



Cosan S/A (CSAN3)

3Q15 Earnings Presentation

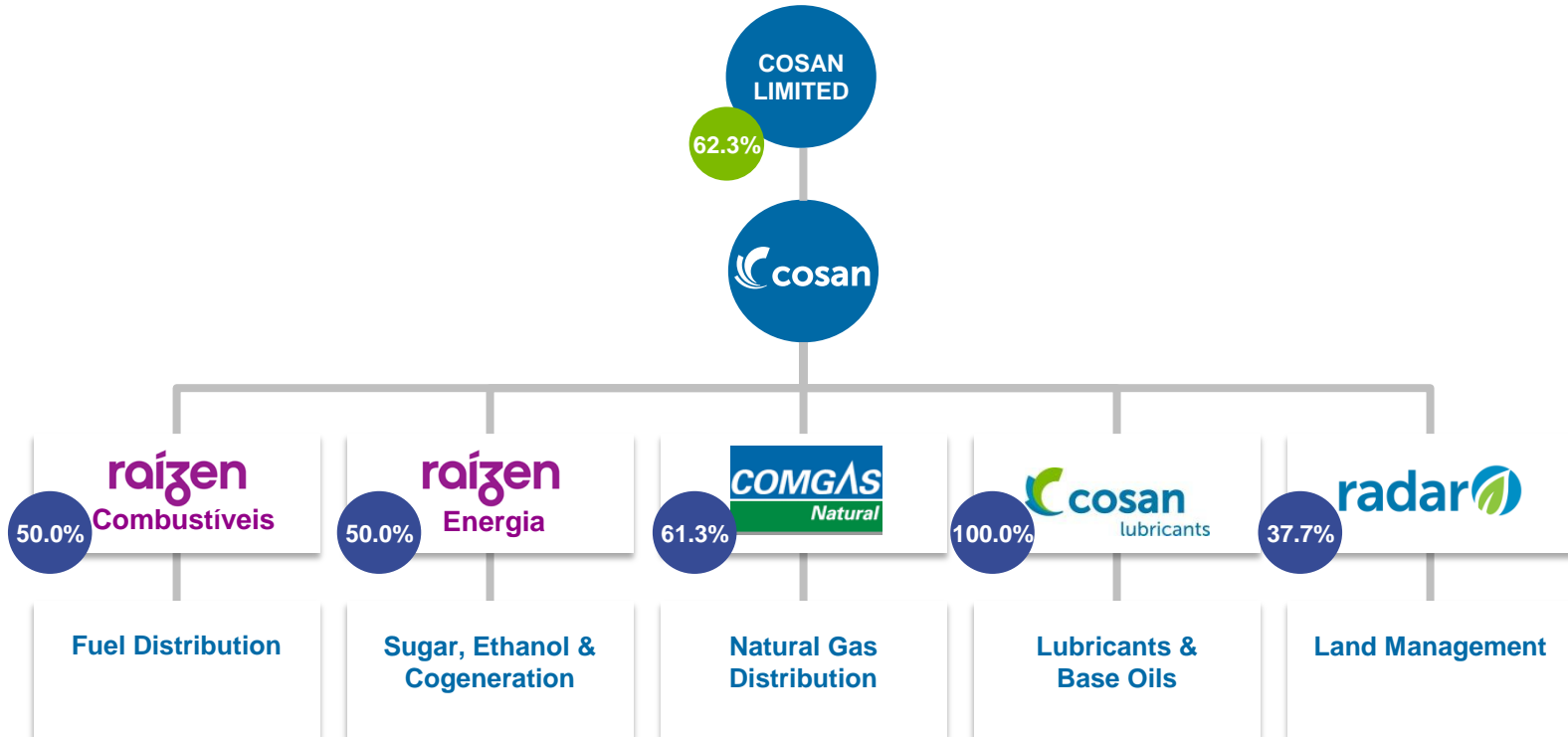
November 12, 2015

DISCLAIMER

This presentation contains estimates and forward-looking statements regarding our strategy and opportunities for future growth. Such information is mainly based on our current expectations and estimates or projections of future events and trends, which affect or may affect our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others: (1) general economic, political, demographic and business conditions in Brazil and particularly in the geographic markets we serve; (2) inflation, depreciation and devaluation of the real; (3) competitive developments in the ethanol and sugar industries; (4) our ability to implement our capital expenditure plan, including our ability to arrange financing when required and on reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in customer demand; (7) changes in our businesses; (8) government interventions resulting in changes in the economy, taxes, rates or regulatory environment; and (9) other factors that may affect our financial condition, liquidity and results of our operations.

