August 4, 2016

Reis, Inc. Announces Second Quarter 2016 Results

Product Initiatives Setting the Stage for New Revenue Opportunities

NEW YORK, Aug. 04, 2016 (GLOBE NEWSWIRE) -- Reis, Inc. (NASDAQ:REIS) ("Reis" or the "Company"), a leading provider of commercial real estate market information and analytical tools, announced its financial results for the three and six months ended June 30, 2016.

Financial Highlights

Subscription revenue was $11.6 million for the three months ended June 30, 2016, a 13.4% decrease from the three months ended June 30, 2015 revenue of $13.4 million. For the six months ended June 30, 2016, the Company reported subscription revenue of $24.4 million, a 0.4% decrease from the comparable 2015 six month period amount of $24.5 million.

Income from continuing operations was $0.9 million, or $0.08 per basic and diluted share, for the three months ended June 30, 2016, as compared to $2.9 million, or $0.26 per basic share and $0.25 per diluted share, for the three months ended June 30, 2015. For the six months ended June 30, 2016, the Company reported income from continuing operations of $2.5 million, or $0.23 per basic share and $0.22 per diluted share, as compared to the six months ended June 30, 2015 amount of $4.2 million, or $0.38 per basic share and $0.36 per diluted share.

Reis Services EBITDA was $4.1 million during the second quarter of 2016, a 32.3% decrease from the second quarter 2015 amount of $6.1 million. The Reis Services EBITDA margins were 35.5% and 45.4% for the three months ended June 30, 2016 and 2015, respectively (see the "Supplemental Financial Information and Reconciliations from GAAP to Non-GAAP Metrics" section at the end of this earnings release for a definition and reconciliations of income from continuing operations to EBITDA and Adjusted EBITDA for the Reis Services segment and on a consolidated basis). Reis Services EBITDA was $9.5 million during the six months ended June 30, 2016, an 11.0% decrease from the comparable 2015 period's amount of $10.7 million. The Reis Services EBITDA margins were 38.9% and 43.5% for the six months ended June 30, 2016 and 2015, respectively.

Consolidated Adjusted EBITDA was $3.7 million during the second quarter of 2016, a 32.1% decrease from the second quarter 2015 amount of $5.4 million. The consolidated Adjusted EBITDA margins were 31.4% and 40.1% for the three months ended June 30, 2016 and 2015, respectively. Consolidated Adjusted EBITDA was $8.3 million during the six months ended June 30, 2016, a 10.6% decrease from the comparable 2015 period's amount of $9.3 million. The consolidated Adjusted EBITDA margins were 33.9% and 37.7% for the six months ended June 30, 2016 and 2015, respectively.

Reis's CEO, Lloyd Lynford, stated, "As we work through a fiscal year characterized by challenging comparability with 2015, my confidence in Reis's future has never been stronger. My confidence is rooted in our sustained innovation and the adoption of our market information and analytics. The powerful new product enhancements we have and will launch this year, further cement Reis as the unassailable leader for all commercial real estate information needs."

Balance Sheet, Liquidity and Other Metrics

Following are current balance sheet, liquidity and other metrics reported by the Company:

- cash at June 30, 2016 was $26.6 million;
- investments in the Company's website and database intangible assets aggregated nearly $4.5 million in the six months ended June 30, 2016;
- dividends declared and paid quarterly to shareholders during the six months ended June 30, 2016 aggregated $3.9 million, or a rate of $0.17 per share for each quarter;
- deferred revenue ($20.8 million), Aggregate Revenue Under Contract ($42.0 million)(see the "Supplemental Financial Information and Reconciliations from GAAP to Non-GAAP Metrics" section at the end of this earnings release for a definition and reconciliations of deferred revenue to Aggregate Revenue Under Contract) and the forward twelve month component of Aggregate Revenue Under Contract ($30.6 million) at June 30, 2016 each continue to demonstrate strong visibility into future revenue; and

- *Reis SE* renewal rates for the trailing twelve months ended June 30, 2016 were 83% overall and 85% for institutional subscribers.

