

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

	For the Three Months Ended		For the Nine Months Ended	
	Aug. 31, 2016	Aug. 31, 2015	Aug. 31, 2016	Aug. 31, 2015
Rental revenue (1) (2)	\$ 6,514	\$ 6,608	\$ 19,998	\$ 17,966
Revenue from property sales (3)	751	1,576	473	2,647
Total revenue	<u>7,265</u>	<u>8,184</u>	<u>20,471</u>	<u>20,613</u>
Operating expenses of rental properties (1)	1,982	2,125	6,140	6,410
Depreciation and amortization expense	2,226	1,923	6,540	5,627
Costs related to property sales	193	162	193	484
General and administrative expenses	1,775	1,333	5,435	5,191
Total expenses	<u>6,176</u>	<u>5,543</u>	<u>18,308</u>	<u>17,712</u>
Operating income	1,089	2,641	2,163	2,901
Interest expense (4)	(1,162)	(801)	(3,315)	(2,645)
Gain on sale of assets	-	-	122	-
Investment income	-	6	62	111
(Loss) income before income tax benefit (provision)	<u>(73)</u>	<u>1,846</u>	<u>(968)</u>	<u>367</u>
Income tax benefit (provision)	24	(643)	205	(106)
Net (loss) income	<u>\$ (49)</u>	<u>\$ 1,203</u>	<u>\$ (763)</u>	<u>\$ 261</u>
Basic net (loss) income per common share	<u>\$ (0.01)</u>	<u>\$ 0.23</u>	<u>\$ (0.15)</u>	<u>\$ 0.05</u>
Diluted net (loss) income per common share	<u>\$ (0.01)</u>	<u>\$ 0.23</u>	<u>\$ (0.15)</u>	<u>\$ 0.05</u>
Weighted average common shares outstanding for computation of basic per share results	<u>5,093</u>	<u>5,153</u>	<u>5,132</u>	<u>5,151</u>
Weighted average common shares outstanding for computation of diluted per share results	<u>5,093</u>	<u>5,176</u>	<u>5,132</u>	<u>5,172</u>

(1) Profit from leasing activities:

	For the Three Months Ended		For the Nine Months Ended	
	Aug. 31, 2016	Aug. 31, 2015	Aug. 31, 2016	Aug. 31, 2015
Rental revenue	\$ 6,514	\$ 6,608	\$ 19,998	\$ 17,966
Operating expenses of rental properties	1,982	2,125	6,140	6,410
Profit from leasing activities	<u>\$ 4,532</u>	<u>\$ 4,483</u>	<u>\$ 13,858</u>	<u>\$ 11,556</u>

(2) Rental revenue in the 2015 third quarter and 2015 nine month period includes \$250,000 from an early lease termination fee received in August 2015.

(3) Revenue from property sales in the 2016 third quarter and 2016 nine month period reflects only the recognition of previously deferred revenue from 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. As of August 31, 2016, Griffin has recognized cumulative revenue of \$8,729 and cumulative pretax gain of \$6,508 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 and \$6,686, respectively. Griffin expects to complete the required roadwork related to the Windsor Land Sale in the fiscal 2016 fourth quarter.

Property sales revenue in the 2015 third quarter and 2015 nine month period included recognition of previously deferred revenue from the Windsor Land Sale of \$1,176 and \$2,247, respectively. Property sales revenue in the 2015 third quarter and 2015 nine month period also included \$400 from retention of a deposit on a land sale that did not close.

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