**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, DC 20549**

**FORM 8-K**

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

Date of report (Date of earliest event reported): November 7, 2018

# Reading International, Inc.

(Exact Name of Registrant as Specified in its Charter)

| Nevada | 1-8625 | 95-3885184 |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 5995 Sepulveda Boulevard, Suite 300 Culver City, California | 90230 |
|---|---|
| (Address of Principal Executive Offices) | (Zip Code) |

Registrant's telephone number, including area code: **(213) 235-2240**

**N/A**
(Former Name or Former Address, if Changed Since Last Report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Emerging growth company ☐

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

**Item 2.02 Results of Operations and Financial Condition.**

On November 7, 2018, Reading International, Inc. issued a press release announcing information regarding its results of operations and financial condition for the quarter ended September 30, 2018, a copy of which is attached as Exhibit 99.1.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

On November 7, 2018, the stockholders considered three proposals, which were included in our 2018 Proxy Statement. The proposals voted upon and the results of the vote were as follows:

**Proposal 1:** To elect seven nominees to serve as Directors until the Company's 2019 Annual Meeting of Stockholders or until their successors are duly elected and qualified.

| Nominee | FOR | WITHHOLD | BROKER NON VOTES |
|---|---|---|---|
| **Ellen M. Cotter** | 1,308,890 | 48,249 | 231,419 |
| **Guy W. Adams** | 1,308,890 | 48,249 | 231,419 |
| **Judy Codding** | 1,343,633 | 13,506 | 231,419 |
| **Margaret Cotter** | 1,308,890 | 48,249 | 231,419 |
| **Edward L. Kane** | 1,343,633 | 13,506 | 231,419 |
| **Douglas J. McEachern** | 1,343,633 | 13,506 | 231,419 |
| **Michael Wrotniak** | 1,343,533 | 13,606 | 231,419 |

**Proposal 2:** To ratify the appointment by the Company's Audit and Conflicts Committee of Grant Thornton as the Company's independent auditor for the year ended December 31, 2018.

| FOR | AGAINST | ABSTAIN | NON-VOTES |
|---|---|---|---|
| 1,587,392 | 1,166 | 0 | 0 |

**Proposal 3:** To approve, on a non-binding, advisory basis, the executive compensation of our named executive officers.

| FOR | AGAINST | ABSTAIN | NON-VOTES |
|---|---|---|---|
| 1,340,964 | 16,126 | 49 | 231,419 |

**Item 7.01 Regulation FD Disclosure.**

On November 7, 2018, the Company showed a slide presentation at its 2018 Annual Meeting, a copy of which is furnish herewith as Exhibit 99.2. The same presentation was made available on the same day on the Investor Relations page of our corporate website, www.readingrdi.com

**Item 8.01 Other Events**

On November 9, 2018, the Company submitted correspondence to Patton Vision, LLC, a copy of which is furnish herewith as Exhibit 99.3.

**Item 9.01 Financial Statements and Exhibits.**

| | |
|---|---|
| 99.1 | Press release issued by Reading International, Inc. pertaining to its results of operations and financial condition for the quarter ended September 30, 2018. |
| 99.2 | Slide presentation at the 2018 Annual Meeting. |
| 99.3 | Correspondence to Patton Vision, LLC dated November 9, 2018. |

## SIGNATURES

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

| | | |
|---|---|---|
| | READING INTERNATIONAL, INC. | |
| Date: November 13, 2018 | By: | /s/ Devasis Ghose |
| | Name: | Devasis Ghose |
| | Title: | Chief Financial Officer |

# Record Third Quarter 2018 Revenue Announced by Reading International

- Quarterly Revenue of $74.3 million represents the highest third quarter on record.

*Earnings Call Webcast to Discuss 2018 Third Quarter Financial Results*
*Scheduled to Post to Corporate Website on*
*Friday, November 9, 2018*

**Culver City, California - (BUSINESS WIRE) November 7, 2018:** Reading International, Inc. (NASDAQ: RDI) today announced record revenue for the quarter ended September 30, 2018. Our Company reported Basic Earnings per Share ("EPS") of $0.06 and $0.41, for the quarter and nine months ended September 30, 2018, respectively. Cinema segment revenues for the three and nine months of 2018 were particularly strong at $70.7 million and $223.1 million, compared to $62.1 million and $196.1 million for the three and nine months of 2017.

Ellen Cotter, Chair, President and Chief Executive Officer said, "The third quarter represented another growth period for Reading as we continued to build on our strong momentum from the second quarter. Our results were driven by the continued execution of our strategic plan and we achieved superior operational execution. Ongoing capital improvements and refurbishments continue to elevate the guest experience in our cinema business. The strong film product and successful launch of our first dine-in concept, "Spotlight," contributed to our results and increased interest in our enhanced U.S. food and beverage offerings."

Consolidated revenue for the third quarter of 2018, increased by 12%, or $8.1 million, compared to the third quarter of 2017, primarily driven by: (i) increases in attendance in our U.S., Australian and New Zealand Cinemas, (ii) the U.S. Cinema's increase in average ticket price, and (iii) the opening of our new state-of-the-art eight screen Reading Cinema on December 14, 2017 at Newmarket Village located in a Brisbane suburb in Australia. These results were achieved notwithstanding a 7.4% decline in the Australian Dollar and an 8.5% decline in the New Zealand Dollar for the quarter ended September 30, 2018, compared to the quarter ended September 30, 2017.

The following table summarizes the third quarter and first nine months results of the year 2018 and 2017:

| | Quarter Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | September 30, | | % Change Favorable/ | September 30, | | % Change Favorable/ |
| *(Dollars in millions, except EPS)* | 2018 | 2017 | (Unfavorable) | 2018 | 2017 | (Unfavorable) |
| Revenue | $ 74.3 | $ 66.1 | 12 % | $ 234.4 | $ 208.0 | 13 % |
| *- US* | 40.8 | *28.5* | *43 %* | *124.9* | *105.1* | *19 %* |
| *- Australia* | 26.0 | *28.0* | *(7) %* | *84.9* | *80.6* | *5 %* |
| *- New Zealand* | 7.5 | *9.6* | *(22) %* | *24.6* | *22.3* | *10 %* |
| Operating expense | $ (69.7) | $ (62.4) | 12 % | $ (215.5) | $ (191.0) | 13 % |
| Segment operating income [(1)] | $ 9.5 | $ 8.3 | 14 % | $ 35.9 | $ 31.3 | 15 % |
| Net income[(2)] | $ 1.3 | $ 1.6 | (19) % | $ 9.4 | $ 23.7 | (60) % |
| EBITDA [(1)] | $ 10.4 | $ 8.1 | 28 % | $ 35.9 | $ 49.4 | (27) % |
| Adjusted EBITDA [(1)] | $ 10.9 | $ 8.2 | 33 % | $ 39.0 | $ 41.3 | (6) % |
| Basic EPS [(2)] | $ 0.06 | $ 0.07 | (14) % | $ 0.41 | $ 1.02 | (60) % |

(1) *Aggregate segment operating income, earnings before interest expense (net of interest income), income tax expense, depreciation and amortization expense ("EBITDA") and adjusted EBITDA are non-GAAP financial measures. See the discussion of non-GAAP financial measures that follows.*
(2) *Reflect amounts attributable to stockholders of Reading International, Inc., i.e. after deduction of noncontrolling interests.*

## COMPANY HIGHLIGHTS

- ***Operating Results:*** For the quarter ended September 30, 2018, we achieved revenue of $74.3 million, up $8.2 million from the prior year. Our operating results benefitted from the strong performance of our U.S. cinema operations and set a third quarter record.

- ***Capex program:*** During the third quarter of 2018, we invested $8.9 million in capital improvements, continuing our investment in the upgrading of select cinemas and real estate properties.

- ***Cinema activities***: During the third quarter of 2018, we saw the benefit in performance as a result of the completed renovations at four U.S. theaters: our Reading Cinemas in Murrieta, CA and Manville, NJ and our Consolidated Theatres at Ward Village, HI, and Pearlridge Mall, HI. We continue to upgrade our food and beverage ("F&B") offerings and, as of September 30, 2018, we have obtained liquor licenses for 25 of our existing cinemas in the U.S., Australia and New Zealand; currently we have six applications for liquor licenses in the U.S. Since 2017, we have converted (or are in the process of conversion), 63 of our 245 U.S. auditoriums to luxury recliner seating. Our cinema pipeline includes three new cinemas in Australia that have been approved by our Board of Directors and which we anticipate bringing on line between 2019 and 2021. In addition to the above:

  *Mililani Town Center (Hawaii, USA)* – During the quarter, we started a complete "top to bottom" major renovation in phases at our Consolidated Theatre in Mililani. Upon completion, all of the 14-screen auditoriums will feature luxury recliner seating. Additionally, a TITAN LUXE screen will be added and an elevated F&B offering will be completed in phases, with an anticipated opening during the 2018 holiday season.

  *RedYard, Auburn (Australia)* – We have recently completed the upgrade of our Reading Cinemas at RedYard in Auburn. We converted three screens to our Premium offer with recliners. In addition, we completed the upgrade of one screen to a TITAN LUXE with recliners.

  We achieved a record third quarter in our online ticket sales in Australia and the United States led by "*Crazy Rich Asians*" and "*Ant-Man and the Wasp*" exceeding previous third quarter records by as much as 149% in the U.S. With the continued improvements of our websites and apps in the U.S. and improved online sales infrastructure to better serve high sales volume, we set a third quarter record with online sales consisting of 20% of our global box office revenue, which is a 25% increase from our last third quarter.

- ***Real estate activities:***

  - *Purchase of Land in Townsville, Australia* – On June 13, 2018, we acquired a 163,000 square foot (15,150 square meter) parcel of land at our Cannon Park ETC, in connection with the restructuring of our relationship with the adjacent land owner. Prior to the restructuring, this parcel was commonly owned by us and the adjoining land owner. In the restructuring, the adjoining land owner conveyed to us its interest in the parcel for AU$1. We granted the adjoining land owner certain access rights with respect to that parcel.

  - *Purchase of Property in Auburn, Australia* – On June 29, 2018, we purchased a property for $3.5 million (AU$4.5 million) in Auburn (Sydney area), Australia. The property, which borders our Redyard ETC in Auburn on three sides to the east, west and south, consists of an approximately 16,830 square foot building located on an estimated 20,870 square foot lot, and is subject to a lease to the Telstra Corporation through September 2022. This will allow us time to plan for the efficient integration of the property into our ETC. Including this acquisition, our Redyard ETC represents approximately 519,992 square feet (48,309 square meters) of land, with approximately 1,620 feet (498 meters) of uninterrupted frontage to Parramatta Road, a major Sydney arterial motorway. The final settlement payment was made in early October 2018.

  - *Expansion of Newmarket Village located in an affluent suburb of Brisbane, Australia* – In December 2017, we opened our eight-screen Reading Cinema with TITAN LUXE, including 10,150 square feet of additional retail space and 124 additional parking spaces. As of September 30, 2018, approximately 93% of this new retail space has been leased.

  - *Belmont (Perth, Australia)* – For the first nine-months of 2018, we continued with the re-positioning of the Belmont Common, ETC in Belmont (a suburb of Perth), which features new F&B offerings and a Reading Cinema with TITAN XC. During the latter part of the second quarter of 2018, the Asian inspired Tao Café (with approximately 3,190 square feet) opened joining our existing restaurants, Dome Café and Tavolo.

  - *Manukau Land Rezoning (Auckland, New Zealand) – We own two parcels in Manukau comprising 64.0 acres zoned for light* industrial use and 6.4 acres zoned for heavy industrial use. Now that our zoning enhancement goal has been achieved, we are reviewing our options with respect to the value realization opportunities and commercial exploitation of this asset. We see this property as a future value realization opportunity. This tract is adjacent to the Auckland Airport in a growing industrial market which has recently been expanding toward our property. We are currently working with adjoining landowners to develop an infrastructure plan for the approximately 355 acres of rezoned land of which our property is a significant part.

  - *Minetta Lane Theatre (New York, USA)* – In February 2018, we entered into a one-year license agreement with Audible, Inc. a subsidiary of Amazon, at the Minetta Lane Theatre. We understand that Audible intends to produce one to two character plays, from which it will record audio productions available through Audible.

  - *Redevelopment of 44 Union Square Property (New York, USA)* – At the beginning of January 2016, we ceased our live theatre business at our Union Square property in New York, terminated all tenant leases and prepared the property for redevelopment. Accordingly, this property is no longer treated as an operating property. We anticipate that the 73,000 square foot redevelopment project in Union Square will be ready for the commencement of tenant fit-out in the first quarter of 2019. Retail and office leasing interest to date has been strong and we are currently in discussions with a number of quality tenants. This redevelopment will add approximately 23,000 square footage of rentable space to the current square footage of the building for an approximate total of 73,322 square feet of rentable space, inclusive of anticipated BOMA (Building Owners and Managers Association) adjustments and subject to lease negotiations and the final tenant mix.

  - *Cinema 1,2,3 Redevelopment (New York, USA)* – In June 2017, we entered into an exclusive dealing and pre-development agreement with our adjoining neighbors, 260-264 LLC, to jointly develop the properties, currently home to Cinemas 1,2,3 and Anassa Taverna. While this agreement has expired, we both (i) remain open to the common development of these properties given the synergies and value creation opportunities of the joint development and (ii) have been and will continue to evaluate alternative opportunities for the property.

## DEFENSE JUDGMENT IN DERIVATIVE LITIGATION

Since 2015, our Company and our directors (other than Mr. James J. Cotter, Jr.) have been the target of two purported derivative actions, one brought by Mr. Cotter, Jr., (the "Cotter, Jr., Derivative Action") and the other brought by a group of outside stockholders (the "T2 Derivative Action"). These actions are described in detail in our quarterly report filed on form 10-Q for the quarter ended September 30, 2018.

