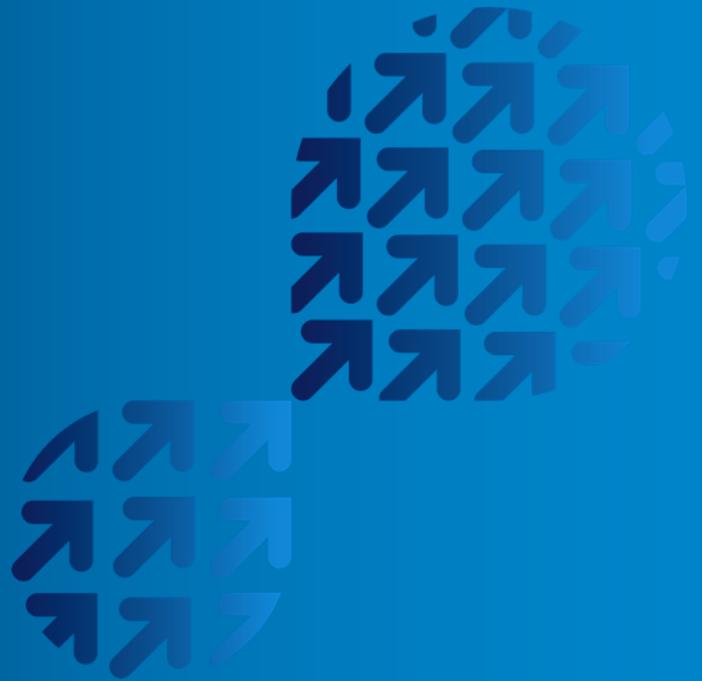


(A free translation of the original in Portuguese)

Results for 1Q18

(A free translation of the original in Portuguese)



Our Purpose

Reimagining
animal health

- Net revenue increased by 22% and reached R\$ 92 million
- Gross margin increased by four percentage points and SG&A expenses diluted nine percentage points
- EBITDA margin increased by 12 percentage points and profit reached R\$ 4 million, thus reversing the loss for 1Q17
- Generation of cash from operations of R\$ 25 million and leverage of 1.7x net debt/EBITDA

Conference Call

In Portuguese with simultaneous translation into English

May 9, 2018

3:00 P.M. (BRT) / 2:00 P.M. (US EST)

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Cravinhos, May 8, 2018 - Ouro Fino Saúde Animal Participações S.A. (the "Company" or "Ourofino") (B3: OFSA3), which is mainly engaged in the research, development, production and sale of veterinary drugs, vaccines and other products for production and companion animals, announces its financial results for the period ended March 31, 2018 (1Q18).

Message from management

We remain focused on implementing our strategy. The Brazilian Association of Animal Health Product Manufacturers (SINDAN) disclosed the market data for veterinary drugs for 2017, and Ourofino was in the fourth place in the ranking, with a slight difference from the third place, but ranking third as from the second quarter of 2017, thus reaffirming the sustainability of the adjustments made for the resumption of its historical levels of growth and profitability. As regards international operations, Ourofino was the company that grew the most in 2017 in Mexico, according to Infarvet's ranking, and the third in growth in Colombia, according to Aprovet's ranking.

In the first quarter of 2018, which is seasonably our weakest quarter in sales and EBITDA margin, our net revenues increased by 22% to R\$ 92 million, with a gross margin of 57% in comparison with 53% in the first quarter of 2017. The Company has been attentive to its expenses and has achieved a dilution of nine percentage points on revenue in comparison with the same period of last year, which resulted in an increase of 12 percentage points in our EBITDA margin, totaling R\$ 12 million, compared to the first quarters of 2017's R\$ 1 million. Profit totaled R\$ 4 million, reversing a loss of R\$ 6 million in the same period of 2017. The generation of cash from operations was R\$ 25 million and net debt reached 1.7 times EBITDA.

With respect to production animals, net revenue increased by 21% to R\$ 65 million, with gross margin of 53% in comparison with 47% in the first quarter of 2017, and as planned by management. Our field team remains highly motivated to achieve the Company's growth and profitability targets for the year, focusing on the drivers of the need for increased adoption of technology and the Brazilian trend for protein production.

