FORM 10-Q/A

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE

SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2006

OR

( )

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE

SECURITIES AND EXCHANGE ACT OF 1934

For the transition period from _______________ to ______________

For the Quarter ended

Commission File

March 31, 2006

No 000-04258

MONMOUTH REAL ESTATE INVESTMENT CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Maryland

22-1897375

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

3499 Route 9 North, Suite 3-C, Freehold, NJ 07728

(Address of Principal Executive Office) (Zip Code)

Registrant's telephone number, including area code: (732) 577-9997

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No _____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer_ _____ Accelerated filer ___X__ Non-accelerated filer _____

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ____ No __X____

The number of shares or other units outstanding of each of the issuer's classes of securities as of May 1, 2006 was 19,761,043.

EXPLANTORY NOTE

This Amendment No. 1 on Form 10-Q/A to the Quarterly Report of Monmouth Real Estate Investment Corporation for the quarter ended March 31, 2006 is being made to correctly file Exhibits 31.1, 31.2 and 32. No other changes have been made to this Form 10-Q.

MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES

FOR THE QUARTER ENDED MARCH 31, 2006

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MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF MARCH 31, 2006 (UNAUDITED) AND SEPTEMBER 30, 2005

		March 31, 2006 (Unaudited)		September 30, 2005
ASSETS				
Real Estate Investments:				
Land	$	39,822,713	$	34,990,713
Buildings, Improvements and Equipment, Net of Accumulated Depreciation of $28,064,423 and $26,026,153, respectively		168,561,634		156,753,760
Total Real Estate Investments		208,384,347		191,744,473
Cash and Cash Equivalents		1,811,751		5,922,954
Securities Available for Sale, at Fair Value		11,612,833		13,789,400
Tenant and Other Receivables		778,630		704,979
Deferred Rent Receivable		1,102,805		1,043,083
Prepaid Expenses		634,731		139,850
Financing Costs, Net of Accumulated Amortization of $622,042 and $537,234, respectively		1,551,837		1,466,951
Lease Costs, Net of Accumulated Amortization of $281,190 and $203,287, respectively		180,907		241,696
Intangible Assets, net of Accumulated Amortization of $357,888 and $197,430, respectively		3,676,112		2,426,570
Other Assets		57,421		361,446
TOTAL ASSETS	$	229,791,374	$	217,841,402
LIABILITIES AND SHAREHOLDERS EQUITY				
Liabilities:				
Mortgage Notes Payable	$	118,140,534	$	111,968,518
Loans Payable		1,600,000		-0-
Accounts Payable and Accrued Expenses		1,422,794		1,312,484
Other Liabilities		2,168,314		2,000,159

Total Liabilities	123,331,642	115,281,161
Shareholders Equity:		
Common Stock -$.01 Par Value, 30,000,000		
Shares Authorized, 19,652,698 and 18,833,367		
Shares Issued and Outstanding, respectively	196,527	188,334
Excess Stock -$.01 Par Value, 5,000,000		
Shares Authorized, No Shares Issued or		
Outstanding	-0-	-0-
Additional Paid-In Capital	107,100,132	103,121,873
Accumulated Other Comprehensive Income	364,636	451,597
Loans to Officers, Directors & Key Employees	(1,201,563)	(1,201,563)
Undistributed Income	-0-	-0-
Total Shareholders Equity	106,459,732	102,560,241
TOTAL LIABILITIES AND SHAREHOLDERS		
EQUITY	$ 229,791,374	$ 217,841,402

Unaudited - See Accompanying Notes to Consolidated Financial Statements

MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2006 AND 2005

	Three Months Ended		**Six Months Ended**	
	3/31/06	**3/31/05**	**3/31/06**	**3/31/05**
INCOME:				
Rental and Occupancy Charges	$6,735,050	$6,117,981	$13,039,651	$11,772,109
EXPENSES:				
Management Fees	88,502	84,756	174,871	159,445
Real Estate Taxes	1,034,900	887,357	1,952,834	1,715,515
Operating Expenses	399,707	304,276	723,995	523,518
Office and General Expense	552,892	605,570	1,116,967	1,027,968
Depreciation	1,280,788	1,167,280	2,490,521	2,237,336
TOTAL EXPENSES	3,356,789	3,049,239	6,459,188	5,663,782
OTHER INCOME (EXPENSE)				
Interest and Dividend Income	266,348	385,161	566,172	790,652
Gain on Securities Transactions, net	298,588	538,579	321,641	1,044,187
Income from Equity Investment	-0-	27,500	-0-	55,000
Interest Expense	(2,104,420)	(2,136,820)	(4,070,150)	(3,944,774)
TOTAL OTHER INCOME (EXPENSE)	(1,539,484)	(1,185,580)	(3,182,337)	(2,054,935)
INCOME FROM CONTINUING OPERATIONS	1,838,777	1,883,162	3,398,126	4,053,392
DISCONTINUED OPERATIONS				
Income (Loss) from Operations of				

