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 16, 2026

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.)

189 Second Avenue, Suite 2S New York, New York	**10003**
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, $0.01 par value	**RDI**	**The NASDAQ Stock Market LLC**
Class B Common Stock, $0.01 par value	**RDIB**	**The NASDAQ Stock Market LLC**

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 16, 2026, Reading International, Inc. issued a press release announcing information regarding its results of operations and financial condition for the quarter ended September 30, 2026, a copy of which is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

99.1	Press release issued by Reading International, Inc. dated November 16, 2026
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 16, 2026

By: /s/ Gilbert Avanes
Name: Gilbert Avanes
Title: Executive Vice President, Chief Financial Officer and Treasurer

For more information, contact:
Gilbert Avanes – EVP, CFO, and Treasurer
(213) 235-2240

Reading International Reports Third Quarter 2026 Results

Earnings Call Webcast to Discuss Third Quarter Financial Results
*Scheduled to Post to Corporate Website on **Wednesday, November 18, 2026***

NEW YORK - November 16, 2026 - Reading International, Inc. (NASDAQ: RDI) ("Reading" or our "Company"), an internationally diversified cinema and real estate company with operations and assets in the United States, Australia, and New Zealand, today announced its results for the third quarter and nine months ended September 30, 2026.

Key Financial Summary Results –Third Quarter 2026

- Total Revenues of $65.3 million increased by 25% from $52.2 million in Q3 2025.
- Operating Income of $6.1 million marked a significant improvement from an Operating Loss of $0.3 million in Q3 2025 and represented the best third quarter Operating Income since Q3 2016.
- EBITDA of $9.2 million increased by 158% from $3.6 million in Q3 2025. The Q3 2026 quarter EBITDA result was the best third quarter EBITDA since Q3 2018.
- Q3 2026 Basic Earnings Per Share was $0.02 against a Q3 2025 Basic Loss Per Share of $0.18 was the best third quarter Basic Earnings Per Share since Q3 2019.
- Net Income was $0.5 million against a loss of $4.3 million in Q3 2025. The Q3 2026 quarter Net Income represented the best third quarter Net Income since Q3 2019.

Key Financial Summary Results –Nine Months of 2026

As compared to the same prior period:

- Total Revenues of $177.3 million increased by 16% from $152.7 million.
- Net Operating Income of $9.9 million significantly improved from a net operating loss of $4.3 million.
- EBITDA of $19.7 million increased by 54% from $12.8 million. Note that the first six months of 2025 included gains on sale of $8.4 million from the sale of our Cannon Park, Australia and Wellington, New Zealand properties.
- Basic Loss Per Share of $0.24 improved from a Basic Loss Per Share of $0.51.
- Net Loss of $5.3 million improved by 56% compared to a Net Loss $12.1 million.

In Q3 2026, the Australian dollar average exchange rate strengthened against the U.S. dollar by 7.9% while the New Zealand dollar exchange rate weakened by 1.8%, compared to Q3 2025. For the nine months ended September 30, 2026, the Australian dollar strengthened by 9.8% and the New Zealand dollar strengthened by 0.1%. With 53% of our Total Revenues being generated by our Australian and New Zealand businesses this quarter and for the nine months ended September 30, 2026, the strengthening of the Australian dollar for the quarter and nine months and the strengthening of the New Zealand dollar for the nine months positively impacted our U.S. reported operating results.

President and Chief Executive Officer, Ellen Cotter said, "Following a strong second quarter, we once again delivered strong operational results in the third quarter 2026 with our third quarter Operating Income, EBITDA, Basic Earnings per Share and Net Income delivering better results than pre-pandemic third quarter periods, despite having sold 10 properties since Q3 2019 and having reduced our global cinema screen count by 5%. The phenomenal success of *Spider Man: Brand New Day* and *The Odyssey*, which broke multiple box office records both globally and for our Company, drove these positive results, together with strong execution of our global strategic operating initiatives by our cinema teams. We fully expect the remainder of 2026, especially the holidays, to include additional record setting weekends when we open *Avengers: Doomsday, Dune 3* and *Jumanji 3*. And, looking forward to 2027, we are equally excited about next year's slate, which includes movies like A*vengers: Secret Wars, Spider-Man: Beyond the Spider-Verse, Star Wars: Starfighter, The Lord of the Rings: Hunt for Gollum, Shrek 5, Frozen 3* and *The Legend of Zelda.*

