TELLURIAN INC. /DE/
Form 424B5
May 17, 2017
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-216011

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

Preliminary Prospectus Supplement dated May 17, 2017

PROSPECTUS SUPPLEMENT

(to Prospectus dated February 10, 2017)

10,000,000 Shares

Tellurian Inc.

Common Stock

We are selling 10,000,000 shares of our common stock.

Our common stock is listed on the NASDAQ Capital Market under the ticker symbol TELL. On May 16, 2017, the closing price of our common stock as reported on the NASDAQ Capital Market was $10.97 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page S-6 of this prospectus supplement and in the documents we incorporate by reference into this prospectus supplement to read about important facts you should consider before buying our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

The underwriters may also exercise their option to purchase up to an additional 1,500,000 shares from us, at the price per share set forth above, for 30 days after the date of this prospectus supplement to cover over-allotments, if any.

Neither the Securities and Exchange Commission (the SEC) nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2017.

Sole Book-Running Manager

Credit Suisse

Co-Manager

Tuohy Brothers

Prospectus Supplement dated , 2017

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

About this Prospectus Supplement	S-1
Where You Can Find More Information	S-2
Incorporation of Certain Information by Reference	S-2
Cautionary Information about Forward -looking Statements	S-3
Prospectus Supplement Summary	S-4
The Offering	S-5
Risk Factors	S-6
Use of Proceeds	S-8
Capitalization	S-9
Material United States Federal Income Tax Considerations to Non-U.S. Holders	S-10
Underwriting	S-14
Legal Matters	S-19
Experts	S-19

PROSPECTUS

About this Prospectus	1
Where You Can Find More Information	1
Incorporation of Certain Information by Reference	2
About Tellurian Inc.	3
Risk Factors	4
Cautionary Information About Forward -Looking Statements	11
Use of Proceeds	13
Plan of Distribution	13
Description of Our Capital Stock	15
Description of Our Warrants	18
Description of Our Units	19
Legal Matters	20
Experts	20

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying base prospectus are part of a registration statement that we filed with the SEC using a shelf registration process. We provide information to you about this offering in two separate documents that are bound together: (1) this prospectus supplement, which describes the specific details regarding this offering and (2) the accompanying base prospectus, which provides general information regarding us, our securities, and other information, some of which may not apply to this offering. If information in this prospectus supplement is inconsistent with the accompanying base prospectus, you should rely on this prospectus supplement. However, if any statement in one of these documents is inconsistent with a statement in a document incorporated by reference in this prospectus supplement having a later date, the statement in the document having the later date modifies or supersedes the earlier statement as our business, financial condition, results of operations and prospects may have changed since the earlier date.

You should read this prospectus supplement, together with the accompanying base prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying base prospectus and any free writing prospectus that we have authorized for use in connection with this offering before making an investment decision. You should also read and consider the information in the documents referred to in the sections of this prospectus supplement and the accompanying base prospectus entitled Where You Can Find More Information and Incorporation of Certain Information by Reference.

We have not authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement, in the accompanying base prospectus or in any free writing prospectus that we have authorized for use in connection with this offering. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We are not making an offer to sell nor a solicitation of an offer to buy our common stock in any jurisdiction in which an offer or solicitation is not permitted or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make an offer or solicitation.

The information appearing in this prospectus supplement, the accompanying base prospectus, the documents incorporated by reference in this prospectus supplement, and in any free writing prospectus that we have authorized for use in connection with this offering is accurate only as of its respective date, regardless of the time of delivery of the respective document or of any sale of securities covered by this prospectus supplement. You should not assume that the information contained in or incorporated by reference in this prospectus supplement, in the accompanying base prospectus or in any free writing prospectus that we have authorized for use in connection with this offering, is accurate as of any date other than the respective dates thereof.

Unless otherwise stated, information in this prospectus supplement assumes that the underwriters will not exercise their option to purchase additional shares of our common stock and that no pre-emptive rights will be exercised to purchase additional shares of our common stock.

In this prospectus supplement, references to Tellurian, the Company, we, us or our refer to Tellurian Inc. (which February 10, 2017 was known as Magellan Petroleum Corporation) and its subsidiaries, unless the context suggests otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and we file annual, quarterly, and other reports, proxy statements, and other information with the SEC. You may read and copy any document we file with the SEC at the SEC s public reference room at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference room. Our SEC filings are also available to the public at the SEC s website at http://www.sec.gov. Our website address is http://www.tellurianinc.com. However, information on our website will not be considered a part of this prospectus supplement.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to another document that we have filed with the SEC. You should read the information incorporated by reference because it is an important part of this prospectus supplement. We incorporate by reference the following information or documents that we have filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended June 30, 2016 filed with the SEC on September 14, 2016, as amended by our Annual Report on Form 10-K/A for fiscal year ended June 30, 2016 filed with the SEC on October 27, 2016;

- our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 filed with the SEC on November 14, 2016, for the quarterly period ended December 31, 2016 filed with the SEC on February 9, 2017, and for the quarterly period ended March 31, 2017 filed with the SEC on May 10, 2017;

- our Current Reports on Form 8-K filed with the SEC on July 19, 2016, August 2, 2016, August 3, 2016, August 8, 2016, October 5, 2016, October 12, 2016, November 29, 2016, December 21, 2016, January 5, 2017, January 30, 2017, February 10, 2017 (except for sections (a) and (b) of Item 9.01 Financial Statements and Exhibits, which shall not be incorporated by reference, and which sections are amended and superseded by Item 9.01 in our Current Report on Form 8-K/A filed with the SEC on March 15, 2017), February 13, 2017, February 28, 2017, March 7, 2017, March 15, 2017, March 31, 2017, April 6, 2017, April 19, 2017 and April 20, 2017, and our Current Reports on Form 8-K/A filed with the SEC on October 20, 2016 and March 15, 2017; and

- the description of our common stock contained in the Form 8-K filed with the SEC on June 26, 2013, as the same may be further amended from time to time.

All reports and other documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this prospectus supplement and prior to the termination or completion of this offering shall be deemed to be incorporated by reference into this prospectus supplement and the accompanying base prospectus and shall be a part hereof from the date of filing of such reports and documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement shall be deemed modified, superseded or replaced for purposes of this prospectus supplement to the extent

that a statement contained in this prospectus supplement, or in any subsequently filed document that also is deemed to be incorporated by reference in this prospectus supplement, modifies, supersedes or replaces such statement. Any statement so modified, superseded or replaced shall not be deemed, except as so modified, superseded or replaced, to constitute a part of this prospectus supplement. None of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K or any corresponding information, either furnished under Item 9.01 or included as an exhibit thereto, that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus supplement, except as otherwise expressly set forth in the relevant document. Subject to the foregoing, all information appearing in this prospectus supplement is qualified in its entirety by the information appearing in the documents incorporated by reference.

Table of Contents

We will furnish to you, upon written or oral request, a copy of any or all of the documents that have been incorporated by reference, including exhibits to those documents. You may request a copy of those filings at no cost by writing or telephoning our corporate secretary at the following address and telephone number:

Tellurian Inc.

Attention: Corporate Secretary

1201 Louisiana Street, Suite 3100

Houston, Texas 77002

Telephone No.: (832) 962-4000

Except as provided above, no other information, including information on our website, is incorporated by reference in this prospectus supplement.

CAUTIONARY INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

The information in this prospectus supplement, including information in documents incorporated by reference in this prospectus supplement, include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act. All statements, other than statements of historical facts, that address activities, events, or developments with respect to our consolidated financial condition, results of operations, or economic performance that we expect, believe, or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The words anticipate, assume, believe, budget, estimate, expect, forecast, intend, plan, project, will, and s intended to identify forward-looking statements.

Our forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. These statements are subject to a number of known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks and uncertainties are described in the Risk Factors sections of our filings with the SEC incorporated by reference in this prospectus supplement and include such factors as:

- the risk of unexpected developments relating to our businesses and prospects;
- our ability to continue as a going concern;
- planned or estimated capital expenditures;
- availability of liquidity and capital resources;

- our ability to obtain additional financing as needed;
- revenues, expenses, and projected cash burn rates;
- progress in developing the Company s principal project and the timing of that progress;
- future values of that project or other interests or rights that the Company holds; and
- government regulations, including our ability to obtain necessary governmental permits and approvals.

The forward-looking statements in this prospectus supplement speak as of the date hereof. Although we may from time to time voluntarily update our prior forward-looking statements, we disclaim any commitment to do so except as required by securities laws.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information contained elsewhere in this prospectus supplement, the accompanying base prospectus and in the documents we incorporate by reference. This summary is not complete and does not contain all of the information that you should consider before investing in our securities. You should read this entire prospectus supplement, the accompanying base prospectus and any related free writing prospectus carefully, including the information referred to in the section entitled Risk Factors beginning on page S-6 of this prospectus supplement, as well as the other documents that we incorporate by reference into this prospectus supplement and the accompanying base prospectus, including our financial statements and the exhibits to the registration statement of which this prospectus supplement and the accompanying base prospectus is a part.

Our Business

Tellurian intends to create value for shareholders by developing low-cost natural gas-related infrastructure, profitably delivering natural gas to customers worldwide and pursuing value enhancing, complementary business lines in the energy industry. Tellurian owns all of the common stock of Tellurian Investments Inc., a Delaware corporation (Tellurian Investments), which indirectly owns a 100% ownership interest in each of Driftwood LNG LLC, a Delaware limited liability company, and Driftwood Pipeline LLC, a Delaware limited liability company, and directly owns a 100% membership interest in Tellurian Services LLC (f/k/a Parallax Services LLC), a Delaware limited liability company (Tellurian Services).

Tellurian plans to own, develop and operate natural gas liquefaction facilities, storage facilities and loading terminals and is developing a liquefied natural gas (LNG) terminal facility (the Driftwood terminal) and an associated pipeline (the Driftwood pipeline) in Southwest Louisiana (the Driftwood terminal and the Driftwood pipeline collectively, the Driftwood Project). The proposed Driftwood terminal will have a liquefaction capacity of approximately 26 million tonnes per annum, situated on approximately 1,000 acres in Calcasieu Parish, Louisiana. The proposed terminal facility will include up to 20 liquefaction trains, three full containment LNG storage tanks, and three marine berths. In February 2016, Tellurian engaged Bechtel Oil, Gas and Chemicals, Inc. (Bechtel) to complete a Front-End Engineering and Design (FEED) study for the Driftwood terminal. Based on the progress of such FEED study to date, Tellurian estimates construction costs for the Driftwood terminal of approximately $500 to $600 per tonne ($13 to $16 billion) before owners costs, financing costs and contingencies.

Tellurian is developing the proposed Driftwood pipeline, a new 96-mile large diameter pipeline which will interconnect with 14 existing interstate pipelines throughout Southwest Louisiana to secure adequate natural gas feedstock for the Driftwood terminal. The Driftwood pipeline will be comprised of 48-inch, 42-inch and 36-inch diameter pipeline segments, and three compressor stations totaling approximately 270,000 horsepower, all as necessary to provide approximately 4.0 Bcf/d of average daily gas transportation service. In June 2016, Tellurian engaged Bechtel to complete a FEED study for the Driftwood pipeline. Based on the progress of such FEED study to date, Tellurian estimates construction costs for the Driftwood pipeline of approximately $1.6 to $2.0 billion before owners costs, financing costs and contingencies.

Our Company

The Company was founded in 1957 and incorporated in Delaware in 1967 as Magellan Petroleum Corporation. We changed our corporate name to Tellurian Inc. shortly after completing a merger transaction with Tellurian Investments in February 2017. Our common stock has been trading on the NASDAQ Stock Market since 1972. It currently trades under the ticker symbol TELL.

Our principal executive offices are located at 1201 Louisiana Street, Suite 3100, Houston, Texas 77002, and our telephone number is (832) 962-4000. We maintain a website at http://www.tellurianinc.com. The information contained in, or that can be accessed through, our website is not part of this prospectus supplement.

Table of Contents

THE OFFERING

The following summary contains basic information about our common stock and the offering and is not intended to be complete. It does not contain all the information that may be important to you. See Underwriting in this prospectus supplement for a more detailed description of the terms and conditions of the underwriting agreement and the offering. For a more detailed description of our common stock, see Description of Our Capital Stock in the accompanying base prospectus.

Issuer	Tellurian Inc.
Common stock offered	10,000,000 shares (or 11,500,000 shares if the underwriters exercise their option to purchase additional shares in full)
Common stock to be outstanding after this offering	212,648,511 shares (or 214,148,511 shares if the underwriters exercise their option to purchase additional shares in full)
Option to purchase additional shares granted by us	The underwriters have an option to purchase a maximum of additional shares. The option may be exercised within 30 days after the date of this prospectus supplement.
NASDAQ Capital Market ticker symbol	TELL
Use of proceeds	We estimate that our net proceeds from this offering, after deducting underwriting discounts and commissions and estimated fees and expenses, will be approximately $ ($ if the underwriters exercise their option to purchase 1,500,000 additional shares of our common stock in full). We intend to use the net proceeds from this offering for detailed engineering of the Driftwood Project, general corporate purposes and working capital. See Use of Proceeds on page S-8 of this prospectus supplement.

Risk factors	Investing in our common stock involves a high degree of risk. Please see Risk Factors on page S-6 of this prospectus supplement and the other information included or incorporated by reference in this prospectus supplement or the accompanying base prospectus for a discussion of factors you should carefully consider before investing in our common stock.

On May 10, 2017, Tellurian and TOTAL Delaware, Inc. (TOTAL) entered into a pre-emptive rights agreement pursuant to which TOTAL was granted a right to purchase its pro rata portion of any new equity securities that Tellurian may issue to a third party on the same terms and conditions as such equity securities are offered and sold to such party, subject to certain excepted offerings. As a result, TOTAL will be entitled to purchase approximately 2,270,007 shares of our common stock at the public offering price in connection with this offering (or 2,610,508 shares if the underwriters exercise their option to purchase additional shares in full). The information above regarding the number of shares of our common stock outstanding (i) assumes that no pre-emptive rights will be exercised by TOTAL to purchase additional shares and (ii) is based on 202,648,511 shares of common stock outstanding as of May 11, 2017. The number of shares of our common stock outstanding as of that date does not include 36,084,027 shares reserved for issuance under our equity compensation plan.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks set forth in the Risk Factors sections of the documents that we incorporate by reference into this prospectus supplement and the accompanying base prospectus. If any of the events described in such Risk Factors disclosures occurs or such risks otherwise materialize, our business, financial condition, results of operations, cash flows, or prospects could be materially adversely affected.

Resales of our common stock in the public market following this offering may cause the share price to fall.

Resales of a substantial number of shares of our common stock could depress the share price of our common stock. This offering of new shares of our common stock could result in resales of our common stock by our current stockholders concerned about the potential dilution of their holdings. If our stockholders sell substantial amounts of our common stock in the public market following the offering contemplated by this prospectus supplement, the share price of our common stock could fall.

If you purchase our common stock in the public market following this offering, you will experience immediate dilution as a result of future equity issuances.

Because the price per share of our common stock being offered may be higher than the book value per share of our common stock, you may suffer immediate and substantial dilution in the net tangible book value of the common stock you purchase in this offering. The issuance of additional shares of our common stock in future offerings could be dilutive to stockholders if they do not invest in future offerings. Moreover, to the extent that we issue options or warrants to purchase, or securities convertible into or exchangeable for, shares of our common stock in the future and those options, warrants or other securities are exercised, converted or exchanged, stockholders may experience further dilution.

We have broad discretion in the use of the net proceeds of the offering of our common stock contemplated by this prospectus supplement and, despite our efforts, we may use the proceeds in a manner that does not improve our operating results or increase the value of your investment.

We currently anticipate that the net proceeds from the offering of our common stock contemplated by this prospectus supplement will be used for general corporate purposes and working capital. However, we have not determined the specific use of the net proceeds from the offering of our common stock contemplated by this prospectus supplement. Our management will have broad discretion over the use and investment of any sales, and, accordingly, investors will need to rely upon the judgment of our management with respect to the use of proceeds, with only limited information concerning our specific intentions. These proceeds could be applied in ways that do not improve our operating results or increase the value of your investment.

Non-U.S. holders of our common stock, in certain situations, could be subject to U.S. federal income tax upon sale, exchange or disposition of our common stock.

It is likely that we are, and will remain for the foreseeable future, a U.S. real property holding corporation for U.S. federal income tax purposes because our assets consist primarily of United States real property interests as defined in the Internal Revenue Code of 1986, as amended, or the Code, and applicable Treasury regulations. As a result, under the Foreign Investment in Real Property Tax Act, or FIRPTA, certain non-U.S. investors may or may in the future be subject to U.S. federal income tax on any gain from the disposition of shares of our common stock, in which case they would also be required to file U.S. tax returns with respect to such gain. In general, whether these FIRPTA provisions

apply depends on the amount of our common stock that such non-U.S. investors hold. In addition, such non-U.S. investors may or may in the future be subject to withholding if, at the time they dispose of their shares, our common stock is not regularly traded on an established securities market within the meaning of the applicable Treasury regulations. So long as our common

stock continues to be regularly traded on an established securities market, only a non-U.S. investor who has owned, actually or constructively, more than 5% of our common stock at any time during the shorter of (i) the five-year period ending on the date of disposition and (ii) the non-U.S. investor s holding period for its shares may or may in the future be subject to U.S. federal income tax on the disposition of our common stock under FIRPTA. See Material United States Federal Income Tax Considerations to Non-U.S. Holders.

Table of Contents

USE OF PROCEEDS

We estimate that our net proceeds from this offering, after deducting underwriting discounts and commissions and estimated fees and expenses, will be approximately $ (or $ if the underwriters exercise their option to purchase 1,500,000 additional shares of our common stock in full).

The net proceeds will be used for detailed engineering of the Driftwood Project, general corporate purposes and working capital. Pending the application of the net proceeds from this offering, we intend to invest such proceeds in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

We will bear all of the expenses of this offering, and such expenses will be paid out of our general funds.

Table of Contents

CAPITALIZATION

The following table sets forth our capitalization and cash position as of March 31, 2017 on:

- an actual basis; and
- an as-adjusted basis to give effect to the issuance and sale of 10,000,000 shares of our common stock in this offering, assuming no exercise of the underwriters option to purchase additional shares and assuming the net proceeds are initially held as cash and cash equivalents, pending their use as described in Use of Proceeds.

This table should be read in conjunction with, and is qualified in its entirety by reference to, our financial statements and the accompanying notes, incorporated by reference into this prospectus supplement and the accompanying prospectus and Use of Proceeds in this prospectus supplement.

	As of March 31, 2017	
($ in thousands)	**Actual (unaudited)**	**As Adjusted (unaudited)**
Cash and cash equivalents	$ 186,823	$
Stockholders equity	203,961	
Total capitalization	$ 203,961	$

S-9

Table of Contents

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following summary is a description of the material U.S. federal income tax consequences relating to the purchase, ownership and disposition of our common stock by non-U.S. holders. The discussion is for general information only and does not consider all aspects of federal income taxation that may be relevant to the purchase, ownership and disposition of our common stock by a non-U.S. holder in light of its personal circumstances. In particular, this discussion does not address the federal income tax consequences of ownership of our common stock by investors that do not hold the stock as a capital asset within the meaning of Section 1221 of the Code, or the federal income tax consequences to beneficial owners subject to special treatment under the federal income tax laws, such as:

- dealers in securities;
- certain electing traders in securities;
- persons holding our common stock as part of a conversion, constructive sale, wash sale or other integrated transaction or a straddle or synthetic security;
- persons subject to the alternative minimum tax;
- certain former citizens or long-term residents of the United States;
- foreign governments or international organizations;
- financial institutions;
- controlled foreign corporations and passive foreign investment companies, and shareholders of such entities;
- insurance companies;
- entities that are tax-exempt for U.S. federal income tax purposes and retirement plans, individual retirement accounts and tax-deferred accounts; and
- pass-through entities, including partnerships and entities and arrangements classified as partnerships for U.S. federal tax purposes, and beneficial owners of pass-through entities.

Non-U.S. holders subject to the special circumstances described above may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not include any non-U.S. income tax laws

or state or local tax laws that may be applicable to a particular investor and does not consider any aspects of U.S. federal estate or gift tax law.

You are a non-U.S. holder of our common stock if you are a beneficial owner of the stock and are not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized or created in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of the source of such income; or
- a trust (i) if a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of the trust, or (ii) that has a valid election in place to be treated as a U.S. person for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax consequences of such partnership and the partners in such partnership generally will depend on the status of each of the partners and the activities of the partnership. Partners of partnerships considering the purchase of our common stock are encouraged to consult with their independent tax advisors.

Table of Contents

This summary is based upon the Code, existing and proposed federal income tax regulations promulgated thereunder, administrative pronouncements and judicial decisions, all in effect as of the date hereof, all of which are subject to change, possibly on a retroactive basis. Such a change could affect the continuing validity of this discussion. There can be no assurance that the Internal Revenue Service, or the IRS, will not challenge one or more of the conclusions described herein, and we have not obtained, and do not intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of purchasing, owning and disposing of our common stock. Any such change may adversely affect a non-U.S. holder.

IF YOU ARE CONSIDERING THE PURCHASE OF OUR COMMON STOCK, YOU ARE ENCOURAGED TO CONSULT WITH AN INDEPENDENT TAX ADVISOR REGARDING THE APPLICATION OF U.S. FEDERAL INCOME AND ESTATE TAX LAWS, AS WELL AS OTHER FEDERAL TAX LAWS AND THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION, TO YOUR PARTICULAR SITUATION.

Dividend Distributions

Any distributions with respect to the shares of our common stock, to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles), will constitute dividends for U.S. federal income tax purposes and will be subject to U.S. federal withholding tax at a 30% rate or such lower rate as specified by an applicable income tax treaty, provided that such dividends are not effectively connected with the non-U.S. holder s conduct of a U.S. trade or business. Distributions in excess of our current and accumulated earnings and profits (as determined under U.S. federal income tax principles) will first constitute a return of capital that is applied against and reduces the non-U.S. holder s adjusted tax basis in our common stock (determined on a share by share basis), and, to the extent such distribution exceeds the non-U.S. holder s adjusted tax basis, the excess will be treated as gain realized on the sale or other disposition of our common stock as described below under Sale, Exchange or Other Taxable Disposition of Stock.

Under the terms of an applicable U.S. income tax treaty (if any), the withholding tax might not apply, or might apply at a reduced rate. A non-U.S. holder who wishes to claim the benefit of an applicable income tax treaty is required to satisfy applicable certification and disclosure requirements (generally by providing our paying agent or a relevant withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E). If a non-U.S. holder is eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, such non-U.S. holder may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Dividends that are effectively connected with the conduct of a non-U.S. holder s trade or business within the United States are not subject to U.S. federal withholding tax if such non-U.S. holder provides our paying agent or a relevant withholding agent with an IRS Form W-8ECI, but generally will be subject to U.S. federal income tax on a net-income basis at applicable graduated individual or corporate rates, unless an applicable income tax treaty provides otherwise. A foreign corporation may be subject to an additional branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits attributable to such income.

Sale, Exchange or Other Taxable Disposition of Stock

Subject to the discussions below under Information Reporting and Backup Withholding and Foreign Accounts, any gain realized by a non-U.S. holder upon the sale, exchange or other taxable disposition of shares of our common stock generally will not be subject to U.S. federal income tax unless:

that gain is effectively connected with the non-U.S. holder s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder);

the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or

we are or have been a United States real property holding corporation (a USRPHC) for U.S. federal income tax purposes at any time during the shorter of (i) the five-year period ending on the date of disposition, and (ii) the non-U.S. holder s holding period for its shares of our common stock and, if shares of our common stock are regularly traded on an established securities market, the non-U.S. holder held, directly or indirectly, at any time during such period, more than 5% of our issued and outstanding common stock.

Gain described in the first bullet point above will be subject to U.S. federal income tax in the same manner as that of a U.S. person, unless an applicable income tax treaty provides otherwise. If such non-U.S. holder is a foreign corporation, such gain may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits attributable to such income. A non-U.S. holder described in the second bullet point above will be subject to a 30% U.S. federal income tax on the gain derived from the sale, which may be offset by certain U.S.-source capital losses.

It is likely that we are currently a USRPHC for U.S. federal income tax purposes and it is likely that we will remain one in the future. However, so long as our common stock continues to be regularly traded on an established securities market within the meaning of the applicable Treasury regulations, only a non-U.S. holder who holds or held more than 5% of our common stock at any time during the shorter of (i) the five year period preceding the date of disposition and (ii) the holder s holding period (a greater-than-five-percent shareholder) will be subject to U.S. federal income tax on the disposition of our common stock. A greater-than-five-percent shareholder generally will be subject to U.S. federal income tax on the net gain derived from the sale in the same manner as a U.S. person, unless an applicable income tax treaty provides otherwise. Such a non-U.S. holder generally will be required to file a U.S. federal income tax return in respect of such gain. No withholding is required upon any sale or other taxable disposition of our common stock if it is regularly traded on an established securities market. If we are a USRPHC and our common stock ceases to be regularly traded on an established securities market, a non-U.S. holder will be subject to tax on any gain recognized on the sale or other taxable disposition of our common stock, and withholding, generally at a rate of 15%, on the gross proceeds thereof, regardless of such non-U.S. holder s percentage ownership of our common stock.

