



**For Immediate Release**

**TERRA FIRMA CAPITAL CORPORATION REPORTS RESULTS FOR THE FIRST  
QUARTER ENDED MARCH 31, 2014**

**62% increase in top line revenue over last year  
100% increase in Earnings Per Share over last year**

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

TORONTO, ONTARIO, May 21, 2014 (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, 2014.

**FIRST QUARTER 2014 HIGHLIGHTS:**

- Total revenue in the first quarter is \$2.7 million, an increase of \$1.0 million or 62%, as compared to the same period in the prior year.
- Net income and comprehensive income in the first quarter is \$618,000, an increase of \$353,000 or 133%, compared to the first quarter of 2013.
- Earnings per share is \$0.02 per basic and diluted share, compared to \$0.01 per basic and diluted share, an increase of 100% from the same quarter in the prior year.
- Total assets increased by 28% to \$73.0 million from \$57.1 million at March 31, 2013.

"I am pleased to report another strong quarter of growth as we begin 2014 on a solid footing" commented Y. Dov Meyer, President and Chief Executive Officer. "Loan originations for Q1 2014 and our current pipeline eclipse our investment activity for the same period last year. As a result we anticipate continued growth in revenue and earnings through the balance of 2014. I am encouraged that subsequent to quarter end, our capital markets initiatives resulted in analyst coverage on the company", concluded Mr. Meyer.

**Results of operations – three months ended March 31, 2014**

Net income in the first quarter ended March 31, 2014 was \$618,000 or \$0.02 per basic and diluted share, compared to \$265,000, or \$0.01 per basic and diluted share, in the first quarter ended March 31, 2013.

Interest and fee income for the first quarter ended March 31, 2014 aggregated \$2.6 million, an increase of 65% over the \$1.6 million in the same period in the previous year, and slightly down from the \$3.0 million in the fourth quarter ended December 31, 2013 due to timing of certain income recorded in 2013. Interest and fees in the fourth quarter ended December 31, 2013 included prepayment penalty, which resulted a \$92,000 increase in fee income.

Interest expense for the first quarter ended March 31, 2014 was \$1.5 million, compared to \$937,000 for the comparative period last year and \$1.6 million for the fourth quarter ended December 31, 2013. The Company's loan and mortgage investments increased from \$55.3 million at December 31, 2013 to \$56.3 million at March 31, 2014, an increase of 2%. The total value of loan and mortgage investments originated in the first quarter ended March 31, 2014 was \$9.4 million compared to \$13.4 million originated in the first quarter ended March 31, 2013. The average interest rate in the mortgage portfolio at March 31, 2014 was 18.8% 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 March 31, 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 months ended March 31, 2014 and 2013  
(Unaudited)

	Three months ended	
	March 31, 2014	March 31, 2013
<b>Revenue</b>		
Interest and fees	\$ 2,620,540	\$ 1,586,215
Rental	115,437	107,096
	2,735,977	1,693,311
<b>Expenses</b>		
Property operating costs	42,076	47,615
General and administrative	354,517	367,163
Share based compensation	12,608	-
Interest	1,478,919	937,412
	1,888,120	1,352,190
<b>Income from operations before income taxes</b>	847,857	341,121
Income taxes	229,648	75,776
<b>Net income and comprehensive income</b>	\$ 618,209	\$ 265,345
<b>Earnings per share</b>		
Basic	\$ 0.02	\$ 0.01
Diluted	\$ 0.02	\$ 0.01

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

	March 31, 2014	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 5,684,469	\$ 7,721,115
Funds held in trust	486,336	383,526
Amounts receivable and prepaid expenses	1,844,161	1,661,352
Loan and mortgage investments	56,338,050	55,278,303
Investment properties	7,686,666	7,671,452
Portfolio investment	954,073	954,073
<b>Total assets</b>	<b>\$ 72,993,755</b>	<b>\$ 73,669,821</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,678,788	\$ 1,366,708
Provision for discontinued operations	290,155	321,490
Unearned income	372,145	472,924
Income taxes payable	182,576	82,375
Deferred income taxes	12,786	6,348
Loans and mortgages payable	44,968,242	46,569,921
Convertible debentures	10,133,265	10,125,074
<b>Total liabilities</b>	<b>57,637,957</b>	<b>58,944,840</b>
<b>Shareholders' Equity</b>		
Share capital	\$ 10,795,790	\$ 10,795,790
Contributed surplus	603,962	603,962
Retained earnings	3,756,046	3,125,229
<b>Total shareholders' equity</b>	<b>15,155,798</b>	<b>14,524,981</b>
Non-controlling interest	200,000	200,000
<b>Total liabilities and Shareholders' Equity</b>	<b>\$ 72,993,755</b>	<b>\$ 73,669,821</b>