



Fourth Quarter and Full Year 2013 Earnings Report

Mexico City, February 27, 2014 – Terrafina (“TERRA”) (BMV: TERRA13), a leading Mexican industrial real estate investment trust (“FIBRA”), externally advised by Prudential Real Estate Investors and dedicated to the acquisition, development, lease and management of industrial real estate properties in Mexico, today announced its fourth quarter and full year 2013 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 can 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 2013 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.

Financial and Operational Highlights as of December 31, 2013

Operational

- **As of December 31, 2013, occupancy rate was 89.7%**, a 113 basis points increase compared to third quarter of 2013. Moreover, 2013 “same store”¹ occupancy rate was **88.3%**, representing an increase of 207 basis points compared to 3Q13. Additionally, **considering the signed letters of intent, occupancy for 2013 was 90.5%**.
- **Annualized average leasing rate per square foot for 2013 was US\$4.76**, whereas **same store annualized average leasing rate was of US\$ 4.54 per square foot**.
- **Terrafina reported a total of 30.8 million square feet (MSF) of Gross Leasable Area (GLA) comprised of 216 properties and 223 tenants at the end of 2013.**
- **2013 leasing activity totaled 7.9 million square feet (msf)**, of which **37.3% is new leasable area and 62.7% are lease renewals**. Leasing activity was mainly concentrated in the Ciudad Juarez, Cuautitlan Izcalli, Nuevo Laredo, Ramos Arizpe and Tijuana markets.
- **Total expansions for 2013 included 455 thousand square feet of GLA**, of which 85 thousand are still under development. These expansion activities are expected to contribute **US\$1.8 million to Net Operating Income (NOI) generation for the 2014 period**. The return rate for the expansions made during the year was **10.7%**.
- **Net acquisitions during 2013 correspond to a total of approximately 11 msf of GLA** (comprised of 84 properties from the American Industries – Kimco portfolio) at a **net acquisition price of US\$562 million and a cap rate of 8.7%**.

(1) Excludes acquisitions made in 2013.



Financial

- **FY2013 net revenues reached US\$84.7 million, of which US\$37.6 million were generated in the fourth quarter and represent a 66.7% increase compared to third quarter of 2013. It is important to mention that income generation from the American Industries – Kimco portfolio acquisition is fully shown in the fourth quarter results. Annualized revenues for 4Q13 totaled US\$150.6 million.**
- **FY2013 NOI was US\$69.9 million, of which US\$31.0 million were generated during 4Q13. Annualized NOI for 4Q13 was US\$124.1 million.**
- **The NOI Margin for 2013 reached 87.6% and 87.9% in 4Q13, 25 basis points lower compared to 3Q13.**
- **FY2013 EBITDA reached US\$59.2 million, of which US\$28.1 million was generated during 4Q13. Additionally, annualized EBITDA for 4Q13 was US\$112.3 million.**
- **The EBITDA Margin for 2013 was 74.2% and 79.6% for 4Q13, a 742 basis points increase compared to 3Q13.**
- **FY2013 Adjusted Funds for operations (AFFO) reached US\$32.6 million, of which US\$14.3 million were generated during 4Q13. Annualized AFFO for 4Q13 was US\$57.3 million.**
- **The AFFO margin for 2013 was 40.1% and 40.3% in 4Q13, an 85 basis points decrease compared to 3Q13.**
- **FY13 distributions totaled US\$35.0 million. As a result of 4Q13 operations, Terrafina will pay Ps. 0.4769 per CBFi (US\$0.0366 per CBFi) as distributions corresponding to the period from October 1 to December 31, 2013. Moreover, the accretive effect of the American Industries – Kimco portfolio acquisition was substantiated by a 43.1% distribution increase compared to 3Q13.**
- **Annualized CBFi distributions for 4Q13 was US\$0.1466, considering the average share price for 4Q13 of US\$1.86 (Ps. 24.26); Terrafina's dividend yield was 7.9%.**



Financial Highlights

Operating	Mar13 ¹	Jun13	Sep13	Dec13
Number of Developed Properties	132	132	216	216
Gross Leasable Area (GLA) (msf) ²	19.87	20.06	30.67	30.76
Expansions (msf)	0.18	0.37	0.37	0.46
Acquisitions (msf)	-	-	11.13	11.13
Land Reserves (msf)	7.51	7.51	7.51	7.51
Occupancy Rate	85.9%	85.7%	88.6%	89.7%
Avg. Leasing Rent / Square Foot (dollars)	4.60	4.62	4.77	4.76
Weighted Average Remaining Lease Term (years)	3.59	3.48	3.76	3.74
Renewal Rate ³	58.0%	67.0%	72.2%	72.1%

Accumulated Financials	Mar13 ¹	Jun13	Sep13	Dec13		Mar13 ¹	Jun13	Sep13	Dec13
					fx	12.3984	12.4808	12.6883	12.8391
	(millions of pesos unless otherwise stated)					(millions of pesos unless otherwise stated)			
Rental Revenues	31.3	274.4	529.1	966.9		2.5	22.0	41.7	75.3
Other Operating Income	10.6	31.7	68.7	121.2		0.9	2.5	5.4	9.4
Net Revenues	41.9	306.1	597.8	1,088.1		3.4	24.5	47.1	84.7
Net Operating Income (NOI)	28.0	248.3	492.6	896.8		2.3	19.9	38.8	69.9
NOI Margin	72.0%	86.4%	87.3%	87.6%		72.0%	86.4%	87.3%	87.6%
EBITDA ⁴	25.3	193.9	394.2	760.0		2.0	15.6	31.1	59.2
EBITDA Margin	64.9%	67.7%	69.9%	74.2%		64.9%	67.7%	69.9%	74.2%
Funds from Operations (FFO)	19.0	156.7	316.7	549.1		1.5	12.6	25.0	42.8
FFO Margin	48.7%	54.8%	56.1%	53.6%		48.7%	54.8%	56.1%	53.6%
Adjusted Funds from Operations (AFFO)	17.5	112.6	232.0	419.4		1.4	9.1	18.3	32.6
AFFO Margin	44.5%	38.8%	39.9%	40.1%		44.5%	38.8%	39.9%	40.1%
Net Profit	61.1	98.8	192.1	513.9		4.8	7.8	15.3	40.5
Net Margin	143.1%	31.7%	32.5%	47.8%		143.1%	31.7%	32.5%	47.8%
Distributions	16.4	141.7	267.6	449.3		1.3	11.4	21.1	35.0
Distributions per CBF ⁵	0.0430	0.3719	0.7023	1.1792		0.0035	0.0298	0.0554	0.0920

Quarterly Financials	1Q13 ¹	2Q13	3Q13	4Q13		1Q13 ¹	2Q13	3Q13	4Q13
					fx	12.3984	12.4915	12.9199	13.0262
	(millions of pesos unless otherwise stated)					(millions of pesos unless otherwise stated)			
Rental Revenues	31.3	243.1	254.7	437.8		2.5	19.5	19.7	33.6
Other Operating Income	10.6	21.1	37.0	52.5		0.9	1.7	2.9	4.0
Net Revenues	41.9	264.3	291.6	490.3		3.4	21.2	22.6	37.6
Net Operating Income (NOI)	28.0	220.3	244.3	404.1		2.3	17.7	18.9	31.0
NOI Margin	72.0%	88.7%	88.2%	87.9%		72.0%	88.7%	88.2%	87.9%
EBITDA ⁴	25.3	168.6	200.2	365.8		2.0	13.6	15.5	28.1
EBITDA Margin	64.9%	68.1%	72.2%	79.6%		64.9%	68.1%	72.2%	79.6%
Funds from Operations (FFO)	19.0	137.7	160.0	232.4		1.5	11.1	12.3	17.8
FFO Margin	48.7%	55.8%	57.6%	50.4%		48.7%	55.8%	57.6%	50.4%
Adjusted Funds from Operations (AFFO)	17.5	95.1	119.5	187.3		1.4	7.7	9.2	14.3
AFFO Margin	44.5%	37.9%	41.1%	40.3%		44.5%	37.9%	41.1%	40.3%
Net Profit	61.1	37.7	93.3	321.8		4.8	2.9	7.5	25.2
Net Margin	143.1%	13.9%	33.3%	67.0%		143.1%	13.9%	33.3%	67.0%
Distributions	16.4	125.3	125.9	181.7		1.3	10.0	9.7	13.9
Distributions per CBF ⁵	0.0430	0.3289	0.3304	0.4769		0.0035	0.0263	0.0256	0.0366

Figures in dollars in the Income Statement were converted into pesos at the average exchange rate for the period; for the Balance Sheet the exchange rate for the close of the period was used. (1) Results for the period from March 20 to March 31, 2013. (2) Millions of square feet. (3) Indicates the lease renewal rate with contract expirations during the 2013 period. (4) Earnings before financial expenses, taxes, depreciation and amortization. (5) Real Estate Investment Certificates.

