



FOURTH QUARTER AND FULL YEAR 2014 EARNINGS REPORT

Mexico City, February 19, 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 2014 (4Q14) and full year 2014 (FY2014) 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. 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 2014 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, 2014

Operational

- **As of December 31, 2014, occupancy rate was 91.2%; considering the signed letters of intent, occupancy for 2014 was 92.0%. Additionally, the 4Q14 average occupancy rate was 91.3%.**
- **Annualized average leasing rate per square foot at year-end was US\$4.82.**
- **Terrafina reported a total of 31.0 million square feet (msf) of Gross Leasable Area (GLA) comprised of 218 properties and 228 tenants at the end of 2014.**
- **2014 leasing activity totaled 9.1 msf, of which 16.3% correspond to new leasable area, 54.4% are lease renewals and 29.2% correspond to early renewals.** Leasing activity was mainly concentrated in the Cuautitlan Izcalli, Ciudad Juarez, Chihuahua, San Luis Potosi, Monterrey, Tijuana and Ramos Arizpe markets.
- **Total developments for 2014 included 271 thousand square feet of GLA, of which 54 thousand were expansions and 217 thousand build-to-suit (BTS) buildings. These new development activities are expected to contribute US\$1.5 million to Net Operating Income (NOI) for the 2015 period. The return rate for the expansions made during 2014 was 12.2%.**



Financial

- **FY2014 rental revenues reached US\$130.7 million, of which US\$33.1 million were generated during 4Q14; a 4.9% increase compared to 4Q13.**
- **FY2014 NOI was US\$126.3 million, of which US\$32.1 million were generated during 4Q14; a 3.4% increase compared to 4Q13.**
- **The NOI Margin for 2014 reached 89.0% and 90.1% in 4Q14, a 220 basis points increase compared to 4Q13.**
- **FY2014 EBITDA reached US\$111.2 million, of which US\$27.7 million were generated during 4Q14, a decrease of 1.4% compared to 4Q13.**
- **The EBITDA Margin for 2014 was 78.4% and 77.8% for 4Q14, a 179 basis points decrease compared to 4Q13.**
- **FY2014 Adjusted Funds for operations (AFFO) reached US\$69.3 million, of which US\$18.6 million were generated during 4Q14, a 29.8% increase compared to 4Q13.**
- **The AFFO margin for 2014 was 48.5% and 51.9% in 4Q14, a 1,169 basis points increase compared to 4Q13.**
- **FY2014 distributions totaled US\$69.3 million. As a result of 4Q14 operations, Terrafina will pay Ps.0.4226 per CBFi (US\$0.0309 per CBFi) as distributions corresponding to the period from October 1 to December 31, 2014.**
- **Distributions per CBFi corresponding for 2014 totaled US\$0.1457; considering the average share price for 2014 of US\$2.09 (Ps.27.78) and recent equity offering concluded on September 2014; Terrafina's dividend yield for the year was 6.9%.**
- **The annualized distribution of 4Q14 was US\$0.1235; considering the average closing share price for the quarter of US\$2.18 (Ps.30.09), Terrafina's dividend yield for the quarter was 5.6%.**



Financial Highlights

<i>Operating</i>	Mar14	Jun14	Sep14	Dec14
Number of Developed Properties	217	217	218	218
Gross Leasable Area (GLA) (msf) ¹	30.9	30.9	31.0	31.0
New Developments ² (msf)	0.13	0.00	0.09	0.05
Land Reserves (msf)	7.32	7.32	7.24	7.24
Occupancy Rate ³	90.6%	91.1%	91.4%	91.2%
Avg. Leasing Rent / Square Foot (dollars)	4.74	4.78	4.78	4.82
Weighted Average Remaining Lease Term (years)	3.59	3.67	3.63	3.84
Renewal Rate ⁴	81.8%	82.1%	93.0%	89.7%

<i>Accumulated Financial</i>	Mar14	Jun14	Sep14	Dec14
(millions of pesos unless otherwise stated)				
Rental Revenues ⁴	419.9	843.9	1,279.5	1,737.4
Other Operating Income	54.2	96.9	154.6	199.7
Net Revenues	496.1	970.7	1,474.6	1,984.0
Net Operating Income (NOI)*	404.3	808.9	1,235.9	1,678.1
NOI Margin	86.4%	87.5%	88.7%	89.0%
EBITDA ⁵	357.4	716.0	1,094.5	1,475.1
EBITDA Margin	76.2%	77.3%	78.5%	78.4%
Funds from Operations (FFO)*	234.3	489.7	762.2	1,058.3
FFO Margin	50.0%	53.0%	54.7%	56.2%
Adjusted Funds from Operations (AFFO)*	199.8	419.6	662.9	917.5
AFFO Margin	42.4%	45.1%	47.3%	48.5%
Distributions	199.8	419.6	662.9	917.5
Distributions per CBF ⁶	0.5244	1.1013	1.5051	1.9276

<i>Quarterly Financial</i>	1Q14	2Q14	3Q14	4Q14
(millions of pesos unless otherwise stated)				
Rental Revenues	419.9	424.0	435.6	457.9
Other Operating Income	54.2	42.7	57.7	45.3
Net Revenues	496.1	474.6	503.9	509.4
Net Operating Income (NOI)*	404.3	404.6	427.0	442.3
NOI Margin	86.4%	88.4%	91.1%	90.1%
EBITDA*	357.4	358.6	378.5	380.6
EBITDA Margin	76.2%	78.2%	80.9%	77.8%
Funds from Operations (FFO)*	234.3	255.4	272.5	296.2
FFO Margin	50.0%	55.8%	58.3%	60.7%
Adjusted Funds from Operations (AFFO)*	199.8	219.8	243.3	254.6
AFFO Margin	42.4%	47.6%	51.8%	51.9%
Distributions	199.8	219.8	243.3	254.6
Distributions per CBF ⁵	0.5244	0.5769	0.4038	0.4226

Mar14	Jun14	Sep14	Dec14
13.2344	13.0584	13.0954	13.2899
(millions of dollars unless otherwise stated)			
31.7	64.3	97.5	130.7
4.1	7.4	11.8	15.1
37.5	74.0	112.4	149.4
30.5	61.7	94.3	126.3
86.4%	87.5%	88.7%	89.0%
26.9	54.5	83.5	111.2
76.2%	77.3%	78.5%	78.4%
17.7	37.4	58.2	79.8
50.0%	53.0%	54.7%	56.2%
15.1	32.0	50.6	69.3
42.4%	45.1%	47.3%	48.5%
15.1	32.0	50.6	69.3
0.0396	0.0840	0.1149	0.1457

1Q14	2Q14	3Q14	4Q14
13.2344	12.9997	13.1034	13.8251
(millions of dollars unless otherwise stated)			
31.7	32.6	33.2	33.1
4.1	3.3	4.4	3.4
37.5	36.5	38.5	36.9
30.5	31.2	32.6	32.1
86.4%	88.4%	91.1%	90.1%
26.9	27.6	28.9	27.7
76.2%	78.2%	80.9%	77.8%
17.7	19.7	20.8	21.6
50.0%	55.8%	58.3%	60.7%
15.1	16.9	18.6	18.6
42.4%	47.6%	51.8%	51.9%
15.1	16.9	18.6	18.6
0.0396	0.0444	0.0309	0.0309

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) Millions of square feet. (2) Includes expansions and Built-to-Suits (BTS). (3) Occupancy at the end of the period. (4) Indicates the lease renewal rate of the leases, includes early renewals. (5) Excluding accrued income as it is a non-cash item (6) Earnings before Interest, taxes, depreciation and amortization. (7) Certificados Bursátiles Fiduciarios Inmobiliarios - Real Estate Investment Certificates. (*) Revenues and expenses have been adjusted for the calculation of the above mentioned metrics. Please refer to the "2014 Financial Performance" and "Annexes" section available in this document.

