

First Quarter 2012 Results and Highlights

1.- Variations in the Balance Sheet

The balance sheet reflects a net increase of 14% compared to the same quarter last year. The company's financial position continues to be very solid with a Debt/Equity ratio of 1 to 14.

The cash position, including Cash and Short-Term Instruments, totals \$79,382, principally as a result of the acquisitions of plantations in 2011, which required approximately 450 million pesos, as well as the acquisition of new properties for planting in Mexico, planting and maintenance expenses and administrative expenses. \$39,147 were used this quarter for forestry, administrative and operating expenses in the absence of acquisitions of fixed assets or non-current biological assets. It is worth noting that first quarter resources to fund the acquisition of Ecodirecta in Costa Rica were in an escrow account, reflected within Accounts Receivable.

Other Current Asset accounts totaling \$90,512 increased for two principal reasons: on the one hand, Inventories and Receivables increased as a result of the Company's increased activity, and on the other, the increase in Recoverable Taxes (especially VAT). It should be recalled that forestry is taxed at 0% and that the first significant refund to this effect was completed in October 2011.

Non-current assets have come to constitute the bulk (over 80%) of the assets. Forestry assets, comprised of Properties (Land) and Biological Assets, in turn make up 90% of the same, if those available for sale are included.

The value of Fixed Assets (Properties-Land) doubled in comparison to the same quarter last year, including an adjustment of approximately 80mdp as a result of the adoption of International Financial Reporting Standards, in which the company decided to value its properties at market value. In contrast, the weakening of the peso this quarter resulted in a reduction in the value of the same, although the combined effect is an increase to their value.

In regards to Biological Assets (both current and non-current) the Company has adjusted its valuation policy to better reflect their value, specifically in terms of the effects generated by the growth of juvenile plantations, with productivity above that originally forecast. Nonetheless this adjustment to policy would not have had a significant effect on the figures of the previous tax year, insofar as at that time juvenile plantations were still valued at historical cost. The total biological assets despite the adverse effect of the weakening of the peso in relation to the previous quarter is situated in \$442,519.

In terms of capital structure, the position of the Company continues to be extremely solid, with a Debt/Equity ratio of nearly 1 to 14.

Current Liabilities, in general, are similar to the same period last year, while Non-Current Liabilities increased as a result of the disbursement of the credit line by Financiera Rural in Q211 plus the capitalized interest of the same.

2.- Variations in Income Statement

With Wood Sales at \$8,559, the first quarter of the year is the best in the history of Proteak, and a noticeable improvement in relation to Cost of Sales may be observed.

This quarter's gross earnings totaled \$13,823, with Sales at \$8,559, which are not only 25% higher than the quarterly budget, but that constitute the best quarterly sales volume in our history. In this regard, the first export of roundlogs to China may be highlighted, as well as the first sales to the Colombian domestic market.

The remaining revenue corresponds almost exclusively to the Revaluation of the Biological Assets, in which the revaluation of the plantations in Nayarit, the oldest in Mexican territory, was carried out.

Sales Costs reflect a noticeable improvement compared to earlier quarters, principally due to the successful launch of operations in Lerma, México and La Gloria, Colombia (outsourced), while manufacturing sites were consolidated from five to two (those mentioned above). The Company continues to work toward stabilizing operations to definitively capitalize on these improvements.

General Expenses increased slightly over 20% compared to the same period last year, principally due to the greater regional presence of the Company. In terms of the previous quarter, expenses were reduced by approximately 10%. While personnel expenses are in line with the budget, other expenses are over budget, with increases in Travel, Communications and Professional Services.

3.- Cash Flow

This quarter the cash position was reduced by \$39 million pesos. There were no extraordinary expenses registered.

Aggregate cash flow is in line both with our annual budget and earlier quarters, adjusting with significant one-off effects.

The main expenditure item is related to that invested in forest operations where land holdings have already been prepared for planting approximately 500 has of the 1,200 that were scheduled to be planted this fiscal year. Payments to personnel (including seasonal expenses for performance bonuses and taxes) are in line with the budget.

Having no further highlights to report that represent a risk for the operation of the business plan, we hereby conclude our comments for this quarter's financial statements.

Mexico City, Federal District, May 2, 2012. Proteak, S.A.P.I.B. de C.V. (BMV: TEAK CPO) published its first quarter results for 2012 on this date. This information is presented in nominal terms according to Mexican Financial Reporting Standards (Normas de Información Financiera, "NIF")

FIRST QUARTER 2012 CONSOLIDATED RESULTS (Thousands of pesos)

The table below presents the consolidated statement of earnings expressed in thousands of pesos, the margin each concept represents in net sales, as well as the percent change for the quarter ending March 31, 2012 compared to the same period in 2011:

	Proteak		Proteak		Δ Q112 Vs Q111
	YTD Q112	% Margin	YTD Q111	% Margin	
NET SALES	8,558	62%	3,122	32%	174%
INCOME FROM REVALUATIONS	5,264	38%	6,670	68%	-21%
COST OF SALES	9,186	66%	4,635	47%	98%
GROSS PROFIT (LOSS)	4,636	34%	5,157	53%	-10%
GENERAL EXPENSES	15,042	109%	11,859	121%	27%
OPERATING PROFIT (LOSS)	(10,406)	-75%	(6,702)	-68%	-55%
OTHER INCOME AND (EXPENSES) NET	-	0%	-	0%	N/A CC
COMPREHENSIVE FINANCING RESULTS	(1,166)	-8%	1,630	17%	-172%
ANNUAL RESULTS	(11,572)	-84%	(5,072)	-52%	-128%
INCOME TAXES	-	0%	-	0%	N/A
DISCONTINUED OPERATIONS	-	0%	-	0%	
ANNUAL RESULTS	(11,572)	-84%	(5,072)	-52%	-128%

Quarterly comparison

	Q112	Q411	Q311	Q211	Q111
NET SALES	8,558	2,546	8,291	5,542	3,122
INCOME FROM REVALUATIONS	5,264	10,107	-	18,104	6,566
COST OF SALES	9,186	222	12,448	6,993	4,635
GROSS PROFIT (LOSS)	4,636	12,431	(4,157)	16,653	5,053
GENERAL EXPENSES	15,042	11,671	13,324	16,222	11,859
OPERATING PROFIT (LOSS)	(10,406)	760	(17,481)	431	(6,806)
OTHER INCOME AND (EXPENSES), NET.	-	2,089	43	711	104
COMPREHENSIVE FINANCING RESULTS	(1,166)	(24,272)	23,878	(3,867)	1,676
ANNUAL RESULTS	(11,572)	(21,423)	6,440	(2,725)	(5,026)

CONSOLIDATED BALANCE SHEET FOR FIRST QUARTER 2012 (Thousands of pesos)

	Proteak Real Q112	Proteak Real Q411	Proteak Real Q410	Δ Q112 Vs Q411	
Cash and Investments	79,382	118,529	690,425	(39,147)	-33%
Accounts Receivable (Customers)	15,295	7,278	3,641	8,017	110%
Other Accounts Receivable	47,934	46,193	25,033	1,741	4%
Inventories	23,467	22,557	5,806	910	4%
Current Biological Assets				-	N/A
Assets Available for Sale	122,763	133,557		(10,794)	-8%
CURRENT ASSETS	288,841	328,114	724,905	(39,273)	-12%
Property	362,368	330,515	131,780	31,853	10%
Equipment	40,077	43,957	21,414	(3,880)	-9%
Other	8,891	9,439	5,208	(548)	-6%
Accumulated depreciation	-9,924	-8,952	(2,572)	(972)	11%
Construction in process	-	23,761	12,345	(23,761)	-100%
FIXED ASSETS	401,412	398,720	168,175	2,692	1%
Non-Current Biological Assets	442,519	467,126	110,566	(24,607)	-5%
Other Assets	28,455	25,317	21,535		
TOTAL ASSETS	1,161,227	1,219,277	1,025,181	(58,050)	-5%
Accounts Payable (Suppliers)	8,383	5,237	3,751	3,146	60%
Payable taxes	185	599	330	(414)	-69%
Provisions				-	
Other current liabilities	13,999	23,925	11,779	(9,926)	-41%
TOTAL SHORT-TERM LIABILITIES	22,567	29,761	15,860	(7,194)	-24%
Interest-bearing loans	54,230	53,051	38,912	1,179	2%
Loans without interest	103	103	64	-	0%
TOTAL LONG-TERM LIABILITIES	54,333	53,154	38,976	1,179	2%
TOTAL LIABILITIES	76,900	82,915	54,836	(6,015)	-7%
Capital stock	463,950	464,135	463,925	(185)	0%
Share premium	579,892	579,892	579,892	-	0%
Accumulated earnings	(61,871)	(66,763)	(62,500)	4,892	-7%
Gains from property revaluations	60,720	66,060		(5,340)	-8%
Translation adjustment	53,208	122,604	2,574	(69,396)	-57%
Tax-year revenue	(11,572)	(29,566)	(13,546)	17,994	-61%
TOTAL EQUITY	1,084,327	1,136,362	970,345	(52,035)	-5%
TOTAL LIABILITIES + EQUITY	1,161,227	1,219,277	1,025,181	(58,050)	-5%

CASH FLOW STATEMENT FOR FIRST QUARTER OF 2012 In Thousands of Pesos

	Proteak Real Q112	Proteak Real Q111	Δ Q112 Vs Q111
CASH AT BEGINNING OF PERIOD	118,529	690,424	-83%
(+) Financing Contributions	(5,343)	(2,953)	81%
(-) Investment Activity Expenses	3,427	(20,484)	-117%
NET BALANCE AVAILABLE	116,613	666,987	-83%
(-) Loss before Taxes	(11,572)	(5,072)	128%
(-) Operating Expenses	(25,659)	(210,500)	-88%
CASH AVAILABLE AT END OF PERIOD	79,382	451,415	-82%