

Tuxis Corporation Announces Third Quarter 2012 Financial Results

October 24, 2012 – Tuxis Corporation (Ticker: [TUXS](#)) today reported its financial results for the third quarter ended September 30, 2012.

Tuxis recorded a net loss of \$21,288 or \$0.02 per share for the three months ended September 30, 2012 compared to a net loss of \$40,659 or \$0.04 per share for the three months ended September 30, 2011. Revenue from rental income was \$117,256 for the three months ended September 30, 2012 compared to \$114,809 for the three months ended September 30, 2011. Tuxis recorded a net loss of \$312,247 or \$0.28 per share for the nine months ended September 30, 2012 compared to a net loss of \$128,683 or \$0.12 per share for the nine months ended September 30, 2011. Revenue from rental income was \$351,349 for the nine months ended September 30, 2012 compared to \$336,066 for the nine months ended September 30, 2011. The Company's primary source of revenue is rental income from its self storage facilities. Tuxis had an adjusted EBITDA loss of \$148,221 for the nine months ended September 30, 2012 compared to an adjusted EBITDA loss of \$27,332 for the nine months ended September 30, 2011.

The Company's book value per share at September 30, 2012 was \$5.52 (shareholders' equity of \$6,175,860 divided by 1,118,577 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, 2012 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, 2012
(Unaudited)

Assets	
Current assets	
Cash and cash equivalents	\$ 516,781
Accounts receivable	19,217
Prepaid expenses	47,456
Total current assets	<u>583,454</u>
Property and equipment, net	6,800,832
Other assets	3,664
	<u>6,804,496</u>
Total assets	<u><u>\$ 7,387,950</u></u>
Liabilities and shareholders' equity	
Current liabilities	
Accounts payable and accrued expenses	\$ 35,775
Total current liabilities	<u>35,775</u>
Due to affiliates	993,834
Death benefit obligation	182,481
	<u>1,176,315</u>
Total liabilities	<u>1,212,090</u>
Shareholders' equity	
Common stock, \$0.01 par value, 1,000,000 shares authorized; 1,118,577 issued and outstanding	11,186
Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	-
Additional paid in capital	10,412,329
Notes receivable for common stock issued	(40,414)
Accumulated deficit	(4,207,241)
Total shareholders' equity	<u>6,175,860</u>
Total liabilities and shareholders' equity	<u><u>\$ 7,387,950</u></u>

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues				
Rental income and other fees	\$ 117,256	\$ 114,809	\$ 351,349	\$ 336,066
Expenses				
General and administrative	51,305	47,147	153,154	160,967
Compensation and benefits	44,344	62,327	319,385	179,640
Depreciation	31,889	31,485	95,451	94,456
Professional	11,684	6,750	27,031	22,791
Share-based compensation	-	3,272	63,193	3,272
	<u>139,222</u>	<u>150,981</u>	<u>658,214</u>	<u>461,126</u>
Other income				
Dividends and interest	678	580	1,848	1,444
Loss before income taxes	(21,288)	(35,592)	(305,017)	(123,616)
Income tax expense	-	5,067	7,230	5,067
Net loss	<u>\$ (21,288)</u>	<u>\$ (40,659)</u>	<u>\$ (312,247)</u>	<u>\$ (128,683)</u>
Basic and diluted per share net loss	\$ (0.02)	\$ (0.04)	\$ (0.28)	\$ (0.12)
Basic and diluted average shares outstanding	1,118,577	1,043,765	1,114,391	1,038,799

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30, 2012 and 2011
(Unaudited)

	2012	2011
Cash flows from operating activities		
Net loss	\$ (312,247)	\$ (128,683)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	95,451	94,456
Share-based compensation expense	63,193	3,272
Increase in accounts receivable	(6,239)	(3,925)
Increase in prepaid expenses	(20,247)	(10,862)
Increase in other assets	-	(288)
Increase (decrease) in accounts payable and accrued expenses	731	(2,575)
Increase in due to affiliates	102,080	202,648
Increase in death benefit obligation	165,029	-
Net cash provided by operating activities	87,751	154,043
 Cash flows from investing activities		
Real estate development	(19,241)	(40,016)
Fixed asset acquisitions	(15,546)	(6,374)
Net cash used in investing activities	(34,787)	(46,390)
 Cash flows from financing activities		
Issuance of stock upon exercise of stock options	23,681	17,731
Promissory note accepted with exercise of stock options	(23,482)	(17,582)
Prepayment of promissory note	650	-
Net cash provided by financing activities	849	149
 Net increase in cash and cash equivalents	53,813	107,802
Cash and cash equivalents		
Beginning of period	462,968	303,925
End of period	\$ 516,781	\$ 411,727
 Supplemental disclosure:		
Income taxes paid	\$ 7,230	\$ 5,067

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, 2012 and 2011, respectively, is set forth in the following table:

	2012	2011
Net loss	\$ (312,247)	\$ (128,683)
Adjustments:		
Dividends, interest, and other income	(1,848)	(1,444)
Depreciation	95,451	94,456
Share-based compensation	63,193	3,272
Income tax expense	7,230	5,067
Adjusted EBITDA	<u>\$ (148,221)</u>	<u>\$ (27,332)</u>