Source: PREI – Portfolio Management – Fund Accounting



Financial Highlights *(continued)*

Balance Sheet	Mar14	Jun14	Sep14	Dec14	fx	Mar14	Jun14	Sep14	Dec14
						13.0837	13.0323	13.4541	14.7180
	(millions of pesos unless otherwise stated)					(millions of pesos unless otherwise stated)			
Cash & Cash Equivalents	594.1	418.5	6,445.5	5,002.6		45.4	32.1	479.1	339.9
Investment Properties	21,118.0	21,423.9	22,141.2	24,298.8		1,614.1	1,643.9	1,645.7	1,651.0
Land Reserves	956.9	943.1	941.8	876.6		73.1	72.4	70.0	59.6
Total Debt	11,950.3	11,608.7	11,601.7	10,975.0		913.4	890.8	862.3	745.7
Net Debt	11,356.2	11,190.2	5,156.2	5,972.4		868.0	858.6	383.2	405.8

Figures in dollars in the Balance Sheet were converted using the closing exchange rate of the period.
Source: PREI - Portfolio Management and Fund Accounting.



Letter to Investors

Dear Investors,

2014 was key for TerraFina, as we continued to consolidate our leadership, while maintaining an exclusive focus on industrial assets across Mexico. As part of our strategy, we worked towards maintaining a portfolio of high-quality assets with operations driven by the manufacturing-for-exports, logistics and distribution industries. At year-end, 96% of TerraFina's lease contracts were USD denominated, rendering the company a defensive vehicle, as its performance is closely linked to the dynamic U.S. economic activity.

We observed the strengthening of the manufacturing-for-export economic sector, which has a cost-competitive labor force and is specialized across the automotive, aerospace and electronic industries. In addition, it is worth highlighting our exposure to the logistics and distribution sectors in strategic regions with high demand. We are convinced that these activities will continue to be key for the economic development in Mexico and will translate into new foreign direct investment opportunities in the country.

Some of TerraFina's most significant achievements during the year include improving our leverage level as a result of the complete recovery of the taxes generated during the acquisition of the American Industries – Kimco portfolio. Additionally, through an equity follow-on, TerraFina's growth strategy was set in motion. The strategy is focused on acquisition and development activities that will improve the portfolio's profitability by expanding gross leasable area in regions across Mexico, which have growth momentum and solid industrial production. During the upcoming quarters of 2015, we will update the market on the progress of our growth strategy, which we estimate will conclude 12 to 18 months after the equity issuance. Moreover, with regards to our capital recycling strategy, we have reached a contractual stage having a non-refundable deposit for an asset sale that will be closed within the next two months. This sale will benefit several operational key metrics, such as occupancy, average rent, average age of the assets as well as grow our financial margins. Finally, our distribution levels will not be affected by the asset sale due to achieving lower maintenance expenses, fees to our external advisor and savings in interest expenses. Going forward, TerraFina will continue to engage in a capital recycling strategy in order to continuously improve the portfolio quality.

Regarding the main financial and operational results of 2014, I would like to highlight our occupancy levels, which reached 91.2%, a 154 basis points increase compared to 2013. Additionally, the North region's occupancy was 90.7% with notable leasing activity in the Chihuahua, Ciudad Juarez, Monterrey and Ramos Arizpe markets. In the Bajío region, occupancy reached 90.7%, while in the Central region, occupancy increased to 93.6%, particularly in terms of logistics and distribution activity in Cuautitlan Izcalli stood out. Concerning leasing activity for 2014, 9.1 million square feet were leased, of which 16.3% corresponded to new leases, 54.4% to lease renewals and 29.2% to early renewals. During the fourth quarter of the year, we had a significant amount of early renewals accounting for 1.9 million square feet. This, in turn, improved our lease maturity profile from 3.6 to 3.8 years. As a result, lease contracts with an average maturity of 49 months were incorporated into TerraFina's portfolio with average rental rates of US\$4.73 per square foot, which represented a 5.9% increase compared to the previously-agreed rental rate. Moreover, when including the early renewals, our year-end renewal rate is 89.7%, above the 83.0% average rate of 2014.

Furthermore, the average rental rate at the end of the quarter was US\$4.82 per square foot, in line with our strategy of closing renewals and leasing new developments at or above market rental rates. Average rental rates by region increased in the North and Bajío regions by US\$4.68 and US\$4.89 per square foot, respectively, while the Central region remained stable with an average rental rate of US\$5.15 per square foot.



Within the main financial metrics for the year, rental revenues of US\$130.7 million stand out, which translate into net operating income of US\$126.3 million with an 89.0% margin, Earnings before Interest, Taxes, Depreciation and Amortization of US\$111.2 million with a 78.4% margin and US\$69.3 million in adjusted funds from operations. Moreover, the distribution per CBFi for 2014 was Ps.1.9276, or US\$0.1457, which translates into a 6.9% dividend yield considering the average CBFi price for the year.

To conclude, I believe that 2015 presents many opportunities. We will engage in each of these opportunities diligently and with the discipline that has always characterized us, seeking assets that add the most value to our existing portfolio throughout acquisition and development activities. Our priority is to grow Terrafina with the highest quality assets that are mutually beneficial for the company as well as for our shareholders.

On behalf of Terrafina, we thank you for your trust and continuous support.

Sincerely,
Alberto Chretin

Terrafina's Chief Executive Officer and Chairman of the Board



Operational Highlights

Highlights by Region

(as of December 31, 2014)

	North	Bajío	Central	Total
# Buildings	151	40	27	218
# Tenants	151	40	37	228
GLA (msf)	18.6	6.5	6.0	31.0
New Developments ¹ (msf)	0.1	0.0	0.0	0.1
Land Reserves (msf)	3.6	0.1	3.6	7.2
Occupancy Rate	90.7%	90.7%	93.6%	91.2%
Average Leasing Rent / Square Foot (dollars)	4.68	4.89	5.15	4.82
Annualized Rental Base %	57.8%	21.0%	21.2%	100.0%

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

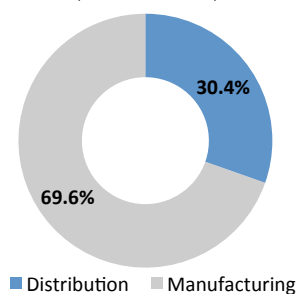
Source: PREI - Portfolio Management



TerraFina's operations at the end of 2014.

Composition by Asset Type as of 4Q14

(as a % of leased GLA)



Leasing Activity

	4Q14	4Q13	Var.
Operating Portfolio (msf):			
Renewals	1.1	1.9	-0.8
Early Renewals	1.9	0.0	1.9
New Leases	0.3	0.8	-0.5
Total Square Feet of Leases Signed	3.3	2.7	0.6

Source: PREI - Portfolio Management



Operational Highlights *(continued)*

Occupancy and Rents by Region

<i>(As of December 31, 2014)</i>	Occupancy Rate	Avg. Leasing Rent/ Square Foot (dollars)
North	90.7%	4.68
Baja California	91.8%	4.63
Sonora	86.3%	4.18
Chihuahua	96.1%	4.87
Coahuila	96.2%	4.44
Nuevo Leon	74.7%	4.79
Tamaulipas	62.3%	4.23
Durango	100.0%	3.82
Bajío	90.7%	4.89
San Luis Potosi	98.9%	4.78
Jalisco	93.0%	5.47
Aguascalientes	100.0%	4.52
Guanajuato	87.5%	4.88
Queretaro	78.6%	4.76
Central	93.6%	5.15
Estado de Mexico	92.5%	5.23
Distrito Federal	100.0%	10.30
Puebla	100.0%	3.84
Tabasco	100.0%	4.78
Total	91.2%	4.82