Disposed Property	(31,963)	50,011	(45,412)	100,495
Loss on Sale of Investment Property	(28,385)	-0-	(28,385)	-0-
INCOME (LOSS) FROM				
DISCONTINUED OPERATIONS	(60,348)	50,011	(73,797)	100,495
NET INCOME	$1,778,429	$1,933,173	$3,324,329	$4,153,887

MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)   CONT   D

FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2006 AND 2005

	Three Months Ended		Six Months Ended	
	3/31/06	3/31/05	3/31/06	3/31/05
BASIC NET INCOME PER SHARE				
Income from Continuing Operations	$.09	$.11	$.17	$.23
Income from Discontinued Operations	-0-	-0-	-0-	.01
Net Income per Share - Basic	$.09	$.11	$.17	$.24
DILUTED NET INCOME PER SHARE				
Income from Continuing Operations	$.09	$.11	$.17	$.23
Income from Discontinued Operations	-0-	-0-	-0-	-0-
Net Income per Share - Diluted	$.09	$.11	$.17	$.23
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	19,396,598	17,794,800	19,185,255	17,612,060
Diluted	19,451,918	17,884,148	19,235,046	17,697,965

Unaudited

See Accompanying Notes to Consolidated Financial Statements

MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED MARCH 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$3,324,329	$4,153,887
Loss (Income) from Discontinued Operations	73,797	(100,495)
Noncash Items Included in Net Income:		
Depreciation	2,500,727	2,257,604
Amortization	323,169	138,691
Stock Compensation Expense	73,297	49,668
Gain on Securities Transactions, net	(321,641)	(961,219)
Loss on Sale of Investment Property	28,385	-0-
Changes In:		
Tenant, Deferred Rent and Other Receivables	(133,373)	491,112
Prepaid Expenses	(494,881)	(536,446)
Other Assets and Lease Costs	286,911	247,773
Accounts Payable, Accrued Expenses and Other Liabilities	278,465	(361,141)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,865,388	5,479,929
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Real Estate and Intangible Assets	(21,799,300)	(31,149,550)
Capital Improvements & Purchases of Equipment	(100,540)	(132,709)
Proceeds from Sale of Real Estate Investment Property	1,320,854	-0-
Proceeds from Sale of Securities Available for Sale	2,894,487	7,209,281
Purchase of Securities Available for Sale	(483,240)	(175,470)
NET CASH USED IN INVESTING ACTIVITIES	(18,167,739)	(24,248,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loans	20,811,335	28,877,767
Principal Payments on Loans	(19,211,335)	(27,832,027)
Proceeds from Mortgages	9,500,000	20,822,500
Principal Payments on Mortgages	(3,327,984)	(3,279,735)
Financing Costs on Debt	(169,694)	(353,940)

Payments on Loans to Officers, Directors and Key Employees	-0-	5,000
Proceeds from Issuance of Common Stock	3,965,191	3,765,366
Proceeds from Exercise of Stock Options	142,600	128,350
Dividends Paid, Net of Reinvestments	(3,518,965)	(3,210,324)
NET CASH PROVIDED BY FINANCING ACTIVITIES	8,191,148	18,922,957
NET (DECREASE) INCREASE IN CASH AND		
CASH EQUIVALENTS	(4,111,203)	154,438
CASH AND CASH EQUIVALENTS -		
BEGINNING OF PERIOD	5,922,954	925,015
END OF PERIOD	$1,811,751	$1,079,453

Unaudited

See Accompanying Notes to Consolidated Financial Statements

MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

MARCH 31, 2006

NOTE 1 ORGANIZATION AND ACCOUNTING POLICY

The Company has elected to be taxed as a real estate investment trust (REIT) under Sections 856-860 of the Internal Revenue Code (the Code), and intends to maintain its qualification as a REIT in the future. As a qualified REIT, with limited exceptions, the Company will not be taxed under Federal and certain state income tax laws at the corporate level on taxable income that it distributes to its shareholders. For special tax provisions applicable to REITs, refer to Sections 856-860 of the Code. The Company is subject to franchise taxes in some of states in which the Company owns property.