Information Reporting and Backup Withholding

We and other withholding agents must report annually to the IRS the amount of dividends or other distributions paid to non-U.S. holders on shares of our common stock and the amount of tax we and other withholding agents withhold on these distributions. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides, under the provisions of an applicable income tax treaty.

A non-U.S. holder will not be subject to backup withholding (the current rate of which is 28%) on reportable payments the non-U.S. holder receives on shares of our common stock if the non-U.S. holder provides proper certification (usually on an IRS Form W-8BEN or IRS Form W-8BEN-E) of its status as a non-U.S. person.

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale or other disposition of shares of our common stock outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, information reporting will apply if a non-U.S. holder sells shares of our common stock outside the United States through a U.S. broker or a broker that is a controlled foreign corporation, a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, or a foreign partnership that, at any time

during its tax year, either is engaged in the conduct of a trade or business in

the United States or has as partners one or more U.S. persons that, in the aggregate, hold more than 50% of the income or capital interests in the partnership. If a sale or other disposition is made through a U.S. office of any broker, the broker will be required to report the amount of proceeds paid to the non-U.S. holder to the IRS and also to backup withhold on that amount unless the non-U.S. holder provides appropriate certification (usually on an IRS Form W-8BEN or IRS Form W-8BEN-E) to the broker certifying the non-U.S. holder s status as a non-U.S. person or other exempt status.

Any amounts withheld under the backup withholding rules will generally be allowed as a refund or a credit against a non-U.S. holder s U.S. federal income tax liability, provided the required information is properly furnished to the IRS on a timely basis.

Foreign Accounts

Sections 1471 through 1474 of the Code (commonly referred to as FATCA) generally impose a 30% withholding tax on withholdable payments, which include dividends on our common stock and gross proceeds from the disposition of our common stock paid to (i) a foreign financial institution (as defined in Section 1471 of the Code) unless it agrees to collect and disclose to the IRS information regarding direct and indirect U.S. account holders and (ii) a non-financial foreign entity unless it certifies certain information regarding substantial U.S. owners of the entity, which generally includes any U.S. person who directly or indirectly owns more than 10% of the entity. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules. Under U.S. Treasury regulations and IRS guidance, the withholding obligations described above apply to payments of dividends on our common stock, and will apply to payments of gross proceeds from a sale or other disposition of our common stock on or after January 1, 2019. Prospective non-U.S. holders should consult their own tax advisors with respect to the potential tax consequences of FATCA.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus supplement, we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC is acting as representative, the following respective numbers of shares of our common stock:

Underwriter	**Number of Shares**
Credit Suisse Securities (USA) LLC	
Tuohy Brothers Investment Research, Inc.	
Total	10,000,000

The underwriters are offering the common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the option to purchase additional shares described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We have granted to the underwriters a 30-day option to purchase on a pro rata basis up to 1,500,000 additional shares at the initial public offering price less the underwriting discounts and commissions.

The following table summarizes the public offering price, the underwriting discount and commissions payable by us and proceeds, before expenses, to us in connection with this offering:

	Per Share		**Total**	
	Without Option to Purchase Additional Shares	**With Option to Purchase Additional Shares**	**Without Option to Purchase Additional Shares**	**With Option to Purchase Additional Shares**
Public offering price	$	$	$	$
Underwriting discounts and commissions	$	$	$	$
Proceeds, before expenses, to us	$	$	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $100,000.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 60 days after the date of this prospectus supplement. The foregoing restrictions will not apply to (i) any securities issued or to be issued pursuant to our equity incentive or award plans in effect on the date hereof, including any shares of our common stock issued or to be issued upon the exercise or vesting thereof; (ii) the offer and sale of the shares to be sold in connection with this prospectus supplement; (iii) any securities issued

or to be issued pursuant to the our existing at the market program; (iv) any shares of our common stock issued upon the conversion, redemption or settlement of any Series B preferred stock that is outstanding on the date hereof; or (v) any shares of our common stock issued or to be issued to TOTAL in connection with preemptive rights held by TOTAL (it being understood that any such shares of our common stock issued or to be issued to TOTAL will not be sold pursuant to this offering). The lock-up period will commence on the date hereof and continue for 60 days after the date hereof or such earlier date that Credit Suisse Securities (USA) LLC consents to in writing.

Our executive officers and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement with similar effect, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period of 60 days after the date of this prospectus supplement, provided that each of our executive officers and directors, may, without the written consent of Credit Suisse Securities (USA) LLC, (i) effect the cashless exercise or net share settlement of options to acquire shares of our common stock or other awards granted pursuant to an equity incentive plan in effect on the date hereof, it being understood that any shares of our common stock received by such person upon such exercise shall be subject to a lock-up agreement, and provided that, if such person reports any such transfer or other disposition on a Form 4 filed with the SEC pursuant to Section 16 of the Exchange Act in reliance on this clause (i), then such Form 4 shall include a statement to the effect that such transfer or other disposition was made solely to effect the cashless exercise or net share settlement of options to acquire shares of our common stock or other awards granted pursuant to an equity incentive plan, (ii) transfer to us any shares of our common stock or have us withhold any shares of our common stock from issuance for purposes of satisfying any tax withholding obligation that arises in connection with the vesting of such awards, provided that, if such person reports any such transfer or other disposition on a Form 4 filed with the SEC pursuant to Section 16 of the Exchange Act in reliance on this clause (ii), then such Form 4 shall include a statement to the effect that such transfer or other disposition was made to us solely to permit such person to satisfy the tax withholding obligation that arises in connection with the vesting of an award granted under one of our company equity incentive plans, (iii) transfer shares of our common stock under a trading plan pursuant to Rule 10b5-1 under the Exchange Act that was in effect prior to the date of the underwriting agreement (not including any amendment thereto after the date of the underwriting agreement) and (iv) establish a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of our common stock, provided that such plan does not provide for any transfers of shares of our common stock during the lock-up period and provided further that no filing with the SEC or other public announcement shall be required or voluntarily made by the such person or any other person in connection therewith.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

The shares of common stock are listed on the NASDAQ Capital Market under the ticker symbol TELL.

The underwriters and their affiliates are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The underwriters and their affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their affiliates may also communicate independent investment

recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Table of Contents

In connection with the offering, the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

An over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of additional shares that they have the option to purchase. In a naked short position, the number of shares involved is greater than the number of additional shares that they have the option to purchase. The underwriters may close out any covered short position by either exercising their option to purchase additional shares and/or purchasing shares in the open market.

Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares through their option to purchase such shares. If the underwriters sell more shares than could be covered by their option to purchase additional shares, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase shares in the offering.

Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NASDAQ Capital Market or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering, and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make internet distributions on the same basis as other allocations.

Selling Restrictions

General

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the common stock offered by this prospectus supplement in any jurisdiction where action for that purpose is required. The common stock offered by this prospectus supplement may not be offered or sold, directly or indirectly, nor may this prospectus supplement or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement comes are advised to inform themselves about and to

Table of Contents

observe any restrictions relating to the offering and the distribution of this prospectus supplement. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus supplement in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in Canada

The common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement and the accompanying prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area (Member State), no offer of common stock which is the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representative for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of common stock referred to in (a) to (c) above shall result in a requirement for the company or the representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of common stock is made or who receives any communication in respect of an offer of common stock, or who initially acquires any common stock will be deemed to have represented, warranted, acknowledged and agreed to and with the representative and the company that (1) it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus

Directive; and (2) in the case of any common stock acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the common stock acquired by it in the offer has not been acquired on behalf of, nor has it been acquired with a view to its offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representative has been given to the offer or resale; or where common stock has been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of that common stock to it is not treated under the Prospectus Directive as having been made to such persons.

The company, the underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus supplement has been prepared on the basis that any offer of shares in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Member State of shares which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the company or the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the company nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for the company or the underwriters to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of common stock to the public in relation to any common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the common stock to be offered so as to enable an investor to decide to purchase or subscribe the common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression Prospectus Directive means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below or above.

Notice to Prospective Investors in the United Kingdom

In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the company, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Table of Contents

LEGAL MATTERS

Davis Graham & Stubbs LLP, Denver, Colorado, will pass upon certain legal matters relating to this offering. Certain other legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The consolidated financial statements of Tellurian Investments and subsidiaries as of December 31, 2016 and for the year ended December 31, 2016, and the financial statements of Tellurian Services as of April 9, 2016, December 31, 2015 and 2014 and for the period from January 1, 2016 through April 9, 2016 and for the years ended December 31, 2015 and 2014, incorporated in this prospectus supplement by reference to Tellurian Inc. s Current Report on Form 8-K/A dated March 15, 2017, have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as stated in their reports dated March 15, 2017, respectively, each of which is herein incorporated by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Magellan Petroleum Corporation as of June 30, 2016 and 2015, and for the fiscal years ended June 30, 2016 and 2015, have been audited by EKS&H LLLP, an independent registered public accounting firm, and are incorporated herein by reference in reliance on its report dated September 13, 2016, and upon its authority as an expert in accounting and auditing.

Table of Contents

PROSPECTUS

Tellurian Inc.

Common Stock

Preferred Stock

Warrants

Units

We may offer and sell from time to time common stock, preferred stock and warrants to purchase common stock or preferred stock, in one or more transactions. We may also offer and sell from time to time, in one or more transactions, such securities as may be issuable upon the conversion, exercise or exchange of preferred stock or warrants. Any securities registered hereunder may be sold separately or as units with the other securities registered hereunder.

This prospectus provides you with a description of our common stock and a general description of the other securities we may offer. A prospectus supplement containing specific information about the terms of the securities being offered and the offering, including the compensation of any underwriter, agent or dealer, will accompany this prospectus to the extent required. Any prospectus supplement may also add, update or change information contained in this prospectus. If information in any prospectus supplement is inconsistent with the information in this prospectus, then the information in that prospectus supplement will apply and will supersede the information in this prospectus. You should carefully read both this prospectus and any prospectus supplement, together with additional information described in Where You Can Find More Information and Incorporation of Certain Information by Reference, before you invest in our securities.

Our common stock is traded on the NASDAQ Capital Market under the ticker symbol TELL. On February 9, 2017, the closing price of our common stock as reported on the NASDAQ Capital Market was $14.21 per share. None of the other securities offered under this prospectus are publicly traded.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY READ THE RISK FACTORS SECTION BEGINNING ON PAGE 4 OF THIS PROSPECTUS.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is February 10, 2017.

Table of Contents

TABLE OF CONTENTS

About this Prospectus	1
Where You Can Find More Information	1
Incorporation of Certain Information by Reference	2
About Tellurian Inc.	3
Risk Factors	4
Cautionary Information about Forward -Looking Statements	11
Use of Proceeds	13
Plan of Distribution	13
Description of Our Capital Stock	15
Description of Our Warrants	18
Description of Our Units	19
Legal Matters	20
Experts	20

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process on Form S-3. See Where You Can Find More Information and Incorporation Certain Information by Reference. Under the shelf registration, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a description of our common stock and a general description of the other securities that we may offer. Each time that securities are sold pursuant to the Registration Statement, we will, to the extent required, provide a prospectus supplement that will contain specific information about the terms of the securities being offered and the offering. The prospectus supplement also may add, update or change information contained or incorporated by reference in this prospectus. We may also authorize one or more free writing prospectuses to be provided to you that may contain material information relating to these offerings and securities. You should read both this prospectus and any prospectus supplement or free writing prospectus together with additional information described in Where You Can Find More Information and Incorporation of Certain Information by Reference before you invest.

You should rely only on the information contained in this prospectus and in any relevant prospectus supplement or free writing prospectus, including any information incorporated herein or therein by reference. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information in this prospectus, any accompanying prospectus supplement, any free writing prospectus or any document incorporated by reference is accurate as of any date other than the date on its front cover. Our business, financial condition, results of operations and prospects may have changed since the date indicated on the front cover of such documents. Neither this prospectus nor any prospectus supplement or free writing prospectus constitutes an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor does this prospectus or a prospectus supplement or free writing prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

In this prospectus, references to Tellurian, the Company, the issuer, we, us or our refer to Tellurian Inc. (whic until February 10, 2017, known as Magellan Petroleum Corporation) and its subsidiaries, unless the context suggests otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational reporting requirements of the Securities and Exchange Act of 1934, as amended (the Exchange Act), and we file annual, quarterly, and other reports, proxy statements, and other information with the SEC. You may read and copy any document we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the Public Reference Room. Our SEC filings are also available to the public at the SEC s website at http://www.sec.gov. Our website address is http://www.tellurianinc.com. However, information on our website will not be considered a part of this prospectus.

We have filed with the SEC a registration statement on Form S-3 (together with all exhibits, amendments and supplements, the Registration Statement) of which this prospectus constitutes a part, under the Securities Act of 1933, as amended (the Securities Act). This prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules of the SEC. For further information pertaining to us, reference is made to the Registration Statement. Statements contained in this prospectus, any prospectus supplement or any document incorporated herein or therein by reference concerning the provisions of

documents are necessarily summaries of such documents, and each such statement is qualified in its entirety by reference to the copy of the applicable document filed with the SEC. Copies of the Registration Statement are on file at the offices of the SEC, and may be inspected without charge at those offices, the address of which is set forth above, and copies may be obtained from the SEC at prescribed rates. The Registration Statement has been filed electronically through the SEC s Electronic Data Gathering, Analysis and Retrieval System and may be obtained through the SEC web site at http://www.sec.gov.

1

Table of Contents

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to another document that we have filed with the SEC. You should read the information incorporated by reference because it is an important part of this prospectus. Information in this prospectus supersedes information incorporated by reference that we filed with the SEC prior to the date of this prospectus, while information that we file later with the SEC will automatically update and supersede the information in this prospectus. We incorporate by reference the following information or documents that we have filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended June 30, 2016 filed with the SEC on September 14, 2016, as amended by our Annual Report on Form 10-K/A for the fiscal year ended June 30, 2016 filed with the SEC on October 27, 2016;

- our Quarterly Reports on Form 10-Q for the quarterly period ended September 30, 2016 filed with the SEC on November 14, 2016, and for the quarterly period ended December 31, 2016 filed with the SEC on February 9, 2017;

- our Current Reports on Form 8-K filed with the SEC on July 19, 2016, August 2, 2016, August 3, 2016, August 8, 2016, October 5, 2016, October 12, 2016, November 29, 2016, December 21, 2016, January 5, 2017 and February 10, 2017, and our Current Report on Form 8-K/A filed with the SEC on October 20, 2016; and

- the description of our common stock contained in our Current Report on Form 8-K filed with the SEC on June 26, 2013, as the same may be further amended from time to time.

All reports and other documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus and shall be a part hereof from the date of filing of such reports and documents.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus shall be deemed modified, superseded or replaced for purposes of this prospectus to the extent that a statement contained in this prospectus, or in any subsequently filed document that also is deemed to be incorporated by reference in this prospectus, modifies, supersedes or replaces such statement. Any statement so modified, superseded or replaced shall not be deemed, except as so modified, superseded or replaced, to constitute a part of this prospectus. None of the information that we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K or any corresponding information, either furnished under Item 9.01 or included as an exhibit thereto, that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus, except as otherwise expressly set forth in the relevant document. Subject to the foregoing, all information appearing in this prospectus is qualified in its entirety by the information appearing in the documents incorporated by reference.

We will furnish to you, upon written or oral request, a copy of any or all of the documents that have been incorporated by reference, including exhibits to those documents. You may request a copy of those filings at no cost by writing or telephoning our corporate secretary at the following address and telephone number:

Tellurian Inc.

Attention: Corporate Secretary

1201 Louisiana Street, Suite 3100

Houston, Texas 77002

Telephone No.: (832) 962-4000

Except as provided above, no other information, including information on our website, is incorporated by reference in this prospectus.

2

Table of Contents

ABOUT TELLURIAN INC.

Tellurian plans to own, develop and operate natural gas liquefaction facilities, storage facilities and loading terminals (collectively, the LNG Facilities) and to pursue complementary business lines in the energy industry. Tellurian owns all of the common stock of Tellurian Investments Inc., a Delaware corporation (Tellurian Investments), which owns a 100% membership interest in Tellurian LNG LLC, a Delaware limited liability company (Tellurian LNG), a 100% membership interest in Tellurian Services LLC (f/k/a Parallax Services LLC), a Delaware limited liability company (Tellurian Services), and a 100% ownership interest in Tellurian LNG UK Ltd (Tellurian UK). The assets of Tellurian include its 100% ownership or membership interests in each of Tellurian Investments, Tellurian LNG, Tellurian Services and Tellurian UK, interests in Horse Hill-1 well and related licenses in the Weald Basin, onshore United Kingdom, an exploration block, NT/P82, in the Bonaparte Basin, offshore Northern Territory, Australia, and cash held for certain start-up and operating expenses.

Tellurian is planning on developing, through Tellurian LNG and Tellurian LNG s wholly owned subsidiaries, a liquefied natural gas (LNG) facility with liquefaction capacity of 26 million tonnes per annum on a single site in Calcasieu Parish, Louisiana (the Driftwood LNG Project). Assuming approximately two years of permitting work and receipt of the appropriate regulatory approvals and financing commitments necessary to commence construction, followed by a four-year construction schedule, the Driftwood LNG Project could deliver its first LNG as soon as 2022. Tellurian also plans to pursue business that is complementary to its LNG business.

The Company was founded in 1957 and incorporated in Delaware in 1967 as Magellan Petroleum Corporation. We changed our corporate name to Tellurian Inc. shortly after completing a merger transaction with Tellurian Investments in February 2017. The Company s common stock has been trading on the NASDAQ Stock Market since 1972. It currently trades under the ticker symbol TELL.

Our principal executive offices are located at 1201 Louisiana Street, Suite 3100, Houston, Texas 77002, and our telephone number is (832) 962-4000. We maintain a website at http://www.tellurianinc.com. The information contained in, or that can be accessed through, our website is not part of this prospectus.

Table of Contents

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the following risks, the risks set forth in the Risk Factors section of our Annual Report on Form 10-K for the fiscal year ended June 30, 2016, which is incorporated in this prospectus by reference, as well as the risk factors set forth in any applicable prospectus supplement and the other reports we file from time to time with the SEC that are incorporated by reference in this prospectus. If any of the events described in such Risk Factors disclosures occurs or such risks otherwise materialize, our business, financial condition, results of operations, cash flows, or prospects could be materially adversely affected.

Risks Relating to Tellurian s Business

Tellurian does not expect Tellurian Investments to generate sufficient cash to pay dividends until the completion of construction of the Driftwood LNG Project by Tellurian LNG and its wholly owned subsidiaries.

Tellurian s indirect ownership of 100% of the membership or ownership interests in each of Tellurian LNG, Tellurian Services LLC and Tellurian UK and cash held for certain start-up and operating expenses comprise substantially all of Tellurian s assets. Tellurian s cash flow and consequently its ability to distribute earnings is solely dependent upon the cash flow its subsidiaries receive from the Driftwood LNG Project and the transfer of funds in the form of distributions or otherwise. Tellurian LNG s ability to complete the Driftwood LNG Project, as discussed further below, is dependent upon its, its subsidiaries and Tellurian Investments ability to obtain necessary regulatory approvals and raise the capital necessary to fund the development of the project.

Tellurian s ability to pay dividends in the future is uncertain and will depend on a variety of factors including limitations on the ability of it or its subsidiaries to pay dividends under applicable law and/or the terms of debt or other agreements, and the judgment of the board of directors or other governing body of the relevant entity.

In addition, because Tellurian Investments business will have limited asset and geographic diversification, adverse developments in the natural gas and LNG industry, or to the Driftwood LNG Project, will have a greater impact on Tellurian Investments financial condition than if it maintained a more diverse asset and geographic profile.

Tellurian will be required to seek additional debt and equity financing in the future to complete the Driftwood LNG Project, and may not be able to secure such financing on acceptable terms, or at all.

Because Tellurian will be unable to generate any revenue from its operations and expects to be in the development stage for multiple years, Tellurian will need additional financing to provide the capital required to execute its business plan. Tellurian will need significant funding to develop the Driftwood LNG Project as well as for working capital requirements and other operating and general corporate purposes.

There can be no assurance that Tellurian will be able to raise sufficient capital on acceptable terms, or at all. If such financing is not available on satisfactory terms, or is not available at all, Tellurian may be required to delay, scale back or eliminate the development of business opportunities, and its operations and financial condition may be adversely affected to a significant extent.

Debt financing, if obtained, may involve agreements that include liens on its assets and covenants limiting or restricting the ability to take specific actions, such as paying dividends or making distributions, incurring additional debt, acquiring or disposing of assets and increasing expenses. Debt financing would also be required to be repaid regardless of Tellurian s operating results.

In addition, the ability to obtain financing for the proposed Driftwood LNG Project is expected to be contingent upon, among other things, Tellurian s ability to enter into sufficient long-term commercial agreements

4

prior to the commencement of construction. To date, Tellurian has not entered into any definitive third-party agreements for the proposed Driftwood LNG Project, and it may not be successful in negotiating and entering into such agreements.

Tellurian Investments and Tellurian LNG have a limited operating history.

Both Tellurian Investments and Tellurian LNG were formed in 2016, and only recently commenced development. Although Tellurian s current directors, managers and officers have prior professional and industry experience, Tellurian Investments and Tellurian LNG have a limited prior operating history, track record and historical financial information upon which you may evaluate prospects.

Tellurian LNG has not yet commenced the construction of the Driftwood LNG Project. Accordingly, Tellurian expects to incur significant additional costs and expenses through completion of development and construction of the Driftwood LNG Project. As a result, Tellurian expects operating losses will increase substantially in the remainder of 2016 and thereafter, and expects to continue to incur operating losses and experience negative operating cash flow through at least 2022.

Failure to retain and attract key executive officers and other skilled professional and technical employees could have an adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects.

The success of Tellurian s business relies heavily on its executive officers. Should Tellurian s executive officers be unable to perform their duties on behalf of Tellurian, or should Tellurian be unable to retain or attract other members of management, Tellurian s business, results of operations, financial condition, liquidity and prospects could be materially impacted.

Tellurian will be subject to risks related to doing business in, and having counterparties based in, foreign countries.

Tellurian may engage in operations or make substantial commitments and investments, or enter into agreements with counterparties, located outside the United States, which would expose Tellurian to political, governmental, and economic instability and foreign currency exchange rate fluctuations.

Any disruption caused by these factors could harm Tellurian s business, results of operations, financial condition, liquidity and prospects. Risks associated with operations, commitments and investments outside of the United States include but are not limited to risks of:

- currency fluctuations;
- war or terrorist attack;
- expropriation or nationalization of assets;
- renegotiation or nullification of existing contracts;

changing political conditions;

changing laws and policies affecting trade, taxation, and investment;

multiple taxation due to different tax structures;

general hazards associated with the assertion of sovereignty over areas in which operations are conducted; and

the unexpected credit rating downgrade of countries in which Tellurian Investments LNG customers are based.

Because Tellurian s reporting currency is the United States dollar, any of the operations conducted outside the United States or denominated in foreign currencies would face additional risks of fluctuating currency values and exchange rates, hard currency shortages and controls on currency exchange. In addition, Tellurian would be subject to the impact of foreign currency fluctuations and exchange rate changes on its financial reports when translating its assets, liabilities, revenues and expenses from operations outside of the United States into U.S. dollars at then-applicable exchange rates. These translations could result in changes to the results of operations from period to period.

Tellurian Investments is currently classified as a United States real property holding company (USRPHC) under applicable tax laws, and non-U.S. investors may be subject to tax withholding and other tax consequences upon a disposition of their shares.

Tellurian Investments is a USRPHC under applicable tax laws, which subjects non-U.S. investors to tax withholding and other tax consequences upon a disposition of their shares. Tellurian will likely be classified in the same manner, which subjects non-U.S. investors to tax withholding and other tax consequences upon a disposition of their Tellurian shares. Non-U.S. investors should consult their tax advisors with respect to the application of this to their investment and other U.S. tax rules.

Tellurian Investments is a defendant in a lawsuit that could result in equitable relief and/or monetary damages that could have a material adverse effect on Tellurian s operating results and financial condition.

Tellurian Investments and Tellurian Services, along with each of Messrs. Houston and Daniels and certain entities in which each of them owned membership interests, as applicable, have been named as defendants in one recently initiated lawsuit. Although Tellurian Investments believes the plaintiffs claims are without merit, Tellurian Investments may not ultimately be successful and any potential liability Tellurian Investments may incur is not reasonably estimable. However, even if Tellurian Investments is successful in the defense of this litigation, Tellurian Investments could incur costs and suffer both an economic loss and an adverse impact on its reputation, which could have a material adverse effect on its business. In addition, any adverse judgment or settlement of the litigation could have an adverse effect on its operating results and financial condition.

Tellurian s estimated costs for the Driftwood LNG Project may not be accurate and are subject to change due to various factors.

