

Griffin Industrial Realty, Inc.
Consolidated Statements of Operations
(amounts in thousands, except per share data)
(unaudited)

	For the Three Months Ended		For the Six Months Ended	
	May 31, 2016	May 31, 2015	May 31, 2016	May 31, 2015
Rental revenue (1)	\$ 6,802	\$ 5,951	\$ 13,484	\$ 11,358
Revenue from property sales (2)	(278)	245	(278)	1,071
Total revenue	<u>6,524</u>	<u>6,196</u>	<u>13,206</u>	<u>12,429</u>
Operating expenses of rental properties (1)	1,992	1,872	4,158	4,285
Depreciation and amortization expense	2,169	1,886	4,314	3,704
Costs related to property sales	-	118	-	322
General and administrative expenses	2,093	1,847	3,660	3,858
Total expenses	<u>6,254</u>	<u>5,723</u>	<u>12,132</u>	<u>12,169</u>
Operating income	270	473	1,074	260
Interest expense (3)	(1,062)	(917)	(2,153)	(1,844)
Gain on sale of assets	122	-	122	-
Investment income	55	71	62	105
Loss before income tax benefit	(615)	(373)	(895)	(1,479)
Income tax benefit	236	139	181	537
Net loss	<u>\$ (379)</u>	<u>\$ (234)</u>	<u>\$ (714)</u>	<u>\$ (942)</u>
Basic net loss per common share	<u>\$ (0.07)</u>	<u>\$ (0.05)</u>	<u>\$ (0.14)</u>	<u>\$ (0.18)</u>
Diluted net loss per common share	<u>\$ (0.07)</u>	<u>\$ (0.05)</u>	<u>\$ (0.14)</u>	<u>\$ (0.18)</u>
Weighted average common shares outstanding for computation of basic and diluted per share results	<u>5,150</u>	<u>5,150</u>	<u>5,151</u>	<u>5,150</u>

(1) Profit from leasing activities:

	For the Three Months Ended		For the Six Months Ended	
	May 31, 2016	May 31, 2015	May 31, 2016	May 31, 2015
Rental revenue	\$ 6,802	\$ 5,951	\$ 13,484	\$ 11,358
Operating expenses of rental properties	1,992	1,872	4,158	4,285
Profit from leasing activities	<u>\$ 4,810</u>	<u>\$ 4,079</u>	<u>\$ 9,326</u>	<u>\$ 7,073</u>

(2) Revenue from property sales in the 2016 second quarter and 2016 six month period reflects only an adjustment of (\$278,000) related to the sale of approximately 90 acres of undeveloped land in Windsor, Connecticut (the "Windsor Land Sale") that closed in the fiscal year ended November 30, 2013 and is being accounted for under the percentage of completion method. The adjustment in the current year periods was the result of an increase of \$79,000 in the total estimated costs of the roadwork attributed to the Windsor Land Sale that Griffin is required to complete. As of May 31, 2016, Griffin has recognized cumulative revenue of \$7,978,000 and cumulative pretax gain of \$5,950,000 from the Windsor Land Sale. The total revenue and gain from the Windsor Land Sale to be recognized after all of the required roadwork is completed is expected to be \$8,968,000 and \$6,686,000, respectively. Griffin expects to complete the required roadwork related to the Windsor Land Sale in the second half of fiscal 2016. Property sales revenue and gain in the 2015 second quarter and 2015 six month period included only the recognition of previously deferred revenue and gain from the Windsor Land Sale.

(3) Interest expense is primarily for mortgages on Griffin's rental properties.