

TERRAFINA INVESTOR PRESENTATION

MAY 2014



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Investment Highlights

- **Pure Play Industrial Fibra – 96% U.S. Denominated Contracts**
- **Predictable Cash Flows from a Diversified Tenant Base with a Low Rollover**
- **Solid Growth Strategy Focused on a Selective Development Activity and Accretive Acquisitions**
- **Stable and Growing Cash Distributions through a Sound Financial Management**
- **Efficient Operating Structure with a Dedicated and Experienced Internal Management Team and External Advisor**

Terrafina's Portfolio Overview

- **Diversified revenue stream located across 16 states in Mexico**

- 69% manufacturing / 31% logistics and distribution

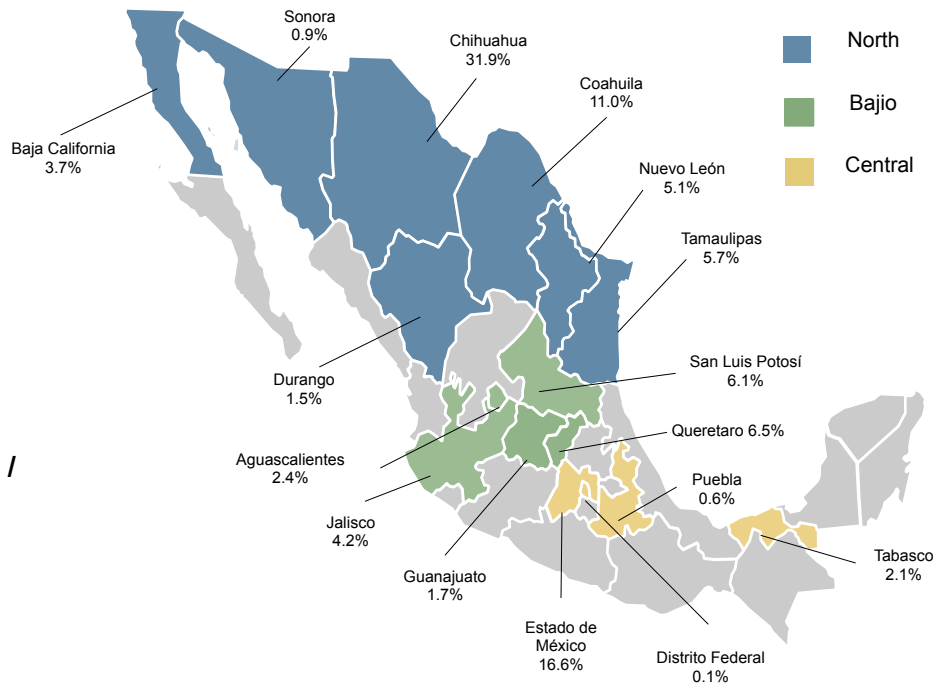
- **96% of leasing contracts are denominated in USD**

- Predictable cash flows armored against currency fluctuations
- Triple net leases contracts
- US inflation adjusted contracts

- **Average lease terms \approx 3 to 5 years for logistic & distribution / \approx 5 to 7 years for manufacturing**

- Low near term rollover with a high tenant retention
- Average retention ratio of 82%

% GLA by Region¹



(1) Data as of March 31, 2014.
Source: Terrafina.

Portfolio Highlights

	1Q13 ¹	2Q13	3Q13	4Q13	1Q14
	<i>(million of dollars unless otherwise stated)</i>				
Number of Developed Properties	132	132	216	216	217
Gross Leasable Area (GLA) (msf)	19.9	20.1	30.7	30.8	30.9
Occupancy Rate	85.9%	85.7%	86.3%	89.7%	90.6%
Avg. Leasing Rent / Square Foot (dollars)	4.60	4.62	4.77	4.76	4.74
Net Revenues	3.4	21.2	22.6	37.6	37.5
Real Estate Expenses	-1.0	-4.9	-5.4	-8.0	-9.3
Net Operating Income (NOI)	2.3	17.7	18.9	30.9	30.5
EBITDA	2.0	13.6	15.5	28.0	26.9
Adjusted Funds from Operations (AFFO)	1.4	7.7	9.2	14.3	15.1



1Q14 Highlights by Region	North	Bajío	Central	Total
# Buildings	150	40	27	217
# Tenants	148	41	39	228
GLA (msf)	18.4	6.4	6.0	30.9
New Developments ² (msf)	0.0	0.1	0.0	0.1
Land Reserves (msf)	3.7	0.1	3.6	7.3
Occupancy Rate	88.8%	91.8%	94.9%	90.6%
Average Leasing Rent / Square Foot (dollars)	4.59	4.82	5.10	4.74
Annualized Rental Base %	56.7%	21.5%	21.9%	100.0%
Renewal Rate	72.5%	100.0%	77.5%	81.8%

Past performance is not a guarantee or reliable indicator of future results. Data as of March 31, 2014. (1) 1Q13 includes only 11 days of operations. (2) Includes expansions and BTS.

North: Baja California, Sonora, Chihuahua, Coahuila, Nuevo Leon, Tamaulipas, Durango; Bajío: San Luis Potosí, Jalisco, Aguascalientes, Guanajuato, Querétaro;

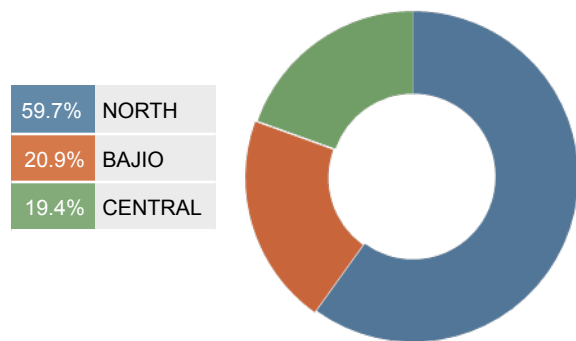
Central: Estado de México, Distrito Federal, Puebla, Tabasco.