Our Q3 2026 global Real Estate division segment revenues and operating income were broadly consistent against Q3 2025. Our results reflect the execution of our strategy to raise liquidity through select asset monetization, most notably the 2025 sales of our real estate assets in Wellington, New Zealand and Townsville, Australia. As part of our continuing efforts to improve our liquidity and reduce our debt, on October 30, 2026, we completed the sale of our Cinemas 123 building in NYC for $41.0 million and used a portion of the proceeds to repay in full our Valley National and Bank of America/Bank of Hawaii loans. Newmark represented the Company in the sale, with the team led by Adam Doneger, Adam Spies and Avery Silverstein, and we extend our appreciation to the Newmark team.

From a corporate perspective, our improved results also reflect a 9% reduction in our global General & Administrative costs for the nine months ended September 30, 2026, even with the strengthening of the Australia and NZ dollars."

Cotter continued, "Following two consecutive quarters in 2026 that delivered positive Net Income without the support of asset sales, with a balance sheet which continues to be anchored by a strong real estate portfolio, and our global cinemas

being poised to capitalize on an exciting and robust upcoming movie slate, while no assurances can be given, we believe our Company is well-positioned to deliver a strong end to 2026 and start to 2027."

Cinema Business

During Q3 2026,

- Our global cinemas reported (i) $61.9 million in cinema revenue, a 28% increase vs. same quarter in 2025, and (ii) Segment Operating Income of $8.3 million, representing a 373% increase and the best third quarter Segment Operating Income since Q3 2018.
- We continue to work with our global cinema landlords to align our occupancy costs with current operating conditions to help manage inflationary pressures and rising labor and operating costs, especially in the State of Hawaii, where during Q3 2026, Hawaii's inflation rate of 5.2% was higher than the U.S. average, making it one of the highest in the nation, driven mainly by energy, food, and housing costs.

Real Estate Business

- With respect to Q3 2026, and compared to Q3 2025, our global Real Estate business reported (i) $4.3 million of Real Estate revenue representing a decrease of 6%, and (ii) operating income of $1.3 million representing a 4% decrease. This was due to fewer shows in our Live Theatre division this quarter.
- As of September 30, 2026, our combined Australian and New Zealand property portfolio has 58 third-party tenants, with a portfolio occupancy rate of 90% and total leased gross lettable area of 143,073 SF. The reduction in occupancy rate reflects the expiry of two office leases held by a single tenant (15,600 square feet) at our Newmarket Village office building in Brisbane, with both spaces being actively marketed for lease.
- Our Q3 2026 U.S. Real Estate revenues of $1.4 million represented a 26% decrease from Q3 2025 primarily due to fewer shows in our Live Theatre division in Q3 2026 vs. Q3 2025.
- Through the third quarter and beginning of the fourth quarter, we continued working towards monetizing certain real estate assets. On October 30, 2026, we completed the sale of our Cinemas 123 property in New York City for $41.0 million.

Balance Sheet and Liquidity

As of September 30, 2026:

- Our cash and cash equivalents were $6.1 million.
- Our assets had a total book value of $423.6 million, compared to a book value of $434.9 million as of December 31, 2025.

We continue to improve our overall global debt position:

- Subsequent to September 30, 2026 and as of the date of this Report, our global net debt balance of $153.4 million is the lowest net debt balance since Q1 2018.
- We paid off our $19.1 million debt to Valley National Bank on October 30, 2026 through proceeds from the sale of the Cinemas 123 building.
- We paid off our $5.2 million debt to Bank of America/Bank of Hawaii on October 30, 2026 through proceeds from the sale of the Cinemas 123 building.
- On November 6, 2026, we extended the loan secured by our 44 Union Square building for one year to November 6, 2027.
- On November 10, 2026, we completed the refinance of our $6.2 million Santander loan, increasing that facility to $7.0 million with ConnectOne Bancorp, Inc.

