

**For Immediate Release****TERRA FIRMA CAPITAL CORPORATION REPORTS FIRST QUARTER 2015  
FINANCIAL RESULTS****46% increase in revenue over Q1-2014****53% increase in net income and comprehensive income over Q1-2014***NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR DISSEMINATION IN THE UNITED STATES***All amounts are stated in Canadian dollars.**

TORONTO, ONTARIO, May 6, 2015 (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 month period ended March 31, 2015.

**FIRST QUARTER 2015 HIGHLIGHTS:**

- Total revenue in the first quarter amounted to \$4.0 million, an increase of \$1.3 million or 46%, as compared to the same period in the prior year.
- Net income and comprehensive income in the first quarter was \$945,000, an increase of \$327,000 or 53%, compared to the first quarter of 2014.
- Earnings per share was \$0.02 per basic and diluted share, compared to \$0.02 per basic and diluted share.
- Total assets increased by 10% to \$80.1 million at March 31, 2015 from \$73.0 million at March 31, 2014.

"We are very excited about the Company's prospects in 2015. First, our financial results for the first quarter demonstrate our continued commitment to the continued growth of our profitable loan portfolio with focus on maximizing interest income and overall shareholder value," commented Y. Dov Meyer, Chief Executive Officer. "Second, since the beginning of the year we have significantly bolstered the Company's balance sheet and liquidity through the recently completed \$15.5 million bought deal and concurrent private placement equity offering and a new \$10 million credit facility. The funds from these sources together with our access to syndicated capital will provide Terra Firma with growth capital for our activities in Canada and in the US. We expect to see continued revenue growth in the second quarter and beyond", concluded Mr. Meyer.

**Results of operations – three months ended March 31, 2015**

Net income in the first quarter ended March 31, 2015 was \$945,438 or \$0.02 per basic and diluted share, compared to \$618,000, or \$0.02 per basic and diluted share, in the first quarter ended March 31, 2014.

Interest and fee income for the first quarter ended March 31, 2015 aggregated \$4.0 million, an increase of 51% over the \$2.6 million in the same period in the previous year, and an increase of 15% from the \$3.4 million in the fourth quarter ended December 31, 2014. Interest and fees in the first quarter ended March 1, 2015 included a one-time fee of \$544,212, which resulted an increase in fee income. The average interest rate in the loan and mortgage investments at March 31, 2015 was 21.1% compared to 19.6% at December 31, 2014.

Interest expense for the first quarter ended March 31, 2015 was \$1.5 million, compared to \$1.5 million for the comparative period last year and \$1.6 million for the fourth quarter ended December 31, 2014. The Company's loan and mortgage investments increased from \$56.3 million at March 31, 2014 to \$64.9 million at March 31, 2015, an increase of 15%. The average interest rate in the loan and mortgage syndications at March 31, 2015 was 13.3% compared to 11.9% at December 31, 2014.

Net income and comprehensive income for the three months ended March 31, 2015 was \$945,000 or \$0.02 per basic and diluted share, compared to \$618,000 or \$0.02 per basic and diluted share, in the same period last year. General and administrative expenses for the three months ended March 31, 2015 increased to \$798,000 from \$355,000 for the same period last year, due to increased payroll related costs.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three months ended March 31, 2015 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 real estate financings secured by investment properties and real estate developments throughout Canada and the United States. The Company focuses on arranging and providing financing with flexible terms to real estate developers and owners who require shorter-term loans to bridge a transitional period of one to five years where they require capital at various stages of development or redevelopment of a property. These loans are typically repaid with lower cost, longer-term debt obtained from other Canadian financial institutions once the applicable transitional period is over or the redevelopment is complete, or from proceeds generated from the sale of the real estate assets. 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 months ended March 31, 2015 and 2014  
(Unaudited)

	Three months ended,	
	March 31, 2015	March 31, 2014
<b>Revenue</b>		
Interest and fees	\$ 3,960,412	\$ 2,620,540
Rental	47,348	115,437
	4,007,760	2,735,977
<b>Expenses</b>		
Property operating costs	15,254	42,076
General and administrative	798,024	354,517
Share based compensation	391,039	12,608
Interest	1,503,032	1,478,919
	2,707,349	1,888,120
<b>Income from continuing operations before income taxes</b>	1,300,411	847,857
Income taxes	354,973	229,648
<b>Net income and comprehensive income</b>	\$ 945,438	\$ 618,209
<b>Earnings per share</b>		
Basic	\$ 0.02	\$ 0.02
Diluted	0.02	0.02

**Terra Firma Capital Corporation**  
**Consolidated Statements of Financial Position**  
As at March 31, 2015 and December 31, 2014

	March 31, 2015	December 31, 2014
<b>Assets</b>		
Cash and cash equivalents	\$ 2,037,589	\$ 1,083,745
Funds held in trust	2,449,335	834,065
Amounts receivable and prepaid expenses	2,375,690	2,058,846
Loan and mortgage investments	64,926,504	78,635,796
Investment properties	2,062,312	2,062,661
Portfolio investments	6,683,409	1,620,828
Deferred income tax asset	103,910	48,381
<b>Total assets</b>	<b>\$ 80,638,749</b>	<b>\$ 86,344,322</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,836,598	\$ 2,227,308
Provision for discontinued operations	27,500	27,500
Unearned income	507,459	639,307
Income taxes payable	128,790	341,432
Short-term unsecured loans payable	3,450,000	1,500,000
Loan and mortgage syndications	34,265,501	45,390,821
Mortgages payable	1,143,549	1,151,118
Convertible debentures	10,541,640	10,514,431
<b>Total liabilities</b>	<b>54,901,037</b>	<b>61,791,917</b>
<b>Equity</b>		
Share capital	\$ 16,654,718	\$ 16,654,718
Equity component of convertible debentures	284,490	284,490
Contributed surplus	1,289,454	1,049,585
Retained earnings	7,298,395	6,352,957
	25,527,057	24,341,750
Non-controlling interest	210,655	210,655
<b>Total equity</b>	<b>25,737,712</b>	<b>24,552,405</b>
<b>Total liabilities and Equity</b>	<b>\$ 80,638,749</b>	<b>\$ 86,344,322</b>