Source: PREI - Portfolio Management

Maturities and Renewals by Region

	Consolidated			
<i>(As of December 31, 2014)</i>	Maturities (number of contracts)	% of Total Maturities	Renewals (number of contracts)	% of Total Renewals
North	20	76.9%	18	90.0%
Baja California	1	3.8%	1	100.0%
Sonora	1	3.8%	1	100.0%
Chihuahua	12	46.2%	12	100.0%
Coahuila	1	3.8%	0	0.0%
Nuevo Leon	3	11.5%	2	66.7%
Tamaulipas	2	7.7%	2	100.0%
Durango	0	0.0%	0	0.0%
Bajío	4	15.4%	4	100.0%
San Luis Potosi	1	3.8%	1	100.0%
Jalisco	1	3.8%	1	100.0%
Aguascalientes	0	0.0%	0	0.0%
Guanajuato	1	3.8%	1	100.0%
Queretaro	1	3.8%	1	100.0%
Central	2	7.7%	0	0.0%
Estado de Mexico	2	7.7%	0	0.0%
Distrito Federal	0	0.0%	0	0.0%
Puebla	0	0.0%	0	0.0%
Tabasco	0	0.0%	0	0.0%
Total	26	100.0%	22	84.6%

Source: PREI - Portfolio Management

*Out of the matured leases in the quarter



2014 Operational Performance

Composition by Geographical Diversification

The geographical diversification of TerraFina's properties, at the end of 2014 (based on GLA per square foot), was mainly located in the northern region of Mexico, representing 59.7% of GLA, while for the Bajío and Central regions, it represented 21.0% and 19.3%, respectively.

Geographic Diversification by Region and State

	4Q14	as a % of Total GLA 4Q14	4Q13	as a % of Total GLA 4Q13
North	18.53	59.7%	18.44	59.9%
Baja California	1.13	3.6%	1.13	3.7%
Sonora	0.28	0.9%	0.28	0.9%
Chihuahua	9.84	31.7%	9.84	32.0%
Coahuila	3.38	10.9%	3.38	11.0%
Nuevo Leon	1.67	5.4%	1.58	5.1%
Tamaulipas	1.76	5.7%	1.76	5.7%
Durango	0.46	1.5%	0.46	1.5%
Bajío	6.51	21.0%	6.32	20.5%
San Luis Potosi	1.89	6.1%	1.74	5.7%
Jalisco	1.29	4.2%	1.29	4.2%
Aguascalientes	0.75	2.4%	0.75	2.4%
Guanajuato	0.54	1.7%	0.54	1.8%
Queretaro	2.04	6.6%	1.99	6.5%
Central	6.00	19.3%	6.00	19.5%
Estado de Mexico	5.14	16.6%	5.14	16.7%
Distrito Federal	0.02	0.1%	0.02	0.1%
Puebla	0.18	0.6%	0.18	0.6%
Tabasco	0.65	2.1%	0.65	2.1%
Total	31.04	100.0%	30.76	100.0%

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

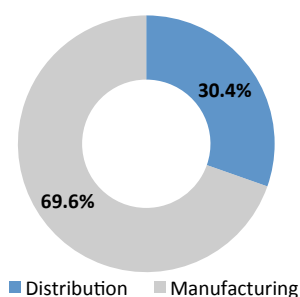
Source: PREI - Portfolio Management

Composition by Asset Type

At the end of the fourth quarter 2014, 30.4% of TerraFina's total portfolio consisted of distribution and logistics properties and 69.6% were manufacturing properties.

Composition by Asset Type as of 4Q14

(as a % of leased GLA)



Composition by Asset Type

	4Q14	4Q13	Var.
Distribution	30.4%	31.3%	-95 bps
Manufacturing	69.6%	68.7%	95 bps

Source: PREI - Portfolio Management

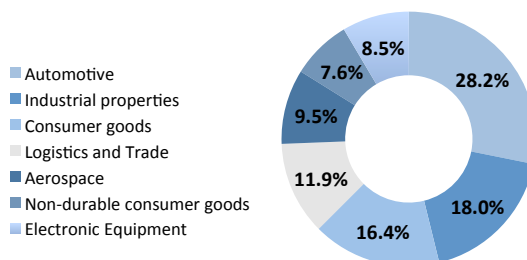


Composition by Sector

As of December 31, 2014, tenant diversification by industrial sector was as follows:

Diversification by Sector as of 4Q14

(as a % of leased GLA)



Diversification by Industrial Sector

	4Q14	4Q13	Var.
Automotive	28.2%	27.8%	36 bps
Industrial Goods	18.0%	18.5%	-50 bps
Consumer Goods	16.4%	17.5%	-112 bps
Logistics and Trade	11.9%	10.6%	131 bps
Aerospace	9.5%	9.1%	35 bps
Non-durable Consumer Goods	7.6%	7.6%	-
Electronic Equipment	8.5%	8.9%	-38 bps
Total	100.0%	100.0%	

Source: PREI - Portfolio Management

Top Clients' Composition

TerraFina's tenant leasing base is widely diversified across Mexico's main cities. At the end of 2014, TerraFina's top client, top 10 clients and top 20 clients, represented 4.4%, 22.1% and 33.7% of total revenues, respectively.

Top Clients

(as of December 31, 2014)	Leased Square Feet (millions)	% Total GLA	% Total Revenues
Top Client	1.24	4.4%	4.4%
Top 10 Clients	6.15	21.7%	22.1%
Top 20 Clients	9.27	32.8%	33.7%

Source: PREI - Portfolio Management



Occupancy

Full-year 2014 occupancy rate was 91.2%, an increase of 154 basis points compared to 4Q13. It is important to mention that occupancy rate metrics presented in this report show only the quarterly closing rate.

In the last month of 2014, two tenants left their properties, which decreased the occupancy rate by 15 basis points compared to the previous quarter. However, the duration of lease contracts and rental rates metrics improved. As of January 31, 2015, TerraFina has an occupancy rate of 91.6%, which offset the 4Q14 decrease.

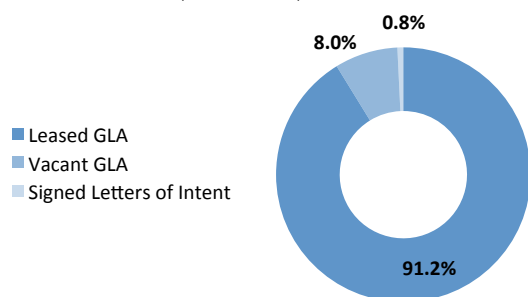
In the fourth quarter, TerraFina's leasing activity reached 3.3 msf, of which 9.1% accounted for new leasing contracts (including expansions), 33.3% for contract renewals, and 57.6% for early renewals. The latter contributed to the company improving its lease maturity schedule from 3.6 to 3.8 years along with its average rental rate.

The new contract lease rental rate was set at an average of US\$4.73 per square foot, a 5.9% increase compared to the previous rental rate. Additionally, the average maturity schedule was extended to 49 months.

Leasing activity took place mainly in the Cuautitlan Izcalli, Ciudad Juarez, Chihuahua, San Luis Potosi, Monterrey, Tijuana and Ramos Arizpe markets. In addition to this leasing activity, TerraFina signed letters of intent for an additional 234 msf.

Occupancy as of 4T14

(as % of Total GLA)



	4Q14	4Q13	Var.
Leased GLA	91.2%	89.7%	154 bps
Vacant GLA	8.0%	9.5%	-144 bps
Signed Letters of Intent	0.8%	0.9%	-10 bps
Total	100.0%	100.0%	

Source: PREI - Portfolio Management

Lease Maturities

TerraFina had 228 leasing contracts at the end of 2014. 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 (as a percentage of annual base rents) remain at levels of 10% to 20% for the next five years.

