

SECOND QUARTER 2018 EARNINGS REPORT

Mexico City, July 26, 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 second quarter 2018 (2Q18) 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 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 June 30, 2018

Operating

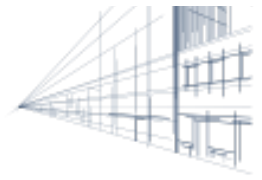
- **As of June 30, 2018, the occupancy rate was 95.5%, a 68 basis point increase compared to the second quarter of 2017 (2Q17). Additionally, considering signed letters of intent (LOI), occupancy for 2Q18 was 96.4%.**
- **Annualized average leasing rate per square foot at 2Q18 was US\$5.07, a US\$0.08 increase compared to 2Q17.**
- **Terrafina reported a total of 40.9 million square feet (msf) of Gross Leasable Area (GLA) comprised of 286 properties and 298 tenants in 2Q18.**
- **2Q18 leasing activity totaled 1.4 msf, of which 18.0% corresponded to new leases, 39.0% to lease renewals and 43.0% to early renewals.** Leasing activity was mainly concentrated in the Chihuahua, Ciudad Juarez, Tijuana, Ramos Arizpe, Queretaro, Silao, Cuautitlan Izcalli, San Luis Potosi, Guadalajara, Irapuato and Hermosillo markets.

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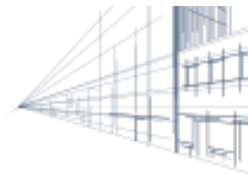
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Financial

- Rental revenues reached US\$47.6 million, a 14.2% or US\$5.9 million increase compared to 2Q17.
- NOI was US\$47.9 million, a 14.6% or US\$6.1 million increase compared to 2Q17.
- The NOI margin reached 94.9%, a 82 basis point increase compared to 2Q17.
- EBITDA reached US\$43.6 million, an increase of 15.0% or US\$5.7 million compared to 2Q17.
- EBITDA margin was 86.4%, a 111 basis point increase compared to 2Q17.
- Adjusted funds for operations (AFFO) reached US\$28.8 million, an increase of 18.2% or US\$4.4 million compared to 2Q17.
- AFFO margin was 56.7%, a 241 basis point increase compared to 2Q17.
- Distributions totaled US\$28.8 million. As a result, Terrafina will distribute Ps.0.7020 per CBFi (US\$0.0364 per CBFi) for distributions corresponding to the April 1 to June 30, 2018 period.
- The annualized distribution was US\$0.1456; considering the average share price for the 2Q18 of US\$1.47 (Ps.28.46), Terrafina's dividend yield for the quarter was 9.9%.



Operating and Financial Highlights

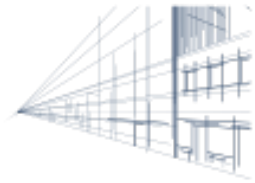
<i>Operating</i>	Jun18	Jun17	Var.			
<i>Number of Developed Properties</i>	286	260	26			
<i>Gross Leasable Area (GLA) (msf)¹</i>	40.9	36.5	4.4			
<i>Land Reserves (msf)</i>	6.17	6.26	-0.09			
<i>Occupancy Rate²</i>	95.5%	94.9%	68 bps			
<i>Avg. Leasing Rent / Square Foot (dollars)</i>	5.07	4.99	0.08			
<i>Weighted Average Remaining Lease Term (years)</i>	3.46	3.49	-0.03			
<i>Renewal Rate³</i>	90.4%	87.9%	245 bps			

<i>Quarterly Financial</i>	2Q18	2Q17	Var.		2Q18	2Q17	Var.
				fx	19.3911	18.5666	
	<i>(millions of pesos unless otherwise stated)</i>				<i>(millions of dollars unless otherwise stated)</i>		
<i>Rental Revenues⁴</i>	921.8	773.6	19.2%		47.6	41.6	14.2%
<i>Other Operating Income</i>	50.9	45.8	11.2%		2.6	2.5	7.8%
<i>Net Revenues</i>	981.1	825.1	18.9%		50.6	44.4	14.0%
<i>Net Operating Income (NOI)*</i>	926.9	776.3	19.4%		47.9	41.8	14.6%
<i>NOI Margin</i>	94.9%	94.1%	82 bps		94.9%	94.1%	82 bps
<i>EBITDA⁵*</i>	842.0	704.5	19.5%		43.6	37.9	15.0%
<i>EBITDA Margin</i>	86.4%	85.3%	111 bps		86.4%	85.3%	111 bps
<i>Funds from Operations (FFO)*</i>	604.2	500.8	20.6%		31.3	26.9	16.3%
<i>FFO Margin</i>	62.0%	60.6%	145 bps		62.0%	60.6%	145 bps
<i>Adjusted Funds from Operations (AFFO)*</i>	555.3	452.5	22.7%		28.8	24.3	18.2%
<i>AFFO Margin</i>	56.7%	54.3%	241 bps		56.7%	54.3%	241 bps
<i>Distributions</i>	555.3	452.4	22.7%		28.8	24.3	18.2%
<i>Distributions per CBF⁶</i>	0.7020	0.5720	22.7%		0.0364	0.0308	18.2%

<i>Balance Sheet</i>	Jun18	Mar18	Var.		Jun18	Mar18	Var.
				fx	19.8633	18.3445	
	<i>(millions of pesos unless otherwise stated)</i>				<i>(millions of dollars unless otherwise stated)</i>		
<i>Cash & Cash Equivalents</i>	2,042.4	2,035.7	0.3%		102.8	111.0	-7.3%
<i>Investment Properties</i>	46,176.3	42,165.3	9.5%		2,324.7	2,298.5	1.1%
<i>Land Reserves</i>	1,032.2	950.8	8.6%		52.0	51.8	0.3%
<i>Total Debt</i>	19,826.6	18,623.4	6.5%		998.2	1,015.2	-1.7%
<i>Net Debt</i>	17,784.2	16,587.7	7.2%		895.3	904.2	-1.0%

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 "2Q18 Financial Performance" and "Appendices" section available in this document.

Source: PGIM Real Estate – Asset Management and Fund Accounting



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

During the second quarter of 2018, we continued to generate solid results and began capturing the benefits from the acquisitions of industrial assets that were concluded at the beginning of the second quarter. Moreover, the strength of the industrial real estate sector in Mexico was reflected in high leasing levels, which represented a total of 1.4 million square feet for Terrafina. The main leasing activity was concentrated in the markets of Chihuahua, Ciudad Juarez, Tijuana, Ramos Arizpe, Queretaro, Silao, Cuautitlan Izcalli, San Luis Potosi, Guadalajara, Irapuato and Hermosillo markets.

Renewal activity for Terrafina reached 0.6 million square feet and, in terms of early renewals, these were an additional 0.6 million square feet – a clear indicator that our tenants want to secure the permanence of their operation in the long-term. As a result of the strong leasing activity experienced in the first half of 2018, Terrafina lowered the remaining portion of the maturity schedule for the year from 8.1% in the first quarter to 5.2% in the second quarter of 2018.

Second quarter 2018 occupancy levels reached 95.5% and same-store occupancy was 95.2%. Including signed letters of intent, occupancy levels for the quarter reached 96.4%. Occupancy rates by region remained stable, reaching 97.2% in the Northern region, 92.2% in the Bajio region and 93.7% in the Central region.

Average annual leasing rent for 2Q18 was US\$5.07 per square foot, a US\$0.08 increase compared to the second quarter of 2017 and a US\$0.01 increase compared to the first quarter of 2018. Average rents by region remained in line, with US\$4.99 per square foot in the Northern region, US\$5.16 per square foot in the Bajio region and a US\$5.27 average rent per square foot in the Central region.

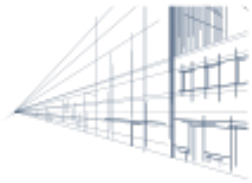
As for Terrafina's main financial indicators for the second quarter of 2018, rental revenues reached US\$47.6 million, Net Operating Income reached US\$47.9 million with an NOI Margin of 94.9%, as well as generating US\$28.8 million in Adjusted Funds from Operations. Finally, Annualized Distributions per CBFi were Ps. 2.81, or US\$0.1456, which represented a 9.8% dividend yield, considering the average CBFi price for the second quarter of 2018.

