

## First Quarter 2013 Results and Highlights

### 1.- Variations in Statement of Financial Position

The Company closed the quarter with a total asset value of \$1.3 billion pesos, a 3% reduction compared to 2012. This change was mainly the result of the revaluation of the peso against the dollar, insofar as Proteak currently performs most of its transactions in dollars since almost all of its sales are for export. The year-end exchange rate in December 2012 was \$12.98 pesos to the dollar and was \$12.35 pesos to the dollar in March 2013, respectively.

#### Total Asset Growth

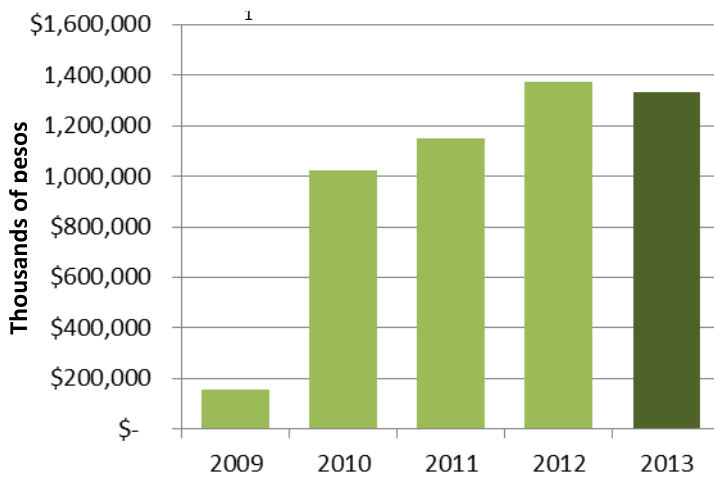


FIGURE 1: TOTAL ASSETS IN THOUSANDS OF PESOS, OF WHICH LANDS AND BIOLOGICAL ASSETS REPRESENT 85% OF THE TOTAL

The cash position, including Cash and Short-Term Instruments, totals \$30 million pesos, representing a reduction of \$19 million pesos compared to the previous quarter, but in line with the level of activity of the Company.

Accounts receivable saw a relative increase of \$3 million pesos, or 6%, compared with the close of 2012, closing at \$44 million pesos. The Accounts Receivable balance is modified by two factors first, that due to the immediate sales from the quarter of \$34 million, which indicates a clear improvement in the operation with respect to the receivables portfolio.

The second factor is the revaluation of the exchange rate as mentioned in the header to this report, taking into account that our operating currency is the dollar while the reporting currency is the peso.

Other accounts receivable, which total \$83 million pesos, are principally comprised of recoverable taxes (VAT), various debtors and advance payments. Taking into account that forestry activities are taxed at a 0 rate, the company has established a robust process to recover all the balances from 2013. As of the date of this report, \$16.7 million pesos have been recovered in 2013 and approximately \$23 million more are in the process of return by the authorities.

Current or mature biological assets, i.e., those that are ready for sale, varies compared to the close of 2012 principally as a result of the devaluation of the exchange rate which generates an adjustment in the value of Biological Assets. The revaluations of biological assets this quarter are not significant given that inventories are scheduled for the last quarter of the year. The harvested volume during the quarter was 142.60 has, which represents a reduction in value of \$6 million pesos for this period's sales. The net effect is a decrease of mature biological assets by \$21 million pesos.

In turn, the non-current biological assets account increased this quarter as a result of capitalizable forestry expenditures, the net incremental effect of this was \$15.9 million pesos. It is very important to stress that these investments represent an improvement in the expected return on planting to maintain growth widely exceeding original forecasts.

Long-term assets held for sale principally involve non-strategic landholdings that the company intends to sell in the medium term, these assets are found in Costa Rica and have a total value of \$105M as of the close of March.; It should be underscored that the value of these lands is also being affected by the devaluation of the dollar as was mentioned at the beginning of this note. On the other hand, it is very important to report that **FIGURE 2. VALUE VS.**

on March 24, 2013, an agreement was signed selling various landholdings for \$22 million pesos, said contract will go into effect on May 7, pursuant to the clauses therein.

Current Liabilities, in general terms, increase in proportion to the level of activity needed to generate the aggressive increase in Sales. Long-Term Liabilities included credit from Financiera Rural of which \$121 million pesos have been applied and that total \$139 million pesos including capitalized interest.