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

	Annual Base Rent (millions of dollars)	% of Total	Occupied Sq. Ft(millions)	% of Total
2015	19.9	14.6%	4.31	15.2%
2016	18.9	13.8%	3.91	13.8%
2017	16.3	11.9%	3.41	12.0%
2018	13.1	9.6%	2.77	9.8%
2019	27.4	20.1%	5.59	19.8%
Thereafter	40.9	30.0%	8.30	29.3%

Source: PREI - Portfolio Management



Capital Deployment

Acquisitions, New Developments and Non-Strategic Asset Sales

New Developments

In 2014, TerraFina signed 271 thousand square feet of new contracts, of which 79.9% were BTS and 20.1% expansions of existing properties. These new developments were distributed as follows: 44.7% in the northern region (Chihuahua, Ciudad Juarez and Monterrey) and 55.3% in the Bajio region (San Luis Potosi).

It is important to note that these new developments will contribute US\$1.5 million to 2015 NOI, which had a 12.2% estimated development yield, considering the total expected investment for US\$12.3 million.

January - December 2014					
	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	0.12	90.6	6.6	54.06	100.0%
Bajio	0.15	79.7	5.8	38.50	100.0%
Central	0.00	0.0	0.0	0.00	0.0%
Total	0.27	170.3	12.3	45.46	0.0%
Proforma NOI¹ (millions of dollars)			1.5		
Estimated Stabilized Yield²			12.2%		

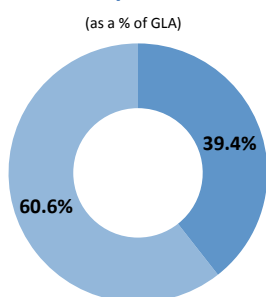
(1) Net Operating Income for the next twelve months

(2) Proforma NOI divided by the total expected investment

Proforma figures are not a guarantee of future results.

Source: PREI - Portfolio Management

Type of Development as of 4Q14



■ Expansions ■ Build-to-Suits (BTS)

Projects Under Development

	4Q14	4Q13
Developed Properties	99.1%	99.7%
Properties Under Development	0.9%	0.3%
Total	100.0%	100.0%

Source: PREI - Portfolio Management



Capital Expenditures (CAPEX)

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

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

Capital expenditures accounts are comprised as follows:

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

In 2014, TerraFina's total CAPEX investment was US\$30.1 million and for 4Q14, this figure was US\$6.8 million. The 2014 and 4Q14 CAPEX breakdown is shown in the following table:

Capital Expenditures (CAPEX)

	4Q14	4Q14	2014	2014
	(millions of pesos)	(millions of dollars)	(millions of pesos)	(millions of dollars)
Tenant Improvements & Recurring CAPEX	24.9	1.8	90.2	6.8
Leasing Commissions	26.9	2.0	58.9	4.4
Development CAPEX ¹	52.3	3.8	248.9	18.9
CAPEX Reserve ²	-9.6	-0.7	-	-
Total CAPEX	94.6	6.8	398.0	30.1

Maintenance expenses for vacant properties are included in the Tenant Improvements & Recurring CAPEX figures. (1) CAPEX for expansions/new developments. (2) The CAPEX reserve made during 2Q14 is reimbursed to the total CAPEX account.

Source: PREI - Portfolio Management

Land Reserves

TerraFina's land reserve as of December 31, 2014 was comprised of 13 land reserve properties, which accounted for 7.2 msf of potential GLA for the development of future industrial assets.

TerraFina's 2014 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	3.6	482.8	32.8	454.1	30.9
Bajío	0.1	10.5	0.7	9.4	0.6
Central	3.5	664.3	45.1	413.1	28.1
Total Land Portfolio	7.2	1,157.6	78.6	876.6	59.6

Source: PREI - Portfolio Management and Fund Accounting



2014 Financial Performance

Financial Results and Calculations

Terrafina's 2014 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 2014, for the balance sheet, the exchange rate used was that of December 31, 2014.

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

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

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

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



Rental Revenues

In 2014, TerraFina registered US\$130.7 million in rental revenues. In 4Q14, rental revenues totaled US\$33.1 million, a 4.9% or US1.5 million increase compared to 4Q13.

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

Other Operating Income

In 2014, other operating income totaled US\$15.1 million. In 4Q14, other operating income totaled US\$3.4 million, a 16.7% or US\$0.7 million decrease compared to 4Q13.

Other operating income mainly stems from leasing contract deposits refunds from Triple-Net Leases. Expenses reimbursable to TerraFina mainly include electricity, property taxes, insurance costs and maintenance activities.

Net revenues reached US\$149.4 million in 2014 and US\$36.9 million in 4Q14, a decrease of US\$0.7 million, or 1.9% compared to 4Q13 resulting from a lower accrued income (non-cash item) and reimbursable expenses as revenues due to a decrease in operating expenses during the quarter.

Revenues								
	2014	4Q14	4Q13	Var. %	2014	4Q14	4Q13	Var. %
	(millions of pesos)				(millions of pesos)			
Rental Revenue	1,737.4	457.9	411.3	11.3%	130.7	33.1	31.6	4.9%
Accrued Income ¹	46.9	6.2	26.5	-76.5%	3.6	0.5	2.0	-77.8%
Other Operating Revenues	199.7	45.3	52.6	-14.0%	15.1	3.4	4.0	-16.7%
Reimbursable Expenses as Revenues ²	148.5	32.9	48.2	-31.7%	11.3	2.5	3.7	-32.9%
Reimbursable Tenant Improvements	11.1	3.2	4.4	-27.3%	0.8	0.2	0.3	-30.8%
Other non-cash income	40.2	9.1	0.0	-	3.0	0.6	0.0	-
Net Revenue	1,984.0	509.4	490.3	3.9%	149.4	36.9	37.6	-1.9%

(1) Straight line rent adjustment; non-cash item. (2) Triple net leases expenses reimbursed to TerraFina from its tenants.
Source: PREI - 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 2014, real estate expenses totaled US\$33.6 million. These expenses mainly included repair and maintenance, electricity, fees, property taxes and insurance expenses.

In 4Q14, real estate expenses totaled US\$11.7 million, an increase of US\$3.9 million, or 49.9% compared to 4Q13. This increase was mainly due to a US\$3.8 million non-cash expense as a result of the withholding tax generated from the American Industries – Kimco transaction during the 2013 fiscal year. Once the VAT has been fully reimbursed, this accounting item would be eliminated from the balance sheet and would be registered through the income statement. Additionally, higher payments to brokers were made due to an increase in early renewals in 4Q14, improving operational metrics in terms of rental rates and average duration of lease contracts.



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

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 2014, Net Operating Income (NOI) totaled US\$126.3 million, while NOI margin was 89.0%.

During 4Q14, NOI increased 3.4%, or US\$1.1 million compared with 4Q13. NOI margin increased 220 basis points reaching 90.1% compared to 87.9% in 4Q13.

The following table displays the calculation of NOI for the full year 2014 and 4Q14:

	2014	4Q14	4Q13	Var. %	2014	4Q14	4Q13	Var. %
	<i>(millions of pesos unless otherwise stated)</i>				<i>(millions of dollars unless otherwise stated)</i>			
Rental Revenues ¹	1,737.4	457.9	411.3	11.3%	130.7	33.1	31.6	4.9%
Other Operating income ²	148.5	32.9	48.2	-31.7%	11.3	2.5	3.7	-32.9%
Net Revenues for NOI Calculation	1,885.9	490.9	459.5	6.8%	142.0	35.6	35.3	0.9%
Repair and Maintenance	-35.8	-9.1	-8.7	4.6%	-2.7	-0.7	-0.7	-1.9%
Property Taxes	-47.5	-5.8	-6.5	-11.5%	-3.6	-0.4	-0.5	-16.7%
Property Management Fees	-39.4	-10.0	-10.6	-5.5%	-3.0	-0.7	-0.8	-11.1%
Electricity	-37.4	-7.2	-16.7	-56.7%	-2.8	-0.5	-1.3	-60.0%
Property Insurance	-21.1	-9.7	-4.6	111.6%	-1.6	-0.7	-0.4	102.2%
Security	-13.5	-3.5	-3.6	-1.4%	-1.0	-0.3	-0.3	-7.3%
Other Operational Expenses	-13.1	-3.3	-4.7	-31.0%	-1.0	-0.2	-0.4	-35.6%
Real Estate Operating Expenses for NOI Calculation	-207.7	-48.6	-55.4	-12.3%	-15.6	-3.5	-4.3	-17.5%
Net Operating Income³	1,678.1	442.3	404.1	9.45%	126.3	32.1	31.0	3.4%
NOI Margin	89.0%	90.1%	87.9%	220 bps	89.0%	90.1%	87.9%	220 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: PREI - Fund Accounting



Fees and Administrative Expenses (G&A)

G&A in 2014 totaled US\$18.0 million and US\$4.9 million for 4Q14, a 31.3%, or US\$1.2 million increase compared to 4Q13. This increase was due to Terrafina's larger portfolio, reflected in higher recurring administrative and external advisor fees.