Thank you for your interest in Terrafina.

Sincerely,

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

Alberto Chretin
Chief Executive Officer and Chairman of the Board



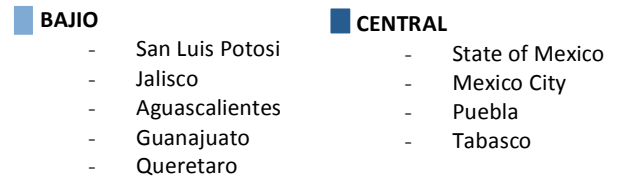
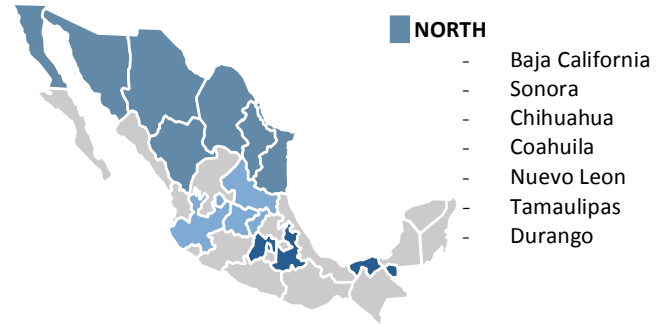
Operating Highlights

Highlights by Region

(as of June 30, 2018)

	North	Bajio	Central	Total
# Buildings	201	55	30	286
# Tenants	203	56	39	298
GLA (msf)	25.5	9.1	6.3	40.9
Land Reserves (msf)	2.7	0.2	3.3	6.2
Occupancy Rate	97.2%	92.2%	93.7%	95.5%
Average Leasing Rent / Square Foot (dollars)	4.99	5.16	5.27	5.07
Annualized Rental Base %	62.4%	22.0%	15.7%	100.0%

Source: PGIM Real Estate - Asset Management

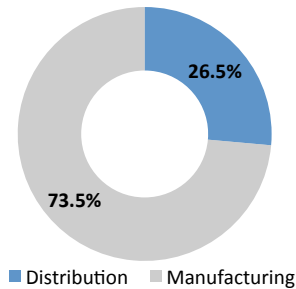


Terrafina's 2Q18 Operations

Composition by Asset Type

as of 2Q18

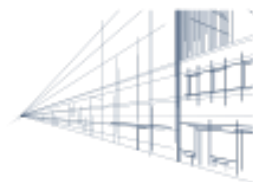
(as a % of total GLA)



Leasing Activity

	2Q18	2Q17	Var.
Operating Portfolio (msf):			
Renewals	0.6	0.9	-0.3
Early Renewals	0.6	0.1	0.5
New Leases	0.3	0.5	-0.3
Total Square Feet of Leases Signed	1.4	1.6	-0.1

Source: PGIM Real Estate - Asset Management



Operating Highlights *(continued)*

Occupancy and Rents by Region

<i>(As of June 30, 2018)</i>	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
North	97.2%	4.99
Baja California	100.0%	4.40
Tijuana	100.0%	4.40
Sonora	88.5%	4.57
Hermosillo	88.5%	4.57
Chihuahua	97.8%	5.03
Chihuahua	98.0%	5.43
Ciudad Juarez	97.8%	4.70
Delicias	100.0%	5.98
Gomez Farias	100.0%	3.34
Casas Grandes	100.0%	4.21
Coahuila	96.4%	5.05
Ciudad Acuña	100.0%	6.11
Monclova	100.0%	5.46
Ramos Arizpe	96.2%	4.88
Saltillo	91.0%	5.44
Derramadero	100.0%	6.64
San Pedro de las Colinas	89.3%	2.10
Torreon	100.0%	4.26
Nuevo Leon	93.3%	5.03
Apodaca	100.0%	5.51
Monterrey	91.0%	4.84
Tamaulipas	100.0%	4.65
Reynosa	100.0%	4.65
Durango	100.0%	4.79
Durango	100.0%	4.95
Gomez Palacio	100.0%	3.14
Bajo	92.2%	5.16
San Luis Potosi	89.5%	4.89
San Luis Potosi	89.5%	4.89
Jalisco	100.0%	6.51
Guadalajara	100.0%	6.51
Aguascalientes	100.0%	4.76
Aguascalientes	100.0%	4.76
Guanajuato	94.4%	4.80
Celaya	100.0%	5.29
Irapuato	81.8%	5.24
Silao	100.0%	4.55
Queretaro	85.8%	4.78
Queretaro	85.8%	4.78
Central	93.7%	5.27
State of Mexico	92.7%	5.49
Cuautitlan Izcalli	100.0%	5.51
Toluca	81.6%	5.39
Ciudad de Mexico	100.0%	9.22
Azacapotzalco	100.0%	9.22
Puebla	100.0%	3.20
Puebla	100.0%	3.20
Tabasco	100.0%	3.99
Villahermosa	100.0%	3.99
Total	95.5%	5.07

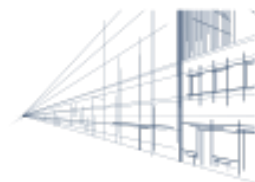
Source: PGIM Real Estate - Asset Management

Maturities and Renewals by Region

<i>(As of June 30, 2018)</i>	Consolidated			
	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
North	7	53.8%	5	71.4%
Baja California	1	7.7%	1	100.0%
Tijuana	1	7.7%	1	100.0%
Sonora	1	7.7%	1	100.0%
Hermosillo	1	7.7%	1	100.0%
Chihuahua	3	23.1%	3	100.0%
Chihuahua	1	7.7%	1	100.0%
Ciudad Juarez	2	15.4%	2	100.0%
Delicias	0	0.0%	0	0.0%
Gomez Farias	0	0.0%	0	0.0%
Casas Grandes	0	0.0%	0	0.0%
Coahuila	2	15.4%	0	0.0%
Ciudad Acuña	0	0.0%	0	0.0%
Monclova	0	0.0%	0	0.0%
Ramos Arizpe	1	7.7%	0	0.0%
Saltillo	1	7.7%	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	0	0.0%	0	0.0%
Apodaca	0	0.0%	0	0.0%
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%
Bajo	5	38.5%	5	100.0%
San Luis Potosi	0	0.0%	0	0.0%
San Luis Potosi	0	0.0%	0	0.0%
Jalisco	1	7.7%	1	100.0%
Guadalajara	1	7.7%	1	100.0%
Aguascalientes	0	0.0%	0	0.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	3	23.1%	3	100.0%
Celaya	0	0.0%	0	0.0%
Irapuato	1	7.7%	1	100.0%
Silao	2	15.4%	2	100.0%
Queretaro	1	7.7%	1	100.0%
Queretaro	1	7.7%	1	100.0%
Central	1	7.7%	1	100.0%
State of Mexico	1	7.7%	1	100.0%
Cuautitlan Izcalli	1	7.7%	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	13	100.0%	11	84.6%

Source: PGIM Real Estate - Asset Management

*Over the number of matured leases in the quarter



2Q18 Operational Performance

Composition by Geographical Diversification

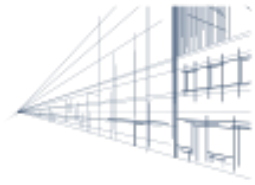
The geographic diversification of Terrafina's properties at 2Q18 (based on GLA per square foot) was as follows: the Northern region of Mexico represented 62.4% of GLA, while the Bajío and Central regions represented 22.3% and 15.3% of GLA, respectively.

