



Cosan S/A

4Q16 & 2016 EARNINGS PRESENTATION

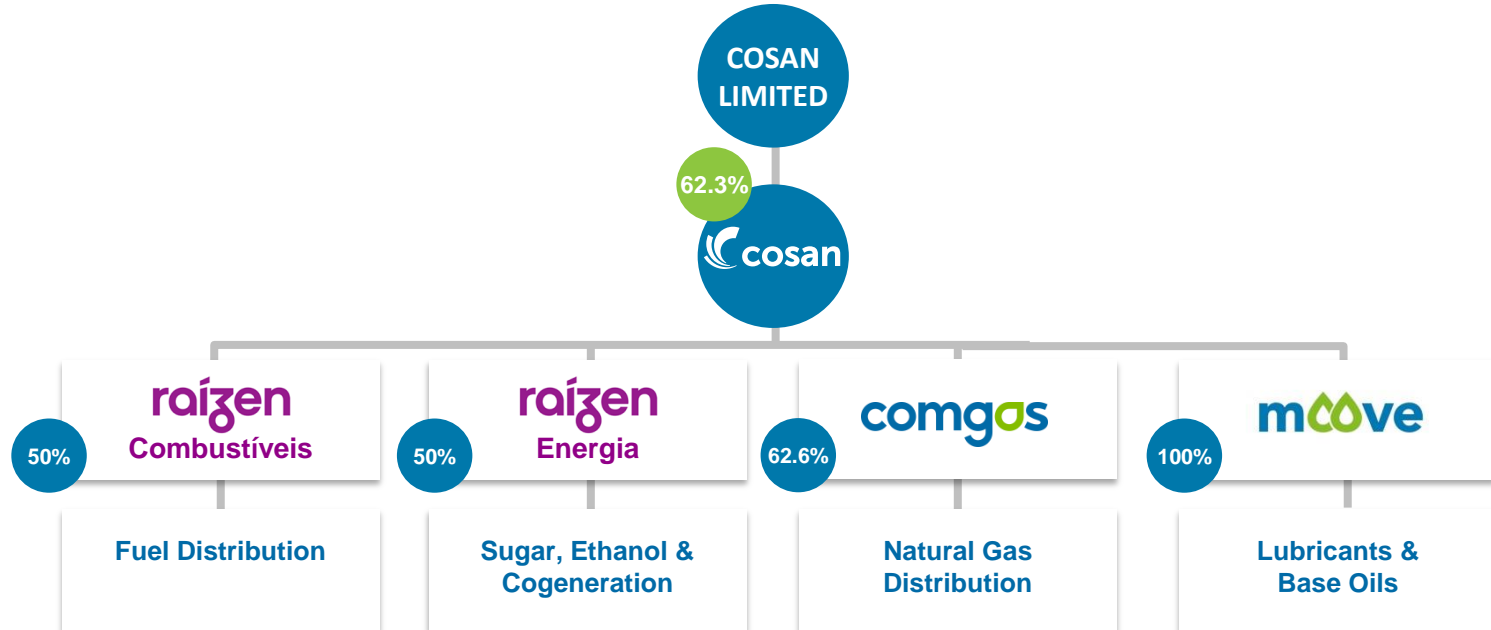
February 17, 2017

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

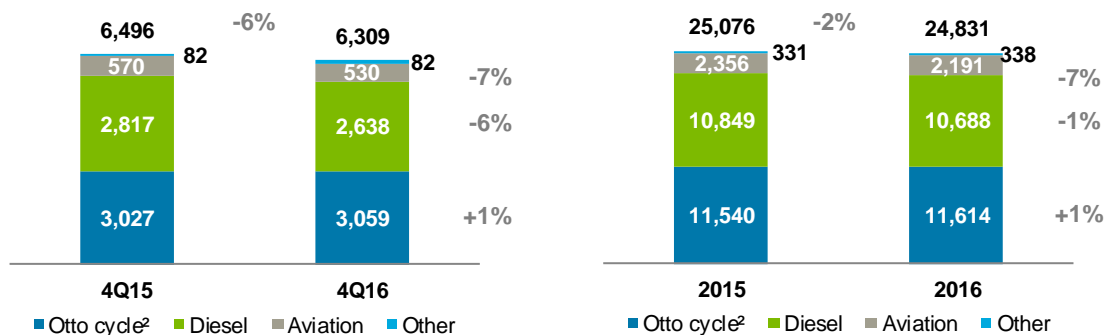


Raízen Combustíveis | 15th consecutive quarter outperforming market performance

Despite the challenging scenario, Adjusted EBITDA and EBIT grew in 2016, due to better sales mix with more gasoline, combined with gains from the supply and commercialization strategies.