Tellurian currently estimates that the construction costs for the Driftwood LNG Project will be between approximately $13 billion and $15 billion. However, cost estimates are only an approximation of the actual costs of construction and are before owners costs, financing costs, pipeline construction costs and contingencies. Moreover, cost estimates may change due to various factors, such as the final terms of any definitive request for services with its engineering, procurement and construction (EPC) service provider, as well as change orders, delays in construction, legal and regulatory requirements, site issues, increased component and material costs, escalation of labor costs, labor disputes, increased spending to maintain Tellurian s construction schedule and other factors.

The construction and operation of the Driftwood LNG Project remains subject to further approvals, and some approvals may be subject to further conditions, review and/or revocation.

The design, construction and operation of LNG export terminals is a highly regulated activity. The approval of the U.S. Federal Energy Regulatory Commission (FERC) under Section 3 of the Natural Gas Act, as well as several other material governmental and regulatory approvals and permits, is required in order to construct and operate an LNG terminal. Although the necessary authorizations to operate the proposed LNG Facilities may be obtained, such authorizations are subject to ongoing conditions imposed by regulatory agencies, and additional approval and permit

requirements may be imposed.

Tellurian will be required to obtain governmental approvals and authorizations to implement its proposed business strategy, which includes the construction and operation of the Driftwood LNG Project. In particular, authorization from FERC and the U.S. Department of Energy is required to construct and operate the proposed LNG Facilities. In addition to seeking approval for export to countries with which the United States has a Free Trade Agreement (FTA), Tellurian will seek to obtain approval for export to non-FTA countries. There is no assurance that Tellurian will obtain and maintain these governmental permits, approvals and authorizations, and failure to obtain and maintain any of these permits, approvals or authorizations could have a material adverse effect on its business, results of operations, financial condition and prospects.

Tellurian will be dependent on third-party contractors for the successful completion of the Driftwood LNG Project, and these contractors may be unable to complete the Driftwood LNG Project.

There is limited recent industry experience in the United States regarding the construction or operation of large-scale liquefaction facilities. The construction of the Driftwood LNG Project is expected to take several years, will be confined to a limited geographic area and could be subject to delays, cost overruns, labor disputes and other factors that could adversely affect financial performance or impair Tellurian s ability to execute its scheduled business plan.

Timely and cost-effective completion of the Driftwood LNG Project in compliance with agreed-upon specifications will be highly dependent upon the performance of third-party contractors pursuant to their agreements. However, Tellurian has not yet entered into definitive agreements with certain of the contractors, advisors and consultants necessary for the development and construction of the Driftwood LNG Project. Tellurian may not be able to successfully enter into such construction contracts on terms or at prices that are acceptable to it.

Further, faulty construction that does not conform to Tellurian s design and quality standards may have an adverse effect on Tellurian s business, results of operations, financial condition and prospects. For example, improper equipment installation may lead to a shortened life of Tellurian s equipment, increased operations and maintenance costs or a reduced availability or production capacity of the affected facility. The ability of Tellurian s third-party contractors to perform successfully under any agreements to be entered into is dependent on a number of factors, including force majeure events and such contractors ability to:

- design, engineer and receive critical components and equipment necessary for the Driftwood LNG Project to operate in accordance with specifications and address any start-up and operational issues that may arise in connection with the commencement of commercial operations;

- attract, develop and retain skilled personnel and engage and retain third-party subcontractors, and address any labor issues that may arise;

- post required construction bonds and comply with the terms thereof, and maintain their own financial condition, including adequate working capital;

- adhere to any warranties the contractors provide in their EPC contracts; and

respond to difficulties such as equipment failure, delivery delays, schedule changes and failure to perform by subcontractors, some of which are beyond their control, and manage the construction process generally, including engaging and retaining third-party contractors, coordinating with other contractors and regulatory agencies and dealing with inclement weather conditions.

Furthermore, Tellurian may have disagreements with its third-party contractors about different elements of the construction process, which could lead to the assertion of rights and remedies under the related contracts, resulting in a contractor s unwillingness to perform further work on the relevant project. Tellurian may also face difficulties in commissioning a newly constructed facility. Any significant project delays in the development of the Driftwood LNG Project could materially and adversely affect Tellurian s business, results of operations, financial condition and prospects.

Tellurian s ability to generate cash is substantially dependent upon it entering into contracts with third parties and the performance of those customers under those contracts.

Tellurian has not yet entered into, and may never be able to enter into, satisfactory commercial arrangements with third-party customers for products and services at the Driftwood LNG Project.

Tellurian s business strategy may change regarding how and when the proposed Driftwood LNG Project s export capacity is marketed. Also, Tellurian s business strategy may change due to the inability to enter into agreements with customers or based on views regarding future prices, supply and demand of LNG, natural gas liquefaction capacity, and worldwide regasification capacity. If the efforts to market the proposed Driftwood LNG Project are not successful, Tellurian s business, results of operations, financial condition and prospects may be materially and adversely affected.

Tellurian LNG s construction and operations activities are subject to a number of development risks, operational hazards, regulatory approvals and other risks, which could cause cost overruns and delays and could have a material adverse effect on its business, results of operations, financial condition, liquidity and prospects.

Siting, development and construction of the Driftwood LNG Project will be subject to the risks of delay or cost overruns inherent in any construction project resulting from numerous factors, including, but not limited to, the following:

- Difficulties or delays in obtaining, or failure to obtain, sufficient debt or equity financing on reasonable terms;
- Failure to obtain all necessary government and third-party permits, approvals and licenses for the construction and operation of any of the contemplated LNG Facilities;
- Failure to obtain sale and purchase agreements that generate sufficient revenue to support the financing and construction of the Driftwood LNG Project;
- Difficulties in engaging qualified contractors necessary to the construction of the contemplated Driftwood LNG Project or other LNG Facilities;
- Shortages of equipment, material or skilled labor;
- Natural disasters and catastrophes, such as hurricanes, explosions, fires, floods, industrial accidents and terrorism;
- Unscheduled delays in the delivery of ordered materials;

- Work stoppages and labor disputes;
- Competition with other domestic and international LNG export terminals;
- Unanticipated changes in domestic and international market demand for and supply of natural gas and LNG, which will depend in part on supplies of and prices for alternative energy sources and the discovery of new sources of natural resources;
- Unexpected or unanticipated additional improvements; and
- Adverse general economic conditions.

Delays beyond the estimated development periods, as well as cost overruns, could increase the cost of completion beyond the amounts that are currently estimated, which could require Tellurian to obtain additional sources of financing to fund the activities until the proposed Driftwood LNG Project is constructed and operational (which could cause further delays). Any delay in completion of the Driftwood LNG Project may also cause a delay in the receipt of revenues projected from the Driftwood LNG Project or cause a loss of one or more customers. As a result, any significant construction delay, whatever the cause, could have a material adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects.

Technological innovation may render Tellurian s anticipated competitive advantage or its processes obsolete.

Tellurian s success will depend on its ability to create and maintain a competitive position in the natural gas liquefaction industry. In particular, although Tellurian plans to construct the Driftwood LNG Project using proven technologies that it believes provides it with certain advantages, Tellurian does not have any exclusive rights to any of the technologies that it will be utilizing. In addition, the technology Tellurian anticipates using in the Driftwood LNG Project may be rendered obsolete or uneconomical by legal or regulatory requirements, technological advances, more efficient and cost-effective processes or entirely different approaches developed by one or more of its competitors or others, which could materially and adversely affect Tellurian s business, results of operations, financial condition, liquidity and prospects.

Decreases in the demand for and price of natural gas could lead to reduced development of LNG projects worldwide.

Tellurian is subject to risks associated with the development, operation and financing of domestic LNG facilities. The development of domestic LNG facilities and projects are generally based on assumptions about the future price of natural gas and LNG and the conditions of the global natural gas and LNG markets. Natural gas and LNG prices have been, and are likely to remain in the future, volatile and subject to wide fluctuations that are difficult to predict. Such fluctuations may be caused by factors such as the competitive liquefaction capacity in North America; the international supply and receiving capacity of LNG; LNG tanker capacity; weather conditions; domestic and global demand for natural gas; the effect of government regulation on the production, transportation and sale of natural gas; oil and natural gas exploration and production activities; the development of and changes in the cost of alternative energy sources for natural gas and political and economic conditions worldwide.

Further, the development of liquefaction facilities takes a substantial amount of time, requires significant capital investment, may be delayed by unforeseen and uncontrollable factors and is dependent on the financial viability and ability of Tellurian to market LNG internationally.

Competition in the liquefied natural gas industry is intense, and some of Tellurian s competitors have greater financial, technological and other resources.

Tellurian plans to operate in the highly competitive area of liquefied natural gas production and faces intense competition from independent, technology-driven companies as well as from both major and other independent oil and natural gas companies and utilities.

Many competing companies have secured access to, or are pursuing development or acquisition of, LNG facilities to serve the North American natural gas market, including other proposed liquefaction facilities in North America. Tellurian may face competition from major energy companies and others in pursuing its proposed business strategy to provide liquefaction and export products and services at its proposed Driftwood LNG Project. In addition, competitors have and are developing additional LNG terminals in other markets, which also compete with the proposed LNG Facilities. Almost all of these competitors have longer operating histories, more development experience, greater name recognition, larger staffs and substantially greater financial, technical and marketing resources than Tellurian currently possesses. The superior resources that these competitors have available for deployment could allow them to compete successfully against Tellurian, which could have a material adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects.

Table of Contents

There may be shortages of LNG vessels worldwide, which could have a material adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects.

The construction and delivery of LNG vessels requires significant capital and long construction lead times, and the availability of the vessels could be delayed to the detriment of Tellurian s business and customers due to the following:

- an inadequate number of shipyards constructing LNG vessels and a backlog of orders at these shipyards;
- political or economic disturbances in the countries where the vessels are being constructed;
- changes in governmental regulations or maritime self-regulatory organizations;
- work stoppages or other labor disturbances at the shipyards;
- bankruptcies or other financial crises of shipbuilders;
- quality or engineering problems;
- weather interference or catastrophic events, such as a major earthquake, tsunami, or fire; or
- shortages of or delays in the receipt of necessary construction materials.

A terrorist or military incident involving an LNG carrier could result in delays in, or cancellation of, construction or closure of the proposed LNG Facilities.

A terrorist or military incident involving an LNG carrier may result in delays in, or cancellation of, construction of new LNG facilities, including the proposed LNG Facilities, which would increase Tellurian s costs and decrease cash flows. A terrorist incident may also result in temporary or permanent closure of Tellurian s proposed LNG Facilities, including the Driftwood LNG Project, which could increase costs and decrease cash flows, depending on the duration of the closure. Operations at the proposed LNG Facilities, including the Driftwood LNG Project, could also become subject to increased governmental scrutiny that may result in additional security measures at a significant incremental cost. In addition, the threat of terrorism and the impact of military campaigns may lead to continued volatility in prices for natural gas that could adversely affect Tellurian s business and customers, including the ability of Tellurian s suppliers or customers to satisfy their respective obligations under Tellurian s commercial agreements.

Changes in legislation and regulations relating to the LNG industry could have a material adverse impact on Tellurian s business, results of operations, financial condition, liquidity and prospects.

Future legislation and regulations, such as those relating to the transportation and security of LNG exported from the proposed LNG Facilities through the Calcasieu Ship Channel, could cause additional expenditures, restrictions and

delays in connection with the proposed LNG Facilities and their construction, the extent of which cannot be predicted and which may require Tellurian to limit substantially, delay or cease operations in some circumstances. Revised, reinterpreted or additional laws and regulations that result in increased compliance costs or additional operating costs and restrictions could have a material adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects.

Tellurian s operations will be subject to a number of environmental laws and regulations that impose significant compliance costs, and existing and future environmental and similar laws and regulations could result in increased compliance costs or additional operating restrictions.

Tellurian s business will be subject to extensive federal, state and local regulations and laws, including regulations and restrictions on discharges and releases to the air, land and water and the handling, storage and disposal of hazardous materials and wastes in connection with the development, construction and operation of its liquefaction facilities. These regulations and laws will require Tellurian to maintain permits, provide

governmental authorities with access to its facilities for inspection and provide reports related to its compliance. Violation of these laws and regulations could lead to substantial fines and penalties or to capital expenditures related to pollution control equipment that could have a material adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects. Federal and state laws impose liability, without regard to fault or the lawfulness of the original conduct, for the release of certain types or quantities of hazardous substances into the environment. As the owner and operator of the Driftwood LNG Project, Tellurian could be liable for the costs of cleaning up hazardous substances released into the environment and for damage to natural resources.

In addition, future federal, state and local legislation and regulations may impose unforeseen burdens and increased costs on Tellurian s business that could have a material adverse effect on Tellurian s financial results, such as regulations regarding greenhouse gas emissions and the transportation of LNG.

The operation of the proposed Driftwood LNG Project may be subject to significant operating hazards and uninsured risks, one or more of which may create significant liabilities and losses that could have a material adverse effect on Tellurian s business, results of operations, financial condition, liquidity and prospects.

The plan of operations for the proposed Driftwood LNG Project is subject to the inherent risks associated with LNG operations, including explosions, pollution, release of toxic substances, fires, hurricanes and other adverse weather conditions, and other hazards, each of which could result in significant delays in commencement or interruptions of operations and/or result in damage to or destruction of the proposed Driftwood LNG Project and assets or damage to persons and property. In addition, operations at the proposed Driftwood LNG Project and vessels of third parties on which Tellurian s operations are dependent face possible risks associated with acts of aggression or terrorism.

Tellurian does not, nor does it intend to, maintain insurance against all of these risks and losses. Tellurian may not be able to maintain desired or required insurance in the future at rates that it considers reasonable. The occurrence of a significant event not fully insured or indemnified against could have a material adverse effect on Tellurian s business, contracts, financial condition, operating results, cash flow, liquidity and prospects.

Financial projections by Tellurian Investments may not prove to be reflective of actual future results.

In connection with the merger, Tellurian Investments prepared and considered, among other things, internal financial forecasts for Tellurian Investments. These financial projections include assumptions regarding future revenue, EBITDA, capital expenditures and unlevered free cash flow. They speak only as of the date prepared and have not been, and will not be, updated. These financial projections were not provided with a view to public disclosure, are subject to significant economic, competitive, industry and other uncertainties and may not be achieved in full, at all or within projected timeframes. In addition, the failure to achieve projected results could have a material adverse effect on Tellurian s share price and financial position.

CAUTIONARY INFORMATION ABOUT FORWARD-LOOKING STATEMENTS

The information in this prospectus, including information in documents incorporated by reference in this prospectus, includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements, other than statements of historical facts, that address activities, events, or developments with respect to our financial condition, results of operations, or economic performance that we expect, believe, or anticipate will or may occur in the future, or that address plans and objectives of management for future operations, are forward-looking statements. The words anticipate, assume, believe, budget, estimate, expect, forecast, intend, may, plan, potential, project, should, will, would, and similar expressions are intended to identi forward-looking statements. These forward-looking statements relate to, among other things:

our businesses and prospects;

- our ability to continue as a going concern;
- planned or estimated capital expenditures;
- availability of liquidity and capital resources;
- the ability to obtain additional financing as needed;
- revenues, expenses, and projected cash burn rates;
- progress in developing the Company s principal project and the timing of that progress;
- future values of that project or other interests or rights that the Company holds; and
- government regulations, including our ability to obtain necessary governmental permits and approvals.

Our forward-looking statements are based on assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments, and other factors that we believe are appropriate under the circumstances. These statements are subject to a number of known and unknown risks and uncertainties, which may cause our actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. These risks and uncertainties are described in the Risk Factors section and elsewhere in reports we file with the SEC incorporated by reference in this prospectus, and additional risk factors that may be set forth in any applicable prospectus supplement, and include such factors as:

- the uncertain nature of the demand for and price of natural gas;
- risks related to shortages of LNG vessels worldwide;
- technological innovation which may render our anticipated competitive advantage obsolete;
- risks related to a terrorist or military incident involving an LNG carrier;
- changes in legislation and regulations relating to the LNG industry, including environmental laws and regulations that impose significant compliance costs;

- uncertainties regarding our ability to maintain sufficient liquidity and capital resources to implement our projects or otherwise continue as a going concern;
- our limited operating history;
- our ability to attract and retain key personnel;
- risks related to doing business in, and having counterparties in, foreign countries;
- our reliance on the skill and expertise of third-party service providers;
- the ability of our vendors to meet their contractual obligations;
- the uncertain nature of the anticipated value and underlying prospects of our U.K. acreage position;
- the results and interpretation of 2-D and 3-D seismic data related to our NT/P82 interest in offshore Australia and our ability to sell or obtain an attractive farmout arrangement for NT/P82;
- risks and uncertainties inherent in management estimates of future operating results and cash flows;
- development risks, operational hazards, and regulatory approvals; and
- risks and uncertainties associated with litigation matters.

The forward-looking statements in this prospectus, or in any prospectus supplement, speak as of the date hereof, or thereof, as applicable. Although we may from time to time voluntarily update our prior forward-looking statements, we disclaim any commitment to do so except as required by securities laws.

Table of Contents

USE OF PROCEEDS

Unless a prospectus supplement indicates otherwise, the net proceeds we receive from the sale of the securities offered by this prospectus will be used for general corporate purposes. Pending the application of the net proceeds from any particular offering, we intend to invest such proceeds in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

Each time we issue securities, we will provide a prospectus supplement that will contain information about how we intend to use the proceeds from each such offering. We will bear all of the expenses of the offering of the securities, and such expenses will be paid out of our general funds, unless otherwise stated in the applicable prospectus supplement.

We cannot guarantee that we will receive any proceeds in connection with any offering hereunder because we may choose not to issue any of the securities covered by this prospectus.

PLAN OF DISTRIBUTION

We may sell securities under this prospectus and any relevant prospectus supplement to or through underwriters or dealers, directly to other purchasers or through agents. In addition, we may from time to time sell securities through a bidding or auction process, block trades, ordinary brokerage transactions or transactions in which a broker solicits purchasers. We may also use a combination of any of the foregoing methods of sale. We may distribute the securities from time to time in one or more transactions at a fixed price or prices (which may be changed from time to time), at market prices prevailing at the times of sale, at prices related to these prevailing market prices or at negotiated prices. We may offer securities in the same offering or in separate offerings. From time to time, we may exchange securities for indebtedness or other securities that we may have outstanding. In some cases, dealers acting for us may also purchase securities and re-offer them to the public by one or more of the methods described above.

Any person participating in the distribution of common stock registered under the Registration Statement that includes this prospectus will be subject to applicable provisions of the Exchange Act and applicable SEC rules and regulations, including, among others, Regulation M, which may limit the timing of purchases and sales of any of our common stock by any such person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of our common stock to engage in market-making activities with respect to our common stock. These restrictions may affect the marketability of our common stock and the ability of any person or entity to engage in market-making activities with respect to our common stock.

Certain persons participating in an offering may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Exchange Act that stabilize, maintain or otherwise affect the price of the offered securities. If any such activities may occur, they will be described in the applicable prospectus supplement or a document incorporated by reference to the extent required.

Offering

We will provide required disclosure concerning the terms of the offering of the securities in a prospectus supplement or information incorporated by reference, including, to the extent applicable:

- the name or names of underwriters, dealers or agents;

the purchase price of the securities and the proceeds we will receive from the sale;

any underwriting discounts, commissions, and other items constituting underwriters compensation;

13

- any over-allotment options under which underwriters may purchase additional securities from us;
- any commissions paid to agents;
- any discounts or concessions allowed or reallowed or paid to dealers; and
- any securities exchange or market on which the securities may be listed.

The distribution of securities may be effected, from time to time, in one or more transactions, including:

- underwritten offerings;
- block transactions (which may involve crosses) and transactions on the NASDAQ Capital Market or any other organized market where the securities may be traded;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its own account;
- ordinary brokerage transactions and transactions in which a broker-dealer solicits purchasers;
- sales at the market to or through a market maker or into an existing trading market, on an exchange or otherwise;
- sales in other ways not involving market makers or established trading markets, including direct sales to purchasers through registered direct offerings or otherwise; and
- any other method permitted pursuant to applicable law.

Dealers and agents participating in the distribution of the securities may be deemed to be underwriters, and compensation received by them on resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act. If such dealers or agents were deemed to be underwriters, they may be subject to statutory liabilities under the Securities Act. Unless otherwise indicated, any agent will be acting on a best efforts basis for the period of its appointment.

If underwriters are used in an offering, securities will be acquired by the underwriters for their own account and may be resold, from time to time, in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, or under delayed delivery contracts or other contractual commitments. Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. If an underwriter or underwriters are used in the sale of securities, an underwriting agreement will be executed with the underwriter or underwriters at

the time an agreement for the sale is reached. The applicable prospectus supplement will set forth the managing underwriter or underwriters, as well as any other underwriter or underwriters, with respect to a particular underwritten offering of securities, and will set forth the terms of the transactions, including compensation of the underwriters and dealers and the public offering price, if applicable.

If a dealer is used in the sale of the securities, we or an underwriter will sell the securities to the dealer as principal. The dealer may then resell the securities to the public at varying prices to be determined by the dealer at the time of resale.

We may directly solicit offers to purchase the securities and may make sales of securities directly to institutional investors or others. These persons may be deemed to be underwriters within the meaning of the Securities Act with respect to any resale of the securities. To the extent required, the prospectus supplement or document incorporated by reference, as applicable, will describe the terms of any such sales, including the terms of any bidding or auction process, if used.

Underwriters, dealers and agents may be entitled under agreements that may be entered into with us to indemnification by us against specified liabilities, including liabilities incurred under the Securities Act, or to contribution by us to payments they may be required to make in respect of such liabilities. If required, the

prospectus supplement or document incorporated by reference, as applicable, will describe the terms and conditions of such indemnification or contribution. Some of the agents, underwriters or dealers, or their affiliates, may be customers of, engage in transactions with or perform services for us, our subsidiaries or affiliates in the ordinary course of business.

In addition, we may enter into derivative transactions with third parties, in which case the third parties may sell securities covered by this prospectus and the applicable prospectus supplement or incorporated document and received by those parties in settlement of a derivative position.

To the extent required, this prospectus will be amended or supplemented from time to time to describe a specific plan of distribution.

Other than common stock, all securities sold under this prospectus will be new issues of securities with no established trading market. Any underwriters may make a market in these securities but will not be obligated to do so and may discontinue any market making at any time without notice. We cannot guarantee the liquidity of the trading markets for any securities.

DESCRIPTION OF OUR CAPITAL STOCK

Our restated certificate of incorporation authorizes us to issue 300,000,000 shares of common stock, $0.01 par value per share, and 50,000,000 shares of preferred stock, $0.01 per share. As of February 10, 2017, 199,382,948 shares of our common stock were issued and outstanding, net of 1,209,389 treasury shares held by us, a="font-family:Times New Roman;font-size:10pt;width:99.4140625%;border-collapse:collapse;text-align:left;">

(In thousands, except per share amounts)
Year Ended March 31,
Statement of Operations Data[4]
2014

2013

2012

2011

2010
Revenue
$
75,600

$
57,033

$
47,044

$
40,383

$
25,060

Cost of revenue[1]
27,247

21,347

14,775

11,276

6,887

Gross margin
48,353

35,686

32,269

29,107

18,173

Operating expenses:

Selling, general and administrative[1][2]
48,799

55,998

38,245

33,545

23,895

Research, technology and innovation[1][2]
9,014

6,215

4,662

4,498

2,937

Total operating expenses
57,813

62,213

42,907

38,043

26,832

Loss from continuing operations
(9,460
)

(26,527
)

(10,638
)

(8,936
)

(8,659
)
Other income:

Investment income, net
125

378

477

483

1,148

Loss from continuing operations before income taxes
(9,335
)

(26,149
)

(10,161
)

(8,453
)

(7,511
)
Income tax benefit
(2,183
)

(980

)

(982
)

(3,956
)

(3,617
)
Loss from continuing operations, net of income taxes
(7,152
)

(25,169
)

(9,179
)

(4,497
)

(3,894
)
Income from discontinued operations, net of income taxes(1)(2)(4)
2,783

2,491

2,753

3,730

4,470

Net income (loss)
(4,369
)

(22,678
)

(6,426
)

(767

)

576

Net loss attributable to noncontrolling interest
(115
)

(61
)

—

—

—

Net income (loss) attributable to Rentrak Corporation
$
(4,254
)

$
(22,617
)

$
(6,426
)

$
(767
)

$
576

Loss per share from continuing operations attributable to Rentrak Corporation common stockholders:

Basic
$

(0.59
)

$
(2.14
)

$
(0.82
)

$
(0.41
)

$
(0.37
)
Diluted
$
(0.59
)

$
(2.14
)

$
(0.82
)

$
(0.41
)

$
(0.35
)
Income per share from discontinued operations attributable to Rentrak Corporation common stockholders:

Basic
$
0.24

$
0.21

$
0.25

$
0.34

$
0.42

Diluted
$
0.24

$
0.21

$
0.25

$
0.34

$
0.41

Net income (loss) per share attributable to Rentrak Corporation common stockholders:

Basic
$
(0.35
)

$
(1.93
)

$
(0.57
)

$
(0.07
)

$
0.05

Diluted
$
(0.35
)

$
(1.93
)

$
(0.57
)

$
(0.07
)

$
0.05

Shares used in per share calculations:

Basic
12,177

11,733

11,197

10,962

10,527

Diluted
12,177

11,733

11,197

10,962

11,013

(1) Depreciation and amortization expense is included in the line items above as follows:

Cost of revenue
$
3,175

$
2,638

$
2,168

$
1,753

$
1,350

Selling, general and administrative
2,037

1,841

1,842

1,413

721

Research, technology and innovation
717

311

170

110

159

Net income from discontinued operations
162

161

171

155

100

$
6,091

$
4,951

$
4,351

$
3,431

$
2,330

(2) Stock-based compensation expense is included in the line items above as follows:

Selling, general and administrative[3]
$
7,361

$
20,864

$
4,593

$

5,397

$
2,362

Research, technology and innovation
697

544

359

1,278

—

Net income from discontinued operations
397

384

166

39

—

$
8,455

$
21,792

$
5,118

$
6,714

$
2,362

DISH & iTVX[3]
$
2,700

$
15,864

$
527

$
2,430

$
216

(3) Stock-based compensation in the year ended March 31, 2014 includes expense related to contingent consideration associated with our acquisition of iTVX. Stock-based compensation in the years ended March 31, 2013, 2012, 2011 and 2010 includes expense related to our agreement with DISH.
(4) All prior periods presented have been restated as a result of reporting our PPT® business as discontinued operations. See Note 19 of Notes to Consolidated Financial Statements.

