(A free translation of the original in Portuguese)

Ourofino Day

IPO YEAR 1

Fábio Lopes Junior
CFO and IRO

OFSA3 NOVO MERCADO BM&FBOVESPA

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ASSOCIAÇÃO DOS ANALISTAS E PROFISSIONAIS DE INVESTIMENTO DO MERCADO DE CAPITAIS

We would like to thank all of you who, over the last year, supported the Ourofino project.

It is with great pleasure that we celebrate with you, stockholders, analysts, executives and employees, our
One Year Anniversary of IPO.

Welcome to **Ourofino Day**!

Ourofino Day

Program

10/28/15

7:30am	**Welcome Coffee**
8am	**Financial Results and 3Q15 9M15** Fábio Lopes Júnior (CFO and IRO)
8:30am	**Strategy and outlook for the Company** Dolivar Coraucci Neto (CEO)
9am	**R&D Strategy** Sandra Barioni Toma (R&D director)
9:30am	***Coffee***
10am	**Companion Animals** **Market outlook** Guest Speaker **Ourofino's strategy for companion animals** Veronica Martins (Commercial Director for Companion Animals)
11am	**Production Animals** **Market outlook (beef and dairy cattle)** Guest Speaker **Ourofino's strategy to segment** Eduardo Gregio (Commercial Director for Production Animals) **Customers in the industry panel: cooperative, reseller and farmer**
13pm	**Lunch**
14:30 pm to 17:30pm	**Site visit to the Veterinary Research Center – Experimental Farm** Beef cattle handling Dairy cattle handling Swine handling Training Center for Artificial insemination

10/29/15

9am to 11:30am	**Site visit to Ourofino's facility** R&D and Quality Control laboratories Pharmaceutical Veterinary facility Vaccines facility

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Agenda

- **USE OF IPO RESOURCES**
  - Launch of products
  - Platform of Biotechnology
  - Globalization
  - Leverage reduction
- **GOVERNANCE**
- **FINANCIAL RESULTS**
  - Resilience of results
  - Performance of the Company’s shares

USE OF IPO RESOURCES

Use of IPO Resources
Launch of Products

Pipeline

- 2014: Launch of 4 new products
  (October - December/2014)

- 2015: Launch of 7 new products
  (January - September/2015)

Investments in RDI)

- R$ 24.9 million invested in the past nine months

Use of IPO Resources

Platform of Biotechnology

Delivery schedule

July 2014
Delivery of the laboratory

July 2015
Beginning of the works

October 2015
Current status of the works

End of 2016
Estimated date for delivery of the works

DEVELOPMENT AND REGISTRATION OF PRODUCTS

Use of IPO Resources
Globalization

Mexico

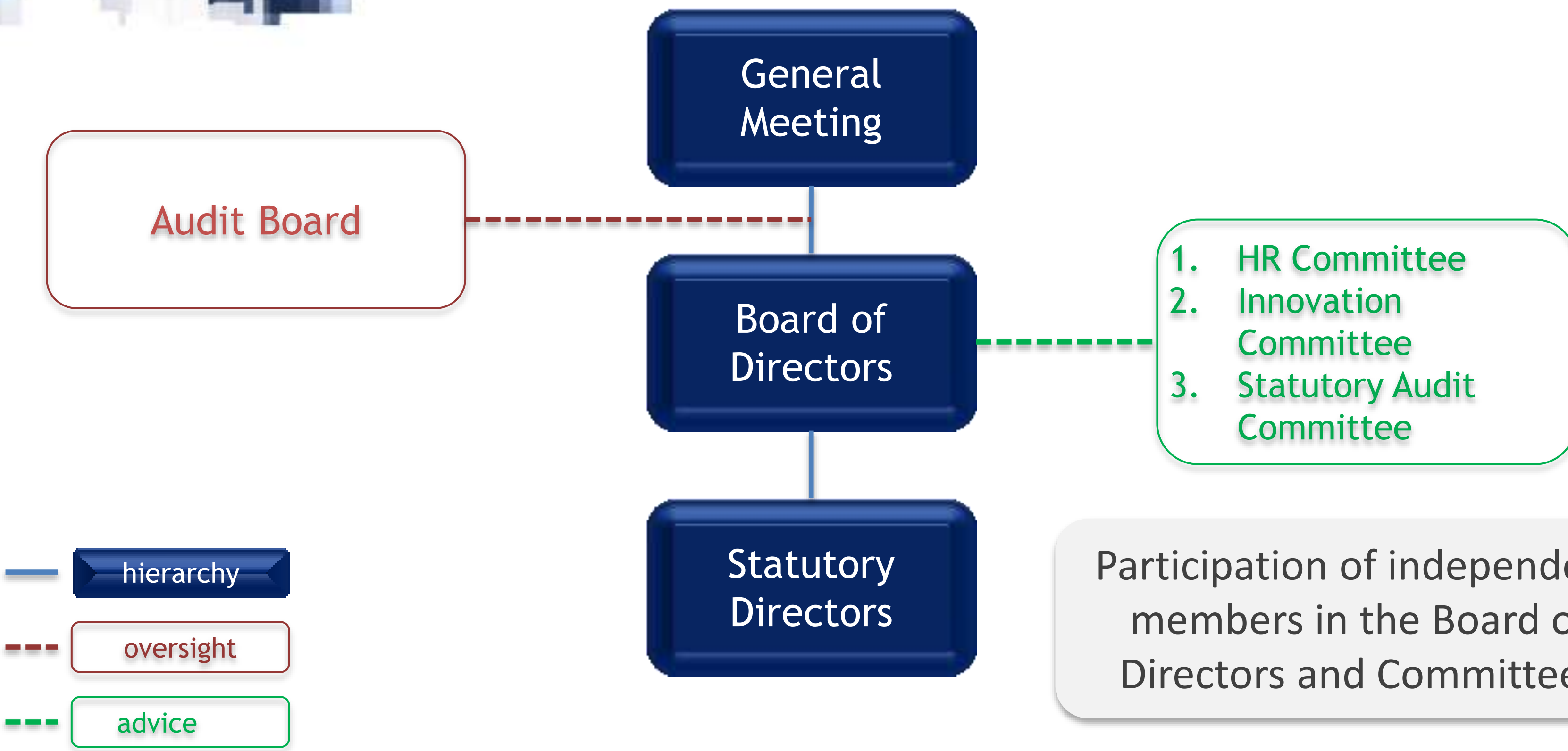
Strengthening of our presence in Mexico with the expansion of the commercial team through the hire of ten new staff members, enlargement of the customer base and approximately 70% increase in sales.

Colombia

Acquisition of our local distributor in Colombia, for the purpose of expanding the company's presence in that country. Start of own sales in September 2015.

GOVERNANCE

Governance



Participation of independent members in the Board of Directors and Committees

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Audit Board

Regular Members

- Hugo Carvalho - Appointed by BNDES
- Luiz Baptista
- Cesar Campez

Deputies

- Gabriel Biscaia - Appointed by BNDES
- Lucio Faria
- Paulo César Lima

Board of Directors

Regular Members

1. Norival Bonamichi - Chairman
2. Jardel Massari - Vice-Chairman
3. Pedro Novis - Independent Board Member
4. Luiz Souto - Independent Board Member
5. Martin Escobari - GA

Statutory Directors

- Dolivar Coraucci - CEO
- Fábio Lopes Júnior - CFO and IRO

Statutory Audit Committee

Members of the Committee

- Luiz Souto - Independent Board Member
- Frederico Carvalho - GA
- Eduardo Scarpellini - Auditor

Innovation Committee

Members of the Committee

- Dolivar Coraucci Neto - CEO
- Pedro Lichtinger - Regular Board Member
- Sandra Barioni - RDI Director

HR Committee

Members of the Committee

- Martín Escobari - GA
- Dolivar Coraucci Neto - CEO
- Carla Marçal - HR Director

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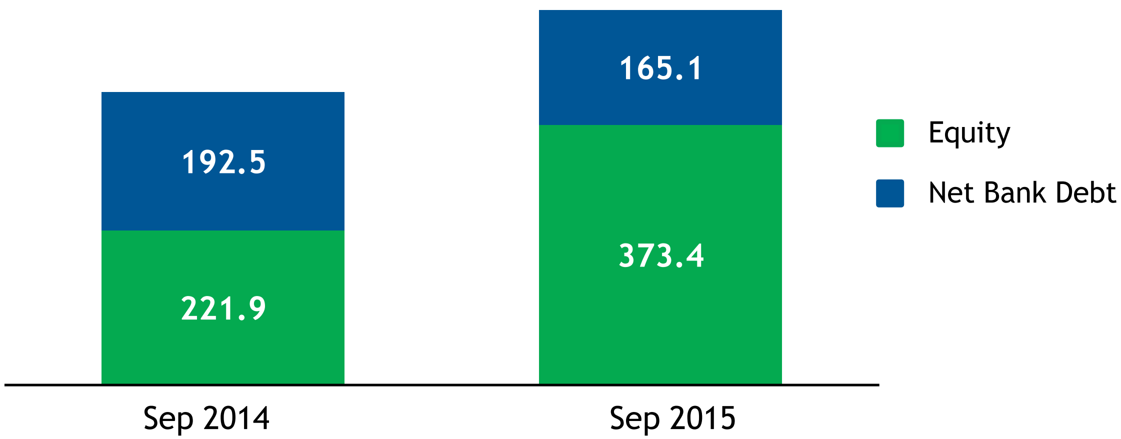
FINANCIAL RESULTS

Financial results
Leverage Reduction

Net Bank Debt x Equity

(R$ million)



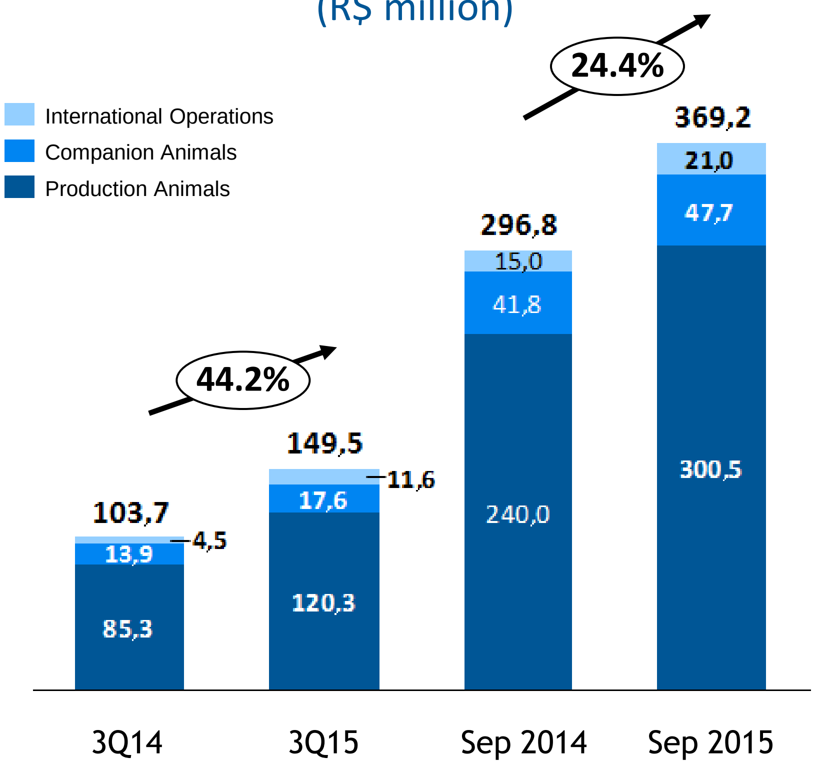
	Sep 2014	Sep 2015
Net Bank Debt / Equity	0.89x	0.44x
Net Bank Debt/Adjusted EBITDA	3.02x	2.08x
Average cost of debt (year)[1]	7.03%	6.75%

[1] Average cost determined on the net debt of derivatives

Financial results

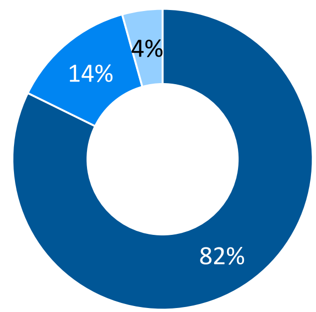
Resilience of results

Net Revenue - Evolution
(R$ million)

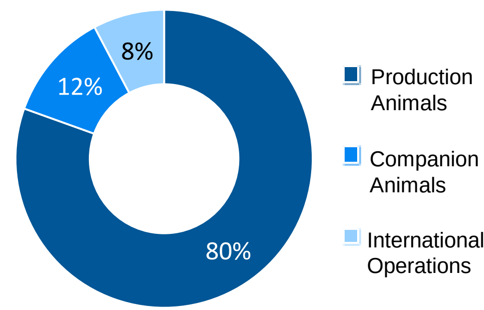


Net Revenue - Contribution

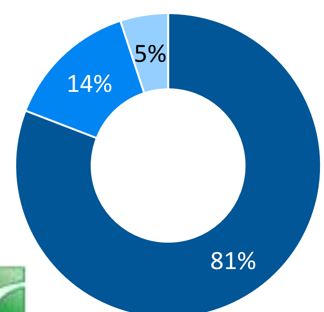
Net Revenue - 3Q14 contribution



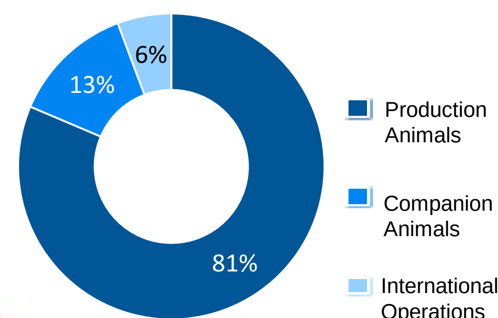
Net Revenue - 3Q15 contribution



Net Revenue - 9M14 contribution



Net Revenue - 9M15 contribution

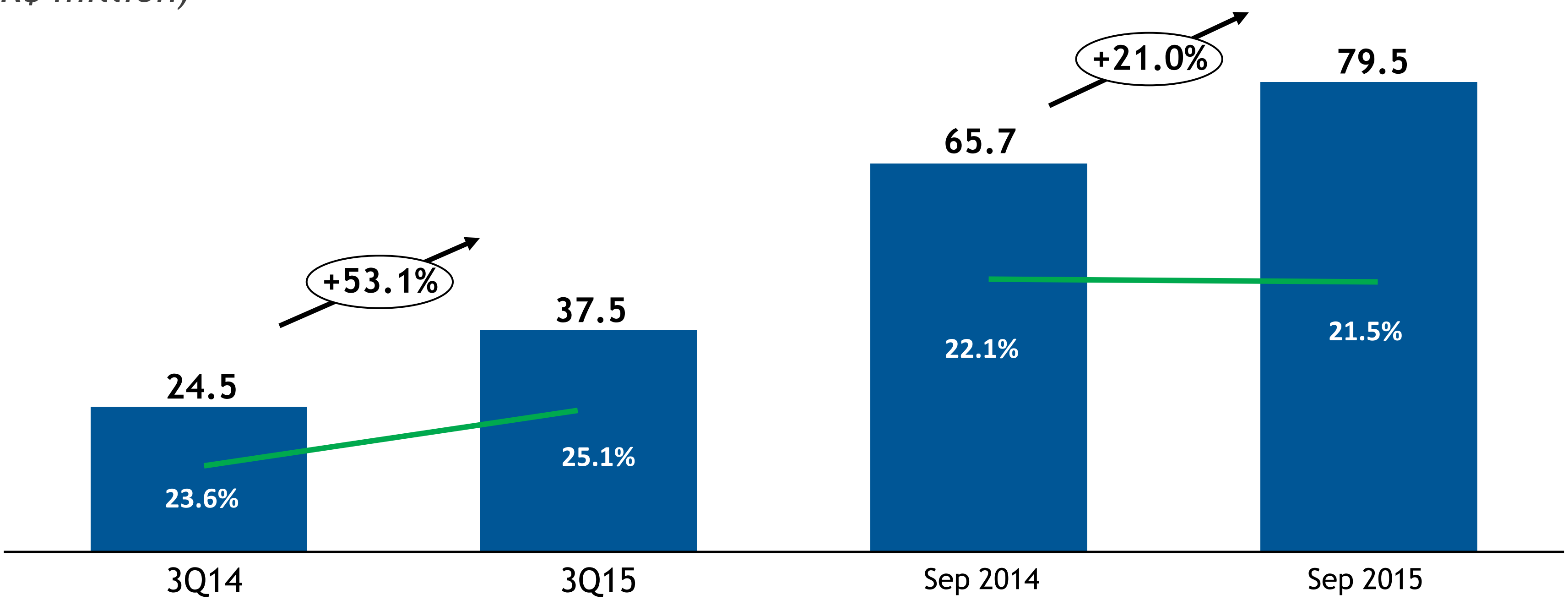


Financial results

Resilience of results

Adjusted EBITDA - Evolution

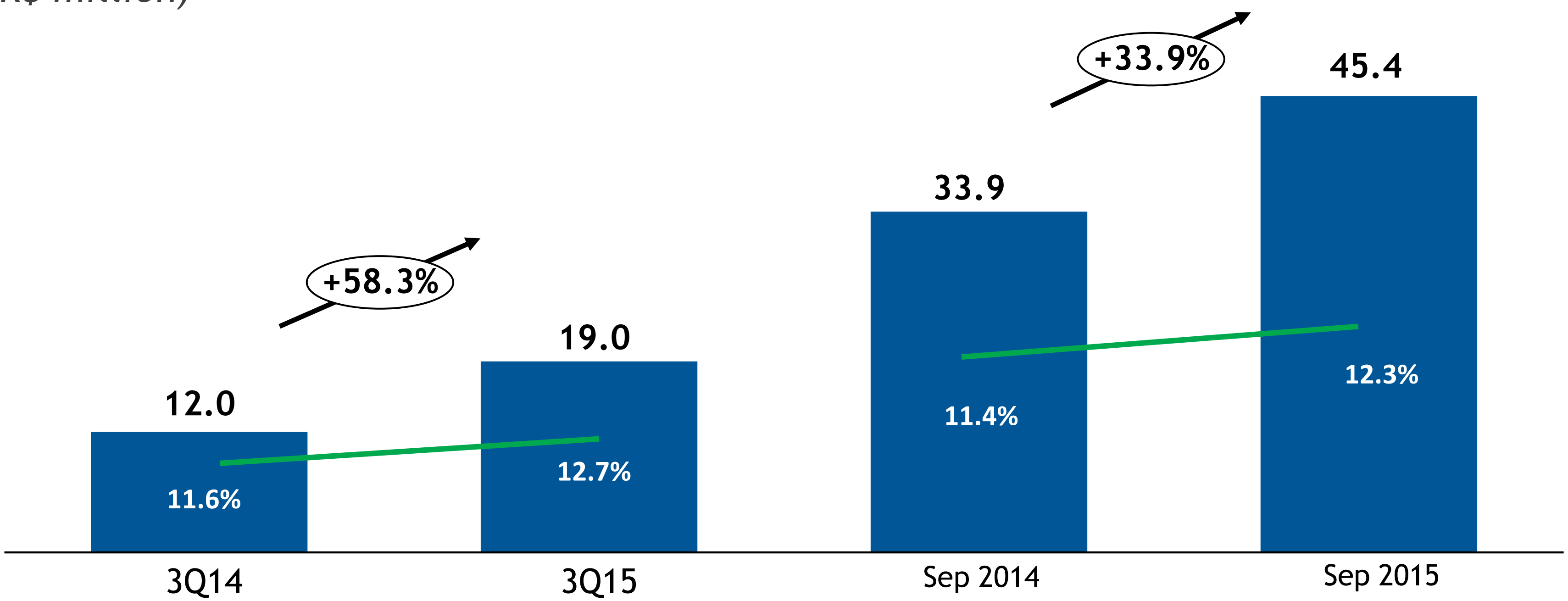
(R$ million)



Financial results
Resilience of results

Profit from Continuing Operations

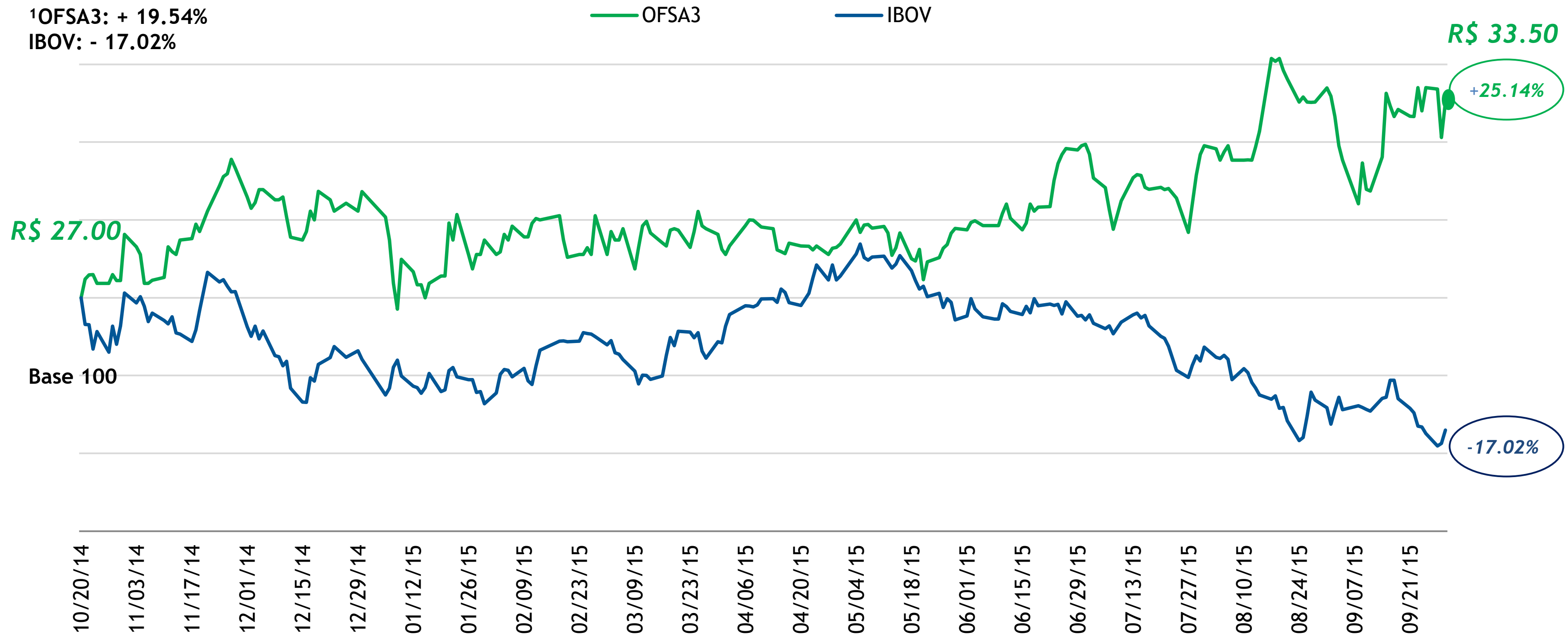
(R$ million)



Financial results

Performance of the Company's Shares

Performance of the shares above the market



[1] Average cost determined on the net debt of derivatives

THANK YOU!

FÁBIO LOPES JÚNIOR

INVESTOR RELATIONS

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Company's Strategies and Prospects

Dolivar Coraucci Neto
CEO

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Agenda

- Current Business Growth
- Portfolio and RDI Growth
- Geographical Growth
- Assessment of M&A Opportunities

WE SELL ANIMAL HEALTH, NOT VETERINARY PRODUCTS

Channels for Growth

Current business growth

- Pet
- Large Animals

Portfolio and RDI Growth

- Pharmaceutical Products - Pets
- Pharmaceutical Products - Large Animals
- Biological Products - Pets and Large Animals.

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Geographical growth

- International Background
- Mexico
- Colombia
- Assessment of Opportunities
- Assessment of Partnerships

ASSESSMENT OF M&A OPPORTUNITIES STRATEGICALLY ALIGNED WITH OUR BUSINESS

Current Business Growth

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Global Megatrends

Megacities and rural exodus

Higher income

Ageing of the population

Fewer children (and more pets)

Higher demand for food

Food safety

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Growth of Pet Line

- Launch of products in the coming years, including the Biological line and pharmaceutical products to fill in gaps in specific market segments
- Increase in market share – positive results from Points of Sale
- Closer rapport with the end customer
- Assessment of new methods of sale
- Technical qualification and training in the industry

Growth of Large Animals Line

- Growth in developing areas
- Launch of products in the coming years, including the Biological line
- Pipeline including innovative products
- More effective participation in the integration of the protein chain
- Closer contact with the rural producer

Portfolio and RDI Growth

Portfolio and RDI Growth

- Launch of products
- RDI Projects – Pipeline
- Assessment of opportunities
- Open Innovation
- Local and foreign partnership agreements

Geographical Growth

Geographical growth

- International background for the internal structure
- Consolidation in Mexico with the branch
- Acceleration of the process in Colombia with the branch
- Assessment of new markets and opportunities in Latin America
- Assessment of partnerships with companies already established in the segment, for distributing our line of products in other countries

Investors

Investors

- Improvement in management indices with a focus on providing returns above those of the market to our investors
- Transparency and clear objectives

THANK YOU!

DOLIVAR CORAUCCI NETO

INVESTOR RELATIONS

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Research, Development and Innovation – RDI

Sandra Barioni Toma

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Our RDI

The focus on searching, selecting and implementing RDI opportunities and projects is driven by Ourofino's ***vision of the future*** and ***strategies***, which are translated into ***technological corridors***.

Our mission: to translate Science and Research into solutions for animal health and business generation.

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Our RDI

Over 115 RDI **experts** in animal health

An average of 6% of annual revenue invested in RDI by Ourofino Saúde Animal

Deep **interaction with farmers and with companion animals** and their needs

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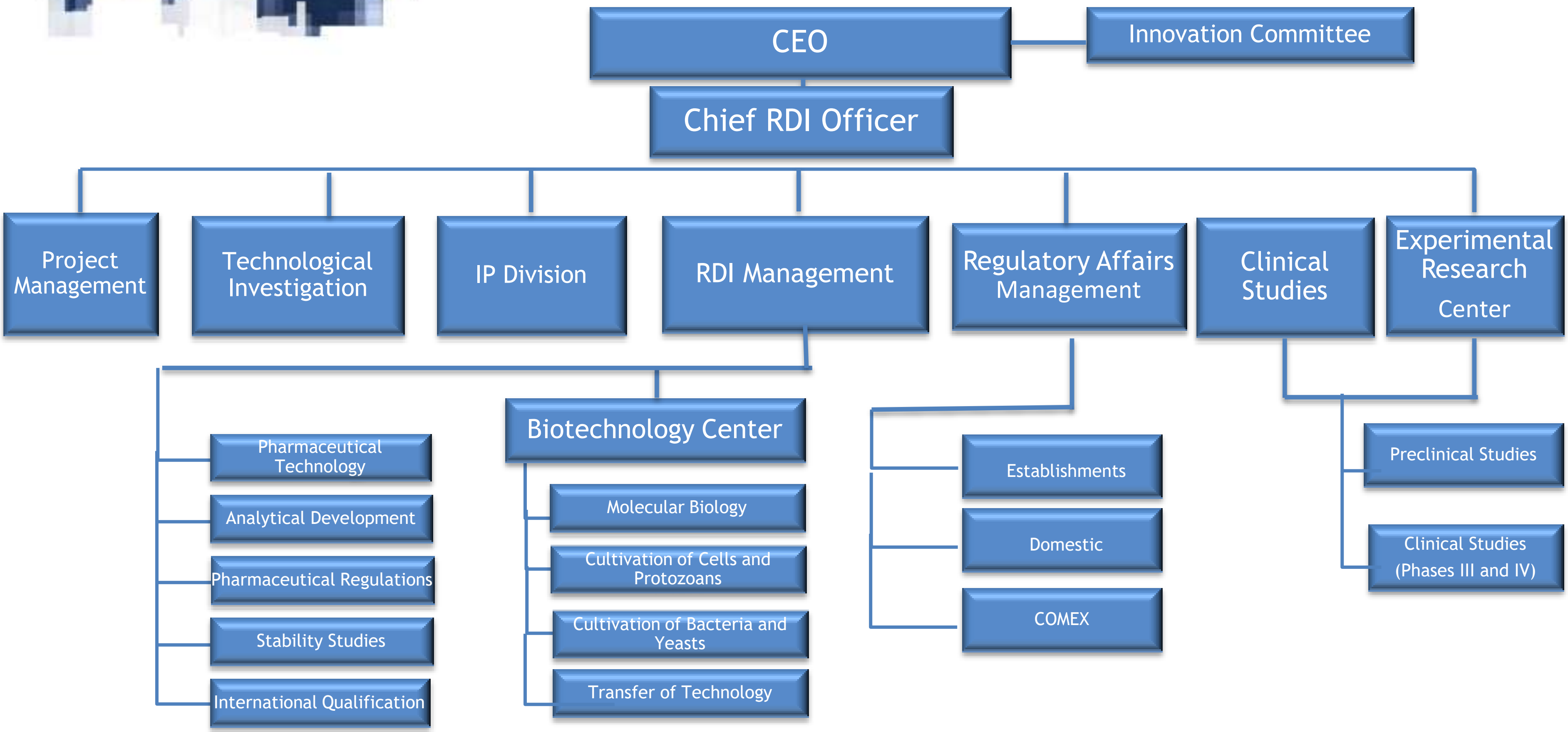
Our RDI

Cooperation network established with RDI institutions in America, Europe and Asia

Expertise in a wide range of pharmaceutical formulations and vaccines

Innovation Sources: Suppliers, Customers, IP, RDI Partners, Employees, Road Map, analysis of technological gaps, and technological monitoring of competitors

Organizational Structure



Open Innovation = Collaboration and Partnership

- Combine internal and external expertise
- Streamline the process of translating Science, Research and Development into new products and business
- Knowledge gain and qualification of internal team

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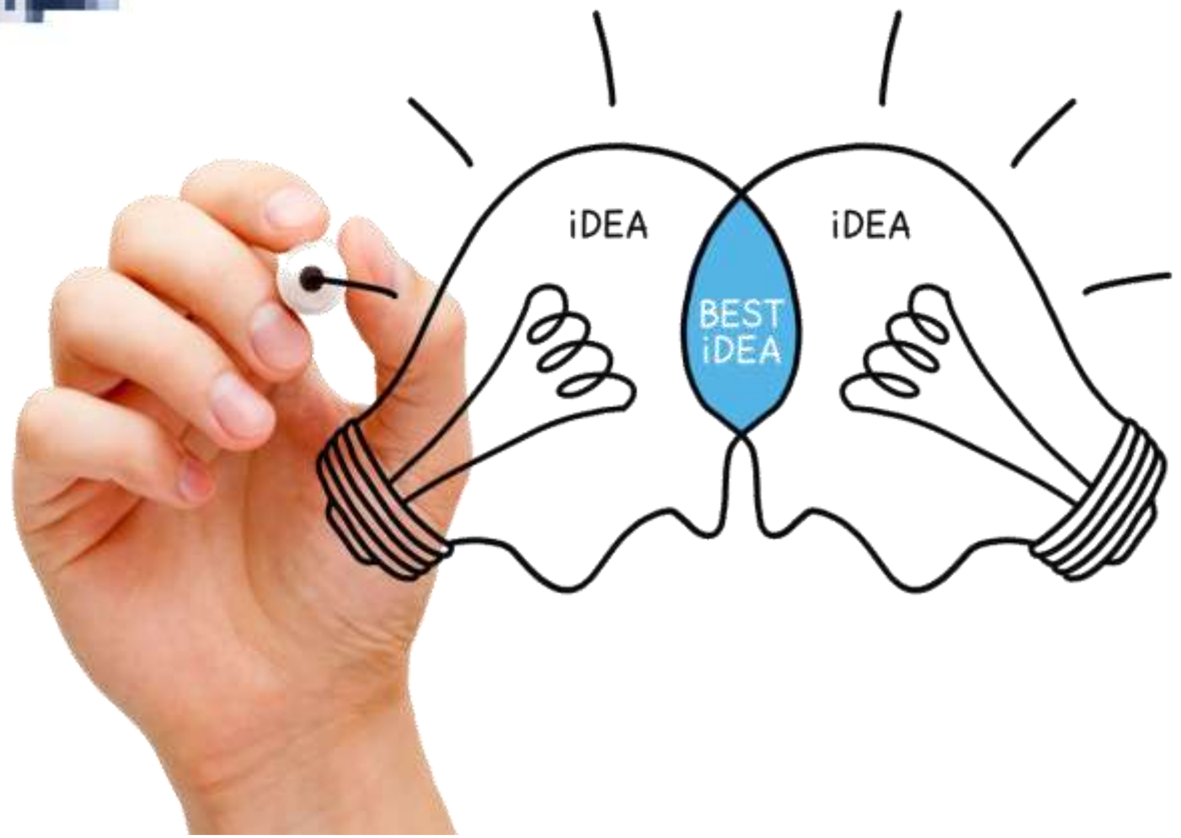
How to make it happen?



