

FOURTH QUARTER AND FULL YEAR 2017 EARNINGS REPORT

Mexico City, February 27, 2018 – Terrafina® (“TERRA” or “the Company”) (BMV: TERRA13), a leading Mexican industrial real estate investment trust (“FIBRA”), externally advised by PGIM Real Estate and dedicated to the acquisition, development, leasing and management of industrial real estate properties in Mexico, today announced its fourth quarter 2017 (4Q17) and full year 2017 (FY2017) 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 statements that are included in this report are internal and have not yet been audited by the external auditors, nor have they been approved at the Ordinary Shareholders’ Meeting. As a result, the mentioned figures in this financial report are preliminary figures and could be adjusted in the future. Once the audited 2017 financial statements are available and have been approved by the Annual Ordinary Shareholders’ Meeting, these will be made available to the market as per applicable law.

*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 previsions 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.***

Operating and Financial Highlights as of December 31, 2017

Operating

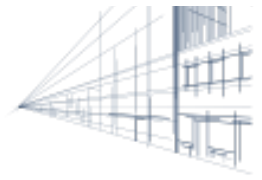
- **As of December 31, 2017, the occupancy rate was 95.5%, a 64 basis point increase compared to the fourth quarter of 2016 (4Q16). Additionally, considering signed letters of intent (LOI), occupancy for 4Q17 was 95.6%.**
- **Annualized average leasing rate per square foot at the year-end was US\$5.04, a US\$0.16 increase compared to 4Q16.**
- **At the conclusion of 2017, Terrafina reported a total of 40.6 million square feet (msf) of Gross Leasable Area (GLA) comprised of 284 properties and 299 tenants.**
- **2017 leasing activity totaled 6.3 msf, of which 24.1% corresponded to new leases, 47.6% to lease renewals and 28.3% to early renewals.** Leasing activity was mainly concentrated in the Chihuahua, Ciudad Juarez, Cuautitlan Izcalli, Ramos Arizpe, Reynosa, Monterrey, Queretaro, San Luis Potosi, Toluca, Tijuana, Apodaca, Irapuato, Puebla and Monclova markets.

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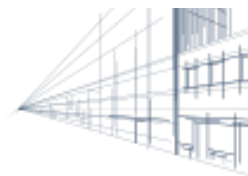
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Financial

- **FY2017 rental revenues reached US\$166.9 million, of which US\$43.8 million were generated during 4Q17; a 31.2% or US\$10.4 million increase compared to 4Q16.**
- **FY2017 NOI was US\$166.8 million, of which US\$44.0 million was generated during 4Q17; a 32.9% or US\$10.9 million increase compared to 4Q16.**
- **The NOI margin reached 92.0% in FY2017 and 93.0% in 4Q17, a 7 basis point increase compared to 4Q16.**
- **FY2017 EBITDA reached US\$150.3 million, of which US\$39.6 million was generated in 4Q17, an increase of 33.9% or US\$10.0 million compared to 4Q16.**
- **The EBITDA margin for 2017 was 83.0% and 83.6% for 4Q17, a 67 basis point increase compared to 4Q16.**
- **FY2017 adjusted funds for operations (AFFO) reached US\$95.0 million, of which US\$25.6 million was generated in 4Q17, an increase of 25.8% or US\$5.3 million compared to 4Q16.**
- **The AFFO margin was 52.4% for 2017 and 54.1% in 4Q17, a 276 basis point decrease compared to 4Q16.**
- **Total distribution for FY2017 were US\$95.0 million; distributions per CBFi were US\$0.1286. Considering the average share price for 2017 of US\$1.62 (Ps.30.65), Terrafina's dividend yield for the year was 8.0%.**
- **4Q17 distributions totaled US\$25.6 million. As a result, Terrafina will distribute Ps.0.6130 per CBFi (US\$0.0324 per CBFi) for the October 1 to December 31, 2017 period; considering the average share price of US\$1.59 for 4Q17 (Ps.30.20), Terrafina's dividend yield for the quarter was 8.1%.**



Operating and Financial Highlights

Operating	Mar17	Jun17	Sep17	Dec17	Dec16
Number of Developed Properties	260	260	268	284	209
Gross Leasable Area (GLA) (msf) ¹	36.5	36.5	37.8	40.6	30.1
Land Reserves (msf)	6.26	6.26	6.17	6.17	6.40
Occupancy Rate ²	94.9%	94.9%	95.1%	95.5%	94.8%
Avg. Leasing Rent / Square Foot (dollars)	4.96	4.99	5.00	5.04	4.88
Weighted Average Remaining Lease Term (years)	3.60	3.49	3.57	3.23	3.49
Renewal Rate ³	70.5%	87.9%	89.3%	95.0%	85.0%

Accumulated Financial	Mar17	Jun17	Sep17	Dec17	Dec16
(millions of pesos unless otherwise stated)					
Rental Revenues ⁴	589.0	1,594.8	2,329.1	3,157.7	2,460.2
Other Operating Income	75.0	165.5	232.5	303.3	208.1
Net Revenues	675.0	1,766.3	2,576.6	3,491.6	2,197.2
Net Operating Income (NOI)*	573.9	1,580.5	2,318.2	3,151.1	2,459.7
NOI Margin	87.0%	88.5%	89.5%	92.0%	92.1%
EBITDA ⁵	516.1	1,431.8	2,094.1	2,843.3	2,204.4
EBITDA Margin	78.2%	79.2%	79.7%	83.0%	82.5%
Funds from Operations (FFO)*	355.7	1,009.2	1,466.0	1,986.4	1,549.5
FFO Margin	53.8%	61.4%	62.2%	58.4%	58.0%
Adjusted Funds from Operations (AFFO)*	300.8	902.9	1,313.3	1,798.2	1,390.8
AFFO Margin	45.1%	55.8%	54.6%	52.4%	52.7%
Distributions	300.8	902.9	1,313.3	1,798.2	1,390.8
Distributions per CBF ⁶	0.7417	1.3137	1.8325	2.4455	2.2897

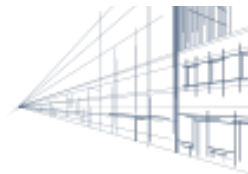
	Mar17	Jun17	Sep17	Dec17	Dec16
(millions of dollars unless otherwise stated)					
fx	20.3873	19.4842	18.9166	18.9189	18.6672
Rental Revenues ⁴	32.6	74.2	115.4	166.9	131.7
Other Operating Income	4.2	6.6	10.4	15.8	11.3
Net Revenues	37.4	81.8	127.2	184.4	145.0
Net Operating Income (NOI)*	31.8	73.5	114.9	166.8	131.8
NOI Margin	87.0%	88.5%	89.5%	92.0%	92.1%
EBITDA ⁵	28.5	66.4	103.6	150.3	118.2
EBITDA Margin	78.2%	79.2%	79.7%	83.0%	82.5%
Funds from Operations (FFO)*	19.6	46.6	72.2	105.0	83.0
FFO Margin	53.8%	61.4%	62.2%	58.4%	58.0%
Adjusted Funds from Operations (AFFO)*	16.6	40.9	64.0	95.0	74.5
AFFO Margin	45.1%	55.8%	54.6%	52.4%	52.7%
Distributions	16.6	40.9	64.0	95.0	74.5
Distributions per CBF ⁶	0.0364	0.0671	0.0963	0.1286	0.1226

Quarterly Financial	1Q17	2Q17	3Q17	4Q17	4Q16
(millions of pesos unless otherwise stated)					
Rental Revenues	821.2	773.6	734.3	828.6	660.8
Other Operating Income	119.7	45.8	67.0	70.8	52.1
Net Revenues	941.2	825.1	810.3	915.0	720.3
Net Operating Income (NOI)*	804.2	776.3	737.7	832.9	654.3
NOI Margin	87.9%	94.1%	93.3%	93.0%	92.9%
EBITDA*	727.2	704.5	662.3	749.2	584.4
EBITDA Margin	79.2%	85.3%	83.7%	83.6%	82.9%
Funds from Operations (FFO)*	508.3	500.8	456.8	520.5	417.3
FFO Margin	55.3%	60.6%	57.8%	58.6%	59.2%
Adjusted Funds from Operations (AFFO)*	450.5	452.4	410.4	484.9	400.4
AFFO Margin	48.7%	55.4%	51.4%	54.1%	56.8%
Distributions	450.5	452.4	410.4	484.9	400.4
Distributions per CBF ⁶	0.7417	0.5720	0.5188	0.6130	0.6593

	1Q17	2Q17	3Q17	4Q17	4Q16
(millions of dollars unless otherwise stated)					
fx	20.3873	18.5666	17.8251	18.9259	19.8128
Rental Revenues	40.3	41.6	41.2	43.8	33.4
Other Operating Income	5.8	2.5	3.8	3.8	2.8
Net Revenues	46.2	44.4	45.5	48.3	36.5
Net Operating Income (NOI)*	39.6	41.8	41.4	44.0	33.1
NOI Margin	87.9%	94.1%	93.3%	93.0%	92.9%
EBITDA*	35.7	37.9	37.2	39.6	29.6
EBITDA Margin	79.2%	85.3%	83.7%	83.6%	82.9%
Funds from Operations (FFO)*	24.9	26.9	25.6	27.5	21.1
FFO Margin	55.3%	60.6%	57.8%	58.6%	59.2%
Adjusted Funds from Operations (AFFO)*	22.1	24.3	23.0	25.6	20.4
AFFO Margin	48.7%	55.4%	51.4%	54.1%	56.8%
Distributions	22.1	24.3	23.0	25.6	20.4
Distributions per CBF ⁶	0.0364	0.0308	0.0291	0.0324	0.0335

Figures in dollars in the Income Statement were converted into pesos using the average exchange rate for the period. (1) Millions of square feet. (2) Occupancy at the end of the period. (3) Indicates the lease renewal rate of the leases, includes early renewals. (4) Excluding accrued income as it is a non-cash item. (5) Earnings before interest, taxes, depreciation and amortization. (6) Certificados Bursátiles Fiduciarios Inmobiliarios - Real Estate Investment Certificates. (*) Revenues and expenses have been adjusted for the calculation of the above mentioned metrics. Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period. Please refer to the "2017 Financial Performance" and "Appendices" section available in this document.