16

	March 31,				
	2014	2013	2012	2011	2010
Balance Sheet Data					
Cash and marketable securities	$21,970	$20,423	$27,753	$26,377	$19,925
Working capital	23,081	20,919	24,231	28,947	31,097
Net current assets of discontinued operations	1,585	4,019	3,227	4,302	7,617
Total assets	81,267	71,781	72,881	76,175	64,806
Long-term liabilities	8,392	4,075	3,154	2,203	2,266
Stockholders' Equity attributable to Rentrak Corporation	52,160	47,982	50,525	56,373	51,228

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Business Overview

We are a global media measurement and information company serving the entertainment, television, video and advertising industries. Our Software as a Service ("SaaS") technology merges census-based television viewership information from over 100 million TVs and devices with consumer behavior and purchase information ("Advanced Demographics") across multiple platforms, devices and distribution channels. We also measure box office results from more than 100,000 movie screens in 36 countries throughout the world. We process and aggregate hundreds of billions of data transactions from multiple screens wherever entertainment content is viewed, whether at the box office, on a television screen, over the internet, on a smart phone or other portable device. Rentrak measures live TV, recorded TV ("DVR"), Video-On-Demand ("VOD"), and whether the content is free, purchased, rented, recorded, downloaded or streamed from multiple channels. These massive content databases provide stable and granular viewership information across every screen ("multiscreen") and are anonymously matched with third-party consumer segmentation and purchase databases using privacy compliant methodologies. By linking multiscreen viewership information with information about the products viewers consume and prefer, we provide our clients, such as content producers, distributors, advertisers and advertising agencies, with the knowledge necessary to more effectively manage their businesses, program and market their networks and more precisely target and sell their advertising inventory. The benefits to the advertising community are improvements in profitability while effectively targeting specific TV shows against the demographics of the products viewers buy, the cars they drive and how they are likely to vote in elections. The benefits to the movie industry and video (TV) content owners are they can manage their businesses in real time or near real time and also improve their profitability. Additionally, certain clients use our databases to populate programmatic buying systems. These systems automate the buying process and introduce efficiencies for both advertising agencies and their clients.

Previously, we had two operating divisions within our corporate structure and we reported certain financial information by individual segment under this structure. Those two operating divisions were our Advanced Media and Information ("AMI") operating division, which included our media measurement services, and our Home Entertainment operating division, which included our distribution services as well as services that measure, aggregate and report consumer rental activity on film product from traditional "brick and mortar," online and kiosk retailers.

During the fourth quarter of the fiscal year ended March 31, 2014 ("Fiscal 2014"), we initiated our plan to sell our Pay Per Transaction® ("PPT®") business, which has been a longstanding legacy business of Rentrak and a significant component of the Home Entertainment operating division. The PPT® business represented 42.5%, 48.3% and 58.4% of our total revenue for our fiscal years ended March 31, 2013, 2012 and 2011. For Fiscal 2014, it would have represented 37.4% of our total revenue if we had decided to retain the line. Our PPT® business has been in a state of decline due to the decline of physical DVD rentals from retail stores. This strategic decision to sell PPT® will enable us to focus more fully on the growth of our media measurement business and advanced consumer targeting business. Accordingly, we have restated our financial results and the PPT® business is reported as discontinued operations for all periods presented.

As a result of our plan to divest our PPT® business, we will operate in a single business segment encompassing our media measurement services which are primarily delivered through scalable, SaaS products within our Entertainment Essentials™ lines of business. These syndicated big data services, offered primarily on a recurring subscription basis, provide consumer viewership information integrated with consumer segmentation and purchase behavior databases. We provide film studios, television networks and local stations, cable, satellite and telecommunications company ("telco") operators, advertisers and advertising agencies unique insights into consumer viewing and purchasing patterns through our comprehensive and expansive information on local, national, VOD and "Over the Top" television performance and worldwide box office results. Our movie measurement business is a global business measuring more than 90% of the ticket sales globally in real or near real time allowing for decisions to be made to market, promote and

manage the industry for maximum profitability.

See "Forward-Looking Statements" on page 2.

Our Products and Services

We provide media measurement business intelligence services across multiple screens and platforms delivered as SaaS. These services, offered primarily on a recurring subscription basis, are distributed to clients through patent pending software systems and business processes into two broad areas within the entertainment industry, which we refer to as TV Everywhere™ and Movies Everywhere™. Our systems capture total television audience information by providing the largest coverage from multiple screens and providers and merge that information with Advanced Demographics and information relating to actual consumer purchase behavior.

18

Table of Contents

Typical customers utilizing our services include content producers, studios, distributors, national networks, local stations, satellite and cable operators, agencies, and a wide spectrum of advertisers, ranging from traditional consumer brands to various political groups. We also provide many of our clients tailored research and analytical solutions unique to their needs and specifications.

Our most significant lines of business, which we refer to as Entertainment Essentials™ services, are:

- TV Everywhere,™ which includes TV Essentials® and StationView Essentials;™
- OnDemand Everywhere®, which includes OnDemand Essentials® and Over the Top measurement products and related products;
- Movies Everywhere,™ which includes domestic and international Box Office Essentials®, PostTrak® and PreAct;™ and
- Other Services, which includes our Studio Direct Revenue Sharing (“DRS”) and other products relating to content in the home video rental industry.

In August 2013, we acquired iTVX, a provider of branded entertainment analytics, insight and research. The financial results of iTVX, from the date of acquisition, are included within our TV Everywhere™ lines of business.

Our revenue increased $18.6 million, or 32.6%, in Fiscal 2014 compared to the fiscal year ended March 31,2013 (“Fiscal 2013”). Our current spending, investments and long-term strategic planning are heavily focused on the innovation, development, growth and expansion of our services and product lines, both domestically and internationally. As such, we continue to allocate significant resources towards innovation and the expansion of our data assets and technology as well as our research, analytics and sales groups. These strategic investments, many of which are expensed as incurred, have lowered our overall operating performance and, as a result, we had operating losses from continuing operations of $9.5 million and $26.5 million for Fiscal 2014 and Fiscal 2013, respectively.

Table of Contents

Results of Operations

Our results are as follows (dollars in thousands):

	Year Ended March 31, [1]					
	2014		2013		2012	
(Dollars in thousands)	Dollars	% of revenue	Dollars	% of revenue	Dollars	% of revenue
Revenue	$75,600	100.0 %	$57,033	100.0 %	$47,044	100.0 %
Cost of revenue[2]	27,247	36.0	21,347	37.4	14,775	31.4
Gross margin	48,353	64.0	35,686	62.6	32,269	68.6
Operating expenses:						
Selling, general and administrative[2][3]	48,799	64.5	55,998	98.2	38,245	81.3
Research, technology and innovation[2][3]	9,014	11.9	6,215	10.9	4,662	9.9
Total operating expenses	57,813	76.5	62,213	109.1	42,907	91.2
Loss from continuing operations	(9,460)	(12.5)	(26,527)	(46.5)	(10,638)	(22.6)
Other income:						
Investment income, net	125	0.2	378	0.7	477	1.0
Loss from continuing operations before income taxes	(9,335)	(12.3)	(26,149)	(45.8)	(10,161)	(21.6)
Income tax benefit	(2,183)	(2.9)	(980)	(1.7)	(982)	(2.1)
Loss from continuing operations, net of income taxes	(7,152)	(9.5)	(25,169)	(44.1)	(9,179)	(19.5)
Income from discontinued operations, net of income taxes[2][3]	2,783	3.7	2,491	4.4	2,753	5.9
Net loss	(4,369)	(5.8)	(22,678)	(39.8)	(6,426)	(13.7)
Net loss attributable to noncontrolling interest	(115)	(0.2)	(61)	(0.1)	—	—
Net loss attributable to Rentrak Corporation	$(4,254)	(5.6)%	$(22,617)	(39.7)%	$(6,426)	(13.7)%

(1) Percentages may not add due to rounding. All prior periods presented have been restated as a result of reporting our PPT® business as discontinued operations. See Note 19 of Notes to Consolidated Financial Statements.

(2) Depreciation and amortization expense is included in the line items above as follows:

Cost of revenue	$3,175	$2,638	$2,168
Selling, general and administrative	2,037	1,841	1,842
Research, technology and innovation	717	311	170
Net income from discontinued operations	162	161	171
	$6,091	$4,951	$4,351

(3) Stock-based compensation expense is included in the line items above as follows:

Selling, general and administrative[4]	$7,361	$20,864	$4,593
Research, technology and innovation	697	544	359
Net income from discontinued operation	397	384	166
	$8,455	$21,792	$5,118
DISH & iTVX[4]	$2,700	$15,864	$527

(4) Stock-based compensation in the year ended March 31, 2014 includes expense related to contingent consideration associated with our acquisition of iTVX. Stock-based compensation in the years ended March 31, 2013 and 2012 includes expense related to our agreement with DISH.

Net Loss to Adjusted EBITDA Reconciliation

We define Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization and stock-based compensation expense and other non-operating items from our Consolidated Statements of Operations as well as certain other items specifically described below.

We believe that Adjusted EBITDA is helpful as an indicator of the current financial performance of our company and our capacity to operationally fund capital expenditures and working capital requirements. Due to the nature of our internally developed software which supports our Essentials® services and use of stock-based compensation, we incur significant non-cash charges for

20

Table of Contents

depreciation, amortization and stock-based compensation expense that may not be indicative of our operating performance from a cash perspective. We also adjust for acquisition and non-recurring costs as we believe this provides a useful metric by which to compare performance from period to period.

Adjusted EBITDA does not represent cash flows from operations as defined by GAAP, is not derived in accordance with GAAP and should not be considered as an alternative to net loss (the most comparable GAAP financial measure to Adjusted EBITDA).

The table below presents a reconciliation from net loss to Adjusted EBITDA for the years ended March 31, 2014, 2013 and 2012 (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
Net loss attributable to Rentrak Corporation	$(4,254)	$(22,617)	$(6,426)
Adjustments:			
Income from discontinued operations	(2,783)	(2,491)	(2,753)
Income tax benefit	(2,183)	(980)	(982)
Investment income, net	(125)	(378)	(477)
Depreciation and amortization from continuing operations	5,929	4,790	4,180
Stock-based compensation from continuing operations[1]	5,358	5,544	4,425
Adjusted EBITDA	$1,942	$(16,132)	$(2,033)
DISH & iTVX stock-based compensation	2,700	15,864	527
Reorganization costs	111	212	1,135
Acquisition costs	214	193	822
Adjusted EBITDA before DISH & iTVX stock-based compensation, reorganization and acquisition costs	$4,967	$137	$451

(1) Excludes DISH and iTVX stock-based compensation.

Adjusted EBITDA before DISH and iTVX stock-based compensation, reorganization and acquisition costs increased $4.8 million from Fiscal 2013 due primarily to the growth in revenue.

Revenue

Revenue increased $18.6 million, or 32.6%, to $75.6 million in Fiscal 2014, compared to $57.0 million in Fiscal 2013. Revenue increased $10.0 million, or 21.2%, to $57.0 million in Fiscal 2013, compared to $47.0 million in Fiscal 2012. These fluctuations are described in more detail below.

Table of Contents

Revenue information is as follows (dollars in thousands):

	Year Ended March 31,		Dollar	% Change
	2014	2013	Change	
TV Everywhere™	$31,316	$17,599	$13,717	77.9%
Movies Everywhere™	26,493	23,949	2,544	10.6%
OnDemand Everywhere®	12,841	11,498	1,343	11.7%
Other services	4,950	3,987	963	24.2%
	$75,600	$57,033	$18,567	32.6%

	Year Ended March 31,		Dollar	% Change
	2013	2012	Change	
TV Everywhere™	$17,599	$9,226	$8,373	90.8%
Movies Everywhere™	23,949	21,046	2,903	13.8%
OnDemand Everywhere®	11,498	9,979	1,519	15.2%
Other services	3,987	6,793	(2,806)	(41.3)%
	$57,033	$47,044	$9,989	21.2%

The increase in TV Everywhere™ revenue in both periods was due primarily to the addition of new clients, sales of new service offerings, custom reports and rate increases for existing clients.

The increase in Movies Everywhere™ revenue in Fiscal 2014 compared to Fiscal 2013 was primarily due to rate increases for existing clients, sales of new services and the addition of new clients.

The increase in Movies Everywhere™ revenue in Fiscal 2013 compared to Fiscal 2012 was primarily due to rate increases for existing clients and the addition of new clients.

The increase in OnDemand Everywhere® revenue in both periods was due to rate increases for existing clients and the addition of new clients. The Fiscal 2013 period also included increased custom reporting projects compared to the Fiscal 2012 period.

Other services primarily includes DRS revenue. The increase in DRS revenue in Fiscal 2014 compared to Fiscal 2013 was due to an increase in transactions. The decrease in DRS revenue in Fiscal 2013 compared to Fiscal 2012 was due to fewer transactions processed as well as a decline in the number of direct retailers from which to track content performance.

Cost of Revenue and Gross Margin

Cost of revenue includes direct costs relating to our Entertainment Essentials™ services, and consists of costs associated with the operation of a call center for our Movies Everywhere™ services, as well as costs associated with amortizing capitalized, internally developed software used to provide the corresponding services and direct costs incurred to obtain and process data and maintain our systems.

Cost of revenue increased $5.9 million, or 27.6%, in Fiscal 2014 compared to Fiscal 2013, and increased $6.6 million, or 44.5%, in Fiscal 2013 compared to Fiscal 2012.

Table of Contents

Cost of revenue information is as follows (dollars in thousands):

	Year Ended March 31,		Dollar Change	% Change
	2014	2013		
Costs related to:				
Amortization of internally developed software	$3,175	$2,639	$536	20.3%
Call center operation	5,487	5,253	234	4.5%
Obtaining and processing data	18,585	13,455	5,130	38.1%
	$27,247	$21,347	$5,900	27.6%

	Year Ended March 31,		Dollar Change	% Change
	2013	2012		
Costs related to:				
Amortization of internally developed software	$2,639	$2,168	$471	21.7%
Call center operation	5,253	4,793	460	9.6%
Obtaining and processing data	13,455	7,814	5,641	72.2%
	$21,347	$14,775	$6,572	44.5%

The increases in cost of revenue in the Fiscal 2014 and the Fiscal 2013 periods compared to the same periods of the prior years, resulted primarily from expanding household coverage with existing data supplier agreements, the addition of new data supplier agreements and the amendment to our data supplier agreement with DISH, which occurred in the second quarter of Fiscal 2013, and requires minimum payments relating to predefined net profit sharing provisions of portions of our TV Essentials® line of business.

Gross margin as a percentage of revenue was as follows:

	Year Ended March 31,		
	2014	2013	2012
Gross margin	64.0%	62.6%	68.6%

Our existing agreements with our data suppliers are largely fixed. This, coupled with the increases in revenue noted above, resulted in improvements in gross margin in Fiscal 2014 compared to Fiscal 2013.

The decline in gross margin in Fiscal 2013 compared to Fiscal 2012 was primarily due to a shift in mix of revenue, as more revenue was generated from TV Everywhere™, which has a lower gross margin than Movies Everywhere™ or OnDemand Everywhere®.

Operating Expenses

Operating expenses consist primarily of compensation and benefits, information technology, development, innovation and analytics, marketing and advertising costs, legal and professional fees, communications costs, depreciation and amortization of tangible and intangible assets and software, real and personal property leases, as well as other general corporate expenses.

Table of Contents

Operating expense information is as follows (dollars in thousands):

Operating expenses	Year Ended March 31, 2014	2013	Dollar Change	% Change
Entertainment Essentials™	$33,701	$28,843	$4,858	16.8%
Research, technology and innovation	9,014	6,215	2,799	45.0%
Stock-based compensation costs for iTVX & DISH	2,700	15,864	(13,164)	nm
Corporate	12,398	11,291	1,107	9.8%
	$57,813	$62,213	$(4,400)	(7.1)%

Operating expenses	Year Ended March 31, 2013	2012	Dollar Change	% Change
Entertainment Essentials™	$28,843	$26,375	$2,468	9.4%
Research, technology and innovation	6,215	4,662	1,553	33.3%
Stock-based compensation costs for DISH	15,864	527	15,337	nm
Corporate	11,291	11,343	(52)	(0.5)%
	$62,213	$42,907	$19,306	45.0%

Entertainment Essentials™

The increase in operating expense for our Entertainment Essentials™ services groups in Fiscal 2014 compared to Fiscal 2013 was primarily due to increased headcount in our sales and client services groups, as well as operating costs relating to iTVX, which was acquired on August 16, 2013.

The increase in operating expense for our Entertainment Essentials™ services groups in Fiscal 2013 compared to Fiscal 2012 was primarily due to increased headcount and other costs associated with the expansion of TV Essentials®.

Our long-term strategic plan is heavily focused on the development, growth and expansion of our Entertainment Essentials™ services, both domestically and internationally, and we consider these expenses to be investments which will leverage these services.

Research, Technology and Innovation

We are making significant investments in our systems which support our existing service lines, as well as products which are in the planning phases. We continue to integrate various third-party segmentation databases with our data and build our analytic capabilities. The increases in these costs relate to additional headcount, as well as increased costs relating to our systems. Additionally, we are incurring costs associated with our MRC accreditation process. These expenditures will likely increase our costs over the next twelve months. We believe we will be able to leverage these investments and generate revenue and earnings streams that contribute to our overall success.

Stock-based compensation costs for iTVX and DISH

Our acquisition of iTVX on August 16, 2013 included contingent consideration, which, if earned, will be paid on January 29, 2016. Changes in the fair value of contingent consideration arrangements are recorded as income or expense in our Consolidated Statements of Operations. As of March 31, 2014, the fair value of the estimated contingent consideration arrangement increased by $2.7 million compared to the acquisition date fair value. The increase was a result of an increase in the value of our common stock price. The common stock portion of the contingent consideration arrangement has a fixed price of $21.795 per share, and any fluctuation in our common stock price above or below this amount will impact the fair value of the payment and our results of operations.

In Fiscal 2013, we incurred costs related to the cancellation of a stock award granted to DISH that had been previously revalued at the end of each reporting period. In exchange for canceling the stock award and as compensation for past services, we paid DISH $5.8 million and issued 700,000 shares of our common stock during the second quarter of

Fiscal 2013, and we recorded $15.9 million in expense related to this amendment and related stock award.

Table of Contents

Corporate

The increase in Corporate expenses in Fiscal 2014 compared to Fiscal 2013 was primarily due to increases in headcount, professional services fees and higher bonus accruals.

Income Taxes

Our effective tax rate was 23.4% for Fiscal 2014 and was driven by a change in state law allowing research credits to be used to offset minimum tax in Oregon, as well as a benefit related to the release of valuation allowance upon the acquisition of iTVX. This benefit was offset by taxable income in some jurisdictions. The expected benefit from losses in other jurisdictions did not benefit the rate due to the recording of a valuation allowance.

Primarily due to our investments in acquisitions, as well as the growth in our media measurement services and our equity compensation structure, we have cumulative operating losses over the past three fiscal years. As a result, we evaluated various factors relating to these assets and determined in Fiscal 2012 that it was not more likely than not that all of our deferred tax assets would be realized and, accordingly, we recorded a full valuation allowance. This position did not change in Fiscal 2013 or Fiscal 2014. In the future, if we generate taxable income, we would re-evaluate our ability to utilize these deferred tax assets and the need for the valuation allowance, which could reduce future tax expense.

Our effective tax rate was 3.7% in Fiscal 2013. The rate was negatively affected by the recording of a $10.0 million valuation allowance to fully reserve our deferred tax assets.

Our effective tax rate was 9.7% in Fiscal 2012. The rate was negatively affected by the recording of a $4.0 million valuation allowance to fully reserve our deferred tax assets.

Income from Discontinued Operations, net of income taxes

Income from discontinued operations, net of income taxes for Fiscal 2014, 2013, and 2012 includes the results of our PPT® line of business and is as follows (dollars in thousands):

	Year Ended March 31,		Dollar	% Change
	2014	2013	Change	
Income from discontinued operations, net of income taxes	$2,783	$2,491	$292	11.7%

	Year Ended March 31,		Dollar	% Change
	2013	2012	Change	
Income from discontinued operations, net of income taxes	$2,491	$2,753	$(262)	(9.5)%

The increase in income from discontinued operations, net of income taxes in Fiscal 2014 compared to Fiscal 2013 was due to an increase in revenue as a result of the addition of Blockbuster as a major customer and Warner Bros. as a major supplier during our third quarter of Fiscal 2013. In January 2014, Blockbuster exited the market.

The decrease in income from discontinued operations, net of income taxes in Fiscal 2013 compared to Fiscal 2012 was due to declines in transaction fees and fewer customers as a result of the general state of decline of physical DVD rentals from “brick and mortar” retail stores.

Inflation

We believe that the impact of inflation was minimal on our business in Fiscal 2014, 2013 and 2012.

Liquidity and Capital Resources

Our sources of liquidity include our cash and cash equivalents, marketable securities, cash expected to be generated from future operations and investments and our ability to borrow on our $15.0 million line of credit. Based on our current financial projections and projected cash needs, we believe that our available sources of liquidity will be sufficient to fund our current operations, the continued current development of our business information services and other cash requirements through at least April 1, 2015.

Cash and cash equivalents and marketable securities increased $1.5 million to $22.0 million at March 31, 2014 from March 31, 2013. This increase resulted primarily from $6.3 million provided by operating activities and $3.5 million in proceeds from the issuance of our common stock, offset by $7.7 million used for the purchase of equipment and capitalized information technology costs. Portions of our cash and cash equivalents are held in our foreign subsidiaries. In the event the foreign subsidiaries repatriate these earnings, the earnings may be subject to United States federal, state and foreign income taxes. As of March 31, 2014, we had $3.2 million in foreign bank accounts, of which we plan to use $1.5 million to fund our international expansion and growth. The remaining cash is held by Sinotrak, our Chinese joint venture, and will be used to support growth for that operation.

We had $16.9 million invested in a fixed-income security fund as of March 31, 2014. Fund values fluctuate in response to the financial condition of individual issues, general market and economic conditions and changes in interest rates. In general, when interest rates rise, security fund values fall and investors may lose principal value. While we currently have no plans or requirements to sell the securities in the foreseeable future, we are exposed to market risks and cannot predict what impact fluctuations in the market may have on the value of these funds.

Accounts receivable, net of allowances, increased $4.9 million to $12.5 million at March 31, 2014 from March 31, 2013, primarily due to revenue growth.

Other current assets increased $0.7 million to $2.8 million at March 31, 2014 from March 31, 2013 primarily due to a $0.6 million receivable from our landlord for a portion of the costs related to renovations made to our New York office. This amount is treated as a lease incentive, the value of which will reduce rent expense over the remaining lease term.

During Fiscal 2014, we spent $7.7 million on property and equipment, including $6.7 million for the capitalization of internally developed software for our business information service offerings. We anticipate spending a total of approximately $10.5 million on property and equipment for all of Fiscal 2015, of which approximately $6.8 million is for the capitalization of internally developed software, primarily for the development of systems for our Entertainment Essentials™ lines of business. The remaining amounts include primarily purchases of computers, servers and networking equipment.

Accounts payable increased $1.3 million to $2.3 million at March 31, 2014 from March 31, 2013, primarily due to the timing of payments and costs relating to our Entertainment Essentials™ lines of business.

Accrued data provider liabilities increased $0.4 million to $3.9 million at March 31, 2014 from March 31, 2013, primarily due to increased expenses incurred related to our data suppliers.

Accrued compensation, including the current and long-term portion, increased $6.2 million to $11.4 million at March 31, 2014 from March 31, 2013, primarily due to a $4.7 million accrual for contingent consideration associated with our acquisition of iTVX and $1.5 million in increases in payroll and bonus related accruals.

