

# The Cosan Story

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Geertruidenberg – Netherlands

Mark Lyra

# 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.

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# Brazil has the 5<sup>th</sup> Largest Population in the World



Brazil's Population will  
Grow 10% by 2030



# Brazil is Larger Than the Continental USA

**Brasil**

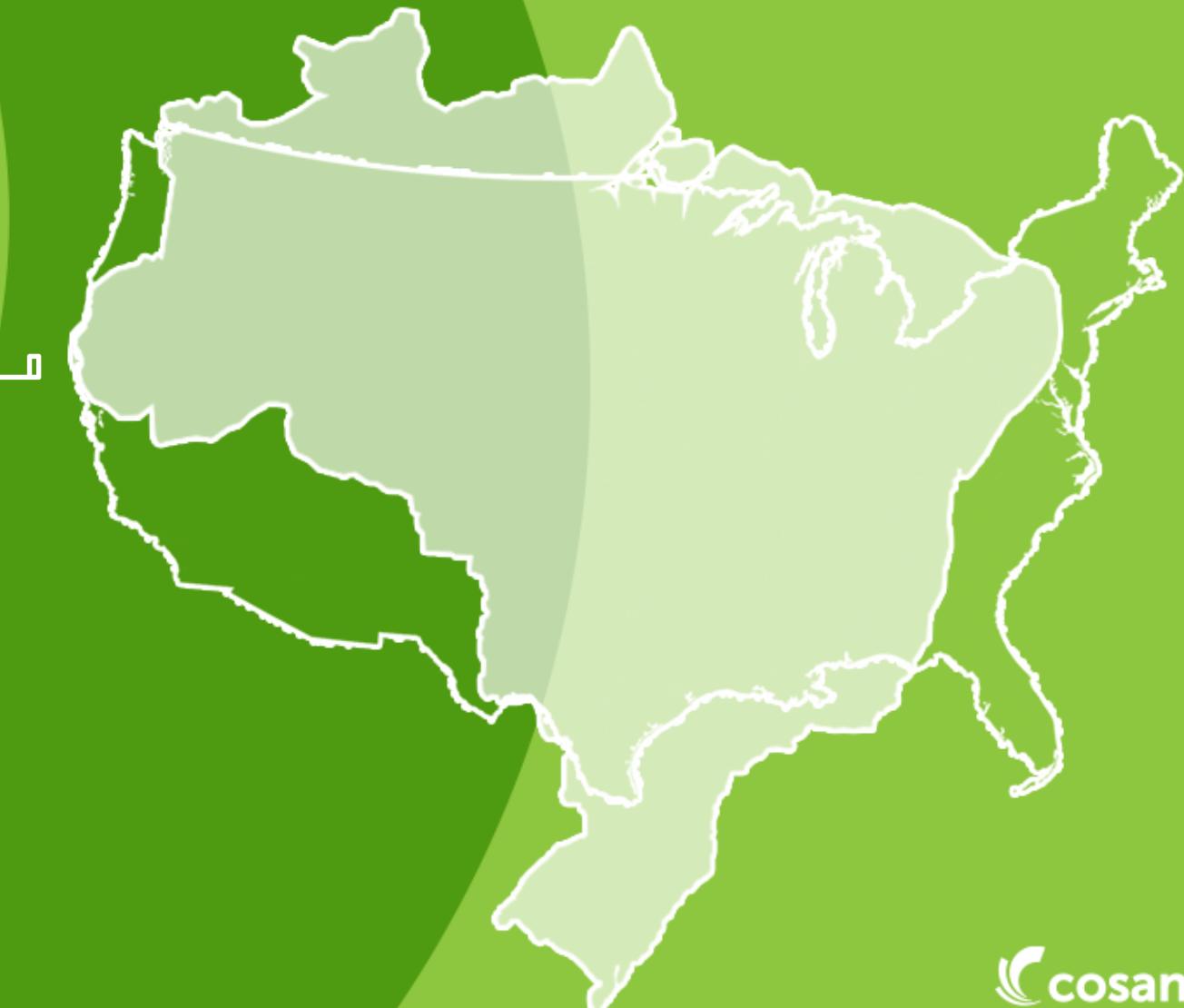
8.516.000 km<sup>2</sup>