The following table shows total G&A:

	2014	4Q14	4Q13	Var.	2014	4Q14	4Q13	Var.
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)			
External Advisor Fees ¹	-108.3	-28.8	-15.9	81.3%	-8.0	-2.0	-1.2	64.0%
Professional and Consulting Services	-32.4	-10.4	-22.4	-53.5%	-2.4	-0.9	-1.2	-25.6%
Payroll, Admin. Fees and Other Expenses	-101.0	-28.0	-17.0	65.1%	-7.6	-2.0	-1.3	53.6%
Total G&A	-241.7	-67.2	-55.2	21.7%	-18.0	-4.9	-3.7	31.3%

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

Source: PREI - Fund Accounting

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

In 2014, EBITDA reached US\$111.2 million and EBITDA margin was 78.4%.

In 4Q14, EBITDA totaled US\$27.7 million, a decrease of US\$0.4 million, or 1.4%, compared to 4Q13. EBITDA margin for 4Q14 was 77.8%, a 179 basis points decrease compared to the previous year.

The following shows the EBITDA calculation for 2014 and 4Q14:

	2014	4Q14	4Q13	Var. %	2014	4Q14	4Q13	Var. %
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)			
Rental Revenues ¹	1,737.4	457.9	411.3	11.3%	130.7	33.1	31.6	4.9%
Other Operating income ²	148.5	32.9	48.2	-31.7%	11.3	2.5	3.7	-32.9%
Real Estate Expenses	-220.5	-52.6	-56.4	-6.7%	-16.6	-3.8	-4.3	-12.5%
Real Estate Operating Expenses ³	-207.7	-48.6	-55.4	-12.3%	-15.6	-3.5	-4.3	-17.5%
Publicity	-1.6	-0.4	-0.4	3.4%	-0.1	0.0	0.0	-
Admin. Property Insurance Expenses	-3.0	-0.8	-0.7	13.1%	-0.2	-0.1	-0.1	-
Other Admin. Real Estate Expenses	-8.2	-2.9	0.0	-	-0.6	-0.2	0.0	-
Fees and Admin. Expenses	-190.3	-57.7	-37.3	54.7%	-14.1	-4.1	-2.9	43.5%
External Advisor Fees	-108.3	-28.8	-15.9	81.3%	-8.0	-2.0	-1.2	64.0%
Legal, Admin. and Other Professional Fees	-50.0	-14.1	-20.9	-32.8%	-3.8	-1.1	-1.6	-31.4%
Trustee Fees	-4.6	-1.2	6.6	-118.6%	-0.3	-0.1	0.5	-119.8%
Payroll	-21.1	-10.7	-5.5	94.4%	-1.5	-0.7	-0.4	65.6%
Other Expenses	-6.3	-2.9	-1.5	92.3%	-0.5	-0.2	-0.1	-
EBITDA³	1,475.1	380.6	365.8	-68.4%	111.2	27.7	28.1	-1.4%
EBITDA Margin	78.4%	77.8%	79.6%	-179 bps	78.4%	77.8%	79.6%	-179 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) Operating expenses for NOI calculation. (4) Earnings before interest, taxes, depreciation and amortization.

Source: PREI - 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 2014, TerraFina registered net financing costs of US\$32.2 million.

In 4Q14, financing costs totaled US\$6.1 million, a decrease of 58.1%, or US\$8.5 million, compared to 4Q13. This result was mainly due to the VAT credit line repayment in 3Q14 as well as US\$115 million of debt in 4Q14 with resources from the recent follow-on, which translated into lower financing costs incurred during the quarter as well as a lower non recurring borrowing expenses generated in 4Q13 as a result of the American Industries – Kimco portfolio acquisition.

	2014	4Q14	4Q13	Var. %	2014	4Q14	4Q13	Var. %
	(millions of pesos)				(millions of dollars)			
Interest Paid	-447.1	-109.1	-127.6	-14.5%	-33.7	-7.9	-9.8	-19.4%
Borrowing Expenses	-11.6	-0.8	-62.2	-98.7%	-0.8	-0.1	-4.8	-97.9%
Recurring	-1.7	-0.8	-6.4	-87.5%	-0.1	-0.1	-0.5	-79.7%
Non recurring	-9.8	0.0	-55.8	-	-0.7	0.0	-4.3	-
Financial Products	32.1	25.5	0.6	-	2.4	1.9	0.0	-
Total	-426.6	-84.4	-189.2	-55.4%	-32.2	-6.1	-14.6	-58.1%

Source: PREI - Fund Accounting

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

For the full year 2014, TerraFina's FFO reached US\$79.8 million and a 56.2% FFO margin. TerraFina's AFFO reached US\$69.3 million, with a 48.5% AFFO margin.

In the fourth quarter, TerraFina's FFO increased by US\$3.8 million, or 21.4%, compared to the fourth quarter 2013, reaching US\$21.6 million. FFO Margin was 60.7%, a 1,025 basis points increase compared to 4Q13. Additionally, TerraFina reported an AFFO of US\$18.6 million, an increase of US\$4.3 million, or 29.8%, compared to 4Q13. AFFO margin was 51.9%, an increase of 1,169 basis points versus 4Q13.

	2014	4Q14	4Q13	Var. %	2014	4Q14	4Q13	Var. %
	(millions of pesos unless otherwise stated)				(millions of dollars unless otherwise stated)			
EBITDA	1,475.1	380.6	365.8	4.0%	111.2	27.7	28.1	-1.4%
Finance Cost ¹	-416.7	-84.4	-133.4	-36.7%	-31.4	-6.1	-10.3	-40.7%
Funds from Operations (FFO)	1,058.3	296.2	232.4	27.4%	79.8	21.6	17.8	21.4%
FFO Margin	56.2%	60.7%	50.4%	1,025 bps	56.2%	60.7%	50.4%	1,025 bps
Tenant Improvements	-68.1	-18.5	-16.5	12.3%	-5.1	-1.3	-1.3	5.1%
Leasing Commissions	-58.9	-26.9	-17.1	57.2%	-4.4	-2.0	-1.3	48.4%
CAPEX Reserve ²	-	9.6	-	-	-	0.7	-	-
Other Non Recurring Expenses ³	-13.9	-5.7	-11.4	-49.9%	-1.0	-0.4	-0.9	-54.2%
Adjusted Funds from Operations (AFFO)	917.5	254.6	187.4	35.9%	69.3	18.6	14.3	29.8%
AFFO Margin	48.5%	51.9%	40.3%	1,169 bps	48.5%	51.9%	40.3%	1,169 bps

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

Source: PREI - Fund Accounting



Comprehensive Income

Comprehensive Income for the full year 2014 reached US\$186.9 million. Comprehensive Income for the fourth quarter 2014 reached US\$101.9 million, an increase of US\$37.0 million, or 59.4%, compared to 4Q13.

