Rumo Logística Operadora Multimodal S.A.

Interim financial statements
June 30, 2016 and review report of the
Independent auditors thereon

(A free translation of the original in Portuguese)

Rumo Logística Operadora Multimodal S.A.

Interim financial statements

June 30, 2016

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Independent auditor's report on review of interim financial statements

To the Board of Directors and Shareholders
Rumo Logística Operadora Multimodal S.A.
São Paulo-SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial statements of Rumo Logística Operadora Multimodal S.A. ("the Company") in the Quarterly Information Form - ITR for the quarter ended June 30, 2016, which comprise the balance sheet as at June 30, 2016 and the related statements of income and other comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes.

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Technical Pronouncement CPC 21(R1) and IAS 34, 'Interim Financial Reporting' as issued by the International Accounting Standards Board - IASB, as well as the presentation of the information in accordance with Comissão de Valores Mobiliários ("CVM") regulations applicable to the Quarterly Information Form - ITR. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Brazilian and International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial statements

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements included in the Quarterly Information Form - ITR referred above were not prepared, in all material respects, in accordance with CPC21 (R1) and IAS 34 issued by IASB, applicable to the preparation of the Quarterly Information Form - ITR and presented in accordance with the CVM regulations.

Other matters

Statement of value added

We have also reviewed the Statements of value added (DVA), individual and consolidated, for the six-month period ended June 30, 2016, prepared by Management, whose presentation in interim financial information is required by CVM regulation applicable to the Quarterly Information Form - ITR and is considered supplementary information by IFRS, that does not required the DVA presentation. These statements were subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial statements as a whole.

Curitiba, August 10, 2016

KPMG Auditores Independentes CRC SP-014428/O-6
Original in Portuguese signed by João Alberto Dias Panceri Accountant CRC PR048555/O-2

Balance sheets
(In thousands of Brazilian Reais - R$)

	Note	Parent Company		Consolidated	
		June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Assets					
Cash and cash equivalents	4	**15,665**	29,332	**71,065**	72,988
Marketable securities	5	**53,172**	-	**1,711,794**	508,268
Accounts receivable	6	**67,131**	41,181	**247,118**	144,535
Derivative financial instruments	27	**-**	-	**2,357**	-
Inventories	7	**6,385**	6,276	**212,832**	225,784
Related parties	9	**49,241**	29,914	**57,986**	33,572
Current income taxes		**15,373**	4,205	**109,992**	32,701
Other recoverable taxes	8	**2,447**	6,341	**105,713**	175,502
Prepaid expenses		**8,599**	2,802	**34,063**	26,246
Other assets		**2,066**	3,830	**93,811**	88,743
Current		**220,079**	123,881	**2,646,731**	1,308,339
Accounts receivable	6	**-**	-	**22,388**	21,136
Restricted cash	5	**3,104**	-	**189,159**	200,893
Deferred income tax	15	**-**	-	**1,334,942**	1,361,225
Related parties	9	**569,616**	480,761	**-**	-
Current income taxes		**-**	-	**200,667**	274,597
Other recoverable taxes	8	**-**	-	**682,567**	590,971
Judicial deposits	17	**11,298**	11,982	**282,164**	266,987
Derivative financial instruments	27	**-**	99,863	**1,723**	99,863
Other non-current assets		**140**	4,091	**111,228**	127,891
Equity method investments	10	**4,600,972**	3,997,197	**46,745**	44,241
Property and equipment	11	**1,458,795**	1,377,755	**10,051,873**	9,404,087
Intangible assets	12	**779,675**	776,280	**7,862,142**	7,862,420
Non-current		**7,423,600**	6,747,929	**20,785,598**	20,254,311
Total Assets		**7,643,679**	6,871,810	**23,432,329**	21,562,650

The accompanying notes are an integral part of these interim financial statements.

Balance sheets
(In thousands of Brazilian Reais - R$)

	Note	Parent Company		Consolidated	
		June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Liabilities					
Current portion of long-term debt	13	**175,130**	185,067	**1,025,009**	1,444,063
Finance leases	18	**-**	-	**540,166**	539,615
Real estate credit certificates	20	**-**	-	**96,255**	88,089
Derivative financial instruments	27	**2,859**	-	**12,571**	521
Accounts payable - suppliers	16	**94,753**	50,395	**473,323**	419,147
Salaries payable		**22,086**	30,454	**135,322**	149,871
Current income tax		**3**	2	**6,495**	6,125
Other taxes payable	14	**4,419**	4,812	**32,716**	33,017
Dividends payable		**-**	-	**8,405**	8,270
Leases and concessions	19	**-**	-	**27,569**	20,205
Related parties	9	**219,980**	100,299	**118,685**	103,832
Deferred income		**-**	-	**14,167**	107,252
Other financial liabilities	27.b	**-**	-	**162,914**	236,698
Other current liabilities		**55,836**	48,479	**255,675**	324,067
Current		**575,066**	419,508	**2,909,272**	3,480,772
Long-term debt	13	**1,035,106**	2,703,183	**7,144,571**	7,141,113
Finance leases	18	**-**	-	**1,110,700**	1,202,086
Real estate credit certificates	20	**-**	-	**145,910**	196,917
Derivative financial instruments	27	**-**	-	**11,672**	1,259
Other taxes payable	14	**-**	-	**26,072**	26,097
Provision for judicial demands	17	**19,801**	18,349	**507,629**	490,584
Leases and concessions	19	**-**	-	**2,386,989**	2,204,039
Deferred income tax	15	**111,199**	146,189	**2,680,294**	2,714,374
Deferred income		**-**	-	**67,498**	95,730
Other current liabilities		**101**	111	**274,712**	165,477
Non-current		**1,166,207**	2,867,832	**14,356,047**	14,237,676
Total liabilities		**1,741,273**	3,287,340	**17,265,319**	17,718,448
Equity	21				
Common stock		**7,988,822**	5,451,490	**7,988,822**	5,451,490
Capital reserve		**(1,779,907)**	(1,781,177)	**(1,779,907)**	(1,781,177)
Other equity		**13,342**	12,966	**13,342**	12,966
Accumulated losses		**(319,851)**	(98,809)	**(319,851)**	(98,809)
Equity attributable to:					
Owners of the Company		**5,902,406**	3,584,470	**5,902,406**	3,584,470
Non-controlling interests		**-**	-	**264,604**	259,732
Total equity		**5,902,406**	3,584,470	**6,167,010**	3,844,202
Total liabilities and equity		**7,643,679**	6,871,810	**23,432,329**	21,562,650

The accompanying notes are an integral part of these interim financial statements.

Rumo Logística Operadora Multimodal S.A.

Statements of income

(In thousands of Brazilian Reais – R$, except earnings per share)

	Note	Parent Company			
		April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Net revenue from services	24	**281,197**	**506,935**	146,293	350,484
Cost of services		**(195,471)**	**(352,179)**	(104,267)	(249,041)
Gross profit		**85,726**	**154,756**	42,026	101,443
Selling, general and administrative		**(22,644)**	**(43,577)**	(23,142)	(45,808)
Other, net	26	**(3,505)**	**(1,722)**	2,455	1,804
Operating expenses		**(26,149)**	**(45,299)**	(20,687)	(44,004)
Income before financial results, equity income on investments and income taxes		**59,577**	**109,457**	21,339	57,439
Equity income on investments					
Equity income on investments	10	**(61,552)**	**(220,076)**	53,833	53,356
		(61,552)	**(220,076)**	53,833	53,356
Income (loss) before financial results and income taxes		**(1,975)**	**(110,619)**	75,172	110,795
Financial expenses		**(90,894)**	**(168,153)**	(60,732)	(70,644)
Financial income		**47,746**	**50,164**	2,035	5,096
Foreign exchange		**20,420**	**58,563**	11,961	(44,287)
Derivatives		**(28,870)**	**(85,017)**	(14,577)	25,912
Net financial result	25	**(51,598)**	**(144,443)**	(61,313)	(83,923)
Net income (loss) before income taxes		**(53,573)**	**(255,062)**	13,859	26,872
Income (expense) tax and social contribution benefit	15				
Current		**2**	**2**	646	99
Deferred		**18,147**	**34,018**	14,913	10,870
		18,149	**34,020**	15,559	10,969
Net income (loss) for the period		**(35,424)**	**(221,042)**	29,418	37,841
Net income (loss) attributable to:					
Owners of the Company		**(35,424)**	**(221,042)**	29,418	37,841

The accompanying notes are an integral part of these interim financial statements.

Statements of income

(In thousands of Brazilian Reais – R$, except earnings per share)

	Note	Consolidated			
		April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Net revenue from services	24	**1,376,248**	**2,562,139**	1,220,285	1,425,896
Cost of services		**(907,528)**	**(1,778,611)**	(765,997)	(912,347)
Gross profit		**468,720**	**783,528**	454,288	513,549
Selling, general and administrative		**(84,378)**	**(170,229)**	(84,211)	(108,207)
Other, net	26	**(9,487)**	**(7,215)**	39,831	39,371
Operating expenses		**(93,865)**	**(177,444)**	(44,380)	(68,836)
Income before financial results, equity income on investments and income taxes		**374,855**	**606,084**	409,908	444,713
Equity income on investments					
Equity income on investments	10	**2,565**	**6,122**	181	181
		2,565	**6,122**	181	181
Income before financial results and income taxes		**377,420**	**612,206**	410,089	444,894
Financial expenses		**(474,067)**	**(943,556)**	(358,553)	(368,875)
Financial income		**70,549**	**128,584**	42,409	45,727
Foreign exchange		**35,505**	**82,025**	(58)	(56,275)
Derivatives		**(38,623)**	**(104,314)**	(15,872)	24,617
Net financial result	25	**(406,636)**	**(837,261)**	(332,074)	(354,806)
Net income (loss) before income taxes		**(29,216)**	**(225,055)**	78,015	90,088
Income (expense) tax and social contribution benefit	15				
Current		**(16,188)**	**(26,519)**	(10,177)	(10,724)
Deferred		**12,766**	**33,861**	(34,667)	(38,228)
		(3,422)	**7,342**	(44,844)	(48,952)
Net income (loss) for the period		**(32,638)**	**(217,713)**	33,171	41,136
Net income (loss) attributable to:					
Owners of the Company		**(35,424)**	**(221,042)**	29,418	37,841
Non-controlling interest		**2,786**	**3,329**	3,753	3,295
Basic and diluted net income (loss) earnings per share:	22				
Basic		**(R$0.028)**	**(R$0.284)**	R$0.098	R$0.188
Diluted		**(R$0.028)**	**(R$0.284)**	R$0.097	R$0.187

The accompanying notes are an integral part of these interim financial statements.

Statements of comprehensive income

(In thousands of Brazilian Reais - R$)

	Parent Company			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Net income (loss) for the period	**(35,424)**	**(221,042)**	29,418	37,841
Other comprehensive income - items that are subsequently reclassified to profit				
Currency translation adjustment	**1,027**	**4,328**	4,488	4,488
Income from hedge instruments (NDF)	**(4,924)**	**(4,924)**	-	-
Deferred tax	**972**	**972**	-	-
Other comprehensive income net of income tax and social contribution	**(2,925)**	**376**	4,488	4,488
Total comprehensive income (loss)	**(38,349)**	**(220,666)**	33,906	42,329

	Consolidated			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Net income (loss) for the period	**(32,638)**	**(217,713)**	33,171	41,136
Other comprehensive income - items that are subsequently reclassified to profit				
Currency translation adjustment	**2,540**	**5,871**	4,469	4,469
Income from hedge instruments (NDF)	**(5,387)**	**(5,387)**	-	-
Deferred tax	**1,435**	**1,435**	-	-
Other comprehensive income net of income tax and social contribution	**(1,412)**	**1,919**	4,469	4,469
Total comprehensive income (loss)	**(34,050)**	**(215,794)**	37,640	45,605
Comprehensive income attributable to:				
Owners of the Company	**(38,349)**	**(220,666)**	33,906	42,329
Non-controlling interest	**4,299**	**4,872**	3,734	3,276

The accompanying notes are an integral part of these interim financial statements.

Rumo Logística Operadora Multimodal S.A.

Statements of changes in equity

(In thousands of Brazilian Reais - R$)

	Attributable to shareholders of the Company						
	Common stock	**Capital reserve**	**Loss for the period**	**Other equity**	**Total**	**Non-controlling interest**	**Total equity**
At January 1, 2016	**5,451,490**	**(1,781,177)**	**(98,809)**	**12,966**	**3,584,470**	**259,732**	**3,844,202**
Loss for the period	-	-	(221,042)	-	(221,042)	3,329	(217,713)
Income from Hedge instruments (NDF) net of taxes	-	-	-	(3,952)	(3,952)	-	(3,952)
Currency translation adjustment	-	-	-	4,328	4,328	1,543	5,871
Total comprehensive income for the period	-	-	(221,042)	376	(220,666)	4,872	(215,794)
Capital increase	2,600,000	-	-	-	2,600,000	-	2,600,000
Transaction costs related to the capital increase	(62,668)	-	-	-	(62,668)	-	(62,668)
Stock option plan	-	1,270	-	-	1,270	-	1,270
Total transactions with owners of the Company	2,537,332	1,270	-	-	2,538,602	-	2,538,602
At June 30, 2016	**7,988,822**	**(1,779,907)**	**(319,851)**	**13,342**	**5,902,406**	**264,604**	**6,167,010**

The accompanying notes are an integral part of these interim financial statements.

Rumo Logística Operadora Multimodal S.A.

Statements of changes in equity

(In thousands of Brazilian Reais - R$)

	Attributable to shareholders of the Company								
			Profit reserve						
	Common stock	Capital reserve	Legal	Retained earnings	Profit for the period	Other equity	Total	Non-controlling interest	Total equity
At January 1, 2015	1,099,746	(137,601)	30,212	302,185	-	-	1,294,542	37,066	1,331,608
Net income for the period	-	-	-	-	37,841	-	37,841	3,295	41,136
Currency translation adjustment	-	-	-	-	-	4,488	4,488	(19)	4,469
Total comprehensive income for the period	-	-	-	-	37,841	4,488	42,329	3,276	45,605
Capital increase by ALL acquisition	4,351,744	(1,644,210)	-	-	-	-	2,707,534	242,873	2,950,407
Dividends	-	-	-	(272,800)	-	-	(272,800)	(1,013)	(273,813)
Total transactions with owners of the Company	4,351,744	(1,644,210)	-	(272,800)	-	-	2,434,734	241,860	2,676,594
At June 30, 2015	5,451,490	(1,781,811)	30,212	29,385	37,841	4,488	3,771,605	282,202	4,053,807

The accompanying notes are an integral part of these interim financial statements.

Statements of cash flows

(In thousands of Brazilian Reais - R$)

	Parent Company		Consolidated	
	January 1, 2016 to June 30, 2016	January 1, 2015 to June 30, 2015	**January 1, 2016 to June 30, 2016**	January 1, 2015 to June 30, 2015
Cash flows from operating activities				
Net income (loss) before income taxes and social contribution	**(255,062)**	26,872	**(225,055)**	90,088
Adjustments to:				
Depreciation and amortization	**63,959**	51,422	**425,432**	203,540
Equity pick-up	**220,076**	(53,356)	**(6,122)**	(181)
Provision for profit sharing	**8,476**	7,082	**20,357**	21,017
Loss on disposal of fixed assets and intangible	**1**	526	**6,567**	778
Provision for losses on judicial demands	**4,122**	1,330	**17,270**	6,275
Provision (reversal) for losses on doubtful accounts	**603**	-	**(1,225)**	784
Stock option plan	**1,270**	-	**1,270**	-
Lease and concessions	**-**	-	**100,254**	-
Deferred revenue	**-**	-	**(10,921)**	-
Interest, indexation charges and exchange variations, net	**173,796**	82,651	**834,787**	364,520
Other	**(5,736)**	-	**(95,917)**	14,843
	211,505	116,527	**1,066,697**	701,664
Changes in:				
Accounts receivable	**(19,224)**	(42,315)	**(29,116)**	(40,996)
Advances from customers	**7,584**	(11,786)	**(47,471)**	(20,802)
Judicial deposits	**278**	(362)	**(10,141)**	(16,232)
Net, related parties	**(112,489)**	(44,578)	**(14,205)**	(30,161)
Other recoverable taxes	**(1,322)**	(13,824)	**23,421**	(3,355)
Taxes payable	**(5,988)**	(6,244)	**(44,269)**	(25,249)
Inventories	**(109)**	(1,366)	**17,422**	(16,647)
Salaries payable	**(16,844)**	(5,681)	**(34,673)**	(4,606)
Accounts payable	**35,153**	21,513	**61,782**	14,512
Advances to suppliers	**291**	(1,725)	**(3,705)**	(26,064)
Lease and concessions payable	**-**	-	**(53,963)**	-
Judicial demands	**(3,003)**	(1,079)	**(40,265)**	(5,436)
Other financial liabilities	**-**	-	**(104,833)**	-
Other asset and liabilities, net	**(37)**	9,124	**(40,004)**	(25,976)
	(115,710)	(98,323)	**(320,020)**	(201,012)
Net cash generated from operating activities	**95,795**	18,204	**746,677**	500,652
Cash flow from investing activities				
Net cash acquired in business acquisition	**-**	-	**-**	169,703
Capital increase in subsidiary	**(821,588)**	(1,320,111)	**-**	-
Marketable securities	**(53,172)**	-	**(1,202,950)**	183,192
Restricted cash	**(3,104)**	-	**11,734**	74,742
Dividends received	**-**	-	**1,743**	-
Purchase of property, plant and equipment and	**(140,602)**	(260,538)	**(824,094)**	(502,621)
Net cash used in investing activities	**(1,018,466)**	(1,580,649)	**(2,013,567)**	(74,984)
Cash flow from financing activities				
Proceeds from debt	**282,222**	1,950,877	**2,857,807**	1,951,134
Repayments of principal	**(1,856,231)**	(60,932)	**(3,369,196)**	(1,492,208)
Payments of interest	**(187,551)**	(22,370)	**(699,615)**	(316,240)
Capital increase	**2,537,332**	-	**2,537,332**	-
Repayments advance of real estate credits	**-**	-	**(64,218)**	(33,061)
Derivative financial instruments	**9,242**	19,581	**2,857**	19,581
Related parties - Mutual	**123,990**	-	**-**	-
Dividends paid	**-**	(300,000)	**-**	(300,000)
Net cash generated from (used in) financing activities	**909,004**	1,587,156	**1,264,967**	(170,794)
Increase in cash and cash equivalents	**(13,667)**	24,711	**(1,923)**	254,874
Cash and cash equivalents at beginning of period	**29,332**	74,826	**72,988**	85,475
Cash and cash equivalents at end of period	**15,665**	99,537	**71,065**	340,349
Supplemental disclosure of cash flow information:				
Income taxes paid	**-**	2,241	**3,292**	2,241

The accompanying notes are an integral part of these interim financial statements.

