



4Q14 Results



Results' Conference Call

Monday, March 2 2014

9:00 a.m. Mexico City CST

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Highlights

- Proteak signed an investment agreement for USD 10MM with the Finnish Fund for Industrial Cooperation, Ltd (Finnfund).
- Construction of the MDF plant in Huimanguillo, Tabasco continues on time, on budget.
- The first shipment of MDF machinery from Germany arrived at the Port of Veracruz in November.
- The Company concluded its annual wood inventory, with a positive effect on its financial statements.
- With the fourth quarter, Proteak closed a record plantation year, with a total of 950 hectares of Teak and 1,600 hectares of Eucalyptus.
- Arrowhead updated its independent valuation of Proteak, situating the value of its OPC between MXP 22.58 and MXP 24.70 as of November 2014.
- Proteak received the second disbursement of the USD 10MM credit line signed with the International Finance Corporation (IFC). Funds will be used for the development of Teak plantations.

Post 4Q14 Highlights

- Proteak signed a Cooperation Agreement with Spanish company Financiera Maderera S.A. (FINSA). FINSA is the largest manufacturer and seller of wood panels, resins, melamine and veneer in the Iberian Peninsula. The Agreement includes the joint operation of Proteak's MDF plant, technology transfer, and marketing of FINSA products in Mexico.

Independent Proteak Valuation

Arrowhead updated its valuation of Proteak, placing the value of the Company's OPC (Ordinary Participation Certificate, each containing 3 shares) between MXP 22.58 and MXP 24.70 as of November 2014.

The valuation was performed using discounted cash flows and considering Proteak's Teak as well as MDF businesses.

The valuation report is currently published on Proteak's website:

<http://proteak.com/index.php/en/inversionistas/informacion-financiera/informes-trimestrales>

MDF Project

Development of the country's most important forestry industrial project continues according to schedule.

During the quarter, 90% of the piloting work and 100% of the platforms and critical foundations were completed, allowing for construction of the industrial plant to start.

On October 16th, the first machinery shipment for the MDF plant departed from the port of Bremen, Germany. The vessel docked at the port of Veracruz, and given the oversize of this type of high-tech machinery, it arrived at the plant on November 5th.



With the release of the cogeneration permit by the Energy Regulatory Commission (CRE), all critical permits for the project were completed. With Pemex, the company agreed on an interconnection point for the gas pipeline that will supply the power-generating turbine.

Moreover, the MDF project continues to strengthen with the recruitment of specialized personnel for the commercial team dedicated to the development of a business strategy for wood boards throughout the country.

A video of the construction of the MDF plant is available on Proteak's website using the following links:

- <http://proteak.com/index.php/es/products/wood-boards>
- <http://proteak.com/index.php/en/products/wood-boards>

Forestry Development

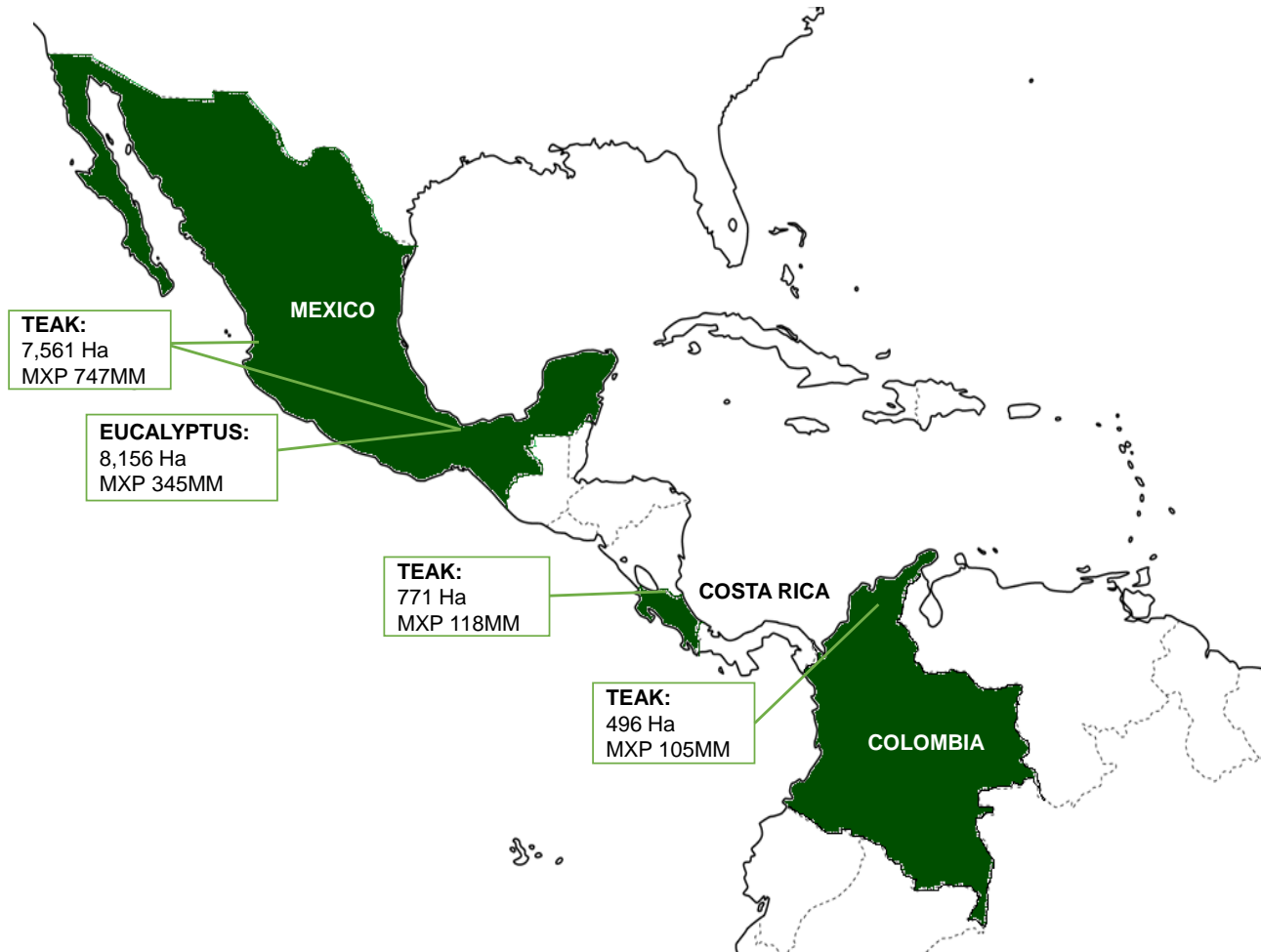
2014 was a record year for Proteak: it planted the highest number of hectares in a single year since its creation; 1,600 hectares of Eucalyptus and 950 hectares of Teak. Furthermore, thanks to its proven forestry platform, Proteak established all these plantations with fast-growing clones that will result in an increasing volume of wood per hectare.