As regards companion animals, net revenue was R\$ 19 million, an increase of 16% in comparison with the first quarter of 2017, with a gross margin of 71%, that is, 0.4 percentage point higher than the previous period. For this segment we are increasing our own team of technical consultants and the number of visits to veterinarians, aligned with the driver of intensification of the care of pets, which are increasingly present in the lives of millions of families and have a longer expectation of life. In addition, it can be seen that the gradual improvement of the macroeconomic scenario has had a positive impact on the market, which previously grew by an average of 19% per annum, and enables us to anticipate a good year ahead.

With regard to international operations, revenue increased by 58% to R\$ 8 million and with a gross margin of 62%, that is, 2 percentage points higher than the first quarter of 2017, thus reflecting the implementation of the strategic planning for growth in Mexico and Colombia, with the attraction of new customers and introduction of new products in the portfolio.

In the quarter, we also held the launching ceremony of the "Productivity" movement at the Company's headquarters, whereby all employees were encouraged to consider their role in the permanent search for improved processes, since there is always something to be done to increase our competitiveness. We should always be guided by the purpose of "Reimagining animal health", which includes making the Company more efficient, in a fast and simple manner, and, especially, to help transform the sector's efficiency and competitiveness in the markets where we operate.

We are grateful for the trust you have placed in us and we remain focused on the permanent objective of increasing production to add value to the Company.

Jardel Massari
CEO

Kleber Gomes
CFO and IRO

Financial performance

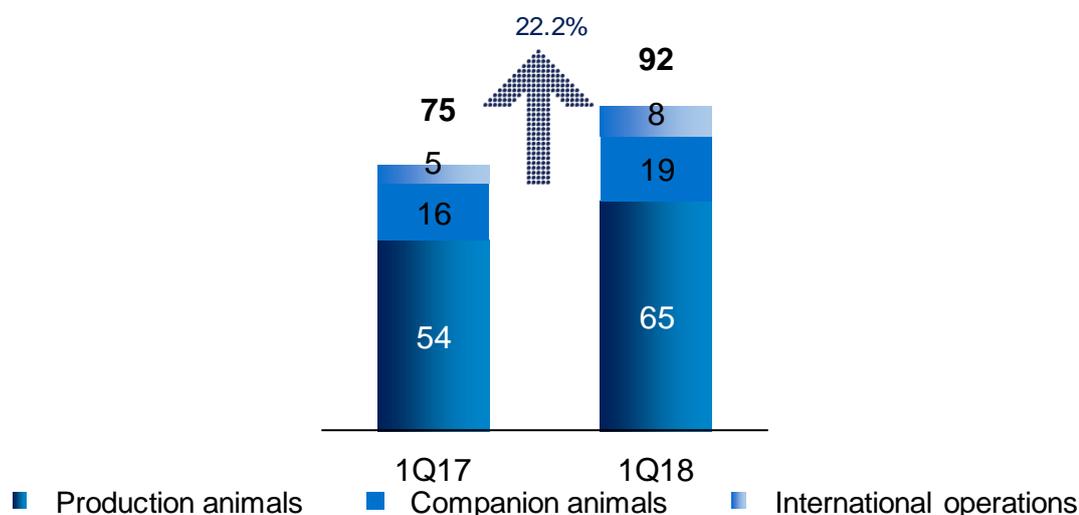
R\$ million	1T17	1Q18	Variation %
Net revenue	75.2	91.9	22.2%
Cost of sales	(35.5)	(39.3)	10.7%
Gross profit	39.7	52.6	32.5%
(gross margin)	52.8%	57.2%	4.4 p.p.
Expenses*	(43.9)	(45.7)	4.1%
Operating profit	(4.2)	6.9	-264.3%
(operating margin)	-5.6%	7.5%	13.1 p.p.
Finance result, net	(5.8)	(3.5)	-39.7%
Income tax and social contribution*	4.1	0.2	-95.1%
Adjusted profit	(5.9)	3.6	-161.0%
(adjusted profit margin)	-7.8%	3.9%	11.7 p.p.
Adjusted EBITDA	1.2	12.4	933.3%
(adjusted EBITDA margin)	1.6%	13.5%	11.9 p.p.

(*) In 1Q17, does not include expenses related to consulting services by Falconi or the restructuring procedures carried out in the quarter and their related tax effects.



