



# Cosan S/A

## 4Q15 and 2015 Earnings Presentation

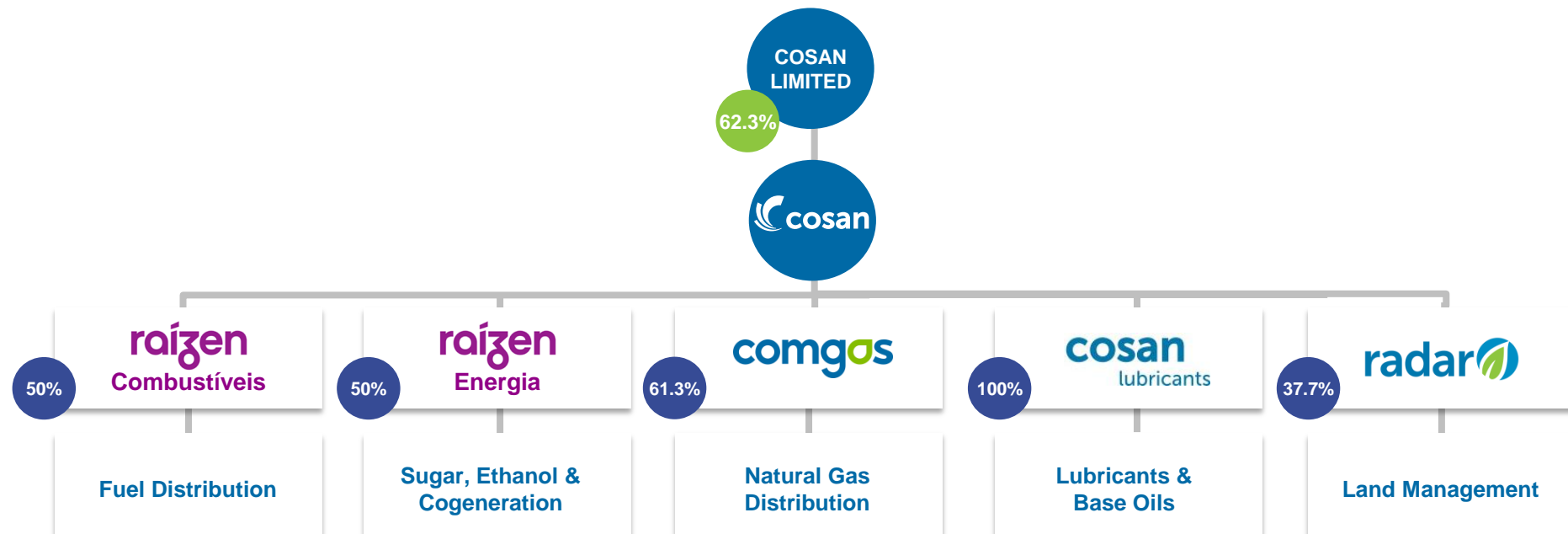
February 19, 2016

## 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

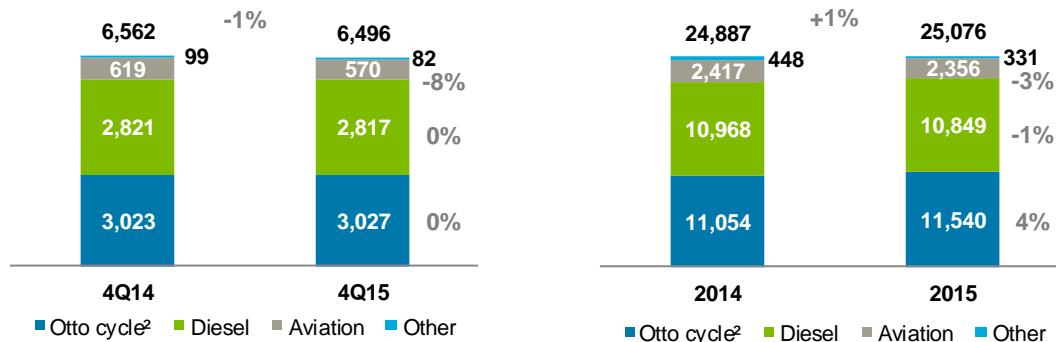


## Raízen Combustíveis | Resilience of the Otto cycle and Diesel volumes

The Adjusted EBITDA and EBIT grew in 2015, reflecting the above the market sales performance and efficiency on fuels supply & commercialization strategy.

