

**MONMOUTH REAL ESTATE REPORTS RESULTS FOR
THE FISCAL YEAR ENDED AND THE FOURTH QUARTER ENDED SEPTEMBER 30, 2017**

FREEHOLD, NJ, November 29, 2017..... Monmouth Real Estate Investment Corporation (NYSE:MNR) reported Net Income Attributable to Common Shareholders of \$22,942,000 or \$0.32 per diluted share for the fiscal year ended September 30, 2017 as compared to \$20,532,000 or \$0.31 per diluted share for the fiscal year ended September 30, 2016, representing an increase of 3.2%. Funds From Operations (FFO) were \$54,443,000 or \$0.75 per diluted share for the fiscal year ended September 30, 2017 as compared to \$46,598,000 or \$0.71 per diluted share for the fiscal year ended September 30, 2016, representing an increase in FFO per share of 5.6%. Core Funds from Operations (Core FFO) were \$57,088,000 or \$0.79 per diluted share for the fiscal year ended September 30, 2017 as compared to \$50,271,000 or \$0.77 per diluted share for the fiscal year ended September 30, 2016, representing an increase in Core FFO per share of 2.6%. Adjusted Funds from Operations (AFFO), for the fiscal year ended September 30, 2017 were \$54,880,000 or \$0.76 per diluted share versus \$45,865,000 or \$0.70 per diluted share for the fiscal year ended September 30, 2016, representing an increase in AFFO per share of 8.6%.

Net Income Attributable to Common Shareholders for the three months ended September 30, 2017 was \$6,726,000 or \$0.09 per diluted share as compared to \$4,685,000 or \$0.07 per diluted share for the three months ended September 30, 2016, representing an increase in Net Income Attributable to Common Shareholders per share of 28.6%. FFO was \$15,395,000 or \$0.21 per diluted share for the three months ended September 30, 2017 as compared to \$11,866,000 or \$0.17 per diluted share for the three months ended September 30, 2016, representing an increase in FFO per share of 23.5%. Core FFO for the three months ended September 30, 2017 was \$15,395,000 or \$0.21 per diluted share as compared to \$14,993,000 or \$0.22 per diluted share for the three months ended September 30, 2016, representing a decrease in Core FFO per share of 4.5%. AFFO for the three months ended September 30, 2017 was \$15,470,000 or \$0.21 per diluted share versus \$11,964,000 or \$0.18 per diluted share for the three months ended September 30, 2016, representing an increase in AFFO per share of 16.7%.

A summary of significant financial information for the three and twelve months ended September 30, 2017 and 2016 is as follows:

