

Monmouth Real Estate Investment Corp.



A Public REIT Since 1968

Investor Presentation
NYSE: MNR

March 2014

Notices

Statements contained in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Also, when we use any of the words “anticipate,” “assume,” “believe,” “estimate,” “expect,” “intend,” or similar expressions, we are making forward-looking statements. These forward-looking statements are not guarantees and are based on our current intentions and current expectations and assumptions. These statements, intentions, expectations and assumptions involve risks and uncertainties, some of which are beyond our control that could cause actual results or events to differ materially from those we anticipate or project, such as: the ability of our tenants to make payments under their respective leases; our reliance on certain major tenants and our ability to re-lease properties that are currently vacant or that become vacant; our ability to obtain suitable tenants for our properties; changes in real estate market conditions and general economic conditions; the inherent risks associated with owning real estate, including local real estate market conditions, governing laws and regulations and illiquidity of real estate investments; our ability to sell properties at an attractive price; our ability to repay debt financing obligations; our ability to refinance amounts outstanding under our credit facilities at maturity; the loss of any member of our management team; our ability to comply with certain debt covenants; our ability to integrate acquired properties and operations into existing operations; continued availability of debt or equity capital; market conditions affecting our equity capital; changes in interest rates under our current credit facilities and under any additional variable rate debt arrangements that we may enter into in the future; our ability to implement successfully our selective acquisition strategy; our ability to maintain internal controls and procedures to ensure all transactions are accounted for properly, all relevant disclosures and filings are timely made in accordance with all rules and regulations and any potential fraud or embezzlement is thwarted or detected; changes in federal or state tax rules or regulations that could have adverse tax consequences; and our ability to qualify as a real estate investment trust for federal income tax purposes.

You should not place undue reliance on these forward-looking statements, as events described or implied in such statements may not occur. We undertake no obligation to update or revise any forward-looking statements as a result of new information, future events or otherwise.

Properties



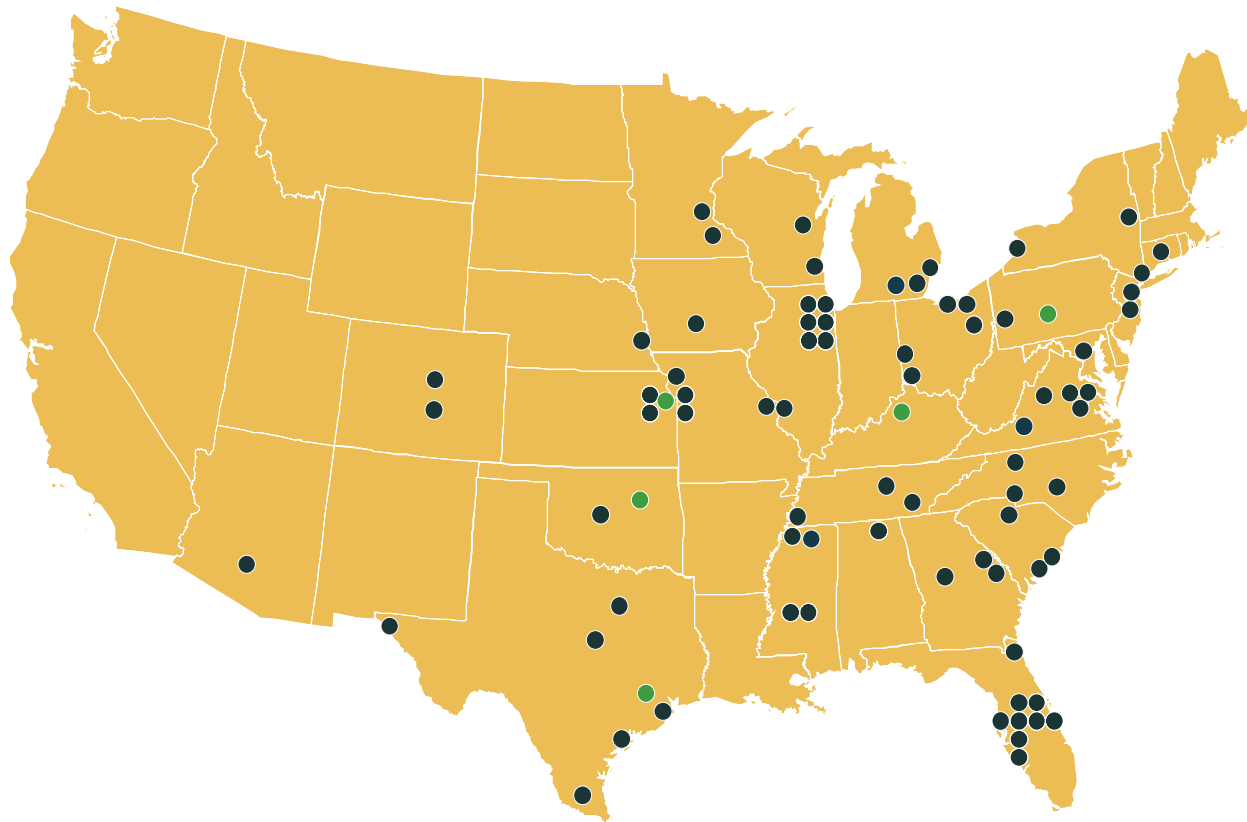
Company Overview

- Long standing history of successful real estate investments
 - 47th year of operation as a public REIT
- Seeks well-located, modern, industrial buildings leased to investment grade tenants pursuant to long-term net leases
- Investment strategy is to obtain a favorable yield spread between the income from net-leased industrial properties and cost of capital
- Our property portfolio currently consists of 80 industrial properties and 1 shopping center representing approximately 10.7 million square feet with a 96.4% occupancy rate
- Geographically diversified property portfolio across 27 states
- Quality roster of investment grade tenants
 - 86% of rental revenue from investment grade tenants
 - 42% of GLA leased to FedEx Corp. or its subsidiaries (9% to FedEx Express and 33% to FedEx Subsidiaries), which has an S&P credit rating of BBB
- Conservative capital structure
 - 38% Net Debt to Total Market Capitalization ⁽¹⁾
 - 2.1x Fixed Charge Coverage ⁽¹⁾
- Favorable Economic Drivers
 - Very limited new construction over the past 5 years
 - Rampant growth in E-Commerce
 - Resurgent US Housing and Automotive Sector
 - Strong US Manufacturing growth due to increased domestic energy production
 - Expected benefits from completion of the Panama Canal expansion due in first half of 2015

Source: 10-Q and Financial Supplement 12/31/2013.

1. Calculation based on three months ended 12/31/2013.

Portfolio Overview



- Properties: 81
 - Industrial: 80
 - Shopping center: 1
- Total square feet: 10.7 million
- States: 27
- Occupancy: 96.4%
- Average property size: 131,000 sq. ft.
- Weighted average lease maturity: 6.8 years
- Weighted average rent per square foot⁽¹⁾: \$5.43
- Weighted average building age: 10 years

● Property Locations ● Recent Acquisitions

As of 12/31/2013.
1. Rent per square foot excludes reimbursement revenue.

Attractive Recent Acquisitions

- Thus far in fiscal 2014, Monmouth has acquired 5 industrial properties containing approximately 1,122,000 total square feet for \$73.9 million, representing 12% growth in GLA, since the previous quarter
- Monmouth's acquisition pipeline under contract as of December 31, 2013 contains approximately 1,595,000 square feet of new build to suit properties with an aggregate cost of \$113.5 million

	Tulsa, OK	Louisville, KY	Kansas City, KS	Altoona, PA	Houston, TX
Property:	Industrial	Industrial	Industrial	Industrial	Industrial
Tenant:					
Credit Rating ⁽¹⁾ (S&P / Moody's):	BBB+/Baa1	BBB-/Baa2	BBB/Baa3	BBB/ Baa1	BBB/ Baa1
Size (sq. ft.):	46,260	558,600	280,000	122,522	114,923
Year Built:	2009	2013	2013	2013	2013
Purchase Price:	\$3,700,000	\$27,070,616	\$18,818,825	\$8,990,000	\$15,281,318
Price/Sq. ft.:	\$79.98	\$48.46	\$67.21	\$73.37	\$132.97
Lease Maturity:	February 2024	October 2033	August 2023	August 2023	August 2023