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Partnership

Strong culture of collaboration = better opportunities for innovation

Partnership/cooperation models

Various models have already been used by Ourofino.

Flexibility ensures a good relationship with potential partners.

Focus on closing the deal and starting long-term and win-win relationships.

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Models of partnership/cooperation

INNOVATION MODELS	RDI EXPERTISE
1. Internal Development	Mostly Internal
2. Cooperation Agreements	Internal and External
3. Cooperation with the supply chain	Internal and External
4. Transfer of technology and know-how	> External*
5. Purchase of assets (local licenses)	> External*

*Internal expertise required to internalize and take ownership of the models.

Examples of application of the models Portfolio Composition

Model 1

Models 1 and 2

Model 3

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Examples of application of the models
Portfolio Composition

Models 1 and 2

Models 4 and 5

Understanding of the RDI Management

2 MAJOR MACRO PROCESSES

1
ASSESSMENT OF OPPORTUNITIES

2
RDI PROJECTS: PIPELINE

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1st Macro process: Assessment of opportunities

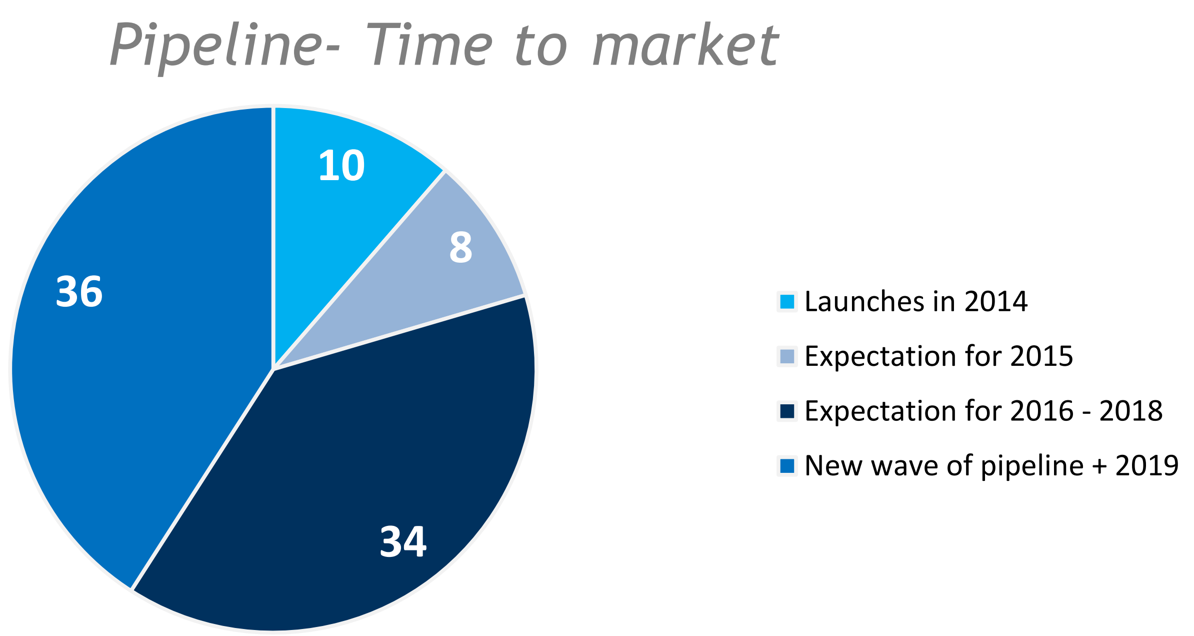
- Average rate of opportunities assessed/year: 130
- Evaluation by multidisciplinary committee (internal and external experts)
- Decision-making: Gates of assessment and business plan
- Well-designed flowchart - strategic evaluation of the RDI portfolio

2nd Macro process: Pipeline - Animal Health

Pipeline Project

Project Draft	Project Charter (TAP)	Development of Workbench/ Preclinical	Pilot	Accelerated Stability	Clinical Studies	Dossier	Results
1st Milestone • Project Draft Form; • Technical Feasibility Report; • Technical Approval Instrument.	**2nd Milestone** • Project Charter Signed; • Market Analysis Spreadsheet; • Cost Formation Spreadsheet; • Economic and Financial Feasibility Report; • Project Approval Instrument.	**3rd Milestone** • Report on Preclinical Studies; • Report on Studies of Pharma-ceutical Technology; • Updated Cost Formation Spreadsheet; • Updated Economic and Financial Feasibility Report; • Project Approval Instrument.	• Request of Pilot; • Pilot manufacturing documents; • Report on Pilot Batches.	• Report on Stability Studies.	• Report on Clinical Studies.	**4th Milestone** • Product Registration Dossier; • Updated Economic and Financial Feasibility Report; • Project Approval Instrument.	• Requirement or Rejection; • Product License.

Main indicator: Launches:



Other indicators and RDI goals

- Launch of products;
- Licensing of new products;
- Submission of dossiers;
- Implementation of pilot batches;
- Evaluation of projects;
- Assessment of opportunities; Capture and selection of projects;
- Financial Indicators (expenditures, budget by project and share of revenue);
- Mapping of Science, Technology and Innovation (CTI);
- RDI Agreements and Partnerships.

What to expect from the future?

Megatrends, Road Map, Technological Surveillance, External Consultants, RDI and Strategic Marketing

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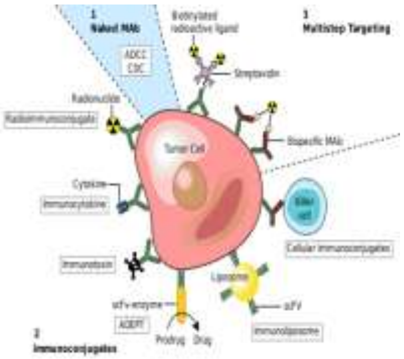
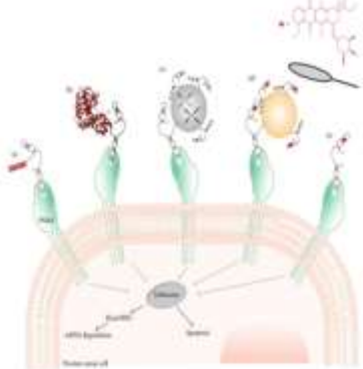
Vertical Farming: Can Urban Agriculture Feed a Hungry World?

By Fabian Kretschmer and Malte E. Kollenberg

Agricultural researchers believe that building indoor farms in the middle of cities could help solve the world's hunger problem. Experts say that vertical farming could feed up to 10 billion people and make agriculture independent of the weather and the need for land. There's only one snag: The urban farms need huge amounts of energy.





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GS&MD

Gouvêa de Souza

Pet Market Scenario

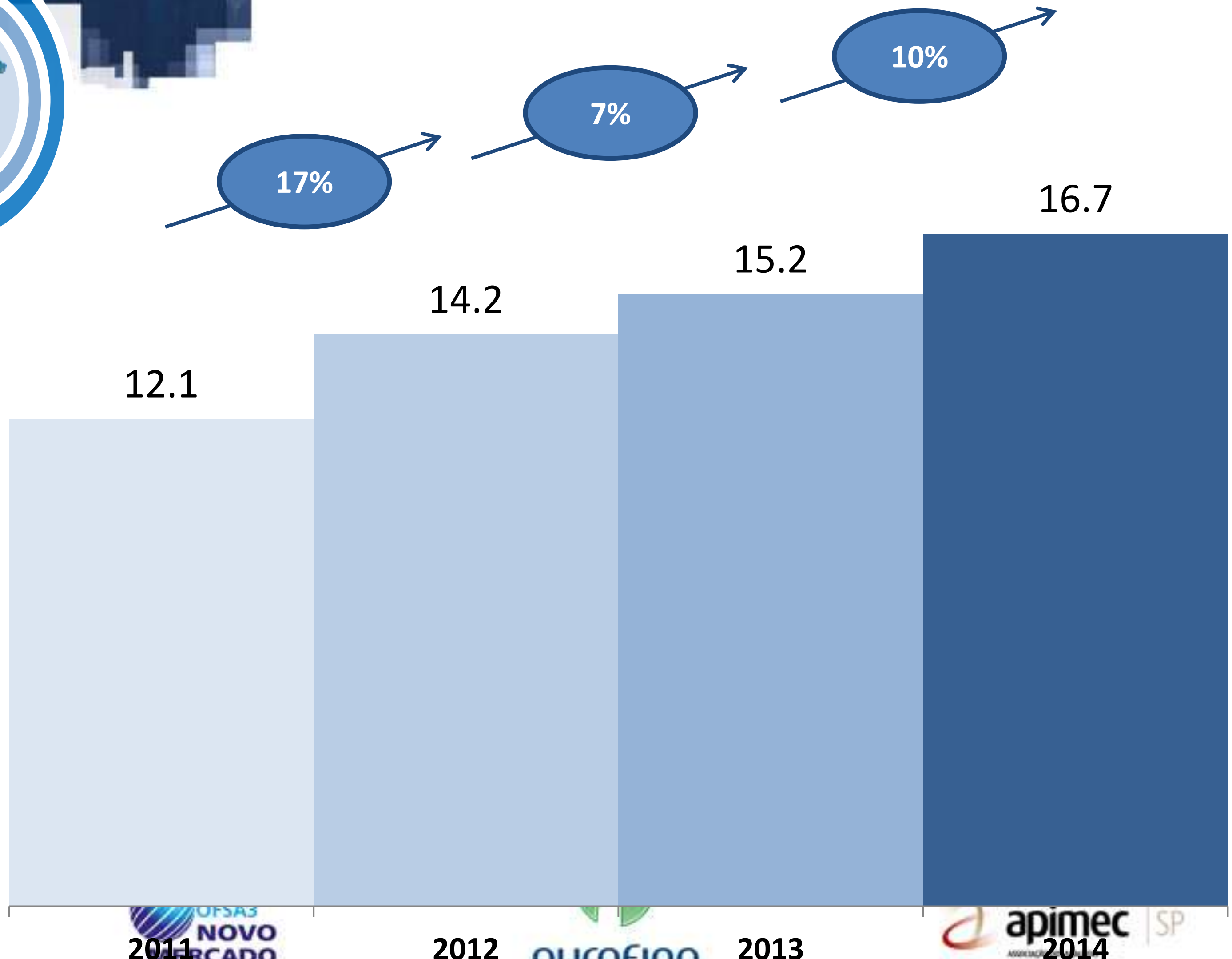
Market overview

Consumer's profile and habits

Distribution channel

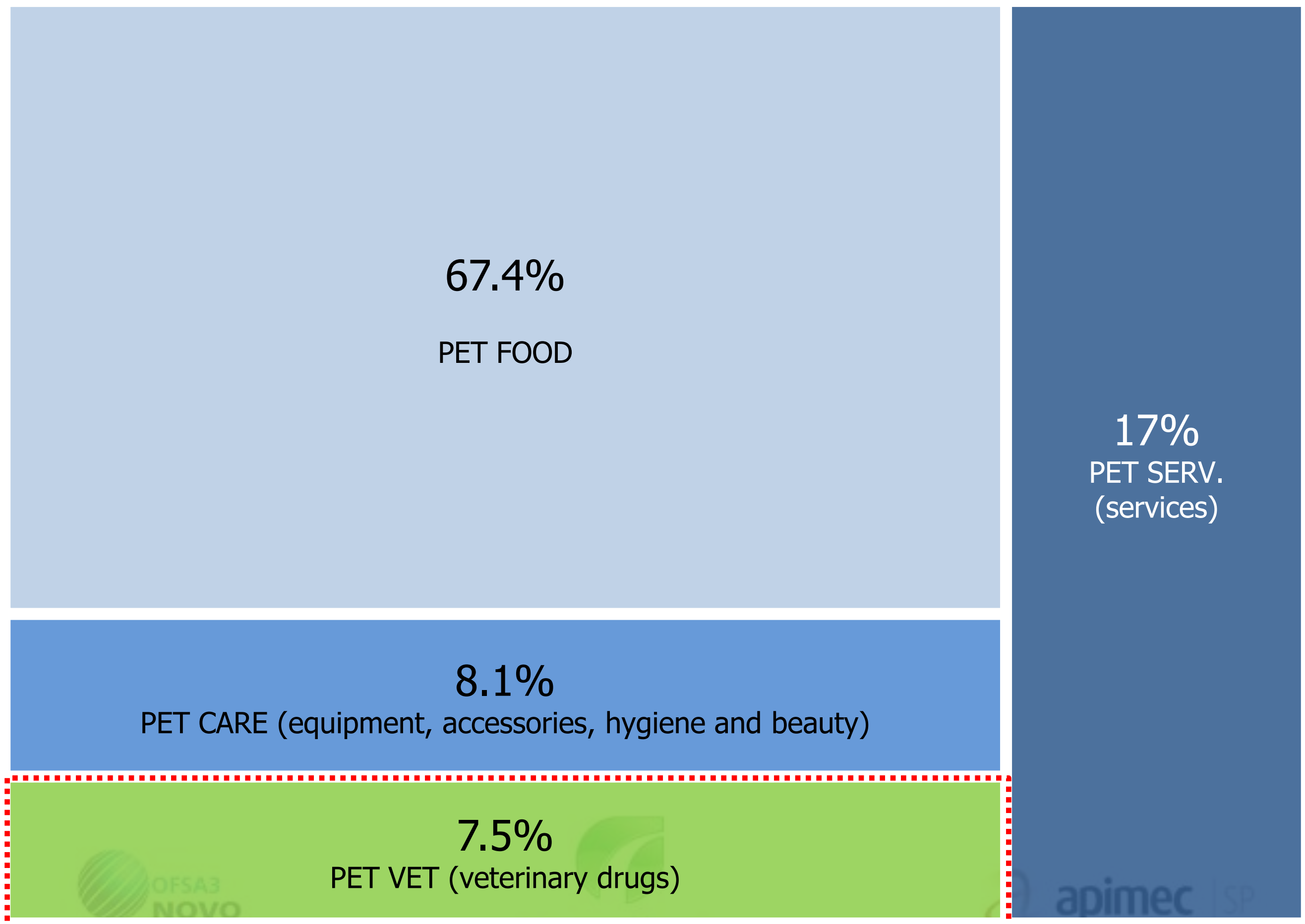
Comparison with the USA market

Challenges and Opportunities



Source: Survey PET 2013 GS&MD and Abinpet

Breakdown by category [%]



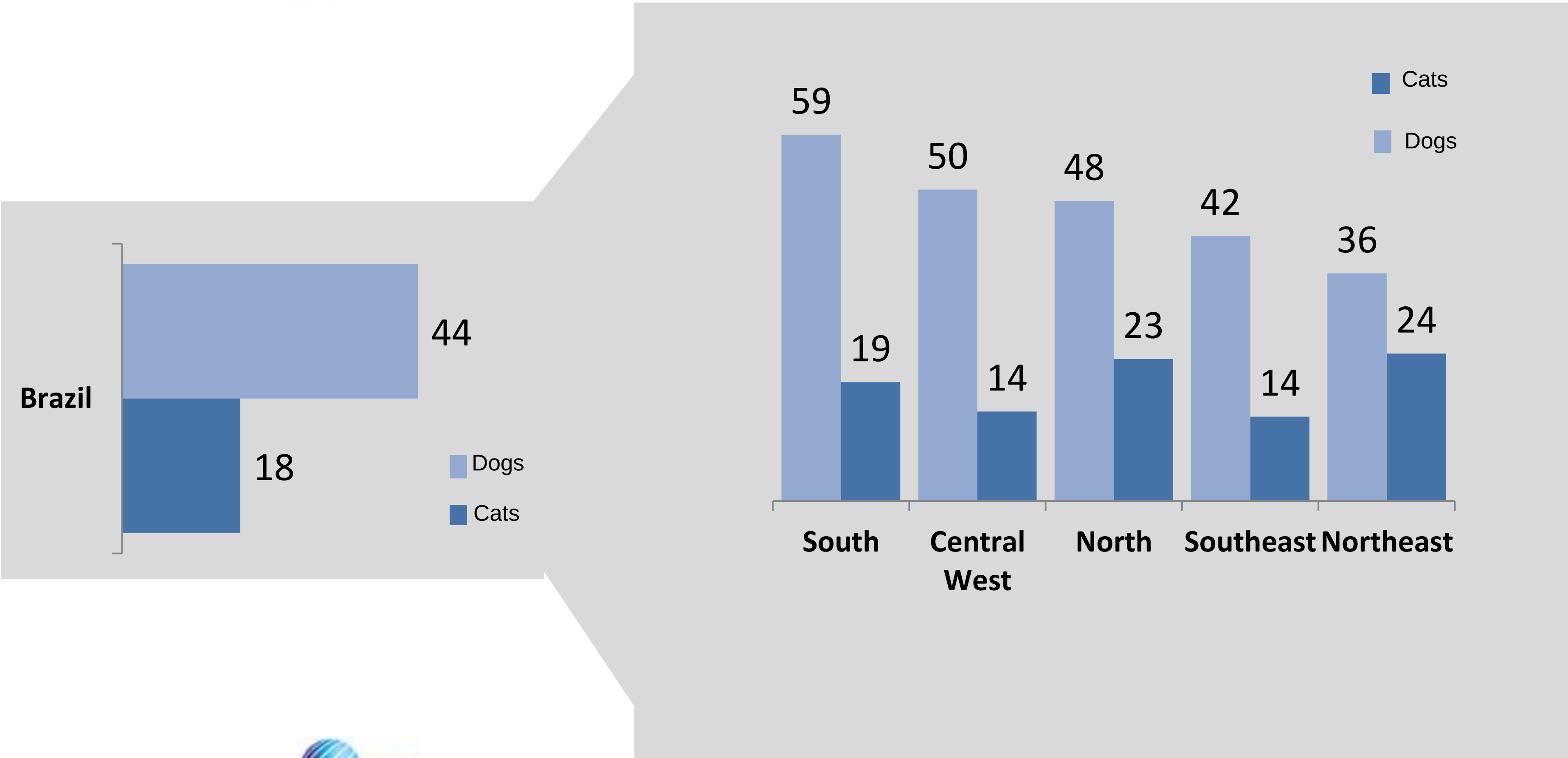
Source: Abinpet

Over **74 million**
of dogs and cats

Type of animal	**Total animals**
Dogs	52.2
Cats	22.1

Source: IBGE – National Health Survey (PNS) - 2013

Percentage of households with dogs and cats – Brazil and Regions (2013)



Source: IBGE – National Health Survey (PNS) - 2013

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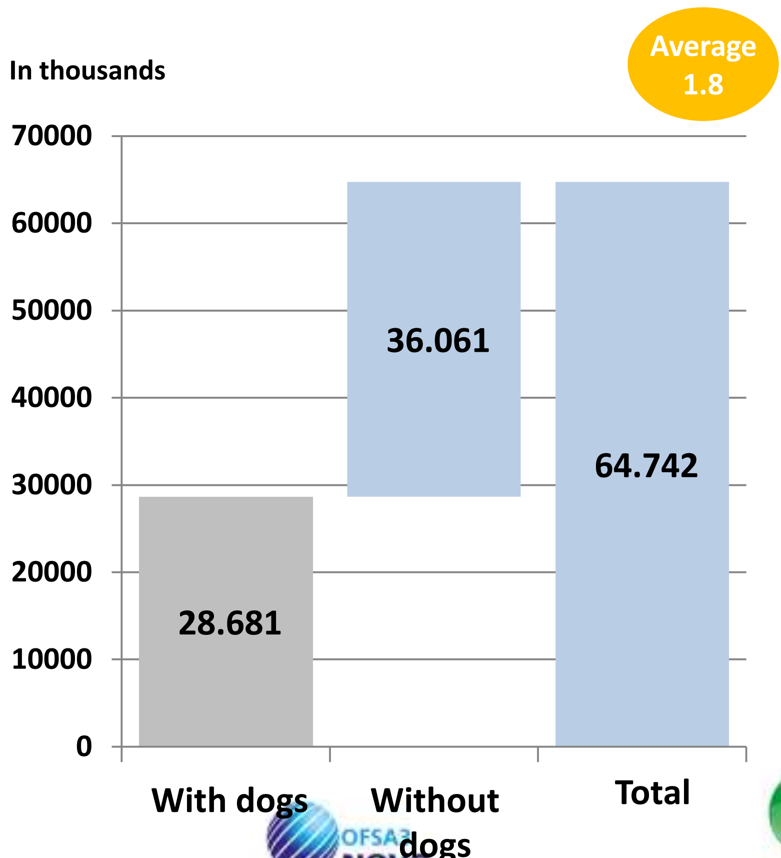
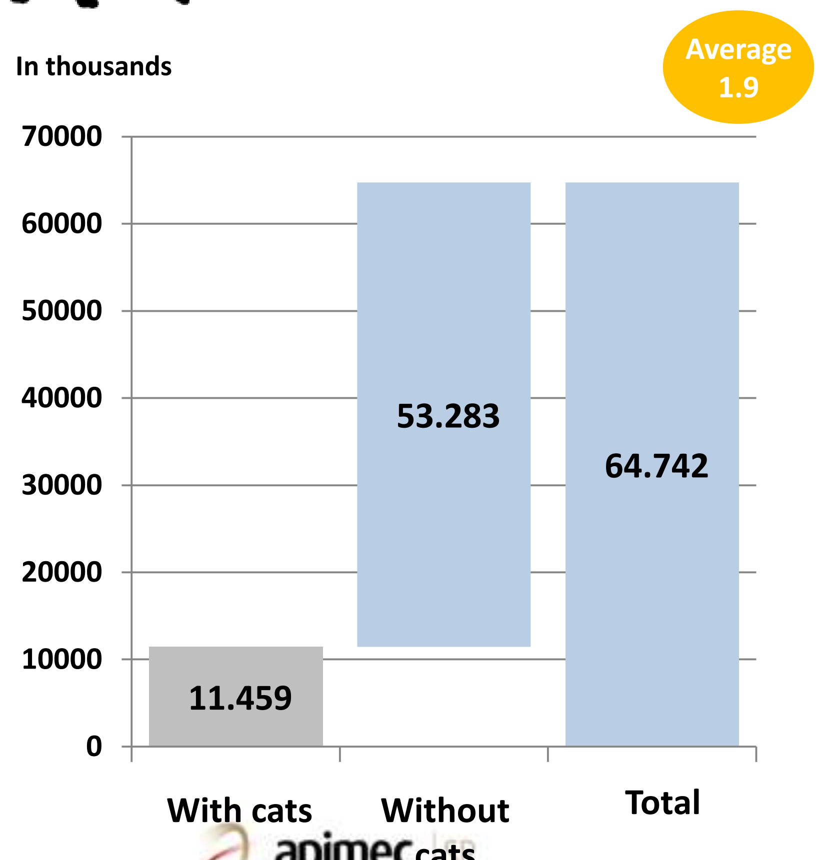
DOGS

number of households with at least one animal



CATS

number of households with at least one animal



Source: IBGE – National Health Survey (PNS) - 2013

Market overview

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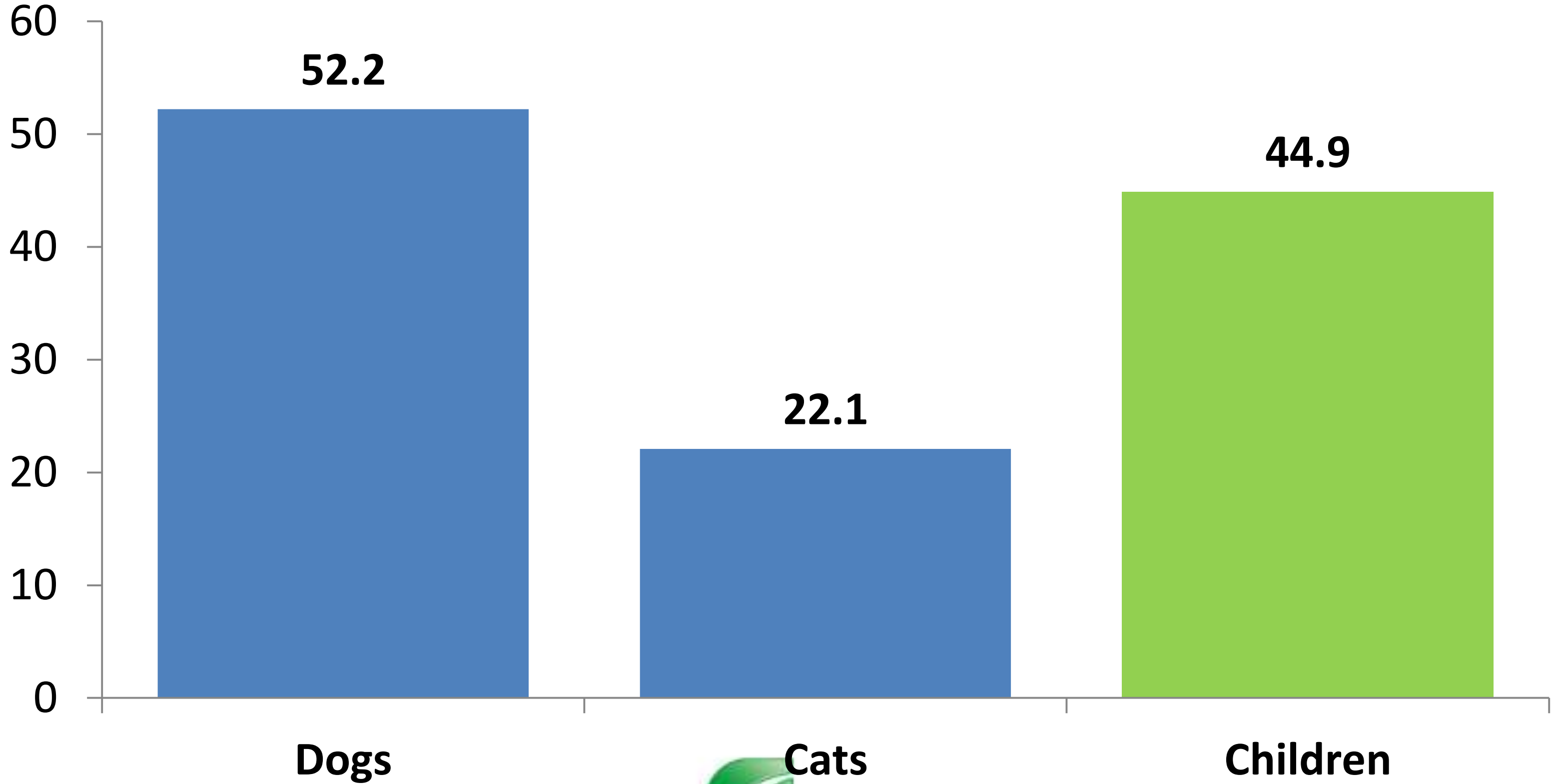
Distribution channel