Net revenue

R\$ million	1Q17	1Q18	Variation %
Net sales revenue	75.2	91.9	22.2%
Production animals	53.8	65.0	20.8%
Companion animals	16.4	19.0	15.9%
International operations	5.0	7.9	58.0%



The Company presented a net revenue of R\$ 91.9 million in 1Q18, an increase of 22.2% in comparison with the same period in 2017. Please find below our comments on the performance of the segments in which the Company operates:

- The Production Animals segment presented a net revenue of R\$ 65.0 million in 1Q18, an increase of 20.8% in comparison with 1Q17, as a result of increases in volume and price, especially in the price of antiparasitics and antimicrobials.
- The Companion Animals segment reported a net revenue of R\$ 19.0 million in 1Q18, an increase of 15.9% in comparison with 1Q17, as a result of increases in volume and price.
- The International Operations segment presented a net revenue of R\$ 7.9 million in 1Q18, an increase of 58% in comparison with 1Q17. This result reflects volume increases in Mexico, Colombia and other countries, in addition to the positive impact of foreign exchange rates.

Gross profit and gross margin

R\$ million	1Q17	1Q18	Variation %
Gross profit	39.7	52.6	32.5%
(gross margin)	52.8%	57.2%	4.4 p.p.
Gross profit - production animals	25.1	34.2	36.3%
(gross margin - production animals)	46.7%	52.6%	5.9 p.p.
Gross profit - companion animals	11.6	13.5	16.4%
(gross margin - companion animals)	70.7%	71.1%	0.4 p.p.
Gross profit - international operations	3.0	4.9	63.3%
(gross margin - international operations)	60.0%	62.0%	2.0 p.p.

In 1Q18, gross margin was 57.2%, an increase of 4.4 p.p. in comparison with 1Q17.

- The Production Animals segment presented a gross margin of 52.6% in 1Q18, an increase of 5.9 percentage points in comparison with 1Q17, as a result of price gains. Also, 1Q17 figures were impacted by the provision for inventory losses.

- The Companion Animals segment presented a gross margin of 71.1% in 1Q18, an increase of 0.4 percentage points in comparison with 1Q17, as a result of price gains.
- The International Operations segment presented a gross margin of 62.0% in 1Q18, an increase of 2.0 p.p. in comparison with 1Q17, as a result of price and foreign exchange gains.



Selling, general and administrative expenses

R\$ million	1Q17	1Q18	Variation %
Selling, general and administrative and other expenses	(43.9)	(45.7)	4.1%
Percentage of net revenue	58.4%	49.7%	-8.7 p.p.

In 1Q18, selling, general and administrative expenses totaled R\$ 45.7 million, with a dilution of 8.7 p.p. in comparison with 1Q17, showing

that attention to expenses has been incorporated into the Company's culture, and also increase in net revenues.

EBITDA and EBITDA margin

R\$ million	1T17	1Q18	Variation %
Adjusted profit (loss)	(5.9)	3.6	-161.0%
(+) Non-recurring expenses, net of IRPJ/CSLL*	(1.0)		-100.0%
Profit (loss) for the period	(6.9)	3.6	-152.2%
(+) Finance result, net	5.8	3.5	-39.7%
(+) Income tax and social contribution	(4.6)	(0.2)	-95.7%
(+) Depreciation and amortization	5.4	5.5	1.9%
EBITDA	(0.3)	12.4	-4233.3%
(+) Non-recurring expenses*	1.5		-100.0%
Adjusted EBITDA	1.2	12.4	933.3%
Net sales revenue	75.2	91.9	22.2%
EBITDA margin	-0.4%	13.5%	13.9 p.p.
Adjusted EBITDA margin	1.6%	13.5%	11.9 p.p.

(*) In 1Q17, does not include expenses related to consulting services by Falconi or the restructuring procedures carried out in the quarter and their related tax effects.

In 1Q18, EBITDA totaled R\$ 12.4 million, with a margin of 13.5%, an increase of 11.9 p.p. in comparison with 1Q17, reflecting a growth in

revenue with increase in gross margin and consequent dilution of selling, general and administrative expenses.

Finance result

R\$ million	1Q17	1Q18	Variation %
Finance result, net	(5.8)	(3.5)	-39.7%

In 1Q18, net finance costs totaled R\$ 3.5 million, a decrease of 39.7% in comparison with 1Q17. This result was due to a continuous generation of cash since 2017, and reduction in net debt to

R\$ 195.9 million at March 31, 2018, after reaching R\$ 264.6 million in 4Q16 and declining to R\$ 200.2 million in 4Q17.