Statements of value added

(In thousands of Brazilian Reais - R$)

	Parent Company		Consolidated	
	January 1, 2016 to June 30, 2016	January 1, 2015 to June 30, 2015	**January 1, 2016 to June 30, 2016**	January 1, 2015 to June 30, 2015
Revenue				
Sale of services	**537,987**	379,047	**2,758,209**	1,557,026
Other operating revenue	**4,462**	10,483	**49,136**	69,471
Allowance for doubtful accounts	**(603)**	-	**1,225**	(784)
	541,846	389,530	**2,808,570**	1,625,713
Raw materials acquired from third parties				
Cost of services rendered	**(210,679)**	(129,651)	**(707,358)**	(375,225)
Materials, energy, third party services, other	**(56,662)**	(61,097)	**(368,189)**	(194,778)
	(267,341)	(190,748)	**(1,075,547)**	(570,003)
Gross value added	**274,505**	198,782	**1,733,023**	1,055,710
Retention				
Depreciation and amortization	**(63,959)**	(51,422)	**(425,432)**	(203,540)
	(63,959)	(51,422)	**(425,432)**	(203,540)
Net value added	**210,546**	147,360	**1,307,591**	852,170
Value added transferred in				
Equity pick-up in investees	**(220,076)**	53,356	**6,122**	181
Financial income	**50,164**	5,096	**128,584**	45,727
	(169,912)	58,452	**134,706**	45,908
Value added to be distributed	**40,634**	205,812	**1,442,297**	898,078
Distribution of value added				
Personnel	**45,228**	45,704	**314,093**	154,190
Direct remuneration	**34,663**	35,063	**247,033**	130,249
Benefits	**8,261**	8,270	**51,729**	16,541
FGTS	**2,304**	2,371	**15,331**	7,400
Taxes and contributions	**11,573**	25,356	**199,053**	186,922
Federal	**242**	15,094	**159,753**	143,086
State	**269**	6,968	**24,037**	22,618
City	**11,062**	3,294	**15,263**	21,218
Third party capital remuneration	**204,875**	96,911	**1,146,864**	515,830
Interest	**194,607**	89,019	**965,845**	400,533
Leasing	**10,268**	7,892	**181,019**	115,297
Equity capital remuneration	**(221,042)**	37,841	**(217,713)**	41,136
Non-controlling interests	**-**	-	**3,329**	3,295
Retained earnings (losses)	**(221,042)**	37,841	**(221,042)**	37,841
	40,634	205,812	**1,442,297**	898,078

The accompanying notes are an integral part of these interim financial statements.

1 Operations

Rumo Logística Operadora Multimodal S.A. ("Company" or "Rumo") is a publicly traded company with its shares traded on the São Paulo Stock Exchange ("BM&FBOVESPA") under the ticker RUMO3, and has its headquarters in the city of São Paulo, State of São Paulo, Brazil. The Company is a direct subsidiary of Cosan Logística S.A. ("Cosan Logística"), having as its ultimate parent company Cosan Ltd. ("CZZ"). On April 1, 2015 the Company acquired full control of ALL - América Latina Logística S.A. ("ALL").

The Company is a service provider in the logistics sector (transport and elevation), principally for export commodities, providing an integrated transport solution, handling, storage and shipment from the production centers to the main southern and southeast ports, and also holds interests in other companies, ventures and consortia related to infrastructure.

The Company also operates in the rail transportation segment in Southern Brazil through its subsidiary ALL - América Latina Logística Malha Sul S.A. ("ALL Malha Sul"), and the Midwest region and State of São Paulo through subsidiaries ALL - América Latina Logística Malha Paulista S.A. ("ALL Malha Paulista"), ALL - América Latina Logística Malha Norte S.A. ("ALL Malha Norte") and ALL - América Latina Logística Malha Oeste S.A. ("ALL Malha Oeste"). In addition, the subsidiary Brado Logística e Participações S.A. ("Brado") operates in the container segment.

Additionally, the Company has terminals for transshipment and terminals for export of sugar and grains in the Port of Santos.

Management has made an assessment of the entity’s ability to continue operating in the foreseeable future. As of June 30, 2016, the Company had a negative consolidated working capital of R$262,541 and a consolidated loss for the period of R$217,713. Conversely, its generated consolidated operating cash flows of R$746,677 and made investments in modernizing its rolling stock and improving the railway network of R$824,094, in line with its business plan.

On April 7, 2016 the Company completed the capitalization process through a public offering of R$2,600,000 with the issuance of 1.040.000.000 common shares, all registered shares, without par value, with restricted placement pursuant to CVM Instruction 476 ("Restricted Offering") and Regulation "S" for foreign investors.

In addition, the Company's management, on June 28, 2016, completed the reprofiling of part of the Company and its subsidiaries’ debts maturing in the years 2016, 2017 and 2018 amounting to R$2,925,647, with changes to certain terms and conditions. As a result of the reprofiling, Debentures were issued by the subsidiary ALL Malha Norte, not convertible into shares with maturity in 2023 amounting R$2,321,303 and certain debts totaling R$550,748 were amended, which extended the maturity of the sum of the debts re-profiled to June 2023, with 3-year grace period for payment of principal.

With the acquisition of ALL on April 1, 2015, the consolidated results of operations and cash flows for the current period are not comparable with information presented for the semester ended June 30, 2015.

a) The concession of railway operation and port terminal

The Company holds, through subsidiaries or affiliates, concession of railway services and port terminals, whose scope and concession terms are as follows:

Companies	Concession end	Coverage areas
Subsidiaries		
Terminais Portuários Rumo	March 2036	Port of Santos-SP
ALL Malha Paulista	December 2028	São Paulo State
ALL Malha Sul	February 2027	South and São Paulo State
ALL Malha Oeste	June 2026	Midwest and São Paulo State
ALL Malha Norte	May 2079	Midwest and São Paulo State
Portofer	June 2025	Port of Santos-SP
Associates		
Terminal XXXIX	October 2025	Port of Santos-SP
TGG - Terminal de Granéis do Guarujá	August 2027	Port of Santos-SP
Termag - Terminal Marítimo de Guarujá	August 2027	Port of Santos-SP

The subsidiaries and associates above are subject to compliance with certain conditions set out in the privatization bids and the concession contracts of railway networks and port terminals. To the extent that there is no substantive control to which the service should be provided and as there is no substantive pricing control, IFRIC 12 / ICPC 01 is not applicable to the Company and therefore the assets acquired by it are treated under IAS 16 / CPC 27 – Property and Equipment.

The concession agreements of these subsidiaries and associates shall be terminated by: expiration of the contractual term; expropriation; forfeiture; termination; annulment and bankruptcy; or termination of the concessionaire.

In the event of termination of any of the concessions, the main effects would be as follows:

- Returned to the government all the rights and privileges transferred to the subsidiaries, together with leased assets and those resulting from investments that are considered reversible by the Federal Government as being necessary to the continuous provision of the granted service;

- The reversible assets would be indemnified by the Federal Government at the residual cost, calculated based on the accounting records of the subsidiaries, considering depreciation; such costs would be subject to technical and financial analysis by the Federal Government. Any and all improvements made to the permanent track superstructure would not be considered as investments for indemnification purposes.

b) Liquidity rights exercised at Brado

On June 3, 2015 the Company, through its direct subsidiary ALL, informed that Brado's non-controlling shareholders exercised their liquidity right provided in the shareholder's agreement, which enables the exit of Brado's original shareholders via a share exchange. As a result, the Company and Brado's original shareholders prepared appraisal reports, based on the economic value of the companies, to establish an exchange ratio, which has not yet been concluded since non-controlling shareholders established an arbitration procedure.

2 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The individual and consolidated financial statements have been prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and the International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and are presented in accordance with accounting practices adopted in Brazil, which comprise the corporate law, the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly information (ITR) and do not include all the information required in the annual financial statements.

These interim financial statements have been prepared following the basis of preparation and accounting policies consistent with those adopted in the preparation of the financial statements of December 31, 2015 and should be read together. The information notes that no significant changes were not repeated in full in these financial statements. Relevant information of these interim financial statements, and only them, are being highlighted and these correspond to those used by Management.

The issue of these interim financial statements was authorized by the Board of Directors on August 2, 2016.

2.2 Basis of consolidation

The consolidated interim financial statements include the interim financial statements of the Company and its subsidiaries listed below:

	Directly and indirectly controlled	
	June 30, 2016	December 31, 2015
Subsidiaries		
Direct		
ALL - América Latina Logística S.A.	**100.00%**	100.00%
Logispot Armazéns Gerais S.A.	**51.00%**	51.00%
Indirect		
ALL Intermodal S.A.	**100.00%**	100.00%
ALL Malha Oeste S.A.	**100.00%**	100.00%
ALL Malha Paulista S.A.	**100.00%**	100.00%
ALL Malha Sul S.A.	**100.00%**	100.00%
ALL Malha Norte S.A.	**99.24%**	99.24%
ALL Participações S.A. (i)	**-**	100.00%
ALL Armazéns Gerais Ltda.	**100.00%**	100.00%
Portofer Ltda.	**100.00%**	100.00%
Boswells S.A.	**100.00%**	100.00%
Brado Holding S.A.	**100.00%**	100.00%
Brado Logística e Participações S.A.	**62.22%**	62.22%
Brado Logística S.A.	**62.22%**	62.22%
ALL Serviços Ltda.	**99.99%**	99.99%
ALL Equipamentos Ltda. (i)	**-**	99.99%
ALL Argentina S.A.	**90.96%**	90.96%
ALL Mesopotâmica S.A.	**70.56%**	70.56%
ALL Central S.A.	**73.55%**	73.55%

Paranaguá S.A.	**99.83%**	99.83%
ALL Rail Management Ltda.	**50.01%**	50.01%
PGT S.A.	**100.00%**	100.00%

(i) Companies incorporated on March 1, 2016 by ALL Intermodal S.A.

Investment in affiliates (equity of investees)

Associates are those entities in which the Company has significant influence but not control or joint control over their financial and operating policies. Significant influence supposedly occurs when the Company, directly or indirectly, holds between 20% and 50% of the voting power of the entity.

The following associates are accounted for under the equity method:

	Directly and indirectly controlled	
	June 30, 2016	December 31, 2015
Associates (Equity)		
Rhall Terminais Ltda.	**30.00%**	30.00%
Termag S.A. (i)	**19.85%**	19.85%
TGG S.A. (i)	**9.92%**	9.92%
Terminal XXXIX S.A.	**49.62%**	49.62%

(i) For these associates a conclusion about the existence of significant influence arises from the Company's representative participating in the investee's board.

Investments in associates are accounted for using the equity method and are initially recorded at cost. The investment costs include the costs of transaction.

2.3 Presentation of Information by segment

Operating segment information is presented consistently with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments, is the Executive Board, also responsible for making the strategic decisions of the Company and its subsidiaries.

With the acquisition of ALL, management initiated an internal restructuring that led to the creation of two vice-presidents, the first focused on South operations (comprised of railway and transshipment in the concession area of ALL Malha Sul and ALL Malha Oeste) and the second focused on the North operations (composed by railway operations, transshipment and port elevation in the areas of the Company's concession of ALL Malha Norte and ALL Malha Paulista).

A third segment includes Brado, the Company's indirect subsidiary, focused on container operations and the container operations of other group companies. Therefore, the Company now discloses three segments: (i) North Operations, (ii) South Operations, and (iii) Container Operations.

2.4 Cash Flow – non cash transactions

The Company presents its statement of cash flows using the indirect method.

During the period ended June 30, 2016, the Company made the following transactions not involving cash and therefore is not reflected in the consolidated statement of cash flows:

- Rental of locomotives, rail cars and other operating assets accounted as finance leases in the amount of R$184,754.

2.5 Financial derivative instruments – Hedge accounting

The Company has financial hedge derivative instruments to hedge its exposures to foreign currency variation and interest rate. Embedded derivatives are separated from their contracts and individually registered if:

- the economic characteristics and risks of the main contract and the embedded derivative are not closely related;
- an individual instrument with the same terms as the embedded derivative meets the definition of a derivative; and
- the combined instrument is not measured at fair value through profit or loss.

At the time of initial designation of the hedge, the Company formally documents the relationship between hedging instruments and hedged items, including the risk management objectives and strategy in driving the hedge transaction, together with the methods that will be used to evaluate the effectiveness of the hedging relationship. The Company assesses, both at the beginning of the hedge relationship, when continuously if there is an expectation that the hedging instruments are "highly effective" in offsetting changes in fair value or cash flows of the respective hedged items during the year for which the hedge is designated, and the actual results of each hedge are within the range of 80% - 125%. For a hedge of a forecast transaction cash flow, the transaction must have their occurrence as highly probable and must present an exposure to variations in cash flows that ultimately could affect reported net income.

Derivatives are initially recognized at fair value; attributable transaction costs are recognized in income when incurred. After initial recognition, derivatives are measured at fair value and changes in fair value are recorded as described below:

Hedges of cash flow:

When a derivative is designated as a hedging instrument in a hedge the variability of cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction and that could affect the result, the effective portion changes in the fair value of the derivative is recognized in other comprehensive income and presented in the asset valuation reserve in equity. Any ineffective portion of changes in fair value of the derivative is recognized immediately in income.

2.6 New standards and interpretations not yet adopted

The following new standards and interpretations to existing standards were issued by the IASB but are not effective for the year 2016. Early adoption of standards, although encouraged by IASB, is not permitted in Brazil by the Brazilian Accounting Pronouncements Committee ("CPC"), which has not yet issued its version of these standards.

- IFRS 9 - Financial Instruments, published in July 2014, replacing the existing guidance in IAS 39 - Financial Instruments: Recognition and Measurement.

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new model of expected credit loss for the calculation of the impairment of financial assets, and new requirements for hedge accounting. The standard retains the existing guidance on the recognition and derecognition of financial instruments IAS 39.

IFRS 9 is effective for the fiscal year starting on January 1, 2018. Management is still evaluating its impact.

- IFRS 15 – Revenue from Contracts with Customers requires the recognition of revenue reflecting the expected consideration receivable in exchange for control of the goods and services. It supersedes IAS 11 - Construction Contracts, IAS 18 - Revenue and related interpretations. IFRS 15 is effective for the year beginning on January 1, 2018. Management is still evaluating its impact.

- IFRS 16 - Leases was issued on January 13, 2016. A significant impact on the Company's financial statements is expected as all leases in which the Company is a lessee should be recognized in the balance sheet. It is effective on January 1, 2019 and supersedes IAS 17 - Leases. Management is still measuring its impact.

3 Business combination

As described in Note 1, on April 1, 2015, after the necessary approvals of the competent bodies, the Company acquired 100% of the common shares of ALL and through the shareholders' agreement, obtained its control and consolidates its results.

The acquisition took place by an exchange of shares, with the issuance by the Company of 1,963,670,770 registered common shares with no par value, representing 65.67% of its equity in exchange for 100% of the share capital of ALL , represented by 681,995,165 common shares.

As a result of the acquisition, the Company consolidates its participation strategy in the logistics and infrastructure business in Brazil, by adding approximately 12,000 km of existing rail tracks in ALL concessions.

a) Consideration transferred

As a basis for measuring the fair value of the consideration transferred, the share price of ALL ("ALLL3") on the BM&FBOVESPA at the close of business on March 31, 2015 was used, at the price of R$3.97 per share. Additionally, the value was adjusted for the settlement of pre-existing relationship, as follows:

Acquired common shares (681,995,165) at R$3.97	2,707,534
Pre-existing relationship settlement	29,838
Total consideration transferred	**2,737,372**

Settlement of pre-existing relationship

In March 2009, the Company and ALL signed an operating agreement (pre-existing relationship) for the supply of sugar and other grains transportation logistics from the western state of Sao Paulo to the Port of Santos, in which the Company has port concessions for elevation services.

According to the terms of the existing agreement, the Company invested in the construction and improvement of permanent tracks under concession of ALL and acquired rolling stock for use in the transport of products in ALL's rail network, in order to increase ALL's rail freight transport capacity. In exchange for the Company's investments, the agreement stipulated that ALL would provide a certain capacity of rail transport services, as well as compensate the Company through the payment of a contractually fixed fee per ton of product transported by ALL using the rail network and / or by the use of the rolling stock provided by the Company to ALL.

This preexisting relationship was settled when the Company acquired ALL. The Company recognized a gain of R$29,838 as a result of this settlement and this amount was recognized in the income statement as "other operating income".

The fair value measurement of the pre-existing relationship was based on the difference between the value of the investment made by the Company and the discounted cash flow return on this investment, considering the contractually agreed volume and rate.

b) Identifiable assets acquired and liabilities assumed

The fair value of assets acquired assets and liabilities assumed are as follows:

Fair value of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	169,703
Marketable securities	940,689
Accounts receivable	382,576
Inventories	79,115
Other assets	1,517,924
Property and plant	7,206,290
Intangible assets	7,652,231
Loans and financing	(3,782,919)
Debentures	(2,856,304)
Finance lease	(1,857,947)
Real estate credit certificates	(340,255)
Suppliers payable	(915,213)
Lease and concession	(1,974,280)
Provision for judicial demands	(458,575)
Other liabilities	(1,625,948)
Deferred income and social contribution taxes	(1,168,034)
Non-controlling interest	(231,681)
Total net identifiable assets	**2,737,372**

During the measurement period, new information about facts and circumstances existing at the acquisition date related to preliminary assets and liabilities were identified and adjusted on the completion of the acquisition.

4 Cash and cash equivalent

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Reais				
Cash and bank accounts	**15,665**	7,319	**28,080**	12,221
Financial investments	**-**	22,013	**42,985**	60,767
	15,665	29,332	**71,065**	72,988

The financial investments were as below:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Exclusive funds				
Repurchase transactions	**-**	3,246	**-**	3,246
Bank deposit certificates - CDB	**-**	18,767	**-**	26,379
	-	22,013	**-**	29,625
Bank investments				
Bank deposit certificates - CDB	**-**	-	**3,041**	25,728
Repurchase transactions	**-**	-	**31,957**	4,242
Investment funds	**-**	-	**7,987**	1,172
	-	-	**42,985**	31,142
	-	22,013	**42,985**	60,767

5 Marketable securities and restricted cash

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
CDB investments linked to BNDES loans	**-**	-	**186,103**	234,764
Government bonds	**53,172**	-	**1,525,691**	273,504
	53,172	-	**1,711,794**	508,268

The restricted cash presented in non-current assets are represented by financial investments that are linked to loans from BNDES and Caixa Econômica Federal R$81,558 as well as escrow to support bank guarantees R$102,671. In addition, we have R$1,427 frozen by court order and R$3,503 for investment projects.

6 Accounts receivable

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Domestic – Brazilian Reais	**55,818**	34,656	**270,706**	169,095
Export – Foreign currency	**13,083**	7,692	**13,082**	13,290
Allowance for doubtful accounts	**(1,770)**	(1,167)	**(14,282)**	(16,714)
	67,131	41,181	**269,506**	165,671
Current	**67,131**	41,181	**247,118**	144,535
Non-current	**-**	-	**22,388**	21,136

7 Inventories

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Parts and accessories	**5,805**	5,552	**194,694**	203,579
Fuels and lubricants	**140**	129	**9,056**	10,000
Other	**440**	595	**9,082**	12,205
	6,385	6,276	**212,832**	225,784

8 Other recoverable taxes

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Contribution to social security financing ("COFINS")	**1,273**	5,032	**202,206**	218,120
Social Integration program ("PIS")	**1,174**	1,309	**62,193**	67,670
Tax on circulation of goods, transport services and communication ("ICMS") (i)	**-**	-	**346,972**	310,769
ICMS - CIAP (ii)	**-**	-	**171,687**	164,500
Other	**-**	-	**5,222**	5,414
	2,447	6,341	**788,280**	766,473
Current	**2,447**	6,341	**105,713**	175,502
Non-Current	**-**	-	**682,567**	590,971
	2,447	6,341	**788,280**	766,473

(i) ICMS credit on the acquisition of inputs and diesel used in transport services.