The plaintiffs in the T2 Derivative Action, after detailed discovery, dismissed their claim in mid-2016, noting in a joint press release with our Company in July of that year that: *"We are pleased with the conclusions reached by our investigations as Plaintiff Stockholders and now firmly believe that the Reading Board of Directors has and will continue to protect stockholder interests and will continue to work to maximize shareholder value over the long-term. We appreciate the Company's willingness to engage in open dialogue and are excited about the Company's prospects. Our questions about the termination of James Cotter, Jr., and various transactions between Reading and members of the Cotter family-or entities they control-have been definitively addressed and put to rest. We are impressed by measures the Reading Board has made over the past year to further strengthen corporate governance. We fully support the Reading Board and management team and their strategy to create stockholder value."*

Mr. Cotter, Jr., determined to continue with his action. The Nevada District Court in July, 2018, dismissed all of the remaining claims asserted by Mr. Cotter, Jr., in the Cotter, Jr., Derivative Action and on October 1, 2018 awarded our Company costs. While the Nevada District Court's final cost order has not been issued, we estimate that such cost judgment, as articulated by the Nevada District Court from the bench, is in excess of $1.5 million.

## SEGMENT RESULTS

The following table summarizes the third quarter and first nine months of the year segment operating results for 2018 and 2017:

| | Quarter Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | September 30, | | % Change Favorable/ | September 30, | | % Change Favorable/ |
| *(Dollars in thousands)* | 2018 | 2017 | (Unfavorable) | 2018 | 2017 | (Unfavorable) |
| **Segment revenue** | | | | | | |
| Cinema | | | | | | |
| United States | $ 40,038 | $ 32,199 | 24 % | $ 122,437 | $ 101,858 | 20 % |
| Australia | 23,659 | 22,902 | 3 % | 77,513 | 73,284 | 6 % |
| New Zealand | 6,974 | 6,958 | — % | 23,159 | 20,921 | 11 % |
| Total | **$ 70,671** | **$ 62,059** | **14 %** | **$ 223,109** | **$ 196,063** | 14 **%** |
| Real estate | | | | | | |
| United States | $ 805 | $ 1,179 | (32) % | $ 2,410 | $ 3,223 | (25) % |
| Australia | 3,847 | 3,823 | 1 % | 12,305 | 11,312 | 9 % |
| New Zealand | 1,119 | 1,063 | 5 % | 3,489 | 3,016 | 16 % |
| Total | **$ 5,771** | **$ 6,065** | **(5) %** | **$ 18,204** | **$ 17,551** | **4 %** |
| Inter-segment elimination | (2,181) | (2,008) | (9) % | (6,918) | (5,575) | (24) % |
| **Total segment revenue** | $ **74,261** | $ **66,116** | **12 %** | $ **234,395** | $ **208,039** | **13 %** |
| **Segment operating income** | | | | | | |
| Cinema | | | | | | |
| United States | $ 2,310 | $ 693 | 233 % | $ 10,008 | $ 4,790 | 109 % |
| Australia | 4,678 | 4,896 | (4) % | 16,642 | 16,812 | (1) % |
| New Zealand | 1,214 | 1,114 | 9 % | 4,333 | 3,979 | 9 % |
| Total | **$ 8,202** | **$ 6,703** | **22 %** | **$ 30,983** | **$ 25,581** | **21 %** |
| Real estate | | | | | | |
| United States | $ (154) | $ 55 | (380) % | $ (514) | $ 350 | (247) % |
| Australia | 980 | 1,474 | (34) % | 4,071 | 4,487 | (9) % |
| New Zealand | 434 | 49 | 786 % | 1,339 | 847 | (58) % |
| Total | **$ 1,260** | **$ 1,578** | **(20) %** | **$ 4,896** | **$ 5,684** | **(14) %** |
| **Total segment operating income** (1) | **$ 9,462** | **$ 8,281** | **14** % | **$ 35,879** | **$ 31,265** | **15 %** |

*"nm" – not meaningful for further analysis*

(1) *Aggregate segment operating income is a non-GAAP financial measure. See the discussion of non-GAAP financial measures that follows.*

## Cinema Exhibition

***Third Quarter Results:***
Cinema segment operating income increased by 22%, or $1.5 million, to $8.2 million for the quarter ended September 30, 2018 compared to September 30, 2017, primarily driven by increased operating income in the U.S. due to increased attendance, higher average ticket price ("ATP") and higher spend per patron ("SPP").

- Revenue in the United States increased by 24%, or $7.8 million, due to a 19% increase in attendance, a 9% increase in ATP and a 1% increase in SPP. These changes are primarily due to the strong film product coupled with returns realized from improvements from our continuous capital improvements at several of our theaters, and the introduction of "Spotlight". For the U.S. Cinema segment, the quarter ended September 2018 had the highest third quarter revenue on record.
- Australia's cinema revenue increased by 3%, or $0.8 million, primarily due to a 9% increase in attendance, offset by an 8% decrease in SPP and the unfavorable impact of foreign currency movements.
- While the attendance of our New Zealand cinema operations has increased 6% versus the same period in 2017, our New Zealand revenue remained flat over the prior year due to a decrease in other income and by the unfavorable impact of foreign currency movements.

The top three grossing films for the third quarter of 2018 were "*Crazy Rich Asians*," "*Ant-Man and the Wasp*," and "*Mission Impossible – Fallout,*" representing approximately 24% of Reading's worldwide admission revenues for the quarter. The top three grossing films in the third quarter of 2017 for Reading's worldwide cinema circuits were "*Spider-Man: Homecoming*," "*It*," and "*Dunkirk*," which represented approximately 29% of Reading's admission revenues for the third quarter of 2017.

***Nine-Month Results***:
Cinema segment operating income increased 21%, or $5.4 million, to $31.0 million for the nine months ended September 30, 2018 compared to September 30, 2017, primarily driven by cinema operating income growth of 109%, or $5.2 million in the U.S. market. In addition, the re-opening of our Courtenay Central Cinema in Wellington, New Zealand contributed to the overall operating income as well as increases in ATP and SPP across all three countries. Operating income was adversely impacted by the declining value of the Australian and New Zealand Dollar compared to the U.S. Dollar.

- Revenue in the United States increased by 20%, or $20.6 million, due to a 12% increase in attendance, 10% increase in ATP, and a 3% increase in SPP.
- Australia's cinema revenue increased by 6%, or $4.2 million, primarily due to a 6% increase in ATP, a 3% increase in SPP, and a 2% increase in attendance, offset by the unfavorable impact of foreign currency movements.
- New Zealand cinema revenue increased by 11%, or $2.2 million, as a result of the 14% increase in attendance, a 4% increase in SPP, and a 1% increase in ATP, predominantly due to the re-opening of Courtenay Central, offset by the business interruption proceeds recognized in 2017 and further offset by the unfavorable impact of foreign currency movements.

The top three grossing films for the nine months of 2018 were "*Avengers: Infinity War*," "*Black Panther*," and "*Incredibles2,*" representing approximately 18% of Reading's worldwide admission revenues, compared to the top three grossing films a year ago: "*Beauty and the Beast*," "*Wonder Woman*," and "*Guardians of the Galaxy Vol. 2*," which represented approximately 14% of our admission revenues for the same period in 2017.

**Real Estate**

***Third Quarter and Nine-Month Results:***

Real estate segment operating income decreased by 20%, or $0.3 million, to $1.3 million for the quarter ended September 30, 2018 compared to September 30, 2017. For the nine months ended September 30, 2018, the real estate segment operating income decreased by 14%, or $0.8 million, to $4.9 million, compared to the same period in 2017. This was primarily attributable to our lower Live Theater revenue compared to prior year when we recorded the settlement payment related to the STOMP arbitration ($1.1 million), as well as the absence of the business interruption insurance proceeds, which were recorded in the second quarter of 2017 in New Zealand. These decreases were offset by increases in operating revenue from (i) our Newmarket ETC, which is mainly related to our new tenants, and (ii) Courtenay Central ETC due to the full year of operations in 2018 compared to only two quarters of operation in 2017.

## CONSOLIDATED AND NON-SEGMENT RESULTS

The third quarter and first nine-month consolidated and non-segment results for 2018 and 2017 are summarized as follows:

| | Quarter Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| | September 30, | | % Change Favorable/ | September 30, | | % Change Favorable/ |
| *(Dollars in thousands)* | 2018 | 2017 | (Unfavorable) | 2018 | 2017 | (Unfavorable) |
| **Segment operating income** | **$ 9,462** | **$ 8,281** | **14 %** | **$ 35,879** | **$ 31,264** | **15 %** |
| Non-segment income and expenses: | | | | | | |
| General and administrative expense | (4,831) | (4,506) | (7) % | (16,717) | (13,931) | (20) % |
| Interest expense, net | (1,748) | (1,663) | (5) % | (5,132) | (5,310) | 3 % |
| Gain on sale of assets | — | — | *n/a* | — | 9,417 | 100 % |
| Gain on insurance recoveries | — | — | *n/a* | — | 9,217 | 100 % |
| Other | (142) | 117 | *nm* | 81 | 1,270 | 94 % |
| **Total non-segment income and expenses** | **$ (6,721)** | **$ (6,052)** | **(11)** % | **$ (21,768)** | **$ 663** | 3,383 **%** |
| **Income before income taxes** | **2,741** | **2,229** | 23 **%** | **14,111** | **31,927** | 56 **%** |
| Income tax expense | (1,482) | (750) | (98) % | (4,618) | (8,316) | 44 % |
| **Net income** | **$ 1,259** | **$ 1,479** | (15) **%** | **$ 9,493** | **$ 23,611** | **(60) %** |
| Less: net income attributable to noncontrolling interests | (38) | (98) | *nm* | 88 | (66) | *nm* |
| **Net income attributable to RDI common stockholders** | **$ 1,297** | **$ 1,577** | **(18) %** | **$ 9,405** | **$ 23,677** | **(60) %** |

***"nm"*** *– not meaningful for further analysis*

***Third Quarter and First Nine-Month Net Results***

Net income attributable to RDI common stockholders decreased by 18% or $0.3 million to $1.3 million. Basic EPS for the quarter ended September 30, 2018 decreased by $(0.01) to $0.06 from the prior-year quarter, mainly attributable to an increase in income tax expense and general and administrative expenses.

Net income attributable to RDI common stockholders decreased by 60%, or $14.3 million, to $9.4 million for the nine months ended September 30, 2018 compared to the same period prior year. Basic EPS for the first nine-months of 2018 decreased by $0.61 to $0.41 from the prior-year period, mainly attributable to the one-time gain on Wellington insurance recoveries and Burwood gain on sale of assets recognized for the nine-months ended September 30, 2017.

***Non-Segment General & Administrative Expenses***

Non-segment general and administrative expense for the quarter and nine months ended September 30, 2018 compared to the same period of the prior year increased by 7% or $0.3 million and 20% or $2.8 million, respectively. The quarterly increase mainly relates to higher payroll and bonus related expenses (attributable to reversals in 2017 for prior year incentive compensation accruals not deemed necessary), offset by a reduction in total legal fees for the quarter ending September 30, 2018 compared to the same period last year. For the nine months ending September 30, 2018 compared to the same period in 2017, the increase is related to payroll and legal expenses incurred on the Derivative Litigation, the Cotter Employment Arbitration and other Cotter litigation matters and higher compensation costs, due to headcount and the timing of annual salary increases as well as timing of recording increases in variable compensation costs.

***Litigation***
Costs of the Cotter, Jr., Derivative Action, the Cotter, Jr., Employment Arbitration and other related Cotter, Jr., litigation matters for the nine months ended September 30, 2018, ended were $3.1 million, compared to $1.1 million for the same period in 2017, as our Company and our directors prepared for trial in 2018 and prepared motions for summary judgment which were subsequently granted. For the quarter ended September 2018, there was a similar increase in legal fees ($505,000 compared to $82,000) to the same period last year, due principally to costs associated with taking final depositions and preparing for the hearing (held in October, 2018) of the Cotter, Jr., Employment Arbitration, and our motions to recover costs and attorney's fees in the derivative action. Going forward, the costs with regard to the Cotter, Jr., Derivative Action will, at least in the near term, be limited to the defense of Mr. Cotter, Jr.'s appeal of the Nevada District Courts' determinations and the costs of any appeals that we may bring.

***Gain on Sale of Assets***
$9.4 million represented our full recognition of the transaction gain triggered by the installment payment from the buyer of our Burwood property in Australia, which was recognized in the second quarter of 2017.

***Gain on Insurance Proceeds***
$9.2 million represented the gain recognized in 2017 on the final insurance settlement proceeds relating to the earthquake damage to our Courtenay Central parking structure (excluding business interruption insurance payments).

***Income Tax Expense***
Income tax expense for the quarter ended September 30, 2018, increased $0.7 million compared to the same quarter prior year. A large part of the increase in tax expense for the third quarter 2018 compared to the same quarter of the prior year is due to increases in the taxes related to recently released IRS guidance regarding the Global Intangible Low-taxed Income (GILTI). Income tax expense for the nine months ended September 30, 2018 decreased by $3.7 million compared to the equivalent prior-year period. The decrease for the nine months ended September 30, 2018 is primarily related to lower pretax income and the reduction of U.S. statutory corporate tax rate as the result of the Tax Act, partially offset by higher tax rates overseas and non-taxable insurance proceeds received in 2017.

## OTHER FINANCIAL INFORMATION

### Balance Sheet and Liquidity

Total assets increased by $12.3 million, to $435.7 million at September 30, 2018, compared to $423.4 million at December 31, 2017. This was primarily driven by increases in our operating and investment properties relating to capital enhancements in our existing cinemas and capital investments relating to major real estate projects, primarily (i) the redevelopment of our Union Square property in New York, and (ii) the expansion of our Newmarket Village in Brisbane, Australia. These were offset by a reduction in our foreign-operation asset values due to a decrease in the foreign exchange rates relative to the U.S. dollar. Available cash resources generated from operations and proceeds received from borrowings funded these capital investments.

Cash and cash equivalents at September 30, 2018 were $15.7 million, including approximately $8.5 million in the U.S., $2.9 million in Australia, and $4.3 million in New Zealand. We manage our cash, investments and capital structure so we are able to meet short-term and long-term obligations for our business, while maintaining financial flexibility and liquidity.

As part of our operating cycle, we collect cash from (i) our cinema business when selling tickets and food and beverage items, and (ii) rental income typically received in advance; we utilize these collections, to reduce our long-term borrowings and realize savings on interest charges. We then settle our operating expenses generally with a lag within traditional trade terms. This cash management generates a temporary working capital deficit, which is positive for the Company. We review the maturities of our borrowings and negotiate for renewals and extensions, as necessary for liquidity purposes. We believe the cash flow generated from our operations coupled with our ability to renew and extend our credit facilities will provide sufficient liquidity in the upcoming year.