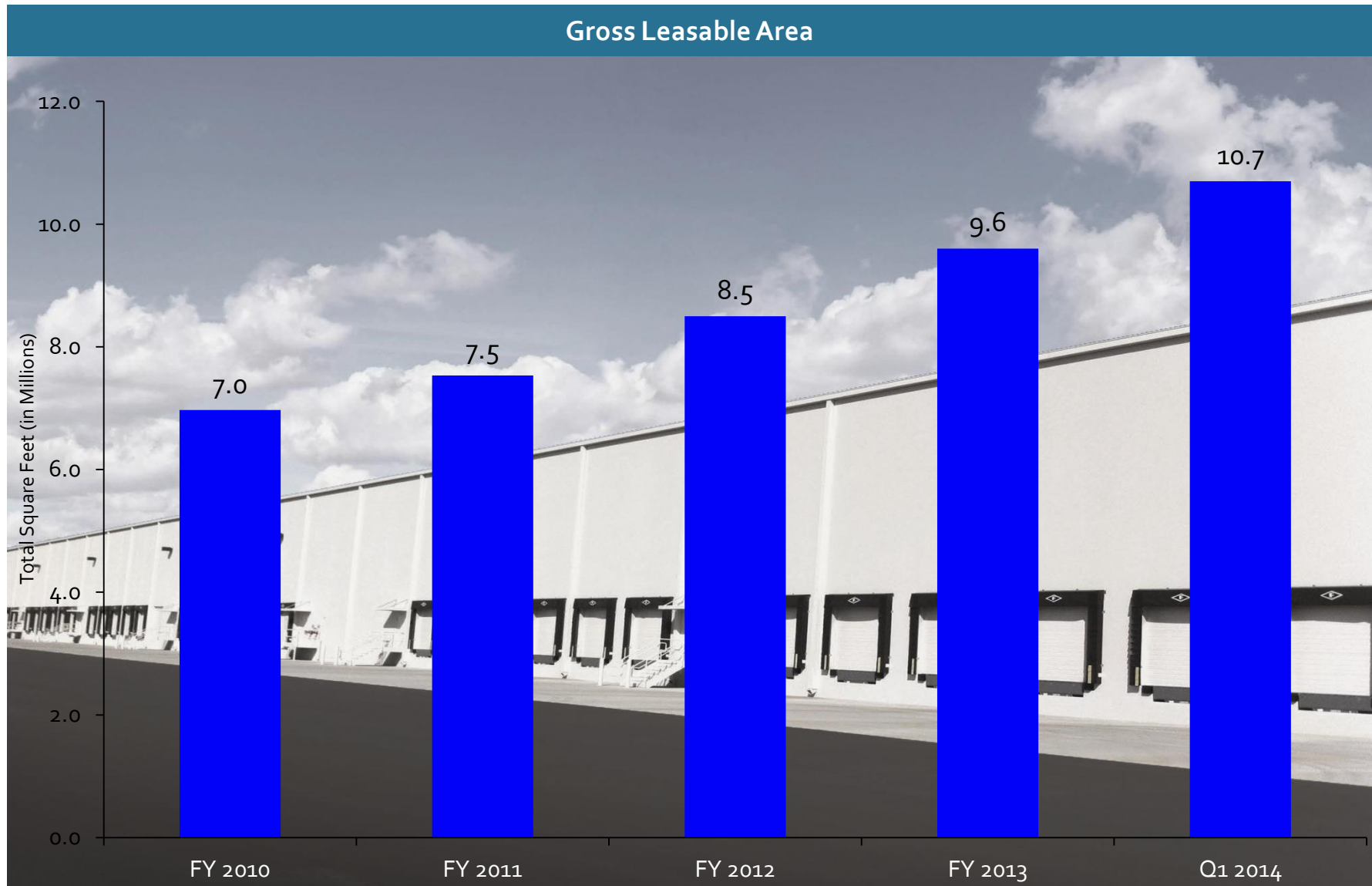
As of 12/31/2013.

1. Represents credit rating of tenant or its corporate parent (if rated).



Strong Recent Growth

- Since 2010, Monmouth has grown its portfolio by over 53%



Source: Company 10-K's and 10-Q's

Recent Acquisition

- Olive Branch is situated in the Memphis MSA, one of the most strategic logistics hubs in the country

615,305 Square Foot Warehouse Leased to Milwaukee Tool in Memphis MSA



Source: 10-K 9/30/2012

Recent Acquisition

- Anda moved to this new Class A facility to be strategically located near our FedEx Supply Chain Services building

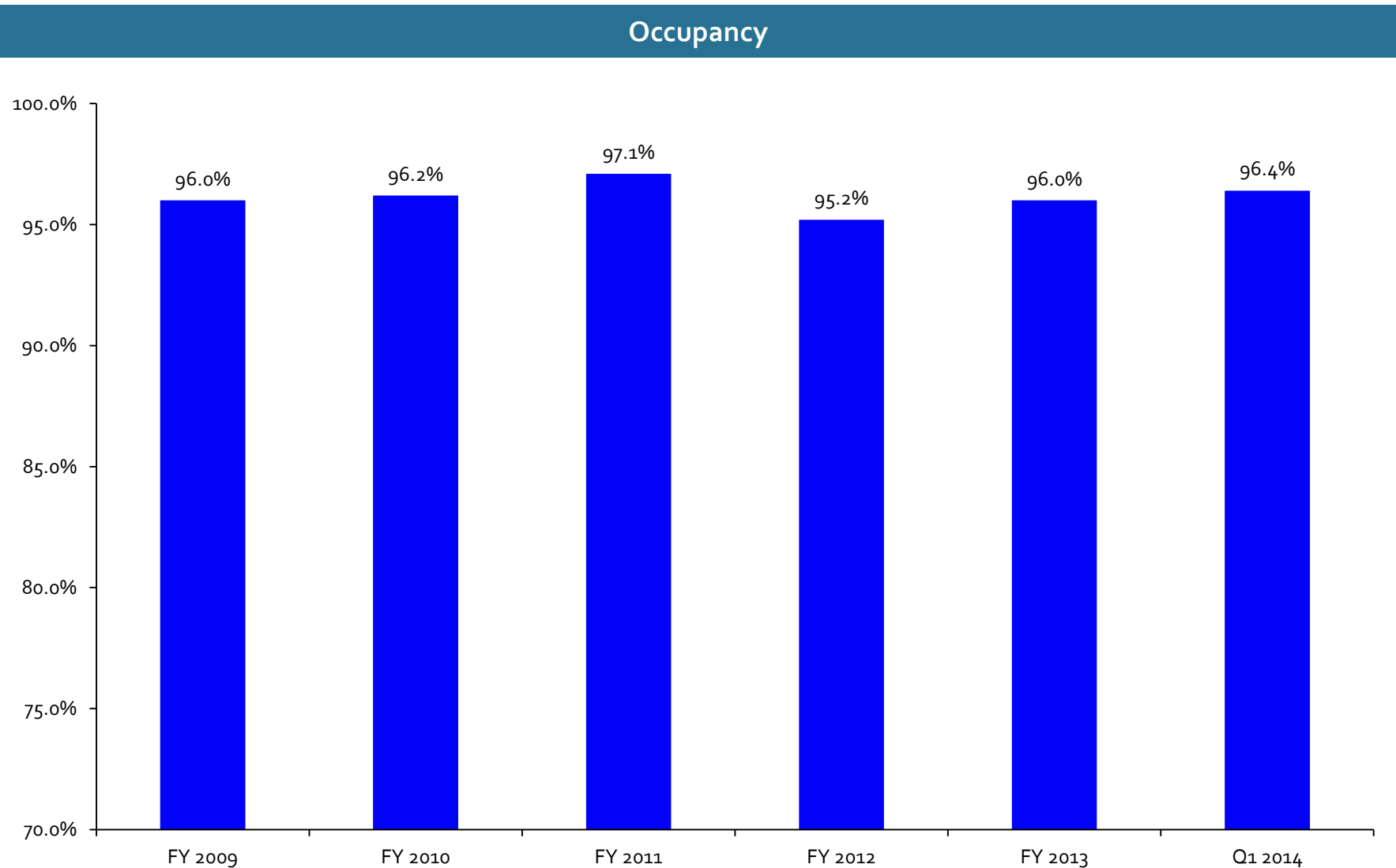
234,660 Square Foot Warehouse Leased to Anda Pharmaceuticals in Memphis MSA



