



Cosan S/A

2Q16 EARNINGS PRESENTATION

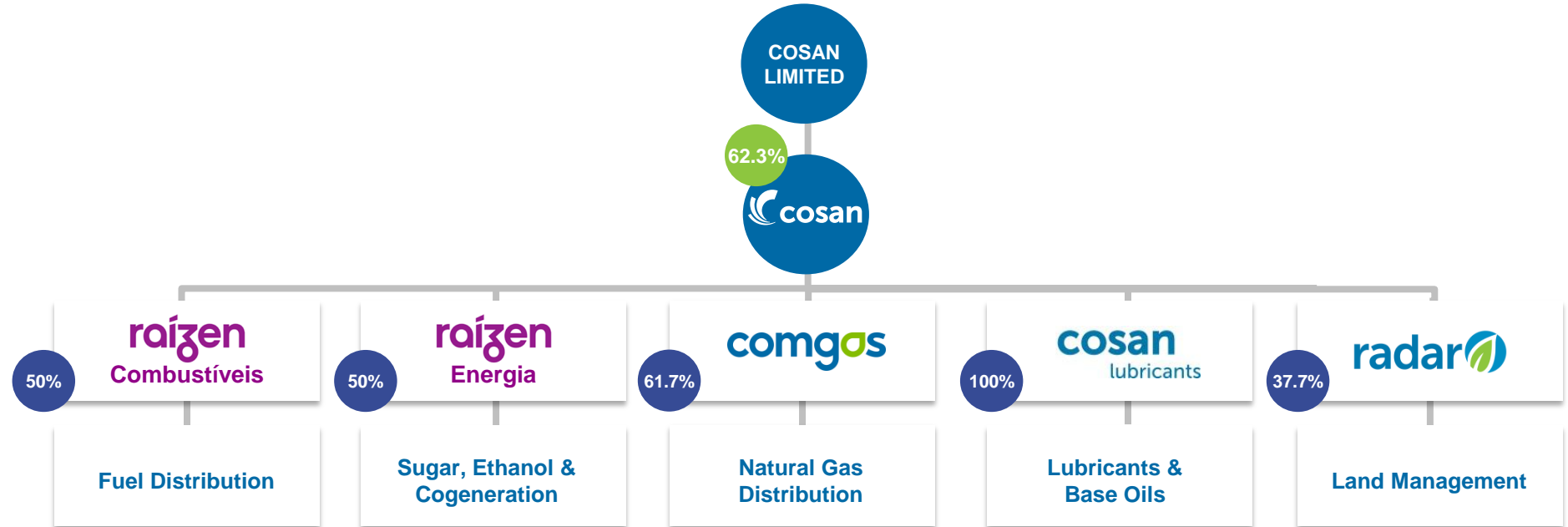
August 11, 2016

DISCLAIMER

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

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

Cosan S/A | Business Units

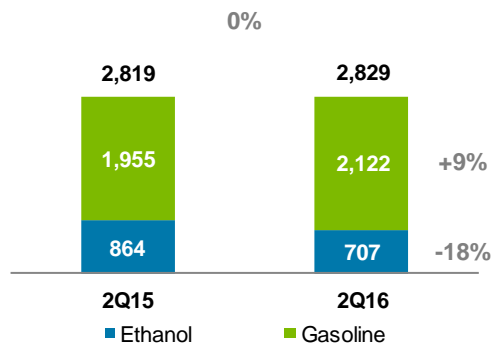


Raízen Combustíveis | Outperforming the market on sales volumes

Adjusted EBITDA and EBIT grew in 2Q16, reflecting higher sales volume with better product mix, optimization of the supply and commercialization strategies and better management of inventories.