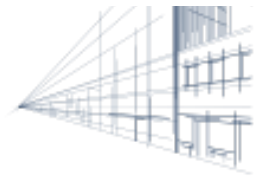
Source: PGIM Real Estate – Asset Management and Fund Accounting



Balance Sheet

	Mar17	Jun17	Sep17	Dec17	Dec16		Mar17	Jun17	Sep17	Dec17	Dec16
	<i>(millions of pesos unless otherwise stated)</i>					fx	<i>(millions of dollars unless otherwise stated)</i>				
<i>Cash & Cash Equivalents</i>	1,038.2	884.0	6,658.7	3,209.0	4,297.1		55.2	49.4	365.9	162.6	259.7
<i>Investment Properties</i>	39,348.2	37,393.9	39,048.5	45,959.6	34,719.7		2,092.0	2,089.4	2,145.8	2,328.8	1,666.7
<i>Land Reserves</i>	997.5	934.8	962.9	1,040.3	1,041.5		53.0	52.2	52.9	52.7	48.1
<i>Total Debt</i>	19,273.3	18,526.0	19,267.1	20,900.8	14,561.5		1,024.7	1,035.1	1,058.8	1,059.1	709.9
<i>Net Debt</i>	18,235.1	17,642.0	12,608.4	17,691.8	10,264.4		969.5	985.7	692.8	896.5	450.3

Figures in dollars in the Balance Sheet were converted into pesos using the closing exchange rate of the period.
 Source: PGIM Real Estate – Asset Management – Fund Accounting



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

2017 was a year of great achievements for Terrafina. We reached record-high occupancy levels of 95.5% and leasing activity of 6.3 million square feet, supported by an average annual renewal rate of 87.0%. Leasing activity was mainly located in the markets of Chihuahua, Ciudad Juarez, Cuautitlan Izcalli, Ramos Arizpe, Reynosa, Monterrey, Queretaro, San Luis Potosi, Toluca, Tijuana, Apodaca, Irapuato, Puebla and Monclova. Moreover, the Company's high renewal activity of 4.8 million square feet confirms the importance of the manufacturing-for-export sector in the country, and highlights the solid operations of our multinational tenants. This result was supported by our successful business model and the talent and expertise from our property managers who are focused on providing service levels of excellence of our clients.

The average rental rate for 2017 closed at US\$5.04, increasing US\$0.14 compared to fourth quarter of 2016 and US\$0.04 compared to third quarter of 2017. Average rental rates per region remained stable throughout the year: the Northern region reached US\$4.96 per square foot, the Bajio region US\$5.12 per square foot and the Central region US\$5.23 per square foot.

Furthermore, acquisition activity was quite dynamic throughout the year. We closed a total of US\$661 million in Class A industrial portfolios, increasing our exposure to key industrial sectors such as aviation, automotive and electronics. The characteristics of these properties contributed to the Company's cash flow stability, as the properties represented occupancy levels of 100% and long-term maturity lease terms. Additionally, they maintained our high exposure to US-dollar revenue; currently 97% of the contracts are denominated in this currency. With these acquisitions, we reached a total of 40.6 million square feet of Gross Leasable Area (GLA), which allows us to continue consolidating Terrafina's leadership position in the Mexican industrial sector.

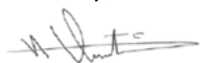
In terms of our financial strategy objectives, we refinanced a total of US\$500 million in debt – which represents half of the Company's total debt, improving interest rate terms and increasing the average leasing term. With these accomplishments, we concluded the year with a solid balance sheet, permitting us to settle our credit obligations at a lower average cost.

With regards to the main financial metrics of 2017, we attained significant increases compared to 2016, such as: rental revenues of US\$166.9 million, Net Operating Income of US\$166.8 million with an NOI margin of 93.0%, as well as an AFFO of US\$95.0 million. CBF distribution levels for 2017 reached Ps.2.45, or US\$ 0.1286 per certificate and a dividend yield of 8.0%, considering the average CBF price during 2017.

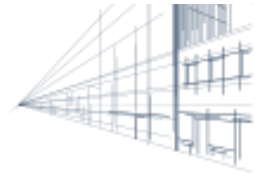
We have a positive outlook for 2018, both for Terrafina as well as the industry as a whole. We aim to continue strengthening our business plan with a disciplined approach to execute on opportunities that contribute to the growth of our operations happen. With this, I reiterate our commitment to generating greater profitability for Terrafina while maintaining operating stability in the long term.

Thank you for your interest in Terrafina.

Sincerely,

A handwritten signature in black ink, appearing to read "Alberto Chretin", with a horizontal line extending to the right.

Alberto Chretin



Operating Highlights

Highlights by Region

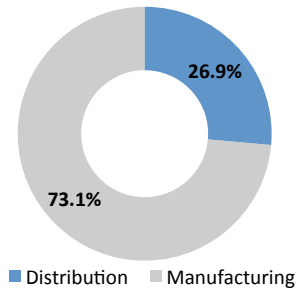
(as of December 31, 2017)

	North	Bajío	Central	Total
# Buildings	199	55	30	284
# Tenants	203	56	40	299
GLA (msf)	25.2	9.1	6.3	40.6
Land Reserves (msf)	2.7	0.2	3.3	6.2
Occupancy Rate	97.1%	91.6%	94.4%	95.5%
Average Leasing Rent / Square Foot (dollars)	4.96	5.12	5.23	5.04
Annualized Rental Base %	62.3%	21.9%	15.8%	100.0%

Source: PGIM Real Estate - Asset Management



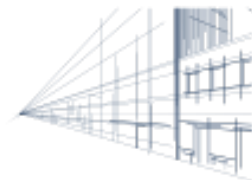
Composition by Asset Type as of 4Q17 (as a % of total GLA)



Leasing Activity

	4Q17	4Q16	Var.
Operating Portfolio (msf):			
Renewals	0.9	0.6	0.3
Early Renewals	0.4	1.1	-0.7
New Leases	0.1	0.7	-0.6
Total Square Feet of Leases Signed	1.4	2.4	-1.0

Source: PGIM Real Estate - Asset Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

<i>(As of December 31, 2017)</i>	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
North	97.1%	4.96
Baja California	100.0%	4.32
Tijuana	100.0%	4.32
Sonora	88.5%	4.53
Hermosillo	88.5%	4.53
Chihuahua	97.8%	5.00
Chihuahua	97.6%	5.43
Ciudad Juarez	98.0%	4.65
Delicias	100.0%	5.88
Gomez Farias	100.0%	3.34
Casas Grandes	100.0%	4.15
Coahuila	95.4%	5.03
Ciudad Acuña	100.0%	6.11
Monclova	100.0%	5.39
Ramos Arizpe	93.8%	4.96
Saltillo	100.0%	5.35
Derramadero	100.0%	7.03
San Pedro de las Colinas	89.3%	2.10
Torreon	100.0%	4.21
Nuevo Leon	96.2%	5.02
Apodaca	100.0%	5.49
Monterrey	94.9%	4.85
Tamaulipas	100.0%	4.55
Reynosa	100.0%	4.55
Durango	100.0%	4.71
Durango	100.0%	4.86
Gomez Palacio	100.0%	3.09
Bajo	91.6%	5.12
San Luis Potosi	91.7%	4.84
San Luis Potosi	91.7%	4.84
Jalisco	100.0%	6.41
Guadalajara	100.0%	6.41
Aguascalientes	100.0%	4.76
Aguascalientes	100.0%	4.76
Guanajuato	85.1%	4.89
Celaya	100.0%	5.18
Irapuato	81.8%	5.32
Silao	84.9%	4.63
Queretaro	85.8%	4.69
Queretaro	85.8%	4.69
Central	94.4%	5.23
Estado de Mexico	93.5%	5.45
Cuautitlan Izcalli	100.0%	5.42
Toluca	86.6%	5.56
Ciudad de Mexico	100.0%	8.97
Azacapotzalco	100.0%	8.97
Puebla	100.0%	3.02
Puebla	100.0%	3.02
Tabasco	100.0%	4.02
Villahermosa	100.0%	4.02
Total	95.5%	5.04

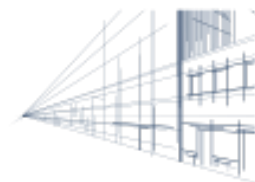
Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

<i>(As of December 31, 2017)</i>	Consolidated			
	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
North	11	73.3%	11	100.0%
Baja California	1	6.7%	1	100.0%
Tijuana	1	6.7%	1	100.0%
Sonora	0	0.0%	0	0.0%
Hermosillo	0	0.0%	0	0.0%
Chihuahua	6	40.0%	6	100.0%
Chihuahua	2	13.3%	2	100.0%
Ciudad Juarez	3	20.0%	3	100.0%
Delicias	1	6.7%	1	100.0%
Gomez Farias	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Coahuila	0	0.0%	0	0.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	0	0.0%	0	0.0%
Saltillo	0	0.0%	0	0.0%
Derramadero	0	0.0%	0	0.0%
San Pedro de las Colinas	0	0.0%	0	0.0%
Torreon	0	0.0%	0	0.0%
Nuevo Leon	2	13.3%	2	100.0%
Apodaca	2	13.3%	2	100.0%
Monterrey	0	0.0%	0	0.0%
Tamaulipas	2	13.3%	2	100.0%
Reynosa	2	13.3%	2	100.0%
Durango	0	0.0%	0	0.0%
Durango	0	0.0%	0	0.0%
Gomez Palacio	0	0.0%	0	0.0%
Bajo	3	20.0%	1	33.3%
San Luis Potosi	0	0.0%	0	0.0%
San Luis Potosi	0	0.0%	0	0.0%
Jalisco	0	0.0%	0	0.0%
Guadalajara	0	0.0%	0	0.0%
Aguascalientes	1	6.7%	1	100.0%
Aguascalientes	1	6.7%	1	100.0%
Guanajuato	1	6.7%	0	0.0%
Celaya	0	0.0%	0	0.0%
Irapuato	1	6.7%	0	0.0%
Silao	0	0.0%	0	0.0%
Queretaro	1	6.7%	0	0.0%
Queretaro	1	6.7%	0	0.0%
Central	1	6.7%	1	100.0%
Estado de Mexico	1	6.7%	1	100.0%
Cuautitlan Izcalli	1	6.7%	1	100.0%
Toluca	0	0.0%	0	0.0%
Ciudad de México	0	0.0%	0	0.0%
Azacapotzalco	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	15	100.0%	13	86.7%

Source: PGIM Real Estate - Asset Management

*Over the number of matured leases in the quarter



2017 Operational Performance

Composition by Geographical Diversification

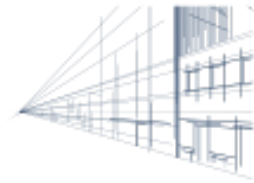
The geographic diversification of Terrafina's properties at the close of 2017 (based on GLA per square foot) was as follows: the Northern region of Mexico represented 62.1% of GLA, while the Bajío and Central regions represented 22.5% and 15.4% of GLA, respectively.

