

Tuxis Corporation Announces Third Quarter 2014 Financial Results

October 16, 2014 – Tuxis Corporation (Ticker: [TUXS](#)) today reported its financial results for the third quarter ended September 30, 2014.

Tuxis recorded a net loss of \$12,538 or \$0.01 per share for the three months ended September 30, 2014 compared to a net loss of \$1,183 or \$0.00 per share for the three months ended September 30, 2013. Tuxis recorded a net loss of \$73,001 or \$0.06 per share for the nine months ended September 30, 2014 compared to a net loss of \$78,067 or \$0.07 per share for the nine months ended September 30, 2013. Revenue from rental income was \$362,978 for the nine months ended September 30, 2014 compared to \$357,708 for the nine months ended September 30, 2013. The Company's primary source of revenue is rental income from its self storage facilities. Tuxis had an adjusted EBITDA of \$30,028 for the nine months ended September 30, 2014 compared to an adjusted EBITDA of \$17,132 for the nine months ended September 30, 2013.

The Company's book value per share at September 30, 2014 was \$5.30 (shareholders' equity of \$6,030,327 divided by 1,138,777 shares issued and outstanding).

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the nine months ended September 30, 2014, including a reconciliation of net loss to adjusted EBITDA, are appended to the copy of this press release on www.tuxis.com.

About Tuxis

Tuxis Corporation is engaged through subsidiaries in self storage and real estate development. [Tuxis Self Storage at Heritage Park](#), Clinton, Connecticut, is a 184 unit self storage facility which offers a mix of standard and climate control units. [Tuxis Self Storage at Millbrook Commons](#), Millbrook, New York, is a mixed use facility consisting of 141 climate control self storage units including wine storage bins and complemented by rental office space. To learn more about our self storage facilities please visit www.tuxisselfstorage.com. To learn more about Tuxis Corporation, including Rule 15c2-11 information, please visit www.tuxis.com.

Safe Harbor Note

This release contains certain "forward looking statements" made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Tuxis Corporation, which may cause the company's actual results to be materially different from those expressed or implied by such statements. The forward looking statements made herein are only made as of the date of this release, and the company undertakes no obligation to publicly update such forward looking statements to reflect subsequent events or circumstances.

The Company views book value per share and adjusted EBITDA, non-GAAP financial measures, as an important indicator of financial performance and as a complement to results in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Presented in conjunction with other financial information, the combined presentation can enhance an investor's understanding of the Company's underlying financial condition and results from operations. The definition of book value as presented in this press release is shareholders' equity divided by currently issued and outstanding shares. The term "adjusted EBITDA" is a financial measure that the Company defines as net income (loss) before dividend and interest income,

income taxes, depreciation, and share-based compensation. Adjusted EBITDA is not a substitute for measures determined in accordance with GAAP and may not be comparable to adjusted EBITDA as reported by other companies.

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TUXIS CORPORATION
CONSOLIDATED BALANCE SHEET
September 30, 2014
(Unaudited)

