

Cosan S.A. Indústria e Comércio

Interim financial statements at
June 30, 2016

(A free translation of the original in Portuguese)

Cosan S.A. Indústria e Comércio

Interim Financial statements

For the three and six months period ended June 30, 2016

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Review report on the interim financial statements – ITR

To the Board of Directors and Shareholders
Cosan S.A. Indústria e Comércio
São Paulo – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Cosan S.A. Indústria e Comércio (“The Company”), included in the Quarterly Information Form - ITR for the quarter ended June 30, 2016, which comprises the statement of financial position as of June 30, 2016 and the respective statements of profit or loss, comprehensive income (loss) for the three-month and six-month periods then ended, and the respective statements of changes in equity and cash flows for the six-month period then ended, including the notes.

Management is responsible for the preparation of the interim financial information in accordance with Technical Pronouncement CPC 21(R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

We conducted our review in accordance with the Brazilian and International standards on review engagements NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively. A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information included in the Quarterly Information Form - ITR referred to above is not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by the IASB applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM.

Other matters

Statement of value added

We have also reviewed the statements of value added (DVA), for the six-month period ended June 30, 2016, prepared under the responsibility of the Company's management, whose presentation on the interim financial information is required in accordance with the standards issued by the Brazilian Securities and Exchange Commission – CVM applicable to the preparation of Quarterly Information - ITR, and considered as supplementary information by IFRS, which do not require the presentation of DVA. These statements were subject to the same review procedures described above, and based on our review, nothing has come to our attention that causes us to believe that it is not prepared, in all material respects, in accordance with the interim financial information taken as a whole.

São Paulo, August 9, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Cosan S.A. Indústria e Comércio

Statement of financial position
in June 30, 2016 and December 31, 2015
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		June 30, 2016	December 31, 2015 (Restated)	June 30, 2016	December 31, 2015 (Restated)
Assets					
Cash and cash equivalents	6	422,959	731,049	2,259,354	3,129,530
Investment securities		-	-	138,559	97,222
Trade receivables	7	-	-	797,496	759,710
Derivative financial instruments	25	-	61,215	946	100,532
Inventories	8	-	-	431,590	431,117
Related parties	10	54,178	53,758	83,380	86,600
Income tax receivable		63,253	23,779	111,961	95,016
Other current tax receivable	9	5,991	37,041	78,517	135,947
Dividends and interest on capital receivable		6,313	11,116	11,451	11,321
Assets held for sale	13	-	-	121,556	111,638
Other financial assets		51,660	-	192,724	144,208
Other current assets		28,788	33,466	63,903	62,982
Total current assets		633,142	951,424	4,291,437	5,165,823
Trade receivables	7	-	-	45,720	39,597
Deferred income tax and social contribution	19	-	-	318,960	335,808
Receivables from related parties	10	187,660	209,738	197,219	221,344
Other recoverable taxes	9	-	-	41,629	42,578
Judicial deposits	20	259,416	252,513	424,347	413,067
Derivative financial instruments	25	484,878	1,292,514	997,893	2,192,327
Other non-current assets		831,009	837,284	1,037,561	1,057,889
Investments in associates	11	11,075,745	11,262,812	133,608	140,136
Investments in joint ventures	12	2,759,014	2,821,205	8,347,720	8,237,188
Investment properties	13	-	-	2,593,649	2,595,035
Property and equipment	14	23,357	26,652	392,832	401,800
Intangible assets	15	7,747	6,267	9,380,715	9,447,269
Total non-current		15,628,826	16,708,985	23,911,853	25,124,038
Total Assets		16,261,968	17,660,409	28,203,290	30,289,861

The notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statement of financial position
in June 30, 2016 and December 31, 2015
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		June 30, 2016	December 31, 2015 (Restated)	June 30, 2016	December 31, 2015 (Restated)
Liabilities					
Loans, borrowings and debentures	16	321,069	406,348	1,192,881	1,230,518
Derivative financial instruments	25	252,206	-	306,622	291
Trade payables	17	808	1,151	1,370,017	1,544,822
Salaries payable		11,525	17,536	81,916	106,407
Income tax payables		9,443	14,237	74,988	47,720
Other taxes payable	18	9,977	21,025	154,070	120,241
Dividends and interest on capital payable		20,591	23,420	36,012	41,656
Payables to related parties	10	159,876	427,752	109,767	114,559
Other financial liabilities		-	-	32,896	-
Other current liabilities		18,702	30,620	97,250	138,839
Total current liabilities		804,197	942,089	3,456,419	3,345,053
Loans, borrowings and debentures	16	-	-	7,051,319	8,525,185
Preferred shareholders payable in subsidiaries		-	-	-	-
		1,973,074	2,042,878	1,973,074	2,042,878
Derivative financial instruments	25	170,807	137,006	509,528	740,427
Other taxes payable	18	21,005	25,230	21,005	25,230
Provision for legal proceedings	20	291,000	266,540	745,935	703,347
Payables to related parties	10	3,882,462	4,710,651	-	-
Post-employment benefits	26	132	126	354,493	344,334
Deferred tax liabilities	19	135,956	465,789	1,289,251	1,415,135
Other non-current liabilities		335,906	316,242	685,823	705,926
Total non-current liabilities		6,810,342	7,964,462	12,630,428	14,502,462
Total liabilities		7,614,539	8,906,551	16,086,847	17,847,515
Shareholders' equity					
Share capital	21	3,822,725	3,822,725	3,822,725	3,822,725
Treasury shares		(57,896)	(58,694)	(57,896)	(58,694)
Capital reserve		951,664	955,326	951,664	955,326
Other equity		(251,862)	(184,691)	(251,862)	(184,691)
Profit reserve		3,652,506	4,219,192	3,652,506	4,219,192
Accumulated earnings		530,292	-	530,292	-
Equity attributable to:					
Owners of the Company		8,647,429	8,753,858	8,647,429	8,753,858
Non-controlling interests	11	-	-	3,469,014	3,688,488
Total shareholders' equity		8,647,429	8,753,858	12,116,443	12,442,346
Total shareholders' equity and liabilities		16,261,968	17,660,409	28,203,290	30,289,861

The notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statement of profit or loss and other comprehensive income
 For the three and six months period ended June 31, 2016 and 2015
 (In thousands of Brazilian Reals – R\$, except earnings per share)

		Parent Company			
	Note	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015 (Restated)	January 1, 2015 to June 30, 2015 (Restated)
Net sales		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Selling expenses		-	-	-	-
General and administrative expenses		(32,730)	(68,227)	(36,645)	(61,150)
Other expense, net	23	(18,075)	(54,373)	(4,318)	(114,026)
Operating expenses		(50,805)	(122,600)	(40,963)	(175,176)
Income before equity in earning and financial results		(50,805)	(122,600)	(40,963)	(175,176)
Equity in earning of associates	11	563,258	1,092,457	156,648	379,073
Equity in earnings of joint ventures	12	(29,491)	(62,191)	(26,332)	(64,988)
Equity in earning of investees		533,767	1,030,266	130,316	314,085
Finance expense		(165,098)	(408,255)	(121,579)	(235,747)
Finance income		51,152	120,577	20,850	59,049
Foreign exchange losses, net		453,905	901,654	136,254	(576,412)
Derivatives		(719,619)	(1,306,174)	(172,257)	452,443
Financial results	24	(379,660)	(692,198)	(136,732)	(300,667)
Profit (loss) before taxes		103,302	215,468	(47,379)	(161,758)
Income tax (expenses) benefits	19				
Current		(15,008)	(15,008)	-	-
Deferred		193,291	329,832	63,778	146,576
		178,283	314,824	63,778	146,576
Net profit for the period		281,585	530,292	16,399	(15,182)

Cosan S.A. Indústria e Comércio

Statement of profit or loss and other comprehensive income
 For the three and six months period ended June 31, 2016 and 2015
 (In thousands of Brazilian Reals – R\$, except earnings per share)

Other comprehensive income

Items that are or may be reclassified to profit or loss:

Foreign currency translation differences	34,655	62,523	(6,058)	(26,687)
(Loss) gain on cash flow hedge in joint ventures and subsidiary	(108,255)	(135,347)	35,419	56,154
Gain in mensuration financial instrument derivative	6,000	6,000	-	-
Changes in fair value of available for sale securities	218	(347)	1,056	1,035
Taxes on items that may be reclassified to profit or loss	-	-	(359)	(352)
	<u>(67,382)</u>	<u>(67,171)</u>	<u>30,058</u>	<u>30,150</u>
Total other comprehensive income (loss), net of tax	<u>(67,382)</u>	<u>(67,171)</u>	<u>30,058</u>	<u>30,150</u>
Total comprehensive income	<u>214,203</u>	<u>463,121</u>	<u>46,457</u>	<u>14,968</u>
Total net income attributable to:				
Owners of the Parent	281,585	530,292	16,399	(15,182)
Non-controlling interests	-	-	-	-
	<u>281,585</u>	<u>530,292</u>	<u>16,399</u>	<u>(15,182)</u>
Total comprehensive income attributable to:				
Owners of the Company	214,203	463,121	46,457	14,968
	<u>214,203</u>	<u>463,121</u>	<u>46,457</u>	<u>14,968</u>
Earning per share	22			
	<u>R\$0.69378</u>	<u>R\$1.30658</u>	<u>R\$0.04041</u>	<u>(R\$0.03741)</u>
	R\$0.69378	R\$1.30658	R\$0.04041	(R\$0.03741)
Earning per share	22			
	<u>R\$0.68007</u>	<u>R\$1.27903</u>	<u>R\$0.04031</u>	<u>(R\$0.03733)</u>
	R\$0.68007	R\$1.27903	R\$0.04031	(R\$0.03733)

The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statement of profit or loss and other comprehensive income
 For the three and six months period ended June 31, 2016 and 2015
 (In thousands of Brazilian Reals – R\$, except earnings per share)

	Note	Consolidated			
		April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015 (Restated)	January 1, 2015 to June 30, 2015 (Restated)
Net sales		2,007,305	3,969,453	2,122,027	4,057,539
Cost of sales		(1,107,311)	(2,308,389)	(1,410,710)	(2,855,701)
Gross profit		899,994	1,661,064	711,317	1,201,838
Selling expenses		(255,354)	(493,912)	(221,034)	(440,360)
General and administrative expenses		(149,684)	(291,340)	(142,597)	(283,475)
Other expense, net	23	(10,018)	(49,854)	(1,911)	(100,775)
Operating expenses		(415,056)	(835,106)	(365,542)	(824,610)
Income before equity in earning and financial results		484,938	825,958	345,775	377,228
Equity in earning of associates	11	(6,676)	(11,792)	1,475	(3,159)
Equity in earnings of joint ventures	12	252,594	693,938	57,226	227,098
Equity in earning of investees		245,918	682,146	58,701	223,939
Finance expense		(343,681)	(838,071)	(285,655)	(559,512)
Finance income		255,399	444,535	74,036	138,164
Foreign exchange losses, net		563,265	1,070,777	107,547	(460,974)
Derivatives		(724,631)	(1,376,249)	(156,689)	336,847
Financial results	24	(249,648)	(699,008)	(260,761)	(545,475)
Profit (loss) before taxes		481,208	809,096	143,715	55,692
Income tax (expenses) benefits	19				
Current		(57,553)	(147,957)	(103,921)	(107,488)
Deferred		(6,767)	88,723	67,494	155,585
		(64,320)	(59,234)	(36,427)	48,097
Net profit for the period		416,888	749,862	107,288	103,789

Cosan S.A. Indústria e Comércio

Statement of profit or loss and other comprehensive income
 For the three and six months period ended June 31, 2016 and 2015
 (In thousands of Brazilian Reals – R\$, except earnings per share)

Other comprehensive income

Items that are or may be reclassified to profit or loss:

Foreign currency translation differences	34,655	62,523	(6,058)	(26,687)
(Loss) gain on cash flow hedge in joint ventures and subsidiary	(108,255)	(135,347)	36,518	56,879
Gain in mensuration financial instrument derivative	6,000	6,000	-	-
Changes in fair value of available for sale securities	1,227	(1,206)	3,582	5,068
Taxes on items that may be reclassified to profit or loss	(486)	341	(2,317)	(2,449)
	(66,859)	(67,689)	31,725	32,811
Total other comprehensive income (loss), net of tax	(66,859)	(67,689)	31,725	32,811
Total comprehensive income	350,029	682,173	139,013	136,600
Total net income attributable to:				
Owners of the Parent	281,586	530,292	16,399	(15,182)
Non-controlling interests	135,302	219,570	90,889	118,971
	416,888	749,862	107,288	103,789
Total comprehensive income attributable to:				
Owners of the Company	214,204	463,121	46,457	14,968
Non-controlling interests	135,825	219,052	92,556	121,632
	350,029	682,173	139,013	136,600

The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statements of changes in shareholder' equity

For the three and six months period ended June 31, 2016 and 2015

(In thousands of Brazilian Reais - R\$)