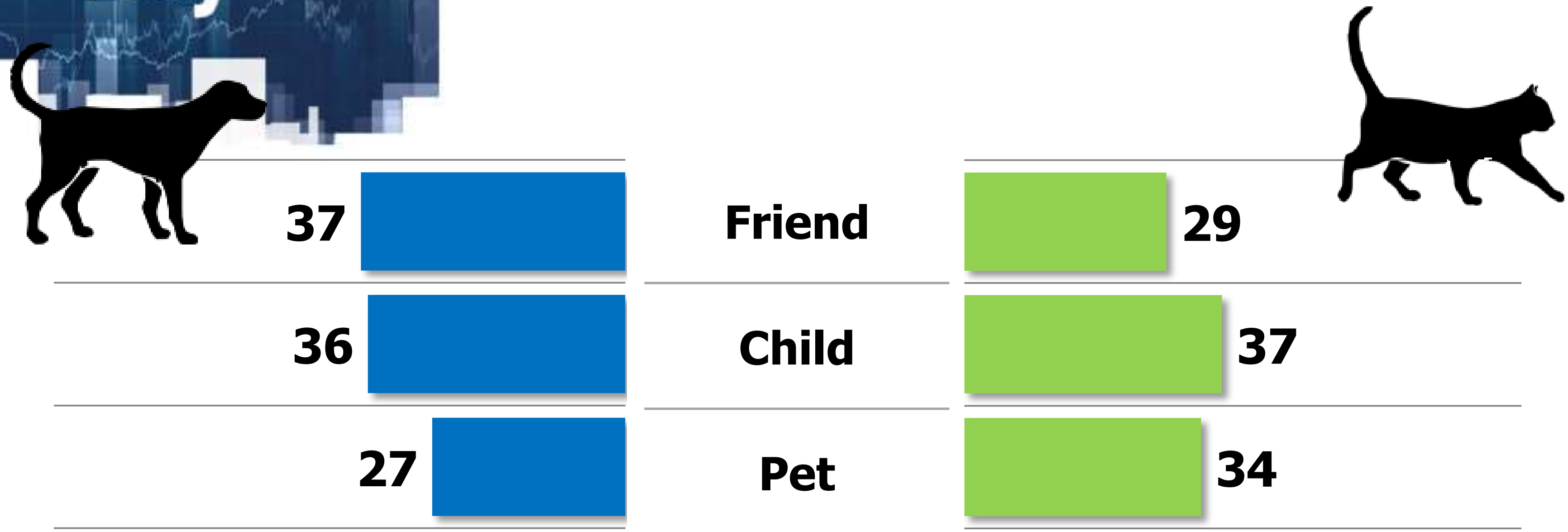
Comparison with the USA market

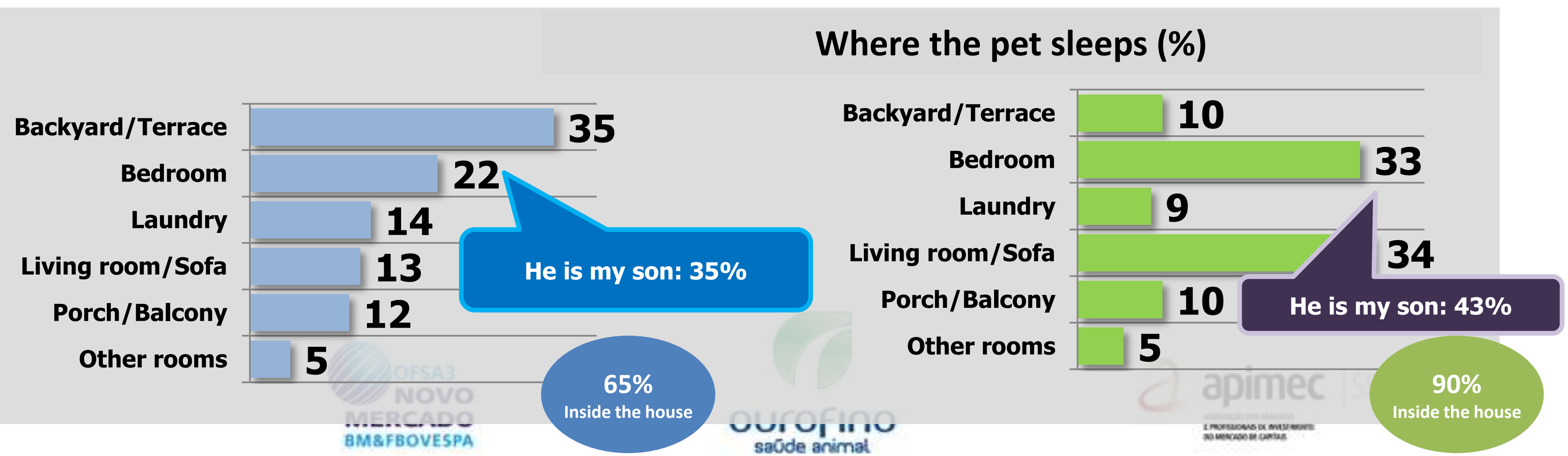
Challenges and Opportunities

Absolute value – in millions



Source: IBGE – National Health Survey (PNS) - 2013





Source: Survey PET 2013 GS&MD

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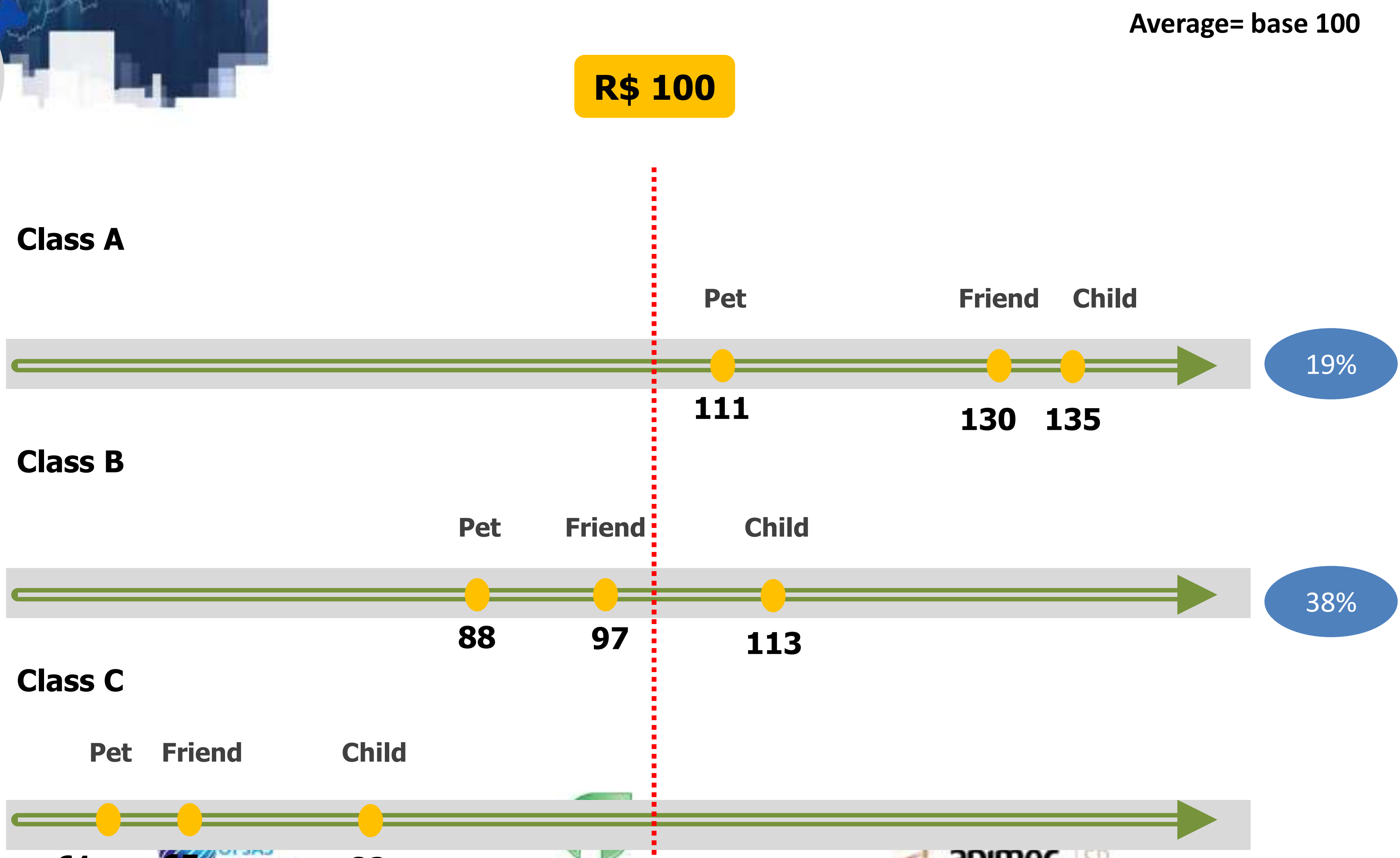
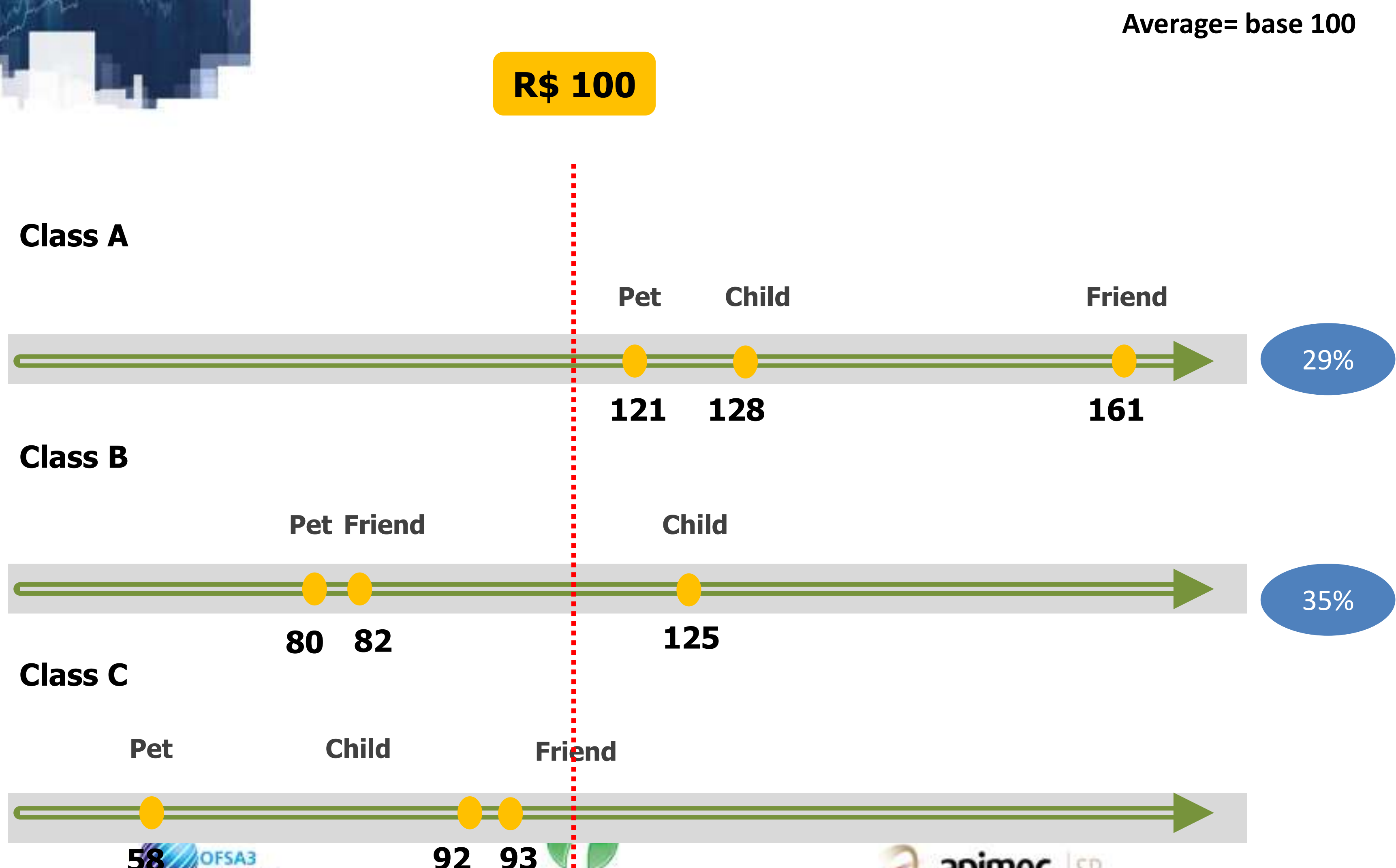
Dog

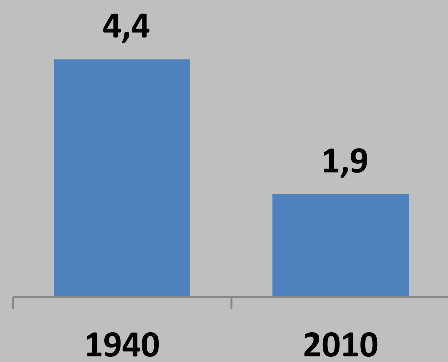


Source: Survey PET 2013 GS&MD



Source: Survey PET 2013 GS&MD

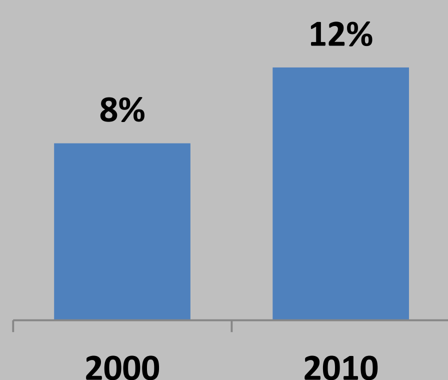
NUMBER OF CHILDREN PER WOMAN



WOMAN'S AVERAGE AGE TO HAVE A CHILD INCOME ABOVE 5 MINIMUM WAGES

32 years-old
Average age

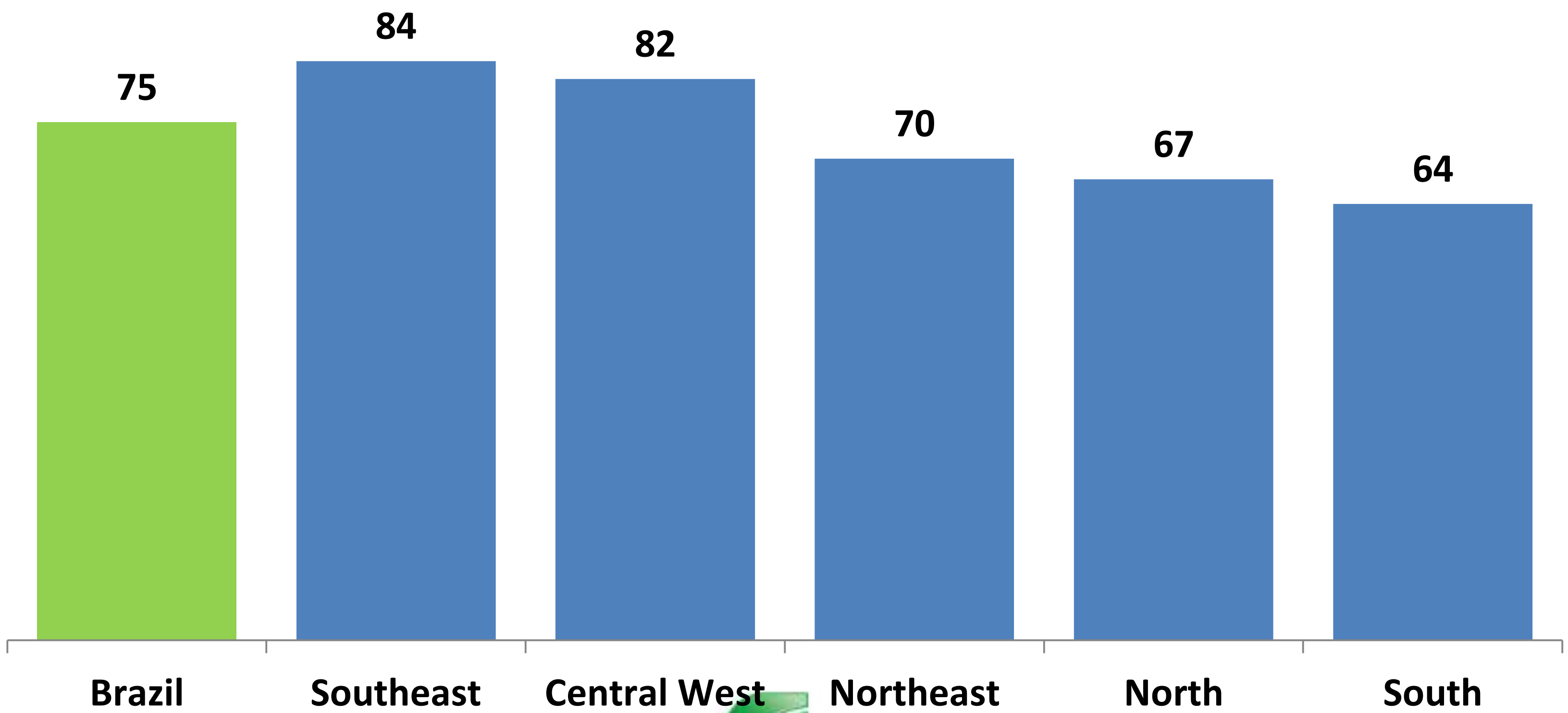
PROPORTION OF ELDERLY



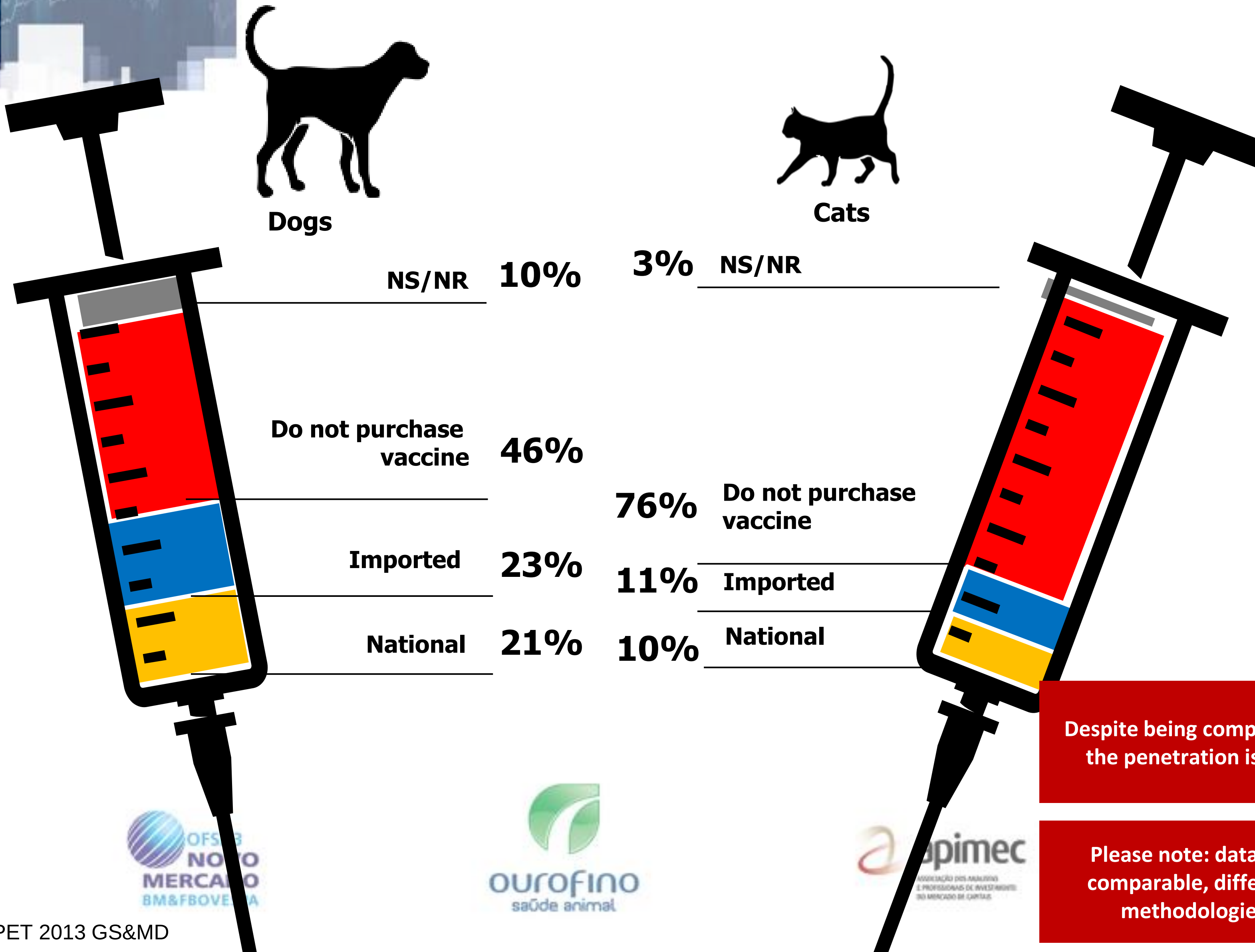
HOUSEHOLDS WITH ONE PERSON

+ 35%
From 2000 to 2010

Proportion of households with all the cats and dogs vaccinated against rabies last year - Brazil and Regions



Source: IBGE – (PNS) - 2013



Despite being compulsory, the penetration is low

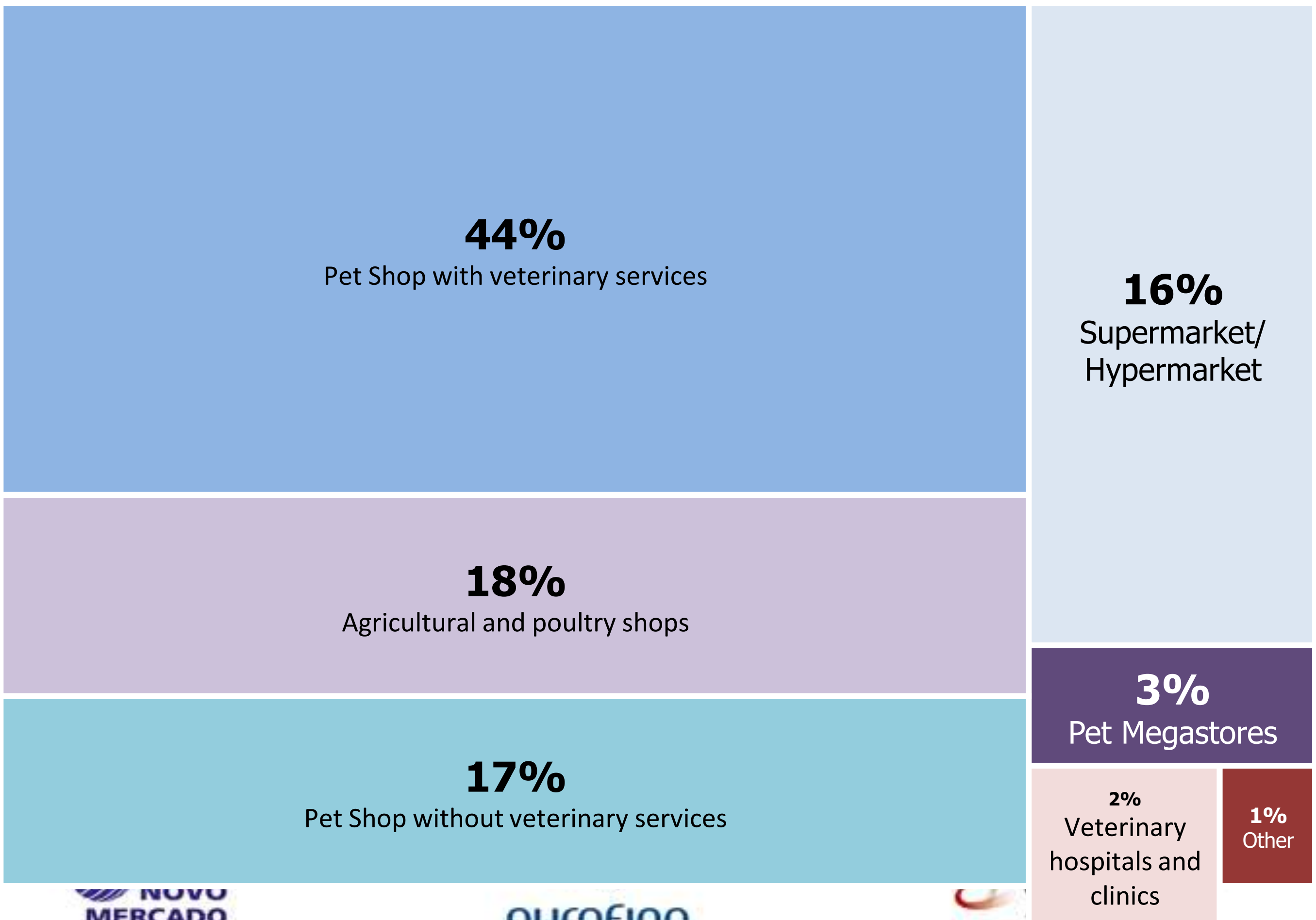
Please note: data not comparable, different methodologies

Source: Survey PET 2013 GS&MD

	DOGS Consumption	DOGS Frequency	CATS Consumption	CATS Frequency
Vaccines	49%	2x/year	22%	2x/year
Veterinary services	70%	5x/year	46%	2x/year
Flea control products	64%	5x/year	26%	6x/year
Tick control products	49%	5x/year	8%	5x/year
Worm control products	40%	4x/year	21%	5x/year

Source: Survey PET 2013 GS&MD

Preferred type of store (%)



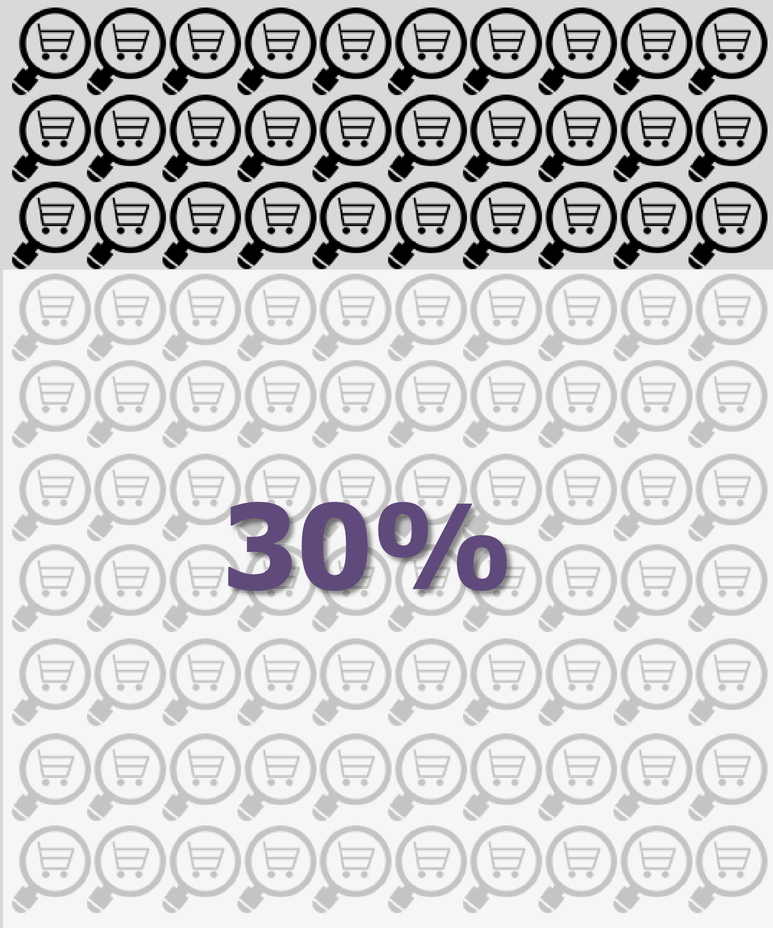
Source: Survey PET 2013 GS&MD

Reason for the preference (%)

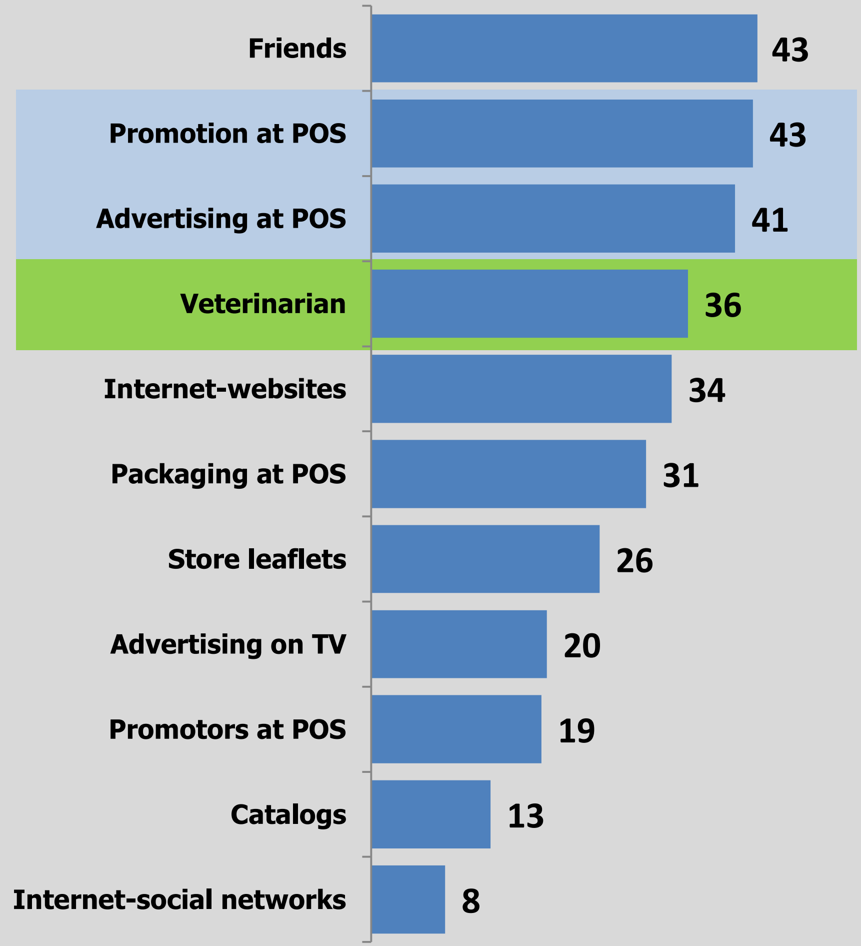
Reason	%
✓ Low prices	56
✓ Short distance from home	53
✓ Variety of products	49
✓ Offers the products I look for	46
✓ It is a well-known shop	27
✓ The salespeople provide all information	26
✓ Offers a distinguished customer service	25
✓ Always offers promotions	19
✓ Offers reliable veterinary services	19

Source: Survey PET 2013 GS&MD

A few consumers look for information before the purchase



Sources of information used (%)



Source: Survey PET 2013 GS&MD

36% consider the veterinarians as source of information

This source is more often mentioned on the purchase of veterinary drugs by dog owners than by cat owners

37% **30%**

48%

This source is also more often mentioned when the relationship with the dog is closer (the pet sleeps in the bedroom)