Significant progress was achieved in planting and preparing Eucalyptus plantations that will supply the MDF plant. During the quarter, the Company planted 844 hectares, reaching a total of 8,156 at end of the year.

For Teak, 250 hectares were prepared during the quarter to reach a total of 8,828 planted hectares (without considering harvested area) as of December 31, 2014.

All plantations, both Teak and Eucalyptus, are in adequate production conditions and consistent with their development, without registering any losses or material productivity damages.

PROTEAK PLANTATIONS AS OF YEAR-END 2014



Results and Key Indicators

SUMMARY OF RESULTS AND KEY INDICATORS

000 MXP	4Q'14	4Q'13	T vs T	YTD 2014	YTD 2013	YoY
Teak Sales	41,234	33,703	22%	141,227	140,909	0%
Eucalyptus Sales	16,796	12,811	31%	43,199	12,811	N/C
Income from Revaluations	167,216	(1,294)	N/C	231,159	95,212	143%
Other Income	3,843	14,997	(74%)	10,483	15,010	N/C
Teak Sales Cost	35,042	35,665	(2%)	122,185	157,532	(22%)
Eucalyptus Sales Cost	14,027	12,170	15%	39,830	12,170	N/C
Gross Margin	180,019	12,382	N/C	264,052	94,240	180%
Teak Gross Margin Without Revaluation	6,193	(1,962)	N/C	19,043	(16,623)	N/C
Eucalyptus Gross Margin Without Revaluation	2,768	641	332%	3,368	641	N/C
Operating Income	145,424	(35,111)	N/C	170,761	(09)	N/C
Debt	331,239	228,873	45%	331,239	228,873	45%
Total Liabilities / Total Assets	0.2	0.2	9%	0.2	0.2	9%
Debt / Equity	0.1	0.1	12%	0.1	0.1	12%
Debt / Total Assets	0.1	0.1	10%	0.1	0.1	10%
Debt / Current Assets	0.5	0.3	66%	0.5	0.3	66%

