Griffin Industrial Realty, Inc.
Consolidated Statements of Operations
(amounts in thousands, except per share data)
(unaudited)

	For the Three Months Ended		For the Six Months Ended	
	May 31, 2017	May 31, 2016	May 31, 2017	May 31, 2016
Rental revenue (1)	$ 7,332	$ 6,802	$ 14,311	$ 13,484
Revenue from property sales (2)	10,755	(278)	10,755	(278)
Total revenue	18,087	6,524	25,066	13,206
Operating expenses of rental properties (1)	2,204	1,992	4,689	4,158
Depreciation and amortization expense	2,386	2,169	4,736	4,314
Costs related to property sales	2,660	-	2,660	-
General and administrative expenses	2,166	2,093	4,396	3,660
Total expenses	9,416	6,254	16,481	12,132
Operating income	8,671	270	8,585	1,074
Interest expense (3)	(1,444)	(1,062)	(2,757)	(2,153)
Gain on sale of assets	-	122	-	122
Investment income	53	55	62	62
Income (loss) before income tax (provision) benefit	7,280	(615)	5,890	(895)
Income tax (provision) benefit	(2,553)	236	(2,102)	181
Net income (loss)	$ 4,727	$ (379)	$ 3,788	$ (714)
Basic net income (loss) per common share	$ 0.95	$ (0.07)	$ 0.75	$ (0.14)
Diluted net income (loss) per common share	$ 0.94	$ (0.07)	$ 0.75	$ (0.14)
Weighted average common shares outstanding for computation of basic per share results	5,001	5,150	5,020	5,151
Weighted average common shares outstanding for computation of diluted per share results	5,023	5,150	5,043	5,151

(1) Profit from leasing activities:

	For the Three Months Ended		For the Six Months Ended	
	May 31, 2017	May 31, 2016	May 31, 2017	May 31, 2016
Rental revenue	$ 7,332	$ 6,802	$ 14,311	$ 13,484
Operating expenses of rental properties	2,204	1,992	4,689	4,158
Profit from leasing activities	$ 5,128	$ 4,810	$ 9,622	$ 9,326

(2) Revenue from property sales in the three months and six months ended May 31, 2017 includes $10,250 from the 2017 Phoenix Crossing Land Sale, $401 from the sale of approximately 6 acres of undeveloped land in Phoenix Crossing and $104 for the recognition of revenue from the sale of approximately 90 acres of undeveloped land (the "2013 Phoenix Crossing Land Sale") in Phoenix Crossing that closed in fiscal 2013 and was accounted for under the percentage of completion method. As of May 31, 2017, Griffin had substantially completed the offsite improvements required under the terms of the 2013 Phoenix Crossing Land Sale. Accordingly, all remaining deferred revenue from the 2013 Phoenix Crossing Land Sale was recognized in the three months ended May 31, 2017.

Revenue from property sales in the three months and six months ended May 31, 2016 reflected only an adjustment of ($278) related to the 2013 Phoenix Crossing Land Sale that resulted from an increase in the total estimated costs of the required offsite improvements attributed to the 2013 Phoenix Crossing Land Sale.

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