Rumo | Earnings Release 3Q17



Rumo | Disclaimer

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

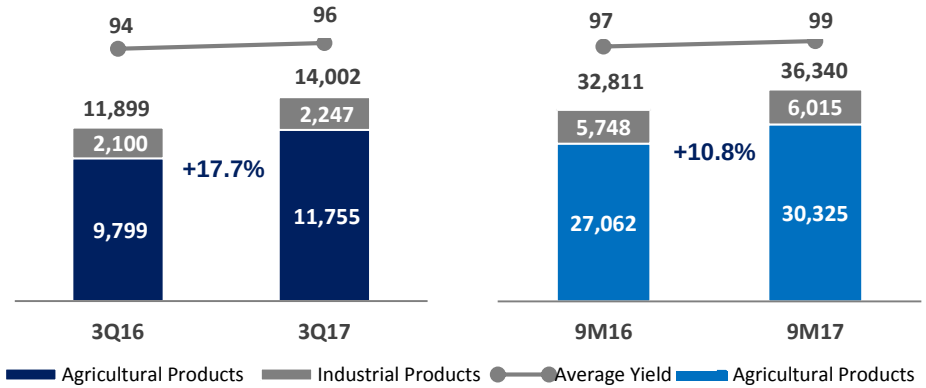
The words "believe", "may", "should", "estimate", "continue", "foresee", "intend", "expect" and similar words aim at identifying forward-looking estimates and statements. Forward-looking estimates and statements only refer to the date when these are made and we do not assume any obligation to update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

Consolidated Results | Operating

Strong increased capacity resulted in significant rise in volume transported.
Reduced loading volume due to unfavorable scenario for sugar commercialization.

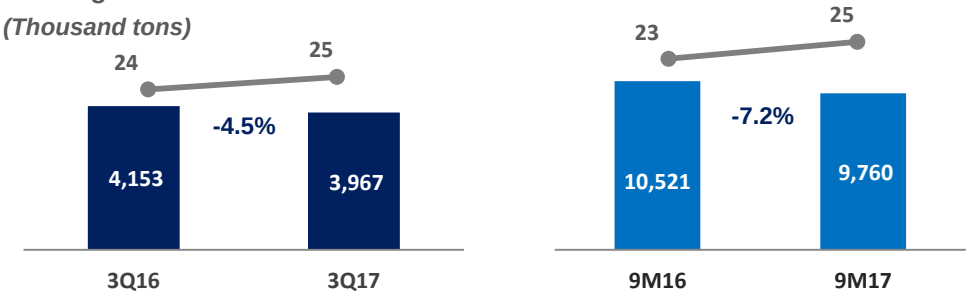
Volume and Transportation yield

(MM RTK and R$/RTK x 1000)



Loading Volume

(Thousand tons)



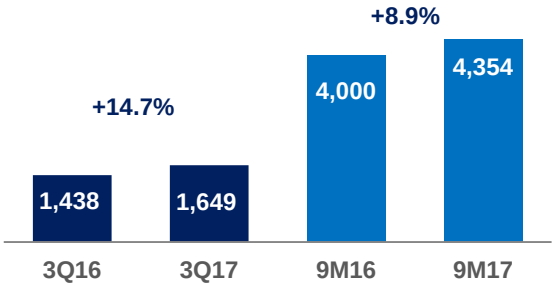
- Growth of 18% in the volume transported in 3Q17, due to increased capacity generated by investments.
- Agricultural products volume grew 20% in the quarter, reflecting increased capacity, coupled with a solid demand from record corn crop.
- Industrial products transportation was up 7%, mainly due to the higher volume of containers transported, better performance in the pulp route and operational improvements to meet steel products demand.
- Port loading volume fell by 5%, reflecting the less favorable scenario for sugar commercialization and shipment compared to previous year.