Income tax and social contribution

R\$ million	1Q17	1Q18	Variation %
Income tax and social contribution	4.1	0.2	-95.1%
Percentage of profit before IRPJ and CSLL	-41.0%	5.9%	46.9 p.p.

In 1Q18, income tax and social contribution amounted to R\$ 0.2 million in comparison with R\$ 4.1 million in 1Q17. It should be noted that

the calculation of IRPJ and CSLL is made considering tax bases that differ from those used to determine the accounting result.

Profit

R\$ million	1Q17	1Q18	Variation %
Adjusted profit (loss)	(5.9)	3.6	-161.0%
profit margin	-7.8%	3.9%	11.7 p.p.

In 1Q18, profit was R\$ 3.6 million, thus reversing the loss reported in 1Q17. This result reflects an increase in EBITDA due to the previously

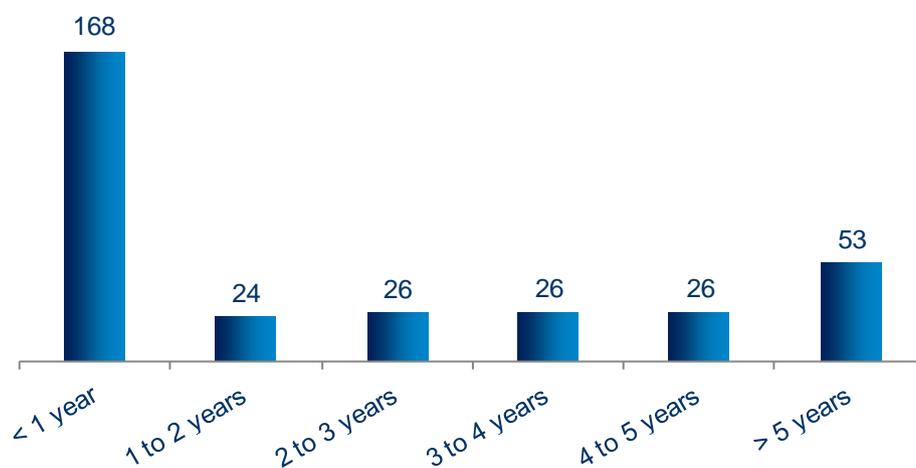
mentioned factors and a decrease in net finance costs.

Indebtedness

In R\$ million	3/31/2017	3/31/2018
Current	84.6	163.0
Non-current	199.5	154.4
Gross debt	284.1	317.4
Related derivative financial instruments	15.2	4.7
Gross debt considering related derivatives	299.3	322.1
(-) Cash and cash equivalents	61.8	126.2
Net debt	237.5	195.9
Average cost of debt (year) ¹	7.93%	7.13%
Net debt/Adjusted annual EBITDA (LTM)	6.09	1.70

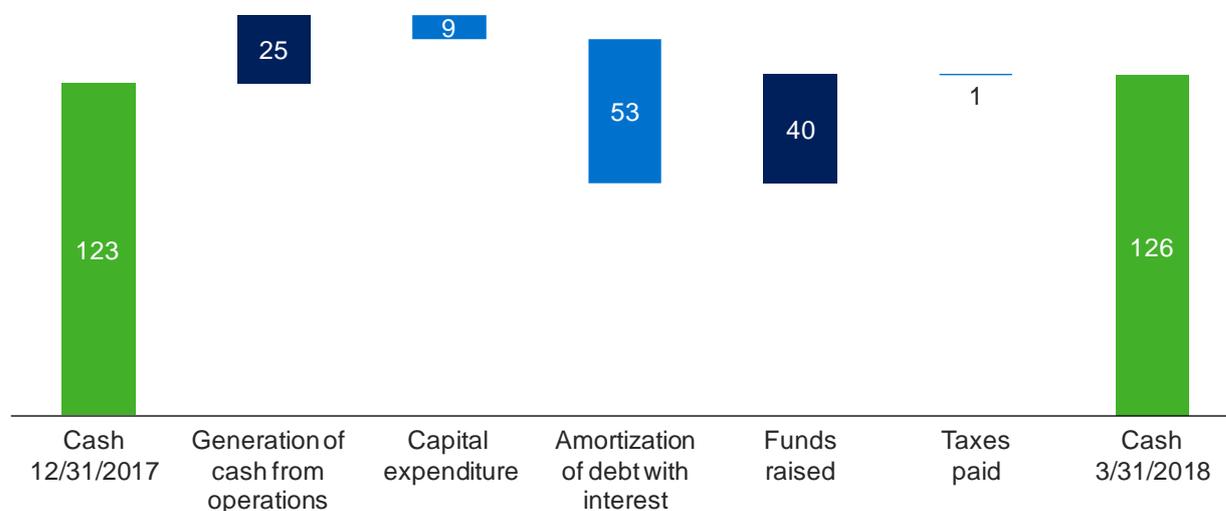
¹ Net bank debt considering related derivatives and bank guarantee costs