The interim consolidated financial statements furnished herein include Monmouth Real Estate Investment Corporation and its wholly-owned subsidiaries, MRC I LLC and MREIC Financial, Inc., (the Company) and reflect all adjustments which were, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows as of March 31, 2006 and for all periods presented. All adjustments made in the interim period were of a normal recurring nature. All intercompany transactions and balances have been eliminated in consolidation. Certain footnote disclosures which would substantially duplicate the disclosures contained in the audited consolidated financial statements and notes thereto included in the Annual Report of Monmouth Real Estate Investment Corporation for the year ended September 30, 2005 have been omitted.

Certain reclassifications have been made to the consolidated financial statements for the prior period to conform to the current period presentation.

Employee Stock Options

The Company adopted the fair value recognition provisions of SFAS No. 123, Accounting for Stock Based Compensation . Under the prospective method of adoption selected by the Company under the provisions of SFAS No. 148, Accounting for Stock Based Compensation, Transition and Disclosure , compensation costs of $34,914 and $24,834 and have been recognized in the three months ended March 31, 2006 and 2005, respectively. Compensation costs of $73,297 and $49,668 have been recognized in the six months ended March 31, 2006, and 2005, respectively.

During the six months ended March 31, 2006, one participant exercised 20,000 stock options for total proceeds of $142,600. During the six months ended March 31, 2006, no stock options were granted under the 1997 Stock Option Plan (the Plan) and no stock options expired. As of March 31, 2006, there were options outstanding to purchase

711,000 shares and 265,000 shares were available for grant under the Plan.

Discontinued Operations

The Company has adopted FASB Statement of Financial Accounting Standards No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (FAS 144). FAS 144 addresses financial accounting and reporting for the disposal of long-lived assets that are considered a component. A component is comprised of operations and cash flows that can be clearly be distinguished, operationally and for financial reporting purposes, from the rest of the Company. FAS 144 requires that the results of operations and gains or losses on the sale of a component of an entity be presented in discontinued operations if both of the following criteria are met: (a) the operations and cash flows of the property have been (or will be) eliminated from the ongoing operations of the Company as a result of the disposal transaction and (b) the Company will not have any significant continuing involvement in the operations of the property after the disposal transaction. FAS 144 also requires prior period results of operations for these properties to be restated and presented in discontinued operations in prior consolidated statements of operations.

NOTE 2 NET INCOME PER SHARE

Basic net income per share is calculated by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per share is calculated by dividing net income by the weighted-average number of common shares outstanding plus the weighted-average number of net shares that would be issued upon exercise of stock options pursuant to the treasury stock method. Options in the amount of 55,320 and 89,348 shares for the three months ended March 31, 2006 and 2005, respectively, are included in the diluted weighted average shares outstanding. Options in the amount of 49,791 and 85,905 shares for the six months ended March 31, 2006 and 2005, respectively, are included in the diluted weighted average shares outstanding.

NOTE 3 COMPREHENSIVE INCOME

The following table sets forth the components of the Company s comprehensive income:

Three Months

Six Months

	3/31/06	**3/31/05**	**3/31/06**	**3/31/05**
Net Income	$1,778,429	$1,933,173	$3,324,329	$4,153,887
Increase (Decrease) in				

unrealized gain on				
securities available for				
sale	230,997	(878,919)	(86,961)	(522,564)
Comprehensive Income	$2,009,426	$1,054,254	$3,237,368	$3,631,323

NOTE 4 REAL ESTATE INVESTMENTS

On December 13, 2005, the Company purchased a 79,485 square foot industrial building in Richfield, Ohio. The building is 100% net-leased for eleven years to FedEx Ground Package Systems, Inc., a subsidiary of Federal Express Corporation (FDX). The purchase price including closing costs was approximately $8,600,000. The Company paid $50,000 in cash, obtained a mortgage of $5,900,000 and obtained the balance from its margin loan. The mortgage is payable at a fixed rate of 5.22% and matures on January 5, 2018. Management estimated that the value allocated to the lease in-place at purchase was approximately $440,000.