Note 1:Proforma Results of 2016

Consolidated Results | Financial

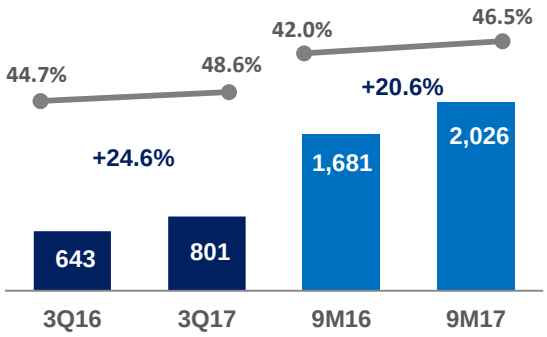
EBITDA growth due to higher volumes transported and cost dilution.
Leverage decreases reaching 3.98x broad net debt/LTM EBITDA.

Net Revenue
(R$ MM)



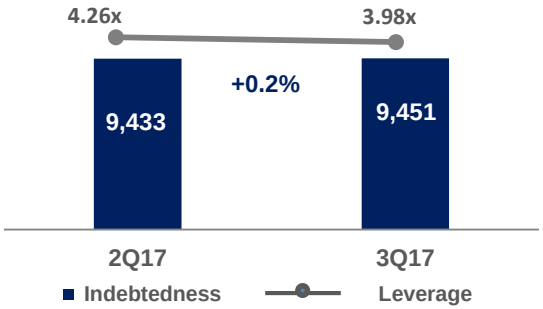
- Net revenue growth due to higher volumes transported and higher average yields.

EBITDA and EBITDA Margin
(R$ MM)



- Higher volume transported due to increased capacity and record corn crop resulted in EBITDA growth.
- Rumo maintains its efforts to reduce costs and expenses. In addition, higher volume resulted in cost dilution and higher margins.

Broad Net Debt and Leverage
(R$ MM)

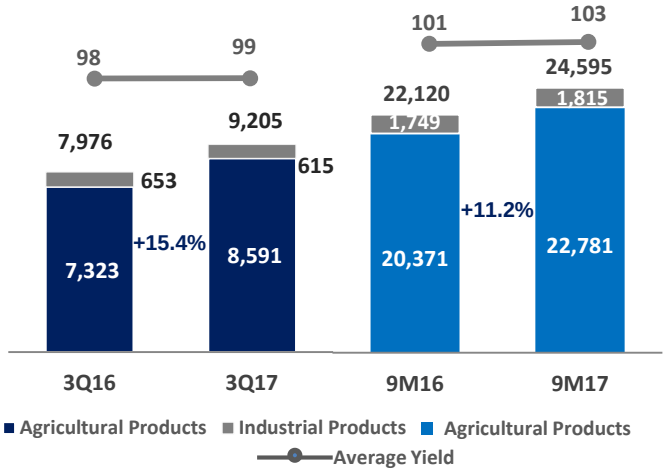


- EBITDA growth in the period led to significant decrease in leverage.
- In October, Rumo concluded its capital increase process in the amount of R$2.6 billion. If we considered the effect of this transaction already in 3Q17, leverage would be close to 2.9x net debt/EBITDA.

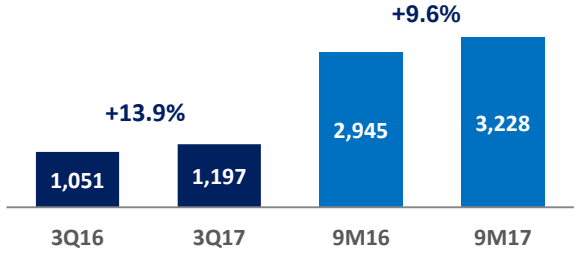
Note 1: Proforma Results 2016

North Operation | Higher volumes boost EBITDA

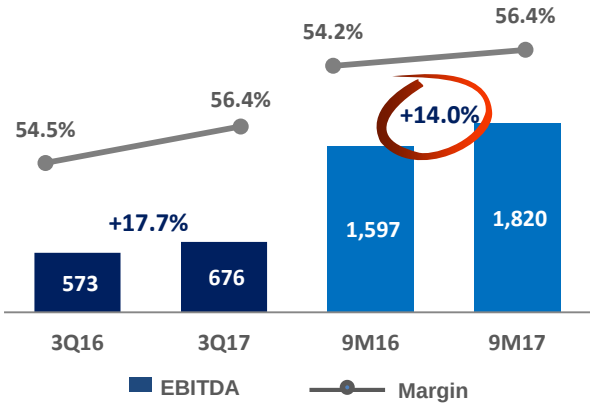
Volume and Transportation yield
(MM RTK and R$/RTK x 1000