Geographic Distribution by Region and State

	4Q17	as a % of Total GLA 4Q17	4Q16	as a % of Total GLA 4Q16
North	25.21	62.1%	16.47	54.7%
Baja California	0.90	2.2%	1.13	3.7%
Tijuana	0.90	2.2%	1.13	3.7%
Sonora	0.33	0.8%	0.28	0.9%
Hermosillo	0.33	0.8%	0.28	0.9%
Chihuahua	14.29	35.2%	9.61	31.9%
Chihuahua	5.83	14.4%	4.13	13.7%
Ciudad Juarez	7.76	19.1%	5.00	16.6%
Delicias	0.52	1.3%	0.29	1.0%
Gomez Farias	0.08	0.2%	0.08	0.3%
Camargo	0.09	0.2%	0.09	0.3%
Casas Grandes	0.09	0.2%	0.02	0.1%
Coahuila	6.51	16.0%	3.49	11.6%
Ciudad Acuña	0.24	0.6%	0.24	0.8%
Monclova	0.35	0.9%	0.34	1.1%
Ramos Arizpe	4.54	11.2%	2.00	6.6%
Saltillo	0.62	1.5%	0.62	2.1%
Derramadero	0.21	0.5%	0.00	0.0%
San Pedro de las Colinas	0.15	0.4%	0.15	0.5%
Torreón	0.39	1.0%	0.13	0.4%
Nuevo Leon	1.94	4.8%	1.16	3.9%
Apodaca	0.50	1.2%	0.32	1.1%
Monterrey	1.44	3.6%	0.84	2.8%
Tamaulipas	0.47	1.1%	0.34	1.1%
Reynosa	0.47	1.1%	0.34	1.1%
Durango	0.78	1.9%	0.46	1.5%
Durango	0.71	1.7%	0.40	1.3%
Gomez Palacio	0.23	0.6%	0.07	0.2%
Bajío	9.12	22.5%	7.55	25.0%
San Luis Potosi	3.31	8.2%	2.75	9.1%
San Luis Potosi	3.31	8.2%	2.75	9.1%
Jalisco	1.66	4.1%	1.29	4.3%
Guadalajara	1.66	4.1%	1.29	4.3%
Aguascalientes	0.75	1.8%	0.75	2.5%
Aguascalientes	0.75	1.8%	0.75	2.5%
Guanajuato	1.42	3.5%	0.78	2.6%
Celaya	0.12	0.3%	0.12	0.4%
Irapuato	0.44	1.1%	0.24	0.8%
Silao	0.86	2.1%	0.42	1.4%
Queretaro	1.98	4.9%	1.98	6.6%
Queretaro	1.98	4.9%	1.98	6.6%
Central	6.25	15.4%	6.12	20.3%
Estado de Mexico	5.40	13.3%	5.26	17.5%
Cuautitlan Izcalli	4.26	10.5%	4.12	13.7%
Toluca	0.91	2.2%	0.23	0.8%
Huehuetoca	0.23	0.6%	0.91	3.0%
Distrito Federal	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Puebla	0.18	0.5%	0.18	0.6%
Puebla	0.18	0.5%	0.18	0.6%
Tabasco	0.65	1.6%	0.65	2.2%
Villahermosa	0.65	1.6%	0.65	2.2%
Total	40.58	100.0%	30.14	100.0%

Total Gross Leasable Area / million square feet. Potential leasable area of land reserves are not included.

Source: PGIM Real Estate - Asset Management

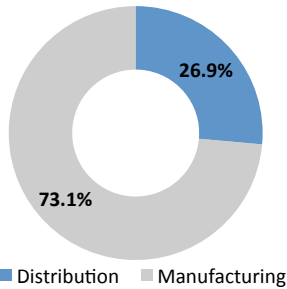


Composition by Asset Type

At the end of 2017, 73.1% of Terrafina's portfolio consisted of properties dedicated to manufacturing activities while 26.9% were dedicated to distribution and logistics activities.

Composition by Asset Type as of 4Q17

(as a % of total GLA)



Composition by Asset Type

	4Q17	4Q16	Var.
Distribution	26.9%	29.6%	-270 bps
Manufacturing	73.1%	70.4%	270 bps

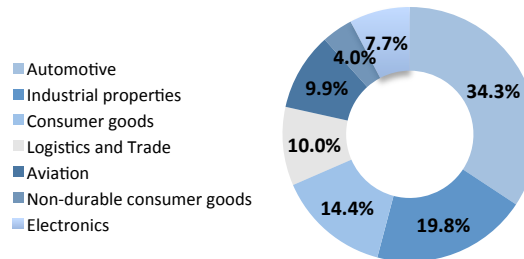
Source: PGIM Real Estate - Asset Management

Composition by Sector

As of December 31, 2017, tenant diversification by industrial sector was as follows:

Diversification by Sector as of 4Q17

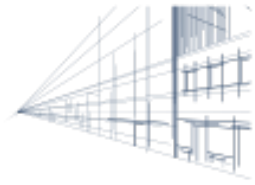
(as a % of leased GLA)



Industrial Sector Diversification

	4Q17	4Q16	Var.
Automotive	34.3%	31.6%	268 bps
Industrial properties	19.8%	18.9%	92 bps
Consumer goods	14.4%	18.7%	-436 bps
Logistics and Trade	10.0%	9.5%	48 bps
Aviation	9.9%	9.4%	44 bps
Non-durable consumer goods	4.0%	5.6%	-163 bps
Electronics	7.7%	6.2%	147 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management



Composition of Top Clients

Terrafina has a widely diversified tenant base that lease industrial properties throughout several of Mexico's main cities. At the end of 2017, Terrafina's top client, top 10 clients and top 20 clients, represented 3.3%, 17.2% and 27.1% of total revenues, respectively.

Top Clients

	Leased Square Feet (millions)	% Total GLA	% Total Revenues
<i>(As of December 31, 2017)</i>			
Top Client	1.24	3.2%	3.3%
Top 10 Clients	6.75	17.4%	17.2%
Top 20 Clients	52.92	27.2%	27.1%

Source: PGIM Real Estate - Asset Management

Occupancy

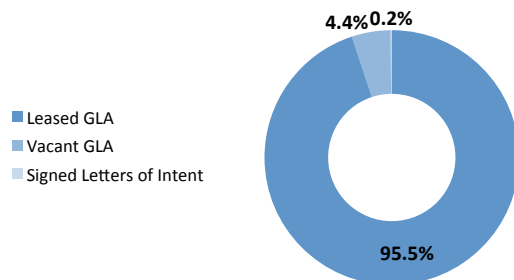
FY2017 occupancy rate was 95.5%, a 64 basis point increase compared to 4Q16. Including signed LOIs for the quarter, the occupancy rate was 95.6%. It is important to note that occupancy rate indicators presented in this report reflect the quarterly closing rate.

For 4Q17, Terrafina's leasing activity reached 1.4 msf, of which 9.6% corresponded to new leasing contracts (including expansions), 61.2% for contract renewals and 29.2% for early renewals.

Leasing activity mainly took place in the Chihuahua, Ciudad Juarez, Cuautitlán Izcalli, Queretaro, Apodaca, Reynosa y Monclova markets. In addition to this leasing activity, Terrafina signed an additional 64,000 square feet in LOIs.

Occupancy as of 4Q17

(as % of Total GLA)

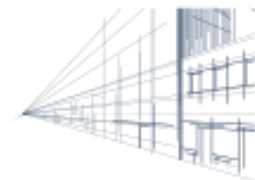


	4Q17	4Q16	Var.
Leased GLA	95.5%	94.8%	64 bps
Vacant GLA	4.4%	4.8%	-46 bps
Signed Letters of Intent	0.2%	0.3%	-18 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

Lease Maturities

Terrafina had 299 tenants under leasing contracts at the end of 2017. 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 between 14% to 22% for the next five years.



The following table breaks down Terrafina's leasing maturity schedule for the upcoming years:

	Annual Base Rent (millions of dollars)	% of Total	Occupied Sq. Ft (millions)	% of Total
2018	27.1	13.9%	5.62	14.5%
2019	32.3	16.5%	6.57	17.0%
2020	43.0	22.0%	8.48	21.9%
2021	29.6	15.2%	5.79	15.0%
2022	17.0	8.7%	3.66	9.4%
Thereafter	46.2	23.7%	8.62	22.3%

Source: PGIM Real Estate – Asset Management

Capital Deployment

Acquisitions

Acquisition activity in 2017 represented a total of US\$661 million – excluding taxes and transaction expenses – an increase of 10.1 million square feet or 33.5% to Terrafina's Gross Leasable Area (GLA).

The following table shows the total of closed acquisitions during 2017:

	Jan 17	Sep 17	Dec 17
Acquisition Price (millions of dollars)	\$422	\$59	\$180
Gross Leasable Area (million square feet)	6.3	1.1	2.7
Price per Square Foot (dollars)	\$67.00	\$53.60	\$65.60
Cap Rate (next twelve-months)	7.60%	8.80%	8.50%
Occupancy Rate	99%	100%	100%
Annualized Average Lease Rent (dollars)	5.06	5.08	\$5.31
Dollar Denominated Lease Contracts	100%	100%	100%
Average Property Age (years)	8.4	4.0	4.7
Average Lease Term (years)	4.0	8.1	4.7

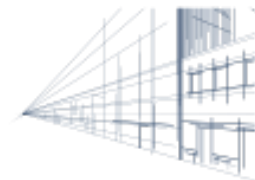
Capital Expenditures (CAPEX)

Terrafina's CAPEX is classified as 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 property improvement 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 FY2017, Terrafina's investments in tenant improvements and recurring CAPEX was US\$5.5 million. Total CAPEX for 4Q17 and 2017 is broken down in the following table:

Capital Expenditures

	4Q17 (millions of pesos)	4Q17 (millions of dollars)	2017 (millions of pesos)	2017 (millions of dollars)
Tenant Improvements & Recurring Capex	22.8	1.2	105.3	5.5
Leasing Commissions	10.9	0.6	66.0	3.5
Development Capex ¹	24.5	1.3	204.9	10.6
Total Capital Expenditures	58.2	3.1	376.3	19.6

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring Capex figures.