Source: 10-K 9/30/2012

Stable Occupancy

- Consistent strong performance throughout the economic cycle



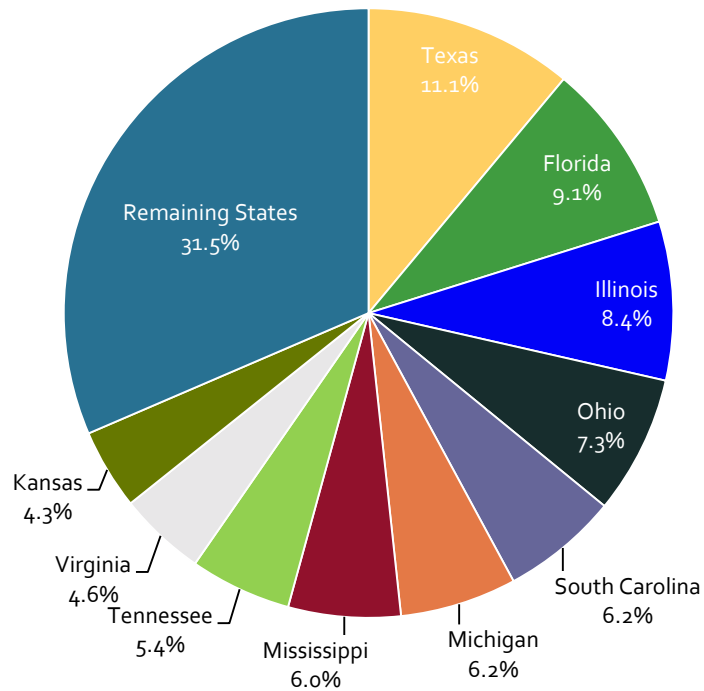
Source: Company 10-K's and 10-Q's



Geographic Focus

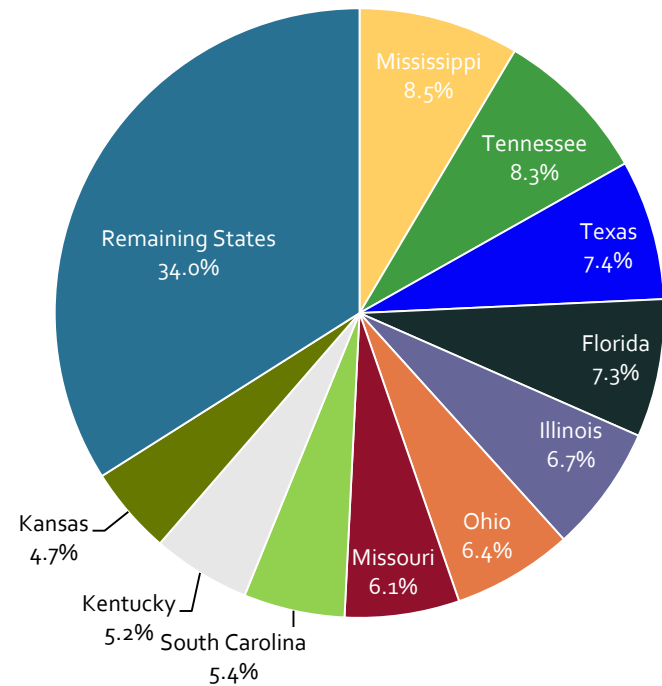
- Our 10.7 million square foot portfolio is well diversified over 27 states

Annual Rent by State



Annualized Rent = \$56.1 Million

Square Footage by State



Total Square Footage = 10.7 Million

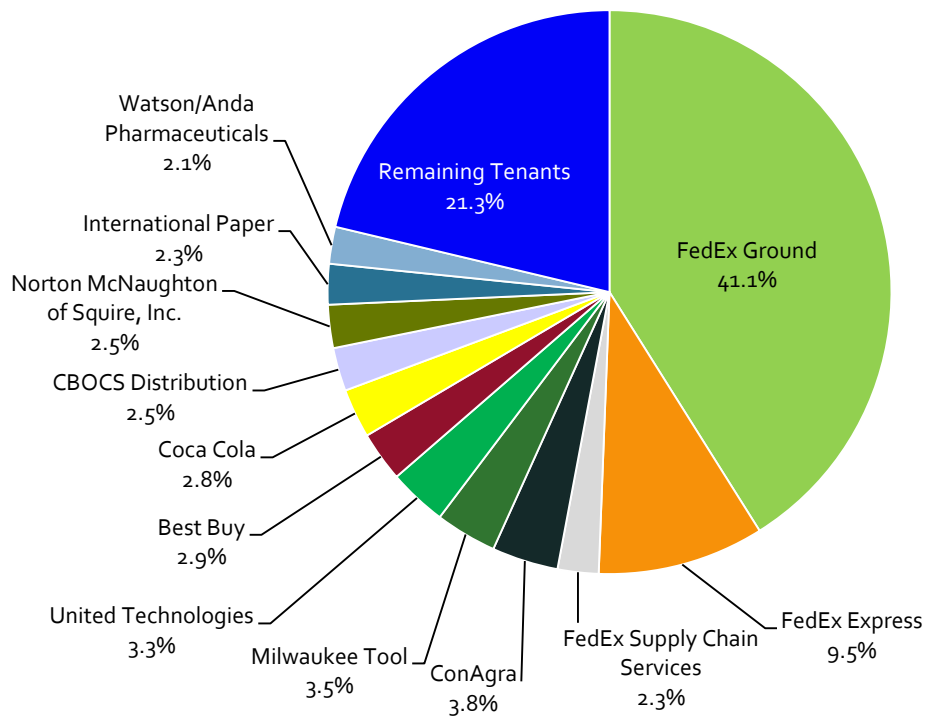
As of 12/31/2013.



High Quality Tenants

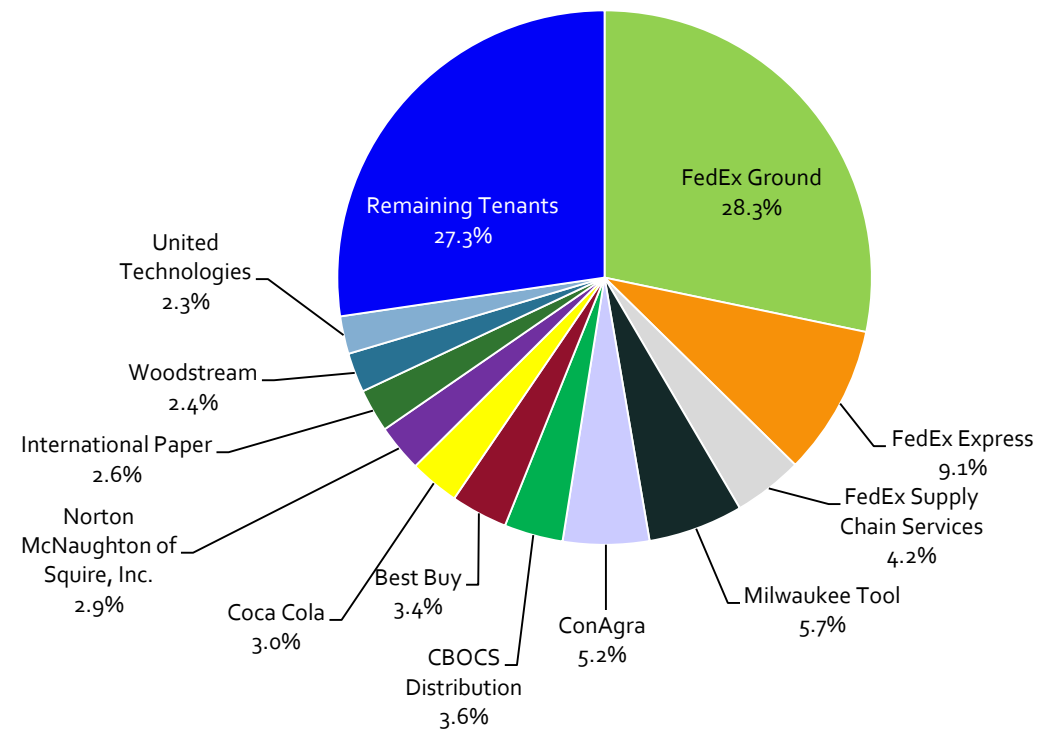
- 86% of rental revenue is secured by investment grade tenants
- Tenant roster includes Anheuser Busch, Caterpillar, Coca-Cola, Dr Pepper Snapple Group, FedEx, International Paper, National Oilwell, ConAgra, Sherwin Williams, Siemens, United Technologies and other high quality companies

