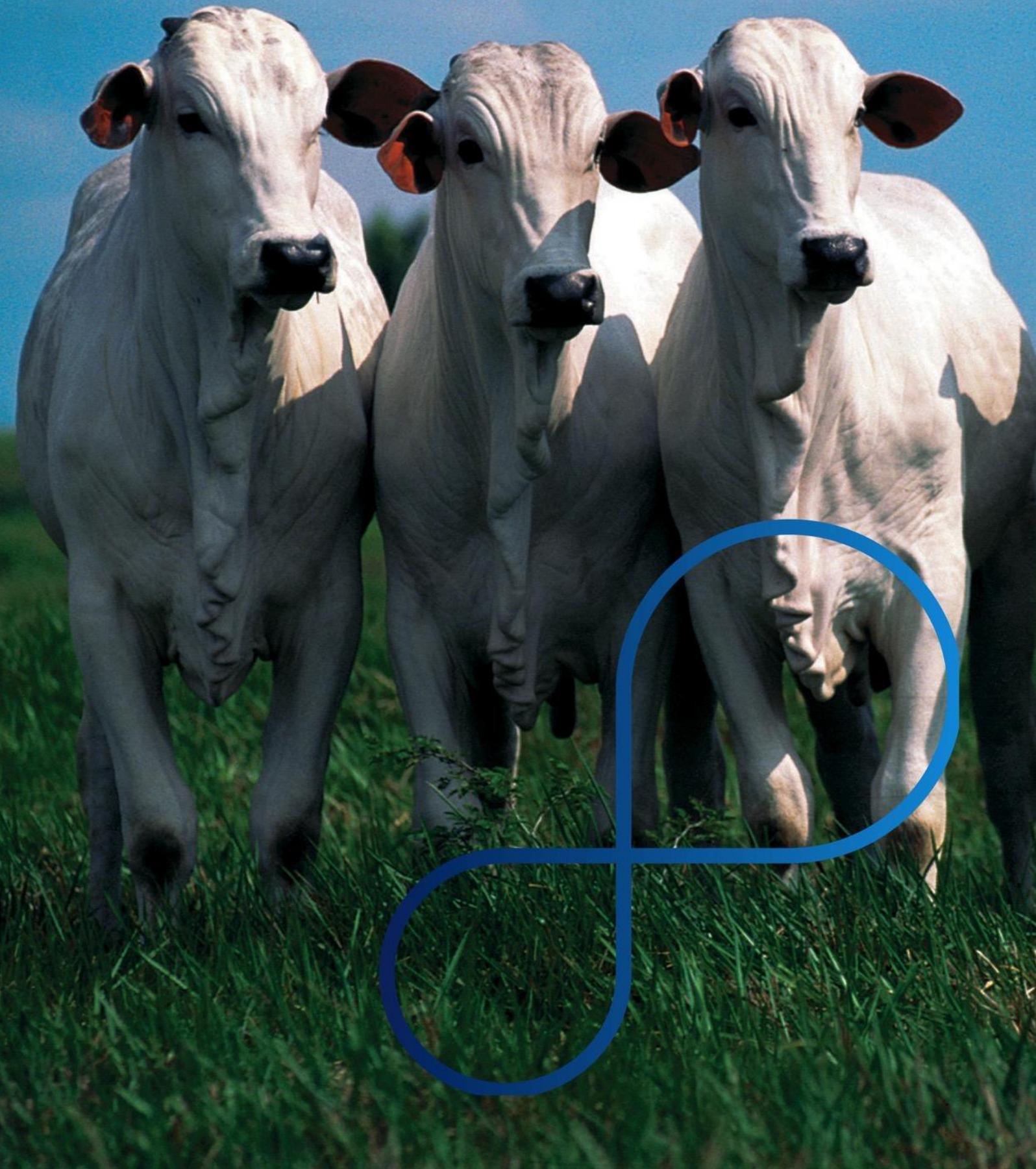


Results

2Q17 and 1H17



Our Purpose

Reimagining
animal health

- Resuming historical profitability levels in the quarter
- EBITDA margin of 23.2%
- Net margin of 10.8%

Conference Call

In Portuguese with simultaneous translation into English

August 9, 2017

3:00 p.m. (BRT) / 2:00 p.m. (US EST)

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Cravinhos, August 8, 2017 – Ouro Fino Saúde Animal Participações S.A. (the “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 June 30, 2017 (2Q17 and 1H17).

