

Rumo | Earnings Release 4Q17 and 2017

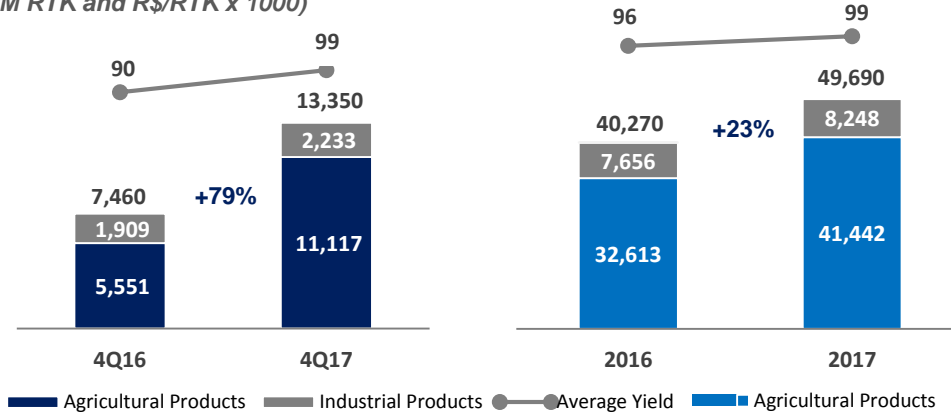
The Rumo logo is displayed in white text on a dark blue background. It features the word "rumo" in a lowercase, sans-serif font, with a stylized white circle to the right of the letter "o".

rumo

This presentation contains forward-looking estimates and statements on our strategies and future growth opportunities. This information is mainly based on our current expectations and estimates or projections of future events and trends affecting or which may affect our businesses and operating results. Despite the fact we believe these forward-looking estimates and statements are based on reasonable suppositions, they are subject to several risks and uncertainties and are made considering currently available information. Our forward-looking estimates and statements may be influenced by the following factors, amongst others: (1) general economic, political, demographic and commercial conditions in Brazil and specifically in the geographic markets where we operate; (2) inflation, depreciation of Brazilian Real; (3) competitive developments in the ethanol and sugar sectors; (4) our capacity to implement our Capex plan, including our ability to raise loan when necessary and under reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in consumers' demand; (7) alterations in our businesses; (8) government interventions resulting in changes in economy, taxes, rates or regulatory environment; and (9) other factors to affect our financial condition, liquidity and operating results.

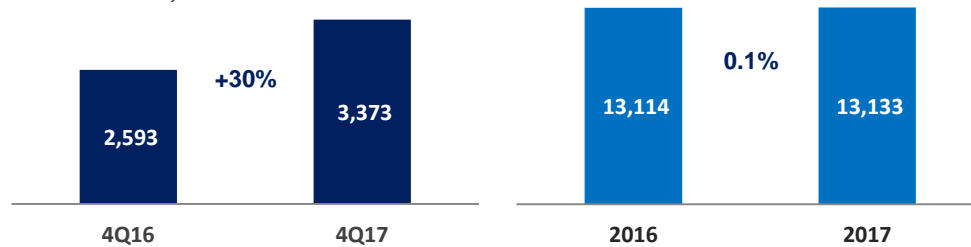
The words "believe", "may", "should", "estimate", "continue", "foresee", "intend", "expect" and similar words aim at identifying forward-looking estimates and statements. Forward-looking estimates and statements only refer to the date when these are made and we do not assume any obligation to update or revise any forward-looking estimate or statement in view of new information, future events or other factors. The forward-looking estimates and statements involve risks and uncertainties and are not guarantees of future performance. Our future results may significantly differ from those expressed in our forward-looking estimates and statements. Considering the risks and uncertainties described above, the forward-looking estimates and statements discussed herein may not occur and our future results and performance may substantially differ from those expressed in the forward-looking statements, inclusive, amongst others, due to the factors mentioned above. In view of these uncertainties, investor should not make any investment decision based on these forward-looking estimates and statements.