On December 21, 2005, the Company purchased a 53,202 square foot industrial building in Colorado Springs, Colorado. The building is 100% net-leased for ten years to FedEx Ground Package Systems, Inc., a subsidiary of FDX. The purchase price including closing costs was approximately $5,600,000. The Company paid $50,000 in cash, obtained a mortgage of $3,600,000 and obtained the balance from its margin loan. The mortgage is payable at a fixed rate of 5.41% and matures on January 1, 2020. Management estimated that the value allocated to the lease in-place at purchase was approximately $440,000.

On December 29, 2005, the Company purchased a 95,662 square foot industrial building in Tampa, Florida. The building is 100% net-leased to FDX in year eight of a lease which expires in 2017. The purchase price including closing costs was approximately $7,675,000. The Company paid $100,000 in cash and obtained the balance from its line of credit. Management estimated that the value allocated to the lease in-place at purchase was approximately $530,000.

On March 10, 2006, the Company sold a 44,136 square foot industrial building in Wichita, Kansas for $1,400,000. The property was vacant at the time of the sale and was formerly leased through May 31, 2005 at an annual rent of approximately $247,000. The Company recognized a loss on the sale of $28,385. The operating results and loss on sale are presented as discontinued operations.

The Company has a concentration of FDX and FDX subsidiary leased properties. With the purchase of the three properties noted above and the sale of the Wichita, Kansas property, the percentage of FDX leased square footage as a total of our rental space increased from 34% as of September 30, 2005 to 37% as of March 31, 2006. Annualized rental income and occupancy charges from FDX and FDX subsidiaries is approximately 45% of total rental and occupancy charges for fiscal 2006.

NOTE 5 SECURITIES AVAILABLE FOR SALE AND DERIVATIVE INSTRUMENTS

During the six months ended March 31, 2006, the Company made purchases of $483,240 in securities available for sale. Included in these purchases were purchases of $10,556 or 2,059 shares of Monmouth Capital Corporation (an affiliate), through the Dividend Reinvestment and Stock Purchase Plan of Monmouth Capital Corporation. The Company sold $2,572,846 in securities available for sale and recognized a gain on sale of $41,399.

During the six months ended March 31, 2006, the Company invested in futures contracts of ten-year treasury notes with a notional amount of $9,000,000 with the objective of reducing the exposure of the preferred equity and debt securities portfolio to interest rate fluctuations. Changes in the market value of these derivatives have been recorded in gain on securities transactions, net with corresponding amounts recorded in other assets or liabilities on the balance sheet. The fair value of the derivatives at March 31, 2006 was an asset of $49,921. During the three and six months ended March 31, 2006, the Company recorded a realized gain of $156,643 and $230,321, respectively, on settled futures contracts.

NOTE 6 LOANS PAYABLE

During the six months ended March 31, 2006, the Company drew down $7,500,000 on its existing line of credit with PNC bank. The funds were used primarily to make property acquisitions. The total balance outstanding on the line at March 31, 2006 was $1,600,000 and is included in Loans Payable. At March 31, 2006, the interest rate on the line was 7.5%.

NOTE 7 SHAREHOLDERS EQUITY

For the six months ended March 31, 2006, the Company received $6,209,555 from the Dividend Reinvestment and Stock Purchase Plan (DRIP). This amount includes dividend reinvestments of $2,244,364. There were 799,331 shares issued under the Plan.

On March 15, 2006, the Company paid $2,915,143 as a dividend of $.15 per share to shareholders of record February 15, 2006. Total dividends paid for the six months ended March 31, 2006 was $5,763,329. On April 3, 2006, the Company declared a dividend of $.15 per share to be paid on June 15, 2006 to shareholders of record May 15, 2006.

During the three months ended March 31, 2006, the Board of Directors voted to amend the articles of incorporation to increase the number of authorized shares of common stock from 25,000,000 shares to 30,000,000 shares.

NOTE 8 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid during the six months ended March 31, 2006 and 2005 for interest was $4,070,150 and $3,944,774, respectively.

During the six months ended March 31, 2006 and 2005, the Company had dividend reinvestments of $2,244,364 and $1,907,224, respectively, which required no cash transfers.

NOTE 9 EMPLOYMENT AGREEMENT

Effective January 1, 2006, the Company and the Controller and Treasurer (the employee) entered into a three-year employment agreement, under which the employee receives an annual base salary with scheduled increases over the three years, plus bonuses and customary fringe benefits. No accruals were recorded in connection with this employment agreement. The Company allocates a portion of the employee s salary to Monmouth Capital Corporation, an affiliated REIT.