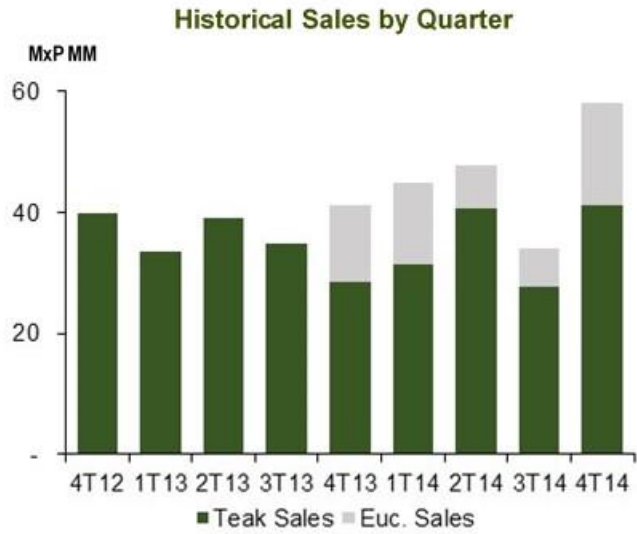
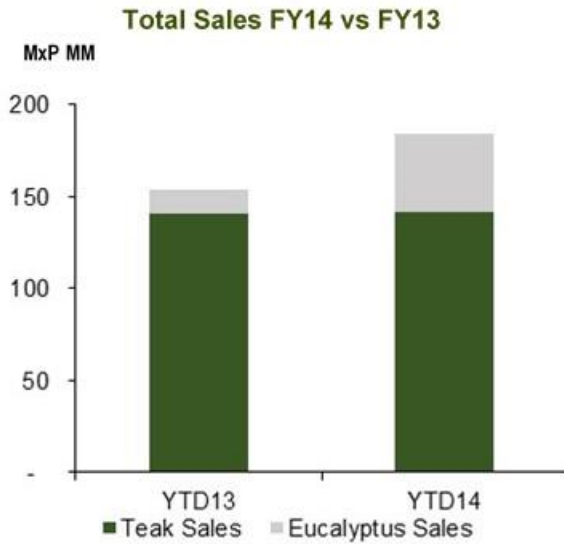
I. Income Statement Analysis

Sales

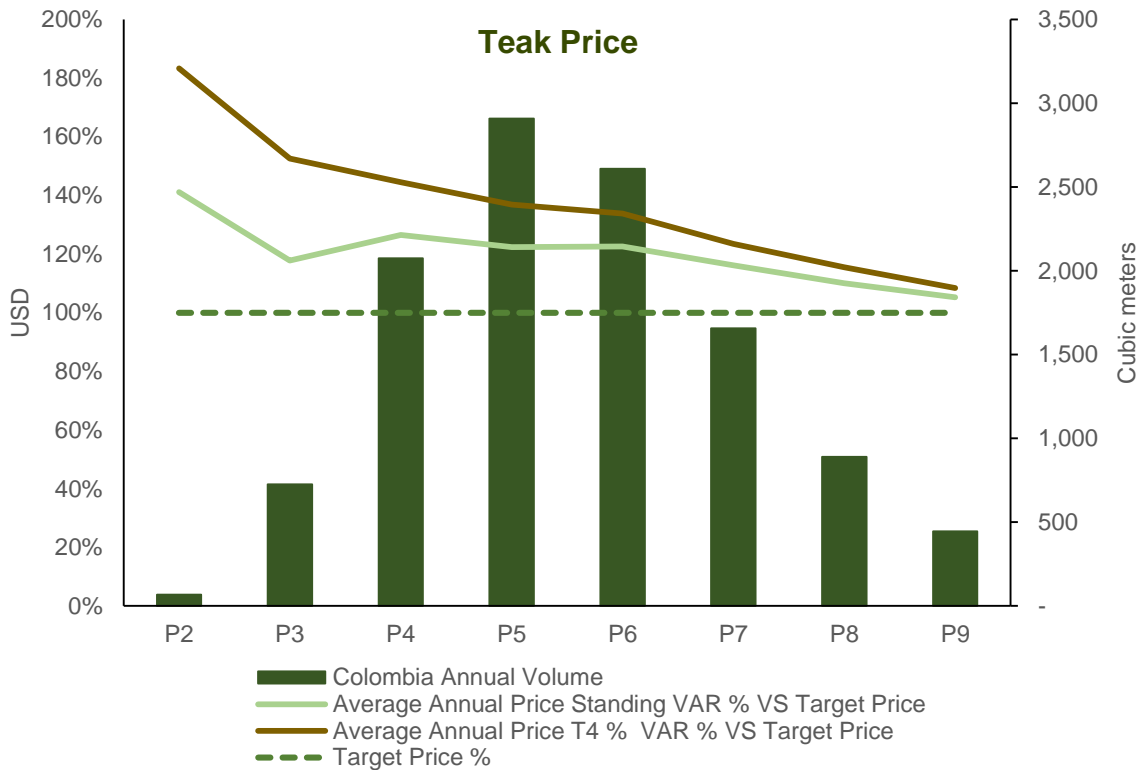
Quarterly and annual results were positive in both, Teak and Eucalyptus operations.

Total Goods' Sales for the quarter amounted to MXP 58MM, totaling MXP 184MM in 2014, 20% higher than those registered in 2013. During the quarter, sales increased mainly due to the early season of Eucalyptus sales to sugar mills and the usual strong sales season of Teak in the Asian market. 2014 was the fourth consecutive year to register an increase in both, Net Sales and Goods' Sales (roundwood and other products).

Annual Net Sales totaled MXP 426MM, 67% higher than the previous year, driven mainly by the above-mentioned increase in Goods' Sales, as well as a significant increase in Other Income (which includes Revaluations resulting from the change in the fair value of Biological Assets and Subsidies received).