Conference Call and Webcast

We plan to post our pre-recorded conference call and audio webcast on our corporate website on Wednesday, November 18, 2026, which will feature prepared remarks from Ellen Cotter, President and Chief Executive Officer; and Gilbert Avanes, Executive Vice President, Chief Financial Officer and Treasurer.

A pre-recorded question and answer session will follow our formal remarks. Questions and topics for consideration should be submitted to InvestorRelations@readingrdi.com by Tuesday, November 17, 2026, by 5:00 p.m. Eastern Time. The audio webcast will be able to be accessed by visiting https://investor.readingrdi.com/financial-information/quarterly-results.

About Reading International, Inc.

Reading International, Inc. (NASDAQ: RDI), an internationally diversified cinema and real estate company operating through various domestic and international subsidiaries, is a leading entertainment and real estate company, engaging in the development, ownership, and operation of cinemas and retail and commercial real estate in the United States, Australia, and New Zealand.

Reading's cinema subsidiaries operate under multiple cinema brands: Reading Cinemas, Consolidated Theatres, and the Angelika brand. Its live theatres are owned and operated by its Liberty Theaters subsidiary, under the Orpheum and Minetta Lane names. Its signature property developments, including Newmarket Village in Brisbane, Australia and 44 Union Square in New York City, are maintained in special purpose entities.

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

Cautionary Note Regarding Forward-Looking Statements

This earnings release contains a variety of forward-looking statements as defined by the Securities Litigation Reform Act of 1995, including those related to our expected operating results; our belief regarding the quality, the quantity and the appeal of upcoming movie releases in the remainder of 2026 and our revenue expectations relating to such movie releases; and our positioning for future periods. You can recognize these statements by our use of words, such as “may,” “will,” “expect,” “believe,” and “anticipate” or other similar terminology.

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.

Forward-looking statements made by us in this earnings release are based only on information currently available to us and speak only as of the date on which they are made. 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.

Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, those factors discussed throughout Part I, Item 1A – Risk Factors and Part II Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the most recently ended fiscal year, as well as the risk factors set forth in any other filings made under the Securities Act of 1934, as amended, including any of our Quarterly Reports on Form 10-Q, for more information.

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

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue				
Cinema	$ 61,913	$ 48,555	$ 166,364	$ 141,740
Real estate	3,367	3,615	10,935	10,976
Total revenue	65,280	52,170	177,299	152,716
Costs and expenses				
Cinema	(49,738)	(42,742)	(138,541)	(126,203)
Real estate	(1,619)	(1,863)	(5,440)	(5,658)
Depreciation and amortization	(3,107)	(3,236)	(9,508)	(9,992)
General and administrative	(4,718)	(4,658)	(13,865)	(15,194)
Total costs and expenses	(59,182)	(52,499)	(167,354)	(157,047)
Operating income (loss)	6,098	(329)	9,945	(4,331)
Interest expense, net	(4,351)	(4,174)	(12,900)	(13,270)
Gain (loss) on sale of assets	(34)	(66)	(34)	8,332
Other income (expense)	(41)	462	(234)	(2,145)
Income (loss) before income tax expense and equity earnings of unconsolidated joint ventures	1,672	(4,107)	(3,223)	(11,414)
Equity earnings of unconsolidated joint ventures	159	121	589	428
Income (loss) before income taxes	1,831	(3,986)	(2,634)	(10,986)
Income tax benefit (expense)	(1,308)	(319)	(2,661)	(1,071)
Net income (loss)	$ 523	$ (4,305)	$ (5,295)	$ (12,057)
Less: net income (loss) attributable to noncontrolling interests	56	(148)	115	(477)
Net income (loss) attributable to Reading International, Inc.	$ 467	$ (4,157)	$ (5,410)	$ (11,580)
Basic earnings (loss) per share	$ 0.02	$ (0.18)	$ (0.24)	$ (0.51)
Diluted earnings (loss) per share	$ 0.02	$ (0.18)	$ (0.24)	$ (0.51)
Weighted average number of shares outstanding – basic	22,890,127	22,717,260	22,805,274	22,631,660
Weighted average number of shares outstanding – diluted	24,257,060	22,717,260	22,805,274	22,631,660