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made and we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Our future results may differ materially from those expressed in these estimates and forward-looking statements. In light of the risks and uncertainties described above the estimates and forward-looking statements discussed in this presentation might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to the factors mentioned above. Because of these uncertainties you should not make any investment decision based on these estimates and forward-looking statements.

Cosan S/A | Business Units

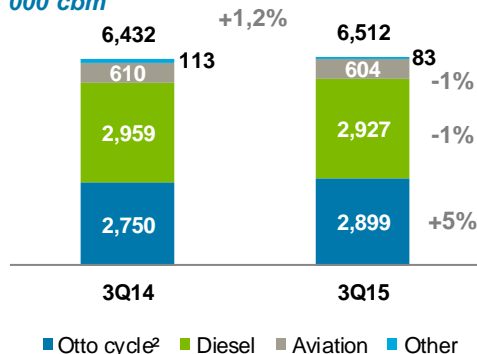


Raízen Combustíveis | Resilience of the Otto cycle and volume growth above the market

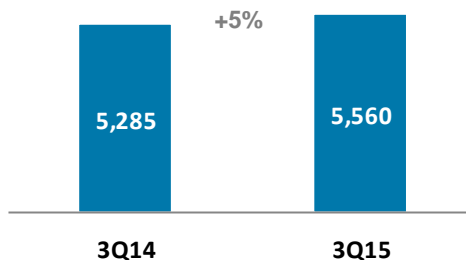
The Adjusted EBITDA grew 7% compared to 3Q14 (+9% based on reported numbers) due to 1.2% growth in total volumes (market volumes dropped 3.1%, source ANP) and better margins.

Sales Volume¹

'000 cbm



Service Stations (#)

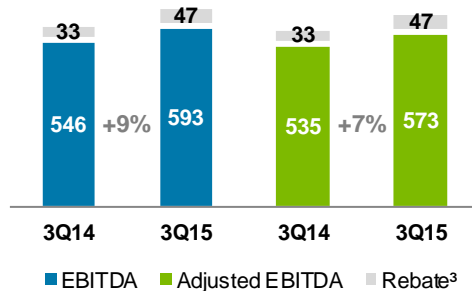


- Network expansion coupled with higher demand for ethanol contributed to the increase in the Otto-cycle sales

- Adjusted EBITDA excludes the asset sales:
3Q14: +BRL 11 million
3Q15: +BRL 20 million

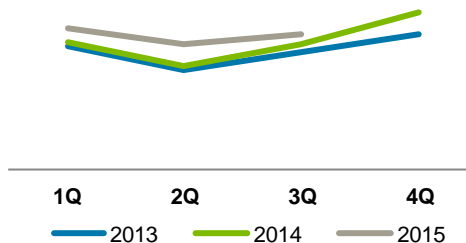
EBITDA & Adjusted EBITDA

BRL mln



Quarterly Adjusted EBITDA Performance

BRL/cbm



- Expansion of ethanol unit margin and strong volume growth contributing to the EBITDA growth

Note 1: Volumes based on Sindicom methodology.

Note 2: Otto cycle composed of gasoline + ethanol volumes.

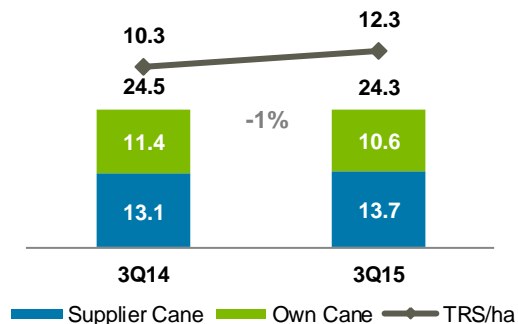
Note 3: The rebate represents the discounts granted to resellers for meeting the volume targets agreed upon at each contract signing.

Raízen Energia | Catch up in crushing in spite of abnormally high rains in the period

Higher agricultural and industrial productivity levels allowed the catch up in crushing this harvest. Adjusted EBITDA increased 20% boosted by higher sales of sugar (+18%) and ethanol (+11%), complemented by better prices.