**EUA\***

7.911.237 km<sup>2</sup>

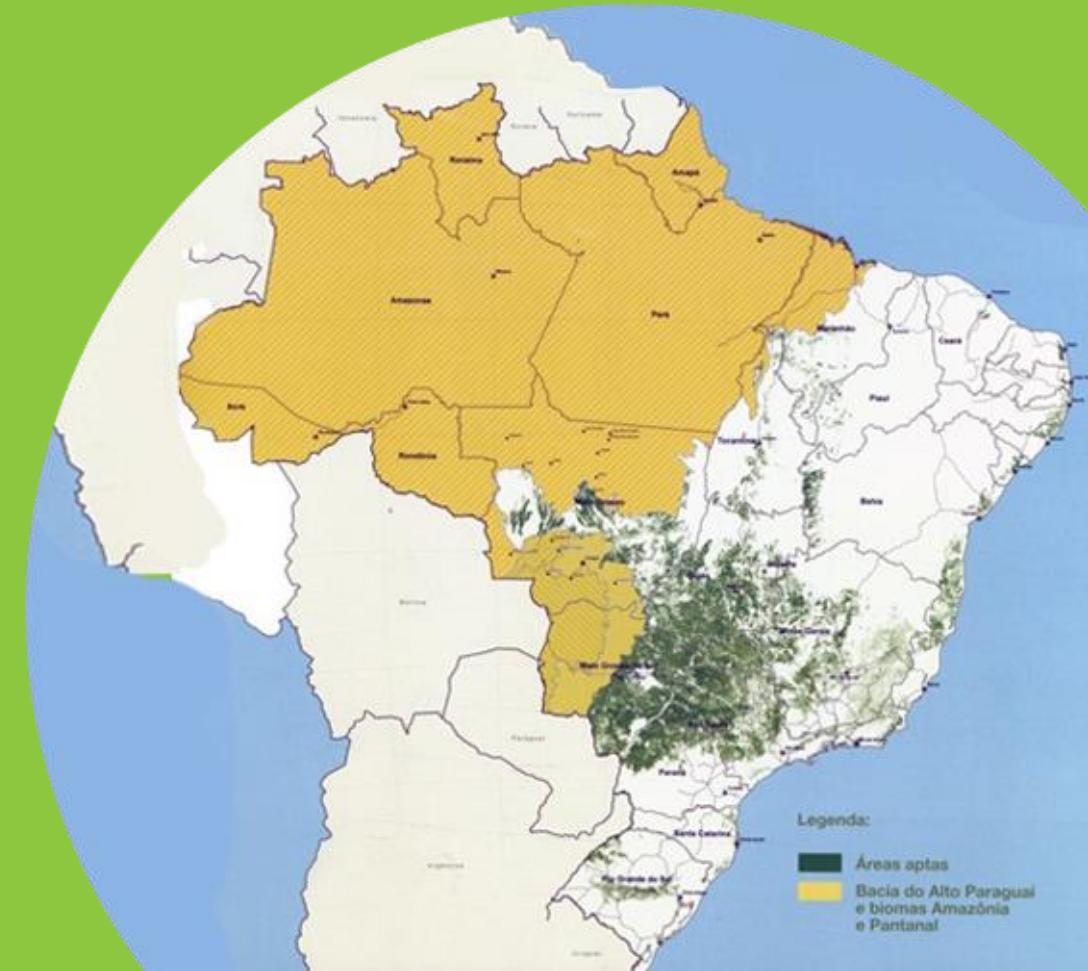
\* excluding Alaska



# Brazil has the Largest Rainforest in the World



60% of Brazilian Territory is Protected



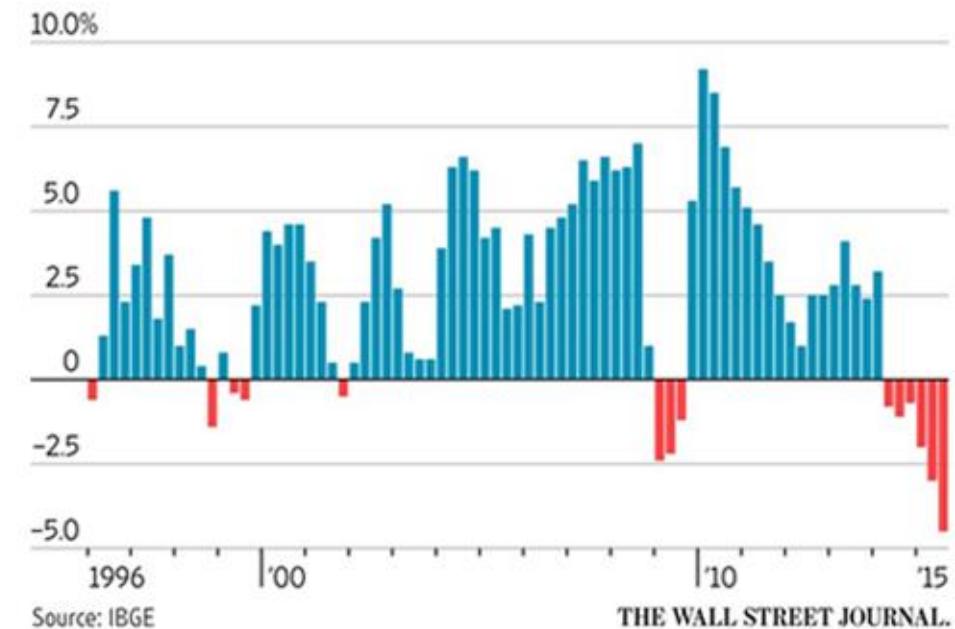


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## Quarterly Change in GDP From a Year Earlier



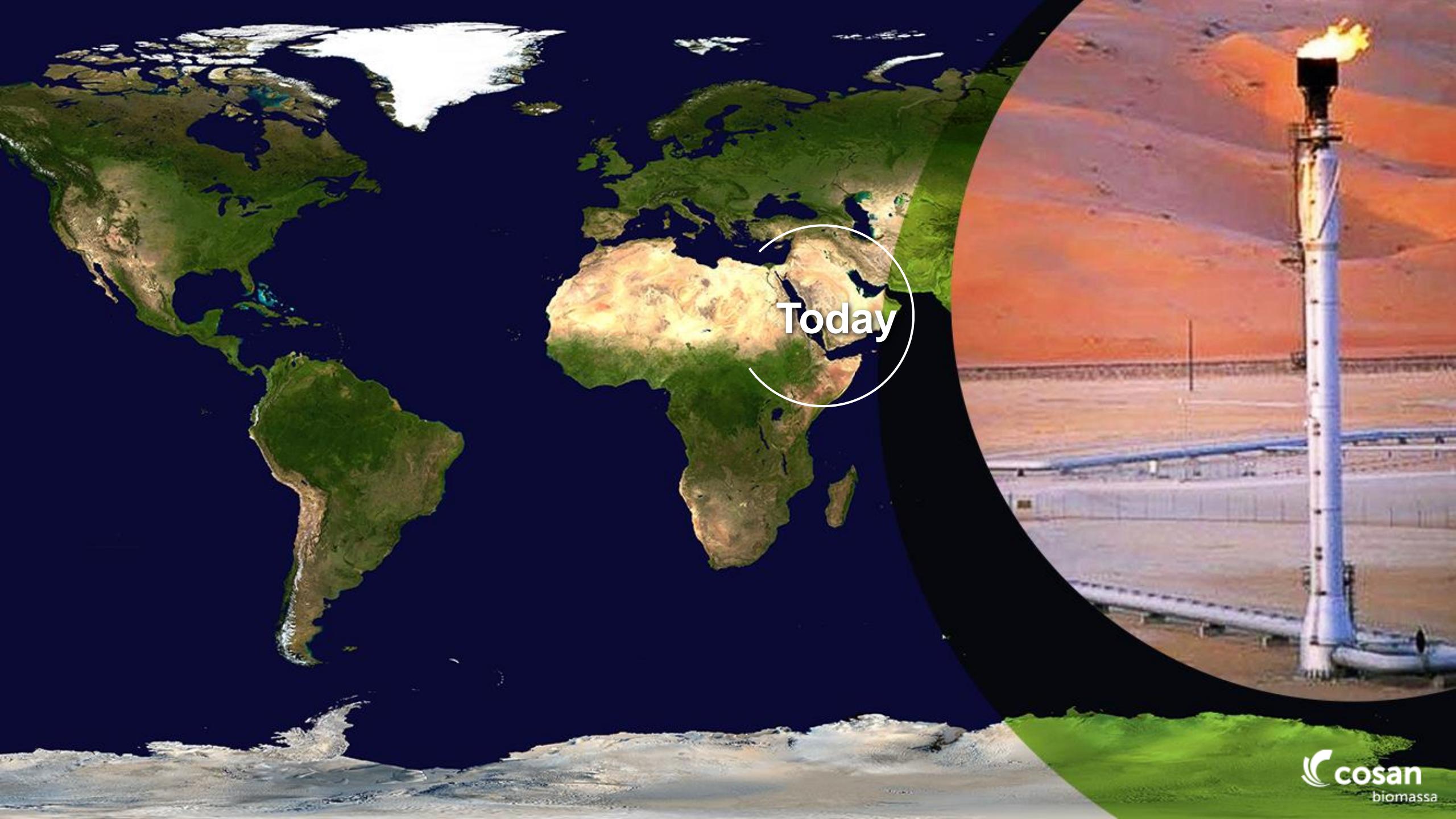
Source: IBGE

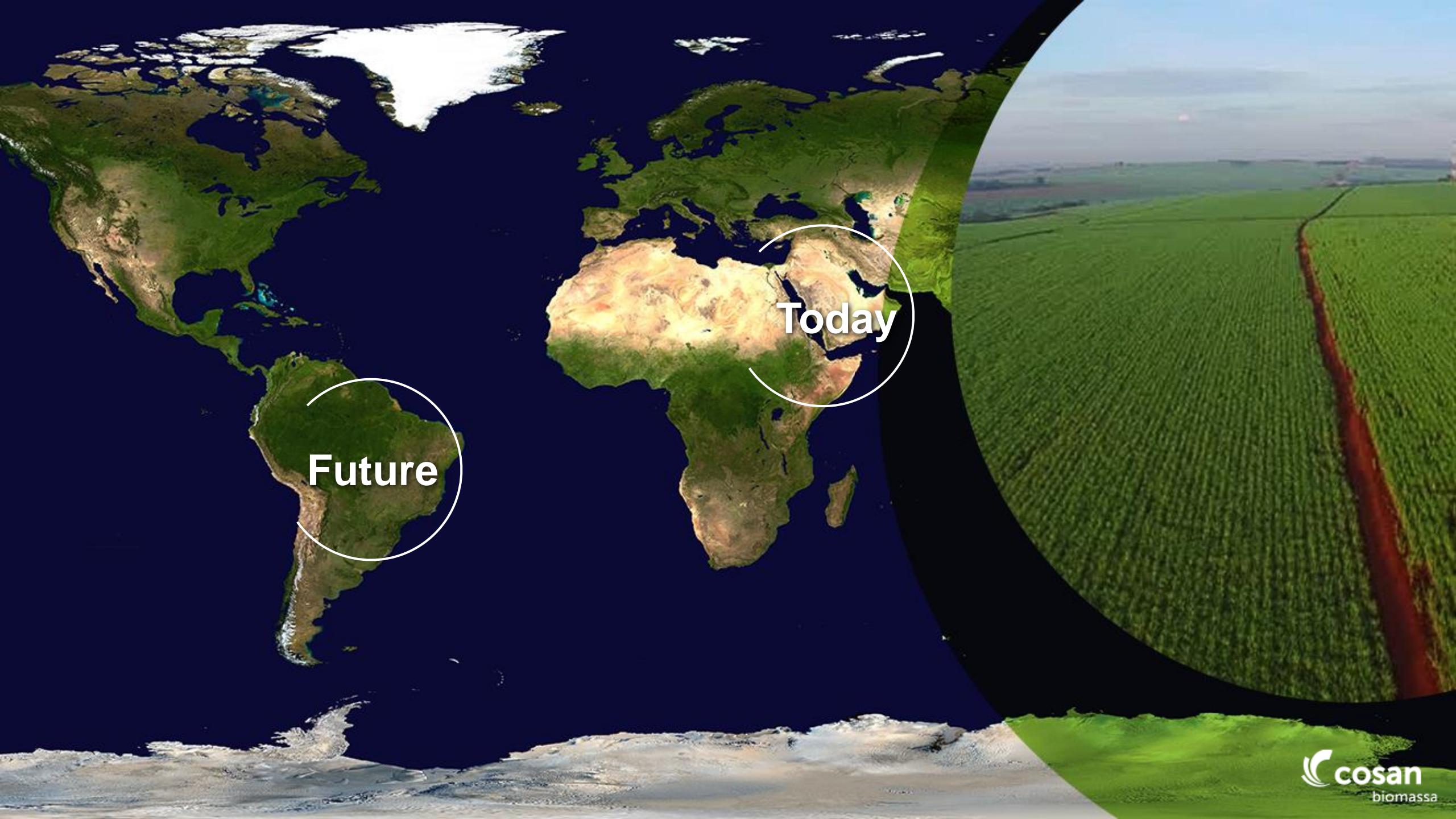
THE WALL STREET JOURNAL.