Message from management

The Company continues to follow the road of recovery and the second quarter of 2017 was very positive. Historical profitability levels were resumed. EBITDA margin was 23.2%, an increase of 8.2 p.p. and 2.1 p.p. in comparison with the same periods in 2016 and 2015, respectively, and net margin was 10.8%, an increase of 6.1 p.p. in comparison with 2Q16.

This result reflects the strategy adopted, which has included a review of trade policies, providing the sales team frontline with more authority for negotiations, seeking to decrease discounts and bonuses, making a hard decision to decrease the inventory levels of the channel, with a major impact on results by the end of 2016, and removing less profitable products from the portfolio, combined with efforts to reduce expenses and generate cash through shorter average billing terms.

In the production animals segment, there was a slight increase in net revenues, with improvement of the gross margin, as a result of sales at better prices of cattle products, including vaccines against foot-and-mouth disease for the 1st campaign, and a better mix of pig products.

With respect to companion animals, there was a decrease in net revenue, due to the still challenging macroeconomic environment, especially in Rio de Janeiro, where we decided to adopt a more rational inventory strategy for the channel, considering current economic situation. In spite of this, the gross margin continues to recover in comparison with the last three quarters.

In the international operations segment, revenue growth was in line with our expectations, despite the strengthening of the Brazilian real in relation to other currencies and the exports of vaccines against foot-and-mouth disease, which resulted in reduced margins for the segment.

In 2Q17, we also held celebrations to mark the 30th anniversary of Ourofino. During this important celebration, we launched our branding project, which conveys our purpose, under the name "Reimagining animal health". Since its inception, the Company has sought to adopt different practices that bring more added value, such as the commercial model of making direct sales to resellers of agricultural products, which resulted in the rethinking of the common practice of selling through distributors by the veterinary pharmaceutical industry. The challenge throughout 2017 has not been different, and the rethinking attitude has continued to guide our actions.

We remain confident of delivering improved results in the second half of the year, which is the most important period of sales for the Company and the most significant period in terms of profitability, as we rely on the commitment and motivation of our entire team.

Jardel Massari
CEO

Kleber Gomes
CFO and IRO

Financial Performance

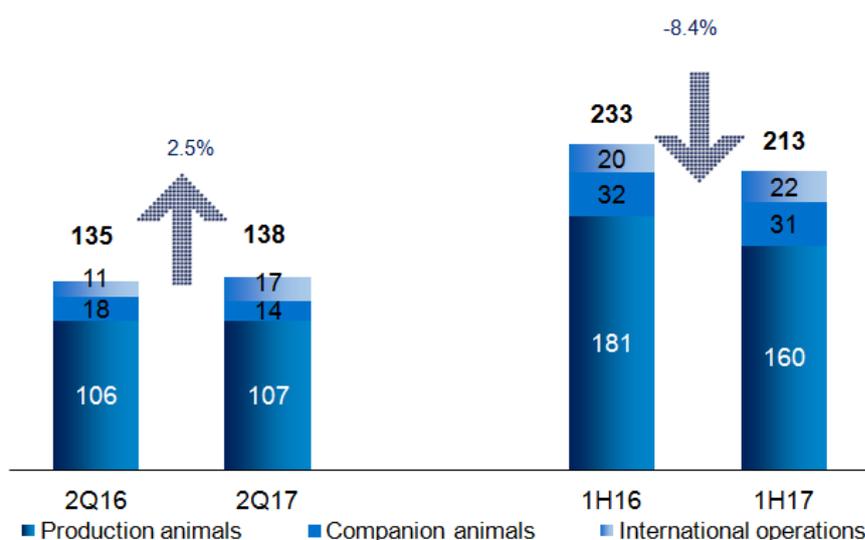
R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Net revenue	134.6	137.9	2.5%	232.6	213.1	-8.4%
Cost of sales	(65.6)	(66.2)	0.9%	(111.5)	(101.7)	-8.8%
Gross profit	69.0	71.7	3.9%	121.1	111.4	-8.0%
(gross margin)	51.3%	52.0%	0.7 p.p.	52.1%	52.3%	0.2 p.p.
Expenses*	(54.4)	(46.4)	-14.7%	(105.1)	(90.3)	-14.1%
Operating profit	14.6	25.3	73.3%	16.0	21.1	31.9%
(operating margin)	10.8%	18.3%	7.5 p.p.	6.9%	9.9%	3.0 p.p.
Finance result, net	(6.8)	(2.8)	-58.8%	(11.4)	(8.6)	-24.6%
Income tax and social contribution*	(1.5)	(7.6)	406.7%	(0.1)	(3.5)	3400.0%
Adjusted profit	6.3	14.9	136.5%	4.5	9.0	100.0%
(adjusted profit margin)	4.7%	10.8%	6.1 p.p.	1.9%	4.2%	2.3 p.p.
Adjusted EBITDA	20.2	32.0	58.4%	26.8	33.2	23.9%
(adjusted EBITDA margin)	15.0%	23.2%	8.2 p.p.	11.5%	15.6%	4.1 p.p.

