



FIRST QUARTER 2016 EARNINGS REPORT

Mexico City, April 21, 2016 – Terrafina® ("TERRA") (BMV: TERRA13), a leading Mexican industrial real estate investment trust ("FIBRA"), externally advised by Pramerica Real Estate Investors and dedicated to the acquisition, development, leasing and management of industrial real estate properties in Mexico, today announced its first quarter 2016 (1Q16) earnings results.

The figures in this report have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Figures presented in this report are presented in millions of Mexican pesos and millions of U.S. dollars, unless otherwise stated. Additionally, figures may vary due to rounding. Terrafina's financial results included in this report are unaudited. As a result, the mentioned figures in this financial report are preliminary figures and could be adjusted in the future.

*This document may include forward-looking statements that may imply risks and uncertainties. Terms such as "estimate", "project", "plan", "believe", "expect", "anticipate", "intend", and other similar expressions could be construed as provisions or estimates. Terrafina warns readers that declarations and estimates mentioned in this document, or realized by Terrafina's management imply risks and uncertainties that could change in function of various factors that are out of Terrafina's control. Future expectations reflect Terrafina's judgment at the date of this document. Terrafina reserves the right or obligation to update the information contained in this document or derived from this document. **Past or present performance is not an indicator to anticipate future performance.***

Financial and Operating Highlights as of March 31, 2016

Operating

- As of March 31, 2016, the occupancy rate was 93.3%, a 6 basis point increase compared to the fourth quarter of 2015 (4Q15) and a 40 basis point decrease compared to the first quarter of 2015 (1Q15). Additionally, considering signed letters of intent (LOI), occupancy for 1Q16 was 94.0%.
- Annualized average leasing rate per square foot at 1Q16 was US\$4.89, a US\$0.02 increase compared to 1Q15.
- Terrafina reported a total of 30.1 million square feet (msf) of Gross Leasable Area (GLA) comprised of 209 properties and 217 tenants in 1Q16.
- 1Q16 leasing activity totaled 1.8 msf, of which 22.9% corresponded to new leases, 48.2% to lease renewals and 28.9% to early renewals. Leasing activity was mainly concentrated in the Ciudad Juarez, Ramos Arizpe, Chihuahua, Monterrey, San Luis Potosi and Toluca markets.
- Total developments for 1Q16 included 202,000 square feet of GLA, which are expected to contribute US\$0.9 million to Net Operating Income (NOI) for the 2017 period. The expected return rate for the developments that took place in 1Q16 is 9.3%*.

*Expected return is not guaranteed. Final results may vary.

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Financial

- **1Q16 rental revenues reached US\$32.6 million, a 2.5% or US\$0.8 million decrease compared to 1Q15. It is important to mention that 1Q16 rental revenues in dollars decreased as a result of the asset sale that took place during 1Q15.**
- **1Q16 NOI was US\$31.8 million, a 0.5% or US\$0.1 million decrease compared to 1Q15. Moreover, implied cap rate was 9.7%, considering the average share price for 1Q16 of US\$1.63 (Ps. 29.39) and 2016 expected NOI of US\$133 million.**
- **The NOI margin for 1Q16 reached 87.0%, a 89 basis point increase compared to 1Q15.**
- **1Q16 EBITDA reached US\$28.5 million, an increase of 0.2% or US\$0.1 million compared to 1Q15.**
- **The EBITDA margin for 1Q16 was 78.2%, a 134 basis point increase compared to 1Q15.**
- **1Q16 adjusted funds for operations (AFFO) reached US\$16.6 million, a US\$1.8 million decrease compared to 1Q15.**
- **The AFFO margin for 1Q16 was 45.1%, a 819 basis point decrease compared to 1Q15.**
- **1Q16 distributions totaled US\$16.6 million. As a result of 1Q16 operations, Terrafina will distribute Ps.0.4951 per CBFi (US\$0.0273 per CBFi) for distributions corresponding to the January 1 to March 31, 2016 period.**
- **The annualized distribution of 1Q16 was US\$0.1092; considering the average share price for the quarter of US\$1.63 (Ps.29.39),Terrafina's dividend yield for the quarter was 6.7%.**



Financial Highlights

<i>Operating</i>	Mar16	Mar15	Var.
<i>Number of Developed Properties</i>	209	196	13
<i>Gross Leasable Area (GLA) (msf)¹</i>	30.1	28.2	1.9
<i>New Developments² (msf)</i>	0.25	0.49	-0.24
<i>Land Reserves (msf)</i>	6.40	5.90	0.50
<i>Occupancy Rate³</i>	93.3%	93.7%	-40 bps
<i>Avg. Leasing Rent / Square Foot (dollars)</i>	4.89	4.87	0.02
<i>Weighted Ave. Remaining Lease Term (years)</i>	3.65	3.66	-0.01
<i>Renewal Rate⁴</i>	87.7%	97.4%	-968 bps

<i>Quarterly Financial</i>	1Q16	1Q15	Var.		1Q16	1Q15	Var.
				fx	18.0667	14.9314	
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)		
<i>Rental Revenues⁵</i>	589.0	499.0	18.0%		32.6	33.4	-2.5%
<i>Other Operating Income</i>	75.0	70.3	6.8%		4.2	4.7	-12.2%
<i>Net Revenues</i>	675.0	553.7	21.9%		37.4	37.1	0.6%
<i>Net Operating Income (NOI)*</i>	573.9	476.3	20.5%		31.8	31.9	-0.5%
<i>NOI Margin</i>	87.0%	86.1%	89 bps		87.0%	86.1%	89 bps
<i>EBITDA^{6*}</i>	516.1	424.1	21.7%		28.5	28.5	0.2%
<i>EBITDA Margin</i>	78.2%	76.8%	134 bps		78.2%	76.8%	134 bps
<i>Funds from Operations (FFO)*</i>	355.7	319.6	11.3%		19.6	21.4	-8.5%
<i>FFO Margin</i>	53.8%	57.9%	-409 bps		53.8%	57.9%	-409 bps
<i>Adjusted Funds from Operations (AFFO)*</i>	300.8	296.3	1.5%		16.6	19.9	-16.6%
<i>AFFO Margin</i>	45.1%	53.3%	-819 bps		45.1%	53.3%	-819 bps
<i>Distributions</i>	300.8	296.3	1.5%		16.6	19.9	-16.6%
<i>Distributions per CBF⁷</i>	0.4951	0.4880	1.4%		0.0273	0.0327	-16.7%

<i>Balance Sheet</i>	Mar16	Dec15	Var.		Mar16	Dec15	Var.
				fx	15.1542	17.2065	
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)		
<i>Cash & Cash Equivalents</i>	4,454.8	4,467.9	-0.3%		256.0	259.7	-1.4%
<i>Investment Properties</i>	28,906.1	28,678.7	0.8%		1,661.1	1,666.7	-0.3%
<i>Land Reserves</i>	876.6	827.2	6.0%		50.4	48.1	4.8%
<i>Total Debt</i>	12,276.7	12,215.6	0.5%		705.5	709.9	-0.6%
<i>Net Debt</i>	7,821.8	7,747.8	1.0%		449.5	450.3	-0.2%

Figures in dollars in the Income Statement were converted into pesos using the average exchange rate for the period; for the Balance Sheet the exchange rate for the close of the period was used. (1) Millions of square feet. (2) Includes expansions and Built-to-Suits (BTS). (3) Occupancy at the end of the period. (4) Indicates the lease renewal rate of the leases, includes early renewals. (5) Excluding accrued income as it is a non-cash item (6) Earnings before interest, taxes, depreciation and amortization. (7) Certificados Bursátiles Fiduciarios Inmobiliarios - Real Estate Investment Certificates. Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period. (*) Revenues and expenses have been adjusted for the calculation of the above mentioned metrics. Please refer to the "1Q16 Financial Performance" and "Appendices" section available in this document.

Source: Pramerica Real Estate Investors – Portfolio Management – Fund Accounting



Comment by Alberto Chretin, Chief Executive Officer and Chairman of the Board

During the first quarter of 2016, Terrafina achieved solid operating results supported by a stable occupancy rate as well as stable average leasing rent levels. Leasing activity was particularly strong in the Ciudad Juarez, Ramos Arizpe, Chihuahua, Monterrey, San Luis Potosi and Toluca markets as a result of growing manufacturing for export activity given the attractiveness of Mexico as a destination for multinational business operations.