The following table presents the calculation of Comprehensive Income for the full year 2014, 4Q14, and 4Q13:

	2014	4Q14	4Q13	Var. %	2014	4Q14	4Q13	Var. %
	<i>(millions of pesos unless otherwise stated)</i>				<i>(millions of dollars unless otherwise stated)</i>			
Net Revenues	1,984.0	509.4	490.3	3.9%	149.4	36.9	37.6	-1.9%
Real Estate Expenses	-451.5	-164.6	-102.0	61.3%	-33.6	-11.7	-7.8	49.9%
Fees and Other Expenses	-241.7	-68.4	-48.7	40.6%	-18.0	-4.9	-3.7	31.2%
Gain (Loss) from Sales of Real Estate Properties	0.7	0.0	-110.1	-	0.1	0.0	-8.4	-
Net Income (Loss) from Fair Value Adjustment on Investment Properties	205.9	22.1	153.2	-85.6%	15.8	1.5	11.8	-87.2%
Net Income (Loss) from Fair Value Adjustment on Derivative Financial Instruments	-40.0	-2.6	2.6	-	-3.0	-0.2	0.2	-
Net Income (Loss) from Fair Value Adjustment on Borrowings	-44.3	20.1	139.9	-85.7%	-3.2	1.4	10.7	-87.0%
Foreign Exchange Gain (loss)	-499.1	-392.8	-9.9	3867.5%	-35.8	-27.7	-0.8	3544.7%
Acquisition Related Expenses	0.0	0.0	-4.4	-			-0.3	
Operating Profit	914.0	-76.8	511.0	-	71.7	-4.7	39.2	-112.0%
Financial Income	32.1	25.5	0.6	4150.0%	2.4	1.9	0.0	-
Financial Expenses	-458.6	-109.9	-189.8	-42.1%	-34.5	-8.0	-14.6	-45.1%
Net Financial Cost	-426.6	-84.4	-189.2	-55.4%	-32.2	-6.1	-14.6	-58.1%
Net Profit (Loss)	487.5	-161.2	321.8	-	37.2	-12.3	24.7	-
Items Reclassified after Net Profit (Loss) - Currency Translation Adjustments	1,989.0	1,578.8	511.9	208.4%	149.7	114.2	39.3	190.6%
Comprehensive Income	2,476.5	1,417.6	833.6	70.1%	186.9	101.9	63.9	59.4%

Source: PREI – Fund Accounting

Distributions per CBFI

In 2014, TerraFina distributed US\$69.3 million, or US\$0.1457 per CBFI. For 4Q14, TerraFina distributed US\$18.6 million, or US\$0.0309 per CBFI.

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



TerraFina's 2014 distributions are presented in the following table:

<i>(millions of pesos unless otherwise stated)</i>	1Q14	2Q14	3Q14	4Q14	2014	2013	Var.
Total Outstanding CBFIs ¹ (millions of CBFIs)	381.0	381.0	602.5	602.5	602.5	381.0	58.1%
CBFI Price ²	25.08	26.48	29.34	30.09	27.78	26.22	6.0%
Distributions	199.8	219.8	243.3	254.6	922.4	449.3	105.3%
Distributions Per CBFI	0.5244	0.5769	0.4038	0.4226	1.9276	1.1792	63.5%
FX Rate USD/MXN (average closing period)	13.23	13.00	13.10	13.83	13.29	12.84	3.5%
Distributions (million dollars)	15.1	16.9	18.6	18.6	69.3	35.0	97.8%
Distributions Per CBFI (dollars)	0.0396	0.0444	0.0309	0.0309	0.1457	0.0920	58.4%
Annualized Distribution Yield ³	8.4%	8.7%	5.5%	5.6%	6.9%	4.5%	244 bps

(1) In 3Q14, TerraFina increased its number of CBFIs from 381,014,635 to 602,487,069. Number of CBFIs at the end of each period (2) Average closing price for the period. (3) Annualized distribution per share divided by the average CBFI price of the quarter. Quarterly distribution yield calculation has been annualized.

Source: PREI - Fund Accounting

Total Debt

As of December 31, 2014, TerraFina's total debt reached for US\$745.7 million. The average cost TerraFina's long-term debt, which is U.S. dollar-denominated, was 3.62%.

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

	Currency	millions of pesos	millions of dollars	Interest Rate	Terms	Maturity	Extension Option
<i>(as of December 31, 2014)</i>							
Long Term Debt							
Citibank ¹	Dollars	6,352.6	431.6	3 months Libor + 3.50%	Interest	Mar 2016	-
GEREM ^{2,3}	Dollars	3,967.1	269.5	Libor + 3.75%	Interest + Principal	Sep 2018	Sep 2020
HSBC ³	Dollars	655.3	44.5	Libor + 3.75%	Interest + Principal	Sep 2018	Sep 2020
Total Debt		10,975.0	745.7				
Net Cash		5,002.6	339.9				
Net Debt		5,972.4	405.7				

(1) Syndicated loan facility with six banks. (2) Syndicated loan facility with four banks. (3) Interest only until September 2016.

Source: PREI - Fund Accounting and Capital Markets



Additionally, TerraFina's leverage (LTV) and debt service coverage ratio (DSCR) metrics are included as requested by the Mexican Securities and Exchange Commission (CNBV) as part of the new regulations.

The following tables show TerraFina's leverage and debts service coverage as of December 31, 2014 and based on projections for the next six quarters:

Loan-to-Value (LTV)

(as of December 31, 2014)	(millions of pesos)	(millions of dollars)
Total Assets	29,673.2	2,016.1
Total Debt	10,975.0	745.7

Loan-to-Value (LTV)¹ 37.0%

(1) Total Debt divided by Total Assets as defined by the National Securities

and Banking Commission (CNBV)

Source: PREI - Fund Accounting and Capital Markets

Debt Service Coverage Ratio (DSCR)

	period	(millions of pesos)	(millions of dollars)
Cash & Cash Equivalents	December 31, 2014	5,002.6	339.9
Recoverable Taxes	Σ next 6 quarters	108.3	7.4
EBIT ¹ after distributions	Σ next 6 quarters	1,106.6	75.2
Available Credit Line	December 31, 2014	1,006.5	68.4

	period	(millions of pesos)	(millions of dollars)
Interest Payments	Σ next 6 quarters	577.0	39.2
Principal Payments	Σ next 6 quarters	6,352.6	431.6
Recurring CAPEX	Σ next 6 quarters	232.5	15.8
Development Expenses	Σ next 6 quarters	58.9	4.0

Debt Service Coverage Ratio (DSCR)² 1.0x

(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: PREI - Fund Accounting and 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, Bajío and Northern regions of Mexico. It is internally managed by highly qualified industry specialists, and externally advised by PREI.

Terrafina owns 228 real estate properties, including 218 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

Prudential Real Estate Investors is the global real estate investment business of Prudential Financial, Inc. (NYSE: PRU). Investing in real estate on behalf of institutional clients since 1970, PREI today has more than 650 employees located in 20 cities around the world, and gross assets under management of \$58.2 billion (\$43.5 billion net) as of September 30, 2014. PREI offers to its global client base a broad range of real estate investment vehicles across the risk-return spectrum and geographies, including core, core plus, value-add, opportunistic, debt, securities, and specialized investment strategies. For more information, visit www.prei.com

About Prudential Financial, Inc.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than \$1 trillion of assets under management as of September 30, 2014, 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 2014 Results

Friday, February 20, 2015
11:00 a.m. Eastern Time
10:00 a.m. Central Time

Presenting for Terrafina:

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

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

Audio Webcast Link: <http://www.videonewswire.com/event.asp?id=101433>

Conference Replay

Will be provided for your call
Dial 1-877-919-4059 or 1-334-323-0140 to listen
Passcode: 89246138