Bank debt aging*



*Considers the period between April 1 and March 31 and debt plus derivatives.

Cash position



In 1Q18, there was a generation of cash from operations of R\$ 25 million, in line with an improvement in gross margin and dilution of expenses. We would also emphasize the repayment of debt and payment of interest

totaling R\$ 53 million, and also the raising of funds amounting to R\$ 40 million. The average cost of debt was 7.13%, considering the costs of derivatives and associated guarantees at March 31, 2018.



Launches in 2018

Pareun

Prescribed for the treatment of bacterial infections and joint problems that affect horses. The first Amikacin for veterinary use in Brazil.



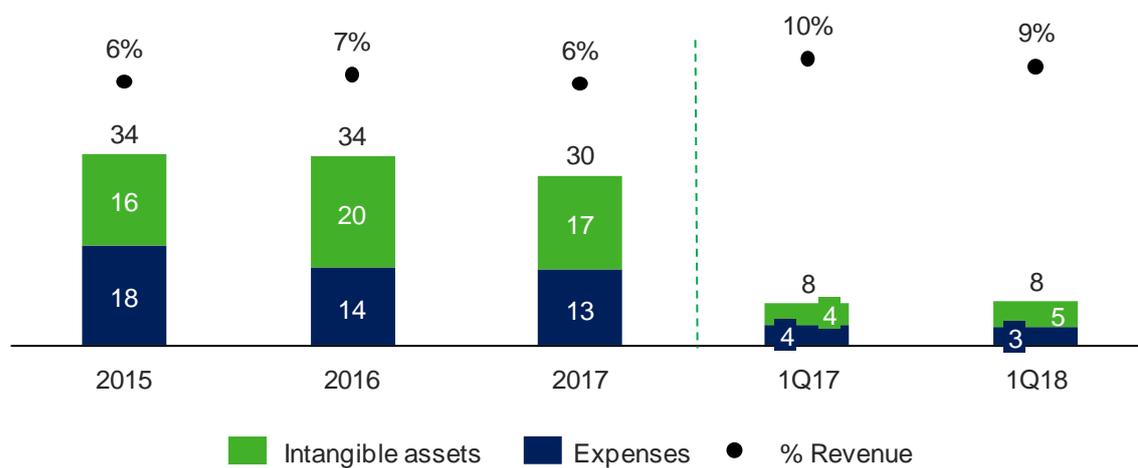
Therapeutic class:
Antimicrobial

Segment:
Horses

Launched in:
February 2018

Investments in research and development

In 1T18, 9% of the net revenue was invested in R&D, totaling R\$ 8 million. The chart below shows the Company's total investments in R&D from 2015 to 2018.



Adjusted statement of operations (R\$ thousands)	1T17	1Q18
Revenue	75,186	91,938
Cost of sales*	(35,453)	(39,385)
Gross profit	39,733	52,553
Selling expenses*	(35,207)	(35,442)
General and administrative expenses*	(9,104)	(10,158)
Other income (expenses), net*	444	(66)
Operating profit (loss)	(4,134)	6,887
Finance income	1,298	2,136
Finance costs	(4,063)	(5,231)
Derivative financial instruments, net	(5,702)	(1,315)
Foreign exchange variations, net	2,610	904
Finance result	(5,857)	(3,506)
Profit (loss) before income tax and social contribution	(9,991)	3,381
Current and deferred income tax and social contribution*	4,082	243
Profit (loss) for the period, adjusted	(5,909)	3,624

(*) Does not consider non-recurring expenses and their related tax effects.