A collage of images illustrating political protest and transition. The left side shows a massive crowd of people in yellow shirts, a carnival float featuring satirical figures of political leaders, and a green building. The right side is a circular inset showing two individuals, a man in a suit and a woman in a white blouse, engaged in a conversation.

## History of Peaceful Transitions



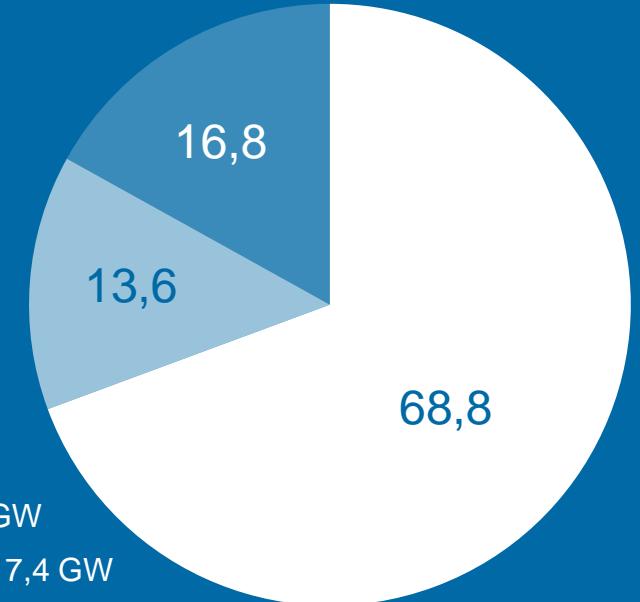






Itaipu 14GW

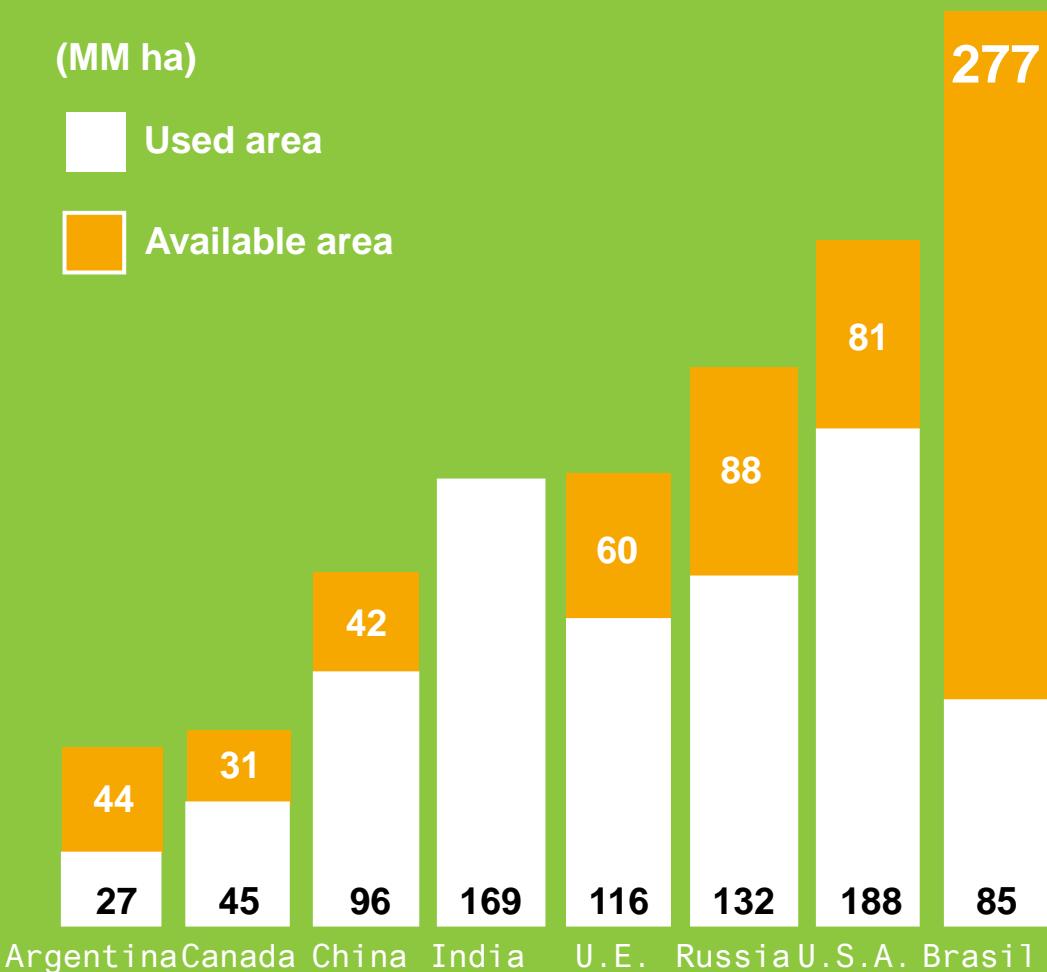
Brazil Power Generation  
is > 80% Renewable



- Hydro 86,0 GW
- Renewable 17,4 GW
- Thermal 21,0 GW

Fonte: CPFL Renováveis 2014

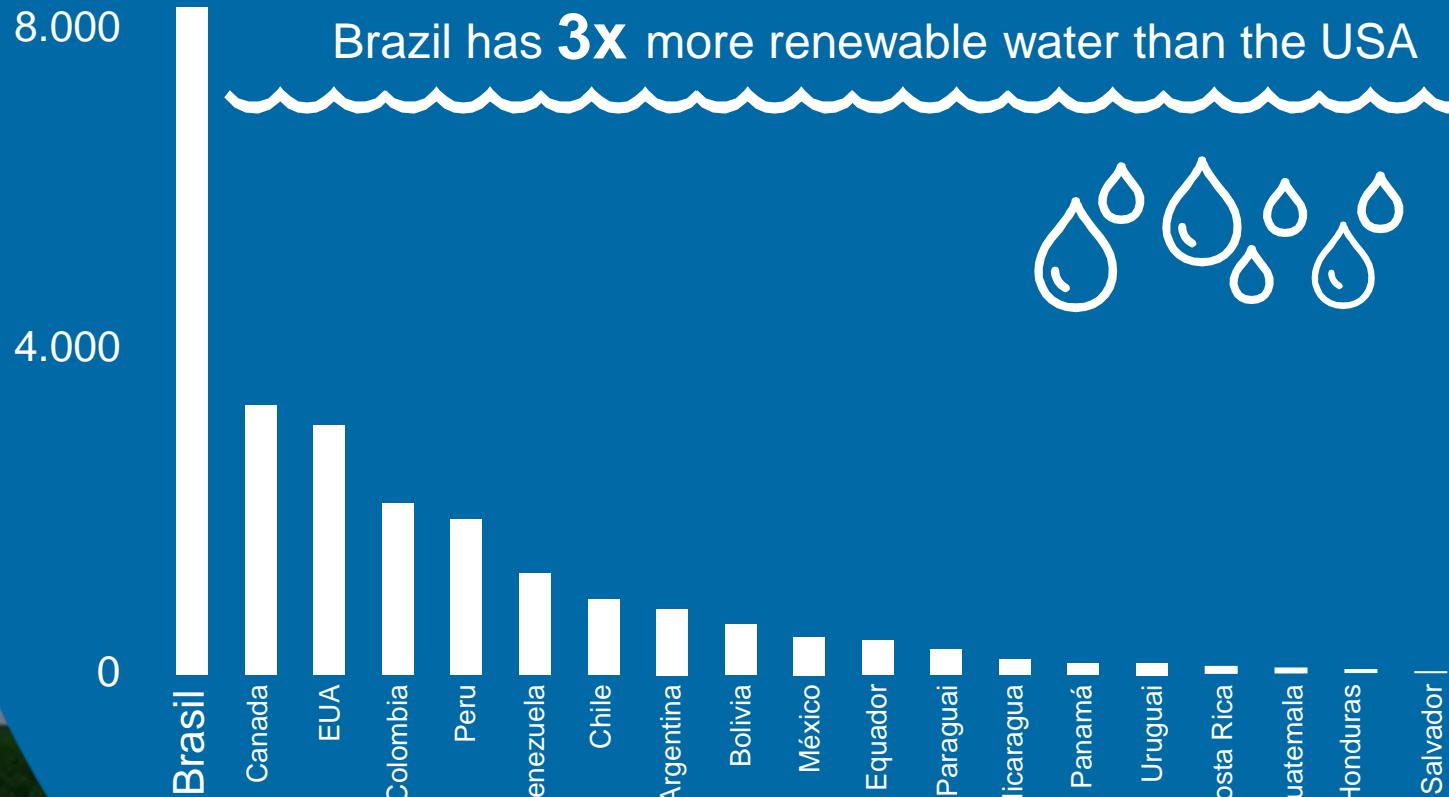
# Brazil has the Largest Amount of Arable Land Available