The table below presents the changes in our total available resources (cash and borrowings), debt-to-equity ratio, working capital and other relevant information addressing our liquidity for the nine months ended September 30, 2018 and preceding four years:

| ($ in thousands) | As of and for the 9-Months Ended 9/30/2018 | Year Ended December 31 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| ***Total Resources (cash and borrowings)*** | | | | | |
| Cash and cash equivalents (unrestricted) | $ 15,714 | $ 13,668 | $ 19,017 | $ 19,702 | $ 50,248 |
| Unused borrowing facility | 101,086 | 137,231 | 117,599 | 70,134 | 45,700 |
| Restricted for capital projects[1] | 43,591 | 62,280 | 62,024 | 10,263 | — |
| Unrestricted capacity | 57,495 | 74,951 | 55,575 | 59,871 | 45,700 |
| Total resources at period end | 116,800 | 150,899 | 136,616 | 89,836 | 95,948 |
| Total unrestricted resources at period end | 73,209 | 88,619 | 74,592 | 79,573 | 95,948 |
| ***Debt-to-Equity Ratio*** | | | | | |
| Total contractual facility | $ 268,176 | $ 271,732 | $ 266,134 | $ 207,075 | $ 201,318 |
| Total debt (gross of deferred financing costs) | 167,090 | 134,501 | 148,535 | 130,941 | 164,036 |
| Current | 3,175 | 8,109 | 567 | 15,000 | 38,104 |
| Non-current | 163,915 | 126,392 | 147,968 | 115,941 | 125,932 |
| Total book equity | 179,863 | 181,618 | 146,890 | 138,951 | 133,716 |
| Debt-to-equity ratio | 0.93 | 0.74 | 1.01 | 0.94 | 1.23 |
| ***Changes in Working Capital*** | | | | | |
| Working capital (deficit) | $ (24,626) | $ (46,971) | $ 6,655 | $ (35,581) | $ (15,119) |
| Current ratio | 0.55 | 0.42 | 1.10 | 0.51 | 0.84 |
| ***Capital Expenditures (including acquisitions)*** | $ 50,118 | $ 76,708 | $ 49,166 | $ 53,119 | $ 14,914 |

(1) *This relates to the construction facilities specifically negotiated for: (i) Union Square redevelopment project, obtained in December 2016, and (ii) New Zealand construction projects, obtained in May 2015.*

Below is a summary of the available credit facilities as of September 30, 2018:

| (Dollars in thousands) | As of September 30, 2018 Available Contractual Capacity | Capacity Used | Unused Capacity | Restricted for Capital Projects | Unrestricted Capacity |
|---|---|---|---|---|---|
| Bank of America Credit Facility (USA) | $ 55,000 | $ 34,000 | $ 21,000 | $ — | $ 21,000 |
| Bank of America Line of Credit (USA) | 5,000 | 1,500 | 3,500 | — | 3,500 |
| Union Square Construction Financing (USA) | 57,500 | 25,852 | 31,648 | 31,648 | — |
| NAB Corporate Term Loan (AU)[1] | 48,133 | 38,361 | 9,772 | — | 9,772 |
| Westpac Bank Corporate (general/ non-construction) Credit Facility (NZ)[1] | 23,223 | — | 23,223 | — | 23,223 |
| Westpac Bank Corporate (construction) Credit Facility (NZ)[1] | 11,943 | — | 11,943 | 11,943 | — |
| **Total** | **$ 200,799** | **$ 99,713** | **$ 101,086** | **$ 43,591** | **$ 57,495** |

(1) *The borrowings are denominated in foreign currency. The contractual capacity and capacity used were translated into U.S. dollars based on the applicable exchange rates as of September 30, 2018.*

The $43.6 million representing borrowings restricted for capital projects is composed of the $31.7 million and $11.9 million unused capacity for the Union Square development and construction funding for New Zealand operations, respectively.

Our overall global operating strategy is to conduct business mostly on a self-funding basis by country (except for funds used to pay an appropriate share of our U.S. corporate overhead). However, we may, from time to time, move funds between jurisdictions where circumstances merit such action as part of our goal to minimize our cost of capital.

Trust Preferred Securities - On October 11, 2018, Reading secured a waiver that provides significant additional financial flexibility through the elimination of financial covenants with respect to our Trust Preferred Securities through the end of the term loan in consideration of payments totaling $1.6 million, consisting of an initial payment of $1.1 million paid on October 31, 2018, and a contractual obligation to pay $270,000 in October 2021 and $225,000 in October 2025.

Minetta/Orpheum Loan - On October 12, 2018, the Minetta and Orpheum Theatres loan of $7.5 million has increased to $8.0 million and the maturity extended to November 1, 2023.

**Non-GAAP Financial Measures**

This earnings release presents aggregate segment operating income, and EBITDA, which are important financial measures for the Company, but are not financial measures defined by U.S. GAAP.

These measures should be reviewed in conjunction with the relevant U.S. GAAP financial measures and are not presented as alternative measures of EPS, cash flows or net income as determined in accordance with US GAAP. Aggregate segment operating income and EBITDA, as we have calculated them, may not be comparable to similarly titled measures reported by other companies.

***Aggregate segment operating income*** – we evaluate the performance of our business segments based on segment operating income, and management uses aggregate segment operating income as a measure of the performance of operating businesses separate from non-operating factors. We believe that information about aggregate segment operating income assists investors by allowing them to evaluate changes in the operating results of the Company's business separate from non-operational factors that affect net income, thus providing separate insight into both operations and the other factors that affect reported results. Refer to "Consolidated and Non-Segment Results" for a reconciliation of segment operating income to net income.

***EBITDA*** – we present EBITDA as a supplemental measure of its performance, which is commonly used in our industry. We define EBITDA as net income adjusted for interest expense (net of interest income), income tax expense, depreciation and amortization expense, and an adjustment of interest expense, depreciation, and amortization for discontinued operations, if any. EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net earnings (loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with U.S. GAAP). We have included EBITDA in this Earnings Release, as we believe that it provides management and our investors with additional information necessary to properly measure our performance and liquidity, estimate our value and evaluate our ability to service debt.

***Adjusted EBITDA*** – using the principles we consistently apply to determine our EBITDA, we further adjusted the EBITDA for certain items we believe are appropriate adjustable items, described as follows:

- *Legal expenses relating to the Derivative litigation, the James J. Cotter, Jr. employment arbitration and other Cotter litigation matters* – while we started to incur expenses in relation to these legal matters in 2015, we believe that the majority of these costs were thrust upon the Company as it became necessary to defend the Company's position in the Derivative litigation and related matters, to resolve Mr. Cotter, Jr.'s claims relating to his termination, and to protect our Company's interests, and that of our stockholders in light of Mr. Cotter, Jr.'s efforts to effect a change of control of our Company. For this reason, we believe these costs should also be treated as non-recurring in nature and accordingly, an adjustable item for purposes of determining our Adjusted EBITDA.

In cases of property sales, we have not made adjustments for any gains, in line with our overall business strategy that at any time, we may decide to dispose of any property when we believe that an asset has reached the highest value that we could reasonably achieve without investing substantial additional sums for land use planning, construction and marketing.

Reconciliation of EBITDA to net income is presented below:

| *(Dollars in thousands)* | Quarter Ended September 30, 2018 | Quarter Ended September 30, 2017 | Nine Months Ended September 30, 2018 | Nine Months Ended September 30, 2017 |
|---|---|---|---|---|
| Net Income | $ 1,297 | $ 1,577 | $ 9,405 | $ 23,677 |
| Add: Interest expense, net | 1,748 | 1,663 | 5,132 | 5,310 |
| Add: Income tax expense | 1,482 | 750 | 4,618 | 8,316 |
| Add: Depreciation and amortization | 5,829 | 4,137 | 16,705 | 12,124 |
| Adjustment for infrequent events and discontinued operations | — | — | — | — |
| **EBITDA** | **$ 10,356** | **$ 8,127** | **$ 35,860** | **$ 49,427** |
| *Adjustments for:* | | | | |
| Gain on insurance recoveries | — | — | — | (9,217) |
| Legal expenses relating to the derivative ligation, the Cotter employment arbitration and other Cotter litigation matters | 505 | 82 | 3,146 | 1,115 |
| **Adjusted EBITDA** | **$ 10,861** | **$ 8,209** | **$ 39,006** | **$ 41,325** |

**Conference Call and Webcast**

We plan to post our pre-recorded conference call and audio webcast on our corporate website on November 9, 2018, that will feature prepared remarks from Ellen Cotter, Chief Executive Officer; Dev Ghose, Executive Vice President & Chief Financial Officer; and Andrzej Matyczynski, Executive Vice President - Global Operations.

A pre-recorded question and answer session will follow our formal remarks. Questions and topics for consideration should be submitted to InvestorRelations@readingrdi.com on November 8, 2018 by 5:00 p.m. Eastern Standard Time. The audio webcast can be accessed by visiting http://www.readingrdi.com/about/#earnings-call.

**About Reading International, Inc.**

Reading International, Inc. (NASDAQ: RDI) is a leading entertainment and real estate company, engaging in the development, ownership and operation of multiplex cinemas and retail and commercial real estate in the United States, Australia, and New Zealand.

The family of Reading brands includes cinema brands Reading Cinemas, Angelika Film Centers, Consolidated Theatres, and City Cinemas; live theatres operated by Liberty Theatres in the United States; and signature property developments, including Newmarket Village, Auburn Red Yard and Cannon Park in Australia, Courtenay Central in New Zealand and 44 Union Square in New York City.

Additional information about Reading can be obtained from the Company's website: http://www.readingrdi.com.

**Forward-Looking Statements**

*Our statements in this press release contain a variety of forward-looking statements as defined by the Securities Litigation Reform Act of 1995. Forward-looking statements reflect only our expectations regarding future events and operating performance and necessarily speak only as of the date the information was prepared. No guarantees can be given that our expectations will in fact be realized, in whole or in part. You can recognize these statements by our use of words such as, by way of example, "may," "will," "expect," "believe," and "anticipate" or other similar terminology.*

*These forward-looking statements reflect our expectation after having considered a variety of risks and uncertainties. However, they are necessarily the product of internal discussion and do not necessarily completely reflect the views of individual members of our Board of Directors or of our management team. Individual Board members and individual members of our management team may have different views as to the risks and uncertainties involved, and may have different views as to future events or our operating performance.*

*Among the factors that could cause actual results to differ materially from those expressed in or underlying our forward-looking statements are the following:*

- with respect to our cinema operations:
  - the number and attractiveness to movie goers of the films released in future periods;
  - the amount of money spent by film distributors to promote their motion pictures;
  - the licensing fees and terms required by film distributors from motion picture exhibitors in order to exhibit their films;
  - the comparative attractiveness of motion pictures as a source of entertainment and willingness and/or ability of consumers (i) to spend their dollars on entertainment and (ii) to spend their entertainment dollars on movies in an outside the home environment;
  - the extent to which we encounter competition from other cinema exhibitors, from other sources of outside-the-home entertainment, and from inside-the-home entertainment options, such as "home theaters" and competitive film product distribution technology such as, by way of example, cable, satellite broadcast and DVD rentals and sales, and online streaming;
  - the cost and impact of improvements to our cinemas, such as improved seating, enhanced food and beverage offerings and other improvements;
  - service disruption during theater improvements; and
  - the extent to and the efficiency with which we are able to integrate acquisitions of cinema circuits with our existing operations.

- with respect to our real estate development and operation activities:
  - the rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own;
  - the extent to which we can obtain on a timely basis the various land use approvals and entitlements needed to develop our properties;
  - the risks and uncertainties associated with real estate development;
  - the availability and cost of labor and materials;
  - the ability to obtain all permits to construct improvements;
  - the ability to finance improvements;
  - the disruptions from construction;
  - the possibility of construction delays, work stoppage and material shortage;
  - competition for development sites and tenants;
  - environmental remediation issues;
  - the extent to which our cinemas can continue to serve as an anchor tenant that will, in turn, be influenced by the same factors as will influence generally the results of our cinema operations;
  - the ability to negotiate and execute joint venture opportunities and relationships; and
  - certain of our activities are in geologically active areas, creating a risk of damage and/or disruption of real estate and/or cinema businesses from earthquakes.
- with respect to our operations generally as an international company involved in both the development and operation of cinemas and the development and operation of real estate; and previously engaged for many years in the railroad business in the United States:
  - our ability to renew, extend or renegotiate our loans that mature in 2018;
  - our ongoing access to borrowed funds and capital and the interest that must be paid on that debt and the returns that must be paid on such capital;
  - expenses, management and Board distraction and other effects of the litigation efforts mounted by James Cotter, Jr. against the Company, including his efforts to cause a sale of voting control of the Company;
  - the relative values of the currency used in the countries in which we operate;
  - changes in government regulation, including by way of example, the costs resulting from the implementation of the requirements of Sarbanes-Oxley;
  - our labor relations and costs of labor (including future government requirements with respect to pension liabilities, disability insurance and health coverage, and vacations and leave);
  - our exposure from time to time to legal claims and to uninsurable risks such as those related to our historic railroad operations, including potential environmental claims and health-related claims relating to alleged exposure to asbestos or other substances now or in the future recognized as being possible causes of cancer or other health related problems;
  - our exposure to cyber-security risks, including misappropriation of customer information or other breaches of information security;
  - changes in future effective tax rates and the results of currently ongoing and future potential audits by taxing authorities having jurisdiction over our various companies; and
  - changes in applicable accounting policies and practices.