(1) Capex for expansions/new developments.

Source: PGIM Real Estate - Asset Management

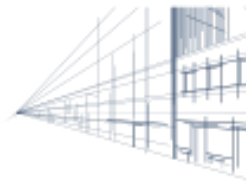
Land Reserves

Terrafina's land reserve as of December 31, 2017 was comprised of 12 land reserve properties, equivalent to 6.2 msf of potential GLA for the development of future industrial properties.

As of December 31, 2017, Terrafina's land reserves were distributed as follows:

As of December 31, 2017					
	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	2.7	543.9	27.6	603.8	30.6
Bajio	0.2	14.1	0.7	14.6	0.7
Central	3.3	733.1	37.1	421.9	21.4
Total Land Portfolio	6.2	1,291.1	65.4	1,040.3	52.7

Source: PGIM Real Estate - Asset Management and Fund Accounting



2017 Financial Performance

Financial Results and Calculations

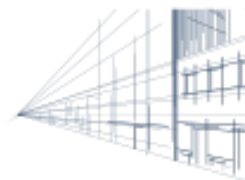
Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 2017, while for the balance sheet, the exchange rate at the close of December 31, 2017 was applied.

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.



Same-Store

The following table shows Terrafina's 2017 and 4Q17 same-store highlights and consolidated information:

	Same-Store ¹ 4Q17	Consolidated ² 4Q17
Number of Properties	206	284
Occupancy Rate	94.6%	95.5%
Gross Leasable Area (GLA) (msf)	30.0	40.6
Avg. Leasing Rent / Square Foot (dollars)	4.96	5.04

	Same-Store 2017	Consolidated 2017	Same-Store 2017	Consolidated 2017	Same-Store 4Q17	Consolidated 4Q17	Same-Store 4Q17	Consolidated 4Q17
	<i>(millions of dollars)</i>		<i>(millions of pesos)</i>		<i>(millions of dollars)</i>		<i>(millions of pesos)</i>	
Rental Revenues	135.0	166.9	2,552.7	3,157.7	34.0	43.8	643.9	828.6
Net Operating Income	135.7	166.8	2,565.1	3,151.1	34.6	44.0	653.9	832.9
NOI Margin	91.6%	92.0%	91.6%	92.0%	93.0%	93.0%	93.0%	93.0%
EBITDA	121.8	150.3	2,298.3	2,843.3	30.9	39.6	584.7	749.2
EBITDA Margin	83.0%	83.0%	83.0%	83.0%	83.0%	83.6%	83.0%	83.6%
FFO	87.1	105.0	1,645.2	1,986.4	22.0	27.5	417.0	520.5
FFO Margin	59.3%	58.4%	59.3%	58.4%	59.1%	58.6%	59.1%	58.6%
Adjusted Funds from Operations	77.6	95.0	1,465.1	1,798.2	20.2	25.6	382.3	484.9
AFFO Margin	52.1%	52.4%	52.1%	52.4%	53.7%	54.1%	53.7%	54.1%

(1) Same properties information evaluates the performance of the industrial properties without including recent acquisitions closed in January 2017. (2) Includes acquisitions closed in January, September and December 2017.

Source: PGIM Real Estate - Asset Management and Fund Accounting

Rental Revenues

During 2017, Terrafina reported rental revenues of US\$166.9 million. In 4Q17, Terrafina reported rental revenues of US\$43.8 million, a 31.2% or US\$10.4 million increase compared to 4Q16.

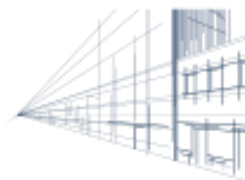
Rental revenues do not include accrued revenues as these are a non-cash item.

Other Operating Income

For 2017, other operating income totaled US\$15.8 million. In 4Q17, other operating income totaled US\$3.8 million, a 36.1% or US\$1.0 million increase compared to 4Q16.

Other operating income mainly stem from tenant refunds from triple-net leases. Expenses reimbursable to Terrafina mainly included electricity, property taxes, insurance costs and maintenance.

Net revenues reached US\$184.4 million for 2017 and US\$48.3 million in 4Q17, an increase of US\$11.8 million, or 32.4% compared to 4Q16.



Revenues

	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	(millions of pesos)						(millions of dollars)					
Rental Revenue	3,157.7	2,460.2	28.3%	828.6	660.8	25.4%	166.9	131.7	26.7%	43.8	33.4	31.2%
Accrued Income ¹	30.6	34.7	-11.8%	15.6	7.4	111.3%	1.7	1.9	-12.4%	0.8	0.4	124.0%
Other Operating Revenues	303.3	208.1	45.8%	70.8	52.1	35.8%	15.8	11.3	39.2%	3.8	2.8	36.1%
Reimbursable Expenses as Revenues ²	247.4	154.4	60.2%	60.4	39.6	52.4%	12.9	8.4	53.1%	3.2	2.1	54.4%
Reimbursable Tenant Improvements	31.1	23.5	32.3%	7.6	7.4	2.4%	1.7	1.3	32.2%	0.4	0.4	5.8%
Other non-cash income	24.8	30.1	-17.8%	2.8	5.1	-44.4%	1.2	1.7	-26.1%	0.1	0.3	-50.9%
Net Revenue	3,491.6	2,197.2	58.9%	915.0	575.6	59.0%	184.4	145.0	27.1%	48.3	36.5	32.4%

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

Source: PGIM Real Estate - 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

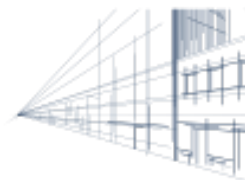
In 2017, real estate expenses totaled US\$30.0 million. These expenses mainly corresponded to repair and maintenance, property taxes and insurance.

In 4Q17, real estate expenses totaled US\$7.1 million, a decrease of 8.1% or US\$0.6 million compared to 4Q16.

It is important to differentiate between expenses that are directly related to the operation and those that are for the maintenance of the industrial portfolio; the latter are 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 2017 Net Operating Income (NOI) totaled US\$166.8 million, with an NOI margin of 92.0%.

During 4Q17, NOI totaled US\$44.0 million, a 32.9% or US\$10.9 million increase compared with 4Q16. NOI margin increased by 7 basis points reaching 93.0% compared to 92.9% in 4Q16.

The following table displays the NOI calculation for 2017 and 4Q17:

Net Operating Income

	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	<i>(millions of pesos unless otherwise stated)</i>						<i>(millions of dollars unless otherwise stated)</i>					
Rental Revenues ¹	3,157.7	2,460.2	28.3%	828.6	660.8	25.4%	166.9	131.7	26.7%	43.8	33.4	31.2%
Other Operating income ²	272.4	209.8	29.9%	67.5	44.0	53.4%	14.3	11.4	25.2%	3.6	2.3	56.3%
Net Revenues for NOI Calculation	3,430.1	2,670.0	28.5%	896.1	704.8	27.1%	181.2	143.1	26.6%	47.3	35.6	32.8%
Repair and Maintenance	-33.1	-27.3	21.2%	-7.7	-6.6	17.9%	-1.8	-1.5	19.7%	-0.4	-0.3	22.9%
Property Taxes	-66.4	-50.2	32.1%	0.0	-0.2	-99.7%	-3.1	-2.8	11.4%	0.0	0.0	-99.7%
Property Management Fees	-68.5	-56.7	20.6%	-18.5	-14.7	26.3%	-3.6	-3.0	19.2%	-1.0	-0.7	32.0%
Electricity	-50.8	-27.0	88.0%	-13.1	-8.4	56.7%	-2.7	-1.4	92.1%	-0.7	-0.4	67.0%
Property Insurance	-25.1	-20.9	20.3%	-15.0	-13.4	12.0%	-1.3	-1.1	22.4%	-0.8	-0.7	17.5%
Security	-13.4	-12.3	8.6%	-3.0	-3.0	0.2%	-0.7	-0.7	7.8%	-0.2	-0.2	5.1%
Other Operational Expenses	-21.7	-15.8	37.7%	-5.8	-4.3	36.7%	-1.2	-0.8	38.7%	-0.3	-0.2	44.8%
Real Estate Operating Expenses for NOI Calculation	-279.0	-210.3	32.6%	-63.2	-50.4	25.2%	-14.4	-11.3	27.6%	-3.3	-2.5	31.5%
Net Operating Income³	3,151.1	2,459.7	28.1%	832.9	654.3	27.3%	166.8	131.8	26.5%	44.0	33.1	32.9%
NOI Margin	92.0%	92.1%	-6 bps	93.0%	92.9%	7 bps	92.0%	92.1%	-6 bps	93.0%	92.9%	7 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: PGIM Real Estate - Fund Accounting

Fees and Administrative Expenses (G&A)

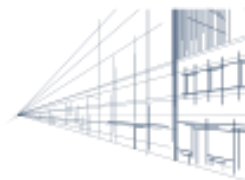
G&A for FY2017 totaled US\$22.1 million and US\$5.2 million for 4Q17, a 3.5% or US\$0.2 million decrease compared to 4Q16.

The following table breaks down total G&A:

	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	<i>(millions of pesos unless otherwise stated)</i>						<i>(millions of dollars unless otherwise stated)</i>					
External Advisor Fees ¹	-	-	25.9%	-53.5	-43.2	23.7%	-10.6	-8.3	28.6%	-2.8	-2.1	32.9%
Professional and Consulting Services	-40.1	-35.6	12.6%	-12.3	-12.2	0.8%	-2.1	-2.1	3.9%	-0.7	-0.7	-5.5%
Payroll, Admin. Fees and Other Expenses	-	-	29.0%	-32.5	-50.7	-35.9%	-9.4	-7.3	29.0%	-1.7	-2.6	-
Total G&A²	-	-	25.7%	-98.3	-	-7.4%	-22.1	-17.6	25.9%	-5.2	-5.4	-3.5%

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

Source: PGIM Real Estate - Fund Accounting



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

In 2017, EBITDA reached US\$150.3 million with an EBITDA margin of 83.0%.