220 MM ha  
with Pasture  
57 MM ha  
Available



# And has the Highest Amount of Renewable Water



Source: WorldWater.org

# Brazil Does Not Use Significant Irrigation



Irrigation  
Could double productivity

29.6 MM ha

5.4 MM ha



Irrigated Area

Potential

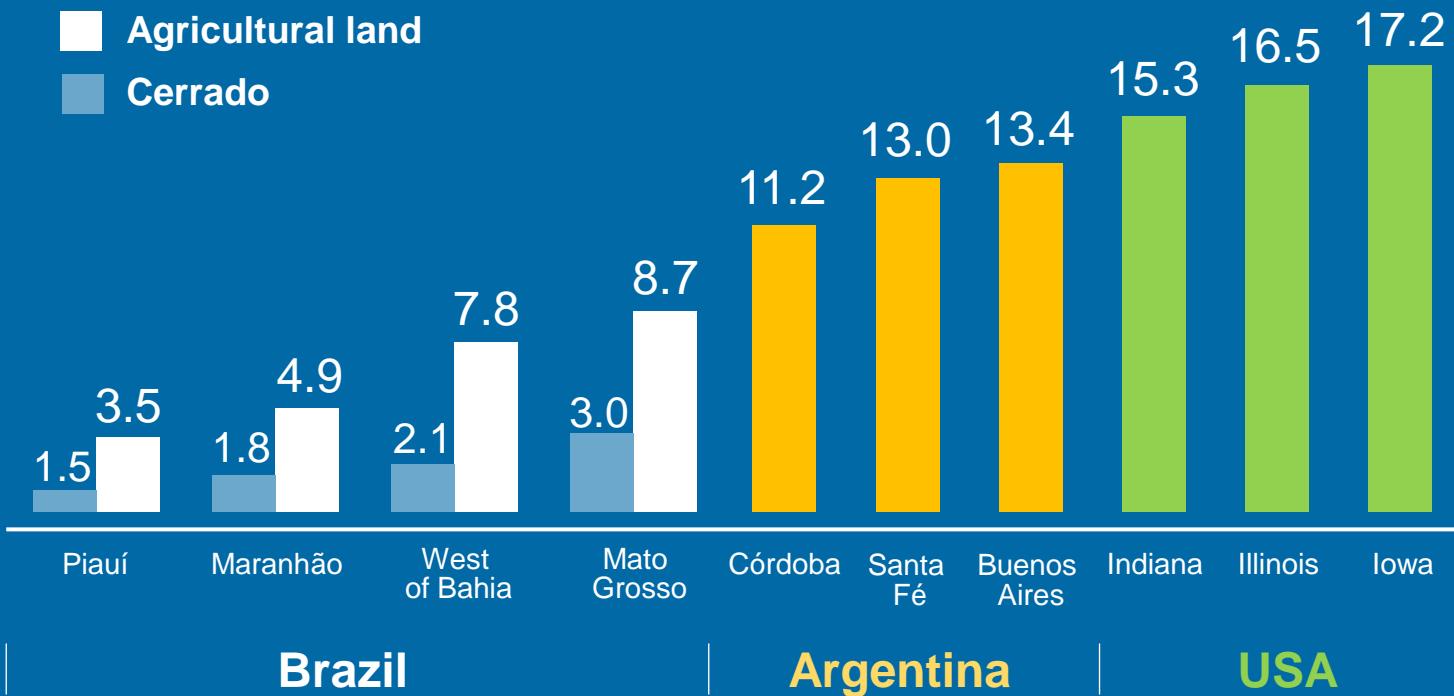


# Brazil can Produce Two Crops Per Year



Land Prices are Still Low  
(Grain Areas - \$'000/ha)

■ Agricultural land  
■ Cerrado



# Largest Coffee Exporter



**27% of  
Global  
Exports**

# Largest Orange Juice Exporter



75% of  
Global  
Exports

# Largest Soybeans Exporter



**44% of  
Global  
Exports**

# Largest Poultry Exporter



36% of  
Global  
Exports

# 2nd Corn Exporter



**27% of  
Global  
Exports**

# 2nd Beef Exporter



18% of  
Global  
Exports

# Largest Pulp Exporter



20% of  
Global  
Exports

# Largest Sugar Exporter



43% of  
Global  
Exports

# Largest Sugar Exporter



Sugarcane is  
up to **8x**  
more efficient  
at capturing  
the Sun's  
energy

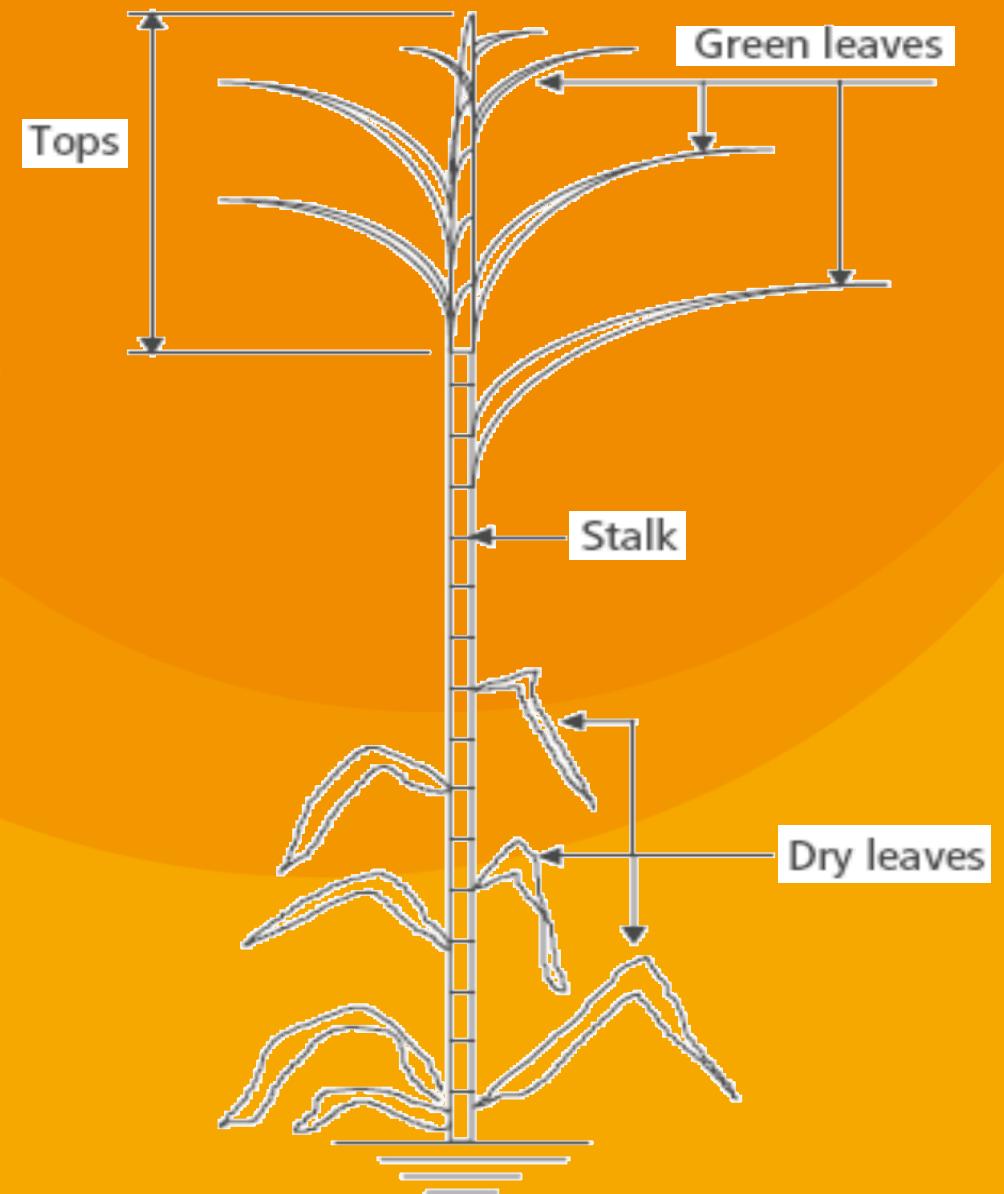
# Sugarcane Occupies Less Than 1% of National Territory