NOTE 10 DISCONTINUED OPERATIONS

Discontinued operations include the operations of one industrial property in Wichita, Kansas which was sold in March 2006. The property s lease expired May 31, 2005. The following table summarizes the components of discontinued operations:

	Three Months		Six Months	
	3/31/2006	**3/31/2005**	**3/31/2006**	**3/31/2005**
Rental and Occupancy Charges	$895	$71,668	$10,030	$143,337
Real Estate Taxes	(18,641)	(9,915)	(28,556)	(19,830)
Operating Expenses	(14,217)	(1,608)	(16,680)	(2,744)
Depreciation	(-0-)	(10,134)	(10,206)	(20,268)
Income (Loss) from Operations of Disposed Property	(31,963)	50,011	(45,412)	100,495
Loss on Sale of Investment Property	(28,385)	-0-	(28,385)	-0-
Income (Loss) from Discontinued Operations	($60,348)	$50,011	($73,797)	100,495

Cash flows from discontinued operations for the six months ended March 31, 2006 and 2005 are combined with the cash flows from operations within each of the three categories presented. Cash flows from discontinued operations are as follows:

	2006	**2005**
Cash flows from Operations Discontinued Operations	$6,741	$122,376
Cash flows from Investing Activities Discontinued Operations	1,320,854	-0-
Cash flows from Financing Activities Discontinued Operations	750,750	-0-

The absence of cash flows from discontinued operations is not expected to materially affect future liquidity and capital resources.

MONMOUTH REAL ESTATE INVESTMENT CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

Overview

The following discussion and analysis of the consolidated financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and notes thereto elsewhere herein and the Company s September 30, 2005 annual report on Form 10-K.

The Company is a real estate investment trust (REIT). The Company s primary business is the ownership and management of industrial buildings subject to long-term leases to investment grade tenants. The Company owns forty-one industrial properties and one shopping center with a total of approximately 4,434,000 square feet. Total real estate investments were $208,384,347 at March 31, 2006. These properties are located in New Jersey, New York, Pennsylvania, North Carolina, Mississippi, Massachusetts, Kansas, Iowa, Missouri, Illinois, Michigan, Nebraska, Florida, Virginia, Ohio, Connecticut, Wisconsin, Maryland, Arizona, Colorado, South Carolina, Georgia, Alabama and Ohio. As of March 31, 2006, the Company s weighted average lease expiration term was 5.4 years, the percent of square footage leased was 96% and the Company s occupancy rate was 84%. The Company s average rent per square foot for 2006 is approximately $4.85 per square foot. Total acquisitions of real estate made during fiscal year 2006 were approximately $21,800,000. Management intends to grow the real estate portfolio and expects to invest approximately $30,000,000 in fiscal 2006 in acquisitions of real property.

The Company has a concentration of Federal Express Corporation and subsidiary (FDX) leased properties. As of March 31, 2006, the percentage of FDX leased square footage as a total of the Company s rental space is 37%, with 14% leased to FDX and 23% leased to FDX subsidiaries. Annualized rental income and occupancy charges from FDX and FDX subsidiaries is approximately 45% of total rental and occupancy charges. This is a risk factor that shareholders should consider.

The Company also holds a portfolio of securities of other REITs of $11,612,833 as of March 31, 2006. The Company invests in REIT securities on margin from time to time when the Company can achieve an adequate yield spread and when suitable acquisitions of real property cannot be found. As of March 31, 2006, the Company s portfolio consisted of 72% preferred stocks, 24% common stocks and 4% debentures. The REIT securities portfolio provides the Company with liquidity and additional income until suitable acquisitions of real property are found.

The Company s revenue primarily consists of rental and occupancy charges from the ownership of industrial rental property. Revenue also includes interest and dividend income and gain on securities transactions. Prior years also included income from an equity investment which was dissolved in fiscal 2005. Rent and occupancy charges increased $617,069 or 10% for the three months ended March 31, 2006 as compare to the three months ended March 31, 2005 and increased $1,267,542 or 11% for the six months ended March 31, 2006 as compared to the six months ended March 31, 2005. The increases in rent and occupancy charges are due mainly to the property acquisitions made during fiscal 2005 and the first quarter of fiscal 2006. Net income decreased $154,744 or 8% for the three months ended March 31, 2006 as compared to March 31, 2005 and decreased $829,558 or 20% for the six months ended March 31, 2006 as compared to the six months ended March 31, 2005. The decrease in net income is due mainly to a decrease in gain on securities transactions, net, a decrease in interest and dividend income, a decrease in income from equity investment and an increase in expenses (including interest). The decrease in net income was partially offset by an increase in rental and occupancy charges.