Terrafina's leasing activity for the first quarter of 2016 included 1.8 million square feet in leasing contracts comprised of 22.9% in new contracts, 48.2% in lease renewals and 28.9% in early renewals. Additionally, the average annual leasing rent was US\$4.89 per square foot, a US\$0.02 increase compared to the first quarter of 2015 and a US\$0.01 increase compared to the fourth quarter of 2015. By region, average rents were stable, with US\$4.77 per square foot in the Northern region, US\$4.92 per square foot in the Bajio region and US\$5.18 average rent per square foot in the Central region.

For the first quarter 2016, the occupancy rate was 93.3%, a 6 basis point increase compared to the fourth quarter of 2015. Additionally, including signed letters of intent, occupancy for the quarter was 94.0%. Occupancy by region reached 95.4% in the Northern region, 86.8% in the Bajio region and 95.4% in the Central region.

Lastly, and with respect to the main financial indicators for the first quarter, rental revenues reached US\$32.6 million, Net Operating Revenue reached US\$31.8 million and Operating Margin reached 87.0% generating US\$16.6 million in Adjusted Operating Funds. Distribution per CBFI reached Ps. 0.4951, or US\$0.0273, which represented an annualized distribution of Ps. 1.98 or US\$0.1092 per CBFI, and a 6.7% dividend yield, considering the average CBFI price for the first quarter of 2016.

Sincerely,
Alberto Chretin

Chief Executive Officer and President of the Technical Committee



Operating Highlights

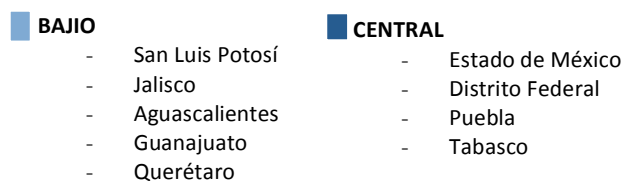
Highlights by Region

(as of March 31, 2016)

	North	Bajío	Central	Total
# Buildings	133	47	29	209
# Tenants	134	46	37	217
GLA (msf)	16.4	7.5	6.1	30.1
New Developments ¹ (msf)	0.1	0.2	0.0	0.2
Land Reserves (msf)	3.0	0.1	3.3	6.4
Occupancy Rate	95.4%	86.8%	95.4%	93.3%
Average Leasing Rent / Square Foot (dollars)	4.77	4.92	5.18	4.89
Annualized Rental Base %	54.5%	23.5%	22.0%	100.0%

(1) Includes expansions and Built-to-Suit (BTS).

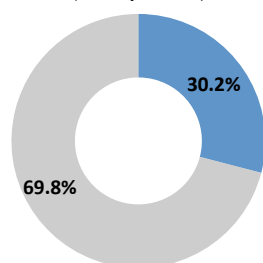
Source: Pramerica Real Estate Investors - Portfolio Management



TerraFina's operations 1Q16.

Composition by Asset Type as of 1Q16

(as a % of total GLA)



■ Distribution ■ Manufacturing

Leasing Activity

	1Q16	1Q15	Var.
Operating Portfolio (msf):			
Renewals	0.9	1.4	-0.5
Early Renewals	0.5	0.2	0.4
New Leases	0.4	0.1	0.3
Total Square Feet of Leases Signed	1.8	1.7	0.1

Source: Pramerica Real Estate Investors - Portfolio Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
<i>(As of March 31, 2016)</i>		
North	95.4%	4.77
Baja California	90.1%	4.67
Tijuana	90.1%	4.67
Sonora	86.3%	4.19
Hermosillo	86.3%	4.19
Chihuahua	96.3%	4.94
Chihuahua	96.6%	5.39
Ciudad Juarez	95.7%	4.57
Delicias	100.0%	5.52
Gomez Farias	100.0%	3.34
Camargo	100.0%	3.78
Casas Grandes	100.0%	4.09
Coahuila	95.4%	4.44
Ciudad Acuña	100.0%	5.87
Monclova	100.0%	5.26
Ramos Arizpe	95.6%	4.12
Saltillo	91.0%	5.30
San Pedro de las Colinas	89.3%	1.00
Torreon	100.0%	4.10
Nuevo Leon	96.2%	5.00
Apodaca	86.8%	5.79
Monterrey	99.8%	4.74
Tamaulipas	88.6%	4.52
Reynosa	88.6%	4.52
Durango	100.0%	3.89
Durango	100.0%	4.04
Gomez Palacio	100.0%	3.05
Bajío	86.8%	4.92
San Luis Potosi	87.4%	4.77
San Luis Potosi	87.4%	4.77
Jalisco	100.0%	5.45
Guadalajara	100.0%	5.45
Aguascalientes	100.0%	4.55
Aguascalientes	100.0%	4.55
Guanajuato	91.5%	4.94
Celaya	100.0%	5.07
Irapuato	86.5%	5.07
Silao	92.0%	4.83
Queretaro	70.4%	4.89
Queretaro	70.4%	4.89
Central	95.4%	5.18
Estado de Mexico	94.6%	5.35
Cuautitlan Izcalli	98.7%	5.36
Toluca	100.0%	5.28
Distrito Federal	100.0%	10.53
Azcapotzalco	100.0%	10.53
Puebla	100.0%	3.36
Puebla	100.0%	3.36
Tabasco	100.0%	4.19
Villahermosa	100.0%	4.19
Total	93.3%	4.89

Source: Pramerica Real Estate Investors
- Portfolio Management

Maturities and Renewals by Region

	Consolidated			
	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
<i>(As of March 31, 2016)</i>				
North	21	80.8%	18	85.7%
Baja California	2	7.7%	0	0.0%
Tijuana	2	7.7%	0	0.0%
Sonora	0	0.0%	0	0.0%
Hermosillo	0	0.0%	0	0.0%
Chihuahua	14	53.8%	13	92.9%
Chihuahua	8	30.8%	8	100.0%
Ciudad Juarez	6	23.1%	5	83.3%
Delicias	0	0.0%	0	0.0%
Gomez Farias	0	0.0%	0	0.0%
Camargo	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Coahuila	3	11.5%	3	100.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	2	7.7%	2	100.0%
Saltillo	1	3.8%	1	100.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreon	0	0.0%	0	0.0%
Nuevo Leon	2	7.7%	2	100.0%
Apodaca	2	7.7%	1	50.0%
Monterrey	0	0.0%	0	0.0%
Tamaulipas	0	0.0%	0	0.0%
Reynosa	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gomez Palacio	0	0.0%	0	0.0%
Bajío	2	7.7%	1	50.0%
San Luis Potosi	1	3.8%	0	0.0%
San Luis Potosi	1	3.8%	0	0.0%
Jalisco	0	0.0%	0	0.0%
Guadalajara	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	0	0.0%	0	0.0%
Celaya	0	0.0%	0	0.0%
Irapuato	0	0.0%	0	0.0%
Silao	0	0.0%	0	0.0%
Queretaro	1	3.8%	1	100.0%
Queretaro	1	3.8%	1	100.0%
Central	3	11.5%	3	100.0%
Estado de Mexico	3	11.5%	3	100.0%
Cuautitlan Izcalli	1	3.8%	1	100.0%
Toluca	2	7.7%	2	100.0%
Distrito Federal	0	0.0%	0	0.0%
Azcapotzalco	0	0.0%	0	0.0%
Puebla	0	0.0%	0	0.0%
Puebla	0	0.0%	0	0.0%
Tabasco	0	0.0%	0	0.0%
Villahermosa	0	0.0%	0	0.0%
Total	26	100.0%	22	84.6%

Source: Pramerica Real Estate Investors - Portfolio Management

*Over the number of matured leases in the quarter



1Q16 Operational Performance

Composition by Geographical Diversification

The geographical diversification of TerraFina's properties at 1Q16 (based on GLA per square foot) was mainly located in the northern region of Mexico, representing 54.6% of GLA, while for the Bajío and Central regions, it represented 25.1% and 20.3%, respectively.