	Common stock	Tresuary share	Other capital reserve	Others equity components	Profit reserve				accumulated earning	Total	Non-controlling interest	Total equity
					Legal	Statutory reserve	Unrealized earning	Retained rearning				
At January 01, 2016	3,822,725	(58,694)	955,326	(184,691)	284,960	2,731,745	171,021	1,123,796	-	8,846,188	3,688,488	12,534,676
Initial adoption effect in joint ventures (note 2.2)	-	-	-	-	-	-	-	(92,330)	-	(92,330)	-	(92,330)
At January, 01 2016 (Restated)	3,822,725	(58,694)	955,326	(184,691)	284,960	2,731,745	171,021	1,031,466	-	8,753,858	3,688,488	12,442,346
Net profit for the year	-	-	-	-	-	-	-	-	530,292	530,292	219,570	749,862
Other comprehensive income:												
Loss on cash flow hedge in jointly controlled entity	-	-	-	(135,347)	-	-	-	-	-	(135,347)	-	(135,347)
Foreing currency translation effects	-	-	-	62,523	-	-	-	-	-	62,523	-	62,523
Gain in mensuration on derivative financial instrument	-	-	-	6,000	-	-	-	-	-	6,000	-	6,000
Change in fair value of available for sale securities	-	-	-	(347)	-	-	-	-	-	(347)	(518)	(865)
Total comprehensive income for the year	-	-	-	(67,171)	-	-	-	-	530,292	463,121	219,052	682,173
Effect of distribution of dividends to non-controlling	-	-	(11,344)	-	-	-	-	-	-	(11,344)	11,344	-
Stock option exercised	-	798	127	-	-	-	-	-	-	925	-	925
Dividends	-	-	-	-	-	(566,686)	-	-	-	(566,686)	(475,351)	(1,042,037)
Share-based compensation - Subsidiaries	-	-	4,252	-	-	-	-	-	-	4,252	-	4,252
Total contributions by and distributions to owners of the Parent	-	798	(6,965)	-	-	(566,686)	-	-	-	(572,853)	(464,007)	(1,036,860)
Transactions with shareholders												
Shareholding change in subsidiary	-	-	3,303	-	-	-	-	-	-	3,303	25,481	28,784
Total transactions with shareholders	-	-	3,303	-	-	-	-	-	-	3,303	25,481	28,784
At June 30, 2016	3,822,725	(57,896)	951,664	(251,862)	284,960	2,165,059	171,021	1,031,466	530,292	8,647,429	3,469,014	12,116,443

The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statements of changes in shareholder' equity

For the three and six months period ended June 31, 2016 and 2015

(In thousands of Brazilian Reais - R\$)

	Common stock	Tresuary share	Other capital reserve	Others equity components	Profit reserve				accumulated earning	Total	Non-controlling interest	Total equity
					Legal	Statutory reserve	Unrealized earning	Retained rearning				
At january, 01 2015	3,632,231	(58,694)	950,694	175,298	251,631	2,481,391	217,574	1,168,151	-	8,818,276	3,630,997	12,449,273
Initial adoption effect in joint ventures (note 2.2)	-	-	-	-	-	-	-	(11,929)	-	(11,929)	-	(11,929)
At january, 01 2015 (Restated)	3,632,231	(58,694)	950,694	175,298	251,631	2,481,391	217,574	1,156,222	-	8,806,347	3,630,997	12,437,344
Net profit for the year	-	-	-	-	-	-	-	-	(15,182)	(15,182)	118,971	103,789
Other comprehensive income:												
Loss on cash flow hedge in jointly controlled entity	-	-	-	56,154	-	-	-	-	-	56,154	-	56,154
Foreing currency translation effects	-	-	-	(26,687)	-	-	-	-	-	(26,687)	-	(26,687)
Change in fair value of available for sale securities	-	-	-	683	-	-	-	-	-	683	2,661	3,344
Total comprehensive income for the year	-	-	-	30,150	-	-	-	-	(15,182)	14,968	121,632	136,600
Contributions and distributions for shareholders												
Increase captal	190,494	-	-	-	-	(190,494)	-	-	-	-	-	-
Effect of distribution of dividends to non-controlling	-	-	(3,144)	-	-	-	-	-	-	(3,144)	-	(3,144)
Dividends	-	-	-	-	-	(34,093)	(46,553)	(44,355)	-	(125,001)	(121,511)	(246,512)
Share-based compensation - Subsidiaries	-	-	5,486	-	-	-	-	-	-	5,486	-	5,486
Total contributions by and distributions to owners of the Parent	190,494	-	2,342	-	-	(224,587)	(46,553)	(44,355)	-	(122,659)	(121,511)	(244,170)
At june, 30 2015	3,822,725	(58,694)	953,036	205,448	251,631	2,256,804	171,021	1,111,867	(15,182)	8,698,656	3,631,118	12,329,774

The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statements of cash flows

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	Note	Parent Company		Consolidated	
		January 1, 2016 to June 30, 2016	January 1, 2015 to June 30, 2015 (Restated)	January 1, 2016 to June 30, 2016	January 1, 2015 to June 30, 2015 (Restated)
Cash flows from operating activities					
Profit (loss) before taxes		215,468	(161,758)	809,096	55,692
Adjustments for:					
Depreciation and amortization		2,456	1,948	291,476	278,522
Equity in earnings of associates		(1,092,457)	(379,073)	11,792	3,159
Equity in earnings of jointly controlled entity		62,191	64,988	(693,938)	(227,098)
Gain on disposals assets		-	-	1,950	2,659
Share based compensation		4,252	5,486	4,252	5,486
Change in fair value of investment property		-	-	(8,532)	(23,162)
Provision for judicial demands		36,954	15,674	41,018	17,869
Indexation charges, interest and exchange variation, net		725,148	315,040	811,144	628,726
Other		429	660	29,491	32,284
		(45,559)	(137,035)	1,297,749	774,137
Changes in:					
Trade receivables		-	-	(41,080)	4,695
Inventories		-	-	(13,637)	20,652
Recoverable taxes		(7,850)	-	89,475	50,154
Related parties		(202,274)	(145,602)	(30,474)	(40,826)
Trade payables		(79)	(1,413)	(156,512)	332,883
Employee benefits		(8,940)	(11,717)	(50,364)	(46,819)
Provision for judicial demands		2,051	(2,031)	827	(1,925)
Income tax and other tax		(5,924)	(6,054)	(67,704)	(85,466)
Other assets and liabilities, net		14,666	16,639	(101,956)	(109,681)
		(208,350)	(150,178)	(371,425)	123,667
Net cash (used in) generated by operating activities		(253,909)	(287,213)	926,324	897,804
Cash flows from investing activities					
Acquisitions net of cash acquired		(207,619)	(34,325)	(2,715)	(23,617)
Dividends received from investees		1,011,743	196,339	4,333	1,151
Dividends received from jointly controlled entity		37,952	34,425	443,303	206,425
Other financial assets		(186,052)	-	(186,052)	-
Acquisition of property, plant and equipment		(736)	(947)	(224,910)	(296,760)
Related parties		11,338	-	11,338	-
Cash received on sale of fixed assets, and intangible assets		-	-	-	2,737
Net cash generated by (used in) investing activities		666,626	195,492	45,297	(110,064)

Cosan S.A. Indústria e Comércio

Statements of cash flows

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

Cash flows from financing activities

Loans and borrowings raised	-	-	2,164,345	431,520
Payment of principal on loans and borrowings	-	-	(2,439,917)	(457,142)
Payment of principal and interest on loans borrowings	(6,054)	(2,482)	(292,589)	(235,314)
Capital increase in subsidiary by non-controlling shareholder	-	-	40,000	-
Related parties	-	(2,730)	-	(3,806)
Derivative financial instruments	(174,925)	153,356	(64,871)	184,369
Dividends paid	(569,517)	(123,787)	(1,243,155)	(255,688)
Non-controlling interest subscription	28,764	-	28,764	-
Proceeds from exercise of share options	925	-	925	-
Net cash used by financing activities	(720,807)	24,357	(1,806,498)	(336,061)

Increase (decrease) in cash and cash equivalents

	(308,090)	(67,364)	(834,877)	451,679
Cash and cash equivalents at beginning of year	731,049	376,004	3,129,530	1,540,192
Effect of exchange rate fluctuations on cash held	-	-	(35,299)	28,745
Cash and cash equivalents at end of year	422,959	308,640	2,259,354	2,020,616

Additional information

Tax paid	-	-	50,514	48,845
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The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statements of value added

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	Parent Company		Consolidated	
	January 1, 2016 to June 30, 2016	January 1, 2015 to June 30, 2015 (Restated)	January 1, 2016 to June 30, 2016	January 1, 2015 to June 30, 2015 (Restated)
Revenue				
Sales of products and services net of returns	-	-	5,039,298	5,043,548
Other operating revenue	2,357	3,586	30,006	36,070
Allowance for doubtful accounts	-	-	(9,633)	(8,465)
	2,357	3,586	5,059,671	5,071,153
Raw materials acquired from third parties				
Cost of services rendered	-	-	(2,716,375)	(3,326,583)
Materials, energy, third party services, others	(94,781)	(142,623)	(295,831)	(342,033)
	(94,781)	(142,623)	(3,012,206)	(3,668,616)
Gross value added	(92,424)	(139,037)	2,047,465	1,402,537
	-	-	-	-
Retention				
Depreciation and amortization	(2,456)	(1,948)	(290,631)	(278,522)
	(2,456)	(1,948)	(290,631)	(278,522)
Net value added	(94,880)	(140,985)	1,756,834	1,124,015
Value added transferred in				
Equity pick-up in investees	1,092,457	379,073	(11,792)	(3,159)
Equity pick-up in jointly controlled entity	(62,191)	(64,988)	693,938	227,098
Financial income	1,022,231	511,492	1,027,046	474,991
	2,052,497	825,577	1,709,192	698,930
Value added to be distributed	1,957,617	684,592	3,466,026	1,822,945
Distribution of value added				
Personnel	22,154	27,965	185,810	183,478
Taxes and contributions	(311,018)	(142,223)	790,387	501,217
Financial expenses	1,716,189	814,032	1,739,967	1,020,466
Non-controlling interests	-	-	219,570	13,995
Dividends	575,000	-	575,000	118,971
Income from continuing operations	(44,708)	(15,182)	(44,708)	(15,182)
	1,957,617	684,592	3,466,026	1,822,945

The notes are an integral part of these interim interim financial statements.

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

1 Operations

Cosan S.A. Indústria e Comércio composed of its subsidiaries and jointly controlled entities ("Company" or "Cosan") is a publicly traded company with its shares traded on the Novo Mercado da Bolsa de Valores de São Paulo ("BM&FBOVESPA") under the ticker symbol CSAN3, and has its headquarters in the city of São Paulo, Brazil. Cosan Limited is the controlling shareholder of Cosan, in which it holds 62.50%.

The primary activities in which Cosan S.A. operates, include the following business segments: (i) Piped natural gas distribution to part of the State of São Paulo through its subsidiary Companhia de Gás de São Paulo – COMGÁS ("COMGÁS"); which is consolidated since November 2012, (ii) Purchase, sale and leasing of agricultural land through its subsidiary, Radar Propriedades Agrícolas S.A. ("Radar"); (iii) Production and distribution of lubricants under the Mobil licensed trademark in Brazil, Bolivia, Uruguay and Paraguay, in addition to the European and Asian market using the Comma brand and corporate activities; and (iv) other investments, in addition to the corporate structures of Company ("Cosan's other business").

The Company also holds interests in two jointly controlled entities ("Joint Ventures" or "JVs"): (i) Raízen Combustíveis S.A. ("Raízen Combustíveis"), fuel distribution business, and (ii) Raízen Energia S.A. ("Raízen Energia"), production and marketing of sugar, ethanol and energy cogeneration, produced from sugar cane bagasse.

On April 22, 2016, GIF Rumo Fundo de Investimentos em Participações ("GIF"), controlled by Gávea Investimentos Ltda. and shareholder of Rumo Operadora Multimodal S.A. ("Rumo"), exercised its right to exchange 12,831,102 shares of Rumo for the Company's shares under the shareholders' agreement signed in 2010, later amended between Cosan Logistics, TPG VI Investment Fund Participations, GIF, Cosan Limited and the Company. The Company and GIF agreed to financially settle the share exchange obligation through payment of R \$ 186,052 of which the shares received were valued at fair value in the amount of R \$ 51,660 presented under "other financial assets".

2 Basis of preparation

2.1 Statement of compliance

The interim individual and consolidated financial statements have been prepared in accordance with CPC 21 - Interim Financial Reporting and with international standards IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Securities and Exchange Commission applicable to the preparation of the Quarterly Information - ITR.

These financial statements have been prepared following the basis of preparation and accounting policies consistent with those adopted in preparing the financial statements for the year ended on December 31, 2015 and should be read together, except for the initial adoption of new accounting standards and interpretations that have been given effect from January 1, 2016 disclosed in Note 2.2. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not effective.

The information notes that did not change significantly compared with the December 31, 2015 have not been fully presented in these financial statements.

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

These interim financial statements were authorized for issue by the Board of Directors on August 05, 2016.