| | Three Months Ended September 30, | |
|---|--|---------------|
| | 2017 | 2016 |
| Rental Revenue | \$ 26,368,000 | \$ 22,127,000 |
| Reimbursement Revenue | \$ 4,079,000 | \$ 3,449,000 |
| Net Operating Income (NOI) (1) | \$ 26,047,000 | \$ 21,845,000 |
| Total Expenses | \$ 15,584,000 | \$ 13,943,000 |
| Dividend and Interest Income | \$ 2,300,000 | \$ 1,566,000 |
| Gain on Sale of Securities Transactions, net | \$ 18,000 | \$ 3,239,000 |
| Net Income | \$ 10,262,000 | \$ 10,193,000 |
| Net Income Attributable to Common Shareholders | \$ 6,726,000 | \$ 4,685,000 |
| Net Income Attributable to Common Shareholders Per Diluted Common Share | \$ 0.09 | \$ 0.07 |
| FFO (1) | \$ 15,395,000 | \$ 11,866,000 |
| FFO per Diluted Common Share (1) | \$ 0.21 | \$ 0.17 |
| Core FFO (1) | \$ 15,395,000 | \$ 14,993,000 |
| Core FFO per Diluted Common Share (1) | \$ 0.21 | \$ 0.22 |
| AFFO (1) | \$ 15,470,000 | \$ 11,964,000 |
| AFFO per Diluted Common Share (1) | \$ 0.21 | \$ 0.18 |
| Dividends Declared per Common Share | \$ 0.16 | \$ 0.16 |
| Weighted Avg. Diluted Common Shares Outstanding | 74,800,000 | 68,159,000 |
| | Twelve Months Ended September 30, | |
| | 2017 | 2016 |
| Rental Revenue | \$ 97,660,000 | \$ 81,592,000 |
| Reimbursement Revenue | \$ 15,886,000 | \$ 13,324,000 |
| Net Operating Income (NOI) (1) | \$ 96,231,000 | \$ 80,187,000 |
| Total Expenses | \$ 56,763,000 | \$ 49,484,000 |
| Dividend and Interest Income | \$ 6,931,000 | \$ 5,616,000 |
| Gain on Sale of Securities Transactions, net | \$ 2,312,000 | \$ 4,399,000 |
| Net Income | \$ 40,271,000 | \$ 32,495,000 |
| Net Income Attributable to Common Shareholders | \$ 22,942,000 | \$ 20,532,000 |
| Net Income Attributable to Common Shareholders Per Diluted Common Share | \$ 0.32 | \$ 0.31 |
| FFO (1) | \$ 54,443,000 | \$ 46,598,000 |
| FFO per Diluted Common Share (1) | \$ 0.75 | \$ 0.71 |
| Core FFO (1) | \$ 57,088,000 | \$ 50,271,000 |
| Core FFO per Diluted Common Share (1) | \$ 0.79 | \$ 0.77 |
| AFFO (1) | \$ 54,880,000 | \$ 45,865,000 |
| AFFO per Diluted Common Share (1) | \$ 0.76 | \$ 0.70 |
| Dividends Declared per Common Share | \$ 0.64 | \$ 0.64 |
| Weighted Avg. Diluted Common Shares Outstanding | 72,250,000 | 65,558,000 |

A summary of significant balance sheet information as of September 30, 2017 and 2016 is as follows:

| | <u>September 30, 2017</u> | <u>September 30, 2016</u> |
|---|---------------------------|---------------------------|
| Net Real Estate Investments | \$ 1,266,391,000 | \$ 1,013,103,000 |
| Securities Available for Sale at Fair Value | \$ 123,765,000 | \$ 73,605,000 |
| Total Assets | \$ 1,443,038,000 | \$ 1,223,486,000 |
| Fixed Rate Mortgage Notes Payable, net of Unamortized Debt Issuance Costs | \$ 591,364,000 | \$ 477,476,000 |
| Loans Payable | \$ 120,091,000 | \$ 80,791,000 |
| Total Shareholders' Equity | \$ 712,866,000 | \$ 597,858,000 |

Michael P. Landy, President and CEO, commented on the results for the fiscal year 2017,

"Fiscal 2017 was a very productive year for Monmouth. Our Company executed exceptionally well and our achievements were many. During the year, the Company accomplished the following:

Solid Financial Results

- Generated AFFO per share growth of 9%
- Increased our Gross Revenue by 20% to \$120.5 million
- Increased our Net Operating Income by 20% to \$96.2 million
- Generated 3% per share growth in Net Income Attributable to Common Shareholders
- Increased our common stock dividend by 6.25% on October 2, 2017, representing our second dividend increase in three years

Strong Growth Record and Solid Pipeline

- Acquired 2.8 million square feet of high-quality industrial space for \$286.5 million comprising 10 brand new, Class A built-to-suit properties, all leased long term, of which 77% is leased to investment grade tenants
- Completed two expansion projects for approximately \$5.6 million, adding additional rental space of 51,000 square feet
- Generated 17% year-over-year growth in gross leasable area from acquisitions and expansions
- Entered into commitments to purchase four new build-to-suit properties containing approximately 1,653,000 total square feet, for a purchase price of approximately \$139.3 million scheduled to close over the next several quarters, including one property we acquired subsequent to fiscal yearend

