

READING INTERNATIONAL INC
Form 8-K
May 26, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

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

Date of report (Date of earliest event reported): May 26, 2010

Reading International, Inc.
(Exact Name of Registrant as Specified in its Charter)

| | | |
|--|---------------------------------------|--|
| Nevada (State or Other Jurisdiction of Incorporation) | 1-8625 (Commission File Number) | 95-3885184 (IRS Employer Identification No.) |
| 500 Citadel Drive, Suite 300, Commerce, California (Address of Principal Executive Offices) | | 90040 (Zip Code) |

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

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

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

Change in Composition of Reportable Segments

As of January 1, 2010, we changed our reporting for intercompany property rent where our cinema operations were substantially the only tenant of such property by eliminating the intersegment revenue and expense relating to the intercompany rent, and transferring the third party lease costs from the real estate segment to the cinema segment. This was a change in the composition of management's reportable segments which requires retrospective adjustments to prior period presentations of segment information to correspond to the new segment reporting structure. This filing provides the retrospective presentation of segment information for the years ended December 31, 2009, 2008, and 2007, which decreases intersegment revenue and expense by the intercompany rent of \$4.2 million, \$1.8 million, and \$439,000, respectively. The overall results of these changes decreases real estate segment revenues and expense by \$4.2 million, \$1.8 million, and \$439,000 for the years ended December 31, 2009, 2008, and 2007, respectively. These changes also result in a reduction of real estate operating expenses and an increase of cinema operating expenses of \$4.2 million, \$1.8 million, and \$439,000 on our Consolidated Statements of Operations for the years ended December 31, 2009, 2008, and 2007, respectively, which represent the transfer of the third party lease costs from the real estate segment to the cinema segment.

The tables below set forth the retrospective presentation of our segment information concerning our cinema operations and our real estate operations (which includes information relating to both our real estate development, retail rental and live theater rental activities) for the three years ended December 31, 2009 (dollars in thousands):

| Year Ended December 31, 2009 | Cinema Exhibition | Real Estate | Intersegment Eliminations | Total |
|--|----------------------|-------------|------------------------------|-----------|
| Revenue | \$201,388 | \$21,085 | \$ (5,459) | \$217,014 |
| Operating expense | 165,707 | 7,810 | (5,459) | 168,058 |
| Depreciation & amortization | 10,816 | 3,686 | -- | 14,502 |
| Loss on transfer of real estate held for sale to continuing operations | -- | 549 | -- | 549 |
| Impairment expense | -- | 3,217 | -- | 3,217 |
| Contractual commitment loss | -- | 1,092 | -- | 1,092 |
| General & administrative expense | 2,645 | 1,063 | -- | 3,708 |
| Segment operating income | \$22,220 | \$3,668 | \$ -- | \$25,888 |

| Year Ended December 31, 2008 | Cinema Exhibition | Real Estate | Intersegment Eliminations | Total |
|----------------------------------|----------------------|-------------|------------------------------|-----------|
| Revenue | \$181,188 | \$21,885 | \$ (6,019) | \$197,054 |
| Operating expense | 153,064 | 7,982 | (6,019) | 155,027 |
| Depreciation & amortization | 13,702 | 4,200 | -- | 17,902 |
| Impairment expense | 351 | 3,968 | -- | 4,319 |
| General & administrative expense | 3,834 | 1,121 | -- | 4,955 |
| Segment operating income | \$10,237 | \$4,614 | \$ -- | \$14,851 |

| Year Ended December 31, 2007 | Cinema Exhibition | Real Estate | Intersegment Eliminations | Total |
|----------------------------------|----------------------|-------------|------------------------------|-----------|
| Revenue | \$103,467 | \$21,448 | \$ (5,680) | \$119,235 |
| Operating expense | 83,875 | 7,885 | (5,680) | 86,080 |
| Depreciation & amortization | 6,942 | 4,418 | -- | 11,360 |
| General & administrative expense | 3,195 | 831 | -- | 4,026 |

| | | | | |
|--------------------------|---------|---------|-------|----------|
| Segment operating income | \$9,455 | \$8,314 | \$ -- | \$17,769 |
|--------------------------|---------|---------|-------|----------|

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| Reconciliation to net income (loss): | 2009 | 2008 | 2007 |
|---|-----------|-------------|------------|
| Total segment operating income | \$25,888 | \$14,851 | \$17,769 |
| Non-segment: | | | |
| Depreciation and amortization expense | 666 | 656 | 561 |
| General and administrative expense | 13,851 | 16,483 | 12,059 |
| Other operating income | (2,551) | -- | -- |
| Operating income (loss) | 13,922 | (2,288) | 5,149 |
| Interest expense, net | (14,572) | (15,740) | (8,163) |
| Other income (expense) | (2,015) | 991 | (505) |
| Gain on disposal of discontinued operations | -- | -- | 1,912 |
| Income tax expense | (1,952) | (2,099) | (2,038) |
| Equity earnings of unconsolidated joint ventures and entities | 117 | 497 | 2,545 |
| Gain on sale of unconsolidated joint venture | 268 | 2,450 | -- |
| Gain on extinguishment of debt | 10,714 | -- | -- |
| Net income (loss) | \$6,482 | \$(16,189) | \$(1,100) |
| Net income attributable to noncontrolling interests | (388) | (620) | (1,003) |
| Net income (loss) attributable to Reading International, Inc. common shareholders | \$6,094 | \$(16,809) | \$(2,103) |

SIGNATURES

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

READING INTERNATIONAL, INC.

Date: May 26, 2010

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

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