Tenant Mix by Annual Rent



Annualized Rent = \$56.1 Million

Tenant Mix by Square Footage

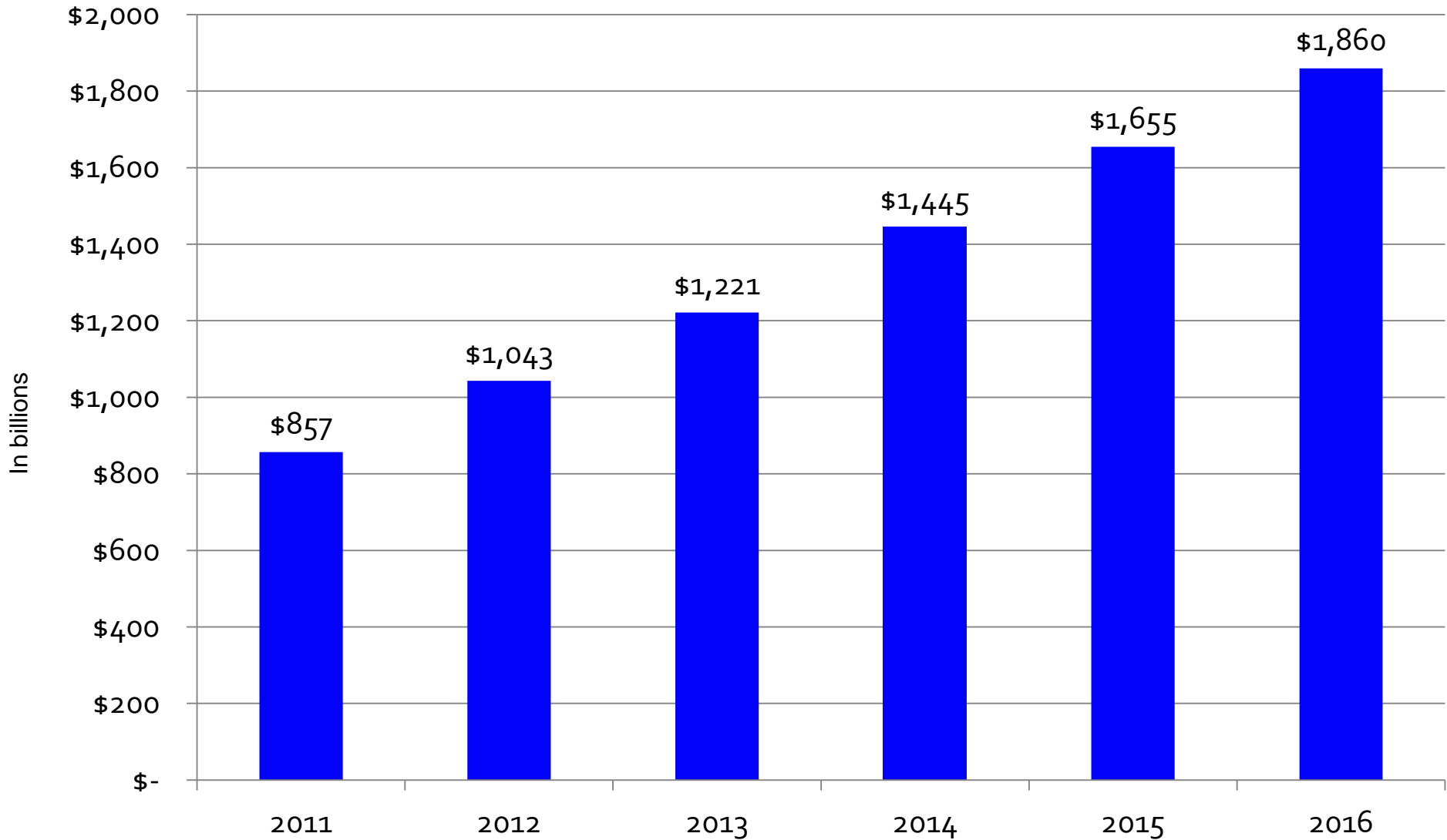


Total Square Footage = 10.7 Million

As of 12/31/2013.

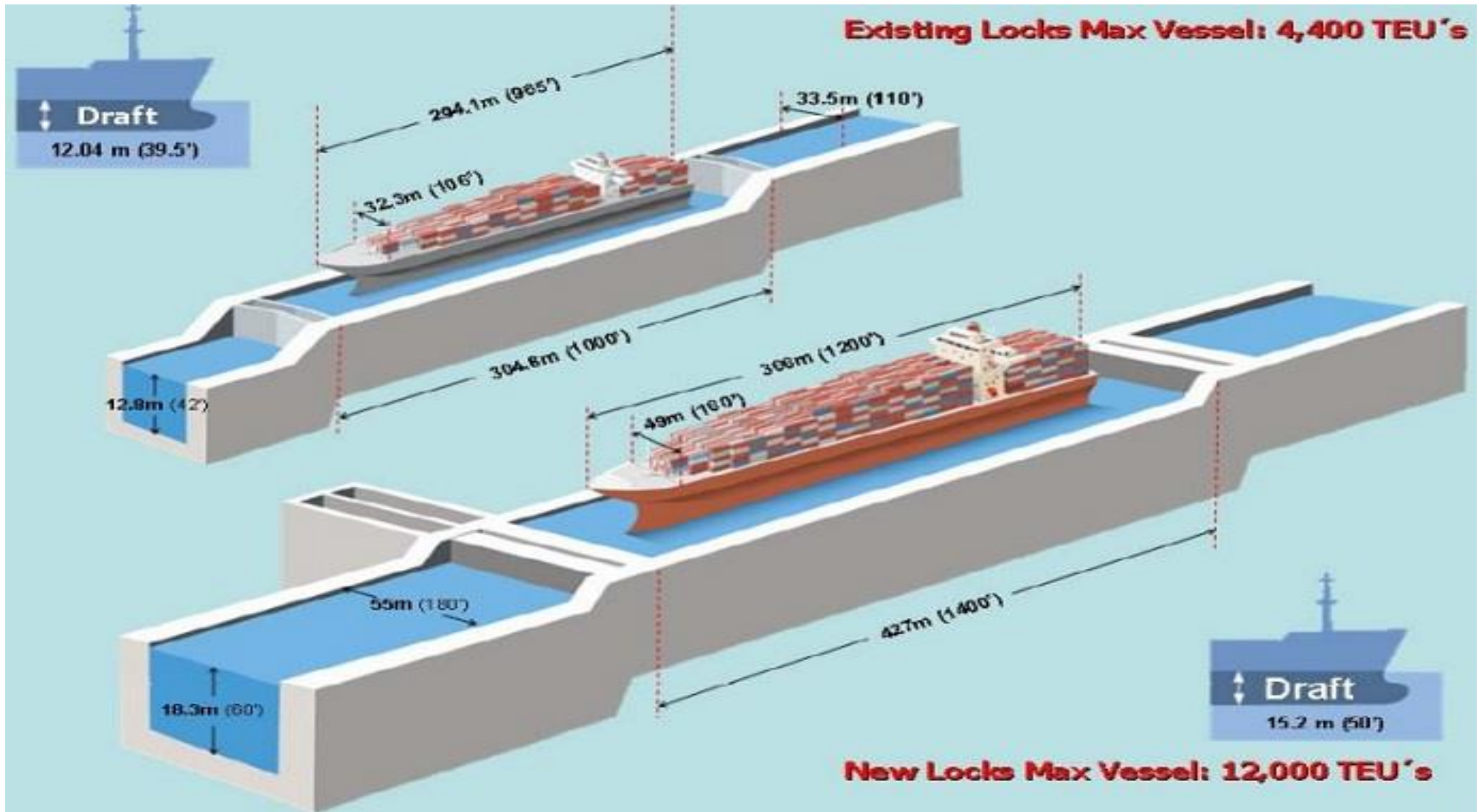
E-commerce Sales Worldwide

- Global E-commerce sales have increased 17% over the prior year period



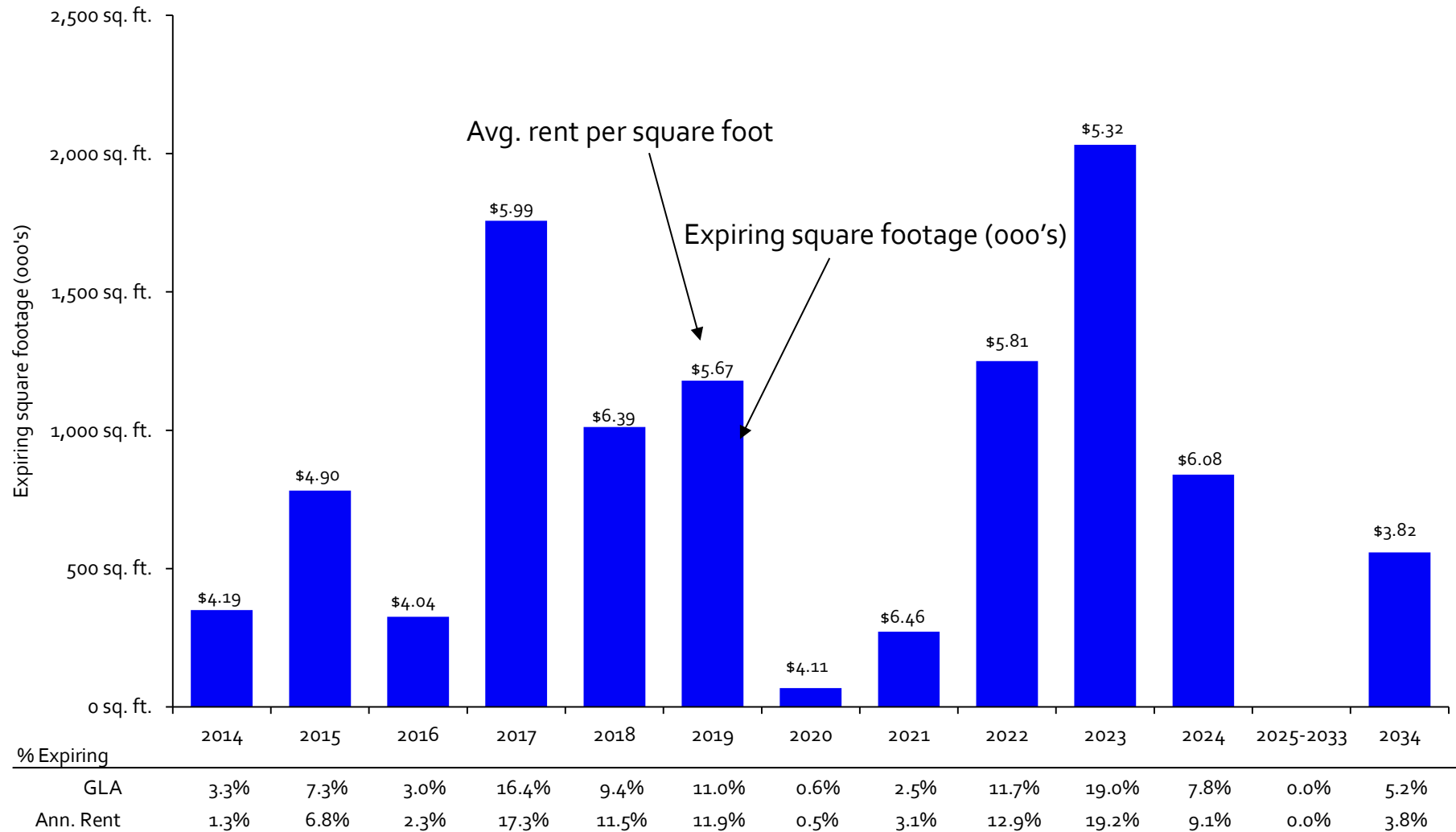
Panama Canal Expansion – Completion expected in 1H 2015