(*) In 1H16, does not include non-recurring expenses related to the provision for impairment of trade receivables of Venezuela and termination of statutory officer. In 1H17, does not include non-recurring expenses related to the consulting services from Falconi and restructuring expenditures. These events gave rise to their related tax effects.



Net revenue

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Net sales revenue	134.6	137.9	2.5%	232.6	213.1	-8.4%
Production animals	105.8	106.5	0.7%	180.6	160.3	-11.2%
Companion animals	17.6	14.4	-18.2%	31.7	30.8	-2.8%
International operations	11.2	17.0	51.8%	20.3	22.0	8.4%



The Company presented net revenue of R\$ 137.9 million in 2Q17, an increase of 2.5% in comparison with 2Q16. In 1H17, net revenue was R\$ 213.1 million, a decrease of 8.4% in comparison with 1H16. Please find below our comments on the performance of the segments in which we operate:

- The Production Animals segment presented net revenue of R\$ 106.5 million in 2Q17, an increase of 0.7% in comparison with 2Q16. In 1H17, net revenue was R\$ 160.3 million, a decrease of 11.2% in comparison with 1H16. Overall, there was an impact of lower poultry sales volumes as a result of the strategy to discontinue some less profitable products, partially offset by better prices of foot-and-mouth disease vaccines, the other cattle products and pig products.

- The Companion Animals segment presented net revenue of R\$ 14.4 million in 2Q17, a decrease of 18.2% in comparison with 2Q16. In 1H17, net revenue was R\$ 30.8, a decrease of 2.8% in comparison with 1H16. These results reflect occasional situations in which sell-out was at a lower level, as is the case of Rio de Janeiro, and the Company's decision to rationalize stocks at a channel level considering the macroeconomic context.
- The International Operations segment presented net revenue of R\$ 17.0 million in 2Q17, an increase of 51.8% in comparison with 2Q16. In 1H17, net revenue was R\$ 22.0 million, which represented an increase of 8.4% in comparison with 1H16. The increases observed are mainly due to the increase in volume in Colombia, with the development of this unit, and the sale of vaccines against foot-and-mouth disease in Paraguay.

Gross profit and gross margin

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Gross profit	69.0	71.7	3.9%	121.1	111.4	-8.0%
(gross margin)	51.3%	52.0%	0.7 p.p.	52.1%	52.3%	0.2 p.p.
Gross profit - production animals	47.9	53.2	11.1%	84.2	78.3	-7.0%
(gross margin - production animals)	45.3%	50.0%	4.7 p.p.	46.6%	48.8%	2.2 p.p.
Gross profit - companion animals	13.2	10.3	-22.0%	23.5	21.9	-6.8%
(gross margin - companion animals)	75.0%	71.5%	-3.5 p.p.	74.1%	71.1%	-3.0 p.p.
Gross profit - international operations	7.9	8.2	3.8%	13.4	11.2	-16.4%
(gross margin - international operations)	70.5%	48.2%	-22.3 p.p.	66.0%	50.9%	-15.1 p.p.

In 2Q17, gross margin was 52.0%, an increase of 0.7 p.p. in comparison with 2Q16. In 1H17, gross margin reached 52.3%, an increase of 0.2 p.p. in comparison with 1H16.