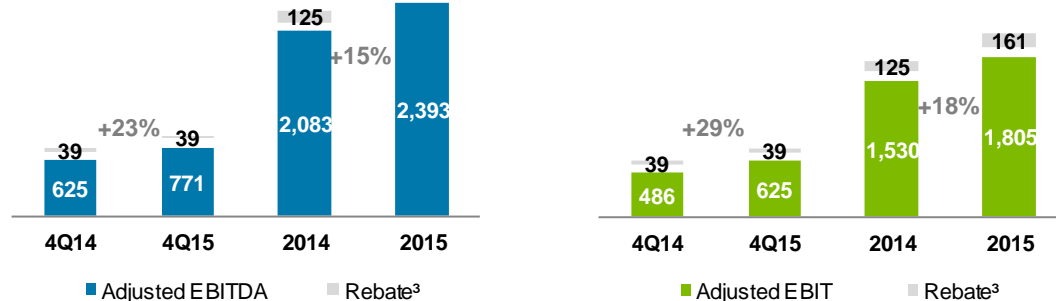
### Sales Volume<sup>1</sup>

'000 cbm



### Adjusted EBITDA & EBIT

BRL mln



- Service Stations network ended 2015 with 5,682 units (+326 stations added in the year).
- Network expansion and maturation contributed to the maintenance in the Otto-cycle volumes in 4Q15 and growth +4% in 2015.
- Diesel volumes alligned to 4T14, due to higher demand from agri clients and new B2B clients.
- Adjusted EBITDA excludes:

#### Quarter:

Asset divestments: BRL 9 MM (4Q14) and BRL 8 MM (4Q15)

Other extraordinary effects: BRL 24 MM (4Q14) and BRL 40 MM (4Q15)

#### Year:

Asset divestments: BRL 66 MM (2014) and BRL 25 MM (2015)

Other extraordinary effects: BRL 4 MM (2014) and BRL 99 MM (2015)

Note 1: Volumes based on Sindicom methodology.

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

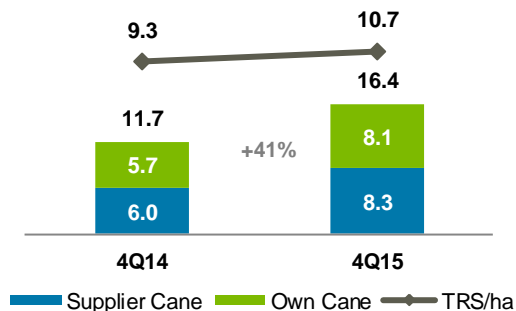
Note 3: The rebate represents the discounts granted to resellers for meeting the volume targets agreed upon at each contract signing.

## Raízen Energia | In the first nine months 2015/16 the crushing volume amounted to 60 million tons

The 4Q15 figures (third quarter of the crop year 2015/16) were boosted by the crushing acceleration, besides the unusual rains in the period, reflecting in higher ethanol sales volumes and better prices.

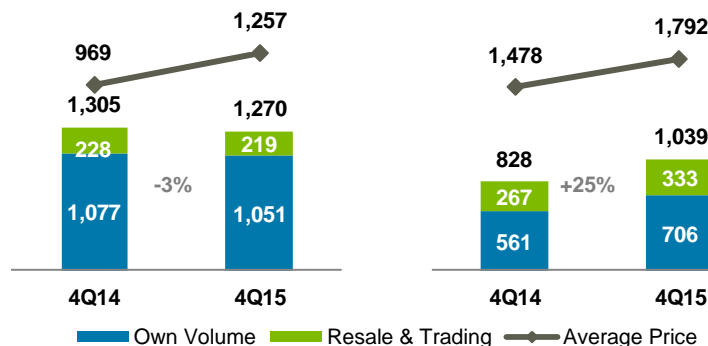
### Crushing Volumes & Agri. Productivity<sup>4</sup>