(ii) ICMS credit arising from acquisition of fixed assets.

9 Related parties

a) Summary of the main balance and transactions with related parties:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Current asset				
Commercial operations				
Cosan S.A. Indústria e Comércio	**1,480**	1,480	**1,558**	1,558
Raízen Energia S.A.	**47,461**	28,083	**47,865**	29,508
Raízen Combustíveis S.A.	**149**	165	**8,469**	2,343
Other	**151**	186	**94**	163
	49,241	29,914	**57,986**	33,572
Non-current assets				
Commercial operations				
ALL - América Latina Logística S.A.	**569,616**	480,718	**-**	-
Brado Logística S.A	**-**	43	**-**	-
	569,616	480,761	**-**	-
Total	**569,616**	480,761	**57,986**	33,572

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Current liabilities				
Commercial operations				
ALL - América Latina Logística S.A.	**181,066**	72,954	**-**	-
Raízen Energia S.A.	**22,408**	16,162	**27,559**	21,258
Cosan S.A. Indústria e Comércio	**14,608**	8,794	**14,626**	8,812
Cosan Lubrificantes e Especialidades	**376**	368	**3,408**	3,910
Raízen Combustíveis S.A.	**-**	-	**72,983**	69,852
Other	**1,522**	2,021	**109**	-
Total	**219,980**	100,299	**118,685**	103,832

b) Summary of transactions with related parties:

	Parent Company			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Services				
Raízen Energia S.A. and subsidiaries	**87,969**	**189,540**	32,887	126,046
ALL - América Latina Logística S.A.	**69,361**	**124,855**	43,137	43,137
Other	**-**	**-**	127	127
	157,330	**314,395**	76,151	169,310
Purchases				
Raízen Combustíveis S.A.	**-**	**-**	-	(12)
Logispot Armazéns Gerais S.A.	**(2,751)**	**(3,420)**	(2,066)	(4,872)
ALL - América Latina Logística S.A.	**(65,221)**	**(105,907)**	(3,976)	(3,976)
Cosan Lubrificantes e Especialidades S.A.	**(87)**	**(168)**	(24)	(103)
Brado Logística S.A	**-**	**-**	(14,682)	(14,682)
	(68,059)	**(109,495)**	(20,748)	(23,645)
Shared (expenses) income				
Cosan S.A. Indústria e Comércio	**(2,467)**	**(4,935)**	(20)	(2,713)
ALL - América Latina Logística S.A.	**3,330**	**4,807**	-	-
Raízen Energia S.A.	**(1,263)**	**(2,291)**	(1,054)	(2,342)
	(400)	**(2,419)**	(1,074)	(5,055)
Financial result				
Rezende Barbosa S.A. Adm. e Participações	**-**	**-**	1	10
ALL - América Latina Logística S.A.	**(59)**	**(59)**	-	-
Other	**-**	**2**	-	-
	(59)	**(57)**	1	10

	Consolidated			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Services				
Raízen Energia S.A. and subsidiaries	**92,098**	**198,986**	37,158	130,340
Raízen Combustíveis S.A.	**31,093**	**55,734**	27,363	27,363
Other	**-**	**-**	127	127
	123,191	**254,720**	64,648	157,830
Purchases				
Raízen Combustíveis S.A.	**(225,955)**	**(427,049)**	(1,751)	(1,764)
Cosan Lubrificantes e Especialidades S.A.	**(9,140)**	**(25,208)**	(8,673)	(8,753)
	(235,095)	**(452,257)**	(10,424)	(10,517)
Shared expenses				
Cosan S.A. Indústria e Comércio	**(2,467)**	**(4,935)**	(20)	(2,713)
Raízen Energia S.A.	**(6,903)**	**(12,627)**	(1,150)	(2,544)
	(9,370)	**(17,562)**	(1,170)	(5,257)
Financial result				
Rezende Barbosa S.A. Adm. e Participações	**-**	**-**	1	10
Other	**-**	**2**	-	-
	-	**2**	1	10

c) Officers and directors remuneration

Fixed and variable remuneration of key personnel, including directors and board members, were recognized in the consolidated results for the period, as follows:

	June 30, 2016	June 30, 2015
Regular remuneration	**8,254**	2,637
Stock option recognized (Note 23)	**1,270**	-
Bonus and other variable remuneration	**5,335**	495
	14,859	3,132

10 Equity method investments

a) Parent Company

	Total shares of the investee	Shares held by the Company	Percentage of interest (%)	Balance at December 31, 2015	Equity pick-up	Comprehensive income	Capital increase	Balance at June 30, 2016
Subsidiaries								
Logispot Armazéns Gerais S.A.	2,040,816	1,040,816	51%	75,869	(820)	-	-	**75,049**
América Latina Logística S.A.	681,998,165	681,998,165	100%	3,921,328	(219,256)	2,263	821,588	**4,525,923**
Total				**3,997,197**	**(220,076)**	**2,263**	**821,588**	**4,600,972**

b) Consolidated

Affiliates	Total shares of investee	Shares held by the Company	Percentage of interest (%)	Balance at December 31, 2015	Equity pick-up	Dividends	Other	Balance at June 30, 2016
Rhall Terminais	28,580	8,574	30.00%	3,844	(72)	-	-	3,772
Termag S.A.	500,000	99,246	19.85%	5,137	339	-	-	5,476
TGG S.A.	79,747,000	7,914,609	9.92%	19,702	2,578	(3,754)	-	18,526
Terminal XXXIX	200,000	99,246	49.62%	15,558	3,277	-	136	18,971
Total				**44,241**	**6,122**	**(3,754)**	**136**	**46,745**

c) Non-controlling interest

	Total shares of investee	Shares held by the Company	Percentage of interest (%)	Balance at December 31, 2015	Equity pick-up	Comprehensive income	Balance at June 30, 2016
Logispot Armazéns Gerais S.A.	2,040,816	1,000,000	49.00%	36,836	(788)	-	36,048
América Latina Logística S.A. (subsidiaries)	-	-	-	222,896	4,117	1,543	228,556
Total				259,732	**3,329**	**1,543**	**264,604**

11 Property and equipment

	Consolidated							Parent Company
	Land, buildings and improvements	**Machinery, equipment and facilities**	**Freight cars and locomotives (i) / (ii)**	**Construction in progress**	**Track structure (i)**	**Other**	**Total**	**Total**
Cost:								
At December 31, 2015	**627,342**	**500,269**	**4,235,038**	**765,286**	**3,568,597**	**412,912**	**10,109,444**	**1,691,977**
Additions	-	6,690	17,816	978,992	-	18,778	1,022,276	121,919
Disposals	-	(97)	(823)	-	(7,409)	(9,401)	(17,730)	(2)
Transfers	76,426	51,254	607,939	(768,158)	14,589	10,735	(7,215)	(627)
At June 30, 2016	**703,768**	**558,116**	**4,859,970**	**976,120**	**3,575,777**	**433,024**	**11,106,775**	**1,813,267**
Depreciation:								
At December 31, 2015	**(86,651)**	**(176,121)**	**(248,686)**	**-**	**(209,308)**	**15,409**	**(705,357)**	**(314,222)**
Additions	(18,161)	(29,690)	(127,133)	-	(146,905)	(33,191)	(355,080)	(40,251)
Disposals	-	97	440	-	3,048	2,514	6,099	1
Transfers	4,041	1,159	3,071	-	(7,342)	(1,493)	(564)	-
At June 30, 2016	**(100,771)**	**(204,555)**	**(372,308)**	**-**	**(360,507)**	**(16,761)**	**(1,054,902)**	**(354,472)**
At December 31, 2015	**540,691**	**324,148**	**3,986,352**	**765,286**	**3,359,289**	**428,321**	**9,404,087**	**1,377,755**
At June 30, 2016	**602,997**	**353,561**	**4,487,662**	**976,120**	**3,215,270**	**416,263**	**10,051,873**	**1,458,795**

(i) Leasehold improvements included;
(ii) Finance leases included.

Capitalization of borrowing costs

During the period ended June 30, 2016, borrowing costs capitalized amounted to R$2,103.

12 Intangible assets

	Consolidated					Parent Company
	Goodwill (i)	**Concession Rights (ii)**	**Right of way and operating license**	**Other**	**Total**	**Total**
Cost:						
At December 31, 2015	**100,451**	**7,504,935**	**399,350**	**117,336**	**8,122,072**	**937,492**
Additions	-	-	-	350	**350**	26,476
ALL acquisition	-	67,583	-	-	**67,583**	-
Transfers	-	-	-	6,266	**6,266**	627
At June 30, 2016	**100,451**	**7,572,518**	**399,350**	**123,952**	**8,196,271**	**964,595**
Amortization						
At December 31, 2015	**-**	**(90,072)**	**(159,004)**	**(10,576)**	**(259,652)**	**(161,212)**
Additions	-	(60,445)	(5,870)	(8,168)	**(74,483)**	(23,708)
Transfers	-	-	-	6	**6**	-
At June 30, 2016	**-**	**(150,517)**	**(164,874)**	**(18,738)**	**(334,129)**	**(184,920)**
At December 31, 2015	**100,451**	**7,414,863**	**240,346**	**106,760**	**7,862,420**	**776,280**
At June 30, 2016	**100,451**	**7,422,001**	**234,476**	**105,214**	**7,862,142**	**779,675**

(i) Goodwill arising from business combination, of which R$62,922 of previously direct subsidiary Teaçú Armazéns Gerais S.A., merged by the Company, and R$37,529 of direct subsidiary Logispot presented only in consolidated balances.
(ii) The expense is recognized in the income statement in cost of services, as depreciation and amortization.

Intangible (other than goodwill)	**Annual rate of amortization - %**	**June 30, 2016**	December 31, 2015
Software	**20%**	**18,957**	13,900
Operating license and customer base	**3.70%**	**232,840**	238,710
Concession rights	**1.59%**	**7,422,001**	7,414,863
Other		**87,893**	94,496
Total		**7,761,691**	7,761,969

The Company annually tests the recoverable amounts of goodwill arising from business combinations operations. Property and equipment and intangible assets with definite lives subject to depreciation and amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

13 Loans and borrowings

	Financial charges		Parent Company		Consolidated		
Description	**Index[(i)]**	**Average interest rate**	**June 30, 2016**	December 31, 2015	**June 30, 2016**	December 31, 2015	**Maturity date**
Loans and borrowings							
Commercial banks	Pre-fixed	20.98%	-	-	**1,914**	3,898	2016
	CDI + 3.50% p.a.	18.12%	-	-	-	205,781	2016
	CDI + 4.91% p.a.	19.73%	-	-	**196,448**	195,632	2019
Finame (BNDES)	Pre-fixed	4.93%	**621,785**	601,955	**1,110,158**	1,016,060	2025
	URTJLP	10.13%	**25,462**	-	**25,580**	217	2022
Finem (BNDES)	Pre-fixed	3.95%	-	-	**4,293**	4,684	2024
	URTJLP	9.34%	**414,949**	413,328	**2,664,156**	2,851,793	2029
	IPCA	15.59%	-	-	**4,519**	4,152	2021
	Selic	14.15%	-	-	**5,897**	5,595	2020
FRN	Dollar (US$) (ii)	2.63%	-	216,134	-	216,134	2017
Loan 4131	Dollar (US$) (ii)	3.13%	-	225,226	-	315,910	2017
NCE	Dollar (US$) (ii)	3.79%	-	-	-	126,669	2016
	112% of CDI	15.95%	-	-	**150,096**	406,805	2018
	129.62% of CDI	18.69%	-	-	**547,032**	304,644	2023
			1,062,196	1,456,643	**4,710,093**	5,657,974	
Debentures							
Convertible debentures	URTJLP	9.01%	-	-	-	2,592	2016
Non-convertible debentures	108% of CDI	15.34%	-	-	**526,379**	526,285	2018
	Pre-fixed (ii)	13.13%	-	-	**163,834**	161,175	2020
	% Net revenue	-	-	-	**959**	30,315	2016
	CDI + 1.30% p.a.	15.61%	-	-	**298,972**	775,228	2017
	CDI + 3.50% p.a.	18.12%	-	-	**2,321,303**	-	2023
	CDI + 2.05% p.a	16.47%	**148,040**	1,431,607	**148,040**	1,431,607	2018
			148,040	1,431,607	**3,459,487**	2,927,202	
Total			**1,210,236**	2,888,250	**8,169,580**	8,585,176	
Current			**175,130**	185,067	**1,025,009**	1,444,063	
Non-current			**1,035,106**	2,703,183	**7,144,571**	7,141,113	

(i) TJLP refers to the long-term interest rate, defined as the basic cost of financing from the BNDES (Banco Nacional de Desenvolvimento Econômico e Social). SELIC refers to the overnight rate from Sistema Especial de Liquidação e Custódia. It is the weighted average rate for the volume of financing operations for a day, backed by federal government securities in the form of repurchase agreements. The CDI or Over DI Rate (CDI Over) is obtained by calculating the weighted average of all transactions made at Cetip rates between different financial institutions. IPCA is the Price Index Broad Consumer and aims to measure inflation of a set of goods and services.

(ii) There are swap agreements for such debt and annual interest average rates disclosed include the effects of these instruments (see Note 27).

Debentures

On June 28, 2016, the subsidiary ALL Malha Norte performed the Ninth issuance of debentures, not convertible into shares, unsecured, single series, totaling R$2,321,303, maturing in June 2023. The debentures have personal guarantees provided by the subsidiaries ALL Holding and ALL Malha Norte. The proceeds were used in the process of reprofiling of part of the debts of the Company and its subsidiaries, maturing in the years 2016, 2017 and 2018.

Unused credit lines

At June 30, 2016, the Company and its subsidiaries had lines of credit for financing from BNDES, which were not used, totaling of R$980,045.

Covenants

The Company and its subsidiaries are subject to certain restrictive covenants on most loans and financing agreements, based on certain financial and non-financial indicators. The financial indicators are: (i) Comprehensive consolidated net debt (bank debt, bonds, leases, real estate certificate deducted from cash and cash equivalents, marketable securities and derivative instruments) / EBITDA (earnings before interest, taxes, depreciation and amortization); (ii) EBITDA / consolidated financial results (are considered only interest on debentures, loans / financing and derivative transactions); (iii) equity / net assets, and the item (iii) exclusive to BNDES. Except for BNDES, whose measurement is annual, quarterly calculation is required on the date of the financial statements, using the consolidated results.

Except for BNDES, whose new comprehensive net debt indicators / EBITDA and ICD are yet to be set, use a ratio of up to 4.5x comprehensive net debt / EBITDA. If the negotiation with BNDES requires a leverage ratio lower than this, the ratio agreed will be extended to all other creditors with equivalent covenants conditions. On June 30, 2016 quarterly financial covenants were met within the new established standards.

14 Other taxes payable

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Tax on circulation of goods, transport services and communication ("ICMS")	**8**	399	**2,891**	2,254
National social security institute ("INSS")	**1,786**	1,800	**7,171**	6,701
Social integration program ("PIS")	**-**	-	**158**	201
Contribution to social security financing ("COFINS")	**-**	-	**764**	2,040
Tax amnesty and refinancing program ("Refis")	**902**	902	**24,358**	25,252
Social Contribution, COFINS and PIS withholding	**401**	410	**3,704**	2,411
Financial transaction tax	**-**	-	**5,168**	6,567
Other	**1,322**	1,301	**14,573**	13,688
	4,419	4,812	**58,787**	59,114
Current	**4,419**	4,812	**32,716**	33,017
Non-current	**-**	-	**26,072**	26,097

15 Income tax and social contribution

a) Reconciliation of income tax and social contribution expenses

	Parent Company			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Income (loss) before income taxes	**(53,573)**	**(255,062)**	13,859	26,872
Income tax and social contribution expense at nominal rate (34%)	**18,215**	**86,721**	(4,712)	(9,136)
Adjustments to determine the effective rate				
Equity pick-up	**(20,928)**	**(74,826)**	18,303	18,141
Spending on share issues	**21,307**	**21,307**	-	-
Other	**(445)**	**818**	1,968	1,964
Income (expense) tax and social contribution	**18,149**	**34,020**	15,559	10,969
Effective rate - %	**33.88%**	**13.34%**	-112.27%	-40.82%

	Consolidated			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Income (loss) before income taxes	**(29,216)**	**(225,055)**	78,015	90,088
Income tax and social contribution expense at nominal rate (34%)	**9,933**	**76,519**	(26,525)	(30,630)
Adjustments to determine the effective rate				
Equity pick-up	**872**	**2,081**	61	61
Spending on share issues	**21,307**	**21,307**	-	-
Unrecognized NOLs and temporary differences	**(42,716)**	**(111,541)**	(27,285)	(27,285)
Exploration profit - tax incentive	**6,561**	**17,252**	9,096	9,096
Other	**621**	**1,724**	(191)	(194)
Income (expense) tax and social contribution	**(3,422)**	**7,342**	(44,844)	(48,952)
Effective rate - %	**-11.71%**	**3.26%**	57.48%	54.34%

(i) Refers mainly to tax losses and temporary differences of the Company and the subsidiaries ALL Malha Sul and ALL Malha Oeste that under current conditions do not have predictability of generating taxable income to justify the accounting of deferred tax assets.

b) Deferred corporate income tax (IRPJ) and social contribution (CSLL) assets and liabilities

	Parent Company				
	June 30, 2016				December 31, 2015
	Basis	**IRPJ**	**CSLL**	**Total**	
Tax losses:					
Tax losses carry forwards - income tax	**175,364**	**43,841**	**-**	**43,841**	6,348
Tax losses of social contribution	**216,102**	**-**	**19,449**	**19,449**	5,536
Temporary differences:					
Exchange variation - Cash basis	**1,555**	**389**	**140**	**529**	45,288
Derivatives	**2,859**	**715**	**257**	**972**	(33,954)
Accelerated depreciation	**(219,339)**	**(54,835)**	**-**	**(54,835)**	(55,990)
Tax goodwill amortized	**(48,552)**	**(12,138)**	**(4,370)**	**(16,508)**	(9,049)
Review of useful life	**(145,305)**	**(36,326)**	**(13,077)**	**(49,403)**	(47,596)
Business combination - Fixed assets	**918**	**229**	**83**	**312**	73
Business combination - Intangible assets	**(232,840)**	**(58,210)**	**(20,956)**	**(79,166)**	(81,162)
Provision for judicial demands	**19,801**	**4,950**	**1,782**	**6,732**	6,238
Provision for profit sharing	**8,540**	**2,135**	**769**	**2,904**	6,972
Allowance for doubtful accounts	**1,770**	**442**	**159**	**601**	397
Other	**39,328**	**9,834**	**3,539**	**13,373**	10,710
Total deferred liabilities taxes	**(179,799)**	**(98,974)**	**(12,225)**	**(111,199)**	(146,189)