Strong Portfolio Performance

- Renewed 11 of the 13 leases totaling 1.4 million square feet that were scheduled to expire in fiscal 2017, resulting in a 92% tenant retention rate
- Maintained a sector leading occupancy rate of 99.3% at fiscal yearend, representing our second consecutive year with above 99% occupancy
- Extended our weighted average lease maturity from 7.4 years to 7.9 years

Compelling Returns and Strengthened Capitalization

- Achieved a 19% total shareholder return for fiscal 2017, versus less than a 1% total return for the MSCI US REIT Index during the same period
- Increased our total market capitalization by 22% to \$2.2 billion at fiscal yearend
- Raised \$73.5 million in gross proceeds through our Series C Perpetual Preferred Stock follow-on offering at 6.125%
- Raised \$36.4 million in gross proceeds from the issuance of shares of our 6.125% Series C Perpetual Preferred Stock through our Preferred Stock ATM Program
- Raised approximately \$91.9 million in equity through our Dividend Reinvestment and Stock Purchase Plan
- Redeemed our high coupon 7.625% Series A Preferred Stock and our high coupon 7.875% Series B Preferred Stock
- Extended our weighted average debt maturity from 9.6 years to 10.2 years at fiscal yearend
- Reduced our weighted average interest rate on our fixed rate debt from 4.5% to 4.2%, and
- Generated \$2.3 million in net realized gains in addition to the \$6.6 million in unrealized gains we held at fiscal yearend on our REIT securities investments."

Mr. Landy stated, "On behalf of the talented team at Monmouth, I am happy to report these exceptional results. The above metrics reflect a strong Company that has clearly enhanced its position over the year. Our business model of investing in well-located, modern industrial buildings, leased primarily to investment-grade tenants has provided our shareholders with reliable returns throughout the business cycle. The high quality of our portfolio is evidenced by our 99.3% occupancy rate as well as the 92% tenant retention rate achieved this fiscal year."

"During fiscal 2017, we grew our gross leasable area (GLA) by 17%. We acquired \$286.5 million of brand new, Class A built-to-suit properties of which 77% is leased to investment-grade tenants, and we completed two property expansions. Approximately 85% of our rental revenue is generated by investment-grade tenants with the remaining 15% secured by unrated but very strong credits as well. Our securities portfolio delivered strong results this year, generating \$2.3 million in net realized gains in addition to the \$6.6 million in unrealized gains we held at fiscal yearend."

"A continuing theme here has been to capitalize on this protracted period of historically low interest rates by extending our debt maturities out as far as possible, and by reducing our cost of capital throughout our capital structure. During the fiscal year, we finished successfully replacing all \$111 million of our high-dividend Series A and Series B Preferred Stock, which had a weighted average coupon of 7.75% with our new 6.125% Series C Perpetual Preferred Stock. This will result in approximately \$1.8 million in annual preferred dividend savings going forward. During the fourth quarter, we put in place our Preferred Stock ATM Program which raised \$36.4 million in gross proceeds through the fiscal yearend. Monmouth's fixed rate debt has a weighted average maturity of 11.6 years representing one of the longest debt maturity schedules in the entire REIT sector."

"Subsequent to fiscal yearend, on October 2, 2017, we announced a 6.25% increase in our common stock dividend. This represents our second dividend increase in three years. Additionally, as a result of maintaining our cash dividend throughout the global financial crisis, and generating consistently strong annual per share cash flow growth, we have outperformed the MSCI REIT Index and the S&P 500 by substantial margins over the short, mid, and long term."

"Subsequent to fiscal yearend, we also acquired a brand new built-to-suit property containing 122,000 square feet for \$21.9 million and completed a parking lot expansion at one of our properties. This brings our current portfolio to a total of 109 properties containing 18.9 million square feet, geographically diversified across 30 states. With a weighted average building age of 9.1 years, Monmouth has one of the youngest and most state-of-the-art portfolios in the industrial REIT sector. Our acquisition pipeline now comprises three new properties containing 1.53 million total square feet, representing approximately \$117.4 million in cost scheduled to close over the next several quarters. Our property portfolio has been built one high-quality acquisition at a time, and that discipline will remain a hallmark of our business philosophy going forward."