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

	September 30, 2026	December 31, 2025
ASSETS	(Unaudited)	
Current Assets:		
Cash and cash equivalents	$ 6,106	$ 10,531
Restricted cash	2,177	2,327
Receivables	4,736	4,553
Inventories	1,741	1,664
Prepaid and other current assets	7,424	2,281
Asset groups held for sale	24,451	460
Total current assets	46,635	21,816
Operating properties, net	179,452	207,974
Operating lease right-of-use assets	155,028	159,659
Investment in unconsolidated joint ventures	3,433	3,264
Goodwill	24,874	24,603
Intangible assets, net	1,423	1,576
Deferred tax asset, net	3,790	2,619
Other assets	8,995	13,418
Total assets	$ 423,630	$ 434,929
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 52,040	$ 52,826
Film rent payable	3,885	6,973
Debt - current portion	27,219	35,999
Subordinated debt - current portion	27,783	—
Derivative financial instruments - current portion	—	56
Taxes payable - current	2,795	545
Deferred current revenue	11,829	11,327
Operating lease liabilities - current portion	20,432	20,081
Other current liabilities	806	774
Total current liabilities	146,789	128,581
Debt - long-term portion	121,823	114,350
Subordinated debt, non-current portion	—	27,617
Noncurrent tax liabilities	6,414	6,434
Operating lease liabilities - non-current portion	155,362	162,919
Other liabilities	15,418	13,126
Total liabilities	$ 445,806	$ 453,027
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Class A non-voting common shares, par value $0.01, 100,000,000 shares authorized, 34,145,648 issued and 21,209,537 outstanding at September 30, 2026 and 33,972,781 issued and 21,036,670 outstanding at December 31, 2025	243	241
Class B voting common shares, par value $0.01, 20,000,000 shares authorized and 1,680,590 issued and outstanding at September 30, 2026 and December 31, 2025	17	17
Nonvoting preferred shares, par value $0.01, 12,000 shares authorized and no issued or outstanding shares at September 30, 2026 and December 31, 2025	—	—
Additional paid-in capital	156,582	155,454
Retained earnings/(accumulated deficit)	(134,340)	(128,930)
Treasury shares, at cost	(40,407)	(40,407)
Accumulated other comprehensive income	(4,532)	(4,614)
Total Reading International, Inc. stockholders' equity	(22,437)	(18,239)
Noncontrolling interests	261	141
Total stockholders' equity	(22,176)	(18,098)
Total liabilities and stockholders' equity	$ 423,630	$ 434,929

Reading International, Inc. and Subsidiaries
Segment Results
(Unaudited; U.S. dollars in thousands)

	Quarter Ended			Nine Months Ended		
	September 30,		% Change Favorable/	September 30,		% Change Favorable/
(Dollars in thousands)	2026	2025	(Unfavorable)	2026	2025	(Unfavorable)
Segment revenue						
Cinema						
United States	$ 29,888	$ 25,122	19 %	$ 78,829	$ 73,676	7 %
Australia	28,464	20,512	39 %	78,151	59,103	32 %

