stock appreciation rights granted in 2006, 2005 and 2004 typically vest in 33-1/3 annual increments beginning one year from the date of grant. Restricted shares granted in 2006, 2005 and 2004 were typically subject to four year cliff vesting. Performance based options granted in 2005 were typically subject to approximately three year or two year cliff vesting, with exercisability subject to performance criteria.

Cablevision adopted Statement No. 123R on January 1, 2006, using the modified prospective method. The modified prospective method requires that share-based compensation expense be recorded for the unvested portion of the restricted shares, stock options and stock appreciation rights outstanding at December 31, 2005, over the remaining service periods related to such awards. Cablevision will continue using the Black-Scholes valuation model in determining the fair value of share-based payments. In accordance with the pro forma disclosure requirements of Statement No. 123, Cablevision recognized the majority of the share-based compensation costs using the accelerated recognition method. Subsequent to January 1, 2006, Cablevision will continue to recognize the cost of previously granted share-based awards under the accelerated recognition method and will recognize the cost for new share-based awards on a straight-line basis over the requisite service period. In connection with Cablevision's adoption of Statement No. 123R, the Company recorded $862 as a cumulative change in accounting principle, net of taxes on the Company's consolidated statement of operations. Share-based compensation allocated to the Company by Cablevision for the years ended December 31, 2006, 2005 and 2004 was $81,122, $26,795 and $34,439, respectively, and has been recorded as a component of selling, general and administrative expense.

Long-Term Incentive Plans

In April 2006, Cablevision's Board of Directors approved the Cablevision Systems Corporation 2006 Cash Incentive Plan, which was approved by Cablevision's stockholders at its annual stockholders meeting in May 2006.

Pursuant to Cablevision's Long-Term Incentive Plan, certain executives have been granted cash awards, some of which are performance based, that vest over varying required service periods and are typically payable at the end of the vesting period or on specified dates. One form of award received by certain executives under the Plan was a performance retention award, vesting over 7 years. The terms of the performance retention awards provide that the executive could have requested a loan from the Company in the amount of the award prior to its vesting, subject to certain limitations, provided that such loan was secured by a lien in favor of the Company on property owned by the executive. Effective July 30, 2002, such requests for advances on amounts of awards are no longer permitted. Imputed interest to those executives on these interest free loans amounted to $900, $911 and $1,293, respectively for the years ended December 31, 2006, 2005 and 2004. As of December 31, 2006 and 2005, $23,850 was outstanding in respect of advances made pursuant to this plan.

In connection with long-term incentive awards granted under the two plans, the Company has recorded expense of $59,348, $41,959 and $31,505 for the years ended December 31, 2006, 2005 and 2004, respectively. At December 31, 2006 and 2005, the Company had accrued $51,905 and $17,990 for performance-based awards for which the performance criteria had not been met as of December 31, 2006 as such awards are based on achievement of certain performance criteria through December 31, 2008. The Company currently believes that it is probable that the performance criteria established for these performance-based awards will be met. If the Company subsequently determines that the performance criteria for such awards is not probable of being achieved, the Company would reverse the accrual in respect of such award at that time.

In addition, in 2003, the Company granted certain management employees cash awards that vested in July 2005 when the Company reached certain performance goals. Such awards were amortized ratably over the period in which the Company was expected to achieve these goals, and accordingly recorded expense of $2,380 and $18,868 in respect of these awards in 2005 and 2004, respectively.

(Dollars in thousands, except per share amounts)

NOTE 17. CONTRACTUAL OBLIGATIONS

Future cash payments required under unconditional purchase obligations pursuant to contracts entered into by the Company in the normal course of business are as follows as of December 31, 2006:

	Payments Due by Period				
	Total	Year 1	Years 2-3	Years 4-5	More than 5 years
Off balance sheet arrangements:					
Programming obligations (1)	$2,902,599	$ 828,101	$1,175,374	$699,735	$ 199,389
Purchase obligations (2)	2,208,418	474,833	446,360	269,695	1,017,530
Guarantees (3)	2,221	2,221	-	-	-
Letters of credit (4)	54,295	2,300	1,722	-	50,273
Total	5,167,533	1,307,455	1,623,456	969,430	1,267,192
Contractual obligations reflected on the balance sheet:					
Purchase obligations (5)	87,707	57,026	9,593	6,592	14,496
Total	$5,255,240	$1,364,481	$1,633,049	$976,022	$1,281,688

(1) Programming obligations represent contractual commitments with various programming vendors to provide video services to the Company's subscribers. Future fees under such contracts are based on numerous factors, including the number of subscribers receiving the programming. Amounts reflected above are based on the number of subscribers receiving the programming as of December 2006 multiplied by the per subscriber rates contained in the executed agreements in effect as of December 31, 2006.

