

READING INTERNATIONAL INC  
Form DEF 14A  
April 29, 2011

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

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. \_\_)

Filed by the Registrant   
Filed by a party other than the Registrant   
Check the appropriate box:  
 Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
Soliciting Material under Sec. 240.14a-12

READING INTERNATIONAL, INC.  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

- (1) Title of  
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(1) Amount

Previously

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(2) Form,

Schedule or

Registration

Statement

No.:

(3) Filing

Party:

(4) Date

Filed:

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READING INTERNATIONAL, INC.  
500 Citadel Drive, Suite 300  
Commerce, California 90040

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON THURSDAY, MAY 19, 2011

TO THE STOCKHOLDERS:

The 2011 Annual Meeting of Stockholders (the "Annual Meeting") of Reading International, Inc., a Nevada corporation, will be held at the Montage Beverly Hills Hotel, 225 North Canon Drive, Beverly Hills, California, on Thursday, May 19, 2011, at 11:00 a.m., local time for the following purposes:

1. To elect eight directors to our Board of Directors to serve until the 2012 Annual Meeting of Stockholders;
2. To approve an amendment to the Reading International, Inc. 2010 Stock Incentive Plan to increase the number of shares available for issuance under the Plan by 200,000 shares of our Class B voting common stock;
3. To act on an advisory vote on executive compensation;
4. To act on an advisory vote on the frequency of future advisory votes on executive compensation; and
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 is enclosed. Only holders of our class B voting common stock at the close of business on March 28, 2011 are entitled to notice of and to vote at the meeting and any adjournment or postponement thereof.

If you hold shares of our class B voting common stock, you will have received a proxy card enclosed with this notice. Whether or not you expect to attend the Annual Meeting in person, please complete, sign, and date the enclosed proxy card and return it promptly in the accompanying postage-prepaid envelope to ensure that your shares will be represented at the Annual Meeting.

By Order of the Board of Directors

James J. Cotter  
Chairman

May 4, 2011

PLEASE SIGN AND DATE THE ENCLOSED PROXY CARD AND MAIL IT PROMPTLY IN THE ENCLOSED RETURN ENVELOPE TO ENSURE THAT YOUR VOTES ARE COUNTED.

READING INTERNATIONAL, INC.  
500 Citadel Drive, Suite 300  
Commerce, California 90040

PROXY STATEMENT

Annual Meeting of Stockholders  
Thursday, May 19, 2011

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors of Reading International, Inc. (the “Company,” “Reading,” “we,” “us,” or “our”) of proxies for use at our Annual Meeting of Stockholders (the “Annual Meeting”) to be held on Thursday, May 19, 2011, at 11:00 a.m., local time, at the Montage Beverly Hills Hotel, 225 North Canon Drive, Beverly Hills, California, and at any adjournment or postponement thereof. This Proxy Statement and form of proxy are first being sent or given to stockholders on or about May 4, 2011.

At our Annual Meeting, you will be asked to (1) elect eight directors to our Board of Directors to serve until the 2012 Annual Meeting of Stockholders, (2) approve an amendment to the Reading 2010 Stock Incentive Plan described herein, (3) act on an advisory vote on executive compensation, (4) act on an advisory vote on the frequency of future advisory votes on executive compensation, and (5) act on any other business that may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.

As of March 28, 2011, the record date for the Annual Meeting (the “Record Date”), there were outstanding 1,495,490 shares of our class B voting common stock (“Class B Stock”). James J. Cotter, our Chairman and Chief Executive Officer, owned beneficially, 1,023,888 shares of our Class B Stock on the Record Date, which shares represent a majority of the outstanding voting rights of the Company. Accordingly, Mr. Cotter has the power, acting alone and regardless of the vote of our other stockholders, to determine the outcome of each of the proposals on the agenda for the Annual Meeting. Mr. Cotter has advised us that he intends to follow the recommendations of our Board of Directors in casting his votes, and to vote in favor of each of the proposals (and in the case of the period for review of executive compensation, in favor of a three-year review) to be brought before the Annual Meeting.