2.2 *New standards, interpretations and amendments adopted by the Company*

Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements or the interim consolidated financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

Amendments to CPC 27 e CPC 29 Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of CPC 29 - biological assets. Instead, CPC 27 – Property, plant and equipment. After initial recognition, bearer plants will be measured under CPC 27, at accumulated cost t (before maturity) and using either the cost model. The amendments also require that produce that grows on bearer plants will remain in the scope of CPC 29 measured at fair value less costs to sell. For government grants related to bearer plants CPC 07 – *Accounting for Government Grants and Disclosure of Government Assistance* will apply. These changes substantially impact the controlled Raizen Energia together and have no effect for companies that have no bearing plants. The impacts of the restatement, related to the initial adoption of the accounting standard for the year ended December 31, 2015 are:

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

Statement of financial position

	Parent company		
	December 31, 2015 (published)	CPC 27 effect	December 31, 2015 (restated)
Assets			
Current assets	951,424	-	951,424
Investments in associates	11,355,142	(92,330)	11,262,812
Other non-current assets	5,446,173	-	5,446,173
Total assets	17,752,739	(92,330)	17,660,409
Liabilities			
Current liabilities	942,089	-	942,089
Non-current liabilities	7,964,462	-	7,964,462
Total liabilities	8,906,551	-	8,906,551
Shareholders' equity			
Share capital	3,822,725	-	3,822,725
Treasury shares	(58,694)	-	(58,694)
Additional paid in capital	955,326	-	955,326
Other comprehensive loss	(184,691)	-	(184,691)
Profit reserve	4,311,522	(92,330)	4,219,192
Equity attributable to owners of the parent	8,846,188	(92,330)	8,753,858
Non-controlling interests	-	-	-
Total shareholders' equity	8,846,188	(92,330)	8,753,858
Total shareholders' equity and liabilities	17,752,739	(92,330)	17,660,409

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	Consolidated		
	December 31, 2015 (published)	CPC 27 effect	December 31, 2015 (restated)
Assets			
Current assets	5,165,823	-	5,165,823
Investments in joint ventures	8,329,518	(92,330)	8,237,188
Other non-current assets	16,886,850	-	16,886,850
Total assets	30,382,191	(92,330)	30,289,861
Liabilities			
Current liabilities	3,345,053	-	3,345,053
Non-current liabilities	14,502,462	-	14,502,462
Total liabilities	17,847,515	-	17,847,515
Shareholders' equity			
Share capital	3,822,725	-	3,822,725
Treasury shares	(58,694)	-	(58,694)
Additional paid in capital	955,326	-	955,326
Other comprehensive loss	(184,691)	-	(184,691)
Profit reserve	4,311,522	(92,330)	4,219,192
Equity attributable to owners of the parent	8,846,188	(92,330)	8,753,858
Non-controlling interests	3,688,488	-	3,688,488
Total shareholders' equity	12,534,676	(92,330)	12,442,346
Total shareholders' equity and liabilities	30,382,191	(92,330)	30,289,861

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

Statement of profit or loss

	Parent Company					
	April 1, 2015 to June 30, 2015 (published)	CPC 27 effect	April 1, 2015 to June 30, 2015 (restated)	January 1, 2015 to June 30, 2015 (published)	CPC 27 effect	January 1, 2015 to June 30, 2015 (restated)
Income before equity in earning and financial results	(40,963)	-	(40,963)	(175,176)	-	(175,176)
Equity in earning of associates	189,696	(33,048)	156,648	400,020	(20,947)	379,073
Equity in earnings of joint ventures	(26,332)	-	(26,332)	(64,988)	-	(64,988)
Equity in earning of investees	163,364	(33,048)	130,316	335,032	(20,947)	314,085
Financial results	(136,732)	-	(136,732)	(300,667)	-	(300,667)
Profit (loss) before taxes	(14,331)	(33,048)	(47,379)	(140,811)	(20,947)	(161,758)
Income tax (expenses) benefits	63,778	-	63,778	146,576	-	146,576
Net profit for the period	49,447	(33,048)	16,399	5,765	(20,947)	(15,182)

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	Consolidated					
	April 1, 2015 to June 30, 2015 (published)	CPC 27 effect	April 1, 2015 to June 30, 2015 (restated)	January 1, 2015 to June 30, 2015 (published)	CPC 27 effect	January 1, 2015 to June 30, 2015 (restated)
Gross profit	711,317	-	711,317	1,201,838	-	1,201,838
Operating expenses	(365,542)	-	(365,542)	(824,610)	-	(824,610)
Income before equity in earning and financial results	345,775	-	345,775	377,228	-	377,228
Equity in earning of associates	1,475	-	1,475	(3,159)	-	(3,159)
Equity in earnings of joint ventures	90,274	(33,048)	57,226	248,045	(20,947)	227,098
Equity in earning of investees	91,749	(33,048)	58,701	244,886	(20,947)	223,939
Financial results	(260,761)	-	(260,761)	(545,475)	-	(545,475)
Profit (loss) before taxes	176,763	(33,048)	143,715	76,639	(20,947)	55,692
Income tax (expenses) benefits	(36,427)	-	(36,427)	48,097	-	48,097
Net profit for the period	140,336	(33,048)	107,288	124,736	(20,947)	103,789

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented these financial statements.

3.1 Basis of consolidation

The interim financial statements include the accounts of Cosan and its subsidiaries. Cosan's subsidiaries are listed below:

	June, 30 2015	December, 31 2015
<u>Subsidiaries</u>		
Águas da Ponte Alta S.A.	65.00%	65.00%
Bioinvestments Negócios e Participações S.A.	65.00%	65.00%
Comma Oil Chemicals	100.00%	100.00%
Companhia de Gás de São Paulo - COMGÁS ⁽ⁱⁱ⁾	61.73%	61.33%
Cosan Biomassa S.A. ⁽ⁱⁱⁱ⁾	100.00%	100.00%
Cosan Cayman II Limited	100.00%	100.00%
Cosan Global Limited	100.00%	100.00%
Cosan Investimentos e Participações S.A.	100.00%	100.00%
Cosan Lubes Investments Limited	100.00%	100.00%
Cosan Lubrificantes e Especialidades S.A.	100.00%	100.00%
Cosan Luxembourg S.A.	100.00%	100.00%
Cosan Overseas Limited	100.00%	100.00%
Cosan Paraguay S.A.	100.00%	100.00%
Cosan US, Inc.	100.00%	100.00%
Ilha Terminal Distribuição de Produto Químicos	100.00%	100.00%
Nova Agrícola Ponte Alta S.A. ⁽ⁱ⁾	29.50%	29.50%
Nova Amaralina S.A. Propriedades Agrícolas ⁽ⁱ⁾	29.50%	29.50%
Nova Santa Barbara Agrícola S.A. ⁽ⁱ⁾	29.50%	29.50%
Pasadena Empreendimentos e Participações S.A.	100.00%	100.00%
Proud Participações S.A.	65.00%	65.00%
Radar II Propriedades Agrícolas S.A.	65.00%	65.00%
Radar Propriedades Agrícolas S.A. ⁽ⁱ⁾	29.50%	29.50%
Terras da Ponte Alta S.A. ⁽ⁱ⁾	29.50%	29.50%
Vale da Ponte Alta S.A.	65.00%	65.00%
Zip Lube S.A.	100.00%	100.00%

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

- i. The Company has control over the Radar and their controlled companies, even without controlling interest, based on the Shareholders' Agreement the Company has the power to direct all relevant activities of Radar and exercise most power in all relevant decisions on financial and operational matters of the Radar.
- ii. From June 30, 2016, the Company increase its share to 61.73% in Comgás due to the capital increase arising from partial use of tax benefit of goodwill as the Annual and Extraordinary General Meeting on April 26, 2016 of the subsidiary Comgás.
- iii. The Company recognized, in line with obligations to non-controlling shareholder, commitment (put option), to repurchase shares of non-controlling shareholders as determined in a shareholders' agreement.

4 New standards and interpretations not yet adopted

- IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company has yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

- IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 - Construction Contracts and IFRIC 13 - Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

The Company is currently assessing the potential impacts of adopting IFRS 15.

- IFRS 16 - Leases was issued on January 13, 2016. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. For lessees, the lease becomes an on-balance sheet liability that attracts interest, together with a new asset on the other side of the balance sheet. In other words, lessees will appear to become more asset-rich but also more heavily indebted. The new standard takes effect in January 2019.

There are no other IFRS or IFRIC interpretations that are not yet effective and that are expected to have a significant impact on the Company.

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

5 Operating segments

Segment information

The following segment information is used by Cosan's senior management (the "Chief Operating Decision Maker") to assess the performance of the operating segments and to make decisions with regards to the allocation of resources.

The following statement of financial position and profit or loss selected information by segment was prepared on the same basis as the accounting practices used in the preparation of consolidated information:

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	April, 30 2016 to June, 30 2016								
	Raízen Energia	Raízen Combustíveis	COMGÁS	Radar	Lubricants	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Statement of income:									
Net sales	2,642,898	16,479,574	1,493,959	24,014	488,992	340	(19,122,472)	-	2,007,305
Domestic market	1,001,495	16,479,574	1,493,959	24,014	374,949	340	(17,481,069)	-	1,893,262
External market	1,641,403	-	-	-	114,043	-	(1,641,403)	-	114,043
Cost of sales	(2,216,694)	(15,665,191)	(729,431)	-	(369,337)	(8,543)	17,881,885	-	(1,107,311)
Gross profit	426,204	814,383	764,528	24,014	119,655	(8,203)	(1,240,587)	-	899,994
Selling expenses	(180,311)	(299,521)	(159,886)	-	(95,368)	(100)	479,832	-	(255,354)
General and administrative expenses	(115,335)	(119,596)	(84,627)	(7,114)	(16,947)	(40,996)	234,931	-	(149,684)
Other income (expense), net	(31,531)	117,352	(640)	8,878	152	(18,408)	(85,821)	-	(10,018)
Financial results	206,657	(146,745)	(45,932)	4,364	(25,351)	(182,729)	(59,912)	-	(249,648)
Financial expense	(211,252)	(12,042)	(164,259)	(342)	(13,883)	(165,197)	223,294	-	(343,681)
Financial income	165,611	54,659	118,072	4,706	845	131,776	(220,270)	-	255,399
Foreign exchange losses, net	(45,045)	423,806	118,707	-	27,928	416,630	(378,761)	-	563,265
Derivatives	297,343	(613,168)	(118,452)	-	(40,241)	(565,938)	315,825	-	(724,631)
Equity in earnings of associates	(12,492)	-	-	-	(2,157)	180,151	12,492	(184,670)	(6,676)
Equity in earnings of joint ventures	-	-	-	-	-	252,594	-	-	252,594
Income tax expense benefit	(79,297)	(74,250)	(163,127)	(4,547)	4,078	99,276	153,547	-	(64,320)
Profit (loss) for the period	213,895	291,623	310,316	25,595	(15,938)	281,585	(505,518)	(184,670)	416,888
Net income attributable to:									
Owners of the Parent	213,895	279,440	310,316	25,595	(15,938)	281,585	(493,335)	(319,973)	281,585
Non-controlling interests	-	12,183	-	-	-	-	(12,183)	135,303	135,303
	213,895	291,623	310,316	25,595	(15,938)	281,585	(505,518)	(184,670)	416,888
Other selected data:									
Depreciation and amortization	541,002	148,653	122,036	159	21,959	4,528	(689,655)	-	148,682
EBITDA	627,537	661,271	641,411	25,937	27,294	369,566	(1,288,808)	(184,670)	879,538
Additions to PP&E, intangible and biological assets	357,730	225,846	109,321	22	9,339	1,802	(583,576)	-	120,484
Reconciliation of EBITDA:									
Profit (loss) for the period	213,895	291,623	310,316	25,595	(15,938)	281,585	(505,518)	(184,670)	416,888
Income tax and social contribution	79,297	74,250	163,127	4,547	(4,078)	(99,276)	(153,547)	-	64,320
Financial result, net	(206,657)	146,745	45,932	(4,364)	25,351	182,729	59,912	-	249,648
Depreciation and amortization	541,002	148,653	122,036	159	21,959	4,528	(689,655)	-	148,682
EBITDA	627,537	661,271	641,411	25,937	27,294	369,566	(1,288,808)	(184,670)	879,538

Cosan S.A. Indústria e Comércio

Notes to the interim financial statements

For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	January, 30 2016 to June, 30 2016								
	Raízen Energia	Raízen Combustíveis	COMGÁS	Radar	Lubricants	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Statement of income:									
Net sales	6,509,176	32,871,326	2,954,034	46,928	968,117	374	(39,380,502)	-	3,969,453
Domestic market	2,680,599	32,871,326	2,954,034	46,928	740,882	374	(35,551,925)	-	3,742,218
External market	3,828,577	-	-	-	227,235	-	(3,828,577)	-	227,235
Cost of sales	(4,883,779)	(31,265,779)	(1,558,014)	-	(741,281)	(9,094)	36,149,558	-	(2,308,389)
Gross profit	1,625,397	1,605,547	1,396,020	46,928	226,836	(8,720)	(3,230,944)	-	1,661,064
Selling expenses	(368,715)	(656,617)	(314,469)	-	(179,342)	(101)	1,025,332	-	(493,912)
General and administrative expenses	(278,621)	(220,805)	(157,953)	(14,690)	(35,740)	(82,957)	499,426	-	(291,340)
Other income (expense), net	36,948	198,070	(2,656)	8,665	1,854	(57,717)	(235,018)	-	(49,854)
Financial results	415,898	(279,706)	(142,008)	8,128	(44,266)	(520,862)	(136,192)	-	(699,008)
Financial expense	(474,027)	(55,397)	(374,248)	(751)	(22,680)	(440,392)	529,424	-	(838,071)
Financial income	327,899	114,210	231,626	8,928	1,809	202,172	(442,109)	-	444,535
Foreign exchange losses, net	(60,219)	782,103	242,561	(49)	45,348	782,917	(721,884)	-	1,070,777
Derivatives	622,245	(1,120,622)	(241,947)	-	(68,743)	(1,065,559)	498,377	-	(1,376,249)
Equity in earnings of associates	(48,775)	2,520	-	-	(3,022)	294,344	46,255	(303,114)	(11,792)
Equity in earnings of joint ventures	-	-	-	-	-	693,938	-	-	693,938
Income tax expense benefit	(447,913)	(184,223)	(267,762)	(8,483)	4,645	212,366	632,136	-	(59,234)
Profit (loss) for the period	934,219	464,786	511,172	40,548	(29,035)	530,291	(1,399,005)	(303,114)	749,862
Net income attributable to:									
Owners of the Parent	934,219	442,538	511,172	40,548	(29,035)	530,291	(1,376,757)	(522,685)	530,291
Non-controlling interests	-	22,248	-	-	-	-	(22,248)	219,571	219,571
	934,219	464,786	511,172	40,548	(29,035)	530,291	(1,399,005)	(303,114)	749,862
Other selected data:									
Depreciation and amortization	1,184,444	312,272	241,085	314	42,588	7,491	(1,496,716)	-	291,478
EBITDA	2,150,678	1,240,987	1,162,027	41,217	53,174	846,278	(3,391,665)	(303,114)	1,799,582
Additions to PP&E, intangible and biological assets	1,168,364	405,011	203,460	122	18,687	2,641	(1,573,375)	-	224,910
Reconciliation of EBITDA:									
Profit (loss) for the period	934,219	464,786	511,172	40,548	(29,035)	530,291	(1,399,005)	(303,114)	749,862
Income tax and social contribution	447,913	184,223	267,762	8,483	(4,645)	(212,366)	(632,136)	-	59,234
Financial result, net	(415,898)	279,706	142,008	(8,128)	44,266	520,862	136,192	-	699,008
Depreciation and amortization	1,184,444	312,272	241,085	314	42,588	7,491	(1,496,716)	-	291,478
EBITDA	2,150,678	1,240,987	1,162,027	41,217	53,174	846,278	(3,391,665)	(303,114)	1,799,582