(*) Revenues and expenses have been adjusted for the calculation of the above mentioned metrics. Please refer to the "2013 Financial Performance" and "Annexes" section available in this document.

Source: PREI Latin America – Portfolio Management – Fund Accounting



Financial Highlights *(continued)*

Balance Sheet	Mar13 ¹	Jun13	Sep13	Dec13	Mar13 ¹	Jun13	Sep13	Dec13
					12.3546	13.0235	13.0119	13.0765
	(millions of pesos unless otherwise stated)				(millions of pesos unless otherwise stated)			
Cash & Cash Equivalents	248.3	204.5	1,226.4	728.5	20.1	15.7	94.3	55.7
Investment Properties	11,570.9	12,163.8	19,774.4	20,179.7	936.6	934.0	1,519.7	1,543.2
Land Reserves	982.6	1,055.8	1,097.3	966.6	79.5	81.1	84.3	73.9
Total Debt	2,828.5	3,062.8	11,997.2	11,987.3	228.9	235.2	922.0	916.7
Net Debt	2,580.2	2,858.3	10,770.8	11,258.7	208.8	219.5	827.8	861.0

Same Store Relevant Information	1Q13 ¹	2Q13	3Q13	4Q13	1Q13 ¹	2Q13	3Q13	
	(millions of pesos unless otherwise stated)				(millions of pesos unless otherwise stated)			
Net Revenues	41.9	264.3	291.6	287.6	3.4	21.2	22.6	22.1
Real Estate Expenses	-12.9	-60.9	-69.5	-82.4	-1.0	-4.9	-5.4	-6.3
Net Operating Income (NOI)	28.1	220.3	244.3	222.3	2.3	17.7	18.9	17.1
Occupancy Rate	85.9%	85.7%	86.3%	88.3%	85.9%	85.7%	86.3%	88.3%
Avg. Leasing Rent / Square Foot (dollars)	4.60	4.62	4.56	4.54	4.60	4.62	4.56	4.54

Figures in dollars in the Balance Sheet are converted using the closing exchange rate of the period. Same store information evaluates the performance of the industrial properties that were in from March 20, 2013 to December 31, 2013. Acquired properties in 2013 are not included in the same store analysis. (1) Results for the period March 20, 2013 to March 31, 2013

Source: PREI Latin America - Portfolio Management and Fund Accounting.



Letter to Shareholders

Dear Shareholders,

It is with great pleasure that I address you with important news regarding the most important financial highlights achieved by TerraFina during 2013. It is certain that we encountered complex global circumstances and that we continued to adjust to the economic conditions in certain industries. However, it is important to mention that our efforts were focused on transforming challenges into opportunities, maintaining a leadership position in the Mexican industrial REIT sector, which allowed us to strengthen our strategy and to provide value-added to investors.

In only nine months since the Initial Public Offering, 2013 stands out as a crucial year in TerraFina's trajectory. The business has strengthened with the maintenance of an important tenant base that demands high-quality industrial properties. Currently, Mexico has a highly-trained labor force, specialized in the manufacture of goods for export around the world. This is the case for the automotive, aeronautical and electronics industries – just to mention some of the most relevant sectors. As a result, this has triggered a virtuous circle benefiting the manufacturing for export sector via attracting companies to establish operations Mexico, which also favors continued economic development in Mexico. With regards to logistics and distribution activities, these are relevant to TerraFina where we have several leased properties – mainly with foreign companies focused on warehouse and distribution activities to ports and border towns. Moreover, we believe that in the mid and long term, a growing middle class in the country will continue to drive internal consumption that will set in motion a higher degree of logistics and distribution activities.

As evidence of TerraFina's solid 2013 performance, occupancy rates have reached almost 90%. This result was possible due to the combination of knowledge and expertise from internal management, the robust external advisory from Prudential Real Estate Investors Latin America and the dedication from the property management teams. Furthermore, we are dedicated to actively promoting lease renewals, expansions from current tenants, as well as evaluating potential new GLA developments and acquisitions, which all reflect the operational and financial results included in this earnings report.

In terms of the progress on our 2013 strategic objectives, which we have been addressing since the Initial Public Offering, our effort would focus on the procurement of organic growth and the analysis of potential acquisitions that would allow us to consolidate our presence in high-growth cities.

As a result, I'm pleased to inform you that we delivered on both commitments. First, we developed more than 455 thousand square feet of expansions, and second, we made one of the most important acquisition transactions of the year, the American Industries – Kimco portfolio acquisition. This transaction was comprised of 84 industrial properties, which significantly added economic value to the existing portfolio. This value is reflected in more than a 40% increase in the distributions for the fourth quarter compared to the third quarter, evidence of the added value of the acquired portfolio.



Finally, I would like to add we are aware there is a lot of work ahead of us to continue improving and therefore, we will be attentive of any opportunities that may arise in 2014. We are convinced that Terrafina's continuous development is supported by a strong and growing industry and by a proven strategy, which is planned and executed by an experienced team focused on the acquisition, development and management of industrial properties. On behalf of Terrafina, I thank you for your time and trust. Going forward, you can be assured that we will maintain our priority of seeking growth opportunities that add value.

Sincerely,
Alberto Chretin

Terrafina's Chief Executive Officer and Chairman of the Board



Operational Highlights

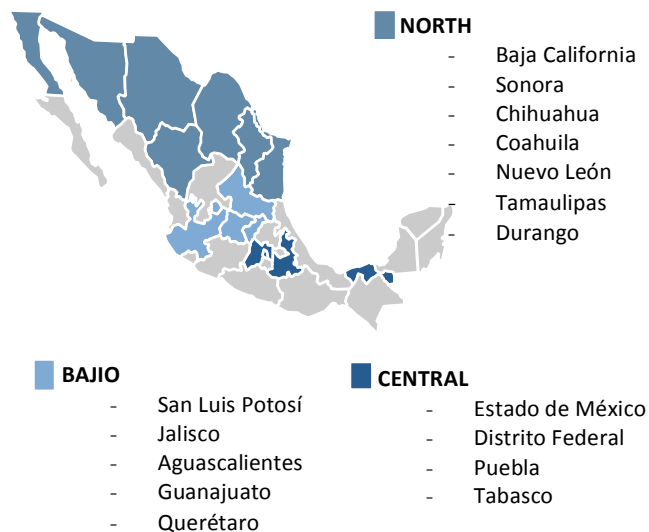
Highlights by Region

(as of December 31, 2013)

	North	Bajío	Central	Total
# Buildings	150	39	27	216
# Tenants	148	38	37	223
GLA (msf)	18.4	6.3	6.0	30.8
Expansions (msf)	0.1	0.2	0.2	0.5
Acquisitions ¹ (msf)	9.6	1.0	0.0	10.6
Land Reserves (msf)	3.7	0.2	3.6	7.5
Occupancy Rate	88.5%	88.1%	95.0%	89.7%
Average Leasing Rent / Square Foot (dollars)	4.61	4.86	5.09	4.76
Annualized Rental Base %	57.4%	20.6%	22.1%	100.0%
Renewal Rate	75.5%	65.8%	72.6%	71.7%

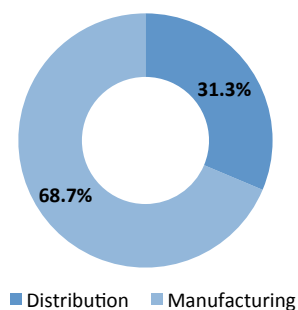
(1) Excludes properties sold.

Source: PREI Latin America - Portfolio Management



TerraFina's operations at the end of 2013.