- Every 20,000 shipping containers translates into 1 million square feet of industrial demand
- Growth in East Coast shipping container traffic recently surpassed the West Coast for the first time since WWII



Lease Expirations Well Dispersed

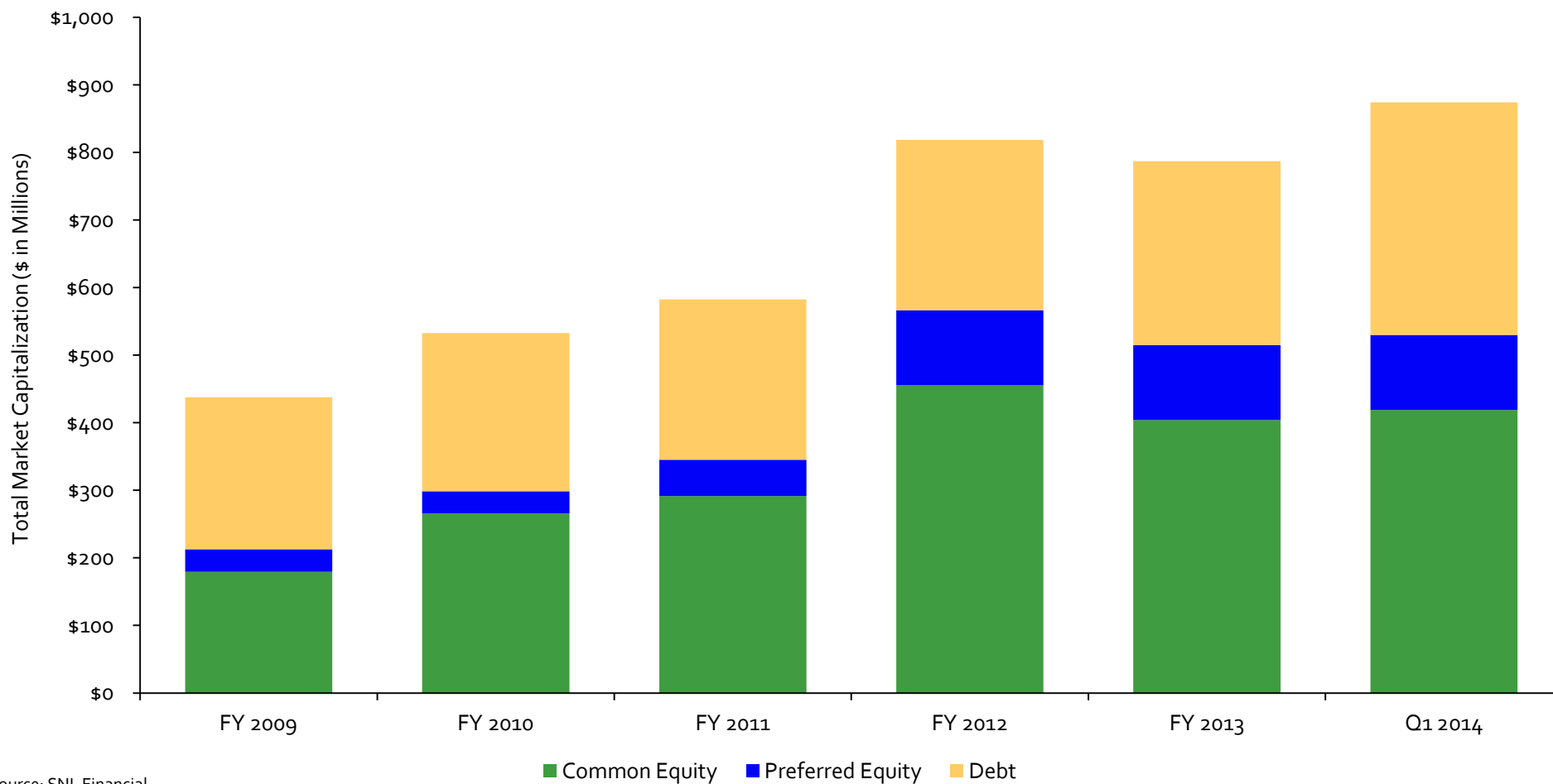
- Minimal rent roll down risk observed on lease renewals
- Solid long-term earnings visibility
- Weighted average lease maturity is currently 6.8 years
- Weighted Average Rent psf is currently \$5.43
- National average rent psf for Industrial Real Estate is currently \$5.20 and has been trending higher



As of 12/31/2013.
Note: Rent per square foot excludes reimbursement revenue

Historically Conservative Capital Structure

- Monmouth has doubled in size since 2009 , while reducing overall leverage
- Current net debt to total market capitalization of 38%
- Current net debt plus preferred equity to total market capitalization of 51%



Source: SNL Financial
As of 12/31/2013.



Solid Capital Structure & Credit Profile

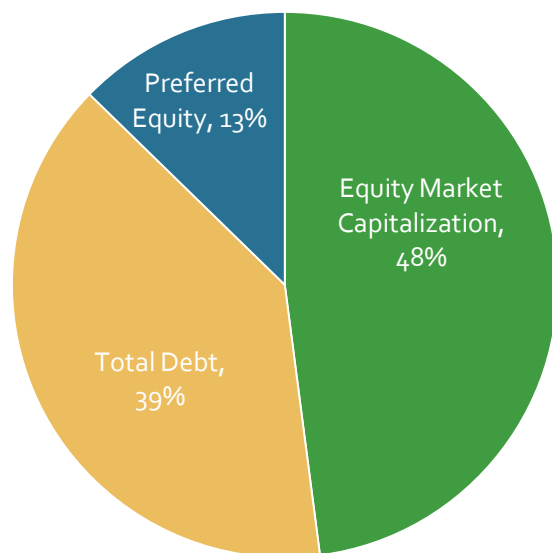
- Net Debt to Total Market Capitalization is 38%

Capitalization 12/31/2013

(\$ in Millions)

Total Book Capitalization	\$687.3
Total Book Capitalization (Undepreciated)	782.2
Total Market Capitalization	873.9

Current Total Market Capitalization



For the Quarter Ended

Leverage	12/31/2013 ⁽¹⁾	12/31/2012 ⁽²⁾
Net Debt / Undepreciated Book Capitalization	42.8%	40.0%
Net Debt / Total Market Capitalization	38.3%	33.2%
Net Debt + Preferred / Total Market Capitalization	51.0%	46.7%
Debt / EBITDA	6.7x	6.1x

Leverage

Interest Coverage	3.3x	3.0x
Fixed Charge Coverage	2.1x	1.9x

Other Debt Statistics

% Floating Rate	14.2%	1.0%
% Fixed Rate	85.8%	99.0%
Weighted Average Interest Rate for Fixed Rate Debt	5.3%	5.8%
Weighted Average Maturity for Mortgages (Years)	8.3	7.4

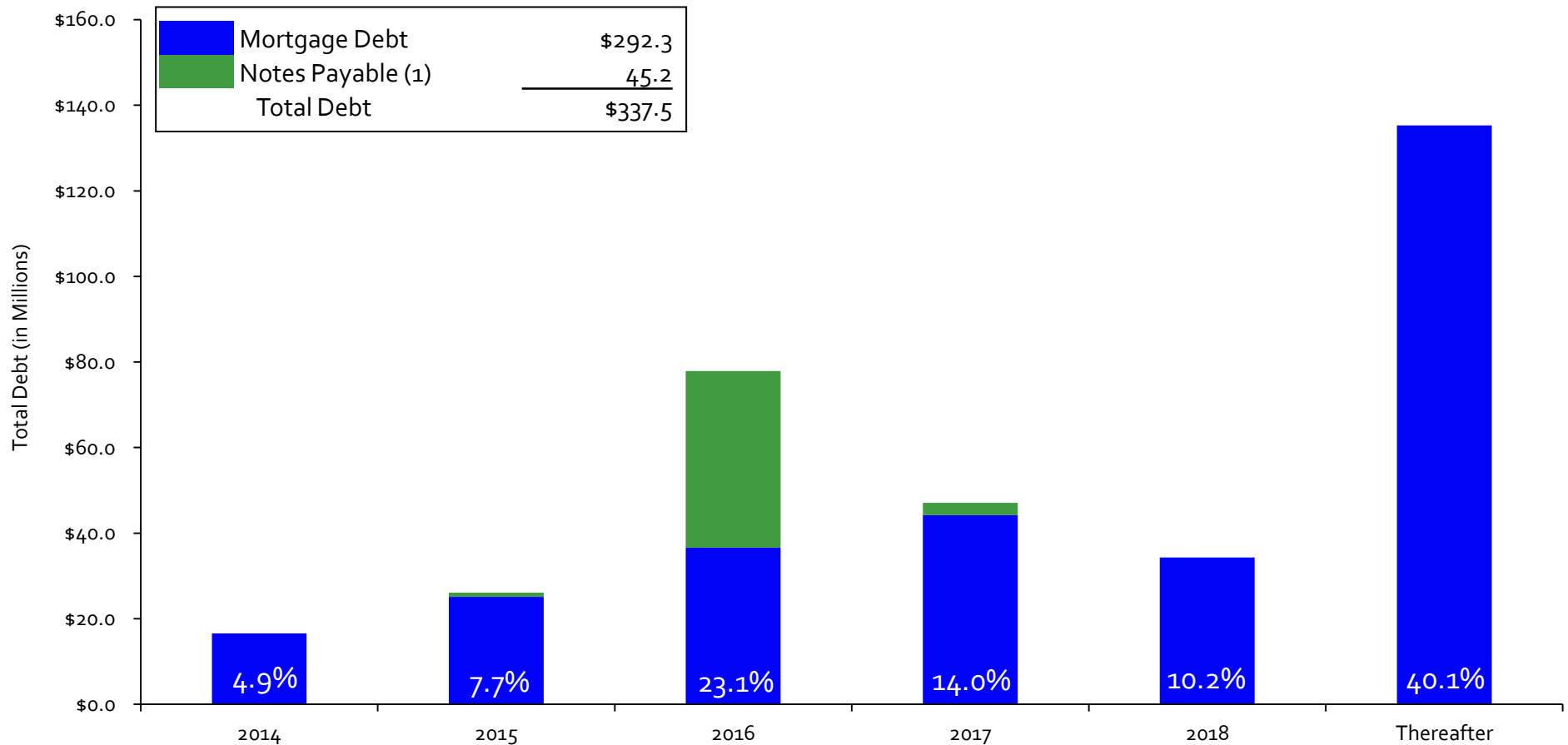
Source: Financial Supplement 12/31/2013.