Net Revenue
(R$ MM)



EBITDA and EBITDA Margin
(R$ MM)



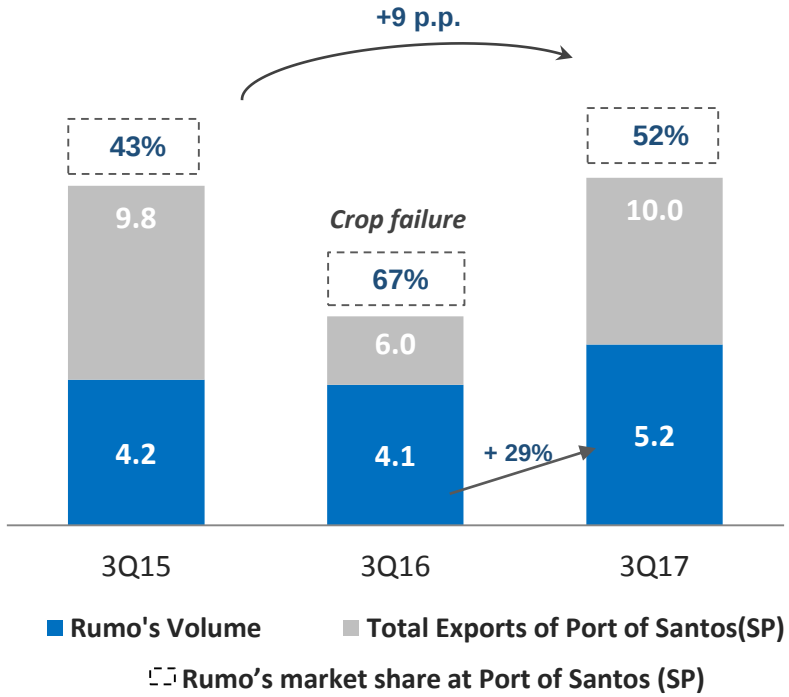
- Significant growth in agricultural volumes transported in the quarter. Rumo's increased operational capacity allowed for the capture of higher grain volumes from Mato Grosso state.
- Net revenue was up, mainly due to higher volumes of agricultural products transported.
- EBITDA was mainly benefited by investments made in 2016, allowing for the capture of higher volumes coupled with diluted costs, resulting in higher margins.

Note 1: Proforma Results of 2016

North Operation | Market share of grains transported to the Port of Santos (SP)

In 3Q17, Rumo reached a 52% market share in grain transportation to the Port of Santos (SP)

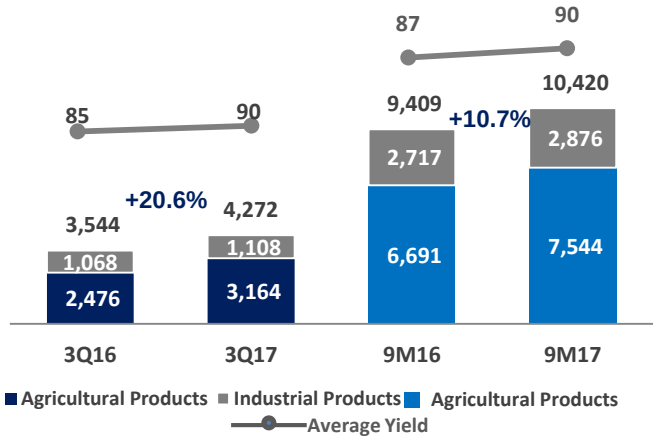
Rumo's market share in grain rail transportation to the Port of Santos (SP) (MM tons)



Source: Marítime Agency and Rumo System

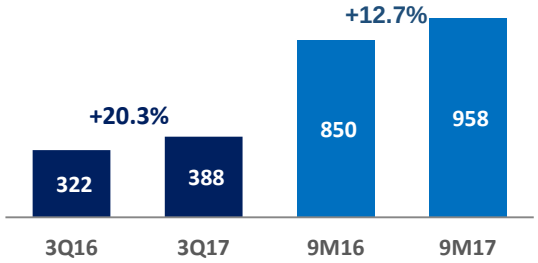
South Operation | Higher EBITDA due to better operational efficiency