'000 ton & ton of TRS/ha

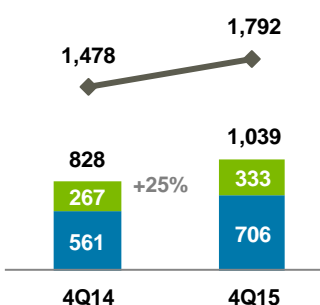


### Volumes & Prices

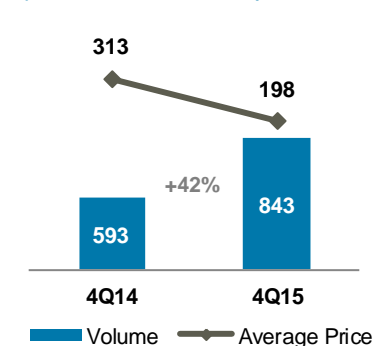
Sugar ('000 ton & BRL/ton)



Ethanol ('000 cbm & BRL/cbm)

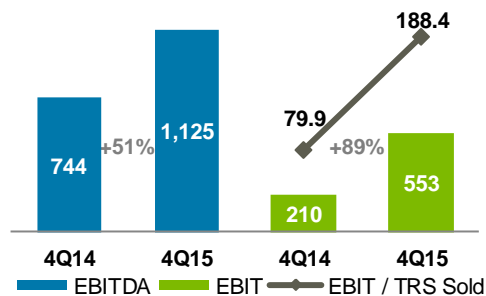


Cogeneration ('000 MWh & BRL/MWh)



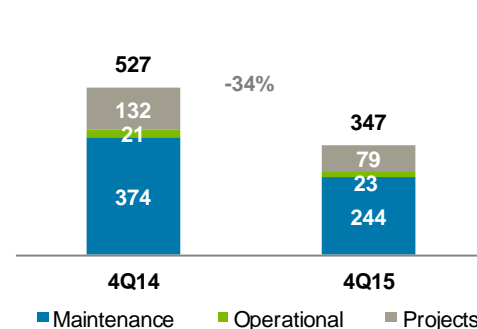
### Adjusted EBITDA & EBIT<sup>5</sup>

BRL mln & BRL/ton



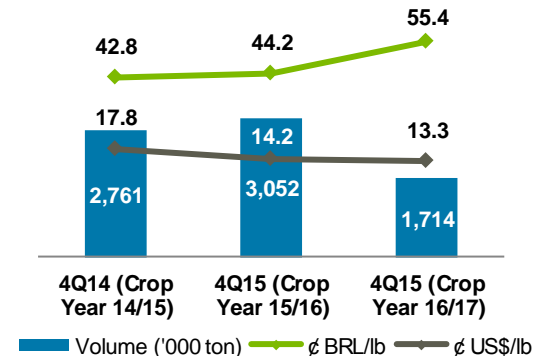
### CAPEX

BRL mln



### Hedge

Volumes & Prices



Note 4: Measured by tons of TRS per hectare.

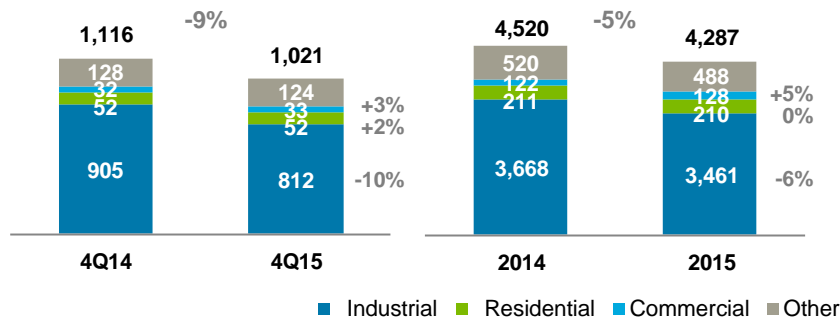
Note 5: EBITDA adjusted by (i) Variation in Biological Assets and (ii) Hedge Accounting.