Brazil Total Area  
**851.48** Million Hectares

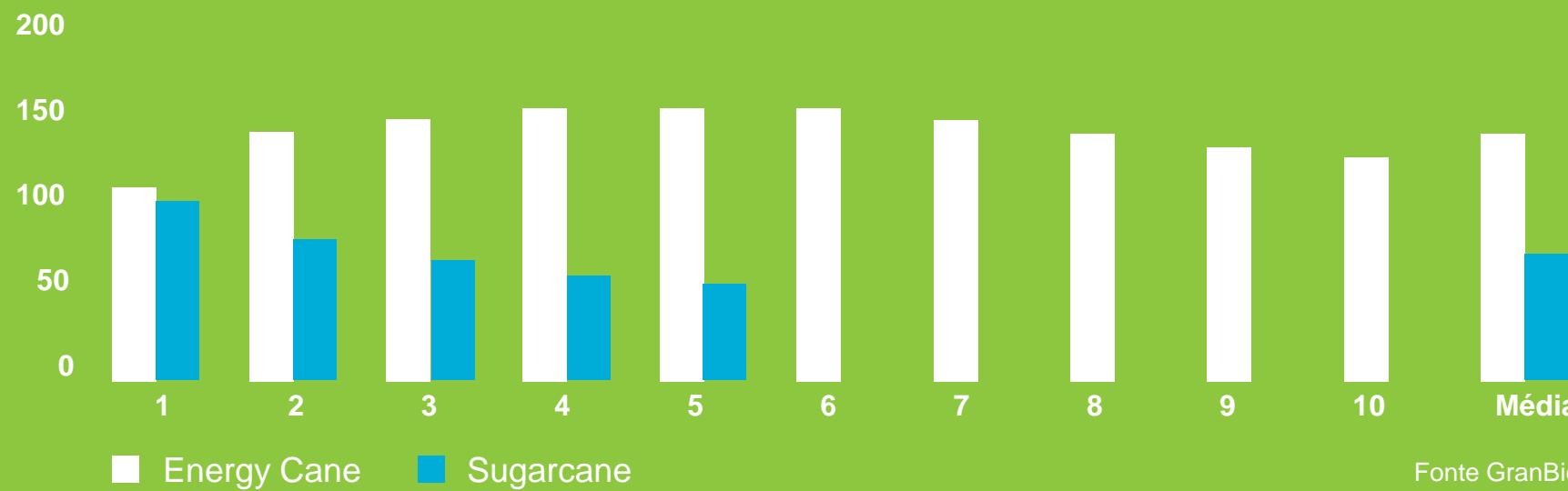


**Area with Sugarcane**  
8.14 Million Hectares or 0.95%



# Energy Cane Will Have a Significant Role in the New Energy Mix

Higher Productivity and Longer Rotation Period = Lower Costs



Fonte GranBio

# The Big Difference is in the Amount of Biomass Produced

Characteristics	Sugarcane	Energy Cane	
		2015	2020
Biomass	17,4%	25 a 30%	30 a 35%
Sugar	12,6%	6 a 8%	7 a 9%
Productivity (green ton/ha) <sup>(2)</sup>	92	180	220 a 250
Productivity (sugar ton/ha)	12	10 a 14	15 a 22
Genetic Gain per year	1,5%	5%	3%
Need for Fertilizer	High	Medium	Low
Pest Resistance	Low	Medium	High
Harvests per Cycle	4	10	15
Multiplication Rate	01:10	01:100	01:400
Improvement Cycles (in years)	8 to 12	3 to 4	4 to 6