Source: Terrafina.

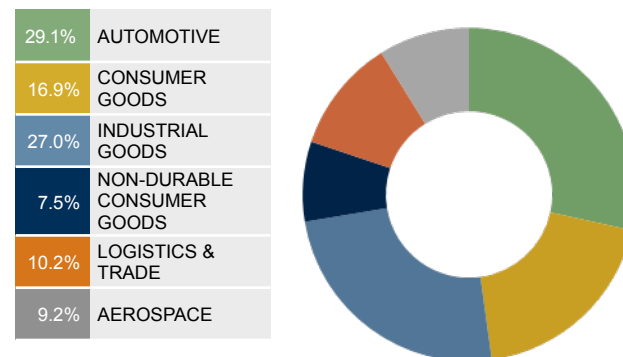
Portfolio Diversification

Terrafina's portfolio is well diversified by geography and industry

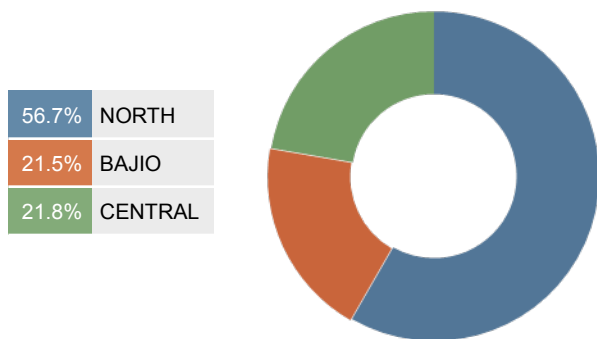
Geographic Diversification by Region (% GLA)



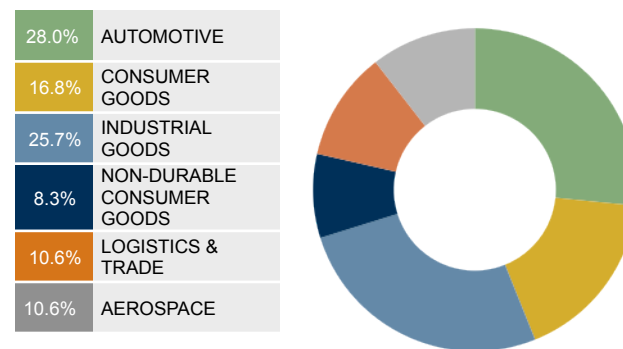
Diversification by Industry (%GLA)



Rental Revenue by Region



Rental Revenue by Industry

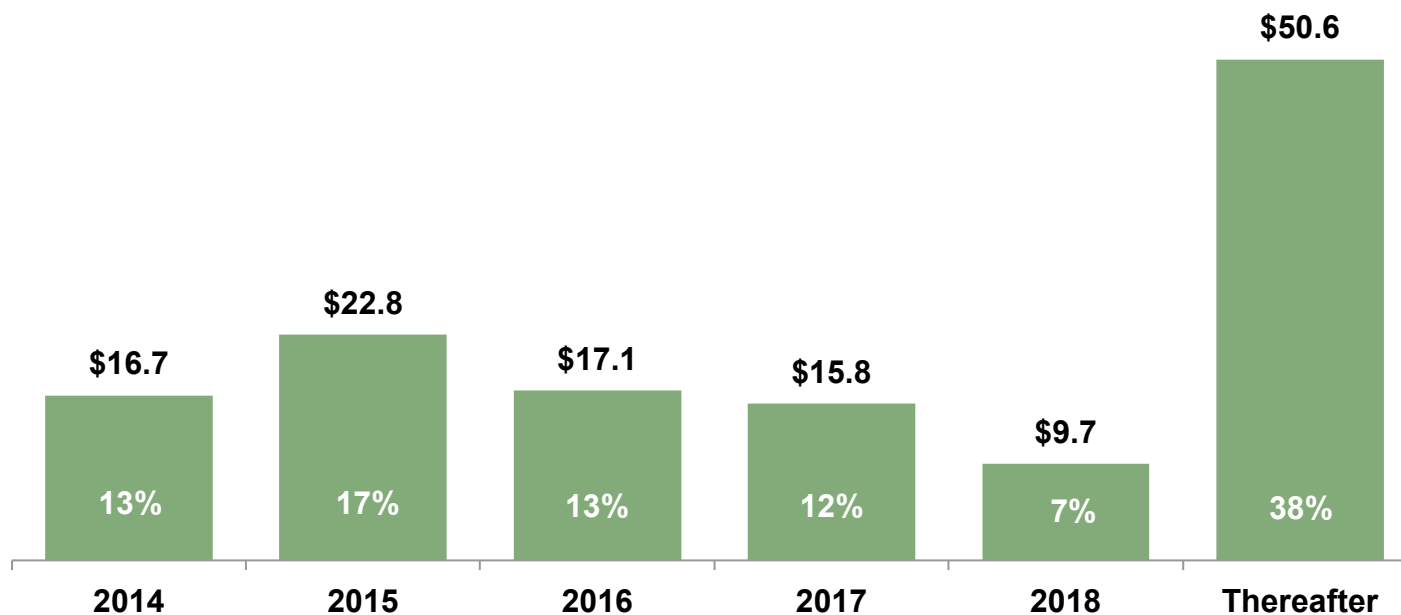


Note: Considered as % of total leasable area. Information as of March 31, 2014.