Use of Property Diversification



Leasing Activity

	1Q13	2Q13	3Q13	4Q13	2013
Operating Portfolio (msf):					
Renewals	1.2	1.5	1.2	1.9	5.8
New Leases	0.2	0.1	0.6	0.8	1.7
Properties Under Development	0.2	0.2	0.0	0.1	0.5
Total Square Feet of Leases Signed	1.6	1.8	1.7	2.8	7.9
Retention Rate	58.0%	90.0%	61.1%	71.7%	72.1%

Source: PREI Latin America - Portfolio Management



Operational Highlights *(continued)*

Occupancy, Rents and Leasing by Region

	Same Store ¹		AI-Kimco Portfolio		Consolidated	
	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
<i>(As of December 31, 2013)</i>						
North	84.3%	4.02	92.4%	5.12	88.5%	4.61
Baja California	75.8%	4.57	100.0%	4.57	79.1%	4.57
Sonora	86.3%	3.83	-	-	86.3%	3.83
Chihuahua	94.8%	3.55	94.5%	5.24	94.6%	4.82
Coahuila	94.2%	4.22	98.1%	4.69	95.2%	4.35
Nuevo Leon	75.0%	4.23	72.7%	4.84	74.0%	4.49
Tamaulipas	55.8%	4.18	88.6%	4.29	62.2%	4.21
Durango	100.0%	3.90	0.0%	0.0%	85.2%	3.90
Bajío	87.7%	4.74	90.1%	5.46	88.1%	4.86
San Luis Potosi	88.9%	4.03	100.0%	5.55	93.8%	4.75
Jalisco	93.0%	5.36	-	-	93.0%	5.36
Aguascalientes	100.0%	4.47	-	-	100.0%	4.47
Guanajuato	100.0%	5.34	60.7%	5.02	81.1%	5.23
Queretaro	77.3%	4.67	-	-	77.3%	4.67
Central	94.9%	5.07	100.0%	10.30	95.0%	5.09
Estado de Mexico	94.1%	5.10	-	-	94.1%	5.10
Distrito Federal	-	-	100.0%	10.30	100.0%	10.30
Puebla	100.0%	4.02	-	-	100.0%	4.02
Tabasco	100.0%	5.17	-	-	100.0%	5.17
Total	88.3%	4.54	92.2%	5.16	89.7%	4.76

Source: PREI Latin America - Portfolio Management

(1) Same store information evaluates the performance of the industrial properties kept under operations throughout March 20, 2013 to December 31, 2013. Acquired properties in 2013 are not included in this analysis.



Operational Highlights *(continued)*

Maturities and Renewals by Region

	Consolidated			
	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
<i>(As of December 31, 2013)</i>				
North	22	59.5%	18	64.3%
Baja California	-	0.0%	0	0.0%
Sonora	-	0.0%	0	0.0%
Chihuahua	14	37.8%	1	42.9%
Coahuila	1	2.7%	0	0.0%
Nuevo Leon	3	8.1%	2	7.1%
Tamaulipas	4	10.8%	4	14.3%
Durango	-	0.0%	0	0.0%
Bajo	6	16.2%	4	14.3%
San Luis Potosi	-	0.0%	0	0.0%
Jalisco	2	5.4%	1	3.6%
Aguascalientes	-	0.0%	0	0.0%
Guanajuato	-	0.0%	0	0.0%
Queretaro	4	10.8%	3	10.7%
Central	9	24.3%	6	21.4%
Estado de Mexico	9	24.3%	6	21.4%
Distrito Federal	-	0.0%	0	0.0%
Puebla	-	0.0%	0	0.0%
Tabasco	-	0.0%	0	0.0%
Total	37	100.0%	28	100.0%

Source: PREI Latin America - Portfolio Management



2013 Operational Performance

Composition by Geographical Diversification

The geographical diversification of TerraFina's properties at the end of 2013 (based on GLA per square foot) was mainly located in the northern region of Mexico, representing 60% of GLA, while for the Bajío and Central regions, it represented 20.5% and 19.5%, respectively.

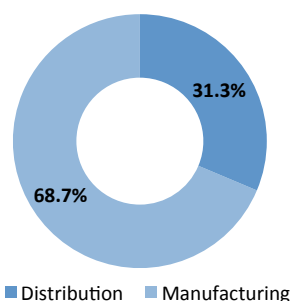
	1Q13	2Q13	3Q13	4Q13	as a % 4Q13 Total GLA
North	8.80	8.80	18.36	18.44	60.0%
Baja California	0.98	0.98	1.13	1.13	3.7%
Sonora	0.28	0.28	0.28	0.28	0.9%
Chihuahua	2.41	2.42	9.84	9.84	32.0%
Coahuila	2.42	2.42	3.30	3.38	11.0%
Nuevo Leon	0.90	0.90	1.58	1.58	5.2%
Tamaulipas	1.42	1.42	1.76	1.76	5.7%
Durango	0.40	0.40	0.46	0.46	1.5%
Bajío	5.28	5.29	6.32	6.32	20.5%
San Luis Potosi	0.97	0.97	1.74	1.74	5.7%
Jalisco	1.29	1.29	1.29	1.29	4.2%
Aguascalientes	0.75	0.75	0.75	0.75	2.4%
Guanajuato	0.28	0.28	0.54	0.54	1.8%
Queretaro	1.99	1.99	1.99	1.99	6.5%
Central	5.79	5.97	6.00	6.00	19.5%
Estado de Mexico	4.96	5.14	5.14	5.14	16.7%
Distrito Federal	0.00	0.00	0.02	0.02	0.1%
Puebla	0.18	0.18	0.18	0.18	0.6%
Tabasco	0.65	0.65	0.65	0.65	2.1%
Total	19.87	20.06	30.67	30.76	100.0%

Total Gross Leasable Area / million square feet. Potential leasable area of land reserves are not included.
Source: PREI Latin America - Portfolio Management

Composition by Asset Type

At the end of the fourth quarter 2013, 31.3% of TerraFina's total portfolio consisted of distribution and logistics properties, and 68.7% were manufacturing properties, closing at stable levels compared to third quarter 2013.

Composition by Asset Type



	1Q13	2Q13	3Q13	4Q13
Distribution	45.5%	47.5%	30.8%	31.3%
Manufacturing	54.5%	52.5%	69.2%	68.7%

Source: PREI Latin America - Portfolio Management

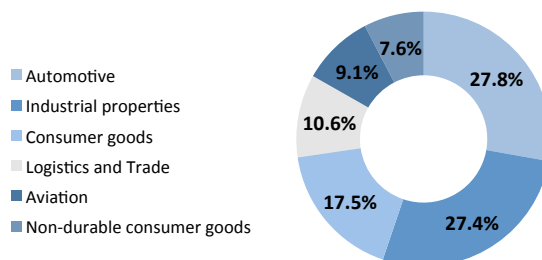


Composition by Sector

As of December 31, 2013, tenant diversification by industrial sector was as follows:

Diversification by Sector 4Q13

(as a % of leased GLA)



	1Q13	2Q13	3Q13	4Q13
Automotive	26.4%	24.9%	28.4%	27.8%
Industrial properties	26.2%	26.8%	24.6%	27.4%
Consumer goods	20.1%	20.2%	19.4%	17.5%
Logistics and Trade	16.7%	17.9%	11.0%	10.6%
Aviation	-	-	8.80%	9.1%
Non-durable consumer goods	10.6%	10.2%	7.8%	7.6%
Total	100.0%	100.0%	100.0%	100.0%

Top Clients' Composition

Terrafina's tenant leasing base is widely diversified across Mexico's main cities. At the end of 2013, Terrafina's top client, top 10 clients and top 20 clients base, represented 5.1%, 23.2% and 34.4% of total revenues, respectively.

	Leased Square Feet (millions)	% Total GLA	% Total Revenues
Top Client	1.42	5.1%	5.1%
Top 10 Clients	6.14	22.3%	23.2%
Top 20 Clients	9.21	33.4%	34.4%

Source: PREI Latin America - Portfolio Management



Occupancy

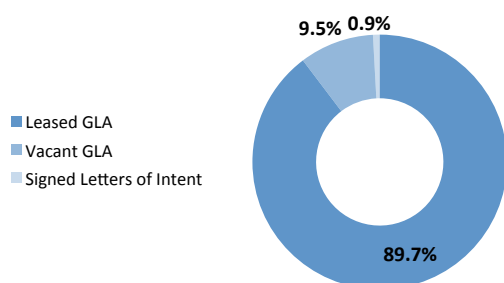
Full-year 2013, occupancy rate was of 89.7%, an increase of 113 basis points compared to 3Q13. Same store¹ occupancy increased 207 basis points from 86.3% in the third quarter to 88.3%. Moreover, considering the letters of intent, occupancy rate would have reached 90.5%.