- The production animals segment presented gross margin of 50.0% in 2Q17, an increase of 4.7 p.p. in comparison with 2Q16. In 1H17, the gross margin reached 48.8%, an increase of 2.2 p.p. in comparison with 1H16. Increase in margins resulted from higher prices of foot-and-mouth disease vaccines and cattle products in general, a better mix of pig products and the reduction in volumes of poultry products with lower margin, which were discontinued.
- The companion animals segment presented gross margin of 71.5% in 2Q17, a decrease of 3.5 p.p. in comparison with 2Q16. In 1H17,

the gross margin was 71.1%, a decrease of 3.0 p.p. in comparison with 1H16. These decreases resulted from a less favorable mix combined with provisions for inventory losses. However, there was an increase of 6.5 p.p. in the gross margin in 1H17 in comparison with 2H16.

- The international operations segment presented a gross margin of 48.2% in 2Q17, a decrease of 22.3 p.p. in comparison with 2Q16. In 1H17, the gross margin was 50.9%, a decrease of 15.1 p.p. in comparison with the same period in 2016. These decreases substantially reflect the impact of sales of vaccines against foot-and-mouth disease in Paraguay, in addition to the drop in the average exchange rates in the periods.



Selling, general and administrative expenses

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Selling, general and administrative expenses	(54.4)	(46.4)	-14.7%	(105.1)	(90.3)	-14.1%
Percentage on net revenue	40.4%	33.6%	-6.8 p.p.	45.2%	42.4%	-2.8 p.p.

In 2Q17, selling, general and administrative expenses totaled R\$ 46.4 million, a decrease of 14.7% in comparison with 2Q16. In 1H17, these expenses amounted to R\$ 90.3 million, a decrease of 14.1% in comparison with 1H16.

Also, there was a dilution of 6.8 p.p. in the quarter and 2.8 p.p. in the six-month period, already reflecting the efforts to optimize the Company's expenses.

EBITDA and EBITDA Margin

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Adjusted profit	6.3	14.9	136.5%	4.5	9.0	100.0%
(+) Non-recurring expenses, net of IRPJ/CSLL*	(1.8)	(1.9)	5.6%	(3.4)	(2.9)	-14.7%
Profit for the period	4.5	13.0	188.9%	1.1	6.1	454.5%
(+) Finance result, net	6.8	2.8	-58.8%	11.4	8.6	-24.6%
(+) Income tax and social contribution	1.5	6.6	340.0%	(0.7)	2.0	-385.7%
(+) Depreciation and amortization	5.5	7.0	27.3%	10.7	12.4	15.9%
EBITDA	18.3	29.4	60.7%	22.5	29.1	29.3%
(+) Non-recurring expenses*	1.8	2.9	61.1%	4.2	4.4	4.8%
(+) Other	0.1	(0.3)	-400.0%	0.1	(0.3)	-400.0%
Adjusted EBITDA	20.2	32.0	58.4%	26.8	33.2	23.9%
Net sales revenue	134.6	137.9	2.5%	232.6	213.1	-8.4%
(EBITDA margin)	13.6%	21.3%	7.7 p.p.	9.7%	13.7%	4.0 p.p.
(adjusted EBITDA margin)	15.0%	23.2%	8.2 p.p.	11.5%	15.6%	4.1 p.p.

(*) The following are considered non-recurring expenses: 1H16 - provision for impairment of trade receivables of Venezuela and termination of statutory officer; 1H17 - consulting services from Falconi and restructuring expenditures.

Adjusted EBITDA in 2Q17 totaled R\$ 32.0 million with adjusted EBITDA margin of 23.2%, an increase of 8.2 p.p. in comparison with 2Q16. In 1H17, adjusted EBITDA was R\$ 33.2 million, with adjusted EBITDA margin of 15.6%, an increase of 4.1 p.p. in comparison

with 1H16. Increases in gross margin and dilution of selling and general and administrative expenses as factors for improvement of EBITDA reflect the efforts that have been made by the Company's management.

Finance result

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Finance result, net	(6.8)	(2.8)	-58.8%	(11.4)	(8.6)	-24.6%

Net finance costs in 2Q17 totaled R\$ 2.8 million a decrease of 58.8% in comparison with 2Q16. In 1H17, these costs amounted to R\$ 8.6 million, a decrease of 24.6%. This decrease was due to a higher cash generation in the six-month period, arising from an adjustment in term

policies and lower expense level, combined with lower pressure from capital expenditures. Therefore, net debt, which had reached R\$ 264.6 million in 4Q16, underwent a decrease, with the settlement of debt indexed to the CDI, thus reducing finance costs.