(2) Purchase obligation amounts not reflected on the balance sheet consist primarily of (i) long-term rights agreements which provide Madison Square Garden and other regional sports networks with exclusive broadcast rights to certain live sporting events in exchange for minimum contractual payments, (ii) payments under employment agreements that we have with our professional sports teams' personnel that are generally guaranteed regardless of employee injury or termination, and (iii) minimum purchase requirements incurred in the normal course of the Company's operations.

(3) Includes outstanding guarantees primarily by CSC Holdings in favor of certain financial institutions in respect of ongoing interest expense obligations and potential early termination events in connection with the monetization of the Company's holdings of Charter Communications common stock. Amounts payable under such monetization guarantees are estimated as of a particular point in time by the financial institution counterparty and are based upon the current price of the underlying common stock and various other assumptions, including stock market volatility and prevailing interest rates. Such guaranteed amounts approximate the fair value of the monetization indebtedness less the sum of the fair values of the underlying stock and the equity collar as reflected in the Company's accompanying consolidated balance sheet.

(4) Consist primarily of letters of credit obtained by CSC Holdings in favor of insurance providers and certain governmental authorities for the Telecommunications Services segment.

(5) Consist principally of amounts earned under employment agreements that we have with our professional sports teams' personnel. Other long-term obligations also include deferred carriage payments.

The future cash payments reflected above do not include the impact of potential insurance recoveries or amounts which may be due to the National Basketball Association ("NBA") for luxury tax payments.

The future cash payments reflected above also do not include the payments required under the Company's agreements with EchoStar relating to the launch and operation of the business of Rainbow HD Holdings, LLC, the Company's VOOM HD Networks high-definition television programming service. EchoStar was issued a 20% interest in Rainbow HD Holdings, the Company's subsidiary owning the VOOM HD Networks programming service, and that 20% interest will not be diluted until $500,000 in cash has been invested in Rainbow HD Holdings by the Company. Under the terms of the affiliation arrangements with EchoStar covering the VOOM HD Networks for a 15 year term, if Rainbow HD Holdings fails to spend $100,000 per year up to a maximum of $500,000 in the aggregate, on its service offerings, EchoStar may terminate the affiliation agreement. The Company has the right to terminate the affiliation agreement if the VOOM HD Networks are discontinued in the future. On the fifth or eighth anniversary of the effective date of the agreement, the termination of the affiliation agreement by EchoStar, or other specified events, EchoStar has a put right to require a wholly-owned subsidiary of Rainbow Media Holdings to purchase all of its equity interests in Rainbow HD Holdings at fair value. On the seventh or tenth anniversary of the effective date of the agreement, or the second anniversary date of the termination of the Affiliation Agreement by EchoStar, a wholly-owned subsidiary of Rainbow Media Holdings has a call right to purchase all of EchoStar's ownership in Rainbow HD Holdings at fair value.

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.

NOTE 18. LEGAL MATTERS

Tracking Stock Litigation

In August 2002, purported class actions naming as defendants Cablevision and each of its directors were filed in the Delaware Chancery Court. The actions, which allege breach of fiduciary duties and breach of contract with respect to the exchange of the Rainbow Media Group tracking stock for Cablevision NY Group common stock, were purportedly brought on behalf of all holders of publicly traded shares of Rainbow Media Group tracking stock. The actions sought to (i) enjoin the exchange of Rainbow Media Group tracking stock for Cablevision NY Group common stock, (ii) enjoin any sales of "Rainbow Media Group assets," or, in the alternative, award rescissory damages, (iii) if the exchange is completed, rescind it or award rescissory damages, (iv) award compensatory damages, and (v) award costs and disbursements. The actions were consolidated into one action on September 17, 2002, and on October 3, 2002, Cablevision filed a motion to dismiss the consolidated action. The action was stayed by agreement of the parties pending resolution of a related action brought by one of the plaintiffs to compel the inspection of certain books and records of Cablevision. On October 26, 2004, the parties entered into a stipulation dismissing the related action, and providing for Cablevision's production of certain documents. On December 13, 2004, plaintiffs filed a consolidated amended complaint. Cablevision filed a motion to dismiss the amended complaint. On April 19, 2005, the court granted that motion in part, dismissing the breach of contract claim but declining to dismiss the breach of fiduciary duty claim on the pleadings.

In August 2003, a purported class action naming as defendants Cablevision, directors and officers of Cablevision and certain current and former officers and employees of the Company's Rainbow Media Holdings and American Movie Classics subsidiaries was filed in New York Supreme Court by the Teachers Retirement System of Louisiana ("TRSL"). The actions relate to the August 2002 Rainbow Media Group tracking stock exchange and allege, among other things, that the exchange ratio was based upon a price of the Rainbow Media Group tracking stock that was artificially deflated as a result of the improper recognition of certain expenses at the national services division of Rainbow Media Holdings. The complaint alleges breaches by the individual defendants of fiduciary duties. The complaint also alleges breaches of contract and unjust enrichment by Cablevision. The complaint seeks monetary damages and such other relief as the court deems just and proper. On October 31, 2003, Cablevision and other defendants moved to stay the action in favor of the previously filed actions pending in Delaware or, in the alternative, to dismiss for failure to state a claim. On June 10, 2004, the court stayed the action on the basis of the previously filed action in Delaware. TRSL subsequently filed a motion to vacate the stay in the New York action, and simultaneously filed a motion to intervene in the Delaware action and to stay that action. Cablevision opposed both motions. On April 19, 2005, the court in the Delaware action denied the motion to stay the Delaware action and granted TRSL's motion to intervene in that action. On June 22, 2005, the court in the New York action denied TRSL's motion to vacate the stay in that action.