In the case of Teak, Proteak continued implementing a price increase strategy in Asia with positive results given the growing effect of the Teak exports ban in Myanmar. Throughout the year, Proteak's Teak sale prices increased up to 10% in USD.



Looking to expand and diversify its client portfolio, Proteak managed to penetrate the thick wood market in India; four new destinations within the country were opened, contacting sawmills directly.

During the 4Q14 the Company delivered 192 Teak containers to Asia, reaching a total of 1,000 containers throughout the year.

Regarding Eucalyptus, Proteak continued with the strategy of selling wood only from marginal plantations that will not be required for the operation of the MDF plant because of their geographic location. Quarterly Eucalyptus sales totaled MXP 17MM, reaching an annual total of MXP 43MM.

The Company's Income includes subsidies from CONAFOR's PRONAFOR plantation program for MXP 10MM and income from the revaluation of biological assets, which increased as a result of excellent growth rates in 2014 (especially of the youngest Teak plantations with exceptional productivity). Revaluations exclude the effect of foreign currency (reflected directly on the balance sheet) due to the appreciation of the USD, which is the Company's functional currency.

Income from Biological Asset Revaluation

Following international accounting standards (IFRS), a forestry company must record the value of its biological assets (wood m³) at fair value. To do this, Proteak uses the following criteria in determining the fair value of Teak biological assets:

1. Young wood (from plantations under 3 years) is registered at historical cost.
2. Mature wood (from plantations over 8 years and with a minimum DBH of 20cm), is valued according to a physical inventory where trees are measured and priced using market prices for each quality of wood (Teak wood price varies according to log size).
3. Between years 4 and 8, the wood's reasonable value is determined using growth curves defined by physical inventories.

In the case of Eucalyptus, only the first two mechanisms apply and its price is flat regardless of the wood's dimensions or quality.

Throughout the year, the Company makes provisions for Income from the Revaluation of Biological Assets, but it is in the fourth quarter when the physical inventory is performed and the final amount of the corresponding revaluation is recorded.

The 2014 Biological Asset Revaluation was positively affected by:

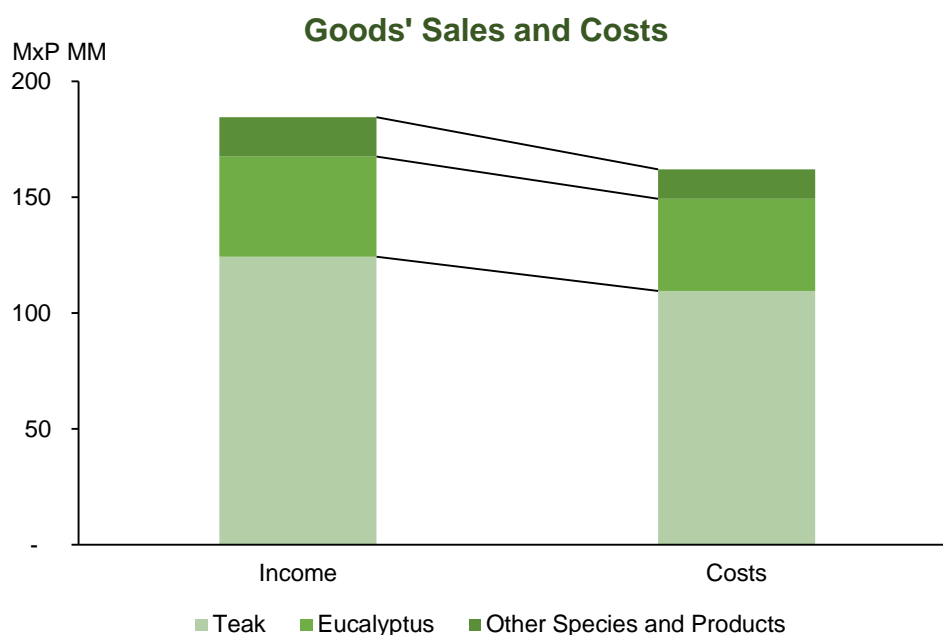
- a) Young plantations which turned 3 years of age, changing from historical cost valuation to reasonable value valuation.
- b) High 2014 growth rates recorded in plantations valued at fair value.
- c) The increase in Teak prices achieved by the Company.

- d) An improvement in inventory precision as a result of Proteak’s harvesting, as well as marketing experience. The latter allow for a more precise estimation of Teak wood quality and volume.

The combination of the previous factors resulted in an annual revaluation of MXP 231MM.

Sales Costs, General Expenses and Net Income

2014 Gross Profit (excluding other income) recorded a significant improvement over the previous year as a result of the pricing strategy for Teak sales, coupled with greater operational efficiency in the Eucalyptus and Products businesses. For the first time, all three business lines show positive margins, as shown in the graph below.



Gross Profit for the quarter is significantly higher than the average for the year, derived from the product mix (higher incidence of Eucalyptus sales in 4Q14) and the Biological Asset revaluation.