## Comgás | Resilience of the commercial and residential volumes

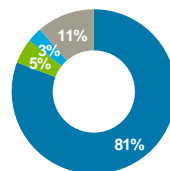
Normalized EBITDA grew in 2015 driven by the tariff adjustment and a better sales mix, despite the lower sales volumes

### Sales Volume and Contribution by segment<sup>6</sup>

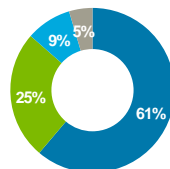
'000 cbm



### Volume 2015



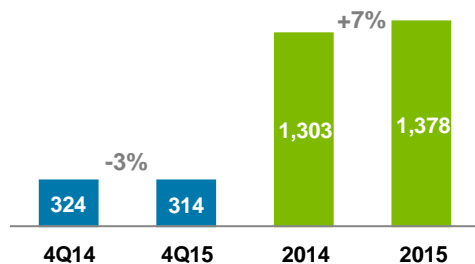
### Contribution Margin 2015



- New connections in the commercial segment supported sales volume growth.
- In the residential segment, new connections in the year (+110k) offset the decline in unit consumption.
- Industrial segment remains impacted by the economic slowdown, with lower sales volume in the quarter.
- BRL 94 million recovery in regulatory current account in 4Q15.
- Comgás is waiting for the regulator (ARSESP) to define the next steps of the 2014-19 tariff revision cycle.

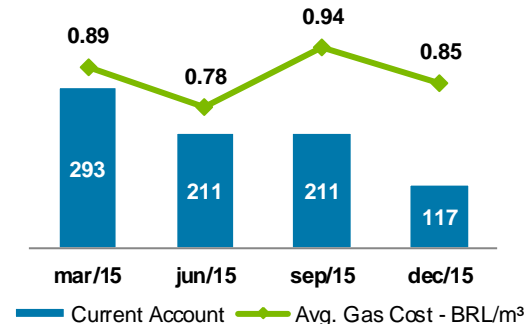
### Normalized EBITDA<sup>7</sup>

BRL mln



### Regulatory Current Account

BRL mln



Note 6: Excludes thermal power.

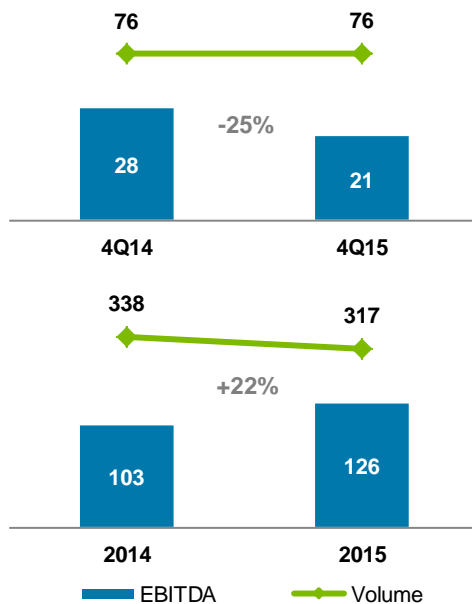
Note 7: Normalized EBITDA by the effect from the Regulatory Current Account.

## Lubricants

- EBITDA was impacted by the drop on lubricants demand both in 4Q15 and 2015, partially offset by the better performance from international operations and sales mix.

### EBITDA & Sales Volume

BRL mln and '000 cbm

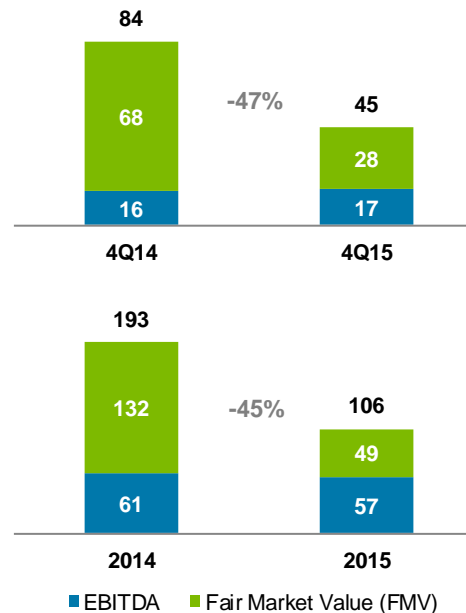


## Radar

- Lower appreciation of the Fair Market Value (FMV) of the own portfolio.

