

READING INTERNATIONAL INC
Form 10-Q
November 09, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-8625
READING INTERNATIONAL, INC.
(Exact name of Registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

95-3885184
(IRS Employer Identification No.)

500 Citadel Drive, Suite 300
Commerce CA
(Address of principal executive offices)

90040
(Zip Code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of November 6, 2007, there were 20,998,703 shares of Class A Nonvoting Common Stock, \$0.01 par value per share and 1,495,490 shares of Class B Voting Common Stock, \$0.01 par value per share outstanding.

READING INTERNATIONAL, INC. AND SUBSIDIARIES

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Reading International, Inc. and Subsidiaries
Consolidated Balance Sheets (Unaudited)
 (U.S. dollars in thousands)

	September 30, 2007	December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 27,148	\$ 11,008
Receivables	4,484	6,612
Inventory	531	606
Investment in marketable securities	4,575	8,436
Restricted cash	243	1,040
Prepaid and other current assets	2,074	2,589
Total current assets	39,055	30,291
Land held for sale	1,955	--
Property held for development	10,951	1,598
Property under development	64,267	38,876
Property & equipment, net	180,330	170,667
Investment in unconsolidated joint ventures and entities	15,670	19,067
Investment in Reading International Trust I	1,547	--
Goodwill	19,006	17,919
Intangible assets, net	7,903	7,954
Other assets	6,125	2,859
Total assets	\$ 346,809	\$ 289,231
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 11,542	\$ 13,539
Film rent payable	3,504	4,642
Notes payable – current portion	2,081	2,237
Note payable to related party – current portion	5,000	5,000
Current tax liabilities	4,401	9,128
Deferred current revenue	2,144	2,565
Other current liabilities	239	177
Total current liabilities	28,911	37,288
Notes payable – long-term portion	110,508	113,975
Note payable to related parties	9,000	9,000
Subordinated debt	51,547	--
Noncurrent tax liabilities	5,082	--
Deferred non-current revenue	589	528
Other liabilities	15,249	18,178
Total liabilities	220,886	178,969
Commitments and contingencies	--	--
Minority interest in consolidated affiliates	2,453	2,603

Stockholders' equity:

Class A Nonvoting Common Stock, par value \$0.01, 100,000,000 shares authorized, 35,575,927 issued and 20,998,703 outstanding at September 30, 2007 and 35,558,089 issued and 20,980,865 outstanding at December 31, 2006	216	216
Class B Voting Common Stock, par value \$0.01, 20,000,000 shares authorized and 1,495,490 issued and outstanding at September 30, 2007 and December 31, 2006	15	15
Nonvoting Preferred Stock, par value \$0.01, 12,000 shares authorized and no outstanding shares	--	--
Additional paid-in capital	131,711	128,399
Accumulated deficit	(48,709)	(50,058)
Treasury shares	(4,306)	(4,306)
Accumulated other comprehensive income	44,543	33,393
Total stockholders' equity	123,470	107,659
Total liabilities and stockholders' equity	\$ 346,809	\$ 289,231

See accompanying notes to consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Revenue				
Cinema	\$ 29,110	\$ 21,806	\$ 79,651	\$ 68,269
Real estate	3,449	2,512	11,023	8,528
	32,559	24,318	90,674	76,797
Operating expense				
Cinema	20,983	16,088	59,033	51,732
Real estate	2,280	2,161	6,145	5,628
Depreciation and amortization	2,917	3,385	8,933	9,963
General and administrative	3,870	3,047	11,425	9,489
	30,050	24,681	85,536	76,812
Operating income (loss)	2,509	(363)	5,138	(15)
Other income (expense)				
Interest income	329	70	558	157
Interest expense	(2,596)	(1,835)	(6,526)	(5,217)
Net loss on sale of assets	--	--	(185)	(8)
Other income (expense)	707	209	435	(937)
Income (loss) before minority interest expense, income tax expense, and equity earnings of unconsolidated joint ventures and entities	949	(1,919)	(580)	(6,020)
Minority interest expense	(162)	(153)	(657)	(425)
Income (loss) from continuing operations	787	(2,072)	(1,237)	(6,445)
Gain on sale of a discontinued operation	--	--	1,912	--
Income (loss) before income tax expense and equity earnings of unconsolidated joint ventures and entities	787	(2,072)	675	(6,445)
Income tax expense	(501)	(540)	(1,443)	(1,222)
Income (loss) before equity earnings of unconsolidated joint ventures and entities	286	(2,612)	(768)	(7,667)
Equity earnings of unconsolidated joint ventures and entities	584	5,263	2,626	6,937
Gain on sale of unconsolidated joint venture	--	3,442	--	3,442
Net income	\$ 870	\$ 6,093	\$ 1,858	\$ 2,712
Basic earnings (loss) per common share:				
Income (loss) from continuing operations	\$ 0.04	\$ 0.27	\$ (0.01)	\$ 0.12
Earnings from discontinued operations	--	--	0.09	--
Basic earnings per share	\$ 0.04	\$ 0.27	\$ 0.08	\$ 0.12
Weighted average number of shares outstanding – basic				
	22,487,943	22,413,995	22,486,395	22,425,941
Diluted earnings (loss) per common share:				
Income (loss) from continuing operations	\$ 0.04	\$ 0.27	\$ (0.01)	\$ 0.12

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Earnings from discontinued operations		--		--		0.09		--
Diluted earnings per share	\$	0.04	\$	0.27	\$	0.08	\$	0.12
Weighted average number of shares outstanding – diluted		22,761,270		22,616,560		22,486,395		22,628,505

See accompanying notes to consolidated financial statements.

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Reading International, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(U.S. dollars in thousands)

	Nine Months Ended	
	September 30,	
	2007	2006
Operating Activities		
Net income	\$ 1,858	\$ 2,712
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>		
(Gain) loss recognized on foreign currency transactions	(132)	22
Equity earnings of unconsolidated joint ventures and entities	(2,626)	(6,937)
Distributions of earnings from unconsolidated joint ventures and entities	4,693	481
Gain on sale of marketable securities	(773)	--
Gain on sale of a discontinued operation	(1,912)	--
Gain on sale of an unconsolidated entity	--	(3,442)
Loss on disposal of assets	185	8
Loss on extinguishment of debt	98	--
Depreciation and amortization	8,933	9,963
Stock based compensation expense	775	70
Minority interest expense	657	425
<i>Changes in operating assets and liabilities:</i>		
Decrease in receivables	2,510	1,442
Decrease (increase) in prepaid and other assets	(34)	(629)
Decrease in accounts payable and accrued expenses	(846)	(1,281)
Decrease in film rent payable	(1,428)	(1,257)
Increase in deferred revenues and other liabilities	1,576	858
Net cash provided by operating activities	13,534	2,435
Investing activities		
Proceeds from sale of an unconsolidated joint venture	--	4,573
Acquisitions	(20,631)	(8,087)
Purchase of property and equipment	(1,121)	(4,131)
Additions to property under development	(16,227)	(2,228)
Change in restricted cash	796	(106)
Investment in Reading International Trust I	(1,547)	--
Distributions of investment in unconsolidated joint ventures and entities	2,186	--
Investments in unconsolidated joint ventures and entities	--	(2,676)
Purchase of marketable securities	(15,548)	(215)
Sale of marketable securities	19,900	--
Net cash used in investing activities	(32,192)	(12,870)
Financing activities		
Repayment of long-term borrowings	(55,813)	(2,957)
Proceeds from borrowings	96,098	11,797
Capitalized borrowing costs	(2,334)	--
Option deposit received	--	3,000
Proceeds from exercise of stock options	25	87
Repurchase of Class A Nonvoting Common Stock	--	(792)
Minority interest distributions	(3,856)	(1,496)
Net cash provided by financing activities	34,120	9,639
Effect of exchange rate changes on cash and cash equivalents	678	298

Increase (decrease) in cash and cash equivalents	16,140	(498)
Cash and cash equivalents at beginning of period	11,008	8,548
Cash and cash equivalents at end of period	\$ 27,148	\$ 8,050
Supplemental Disclosures		
Interest paid	\$ 8,625	\$ 6,402
Income taxes paid	\$ 252	\$ 369
Non-cash transactions		
Increase (decrease) in cost basis of Cinemas 1, 2, & 3 related to the purchase price adjustment of the call option liability to related party	\$ (2,100)	\$ 1,087
Adjustment to retained earnings related to adoption of FIN 48 (Note 10)	\$ 509	\$ --
Decrease in deposit payable and increase in minority interest liability related to the exercise of the Cinemas 1, 2 & 3 call option by a related party	\$ (3,000)	\$ --
Decrease in call option liability and increase in additional paid in capital related to the exercise of the Cinemas 1, 2 & 3 call option by a related party	\$ (2,513)	\$ --
Accrued construction-in-progress costs	\$ (2,440)	\$ --

See accompanying notes to consolidated financial statements.

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Reading International, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
For the Nine Months Ended September 30, 2007

Note 1 – Basis of Presentation

Reading International, Inc., a Nevada corporation (“RDI” and collectively with our consolidated subsidiaries and corporate predecessors, the “Company,” “Reading” and “we,” “us,” or “our”), was founded in 1983 as a Delaware corporation and reincorporated in 1999 in Nevada. Our businesses consist primarily of:

- the development, ownership and operation of multiplex cinemas in the United States, Australia, and New Zealand and
- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and the United States, including entertainment-themed retail centers (“ETRC”) in Australia and New Zealand, and live theatre assets in Manhattan and Chicago in the United States.

The accompanying unaudited consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) for interim reporting and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the Securities and Exchange Commission for interim reporting. As such, certain information and footnote disclosures typically required by US GAAP for complete financial statements have been condensed or omitted. There have been no material changes in the information disclosed in the notes to the consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2006 (“2006 Annual Report”). The financial information presented in this quarterly report on Form 10-Q for the period ended September 30, 2007 (the “September Report”), including the information under the heading, Management’s Discussion and Analysis of Financial Condition and Results of Operations, should be read in conjunction with our 2006 Annual Report which contains the latest audited financial statements and related footnotes.

In the opinion of management, all adjustments of a normal recurring nature considered necessary to present fairly in all material respects our financial position, results of our operations and cash flows as of and for the three months and nine months ended September 30, 2007 have been made. The results of operations for the three months and nine months ended September 30, 2007 are not necessarily indicative of the results of operations to be expected for the entire year.

Marketable Securities

We have investments in marketable securities of \$4.6 million at September 30, 2007. These investments are accounted for as available for sale investments in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 115, “*Accounting for Certain Investments in Debt and Equity Securities.*” In accordance with the Financial Accounting Standards Board’s Emerging Issues Task Force (“EITF”) 03-1, “*The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,*” assessments of potential impairment for these investments are performed for each applicable reporting period. We have determined that there was no impairment for these investments at September 30, 2007. These investments have a cumulative unrealized loss of \$790,000 included in accumulated other comprehensive income at September 30, 2007. For the three months ended September 30, 2007, our net unrealized loss on marketable securities was \$880,000 and for the nine months ended September 30, 2007 our net unrealized gain on marketable securities was \$82,000. During the three and nine months ended September 30, 2007, we sold \$13.4 million and \$19.1 million, respectively of our marketable securities resulting in realized gain on sale of \$549,000 and \$773,000, respectively.

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Subsequent to the issuance of our September 30, 2006 consolidated financial statements, we determined that we had overstated our real estate revenue and cinema operating expense by \$724,000 and \$2.1 million for the three and nine months ended September 30, 2006, respectively, due to an error in the elimination of intercompany rental charges among our international subsidiaries. We have adjusted our consolidated statements of operations for the three and nine months ended September 30, 2006 to correctly present consolidated real estate revenue and cinema operating expenses. The effects of the adjustment on our originally reported statements of operations are summarized below (dollars in thousands):

	Three months ended September 30, 2006		Nine months ended September 30, 2006	
	Real		Real	
	Estate Revenue	Cinema Expense	Estate Revenue	Cinema Expense
As originally reported	\$ 3,236	\$ 16,812	\$ 10,672	\$ 53,876
Intercompany eliminations	(724)	(724)	(2,144)	(2,144)
As adjusted	\$ 2,512	\$ 16,088	\$ 8,528	\$ 51,732

This adjustment had no impact on our operating income, on our losses from continuing operations, or on our net loss for the three and nine months ended September 30, 2006. These adjustments were not material to the presentation of our consolidated financial statements for the three and nine months ended September 30, 2006.

Changes in Accounting Policies

In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 158, “*Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R) (SFAS No. 158)*.” SFAS No. 158 requires an employer to recognize the funded status of each pension and other postretirement benefit plan as an asset or liability on their balance sheet with all unrecognized amounts to be recorded in other comprehensive income. SFAS No. 158 also ultimately requires an employer to measure the funded status of a plan as of the date of the employer’s fiscal year-end statement of financial position. As required, we adopted the provisions of SFAS No. 158 and initially applied it to the funded status of our defined benefit pension plan as of March 1, 2007 (the inception date of the pension plan). The adoption of SFAS No. 158 had no effect on net earnings or cash flows.

FASB Interpretation No. 48

In June 2006, the FASB issued FASB Interpretation No. 48, “*Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109*” (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements in accordance with Statement of Financial Accounting Standards No. 109, “*Accounting for Income Taxes*.” FIN 48 prescribes rules for financial statement recognition and measurement of a tax positions taken or expected to be taken in a tax return. We adopted FIN 48 on January 1, 2007. As a result, we recognized a \$509,000 cumulative increase to reserves for uncertain tax positions, which was accounted for as an adjustment to the beginning balance of accumulated deficit in 2007. Overall, we had approximately \$12.5 million of gross tax benefits unrecognized on the financial statements as of the date of adoption.