Product Highlights

The Company continues to invest heavily in its websites and databases. Through the first half of 2016, Reis has spent nearly $4.5 million on website and database development initiatives including the following products recently launched, and anticipated for launch, in 2016:

- March 2016 enhancement of apartment coverage including photographs, sector-specific details, contact information, effective rents at the property level, sales transaction history and numerous illustrative charts and graphs;
- May 2016 expansion of the sales transaction database with the addition of 25 new data elements;
- June 2016 enhanced office coverage with features similar to the March 2016 apartment coverage enhancements;
- June 2016 launch of editable versions of metro and submarket level Executive Briefing reports and property level Investment Analyses;
- July 2016 move to daily reporting of apartment rent and other property level information in Reis's popular Apartment Rent Comparables Report;
- August 2016 roll-out of the affordable housing sector (specifically low income housing tax credit, or LITHC properties), Reis's ninth property type, publishing information on 176 counties in 45 metropolitan areas; and
- Scheduled for the remainder of 2016 and into 2017: (1) the rollout of national coverage across all property types in the sales transactions database, (2) the enhancement of coverage in Reis's other sectors similar to the apartment and office enhancements made earlier in 2016 and (3) the introduction of a module that will allow portfolio managers and C-level executives to look for market opportunities based upon Reis's forecasts at the market and submarket level.

Management believes that these additional product capabilities will further differentiate Reis from the competition, distinguishing its offers with respect to their superior timeliness, quality and scope of coverage. Reis has been monetizing the new products that we have introduced in recent years and we anticipate upselling our latest enhancements in 2016 and 2017 to our existing customers, new debt and equity investors, and transactional based services providers.

Investor Conference Call

The Company will host a conference call on Thursday, August 4, 2016, at 11:00 AM (EDT). This call is for the benefit of existing and prospective stockholders, stock analysts, and other interested parties to discuss the second quarter 2016 results, management's outlook for the remainder of 2016 and other matters.

The dial-in number from inside the U.S. and Canada for this teleconference is (877) 390-5537. The dial-in number for outside the U.S. and Canada is (760) 666-3763. The conference ID is 57711575, or "Reis." A replay of the conference call will be available from shortly after the conference call through 2:00 PM (EDT) on August 7, 2016 by dialing (855) 859-2056 from inside the U.S. and Canada or (404) 537-3406 from outside the U.S. and Canada, and referring to the conference ID: 57711575, and "Reis". An audio webcast of the conference call will also be available on Reis's website at www.reis.com/events and will remain on the website for a period of time following the call.

Information as Reported in the Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2016

2016 Revenue Performance

All of the Company's revenue is generated by the Reis Services segment. Reis Services revenue decreased by approximately $(1,802,000) or (13.4)%, from the second quarter of 2015 to the second quarter of 2016. Reis Services revenue decreased by approximately $(109,000) or (0.4)% in the six months ended June 30, 2016 from the comparable 2015 period. Reis's second quarter and six months ended June 30, 2016 represent challenging comparable reporting periods due to significant revenue successes in 2015. Below, we provide insight into both the Company's reported results as well as how Reis's core recurring business is performing.

Company performance in 2016 relative to the results for the three and six months ended June 30, 2015 has been impacted by four main factors: (1) significant custom data deliverables in 2015; (2) a decline in our trailing twelve month renewal rates as we continue to implement more aggressive pricing and align pricing with customer usage; (3) a reduction in revenue from our intellectual property compliance initiatives; and (4) multi-year contracts and their effect on growth rates. The following paragraphs further describe the impact of these factors.

The Company recognized significant revenue in 2015 related to custom data deliverables for one of our existing *Reis SE* subscribers. The revenue recorded reflected the portion of the custom data files that was delivered in June and December 2015 and February 2016, positively impacting results for the second and fourth quarters of 2015 and the first quarter of

2016. In our Form 10-Q for the quarter ended June 30, 2015 and for all subsequent filings, the Company has presented pro forma adjustments to quantify the significant revenue associated with these custom data deliverables on Reis's reported revenues and growth rates.

