

Tuxis Corporation Announces Third Quarter 2011 Financial Results

October 21, 2011 – Tuxis Corporation (Ticker: [TUXS](#)) today reported its financial results for the third quarter ended September 30, 2011.

Tuxis recorded a net loss of \$40,659 or \$0.04 per share for the three months ended September 30, 2011 compared to a net loss of \$75,604 or \$0.08 per share for the three months ended September 30, 2010. Revenue from rental income was \$114,809 for the three months ended September 30, 2011 compared to \$98,734 for the three months ended September 30, 2010. Tuxis recorded a net loss of \$132,932 or \$0.13 per share for the nine months ended September 30, 2011 compared to a net loss of \$203,632 or \$0.21 per share for the nine months ended September 30, 2010. Revenue from rental income was \$336,066 for the nine months ended September 30, 2011 compared to \$265,407 for the nine months ended September 30, 2010. The Company's primary source of revenue is rental income from its self storage facilities. Tuxis had an adjusted EBITDA loss of \$34,553 for the nine months ended September 30, 2011 compared to an adjusted EBITDA loss of \$107,032 for the nine months ended September 30, 2010.

The Company's book value per share at September 30, 2011 was \$6.18 (shareholders' equity of \$6,481,201 divided by 1,048,677 shares issued and outstanding).

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the third quarter and nine months ended September 30, 2011 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 185 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, 2011
(Unaudited)

Assets			
	Cash and cash equivalents		\$ 411,727
	Refundable income taxes		11,861
	Prepaid expenses		36,438
	Properties and equipment, net		6,884,219
	Other assets		4,231
	Total assets		\$ 7,348,476
Liabilities and shareholders' equity			
	Accounts payable and accrued expenses		\$ 867,275
	Total liabilities		867,275
Shareholders' equity			
	Common stock, \$0.01 par value, 1,000,100,000 shares authorized, 1,048,677 issued and outstanding		10,487
	Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding		-
	Additional paid in capital		10,326,154
	Note receivable for common stock issued		(17,582)
	Accumulated deficit		(3,837,858)
	Total shareholders' equity		6,481,201
	Total liabilities and shareholders' equity		\$ 7,348,476

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenues				
Rental income	\$ 114,809	\$ 98,734	\$ 336,066	\$ 265,407
Expenses				
Compensation and benefits	65,599	53,362	187,161	164,664
General and administrative	53,897	90,045	183,458	207,775
Depreciation	31,485	31,296	94,456	93,888
	150,981	174,703	465,075	466,327
Other income				
Dividends, interest, and other	580	365	1,444	608
Loss before income taxes	(35,592)	(75,604)	(127,565)	(200,312)
Income tax expense	5,067	-	5,367	3,320
Net loss	\$ (40,659)	\$ (75,604)	\$ (132,932)	\$ (203,632)
Basic and diluted per share net loss	\$ (0.04)	\$ (0.08)	\$ (0.13)	\$ (0.21)
Basic and diluted average shares outstanding	1,043,765	983,776	1,038,799	983,776

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2011 and 2010
(Unaudited)

	2011	2010
Cash flows from operating activities		
Net loss	\$ (132,932)	\$ (203,632)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	94,456	93,888
Share-based compensation expense	3,272	-
Decrease in accounts receivable	-	29,335
(Increase) decrease in refundable income taxes	(3,825)	2,492
Increase in prepaid expenses	(10,862)	(21,880)
Increase in accounts payable and accrued expenses	204,322	172,648
Decrease in other assets	(388)	(30)
Net cash provided by operating activities	<u>154,043</u>	<u>72,821</u>
Cash flows from investing activities		
Real estate development	(40,016)	(48,624)
Fixed asset acquisitions	(6,374)	(36,348)
Net cash used in investing activities	<u>(46,390)</u>	<u>(84,972)</u>
Cash flows from financing activities		
Issuance of stock upon exercise of stock options	17,731	-
Promissory note accepted with exercise of stock options	(17,582)	-
Net cash provided by financing activities	<u>149</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	107,802	(12,151)
Cash and cash equivalents		
Beginning of period	303,925	314,061
End of period	<u>\$ 411,727</u>	<u>\$ 301,910</u>
Supplemental disclosure:		
Income taxes paid	\$ 5,067	\$ 3,320

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, 2011 and 2010, respectively, is set forth in the following table:

	2011	2010
Net loss	\$ (132,932)	\$ (203,632)
Adjustments:		
Dividends, interest, and other income	(1,444)	(608)
Depreciation	94,456	93,888
Share-based compensation	-	-
Income tax expense	5,367	3,320
Adjusted EBITDA	<u>\$ (34,553)</u>	<u>\$ (107,032)</u>