"The continued migration toward ecommerce will once again be a leading demand driver for industrial space in 2018. This holiday season is expected to deliver record-breaking results for on-line sales and we are working very closely with some of our tenants in order to continue to capture the growth in consumer spending that is heading our way. Fiscal 2018 is poised to be another successful year at Monmouth and I look forward to reporting on our progress throughout the year."

Monmouth Real Estate Investment Corporation will host its Fourth Quarter and FY 2017 Financial Results Webcast and Conference Call on Thursday, November 30, 2017 at 10:00 a.m. Eastern Time. Senior management will discuss the results, current market conditions and future outlook.

The Company's Fourth Quarter and FY 2017 financial results being released herein will be available on the Company's website at www.mreic.reit in the Investor Relations section, under Filings and Reports.

To participate in the **Webcast**, select the **4Q2017 Webcast and Earnings Call** "Link to Webcast" on the homepage of the Company's website at www.mreic.reit, in the Highlights section, which is located towards the bottom of the homepage. Interested parties can also participate via **conference call** by calling toll free 877-510-5852 (domestically) or 412-902-4138 (internationally).

The replay of the conference call will be available at 12:00 p.m. Eastern Time on Thursday, November 30, 2017. It will be available until February 1, 2018, and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 1011763. A transcript of the call and the webcast replay will be available at the Company's website on the Investor Relations homepage, www.mreic.reit.

Monmouth Real Estate Investment Corporation, founded in 1968, is one of the oldest public equity REITs in the U.S. The Company specializes in single tenant, net-leased industrial properties, subject to long-term leases, primarily to investment-grade tenants. Monmouth Real Estate is a fully integrated and self-managed real estate company, whose property portfolio consists of 109 properties containing a total of approximately 18.9 million rentable square feet, geographically diversified across 30 states. In addition, the Company owns a portfolio of REIT securities.

Certain statements included in this press release which are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any such forward-looking statements are based on the Company's current expectations and involve various risks and uncertainties. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can provide no assurance those expectations will be achieved. The risks and uncertainties that could cause actual results or events to differ materially from expectations are contained in the Company's annual report on Form 10-K and described from time to time in the Company's other filings with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

Notes:

- (1) Non-U.S. GAAP Information: FFO, as defined by The National Association of Real Estate Investment Trusts (NAREIT), represents net income applicable to common shareholders, as defined by U.S. GAAP, excluding extraordinary items as defined by U.S. GAAP, gains or losses from sales of previously depreciated real estate assets, impairment charges related to depreciable real estate assets, plus certain non-cash items such as real estate asset depreciation and amortization. We define Core FFO as FFO, excluding acquisition costs and costs associated with the Redemption of Preferred Stock. We define AFFO as Core FFO excluding lease termination income, gains or losses on securities transactions, stock based compensation expense, depreciation of corporate office tenant improvements, amortization of deferred financing costs, non-recurring other expense, the effect of non-cash U.S. GAAP straight-line rent adjustments and less recurring capital expenditures. We define recurring capital expenditures as all capital expenditures, excluding capital expenditures related to expansions at our current locations or capital expenditures that are incurred in conjunction with obtaining a new lease or a lease renewal. We define NOI from property operations as net income attributable to common shareholders, as defined by U.S. GAAP, plus preferred dividends, general & administrative expenses, acquisitions costs, depreciation, amortization of capitalized lease costs & intangible assets and interest expense, including amortization of financing costs, less dividend and interest income and gain on sale of securities transactions. The components of NOI consists of recurring rental and reimbursement revenue, less real estate taxes and operating expenses, such as insurance, utilities, and repairs and maintenance and other expenses. Adjusted EBITDA is calculated as net income attributable to common shareholders, as defined by U.S. GAAP, plus preferred dividends; depreciation and amortization; interest expense, including amortization of financing costs; acquisition costs; net amortization of acquired above and below market lease revenue and loss on sale of real estate investment, less gain on sale of securities transactions. FFO, Core FFO and AFFO per diluted common share are defined as FFO, Core FFO and AFFO divided by weighted average diluted common shares outstanding. FFO, Core FFO and AFFO per diluted common share, as well as NOI and Adjusted EBITDA, should be considered as supplemental measures of operating performance used by real estate investment trusts (REITs). FFO, Core FFO and AFFO per diluted common share exclude historical cost depreciation as an expense and may facilitate the comparison of REITs which have different cost basis. However, other REITs may use different methodologies to calculate FFO, Core FFO and AFFO per diluted share and, accordingly, our FFO, Core FFO and AFFO per diluted share may not be comparable to all other REITs. The items excluded from FFO, Core FFO and AFFO per diluted common share are significant components in understanding the Company's financial performance.