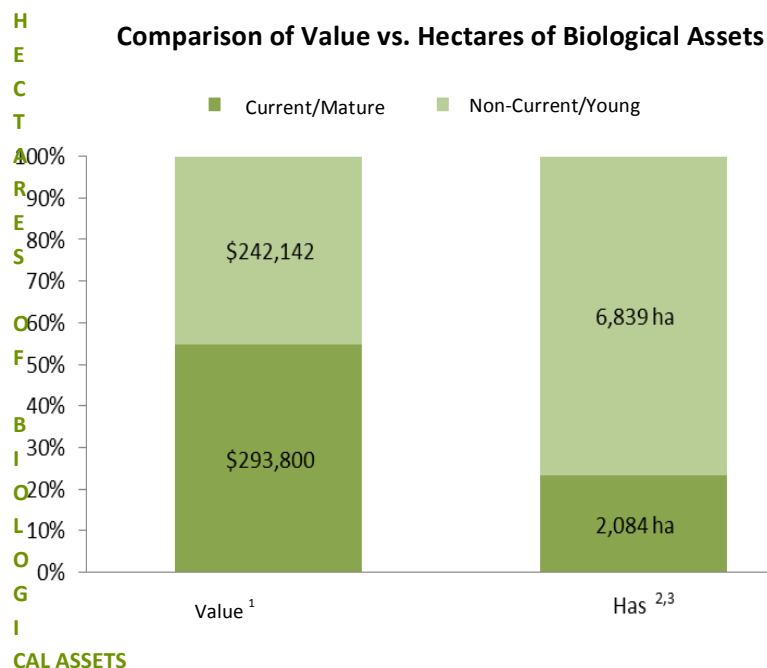
In terms of capital structure, the position of the Company continues to be extremely sound, with a Debt/Equity ratio of nearly 1 to 5.

## 2.- Variations in Statements of Earnings

**First-quarter sales of \$34 million pesos this year, being the second highest quarterly sales figure in the history of Proteak.**

Sales were registered for a total of \$34 million pesos this quarter; export sales to India and China represented 83% of sales or \$28 million pesos, while manufactured products represent 17% or \$6 million pesos. The result is in line with that forecast in the annual budget. In addition to the excellent performance in Sales, the commercial effort in Asian markets continues to validate the prices the Company used for their valuations and projections (averaging \$430 USD/m<sup>3</sup> adjusted by sizes and grades).

The cost of goods sold is notably normalized since gross profits minus the virtual effects of the revaluation impacting sales costs by \$5 million pesos produces a cumulative gross margin of 44% minus the deduction of costs for logistics, a clear indicator that the company continues to improve its profitability, with logistics costs being the area of opportunity for improvement.



Note 1. Value in thousands of pesos

Note 2. Including 1,200 has to be planted in 2013

Note 3. Not including has of Acacia

General Expenses decreased by 16% compared to the previous year, a very favorable result when compared against sustained growth in sales.

The cumulative EBITDA of the company closed at \$12 million pesos, in line with that budgeted. The company quarterly net loss is \$26 million pesos, principally due to the impact of the exchange rate.

### Sales growth by quarter

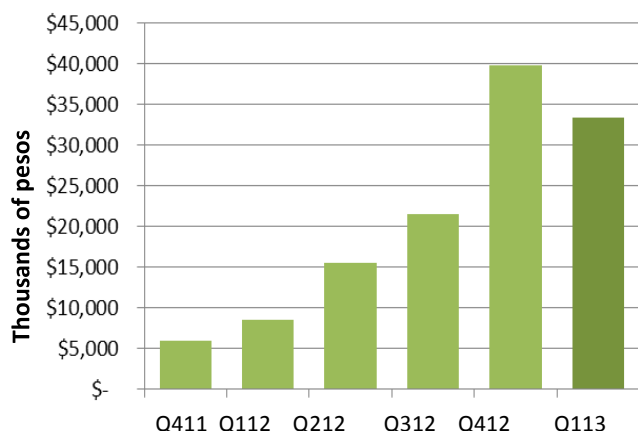


FIGURE 3. SALES GROWTH BY QUARTER (THOUSANDS OF PESOS)

### Annual sales growth

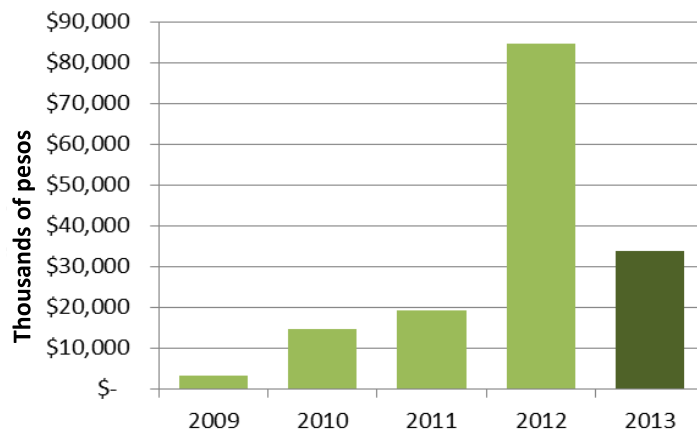


FIGURE 4. TOTAL SALES IN THOUSANDS OF PESOS

### 3.- Cash Flow

**This quarter the cash position was reduced by \$19 million pesos, in line with the business plan.**

Given our line of business, the main expenditure is related to that invested in forest operations, which amounted to \$16 million pesos to meet our goal of planting 900 has this fiscal year.

