



Cosan S/A

1Q16 Earnings Presentation

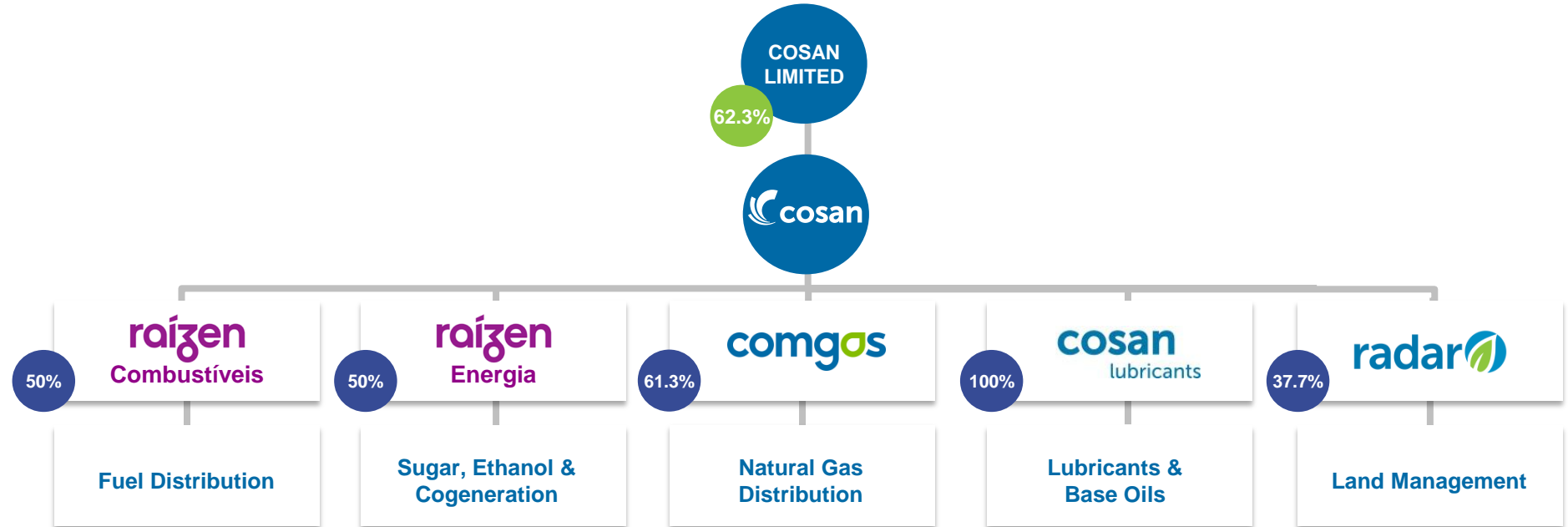
May 13, 2016

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

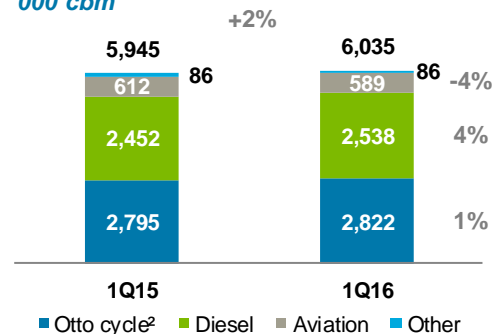


Raízen Combustíveis | Above-market volume expansion

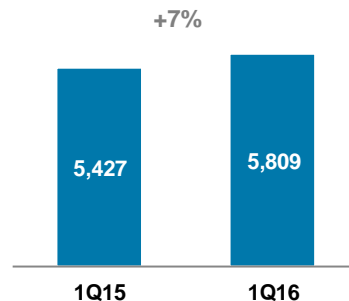
Adjusted EBITDA and EBIT grew in 1Q16, reflecting sales performance and efficiency on fuels' supply & commercialization.