Geographic Distribution by Region and State

	1Q16	as a % of Total GLA 1Q16	1Q15	as a % of Total GLA 1Q15
North	16.43	54.6%	15.79	55.9%
Baja California	1.13	3.8%	1.13	4.0%
Tijuana	1.13	3.8%	1.13	4.0%
Sonora	0.28	0.9%	0.28	1.0%
Hermosillo	0.28	0.9%	0.28	1.0%
Chihuahua	9.61	31.9%	9.41	0.33
Chihuahua	4.13	13.7%	4.13	0.15
Ciudad Juarez	5.00	16.6%	4.80	17.0%
Delicias	0.29	1.0%	0.29	1.0%
Gomez Farias	0.08	0.3%	0.08	0.3%
Camargo	0.02	0.1%	0.02	0.1%
Casas Grandes	0.09	0.3%	0.09	0.3%
Coahuila	3.43	11.4%	3.38	12.0%
Ciudad Acuña	0.24	0.8%	0.24	0.9%
Monclova	0.34	1.1%	0.34	1.2%
Ramos Arizpe	1.94	6.5%	1.89	6.7%
Saltillo	0.62	2.1%	0.62	2.2%
San Pedro de las Colinas	0.15	0.5%	0.15	0.5%
Torreon	0.13	0.4%	0.13	0.5%
Nuevo Leon	1.16	3.9%	0.77	2.7%
Apodaca	0.32	1.1%	0.00	0.0%
Ciénega de Flores	0.00	0.0%	0.00	0.0%
Monterrey	0.84	2.8%	0.77	2.7%
Tamaulipas	0.34	1.1%	0.34	1.2%
Reynosa	0.34	1.1%	0.34	1.2%
Durango	0.46	1.5%	0.46	1.6%
Durango	0.40	1.3%	0.40	1.4%
Gomez Palacio	0.07	0.2%	0.07	0.2%
Bajío	7.55	25.1%	6.45	22.9%
San Luis Potosi	2.75	9.1%	1.89	6.7%
San Luis Potosi	2.75	9.1%	1.89	6.7%
Jalisco	1.29	4.3%	1.29	4.6%
Guadalajara	1.29	4.3%	1.29	4.6%
Aguascalientes	0.75	2.5%	0.75	2.6%
Aguascalientes	0.75	2.5%	0.75	2.6%
Guanajuato	0.78	2.6%	0.54	1.9%
Celaya	0.12	0.4%	0.12	0.4%
Irapuato	0.24	0.8%	0.00	0.0%
Silao	0.42	1.4%	0.42	1.5%
Queretaro	1.98	6.6%	1.98	7.0%
Queretaro	1.98	6.6%	1.98	7.0%
Central	6.12	20.3%	6.00	21.2%
Estado de Mexico	5.26	17.5%	5.14	18.2%
Cuautitlan Izcalli	4.12	13.7%	4.00	14.2%
Huehuetoca	0.23	0.8%	0.23	0.8%
Lerma	0.00	0.0%	0.00	0.0%
Toluca	0.91	3.0%	0.91	3.2%
Distrito Federal	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Puebla	0.18	0.6%	0.18	0.7%
Puebla	0.18	0.6%	0.18	0.7%
Tabasco	0.65	2.2%	0.65	2.3%
Tabasco	0.65	2.2%	0.65	2.3%
Total	30.09	100.0%	28.24	100.0%

Total Gross Leasable Area / million square feet. Potential leasable area of land reserves are not included. Source: Pramerica Real Estate Investors - Portfolio Management

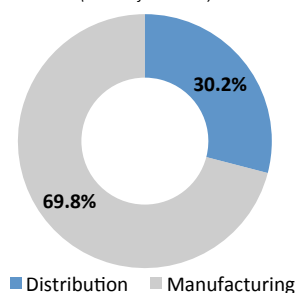


Composition by Asset Type

At the end of the first quarter 2016, 30.2% of Terrafina's total portfolio consisted of distribution and logistics properties and 69.8% were manufacturing properties.

Composition by Asset Type as of 1Q16

(as a % of total GLA)



Composition by Asset Type

	1Q16	1Q15	Var.
Distribution	30.2%	30.3%	-6 bps
Manufacturing	69.8%	69.7%	6 bps

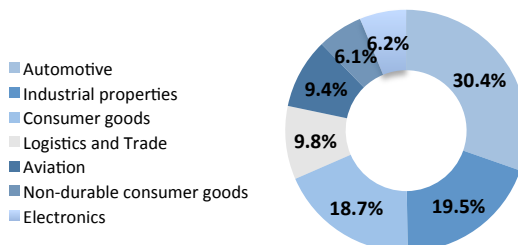
Source: Pramerica Real Estate Investors - Portfolio Management

Composition by Sector

As of March 31, 2016, tenant diversification by industrial sector was as follows:

Diversification by Sector as of 1Q16

(as a % of leased GLA)



Industrial Sector Diversification

	1Q16	1Q15	Var.
Automotive	30.4%	27.2%	312 bps
Industrial properties	19.5%	20.4%	-92 bps
Consumer goods	18.7%	17.4%	123 bps
Logistics and Trade	9.8%	10.9%	-112 bps
Aviation	9.4%	10.1%	-74 bps
Non-durable consumer goods	6.1%	6.6%	-48 bps
Electronics	6.2%	7.3%	-107 bps
Total	100.0%	100.0%	

Source: Pramerica Real Estate Investors - Portfolio Management



Top Clients' Composition

TerraFina's tenant base lease industrial properties throughout several of Mexico's main cities. For 1Q16, TerraFina's top client, top 10 clients and top 20 clients, represented 4.5%, 22.5% and 34.4% of total revenues, respectively.

Top Clients

<i>(as of March 31, 2016)</i>	Leased Square Feet (millions)	% Total GLA	% Total Revenues
Top Client	1.24	4.4%	4.5%
Top 10 Clients	6.19	22.1%	22.5%
Top 20 Clients	9.56	34.1%	34.4%

Source: Pramerica Real Estate Investors - Portfolio Management

Occupancy

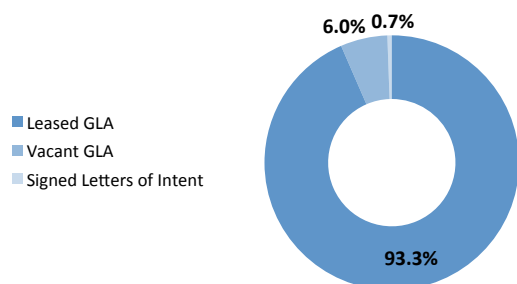
1Q16 occupancy rate was 93.3%, a 6 basis point increase compared to 4Q15. Additionally, including signed LOIs for the quarter, occupancy rate was 94.0%. It is important to mention that occupancy rate metrics presented in this report only show the quarterly closing rate.

For 1Q16, TerraFina's leasing activity reached 1.8 msf, of which 22.9% corresponded to new leasing contracts (including expansions), 48.2% for contract renewals and 28.9% for early renewals.

Leasing activity mainly took place in the Ciudad Juarez, Ramos Arizpe, Chihuahua, Monterrey, San Luis Potosi and Toluca markets. In addition to this leasing activity, TerraFina signed LOIs for an additional 210,000 square feet.

Occupancy as of 1Q16

(as % of Total GLA)



	1Q16	1Q15	Var.
Leased GLA	93.3%	93.7%	-40 bps
Vacant GLA	6.0%	6.3%	-29 bps
Signed Letters of Intent	0.7%	0.8%	-6 bps
Total	100.0%	100.0%	

Source: Pramerica Real Estate Investors - Portfolio Management

Lease Maturities

TerraFina had 217 leasing contracts at the end of 1Q16. The leasing characteristics of these contracts have an average maturity of three to five years for logistics and distribution properties and of five to seven years for manufacturing properties. Annual average maturities (as a percentage of annual base rents) remain at levels of 9% to 20% for the next five years.