Cities in North: Ramos Arizpe, Saltillo, Monterrey, Casas Grandes, Hermosillo, Durango, Chihuahua, Delicias, Torreon, G. Palacio, Monclova, Tijuana, Ciudad Juarez, Cd. Acuña, Nuevo Laredo, Reynosa, Matamoros; Bajio: Queretaro, Celaya, Silao, Guadalajara, Aguascalientes, San Luis Potosi; Central: Region Huehuetoca, Toluca, Cuautitlan Izcalli, Puebla, Villahermosa, Mexico D.F. Source: Terrafina.

Leasing Maturities Schedule

Predictable cash flows from low rollover

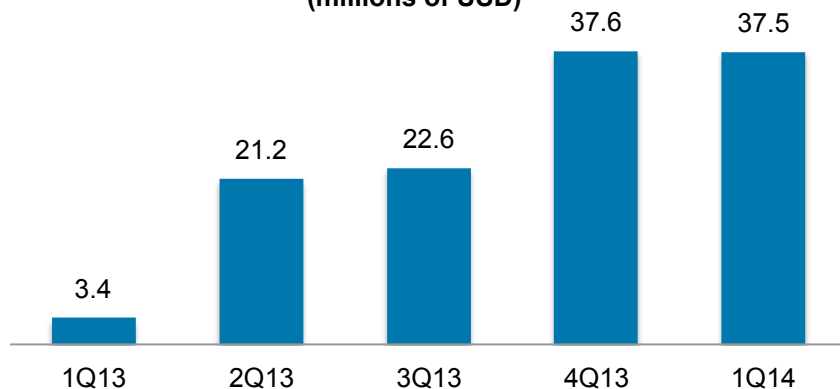


- Stable rollover with a high retention rate historically
- Solid track record of renewals in high rollover years

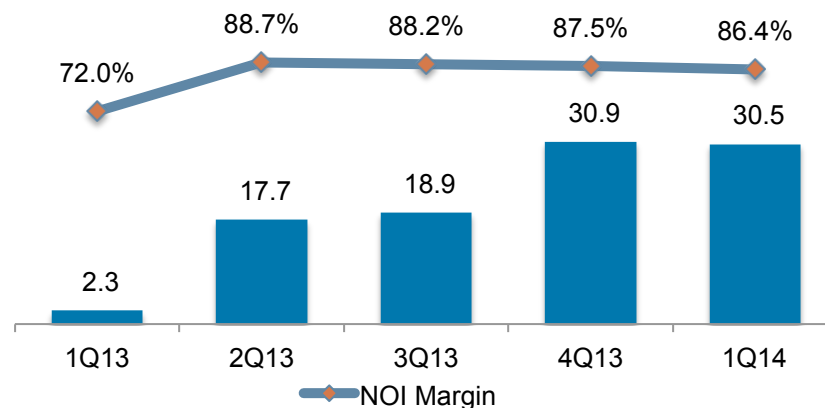
1Q14 Financial Highlights

Sound results from a well executed strategy

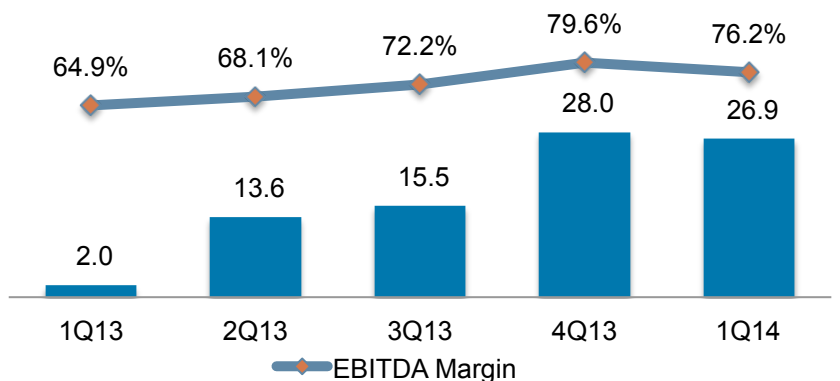
Revenues
(millions of USD)



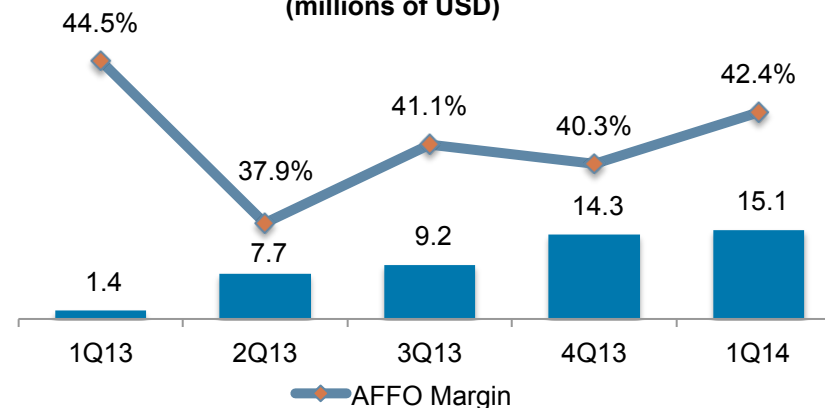
NOI
(millions of USD)