# Large Amount of Agricultural Residue Available

Over  
**55 million**  
Tons per Year  
are wasted



Some Mills can  
Generate over  
**300K**  
Tons of Excess Bagasse

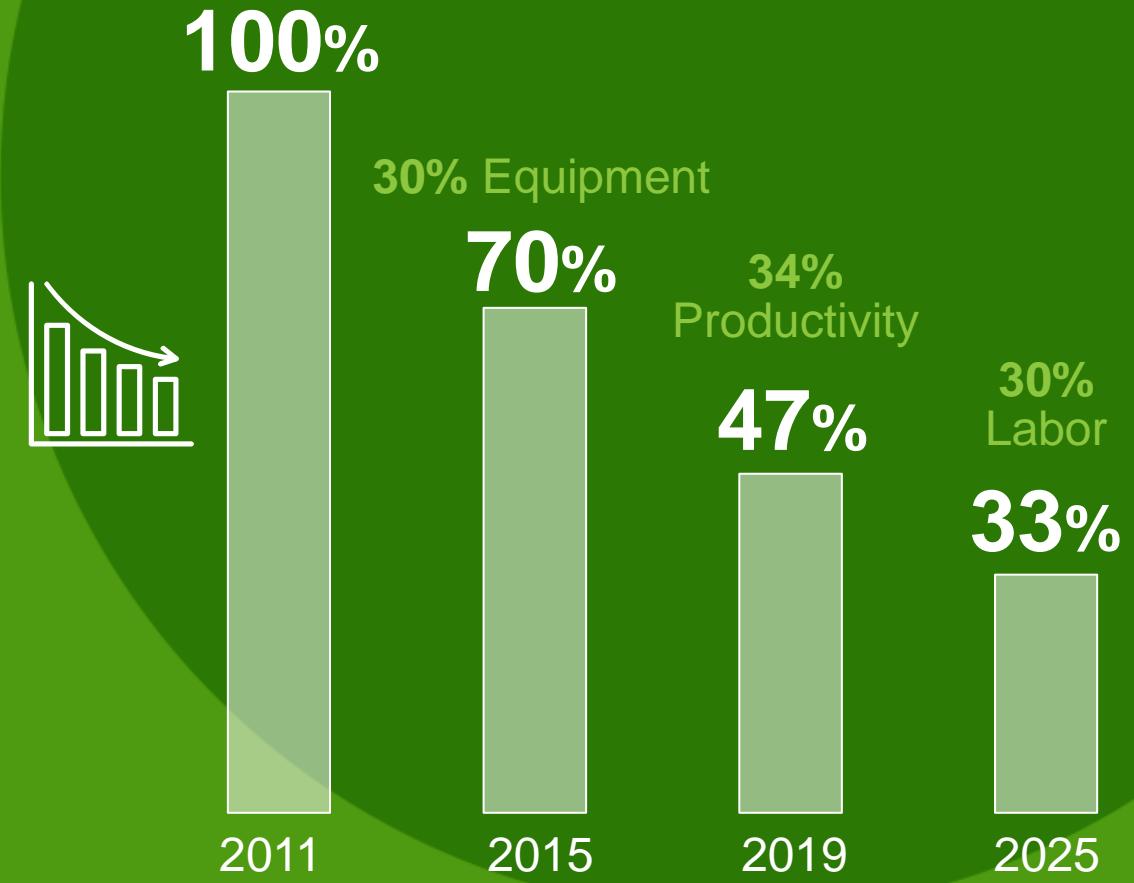


# Certification



Sugarcane is already certified for use as a fuel in Europe and Japan

# Significant Cost Reduction Potential



# We Conducted Residue Removal Tests



# Soil Temperature Impacts Sprouting



# Six