1. Reflects common stock price as of 12/31/2013.

2. Reflects common stock price as of 12/31/2012.

Limited Near-Term Debt Maturities

- Stable capitalization with limited debt maturities each year through 2017
- 85% of debt consists of modest LTV asset level mortgage financing
- Weighted average mortgage maturity is 8.3 years



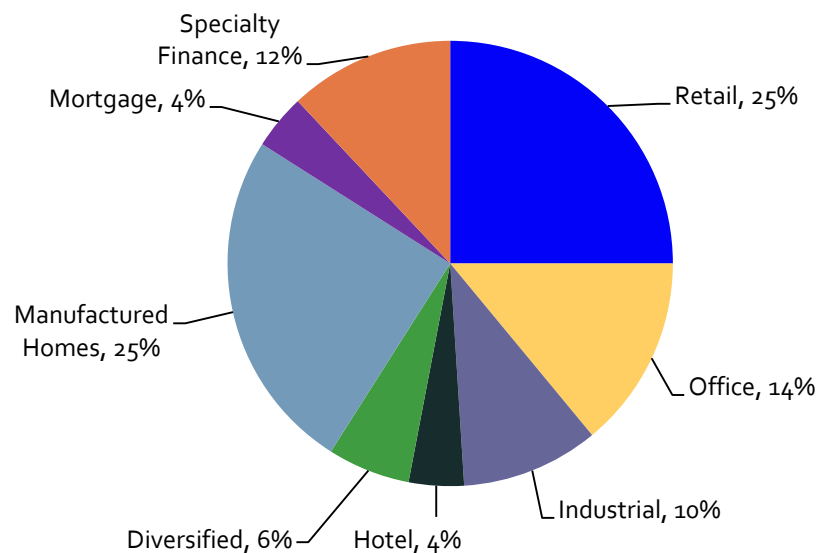
Source: Financial Supplement 12/31/2013.

(1) \$40 million of the \$51.3 million of Notes Payable is due June 2016 and has a 1 year extension option to June 2017. Excludes \$6.1 million of margin loans which are due upon demand.

Strong Liquidity Position

- \$8.5 million in cash
- \$53.6 million in REIT Marketable Securities
 - Diversified portfolio
 - Preferred stock ~ 67%
 - Common stock ~ 33%
 - Approximately 7% of total undepreciated assets
- Liquidity available for acquisitions or debt repayment
- \$7.1 Net Realized Gains on Sales of Securities in FY 2013

Marketable Securities Portfolio by Sector



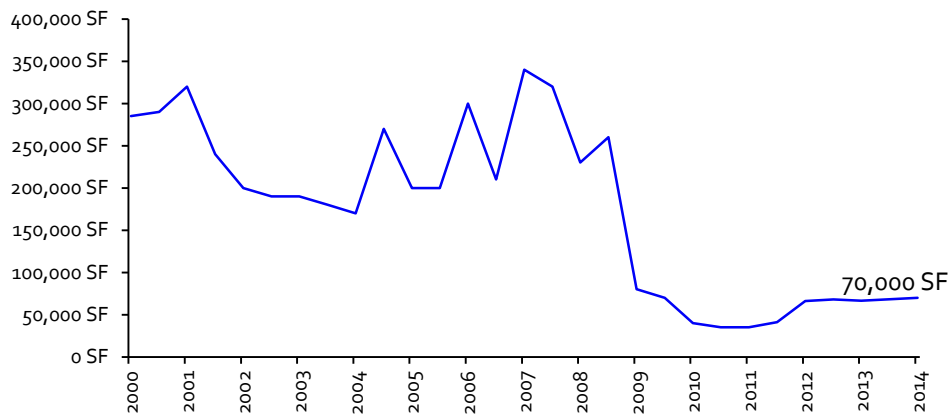
Source: 10-Q 12/31/2013



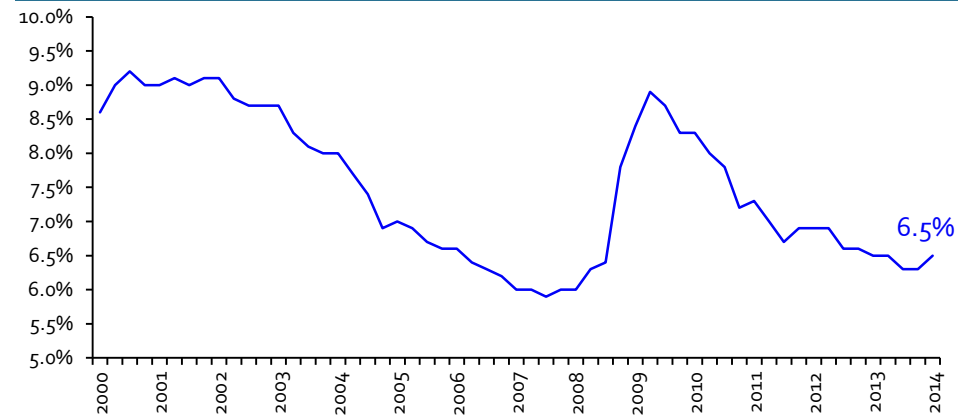
US Industrial Fundamentals

- Current economic indicators are very favorable for the US industrial real estate sector due to:
 - Very limited new construction over the past 5 years
 - Rampant growth in E-Commerce
 - Resurgent US Housing Sector
 - Rising Automotive Sales
 - Strong US Manufacturing growth due to increased domestic energy production
 - Expected benefits from completion of the Panama Canal expansion due in first half of 2015