VOTING AND PROXIES

Am I eligible to vote?

If you owned shares of Class B Stock on the Record Date, you are eligible to vote, and you should have received a proxy card enclosed with this notice. If you did not receive a proxy card, please contact our Corporate Secretary at (213) 235-2240.

What if I own Class A Nonvoting Common Stock?

Holders of our class A nonvoting common stock (“Class A Stock”) have no voting rights with respect to the matters to be voted on at the Annual Meeting.

How many votes do I have?

You will have one vote with respect to each matter to be considered at the Annual Meeting for each share of Class B Stock that you owned on the Record Date.

How do I vote in person?

You may vote in person by attending the 2011 Annual Meeting. If you are not the record holder of your shares, please refer to the discussion following the question "What if I am not the record holder of my shares?"

How do I vote by proxy?

To vote by proxy, you should complete, sign and date the enclosed proxy card and return it promptly in the enclosed postage-paid envelope.

To be able to vote your shares in accordance with your instructions, we must receive your proxy before the Annual Meeting. We will vote at the Annual Meeting in accordance with the instructions given to us in properly executed proxies. If you execute and return the enclosed proxy card without marking instructions, we will vote "FOR" each of the proposals described in this Proxy Statement and in favor of having an advisory vote on executive compensation every three years. Although we do not know of any other matter to be acted upon at the Annual Meeting, the individuals indicated on your proxy card may vote in accordance with their judgment with respect to any other business that may properly come before the Annual Meeting.

If I plan to attend the Annual Meeting, should I still submit a proxy?

Whether or not you plan to attend the Annual Meeting, we urge you to submit a proxy. Submission of a proxy will not in any way affect your right to attend the Annual Meeting and vote in person.

What if I want to revoke my proxy?

You have the right to revoke your proxy at any time before it is voted on your behalf by:

- submitting to our Corporate Secretary at our address at 500 Citadel Drive, Suite 300, Commerce, California 90040, prior to the commencement of the Annual Meeting, a duly executed instrument dated subsequent to such proxy revoking the same;
- submitting a duly executed proxy bearing a later date; or
- attending the Annual Meeting and voting in person.

What if I am not the record holder of my shares?

If your shares are held in the name of a brokerage firm, bank nominee or other institution, only it can give a proxy with respect to your shares. You should receive a proxy card from your bank or broker, which you must return in the envelope provided in order to have your shares voted.

If you do not have record ownership of your shares and want to vote in person at the Annual Meeting, you must obtain a proxy from the record holder of your shares and bring it with you to the Annual Meeting.



## Proxy Solicitation and Expenses

In addition to the solicitation by mail, our employees may solicit proxies in person or by telephone, but no additional compensation will be paid to them for such services. We will bear all costs of soliciting proxies on behalf of our Board of Directors and will reimburse persons holding shares in their own names or in the names of their nominees, but not owning such shares beneficially, for the expenses of forwarding solicitation materials to the beneficial owners. We estimate that the cost of soliciting proxies will be approximately \$15,000.

## Quorum and Vote Required

The presence in person or by proxy of the holders of a majority of our outstanding shares of Class B Stock will constitute a quorum at the Annual Meeting.

In the election of directors, the eight nominees receiving the highest number of "FOR" votes will be elected. Approval of each of the other proposals requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on that proposal at the Annual Meeting.

In the election of directors, you may vote "FOR," "AGAINST" or "ABSTAIN" with respect to each of the nominees. If you abstain in the election of directors, it will not impact the election of directors. In tabulating the voting results for the election of directors, only "FOR" and "AGAINST" votes are counted.

With respect to Proposal No. 4, the advisory vote on the frequency of holding future advisory votes on executive compensation, you may vote "1 YEAR," "2 YEARS," "3 YEARS" or "ABSTAIN." If you abstain from voting on Proposal No. 4, it will not have an effect on the outcome of the vote.

For the other Proposals, you may vote "FOR," "AGAINST" or "ABSTAIN." If you elect to abstain, it will have the same effect as an "AGAINST" vote.