New Zealand	3,561	2,921	22 %	9,384	8,961	5 %
Total	**$ 61,913**	**$ 48,555**	**28 %**	**$ 166,364**	**$ 141,740**	**17 %**
Real estate						
United States	$ 1,442	$ 1,952	(26)%	$ 5,121	$ 5,239	(2)%
Australia	2,655	2,394	11 %	7,998	8,150	(2)%
New Zealand	212	221	(4)%	638	676	(6)%
Total	**$ 4,309**	**$ 4,567**	**(6)%**	**$ 13,757**	**$ 14,065**	**(2)%**
Inter-segment elimination	(942)	(952)	1 %	(2,822)	(3,089)	9 %
Total segment revenue	$ **65,280**	$ **52,170**	**25 %**	$ **177,299**	$ **152,716**	**16 %**
Segment operating income (loss)						
Cinema						
United States	$ 3,109	$ (72)	>100 %	$ 4,756	$ (924)	>100%
Australia	4,752	1,818	>100 %	10,743	3,763	>100%
New Zealand	444	10	>100 %	624	(107)	>100%
Total	**$ 8,305**	**$ 1,756**	**>100 %**	**$ 16,123**	**$ 2,732**	**>100%**
Real estate						
United States	$ (126)	$ 253	(>100)%	$ 213	$ 484	(56)%
Australia	1,318	1,044	26 %	3,827	3,923	(2)%
New Zealand	135	90	50 %	254	54	>100%
Total	**$ 1,327**	**$ 1,387**	**(4)%**	**$ 4,294**	**$ 4,461**	**(4)%**
Total segment operating income (loss) [1]	**$ 9,632**	**$ 3,143**	**>100 %**	**$ 20,417**	**$ 7,193**	**>100%**

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

Reading International, Inc. and Subsidiaries
Reconciliation of EBITDA and Adjusted EBITDA to Net Income (Loss)
(Unaudited; U.S. dollars in thousands)

(Dollars in thousands)	Quarter Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net Income (loss) attributable to Reading International, Inc.	$ 467	$ (4,157)	$ (5,410)	$ (11,580)
Add: Interest expense, net	4,351	4,174	12,900	13,270
Add: Income tax expense (benefit)	1,308	319	2,661	1,071
Add: Depreciation and amortization	3,107	3,236	9,508	9,992
EBITDA	**$ 9,233**	**$ 3,572**	**$ 19,659**	**$ 12,753**
Adjusted EBITDA	**$ 9,233**	**$ 3,572**	**$ 19,659**	**$ 12,753**

Reading International, Inc. and Subsidiaries
Reconciliation of Total Segment Operating Income (Loss) to Income (Loss) before Income Taxes
(Unaudited; U.S. dollars in thousands)

(Dollars in thousands)	Quarter Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Segment operating income (loss)	$ 9,632	$ 3,143	$ 20,417	$ 7,193
Unallocated corporate expense:				
Depreciation and amortization expense	(84)	(75)	(263)	(293)
General and administrative expense	(3,450)	(3,397)	(10,209)	(11,231)
Interest expense, net	(4,351)	(4,174)	(12,900)	(13,270)
Equity earnings (loss) of unconsolidated joint ventures	159	121	589	428
Gain (loss) on sale of assets	(34)	(66)	(34)	8,332
Other (expense) income	(41)	462	(234)	(2,145)
Income (loss) before income taxes	$ 1,831	$ (3,986)	$ (2,634)	$ (10,986)

Non-GAAP Financial Measures

This Earnings Release presents total segment operating income (loss), EBITDA, and Adjusted EBITDA, which are important financial measures for our 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 earnings (loss) per share, cash flows or net income (loss) as determined in accordance with U.S. GAAP. Total segment operating income (loss) and EBITDA, as we have calculated them, may not be comparable to similarly titled measures reported by other companies.

Total segment operating income (loss) – We evaluate the performance of our business segments based on segment operating income (loss), and management uses total segment operating income (loss) as a measure of the performance of operating businesses separate from non-operating factors. We believe that information about total segment operating income (loss) assists investors by allowing them to evaluate changes in the operating results of our Company's business separate from non-operational factors that affect net income (loss), thus providing separate insight into both operations and the other factors that affect reported results.

EBITDA – 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 (loss) 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.

EBITDA also fails 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.

Adjusted EBITDA – using the principles we consistently apply to determine our EBITDA, we further adjusted the EBITDA for certain items we believe to be external to our core business and not reflective of our costs of doing business or results of operation. Specifically, we have adjusted for (i) legal expenses relating to extraordinary litigation, and (ii) any other items that can be considered non-recurring in accordance with the two-year SEC requirement for determining an item is non-recurring, infrequent or unusual in nature.