The following table shows TerraFina's leasing maturity schedule for the coming years:

	Annual Base Rent (millions of dollars)	% of Total	Occupied Sq. Ft (millions)	% of Total
2016	12.2	8.9%	2.70	9.6%
2017	18.4	13.4%	3.81	13.6%
2018	17.9	13.1%	3.66	13.0%
2019	27.2	19.9%	5.65	20.1%
2020	27.5	20.0%	5.46	19.4%
Thereafter	34.0	24.8%	6.79	24.2%

Source: Pramerica Real Estate Investors – Portfolio Management

Capital Deployment

New Developments

In 1Q16, TerraFina signed 202,000 square feet in new contracts. These new developments were distributed as follows: 21.4% in the northern region 78.6% in the Bajío region.

It is important to note that these new developments will contribute US\$0.9 million to 2017 NOI, with a 9.3% estimated development yield, considering the total expected investment for US\$10.2 million

January - March 2016					
	Square Feet (millions)	Total Expected Investment (millions of pesos)	Total Expected Investment ³ (millions of dollars)	Cost per Square Feet (dollars)	% Paying Rent by End of the Period
North	0.04	26.2	1.5	35.11	0.0%
Bajío	0.16	149.0	8.6	54.31	0.0%
Central	0.00	0.0	0.0	0.00	0.0%
Total	0.20	175.3	10.2	50.20	0.0%

Proforma NOI¹ (millions of dollars)

0.9

Estimated Stabilized Yield²

9.3%

((1) Net Operating Income for the next twelve months. (2) Proforma NOI divided by the total expected investment. Proforma figures are not a guarantee of future results.

(3) Before fees and taxes.

Source: Pramerica Real Estate Investors - Portfolio Management

Projects Under Development

	1Q16	1Q15
Developed Properties	99.2%	97.8%
Properties Under Development	0.8%	2.2%
Total	100.0%	100.0%

Source: Pramerica Real Estate Investors - Portfolio Management



Capital Expenditures (CAPEX)

TerraFina's CAPEX is classified as those recurring expenses that took place based on upcoming leasing maturities and property improvements. The main goal of these expenses is the renewal of leasing contracts as well as the improvement of property conditions taking into account tenant requirements. TerraFina expects to apply CAPEX towards vacant properties as well as towards the development of new GLA by means of expansions and/or new developments.

Additionally, it is important to consider that CAPEX intended for expansions and new developments are not financed with TerraFina's operating cash flow and therefore do not pass through the income statement.

Capital expenditures accounts are comprised as follows:

- 1) Tenant improvements resources as well as recurring maintenance CAPEX.
- 2) Broker and administrator fees.
- 3) CAPEX for new developments, which due to their nature, are generally capitalized.

In 1Q16, TerraFina's total CAPEX investment was US\$8.9 million. CAPEX breakdown is shown in the following table:

	1Q16 (millions of pesos)	1Q16 (millions of dollars)
Tenant Improvements & Recurring CAPEX	40.4	2.2
Leasing Commissions	20.4	1.1
Development CAPEX ¹	100.5	5.6
Total Capital Expenditures	161.3	8.9

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring CAPEX figures. (1) CAPEX for expansions/new developments.

Source: Pramerica Real Estate Investors - Portfolio Management

Land Reserves

TerraFina's land reserve as of March 31, 2016 was comprised of 11 land reserve properties, which accounted for 6.4 msf of potential GLA for the development of future industrial assets.

As of March 31, 2016, TerraFina's land reserves distribution was as follows:

As of March 31, 2016					
	Square Feet (millions)	Land at Cost (millions of pesos)	Land at Cost (millions of dollars)	Appraisal Value (millions of pesos)	Market Value (millions of dollars)
North	3.0	474.6	27.6	441.6	25.7
Bajío	0.1	12.3	0.7	11.0	0.6
Central	3.3	639.1	37.1	374.6	21.8
Total Land Portfolio	6.4	1,126.0	65.4	827.2	48.1

Source: Pramerica Real Estate Investors - Portfolio Management and Fund Accounting



1Q16 Financial Performance

Financial Results and Calculations

Terrafina's 1Q16 financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 1Q16, while for the balance sheet, the exchange rate at the close of March 31, 2016 was applied.

Terrafina has in place best accounting practices for measuring the FIBRA's (REIT) performance results by providing relevant metrics to the financial community. Throughout the following financial performance section, additional calculations are available. It is important to note that these metrics must not be considered individually to evaluate Terrafina's results. It is recommended to use them in combination with other International Financial Reporting Standards metrics to measure the Company's performance.

Terrafina presents in this earnings report additional metrics such as Net Operating Income (NOI), Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), and Adjusted Funds from Operations (AFFO). Each breakdown calculation is available in this document.

In addition, Terrafina recommends reviewing the *Appendices* as a reference of the integration of different items of Terrafina's financial statement. This information is available in the last section of this document.

Past performance is not a guarantee or reliable indicator of future results.



Rental Revenues

In 1Q16, TerraFina registered US\$32.6 million in rental revenues, a 2.5% or US\$0.8 million decrease compared to 1Q15. It is important to mention that 1Q16 rental revenues in dollars decreased as a result of the asset sale that took place during 1Q15.

Rental revenues do not include accrued revenues, as these are a non-cash item.

Other Operating Income

In 1Q16, other operating income totaled US\$4.2 million, a 12.2% or US\$0.6 million decrease compared to 1Q15.

Other operating income mainly stems from leasing contract deposits and refunds from triple-net leases. Expenses reimbursable to TerraFina mainly included electricity, property taxes, insurance costs and maintenance activities.

Net revenues reached US\$37.4 million in 1Q16, an increase of US\$0.2 million, or 0.6% compared to 1Q15.

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
Rental Revenue	589.0	499.0	18.0%	32.6	33.4	-2.5%
Accrued Income ¹	11.0	-15.5	-	0.6	-1.0	-
Other Operating Revenues	75.0	70.3	6.8%	4.2	4.7	-12.2%
Reimbursable Expenses as Revenues ²	69.8	53.6	30.3%	3.9	3.6	7.5%
Reimbursable Tenant Improvements	5.1	3.8	33.7%	0.3	0.3	0.0%
Other non-cash income	0.1	12.9	-99.0%	0.0	0.9	-99.1%
Net Revenue	675.0	553.7	21.9%	37.4	37.1	0.6%

(1) Straight line rent adjustment; non-cash item. (2) Triple net leases expenses reimbursed to TerraFina from its tenants.

Source: Pramerica Real Estate Investors - Fund Accounting

For additional information regarding the revenue breakdown used to calculate additional metrics presented in this earnings report, please refer to *Appendix 1* in the last section of this document.

Real Estate Expenses

In 1Q16, real estate expenses totaled US\$10.1 million, an increase of US\$2.2 million, or 26.9% compared to 1Q15. These expenses were mainly due to repairs and maintenance, utility costs, commissions and tax and insurance expenses.

It is important to differentiate between expenses that are directly related to the operation and for industrial portfolio maintenance, as these are the ones used in the NOI calculation.

The remainder of the accounts included in real estate expenses are considered non-recurring expenses and are used to calculate EBITDA and AFFO.

For additional information regarding the real estate expenses breakdown, please refer to *Appendix 2* in the last section of this document.



Net Operating Income (NOI)

In 1Q16 NOI totaled US\$31.8 million, a 0.5% or US\$0.1 million decrease compared with 1Q15. NOI margin increased 89 basis points reaching 87.0% compared to 86.1% in 1Q15.

The following table displays the calculation of NOI for 1Q16:

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
Rental Revenues ¹	589.0	499.0	18.0%	32.6	33.4	-2.5%
Other Operating income ²	69.8	53.6	30.3%	3.9	3.6	7.5%
Net Revenues for NOI Calculation	658.8	552.6	19.2%	36.5	37.0	-1.5%
Repair and Maintenance	-7.7	-16.6	-53.8%	-0.4	-1.1	-62.0%
Property Taxes	-49.2	-33.8	45.5%	-2.7	-2.3	19.2%
Property Management Fees	-14.9	-10.9	36.8%	-0.8	-0.7	12.2%
Electricity	-5.0	-6.9	-27.9%	-0.3	-0.5	-39.5%
Property Insurance	-2.2	-2.7	-20.1%	-0.1	-0.2	-39.0%
Security	-2.9	-2.2	34.1%	-0.2	-0.1	9.8%
Other Operational Expenses	-3.0	-3.1	-1.9%	-0.2	-0.2	0.0%
Real Estate Operating Expenses for NOI Calculation	-84.9	-76.2	11.4%	-4.7	-5.1	-7.8%
Net Operating Income³	573.9	476.3	20.5%	31.8	31.9	-0.5%
NOI Margin	87.0%	86.1%	89 bps	87.0%	86.1%	89 bps

(1) Excludes accrued income from straight line rent adjustments as it is a non-cash item. (2) Excludes tenant improvements reimbursements which are included in AFFO. (3) The income calculation generated by the operation of the property, independent of external factors such as financing and income taxes. NOI is the result of Net Revenues (includes rental income and triple net leases expenses reimbursements) minus Real Estate Operating Expenses (costs incurred during the operation and maintenance of the industrial portfolio).