Sales Volume¹

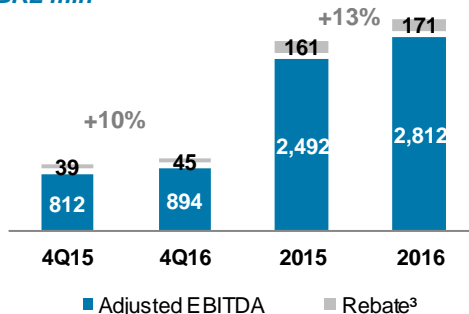
'000 cbm



- Network - 6,027 service stations in 2016 (+344 net additions), supporting Otto cycle growth.
- Gasoline-equivalent volumes up 4% in 4Q16 and 3% in 2016.
- Diesel volumes affected by lower economic activity and shorter harvest season in the quarter.
- Aviation still affected by weaker demand.

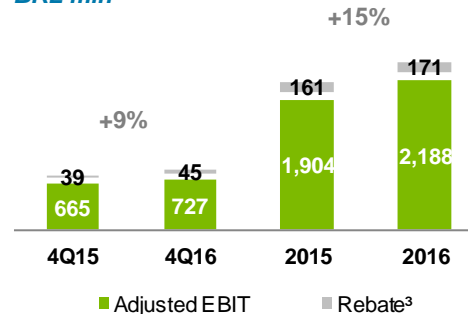
EBITDA & Adjusted EBITDA

BRL mln



EBIT & Adjusted EBIT

BRL mln



- Adjusted EBITDA & EBIT exclude gains with:

Quarter

Asset sale: BRL 8 mln (4Q15) and BRL 5 mln (4Q16)

Other extraordinary effects: BRL 176 mln (4Q16)

Annual

Asset sale: BRL 25 mln (2015) and BRL 54 mln (2016)

Other extraordinary effects: BRL 549 mln (2016)

Note 1: Volumes based on Sindicom methodology.

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

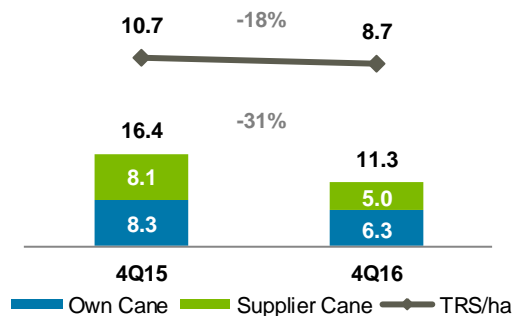
Note 3: The rebate represents the discounts granted to resellers for meeting the volume targets agreed upon at each contract signing.

Raízen Energia | 2016/17 crushing reaches 59.4 million tons of sugarcane

4Q16 adjusted EBITDA was BRL 826 million (-27%) due to lower concentration of sugar sold and higher CONSECANA, partially offset by higher sugar and ethanol prices.