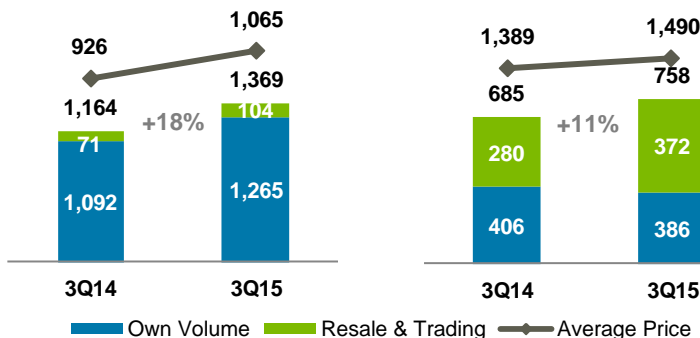
Crushing Volumes & Agri. Productivity⁴

'000 ton & ton of TRS/ha

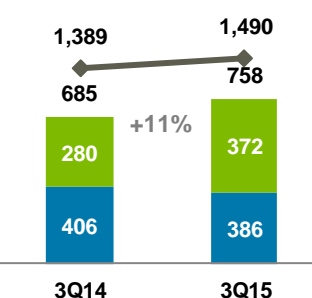


Volumes & Prices

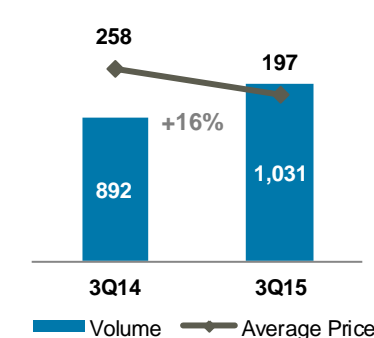
Sugar
(^{'000} ton & BRL/ton)



Ethanol
(^{'000} cbm & BRL/cbm)

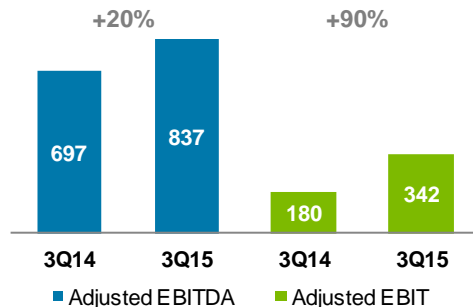


Cogeneration
(^{'000} MWh & BRL/MWh)



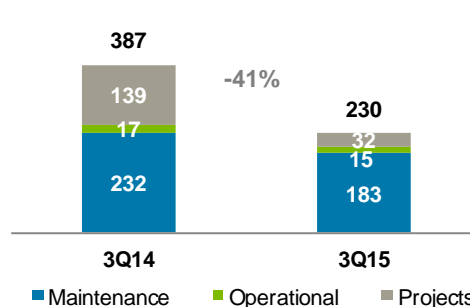
Adjusted EBITDA & EBIT⁵

BRL mln



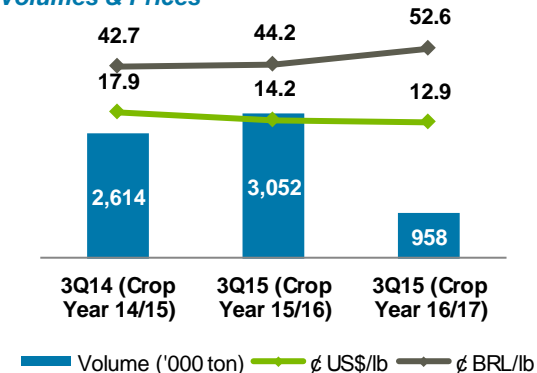
CAPEX

BRL mln



Hedge

Volumes & Prices



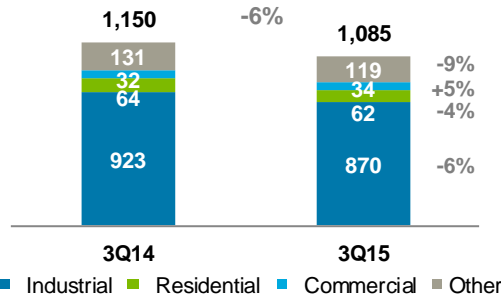
Note 4: Measured by tons of TRS per hectare.