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



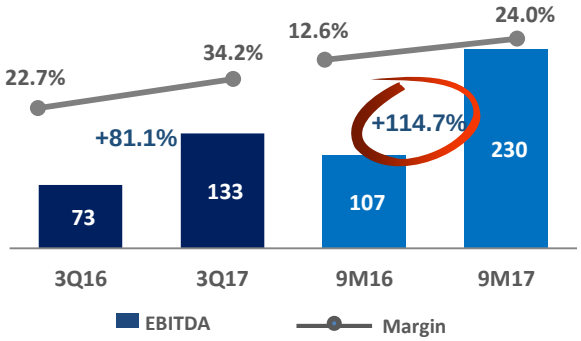
- Increase in industrial and agricultural products transportation, mainly corn and soybean.

Net Revenue
(R$ MM)



- Net revenue growth driven by higher volumes transported and higher average yield in the period.

EBITDA and EBITDA Margin
(R$ MM)

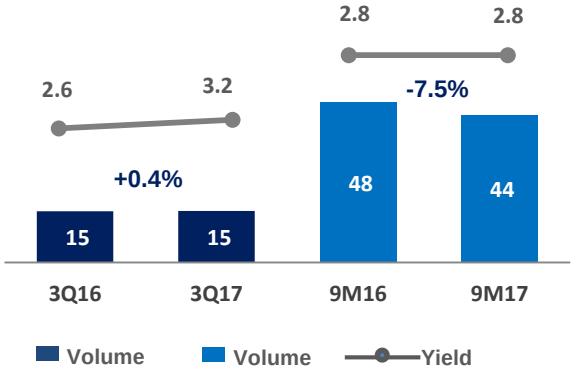


- EBITDA growth due to improved operational and commercial performances, resulting in higher margins.

Note 1: Proforma Results 2016

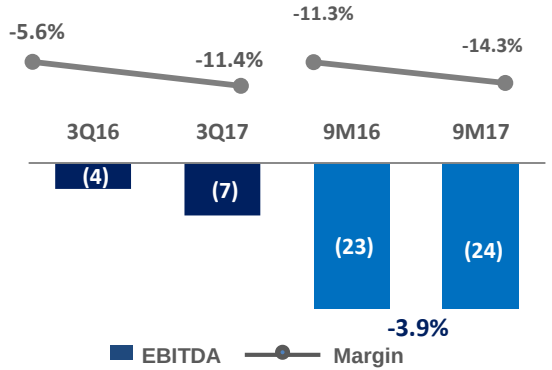
Container Operation | Reduced EBITDA due to higher costs and expenses

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



- The strategy of diversifying cargo and increasing customer base offset the ongoing rationalization of non-profitable routes.

EBITDA and EBITDA Margin
(R$ MM)



- EBITDA impacted by higher costs of services provided and expenses.

Note 1: Proforma Results of 2016

Indebtedness | Leverage reached 3.98x

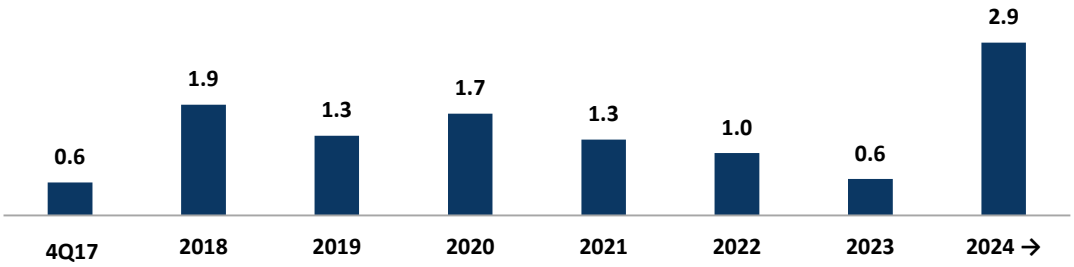
Net Debt and Leverage
(R$ MM)