Geographic Distribution by Region and State

	2Q18	as a % of Total GLA 2Q18	2Q17	as a % of Total GLA 2Q17
North	25.55	62.4%	21.01	57.5%
Baja California	0.90	2.2%	0.90	2.5%
Tijuana	0.90	2.2%	0.90	2.5%
Sonora	0.33	0.8%	0.33	0.9%
Hermosillo	0.33	0.8%	0.33	0.9%
Chihuahua	14.29	34.9%	13.66	37.4%
Chihuahua	5.83	14.2%	5.44	14.9%
Ciudad Juarez	7.76	19.0%	7.74	21.2%
Delicias	0.52	1.3%	0.29	0.8%
Gomez Farias	0.08	0.2%	0.08	0.2%
Camargo	0.02	0.1%	0.02	0.1%
Casas Grandes	0.09	0.2%	0.09	0.2%
Coahuila	6.84	16.7%	3.49	9.5%
Ciudad Acuña	0.24	0.6%	0.24	0.7%
Monclova	0.35	0.8%	0.34	0.9%
Ramos Arizpe	4.54	11.1%	2.00	5.5%
Saltillo	0.62	1.5%	0.62	1.7%
Derramadero	0.54	1.3%	0.00	0.0%
San Pedro de las Colinas	0.15	0.4%	0.15	0.4%
Torreón	0.39	1.0%	0.13	0.4%
Nuevo Leon	1.94	4.7%	1.38	3.8%
Apodaca	0.50	1.2%	0.50	1.4%
Monterrey	1.44	3.5%	0.89	2.4%
Tamaulipas	0.47	1.1%	0.47	1.3%
Reynosa	0.47	1.1%	0.47	1.3%
Durango	0.78	1.9%	0.78	2.1%
Durango	0.71	1.7%	0.71	1.9%
Gomez Palacio	0.07	0.2%	0.07	0.2%
Bajío	9.12	22.3%	9.26	25.4%
San Luis Potosi	3.31	8.1%	3.30	9.0%
San Luis Potosi	3.31	8.1%	3.30	9.0%
Jalisco	1.66	4.0%	1.81	5.0%
Guadalajara	1.66	4.0%	1.81	5.0%
Aguascalientes	0.75	1.8%	0.75	2.1%
Aguascalientes	0.75	1.8%	0.75	2.1%
Guanajuato	1.42	3.5%	1.42	3.9%
Celaya	0.12	0.3%	0.12	0.3%
Irapuato	0.44	1.1%	0.44	1.2%
Silao	0.87	2.1%	0.86	2.4%
Queretaro	1.98	4.8%	1.98	5.4%
Queretaro	1.98	4.8%	1.98	5.4%
Central	6.25	15.3%	6.25	17.1%
State of Mexico	5.40	13.2%	5.40	14.8%
Cuautitlan Izcalli	4.26	10.4%	4.26	11.7%
Toluca	0.91	2.2%	0.91	2.5%
Huehuetoca	0.23	0.6%	0.23	0.6%
Ciudad de Mexico	0.02	0.1%	0.02	0.1%
Azcapotzalco	0.02	0.1%	0.02	0.1%
Puebla	0.18	0.5%	0.18	0.5%
Puebla	0.18	0.5%	0.18	0.5%
Tabasco	0.65	1.6%	0.65	1.8%
Villahermosa	0.65	1.6%	0.65	1.8%
Total	40.92	100.0%	36.52	100.0%

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

Source: PGIM Real Estate - Asset Management

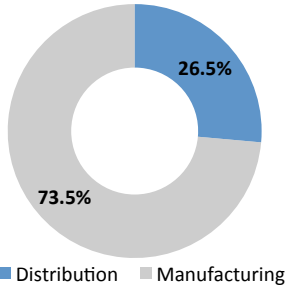


Composition by Asset Type

At the end of 2Q18, 73.5% of Terrafina's portfolio consisted of properties dedicated to manufacturing activities while 26.5% were dedicated to distribution and logistics activities.

Composition by Asset Type as of 2Q18

(as a % of total GLA)



Composition by Asset Type

	2Q18	2Q17	Var.
Distribution	26.5%	26.4%	9 bps
Manufacturing	73.5%	73.6%	-9 bps

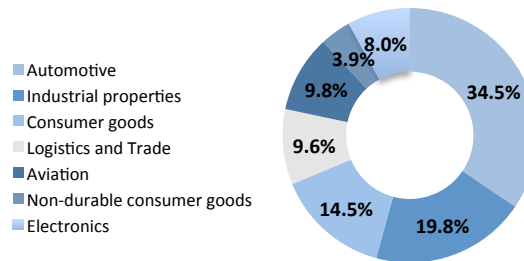
Source: PGIM Real Estate - Asset Management

Composition by Sector

As of June 30, 2018, tenant diversification by industrial sector was as follows:

Diversification by Sector as of 2Q18

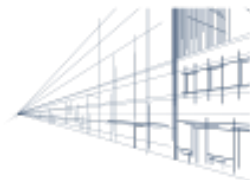
(as a % of leased GLA)



Industrial Sector Diversification

	2Q18	2Q17	Var.
Automotive	34.5%	31.9%	257 bps
Industrial properties	19.8%	20.0%	-26 bps
Consumer goods	14.5%	15.2%	-69 bps
Logistics and Trade	9.6%	9.8%	-21 bps
Aviation	9.8%	10.4%	-59 bps
Non-durable consumer goods	3.9%	4.4%	-47 bps
Electronics	8.0%	8.3%	-35 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. For 2Q18, Terrafina's top client, top 10 clients and top 20 clients, represented 3.3%, 17.1% and 26.8% of total revenues, respectively.

Top Clients

	Leased Square Feet (millions)	% Total GLA	% Total Revenues
<i>(As of June 30, 2018)</i>			
Top Client	1.24	3.2%	3.3%
Top 10 Clients	6.75	17.3%	17.1%
Top 20 Clients	10.54	27.0%	26.8%

Source: PGIM Real Estate - Asset Management

Occupancy

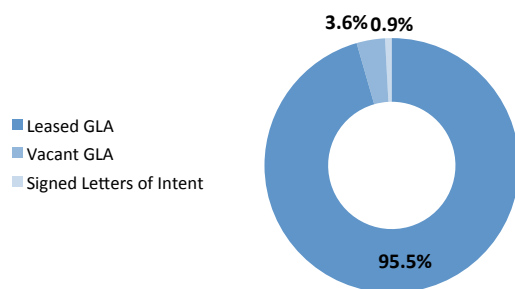
2Q18 occupancy rate was 95.5%, a 68 basis point increase compared to 2Q17. Including signed LOIs, the occupancy rate was 96.4%. It is important to note that occupancy rate indicators presented in this report reflect the quarterly closing rate.

For 2Q18, Terrafina's leasing activity reached 1.4 msf, of which 18.0% corresponded to new leasing contracts (including expansions), 39.0% for contract renewals and 43.0% for early renewals.

Leasing activity mainly took place in the Chihuahua, Ciudad Juarez, Tijuana, Ramos Arizpe, Queretaro, Silao, Cuautitlan Izcalli, San Luis Potosi, Guadalajara, Irapuato and Hermosillo markets. In addition to this leasing activity, Terrafina signed an additional 348,500 square feet in LOIs.

Occupancy as of 2Q18

(as % of Total GLA)

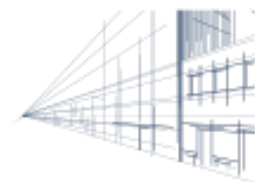


	2Q18	2Q17	Var.
Leased GLA	95.5%	94.9%	26 bps
Vacant GLA	3.6%	4.9%	-129 bps
Signed Letters of Intent	0.9%	0.2%	68 bps
Total	100.0%	100.0%	

Source: PGIM Real Estate - Asset Management

Lease Maturities

Terrafina had 298 tenants under leasing contracts at the end of 2Q18. 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 5% 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	9.5	4.8%	2.03	5.2%
2019	34.8	17.6%	7.12	18.2%
2020	44.5	22.5%	8.74	22.4%
2021	37.0	18.7%	7.23	18.5%
2022	16.9	8.5%	3.62	9.3%
Thereafter	55.4	28.0%	10.35	26.5%

Source: PGIM Real Estate – Asset Management

Capital Deployment

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.