Note 5: EBITDA adjusted by (i) Variation in Biological Assets and (ii) Hedge Accounting.

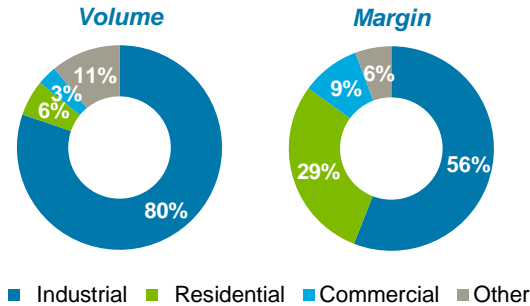
Comgás | Normalized EBITDA increased 6% despite lower volumes

The Normalized EBITDA reached BRL 380 million impacted by better sales mix, operating expenses control and tariff adjustments.

Sales Volume⁶
'000 cbm

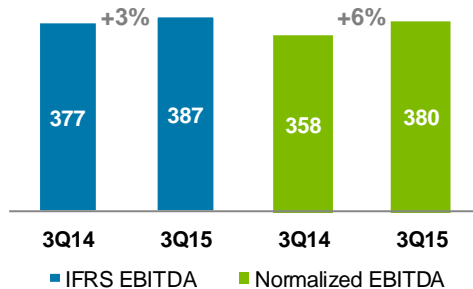


Contribution by segment⁶ 3Q15

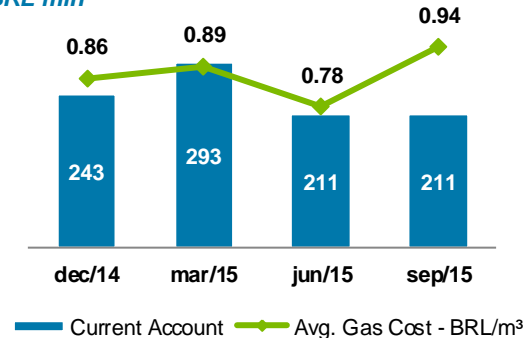


- Over 1,100 new connections (LTM) in the commercial segment supported sales volume growth
- In the residential segment, over 110 thousand new connections (LTM) partially offset the decline in unit consumption (-8% vs -4% in total volumes)
- Industrial segment remains impacted by the economic slowdown
- No recovery in regulatory current account due to the BRL depreciation
- Comgás is waiting for the regulator (ARSESP) to define the next steps of the 2014-19 tariff revision cycle

EBITDA & Normalized EBITDA⁷
BRL mln



Regulatory Current Account
BRL mln



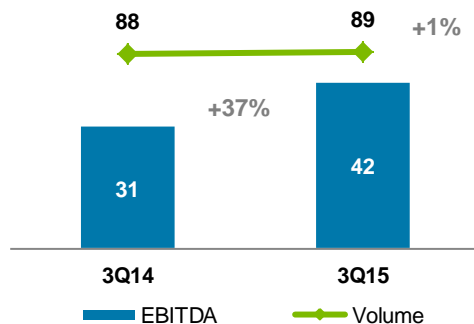
Note 6: Excludes thermal power.

Note 7: Normalized EBITDA by the effect from the Regulatory Current Account.

Lubricants

- EBITDA expansion from international operations and better sales mix (finished lubes vs. base oil and synthetic vs. mineral)
- 1% of volume growth, despite of lower economic activity in Brazil

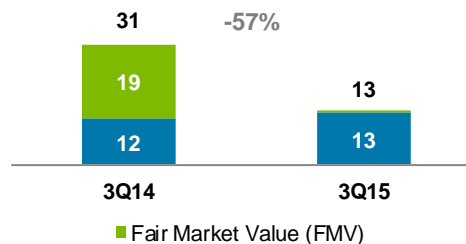
EBITDA & Sales Volume BRL mln and '000 cbm



Radar

- Lower sales of own land in the quarter
- No variation of the Fair Market Value of the own portfolio

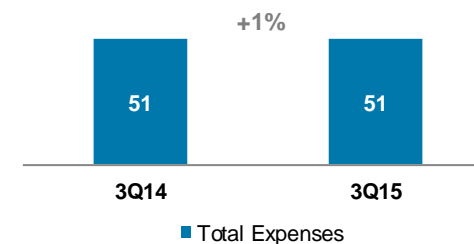
EBITDA BRL mln



Other Businesses

- 3Q15 includes mainly corporate expenses (consulting services, payroll and other) and contingencies