Deferred revenue and other credits was $2.6 million at March 31, 2014 and March 31, 2013. This balance includes amounts related to quarterly and annual subscriptions for our services, as well as the current portion of our deferred rent credits.

Deferred rent of $2.7 million at March 31, 2014, which includes both the current and long-term portion, represents amounts received for qualified renovations to our corporate headquarters and our offices in Portland and New York, as well as free rent for a portion of the lease terms. The deferred rent related to qualified renovations is being amortized against rent expense over the remaining lease terms, which extend through June 30, 2023, at the rate of approximately $54,000 per quarter. The deferred rent related to free rent is also being amortized against rent expense over the

remaining lease term and is expected to be approximately $13,000 per quarter for Fiscal 2015.

In January 2006, our Board of Directors authorized the repurchase of up to 1.0 million shares of our common stock. As of March 31, 2014, 276,633 shares remained available for repurchase under this plan at a per share price not to exceed $12.75. This plan does not have an expiration date. In addition, in May 2011, our Board of Directors authorized a one-year share repurchase program for up to $5.0 million of our outstanding common stock. This program expired in May 2012. Common stock repurchases may be made from time to time in the open market at prevailing market prices or through privately negotiated transactions. The amount and timing of all repurchase transactions are contingent upon market conditions, regulatory requirements and alternative investment opportunities. During our fiscal year ending March 31, 2012, we repurchased 304,922 shares for a total price of $4.3 million pursuant to the May 2011 repurchase program. No shares have been purchased pursuant to the January 2006 authorization in the last three fiscal years. We did not repurchase any shares in Fiscal 2014.

We currently have a revolving line of credit for $15.0 million that matures December 31, 2014. Interest accrues on outstanding balances under the line of credit at a rate equal to LIBOR plus 2.0% per annum, and we incur fees on the unused portion at 0.2%

per annum. The credit line is secured by substantially all of our assets. At March 31, 2014, issued and outstanding letters of credit of $0.3 million were reserved against the line of credit, and we had no outstanding borrowings under this agreement. The agreement contains certain liquidity, asset and financial covenants and, as of March 31, 2014, we were in compliance with those covenants.

In the first quarter of Fiscal 2012, we received a loan from the State of Oregon for $0.5 million for the purpose of facility renovations. The loan bore interest at 5% per annum and contained provisions relating to forgiveness if we met certain requirements. On April 3, 2013, the loan was forgiven in full. The balance of this loan was recorded as an offset to leasehold improvements and is being amortized as an offset to depreciation expense over the life of the related lease.

Contractual Payment Obligations

A summary of our contractual commitments and obligations as of March 31, 2014 follows (dollars in thousands):

	Payments Due By Fiscal Period				
Contractual Obligations	Total	2015	2016 and 2017	2018 and 2019	2020 and beyond
Operating lease obligations	$18,164	$2,941	$4,893	$3,994	$6,336
Purchase obligations	44,430	15,598	25,815	3,017	—
Total Contractual Obligations	$62,594	$18,539	$30,708	$7,011	$6,336

Critical Accounting Policies and Estimates

The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. Our estimates are based on historical experience and on various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Following is a discussion of our critical accounting policies and estimates.

Revenue Recognition

We generate our revenue from the delivery of subscription services and by providing analytical services and other information obtained from our systems in the form of custom reports. Our subscription contracts do not provide customers with the right to take possession of the software supporting the applications and, as a result, are accounted for as service contracts.

We recognize revenue for our services when all of the following conditions are met:

- Persuasive evidence of an arrangement exists;
- The products or services have been delivered;
- The fee is fixed or determinable; and
- Collection of the fee is reasonably assured based on our collection history.

Subscription fees are recognized ratably over the period of service as of the date that our service or data is made available to the customer. Revenue related to custom reports is recognized as value is delivered to the customer. The pattern of revenue recognition for these reports varies depending on the terms of the individual contracts and may be recognized proportionally or deferred until the end of the contract term and recognized when the information has been delivered and accepted by the customer.

We also enter into arrangements with multiple-elements, generally including subscription, analytic services and custom reporting. We recognize revenue under these arrangements in accordance with current guidance which requires us to allocate consideration at the inception of the arrangement to all elements, if they represent a separate unit of accounting, based on their relative selling prices. The guidance establishes a hierarchy to determine the selling price to be used for allocating arrangement consideration to deliverables: (i) vendor-specific objective evidence of fair value (“VSOE”), (ii) third-party evidence of selling price (“TPE”) if VSOE is not available, or (iii) a best estimated selling price (“BESP”) if neither VSOE nor TPE are available. VSOE generally exists only when we sell the deliverable separately and is the price actually charged by us for that deliverable on a standalone basis. BESP reflects our estimate of what the selling price of a deliverable would be if it was regularly sold on a standalone basis.

We have concluded that we do not have VSOE, for these types of arrangements, and TPE is generally not available because our service offerings are highly differentiated and we are unable to obtain reliable information on the pricing practices of our competitors.

Table of Contents

As such, BESP is used to allocate the total arrangement consideration at the arrangement's inception based on each element's relative selling price.

We determine BESP for our deliverables based on our overall pricing objectives, taking into consideration several internal and external factors including, but not limited to, current pricing practices, pricing concentrations (such as industry, channel, customer class or geography), internal costs and market penetration of a product or service. The total arrangement consideration is allocated to each of the elements based on the relative selling price. Once the total arrangement consideration has been allocated to each element, we commence revenue recognition for each element on a standalone basis as the data or service is delivered. In the future, as our pricing strategies and market conditions change, modifications may occur in the determination of BESP to reflect these changes. As a result, the future revenue recognized for these arrangements could differ from results in the current period.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Credit limits are established through a process of reviewing the financial history and stability of each customer. We regularly evaluate the collectibility of accounts receivable by monitoring past due balances. If it is determined that a customer may be unable to meet its financial obligations, a specific reserve is established based on the amount we expect to recover. If circumstances change related to specific customers, overall aging of accounts receivable or collection experience, our estimate of the recoverability of accounts receivable could materially change. Our allowance for doubtful accounts totaled $0.2 million and $0.3 million at March 31, 2014 and 2013, respectively. See also Schedule II, Valuation and Qualifying Accounts included in Item 8 of this Annual Report on Form 10-K.

Deferred Taxes

Deferred tax assets arise from the tax benefit of amounts expensed for financial reporting purposes but not yet deducted for tax purposes, from tax credits which have not been utilized, and from net operating loss carry-forwards. We calculate deferred tax assets and liabilities using enacted laws and tax rates that will be in effect when we expect the differences to reverse and be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is not recorded for net operating loss carryforwards created by excess tax benefits from the exercise of stock options. To the extent such net operating loss carryforwards are utilized, stockholders' equity will increase. We evaluate our deferred tax assets on a regular basis to determine if a valuation allowance is required. To the extent it is determined the recoverability of the deferred tax assets is not more likely than not, we will record a valuation allowance against deferred tax assets. As of March 31, 2014 and 2013, we had a valuation allowance of $17.2 million and $14.1 million, respectively, recorded against our federal net operating and capital loss carry-forwards, as well as those net operating and capital loss carry-forwards in various state and foreign jurisdictions. As of March 31, 2014 and 2013, net deferred tax liabilities related to continuing operations totaled $0.7 million and $0.6 million, respectively.

Accounting for Unrecognized Tax Benefits

We record a benefit for uncertain tax positions only when we determine that those tax positions are more likely than not to be sustained on audit, based on the technical merits of the position. As of March 31, 2014 and 2013, the total amount of unrecognized tax benefits was $0.8 million and $1.1 million, respectively, excluding penalties and interest of $60,000 and $124,000, respectively. All unrecognized tax benefits at March 31, 2014 would affect the effective tax rate if recognized. Our policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense in our Consolidated Statements of Operations. See Note 11 of Notes to Consolidated Financial Statements.

Capitalized Software

Capitalized software, which is included in property and equipment, net, consists of costs to purchase and develop internal-use software, as well as costs to develop internal software, which is used by us to provide various services to clients. The internal and external costs to develop the internal software used to support these services are capitalized after the technological and business feasibility of the project is determined and the preliminary project stage is completed. We continue to develop our internal software systems in order to expand our service offerings. Once this software is ready for use in our products, these costs are amortized on a straight-line basis over the estimated economic life of the software, which is five years from the date of utilization. Capitalized software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. No impairment charges were recorded in Fiscal 2014, 2013 or 2012. Changes in technology could affect our estimate of the useful life of those assets. Capitalized software costs, net of accumulated amortization, totaled $8.6 million and $7.5 million at March 31, 2014 and 2013, respectively. We also had $4.4 million and $1.9 million as of March 31, 2014 and 2013, respectively, of capitalized costs associated with software projects which are still in the application development stage.

28

Table of Contents

Stock-Based Compensation

We are required to measure and recognize compensation expense for all stock-based awards granted to our employees and directors, including employee stock options, deferred stock units ("DSUs"), stock appreciation rights ("SARs"), stock-settled stock appreciation rights ("SSARs"), restricted stock units ("RSUs") and employee stock purchase plan ("ESPP") shares, based on the estimated fair value of the award on the grant date. We utilize the Black-Scholes options pricing model and Monte Carlo simulations for valuing our stock-based awards with a conversion or exercise price.

The use of the Black-Scholes and Monte Carlo valuation models to estimate the fair value of stock option awards requires us to make judgments on assumptions regarding the risk-free interest rate, expected dividend yield, expected term and expected volatility over the expected term of the award. The assumptions used in calculating the fair value of share-based payment awards represent management's best estimates, but these estimates involve inherent uncertainties and the application of expense could be materially different in the future.

Compensation expense is only recognized on awards that ultimately vest and market-based awards. However, we have not reduced the stock-based compensation expense for estimated forfeitures because there is no basis for estimating future forfeitures since most unvested awards are held by members of senior management. We update for forfeitures as they occur and recognize any changes to accumulated compensation expense in the period of change. If actual forfeitures are significant, our results of operations could be materially affected.

Stock-Based Compensation Agreements with Non-Employees

We are required to recognize compensation expense for stock-based compensation agreements with non-employees based on the estimated fair value of the award on the grant date and at the end of each reporting period. We utilize the Black-Scholes valuation model to determine the end of period fair value of these awards and record the cumulative incremental change in value as compensation expense over the life of the award.

Marketable Securities

We classify our marketable securities as "available for sale" securities and, accordingly, they are marked to market on a quarterly basis, with unrealized gains and losses being excluded from earnings and reflected as a component of other comprehensive income (loss). Dividend and interest income is recognized when earned. Realized gains and losses are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Goodwill and Intangible Assets

In assessing the fair value of goodwill and other indefinite lived intangible assets, we first make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If, after completing our qualitative assessment, we determine that it is more likely than not that the carrying value exceeds estimated fair value, we compare the fair value to our carrying value (including goodwill). If the estimated fair value is greater than the carrying value, we conclude that no impairment exists. If the estimated fair value of the reporting unit is less than the carrying value, a second step is performed in which the implied fair value of goodwill is compared to its carrying value. If the implied fair value of goodwill is less than its carrying value, goodwill must be written down to its implied fair value, resulting in goodwill impairment. We test goodwill for impairment during the fourth quarter every fiscal year and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist.

The qualitative analysis included assessing the impact of changes in certain factors including: (1) changes in forecasted operating results and a comparison of actual results to projections, (2) changes in the industry or our competitive environment since the acquisition date, (3) changes in the overall economy, our market share and market interest rates since the acquisition date, (4) trends in the stock price and related market capitalization and enterprise values, (5) trends in peer companies' total enterprise value metrics, and (6) additional factors such as management turnover and changes in regulations.

Based on our qualitative assessment performed during the fourth quarter of Fiscal 2014, we concluded that it was more likely than not that the estimated fair values of our reporting units exceeded their carrying values as of March 31, 2014 and, therefore, determined it was not necessary to perform the two-step goodwill impairment test.

We amortize intangible assets with definite lives over their estimated useful lives using the straight-line method. We evaluate the estimated remaining lives of intangible assets and whether events or changes in circumstances warrant a revision to the remaining periods of amortization. We test these assets for impairment annually, or more frequently if events or changes in circumstances

indicate that they might be impaired, based on undiscounted cash flows attributable to that asset or group of assets. There were no impairment charges related to intangible assets during the years ended March 31, 2014, 2013 and 2012.

New Accounting Guidance

See Note 3 of Notes to Consolidated Financial Statements for a discussion of the impact of new accounting guidance.

Off-Balance Sheet Arrangements

Other than as disclosed above under "Contractual Payment Obligations," we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We operate globally and have exposure to market risk from changes in foreign exchange rates. In most markets, we generate revenue and expenses in local currencies. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of operations and balance sheets from functional currency to our reporting currency (the United States Dollar) for consolidation purposes. Our most significant foreign currency risks relate to the Euro, the Australian Dollar and the Canadian Dollar. We have evaluated and assessed the potential effect of this risk and concluded that near-term changes in currency rates should not materially adversely affect our financial position, results of operations or cash flows. We performed a sensitivity analysis, assuming a 10% decrease in the value of foreign currencies in which we operate. Our analysis has determined that a 10% decrease in value would have resulted in a $28,000 increase to our operating loss for the year ended March 31, 2014.

We have exposure to interest rate risk related to our marketable securities and, to a lesser extent, our cash deposits. Our marketable securities are investments in fixed-income securities. We monitor this account regularly and have evaluated and assessed the potential effect of this risk and concluded that near-term changes in interest rates should not materially adversely affect our financial position, results of operations or cash flows. Unrealized gains and losses on these investments will fluctuate and, historically, have not been significant.

Table of Contents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm
Board of Directors and Shareholders
Rentrak Corporation

We have audited the accompanying consolidated balance sheets of Rentrak Corporation and subsidiaries (the "Company") as of March 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2014. Our audits of the basic consolidated financial statements included the financial statement schedule listed in the index appearing under Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Rentrak Corporation and subsidiaries as of March 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2014 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of March 31, 2014, based on criteria established in the 1992 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated June 6, 2014 expressed an unqualified opinion thereon.

/s/ GRANT THORNTON LLP

Portland, Oregon
June 6, 2014

31

Rentrak Corporation and Subsidiaries
Consolidated Balance Sheets
(In thousands, except per share amounts)

	March 31, 2014	2013
Assets		
Current Assets:		
Cash and cash equivalents	$5,102	$3,835
Marketable securities	16,868	16,588
Accounts receivable, net of allowances for doubtful accounts of $162 and $305	12,525	7,634
Taxes receivable and prepaid taxes	122	—
Deferred tax assets, net	44	—
Assets held for sale	5,443	9,514
Other current assets	2,818	2,083
Total Current Assets	42,922	39,654
Property and equipment, net of accumulated depreciation of $23,785 and $18,941	17,891	13,903
Goodwill	7,034	4,998
Other intangible assets, net of accumulated amortization of $3,447 and $2,343	12,724	12,396
Other assets	696	830
Total Assets	$81,267	$71,781
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$2,339	$1,013
Accrued liabilities	370	912
Accrued data provider liabilities	3,887	3,459
Accrued compensation	6,743	5,210
Deferred tax liabilities, net	—	36
Deferred revenue and other credits	2,644	2,610
Liabilities held for sale	3,858	5,495
Total Current Liabilities	19,841	18,735
Deferred rent, long-term	2,413	2,238
Accrued compensation, long-term	4,700	—
Taxes payable, long-term	520	713
Deferred tax liability, net, long-term	759	574
Note payable and accrued interest	—	550
Total Liabilities	28,233	22,810
Commitments and Contingencies	—	—
Stockholders' Equity:		
Preferred stock, $0.001 par value; 10,000 shares authorized; none issued	—	—
Common stock, $0.001 par value; 30,000 shares authorized; shares issued and outstanding: 12,213 and 11,892	12	12
Capital in excess of par value	83,562	75,508
Accumulated other comprehensive income	409	31
Accumulated deficit	(31,823)	(27,569)
Stockholders' Equity attributable to Rentrak Corporation	52,160	47,982
Noncontrolling interest	874	989
Total Stockholders' Equity	53,034	48,971
Total Liabilities and Stockholders' Equity	$81,267	$71,781

See accompanying Notes to Consolidated Financial Statements.

32

Table of Contents

Rentrak Corporation and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share amounts)

	For the Year Ended March 31,		
	2014	2013	2012
Revenue	$75,600	$57,033	$47,044
Cost of revenue	27,247	21,347	14,775
Gross margin	48,353	35,686	32,269
Operating expenses:			
Selling, general and administrative	48,799	55,998	38,245
Research, technology and innovation	9,014	6,215	4,662
Total operating expenses	57,813	62,213	42,907
Loss from continuing operations	(9,460)	(26,527)	(10,638)
Other income:			
Investment income, net	125	378	477
Loss from continuing operations before income taxes	(9,335)	(26,149)	(10,161)
Income tax benefit	(2,183)	(980)	(982)
Loss from continuing operations, net of income taxes	(7,152)	(25,169)	(9,179)
Income from discontinued operations, net of income taxes	2,783	2,491	2,753
Net loss	(4,369)	(22,678)	(6,426)
Net loss attributable to noncontrolling interest	(115)	(61)	—
Net loss attributable to Rentrak Corporation	$(4,254)	$(22,617)	$(6,426)
Loss per share from continuing operations attributable to Rentrak Corporation common stockholders:			
Basic	$(0.59)	$(2.14)	$(0.82)
Diluted	$(0.59)	$(2.14)	$(0.82)
Income per share from discontinued operations attributable to Rentrak Corporation common stockholders:			
Basic	$0.24	$0.21	$0.25
Diluted	$0.24	$0.21	$0.25
Net loss per share attributable to Rentrak Corporation common stockholders:			
Basic	$(0.35)	$(1.93)	$(0.57)
Diluted	$(0.35)	$(1.93)	$(0.57)
Shares used in per share calculations:			
Basic	12,177	11,733	11,197
Diluted	12,177	11,733	11,197

See accompanying Notes to Consolidated Financial Statements.

Table of Contents

Rentrak Corporation and Subsidiaries
Consolidated Statements of Comprehensive Loss
(In thousands, except footnote reference)

	For the Year Ended March 31,		
	2014	2013	2012
Net loss	$(4,369)	$(22,678)	$(6,426)
Other comprehensive income (loss):			
Foreign currency translation adjustments	370	(230)	(284)
Unrealized holding gains which arose during the period on available for sale securities [1]	73	34	137
Recognition of previously unrealized gains on available for sale securities included in net loss[2]	(65)	(114)	(42)
Other comprehensive income (loss)	378	(310)	(189)
Comprehensive loss	(3,991)	(22,988)	(6,615)
Comprehensive loss attributable to noncontrolling interest	(115)	(61)	—
Comprehensive loss attributable to Rentrak Corporation	$(3,876)	$(22,927)	$(6,615)

(1) For the year ended March 31, 2014, 2013 and 2012, the amounts are net of deferred taxes of $0, $(30,000) and $(101,000), respectively.

(2) For the year ended March 31, 2014, 2013 and 2012, the amounts are net of deferred tax benefits of $0, $83,000 and $31,000, respectively.
See accompanying Notes to Consolidated Financial Statements.

34

Table of Contents

Rentrak Corporation and Subsidiaries
Consolidated Statements of Stockholders' Equity
For The Years Ended March 31, 2014, 2013 and 2012
(In thousands)

	Common Stock		Capital In Excess of Par Value	Cumulative Other Comprehensive Income (Loss)	Accumulated Deficit	Rentrak Stockholders' Equity Total	Noncontrolling Interest	Total Equity
	Shares	Amount						
Balance at March 31, 2011	11,243	$11	$54,358	$ 530	$ 1,474	$ 56,373	$ —	$56,373
Net loss	—	—	—	—	(6,426)	(6,426)	—	(6,426)
Unrealized loss on foreign currency translation	—	—	—	(284)	—	(284)	—	(284)
Unrealized gain on investments, net of tax	—	—	—	95	—	95	—	95
Common stock issued pursuant to stock plans	159	—	1,008	—	—	1,008	—	1,008
Common stock used to pay for option exercises	(40)	—	(746)	—	—	(746)	—	(746)
Common stock used to pay for taxes associated with option exercises	(12)	—	(210)	—	—	(210)	—	(210)
Common stock issued in satisfaction of contingent payouts	33	—	—	—	—	—	—	—
Deferred stock units ("DSUs") granted to Board of Directors	—	—	792	—	—	792	—	792
Stock-based compensation - options	—	—	3,451	—	—	3,451	—	3,451
Stock-based compensation - Restricted stock units ("RSUs")	—	—	711	—	—	711	—	711
Common stock repurchased	(305)	—	(4,341)	—	—	(4,341)	—	(4,341)
Income tax effect from stock-based compensation	—	—	102	—	—	102	—	102
Balance at March 31, 2012	11,078	$11	$55,125	$ 341	$ (4,952)	$ 50,525	$ —	$50,525

Net loss	—	—	—	—	(22,617)	(22,617)	—	(22,617)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	(61)	(61)
Unrealized loss on foreign currency translation	—	—	—	(230)	—	(230)	—	(230)
Unrealized loss on investments, net of tax	—	—	—	(80)	—	(80)	—	(80)
Common stock issued pursuant to stock plans	50	—	322	—	—	322	—	322
Common stock used to pay for option exercises	(3)	—	(63)	—	—	(63)	—	(63)
Common stock used to pay for taxes associated with option exercises	(3)	—	(53)	—	—	(53)	—	(53)
Common stock issued pursuant to employee stock purchase plan ("ESPP")	37	—	511	—	—	511	—	511
Common stock issued in satisfaction of contingent payouts	33	—	—	—	—	—	—	—
Common stock issued to DISH Network	700	1	13,236	—	—	13,237	—	13,237
Investment in consolidated joint venture by noncontrolling interest	—	—	—	—	—	—	1,050	1,050
DSUs granted to Board of Directors	—	—	650	—	—	650	—	650
Stock-based compensation - options	—	—	5,252	—	—	5,252	—	5,252

Table of Contents

Rentrak Corporation and Subsidiaries
Consolidated Statements of Stockholders' Equity
For The Years Ended March 31, 2014, 2013 and 2012
(In thousands, except share amounts)—cont'd

	Common Stock		Capital In Excess of Par Value	Cumulative Other Comprehensive Income (Loss)	Accumulated Deficit	Rentrak Stockholders' Equity Total	Noncontrolling Interest	Total Equity
	Shares	Amount						
Stock-based compensation - ESPP	—	—	172	—	—	172	—	172
Stock-based compensation - RSUs	—	—	366	—	—	366	—	366
Income tax effect from stock-based compensation	—	—	(10)	—	—	(10)	—	(10)
Balance at March 31, 2013	11,892	$12	$75,508	$ 31	$ (27,569)	$ 47,982	$ 989	$48,971
Net loss	—	—	—	—	(4,254)	(4,254)	—	(4,254)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	(115)	(115)
Unrealized gain on foreign currency translation	—	—	—	370	—	370	—	370
Unrealized gain on investments, net of tax	—	—	—	8	—	8	—	8
Common stock issued pursuant to stock plans	362	—	3,634	—	—	3,634	—	3,634
Common stock used to pay for option exercises	(16)	—	(669)	—	—	(669)	—	(669)
Common stock used to pay for taxes associated with option exercises	(6)	—	(418)	—	—	(418)	—	(418)
Common stock issued pursuant to ESPP	29	—	506	—	—	506	—	506
Common stock used to pay for taxes associated with vested RSUs	(65)	—	(2,774)	—	—	(2,774)	—	(2,774)
Common stock issued for iTVX	17	—	405	—	—	405	—	405

acquisition								
DSUs granted to Board of Directors	—	—	656	—	—	656	—	656
Stock-based compensation - options	—	—	5,556	—	—	5,556	—	5,556
Stock-based compensation - ESPP	—	—	163	—	—	163	—	163
Stock-based compensation - RSUs	—	—	995	—	—	995	—	995
Balance at March 31, 2014	12,213	$12	$83,562	$ 409	$ (31,823)	$ 52,160	$ 874	$53,034

See accompanying Notes to Consolidated Financial Statements.