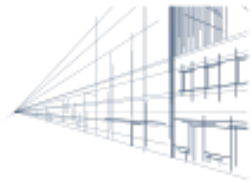
In 2Q18, Terrafina's investments in tenant improvements and recurring CAPEX was US\$1.3 million. Total CAPEX for 2Q18 is broken down in the following table:

Capital Expenditures

	2Q18 (millions of pesos)	2Q18 (millions of dollars)
Tenant Improvements & Recurring Capex	25.3	1.3
Leasing Commissions	20.0	1.0
Development Capex ¹	8.2	0.4
Total Capital Expenditures	53.4	2.7

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



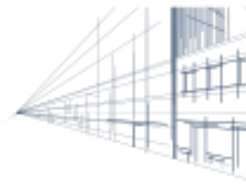
Land Reserves

Terrafina's land reserve as of June 30, 2018 was comprised of 12 land reserve properties, equivalent to 6.2 msf of potential GLA for the development of future industrial properties.

As of June 30, 2018, Terrafina's land reserves were distributed as follows:

As of June 30, 2018					
	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	514.3	25.9	592.8	29.8
Bajio	0.1	14.2	0.7	14.7	0.7
Central	3.1	737.8	37.1	424.7	21.4
Total Land Portfolio	6.2	1,266.3	63.7	1,032.2	51.9

Source: PGIM Real Estate - Asset Management and Fund Accounting



2Q18 Financial Performance

Financial Results and Calculations

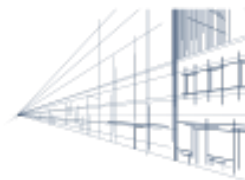
Terrafina's financial results are presented in Mexican pesos and U.S. dollars. Figures on the income statement for each period were converted to dollars using the average exchange rate for 2Q18, while for the balance sheet, the exchange rate at the close of June 30, 2018 was applied.

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 2Q18 same-store highlights and consolidated information:

	Same-Store ¹ 2Q18	Consolidated ² 2Q18		
<i>(as of June 30, 2018)</i>				
Number of Properties	259.0	286.0		
Occupancy Rate	95.2%	95.5%		
Gross Leasable Area (GLA) (msf)	36.7	40.9		
Avg. Leasing Rent / Square Foot (dollars)	5.02	5.07		
	Same-Store 2Q18	Consolidated 2Q18	Same-Store 2Q18	Consolidated 2Q18
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Rental Revenues	816.4	921.8	42.1	47.6
Net Operating Income	824.2	926.9	42.6	47.9
NOI Margin	93.8%	94.9%	93.8%	94.9%
EBITDA	764.4	842.0	39.5	43.6
EBITDA Margin	85.2%	86.4%	85.2%	86.4%
FFO	530.7	604.2	27.4	31.3
FFO Margin	60.7%	62.0%	60.7%	62.0%
Adjusted Funds from Operations	479.8	555.3	24.8	28.8
AFFO Margin	54.6%	56.7%	54.6%	56.7%

*(1) Same properties information evaluates the performance of the industrial properties without including recent acquisitions closed in January, September and December 2017. (2) Includes acquisitions closed in January, September and December 2017.
Source: PGIM Real Estate - Asset Management and Fund Accounting*

Rental Revenues

In 2Q18, Terrafina reported rental revenues of US\$47.6 million, a 14.2% or US\$5.9 million increase compared to 2Q17.

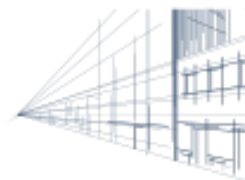
Rental revenues do not include accrued revenues as these are a non-cash item.

Other Operating Income

In 2Q18, other operating income totaled US\$2.6 million, a 7.8% or US\$0.2 million decrease compared to 2Q17.

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\$50.6 million in 2Q18, an increase of US\$6.2 million, or 14.0% compared to 2Q17.



Revenues						
	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos)</i>			<i>(millions of dollars)</i>		
Rental Revenue	921.8	773.6	19.2%	47.6	41.6	14.2%
Accrued Income ¹	8.4	5.8	46.5%	0.4	0.3	36.8%
Other Operating Revenues	50.9	45.8	11.2%	2.6	2.5	7.8%
Reimbursable Expenses as Revenues ²	40.7	36.0	13.1%	2.1	1.9	10.3%
Reimbursable Tenant Improvements	5.5	7.5	-26.1%	0.3	0.4	-28.9%
Other non-cash income	4.7	2.3	102.5%	0.2	0.1	86.7%
Net Revenue	981.1	825.1	18.9%	50.6	44.4	14.0%

(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.

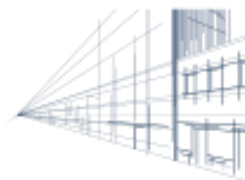
Real Estate Expenses

In 2Q18, real estate expenses totaled US\$7.1 million, an increase of 9.1% or US\$0.6 million compared to 2Q17.

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 2Q18, NOI totaled US\$47.9 million, a 14.6% or US\$6.1 million increase compared with 2Q17. NOI margin increased by 82 basis points reaching 94.9% compared to 94.1% in 2Q17.

The following table displays the NOI calculation for 2Q18:

Net Operating Income						
	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Rental Revenues ¹	921.8	773.6	19.2%	47.6	41.6	14.2%
Other Operating income ²	55.8	51.7	8.0%	2.9	2.8	3.6%
Net Revenues for NOI Calculation	977.6	825.2	18.5%	50.5	44.4	13.6%
Repair and Maintenance	-6.0	-8.2	-26.5%	-0.3	-0.4	-30.4%
Property Taxes	0.6	-0.4	-280.0%	0.0	0.0	-266.5%
Property Management Fees	-20.4	-16.6	23.0%	-1.1	-0.9	17.8%
Electricity	-13.1	-12.7	2.9%	-0.7	-0.7	-5.0%
Property Insurance	-2.9	-2.8	3.7%	-0.2	-0.2	-0.4%
Security	-5.0	-3.8	33.8%	-0.3	-0.2	27.3%
Other Operational Expenses	-3.9	-4.6	-14.0%	-0.2	-0.2	-19.9%
Real Estate Operating Expenses for NOI Calculation	-50.7	-48.9	3.6%	-2.6	-2.6	-2.1%
Net Operating Income³	926.9	776.3	19.4%	47.9	41.8	14.6%
NOI Margin	94.9%	94.1%	82 bps	94.9%	94.1%	82 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)

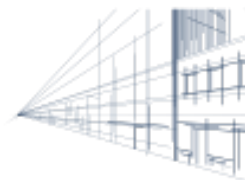
G&A in 2Q18 totaled US\$5.6 million, a 13.1% or US\$0.6 million increase compared to 2Q17.

The following table breaks down total G&A:

G&A						
	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
External Advisor Fees ¹	-59.2	-47.7	24.1%	-2.9	-2.6	11.3%
Professional and Consulting Services	-6.1	-8.9	-31.1%	-0.4	-0.5	-22.0%
Payroll, Admin. Fees and Other Expenses	-45.6	-34.4	32.5%	-2.3	-1.9	24.6%
Total G&A²	-110.9	-91.0	21.9%	-5.6	-4.9	13.1%

(1) 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. (2) General and Administrative Expenses

Source: PGIM Real Estate - Fund Accounting



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

In 2Q18, EBITDA totaled US\$43.6 million, an increase of US\$5.7 million, or 15.0%, compared to 2Q17. EBITDA margin for 2Q18 was 86.4%, a 111 basis point increase compared to 2Q17.

