



## For Immediate Release

### TERRA FIRMA CAPITAL CORPORATION REPORTS Q3 2012 RESULTS REVENUE AND NET INCOME CONTINUE TO GROW AT A SIGNIFICANT PACE AS LOAN ORIGINATION INCREASES

**All amounts are stated in Canadian dollars.**

TORONTO, ONTARIO, November 27, 2012 (Marketwire) -- Terra Firma Capital Corporation (TSX-V: TII) ("Terra Firma" or the "Company"), a real estate finance company, today announced that income from continuing operations for the nine months ended September 30, 2012 increased by 334% to \$755,605, or \$0.02 per basic and diluted share, from \$174,019, or \$0.01 per basic and diluted share in the comparative period in 2011. Interest income grew 441% to \$3,258,720 year to date in 2012 from \$602,241 in the year earlier period.

Income from continuing operations for the three months ended September 30, 2012 grew by 181% to \$290,154, or \$0.01 per basic and diluted share, from \$103,160, or \$0.01 per basic and diluted share in the comparative period in 2011. Interest income grew 399% to \$1,234,250 for the last quarter in 2012 from \$247,125 in the year earlier period.

The substantial growth in Terra Firma's revenues and income from continuing operations for the three and nine months ended September 30, 2012 as compared to the year earlier periods was driven primarily by a substantial increase in mortgage and loan investments originated and funded over the past twelve months. The Company's loan portfolio increased to \$32.1 million (with a weighted average effective interest rate of 20.2%) as at September 30, 2012 versus \$16.7 million and \$14.2 million as at December 31, 2011 and September 30, 2011, respectively.

Interest expense was higher for the three and nine months ended September 30, 2012 as compared to the year earlier periods, as a result of the issuance of \$10.1 million of 3-year, 7% convertible debentures in September of 2011 and an increase in the syndicated portion of the Company's loan portfolio to \$14.0 million as at September 30, 2012 from \$4.8 million and \$0.85 million as at December 31 2011 and September 30, 2011, respectively. These funding sources were used to leverage the Company's shareholders' equity to fuel the growth of its loan portfolio and increase the return on its net investment, while limiting its overall portfolio risk profile.

"We are very pleased with our 2012 third quarter and year to date results," commented Mr. Y. Dov Meyer, Terra Firma's CEO and President. "We continue to forge new and strengthen existing relationships with experienced real estate owners and complementary co-lenders – the drivers of growth, sustainability and quality of our loan portfolio."

"We are well positioned to continue the origination of quality real estate lending transactions and growth in revenue and earnings in the final quarter of 2012 and beyond" said Mr. Meyer.

### **2012 Third Quarter Operational Highlights:**

- During the three months ended September 30, 2012 Terra Firma completed two new loan investments totaling \$5.7 million on projects in Toronto and Ottawa. These investments were funded through the repayment of loans at maturity providing net proceeds of \$1.7, from the Company's syndication in the quarter providing cash proceeds of \$2.1 and cash on hand.
- On September 20, 2012 the Company's Manager exercised its right and notified the Company of its intention to terminate its Management Agreement effective the close of business on December 31, 2012.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three and nine months ended September 30, 2012 have been filed and are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### **About Terra Firma**

Terra Firma is a full service, publicly traded real estate finance company that provides customized equity and debt solutions to the real estate industry. Our focus is to arrange and provide financing with flexible terms to property owners looking to improve or add to their existing real estate assets but who may be limited by conventional bank financing, as well as to invest in quality commercial and residential developments by proven real estate developers. Terra Firma offers a full spectrum of real estate financing under the guidance of strict corporate governance, clarity and transparency. Terra Firma is managed by Counsel Asset Management, L.P., a wholly owned subsidiary of Counsel Corporation (TSX: CXS). Counsel Corporation owned approximately 20.2% of the outstanding common shares of Terra Firma as at September 30, 2012. For further information please visit Terra Firma's website at [www.terrafirmacapital.ca](http://www.terrafirmacapital.ca).

#### **About Counsel Corporation**

Counsel Corporation (TSX: CXS) is a financial services company that operates through its individually branded businesses in residential mortgage lending, distressed and surplus capital asset transactions and private equity investment. For further information, please visit Counsel's website at [www.counselcorp.com](http://www.counselcorp.com).