Rentrak Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands)

	For the Year Ended March 31,		
	2014	2013	2012
Cash flows from operating activities:			
Net loss	$(4,369)	$(22,678)	$(6,426)
Income from discontinued operations, net of income taxes	(2,783)	(2,491)	(2,753)
Adjustments to reconcile net loss to net cash flows provided by (used in) operating activities of continuing operations:			
Tax benefit from stock-based compensation	—	—	81
Depreciation and amortization	5,929	4,790	4,180
Stock-based compensation	8,058	18,781	4,952
Deferred income taxes	105	579	1,425
Loss on disposition of assets	4	29	1
Realized loss (gain) on marketable securities	65	(197)	(73)
Interest on note payable	—	25	25
Adjustment to allowance for doubtful accounts	(143)	145	28
(Increase) decrease, net of effect of acquisition, in:			
Accounts and notes receivable	(4,891)	(564)	(434)
Taxes receivable and prepaid taxes	(122)	—	1,726
Other assets	(601)	(1,404)	72
Increase (decrease), net of effect of acquisition, in:			
Accounts payable	1,156	(291)	—
Taxes payable	(286)	(33)	(422)
Accrued liabilities and compensation	1,512	(1,716)	2,642
Deferred revenue	(59)	489	705
Deferred rent	219	503	944
Net cash provided by operating activities of discontinued operations	2,471	2,387	3,528
Net cash provided by (used in) operating activities	6,265	(1,646)	10,201
Cash flows from investing activities:			
Purchase of marketable securities	(23,004)	(23,091)	(18,403)
Sale of marketable securities	22,668	28,793	18,971
Proceeds from the sale of assets	—	47	—
Payments made to develop intangible assets	(174)	(183)	—
Purchase of property and equipment	(7,662)	(7,024)	(5,099)
Net cash used by investing activities of discontinued operations	(114)	(86)	(36)
Cash paid for acquisition	(372)	—	—
Net cash used in investing activities	(8,658)	(1,544)	(4,567)
Cash flows from financing activities:			
Proceeds from note payable	—	—	500
Contributions from noncontrolling interest	—	1,050	—
Issuance of common stock	3,471	770	262
Repurchase of common stock	—	—	(4,341)
Net cash provided by (used in) financing activities	3,471	1,820	(3,579)

Table of Contents

Rentrak Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands) —cont'd

	For the Year Ended March 31,		
	2014	2013	2012
Effect of foreign exchange translation on cash	189	(321)	(350)
Increase (decrease) in cash and cash equivalents	1,267	(1,691)	1,705
Cash and cash equivalents:			
Beginning of period	3,835	5,526	3,821
End of period	$5,102	$3,835	$5,526
Supplemental non-cash information:			
Capitalized stock-based compensation	$1,614	$512	$362
Decrease in leasehold improvements related to forgiven loan	550	—	—
Common stock used to pay for acquisition	405	—	—
Supplemental cash flow information:			
Income taxes paid	309	401	328
Income tax refunds	9	60	2,101

See accompanying Notes to Consolidated Financial Statements.

38

Table of Contents

Rentrak Corporation and Subsidiaries
Notes to Consolidated Financial Statements
Note 1. Overview

Rentrak Corporation is headquartered in Portland, Oregon, with additional United States and international offices. Previously, we had two operating divisions within our corporate structure and we reported certain financial information by individual segment under this structure. Those two operating divisions were our Advanced Media and Information ("AMI") operating division, which included our media measurement services and our Home Entertainment operating division, which included our distribution services, as well as services that measure, aggregate and report consumer rental activity on film product from traditional "brick and mortar," online and kiosk retailers.

During the fourth quarter of the fiscal year ended March 31, 2014 ("Fiscal 2014"), we initiated our plan to sell our Pay Per Transaction® ("PPT®") business, which has been a longstanding legacy business of Rentrak and a significant component of the Home Entertainment operating division. The PPT® business represented 42.5% and 48.3% of our total revenue for our fiscal years ended March 31, 2013 and 2012, respectively. For Fiscal 2014, it would have represented 37.4% of our total revenue if we had decided to retain the line. Our PPT® business has been in a state of decline due to the decline of physical DVD rentals from retail stores. This strategic decision to sell PPT® will enable us to focus more fully on the growth of our media measurement business and advanced consumer targeting business. Accordingly, we have restated our financial results and the PPT® business is reported as discontinued operations for all periods presented.

As a result of our plan to divest our PPT® business, we will operate in a single business segment encompassing our media measurement services which are primarily delivered through scalable, Software as a Service ("SaaS") products within our Entertainment Essentials™ lines of business. These big data services, offered primarily on a recurring subscription basis, provide consumer viewership information integrated with consumer segmentation and purchase behavior databases. We provide film studios, television networks and stations, cable, satellite and telecommunications company ("telco") operators, advertisers and advertising agencies unique insights into consumer viewing and purchasing patterns through our comprehensive and expansive information on local, national, Video on Demand ("VOD") and "Over the Top" television performance and worldwide box office results.

Note 2. Significant Accounting Policies
Principles of Consolidation

The consolidated financial statements include the accounts of Rentrak Corporation and its wholly owned subsidiaries, and those entities in which we have a controlling interest. All intercompany accounts and transactions have been eliminated in consolidation.

In Fiscal 2012, we established a Chinese joint venture, Sinotrak, and hold a 49% ownership interest in this variable interest entity ("VIE"). Sinotrak has been included in our consolidated financial statements, as we have determined that we are the primary beneficiary of the VIE, given our significant influence over day to day operations, among other factors. To date, the activities of Sinotrak have been limited primarily to initial cash contributions from both parties and costs associated with its formation. The equity interests of the noncontrolling party, totaling $0.9 million and $1.0 million as of March 31, 2014 and 2013, respectively, are reported as a noncontrolling interest in our Consolidated Balance Sheets. The noncontrolling party's share of the expenses for the years ended March 31, 2014 and 2013 are included in "Net loss attributable to noncontrolling interest" in our Consolidated Statements of Operations.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates. We consider our most critical accounting policies to be those related to revenue recognition and those that require the use of estimates and assumptions, specifically, accounts receivable reserves, deferred tax asset valuation reserves, determining the realizable value of capitalized internally developed software costs, stock-based compensation, unrecognized tax benefits, goodwill impairment, intangible asset valuation and the determination of useful lives.

Revenue Recognition

We generate our revenue from the delivery of subscription services and by providing analytical services and other information obtained from our systems in the form of custom reports. Our subscription contracts do not provide customers with the right to take possession of the software supporting the applications and, as a result, are accounted for as service contracts.

We recognize revenue for our services when all of the following conditions are met:

- Persuasive evidence of an arrangement exists;
- The products or services have been delivered;
- The fee is fixed or determinable; and
- Collection of the fee is reasonably assured based on our collection history.

Subscription fees are recognized ratably over the period of service as of the date that our service or data is made available to the customer. Revenue related to custom reports is recognized as value is delivered to the customer. The pattern of revenue recognition for these reports varies depending on the terms of the individual contracts and may be recognized proportionally or deferred until the end of the contract term and recognized when the information has been delivered and accepted by the customer.

We also enter into arrangements with multiple-elements, generally including subscription, analytic services and custom reporting. We recognize revenue under these arrangements in accordance with current guidance which requires us to allocate consideration at the inception of the arrangement to all elements, if they represent a separate unit of accounting, based on their relative selling prices. The guidance establishes a hierarchy to determine the selling price to be used for allocating arrangement consideration to deliverables: (i) vendor-specific objective evidence of fair value (“VSOE”), (ii) third-party evidence of selling price (“TPE”) if VSOE is not available, or (iii) a best estimated selling price (“BESP”) if neither VSOE nor TPE are available. VSOE generally exists only when we sell the deliverable separately and is the price actually charged by us for that deliverable on a standalone basis. BESP reflects our estimate of what the selling price of a deliverable would be if it was regularly sold on a standalone basis.

We have concluded that we do not have VSOE for these types of arrangements, and TPE is generally not available because our service offerings are highly differentiated and we are unable to obtain reliable information on the pricing practices of our competitors. As such, BESP is used to allocate the total arrangement consideration at the arrangement’s inception based on each element’s relative selling price.

We determine BESP for our deliverables based on our overall pricing objectives, taking into consideration several internal and external factors including, but not limited to, current pricing practices, pricing concentrations (such as industry, channel, customer class or geography), internal costs and market penetration of a product or service. The total arrangement consideration is allocated to each of the elements based on the relative selling price. Once the total arrangement consideration has been allocated to each element, we commence revenue recognition for each element on a standalone basis as the data or service is delivered. In the future, as our pricing strategies and market conditions change, modifications may occur in the determination of BESP to reflect these changes. As a result, the future revenue recognized for these arrangements could differ from results in the current period.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with a maturity of three months or less at acquisition to be cash equivalents. We have funds deposited in various financial institutions in excess of the federal funds deposit insurance limits. As of March 31, 2014, we had $3.2 million in foreign bank accounts, of which we plan to use $1.5 million to

fund our international expansion and growth. The remaining cash is held by Sinotrak, and will be used to support growth for that venture.

Marketable Securities

We classify our marketable securities as “available for sale” and, accordingly, our marketable securities are marked to market on a quarterly basis, with unrealized gains and losses being excluded from earnings and reflected as a component of other comprehensive income (loss). Dividend and interest income is recognized when earned. Realized gains and losses are included in earnings and are derived using the specific identification method for determining the cost of securities sold.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable.

Credit limits are established through a process of reviewing the financial history and stability of each customer. We regularly evaluate the collectibility of accounts receivable by monitoring past due balances. If it is determined that a customer may be unable to meet its financial obligations, a specific reserve is established based on the amount we expect to recover. If circumstances change related to specific customers, overall aging of accounts receivable or collection experience, our estimate of the recoverability of accounts receivable could materially change. See Schedule II included on page 62 for detail regarding our bad debt expense and allowance for doubtful accounts.

Fair Value of Financial Assets and Liabilities

We estimate the fair value of our monetary assets and liabilities based upon comparison of such assets and liabilities to the current market values for instruments of a similar nature and degree of risk. Our monetary assets and liabilities include cash and cash equivalents, marketable securities, accounts receivable, accounts payable, accrued liabilities and accrued compensation. Based on the short-term nature of these instruments, we estimate that the recorded value of all our monetary assets and liabilities approximates fair value as of March 31, 2014 and 2013. See Note 5.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, capitalized software and purchased intangibles subject to amortization, are required to be reviewed whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying value or fair value less costs to sell, and depreciation ceases. No impairment charges were recorded in Fiscal 2014, 2013 or 2012. Asset impairment charges are included as a component of selling, general and administrative costs in our Consolidated Statements of Operations.

Acquisitions

The purchase price for acquisitions is allocated based on the estimated fair value of the tangible and identifiable intangible assets acquired and liabilities assumed. The excess of the purchase price over the estimated fair value of tangible and identifiable intangible assets acquired and liabilities assumed is allocated to goodwill. See Note 4.

Goodwill and Intangible Assets

In assessing the fair value of goodwill and other indefinite-lived intangible assets, we first make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If, after completing our qualitative assessment, we determine that it is more likely than not that the carrying value exceeds estimated fair value, we compare the fair value to our carrying value (including goodwill). If the estimated fair value is greater than the carrying value, we conclude that no impairment exists. If the estimated fair value of the reporting unit is less than the carrying value, a second step is performed in which the implied fair value of goodwill is compared to its carrying value. If the implied fair value of goodwill is less than its carrying value, goodwill must be written down to its implied fair value, resulting in goodwill impairment. We test goodwill for impairment during the fourth quarter every fiscal year and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist.

The qualitative analysis included assessing the impact of changes in certain factors including: (1) changes in forecasted operating results and a comparison of actual results to projections, (2) changes in the industry or our competitive environment since the acquisition date, (3) changes in the overall economy, our market share and market

interest rates since the acquisition date, (4) trends in the stock price and related market capitalization and enterprise values, (5) trends in peer companies' total enterprise value metrics, and (6) additional factors such as management turnover and changes in regulations.

Based on our qualitative assessment performed during the fourth quarter of Fiscal 2014, we concluded that it was more likely than not that the estimated fair values of our reporting units exceeded their carrying values as of March 31, 2014 and, therefore, determined it was not necessary to perform the two-step goodwill impairment test.

We have long-term relationships with each of our Global Clients in our Movies Everywhere™ line of business. Currently, there are no competitors who provide global box office results, and we believe that the barriers to entry are quite high because the Global Clients prefer a single provider with world-wide reporting capabilities. In particular, our service provides these Global Clients with access to information relating to all other market participants. Should one terminate its relationship with us, it would no longer have access to world-wide data on all market participants and, currently, similar information is not available elsewhere.

41

Our turnover rate of clients has been minimal over the life of our product, and, given our service offerings, we do not expect our customers to change their relationships with us. Due to the absence of any competitor who can provide world-wide coverage, the tenure of our relationships with these Global Clients, and the fact that, historically, these Global Clients have preferred only one provider, our "Global relationships" intangible asset was determined to have an indefinite life. See Note 8. There were no impairment charges related to goodwill or indefinite-lived assets during the years ended March 31, 2014, 2013 and 2012.

We amortize intangible assets with definite lives over their estimated useful lives using the straight-line method. We evaluate the estimated remaining lives of intangible assets and whether events or changes in circumstances warrant a revision to the remaining periods of amortization. We test these assets for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, based on undiscounted cash flows attributable to that asset or group of assets. There were no impairment charges related to intangible assets during the years ended March 31, 2014, 2013 and 2012.

Property and Equipment

Depreciation of property and equipment is computed on the straight-line method over estimated useful lives of three years for furniture and fixtures, three to ten years for equipment and five years for capitalized software. Leasehold improvements are amortized over the lives of the underlying leases or the service lives of the improvements, whichever are shorter. Property and equipment is reviewed for impairment as discussed above. See Note 7.

Long-Term Investment

We have one long-term investment included in other assets, which is valued based on the cost-method and had an aggregate carrying amount of $0.5 million as of March 31, 2014 and 2013. The fair value of our cost-method investment is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment. We do not believe there are any events which occurred in Fiscal 2014 that would indicate impairment to its carrying value.

Landlord Incentives

The lease for our headquarters building located in Portland, Oregon and the lease for our offices in Portland and New York City contain provisions relating to allowances from our landlords associated with the costs of improvements, as well as free rent. These landlord incentives, which totaled $2.7 million at March 31, 2014 and $2.4 million at March 31, 2013, were recorded as deferred rent. The deferred rent related to qualified renovations is being amortized at the rate of approximately $54,000 per quarter as a reduction to rent expense over the remaining lease terms which extend through June 30, 2023. The deferred rent related to free rent will also be amortized against rent expense over the remaining lease term and is expected to be approximately $13,000 per quarter for Fiscal 2015. See Note 14.

Capitalized Software

Capitalized software is included in property and equipment, net, and consists of costs to purchase and develop internal-use software, as well as costs to develop internal software which is used by us to provide various services to clients. These services provide unique data collection, management, analytic and reporting functions, resulting in business information valuable to our clients. For example, our Box Office Essentials® business line reports domestic and international gross receipt theatrical ticket sales to motion picture studios and movie theater owners. Our OnDemand Essentials® business line measures and reports anonymous video on demand ("VOD") usage data to our clients. The internal and external costs to develop the internal software used to support these services are capitalized after the technological and business feasibility of the project is determined and the preliminary project stage is

completed. We continue to develop our internal software systems in order to expand our service offerings. Once we begin to utilize this software in our products, these costs are amortized on a straight-line basis over the estimated economic life of the software, which is five years. Capitalized software is reviewed for impairment as discussed above. Changes in technology could affect our estimate of the useful life of these assets. Capitalized software costs, net of accumulated amortization, totaled $8.6 million and $7.5 million at March 31, 2014 and 2013, respectively. We also had $4.4 million and $1.9 million as of March 31, 2014 and 2013, respectively, of capitalized costs associated with software projects which are still in the application development stage. See Note 7.

42

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities are determined based on the temporary differences between the financial statement basis and tax basis of assets and liabilities as measured by the enacted tax rates for the years in which the taxes are expected to be paid. We evaluate our deferred tax assets on a regular basis to determine if a valuation allowance is required. To the extent it is determined the recoverability of the deferred tax assets is unlikely, we record a valuation allowance against deferred tax assets. As of March 31, 2014 and 2013, we had a valuation allowance of $17.2 million and $14.1 million, respectively, against our deferred tax assets. As of March 31, 2014 and 2013, net deferred tax liabilities totaled $0.7 million and $0.6 million, respectively.

We record a benefit for uncertain tax positions only when we determine that those tax positions are more-likely-than-not to be sustained on audit, based on the technical merits of the position. As of March 31, 2014 and 2013, the total amount of unrecognized tax benefits was $0.8 million and $1.1 million, respectively, excluding penalties and interest of $60,000 and $124,000, respectively. Our policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense in our Consolidated Statements of Operations. All unrecognized tax benefits at March 31, 2014 would affect the effective tax rate if recognized. See Note 11.

Taxes Collected from Customers and Remitted to Governmental Authorities

We account for tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction (e.g., sales, use, value added) on a net (excluded from revenue) basis.

Stock-Based Compensation

We measure and recognize compensation expense for all share-based payment awards granted to our employees and directors, including employee stock options, DSUs, cash-settled stock appreciation rights (“SARs”), stock-settled stock appreciation rights (“SSARs”), RSUs, and ESPP shares based on the estimated fair value of the award on the grant date. We utilize the Black-Scholes options pricing model and Monte Carlo simulations for valuing our stock-based awards with a conversion or exercise price.

Compensation expense is only recognized on awards that ultimately vest and market-based awards. However, we have not reduced the stock-based compensation expense for estimated forfeitures because there is no basis for estimating future forfeitures since most unvested awards are held primarily by members of senior management. We update for forfeitures as they occur and recognize any changes to accumulated compensation expense in the period of change. See Note 13.

Stock-Based Compensation Agreements with Non-Employees

We recognize compensation expense for stock-based compensation agreements with non-employees based on the estimated fair value of the award on the grant date and at the end of each reporting period until we reach the measurement date. We utilize the Black-Scholes valuation model to determine the end of period fair value of these awards and adjust the cumulative incremental change in value as compensation expense over the life of the award. See Note 13.

Foreign Currency Translation

The U.S. dollar is the reporting currency for all periods presented. The functional currency of our foreign subsidiaries is generally the local currency. All assets and liabilities denominated in a foreign currency are translated into U.S.

dollars at the exchange rate on the balance sheet date. Income and expenses are translated at the average exchange rate during the period. Equity transactions are translated using historical exchange rates. Adjustments resulting from translation are recorded as a separate component of accumulated other comprehensive income in the Consolidated Balance Sheets. Foreign currency transaction gains (losses) are included as a component of selling, general and administrative expense in our Consolidated Statements of Operations.

Legal Costs

We may be a party to legal proceedings arising in the normal course of business. We accrue for certain legal costs, including attorney fees, and potential settlement claims related to various legal proceedings that are estimable and probable. If not estimable and probable, legal costs are expensed as incurred. Legal costs are included in selling, general and administrative expense in our Consolidated Statements of Operations.

Table of Contents

Net Loss Per Share Attributable to Rentrak Corporation Common Stockholders

Following is a reconciliation of the shares used for the basic net loss per share attributable to Rentrak Corporation common stockholders ("EPS") and diluted EPS calculations (in thousands):

	Year Ended March 31,		
	2014	2013	2012
Basic EPS:			
Weighted average number of shares of common stock outstanding and vested DSUs	12,177	11,733	11,197
Diluted EPS:			
Effect of dilutive DSUs and stock options	—	—	—
	12,177	11,733	11,197
Total outstanding options not included in diluted EPS as they would be antidilutive	2,822	2,850	2,020
Performance and market-based grants not included in diluted EPS	80	270	318

Note 3. New Accounting Guidance
ASU 2014-09

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 supersedes nearly all existing revenue recognition guidance under US GAAP. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. We are evaluating our existing revenue recognition policies to determine whether any contracts in the scope of the guidance will be affected by the new requirements. ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods therein.

ASU 2014-08

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements and Property, Plant, and Equipment" ("ASU 2014-08"). ASU 2014-08 amends the guidance related to reporting for discontinued operations. The amended guidance requires the assets and liabilities of a disposal group be separately presented in the asset and liability sections, respectively, of the statement of financial position. ASU 2014-08 is effective for annual and interim periods for fiscal years beginning after December 15, 2014, and early adoption is permitted. We adopted the provisions of ASU 2014-08 effective as of March 31, 2014, and our adoption did not have a material impact on our financial position, results of operations or cash flows.

ASU 2013-11

In July 2013, the FASB issued ASU No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" ("ASU 2013-11"). ASU 2013-11 amends the guidance related to the presentation of unrecognized tax benefits and allows for the reduction of a deferred tax asset for a net operating loss ("NOL") carryforward whenever the NOL or tax credit carryforward would be available to reduce the additional taxable income or tax due if the tax position is disallowed. ASU 2013-11 is effective for annual and interim periods for fiscal years beginning after December 15, 2013, and early adoption is permitted. Since ASU 2013-11 relates only to the presentation of unrecognized tax benefits, our adoption of ASU 2013-02 in the first quarter of Fiscal 2014 did not have any effect on our financial position, results of operations, or cash flows.

ASU 2013-02

In February 2013, the FASB issued ASU No. 2013-02, "Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income" ("ASU 2013-02"). ASU 2013-02 amends the guidance related to reporting amounts reclassified out of other comprehensive income and includes identification of the line items in net earnings affected by the reclassifications. ASU 2013-02 is effective for annual and interim periods for fiscal years beginning after December 15, 2012, and early adoption is permitted. Since ASU 2013-02 relates only to the presentation of comprehensive income, our adoption of ASU 2013-02 in the first quarter of Fiscal 2014 did not have any effect on our financial position, results of operations, or cash flows.

Note 4. Acquisitions
iTVX

On August 16, 2013, we acquired the outstanding stock of iTVX, a provider of branded entertainment analytics, insight and research, for $2.8 million. iTVX is reported as a component of TV Essentials® and expands our product and service offerings. We made an initial payment of $0.8 million, of which approximately $383,000 was paid in cash and $405,000 was paid with 17,209 shares of our common stock. The acquisition also includes contingent consideration which, if earned, will be paid on January 29, 2016, and is based on future revenue achieved after the completion of approximately 2 years. The range of the undiscounted amounts we could pay under the contingent consideration arrangement are between $0.5 million and $7.0 million. The fair value of the contingent consideration as of the acquisition date was $2.0 million. The contingent consideration payment will be paid in the form of cash (25% of the total contingent consideration) and shares of our common stock (75% of the total contingent consideration).

We estimated the fair value of the contingent consideration using a beta probability distribution approach. Acquisition related contingent consideration liabilities are classified as Level 3 liabilities, because we use unobservable inputs to value them, reflecting our assessment of the assumptions market participants would use to value these liabilities. Changes in the fair value of contingent consideration arrangements are recorded as income or expense in our Consolidated Statements of Operations. See Note 6 for additional disclosures regarding our fair value methodologies. As of March 31, 2014, the fair value of the estimated contingent consideration arrangement increased by $2.7 million. The increase was a result of an increase in the value of our common stock price and has been included in selling, general and administrative expenses in our Consolidated Statements of Operations. The common stock portion of the contingent consideration arrangement has a fixed price of $21.795 per share, and any fluctuation in our common stock price above or below this amount will impact the fair value of the payment and our results of operations. The fair value of the estimated contingent consideration as of March 31, 2014 is $4.7 million and is included in accrued compensation, long-term in our Consolidated Balance Sheets.

In allocating the purchase price consideration based on fair values, we recorded $0.9 million of acquired intangible assets with useful lives of 1 to 6 years, $1.9 million of goodwill, $0.3 million of net tangible assets and $0.3 million of deferred tax liabilities. The goodwill recorded in connection with this business combination is primarily related to the synergies to be achieved that are unique to our business. Goodwill is not amortized and will be evaluated annually for potential impairment in accordance with our policies related to Goodwill and Intangible Assets as described in Note 2. The goodwill will not be deductible for tax purposes.

The deferred tax liabilities acquired have been applied against our fully reserved deferred tax assets and, accordingly, we lowered our valuation allowance and recorded a tax benefit of $0.3 million for the period ended March 31, 2014. For the period ended March 31, 2014, we included $0.7 million in revenue and $0.9 million in net losses related to iTVX since the acquisition date, excluding the adjustment for the contingent consideration as a result of the increase in our common stock price as noted above. For the period ended March 31, 2014, we incurred acquisition costs of $0.2 million as well as amortization expense of $0.1 million relating to the intangible assets acquired, which are included in selling, general and administrative expenses in our Consolidated Statements of Operations.

Media Salvation

On January 3, 2011, we acquired the outstanding stock of Media Salvation, Inc., for an initial cash payment of $250,000. Media Salvation provides sales and financial reporting systems and services to a major studio and independent film companies active in the electronic and mobile ad channels and is reported as a component of OnDemand Everywhere®. The stock purchase agreement contains provisions relating to additional contingent cash payments in the amount of $750,000 and contingent stock distributions valued at $2.0 million, which may be paid based on achieving certain performance requirements. On January 31, 2012, we issued 33,417 shares of our common

stock with an acquisition date fair value of $1.0 million and made a cash payment of $250,000 in satisfaction of the first year contingent payout provisions. Both amounts had been previously accrued and, accordingly, there was no net effect on our Consolidated Balance Sheets and no effect on our Consolidated Statements of Operations. In February 2013, we issued the remaining 33,417 shares of our common stock with an acquisition date fair value of $1.0 million and made a cash payment in the amount of $500,000 in satisfaction of the second year contingent payout provisions. These amounts had also been accrued and, accordingly, there was no net effect on our Consolidated Balance Sheets and no effect on our Consolidated Statements of Operations.