If you are the beneficial owner of shares held in the name of a broker, trustee or other nominee and do not provide that broker, trustee or other nominee with voting instructions, your shares may constitute "broker non-votes." Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

## PROPOSAL 1: ELECTION OF DIRECTORS

### Nominees for Election

Eight directors are to be elected at our Annual Meeting to serve until the annual meeting of stockholders to be held in 2012 or until their successors are elected and qualified. Unless otherwise instructed, the proxy holders will vote the proxies received by us "FOR" the election of the nominees below, all of whom currently serve as directors. The eight nominees for election to the Board of Directors who receive the greatest number of votes cast for the election of directors by the shares present and entitled to vote will be elected directors. If any nominee becomes unavailable for any reason, it is intended that the proxies will be voted for a substitute nominee designated by the Board of Directors. We have no reason to believe the nominees named will be unable to serve if elected.





The names of the nominees for director, together with certain information regarding them, are as follows:

Name	Age	Position
James J. Cotter	73	Chairman of the Board and Chief Executive Officer (1)
James J. Cotter, Jr.	41	Vice Chairman of the Board
Eric Barr	64	Director (2)
Margaret Cotter	43	Director
William D. Gould	72	Director (3)
Edward L. Kane	73	Director (2)
Gerard P. Laheney	73	Director (1)(2)(3)
Alfred Villaseñor	80	Director (1)(3)

- (1) Member of the Executive Committee.
- (2) Member of the Audit and Conflicts Committee.
- (3) Member of the Compensation and Stock Options Committee.

James J. Cotter has been a director of the Company since 1991, the Chairman of our Board since 1992, and our Chief Executive Officer since December 27, 2000. Mr. Cotter also served as our Chief Executive Officer from August 1, 1999 to October 16, 2000, and as a director of our Company from 1986 to 1988. Mr. Cotter was the largest stockholder of Craig Corporation, our predecessor, until it consolidated with our Company in 2001. Mr. Cotter is a 50% owner of Sutton Hill Associates, a general partnership engaged in cinema-related activities, primarily with our Company, and the sole voting member of Cotter Enterprises LLC. Mr. Cotter is the father of Ellen Cotter, James J. Cotter, Jr., and Margaret Cotter.

Mr. Cotter, Sr. is highly qualified to serve on our Board because he has decades of experience as an executive in the film exhibition and real estate industries, as well as experience in diverse ventures and investments. Mr. Cotter has also served on several boards of public and private companies, primarily engaged in banking and real estate activities. Furthermore, as a large stockholder of the Company, his interests are generally aligned with those of the other stockholders of the Company, which enhances his value as a director. In those situations where there may be a conflict of interest, such matters are referred to our Conflicts Committee comprised entirely of independent directors.

James J. Cotter, Jr. has been a director of the Company since March 21, 2002, and was appointed Vice Chairman of the Board in 2007. He has been Chief Executive Officer of Cecelia Packing Corporation (a Cotter family-owned citrus grower, packer, and marketer) since July 2004. Mr. Cotter, Jr. served as a director to Cecelia Packing Corporation from February 1996 to September 1997 and as a director of Gish Biomedical from September 1999 to March 2002. He was an attorney in the law firm of Winston & Strawn, specializing in corporate law, from September 1997 to May 2004. Mr. Cotter, Jr. is the son of James J. Cotter, Sr. and the brother of Margaret Cotter and Ellen Cotter.

Mr. Cotter, Jr. brings to the Board his experience as a corporate attorney. He also brings more than five years of experience as a corporate executive since leaving the practice of law. Mr. Cotter, Jr. is qualified to serve on our Board because of his legal background and business management experience.

Eric Barr has been a director of the Company since March 21, 2002. In June 2001, Mr. Barr retired from his position as audit partner with PricewaterhouseCoopers LLC in Australia, after having been with that firm for 36 years. For more than the past five years, Mr. Barr has been a director and the chairman of the audit committee of Asia Pacific

Exchange Limited, an Australian stock exchange. He serves as the Chairman of our Audit and Conflicts Committee and as our Lead Independent Director. Mr. Barr is a director of other privately owned Australian companies and provides professional and management advice in a consulting capacity to various parties not associated with the Company.