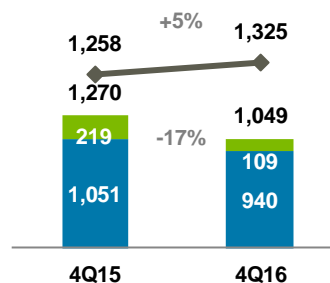
Crushing Volumes & Agri. Productivity⁴

'000 ton & ton of TRS/ha

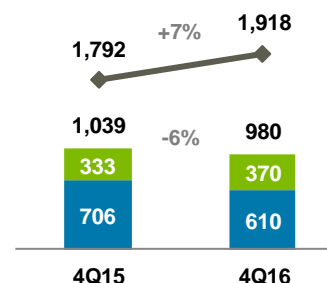


Volumes & Prices

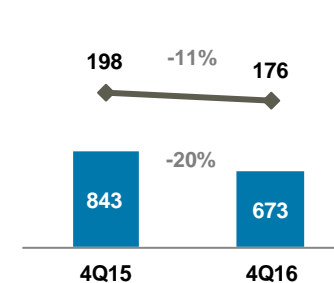
Sugar
('000 ton & BRL/ton)



Ethanol
('000 cbm & BRL/cbm)

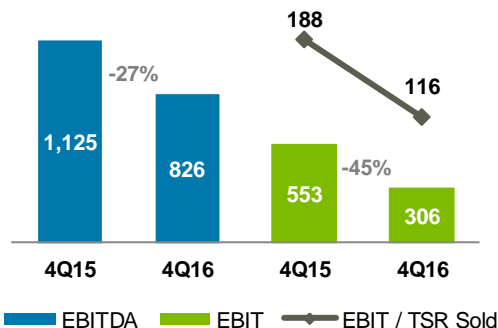


Cogeneration
('000 MWh & BRL/MWh)



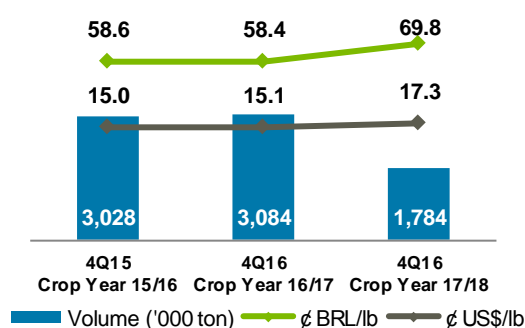
Adjusted EBITDA & EBIT⁵

BRL mln & BRL/ton



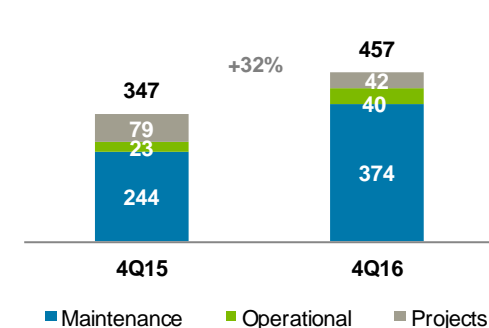
Hedge

Volumes & Prices



CAPEX

BRL mln



Note 4: Measured by tons of TRS per hectare.

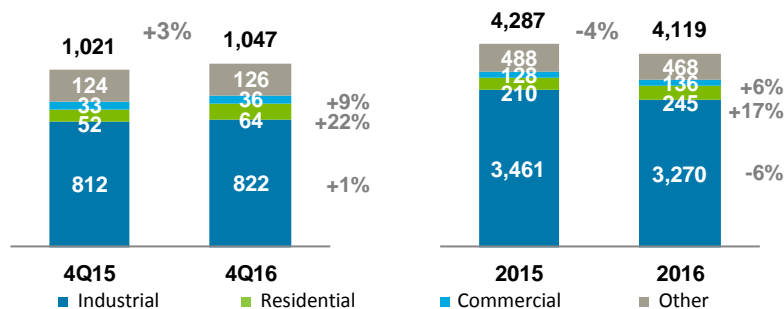
Note 5: EBITDA adjusted by (i) Variation in Biological Assets, (ii) Hedge Accounting and (iii) nonrecurring effects, if applicable.

Comgás | Growth of residential and commercial volumes in 2016

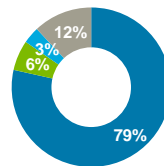
Higher normalized EBITDA in 2016 on richer sales mix and the inflation adjustment of the regulatory margin, offsetting lower industrial volumes.