And by consumers with higher purchasing power

A	B	C
47%	**35%**	**25%**

Source: Survey PET 2013 GS&MD

Market overview

Consumer's profile and habits

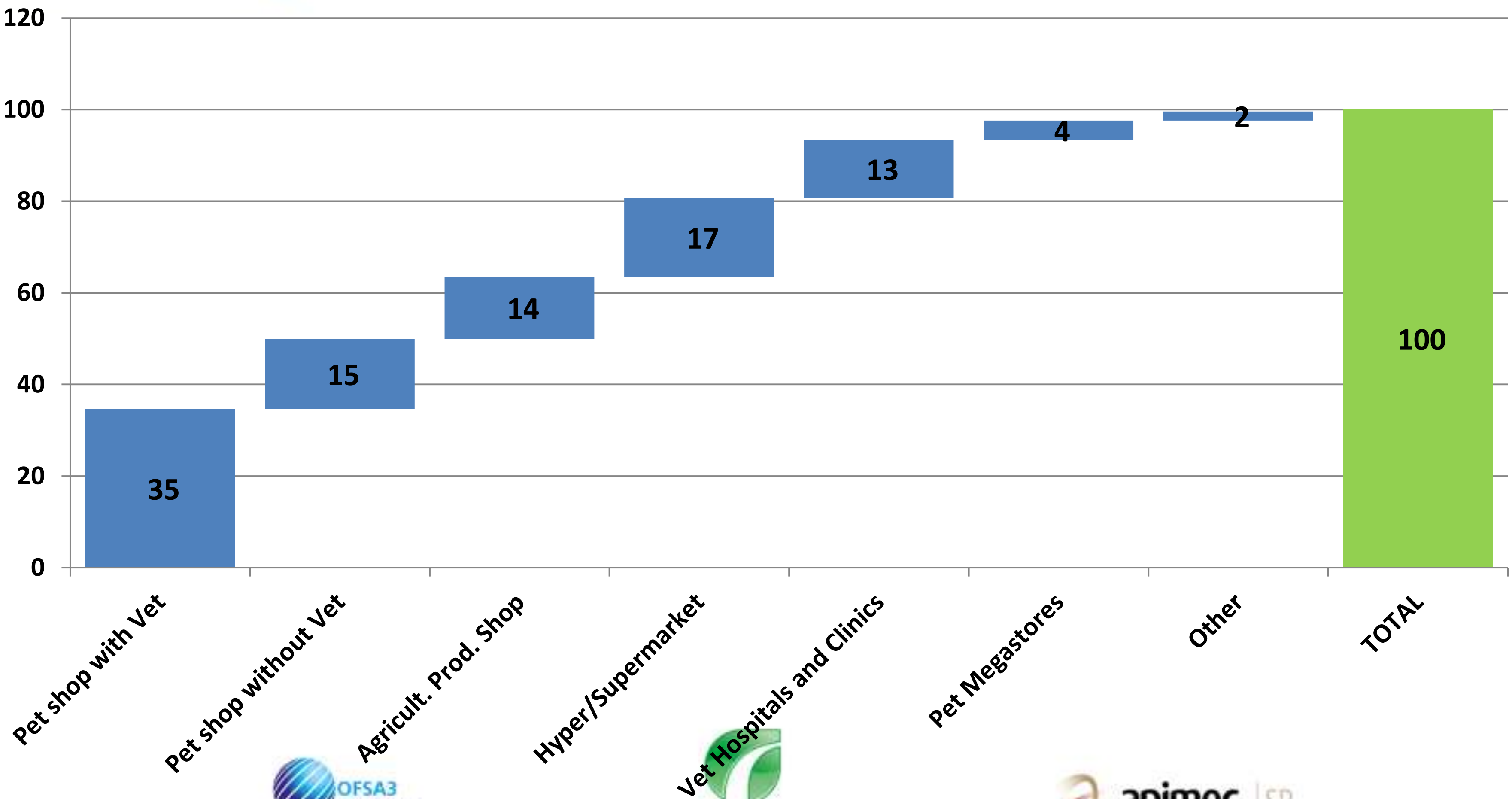
Distribution channel

Comparison with the USA market

Challenges and Opportunities

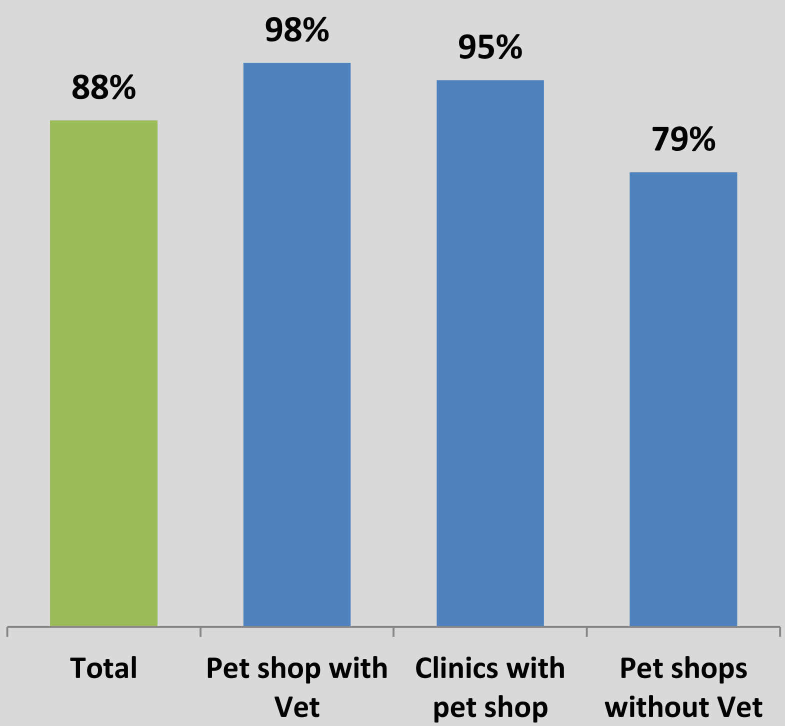
P

Participation by channel [%]

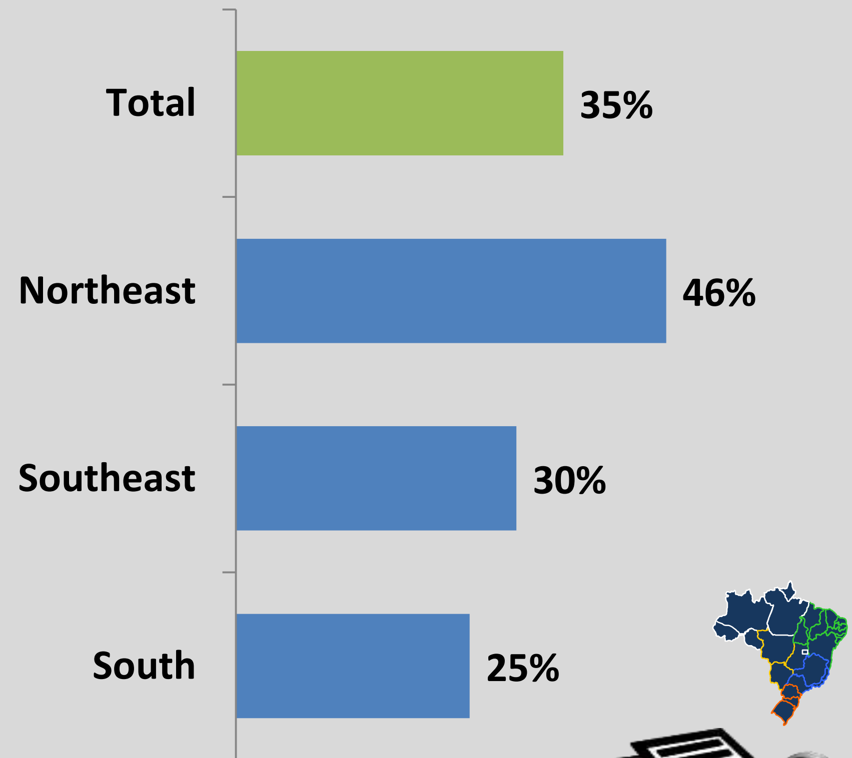


Source: Survey PET 2013 GS&MD

Sale of veterinary drugs by type of establishment



Sale of veterinary drugs WITHOUT prescription



Source: Survey PET 2013 GS&MD

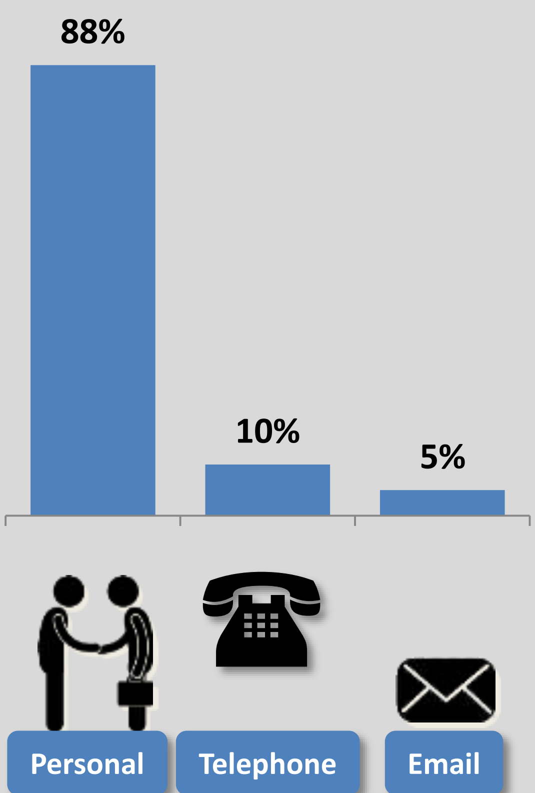
Ourofino Day

Most important criteria in the choice of products sold at the shop ... (%)

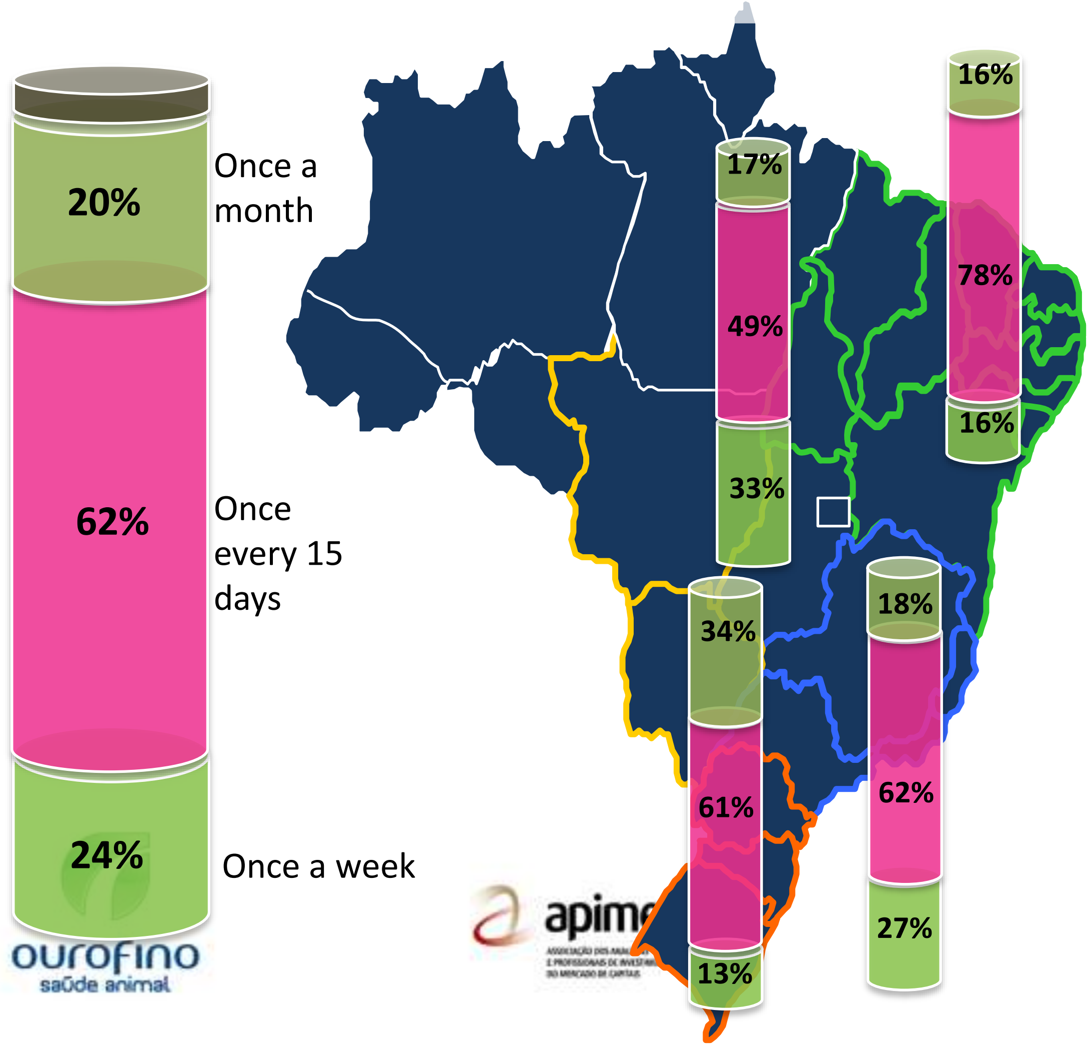
- 53 — Visit / Frequent relationship with representatives
- 47 — The strength of the brand/ Being a reliable company
- 43 — Request from customers
- 29 — Distribution of free samples
- 20 — Advertising in the media

Source: Survey PET 2013 GS&MD

Best contact method

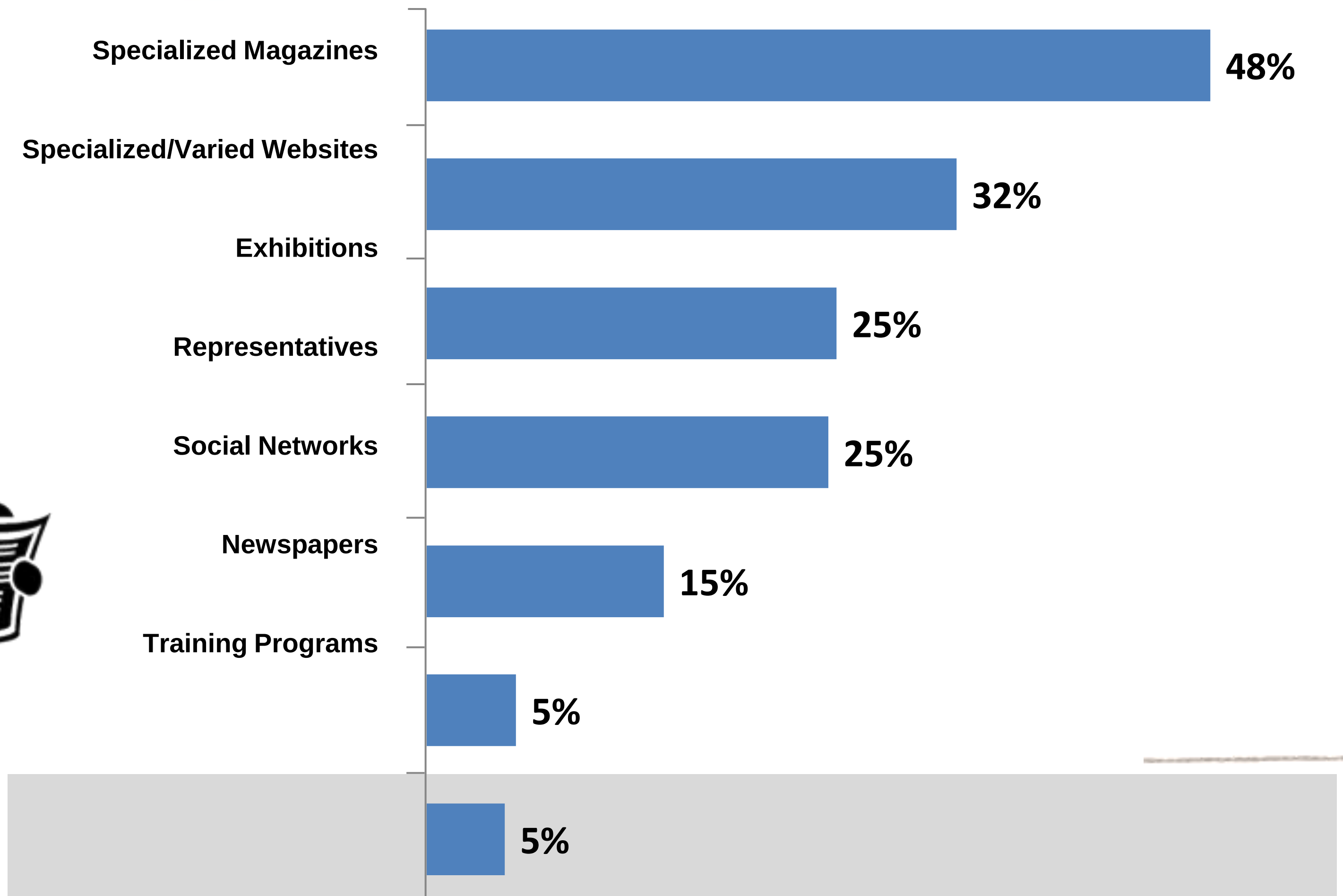


Frequency in which the customer would like to be served by the supplier



Source: Survey PET 2013 GS&MD

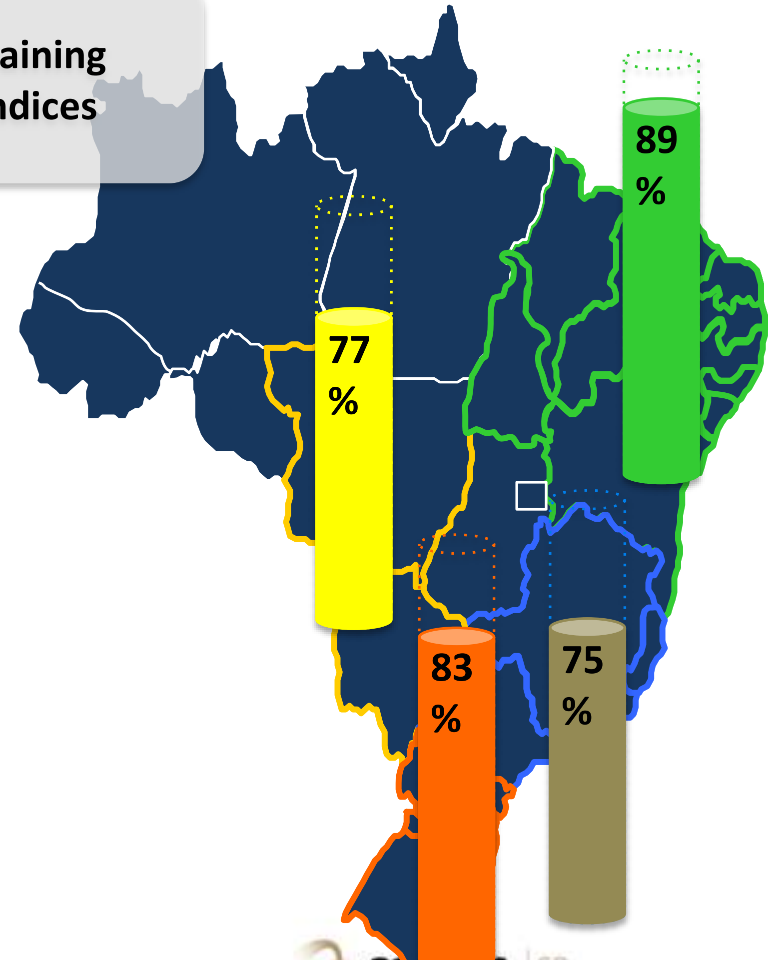
Primary sources of information



Source: Survey PET 2013 GS&MD

Have not attended any training program

Training indices



Source: Survey PET 2013 GS&MD

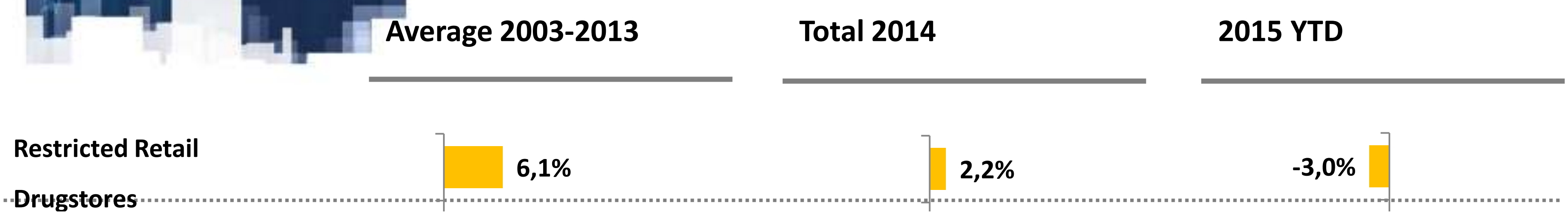
Market overview

Consumer's profile and habits

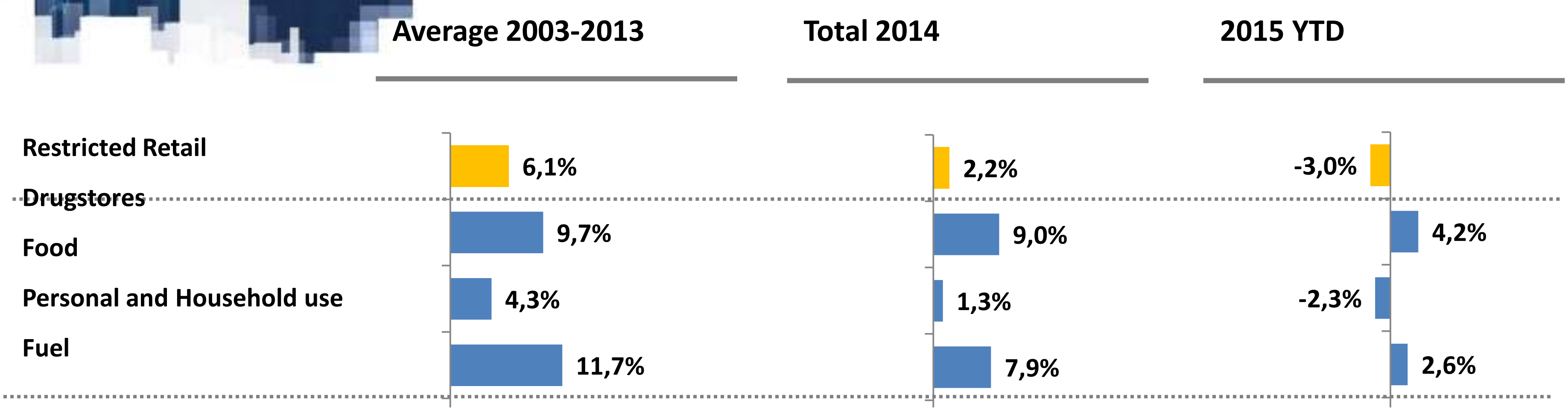
Distribution channel

Comparison with the USA market

Challenges and Opportunities

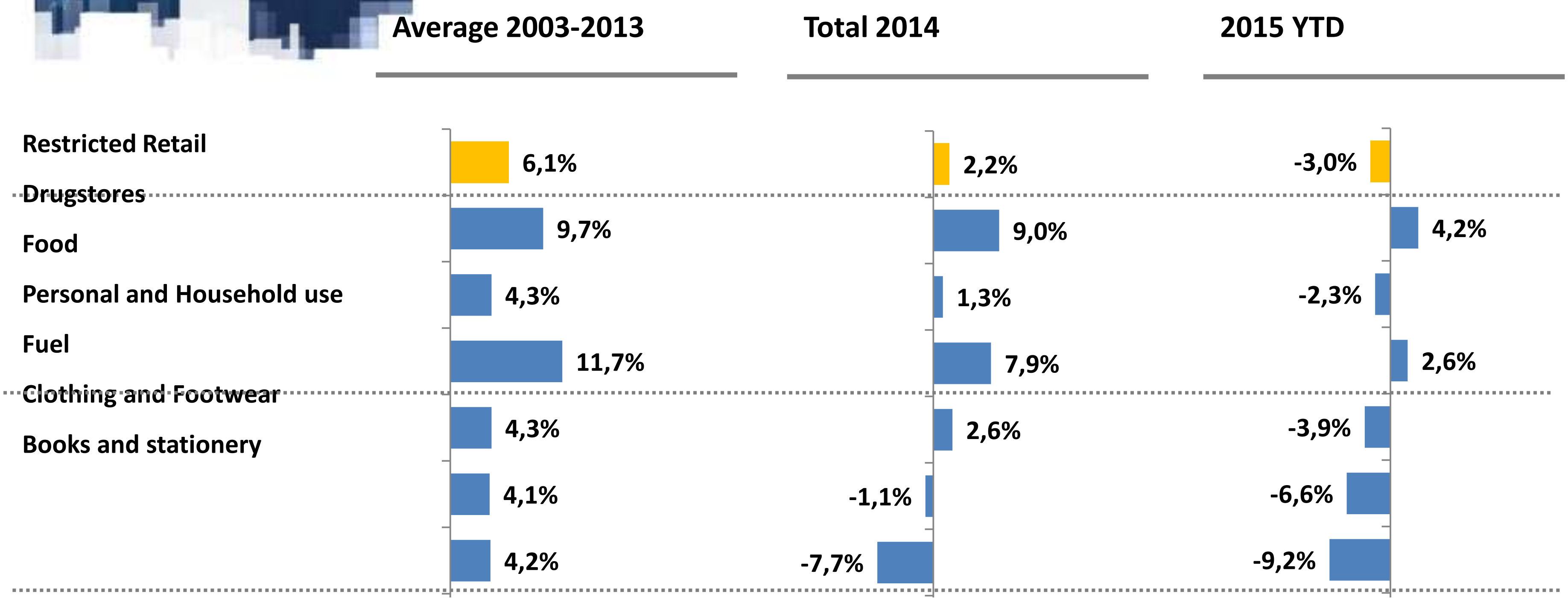


Source: IBGE Analysis GS&MD
Note 1: Restricted retail does not include construction material and vehicle / Note 2: Real Growth rate



Source: IBGE Analysis GS&MD

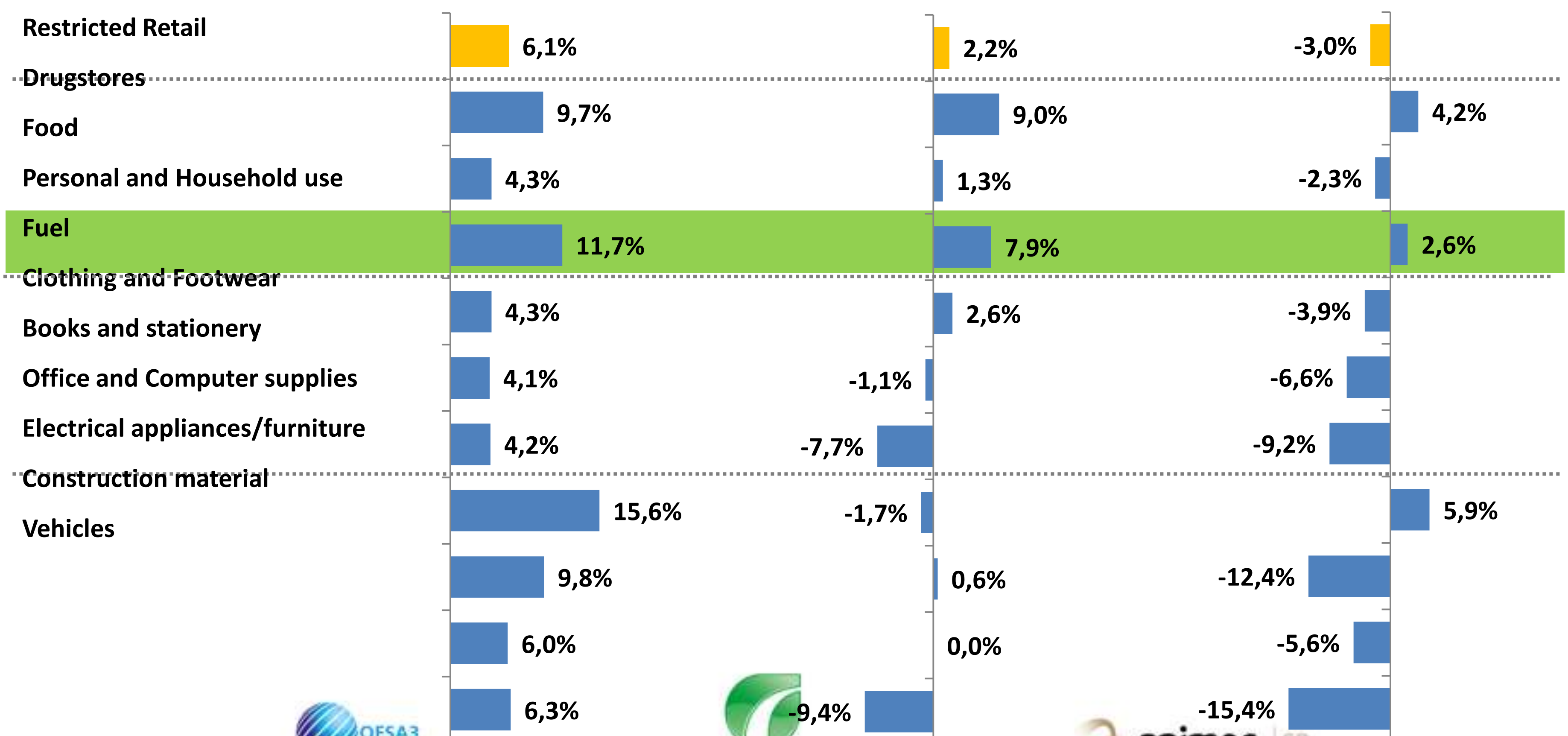
Note 1: Restricted retail does not include construction material and vehicle / Note 2: Real Growth rate