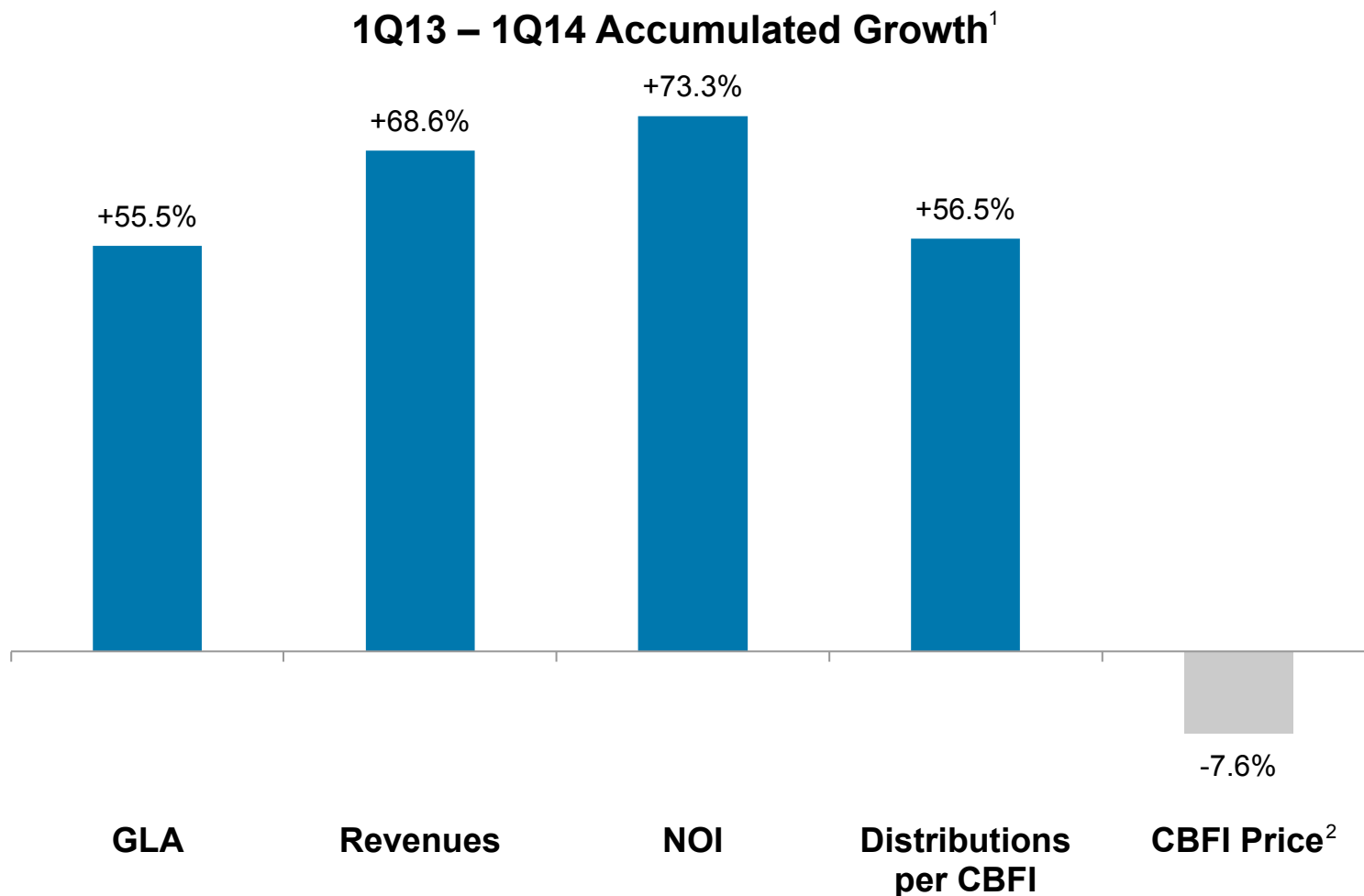
EBITDA
(millions of USD)



AFFO
(millions of USD)