Sales Volume and contribution by segment ⁷

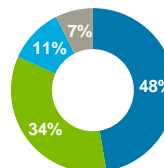
'mln cbm



Volume



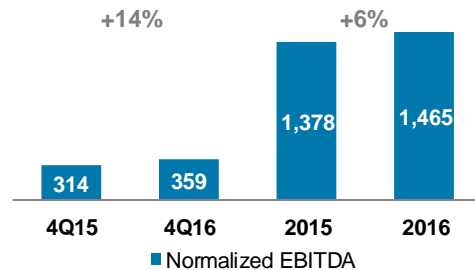
Contribution Margin



- Residential: new clients added to the network, lower average temperature and higher consumption after the end of the water crisis.
- Commercial: new connections supported sales volume growth offsetting the economic slowdown.
- Industrial: still facing adverse macroeconomic scenario;
- Regulatory current account was down by BRL 37.0 million in 4Q16.
- Extraordinary tariff readjustments applied in May and September 2016.
- Comgás is waiting for the regulator (ARSESP) to define the next steps of the 2014-19 tariff revision cycle.

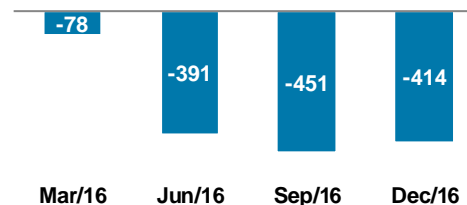
Normalized EBITDA⁸

BRL mln



Regulatory Current Account Evolution

BRL mln



Note 7: Excludes thermal power.

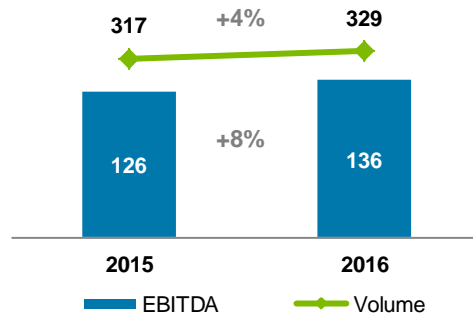
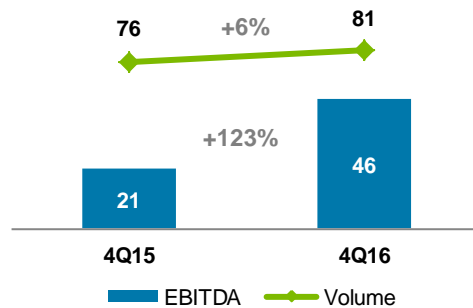
Note 8: Normalized EBITDA by the effect from the Regulatory Current Account.

Moove

- Sales volumes in Brazil up 4%, outperforming market performance (-6%, source SINDICOM); volumes from international operations 13% higher.
- 4Q16 EBITDA more than doubled totaling BRL 46 million, ending 2016 at BRL 135.6 million (+8%).

EBITDA & Sales Volume

BRL mln and '000 cbm

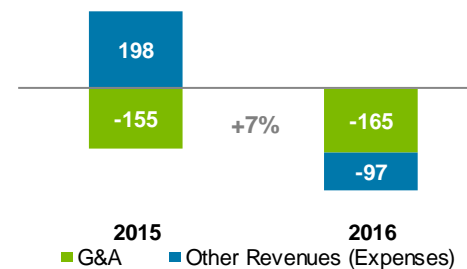
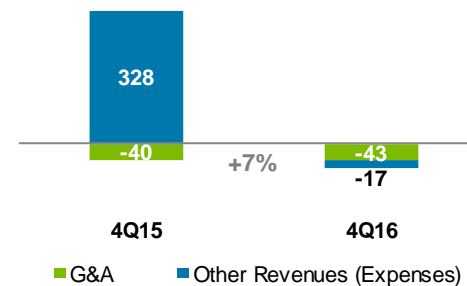


Cosan Corporate

- General and Administrative expenses reached BRL 43 million on 4Q16 (+7%) and BRL 165 million (+7%) in 2016, in line with inflation.