The following shows the EBITDA calculation for 2Q18:

EBITDA						
	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Rental Revenues ¹	921.8	773.6	19.2%	47.6	41.6	14.2%
Other Operating income ²	55.8	51.7	8.0%	2.9	2.8	3.6%
Real Estate Expenses for EBITDA Calculation	-51.3	-51.1	0.4%	-2.6	-2.8	-4.9%
Real Estate Operating Expenses for NOI Calculation	-50.7	-48.9	3.6%	-2.6	-2.6	-2.1%
Advertising	-0.5	-0.2	109.5%	0.0	0.0	-
Admin. Property Insurance Expenses	-0.7	-0.8	-14.3%	0.0	0.0	-17.7%
Other Admin. Real Estate Expenses	0.6	-1.1	-156.0%	0.0	-0.1	-144.9%
Fees and Admin. Expenses	-84.4	-69.6	21.2%	-4.3	-3.8	12.3%
External Advisor Fees	-59.2	-47.7	24.1%	-2.9	-2.6	11.3%
Legal, Admin. and Other Professional Fees	-15.0	-12.3	22.1%	-0.8	-0.6	26.7%
Trustee Fees	-0.3	-2.2	-84.9%	0.0	-0.1	-86.7%
Payroll	-6.8	-5.8	18.6%	-0.4	-0.3	12.9%
Other Expenses	-3.0	-1.7	75.2%	-0.2	-0.1	63.6%
EBITDA³	842.0	704.5	5.6%	43.6	37.9	15.0%
EBITDA Margin	86.4%	85.3%	111 bps	86.4%	85.3%	111 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

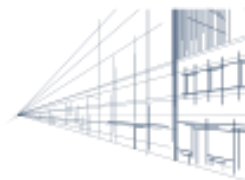
For additional information regarding the commissions and administrative expenses breakdown used for the calculation of EBITDA and AFFO, please refer to *Appendix 3* located in the last section of this document.

Financing Expenses

In 2Q18, financing expenses totaled US\$12.7 million, an increase of 13.9% or US\$1.6 million compared to 2Q17.

Financial Expenses						
	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Interest Paid	-240.2	-205.4	17.0%	-12.4	-11.1	12.2%
Borrowing Expenses	-8.6	-3.8	127.2%	-0.4	-0.2	105.9%
Recurring	0.0	-0.3	-	0.0	0.0	-
Non Recurring	-8.6	-3.4	-	-0.4	-0.2	-
Interest Income	2.4	2.0	19.7%	0.1	0.1	13.8%
Total	-246.4	-207.1	18.9%	-12.7	-11.2	13.9%

Source: PGIM Real Estate - Fund Accounting



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

In 2Q18, FFO increased by US\$4.4 million, or 16.3% compared to 2Q17, reaching US\$31.3 million. FFO Margin was 62.0%, a 145 basis point increase compared to 2Q17. Additionally, Terrafina reported an AFFO of US\$28.8 million, an increase of US\$4.4 million, or 18.2% compared to 2Q17. AFFO margin was 56.7%, an increase of 241 basis points versus 2Q17.

Funds from Operations (FFO)

	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
EBITDA	842.0	704.5	19.5%	43.6	37.9	15.0%
Finance Cost ¹	-237.8	-203.7	16.7%	-12.3	-11.0	12.0%
Funds from Operations (FFO)	604.2	500.8	20.6%	31.3	26.9	16.3%
<i>FFO Margin</i>	<i>62.0%</i>	<i>60.6%</i>	<i>145 bps</i>	<i>62.0%</i>	<i>60.6%</i>	<i>145 bps</i>
Tenant Improvements	-25.3	-31.1	-18.8%	-1.3	-1.7	-22.8%
Leasing Commissions	-20.0	-13.2	51.6%	-1.0	-0.7	45.7%
Other Non Recurring Expenses ³	-3.7	-4.1	-11.3%	-0.2	-0.2	3.8%
Adjusted Funds from Operations (AFFO)	555.3	452.5	22.7%	28.8	24.3	18.2%
<i>AFFO Margin</i>	<i>56.7%</i>	<i>54.3%</i>	<i>241 bps</i>	<i>56.7%</i>	<i>54.3%</i>	<i>241 bps</i>

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

Source: PGIM Real Estate - Fund Accounting

Comprehensive Income

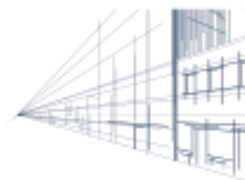
Comprehensive Income for 2Q18 reached a profit of US\$149.4 million, compared to a loss of US\$45.3 million in 2Q17.

The following table presents the calculation of Comprehensive Income for 2Q18:

Comprehensive Income

	2Q18	2Q17	Var. %	2Q18	2Q17	Var. %
	<i>(millions of pesos unless otherwise stated)</i>			<i>(millions of dollars unless otherwise stated)</i>		
Net Revenues	988.9	825.1	19.8%	51.0	44.4	14.9%
Real Estate Expenses	-137.4	-120.3	14.2%	-7.1	-6.5	9.4%
Fees and Other Expenses	-110.9	-91.0	21.9%	-5.7	-4.9	15.8%
Gain (Loss) from Sales of Real Estate Properties	0.0	1.9	-	0.0	0.1	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	4.1	-62.7	-	0.2	-3.4	-
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	9.4	4.4	112.4%	0.5	0.2	103.4%
Net Income (Loss) from Fair Value Adjustment on Borrowings	246.3	-190.2	-	12.7	-10.2	-
Realized gain (loss) on derivative financial instruments	-0.2	-	-	0.0	-10.2	-
Foreign Exchange Gain (loss)	-69.0	50.8	-	-3.6	2.7	-
Operating Profit	931.1	418.1	122.7%	48.0	22.4	113.9%
Financial Income	2.4	2.0	19.7%	0.1	0.1	-
Financial Expenses	-248.8	-209.1	19.0%	-12.8	-11.3	14.0%
Net Financial Cost	-246.4	-207.1	18.9%	-12.7	-11.2	13.9%
Share of Profit from Equity Accounted Investments	7.4	15.7	-	0.4	0.8	-
Net Profit (Loss)	692.1	226.6	205.5%	35.7	12.1	194.1%
Items Reclassified after Net Profit (Loss) - Currency Translation Adjustments	2,205.5	-1,066.9	-	113.7	-57.5	-
Comprehensive Income	2,897.6	-840.3	-	149.4	-45.3	-

Source: PGIM Real Estate - Fund Accounting



Distributions per CBFIs

In 2Q18, Terrafina generated US\$28.8 million of AFFO and therefore will distribute US\$0.0364 per CBFi.

Distributions

<i>(millions of pesos unless otherwise stated)</i>	2Q17	3Q17	4Q17	1Q18	2Q18	Var.% (2Q18 vs 2Q17)
Total Outstanding CBFIs (millions of CBFIs)	791.0	791.0	791.0	791.0	791.0	0.0%
CBFI Price ¹	32.35	31.29	30.20	28.68	28.46	-12.0%
Distributions	452.4	410.4	484.9	505.2	555.3	22.7%
Distributions Per CBFi	0.5720	0.5188	0.6130	0.6386	0.7020	22.7%
FX Rate USD/MXN (average closing period)	18.57	17.83	18.93	18.78	19.39	4.4%
Distributions (million dollars)	24.3	23.0	25.6	26.9	28.8	18.2%
Distributions Per CBFi (dollars)	0.0308	0.0291	0.0324	0.0340	0.0364	18.2%
Annualized Distribution Yield ²	7.1%	6.6%	8.1%	8.9%	9.9%	279 bps

(1) Average closing price for the period. (2) 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 June 30, 2018, Terrafina's total debt reached US\$998.2 million. The average cost of Terrafina's long-term debt was 4.99%. 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 June 30, 2018)</i>								
Long Term Debt								
Citibank ¹	Dollars	1,032.0	52.0	Libor + 2.45%	Interest Only	Jan 2023	-	US\$120M swap ⁴ / US\$100M cap ⁵
Metlife	Dollars	2,979.5	150.0	4.75%	Interest Only	Jan 2027	-	-
Banamex ²	Dollars	7,013.5	353.1	Libor + 2.45%	Interest Only	Oct 2022	-	US\$105M swap ⁶
Senior Notes ³	Dollars	8,489.8	427.4	5.25%	Interest Only	Nov 2022	-	-
New York Life	Dollars	311.9	15.7	5.19%	Interest + Principal	Feb 2020	-	-
Total Debt		19,826.6	998.2					
Net Cash		2,042.4	102.8					
Net Debt		17,784.2	895.3					

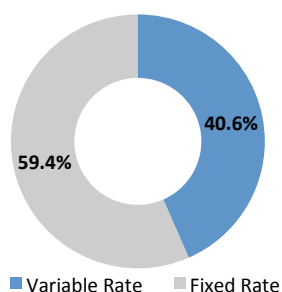
(1) Unsecured syndicated revolving credit facility. (2) Unsecured syndicated term loan facility; interest only for the first three years. (3) Value at Cost: US\$425 million / Ps.7,977 million.