In 4Q17, EBITDA totaled US\$39.6 million, an increase of US\$10.0 million, or 33.9%, compared to 4Q16. EBITDA margin for 4Q17 was 83.6%, a 67 basis point increase compared to 4Q16.

The following shows the EBITDA calculation for 2017 and 4Q17:

EBITDA	2017						2016					
	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	<i>(millions of pesos unless otherwise stated)</i>						<i>(millions of dollars unless otherwise stated)</i>					
Rental Revenues ¹	3,157.7	2,460.2	28.3%	828.6	660.8	25.4%	166.9	131.7	26.7%	43.8	33.4	31.2%
Other Operating income ²	272.4	209.8	29.9%	67.5	44.0	53.4%	14.3	11.4	25.2%	3.6	2.3	56.3%
Real Estate Expenses for EBITDA Calculation	-295.1	-224.5	31.5%	-68.7	-55.3	24.3%	-15.3	-12.1	26.7%	-3.6	-2.8	30.7%
Real Estate Operating Expenses for NOI Calculation	-279.0	-210.3	32.6%	-63.2	-50.4	25.2%	-14.4	-11.3	27.6%	-3.3	-2.5	31.5%
Advertising	-0.5	-1.6	-66.5%	0.0	-0.3	-	0.0	-0.1	-	0.0	0.0	-
Admin. Property Insurance Expenses	-3.2	-3.7	-13.4%	-0.7	-1.0	-24.8%	-0.2	-0.2	-14.6%	0.0	0.0	-
Other Admin. Real Estate Expenses	-12.4	-8.8	-	-4.8	-3.6	-	-0.7	-0.5	-	-0.3	-0.2	44.0%
Fees and Admin. Expenses	-291.7	-241.1	21.0%	-78.2	-65.1	20.2%	-15.6	-12.9	20.6%	-4.1	-3.3	24.9%
External Advisor Fees	-198.2	-157.4	25.9%	-53.5	-43.2	23.7%	-10.6	-8.3	28.6%	-2.8	-2.1	32.9%
Legal, Admin. and Other Professional Fees	-52.1	-48.1	8.2%	-14.0	-12.5	11.7%	-2.7	-2.8	-0.4%	-0.8	-0.7	3.1%
Trustee Fees	-10.1	-6.5	53.8%	-1.9	-2.2	-12.9%	-0.5	-0.3	54.9%	-0.1	-0.1	0.0%
Payroll	-23.1	-22.5	2.7%	-6.3	-4.5	39.9%	-1.2	-1.2	1.2%	-0.3	-0.2	45.0%
Other Expenses	-8.2	-6.5	27.2%	-2.6	-2.6	-2.4%	-0.4	-0.3	28.8%	-0.1	-0.1	3.1%
EBITDA³	2,843.3	2,204.4	5.8%	749.2	584.4	34.3%	150.3	118.2	4.6%	39.6	29.6	33.9%
EBITDA Margin	83.0%	82.5%	42 bps	83.6%	82.9%	67 bps	83.0%	82.5%	42 bps	83.6%	82.9%	67 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: PGIM Real Estate - Fund Accounting

For additional information regarding the commissions and administrative expenses breakdown used for the calculation of EBITDA and AFFO, please refer to *Appendix 3* located in the last section of this document.

Financing Expenses

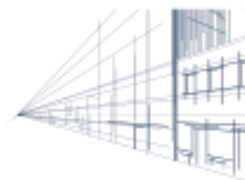
During 2017, Terrafina registered financing costs of US\$50.6 million.

In 4Q17, financing expenses totaled US\$15.0 million, an increase of 50.4% or US\$5.0 million compared to 4Q16.

Financial Expenses

	2017						2016					
	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	<i>(millions of pesos)</i>						<i>(millions of dollars)</i>					
Interest Paid	-861.7	-658.7	30.8%	-229.1	-169.1	35.4%	-45.6	-35.3	29.1%	-12.1	-8.5	41.6%
Borrowing Expenses	-105.6	-71.4	48.0%	-56.5	-29.7	90.3%	-5.5	-3.8	43.9%	-3.0	-1.5	94.8%
Recurring	-3.8	-1.9	107.6%	-1.4	-0.2	608.0%	-0.2	-0.1	86.6%	-0.1	0.0	429.3%
Non Recurring	-101.8	-69.5	46.4%	-55.1	-29.5	86.8%	-5.3	-3.7	42.7%	-2.9	-1.5	91.7%
Interest Income	8.7	5.6	54.7%	1.8	2.2	-15.9%	0.5	0.3	57.0%	0.1	0.1	-13.6%
Total	-958.6	-724.4	32.3%	-283.8	-196.7	44.3%	-50.6	-38.8	30.3%	-15.0	-10.0	50.4%

Source: PGIM Real Estate - Fund Accounting



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

For the full year 2017, Terrafina's FFO reached US\$105.0 million and a 58.4% FFO margin. Terrafina's AFFO reached US\$95.0 million, with a 52.4% AFFO margin.

In 4Q17, FFO increased by US\$6.4 million, or 30.2% compared to 4Q16, reaching US\$27.5 million. FFO Margin was 58.6%, a 68 basis point decrease compared to 4Q16. Additionally, Terrafina reported AFFO of US\$25.6 million, an increase of US\$5.3 million, or 24.0% compared to 4Q16. AFFO margin was 54.1%, a decrease of 277 basis points versus 4Q16.

Funds from Operations (FFO)

	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	<i>(millions of pesos unless otherwise stated)</i>						<i>(millions of dollars unless otherwise stated)</i>					
EBITDA	2,843.3	2,204.4	29.0%	749.2	584.4	28.2%	150.3	118.2	27.2%	39.6	29.6	33.9%
Finance Cost ¹	-856.8	-654.9	30.8%	-228.7	-167.2	36.8%	-45.3	-35.1	29.0%	-12.1	-8.4	43.0%
Funds from Operations (FFO)	1,986.4	1,549.5	28.2%	520.5	417.3	24.7%	105.0	83.0	26.4%	27.5	21.1	30.2%
<i>FFO Margin</i>	<i>58.4%</i>	<i>58.0%</i>	<i>38 bps</i>	<i>58.6%</i>	<i>59.2%</i>	<i>-68 bps</i>	<i>58.4%</i>	<i>58.0%</i>	<i>38 bps</i>	<i>58.6%</i>	<i>59.2%</i>	<i>-68 bps</i>
Tenant Improvements	-105.3	-116.0	-9.3%	-22.8	-33.6	-32.1%	-5.5	-6.2	-11.0%	-1.2	-1.7	-29.3%
Leasing Commissions	-66.0	-64.3	2.7%	-10.9	-15.6	-30.3%	-3.5	-3.5	1.0%	-0.6	-0.8	-26.7%
Other Non Recurring ³	-16.8	21.6	-	-1.9	32.3	-	-0.9	1.2	-	-0.1	1.7	-
Adjusted Funds from Operations (AFFO)	1,798.2	1,390.8	29.3%	484.9	400.4	45.2%	95.0	74.5	1.4%	25.6	20.4	24.0%
<i>AFFO Margin</i>	<i>52.4%</i>	<i>52.7%</i>	<i>-30 bps</i>	<i>54.1%</i>	<i>56.8%</i>	<i>-277 bps</i>	<i>52.4%</i>	<i>52.7%</i>	<i>-30 bps</i>	<i>54.1%</i>	<i>56.8%</i>	<i>-277 bps</i>

(1) Net Operational Interest Expenses comprised by interest paid, recurring borrowing expenses and other interest income. (2) Capex reserve for maintenance activities. (3) Related to acquisitions, dispositions, legal expenses and others.

Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

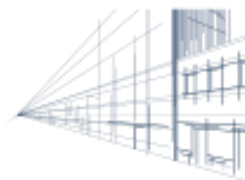
Comprehensive Income for FY2017 reached US\$32.0 million. For 4Q17, this figure reached US\$143.9 million, compared to the US\$43.4 million in 4Q16.

The following table presents the calculation of Comprehensive Income for 2017 and 4Q17:

Comprehensive Income

	2017	2016	Var. %	4Q17	4Q16	Var. %	2017	2016	Var. %	4Q17	4Q16	Var. %
	<i>(millions of pesos unless otherwise stated)</i>						<i>(millions of dollars unless otherwise stated)</i>					
Net Revenues	3,491.6	2,703.0	29.2%	915.0	720.3	27.0%	184.4	145.0	27.2%	48.3	36.5	32.5%
Real Estate Expenses	-575.4	-555.7	3.5%	-134.0	-152.2	-12.0%	-30.0	-29.8	0.5%	-7.1	-7.7	-8.1%
Fees and Other Expenses	-414.0	-329.3	25.7%	-98.3	-106.1	-7.4%	-22.1	-17.6	25.9%	-5.2	-5.4	-3.5%
Gain (Loss) from Sales of Real Estate Properties	-54.9	56.5	-	-52.5	47.1	-	-2.9	3.0	-	-2.8	2.4	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	62.6	-235.9	-	72.3	-44.9	-	3.3	-12.6	-	3.8	-2.3	-
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	28.5	0.0	-	19.4	0.0	-	1.5	0.0	-	1.0	0.0	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	-589.0	55.2	-	58.4	409.0	-85.7%	-31.1	3.0	-	3.1	20.6	-85.0%
Net Income (Loss) from Fair Value Adjustment on Loans Receivable	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Foreign Exchange Gain (loss)	89.2	-67.8	-	-45.2	-0.1	-	4.7	-3.6	-	-2.4	0.0	-
Operating Profit	2,038.5	1,626.1	25.4%	735.1	873.1	-15.8%	107.7	87.3	23.4%	38.8	44.2	-12.1%
Financial Income	8.7	5.6	54.7%	1.8	2.2	-15.9%	0.5	0.3	57.0%	0.1	0.1	-13.6%
Financial Expenses	-967.3	-730.1	32.5%	-285.6	-198.9	43.6%	-51.1	-39.1	30.5%	-15.1	-10.1	49.7%
Net Financial Cost	-958.6	-724.4	32.3%	-283.8	-196.7	44.3%	-50.6	-38.8	30.3%	-15.0	-10.0	50.4%
Share of Profit from Equity Accounted Investments	18.8	47.6	-60.5%	7.1	4.2	70.2%	1.0	2.5	-61.0%	0.4	1.2	-68.5%
Net Profit (Loss)	1,098.7	949.2	15.7%	458.5	680.7	-32.6%	58.1	51.0	14.0%	24.2	35.4	-31.5%
Items Reclassified after Net Profit (Loss) - Currency Translation Adjustments	-493.9	4,143.8	-	2,265.4	1,371.2	65.2%	-26.1	222.0	-	119.7	73.5	63.0%
Comprehensive Income	604.8	5,093.1	-88.1%	2,723.8	2,051.8	32.8%	32.0	272.8	-88.3%	143.9	103.6	39.0%

Source: PGIM Real Estate - Fund Accounting



Distributions per CBFIs

In 2017, Terrafina distributed US\$95.0 million, or US\$0.1286 per CBFi. For 4Q17, US\$25.6 million were distributed, or US\$0.0324 per CBFi.