See PART I, Item 1 Business in the Company s September 30, 2005 annual report on Form 10-K for a more complete discussion of the economic and industry-wide factors relevant to the Company and the opportunities and challenges, and risks on which the Company is focused.

CHANGES IN RESULTS OF OPERATIONS

As of March 31, 2006, the Company owned forty-one properties with total square footage of approximately 4,434,000 compared to thirty-nine properties with square footage of approximately 4,250,000 as of March 31, 2005. As of March 31, 2006, the Company s weighted average lease expiration term was 5.4 years, the percent of square footage leased was 96% and the Company s occupancy rate was 84%. The Company made the following property acquisitions and dispositions during the six months ended March 31, 2006:

Acquisition Date	Location	Square Footage	Purchase Price	Tenant	Average Annual Rent	Annual Rent/PSF	Lease Expiration
12/13/2005	Richfield, OH	79,485	$8,600,000	FDX Ground	$644,646	$8.11	10/31/2016
12/21/2005	Colorado Springs, CO	53,202	5,600,000	FDX Ground	418,513	7.86	8/31/2015
12/29/2005	Tampa, FL	95,662	7,675,000	FDX	571,848	5.98	9/30/2017

Sale Date	Location	Square Footage	Sale Price	Tenant	Prior Annual Rent/PSF
3/10/2006	Wichita, KS	44,136	$1,400,000	Vacant (formerly Keebler)	$5.61

Rental and occupancy charges increased $617,069 or 10% for the three months ended March 31, 2006 as compared to the three months ended March 31, 2005 and increased $1,267,542 or 11% for the six months ended March 31, 2006 as compared to the six months ended March 31, 2005. The increase is due mainly to the rent and accrued tenant reimbursements related to the five industrial properties acquired during fiscal 2005 and the three industrial properties purchased during the first quarter of fiscal 2006.

Real estate taxes increased $147,543 or 17% for the three months ended March 31, 2006 as compared to the three months ended March 31, 2005 and increased $237,319 or 14% for the six months ended March 31, 2006 as compared to the six months ended March 31, 2005. Operating expenses increased $95,431 or 31% for the three months ended March 31, 2006 as compared to the three months ended March 31, 2005 and increased $200,477 or 38% for the six months ended March 31, 2006 as compared to the six months ended March 31, 2005. The increases are due mainly to the taxes and insurance costs related to the five industrial properties acquired during fiscal 2005 and the three industrial properties purchased during fiscal 2006. Since these properties are subject to net-leases, the real estate taxes and insurance costs are billed to the tenant and which are included in rental and occupancy charges noted above. The increase is also due to the increase in amortization of the in-place lease intangible assets also related to the properties acquired during fiscal 2005 and fiscal 2006.

Office and general expenses decreased $52,678 or 9% for the three months ended March 31, 2006 as compared to the three months ended March 31, 2005 and increased $88,999 or 9% for the six months ended March 31, 2006 as compared to March 31, 2005. The decrease for the three months is due to decreased professional fees, partially offset by increases in accounting fees and stock record costs. The increase in the six months is due mainly to increases in accounting and auditing fees and increases in stock record costs.

Depreciation expense increased $113,508 or 10% for the three months ended March 31, 2006 as compared to the three months ended March 31, 2005 and increased $253,185 or 11% for the six months ended March 31, 2006 as compared to the six months ended March 31, 2005. The increase is due to the depreciation expense related to the properties acquired during fiscal 2005 and the first quarter of fiscal 2006.

Templeton Global Advisors
Limited: 158,100

(iii) Sole power to dispose or to direct the disposition of

Franklin Resources,
Inc.: 0

Charles B.
Johnson: 0

Rupert H. Johnson,
Jr.: 0

Templeton Global Advisors Limited:
33,775,003

Templeton Investment Counsel, LLC:
16,309,234

Franklin Templeton Investments Corp.:
2,027,776

Templeton Asset Management
Ltd.: 982,370

Franklin Advisers,
Inc.: 603,113

Franklin Templeton Portfolio Advisors,
Inc.: 503,671

Franklin Templeton Investments Australia Limited:
190,350

Franklin Templeton Investments (Asia)
Ltd.: 103,260

Franklin Templeton Investment Management
Limited: 89,670

(iv) Shared power to dispose or to direct the disposition of [2]

Templeton Global Advisors
Limited: 906,210

Templeton Asset Management
Ltd.: 185,050

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date
hereof the reporting person has ceased to be the beneficial owner of more
than five percent of the class of securities, check the following [ ].