*The above list is not necessarily exhaustive, as business is by definition unpredictable and risky, and subject to influence by numerous factors outside of our control. Such factors can be, changes in government regulation or policy, competition, interest rates, supply, technological innovation, changes in consumer taste and fancy, weather, and the extent to which consumers in our markets have the economic wherewithal to spend money on beyond-the-home entertainment.*

*Given the variety and unpredictability of the factors that will ultimately influence our businesses and our results of operation, no guarantees can be given that any of our forward-looking statements will ultimately prove to be correct. Actual results will undoubtedly vary and there is no guarantee as to how our securities will perform, either when considered in isolation or when compared to other securities or investment opportunities.*

*In addition to the forward-looking factors set forth above, we encourage you to review Item 1A. "Risk Factors," from our Company's Annual Report on SEC Form 10-K for the Year Ended December 31, 2017.*

*Finally, we undertake no obligation to publicly update or to revise any of our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable law. Accordingly, you should always note the date to which our forward-looking statements speak.*

*Additionally, certain of the presentations included in this press release may contain "pro forma" information or "non-U.S. GAAP financial measures." In such case, a reconciliation of this information to our U.S. GAAP financial statements will be made available in connection with such statements.*

For more information, contact:
Dev Ghose, Executive Vice President & Chief Financial Officer
Andrzej Matyczynski, Executive Vice President for Global Operations
Reading International, Inc. (213) 235-2240

**Reading International, Inc. and Subsidiaries**
**Unaudited Consolidated Statements of Operations**
*(Unaudited; U.S. dollars in thousands, except per share data)*

| | Quarter Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2018 | 2017(1) | 2018 | 2017(1) |
| **Revenue** | | | | |
| Cinema | $ 70,671 | $ 62,059 | $ 223,109 | $ 196,062 |
| Real estate | 3,590 | 4,057 | 11,286 | 11,975 |
| Total revenue | 74,261 | 66,116 | 234,395 | 208,037 |
| **Costs and expenses** | | | | |
| Cinema | (54,929) | (49,591) | (170,183) | (153,512) |
| Real estate | (2,475) | (2,881) | (7,408) | (7,258) |
| Depreciation and amortization | (5,829) | (4,137) | (16,705) | (12,124) |
| General and administrative | (6,489) | (5,840) | (21,250) | (18,131) |
| Total costs and expenses | (69,722) | (62,449) | (215,546) | (191,025) |
| **Operating income** | 4,539 | 3,667 | 18,849 | 17,012 |
| Interest expense, net | (1,748) | (1,663) | (5,132) | (5,310) |
| Gain on sale of assets | — | — | — | 9,417 |
| Gain on insurance recoveries | — | — | — | 9,217 |
| Other (expense) income | (130) | 89 | (273) | 937 |
| **Income before income tax expense and equity earnings of unconsolidated joint ventures** | 2,661 | 2,093 | 13,444 | 31,273 |
| Equity earnings of unconsolidated joint ventures | 80 | 136 | 667 | 654 |
| **Income before income taxes** | 2,741 | 2,229 | 14,111 | 31,927 |
| Income tax expense | (1,482) | (750) | (4,618) | (8,316) |
| **Net income** | $ 1,259 | $ 1,479 | $ 9,493 | $ 23,611 |
| Less: net income attributable to noncontrolling interests | (38) | (98) | 88 | (66) |
| **Net income attributable to Reading International, Inc. common shareholders** | $ 1,297 | $ 1,577 | $ 9,405 | $ 23,677 |
| **Basic earnings per share attributable to Reading International, Inc. shareholders** | $ 0.06 | $ 0.07 | $ 0.41 | $ 1.02 |
| **Diluted earnings per share attributable to Reading International, Inc. shareholders** | $ 0.06 | $ 0.07 | $ 0.41 | $ 1.01 |
| Weighted average number of shares outstanding–basic | 23,006,040 | 22,968,017 | 22,988,227 | 23,101,619 |
| Weighted average number of shares outstanding–diluted | 23,197,924 | 23,212,632 | 23,185,021 | 23,346,234 |

(1) *Certain prior period amounts have been reclassified to conform to the current period presentation.*

**Reading International, Inc. and Subsidiaries**
**Consolidated Balance Sheets**
*(Unaudited; U.S. dollars in thousands, except share information)*

| | September 30, 2018 | December 31, 2017 |
|---|---|---|
| **ASSETS** | (unaudited) | |
| **Current Assets:** | | |
| Cash and cash equivalents | $ 15,714 | $ 13,668 |
| Receivables | 7,306 | 13,050 |
| Inventory | 1,231 | 1,432 |
| Prepaid and other current assets | 5,393 | 5,325 |
| **Total current assets** | 29,644 | 33,475 |
| Operating property, net | 261,139 | 264,724 |
| Investment and development property, net | 80,086 | 61,254 |
| Investment in unconsolidated joint ventures | 5,045 | 5,304 |
| Goodwill | 19,444 | 20,276 |
| Intangible assets, net | 7,484 | 8,542 |
| Deferred tax asset, net | 25,285 | 24,746 |
| Other assets | 7,530 | 5,082 |
| **Total assets** | $ 435,657 | $ 423,403 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current Liabilities:** | | |
| Accounts payable and accrued liabilities | $ 26,258 | $ 34,359 |
| Film rent payable | 6,890 | 13,511 |
| Debt – current portion | 3,175 | 8,109 |
| Taxes payable – current | 1,877 | 2,938 |
| Deferred current revenue | 6,796 | 9,850 |
| Other current liabilities | 9,274 | 11,679 |
| **Total current liabilities** | 54,270 | 80,446 |
| Debt – long-term portion | 133,231 | 94,862 |
| Subordinated debt, net | 27,584 | 27,554 |
| Noncurrent tax liabilities | 12,437 | 12,274 |
| Other liabilities | 28,272 | 26,649 |
| **Total liabilities** | 255,794 | 241,785 |
| **Commitments and contingencies** | | |
| **Stockholders' equity:** | | |
| Class A non-voting common stock, par value $0.01, 100,000,000 shares authorized, 33,128,463 issued and 21,336,551 outstanding at September 30, 2018 and 33,019,565 issued and 21,251,291 outstanding at December 31, 2017 | 232 | 231 |
| Class B voting common stock, par value $0.01, 20,000,000 shares authorized and 1,680,590 issued and outstanding at September 30, 2018 and December 31, 2017 | 17 | 17 |
| Nonvoting preferred stock, par value $0.01, 12,000 shares authorized and no issued or outstanding shares at September 30, 2018 and December 31, 2017 | — | — |
| Additional paid-in capital | 147,059 | 145,898 |
| Retained earnings | 42,655 | 33,056 |
| Treasury shares | (23,303) | (22,906) |
| Accumulated other comprehensive income | 8,843 | 20,991 |
| **Total Reading International, Inc. stockholders' equity** | 175,503 | 177,287 |
| Noncontrolling interests | 4,360 | 4,331 |
| **Total stockholders' equity** | 179,863 | 181,618 |
| **Total liabilities and stockholders' equity** | $ 435,657 | $ 423,403 |

READING INTERNATIONAL

2018 ANNUAL STOCKHOLDERS MEETING

NOVEMBER 7, 2018

# SAFE HARBOR DISCLAIMER

Our comments today may contain forward-looking statements and management may make additional forward-looking statements in response to your questions. Such written and oral disclosures are made pursuant to the Safe Harbor provision of the Private Securities Litigation Reform Act of 1995.

Although we believe our expectations expressed in such forward-looking statements are reasonable, we cannot assure you that they will be realized. Investors are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the anticipated results, and therefore we refer you to a more detailed discussion of the risks and uncertainties in the Company's filings with the Securities & Exchange Commission.

# FINANCIAL RECONCILATIONS

We use EBITDA in the evaluation of our Company's performance since we believe that EBITDA provides a useful measure of financial performance and value. We believe this principally for the following reasons:

We believe that EBITDA is an accepted industry-wide comparative measure of financial performance. It is, in our experience, a measure commonly adopted by analysts and financial commentators who report upon the cinema exhibition and real estate industries, and it is also a measure used by financial institutions in underwriting the creditworthiness of companies in these industries. Accordingly, our management monitors this calculation as a method of judging our performance against our peers, market expectations and our creditworthiness. It is widely accepted that analysts, financial commentators and persons active in the cinema exhibition and real estate industries typically value enterprises engaged in these businesses at various multiples of EBITDA. Accordingly, we find EBITDA valuable as an indicator of the underlying value of our businesses. We expect that investors may use EBITDA to judge our ability to generate cash, as a basis of comparison to other companies engaged in the cinema exhibition and real estate businesses and as a basis to value our company against such other companies.

EBITDA is not a measurement of financial performance under generally accepted accounting principles in the United States of America and it should not be considered in isolation or construed as a substitute for net income or other operations data or cash flow data prepared in accordance with generally accepted accounting principles in the United States for purposes of analyzing our profitability. The exclusion of various components, such as interest, taxes, depreciation and amortization, limits the usefulness of these measures when assessing our financial performance, as not all funds depicted by EBITDA are available for management's discretionary use. For example, a substantial portion of such funds may be subject to contractual restrictions and functional requirements to service debt, to fund necessary capital expenditures and to meet other commitments from time to time.

EBIT and EBITDA also fail to take into account the cost of interest and taxes. Interest is clearly a real cost that for us is paid periodically as accrued. Taxes may or may not be a current cash item but are nevertheless real costs that, in most situations, must eventually be paid. A company that realizes taxable earnings in high tax jurisdictions may, ultimately, be less valuable than a company that realizes the same amount of taxable earnings in a low tax jurisdiction. EBITDA fails to take into account the cost of depreciation and amortization and the fact that assets will eventually wear out and have to be replaced.

## CINEMA PORTFOLIO

**59 Theaters**

478 screens
in US, AU & NZ

**4 Brands**

- Reading Cinemas (US, AU & NZ)
- Consolidated Theatres (Hawaii)
- Angelika Film Centers (US)
- City Cinemas (NYC)

**Geographic Footprint**

United States: 27 theaters in 6 states & DC
11th largest US exhibitor

Australia: 21 theaters in five states
4th largest AU exhibitor

New Zealand: 11 theaters in North & South Island
3rd largest NZ exhibitor

**Diversified Programming**

US - Leading exhibitor in both commercial and specialty film and curated content

# LEADING CINEMA & REAL ESTATE COMPANY

DIVERSIFIED OWNER/OPERATOR OF ENTERTAINMENT & REAL ESTATE ASSETS

## REAL ESTATE PORTFOLIO

**7 Value Creation Projects**

US, AU & NZ

**11 Operating Properties**

US, AU & NZ, including
2 Off Broadway Live Theatres
in NYC & 1 in Chicago

**3 Future Long-Term Value Creation Projects**

US & NZ

ELEVATING THE
**CINEMA EXPERIENCE**



UNLOCKING
**REAL ESTATE VALUE**

# WELL POSITIONED TO CREATE LONG-TERM STOCKHOLDER VALUE

- Complementary Cinema & Real Estate portfolios offer compelling strategic and financial benefits
- Cinemas provide steady cash flow to support real estate development focused on driving long-term stockholder value
- Elevating the cinema guest experience ... with state-of-the-art presentation and sound, luxury recliner seating, localized craft food & beverage menus and engaging digital/social platforms ... builds that cash flow
- Disciplined pursuit of new opportunities builds that cash flow
- Maximizing value in existing real estate portfolio, while pursuing new opportunities that meet our investment criteria, builds long term tangible value


newmarket
VILLAGE
READING
CINEMAS
NEWMARKET-VILLAGE.COM.AU

JAMES J. COTTER, SR.

## CORE VALUES & GUIDING PRINCIPLES INSPIRED BY OUR FOUNDER

**ENTREPRENEURIAL** approach to our business

**EDUCATED** analysis underpins our strategies

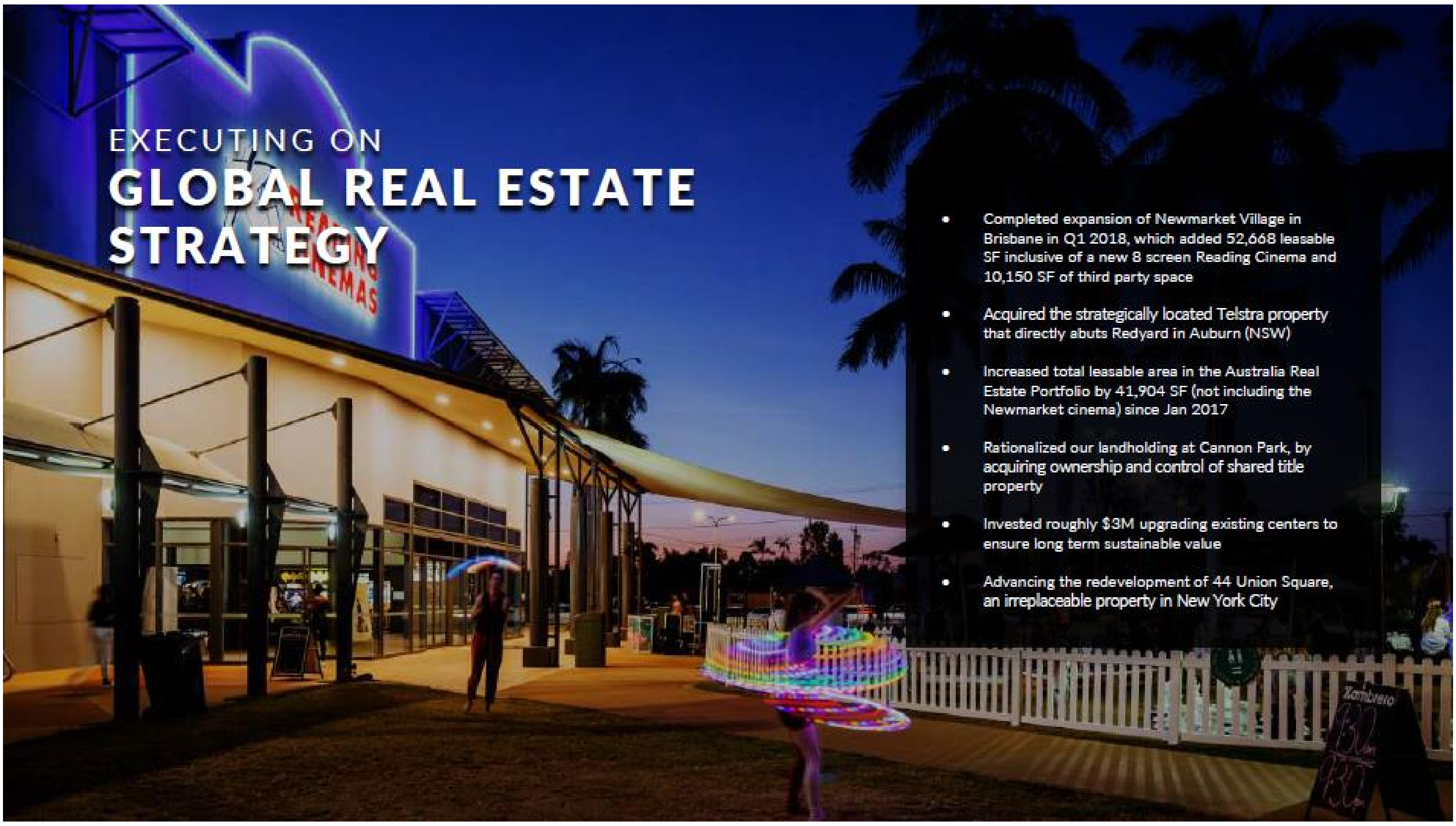
**ENGAGING** our guests is paramount to our success