Volume and Transportation yield
(MM RTK and R\$/RTK x 1000)



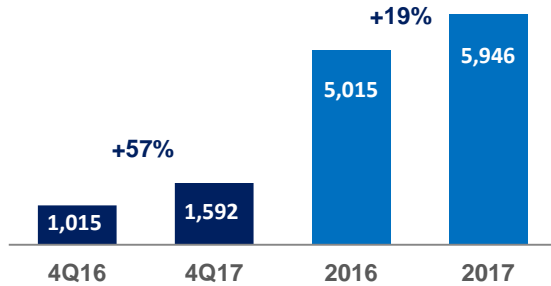
- Transported volume up by 79% in 4Q17, due to increased capacity generated by investments.
- Agricultural products volume grew more than 100% in the quarter. This result reflects capacity gains, which enabled capturing higher volumes from record corn and soybean crops with exports extended until the end of the year.
- Industrial products transportation was up 17% in the quarter, with increased cargo volume in fuel, pulp and containers segments.
- Port loading volume grew by 30% in 4Q17, reflecting a scenario of higher demand for grains exports, offsetting lower sugar volume shipped in 2017.

Loading Volume
(Thousand tons)



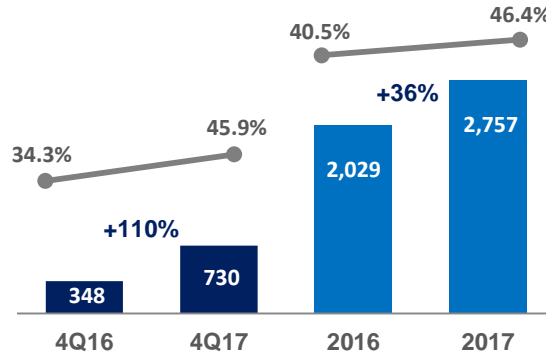
Note 1: Proforma Results of 2016

Net Revenue
(R\$ MM)



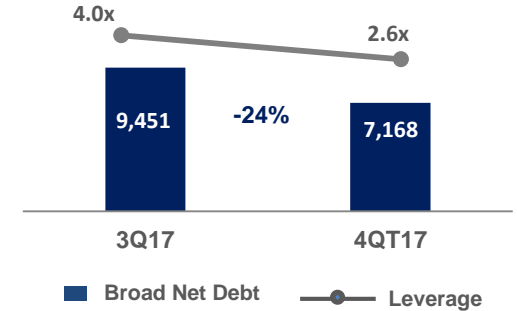
- Net revenue growth due to higher volumes transported and accordingly, costs dilution.

EBITDA and EBITDA Margin
(R\$ MM)



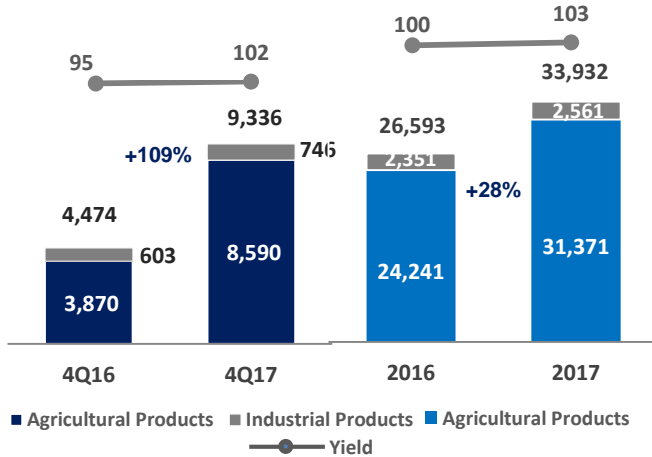
- EBITDA growth driven by higher volume transported due to increased capacity and stronger demand for transportation of the record grain crops
- Higher volumes resulted in cost dilution and increased margins.

Broad Net Debt and Leverage
(R\$ MM)



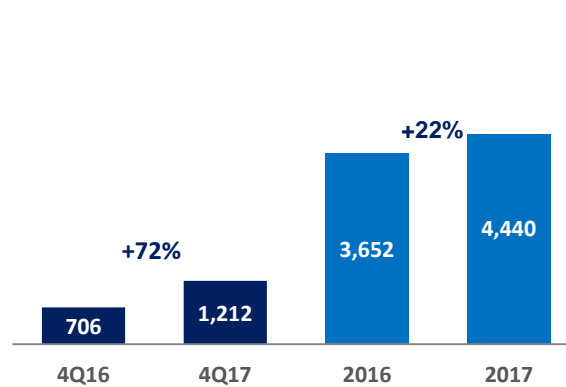
- Capital increase concluded in October 2017 significantly reduced leverage.
- EBITDA growth between periods also contributed to results.