Table of Contents

Note 5. Marketable Securities

Marketable securities, all of which were classified as “available-for-sale” at March 31, 2014 and 2013, consisted of the following (dollars in thousands):

	March 31,	
	2014	2013
Available-for-sale marketable securities		
Amortized cost	$16,868	$16,596
Gross unrecognized holding losses	—	(8)
Fair value	$16,868	$16,588

As of March 31, 2014, our marketable securities consisted of fixed-income securities with an average maturity of less than one year. Security values fluctuate in response to the financial condition of individual issues, general market and economic conditions and changes in interest rates. In general, when interest rates rise, security values fall and investors may lose principal value. While we currently have no plans or requirements to sell the securities in the foreseeable future, we are exposed to market risks and cannot predict what impact fluctuations in the market may have on the value of these securities, which may adversely affect our results of operations, financial condition and liquidity.

In Fiscal 2014, $63,000 of recognized losses from the sale of available-for-sale securities was included as a component of investment income, net in our Consolidated Statements of Operations. In Fiscal 2013 and 2012, $197,000 and $73,000, respectively, of recognized gains from the sale of available-for-sale securities were included as a component of investment income, net in our Consolidated Statements of Operations.

Note 6. Fair Value Disclosures

We use a three-tier fair value hierarchy, which prioritizes the inputs used in measuring the fair value of our financial assets and liabilities as follows:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations whose significant inputs are observable; and
- Level 3 – significant unobservable inputs, including our own assumptions in determining fair value.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Following are the disclosures related to our financial assets that are measured at fair value on a recurring basis (dollars in thousands):

	March 31, 2014		March 31, 2013	
	Fair Value	Input Level	Fair Value	Input Level
Available-for-sale marketable securities				
Adjustable-rate governmental bond funds	$—		$16,588	Level 1
Fixed-income securities	16,868	Level 1	—	

The fair value of our “available-for-sale” marketable securities is determined based on quoted market prices for identical securities on a quarterly basis. There were no changes to our valuation methodologies during Fiscal 2014.

See Note 4 for disclosures related to the fair value determination for the contingent consideration liability associated with our acquisition of iTVX, which is a Level 3 liability. There were no changes to our valuation techniques during Fiscal 2014.

46

Table of Contents

Note 7. Property and Equipment

Property and equipment consisted of the following (dollars in thousands):

	March 31, 2014	2013
Furniture, fixtures and computer equipment	$10,873	$8,828
Leasehold improvements	3,044	3,175
Capitalized software[1]	27,759	20,841
	41,676	32,844
Less accumulated depreciation and amortization	(23,785)	(18,941)
	$17,891	$13,903

(1) Includes $4.4 million and $1.9 million of capitalized costs associated with software projects which are still in the application development stage as of March 31, 2014 and 2013, respectively, and, as such, are not being amortized.

Depreciation expense was $5.0 million, $4.0 million and $3.1 million in Fiscal 2014, 2013 and 2012, respectively. Amortization expense related to capitalized software, included in the depreciation amounts above, was $3.2 million, $2.6 million and $2.1 million in Fiscal 2014, 2013 and 2012, respectively. Accumulated amortization related to capitalized software was $14.7 million and $11.5 million at March 31, 2014 and 2013, respectively. Amortization expense related to capitalized software no longer in the application development stage over the next five fiscal years and thereafter as of March 31, 2014 is expected to be as follows (in thousands):

2015	$3,003
2016	2,422
2017	1,790
2018	1,167
2019	340
Thereafter	—
	$8,722

Note 8. Goodwill and Other Intangible Assets

Goodwill

The roll-forward of our goodwill was as follows (dollars in thousands):

	Year Ended March 31, 2014
Beginning balance	$4,998
Acquisition of iTVX	1,888
Currency translation	148
Ending balance	$7,034

	Year Ended March 31, 2013
Beginning balance	$5,101
Currency translation	(103)
Ending balance	$4,998

Table of Contents

Other Intangible Assets

Other intangible assets and the related accumulated amortization were as follows (dollars in thousands):

	Amortization Period	March 31, 2014	March 31, 2013
Local relationships	6 to 10 years	$7,941	$6,979
Accumulated amortization		(3,251)	(2,217)
		4,690	4,762
Tradenames	2 to 3 years	75	50
Accumulated amortization		(58)	(50)
		17	—
Existing technology	4 years	334	66
Accumulated amortization		(108)	(66)
		226	—
Patents	20 years	419	244
Accumulated amortization		(29)	(10)
		390	234
Order backlog	1 year	2	—
Accumulated amortization		(1)	—
		1	—
Global relationships	Indefinite	7,400	7,400
Total		$12,724	$12,396

Amortization expense and currency translation were as follows (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
Local relationships	$883	$801	$828
Tradenames	8	14	17
Existing technology	42	—	33
Patents	18	8	2
Order backlog	1	—	—
Currency translation	152	(59)	(25)
	$1,104	$764	$855

Expected amortization expense is as follows over the next five years and thereafter (dollars in thousands):

Fiscal	Local Relationships	Trade Names	Existing Technology	Patents	Order Backlog
2015	$993	$12	$67	$21	$1
2016	993	5	67	21	—
2017	992	—	67	21	—
2018	870	—	25	21	—
2019	369	—	—	21	—
Thereafter	473	—	—	285	—
	$4,690	$17	$226	$390	$1

Note 9. State of Oregon Loan

In the first quarter of Fiscal 2012, we received a loan from the State of Oregon for $0.5 million for the purpose of facility renovations. The loan bore interest at 5% per annum and contained provisions relating to forgiveness if we met certain requirements. On April

48

3, 2013, the loan was forgiven in full. The balance of this loan was recorded as an offset to leasehold improvements and will be amortized as an offset to depreciation expense over the life of the lease, which expires in 2023. See Note 14.

Note 10. Line of Credit

We currently have a revolving line of credit for $15.0 million that matures on December 31, 2014. Interest accrues on outstanding balances under the line of credit at a rate equal to LIBOR plus 2% per annum, and we incur fees on the unused portion at 0.2% per annum. The credit line is secured by substantially all of our assets and includes certain financial covenants. The agreement allows for letters of credit to be issued, provided that, at any time, the amount of outstanding letters of credit shall not exceed $1.0 million. The letters of credit are reserved under the line of credit and will reduce the amount available for borrowing. At March 31, 2014, issued and outstanding letters of credit of $0.3 million were reserved against the line of credit, we had no outstanding borrowings and we are in compliance with all covenants.

Note 11. Income Taxes

Income (loss) before income taxes from continuing operations consisted of the following (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
United States	$(9,641)	$(25,827)	$(8,989)
Non-United States	306	(322)	(1,172)
	$(9,335)	$(26,149)	$(10,161)

The provision (benefit) for income taxes from continuing operations was as follows (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
Current tax provision (benefit):			
Federal	$(200)	$—	$(563)
State	(291)	(10)	45
Foreign	376	208	171
	(115)	198	(347)
Deferred tax provision (benefit):			
Federal	(1,437)	(825)	(518)
State	(515)	(355)	(355)
Foreign	(116)	2	238
	(2,068)	(1,178)	(635)
	$(2,183)	$(980)	$(982)

Table of Contents

The reported provision (benefit) for income taxes from continuing operations differs from the amount computed by applying the statutory federal income tax rate of 34% to income (loss) before income taxes as follows (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
Tax benefit computed at statutory rates	$(3,174)	$(9,046)	$(3,460)
State taxes, net of federal benefit	(256)	(2,030)	(816)
Federal and state tax credits	(2,854)	(454)	(480)
Non-deductible expenses	1,192	133	130
Tax exempt income	(31)	(56)	(158)
Unrecognized tax benefits	(193)	83	(315)
Stock-based compensation	(44)	(2)	(26)
Meals and entertainment	79	71	66
Foreign tax rate differences	(66)	(77)	(45)
Change in valuation allowance	3,062	10,104	4,002
Adjustment to deferred income tax rate	63	58	39
Other	39	236	81
	$(2,183)	$(980)	$(982)

Deferred tax assets (liabilities) from continuing operations consisted of the following components (dollars in thousands):

	March 31,	
	2014	2013
Current deferred taxes:		
Accrued expense	$230	$282
Prepaid expenses	(91)	(76)
Other current	105	9
Total current deferred taxes	244	215
Valuation allowance - current	(200)	(251)
Net current deferred taxes	44	(36)
Non-current deferred taxes:		
Depreciation and amortization	(1,456)	(800)
Deferred rent	978	989
Accelerated research and experimentation expenditures	(5,400)	(4,042)
Stock-based compensation	8,105	6,442
Net operating and capital loss carryforwards	10,209	9,510
Federal and state tax credits	3,705	1,076
Other	98	142
Total non-current deferred taxes	16,239	13,317
Valuation allowance	(16,998)	(13,891)
Net non-current deferred taxes	(759)	(574)
Net deferred taxes	$(715)	$(610)

Total gross deferred tax assets were approximately $23.4 million and $18.5 million at March 31, 2014 and 2013, respectively, and total deferred tax liabilities were approximately $6.9 million and $4.9 million, respectively. The increase to our valuation allowance was $3.1 million, $10.1 million and $3.9 million in Fiscal 2014, 2013 and 2012, respectively.

As of March 31, 2014 and 2013, we had federal net operating loss ("NOL") carryforwards totaling approximately $36.5 million and $27.6 million, respectively, all of which have been offset by a valuation allowance. Upon utilization, a benefit of $23.0 million will be recorded in our Consolidated Statements of Operations and the remainder will be recorded in stockholders' equity. The federal NOL carryforwards expire in Fiscal 2031 through 2034.

As of March 31, 2014 and 2013, we had gross state, county and local NOL carryforwards of approximately $104.8 million and $97.5 million, respectively, all of which have been offset by a valuation allowance. To clarify, the state gross NOL carryforwards consist of $41.7 million for the State of Oregon, $28.2 million for Multnomah County, $28.2 million for the City of Portland, and $6.7 million for all other jurisdictions. If utilized, a benefit of $1.5 million would be recorded in our Consolidated Statements of Operations and the remainder would be recorded in stockholders' equity. The state NOL carryforwards expire in Fiscal 2015 through 2034.

Pursuant to Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, utilization of NOLs and credit carryforwards may be subject to an annual limitation due to future ownership change limitations provided by the Internal Revenue Code and similar state provisions. The tax benefits related to future utilization of federal and state NOLs and tax credit carryforwards may be limited or lost if cumulative changes in ownership exceed 50% within any three-year period. During Fiscal 2014, we acquired the stock of iTVX, an entity with net operating loss carryforwards. While the losses of iTVX will be subject to Section 382 and 383, it is anticipated that we will be able to utilize substantially all of iTVX's federal and state NOLs and tax credit carryforwards.

As of March 31, 2014 and 2013, we had foreign NOL carryforwards totaling approximately $2.4 million and $0.7 million, respectively. Of these amounts, we reserved approximately $2.3 million and $0.7 million in Fiscal 2014 and 2013, respectively. Upon utilization, the NOL benefit will be recorded in our Consolidated Statements of Operations. A portion of the foreign NOL carryforwards expire in Fiscal 2017 through 2023, while the remainder carries forward indefinitely.

As of March 31, 2014 and 2013, we had federal research credit carryforwards totaling approximately $2.0 million and $1.8 million, respectively, all of which have been offset by a valuation allowance. Upon utilization, $1.3 million of the March 31, 2014 federal research credit carryforward and $1.1 million of the March 31, 2013 federal research credit carryforward will be recorded in our Consolidated Statements of Operations. The federal research credit carryforwards expire in Fiscal 2029 through 2034.

As of March 31, 2014 and 2013, we had state research credit carryforwards of approximately $0.4 million and $0.6 million, respectively, all of which have been offset by a valuation allowance. Upon utilization, $0.2 million of the March 31, 2014 state research credit carryforward and $0.5 million of the March 31, 2013 state research credit carryforward will be recorded in our Consolidated Statements of Operations. The state research credit carryforwards expire in Fiscal 2015 through 2019. Additionally, as of March 31, 2014, we had $3.7 million in other state credit carryforwards, all of which have been offset by a valuation allowance and all of which will be recorded in our Consolidated Statement of Operations upon utilization. These state credit carryforwards expire in Fiscal 2017 through 2019.

In assessing the ability to realize deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and/or whether loss carryback opportunities exist. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. As of March 31, 2014, based on these assessments, considerations and the lack of expected taxable income in the near term in the United States, France, Australia, China and Argentina, we are providing a valuation allowance against our deferred tax assets in those jurisdictions. We anticipate that all other deferred tax assets will be realized based on future estimated taxable income.

As of March 31, 2014, no provision has been made for the United States, state or additional foreign income taxes related to undistributed losses of foreign subsidiaries which have been, or are intended to be, permanently reinvested

outside of the United States. We do not have foreseeable plans to consider the subsidiaries as held for sale; therefore no deferred assets are being recorded.

Following is a roll-forward of our unrecognized tax benefits (in thousands):

Balance at March 31, 2011	$1,275
Additions for tax positions taken in Fiscal 2012	279
Decreases for lapses in statutes of limitation	(551)
Balance at March 31, 2012	1,003
Additions for tax positions taken in Fiscal 2013	145
Additions for tax positions taken in prior fiscal years	7
Decreases for lapses in statutes of limitation	(75)
Balance at March 31, 2013	1,080
Additions for tax positions taken in Fiscal 2014	131
Decrease for tax positions taken in prior fiscal years (payment of tax)	(12)
Decreases for lapses in statutes of limitation	(229)
Decreases for settlements with taxing authorities	(164)
Balance at March 31, 2014	$806

All of our unrecognized tax benefits would have an impact on the effective tax rate if recognized. Interest and penalties accrued on unrecognized tax benefits were approximately $60,000 and $124,000 at March 31, 2014 and 2013, respectively. Net interest and penalties recognized as a component of the tax provision in Fiscal 2014, 2013 and 2012 totaled approximately $(64,000), $33,000 and $14,000, respectively.

We file United States federal income tax returns, foreign income tax returns in various jurisdictions and multiple state and local tax returns, of which Oregon is our largest jurisdiction. The open tax years subject to examination are March 31, 2012 to March 31, 2014 for the United States federal returns. However, to the extent allowed by law, the taxing authorities may have the right to examine prior periods where NOLs or tax credits were generated and carried forward, and make adjustments up to the amount of the NOL or credit carryforward. The open tax years in all other jurisdictions range from March 31, 2005 to March 31, 2014. A potential reduction to the unrecognized tax benefits of approximately zero to $95,000, before interest, may occur in the next twelve months as a result of expiring statute of limitations periods.

Note 12. Organizational Changes

During the fourth quarter of Fiscal 2012, we reorganized our foreign operations. As a result of these changes, we recognized severance related costs of approximately $0.9 million, legal costs of $0.1 million and travel expenses of $0.1 million as a component of selling, general and administrative expense in our Consolidated Statements of Operations during the fourth quarter of Fiscal 2012. As of March 31, 2012, $1.1 million was accrued as part of accrued compensation in our Consolidated Balance Sheets. In Fiscal 2013, we paid $1.0 million and the remaining $92,000 is expected to be paid in Fiscal 2015. We do not expect any additional significant charges related to these actions.

Note 13. Stockholders’ Equity

Stock Repurchase Program

In January 2006, our Board of Directors authorized the repurchase of up to 1.0 million shares of our common stock. As of March 31, 2014, 276,633 shares remained available for repurchase under this plan at a per share price not to exceed $12.75. This plan does not have an expiration date. In addition, in May 2011, our Board of Directors authorized a one-year share repurchase program for up to $5.0 million of our outstanding common stock. This program expired in May 2012. Common stock repurchases may be made from time to time in the open market at prevailing market prices or through privately negotiated transactions. The amount and timing of all repurchase transactions are contingent upon market conditions, regulatory requirements and alternative investment opportunities.

Table of Contents

We repurchased the following shares in Fiscal 2012 pursuant to the May 2011 repurchase program. No shares have been purchased pursuant to the January 2006 authorization in the last three fiscal years (dollars in thousands):

	Number Repurchased	Average Price Per Share	Total Price
Fiscal 2014	—	—	—
Fiscal 2013	—	—	—
Fiscal 2012	304,922	$14.24	$4,341
	304,922	$14.24	$4,341

Stock-Based Compensation

Certain information regarding our stock-based compensation was as follows (in thousands, except per share amounts):

	Year Ended March 31,		
	2014	2013	2012
Weighted average grant-date per share fair value of stock options granted	$8.60	$9.27	$7.85
Weighted average grant-date per share fair value of RSUs and DSUs	36.72	17.64	14.20
Total intrinsic value of stock options exercised	6,227	662	1,861
Stock-based compensation recognized in results of continuing operations as a component of operating expenses[2]	8,058	21,408	4,952
Stock-based compensation recognized in results of operations as a component of income from discontinued operations, net of income taxes	397	384	166
Stock-based compensation capitalized as a component of property and equipment	1,614	512	362
Cash received from options exercised and shares purchased under all share-based arrangements[1]	2,965	259	262
Tax deduction related to stock options exercised	—	(10)	102

(1) During Fiscal 2014, 2013 and 2012, we withheld $1.1 million, $0.1 million and $1.0 million, respectively, in shares to satisfy employment taxes on stock option exercises as well as the payment of the exercise price of stock options.

(2) For the year ended March 31, 2014, we recognized $2.7 million in stock-based compensation related to the contingent consideration associated with the acquisition of iTVX (see Note 4). For the years ended March 31, 2013 and 2012, we recognized $15.9 million, and $0.5 million, respectively, in expense related to our stock-based compensation agreement with DISH (see Note 18).

We use the Black-Scholes model to measure the grant-date fair value of employee stock options and shares associated with our Employee Stock Purchase Plan. We also use the Black-Scholes model to determine the fair value of our non-employee option grants on a periodic basis. Those calculations used the following assumptions for the years ended March 31:

	Employee Stock Options					
Year Ended March 31,	2014		2013		2012	
	Low	High	Low	High	Low	High
Risk-free interest rate	1.12%	1.12%	0.49%	1.77%	1.39%	5.19%
Expected dividend yield	—%	—%	—%	—%	—%	—%
Expected lives (in years)	4.0	4.0	3.8	7.8	3.6	7.4
Expected volatility	46.44%	46.44%	40.41%	49.36%	35.23%	44.19%

	Employee Stock Purchase Plan					
Year Ended March 31,	2014		2013		2012	
	Low	High	Low	High	Low	High
Risk-free interest rate	0.09%	0.09%	0.12%	0.15%	0.06%	0.06%
Expected dividend yield	—%	—%	—%	—%	—%	—%

Expected lives (in years)	0.5	0.5	0.5	0.5	0.5	0.5
Expected volatility	36.72%	46.58%	34.75%	46.42%	77.48%	77.48%

53

Table of Contents

	Non-Employee Options					
Year Ended March 31,	2014		2013		2012	
	Low	High	Low	High	Low	High
Risk-free interest rate	1.32%	2.56%	0.17%	1.77%	0.01%	3.17%
Expected dividend yield	—%	—%	—%	—%	—%	—%
Expected lives (in years)	7.2	8.2	0.6	9.1	0.01	10.0
Expected volatility	40.64%	49.48%	39.06%	47.52%	34.97%	94.23%

The risk-free rate used is based on the United States Treasury yield over the estimated term of the options granted. The expected term for each grant is estimated based on our historical experience with similar awards. The expected volatility for options granted is calculated based on our historical volatility for a period matching the term of the grant. We have not paid dividends in the past and we do not expect to pay dividends in the future and, therefore, the expected dividend yield is 0%.

We amortize stock-based compensation for stock options on a straight-line basis over the vesting period of the individual award, which is the requisite service period. For RSUs, we amortize stock-based compensation over the requisite service periods for each tranche, which is determined based on the median time horizon over which the tranche is estimated to vest. We have not reduced the stock-based compensation for estimated forfeitures as there is no basis for estimating future forfeitures as most unvested awards are held by members of senior management and the non-employee directors.

Shares to be issued under stock-based awards will come from authorized but unissued shares.

2011 Incentive Plan

As of March 31, 2014, awards covering 1,693,485 shares of our common stock remained available for grant under our 2011 Plan and 4,760,101 shares of our common stock were reserved for issuance pursuant to the 2011 Plan and the Prior Incentive Plan combined.

Fiscal 2014 Stock Option Activity

Stock option activity for Fiscal 2014 was as follows:

	Options Outstanding		Weighted Average Exercise Price
Outstanding at March 31, 2013	2,626,989		$20.49
Granted	11,625		23.12
Exercised	(203,159	)	18.55
Forfeited	(41,890	)	19.99
Outstanding at March 31, 2014	2,393,565		$20.68

.

Certain information regarding options outstanding as of March 31, 2014 was as follows:

	Options Outstanding	Options Exercisable
Number	2,393,565	1,154,738
Weighted average exercise price	$20.68	$20.85
Aggregate intrinsic value	$49.5 million	$24.1 million

Weighted average remaining contractual term (in years)	7.1	6.6

54

Table of Contents

Deferred Stock Units

DSU activity for Fiscal 2014 was as follows:

	DSUs Outstanding	Weighted Average Grant Date Fair Value
Outstanding at March 31, 2013	179,286	$15.40
Granted	29,609	23.41
Issued	—	—
Forfeited	—	—
Outstanding at March 31, 2014[(1)]	208,895	$16.54

(1) Of the 208,895 DSUs outstanding at March 31, 2014, 197,993 were vested but not issued. The DSUs are not issued until the director holding such DSUs retires from the Board.

Restricted Stock Units

RSU activity for Fiscal 2014 was as follows:

	RSUs Outstanding	Weighted Average Grant Date Fair Value per RSU
Outstanding at March 31, 2013	238,816	$4.09
Granted	145,188	39.43
Vested and issued	(158,628)	—
Forfeited	(2,100)	33.65
Outstanding at March 31, 2014	223,276	$26.78

The outstanding RSUs vest based either on meeting certain performance and market conditions or based on the satisfaction of service requirements. In Fiscal 2014, 158,628 RSUs vested upon achieving one of the conditions related to the trading price of our common stock. We recognized $30,000 of additional compensation expense included in research, technology and innovation costs in our Consolidated Statements of Operations and capitalized $19,000 included in property, plant and equipment, net, in accordance with our policies relating to Capitalized Software as described in Note 2 , as the awards vested prior to the completion of the initially estimated requisite service period. In conjunction with the issuance of shares in settlement of these RSUs, we withheld 64,590 shares in Fiscal 2014 to pay the associated withholding taxes on behalf of the employees.

In November 2011, Mr. Livek's and Mr. Chemerow's employment agreements were amended to extend the terms of the agreements and to modify the termination related provisions under certain circumstances. The fair value of the modifications to the RSU awards was estimated to be $0.6 million, based on a Monte Carlo simulation, and was recognized over the requisite service period.

In October 2012, the expiration date of a RSU award granted to an executive officer was extended by two years. The fair value of the modification to the RSU award was $0.4 million, based on a Monte Carlo simulation, and was recognized over the requisite service period.

Stock-Settled Stock Appreciation Rights

SSARs activity for Fiscal 2014 was as follows:

SSARs Outstanding

		Weighted Average Base Price	Weighted Average Grant Date per SSAR Fair Value
Outstanding at March 31, 2013	75,000	$14.50	$5.33
Granted	—	—	—
Issued	—	—	—
Forfeited	—	—	—
Outstanding at March 31, 2014	75,000	$14.50	$5.33

Stock-Based Compensation Agreement with Non-Employees

In the first quarter of Fiscal 2012, we granted options to purchase 40,000 shares of our common stock to non-employees in connection with internal software development services related to our Entertainment Essentials™ lines of business. The options were granted at the fair market value of our common stock on the dates of grant, which ranged from $17.43 to $22.20 per share, and expire 10 years from the date of grant. The options vest annually from the date of grant in four equal installments and are revalued at the end of each reporting period until they vest. The value recognized is capitalized and included in property, plant and equipment, net, in accordance with our policies relating to Capitalized Software as described in Note 2. We capitalized $1.1 million and $0.1 million in the years ended March 31, 2014 and 2013, respectively, related to these awards.

Unrecognized Stock-Based Compensation Expense

As of March 31, 2014, the unrecognized compensation expense related to unvested stock-based awards was $13.8 million, and will be recognized over the weighted average remaining vesting period of 3.4 years.

2011 Employee Stock Purchase Plan

Our 2011 Employee Stock Purchase Plan (the “ESPP”) provides a means by which eligible employees are provided an opportunity to purchase shares of our common stock at a discount using payroll deductions, and, for employees in the United States, is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code of 1986, as amended. The ESPP authorizes the issuance of up to 100,000 shares of our common stock, subject to adjustment as provided in the ESPP for stock splits, stock dividends, recapitalizations and other similar events. For the year ended March 31, 2014, we received $0.5 million for the purchase of 29,223 ESPP shares at a weighted average purchase price of $17.31 per share. As of March 31, 2014, 33,449 shares were available for issuance under the ESPP. We have received a total of $0.2 million in cash for the purchase of shares in the current purchase period ending in Fiscal 2015 and have recorded this amount as a component of accrued compensation in our Consolidated Balance Sheets.