Corporate statement of operations (R\$ thousands)	1Q17	1Q18
Revenue	75,186	91,938
Cost of sales	(35,453)	(39,385)
Gross profit	39,733	52,553
Selling expenses	(35,207)	(35,442)
General and administrative expenses	(10,639)	(10,158)
Other income (expenses), net	444	(66)
Operating profit (loss)	(5,669)	6,887
Finance income	1,298	2,136
Finance costs	(4,063)	(5,231)
Derivative financial instruments, net	(5,702)	(1,315)
Foreign exchange variations, net	2,610	904
Finance result	(5,857)	(3,506)
Profit (loss) before income tax and social contribution	(11,526)	3,381
Current and deferred income tax and social contribution	4,604	243
Profit (loss) for the period	(6,922)	3,624

Statement of cash flows (R\$ thousands)	1Q17	1Q18
Cash flows from operating activities		
Profit (loss) before income tax and social contribution	(11,526)	3,381
Adjustments for:		
Provision for impairment of trade receivables	49	(99)
Provision for inventory losses and write-offs	5,063	2,195
Reversal of the provision for sales returns	(70)	(109)
Provision for bonuses to customers	(211)	(918)
Depreciation and amortization	5,430	5,500
Reversal of the provision for discounts on sales of vaccines against foot-and-mouth disease	(920)	
Result on disposal of property, plant and equipment	34	(59)
Result on disposal of intangible assets	1,361	(78)
Interest and monetary and exchange variations, net	1,616	4,949
Derivative financial instruments	5,702	1,314
Provision for contingencies	225	297
Stock options granted	358	220
Changes in working capital		
Trade receivables	61,042	45,920
Inventories	(21,442)	(37,353)
Taxes recoverable	(1,214)	(1,345)
Other assets	695	(1,153)
Trade payables	836	5,844
Taxes payable	(830)	(1,706)
Other liabilities	(1,539)	(1,596)
Cash from operations	44,659	25,204
Interest paid	(4,047)	(5,216)
Income tax and social contribution paid	(1,026)	(578)
Net cash inflow (outflow) from operating activities	39,586	19,410
Cash flows from investing activities		
Investments in intangible assets	(3,713)	(4,614)
Purchases of property, plant and equipment	(5,780)	(4,657)
Proceeds from sale of property, plant and equipment	288	291
Proceeds from sale of intangible assets		110
Net cash inflow (outflow) from investing activities	(9,205)	(8,870)
Cash flows from financing activities		
New borrowings		40,353
Repayment of borrowings	(28,993)	(41,088)
Realized derivative financial instruments	(9,858)	(7,034)
Net cash inflow (outflow) from financing activities	(38,851)	(7,769)
Net increase (decrease) in cash and cash equivalents	(8,470)	2,771
Cash and cash equivalents at the beginning of the quarter	70,325	123,360
Exchange losses on cash and cash equivalents	(50)	34
Cash and cash equivalents at the end of the quarter	61,805	126,165

Balance sheet (R\$ thousands)	12/31/2017	3/31/2018
Assets		
Current assets	407,296	402,021
Cash and cash equivalents	123,360	126,165
Trade receivables	160,663	115,496
Inventories	108,578	144,498
Taxes recoverable	4,748	4,740
Income tax and social contribution recoverable	4,177	4,177
Related parties	256	218
Other assets	5,514	6,727
Non-current assets	402,931	414,072
Long-term receivables	69,343	72,358
Taxes recoverable	49,664	51,766
Deferred income tax and social contribution	12,412	13,491
Inventories	5,137	5,056
Other assets	2,130	2,045
Permanent assets	333,588	341,714
Intangible assets	86,721	88,617
Property, plant and equipment	246,867	253,097
Total assets	810,227	816,093
Liabilities and equity		
Current liabilities	276,517	248,163
Trade payables	27,915	34,234
Derivative financial instruments	9,179	4,731
Borrowings	190,233	163,013
Salaries and social charges	22,180	21,200
Taxes payable	4,153	3,152
Income tax and social contribution payable	578	752
Dividends and interest on capital	9,051	9,051
Related parties	168	190
Commissions on sales	4,931	4,001
Other liabilities	8,129	7,839
Non-current liabilities	128,074	158,725
Derivative financial instruments	1,272	
Borrowings	122,867	154,411
Provision for contingencies	3,935	4,314
Total liabilities	404,591	406,888
Total equity	405,879	409,458
Non-controlling interests	(243)	(253)
Total liabilities and equity	810,227	816,093