	Consolidated				
	June 30, 2016				December 31, 2015
	Basis	**IRPJ**	**CSLL**	**Total**	
Tax losses:					
Tax losses carry forwards - income tax	**5,893,502**	**1,473,375**	**-**	**1,473,375**	1,286,558
Tax losses of social contribution	**5,930,666**	**-**	**533,760**	**533,760**	466,581
Temporary differences:					
Exchange variation - Cash basis	**3,023**	**756**	**272**	**1,028**	46,010
Derivatives	**2,859**	**715**	**257**	**972**	(33,954)
Accelerated depreciation	**(288,009)**	**(72,002)**	**(6,180)**	**(78,182)**	(76,182)
Tax goodwill amortized	**60,159**	**15,040**	**5,414**	**20,454**	27,913
Review of useful life	**150,625**	**37,656**	**13,556**	**51,212**	(47,595)
Business combination - Fixed assets	**596,416**	**149,104**	**53,677**	**202,781**	246,757
Business combination - Intangible assets	**(7,663,711)**	**(1,915,927)**	**(689,734)**	**(2,605,661)**	(2,605,229)
Impairment provision	**960,278**	**240,070**	**86,425**	**326,495**	350,325
Provision for judicial demands	**593,063**	**148,266**	**53,376**	**201,642**	190,552
Provision for non-performing tax	**63,750**	**15,937**	**5,737**	**21,674**	17,801
Provision for profit sharing	**33,297**	**8,324**	**2,997**	**11,321**	25,537
Capitalization of interest on loans	**(1,002)**	**(250)**	**(90)**	**(340)**	-
Allowance for doubtful accounts	**48,812**	**12,203**	**4,393**	**16,596**	16,985
(-) Unrecognized credits	**(8,053,792)**	**(1,254,213)**	**(451,547)**	**(1,705,760)**	(1,526,639)
Other	**539,063**	**134,767**	**48,514**	**183,281**	261,431
Total net liability	**(1,131,001)**	**(1,006,179)**	**(339,173)**	**(1,345,352)**	(1,353,149)
Deferred income tax – Assets				**1,334,942**	1,361,225
Deferred income tax – Liabilities				**(2,680,294)**	(2,714,374)
Total net deferred taxes				**(1,345,352)**	(1,353,149)

c) Changes in deferred taxes (net)

	Parent Company	Consolidated
At December 31, 2015	(146,189)	(1,353,149)
Income statement	**34,018**	**33,861**
Business combination ALL	**-**	**(27,505)**
Other comprehensive income	**972**	**1,435**
Other	**-**	**6**
At June 30, 2016	**(111,199)**	**(1,345,352)**

16 Accounts payable - suppliers

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Material and services	**94,753**	50,395	**377,789**	276,821
Fuels and lubricants	**-**	-	**1,122**	3,535
Other	**-**	-	**95,204**	139,822
Total	**94,753**	50,395	**474,115**	420,178
Current	**94,753**	50,395	**473,323**	419,147
Non-current (i)	**-**	**-**	**792**	1,031

(i) Presented in the balance sheet under "other accounts payables" in non-current liabilities.

17 Provision for judicial demands and judicial deposits

	Provision for judicial demands			
	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Taxes	**1,403**	3,075	**65,811**	65,142
Civil, regulatory and environmental	**564**	-	**146,324**	122,604
Labor	**17,834**	15,274	**295,494**	302,838
	19,801	18,349	**507,629**	490,584

	Judicial deposits			
	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Tax	**4,136**	5,334	**23,672**	23,304
Civil, regulatory and environmental	**500**	535	**167,031**	161,715
Labor	**6,662**	6,113	**91,461**	81,968
	11,298	11,982	**282,164**	266,987

Changes in the provision were:

	Parent Company			
	Taxes	**Civil, regulatory and environmental**	**Labor**	**Total**
On December 31, 2015	3,075	-	15,274	18,349
Additions	**64**	**332**	**2,827**	**3,223**
Settlement / Write-offs	**(1,273)**	**-**	**(1,327)**	**(2,600)**
Monetary restatement	**(463)**	**232**	**1,060**	**829**
On June 30, 2016	**1,403**	**564**	**17,834**	**19,801**

	Consolidated			
	Taxes	**Civil, regulatory and environmental**	**Labor**	**Total**
On December 31, 2015	65,142	122,604	302,838	490,584
Additions	**795**	**12,670**	**42,102**	**55,567**
Settlement / Write-offs	**(1,442)**	**(4,533)**	**(60,233)**	**(66,208)**
Monetary restatement	**1,316**	**15,583**	**10,787**	**27,686**
On June 30, 2016	**65,811**	**146,324**	**295,494**	**507,629**

a) Tax

Judicial claims deemed as probable losses:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
ICMS - Credit materials	**-**	-	**51,706**	50,169
Compensation of PIS and COFINS	**290**	1,084	**2,047**	2,781
Other	**1,113**	1,991	**12,058**	12,192
	1,403	3,075	**65,811**	65,142

Judicial claims deemed as possible losses:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Foreign financial operations	**-**	-	**948,668**	911,942
Capital gain ALL S.A.	**-**	-	**464,933**	446,535
Isolated fine federal tax [(i)]	**376,393**	258,391	**376,393**	258,391
ICMS - Export	**-**	-	**140,743**	134,732
MP 470 installment debts	**-**	-	**116,940**	113,814
PIS/COFINS Mutual Traffic	**-**	-	**95,633**	92,680
Intermodal	**-**	-	**78,301**	76,914
PIS and COFINS	**-**	-	**3,080**	2,925
Withholding income tax ("IRRF") Swap	**-**	-	**65,679**	63,034
Stock option plan	**-**	-	**59,861**	57,554
PIS/COFINS Malha Sul	**-**	-	**-**	50,265
Social Security Contributions	**-**	-	**42,294**	40,855
ICMS Armazéns Gerais	**-**	-	**56,854**	53,713
IOF on loan	**-**	-	**52,343**	49,844
IRPJ and CSLL [(ii)]	**19,432**	18,435	**166,987**	65,206
ICMS TAD	**-**	-	**40,634**	102,878
Compensation with credit award	**-**	-	**36,622**	-
Other	**26,238**	22,932	**204,852**	118,362
	422,063	299,758	**2,950,817**	2,639,644

i) The Company was assessed due to the disregard of tax REPORTO benefits (PIS and COFINS suspension), based on the fact that the locomotives and cars purchased in the years 2010 to 2012 were used outside the limits of the port area. Therefore, they were required PIS and COFINS, in addition to the corresponding separate fine of 50% of the value of goods purchased.

ii) Addition referring to administrative process from infringement notices issued for the collection of Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL"), for the years-base 2011, 2012 and 2013, combined with interest on late payments and qualified and isolated fines.

b) Civil, regulatory and environmental

Judicial claims deemed as probable losses:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Civil, regulatory and environmental	**564**	-	**146,324**	122,604
	564	-	**146,324**	122,604

Judicial claims deemed as possible losses:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Civil	**24,649**	29,871	**1,027,601**	1,252,681
Regulatory	**96**	-	**355,932**	339,267
Environmental	**502**	810	**325,637**	295,984
	25,247	30,681	**1,709,170**	1,887,932

c) Labor

Judicial claims deemed as probable losses:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Labor	**17,834**	15,274	**295,494**	302,838
	17,834	15,274	**295,494**	302,838

Judicial claims deemed as possible losses:

	Parent Company		Consolidated	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Labor	**64,703**	75,800	**579,809**	562,204
	64,703	75,800	**579,809**	562,204

18 Leases

Finance leases

The Company and its subsidiaries have lease agreements, mainly for railcars and locomotives classified as finance leases.

	June 30, 2016				December 31, 2015
	Less than a year	**Between one and five years**	**More than five years**	**Total**	Total
Future minimum lease payments	**715,848**	**1,088,420**	**389,893**	**2,194,161**	2,196,200
Rolling stock	685,058	995,009	280,097	1,960,164	1,953,414
Terminal	23,861	86,408	109,796	220,065	232,148
Other	6,929	7,003	-	13,932	10,638
Interest in the installment	**(175,682)**	**(276,032)**	**(91,581)**	**(543,295)**	(454,499)
Rolling stock	(158,556)	(229,812)	(64,796)	(453,164)	(357,416)
Terminal	(15,726)	(45,165)	(26,785)	(87,676)	(96,069)
Other	(1,400)	(1,055)	-	(2,455)	(1,014)
Present value of minimum payments	**540,166**	**812,388**	**298,312**	**1,650,866**	1,741,701
Current liabilities				**540,166**	539,615
Non-current liabilities				**1,110,700**	1,202,086

Lease agreements have varying expirations, the last due to expire in June 2043. The amounts are adjusted annually for inflation rates (as IGP-M and IPCA) or may incur interest based on the TJLP or CDI and some contracts have renewal or purchase options that were considered in determining the classification as financial lease.

Operating leases

	Total future minimum lease payments			
Assets	**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**	**Total**
Locomotives	5,980	1,830	-	7,810
Rail cars	5,504	19,351	11,330	36,185
Total	**11,484**	**21,181**	**11,330**	**43,995**

Operating lease payments (rentals) are recognized as expenses on a straight line basis over the term of the contracts.

19 Lease and concessions

	June 30, 2016			December 31, 2015
	Leases	**Concessions**	**Total**	Total
Amounts payables:				
Malha Sul	**38,701**	**27,693**	**66,394**	65,906
Malha Paulista	**-**	**25,968**	**25,968**	24,944
	38,701	**53,661**	**92,362**	90,850
Amounts under judicial discussions:				
Malha Paulista	**1,278,871**	**-**	**1,278,871**	1,175,697
Malha Oeste	**980,371**	**62,954**	**1,043,325**	957,697
	2,259,242	**62,954**	**2,322,196**	2,133,394
Total	**2,297,943**	**116,615**	**2,414,558**	2,224,244
Current liabilities			**27,569**	20,205
Non-current liabilities			**2,386,989**	2,204,039
			2,414,558	2,224,244

Amounts under judicial discussion

The Company is challenging in court the economic and financial unbalance of certain leases and concession contracts.

In April 2004, ALL Malha Paulista filed an interlocutory injunction and subsequently a Declaratory Action before the 21th Federal Court of Rio de Janeiro questioning the economic and financial unbalance of the Lease and Concession Agreements, due to the high disbursement incurred by the Company for the payment of labor judicial proceedings and other expenses involved, which are the responsibility of Rede Ferroviária Federal S.A., as expressed in the bidding documents.

ALL Malha Paulista required an injunction to suspend payment of installments of the concession and lease agreements, due and falling, and to offset the credit balance resulting from labor amounts paid by ALL with the amount charged by the Union. In April 2005, the injunction was granted, suspending the enforceability of installments for 90 days by determining the completion of expertise. In July 2005, the suspension was extended for another 90 days. In September 2005, the injunction was overturned by the Federal Court of Rio de Janeiro. In January 2006, the suspension of payment of installments was granted, by means of judicial deposit. The amount related to the lease installments was being deposited in court until October 2007, when the Company obtained a court order to replace the judicial deposits for bank guarantee. In October 2015 decision was handed down that partially upheld the action recognizing the occurrence of economic and financial unbalance of the agreements, allowing the Company to perform the part of compensation of the amounts claimed in the match against presented debt. Nevertheless, the Company believes that all amounts discussed shall be offset against payables based in clauses 7 and 10 of the bidding documents.

Management, supported by the opinion of its legal counsel, assesses the chances of success as probable, but the financial liability remains recognized as it is a contractual obligation not yet discharged and still pends offsetting with the Company's re10ursement rights.

ALL Malha Oeste also claims the reestablishment of the economic-financial balance, lost by the cancellation of transportation contracts existing at the time of privatization, change in the regulatory environment and conditions set forth in the Privatization Tender; additionally, the growth forecasts that defined the value of

the business did not materialize. The lawsuit is filed with the 16th Federal Court of Rio de Janeiro. To proceed with the legal discussion the Company offered government securities (Treasury Bills - LFT) as an execution guarantee. In March 2008, the Company was authorized to replace the guarantee with a bank guarantee and in May 2008 the Company redeemed the treasury bills. In December 2014, a decision was handed down that upheld the action recognizing the occurrence of economic and financial 11alance of the contracts, pending now the expert measurement of the amount of 11alance and related aspects. In December 2015 the claim for replacement of guarantee letters presented by ALL with an insurance policy was accepted.

Management, supported by the opinion of its legal counsel, assesses the chances of success as probable, but the financial liability remains recognized as it is a contractual obligation not yet discharged and still pends offsetting with the Company's re11ursement rights.

Judicial deposits at June 30, 2016 concerning the above claims totaled:

	June 30, 2016
Malha Paulista	**117,533**
Malha Oeste	**18,694**
	136,227

Judicial deposits are recorded in the line "regulatory" under Note 17.

20 Real estate credit certificates

The Company and its subsidiaries entered into rental contracts of terminals that have been securitized and transferred the rights of these credits, the balance of which is:

	June 30, 2016				December 31, 2015
Terminal	**Rate**	**Maturity**	**Start date**	**Total**	Total
Terminal Intermodal de Tatuí-SP	12.38% p.a.	March 31, 2018	February 29, 2008	44,134	55,753
Terminal de Alto Araguaia-MT	CDI + 2.6% p.a.	November 30, 2018	November 28, 2008	198,031	229,253
				242,165	285,006
Current liabilities				**96,255**	88,089
Non-current liabilities				**145,910**	196,917

Non-current mortgage-backed securities have the following maturities:

	Consolidated
	Total
13 to 24 months	105,057
25 to 36 months	40,853
	145,910

21 Equity

a. Common stock

The authorized common stock may be increased by up to R$3 billion, regardless of statutory amendment, by resolution of the Board of Directors, which has the power to fix the number of shares to be issued, the issue price and the other conditions for subscription and payment of shares within the authorized capital.

The subscribed and fully paid-in capital on June 30, 2016 is R$8,051,490 (R$7,988,822 net of expenditure shares) and is represented by 1,339,015,898 common shares nominative, without nominal value.

As mentioned in note 1, on April 7, 2016 the Company completed the capitalization process through a public offering in the amount of R$2,600,000 (cash received, net of issuance costs, totaled R$2,537,332) with the issuance of 1,040,000,000 common shares, all registered shares, without par value, with restricted placement efforts, pursuant to CVM Instruction 476 ("Restricted Offering") and Regulation "S" for foreign investors.

b. Other equity

		Comprehensive income			
	December 31, 2015	**Base**	**Deferred tax**	**Net**	**June 30, 2016**
Foreign currency translation differences - equity - accounted investee	12,966	4,328	-	4,328	17,294
Hedge accounting	-	(4,924)	972	(3,952)	(3,952)
Total	**12,966**	**(596)**	**972**	**376**	**13,342**

22 Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) by the weighted average number of common shares outstanding during the period. Diluted Earnings per share are calculated by adjusting the income and the number of shares by the impact of potentially dilutive instruments.

The table below shows the calculation of earnings per share (in thousands, except per share amounts) for the periods ended June 30, 2016 and 2015:

Basic and diluted

	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Numerator				
Income (loss) from operations attributable to controlling shareholders	**(35,424)**	**(221,042)**	29,418	37,841
Denominator				
Weighted average number of common share	**1,258,127,009**	**778,571,454**	299,015,898	200,832,360
Income (loss) basic earnings per share	**(R$0.028)**	**(R$0.284)**	R$0.098	R$0.188
Dilutive effect - BNDES Participações	**-**	**-**	(R$0.001)	(R$0.001)
Income (loss) diluted earnings per share	**(R$0.028)**	**(R$0.284)**	R$0.097	R$0.187

Antidilutive instruments

The non-controlling interest of the indirect subsidiary Brado have the right to exercise a Liquidity option provided for in the shareholders' agreement signed on August 05, 2013. This option would exchange all Brado shares held by such minority shareholders by shares of ALL. The exchange ratio shall take into account the economic value for both Brado and ALL shares. At the Company's exclusive discretion, an equivalent cash payment is also possible.

The stock option plan (see Note 23) is out of money, so, the exercise price of the options granted is much higher than the average stock price during the period. These financial instruments have antidilutive effects in the periods presented.

23 Stock option plan

On June 30, 2016, R$1,270 were recognized as an expense. There were no cancellations and exercises in the period.