Cablevision believes the claims in both the Delaware action and the New York action are without merit and is contesting the lawsuits vigorously.

The Wiz Bankruptcy

TW, Inc. ("TW"), a former subsidiary of the Company and operator of The Wiz consumer retail electronics business, is the subject of a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court for the District of Delaware. In February 2005, TW filed a complaint in the bankruptcy proceeding against Cablevision and certain of its affiliates seeking recovery of alleged preferential transfers in the aggregate amount of $193,457. Also in February 2005, the Official Committee of Unsecured Creditors of TW (the "Committee") filed a motion seeking authority to assume the prosecution of TW's alleged preference claims and to prosecute certain other causes of action. The bankruptcy court granted the Committee's motion on or about March 10, 2005, thereby authorizing the Committee, on behalf of TW, to continue the preference suit and to assert other claims. On March 12, 2005, the Committee filed a complaint in the bankruptcy court against Cablevision, certain of its affiliates, and certain present and former officers and directors of Cablevision and of its former subsidiary Cablevision Electronics Investments, Inc. ("CEI"). The Committee's complaint, as amended, asserts preferential transfer claims allegedly totaling $193,858, breach of contract, promissory estoppel, and misrepresentation claims allegedly totaling $310,000, and fraudulent conveyance, breach of fiduciary duty, and other claims seeking unspecified damages. On June 30, 2005, the defendants filed a motion to dismiss several of the claims in the amended complaint. On October 31, 2005, the bankruptcy court denied the motion to dismiss. The bankruptcy court's ruling on the motion to dismiss allowed the Committee to proceed with its claims against Cablevision and the other defendants. Cablevision believes that the claims asserted by the Committee are without merit and is contesting them vigorously.

Dolan Family Group 2005 Proposal and Special Dividend Litigation

In June and July 2005, a number of shareholder class action lawsuits were filed against Cablevision and its individual directors in the Delaware Chancery Court and the New York State Supreme Court for Nassau County relating to the Dolan Family Group proposal to acquire the outstanding, publicly held interests in Cablevision following a pro rata distribution of Rainbow Media Holdings. On October 24, 2005, Cablevision received a letter from the Dolan Family Group withdrawing its June 19, 2005 proposal and recommending the consideration of a special dividend. On November 17, 2005, the plaintiffs filed a consolidated amended complaint in the New York Supreme Court action to relate to the special dividend proposed by the Dolan Family Group. On February 9, 2006, the plaintiffs filed a second amended complaint adding allegations related to the December 19, 2005 announcement that the Board had decided not to proceed with the proposed special dividend, and the January 31, 2006 announcement that the Board was expected to begin reconsideration of a possible special dividend at its regularly scheduled meeting in March 2006. The amended complaint sought, among other things, to enjoin the payment of the special dividend proposed by the Dolan Family Group. As set forth below, the Nassau County actions were subsequently dismissed following settlement by the parties. The Delaware Chancery Court action is pending.

On December 28, 2005, a purported shareholder derivative complaint was filed in the U.S. District Court for the Eastern District of New York alleging that certain events during 2005, including those relating to the proposed special dividend, constitute breaches of fiduciary duty. The action was brought derivatively on behalf of Cablevision and names as defendants each member of the Board of Directors. The complaint sought unspecified damages and contribution and indemnification by the defendants for any claims asserted against Cablevision as a result of the alleged breaches. The Eastern District of New York action was dismissed following settlement of the Nassau County actions, as set forth below.

On March 27, 2006, Cablevision entered into a memorandum of understanding with respect to the settlement of the actions pending in the New York Supreme Court for Nassau County relating to a proposed special dividend. On April 7, 2006, Cablevision's Board of Directors declared a special cash dividend of $10.00 per share which was paid on April 24, 2006 to holders of record at the close of business on April 18, 2006. A hearing on the proposed settlement was held on September 25, 2006. On January 5, 2007, the court signed an order approving the settlement and terminating these actions.