In the fourth quarter, TerraFina's leasing activity reached 2.8 msf, of which 32.8% accounted for new leasing contracts (including expansions) and 67.2% for contract renewals. Leasing activity took place mainly in the markets of Cuautitlan Izcalli, Ciudad Juarez, Queretaro, Guadalajara, Toluca and Chihuahua. In addition to this leasing activity, TerraFina signed letters of intent for an additional 0.26 msf, which are expected to conclude during the first quarter of 2014.

It is important to mention that TerraFina has historically closed approximately 90% of its letters of intent.

Occupancy as of 4T13

(as % of Total GLA)



	1Q13	2Q13	3Q13	4Q13
Leased GLA	85.9%	85.7%	88.6%	89.7%
Vacant GLA	12.3%	12.6%	10.1%	9.5%
Signed Letters of Intent	1.8%	1.7%	1.3%	0.9%
Total	100.0%	100.0%	100.0%	100.0%

Source: PREI Latin America - Portfolio Management

Lease Maturities

TerraFina had 223 leasing contracts at the end of 2013. The leasing characteristics of these contracts have an average maturity of 3 to 5 years for logistics and distribution properties activities and 5 to 7 years for manufacturing. Annual average maturities remain on levels of 20% (as a percentage of annual base rents).

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

	Annual Base Rent (million of dollars)	% of Total	Occupied Square Feet (million)	% of Total
2014	19.9	15.2%	4.37	15.8%
2015	22.6	17.2%	4.58	16.6%
2016	16.9	12.9%	3.52	12.8%
2017	14.0	10.7%	2.87	10.4%
2018	9.7	7.4%	2.13	7.7%
Thereafter	48.1	36.7%	10.11	36.6%

Source: PREI Latin America - Portfolio Management

(1) Excludes the American Industries – Kimco portfolio acquisition



Capital Deployment

Acquisitions, New Developments and Non-Strategic Asset Sales

Acquisitions

During the third quarter of 2013, TerraFina made one of the year's most important acquisitions in the market from American Industries – Kimco, which comprised 85 industrial properties with a total leasable area of 11 msf. The purchase price was US\$605 million, which was funded with TerraFina's existing credit facilities as well as the assumption of the existing debt in the portfolio. Simultaneously, US\$43 million in property sales took place, resulting in a net purchase price for the American Industries – Kimco's portfolio acquisition of US\$562 million.

With this acquisition, TerraFina consolidates as one of the leading industrial asset owners with a largely diversified and scalable portfolio in Mexico.

It is important to mention that as a result of this acquisition, 2014 Net Operating Income (NOI) is expected to increase by approximately US\$49 million, which will result in a 40% distributions' increase, thereby adding shareholder value.

The portfolio acquisition cap rate was 8.7% that is aligned to TerraFina's commitment in participating in attractive and rational property acquisitions.

For additional information regarding TerraFina's cap rate calculation, please refer to *Annex 1* available in the last section of this earnings report.

In the following comparison table, same store, acquisitions and consolidated 2013 main indicators are illustrated below:

(As of December 31, 2013, millions of dollars unless otherwise noted)	Same Store	Acquisitions ¹	Consolidated	Var % ²
Number of Developed Properties	132.	84.	216.	63.6%
Occupancy Rate	88.3%	92.2%	89.7%	134 bps
Gross Leasable Area (GLA) (msf)	20.14	10.61	30.76	52.7%
Avg. Leasing Rent / Square Foot (dollars)	4.54	5.16	4.76	4.9%
Net Revenues	69.2	15.5	84.7	22.4%
Net Operating Income (NOI)	55.9	14.0	69.9	25.0%
EBITDA	44.9	14.3	59.2	31.9%
Adjusted Funds from Operations (AFFO)	22.7	9.9	32.6	43.5%

Same store information evaluates the performance of the industrial properties that were in operations throughout March 20, 2013 to December 31, 2013. Acquired properties in 2013 are not included in the Same Store column. (1) American Industries - Kimco portfolio acquisition. (2) Consolidated results vs. same store information.

Source: PREI Latin America - Portfolio Management y Fund Accounting

2013 acquisitions were mainly located in the northern region of the country that represented 90.1% of the total acquired GLA, while Bajío and Central region had a lower stake of 9.7% and 0.2%, respectively.

For 2014, TerraFina will continue analyzing property acquisition opportunities with order to maintain an industrial property portfolio that is comprised of high quality and geographically diversified assets.



New Developments

In 2013, TerraFina signed 455 thousand square feet of new contracts, which were all comprised of expansions of existing properties. This new developments were distributed as follows: 18.8% in the northern region (Ciudad Acuña), 41.3% in the Bajío region (Aguascalientes and Guadalajara) and 39.9% in the Central region (Cuautitlan Izcalli markets). These new developments are already pre-leased.

It is important to note that these new developments will contribute US\$1.8 million to 2014 NOI, which had a 10.7% estimated development yield, considering the total expected investment for US\$16.8 million and an NOI of US\$1.8 million for the next 12 months.

During the fourth quarter of 2013, a total of 0.09 MSF in new expansions were initiated, which are expected to be completed during 2Q14 and will add to US\$450 thousand to NOI during its first year leased.

March ¹ - December 2013					
	Square Feet (millions)	Total Expected Investment (millions of pesos)	Total Expected Investment (millions of dollars)	Cost per Square Feet (dollars)	% Paying Rent by End of the Period
North	0.09	62.6	4.8	56.06	0.0%
Bajío	0.19	71.2	5.5	29.03	100.0%
Central	0.18	86.1	6.6	36.26	0.0%
Total	0.46	220.0	16.8	37.00	0.0%
Proforma NOI² (millions of dollars)			1.8		
Estimated Stabilized Yield³			10.7%		

(1) Results for the period March 20, 2013 to December 31, 2013

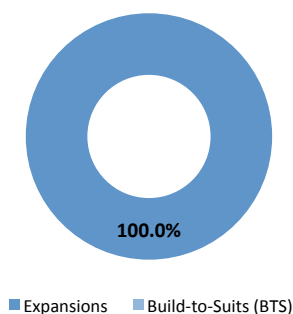
(2) Net Operating Income for the next twelve months

(3) Proforma NOI divided by the total expected investment

Source: PREI Latin America - Portfolio Management

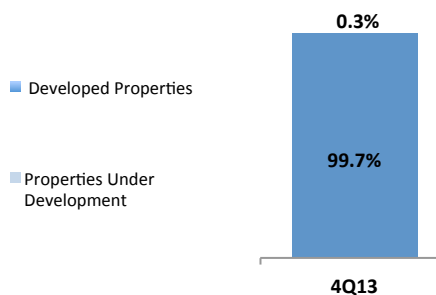
Type of Development as of 4Q13

(as a % of GLA)



Projects Under Development as of 4Q13

(as a % of Total GLA)





Capital Expenditures (CAPEX)

TerraFina's Capital Expenditures are classified as those recurring expenses that materialize based on upcoming leasing maturities and properties 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 requests.

Moreover, TerraFina expects capital expenses for vacant properties and the development of new GLA by means of expansions or new developments.

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

Capital expenditures accounts include:

- 1) Tenant improvements resources as well as recurring maintenance CAPEX
- 2) Brokers and administrative fees
- 3) Development CAPEX that by its nature, most of the time is capitalized

In 2013, TerraFina's total CAPEX investment was US\$21.3 million. The 2013 CAPEX breakdown is shown in the following table:

	2013 (million of pesos)	2013 (million of dollars)
Tenant Improvements & Recurring CAPEX	40.6	3.2
Leasing Commissions	38.5	3.0
Development CAPEX ¹	194.9	15.2
Total Capital Expenditures	274.0	21.4

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

Source: PREI Latin America - Portfolio Management

Land Reserves

TerraFina's land reserves as of December 31, 2013 was comprised of 13 land reserve properties, which account for 7.5 msf of potential GLA for the development of future industrial assets.