Income tax and social contribution

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Income tax and social contribution	(1.5)	(7.6)	406.7%	(0.1)	(3.5)	3400.0%
Percentage on profit before IRPJ and CSLL	-19.2%	-33.8%	-14.6 p.p.	-2.2%	-28.0%	-25.8 p.p.

In 2Q17, income tax and social contribution amounted to R\$ 7.6 million against R\$ 1.5 million in 2Q16. In 1H17, income tax and social contribution totaled R\$ 3.5 million against

R\$ 0.1 million in 1H16. The effect determined is the result of higher profitability, combined with the impact of temporary tax differences.

Profit

R\$ million	2Q16	2Q17	Variation %	1H16	1H17	Variation %
Adjusted profit	6.3	14.9	136.5%	4.5	9.0	100.0%
(margin)	4.7%	10.8%	6.1 p.p.	1.9%	4.2%	2.3 p.p.

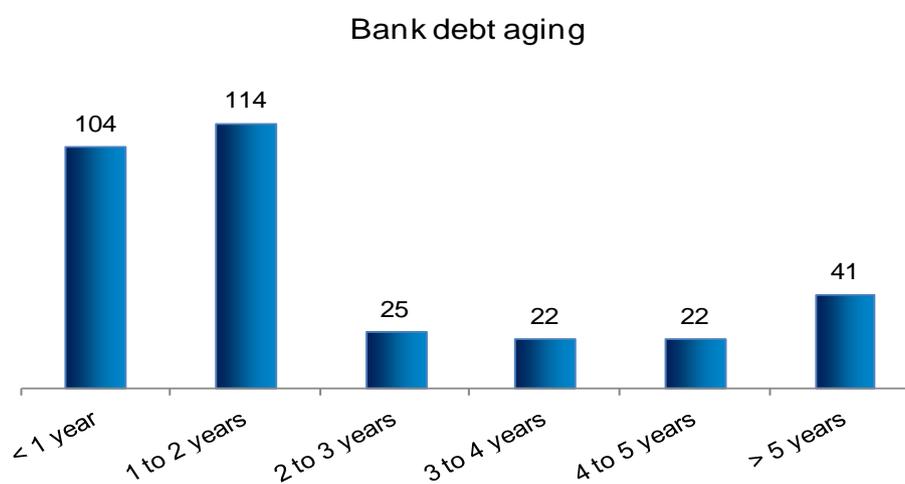
In 2Q17, adjusted profit was R\$ 14.9 million, an increase of 136.5% in comparison with 2Q16. In 1H17, adjusted profit was R\$ 9.0 million, an increase of 100.0% in comparison with 1H16.

These results reflect an increase in EBITDA adjusted by the previously mentioned factors, plus the decrease in net finance costs.

