

**MONMOUTH REAL ESTATE REPORTS RESULTS FOR
THE FISCAL YEAR ENDED AND THE FOURTH QUARTER ENDED SEPTEMBER 30, 2018**

FREEHOLD, NJ, November 28, 2018..... Monmouth Real Estate Investment Corporation (NYSE:MNR) reported Net Income Attributable to Common Shareholders of \$38,815,000 or \$0.49 per diluted share for the fiscal year ended September 30, 2018 as compared to \$22,942,000 or \$0.32 per diluted share for the fiscal year ended September 30, 2017, representing an increase in Net Income Attributable to Common Shareholders per share of 53.1%. The increase in Net Income Attributable to Common Shareholders was mostly attributable to the \$18,541,000 increase in Net Operating Income (NOI). Funds From Operations (FFO) were \$69,842,000 or \$0.89 per diluted share for the fiscal year ended September 30, 2018 as compared to \$54,443,000 or \$0.75 per diluted share for the fiscal year ended September 30, 2017, representing an increase in FFO per share of 18.7%. Core Funds from Operations (Core FFO) were \$69,842,000 or \$0.89 per diluted share for the fiscal year ended September 30, 2018 as compared to \$57,088,000 or \$0.79 per diluted share for the fiscal year ended September 30, 2017, representing an increase in Core FFO per share of 12.7%. Adjusted Funds from Operations (AFFO), for the fiscal year ended September 30, 2018 were \$68,375,000 or \$0.87 per diluted share versus \$54,880,000 or \$0.76 per diluted share for the fiscal year ended September 30, 2017, representing an increase in AFFO per share of 14.5%.

Net Income Attributable to Common Shareholders for the three months ended September 30, 2018 was \$7,782,000 or \$0.10 per diluted share as compared to \$6,726,000 or \$0.09 per diluted share for the three months ended September 30, 2017, representing an increase in Net Income Attributable to Common Shareholders per share of 11.1%. FFO and Core FFO were \$18,090,000 or \$0.22 per diluted share for the three months ended September 30, 2018 as compared to \$15,395,000 or \$0.21 per diluted share for the three months ended September 30, 2017, representing an increase in FFO per share and Core FFO per share of 4.8%. AFFO for the three months ended September 30, 2018 was \$17,708,000 or \$0.22 per diluted share versus \$15,470,000 or \$0.21 per diluted share for the three months ended September 30, 2017, representing an increase in AFFO per share of 4.8%.

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

	Three Months Ended September 30,	
	2018	2017
Rental Revenue	\$ 30,306,000	\$ 26,368,000
Reimbursement Revenue	\$ 6,295,000	\$ 4,789,000
Net Operating Income (NOI) (1)	\$ 30,174,000	\$ 26,047,000
Total Expenses	\$ 19,472,000	\$ 16,294,000
Dividend and Interest Income	\$ 3,740,000	\$ 2,300,000
Gain on Sale of Securities Transactions	\$ -0-	\$ 18,000
Net Income	\$ 12,160,000	\$ 10,262,000
Net Income Attributable to Common Shareholders	\$ 7,782,000	\$ 6,726,000
Net Income Attributable to Common Shareholders Per Diluted Common Share	\$ 0.10	\$ 0.09
FFO (1)	\$ 18,090,000	\$ 15,395,000
FFO per Diluted Common Share (1)	\$ 0.22	\$ 0.21
Core FFO (1)	\$ 18,090,000	\$ 15,395,000
Core FFO per Diluted Common Share (1)	\$ 0.22	\$ 0.21
AFFO (1)	\$ 17,708,000	\$ 15,470,000
AFFO per Diluted Common Share (1)	\$ 0.22	\$ 0.21
Dividends Declared per Common Share	\$ 0.17	\$ 0.16
Weighted Avg. Diluted Common Shares Outstanding	80,889,000	74,800,000

	Twelve Months Ended September 30,	
	2018	2017
Rental Revenue	\$ 115,864,000	\$ 97,660,000
Reimbursement Revenue	\$ 23,298,000	\$ 18,726,000
Lease Termination Income	\$ 210,000	\$ -0-
Net Operating Income (NOI) (1)	\$ 114,772,000	\$ 96,231,000
Total Expenses	\$ 71,734,000	\$ 59,602,000
Dividend and Interest Income	\$ 13,120,000	\$ 6,931,000
Gain on Sale of Securities Transactions	\$ 111,000	\$ 2,312,000
Gain on Sale of Real Estate Investments	\$ 7,485,000	\$ -0-
Net Income	\$ 56,006,000	\$ 40,271,000
Net Income Attributable to Common Shareholders	\$ 38,815,000	\$ 22,942,000
Net Income Attributable to Common Shareholders Per Diluted Common Share	\$ 0.49	\$ 0.32
FFO (1)	\$ 69,842,000	\$ 54,443,000
FFO per Diluted Common Share (1)	\$ 0.89	\$ 0.75
Core FFO (1)	\$ 69,842,000	\$ 57,088,000
Core FFO per Diluted Common Share (1)	\$ 0.89	\$ 0.79
AFFO (1)	\$ 68,375,000	\$ 54,880,000
AFFO per Diluted Common Share (1)	\$ 0.87	\$ 0.76
Dividends Declared per Common Share	\$ 0.68	\$ 0.64
Weighted Avg. Diluted Common Shares Outstanding	78,802,000	72,250,000