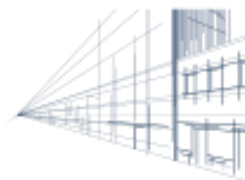
(4) Swap fixed rate: 1.286%. (5) Cap strike price: 1.75% (6) Swap fixed rate: 1.768%.

Source: PGIM Real Estate - Fund Accounting and Transactions

Interest Rate Breakdown

(as of June 30, 2018)





The following tables show leverage and debt service coverage as of June 30, 2018 as well as Terrafina's projections for the following six quarters:

Loan-to-Value (LTV)

(as of June 30, 2018)	(millions of pesos)	(millions of dollars)
Total Assets	49,498.2	2,491.9
Total Debt	19,826.6	998.2

Loan-to-Value (LTV)¹ 40.1%

(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	June 30, 2018	2,042.4	102.8
Recoverable Taxes	Σ next 6 quarters	296.8	14.9
EBIT ¹ after distributions	Σ next 6 quarters	1,719.7	86.6
Available Credit Line	June 30, 2018	4,818.7	242.6

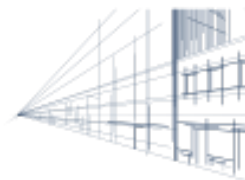
	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 6 quarters	1,500.5	75.5
Principal Payments	Σ next 6 quarters	17.7	0.9
Recurring CAPEX	Σ next 6 quarters	193.9	9.8
Development Expenses	Σ next 6 quarters	290.9	14.6

Debt Service Coverage Ratio (DSCR)² 4.4x

(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



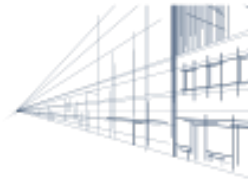
Moreover, as of June 30, 2018, Terrafina was in full compliance with its debt covenants related to the US\$425 million bond issuance (November 2015), as follows:

Unsecured Bond Covenants		
<i>(as of June 30, 2018)</i>	Terrafina	Bond Covenants
Loan-to-Value (LTV) ¹	40.1%	≤ 60%
Debt Service Coverage Ratio (DSCR) ²	3.2x	≥ 1.5x
Secured Debt to Gross Assets Limitation	6.6%	≤ 40%
Unencumbered Assets to Unsecured Debt Limitation	238%	≥ 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)

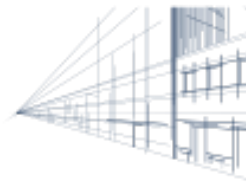
Source: PGIM Real Estate - Transactions



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, Bajio and Northern regions of Mexico. It is internally managed by highly-qualified industry specialists and externally advised by PGIM Real Estate.

Terrafina owns 298 real estate properties, including 286 developed industrial facilities with a collective GLA of approximately 40.9 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

PGIM Real Estate

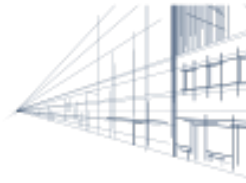
PGIM Real Estate is the real estate investment business of PGIM Inc., the global investment management business of Prudential Financial, Inc. (NYSE: PRU). Redefining the real estate investing landscape since 1970, PGIM Real Estate has professionals in 18 cities in the Americas, Europe and Asia Pacific with deep local knowledge and expertise, and gross assets under management of US\$69.6 billion (US\$50.3 billion net) as of March 31, 2018. 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 June 30, 2018, 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

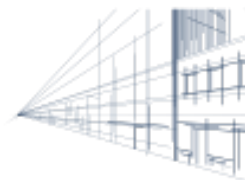
Terrafina
(BMV: TERRA13)
Cordially invites you to participate in its
Second Quarter 2018 Results

Friday, July 27, 2018
11:00 a.m. Eastern Time
10:00 a.m. Central Time

To access the call, please dial:
from within the U.S. 1-877-830-2576
from outside the U.S. 1-785-424-1726
Conference ID Number: Terrafina

Audio Webcast Link: <https://www.webcaster4.com/Webcast/Page/1111/26311>

Conference Replay
U.S. 1-844-488-7474
International (outside the US) 1-862-902-0129
Passcode: 24061815



Appendix

Appendix 1 – Revenues

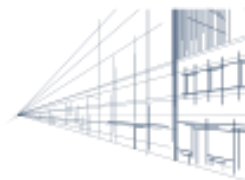
Terrafina's revenues are mainly classified as rental revenues and other operating reimbursable revenues.

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			
		2Q18	2Q17	2Q18	2Q17
		<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
<i>NOI calculation</i>	Rental Revenue	921.8	773.6	47.6	41.6
<i>Non Cash</i>	Accrued Income ¹	8.4	5.8	0.4	0.3
	Other Operating Revenues	50.9	45.8	2.6	2.5
<i>NOI calculation</i>	Reimbursable Expenses as Revenues ²	40.7	36.0	2.1	1.9
<i>AFFO calculation</i>	Reimbursable Tenant Improvements	5.5	7.5	0.3	0.4
<i>Non Cash</i>	Other non-cash income	4.7	2.3	0.2	0.1
	Net Revenue	981.1	825.1	50.6	44.4
<i>NOI calculation</i>	Share of Profit from Equity Accounted Investments ³	15.1	15.7	0.8	0.9

*(1) Straight line rent adjustment. (2) Triple net leases expenses reimbursed to Terrafina from its tenants. (3) Profit from joint-venture developments.
Source: PGIM Real Estate - Fund Accounting*



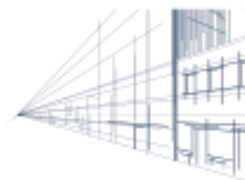
Appendix 2 – Real Estate Expenses

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				
		2Q18	2Q17	2Q18	2Q17	
		<i>(million of pesos)</i>		<i>(million of dollars)</i>		
		Repair and Maintenance	-36.8	-46.8	-1.9	-2.5
<i>NOI calculation</i>		Recurring	-6.0	-8.2	-0.3	-0.4
<i>AFFO calculation</i>		Non Recurring	-30.8	-38.6	-1.6	-2.1
		Property Taxes	-4.8	-12.7	-0.3	-0.7
<i>NOI calculation</i>		Operating	0.6	-0.4	0.0	0.0
<i>Non Cash</i>		Non Operating	-5.4	-12.4	-0.3	-0.7
<i>NOI calculation</i>		Property Management Fees	-20.4	-16.6	-1.1	-0.9
<i>NOI calculation</i>		Electricity	-13.1	-12.7	-0.7	-0.7
<i>AFFO calculation</i>		Brokers Fees	-20.0	-13.2	-1.0	-0.7
		Property Insurance	-3.6	-3.7	-0.2	-0.2
<i>NOI calculation</i>		Operating	-2.9	-2.8	-0.2	-0.2
<i>EBITDA calculation</i>		Administrative	-0.7	-0.8	0.0	0.0
<i>NOI calculation</i>		Security	-5.0	-3.8	-0.3	-0.2
<i>EBITDA calculation</i>		Advertising	-0.5	-0.2	0.0	0.0
		Other Expenses	-18.6	-6.1	-0.9	-0.3
<i>NOI calculation</i>		Operational Related	-3.9	-4.6	-0.2	-0.2
<i>Non Cash</i>		Non Operational Related	-15.3	-0.5	-0.8	0.0
<i>EBITDA calculation</i>		Administrative	0.6	-1.1	0.0	-0.1
<i>Non Cash</i>		Bad Debt Expense	-14.6	-4.7	-0.8	-0.2
		Total Real Estate Expenses	-137.4	-120.3	-7.1	-6.5

Source: PGIM Real Estate - Fund Accounting



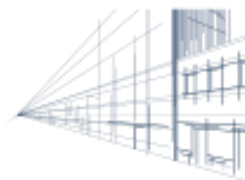
Appendix 3 – Fees and Administrative Expenses