Total Indebtness (Amounts in R$ MM)	3Q17	2Q17	Chg.%
Total Gross Broad Debt	**11,257.3**	**12,030.4**	**-6.4%**
Cash and Cash Equivalents and Securities[2]	(1796.0)	(2564.6)	-30.0%
Net Derivative Instruments	(10.2)	(33.2)	-69.1%
Total Net Broad Debt	**9,451.1**	**9,432.7**	**0.2%**
EBITDA LTM	2,374.3	2,216.3	7.1%
Leverage Net Broad Debt / EBITDA LTM	**3.98x**	**4.26x**	**n.a.**

Note 2: In 2Q17 includes restricted cash linked to bank debts of R$90.6 million.

The 3Q17 includes restricted cash from bank debts totaling R$91.8 million.

Debt Amortization Schedule
(R$ BLN)



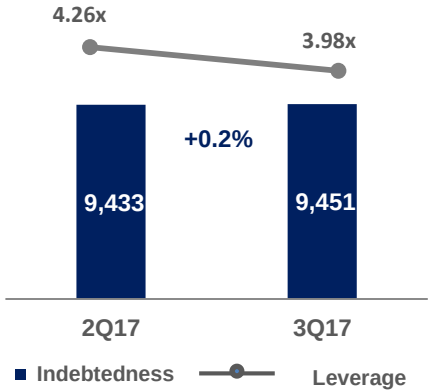
Main changes in 3Q17

Funding
R$ 41 million

Amortizations
Principal: R$763 million
Interest: R$278 million

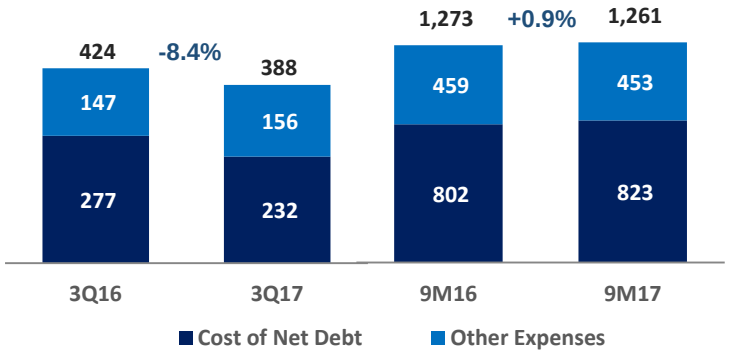
Average Debt Cost
126% of CDI

Broad Net Debt and Leverage *(R$ MM)*



Financial Result and Cash Flow

Financial Result
(R$ MM)



- Decreased bank debt cost, mainly due to interest rate drop between quarters.
- Lower expenses with leasing and real estate receivables certificates (CRIs) due to amortizations, without new funding.
- Reduced investment yield due to market's lower interest rates, partially offset by higher average cash balance in the period.

Cash Flow
(R$ MM)