On a pro forma basis, excluding $2,186,000 of revenue for the custom data deliverables from the three and six months ended June 30, 2015 (consistent with the pro forma presentation included in the June 30, 2015 Form 10-Q), revenue was $11,230,000 and $22,361,000 for the three and six months ended June 30, 2015, respectively. On a pro forma basis, excluding $1,200,000 of revenue for the custom data deliverables in February 2016 from the six months ended June 30, 2016, revenue was $23,238,000. Revenue growth, on a pro forma basis, was 3.4% for the three months ended June 30, 2016 and 3.9% for the six months ended June 30 2016 over the comparable 2015 periods.

The Company's overall trailing twelve month renewal rates as of June 30, 2016 and 2015 were 83% and 88%, respectively (for institutional subscribers, the trailing twelve month renewal rates as of June 30, 2016 and 2015 were 85% and 90%, respectively). The Company has been more aggressive on renewal pricing, resulting in mid-single digit increases. Reis management believes that aligning client report consumption and value with appropriate annual fees, while remaining respectful of subscriber need for Reis information, is critical to the Company's long-term growth and to the protection of the value of its intellectual property. Also, based upon past experience, management believes that many non-renewing customers will ultimately renew with Reis as their information and analytic needs may not be fully addressed by competitive offerings.

Reis's revenue growth rates for the three and six months ended June 30, 2016 have been constrained by a reduction in the dollar value of contract signings related to violations of our intellectual property rights. In 2015 and 2016, the Company has been very active in protecting its intellectual property by pursuing firms and individuals who had previously gained unauthorized access to our services. As a result of these compliance procedures, the Company has been able to generate revenue either through one-time settlement payments or by signing up the offending firm or individual to an annual or multi-year *Reis SE* subscription. Although the frequency of identified instances has not declined, the average contract size has slightly decreased.

In order to increase the predictability of fees from our subscribers and Reis's own revenue and cash flow, we have made a concerted effort to encourage multi-year contracts when appropriate, with terms of two or three years, and in some cases, four years. Approximately one-third of our subscribers have multi-year contracts and the average life of multi-year contracts signed in each of the last three years was approximately 2.2 years. There are significant benefits, on a selective basis, of multi-year contracts, including locking in recurring revenue for longer periods, thereby increasing the predictability of our renewal rates and future revenues. From an operational perspective, multi-year contracts free up account management resources to focus on subscribers requiring a higher level of attention and upselling opportunities across our account base. Finally, multi-year deals also insulate us from competitive pressures and increase the likeliness that Reis data and analytics will become embedded in the work flow of our clients.

In accordance with GAAP, our revenue recognition policy is to record revenue ratably over the life of a subscriber contract. Therefore any increases in the price of the subscription after the first year of a multi-year contract are considered in the total amount being straight-lined over the contract term. If a multi-year contract includes pricing steps on and after the first anniversary, there will be increasing cash flow from the contract, but no growth in revenue during the subsequent years under that contract. There has been resulting variability in our growth rates from having such a significant segment of our subscriber base under multi-year agreements which has also negatively impacted 2016 performance.

In conclusion, in light of: (1) the Company's strong pace of new customer acquisition; (2) improving price increases on renewals; (3) a more rigorous program of enforcing and monetizing our intellectual property rights; (4) our pipeline with respect to both custom data deliverables and portfolio analytics; and (5) the array of new products and enhancements that will continue to be launched in 2016, management believes that the Company will return to positive revenue growth in 2017.

Deferred Revenue and Aggregate Revenue Under Contract

At June 30, 2016, the Company reported deferred revenue and Aggregate Revenue Under Contract of $20,845,000 and $42,016,000, respectively. At June 30, 2015, deferred revenue and Aggregate Revenue under Contract were $21,512,000 and $49,555,000, respectively.

Included in Aggregate Revenue Under Contract at June 30, 2016 was approximately $30,572,000 related to amounts under contract for the forward twelve month period through June 30, 2017. The remainder reflects amounts under contract beyond June 30, 2017. The forward twelve month Aggregate Revenue Under Contract amount is approximately 60.2% of revenue on a trailing twelve month basis at June 30, 2016 of approximately $50,782,000. For comparison purposes, at June 30, 2015, the forward twelve month Aggregate Revenue Under Contract was $32,240,000 and approximately 70.5% of revenue.