General Expenses totaled MXP 97MM during the year, in line with the Company budget. They accelerated in the last quarter approximately MXP 10MM due to non-recurring non-capitalized expenses related to the MDF project.

The result of the increase in Net Sales, combined with an important improvement in margins, coupled with the significant growth of Biological Assets and a strict control of General Expenses, resulted in an Operating Income of MXP 145MM, much higher than the loss recorded the same quarter last year. Annual Operating Income totaled MXP 171MM, compared to the *break even* registered in 2013.

Net Income for the fourth quarter reached MXP 56MM, higher than the MXP 61MM loss registered the same quarter last year. Accumulated Net Income for 2014 totaled MXP 108MM, compared to a loss of MXP 18MM in 2013.

Quarterly results include a MXP 40MM negative effect of foreign currency conversion of Company operations in Colombia, Costa Rica and Mexico. The cumulative effect for the year reached (MXP 16MM) in the Income Statement; nevertheless, in the Company's Equity, the effect was a positive MXP 273MM, generating a total annual Comprehensive Income of MXP 87MM.

II. Balance Sheet Analysis

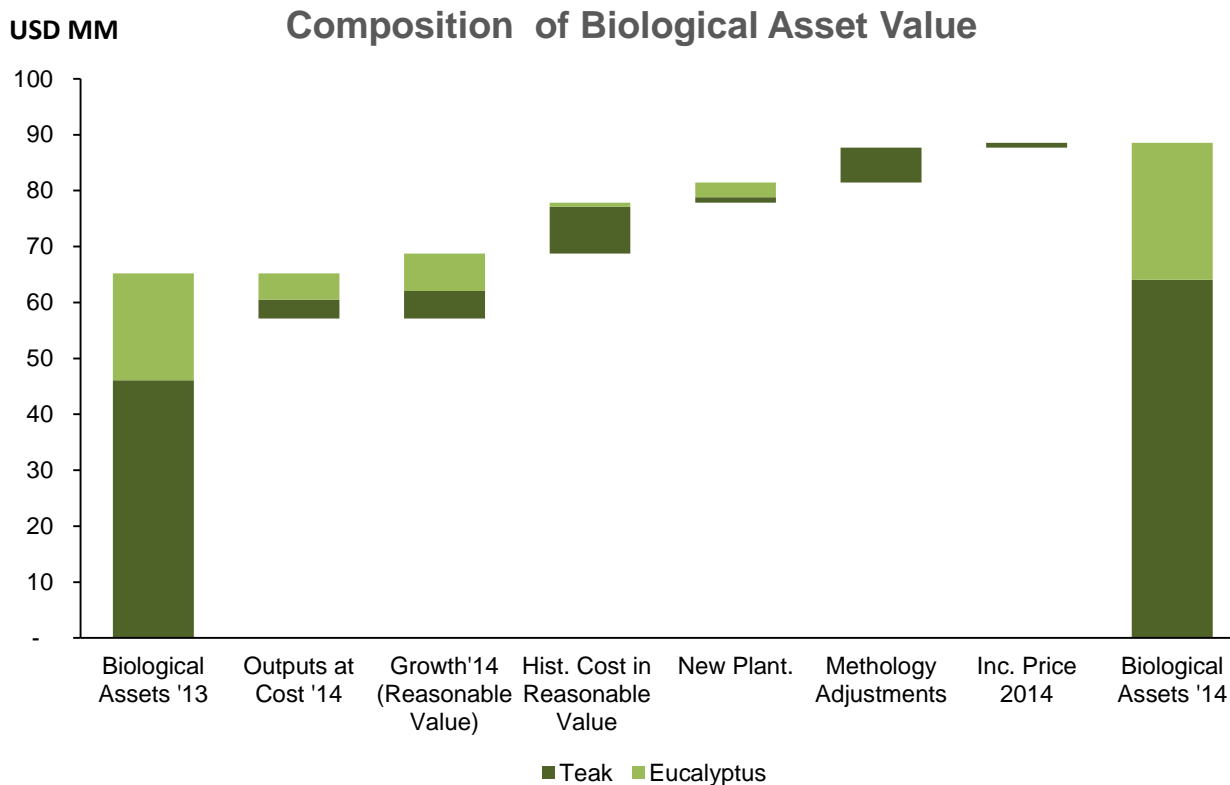
Assets

As of December 2014, Total Assets amounted to MXP 3,120MM, 32% higher than 2013 year-end figures, driven mainly by the increase in Biological Asset value (plantations), the increase in the value of real estate and a null investment effect. Namely, the decrease in Cash corresponds to the increase in Prepaid Expenses relating to Machinery and Equipment and Civil Works in Progress and investment in the plant MDF.

Among Company Current Assets, the following stand out because of their magnitude: the increase in Other Receivables, corresponding to VAT balances currently in a recovery process and the growth in Current Biological Assets, corresponding to a greater availability of wood for sale at the end of the year.

Real Estate reflects a value increase of MXP 227MM corresponding to i) acquisitions of new land, ii) the increase in land's reasonable value (land appraisal), iii) the effect of foreign currency, iv) construction in progress of the MDF plant.