Appendix

Appendix 1 – Revenues

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

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

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

		Revenues					
		2014	4Q14	4Q13	2014	4Q14	4Q13
		<i>(millions of pesos)</i>			<i>(millions of dollars)</i>		
<i>NOI calculation</i>	Rental Revenue	1,737.4	457.9	411.3	130.7	33.1	31.6
<i>Non Cash</i>	Accrued Income ¹	46.9	6.2	26.5	3.6	0.5	2.0
	Other Operating Revenues	199.7	45.3	52.6	15.1	3.4	4.0
<i>NOI calculation</i>	Reimbursable Expenses as Revenues ²	148.5	32.9	48.2	11.3	2.5	3.7
<i>AFFO calculation</i>	Reimbursable Tenant Improvements	11.1	3.2	4.4	0.8	0.2	0.3
<i>Non Cash</i>	Other non-cash income	40.2	9.1	0.0	3.0	0.6	0.0
	Net Revenue	1,984.0	509.4	490.3	149.4	36.9	37.6

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

Source: PREI - 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		2014	4Q14	4Q13	2014	4Q14	4Q13
		(millions of pesos)			(millions of dollars)		
	Repair and Maintenance	-115.0	-30.8	-29.6	-8.6	-2.2	-2.3
NOI calculation	Recurring	-35.8	-9.1	-8.7	-2.7	-0.7	-0.7
AFFO calculation	Non Recurring	-79.2	-21.7	-20.9	-5.9	-1.6	-1.6
	Property Taxes	-101.8	-56.4	-7.3	-7.4	-3.9	-0.6
NOI calculation	Operating	-47.5	-5.8	-6.5	-3.6	-0.4	-0.5
Non Cash	Non Operating	-54.2	-50.7	-0.7	-3.8	-3.5	-0.1
NOI calculation	Property Management Fees	-39.4	-10.0	-10.6	-3.0	-0.7	-0.8
NOI calculation	Electricity	-37.4	-7.2	-16.7	-2.8	-0.5	-1.3
AFFO calculation	Brokers Fees	-58.9	-26.9	-17.1	-4.4	-2.0	-1.3
	Property Insurance	-24.1	-10.4	-5.3	-1.8	-0.8	-0.4
NOI calculation	Operating	-21.1	-9.7	-4.6	-1.6	-0.7	-0.4
EBITDA calculation	Administrative	-3.0	-0.8	-0.7	-0.2	-0.1	-0.1
NOI calculation	Security	-13.5	-3.5	-3.6	-1.0	-0.3	-0.3
EBITDA calculation	Advertising	-1.6	-0.4	-0.4	-0.1	0.0	0.0
	Other Expenses	-21.3	-6.1	-4.7	-1.6	-0.4	-0.4
NOI calculation	Operational Related	-13.1	-3.3	-4.7	-1.0	-0.2	-0.4
EBITDA calculation	Administrative	-8.2	-2.9	0.0	-0.6	-0.2	0.0
Non Cash	Bad Debt Expense	-38.7	-12.6	-6.8	-2.9	-0.9	-0.5
Total Real Estate Expenses		-451.5	-164.6	-102.0	-33.6	-11.7	-7.8

Source: PREI - Fund Accounting



Appendix 3 – Fees and Administrative Expenses

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

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

		Fees and Administrative Expenses					
		2014	4Q14	4Q13	2014	4Q14	4Q13
		(million of pesos)			(million of dollars)		
EBITDA calculation	External Advisor Fees	-108.3	-28.8	-15.9	-8.0	-2.0	-1.2
	Legal Fees	-15.2	-8.3	-16.4	-1.1	-0.6	-1.3
EBITDA calculation	Recurring	-4.5	-3.2	-4.3	-0.3	-0.2	-0.3
AFFO calculation	Non Recurring	-10.7	-5.1	-12.1	-0.8	-0.4	-0.9
EBITDA calculation	Other Professional Fees	-12.6	-2.2	-5.9	-1.0	-0.2	-0.5
	Recurring	-9.4	-1.5	-6.7	-0.8	-0.2	-0.5
AFFO calculation	Non Recurring	-3.2	-0.7	0.7	-0.2	0.0	0.1
EBITDA calculation	Administrative Fees	-73.6	-14.4	-9.9	-5.6	-1.1	-0.8
	Recurring	-36.1	-9.4	-9.9	-2.7	-0.7	-0.8
Non Operational related	Non Recurring ¹	-37.5	-5.0	0.0	-2.9	-0.4	0.0
EBITDA calculation	Payroll	-21.1	-10.7	-5.5	-1.5	-0.7	-0.4
EBITDA calculation	Trustee Fees	-4.6	-1.2	6.6	-0.3	-0.1	0.5
EBITDA calculation	Other Expenses	-6.3	-2.9	-1.5	-0.5	-0.2	-0.1
Total Fees and Admin. Expenses		-241.7	-68.4	-48.7	-18.0	-4.9	-3.7

(1) Non operational related administrative fees; 3Q14 expenses related to VAT reimbursement activities

Source: PREI - Fund Accounting



Appendix 4 – Reconciliation

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

	2014	4Q14	2014	4Q14
	(millions of pesos)		(millions of dollars)	
Comprehensive Income (Loss)	2,476.5	1,417.6	186.3	102.5
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	-	-1578.8	-149.7	-114.2
	1989.0			
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	9.8	0.0	0.7	0.0
<i>Add (deduct) Non-Cash Adjustment:</i>				
Acquisition Related Expenses	0.0	0.0	0.0	0.0
Foreign Exchange Adjustments	499.1	392.8	37.6	28.4
Fair Value Adjustment on Borrowings	44.3	-20.1	3.3	-1.5
Fair Value Adjustment on Derivative Financial Instruments	40.0	2.6	3.0	0.2
Fair Value Adjustment on Investment Properties	-205.9	-22.1	-15.5	-1.6
Sales of Real Estate Properties Adjustment	-0.7	0.0	-0.1	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Recurring Repair and Maintenance	79.1	21.7	6.0	1.6
Non Operating Property Taxes	54.2	50.7	4.1	3.7
Brokers Fees	58.8	26.9	4.4	2.0
Bad Debt Expense	38.7	12.6	3.0	1.0
Non Recurring Legal Fees	10.7	5.1	0.9	0.4
Non Recurring Other Professional Fees	3.2	0.7	0.2	0.0
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-46.9	-6.2	-3.5	-0.5
Other Non-Cash Income	-40.2	-9.1	-3.0	-0.7
Reimbursable Tenant Improvements	-11.1	-3.2	-0.8	-0.2
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Operational Administrative Fees	37.5	5.0	2.8	0.4
FFO	1,058.3	296.2	79.8	21.6
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Interest Paid	447.1	109.1	33.6	7.9
Recurring Borrowing Expenses	1.7	0.8	0.1	0.1
Interest Income	-32.1	-25.5	-2.4	-1.8
EBITDA	1,475.1	380.6	111.2	27.7
<i>Add (deduct) Expenses Adjustment:</i>				
External Advisor Fees	108.3	28.8	8.1	2.1
Recurring Legal Fees	4.5	3.2	0.3	0.2
Recurring Other Professional Fees	9.4	1.5	0.7	0.1
Administrative Fees	36.1	9.4	2.7	0.7
Payroll	21.1	10.7	1.6	0.8
Trustee Fees	4.6	1.2	0.3	0.1
Other Expenses	6.3	2.9	0.4	0.2
Advertising	1.6	0.3	0.1	0.0
Administrative Property Insurance	3.0	0.8	0.2	0.1
Other Administrative Expenses	8.2	2.9	0.6	0.2
NOI	1,678.1	442.3	126.3	32.1
<i>Add (deduct) Expenses Adjustment:</i>				
Recurring Repair and Maintenance	35.8	9.1	2.7	0.7
Operating Property Taxes	47.5	5.8	3.6	0.4
Property Management Fees	39.4	10.0	3.0	0.7
Electricity	37.4	7.2	2.8	0.5
Operating Property Insurance	21.1	9.7	1.6	0.7
Security	13.5	3.5	1.0	0.3
Other Operational Expenses	13.1	3.3	1.0	0.2
<i>Add (deduct) Revenues Adjustment:</i>				
Other Non-Cash Income	40.2	9.1	3.1	0.7
Accrued Income	46.9	6.2	3.5	0.5
Reimbursable Tenant Improvements	11.1	3.2	0.8	0.2
Net Revenue	1,984.0	509.4	149.4	36.9