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In February 2007, the FASB issued SFAS No. 159 - *The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board’s long-term measurement objectives for accounting for financial instruments. The provisions of SFAS 159 are effective at the beginning of each reporting entity’s first fiscal year that begins after November 15, 2007. When adopted and if we elect to measure at fair value, we do not anticipate the application of this pronouncement will have a material impact on our results of operations or financial condition.

Statement of Financial Accounting Standards No. 157

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurement* (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value in accordance with Generally Accepted Accounting Principles (GAAP), and expands disclosures about fair value measurements. The provisions of SFAS 157 are effective for fiscal years beginning after November 15, 2007. We do not anticipate the application of this pronouncement will have a material impact on our results of operations or financial condition.

Note 2 – Stock-Based CompensationStock Based Compensation

As part of his compensation package, Mr. John Hunter, our Chief Operating Officer, was granted \$100,000 of restricted Class A Non-Voting Common Stock on February 12, 2007. This stock grant has a vesting period of two years and a stock grant exercise price of \$8.63. During the three months and nine months ended September 30, 2007, we recorded compensation expense of \$59,000 and \$178,000, respectively, for the vesting of all our restricted stock grants. The following table details the grants of restricted stock to our employees (dollars in thousands):

	Non-Vested Restricted Stock	Weighted Average Share Price
Outstanding – December 31, 2006	46,313	\$ 8.10
Granted	11,587	\$ 8.63
Outstanding – September 30, 2007	57,900	\$ 8.20

We have formed two new wholly owned subsidiaries, Landplan Property Partners, Pty Ltd and Landplan Property Partners New Zealand, Ltd collectively referred to as Landplan Property Partners (“LPP”), to engage in the real estate development business under the leadership of Mr. Doug Osborne. We have an agreement with Mr. Osborne pursuant to which he has a contingent interest in certain property trusts, owned by LPP, ranging between 27.5% and 15%, depending on a number of factors including the amount and duration of the investments of LPP. Mr. Osborne’s interest is subordinated to (i) the repayment of all third party indebtedness, (ii) the repayment of all funds invested or advanced by Reading, and (iii) the realization by Reading of an 11%

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annual compounded preferred return on its capital. Based on SFAS 123(R), we have calculated the fair value of Mr. Osborne's interest for book purposes at \$171,000 with respect to property acquired by LPP in the first quarter. LPP acquired another property during the third quarter of 2007 for which we estimate Mr. Osborne's interest for book purposes to be \$158,000 (see Note 17 – Acquisitions, Dispositions, and Assets Held for Sale). During the three and nine months ended September 30, 2007, we expensed \$59,000 and \$155,000, respectively, associated with Mr. Osborne's interests. At September 30, 2007, the total unrecognized compensation expense related to the LPP equity awards was \$244,000, which is expected to be recognized over the remaining weighted average period of approximately 36 months.

Employee/Director Stock Option Plan

We have a long-term incentive stock option plan that provides for the grant to eligible employees and non-employee directors of incentive stock options and non-qualified stock options to purchase shares of the Company's Class A Nonvoting Common Stock.

When the Company's tax deduction from an option exercise exceeds the compensation cost resulting from the option, a tax benefit is created. SFAS 123(R) requires that excess tax benefits related to stock option exercises be reflected as financing cash inflows instead of operating cash inflows. For the three and nine months ended September 30, 2007 and 2006, there was no impact to the consolidated statement of cash flows because there were no recognized tax benefits from stock option exercises during these periods.

SFAS No. 123(R) requires companies to estimate forfeitures. Based on our historical experience and the relative market price to strike price of the options, we do not currently estimate any forfeitures of vested or unvested options.

In accordance with SFAS No. 123(R), we estimate the fair value of our options using the Black-Scholes option-pricing model, which takes into account assumptions such as the dividend yield, the risk-free interest rate, the expected stock price volatility, and the expected life of the options. The dividend yield is excluded from the calculation, as it is our present intention to retain all earnings. We expense the estimated grant date fair values of options issued on a straight-line basis over the vesting period.

We granted 301,250 of options during the nine months ended September 30, 2007. No options were granted during the three months ended September 30, 2007. Of the granted options, 70,000 were granted to our directors as fully vested options during the nine months ended September 30, 2007. Also, there were 20,000 options granted to our employees during the nine months ended September 30, 2006. We estimated the fair value of these options at the date of grant using a Black-Scholes option-pricing model with the following weighted average assumptions:

	2007	2006
Stock option exercise price	\$ 8.35 - \$10.30	\$ 8.10
Risk-free interest rate	4.636 - 4.824%	4.220%
Expected dividend yield	--	--
Expected option life	9.60 - 9.96 yrs	9.66 yrs
Expected volatility	33.64 - 45.47%	34.70%
Weighted average fair value	\$4.42 - \$ 4.82	\$ 4.33

Using the above assumptions and in accordance with the SFAS No. 123(R) modified prospective method, we recorded \$177,000 and \$597,000 in compensation expense for the total estimated grant date fair value of stock options that vested during the three and nine months ended September 30, 2007, respectively. We also recorded \$25,000 and \$70,000 in compensation expense for the total estimated grant date fair value of stock options that vested during the three and nine months ended September 30, 2006, respectively. At September 30, 2007, the total

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unrecognized estimated compensation cost related to non-vested stock options granted was \$1.0 million, which is expected to be recognized over a weighted average vesting period of 1.36 years. We recorded cash received from stock options exercised of \$25,000 for the three and nine months ended September 30, 2007 and \$87,000 for the nine months ended September 30, 2006. The total realized value of these exercised stock options for the three and nine months ended September 30, 2007 was \$37,000 and \$131,000 for the nine months ended September 30, 2006. No options were exercised during the three months ended September 30, 2006; therefore, no cash was received from the exercising of stock options and no value was realized from the exercise of options during that period. Except for the 70,000 fully vested options granted to our directors during the first quarter, 1,875 and 6,875 options vested during the three and nine months ended September 30, 2007; therefore, the grant date fair value of options vesting during the three and nine months ended September 30, 2007 was \$15,000 and \$55,000, respectively. The intrinsic, unrealized value of all options outstanding, vested and expected to vest, at September 30, 2007 was \$2.5 million of which 98.7% are currently exercisable.

All stock options granted have a contractual life of 10 years at the grant date. The aggregate total number of shares of Class A Nonvoting Common Stock and Class B Voting Common Stock authorized for issuance under our 1999 Stock Option Plan is 1,287,150. At the time that options are exercised, at the discretion of management, we will either issue treasury shares or make a new issuance of shares to the employee or board member. Dependent on the grant letter to the employee or board member, the required service period for option vesting is between zero and four years.

We had the following stock options outstanding and exercisable as of September 30, 2007 and December 31, 2006:

	Common Stock Options Outstanding		Weighted Average Exercise Price of Options Outstanding		Common Stock Exercisable Options		Weighted Average Price of Exercisable Options	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Outstanding-January 1, 2006	521,100	185,100	\$ 5.00	\$ 9.90	474,600	185,100	\$ 5.04	\$ 9.90
Exercised	(27,000)	--	\$ 3.22	\$ --				
Granted	20,000	--	\$ 8.10	\$ --				
Outstanding-December 31, 2006	514,100	185,100	\$ 5.21	\$ 9.90	488,475	185,100	\$ 5.06	\$ 9.90
Granted	151,250	150,000	\$ 9.37	\$ 10.24				
Exercised	(6,250)	--	\$ 4.01	\$ --				
Expired	(81,250)	(150,000)	\$ 10.25	\$ 10.24				
Outstanding-September 30, 2007	577,850	185,100	\$ 5.60	\$ 9.90	477,850	35,100	\$ 4.72	\$ 8.47

The weighted average remaining contractual life of all options outstanding, vested and expected to vest, at September 30, 2007 and December 31, 2006 was approximately 6.47 and 3.60 years, respectively. The weighted average remaining contractual life of the exercisable options outstanding at September 30, 2007 and December 31, 2006 was approximately 4.99 and 3.39 years, respectively.

Note 3 – Business Segments

Our operations are organized into two reportable business segments within the meaning of SFAS No. 131, *Disclosures about Segments of an Enterprise and Related Information*. Our reportable segments are (1) cinema exhibition and (2) real estate. The cinema segment is engaged in the development, ownership, and operation of multiplex cinemas. The real estate segment is engaged in the development, ownership, and operation of commercial properties, including

ETRC's in Australia and New Zealand and live theatres in the United States. Historically, our development projects have included a cinema component. Incident to our real estate operations we have acquired, and continue to hold, raw land in urban and suburban centers in Australia and New Zealand.

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Effective the fourth quarter of 2006, we changed the presentation of our segment reporting such that our intersegment revenues and expenses are reported separately from our segments' operating activity. The effect of this change is to include intercompany rent revenues and rent expenses into their respective cinema and real estate business segments. The revenues and expenses for the nine months ending September 30, 2006 have been adjusted to conform to the current year presentation. We believe that this presentation more accurately portrays how our operating decision makers' view the operations, how they assess segment performance, and how they make decisions about allocating resources to the segments.

The tables below summarize the results of operations for each of our principal business segments for the three ("2007 Quarter") and nine ("2007 Nine Months") months ended September 30, 2007 and the three ("2006 Quarter") and nine ("2006 Nine Months") months ended September 30, 2006, respectively. Operating expenses include costs associated with the day-to-day operations of the cinemas and live theatres and the management of rental properties. All operating results from discontinued operations are included in "Gain on sale of a discontinued operation" (dollars in thousands):

Three months ended September 30, 2007	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue	\$ 29,110	\$ 5,521	\$ (2,072)	\$ 32,559
Operating expense	23,055	2,280	(2,072)	23,263
Depreciation & amortization	1,650	1,127	--	2,777
General & administrative expense	792	108	--	900
Segment operating income	\$ 3,613	\$ 2,006	\$ --	\$ 5,619

Three months ended September 30, 2006	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue ¹	\$ 21,806	\$ 3,771	\$ (1,259)	\$ 24,318
Operating expense ¹	17,347	2,161	(1,259)	18,249
Depreciation & amortization	2,245	989	--	3,234
General & administrative expense	901	154	--	1,055
Segment operating income	\$ 1,313	\$ 467	\$ --	\$ 1,780

Reconciliation to consolidated net income:	2007 Quarter	2006 Quarter
Total segment operating income	\$ 5,619	\$ 1,780
Non-segment:		
Depreciation and amortization expense	140	151
General and administrative expense	2,970	1,992
Operating income (loss)	2,509	(363)
Interest expense, net	(2,267)	(1,765)
Other income	707	209
Minority interest expense	(162)	(153)
Income tax expense	(501)	(540)
Equity earnings of unconsolidated joint ventures and entities	584	5,263
Gain on sale of unconsolidated entity	--	3,442
Net income	\$ 870	\$ 6,093

¹ For the three months ended September 30, 2006, the real estate revenues and cinema operating expenses have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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Nine months ended September 30, 2007	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue	\$ 79,651	\$ 15,926	\$ (4,903)	\$ 90,674
Operating expense	63,936	6,145	(4,903)	65,178
Depreciation & amortization	5,242	3,273	--	8,515
General & administrative expense	2,317	566	--	2,883
Segment operating income	\$ 8,156	\$ 5,942	\$ --	\$ 14,098

Nine months ended September 30, 2006	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue ²	\$ 68,269	\$ 12,437	\$ (3,909)	\$ 76,797
Operating expense ²	55,641	5,628	(3,909)	57,360
Depreciation & amortization	6,600	3,009	--	9,609
General & administrative expense	2,801	567	--	3,368
Segment operating income	\$ 3,227	\$ 3,233	\$ --	\$ 6,460

	2007 Nine Months	2006 Nine Months
Reconciliation to consolidated net income:		
Total segment operating income	\$ 14,098	\$ 6,460
Non-segment:		
Depreciation and amortization expense	418	354
General and administrative expense	8,542	6,121
Operating income (loss)	5,138	(15)
Interest expense, net	(5,968)	(5,060)
Other income (expense)	250	(945)
Minority interest expense	(657)	(425)
Gain on sale of a discontinued operation	1,912	--
Income tax expense	(1,443)	(1,222)
Equity earnings of unconsolidated joint ventures and entities	2,626	6,937
Gain on sale of unconsolidated entity	--	3,442
Net income	\$ 1,858	\$ 2,712

Note 4 – Operations in Foreign Currency

We have significant assets in Australia and New Zealand. To the extent possible, we conduct our Australian and New Zealand operations on a self-funding basis. The carrying value of our Australian and New Zealand assets fluctuate due to changes in the exchange rates between the US dollar and the functional currency of Australia (Australian dollar) and New Zealand (New Zealand dollar). We have no derivative financial instruments to hedge foreign currency exposure.

² For the nine months ended September 30, 2006, the real estate revenues and cinema operating expenses have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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Presented in the table below are the currency exchange rates for Australia and New Zealand as of September 30, 2007 and December 31, 2006:

	US Dollar	
	September 30, 2007	December 31, 2006
Australian Dollar	\$ 0.8855	\$ 0.7884
New Zealand Dollar	\$ 0.7568	\$ 0.7046

Note 5 – Earnings Per Share

Basic earnings per share is computed by dividing the net income to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing the net income to common stockholders by the weighted average number of common shares outstanding during the period after giving effect to all potentially dilutive common shares that would have been outstanding if the dilutive common shares had been issued. Stock options give rise to potentially dilutive common shares. In accordance with SFAS No. 128, “*Earnings Per Share*,” these shares are included in the dilutive earnings per share calculation under the treasury stock method. The following is a calculation of earnings per share (dollars in thousands, except share data):

	Three Months Ending September 30,		Nine Months Ending September 30,	
	2007	2006	2007	2006
Income (loss) from continuing operations	\$ 870	\$ 6,093	\$ (54)	\$ 2,712
Income from discontinued operations	--	--	1,912	--
Net income	\$ 870	\$ 6,093	\$ 1,858	\$ 2,712
Weighted average shares of common stock - basic	22,487,943	22,413,995	22,486,395	22,425,941
Weighted average shares of common stock - dilutive	22,761,270	22,616,560	22,486,395	22,628,505

Earnings (loss) per share:

Earnings (loss) from continuing operations – basic and diluted	\$ 0.04	\$ 0.27	\$ (0.01)	\$ 0.12
Earnings from discontinued operations – basic and diluted	\$ --	\$ --	\$ 0.09	\$ --
Earnings per share – basic and diluted	\$ 0.04	\$ 0.27	\$ 0.08	\$ 0.12

For the nine months ended September 30, 2007, we recorded losses from continuing operations. As such, the incremental shares of 273,327 from stock options to purchase shares of common stock were excluded from the computation of diluted loss per share because they were anti-dilutive in those periods.

