

# MONMOUTH REAL ESTATE INVESTMENT CORPORATION

JUNIPER BUSINESS PLAZA  
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August 1, 2007

To the Former Stockholders of Monmouth Capital Corporation ("Monmouth Capital"):

We welcome you as stockholders of Monmouth Real Estate Investment Corporation ("MREIC"). We are pleased to inform you that on July 31, 2007, Monmouth Capital merged with a subsidiary of MREIC. As a result of the merger, each share of Monmouth Capital common stock owned by you at the time of the merger was converted into the right to receive 0.655 of a share of MREIC common stock. Accordingly, each former Monmouth Capital stockholder is entitled to receive a stock certificate for the number of whole shares of MREIC common stock into which the stockholder's former Monmouth Capital shares were converted as a result of the merger, plus cash in lieu of any fractional shares of MREIC common stock.

Please read carefully the enclosed information. **In order to receive your MREIC stock certificate(s) and cash payment for your fractional shares, you must complete, sign, date and return the enclosed Letter of Transmittal together with your Monmouth Capital stock certificates in accordance with the provisions of the Letter of Transmittal.** Each person listed on your Monmouth Capital stock certificates as a registered holder must sign the Letter of Transmittal. You should complete and sign a separate Letter of Transmittal for each certificate registered in a different name or form. Photocopies of the Letter of Transmittal may be used. If you have any questions, you should call the exchange agent, American Stock Transfer & Trust Company, toll-free at (877) 248-6417 or at (718) 921-8317.

Please note that the method of delivery is at your option and risk. If you send these documents by mail, we strongly recommend that you use registered mail, properly insured, with return receipt requested.

Following receipt of your Monmouth Capital stock certificate(s) and properly completed Letter of Transmittal, American Stock Transfer & Trust Company will mail your MREIC stock certificate and cash payment for your fractional shares to the address shown for you in the "Description of Shares Surrendered," unless you provide a different address in accordance with the special delivery instructions in the Letter of Transmittal.

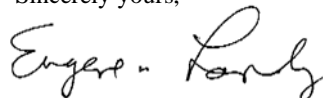
**You must surrender your Monmouth Capital stock certificates, together with the enclosed Letter of Transmittal, in order to receive dividends from MREIC.** Until you have returned the completed, signed and dated Letter of Transmittal and your Monmouth Capital stock certificates to American Stock Transfer & Trust Company in accordance with the provisions of the Letter of Transmittal, MREIC will pay any dividends on shares of MREIC stock that you are entitled to receive as a result of the merger to American Stock Transfer & Trust Company to hold on your behalf. Following receipt of your Monmouth Capital stock certificate(s) and properly completed Letter of Transmittal, American Stock Transfer & Trust Company will mail payment for any such dividends to you along with your new MREIC stock certificates and cash payment for your fractional shares.

If you wish to enroll your new MREIC shares in the MREIC Dividend Reinvestment and Stock Purchase Plan, you may do so by submitting a Dividend Reinvestment and Stock Purchase Plan Authorization Card to American Stock Transfer & Trust Company. You can request a copy of the Plan's Prospectus and Authorization Card by contacting Susan Jordan, Shareholder Relations, Monmouth Real Estate Investment Corporation, at 732-577-9997 - Extension 48.

Again, if you have any questions, please contact American Stock Trust & Transfer Company toll-free at (877) 248-6417 or at (718) 921-8317.

We are pleased to have you as a stockholder of MREIC and look forward to enjoying your continued support of the combined company.

Sincerely yours,



Eugene W. Landy  
President