Furthermore, it is important to mention that the tax result for the period registered a fiscal loss; therefore, and for fiscal purposes, distributions per CBFi should be considered as a capital reimbursement for tax purposes.

Distributions

<i>(millions of pesos unless otherwise stated)</i>	1Q17	2Q17	3Q17	4Q17	2017	2016	Var.%
Total Outstanding CBFIs ¹ <i>(millions of CBFIs)</i>	607.5	791.0	791.0	791.0	745.1	607.3	22.7%
CBFi Price ²	28.74	32.35	31.29	30.20	30.65	30.16	1.6%
Distributions	450.5	452.4	410.4	484.9	1,798.2	1,390.8	29.3%
Distributions Per CBFi	0.7417	0.5720	0.5188	0.6130	2.4455	2.2897	6.8%
FX Rate USD/MXN <i>(average closing period)</i>	20.39	18.57	17.83	18.93	18.92	18.67	1.3%
Distributions <i>(million dollars)</i>	22.1	24.3	23.0	25.6	95.0	74.5	27.6%
Distributions Per CBFi (dollars)	0.0364	0.0308	0.0291	0.0324	0.1286	0.1226	4.9%
Annualized Distribution Yield ³	10.3%	7.1%	6.6%	8.1%	8.0%	7.6%	39 bps

(1) In 2Q16, 167,094 CBFIs were added as part of Terrafina's compensation plan. Number of CBFIs at the end of each period (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.

Source: PGIM Real Estate - Fund Accounting

Debt

As of December 31, 2017, Terrafina's total debt reached US\$1,059.1 million. The average cost of Terrafina's long-term debt was 4.41%. All of Terrafina's debt is denominated in U.S. dollars.

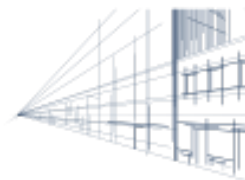
Outstanding Debt

	Currency	Millions of pesos	Millions of dollars	Interest Rate	Terms	Maturity	Extension Option	Derivatives
<i>(as of December 31, 2017)</i>								
Long Term Debt								
Citibank ¹	Dollars	1,943.9	98.5	Libor + 2.65%	Interest Only	Aug 2019	-	US\$120M swap ⁴ / US\$100M cap ⁵
Metlife	Dollars	2,960.3	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex ²	Dollars	6,907.4	350.0	Libor + 2.45%	Interest Only	Oct 2022	-	US\$100M swap ⁶
Senior Notes ³	Dollars	8,775.1	444.6	5.25%	Interest Only	Nov 2022	-	-
New York Life	Dollars	314.2	15.9	5.19%	Interest Only	Feb 2020	-	-
Total Debt		20,900.8	1,059.1					
Net Cash		3,209.0	162.6					
Net Debt		17,691.8	896.5					

(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.8,388 million.

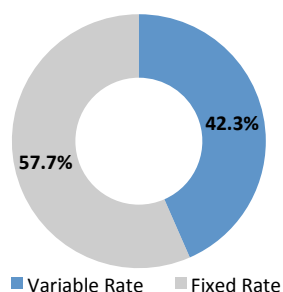
(4) Swap fixed rate: 1.286%. (5) Cap strike price: 1.75% (6) Swap fixed rate: 1.768%.

Source: PGIM Real Estate - Fund Accounting and Transactions



Interest Rate Breakdown

(as of December 31, 2017)



The following tables show leverage and debt service coverage as of December 31, 2017 as well as Terrafina's projections for the following six quarters:

Loan-to-Value (LTV)

(as of December 31, 2017)	(millions of pesos)	(millions of dollars)
Total Assets	50,686.6	2,568.3
Total Debt	20,900.8	1,059.1

Loan-to-Value (LTV)¹ 41.2%

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

Source: PGIM Real Estate - Fund Accounting and Capital Markets

Debt Service Coverage Ratio (DSCR)

	period	(millions of pesos)	(millions of dollars)
Cash & Cash Equivalents	December 31, 2017	3,209.0	162.6
Recoverable Taxes	Σ next 6 quarters	683.5	34.6
EBIT ¹ after distributions	Σ next 6 quarters	4,881.3	247.3
Available Credit Line	December 31, 2017	3,976.7	201.5

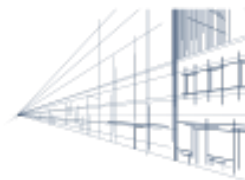
	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 6 quarters	1494.8	75.7
Principal Payments	Σ next 6 quarters	17.2	0.9
Recurring CAPEX	Σ next 6 quarters	276.6	14.0
Development Expenses	Σ next 6 quarters	189.3	9.6

Debt Service Coverage Ratio (DSCR)² 6.4x

(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: PGIM Real Estate - Fund Accounting and Capital Markets



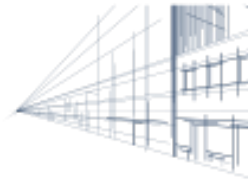
Moreover, as of December 31, 2017, Terrafina was in full compliance with its debt covenants related to the US\$425 million bond issuance, as follows:

Unsecured Bond Covenants		
<i>(as of December 31, 2017)</i>	Terrafina	Bond Covenants
Loan-to-Value (LTV) ¹	41.2%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	2.8x	≥ 1.5x
Secured Debt to Gross Assets Limitation	6.5%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	223%	≥ 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)

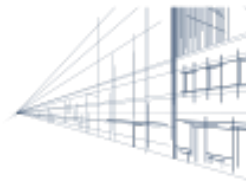
Source: PGIM Real Estate - Transactions



Analyst Coverage

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

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



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 PGIM Real Estate.

Terrafina owns 296 real estate properties, including 284 developed industrial facilities with a collective GLA of approximately 40.6 million square feet and 12 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

PGIM Real Estate

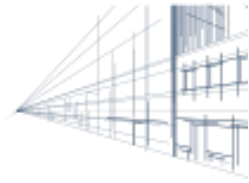
PGIM Real Estate is the real estate investment business of PGIM Inc., the global investment management business of Prudential Financial, Inc. (NYSE: PRU). Redefining the real estate investing landscape since 1970, PGIM Real Estate has professionals in 18 cities in the Americas, Europe and Asia Pacific with deep local knowledge and expertise, and gross assets under management of US\$69.6 billion (US\$49.9 billion net) as of December 31, 2017. PGIM Real Estate's tenured team offers to its global client base a broad range of real estate equity, debt and securities investment strategies that span the risk/return spectrum. For more information, visit www.pgimrealestate.com

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than US\$1 trillion of assets under management as of December 31, 2017, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit www.news.prudential.com

Forward Looking Statements

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 previsions 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.



Conference Call

(BMV: TERRA13)

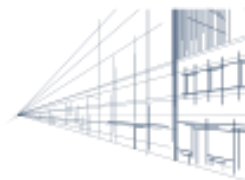
Cordially invites you to participate in its
Fourth Quarter 2017 Results

Wednesday, February 28, 2018
11:00 a.m. Eastern Time
10:00 a.m. Central Time

To access the call, please dial:
from within the U.S. 1-877-888-4291
from outside the U.S. 1-785-424-1878
Conference ID Number: Terrafina

Audio Webcast Link: <https://www.webcaster4.com/Webcast/Page/1111/24202>

Conference Replay
U.S. 1-844-488-7474
International (outside the US) 1-862-902-0129
Passcode: 19181332



Appendix

Appendix 1 – Revenues

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

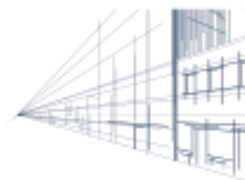
Additionally, there are accounting revenues that must be registered according with IFRS; however, these are considered as non-cash items and therefore are excluded in some calculations.

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

		Revenues							
		2017	2016	4Q17	4Q16	2017	2016	4Q17	4Q16
		<i>(millions of pesos)</i>				<i>(millions of dollars)</i>			
<i>NOI calculation</i>	Rental Revenue	3,157.7	2,460.2	828.6	660.8	166.9	131.7	43.8	33.4
<i>Non Cash</i>	Accrued Income ¹	30.6	34.7	15.6	7.4	1.7	1.9	0.8	0.4
	Other Operating Revenues	303.3	208.1	70.8	52.1	15.8	11.3	3.8	2.8
<i>NOI calculation</i>	Reimbursable Expenses as Revenues ²	247.4	154.4	60.4	39.6	12.9	8.4	3.2	2.1
<i>AFFO calculation</i>	Reimbursable Tenant Improvements	31.1	23.5	7.6	7.4	1.7	1.3	0.4	0.4
<i>Non Cash</i>	Other non-cash income	24.8	30.1	2.8	5.1	1.2	1.7	0.1	0.3
	Net Revenue	3,491.6	2,703.0	915.0	720.3	184.4	145.0	48.3	36.5
<i>NOI calculation</i>	Share of Profit from Equity Accounted Investments ²	25.0	55.4	7.1	4.4	1.4	3.0	0.4	0.2

(1) Straight line rent adjustment. (2) Triple net leases expenses reimbursed to Terrafina from its tenants. (2) Profit from joint-venture developments.