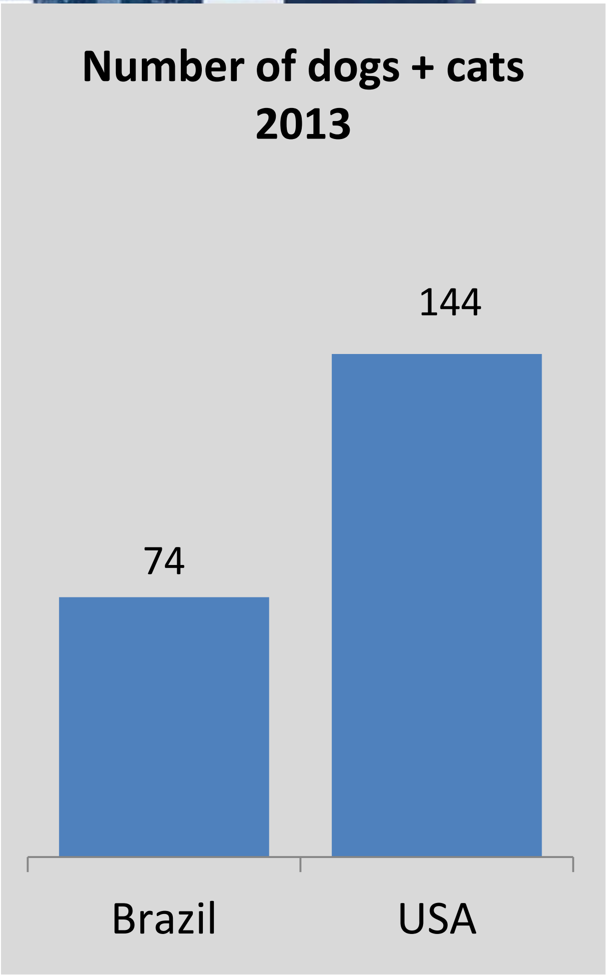
Source: IBGE Analysis GS&MD

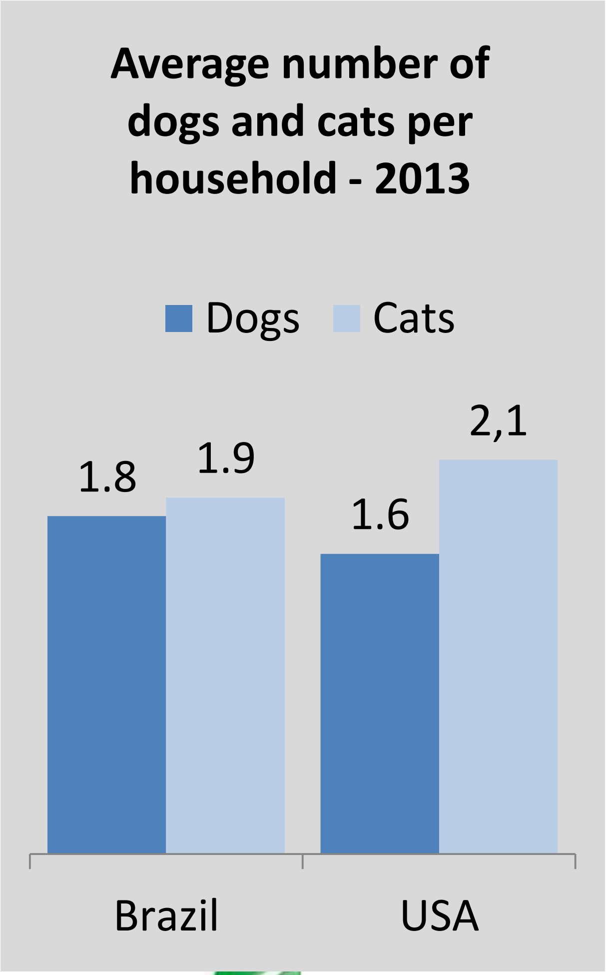
Note 1: Restricted retail does not include construction material and vehicle / Note 2: Real Growth rate

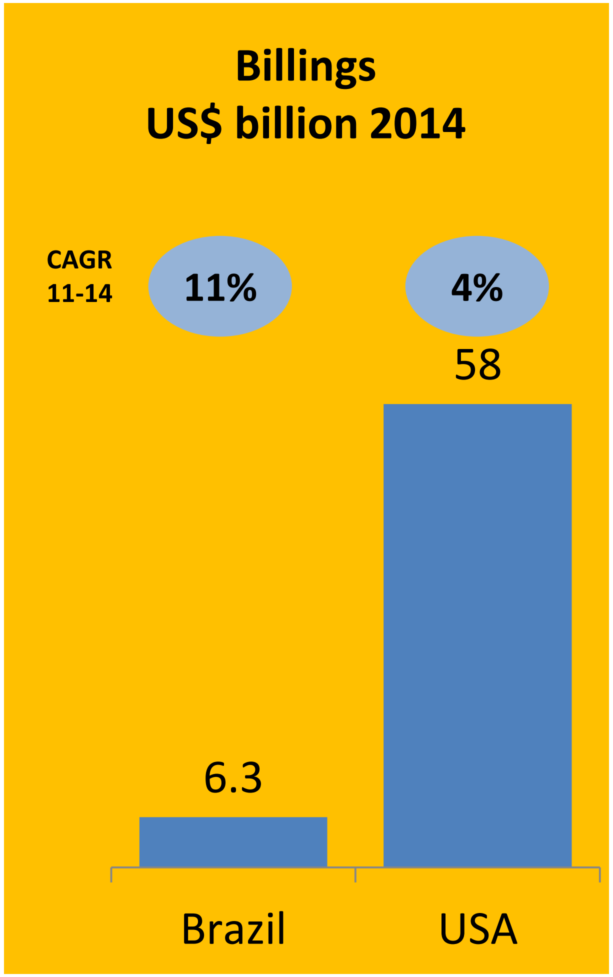
	Average 2003-2013	Total 2014	2015 YTD
Restricted Retail	6,1%	2,2%	-3,0%
Drugstores	9,7%	9,0%	4,2%
Food	4,3%	1,3%	-2,3%
Personal and Household use	11,7%	7,9%	2,6%
Fuel	4,3%	2,6%	-3,9%
Clothing and Footwear	4,1%	-1,1%	-6,6%
Books and stationery	4,2%	-7,7%	-9,2%
Office and Computer supplies	15,6%	-1,7%	5,9%
Electrical appliances/furniture	9,8%	0,6%	-12,4%
Construction material	6,0%	0,0%	-5,6%
Vehicles	6,3%	-9,4%	-15,4%



Source: IBGE Analysis GS&MD
Note 1: Restricted retail does not include construction material and vehicle / Note 2: Real Growth rate







US$ 1.0 = R$ 2.64 – December 2014

* Estimate

Source: Pet Products Association's annual report, Abinpet, IBGE

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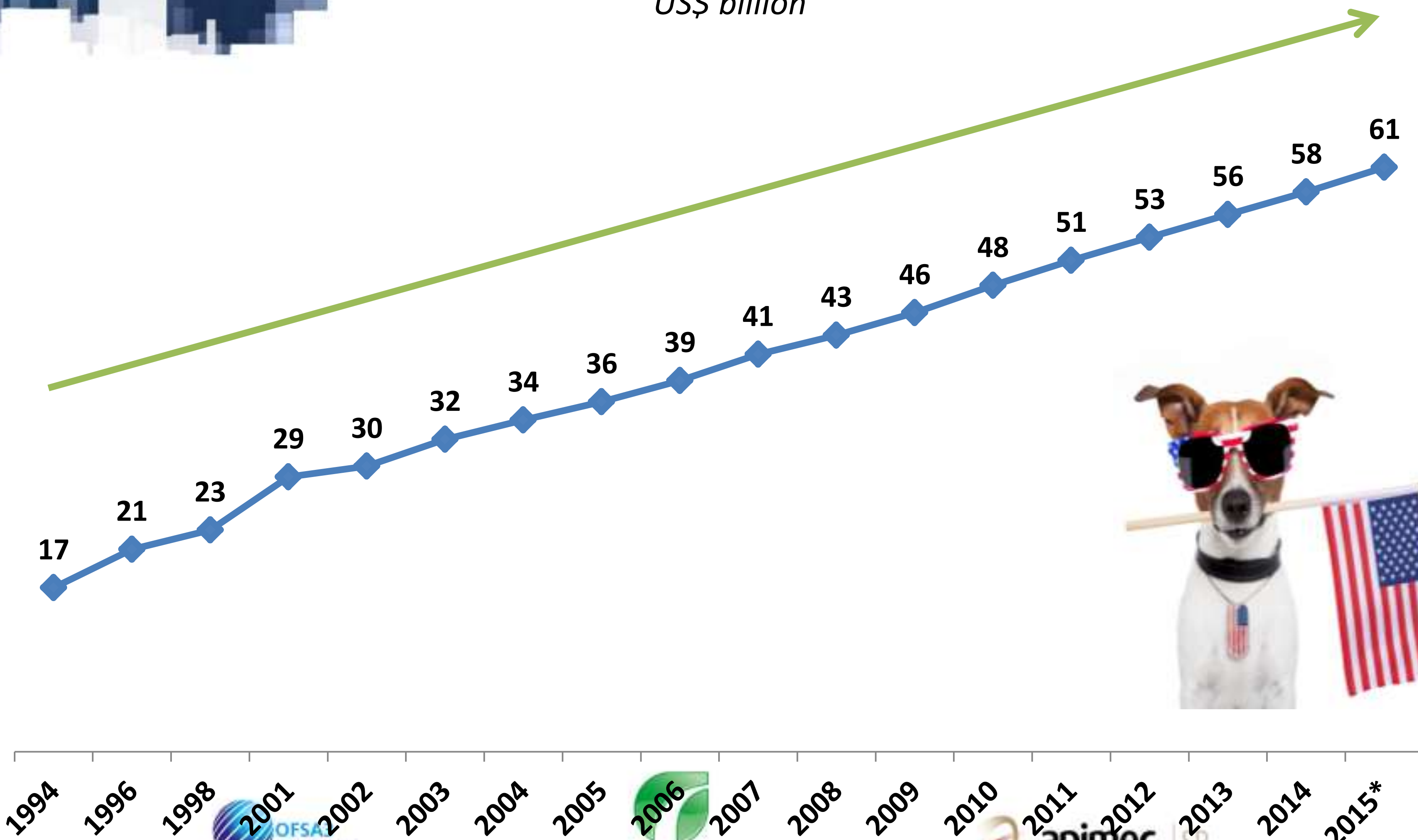
Pet market consumption - USA

US$ billion

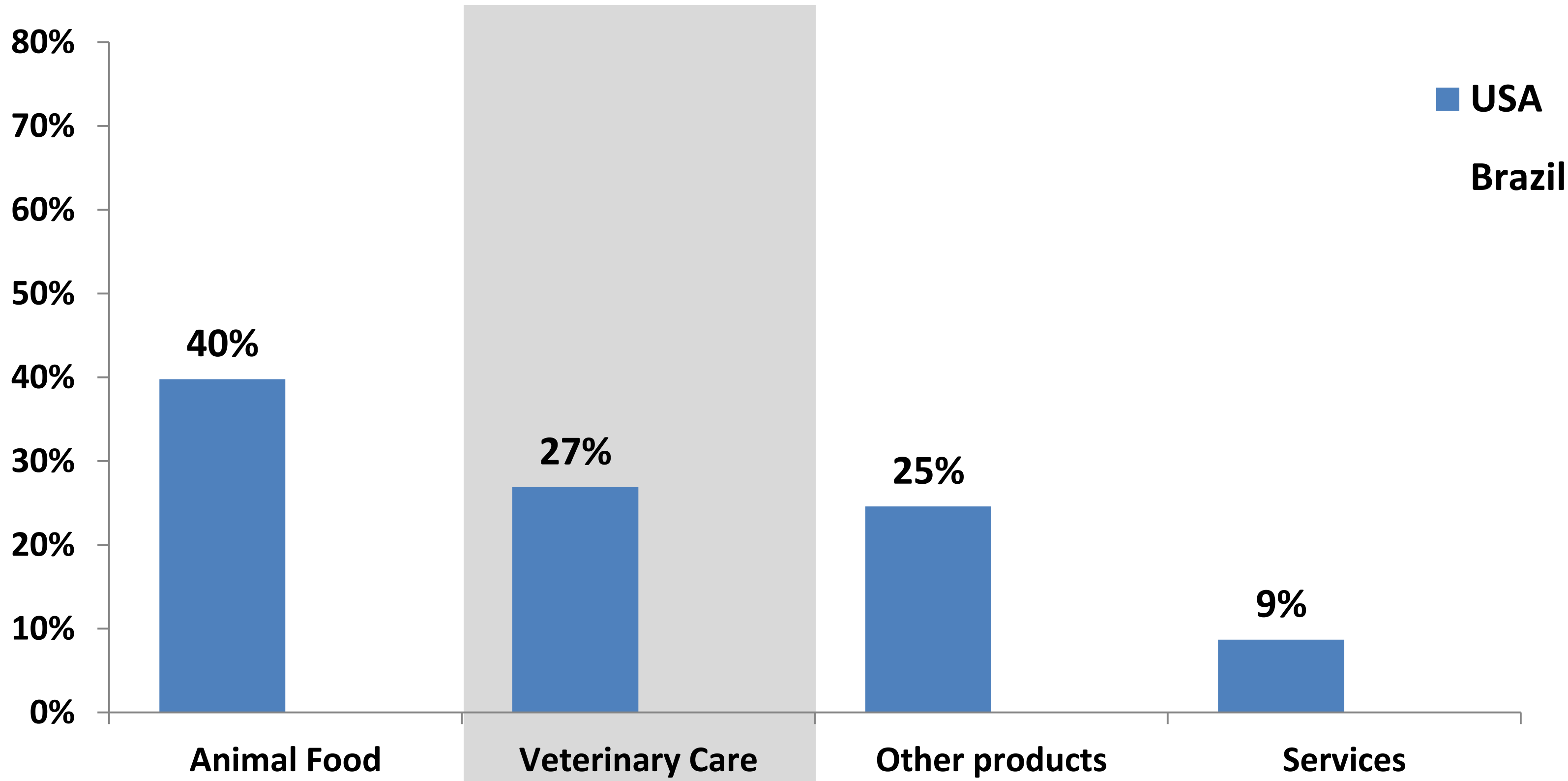


* Estimate

Source: Pet Products Association’s annual report

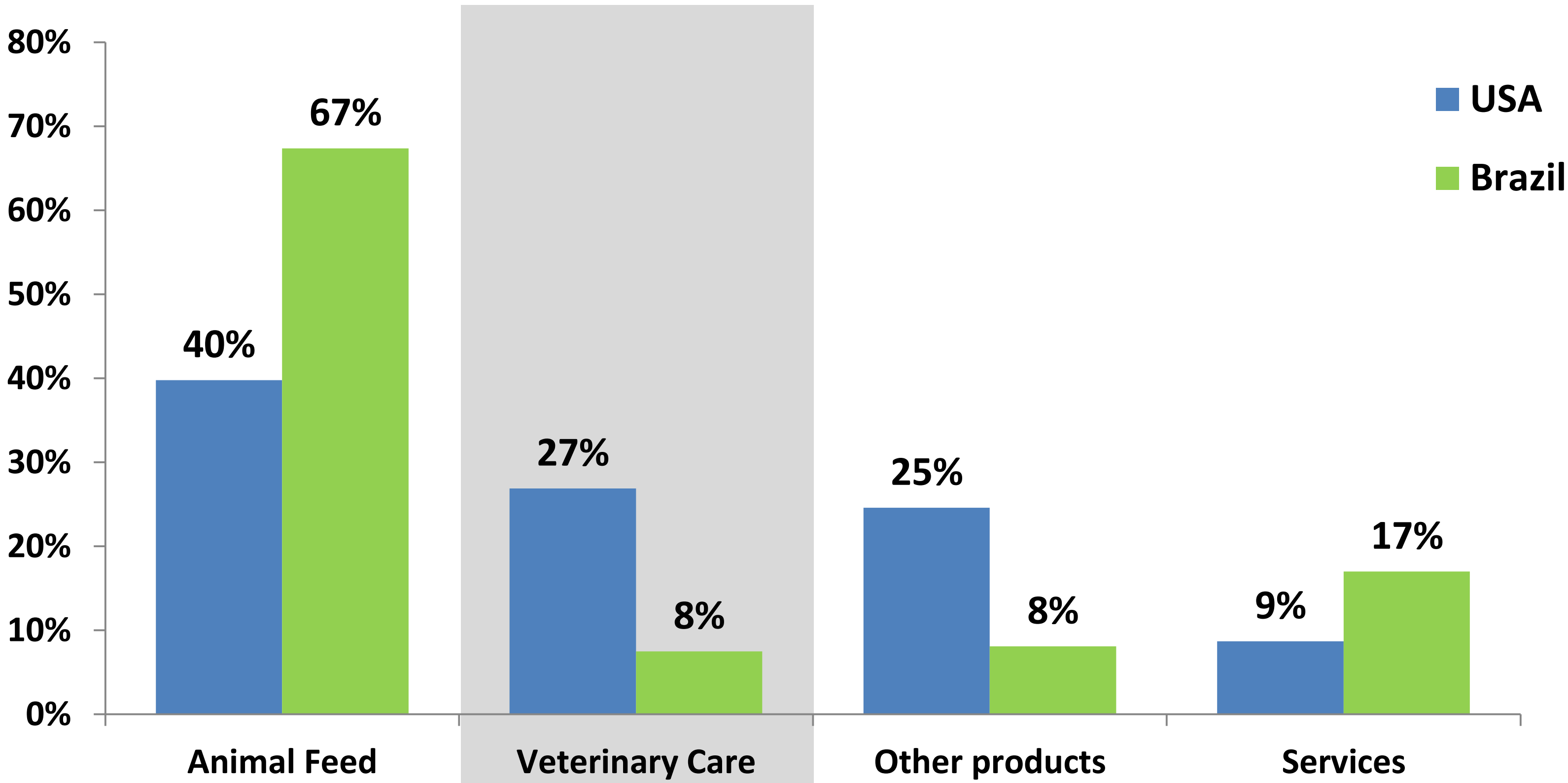
Vet

Share of Pet market by category [%]



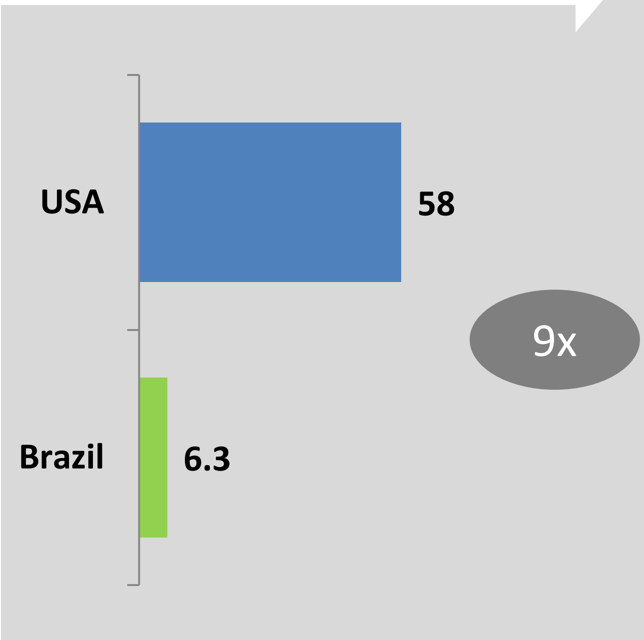
Source: Study PET Brasil 2013 and Pet Products Association's annual report

Share of Pet market by category [%]

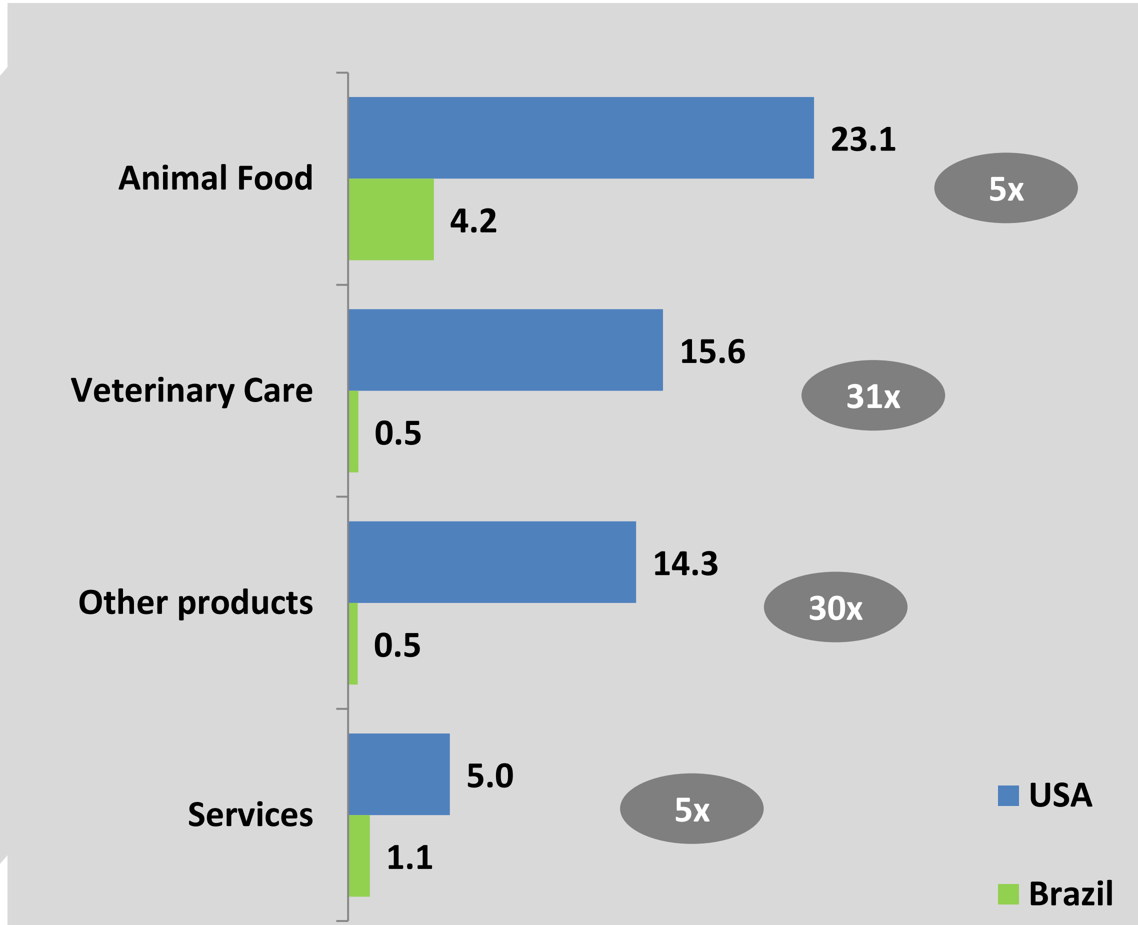


Source: Study PET Brasil 2013 and Pet Products Association's annual report

Market size
[US$ billions, 2014]



Market size by category
[US$ billions, 2014]



US$ 1.0 = R$ 2.64 – December 2014

Source: Study PET Brasil 2013 and Pet Products Association's annual report

Market overview

Consumer's profile and habits

Distribution channel

Comparison with the USA market

Challenges and Opportunities

Brazil is the **second largest PET market** in the world

However, it still has **room for growth and maturation**

Mainly in the **diversification of the consumption categories**

The **consumers** still get **little information** before the purchase.

The **decisions** are mainly taken at the **point of sale.**

The **shop assistants and veterinarians** have **great influence** on the purchase

The **preferred channel** for purchasing products for pets is the Pet shop, either **with or without veterinarians**

The key factors for success at POS are the **presence of the industry, strength of the brand and merchandising**

GS&M 25 anos

Gouvêa de Souza

Av. Paulista, 171 - 10th. floor
Paraíso - 01311-904 - São Paulo - SP
Telephone: (11) 3405-6666 / Fax: 11/3263-0066
gsmd-de@gsmd.com.br | www.mercadoeconsumo.com.br
www.gsmd.com.br

Ebeltoft Group
International Retail Experts

(A free translation of the original in Portuguese)

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Companion Animals

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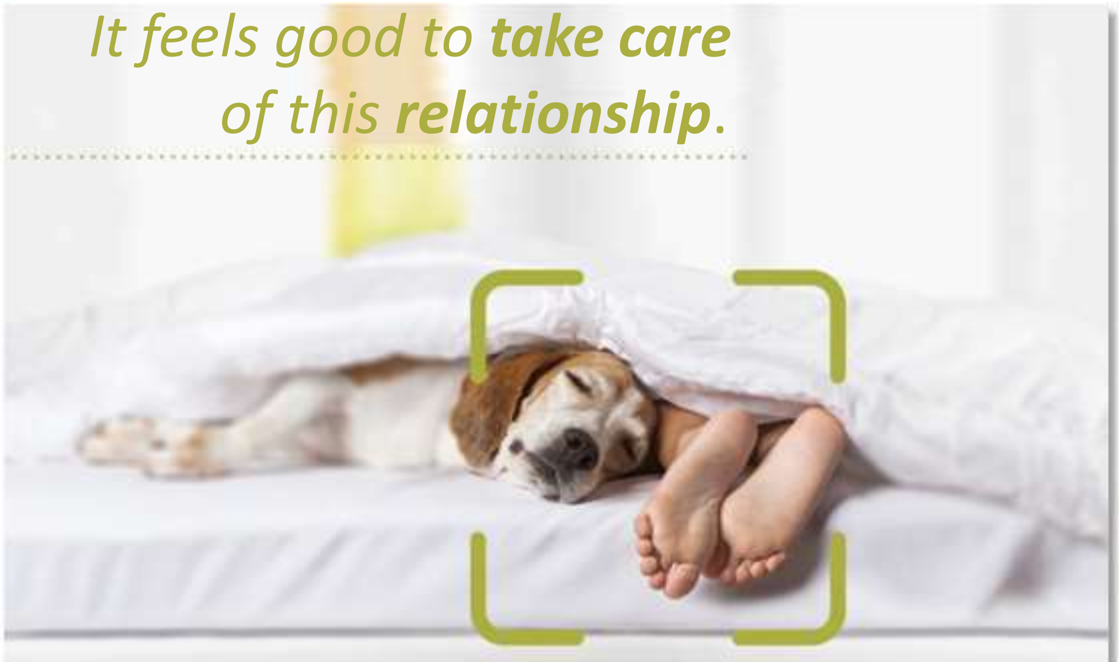
Pet Market

New status of pet animals in Brazil

The Core Idea of the Business



Emotional drive

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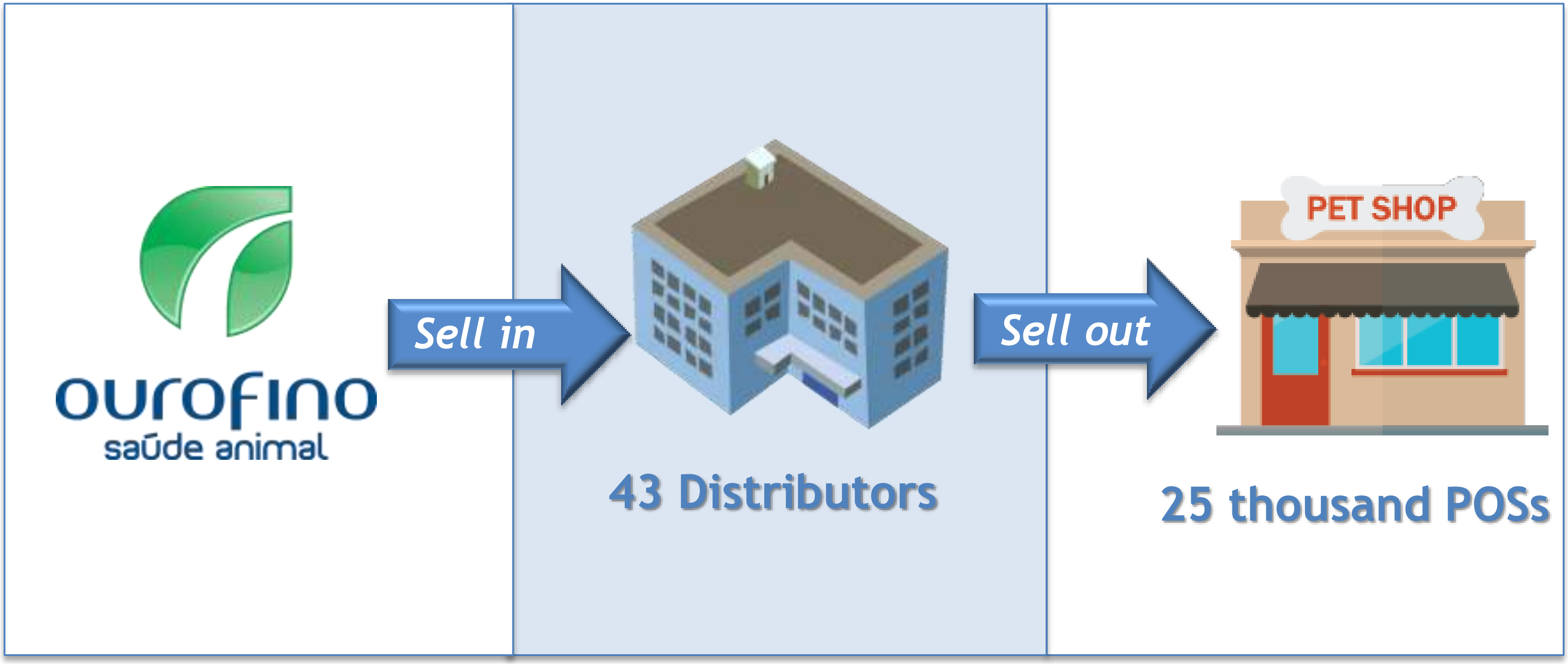
Drivers of growth

- Change in the Brazilian families' profile
- Increased purchasing power of the Brazilian population
- Increase in life expectancy of people
- Developments in treatments and diagnoses in Veterinary Medicine
- Increase in life expectancy of pets

Value Proposition

- Closer contact with the veterinarian
- Close relationship with the main customers and key opinion leaders in the sector
- Contribution to the creation and improvement of the entire chain
- Products well positioned in the market, in their respective therapeutic classes
- Commercial agility