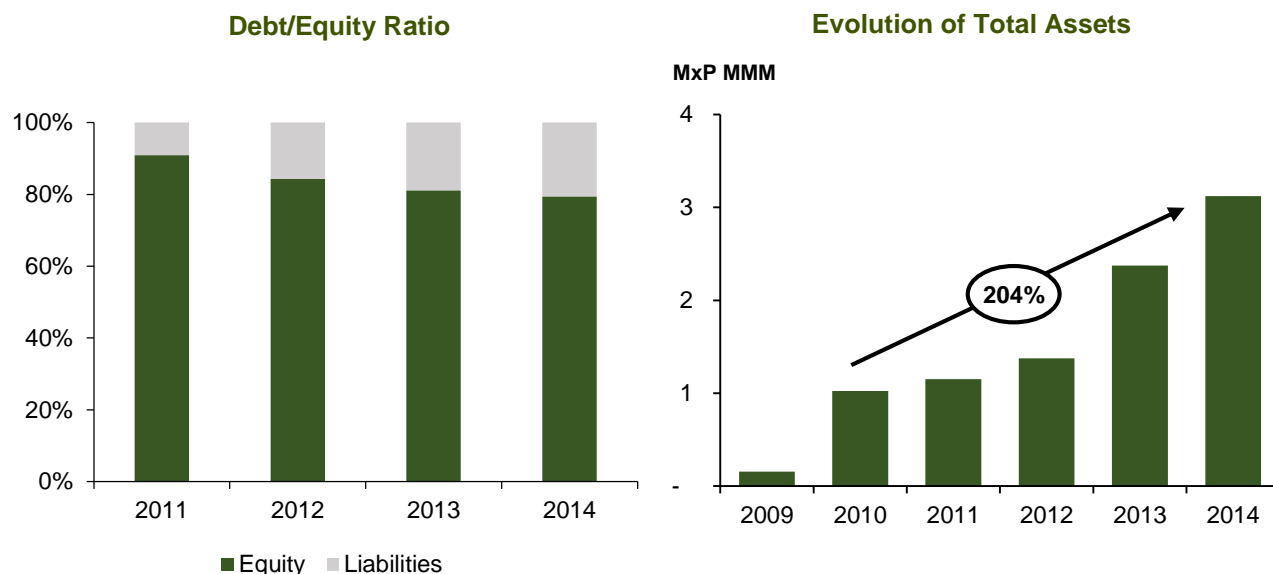
Biological Assets (Current and non-Current) reflect combined effects, that can be classified as: i) new additions, ii) growth, and iii) exchange rate effect.



The value of Proteak’s plantations is mainly modified by four factors: (i) capitalized forestry expenses, (ii) Exchange rate, (iii) revaluations representing the growth of biological assets, and (iv) outflows from the wood’s cost of sales.

So far this year, the following has been registered: (i) MXP 127MM in capitalized forestry expenses, destined for the maintenance of existing plantations to improve their expected return by promoting higher growth rates, as well as the plantation of 950 Teak hectares and 1,600 Eucalyptus hectares in 2014, (ii) MXP 159MM from revaluation of the USD, (iii) MXP 231MM in revaluation derived from the previously discussed growth, and (iv) MXP 131MM, which represent the wood’s cost of sales. During the year, harvested wood amounted to 111Mm³ (thinning and harvest).

Long-Term Assets Kept for Sale is mainly non-strategic land that will be sold in the medium term. These assets are located in Costa Rica and were worth MXP 89MM at the end of 2014.



Others include guarantee deposits related to the loans with Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero (FND) and the International Finance Corporation (IFC) and other long-term receivables.

Liabilities and Equity

Other Liabilities include the income tax provision for the year.

Other Liabilities with Cost recorded an increase due to disbursements of the FND and IFC credit lines.

Total Equity and Share Premium increased on one hand as a result of a 2Q14 capital payment that was still pending from the 2013 follow-on and, on the other, because of the 4Q14 subscription of Finnfund in one of Proteak’s subsidiaries.

The Result of Foreign Currency Conversion, with an increase of MXP 177MM during the quarter, shows the effect of the USD appreciation on Biological Assets and certain property.

Other Comprehensive Results correspond to the participation of Finnfund in the MDF project.

Total Equity at the end of the quarter amounted to MXP 2,479MM and Proteak’s solvency continued strong with an Equity to Liabilities ratio of 4 to 1.

III. Cash Flow Analysis

The Company's Cash position had a net decrease of MXP 235MM, most of which was used to finance investment activities and new plantations.

The main adjustments to Income derive from the following; (i) Revaluations, (ii) Cost of Sales, and (iii) Capitalized Interest.

Investment activities reflected the use of MXP 486MM, net of the sale of certain Assets Available for Sale, destined mainly to Advanced Payments to suppliers and Civil Works costs related to the MDF plant.