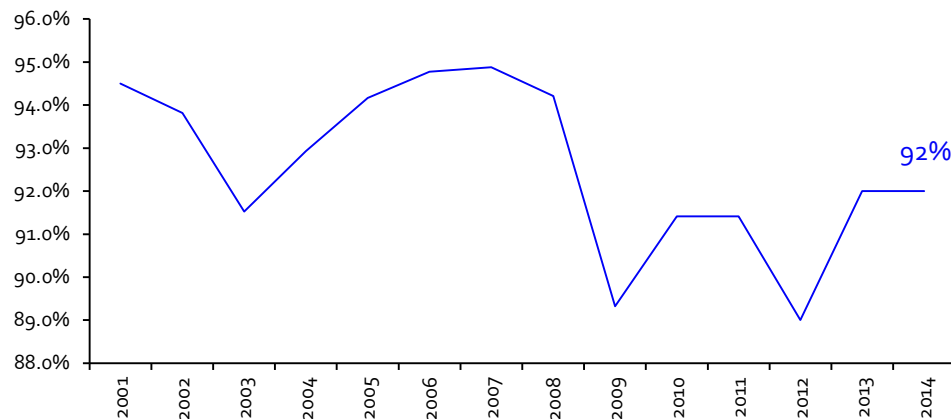
US Industrial Construction



US Industrial Cap Rates

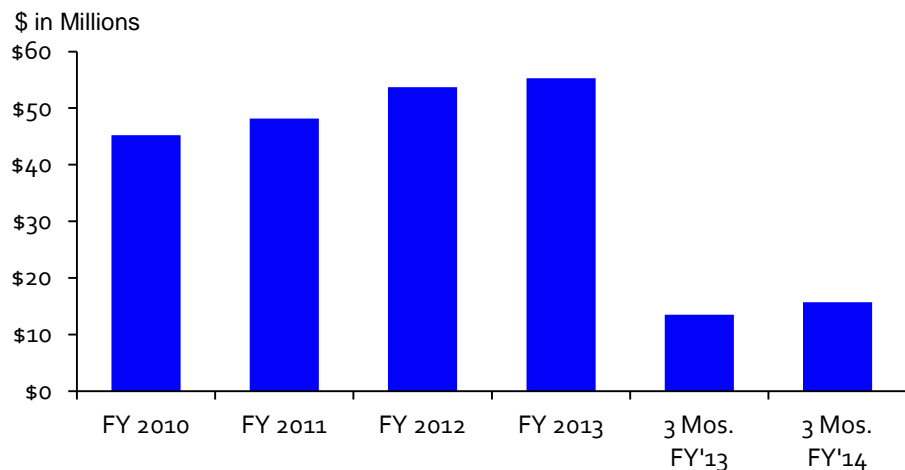


US Industrial Occupancy

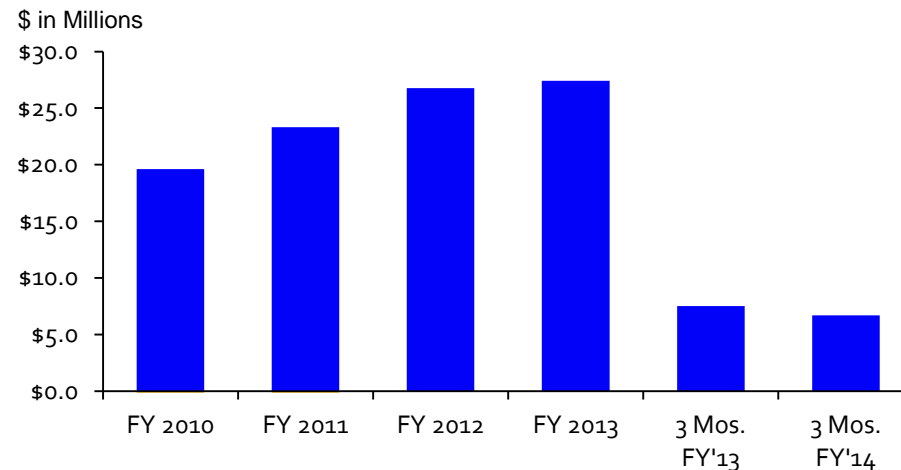


Financial Highlights

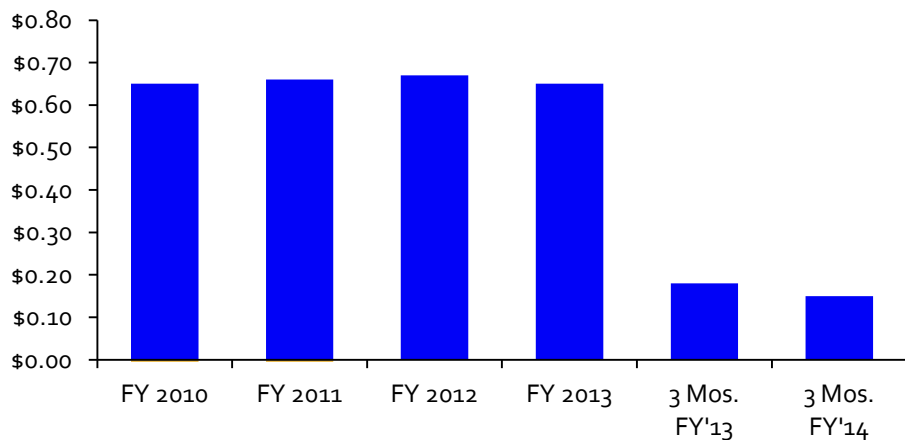
Revenues



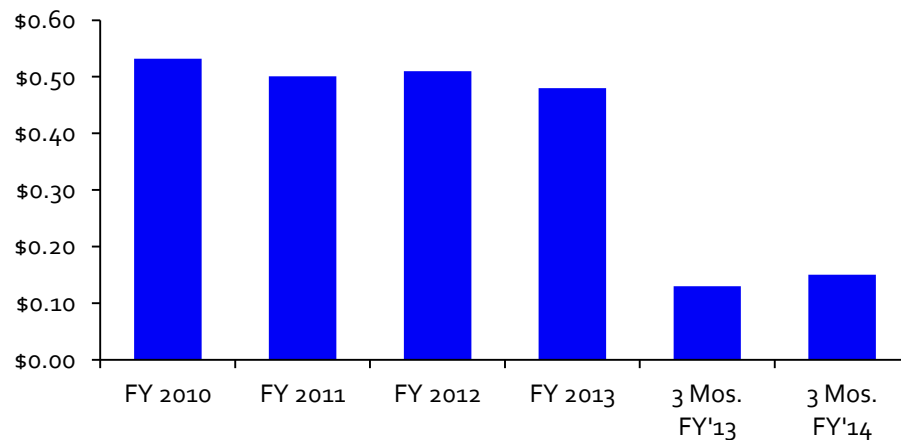
Core Funds from Operations (FFO) ⁽¹⁾



Core FFO Per Share ⁽¹⁾



Adjusted Funds From Operations (AFFO) Per Share ⁽¹⁾



Source: Company Financial Supplements

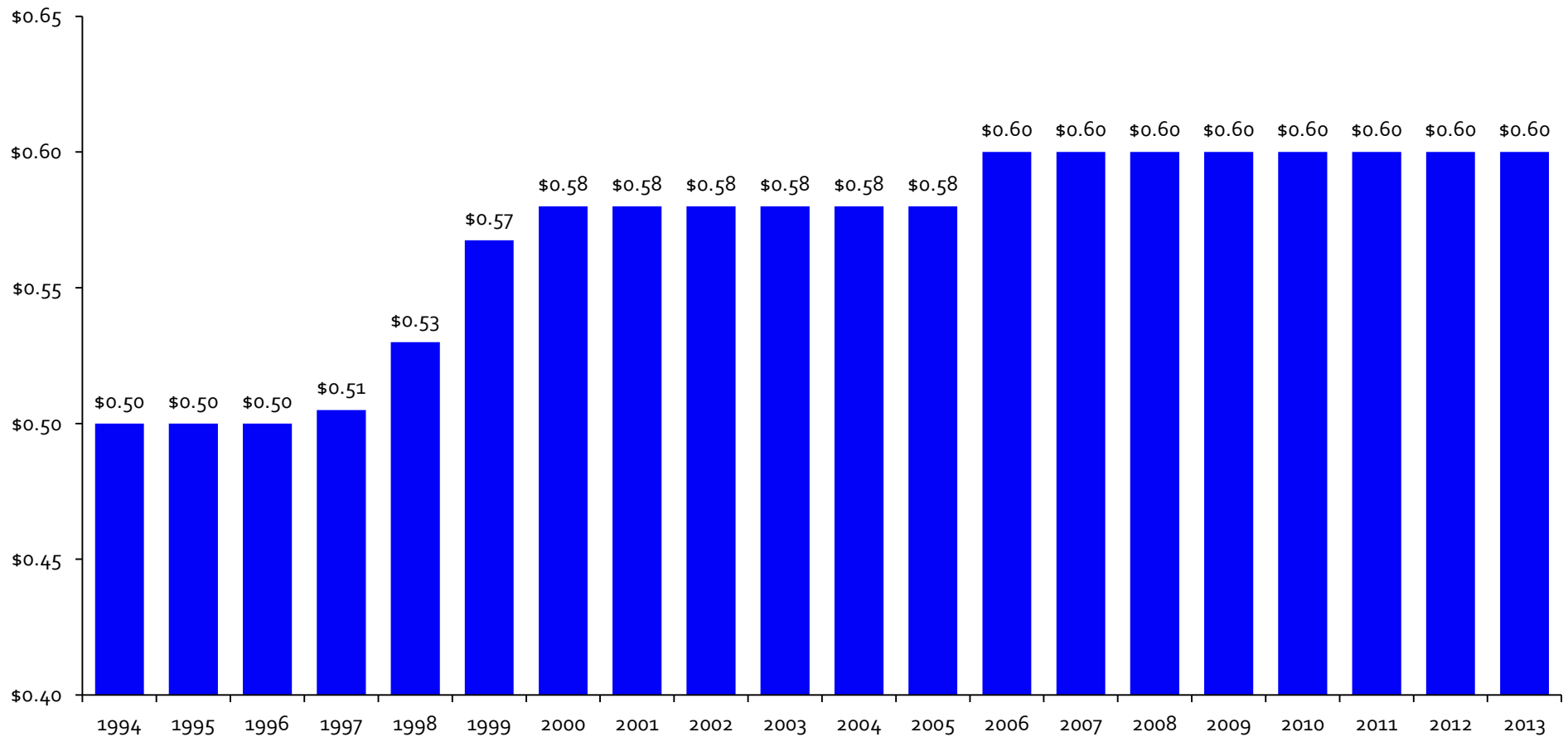
1. Core Funds from Operations and Adjusted Funds from Operations are non-GAAP measures.

Reconciliations to GAAP Net Income are available in the Company's supplemental financial information package filed with the SEC.