Source: Pramerica Real Estate Investors - Fund Accounting

Fees and Administrative Expenses (G&A)

G&A in 1Q16 totaled US\$3.7 million, a 73.6%, or US\$10.2 million decrease compared to 1Q15.

The following table shows total G&A:

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
External Advisor Fees ¹	-35.5	-28.8	23.4%	-2.0	-1.9	6.1%
Professional and Consulting Services	-6.6	-11.5	-42.6%	-0.4	-0.8	-42.7%
Payroll, Admin. Fees and Other Expenses	-21.9	-169.3	-87.1%	-1.2	-11.2	-89.1%
Total G&A²	-64.0	-209.5	-69.5%	-3.7	-13.8	-73.6%

(1) General and Administrative Expenses (2) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of Pramerica Real Estate Investors, and Advisor as per

the Advisory Contract.

Source: Pramerica Real Estate Investors - Fund Accounting

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

In 1Q16, EBITDA reached US\$28.5 million, an increase of US\$0.1 million, or 0.2%, compared to 1Q15. EBITDA margin for 1Q16 was 78.2%, a 134 basis point increase compared to the previous year.



The following shows the EBITDA calculation for 1Q16:

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
Rental Revenues ¹	589.0	499.0	18.0%	32.6	33.4	-2.5%
Other Operating income ²	69.8	53.6	30.3%	3.9	3.6	7.5%
Real Estate Expenses for EBITDA Calculation	-88.5	-80.7	9.6%	-4.9	-5.4	-9.3%
Real Estate Operating Expenses for NOI Calculation	-84.9	-76.2	11.4%	-4.7	-5.1	-7.8%
Advertising	-0.8	-0.5	61.8%	0.0	0.0	16.8%
Admin. Property Insurance Expenses	-0.9	-0.8	9.2%	-0.1	-0.1	-11.6%
Other Admin. Real Estate Expenses	-1.8	-3.1	-41.3%	-0.1	-0.2	-51.4%
Fees and Admin. Expenses	-54.3	-47.8	13.6%	-3.0	-3.2	-3.4%
External Advisor Fees	-35.5	-28.8	23.4%	-2.0	-1.9	6.1%
Legal, Admin. and Other Professional Fees	-10.9	-12.6	-13.4%	-0.6	-0.8	-28.4%
Trustee Fees	-1.5	-1.4	8.0%	-0.1	-0.1	-9.6%
Payroll	-5.6	-4.0	39.0%	-0.3	-0.3	17.4%
Other Expenses	-0.7	-0.9	-24.5%	0.0	-0.1	-34.3%
EBITDA³	516.1	424.1	25.0%	28.5	28.5	0.2%
EBITDA Margin	78.2%	76.8%	134 bps	78.2%	76.8%	134 bps

(1) Excludes accrued income from straight line rent adjustments as it is a non-cash item. (2) Excludes tenant improvements reimbursements which is included in AFFO calculation. (3) Earnings before interest, taxes, depreciation and amortization
Source: Pramerica Real Estate Investors - Fund Accounting

For additional information regarding the commissions and administrative expenses breakdown used for the calculation of EBITDA and AFFO, please refer to *Appendix 4* located in the last section of this document.

Financing Costs

In 1Q16, financing costs totaled US\$9.7 million, an increase of 39.0% or US\$2.7 million compared to 1Q15.

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
Interest Paid	-160.7	-107.4	49.6%	-8.9	-7.2	23.6%
Borrowing Expenses	-15.4	-1.6	865.4%	-0.9	-0.1	766.4%
Recurring	-0.3	-1.6	-	0.0	-0.1	-
Non Recurring	-15.1	0.0	-	-0.8	0.0	-
Interest Income	0.7	4.5	-84.9%	0.0	0.3	-87.5%
Total	-175.4	-104.5	67.9%	-9.7	-7.0	39.0%

Source: Pramerica Real Estate Investors - Fund Accounting



Funds from Operations (FFO) / Adjusted Funds from Operations (AFFO)

In 1Q16, TerraFina's FFO decreased by US\$1.8 million, or 8.5% compared to 1Q15, reaching US\$19.6 million. FFO Margin was 53.8%, a 410 basis point decrease compared to 1Q15. Additionally, TerraFina reported an AFFO of US\$16.6 million, a decrease of US\$3.3 million, or 16.6% compared to 1Q15. AFFO margin was 45.1%, a decrease of 819 basis points versus 1Q15.

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
EBITDA	516.1	424.1	21.7%	28.5	28.5	0.2%
Finance Cost ¹	-160.3	-104.5	53.4%	-8.9	-7.0	26.9%
Funds from Operations (FFO)	355.7	319.6	11.3%	19.6	21.5	-8.5%
<i>FFO Margin</i>	<i>53.8%</i>	<i>57.9%</i>	<i>-410 bps</i>	<i>53.8%</i>	<i>57.9%</i>	<i>-410 bps</i>
Tenant Improvements	-30.2	-10.4	190.0%	-1.7	-0.7	146.0%
Leasing Commissions	-20.4	-8.0	154.3%	-1.1	-0.6	104.3%
Other Non Recurring Expenses ³	-4.3	-4.9	-11.0%	-0.2	-0.3	-30.0%
Adjusted Funds from Operations (AFFO)	300.8	296.3	1.5%	16.6	19.9	-16.6%
<i>AFFO Margin</i>	<i>45.1%</i>	<i>53.3%</i>	<i>-819 bps</i>	<i>45.1%</i>	<i>53.3%</i>	<i>-819 bps</i>

(1) Net Operational Interest Expenses comprised by interest paid, recurring borrowing expenses and interest income. (2) Related expenses to acquisitions, legal and other.

Source: Pramerica Real Estate Investors - Fund Accounting

Comprehensive Income

Comprehensive Income for 1Q16 reached US\$31.5 million, compared to the US\$40.7 million in 1Q15.

The following table presents the calculation of Comprehensive Income for 1Q16:

	1Q16	1Q15	Var. %	1Q16	1Q15	Var. %
	(millions of pesos)			(millions of dollars)		
Net Revenues	657.7	553.7	18.8%	36.4	37.1	-1.8%
Real Estate Expenses	-182.7	-118.9	53.7%	-10.1	-8.0	27.4%
Fees and Other Expenses	-64.0	-209.5	-69.5%	-3.6	-13.8	-74.1%
Gain (Loss) from Sales of Real Estate Properties	0.0	-0.3	-	0.0	0.0	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	9.8	-29.8	-	0.6	-2.0	-
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	0.0	-0.5	-	0.0	0.0	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	76.9	54.1	42.1%	4.3	3.6	18.7%
Net Income (Loss) from Fair Value Adjustment on Bank Investment	0.0	8.9	-	0.0	0.6	-
Foreign Exchange Gain (loss)	-3.4	-98.7	-96.6%	-0.2	-6.6	-97.0%
Operating Profit	494.3	159.1	210.8%	27.3	10.9	150.8%
Financial Income	0.7	4.5	-84.9%	0.0	0.3	-87.6%
Financial Expenses	-176.1	-109.0	61.6%	-9.8	-7.3	33.8%
Net Financial Cost	-175.4	-104.5	67.9%	-9.7	-7.0	39.0%
Share of Profit from Equity Accounted Investments	17.3	0.0	-	1.0	0.0	-
Net Profit (Loss)	336.2	54.6	516.2%	18.6	4.2	342.1%
Items Reclassified after Net Profit (Loss) - Currency Translation Adjustments	233.8	545.5	-57.1%	12.9	36.5	-64.6%
Comprehensive Income	569.9	600.1	-5.0%	31.5	40.7	-22.6%

Source: Pramerica Real Estate Investors - Fund Accounting



Distributions per CBFIs

In 1Q16, TerraFina distributed US\$16.6 million, or US\$0.0273 per CBFi.