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

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Net Real Estate Investments	\$ 1,512,513,000	\$ 1,260,830,000
Securities Available for Sale at Fair Value	\$ 154,921,000	\$ 123,765,000
Total Assets	\$ 1,718,378,000	\$ 1,443,038,000
Fixed Rate Mortgage Notes Payable, net of Unamortized Debt Issuance Costs	\$ 711,546,000	\$ 591,364,000
Loans Payable	\$ 186,609,000	\$ 120,091,000
Total Shareholders' Equity	\$ 797,906,000	\$ 712,866,000

Michael P. Landy, President and CEO, commented on the results for the fiscal year 2018,

“Fiscal 2018 was a very productive year for Monmouth. We executed exceptionally well and our achievements were many. During the year, we accomplished the following:

Solid Financial Results

- Generated 53% per share growth in Net Income Attributable to Common Shareholders
- Increased our per share FFO to \$0.89, representing an 18.7% increase over the prior year
- Increased our per share AFFO to \$0.87, representing a 14.5% increase over the prior year
- Increased our Gross Revenue by 23.5% to \$152.3 million
- Increased our Net Operating Income by 19.3% to \$114.8 million
- Increased our common stock dividend by 6.3% on October 2, 2017, representing our second dividend increase in three years

Strong Growth Record and Solid Pipeline

- Acquired 2.7 million square feet of high-quality industrial space for \$282.3 million, generating \$17.4 million in rental revenue, comprising seven brand new Class A, built-to-suit properties, all leased long-term, of which 85% is leased to investment-grade tenants
- Completed two expansions totaling \$3.5 million, generating \$367,000 in additional rental revenue, and resulting in 10-year lease extensions for both properties
- Increased our gross leasable area (GLA) by 12.7% year-over-year, to 21.2 million square feet
- Entered into commitments to acquire three new build-to-suit properties containing approximately 745,000 total square feet for a total cost of \$154.0 million, of which one 347,145 square foot property was acquired for \$85.2 million subsequent to fiscal yearend

Strong Portfolio Performance

- Renewed 11 of the 16 leases scheduled to expire in fiscal 2018, including one short term renewal
- Renewed 10 leases comprising 972,000 square feet for a weighted-average lease term of 6.8 years and resulting in an increase in the weighted-average lease rate of 4.1% on a U.S. GAAP straight-line basis and a 2.8% increase on a cash basis
- Sold four properties generating a realized gain of \$7.5 million on a GAAP basis, and a \$1.2 million gain over our original undepreciated cost
- Increased our sector-leading occupancy rate by 30 basis points to 99.6% as of the current fiscal yearend, up from 99.3% as of the prior fiscal yearend, representing our third consecutive year with above 99% occupancy
- Extended our weighted average lease maturity to 8.1 years as of the current fiscal yearend from 7.9 years as of the prior fiscal yearend

Compelling Returns and Strengthened Capitalization

- Achieved an 8% total shareholder return for fiscal 2018, versus a 4% total return for the MSCI US REIT Index during the same period
- Achieved \$2.5 billion in total market capitalization as of September 30, 2018, representing a 17% increase over the prior year
- Raised \$90.0 million in equity through our Dividend Reinvestment and Stock Purchase Plan
- Raised \$40.1 million in net proceeds through our 6.125% Series C Perpetual Preferred Stock ATM Program
- Extended the weighted-average debt maturity on our fixed-rate debt to 11.7 years
- Reduced the weighted-average interest rate on our fixed-rate debt to 4.1% from 4.2%
- Reduced our General and Administrative expenses as a percentage of gross revenue by 8% to 5.8% for fiscal year 2018, and as a percentage of undepreciated assets by 4% to 46 basis points.”

Mr. Landy stated, "On behalf of the hard-working team at Monmouth, I am happy to report these excellent results. The above metrics reflect a strong Company that has continued to enhance 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 sector-leading 99.6% occupancy rate."

"During fiscal 2018, we grew our gross leasable area (GLA) by 13% through the acquisition of seven brand-new Class A, built-to-suit properties for an aggregate cost of \$282.3 million. We also completed two property expansions which resulted in 10-year lease extensions for both properties. Approximately 80% of our total rental revenue is generated from investment-grade tenants with the remaining 20% secured by very strong unrated companies. Our property portfolio has a weighted-average building age of 8.7 years, and a weighted-average lease maturity of 8.1 years. We have assembled a modern industrial portfolio that contains large amounts of excess land to accommodate future growth. These are highly-automated industrial assets that are mission-critical to our tenants' operations."