Volume and Transportation yield
(MM RTK and R\$/RTK x 1000)



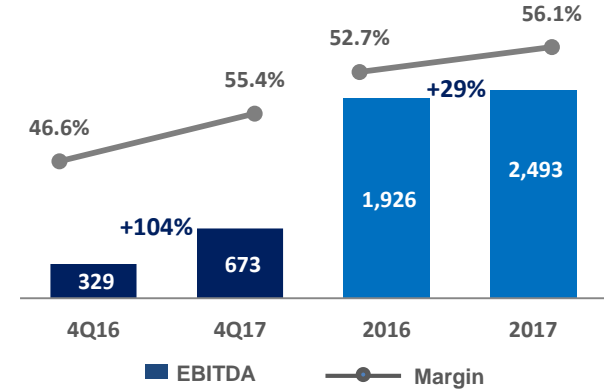
- Substantial increase in corn volumes transported in the quarter.
- Solid transported volume growth driven by increased operational capacity in the year.

Net Revenue
(R\$ MM)



- Net revenue growth due to higher volumes transported.

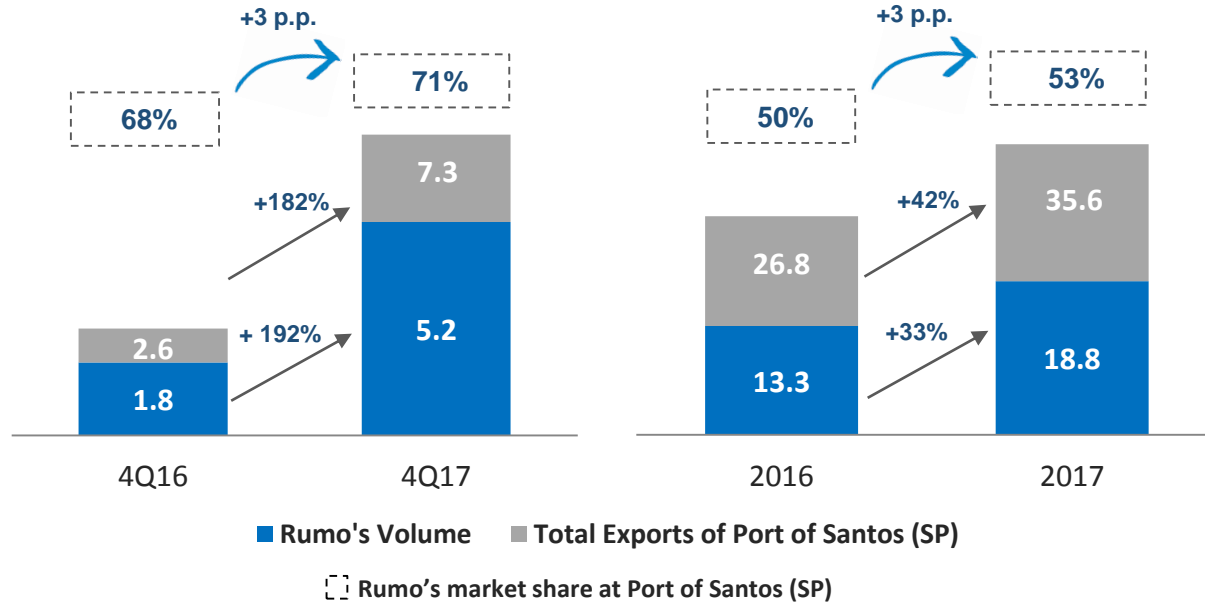
EBITDA and EBITDA Margin
(R\$ MM)