TerraFina's 1Q16, 4Q15, 1Q15 distributions are presented in the following table:

<i>(millions of pesos unless otherwise stated)</i>	1Q16	4Q15	1Q15	Var. ⁴
Total Outstanding CBFIs ¹ (millions of CBFIs)	607.5	607.2	607.2	0.1%
CBFi Price ²	29.39	29.56	31.52	-6.8%
Distributions	300.8	275.7	296.3	1.5%
Distributions Per CBFi	0.4951	0.4541	0.4880	1.4%
FX Rate USD/MXN (average closing period)	18.07	16.75	14.93	21.0%
Distributions (million dollars)	16.6	16.5	19.9	-16.7%
Distributions Per CBFi (dollars)	0.0273	0.0271	0.0327	-16.6%
Annualized Distribution Yield ³	6.7%	6.1%	6.2%	54 bps

(1) TerraFina paid 4,723,291 CBFIs to its external advisor as a result of an incentive fee. Number of CBFIs at the end of each period. 334,187 CBFIs were added as part of TerraFina's compensation plan. (2) Average closing price for the period. (3) Annualized distribution per share divided by the average CBFi price of the quarter. Quarterly distribution yield calculation has been annualized. (4) 1Q16 compared to 1Q15.
Source: Pramerica Real Estate Investors - Fund Accounting

Total Debt

As of March 31, 2016, TerraFina's total debt reached US\$705.5 million. The average cost of TerraFina's long-term debt, which is U.S. dollar-denominated, was 4.98%.

Additionally, it is important to mention that TerraFina's loans set at variable interest rates are hedged with interest rate caps and fixed rate options.

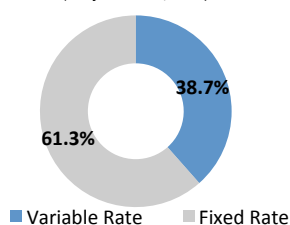
	Currency	millions of pesos	millions of dollars	Interest Rate	Terms	Maturity	Extension Option
<i>(as of March 31, 2016)</i>							
Long Term Debt							
Citibank ¹	Dollars	0.0	0.0	Libor + 2.40%	Interest Only	Aug 2018	Aug 2019
GEREM ^{2,3}	Dollars	4,753.2	273.2	Libor + 3.75%	Interest + Principal	Sep 2018	Sep 2020
MetLife ⁴	Dollars	388.1	22.3	5.09%	Interest + Principal	Nov 2016	-
Senior Notes	Dollars	7,135.3	410.0	5.3%	Interest Only	Nov 2022	-
Total Debt		12,276.7	705.5				
Net Cash		4,454.8	256.0				
Net Debt		7,821.8	449.5				

(1) Unsecured syndicated loan facility with seven banks. (2) Secured syndicated loan facility with four banks. (3) One-year interest only grace period. (4) Debt assumed from portfolio acquisition closed in November 2015.

Source: Pramerica Real Estate Investors - Fund Accounting and Capital Markets

Interest Rate Breakdown

(as of March 31, 2016)





The following tables show TerraFina's leverage and debt service coverage as of March 31, 2016 and based on projections for the next six quarters:

Leverage (LTV)

(as of March 31, 2016)	(millions of pesos)	(millions of dollars)
Total Assets	34,176.4	1,964.0
Total Debt	12,276.7	705.5

Loan-to-Value (LTV)¹

35.9%

(1) Total Debt divided by Total Assets as defined by the National Securities and Banking Commission (CNBV)

Source: Pramerica Real Estate Investors - Fund Accounting and Capital Markets

Debt Service Coverage Ratio (DSCR)

	period	(millions of pesos)	(millions of dollars)
Cash & Cash Equivalents	March 31, 2016	4,454.8	259.7
Recoverable Taxes	Σ next 6 quarters	353.2	20.5
EBIT ¹ after distributions	Σ next 6 quarters	1,154.2	67.1
Available Credit Line	March 31, 2016	6,525.6	379.2

	period	(millones de pesos)	(millones de dólares)
Interest Payments	Σ next 6 quarters	935.1	54.3
Principal Payments	Σ next 6 quarters	577.6	33.6
Recurring CAPEX	Σ next 6 quarters	278.2	16.2
Development Expenses	Σ next 6 quarters	95.5	5.6

Debt Service Coverage Ratio (DSCR)²

6.6x

(1) Earnings Before Interest and Taxes

(2) (Cash & Cash Equivalents + Recoverable Taxes + EBIT After Distributions + Available Credit Line) / (Interest Payments + Principal Payments + Recurring CAPEX + Development Expenses)

Source: Pramerica Real Estate Investors - Fund Accounting and Capital Markets

Moreover, TerraFina discloses its debt covenants related to the US\$425 million bond issuance, which is in full compliance as of March 31, 2016 as is shown in the following table:

(as of March 31, 2016)	TerraFina	Bond Covenants
Loan-to-Value (LTV) ¹	37.8%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	2.2x	≥ 1.5x
Secured Debt to Gross Assets Limitation	15.0%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	448%	≥ 150%

(1) Total Debt divided by Total Assets. (2) (Net Income/Loss + Interest on Debt + Unrealized Gain/Loss of fair value changes) /

(all interest and principal payments on Debt)

Source: Pramerica Real Estate Investors - Capital Markets



Analyst Coverage

The following is a list of banks and institutions that regularly publish research reports on Terrafina:

- Barclays
- BBVA Bancomer
- BofA ML
- BTG Pactual
- BX+
- Citi Banamex
- Credit Suisse
- GBM
- HSBC
- Interacciones
- Invex
- Itaú BBA
- JPMorgan
- Monex
- Morgan Stanley
- NAU Securities
- Scotiabank
- Vector



About TerraFina

TerraFina (BMV:TERRA13) is a Mexican real estate investment trust formed primarily to acquire, develop, lease and manage industrial real estate properties in Mexico. TerraFina's portfolio consists of attractive, strategically located warehouses and other light manufacturing properties throughout the Central, Bajío and Northern regions of Mexico. It is internally managed by highly qualified industry specialists, and externally advised by Pramerica Real Estate Investors.

TerraFina owns 220 real estate properties, including 209 developed industrial facilities with a collective GLA of approximately 30.1 million square feet and 11 land reserve parcels, designed to preserve the organic growth capability of the portfolio.

TerraFina's objective is to provide attractive risk-adjusted returns for the holders of its certificates through stable distributions and capital appreciations. TerraFina aims to achieve this objective through a successful performance of its industrial real estate and complementary properties, strategic acquisitions, access to a high level of institutional support, and to its management and corporate governance structure. For more information, please visit www.terrafinamx.com

About Pramerica Real Estate Investors

Pramerica Real Estate Investors is the global real estate investment business of Prudential Financial, Inc. (NYSE: PRU), and operates as Pramerica Real Estate Investors in markets outside of the Americas, Korea and Japan. Redefining the real estate investing landscape since 1970, Pramerica Real Estate Investors has professionals in 18 cities in the Americas, Europe and Asia Pacific with deep local knowledge and expertise, and gross assets under management of \$63.7 billion (\$47.1 billion net) as of December 31, 2015. Pramerica Real Estate Investors's tenured team offers to its global client base a broad range of real estate investment vehicles that span the risk-return spectrum across core, core plus, value-add, debt, securities, and specialized investment strategies. For more information, www.prei.com

About Prudential Financial, Inc.

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Conference Call



(BMV: TERRA13)

Cordially invites you to participate in its
First Quarter 2016 Results

Friday, April 22, 2016
11:00 a.m. Eastern Time
10:00 a.m. Central Time

Presenting for Terrafina:

Alberto Chretien, Chief Executive Officer
Angel Bernal, Chief Financial Officer

To access the call, please dial:
from within the U.S. 1-800-311-9404
from outside the U.S. 1-334-323-7224
Conference ID Number: 34974

Audio Webcast Link: <https://www.webcaster4.com/Webcast/Page/1111/14286>

Conference Replay

Will be provided for your call
Dial 1-877-919-4059 or 1-334-323-0140 to listen
Passcode: 83277357



Appendix

Appendix 1 – Revenues

Terrafina's revenues are mainly classified as rental revenues and other operating reimbursable revenues.