Note 6 – Property Held for Development, Property Under Development and Property and Equipment

Our property held for development increased by \$9.3 million during the nine months ended September 30, 2007 due to the acquisition of a 64.0 acre parcel of undeveloped agricultural real estate which we purchased for approximately \$9.3 million (NZ\$12.1 million) through a Landplan Property Partners property trust (see Note 17 – *Acquisitions, Dispositions, and Assets Held for Sale*).

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As of September 30, 2007 and December 31, 2006, we owned property under development summarized as follows (dollars in thousands):

	September 30, 2007	December 31, 2006
Property Under Development		
Land	\$ 37,206	\$ 30,296
Construction-in-progress (including capitalized interest)	27,061	8,580
Property Under Development	\$ 64,267	\$ 38,876

We recorded capitalized interest related to our properties under development for the three months ended September 30, 2007 and 2006 of \$1.1 million and \$449,000, respectively, and \$3.1 million and \$1.2 million for nine months ended September 30, 2007 and 2006, respectively.

Incident to the development of our Burwood property, in late 2006, we began various fill and earth moving operations. In late February 2007, it became apparent that our cost estimates with respect to site preparation were low, as the extent of the contaminated soil present at the site – a former brickworks – was greater than we had originally believed. Our previous estimated cost of \$500 million included approximately \$1.4 million (AUS\$1.8 million) of estimated cost to remove the contaminated soil. As we were not the source of this contamination, we are not currently under any legal obligation to remove this contaminated soil from the site. However, as a practical matter we intend to address these issues in connection with our planned redevelopment of the site as a mixed-use retail, entertainment, commercial and residential complex. As of September 30, 2007, we estimate that the total site preparation costs associated with the removal of this contaminated soil will be \$7.9 million (AUS\$8.9 million) and as of that date we had incurred a total of \$7.1 million (AUS\$8.0 million) of these costs. In accordance with EITF 90-8 *Capitalization of Costs to Treat Environmental Contamination*, contamination clean up costs that improve the property from its original acquisition state are capitalized as part of the property's overall development costs.

As of September 30, 2007 and December 31, 2006, we owned investments in property and equipment as follows (dollars in thousands):

	September 30, 2007	December 31, 2006
Property and equipment		
Land	\$ 58,558	\$ 56,830
Building	113,737	99,285
Leasehold interest	11,755	11,138
Construction-in-progress	581	425
Fixtures and equipment	64,875	58,164
	249,506	225,842
Less accumulated depreciation	(69,176)	(55,175)
Property and equipment, net	\$ 180,330	\$ 170,667

Depreciation expense for property and equipment was \$2.9 million and \$3.2 million for the three months ended September 30, 2007 and 2006, respectively, and \$8.3 million and \$9.3 million for the nine months ended September 30, 2007 and 2006, respectively.

Note 7 – Investments in Unconsolidated Joint Ventures and Entities

Except as noted below regarding our investment in Malulani Investments, Limited, investments in unconsolidated joint ventures and entities are accounted for under the equity method of accounting, and, as of September 30, 2007 and December 31, 2006, include the following (dollars in thousands):

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	Interest	September 30, 2007	December 31, 2006
Malulani Investments Limited	18.4%	\$ 1,800	\$ 1,800
Rialto Distribution	33.3%	934	782
Rialto Cinemas	50.0%	5,795	5,608
205-209 East 57 th Street Associates, LLC	25.0%	1,280	5,557
Mt. Gravatt Cinema	33.3%	5,112	4,713
Berkeley Cinemas – Botany	50.0%	749	607
Total		\$ 15,670	\$ 19,067

For the three months and nine months ended September 30, 2007 and 2006, we recorded our share of equity earnings (loss) from our investments in unconsolidated joint ventures and entities as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Malulani Investments Limited	\$ --	\$ --	\$ --	\$ --
Rialto Distribution	3	(31)	91	(53)
Rialto Cinemas	74	(123)	54	(123)
205-209 East 57 th Street Associates, LLC	201	5,027	1,550	5,946
Mt. Gravatt Cinema	184	194	610	473
Berkeley Cinemas – Group & Palms	--	45	--	322
Berkeley Cinema – Botany	122	151	321	372
	\$ 584	\$ 5,263	\$ 2,626	\$ 6,937

Malulani Investments Limited

We continue to treat this investment on a cost basis by recognizing earnings as they are distributed to us. We are currently in litigation with certain controlling shareholders of Malulani Investments Limited. We have contractually agreed to share these litigation costs with another minority shareholder. The outstanding balance for their obligation is included in our other assets as a receivable.

205-209 East 57th Street Associates, LLC

During 2007, this joint venture has been in the process of completing the development of a predominately-residential condominium complex in midtown Manhattan called Place 57. During the three and nine months ending September 30, 2007, the partnership closed on the sale of one and eight of its remaining residential condominiums resulting in gross sales of \$3.4 million and \$26.0 million, respectively, which resulted in equity earnings from unconsolidated joint ventures and entities to us of \$201,000 and \$1.6 million, respectively. All of the residential condominiums have been sold and only the retail condominium is still available for sale. The condensed statement of operations for 205-209 East 57th Street Associates, LLC (Unaudited) is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net revenue	\$ 3,431	\$ 71,178	\$ 26,028	\$ 86,998
Operating expense	2,627	51,068	19,828	63,214
Net income	\$ 804	\$ 20,110	\$ 6,200	\$ 23,784

Table of Contents**Note 8 – Goodwill and Intangible Assets**

Subsequent to January 1, 2002, in accordance with SFAS No. 142, *Goodwill and Other Intangible Assets*, we do not amortize goodwill. Instead, we perform an annual impairment review of our goodwill and other intangible assets in the fourth quarter unless changes in circumstances indicate that an asset may be impaired. As of September 30, 2007 and December 31, 2006, we had goodwill consisting of the following (dollars in thousands):

	Cinema	Real Estate	Total
Balance as of December 31, 2006	\$ 12,713	\$ 5,206	\$ 17,919
Foreign currency translation adjustment	1,031	56	1,087
Balance at September 30, 2007	\$ 13,744	\$ 5,262	\$ 19,006

We have intangible assets other than goodwill that are subject to amortization and are being amortized over various periods. We amortize our beneficial leases over the lease period, the longest of which is 20 years, and our option fee and other intangible assets over 10 years. For the three and nine months ended September 30, 2007, amortization expense totaled \$139,000 and \$614,000, respectively; and for the three and nine months ended September 30, 2006, amortization expense totaled \$223,000 and \$638,000, respectively.

Intangible assets subject to amortization consist of the following (dollars in thousands):

As of September 30, 2007	Beneficial Leases	Option Fee	Other Intangible Assets	Total
Gross carrying amount	\$ 11,531	\$ 2,773	\$ 235	\$ 14,539
Less: Accumulated amortization	4,115	2,497	24	6,636
Total, net	\$ 7,416	\$ 276	\$ 211	\$ 7,903

As of December 31, 2006	Beneficial Leases	Option Fee	Other Intangible Assets	Total
Gross carrying amount	\$ 10,984	\$ 2,773	\$ 219	\$ 13,976
Less: Accumulated amortization	3,577	2,426	19	6,022
Total, net	\$ 7,407	\$ 347	\$ 200	\$ 7,954

Table of Contents**Note 9 – Prepaid and Other Assets**

Prepaid and other assets are summarized as follows (dollars in thousands):

	September 30, 2007	December 31, 2006
Prepaid and other current assets		
Prepaid expenses	\$ 669	\$ 1,214
Prepaid taxes	536	552
Deposits	102	534
Other receivables	100	--
Other	667	289
Total prepaid and other current assets	\$ 2,074	\$ 2,589
Other non-current assets		
Other non-cinema and non-rental real estate assets	\$ 1,270	\$ 1,270
Deferred financing costs, net	2,845	898
Interest rate swaps	392	206
Other receivables	854	--
Other	764	485
Total non-current assets	\$ 6,125	\$ 2,859

Note 10 – Income Tax

The income tax provision for the three months and nine months ended September 30, 2007 and 2006 was composed of the following amounts (dollars in thousands):

	Three Months Ended September 30, 2007		Nine Months Ended September 30, 2007	
	2007	2006	2007	2006
Foreign income tax provision	\$ 122	\$ 76	\$ 282	\$ 135
Foreign withholding tax	168	138	480	411
Federal income tax provision	128	235	383	490
Other income tax	83	91	298	186
Net tax provision	\$ 501	\$ 540	\$ 1,443	\$ 1,222

The incremental effects of applying FIN 48 on line items in the accompanying consolidated balance sheet at January 1, 2007 were as follows (dollars in thousands):

	Before Application of FIN 48 on January 1, 2007	FIN 48 Adjustments as of January 1, 2007	After Application of FIN 48 on January 1, 2007
Current tax liabilities	\$ 9,128	\$ (4,000)	\$ 5,128
Noncurrent tax liabilities	\$ --	\$ 4,509	\$ 4,509
Accumulated deficit	\$ (50,058)	\$ (509)	\$ (50,567)

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We adopted FIN 48 on January 1, 2007. As a result, we recognized a \$509,000 cumulative increase to reserves for uncertain tax positions, which was accounted for as an adjustment to the beginning balance of accumulated deficit in 2007. As of that date, we also reclassified approximately \$4.0 million in reserves from current taxes liabilities to noncurrent tax liabilities. We had approximately \$12.5 million of gross tax benefits unrecognized on the financial statements as of the date of adoption, mostly reflecting operating loss carry forwards and the IRS litigation matter described below. Of the \$12.5 million total gross unrecognized tax benefits at January 1, 2007, \$4.5 million would impact the effective tax rate if recognized. The remaining balance consists of items that would not impact the effective tax rate due to the existence of the valuation allowance. We recorded an increase to our gross unrecognized tax benefits of approximately \$1.0 million during the period January 1, 2007 to September 30, 2007, and the total balance at September 30, 2007 was approximately \$13.5 million.

Interest and/or penalty related to income tax matters are recorded as part of income tax expense. Of the total reserve for uncertain tax positions as of the date of adoption, approximately \$1.7 million represented accrued interest and penalties. Approximately \$400,000 of additional interest and penalties were accrued for the period January 1, 2007 to September 30, 2007, mostly related to the IRS litigation matter.

Our company and subsidiaries are subject to U.S. federal income tax, income tax in various U.S. states, and income tax in Australia, New Zealand, and Puerto Rico.

Generally, changes to our federal and most state income tax returns for the calendar year 2002 and earlier are barred by statutes of limitations. Certain domestic subsidiaries filed federal and state tax returns for periods before these entities became consolidated with us. These subsidiaries were examined by IRS for the years 1996 to 1999 and significant tax deficiencies were assessed for those years. We are contesting these deficiencies in Tax Court. Our income tax returns of Australia filed since inception in 1995 are currently open for examination. The income tax returns filed in New Zealand and Puerto Rico for calendar year 2002 and afterward are also currently open for examination.

We do not anticipate that within 12 months following September 30, 2007 our total unrecognized tax benefits will change significantly because of settlement of audits and expiration of statutes of limitations.

Note 11 – Notes Payable

Notes payable are summarized as follows (dollars in thousands):

Name of Note Payable or Security	Interest Rates as of		Maturity Date	Balance as of	
	September 30, 2007	December 31, 2006		September 30, 2007	December 31, 2006
Australian Corporate Credit Facility	7.54%	7.33%	January 1, 2009	\$ 84,995	\$ 70,516
Australian Shopping Center Loans	--	--	2007-2013	1,075	1,147
Euro-Hypo Loan	6.73%	--	July 1, 2012	15,000	--
New Zealand Corporate Credit Facility	10.00%	9.15%	November 23, 2010	2,452	35,230
Trust Preferred Securities	9.22%	--	April 30, 2027	51,547	--
US Sutton Hill Capital Note 1 – Related Party	9.91%	9.69%	January 28, 2008	5,000	5,000
US Royal George Theatre Term Loan	7.66%	7.86%	November 29, 2007	1,694	1,819
US Sutton Hill Capital Note 2 – Related Party	8.25%	8.25%	December 31, 2010	9,000	9,000

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US Union Square Theatre Term					
Loan	6.26%	6.26%	January 1, 2010	7,373	7,500
Total				\$ 178,136	\$ 130,212

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Euro-Hypo Loan

On June 28, 2007, Sutton Hill Properties LLC (“SHP”), one of our consolidated subsidiaries, entered into a \$15.0 million loan that is secured by SHP’s interest in the Cinemas 1, 2, & 3 land and building. SHP is owned 75% by Reading and 25% by Sutton Hill Capital, LLC (“SHC”), a joint venture indirectly wholly owned by Mr. James J. Cotter, our Chairman and Chief Executive Officer, and Mr. Michael Foreman. Under the terms of the credit agreement, this loan bears a fixed interest rate of 6.73% per annum payable monthly. The loan matures on July 1, 2012. No principal payments are due until maturity. SHP distributed the proceeds of the loan to Reading and to SHC in the amount of \$10.6 million and \$3.5 million, respectively. Because, the cash flows from SHP are currently insufficient, Reading and Sutton Hill Capital, LLC, have agreed to contribute the capital required to service the debt. Reading will be responsible for 75% and SHC will be responsible for 25% of such capital payments.