A resident of Brighton, Victoria, Australia, Mr. Barr brings to the Board his extensive knowledge of the Australian business community and his decades of experience in public accounting in Australia. Mr. Barr is qualified to serve on our Board because his background provides the caliber of accounting expertise necessary to guide the Company with respect to financial matters and audit oversight.

Margaret Cotter has been a director of the Company since September 27, 2002. Ms. Cotter is the owner and President of OBI, LLC, a company that provides live theater management services to our live theaters. Pursuant to that management arrangement, Ms. Cotter also serves as the President of Liberty Theaters, the subsidiary through which we own our live theaters. Ms. Cotter is also a theatrical producer who has produced shows in Chicago and New York. Ms. Cotter is a board member of the League of Off-Broadway Theaters and Producers and is a member of the New York State Bar. From February 1994 until October 1997, Ms. Cotter was an Assistant District Attorney for King's County in Brooklyn, New York. Ms. Cotter graduated from Georgetown University Law Center in 1993. She is the daughter of Mr. James J. Cotter and the sister of Mr. James J. Cotter, Jr. and Ms. Ellen Cotter.

Ms. Cotter brings to the Board her experience as a live theater producer and theater operator. She is qualified to serve on our Board because her years of live entertainment experience give her insight into live theater business trends that affect our business in this sector.

William D. Gould has been a director of the Company since October 15, 2004 and has been a member of the law firm of TroyGould PC since 1986. Previously, he was a partner of the law firm of O'Melveny & Myers. We have from time to time retained TroyGould PC for legal advice.

As an author and lecturer on the subjects of corporate governance and mergers and acquisitions, Mr. Gould brings to the Board specialized experience as a corporate attorney. Mr. Gould's corporate transactional experience and expertise in corporate governance matters ensures that we have the most qualified advisor to guide the Company and provide oversight in such matters.

Edward L. Kane has been a director of the Company since October 15, 2004. Mr. Kane was also a director of the Company from 1985 to 1991, and served as President from 1987 to 1988. Mr. Kane currently serves as the Chairman of our Tax Oversight Committee. Since 1996, Mr. Kane's principal occupation has been healthcare consultant and advisor. In that capacity, he has served as President and sole shareholder of High Avenue Consulting, a healthcare consulting firm, and as the head of its successor proprietorship. At various times during the past three decades, he has been appointed Adjunct Professor of law at two of San Diego's Law Schools, most recently in 2008 and 2009 at Thomas Jefferson School of Law, and prior thereto at California Western School of Law.

Mr. Kane brings to the Board his many years as a tax attorney and law professor. Mr. Kane's tax law experience has served the Company in its recent tax litigation and his expertise and guidance in such complex matters continue to be invaluable to the Company going forward. Mr. Kane also brings his experience as a past President of Craig Corporation and of Reading Company, our predecessors, as well as a former member of the boards of directors of several publicly held corporations.

Gerard P. Laheney has been a director of the Company since September 27, 2002. Mr. Laheney has been President of Aegis Investment Management Company, an investment advisory firm specializing in global investment portfolio management, since August 1993. Mr. Laheney was a Vice President of Dean Witter Reynolds from April 1990 to December 1993. Mr. Laheney currently serves as an independent director of Enservco Corporation, a public company based in Colorado Springs, Colorado. Enservco, through its various subsidiaries, provides well-site services to the onshore oil and gas industry in the United States.

Mr. Laheney brings to the Board his experience in investment advice and foreign currency trends. His presence on our Board provides insight into currency values and international markets that influence our businesses in Australia and New Zealand.

Alfred Villaseñor has been a director of the Company since 1987. Mr. Villaseñor serves as the Chairman of our Compensation and Stock Option Committee. He also served from 1987 to 1994 as a director for Fidelity Federal Bank. Mr. Villaseñor is the President and owner of Unisure Insurance Services, Incorporated, an insurance agency that has specialized in life, business and group health insurance for over 40 years. Mr. Villaseñor was a director of the John Gogian Family Foundation, a charitable foundation devoted to developmentally disabled, abused, or neglected youth, and currently serves as a member of their scholarship committee. Mr. Villaseñor is a past president and is currently a director of Richstone Family Centers, a non-profit organization helping abused children.