Adjusted Expenses BRL mln

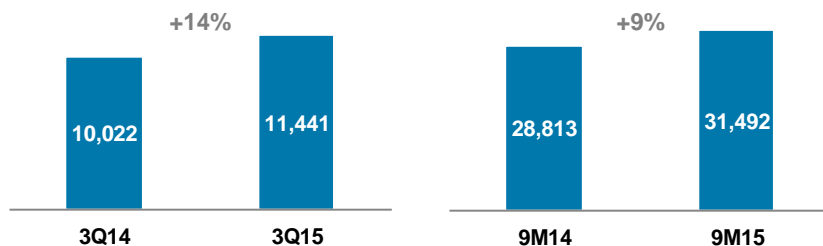


Cosan S/A Pro forma | Highlights

The Adjusted Pro forma EBITDA reached BRL 1,090 million (BRL 992 million reported). The cash burn of the quarter (FCFE basis, including 50% of Raízen) was of BRL 136 million on the quarter, mainly due to higher working capital at Raízen Energia.

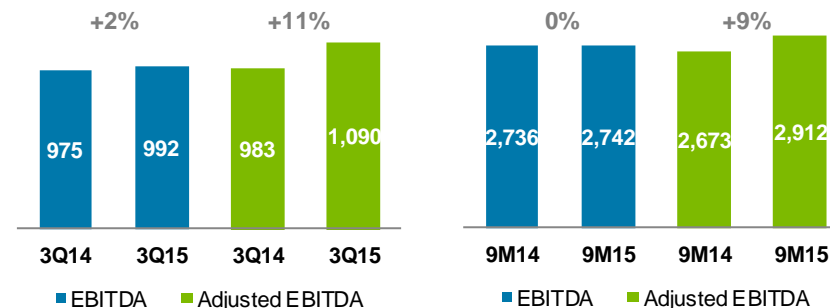
Net Revenue⁸

BRL mln



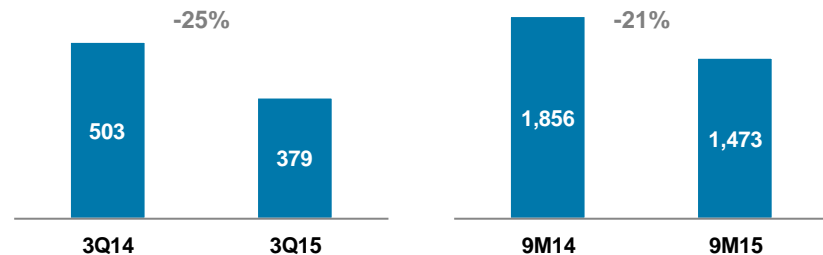
EBITDA⁸ & Adjusted EBITDA

BRL mln



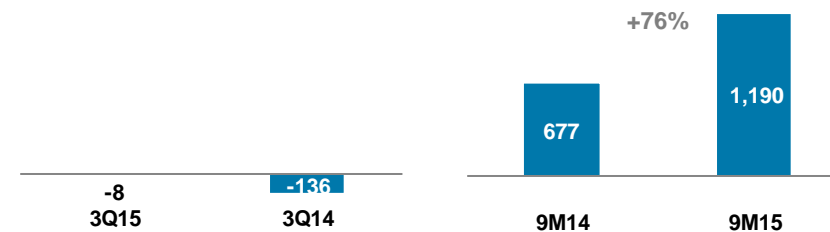
CAPEX⁸

BRL mln



Free Cash Flow to the Equity⁸

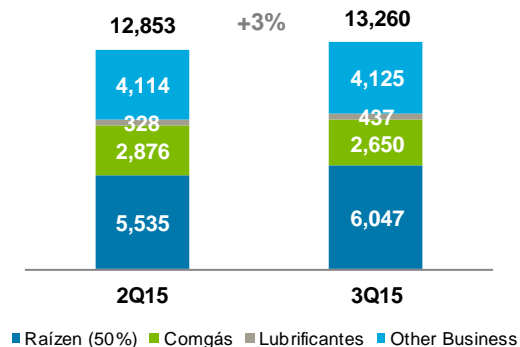
BRL mln



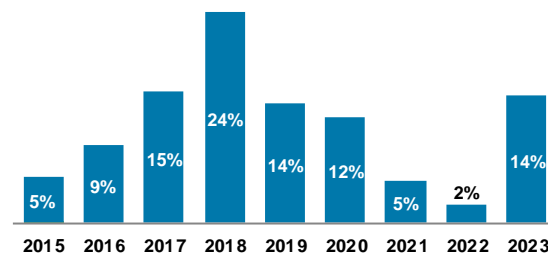
Debt and Leverage | Stable Net Debt/EBITDA ratio