Source: PGIM Real Estate - Fund Accounting



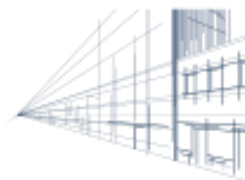
Appendix 2 – Real Estate Expenses

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								
		2017	2016	4Q17	4Q16	2017	2016	4Q17	4Q16	
		<i>(million of pesos)</i>				<i>(million of dollars)</i>				
		Repair and Maintenance	-169.6	-166.9	-38.1	-47.5	-9.0	-8.9	-2.0	-2.4
<i>NOI calculation</i>		Recurring	-33.1	-27.3	-7.7	-6.6	-1.8	-1.5	-0.4	-0.3
<i>AFFO calculation</i>		Non Recurring	-136.4	-139.6	-30.4	-41.0	-7.2	-7.5	-1.6	-2.1
		Property Taxes	-76.1	-107.8	-5.4	-29.0	-3.6	-5.9	-0.3	-1.5
<i>NOI calculation</i>		Operating	-66.4	-50.2	0.0	-0.2	-3.1	-2.8	0.0	0.0
<i>Non Cash</i>		Non Operating	-9.7	-57.6	-5.4	-28.7	-0.5	-3.1	-0.3	-1.5
<i>NOI calculation</i>		Property Management Fees	-68.5	-56.7	-18.5	-14.7	-3.6	-3.0	-1.0	-0.7
<i>NOI calculation</i>		Electricity	-50.8	-27.0	-13.1	-8.4	-2.7	-1.4	-0.7	-0.4
<i>AFFO calculation</i>		Brokers Fees	-66.0	-64.3	-10.9	-15.6	-3.5	-3.5	-0.6	-0.8
		Property Insurance	-28.3	-24.6	-15.7	-14.3	-1.5	-1.3	-0.8	-0.7
<i>NOI calculation</i>		Operating	-25.1	-20.9	-15.0	-13.4	-1.3	-1.1	-0.8	-0.7
<i>EBITDA calculation</i>		Administrative	-3.2	-3.7	-0.7	-1.0	-0.2	-0.2	0.0	0.0
<i>NOI calculation</i>		Security	-13.4	-12.3	-3.0	-3.0	-0.7	-0.7	-0.2	-0.2
<i>EBITDA calculation</i>		Advertising	-0.5	-1.6	0.0	-0.3	0.0	-0.1	0.0	0.0
		Other Expenses	-80.4	-59.0	-27.8	-10.3	-4.2	-3.2	-1.5	-0.5
<i>NOI calculation</i>		Operational Related	-21.7	-15.8	-5.8	-4.3	-1.2	-0.8	-0.3	-0.2
<i>Non Cash</i>		Non Operational Related	-46.3	-34.4	-17.2	-2.5	-2.4	-1.9	-0.9	-0.1
<i>EBITDA calculation</i>		Administrative	-12.4	-8.8	-4.8	-3.6	-0.7	-0.5	-0.3	-0.2
<i>Non Cash</i>		Bad Debt Expense	-21.8	-35.3	-1.4	-9.1	-1.1	-1.9	-0.1	-0.5
		Total Real Estate Expenses	-575.4	-555.7	-134.0	-152.2	-30.0	-29.8	-7.1	-7.7

Source: PREI - Fund Accounting



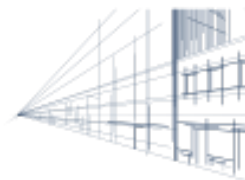
Appendix 3 – Fees and Administrative Expenses

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:

		2017				2016			
		2017	2016	4Q17	4Q16	2017	2016	4Q17	4Q16
		<i>(million of pesos)</i>				<i>(million of dollars)</i>			
<i>EBITDA calculation</i>	External Advisor Fees	-198.2	-157.4	-53.5	-43.2	-10.6	-8.3	-2.8	-2.1
	Legal Fees	-19.6	-19.5	-7.6	-8.6	-1.1	-1.0	-0.4	-0.4
<i>EBITDA calculation</i>	Recurring	-1.0	-2.7	-0.1	-0.5	-0.1	-0.1	0.0	0.0
<i>AFFO calculation</i>	Non Recurring	-18.6	-16.8	-7.5	-8.2	-1.0	-0.9	-0.4	-0.4
<i>EBITDA calculation</i>	Other Professional Fees	-20.5	-16.1	-4.7	-3.6	-1.1	-1.0	-0.3	-0.3
	Recurring	-13.1	-8.4	-3.0	-1.6	-0.7	-0.6	-0.2	-0.2
<i>AFFO calculation</i>	Non Recurring	-7.4	-7.7	-1.7	-2.0	-0.4	-0.4	-0.1	-0.1
<i>EBITDA calculation</i>	Administrative Fees	-134.3	-100.7	-21.7	-41.3	-7.2	-5.4	-1.1	-2.1
	Recurring	-37.9	-37.0	-10.8	-10.5	-2.0	-2.0	-0.6	-0.5
<i>Non Operational related</i>	Non Recurring ¹	-96.3	-63.7	-10.9	-30.9	-5.2	-3.4	-0.6	-1.6
<i>EBITDA calculation</i>	Payroll	-23.1	-22.5	-6.3	-4.5	-1.2	-1.2	-0.3	-0.2
<i>EBITDA calculation</i>	Trustee Fees	-10.1	-6.5	-1.9	-2.2	-0.5	-0.3	-0.1	-0.1
<i>EBITDA calculation</i>	Other Expenses	-8.2	-6.5	-2.6	-2.6	-0.4	-0.3	-0.1	-0.1
Total Fees and Admin. Expenses		-414.0	-329.3	-98.3	-106.1	-22.1	-17.6	-5.2	-5.4

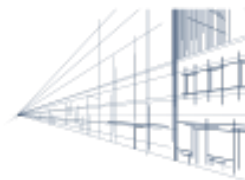
*(1) Non operational related administrative fees.
Source: PGIM Real Estate - Fund Accounting*



Appendix 4 – Reconciliation

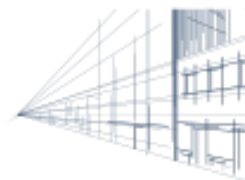
Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI

	2017	4Q17	2017	4Q17
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Comprehensive Income (Loss)	604.8	2,723.8	32.0	143.9
<i>Add (deduct) Currency Translation Adjustment:</i>				
Currency Translation Adjustment	493.9	-2265.4	26.1	-119.7
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	101.8	55.1	5.4	2.9
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	-89.2	45.2	-4.7	2.4
Fair Value Adjustment on Borrowings	589.0	-58.4	31.1	-3.1
Fair Value Adjustment on Derivative Financial Instruments	-28.5	-19.4	-1.5	-1.0
Fair Value Adjustment on Investment Properties	-62.6	-72.3	-3.3	-3.8
Gain (Loss) from Sales of Real Estate Properties	54.9	0.0	2.9	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Recurring Repair and Maintenance	136.4	30.4	7.2	1.6
Non Operating Property Taxes	9.6	5.4	0.5	0.3
Brokers Fees	66.0	10.9	3.5	0.6
Bad Debt Expense	21.7	1.4	1.1	0.1
Other Non Operational Related Expenses	46.2	17.2	2.4	0.9
Non Recurring Legal Fees	18.5	7.5	1.0	0.4
Non Recurring Other Professional Fees	7.3	1.7	0.4	0.1
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-30.7	-15.6	-1.6	-0.8
Other Non-Cash Income	-24.9	-2.8	-1.3	-0.1
Reimbursable Tenant Improvements	-31.1	-7.6	-1.6	-0.4
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Operational Administrative Fees	103.6	10.9	5.5	0.6
FFO	1,986.4	520.5	105.0	27.5
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Interest Paid	861.7	229.1	45.5	12.1
Recurring Borrowing Expenses	3.8	1.4	0.2	0.1
Interest Income	-8.7	-1.8	-0.5	-0.1
EBITDA	2,843.3	749.2	150.3	39.7
<i>Add (deduct) Expenses Adjustment:</i>				
External Advisor Fees	198.2	53.5	10.5	2.8
Recurring Legal Fees	1.0	0.1	0.1	0.0
Recurring Other Professional Fees	13.1	3.0	0.7	0.2
Administrative Fees	37.9	10.8	2.0	0.6
Payroll	23.1	6.3	1.2	0.3
Trustee Fees	10.1	1.9	0.5	0.1
Other Expenses	8.2	2.6	0.4	0.1
Advertising	0.5	0.0	0.0	0.0
Administrative Property Insurance	3.2	0.7	0.2	0.0
Other Administrative Expenses	12.4	4.8	0.7	0.3
NOI	3,151.1	832.9	166.6	44.1
<i>Add (deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	33.1	7.7	1.8	0.4
Operating Property Taxes	66.4	0.0	3.5	0.0
Property Management Fees	68.5	18.5	3.6	1.0
Electricity	50.8	13.1	2.7	0.7
Operating Property Insurance	25.1	15.0	1.3	0.8
Security	13.4	3.0	0.7	0.2
Other Operational Expenses	21.7	5.8	1.1	0.3
<i>Add (deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	24.8	2.8	1.3	0.1
Accrued Income	30.6	15.6	1.6	0.8
Reimbursable Tenant Improvements	31.1	7.6	1.6	0.4
Share of Profit from Equity Accounted Investments	-25.0	-7.1	-1.3	-0.4
Net Revenue	3,491.6	915.0	184.4	48.3



Reconciliation of Net Profit (Loss) to AFFO

	2017	4Q17	2017	4Q17
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Comprehensive Income (Loss)	604.8	2,723.8	32.0	143.9
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	493.9	-2,265.4	26.1	-119.7
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	101.8	55.1	5.4	2.9
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	-89.2	45.2	-4.7	2.4
Fair Value Adjustment on Borrowings	589.0	-58.4	31.1	-3.1
Fair Value Adjustment on Derivative Financial Instruments	-28.5	-19.4	-1.5	-1.0
Fair Value Adjustment on Investment Properties	-62.6	-72.3	-3.3	-3.8
Gain (Loss) from Sales of Real Estate Properties	63.4	59.8	3.4	3.2
<i>Add (deduct) Expenses Adjustment:</i>				
Non Operating Property Taxes	9.7	5.4	0.5	0.3
Bad Debt Expense	21.8	1.4	1.1	0.1
Other Expenses Non Operational Related	46.3	17.2	2.4	0.9
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-30.6	-15.6	-1.6	-0.8
Other Non-Cash Income	-24.8	-2.8	-1.3	-0.1
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Administrative Fees	103.7	10.9	5.5	0.6
AFFO	1,798.2	484.9	95.0	25.6



Appendix 5 - Cap Rate Calculation

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

Implied cap rate and under NAV (Net Asset Value) calculation are shown in the following tables:

Implied Cap Rate

2017 Average Price (dollars) ¹	1.62
(x) CBFIs (million shares)	791.0
(=) Market Capitalization	1,281.4
(+) Total Debt	1,059.1
(-) Cash	162.6
(=) Enterprise Value	2,177.9
(-) Landbank	52.7
(=) Implied Operating Real Estate Value	2,125.2
Net Operating Income (NOI) 2018e	185.0
Implied Cap Rate	8.7%

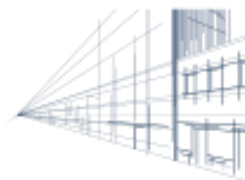
Figures expressed in millions of dollars unless otherwise stated.