FFO, Core FFO and AFFO per diluted common share (A) do not represent cash flow from operations as defined by accounting principles generally accepted in the United States of America; (B) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (C) are not alternatives to cash flow as a measure of liquidity. FFO, Core FFO and AFFO per diluted common share, as well as NOI, as calculated by the Company, may not be comparable to similarly titled measures reported by other REITs.

The following is a reconciliation of the Company's U.S. GAAP Net Income to the Company's FFO, Core FFO and AFFO for the three and twelve months ended September 30, 2017 and 2016:

| | Three Months Ended | | Twelve Months Ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 9/30/2017 | 9/30/2016 | 9/30/2017 | 9/30/2016 |
| Net Income Attributable to Common Shareholders | \$6,726,000 | \$4,685,000 | \$22,942,000 | \$20,532,000 |
| Plus: Depreciation Expense (excluding Corporate Office Capitalized Costs) | 8,146,000 | 6,541,000 | 29,479,000 | 23,932,000 |
| Plus: Amortization of Intangible Assets | 301,000 | 264,000 | 1,072,000 | 1,178,000 |
| Plus: Amortization of Capitalized Lease Costs | 222,000 | 376,000 | 855,000 | 956,000 |
| Plus: Loss on Sale of Real Estate Investment | -0- | -0- | 95,000 | -0- |
| FFO Attributable to Common Shareholders | 15,395,000 | 11,866,000 | 54,443,000 | 46,598,000 |
| Plus: Acquisition Costs | -0- | 185,000 | 178,000 | 731,000 |
| Plus: Redemption of Preferred Stock | -0- | 2,942,000 | 2,467,000 | 2,942,000 |
| Core FFO Attributable to Common Shareholders | 15,395,000 | 14,993,000 | 57,088,000 | 50,271,000 |
| Plus: Stock Compensation Expense | 184,000 | 620,000 | 625,000 | 926,000 |
| Plus: Depreciation of Corporate Office Capitalized Costs | 39,000 | 35,000 | 157,000 | 124,000 |
| Plus: Amortization of Financing Costs | 285,000 | 403,000 | 1,234,000 | 1,116,000 |
| Plus: Non-recurring other expense | -0- | -0- | -0- | 500,000 |
| Less: Gain on Sale of Securities Transactions, net | (18,000) | (3,239,000) | (2,312,000) | (4,399,000) |
| Less: Effect of Non-cash U.S. GAAP Straight-line Rent Adjustment | (103,000) | (538,000) | (1,028,000) | (1,710,000) |
| Less: Recurring Capital Expenditures | (312,000) | (310,000) | (884,000) | (963,000) |
| AFFO Attributable to Common Shareholders | \$15,470,000 | \$11,964,000 | \$54,880,000 | \$45,865,000 |

The following are the Cash Flows provided (used) by Operating, Investing and Financing Activities for the twelve months ended September 30, 2017 and 2016:

| | Twelve Months Ended | |
|----------------------|---------------------|---------------|
| | 9/30/2017 | 9/30/2016 |
| Operating Activities | \$73,868,000 | \$54,700,000 |
| Investing Activities | (339,071,000) | (227,845,000) |
| Financing Activities | 179,680,000 | 256,821,000 |

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