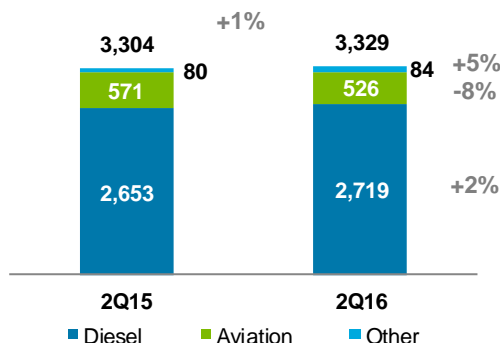
Sales Volume¹ – Otto Cycle²

'000 cbm



Sales Volume¹ – Diesel and Other

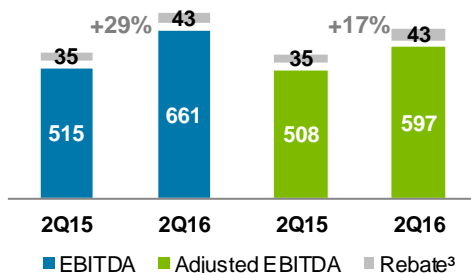
'000 cbm



- 368 stations added since 2Q15 resulting on a network of 5,832 service by the end of 2Q16
- Network expansion and maturation offsetting market weakness (-3%, source ANP). Otto cycle gasoline-equivalent volumes up +2%.
- Diesel volumes up 2% due to new B2B contracts (vs 4% market, source ANP).
- Aviation still affected (-8%) by weaker demand.
- Adjusted EBITDA & EBIT exclude gains with:

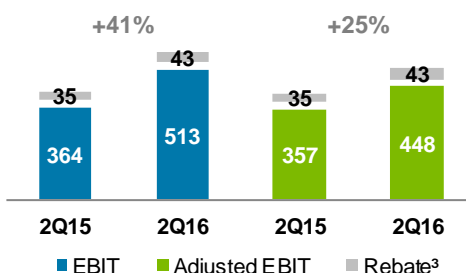
EBITDA & Adjusted EBITDA

BRL mln



EBIT & Adjusted EBIT

BRL mln



Asset divestments: BRL 7 mln (2Q15) and BRL 37 mln (2Q16)

Other extraordinary effects: BRL 28 mln (2Q16)

Note 1: Volumes based on Sindicom methodology.

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

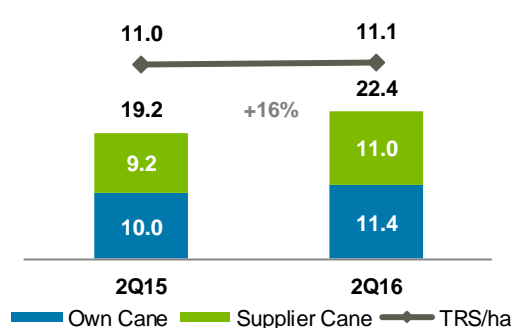
Note 3: The rebate represents the discounts granted to resellers for meeting the volume targets agreed upon at each contract signing.

Raízen Energia | Higher sales of own products to leverage higher prices

The 2Q16 adjusted EBITDA reached BRL 723 million on higher sales of own sugar and ethanol targeting exports (due to higher crushing) at higher prices.

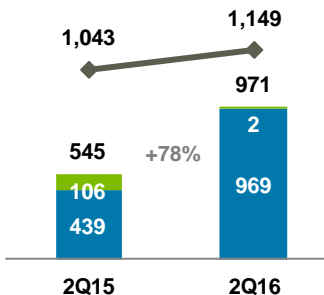
Crushing Volumes & Agri. Productivity⁴

'000 ton & ton of TRS/ha

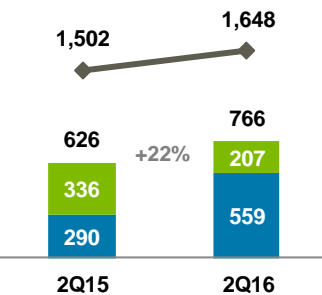


Volumes & Prices

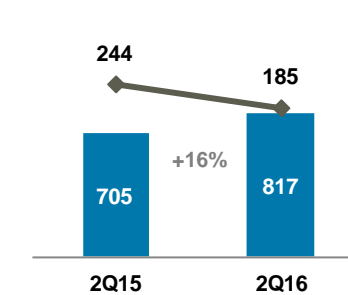
Sugar ('000 ton & BRL/ton)



Ethanol ('000 cbm & BRL/cbm)

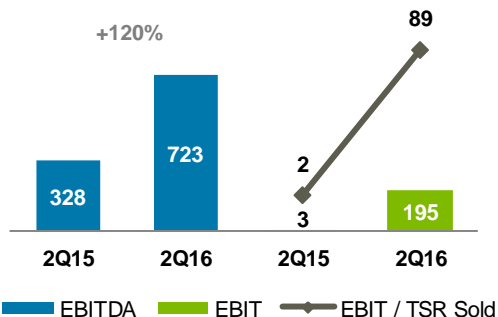


Cogeneration ('000 MWh & BRL/MWh)