Australia Corporate Credit Facility

During the first nine months of 2007, we retired a portion of our bank indebtedness in Australia of \$5.8 million (AUS\$7.4 million). We subsequently drew down \$11.9 million (AUS\$14.0 million) during 2007. In October 2007, we negotiated an increase of our total Australia Corporate Credit Facility from \$88.6 million (AUS\$100.0 million) to \$97.4 million (AUS\$110.0 million) (see Note 19 – *Subsequent Events*).

New Zealand Corporate Credit Facility

On June 29, 2007, we finalized the renegotiation of our New Zealand Corporate Credit Facility as a \$46.4 million (NZ\$60.0 million) line of credit. This renegotiated agreement carries the same terms as noted in our 2006 Consolidated Financial Statements except that it is now a line of credit instead of term debt, the maturity date has been extended by one year to November 23, 2010, the interest rate for the facility will be based on the 90-day Bank Bill Bid Rate (BBBR) plus a 1.00% margin, and a 0.20% line charge will be incurred on the total line of credit of \$46.4 million (NZ\$60.0 million). The current interest rate for the outstanding loan balance at September 30, 2007 was 10.00%.

As noted below, we had previously paid off our term debt of this facility of \$34.4 million (NZ\$50.0 million) as a use of the proceeds from our new Subordinated Notes from Reading International Trust I. On June 29, 2007, we drew down on this new line of credit by \$5.2 million (NZ\$6.7 million) to purchase a property in New Zealand and on July 29, 2007 we drew down an additional \$9.4 million (NZ\$12.2 million) to purchase the Manukau property in New Zealand (see Note 17 – *Acquisitions and Dispositions*). On August 2, 2007, we paid down this facility by \$12.0 million (NZ\$15.7 million) from the proceeds of the sale of certain marketable securities.

UBS Financial Services Line of Credit

In order to finance a portion of our purchases of marketable securities, we had arranged a line of credit (a broker margin account) with UBS Financial Services, Inc. which carried an interest rate of 7.25%. The line of credit was secured by the marketable securities which we purchased on the account. Under the line of credit, we were able to borrow approximately 50% of the market value of our securities in our UBS account. During the second quarter of 2007, we paid off this line of credit in conjunction with our sale of the associated marketable securities.

Table of ContentsSubordinated Notes – Reading International Trust I

On February 5, 2007, we issued \$51.5 million in 20-year fully subordinated notes to a trust which we control, and which in turn issued \$51.5 million in securities. Of the \$51.5 million, \$50.0 million in trust preferred securities were issued to unrelated investors in a private placement and \$1.5 million of common trust securities were issued by the trust to Reading. This \$1.5 million is shown on our balance sheet as “Investment in Reading International Trust I.” The interest on the notes and preferred dividends on the trust securities carry a fixed rate for five years of 9.22% after which the interest will be based on an adjustable rate of LIBOR plus 4.00% unless we exercise our right to refix the rate at the current market rate at that time. There are no principal payments due until maturity in 2027 when the notes and the trust securities are scheduled to be paid in full. We may pay off the debt after the first five years at 100.0% of the principal amount without any penalty. The trust is essentially a pass through, and the transaction is accounted for on our books as the issuance of fully subordinated notes. The credit facility includes a number of affirmative and negative covenants designed to monitor our ability to service the debt. Currently, the most restrictive covenant of the facility requires that we must maintain a fixed charge coverage ratio at a certain level. The placement generated \$49.9 million in net proceeds, which were used principally to make our investment in the common trust securities of \$1.5 million, to retire all of our bank indebtedness in New Zealand of \$34.4 million (NZ\$50.0 million) and to retire a portion of our bank indebtedness in Australia of \$5.8 million (AUS\$7.4 million). During the three and nine months ended September 30, 2007, we paid \$1.1 million and \$2.2 million, respectively, in preferred dividends to the unrelated investors. At September 30, 2007, we had preferred dividends payable of \$768,000.

Note 12 – Other Liabilities

Other liabilities are summarized as follows (dollars in thousands):

	September 30, 2007	December 31, 2006
Current liabilities		
Security deposit payable	\$ 237	\$ 177
Other	2	--
Other current liabilities	\$ 239	\$ 177
Other liabilities		
Foreign withholding taxes	\$ 5,413	\$ 5,212
Straight-line rent liability	3,782	3,693
Purchase option liability	--	3,681
Environmental reserve	1,656	1,656
Executive pension plans	2,972	174
Option deposit	--	3,000
Other	1,426	762
Other liabilities	\$ 15,249	\$ 18,178

Executive Pension Plans

On March 15, 2007, the Board of Directors of Reading International, Inc. (“Reading”) approved a Supplemental Executive Retirement Plan (“SERP”) pursuant to which Reading has agreed to provide James J. Cotter, its Chief Executive Officer and Chairman of the Board of Directors, supplemental retirement benefits effective March 1, 2007. Under the SERP, Mr. Cotter will receive a monthly payment of the greater of (i) 40% of the average monthly earnings over the highest consecutive 36-month period of earnings prior to Mr. Cotter’s separation from service with Reading or (ii) \$25,000 per month for the remainder of his life, with a guarantee of 180 monthly payments following his separation from service with Reading or following his death. The

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beneficiaries under the SERP may be designated by Mr. Cotter or by his beneficiary following his or his beneficiary's death. The benefits under the SERP are fully vested as of March 1, 2007.

The SERP initially will be unfunded, but Reading may choose to establish one or more grantor trusts from which to pay the SERP benefits. As such, the SERP benefits are unsecured, general obligations of Reading. The SERP is administered by the Compensation Committee of the Board of Directors of Reading. In accordance with SFAS 158 - *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R)*, the initial pension benefit obligation of \$2.7 million is included in our other liabilities with a corresponding amount of unrecognized prior service cost included in accumulated other comprehensive income (see Note 16 - *Comprehensive Income*). The \$2.7 million will be amortized as a prior service cost over the estimated service period of 10 years combined with an annual interest cost. For the three and nine months ended September 30, 2007, we recognized \$39,000 and \$91,000, respectively, of interest cost and \$76,000 and \$177,000, respectively, of amortized prior service cost. The balance of the other liability for this pension plan was \$2.8 million at September 30, 2007 and the accumulated other comprehensive income balance was \$2.5 million at September 30, 2007. The value of the SERP is based on a discount rate of 5.75% and an annual compensation growth rate of 3.50%.

In addition to the aforementioned SERP, Mr. S. Craig Tompkins, our Executive Vice President, Director - Business Affairs, Chief Legal Officer and Corporate Secretary, has a vested interest in the pension plan originally established by Craig Corporation prior to its merger with our company of \$181,000, which amount accrues interest at 30 day LIBOR and is maintained as an unfunded Executive Pension Plan obligation included in other liabilities.

Sutton Hill Capital - Cinemas 1, 2, & 3 Purchase Option

As part of the purchase of the real property underlying our leasehold interest in the Cinemas 1, 2, & 3 on June 1, 2005, we granted a purchase option to Sutton Hill Capital, LLC ("SHC"), a limited liability company beneficially owned in equal 50/50 shares by Messrs. James J. Cotter and Michael Forman, to acquire at the acquisition date cost basis, up to a 25% non-managing membership interest in Sutton Hill Properties, LLC ("SHP"). SHP is the limited liability company that we formed to acquire these interests. In relation to this option, we estimated, based on a June 2007 property appraisal, the fair value of the option for the three months ending June 30, 2007 remained unchanged and the fair value of the option had increased for the nine months ended September 30, 2007 by \$950,000 which was expensed for the nine months ending September 30, 2007. During 2006, the value of the option at September 30, 2006 increased to approximately \$3.6 million, resulting in an expense for the three and nine months ended September 30, 2006 of \$100,000 and \$1.5 million, respectively.

On June 28, 2007, SHC exercised this option, paying the option exercise price through the application of their \$3.0 million deposit plus the assumption of its proportionate share of SHP's liabilities giving it a 25% non-managing membership interest in SHP. Upon exercise, the settlement of the previously capitalized option liability of \$4.6 million resulted in an increase in additional paid-in-capital of \$2.5 million as the transfer of the 25% non-managing membership interest to SHC constituted a transfer of an equity interest between entities under common control.

Note 13 - Commitments and Contingencies

Unconsolidated Debt

Total debt of unconsolidated joint ventures and entities was \$5.0 million and \$4.8 million as of September 30, 2007 and December 31, 2006, respectively. Our share of unconsolidated debt, based on our ownership percentage, was \$2.3 million and \$2.2 million as of September 30, 2007 and December 31, 2006, respectively. This debt is without recourse to Reading as of September 30, 2007 and December 31, 2006.

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On October 31, 2007, The Malulani Group (“TMG”), the controlling shareholder and principal unsecured creditor of MIL, filed an Amended Complaint in Intervention against Magoon Acquisition & Development and us (the “Amended Complaint”). TMG owns 70% of the voting stock of MIL and is controlled by Easton Manson, one of the defendants in our existing case. The Amended Complaint generally alleges that we are attempting to force MIL to spin off its Guenoc Winery and Langtry Ranch subsidiaries to us or to greenmail MIL into an unreasonable buy-out of our interest in MIL. The Amended Complaint seeks declaratory relief in opposition to the injunctive relief sought by us in our existing lawsuit, recoupment of costs and other unspecified relief. No damages have been alleged. We are of the view that TMG’s claims are without merit and intend to continue to aggressively pursue our claims.

Other than the above, there have not been any material changes to our litigation exposure since our December 31, 2006 Consolidated Financial Statements.

Note 14 – Minority Interest

Minority interest is composed of the following enterprises:

- 50% of membership interest in Angelika Film Center LLC (“AFC LLC”) owned by a subsidiary of National Auto Credit, Inc.;
- 25% minority interest in Australia Country Cinemas Pty Ltd (“ACC”) owned by Panorama Cinemas for the 21 Century Pty Ltd.;
 - 33% minority interest in the Elsternwick Joint Venture owned by Champion Pictures Pty Ltd.;
- Up to 27.5% minority interest in certain property holding trusts established by Landplan Property Partners to hold, manage and develop properties identified by Doug Osborne; and
 - 25% minority interest in the Sutton Hill Properties, LLC owned by Sutton Hill Capital, LLC.

The components of minority interest are as follows (dollars in thousands):

	September 30, 2007	December 31, 2006
AFC	\$ 1,972	\$ 2,264
Australian Country Cinemas	191	174
Elsternwick Unincorporated Joint Venture	173	151
Landplan Property Partners Property Trusts (see below)	177	13
Sutton Hill Properties (see below)	(61)	--
Other	1	1
Minority interest in consolidated affiliates	\$ 2,453	\$ 2,603

	Expense for the Three Months Ended September 30, 2007		Expense for the Nine Months Ended September 30, 2006	
	2007	2006	2007	2006
AFC LLC	\$ 130	\$ 168	\$ 458	\$ 425

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Australian Country Cinemas	18	(3)	71	--
Elsternwick Unincorporated Joint Venture	16	(12)	34	--
Landplan Property Partners Property Trusts	59	--	155	--
Sutton Hill Properties	(61)	--	(61)	--
Minority interest expense	\$ 162	\$ 153	\$ 657	\$ 425

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Table of ContentsLandplan Property Partners Property Trusts

As fully described in our 2006 Consolidated Financial Statements, we have formed two new wholly-owned subsidiaries, Landplan Property Partners, Pty Ltd and Landplan Property Partners New Zealand, Ltd collectively referred to as Landplan Property Partners (“LPP”), to engage in the real estate development business under the leadership of Mr. Doug Osborne. We have an agreement with Mr. Osborne pursuant to which he has a contingent interest in certain property trusts, owned by LPP, ranging between 27.5% and 15%, depending on a number of factors including the amount and duration of the investments of LPP. Mr. Osborne’s interest is subject to (i) the repayment of all third party indebtedness, (ii) the repayment of all funds invested or advanced by Reading, and (iii) the realization by Reading of an 11% annual compounded preferred return on its capital. Based on SFAS 123(R), we have calculated the fair value of Mr. Osborne’s interest for book purposes at \$171,000 with respect to property acquired by LPP in the first quarter. LPP acquired another property during the third quarter of 2007 for which we estimate Mr. Osborne’s interest for book purposes to be \$158,000 (see Note 17 – Acquisitions, Dispositions, and Assets Held for Sale). During the three and nine months ended September 30, 2007, we expensed \$59,000 and \$155,000, respectively, associated with Mr. Osborne’s interests. These individual trusts are referred to in this note as the Landplan Property Partners Property Trusts.

Sutton Hill Properties

On June 28, 2007, SHC exercised its Cinemas 1, 2, & 3 Purchase Option for a cash contribution of \$3.0 million plus the assumption of its proportionate share of SHP’s liabilities giving them a 25% non-managing membership interest in SHP. In July 2007, SHP distributed \$3.5 million as an equal distribution to SHC of which \$3.0 million was deemed a minority interest distribution and \$525,000 was deemed an excess distribution of minority interest which we recorded as an expense to Reading.

Note 15 – Common Stock

As part of his compensation package, Mr. John Hunter, our Chief Operating Officer, was granted \$100,000 of restricted Class A Non-Voting Common Stock on February 12, 2007. This stock grant has a vesting period of two years and a stock grant price of \$8.63.

During the third quarter of 2007, we issued for cash to an employee of the corporation under our employee stock option plan 6,250 shares of Class A Nonvoting Common Stock at an exercise price of \$4.01 per share.