*The TSXV has neither approved nor disapproved the contents of this press release. The TSXV does not accept responsibility for the adequacy or accuracy of this press release.*

*This Press Release contains forward-looking statements with respect matters concerning the business, operations, strategy and financial performance of Terra Firma. These statements generally can be identified by use of forward looking word such as "may", "will", "expects", "estimates", "anticipates", "intends", "believe" or "could" or the negative thereof or similar variations. The future business, operations and performance of Terra Firma could differ materially from those expressed or implied by such statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are based on a number of assumptions which may prove to be incorrect. Additional, important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, local real estate conditions, competition, changes in government regulation, dependence on tenants' financial conditions, interest rates, the availability of equity and debt financing, environmental and tax related matters, and reliance on key personnel. There can be no assurances that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The cautionary statements qualify all forward-looking statements attributable to Terra Firma and persons acting on its behalf. Unless otherwise*

stated, all forward looking statements speak only as of the date of this Press Release and Terra Firma has no obligation to update such statements except as required by law.

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**Terra Firma Capital Corporation**  
**Condensed Statements of Operations**

For the three and nine months ended September 30, 2012 and 2011

(Unaudited)

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Interest	1,234,250	247,125	3,258,720	602,241
Earnings from joint ventures	19,567	18,746	58,500	199,410
	<u>1,253,817</u>	<u>265,871</u>	<u>3,317,221</u>	<u>801,651</u>
<b>Expense</b>				
General and administrative expense	143,338	52,870	404,187	151,498
Stock based compensation	41,803	-	201,471	252,390
Interest expense	669,461	52,841	1,643,083	136,744
	<u>854,602</u>	<u>105,711</u>	<u>2,248,741</u>	<u>540,632</u>
<b>Income before income taxes</b>	<b>399,215</b>	<b>160,160</b>	<b>1,068,480</b>	<b>261,019</b>
Income tax provision	<u>109,061</u>	<u>57,000</u>	<u>312,875</u>	<u>87,000</u>
<b>Income from continuing operations</b>	<b>290,154</b>	<b>103,160</b>	<b>755,605</b>	<b>174,019</b>
<b>Loss from discontinued operations</b>	<u>-</u>	<u>(194,299)</u>	<u>-</u>	<u>(194,770)</u>
<b>Net income (loss) and comprehensive income (loss)</b>	<b><u>290,154</u></b>	<b><u>(91,139)</u></b>	<b><u>755,605</u></b>	<b><u>(20,751)</u></b>
<b>Basic and diluted earnings (loss) per share:</b>				
Continuing operations	0.01	0.01	0.02	0.01
Discontinued operations	0.00	(0.01)	0.00	(0.01)
	<u>0.01</u>	<u>0.00</u>	<u>0.02</u>	<u>0.00</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>30,495,000</b>	<b>18,795,000</b>	<b>30,495,000</b>	<b>18,716,319</b>

The notes contained in the Company's interim financial statements are an integral part of these condensed statements.

**Terra Firma Capital Corporation**  
**Condensed Statements of Financial Position**  
As at September 30, 2012 and December 31, 2011  
(Unaudited)

	<b>September 30,</b>	<b>December 31,</b>
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
	<hr/>	<hr/>
<b>Assets</b>		
Cash and cash equivalents	<b>322,153</b>	8,662,505
Interest and sundry receivables	<b>815,268</b>	752,402
Prepaid expenses and deposits	<b>13,960</b>	7,365
Loan and mortgage investments	<b>32,096,902</b>	16,724,774
Interests in joint ventures	<b>3,812,721</b>	1,073,319
Portfolio investment	<b>950,000</b>	-
	<hr/> <b>38,011,004</b>	<hr/> <b>27,220,365</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<b>1,082,556</b>	682,186
Provision for discontinued operations	<b>161,184</b>	251,864
Unearned revenue	<b>115,359</b>	52,624
Income taxes payable	<b>309,513</b>	82,169
Deferred income taxes	<b>13,627</b>	10,260
Loans and mortgages payable	<b>14,039,362</b>	4,832,267
Debentures payable	<b>10,085,201</b>	10,061,869
	<hr/> <b>25,806,802</b>	<hr/> <b>15,973,239</b>
<b>Shareholders' equity</b>	<hr/> <b>12,204,202</b>	<hr/> <b>11,247,126</b>
	<hr/> <b>38,011,004</b>	<hr/> <b>27,220,365</b>

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