Mr. Villaseñor brings to the Board his decades of experience in the insurance industry. Mr. Villaseñor is qualified to serve on our Board because his many years in the insurance field contribute to the Company a seasoned perspective in matters of risk oversight.

#### Attendance at Board and Committee Meetings

During the year ended December 31, 2010, our Board of Directors met six times. Each director attended at least 75% of the number of meetings by our Board of Directors, and by all committees on which he or she served, held during the period such individual served. The Audit and Conflicts Committee held six meetings in 2010. The Compensation and Stock Options Committee held four meetings during 2010. We do not have a standing nominating committee. Our Board committees are discussed in greater detail under the caption "Board Committees and Corporate Governance," below.

#### Code of Ethics

We have adopted a Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer or controller and Company employees, which is available on our website at [www.readingrdi.com](http://www.readingrdi.com).

#### Indemnity Agreements

We currently have indemnity agreements in place with each of our current directors and senior officers, as well as certain of the directors and senior officers of our subsidiaries. Under these agreements, we have agreed, subject to certain exceptions, to indemnify each of these individuals against all expenses, liabilities and losses incurred in connection with any threatened, pending or contemplated action, suit or proceeding, whether civil or criminal, administrative or investigative, to which such individual is a party or is threatened to be made a party, in any manner, based upon, arising from, relating to or by reason of the fact that such individual is, was, shall be or has been a director, officer employee, agent or fiduciary of the Company.

#### Compensation of Directors

During 2010, all of our directors except Mr. Cotter, Sr. and Ms. Margaret Cotter received an annual fee of \$35,000 for their services, including attendance at meetings of the Board and Board committees. Mr. James J. Cotter, Jr. receives \$100,000 in addition to his \$35,000 director's fee to serve as the Vice Chairman of the Board. The Chairman of our Audit and Conflicts Committee receives an additional \$7,000 of compensation for his services. The Chairman of our Compensation and Stock Options Committee receives an additional \$5,000 for his services as such. Mr. Kane, the Chairman of our Tax Oversight Committee, received an additional \$40,000 in 2010.

In addition, upon joining the Board, non-employee directors receive immediately vested options to purchase 20,000 shares of our Class A Stock at an exercise price equal to the market price of the stock at the date of grant. Thereafter, our directors are from time to time granted additional stock options as a part of their continuing compensation for their ongoing participation on our Board of Directors. These awards are based upon the recommendations of our Chairman

and principal shareholder, Mr. Cotter, which recommendations are reviewed and acted upon by our entire Board of Directors, rather than just the Compensation Committee. Typically, in such cases, each sitting director (other than Mr. Cotter, who does not participate in such awards) is awarded the same number of options, and all options are granted on the same terms. Historically, we granted each of our directors options in 2007 to acquire 10,000 shares at the then market price of such shares and in 2010 to acquire 12,500 shares, again at the then market price of such shares.

Since 2007, we have granted our officers and directors replacement options where their options would otherwise expire with exercise prices that were out of the money at the time of such expiration. Such awards have in each case been recommended by Mr. Cotter to our Compensation Committee for the committee's consideration. In 2010, our Compensation Committee granted replacement options to Margaret Cotter on September 15, 2010 to purchase 17,550 shares of Class B Stock at \$8.32 per share and 17,550 shares of Class B Stock at \$8.62 per share, the market price for such shares having been \$7.40 per share on such date. During 2010, our Compensation Committee also granted ten (10) year replacement options to Mr. Andrzej Matyczynski to purchase 35,100 shares of Class A Stock at \$5.13 per share.

