

Griffin Land & Nurseries, Inc.
Consolidated Statements of Operations
(amounts in thousands, except per share data)
(unaudited)

	<u>Fourth Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>Nov. 30, 2014</u>	<u>Nov. 30, 2013</u>	<u>Nov. 30, 2014</u>	<u>Nov. 30, 2013</u>
Rental revenue	\$ 5,327	\$ 5,341	\$ 20,552	\$ 20,053
Revenue from property sales (2)	2,393	2,668	3,667	5,473
Total revenue	<u>7,720</u>	<u>8,009</u>	<u>24,219</u>	<u>25,526</u>
Operating expenses of rental properties	1,803	1,917	7,801	7,456
Depreciation and amortization expense	1,739	1,688	6,729	6,673
Costs related to property sales	479	678	803	1,171
General and administrative expenses	1,555	1,760	7,077	7,790
Total costs and expenses	<u>5,576</u>	<u>6,043</u>	<u>22,410</u>	<u>23,090</u>
Operating income	2,144	1,966	1,809	2,436
Interest expense (3)	(864)	(967)	(3,529)	(3,848)
Investment income	82	64	301	115
Gain on sale of common stock in Centaur Media plc	-	584	318	1,088
Loss on debt extinguishment	-	-	(51)	(286) (4)
Gain on sale of investment in Shemin Nurseries Holding Corp.	-	-	-	3,397
Income (loss) before income tax (provision) benefit	1,362	1,647	(1,152)	2,902
Income tax provision	<u>(1,089)</u>	<u>(537)</u>	<u>(96)</u>	<u>(992)</u>
Income (loss) from continuing operations	273	1,110	(1,248)	1,910
Discontinued operations, net of tax:				
Income (loss) from landscape nursery business, net of tax, including loss on sale of assets of \$28, net of tax, in fiscal 2014	<u>-</u>	<u>(7,200)</u>	<u>144</u>	<u>(7,731)</u>
Net income (loss)	<u>\$ 273</u>	<u>\$ (6,090)</u>	<u>\$ (1,104)</u>	<u>\$ (5,821)</u>
Basic net income (loss) per common share:				
Income (loss) from continuing operations	\$ 0.05	\$ 0.22	\$ (0.24)	\$ 0.37
Income (loss) from discontinued operations	-	(1.40)	0.03	(1.50)
Basic net income (loss) per common share	<u>\$ 0.05</u>	<u>\$ (1.18)</u>	<u>\$ (0.21)</u>	<u>\$ (1.13)</u>
Diluted net income (loss) per common share:				
Income (loss) from continuing operations	\$ 0.05	\$ 0.22	\$ (0.24)	\$ 0.37
Income (loss) from discontinued operations	-	(1.40)	0.03	(1.50)
Diluted net income (loss) per common share	<u>\$ 0.05</u>	<u>\$ (1.18)</u>	<u>\$ (0.21)</u>	<u>\$ (1.13)</u>
Weighted average common shares outstanding for computation of basic per share results	<u>5,150</u>	<u>5,147</u>	<u>5,148</u>	<u>5,144</u>
Weighted average common shares outstanding for computation of diluted per share results	<u>5,153</u>	<u>5,162</u>	<u>5,148</u>	<u>5,152</u>

(1) Profit from leasing activities:

	<u>Fourth Quarter Ended</u>		<u>Fiscal Year Ended</u>	
	<u>Nov. 30, 2014</u>	<u>Nov. 30, 2013</u>	<u>Nov. 30, 2014</u>	<u>Nov. 30, 2013</u>
Rental revenue	\$ 5,327	\$ 5,341	\$ 20,552	\$ 20,053
Operating expenses of rental properties	1,803	1,917	7,801	7,456
Profit from leasing activities	<u>\$ 3,524</u>	<u>\$ 3,424</u>	<u>\$ 12,751</u>	<u>\$ 12,597</u>

(2) Property sales revenue in the 2014 fourth quarter and 2014 full year principally includes the recognition of previously deferred revenue from the sale of approximately 90 acres of undeveloped land in Windsor, Connecticut (the "Windsor Land Sale") that closed in the 2013 fourth quarter and is being accounted for under the percentage of completion method. Total sale proceeds from the Windsor Land Sale were approximately \$9,000 and the estimated total pretax gain on sale is expected to be approximately \$6,754 after all costs are incurred. Property sales revenue in the 2013 fourth quarter and 2013 full year includes the initial recognition of revenue from the Windsor Land Sale. Property sales revenue in the 2013 full year also includes previously deferred revenue from the sale of approximately 93 acres of undeveloped land in Windsor, Connecticut to Dollar Tree Distribution Inc. (the "Dollar Tree Sale") that closed in fiscal 2012 and two small sales of undeveloped land that closed in fiscal 2013. The Dollar Tree Sale was also accounted for under the percentage of completion method. Total sale proceeds and pretax gain from the Dollar Tree Sale were approximately \$7,200 and approximately \$6,000 respectively.

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

(4) Reflects the writeoff of deferred costs related to Griffin Land's mortgage loan with First Niagara Bank ("First Niagara") and a fee paid to First Niagara in connection with a modification of the mortgage loan with First Niagara that reduced the interest rate under a mortgage loan with First Niagara from 5.25% to 3.91% for the remaining term of the loan, which matures in January 2020.