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For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

April, 30 2015 to June, 30 2015 (restated)

	Raízen Energia	Raízen Combustíveis	COMGÁS	Radar	Lubricants	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Statement of income:									
Net sales	1,646,882	14,793,885	1,671,012	26,927	424,088	-	(16,440,767)	-	2,122,027
Domestic market	790,037	14,793,885	1,671,012	26,927	338,505	-	(15,583,922)	-	2,036,444
External market	856,845	-	-	-	85,583	-	(856,845)	-	85,583
Cost of sales	(1,577,926)	(14,134,501)	(1,090,919)	(5,530)	(314,261)	-	15,712,427	-	(1,410,710)
Gross profit	68,956	659,384	580,093	21,397	109,827	-	(728,340)	-	711,317
Selling expenses	(88,087)	(281,090)	(150,654)	-	(70,380)	-	369,177	-	(221,034)
General and administrative expenses	(121,175)	(97,231)	(73,860)	(6,988)	(17,385)	(44,364)	218,406	-	(142,597)
Other income (expense), net	(24,342)	82,634	(1,787)	6,460	214	(6,798)	(58,292)	-	(1,911)
Financial results	10,958	(34,279)	(58,294)	1,979	(12,766)	(191,680)	23,321	-	(260,761)
Financial expense	(195,132)	(47,074)	(92,788)	(351)	(13,043)	(183,651)	242,206	4,178	(285,655)
Financial income	152,405	41,452	41,910	2,330	1,027	32,947	(193,857)	(4,178)	74,036
Foreign exchange losses, net	145,247	28,116	46,063	-	2,960	58,524	(173,363)	-	107,547
Derivatives	(91,562)	(56,773)	(53,479)	-	(3,710)	(99,500)	148,335	-	(156,689)
Equity in earnings of associates	(11,422)	3,064	-	-	(2,131)	131,514	8,358	(127,908)	1,475
Equity in earnings of joint ventures	-	-	-	-	-	57,226	-	-	57,226
Income tax expense benefit	72,765	(117,122)	(100,134)	(3,477)	(3,318)	70,502	44,357	-	(36,427)
Profit (loss) for the period	(92,347)	215,360	195,364	19,371	4,061	16,400	(123,013)	(127,908)	107,288
Net income attributable to:									
Owners of the Parent	(92,347)	208,338	195,364	19,371	4,061	16,400	(115,991)	(218,796)	16,400
Non-controlling interests	-	7,022	-	-	-	-	(7,022)	90,888	90,888
	(92,347)	215,360	195,364	19,371	4,061	16,400	(123,013)	(127,908)	107,288
Other selected data:									
Depreciation and amortization	336,430	147,697	119,701	246	18,919	1,059	(484,127)	-	139,925
EBITDA	160,360	514,458	473,493	21,115	39,064	138,637	(674,818)	(127,908)	544,401
Additions to PP&E, intangible and biological assets	357,555	116,873	122,454	272	8,381	14,957	(474,428)	-	146,064
Reconciliation of EBITDA:									
Profit (loss) for the period	(92,347)	215,360	195,364	19,371	4,061	16,400	(123,013)	(127,908)	107,288
Income tax and social contribution	(72,765)	117,122	100,134	3,477	3,318	(70,502)	(44,357)	-	36,427
Financial result, net	(10,958)	34,279	58,294	(1,979)	12,766	191,680	(23,321)	-	260,761
Depreciation and amortization	336,430	147,697	119,701	246	18,919	1,059	(484,127)	-	139,925
EBITDA	160,360	514,458	473,493	21,115	39,064	138,637	(674,818)	(127,908)	544,401

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For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	January, 30 2015 to June, 30 2015 (restated)								
	Raízen Energia	Raízen Combustíveis	COMGÁS	Radar	Lubricants	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Statement of income:									
Net sales	4,726,922	28,855,395	3,205,075	48,533	803,931	-	(33,582,317)	-	4,057,539
Domestic market	1,956,396	28,855,395	3,205,075	48,533	644,171	-	(30,811,791)	-	3,897,779
External market	2,770,526	-	-	-	159,760	-	(2,770,526)	-	159,760
Cost of sales	(4,162,081)	(27,394,590)	(2,245,596)	(7,268)	(602,837)	-	31,556,671	-	(2,855,701)
Gross profit	564,841	1,460,805	959,479	41,265	201,094	-	(2,025,646)	-	1,201,838
Selling expenses	(237,160)	(597,023)	(305,176)	-	(135,184)	-	834,183	-	(440,360)
General and administrative expenses	(261,826)	(197,502)	(160,456)	(14,194)	(33,532)	(75,293)	459,328	-	(283,475)
Other income (expense), net	14,757	143,560	(3,867)	20,783	373	(118,064)	(158,317)	-	(100,775)
Financial results	(227,345)	(21,326)	(132,251)	3,671	(8,996)	(407,899)	248,671	-	(545,475)
Financial expense	(399,974)	(86,029)	(196,678)	(705)	(21,488)	(348,597)	486,003	8,000	(559,468)
Financial income	300,198	79,229	79,224	4,400	1,355	61,165	(379,427)	(8,000)	138,144
Foreign exchange losses, net	(460,179)	(144,690)	(196,450)	(24)	5,575	(270,099)	604,869	-	(460,998)
Derivatives	332,610	130,164	181,653	-	5,562	149,632	(462,774)	-	336,847
Equity in earnings of associates	(17,412)	7,112	-	-	(7,090)	163,060	10,300	(159,129)	(3,159)
Equity in earnings of joint ventures	-	-	-	-	-	227,098	-	-	227,098
Income tax expense benefit	103,048	(262,098)	(131,975)	(6,821)	(9,023)	195,916	159,050	-	48,097
Profit (loss) for the period	(61,097)	533,528	225,754	44,704	7,642	(15,182)	(472,431)	(159,129)	103,789
Net income attributable to:									
Owners of the Parent	(61,097)	514,484	225,754	44,704	7,642	(15,182)	(453,387)	(278,100)	(15,182)
Non-controlling interests	-	19,044	-	-	-	-	(19,044)	118,971	118,971
	(61,097)	533,528	225,754	44,704	7,642	(15,182)	(472,431)	(159,129)	103,789
Other selected data:									
Depreciation and amortization	964,044	287,030	239,152	491	36,846	2,033	(1,251,074)	-	278,522
EBITDA	1,027,244	1,103,982	729,132	48,345	62,507	198,834	(2,131,226)	(159,129)	879,689
Additions to PP&E, intangible and biological assets	1,198,002	358,627	246,020	940	16,681	33,119	(1,556,629)	-	296,760
Reconciliation of EBITDA:									
Profit (loss) for the period	(61,097)	533,528	225,754	44,704	7,642	(15,182)	(472,431)	(159,129)	103,789
Income tax and social contribution	(103,048)	262,098	131,975	6,821	9,023	(195,916)	(159,050)	-	(48,097)
Financial result, net	227,345	21,326	132,251	(3,671)	8,996	407,899	(248,671)	-	545,475
Depreciation and amortization	964,044	287,030	239,152	491	36,846	2,033	(1,251,074)	-	278,522
EBITDA	1,027,244	1,103,982	729,132	48,345	62,507	198,834	(2,131,226)	(159,129)	879,689

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For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	June, 30 2016								
Statement of financial position:	Raízen Energia	Raízen Combustíveis	COMGÁS	Radar	Lubricants	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Cash and cash equivalents	3,170,659	974,962	1,390,730	7,798	63,907	796,919	(4,145,621)	-	2,259,354
Marketable Securities	-	-	-	138,559	-	-	-	-	138,559
Trade receivables	626,584	1,745,822	573,785	21,666	247,719	46	(2,372,406)	-	843,216
Derivative financial instruments	1,300,319	181,751	411,158	-	-	587,681	(1,482,070)	-	998,839
Inventories	1,205,843	1,489,635	139,039	-	289,328	3,223	(2,695,478)	-	431,590
Other financial assets	-	-	-	141,064	-	51,660	-	-	192,724
Other current assets	2,049,352	1,352,703	90,397	137,080	46,826	202,483	(3,402,055)	(6,018)	470,768
Other non-current assets	3,168,935	890,395	262,340	58	43,202	1,722,104	(4,059,330)	(7,988)	2,019,716
Investment in associates	218,508	-	-	-	6,265	5,427,044	(218,508)	(5,299,701)	133,608
Investment in joint ventures	-	-	-	-	-	8,347,720	-	-	8,347,720
Biological assets	809,841	-	-	-	-	-	(809,841)	-	-
Investment property	-	-	-	2,593,649	-	-	-	-	2,593,649
Property, plant and equipment	11,051,790	2,359,833	-	1,618	240,455	150,759	(13,411,623)	-	392,832
Intangible assets and goodwill	3,246,428	4,500,044	8,574,445	1,889	796,154	8,227	(7,746,472)	-	9,380,715
Loans and borrowings	(9,956,894)	(2,648,257)	(3,550,781)	-	(472,879)	(4,220,540)	12,605,151	-	(8,244,200)
Derivative financial instruments	(1,237,068)	(917,504)	-	-	(53,218)	(762,932)	2,154,572	-	(816,150)
Trade payables	(977,463)	(670,482)	(1,165,076)	(2,209)	(197,883)	(4,849)	1,647,945	-	(1,370,017)
Employee benefits payable	(434,535)	(123,542)	(45,511)	(5,201)	(17,880)	(13,324)	558,077	-	(81,916)
Other current liabilities	(1,040,859)	(1,320,508)	(162,550)	(37,485)	(133,006)	(185,947)	2,361,367	14,005	(504,983)
Other non-current liabilities	(1,309,603)	(2,769,990)	(1,342,467)	(106,310)	(157,960)	(3,462,844)	4,079,593	-	(5,069,581)
Total assets (net of liabilities) allocated by segment	11,891,837	5,044,862	5,175,509	2,892,176	701,030	8,647,430	(16,936,699)	(5,299,702)	12,116,443
Total assets	26,848,259	13,495,145	11,441,894	3,043,381	1,733,856	17,297,866	(40,343,404)	(5,313,707)	28,203,290
Equity attributable to:									
Equity attributable to owners of the parent	11,892,800	4,870,307	5,175,509	2,892,176	701,030	8,647,430	(16,763,107)	(8,768,716)	8,647,429
Non-controlling interests	(963)	174,555	-	-	-	-	(173,592)	3,469,014	3,469,014
Total shareholders' equity	11,891,837	5,044,862	5,175,509	2,892,176	701,030	8,647,430	(16,936,699)	(5,299,702)	12,116,443

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(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

	December, 31 2015 (restated)								
Statement of financial position:	Raízen Energia	Raízen Combustíveis	COMGÁS	Radar	Lubricants	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Cash and cash equivalents	2,995,495	885,880	1,967,643	1,016	96,907	1,063,964	(3,881,375)	-	3,129,530
Marketable Securities	-	-	-	97,222	-	-	-	-	97,222
Trade receivables	719,092	2,058,601	540,133	38,510	220,417	247	(2,777,693)	-	799,307
Derivative financial instruments	1,465,816	255,665	665,032	-	12,363	1,615,464	(1,721,481)	-	2,292,859
Inventories	2,371,987	1,287,946	134,347	-	293,916	2,854	(3,659,933)	-	431,117
Other financial assets	-	-	-	144,208	-	-	-	-	144,208
Other current assets	1,579,568	1,029,510	132,959	120,615	51,926	209,529	(2,609,078)	(11,525)	503,504
Other non-current assets	3,425,968	921,891	279,091	51	(135,853)	1,937,113	(4,347,859)	(9,716)	2,070,686
Investment in associates	225,670	248,456	-	-	8,453	5,660,434	(474,126)	(5,528,751)	140,136
Investment in joint ventures	-	-	-	-	-	8,237,188	-	-	8,237,188
Biological assets	678,564	-	-	-	-	-	(678,564)	-	-
Investment property	-	-	-	2,595,035	-	-	-	-	2,595,035
Property, plant and equipment	11,027,461	2,409,555	-	2,029	243,080	156,691	(13,437,016)	-	401,800
Intangible assets and goodwill	3,261,623	4,414,352	8,620,436	1,669	818,362	6,802	(7,675,975)	-	9,447,269
Loans and borrowings	(11,549,211)	(3,226,849)	(3,823,066)	-	(512,759)	(5,419,878)	14,776,060	-	(9,755,703)
Derivative financial instruments	(676,321)	(67,902)	-	-	(291)	(740,427)	744,223	-	(740,718)
Trade payables	(1,126,540)	(937,177)	(1,302,397)	(2,511)	(235,663)	(4,251)	2,063,717	-	(1,544,822)
Employee benefits payable	(315,704)	(83,214)	(65,522)	(5,684)	(15,061)	(20,140)	398,918	-	(106,407)
Other current liabilities	(920,298)	(968,904)	(103,334)	(35,465)	(135,946)	(209,512)	1,889,202	21,242	(463,015)
Other non-current liabilities	(1,364,086)	(3,129,160)	(1,180,987)	(104,403)	(209,244)	(3,742,216)	4,493,246	-	(5,236,850)
Total assets (net of liabilities) allocated by segment	11,799,084	5,098,650	5,864,335	2,852,292	500,607	8,753,862	(16,897,734)	(5,528,750)	12,442,346
Total assets	27,751,244	13,511,856	12,339,641	3,000,355	1,609,571	18,890,286	(41,263,100)	(5,549,992)	30,289,861
Equity attributable to:									
Equity attributable to owners of the parent	11,800,047	4,926,655	5,864,335	2,852,292	500,607	8,753,862	(16,726,702)	(9,217,238)	8,753,858
Non-controlling interests	(963)	171,995	-	-	-	-	(171,032)	3,688,488	3,688,488
Total shareholders' equity	11,799,084	5,098,650	5,864,335	2,852,292	500,607	8,753,862	(16,897,734)	(5,528,750)	12,442,346

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Net revenue by segment:

	April, 30 2016 to June, 30 2016	January, 30 2016 to June, 30 2016	April, 30 2015 to June, 30 2015	January, 30 2015 to June, 30 2015
Raízen Energia				
Ethanol	1,262,340	3,199,252	940,503	2,566,987
Sugar	1,115,321	2,961,609	464,968	1,873,297
Cogeneration	151,438	195,319	172,052	184,738
Other	113,799	152,996	69,359	101,900
	2,642,898	6,509,176	1,646,882	4,726,922
Raízen Combustíveis				
Fuels	16,479,574	32,871,326	14,793,885	28,855,395
	16,479,574	32,871,326	14,793,885	28,855,395
COMGÁS				
Industrial	996,765	2,002,830	1,049,105	2,076,956
Residential	197,848	353,254	181,347	302,204
Thermo generation	9,873	61,594	135,036	250,145
Cogeneration	57,386	111,909	72,128	138,100
Automotive	50,827	97,977	50,014	95,051
Commercial	75,903	146,301	71,792	133,401
Construction revenue	88,095	154,287	103,343	193,724
Other	17,262	25,882	8,247	15,494
	1,493,959	2,954,034	1,671,012	3,205,075
Radar				
Land lease	-	-	6,436	8,315
Property sales	20,164	39,353	16,519	33,505
Other	3,850	7,575	3,972	6,713
	24,014	46,928	26,927	48,533
Lubricants				
Lubricants	425,273	851,185	327,814	637,523
Basic oil	59,891	108,833	56,704	94,158
Other	3,828	8,099	39,570	72,250
	488,992	968,117	424,088	803,931
Cosan Corporate				
Other	340	374	-	-
	340	374	-	-
IFRS 11 - Deconsolidated of adjustments/eliminations joint ventures and eliminations	(19,122,472)	(39,380,502)	(16,440,767)	(33,582,317)
Total	2,007,305	3,969,453	2,122,027	4,057,539

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For the three and six months period ended June 31, 2016 and 2015

(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

6 Cash and cash equivalents

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Cash and bank accounts	3	3	223,163	164,091
Financial Investments	422,956	731,046	2,036,191	2,965,439
	422,959	731,049	2,259,354	3,129,530

Financial investments are as follows:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Investment fund				
Repurchase agreements	367,844	97,485	1,603,667	1,248,983
Bank certificate of deposits - CDB	48,821	567,078	212,840	765,900
Financial letter	4,756	65,552	20,737	198,747
	421,421	730,115	1,837,244	2,213,630
Bank investments				
Bank certificate of deposits - CDB	-	-	31,908	407,710
Repurchase agreements	-	-	166,702	343,083
Other financial investments	1,535	931	337	1,016
	1,535	931	198,947	751,809
	422,956	731,046	2,036,191	2,965,439

7 Trade receivables

	Consolidated	
	June 30, 2016	December 31, 2015
Domestic – Brazilian Reais	885,643	829,912
Export – Foreign currency	13,594	16,112
Allowance for doubtful accounts	(56,021)	(46,717)
	843,216	799,307
Current	797,496	759,710
Non-current	45,720	39,597

8 Inventories

	Consolidated	
	June 30, 2016	December 31, 2015
Finished goods	285,205	289,708
Product in process	88,495	86,981
Spare parts and others	57,890	54,428
	431,590	431,117

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(Amounts in thousands of Brazilian Reais – R\$, unless otherwise stated)

9 Other current tax receivable

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
ICMS - State VAT	-	-	97,111	121,754
Credit Installment - PAES	1,991	33,245	1,991	33,245
COFINS – VAT	3,714	3,714	11,087	10,272
PIS - VAT	4	4	1,605	1,428
Other	282	78	8,352	11,826
	5,991	37,041	120,146	178,525
Current	5,991	37,041	78,517	135,947
Non Current	-	-	41,629	42,578

10 Related parties

a) Receivables and payables from related parties:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Current assets				
Corporate operation / agreements				
Raízen Energia S.A.	7,520	17,101	13,862	21,313
Rumo Logística Operadora Multimodal S.A.	14,573	8,794	14,971	9,181
Cosan Lubrificantes e Especialidades	12,002	8,436	-	-
Aguassanta Participações S.A.	6,327	6,371	6,327	6,371
Radar Propriedades Agrícolas S.A.	973	1,035	-	-
Cosan Biomassa S.A.	1,273	427	-	-
Cosan Limited	807	982	807	982
Raízen Combustíveis S.A.	113	269	118	709
Cosan Logística	18	18	3,050	3,534
Other	900	653	9,040	4,251
	44,506	44,086	48,175	46,341
Financial operations				
Raízen Energia S.A.	9,672	9,672	10,733	9,672
Raízen Combustíveis S.A.	-	-	-	1,102
Cosan Limited	-	-	24,472	29,485
	9,672	9,672	35,205	40,259
	54,178	53,758	83,380	86,600
Non-current assets				
Preferred shares				
Janus Brasil Participações S.A.	20,875	20,875	20,875	20,875
Raízen Energia S.A.	89,763	89,763	89,763	89,763
	110,638	110,638	110,638	110,638
Financial operations				
Rezende Barbosa	46,052	70,365	46,052	70,368
Novvi LLC	-	-	15,605	17,312
Raízen Energia S.A.	24,924	23,029	24,924	23,029
	70,976	93,394	86,581	110,706

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Corporate restructuring

Other	6,046	5,706	-	-
	187,660	209,738	197,219	221,344

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Current liabilities				
Corporate operations / agreements				
Raízen Energia S.A.	92,515	97,253	101,195	100,505
Raízen Combustíveis S.A.	8,141	8,927	6,874	9,447
Rumo	1,480	1,480	1,568	1,512
Cosan Lubrificantes e Especialidades	301	394	-	-
Cosan Biomassa S.A.	-	216,982	-	-
Other	594	618	130	-
	103,031	325,654	109,767	111,464
Financial operations				
Cosan Luxembourg S.A.	36,105	76,416	-	-
Cosan Overseas Limited	20,740	25,682	-	-
Raízen Energia S.A.	-	-	-	3,095
	56,845	102,098	-	3,095
	159,876	427,752	109,767	114,559
Non-current liabilities				
Financial operations				
Cosan Luxembourg S.A.	2,266,328	2,744,584	-	-
Cosan Overseas Limited	1,616,134	1,966,067	-	-
	3,882,462	4,710,651	-	-

Related party transactions:

	Parent Company			
	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Shared income (expense)				
Aguassanta Participações S.A.	92	171	111	216
Cosan Biomassa S.A.	481	1,014	162	373
Radar Propriedades Agrícolas S.A.	676	1,365	970	2,038
Cosan Logística S.A.	2,467	4,935	20	2,713
Cosan Lubrificantes e Especialidades	1,933	4,196	2,746	5,481
Raízen Energia S.A.	(1,215)	(2,291)	(938)	(1,982)
	4,434	9,390	3,071	8,839
Financial result				
Usina Santa Luiza	131	(70)	-	-
Cosan Lubrificantes e Especialidades	-	-	6	28
Cosan Limited	(138)	(175)	(27)	112
Cosan Luxembourg S.A.	221,982	437,389	53,642	(343,878)
Pasadena Empreend. Partic. S.A.	175	339	-	-
Cosan Overseas Limited	141,691	277,082	-	-
Raízen Energia S.A.	470	994	420	1,230
Other	(18)	(35)	94	171
	364,293	715,524	54,135	(342,337)

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	Consolidated			
	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Product sales				
ALL - América Latina Logística Malha Sul S.A	9,140	25,208	8,991	9,070
Raízen Combustíveis S.A	3,221	6,478	3,819	3,819
Raízen Energia S.A.	7,965	16,333	5,438	7,998
	20,326	48,019	18,248	20,887
Purchase of goods / Inputs				
Raízen Energia S.A.	(191)	(335)	(67)	(67)
Outros	-	(1)	-	-
	(191)	(336)	(67)	(67)
Land lease				
Raízen Energia S.A.	15,314	31,485	14,777	29,279
	15,314	31,485	14,777	29,279
Shared income (expense)				
Aguassanta Participações S.A.	92	171	111	216
Cosan Logística S.A.	2,467	4,935	20	2,713
Raízen Energia S.A.	(11,829)	(21,219)	(9,524)	(18,798)
	(9,270)	(16,113)	(9,393)	(15,869)
Financial result				
Usina Santa Luiza	131	(70)	-	-
Cosan Limited	(13)	91	(27)	112
Raízen Energia S.A.	470	994	420	1,230
Other	(3)	(5)	(49)	(97)
	585	1,010	344	1,245

(i) Officers' and directors' compensation

Key management includes directors (executive and non-executive) and members of the board. The compensation paid or payable to key management for their services is shown below:

	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Regular compensation	15,201	20,938	3,284	15,783
Stock option expense	2,127	4,251	2,743	5,486
Bonuses and other variable compensation	2,636	7,922	5,655	10,428
	19,964	33,111	11,682	31,697

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11 Investments in associates

a) Information on associates and subsidiaries

	Companhia de Gás de São Paulo – “COMGÁS”	Cosan Biomassa	Cosan Global	Cosan Investimentos e Participações S.A.	Cosan Lubrificantes e Especialidades S.A.	Cosan Luxembourg S.A.	Radar II Propriedades Agrícolas S.A.	Radar Propriedades Agrícolas S.A.	Tellus Brasil Participações S.A. (a)	Janus Brasil Participações S.A.	Other	Total
Shares issued by the investee	127,313,301	149,289,282	1	3,778,868,643	290,441	500,000	830,690,258	21,148,989	65,957,282	1,907,000	-	
Shares held by Cosan	78,592,549	149,289,282	1	3,778,868,643	290,437	500,000	539,979,397	4,001,167	33,638,214	934,430	-	
Cosan ownership interest (%)	61.73%	100%	100%	100%	100%	100%	65%	19%	51%	51%	-	
At January 1, 2016	3,754,589	208,849	200,663	5,824,631	(64,018)	107,507	648,330	625,108	99,638	23,713	(73,868)	11,355,142
Initial adoption effect in joint ventures (note 2.2)	-	-	-	(92,330)	-	-	-	-	-	-	-	(92,330)
At January 1, 2016 (restated)	3,754,589	208,849	200,663	5,732,301	(64,018)	107,507	648,330	625,108	99,638	23,713	(73,868)	11,262,812
Equity income of investee	314,112	(14,032)	(115,264)	737,515	11,975	154,896	13,862	4,343	(1,461)	3,976	(17,465)	1,092,457
Equity method adjustments	-	-	-	(134,124)	-	-	(70)	(127)	-	-	61,149	(73,172)
Dividends	(724,650)	-	-	(284,896)	-	-	-	-	(1,508)	(689)	-	(1,011,743)
Capital increase / Decrease	-	(216,982)	7,418	-	-	199,656	-	-	-	-	-	(9,908)
Other	(36,826)	40,000	-	(195,472)	-	-	-	-	(492)	-	8,089	(184,701)
At June 30, 2016	3,307,225	17,835	92,817	5,855,324	(52,043)	462,059	662,122	629,324	96,177	27,000	(22,095)	11,075,745
Equity income of investee June, 30 2015 (restated)	137,006	(4,689)	43,365	278,649	(72,557)	(18,535)	6,733	7,747	5,986	146	(4,778)	379,073

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b) Consolidated

	Tellus Brasil Participações S.A.	Novvi Limited Liability Company	Janus Brasil Participações S.A.	Other investments	Total
Shares issued by the investee	65.957.282	200.002	16,166,927	-	
Shares held by Cosan	33.638.214	100.001	31,699,465	-	
Cosan ownership interest (%)	51.00%	50.00%	51.00%	-	
At January 1, 2016	99,638	6,783	23,713	10,002	140,136
Equity income of investee	(1,461)	(3,022)	3,976	(11,285)	(11,792)
Dividends	(1,508)	-	(689)	-	(2,197)
Capital increase / Decrease	-	2,170	-	-	2,170
Other	(492)	-	-	5,783	5,291
At June 30, 2016	96,177	5,931	27,000	4,500	133,608
Equity income of investee June, 30 2015	5,986	(7,081)	146	(2,210)	(3,159)

c) Non-controlling shareholders of the information in the Company's subsidiaries

	Companhia de Gás de São Paulo - "COMGÁS"	Radar II Propriedades Agrícolas S.A.	Radar Propriedades Agrícolas S.A.	Elimination participatio n Radar II in Radar	Total
Shares issued by the investee	127,313,301	830,690,258	21,148,989	-	
Non controlling interest	48,720,752	290,710,861	17,147,822	-	
Non controlling interest ownership (%)	38.27%	35.00%	81.08%	-	
At January 1, 2016	2,109,567	349,022	1,728,749	(498,850)	3,688,488
Equity income of investee	197,239	7,442	18,623	(3,734)	219,570
Equity method adjustments	-	(38)	(590)	110	(518)
Dividends	(475,351)	-	-	-	(475,351)
Other	36,825	-	-	-	36,825
At June 30, 2016	1,868,280	356,426	1,746,782	(502,474)	3,469,014

Information on subsidiaries:

June 30, 2016, the subsidiary COMGÁS has a balance of regulatory receivable account of R\$ 391,225 (R\$ 116,947 at December 31, 2015) related to differences between the actual cost incurred gas paid by COMGÁS, and the cost of gas included in the rate and charged customers as tariff structure defined by ARSESP. During the year, the net movement of regulatory account was R\$ 508,172 and the update by the Selic rate was R\$ 3,994. These assets or regulatory liabilities are only recorded in the financial statements when billed to consumers.

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The date of the tariff review process of the 2014 cycle 2019 COMGÁS, which was scheduled to take place initially at the end of May 2014, was postponed by ARSESP through Resolutions n°. 494 of 27 May 2014 and n°. 533, of December 10, 2014.

The Company is awaiting the agency information on the next steps of the tariff review process.