Operation Model

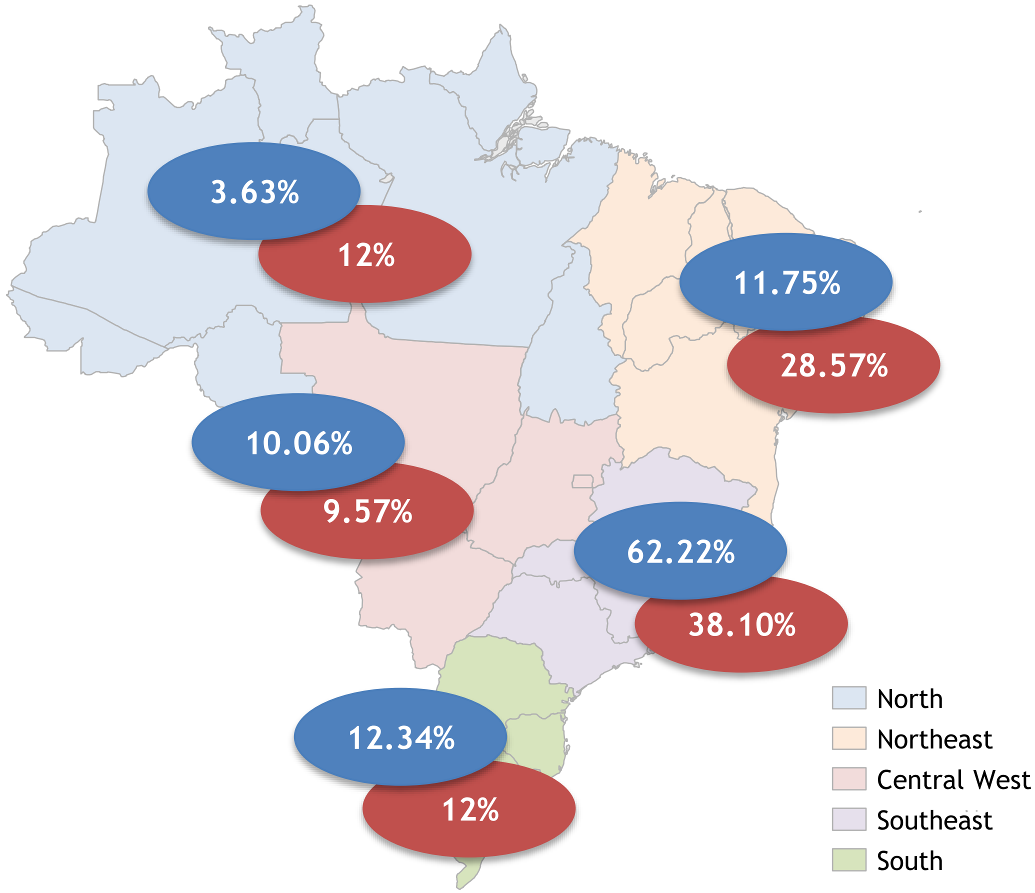


Operation Model

Share by region - 9M15

Share in R$

Share in number of distributors



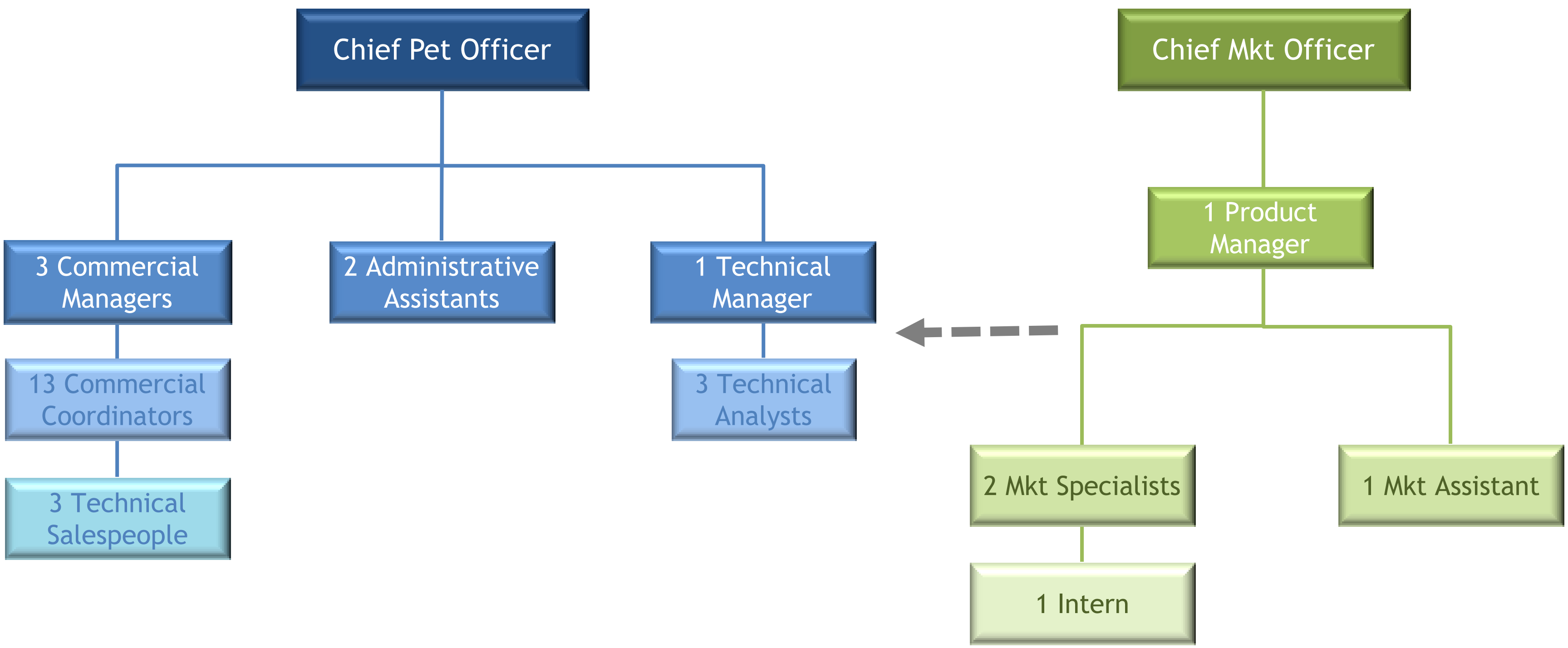
Operation Model

- Coverage of 100% of the Brazilian territory: 22 States
- 95% of sales/distribution: closed and exclusive areas
- One single DS customer: Cobasi
- Major distributor has 7% share

Ourofino Distributors

- Average Ourofino Share: 62%
- Ourofino as Top supplier: 60% (25 distributors)
- 300 salespeople/supervisors
- 60 technical promoters to generate demand
- Growth of sell out: 22.5%

Ourofino Pet - Organization Chart



Portfolio

- 26 Commercial Brands
- 36 Products
- 82 SKUs

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Portfolio

Therapeutic Line

OTC Line: Protection

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Model of Interface with the influencers

- Two major influencers
- Type of product

    Prescription: Veterinarians

    OTC: Shop assistants

Model of Interface with the end consumer

- Dog or cat owner
- Recent relationship
- Decision at the POS
- Change in consumer's profile
- Great opportunities

Marketing actions to reach the end consumer

Bus advertising in MS

Billboard in Ribeirão Preto

POS action with mascot Byte

POS action with sales promoter

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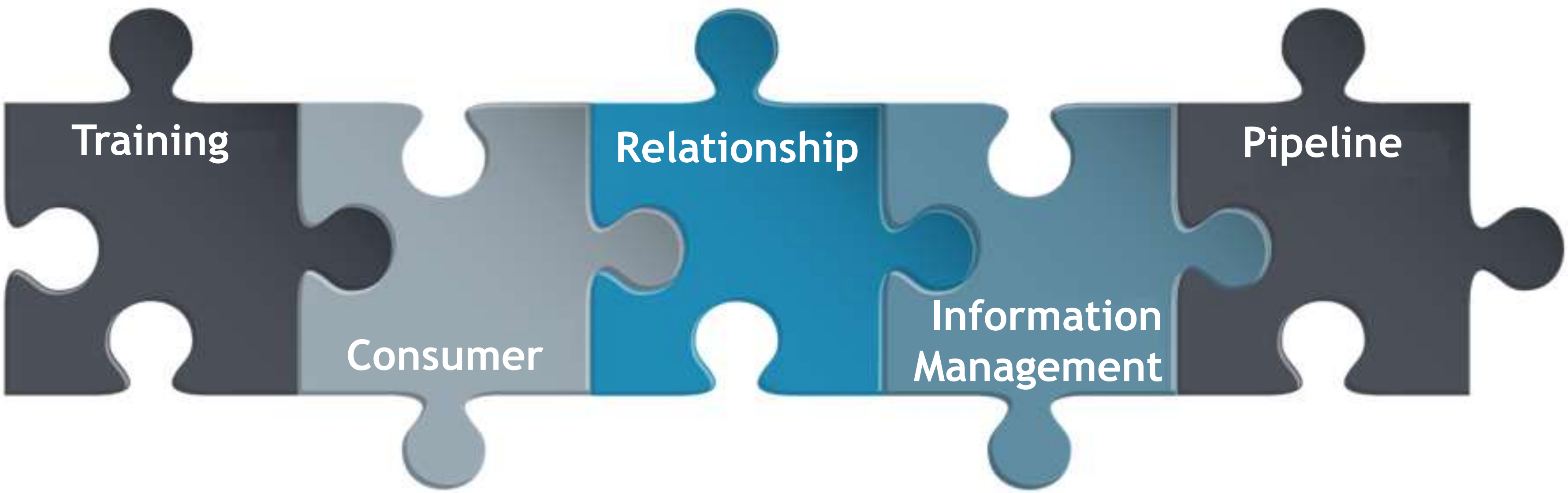
Strategy


Training
Consumer
Relationship
Information
Management
Pipeline

Business development

- Gain of market share in the line of ectoparasiticides
- Market coverage (pipeline)
- Tactical actions intended to increase the sales volume
- Actions to increase the product mix

Pipeline

Trends:

- Products for cats
- Therapeutic
- Prevention: Biologicals
- Diagnoses

The current portfolio represents 42% of the market → The 2020 portfolio will represent 75% of the market

Information Management

- Definition and monitoring of the business' KPIs
- Analysis of area vs. potential
- Easy Connect

Easy Connect Information Platform

Characteristics of the Pet industry

- Highly scattered chain
- Small and medium-sized companies
- Familiar management
- Lack of information
- Poor professional qualification and management

Opportunities

- Intensify relationship with the end consumer
- Specific training projects for the sector
- Studies of new Sales Models

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Cattle Raising

Evolution and technological insertion

Maurício Palma Nogueira, Agronomist Engineer

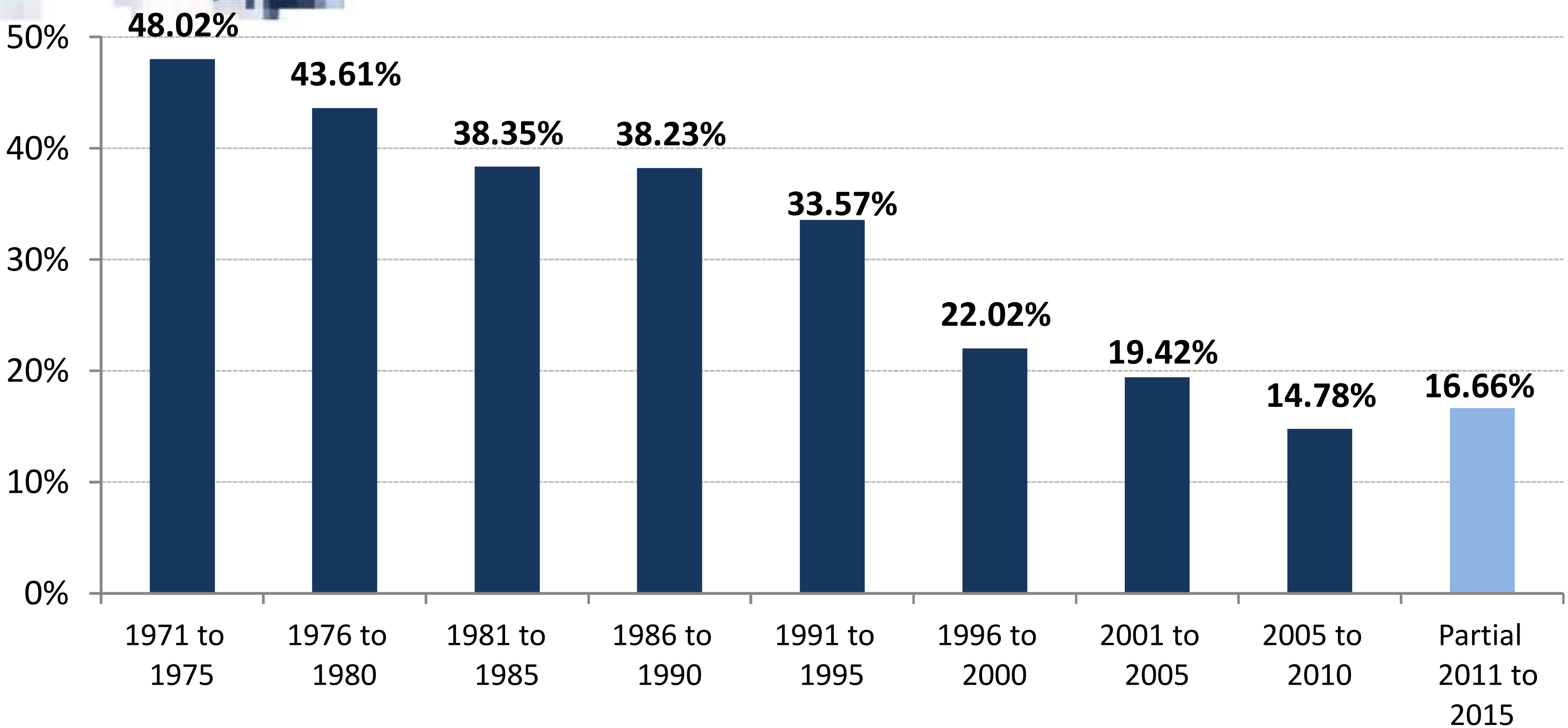
BACKGROUND AND TRENDS IN CATTLE RAISING

- The calf market explains the history of cattle raising

- Gradual decrease in the margins of producers

WHAT DRIVES THE TECHNOLOGICAL TREND

Evolution of the average profit margin for beef cattle - per arroba



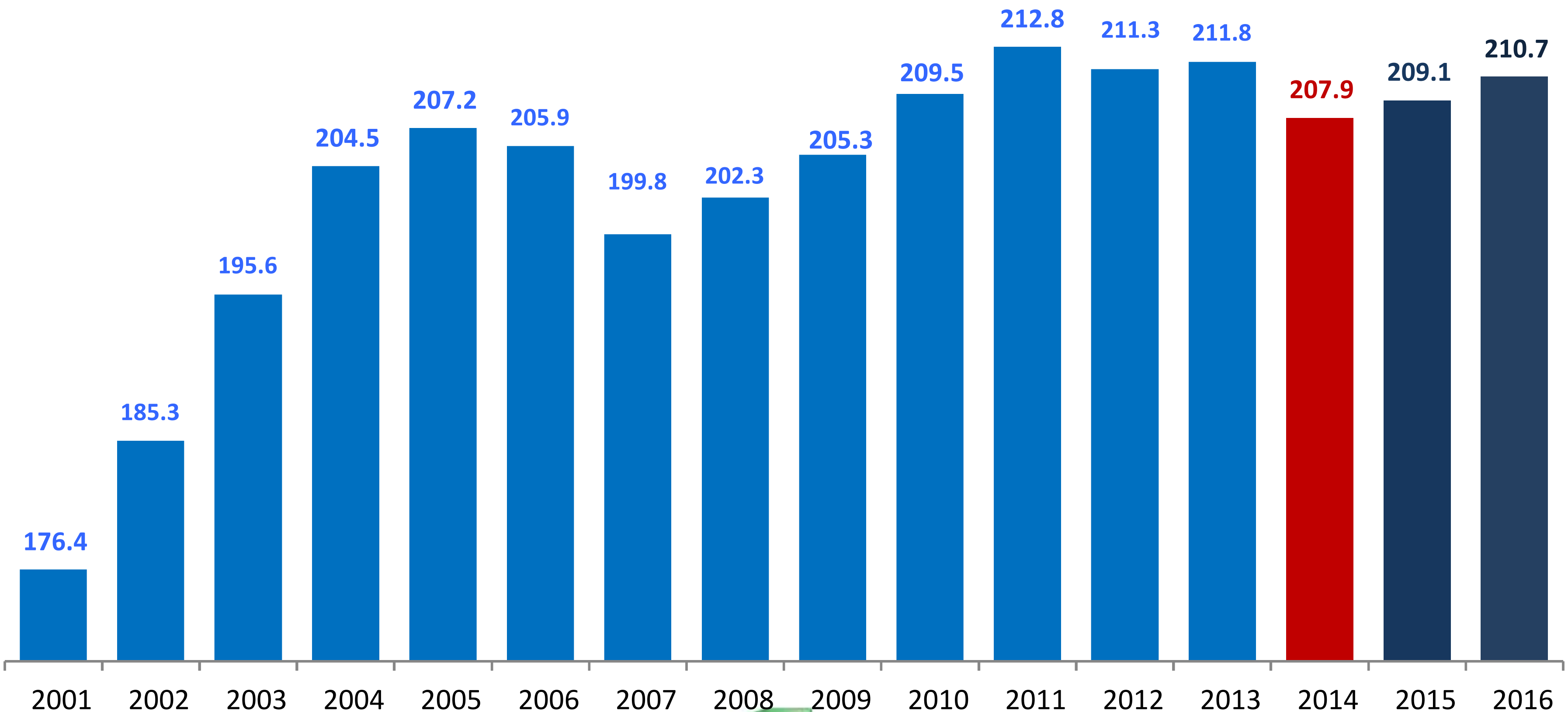
Source: Agroconsult, IEA, Cepea

BACKGROUND AND TRENDS IN CATTLE RAISING

- The calf market explains the history of cattle raising
- Gradual decrease in the margins of producers
- Dairy cattle raising suffers the influence of the beef cattle raising
- Starting in the 1990s, poultry and pig raising have incorporated technology faster
- Herd at the growing stage

HERD RESUMING GROWTH

Million heads



Source: Agroconsult, IBGE

BACKGROUND AND TRENDS IN CATTLE RAISING

- The calf market explains the history of cattle raising
- Gradual fall in the margins of producers
- Dairy cattle suffers the influence of beef cattle
- From 1990, poultry and pig farming incorporates technology faster
- Herd at the growing stage
- Brazil 2015: slaughter and meat production
- **Sustainability and permission from society:** What is the truth?
- Pressure for increasing the technology level

Does it pay off for the producer to invest in technology?

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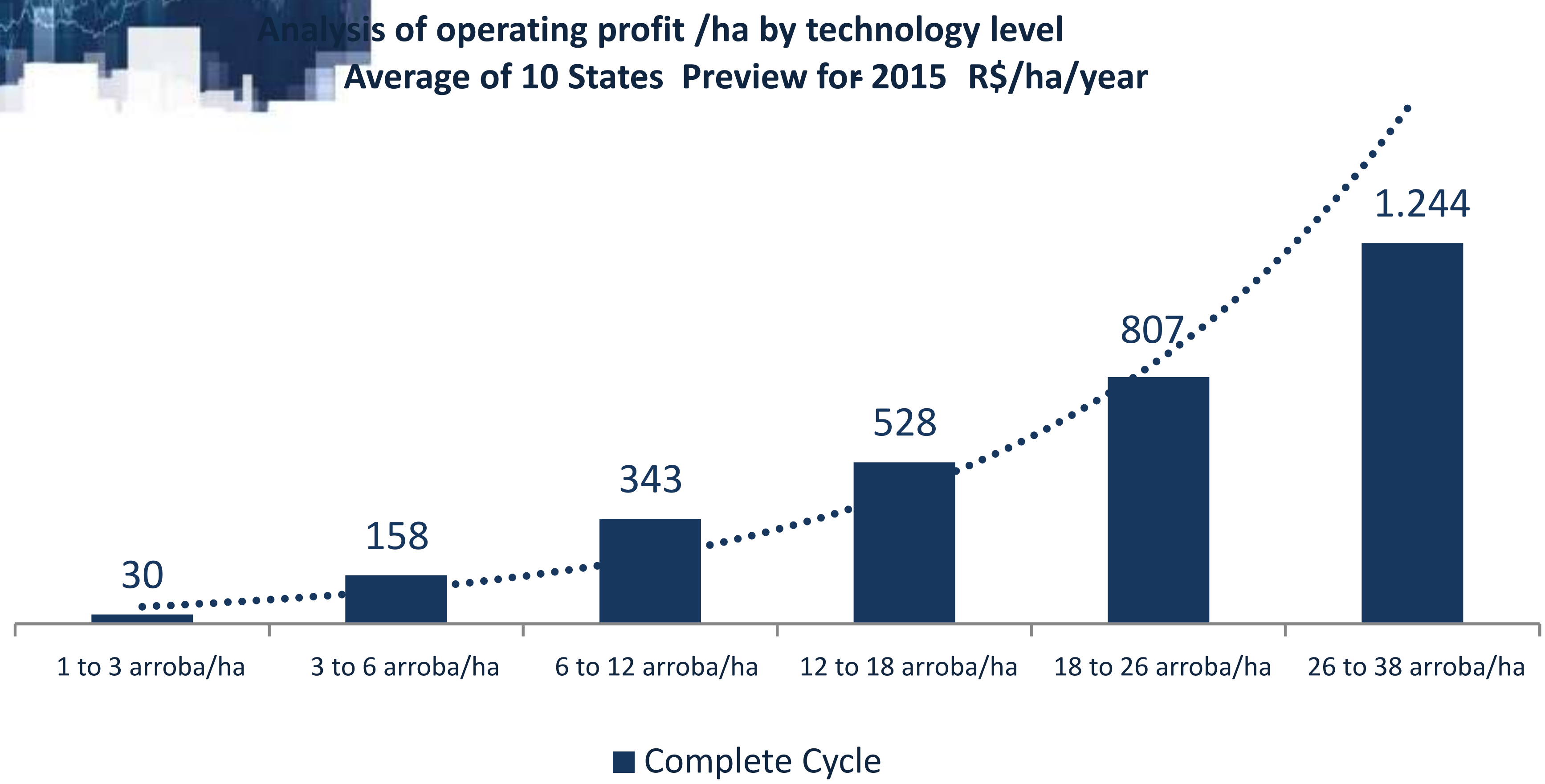
RALLY DA PECUÁRIA 2015

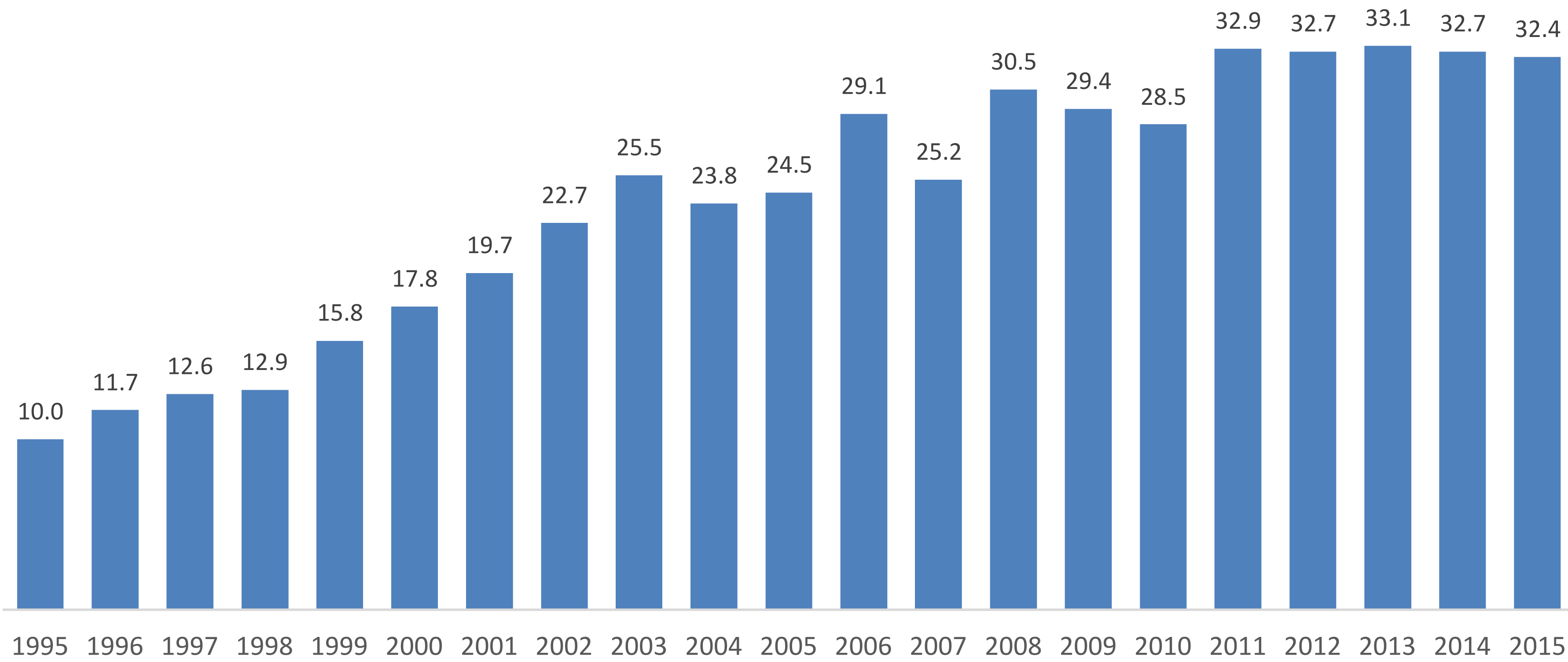
DOES THE USE OF TECHNOLOGY PAY OFF?



Source: Agroconsult

PRODUCTIVITY IN DAIRY CATTLE RAISING

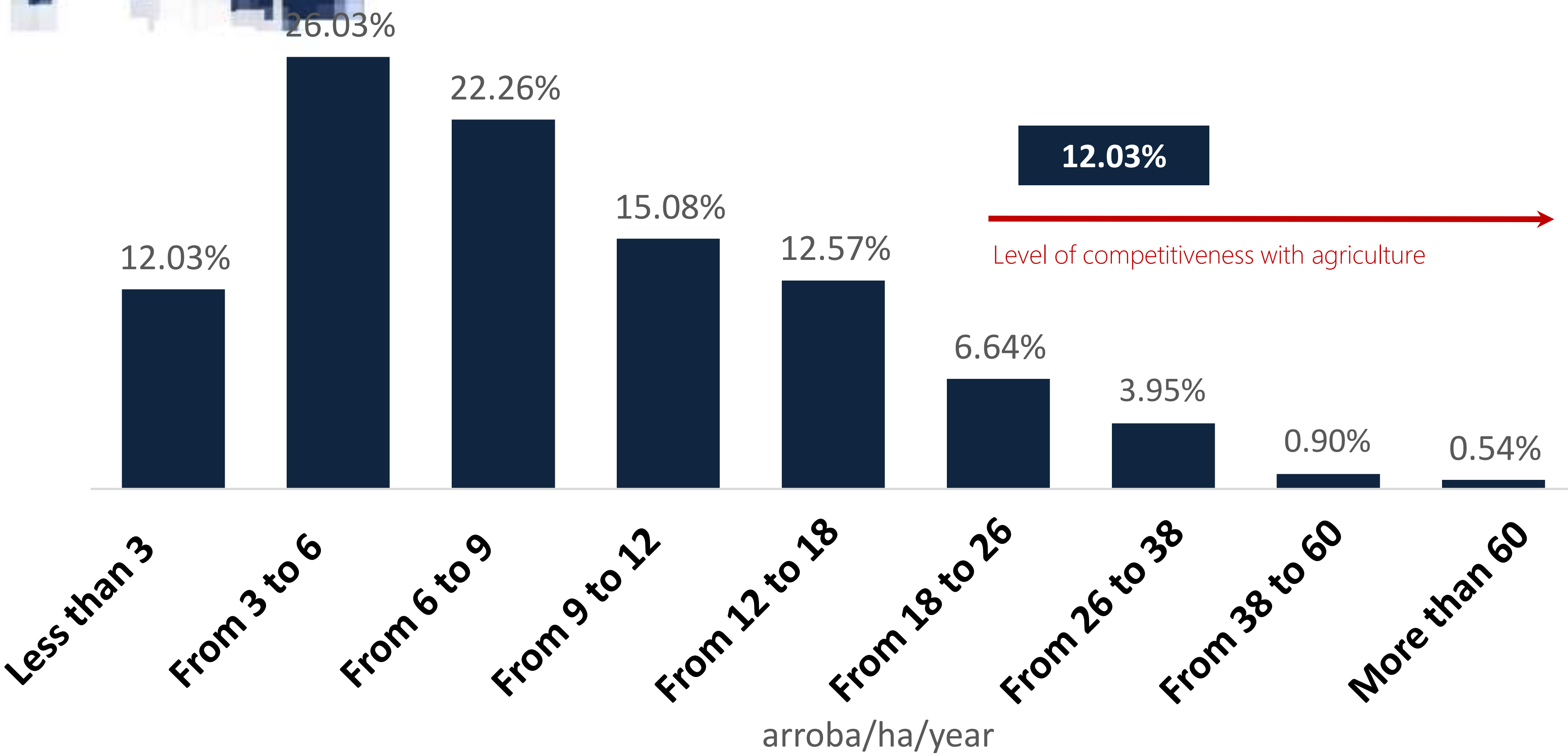
Demand for productivity per hectare to maintain the income achieved in 1995
Thousand liters/ha/year



