

(A free translation of the original in Portuguese)



# 4Q16 and FY2016 Earnings Release

- The year was marked by significant market challenges, the return of one of the founding partners as CEO, and path adjustments to resume the historical levels of performance;
- The quarter was impacted by the sales rationalization process, with adjustments to sales conditions, seeking to lay more solid groundwork for 2017, which caused a significant and expected reduction in volumes.

## Conference Call

**In Portuguese with simultaneous translation into English**

March 22, 2017

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

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## 4Q16 and FY2016 Earnings Release

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## 4Q16 and FY2016 Earnings Release

Cravinhos, March 21, 2017 – Ouro Fino Saúde Animal Participações S.A. (“Company” or “Ourofino”) (BM&FBovespa: 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 December 31, 2016 (4Q16 and FY2016).

### Message from management

2016 was one of the most challenging years in the history of Ourofino. Externally, we faced strong pressure from adverse macroeconomic and market conditions. Internally, we made difficult decisions to adjust the path that should lead to better results in 2017 and subsequent years

In 4Q16, we initiated actions to lay groundwork for the resumption of historical growth and profitability, including the sales rationalization process, with adjustments to sales conditions, which resulted in a substantial drop in revenues during the quarter. We are aware that the results achieved in the year were significantly below everyone's expectations, but we are certain that these decisions are aligned with the long-term interests of the Company and its stockholders.

In 2017, we expect to achieve the results of the change in the driver of the sales team, with an incentive program that is tied to an increase in gross margin; decrease in exposure in the poultry segment; rationalization of the cattle product portfolio; and the progressive reestablishment of lower inventory levels, thus improving working capital. We would also like to mention the actions aimed at rationalizing processes and optimizing expenditures, with the Falconi consulting firm beginning its work to identify opportunities for improvement with a focus on aspects that can add value on a permanent basis, addressing both cost and revenue levers.

We reaffirm our confidence in the animal health industry and the actions taken to make the Company better prepared to take advantage of the gradual resumption of Brazil's economic growth, which is expected to take place during 2017. Our long-term projects, including our investments in research and development, remain unaltered. Therefore, we reinforce our confidence in the Company's sustainable growth.

We would like to thank all of you for your confidence in our work.

Jardel Massari  
CEO

Kleber Gomes  
CFO and Investor Relations Officer



## 4Q16 and FY2016 Earnings Release

### Financial performance

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
Net revenue	164.8	98.5	-40.2%	534.0	456.6	-14.5%
Cost of sales	(77.6)	(56.1)	-27.7%	(236.6)	(230.5)	-2.6%
<b>Gross profit</b>	<b>87.2</b>	<b>42.4</b>	<b>-51.4%</b>	<b>297.4</b>	<b>226.1</b>	<b>-24.0%</b>
<i>(gross margin)</i>	<i>52.9%</i>	<i>43.0%</i>	<i>-9.9 p.p.</i>	<i>55.7%</i>	<i>49.5%</i>	<i>-6.2 p.p.</i>
Expenses*	(53.7)	(50.2)	-6.5%	(199.5)	(207.3)	3.9%
<b>Operating profit (loss)</b>	<b>33.5</b>	<b>(7.8)</b>	<b>-123.3%</b>	<b>97.9</b>	<b>18.8</b>	<b>-80.8%</b>
<i>(operating margin)</i>	<i>20.3%</i>	<i>-7.9%</i>	<i>-28.2 p.p.</i>	<i>18.3%</i>	<i>4.1%</i>	<i>-14.2 p.p.</i>
Finance result, net	(2.8)	(6.4)	128.6%	(10.6)	(22.2)	109.4%
Income tax and social contribution*	(6.9)	4.7	-168.1%	(18.1)	5.7	-131.5%
<b>Adjusted profit (loss)</b>	<b>23.8</b>	<b>(9.5)</b>	<b>-139.9%</b>	<b>69.2</b>	<b>2.3</b>	<b>-96.7%</b>
<i>(adjusted profit (loss) margin)</i>	<i>14.4%</i>	<i>-9.6%</i>	<i>-24.0 p.p.</i>	<i>13.0%</i>	<i>0.5%</i>	<i>-12.5 p.p.</i>
<b>Adjusted EBITDA</b>	<b>39.6</b>	<b>1.0</b>	<b>-97.5%</b>	<b>119.1</b>	<b>44.4</b>	<b>-62.7%</b>
<i>(adjusted EBITDA margin)</i>	<i>24.0%</i>	<i>1.0%</i>	<i>-23.0 p.p.</i>	<i>22.3%</i>	<i>9.7%</i>	<i>-12.6 p.p.</i>

(\*) Does not include non-recurring expenses (provision for impairment of trade receivables of Venezuela, termination of statutory officers and restructuring measures) and their related tax effects.