Additionally, there are accounting revenues that must be registered according with IFRS; however these are considered non-cash items and therefore are excluded in some calculations.

Reimbursable tenant improvements are included in the tenant improvement expenses for the AFFO calculation.

		1Q16	1Q15	1Q16	1Q15
		(millions of pesos)		(millions of dollars)	
<i>NOI calculation</i>	Rental Revenue	589.0	499.0	32.6	33.4
<i>Non Cash</i>	Accrued Income ¹	11.0	-15.5	0.6	-1.0
	Other Operating Revenues	75.0	70.3	4.2	4.7
<i>NOI calculation</i>	Reimbursable Expenses as Revenues ²	69.8	53.6	3.9	3.6
<i>AFFO calculation</i>	Reimbursable Tenant Improvements	5.1	3.8	0.3	0.3
<i>Non Cash</i>	Other non-cash income	0.1	12.9	0.0	0.9
	Net Revenue	675.0	553.7	37.4	37.1

(1) Straight line rent adjustment. (2) Triple net leases expenses reimbursed to Terrafina from its tenants.

Source: Pramerica Real Estate Investors - Fund Accounting



Appendix 2 – Real Estate Expenses

Real estate expenses are comprised of recurring figures related with the operation (used for the Net Operating Profit calculation) as well as non-recurring figures used for metric calculations such as Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

The following table presents the real estate expenses' breakdown, which are used for the calculation of several metrics.

Real Estate Expenses		1Q16	1Q15	1Q16	1Q15
		(millions of pesos)		(millions of dollars)	
	Repair and Maintenance	-43.0	-30.8	-2.4	-2.1
NOI calculation	Recurring	-7.7	-16.6	-0.4	-1.1
AFFO calculation	Non Recurring	-35.3	-14.2	-2.0	-0.9
	Property Taxes	-57.9	-36.3	-3.2	-2.5
NOI calculation	Operating	-49.2	-33.8	-2.7	-2.3
Non Cash	Non Operating	-8.6	-2.5	-0.5	-0.2
NOI calculation	Property Management Fees	-14.9	-10.9	-0.8	-0.7
NOI calculation	Electricity	-5.0	-6.9	-0.3	-0.5
AFFO calculation	Brokers Fees	-20.4	-8.0	-1.1	-0.6
	Property Insurance	-3.1	-3.5	-0.2	-0.2
NOI calculation	Operating	-2.2	-2.7	-0.1	-0.2
EBITDA calculation	Administrative	-0.9	-0.8	-0.1	-0.1
NOI calculation	Security	-2.9	-2.2	-0.2	-0.1
EBITDA calculation	Advertising	-0.8	-0.5	0.0	0.0
	Other Expenses	-18.6	-6.2	-1.1	-0.4
NOI calculation	Operational Related	-3.0	-3.1	-0.2	-0.2
Non Cash	Non Operational Related	-13.7	0.0	-0.8	0.0
EBITDA calculation	Administrative	-1.8	-3.1	-0.1	-0.2
Non Cash	Bad Debt Expense	-16.1	-13.4	-0.9	-0.9
Total Real Estate Expenses		-182.7	-118.9	-10.1	-8.0

Source: Pramerica Real Estate Investors - Fund Accounting



Appendix 3 – Fees and Administrative Expenses

Fees and administrative expenses include figures used for metric calculations such as Earnings before Interests, Taxes, Depreciation and Amortization (EBITDA), Funds from Operations (FFO), Adjusted Funds from Operations (AFFO).

Terrafina's fees and administrative expenses breakdown is available in the following table and indicates the figures used for the calculation of these metrics:

Fees and Administrative Expenses		1Q16	1Q15	1Q16	1Q15
		(millions of pesos)		(millions of dollars)	
EBITDA calculation	External Advisor Fees	-35.5	-28.8	-2.0	-1.9
	Legal Fees	-2.6	-6.9	-0.1	-0.5
EBITDA calculation	Recurring	-0.2	-3.2	0.0	-0.2
AFFO calculation	Non Recurring	-2.4	-3.6	-0.1	-0.2
	Other Professional Fees	-4.0	-3.2	-0.2	-0.2
EBITDA calculation	Recurring	-2.0	-2.0	-0.1	-0.1
AFFO calculation	Non Recurring	-1.9	-1.3	-0.1	-0.1
EBITDA calculation	Administrative Fees	-14.0	-19.0	-0.8	-1.3
	Recurring	-8.6	-7.4	-0.5	-0.5
Non Operational related	Non Recurring ¹	-5.4	-11.6	-0.3	-0.8
EBITDA calculation	Payroll	-5.6	-4.0	-0.3	-0.3
EBITDA calculation	Trustee Fees	-1.5	-1.4	-0.1	-0.1
EBITDA calculation	Other Expenses	-0.7	-0.9	0.0	-0.1
Non Cash	Performance Fee	0.0	-145.4	0.0	-9.6
Total Fees and Admin. Expenses		-64.0	-209.5	-3.6	-13.8

(1) Non operational related administrative fees; 1Q15 expenses related to asset sale transaction

activities.

Source: Pramerica Real Estate Investors - Fund Accounting



Appendix 4 – Reconciliation

Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI

	1Q16	1Q15	1Q16	1Q15
	(millions of pesos)	(millions of pesos)	(millions of dollars)	(millions of dollars)
Comprehensive Income (Loss)	569.9	600.1	31.5	40.2
<i>Add (deduct) Currency Translation Adjustment:</i>				
Currency Translation Adjustment	-233.8	-545.5	-12.9	-36.5
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	15.1	0.0	0.8	0.0
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	3.4	98.7	0.2	6.6
Fair Value Adjustment on Bank Investment	0.0	-8.9	0.0	-0.6
Fair Value Adjustment on Borrowings	-76.9	-54.1	-4.3	-3.6
Fair Value Adjustment on Derivative Financial Instruments	0.0	0.5	0.0	0.0
Fair Value Adjustment on Investment Properties	-9.8	29.8	-0.5	2.0
Sales of Real Estate Properties Adjustment	0.0	0.3	0.0	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Recurring Repair and Maintenance	35.3	14.2	2.0	1.0
Non Operating Property Taxes	8.6	2.5	0.5	0.2
Brokers Fees	20.4	8.0	1.1	0.5
Bad Debt Expense	16.1	13.4	0.9	0.9
Transaction Expenses	13.7	0.0	0.8	0.0
Non Recurring Legal Fees	2.4	3.6	0.1	0.2
Non Recurring Other Professional Fees	1.9	1.3	0.1	0.1
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-11.0	15.5	-0.6	1.0
Other Non-Cash Income	-0.1	-12.9	0.0	-0.9
Reimbursable Tenant Improvements	-5.1	-3.8	-0.3	-0.3
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Operational Administrative Fees	5.4	11.6	0.3	0.8
Incentive Fee	0.0	145.4	0.0	9.7
FFO	355.7	319.6	19.6	21.4
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Interest Paid	160.7	107.4	8.9	7.2
Recurring Borrowing Expenses	0.3	1.6	0.0	0.1
Interest Income	-0.7	-4.5	0.0	-0.3
EBITDA	516.1	424.1	28.5	28.5
<i>Add (deduct) Expenses Adjustment:</i>				
External Advisor Fees	35.5	28.8	2.0	1.9
Recurring Legal Fees	0.2	3.2	0.0	0.2
Recurring Other Professional Fees	2.0	2.0	0.1	0.1
Administrative Fees	8.6	7.4	0.5	0.5
Payroll	5.6	4.0	0.3	0.3
Trustee Fees	1.5	1.4	0.1	0.1
Other Expenses	0.7	0.9	0.0	0.1
Advertising	0.8	0.5	0.0	0.0
Administrative Property Insurance	0.9	0.8	0.1	0.1
Other Administrative Expenses	1.8	3.1	0.1	0.2
NOI	573.9	476.3	31.8	31.9
<i>Add (deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	7.7	16.6	0.4	1.1
Operating Property Taxes	49.2	33.8	2.7	2.3
Property Management Fees	14.9	10.9	0.8	0.7
Electricity	5.0	6.9	0.3	0.5
Operating Property Insurance	2.2	2.7	0.1	0.2
Security	2.9	2.2	0.2	0.1
Other Operational Expenses	3.0	3.1	0.2	0.2
<i>Add (deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	0.1	12.9	0.0	0.9
Accrued Income	11.0	-15.5	0.6	-1.0
Reimbursable Tenant Improvements	5.1	3.8	0.3	0.3
Net Revenue	675.0	553.7	37.4	37.1