Months After Harvesting



# Eleven Months After Harvesting



# *Mahanarva fimbriolata* Infestation



# Too Much Residue Reduces Productivity

## Productivity per Hectare

Covered



Exposed



Cleared



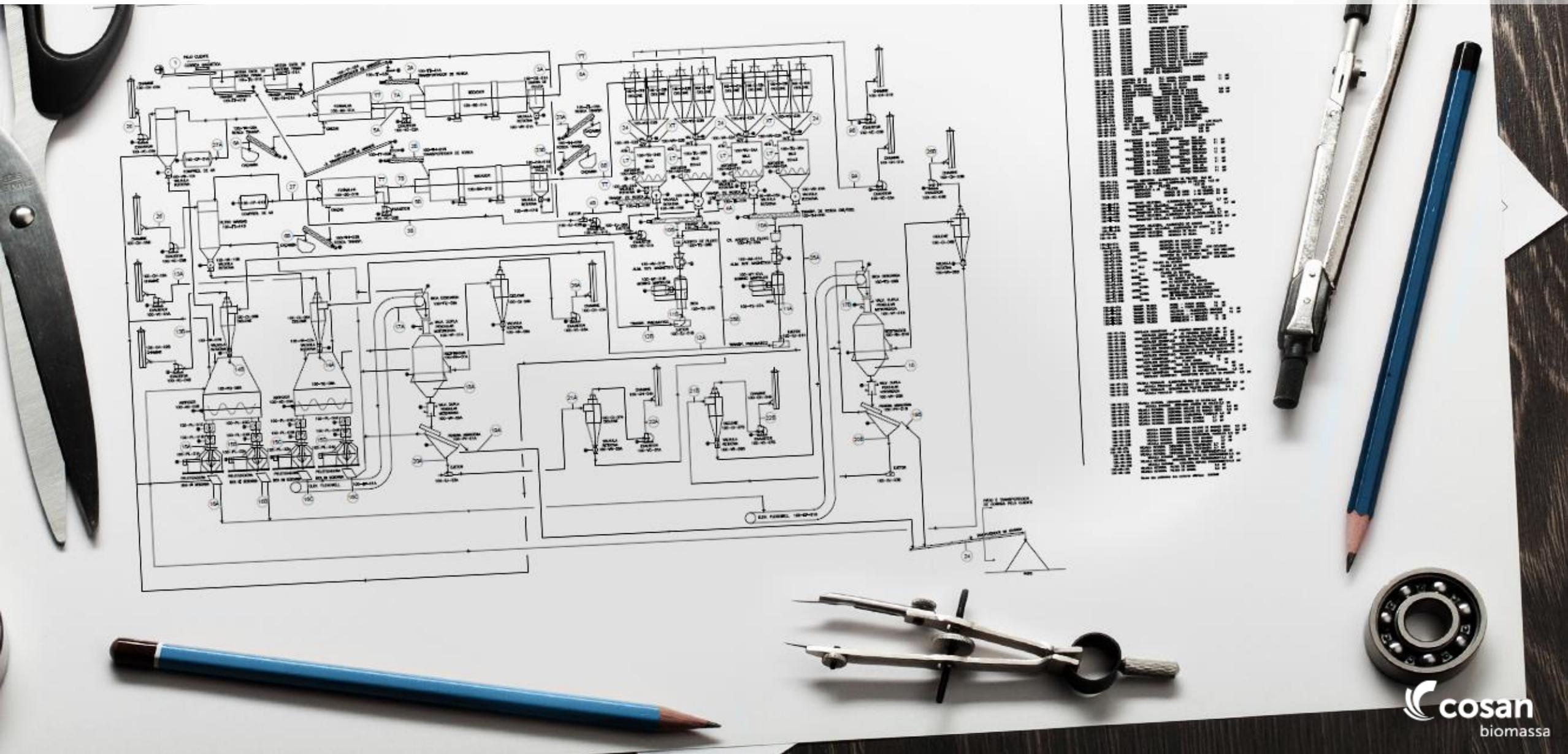
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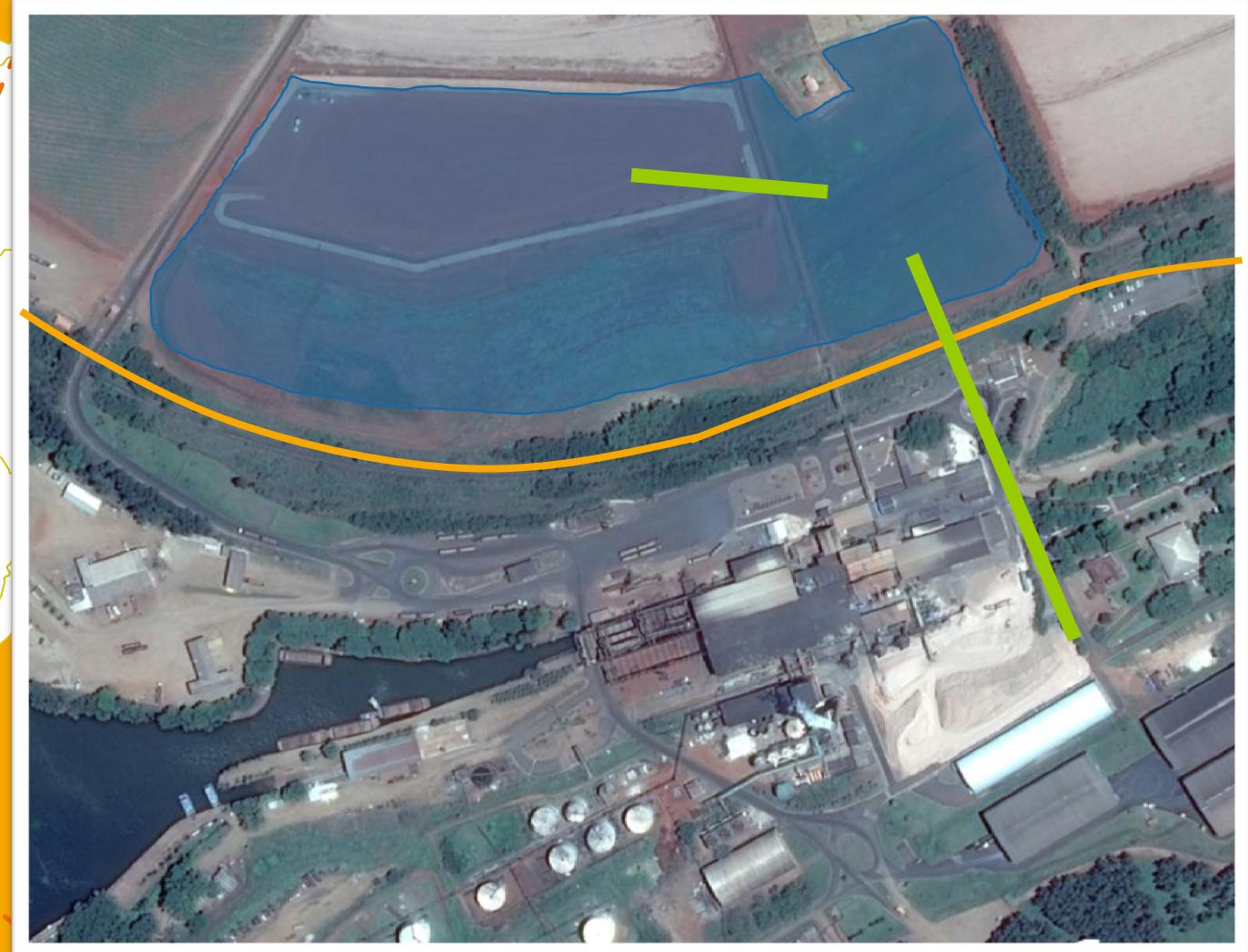
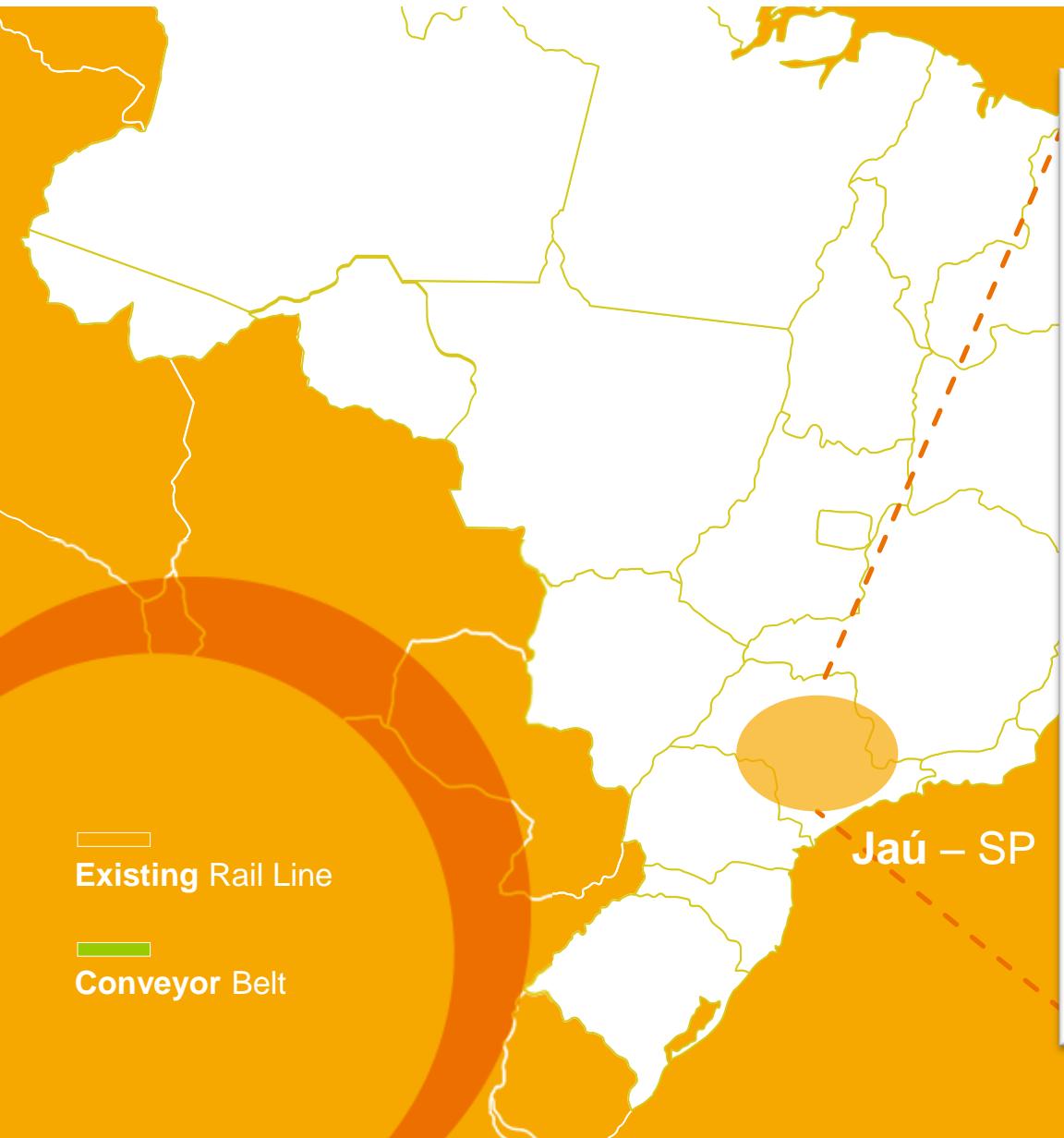
# Pilot Plant Started Operations in 2010