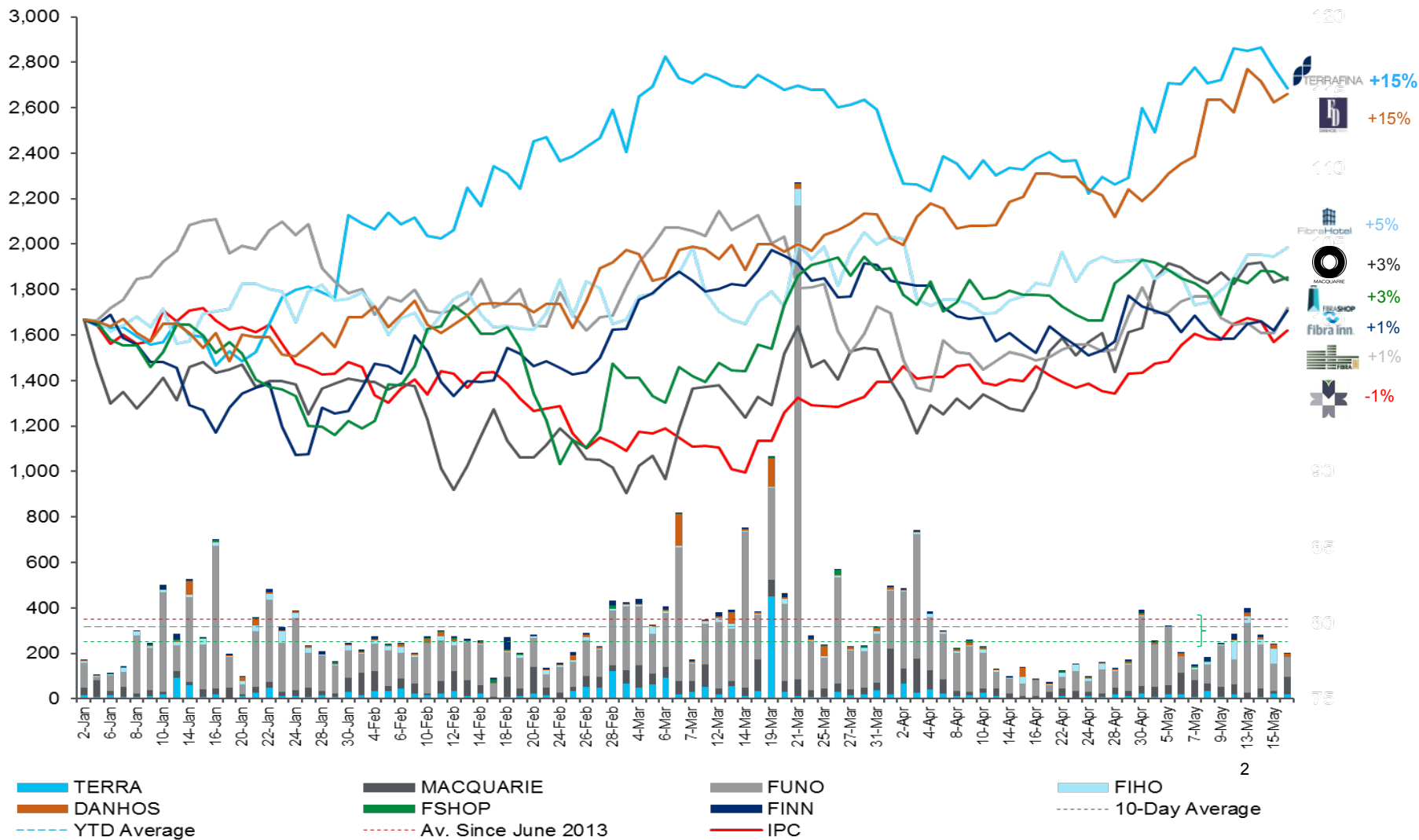
Since its inception, Terrafina has delivered solid results



(1) Growth comparison was made with annualized metrics. (2) Terrafina's accumulated CBFI return was calculated with the average CBFI price from 18/03/13 to 31/03/14

YTD Fibra's Performance*

Ongoing recovery and recognition, still with significant upside potential

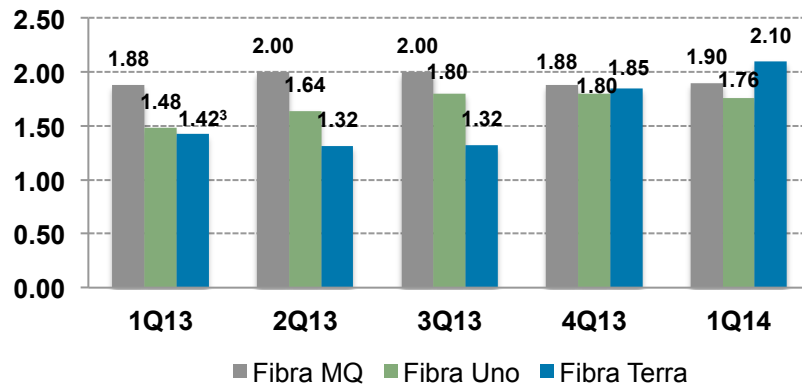


*Prices as of May 16, 2014.

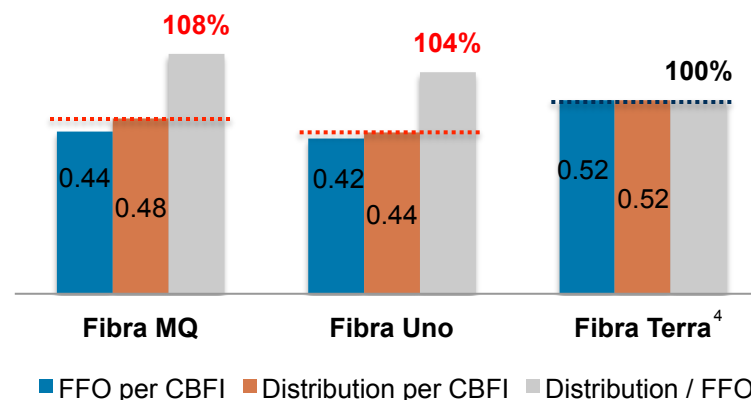
Distributions

(million of pesos unless otherwise stated)	1Q13	2Q13	3Q13	4Q13	1Q14
Total Outstanding CBFIs (million shares) ¹	381	381	381	381	381
CBFI Price (qtlly average)	27.6	28.87	25.35	24.26	25.08
Distributions	16.4	125.3	125.9	181.7	199.8
Distributions Per CBFI	0.0430	0.3289	0.3304	0.4769	0.5244
FX Rate USD/MXN (closing period)	12.3984	12.4915	12.9199	13.0262	13.2344
Distributions (million dollars)	1.3	10.0	9.7	13.9	15.1
Distributions Per CBFI (dollars)	0.0035	0.0263	0.0256	0.0366	0.0396
Annualized Distribution Yield ²	5.2%	4.6%	5.2%	7.9%	8.4%