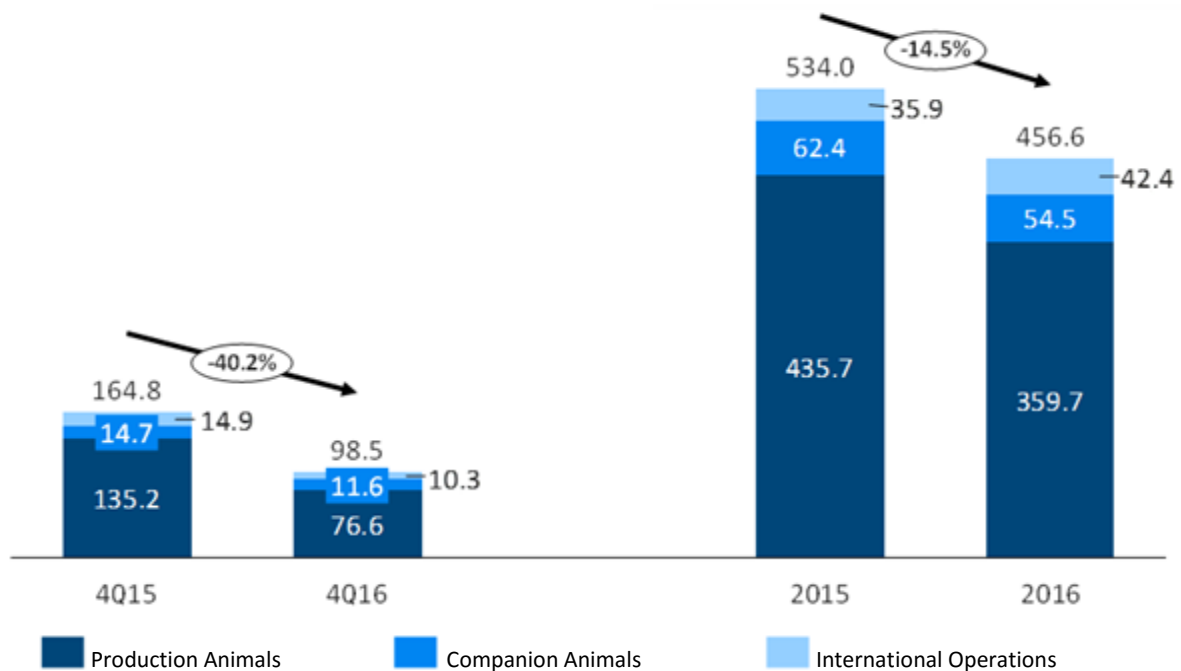
### Net revenue

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
<b>Net sales revenue</b>	<b>164.8</b>	<b>98.5</b>	<b>-40.2%</b>	<b>534.0</b>	<b>456.6</b>	<b>-14.5%</b>
Production animals	135.2	76.6	-43.3%	435.7	359.7	-17.4%
Companion animals	14.7	11.6	-21.1%	62.4	54.5	-12.7%
International operations	14.9	10.3	-30.9%	35.9	42.4	18.1%





## 4Q16 and FY2016 Earnings Release



The Company presented a net revenue of R\$ 98.5 million in 4Q16, a decrease of 40.2% in comparison with 4Q15, which ranked first in terms of quarterly revenue in the history of Ourofino. In 2016, net revenue was R\$ 456.6 million, a decrease of 14.5% in comparison with 2015. Our comments on the Company's performance by segment are presented below:

- The **Production Animals** segment presented a net revenue of R\$ 76.6 million in 4Q16, which represented a decrease of 43.3% in comparison with 4Q15. In 2016, net revenue was R\$ 359.7 million, a decrease of 17.4% in comparison with 2015. These decreases were mainly caused by drops in the prices of the vaccine against foot-and-mouth disease, and price and volume losses on poultry and pig products, especially poultry products. As regards cattle products, except for vaccines against foot-and-mouth disease, there was a decrease in the volume of most therapeutic classes, partially offset by price gains, except for reproduction products, which experienced gains in price and volume.
- The **Companion Animals** segment presented a net revenue of R\$ 11.6 million in 4Q16, with a decrease of 21.1% in comparison with 4Q15. In 2016, net revenue was R\$ 54.5 million, which represented a decrease of 12.7% in comparison with 2015. This result reflects the macroeconomic situation, with price and volume losses on the therapeutic class of ectoparasiticides, due to an increase in the sales of ecto tablets by the other market players. These results were partially offset by price and volume gains in wormers, and price gains in the remaining therapeutic classes.
- The **International Operations** segment presented a net revenue of R\$ 10.3 million in 4Q16, a decrease of 30.9% in comparison with 4Q15. In 2016, revenue was R\$ 42.4 million, an increase of 18.1% in comparison with 2015, in line with the Company's long-term strategic planning. It is important to highlight the negative impacts of the depreciation of local currencies, especially the Mexican peso, and the appreciation of the Brazilian real in relation to the U.S. dollar.



## 4Q16 and FY2016 Earnings Release

### Gross profit and gross margin

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
<b>Gross profit</b>	<b>87.2</b>	<b>42.4</b>	<b>-51.4%</b>	<b>297.4</b>	<b>226.1</b>	<b>-24.0%</b>
<i>(gross margin)</i>	52.9%	43.0%	-9.9 p.p.	55.7%	49.5%	-6.2 p.p.
Gross profit - production animals	66.2	29.5	-55.4%	226.5	163.0	-28.0%
<i>(gross margin - production animals)</i>	49.0%	38.5%	-10.5 p.p.	52.0%	45.3%	-6.7 p.p.
Gross profit - companion animals	10.9	7.8	-28.4%	47.1	38.3	-18.7%
<i>(gross margin - companion animals)</i>	74.1%	67.2%	-6.9 p.p.	75.5%	70.3%	-5.2 p.p.
Gross profit - international operations	10.1	5.1	-49.5%	23.8	24.8	4.2%
<i>(gross margin - international operations)</i>	67.8%	49.5%	-18.3 p.p.	66.3%	58.5%	-7.8 p.p.

In 4Q16, the gross margin was 43.0% against 52.9% in 4Q15. In 2016, the gross margin was 49.5%, a decrease of 6.2 p.p. in comparison with 2015.

- The **Production Animals** segment presented a gross margin of 38.5% in 4Q15, a decrease of 10.5 p.p. in comparison with 4Q15, and a gross margin of 45.3% in 2016, a decrease of 6.7 p.p. in comparison with 2015. The decrease in margins was mainly due to price losses on pig and poultry products and vaccines against foot-and-mouth disease, and a less favorable mix. There was also the negative impact of the provisions for impairment and plant idleness.
- The **Companion Animals** segment presented a gross margin of 67.2% in 4Q16, a decrease of 6.9 p.p. in comparison with 4Q15. In 2016, the total gross margin was 70.3%, a decrease of 5.2 p.p. in comparison with 2015. This drop was caused by price losses on ectoparasiticides. There was also the negative impact of the provisions for impairment
- The **International Operations** segment presented a gross margin of 49.5% in 4Q16, a decrease of 18.3 p.p. in comparison with 4Q15. In 2016, the total gross margin was 58.5%, a decrease of 7.8 p.p. in comparison with 2015. These drops reflect the impact of a less favorable exchange rate, combined with increased sales of vaccines against foot-and-mouth disease.



## 4Q16 and FY2016 Earnings Release

### Selling, general and administrative expenses

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
<b>Selling, general and administrative and other expenses</b>	<b>(53.7)</b>	<b>(50.2)</b>	<b>-6.5%</b>	<b>(199.5)</b>	<b>(207.3)</b>	<b>3.9%</b>
<i>Percentage on net revenue</i>	<i>32.6%</i>	<i>51.0%</i>	<i>18.4 p.p.</i>	<i>37.4%</i>	<i>45.4%</i>	<i>8.0 p.p.</i>

In 4Q16, selling, general and administrative expenses totaled R\$ 50.2 million, a decrease of 6.5% in comparison with 4Q15, already reflecting part of the Company's efforts to reduce expenses. In 2016, these expenses totaled R\$ 207.3 million against R\$ 199.5 million in 2015.