24 Gross revenue

	Parent Company				Consolidated			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015	**April 1, 2016 to June 30, 2016**	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Gross revenue from sales of services	**298,848**	**537,987**	155,641	379,047	**1,487,566**	**2,758,209**	1,331,948	1,557,026
Taxes and deductions over sales of services	**(17,651)**	**(31,052)**	(9,348)	(28,563)	**(111,318)**	**(196,070)**	(111,663)	(131,130)
Net revenue	**281,197**	**506,935**	146,293	350,484	**1,376,248**	**2,562,139**	1,220,285	1,425,896

25 Financial result

	Parent Company				Consolidated			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015	**April 1, 2016 to June 30, 2016**	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Cost of gross debt								
Interest on debts	**(78,257)**	**(144,281)**	(56,475)	(63,215)	**(249,093)**	**(475,229)**	(218,156)	(225,316)
Net exchange rate changes on debts	**20,420**	**58,563**	11,961	(44,287)	**35,505**	**82,025**	(58)	(56,275)
Gain (loss) from derivatives on debts	**(28,870)**	**(85,017)**	(14,577)	25,912	**(38,623)**	**(104,314)**	(15,872)	24,617
	(86,707)	**(170,735)**	(59,091)	(81,590)	**(252,211)**	**(497,518)**	(234,086)	(256,974)
Cash investment income	**47,129**	**48,089**	1,854	4,603	**67,082**	**86,911**	33,283	36,287
	47,129	**48,089**	1,854	4,603	**67,082**	**86,911**	33,283	36,287
Cost of debt, net	**(39,578)**	**(122,646)**	(57,237)	(76,987)	**(185,129)**	**(410,607)**	(200,803)	(220,687)
Other charges and monetary variations								
Interest on other receivables	**616**	**2,075**	181	493	**3,467**	**41,673**	9,126	9,441
Lease and concessions	**-**	**-**	-	-	**(72,174)**	**(145,582)**	(53,691)	(53,691)
Finance leases	**-**	**-**	-	-	**(51,389)**	**(102,094)**	(22,217)	(22,217)
Banking expenses and other	**(8,270)**	**(16,855)**	(6,028)	(10,257)	**(49,020)**	**(86,381)**	(25,497)	(29,792)
Real estate credit certificate	-	-	-	-	**(9,372)**	**(21,378)**	(11,977)	(11,977)
Other charges and monetary variations	**(4,366)**	**(7,017)**	1,771	2,828	**(43,019)**	**(112,892)**	(27,015)	(25,883)
	(12,020)	**(21,797)**	(4,076)	(6,936)	**(221,507)**	**(426,654)**	(131,271)	(134,119)
(=) Finance, net	**(51,598)**	**(144,443)**	(61,313)	(83,923)	**(406,636)**	**(837,261)**	(332,074)	(354,806)
Financial expenses	**(90,894)**	**(168,153)**	(60,732)	(70,644)	**(474,067)**	**(943,556)**	(358,553)	(368,875)
Financial income	**47,746**	**50,164**	2,035	5,096	**70,549**	**128,584**	42,409	45,727
Exchange variation	**20,420**	**58,563**	11,961	(44,287)	**35,505**	**82,025**	(58)	(56,275)
Derivatives	**(28,870)**	**(85,017)**	(14,577)	25,912	**(38,623)**	**(104,314)**	(15,872)	24,617
(=) Finance, net	**(51,598)**	**(144,443)**	(61,313)	(83,923)	**(406,636)**	**(837,261)**	(332,074)	(354,806)

26 Other income (expenses), net

	Parent Company				Consolidated			
	April 1, 2016 to June 30, 2016	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015	**April 1, 2016 to June 30, 2016**	**January 1, 2016 to June 30, 2016**	April 1, 2015 to June 30, 2015	January 1, 2015 to June 30, 2015
Provision for judicial demand	**(2,835)**	**(4,122)**	(974)	(1,330)	**(14,887)**	**(17,270)**	(1,046)	(6,275)
Rental and leases revenue	**-**	**-**	-	-	**831**	**1,216**	1,952	2,121
Result on disposals of fixed assets and intangible assets	**(1)**	**(1)**	-	-	**(2,090)**	**(6,567)**	-	-
Gain on settlement of pre-existing relationship	**-**	**-**	-	-	**-**	**-**	29,838	29,838
Expenses on acquiring new business	**-**	**-**	(2,710)	(5,295)	**-**	**-**	(2,710)	(5,295)
Insurance claims recovery	**-**	**4,419**	5,906	8,411	**418**	**7,568**	5,739	8,244
Provision for losses on receivables	**(654)**	**(603)**	-	-	**(654)**	**(605)**	-	-
Other income (expenses), net	**(15)**	**(1,415)**	233	18	**6,895**	**8,443**	6,058	10,738
	(3,505)	**(1,722)**	2,455	1,804	**(9,487)**	**(7,215)**	39,831	39,371

27 Financial instruments

Financial risk management

Overview

The Company is exposed to the following risks from its use of financial instruments:

(a) Credit risk;
(b) Liquidity risk; and
(c) Market risk

This note presents information about the Company's and its subsidiaries exposure, to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The carrying amounts and the separation by category of financial assets and liabilities are as follows:

	June 30, 2016	December 31, 2015
Assets		
Held for sale		
Marketable securities	**1,711,794**	508,268
Fair value through profit or loss		
Cash and cash equivalents (Exclusive funds)	**-**	29,625
Derivate financial instruments	**4,080**	99,863
	4,080	129,488
Loans and receivables		
Cash and cash equivalents	**71,065**	43,363
Accounts receivable	**269,506**	165,671
Related parties	**57,986**	33,572
Restricted cash	**189,159**	200,893
	587,716	443,499
Total	**2,303,590**	1,081,255
Liabilities		
Liabilities from amortized cost		
Long-term debts	**8,169,580**	8,053,132
Finance leases	**1,650,866**	1,741,701
Real estate credit certificates	**242,165**	285,006
Accounts payable - suppliers	**473,323**	419,147
Other financial liabilities	**162,914**	236,698
Related parties	**118,685**	103,832
Dividends payable	**8,405**	8,270
Debt payment in installments - REFIS	**24,358**	25,252
	10,850,296	10,873,038

Fair value through profit or loss		
Long-term debts	**-**	532,044
Derivative financial instruments	**24,243**	1,780
	24,243	533,824
Total	**10,874,539**	11,406,862

During the year, there was no reclassification between the categories listed above.

Structure of risk management

On June 30, 2016 and December 31, 2015, the fair values related to transactions involving derivative financial instruments to hedge interest and exchange risk exposure of the Company were using observable inputs such as quoted prices in active markets or flows discounted based on market curves and are presented next:

	Notional		**Fair value**	
	June 30, 2016	December 31, 2015	**June 30, 2016**	December 31, 2015
Exchange rate risk				
NDF Contracts - Designed hedge - Cash Flows	**49,421**	-	**(5,471)**	-
Interest rate risk				
Swap contracts (interest / FX)	**-**	642,506	**-**	135,349
Swap contracts (interest)	**177,092**	182,892	**(14,692)**	(37,266)
	177,092	825,398	**(14,692)**	98,083
Total financial instruments	**226,513**	825,398	**(20,163)**	98,083
Assets			**4,080**	99,863
Liabilities			**(24,243)**	(1,780)

(a) Credit risk

	June 30, 2016	December 31, 2015
Cash and cash equivalents (ii)	**71,065**	72,988
Marketable securities (ii)	**1,711,794**	508,268
Restricted cash (ii)	**189,159**	200,893
Account receivables (i)	**269,506**	165,671
Derivative financial instruments (ii)	**4,080**	99,863
	2,245,604	1,047,683

(i) The risk of customer credit is managed centrally by each business segment, subject to the procedures, controls and policy established by the Company in relation to this risk. Credit limits are established for all customers based on internal rating criteria. Customer credit quality is evaluated based on an internal procedure of extensive credit rating. The outstanding customer receivables are monitored frequently.

The need for a valuation allowance for impairment is analyzed at each reporting date on an individual basis for major clients. In addition, a large number of receivables with smaller balances are grouped into homogenous groups and in such cases; the recoverable loss is assessed collectively. The calculations are based on actual historical data.

The maximum exposure to credit risk at the reporting date is the recorded value of each class of financial assets.

(ii) The risk of credit balances with banks and financial institutions is managed by the Company's treasury in accordance with the policy established by. Excess funds are invested only with approved counterparties and within the limits assigned to each. The counterparty credit limit is reviewed annually and may be updated throughout the year. These limits are designed to minimize the concentration of risks and therefore mitigate financial loss in the event of a potential failure of counterparty. The maximum the Company's exposure to credit risk in relation to the balance sheet components as of June 30, 2016 and December 31, 2015 is the value recorded, as shown in Note 13 except for financial guarantees and derivative financial instruments. The maximum exposure with respect to financial guarantees and derivative financial instruments is presented in the liquidity table below.

The credit risk on cash and cash equivalents, marketable securities are determined by rating instruments widely accepted by the market and are arranged as follows:

	June 30, 2016
AAA	248,914
AA+	1,645,743
AA	81,441
At June 30, 2016	**1,976,098**

(b) Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries encounter difficulties in meeting the obligations associated with its financial liabilities that are settled with cash payments or other financial assets. The Company's approach and its subsidiaries to managing liquidity is to ensure, as much as possible, there is always a sufficient liquidity to meet the obligations falling due under normal and stress conditions, without causing unacceptable losses or risk damaging the reputation of the Company and its subsidiaries.

The non-derivative financial liabilities of the Company sorted by due dates (based on undiscounted cash flows contracted) are as follows:

	June 30, 2016					December 31, 2015
	Up to 1 year	**1 to 2 years**	**3 to 5 years**	**Over 5 years**	**Total**	Total
Long-term debt	(1,879,853)	(2,196,198)	(5,326,282)	(2,766,149)	(12,168,482)	(10,836,875)
Accounts payable - suppliers	(473,323)	-	-	-	(473,323)	(419,147)
Other financial liabilities (i)	(162,914)	-	-	-	(162,914)	(236,698)
Debt payment in installments - REFIS	(6,726)	(6,428)	(10,128)	(3,046)	(26,328)	(30,026)
Finance leases	(690,784)	(447,059)	(665,174)	(365,882)	(2,168,899)	(2,132,455)
Real estate credit certificates	(138,824)	(128,862)	(45,376)	-	(313,062)	(382,559)
Dividends payable	(8,405)	-	-	-	(8,405)	(8,270)
Derivate financial instruments	(12,572)	(4,012)	(7,659)	-	(24,243)	(1,780)
	(3,373,401)	**(2,782,559)**	**(6,054,619)**	**(3,135,077)**	**(15,345,656)**	(14,047,810)

(i) As of June 30, 2016, the consolidated balance anticipated by our suppliers with financial institutions was R$162,914 (R$236,698 on December 31, 2015). All these operations were with Banco Itaú at an average interest rate of 15.96%. The average term of these operations, which are recorded at their present values at the interest rate previously mentioned, is three months.

(c) Market risk

Market risk is the risk that changes in market prices - such as exchange rates and interest rates - will affect the Company's earnings or the value of its holdings of financial instruments. The objective of market risk management is to manage and control exposures to market risks within acceptable parameters, while improving the return.

I. Foreign exchange risk

On June 30, 2016 and December 31, 2015, the Company and its subsidiaries had the following net exposure to exchange rates on assets and liabilities denominated in US Dollars (US$) and Euro (€):

	June 30, 2016	December 31, 2015
Cash and cash equivalents	**1,122**	3,784
Account receivables	**19,651**	2,115
Advance to suppliers	**67,576**	85,155
Accounts payable - suppliers	**(68,924)**	(15,894)
Advances from customers	**-**	(1,701)
Long-term debts	**-**	(658,713)
Derivative financial instruments (notional)	**49,421**	642,506
Foreign exchange exposure, net	**68,846**	57,252

Sensitivity analysis of changes in exchange rates:

The probable scenario was defined based on US Dollar | Euro market rates on June 30, 2016. Stressed scenarios (positive and negative effects, pre-tax) were defined based on adverse impacts of 25% and 50% in the US Dollar | Euro exchange rate used in the probable scenario.

Based on financial instruments denominated in US Dollars | Euro as of June 30, 2016, the Company conducted a sensitivity analysis to increase and decrease in the exchange rate (R$/US$) | (R$/€) of 25% and 50%. The probable scenario considers the Company's projections for exchange rates at maturity of operations to companies with Real as functional currency (positive and negative, pre-tax), as follows:

	Exchange rate sensitivity analysis (R$/US$) | (R$/€)					
						Scenarios
	June 30, 2016	**Probable**	**25%**	**50%**	**-25%**	**-50%**
US Dollars	3.2098	3.5376	4.4220	5.3064	2.6532	1.7688
Euro	3.5414	3.9706	4.9633	5.9559	2.9780	1.9853

Given the above scenario, the gains and losses would be affected as follows:

						Scenarios
Instrument	**Risk factor**	**Probable**	**25%**	**50%**	**-25%**	**-50%**
Cash and cash equivalents	USD fluctuation	115	424	733	(195)	(504)
Accounts receivable	USD fluctuation	2,007	7,421	12,836	(3,408)	(8,822)
Advance to suppliers	USD | EUR fluctuation	7,063	25,723	44,382	(11,597)	(30,257)
Accounts payable - suppliers	USD fluctuation	(7,039)	(26,030)	(45,020)	11,952	30,943
Derivative financial instruments (notional)	USD fluctuation	5,047	18,664	32,281	(8,570)	(22,187)
Impacts on profit or loss		**7,193**	**26,202**	**45,212**	**(11,818)**	**(30,827)**

II. Risk of interest rate

The Company and its subsidiaries monitor fluctuations in variable interest rates tied to some debts, mainly those linked to the risk of CDI/TJLP, and makes use of derivative instruments in order to minimize these risks.

Sensitivity analysis of changes in interest rates:

The sensitivity analysis on interest rates on loans and financing and compensation for CDI of financial investments increase and decrease of 25% and 50% is as follows:

		June 30, 2016			
Exposure interest rate[(i)]	**Balance**	**25%**	**50%**	**-25%**	**-50%**
Cash and cash equivalents, Marketable securities and Restricted cash	212,636	53,159	106,318	(53,159)	(106,318)
Long-term debt	(764,417)	(191,104)	(382,209)	191,104	382,209
Derivative financial instruments	(14,692)	(3,673)	(7,346)	3,673	7,346
Real estate credit certificates	(31,869)	(7,967)	(15,935)	7,967	15,935
Finance leases	(121,446)	(30,361)	(50,976)	30,361	50,976
Impacts on profit or loss		**(179,946)**	**(350,148)**	**179,946**	**350,148**

(i) The rates of CDI and TJLP considered: 13.16% p.a. and 7.5% p.a., respectively, were obtained from information provided by the market.

Fair value of financial instruments

The fair value of financial assets and liabilities represents the amount at which the instrument could be exchanged in a current transaction between willing parties, and not in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair value:

- The Cash and cash equivalents, accounts receivable, accounts payable and other short-term liabilities approximate their carrying amount largely due to the short-term maturity of these instruments.

- The fair value of shares is based on price quotations at the balance sheet date. The fair value of non-negotiable instruments, bank loans and other financial debts, obligations under finance leases as well as other non-current financial liabilities is estimated by means of future cash flows discounted using rates currently available for debt or deadlines and the like remaining.

- The fair value of other loans and financing, the respective market values substantially approximate the amounts recorded due to the fact that these financial instruments are subject to variable interest rates, see details in note 13.

The Company and its subsidiaries enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with observable market data refer mainly to interest rate swaps and foreign exchange forward contracts.

The fair value of derivative financial instruments is determined using valuation techniques and observable market data. The valuation techniques applied more often include pricing models and swaps contracts, with a present value calculation. The models consider various data, including counterparty credit quality, spot exchange rates and forward curves of interest rates.

Financial assets of R$1,726,963 and liabilities of R$24,243 are measured at fair value according to Level 2, with no measurement at Level 3. Further Company's financial instruments are measured at amortized cost which approximates fair values at the reporting date.

Hedge accounting of cash flow

The Company formally designates its subject to hedge accounting operations, which have the purpose of cash flow protection of capex purchases in US Dollars, mainly related to the acquisition of wagons and locomotives, documented: (i) the hedge ratio, (ii) the purpose and the Company's risk management strategy to adopt the hedge, (iii) identification of the financial instrument, (v) the object or hedged transaction, (v) the nature of the risk being hedged, (vi) the description coverage ratio, (vii) the demonstration of correlation between the hedge and the hedged item, and (viii) the retrospective and prospective effectiveness of the hedge.

On June 30, 2016, the amounts booked in equity of the Company and the achievements of the estimated results are as follows:

Derivative	**Market**	**Risk**	**June 30, 2016**
NDF Contracts - Designed hedge - Cash Flows	Loan	Exchange rate	**(5,387)**
			(5,387)
(-) Deferred income taxes			**1,435**
Equity effects			**(3,952)**

Below shows the changes of balances in other comprehensive income for the period ended June 30, 2016:

	June 30, 2016
At the beginning of the year	**-**
Gain (losses) incurred on period:	-
Exchange rates losses on loan contract's designed by hedge accounting	**(5,387)**
	-
Total movement incurred on period	**(5,387)**
	-
Deferred income taxes effects on other equity	**1,435**
	(3,952)
At the end of the period	**(3,952)**

Capital management

The administration's policy is to maintain a strong capital base to keep the confidence of investors, creditors and the market and the future development of the business. Management monitors the return on adequate capital to each of its businesses, which the Company defines as result from operating activities divided by total shareholders' equity.

28 Operating segment information

Management evaluates the performance of its operating segments based on EBITDA (earnings before income tax and social contribution, interest, depreciation and amortization).

Operational segments

(i) North Operations: comprised of the railway operations, transshipment and port elevation in the areas of the Company's concession of ALL Malha Norte and ALL Malha Paulista.
(ii) South Operations: comprised of the railway and transshipment in the concession area of ALL Malha Sul and ALL Malha Oeste.
(iii) Container Operations: comprised by the group company that focuses on container logistics either by rail or road transport and other container operations results.

The segment information has been prepared in accordance with the same accounting policies used in preparing the consolidated information.

As the acquisition of ALL occurred on April 1, 2015, the result of information with new segments are presented only from this date, as for all prior periods, the Company had only one reportable segment, coinciding with the results consolidated, as shown below.

Period ended June 30, 2016 and 2015:

	April 1, 2016 to June 30, 2016			
Results by segment	**North Operations**	**South Operations**	**Container Operations**	**Consolidated**
Net revenue	998,048	302,500	75,700	1,376,248
Cost of services	(525,428)	(294,800)	(87,300)	(907,528)
Gross profit	**472,620**	**7,700**	**(11,600)**	**468,720**
Gross margin (%)	**47.4%**	**2.5%**	**-15.3%**	**34.1%**
Selling, general and administrative	(59,677)	(15,400)	(9,300)	(84,377)
Other income and equity	(5,122)	(5,000)	3,200	(6,922)
Depreciation and amortization	143,747	59,400	12,500	215,647
EBITDA	**551,568**	**46,700**	**(5,200)**	**593,068**
Margin EBITDA (%)	**55.3%**	**15.4%**	**-6.9%**	**43.1%**

January 1, 2016 to June 30, 2016

Results by segment	**North Operations**	**South Operations**	**Container Operations**	**Consolidated**
Net revenue	1,893,980	527,328	140,831	2,562,139
Cost of services	(1,035,574)	(575,470)	(167,567)	(1,778,611)
Gross profit	**858,406**	**(48,142)**	**(26,736)**	**783,528**
Gross margin (%)	**45.3%**	**-9.1%**	**-19.0%**	**30.6%**
Selling, general and administrative	(114,341)	(30,625)	(25,264)	(170,230)
Other income and equity	1,007	(6,635)	4,536	(1,092)
Depreciation and amortization	278,170	119,439	27,823	425,432
EBITDA	**1,023,242**	**34,037**	**(19,641)**	**1,037,638**
Margin EBITDA (%)	**54.0%**	**6.5%**	**-13.9%**	**40.5%**

April 1, 2015 to June 30, 2015

Results by segment	North Operations	South Operations	Container Operations	Consolidated
Net revenue	817,350	320,151	82,784	1,220,285
Cost of services	(425,195)	(245,524)	(95,279)	(765,998)
Gross profit	392,155	74,627	(12,495)	454,287
Gross margin (%)	48.0%	23.3%	-15.1%	37.2%
Selling, general and administrative	(53,279)	(16,503)	(14,427)	(84,209)
Other income and equity	37,441	2,150	383	39,974
Depreciation and amortization	115,257	47,037	14,592	176,886
EBITDA	491,574	107,311	(11,947)	586,938
Margin EBITDA (%)	60.1%	33.5%	-14.4%	48.1%

EARNINGS RELEASE 2Q16

São Paulo, August 10, 2016 – RUMO LOGÍSTICA OPERADORA MULTIMODAL S.A. (BM&FBovespa: RUMO3) ("Rumo") and **COSAN LOGÍSTICA S.A. (BM&FBovespa: RLOG3) ("Cosan Logística")** announce today its results for the second quarter of 2016 **(2Q15)** comprising the months of April, May and June 2016. The results are consolidated in accordance with the accounting criteria adopted in Brazil and the International Financial Reporting Standards (IFRS).