Dolan Family Group 2006 Proposal

In October 2006, a number of shareholder class action lawsuits were filed against Cablevision and its individual directors in New York Supreme Court, Nassau County, relating to the October 8, 2006 offer by the Dolan Family Group to acquire all of the outstanding shares of Cablevision's common stock, except for the shares held by the Dolan Family Group. These lawsuits allege breaches of fiduciary duty and seek injunctive relief to prevent consummation of the proposed transaction and compensatory damages. The trial court ordered expedited discovery, which began in November 2006. On January 12, 2007, the Special Transaction Committee of the Board received a revised proposal from the Dolan Family Group to acquire all of the outstanding shares of common stock of Cablevision, except for the shares held by the Dolan Family Group. On January 16, 2007, the Special Transaction Committee delivered a letter to Charles F. Dolan and James L. Dolan, rejecting as inadequate the revised proposal. This litigation is pending.

Director Litigation

Cablevision was named as a nominal defendant in a purported shareholder derivative complaint filed in the Court of Chancery of the State of Delaware. The action was brought derivatively on behalf of Cablevision and named as additional defendants Charles F. Dolan, the Chairman of Cablevision, and Rand Araskog, Frank Biondi, John Malone and Leonard Tow, each of whom was appointed as a director on March 2, 2005 by Mr. Dolan and certain other holders of the Company's NY Group Class B common stock. The complaint alleges that Charles F. Dolan, as the controlling Class B shareholder of Cablevision, by purporting to remove three Cablevision Board members (William J. Bell, Sheila Mahony and Steven Rattner) and replace them with the four new directors, wrongfully interfered with the Board's role in managing the affairs of Cablevision and sought to substitute his judgment of how to proceed with the VOOM service of Cablevision's Rainbow DBS subsidiary above that of the Board. The action seeks, among other things, to preliminarily and permanently enjoin Charles F. Dolan from interfering with the managerial prerogatives of Cablevision's Board; rescinding the purported appointment of the new directors; rescinding the removal of Mr. Bell, Ms. Mahony and Mr. Rattner as directors and restoring them to their positions as directors and directing Charles F. Dolan to account to Cablevision for its damages. There have been no developments in the case since May 2005, when the parties agreed that defendants need not respond to the complaint until further notice from the plaintiff.

Patent Litigation

Cablevision is named as a defendant in certain lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants. In certain of these cases we expect that any potential liability would be the responsibility of our equipment vendors pursuant to applicable contractual indemnification provisions. To the extent that the allegations in these lawsuits have been analyzed by us at the current stage of their proceedings, we believe that the claims are without merit and intend to defend the actions vigorously. The final disposition of these actions is not expected to have a material adverse effect on our consolidated financial position.

Contract Dispute

In September 2005, Loral filed an action against Cablevision and Rainbow DBS for breach of contract based on a letter agreement dated March 23, 2001 ("the Letter Agreement") between Loral and Rainbow DBS. Loral alleges that the sale of the Rainbow-1 satellite and related assets to EchoStar constituted a sale of "substantially all of the assets of Rainbow DBS" triggering a "Make Whole Payment" under the Letter Agreement of $33,000 plus interest. A trial in this matter took place in January 2007 in New York Supreme Court for New York County. On January 24, 2007, the jury returned a verdict finding that the EchoStar sale had triggered a Make Whole Payment under the Letter Agreement, requiring a payment to Loral of $50,898, including interest, which has been accrued for as of December 31, 2006 and reflected as an expense in discontinued operations. Cablevision and Rainbow DBS have filed a motion for judgment as a matter of law, or in the alternative for a new trial, which is pending.

Accounting Related Investigations

The improper expense recognition matter previously reported by the Company has been the subject of investigations by the SEC and the U.S. Attorney's Office for the Eastern District of New York. The SEC is continuing to investigate the improper expense recognition matter and the Company's timing of recognition of launch support, marketing and other payments under affiliation agreements. The Company continues to fully cooperate with such investigations.

Stock Option Related Matters

The Company announced on August 8, 2006 that, based on a voluntary review of its past practices in connection with grants of stock options and SARs, it has determined that the grant date and exercise price assigned to a number of its stock option and SAR grants during the 1997-2002 period did not correspond to the actual grant date and the fair market value of Cablevision's common stock on the actual grant date. The review was conducted with a law firm that was not previously involved with the Company's stock option plans. The Company has advised the SEC and the U.S. Attorney's Office for the Eastern District of New York of these matters and each has commenced an investigation. The Company received a grand jury subpoena from the U.S. Attorney's Office for the Eastern District of New York seeking documents related to the stock options issues. The Company received a document request from the SEC relating to its informal investigation into these matters. The Company continues to fully cooperate with such investigations.

