

**MONMOUTH REAL ESTATE REPORTS RESULTS FOR
THE THIRD QUARTER ENDED JUNE 30, 2018**

FREEHOLD, NJ, August 1, 2018..... Monmouth Real Estate Investment Corporation (NYSE:MNR) reported Net Income Attributable to Common Shareholders of \$10,323,000 or \$0.13 per diluted share for the three months ended June 30, 2018 as compared to \$5,217,000 or \$0.07 per diluted share for the three months ended June 30, 2017 representing an increase per share of 86%. Core Funds from Operations (Core FFO) were \$17,988,000 or \$0.23 per diluted share for the three months ended June 30, 2018 as compared to \$15,441,000 or \$0.21 per diluted share for the three months ended June 30, 2017 representing an increase in Core FFO per share of 10%. Adjusted Funds from Operations (AFFO), for the three months ended June 30, 2018 were \$17,348,000 or \$0.22 per diluted share versus \$13,960,000 or \$0.19 per diluted share for the three months ended June 30, 2017 representing an increase in AFFO per share of 16%.

A summary of significant financial information for the three and nine months ended June 30, 2018 and 2017 is as follows:

	Three Months Ended June 30,	
	2018	2017
Rental Revenue	\$ 29,256,000	\$ 24,400,000
Reimbursement Revenue	\$ 6,942,000	\$ 4,209,000
Net Operating Income (NOI) (1)	\$ 28,789,000	\$ 24,036,000
Total Expenses	\$ 19,073,000	\$ 14,131,000
Dividend and Interest Income	\$ 3,628,000	\$ 1,899,000
Gain on Sale of Securities Transactions	\$ -0-	\$ 1,488,000
Gain on Sale of Real Estate Investments	\$ 2,097,000	\$ -0-
Net Income	\$ 14,571,000	\$ 11,730,000
Net Income Attributable to Common Shareholders	\$ 10,323,000	\$ 5,217,000
Net Income Attributable to Common Shareholders Per Diluted Common Share	\$ 0.13	\$ 0.07
Core FFO (1)	\$ 17,988,000	\$ 15,441,000
Core FFO per Diluted Common Share (1)	\$ 0.23	\$ 0.21
AFFO (1)	\$ 17,348,000	\$ 13,960,000
AFFO per Diluted Common Share (1)	\$ 0.22	\$ 0.19
Dividends Declared per Common Share	\$ 0.17	\$ 0.16
Weighted Avg. Diluted Common Shares Outstanding	79,572,000	73,054,000

	Nine Months Ended June 30,	
	2018	2017
Rental Revenue	\$ 85,559,000	\$ 71,292,000
Reimbursement Revenue	\$ 17,003,000	\$ 11,807,000
Lease Termination Income	\$ 210,000	\$ -0-
Net Operating Income (NOI) (1)	\$ 84,597,000	\$ 70,184,000
Total Expenses	\$ 52,262,000	\$ 41,179,000
Dividend and Interest Income	\$ 9,380,000	\$ 4,631,000
Gain on Sale of Securities Transactions	\$ 111,000	\$ 2,294,000
Gain on Sale of Real Estate Investments	\$ 7,485,000	\$ -0-
Net Income	\$ 43,846,000	\$ 30,009,000
Net Income Attributable to Common Shareholders	\$ 31,033,000	\$ 16,216,000
Net Income Attributable to Common Shareholders Per Diluted Common Share	\$ 0.40	\$ 0.23
Core FFO (1)	\$ 51,752,000	\$ 41,694,000
Core FFO per Diluted Common Share (1)	\$ 0.66	\$ 0.58
AFFO (1)	\$ 50,667,000	\$ 39,411,000
AFFO per Diluted Common Share (1)	\$ 0.65	\$ 0.55
Dividends Declared per Common Share	\$ 0.51	\$ 0.48
Weighted Avg. Diluted Common Shares Outstanding	78,099,000	71,423,000