	3Q17	3Q16 Pro forma	Chg.%	Indirect Cash Flow (Amounts in R$ MM)	9M17	9M16 Pro forma	Chg.%
	800.9	642.9	24.6%	EBITDA	2,026.2	1,680.6	20.6%
	73.4	35.3	n.a.	Non-cash effects in EBITDA	216.8	66.8	n.a.
	(120.8)	0.6	n.a.	Working capital variation	(404.9)	(318.8)	27.0%
	10.8	12.6	-14.5%	Operating financial result	20.6	10.2	n.a.
(a)	**764.3**	**691.4**	**10.5%**	**(=) Operating Cash Flow**	**1,858.8**	**1,438.7**	**29.2%**
	(473.8)	(440.9)	7.5%	Capex	(1,423.8)	(1,265.0)	12.6%
(b)	(233.9)	(139.3)	67.9%	Recurring	(590.9)	(484.3)	22.0%
	(239.9)	(301.6)	-20.5%	Expansion[13]	(832.9)	(780.7)	6.7%
	-	(0.2)	-100.0%	Investments & Acquisitions	-	(0.2)	-100.0%
	-	-	n.a.	Asset Sale	7.0	-	n.a.
	1.3	6.5	-79.8%	Dividends Received	5.1	8.2	-38.2%
(c)	**(472.5)**	**(434.6)**	**8.7%**	**(=) Cash Flow from investing activities**	**(1,411.8)**	**(1,257.0)**	**12.3%**
	34.0	69.2	-50.8%	Funding	2,490.2	2,927.0	-14.9%
	(763.1)	(462.7)	64.9%	Amortization of Principal	(1,482.6)	(3,896.1)	-61.9%
	(278.6)	(211.6)	31.6%	Amortization of Interest Rates	(910.2)	(911.2)	-0.1%
	(1.5)	(0.8)	86.7%	Paid Dividends	(2.1)	(0.8)	n.a.
	-	(3.0)	-100.0%	Paid-in Capital	-	2,534.3	-100.0%
	(46.3)	2.4	n.a.	Derivative Financial Instruments and others	(18.1)	5.3	n.a.
	(6.0)	(6.3)	-5.2%	Restricted Cash	(24.7)	5.4	n.a.
(d)	**(1,061.5)**	**(612.8)**	**73.2%**	**(=) Cash flow from financing activities**	**52.5**	**663.9**	**-92.1%**
(e)	**(0.2)**	-	**n.a.**	**Impact of exchange variation on cash and cash**	**27.4**	-	**n.a.**
	(769.8)	**(356.0)**	**n.a.**	**(=) Net Cash Generation (Consumption)**	**527.0**	**845.6**	**-37.7%**
	2,473.9	**1,782.9**	**38.8%**	**(+) Initial Total Cash (includes Cash and**	**1,177.1**	**581.3**	**n.a.**
	1,704.2	**1,426.9**	**19.4%**	**(=) Final Total Cash (includes Cash and Marketable Securities)**	**1,704.2**	**1,426.9**	**19.4%**
				Metrics			
	530.5	**552.1**	**-3.9%**	**(=) Cash Generation after Recurring Capex**	**1,267.9**	**954.4**	**32.8%**
	291.9	**256.8**	**13.6%**	**(=) Cash Generation after Cash from Investments (a+c)**	**447.0**	**181.7**	**n.a.**
	(769.8)	**(356.0)**	**n.a.**	**(=) Total Cash Generation (Consumption) (a+c+d+e)**	**527.0**	**845.6**	**-37.7%**

Note 1: Proforma Results of 2016

Operating and Financial Performance Indicators

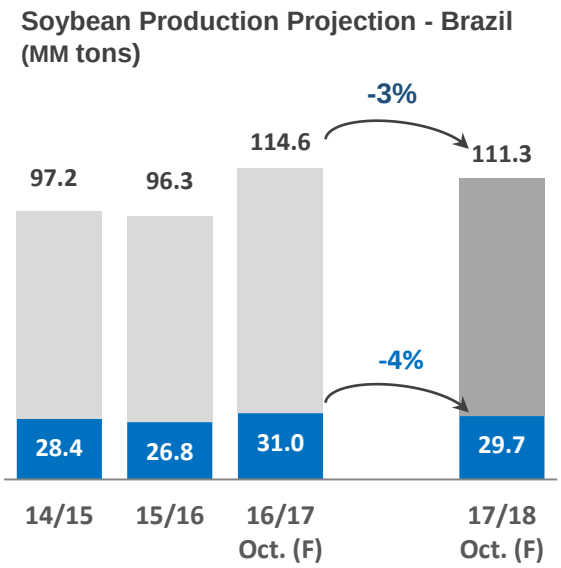
Historical trend of the Company's main operating and financial indicators.