**Annualized Distributions per Quarter
Industrial Fibras**
(pesos)



**1Q14 Distributions / Funds from
Operations**



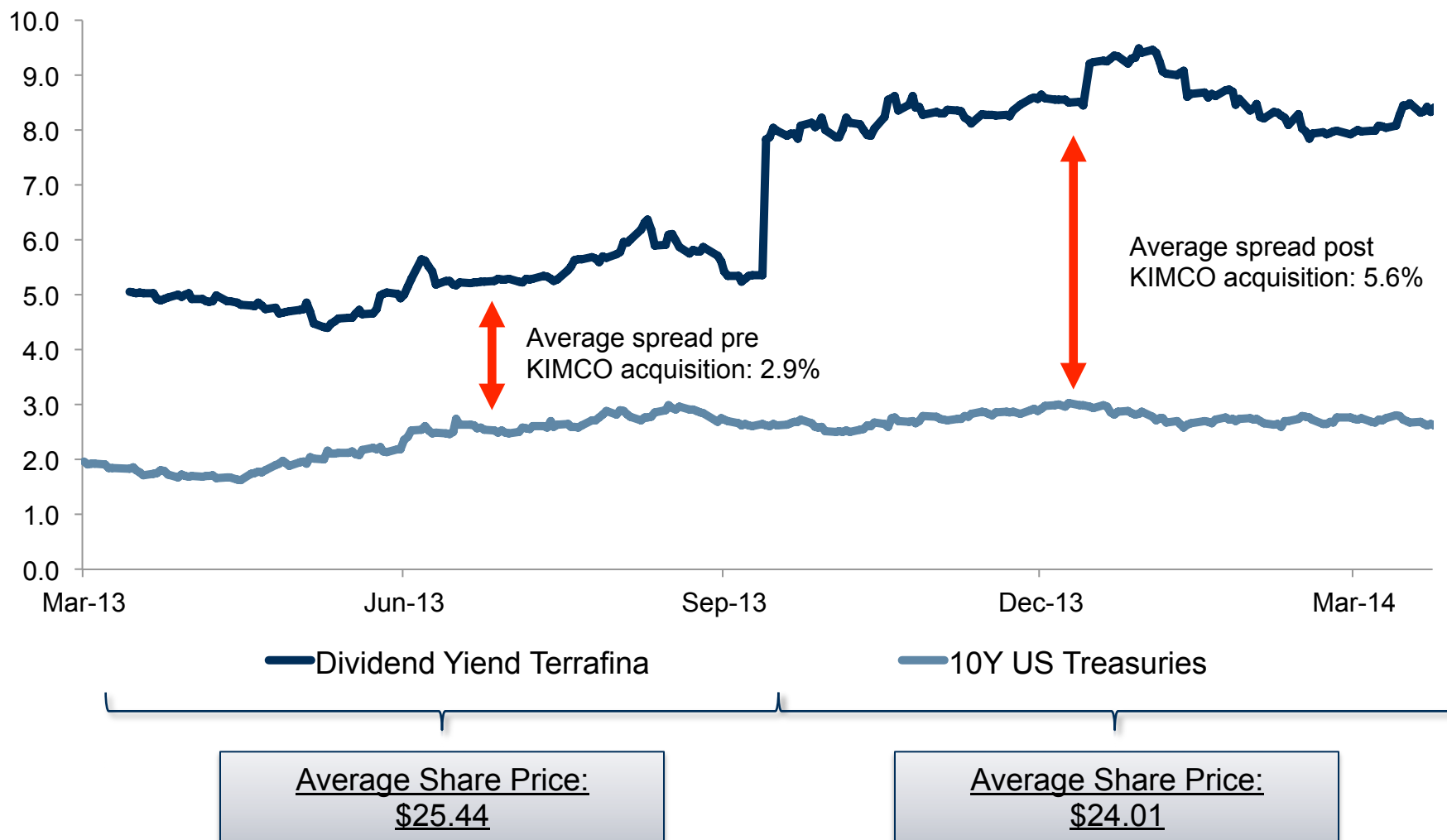
(1) Total number of outstanding CBFIs: 381,014,635. (2) Distribution per share divided by the CBFI price of the closing period.

(3) 1Q13 distributions were adjusted for comparison purposes to other Fibras. (4) Terrafina's Distribution / FFO is calculated using 1Q14 AFFO