Reconciliation of Net Profit (Loss) to AFFO

	2014	4Q14	2014	4Q14
	(millions of pesos)		(millions of dollars)	
Comprehensive Income (Loss)	2,476.5	1,417.6	186.3	102.5
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	-	-1578.8	-149.7	-114.2
	1989.0			
<i>Add (deduct) Cost of Financing Adjustment:</i>				
Non Recurring Borrowing Expenses	9.8	0.0	0.7	0.0
<i>Add (deduct) Non-Cash Adjustment:</i>				
Acquisition Related Expenses	0.0	0.0	0.0	0.0
Foreign Exchange Adjustments	499.1	392.8	37.6	28.4
Fair Value Adjustment on Borrowings	44.3	-20.1	3.3	-1.5
Fair Value Adjustment on Derivative Financial Instruments	40.0	2.6	3.0	0.2
Fair Value Adjustment on Investment Properties	-205.9	-22.1	-15.5	-1.5
Sales of Real Estate Properties Adjustment	-0.7	0.0	-0.1	0.0
<i>Add (deduct) Expenses Adjustment:</i>				
Non Operating Property Taxes	54.2	50.7	4.1	3.7
Bad Debt Expense	38.7	12.6	3.0	0.9
<i>Add (deduct) Revenues Adjustment:</i>				
Accrued Income	-46.9	-6.2	-3.5	-0.4
Other Non-Cash Income	-40.2	-9.1	-3.0	-0.7
<i>Add (deduct) Non Operational Administrative Fees</i>				
Non Administrative Fees	37.5	5.0	2.9	0.4
<i>Add (deduct) CAPEX Adjustment:</i>				
CAPEX Reserve	-	9.6	-	0.7
AFFO	917.5	254.6	69.3	18.6



Appendix 5 - Cap Rate Calculation

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

In the following table, the cap rate calculation is shown assuming a CBFI quarterly average price of Ps. 30.09 pesos and an average exchange rate for 4Q14 of Ps. 13.8251.

Implied Cap Rate	
Quarterly Average Price (dollars) ¹	2.18
(x) CBFIs (millions of CBFIs)	602.5
(=) Market Capitalization	1,311.3
(+) Total Debt	745.7
(-) Cash	339.9
(=) Enterprise Value	1,717.1
(-) Landbank	78.6
(=) Implied Operating Real Estate Value	1,638.5
Net Operating Income (NOI) 2015e	130.0
Implied Cap Rate	7.9%

Figures expressed in millions of dollars unless otherwise stated.

(1) 4Q14 average share price of Ps.30.09; 4Q14 average exchange rate of Ps.13.8251



Financial Statements

Income Statement	4Q14	2014
<i>(thousand pesos)</i>		
Rental revenues	\$464,175	\$1,784,262
Other operating income	45,256	199,725
Real estate operating expenses	(164,549)	(451,479)
Fees and other expenses	(68,467)	(241,682)
Acquisition related expenses	-	-
Realized gain from disposal of investment properties	-	703
Net Income (Loss) from Fair Value Adjustment on Borrowings	20,056	(44,343)
Net gain (loss) from fair value adjustment on investment properties	22,061	205,921
Net (loss) gain unrealized from fair value on derivative financial instruments	(2,566)	(39,973)
Foreign exchange (loss) gain	(392,782)	(499,062)
Operating profit	(76,816)	914,072
Finance income	25,462	32,061
Finance cost	(109,865)	(458,617)
Finance cost - net	(84,403)	(426,556)
Net Profit for the period	(161,219)	487,516
Items that may be subsequently reclassified to profit or loss- currency translation differences	1,578,798	1,989,016
Total Comprehensive income for the period	1,417,579	2,476,532



Financial Statements

Balance Sheet	Dic-31-14	Sep-30-14
<i>(thousands of pesos)</i>		
Assets		
Non-current assets		
Investment properties	\$24,298,809	\$22,141,159
<small>(Cost: 31/12/2014 - Ps.23,843,700; 30/09/2014 - Ps.21,745,250)</small>		
Derivative financial instruments	454	2,809
Current assets		
Other assets	54,020	59,411
Recoverable taxes	115,683	138,422
Prepaid expenses	8,858	9,598
Deferred charges and accrued income	98,643	84,105
Accounts receivable	40,898	41,850
<small>(Net of allowance for doubtful accounts: 31/12/2014 - Ps.61,871; 30/09/2014 - Ps.44,482)</small>		
Restricted cash	53,261	57,225
Cash and cash equivalents	5,002,554	6,445,461
Total assets	29,673,180	28,980,040
Net assets attributable to Investors		
Contributions, net	15,681,752	15,792,371
Retained earnings	-	293,862
Currency translation adjustment	2,500,872	922,074
Total net assets (Net Equity)	18,182,624	17,008,307
Liabilities		
Non-current liabilities		
Borrowings	10,974,936	11,571,664
<small>(Cost: 31/12/2014 - \$11,086,558; 30/09/2014 - \$11,654,730)</small>		
Tenant deposits	161,876	151,936
Current liabilities		
Trade and other payables	353,744	218,103
Borrowings	-	30,030
<small>(Cost: 31/12/2014 - Ps.0, 30/09/2014 - Ps.30,295)</small>		
Total liabilities (excluding net assets attributable to the Investors)	11,490,556	11,971,733
Total net assets and liabilities	29,673,180	28,980,040



Financial Statements

Cash Flow Statement

Dec-14

(thousands of pesos)

Cash flows from operating activities

(Loss) profit for the period	\$487,516
Adjustments:	
Net loss (gain) unrealized from fair value adjustment on investment properties	(205,921)
Net loss (gain) unrealized from fair value adjustment on derivative financial instruments	39,973
Net loss (gain) unrealized from fair value adjustment on borrowings	44,343
Realized gain from disposal of investment properties	(703)
Bad debt expense	38,701
Increase deferred rents receivables	(57,361)
Decrease in restricted cash	3,674
(Increase) in accounts receivable	(522)
Decrease in recoverable taxes	910,265
(Increase) in prepaid expenses	(449)
(Increase) in other assets	23,260
Increase in tenant deposits	13,890
(Decrease) in accounts payable	(55,793)

Net cash generated from (used in) operating activities	1,240,873
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Cash flows from investing activities

Acquisition of investment properties	(8,101)
Improvements of investment properties	(240,839)
Dispositions of investment properties	11,011

Net cash generated from (used in) investing activities	(237,929)
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Cash flows from financing activities

Acquisition of derivative financial instruments	(275)
Proceeds from borrowings	0
Principal payments on borrowings	(2,467,263)
Distributions to investors	(844,548)
Proceeds from CBFi issued	5,891,767

Net cash generated from (used in) financing activities	2,579,681
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Net (decrease) in cash and cash equivalents	3,582,625
Cash and cash equivalents at the beginning of the period	728,550
Exchange effects on cash and cash equivalents	691,379

Cash and cash equivalents at the end of the period	\$5,002,554
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Results for the period January 01, 2014 to December 31, 2014.



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>				
Balance at January 1, 2014 (Audited)	\$9,900,604	\$511,856	\$246,413	\$10,658,873
Capital Contribution, Net of Issuing Costs	5,891,767	-	-	5,891,767
Distributions to Investors	(110,619)	-	(733,929)	(844,548)
Comprehensive Income				
Profit for the period	-	-	487,516	487,516
Other Comprehensive (loss) income				
Currency Translation	-	1,989,016	-	1,989,016
Total Comprehensive (loss) income	-	1,989,016	487,516	2,476,532
Net Assets attributable to investors for the period from January 1 to December 31, 2014 (Unaudited)	\$15,681,752	\$2,500,872	\$-	\$18,182,624

Results for the period January 01, 2014 to December 31, 2014.