Rumo Highlights in 2Q16 and 6M16

- EBITDA reached R$593 million in 2Q16, up 6.5% from the adjusted EBITDA in 2Q15. In 6M16, EBITDA totaled R$1.0 billion, up 24.3% from adjusted EBITDA in 6M15.
- Total volume transported reached 11 billion RTK, down 4% from 2Q15, due to the anticipation of soybean crop and concentration of export shipments in 1Q16, combined with the lower volume of industrial products.
- 3.5 million tons were loaded at Rumo's terminals at the Port of Santos (SP) in 2Q16, 80% higher than 2Q15, due to the more favorable scenario for sugar exports grain volume increase.
- Capex totaled R$599 million in 2Q16, up 6% from 2Q15, due to the acquisition of locomotives and rail cars in both the North and South Operations, among other initiatives.
- As part of the financial restructuring process already announced, the company concluded the capital increase of R$2.6 billion and rescheduled short-term debts maturities totaling R$2.9 billion.

2Q16	2Q15	Chg. %	Summmary of Financial Information - Rumo Consolidated (Amounts in R$ MM)	6M16	6M15 Combined[1]	Chg. %
1,376.2	**1,220.3**	**12.8%**	**Net Revenue**	**2,562.1**	**2,190.4**	**17.0%**
468.7	**454.4**	**3.2%**	**Gross Profit**	**783.5**	**721.8**	**8.6%**
34.1%	37.2%	-3.2 p.p.	Gross Margin (%)	30.6%	33.0%	-0.1 p.p.
(84.4)	**(84.2)**	**0.2%**	**Selling Expenses, General and Administrative Expenses**	**(170.2)**	**(182.9)**	**-6.9%**
(6.9)	**40.0**	**n.a.**	**Other Operating Revenues (Expenses) and Equity Pickup**	**(1.1)**	**10.2**	**n.a.**
377.4	**410.1**	**-8.0%**	**Operational Profit**	**612.2**	**549.1**	**11.5%**
215.6	**176.9**	**21.9%**	**Depreciation and Amortization**	**425.4**	**349.3**	**21.8%**
593.1	**586.9**	1.0%	**EBITDA**	**1,037.6**	**898.4**	**15.5%**
43.1%	48.1%	-5.0 p.p.	EBITDA Margin (%)	40.5%	41.0%	-0.5 p.p.
(32.6)	**33.2**	**n.a.**	**Net profit (loss)**	**(217.7)**	**(193.0)**	**12.8%**
-2.4%	2.7%	-5.1 p.p.	Margin (%)	-8.5%	-8.8%	0.3 p.p.
599.1	**563.3**	**6.4%**	**Capex**	**1,005.1**	**956.1**	**5.1%**

Note 1: The combined results mentioned in this report refer to the sum of Rumo and ALL consolidated with the properly eliminations of transactions with related parties, not necessarily fulfilling all the requirements of OCPC 06 - Presentation of Pro Forma Financial Information.

Conference Call

Portuguese – 2:00 p.m. (Brasilia Time)
August 11, 2016 (Thursday)
Phone: + 55 11 3193 1001
+ 55 11 2820 4001
Code: RUMO

English – 3:00 p.m. (Brasilia Time)
August 11, 2016 (Thursday)
Phone (BR): + 55 11 3193 1001
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1. Executive Summary 2Q16

Rumo's EBITDA grew in 2Q16 despite the lower volume transported compared to 2Q15. Market dynamics in the second quarter of 2016 were challenging. The early beginning of the 2015/16 soybean crop and its sale in volumes higher than registered in previous years caused an imbalance of shipments during 2Q16. Nevertheless, the company adjusted its commercial strategy to mitigate these effects and maintain the pace of operational improvements resulting from the investments made.

Volume transported in 2Q16 decreased 4% to 11 billion RTK. The anticipation of soybean shipments to 1Q16 and the concentration of shipments in the initial months of 2Q16 affected the company's transportation volume during the quarter. This anticipation still reflects the favorable currency exchange scenario for exports since the end of 2015, as well as good prospects for the soybean crop that lasted until the beginning of April, when the estimates were revised downward.This scenario caused shipments concentrations that occupied 100% of our capacity between the months of February to April, when there was still further demand for soybean transport. On the other hand, later in May we saw a drop in shipments, since most of the soybean volumes had already been exported. Yet, total soybean volume transported grew 2%. Furthermore, the company adapted its commercial and operational strategies to allocate the capacity available to transport sugar, which registered strong demand due to favorable export conditions. The drop in corn volume is due to the strong comparison base in 2Q15, when shipments were also antecipated. The volume transported grew 3% on the semester, reaching 21 billion RTK. This result reflects gains in capacity and operational efficiency since the beginning of the year.

EBITDA reached R$593 million in 2Q16, up 6.5% from the adjusted EBITDA in 2Q15 (excluding the non-recurring gain of R$29.8 million non-cash in 2Q15 from the termination of the pre-existing relationship between Rumo and ALL) and 1% when comparing reported numbers. The higher port volumes and increase in average yield on both transport and elevation services partially offset the reduction in transported industrial volumes and stable agricultural products

Capex in 2Q16 was 6.4% higher than in 2Q15 and reached R$599 million. Recurring capex was driven by higher spending on improvements to the rail structure and rolling stock. Expansion capex reflected the acquisitions of 17 GE AC44 locomotives, 11 GE ES43 locomotives and 268 HPT rail cars. In addition, during the period the company revamped rail structures, yards and terminals to increase productivity of its operations in line with the investment plan.

Net loss in the quarter was R$32.6 million and broad leverage, as measured by broad net debt/LTM EBITDA, reached 3.99 times. Net loss was affected by higher financial expenses due to the increase in the average dept balance and financial costs caused by the increase in average interest rates (CDI and TJLP) between the periods. Leverage dropped 20% in relation to 1Q16, due to the capital increase of R$2.6 billion in April 2016.

In the first half of the year, Rumo posted EBITDA of R$1,038 million, up 15.5% from 6M15 and reaching 43% of the midpoint of EBITDA guidance for 2016. This result was due to the company's new commercial strategy, combined with capacity gains due to investments in operations, which enabled an increase of 17.0% in net revenue in the period. Rumo's investments in 6M16 totaled R$1.0 billion.

The Company's projections for the second half of the year indicates an approximately 13% drop in second corn crop production. This reduction, combined with the strong domestic commodities market, hampers volumes destinated for exports. The biggest impact on corn export volumes should be felt in late 2016/early 2017, when sales of the 2016 second crop come to the end. Despite this scenario, the annual result should be within the guidance announced by the company, to be achieved through initiatives such as: (i) execution of new commercial agreements; (ii) the use of available capacity resulting from lower corn export volumes to meet domestic market demand; (iii) an increase in the volume of sugar transported, considering the strong demand expected in the second half of the year; and (iv) additional efforts to reduce costs in relation to projections.

On July 1, 2016, the company concluded the process of rescheduling a part of its debts originally maturing in 2016, 2017 and 2018, totaling R$2.9 billion. The process was concluded using proceeds from the issue of debentures amounting to R$2.32 billion and the execution of amendments to export credit notes in the aggregate principal amount of R$550 million. The two instruments now mature in 2023. Debt reschedule is in line with the company's financial restructuring plan, ensuring greater liquidity for its short-term commitments, in addition to the capital increase of R$2.6 billion concluded on April 13, 2016.

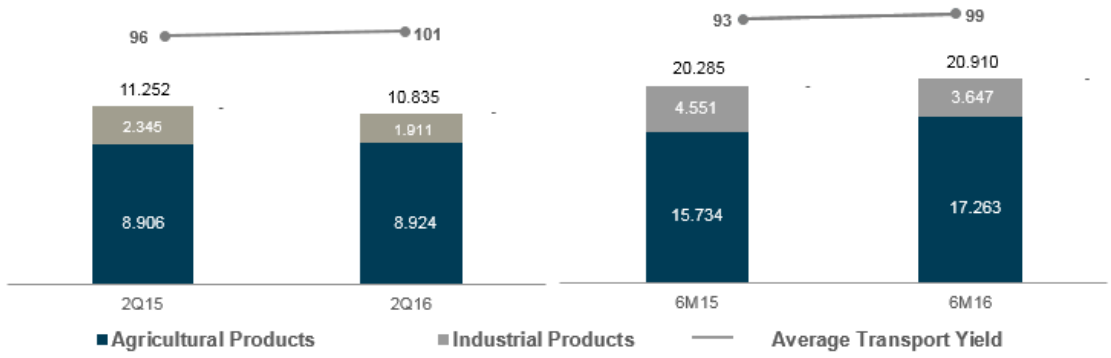
All the comments in this report refer to the consolidated results of Rumo. However, the 2Q16 and 6M16 financial information related to Cosan Logística is available in the appendixes.

2. Consolidated Operating and Financial Indicators

2Q16	2Q15	Chg. %	Operational na Financial Indicators (Amounts in R$ MM)	6M16	6M15 Combined	Chg. %
10,835	**11,252**	**-3.7%**	**Transported Volume (millions RTK)**	**20,910**	**20,285**	**3.1%**
8,924	8,906	0.2%	Agricultural Products	17,263	15,734	9.7%
1,911	2,345	-18.5%	Industrial Products	3,647	4,551	-19.9%
101.2	**96.4**	**4.9%**	**Average Transportation Yield (R$/000 RTK)**	**98.9**	**92.8**	**6.6%**
3,513	**1,952**	**79.9%**	**Volume Loaded (TU '000)**	**6,368**	**4,422**	**44.0%**
23.9	**21.0**	**14.0%**	**Average Loading Yield (R$/TU)**	**22.8**	**19.8**	**15.4%**
1,376.2	**1,220.3**	**12.8%**	**Net Operating Revenue**	**2,562.1**	**2,190.4**	**17.0%**
1,119.2	1,112.7	0.6%	Rail Operations	2,113.6	1,936.3	9.2%
84.1	41.0	n.a.	Port Elevation	145.5	87.5	66.3%
173.0	66.7	n.a.	Other[2]	303.1	166.6	81.9%
215.6	**176.9**	**21.9%**	**Depreciation and Amortization**	**425.4**	**349.3**	**21.8%**
593.1	**586.9**	**1.0%**	**EBITDA**	**1,037.6**	**898.4**	**15.5%**
43.1%	**48.1%**	**-5.0 p.p.**	**EBITDA Margin (%)**	**40.5%**	**41.0%**	**-0.5 p.p.**
			Adjusted EBITDA			
			Adjustments			
-	-	-	Cost structure of the merger	-	38.30	n.a.
-	-	-	Maintenance costs previously treated as CAPEX	-	(72.3)	n.a.
-	(29.8)	n.a.	Rumo and ALL Contract Effects	-	(29.8)	n.a.
593.1	**557.1**	**6.5%**	**Total Adjusted EBITDA**	**1,037.6**	**834.6**	**24.3%**
43.1%	**45.7%**	**-2.6 p.p.**	**Adjusted EBITDA margin (%)**	**40.5%**	**38.1%**	**2.4 p.p**

Note 2: Includes income for the right of way of other railways, revenue from sugar transportation using other railways or road transportation and revenue from volumes contracted but not executed according to commercial agreements.

Transported Volume (millions RTK) and Average Railroad Transportation Yield (R$/000 RTK)



Rumo Consolidated Transported Volume

2Q16	2Q15	Chg. %	Operational Figures	6M16	6M15 Combined	Chg. %
10,835	**11,252**	**-3.7%**	**Transported Volume (millions RTK)**	**20,910**	**20,285**	**3.1%**
8,924	**8,906**	**0.2%**	**Agricultural Products**	**17,263**	**15,734**	**9.7%**
5,653	5,519	2.4%	Soybean	10,350	9,551	8.4%
1,535	1,553	-1.2%	Soybean meal	2,634	2,764	-4.7%
343	559	-38.6%	Corn	2,200	1,029	n.a.
1,230	1,020	20.5%	Sugar	1,800	1,688	6.7%
162	198	-17.9%	Fertilizers	229	376	-39.1%
1	1	1.4%	Wheat	47	203	-76.7%
-	56	n.a.	Rice	3	123	-97.6%
1,911	**2,345**	**-18.5%**	**Industrial Products**	**3,647**	**4,551**	**-19.9%**
1,062	1,070	-0.7%	Fuels	2,025	2,093	-3.3%
190	402	-52.7%	Wood, Pulp and Paper	346	774	-55.3%
457	574	-20.4%	Containers	903	1,107	-18.5%
162	191	-15.5%	Construction	295	355	-17.0%
38	50	-23.4%	Steel and Mining	77	107	-27.9%
2	58	-97.0%	Others	2	115	-98.5%

Results by Business Unit

Business Units

The business units (reporting segments) are organized as follows:

- **North Operation** — Malha Norte, Malha Paulista and Port Operation in Santos
- **South Operation** — Malha Oeste and Malha Sul
- **Container Operation** — Container operations including Brado Logística

Results by Business Unit 2Q16	North Operation	South Operation	Containers Operation	Consolidated
Net Revenue	**998.1**	**302.5**	**75.7**	**1,376.2**
Cost of Services	**(525.4)**	**(294.8)**	**(87.3)**	**(907.5)**
Gross Profit (Loss)	**472.7**	**7.7**	**(11.7)**	**468.7**
Gross Margin(%)	47.4%	2.5%	-15.4%	34.1%
Selling Expenses, General and Administrative Expenses	**(59.7)**	**(15.4)**	**(9.3)**	**(84.4)**
Other Operating Revenues (Expenses)	**(5.1)**	**(5.0)**	**3.2**	**(6.9)**
Depreciation and Amortization[3]	**143.7**	**59.4**	**12.5**	**215.6**
EBITDA	**551.6**	**46.7**	**(5.3)**	**593.1**
EBITDA Margin (%)	55.3%	15.5%	-6.9%	43.1%

Results by Business Unit 6M16	North Operation	South Operation	Containers Operation	Consolidated
Net Revenue	**1,894.0**	**527.3**	**140.8**	**2,562.1**
Costs of Services	**(1,035.6)**	**(575.5)**	**(167.6)**	**(1,778.6)**
Gross Profit (Loss)	**858.4**	**(48.1)**	**(26.7)**	**783.5**
Gross Margin(%)	45.3%	-9.1%	-19.0%	30.6%
Selling Expenses, General and Administrative Expenses	**(114.3)**	**(30.6)**	**(25.3)**	**(170.2)**
Other Operating Revenues (Expenses)	**1.0**	**(6.6)**	**4.5**	**(1.1)**
Depreciation and Amortization[3]	**278.2**	**119.4**	**27.8**	**425.4**
EBITDA	**1,023.2**	**34.0**	**(19.6)**	**1,037.6**
EBITDA Margin (%)	54.0%	6.5%	-13.9%	40.5%

Note 3: Depreciation and amortization are allocated as cost of services provided and as general and administrative expenses.

North Operation

2Q16	2Q15	Chg. %	Operational Figures	6M16	6M15 Combined	Chg. %
7,140	**6,968**	**2.5%**	**Transported Volume (millions RTK)**	**14,143**	**12,358**	**14.4%**
6,573	**6,283**	**4.6%**	**Agricultural Products**	**13,048**	**11,038**	**18.2%**
4,131	3,946	4.7%	Soybean	7,697	6,993	10.1%
1,413	1,344	5.1%	Soybean meal	2,423	2,367	2.4%
343	559	-38.6%	Corn	1,894	826	n.a.
687	434	58.1%	Sugar	1,034	851	21.5%
-	-	-	Fertilizers	-	1	n.a.
567	**686**	**-17.3%**	**Industrial Products**	**1,095**	**1,320**	**-17.0%**
567	499	13.5%	Fuels	1,066	946	12.7%
-	187	n.a.	Wood, Pulp and Paper	28	374	-92.6%
104.8	**101.8**	**2.9%**	**Average Transportation Yield (R$/000 RTK)**	**102.7**	**98.6**	**4.2%**
3,513	**1,952**	**79.9%**	**Volume Loaded (TU '000)**	**6,368**	**4,422**	**44.0%**
23.9	**21.0**	**14.0%**	**Average Loading Yield (R$/TU)**	**22.8**	**19.8**	**15.4%**

In 2Q16, total volume transported in the North Operation was 7.1 billion RTK, up 2.5% from 2Q15, reflecting the higher volumes of agricultural products transported in the period. Growth was driven by the increase in soybean, soybean meal and sugar volumes, thanks to the new commercial strategy combined with capacity gains obtained in the quarter.

In 2Q16, the volume of agricultural products transported grew 4.6% to 6.6 billion RTK, equivalent to 92% of total volume transported by the North Operation. Soybean and sugar crops enabled the increase in volume transported, offsetting the reduction in corn transportation. The favorable conditions for the sale of grains in 2015 lasted through 1Q16, which caused a higher concentration of soybean shipments in the initial months of the year. Thus, the anticipation of soybean exports led to a reduction in demand for its transport during 2Q16. Despite this concentration of shipments, which limits cargo capturing beyond our available capacity, capacity gains obtained through the acquisition of rolling stock enabled the increase of 4.7% and 10.1% in soybean volume transported in 2Q16 and 6M16 respectively.

Transportation of industrial products decreased 17.3% in 2Q16. The impact was due to the termination of a transportation agreement with a pulp and paper client since its terminal at the Port of Santos, São Paulo, does not allow unloading through railway. This decline was partially offset by the 13.5% increase in the volume of fuel transported, reflecting the operational startup of BR Distribuidora's terminal in Rondonópolis, Mato Grosso, in adition of the Raízen and Ipiranga terminals, as well as the start of operations with biodiesel as backhaul cargo.

Port loading volume reached 3.5 million tons in 2Q16, up 79.9% from 2Q15. This increase was mainly due to the more favorable sugar sale and export scenario with more attractive prices, as well as the increase in grain handling in the quarter. Around 800,000 tons of grains were loaded during 2Q16, compared to 493,000 tons in 2Q15.

2Q16	2Q15	Var. %	Financial Results (Amounts in R$ MM)	6M16	6M15 Combined	Chg. %
998.1	**817.3**	**22.1%**	**Net Operating Revenue**	**1,894.0**	**1,472.2**	**28.7%**
748.1	709.7	5.4%	Transportation	1,452.5	1,218.1	19.2%
698.6	648.2	7.8%	Agricultural Products	1,357.4	1,101.6	23.2%
49.5	61.6	-19.5%	Industrial Products	95.2	116.4	-18.3%
84.1	41.0	n.a.	Port Elevation	145.5	87.5	66.3%
165.9	66.7	n.a.	Other Net Revenue[4]	296.0	166.6	77.6%
(525.4)	**(425.2)**	**23.6%**	**Costs of Services**	**(1,035.6)**	**(834.4)**	**24.1%**
472.7	**392.2**	**20.5%**	**Gross (Loss) Profit**	**858.4**	**637.9**	**34.6%**
47.4%	48.0%	-0.6 p.p.	Gross Margin (%)	45.3%	43.3%	2.0 p.p
(59.7)	**(53.3)**	**12.0%**	**Selling, General and Adms Expenses**	**(114.3)**	**(117.4)**	**-2.6%**
(5.1)	**37.4**	**n.a.**	**Other Operational Revenues (Expenses) and Equity Pickup**	**1.0**	**15.2**	**-93.5%**
143.7	**115.3**	**24.7%**	**Depreciation and amortization**	**278.2**	**224.9**	**23.7%**
551.6	**491.6**	**12.2%**	**Total EBITDA**	**1,023.2**	**760.5**	**34.5%**
55.3%	60.2%	-0.1 p.p.	EBITDA Margin (%)	54.0%	51.7%	2.4 p.p

Note 4: Includes income for the right of way of other railways, sugar transportation revenue using other railways or road transportation and revenue from volumes contracted but not realized according to commercial agreements.