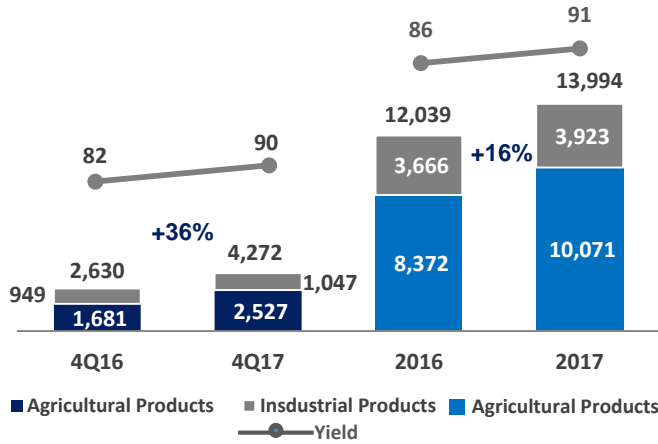
- Strong EBITDA growth mainly reflected investments made in 2016, allowing to capture higher volumes and dilute costs.

Rumo increased its share in grains transported to the Port of Santos (SP) by 3 p.p. in 4Q17

Rumos's Market Share increase in grain rail transportation to the Port of Santos (SP)
(MM tons)

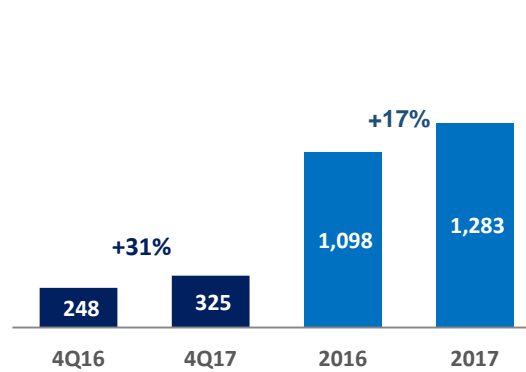


Volume and Transportation yield
(MM RTK and R\$/RTK x 1000)



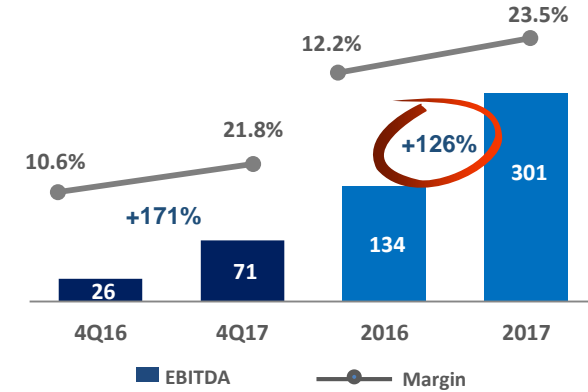
- Strong growth in industrial and agricultural products transportation, due to better operational conditions and higher demand.

Net Revenue
(R\$ MM)



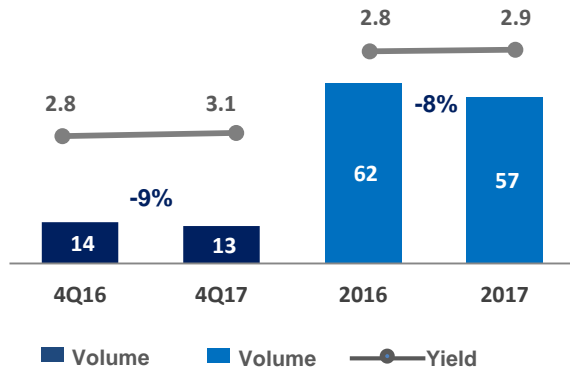
- Net revenue up driven by higher volumes transported.

EBITDA and EBITDA Margin
(R\$ MM)



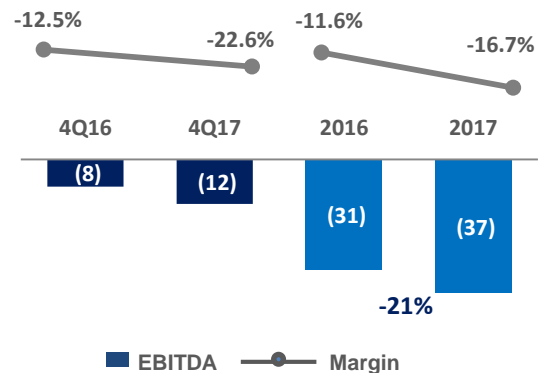
- EBITDA growth due to higher transported volumes and accordingly, cost dilution.