Note 16 - Comprehensive Income

U.S. GAAP requires that the effect of foreign currency translation adjustments and unrealized gains and/or losses on securities that are available-for-sale (“AFS”) be classified as comprehensive income. The following table sets forth our comprehensive income for the periods indicated (dollars in thousands):

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2007	2006	2007	2006
Net income	\$ 870	\$ 6,093	\$ 1,858	\$ 2,712
Foreign currency translation gain	1,948	1,381	14,365	382
Accrued pension	76	--	(2,524)	--
Realized gain on AFS securities	(549)	--	(773)	--
Unrealized gain (loss) on AFS securities	(880)	7	82	24
Comprehensive income	\$ 1,465	\$ 7,481	\$ 13,008	\$ 3,118

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Note 17 – Acquisitions, Dispositions, and Assets Held for Sale

New Zealand Property Acquisitions

On July 27, 2007, we purchased through a Landplan Property Partners property trust a 64.0 acre parcel of undeveloped agricultural real estate for approximately \$9.3 million (NZ\$12.1 million). We intend to rezone the property from its current agricultural use to commercial use, and thereafter to redevelop the property in accordance with its new zoning. No assurances can be given that such rezoning will be achieved, or if achieved, that it will occur in the near term.

On June 29, 2007, we acquired a commercial property for \$5.9 million (NZ\$7.6 million), rented to an unrelated third party, to be held for current income and long-term appreciation. We have completed our purchase price allocation for this property and the related acquired operating lease in accordance with SFAS 141 – *Business Combinations*. The initial purchase price allocation was based on the assets acquired from the seller. The purchase price allocation for this acquisition is \$1.2 million (NZ\$1.6 million) allocated to land and \$4.7 million (NZ\$6.1 million) allocated to building.

On February 14, 2007, we acquired, through a Landplan Property Partners property trust, a 1.0 acre parcel of commercial real estate for approximately \$4.9 million (NZ\$6.9 million). The property is currently improved with a motel, but we anticipate that this use will be discontinued as we renovate the property and sell the units as condominiums. A portion of this property includes unimproved land that we do not intend to develop. This land was determined to have a fair value of \$1.8 million (NZ\$2.6 million) at the time of purchase and is included on our balance sheet as land held for sale. The remaining property and its cost basis of \$3.1 million (NZ\$4.3 million) was included in property under development. The operating activities of the motel are not material. We have completed our purchase price allocation for this property in accordance with SFAS 141 – *Business Combinations*.

Cinemas 1, 2, & 3 Building

On June 28, 2007, we purchased the building associated with our Cinemas 1, 2, & 3 for \$100,000 from Sutton Hill Capital (“SHC”). Our option to purchase that building has been previously disclosed, and was granted to us by SHC at the time that we acquired the underlying ground lease from SHC on June 1, 2005. As SHC is a related party to our corporation, our Board’s Audit and Conflicts Committee, comprised entirely of outside independent directors, and subsequently our entire Board of Directors unanimously approved the purchase of the property. The Cinemas 1, 2 & 3 is located on 3rd Avenue between 59th and 60th Streets.

Tower Ground Lease

On February 8, 2007, we purchased the tenant’s interest in the ground lease underlying the building lease for one of our domestic cinemas. The purchase price of \$493,000 was paid in two installments; \$243,000 was paid on February 8, 2007 and \$250,000 was paid on June 28, 2007.

Discontinued Operation

In June 2007, upon the fulfillment of our commitment, we recorded the release of a deferred gain on the sale of a discontinued operation of \$1.9 million associated with a previously sold property.

Table of Contents**Note 18 – Derivative Instruments**

The following table sets forth the terms of our interest rate swap derivative instruments at September 30, 2007:

Type of Instrument	Notional Amount	Pay Fixed Rate	Receive Variable Rate	Maturity Date
Interest rate swap	\$ 9,298,000	5.7000%	6.4867%	December 31, 2007
Interest rate swap	\$ 14,832,000	6.4400%	6.4867%	December 31, 2008
Interest rate swap	\$ 14,456,000	6.6800%	6.4867%	December 31, 2008
Interest rate swap	\$ 10,781,000	5.8800%	6.4867%	December 31, 2008
Interest rate swap	\$ 3,099,000	6.3600%	6.4867%	December 31, 2008
Interest rate swap	\$ 3,099,000	6.9600%	6.4867%	December 31, 2008
Interest rate swap	\$ 2,479,000	7.0000%	6.8600%	December 31, 2008
Interest rate swap	\$ 1,231,000	7.1900%	7.1483%	December 31, 2008

In accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, we marked our Australian interest rate swap instruments to market on the consolidated balance sheet resulting in a \$76,000 (AUS\$70,000) and \$186,000 (AUS\$182,000) decrease to interest expense during the three and nine months ended September 30, 2007, respectively, and a \$2,000 (AUS\$3,000) and \$555,000 (AUS\$758,000) increase to interest expense during the three and nine months ended September 30, 2006, respectively. At September 30, 2007 and December 31, 2006, we have recorded the fair market value of our interest rate swaps of \$392,000 (AUS\$443,000) and \$206,000 (AUS\$261,000), respectively, as an other noncurrent asset. In accordance with SFAS No. 133, we have not designated any of our current interest rate swap positions as financial reporting hedges.

Note 19 – Subsequent EventsAcquisition of Pacific Theaters Owned Cinemas

On October 8, 2007, we entered into agreements to acquire leasehold interests in 15 cinemas currently owned by Pacific Theatres Exhibition Corp. and its affiliates. The cinemas, which are located in the United States, contain 181 screens with annual revenue of approximately \$81.0 million. The aggregate purchase price of the cinemas and related assets is \$72.0 million.

The acquisition will be made through a wholly owned subsidiary of RDI and will be financed principally by a combination of debt financing which has been contingently committed by GE Capital Corporation and seller financing. Our obligation to complete the acquisition is conditioned upon its receipt of funds described in the financing commitment, and RDI has agreed to pay the sellers a termination fee if the acquisition is not completed under certain circumstances. The completion of the acquisition is also subject to customary closing conditions and is expected to be completed with the timing dependent on a number of factors, before year-end.

Australia Corporate Credit Facility

In October 2007, our Australia Corporate Credit Facility was increased from \$88.6 million (AUS\$100.0 million) to \$97.4 million (AUS\$110.0 million).

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Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

As Reading International, Inc. (RDI and collectively with our consolidated subsidiaries, “Reading” and “we,” “us” or “our”) our businesses consist primarily of:

- the development, ownership, and operation of multiplex cinemas in the United States, Australia, and New Zealand; and
- the development, ownership, and operation of retail and commercial real estate in Australia, New Zealand, and the United States, including entertainment-themed retail centers (“ETRCs”) in Australia and New Zealand and live theater assets in Manhattan and Chicago in the United States.

We believe cinema exhibition to be a business that will likely continue to generate fairly consistent cash flows in the years ahead. This is based on our belief that people will continue to spend some reasonable portion of their entertainment dollar on entertainment outside of the home and that, when compared to other forms of outside the home entertainment, movies continue to be a popular and competitively priced option. As we intend to be opportunistic in adding to our existing cinema portfolio, on October 8, 2007, we entered into agreements to acquire 15 cinemas with 181 screens in Hawaii and California and we are continuing to consider the acquisition of existing cinema assets currently being offered for sale in Australia, New Zealand, and the United States. Nevertheless, we believe it is likely that, over the long term, we will be reinvesting the majority our free cash flow into our general real estate development activities. We anticipate that our cinema operations will continue as our main source of cash flow and will support our real estate oriented activities.

In short, while we do have operating company attributes, we see ourselves principally as a hard asset company and intend to add to shareholder value by building the value of our portfolio of tangible assets.

In addition, we may from time to time identify opportunities to expand our existing businesses and asset base, or to otherwise profit, through the acquisition of interests in other publicly traded companies, both in the United States and in the overseas jurisdictions in which we do business. At September 30, 2007, our investments in the securities of other public companies aggregated \$4.6 million, based on the closing price of such securities on that date.

We manage our worldwide cinema business under various different brands:

- in the US, under the *Reading*, *Angelika Film Center* and *City Cinemas* brands;
- in Australia, under the *Reading* brand; and
- in New Zealand, under the *Reading*, *Berkeley Cinemas* and *Rialto* brands.

At September 30, 2007, we owned and operated 35 cinemas with 231 screens, had interests in certain unconsolidated joint ventures and entities that own an additional 7 cinemas with 46 screens and managed 2 cinemas with 9 screens.

Our business plan going forward is to build-out our existing development properties and to seek out additional real estate development opportunities while continuing to use and judiciously expand our presence in the cinema exhibition and live theatre business, by identifying, developing, and acquiring cinema and live theatre properties when and where appropriate.

A significant portion of our business is conducted in Australia and New Zealand, and as such, we are subject to a certain degree of currency risk. We do not engage in currency hedging activities. Rather, to the extent possible, we

operate our Australian and New Zealand operations on a self-funding basis. Our policy in Australia and New Zealand is to match revenues and expenses, whenever possible, in local currencies. As a result, the

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majority of our expenses in Australia and New Zealand have been procured in local currencies. Due to the developing nature of our operations in Australia and New Zealand, our revenues are not yet significantly greater than our operating expenses. The resulting natural operating hedge has led to a negligible foreign currency effect on our net earnings. However, with the recent reduction in our New Zealand and Australia debt, foreign currency can have a significant effect on the value of assets and liabilities with fluctuations noted in other comprehensive income. On February 5, 2007, we issued \$51.5 million in 20-year fully subordinated notes and paid off our bank indebtedness in New Zealand \$34.4 million (NZ\$50.0 million) and retired a portion of our bank indebtedness in Australia \$5.8 million (AUS\$7.4 million). By paying off our New Zealand debt and paying down on our Australia debt with the proceeds of our Trust Preferred Securities, we have added an increased element of currency risk to our Company. We believe that this currency risk is mitigated by the comparatively favorable interest rate and the long-term nature of the fully subordinated notes. As we continue to progress with our acquisition and development activities in Australia and New Zealand, we cannot assure you that the foreign currency effect on our earnings will be insignificant in the future.

We continue to acquire, to dispose of, or to reposition assets in accordance with our business plan. For a description of our acquisitions so far in 2007, see Note 17 – *Acquisitions and Assets Held for Sale* and Note 19 – *Subsequent Events* to our September 30, 2007 Consolidated Financial Statements.

Results of Operations

At September 30, 2007, we owned and operated 35 cinemas with 231 screens, had interests in certain unconsolidated joint ventures and entities that own an additional 7 cinemas with 46 screens and managed 2 cinemas with 9 screens. Regarding real estate, we owned and operated during the period four ETRC's that we have developed in Australia and New Zealand; owned the fee interests in four developed commercial properties in Manhattan and Chicago, all of which are improved with live theatres, which together comprise seven stages and, in two cases, ancillary retail and commercial space; owned the fee interests underlying one of our Manhattan cinemas and hold for development an additional seven parcels (aggregating approximately 123 acres) located principally in urbanized areas of Australia and New Zealand. Two of these parcels, Burwood and Moonee Ponds, comprise approximately 54 acres, and are in areas designated by the provincial government of Victoria, Australia as "major or principal activity centres," and we are currently in the planning phases of their development.

Operating expenses include costs associated with the day-to-day operations of the cinemas and live theatres and the management of rental properties. Our year-to-year results of operation were principally impacted by the following:

- the opening in the fourth quarter of 2005 and the occupancy of the majority of tenancies during first and second quarters of 2006 of our Newmarket Shopping Center, a 100,000 square foot retail center in a suburb of Brisbane, Australia;
 - the acquisition of a cinema in Queenstown, New Zealand effective February 23, 2006;
- the purchase of the 50% share that we did not already own of the Palms 8-screen, leasehold cinema located in Christchurch, New Zealand effective April 1, 2006;
- the sale of our 50% share of the cinemas at Whangaparaoa, Takapuna and Mission Bay, New Zealand formerly part of the Berkeley Cinemas Group effective August 28, 2006;
- the acquisition in February 2007, of the long-term ground lease interest underlying our Tower Theater in Sacramento, California (the principal art cinema in Sacramento); and
-

the increase in the value of the Australian and New Zealand dollars vis-à-vis the US dollar from \$0.7461 and \$0.6530, respectively, as of September 30, 2006 to \$0.8855 and \$0.7568, respectively, as of September 30, 2007.