Source: PREI Latin America - Fund Accounting and Companies' reports

Profitability to our Investors

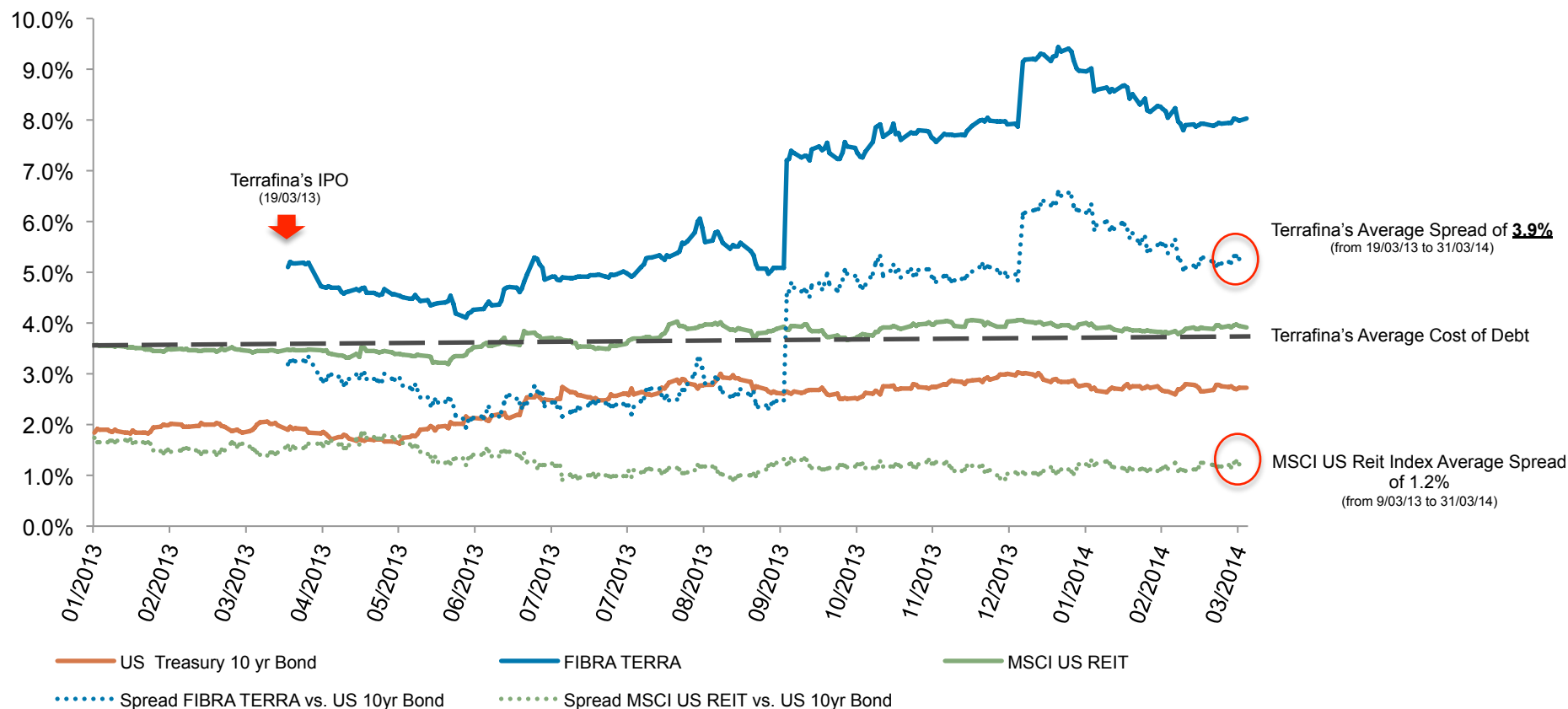
5.10% average spread of Terrafina's Dividend Yield vis-à-vis 10Y US Treasuries



Profitability to our Investors

Attractive dividend yield and higher distributions payout compared to other industrial Fibras

Forward Dividend Yield Trend Terraflina and MSCI US Reit Index vs. US Treasury 10yr Bond



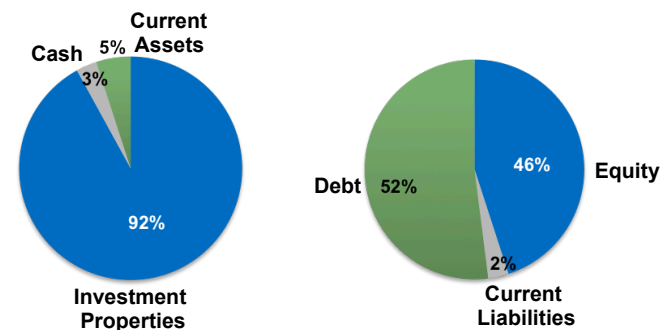
Outstanding Debt

(as of March 31, 2014)	Currency	Million pesos	Million dollars	Interest Rate	Terms	Maturity	Extension Option
Short Term Debt							
HSBC	Pesos	623.2	47.6	TIE + 2.60%	Interest + Principal	Mar 2015	-
Long Term Debt							
Citibank ¹	Dollars	6,499.5	496.8	Libor + 3.50%	Interest Only	Mar 2016	-
Banorte	Dollars	501.1	38.3	Libor + 3.30%	Interest + Principal	May 2016	-
GEREM ^{2,3}	Dollars	3,701.2	282.9	Libor + 3.50%	Interest + Principal	Sep 2018	Sep 2020
HSBC ³	Dollars	625.3	47.8	Libor + 3.50%	Interest + Principal	Sep 2018	Sep 2020
Total Debt		11,950.3	913.4				
Net Cash		594.1	45.4				
Net Debt		11,356.2	868.0				
<i>LTV⁴</i>			53.8%				

- Credit loans are set at variable interest rates
- USD denominated debt is hedged with interest rate caps and fixed rate options
- Access to cheaper financial cost; USD denominated financing is cheaper than in MXP

Terrafina's Capital Structure

(as of March 31, 2014)



(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)

Growth Strategy

Organic

- Increase occupancy rates ($\approx 91\%$ in 2014e)
- Expected additional NOI of over \$1.5 mm from inflation adjustments in leasing contracts
- Grow ≈ 400 k sq.ft. development expansions in the next twelve months
 - Estimated development yields of $\approx 12\%$
 - No acquisition costs for the land / owns the adjacent land for the development



Acquisitions

- Consolidation opportunities continue to be present in the market
- Identified potential acquisitions in the pipeline
 - Selective assets in different regions
 - Accretive acquisitions
 - Acquisitions in a range of \$200 mm

New Developments

- Capabilities to continue developing BTS properties
- Maintain a low exposure to the development of speculative buildings
- Continue expanding relationships with existing tenants

Organic Growth

- Proven track record of BTS developments

	sqf (thousand)	Yield on cost	NOI (million)
FY2013	455	10.7%	\$1.8
1Q14	131	11.3%	\$0.6

- Potential upside in rents and occupancy
- Development of land bank
 - 7.3 million square feet of raw land

	Renewals & Lease Up (million sqf)	Retention Rate
2013	7.5	72%
1Q13	1.4	58%
2Q13	1.6	90%
3Q13	1.8	61%
4Q13	2.7	72%
1Q14	1.5	82%