In addition, in August, September and October 2006, purported derivative lawsuits (including one purported combined derivative and class action lawsuit) relating to the Company's past stock option and SAR grants were filed in New York State Supreme Court for Nassau County, the United States District

Court for the Eastern District of New York, and Delaware Chancery Court for New Castle County, by parties identifying themselves as shareholders of Cablevision purporting to act on behalf of Cablevision. These lawsuits named as defendants certain present and former members of Cablevision's Board of Directors and certain present and former executive officers, alleging breaches of fiduciary duty and unjust enrichment relating to practices with respect to the dating of stock options, recordation and accounting for stock options, financial statements and SEC filings, and alleged violation of IRC 162(m). In addition, certain of these lawsuits asserted claims under Sections 10(b), 14(a), and 20(a) of the Securities Exchange Act of 1934 and Section 304 of the Sarbanes-Oxley Act. The lawsuits sought damages from all defendants, disgorgement from the officer defendants, declaratory relief, and equitable relief, including rescission of the 2006 Employee Stock Plan and voiding of the election of the director defendants. On October 27, 2006, the Board of Directors of Cablevision appointed Grover C. Brown and Zachary W. Carter as directors and, on the same date, appointed Messrs. Brown and Carter to a newly formed special litigation committee ("SLC") of the Board. The SLC was directed by the Board to review and analyze the facts and circumstances surrounding these claims, which purport to have been brought derivatively on behalf of the Company, and to consider and determine whether or not prosecution of such claims is in the best interests of the Company and its shareholders, and what actions the Company should take with respect to the cases. The SLC, through its counsel, filed motions in all three courts to intervene and to stay all proceedings until completion of the SLC's independent investigation of the claims raised in these actions. The Delaware action subsequently was voluntarily dismissed without prejudice by the plaintiff. The actions pending in Nassau County have been consolidated and a single amended complaint has been filed in that jurisdiction. Similarly, the actions pending in the Eastern District of New York have been consolidated and a single amended complaint has been filed in that jurisdiction. Both the Nassau County action and the Eastern District of New York action assert derivative claims on behalf of the Company as well as direct claims on behalf of Cablevision shareholders relating to the Company's past stock option and SAR grants. On November 14, 2006, the trial court in the Nassau County action denied the SLC's motion for a stay of proceedings and ordered expedited discovery. The Appellate Division of the New York State Supreme Court subsequently stayed all proceedings in the Nassau County action (including all discovery) pending the SLC's appeal of the denial of its stay motion. The SLC's appeal has been fully submitted but has not been scheduled for oral argument. In the Eastern District of New York action, the trial court has issued a stay of all proceedings until May 1, 2007.

We have incurred substantial expenses in 2006 for legal, accounting, tax and other professional services in connection with the Company's voluntary review of its past practices in connection with grants of stock options and SARs, the preparation of the restated financial statements, stock option related litigation, and the investigations by the SEC and the U.S. Attorney's Office for the Eastern District of New York.

Other Matters

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 with certainty and the impact of the final resolution of these other matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these 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 19. DISCLOSURES ABOUT THE FAIR VALUE OF FINANCIAL INSTRUMENTS

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable Trade, Notes and Other Receivables, Prepaid Expenses and Other Assets, Advances to Affiliates, Accounts Payable, Accounts Payable to Affiliates and Accrued Liabilities.

The carrying amount approximates fair value due to the short-term maturity of these instruments.

Derivative Contracts and Liabilities Under Derivative Contracts

Derivative contracts are carried on the accompanying consolidated balance sheets at fair value based on dealer quotes.

Investment Securities and Investment Securities Pledged as Collateral

Marketable securities are carried on the accompanying consolidated balance sheets at their fair value based upon quoted market prices.

Bank Debt, Collateralized Indebtedness, Notes Payable, Senior Notes and Debentures, and Senior Subordinated Notes and Debentures

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.

Interest Rate Swap Agreements

Interest rate swap agreements are carried on the accompanying consolidated balance sheets at fair value based on valuations provided by a derivative valuation system using current market interest rate data. These values represent the estimated amount the Company would receive or pay to terminate agreements, taking into consideration current interest rates.

(Dollars in thousands, except per share amounts)

The fair value of the Company's debt instruments are summarized as follows:

	December 31, 2006	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Bank debt	$ 4,992,500	$ 4,992,500
Collateralized indebtedness	921,574	901,035
Senior notes and debentures	4,493,956	4,545,089
Senior subordinated notes and debentures	497,011	551,682
Notes payable	18,843	19,165
	$10,923,884	$11,009,471

	December 31, 2005	
	Carrying Amount	Estimated Fair Value
Debt instruments:		
Bank debt	$1,851,500	$1,851,500
Collateralized indebtedness	1,170,126	1,171,731
Senior notes and debentures	4,492,760	4,453,636
Senior subordinated notes and debentures	746,621	819,982
Notes payable	15,905	15,778
	$8,276,912	$8,312,627

Fair value estimates related to our debt instruments and interest rate swap agreements discussed 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.