EBITDA (ex- Equity Pick-up)

BRL mln

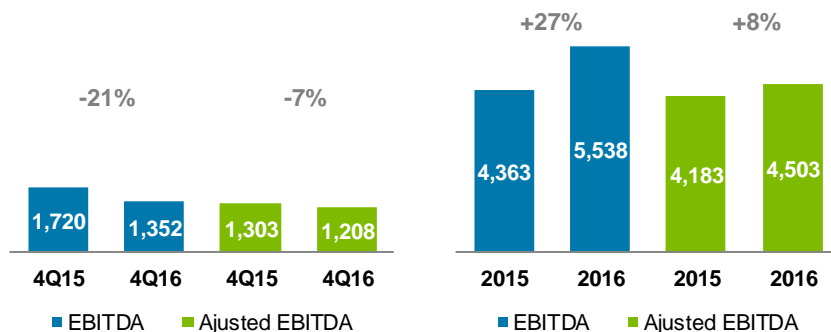


Cosan S/A Pro forma | EBITDA, cash generation and net income at record levels in 2016

Adjusted EBITDA amounted BRL 1.1 billion on 4Q16 (-7%) and BRL 4.5 billion in 2016 (+8%). Net income almost doubled compared to last year, totaling BRL 1.0 billion in 2016, due to better operating performance of all the businesses.

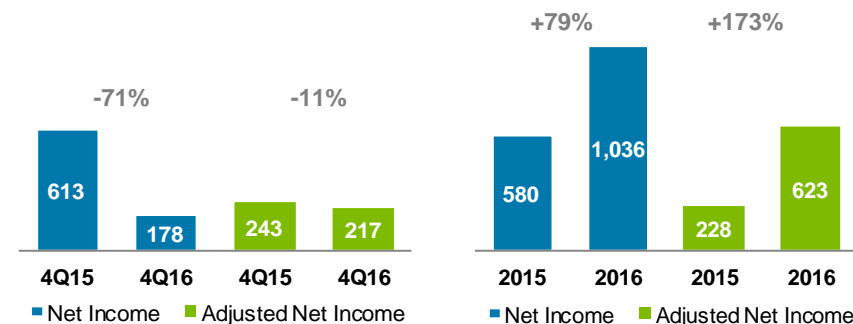
EBITDA⁹ & Adjusted EBITDA

BRL mln



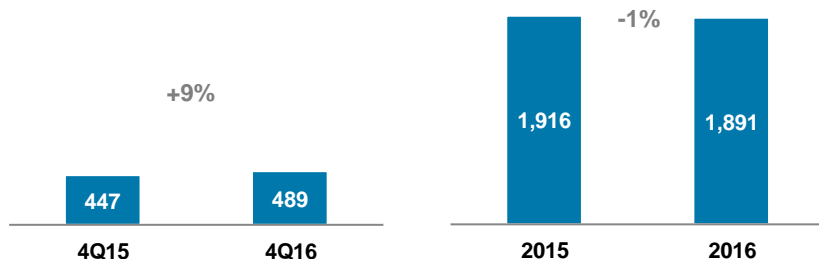
Net Income (Loss)