The lower amount of deferred revenue and Aggregate Revenue Under Contract is explained by a few of our institutional customers that had contracts expire at June 30, 2016, which have renewed on a month-to-month basis as contract negotiations continue. This has resulted in only one month of deferred revenue for these subscribers being included in our June 30, 2016 balances. Both deferred revenue and the forward twelve month component of Aggregate Revenue Under Contract exclude eleven months of revenue from those customers that had previously been included in the corresponding balances at June 30, 2015. Additionally, the decline in deferred revenue and Aggregate Revenue Under Contract is impacted by the decline in the overall renewal rate.

2016 Reis Services EBITDA and Consolidated Adjusted EBITDA Performance

Reis Services EBITDA for the three and six months ended June 30, 2016 was $4,127,000 and $9,509,000, respectively. Reis Services EBITDA margins were 35.5% and 38.9% for the three and six months ended June 30, 2016 as compared to the reported Reis Services EBITDA margins of 45.4% and 43.5% for the 2015 comparable periods. The margins in the 2015 periods were positively impacted by the custom data deliverable described previously which had a higher margin than our historic sales of *Reis SE* subscriptions. The 2016 margins were lower than historic norms as a result of the combination of expenses increasing and lower revenue.

The 2016 reported Reis Services EBITDA amounts resulted in a decrease of $(1,966,000), or (32.3)%, from the second quarter 2015 amount and a decrease of $(1,178,000), or (11.0)%, from the comparable 2015 six month period. These decreases primarily resulted from the decline in revenue as described above. Operating expenses grew by 2.2% and 7.7% in the three and six months ended June 30, 2016. Expense increases, in general, are a result of increased employment related costs and rent related costs as more fully described in "—Result of Operations," included in this quarterly report on Form 10-Q. The operating expense growth rates slowed from the first quarter to the second quarter of 2016 due to lower expenses associated with commissions and performance based compensation measured on sales, revenue or EBITDA performance in the 2016 second quarter.

Consolidated Adjusted EBITDA for the three months ended June 30, 2016 was $3,651,000, a decrease of $(1,729,000), or (32.1)%, from the second quarter 2015 amount. Consolidated Adjusted EBITDA for the six months ended June 30, 2016 was $8,280,000, a decrease of $(981,000), or (10.6)%, from the comparable 2015 six month period. The decrease in Adjusted EBITDA reflects the revenue and Reis Services EBITDA decreases discussed above. The consolidated Adjusted EBITDA margins were 31.4% and 33.9% for the three and six months ended June 30, 2016.

The Company continues to make significant investments in our business, including our core *Reis SE* platform and in our portfolio analytics offering. Management continues to pursue significant opportunities to assist client and non-client financial services firms and other real estate investors with evaluating the health of their real estate portfolios. As a result of our growth initiatives, our employee headcount is expected to increase throughout 2016 across all departments and this growth has included strategic hires in sales and operations. The pace of our database and website enhancements has accelerated and we remain committed to a rigorous schedule of product development during the remainder of 2016. These prudent investments will further the differentiation between Reis and other U.S. commercial real estate market information providers. As previously stated in the "— Management Summary" section of Item 7. of our annual report on Form 10-K for the year ended December 31, 2015, as filed with the SEC on March 3, 2016, continuing investments and occupancy related costs will negatively impact our annual Reis Services EBITDA and consolidated Adjusted EBITDA growth rates for 2016 and cause temporary declines in our Reis Services EBITDA and consolidated Adjusted EBITDA margins in 2016. We believe that any declines will be temporary as we expect that these investments will result in additional revenue growth opportunities and margin expansion for Reis in 2017.

Trends

During 2016, Reis's growth rates have been temporarily interrupted, primarily from the challenging comparable reporting periods described above. Management is utilizing 2016 as a year of substantial investment in both personnel and product. The investment in technology and personnel has been necessary to deepen and broaden our market coverage. To accelerate our growth and profitability, we are also adding senior management talent in operations and sales. The investments in and enhancements to our products in 2016 are a direct response to the needs of our subscribers and to maintain and expand Reis's competitive advantage in the marketplace. However, the remainder of 2016 is expected to continue to be a difficult comparison year against 2015.