Sales Volume¹

'000 cbm



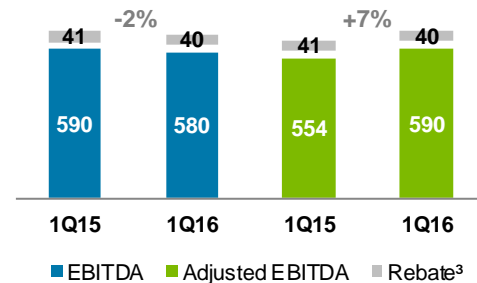
Service Stations (#)



- Service Stations network ended 1Q16 with 5,809 units (+382 stations added compared to 1Q15).
- Network expansion and maturation contributed to 1% growth in the Otto cycle volumes (+2% in gasoline equivalent).
- Diesel volumes expanded 4% due to new B2B contracts and early start of sugarcane harvest.
- Aviation suffering (-4%) on weaker demand.

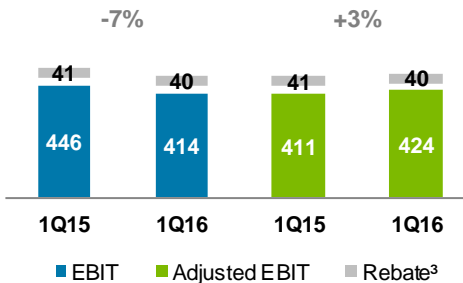
EBITDA & Adjusted EBITDA

BRL mln



EBIT & Adjusted EBIT

BRL mln



- Adjusted EBITDA & EBIT exclude:

Asset divestments:

-BRL11 mln (1Q15) and +BRL5 mln (1Q16)

Other extraordinary effects:

+BRL46mln (1Q15) and -BRL16mln (1Q16)

Note 1: Volumes based on Sindicom methodology.

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

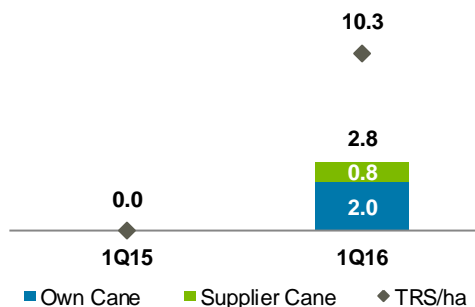
Note 3: The rebate represents the discounts granted to resellers for meeting the volume targets agreed upon at each contract signing.

Raízen Energia | Successful anticipation of 2016/2017 crushing

The 1Q16 adjusted EBITDA amounted to BRL 1.2 billion, due to higher sugar volumes, better ethanol and sugar prices on higher FX in the period. Shorter off-season maintenance and favorable weather enabled the crushing of 2.8 million tons, adding BRL 150 million to EBITDA.

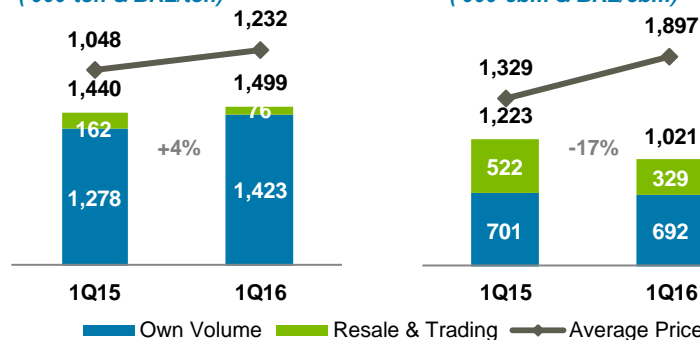
Crushing Volumes & Agri. Productivity⁴

'000 ton & ton of TRS/ha

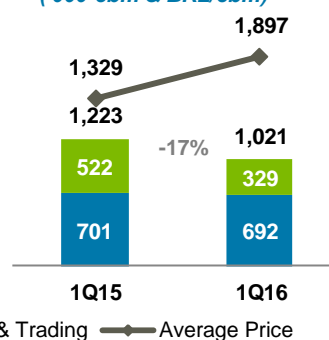


Volumes & Prices

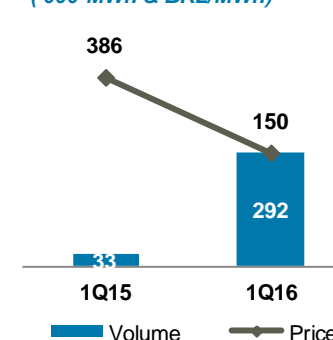
Sugar ('000 ton & BRL/ton)