Indebtedness

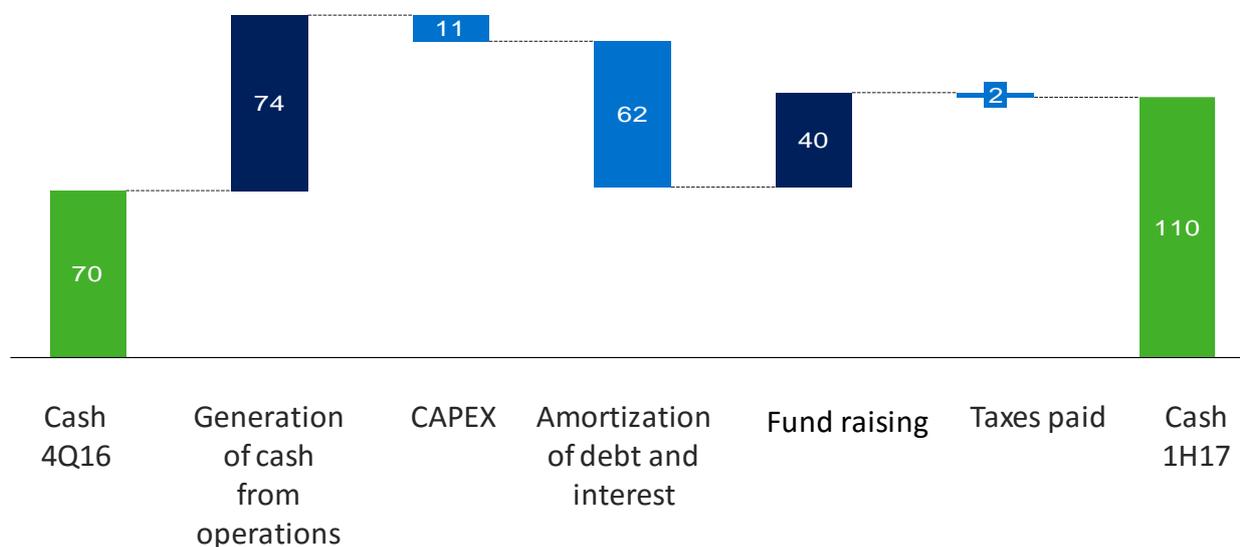
In R\$ million	June 30, 2016	December 31, 2016	June 30, 2017
Current	80.8	73.6	97.2
Non-current	137.9	241.9	216.3
Gross debt	218.7	315.5	313.5
Related derivative financial instruments	19.0	19.4	12.0
Gross debt arising from related derivatives	237.7	334.9	325.5
(-) Cash and cash equivalents	23.2	70.3	110.1
Net debt	214.5	264.6	215.4
Average cost of debt (year) ¹	9.52%	8.80%	7.69%
Net debt/Adjusted annual EBITDA (LTM)	2.06	5.96	4.24

¹ Net bank debt considering related derivatives



Debt aging considers the period between July 1 and June 30 and debt plus derivatives.

Cash position



During 1H17 there was generation of cash from operations of R\$ 74.5 million, in line with the Company's efforts to reduce the average term of receivables that decreased to 98 days, in comparison with 148 days in 1H16.

We would point out that the repayment of debt and payment of interest totaled R\$ 61.8 million, plus raised funds of R\$ 39.9 million, which had an impact on the average cost of debt that decreased from 8.80% in 4Q16 to 7.69% in 1H17.



Launches in 2017

As a result of our R&D efforts, there were launches in line with our pipeline, such as that of Regepil, for companion animals. We have established strategic partnerships within the

R&D model with open innovation. In this respect, we launched the products of the GalliPro line, resulting from the partnership with the Danish company Chr. Hansen.



Regepil

Description: For treatment of general, chronic and localized wounds in areas of difficult healing; Surgical wounds helping in reducing the dehiscence index of stitches; Contribute and accelerate the healing process in animals with physiological impairment.

Therapeutic class:

Skin product

Segment:

Companion animals

Launched in:

April 2017



GalliPro Max

Description: Probiotic additive (*Bacillus subtilis*) 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. It is also recommended for improving the production of eggs of laying hens.

Therapeutic class:

Nutritional

Segment:

Production animals

Launched in:

January 2017



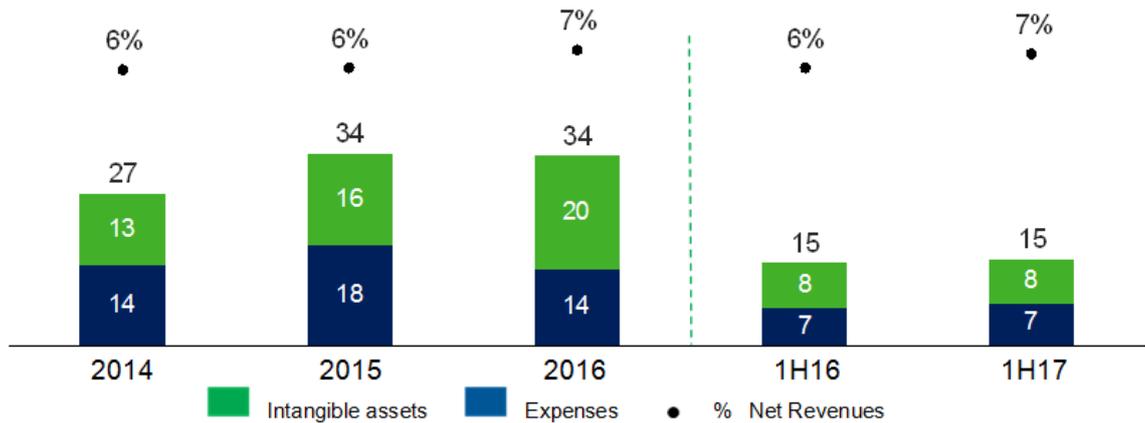
GalliPro Tect and GalliPro Tect Concentrado

Description: Probiotic additive (*Bacillus licheniformis*) 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.

