



For Immediate Release

TERRA FIRMA CAPITAL CORPORATION REPORTS RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2013

All amounts are stated in Canadian dollars.

TORONTO, ONTARIO, May 21, 2013 (Marketwire) -- 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 months ended March 31, 2013.

FIRST QUARTER 2013 HIGHLIGHTS:

- Total revenue is \$1.7 million, an increase of \$677,000 or 67%, compared to the same period last year.
- Total assets increased by 62% to \$57.1 million from \$35.2 million at March 31, 2012.

"We are pleased with the growth in our top line revenue and the new loan origination opportunities. Our top priority in 2013 is to secure a structure to create new growth opportunities that will enable us to build the size and value to the Company" commented Dov Meyer, President and Chief Executive Officer.

Results of operations – three months ended March 31, 2013

Net income in the first quarter ended March 31, 2013 was \$265,000 or \$0.01 per basic and diluted share, compared to \$253,000, or \$0.01 per basic and diluted share, in the first quarter ended March 31, 2012. Net income in the first quarter ended March 31, 2013 was impacted by internalization of the management. General and administrative expenses increased by \$209,000 as compared to March 31, 2012.

Interest and fee income for the first quarter ended March 31, 2013 aggregated \$1.6 million, an increase of 64% over the \$966,000 million in the same period in the previous year, and slightly down from the \$1.9 million in the fourth quarter ended December 31, 2012. Interest and fees in the fourth quarter ended December 31, 2012 included onetime fee of \$375,000 in one of the joint operations of the Company.

Interest expense for the first quarter ended March 31, 2013 was \$937,000, compared to \$496,000 for the comparative period last year and \$888,000 for the fourth quarter ended December 31, 2012 due to increased syndications to fund the investment activities.

The company's loan and mortgage investments increased from \$32.0 million at December 31, 2012 to \$42.8 million at March 31, 2013, an increase of 34%. The total value of loan and mortgage investments originated in the first quarter ended March 31, 2013 was \$14.8 million compared to \$8.6 million originated in the first quarter ended March 31, 2012. The average interest rate in the mortgage portfolio at March 31, 2013 was 18.1% compared to 19.9% at December 31, 2012.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three months ended March 31, 2013 have been filed and are available on SEDAR (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.terrafirmacapital.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 months ended March 31, 2013 and 2012
(Unaudited)

	Three months ended	
	March 31, 2013	March 31, 2012
Revenue		
Interest and fees earned	\$ 1,586,215	\$ 966,287
Rental income	107,096	49,632
	1,693,311	1,015,919
Expenses		
Property operating costs	47,615	17,538
General and administrative expenses	367,163	127,764
Share based compensation	-	30,357
Interest expense	937,412	495,691
	1,352,190	671,350
Income before income taxes	341,121	344,569
Income tax provision	75,776	91,352
Net income and comprehensive income	\$ 265,345	\$ 253,217
Earnings per share - basic and diluted	\$ 0.01	\$ 0.01

Terra Firma Capital Corporation
Consolidated Statements of Financial Position
As at March 31, 2013 and December 31, 2012
(Unaudited)

	March 31,	December 31,
	2013	2012
Assets		
Cash and cash equivalents	\$ 3,698,565	\$ 3,223,291
Amounts receivable and prepaid expenses	1,677,012	2,396,180
Loan and mortgage investments	42,799,082	31,996,731
Investment properties	7,939,416	7,834,576
Portfolio investment	950,000	950,000
Total assets	\$ 57,064,075	\$ 46,400,778
Liabilities		
Accounts payable and accrued liabilities	\$ 1,986,855	\$ 1,192,616
Provision for discontinued operations	415,101	445,957
Unearned income	226,512	16,965
Income taxes payable	101,356	474,297
Deferred income taxes	23,956	15,602
Loans and mortgages payable	31,188,063	21,406,070
Convertible debentures	10,100,941	10,093,325
Total liabilities	44,042,784	33,644,832
Shareholders' Equity		
Share capital	\$ 10,757,405	\$ 10,757,405
Contributed surplus	573,139	573,139
Retained earnings	1,690,747	1,425,402
Total shareholders' equity	13,021,291	12,755,946
Total liabilities and Shareholders' Equity	\$ 57,064,075	\$ 46,400,778