TerraFina's 2013 land reserves distribution was as follows:

	Square Feet (millions)	Book Value ¹ (millions of pesos)	Book Value ¹ (millions of dollars)	Market Value (millions of pesos)	Market Value (millions of dollars)
North	3.72	458.5	35.1	499.3	38.2
Bajío	0.24	19.1	1.5	19.5	1.5
Central	3.56	583.7	44.6	447.9	34.3
Total Land Portfolio	7.51	1,061.3	81.2	966.6	73.9

Source: PREI Latin America - Portfolio Management and Fund Accounting



Non-Strategic Asset Sales

During the third quarter of 2013, TerraFina initiated a capital recycling strategy through the sale of non-strategic properties. The implementation of this strategy is consistent with TerraFina's objective of specializing in key markets in order to increase revenues, improving profitability of the assets and maintaining constant and sustainable growth for TerraFina and its shareholders.

TerraFina expects that with this initiative, it can reach the sale of approximately US\$150 to US\$180 million of non-strategic assets over the next 12 to 18 months.

During 2013, TerraFina completed a property sale in the city of Monterrey for US\$44.1 million.

Currently, we are reviewing different sales opportunities that once achieved, will be communicated to the market.

	March ¹ - December 2013		
	Square Feet (millions)	Total Proceeds (millions of pesos)	Total Proceeds (millions of dollars)
Property Dispositions	0.52	580.1	44.1
Land Dispositions	0.00	0.0	0.0
Total Dispositions	0.52	580.1	44.1

(1) Results for the period March 20, 2013 to December 31, 2013
Source: PREI Latin America - Portfolio Management

2013 Financial Performance

Financial Results and Calculations

TerraFina's 2013 financial results are presented from March 20, 2013 to December 31, 2013, considering that its Initial Public Offering took place in March 19, 2013, comparison data for previous years is not available in this report and figures are compared on a quarter-over-quarter basis.

Financial results are presented in Mexican pesos and U.S. dollars and a same store analysis (which excludes 2013 acquisitions) is provided for comparison purposes.

The 2013 quarterly and accumulated Income Statement figures were converted to U.S. dollars using average exchange rates, while Balance Sheet figures were converted using closing period exchange rates.

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 *Appendixes* 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.

Rental Revenues

In 2013, TerraFina registered US\$75.3 million of rental revenues.

In 4Q13, rental revenues totaled US\$33.6 million, a 70.5% or US\$13.9 million increase compared to 3Q13. As of this quarter, the total amount of additional rental revenues from the American Industries-Kimco portfolio acquisition, which concluded on September 2013, is fully booked.

Other Operating Income

In 2013, other operating income totaled US\$9.4 million, mainly from the leasing contract deposits refunds from Triple-Net Leases. The expenses reimbursable to TerraFina mainly include electricity, property taxes, insurance and repair and maintenance activities.

In 4Q13, other operating income increased 40.8% compared to 3Q13, reaching US\$4.0 million.

Net revenues reached US\$84.7 million in 2013 and US\$37.6 million in 4Q13, an increase of US\$15.1 million, or 66.7% compared to 3Q13.

	2013	4Q13	3Q13	Var. %	2013	4Q13	3Q13	Var. %
	(millions of pesos)				(millions of pesos)			
Rental Revenues	966.9	437.8	254.7	71.9%	75.3	33.6	19.7	70.5%
Other Operating Income	121.2	52.5	37.0	42.1%	9.4	4.0	2.9	40.8%
Net Revenues	1,088.1	490.3	291.6	68.1%	84.7	37.6	22.6	66.7%

Source: PREI Latin America – Fund Accounting

For additional information regarding the revenue breakdown used to calculate additional metrics presented in this earnings report, please refer to *Appendix 2* in the last section of this document.

Real Estate Expenses

In 2013, real estate expenses totaled US\$19.2 million. These expenses mainly include repair and maintenance, electricity, fees, property taxes and insurance expenses.



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

The remaining of the accounts included into the real estate expenses are considered as non-recurring expenses, and are used to calculate Earnings Before Interests, Taxes, Depreciation and Amortization (EBITDA) and Adjusted Funds from Operations (AFFO).

For additional information regarding the real estate expenses breakdown, please refer to *Appendix 3* in the last section of this document.

Net Operating Income (NOI)

In 2013, Net Operating Income (NOI) totaled US\$69.9 million, while NOI margin was 87.6%.

During 4Q13, NOI increased 64.0%, or US\$12.1 million compared with 3Q13. NOI margin decreased 25 basis points reaching 87.9% compared to 88.2% in 3Q13.

The following table displays the calculation of NOI for the full year 2013 and 4Q13:

	2013	4Q13	3Q13	Var. %	2013	4Q13	3Q13	Var. %
	<i>(million of pesos unless otherwise stated)</i>				<i>(million of dollars unless otherwise stated)</i>			
Rental Revenues ¹	925.9	411.3	254.0	62.0%	72.2	31.6	19.7	60.6%
Other Operating income ²	97.9	48.2	23.1	108.9%	7.6	3.7	1.8	106.9%
Net Revenues for NOI Calculation	1,023.9	459.5	277.0	65.9%	79.8	35.3	21.4	64.5%
Repair and Maintenance	-28.8	-8.7	-10.3	-15.3%	-2.2	-0.7	-0.8	-16.1%
Property Taxes	-22.9	-6.5	-4.5	46.0%	-1.8	-0.5	-0.3	44.9%
Property Management Fees	-20.2	-10.6	-6.0	76.7%	-1.6	-0.8	-0.5	75.5%
Electricity	-22.0	-16.7	-3.4	383.7%	-1.7	-1.3	-0.3	379.9%
Property Insurance	-10.9	-4.6	-2.7	69.8%	-0.9	-0.4	-0.2	68.9%
Security	-9.0	-3.6	-2.4	45.9%	-0.7	-0.3	-0.2	44.6%
Other Operational Expenses	-13.4	-4.7	-3.4	40.4%	-1.0	-0.4	-0.3	39.0%
Real Estate Operating Expenses	-127.1	-55.4	-32.7	69.3%	-9.9	-4.3	-2.5	67.9%
Net Operating Income³	896.8	404.1	244.3	65.4%	69.9	31.0	18.9	64.0%
NOI Margin	87.6%	87.9%	88.2%	-25 bps	87.6%	87.9%	88.2%	-25 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) The income generated by the operation of the property, independent of external factors such as fees, 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).

Fees and Administrative Expenses

Fees and administrative expenses in 2013 totaled US\$ 14.4 million, of which 32.9% were related to advisory fees paid to the external advisor¹, 47.2% for professional service and consulting advisory and 19.8% for payroll, administrative and other expenses.

1) PLA Administradora Industrial, S. de R.L. de C.V., is a Mexican affiliate of PREI Latin America, and Advisor as per the Advisory Contract.



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

In 2013, EBITDA reached US\$59.2 million and EBITDA margin was 74.2%.

In 4Q13, EBITDA totaled US\$28.1 million, an increase of US\$12.6 million, or 81.4%, compared to 3Q13. EBITDA margin for 4Q13 was 79.6%, a 742 basis points increase compared to the previous quarter.

The following shows the EBITDA calculation for 2013 and 4Q13:

	2013	4Q13	3Q13	Var. %	2013	4Q13	3Q13	Var. %
	<i>(million of pesos unless otherwise stated)</i>				<i>(million of dollars unless otherwise stated)</i>			
Rental Revenues ¹	925.9	411.3	254.0	62.0%	72.2	31.6	19.7	60.6%
Other Operating income ²	97.9	48.2	23.1	108.9%	7.6	3.7	1.8	106.9%
Real Estate Expenses	-131.3	-56.4	-34.8	62.3%	-10.2	-4.3	-2.7	61.0%
Real Estate Operating Expenses ³	-127.1	-55.4	-32.7	69.3%	-9.9	-4.3	-2.5	67.9%
Publicity	-2.4	-0.4	-0.9	-58.1%	-0.2	0.0	-0.1	-58.5%
Admin. Property Insurance Expenses	-1.5	-0.7	-0.8	-15.9%	-0.1	-0.1	-0.1	-15.9%
Other Admin. Real Estate Expenses	-0.3	0.0	-0.3	-109.8%	0.0	0.0	0.0	-109.9%
Fees and Admin. Expenses	-132.6	-37.3	-42.0	-11.3%	-10.4	-2.9	-3.3	-12.6%
External Advisor Fees	-61.1	-15.9	-26.8	-40.8%	-4.7	-1.2	-2.1	-41.4%
Legal, Admin. and Other Professional Fees	-51.5	-20.9	-2.5	747.7%	-4.1	-1.6	-0.2	703.0%
Trustee Fees	-2.4	6.6	-6.0	-209.3%	-0.2	0.5	-0.5	-208.6%
Payroll	-9.5	-5.5	-2.3	137.5%	-0.7	-0.4	-0.2	135.1%
Other Expenses	-8.0	-1.5	-4.4	-65.7%	-0.6	-0.1	-0.3	-66.2%
EBITDA³	760.0	365.8	200.2	119.8%	59.2	28.1	15.5	81.4%
<i>EBITDA Margin</i>	<i>74.2%</i>	<i>79.6%</i>	<i>72.2%</i>	<i>742 bps</i>	<i>74.2%</i>	<i>79.6%</i>	<i>72.2%</i>	<i>742 bps</i>

(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) Operating expenses for NOI calculation. (4) Earnings before interest, taxes, depreciation and amortization.