**EXECUTION** is a focus of our three-year strategy

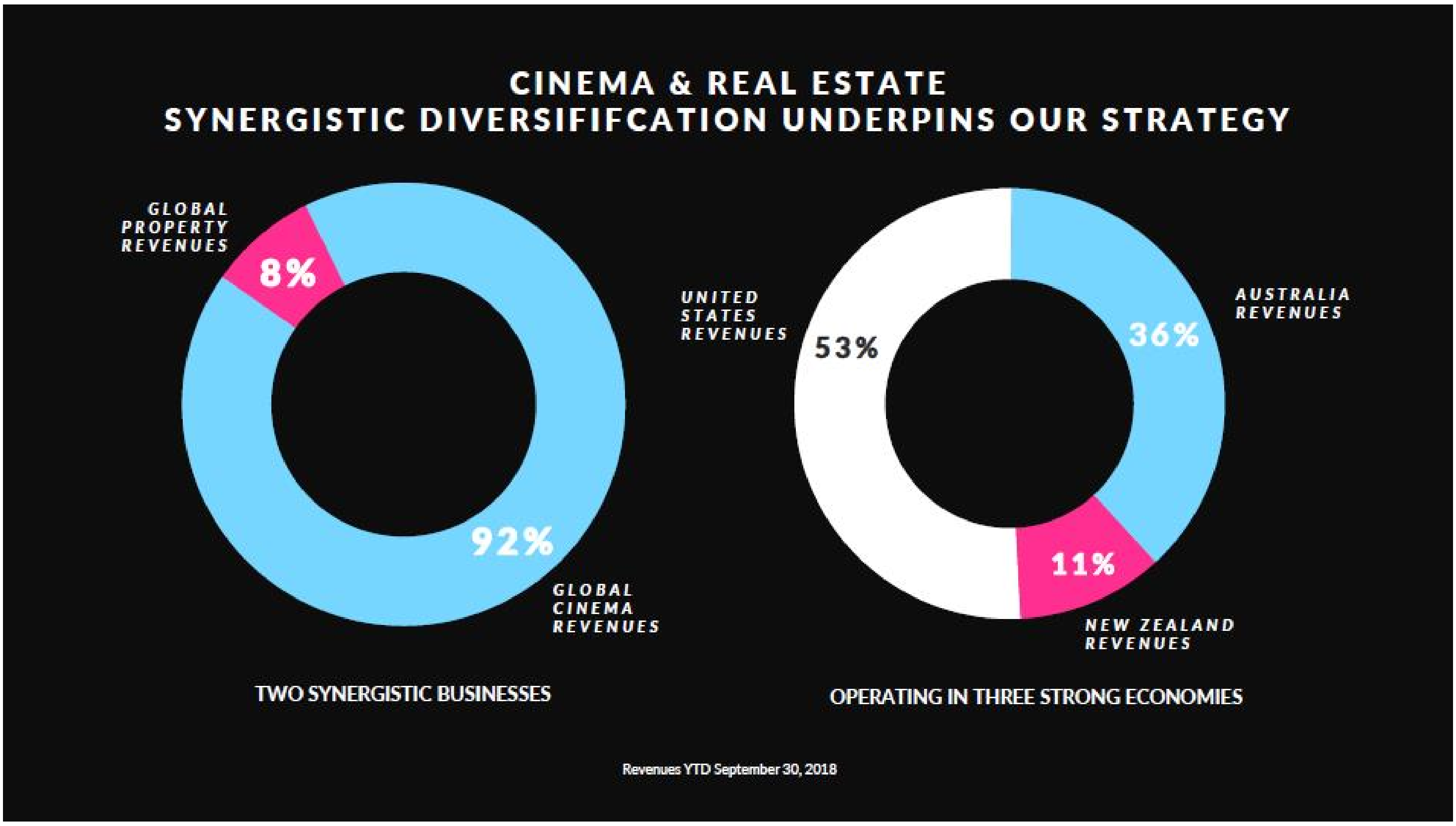
**EXTENDED VIEW** means pursuing a long-term value strategy

**EMPATHETIC** approach to our stakeholders


EXECUTING ON
GLOBAL CINEMA STRATEGY
SINCE 2015, INVESTED SUBSTANTIALLY IN OUR GLOBAL CINEMAS
• BUILT 3 NEW CINEMAS
• MADE SIGNIFICANT INVESTMENT IN EXISTING PORTFOLIO
By end of 2018,
• 38% of all US Screens to feature Luxury Recliner Seating
• 19% of all AU/NZ Screens to feature Luxury Recliner Seating
• 26% of all US Theaters to feature a Premium Auditorium (TITAN LUXE, TITAN XC or IMAX)
• 41% of all AU/NZ Theatres to feature a Premium Auditorium (TITAN LUXE or TITAN XC)
• 52% of all US Theaters to offer enhanced F&B menus
• 52% of all AU/NZ Theaters to offer enhanced F&B menus through Gold Lounges/Premium Auditoriums
OUR GLOBAL CINEMA REVENUES AND OPERATING INCOME HAVE INCREASED
• US - 28% REVENUES / 73% OPERATING INCOME
• AU - 15% REVENUES / 13% OPERATING INCOME
• NZ - 32% REVENUES / 33% OPERATING INCOME
FROM YTD SEPT 2015 TO YTD SEPT 2018

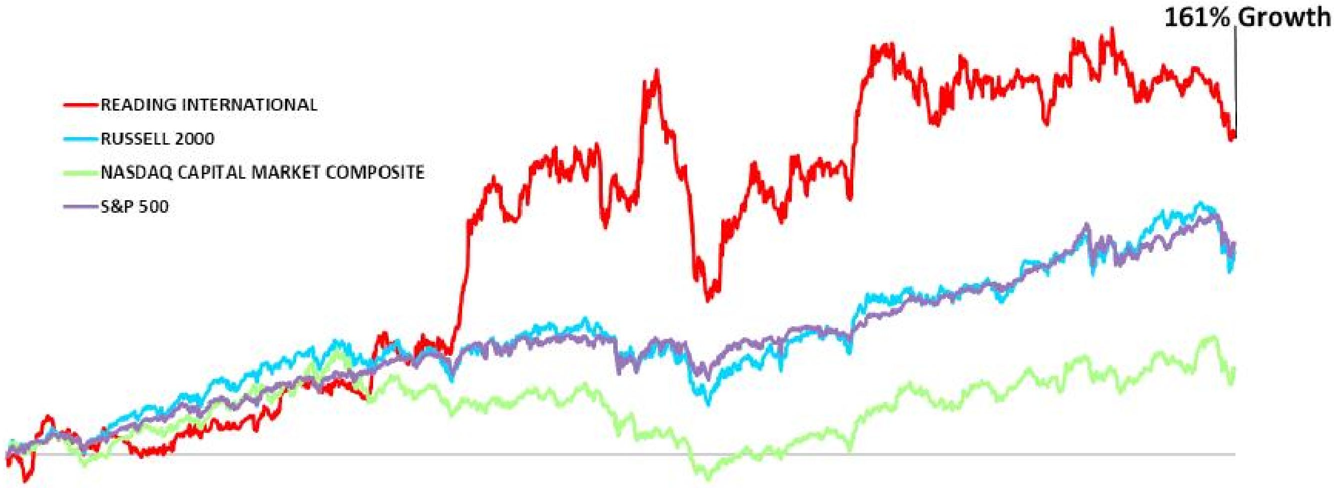


EXECUTING ON
GLOBAL REAL ESTATE STRATEGY
• Completed expansion of Newmarket Village in Brisbane in Q1 2018, which added 52,668 leasable SF inclusive of a new 8 screen Reading Cinema and 10,150 SF of third party space
• Acquired the strategically located Telstra property that directly abuts Redyard in Auburn (NSW)
• Increased total leasable area in the Australia Real Estate Portfolio by 41,904 SF (not including the Newmarket cinema) since Jan 2017
• Rationalized our landholding at Cannon Park, by acquiring ownership and control of shared title property
• Invested roughly $3M upgrading existing centers to ensure long term sustainable value
• Advancing the redevelopment of 44 Union Square, an irreplaceable property in New York City


CINEMA & REAL ESTATE
SYNERGISTIC DIVERSIFIFCATION UNDERPINS OUR STRATEGY
GLOBAL PROPERTY REVENUES
8%
92%
GLOBAL CINEMA REVENUES
TWO SYNERGISTIC BUSINESSES
UNITED STATES REVENUES
53%
AUSTRALIA REVENUES
36%
11%
NEW ZEALAND REVENUES
OPERATING IN THREE STRONG ECONOMIES
Revenues YTD September 30, 2018

## TOTAL STOCKHOLDER RETURN – RDI CLASS A
## SINCE JUNE 21, 2012: CONTINUOUS INCLUSION ON RUSSELL INDEX*

*TSR%*




* 6/21/2012 11/05/2018

# THE EXECUTION OF OUR CAPITAL INVESTMENT AND OPERATING STRATEGIES DRIVES READING'S 2018 STRONG INDUSTRY PERFORMANCE

## *BOX OFFICE RESULTS*


* Q4 2016 NZ Wellington earthquake adversely impacted 2017 results

2018 Box Office results are YTD September 30, 2018

READING CINEMAS

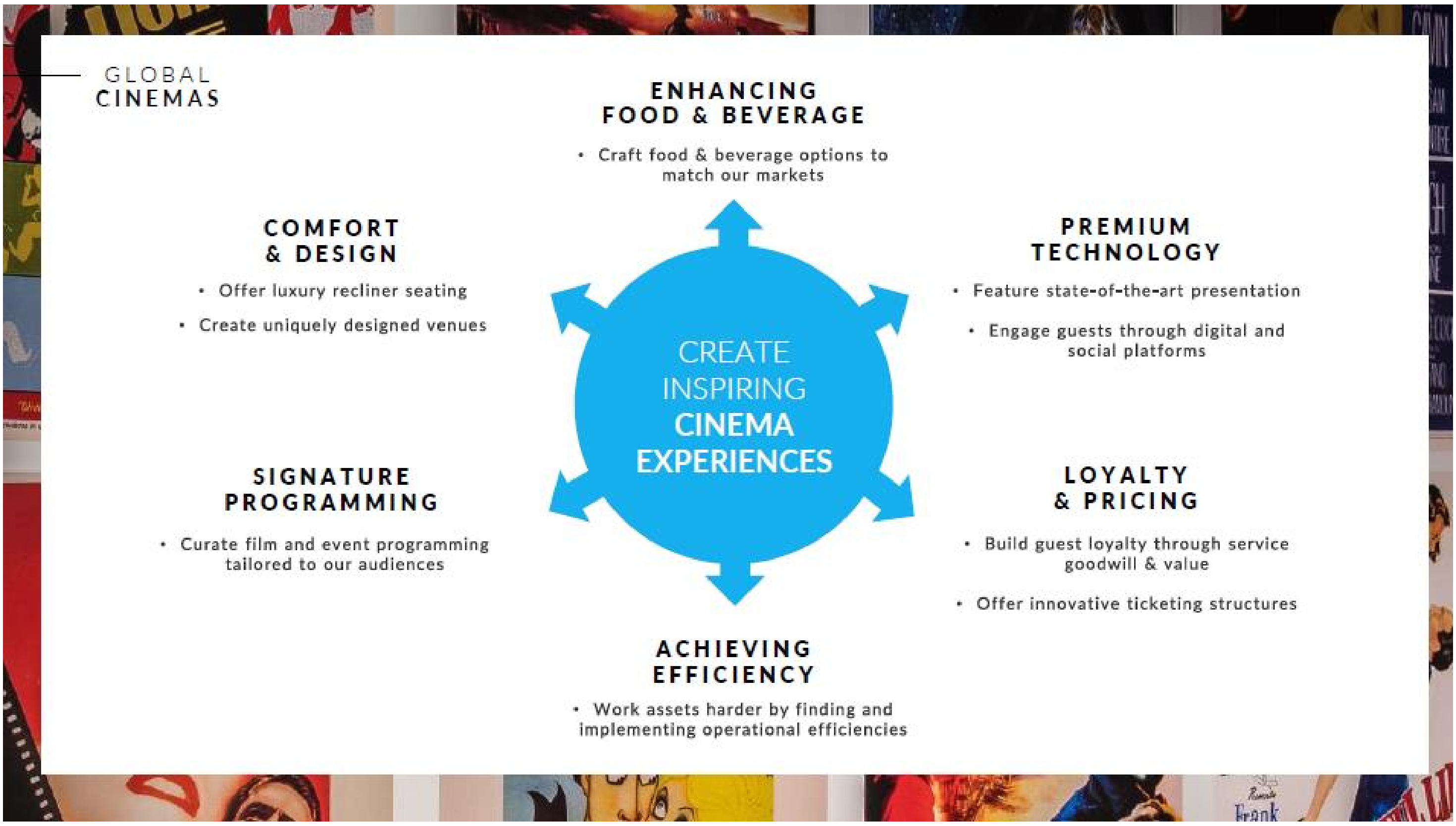
CONSOLIDATED THEATRES

ANGELIKA FILM CENTER & CAFE

CITY CINEMAS

# GLOBAL CINEMA STRATEGY

- Re-invest in existing portfolio
- Improve Operating Income
- Pursue Company growth through acquisitions and new developments