Volume and Transportation yield
(Containers thousand and R\$ thousand/containers)



- Rationalization of non-profitable routes and lower demand for refrigerated products transportation negatively impacted results.

EBITDA and EBITDA Margin
(R\$ MM)



- EBITDA down due to reduced number of containers handled.

Net Debt and Leverage (R\$ MM)

Total Indebtedness (Amounts in R\$ MM)	4Q17	3Q17	Chg.%
Total Gross Broad Debt	10,701.8	11,257.3	-4.9%
Cash and Cash Equivalents and Securities ¹²	(3,423.7)	(1,796.0)	90.6%
Net Derivative Instruments	(110.1)	(10.2)	n.a.
Total Net Broad Debt	7,168.0	9,451.1	-24.2%
EBITDA LTM	2,756.6	2,374.3	16.1%
Leverage (Net Broad Debt / EBITDA LTM)	2.6x	4.0x	-33.3%

Note 2: 3Q17 includes restricted cash linked to bank debts of R\$91.8 million.
4Q17 includes restricted cash from bank debts totaling R\$93.2 million.

Main changes in 4Q17

Funding

R\$ 1.3 billion

Amortizations

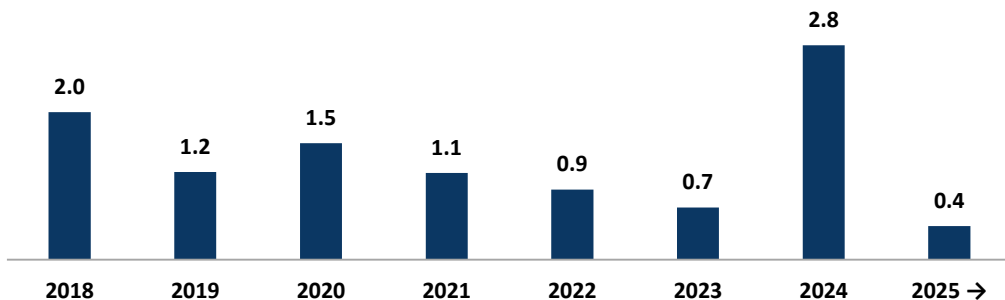
Principal: R\$ 1,955 million

Interest rate: R\$ 322 million

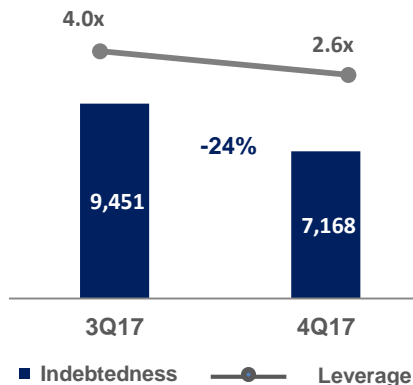
Average Cost of Debt

134% of CDI

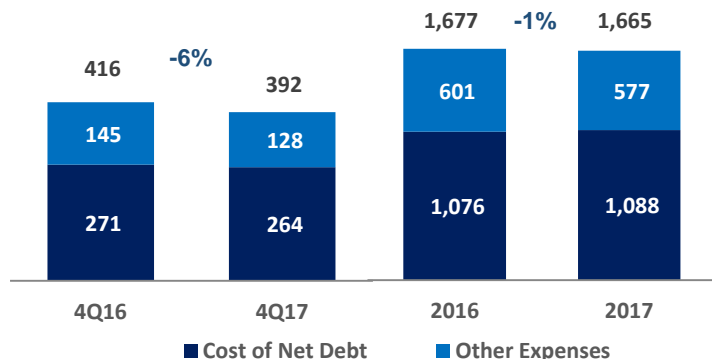
Debt Amortization Schedule (R\$ BLN)



Broad Net Debt and Leverage (R\$ MM)



Financial Result (R\$ MM)



- Cost of bank debt increased due to higher balance and average cost of debt, partially offset by CDI drop between periods.
- Lower expenses with leasing and real estate receivables certificates (CRIs) due to amortizations, without new funding.
- Higher investment yield due to capital increase in October 2017.