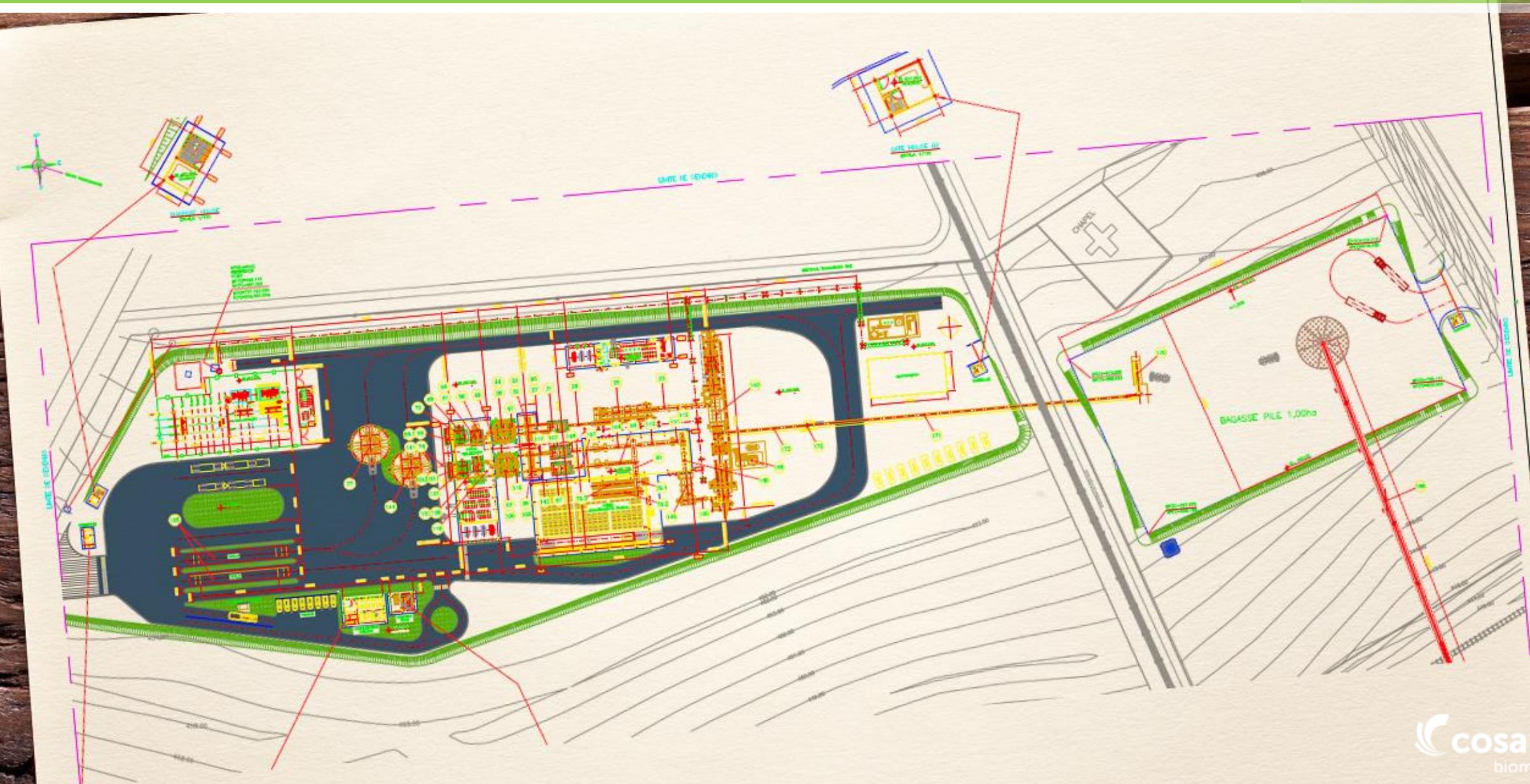
# Engineering development



# Selected Strategic Location – Jau



# Layout Finalized in January 2014



# Foundations Completed in July 2014



# Comissioning Started in April 2015



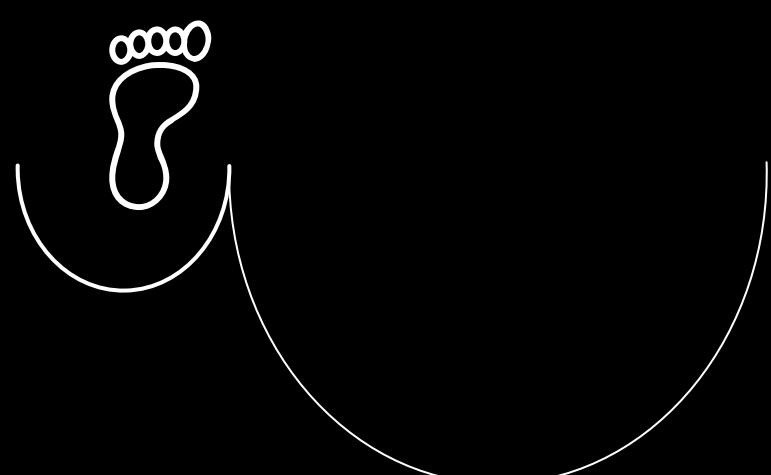
# Operations Started in August 2015



# Installed Capacity of 175,000 tons per Year



# Sugarcane Biomass Pellets Carbon Footprint Comparison



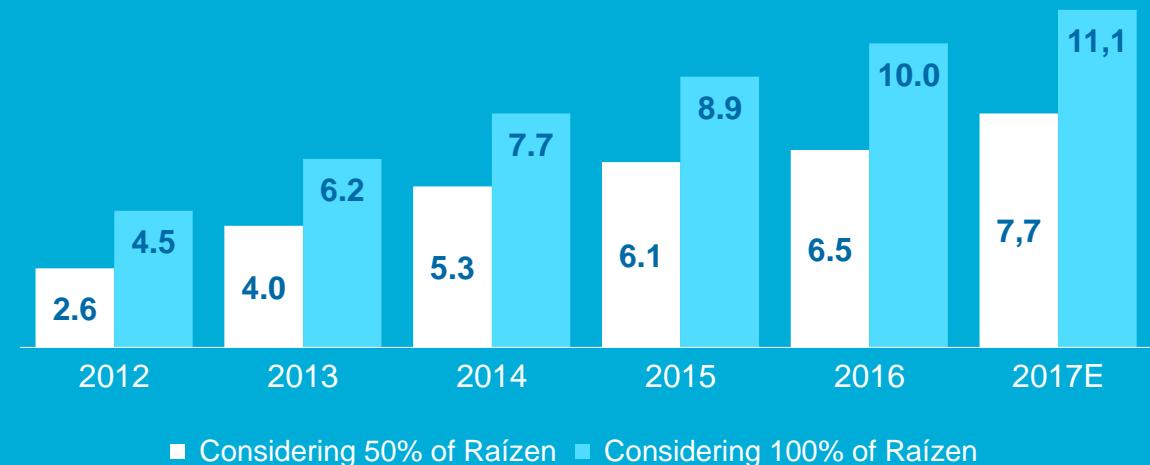
Fuel	In Japan	In Brazil
Coal	-82%	-94%
Fuel Oil	-77%	-92%
LNG	-71%	-89%

# Cosan Lmt. (CZZ) Had IPO in 2007



## EBITDA UNDER MANAGEMENT<sup>1</sup> (BRL Bln)

CAGR (2012-2016): 22%



Note: <sup>1</sup> Adjusted by nonrecurring effects highlighted on the quarterly earnings release. Expected results for 2017 considers mid point of the guidance.

# Largest Sugarcane Producer in the World



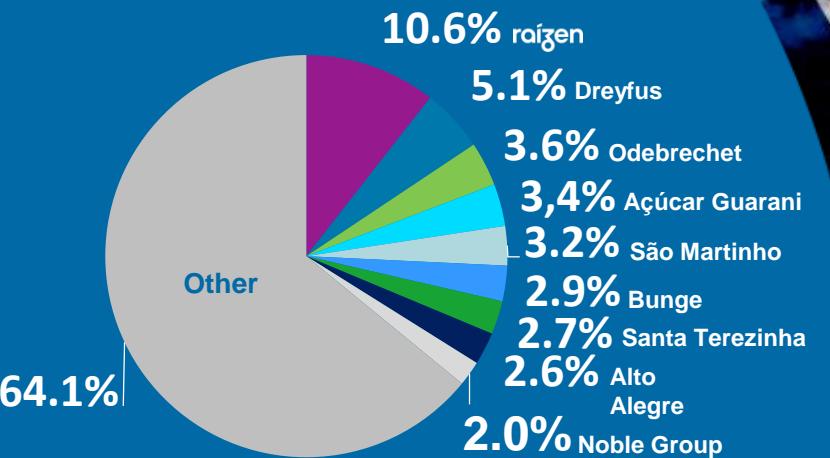
## Market Share

(Crushing fy13) – Brazil

**860,000 ha**  
of cultivated area

**75 m tons**  
of installed capacity

Source: Única



# Raízen is US\$18B 50/50 JV with Shell



**6000**  
service stations

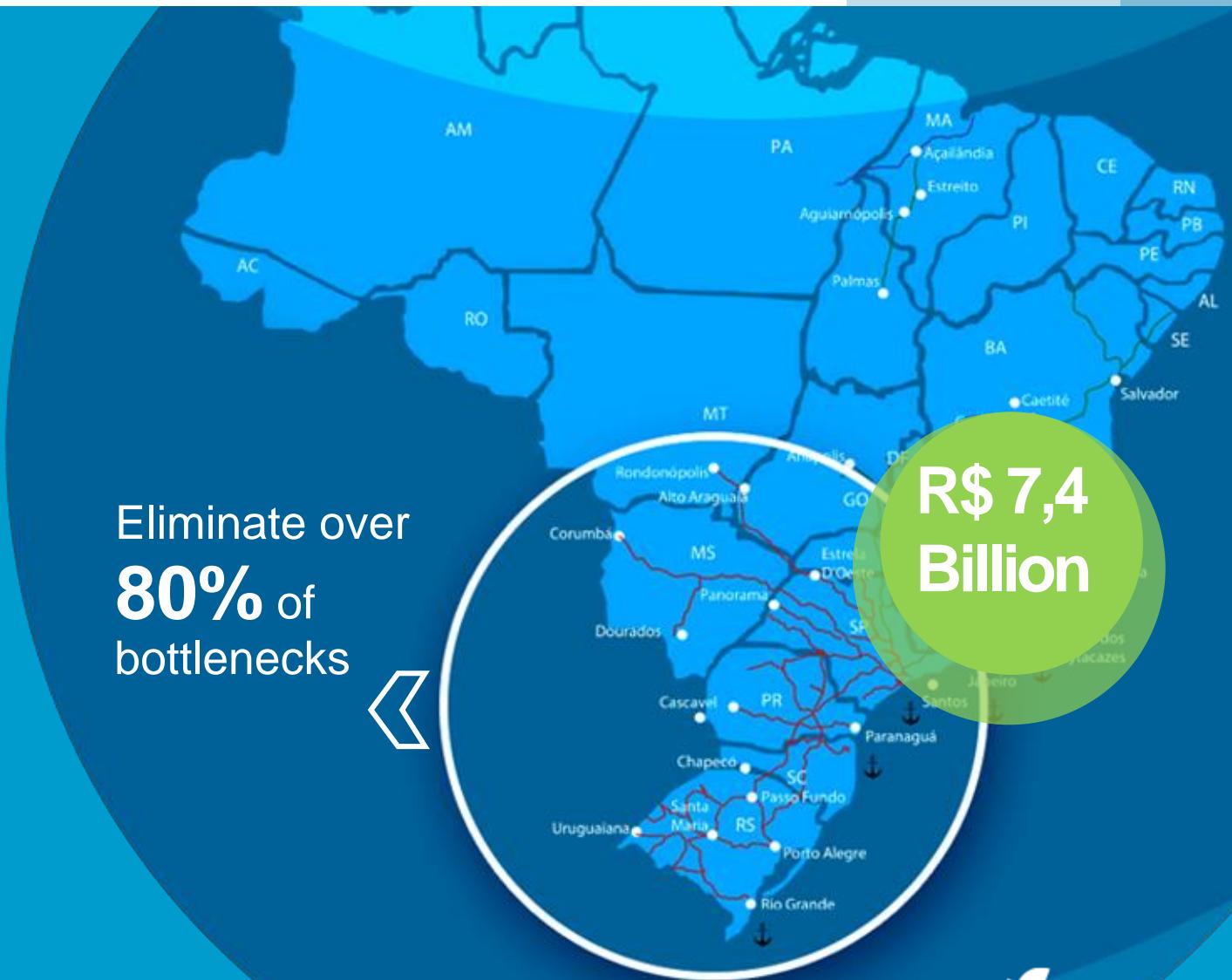
# Cosan Has a Clear Investment Plan

Government  
Logistics  
Investment Plan  
**R\$ 86 Billion**

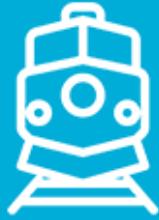
Eliminate over  
**80%** of  
bottlenecks



**R\$ 7,4  
Billion**



# Rumo Largest Logistics Company in Latin America



Over **US\$1 Billion**  
already Invested

rumo



# R\$7.4 Billion to be Invested by 2019



200 New Locomotives

5.000 New Rail Cars

**rumo**



# Over 3.000 KM of Renewed Railways



Boa Vista to Canguera



Perequê to Valongo



Canguera to Embu



Casqueiro bridge

# Multiple Port Terminal for Bulk Cargo



# Santos Port Terminal

**New warehouse XXIII - 100 thousand tonnes**



# Strategically Located Inland Terminals

Static capacity 120,000 tonnes  
Barretos Terminal (Cooperativa)

100,000 tonnes (1<sup>a</sup> Phase)  
Itirapina Terminal



\*Rumo exports sugar produced by mills in south-central Brazil through the Port of Santos

# Transshipment terminals | Itirapina





**Thank You!**