Item 6. Ownership of More than Five Percent on Behalf of Another Person

The clients of the Investment Management Subsidiaries, including investment
companies registered under the Investment Company Act of 1940 and other
managed accounts, have the right to receive or power to direct the receipt of
dividends from, and the proceeds from the sale of, the securities reported
herein.

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Item 7. Identification and Classification of the Subsidiary Which Acquired the

Security Being Reported on By the Parent Holding Company

See Attached Exhibit C

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

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Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the

securities referred to above were acquired and are held in the ordinary course of

business and were not acquired and are not held for the purpose of or with the effect

of changing or influencing the control of the issuer of the securities and were not

acquired and are not held in connection with or as a participant in any transaction

having that purpose or effect.

This report shall not be construed as an admission by the persons filing the report

that they are the beneficial owner of any securities covered by this report.

Exhibits.

Exhibit A Joint Filing Agreement

Exhibit B Limited Powers of Attorney for Section 13 Reporting Obligations

Exhibit C Item 7 Identification and Classification of Subsidiaries

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that

the information set forth in this statement is true, complete and correct.

Dated: February 5, 2014

Franklin Resources, Inc.

By: /s/LORI ANN WEBER

Lori Ann Weber

Assistant Secretary of Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

By: /s/ROBERT C. ROSSELOT

Robert C. Rosselot

Attorney in Fact for Charles B. Johnson pursuant to Power of Attorney

attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney

attached to this Schedule 13G

Templeton Global Advisors Limited

By: /s/GREGORY E. MCGOWAN

Gregory E. McGowan

Director of Templeton Global Advisors Limited

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EXHIBIT A

JOINT FILING AGREEMENT

In accordance with Rule 13d 1(k) under the Securities Exchange Act of 1934, as

amended, the undersigned hereby agree to the joint filing with each other of the

attached statement on Schedule 13G and to all amendments to such statement and that

such statement and all amendments to such statement are made on behalf of each of

them.

IN WITNESS WHEREOF, the undersigned have executed this agreement on February 5, 2014.

Franklin Resources, Inc.

By: /s/LORI ANN WEBER

Lori Ann Weber

Assistant Secretary of Franklin Resources, Inc.

Charles B. Johnson

Rupert H. Johnson, Jr.

By: /s/ROBERT C. ROSSELOT

Robert C. Rosselot

Attorney in Fact for Charles B. Johnson pursuant to Power of Attorney

attached to this Schedule 13G

Attorney in Fact for Rupert H. Johnson, Jr. pursuant to Power of Attorney

attached to this Schedule 13G

Templeton Global Advisors Limited

By: /s/GREGORY E. MCGOWAN

Gregory E. McGowan

Director of Templeton Global Advisors Limited

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EXHIBIT B

LIMITED POWER OF ATTORNEY

FOR

SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the undersigned's true and lawful attorney in fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G (including any amendments thereto or any related documentation) with the United States Securities and Exchange Commission, any national securities exchanges and Franklin Resources, Inc., a Delaware corporation (the "Reporting Entity"), as considered

necessary or advisable under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to time (the "Exchange Act"); and

(2) perform any and all other acts which in the discretion of such attorney in fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

(1) this Limited Power of Attorney authorizes, but does not require, each such attorney in fact to act in their discretion on information provided to such attorney in fact without independent verification of such information;

(2) any documents prepared and/or executed by either such attorney in fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney in fact, in his or her discretion, deems necessary or desirable;

(3) neither the Reporting Entity nor either of such attorneys in fact assumes (i) any liability for the undersigned's responsibility to comply with the requirements of the Exchange Act or (ii) any liability of the undersigned for any failure to comply with such requirements; and

(4) this Limited Power of Attorney does not relieve the undersigned from responsibility for compliance with the undersigned's obligations under the Exchange Act, including without limitation the reporting requirements under Section 13 of the Exchange Act.

The undersigned hereby gives and grants each of the foregoing attorneys in fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done in and about the foregoing matters as fully to all intents and purposes as the undersigned might or could do if present, hereby ratifying all that each such attorney in fact of, for and on behalf of the undersigned, shall lawfully do or cause to be done by virtue of this Limited Power of Attorney.

