

**MONMOUTH REAL ESTATE REPORTS RESULTS FOR
THE SECOND QUARTER ENDED MARCH 31, 2018**

FREEHOLD, NJ, May 8, 2018..... Monmouth Real Estate Investment Corporation (NYSE:MNR) reported Net Income Attributable to Common Shareholders of \$7,397,000 or \$0.10 per diluted share for the three months ended March 31, 2018 as compared to \$4,843,000 or \$0.07 per diluted share for the three months ended March 31, 2017 representing an increase per share of 43%. Core Funds from Operations (Core FFO) were \$16,830,000 or \$0.22 per diluted share for the three months ended March 31, 2018 as compared to \$12,396,000 or \$0.17 per diluted share for the three months ended March 31, 2017 representing an increase in Core FFO per share of 29%. Adjusted Funds from Operations (AFFO), for the three months ended March 31, 2018 were \$16,847,000 or \$0.22 per diluted share versus \$12,511,000 or \$0.18 per diluted share for the three months ended March 31, 2017 representing an increase in AFFO per share of 22%.

A summary of significant financial information for the three and six months ended March 31, 2018 and 2017 is as follows:

	Three Months Ended March 31,	
	2018	2017
Rental Revenue	\$ 28,610,000	\$ 23,611,000
Reimbursement Revenue	\$ 5,012,000	\$ 3,697,000
Net Operating Income (NOI) (1)	\$ 28,366,000	\$ 23,168,000
Total Expenses	\$ 16,921,000	\$ 13,785,000
Dividend and Interest Income	\$ 2,888,000	\$ 1,439,000
Gain on Sale of Securities Transactions	\$ 11,000	\$ -0-
Net Income	\$ 11,645,000	\$ 8,425,000
Net Income Attributable to Common Shareholders	\$ 7,397,000	\$ 4,843,000
Net Income Attributable to Common Shareholders Per Diluted Common Share	\$ 0.10	\$ 0.07
Core FFO (1)	\$ 16,830,000	\$ 12,396,000
Core FFO per Diluted Common Share (1)	\$ 0.22	\$ 0.17
AFFO (1)	\$ 16,847,000	\$ 12,511,000
AFFO per Diluted Common Share (1)	\$ 0.22	\$ 0.18
Dividends Declared per Common Share	\$ 0.17	\$ 0.16
Weighted Avg. Diluted Common Shares Outstanding	78,156,000	71,407,000

	Six Months Ended March 31,	
	2018	2017
Rental Revenue	\$ 56,302,000	\$ 46,892,000
Reimbursement Revenue	\$ 10,061,000	\$ 7,598,000
Lease Termination Income	\$ 210,000	\$ -0-
Net Operating Income (NOI) (1)	\$ 55,808,000	\$ 46,148,000
Total Expenses	\$ 33,189,000	\$ 27,048,000
Dividend and Interest Income	\$ 5,752,000	\$ 2,731,000
Gain on Sale of Securities Transactions	\$ 111,000	\$ 806,000
Gain on Sale of Real Estate Investments	\$ 5,388,000	\$ -0-
Net Income	\$ 29,275,000	\$ 18,279,000
Net Income Attributable to Common Shareholders	\$ 20,710,000	\$ 10,999,000
Net Income Attributable to Common Shareholders Per Diluted Common Share	\$ 0.27	\$ 0.16
Core FFO (1)	\$ 33,763,000	\$ 26,253,000
Core FFO per Diluted Common Share (1)	\$ 0.44	\$ 0.37
AFFO (1)	\$ 33,319,000	\$ 25,450,000
AFFO per Diluted Common Share (1)	\$ 0.43	\$ 0.36
Dividends Declared per Common Share	\$ 0.34	\$ 0.32
Weighted Avg. Diluted Common Shares Outstanding	77,362,000	70,608,000

A summary of significant balance sheet information as of March 31, 2018 and September 30, 2017 is as follows:

	March 31, 2018	September 30, 2017
Net Real Estate Investments	\$ 1,351,926,000	\$ 1,260,856,000
Securities Available for Sale at Fair Value	\$ 144,630,000	\$ 123,765,000
Total Assets	\$ 1,559,892,000	\$ 1,443,038,000
Fixed Rate Mortgage Notes Payable, net of Unamortized Debt Issuance Costs	\$ 632,051,000	\$ 591,364,000
Loans Payable	\$ 154,342,000	\$ 120,091,000
Total Shareholders' Equity	\$ 750,358,000	\$ 712,866,000

Michael P. Landy, President and CEO, commented on the results for the second quarter of fiscal 2018,

“This was another strong quarter for Monmouth and we are pleased to report continued growth across multiple fronts. During the quarter we:

- Increased our per share AFFO to \$0.22, representing a 22% increase over the prior year period
- Increased our Net Income Attributable to Common Shareholders to \$0.10 per share, representing a 43% increase over the prior year period
- Increased our Net Operating Income (NOI) by 22% over the prior year period
- Acquired one brand new Class A property comprising 832,000 square feet, for a cost of \$57.5 million
- Increased our gross leasable area (GLA) by 20% to 19.9 million square feet over the prior year period. Subsequent to quarter end, our GLA increased to 20.3 million square feet
- Increased our weighted average lease maturity by 5% from 7.4 years at the end of the prior year quarter to 7.8 years at the end of the current quarter
- Renewed six of the sixteen leases scheduled to expire in fiscal 2018. These six leases consist of 569,000 square feet and result in a 3.9% increase in GAAP rents and a 1.5% increase on a cash basis. These lease renewals have a weighted average lease term of 6.1 years
- Reduced our weighted average interest rate on our fixed rate debt by 26 bps to 4.11% as of the current quarter end from 4.37% as of the prior year quarter end
- Extended our weighted average debt maturity on our fixed rate debt by 8% to 11.5 years as of the current quarter end from 10.7 years as of the prior year quarter end, and
- Subsequent to the quarter end, acquired one brand new Class A property comprising 399,000 square feet, for a cost of \$30.8 million.”

Mr. Landy further stated, “Monmouth has maintained or increased its common stock dividend for 26 consecutive years. We have increased our AFFO per share by 22% over the prior year quarter and by 19% year over year for the six month period. With a very conservative 77% AFFO dividend payout ratio this quarter, we remain confident about continuing to provide our shareholders with the high-quality, reliable income streams we have delivered for over a quarter century. This quarter represented our 9th consecutive quarter with an occupancy rate of 99% or greater. At quarter end, our weighted average lease maturity increased to 7.8 years, and our weighted average debt maturity increased to 11.5 years.”

“During the quarter, we acquired a brand new 832,000 square foot industrial building for \$57.5 million, leased for 10 years to Shaw Industries, a division of Berkshire Hathaway. This property is strategically well located at the Port of Savannah. With over 400 million tons in shipments last year, the recently expanded Panama Canal has been surpassing all projections. In a similar manner to building our large ecommerce exposure, we have assembled a portfolio that is very well positioned to benefit from the remaking of the global supply chain. Subsequent to quarter end, we also acquired a brand new 399,000 square foot industrial building for \$30.8 million, leased for 10 years to B. Braun Medical in Daytona Beach, Florida. Through the first half of fiscal 2018, we have acquired four buildings comprising 1.7 million square feet for a total purchase price of \$140.4 million.”

“Thus far in fiscal 2018, we have renewed six of the sixteen leases that were set to expire. These six lease renewals total 569,000 square feet, representing 37% of the expiring square footage. These lease renewals resulted in a 3.9% rental increase on a GAAP basis and a 1.5% increase on a cash basis. These six lease renewals have a weighted average lease term of 6.1 years. Two of the remaining sixteen properties were sold, generating substantial gains during the previous quarter. One additional property is under contract for sale and another one has been re-tenanted. We expect to have more to report on the remaining six properties during the second half of fiscal 2018.”