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			
		2Q18	2Q17	2Q18	2Q17
		<i>(million of pesos)</i>		<i>(million of dollars)</i>	
<i>EBITDA calculation</i>	External Advisor Fees	-59.2	-47.7	-2.9	-2.6
	Legal Fees	-1.4	-3.8	-0.1	-0.2
<i>EBITDA calculation</i>	Recurring	0.0	-0.3	0.0	0.0
<i>AFFO calculation</i>	Non Recurring	-1.3	-3.5	-0.1	-0.2
	Other Professional Fees	-4.8	-5.1	-0.3	-0.3
<i>EBITDA calculation</i>	Recurring	-2.4	-3.3	-0.2	-0.2
<i>AFFO calculation</i>	Non Recurring	-2.3	-1.7	-0.1	-0.1
	Administrative Fees	-35.4	-24.8	-1.8	-1.3
<i>EBITDA calculation</i>	Recurring	-12.5	-8.6	-0.6	-0.5
<i>Non Operational related</i>	Non Recurring ¹	-22.9	-16.2	-1.1	-0.9
<i>EBITDA calculation</i>	Payroll	-6.8	-5.8	-0.4	-0.3
<i>EBITDA calculation</i>	Trustee Fees	-0.3	-2.2	0.0	-0.1
<i>EBITDA calculation</i>	Other Expenses	-3.0	-1.7	-0.2	-0.1
Total Fees and Admin. Expenses		-110.9	-91.0	-5.6	-4.9

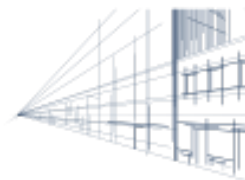
*(1) Non operational related administrative fees.
Source: PGIM Real Estate - Fund Accounting*



Appendix 4 – Reconciliation

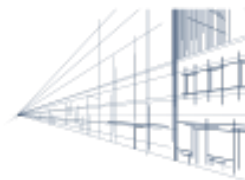
Reconciliation of Net Profit (Loss) to FFO, EBITDA and NOI

	2Q18	2Q17	2Q18	2Q17
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Comprehensive Income (Loss)	2,897.6	-840.3	149.4	-45.3
<i>Add (deduct) Currency Translation Adjustment:</i>				
Currency Translation Adjustment	-	1,066.9	-113.7	57.5
	2,205.5			
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	8.6	3.4	0.4	0.2
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	69.0	-50.8	3.6	-2.7
Gain (Loss) on Derivative Financial Instruments	0.2	-	0.0	-
Fair Value Adjustment on Borrowings	-246.3	190.2	-12.7	10.2
Fair Value Adjustment on Derivative Financial Instruments	-9.4	-4.4	-0.5	-0.2
Fair Value Adjustment on Investment Properties	-4.1	62.7	-0.2	3.4
Gain (Loss) from Sales of Real Estate Properties	0.0	-1.9	0.0	-0.1
<i>Add (deduct) Expenses Adjustment:</i>				
Non Recurring Repair and Maintenance	30.8	38.6	1.6	2.1
Non Operating Property Taxes	5.4	12.4	0.3	0.7
Brokers Fees	20.0	13.2	1.0	0.7
Bad Debt Expense	14.6	4.7	0.8	0.3
Other Non Operational Related Expenses	15.3	0.5	0.8	0.0
Non Recurring Legal Fees	1.3	3.5	0.1	0.2
Non Recurring Other Professional Fees	2.3	1.7	0.1	0.1
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-8.4	-5.8	-0.4	-0.3
Other Non-Cash Income	-4.7	-2.3	-0.2	-0.1
Reimbursable Tenant Improvements	-5.5	-7.5	-0.3	-0.4
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Operational Administrative Fees	22.9	16.2	1.2	0.9
FFO	604.2	500.8	31.3	26.9
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Interest Paid	240.2	205.4	12.4	11.1
Recurring Borrowing Expenses	0.0	0.3	0.0	0.0
Interest Income	-2.4	-2.0	-0.1	-0.1
EBITDA	842.0	704.5	43.6	37.9
<i>Add (deduct) Expenses Adjustment:</i>				
External Advisor Fees	59.2	47.7	3.1	2.6
Recurring Legal Fees	0.0	0.3	0.0	0.0
Recurring Other Professional Fees	2.4	3.3	0.1	0.2
Administrative Fees	12.5	8.6	0.6	0.5
Payroll	6.8	5.8	0.4	0.3
Trustee Fees	0.3	2.2	0.0	0.1
Other Expenses	3.0	1.7	0.2	0.1
Advertising	0.5	0.2	0.0	0.0
Administrative Property insurance	0.7	0.8	0.0	0.0
Other Administrative Expenses	-0.6	1.1	0.0	0.1
NOI	926.9	776.3	47.9	41.8
<i>Add (deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	6.0	8.2	0.3	0.4
Operating Property Taxes	-0.6	0.4	0.0	0.0
Property Management Fees	20.4	16.6	1.1	0.9
Electricity	13.1	12.7	0.7	0.7
Operating Property Insurance	2.9	2.8	0.2	0.2
Security	5.0	3.8	0.3	0.2
Other Operational Expenses	3.9	4.6	0.2	0.2
<i>Add (deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	4.7	2.3	0.2	0.1
Accrued Income	8.4	5.8	0.4	0.3
Reimbursable Tenant Improvements	5.5	7.5	0.3	0.4
Share of Profit from Equity Accounted Investments	-15.1	-15.7	-0.8	-0.8
Net Revenue	981.1	825.1	50.6	44.4



Reconciliation of Net Profit (Loss) to AFFO

	2Q18	2Q17	2Q18	2Q17
	<i>(millions of pesos)</i>		<i>(millions of dollars)</i>	
Comprehensive Income (Loss)	2,897.6	-840.3	149.4	-45.3
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	-2,205.5	1,066.9	-113.7	57.5
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	8.6	3.4	0.4	0.2
<i>Add (deduct) Non-Cash Adjustment:</i>				
Foreign Exchange Adjustments	69.0	-50.8	3.6	-2.7
Gain (Loss) on Derivative Financial Instruments	0.2	-	0.0	-
Fair Value Adjustment on Borrowings	-246.3	190.2	-12.7	10.2
Fair Value Adjustment on Derivative Financial Instruments	-9.4	-4.4	-0.5	-0.2
Fair Value Adjustment on Investment Properties	-4.1	62.7	-0.2	3.4
Gain (Loss) from Sales of Real Estate Properties	0.0	-0.8	0.0	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Operating Property Taxes	5.4	12.4	0.3	0.7
Bad Debt Expense	14.6	4.7	0.8	0.3
Other Expenses Non Operational Related	15.3	0.5	0.8	0.0
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-8.4	-5.8	-0.4	-0.3
Other Non-Cash Income	-4.7	-2.3	-0.2	-0.1
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Administrative Fees	22.9	16.2	1.2	0.9
<i>Add (deduct) Capex Adjustment:</i>				
AFFO	555.3	452.4	28.8	24.3



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

Quarterly Average Price (dollars) ¹	1.47
(x) CBFIs (million shares)	791.0
(=) Market Capitalization	1,161.0
(+) Total Liabilities	1,030.5
(-) Cash	102.8
(=) Enterprise Value	2,088.6
(-) Landbank	51.9
(=) Implied Operating Real Estate Value	2,036.7
Net Operating Income (NOI) 2018e	185.0
Implied Cap Rate	9.1%

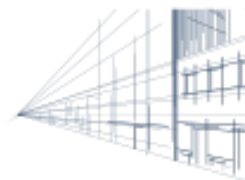
Figures expressed in millions of dollars unless otherwise stated.