## Director Compensation Table

The following table summarizes the director compensation for the year ended December 31, 2010:

Name	Fees		Total (\$)
	Earned or Paid in Cash (\$)	Option Awards (\$)(1)	
James J. Cotter (2)	\$--	\$--	\$--
Eric Barr	\$42,000	\$17,000	\$59,000
James J. Cotter, Jr.	\$135,000	\$17,000	\$152,000
Margaret Cotter (3)	\$--	\$129,000	\$129,000
William D. Gould	\$35,000	\$17,000	\$52,000
Edward L. Kane	\$75,000	\$17,000	\$92,000
Gerard P. Laheney	\$35,000	\$17,000	\$52,000
Alfred Villaseñor	\$40,000	\$17,000	\$57,000

(1) On July 6, 2010, each director except for Mr. Cotter, Sr. was granted 5-year options to purchase 12,500 shares of our Class A Stock at \$3.87 per share. Values in this column are calculated using the Black-Scholes option pricing model.

(2) Mr. Cotter receives compensation only as an executive officer of the Company and not in his capacity as a director.

(3) Margaret Cotter receives no director's fee, but receives a combination of fixed and incentive management fees under the OBI Management Agreement described under the caption "CERTAIN TRANSACTIONS AND RELATED PARTY TRANSACTIONS - OBI Management Agreement," below. In addition to the 12,500 options granted to each director on July 6, 2010, Margaret Cotter was granted 10-year options to purchase 35,100 shares of Class B Stock on September 15, 2010, 17,550 shares at \$8.32 per share and 17,550 shares at \$8.61 per share, to replace similarly priced options which were under water on the date of expiration. Accordingly, the dollar amounts reflected in this table are exclusively the result of a Black-Scholes option pricing valuation of the options issued to Ms. Cotter in 2010. The grant of the options covering the purchase of shares of Class B Stock is effectively subject to the approval of the proposed amendment to our 2010 Stock Incentive Plan as our current plan does not provide for the issuance of options to purchase shares of that class of stock.

## Board Committees and Corporate Governance

Our Board of Directors has standing Executive, Audit and Conflicts, and Compensation and Stock Options Committees. These committees are discussed in greater detail below. Our Board of Directors does not have a nominating committee. Typically, nominations are suggested to our Board of Directors by our Chairman and Chief Executive Officer and controlling stockholder, Mr. Cotter.

Because Mr. Cotter owns a majority of our Class B Stock, our Board of Directors has determined that our Company satisfies the criteria for a "Controlled Company" under section 5615(c)(1) of the listing rules of The NASDAQ Capital Stock Market (the "NASDAQ Rules"). After reviewing the benefits and detriments of taking advantage of the exceptions to the corporate governance rules set forth in section 5605 of the NASDAQ Rules, our Board of Directors in 2009 unanimously determined to take advantage of all of the exceptions from the NASDAQ Rules afforded to us as a Controlled Company.

Among the exceptions afforded to Controlled Companies is an exception from the requirement that we have an independent nominating committee or independent nominating process. It was noted by our directors that the use of an independent nominating committee or independent nominating process would be of limited utility, since any nominee would need to be acceptable to Mr. Cotter as our controlling stockholder. Mr. Cotter, as the holder of a majority of the voting power of our Company, is able to unilaterally elect candidates to our Board of Directors at our annual meeting or any other meeting where our directors are to be elected. Historically, Mr. Cotter has identified and selected nominees to our Board of Directors in consultation with our other incumbent directors.

Our Board of Directors does not have a formal policy with respect to the consideration of director candidates recommended by our stockholders. No stockholder has, in more than the past ten years, made any proposal or recommendation to the Board as to potential nominees, nor has Mr. Cotter ever proposed, in the time he has been our principal or controlling stockholder, any nominee that our remaining directors have found to be unacceptable. Furthermore, except for the notice requirement described in the succeeding paragraph below, neither our governing documents nor applicable Nevada law place any restriction on the nomination of candidates for election to our Board of Directors directly by our stockholders. In light of the facts that (i) we are a Controlled Company under the NASDAQ Rules and exempted from the requirements for an independent nominating process and (ii) our governing documents and Nevada law place no limitation upon the direct nomination of director candidates by our stockholders, our Board of Directors believes there is no need for a formal procedure as of July 1, 1996, between FPL Group and EquiServe Trust Company, N.A. as successor to Fleet National Bank (f/k/a The First National Bank of Boston), as Rights Agent (filed as Exhibit 4 to Form 8-K dated June 17, 1996, File No. 1-8841).