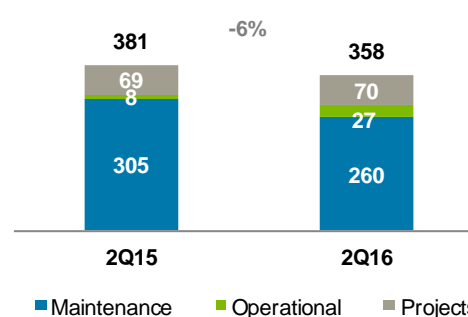
Adjusted EBITDA & EBIT⁵

BRL mln & BRL/ton



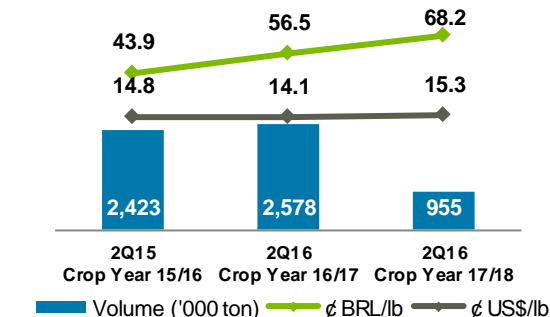
CAPEX

BRL mln



Hedge

Volumes & Prices



Note 4: Measured by tons of TRS per hectare.

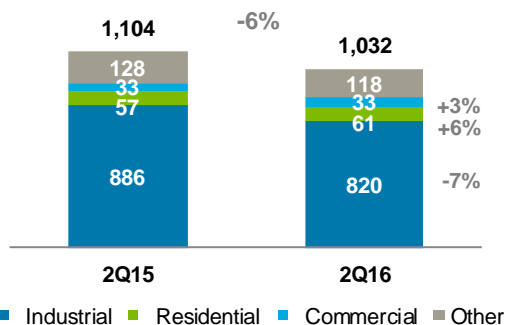
Note 5: EBITDA adjusted by (i) Variation in Biological Assets and (ii) Hedge Accounting.

Comgás | Growth of residential and commercial volumes

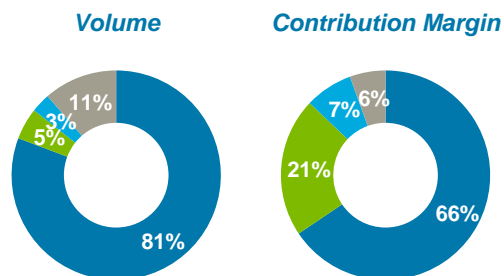
2Q16 normalized EBITDA of BRL 334 million, negatively affected by lower volumes sold and seasonally higher expenses, in addition to non-cash impact (BRL 60 million).

Sales Volume⁷

'mln cbm



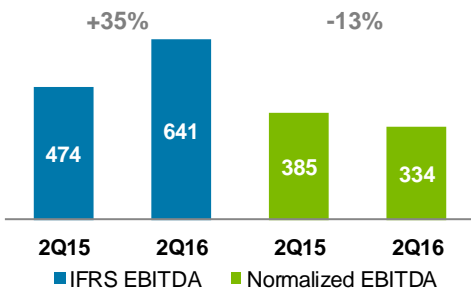
Contribution by segment 2Q16



- 6% growth in residential volumes reflecting new clients added to the network, even though the average temperature of the period was higher.
- New connections in the commercial segment supported sales volume growth (+3%).
- Industrial segment remains impacted by the economic slowdown.
- BRL 313 million recovery in regulatory current account in 2Q16, which ended the quarter with a positive balance (for consumers) of BRL 391.2 million.
- Annual tariff readjustment as provided for by the concession contract.
- Comgás is waiting for the regulator (ARSESP) to define the next steps of the 2014-19 tariff revision cycle.

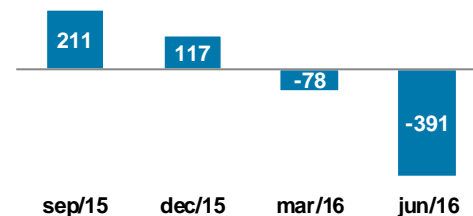
IFRS EBITDA & Normalized EBITDA⁸

BRL mln



Regulatory Current Account

BRL mln



Note 7: Excludes thermal power.