12 Investments in joint ventures

	Consolidated		
	Raízen Combustíveis S.A.	Raízen Energia S.A.	Total
Shares issued by investee	3,303,168,484	5,902,595,634	
Shares held by Cosan	1,651,584,242	2,951,297,817	
Cosan ownership interest (%)	50%	50%	
December 31, 2015	3,204,833	5,124,685	8,329,518
Initial adoption effect in joint ventures (note 2.2)	-	(92,330)	(92,330)
December 31, 2015 (restated)	3,204,833	5,032,355	8,237,188
Equity in earnings (losses) of jointly controlled entities	220,905	473,033	693,938
Equity method adjustments	13,975	(136,539)	(122,564)
Interest on capital	(39,000)	-	(39,000)
Dividends	(224,060)	(197,782)	(421,842)
June 30, 2016	3,176,653	5,171,067	8,347,720
Equity income of investee June, 30 2015 (restated)	256,649	(29,551)	227,098

The statement of financial position and statement of profit or loss of the joint ventures are disclosed in operating segments (Nota 5).

Pursuant to the terms of the Raízen Joint Venture - Framework Agreement, Cosan is responsible for certain legal proceedings that existed prior to the formation of Raízen, net of judicial deposits as of April 1, 2011, as well as tax installments under the REFIS (tax amnesty and refinancing program), recorded in "Other taxes payable". Additionally, Cosan has access to a credit line (stand-by facility) granted to Raízen in the amount of US\$500 million, which was unused at June, 30 2016.

13 Assets held for sale and investment property

The balances of assets held for sale and investment properties are as follows:

	Investment property	Assets held for sale	Total
At December 31, 2015	2,595,035	111,638	2,706,673
Change in fair values	8,532	-	8,532
Transfers	(9,918)	9,918	-
At June 30, 2016	2,593,649	121,556	2,715,205

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14 Property and equipment

	Consolidated					Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Construction in progress	Other	Total	Total
Cost						
At December 31, 2015	232,615	162,955	58,749	54,179	508,498	35,664
Additions	-	-	13,156	-	13,156	641
Disposals	-	(4)	-	(44)	(48)	-
Transfers (i)	2,079	1,203	(12,464)	1,070	(8,112)	(2,661)
At June 30, 2016	234,694	164,154	59,441	55,205	513,494	33,644
Depreciation						
At December 31, 2015	(31,405)	(42,804)	-	(32,489)	(106,698)	(9,012)
Additions	(3,732)	(7,954)	-	(2,959)	(14,645)	(1,275)
Disposals	-	3	-	41	44	-
Transfers (i)	637	-	-	-	637	-
At June 30, 2016	(34,500)	(50,755)	-	(35,407)	(120,662)	(10,287)
At December 31, 2015	201,210	120,151	58,749	21,690	401,800	26,652
At June 30, 2016	200,194	113,399	59,441	19,798	392,832	23,357

(i) Transfers to intangible assets caused by the completion of those assets.

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15 Intangible assets

	Consolidated					Parent company	
	Goodwill	Concession rights - COMGAS	Trademarks	Related customer relationships	Other	Total	Total
Cost							
At December 31, 2015	612,840	9,159,112	252,474	940,470	285,615	11,250,511	11,172
Additions	-	161,084	-	42,155	7,080	210,319	-
Disposals	-	(11,924)	-	(9,152)	-	(21,076)	-
Transfers (i)	-	(165)	-	(1,190)	8,831	7,476	2,661
At June 30, 2016	612,840	9,308,107	252,474	972,283	301,526	11,447,230	13,833
Amortization							
At December 31, 2015	-	(921,733)	(159,789)	(575,411)	(146,309)	(1,803,242)	(4,905)
Additions	(2,846)	(164,227)	(11,414)	(74,737)	(22,758)	(275,982)	(1,181)
Disposals	-	7,948	-	4,761	-	12,709	-
Transfers (i)	-	123	-	-	(123)	-	-
At June 30, 2016	(2,846)	(1,077,889)	(171,203)	(645,387)	(169,190)	(2,066,515)	(6,086)
At December 31, 2015	612,840	8,237,379	92,685	365,059	139,306	9,447,269	6,267
At June 30, 2016	609,994	8,230,218	81,271	326,896	132,336	9,380,715	7,747

(i) Transfers to intangible assets caused by the completion of those assets.

Capitalization of borrowing costs

Capitalized borrowing costs for period ended on June 30, 2016, amounted to R\$ 9,659 (R\$ 9,383 for period ended on June 30, 2015), relating to interest on loans obtained for the construction of these assets. The weighted average interest rate used to capitalize borrowing costs on the balance of construction in progress, was 12.98% p.a. for the period ended on June 30, 2016 (10.40% p.a. on June 30, 2015).

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Intangible assets (excluding goodwill)	Annual rate of amortization - %	June 30, 2016	December 31, 2015
Concession intangible asset - COMGÁS (a)	Over the concession term	8,230,218	8,237,379
Trademarks			
<i>Mobil</i>	10.00%	57,068	68,481
<i>Comma</i>	-	24,203	24,204
		81,271	92,685
Relationship with customers:			
Comgás	20.00%	280,013	313,693
Lubrificantes	6.00%	46,883	51,366
		326,896	365,059
Other			
Software licenses	20.00%	111,511	112,570
Other		20,825	26,736
		132,336	139,306
Total		8,770,721	8,834,429

Impairment analysis of the recoverable value for cash-generating units containing goodwill

During the period ended June 30, 2016 were not identified impairment indicators were to apply for a review of the last test performed on the base date of December 31, 2015.

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16 Loans, borrowings and debentures

Description	Interest		Parent Company		Consolidated		Maturity
	Index ⁽ⁱ⁾	Annual interest ⁽ⁱⁱ⁾	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015	
Loan and borrowings							
BNDÉS	TJ462	10.43%	-	-	730,903	809,660	Oct-2020
	Selic	16.22%	-	-	310,502	298,258	Oct-2020
	TJLP	10.15%	-	-	161,432	176,900	Oct-2018
EIB	US\$ + LIBOR	2.35%	-	-	655,634	869,014	Sep-2021
FINAME	Fixed	5.50%	-	-	134	164	Feb-2025
FINEP	Fixed	5.00%	-	-	123,166	137,133	Nov-2020
Foreign loans	LIBOR Sterling	3.93%	-	-	229,810	312,940	Dec-2019
Perpetual Notes	US\$	8.25%	-	-	1,624,793	1,976,673	-
Resolution 4131	US\$	3.08%	-	-	129,929	161,796	Oct-2020
	US\$ + LIBOR	2.00%	-	-	398,076	471,045	Mar-2018
	US\$ + LIBOR	2.00%	321,069	406,348	353,352	406,348	Nov-2016
Senior Notes Due 2018	Fixed	9.50%	-	-	170,280	875,376	Mar-2018
Senior Notes Due 2023	US\$	5.00%	-	-	305,764	2,009,296	Mar-2023
Senior Notes Due 2027	US\$	7.00%	-	-	1,655,648	-	Jan-2027
Working capital	CDI + 0.28% p.m.	18.02%	-	-	15,035	25,004	Dec-2016
	121.10% of CDI	17.36%	-	-	5,013	10,143	Nov-2016
Secured account	118% of CDI	18.04%	-	-	25,331	17,763	Jul-2016
Other	-	3.65%	-	-	55,164	-	Feb-2017
			321,069	406,348	6,949,966	8,557,513	
Non-convertible debentures			-	-	1,294,234	1,198,190	
Total			321,069	406,348	8,244,200	9,755,703	
Current			321,069	406,348	1,192,881	1,230,518	
Non-current			-	-	7,051,319	8,525,185	

(i) TJLP and URTJLP are long-term interest rates set on loans by the BNDÉS, the Brazilian National Economic and Social Development Bank. Selic is the benchmark interest rate set by the Central Bank of Brazil. CDI is a benchmark interbank lending rate in Brazil. IPCA is a benchmark consumer price index; and

(ii) At June, 30 2016

On June 9, 2016, Cosan Luxembourg S.A. (“Cosan Lux”), wholly owned subsidiary, issued Senior Notes in the international market in accordance with the "Regulation S" and "144A" in the amount of US\$ 500 million, which are subject to interest at 7% pa. The funds were used for partial repayment of Senior Note 2018 and Senior Note 2023. During the term of the permit, the Company must maintain the net debt divided by EBITDA, and other financial covenants.

On July 11, 2016, Cosan Lux issued an additional U.S.\$150,000,000 principal amount of its 7% Senior Notes due 2027. The Bonds are additional securities issued pursuant to the provisions of the indenture, dated as of June 20, 2016, among the Issuer, Cosan S.A. and Deutsche Bank Trust Company Americas, as Trustee (the “Trustee”), and an officers’ certificate to be dated July 18, 2016

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The carrying amounts and fair value of loans and borrowings:

	June 30, 2016	December 31, 2015
13 to 24 months	1,106,475	628,853
25 to 36 months	873,728	2,181,646
37 to 48 months	592,143	670,499
49 to 60 months	564,173	727,953
61 to 72 months	153,593	184,070
73 to 84 months	492,148	120,819
85 to 96 months	27,276	2,010,345
Thereafter	3,241,783	2,001,000
	<u>7,051,319</u>	<u>8,525,185</u>

Debentures

Description	Issue	Series	Quantity	Interest		June 30, 2016	December 31, 2015
				Index	Annual interest		
Non-convertible debentures							
9/15/2013	3 rd	1 st	128,197	CDI	0.90%	133,621	133,624
9/15/2013	3 rd	2 nd	269,338	IPCA	5.10%	348,306	320,419
9/15/2013	3 rd	3 rd	142,465	IPCA	5.60%	183,733	166,300
Transaction cost	3 rd					(3,875)	(4,750)
12/15/2015	4 th	1 st	269,620	IPCA	7.14%	293,147	270,642
12/15/2015	4 th	2 nd	242,374	IPCA	7.48%	263,949	243,308
12/15/2015	4 th	3 rd	79,900	IPCA	7.36%	86,913	80,207
Transaction cost	4 th					(11,560)	(11,560)
						<u>1,294,234</u>	<u>1,198,190</u>

The carrying amounts of loans and financing of the Company are denominated in these currencies:

	June 30, 2016	December 31, 2015
US Dollar ⁽ⁱ⁾	5,178,360	5,894,172
Brazilian Real	2,836,030	3,548,591
Pound Sterlind	229,810	312,940
	<u>8,244,200</u>	<u>9,755,703</u>

- (i) At June 30, 2016, all debts denominated in US dollars have currency risk protection through derivatives. See details in note 25.

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Covenants

For the year ended June 30, 2016, the Company, its subsidiaries and its joint ventures were in compliance with all terms of contracts.

17 Trade payables

	Parent company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Natural gas suppliers ⁽ⁱ⁾	-	-	1,363,620	1,489,552
Judicial deposits on gas supply ⁽ⁱ⁾	-	-	(294,976)	(294,976)
Material and services suppliers	808	1,151	301,373	350,246
	808	1,151	1,370,017	1,544,822

- (i) On 30 June 2016, the amount of litigation price differences practiced by Petrobrás in gas supply is R\$ 1,000,477, the guaranteed value in the judicial deposit is R\$ 294,976 and the guaranteed value through surety is of R\$ 705,501.

18 Other taxes payable

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Tax amnesty and refinancing program - Refis	26,904	30,789	26,904	30,789
COFINS – VAT	2,570	11,905	34,135	20,815
PIS - VAT	521	2,510	7,388	4,432
INSS - Social security	558	539	803	782
Other	428	506	18,790	17,214
ICMS – State VAT	1	4	87,055	71,438
	30,981	46,255	175,074	145,471
Current	9,977	21,025	154,070	120,241
Non-Current	21,005	25,230	21,005	25,230

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19 Income tax and social contribution

a) Reconciliation of income and social contribution tax expenses:

	Parent company		Consolidated	
	June 30, 2016	June 30, 2015 (restated)	June 30, 2016	June 30, 2015 (restated)
Profit (loss) before taxes	103,302	215,468	(47,379)	(161,758)
Income tax and social contribution at nominal rate (34%)	(35,123)	(73,259)	16,109	54,998
<i>Adjustments to determine the effective rate</i>				
Equity method investments (non taxable income)	181,481	350,290	44,308	106,789
Non-deductible expenses (donations, gifts, etc.)	(406)	(475)	(120)	(390)
Stock options	(723)	(1,446)	(932)	(1,865)
Out of period carryforward tax losses (reversals)	35,086	40,252	-	-
Differences in tax rates on earnings / losses of overseas companies	(20)	(20)	5,819	(11,550)
Compensation action	907	2,305	-	-
Other	(2,919)	(2,823)	(1,406)	(1,406)
Income tax and social contribution expense (current and deferred)	178,283	314,824	63,778	146,576

	Parent company		Consolidated	
	June 30, 2016	June 30, 2015 (restated)	June 30, 2016	June 30, 2015 (restated)
Profit (loss) before taxes	481,208	809,096	143,713	55,692
Income tax and social contribution at nominal rate (34%)	(163,611)	(275,093)	(48,862)	(18,935)
<i>Adjustments to determine the effective rate</i>				
Equity method investments (non taxable income)	83,612	231,930	19,959	76,139
Non-deductible expenses (donations, gifts, etc.)	(2,625)	(4,760)	(1,514)	(13,753)
Stock options	(723)	(1,446)	(932)	(1,865)
Interest capital - benefit	(7,650)	(13,260)	-	(6,120)
Out of period carryforward tax losses (reversals)	34,193	39,166	(63)	(137)
Differences in tax rates on earnings / losses of overseas companies	(8,120)	(38,573)	(8,817)	2,548
Differences in tax rates on entities under Brazilian presumed profits tax regime	5,650	8,084	4,245	10,605
Compensation action	907	2,305	-	-
Other	(5,953)	(7,587)	(442)	(385)
Income tax and social contribution expense (current and deferred)	(64,320)	(59,234)	(36,426)	48,097

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b) Deferred income tax assets and liabilities:

	Parent Company				December 31, 2015
	June 30, 2016			Total	
	Base	IRPJ	CSLL		
Tax loss carryforwards:					
Income tax loss carryforwards	872,978	218,245	-	218,245	120,391
Social contribution tax loss carryforwards	884,402	-	79,596	79,596	44,369
Temporary differences:					
Foreign currency gains/losses	1,459,238	364,809	131,331	496,140	775,033
Tax deductible goodwill	(64,185)	(16,046)	(5,777)	(21,823)	(21,823)
Provision for judicial demands	195,427	48,857	17,588	66,445	60,288
Allowance for doubtful accounts	184,080	46,020	16,567	62,587	7,107
Profit sharing	4,626	1,156	416	1,572	4,612
Derivatives instrumets unrealized gains	(61,865)	(15,466)	(5,568)	(21,034)	(413,686)
Other temporary differences	10,504	2,626	945	3,571	6,457
Gain on formation of Joint Venture	(3,338,342)	(834,586)	(300,451)	(1,135,037)	(1,135,037)
Other	334,650	83,663	30,119	113,782	86,500
Total net liability		(100,722)	(35,234)	(135,956)	(465,789)
	Consolidated				
	June 30, 2016			Total	December 31, 2015
	Base	IRPJ	CSLL		
Tax loss carryforwards:					
Income tax loss carryforwards	1,698,267	424,567	-	424,567	311,140
Social contribution tax loss carryforwards	1,716,908	-	154,522	154,522	113,688
Temporary differences:					
Foreign currency gains/losses	1,644,575	411,144	148,012	559,156	891,270
Tax deductible goodwill	(9,975)	(2,494)	(898)	(3,392)	101,293
Provision for judicial demands	516,785	129,196	46,511	175,707	164,177
Allowance for doubtful accounts	349,334	87,334	31,440	118,774	60,229
Profit sharing	11,072	2,768	996	3,764	6,790
Derivatives instrumets unrealized gains	(25,037)	(6,259)	(2,253)	(8,512)	(435,946)
Other temporary differences	342,644	89,712	32,270	121,982	100,670
Review of useful life	(658,431)	(164,608)	(59,259)	(223,867)	(100,153)
Gain on formation of Joint Venture	(3,338,342)	(834,586)	(300,451)	(1,135,037)	(1,135,037)
Unrealized gains on investment properties	(1,976,172)	(39,523)	(21,343)	(60,866)	(62,069)
Assets held for sale	(121,556)	(2,431)	(1,313)	(3,744)	(1,255)
Concession contract	(34,072)	(8,518)	(3,066)	(11,584)	(12,552)
Regulatory asset	217,352	54,338	19,562	73,900	76,764
Gains or losses on actuarial liabilities	315,577	78,894	28,402	107,296	103,820
Business combination - Property and equipment	(3,560,486)	(890,122)	(320,444)	(1,210,566)	(1,234,094)
Business combination – Other fair value adjustments	(733,413)	(41,334)	(17,103)	(58,437)	(66,404)
Other	17,777	4,444	1,600	6,046	38,342
Total net liability		(707,478)	(262,815)	(970,291)	(1,079,327)
Deferred income tax – Assets				318,960	335,808
Deferred income tax – Liabilities				<u>(1,289,251)</u>	<u>(1,415,135)</u>
Total net deferred taxes				<u>(970,291)</u>	<u>(1,079,327)</u>

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c) Changes in deferred income taxes, net:

	Parent company	Consolidated
At December 31, 2015	(465,789)	(1,079,327)
Deffered tax record in Profit or Loss	329,832	88,723
Others comprehensive income	1	341
Other	-	19,972
At June 30, 2016	(135,956)	(970,291)

20 Provision for legal proceedings

	Provision for legal proceedings			
	Parent company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Tax	79,614	73,320	390,421	376,532
Civil	73,102	57,542	191,008	161,740
Labor	138,284	135,678	164,506	165,075
	291,000	266,540	745,935	703,347

Judicial deposits on June 30, 2016 and December 31, 2015 are as follows:

	Judicial deposit			
	Parent company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Tax	216,627	212,119	364,160	353,961
Civil and enviromental	14,761	13,797	18,709	19,465
Labor	28,028	26,597	41,478	39,641
	259,416	252,513	424,347	413,067

Changes in provision for judicial

	Parent company			
	Tax	Civil	Labor	Total
At December 31, 2015	73,320	57,542	135,678	266,540
Provisions	2,197	11,106	12,492	25,795
Settlement / Write-offs	(1,181)	(7,252)	(21,806)	(30,239)
Monetary variation	5,278	11,706	11,920	28,904
At June 30, 2016	79,614	73,102	138,284	291,000

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	Consolidated			
	Tax	Civil	Labor	Total
At December 31, 2015	376,532	161,740	165,075	703,347
Provisions	3,402	13,959	15,020	32,381
Settlement / Write-offs	(3,015)	(7,917)	(26,982)	(37,914)
Monetary variation	13,502	23,226	11,393	48,121
At June 30, 2016	390,421	191,008	164,506	745,935

a) Tax

The main tax lawsuits at June 30, 2016 and December 31, 2015, are as follows:

	Parent company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Compensation with FINSOCIAL	-	-	262,073	255,022
INSS	51,056	48,884	60,481	57,916
ICMS credit	21,516	18,777	30,646	29,248
PIS e COFINS	199	-	326	-
IPI	1,115	1,105	1,115	1,105
IRPJ and CSLL	329	329	329	329
Other	5,399	4,225	35,451	32,911
	79,614	73,320	390,421	376,531

b) Civil and labor

The Company and its subsidiaries are parties to civil proceedings relating to (i) compensation for material and moral damage, (ii) public civil actions for abstaining from the practice straw burning sugarcane and (iii) execution of an environmental nature.

The Company and its subsidiaries are parties to labor claims filed by former employees and employees of service providers who question, among other, payment of overtime, night and dangerous, job reinstatement, compensation for accidents at work and back discounts made in payroll, such as confederal contributions, union dues and other.

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Contingencies - Lawsuits considered as possible losses therefore not provided

a) Tax

The main tax lawsuits whose probability of losses are possible and therefore no provision has been recognized in the financial statements, are highlighted below:

	Parent company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
ICMS- state VAT	1,404,483	1,348,914	1,735,930	1,678,491
Federal income taxes (i)	344,643	323,929	1,547,984	820,972
PIS and COFINS - revenue taxes	736,073	708,141	750,880	733,799
IRRF - withholding tax	2,612	2,551	760,771	729,070
INSS - social security	559,090	541,700	609,324	577,686
IPI - excise tax	430,702	423,246	494,722	484,606
Compensation with IPI - IN 67/98	125,933	123,522	125,933	123,522
Other	538,700	524,031	769,642	768,728
	<u>4,142,236</u>	<u>3,996,034</u>	<u>6,795,186</u>	<u>5,916,874</u>

- (i) The tax contingencies relate to the tax assessments mainly in the Federal sphere assessed as possible losses by the legal counsel and management and, therefore, no reserve was required. Until the date of approval of the interim financial statements, the Company had science assessment notice on goodwill amortization expense amounting possible is R\$ 601,288. The tax assessment is questioned at the administrative level.

b) Civil and labor

	Parent company		Consolidated	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Civil	624,149	522,973	1,306,400	1,132,962
Labor	402,245	368,506	432,666	398,242
	<u>1,026,394</u>	<u>891,479</u>	<u>1,739,066</u>	<u>1,531,204</u>

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21 Shareholders' equity

a. Share repurchase program

At the period ended June, 30 2016 were exercised 35,000 stock option.

In June 30, 2016, the Company had 1,322,539 treasury shares, whose market price was R\$ 33.31 (R\$ 25.20 on December 31, 2015).

b. Other comprehensive income

	Consolidated				June 30, 2016
	December 31, 2015	Comprehensive income		Net	
		Base	Deferred tax		
Foreign currency translation differences - equity - accounted investee	(80,378)	62,523	-	62,523	(17,855)
Gain (loss) on cash flow hedge	(235,891)	(135,347)	-	(135,347)	(371,238)
Revaluation of investment property reclassified from property, plant and equipment	190,735	-	-	-	190,735
Defined benefit plan actuarial gain (losses)	4,396	-	-	-	4,396
Gain in mensuration on derivative financial instrument	(60,631)	6,000	-	6,000	(54,631)
Changes in fair value of available for available for sale securities	30,739	(1,206)	341	(865)	29,874
Total	(151,030)	(68,030)	341	(67,689)	(218,719)
Attributable to:					
Owner of Cosan	(184,691)	-	-	(67,171)	(251,862)
Non-controlling interests	33,661	-	-	(518)	33,143

c. Dividends

On February 18, 2016 and May, 12 2016, the Board of Directors approved the payment of the Company's interim dividends in the amount of R\$ 285,000 (two hundred eighty-five million reais) and 290,000 (two hundred ninety million reais) in accordance with Article 31 of the Company's bylaws, respectively, already settled.

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22 Earnings per share

	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015 (restated)	January 1, 2015 to June 30, 2015 (restated)
Profit attributable to ordinary equity holders for basic earnings	281,585	530,292	16,399	(15,182)
Effect of dilution:				
<i>Put option</i>	(218)	(1,809)	-	-
Profit attributable to ordinary equity holders adjusted for the effect of dilution	281,367	528,483	16,399	(15,182)
Weighted average number of shares outstanding - basic	405,868,481	405,862,647	405,856,814	405,856,814
Effect of dilution:				
<i>Stock option</i>	1,982,602	1,447,452	931,115	827,195
<i>Put option</i>	5,880,423	5,880,423	-	-
Weighted average number of shares outstanding - diluted	413,731,506	413,190,522	406,787,929	406,684,009
Basic earnings per share	R\$0.69378	R\$1.30658	R\$0.04041	(R\$0.03741)
Diluted earnings per share	R\$0.68007	R\$1.27903	R\$0.04031	(R\$0.03733)

23 Other income (expense), net

	Parent company			
	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Provisions for legal proceedings	(19,890)	(56,730)	(6,906)	(15,673)
Corporate transactions cost (i)	-	-	(105)	(101,364)
Other	1,815	2,357	2,694	3,012
	(18,075)	(54,373)	(4,317)	(114,025)

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	Consolidated			
	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Profit on disposal of non-current assets	(642)	(2,659)	(1,377)	(2,659)
Changes in the fair value of investment properties	8,822	8,532	8,842	23,162
Provisions for legal proceedings	(23,435)	(58,921)	(8,979)	(17,868)
Corporate transactions cost (i)	-	-	(105)	(101,364)
Other	5,237	3,194	(292)	(2,046)
	(10,018)	(49,854)	(1,911)	(100,775)

(i) Relates to costs incurred by the Company with lawyers, consultants, business advisors and other related services for certain internal reorganizations and prospective acquisitions.

24 Financial results

	Parent company			
	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Cost of gross debt				
Interest on debt	209	8,665	(4,737)	564
Monetary and exchange rate variation about debt	34,883	69,455	10,521	(44,719)
Derivatives	(593,927)	(1,082,726)	(172,257)	452,443
Amortization of funding expenditure	(3,757)	(3,757)	-	-
	(562,592)	(1,008,363)	(166,473)	408,288
Financial investment income	23,256	48,610	8,783	16,886
	23,256	48,610	8,783	16,886
Cost of debt, net	(539,336)	(959,753)	(157,690)	425,174
Other charges and monetary variations				
Interest on other receivables	3,848	29,799	4,619	9,377
Interest on capital	22,500	39,000	-	-
Interest on other liabilities	(97,060)	(278,534)	(65,636)	(133,713)
Bank charges	(7,641)	(13,848)	(4,539)	(10,441)
Other	238,029	491,138	86,514	(591,064)
	159,676	267,555	20,958	(725,841)
Financial results, net	(379,660)	(692,198)	(136,732)	(300,667)
Financial expenses	(165,098)	(408,255)	(121,579)	(235,747)
Financial income	51,152	120,577	20,850	59,049
Exchange variation	453,905	901,654	136,254	(576,412)
Derivatives	(719,619)	(1,306,174)	(172,257)	452,443
Financial results, net	(379,660)	(692,198)	(136,732)	(300,667)

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	Consolidated			
	April 1, 2016 to June 30, 2016	January 1, 2016 to June 30, 2016	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Cost of gross debt				
Interest on debt	(98,047)	(288,555)	(123,576)	(286,564)
Monetary and exchange rate variation about debt	559,541	1,075,066	108,593	(560,884)
Derivatives	(714,024)	(1,361,625)	(196,837)	362,223
Amortization of funding expenditure	(62,509)	(62,509)	-	-
Discounts obtained from financial operations	85,274	85,274	-	-
Guarantees and warranties about split	(9,504)	(22,978)	(5,590)	(11,337)
	(239,269)	(575,327)	(217,410)	(496,562)
Financial investment income	81,376	177,121	54,196	97,725
	81,376	177,121	54,196	97,725
Cost of debt, net	(157,893)	(398,206)	(163,214)	(398,837)
Other charges and monetary variations			-	-
Interest on other receivables	59,804	91,838	8,636	21,773
Interest on capital	-	-	-	-
Interest on other liabilities	(135,898)	(356,860)	(87,654)	(172,034)
Bank charges	(10,779)	(19,574)	(15,233)	(26,623)
Other	(4,882)	(16,206)	(3,296)	30,246
	(91,755)	(300,802)	(97,547)	(146,638)
Financial results, net	(249,648)	(699,008)	(260,761)	(545,475)
Financial expenses	(343,681)	(838,071)	(285,655)	(559,512)
Financial income	255,399	444,535	74,036	138,164
Exchange variation	563,265	1,070,777	107,547	(460,974)
Derivatives	(724,631)	(1,376,249)	(156,689)	336,847
Financial results, net	(249,648)	(699,008)	(260,761)	(545,475)

25 Financial instruments

Financial risk management

Overview

The Company is exposed to the following risks related to the use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

This note presents information about the exposure of the Company and its subsidiaries to the above risks,

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as well as the objectives of the Company's risk management policies, these policy and processes for the assessment and management of risks.