BRL mln



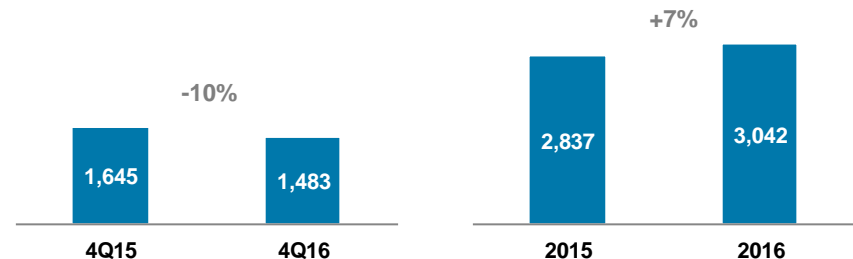
CAPEX⁹

BRL mln



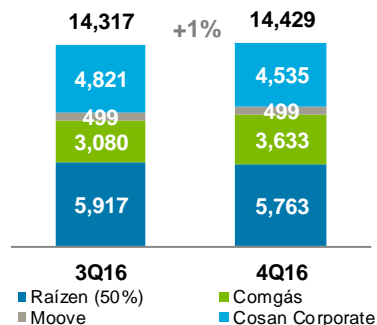
Free Cash Flow to Equity⁹

BRL mln

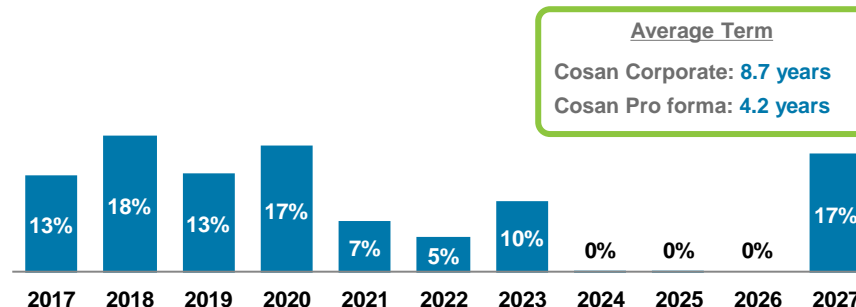


Debt and Leverage | Consistently deleveraging throughout 2016

Gross Debt (BRL Mln)¹⁰



Debt Amortization Profile¹¹

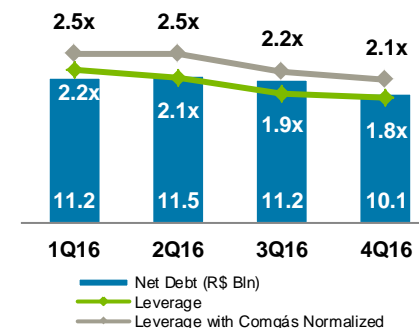


Average Term

Cosan Corporate: 8.7 years
Cosan Pro forma: 4.2 years

Leverage¹³

Net Debt / EBITDA LTM



Cash Flow and Net Debt¹³

Cash Flow Reconciliation BRL MM	4Q16	4Q15	Var. %	2016	2015	Var. %
Cash Flow from Operations	1,253	998	26%	5,446	4,400	24%
Cash Flow from Investing	447	(382)	n/a	(881)	(1,764)	-50%
Cash Flow from Financing Activities	(218)	1,027	n/a	(1,538)	198	n/a
Dividends received	2	2	8%	15	4	n/a
Free Cash Flow to Equity	1,483	1,645	-10%	3,042	2,839	7%
Cash and Cash Equivalents and Marketable Securities	6,134	5,069	21%	6,134	5,069	21%
Net Debt¹⁰	10,064	11,536	-13%	10,064	11,536	-13%
LTM EBITDA	5,538	4,351	27%	5,538	4,351	27%
Leverage (Net Debt/EBITDA)	1.8x	2.7x	-0.8x	3.5x	-4.3x	7.8x

Gross Debt: Comgás issued BRL 665 million of infrastructure debentures; offset by amortization of gross debt at Cosan Corporate (4131 Resolution).

Cash Generation

- CFO: growth in operational results due to higher EBITDA in all business lines, namely Raizen.
- CFI: proceeds from the sale of stake in Radar (BRL 1.0 billion) more than offsetting seasonally higher CAPEX.
- CFF: higher fundraising at Comgás, compensated by principal amortization and derivatives liquidation at Cosan S/A (4131).

Average Cost of Debt¹²: Cosan S/A Pro forma¹¹: 98% CDI and Cosan S/A: 101% CDI

Note 10: Net Debt Pro forma includes obligations with preferred shareholders of BRL 1.8 billion.

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

Note 12: Excludes costs with Perpetual Bond.