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

	June 30, 2018	September 30, 2017
Net Real Estate Investments	\$ 1,408,584,000	\$ 1,260,856,000
Securities Available for Sale at Fair Value	\$ 167,594,000	\$ 123,765,000
Total Assets	\$ 1,624,481,000	\$ 1,443,038,000
Fixed Rate Mortgage Notes Payable, net of Unamortized Debt Issuance Costs	\$ 657,083,000	\$ 591,364,000
Loans Payable	\$ 157,793,000	\$ 120,091,000
Total Shareholders' Equity	\$ 788,914,000	\$ 712,866,000

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

“We are pleased to report another strong quarter for Monmouth. During the quarter we:

- Increased our per share Core FFO to \$0.23, representing a 10% increase over the prior year period
- Increased our per share AFFO to \$0.22, representing a 16% increase over the prior year period
- Increased our Net Income Attributable to Common Shareholders to \$0.13 per share, representing an 86% increase over the prior year period
- Increased our Net Operating Income (NOI) by 20% over the prior year period
- Increased our Gross Revenue by 31% to \$39.8 million, compared to \$30.5 million in the prior year period
- Acquired two, brand new, Class A built-to-suit properties comprising 762,000 square feet, for a cost of \$64.4 million
- Grew our acquisition pipeline over the quarter to four, brand new, Class A build-to-suit properties, representing 1.1 million square feet for a total purchase price of \$221.4 million, all net-leased to investment grade tenants
- Increased our gross leasable area (GLA) by 15% to 20.5 million square feet over the prior year period
- Maintained our weighted average lease maturity at 7.8 years
- Increased our occupancy rate by 40 bps sequentially and maintained our sector leading occupancy rate year over year at 99.6% as of the quarter end
- Renewed 9 of the sixteen leases scheduled to expire in fiscal 2018. These 9 leases consist of 890,000 square feet and result in a 3.9% increase in GAAP rents and a 2.4% increase on a cash basis. These lease renewals have a weighted average lease term of 6.5 years
- Increased our securities investments by 16% during the quarter to \$167.6 million, all attributable to rising prices on our holdings, and
- Reduced our weighted average interest rate on our fixed rate debt by 10 bps to 4.11% as of the current quarter end, and maintained our weighted average debt maturity on our fixed rate debt at 11.5 years.”

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 16% over the prior year quarter and by 18% year over year for the nine-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 10th consecutive quarter with an occupancy rate above 99%. At quarter end, our weighted average lease maturity remained 7.8 years, and our weighted average debt maturity remained 11.5 years, providing excellent long-term visibility for continued strong results.”

“Thus far in fiscal 2018, we have acquired five buildings comprising 2.0 million square feet and 260.4 total acres, for a total purchase price of \$174.0 million. During the quarter, we acquired two, brand new, Class A built-to-suit properties for an aggregate cost of \$64.4 million. One property consists of a 399,000 square foot industrial building, situated on 27.5 acres in Daytona Beach, FL, net-leased for 10 years to B. Braun Medical Inc. Florida consistently ranks as one of our nation’s strongest and most business-friendly states and represents 11% of our property portfolio. The other property is a 363,000 square foot industrial building, situated on 31.3 acres, located in Mobile, AL, and is net-leased to Amazon for 11 years. This property is strategically located at the Port of Mobile, a beneficiary of the recently expanded Panama Canal. With over 400 million tons in shipments last year, the Panama Canal has surpassed all projections. In a similar manner to building out our large ecommerce exposure in anticipation of the digital revolution, we have assembled a portfolio that is very well positioned to benefit from the remaking of the global supply chain.”

“Thus far in fiscal 2018, we have renewed nine of the sixteen leases that were set to expire. These nine lease renewals total 890,000 square feet, representing 58% of the expiring square footage. These lease renewals resulted in a 3.9% rental increase on a GAAP basis, and a 2.4% increase on a cash basis. These nine lease renewals have a weighted average lease term of 6.5 years. Three of the remaining seven properties were sold, generating substantial gains during fiscal 2018. One property has been re-tenanted and one 80,000 square foot lease did not renew. We expect to have more to report on the remaining two properties during the remainder of fiscal 2018.”