Investments in research and development

In 1H17, 7% of the net revenue was invested in R&D, totaling R\$ 15 million. The chart below

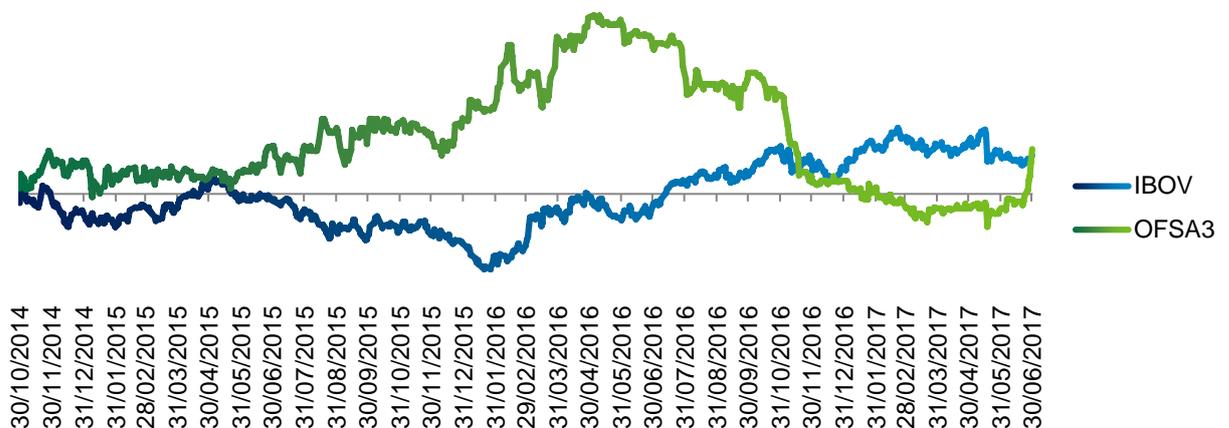
shows the Company's total investments in R&D from 2014 to 2017.



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 2Q17 (6/30/2017).



Adjusted statement of income (R\$ thousands)	2Q16	2Q17	1H16	1H17
Revenue	134,591	137,932	232,621	213,118
Cost of sales*	(65,659)	(66,277)	(111,540)	(101,730)
Gross profit	68,932	71,655	121,081	111,388
Selling expenses*	(43,674)	(40,174)	(84,814)	(75,381)
General and administrative expenses*	(10,480)	(8,250)	(19,910)	(17,354)
Other income, net	(282)	2,030	(467)	2,474
Operating profit	14,496	25,261	15,890	21,127
Finance income	747	1,805	1,622	3,103
Finance costs	(2,649)	(4,370)	(5,290)	(8,433)
Derivative financial instruments, net	(11,760)	2,641	(22,354)	(3,061)
Foreign exchange variations, net	6,854	(2,842)	14,576	(232)
Finance result	(6,808)	(2,766)	(11,446)	(8,623)
Profit before income tax and social contribution	7,688	22,495	4,444	12,504
Income tax and social contribution*	(1,497)	(7,541)	(62)	(3,459)
Adjusted profit for the quarter/six-month period	6,191	14,954	4,382	9,045

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

Statement of income - corporate (R\$ thousands)	2Q16	2Q17	1H16	1H17
Revenue	134,591	137,932	232,621	213,118
Cost of sales	(65,659)	(67,269)	(111,540)	(102,722)
Gross profit	68,932	70,663	121,081	110,396
Selling expenses	(43,674)	(40,174)	(87,173)	(75,381)
General and administrative expenses	(12,245)	(10,159)	(21,675)	(20,798)
Other income, net	(282)	2,030	(467)	2,474
Operating profit	12,731	22,360	11,766	16,691
Finance income	747	1,805	1,622	3,103
Finance costs	(2,649)	(4,370)	(5,290)	(8,433)
Derivative financial instruments, net	(11,760)	2,641	(22,354)	(3,061)
Foreign exchange variations, net	6,854	(2,842)	14,576	(232)
Finance result	(6,808)	(2,766)	(11,446)	(8,623)
Profit before income tax and social contribution	5,923	19,594	320	8,068
Current income tax and social contribution	(1,497)	(6,555)	740	(1,951)
Profit for the quarter/six-month period	4,426	13,039	1,060	6,117