Cash Flow (R\$ MM)

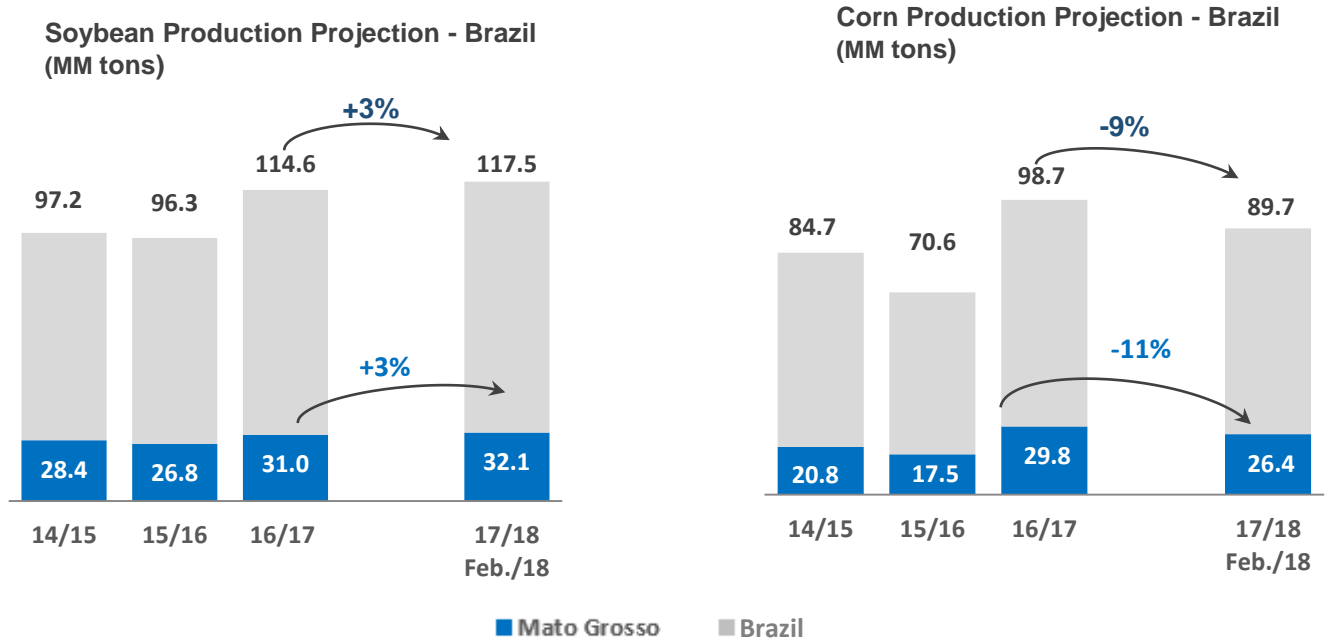
	4Q17	4Q16 Pro forma	Chg. %	Indirect Cash Flow (Amounts in R\$ MM)	2017	2016 Pro forma	Chg. %
	733.3	348.0	>100%	EBITDA	2,752.4	2,028.6	35.7%
	(105.2)	(168.9)	-37.7%	Non-cash effects in EBITDA	(286.0)	(421.0)	-32.1%
	14.2	(14.3)	>100%	Operating financial result	34.9	(4.1)	>100%
(a)	642.4	164.8	>100%	(=) Operating Cash Flow	2,501.3	1,603.5	56.0%
	(621.8)	(434.3)	43.1%	Capex ³	(2,045.4)	(1,899.2)	20.4%
(b)	(178.3)	(162.1)	10.0%	Recurring	(789.2)	(646.3)	19.0%
	(443.2)	(272.2)	62.8%	Expansion	(1,276.2)	(1,052.9)	21.2%
	-	-	>100%	Investments & Acquisitions	-	(0.2)	-100.0%
	-	-	>100%	Asset Sale	7.0	(0.2)	>100%
	(0.7)	-	>100%	Net cash on investment disposal	(0.7)	-	>100%
	1.6	-	>100%	Dividends Received	6.7	8.2	-18.2%
(c)	(620.6)	(434.3)	42.9%	(=) Cash Flow from investing activities	(2,032.4)	(1,691.4)	20.2%
	1,298.3	788.2	64.5%	Funding	3,786.5	3,715.2	1.9%
	(1,954.5)	(508.4)	>100%	Amortization of Principal	(3,437.1)	(4,317.5)	-20.4%
	(322.0)	(247.8)	29.9%	Amortization of Interest Rates	(1,232.2)	(1,246.1)	-1.1%
	-	(0.9)	-100.0%	Paid Dividends	(2.1)	(1.7)	23.5%
	2,584.2	(0.7)	>100%	Paid-in Capital	2,584.2	2,533.6	2.0%
	(0.2)	(5.0)	-96.2%	Derivative Financial Instruments and others	(18.3)	0.3	>100%
	0.1	(5.5)	>100%	Restricted Cash	(24.6)	(0.0)	>100%
(d)	1,603.8	19.9	>100%	(=) Cash flow from financing activities	1,656.4	683.8	>100%
(e)	0.7	-	>100%	Impact of Exchange variation on cash and cash equivalents	28.1	-	>100%
	1,626.3	(249.6)	>100%	(=) Net Cash Generation (Consumption)	2,153.3	595.9	>100%
	1,704.2	1,426.9	19.4%	(+) Total cash (includes cash + marketable securities)	1,177.1	581.3	>100%
	3,330.4	1,177.1	>100%	(=) Total cash (includes cash + marketable securities)	3,330.4	1,177.1	>100%
Metrics							
	464.1	2.7	>100%	(=) Cash Generation after Recurring Capex (a+b)	1,732.1	957.2	81.0%
	21.8	(269.5)	-81.0%	(=) Cash Generation after Cash from Investments (a+c)	468.9	(87.9)	>100%
	1,626.3	(249.6)	1,626.3	(=) Total Cash Generation (Consumption) (a+c+d+e)	2,153.3	595.9	>100%