Ethanol ('000 cbm & BRL/cbm)

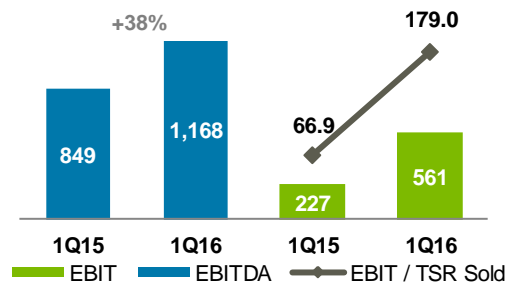


Cogeneration ('000 MWh & BRL/MWh)



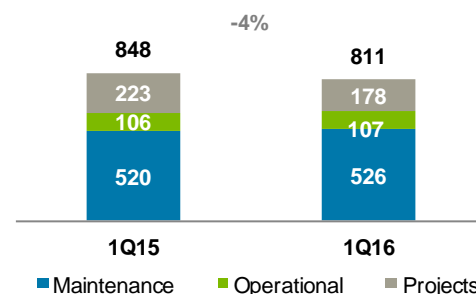
Adjusted EBITDA & EBIT⁵

BRL mln & BRL/ton



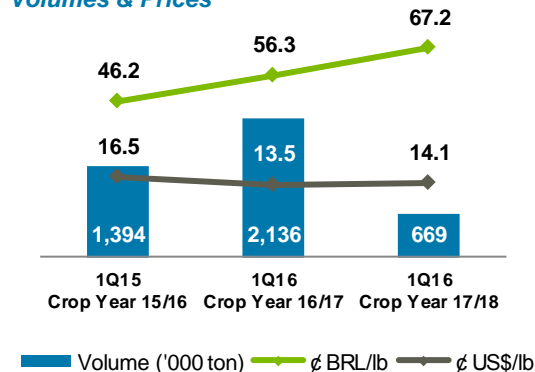
CAPEX

BRL mln



Hedge

Volumes & Prices



Note 4: Measured by tons of TRS per hectare.

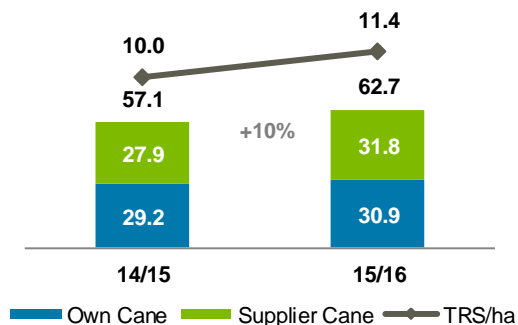
Note 5: EBITDA adjusted by (i) Variation in Biological Assets and (ii) Hedge Accounting.

Raízen Energia | 2015/16 crop year results above guidance

2015/16 crop year ended with 63 million tons crushing volume of and 11 tons of TRS/ha yield. Adjusted EBITDA amounted BRL 3.5 billion, including BRL 150 million from crushing anticipation. Unit cash cost in sugar-equivalent advanced 8% ex-CONSECANA, on the back of efficeince gains. CAPEX was 24% lower reflecting continuous effort to adjust capital expenditure.