(1) 2Q18 average share price of Ps.28.46; and average exchange rate of Ps. 19.3911

Cap Rate Calculation with NAV

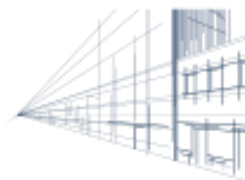
(+) Investment Properties (excluding landbank)	2,261.0
(+) Land	51.9
(+) Cash	102.8
(-) Total Liabilities	1,030.5
(=) NAV ¹	1,385.2
(/) CBFIs (million shares)	791.0
(=) NAV per CBFI (dollars)	1.8

CBFI Price (NAV calculation)	1.8
(x) CBFIs (million shares)	791.0
(=) Market Cap	1,385.2
(+) Total Debt and Liabilities	1,030.5
(-) Cash	102.8
(=) Enterprise Value	2,312.9
(-) Landbank	51.9
(=) Implied Operating Real Estate Value	2,261.0
Net Operating Income (NOI) 2018e	185.0
Implied Cap Rate	8.2%



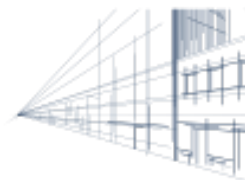
Financial Statements

Income Statement	2Q18	2Q18
	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Rental revenues	\$930,232	\$47,972
Other operating income	58,635	3,024
Real estate operating expenses	(137,408)	(7,086)
Fees and other expenses	(110,920)	(5,720)
Realized gain (loss) from disposal of investment properties	-	-
Net gain (loss) from fair value adjustment on investment properties	4,109	212
Net gain (loss) from fair value adjustment on borrowings	246,282	12,701
Net gain (loss) unrealized from fair value on derivative financial instruments	9,358	483
Realized gain (loss) on derivative financial instruments	(207)	(11)
Foreign exchange (loss) gain	(69,004)	(3,559)
Operating profit	931,077	48,016
Finance income	2,422	125
Finance cost	(248,788)	(12,830)
Finance cost - net	(246,366)	(12,705)
Share of profit from equity accounted investments	7,378	380
Net Profit for the period	692,089	35,691
Items that may be subsequently reclassified to profit or loss- currency translation differences	2,205,470	113,736
Total Comprehensive income for the period	2,897,559	149,427



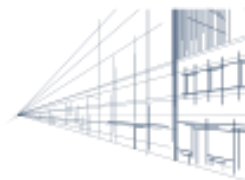
Financial Statements

Balance Sheet	Jun-30-18	Jun-30-18
<i>(thousands of pesos)</i>	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Assets		
Non-current assets		
Investment properties <small>(Cost: 30/06/2018 - Ps.45,597,200, US\$2,351,450; 31/03/2018 - Ps.41,634,186, US\$2,269,5735)</small>	\$46,176,289	\$2,324,704
Investments accounted using equity method	449,436	22,626
Derivative financial instruments	70,828	3,566
Deferred charges and accrued income	208,263	10,485
Loan receivable <small>(Cost: 30/06/2018 - Ps.38,613, US\$1,991; 31/03/2018 - Ps.35,660, US\$1,944)</small>	38,613	1,944
Restricted cash	36,934	1,859
Current assets		
Other assets	34,191	1,721
Loan receivable <small>(Cost: 30/06/2018 - 632, US\$33; 31/12/2017 - Ps.1,244, US\$63)</small>	632	32
Recoverable taxes	296,763	14,940
Prepaid expenses	4,461	225
Deferred charges and accrued income	5,463	275
Accounts receivable <small>(Net of allowance for doubtful accounts: 30/06/2018 - 54,084, US\$2,789; 31/03/2018 - Ps.36,454, US\$1,987)</small>	133,905	6,741
Cash and cash equivalents	2,042,416	102,824
Total assets	49,498,194	2,491,942
Net assets attributable to Investors		
Contributions, net	19,513,306	982,380
Retained earnings	186,666	9,398
Currency translation adjustment	9,328,922	469,656
Total net assets (Net Equity)	29,028,894	1,461,434
Liabilities		
Non-current liabilities		
Borrowings <small>(Cost: 30/06/2018 - Ps.19,700,401, US\$1,015,951; 31/03/2018 - Ps.18,194,058, US\$991,799)</small>	19,686,895	991,119
Tenant deposits	297,217	14,963
Accounts payable	4,866	245
Current liabilities		
Trade and other payables	229,704	11,564
Borrowings <small>(Cost: 30/06/2018 - Ps.139,748, US\$7,207; 31/03/2018 - Ps.219,194, US\$11,949)</small>	139,748	7,035
Tenant deposits	110,870	5,582
Total liabilities (excluding net assets attributable to the Investors)	20,469,300	1,030,509
Total net assets and liabilities	49,498,194	2,491,942



Financial Statements

Cash Flow Statement	Jun-18	Jun-18
	<i>(thousands of pesos)</i>	<i>(thousands of dollars)</i>
Cash flows from operating activities		
(Loss) profit for the period	\$798,114	\$40,180
Adjustments:		
Net loss (gain) unrealized from fair value adjustment on investment properties	558,798	28,132
Net loss (gain) unrealized from fair value adjustment on borrowings	(398,921)	(20,083)
Net loss (gain) unrealized from fair value adjustment on derivative financial instruments	(38,921)	(1,959)
Realized gain from disposal of investment properties	17,836	898
Bad debt expense	22,953	1,156
Interest expense	458,960	23,106
Interest income on bank accounts	(3,180)	(160)
Share of profit from equity accounted investments	(12,943)	(652)
Decrease (increase) deferred rents receivable	(15,548)	(783)
Decrease (increase) in accounts receivable	(98,220)	(4,945)
Decrease (increase) in recoverable taxes	853,009	42,944
Decrease (increase) in reimbursed value added tax	(466,237)	(23,472)
Decrease (increase) in prepaid expenses	7,311	368
Decrease (increase) in other assets	(8,359)	(421)
Decrease (increase) in tenant deposits	19,318	973
(Decrease) in accounts payable	22,733	1,144
Net cash (used in) generated from operating activities	1,716,703	86,426
Cash flows from investing activities		
Acquisitions of investment properties	(481,977)	(24,265)
Improvements of investment properties	(24,183)	(1,217)
Proceeds from dispositions of investment properties	-	-
Acquisition prepayment	-	-
Interest income on bank accounts	3,180	160
Investments in joint venture	390	20
Loans receivable payment	594	30
Net cash (used in) generated from investing activities	(501,996)	(25,273)
Cash flows from financing activities		
Proceeds from borrowings	-	-
Principal payments on borrowings	(879,578)	(44,282)
Interest expense	(449,479)	(22,629)
Distributions to investors	(990,293)	(49,855)
Restricted cash	(274)	(14)
Net cash (used in) generated from financing activities	(2,319,624)	(116,779)
Net (decrease) in cash and cash equivalents	(1,104,917)	(55,626)
Cash and cash equivalents at the beginning of the period	3,209,041	161,556
Exchange effects on cash and cash equivalents	(61,708)	(3,107)
Cash and cash equivalents at the end of the period	\$2,042,416	\$102,824



Financial Statements

Statement of Changes in Equity

	Net contributions	Currency translation adjustment	Retained earnings	Net assets
<i>(thousands of pesos)</i>				
Balance at January 1, 2018	\$19,844,088	\$9,169,409	\$48,063	\$29,061,560
Capital Contribution, Net of Issuing Costs	0	-	-	-
Distributions to Investors	(330,782)	-	(659,511)	(990,293)
Comprehensive Income				
Net loss of the period	-	-	798,114	798,114
Other Comprehensive Income				
Currency Translation	-	159,513	-	159,513
Total Comprehensive (loss) income	-	159,513	798,114	957,627
Net Assets as of June 30, 2018	\$19,513,306	\$9,328,922	\$186,666	\$29,028,894

(thousands of dollars)

Balance at January 1, 2018	\$999,033	\$461,626	\$2,420	\$1,463,078
Capital Contribution, Net of Issuing Costs	0	-	-	-
Distributions to Investors	(16,653)	-	(33,202)	(49,855)
Comprehensive Income				
Net loss of the period	-	-	40,180	40,180
Other Comprehensive Income				
Currency Translation	-	8,031	-	8,431
Total Comprehensive (loss) income	-	8,031	40,180	48,211
Net Assets as of June 30, 2018	\$982,380	\$469,656	-	\$1,461,834