Cosan S.A.

Interim financial statements ended
June 30, 2018
(A free translation of the original in Portuguese)

Cosan S.A.

Consolidated financial statements as of

at June 30, 2018

Contents

Report on review of the interim financial information 3

Consolidated statement of financial position 5

Consolidated statements of profit or loss 7

Consolidated statements of other comprehensive income 9

Consolidated statements of changes in shareholders' equity 11

Consolidated statements of cash flows 13

Consolidated statements of value added 15

Notes to the consolidated interim financial statements 16

Report on review of the interim financial information

To the Management, Board of Directors and Shareholders of
Cosan S.A.
São Paulo – SP

Introduction
We have reviewed the accompanying individual and consolidated interim financial information of Cosan S.A. ("Company"), contained in the Quarterly Information Form – ITR for the quarter ended June 30, 2018, which comprises the statement of financial position as of June 30, 2018 and the respective statements of profit and loss and comprehensive income for the three and six-month periods then ended and changes in shareholders' equity and cash flows for the six-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of these interim financial information in accordance with Technical Pronouncement *CPC 21 (R1) – Demonstração Intermediária* and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board - IASB, as well as for presenting these information in a manner consistent with the standards issued by the *Comissão de Valores Mobiliários*, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review
We conducted our review in accordance with Brazilian and international standards for review of interim information (*NBC TR 2410 – Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information 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 enabled 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 individual and consolidated interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 issued by IASB, applicable to the preparation of the Quarterly Information - ITR and presented in accordance with the standards issued by *Comissão de Valores Mobiliários*.

Other matters - Statements of added value

The individual and consolidated interim financial information related to the statements of value added (DVA) for the six-month period ended June 30, 2018, prepared under the responsibility of the Company's management, presented herein as supplementary information for IAS 34 purposes, have been subject to review procedures jointly performed with the review of the Company's interim financial information – ITR. In order to form our conclusion, we assessed whether those statements are reconciled with the interim financial information and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement *CPC 09 - Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that the statements of added value above referred were not prepared, in all material respects, consistently with the overall interim financial information.

São Paulo, August 8, 2018

KPMG Auditores Independentes
CRC 2SP014428/O-6
(*Original report in Portuguese signed by)*
Rogério Hernandez Garcia
Accountant CRC 1SP213431/O-5

Cosan S.A.

Consolidated statement of financial position
in june 30, 2018 and december 31, 2017
(In thousands of Brazilian Reais - R$)

	Note	Parent Company		Consolidated	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Assets					
Cash and cash equivalents	6	763,201	144,005	3,144,354	3,150,328
Restricted cash		-	-	1,394	-
Marketable securities	7	145,009	54,079	1,316,650	700,035
Trade receivables	8	-	-	1,161,828	918,423
Derivative financial instruments	24	-	105,489	155,437	317,102
Inventories		-	-	407,589	380,770
Receivables from related parties	10	34,780	31,571	65,242	55,597
Income tax receivable		100,216	165,054	316,947	257,097
Other current tax receivable	9	3,750	3,704	126,319	118,174
Dividends and interest on capital receivable		16,669	126,056	19,290	13,114
Other financial assets		376,925	1,686,718	376,925	1,686,718
Other current assets		120,411	123,070	185,303	182,690
Total current assets		**1,560,961**	**2,439,746**	**7,277,278**	**7,780,048**
Trade receivables	8	-	-	28,312	32,278
Deferred income tax and social contribution	18	-	-	466,791	474,804
Receivables from related parties	10	73,797	158,655	66,610	151,669
Other non-current tax receivable	9	39,597	38,926	82,231	80,763
Judicial deposits	19	345,179	283,041	493,206	434,412
Derivative financial instruments	24	676,276	458,876	1,095,722	735,003
Other non-current assets		75,876	73,732	374,674	380,162
Investments in associates	11	10,474,890	10,512,569	305,858	259,412
Investments in joint ventures	12	2,543,448	2,601,411	8,022,046	8,447,799
Property, plant and equipment	13	21,240	22,503	412,969	412,325
Intangible assets	14	4,010	5,214	9,369,013	9,350,598
Total non-current assets		**14,254,313**	**14,154,927**	**20,717,432**	**20,759,225**
Total Assets		**15,815,274**	**16,594,673**	**27,994,710**	**28,539,273**

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

Cosan S.A.

Consolidated statement of financial position
in june 30, 2018 and december 31, 2017
(In thousands of Brazilian Reais - R$)