Net revenue from North Operation totaled R$998.1 million in 2Q16, up 22.1% from 2Q15. This growth was mainly due to revenue from transportation of agricultural products, port loading and execution of take-or-pay clauses according to new commercial agreements. Average transportation yield in 2Q16 grew 2.9% to R$104.8/thousand RTK, due to contractual adjustments, being partially affected by a less favorable mix, with a higher share of sugar than in 2Q15. Moreover, average yield from port loading grew 14.0%, due to the renegotiation of sugar agreements which were adjusted by logistics costs and port tariffs.

Cost of services provided totaled R$525.4 million in the quarter. The higher transported volume (+2.5%) and the increase in average diesel price (ANP: +7.6%) contributed to the 23.6% increase in total cost. This increase was partially offset by the entry of new more energy-efficient locomotives with lower unitary consumption. The higher expenses were also a result of higher logistics costs due to the higher demand for sugar transportation (+58.1%) in the quarter. Besides, depreciation and amortization increased in 2Q16 due to higher investments during the course of 2015.

EBITDA reached R$551.6 million in 2Q16, up 12.2% from 2Q15. The increase in the volume of agricultural products transported, the increase in average yield, the operational improvements and the efforts to cut costs benefited EBITDA in the North Operation.

South Operation

2Q16	2Q15	Chg. %	Operational Figures	6M16	6M15 Combined	Chg. %
3,238	**3,709**	**-12.7%**	**Transported Volume (millions RTK)**	**5,865**	**6,820**	**-14.0%**
2,351	**2,624**	**-10.4%**	**Agricultural Products**	**4,215**	**4,696**	**-10.2%**
1,522	1,573	-3.2%	Soybean	2,653	2,558	3.7%
122	209	-41.7%	Soybean meal	211	398	-47.0%
0	0	n.a.	Corn	306	204	50.2%
543	586	-7.3%	Sugar	766	836	-8.4%
162	198	-17.9%	Fertilizers	229	375	-38.9%
1	1	1.4%	Wheat	47	203	-76.7%
-	56	n.a.	Rice	3	123	-97.6%
887	**1,086**	**-18.4%**	**Industrial Products**	**1,650**	**2,124**	**-22.3%**
496	571	-13.1%	Fuels	959	1,148	-16.4%
190	216	-11.8%	Wood, Pulp and Paper	318	400	-20.4%
162	191	-15.5%	Construction	295	355	-17.0%
38	50	-24.3%	Steel and Mining	76	107	-28.6%
2	58	-97.0%	Others	2	115	-98.5%
91.2	**86.3**	**5.7%**	**Average Transportation Yield (R$/000 RTK)**	**88.7**	**80.5**	**10.2%**

The South Operation transported a total volume of 3.2 billion RTK in 2Q16, down 12.7% from 2Q15. Operational problems at the Port of Paranaguá, Paraná, and adverse weather conditions in June affected transported volumes. Moreover, the economic slowdown continues to adversely affect the volume of industrial products in the quarter.

The volume of agricultural products fell 10.4% to 2.4 billion RTK. The anticipation of soybean exports in 1Q16 slowed down demand for its transportation in 2Q16. In addition, operational contingencies at the Port of Paranaguá created bottlenecks during the unloading of rail cars at the terminals, which affected the availability of assets. In June, agricultural volumes were affected by weather conditions, which affected transport mainly from the North of Paraná to the ports of Paranaguá in Paraná and São Francisco do Sul in Santa Catarina.

Transportation of industrial products decreased 18.4%, reflecting the economic slowdown and the discontinuation of a few routes in the Malha Oeste in 3Q15. The volume of fuel continues to be affected by the decline in consumption, which led to a delay in turnover at the distributors' stocks, reducing the demand for transportation. Operational issues and loading limitations at the terminals in Paraná and Rio Grande also contributed to the drop in volumes.

2Q16	2Q15	Chg. %	Financial Results (Amounts in R$ MM)	6M16	6M15 Combined	Chg. %
302.5	**320.2**	**-5.5%**	**Net Operating Revenue**	**527.3**	**549.0**	**-3.9%**
295.4	320.2	-7.7%	Transportation	520.3	549.0	-5.2%
212.9	229.1	-7.1%	Agricultural Products	362.5	373.5	-3.0%
82.5	91.0	-9.3%	Industrial Products	157.8	175.5	-10.1%
7.1	-	n.a.	Other Net Revenue[5]	7.1	-	-
(294.8)	**(245.5)**	**20.0%**	**Costs of Services**	**(575.5)**	**(448.5)**	**28.3%**
7.7	**74.6**	**-89.7%**	**Gross Profit (Loss)**	**(48.1)**	**100.5**	**n.a.**
2.5%	23.3%	-20.8 p.p.	Gross Margin (%)	-9.1%	18.3%	-27.4 p.p.
(15.4)	**(16.5)**	**-6.7%**	**Selling, General and Administrative Expenses**	**(30.6)**	**(37.6)**	**-18.6%**
(5.0)	**2.1**	**n.a.**	**Other Operational Revenues (Expenses) and Equity Pickup**	**(6.6)**	**(6.7)**	**-0.3%**
59.4	**47.0**	**-**	**Depreciation and Amortization**	**119.4**	**94.6**	**26.3%**
46.7	**107.3**	**-56.4%**	**Total EBITDA**	**34.0**	**150.8**	**-77.4%**
15.5%	33.5%	-18.1 p.p.	EBITDA Margin (%)	6.5%	27.5%	-21.0 p.p.

Note 5: Includes revenue from volumes contracted and not executed according to commercial agreements.

Net revenue from the South Operation amounted to R$302.5 million in 2Q16, down 5.5% from 2Q15. The main reason for the decline in net revenue in the quarter was the lower volume transported in all corridors: West Network (-35%), Rio Grande do Sul (-19%) and Paraná (-7%). This effect was partially offset by the increase in average yield (+5.6%) due to contractual adjustments and the cargo mix.

Cost of services provided increased by 20.0% to R$294.8 million in 2Q16. There was an increase in consulting expenses for the Transformation Project and third-party costs, which were partially offset by the reduction in variable costs due to lower transportation volumes. The increase in depreciation and amortization was due to higher investments during 2015.

EBITDA from the South Operation was R$46.7 million in 2Q16, down 56.4% from 2Q15, mainly due to lower volumes transported (-12.7%) and the increase in total costs (+20.0%) of the operation.

Container Operation

2Q16	2Q15	Chg. %	Operational Figures	6M16	6M15 Combined	Chg. %
16,856	**20,804**	**-19.0%**	**Total Volume (Containers '000)**	**32,655**	**40,570**	**-19.5%**
3.1	**2.7**	**17.3%**	**Average Yield (R$ '000/containers)**	**2.9**	**2.8**	**2.9%**
457	**574**	**-20.4%**	**Total Volume (millions RTK)**	**903**	**1,107**	**-18.5%**

The volume of containers transported decreased by 19.0% in 2Q16, due to the loss of important clients who used to operate in the Paraná and Rio Grande do Sul corridors, and to the Company's decision to not operate on unprofitable routes in the Mercosur corridor. This decrease was partially offset by higher transportation volumes of wood and cotton, reducing dependency on seasonal loads.

2Q16	2Q15	Chg. %	Financial Results (Amounts in R$ MM)	6M16	6M15 Combined	Chg. %
75.7	**82.8**	**-8.6%**	**Net Operating Revenue[5]**	**140.8**	**169.2**	-16.8%
(87.3)	**(95.3)**	**-8.4%**	**Costs of Services**	**(167.6)**	**(185.8)**	-9.8%
(11.7)	**(12.5)**	**-6.8%**	**Gross Profit**	**(26.7)**	**(16.6)**	61.1%
-15.4%	-15.1%	-0.3 p.p.	Gross Margin (%)	-19.0%	-9.8%	-9.2 p.p.
(9.3)	**(14.4)**	**-35.6%**	**Selling, General and Administrative Expenses**	**(25.3)**	**(27.8)**	-9.2%
3.2	**0.4**	**n.a.**	**Other Operational Revenues (Expenses)[5] and Equity Pickup**	**4.5**	**1.7**	n.a.
12.5	**14.6**	**-14.2%**	**Depreciation and Amortization**	**27.8**	**29.8**	-6.6%
(5.3)	**(11.9)**	**-56.0%**	**Total EBITDA**	**(19.6)**	**(12.9)**	52.1%
-6.9%	-14.4%	7.5 p.p.	EBITDA Margin (%)	-13.9%	-7.6%	-6.3 p.p.

Note 6: Includes revenue from service units

Net revenue reached R$75.7 million in 2Q16, due to the lower volume of containers handled, which was partially offset by the 17.3% increase in average yield.

Costs of services provided decreased by 8.4% and totaled R$87.3 million in 2Q16. The decline was in line with the reduction in transported volumes, since diesel expenses and port tariffs decreased.

EBITDA from the Container Operation was a loss of R$5.3 million in 2Q16. Despite the negative result, the rationalization of unprofitable routes is already showing a recovering tendency in comparison with previous quarters, this being the quarter with the best result since the consolidation of the companies Rumo and ALL.

3. Other Result Items

Breakdown of Costs of Services Provided

2Q16	2Q15	Var. %	Consolidated Costs (Valores em R$ MM)	6M16	6M15 Combined	Var. %
(907.5)	**(766.0)**	**18.5%**	**Consolidated Costs**	**(1,778.6)**	**(1,468.6)**	**21.1%**
(324.8)	**(288.1)**	**12.7%**	**Variable Costs**	**(634.2)**	**(560.4)**	**13.2%**
(184.1)	(183.2)	0.5%	Fuels	(359.8)	(336.9)	6.8%
(41.2)	(58.2)	-29.2%	Own Logistics costs[7]	(80.5)	(106.6)	-24.4%
(99.5)	(46.8)	n.a.	Third Paties freight costs[8]	(193.9)	(116.9)	65.9%
(582.7)	**(477.9)**	**21.9%**	**Fixed Costs**	**(1,144.4)**	**(908.2)**	**26.0%**
(212.9)	(176.8)	20.5%	Depreciation and amortization	(419.7)	(349.3)	20.1%
(53.3)	(55.8)	-4.4%	Maintenence	(114.8)	(68.6)	67.4%
(140.2)	(121.5)	15.4%	Payroll Expenses	(248.1)	(221.3)	12.1%
(51.9)	(47.4)	9.6%	Leasing and Concession	(102.7)	(93.5)	9.9%
(17.1)	(13.9)	23.4%	Operational Leasing	(31.3)	(25.6)	22.1%
(53.9)	(19.2)	n.a.	Third Paties Services	(107.3)	(35.5)	n.a.
(53.3)	(43.4)	22.8%	Other Operational Costs	(120.4)	(114.5)	5.2%

Note 7: Own logistics costs include sand, trackage, terminals and other variable costs
Note 8: Third-party freight costs include contracts for road and rail freight with other rail operators

Variable costs totaled R$324.8 million, up 12.7% from 2Q15. The decrease in volume transported, as well as the lower unitary consumption of diesel by the new locomotives acquired, maintained spending on fuel in line with those in 2Q15. This efficiency was obtained despite the increase in average fuel prices (ANP: +7.6%) in the period and the higher sugar volumes in the North Operation (higher diesel consumption per RTK). The increase in third-party freight costs was due to the higher volume of sugar transported through highways and other railway operators.

Fixed costs totaled R$582.7 million, up 21.9% from 2Q15. Depreciation and amortization increased 20.5% due to the capitalization of investments concluded in the second half of 2015. Additionally, there was an increase in expenses with personnel and outsourced services, in line with the new criteria adopted by the Company during 2Q15, and which were previously recorded as Capex,

Financial Result

2Q16	2Q15	Chg. %	Financial Results (Amounts in R$ MM)	6M16	6M15 Combined	Chg. %
(252.2)	(234.1)	7.7%	Cost of Bank Gross Debt	(497.5)	(395.3)	25.9%
67.1	33.3	n.a.	Financial Invest Income	86.9	80.2	8.4%
(185.1)	**(200.8)**	**-7.8%**	**(=)Sub- total: Cost of Net Bank Debt**	**(410.6)**	**(315.1)**	**30.3%**
(221.5)	**(131.3)**	**68.7%**	**Monetary variation on liabilities Concession**	**(426.7)**	**(349.4)**	**22.1%**
(51.4)	(22.2)	n.a.	Charges on Leasing	(102.1)	(87.8)	16.3%
(9.4)	(12.0)	-21.7%	Charges on Certificates of Real Estate Receivables	(21.4)	(24.1)	-11.2%
(160.7)	(97.1)	65.6%	Other monetary variations	(303.2)	(237.5)	27.6%
(406.6)	**(332.1)**	**22.5%**	**(=) Net Financial**	**(837.3)**	**(664.5)**	**26.0%**

The financial result in 2Q16 was a 22.5% increase in financial expenses compared to 2Q15, totaling R$406.6 million. This growth reflects the increase in gross debt charges caused by the hike in interest rates (CDI and TJLP) between the quarters, which was partially offset by the return on financial investments over the capital increase concluded on April 13, 2016. Monetary variation on lease and concession agreements reflects the adjustment (SELIC) of the unpaid concession amounts of Malha Oeste and Malha Paulista, which are currently under litigation. Other monetary variations include costs with bank-issued guarantees, inflation adjustments of contingencies and other financial operations.

Income Tax and Social Contribution

2Q16	2Q15	Chg. %	Income Tax and Social Contribution (Amounts in R$ MM)	6M16	6M15 Combined	Chg. %
(29.2)	**78.0**	n.a.	**Income (loss) before IR / CS**	**(225.1)**	**(115.5)**	94.9%
34%	*34%*	0.0%	*Theoretical rate IR / CS*	*34%*	*34%*	0.0%
9.9	**(26.5)**	n.a.	**Income (Expenses) Theoretical with IR / CS**	**76.5**	**39.3**	94.9%
			Adjustments to calculate the effective rate			
(42.7)	(27.3)	56.6%	Tax losses not reconhecidos[9]	(111.5)	(126.8)	-12.0%
6.6	9.1	-27.9%	Tax incentives arising from the North Network[10]	17.3	17.5	-1.4%
0.9	0.1	n.a.	Equity Pickup	2.1	-	n.a.
21.9	(0.2)	n.a.	Other Effects	23.0	(1.3)	n.a.
(3.4)	**(44.8)**	-92.4%	**Income (Expense) with IR / CS**	**7.3**	**(71.3)**	n.a.
-11.72%	*57.48%*	*69.2 p.p.*	*Effective rate (%)*	*3.26%*	*-61.76%*	*-65.0 p.p.*

Note 9: We did not constitute IR / CS deferred tax losses in certain companies due to the lack of prospects for future taxable income to compensate them.
Note 10: Malha Norte has the Amazon Development Office (SUDAM) benefit that grants the right to a 75% reduction in corporate income tax (rate of 25%) until 2023

4. Loans and Financing

Total broad gross debt at the end of 2Q16 was R$10.1 billion, down 5.6% from 1Q16. Leverage declined 19.7% to 3.99 times, considering EBITDA of R$2.1 billion in the last 12 months.

The main transaction during the quarter were funding transactions: (i) R$59.9 million through Financial Lease; (iii) R$25.0 million through Export Credit Notes (NCE); and (ii) R$187.3 million under the FINAME credit line. In addition, the company had total amortizations of R$576.1 million in FINEM, FINAME, NCE, Debenture agreements and in working capital lines.

The 19.5% drop in broad net debt was due to: (i) net amortizations in the quarter; and (ii) the higher cash level due to the capital increase concluded on April 13, 2016. All the foreign currency-denominated debt of Rumo is hedged against exchange variations.

Total Indebtness (Amounts in R$ MM)	2Q16	1Q16	Chg %
Commercial Banks	198.4	1,120.5	-82.3%
NCE	697.1	818.4	-14.8%
BNDES	3,814.6	3,778.7	1.0%
Debentures	3,459.5	2,945.5	17.5%
Total Bank Debt	**8,169.6**	**8,663.0**	-5.7%
Leases	1,650.9	1,730.7	-4.6%
Certificate of Real Estate Receivables	242.2	265.8	-8.9%
Total Gross Broad Debt	**10,062.6**	**10,659.5**	-5.6%
Cash and Cash Equivalents and Secutities[11]	(1,864.4)	(408.0)	n.a.
Net Derivatives Instruments	20.2	(49.5)	n.a.
Net Broad Debt	**8,218.4**	**10,202.0**	-19.4%
EBITDA LTM	2,057.6	2,050.6	0.3%
Leverage (Net Broad Debt / EBITDA LTM)	**3.99x**	**4.98x**	-19.7%

Note 11: In 1Q16, includes restricted cash from bank debts in the amount of R$79.8 million. For 2Q16, includes restricted cash from bank debts in the amount of R$81.6 million.

The following table gives a breakdown of the items that impacted consolidated debt of Rumo.

Bank gross indeptedness (Amounts in R$ MM)	2Q16
Inicial balance of consolidated bank net debt (Net of MTM) in 06/30/2016	**10,100.7**
Cash and cash equivalents and marketable securities iin 03/31/2016	(509.7)
Net Derivatives Instruments in 03/31/2016	(49.5)
Inicial Consolidated Bank Gross Debt in 03/31/2016	**10,659.9**
Items with impact on cash	**(888.6)**
Funding	2,591.6
Amortization of principal	(3,025.3)
Amortization of interest rates	(454.9)
Items without impact on cash	**291.3**
Provision for interest rates (accrual)	281.1
Net exchange variation of derivatives	(9.8)
Others	20.0
Closing balance of consolidated bank gross Debt in 06/30/2016	**10,062.6**
Cash and cash equivalents and marketable securities in 06/30/2016	(1,864.4)
Net Derivatives Instruments in 03/31/2016	20.2
Closing Balance of Consolidated Bank Net Debt (Net of MTM) in 06/30/2016	**8,218.4**

In regards to rescheduling of debts maturing between 2016 and 2018, totaling R$2.9 billion, the new covenants were renegotiated with commercial banks and defined for a maximum leverage of 4.5 times of broad net debt/EBITDA LTM and minimum interest coverage ratio of 1.1 times of EBITDA/Financial Result for December 31, 2016. Broad net debt includes bank debts, debentures, financial leases and real estate receivables certificates minus cash and cash equivalents, as well as marketable securities and derivative instruments.

BNDES granted consent to the breach of covenants on December 31, 2014 and December 31, 2015 and a new verification will occur on December 31, 2016. We are discussing the new covenants with BNDES, already considering the new levels agreed with commercial banks as part of the debt rescheduling concluded in June 2016.