Minority Interest in Limited-Life Partnership

The Company consolidates a 60% majority-owned interest in a limited-life partnership. The estimated liquidation value of the 40% minority interest is approximately $133,600 and $106,000 as of December 31, 2006 and 2005, respectively, compared to the carrying value of such minority interest of $48,430 and $53,820, respectively. Such liquidation value estimate is made at a specific point in time based on relevant market information and consideration regarding current and expected future operating performance. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

NOTE 20. SEGMENT INFORMATION

The Company classifies its business interests into three segments: Telecommunications Services, consisting principally of its video, high-speed data, Voice over Internet Protocol and its commercial data and voice services operations; Rainbow, consisting principally of interests in national and regional cable television programming networks, including AMC, IFC, WE tv, fuse and the VOOM HD Networks; and Madison Square Garden, which owns and operates professional sports teams, regional cable television networks and an entertainment business. Beginning in the first quarter of 2005, the VOOM HD Networks have been included in the Rainbow Segment. Those channels were previously included in the Rainbow

(Dollars in thousands, except per share amounts)

DBS segment which has been discontinued. Prior period segment information has been reported on a comparable basis.

The Company's reportable segments are strategic business units that are managed separately. The Company evaluates segment performance based on several factors, of which the primary financial measure is business segment adjusted operating cash flow (defined as operating income (loss) before depreciation and amortization (including impairments), stock plan income or expense and restructuring charges or credits), a non-GAAP measure. The Company has presented the components that reconcile adjusted operating cash flow to operating income (loss), an accepted GAAP measure. Information as to the operations of the Company's business segments is set forth below.

	Years Ended December 31,		
	2006	2005	2004
Revenues, net from continuing operations			
Telecommunications Services	$4,237,707	$3,606,765	$3,123,956
Rainbow	885,986	825,561	806,394
Madison Square Garden	854,040	804,395	778,754
All other [(a)]	84,391	85,385	86,765
Intersegment eliminations	(134,662)	(149,628)	(163,332)
	$5,927,462	$5,172,478	$4,632,537

Intersegment eliminations are primarily affiliate revenues recognized by our Rainbow and MSG segments from the sale of cable network programming to our Telecommunication Services segment.

	Years Ended December 31,		
	2006	2005	2004
Intersegment revenues			
Telecommunications Services	$ 1,529	$ 2,420	$ 7,123
Rainbow	38,438	48,547	62,650
Madison Square Garden	94,695	98,661	93,559
	$134,662	$149,628	$163,332

Reconciliation (by Segment and in Total) of Adjusted Operating Cash Flow to Operating Income (Loss) from Continuing Operations

	Years Ended December 31,		
	2006	2005	2004
Adjusted operating cash flow from continuing operations			
Telecommunications Services	$1,668,554	$1,412,199	$1,226,790
Rainbow	161,119	158,513	59,852
Madison Square Garden	72,396	120,440	170,057
All other [(b)]	(81,642)	(80,632)	(69,894)
	$1,820,427	$1,610,520	$1,386,805

(Dollars in thousands, except per share amounts)

	Years Ended December 31,		
	2006	2005	2004
Depreciation and amortization (including impairments) included in continuing operations			
Telecommunications Services	$ (915,724)	$ (843,177)	$ (786,485)
Rainbow	(106,556)	(113,429)	(213,896)
Madison Square Garden	(60,160)	(62,834)	(45,445)
All other [c]	(46,373)	(64,203)	(92,849)
	$(1,128,813)	$(1,083,643)	$(1,138,675)

	Years Ended December 31,		
	2006	2005	2004
Stock expense included in continuing operations			
Telecommunications Services	$(39,485)	$(14,657)	$(16,318)
Rainbow	(25,673)	(6,513)	(7,650)
Madison Square Garden	(14,232)	(3,836)	(3,769)
All other [c]	(1,732)	(1,789)	(6,702)
	$(81,122)	$(26,795)	$(34,439)

	Years Ended December 31,		
	2006	2005	2004
Restructuring credits (charges) included in continuing operations			
Telecommunications Services	$ 17	$ (295)	$ (736)
Rainbow	(143)	-	77
Madison Square Garden	-	(366)	(4,146)
All other [c]	3,610	1,198	5,640
	$3,484	$ 537	$ 835

	Years Ended December 31,		
	2006	2005	2004
Operating income (loss) from continuing operations			
Telecommunications Services	$ 713,362	$ 554,070	$ 423,251
Rainbow	28,747	38,571	(161,617)
Madison Square Garden	(1,996)	53,404	116,697
All other [b]	(126,137)	(145,426)	(163,805)
	$ 613,976	$ 500,619	$ 214,526

(Dollars in thousands, except per share amounts)

A reconciliation of reportable segment amounts to the Company's consolidated balances is as follows:

	Years Ended December 31,		
	2006	2005	2004
Operating income (loss) from continuing operations before income taxes			
Total operating income for reportable segments	$ 740,113	$ 646,045	$ 378,331
Other operating loss [(b)]	(126,137)	(145,426)	(163,805)
Operating income	613,976	500,619	214,526
Items excluded from operating income (loss):			
Interest expense	(795,418)	(640,010)	(635,960)
Interest income	33,229	16,341	8,300
Equity in net income (loss) of affiliates	6,698	3,219	(12,997)
Gain on sale of programming and affiliate interests, net	-	64,968	2,232
Gain (loss) on investments, net	290,052	(138,312)	134,598
Write-off of deferred financing costs	(14,083)	-	(18,961)
Gain (loss) on derivative contracts, net	(253,712)	119,180	(165,305)
Loss on extinguishment of debt	(13,125)	-	(78,571)
Minority interests	(8,894)	(5,471)	(50,307)
Miscellaneous, net	2,837	828	63
Loss from continuing operations before income taxes	$(138,440)	$ (78,638)	$(602,382)

(a) Represents net revenues of Clearview Cinemas and PVI Virtual Media, which was consolidated in the second quarter of 2004 in accordance with FIN No. 46. In May 2005, Cablevision exchanged its 60% interest in PVI Latin America for the 40% interest in the rest of PVI that it did not already own.

(b) Principally includes unallocated corporate general and administrative costs, in addition to the operating results of Clearview Cinemas and PVI Virtual Media. It also includes costs allocated to Fox Sports Net Ohio, Fox Sports Net Florida, Fox Sports Net Chicago and Rainbow DBS (distribution operations) that were not eliminated as a result of the disposition or shut down of these businesses.

(c) Includes expenses and/or credits relating to Clearview Cinemas, PVI Virtual Media, certain corporate expenses/credits and certain costs allocated to Fox Sports Net Ohio, Fox Sports Net Florida, Fox Sports Net Chicago and Rainbow DBS (distribution operations) that were not eliminated as a result of the disposition or shut down of these businesses.

	December 31,	
	2006	2005
Assets		
Telecommunications Services	$6,636,723	$4,558,423
Rainbow [(d)]	2,377,835	2,573,132
Madison Square Garden	1,852,913	1,893,525
Corporate, other and intersegment eliminations	(894,243)	925,164
Assets held for sale	-	7,557
	$9,973,228	$9,957,801

(d) Rainbow assets include amounts due from the Rainbow DBS distribution business of $276,245 and $271,277 at December 31, 2006 and 2005, respectively, which are eliminated in consolidation.

(Dollars in thousands, except per share amounts)

	Years Ended December 31,		
	2006	2005	2004
Capital Expenditures			
Telecommunications Services	$819,747	$695,327	$621,480
Rainbow	21,062	29,063	44,313
Madison Square Garden	23,444	20,993	12,153
Corporate and other	22,044	23,909	19,568
	$886,297	$769,292	$697,514

Substantially all revenues and assets of the Company's reportable segments are attributed to or located in the United States and are primarily concentrated in the New York metropolitan area.

NOTE 21. INTERIM FINANCIAL INFORMATION (Unaudited)

The following is a summary of selected quarterly financial data for the years ended December 31, 2006 and 2005:

2006:	March 31, 2006	June 30, 2006	September 30, 2006	December 31, 2006	Total 2006
Revenues, net	$ 1,409,358	$ 1,423,923	$ 1,408,736	$ 1,685,445	$ 5,927,462
Operating expenses	(1,305,631)	(1,257,420)	(1,273,301)	(1,477,134)	(5,313,486)
Operating income	$ 103,727	$ 166,503	$ 135,435	$ 208,311	$ 613,976
Income (loss) from continuing operations	$ (35,958)	$ (8,175)	$ (37,816)	$ 24,895	$ (57,054)
Income (loss) from discontinued operations, net of taxes	(2,386)	40,702	(421)	(30,449)	7,446
Income (loss) before cumulative effect of a change in accounting principle	(38,344)	32,527	(38,237)	(5,554)	(49,608)
Cumulative effect of a change in accounting principle, net of taxes	(862)	-	-	-	(862)
Net income (loss)	$ (39,206)	$ 32,527	$ (38,237)	$ (5,554)	$ (50,470)

(Dollars in thousands, except per share amounts)

2005:	March 31, 2005	June 30, 2005	September 30, 2005	December 31, 2005	Total 2005
Revenues, net	$ 1,213,126	$ 1,231,859	$ 1,241,745	$ 1,485,748	$ 5,172,478
Operating expenses	(1,145,457)	(1,136,790)	(1,133,888)	(1,255,724)	(4,671,859)
Operating income	$ 67,669	$ 95,069	$ 107,857	$ 230,024	$ 500,619
Income (loss) from continuing operations	$ (78,357)	$ (8,369)	$ (45,404)	$ 78,190	$ (53,940)
Income (loss) from discontinued operations, net of taxes	(30,439)	240,761	870	5,661	216,853
Net income (loss)	$ (108,796)	$ 232,392	$ (44,534)	$ 83,851	$ 162,913