"During the fiscal year, we raised \$90 million in equity capital through our Dividend Reinvestment and Stock Purchase Plan. Of this amount, a total of \$12.9 million in dividends was reinvested, representing a 24% participation rate. We also sold 1.65 million shares of our 6.125% Series C preferred stock through our ATM program generating net proceeds of \$40.1 million. Subsequent to fiscal yearend, in October, we completed our first common stock offering since 2014, with the sale of 9.2 million shares that generated net proceeds of \$132.3 million. Looking ahead, Monmouth is very well capitalized to continue to execute our qualitative growth strategy."

"Subsequent to fiscal yearend, we also acquired a newly constructed built-to-suit property containing 347,000 square feet for \$85.2 million. This brings our current portfolio to a total of 112 properties containing 21.5 million square feet, geographically diversified across 30 states. Our acquisition pipeline now comprises two brand new build-to-suit, industrial buildings that are currently being developed in Georgia and North Carolina. These two pipeline transactions total approximately 398,000 square feet for an aggregate purchase price of \$68.7 million, and are scheduled to close during the first quarter of fiscal 2019 and the first half of fiscal 2020."

"At the turn of the century, we anticipated that with the widespread growth of ecommerce, our property type would gain market share from the retail sector. Today, demand for industrial assets has never been stronger. We are now in our fourth consecutive year with an occupancy rate above 99%. Fiscal 2019 is poised to be another successful year at Monmouth. We look forward to reporting on our progress throughout the year."

Monmouth Real Estate Investment Corporation will host its Fourth Quarter and FY 2018 Financial Results Webcast and Conference Call on Thursday, November 29, 2018 at 10:00 a.m. Eastern Time. Senior management will discuss the results, current market conditions and future outlook.

Our Fourth Quarter and FY 2018 financial results being released herein will be available on our website at www.mreic.reit in the Investor Relations section, under Filings and Reports.

To participate in the **Webcast**, select the **4Q2018 and Fiscal Yearend Webcast and Earnings Call** "Link to Webcast" on the homepage of our 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 1-877-510-5852 (domestically) or 1-412-902-4138 (internationally).

The replay of the conference call will be available at 12:00 p.m. Eastern Time on Thursday, November 29, 2018. It will be available until February 1, 2019, and can be accessed by dialing toll free 1-877-344-7529 (domestically) and 1-412-317-0088 (internationally) and entering the passcode 10123229. A transcript of the call and the webcast replay will be available at our 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. We specialize 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 112 properties containing a total of approximately 21.5 million rentable square feet, geographically diversified across 30 states. In addition, we own 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 our current expectations and involve various risks and uncertainties. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we 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 our annual report on Form 10-K and described from time to time in our other filings with the SEC. We undertake 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, non-cash 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 our 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 us, may not be comparable to similarly titled measures reported by other REITs.

The following is a reconciliation of our U.S. GAAP Net Income to our FFO, Core FFO and AFFO for the three and twelve months ended September 30, 2018 and 2017:

	Three Months Ended		Twelve Months Ended	
	9/30/2018	9/30/2017	9/30/2018	9/30/2017
Net Income Attributable to Common Shareholders	\$7,782,000	\$6,726,000	\$38,815,000	\$22,942,000
Plus: Depreciation Expense (excluding Corporate Office Capitalized Costs)	9,632,000	8,146,000	36,018,000	29,479,000
Plus: Amortization of Intangible Assets	455,000	301,000	1,614,000	1,072,000
Plus: Amortization of Capitalized Lease Costs	221,000	222,000	880,000	855,000
Less: (Gain) / Plus: Loss on Sale of Real Estate Investments	-0-	-0-	(7,485,000)	95,000
FFO Attributable to Common Shareholders	18,090,000	15,395,000	69,842,000	54,443,000
Plus: Acquisition Costs	-0-	-0-	-0-	178,000
Plus: Redemption of Preferred Stock	-0-	-0-	-0-	2,467,000
Core FFO Attributable to Common Shareholders	18,090,000	15,395,000	69,842,000	57,088,000
Plus: Stock Compensation Expense	95,000	184,000	434,000	625,000
Plus: Depreciation of Corporate Office Capitalized Costs	39,000	39,000	158,000	157,000
Plus: Amortization of Financing Costs	310,000	285,000	1,220,000	1,234,000
Less: Lease Termination Income	-0-	-0-	(210,000)	-0-
Less: Gain on Sale of Securities Transactions	-0-	(18,000)	(111,000)	(2,312,000)
Less: Effect of Non-cash U.S. GAAP Straight-line Rent Adjustment	(615,000)	(103,000)	(1,973,000)	(1,028,000)
Less: Recurring Capital Expenditures	(211,000)	(312,000)	(985,000)	(884,000)
AFFO Attributable to Common Shareholders	\$17,708,000	\$15,470,000	\$68,375,000	\$54,880,000

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

	Twelve Months Ended	
	9/30/2018	9/30/2017
Operating Activities	\$85,529,000	\$73,868,000
Investing Activities	(332,513,000)	(339,071,000)
Financing Activities	246,083,000	179,680,000

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