5. Capex

2Q16	2Q15	Chg. %	Investiments (Valores em R$ MM)	6M16	6M15 Combined	Chg. %
599.1	**563.3**	**6.4%**	**Total Investments**	**1,005.1**	**956.1**	**5.1%**
197.0	172,5	14,2%	Recurring	344.9	402.4	-14.3%
402.1	390,9	2,9%	Expansion	660.2	553.8	19.2%

In 2Q16, Capex totaled R$599.1 million, up 6.4% from 2Q15. The 14.2% increase in recurring Capex is due to the higher maintenance costs of rail structures, terminals and rolling stocks in the period. Expansion capex totaled R$402.1 million, reflecting higher investments such as: (i) the acquisition of 17 GE AC44 locomotives, 11 GE ES43 locomotives and 268 HPT freight cars. (ii) recovery of rail structure to replace the wooden sleepers with more resistant models in the North Operation and to increase the capacity of the Paraná Central Corridor in the South Operation; and (iii) renovation of the railway line along the right bank of the Port of Santos, thereby contributing to better reception of trains at the port.

Capex totaled R$1.005,1 million in 6M16, up 5.1% from 6M15. The 14.3% decline in recurring Capex is mainly due to the allocation of higher expenses with maintenance of rail structure and rolling stock, which, according to the new accounting criteria adopted by the Company in 2Q15, were considered maintenance and personnel costs (Opex) this semester and investments (Capex) in the same period in 2015.

6. Cash Flow

The following statement shows Rumo's cash flow based on the balance reported in 1Q16 and the respective changes to arrive at the cash balance in 2Q16. Securities were considered as cash and cash equivalents in this statement.

On April 13, 2016, the company concluded the capitalization of R$ 2.6 billion through a follow-on operation. This event was recorded under financial cash flow in the amount of R$2,537.3 million. Moreover, on June 28, the company concluded the reschedule of a part of its debt originally maturing in 2016, 2017 and 2018 in the total amout of R$ 2.9 billion. This operation was recorded under financial cash flow for the raising and amortization of R$2,375.6 million. Other R$ 550.0 million were reschedule, however without effective cash movement.

	Indirect Cash Flows (Amounts in R$ MM)	**2Q16**
	EBITDA	593.1
	Non-Cash Effects	(9.1)
	Working Capital Variation	(209.9)
	Operating Financial Result	18.7
(a)	**(=) Operating Cash Flows**	**392.8**
	Total Capex	(539.2)
(b)	Recurring	(197.0)
	Expansion[12]	(342.2)
	Dividends Received	-
(c)	**(=) Cash Flows from Investments**	**(539.2)**
	Funding	211.6
	Amortization of principal	(596.1)
	Amortization of interest rates	(371.1)
	Capital Increase	2,600.0
	Derivative Financial Instruments and Other	(2.4)
(d)	Restrict Cash	(4.2)
	Debt Restruturing	(114.9)
	Funding (Rescheduling)	2,375.6
	Amortization of principal (Rescheduling)	(2,375.6)
	Payment of interest rates (Rescheduling)	(114.9)
	Debt Rescheduling and Capital Increase Costs	(118.2)
	(=) Financial Cash Flows	**1,604.6**
	(=) Generation (Consuption) Total Cash	**1,458.2**
	(+) Cash and Cash Equivalents + Marketable Securities, Opening Balance Rumo Combined	327.8
	(=) Cash and Cash Equivalents + Marketable Securities, Closing Balance Rumo Combined	**1,786.0**
	Metrics	
	(=) Cash generation after recurring Capex (a+ b)	**195.8**
	(=) Cash generation after Total Capex (a+ c)	**(146.4)**
	(=) Generation (Consumption) total cash (a+c+d)	**1,458.2**

Note 12: During the quarter, we acquired 268 HPT freight cars through operations recorded as financial lease, in the amount of R$59.9 million. Considering these non-cash effects, expansion Capex in 2Q16 was R$402.1 million (R$660.2 million in 6M16).

7. Operating and Financial Performance Indicators

Below are the changes in the main operating and financial indicators.

Operational and Financial Performance Indicators	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	2Q15	2Q16	Chg. %
Consolidated									
Operating Ratio (%)	**86%**	**66%**	**74%**	**81%**	**81%**	**73%**	**66%**	**73%**	**10%**
Diesel Comsuption (Liters/ '000 GTK)	**5.2**	**5.0**	**4.9**	**4.8**	**4.8**	**4.8**	**5.0**	**4.8**	**-4%**
North Operation - Grains in Rondonópolis (MT) to Port of Santos (SP)									
Average number freight cars loaded per day (units)	293	391	476	465	395	361	391	361	-8%
Transit time (hours)	109.4	92.4	93.9	93.9	100.2	101.4	92.4	101.4	10%
Cycle time of freight cars (days)	12.3	10.2	10.1	9.4	10.8	10.4	10.2	10.4	2%
South Operation - Grains in Terminals in north of Paraná to Port of Paranaguá (PR) and Port of São Francisco do Sul (SC)									
Average number freight cars loaded per day (units)	344	368	383	329	355	352	368	352	-4%
Transit time (hours)	45.5	40.9	41.9	45.5	49.3	46.1	40.9	46.1	13%
Cycle time of freight cars (days)	8.1	7.4	7.1	8.1	8.4	7.4	7.4	7.4	1%

Operating Ratio: since a significant portion of railway costs is fixed, the decrease in transported volume in 2Q16 resulted in a 10% increase in Operating Ratio, which represents the portion of operating costs and expenses (including depreciation and amortization) as a percentage of net revenue. Furthermore, expenses with personnel and outsourced services increased in line with the new criteria adopted by the Company during 2Q15, and which were earlier recorded as Capex.

Diesel consumption: the reduction in volumes transported and the lower unit consumption of diesel by the new locomotives put into operation as well as the changes on train operational model, better suited to the lower demand, led to a reduction of 4% in diesel consumption in the quarter. The operational improvement occurred despite the increase in sugar volume, which entails a higher average consumption of diesel/RTK than grain shipments, in the North Operation.

Cycle time of rail cars: the decrease in demand for grain transportation during 2Q16 concentrated railway unloading on the right bank of the Port of Santos, which caused traffic bottlenecks at several stretches, thereby contributing to the increase in the cycle time of rail cars. In addition, operational contingencies and delays in the berthing of ships at the Port of Paranaguá also affected this metric.

Transit time: affected significantly by the reduction in demand, which caused in North Operations train stops beyond the programmed, which ends up being taken into account in the calculation of this indicator. In South Operations there was reduction of demand and also operational complications, mainly due to unscheduled shutdown of the Port of Paranguá for 7 days for dredging services along with interruption in shipments due to rains, which caused a complete stocking of warehouses making it impossible to unload trains.

Rail cars loaded/day: The decrease in demand for grain transportation during 2Q16 affected the loading volume in Rondonópolis and North of Paraná, since the lack of line-up in ports decreased the origination of grains at the terminals.

8. Guidance

This section contains the guidance ranges of some of the key parameters that influence the consolidated results of Rumo in 2016. Note that other sections of this Earnings Release also may contain projections. Such projections and guidance are mere estimates and indications, and should not be taken as a guarantee of future results.

		2016
Rumo	EBITDA (R$ MM)	2,300 ≤ Δ ≤ 2,500
	Total Capex (R$ MM)	1,700 ≤ Δ ≤ 2,100
	Capex Recurring (R$ MM)	700 ≤ Δ ≤ 900
	Capex Expansion (R$ MM)	1,000 ≤ Δ ≤ 1,200

Disclaimer

This document contains forward-looking statements and information. These forward-looking statements and information are solely forecasts and are not guarantees of future performance. All stakeholders are advised that these forward-looking statements and information are and will be, as applicable, subject to risks, uncertainties and factors related to the operations and business environment of Cosan and its subsidiaries, and hence actual results of these companies could differ significantly from the future results expressed or implied by said forward-looking statements and information.

9. Appendices

10.1 Financial Instruments – Rumo

10.1.1 Balance Sheet

Balance Sheet (Amounts in R$ MM)	06.30.2016 Rumo	03.31.2016 Rumo
Current	2,646.7	1,074.8
Cash and cash equivalents	71.1	32.4
Securities	1,711.8	295.4
Trade receivables	247.1	177.4
Derivative financial instruments	2.4	10.1
Inventories	212.8	217.6
Peer company receivables	58.0	32.8
Income tax and social contribution	110.0	51.0
Other taxes recoverable	105.7	128.0
Prepaid expenses	34.1	0.0
Other assets	93.8	130.3
Non-current	20,785.6	20,506.4
Trade receivables	22.4	25.3
Restricted cash	189.2	181.9
Deferred income tax and social contribution	1,334.9	1,356.0
Income tax and social contribution	200.7	253.8
Other taxes recoverable	682.6	665.1
Judicial deposits	282.2	274.4
Derivative financial instruments	1.7	77.5
Other assets	111.2	127.3
Investments in associates	46.7	44.0
Property and equipment	10,051.9	9,637.6
Intangible	7,862.1	7,863.7
Total Assets	**23,432.3**	**21,581.2**
Current	**2,909.3**	**4,109.3**
Loans, financing and debentures	1,025.0	2,119.9
Leases	540.2	542.4
Certified Real Estate Receivables - CRI	96.3	58.5
Derivative financial instruments	12.6	15.9
Trade accounts payable	473.3	557.8
Labor and social security obligations	135.3	137.0
Income tax and social contribution taxes	6.5	2.8
Other payable taxes	32.7	30.7
Leases and concessions	8.4	8.3
Payable to related parties	27.6	26.8
Related parts	118.7	138.2
Deferred revenue	14.2	14.2
Other financial liabilities	162.9	0.0
Other payables	255.7	457.0
Non - current	14,356.0	13,808.9
Loans, financing and debentures	7,144.6	6,543.1
Leases	1,110.7	1,188.3
Certified Real Estate Receivables - CRI	145.9	207.4
Derivative financial instruments	11.7	22.1
Other payables	26.1	25.9
Provision for lawsuits	507.6	492.7
Leases and concessions	2,387.0	2,293.6
Deferred income tax and social contribution	2,680.3	2,699.3
Deferred revenue	67.5	70.2
Other payables	274.7	266.4
Equity	**6,167.0**	**3,663.1**
Total Liabilities	**23,432.3**	**21,581.2**

10.1.2 Income Statement

Consolidated (Amounts in R$ MM)	2Q16	2Q15	Var. %
Net Operating Revenue	**1,376.2**	**1,220.3**	**12.8%**
Costs of Services	**(907.5)**	**(766.0)**	**18.5%**
Gross profit	**468.7**	**454.3**	**3.2%**
Sales, General and Administrative Expenses	(84.4)	(84.2)	**0.2%**
Other Operating Income (Expenses), Net	(9.5)	39.8	**n.a.**
Net financial result	(406.6)	(332.1)	**22.5%**
Equity Pickup	2.6	0.2	**n.a.**
Income Tax and Social Contribution	(3.4)	(44.8)	**-92.4%**
Net Profit (losse)	**(32.6)**	**33.2**	**n.a.**

10.1.3 Cash Flow

Cash Flow (Accounting)	Rumo	
(Amounts in R$ MM)	2Q16	2Q15
Cash flow from operating activities		
Profit before income tax and social contribution	(29.2)	81.6
Adjustments:		
Depreciation and amortization	215.6	176.9
Amortization of concessions	-	-
Equity	(2.6)	(0.2)
Provision for profit sharing and bonuses	14.6	17.6
Result on disposals of fixed assets and intangible assets	2.1	0.8
Provision for lawsuits	14.9	6.0
Provision (reversal) for losses on doubtful accounts	0.0	0.8
Stock option	0.6	-
Leasing and Concessions	51.5	-
Deferred revenue	(10.9)	-
Interest, monetary and exchange variations, net	422.4	337.8
Others	(79.3)	14.8
	599.7	**636.1**
Variation in:		
Accounts receivable	(6.2)	0.8
Advances from customers	(45.3)	(9.7)
Judicial deposits	(9.1)	(16.3)
Related parties, net	(44.9)	(24.7)
Taxes and contributions recoverable	26.7	4.9
Taxes and contributions payable	(21.5)	(24.4)
Inventories	10.3	(15.6)
Labor and social security obligations	(16.0)	3.5
Trade accounts payable	(43.5)	13.3
Advances to suppliers	1.0	(25.9)
Leasing and Concessions payable	(28.0)	-
Derivative financial instruments	-	-
Lawsuits	(22.4)	(5.0)
Other liabilities, net	(0.4)	-
Other assets and liabilities, net	(7.7)	(33.7)
	(207.0)	**(132.8)**
Cash generated by (used in) operations	**392.7**	**503.3**
Cash flow from investing activities		
Net cash acquired on business acquisition	(232.5)	169.7
Capital increase in subsidiary	-	-
Marketable securities	(1,203.0)	183.2
Restricted cash	11.7	74.7
Dividends received from subsidiaries and associates	-	
Addition to property, software and other intangibles	(539.2)	(471.6)
Cash generated by (used in) investing activities	**(1,962.9)**	**(44.0)**
Cash flow from financing activities		
Borrowings	2,531.7	1,637.3
Payment of borrowings	(2,992.3)	(1,494.2)

Payment of interest on borrowings	(454.8)	(305.1)
Capital integralization	2,537.3	-
Mortgages anticipation	(33.0)	-
Derivative financial instruments	20.0	19.6
Dividends payable	-	-
Cash generated by (used in) financing activities	**1,608.9**	**(142.4)**
Increase (decrease) in cash and cash equivalents	**38.7**	**316.9**
Beginning balance of cash and cash equivalents	**32.4**	**23.5**
Final balance of cash and cash equivalents	**71.1**	**340.3**

10.2 Financial Statements - Cosan Logística

10.2.1 Balance Sheet

Balance Sheet	**Cosan Logística**	
(Amounts in R$ MM)	**06.30.2016**	**03.31.2016**
Current		
Cash and cash equivalents	71.9	207.4
Securities	1,711.8	295.4
Trade receivables	247.1	177.4
Derivative financial instruments	2.4	10.1
Inventories	212.8	217.6
Peer company receivables	58.0	32.8
Income tax and social contribution recoverable	113.4	52.9
Other taxes recoverable	105.7	128.0
Dividends and interest on capital	34.1	36.1
Other assets	93.8	94.2
	2,650.9	**1,251.8**
Non-current		
Trade receivables	22.4	25.3
Restricted cash	189.2	181.9
Deferred income tax and social contribution	1,336.5	1,357.9
Income tax and social contribution	200.7	253.8
Other taxes recoverable	682.6	665.1
Judicial deposits	282.8	274.7
Derivative financial instruments	1.7	77.5
Other assets	111.2	127.3
Investments in associates	46.7	44.0
Property and equipment	10,051.9	9,637.6
Intangible	7,862.1	7,863.7
	20,787.7	**20,508.6**
Total Assets	**23,438.7**	**21,760.4**
Current		
Borrowings	1,025.0	2,119.9
Leases	540.2	542.4
Advances on real estate credits	96.3	58.5
Derivative financial instruments	12.6	15.9
Trade accounts payable	473.4	557.9
Labor and social security obligations	135.3	137.0
Taxes and social security contributions payable	6.5	3.0
Other payable taxes	33.3	31.1
Dividends and interest on capital	8.6	8.5
Leases and concessions	27.6	26.8
Payable to related parties	118.7	138.2
Deferred revenue	14.2	14.2
Other financial liabilities	162.9	132.2
Other payables	258.9	329.9
	2,913.4	**4,115.5**
Non - current		
Borrowings	7,144.6	6,543.1
Leases	1,110.7	1,188.3

Advances on real estate credits	145.9	207.4
Derivative financial instruments	11.7	22.1
Other payable taxes	26.1	25.9
Provision for lawsuits	507.6	492.7
Leases and concessions	2,387.0	2,293.6
Deferred income tax and social contribution	2,680.3	2,699.3
Deferred revenue	67.5	70.2
Other payables	274.7	266.4
	14,356.0	**13,809.0**
Equity	**6,169.2**	**3,836.1**
Total Liabilities	**23,438.7**	**21,760.6**

10.2.2 Income Statement

Cosan Logística Consolidated (Amouts in R$ MM)	**2Q16**	**2Q15**	**Chg.%**
Net Operating Revenue	**1,376.2**	**1,220.3**	**12.8%**
Costs of Services	**(907.5)**	**(766.0)**	**18.5%**
Gross profit	**468.7**	**454.3**	**3.2%**
Sales, General and Administrative Expenses	(85.4)	(84.8)	0.7%
Other Operating Income (Expenses), Net	(10.1)	39.8	n.a.
Net financial result	(406.4)	(326.6)	24.4%
Equity Pickup	2.6	0.2	n.a.
Income Tax and Social Contribution	(3.0)	(46.6)	-93.5%
Net Profit (losse)	**(33.6)**	**36.4**	**-n.a.**

10.2.3 Cash Flow

Cash Flow	**Cosan Logística**	
(Amounts in R$ MM)	**2Q16**	**2Q15**
Cash flow from operating activities		
Profit before income tax and social contribution	**(30.6)**	**86.5**
Adjustments:		
Depreciation and amortization	215.6	176.9
Equity in subsidiary	(2.5)	(0.2)
Provision for profit sharing and bonuses	14.6	17.6
Result on disposals of fixed assets and intangible assets	2.1	0.8
Provision for lawsuits	14.9	6.0
Provision (reversal) for losses on doubtful accounts	0.1	0.8
Stock option plan	0.8	0.2
Leasing and Concessions	51.5	-
Deferred revenue	(10.9)	
Interest, monetary and exchange variations, net	422.6	337.8
Other	(79.3)	14.8
	598.7	**641.2**
Variation in:		
Accounts receivable	(6.2)	1.8
Advances from customers	(45.4)	(9.7)
Judicial deposits	(9.5)	(16.3)
related parties	(43.9)	(13.7)
Taxes and contributions recoverable	25.2	4.0
Taxes and contributions payable	(20.8)	(26.4)
Inventories	10.3	(15.6)
Labor and social security obligations	(16.0)	3.5
Suppliers	(43.6)	1.2
Advances to suppliers	1.1	(25.9)
Leasing and Concessions payable	(28.0)	-
Lawsuit	(22.4)	(5.0)
Other liabilities	(0.3)	-
Other assets and liabilities, net	(10.6)	(33.6)
	(210.0)	**(135.6)**
Cash generated by (used in) operations	**388.7**	**505.6**
Cash flow from investing activities		
Marketable securities	(1,416.5)	(471.6)

Restricted cash	(7.3)	183.2
Gain on disposal of declared dividends	0.0	74.7
Addition to property, software and other intangibles	(539.2)	169.7
Cash generated by (used in) investing activities	**(1,962.9)**	**(44.0)**
Cash flow from financing activities		
Borrowings	2,531.7	1,637.3
Payment of borrowings	(2,992.3)	(1,494.2)
Payment of interest on borrowings	(454.8)	(305.1)
Capital integralization	2,367.3	
Purchase of treasury shares and non-controlling	-	(37.3)
Mortgages anticipation	(33.0)	-
Derivative financial instruments	20.0	19.6
Dividends payable	-	(24.5)
Cash generated by (used in) financing activities	**1,438.9**	**(204.2)**
Increase (decrease) in cash and cash equivalents	**(135.3)**	**257.4**
Beginning balance of cash and cash equivalents	**207.4**	**251.1**
Final balance of cash and cash equivalents	**71.9**	**508.5**