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The tables below summarize the results of operations for each of our principal business segments for the three (“2007 Quarter”) and nine (“2007 Nine Months”) months ended September 30, 2007 and the three (“2006 Quarter”) and nine (“2006 Nine Months”) months ended September 30, 2006, respectively. Effective the fourth quarter of 2006, we changed the presentation of our segment reporting such that our intersegment revenues and expenses are reported separately from our segments’ operating activity. The effect of this change is to include intercompany rent revenues and rent expenses into their respective cinema and real estate business segments. The revenues and expenses for the three and nine months ending September 30, 2006 have been adjusted to conform to the current year presentation. We believe that this presentation more accurately portrays how our operating decision makers’ view the operations, how they assess segment performance, and how they make decisions about allocating resources to the segments (dollars in thousands):

Three months ended September 30, 2007	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue	\$ 29,110	\$ 5,521	\$ (2,072)	\$ 32,559
Operating expense	23,055	2,280	(2,072)	23,263
Depreciation & amortization	1,650	1,127	--	2,777
General & administrative expense	792	108	--	900
Segment operating income	\$ 3,613	\$ 2,006	\$ --	\$ 5,619

Three months ended September 30, 2006	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue ³	\$ 21,806	\$ 3,771	\$ (1,259)	\$ 24,318
Operating expense ³	17,347	2,161	(1,259)	18,249
Depreciation & amortization	2,245	989	--	3,234
General & administrative expense	901	154	--	1,055
Segment operating income	\$ 1,313	\$ 467	\$ --	\$ 1,780

Reconciliation to consolidated net income:	2007 Quarter	2006 Quarter
Total segment operating income	\$ 5,619	\$ 1,780
Non-segment:		
Depreciation and amortization expense	140	151
General and administrative expense	2,970	1,992
Operating income (loss)	2,509	(363)
Interest expense, net	(2,267)	(1,765)
Other income	707	209
Minority interest expense	(162)	(153)
Income tax expense	(501)	(540)
Equity earnings of unconsolidated joint ventures and entities	584	5,263
Gain on sale of unconsolidated entity	--	3,442
Net income	\$ 870	\$ 6,093

³ For the three months ended September 30, 2006, the real estate revenues and cinema operating expenses have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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Nine months ended September 30, 2007	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue	\$ 79,651	\$ 15,926	\$ (4,903)	\$ 90,674
Operating expense	63,936	6,145	(4,903)	65,178
Depreciation & amortization	5,242	3,273	--	8,515
General & administrative expense	2,317	566	--	2,883
Segment operating income	\$ 8,156	\$ 5,942	\$ --	\$ 14,098

Nine months ended September 30, 2006	Cinema	Real Estate	Intersegment Eliminations	Total
Revenue ⁴	\$ 68,269	\$ 12,437	\$ (3,909)	\$ 76,797
Operating expense ⁴	55,641	5,628	(3,909)	57,360
Depreciation & amortization	6,600	3,009	--	9,609
General & administrative expense	2,801	567	--	3,368
Segment operating income	\$ 3,227	\$ 3,233	\$ --	\$ 6,460

	2007 Nine Months	2006 Nine Months
Reconciliation to consolidated net income:		
Total segment operating income	\$ 14,098	\$ 6,460
Non-segment:		
Depreciation and amortization expense	418	354
General and administrative expense	8,542	6,121
Operating income (loss)	5,138	(15)
Interest expense, net	(5,968)	(5,060)
Other income (expense)	250	(945)
Minority interest expense	(657)	(425)
Gain on sale of a discontinued operation	1,912	--
Income tax expense	(1,443)	(1,222)
Equity earnings of unconsolidated joint ventures and entities	2,626	6,937
Gain on sale of unconsolidated entity	--	3,442
Net income	\$ 1,858	\$ 2,712

Cinema

Included in the cinema segment above is revenue and expense from the operations of 35 cinema complexes with 231 screens during the 2007 and the 2006 Quarters. The following tables detail our cinema segment operating results for the three months ended September 30, 2007 and 2006, respectively (dollars in thousands):

⁴ For the nine months ended September 30, 2006, the real estate revenues and cinema operating expenses have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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Three Months Ended September 30, 2007	United States	Australia	New Zealand	Total
Admissions revenue	\$ 4,537	\$ 11,773	\$ 4,721	\$ 21,031
Concessions revenue	1,376	3,944	1,387	6,707
Advertising and other revenues	597	557	218	1,372
Total revenues	6,510	16,274	6,326	29,110
Cinema costs	4,774	12,108	4,683	21,565
Concession costs	263	859	368	1,490
Total operating expense	5,037	12,967	5,051	23,055
Depreciation and amortization	487	727	436	1,650
General & administrative expense	483	308	1	792
Segment operating income	\$ 503	\$ 2,272	\$ 838	\$ 3,613

Three Months Ended September 30, 2006	United States	Australia	New Zealand	Total
Admissions revenue	\$ 4,698	\$ 8,031	\$ 3,136	\$ 15,865
Concessions revenue	1,386	2,538	957	4,881
Advertising and other revenues	448	400	212	1,060
Total revenues	6,532	10,969	4,305	21,806
Cinema costs ⁵	4,223	9,167	2,867	16,257
Concession costs	273	576	241	1,090
Total operating expense	4,496	9,743	3,108	17,347
Depreciation and amortization	381	1,482	382	2,245
General & administrative expense	534	356	11	901
Segment operating income (loss)	\$ 1,121	\$ (612)	\$ 804	\$ 1,313

- Cinema revenue increased for the 2007 Quarter by \$7.3 million or 33.5% compared to the same period in 2006. The 2007 Quarter increase resulted from improved results from our Australia and New Zealand operations including \$5.3 million from admissions and \$2.0 million from concessions and other revenues.
- Operating expense increased for the 2007 Quarter by \$5.7 million or 32.9% compared to the same period in 2006. This increase followed the aforementioned increase in revenues. Overall, our operating expenses from year-to-year held fairly constant at 79.2% of gross revenue for the 2007 Quarter and 79.6% of gross revenue for the 2006 Quarter.
- Depreciation and amortization expense decreased for the 2007 Quarter by \$595,000 or 26.5% compared to the same period in 2006 primarily related to several Australia cinema assets reaching their useful depreciable life as of December 31, 2006.
- General and administrative expense decreased for the 2007 Quarter by \$109,000 or 12.1% compared to the same period in 2006 from improved cost management.

⁵ For the three months ended September 30, 2006, the cinema operating expenses have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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- The Australia and New Zealand quarterly average exchange rates have changed by 9.9% and 16.6%, respectively, since 2006, which had an impact on the individual components of the income statement. However, the overall effect of the foreign currency change on operating income was minimal.
- Because of the above, cinema segment income increased for the 2007 Quarter by \$2.3 million compared to the same period in 2006.

The following tables detail our cinema segment operating results for the nine months ended September 30, 2007 and 2006, respectively, (dollars in thousands):

Nine Months Ended September 30, 2007	United		New	
	States	Australia	Zealand	Total
Admissions revenue	\$ 13,639	\$ 32,317	\$ 12,119	\$ 58,075
Concessions revenue	3,900	10,424	3,512	17,836
Advertising and other revenues	1,430	1,657	653	3,740
Total revenues	18,969	44,398	16,284	79,651
Cinema costs	13,678	33,844	12,412	59,934
Concession costs	763	2,324	915	4,002
Total operating expense	14,441	36,168	13,327	63,936
Depreciation and amortization	1,465	2,500	1,277	5,242
General & administrative expense	1,554	758	5	2,317
Segment operating income	\$ 1,509	\$ 4,972	\$ 1,675	\$ 8,156

Nine Months Ended September 30, 2006	United		New	
	States	Australia	Zealand	Total
Admissions revenue	\$ 12,936	\$ 27,236	\$ 9,744	\$ 49,916
Concessions revenue	3,891	8,436	2,911	15,238
Advertising and other revenues	1,202	1,342	571	3,115
Total revenues	18,029	37,014	13,226	68,269
Cinema costs ⁶	12,982	29,170	10,101	52,253
Concession costs	695	1,932	761	3,388
Total operating expense	13,677	31,102	10,862	55,641
Depreciation and amortization	1,373	4,260	967	6,600
General & administrative expense	1,986	788	27	2,801
Segment operating income	\$ 993	\$ 864	\$ 1,370	\$ 3,227

- Cinema revenue increased for the 2007 Nine Months by \$11.4 million or 16.7% compared to the same period in 2006. The 2007 Nine Month increase related to improved results not only from our Australia and New Zealand operations including \$7.5 million from admissions and \$3.0 million from concessions and other revenues but also from our domestic cinema operations of \$703,000 from admissions and \$237,000 from concessions and other revenues.
- Operating expense increased for the 2007 Nine Months by \$8.3 million or 14.9% compared to the same period in 2006. This increase followed the aforementioned increase in revenues. Overall, our operating

⁶ For the nine months ended September 30, 2006, the cinema operating expenses have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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expenses from year-to-year improved slightly to 80.3% of gross revenue for the 2007 Nine Months from 81.5% of gross revenue for the 2006 Nine Months.

- Depreciation and amortization expense decreased for the 2007 Nine Months by \$1.4 or 20.6% compared to the same period in 2006. This decrease is primarily related to several Australia cinema assets reaching their useful depreciable life as of December 31, 2006.
- General and administrative expense decreased for the 2007 Nine Months by \$484,000 or 17.3% compared to the same period in 2006. The decrease was due to a drop in legal costs primarily related to our anti-trust litigation associated with our Village East cinema.
- The Australia and New Zealand annual average exchange rates have changed by 9.9% and 13.3%, respectively, since 2006, which had an impact on the individual components of the income statement. However, the overall effect of the foreign currency change on operating income was minimal.
- As a result of the above, cinema segment income increased for the 2007 Nine Months by \$4.9 million compared to the same period in 2006.

Real Estate

For the three months ended September 30, 2007, our rental income generating real estate holdings consisted of:

- ETRCs at Belmont in Perth; at Auburn in Sydney; and at Courtenay Central in Wellington, New Zealand; and our Newmarket shopping center in Brisbane, Australia;
- three single auditorium live theatres in Manhattan (Minetta Lane, Orpheum, and Union Square) and a four auditorium live theatre complex in Chicago (The Royal George) and, in the case of the Union Square and the Royal George their accompanying ancillary retail and commercial tenants;
 - the ancillary retail and commercial tenants at some of our non-ETRC cinema locations; and
 - certain raw land, used in our historic activities, which continue to generate minimal rent.

The following tables detail our real estate segment operating results for the three months ended September 30, 2007 and 2006, respectively (dollars in thousands):

	United States	Australia	New Zealand	Total
Three Months Ended September 30, 2007				
Live theatre rental and ancillary income	\$ 657	\$ --	\$ --	\$ 657
Property rental income	723	2,252	1,889	4,864
Total revenues	1,380	2,252	1,889	5,521
Live theatre costs	455	--	--	455
Property rental cost	435	759	631	1,825
Total operating expense	890	759	631	2,280
Depreciation and amortization	96	596	435	1,127
General & administrative expense	--	118	(10)	108
Segment operating income	\$ 394	\$ 779	\$ 833	\$ 2,006

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Three Months Ended September 30, 2006	United States	Australia	New Zealand	Total
Live theatre rental and ancillary income	\$ 911	\$ --	\$ --	\$ 911
Property rental income ⁷	205	1,804	851	2,860
Total revenues	1,116	1,804	851	3,771
Live theatre costs	830	--	--	830
Property rental cost	371	651	309	1,331
Total operating expense	1,201	651	309	2,161
Depreciation and amortization	106	512	371	989
General & administrative expense	11	143	--	154
Segment operating income (loss)	\$ (202)	\$ 498	\$ 171	\$ 467

- Revenue increased for the 2007 Quarter by \$1.8 million or 46.4% compared to the same period in 2006. The increase was primarily related to higher rental revenues from our foreign real estate holdings including our recently opened Australia Newmarket shopping center and our Courtenay Central property and newly acquired Landplan properties in New Zealand.
- Operating expense for the real estate segment increased for the 2007 Quarter by \$119,000 or 5.5% compared to the same period in 2006. This increase in expense was primarily related to the aforementioned newly acquired Landplan properties and Courtenay Central property in New Zealand.
- Depreciation expense for the real estate segment increased by \$138,000 or 14.0% for the 2007 Quarter compared to the same period in 2006. The majority of this increase was attributed to the Australia Newmarket shopping center assets which were put into service during the first quarter 2007.
- The Australia and New Zealand quarterly average exchange rates have changed by 9.9% and 16.6%, respectively, since 2006, which had an impact on the individual components of the income statement. However, the overall effect of the foreign currency change on operating income was minimal.
- As a result of the above, real estate segment income increased for the 2007 Quarter by \$1.5 million compared to the same period in 2006.

⁷ For the three months ended September 30, 2006, the real estate revenues have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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The following tables detail our real estate segment operating results for the nine months ended September 30, 2007 and 2006, respectively (dollars in thousands):

Nine Months Ended September 30, 2007	United States	Australia	New Zealand	Total
Live theatre rental and ancillary income	\$ 2,385	\$ --	\$ --	\$ 2,385
Property rental income	1,631	6,735	5,175	13,541
Total revenues	4,016	6,735	5,175	15,926
Live theatre costs	1,465	--	--	1,465
Property rental cost	997	2,200	1,483	4,680
Total operating expense	2,462	2,200	1,483	6,145
Depreciation and amortization	286	1,744	1,243	3,273
General & administrative expense	14	427	125	566
Segment operating income	\$ 1,254	\$ 2,364	\$ 2,324	\$ 5,942

Nine Months Ended September 30, 2006	United States	Australia	New Zealand	Total
Live theatre rental and ancillary income	\$ 2,950	\$ --	\$ --	\$ 2,950
Property rental income ⁸	941	4,481	4,065	9,487
Total revenues	3,891	4,481	4,065	12,437
Live theatre costs	1,976	--	--	1,976
Property rental cost	806	1,826	1,020	3,652
Total operating expense	2,782	1,826	1,020	5,628
Depreciation and amortization	318	1,566	1,125	3,009
General & administrative expense	13	554	--	567
Segment operating income	\$ 778	\$ 535	\$ 1,920	\$ 3,233

- Revenue increased for the 2007 Nine Months by \$3.5 million or 28.1% compared to the same period in 2006. The increase was primarily related to an enhanced rental stream from our recently opened Australia Newmarket shopping center and our New Zealand properties of \$3.4 million.
- Operating expense for the real estate segment increased for the 2007 Nine Months by \$517,000 or 9.2% compared to the same period in 2006. This increase in expense was primarily due to higher operating costs related to our recently opened Australia Newmarket shopping center.
- Depreciation expense for the real estate segment increased by \$264,000 or 8.8% for the 2007 Nine Months compared to the same period in 2006. The majority of this increase was attributed to the Newmarket shopping center assets in Australia which were put into service during the first quarter 2007.
- The Australia and New Zealand annual average exchange rates have changed by 9.9% and 13.3%, respectively, since 2006, which had an impact on the individual components of the income statement. However, the overall effect of the foreign currency change on operating income was minimal.

⁸ For the nine months ended September 30, 2006, the real estate revenues have been adjusted from the amounts previously reported. See Note 1 – *Basis of Presentation*.

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- As a result of the above, real estate segment income for the 2007 Nine Months increased by \$2.7 million compared to the same period in 2006 of which \$1.5 million was attributable to our Newmarket shopping center.