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- 4(b) Second Amendment to Rights Agreement, dated as of December 26, 2002, between FPL Group and EquiServe Trust Company, N.A. as successor to Fleet National Bank (f/k/a The First National Bank of Boston), as the Rights Agent (filed as Exhibit 3 to Form 8-A/A dated January 3, 2003, File No. 1-8841).
- 4(c) Third Amendment to Rights Agreement, dated as of January 1, 2004, between FPL Group, Computershare Investor Services, LLC as successor rights agent, and EquiServe Trust Company, N.A. as predecessor rights agent (filed as Exhibit 4 to Form 8-A/A dated December 19, 2003, File No. 1-8841).
- 4(d) Certificate of Adjustment, dated March 15, 2005, to the Rights Agreement, dated July 1, 1996, as amended, between FPL Group, Inc. and Computershare Investor Services, LLC, as successor rights agent (filed as Exhibit 4(b) to Form 8-K dated March 16, 2005, File No. 1-8841).
- 4(e) Mortgage and Deed of Trust dated as of January 1, 1944, and One hundred and six Supplements thereto, between FPL and Deutsche Bank Trust Company Americas, Trustee (filed as Exhibit B-3, File No. 2-4845; Exhibit 7(a), File No. 2-7126; Exhibit 7(a), File No. 2-7523; Exhibit 7(a), File No. 2-7990; Exhibit 7(a), File No. 2-9217; Exhibit 4(a)-5, File No. 2-10093; Exhibit 4(c), File No. 2-11491; Exhibit 4(b)-1, File No. 2-12900; Exhibit 4(b)-1, File No. 2-13255; Exhibit 4(b)-1, File No. 2-13705; Exhibit 4(b)-1, File No. 2-13925; Exhibit 4(b)-1, File No. 2-15088; Exhibit 4(b)-1, File No. 2-15677; Exhibit 4(b)-1, File No. 2-20501; Exhibit 4(b)-1, File No. 2-22104; Exhibit 2(c), File No. 2-23142; Exhibit 2(c), File No. 2-24195; Exhibit 4(b)-1, File No. 2-25677; Exhibit 2(c), File No. 2-27612; Exhibit 2(c), File No. 2-29001; Exhibit 2(c), File No. 2-30542; Exhibit 2(c), File No. 2-33038; Exhibit 2(c), File No. 2-37679; Exhibit 2(c), File No. 2-39006; Exhibit 2(c), File No. 2-41312; Exhibit 2(c), File No. 2-44234; Exhibit 2(c), File No. 2-46502; Exhibit 2(c), File No. 2-48679; Exhibit 2(c), File No. 2-49726; Exhibit 2(c), File No. 2-50712; Exhibit 2(c), File No. 2-52826; Exhibit 2(c), File No. 2-53272; Exhibit 2(c), File No. 2-54242; Exhibit 2(c), File No. 2-56228; Exhibits 2(c) and 2(d), File No. 2-60413; Exhibits 2(c) and 2(d), File No. 2-65701; Exhibit 2(c), File No. 2-66524; Exhibit 2(c), File No. 2-67239; Exhibit 4(c), File No. 2-69716; Exhibit 4(c), File No. 2-70767; Exhibit 4(b), File No. 2-71542; Exhibit 4(b), File No. 2-73799; Exhibits 4(c), 4(d) and 4(e), File No. 2-75762; Exhibit 4(c), File No. 2-77629; Exhibit 4(c), File No. 2-79557; Exhibit 99(a) to Post-Effective Amendment No. 5 to Form S-8, File No. 33-18669; Exhibit 99(a) to Post-Effective Amendment No. 1 to Form S-3, File No. 33-46076; Exhibit 4(b) to Form 10-K for the year ended December 31, 1993, File No. 1-3545; Exhibit 4(i) to Form 10-Q for the quarter ended June 30, 1994, File No. 1-3545; Exhibit 4(b) to Form 10-Q for the quarter ended June 30, 1995, File No. 1-3545; Exhibit 4(a) to Form 10-Q for the quarter ended March 31, 1996, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended June 30, 1998, File No. 1-3545; Exhibit 4 to Form 10-Q for the quarter ended March 31, 1999, File No. 1-3545; Exhibit 4(f) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(g) to Form 10-K for the year ended December 31, 2000, File No. 1-3545; Exhibit 4(o), File No. 333-102169; Exhibit 4(k) to Post-Effective Amendment No. 1 to Form S-3, File No. 333-102172; Exhibit 4(l) to Post-Effective Amendment No. 2 to Form S-3, File No. 333-102172; Exhibit 4(m) to Post-Effective Amendment No. 3 to Form S-3, File No. 333-102172 and Exhibit 4(a) to Form 10-Q for the quarter ended September 30, 2004, File No. 2-27612).
- \*5 Opinion and consent of Steel Hector & Davis LLP, counsel to FPL Group.
- \*23(a) Consent of Deloitte & Touche LLP, independent registered public accounting firm.