Assets	
Current assets	
Cash and cash equivalents	\$ 303,293
Investment in securities	77,512
Accounts receivable	18,202
Refundable income taxes	13,014
Prepaid expenses	51,042
Total current assets	<u>463,063</u>
Property and equipment, net	6,710,423
Other assets	3,476
	<u>6,713,899</u>
Total assets	<u>\$ 7,176,962</u>
Liabilities and shareholders' equity	
Current liabilities	
Accounts payable and accrued expenses	<u>\$ 26,031</u>
Total current liabilities	<u>26,031</u>
Due to affiliates	1,003,373
Death benefit obligation	117,231
	<u>1,120,604</u>
Total liabilities	<u>1,146,635</u>
Shareholders' equity	
Common stock, \$0.01 par value, 1,000,000,000 shares authorized; 1,138,777 issued and outstanding	11,388
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	-
Additional paid in capital	10,439,595
Notes receivable for common stock issued	(9,004)
Accumulated comprehensive loss	(4,126)
Accumulated deficit	(4,407,526)
Total shareholders' equity	<u>6,030,327</u>
Total liabilities and shareholders' equity	<u>\$ 7,176,962</u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenues				
Rental income and other fees	\$ 123,042	\$ 121,218	\$ 362,978	\$ 357,708
Expenses				
General and administrative	56,521	45,317	174,122	154,580
Compensation and benefits	41,868	41,486	137,708	161,913
Depreciation	31,638	31,659	94,894	93,611
Professional	6,960	6,720	21,120	24,083
Share-based compensation	-	-	716	6,000
	<u>136,987</u>	<u>125,182</u>	<u>428,560</u>	<u>440,187</u>
Other income				
Dividends and interest	1,407	2,781	4,249	4,412
Loss before income taxes	(12,538)	(1,183)	(61,333)	(78,067)
Income tax expense	-	-	11,668	-
Net loss	<u>\$ (12,538)</u>	<u>\$ (1,183)</u>	<u>\$ (73,001)</u>	<u>\$ (78,067)</u>
Basic and diluted per share net loss	\$ (0.01)	(0.00)	\$ (0.06)	\$ (0.07)
Basic and diluted average shares outstanding	1,135,205	1,123,436	1,134,059	1,120,214
Other comprehensive income (loss)				
Unrealized income (loss) on investment securities available-for-sale	10,321	(7,055)	1,896	(3,913)
Comprehensive loss	<u>\$ (2,217)</u>	<u>\$ (8,238)</u>	<u>\$ (71,105)</u>	<u>\$ (81,980)</u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2014 and 2013
(Unaudited)

	2014	2013
Cash flows from operating activities		
Net loss	\$ (73,001)	\$ (78,067)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	94,894	93,611
Share-based compensation	716	6,000
(Increase) decrease in accounts receivable	(13,553)	5,205
Increase in refundable income taxes	(883)	(9,939)
Increase in prepaid expenses	(17,296)	(27,094)
(Increase) decrease in other assets	(450)	1
Increase (decrease) in accounts payable and accrued expenses	8,683	(5,109)
Decrease in due to affiliates	(22,005)	(12,826)
Decrease in death benefit obligation	(20,150)	(20,250)
Net cash used in operating activities	(43,045)	(48,468)
Cash flows from investing activities		
Fixed asset acquisitions	(20,493)	(60,318)
Real estate development	(23,961)	(32,367)
Purchase of investment securities	-	(81,637)
Net cash used in investing activities	(44,454)	(174,322)
Cash flows from financing activities		
Forgiveness of promissory note	17,532	35,164
Prepayment of promissory note	950	900
Issuance of stock upon exercise of stock options	6,307	17,731
Promissory note accepted with exercise of stock options	(6,254)	(17,582)
Net cash provided by financing activities	18,535	36,213
Net decrease in cash and cash equivalents	(68,964)	(186,577)
Cash and cash equivalents		
Beginning of period	372,257	552,560
End of period	\$ 303,293	\$ 365,983
Supplemental disclosure:		
Income taxes paid	\$ 11,668	\$ 9,939

TUXIS CORPORATION
NON-GAAP FINANCIAL MEASURE AND RECONCILIATION
(Unaudited)

The Company views adjusted EBITDA, a non-GAAP financial measure, as a complement to results in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The term “adjusted EBITDA” is a financial measure that the Company defines as net income (loss) before dividends and interest income, income taxes, depreciation, and share-based compensation. Adjusted EBITDA is not a substitute for measures determined in accordance with GAAP and may not be comparable to adjusted EBITDA as reported by other companies. A reconciliation of net loss to adjusted EBITDA for nine months ended September 30, 2014 and 2013, respectively, is set forth in the following table:

	<u>2014</u>	<u>2013</u>
Net loss	\$ (73,001)	\$ (78,067)
Adjustments:		
Dividends, interest, and other income	(4,249)	(4,412)
Depreciation	94,894	93,611
Share-based compensation	716	6,000
Income tax expense	11,668	-
Adjusted EBITDA	<u>\$ 30,028</u>	<u>\$ 17,132</u>