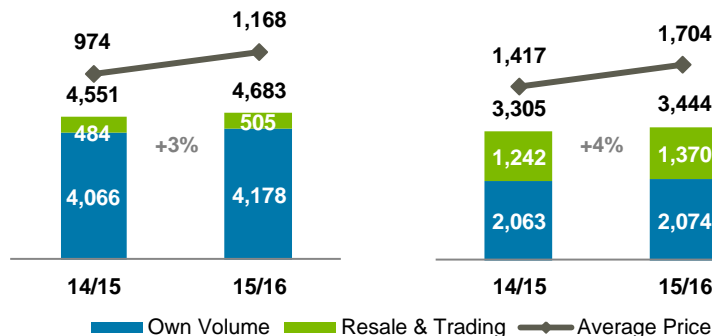
Crushing Volumes & Agri. Productivity⁴

'000 ton & ton of TRS/ha

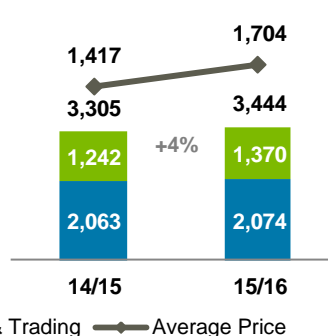


Volumes & Prices

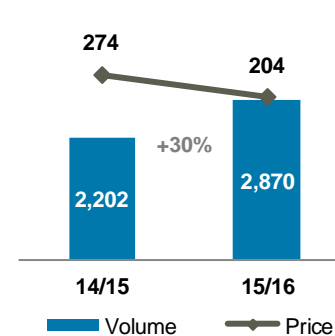
Sugar
('000 ton & BRL/ton)



Ethanol
('000 cbm & BRL/cbm)

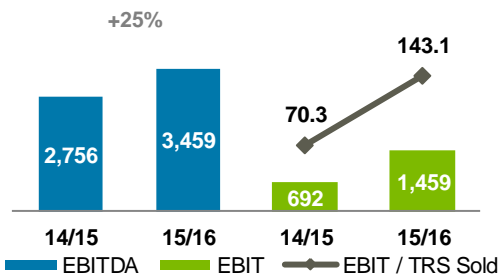


Cogeneration
('000 MWh & BRL/MWh)



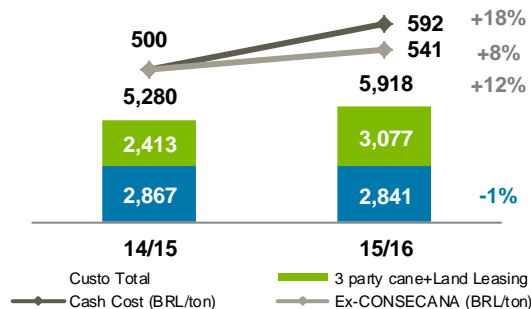
Adjusted EBITDA & EBIT⁵

BRL mln & BRL/ton



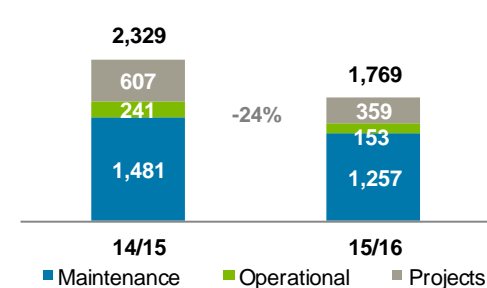
TOTEX⁶ & Cash Cost of Production

BRL mln & BRL/ton of Sugar Equivalent



CAPEX

BRL mln



Note 4: Measured by tons of TRS per hectare.

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

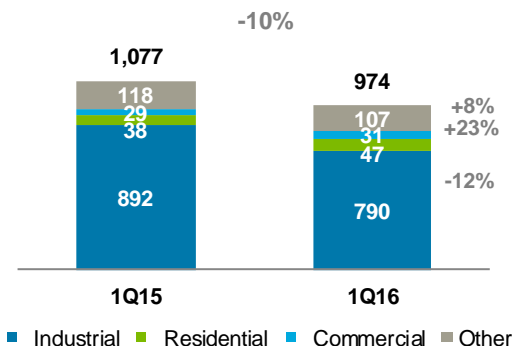
Note 6: TOTEX – Total Expenditure – is equivalent to the sum of Maintenance CAPEX and OPEX.

Comgás | Recovery of the commercial volumes

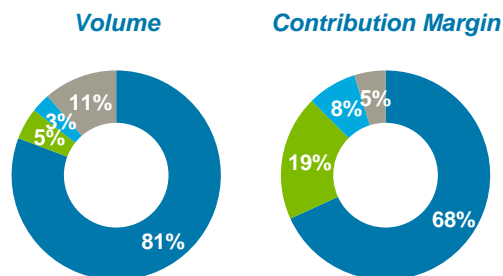
Normalized EBITDA grew in 1Q16 driven by better sales mix, reduction of operational expenses and tariff adjustment, despite lower sales volumes.