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23(f) Consent of Steel Hector & Davis LLP (included in opinion attached hereto as Exhibit 5).

24(a) Power of Attorney (included on the signature pages of this registration statement).

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Filed herewith.

### ITEM 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933 (as amended and the rules and regulations thereunder, the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that the registrant need not file a post-effective amendment to include the information required to be included by subsection (a)(1)(i) or (a)(1)(ii) if such information is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 (as amended and the rules and regulations thereunder, the "Exchange Act"), which are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

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(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions of this Item 17, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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**POWER OF ATTORNEY**

Each director and/or officer of the registrant whose signature appears below hereby appoints the agents for service named in this registration statement, and each of them severally, as his attorney-in-fact to sign in his name and behalf, in any and all capacities stated below and to file with the Securities and Exchange Commission, any and all amendments, including post-effective amendments, to this registration statement, and the registrant hereby also appoints each such agent for service as its attorney-in-fact with like authority to sign and file any such amendments in its name and behalf.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Juno Beach, State of Florida, on the 26<sup>th</sup> day of May, 2005.

**FPL GROUP, INC.**

By: /s/ LEWIS HAY, III

\_\_\_\_\_  
 Lewis Hay, III  
 Chairman of the Board, President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ LEWIS HAY, III _____ Lewis Hay, III	Chairman of the Board, President, Chief Executive Officer and Director (Principal Executive Officer)	May 26, 2005
/s/ MORAY P. DEWHURST _____ Moray P. Dewhurst	Vice President, Finance and Chief Financial Officer (Principal Financial Officer)	May 26, 2005
/s/ K. MICHAEL DAVIS _____ K. Michael Davis	Controller and Chief Accounting Officer (Principal Accounting Officer)	May 26, 2005
_____ H. Jesse Arnelle	Director	
/s/ SHERRY S. BARRAT _____ Sherry S. Barrat	Director	May 26, 2005
/s/ ROBERT M. BEALL, II _____ Robert M. Beall, II	Director	May 26, 2005

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/s/ J. HYATT BROWN Director May 26, 2005

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J. Hyatt Brown

/s/ JAMES L. CAMAREN Director May 26, 2005

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James L. Camaren

/s/ RUDY E. SCHUPP Director May 26, 2005

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Rudy E. Schupp

/s/ MICHAEL H. THAMAN Director May 26, 2005

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Michael H. Thaman

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Director

Hansel E. Tookes, II

/s/ PAUL R. TREGURTHA Director May 26, 2005

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Paul R. Tregurtha

/s/ FRANK G. ZARB Director May 26, 2005

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Frank G. Zarb

**Index to Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
5	Opinion and consent of Steel Hector & Davis LLP, counsel to FPL Group.
23(a)	Consent of Deloitte & Touche LLP, independent registered public accounting firm.
23(f)	Consent of Steel Hector & Davis LLP (included in opinion attached hereto as Exhibit 5).

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