

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, 2017	Aug. 31, 2016	Aug. 31, 2017	Aug. 31, 2016
Rental revenue (1)	\$ 7,759	\$ 6,514	\$ 22,070	\$ 19,998
Revenue from property sales (2)	2,195	751	12,950	473
Total revenue	<u>9,954</u>	<u>7,265</u>	<u>35,020</u>	<u>20,471</u>
Operating expenses of rental properties (1)	2,133	1,982	6,822	6,140
Depreciation and amortization expense	2,637	2,226	7,373	6,540
Costs related to property sales	255	193	2,915	193
General and administrative expenses	1,735	1,775	6,131	5,435
Total expenses	<u>6,760</u>	<u>6,176</u>	<u>23,241</u>	<u>18,308</u>
Operating income	3,194	1,089	11,779	2,163
Interest expense (3)	(1,443)	(1,162)	(4,200)	(3,315)
Gain on sale of common stock of Centaur Media plc	275	-	275	-
Gain on sale of assets	-	-	-	122
Investment income	7	-	69	62
Income (loss) before income tax (provision) benefit	2,033	(73)	7,923	(968)
Income tax (provision) benefit	(704)	24	(2,806)	205
Net income (loss)	<u>\$ 1,329</u>	<u>\$ (49)</u>	<u>\$ 5,117</u>	<u>\$ (763)</u>
Basic net income (loss) per common share	<u>\$ 0.27</u>	<u>\$ (0.01)</u>	<u>\$ 1.02</u>	<u>\$ (0.15)</u>
Diluted net income (loss) per common share	<u>\$ 0.26</u>	<u>\$ (0.01)</u>	<u>\$ 1.02</u>	<u>\$ (0.15)</u>
Weighted average common shares outstanding for computation of basic per share results	<u>5,001</u>	<u>5,093</u>	<u>5,013</u>	<u>5,132</u>
Weighted average common shares outstanding for computation of diluted per share results	<u>5,028</u>	<u>5,093</u>	<u>5,037</u>	<u>5,132</u>

(1) Profit from leasing activities:

	For the Three Months Ended		For the Nine Months Ended	
	Aug. 31, 2017	Aug. 31, 2016	Aug. 31, 2017	Aug. 31, 2016
Rental revenue	\$ 7,759	\$ 6,514	\$ 22,070	\$ 19,998
Operating expenses of rental properties	2,133	1,982	6,822	6,140
Profit from leasing activities	<u>\$ 5,626</u>	<u>\$ 4,532</u>	<u>\$ 15,248</u>	<u>\$ 13,858</u>

(2) Revenue from property sales in the three months and nine months ended August 31, 2017 includes \$2,100 from the sale of 76 acres of undeveloped land in Southwick, Massachusetts (the "Southwick Land Sale"). Revenue from property sales in the nine months ended August 31, 2017 includes \$10,250 from the sale of approximately 67 acres of undeveloped land in Phoenix Crossing, \$400 from the sale of approximately 6 acres of undeveloped land in Phoenix Crossing and the Southwick Land Sale.

Revenue from property sales in the three months and nine months ended August 31, 2016 includes only the recognition of revenue from the sale of approximately 90 acres of undeveloped land in Phoenix Crossing (the "2013 Phoenix Crossing Land Sale") that closed in fiscal 2013 and has been accounted for under the percentage of completion method. As of August 31, 2017, Griffin has completed the offsite improvements required under the terms of the 2013 Phoenix Crossing Land Sale and all of the revenue and gain from the 2103 Phoenix Crossing Land Sale has been recognized.

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