Statement of cash flows (R\$ thousands)	1H16	1H17
Cash flows from operating activities		
Profit before income tax and social contribution	320	8,068
Adjustments for:		
Provision for impairment of trade receivables	5,773	148
Provision for inventory losses and write-offs	1,298	7,024
Reversal of the provision for sales returns		(2,863)
Changes in bonuses to customers	606	(780)
Reversal of the discounts on sales of vaccines against foot-and-mouth disease	(1,985)	(2,443)
Depreciation and amortization	10,738	12,417
Changes in the provision for impairment of intangible assets	111	(279)
Gains/losses on sale and write-off of PP&E	(44)	(52)
Gains/losses on sale and write-off of intangible assets	481	(1,476)
Interest and monetary and exchange variations, net	(12,382)	8,262
Derivative financial instruments	22,354	3,061
Changes in the provision for contingencies	258	(320)
Stock options granted	863	655
Changes in working capital		
Trade receivables	28,054	52,163
Inventories	(32,818)	(11,657)
Taxes recoverable	(5,633)	(4,049)
Other assets	3,413	256
Trade payables	18,126	5,076
Taxes and charges payable	(946)	(1,127)
Other liabilities	(1,384)	2,408
Cash from operations	37,203	74,492
Interest paid	(5,380)	(6,837)
Income tax and social contribution paid	(5,250)	(1,695)
Net cash provided by operating activities	26,573	65,960
Cash flows from investing activities		
Investments in intangible assets	(9,283)	(8,335)
Purchase of property, plant and equipment	(19,593)	(7,733)
Proceeds from sale of property, plant and equipment	935	618
Proceeds from sale of intangible assets		4,254
Net cash used in investing activities	(27,941)	(11,196)
Cash flows from financing activities		
Proceeds from borrowings	59,857	39,950
Repayment of borrowings	(38,223)	(44,494)
Realized derivative financial instruments	(2,887)	(10,466)
Dividends and interest on capital paid	(16,433)	
Net cash provided by (used in) financing activities	2,314	(15,010)
Increase in cash and cash equivalents, net	946	39,754
Cash and cash equivalents at the beginning of the period	23,380	70,325
Exchange losses on cash and cash equivalents	(1,101)	(10)
Cash and cash equivalents at the end of the period	23,225	110,069

Balance Sheet (R\$ thousands)	12/31/2016	6/30/2017
Assets		
Current assets	379,922	375,458
Cash and cash equivalents	70,325	110,069
Trade receivables	162,478	115,998
Inventories	131,303	131,915
Taxes recoverable	4,877	4,393
Income tax and social contribution recoverable	5,107	5,092
Related parties	303	366
Other assets	5,529	7,625
Non-current assets	395,654	403,110
Long-term receivables	62,695	71,088
Taxes recoverable	42,643	47,172
Deferred income tax and social contribution	17,081	16,456
Related parties	165	
Inventories		5,206
Other assets	2,806	2,254
Permanent assets	332,959	332,022
Intangible assets	87,158	85,317
Property, plant and equipment	245,801	246,705
Total assets	775,576	778,568
Liabilities and equity		
Current liabilities	142,959	170,346
Trade payables	23,316	29,479
Derivative financial instruments	8,820	6,421
Borrowings	73,550	97,169
Salaries and social charges	17,299	23,713
Taxes payable	4,053	2,938
Income tax and social contribution payable	1,056	567
Related parties	355	127
Commissions on sales	6,070	3,908
Other liabilities	8,440	6,024
Non-current liabilities	256,322	225,453
Derivative financial instruments	10,584	5,577
Borrowings	241,888	216,347
Provision for contingencies	3,850	3,529
Total liabilities	399,281	395,799
Total equity	376,334	382,917
Non-controlling interests	(39)	(148)
Total liabilities and equity	775,576	778,568