Corporate

General and administrative expense includes expenses that are not directly attributable to other operating segments. General and administrative expense increased by \$978,000 in the 2007 Quarter compared to the 2006 Quarter primarily related to increased salary expense primarily from our newly appointed Chief Operating Officer; to legal and professional fees associated principally with our real estate acquisition and investment activities; and to our newly adopted Supplemental Executive Retirement Plan.

General and administrative expense increased by \$2.4 million in the 2007 Nine Months compared to the 2006 Nine Months. The 2007 increases were primarily related to increased corporate compensation expense related to the granting of 70,000 fully vested options to our directors coupled with an increase in director fees; to compensation for our newly appointed Chief Operating Officer; legal and professional fees associated principally with our real estate acquisition and investment activities; and to our newly adopted Supplemental Executive Retirement Plan.

Net interest expense increased by \$502,000 and by \$908,000 for the 2007 Quarter and the 2007 Nine Months, respectively, compared to last year primarily related to higher outstanding loan balances during 2007 compared to 2006.

Other income increased by approximately \$498,000 for the 2007 Quarter resulting from a \$549,000 gain on sale of marketable securities, coupled with a mark-to-market expense in 2006 not repeated in 2007 related to our option liability for the option held by Sutton Hill Capital, LLC to acquire a 25% non-managing membership interest in our Cinemas 1, 2 & 3 property. Other income increased by \$1.2 million for 2007 Nine Months compared to last year primarily due to the aforementioned mark-to-market expense in 2006 not repeated in 2007.

During the three and nine months ended September 30, 2007, upon the fulfillment of our commitment, we recorded the release of a deferred gain on the sale of a discontinued operation of \$1.9 million associated with a previously sold property.

Equity earnings of unconsolidated joint ventures and entities decreased by approximately \$4.7 million for the 2007 Quarter and by \$4.3 million for 2007 Nine Months compared to the same period last year. Both the decrease in the 2007 Quarter and the decrease in the 2007 Nine Months were primarily related to the changing sales activity in our investment related to the *205-209 East 57th Street Associates, LLC*, that has been developing a residential condominium complex in midtown Manhattan called Place 57. The partnership closed on the sale of one and eight condominiums during the three and nine months ended September 30, 2007, respectively, resulting in gross sales of \$3.4 million and \$26.0 million, respectively, and equity earnings from unconsolidated joint ventures and entities to us of \$201,000 and \$1.6 million, respectively. All of the residential condominiums have been sold and only the retail condominium is still available for sale.

In addition to the aforementioned equity earnings, during the three and nine months ending September 30, 2006, we recorded a gain on sale of unconsolidated entities of \$3.4 million (NZ\$5.4 million), from the sale of our interest in the cinemas at Whangaparaoa, Takapuna and Mission Bay, New Zealand.

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Consolidated Net Income/Losses

During 2007, we recorded net income of \$870,000 and \$1.9 million for the 2007 Quarter and 2007 Nine Months, respectively. As noted above, this income is related to improved operating results from both our cinema and our real estate segments and income associated with a gain on the sale of a discontinued operation. During 2006, we recorded a net income of \$6.1 million and \$2.7 million for the 2006 Quarter and 2006 Nine Months, respectively. This income was primarily related to the equity earnings from *205-209 East 57th Street Associates, LLC* and from the sale of our interest in the cinemas at Whangaparaoa, Takapuna and Mission Bay, New Zealand. In the prior periods, we recorded net losses from operations.

Acquisitions

New Zealand Property Acquisitions

On July 27, 2007, we purchased through a Landplan Property Partners property trust a 64.0 acre parcel of undeveloped agricultural real estate for approximately \$9.3 million (NZ\$12.1 million). We intend to rezone the property from its current agricultural use to commercial use, and thereafter to redevelop the property in accordance with its new zoning. No assurances can be given that such rezoning will be achieved, or if achieved, that it will occur in the near term.

On June 29, 2007, we acquired a commercial property for \$5.9 million (NZ\$7.6 million), rented to an unrelated third party, to be held for current income and long-term appreciation. We have completed our purchase price allocation for this property and the related acquired operating lease in accordance with SFAS 141 – *Business Combinations*. The initial purchase price allocation was based on the assets acquired from the seller. The preliminary purchase price allocation for this acquisition is \$1.2 million (NZ\$1.6 million) allocated to land and \$4.7 million (NZ\$6.1 million) allocated to building.

On February 14, 2007, we acquired, through a Landplan Property Partners property trust, a 1.0 acre parcel of commercial real estate for approximately \$4.9 million (NZ\$6.9 million). The property is currently improved with a motel, but we anticipate that this use will be discontinued as we renovate the property and sell the units as condominiums. A portion of this property includes unimproved land that we do not intend to develop. At the time of purchase, this land was determined to have a fair value of \$1.8 million (NZ\$2.6 million) and is included on our balance sheet as land held for sale. The remaining property and its cost basis of \$3.1 million (NZ\$4.3 million) was included in property under development. The operating activities of the motel are not material. We have completed our purchase price allocation for this property in accordance with SFAS 141 – *Business Combinations*.

Cinemas 1, 2, & 3 Building

On June 28, 2007, we purchased the building associated with our Cinemas 1, 2, & 3 for \$100,000 from Sutton Hill Capital (“SHC”). Our option to purchase that building has been previously disclosed, and was granted to us by SHC at the time that we acquired the underlying ground lease from SHC on June 1, 2005. As SHC is a related party to our corporation, our Board’s Audit and Conflicts Committee, comprised entirely of outside independent directors, and subsequently our entire Board of Directors unanimously approved the purchase of the property. The Cinemas 1, 2 & 3 is located on 3rd Avenue between 59th and 60th Streets.

Tower Ground Lease

On February 8, 2007, we purchased the tenant’s interest in the ground lease underlying the building lease for one of our domestic cinemas. The purchase price of \$493,000 was paid in two installments; \$243,000 was paid on February

8, 2007 and \$250,000 was paid on June 28, 2007.

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Table of ContentsDiscontinued Operation

In June 2007, upon the fulfillment of our commitment, we recorded the release of a deferred gain on the sale of a discontinued operation of \$1.9 million associated with a previously sold property.

Business Plan, Capital Resources, and LiquidityBusiness Plan

Our cinema exhibition business plan is to continue to identify, develop, and acquire cinema properties, where reasonably available, that allow us to leverage our cinema expertise and technology over a larger operating base. Our real estate business plan is to continue to develop our existing land assets, focusing principally on uses that incorporate entertainment elements such as cinemas, and to continue to be sensitive to opportunities to convert our entertainment assets to higher and better uses. In addition, we will actively seek out potential real estate sites in Australia and New Zealand that show profitable redevelopment opportunities.

Contractual Obligations

The following table provides information with respect to the maturities and scheduled principal repayments of our secured debt and lease obligations at September 30, 2007 (in thousands):

	2007	2008	2009	2010	2011	Thereafter
Long-term debt	\$ 1,846	\$ 383	\$ 85,391	\$ 9,527	\$ 177	\$ 15,265
Notes payable to related parties	--	5,000	--	9,000	--	--
Subordinated notes	--	--	--	--	--	51,547
Lease obligations	2,948	11,092	11,158	10,944	10,272	67,072
Estimated interest on long-term debt	3,140	12,015	11,961	5,599	4,610	70,688
Total	\$ 7,934	\$ 28,490	\$ 108,510	\$ 35,070	\$ 15,059	\$ 204,572

Estimated interest on long-term debt is based on the anticipated loan balances for future periods calculated against current fixed and variable interest rates.

We adopted FIN 48, "Accounting for Uncertainty in Income Taxes" on January 1, 2007. As of adoption, the total amount of gross unrecognized tax benefits for uncertain tax positions was \$12.5 million increasing to \$13.5 million as of September 30, 2007. The determination of actual amounts and timing of payments will depend on the activity of tax authorities with respect to the contested tax issues disclosed in Note 10 – *Income Tax* to our 2006 Annual Report on form 10-K. We do not expect a significant tax payment related to these obligations within the 12 months.

Unconsolidated Debt

Total debt of unconsolidated joint ventures and entities was \$5.0 million and \$4.8 million as of September 30, 2007 and December 31, 2006, respectively. Our share of unconsolidated debt, based on our ownership percentage, was \$2.3 million and \$2.2 million as of September 30, 2007 and December 31, 2006, respectively. This debt is without recourse to Reading as of September 30, 2007 and December 31, 2006.

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Off-Balance Sheet Arrangements

There are no off-balance sheet transactions, arrangements or obligations (including contingent obligations) that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Liquidity and Capital Resources

Our ability to generate sufficient cash flows from operating activities in order to meet our obligations and commitments drives our liquidity position. This is further affected by our ability to obtain adequate, reasonable financing and/or to convert non-performing or non-strategic assets into cash. We cannot separate liquidity from capital resources in achieving our long-term goals in order to meet our debt servicing requirements.

Currently, our liquidity needs arise mainly from:

- acquisition activities;
- working capital requirements;
- debt servicing requirements; and
- capital expenditures, centered on obtaining the right financing for the development of our Burwood property.

Operating Activities

Cash provided by operations was \$13.5 million in the 2007 Nine Months compared to \$2.4 million for the 2006 Nine Months. The increase in cash provided by operations of \$11.1 million is due primarily to:

- increased cinema operational cash flow primarily from our Australia operations;
- increased real estate operational cash flow predominately from our Australia operations. This increase can be particularly attributed to our Newmarket shopping center in Brisbane, Australia; and
- an increase in distributions from predominately our Place 57 joint venture of \$4.7 million.

Investing Activities

Cash used in investing activities for the 2007 Nine Months increased by \$19.3 million to \$32.2 million from \$12.9 million compared to the same period in 2006. The \$32.2 million cash used for the 2007 Nine Months was primarily related to:

- \$15.5 million to purchase marketable securities;
- \$20.6 million to purchase real estate assets including \$20.1 million for real estate purchases in New Zealand, \$100,000 for the purchase of the Cinemas 1, 2, & 3 building, and \$493,000 for the purchase of the ground lease of our Tower Cinema in Sacramento, California;
- \$1.1 million in property enhancements to our existing properties;

- \$16.2 million in development costs associated with our properties under development; and
- \$1.5 million in our investment in Reading International Trust I securities (the issuer of our Trust Preferred Securities);

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offset by

- \$19.9 million in cash provided by the sale of marketable securities; and
- \$2.2 million in distributions from our investment in joint ventures.

The \$12.9 million cash used for the 2006 Nine Months was primarily related to:

- \$8.1 million in acquisitions including:
 - o \$939,000 in cash used to purchase the Queenstown Cinema in New Zealand,
 - o \$2.8 million in cash used to purchase the 50% share that we did not already own of the Palms cinema located in Christchurch, New Zealand,
 - o \$1.8 million for the Australia Indooroopilly property, and
 - o \$2.5 million for the adjacent parcel to our Moonee Ponds property;
- \$6.4 million in cash used to complete the Newmarket property and for property enhancements to our Australia, New Zealand and U.S. properties; and
- \$2.7 million in investment in unconsolidated entities including \$1.8 million paid for Malulani Investments, Ltd. stock and \$876,000 additional cash invested in Rialto Cinemas used to pay off their bank debt,

offset by

- \$4.6 million cash received from the sale of our interest the cinemas at Whangaparaoa, Takapuna, and Mission Bay, New Zealand.

Financing Activities

Cash provided by financing activities for the 2007 Nine Months increased by \$24.5 million to \$34.1 million from \$9.6 million compared to the same period in 2006. The \$34.1 million in cash provided in the 2007 Nine Months was primarily related to:

- \$49.9 million of net proceeds from our new Trust Preferred Securities;
- \$14.4 million of net proceeds from our new Euro-Hypo loan;
- \$3.1 million of proceeds from our margin account on marketable securities; and
- \$26.4 million of borrowing on our Australia and New Zealand credit facilities;

offset by

- \$55.8 million of cash used to retire bank indebtedness including \$34.4 million (NZ\$50.0 million) to pay off our New Zealand term debt, \$5.8 million (AUS\$7.4 million) to retire a portion of our bank indebtedness in Australia, \$3.1 million to pay off our margin account on marketable securities, and \$12.1 million (NZ\$15.7 million) to pay

down our New Zealand Westpac line of credit in August 2007; and

- \$3.9 million in distributions to minority interests.

The \$9.6 million in cash provided in the 2006 Nine Months was primarily related to:

- \$11.8 million of new borrowings on our Australian Corporate Credit Facility;

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- \$3.0 million of a deposit received from Sutton Hill Capital, LLC for the option to purchase a 25% non-managing membership interest in the limited liability company that owns the Cinemas 1, 2 & 3;

offset by

- \$2.9 million of cash used to pay down long-term debt which was primarily related to the final payoff of the Movieland purchase note payable of approximately \$512,000; the payoff of the Palms – Christchurch Cinema bank debt of approximately \$1.9 million; and we made the first principal payment on our Australian Corporate Credit Facility of \$280,000;
- \$792,000 of cash used to repurchase the Class A Nonvoting Common Stock (these shares were previously issued to the Movieland sellers who exercised their put option during the 2006 Nine Months to sell back to us the shares they had received in partial consideration for the sale of the Movieland cinemas); and
 - \$1.5 million in distributions to minority interests.

Summary

As a result of the above, our cash position at September 30, 2007 was \$27.1 million compared to \$11.0 million at December 31, 2006.

Critical Accounting Policies

The Securities and Exchange Commission defines critical accounting policies as those that are, in management's view, most important to the portrayal of the company's financial condition and results of operations and the most demanding in their calls on judgment. Although accounting for our core business of cinema and live theatre exhibition with a real estate focus is relatively straightforward, we believe our most critical accounting policies relate to:

- impairment of long-lived assets, including goodwill and intangible assets;
- tax valuation allowance and obligations; and
- legal and environmental obligations.