“The rising interest rate environment has resulted in a pronounced sell-off in REIT securities. Our securities portfolio went from \$4.1 million in unrealized losses at the end of last quarter to \$31.1 million in unrealized losses at the end of this quarter. Because real estate is priced simultaneously in two markets, public and private, arbitrage opportunities can present themselves. The public REIT market now represents a substantial discount to private market valuations. We are confident that this discrepancy will be resolved over time. We increased our securities holdings from \$123.8 million at the end of fiscal 2017 to \$144.6 million at the end of the current quarter. At quarter end, our securities portfolio represented 8.3% of our undepreciated total assets. Our dividend and interest income increased by 101% over the prior year period, from \$1.4 million in the second quarter of fiscal 2017 to \$2.9 million in the second quarter of fiscal 2018.”

“Our acquisition pipeline grew over the quarter and currently contains two new Class A build-to-suit industrial buildings. One is a new 363,000 square foot industrial building leased to Amazon. The second property is a new 261,000 square foot industrial building leased to FedEx Ground that is being developed in Charleston, SC. The total purchase price for these two properties is approximately \$80.9 million with a weighted average lease term of 12.3 years. We anticipate closing these transactions sometime during the remainder of fiscal 2018 and the first quarter of fiscal 2019. We look forward to reporting continued progress throughout the year.”

Monmouth Real Estate Investment Corporation will host its Second Quarter FY 2018 Financial Results Webcast and Conference Call on Wednesday, May 9, 2018 at 10:00 a.m. Eastern Time. Senior management will discuss the results, current market conditions and future outlook.

The Company’s Second Quarter FY 2018 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 **2Q2018 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 Wednesday, May 9, 2018. It will be available until August 1, 2018, and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 10117592. 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 110 properties containing a total of approximately 20.3 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 is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income applicable to common shareholders, excluding gains or losses from sales of depreciable assets, plus real estate-related depreciation and amortization. We define Core FFO as FFO plus acquisition costs. 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, 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 as recurring rental and reimbursement revenues less real estate and other operating expenses. 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, 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 and, accordingly, our FFO, Core FFO and AFFO 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 six months ended March 31, 2018 and 2017:

	Three Months Ended		Six Months Ended	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017
Net Income Attributable to Common Shareholders	\$7,397,000	\$4,843,000	\$20,710,000	\$10,999,000
Plus: Depreciation Expense (excluding Corporate Office Capitalized Costs)	8,819,000	7,100,000	17,263,000	14,054,000
Plus: Amortization of Intangible Assets	397,000	241,000	741,000	509,000
Plus: Amortization of Capitalized Lease Costs	217,000	212,000	437,000	417,000
Less: (Gain) / Plus: Loss on Sale of Real Estate Investments	-0-	-0-	(5,388,000)	95,000
FFO Attributable to Common Shareholders	16,830,000	12,396,000	33,763,000	26,074,000
Plus: Acquisition Costs	-0-	-0-	-0-	179,000
Core FFO Attributable to Common Shareholders	16,830,000	12,396,000	33,763,000	26,253,000
Plus: Depreciation of Corporate Office Capitalized Costs	39,000	39,000	79,000	78,000
Plus: Stock Compensation Expense	111,000	166,000	242,000	266,000
Plus: Amortization of Financing Costs	302,000	385,000	596,000	666,000
Less: Gain on Sale of Securities Transactions	(11,000)	-0-	(111,000)	(806,000)
Less: Lease Termination Income	-0-	-0-	(210,000)	-0-
Less: Recurring Capital Expenditures	(64,000)	(188,000)	(284,000)	(377,000)
Less: Effect of Non-cash U.S. GAAP Straight-line Rent Adjustment	(360,000)	(287,000)	(756,000)	(630,000)
AFFO Attributable to Common Shareholders	\$16,847,000	\$12,511,000	\$33,319,000	\$25,450,000

The following are the Cash Flows provided (used) by Operating, Investing and Financing Activities for the six months ended March 31, 2018 and 2017:

	Six Months Ended	
	3/31/2018	3/31/2017
Operating Activities	\$42,839,000	\$30,846,000
Investing Activities	(161,056,000)	(79,130,000)
Financing Activities	120,462,000	(24,513,000)

#####