The carrying amount of financial assets and financial liabilities are as follows:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Assets		
Fair value through profit or loss		
Investments funds	1,837,244	2,213,630
Investment securities	138,559	97,222
Other financial assets	192,724	144,208
Derivative financial instruments	998,839	2,292,859
	<u>3,167,366</u>	<u>4,747,919</u>
Loans and receivables		
Cash and cash equivalents	422,110	915,900
Trade receivables	843,216	799,307
Receivables from related parties	280,599	307,944
Dividends receivable	11,451	11,321
	<u>1,557,376</u>	<u>2,034,472</u>
Total	<u>4,724,742</u>	<u>6,782,391</u>
Liabilities		
Liabilities amortized cost		
Loans, borrowings and debentures	4,559,585	5,353,958
Trade payables	1,370,017	1,544,822
Payables to related parties	109,767	114,559
Contingent consideration	141,352	217,377
Dividends payable	36,012	41,656
Tax installments - REFIS	26,904	30,789
Preferred shareholders payable in subsidiaries	1,973,074	2,042,878
Other financial liabilities	32,896	-
Other liabilities	154,954	147,224
	<u>8,404,561</u>	<u>9,493,263</u>
Fair value through profit or loss		
Loans, borrowings and debentures	3,684,615	4,401,745
Pension and post-employment benefits	354,493	344,334
Derivative financial instruments	816,150	740,718
	<u>4,855,258</u>	<u>5,486,797</u>
	<u>13,259,819</u>	<u>14,980,060</u>

During the year there was no reclassification between categories, fair value through profit or loss, loans and receivables and liabilities at the amortized cost presented above.

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Risk management structure

As at June 30, 2016 and December 31, 2015, the fair values relating to transactions involving derivative financial instruments to protect the Company's risk exposure were using observable inputs such as quoted prices in active markets, or discounted cash flows based on market curves, and are presented below:

	Notional		Fair value	
	June 30, 2016	December 31, 2015	June 30, 2016	December 31, 2015
Exchange rate derivatives				
Forward agreements	1,898,438	2,058,190	(201,769)	46,200
	1,898,438	2,058,190	(201,769)	46,200
Interest rate and exchange rate risk				
Swap agreements (interest rate)	1,654,874	900,634	24,987	(69,964)
Cross currency interest rate swaps	2,876,487	3,889,822	359,471	1,575,905
	4,531,361	4,790,456	384,458	1,505,941
Total financial instruments			182,689	1,552,141
Assets			998,839	2,292,859
Liabilities			(816,150)	(740,718)

Credit risk

	June 30, 2016	December 31, 2015
Cash and cash equivalents ⁽ⁱ⁾	2,259,354	3,129,530
Trade receivables ⁽ⁱⁱ⁾	843,216	799,307
Derivative financial instruments	998,839	2,292,859
Investment securities	138,559	97,222
Other financial assets	192,724	144,208
Dividends receivable	11,451	11,321
	4,444,143	6,474,447

- (i) The Company held cash and cash equivalents of R\$ 2,259,354 at June, 30 2016 (R\$ 3,129,530 at December, 31 2015). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA e AAA.

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The credit risk on cash and cash equivalents, investment securities, other financial assets and derivative financial instruments are determined by rating instruments widely accepted by the market and are arranged as follows:

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
AAA	279,624	1,116,836
AA	2,207,664	3,701,377
A	993,660	297,671
BBB	56,869	542,706
	<u><u>3,537,817</u></u>	<u><u>5,658,680</u></u>

- (ii) Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The requirement for impairment is analyzed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. Management considers that the credit risk is covered by the allowance for doubtful accounts.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in note 16. The Company's maximum exposure for financial guarantees and financial derivative instruments are as below.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet

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its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As mentioned in Note 1, Management has been working on measures to enable the Company to honor its Commitments.

The non-derivative financial liabilities of the Company sorted by due dates (based on undiscounted cash flows contracted) are as follows:

					June 30, 2016	December 31, 2015
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total	Total
Loans, borrowings and debentures	(1,729,484)	(2,024,664)	(5,045,145)	(5,878,936)	(14,678,229)	(17,936,372)
Trade payables	(1,370,017)	-	-	-	(1,370,017)	(1,544,822)
Financial instruments derivative	(258,159)	40,423	541,099	34,747	358,110	-
Other financial liabilities	(32,896)	-	-	-	(32,896)	-
REFIS	(6,666)	(5,358)	(6,382)	(11,465)	(29,871)	(34,503)
	<u>(3,397,222)</u>	<u>(1,989,599)</u>	<u>(4,510,428)</u>	<u>(5,855,654)</u>	<u>(15,752,903)</u>	<u>(19,515,697)</u>

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

a) Foreign exchange risk

As at June 30, 2016 and December 31, 2015, the Company and its subsidiaries had the following net exposure to the exchange rate variations on assets and liabilities denominated in Brazilian Reais:

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	June 30, 2016		December 31, 2015	
	R\$	US\$	R\$	US\$
Cash and cash equivalents	182,006	56,703	123,038	31,509
Trade receivables	-	-	16,112	4,126
Loans, borrowings and debentures	(5,178,359)	(1,613,296)	(5,894,172)	(1,509,468)
Contingent consideration	(35,638)	(11,103)	(65,064)	(16,663)
Derivative financial instruments (notional)	4,774,925	1,487,608	5,959,411	1,526,176
Foreign exchange exposure, net	(257,066)	(80,088)	139,325	35,680

Sensitivity analysis on changes in foreign exchange rates:

The probable scenario was defined based on the U.S. Dollar market rates as at June 30, 2016, which determines the fair values of the derivatives at that date. Stressed scenarios (positive and negative effects, before tax effects) were defined based on changes of a 25% and 50% to the U.S. Dollar exchange rates used in the probable scenario.

Based on the financial instruments denominated in U.S. Dollars at June 30, 2016, the Company performed a sensitivity analysis by increasing and decreasing the exchange rate for R\$/US\$ by 25% and 50%. The probable scenario considers the estimated exchange rates at the due date of the transactions for the companies with functional currency Real (positive and negative, before tax effects), as follows:

	Exchange rate sensitivity analysis (R\$/US\$)					Scenario
	June 30, 2016	Provável	25%	50%	-25%	-50%
At June 30, 2016	3.2098	3.5376	4.4220	5.3064	2.6532	1.7688

Considering the above scenario the profit or loss would be impacted as follows:

Instrument	Risk factor	Variation scenario				
		Probable	25%	50%	-25%	-50%
Cash and cash equivalents	USD fluctuation	18,587	68,736	118,884	(31,561)	(81,709)
Trade receivables	USD fluctuation	-	-	-	-	-
Exchange rate derivatives (notional)	USD fluctuation	193,877	716,956	1,240,035	(329,201)	(852,280)
Exchange rate and interest derivatives (notional) ⁽ⁱ⁾	USD and CDI fluctuation	487,685	1,803,454	3,119,223	(828,083)	(2,143,852)
Loans, borrowings and debentures	USD fluctuation	(528,839)	(1,955,638)	(3,382,437)	897,961	2,324,760
Contingent consideration	USD fluctuation	(3,640)	(13,459)	(23,278)	6,180	15,999
Impacts on profit or loss		167,670	620,049	1,072,427	(284,704)	(737,082)

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- (i) For sensitivity analysis, it's only considered exchange rate swaps for Notional.

b) Interest rate risk

The Company and its subsidiaries monitor the fluctuations in variable interest rates in connection with its borrowings, especially those that accrue interest using LIBOR, and uses derivative instruments in order to minimize variable interest rate fluctuation risks.

Sensitivity analysis on changes in interest rates:

A sensitivity analysis on the interest rates on loans and borrowings in compensation for the CDI investments with pre-tax increases and decreases of 25% and 50% is presented below:

	June 30, 2016				
Exposure interest rate⁽ⁱ⁾	Nominal amount	25%	50%	-25%	-50%
Cash and cash equivalents	267,963	66,991	133,981	(66,991)	(133,981)
Investment securities	18,234	4,559	9,117	(4,559)	(9,117)
Other financial assets	18,564	4,641	9,282	(4,641)	(9,282)
Interest rate derivatives	24,987	(261,193)	(478,316)	318,406	716,324
Loans, borrowings and debentures	(621,572)	(155,393)	(310,786)	155,393	310,786
Impacts on profit or loss	(291,824)	(340,395)	(636,722)	397,608	874,730

The probable scenario considers the projections of the Company to interest rates, as follows:

	Probable	25%	50%	-25%	-50%
SELIC	13.18%	16.48%	19.77%	9.89%	6.59%
CDI	13.16%	16.45%	19.74%	9.87%	6.58%
TJ462	8.50%	10.63%	12.75%	6.38%	4.25%
TJLP	7.50%	9.38%	11.25%	5.63%	3.75%
IPCA	5.98%	7.48%	8.97%	4.49%	2.99%
LIBOR	1.20%	1.50%	1.80%	0.90%	0.60%

Financial instruments fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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- The cash and cash equivalents, accounts receivable, trade receivables, trade payables and other current liabilities approximate their carrying amount largely due to the short-term maturity of these instruments.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The market value of the Senior Notes Due 2018, 2023 and 2027 listed on the Luxembourg Stock Exchange (note 16) is based on their quoted market price as of June 30, 2016, of 94.99% (78.71% on December 31, 2015), 94.54% (83.83% at December 31, 2015) and 99.32%, respectively, of the face nominal value.
- The fair value of Perpetual Notes listed on the Luxembourg Stock Exchange (note 16) is based on their quoted market price as June 30, 2016 of 95.69% (79.64% at December 31, 2015) of the face value of obligations.
- The fair value of other loans and financing, the respective market values substantially approximate the amounts recorded due to the fact that these financial instruments are subject to variable interest rates (note 16.)
- The fair values of the remaining of assets held for sale are derived from quoted market prices in active markets.

The Company and its subsidiaries enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with observable market data refer mainly to interest rate swaps and foreign exchange forward contracts.

The fair value of derivative financial instruments is determined using valuation techniques and observable market data. The valuation techniques applied more often include pricing models and swaps contracts, with a present value calculation. The models consider various data, including counterparty credit quality, spot exchange rates, forward curves of interest rates and curves of the commodity term rates.

The carrying amounts and fair value of financial assets and financial liabilities are as follows:

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	Carrying amount		Assets and liabilities measured at fair value			
			June 30, 2016		December 31, 2015	
	June 30, 2016	December 31, 2015	Level 1	Level 2	Level 1	Level 2
Assets						
Exclusive funds	1,837,244	2,213,630	-	1,837,244	-	2,213,630
Investment securities	138,559	97,222	-	138,559	-	97,222
Other financial assets	192,725	144,208	51,660	141,065	-	144,208
Derivate financial instruments	998,839	2,292,859	-	998,839	-	2,292,859
Total	3,167,367	4,747,919	51,660	3,115,707	-	4,747,919
Liabilities						
Loans, borrowings and debentures	(3,684,615)	(4,401,745)	-	(3,684,615)	-	(4,401,745)
Pension and post-employment benefits	(354,493)	(344,334)	-	(354,493)	-	(344,334)
Derivative financial instruments	(816,150)	(740,718)	-	(816,150)	-	(740,718)
Other financial liabilities	(32,896)	-	-	(32,896)	-	-
Derivative financial instruments	(154,954)	(147,224)	-	(154,954)	-	(147,224)
Total	(5,043,108)	(5,634,021)	-	(5,043,108)	-	(5,634,021)

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Hedge accounting – Fair value

Currently the Company has adopted the fair value hedge for some of its operations that both the hedging instruments and the hedged items are accounted for at fair value through profit or loss. Operations and accounting effects of this adoption are as follows:

	<u>Debt</u>	<u>Derivative</u>	<u>Total</u>
At December 31, 2015	2,522,772	(822,586)	1,700,186
Interest amortization	(62,455)	251,685	189,230
Fair value	(339,068)	467,073	128,005
At June 30, 2016	<u><u>2,121,249</u></u>	<u><u>(103,828)</u></u>	<u><u>2,017,421</u></u>

Capital management

The Company's policy is to maintain a robust capital base to promote the confidence of investors, creditors and the market, and to ensure the future development of the business. Management monitors that the return on capital is adequate for each of its businesses.

26 Post-employment benefits

	<u>June 30, 2016</u>	<u>December 31, 2015</u>
Futura	48,410	48,414
Futura II	161	222
COMGÁS	305,922	295,698
	<u><u>354,493</u></u>	<u><u>344,334</u></u>

During the period ended June 30, 2016, the expense recognized in relation to the actuarial contributions was R\$ 13,946 (R\$ 13,331 on June 30, 2015).

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27 Share-based payment

The vesting period and share options outstanding at the end of the period are as follows:

Share option programmes	Expected life (years)	Interest rate	Expected volatility	Number of instruments on June 30, 2016			Market price on grant date	Exercise price at June 30, 2016	Fair value at grant date - R\$(i)
				Granted	Exercisable options	Outstanding			
18/08/2011 - Tranche A	1 a 5	12.39%	31.44%	4,825,000	(2,270,000)	2,235,000	22.98	23.71	6,80
18/08/2011 - Tranche B	1 a 10	12.39%	30.32%	5,000,000	(940,000)	4,060,000	22.98	23.71	8,15
12/12/2012 - Tranche C	1 a 5	8.78%	31.44%	700,000	(48,000)	652,000	39.80	41.53	10,10
4/24/2013	5	13.35%	27.33%	970,000		945,000	46.51	47.60	17,95
4/25/2014	5	12.43%	29.85%	960,000		945,000	37.10	38.73	15,67
8/31/2015	5	14.18%	33.09%	759,000		759,000	18.15	19.68	7,67
				13,214,000	(3,258,000)	9,596,000			

- (i) The fair value of the employee share options has been measured using the Black-Scholes formula.

The number and weighted-average exercise prices of share options under the share option programs were as follows:

	Number of options	Weighted-average exercise price - R\$
At December 31, 2015	9,671,000	28.35
Cancellation or settlements	(40,000)	
Share options exercised	(35,000)	26.50
At June 30, 2016	9,596,000	28.43