These critical accounting policies are fully discussed in our 2006 Annual Report and you are advised to refer to that discussion.

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." FIN 48 prescribes rules for financial statement recognition and measurement of a tax positions taken or expected to be taken in a tax return. We adopted FIN 48 on January 1, 2007. As a result, we recognized a \$509,000 cumulative increase to reserves for uncertain tax positions, which was accounted for as an adjustment to the beginning balance of accumulated deficit in 2007. Overall, we had approximately \$12.5 million of gross tax benefits unrecognized on the financial statements as of the date of adoption.

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Financial Risk Management

Our internally developed risk management procedure, seeks to minimize the potentially negative effects of changes in foreign exchange rates and interest rates on the results of operations. Our primary exposure to fluctuations in the financial markets is currently due to changes in foreign exchange rates between U.S and Australia and New Zealand, and interest rates.

As our operational focus continues to shift to Australia and New Zealand, unrealized foreign currency translation gains and losses could materially affect our financial position. We currently manage our currency exposure by creating, whenever possible, natural hedges in Australia and New Zealand. This involves local country sourcing of goods and services as well as borrowing in local currencies. On February 5, 2007, we issued \$51.5 million in 20-year fully subordinated notes and paid off our bank indebtedness in New Zealand \$34.4 million (NZ\$50.0 million) and retired a portion of our bank indebtedness in Australia \$5.8 million (AUS\$7.4 million). By paying off our New Zealand debt and paying down on our Australia debt with the proceeds of our Trust Preferred Securities, we have added an increased element of currency risk to our Company. We believe that this currency risk is mitigated by the comparatively favorable interest rate and the long-term nature of the fully subordinated notes.

Our exposure to interest rate risk arises out of our long-term debt obligations. Consistent with our internally developed guidelines, we seek to reduce the negative effects of changes in interest rates by changing the character of the interest rate on our long-term debt, converting a variable rate into a fixed rate. Our internal procedures allow us to enter into derivative contracts on certain borrowing transactions to achieve this goal. Our Australian credit facilities provide for floating interest rates but require that not less than a certain percentage of the loans be swapped into fixed rate obligations using the derivative contracts.

In accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, we marked our Australian interest rate swap instruments to market on the consolidated balance sheet resulting in a \$76,000 (AUS\$70,000) and \$186,000 (AUS\$182,000) decrease to interest expense during the three and nine months ended September 30, 2007, respectively, and a \$2,000 (AUS\$3,000) and \$555,000 (AUS\$758,000) increase to interest expense during the three and nine months ended September 30, 2006, respectively. At September 30, 2007 and December 31, 2006, we have recorded the fair market value of our interest rate swaps of \$392,000 (AUS\$443,000) and \$206,000 (AUS\$261,000), respectively, as an other noncurrent asset. In accordance with SFAS No. 133, we have not designated any of our current interest rate swap positions as financial reporting hedges.

Inflation

We continually monitor inflation and the effects of changing prices. Inflation increases the cost of goods and services used. Competitive conditions in many of our markets restrict our ability to recover fully the higher costs of acquired goods and services through price increases. We attempt to mitigate the impact of inflation by implementing continuous process improvement solutions to enhance productivity and efficiency and, as a result, lower costs and operating expenses. In our opinion, the effects of inflation have been managed appropriately and as a result, have not had a material impact on our operations and the resulting financial position or liquidity.

Litigation

We are currently, and are from time to time, involved with claims and lawsuits arising in the ordinary course of our business. Some examples of the types of claims are:

- contractual obligations;

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- insurance claims;
- IRS claims;
- employment matters;
- environmental matters; and
- anti-trust issues.

Where we are the plaintiffs, we expense all legal fees on an on-going basis and make no provision for any potential settlement amounts until received. In Australia, the prevailing party is entitled to recover its attorneys fees, which typically works out to be approximately 60% of the amounts actually spent where first class legal counsel is engaged at customary rates. Where we are a plaintiff, we have likewise made no provision for the liability for the defendant's attorneys' fees in the event we were determined not to be the prevailing party.

Where we are the defendants, we accrue for probable damages, which may not be covered by insurance, as they become known and can be reasonably estimated. In our opinion, any claims and litigation in which we are currently involved are not reasonably likely to have a material adverse effect on our business, results of operations, financial position, or liquidity. However, we do not give any assurance as to the ultimate outcome of such claims and litigation. The resolution of such claims and litigation could be material to our operating results for any particular period, depending on the level of income for such period. There have been no material changes to our litigation exposure since our Company's 2006 Annual Report.

There have not been any material changes to our litigation exposure since our Company's 2006 Annual Report.

Forward-Looking Statements

Our statements in this interim quarterly report 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 expectation 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 view 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:
 - o The number and attractiveness to movie goers of the films released in future periods;

- o The amount of money spent by film distributors to promote their motion pictures;
- o The licensing fees and terms required by film distributors from motion picture exhibitors in order to exhibit their films;

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- o 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;
- o The extent to which we encounter competition from other cinema exhibitors, from other sources of outside of 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, DVD and VHS rentals and sales, and so called “movies on demand;” and
- o The extent to and the efficiency with which, we are able to integrate any acquisitions of cinema circuits with our existing operations.
 - With respect to our real estate development and operation activities:
- o The rental rates and capitalization rates applicable to the markets in which we operate and the quality of properties that we own;
- o The extent to which we can obtain on a timely basis the various land use approvals and entitlements needed to develop our properties;
 - o The risks and uncertainties associated with real estate development;
 - o The availability and cost of labor and materials;
 - o Competition for development sites and tenants;
 - o Environmental remediation issues; and
- o The extent to which our cinemas can continue to serve as an anchor tenant which will, in turn, be influenced by the same factors as will influence generally the results of our cinema operations; and
- 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:
- o 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;
 - o The relative values of the currency used in the countries in which we operate;
- o Changes in government regulation, including by way of example, the costs resulting from the implementation of the requirements of Sarbanes-Oxley;
- o 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);
- o 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;

o 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

o 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 as changes in government regulation or policy, competition, interest rates, supply, technological innovation, changes in consumer taste and fancy,

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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, it naturally follows that 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.

Finally, please understand that we undertake no obligation to update publicly 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 interim quarterly report may contain “non-GAAP financial measures.” In such case, a reconciliation of this information to our GAAP financial statements will be made available in connection with such statements.

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Item 3 – Quantitative and Qualitative Disclosure about Market Risk

The Securities and Exchange Commission requires that registrants include information about potential effects of changes in currency exchange and interest rates in their filings. Several alternatives, all with some limitations, have been offered. The following discussion is based on a sensitivity analysis, which models the effects of fluctuations in currency exchange rates and interest rates. This analysis is constrained by several factors, including the following:

- It is based on a single point in time.
- It does not include the effects of other complex market reactions that would arise from the changes modeled.

Although the results of such an analysis may be useful as a benchmark, they should not be viewed as forecasts.

At September 30, 2007, approximately 51% and 24% of our assets were invested in assets denominated in Australian dollars (Reading Australia) and New Zealand dollars (Reading New Zealand), respectively, including approximately \$10.5 million in cash and cash equivalents. At December 31, 2006, approximately 49% and 23% of our assets were invested in assets denominated in Australian dollars (Reading Australia) and New Zealand dollars (Reading New Zealand) including approximately \$9.0 million in cash and cash equivalents.

Our policy in Australia and New Zealand is to match revenues and expenses, whenever possible, in local currencies. As a result, a majority of our expenses in Australia and New Zealand have been procured in local currencies. Due to the developing nature of our operations in Australia and New Zealand, our revenue is not yet significantly greater than our operating expense. The resulting natural operating hedge has led to a somewhat negligible foreign currency effect on our current earnings. Although foreign currency has had a nominal effect on our current earnings, the effect of the translation adjustment on our assets and liabilities noted in our other comprehensive income was \$1.9 million and \$14.4 million for the three and nine months ended September 30, 2007. As we continue to progress our acquisition and development activities in Australia and New Zealand, we cannot assure you that the foreign currency effect on our earnings will be insignificant in the future.

Historically, our policy has been to borrow in local currencies to finance the development and construction of our ETRC's in Australia and New Zealand whenever possible. As a result, the borrowings in local currencies have provided somewhat of a natural hedge against the foreign currency exchange exposure. Even so, and as a result of our issuance of fully subordinated notes described below, approximately 46% and 82% of our Australian and New Zealand assets, respectively, remain subject to such exposure unless we elect to hedge our foreign currency exchange between the US and Australian and New Zealand dollars. If the foreign currency rates were to fluctuate by 10% the resulting change in Australian and New Zealand assets would be \$8.2 million and \$7.1 million, respectively, and the change in our quarterly net income would be \$118,000 and \$21,000, respectively. At the present time, we have no plan to hedge such exposure. On February 5, 2007, we issued \$51.5 million in 20-year fully subordinated notes and paid off our bank indebtedness in New Zealand \$34.4 million (NZ\$50.0 million) and retired a portion of our bank indebtedness in Australia \$5.8 million (AUS\$7.4 million). By paying off our New Zealand debt and paying down on our Australia debt with the proceeds of our Trust Preferred Securities, we have added an increased element of currency risk to our Company. We believe that this currency risk is mitigated by the comparatively favorable interest rate and the long-term nature of the fully subordinated notes.

We record unrealized foreign currency translation gains or losses that could materially affect our financial position. As of September 30, 2007 and December 31, 2006, we have recorded a cumulative unrealized foreign currency translation gain of approximately \$47.9 million and \$33.4 million, respectively.

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Historically, we maintained most of our cash and cash equivalent balances in short-term money market instruments with original maturities of three months or less. Some of our money market investments may decline in value if interest rates increase. Due to the short-term nature of such investments, a change of 1% in short-term interest rates would not have a material effect on our financial condition.

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Item 3A – Quantitative and Qualitative Disclosure about Interest Risk

The majority of our U.S. loans have fixed interest rates; however, one of our domestic loans has a variable interest rate and a change of approximately 1% in short-term interest rates would have resulted in an approximately \$4,000 increase or decrease in our 2007 Quarter interest expense.

While we have typically used fixed rate financing (secured by first mortgages) in the U.S., fixed rate financing is typically not available to corporate borrowers in Australia and New Zealand. The majority of our Australian and New Zealand bank loans have variable rates. The Australian facilities provide for floating interest rates, but require that not less than a certain percentage of the loans be swapped into fixed rate obligations (see *Financial Risk Management* above). If we consider the interest rate swaps, a 1% increase in short-term interest rates would have resulted in approximately \$91,000 increase in our 2007 Quarter Australian and New Zealand interest expense while a 1% decrease in short-term interest rates would have resulted in approximately \$94,000 decrease the 2007 Quarter of Australian and New Zealand interest expense.

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Item 4 – Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report.

Changes in Internal Control over Financial Reporting

Except as noted below, no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the quarter ended September 30, 2007 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Subsequent to June 30, 2007, we determined that a material control weakness existed at June 30, 2007 related to the preparation of the statement of cash flows, which were operating ineffectively as of the reporting date of the quarterly consolidated financial statements and failed to prevent or detect errors in our quarterly consolidated financial statements. As a result of identifying this control weakness, we materially changed our system of internal controls over financial reporting. This change of internal controls involves a more complete management review process of the statement of cash flows. We believe that these enhanced procedures provide additional internal controls over financial reporting and improve our ability to identify potential accounting issues prior to and during the comprehensive review of our consolidated financial statements. Management believes these changes, which were implemented during the three months ending September 30, 2007, have remediated the control weakness that led to the June 30, 2007 adjustment discussed above. Such remediation was completed and tested by us and such enhanced internal controls over financial reporting were subject to our management's assessment of the effectiveness of our internal control over financial reporting as of September 30, 2007.

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PART II – Other Information

Item 1 - Legal Proceedings

For a description of legal proceedings, please refer to Item 3 entitled Legal Proceedings contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

Item 2 - Change in Securities

Not applicable.

Item 3 - Defaults upon Senior Securities

Not applicable.

Item 4 - Submission of Matters to a Vote of Securities Holders

None

Item 5 - Other Information

Not applicable.

Item 6 - Exhibits

- 31.1 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 31.2 Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
- 32 Certifications Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

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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 thereunto duly authorized.

READING INTERNATIONAL, INC.

Date: November 6, 2007

By: /s/ James J. Cotter
James J. Cotter
Chief Executive Officer

Date: November 6, 2007

By: /s/ Andrzej Matyczynski
Andrzej Matyczynski
Chief Financial Officer

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EXHIBIT 31.1

**CERTIFICATIONS
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James J. Cotter, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Reading International, Inc.;
- 2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with general accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- 6) The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant

deficiencies and material weaknesses.

By: /s/ James J. Cotter
James J. Cotter
Chief Executive Officer
November 6, 2007

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EXHIBIT 31.2

**CERTIFICATIONS
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrzej Matyczynski, certify that:

- 1) I have reviewed this quarterly report on Form 10-Q of Reading International, Inc.;
- 2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with general accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
- 6) The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant

deficiencies and material weaknesses.

By: /s/ Andrzej
Matczynski
Andrzej
Matczynski
Chief
Financial
Officer
November 6,
2007

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EXHIBIT 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies, in his capacity as an officer of Reading International, Inc. (the "Company"), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- The Quarterly Report of the Company on Form 10-Q for the period ended September 30, 2007 as filed with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) and 15(d), as applicable, of the Securities Exchange Act of 1934; and
- The information contained in such report fairly presents, in all material respects, the financial condition and results of operation of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 6, 2007

/s/ James J. Cotter

Name: James J. Cotter

Title: Chief Executive Officer

/s/ Andrzej Matyczynski

Name: Andrzej Matyczynski

Title: Chief Financial Officer