The costs related to the rest of the operation are according to 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.

Proteak announces that, as part of the Independent Analyst Program, the company's stock performance is followed by:

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Mexico City, Federal District, February 27, 2013. Proteak, S.A.P.I.B. de C.V. (BMV: TEAK CPO) published its first quarter results for 2013 on this date. This information is presented in nominal terms according to Mexican Financial Reporting Standards (Normas de Información Financiera, "NIF")

## FIRST QUARTER 2013 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 of net sales, as well as the percent change for the quarter ending March 31, 2013 compared to first quarter results in 2012

	Proteak		Proteak		Δ Q113Vs
	Q113	% Margin	Q112	% Margin	Q112
NET SALES	33,375	98%	8,558	63%	290%
INCOME FROM REVALUATIONS	595	2%	5,067	37%	(88%)
SUBSIDIES	81	0%	0		
COST OF SALES	31,720	93%	9,186	67%	245%
<b>GROSS PROFIT (LOSS)</b>	<b>2,331</b>	<b>7%</b>	<b>4,439</b>	<b>33%</b>	<b>(47%)</b>
GENERAL EXPENSES	12,580	37%	15,042	110%	(16%)
OTHER INCOME (EXPENSES)	46	0%	622	5%	(93%)
<b>OPERATING PROFIT (LOSS)</b>	<b>(10,203)</b>	<b>(30%)</b>	<b>(9,981)</b>	<b>(73%)</b>	<b>(2%)</b>
COMPREHENSIVE FINANCING RESULTS	(15,866)	(47%)	(1,250)	(9%)	(1169%)
<b>ANNUAL RESULTS</b>	<b>(26,069)</b>	<b>(77%)</b>	<b>(11,231)</b>	<b>(82%)</b>	<b>(132%)</b>
INCOME TAXES	-	0%	0	0%	N/A
DISCONTINUED OPERATIONS		0%	0	0%	N/A
<b>ANNUAL RESULTS</b>	<b>(26,069)</b>	<b>(77%)</b>	<b>(11,231)</b>	<b>(82%)</b>	<b>(132%)</b>

## CONSOLIDATED BALANCE SHEET FOR THIRD QUARTER 2013 (Thousands of pesos) [TN: as in original]

	Q113	2012	Δ Q113 Vs	%
Cash and Investments	29,905	48,716	(18,811)	(39%)
Customers	44,472	41,851	2,621	6%
Other Accounts Receivable	83,011	66,909	16,102	24%
Inventories	19,194	18,998	196	1%
Current Biological Assets (Mature)	293,801	314,987	(21,186)	(7%)
Total Assets Available for Sale		NA		
Cash and Investments	105,670	124,093	(18,423)	(15%)
<b>CURRENT ASSETS</b>	<b>576,053</b>	<b>615,554</b>	<b>(39,501)</b>	<b>(6%)</b>
Property, Plant and Equipment	473,187	485,324	(12,137)	(3%)
Other	40,653	32,325	8,328	26%
<b>FIXED ASSETS</b>	<b>513,840</b>	<b>517,649</b>	<b>(3,809)</b>	<b>(1%)</b>
Non-Current Biological Assets	242,142	240,712	1,430	1%
			-	N/A
<b>TOTAL ASSETS</b>	<b>1,332,034</b>	<b>1,373,914</b>	<b>(41,879)</b>	<b>(3%)</b>
Suppliers	10,851	10,562	289	3%
Taxes payable	447	2,205	(1,758)	(80%)
Other current liabilities	51,829	32,913	18,916	57%
<b>TOTAL SHORT-TERM LIABILITIES</b>	<b>63,127</b>	<b>45,680</b>	<b>17,447</b>	<b>38%</b>
Labor Obligations		120	(120)	(100%)
Long-Term Debt	139,310	135,920	3,390	2%
Deferred taxes	31,584	33,110	(1,526)	(5%)
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>170,894</b>	<b>169,150</b>	<b>1,744</b>	<b>1%</b>
<b>TOTAL LIABILITIES</b>	<b>234,021</b>	<b>214,830</b>	<b>19,191</b>	<b>9%</b>
Capital stock	463,950	463,950	-	0%
Share premium	579,892	579,892	-	0%
Accumulated earnings	(43,284)	(81,525)	38,241	(47%)
Tax year revenue	(26,069)	38,241	(64,310)	(168%)
Currency exchange effects	87,055	63,571	23,484	37%
Revaluation surplus	36,470	94,955	(58,485)	(62%)
<b>TOTAL EQUITY</b>	<b>1,098,014</b>	<b>1,159,084</b>	<b>(61,070)</b>	<b>(5%)</b>
<b>TOTAL LIABILITIES + EQUITY</b>	<b>1,332,035</b>	<b>1,373,914</b>	<b>(41,879)</b>	<b>(3%)</b>