(1) Average share price of Ps.30.65 and exchange rate of Ps.18.9189.

Cap Rate Calculation with NAV

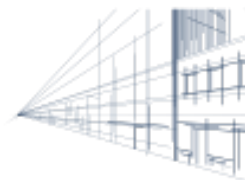
(+) Investment Properties (excluding landbank)	2,328.8
(+) Land	52.7
(+) Cash	162.6
(-) Total Debt and Liabilities	1,059.1
(=) NAV¹	1,485.0
(/) CBFIs (million shares)	791.0
(=) NAV per CBFI (dollars)	1.9

CBFI Price (NAV calculation)	1.9
(x) CBFIs (million shares)	791.0
(=) Market Cap	1,485.0
(+) Total Debt and Liabilities	1,059.1
(-) Cash	162.6
(=) Enterprise Value	2,381.5
(-) Landbank	52.7
(=) Implied Operating Real Estate Value	2,328.8
Net Operating Income (NOI) 2018e	185.0
Implied Cap Rate	7.9%



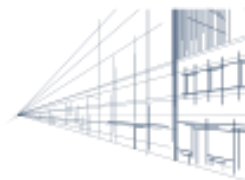
Financial Statements

Income Statement	4Q17	2017	4Q17	2017
	<i>(thousands of pesos)</i>		<i>(thousands of dollars)</i>	
Rental revenues	\$844,218	\$3,188,286	\$44,606	\$168,524
Other operating income	70,791	303,300	3,740	16,032
Real estate operating expenses	(135,056)	(576,439)	(7,136)	(30,469)
Fees and other expenses	(98,306)	(414,024)	(5,194)	(21,884)
Realized gain from disposal of investment properties	(52,466)	(54,942)	(2,772)	(2,904)
Net gain (loss) from fair value adjustment on investment properties	72,303	62,557	3,820	3,307
Net gain (loss) from fair value adjustment on borrowings	58,434	(589,022)	3,088	(31,134)
Net gain (loss) from fair value adjustment on loans receivable	-	-	-	-
Net (loss) gain unrealized from fair value on derivative financial instruments	19,397	28,487	1,025	1,506
Foreign exchange (loss) gain	(45,248)	89,202	(2,391)	4,715
Operating profit	734,067	2,037,405	38,786.39	107,692
Finance income	1,826	8,707	96	460
Finance cost	(284,581)	(966,268)	(15,037)	(51,074)
Finance cost - net	(282,755)	(957,561)	(14,940)	(50,614)
Share of profit from equity accounted investments	7,148	18,807	378	994
Net Profit for the period	458,460	1,098,651	24,224	58,072
Items that may be subsequently reclassified to profit or loss- currency translation differences	2,265,352	(493,878)	119,696	(26,105)
Total Comprehensive income for the period	2,723,812	604,773	143,920	31,967



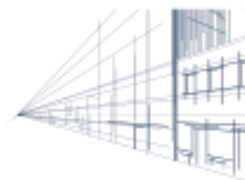
Financial Statements

Balance Sheet	Dec-31-17	Sep-30-17	Dec-31-17	Sep-30-17
<i>(thousands of pesos)</i>	<i>(thousands of pesos)</i>		<i>(thousands of dollars)</i>	
Assets				
Non-current assets				
Investment properties <small>(Cost: 31/12/2017 - Ps.44,811,102, US\$2,270,595; 30/09/2017 - Ps.38,231,624, US\$2,100,881)</small>	\$45,959,558	\$39,048,450	\$2,328,788	\$2,145,767
Investments accounted using equity method	433,762	379,146	21,979	20,835
Derivative financial instruments	30,015	9,192	1,521	505
Deferred charges and accrued income	167,548	-	8,490	-
Loan receivable <small>(Cost: 31/12/2017 - Ps.38,364, US\$1,944; 30/09/2017 - Ps.35,360, US\$1,943)</small>	38,364	35,670	1,944	1,960
Current assets				
Other assets	25,832	59,258	1,309	3,256
Loan receivable <small>(Cost: 31/12/2017 - Ps.1,244, US\$63; 30/09/2017 - Ps.1,131, US\$62)</small>	1,244	1,131	63	62
Recoverable taxes	683,535	279,736	34,635	15,372
Prepaid expenses	11,772	3,584	596	197
Acquisition prepayment	-	614	-	34
Deferred charges and accrued income	30,630	167,781	1,552	9,220
Accounts receivable <small>(Net of allowance for doubtful accounts: 31/12/2017 - Ps.30,728, US\$1,557; 30/09/2017 - Ps.28,055, US\$1,542)</small>	58,638	76,634	2,971	4,211
Restricted cash	36,660	33,766	1,858	1,855
Cash and cash equivalents	3,209,041	6,658,691	162,603	365,904
Total assets	50,686,599	46,753,653	2,568,309	2,569,178
Net assets attributable to Investors				
Contributions, net	19,844,088	19,844,088	1,005,507	1,090,460
Retained earnings	48,063	-	2,435	-
Currency translation adjustment	9,169,409	6,904,057	464,617	379,388
Total net assets (Net Equity)	29,061,560	26,748,145	1,472,560	1,469,848
Liabilities				
Non-current liabilities				
Borrowings <small>(Cost: 31/12/2017 - Ps.20,502,056, US\$1,038,847; 30/09/2017 - Ps.18,843,797, US\$1,035,493)</small>	20,889,561	19,256,799	1,058,482	1,058,188
Tenant deposits	332,077	242,213	16,826	13,310
Accounts payable	4,527	3,971	229	218
Current liabilities				
Trade and other payables	330,901	449,837	16,767	24,719
Borrowings <small>(Cost: 31/12/2017 - Ps.11,281, US\$572; 30/09/2017 - Ps.10,269, US\$564)</small>	11,281	10,269	572	564
Tenant deposits	56,692	42,419	2,873	2,331
Total liabilities (excluding net assets attributable to the Investors)	21,625,039	20,005,508	1,095,749	1,099,331
Total net assets and liabilities	50,686,599	46,753,653	2,568,309	2,569,178



Financial Statements

Cash Flow Statement	Dec-17	Dec-17
	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Cash flows from operating activities		
(Loss) profit for the period	\$1,098,651	\$55,669
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	(62,557)	(3,170)
Net loss (gain) unrealized from fair value adjustment on borrowings	589,022	29,846
Net loss (gain) unrealized from fair value adjustment on derivative financial instruments	(28,487)	(1,443)
Realized gain from disposal of investment properties	54,942	2,784
Bad debt expense	31,581	1,600
Interest expense	861,708	43,663
Interest income on bank accounts	(6,557)	(332)
Share of profit from equity accounted investments	(18,807)	(953)
Decrease (increase) deferred rents receivable	(24,817)	(1,257)
Decrease (increase) in restricted cash	52,477	2,659
Decrease (increase) in accounts receivable	(46,803)	(2,372)
Decrease (increase) in recoverable taxes	(533,753)	(27,045)
Decrease (increase) in prepaid expenses	613	31
Decrease (increase) in other assets	85,425	4,329
Decrease (increase) in tenant deposits	149,082	7,554
(Decrease) in accounts payable	34,869	1,767
Net cash (used in) generated from operating activities	2,236,589	113,329
Cash flows from investing activities		
Acquisitions of investment properties	(13,270,159)	(672,404)
Improvements of investment properties	(204,944)	(10,385)
Proceeds from dispositions of investment properties	197,677	10,016
Acquisition prepayment	9,809	497
Interest income on bank accounts	6,557	332
Investments in joint venture	(155,656)	(7,887)
Loans receivable payment	1,113	56
Net cash (used in) generated from investing activities	(13,415,603)	(679,774)
Cash flows from financing activities		
Proceeds from borrowings	16,454,874	833,775
Principal payments on borrowings	(9,557,278)	(484,271)
Interest expense	(861,708)	(43,663)
Distributions to investors	(1,713,691)	(86,833)
CBFIs equity issuance	5,390,049	273,116
Net cash (used in) generated from financing activities	9,712,246	492,123
Net (decrease) in cash and cash equivalents	(1,466,768)	(74,322)
Cash and cash equivalents at the beginning of the period	4,297,096	217,735
Exchange effects on cash and cash equivalents	378,713	19,190
Cash and cash equivalents at the end of the period	\$3,209,041	\$162,603



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, 2017	\$14,782,859	\$9,663,287	\$334,283	\$24,780,429
Capital Contribution, Net of Issuing Costs	5,390,049	-	-	5,390,049
Distributions to Investors	(328,820)	-	(1,384,871)	(1,713,691)
Comprehensive Income				
Net loss of the period	-	-	1,098,651	1,098,651
Other Comprehensive Income				
Currency Translation	-	(493,878)	-	(493,878)
Total Comprehensive (loss) income	-	(493,878)	1,098,651	604,773
Net Assets as of December 31, 2017	\$19,844,088	\$9,169,409	\$48,063	\$29,061,560
<i>(thousands of dollars)</i>				
Balance at January 1, 2017	\$781,380	\$510,774	\$17,669	\$1,309,824
Capital Contribution, Net of Issuing Costs	284,903	-	-	284,903
Distributions to Investors	(17,381)	-	(73,200)	(90,581)
Comprehensive Income				
Net loss of the period	-	-	58,072	58,072
Other Comprehensive Income				
Currency Translation	-	(26,105)	-	(26,105)
Total Comprehensive (loss) income	-	(26,105)	58,072	31,967
Net Assets as of December 31, 2017	\$1,048,903	\$484,669	\$2,540	\$1,536,113