Stockholders’ Rights Plan

In May 2005, our Board of Directors approved a replacement stockholders’ rights plan designed to ensure that all of our stockholders receive fair and equal treatment in the event of certain proposals to acquire control of Rentrak. Under the rights plan, each stockholder received a dividend of one right for each share of our outstanding common stock, entitling the holders to purchase common stock having a market value equal to twice the exercise price. The rights become exercisable after any person or group acquires 15% or more of our outstanding common stock, or announces a tender offer which would result in the offeror becoming the beneficial owner of 15% or more of our outstanding common stock. Prior to the time that a person or group acquires beneficial ownership of 15% or more of our outstanding common stock, the Board of Directors, at their discretion, may amend the rights plan, redeem the rights for $0.001 per right or waive application of the rights plan with respect to a merger or other acquisition of Rentrak. This rights plan expires May 18, 2015.

Note 14. Commitments

Leases

We lease certain facilities under operating leases expiring at various dates through 2023. In December 2010, we amended the lease for our headquarters located in Portland, Oregon. The term of the lease was extended through 2026 with an option to terminate in 2021. This amendment, which was effective January 2011, lowered occupancy expenses

over the next five years and includes a tenant improvement allowance of $0.8 million. As of March 31, 2014, we have received $0.6 million from the landlord related to the tenant improvements. Total square footage occupied after the amendment is 58,818 square feet. In addition, we received a $0.5 million forgivable loan from the State of Oregon in April 2011 for tenant improvements. This loan was forgiven in April 2013, see Note 9.

Also in December 2010, we negotiated tax credits with the City of Portland and the State of Oregon related to our leased facilities that are based on capital spending and are expected to lower our overall state and local property and income tax obligations for the next five years from that date.

In April 2012, we entered into a lease agreement for 6,480 square feet of office space in Los Angeles. The lease term extends through December 31, 2018.

Table of Contents

In November 2012, we entered into a lease agreement for 12,200 square feet of office space in New York City. The lease term extends through June 30, 2023 and includes a tenant improvement allowance of $0.6 million. As of March 31, 2014, this amount has been recorded as a receivable and is included in other current assets in our Consolidated Balance Sheets.

In September 2013, we entered into a lease agreement for 3,977 square feet of office space in downtown Portland. The lease term extends through 2019, and includes free rent provisions and a tenant improvement allowance of $0.2 million.

Minimum lease payments over the terms of the leases exceeding one year were as follows at March 31, 2014 (dollars in thousands):

Year Ending March 31,	
2015	$2,941
2016	2,532
2017	2,361
2018	2,112
2019	1,882
Thereafter	6,336
Total minimum lease payments	$18,164

The leases require us to pay for taxes, insurance and maintenance and contain escalation clauses. Rent expense under operating leases is recognized, net of the amortization of deferred rent, on a straight-line basis over the terms of the leases and was approximately $2.5 million in Fiscal 2014, $2.7 million in Fiscal 2013 and $2.0 million in Fiscal 2012.

Note 15. Contingencies

We may, from time to time, be a party to legal proceedings and claims that arise in the ordinary course of our business. In the opinion of management, the amount of any ultimate liability with respect to these actions is not expected to materially affect our financial condition or results of operations. We currently have no material outstanding litigation.

Note 16. 401(k) Plan

We have an employee benefit plan pursuant to Section 401(k) of the Internal Revenue Code (the “401(k) Plan”) for certain qualified employees. Our contributions made to the 401(k) Plan are based on percentages of employees’ salaries. The total amount of our contribution is at the discretion of our Board of Directors. Our contributions under the 401(k) Plan for calendar 2013, 2012 and 2011 were approximately $713,000, $585,000 and $464,000, respectively. Our plan year ends on December 31. For the period of January 1, 2014 to March 31, 2014, we paid $166,000 and accrued $38,000 for anticipated contributions related to the plan year ending December 31, 2014.

Note 17. Business Segments and Enterprise-Wide Disclosures

Previously, we had two operating divisions within our corporate structure and we reported certain financial information by individual segment under this structure. Those two operating divisions were our Advanced Media and Information (“AMI”) operating division, which included our media measurement services and our Home Entertainment operating division, which included our distribution services as well as services that measure, aggregate and report consumer rental activity on film product from traditional “brick and mortar,” online and kiosk retailers.

During the fourth quarter of Fiscal 2014, we initiated our plan to sell our PPT® business, which has been a longstanding legacy business of Rentrak and a significant component of the Home Entertainment operating division. The PPT® business represented 42.5% and 48.3% of our total revenue for our fiscal years ending 2013 and 2012, respectively. For Fiscal 2014, it would have represented 37.4% of our total revenue if we had decided to retain the

line. Our PPT® business has been in a state of decline due to the decline of physical DVD rentals from retail stores. This strategic decision to sell PPT® will enable us to focus more fully on the growth of our media measurement business and advanced consumer targeting business. Accordingly, we have restated our financial results and the PPT® business is reported as discontinued operations for all periods presented.

As a result of our plan to divest our PPT® business, we will operate in a single business segment encompassing our media measurement services which are primarily delivered through scalable, Software as a Service (“SaaS”) products within our Entertainment Essentials™ lines of business. These syndicated big data services, offered primarily on a recurring subscription basis, provide consumer viewership information integrated with consumer segmentation and purchase behavior databases. We provide film studios, television networks and stations, cable, satellite and telecommunications company (“telco”) operators,

57

Table of Contents

advertisers and advertising agencies unique insights into consumer viewing and purchasing patterns through our comprehensive and expansive information on local, national, Video on Demand (“VOD”) and “Over the Top” television performance and worldwide box office results.

Revenue by Product Line

Revenue by product line (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
TV Everywhere™	$31,316	$17,599	$9,226
Movies Everywhere™	26,493	23,949	21,046
OnDemand Everywhere®	12,841	11,498	9,979
Other services(1)	4,950	3,987	6,793
	$75,600	$57,033	$47,044

(1) Other services includes the company’s Studio Direct Revenue Share (DRS) and Home Entertainment Essentials information businesses.

Geographic Revenue and Long-Lived Assets

Most of our revenue is generated within the United States. We also generate revenue in Russia, the United Kingdom, Australia, New Zealand, Germany, Austria, the Netherlands, Ireland, France, Mexico, Argentina, Chile, Brazil, Spain, Japan, Taiwan and South Korea. Cumulative revenue from these foreign locations accounted for 10.7%, 12.7% and 16.5% of total revenue in Fiscal 2014, 2013 and 2012, respectively.

Geographic revenue was as follows (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
United States	$67,498	$49,783	$39,272
All other countries	8,102	7,250	7,772
	$75,600	$57,033	$47,044

Our long-lived assets are located within the United States, France, Argentina, the United Kingdom, Germany, Mexico, Spain, China and Australia as follows (dollars in thousands):

	March 31,	
	2014	2013
United States	$32,094	$25,535
All other countries	5,555	5,762
	$37,649	$31,297

No country other than the United States has long-lived assets that exceed 10% of the total.

No customer accounted for 10% or more of our total revenue in Fiscal 2014, 2013 or 2012, nor did any customer account for 10% or more of our accounts receivable balance at March 31, 2014 or 2013. We do not have any off balance sheet credit exposure related to our customers.

Note 18. Amendment to DISH Agreement

In the second quarter of Fiscal 2013, we amended and extended our agreement with DISH. Under the terms of the previous arrangement, we provided DISH with a stock-based compensation arrangement which entitled DISH to a

cash payment based on the increase in price of our common stock over a strike price of $15.48 per share (the "SAR"). The arrangement provided that DISH would receive three equal annual installments of 200,000 SARs. We revalued this award at the end of every reporting period. Additionally, the previous agreement contained a provision that provided for payment of a percentage of predefined net profits of the TV Essentials® line of business. However, no amounts were earned under the previous net profit sharing arrangement. In exchange for canceling the SAR and to compensate DISH for past services, in August 2012, we paid DISH $5.8 million and

58

issued DISH 700,000 shares of common stock valued at $13.2 million. As of March 31, 2012, we had accrued $3.2 million as a component of accrued compensation in our Consolidated Balance Sheets relating to the SAR. For the year ended March 31, 2013, the additional expense related to the amendment was $15.9 million and is reflected in selling, general and administrative expense in our Consolidated Statements of Operations.

The new amendment extends the agreement through at least February 2016, includes predefined net profit sharing provisions of portions of our TV Essentials® line of business, and specifies minimum payments relating to those provisions, which will be expensed as a component of cost of revenue in our Consolidated Statements of Operations as they are earned by DISH.

Note 19. Discontinued Operations

During the fourth quarter of Fiscal 2014, we initiated our plan to sell our PPT® business, which has been a longstanding legacy business of Rentrak and a significant component of the Home Entertainment operating division. The PPT® business represented 42.5%and 48.3%of our total revenue for our fiscal years ending 2013 and 2012, respectively. For Fiscal 2014, it would have represented 37.4% of our total revenue if we had decided to retain the line. Our PPT® business has been in a state of decline due to the decline of physical DVD rentals from retail stores. This strategic decision to sell PPT® will enable us to focus more fully on the growth of our media measurement business and advanced consumer targeting business. Accordingly, we have restated our financial results and the PPT® business is reported as discontinued operations for all periods presented.

Operating results from discontinued operations are included in the Consolidated Statements of Operations as follows (dollars in thousands):

	Year ended March 31,		
	2014	2013	2012
Revenue	$45,208	$42,144	$44,027
Income from operations	$4,655	$4,316	$4,730
Other expense	—	(1)	—
Income before income taxes	4,655	4,315	4,730
Income tax provision	1,872	1,824	1,977
Income from discontinued operations, net of income taxes	$2,783	$2,491	$2,753

As of March 31, 2014 and 2013, assets and liabilities relating to discontinued operations are as follows (dollars in thousands):

	March 31,	
	2014	2013
Accounts receivable, net of allowances of $218 and $561	$5,015	$9,048
Other current assets	167	107
Property, plant and equipment, net of accumulated depreciation of $1,086 and $984	261	359
Total assets held for sale	$5,443	$9,514
Accounts payable	$3,009	$4,844
Accrued liabilities	1	—
Accrued compensation	848	651
Total liabilities held for sale	$3,858	$5,495

Income before income taxes from discontinued operations consisted of the following (dollars in thousands):

Year Ended March 31,

	2014	2013	2012
United States	$4,615	$4,272	$4,686
Non-United States	40	43	44
	$4,655	$4,315	$4,730

59

Table of Contents

The provision (benefit) for income taxes from discontinued operations was as follows (dollars in thousands):

	Year Ended March 31,		
	2014	2013	2012
Current tax provision (benefit):			
Federal	$—	$—	$—
State	—	—	—
Foreign	(2)	10	(13)
	(2)	10	(13)
Deferred tax provision:			
Federal	1,414	1,270	1,394
State	459	543	596
Foreign	1	1	—
	1,874	1,814	1,990
	$1,872	$1,824	$1,977

Note 20. Subsequent Events

We have considered all events that have occurred subsequent to March 31, 2014 and through June 6, 2014 and determined that no additional disclosure is required.

Table of Contents

QUARTERLY FINANCIAL DATA

Unaudited quarterly financial data for each of the eight quarters in the two-year period ended March 31, 2014 were as follows (in thousands, except per share amounts):

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
2014				
Revenue	$16,682	$17,843	$19,517	$21,558
Gross margin	10,393	11,014	12,697	14,249
Loss from operations	(2,331)	(2,438)	(1,842)	(2,849)
Income from discontinued operations, net of income taxes	761	802	665	555
Net loss attributable to Rentrak Corporation	(1,191)	(633)	(343)	(2,087)
Loss per share from continuing operations attributable to Rentrak Corporation:				
Basic	(0.16)	(0.12)	(0.08)	(0.22)
Diluted	(0.16)	(0.12)	(0.08)	(0.22)
Income per share from discontinued operations attributable to Rentrak Corporation common stockholders:				
Basic	0.06	0.07	0.05	0.05
Diluted	0.06	0.07	0.05	0.05
Net loss per share attributable to Rentrak Corporation common stockholders:				
Basic	(0.10)	(0.05)	(0.03)	(0.17)
Diluted	(0.10)	(0.05)	(0.03)	(0.17)
2013				
Revenue	$13,447	$13,882	$14,283	$15,421
Gross Margin	9,151	8,415	8,781	9,339
Loss from operations	(1,666)	(19,489)	(2,758)	(2,614)
Income from discontinued operations, net of income taxes	593	621	573	704
Net loss attributable to Rentrak Corporation	(618)	(18,157)	(1,814)	(2,028)
Loss per share from continuing operations attributable to Rentrak Corporation:				
Basic	(0.10)	(1.61)	(0.20)	(0.23)
Diluted	(0.10)	(1.61)	(0.20)	(0.23)
Income per share from discontinued operations attributable to Rentrak Corporation common stockholders:				
Basic	0.05	0.05	0.05	0.06
Diluted	0.05	0.05	0.05	0.06
Net loss per share attributable to Rentrak Corporation common stockholders:				
Basic	(0.05)	(1.56)	(0.15)	(0.17)
Diluted	(0.05)	(1.56)	(0.15)	(0.17)

61

Table of Contents

Rentrak Corporation
Schedule II
Valuation and Qualifying Accounts

(In thousands)

	Balance at Beginning of Period	Additions to Reserve	Write-Offs Charged Against Reserves	Recoveries	Balance at End of Period
Allowance for doubtful accounts					
Fiscal 2012	$132	$100	$(25)	$(47)	$160
Fiscal 2013	160	210	—	(65)	305
Fiscal 2014	305	60	(94)	(109)	162
Valuation allowance on deferred tax assets					
Fiscal 2012	$162	$3,928	$—	$—	$4,090
Fiscal 2013	4,090	10,052	—	—	14,142
Fiscal 2014	14,142	3,056	—	—	17,198

62

Table of Contents

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on that evaluation our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a–15(f). Our internal control system was designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in the 1992 Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our evaluation under the framework in the 1992 Internal Control – Integrated Framework issued by COSO, our management concluded that our internal control over financial reporting was effective as of March 31, 2014. Our internal control over financial reporting as of March 31, 2014 has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Table of Contents

Report of Independent Registered Public Accounting Firm

Board of Directors and Shareholders
Rentrak Corporation

We have audited the internal control over financial reporting of Rentrak Corporation and subsidiaries (collectively, the "Company") as of March 31, 2014, based on criteria established in the 1992 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting (Management's Report). Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2014, based on criteria established in the 1992 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of the Company as of and for the year ended March 31, 2014, and our report dated June 6, 2014 expressed an unqualified opinion on those financial statements.

/s/ GRANT THORNTON LLP

Portland, Oregon
June 6, 2014

64

Table of Contents

ITEM 9B. OTHER INFORMATION

None.

PART III
ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to General Instruction G(3) to Form 10-K, the information called for by this item is incorporated by reference to our definitive Proxy Statement for our 2014 Annual Meeting of Shareholders (the "2014 Proxy Statement") to be filed with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. See "Election of Directors," "Committees and Meetings of the Board," "Code of Ethics," "Executive Officers," "Leadership Structure," "Risk Management," and "Security Ownership of Certain Beneficial Owners and Management - Section 16(a) Beneficial Ownership Reporting Compliance."

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to General Instruction G(3) to Form 10-K, the information called for by this item is incorporated by reference to our 2014 Proxy Statement. See "Executive Compensation," "Director Compensation for Fiscal 2014" and "Report of the Compensation Committee."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information, as of March 31, 2014, about shares of our common stock that may be issued under our equity compensation plans and arrangements.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights[3]	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column)[4]
Equity compensation plans [1]	2,774,736	$20.68	1,726,934
Equity compensation plans not approved by shareholders[2]	126,000	$26.91	—
Total	2,900,736	$20.68	1,726,934

(1) Equity compensation plans approved by shareholders include the 2011 Stock Incentive Plan, the 2011 Employee Stock Purchase Plan, the 2005 Stock Incentive Plan and the 1997 Equity Participation Plan, as amended.

(2) Equity compensation plans or arrangements approved by our board of directors, but not submitted for shareholder approval, include a Restricted Stock Unit Award Agreement with Mr. Livek and options issued in connection with the hiring of an executive.

(3) The weighted average exercise price does not take into account outstanding deferred stock units or restricted stock units. See Note 13 of Notes to Consolidated Financial Statements for additional information on stock-based awards outstanding.

(4) Total number of securities remaining available includes securities from the 2011 Stock Incentive Plan and the 2011 Employee Stock Purchase Plan.

Pursuant to General Instruction G(3) to Form 10-K, additional information called for by this item is incorporated by reference to our 2014 Proxy Statement. See “Security Ownership of Certain Beneficial Owners and Management – Stock Ownership Table.”

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Pursuant to General Instruction G(3) to Form 10-K, the information called for by this item is incorporated by reference to our 2014 Proxy Statement. See “Election of Directors” and “Committees and Meetings of the Board.”

65

Table of Contents

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Pursuant to General Instruction G(3) to Form 10-K, the information called for by this item is incorporated by reference to our 2014 Proxy Statement. See "Matters Relating to Our Auditors."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements and Schedules

The Consolidated Financial Statements, together with the report thereon of our independent registered public accounting firm, are included on the pages indicated below:

	Page
Report of Grant Thornton LLP, Independent Registered Public Accounting Firm	31
Consolidated Balance Sheets as of March 31, 2014 and 2013	32
Consolidated Statements of Operations for the years ended March 31, 2014, 2013 and 2012	33
Consolidated Statements of Comprehensive Loss for the years ended March 31, 2014, 2013 and 2012	34
Consolidated Statements of Stockholders' Equity for the years ended March 31, 2014, 2013 and 2012	35
Consolidated Statements of Cash Flows for the years ended March 31, 2014, 2013 and 2012	37
Notes to Consolidated Financial Statements	39
Quarterly Financial Data	61

The following schedule is filed herewith:

Schedule II	Valuation and Qualifying Accounts

Schedules not included have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Exhibits

The exhibits required to be filed pursuant to Item 601 of Regulation S-K are listed in the Exhibit Index, which immediately follows the signature page of this report.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: June 6, 2014

RENTRAK CORPORATION
By: /s/ David I. Chemerow
David I. Chemerow
Chief Operating Officer and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on June 6, 2014.

Principal Executive Officer and Director:

By: /s/ William P. Livek
William P. Livek
Director and Chief Executive Officer

Principal Financial and Accounting Officer:

By: /s/ David I. Chemerow
David I. Chemerow
Chief Operating Officer and Chief Financial Officer

Remaining Directors:

By: /s/ Brent D. Rosenthal
Brent D. Rosenthal, Non-Executive Chairman of the Board

By: /s/ William E. Engel
William E. Engel, Director

By: /s/ Richard Hochhauser
Richard Hochhauser, Director

By: /s/ Anne MacDonald
Anne MacDonald, Director

By: /s/ Martin B. O’Connor, II
Martin B. O’Connor, II, Director

By: /s/ Ralph R. Shaw
Ralph R. Shaw, Director

By: /s/ David Boylan
David Boylan, Director

67

Table of Contents

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File Number	Exhibit	Filing Date	Filed Herewith
2.1	Master Purchase Agreement, dated as of December 4, 2009, by and between Rentrak Corporation and The Nielsen Company (US), LLC (the exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K)	8-K	000-15159	2.1	2/4/2010	
2.2	Amendment No. 1 to the Master Purchase Agreement, dated as of January 29, 2010 (the exhibit has been omitted pursuant to Item 601(b)(2) of Regulation S-K)	8-K	000-15159	2.2	2/4/2010	
3.1	Restated Articles of Incorporation of Rentrak Corporation as filed on June 10, 2005	10-K	000-15159	3.1	6/13/2005	
3.2	1995 Restated Bylaws of Rentrak Corporation as amended through July 11, 2011	10-Q	000-15159	3.1	11/4/2011	
10.1	Credit Agreement, dated December 1, 2008, between Rentrak Corporation and Wells Fargo Bank, National Association (“Credit Agreement”)	10-Q	000-15159	10.1	2/5/2009	
10.2	First Amendment, dated December 1, 2009, to Credit Agreement	10-Q	000-15159	10.1	2/9/2010	
10.3	Restated Second Amendment, dated December 1, 2011, to Credit Agreement	10-K	000-15159	10.3	6/8/2012	
10.4	Third Amendment, dated May 31, 2012, to Credit Agreement	10-K	000-15159	10.4	6/8/2012	
10.5	Fourth Amendment, dated August 21, 2012, to Credit Agreement	10-Q	000-15159	10.1	11/7/2012	
10.6	Fifth Amendment, dated December 1, 2012, to Credit Agreement	10-Q	000-15159	10.1	2/7/2013	
10.7	Revolving Line of Credit Note under Credit Agreement, dated December 1, 2012	10-Q	000-15159	10.2	2/7/2013	
10.8	Rights Agreement dated as of May 18, 2005, between Rentrak Corporation and Computershare Trust Company N.A. as successor to United States Stock Transfer Corporation	8-K	000-15159	4.1	5/18/2005	
10.9*	Summary of Compensation Arrangements for Non-Employee Directors of Rentrak Corporation	10-K	000-15159	10.5	6/14/2010	
10.10*	1997 Equity Participation Plan of Rentrak Corporation, as amended (“1997 Equity Plan”)	10-K	000-15159	10.1	6/28/2002	
10.11*	Rentrak Corporation 2005 Stock Incentive Plan	DEF 14A	000-15159	Appendix A	7/19/2005	
10.12*	Rentrak Corporation Amended and Restated 2005 Stock Incentive Plan	10-Q	000-15159	10.3	11/4/2011	
10.13*	1997 Non-Officer Employee Stock Option Plan of Rentrak Corporation (“Non-Officer Plan”)	S-8	333-28565	4.1	6/5/1997	
10.14*	First Amendment to Non-Officer Plan	S-8	333-39021	4.1	10/29/1997	
10.15*	Second Amendment to Non-Officer Plan	10-K	000-15159	10.31	6/28/2002	
10.16*	Third Amendment to Non-Officer Plan	10-Q	000-15159	10.1	11/13/2002	

10.17*	Rentrak Corporation Stock Appreciation Rights Plan	8-K/A	000-15159	10.1	10/14/2008
10.18*	Rentrak Corporation 2011 Incentive Plan	DEF 14A	000-15159	Appendix A	7/15/2011
10.19*	Rentrak Corporation 2011 Employee Stock Purchase Plan	DEF 14A	000-15159	Appendix B	7/15/2011
10.20*	Rentrak Corporation Annual Cash Bonus Plan	10-K	000-15159	10.29	6/14/2010
10.21*	Amended and Restated Employment Agreement dated June 15, 2009 with Paul A. Rosenbaum	10-Q	000-15159	10.5	8/7/2009
10.22*	Agreement dated March 31, 2010 with Paul A. Rosenbaum	10-K	000-15159	10.31	6/14/2010
10.23*	Consulting Agreement dated March 31, 2010, with Paul A. Rosenbaum	10-K	000-15159	10.32	6/14/2010
10.24*	Employment Agreement dated June 15, 2009 with William P. Livek	10-Q	000-15159	10.1	8/7/2009
10.25*	Amendment to Employment Agreement with William P. Livek, effective as of November 6, 2011	8-K	000-15159	10.1	11/10/2011
10.26*	Amendment No. 2 to Employment Agreement with William P. Livek, effective as of October 1, 2013	10-Q	000-15159	10.1	2/7/2014

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File Number	Exhibit	Filing Date	Filed Herewith
10.27*	Amended and Restated Employment Agreement dated October 15, 2009 with David I. Chemerow	10-Q	000-15159	10.6	11/9/2009	
10.28*	Amendment to Employment Agreement with David I. Chemerow, effective as of November 6, 2011	8-K	000-15159	10.2	11/10/2011	
10.29*	Amendment No. 2 to Employment Agreement with David I. Chemerow, effective as of October 1, 2013	10-Q	000-15159	10.2	2/7/2014	
10.30*	Amended and Restated Employment Agreement dated March 30, 2010 with Amir Yazdani	10-K	000-15159	10.36	6/14/2010	
10.31*	Amended and Restated Employment Agreement dated March 30, 2010 with Cathy Hetzel	10-K	000-15159	10.37	6/14/2010	
10.32*	Amended and Restated Employment Agreement dated March 30, 2010 with Ronald Giambra	10-K	000-15159	10.38	6/14/2010	
10.33*	Amended and Restated Employment Agreement dated March 30, 2010 with Marty Graham	10-K	000-15159	10.39	6/14/2010	
10.34*	Amended and Restated Employment Agreement dated March 30, 2010 with Timothy S. Erwin	10-K	000-15159	10.40	6/14/2010	
10.35*	Amended and Restated Employment Agreement dated March 30, 2010 with Christopher E. Roberts	10-K	000-15159	10.41	6/14/2010	
10.36*†	Employment Agreement dated February 9, 2011 with Chris Wilson	10-Q	000-15159	10.1	8/9/2011	
10.37*	Consulting Agreement, dated as of September 13, 2013, between Rentrak Corporation and David Boylan	10-Q	000-15159	10.1	11/8/2013	
21	List of Subsidiaries of Registrant					X
23	Consent of Grant Thornton LLP, independent registered public accounting firm					X
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)					X
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)					X
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350					X
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Label Linkbase Document					X

* Management Contract or Compensatory Plan or Arrangement.

† Confidential treatment has been requested for certain portions of this agreement.