### EBITDA

BRL mln



## Other Businesses

- General and administrative expenses grew 6% due to (i) inflation and (ii) implementation of corporate restructuring throughout 2015.
- Extraordinary impacts on Other Revenues (Expenses):  
 4Q15: + BRL291 MM (credit related to severance action)  
 2014: - BRL115 MM (expenses related to Rumo ALL deal)  
 2015: + BRL192 MM (4Q15 effect + expenses related to Rumo ALL deal in 1Q15)

### EBITDA ex-Equity Pick-up

BRL mln

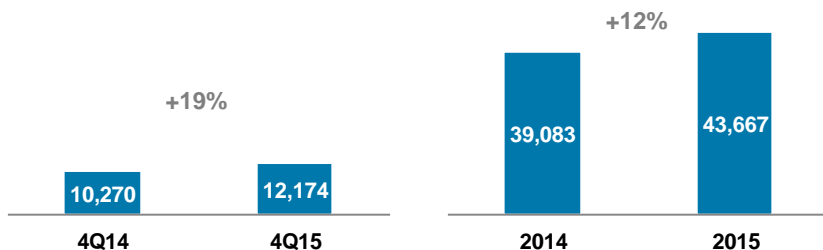


## Cosan S/A Pro forma | Highlights

The Adjusted Pro forma EBITDA reached BRL 4.3 billion in 2015 (+12%). The cash generation (FCFE basis) was BRL 2.8 billion, reflecting the better operational performance of the businesses, adequate CAPEX level and focus on improving returns.

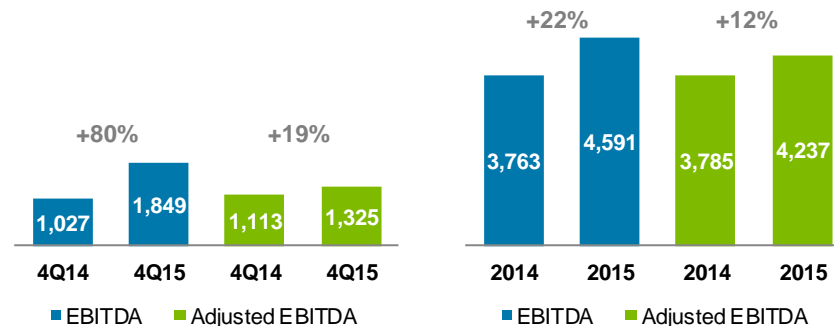
### Net Revenue<sup>8</sup>

BRL mln



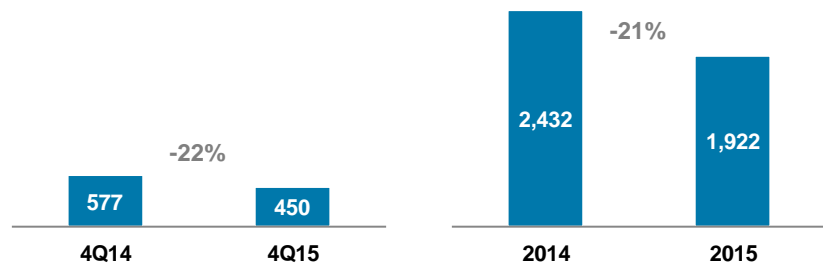
### EBITDA<sup>8</sup> & Adjusted EBITDA