Source: Agroconsult

Productivity - Producers in the Cattle Raising Rally

Distribution of producers by productivity

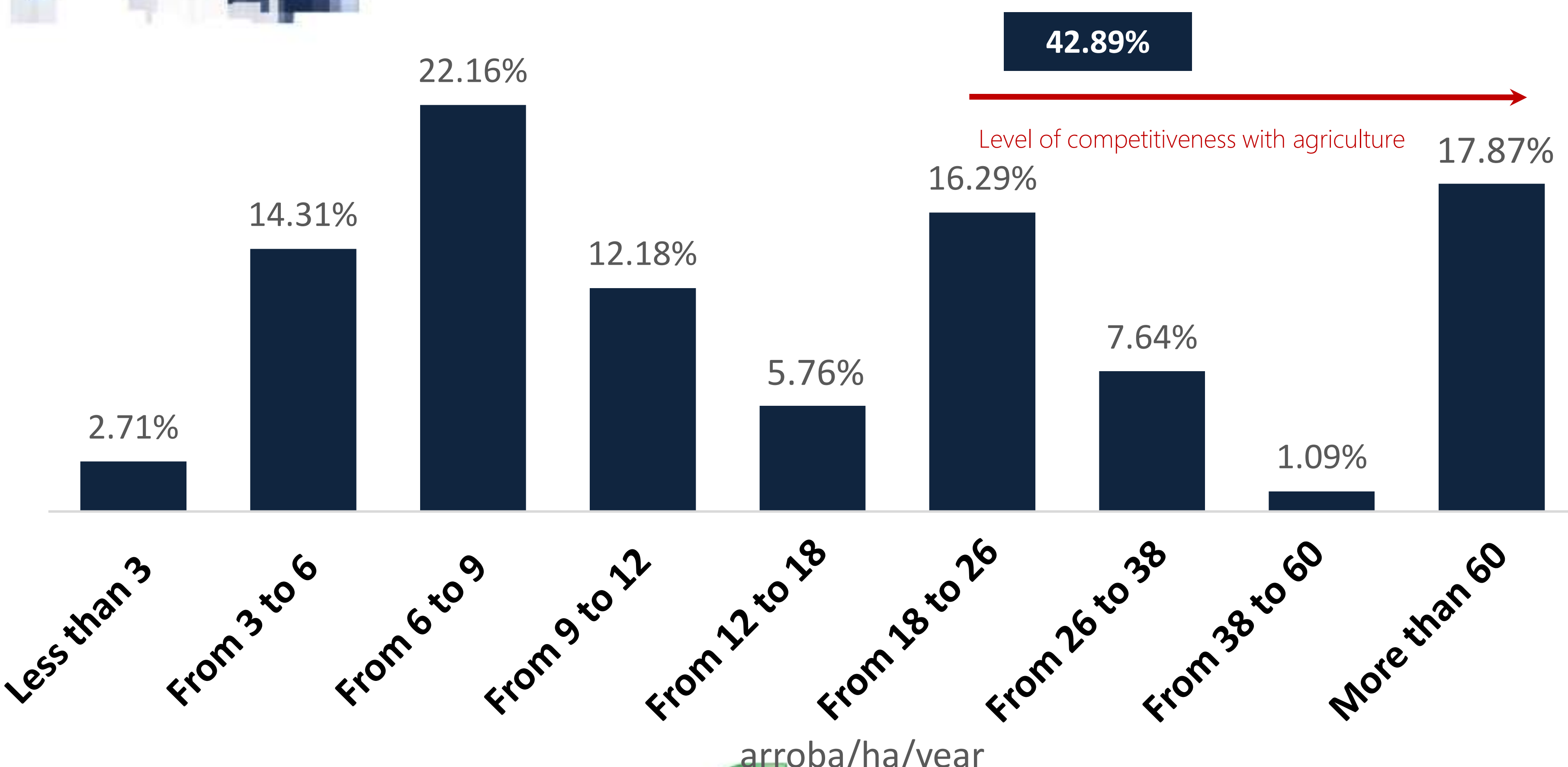


Rural producers are becoming increasingly aware

Source: Agroconsult, Cattle Raising Rally

PRODUCTIVITY - PRODUCERS IN THE CATTLE RAISING RALLY

Distribution of slaughter in relation to productivity

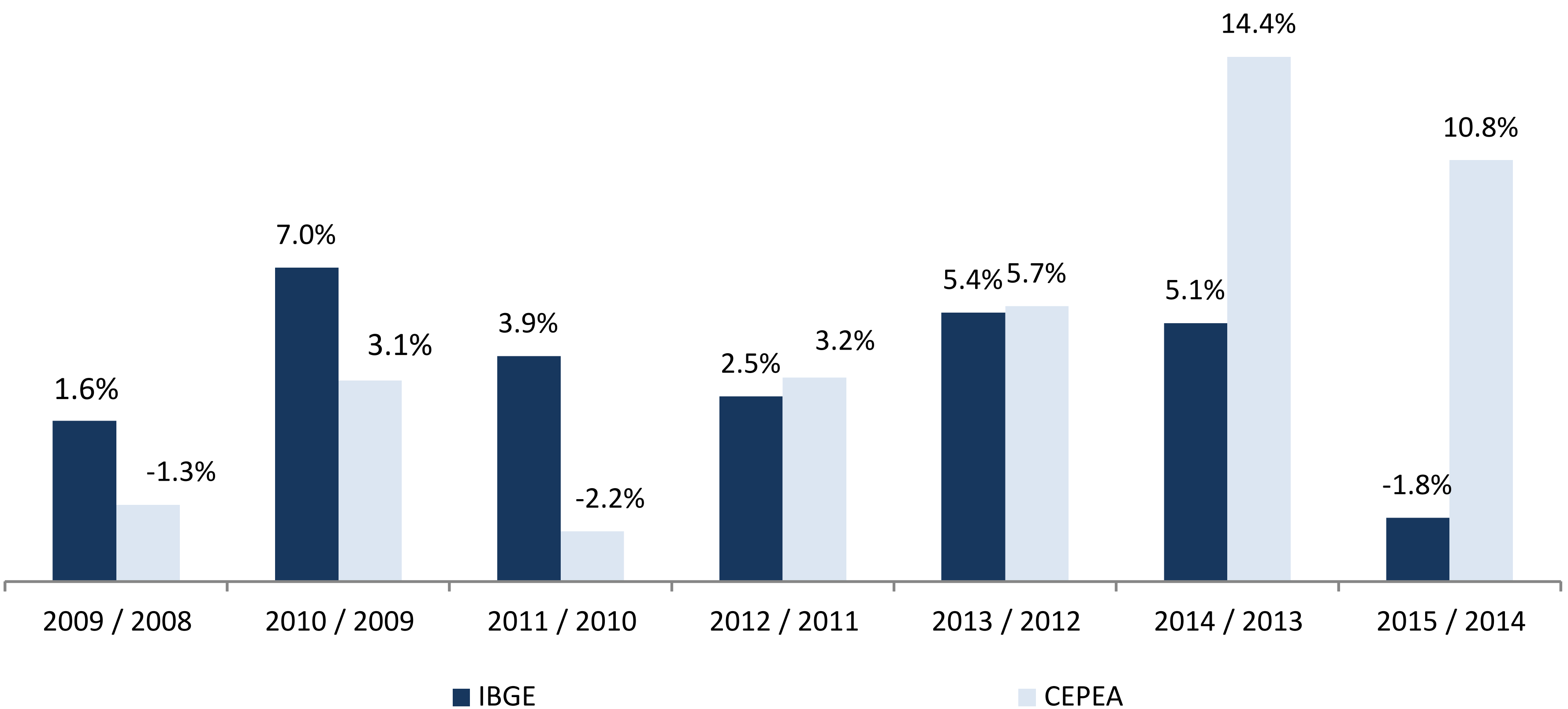


Rural producers are becoming increasingly aware

Source: Agroconsult, Cattle Raising Rally

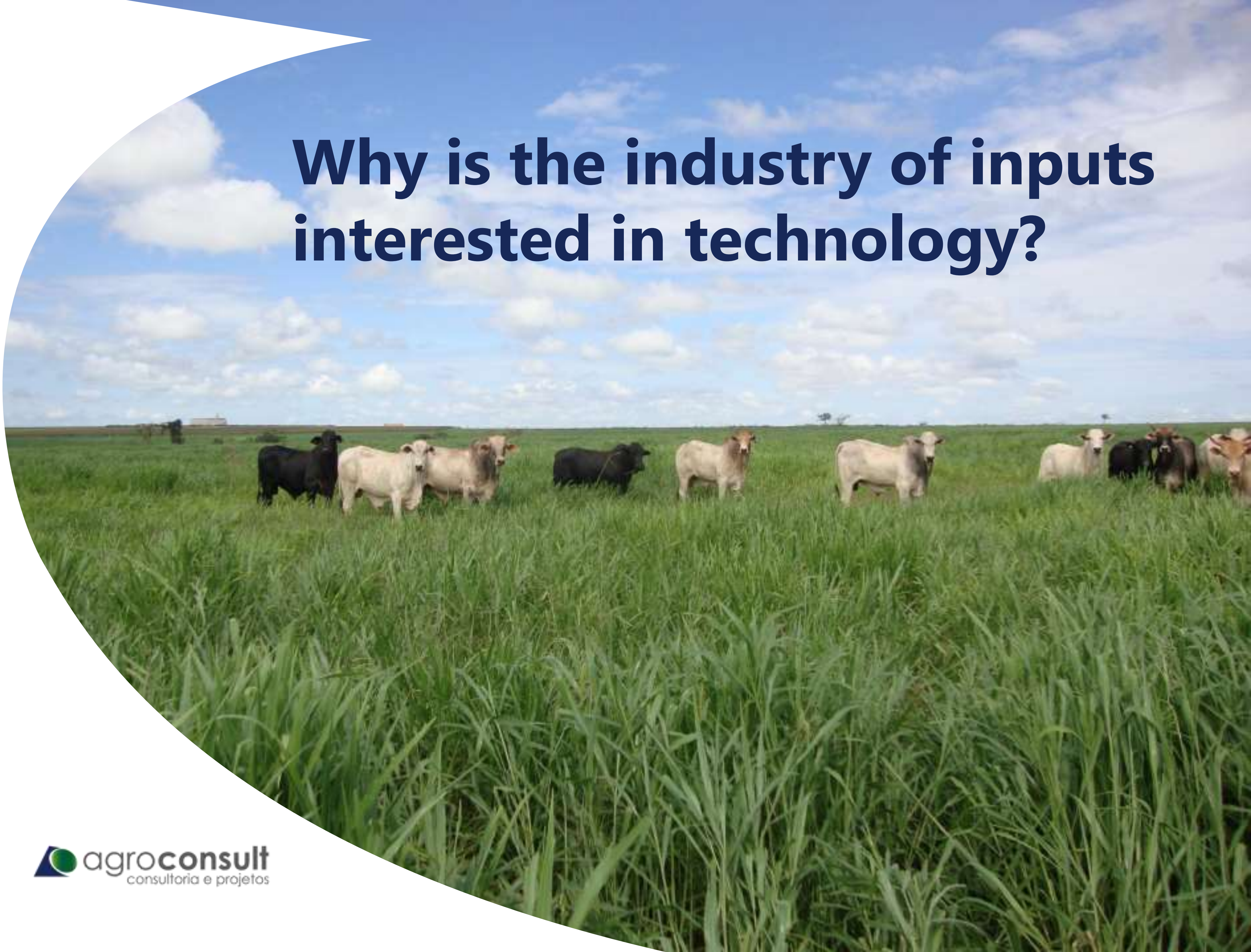
IS THE PROFESSIONAL PROFILE OF THE DAIRY CATTLE RAISING GETTING BETTER?

Changes in milk supply as compared to the previous year



Source: Agroconsult, Cepea,, IBGE

Why is the industry of inputs interested in technology?



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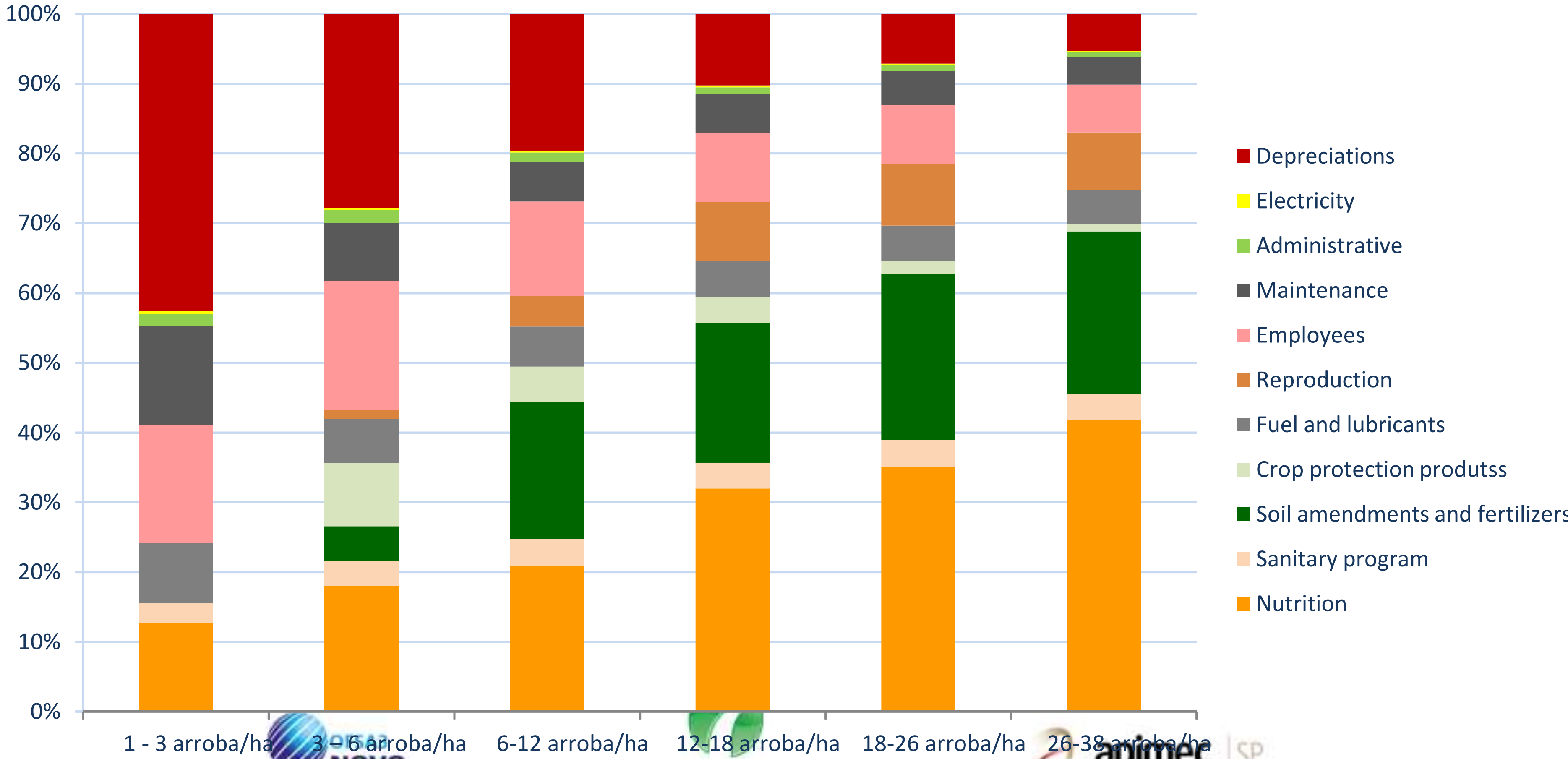
WHY IS THE INDUSTRY INTERESTED IN INCREASING THE TECHNOLOGICAL PACKAGE?

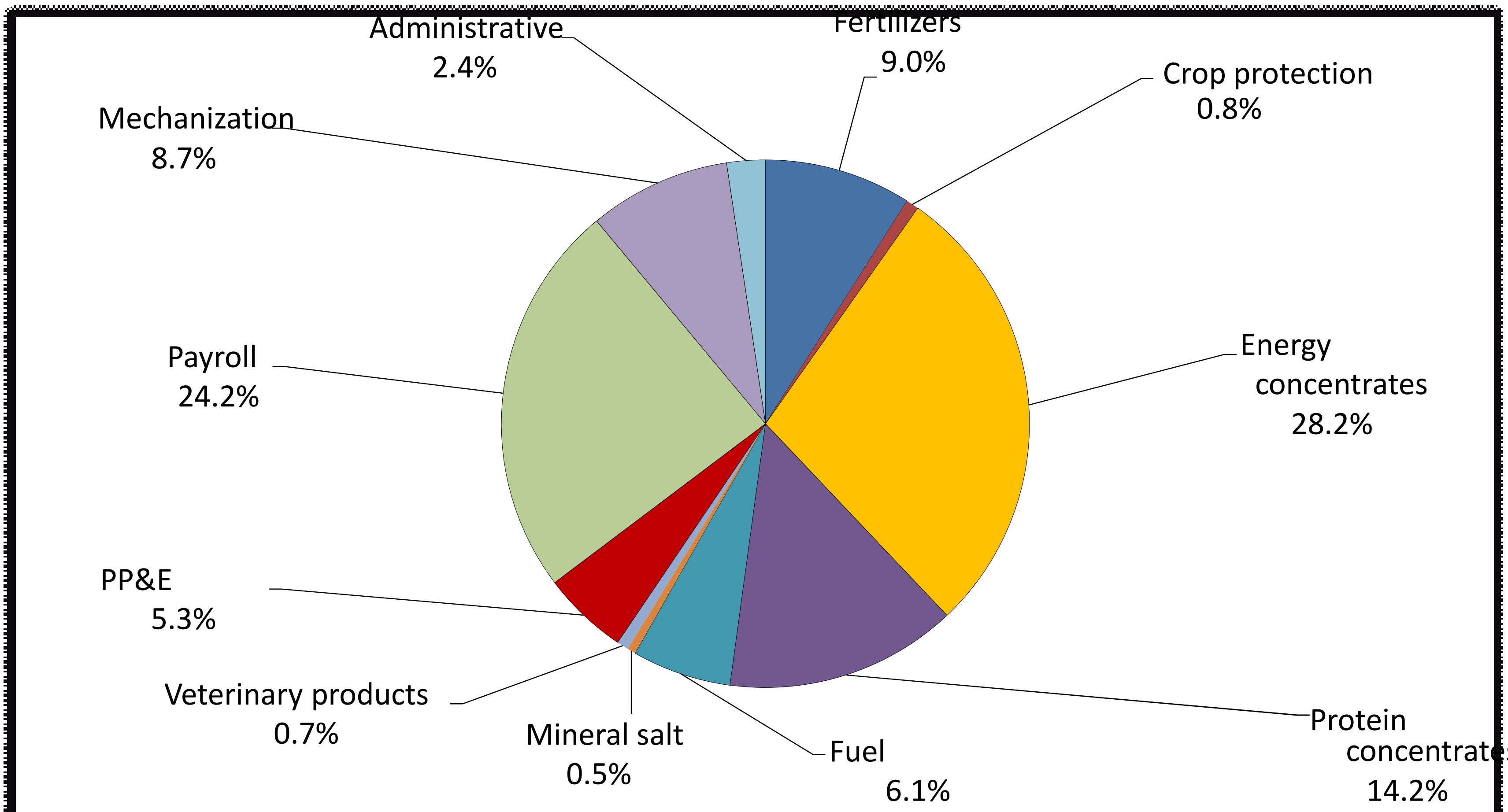


Source: Agroconsult

IN DAIRY CATTLE RAISING

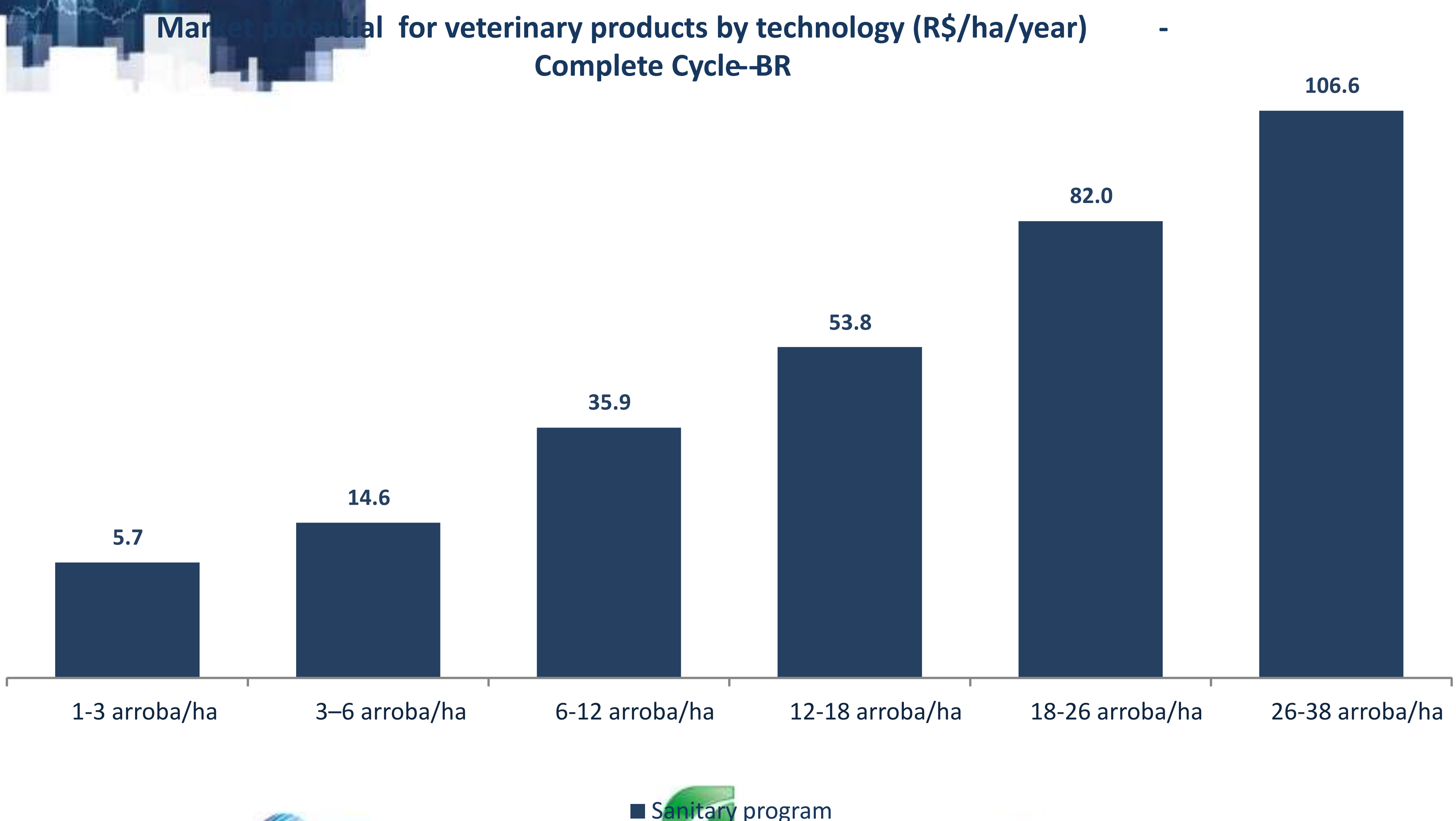
the reasoning is the same.

Breakdown of costs in dairy cattle raising



Source: Agroconsult

BREAKDOWN OF COSTS IN THE INTENSIFICATION PROCESS



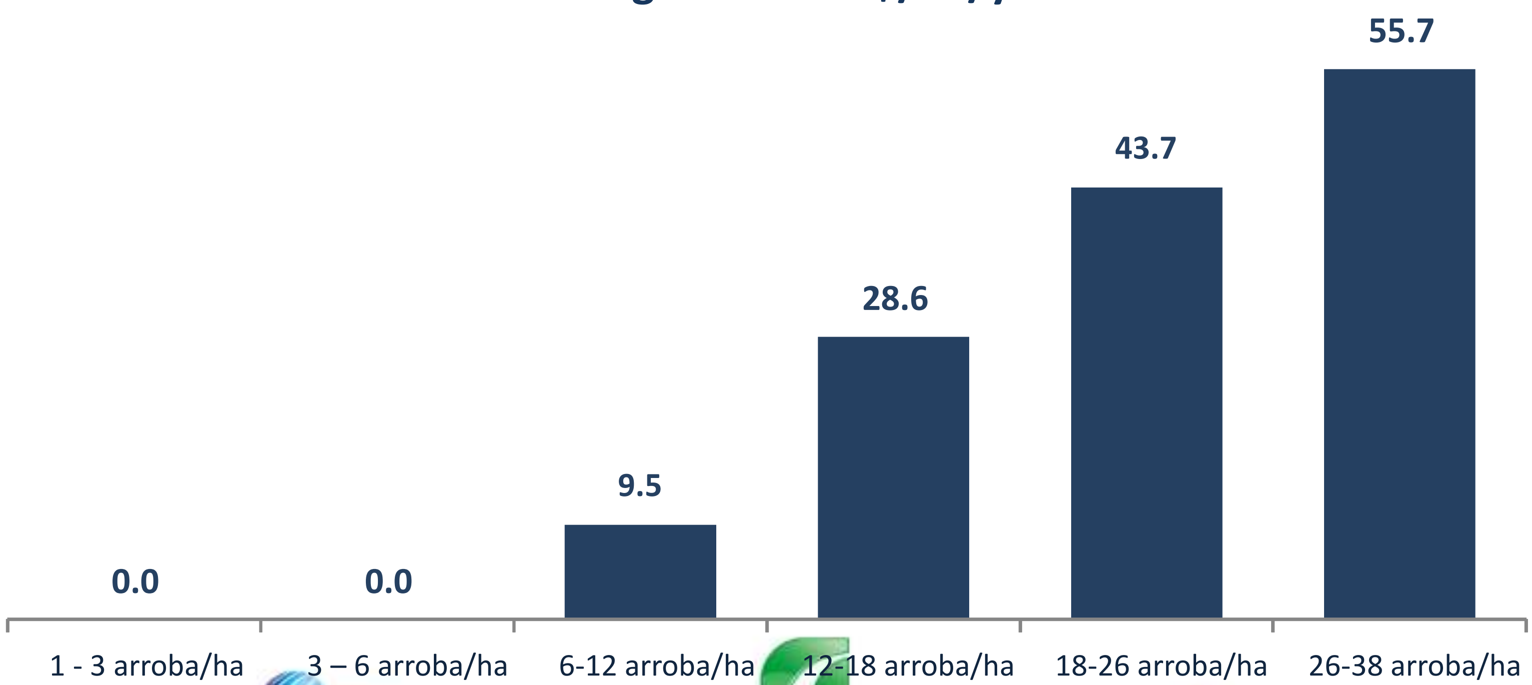
Source: Agroconsult

Direct costs of fixed-time artificial insemination (IATF) by technological level

Considering only the use of the protocols, not including the semen.

Estimate of costs per hectare by technology level in cattle raising

Market potential of IATF protocols with increased technological level R$/ha/year



Source: Agroconsult

Scenario and projections

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WHAT TO EXPECT IN THE LONG TERM?

- Urbanization, population, GDP growth in developing countries, the case of China and commodities

- Demand for protein in the world and in Brazil

- Beef exports = > India risk; health status

- The cattle raising cycle and the introduction of a novelty: "crop failure"

- Pigs and Poultry

- Milk and dairy products

BEEF CATTLE: WHAT TO EXPECT IN THE SHORT TERM?

- Improved margins for cold storage plants in the domestic market

- Profitability from exports in Reais. Decrease by 21.5% in US$ and increase by 6.5% in R$

- Pig and chicken market and opportunities for the coming weeks

- Impacts of overpricing trend in the calf market: on rebreeding/fattening and breeding

- Pastures in the first six-month period and the possibility of accelerating the preparation of animals as we approach year-end

- The demand will continue to exceed the supply

- Costs will exceed prices in 2016

Is the crisis making the producer insecure?

“The best way to predict your future is to create it”

Abraham Lincoln
Peter Drucker
Alvim Toffler
Ilya Prigogine, Alan Curtis Kay

Ourofino Day

Cattle Raising Team

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(A free translation of the original in Portuguese)

Ourofino Day

Production Animals

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Agenda

- Livestock Farming and Sector Trends
- Marketing Strategy
- Product Portfolio
- Growth Strategy

(A free translation of the original in Portuguese)

Livestock Farming Sector and Trends

Platforms of Productivity

Increase in demand for production (Beef and Milk)

Agriculture Opportunity (Production of Grains)

Environmental Issues (Carbon Footprint)

Increased PRODUCTIVITY (EFFICIENCY)

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Platforms of Productivity

GENETICS

- Poultry
- Pigs
- Dairy Cattle
- Beef Cattle

NUTRITION

Production efficiency ratio (kg)

Poultry	1.8 to 2.0
Pigs	2.8 to 3.0
Dairy Cattle	-
Beef Cattle	6.0 to 8.0

HEALTH

Sanitary costs (%)

Poultry	0.1%
Pigs	1.8%
Dairy Cattle	1.6 to 3.4%
Beef Cattle	5.0 to 6.4%

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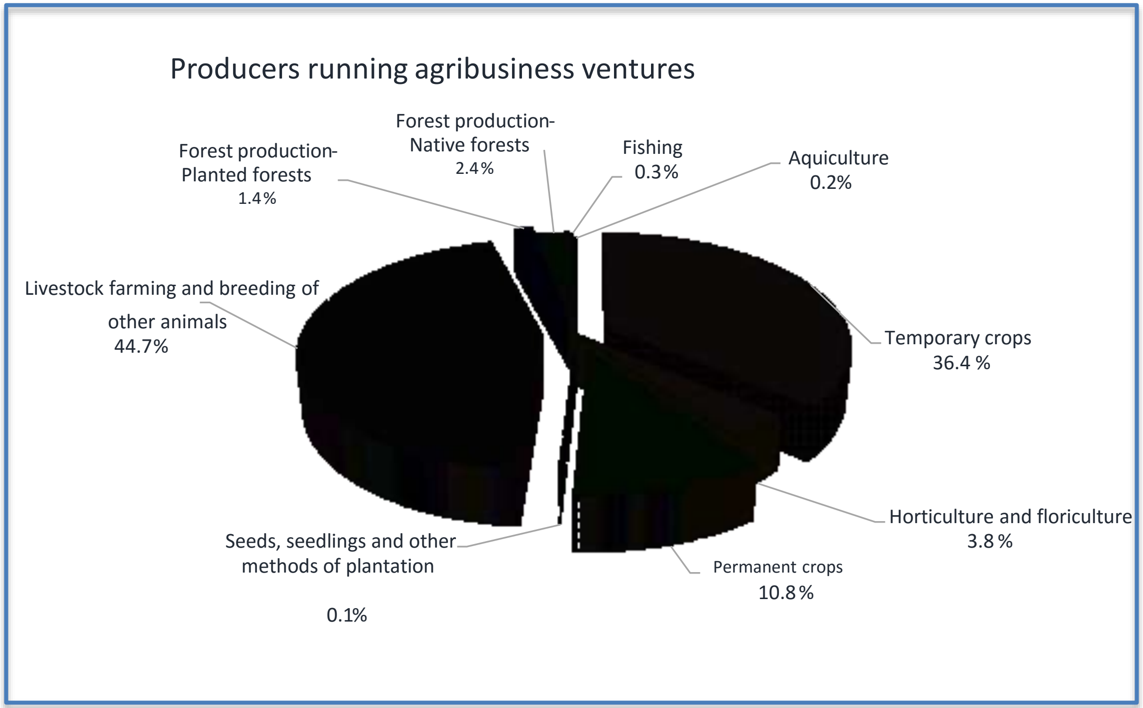
Marketing Strategy

Consumer Market

Livestock farming in the agrarian structure

- In 2006, there were 5.18 million producers running agribusiness ventures.
- Most of these producers were involved in livestock breeding projects. The portion referring to 44.7% of the total represented 2.3 million establishments dedicated to livestock farming. Although the current proportion of establishments tends to be similar to that of 2006, changes in the use of land might have led to significant changes in the occupancy pattern, particularly in the States of Mato Grosso and Mato Grosso do Sul.



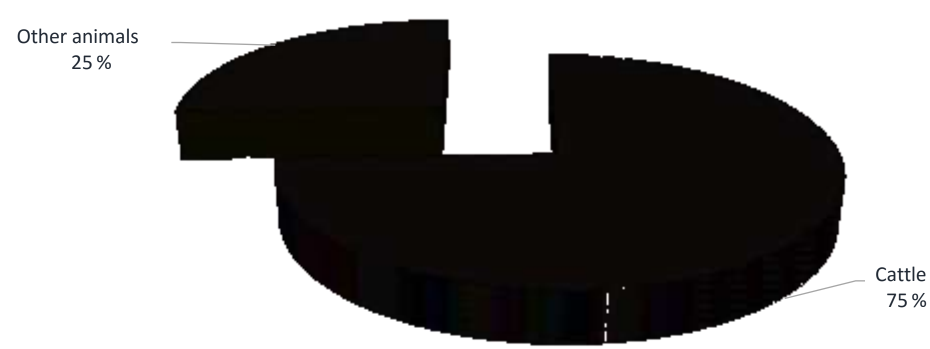
Source: Agroconsult

Consumer Market

Cattle breeding in livestock farming

- Of the 2.3 million establishments engaged in livestock farming, 1.73 million, or 75% of the total, are engaged in cattle breeding activities.
- For this reason, 'livestock breeder' has become a synonym for ‘cattle breeder’ and such generalization ends up confusing the analyses of market's statistics. Very often, general information on livestock farming is not clear and the understanding of an author's concept of livestock farming in a study or research may lead them to a subjective interpretation.
- Some cattle breeding farms may breed other animals as well for commercial purposes.