Note 3: Includes the amount of R\$108.1 million referring to the acquisition of materials/services with disbursement in 2018.

Operating and Financial Performance Indexes	1Q17	2Q17	3Q17	4Q17	4Q16	Chg. %	2017	2016	Chg. %
Consolidated									
Unitary Variable Rail Cost (R\$/000 RTK) ⁵	(19.0)	(18.3)	(18.7)	(20.3)	(21.1)	-4.1%	(19.0)	(19.9)	-4.4%
Unitary Fixed Cost + SG&A excluding depreciation (R\$/000 RTK)	(41.1)	(35.0)	(29.9)	(34.8)	(57.8)	-39.8%	(35.2)	(44.2)	-20.5%
Operating ratio ⁶	83%	71%	70%	82%	95%	-13.4%	76%	82%	-7.1%
Diesel Consumption (liters/000 GTK)	4.5	4.4	4.3	4.3	4.9	-12.5%	4.4	4.8	-8.6%
North Operation									
Grains of Rondonópolis (MT) to the Port of Santos (SP)									
Average rail cars loaded per day (units)	369	408	482	476	97	n.a.	434	301	44.0%
Transit time (hours)	107.1	102.1	103.8	107	97	10.3%	104.9	101.0	3.9%
Cycle time of railcars (days)	10.2	9.8	9.6	10	11	-11.4%	9.9	10.5	-6.4%
South Operation									
Grains of the terminals in the North of Paraná to the ports of Paranaguá (PR) and São Francisco do Sul (SC)									
Average rail cars loaded per day (units)	277	342	428	276	36	n.a.	331	230	44.2%
Transit time (hours)	57.9	50.0	50.8	48	48	0.2%	51.6	47.2	9.3%
Cycle time of railcars (days)	7.6	7.0	6.9	8	8	-4.1%	7.3	7.8	-7.1%