BRL mln



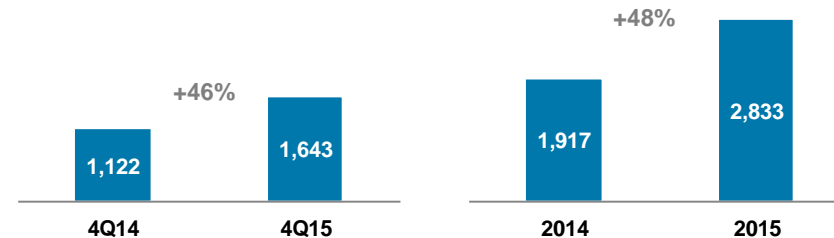
### CAPEX<sup>8</sup>

BRL mln



### Free Cash Flow to the Equity<sup>8</sup>

BRL mln

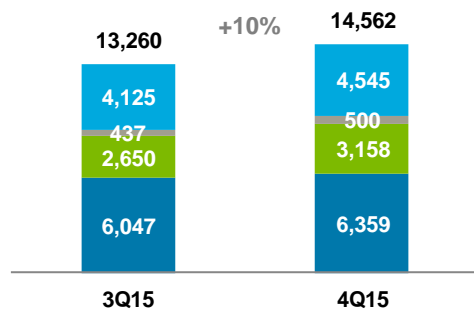




## Debt and Leverage | Net Debt/EBITDA reduced to 2.5x

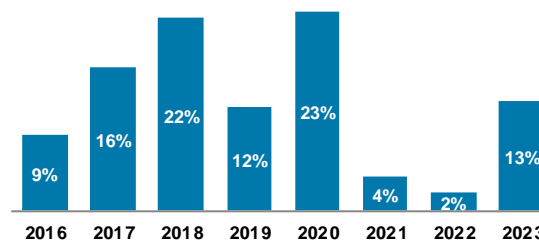
### Gross Debt<sup>9</sup>

BRL mln



■ Raízen (50%) ■ Comgás ■ Lubricants ■ Other Businesses

### Debt Amortization Profile<sup>9</sup>



### Gross Debt

- BRL 1.9 billion raised mainly at Raízen and Comgás
- 50% is USD denominated, 100% hedged

### Average Cost of Debt

- Cosan Pro forma: 93% CDI

### Leverage

- Net Debt/EBITDA ratio reduced to 2.5x

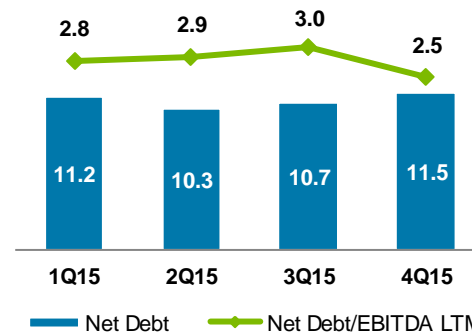
### Cash Generation & Net Debt

BRL mln

Cash Flow Reconciliation <sup>9</sup> BRL MM	4Q15	4Q14	Var. %
Operational Cash Flow	1,136	893	27%
Cash Flow after Investments	(514)	(513)	0%
Cash Flow from Financing Activities	1,022	743	38%
Free Cash Flow to the Equity	1,643	1,122	46%
Net Dividends	(257)	(269)	-4%
<b>Cash Generation (Burn) on the period</b>	<b>1,386</b>	<b>853</b>	<b>62%</b>
<b>Cash and Cash Equivalents</b>	<b>5,306</b>	<b>3,909</b>	<b>36%</b>
<b>Net Debt<sup>10</sup></b>	<b>11,462</b>	<b>11,250</b>	<b>2%</b>
<b>LTM EBITDA</b>	<b>4,591</b>	<b>3,763</b>	<b>22%</b>
<b>Leverage (Net Debt/EBITDA)</b>	<b>2,5 x</b>	<b>3,0 x</b>	<b>-17%</b>

### Leverage<sup>9</sup>

BRL bln



■ Net Debt ◆ Net Debt/EBITDA LTM

Note 9: Pro forma basis, based on 50% of Raízen.

Note 10: Net Debt includes obligations with preferred shareholders of BRL 2.0 billion.