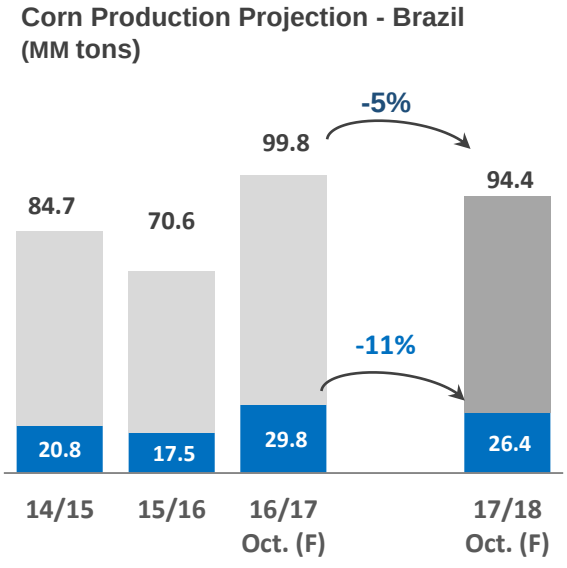
Operating and Financial Performance Indexes	3Q16	4Q16	1Q17	2Q17	3Q17	3Q16	3Q17	Var.%
Consolidated								
Unitary Variable Rail Cost (R$/'000 RTK)[3]	(18.9)	(21.1)	(19.0)	(18.3)	(18.7)	(18.9)	(18.7)	-1.1%
Unitary Fixed Cost + SG&A excluding depreciation (R$/'000 RTK)	(36.5)	(57.8)	(41.1)	(35.0)	(29.9)	(36.5)	(29.9)	-18.1%
Operating ratio[4]	75%	95%	83%	71%	70%	75%	70%	-6.7%
Diesel Consumption (Liters/ '000 GTK)	4.6	4.9	4.5	4.4	4.3	4.6	4.3	-7.5%
North Operation								
Grains from Rondonópolis (MT) to Port of Santos (SP)								
Average rail cars loaded per day (units)	352	97	369	408	482	352	482	36.9%
Transit time (hours)	105.6	96.7	107.1	102.1	103.8	105.6	103.8	-1.7%
Cycle time of railcars (days)	9.9	11.0	10.2	9.8	9.6	9.9	9.6	-3.0%
South Operation								
Grains from terminals in north of Paraná to Port of Paranaguá (PR) and São Francisco do Sul								
Average rail cars loaded per day (units)	175	36	277	342	428	175	428	n.a.
Transit time (hours)	45.9	47.6	57.9	50.0	50.8	45.9	50.8	10.7%
Cycle time of railcars (days)	7.7	7.8	7.6	7.0	6.9	7.7	6.9	-10.4%

Note 3: Considers only the variable costs of rail operations.

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

Expectations for 2017/2018 soybean and corn crops





Mato Grosso Brazil

- Soybean and corn crops production in 2017/2018, should be lower than 2016/2017, however, 13% higher than 2014/2015 record crops.
- Estimate of lower grain production in the state of Mato Grosso compared to 2016/2017 crop, but 14% higher than 2014/2015 crop.

Source: Agroconsult on 10/23

Guidance 2017

		2017
Rumo	EBITDA (R$ MM)	2,600 ≤ Δ ≤ 2,800
	Total Capex(R$ MM)	2,000 ≤ Δ ≤ 2,200
	Recurring Capex (R$ MM)	700 ≤ Δ ≤ 800
	Expansion Capex (R$ MM)	1,300 ≤ Δ ≤ 1,400

Disclaimer: Information related to 2017 on businesses and projections of operating and financial results are merely estimates, and as such, these are mainly based on the Management beliefs and assumptions, not representing promise of performance. These estimates are subject to several risks and uncertainties and are made considering information currently available, which takes into account the existence of usual lines of credit for this type of business. Thus, these estimates substantially rely on the market conditions, Brazilian economy performance and business sectors in which the Company operates and international markets, therefore, subject to changes without prior notice. In view of these uncertainties, investor should not make any investment decision exclusively based on these forward-looking estimates and statements. Any change in the perception or factors mentioned above may cause concrete results to diverge from projections made and disclosed.

Financial Initiatives



2016		2017		
Capital Increase	Debt Restructuring	Inaugural Bond	Capital Increase	BNDES Loan
CONCLUDED	CONCLUDED	CONCLUDED	CONCLUDED	IN PROGRESS
R$2.6 BILLION	R$2.9 BILLION	US$750 MILLION	R$2.6 BILLION	R$3.2 BILLION
Reinforce Capital Structure	Increase Liquidity and Lengthen Debt	Diversify Sources of Financing	Speed up Deleverage Process	Access New Lines of Credit

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Chief Executive Officer

Ricardo Lewin
Chief Financial and Investor Relations Officer

Gustavo Marder
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