“Our REIT securities investments performed very well during the quarter with a total value of \$167.6 million at quarter end representing a 16% increase over the prior quarter. All of this increase is attributable to rising prices on our holdings. Our securities investments had an unrealized loss of \$8.4 million at quarter end representing a \$22.8 million improvement over the prior quarter. Our securities investments generated \$3.6 million in dividend income during the quarter representing a 91% increase over the prior year period. At quarter end, our REIT securities investments represented 9.2% of our total undepreciated assets.”

“Our acquisition pipeline grew over the quarter and currently contains four, brand new, Class A build-to-suit industrial buildings. Each of these four properties is net-leased to FedEx Ground Package System, Inc. These properties contain approximately 1.1 million total square feet and are situated on 235.2 total acres. The total purchase price for these four properties is approximately \$221.4 million with a weighted average lease term of 13.9 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 Third Quarter FY 2018 Financial Results Webcast and Conference Call on Thursday, August 2, 2018 at 10:00 a.m. Eastern Time. Senior management will discuss the results, current market conditions and future outlook.

The Company’s Third 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 **3Q2018 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 August 2, 2018. It will be available until November 20, 2018, and can be accessed by dialing toll free 877-344-7529 (domestically) and 412-317-0088 (internationally) and entering the passcode 10120748. 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 world. 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 20.5 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 and costs associated with the redemption of preferred stock. We define AFFO as Core FFO, excluding lease termination income, net gain or loss on sale of 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 that are recurring in nature, 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 taxes 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 nine months ended June 30, 2018 and 2017:

	Three Months Ended		Nine Months Ended	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Net Income Attributable to Common Shareholders	\$10,323,000	\$5,217,000	\$31,033,000	\$16,216,000
Plus: Depreciation Expense (excluding Corporate Office Capitalized Costs)	9,123,000	7,279,000	26,386,000	21,333,000
Plus: Amortization of Intangible Assets	417,000	263,000	1,158,000	771,000
Plus: Amortization of Capitalized Lease Costs	222,000	215,000	660,000	633,000
Less: (Gain) / Plus: Loss on Sale of Real Estate Investments	(2,097,000)	-0-	(7,485,000)	95,000
FFO Attributable to Common Shareholders	17,988,000	12,974,000	51,752,000	39,048,000
Plus: Acquisition Costs	-0-	-0-	-0-	179,000
Plus: Redemption of Preferred Stock	-0-	2,467,000	-0-	2,467,000
Core FFO Attributable to Common Shareholders	17,988,000	15,441,000	51,752,000	41,694,000
Plus: Depreciation of Corporate Office Capitalized Costs	39,000	39,000	118,000	117,000
Plus: Stock Compensation Expense	97,000	175,000	339,000	441,000
Plus: Amortization of Financing Costs	315,000	283,000	911,000	950,000
Less: Gain on Sale of Securities Transactions	-0-	(1,488,000)	(111,000)	(2,294,000)
Less: Lease Termination Income	-0-	-0-	(210,000)	-0-
Less: Recurring Capital Expenditures	(490,000)	(195,000)	(774,000)	(572,000)
Less: Effect of Non-cash U.S. GAAP Straight-line Rent Adjustment	(601,000)	(295,000)	(1,358,000)	(925,000)
AFFO Attributable to Common Shareholders	\$17,348,000	\$13,960,000	\$50,667,000	\$39,411,000

The following are the Cash Flows provided (used) by Operating, Investing and Financing Activities for the nine months ended June 30, 2018 and 2017:

	Nine Months Ended	
	6/30/2018	6/30/2017
Operating Activities	\$63,094,000	\$50,191,000
Investing Activities	(216,285,000)	(232,827,000)
Financing Activities	149,857,000	(98,637,000)

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