Source: PREI Latin America - Fund Accounting

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

Financing Costs

In 2013, Terrafina registered net financing costs of US\$33.9 million, which mainly include debt expenses related to the American Industries-Kimco portfolio acquisition.



	2013	4Q13	3Q13	Var. %	2013	4Q13	3Q13	Var. %
	(millions of pesos)				(millions of dollars)			
Interest Paid	-185.8	-127.6	-31.0	311.6%	-14.4	-9.8	-2.4	307.7%
Borrowing Expenses	-256.0	-62.2	-183.7	-66.1%	-19.6	-4.8	-14.0	-66.0%
Recurring	-26.0	-6.4	-9.5	-32.6%	-2.0	-0.5	-0.7	-33.1%
Non recurring	-230.0	-55.8	-174.2	-68.0%	-17.6	-4.3	-13.3	-67.8%
Financial Products	1.0	0.6	0.3	100.0%	0.1	0.0	0.0	-
Total	-440.9	-189.2	-214.4	-11.8%	-33.9	-14.6	-16.4	-11.4%

Source: PREI Latin America - Fund Accounting

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

For the full year 2013, TerraFina's FFO reached US\$42.9 million and a 53.7% FFO margin.

TerraFina's AFFO reached US\$32.7 million, with a 40.2% AFFO margin.

In the fourth quarter, TerraFina's FFO increased by US\$5.4 million, or 44.1%, compared to the third quarter 2013, reaching US\$17.8 million. FFO Margin was 50.4%, a 711 basis points decrease quarter-over-quarter.

Additionally, TerraFina reported an AFFO of US\$14.3 million, an increase of US\$5.1 million, or 55.8%, compared to 3Q13. AFFO margin was 40.3%, a decline of 85 basis points versus 3Q13.

	2013	4Q13	3Q13	Var. %	2013	4Q13	3Q13	Var. %
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)			
EBITDA	760.0	365.8	200.2	82.7%	59.2	28.1	15.5	81.4%
Finance Cost ¹	-210.9	-133.4	-40.2	231.8%	-16.3	-10.3	-3.1	227.7%
Funds from Operations (FFO)	549.1	232.4	160.0	45.2%	42.9	17.8	12.3	44.1%
<i>FFO Margin</i>	<i>53.7%</i>	<i>50.4%</i>	<i>57.6%</i>	<i>-711 bps</i>	<i>53.7%</i>	<i>50.4%</i>	<i>57.6%</i>	<i>-711 bps</i>
Tenant Improvements	-40.6	-16.5	-9.2	80.6%	-3.2	-1.3	-0.7	81.1%
Leasing Commissions	-38.5	-17.1	-11.3	51.5%	-3.0	-1.3	-0.9	50.6%
Maintenance Capital Expenditures	-50.7	-11.4	-20.1	-43.4%	-4.0	-0.9	-1.6	-44.2%
Other Non Recurring Expenses ²	419.4	187.3	119.5	56.8%	32.7	14.3	9.2	55.8%
Adjusted Funds from Operations (AFFO)	40.2%	40.3%	41.1%	-85 bps	40.2%	40.3%	41.1%	-85 bps

(1) Operational Interest Expenses integrated by financial interest, recurring debt expenses and financial products. (2) Related expenses to acquisitions, legal and other.

Source: PREI Latin America - Fund Accounting

Net Profit

Net Profit for the full year 2013 reached US\$40.5 million and net margin of 47.8%.

Net Profit for the fourth quarter 2013 reached US\$25.2 million, an increase of US\$17.7 million, or 235.4%, compared to 3Q13.

The following table presents the calculation of Net Profit for the full year 2013 and 4Q13:



	2013	4Q13	3Q13	Var. %	2013	4Q13	3Q13	Var. %
	<i>(millions of pesos unless otherwise stated)</i>				<i>(millions of dollars unless otherwise stated)</i>			
Net Revenues	1,088.1	490.3	291.6	68.1%	84.7	37.6	22.6	66.8%
Real Estate Expenses	-245.2	-102.0	-69.5	46.8%	-19.1	-7.8	-5.4	45.6%
Fees and Other Expenses	-183.2	-48.7	-62.1	-21.7%	-14.3	-3.7	-4.8	-22.3%
Gain (Loss) from Sales of Real Estate Properties	4.3	-110.1	114.4	-	0.3	-8.4	8.9	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	184.3	153.2	44.0	248.2%	14.4	11.8	3.4	245.3%
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	0.6	2.6	-0.8	-	0.0	0.2	-0.1	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	139.9	139.9	0.0	-	10.9	10.7	0.0	-
Foreign Exchange Gain (loss)	46.0	-9.9	-2.7	266.7%	3.6	-0.8	-0.2	263.7%
Acquisition Related Expenses	-79.8	-4.4	-7.1	-38.0%	-6.2	-0.3	-0.5	-38.5%
Operating Profit	954.8	511.0	307.7	66.0%	74.4	39.8	24.0	66.0%
<i>Operating Margin</i>	<i>87.8%</i>	<i>105.7%</i>	<i>106.2%</i>	<i>-46 bps</i>	<i>87.8%</i>	<i>105.7%</i>	<i>106.2%</i>	<i>-46 bps</i>
Financial Income	1.0	0.6	0.3	100.0%	0.1	0.0	0.0	0.0%
Financial Expenses	-441.8	-189.8	-214.7	-11.6%	-34.0	-14.6	-16.4	-11.4%
Net Financial Cost	-440.9	-189.2	-214.4	-11.8%	-33.9	-14.6	-16.4	-11.4%
Net Profit	513.9	321.8	93.3	244.7%	40.5	25.2	7.5	235.4%
<i>Net Margin</i>	<i>47.8%</i>	<i>67.0%</i>	<i>33.3%</i>	<i>3,369 bps</i>	<i>47.8%</i>	<i>67.0%</i>	<i>33.3%</i>	<i>3,369 bps</i>

Source: PREI Latin America - Real Estate Operations

Distributions per CBFIs

In 2013, TerraFina distributed US\$35.0 million, or US\$0.0920, per CBFi.

TerraFina distributed US\$13.9 million, or US\$0.0366 per CBFi in 4Q13, an increase of 43.1%, compared to 3Q13, driven by the acquisition of American Industries-Kimco's portfolio.

Furthermore, it is important to mention that the tax result for the period from March 20, 2013 to December 31, 2013, registered a fiscal loss; therefore and for fiscal purposes, distributions per CBFi should be considered as a capital reimbursement for tax purposes.



TerraFina's 2013 distributions are presented in the following table:

<i>(millions of of pesos unless otherwise stated)</i>	1Q13	2Q13	3Q13	4Q13	2013
Total Outstanding CBFIs (millions of shares) ¹	381.0	381.0	381.0	381.0	381.0
CBFI Price (closing period)	27.51	27.08	25.94	23.49	23.49
Distributions	16.4	125.3	125.9	181.7	449.3
Distributions Per CBFI	0.0430	0.3289	0.3304	0.4769	1.1792
FX Rate USD/MXN (closing period)	12.3984	12.4915	12.9199	13.0262	13.0262
Distributions (millions of dollars)	1.3	10.0	9.7	13.9	35.0
Distributions Per CBFI (dollars)	0.0035	0.0263	0.0256	0.0366	0.0920
Annualized Distribution Yield ²	5.2%	4.9%	5.1%	8.1%	

(1) Total number of outstanding CBFIs: 381,014,635. (2) Distribution per share divided by the CBFI price of the closing period.
The distribution yield calculation has been annualized for comparison purposes. 1Q13 distributions comprise only 11 days of operations.
Source: PREI Latin America - Fund Accounting

Total Debt

As of December 31, 2013, TerraFina's total debt reached for US\$919.7 million. The average cost TerraFina's long-term debt, which is U.S. dollar-denominated, was 3.73%.