Sales Volume⁷

'mln cbm



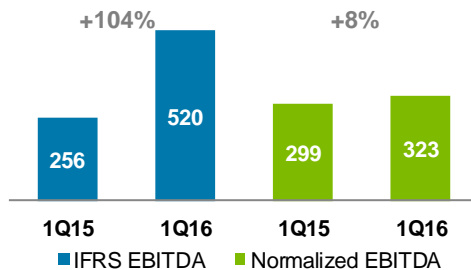
Contribution by segment 1Q16



- 23% growth in residential volumes, reflecting the end of the water crisis in São Paulo and new clients added to the network (+115k LTM).
- New connections in the commercial segment supported sales volume growth.
- Industrial segment remains impacted by the economic slowdown.
- BRL 195 million recovery in regulatory current account in 1Q16, which ended the quarter with a positive balance (for consumers) of BRL 78 million.
- Comgás is waiting for the regulator (ARSESP) to define the next steps of the 2014-19 tariff revision cycle.

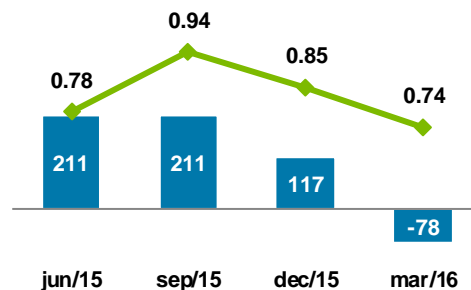
IFRS EBITDA & Normalized EBITDA⁸

BRL mln



Regulatory Current Account

BRL mln



Note 7: Excludes thermal power.

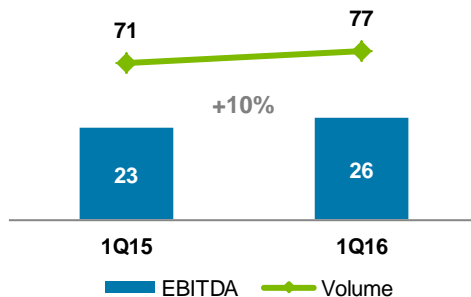
Note 8: Normalized EBITDA by the effect from the Regulatory Current Account.

Lubricants

- 1Q16 EBITDA advanced 10% due to higher sales volumes (+8%) and sales mix, reflecting new clients' addition and better performance of international operations.

EBITDA & Sales Volume

BRL mln and '000 cbm

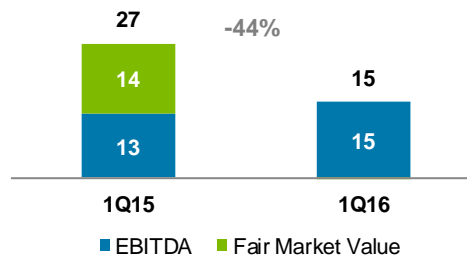


Radar

- There were no property sales or gains from appreciation of land portfolio (FMV), as there was no variation of market indexes during 1Q16.

EBITDA

BRL mln

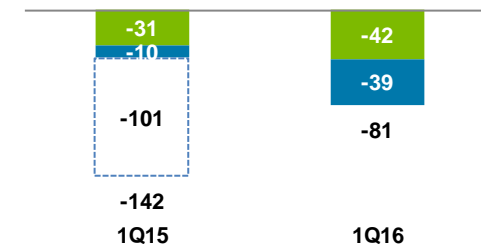


Cosan Corporate

- General and Administrative expenses (consulting services and personnel expenses) reached BRL 42 million on 1Q16 (+36%).
- Other Revenues (Expenses) came to BRL 39 million in the quarter.