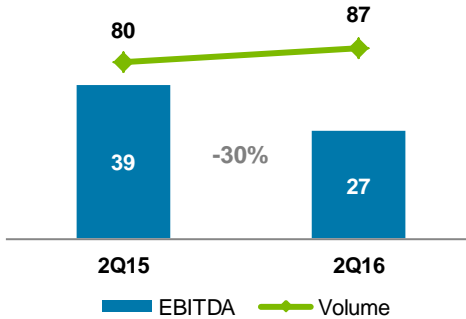
Note 8: Normalized EBITDA by the effect from the Regulatory Current Account.

Lubricants

- Sales volumes grew in most countries we operate, with overall growth of 9% compared to 2Q15.
- Lower EBITDA reflecting higher cost of products affected by the exchange rate and higher selling expenses.

EBITDA & Sales Volume

BRL mln and '000 cbm

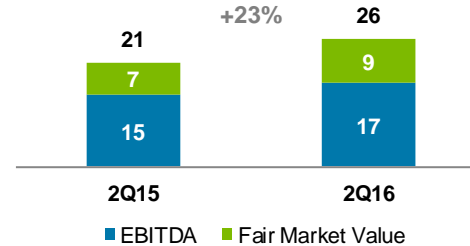


Radar

- EBITDA up 23% on higher revenues from land leasing (notably for sugarcane planting) and positive variation of FMV

EBITDA

BRL mln

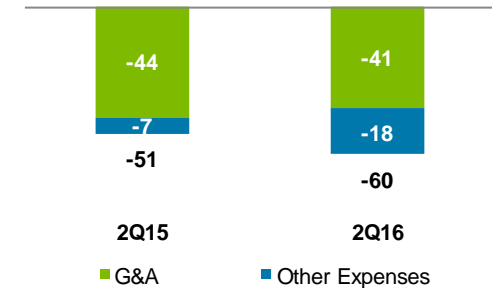


Cosan Corporate

- General and Administrative expenses reached BRL 41 million on 2Q16 (-7%), due to lower expenses with several consulting companies.

EBITDA (ex- Equity Pick-up)

BRL mln

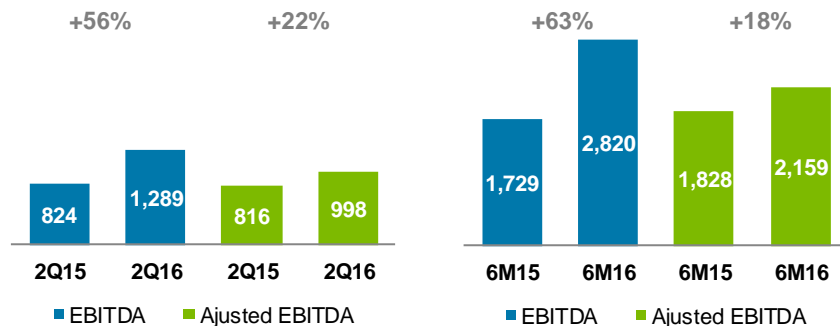


Cosan S/A Pro forma | Highlights

2Q16 Adjusted EBITDA reached BRL 1.0 billion (+22%), mainly driven by Raízen's better results. Net income grew 18x and reached R\$282 million.