### EBITDA and EBITDA margin

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
<b>Adjusted profit (loss)</b>	<b>23.8</b>	<b>(9.5)</b>	<b>-139.9%</b>	<b>69.2</b>	<b>2.3</b>	<b>-96.7%</b>
(+) Non-recurring expenses, net of IRPJ/CSLL*		(2.6)			(7.6)	
<b>Profit (loss) for the period</b>	<b>23.8</b>	<b>(12.1)</b>	<b>-150.8%</b>	<b>69.2</b>	<b>(5.3)</b>	<b>-107.7%</b>
(+) Finance result, net	2.8	6.4	128.6%	10.6	22.2	109.4%
(+) Income tax and social contribution	6.9	(5.4)	-178.3%	18.1	(8.0)	-144.2%
(+) Depreciation and amortization	5.7	5.7	0.0%	20.1	21.9	9.0%
<b>EBITDA</b>	<b>39.2</b>	<b>(5.4)</b>	<b>-113.8%</b>	<b>118.0</b>	<b>30.8</b>	<b>-73.9%</b>
(+) Non-recurring expenses *		3.3			9.9	
(+) Other	0.4	3.1	675.0%	1.1	3.7	236.4%
<b>Adjusted EBITDA</b>	<b>39.6</b>	<b>1.0</b>	<b>-97.5%</b>	<b>119.1</b>	<b>44.4</b>	<b>-62.7%</b>
Net sales revenue	164.8	98.5	-40.2%	534.0	456.6	-14.5%
<b>EBITDA margin</b>	<b>23.8%</b>	<b>-5.5%</b>	<b>-29.3 p.p.</b>	<b>22.1%</b>	<b>6.7%</b>	<b>-15.4 p.p.</b>
<b>adjusted EBITDA margin</b>	<b>24.0%</b>	<b>1.0%</b>	<b>-23.0 p.p.</b>	<b>22.3%</b>	<b>9.7%</b>	<b>-12.6 p.p.</b>

(\*) Non-recurring expenses include the provision for impairment of trade receivables of Venezuela, termination of statutory officers and restructuring measures, in addition to their related tax effects.

In 4Q16, adjusted EBITDA totaled R\$ 1.0 million with an adjusted EBITDA margin of 1.0%, a decrease of 23 p.p. in comparison with 4Q15. In 2016, adjusted EBITDA totaled R\$ 44.4 million with an adjusted EBITDA margin of 9.7%, a decrease of 12.6 p.p. in comparison with 2015. The factors that influenced this result were a reduction in net expenses with a decrease in gross margin and the resulting loss on dilution of selling, general and administrative expenses, as previously mentioned.



## 4Q16 and FY2016 Earnings Release

### Finance result

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
Finance result, net	(2.8)	(6.4)	128.6%	(10.6)	(22.2)	109.4%

In 4Q16, net finance costs totaled R\$ 6.4 million, an increase of 128.6% in comparison with 4Q15. In 2016, net finance costs amounted to R\$ 22.2 million, an increase of 109.4% in comparison with 2015. These increases reflect the increase in bank debt caused by the investments made in 2016 mostly in the new plant for biological products. Also, the funds for those investments were assured by an R\$ 106 million agreement with the Fund for Financing of Studies and Projects (FINEP) with a below the market interest rate, but the final R\$ 42 million related to this agreement were released in December 2016, thus impacting the financial result.

### Income tax and social contribution

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
Income tax and social contribution	(6.9)	4.7	-168.1%	(18.1)	5.7	-131.5%
Percentage on profit before income tax and social contribution	-22.5%	-33.1%	-10.6 p.p.	-20.7%	-167.6%	-146.9 p.p.

In 4Q16, income tax and social contribution were positive by R\$ 4.7 million, against an expense of R\$ 6.9 million in 4Q15. In 2016, income tax and social contribution were positive by R\$ 5.7 million, against an expense of R\$ 18.1 million in 2015. The effect determined in 2016 is the result of the lower profitability combined with a greater impact of temporary tax differences.