Percentage of cattle breeding in total livestock farming activity



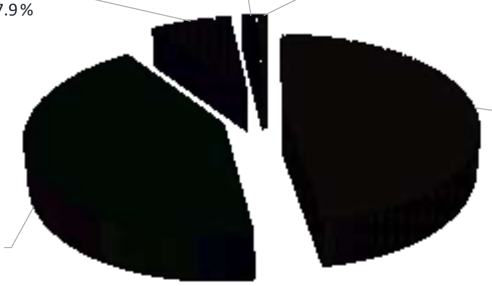
Source: Agroconsult

Consumer Market

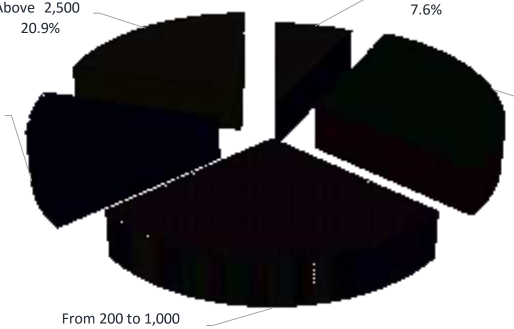
Establishments and livestock by area - ha

- Approximately 90% of the farms are smaller than 200 hectares

Distribution of establishments by area - ha



Distribution of livestock by area - ha



- Approximately 64% of the livestock is in farms smaller than 1,000 hectares
- Approximately 21% of the livestock is in 0.7% of the properties.
- The largest areas are located in the Amazon Biome.

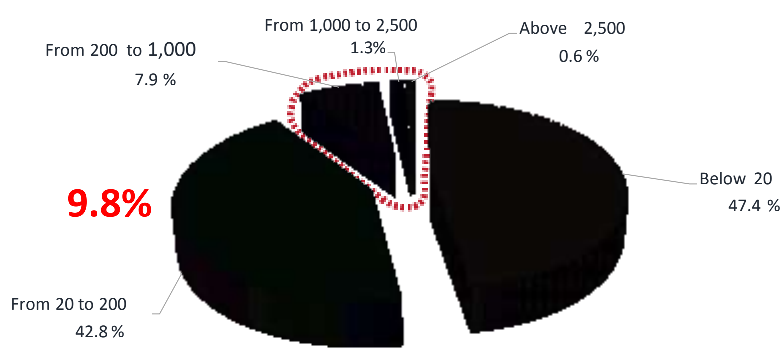
Source: Agroconsult

Consumer Market

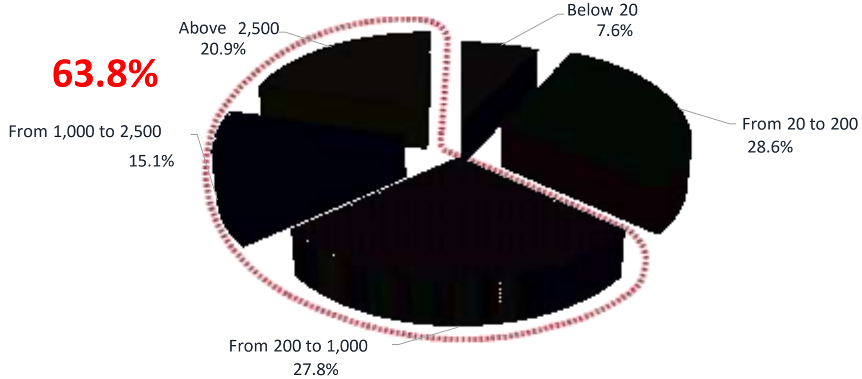
Establishments and livestock by area - ha

- Approximately 90% of the farms are smaller than 200 hectares

Distribution of establishments by area - ha



Distribution of livestock by area - ha



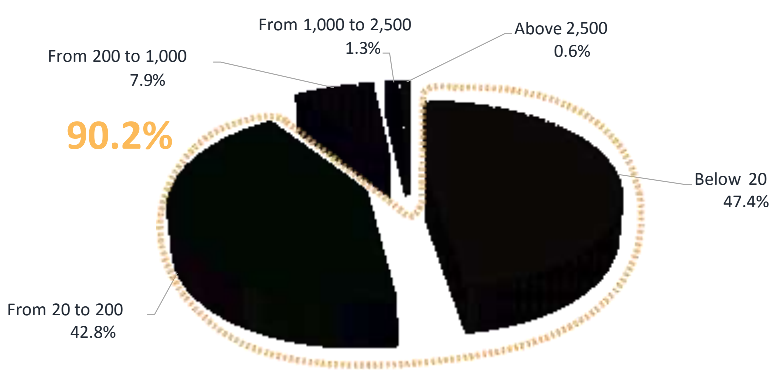
- Approximately 64% of the livestock is in farms smaller than 1,000 hectares
- Approximately 21% of the livestock is in 0.7% of the properties.
- The largest areas are located in the Amazon Biome.

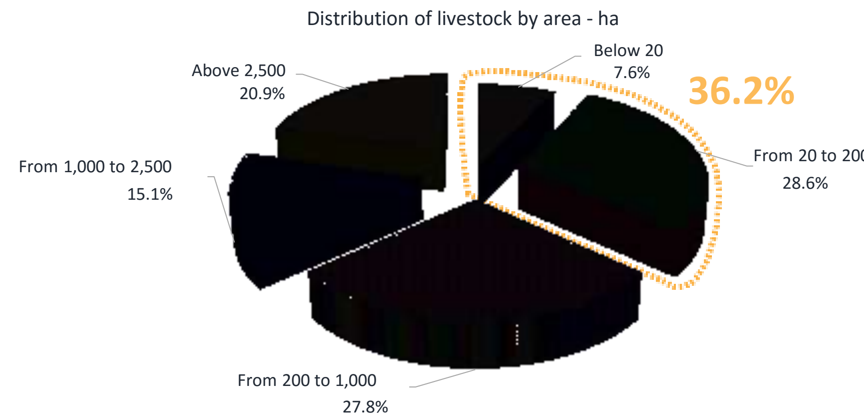
Source: Agroconsult

Consumer Market

Establishments and livestock by area - ha

- Approximately 90% of the farms are smaller than 200 hectares





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Consumer Market

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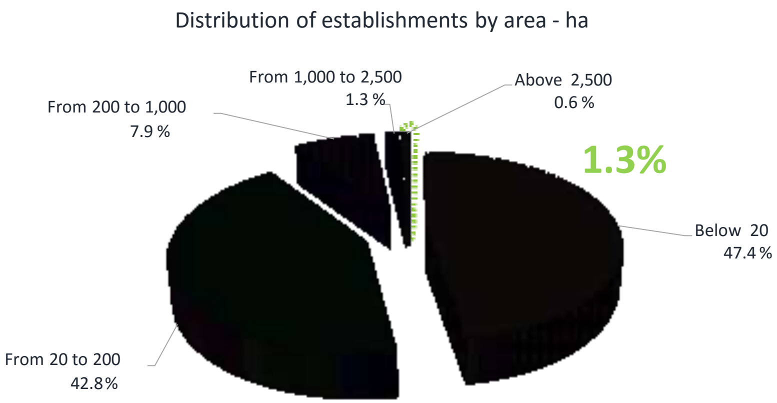

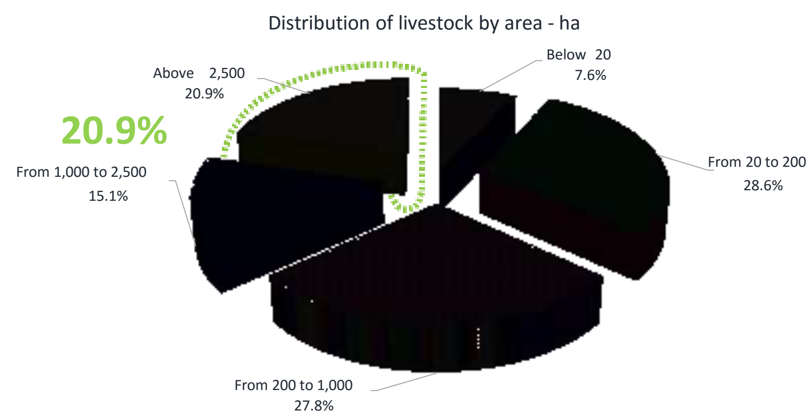

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Source: Agroconsult

Distribution Models

Straight Distribution

Manufacturer → Distributor → Resellers → Consumers

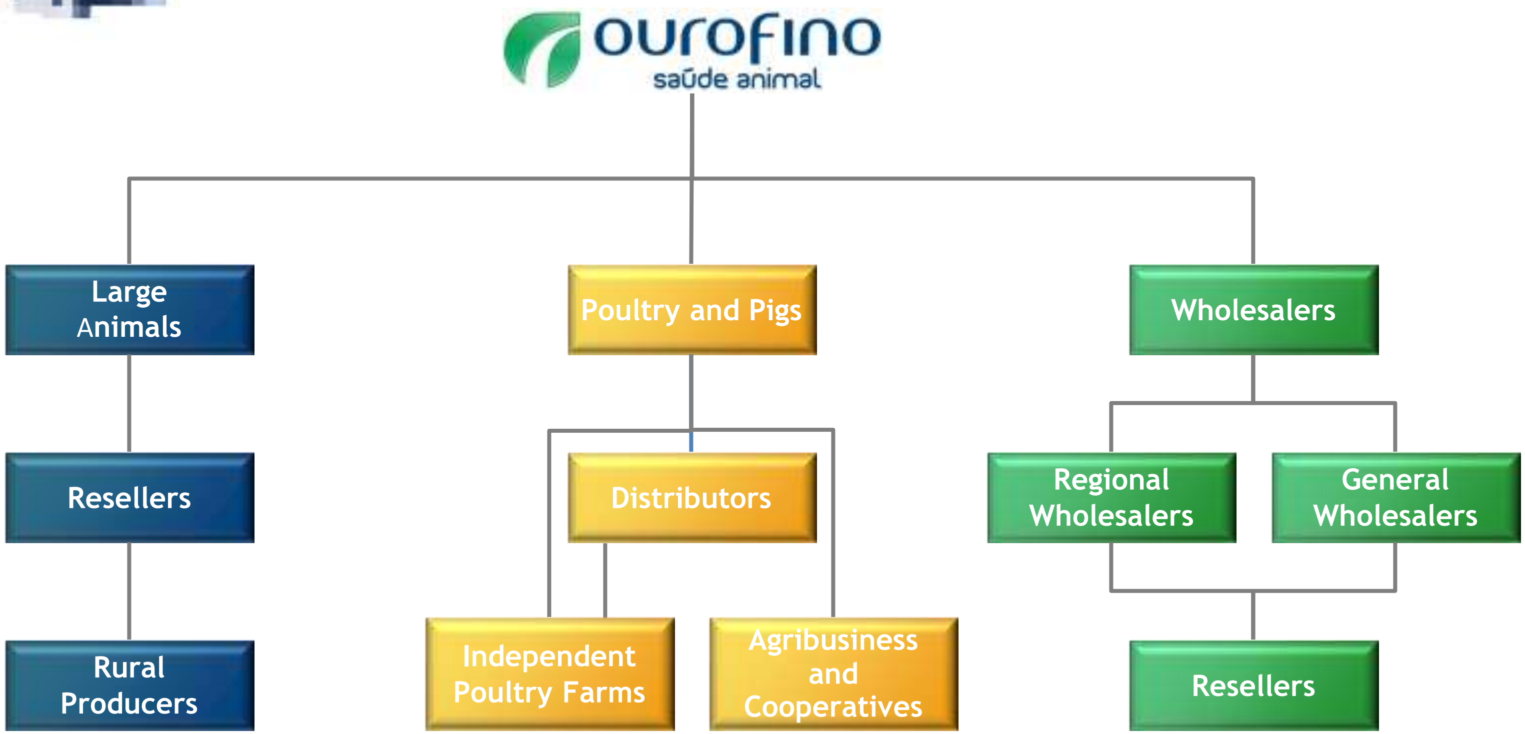
Distribution through Resale

Manufacturer → Resellers → Consumers

Direct Sales

Manufacturer → Consumers

Commercial Model



Livestock Breeder's Needs

- Specialized consulting
- Technical support

- Knowledge of animal health
- Property management

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Approach strategies
Product Solutions

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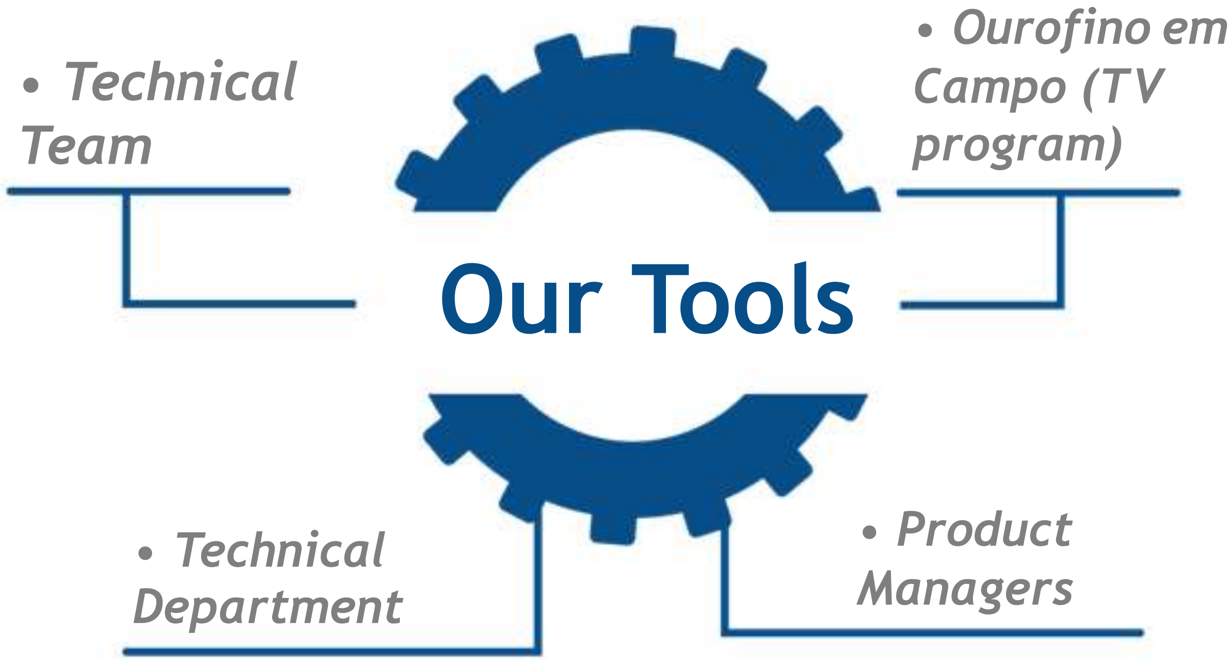
Approach strategies
Service Solutions



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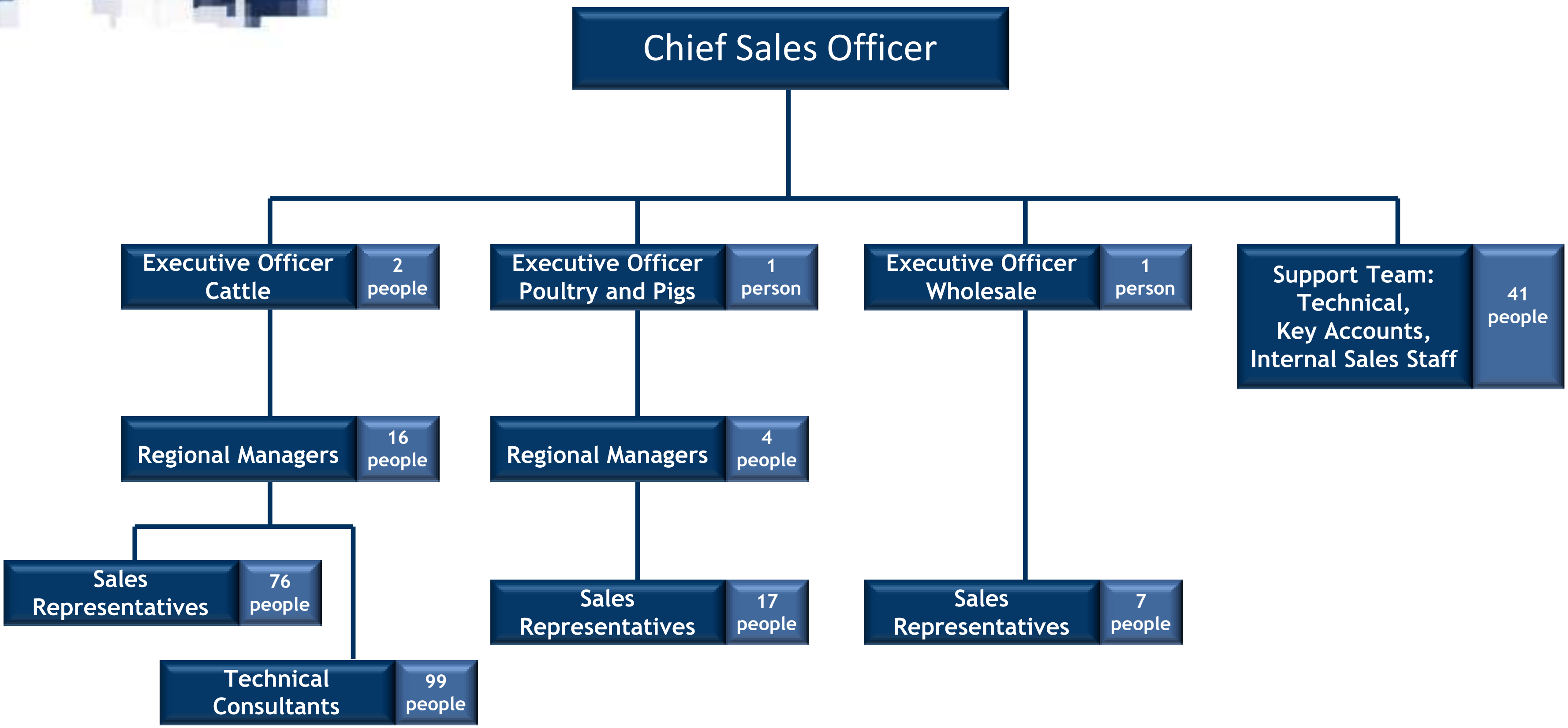
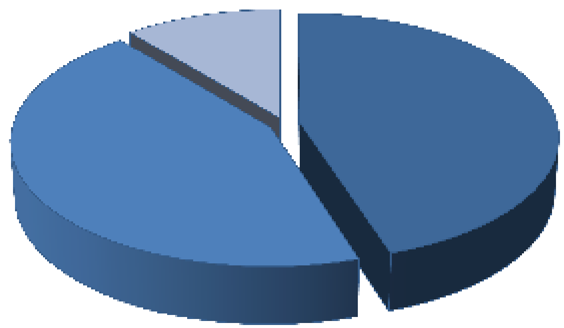
Commercial Organization Chart - Sales Teams



Distribution of the Sales Force

Directors and Managers: 11%



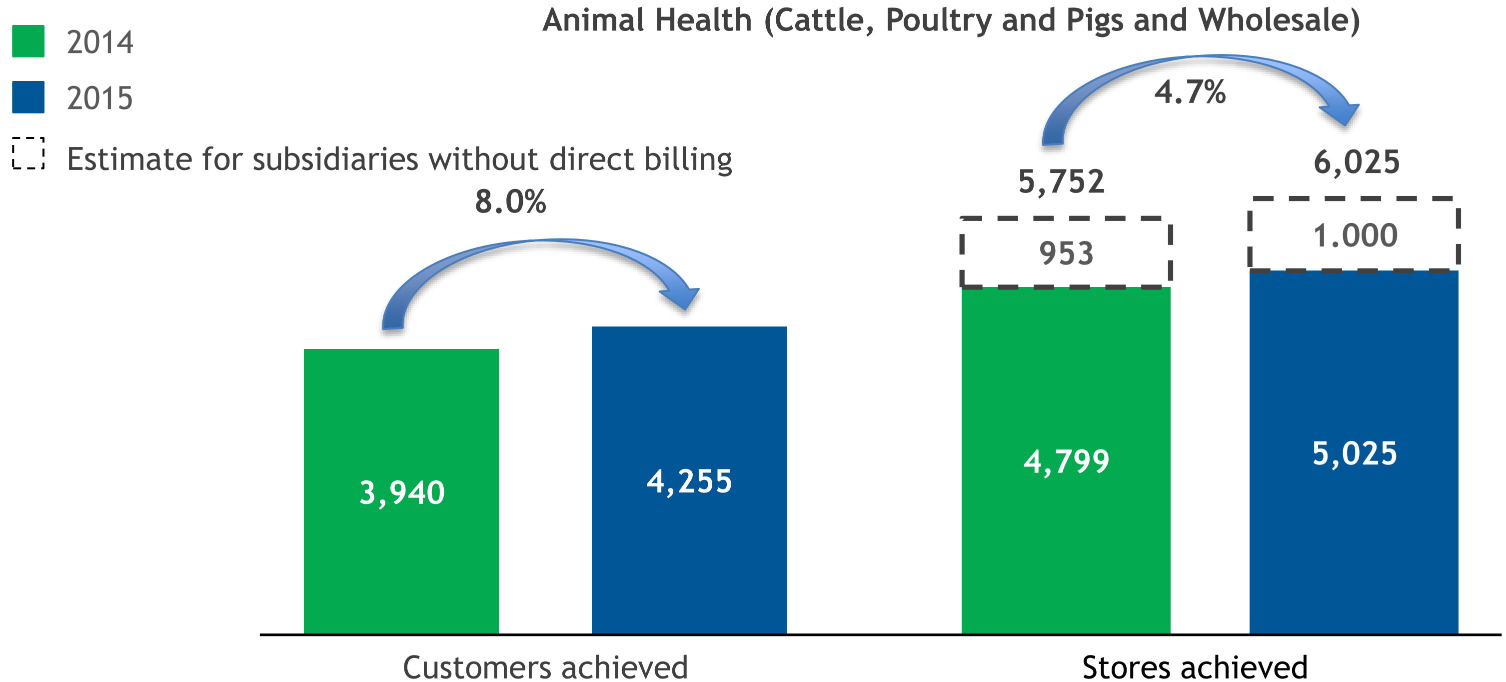
Sales Representatives: 45%

Technical Consultants: 44%

Commercial Organization Chart - Support Teams

Customers

Sales success rate - 2014 x 2015 (estimate)



Control of Demand - End Consumers

Control of

40%

demand at the End Consumer

41 thousand

Visits to Production Units in the period from January to September 2015

13,712

Visits to Different Production Units in the period from January to September 2015

20,224

Successful visits to Production Units in the period from January to September 2015

Portfolio of Products

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Portfolio of Products

Ectoparasiticides - Cattle

Endectoparasiticides - Cattle

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Portfolio of Products

Dairy Line - Cattle

Anti-inflammatories - Cattle

Biologicals - Cattle

Antibiotics - Cattle

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ASSOCIAÇÃO DOS ANALISTAS E PROFISSIONAIS DE INVESTIMENTO DO MERCADO DE CAPITAIS

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Portfolio of Products

Poultry and Pigs

Equines

Breeding Line

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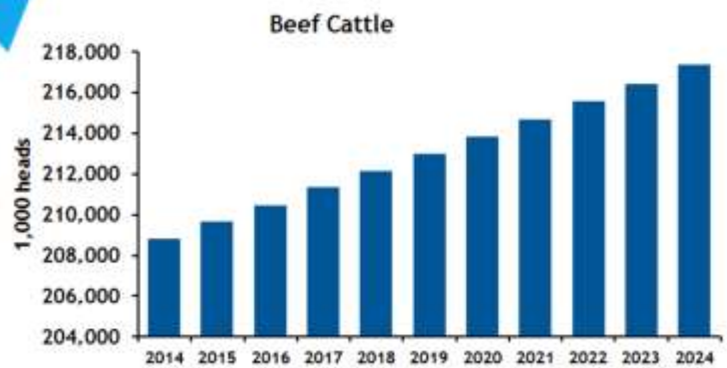
Growth Strategies

Productivity Projections Increase in Beef and Dairy Cattle

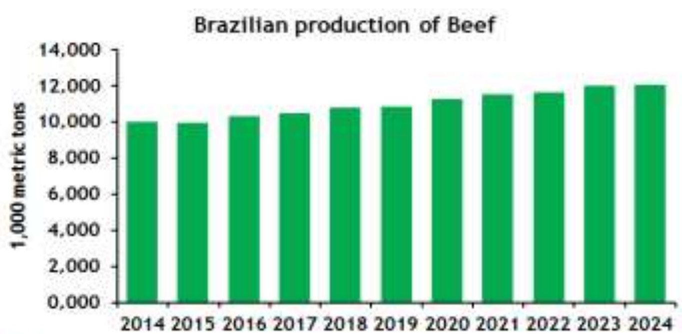
+4%

Beef Cattle

+4%



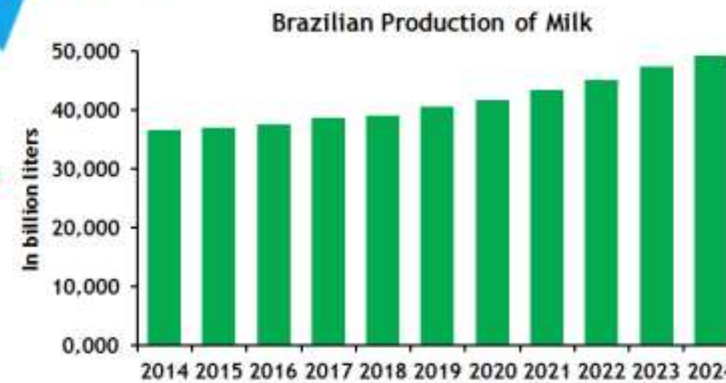
Production
+21%



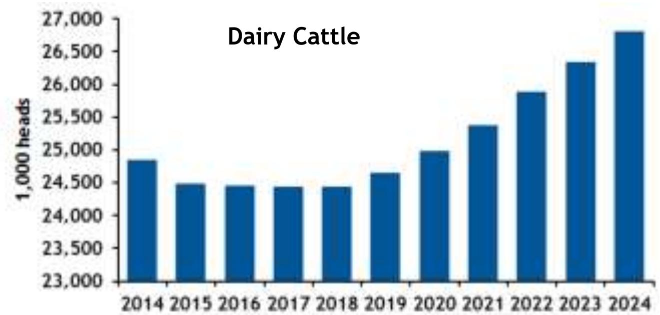
+21%

+45%

Production
+45%

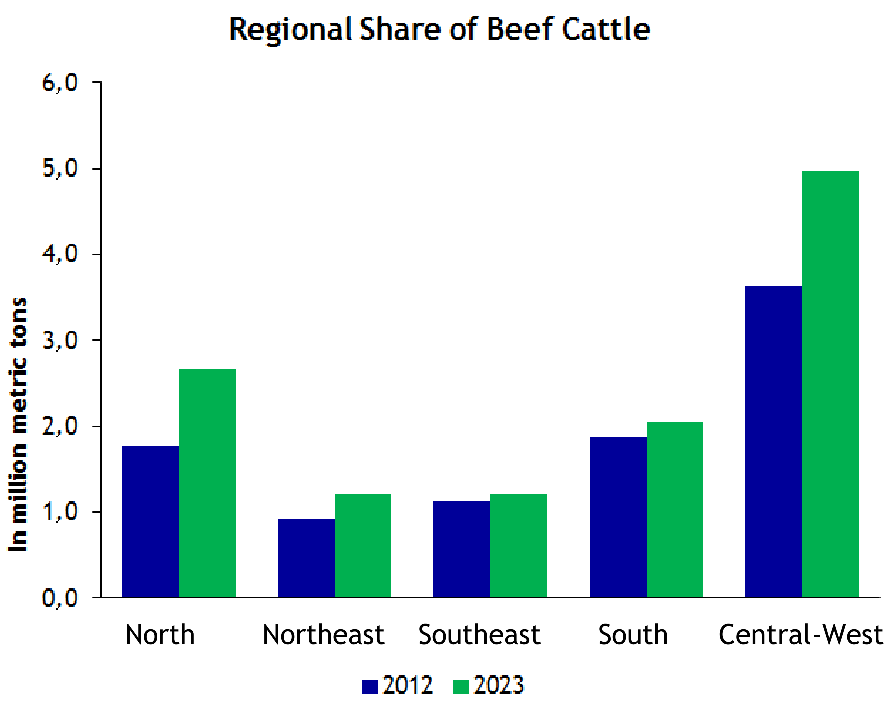


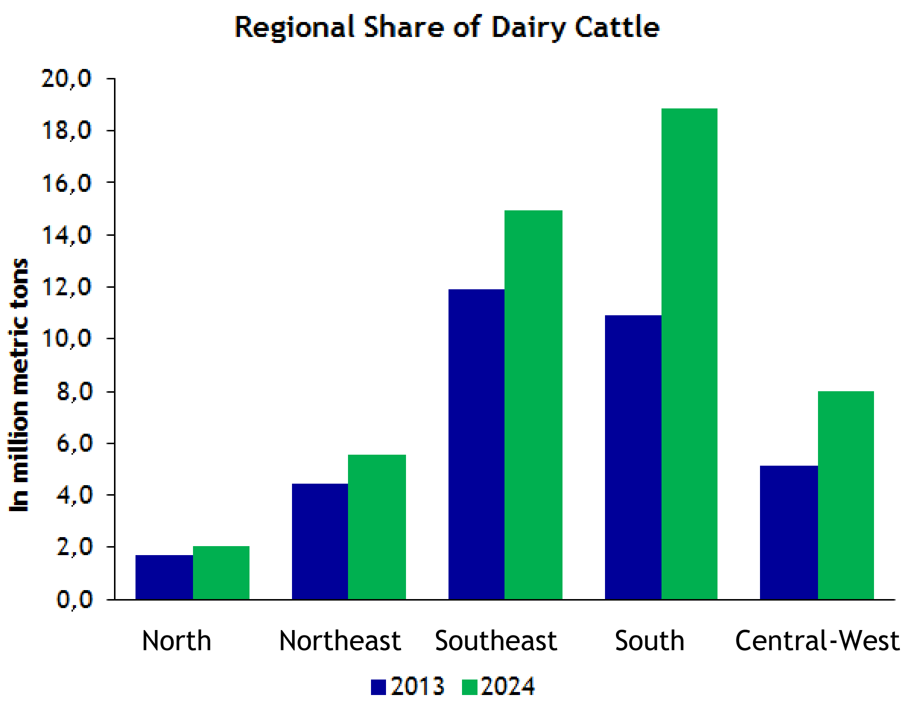
Livestock
+14%



+14%

Regional Projections of Beef and Milk Production





Evolution of Market Share

Focus on the occupation of areas under development

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