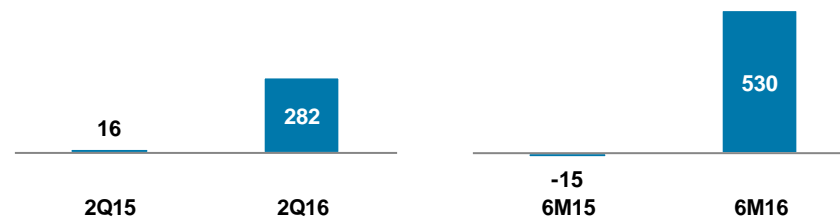
EBITDA⁹ & Adjusted EBITDA

BRL mln



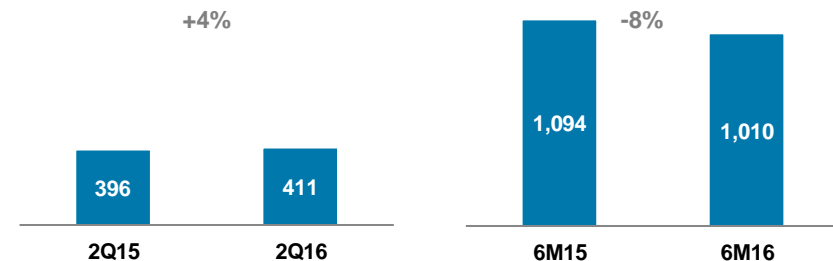
Net Income

BRL mln



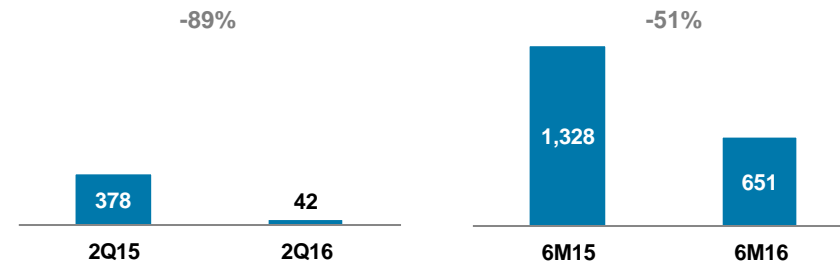
CAPEX⁹

BRL mln



Free Cash Flow to Equity⁹

BRL mln

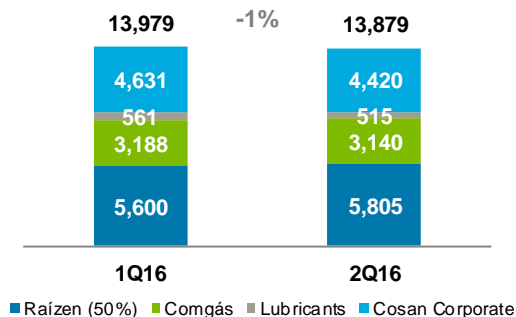


Debt and Leverage | Extending Debt Profile

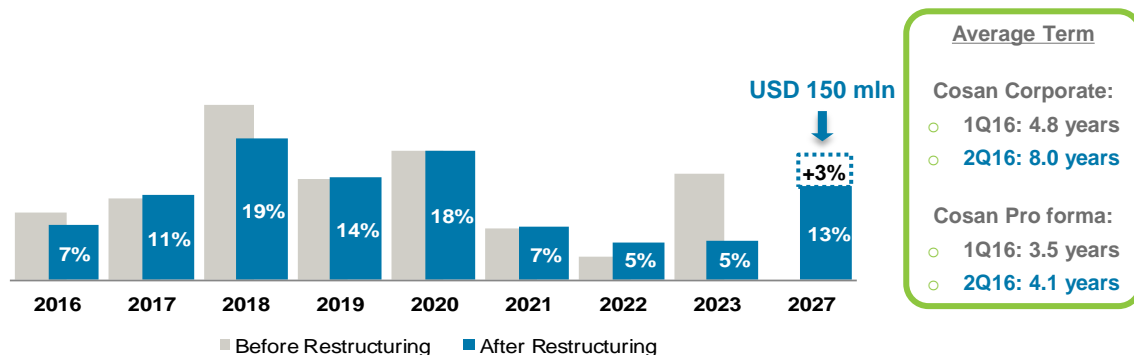
As part of a process that aims at optimizing capital structure, Cosan S/A extended its debt profile through the issue of the 2027 Bond (USD 500 million) and the repurchase of ~80% of the 2018 and 2023 Bonds. The success of the operation allowed an additional issue of USD 150 million, concluded in July 2016.

Gross Debt¹⁰

BRL mln

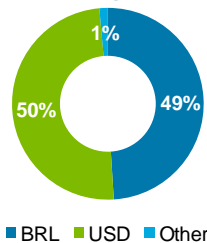


Debt Amortization Profile¹¹

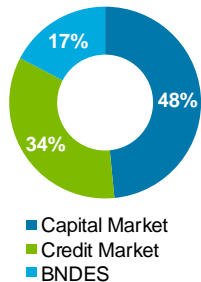


By Currency¹¹

100% hedged



By Sources¹¹



Gross Debt

- Amortization of BRL 2.3 billion, reflecting the partial repurchase of the 2018 and 2023 bonds by Cosan S/A
- New funding of BRL 2.2 billion:
 - 2027 Bonds (USD 500 million) at Cosan S/A
 - CRA issued by Raízen Energia (BRL 652 million)

Average Cost of Debt¹¹

- Average Cost of Debt: 98% CDI¹²

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

Note 11: Pro forma basis, based on 50% of Raízen, and excludes the obligations with preferred shareholder and Perpetual Bond.

