



COSAN S.A. INDÚSTRIA E COMÉRCIO
Corporate Taxpayer ID (CNPJ) 50.746.577/0001-15
Company Registry (NIRE): 35.300.177.045
Publicly Held Company

MATERIAL FACT

COSAN S.A. INDÚSTRIA E COMÉRCIO (B3: CSAN3) ("Cosan") announces to its shareholders and the market the following:

I. Closing of the acquisition of Shell's interest in Comgás

Continuing the Material Fact notices published on October 10 and 16, 2017, and the Notices to the Market disclosed on July 18, 2017 and September 6, 2017, regarding the acquisition of shares issued by Companhia de Gás de São Paulo - COMGÁS ("Comgás") due to the exercise of the put option ("Option") held by companies from Shell group ("Shell") against Cosan Limited (NYSE: CZZ, B3: CZLT33) ("CZZ"), considering that precedent conditions were met, CZZ and Shell concluded the purchase and sale of shares issued by Comgás on this date.

As a result of the dividends paid by Comgás on November 23, 2017, therefore prior to the closing of the transaction, the Parties adjusted the number of shares issued by the Company to be delivered by CZZ. As such, CZZ will deliver to Shell 17,187,937 common shares issued by Cosan, representing 4.21% of its capital, instead of 20,349,395 common shares. Additionally, CZZ paid on this date the first cash installment, and will pay the remaining amount on the first anniversary of the transaction, as previously announced, in consideration for receiving 21,805,645 common shares issued by Comgás, corresponding to 16.77% of the capital of Comgás.

As disclosed and agreed upon, CZZ transferred to Cosan, under the same price and payment term conditions, the shares issued by Comgás acquired in this transaction.

The shareholders' agreement between Cosan and Shell regarding the shares issued by Comgás is also terminated on this date.

II. Management started studies for possible reorganization involving Comgás

Since Cosan now holds 79.9% of Comgás shares, the Company's management will hire legal and financial advisors to analyze the alternatives for corporate restructuring involving the Company and its subsidiary Comgás.

If any concrete decision is taken by the management bodies of the Company, the market will be informed immediately and the structure will be submitted to shareholders for approval.

III. Sale of Credit Rights Arising from Severance Claims

On this date, Cosan signed a memorandum of understanding with the funds Jus Capital Gestão de Recursos Ltda and Farallon Latin America Investimentos Ltda. regarding a transaction involving potential credit rights arising from certain severance claims for damages filed against the Federal Government, as successor of Instituto Brasileiro do Açúcar e do Alcool, to condemn the Federal Government to pay compensation for material damages resulting from the fixing of



sugar and alcohol prices below their cost of production. The transaction amount is approximately one billion, three hundred forty million reais (R\$1,340,000,000.00), without prejudice to an additional percentage Cosan may receive on the amount to be paid by the Federal Government in the future. The parties shall negotiate the conditions of this potential transaction in the coming weeks, and reaching an agreement, they will sign the respective final credit right purchase and sale agreements.

The Company will keep the market informed of further developments in the ongoing studies and negotiations.

São Paulo, December 12, 2017

Guilherme Leis Bernardo Machado

Investor Relations Officer