GLOBAL CINEMAS
ENHANCING FOOD & BEVERAGE
• Craft food & beverage options to match our markets
COMFORT & DESIGN
• Offer luxury recliner seating
• Create uniquely designed venues
PREMIUM TECHNOLOGY
• Feature state-of-the-art presentation
• Engage guests through digital and social platforms
CREATE INSPIRING CINEMA EXPERIENCES
SIGNATURE PROGRAMMING
• Curate film and event programming tailored to our audiences
LOYALTY & PRICING
• Build guest loyalty through service goodwill & value
• Offer innovative ticketing structures
ACHIEVING EFFICIENCY
• Work assets harder by finding and implementing operational efficiencies

# FOUNDATION FOR GLOBAL CINEMA STRATEGY • SOLID THEATRICAL STUDIO SLATE

2019


2020


- Major Studios anticipated to deliver another record Box Office year in 2018
- Expect strong slate from Major Studios in 2019 and 2020
- Event films drive premium experience TITAN LUXE

## SPECIALTY FILM CONTINUES TO SUPPORT ANGELIKA BOX OFFICE • STRONG 2019 SLATE

Specialty film companies will continue to take risks and explore new stories and perspectives that the major studios may not

**US CINEMAS - ANGELIKA BRAND RELIES ON DOCUMENTARIES, INDEPENDENT & FOREIGN LANGUAGE FILMS**

- Fox Searchlight supported in Disney/Fox merger
- Sony Pictures Classics and Focus Features continue to be supported by studio parent
- A24, Neon, Bleeker Street
- Amazon, Netflix


RECLINER SEATING
DRIVES ATTENDANCE
• Luxury Recliner Seating in 56% of US screens by 2020
• Luxury Recliner Seating in 31% of AU/NZ screens by 2020

# PREMIUM PRESENTATION DRIVES READING BOX OFFICE

Percentage of cinemas with at least one premium screen by end of 2018

- 26% in US
- 41% in AU/NZ

Percentage of cinemas with at least one premium screen by end of 2020

- 33% in US
- 52% in AU/NZ

# ENHANCING FOOD & BEVERAGE MENUS

By the end of **2018**,

- 14 theaters (52% of US circuit) to offer elevated food through improved kitchen facilities
- 12 theaters (44% of US circuit) to sell beer, wine and/or liquor

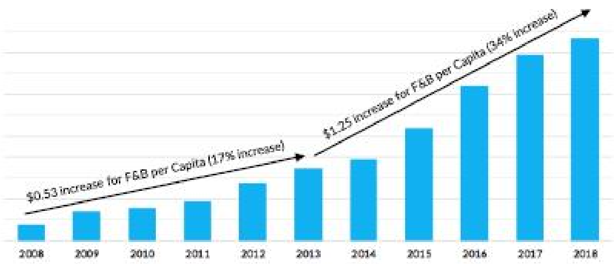
By the end of **2020**, we anticipate

- An additional 5 theaters will offer elevated food through improved kitchen facilities
- An additional 6 theaters will sell beer, wine and/or liquor

UNITED STATES
CINEMAS

# CRAFTED FOOD & BEVERAGE DRIVES REVENUE

## US CINEMAS F&B PER CAPITA




2018 results are YTD September 30, 2018

# ENHANCING FOOD & BEVERAGE MENUS

By the end of **2018**,

- 11% of AU/NZ circuit (22 screens) to feature Gold Lounge service
  - *Waiters serve both elevated food and liquor in intimately sized auditoriums driving higher ticket prices*
- 10% of AU/NZ circuit (21 screens) will be branded Premium auditoriums
  - *Typically, elevated food and liquor can be enjoyed in recliner seats*

By the end of **2020**, we anticipate

- Adding more Gold Lounge and Premium auditoriums– potential for up to 25 screens

- Adding liquor menu to substantially all Reading Cinemas, subject to applicable laws

Existing F&B strategy includes adding tap and craft beer to Premium auditoriums, re-vamping Gold Lounge menus, creating movie-themed menus and improved digital marketing


---

GLOBAL CINEMAS

# INVESTING IN OUR CINEMA PORTFOLIO

## United States

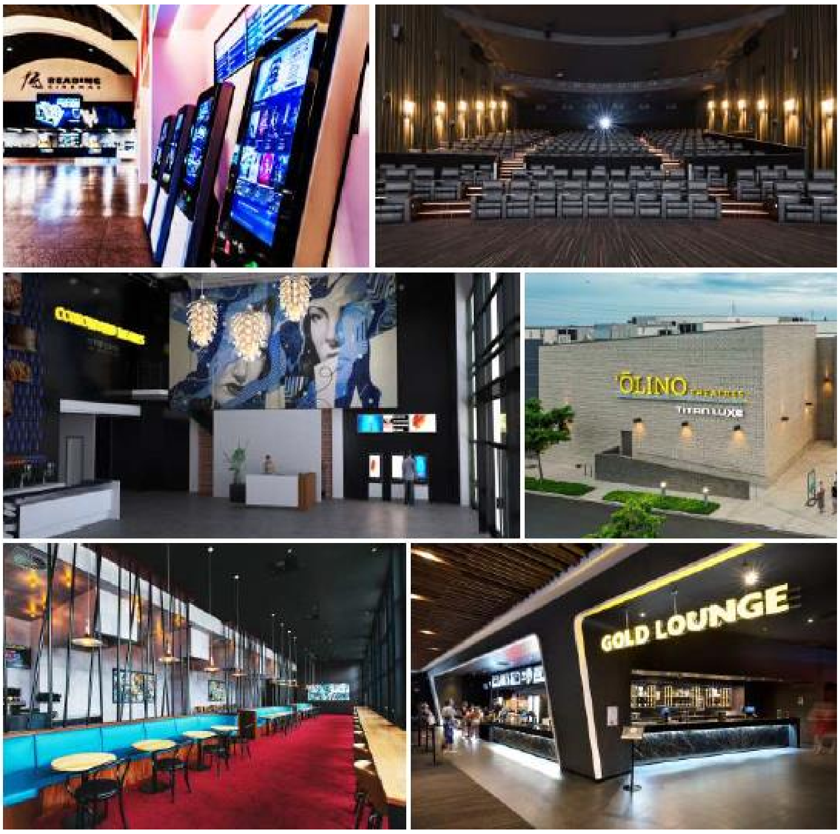
- **2018** expected to be invested $15M - $18M
- **2019 & 2020** expected to be invested $35M - $38M

## Australia

- **2018** expected to be invested $6M - $7M
- **2019 & 2020** expected to invested $17M - $18M

## New Zealand

- **2018** expected to be invested $1M - $2M
- **2019 & 2020** expected to be invested $5M - $6M



## INNOVATIVE PRICING IMPROVES ATTENDANCE

- In AU/NZ, a compelling value-based ticket pricing structure, with a simple, clear marketing plan, continues to be the foundation for circuit distinction and strength
- US pricing decisions made market-by-market, due to geographic and programming diversity of circuit
- Attendance improved significantly in select US Cinemas where we launched reasonably priced general admission ticket structure, coupled with concession discounts

GLOBAL CINEMAS

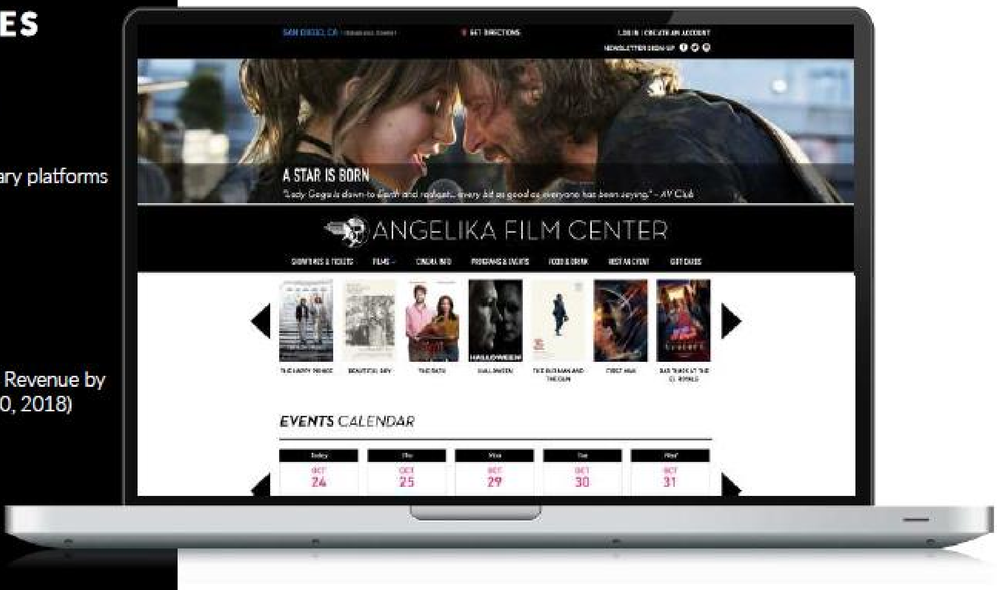

# DIGITAL MARKETING DRIVES REVENUES

- Fully deployed US Cinemas Mobile App in Q4 2017
- Soft launching AU/NZ Cinemas Mobile App by end of 2018
- Implement reserved seating across most global cinemas by end of 2019
- Improving and expanding social media platforms globally
- Launched sale of e-gift cards in US in Q1 2018 and targeting AU/NZ launch in 2019
- Revamp global cinema websites by end of 2019

GLOBAL
CINEMAS

# ONLINE TICKET SALES IMPROVE TOTAL CINEMA REVENUES

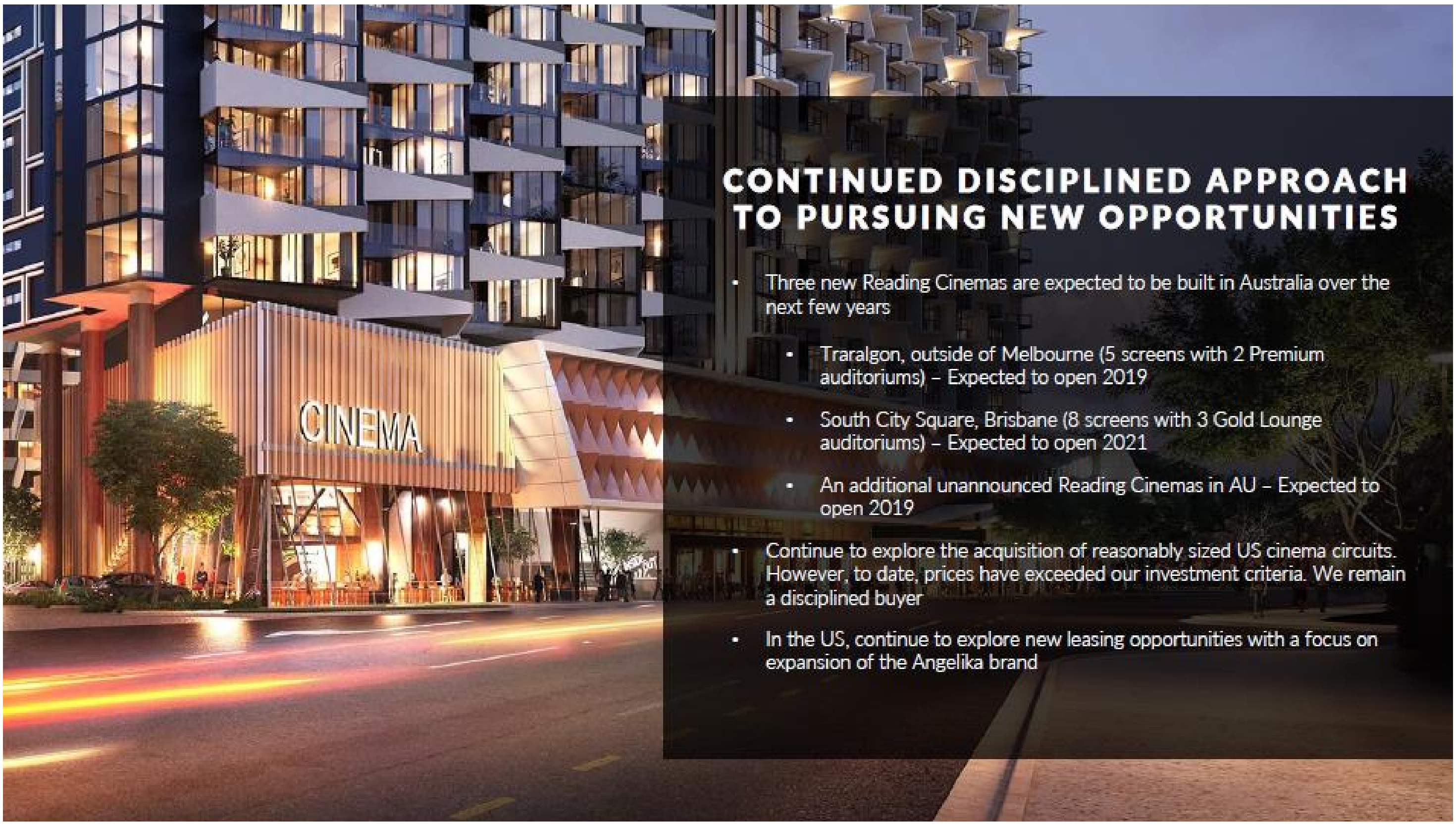
- Online ticket sales on multiple proprietary platforms in US, AU and NZ
  - Websites
  - Mobile Apps
  - Social Media
  - Loyalty Programs
- Increased Global Net Convenience Fee Revenue by 57% to $4.2M over TTM (September 30, 2018)



GLOBAL
CINEMAS

# CURATED PROGRAMMING

- Continue to generate incremental revenues through the curation of signature programming
- Alternative Content emphasis
  - Japanese anime, foreign language films, music movies, cultural events
  - Exclusively programmed repertory series, coupled with events or engagements
- Executed by our global programming and marketing teams
  - Our simple marketing formulas are easily overlaid across our programs, series, titles & events
  - Booked in advance and marketed across our own platforms, with no incremental advertising spend


CONTINUED DISCIPLINED APPROACH TO PURSUING NEW OPPORTUNITIES
CINEMA
Three new Reading Cinemas are expected to be built in Australia over the next few years
Traralgon, outside of Melbourne (5 screens with 2 Premium auditoriums) – Expected to open 2019
South City Square, Brisbane (8 screens with 3 Gold Lounge auditoriums) – Expected to open 2021
An additional unannounced Reading Cinemas in AU – Expected to open 2019
Continue to explore the acquisition of reasonably sized US cinema circuits. However, to date, prices have exceeded our investment criteria. We remain a disciplined buyer
In the US, continue to explore new leasing opportunities with a focus on expansion of the Angelika brand