## Guidance 2015 | For the 6th consecutive year, Cosan delivered the consolidated guidance

		Guidance 2015 (jan-dec/15)	Actual 2015 (jan-dec/15)	
Cosan S/A Consolidated	Pro forma Net Revenue (BRL Mln)	42,000 ≤ Δ ≤ 45,000	43,667	✓
	Pro forma EBITDA (BRL Mln)	4,000 ≤ Δ ≤ 4,300	4,230	✓
Raízen Combustíveis	EBITDA (BRL Mln)	2,300 ≤ Δ ≤ 2,500	2,517	✓
	CAPEX (BRL Mln)	750 ≤ Δ ≤ 850	808	✓
Comgás	Total Customers ('000)	1,530 ≤ Δ ≤ 1,580	1,574	✓
	Total Volume Sold, excluding Thermo ('000 cbm)	4,100 ≤ Δ ≤ 4,500	4,287	✓
	EBITDA Normalized (BRL Mln)	1,350 ≤ Δ ≤ 1,450	1,378	✓
	EBITDA IFRS (BRL Mln)	1,500 ≤ Δ ≤ 1,700	1,530	✓
	CAPEX (BRL Mln)	500 ≤ Δ ≤ 560	521	✓
Lubricants	Total Volume Sold ('000 cbm)	260 ≤ Δ ≤ 300	317	✓
	EBITDA (BRL Mln)	120 ≤ Δ ≤ 160	126	✓
Radar	EBITDA (BRL Mln)	130 ≤ Δ ≤ 140	106	✗

## Guidance 2016 | Guidance review for 2015/16 crop year and preliminary figures for Raízen

		Actual 2015 (jan-dec/15)	Guidance 2016 (jan-dec/16)
Cosan S/A Consolidado	Pro forma Net Revenue (R\$MM)	43,667	45,000 ≤ Δ ≤ 48,000
	Pro forma EBITDA (R\$MM)	4,230	4,250 ≤ Δ ≤ 4,800
Raízen Combustíveis	EBITDA (R\$ MM)	2,517	2,350 ≤ Δ ≤ 2,700
	CAPEX (R\$ MM)	808	750 ≤ Δ ≤ 850
Comgás	Total Customers (thousand)	1,574	1,650 ≤ Δ ≤ 1,700
	Total Volume Sold, excluding Thermo (thousand cbm)	4,287	4,000 ≤ Δ ≤ 4,300
	Normalized EBITDA (R\$MM)	1,378	1,350 ≤ Δ ≤ 1,450
	EBITDA IFRS (R\$MM)	1,530	1,400 ≤ Δ ≤ 1,600
	CAPEX (R\$MM)	521	470 ≤ Δ ≤ 520
Lubrificantes	Total Volume Sold (thousand cbm)	317	280 ≤ Δ ≤ 330
	EBITDA (R\$MM)	126	120 ≤ Δ ≤ 160
Radar	EBITDA (R\$MM)	106	100 ≤ Δ ≤ 150

		Guidance Safrá 2015/16 (apr/15-mar/16)	Guidance Review Crop year 2015/16 (apr/15-mar/16)	Preliminary Guidance Crop Year 2016/17 (apr/16-mar/17)
Raízen Energia	Volume of Sugarcane Crushed (thousand tons)	57,000 ≤ Δ ≤ 60,000	60,000 ≤ Δ ≤ 62,000	60,000 ≤ Δ ≤ 64,000
	Volume of Sugar Produced (thousand tons)	4,200 ≤ Δ ≤ 4,400	4,100 ≤ Δ ≤ 4,300	4,200 ≤ Δ ≤ 4,600
	Volume of Ethanol Produced (million liters)	1,900 ≤ Δ ≤ 2,100	2,000 ≤ Δ ≤ 2,200	1,900 ≤ Δ ≤ 2,200
	Volume of Energy Sold (thousand of MWh)	2,100 ≤ Δ ≤ 2,300	2,200 ≤ Δ ≤ 2,400	2,100 ≤ Δ ≤ 2,300
	EBITDA (R\$MM)	2,600 ≤ Δ ≤ 2,800	3,000 ≤ Δ ≤ 3,300	3,300 ≤ Δ ≤ 3,600
	CAPEX (R\$MM)	1,600 ≤ Δ ≤ 1,800	1,700 ≤ Δ ≤ 1,800	1,800 ≤ Δ ≤ 2,000



**Nelson Gomes**

CEO & IRO

**João Arthur Souza**

CFO

**Phillipe Casale**

IR Manager

Website | [ri.cosan.com.br](http://ri.cosan.com.br)

E-mail | [ri@cosan.com.br](mailto:ri@cosan.com.br)

Telephone | +55 (11) 3897-9797