



For Immediate Release

TERRA FIRMA CAPITAL CORPORATION REPORTS RESULTS FOR THE YEAR ENDED DECEMBER 31, 2014

67% INCREASE IN BASIC EARNINGS PER SHARE YEAR OVER YEAR

39% REVENUE GROWTH YEAR OVER YEAR

42% GROWTH IN LOANS AND MORTGAGE INVESTMENTS

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All amounts are stated in Canadian dollars.

TORONTO, ONTARIO, March 26, 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 months and year ended December 31, 2014.

YEAR END 2014 HIGHLIGHTS:

- Total revenue is \$12.4 million, an increase of \$3.5 million or 39%, compared to \$8.9 million last year.
- Net income and comprehensive income attributable to common shareholders is \$3.2 million, an increase of \$1.5 million or 90%, compared to last year.
- Basic earnings per share for the year is \$0.10, compared to basic earnings per share of \$0.06 basic earnings per share, an increase of 67% over last year.
- Loan and mortgage investments at December 31, 2014 is \$78.6 million, an increase \$23.4 million or of 42% from December 31, 2013.
- Total assets increased by 17% to \$86.3 million at December 31, 2014 from \$73.7 million at December 31, 2013.

"Our results for the fourth quarter of 2014 represent an extraordinary finish to another truly transformative year for Terra Firma as we experienced a 90% increase in net income and 67% increase in basic earnings per share, compared to last year," commented Y. Dov Meyer, Chief Executive Officer. "As we move into 2015, with the addition of Mr. Glenn Watchorn as our new President and Chief Operating Officer, we will continue to cultivate new relationships and take full advantage of opportunities to expand our market share in Canada and expand into the U.S. We remain confident in our ability to continue to deliver results and consistent returns to shareholders."

Results of operations

Revenue for the three months ended December 31, 2014, totaled \$3.5 million, compared to revenues for the three months ended December 31, 2013 of \$3.1 million, representing an increase of \$0.4 million or 14% on a year-over-year basis. Revenue for the year ended December 31, 2014, totaled \$12.4 million, compared to revenues for the year ended December 31, 2013 of \$8.9 million, representing an increase of \$3.5 million or 39% on a year-over-year basis.

Interest and fee income for the three months ended December 31, 2014 aggregated \$3.5 million, an increase of 17% over the \$3.0 million in the same period in the previous year. Interest and fee income for the year ended December 31, 2014 aggregated \$12.1 million, compared to interest and fee income for the year ended December 31, 2013 of \$8.5 million, representing an increase of \$3.6 million or 42% over last year.

Interest expense for the three months ended December 31, 2014 and 2013 were \$1.6 million. Interest expense for the year ended December 31, 2014 was \$6.1 million, compared to \$4.7 million for the year ended December 31, 2013. The increase in interest expense represents the growth of the Company's business and the increase in loan syndications to fund the investment activities.

Net income and comprehensive income attributable to common shareholders for the year ended December 31, 2014 was \$3.2 million or \$0.10 per basic share and \$0.08 diluted share, compared to \$1.7 million, or \$0.06 per basic share and \$0.05 diluted share, in the last year. General and administrative expenses for the year ended December 31, 2014 increased to \$2.0 million, from \$1.5 million last year.

The company's loan and mortgage investments increased from \$55.3 million at December 31, 2013 to \$78.6 million at December 31, 2014, an increase of 42%. The weighted average effective interest rate in the mortgage investment portfolio at December 31, 2014 was 19.6% 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 and year ended December 31, 2014 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 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.

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 and years ended December 31, 2014 and 2013

(Unaudited)

	Three months ended,		Years ended,	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Revenue				
Interest and fees	\$ 3,458,498	\$ 2,964,227	\$ 12,127,716	\$ 8,454,163
Rental	47,319	115,419	257,595	451,335
	3,505,817	3,079,646	12,385,311	8,905,498
Expenses				
Property operating costs	15,225	35,441	87,751	287,078
General and administrative	694,218	382,940	1,996,205	1,476,156
Share based compensation	256,463	(2,649)	809,109	39,208
Interest	1,603,801	1,585,753	6,054,690	4,742,023
Gain on conversion of interest in joint operation	-	-	(487,000)	-
Fair value adjustment - investment properties	(147,950)	78,287	(147,950)	78,287
Fair value adjustment - portfolio investment	(66,755)	-	(66,755)	-
	2,355,002	2,079,772	8,246,050	6,622,752
Income from continuing operations before income taxes	1,150,815	999,874	4,139,261	2,282,746
Income taxes	231,068	251,848	1,052,522	582,919
Income from continuing operations	919,747	748,026	3,086,739	1,699,827
Income from discontinued operations	-	-	151,644	-
Net income and comprehensive income	\$ 919,747	\$ 748,026	\$ 3,238,383	\$ 1,699,827
Net income and comprehensive income attributable to:				
Common shareholders	\$ 909,092	\$ 748,026	\$ 3,227,728	\$ 1,699,827
Non-controlling interest	10,655	-	10,655	-
	\$ 919,747	\$ 748,026	\$ 3,238,383	\$ 1,699,827
Earnings per share				
Basic	\$ 0.02	\$ 0.02	\$ 0.10	\$ 0.06
Diluted	0.02	0.02	0.08	0.05

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

	December 31, 2014	December 31, 2013
Assets		
Cash and cash equivalents	\$ 1,083,745	\$ 7,721,115
Funds held in trust	834,065	383,526
Amounts receivable and prepaid expenses	2,058,846	1,661,352
Loan and mortgage investments	78,635,796	55,278,303
Investment properties	2,062,661	7,671,452
Portfolio investments	1,620,828	954,073
Deferred income tax asset	48,381	-
Total assets	\$ 86,344,322	\$ 73,669,821
Liabilities		
Accounts payable and accrued liabilities	\$ 2,227,308	\$ 1,366,708
Provision for discontinued operations	27,500	321,490
Unearned income	639,307	472,924
Income taxes payable	341,432	82,375
Deferred income tax liability	-	6,348
Short-term loans payable	1,500,000	-
Loan and mortgage syndications	45,390,821	42,889,374
Mortgages payable	1,151,118	3,680,547
Convertible debentures	10,514,431	10,125,074
Total liabilities	61,791,917	58,944,840
Equity		
Share capital	\$ 16,654,718	\$ 10,795,790
Equity component of convertible debentures	284,490	-
Contributed surplus	1,049,585	603,962
Retained earnings	6,352,957	3,125,229
	24,341,750	14,524,981
Non-controlling interest	210,655	200,000
Total equity	48,894,155	29,249,962
Total liabilities and Equity	\$ 86,344,322	\$ 73,669,821