### Profit (loss) for the period/year

R\$ million	4Q15	4Q16	Variation %	2015	2016	Variation %
Adjusted profit (loss)	23.8	(9.5)	-139.9%	69.2	2.3	-96.7%
(profit margin)	14.4%	-9.6%	-24.0 p.p.	13.0%	0.5%	-12.5 p.p.

In 4Q16, adjusted loss reached R\$ 9.5 million, against an adjusted profit of R\$ 23.8 million in 4Q15. In 2016, profit totaled R\$ 2.3 million, a decrease of 96.7% in comparison with 2015. These results reflect the drop in adjusted EBITDA and increase in net finance costs partially offset by the effect of income tax and social contribution.





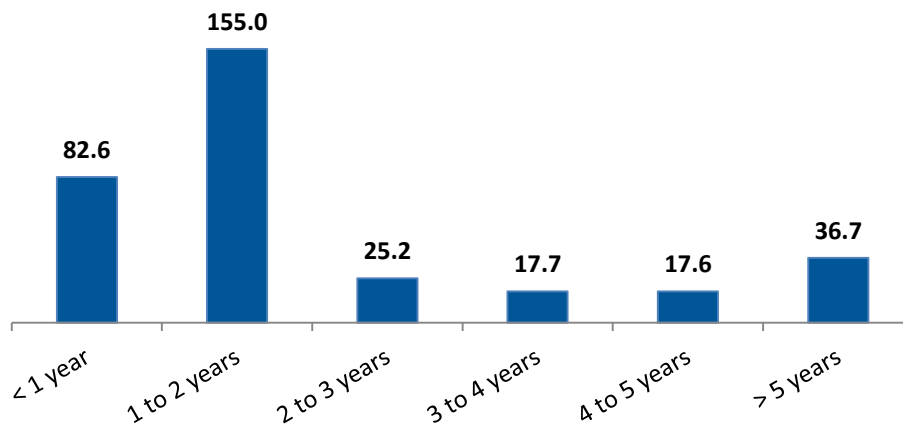
## 4Q16 and FY2016 Earnings Release

### Indebtedness

In R\$ million	December 31, 2015	December 31, 2016
Current	57.3	73.6
Non-current	159.2	241.9
<b>Gross debt</b>	<b>216.5</b>	<b>315.5</b>
(-) Derivative financial instruments, net	0.4	(19.4)
<b>Derivatives net debt</b>	<b>216.1</b>	<b>334.9</b>
(-) Cash and cash equivalents	23.4	70.3
<b>Net debt</b>	<b>192.7</b>	<b>264.6</b>
<b>Average cost of debt (year)<sup>1</sup></b>	<b>7.98%</b>	<b>8.80%</b>
<b>Net debt/Adjusted annual EBITDA</b>	<b>1.62</b>	<b>5.96</b>

<sup>1</sup> Net bank debt considering related derivative instruments

### Bank debt aging



Debt aging considers the period between January 1 and December 30 and debt plus derivatives.