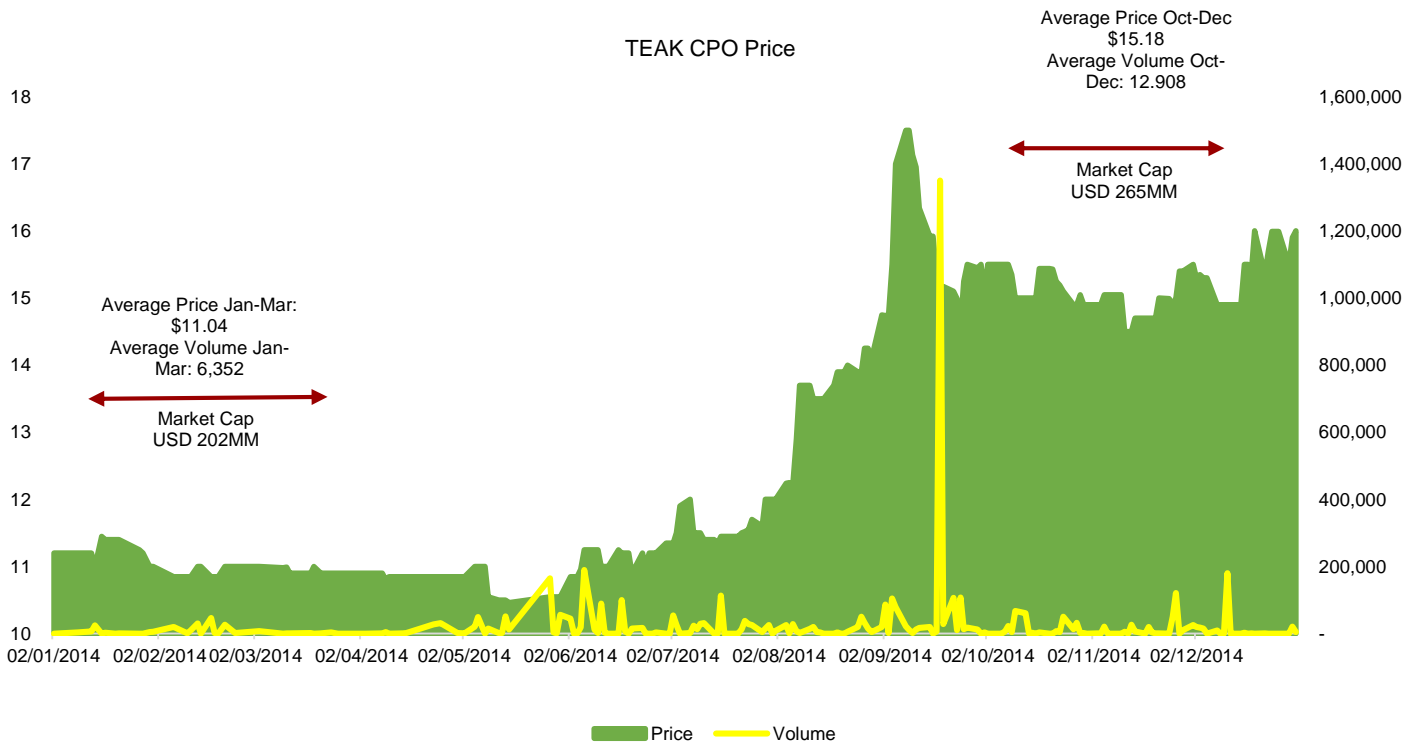
The difference between Operating Flows and Investment Activities was mainly financed with capital contributions from institutional investors and Finnfund (MXP 271MM), together with disbursements of the FND and IFC credit lines (MXP 60MM).

The period's cash flow evolved in line with the Company's investment plan, with an ending cash position of MXP 124MM. The latter, together with credit lines currently available (MXP 18MM) and to be signed (MXP 200MM), will allow for Proteak to meet its future business plan.

OPC Price Development

Throughout 2014, the market started recognizing the fundamental value of Proteak, prompting an increase in its OPC (Ordinary Participation Certificate, each containing 3 shares) price. During the fourth quarter of 2014, the CPO market price averaged MXP 15.18 vs. MXP 11.04 during the first quarter of the year.

Even considering the depreciation of the Mexican Peso, Proteak’s market cap increased from USD 202MM in the 1Q14, to USD 265MM in the 4Q14.



Proteak Informs

- **Independent Analyst**

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Financial Statements

The following table presents a summarized quarterly and annual Income Statement in MXP '000, and their comparison with the same periods of 2013. Regarding Gross Profit, Operating Profit and Net Income, the table shows the percentage of net sales plus revaluation income they represent.