Reis has been very active in protecting its intellectual property by pursuing firms and individuals who had previously gained unauthorized access to our services. As a result of these compliance procedures, the Company has been able to generate revenue either through one-time settlement payments or by signing up the offending firm or individual to an annual or multi-year *Reis SE* subscription. Reis's second quarter 2016 revenue and EBITDA growth rates have been constrained by a reduction in the dollar value of contract signings related to violations of our intellectual property rights. The declines in the size of contracts from the 2015 levels are a direct result of resolving much of the backlog of instances involving older and longer periods of non-compliance which had greater dollar values associated with the larger volume of unlicensed usage.

Nonetheless, new violations are being identified each week, adding to our backlog of cases and creating new recurring revenue opportunities.

Another factor in the reduction of 2016's revenue growth rate has been the slower than anticipated pace of sales of custom data deliverables to our existing banking clients. The Company has developed a strong sales pipeline, typically to support the internal quantitative modeling needs of banks, but the sales cycle is longer as it involves executives from risk management, financial reporting and the commercial real estate groups. With the continuing pressure being applied by regulators on banking institutions, custom data deliverables and portfolio advisory services are key tools necessary for these institutions to meet their evaluation and reporting obligations. As we exit 2016 and enter 2017 we anticipate that the marketing of these services will generate incremental revenue and EBITDA growth.

Consistent with the trend over the past many years, contract signings (both for new business and renewals) will be weighted to the second half of the year and in particular to the fourth quarter. Over the past six years, approximately 33% to 38% of contract signings occur in the fourth quarter. Management believes that with the product enhancement releases that have occurred thus far in 2016 and imminent additional releases, we will be able to capture additional market share and position Reis for accelerating revenue and EBITDA growth in 2017.

About Reis

Reis provides commercial real estate market information and analytical tools to real estate professionals through its Reis Services subsidiary. Reis Services, including its predecessors, was founded in 1980. Reis maintains a proprietary database containing detailed information on commercial properties in metropolitan markets and neighborhoods throughout the U.S. The database contains information on apartment, office, retail, warehouse/distribution, flex/research & development, self storage, seniors housing, student housing and affordable housing properties, and is used by real estate investors, lenders and other professionals to make informed buying, selling and financing decisions. In addition, Reis data is used by debt and equity investors to assess, quantify and manage the risks of default and loss associated with individual mortgages, properties, portfolios and real estate backed securities. Reis currently provides its information services to many of the nation's leading lending institutions, equity investors, brokers and appraisers.

The Company's product portfolio features: *Reis SE*, its flagship delivery platform aimed at larger and mid-sized enterprises; *ReisReports*, aimed at prosumers and smaller enterprises; *Mobiuss Portfolio CRE*, or *Mobiuss,* and other portfolio support products and services, aimed primarily at risk managers and credit administrators at banks and non-bank lending institutions. It is through these products that Reis provides online access to a proprietary database of commercial real estate information and analytical tools designed to facilitate debt and equity transactions as well as ongoing asset and portfolio evaluations. Depending on the product or level of entitlement, users have access to market trends and forecasts at metropolitan and neighborhood levels throughout the U.S. and/or detailed building-specific information such as rents, vacancy rates, lease terms, property sales, new construction listings and property valuation estimates. Reis's products are designed to meet the demand for timely and accurate information to support the decision-making of property owners, developers, builders, banks and non-bank lenders, equity investors and service providers. These real estate professionals require access to timely information on both the performance and pricing of assets, including detailed data on market transactions, supply, absorption, rents and sale prices. This information is critical to all aspects of valuing assets and financing their acquisition, development and construction.

For more information regarding Reis's products and services, visit www.reis.com and www.reisreports.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements may relate to the Company's or management's outlook or expectations for earnings, revenues, expenses, margins, asset quality, or other future financial or business performance, strategies, prospects or expectations, or the impact of legal, regulatory or supervisory matters on our business, operations or performance. Specifically, forward-looking statements may include:

- statements relating to future services and product development of the Reis Services segment;
- statements relating to business prospects, market share, potential acquisitions, sources and uses of cash, revenue, expenses, margins, income (loss) from continuing or discontinued operations, cash flows, valuation of assets and liabilities and other business metrics of the Company and its businesses, including EBITDA (as defined herein), Adjusted EBITDA (as defined herein) and Aggregate Revenue Under Contract; and
- statements preceded by, followed by or that include the words "estimate," "plan," "project," "intend," "expect," "anticipate," "believe," "seek," "target" or similar expressions relating to future periods.