## 4Q16 and FY2016 Earnings Release

### Launches of products in 2016

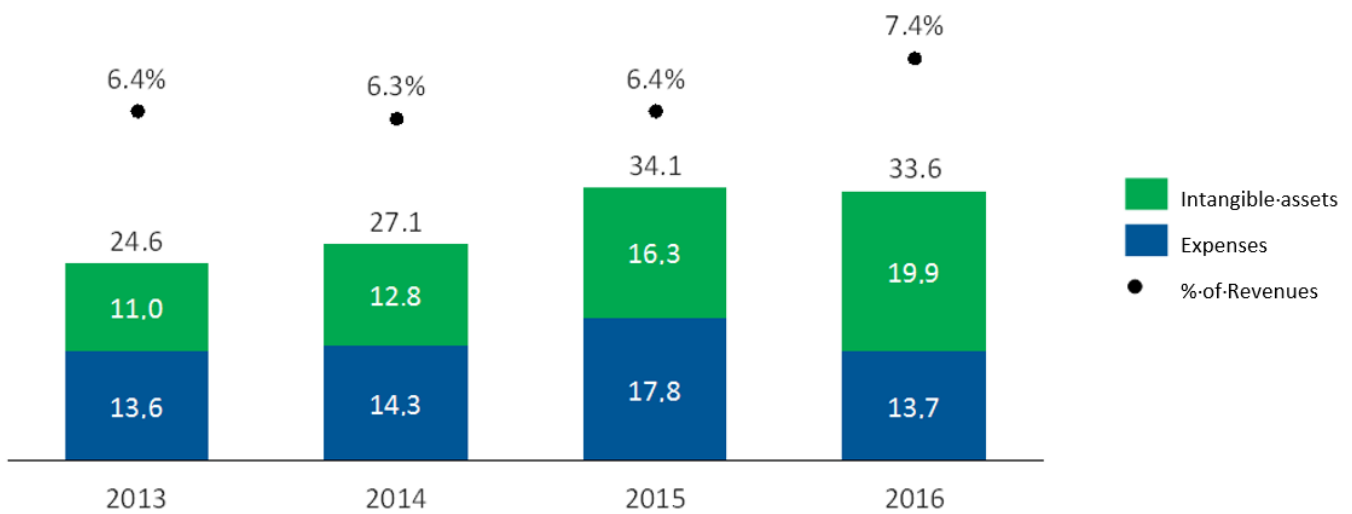
	NAME	Description	Therapeutic class	Segment	Launched in
	<b>Saligold</b>	Salinomycin-based granular product. Maximizes the zootechnical performance of poultry by controlling the challenges of coccidiosis.	Antimicrobial	Production animals	Nov/16
	<b>Nicargold</b>	Maximizes the zootechnical performance of poultry by controlling the challenges of coccidiosis.	Antimicrobial	Production animals	Oct/16
	<b>Gallipro</b>	Probiotic additive that helps to maintain the equilibrium of the intestinal flora of animals. For weight gain and improvement of the feed efficiency of broilers and breeding chickens.	Nutritional	Production animals	Sep/16
	<b>Mgold 20</b>	Based on the concentration of 20% of monensin, safely and effectively prevents coccidiosis in broilers and replacement pullets, with zero-day withdrawal time.	Antimicrobial	Production animals	Aug/16
	<b>Mgold 40</b>	Prevents coccidiosis in broilers and replacement pullets and maximizes the zootechnical performance of poultry. It is based on the concentration of 40% of monensin and has a zero-day withdrawal time.	Antimicrobial	Production animals	Jul/16
	<b>Evol</b>	Broad-spectrum endectocide for cattle; its formulation is based on ivermectin and albendazole sulfoxide	Endectocide	Production animals	Jun/16
	<b>Nulli</b>	Tramadol-based pain reliever for dogs and cats in the oral form.	Therapeutic product	Companion Animals	Apr/16
	<b>Resolutor</b>	Antibiotic prescribed for the quick treatment of respiratory diseases in animals, producing effects 30 minutes following application.	Antimicrobial	Production animals	Feb/16
	<b>Ourovac Raiva</b>	Vaccine against rabies in cattle	Biological product	Production animals	Jan/16



## 4Q16 and FY2016 Earnings Release

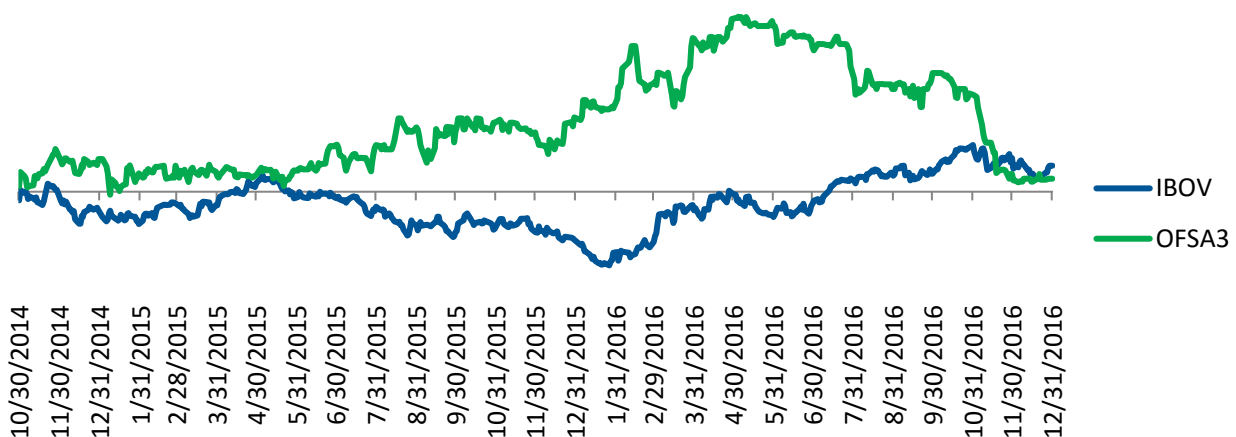
### Investments in research and development

In 2016, approximately 7.4% of the net revenue was invested in R&D, totaling R\$ 33.6 million. The chart below shows the Company's total investments in R&D from 2013 to 2016.