Execution of our Strategy

Sources of Cash

- Cash position of \$50 mm
- Expect \$20 mm of Net VAT recovery in the second half of 2014
- Capital Recycling Strategy of \approx \$180 mm to \$200 mm expected to materialize in 2014

Financing Options

- Creative structures to fund operations
 - Joint-ventures for the development of BTS properties
 - Share-based payment arrangements

Terrafina will not pursue a follow-on in the short term

CONTENTS

- **Appendix**

Global Knowledge



Regional Experience



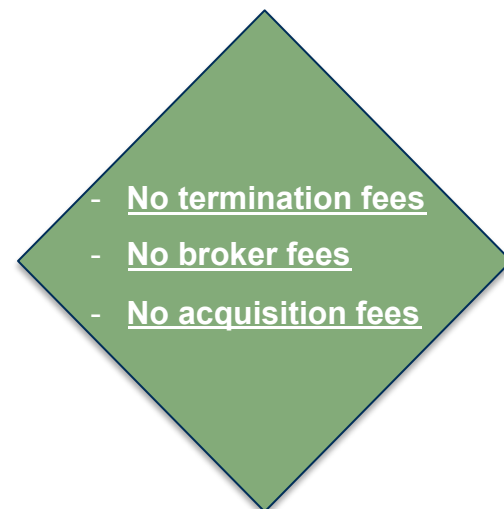
Local Execution



- Terrafina is a Mexican Real Estate Investment Trust (FIBRA)
 - IPO March 2013 – Listed in the Mexican Stock Exchange (BMV): Terra13
- Main Activities: acquire, own, develop and manage large-scale industrial real estate properties in Mexico
- Investment Focus: accretive acquisitions and development of industrial properties in key markets which have a relevant exposure in manufacturing for exports and logistic and distribution activities
- Most geographically diversified industrial portfolio with presence in all the high growth potential markets



Transparent Fee Structure



(1) Assets Under Management as of December 31, 2013.

**Alberto
Chretin¹**

- Former Minister of Economy for the state of Chihuahua
- 15 years of experience at nationally recognized industrial real estate companies

**Alfonso
Munk**

- Managing Director of PREI and Head of PREI Latin America
- Former Morgan Stanley head of real estate investing activities for Southern Europe and South America

Independent Members (71%)

**Eduardo
Solis**

- President of the Mexican Association of the Automotive Industry
- Former Head of Promotion of Investment at the Ministry of Economy and Chief Trade Negotiator in Mexico

**Victor D.
Almeida**

- Chairman and CEO of Interceramic, a leading tile manufacturer in Mexico
- Over 30 years of corporate experience in Latin America

**Arturo D' Acosta
Ruiz**

- Executive Director of Alvarez & Marsal, Mexico
- Broad experience in financial consulting, and specializing in M&A, restructurings and financing




**José Luis
Barraza**

- Former President of Grupo Aeromexico, S.A.B. de C.V.
- Over 30 years of experience in international trading and industrial promotion and development

**Edmundo M.
Vallejo**

- Professor of Corporate Politics at IPADE Business School in Mexico
- Former President & CEO of GE Capital Mexico / Latin America

APPENDIX 3. FIBRA FEE STRUCTURE COMPARISON WITH PEERS

													
Asset Management Fee	<ul style="list-style-type: none">○ 50bps of historical gross cost of assets of real estate; fee increased by Mexican CPI○ Paid quarterly	<ul style="list-style-type: none">○ 50bps of undepreciated book value of assets less debt○ Paid quarterly	<ul style="list-style-type: none">○ Base fee of 1.0% of market capitalization○ Paid semiannually										
Incentive Fee	<table><tr><td>Hurdle Rate</td><td>○ 9%</td></tr><tr><td>High Watermark</td><td>○ Yes</td></tr><tr><td>Fee</td><td>○ 10% paid in stock</td></tr><tr><td>Frequency</td><td>○ Annually</td></tr><tr><td>Lock-up</td><td>○ 6 months</td></tr></table>	Hurdle Rate	○ 9%	High Watermark	○ Yes	Fee	○ 10% paid in stock	Frequency	○ Annually	Lock-up	○ 6 months	<ul style="list-style-type: none">○ None	<ul style="list-style-type: none">○ 5%, plus inflation adjustment○ Yes○ 10% paid in stock○ Every 2 years○ 1 year
Hurdle Rate	○ 9%												
High Watermark	○ Yes												
Fee	○ 10% paid in stock												
Frequency	○ Annually												
Lock-up	○ 6 months												
Property Management and Leasing Fee	<ul style="list-style-type: none">○ None○ Third party providers at market rates.○ Currently at 1.5% to 3.0% of rental income	<ul style="list-style-type: none">○ Property Management: 1.0% of lease payments actually received under leases for the previous month○ Leasing Fees: 2.0% of all lease payments actually received under leases for the previous month<ul style="list-style-type: none">– Paid monthly	<ul style="list-style-type: none">○ Leasing Fees: 3.0% of lease payments 1.0% for accounting activities										
Acquisition Fee and Other Fees	<ul style="list-style-type: none">○ None	<ul style="list-style-type: none">○ 3.0% of property value	<ul style="list-style-type: none">○ One time founder's grant<ul style="list-style-type: none">– 1.5% of aggregate acquisition price of initial portfolio										

APPENDIX 4. Income Differentiators

- Income hedged in dollars; 96% of leasing contracts in USD
- Underlying hedges against FX fluctuations
 - Depreciated peso favours manufacturers activity
- In the long run, resilient to FX shocks