Solid Cash Dividend History

- Monmouth was one of the only REIT's that maintained its dividend throughout the Great Recession
- 100% cash dividends since inception
- 20% increase in dividends per common share since 1994



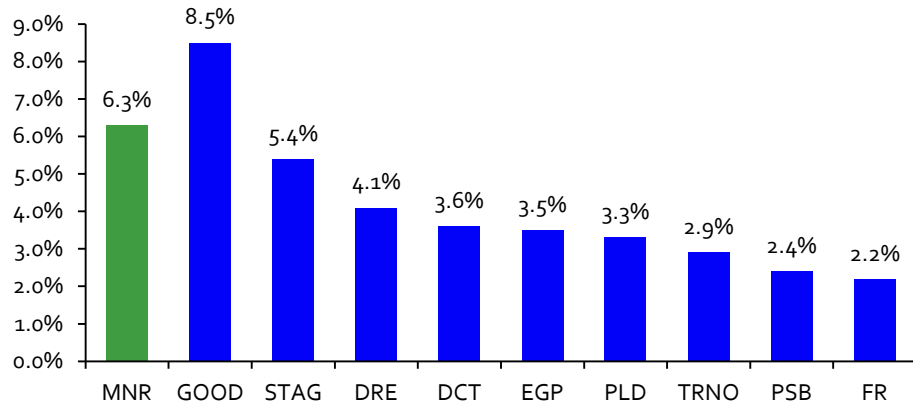
Source: Company 10-K's



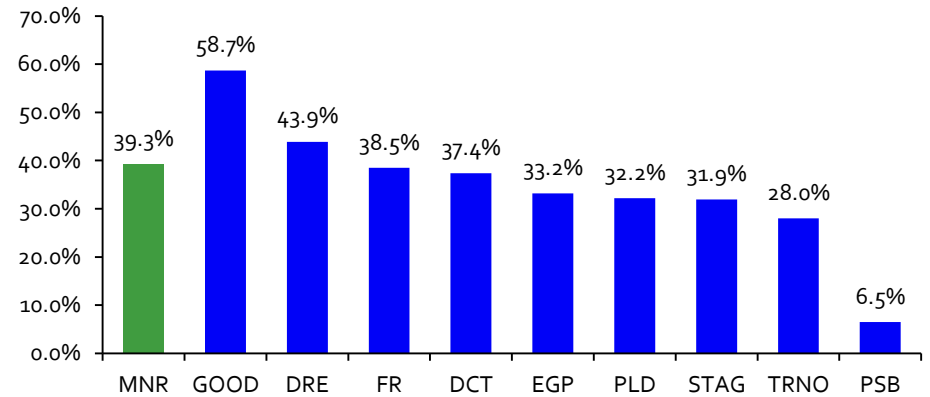
Peer Group Analysis

- Monmouth's shares represent compelling value relative to its peers

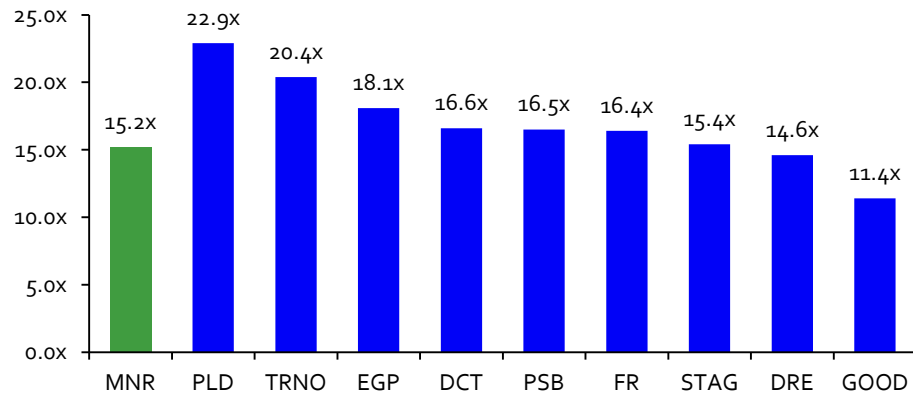
Dividend Yield



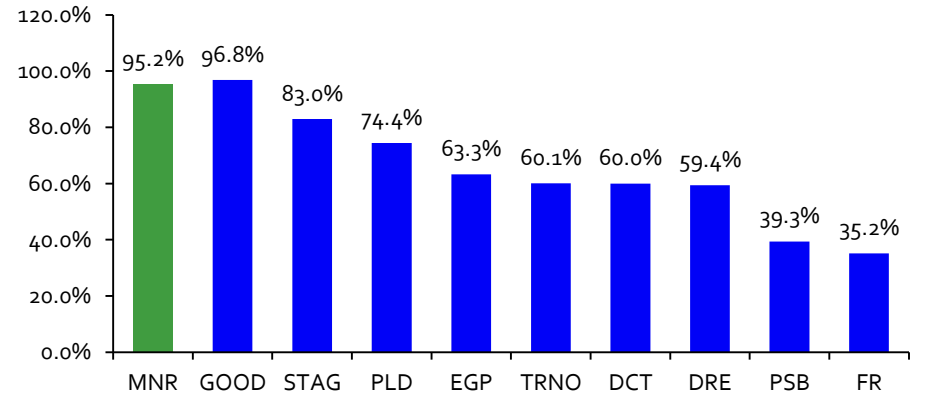
Total Debt / Total Market Capitalization



2014E FFO Multiple



2014E FFO Payout Ratio

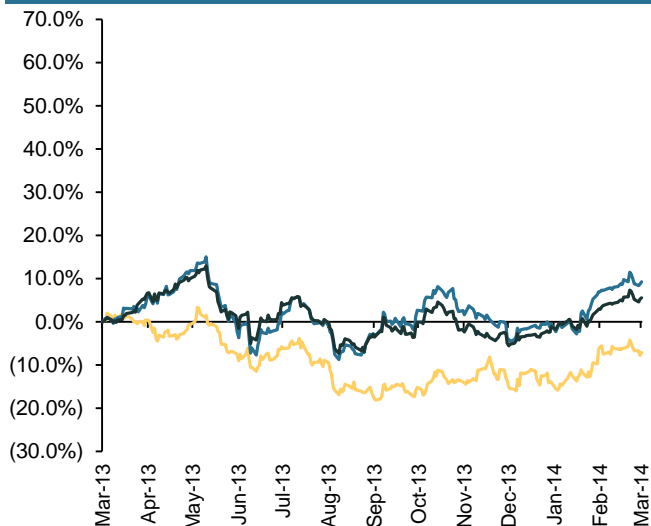


Source: SNL Financial and Wall Street research reports
 Note: Reflects financial information as of 3/12/2014

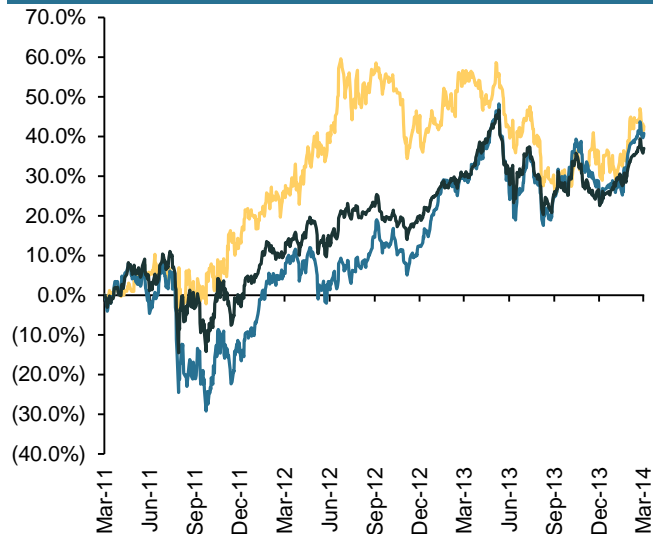


Total Return Performance

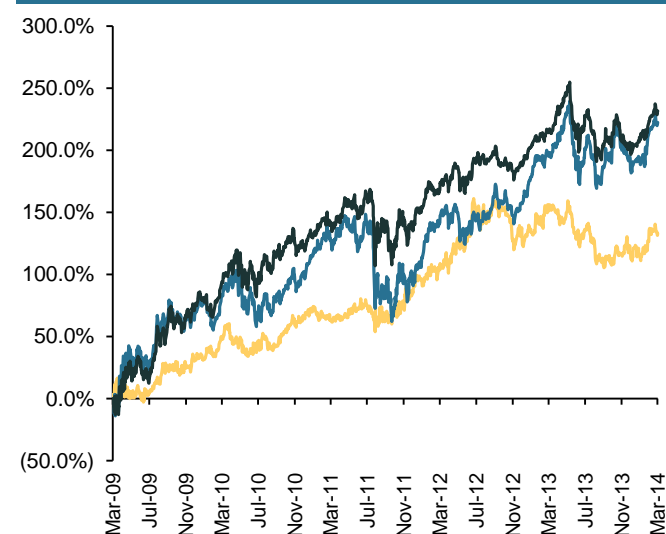
1 Year



3 Year



5 Year



1 Year

	<u>% Change</u>
Monmouth Real Estate Investment Corp.	(7.1%)
RMS Index	5.5%
Peer Group	9.2%

3 Year

	<u>% Change</u>
Monmouth Real Estate Investment Corp.	42.5%
RMS Index	37.1%
Peer Group	40.8%

5 Year

	<u>% Change</u>
Monmouth Real Estate Investment Corp.	133.1%
RMS Index	231.7%
Peer Group	222.4%

— Monmouth Real Estate Investment Corp.

— RMS Index

— Peer Group

Source: SNL Financial as of 3/12/2014.

Note: Peer Group Includes: DCT, EGP, FR, GOOD, PLD, PSB, STAG & TRNO





For additional information including all SEC filings please visit:
WWW.MREIC.COM



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