READING PROPERTY
READING INTERNATIONAL INC

newmarket VILLAGE

THE BELMONT COMMON

AUBURN REDYARD

CANNON PARK

Courtenay Central

44 UNION SQUARE

5995 SEPULVEDA

# GLOBAL REAL ESTATE STRATEGY

- Unlock embedded and organic value in our existing real estate portfolio
- Reposition and incrementally build and develop a strong, diversified real estate portfolio
- Leverage operational and marketing strategies in our AU/NZ centers with anchor tenant, Reading Cinemas, to drive growth and profitability: bring the benefits of our customer oriented "curated" style to our retail assets

GLOBAL
REAL ESTATE

## BUILD LONG-TERM VALUE FOR OUR STOCKHOLDERS BY MAXIMIZING THE VALUE IN OUR EXISTING REAL ESTATE PORTFOLIO, WHILE PURSUING NEW OPPORTUNITIES THAT MEET OUR INVESTMENT CRITERIA


### PORTFOLIO

- Assemble a more complementary tenant mix to better serve our customers
- Reposition & renovate portfolio to generate incremental rental income

### SPACE

- Create spaces (interior & exterior) that inspire and connect communities

### ACQUISITIONS

- Pursue acquisitions that naturally enhance our existing portfolio

### INITIATIVES

- Implement leasing initiatives to maximize property returns
- Identify marketing strategies to engage & enrich experiences

### OPERATIONS

- Actively manage our properties to generate further operational efficiencies

# newmarket
VILLAGE

- Completed expansion in December 2017
  - New 8 screen state-of-the-art Reading Cinemas with TITAN LUXE opened December 2017
  - 10,150 SF of new Food & Beverage Retail created
  - 7 new restaurants open and trading, terms have been agreed for final tenancy, expected opening Q1 2019
- Expansion project increased the incremental net leasable area by 57%, which includes Reading Cinemas space
- Significant increase in capital value of Newmarket Village

AUSTRALIA
PORTFOLIO

# AUBURN REDYARD


## STRATEGIC ACQUISTION COMPLETED OCTOBER 2018

- Acquired building owned and occupied by ASX listed Telstra Corporation
- The Telstra property abuts Redyard on three sides and offers an expansive frontage to Parramatta Road
- Net leasable area of building is 16,830 SF, currently on one level
- Current zoning allows for a six-level building
- $3.5 million purchase price, with 4-year leaseback to Telstra that expires in Q3 2022

AUSTRALIA
**PORTFOLIO**

# AUBURN REDYARD

### SINCE 2017, ADDED SIX NEW INCREMENTAL TENANCIES AND UPGRADED CENTER

- Including the Telstra property, an incremental 31,549 SF of net leasable area added since Jan 2017
- 53% incremental increase in third-party net leasable area
- Completed major upgrade of common areas in Q2 2018
- Renovated Reading Cinemas by adding TITAN LUXE and 3 Premium auditoriums
- The recent investment in and repositioning of Redyard will lead to stronger tenancy demand and an improved retail mix

# THE BELMONT COMMON

- Re-configured existing leasable area to create more efficient layout
- Constructed and opened three new leading restaurants between Q3 2017 and Q2 2018
- Completed renovation of Reading Cinemas by adding two Premium auditoriums
- Finalizing LOI for remaining tenancy (1,150 SF) to restaurant operator


AUSTRALIA PORTFOLIO

# CANNON PARK

## PROGESSING RE-IMAGINATION PLANS

### 2018

- Rationalized land ownership control by acquiring 163,000 SF of common title land
- Developing Site Master Plan and supporting Feasibility Analysis to
    - Upgrade Reading Cinemas
    - Add 2,400 SF of incremental Retail Area
    - Upgrade Common Area
- Pop-Up leasing during property re-positioning

### 2019

- Present Master Plan and Feasibility to Board
- Lodge Town Planning Development Application
- Advance detailed design documentation
- Construction tender
- Re-negotiate and re-position existing leases

### 2020

- Commence construction Q1-20
- Complete construction and launch the re-imagined Cannon Park Q4-20


NEW ZEALAND
**PORTFOLIO**

## COURTENAY CENTRAL
## **WELLINGTON IS THRIVING**

- Significant Public and Private Investment
  - City Council confirms proposed Convention Centre (across the street from Courtenay Central) to break ground in 2019
  - "Let's Get Wellington Moving": Governmental plans include NZ$230M to upgrade city's transit infrastructure
  - Tourism strong. Total annual airport passengers nearly 6 million, with overseas travelers doubled to over 900,000 in 2018
  - At least two new hotels planned in Wellington area and at least two existing hotels being renovated
- Wellington recognized in 2018 as #1 Most Liveable City in the World (Deutsche Bank)

Courtenay Central

## PROGESSING RE-IMAGINATION PLANS

- Resolving Seismic and Reclaimed Land issues for each part of Project
- "Work-in-Progress" Feasibility continues to explore
  - Hotel
  - Incremental entertainment retail space
  - Upgraded premium Countdown Supermarket
  - Additional complementary retail in Wakefield building
  - 9 level Car Park (approx. 800 spaces)
  - Ground floor of Car Park activated with retail
  - Upgraded existing center offering food hall concept
  - Improving existing Reading Cinemas to "best-in-class" status
  - Creative office space

NEW ZEALAND
PORTFOLIO

THE COURTYARD

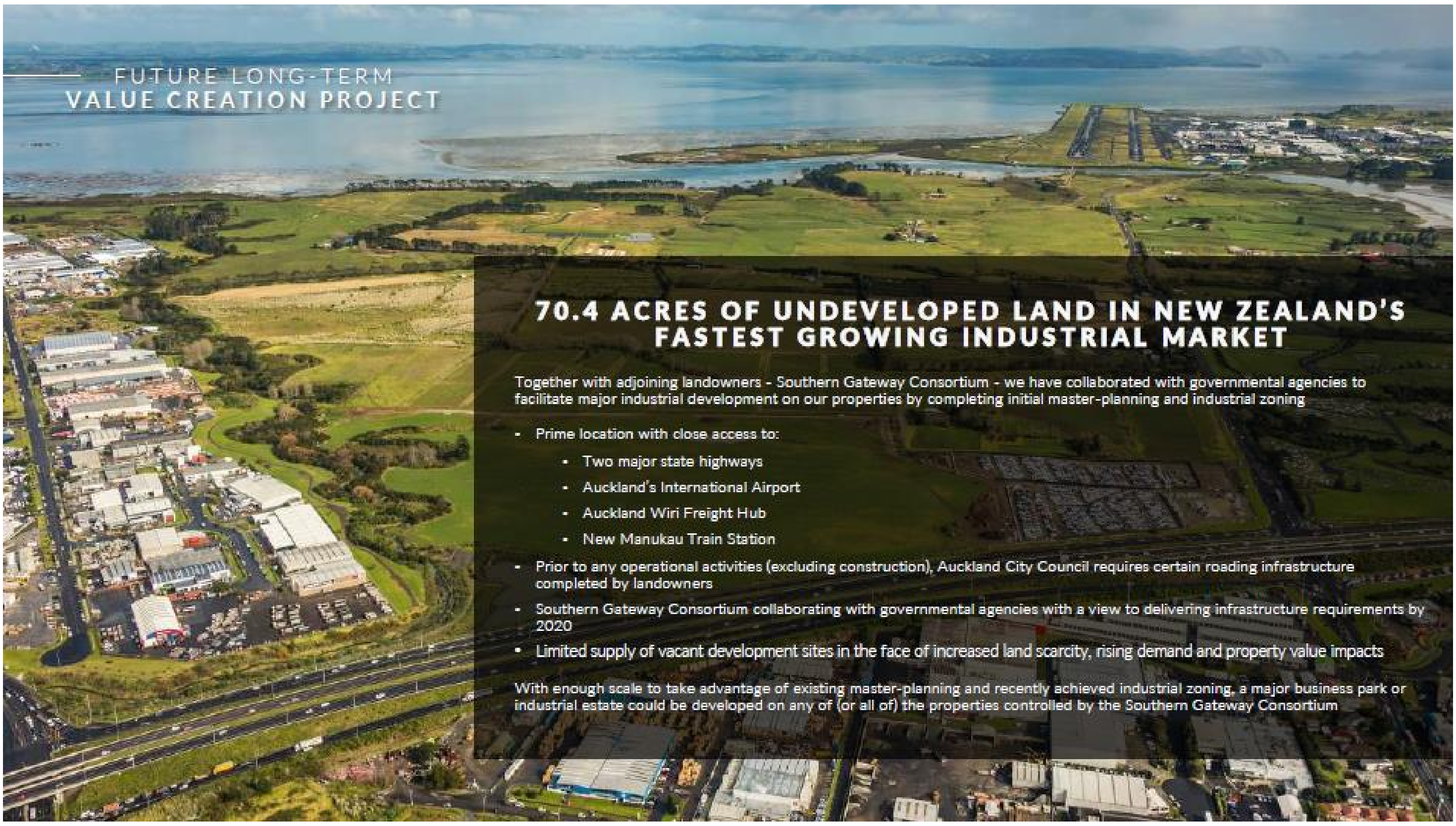

## AN INDOOR FOOD & ENTERTAINMENT HUB: KEEPING COURTENAY CENTRAL COMPELLING DURING TRANSITION

- Creating a local food scene
  - Eight eclectic, local street food vendors, with a waiting list
  - Filipino, Vietnamese, Indonesian, Spicy Nashville BBQ, Mexican
- Part of Wellington's arts culture
  - Venue for the New Zealand International Film Festival - Q2 2018
  - Hosted Summer Shakespeare The Comedy of Errors - outdoor performances in the Car Park - Q1 2018
  - Home to the Scruffy Bunny Improv Theater, Wellington's first venue dedicated to improv
  - Venue for Wellington's popular top Craft Market
  - Exclusive Wellington venue for German Engineered Virtual Reality Attraction - the Hologate
- Increasing foot traffic
  - Currently, attracting over 48,000 weekly visitors (locals and tourists)
  - Foot traffic has increased 31% in the past 8 months

# ENGAGING AND ENRICHING OUR COMMUNITIES

Our marketing team transforms our centres into exciting community spaces delivering memorable in-centre experiences

- Support our tenants – retailers, restaurants, services
- Support our communities
- Engage via our digital/social platforms
- Create synergies between our Reading Cinemas and other tenants



FUTURE LONG-TERM
VALUE CREATION PROJECT
70.4 ACRES OF UNDEVELOPED LAND IN NEW ZEALAND'S FASTEST GROWING INDUSTRIAL MARKET
Together with adjoining landowners - Southern Gateway Consortium - we have collaborated with governmental agencies to facilitate major industrial development on our properties by completing initial master-planning and industrial zoning
- Prime location with close access to:
  - Two major state highways
  - Auckland's International Airport
  - Auckland Wiri Freight Hub
  - New Manukau Train Station
- Prior to any operational activities (excluding construction), Auckland City Council requires certain roading infrastructure completed by landowners
- Southern Gateway Consortium collaborating with governmental agencies with a view to delivering infrastructure requirements by 2020
- Limited supply of vacant development sites in the face of increased land scarcity, rising demand and property value impacts
With enough scale to take advantage of existing master-planning and recently achieved industrial zoning, a major business park or industrial estate could be developed on any of (or all of) the properties controlled by the Southern Gateway Consortium

VALUE CREATION
**PROJECT**

44 UNION SQUARE

## AN IRREPLACEABLE NYC PROPERTY

73,322 SF (INCLUDING BOMA ADJUSTMENTS)

- Supporting Building Structure substantially complete
    - Concrete superstructure (floors, columns, beams) and exterior façade completed
    - Installation of Iconic Glass Dome commences November 2018 and is expected to be substantially completed by Q1 2019
    - Mechanical, electrical, plumbing and core & shell work to be completed by Q2 2019
- Q1 2019 – Expected delivery of tenant spaces for early start of tenant improvement work

VALUE CREATION
**PROJECT**

44 UNION SQUARE

## AN IRREPLACEABLE NYC PROPERTY
73,322 SF (INCLUDING BOMA ADJUSTMENTS)

- Retail leasing efforts continue with ongoing interest from potential full floor and multi-floor users
- Overall Manhattan office leasing market is strong
    - Midtown South submarket experienced record setting Q3 2018 asking rents
- While Manhattan retail market reflects overall retail trends, RDI remains confident in its newly constructed corner flagship space on Union Square in New York City

# READING VIADUCT & ADJACENT PROPERTIES
PHILADELPHIA, PA

- Our Reading Viaduct is 3,200 feet in length and at least 70 feet wide. We also own several small parcels (which all have air rights) adjacent to the Viaduct
- June 2018 - Center City District completed Phase One of the Philadelphia's new elevated Rail Park
- Surrounding neighborhoods are undergoing renewal
- We are discussing options with City Center with goal of creating long term value for stockholders

FUTURE LONG-TERM
**VALUE CREATION PROJECT**

## 50% MANAGING INTEREST IN 202 ACRES OF UNDEVELOPED LAND

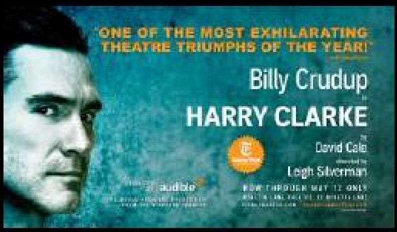
COACHELLA, CA

- Located immediately south of Interstate 10 and east of Highway 86 in Coachella Valley
- Current zoning for 50 acres of high density mixed-use and 150 acres of single family residences
- As we maintain the 202 acres, we continue to monitor the market and explore strategic alternatives for the property
- Signs of recent economic growth in Coachella Valley, home of the Coachella Valley Music and Arts Festival and Stagecoach
    - Hotel Indigo Resort, a potential year-around destination, recently announced
    - New Library and Conference Center opened October 2018 in downtown Coachella