This Limited Power of Attorney shall remain in full force and effect until revoked by the undersigned in a signed writing delivered to each such attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be executed as of this 30th day of April, 2007

/s/Charles B. Johnson

Signature

Charles B. Johnson

Print Name

LIMITED POWER OF ATTORNEY

FOR

SECTION 13 REPORTING OBLIGATIONS

Know all by these presents, that the undersigned hereby makes, constitutes and appoints each of Robert Rosselot and Maria Gray, each acting individually, as the undersigned's true and lawful attorney in fact, with full power and authority as hereinafter described on behalf of and in the name, place and stead of the undersigned to:

(1) prepare, execute, acknowledge, deliver and file Schedules 13D and 13G (including any amendments thereto or any related documentation) with the United States Securities and Exchange Commission, any national securities exchanges and Franklin Resources, Inc., a Delaware corporation (the "Reporting Entity"), as considered necessary or advisable under Section 13 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended from time to

time (the “Exchange Act”); and

(2) perform any and all other acts which in the discretion of such attorney in fact are necessary or desirable for and on behalf of the undersigned in connection with the foregoing.

The undersigned acknowledges that:

(1) this Limited Power of Attorney authorizes, but does not require, each such attorney in fact to act in their discretion on information provided to such attorney in fact without independent verification of such information;

(2) any documents prepared and/or executed by either such attorney in fact on behalf of the undersigned pursuant to this Limited Power of Attorney will be in such form and will contain such information and disclosure as such attorney in fact, in his or her discretion, deems necessary or desirable;

(3) neither the Reporting Entity nor either of such attorneys in fact assumes (i) any liability for the undersigned’s responsibility to comply with the requirements of the Exchange Act or (ii) any liability of the undersigned for any failure to comply with such requirements; and

(4) this Limited Power of Attorney does not relieve the undersigned from

responsibility for compliance with the undersigned's obligations under the Exchange Act, including without limitation the reporting requirements under Section 13 of the Exchange Act.

The undersigned hereby gives and grants each of the foregoing attorneys in fact full power and authority to do and perform all and every act and thing whatsoever requisite, necessary or appropriate to be done in and about the foregoing matters as fully to all intents and purposes as the undersigned might or could do if present, hereby ratifying all that each such attorney in fact of, for and on behalf of the undersigned, shall lawfully do or cause to be done by virtue of this Limited Power of Attorney.

This Limited Power of Attorney shall remain in full force and effect until revoked by the undersigned in a signed writing delivered to each such attorney in fact.

IN WITNESS WHEREOF, the undersigned has caused this Limited Power of Attorney to be executed as of this 25th day of April , 2007

/s/ Rupert H. Johnson, Jr.

Signature

Rupert H. Johnson, Jr.

Print Name

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EXHIBIT C

Franklin Advisers, Inc. Item 3
Classification: 3(e)

Franklin Templeton Investment Management Limited Item 3
Classification: 3(e)

Franklin Templeton Investments (Asia) Ltd. Item 3
Classification: 3(e)

Franklin Templeton Investments Corp. Item 3
Classification: 3(e)

Franklin Templeton Portfolio Advisors, Inc. Item 3
Classification: 3(e)

Templeton Asset Management Ltd. Item 3
Classification: 3(e)

Templeton Global Advisors Limited Item 3
Classification: 3(e)

Templeton Investment Counsel, LLC Item 3
Classification: 3(e)

Franklin Templeton Investments Australia Limited Item 3
Classification: 3(j)

Footnotes to Schedule 13G

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[1] Franklin Templeton Portfolio Advisors, Inc. (“FTPA”) may beneficially own these

securities pursuant to various separately managed account investment management

arrangements. Under these arrangements, underlying clients may, from time to time,

delegate to FTPA the power to vote such securities, in which case FTPA has sole voting

power. To the extent that the underlying client retains voting power over any

securities, FTPA disclaims any power to vote or direct the vote of such securities.

[2] One or more of the investment management contracts that relates to these securities provides

that the applicable FRI affiliate share investment power over the securities held in the

client’s account covered by such contract with another unaffiliated entity. The issuer's

securities held in all such accounts are less than 5% of the outstanding shares of the class.

In addition, FRI does not believe that any such contract causes such client or any such

unaffiliated entity to be part of a group with FRI or any FRI affiliate within the meaning of

Rule 13d 5 under the Act.