Forward-looking statements reflect management's judgment based on currently available information and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

With respect to these forward-looking statements, management has made certain assumptions. Future performance cannot be assured. Actual results may differ materially from those contemplated by the forward-looking statements. Some factors that could cause actual results to differ include:

- lower than expected revenues and other performance measures such as income from continuing operations, EBITDA and Adjusted EBITDA;
- inability to retain and increase the Company's subscriber base;
- inability to execute properly on new products and services, or failure of subscribers to accept these products and services;
- competition;
- inability to attract and retain sales and senior management personnel;
- inability to access adequate capital to fund operations and investments in our business;
- difficulties in protecting the security, confidentiality, integrity and reliability of the Company's data;
- changes in accounting policies or practices;
- legal and regulatory issues;
- the results of pending, threatening or future litigation; and
- the risk factors listed under "Item 1A. Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2015, which was filed with the Securities and Exchange Commission ("SEC") on March 3, 2016, including the "Risk Factors" section of these filings and the Company's other filings with the SEC, and are available at the SEC's website (www.sec.gov).

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this release. Except as required by law, the Company undertakes no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this release or to reflect the occurrence of unanticipated events.

Supplemental Financial Information and Reconciliations from GAAP to Non-GAAP Metrics

REIS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2016	December 31, 2015
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 26,554,080	$ 28,657,956
Restricted cash and investments	212,268	212,268
Accounts receivable, net	6,682,411	13,741,169
Prepaid and other assets	817,413	670,339
Total current assets	34,266,172	43,281,732
Furniture, fixtures and equipment, net of accumulated depreciation of $2,650,939 and $2,449,985, respectively	2,487,368	804,427
Intangible assets, net of accumulated amortization of $41,550,241 and $38,738,292, respectively	16,986,371	15,686,954
Deferred tax asset, net	17,339,737	18,429,737
Goodwill	54,824,648	54,824,648
Other assets	327,504	171,728
Total assets	$ 126,231,800	$ 133,199,226
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	$ —	$ —
Accrued expenses and other liabilities	3,870,282	5,898,226
Deferred revenue	20,845,309	25,291,499
Liabilities attributable to discontinued operations	—	145,737
Total current liabilities	24,715,591	31,335,462
Other long-term liabilities	583,764	284,316
Total liabilities	25,299,355	31,619,778
Commitments and contingencies		

Stockholders' equity:		
Common stock, $0.02 par value per share, 101,000,000 shares authorized, 11,326,326 and 11,256,405 shares issued and outstanding, respectively	226,526	225,128
Additional paid in capital	107,785,137	107,102,433
Retained earnings (deficit)	(7,079,218)	(5,748,113)
Total stockholders' equity	100,932,445	101,579,448
Total liabilities and stockholders' equity	$ 126,231,800	$ 133,199,226

REIS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Subscription revenue	$11,614,670	$13,416,035	$24,438,422	$24,546,813
Cost of sales of subscription revenue	2,494,753	2,134,526	4,956,324	4,319,966
Gross profit	9,119,917	11,281,509	19,482,098	20,226,847
Operating expenses:				
Sales and marketing	3,024,664	3,460,773	5,692,656	6,113,787
Product development	1,015,370	889,687	2,020,654	1,752,441
General and administrative expenses	3,536,741	3,382,146	7,621,452	6,703,222
Total operating expenses	7,576,775	7,732,606	15,334,762	14,569,450
Other income (expenses):				
Interest and other income	5,910	8,505	14,166	15,594
Interest expense	(28,216)	(28,283)	(49,541)	(56,496)
Total other income (expenses)	(22,306)	(19,778)	(35,375)	(40,902)
Income before income taxes and discontinued operations	1,520,836	3,529,125	4,111,961	5,616,495
Income tax expense	580,000	601,000	1,567,000	1,395,000
Income from continuing operations	940,836	2,928,125	2,544,961	4,221,495
Income from discontinued operations, net of income tax expense $—, $755,000, $— and $708,000 respectively	—	1,138,434	—	1,067,080
Net income	$ 940,836	$ 4,066,559	$ 2,544,961	$ 5,288,575
Per share amounts - basic:				
Income from continuing operations	$ 0.08	$ 0.26	$ 0.23	$ 0.38
Net income	$ 0.08	$ 0.36	$ 0.23	$ 0.47
Per share amounts - diluted:				
Income from continuing operations	$ 0.08	$ 0.25	$ 0.22	$ 0.36
Net income	$ 0.08	$ 0.35	$ 0.22	$ 0.45
Weighted average number of common shares outstanding:				
Basic	11,321,711	11,228,905	11,302,731	11,209,900
Diluted	11,780,871	11,689,883	11,762,210	11,684,857
Dividends declared per common share	$ 0.17	$ 0.14	$ 0.34	$ 0.28