### Performance of the shares

Ourofino shares started to be traded on the São Paulo Stock Exchange (BM&F Bovespa) on October 21, 2014 under the ticker OFSA3, at the initial price of R\$27.00. The chart below shows a comparison of the performances of Ibovespa and Ourofino share (base value: 100), between the first trading day (10/21/2014) and the last trading day in 4Q16 (12/31/2016).





## 4Q16 and FY2016 Earnings Release

Statement of operations (R\$ thousands)	4Q15	4Q16	2015	2016
Revenue	164,880	98,506	534,045	456,587
Cost of sales	(77,696)	(56,086)	(236,684)	(230,504)
<b>Gross profit</b>	<b>87,184</b>	<b>42,420</b>	<b>297,361</b>	<b>226,083</b>
Selling expenses*	(44,041)	(41,409)	(161,618)	(168,307)
General and administrative expenses*	(11,515)	(8,012)	(39,882)	(36,492)
Other income, net	1,921	(755)	2,041	(2,519)
<b>Operating profit</b>	<b>33,549</b>	<b>(7,756)</b>	<b>97,902</b>	<b>18,765</b>
Finance income	665	1,324	4,707	4,487
Finance costs	(2,653)	(3,714)	(10,695)	(12,280)
Derivative financial instruments, net	(205)	(3,045)	11,098	(28,050)
Foreign exchange variations, net	(638)	(1,002)	(15,745)	13,643
Finance result	(2,831)	(6,437)	(10,635)	(22,200)
<b>Profit (loss) before income tax and social contribution</b>	<b>30,718</b>	<b>(14,193)</b>	<b>87,267</b>	<b>(3,435)</b>
Current and deferred income tax and social contribution*	(6,833)	4,715	(18,060)	5,696
<b>Adjusted profit (loss)</b>	<b>23,885</b>	<b>(9,478)</b>	<b>69,207</b>	<b>2,261</b>

(\*) Does not include non-recurring expenses (provision for impairment of trade receivables of Venezuela, termination of statutory officers and restructuring measures) and their related tax effects.

Statement of operations (R\$ thousands)	4Q15	4Q16	2015	2016
Revenue	164,880	98,506	534,045	456,587
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<b>Gross profit</b>	<b>87,184</b>	<b>42,420</b>	<b>297,361</b>	<b>226,083</b>
Selling expenses	(44,041)	(41,409)	(161,618)	(171,656)
General and administrative expenses	(11,515)	(11,408)	(39,882)	(43,058)
Other income, net	1,921	(755)	2,041	(2,519)
<b>Operating profit</b>	<b>33,549</b>	<b>(11,152)</b>	<b>97,902</b>	<b>8,850</b>
Finance income	665	1,324	4,707	4,487
Finance costs	(2,653)	(3,714)	(10,695)	(12,280)
Derivative financial instruments, net	(205)	(3,045)	11,098	(28,050)
Foreign exchange variations, net	(638)	(1,002)	(15,745)	13,643
Finance result	(2,831)	(6,437)	(10,635)	(22,200)
<b>Profit (loss) before income tax and social contribution</b>	<b>30,718</b>	<b>(17,589)</b>	<b>87,267</b>	<b>(13,350)</b>
Current and deferred income tax and social contribution	(6,833)	5,402	(18,060)	7,999
<b>Profit (loss) for the period</b>	<b>23,885</b>	<b>(12,187)</b>	<b>69,207</b>	<b>(5,351)</b>