Note 12: Excludes costs with Perpetual Bond.

Debt and Leverage | Net Debt/EBITDA reduced to 2.0x

EBITDA growth in the quarter contributed to deleveraging. The pro forma cash generation (FCFE) was BRL 42 million.

Cash Flow and Net Debt¹³

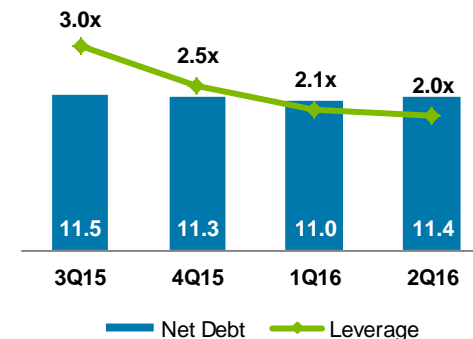
BRL Mln

Cash Flow Reconciliation ⁹ BRL MM	2Q16	2Q15	Var. %
Cash Flow from Operations	856	733	17%
Cash Flow from Investing	(526)	(373)	41%
Cash Flow from Financing Activities	(293)	17	n/a
Dividends received	4	1	n/a
Free Cash Flow to Equity	42	378	-89%
Cash and Cash Equivalents	4,470	4,154	8%
Net Debt¹⁰	11,381	10,749	6%
LTM EBITDA	5,660	3,752	51%
Leverage (Net Debt/EBITDA)	2.0 x	2.9 x	-0,9 x

- Cash Flow from Operations was 22% higher mainly due to better results at Raízen and Comgás.
- Cash flow after Investments impacted by the exercise of a put option (BRL 186 million).
- Cash Flow from Financing Activities impacted by the debt restructuring process that includes the repurchase of 2018 and 2023 Bonds and the issue of 2027 bond (additional USD 150 million was only concluded in July 2016).

Leverage¹³

Net Debt / EBITDA LTM



- Deleveraging mainly due to:
 - Raízen Energia's stronger EBITDA and lower inventories,
 - Better results from Raízen Combustíveis ,
 - Impact of Comgás' regulatory current account

Guidance 2016

		Actual 2015 (jan-dec/15)	Guidance 2016 (jan-dec/16)
Cosan S/A Consolidated	Pro forma Net Revenue (BRL mIn)	43,667	45,000 ≤ Δ ≤ 48,000
	Pro forma EBITDA (BRL mIn)	4,591	4,250 ≤ Δ ≤ 4,800
Raízen Combustíveis	EBITDA (BRL mIn)	2,517	2,350 ≤ Δ ≤ 2,700
	CAPEX (BRL mIn)	808	750 ≤ Δ ≤ 850
Com gás	Total Customers ('000)	1,574	1,650 ≤ Δ ≤ 1,700
	Total Volume Sold, excluding Thermo ('000 cbm)	4,287	4,000 ≤ Δ ≤ 4,300
	Normalized EBITDA (BRL mIn)	1,378	1,350 ≤ Δ ≤ 1,450
	EBITDA IFRS (BRL mIn)	1,530	1,400 ≤ Δ ≤ 1,600
	CAPEX (BRL mIn)	521	470 ≤ Δ ≤ 520
Lubricants	Total Volume Sold ('000 cbm)	317	280 ≤ Δ ≤ 330
	EBITDA (BRL mIn)	126	120 ≤ Δ ≤ 160
Radar	EBITDA (BRL mIn)	106	100 ≤ Δ ≤ 150
		Actual Crop year 2015/16 (apr/15-mar/16)	Guidance Crop Year 2016/17 (apr/16-mar/17)
Raízen Energia	Volume of Sugarcane Crushed ('000 tons)	62,706	60,000 ≤ Δ ≤ 64,000
	Volume of Sugar Produced ('000 tons)	4,197	4,200 ≤ Δ ≤ 4,600
	Volume of Ethanol Produced (million liters)	2,148	1,900 ≤ Δ ≤ 2,200
	Volume of Energy Sold ('000 of MWh)	2,871	2,100 ≤ Δ ≤ 2,300
	EBITDA (BRL mIn)	3,729	3,300 ≤ Δ ≤ 3,600
	CAPEX (BRL mIn)	1,769	1,800 ≤ Δ ≤ 2,000



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