Reconciliations of Income from Continuing Operations to EBITDA and Adjusted EBITDA

We define EBITDA as earnings (income (loss) from continuing operations) before interest, taxes, depreciation and amortization. We define Adjusted EBITDA as earnings before interest, taxes, depreciation, amortization and stock based compensation. Although EBITDA and Adjusted EBITDA are not measures of performance calculated in accordance with GAAP, senior management uses EBITDA and Adjusted EBITDA to measure operational and management performance. Management believes that EBITDA and Adjusted EBITDA are appropriate supplemental financial measures to be considered in addition to the reported GAAP basis financial information which may assist investors in evaluating and understanding: (1) the performance of the Reis Services segment, the primary business of the Company and (2) the Company's continuing consolidated results, from year to year or period to period, as applicable. Further, these measures provide the reader with the ability to understand our operational performance while isolating non-cash charges, such as depreciation and amortization expenses, as well as other non-operating items, such as interest income, interest expense and income taxes and, in the case of Adjusted EBITDA, isolates non-cash charges for stock based compensation. Management also believes that disclosing EBITDA and Adjusted EBITDA will provide better comparability to other companies in the information services sector. However, because EBITDA and Adjusted EBITDA are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. EBITDA and Adjusted EBITDA are presented both for the Reis Services segment and on a consolidated basis. We believe that these metrics, for Reis Services, provide the reader with valuable information for evaluating the financial performance of the core Reis Services business, excluding public company costs, and for making assessments about the intrinsic value of that stand-alone business to a potential acquirer. Management primarily monitors and measures its performance, and is compensated, based on the results of the Reis Services segment. EBITDA and Adjusted EBITDA, on a consolidated basis, allow the reader to make assessments about the current trading value of the Company's common stock, including expenses related to operating as a public company. However, investors should not consider these measures in isolation or as substitutes for net income (loss), income from continuing operations, operating income, or any other measure for determining operating performance that is calculated in accordance with GAAP. Reconciliations of EBITDA and Adjusted EBITDA to the most comparable GAAP financial measure, income from continuing operations, follow for each identified period on a segment basis (including the Reis Services segment), as well as on a consolidated basis:

(amounts in thousands)

Reconciliation of Income from Continuing Operations to EBITDA and Adjusted EBITDA for the Three Months Ended June 30, 2016	**By Segment**		
	Reis Services	**Other (A)**	**Consolidated**
Income from continuing operations			$ 941
Income tax expense			580
Income (loss) before income taxes and discontinued operations	$ 2,522	$(1,001)	1,521
Add back:			
Depreciation and amortization expense	1,583	3	1,586
Interest expense, net	22	—	22
EBITDA	4,127	(998)	3,129
Add back:			
Stock based compensation expense, net	—	522	522
Adjusted EBITDA	$ 4,127	$ (476)	$ 3,651

Reconciliation of Income from Continuing Operations to EBITDA and Adjusted EBITDA for the Three Months Ended June 30, 2015	**By Segment**		
	Reis Services	**Other (A)**	**Consolidated**
Income from continuing operations			$ 2,928
Income tax expense			601
Income (loss) before income taxes and discontinued operations	$ 4,688	$ (1,159)	3,529
Add back:			
Depreciation and amortization expense	1,385	3	1,388
Interest expense, net	20	—	20
EBITDA	6,093	(1,156)	4,937
Add back:			
Stock based compensation expense	—	443	443
Adjusted EBITDA	$ 6,093	$ (713)	$ 5,380

