



## For Immediate Release

### TERRA FIRMA CAPITAL CORPORATION REPORTS RESULTS FOR THE SECOND QUARTER ENDED JUNE 30, 2015

#### 68% INCREASE IN NET INCOME COMPARED TO Q2 2014 47% TOTAL REVENUE GROWTH YEAR OVER YEAR

All amounts are stated in Canadian dollars.

TORONTO, ONTARIO, August 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 and six months ended June 30, 2015.

#### SECOND QUARTER 2015 HIGHLIGHTS:

- Total revenue is \$4.3 million, an increase of \$1.4 million or 47%, compared to the same period last year.
- Net income and comprehensive income in the second quarter is \$1.3 million, an increase of \$531,000 or 68%, compared to the second quarter of 2014.
- Basic and diluted earnings per share in the second quarter were \$0.03 and \$0.02, respectively, same as the year-ago period.

"Our second quarter results reflect our ability to continue to execute on our growth plan. As we recently reported, the closing of \$15.5 million bought deal offering and concurrent private placement equity offering, \$10 million operating credit facility and closing of two financings in the U.S, favourably positioned Terra Firma for increased future profitability", commented Y. Dov Meyer, Chief Executive Officer. "We are pleased with the growth in revenue and of our loan and mortgage investments of \$10 million quarter over quarter in spite of significant maturities in our portfolio in this past quarter. We are very excited by the size and quality of our pipeline of new opportunities both in Canada and in the U.S. and are confident that the remaining capital will be deployed in Q3. As well, our syndicated investors have demonstrated meaningful appetite for our U.S. investments in the face of a declining Canadian Dollar. We expect to continue to grow our syndication platform and reinvest our capital as we deploy more funds into new transactions increasing profitability and book value per share." he further said.

"We are focusing on selected areas in the U.S. and Canada which allow us to pick only the best financing opportunities on a risk-adjusted basis. We are excited about initiating our US expansion plan with the closing of two very attractive transactions and remain pleased with the performance of the existing loan portfolio", commented Glenn Watchorn, President and Chief Operating Officer.

#### Results of operations – three months ended June 30, 2015

Net income in the second quarter ended June 30, 2015 was \$1.3 million or \$0.03 per basic share and \$0.02 per diluted share, compared to \$786,000, or \$0.03 per share and \$0.02 per diluted share, in the second quarter ended June 30, 2014.

Interest and fee income for the second quarter ended June 30, 2015 aggregated \$4.2 million, an increase of 48% over the \$2.8 million in the same period in the previous year, and an increase of 6.3% over \$4.0 million in the first quarter ended March 31, 2015.

Interest and financing costs for the second quarter ended June 30, 2015 was \$1.4 million, compared to \$1.5 million for the comparative period last year and \$1.5 million for the first quarter ended March 31, 2015.

The Company's Management's Discussion & Analysis and Financial Statements as at and for the three and six months ended June 30, 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 and six months ended June 30, 2015 and 2014  
(Unaudited)

	Three months ended		Six months ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
<b>Revenue</b>				
Interest and fees	\$ 4,208,446	\$ 2,841,816	\$ 8,168,858	\$ 5,462,356
Rental	47,362	47,319	94,710	162,756
	4,255,808	2,889,135	8,263,568	5,625,112
<b>Expenses</b>				
Property operating costs	15,268	15,225	\$ 30,522	57,301
General and administrative	568,831	529,678	1,366,855	884,195
Share based compensation	724,689	423,994	1,115,728	436,602
Interest and financing costs	1,436,038	1,451,536	2,939,070	2,930,455
Gain on conversion of interest in joint operation	-	(487,000)	-	(487,000)
	2,744,826	1,933,433	5,452,175	3,821,553
<b>Income from continuing operations before income taxes</b>	1,510,982	955,702	2,811,393	1,803,559
Income taxes	194,304	321,563	549,277	551,211
<b>Income from continuing operations</b>	1,316,678	634,139	2,262,116	1,252,348
<b>Income from discontinued operations</b>	-	151,644	-	151,644
<b>Net income and comprehensive income</b>	\$ 1,316,678	\$ 785,783	\$ 2,262,116	\$ 1,403,992
<b>Earnings per share</b>				
Basic	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.05
Diluted	0.02	0.02	0.04	0.04

**Terra Firma Capital Corporation**  
**Consolidated Statements of Financial Position**  
As at June 30, 2015 and December 31, 2014

	June 30, 2015	December 31, 2014
<b>Assets</b>		
Cash and cash equivalents	\$ 6,127,920	\$ 1,083,745
Funds held in trust	1,404,903	834,065
Amounts receivable and prepaid expenses	2,321,572	2,058,846
Loan and mortgage investments	75,302,691	78,635,796
Investment properties	2,061,963	2,062,661
Portfolio investments	3,649,293	1,620,828
Deferred income tax asset	483,946	48,381
<b>Total assets</b>	<b>\$ 91,352,288</b>	<b>\$ 86,344,322</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,509,546	\$ 2,227,308
Provision for discontinued operations	27,500	27,500
Unearned income	630,181	639,307
Income taxes payable	354,650	341,432
Short-term unsecured loans payable	-	1,500,000
Revolving operating facility	3,814,196	-
Loan and mortgage syndications	28,613,546	45,390,821
Mortgages payable	1,135,892	1,151,118
Convertible debentures	10,569,736	10,514,431
<b>Total liabilities</b>	<b>49,655,247</b>	<b>61,791,917</b>
<b>Equity</b>		
Share capital	\$ 30,493,370	\$ 16,654,718
Equity component of convertible debentures	284,490	284,490
Contributed surplus	2,093,453	1,049,585
Retained earnings	8,615,073	6,352,957
	41,486,386	24,341,750
Non-controlling interest	210,655	210,655
<b>Total equity</b>	<b>41,697,041</b>	<b>24,552,405</b>
<b>Total liabilities and Equity</b>	<b>\$ 91,352,288</b>	<b>\$ 86,344,322</b>