Income Statement										
	4Q'14	%	Dec'14	%	4Q'13	%	Dec'13	%	Δ 4Q'14 vs 4Q'13	Δ Dec'14 vs Dec'13
Teak Sales	41,234	18%	141,227	33%	33,703	56%	140,909	53%	22%	0%
Eucalyptus Sales	16,796	7%	43,199	10%	12,811	21%	12,811	5%	N/A	N/A
Income from Revaluations	167,216	73%	231,159	54%	(1,294)	(2%)	95,212	36%	13022%	143%
Subsidies	3,843	2%	10,483	2%	14,997	25%	15,010	6%	N/A	N/A
Teak Cost of Sales	35,042	15%	122,185	29%	35,665	59%	157,532	60%	(2%)	(22%)
Eucalyptus Cost of Sales	14,027	6%	39,830	9%	12,170	20%	12,170	5%	N/A	N/A
GROSS PROFIT (LOSS)	180,019	79%	264,052	62%	12,382	21%	94,240	36%	1354%	180%
General Expenses	36,877	16%	96,752	23%	45,121	75%	97,237	37%	(18%)	(0%)
Other Income/Expenses	2,281	1%	3,460	1%	(2,372)	(4%)	2,988	1%	196%	16%
OPERATING PROFIT (LOSS)	145,424	63%	170,761	40%	(35,111)	(58%)	(9)	(0%)	514%	1897442%
Products / Financial Expenses	(38,322)	(17%)	(24,079)	(6%)	(6,624)	(11%)	(15,146)	(6%)	(479%)	(59%)
Other Financial Expenses	(21,447)	(9%)	(6,295)	(1%)	(8,533)	(14%)	0	0%	(151%)	N/A
Conversion Effect	(884)	(0%)	(3,294)	(1%)	14,296	24%	13,996	5%	N/A	(124%)
Financing Results	(60,653)	(26%)	(33,667)	(8%)	(861)	(1%)	(1,150)	(0%)	(6944%)	(2828%)
(Loss) Profit Before Income Taxes	84,771	37%	137,093	32%	(35,972)	(60%)	(1,159)	(0%)	336%	11929%
Income Taxes	29,026	13%	29,001	7%	24,973	41%	16,583	6%	16%	75%
Net Income	55,745	24%	108,092	25%	(60,945)	(101%)	(17,742)	(7%)	191%	709%
Conversion Effect	(39,544)	(17%)	(16,485)	(4%)	-	0%	-	0%	N/A	N/A
Non-controlling participation	(4,679)	(2%)	(4,679)	(1%)	0	0%	-	0%	0	N/A
Comprehensive Income	11,522	5%	86,929	20%	(60,945)	(101%)	(17,742)	(7%)	119%	590%

The following table presents the consolidated Balance Sheet as of the fourth quarter of 2014 in MXP '000, and its comparison with 2013 year-end figures.

Balance Sheet				
	Dec'14	Dec'13	Δ Dec'14 vs Dec'13	%
Cash & Equivalents	124,508	359,279	(234,771)	(65%)
Accounts Receivable (Clients)	89,482	59,106	30,376	51%
Other Accounts Receivable	107,654	59,696	47,958	80%
Inventory	37,586	13,696	23,890	174%
Current Biological Assets (Mature)	176,439	111,364	65,075	58%
Assets Available for Sale	88,942	102,889	(13,947)	(14%)
Other Assets	867	12,213	(11,346)	(93%)
CURRENT ASSETS	625,478	718,243	327,667	(13%)
Property, Plant and Equipment	963,706	737,036	226,670	31%
Non-Current Biological Assets	1,138,945	817,592	321,353	39%
Long-Term Accounts Receivable	11,163	11,163	0	0%
ISR	42,519	16,370	26,149	160%
Other	23,335	22,300	1,035	5%
Deferred Payment	315,089	49,674	265,415	534%
NON-CURRENT ASSETS	2,494,758	1,654,135	462,476	51%
ASSETS	3,120,235	2,372,378	790,143	32%
Accounts Payable	40,092	21,816	18,276	84%
Payable taxes	0	0	0	N/A
Other Current Liabilities	93,490	43,553	49,937	115%
CURRENT LIABILITIES	133,582	65,369	92,911	104%
Long Term Debt	331,239	228,873	102,366	45%
Deferred Taxes	176,177	152,553	23,624	15%
Other	0	374	(374)	(100%)
LONG TERM LIABILITIES	507,417	381,800	96,061	33%
LIABILITIES	640,999	447,169	188,972	43%
Capital Stock	698,716	655,682	43,034	7%
Share Premium	1,286,206	1,163,417	122,789	11%
Accumulated Earnings (Losses)	(61,072)	(61,072)	(00)	0
Net Earnings	86,929	0	86,929	N/A
Conversion Effect	272,678	72,010	200,668	3
Revaluation Surplus	89,692	95,126	(5,434)	(6%)
Other Integral Results	106,086	46	106,040	2,305
TOTAL EQUITY	2,479,235	1,925,209	554,026	29%
TOTAL LIABILITIES + EQUITY	3,120,234	2,372,378	742,998	32%

February 27, 2014, Mexico City. Today, Proteak Uno, S.A.B. de C.V. (BMV: TEAK) has published its 4Q14 results. This information is presented according to Financial Reporting Standards (NIF) in nominal terms.