NOTE 22. OTHER MATTERS

Special Dividend Payment

On April 7, 2006, the Board of Directors of Cablevision declared a special cash dividend of $10.00 per share on each outstanding share of its Cablevision NY Group Class A common stock and Cablevision NY Group Class B common stock. The dividend was paid on April 24, 2006 to holders of record at the close of business on April 18, 2006. The dividend was paid from the proceeds of a distribution of approximately $3,000,000 held in cash and cash equivalents from CSC Holdings to Cablevision. The CSC Holdings distribution was funded from the proceeds of its term B loan facility which closed on March 29, 2006 (See Note 9). The dividend payment on all outstanding shares of Cablevision common stock and certain common stock equivalents amounted to $2,834,649. In addition, up to $126,838 representing $10.00 for each outstanding restricted share and each stock appreciation right and stock option vested as of December 31, 2004, would be payable when, and if, the restrictions lapse on each restricted share and when, and if, such stock appreciation rights and stock options are exercised.

Settlement with Time Warner

On September 29, 2005, AMC and Time Warner Entertainment, L.P. settled existing litigation whereby the Company simultaneously entered into 11 separate affiliation agreements with Time Warner. These agreements included amendments and enhancements to existing affiliation agreements for some of the Company's programming services and new affiliation agreements and new distribution for other programming services of the Company. The amendments included a long-term extension of Time Warner's affiliation agreement with AMC with rate and positioning terms that are favorable to AMC. Because of the long-term benefits to the Company from the extension and enhancement of the AMC agreement, substantially all of the required payments ($74,000 is payable to Time Warner over the 2005-2007 period) attributable to AMC have been capitalized as deferred carriage fees and will be amortized as a reduction to revenue over the remaining 13 year life of the extended AMC agreement.

New York Mets Agreement Termination

In the second quarter of 2004, Madison Square Garden received $54,052 in cash in connection with the New York Mets' notice of termination of their broadcast rights agreement with Madison Square Garden. The termination of the rights agreement was effective at the end of the 2005 baseball season. As a result of the termination notice, the Company recorded a reversal of a purchase accounting liability of $41,788 related to this broadcast rights agreement. These items have been reflected as other operating income in the Company's 2004 consolidated statement of operations.

Resolutions of Contract Disputes

In June 2006, the Company collected $26,500 related to the resolution of a contractual programming dispute, $19,476 of which was due in periods prior to 2006 but not recognized as a reduction to programming costs because it was being disputed and was not being paid by the affiliate. The underlying contract was terminated in June 2006 and no further payments will be received under the contract.

In connection with the resolution of another contract dispute, Fox Sports Net Chicago, which was shut down in June 2006, recorded $77,996 of affiliate revenue in June 2006 including $71,396, relating to periods prior to 2006, that had not been previously recognized due to the dispute. Such affiliate revenue has been reported in discontinued operations. The underlying contract was terminated in June 2006 and no further payments will be received under the contract.

Exhibit 31.1

I, James L. Dolan, President and Chief Executive Officer of Cablevision Systems Corporation and CSC Holdings, Inc. (the "Registrants") certify that:

1. I have reviewed this annual report on Form 10-K of the Registrants;

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

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

4. The Registrants' other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

5. The Registrants' other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants' auditors and the audit committee of each Registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants' ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants' internal control over financial reporting.

Date: February 27, 2007   By: /s/ James L. Dolan
James L. Dolan
President and Chief Executive Officer

Exhibit 31.2

I, Michael P. Huseby, Executive Vice President and Chief Financial Officer of Cablevision Systems Corporation and CSC Holdings, Inc. (the "Registrants") certify that:

1. I have reviewed this annual report on Form 10-K of the Registrants;

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

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

4. The Registrants' other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrants and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrants, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

5. The Registrants' other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrants' auditors and the audit committee of each Registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrants' ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrants' internal control over financial reporting.

Date: February 27, 2007 By: /s/ Michael P. Huseby

Michael P. Huseby
Executive Vice President and Chief Financial Officer

Exhibit 32

Certification

Pursuant to 18 U.S.C. § 1350, each of the undersigned officers of Cablevision Systems Corporation ("Cablevision") and CSC Holdings, Inc. ("CSC Holdings") hereby certifies, to such officer's knowledge, that Cablevision's and CSC Holdings' Annual Report on Form 10-K for the year ended December 31, 2006 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cablevision and CSC Holdings.

Date: February 27, 2007 By: /s/ James L. Dolan
James L. Dolan
President and Chief Executive Officer

Date: February 27, 2007 By: /s/ Michael P. Huseby
Michael P. Huseby
Executive Vice President and Chief Financial Officer

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Exhibit E

Cablevision Systems Corporation and its various subsidiary companies, including CSC Acquisition-MA, Inc. has operated cable television systems for more than 30 years and has operated and managed the cable television system in the Town of Harrison since January of 1988. Management, operation and control of the franchise in the Town of Harrison will remain the same after the completion of this transaction.