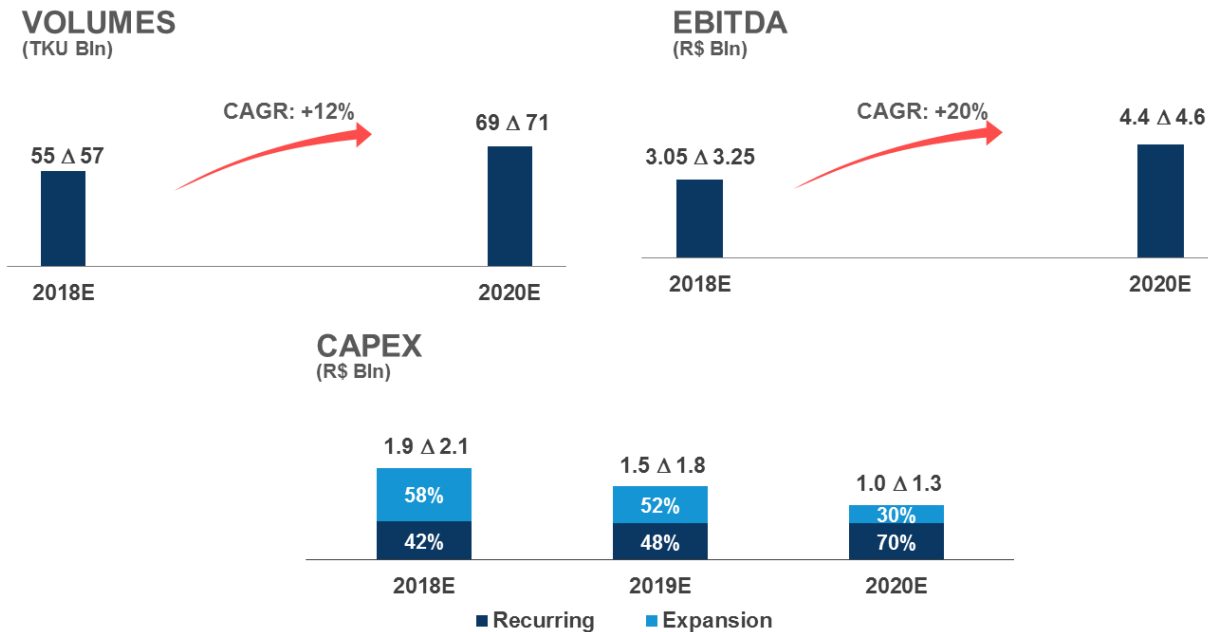
Note⁵: Considers only the variable costs of rail operations.

Note⁶: The Operating Ratio calculation considers proportional allocation of part of the 4Q16 depreciation in previous quarters of the same year



	2017 Guidance	2017 Actual	2018 Guidance
Rumo			
EBITDA (R\$ MM)	2,600 ≤ Δ ≤ 2,800	2,757	3,050 ≤ Δ ≤ 3,250
Total Capex (R\$ MM)	2,000 ≤ Δ ≤ 2,200	2,154	1,900 ≤ Δ ≤ 2,100
Recurring Capex (R\$ MM)	700 ≤ Δ ≤ 800	778	800 ≤ Δ ≤ 900
Expansion Capex (R\$ MM)	1,300 ≤ Δ ≤ 1,400	1,375	1,100 ≤ Δ ≤ 1,200

Disclaimer: Information related to 2018 on businesses and projections of operating and financial results are merely estimates, and as such, these are mainly based on the Management beliefs and assumptions, not representing promise of performance. These estimates are subject to several risks and uncertainties and are made considering information currently available, which takes into account the existence of usual lines of credit for this type of business. Thus, these estimates substantially rely on the market conditions, Brazilian economy performance and business sectors in which the Company operates and international markets, therefore, subject to changes without prior notice. In view of these uncertainties, investor should not make any investment decision exclusively based on these forward-looking estimates and statements. Any change in the perception or factors mentioned above may cause concrete results to diverge from projections made and disclosed.



Note 1: The information above on EBITDA and Capex curves are expressed nominally, based on IGP-M (General Market Price Index) with the following curve: 2018 – 5.1% p.a., 2019 – 4.4% p.a. and 2020 – 4.2% p.a. Any alteration in these curves does not represent substantial impact on the Company's results.

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Cosan DAY 2018

— INVITATION —

16 | **New York**
mar | Park Hyatt New York

153 West 57th Street
Between 6th and 7th Avenue
New York, NY 10019
The Onyx Room, Second Level

AGENDA

- 8:30 am** Breakfast and Registration
- 9:00 am** Cosan S/A (CSAN3)
- 10:10 am** Rumo S/A (RAIL3)
- 10:50 am** Cosan Limited (CZZ)
- 11:20 am** Closing Remarks and Brunch

REGISTRATION

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or e-mail barbara@inspirgroup.com



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