Most of TerraFina's loans are set at variable interest rates and are hedged with interest rate caps and fixed rate options.

	Currency	Million pesos	Million dollars	Interest Rate	Terms	Maturity	Extension Option
<i>(as of December 31, 2013)</i>							
Short Term Debt							
HSBC	Pesos	738.0	56.4	TIIE + 2.60%	Interest + Principal	Mar 2015	-
Long Term Debt							
Citibank ¹	Dollars	6,459.8	494.0	Libor + 3.50%	Interest Only	Mar 2016	-
Banorte	Dollars	504.9	38.6	Libor + 3.30%	Interest + Principal	May 2016	-
GEREM ^{2,3}	Dollars	3,664.3	280.2	Libor + 3.50%	Interest + Principal	Sep 2018	Sep 2020
HSBC ³	Dollars	620.3	47.4	Libor + 3.50%	Interest + Principal	Sep 2018	Sep 2020
Total Debt		11,987.3	916.7				
Net Cash		728.6	55.7				
Net Debt		11,258.7	861.0				
LTV⁴			53.2%				

(1) Syndicated loan facility with six banks. (2) Syndicated loan facility with four banks. (3) One-year interest only grace period. (4) Calculated as total debt divided by the value of the properties (including appraisals)
Source: PREI Latin America - Capital Markets



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 Prudential Real Estate Investors Latin America.

Terrafina owns 229 real estate properties, including 216 developed industrial facilities with a collective GLA of approximately 31 million square feet and 13 land reserve parcels, designed to preserve the organic growth capability of the portfolio.

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

About Prudential Real Estate Investors

PREI® is a leader in the global real estate investment management business, offering a broad range of investment vehicles that invest in private and public market opportunities in the United States, Europe, the Middle East, Asia, Australia and Latin America. Headquartered in Madison, N.J., the company also has offices in Atlanta, Chicago, Miami, New York, San Francisco, Frankfurt, Lisbon, London, Luxembourg, Munich, Paris, Abu Dhabi, Mexico City, Sao Paulo, Beijing, Hong Kong, Seoul, Singapore, Sydney and Tokyo. In addition, the company has representatives in Milan. PREI has gross assets under management of USD \$53.9 billion (\$40.2 billion net assets), as of September 30, 2013. For more information, please visit www.prei.com

About Prudential Financial Inc.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than \$1.1 trillion of assets under management as of December 31, 2013, 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 2013 Results
Friday, February 28, 2014
10:00 a.m. Eastern Time
9:00 a.m. Central Time

Presenting for Terrafina:

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

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

Audio Webcast Link: <http://www.videonewswire.com/event.asp?id=97824>

Conference Replay

Will be provided for your call
Dial 1-877-919-4059 or 1-334-323-0140 to listen
Passcode: 26325601



Appendix

Appendix 1 - Cap Rate Calculation

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

In the following table, the cap rate calculation is shown assuming a CBFI closing price as of December 31, 2013 of Ps. 23.49 pesos and a closing exchange rate for the same period of Ps. 13.0765.

Implied Cap Rate	
Closing Price (dollars) ¹	1.80
(x) CBFI's (million shares)	381.0
(=) Market Capitalization	684.4
(+) Total Debt	922.0
(-) Cash ²	55.7
(=) Enterprise Value	1,550.7
(-) Land Reserves	81.2
(=) Implied Operating Real Estate Value	1,469.6
Net Operating Income (NOI) 2014e	125.0
Implied Cap Rate	8.5%

Figures expressed in millions of dollars unless otherwise stated.

(1) Closing share price of Ps.23.49 and exchange rate of Ps.13.0765 (as of December 31, 2013).



Appendix 2 – Revenues

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

Additionally, there are accounting revenues that must be booked as IFRS indicates, nevertheless these are considered as non-cash items and therefore excluded in some calculations.

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

Revenues

		1Q13	2Q13	3Q13	4Q13	2013	1Q13	2Q13	3Q13	4Q13	2013
		(millions of pesos unless otherwise stated)					(millions of dollars unless otherwise stated)				
	Revenues	31.3	243.1	254.7	437.8	966.9	2.5	19.5	19.7	33.6	75.3
NOI calculation	Rental Revenue	28.8	231.9	254.0	411.3	925.9	2.3	18.6	19.7	31.6	72.2
Non Cash	Accrued Income ¹	2.5	11.3	0.7	26.5	40.9	0.2	0.9	0.1	2.0	3.2
	Other Operating Revenues	10.6	21.1	36.9	52.5	121.2	0.9	1.7	2.9	4.0	9.4
NOI calculation	Reimbursable Expenses as Revenues ²	10.2	16.5	23.1	48.2	97.9	0.8	1.3	1.8	3.7	7.6
AFFO calculation	Reimbursable Tenant Improvements	0.4	4.6	12.1	4.4	21.5	0.0	0.4	0.9	0.3	1.7
Non Cash	Other non-cash income	0.0	0.0	1.8	0.0	1.8	0.0	0.0	0.1	0.0	0.1
	Net Revenue	41.9	264.3	291.6	490.3	1,088.0	3.4	21.2	22.6	37.6	84.7

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

Source: PREI Latin America - Fund Accounting



Appendix 3 – 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).

Terrafina's 2013 real estate expenses breakdown is available in the following table and indicates the figures used for the calculation of these metrics:

	Real Estate Expenses										
		1QT13	2Q13	3Q13	4QT13	2013	1QT13	2Q13	3QT13	4QT13	2013
		(millions of pesos unless otherwise stated)					(millions of dollars unless otherwise stated)				
NOI calculation	Repair and Maintenance	-2.8	-26.9	-31.6	-29.6	-90.8	-0.2	-2.2	-2.4	-2.3	-7.1
	Recurring	-1.0	-8.7	-10.3	-8.7	-28.8	-0.1	-0.7	-0.8	-0.7	-2.2
	AFFO calculation Non Recurring	-1.7	-18.2	-21.3	-20.9	-62.0	-0.1	-1.5	-1.6	-1.6	-4.8
NOI calculation	Property Taxes	-7.5	-5.1	-4.4	-7.3	-24.2	-0.6	-0.4	-0.3	-0.6	-1.9
	Operating	-7.4	-4.5	-4.5	-6.5	-22.9	-0.6	-0.4	-0.3	-0.5	-1.8
Non Cash	Non Operating	0.0	-0.6	0.1	-0.7	-1.4	0.0	-0.1	0.0	-0.1	-0.1
NOI calculation	Property Management Fees	0.0	-3.5	-6.0	-10.6	-20.2	0.0	-0.3	-0.5	-0.8	-1.6
NOI calculation	Electricity	0.0	-1.9	-3.4	-16.7	-22.0	0.0	-0.2	-0.3	-1.3	-1.7
AFFO calculation	Brokers Fee	-0.1	-10.0	-11.3	-17.1	-38.5	0.0	-0.8	-0.9	-1.3	-3.0
NOI calculation	Property Insurance	-1.9	-1.7	-3.5	-5.3	-12.4	-0.2	-0.1	-0.3	-0.4	-1.0
	Operating	-1.9	-1.7	-2.7	-4.6	-10.9	-0.2	-0.1	-0.2	-0.4	-0.9
EBITDA calculation	Administrative	0.0	0.0	-0.8	-0.7	-1.5	0.0	0.0	-0.1	-0.1	-0.1
NOI calculation	Security	-0.3	-2.7	-2.4	-3.6	-9.0	0.0	-0.2	-0.2	-0.3	-0.7
EBITDA calculation	Publicity	-0.1	-1.0	-0.9	-0.4	-2.4	0.0	-0.1	-0.1	0.0	-0.2
NOI calculation	Other Expenses	-0.2	-5.1	-3.7	-4.7	-13.7	0.0	-0.4	-0.3	-0.4	-1.1
	Operational Related	-0.2	-5.0	-3.4	-4.7	-13.4	0.0	-0.4	-0.3	-0.4	-1.0
	Administrative	0.0	0.0	-0.3	0.0	-0.3	0.0	0.0	0.0	0.0	0.0
Non Cash	Bad Debt Expense	0.0	-3.0	-2.2	-6.8	-12.0	0.0	-0.3	-0.2	-0.5	-1.0
	Total Real Estate Expenses	-12.9	-60.9	-69.5	-102.0	-245.2	-1.0	-4.9	-5.4	-7.8	-19.2