EBITDA (ex- Equity Pick-up)

BRL mln



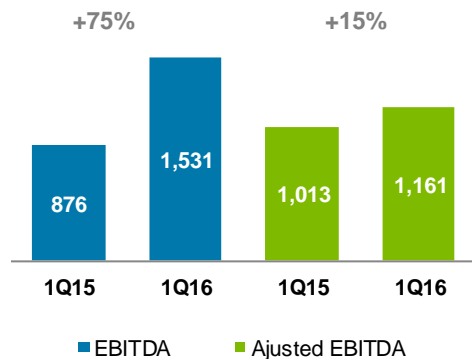
EBITDA □ Adjustments ■ Other Revenues (Expenses)

Cosan S/A Pro forma | Highlights

Adjusted EBITDA amounted to BRL 1.2 billion on 1Q16 (+15%), mainly driven by Raízen Energia's results. The pro forma cash generation (FCFE) was BRL 609 million, reflecting operational performance of the businesses, Comgás current account recovery, lower CAPEX and deleveraging.

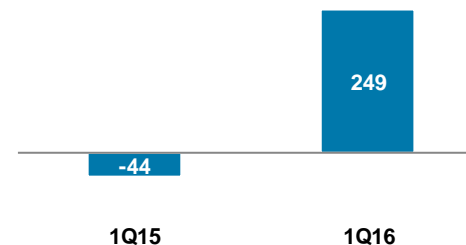
EBITDA⁹ & Adjusted EBITDA

BRL mln



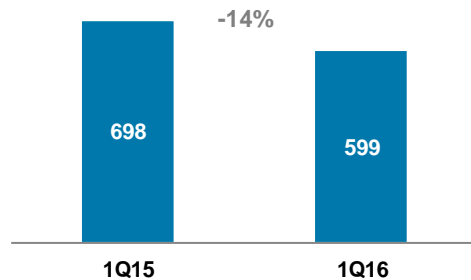
Net Profit

BRL mln



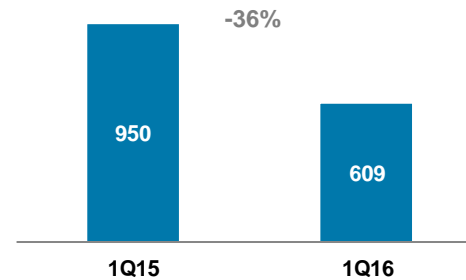
CAPEX⁹

BRL mln



Free Cash Flow to the Equity⁹

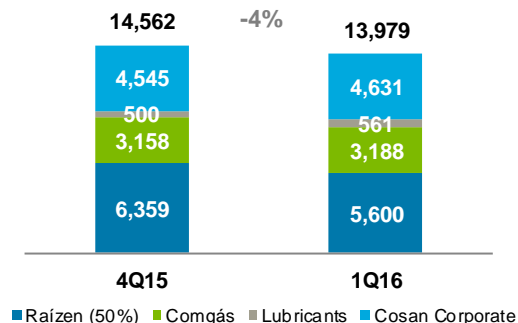
BRL mln



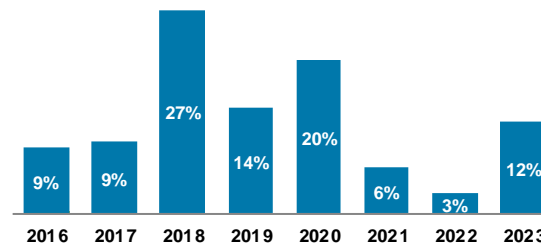
Debt and Leverage | Net Debt/EBITDA reduced to 2.1x

Gross Debt¹⁰

BRL mln



Debt Amortization Profile¹⁰



Gross Debt

- BRL 1.0 billion of debt amortization, mainly at Raizen (SN 2017 and Credit Notes)
- 50% is USD denominated, 100% hedged

Average Cost of Debt

- Cosan Pro forma: 93% CDI

Leverage

- Net Debt/EBITDA ratio reduced to 2.1x (2,2x adjusted by announced dividends)