Guidance 2016 | Cosan delivers consolidated guidance for the 7th consecutive year

		Guidance 2016 (Jan-Dec)	Actual 2016 (Jan-Dec)	
Cosan S/A Consolidated	Pro forma Net Revenue (BRL mIn)	45,000 ≤ Δ ≤ 48,000	47,008	✓
	Pro forma EBITDA ¹³ (BRL mIn)	4,700 ≤ Δ ≤ 5,100	5,004	✓
Raízen Combustíveis	Adjusted EBITDA ¹⁴ (BRL mIn)	2,550 ≤ Δ ≤ 2,700	2,812	✓
	CAPEX (BRL mIn)	750 ≤ Δ ≤ 850	797	✓
Comgás	Total Customers ('000)	1,650 ≤ Δ ≤ 1,700	1,685	✓
	Total Volume Sold, excluding Thermo ('000 cbm)	4,000 ≤ Δ ≤ 4,300	4,119	✓
	Normalized EBITDA (BRL mIn)	1,350 ≤ Δ ≤ 1,450	1,465	✓
	EBITDA IFRS (BRL mIn)	1,900 ≤ Δ ≤ 2,000	1,965	✓
	CAPEX (BRL mIn)	470 ≤ Δ ≤ 520	464	✓
Moove	Total Volume Sold ('000 cbm)	280 ≤ Δ ≤ 330	329	✓
	EBITDA (BRL mIn)	120 ≤ Δ ≤ 160	136	✓

Note 13: Cosan S/A Pro forma EBITDA considers IFRS EBITDA of Comgás, Moove and Cosan Corporate and 50% of adjusted EBITDA of Raízen Energia and Raízen Combustíveis.

Note 14: Adjusted EBITDA exclude gains with asset divestments and other extraordinary effects, detailed on slide 4.

Guidance 2017

		Actual 2016 (Jan-Dec)	Guidance 2017 (Jan-Dec)
Cosan S/A Consolidated	Pro forma Net Revenue (BRL mIn)	47,008	45,000 ≤ Δ ≤ 48,000
	Pro forma EBITDA ¹⁵ (BRL mIn)	4,503	4,750 ≤ Δ ≤ 5,250
Raízen Combustíveis	Adjusted EBITDA ¹⁶ (BRL mIn)	2,812	2,700 ≤ Δ ≤ 3,000
	CAPEX (BRL mIn)	797	800 ≤ Δ ≤ 1,000
Comgás	Total Volume Sold, excluding Thermo ('000 cbm)	4,119	4,000 ≤ Δ ≤ 4,300
	Normalized EBITDA ¹⁷ (BRL mIn)	1,465	1,550 ≤ Δ ≤ 1,650
	CAPEX (BRL mIn)	464	450 ≤ Δ ≤ 500
Moove	EBITDA (BRL mIn)	136	140 ≤ Δ ≤ 160

		Actual Crop Year 2015/16 (Apr/15-Mar/16)	Guidance Review Crop year 2016/17 (Apr/16-Mar/17)	Preliminary Guidance Crop Year 2017/18 (Apr/17-Mar/18)
Raízen Energia	Volume of Sugarcane Crushed ('000 tons)	62,705	59,000 ≤ Δ ≤ 61,000	59,000 ≤ Δ ≤ 63,000
	Volume of Sugar Produced ('000 tons)	4,200	4,200 ≤ Δ ≤ 4,600	4,300 ≤ Δ ≤ 4,700
	Volume of Ethanol Produced (million liters)	2,149	1,900 ≤ Δ ≤ 2,200	2,000 ≤ Δ ≤ 2,300
	Volume of Energy Sold ('000 of MWh)	2,870	2,450 ≤ Δ ≤ 2,650	2,000 ≤ Δ ≤ 2,200
	Adjusted EBITDA ¹⁸ (BRL mIn)	3,459	3,000 ≤ Δ ≤ 3,300	3,900 ≤ Δ ≤ 4,300
	CAPEX (BRL mIn)	1,769	1,900 ≤ Δ ≤ 2,100	2,100 ≤ Δ ≤ 2,400

Nota 15: 2017 Guidance considers the recurring EBITDA from the business units, that is, excludes extraordinary effects, and Normalized EBITDA of Comgás.

Nota 16: EBITDA adjusted by (i) Assets divestments and (ii) other extraordinary effects, if applicable.

Nota 17: Comgás IFRS EBITDA of 2017 shall be impacted by the devolution of the balance from the regulatory current account, which ended 2016 at BRL 414 million in favour of clients.

Nota 18: EBITDA adjusted by (i) Variation in Biological Assets, (ii) Hedge Accounting and (iii) nonrecurring effects, if applicable.



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