Source: PREI Latin America - Fund Accounting



Appendix 4 – Fees and Administrative Expenses

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

Terrafina's 2013 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		1Q13	2Q13	3Q13	4Q13	2013	1Q13	2Q13	3Q13	4Q13	2013
		(millions of pesos unless otherwise stated)					(millions of dollars unless otherwise stated)				
EBITDA calculation	External Advisor Fees	-2.1	-16.4	-26.8	-15.9	-61.1	-0.2	-1.3	-2.1	-1.2	-4.7
	Legal Fees	0.0	-19.0	-9.5	-16.4	-45.0	0.0	-1.5	-0.8	-1.3	-3.5
EBITDA calculation	Recurring	0.0	-19.0	8.2	-4.3	-15.2	0.0	-1.5	0.6	-0.3	-1.2
	Non Recurring	0.0	0.0	-17.7	-12.1	-29.8	0.0	0.0	-1.4	-0.9	-2.3
AFFO calculation	Other Professional Fees	-0.2	-23.7	-8.4	-5.9	-38.3	0.0	-1.9	-0.7	-0.5	-3.0
	Recurring	-0.2	-4.5	-6.0	-6.7	-17.4	0.0	-0.4	-0.5	-0.5	-1.4
AFFO calculation	Non Recurring	0.0	-19.1	-2.4	0.7	-20.8	0.0	-1.5	-0.2	0.1	-1.7
EBITDA calculation	Administrative Fees	-0.2	-4.1	-4.7	-9.9	-18.9	0.0	-0.3	-0.4	-0.8	-1.5
EBITDA calculation	Payroll	0.0	-1.7	-2.3	-5.5	-9.5	0.0	-0.1	-0.2	-0.4	-0.7
EBITDA calculation	Trustee Fees	-0.1	-2.8	-6.0	6.6	-2.4	0.0	-0.2	-0.5	0.5	-0.2
EBITDA calculation	Other Expenses	0.0	-2.0	-4.4	-1.5	-8.0	0.0	-0.2	-0.3	-0.1	-0.6
Total Fees and Admin. Expenses		-2.7	-69.7	-62.1	-48.7	-183.2	-0.2	-5.6	-4.8	-3.7	-14.4

Source: PREI Latin America - Fund Accounting



Financial Statements

Income Statement

2013

(thousand pesos)

Rental revenues	\$966,883
Other operating income	121,187
Real estate operating expenses	(245,247)
Fees and other expenses	(183,226)
Acquisition related expenses	(79,828)
Realized gain from disposal of investment properties	4,297
Net Income (Loss) from Fair Value Adjustment on Borrowings	139,876
Net gain (loss) from fair value adjustment on investment properties	184,269
Net (loss) gain unrealized from fair value on derivative financial instruments	590
Foreign exchange (loss) gain	46,009
Operating profit	954,810
Finance income	954
Finance cost	(441,909)
Finance cost - net	(440,955)
Net Profit for the period	513,855

Results for the period March 20, 2013 to December 31, 2013



Financial Statements

Balance Sheet	Dec-31-13	Sep-30-13	Var.
<i>(Thousands of pesos)</i>			
Assets			
Non-current assets			
Investment properties <small>(Cost: 12/31/2013 - Ps.20,949,047; 09/30/2013 - Ps.20,200,560)</small>	\$21,146,337	\$20,871,671	1.3%
Derivative financial instruments <small>(Cost: 12/31/2013 -Ps.39,779; 09/30/2013 - Ps.12,134)</small>	\$39,852	\$10,366	284.4%
Current assets			
Other assets	\$38,513	\$84,889	-54.6%
Recoverable taxes	\$1,064,715	\$901,043	18.2%
Prepaid expenses	\$8,409	\$19,697	-57.3%
Deferred charges and accrued income	\$41,282	\$14,622	182.3%
Accounts receivable <small>(Net of allowance for doubtful accounts: 12/31/2013 - Ps.49,279; 09/30/2013 - Ps.42,246)</small>	\$79,077	\$54,000	46.4%
Restricted cash	\$56,935	\$5,145	1006.6%
Cash and cash equivalents	\$728,550	\$1,226,386	-40.6%
Total assets	23,203,670	23,187,819	0.1%
Net assets attributable to Investors			
Contributions, net	\$9,900,604	\$9,900,604	0.0%
Retained earnings	\$246,413	\$70,644	248.8%
Currency translation adjustment	\$511,856	\$459,514	11.4%
Total net assets (Net Equity)	10,658,873	10,430,762	2.2%
Liabilities			
Non-current liabilities			
Borrowings <small>(cost: 12/31/2013 - Ps.12,061,842, 09/30/2013 - Ps.12,052,049)</small>	\$11,183,919	\$11,970,821	-6.6%
Tenant deposits	\$147,986	\$139,166	6.3%
Current liabilities			
Trade and other payables	\$409,537	\$620,706	-34.0%
Borrowings <small>(cost: 12/31/2013 - Ps.66,134, 09/30/2013 - Ps.26,436)</small>	\$803,355	\$26,364	2947.2%
Total liabilities (excluding net assets attributable to the Investors)	12,544,797	12,757,057	-1.7%
Total net assets and liabilities	23,203,670	23,187,819	0.1%



Financial Statements

Cash Flow Statement		Dec-31-13
<i>(Thousands of pesos)</i>		
Cash flows from operating activities		
Profit for the period		\$513,855
Adjustments:		
Change in net gain (loss) from fair value adjustment on investment properties	(184,269)	
Change in unrealized gain (losses) on derivative financial instruments	3,015	
Change in net gain (loss) from fair value adjustment on borrowings		
Realized gain from disposal of investment properties	(4,297)	
Amortization of interest rate cap contracts	12,011	
(Increase)/decrease in restricted cash	(56,935)	
(Increase)/decrease in accounts receivable	(132,370)	
(Increase)/decrease in recoverable taxes	(1,064,715)	
(Increase)/decrease in prepaid expenses	(8,409)	
(Increase)/decrease in other assets	(38,513)	
Increase/(decrease) in tenant deposits	147,986	
Increase/(decrease) in trade and other payables	409,537	
Net cash (used in) generated from operating activities		(542,980)
Cash flows from investing activities		-
Acquisition of investment properties	(18,796,668)	
Additions of investment properties and improvements		
Dispositions of investment properties	559,352	
Net cash (used in) generated from investing activities		(18,432,232)
Cash flows from financing activities		-
Acquisition of derivative financial instruments	(42,763)	
Proceeds from borrowings	22,066,264	
Principal payments on borrowings	(10,091,580)	
Distributions to investors	(267,442)	
Proceeds from CBFi issued	8,136,562	
Net cash (used in) generated from financing activities		19,801,041
Net Increase (decrease) in cash and cash equivalents	825,829	
Cash and cash equivalents at the beginning of the period	-	
Exchange effects on cash and cash equivalents	(97,279)	
Cash and cash equivalents at the end of the period		\$728,550

(1) Results for the period March 20, 2013 to December 31, 2013



Financial Statements

Statement of Changes in Equity	Attributable to Investors			
	Net contributions	Currency translation adjustment	Retained earnings	Net assets attributable to Investors
<i>(Thousands of pesos)</i>				
Capital Contribution, net of issuing costs	\$9,900,604	0		\$9,900,604
Distributions to Investors				
Comprehensive Income				
Net profit of the period	-	-	513,855	513,855
Other Comprehensive Income				
Currency Translation	-	511,856	-	511,856
Total Comprehensive Income	-	511,856	513,855	1,025,711
Net Assets attributable to investors as of December 31, 2013	\$9,900,604	\$511,856	\$246,413	\$10,658,873

Results for the period March 20, 2013 to December 31, 2013