

August 7, 2013



# Gladstone Land Corporation Reports Results for the Second Quarter Ended June 30, 2013

**Please note the limited information that follows in this press release is not adequate for making an informed investment judgment.**

MCLEAN, Va., Aug. 7, 2013 /PRNewswire/ -- Gladstone Land Corporation (NASDAQ: LAND) (the "Company") today reported financial results for the second quarter ended June 30, 2013. A description of funds from operations ("FFO"), a relative non-GAAP (generally accepted accounting principles in the United States) financial measure, is located at the end of this press release. All per-share references are to fully-diluted, weighted average shares of common stock unless otherwise noted. Please read the Company's Quarterly Report on Form 10-Q, filed today with the U.S. Securities and Exchange Commission (the "SEC"), which can be retrieved from the SEC's website at [www.sec.gov](http://www.sec.gov) or from the Company's website at [www.GladstoneLand.com](http://www.GladstoneLand.com). The Company completed its initial public offering in January 2013 (the "IPO").

(Logo: <https://photos.prnewswire.com/prnh/20130128/PH49913LOGO> )

## Summary Information:

	For and As of the Quarters Ended		\$ / # Change	% Change
	June 30, 2013	March 31, 2013		
<b>Operating Data:</b>				
Total operating revenue	\$ 949,756	\$ 914,583	\$ 35,173	3.8%
Total operating expenses	(611,333)	(538,105)	(73,228)	13.6%
Other expenses	(261,229)	(269,773)	8,544	-3.2%
Net income before income taxes	77,194	106,705	(29,511)	-27.7%
Income tax provision	(46,838)	(59,189)	12,351	-20.9%
Net income available to common stockholders	\$ 30,356	\$ 47,516	\$ (17,160)	-36.1%
Real estate and intangible depreciation and amortization	177,323	160,036	17,287	10.8%

Funds from operations available to common stockholders	\$ 207,679	\$ 207,552	\$ 127	0.1%
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**Share and Per Share Data:**

Weighted average common shares outstanding - basic and diluted	6,530,264	5,249,898	1,280,366	24.4%
Net income per weighted average common share - basic and diluted	\$ 0.00	\$ 0.01	\$ (0.00)	-48.6%
FFO per weighted average common share - basic and diluted	0.03	0.04	(0.01)	-19.6%
Cash dividends declared per common share	0.36	0.08	0.28	350.0%

**Balance Sheet Data:**

Real estate and intangibles, gross	\$ 44,805,639	\$ 40,122,768	\$ 4,682,871	11.7%
Total assets	88,205,335	90,498,578	(2,293,243)	-2.5%
Mortgage note payable and borrowings under line of credit	29,589,165	29,589,165	-	0.0%
Total stockholders' equity	56,671,324	58,991,767	(2,320,443)	-3.9%
Total common shares outstanding	6,530,264	6,530,264	0	0.0%

**Other Data:**

Farms owned	14	12	2	16.7%
Acres owned	1,959	1,631	328	20.1%
Occupancy Rate	100.0%	100.0%	0.0%	0.0%

**Highlights for the Quarter:**

- **New Acquisitions:** Acquired two, fully-leased properties, comprised of an aggregate of 328 acres of farmland for approximately \$4.6 million at a weighted-average cap rate of 6.1%;
- **Lease Extension:** Replaced a lease that expired during the quarter with a five-year lease with a new tenant, which began on the date of the prior lease's expiration; and
- **Declared Distributions:** Declared and paid monthly cash distributions for the quarter of \$0.12 per share of common stock for each of April, May and June. A portion of these payments are related to the Company's accumulated earnings and profits from prior periods that must be distributed prior to its REIT election.

**Second Quarter 2013 Results:** FFO remained relatively flat for the three months ended June 30, 2013, as compared to the three months ended March 31, 2013, at approximately \$208,000, or \$0.03 per share. FFO was impacted by an increase in operating revenues due to the two properties acquired during the current quarter, coupled with an incentive fee credit from our investment adviser during the three months ended June 30, 2013. This was offset by an increase in legal fees associated with tax research and preparatory work related to becoming a REIT and general and administrative expenses, particularly stockholder-related costs, incurred during the quarter.

Net income available to common stockholders for the three months ended June 30, 2013, was approximately \$30,000, or \$0.00 per share. Net income available to common stockholders decreased as compared to that for the three months ended March 31, 2013, primarily due to the increase in expenses noted above, as well as an increase in the weighted average common shares outstanding during the current quarter as a result of our IPO in January 2013. A reconciliation of FFO to net income for both the three months ended June 30 and March 31, 2013, which the Company believes is the most directly-comparable GAAP measure to FFO, and a computation of basic and diluted FFO and basic and diluted net income per weighted-average share of common stock is set forth in the Summary Information table above.