Reconciliation of Net Profit (Loss) to AFFO

	1Q16	1Q15	1Q16	1Q15
	(millions of pesos)		(millions of dollars)	
Comprehensive Income (Loss)	569.9	600.1	31.5	40.2
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	-233.8	-545.5	-12.9	-36.5
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	15.1	0.0	0.8	0.0
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	3.4	98.7	0.2	6.6
Fair Value Adjustment on Bank Investment	0.0	-8.9	0.0	-0.6
Fair Value Adjustment on Borrowings	-76.9	-54.1	-4.3	-3.6
Fair Value Adjustment on Derivative Financial Instruments	0.0	0.5	0.0	0.0
Fair Value Adjustment on Investment Properties	-9.8	29.8	-0.5	2.0
Sales of Real Estate Properties Adjustment	0.0	0.3	0.0	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Operating Property Taxes	8.6	2.5	0.5	0.2
Bad Debt Expense	16.1	13.4	0.9	0.9
Transaction Expenses	13.7	0.0	0.8	0.0
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-11.0	15.5	-0.6	1.0
Other Non-Cash Income	-0.1	-12.9	0.0	-0.9
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Administrative Fees	5.4	11.6	0.3	0.8
Incentive Fee	0.0	145.4	0.0	9.7
AFFO	300.8	296.3	16.6	19.9



Appendix 5 - Cap Rate Calculation

Terrafina subtracts cash and land reserves book value for the cap rate calculation.

In the following table, the cap rate calculation is shown assuming a CBFI quarterly average price of Ps. 29.39 and an average exchange rate for 1Q16 of Ps. 18.0667.

Implied Cap Rate	
Quarterly Average Price (dollars) ¹	1.63
(x) CFIs (million shares)	607.5
(=) Market Capitalization	988.3
(+) Total Debt	705.5
(-) Cash	256.0
(=) Enterprise Value	1,437.8
(-) Land reserve	65.4
(=) Implied Operating Real Estate Value	1,372.4
Net Operating Income (NOI) 2016e	133.0
Implied Cap Rate	9.7%

Figures expressed in millions of dollars unless otherwise stated.

(1) 1Q16 average share price of Ps.29.39; and average exchange rate of Ps.18.0667.



Financial Statements

Income Statement

(thousands of pesos)

	1Q16	1Q15
Rental revenues	\$599,934	\$483,476
Other operating income	57,789	70,269
Real estate operating expenses	(182,732)	(118,853)
Fees and other expenses	(63,962)	(209,538)
Realized gain from disposal of investment properties	-	(272)
Net gain (loss) from fair value adjustment on investment properties	9,752	(29,811)
Net gain (loss) from fair value adjustment on borrowings	76,896	54,108
Net (loss) gain unrealized from fair value on derivative financial instruments	27	(468)
Net Income (loss) from fair value adjustment on bank investments	-	8,901
Foreign exchange (loss) gain	(3,436)	(98,732)
Operating profit	494,268	159,080
Finance income	679	4,489
Finance cost	(176,126)	(108,988)
Finance cost - net	(175,447)	(104,499)
Share of profit from equity accounted investments	17,254	-
Net Profit for the period	336,075	54,581
Items that may be subsequently reclassified to profit or loss-currency translation differences	233,762	545,494
Total Comprehensive income for the period	569,837	600,075



Financial Statements

Balance Sheet	Mar-31-16	Dec-31-15
<i>(thousands of pesos)</i>		
Assets		
Non-current assets		
Investment properties <small>(Cost: 31/03/2016 - Ps.27,934,385; 31/12/2015 - Ps.27,727,490)</small>	\$28,906,052	\$28,476,842
Investments accounted using equity method	119,200	100,945
Derivative financial instruments	42	15
Current assets		
Other assets	75,051	92,760
Recoverable taxes	353,179	329,704
Prepaid expenses	7,430	9,912
Acquisition prepayment	4,224	4,177
Deferred charges and accrued income	123,846	111,894
Accounts receivable <small>(Net of allowance for doubtful accounts: 31/03/2016 - Ps.124,089; 31/12/2015 - Ps.107,294)</small>	72,831	66,472
Restricted cash	59,705	58,043
Cash and cash equivalents	4,454,832	4,467,863
Total assets	34,176,392	33,718,627
Net assets attributable to Investors		
Contributions, net	15,227,911	15,227,911
Retained earnings	261,556	201,212
Currency translation adjustment	5,753,210	5,519,448
Total net assets (Net Equity)	21,242,677	20,948,571
Liabilities		
Non-current liabilities		
Borrowings <small>(Cost: 31/03/2016 - \$12,054,158; 31/12/2015 - \$12,012,740)</small>	11,793,832	11,783,091
Tenant deposits	136,070	139,562
Accounts payable	49,783	31,654
Current liabilities		
Trade and other payables	393,253	323,483
Borrowings <small>(Cost: 31/03/2016 - Ps.482,840, 30/09/2015 - Ps.385,706)</small>	482,840	432,536
Tenant deposits	77,937	59,730
Total liabilities (excluding net assets attributable to the Investors)	12,933,715	12,770,056
Total net assets and liabilities	34,176,392	33,718,627



Financial Statements

Cash Flow Statement	Mar-16
<i>(thousands of pesos)</i>	
Cash flows from operating activities	
(Loss) profit for the period	\$336,075
Adjustments:	
Net loss (gain) unrealized from fair value adjustment on investment properties	(9,752)
Net loss (gain) unrealized from fair value adjustment on borrowings	(9,752)
Net loss (gain) unrealized from fair value adjustment on derivative financial instruments	(76,896)
Realized gain from disposal of investment properties	(27)
Bad debt expense	16,149
Interest expense	160,681
Interest income on bank accounts	(679)
Share of profit from equity accounted investments	(17,254)
Decrease (increase) deferred rents receivable	(17,254)
Decrease (increase) in restricted cash	(11,952)
Decrease (increase) in accounts receivable	(1,662)
Decrease (increase) in recoverable taxes	(22,508)
Decrease (increase) in prepaid expenses	(23,475)
Decrease (increase) in other assets	2,482
Decrease (increase) in tenant deposits	17,709
(Decrease) in accounts payable	87,899
Net cash (used in) generated from operating activities	471,505
Cash flows from investing activities	
Improvements of investment properties	(100,541)
Proceeds from dispositions of investment properties	-
Interest income on bank accounts	679
Investments in joint venture	(193)
Net cash (used in) generated from investing activities	(100,055)
Cash flows from financing activities	
Principal payments on borrowings	(2,033)
Interest expense	(160,681)
Distributions to investors	(275,731)
Proceeds from CBF, net of issuing cost	-
Net cash (used in) generated from financing activities	(438,445)
Net (decrease) in cash and cash equivalents	(67,042)
Cash and cash equivalents at the beginning of the period	4,467,863
Exchange effects on cash and cash equivalents	54,011
Cash and cash equivalents at the end of the period	\$4,454,832



Financial Statements

Statement of Changes in Equity	Attributable to Investors			
	Net contributions	Currency translation adjustment	Retained earnings	Net assets
<i>(thousands of pesos)</i>				
Balance at January 1, 2016	\$15,227,911	\$5,519,448	\$201,212	\$20,948,571
Distributions to Investors	-	-	(275,731)	(275,731)
Comprehensive Income				
Net loss of the period	-	-	336,075	336,075
Other Comprehensive Income				
Currency Translation	-	3,017,572	-	3,017,572
Total Comprehensive (loss) income	-	233,762	336,075	569,837
Net Assets as of March 31, 2016	\$15,227,911	\$5,753,210	\$261,556	\$21,242,677