



## TERRAFINA ANNOUNCES INDUSTRIAL PROPERTY ACQUISITIONS FOR US\$422 MILLION

Mexico City, January 17, 2017 – Terrafina® (“TERRA”) (BMV: TERRA13), a leading Mexican industrial real estate investment trust (“FIBRA”), externally advised by PGIM Real Estate and dedicated to the acquisition, development, leasing and management of industrial real estate properties in Mexico, announced today further progress of its acquisition strategy with the purchase of US\$422 million in properties – excluding taxes and transaction costs.

The acquisitions are comprised of the following:

A portfolio of 45 properties - representing a total of 5.6 million square feet – located in the main Mexican industrial markets, 83% located in the Northern region and 17% in the Bajío region of the country. The portfolio is comprised of Class A properties with 99% occupancy levels, where the totality of the lease contracts are U.S. dollar-denominated and under a triple-net lease (NNN) structure. Additionally, the average age of the portfolio is 8.5 years, with a stable maturity profile. Regarding profitability, this transaction is expected to generate an estimated 23% to 25% increase in the Company’s AFFO. Lastly, the cap rate of the transaction for the next 12 months is 7.6%, considering a payment of US\$381 million for the portfolio.

The second acquisition comprises six properties in the Bajío region. In total, the properties will contribute 725,000 square feet, with occupancy rates of 96%. The totality of these leases are U.S. dollar-denominated under a triple-net lease (NNN) structure. The average age of the portfolio is 7.2 years, with stable maturity profile. This acquisition is expected to generate an increase of 3% to 5% in the company’s AFFO. Lastly, the stabilized cap rate of the transaction for the next 12 months is 7.8%, considering a payment of US\$41 million for the portfolio.

The transactions were financed with Terrafina’s cash balance as well as with its revolving credit line.

As a result of these transactions, we expect Terrafina’s consolidated portfolio will reach the following operational and financial benefits:

- Improve the occupancy rate to over 95%, with the addition of stabilized Class A industrial portfolios;
- Increase the gross leasable area (GLA) by 21% (6.3 million additional square feet), maintaining the geographical diversification within the main markets of the Northern, Bajío, and Central regions;
- Consolidate its exposure to U.S. dollar-denominated leasing contracts with a solid base of multinational tenants;

**Contacts in Mexico City:**  
**Francisco Martínez/ Angel Bernal**  
Investor Relations Officer / Chief Financial Officer  
**Tel:** +52 (55) 5279-8107 / +52 (55) 5279-8109  
**E-mail:** [francisco.martinez@terrafina.mx](mailto:francisco.martinez@terrafina.mx) / [angel.bernal@terrafina.mx](mailto:angel.bernal@terrafina.mx)

**Contacts in New York:**  
**Maria Barona**  
i-advice Corporate Communications, Inc.  
**Tel:** +1 (212) 406-3691  
**E-mail:** [mbarona@i-advice.com](mailto:mbarona@i-advice.com)



- Improve the average age of the portfolio to 12.5 years, with a stable maturity profile;
- Increase NOI for 2017 approximately in a range of 22% to 24%; and
- Increase AFFO for 2017 approximately in a range of 27% to 29%.

“We are pleased to announce the successful closing of these transactions, which strengthen our growth strategy. In this manner, we continue to consolidate our position in the industrial market, with a diversified array of tenants in Mexico’s main economic sectors, including aerospace, automotive, and electronics. Our goal remains to maintain our leadership in the Northern and Bajio regions of the country,” stated Alberto Chretin, Chief Executive Officer.

Chretin continued, “We negotiated a very competitive consolidated acquisition price of US\$67.0 per square foot for two Class A stabilized portfolios, 20% lower than our comps’ last acquisitions, with U.S. dollar-denominated leases and multinational tenants, which will result in immediate benefits for our shareholders, increasing the Company’s AFFO by approximately 27% to 29%.

With these transactions, we are pleased to reaffirm our commitment to continue a disciplined focus on future acquisitions, implementing key actions that will add value to Terrafina.”

**Terrafina will host a Conference call to provide additional details about the acquisitions on:**

Wednesday, January 18, 2017  
11:00 a.m. Eastern Time (ET)  
10:00 a.m. Central Time (CT)

**To participate in the call, please dial:**

USA: 1-800-311-9404  
International (dial from outside of the U.S.) 1-334-323-7224  
Conference ID Number: **34974**

To access the live and archived webcast presentation, visit:

<https://www.webcaster4.com/Webcast/Page/1111/19326>



### About TerraFina

TerraFina (BMV:TERRA13) is a Mexican real estate investment trust formed primarily to acquire, develop, lease and manage industrial real estate properties in Mexico. TerraFina's portfolio consists of attractive, strategically located warehouses and other light manufacturing properties throughout the Central, Bajío and Northern regions of Mexico. It is internally managed by highly qualified industry specialists, and externally advised by PGIM Real Estate.

TerraFina owns 271 real estate properties, including 260 developed industrial facilities with a collective GLA of approximately 36.4 million square feet and 11 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](http://www.terrafinamx)

### PGIM Real Estate

PGIM Real Estate is the real estate investment business of PGIM Inc., the global investment management businesses of Prudential Financial, Inc. (NYSE: PRU). Redefining the real estate investing landscape since 1970, PGIM Real Estate has professionals in 18 cities in the Americas, Europe and Asia Pacific with deep local knowledge and expertise, and gross assets under management of \$66.9 billion (\$48.4 billion net) as of September 30, 2016. PGIM Real Estate's tenured team offers to its global client base a broad range of real estate investment vehicles that span the risk-return spectrum across core, core plus, value-add, debt, securities, and specialized investment strategies. For more information, visit [www.pgimrealestate.com](http://www.pgimrealestate.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, 2016, 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](http://www.news.prudential.com)

### Forward Looking Statements

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