



## For Immediate Release

### **TERRA FIRMA CAPITAL CORPORATION REPORTS RESULTS FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2014**

**200% INCREASE IN EARNINGS PER SHARE YEAR OVER YEAR  
50% REVENUE GROWTH YEAR OVER YEAR  
57% GROWTH IN LOANS AND MORTGAGE INVESTMENTS**

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

TORONTO, ONTARIO, November 26, 2014 (Marketwired) -- Terra Firma Capital Corporation (TSX-V: TII) ("**Terra Firma**" or the "**Company**"), a real estate finance company, today released its financial results for the three and nine months ended September 30, 2014.

#### **THIRD QUARTER 2014 HIGHLIGHTS:**

- Total revenue is \$3.3 million, an increase of \$1.1 million or 50%, compared to the same period last year.
- Net income and comprehensive income in the third quarter is \$914,644, an increase of \$491,745 or 116%, compared to the third quarter of 2013.
- Basic earnings per share in the third quarter is \$0.03, compared to basic earnings per share of \$0.01 for the same quarter in the prior year, an increase of 200% over last year.
- Loan and mortgage investments at September 30, 2014 is \$70.8 million, an increase \$25.7 million or of 57% from September 30, 2013.

"I am pleased to report on another successful quarter for our Company. In addition to strong and growing financial results, we have also for the first time accessed the public markets, announcing a "Bought Deal" to raise capital. The equity raise of \$6.04 million at \$0.63 per common share, coupled with the refinancing of \$10.85 million of convertible debentures is a clear indication that the public markets are available to Terra Firma", commented Y. Dov Meyer, Chief Executive Officer. "With the appointment of Glenn Watchorn as our President and Chief Operating Officer, we will continue to expand our capabilities and relationships to grow our loan portfolio and to enhance our ability to generate attractive risk adjusted returns and increase shareholder value to our shareholders", he further said.

#### **Results of operations – three months ended September 30, 2014**

Net income in the third quarter ended September 30, 2014 was \$914,644 or \$0.03 per basic share and \$0.02 per diluted share, compared to \$422,899, or \$0.01 per basic and diluted share, in the third quarter ended September 30, 2013.

Interest and fee income for the third quarter ended September 30, 2014 aggregated \$3.2 million, an increase of 55% over the \$2.1 million in the same period in the previous year, and an increase of 13% over \$2.8 million in the second quarter ended June 30, 2014.

Interest expense for the third quarter ended September 30, 2014 was \$1.5 million, compared to \$1.1 million for the comparative period last year and \$1.5 million for the second quarter ended June 30, 2014, representing the growth of our business and the increase in loan syndications to fund the investment activities.

The company's loan and mortgage investments increased from \$55.3 million at December 31, 2013 to \$70.8 million at September 30, 2014, an increase of 28.0%. The average interest rate in the mortgage portfolio at September 30, 2014 was 20.0% compared to 18.6% at December 31, 2013.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three months ended September 30, 2014 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. For further information please visit Terra Firma's website at [www.tfcc.ca](http://www.tfcc.ca).

*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**  
**Consolidated Statements of Income and Comprehensive Income**  
For the three and nine months ended September 30, 2014 and 2013  
(Unaudited)

	Three months ended		Nine months ended	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
<b>Revenue</b>				
Interest and fees	\$ 3,206,862	\$ 2,063,541	\$ 8,669,218	\$ 5,489,936
Rental	47,520	113,262	210,276	335,916
	3,254,382	2,176,803	8,879,494	5,825,852
<b>Expenses</b>				
Property operating costs	15,225	182,784	72,526	251,637
General and administrative	417,793	353,130	1,301,988	1,093,216
Share based compensation	116,043	9,512	552,645	41,857
Interest	1,520,434	1,061,686	4,450,889	3,156,270
Gain on conversion of interest in joint operations	-	-	(487,000)	-
	2,069,495	1,607,112	5,891,048	4,542,980
<b>Income from operations before income taxes</b>	1,184,887	569,691	2,988,446	1,282,872
Income taxes	270,243	146,792	821,454	331,071
<b>Income from continuing operations</b>	914,644	422,899	2,166,992	951,801
<b>Income from discontinued operations</b>	-	-	151,644	-
<b>Net income and comprehensive income</b>	\$ 914,644	\$ 422,899	\$ 2,318,636	\$ 951,801
<b>Earnings per share</b>				
Basic	\$ 0.03	\$ 0.01	\$ 0.08	\$ 0.03
Diluted	\$ 0.02	\$ 0.01	\$ 0.06	\$ 0.03

**Terra Firma Capital Corporation**  
**Consolidated Statements of Financial Position**  
As at September 30, 2014 and December 31, 2013

	September 30, 2014	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 415,069	\$ 7,721,115
Funds held in trust	766,499	383,526
Amounts receivable and prepaid expenses	1,675,915	1,661,352
Loan and mortgage investments	70,842,612	55,278,303
Investment properties	1,915,336	7,671,452
Portfolio investments	3,868,234	954,073
Deferred income tax asset	34,740	-
<b>Total assets</b>	<b>\$ 79,518,405</b>	<b>\$ 73,669,821</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 3,014,868	\$ 1,366,708
Provision for discontinued operations	27,500	321,490
Unearned income	700,116	472,924
Income taxes payable	270,957	82,375
Deferred income tax liability	-	6,348
Short-term loan payable	4,120,000	-
Loans and mortgages payable	43,384,960	46,569,921
Convertible debentures	10,486,731	10,125,074
<b>Total liabilities</b>	<b>62,005,132</b>	<b>58,944,840</b>
<b>Shareholders' Equity</b>		
Share capital	\$ 10,834,175	\$ 10,795,790
Equity component of convertible debentures	284,490	-
Contributed surplus	750,743	603,962
Retained earnings	5,443,865	3,125,229
<b>Total shareholders' equity</b>	<b>17,313,273</b>	<b>14,524,981</b>
Non-controlling interest	200,000	200,000
<b>Total liabilities and Shareholders' Equity</b>	<b>\$ 79,518,405</b>	<b>\$ 73,669,821</b>