

Tuxis Corporation Announces First Quarter 2014 Financial Results

May 16, 2014 – Tuxis Corporation (Ticker: [TUXS](#)) today reported its financial results for the first quarter ended March 31, 2014.

Tuxis recorded a net loss of \$68,324 or \$0.06 per share for the three months ended March 31, 2014 compared to a net loss of \$62,263 or \$0.06 per share for the three months ended March 31, 2013. Revenue from rental income was \$117,027 for the three months ended March 31, 2014 compared to \$121,051 for the three months ended March 31, 2013. The Company's primary source of revenue is rental income from its self storage facilities. Tuxis had an adjusted EBITDA loss of \$26,467 for the three months ended March 31, 2014 compared to an adjusted EBITDA loss of \$33,052 for the three months ended March 31, 2013.

The Company's book value per share at March 31, 2014 was \$5.32 (shareholders' equity of \$6,035,320 divided by 1,133,477 shares issued and outstanding).

The Company's unaudited balance sheet, statements of income, and statements of cash flows as of and for the three months ended March 31, 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
March 31, 2014
(Unaudited)

Assets

Current assets

Cash and cash equivalents	\$ 309,446
Investment in securities	106,247
Accounts receivable	9,149
Refundable income taxes	4,485
Prepaid expenses	34,493

Total current assets	463,820
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Property and equipment, net	6,738,845
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Other assets	3,459
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	6,742,304
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Total assets	\$ 7,206,124
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Liabilities and shareholders' equity

Current liabilities

Accounts payable and accrued expenses	\$ 18,007
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Total current liabilities	18,007
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Due to affiliates	1,022,066
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Death benefit obligation	130,731
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	1,152,797
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Total liabilities	1,170,804
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Shareholders' equity

Common stock, \$0.01 par value, 1,000,100,000 shares authorized; 1,133,477 issued and outstanding	11,335
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Series A participating preferred stock, \$0.01 par value, 100,000 shares authorized, -0- shares issued and outstanding	-
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Additional paid in capital	10,432,625
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Notes receivable for common stock issued	(3,350)
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Accumulated comprehensive loss	(2,441)
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Accumulated deficit	(4,402,849)
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Total shareholders' equity	6,035,320
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Total liabilities and shareholders' equity	\$ 7,206,124
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TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2014 and 2013
(Unaudited)

	2014	2013
Revenues		
Rental income and other fees	\$ 117,027	\$ 121,051
Expenses		
Compensation and benefits	62,567	81,857
General and administrative	73,727	61,843
Depreciation	31,623	30,793
Professional	7,200	10,403
	175,117	184,896
Other income		
Dividends and interest	1,434	1,582
Loss before income taxes	(56,656)	(62,263)
Income tax expense	11,668	-
Net loss	\$ (68,324)	\$ (62,263)
Basic and diluted per share net loss	\$ (0.06)	\$ (0.06)

TUXIS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2014 and 2013
(Unaudited)

	2014	2013
Cash flows from operating activities		
Net loss	\$ (68,324)	\$ (62,263)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	31,623	30,793
(Increase) decrease in accounts receivable	(4,500)	6,885
Decrease (increase) in refundable income taxes	7,646	(4,966)
Increase in prepaid expenses	(747)	(7,036)
Increase in other assets	(433)	-
Decrease in accounts payable and accrued expenses	(711)	(12,483)
(Decrease) increase in due to affiliates	(3,311)	716
Decrease in death benefit obligation	(6,650)	(6,750)
Net cash used in operating activities	(45,407)	(55,104)
 Cash flows from investing activities		
Fixed asset acquisitions	(9,005)	(6,324)
Real estate development	(600)	(27,678)
Net cash used in investing activities	(9,605)	(34,002)
 Cash flows from financing activities		
Forgiveness of promissory note	17,532	35,164
Prepayment of promissory note	350	300
Net cash provided by financing activities	17,882	35,464
 Net (decrease) increase in cash and cash equivalents	(37,130)	(53,642)
Cash and cash equivalents		
Beginning of period	346,576	352,560
End of period	\$ 309,446	\$ 298,918
 Supplemental disclosure:		
Income taxes paid	\$ 11,668	\$ -

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 three months ended March 31, 2014 and 2013, respectively, is set forth in the following table:

	<u>2014</u>	<u>2013</u>
Net loss	\$ (68,324)	\$ (62,263)
Adjustments:		
Dividends, interest, and other income	(1,434)	(1,582)
Depreciation	31,623	30,793
Income tax expense	11,668	-
Adjusted EBITDA	<u>\$ (26,467)</u>	<u>\$ (33,052)</u>