(amounts in thousands)

Reconciliation of Income from Continuing Operations to EBITDA and Adjusted EBITDA for the Six Months Ended June 30, 2016	**By Segment**		
	Reis Services	**Other (A)**	**Consolidated**

Income from continuing operations			$ 2,545
Income tax expense			1,567
Income (loss) before income taxes and discontinued operations	$ 6,402	$ (2,290)	4,112
Add back:			
Depreciation and amortization expense	3,072	5	3,077
Interest expense, net	35	—	35
EBITDA	9,509	(2,285)	7,224
Add back:			
Stock based compensation expense, net	—	1,056	1,056
Adjusted EBITDA	$ 9,509	$ (1,229)	$ 8,280

Reconciliation of Income from Continuing Operations to EBITDA and Adjusted EBITDA for the Six Months Ended June 30, 2015	By Segment		
	Reis Services	Other (A)	Consolidated
Income from continuing operations			$ 4,221
Income tax expense			1,395
Income (loss) before income taxes and discontinued operations	$ 7,936	$ (2,320)	5,616
Add back:			
Depreciation and amortization expense	2,710	5	2,715
Interest expense, net	41	—	41
EBITDA	10,687	(2,315)	8,372
Add back:			
Stock based compensation expense	—	889	889
Adjusted EBITDA	$ 10,687	$ (1,426)	$ 9,261

(A) Includes interest and other income, depreciation expense and general and administrative expenses (including public company related costs) that are not associated
with the Reis Services segment. Since the reconciliations start with income from continuing operations, the effects of the discontinued operations are excluded
from these reconciliations for all periods presented.

Reconciliations of Deferred Revenue to Aggregate Revenue Under Contract

Two additional metrics management utilizes are deferred revenue and Aggregate Revenue Under Contract. Analyzing these amounts can provide additional insight into Reis Services's future financial performance. Deferred revenue, which is a GAAP basis accounting concept and is reported by the Company on the consolidated balance sheet, represents revenue from annual or longer term contracts for which we have billed and/or received payments from our subscribers related to services we will be providing over the remaining contract period. Aggregate Revenue Under Contract is the sum of deferred revenue and future revenue under non-cancellable contracts for which we do not yet have the contractual right to bill and excludes any future revenues expected to be derived from subscribers currently being billed on a monthly basis.

Deferred revenue will be recognized as revenue ratably over the remaining life of a contract for subscriptions, or in the case of future custom reports or projects, will be recognized as revenue upon completion and delivery to the customer, provided no significant Company obligations remain. At any given date, both deferred revenue and Aggregate Revenue Under Contract can be either positively or negatively influenced by: (1) the timing and dollar value of contracts signed and billed; (2) the quantity and timing of contracts that are multi-year; and (3) the impact of recording revenue ratably over the life of a multi-year contract, which moderates the effect of price increases after the first year.

The following table reconciles deferred revenue to Aggregate Revenue Under Contract at June 30, 2016 and 2015, respectively. A comparison of these balances at June 30 of each year is more meaningful than a comparison to the December 31, 2015 balances, as a greater percentage of renewals occur in the fourth quarter of each year and would distort the analysis.

	June 30,	
	2016	2015
Deferred revenue (GAAP basis)	$ 20,845,000	$ 21,512,000

Amounts under non-cancellable contracts for which the Company does not yet have the contractual right to bill at the period end (A)	21,171,000	28,043,000
Aggregate Revenue Under Contract	$ 42,016,000	$ 49,555,000

(A) Amounts are billable subsequent to June 30 of each year and represent (i) non-cancellable contracts for subscribers with multi-year subscriptions where the future years are not yet billable, or (ii) subscribers with non-cancellable annual subscriptions with interim billing terms.

Press Contact:

Mark P. Cantaluppi

Vice President, Chief Financial Officer

Reis, Inc.

(212) 921-1122

Primary Logo