**Comments from the Company's Chief Executive Officer, David Gladstone:** "Our financial results for the quarter reflect increased revenues from our farm acquisitions made during the quarter; however, we had some additional expenses related to becoming a public company that hurt our earnings this quarter. We were able to acquire high quality farms in Oregon and Michigan, increasing our geographic diversification in two regions we have targeted for growth of our land holdings. We are working hard to continue to deploy the additional capital raised from our IPO in January. We also continue to focus on maintaining our portfolio and working with our existing tenants to extend leases that are scheduled to mature in the next few years. We are looking forward to an active second half of 2013."

**Subsequent Events:** Subsequent to the end of the quarter, the following significant event occurred:

- **Declared Distributions:** Declared monthly cash distributions of \$0.12 per share on its common stock, for each of July, August and September 2013. A portion of these payments are related to the Company's accumulated earnings and profits from prior periods that must be distributed prior to its REIT election.

**Conference Call for Stockholders:** The Company will hold a conference call on Thursday, August 8, 2013, at 8:30 a.m. EDT to discuss its earnings results. Please call (800) 860-2442 to enter the conference. An operator will monitor the call and set a queue for any questions. A conference call replay will be available beginning one hour after the call and will be accessible through September 9, 2013. To hear the replay, please dial (877) 344-7529 and use conference number 10028880. The live audio broadcast of the Company's quarterly conference call will also be available online at the Company's website, [www.GladstoneLand.com](http://www.GladstoneLand.com). The event will also be archived and available for replay on the Company's website through October 8, 2013.

**About Gladstone Land:** Gladstone Land is a real estate investment company that pays monthly dividends to its stockholders. Gladstone Land invests in farmland located in major

agricultural markets in the United States ("U.S.") that it leases to corporate and independent farmers. The Company currently owns 14 farms (appraised at approximately \$79.9 million), predominantly concentrated in locations where its tenants are able to grow row crops, such as berries, lettuce and melons, which are planted and harvested annually or more frequently, as well as more permanent crops, such as blueberries. The Company also may acquire property related to farming, such as storage facilities utilized for cooling crops, processing plants, packaging facilities and distribution centers. Additional information can be found at [www.GladstoneLand.com](http://www.GladstoneLand.com).

**About the Gladstone Companies:** Information on the business activities of all the Gladstone funds can be found at [www.GladstoneCompanies.com](http://www.GladstoneCompanies.com).

**Investor Relations:** For Investor Relations inquiries related to any of the monthly dividend paying Gladstone funds, please visit [www.Gladstone.com](http://www.Gladstone.com).

**Non-GAAP Financial Measure – FFO:** The National Association of Real Estate Investment Trusts ("NAREIT") developed FFO as a relative non-GAAP supplemental measure of operating performance of an equity REIT in order to recognize that income-producing real estate historically has not depreciated on the basis determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains (or losses) from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash flows from operating activities determined in accordance with GAAP and should not be considered an alternative to net income as an indication of its performance or to cash flow from operations as a measure of liquidity or ability to make distributions. The Company presents basic and diluted FFO per share as calculations of FFO available to common stockholder divided by the weighted average common shares outstanding. The Company believes that FFO per share provides investors with an additional context for evaluating its financial performance and as a supplemental measure to compare it to other REITs; however, comparisons of its FFO to the FFO of other REITs may not necessarily be meaningful due to potential differences in the application of the NAREIT definition used by such other REITs. To learn more about FFO, please refer to the Company's Form 10-Q for the quarter ended June 30, 2013, as filed with the SEC today.

*Certain statements in this press release, including the Company's ability to maintain or grow its portfolio and FFO, renegotiate or extend leases, and deploy additional capital 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. These forward-looking statements inherently involve certain risks and uncertainties, although they are based on the Company's current plans that are believed to be reasonable as of the date of this press release. Factors that may cause actual results to differ materially from these forward-looking statements include, but are not limited to, the Company's ability to invest proceeds from its initial public offering; the duration of, or further downturns in, the current economic environment; the performance of its tenants; the impact of competition on its efforts to renew existing leases or re-lease real property; and significant changes in interest rates. Additional factors that could cause actual results to differ materially from those stated or implied by its forward-looking statements are disclosed under the caption "Risk Factors" of its Form 10-K for the fiscal year ended December 31, 2012, as filed with the SEC on March 27, 2013. The Company cautions readers not to place undue reliance on any such*

*forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.*

SOURCE Gladstone Land Corporation