## 4Q16 and FY2016 Earnings Release

Statement of cash flows (R\$ thousands)	2015	2016
<b>Cash flows from operating activities</b>		
<b>Profit (loss) before income tax and social contribution</b>	<b>87,267</b>	<b>(13,350)</b>
Adjustments for:		
Provision for impairment of trade receivables	1,105	7,423
Provision for inventory losses and write-offs	(679)	8,637
Provision for sales returns		2,761
Provision for bonuses to customers		780
Reversal of the provision for discounts on sales	(752)	(1,280)
Depreciation and amortization	20,132	21,927
Provision for impairment of intangible assets	407	3,721
Proceeds from disposal of property, plant and equipment and intangible assets	(1,855)	460
Interest and monetary and exchange variations, net	22,310	(4,698)
Unrealized derivative financial instruments	(11,098)	28,050
Provision for contingencies	(27)	157
Share options granted	1,491	1,585
Other losses	(377)	
Changes in working capital		
Trade receivables	(47,412)	49,820
Inventories	(22,723)	(32,047)
Taxes recoverable	(9,841)	(9,701)
Other assets	(175)	4,867
Trade payables	4,864	(2,277)
Taxes and charges payable	976	(2,288)
Other liabilities	1,504	(4,915)
<b>Cash from operations</b>	<b>45,117</b>	<b>59,632</b>
Interest paid	(7,785)	(10,516)
Income tax and social contribution paid	(21,823)	(6,914)
<b>Net cash provided by operating activities</b>	<b>15,509</b>	<b>42,202</b>
<b>Cash flows from investing activities</b>		
Investments in intangible assets	(21,965)	(22,954)
Purchase of property, plant and equipment	(35,087)	(65,146)
Proceeds from sale of property, plant and equipment	1,056	1,281
Acquisition of investment	(387)	
Cash acquired through investment	385	
<b>Net cash used in investing activities</b>	<b>(55,998)</b>	<b>(86,819)</b>
<b>Cash flows from financing activities</b>		
Capital increase		218
Proceeds from borrowings	97,158	191,041
Repayment of borrowings	(112,888)	(73,854)
Realized derivative financial instruments	19,860	(8,208)
Dividends and interest on capital paid	(12,889)	(16,433)
<b>Net cash provided by (used in) financing activities</b>	<b>(8,759)</b>	<b>92,764</b>
<b>Increase in cash and cash equivalents, net</b>	<b>(49,248)</b>	<b>48,147</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>72,453</b>	<b>23,380</b>
<b>Foreign exchange gains (losses) on cash and cash equivalents</b>	<b>175</b>	<b>(1,202)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>23,380</b>	<b>70,325</b>



## 4Q16 and FY2016 Earnings Release

Balance Sheet (R\$ thousands)	12/31/2015	12/31/2016
<b>Assets</b>		
<b>Current assets</b>	<b>378,377</b>	<b>379,922</b>
Cash and cash equivalents	23,380	70,325
Trade receivables	225,740	162,478
Derivative financial instruments	22	
Inventories	109,263	131,303
Taxes recoverable	7,471	4,877
Income tax and social contribution recoverable	1,020	5,107
Related parties	1,870	303
Other assets	9,611	5,529
<b>Non-current assets</b>	<b>314,994</b>	<b>395,654</b>
<b>Long-term receivables</b>	<b>42,209</b>	<b>62,695</b>
Derivative financial instruments	1,713	
Taxes recoverable	32,322	42,643
Deferred income tax and social contribution	5,558	17,081
Related parties		165
Other assets	2,616	2,806
<b>Permanent assets</b>	<b>272,785</b>	<b>332,959</b>
Intangible assets	78,690	87,158
Property, plant and equipment	194,095	245,801
<b>Total assets</b>	<b>693,371</b>	<b>775,576</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>	<b>149,994</b>	<b>142,959</b>
Trade payables	29,450	23,316
Derivative financial instruments	1,297	8,820
Borrowings	57,260	73,550
Salaries and social charges	24,333	17,299
Taxes payable	6,585	4,053
Income tax and social contribution payable	1,873	1,056
Dividends and interest on capital	16,433	
Related parties	660	355
Commissions on sales	7,313	6,070
Other liabilities	4,790	8,440
<b>Non-current liabilities</b>	<b>163,068</b>	<b>256,322</b>
Derivative financial instruments		10,584
Borrowings	159,227	241,888
Provision for contingencies	3,841	3,850
<b>Total liabilities</b>	<b>313,062</b>	<b>399,281</b>
<b>Total equity</b>	<b>380,181</b>	<b>376,334</b>
Non-controlling interests	128	(39)
<b>Total liabilities and equity</b>	<b>693,371</b>	<b>775,576</b>