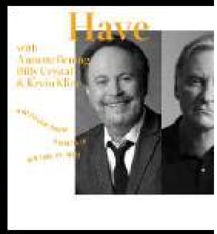
LIVE THEATRE
**PORTFOLIO**

## MINETTA LANE THEATRE
NEW YORK CITY

- In May 2018, Audible Inc., a subsidiary of Amazon and the leader in audiobooks, announced that the Minetta Lane would be its creative home for live productions in New York
- Since June 2018, Audible has been producing limited run productions and one night only exclusives at the Minetta Lane





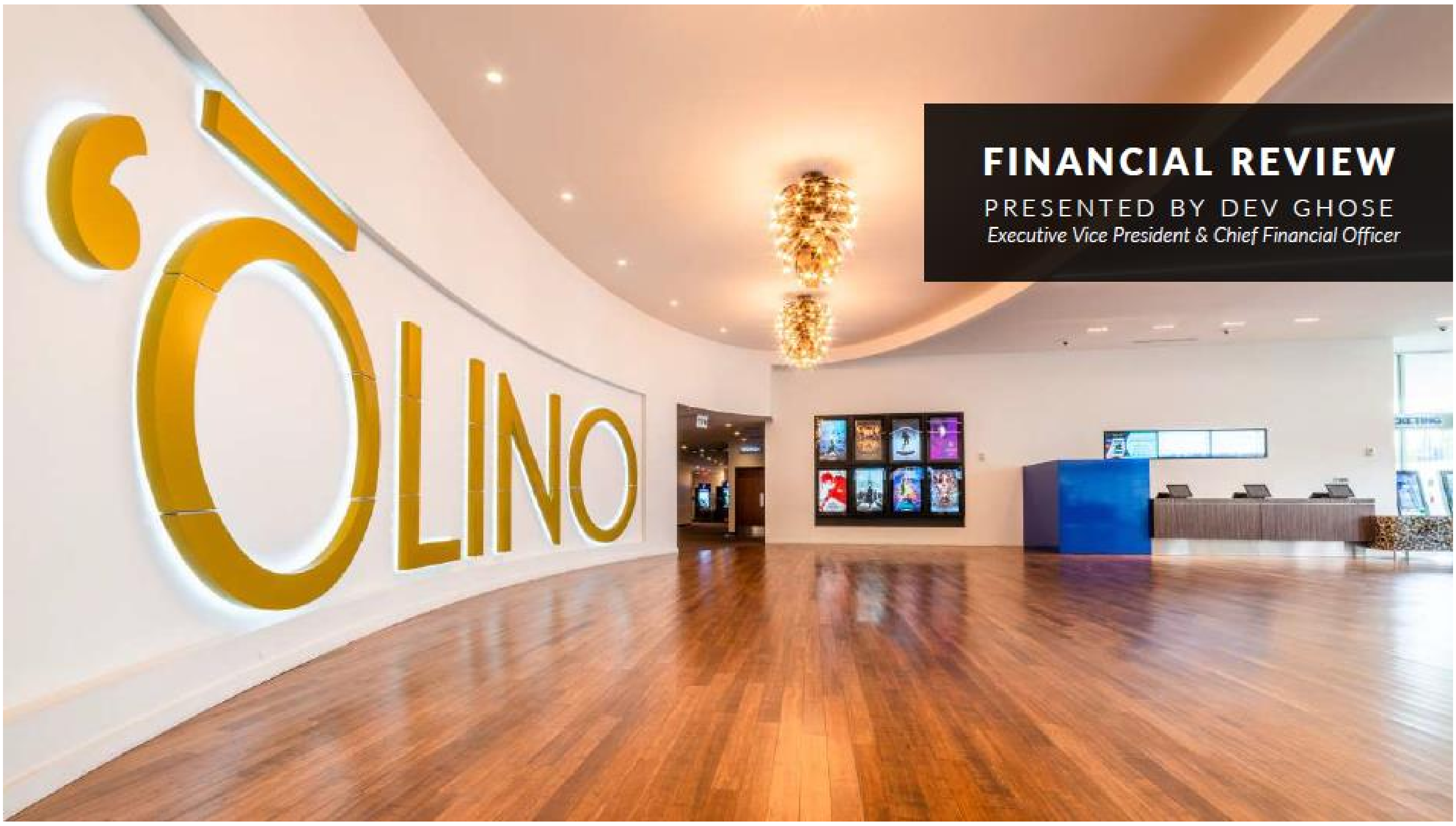




## ORPHEUM THEATRE
NEW YORK CITY

- In February 2019, STOMP celebrates its 25th year at the Orpheum
- Continue to work collaboratively with STOMP producers

## ROYAL GEORGE THEATRE
CHICAGO

- Continue to book regional and local productions
- Reviewing options for restaurant space that suffered fire




# FINANCIAL REVIEW

PRESENTED BY DEV GHOSE

*Executive Vice President & Chief Financial Officer*

# SUMMARY FINANCIAL DATA

| STATEMENT OF OPERATIONS | YEAR ENDED DECEMBER 31, | |
|---|---|---|
| ($ in thousands, except per share data) | 2017 | 2016 |
| Revenues | $279,734 | $270,473 |
| Operating Income | 20,561 | 20,311 |
| Interest Expense, net | 6,194 | 6,782 |
| Income Taxes | 3,337 | 4,020 |
| Net Income Attributable to Common Shareholders | 30,999 | 9,403 |
| Earnings Per Share – Attributable to Common Shareholders | 1.35 | 0.40 |
| EBITDA [(1)] | $57,472[(1)] | $35,894 |

Source: Form 10-K for year ended December 31, 2017.

(1) 2017 includes gain on sale of assets amounting to $9.4 million and casualty gain of $9.2 million.

# SUMMARY FINANCIAL DATA

| STATEMENT OF OPERATIONS | NINE MONTHS ENDED SEPTEMBER 30, | |
|---|---|---|
| ($ in thousands, except per share data) | 2018 | 2017 |
| Revenues | $ 234,395 | $ 208,037 |
| Operating Income | 18,849 | 17,012 |
| Interest Expense, net | 5,132 | 5,310 |
| Gain On Sale Of Assets | - | 9,417 |
| Gains On Insurance Recoveries | - | 9,217 |
| Income Taxes | 4,618 | 8,316 |
| Net Income Attributable to Common Shareholders | 9,405 | 23,677 |
| Earnings Per Share - Attributable to Common Shareholders | 0.41 | 1.02 |
| EBITDA (1) | $ 35,860 | $ 49,427(1) |

Source: Form 10-Q for the quarter ended September 30, 2018.
(1) For the nine months ended September 30, 2017, the gain on sale of assets of $9.4 million and gain on insurance recoveries of $9.2 million is included.

# SUMMARY BALANCE SHEET

| ($ in thousands) | 09/30/2018 | 12/31/2017 | 12/31/2016 |
|---|---|---|---|
| Cash and Cash Equivalents | $ 15,714 | $ 13,668 | $ 19,017 |
| Receivables | 7,306 | 13,050 | 8,772 |
| Other Current Assets | 6,624 | 6,757 | 44,852 |
| Total Current Assets | 29,644 | 33,475 | 72,641 |
| Operating Property, Net | 261,139 | 264,724 | 211,886 |
| Land Held for Sale | - | - | - |
| Investment and Development Property, Net | 80,086 | 61,254 | 43,687 |
| Investment in Unconsolidated Joint Ventures and Entities | 5,045 | 5,304 | 5,071 |
| Other Assets | 59,743 | 58,646 | 72,481 |
| Total Assets | $ 435,657 | $ 423,403 | $ 405,766 |
| | | | |
| Total Current Liabilities | $ 54,270 | $ 80,446 | $ 65,986 |
| Long Term Notes Payable | 133,231 | 94,862 | 115,707 |
| Subordinated Debt | 27,584 | 27,554 | 27,340 |
| Other Long Term Liabilities | 40,709 | 38,923 | 50,118 |
| Total Stockholders Equity | 179,863 | 181,618 | 146,615 |
| Total Liabilities & Stockholders Equity | $ 435,657 | $ 423,403 | $ 405,766 |

Sources: Form 10-Q for the quarter ended September 30, 2018 and Form 10-K for the year ended December 31, 2017.

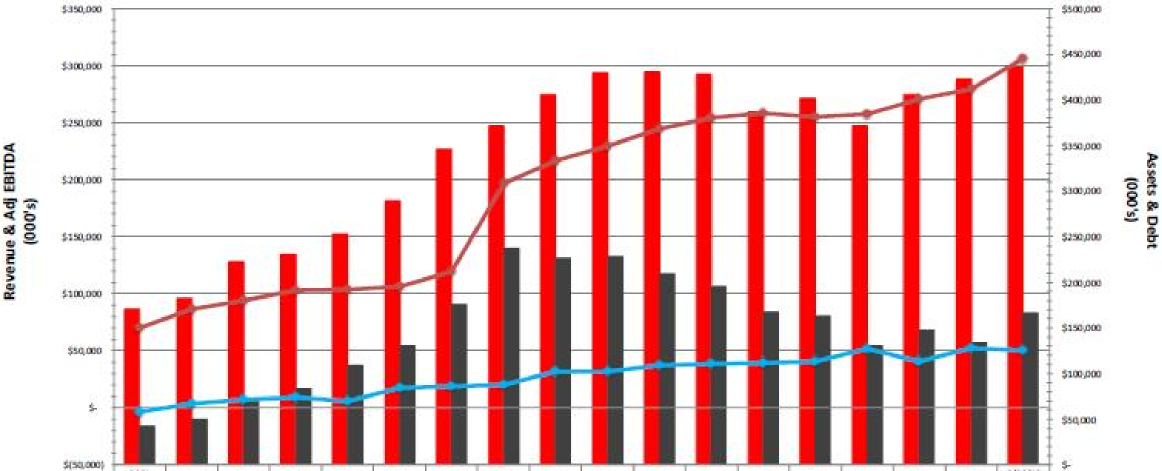
# READING INTERNATIONAL DEBT

## Debt Summary

| ($ in thousands) | Corporate and/or Property Debt | Expiration Year | AS OF SEPTEMBER 30, 2018 Contractual Capacity | Capacity Used | Unused Capacity |
|---|---|---|---|---|---|
| Trust Preferred Securities | C | 2027 | $ 27,913 | $ 27,913 | $ - |
| U.S. Corporate Office | P | 2027 | 9,552 | 9,552 | - |
| Union Square Construction Financing | P | 2019 | 57,500 | 25,852 | 31,648 (2) |
| Bank of America | C | 2019 (4) | 60,000 | 35,500 | 24,500 |
| Bank of America Digital Projectors Loan | C | 2019 | 3,221 | 3,221 | - |
| Cinema 1, 2, 3 | P | 2019 (3) | 19,191 | 19,191 | - |
| National Australia Bank (1) | C | 2019 (4) | 48,133 | 38,361 | 9,772 |
| Westpac Bank (1) | C/P | 2019 / 2018(4) | 35,166 (2) | - | 35,166 (2) |
| Minetta & Orpheum | P | 2023 | 7,500 | 7,500 | - |
| **Total** | | | $ 268,176 | $ 167,090 | $ 101,086 |

Source: Form 10-Q and Press Release for the quarter ended September 30th, 2018.
(1) The borrowings are denominated in foreign currency. The contractual capacity and capacity used were translated into U.S. dollars based on the applicable exchange rates as of September 30, 2018.
(2) The $31,648 and $11,943 (of the $35,166) in unused capacity is restricted for capital projects for Union Square development uses and construction funding for New Zealand operations, respectively.
(3) Intent to extend to 2020.
(4) Renewals are in process.

## 2001-2018 YEARLY FINANCIAL TREND in US$




| | 2001 Proforma | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 9/30/18 TTM |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Assets* | $170,595 | $182,772 | $222,866 | $230,227 | $253,057 | $289,231 | $346,071 | $371,870 | $406,417 | $430,349 | $430,764 | $428,588 | $386,807 | $401,586 | $372,198 | $405,766 | $423,403 | $435,657 |
| Debt | $42,382 | $50,240 | $71,145 | $83,252 | $109,320 | $130,212 | $175,648 | $237,615 | $226,155 | $227,983 | $208,776 | $195,759 | $167,622 | $163,198 | $130,103 | $147,697 | $133,663 | $166,252 |
| Revenue | $70,291 | $86,487 | $93,739 | $102,982 | $103,547 | $106,124 | $119,235 | $197,055 | $216,740 | $229,322 | $244,979 | $254,430 | $258,221 | $255,242 | $257,865 | $270,473 | $279,734 | $306,092 |
| Adj EBITDA | $(3,707) | $3,532 | $6,909 | $9,399 | $6,022 | $17,046 | $18,919 | $19,777 | $31,436 | $31,491 | $37,272 | $38,582 | $39,217 | $40,878 | $51,360 | $40,966 | $52,213 | $49,894 |
| Debt/Adj EBITDA | - | 14.22 | 10.30 | 8.86 | 18.15 | 7.64 | 9.28 | 12.01 | 7.19 | 7.24 | 5.60 | 5.07 | 4.27 | 3.99 | 2.53 | 3.61 | 2.56 | 3.33 |

Notes:

Data presented above have been adjusted to reflect adjustments, if any, to prior years based on the latest K's and Q's.

Gain on sales of assets for 2015 and 2016 were $11.0M and $0.4M respectively, and have been included for purposes of determining Adjusted EBITDA.

2017 includes $9.4M for gain of sales of assets and $9.2M for gain on insurance recoveries.

*Asset Value reflects amounts set forth in Reading public filings (10-Ks and 10-Qs). In many instances, the amounts do not reflect today's market values or take into account potential development value.

READING
INTERNATIONAL

THANK YOU

November 9, 2018

Paul B. Heth
Patton Vision, LLC
2140 S. Dupont Highway
Camden, DE 19934

Dear Mr. Heth:

This will acknowledge receipt of your letter of November 5, 2018.

As you know, after prior deliberations, our Board has been of the view that it is in the best interest of our Company and our stockholders generally that we continue to pursue our strategic business plan as an independent company. Our Board will once again conduct our annual evaluation of our strategic business plan in early 2019. Our Board believes that the most appropriate time to consider your indication of interest would be in connection with its review of that strategic business plan and currently intends to take up such matter at such time.

Thank you for your time and cooperation.

Very truly yours,

/s/ Ellen M. Cotter
Ellen M. Cotter
Chair, President and Chief Executive Officer