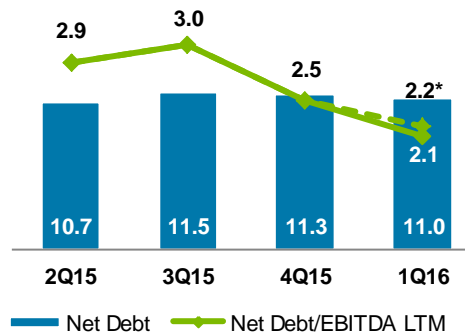
Cash Generation & Net Debt¹⁰

BRL mln

Cash Flow Reconciliation ⁹ BRL MM	1Q16	1Q15	Var. %
Operational Cash Flow	2,081	2,095	-1%
Cash Flow after Investments	(576)	(682)	-16%
Cash Flow from Financing Activities	(897)	(464)	93%
Free Cash Flow to the Equity	609	950	-36%
Net Dividends	(761)	(50)	n/a
Exchange variation impact in cash and cash equivalents	(59)	28	n/a
Cash Generation (Burn) on the period	(210)	928	n/a
Cash and Cash Equivalents	5,101	4,035	26%
Net Debt⁹	10,990	10,307	7%
LTM EBITDA	5,245	3,706	42%
Leverage (Net Debt/EBITDA)	2,1 x	2,8 x	-25%

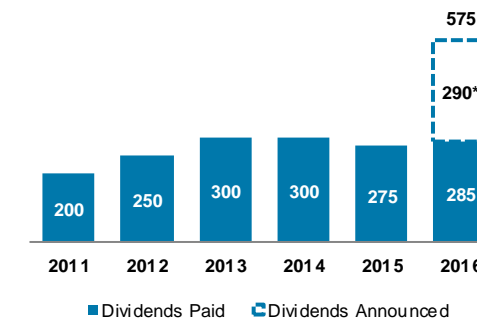
Leverage¹¹

BRL Bln



Dividends Distribution¹² (CSAN3)

BRL Mln



Note 10: Pro forma basis, based on 50% of Raizen.

Note 11: Net Debt includes obligations with preferred shareholders of BRL 2.0 billion.

Note 12: Dividends Distribution Cash. It was approved at Shareholders' Meeting (27 April) and at Meeting of the Board (12 May) payments of BRL 200 and BRL 90 million respectively.

Guidance | Raízen Energia Guidance confirmed for 2016/17

		Actual 2015 (jan-dec/15)	Guidance 2016 (jan-dec/16)
Cosan S/A Consolidated	Pro forma Net Revenue (BRL mIn)	43,667	45,000 ≤ Δ ≤ 48,000
	Pro forma EBITDA (BRL mIn)	4,230	4,250 ≤ Δ ≤ 4,800
Raízen Combustíveis	EBITDA (BRL mIn)	2,517	2,350 ≤ Δ ≤ 2,700
	CAPEX (BRL mIn)	808	750 ≤ Δ ≤ 850
Com gás	Total Customers ('000)	1,574	1,650 ≤ Δ ≤ 1,700
	Total Volume Sold, excluding Thermo ('000 cbm)	4,287	4,000 ≤ Δ ≤ 4,300
	Normalized EBITDA (BRL mIn)	1,378	1,350 ≤ Δ ≤ 1,450
	EBITDA IFRS (BRL mIn)	1,530	1,400 ≤ Δ ≤ 1,600
	CAPEX (BRL mIn)	521	470 ≤ Δ ≤ 520
Lubricants	Total Volume Sold ('000 cbm)	317	280 ≤ Δ ≤ 330
	EBITDA (BRL mIn)	126	120 ≤ Δ ≤ 160
Radar	EBITDA (BRL mIn)	106	100 ≤ Δ ≤ 150
		Actual Crop year 2015/16 (apr/15-mar/16)	Guidance Crop Year 2016/17 (apr/16-mar/17)
Raízen Energia	Volume of Sugarcane Crushed ('000 tons)	62,706	60,000 ≤ Δ ≤ 64,000
	Volume of Sugar Produced ('000 tons)	4,200	4,200 ≤ Δ ≤ 4,600
	Volume of Ethanol Produced (million liters)	2,148	1,900 ≤ Δ ≤ 2,200
	Volume of Energy Sold ('000 of MWh)	2,870	2,100 ≤ Δ ≤ 2,300
	EBITDA (BRL mIn)	3,729	3,300 ≤ Δ ≤ 3,600
	CAPEX (BRL mIn)	1,769	1,800 ≤ Δ ≤ 2,000



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