Gross Debt⁹

BRL mln



Debt Amortization Profile⁹



Gross Debt

- BRL 345 million raised mainly at Raízen Energia
- 50% is USD denominated, 100% hedged

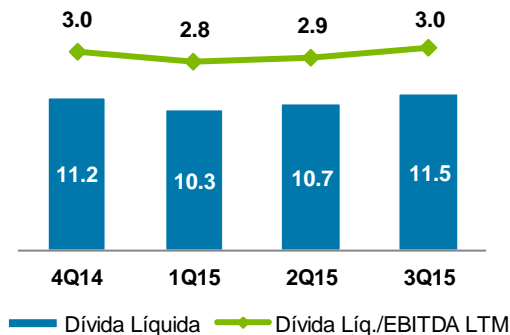
Cash Generation & Net Debt

BRL mln

Cash Flow Reconciliation ⁹ BRL MM	3T15	3T14	Var. %
Operational Cash Flow	593	674	-12%
Cash Flow after Investments	(347)	(467)	-26%
Cash Flow from Financing Activities	(382)	(216)	77%
Net Dividends	(149)	73	n/a
Cash Generation (Burn) on the period	(258)	66	n/a
Cash and Cash Equivalents	3,904	4,154	-6%
Net Debt	11,462	10,870	5%
LTM EBITDA	3,769	3,672	3%
Leverage (Net Debt/EBITDA)	3,0 x	3,0 x	3%

Leverage⁹

BRL bln



Debt Profile

- Average cost of debt of Cosan Pro forma: 94% CDI

Leverage

- 3,0x net debt/EBITDA – increase on ratio caused by higher gross debt and cash burn at Raízen

Guidance 2015 | No review

		Actual 2014 (jan-dec/14)	Guidance 2015 (jan-dec/15)
Cosan S/A Consolidated	Pro forma Net Revenue (BRL Mln)	39,083	42,000 ≤ Δ ≤ 45,000
	Pro forma EBITDA (BRL Mln)	3,763	4,000 ≤ Δ ≤ 4,300
Raízen Combustíveis	EBITDA (BRL Mln)	2,153	2,300 ≤ Δ ≤ 2,500
	CAPEX (BRL Mln)	795	750 ≤ Δ ≤ 850
Comgás	Total Customers ('000)	1,461	1,530 ≤ Δ ≤ 1,580
	Total Volume Sold, excluding Thermo ('000 cbm)	4,520	4,100 ≤ Δ ≤ 4,500
	EBITDA Normalized (BRL Mln)	1,303	1,350 ≤ Δ ≤ 1,450
	EBITDA IFRS (BRL Mln)	1,435	1,500 ≤ Δ ≤ 1,700
Lubricants	CAPEX (BRL Mln)	661	500 ≤ Δ ≤ 560
	Total Volume Sold ('000 cbm)	320	260 ≤ Δ ≤ 300
Radar	EBITDA (BRL Mln)	103	120 ≤ Δ ≤ 160
	EBITDA (BRL Mln)	193	130 ≤ Δ ≤ 140

		Actual Crop Year 2014/15 (apr/14-mar/15)	Guidance Crop Year 2015/16 (apr/15-mar/16)
Raízen Energia	Volume of Sugarcane Crushed ('000 ton)	57,079	57,000 ≤ Δ ≤ 60,000
	Volume of Sugar Produced ('000 ton)	4,081	4,200 ≤ Δ ≤ 4,400
	Volume of Ethanol Produced ('000 cbm)	2,063	1,900 ≤ Δ ≤ 2,100
	Volume of Energy Produced ('000 MWh)	2,202	2,100 ≤ Δ ≤ 2,300
	EBITDA (BRL Mln)	2,534	2,600 ≤ Δ ≤ 2,800
	CAPEX (BRL Mln)	2,329	1,600 ≤ Δ ≤ 1,800



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