	Note	Parent Company		Consolidated	
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Liabilities					
Loans, borrowings and debentures	15	-	-	1,214,399	1,611,547
Derivative financial instruments	24	-	-	427	966
Trade payables	16	1,486	3,713	2,050,235	1,805,385
Employee benefits payable		20,215	27,642	92,569	124,017
Income tax payables		671	531	4,812	19,007
Other taxes payable	17	101,936	198,569	279,076	382,150
Dividends payable		30,300	338,985	31,211	373,277
Payables to related parties	10	570,453	470,703	446,430	398,586
Other financial liabilities		-	-	48,296	90,725
Other current liabilities		31,397	34,265	155,459	185,731
Total current liabilities		**756,458**	**1,074,408**	**4,322,914**	**4,991,391**
Loans, borrowings and debentures	15	-	-	9,060,458	8,063,447
Preferred shareholders payable		-	-	-	-
in subsidiaries		1,211,620	1,442,680	1,211,621	1,442,680
Derivative financial instruments	24	4,079	105,302	23,689	113,565
Other taxes payable	17	142,471	143,320	149,058	150,627
Provision for legal proceedings	19	307,799	314,791	833,159	846,122
Provision for uncovered liability of associates	11	155,618	92,823	-	-
Payables to related parties	10	4,037,023	3,463,476	-	-
Post-employment benefits	25	139	152	494,629	485,459
Deferred tax liabilities	18	114,203	273,168	1,647,780	1,611,867
Other non-current liabilities		241,356	237,883	492,293	536,850
Total non-current liabilities		**6,214,308**	**6,073,595**	**13,912,687**	**13,250,617**
Total liabilities		**6,970,766**	**7,148,003**	**18,235,601**	**18,242,008**
Shareholders' equity	20				
Share capital		4,418,476	3,999,075	4,418,476	3,999,075
Treasury shares		(637,744)	(114,413)	(625,618)	(114,413)
Capital reserve		399,437	699,820	387,295	699,820
Other equity		(200,110)	(55,646)	(200,110)	(55,646)
Profit reserve		4,583,078	4,917,834	4,583,094	4,917,834
Retained earnings		281,371	-	281,371	-
Equity attributable to:					
Owners of the Company		8,844,508	9,446,670	8,844,508	9,446,670
Non-controlling interests	11	-	-	914,601	850,595
Total shareholders' equity		**8,844,508**	**9,446,670**	**9,759,109**	**10,297,265**
Total shareholders' equity and liabilities		**15,815,274**	**16,594,673**	**27,994,710**	**28,539,273**

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

Cosan S.A.

Consolidated statement of profit or loss
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais – R$, except earnings per share)

		Parent Company			
	Note	**April 1, 2018 to June 30, 2018**	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
General and administrative expenses		(27,686)	(51,112)	(27,195)	(56,987)
Other income (expense), net	22	(5,201)	(20,676)	(32,152)	(42,748)
Operating expenses		**(32,887)**	**(71,788)**	**(59,347)**	**(99,735)**
Loss before equity in earning of investees and financial results		**(32,887)**	**(71,788)**	**(59,347)**	**(99,735)**
Equity in earnings of associates	11	167,245	658,312	61,197	353,414
Equity in earnings of joint ventures	12	(29,367)	(57,963)	(27,522)	(70,680)
Equity in earnings of investees		**137,878**	**600,349**	**33,675**	**282,734**
Finance expense		(92,215)	(184,077)	(132,310)	(277,992)
Finance income		70,552	112,012	63,681	157,940
Foreign exchange (losses) gain, net		(596,817)	(614,429)	(167,200)	(58,585)
Derivatives		349,415	282,443	136,447	58,580
Net financial results	23	**(269,065)**	**(404,051)**	**(99,382)**	**(120,057)**
Net income before taxes		**(164,074)**	**124,510**	**(125,054)**	**62,942**
Income tax (expenses) benefits	18				
Current		-	-	(7,154)	(7,154)
Deferred		99,729	156,861	56,167	73,485
		99,729	**156,861**	**49,013**	**66,331**
Net income for the period		**(64,345)**	**281,371**	**(76,041)**	**129,273**
Basic earnings per share from:					
Continuing operations	21	(R$0.15921)	R$0.69159	(R$0.18662)	R$0.31718
		(R$0.15921)	**R$0.69159**	**(R$0.18662)**	**R$0.31718**
Diluted earnings per share from:					
Continuing operations	21	(R$0.15887)	R$0.68952	(R$0.18808)	R$0.31543
		(R$0.15887)	**R$0.68952**	**(R$0.18808)**	**R$0.31543**

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Cosan S.A.

Consolidated statement of profit or loss
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais – R$, except earnings per share)

	Note	Consolidated			
		April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Net sales		2,419,504	4,575,346	1,871,281	3,464,422
Cost of sales		(1,806,431)	(3,327,493)	(1,221,755)	(2,256,929)
Gross profit		**613,073**	**1,247,853**	**649,526**	**1,207,493**
Selling expenses		(245,125)	(486,366)	(264,150)	(519,378)
General and administrative expenses		(152,865)	(281,666)	(137,210)	(274,127)
Other expense, net	22	(16,716)	(34,981)	(45,509)	(59,354)
Operating expenses		**(414,706)**	**(803,013)**	**(446,869)**	**(852,859)**
Income before equity in earning of investees and financial results		**198,367**	**444,840**	**202,657**	**354,634**
Equity in earning of associates	11	14,659	10,469	(3,042)	(1,834)
Equity in earnings of joint ventures	12	50,457	348,113	40,397	296,094
Equity in earning of investees		**65,116**	**358,582**	**37,355**	**294,260**
Finance expense		(208,129)	(320,668)	(383,937)	(807,496)
Finance income		129,538	245,228	157,169	423,895
Foreign exchange (losses) gain, net		(752,669)	(790,755)	(213,937)	(77,048)
Derivatives		469,624	397,102	183,765	68,672
Financial results	23	**(361,636)**	**(469,093)**	**(256,940)**	**(391,977)**
Profit before taxes		**(98,153)**	**334,329**	**(16,928)**	**256,917**
Income tax expenses	18				
Current		(31,255)	26,520	(59,441)	(22,483)
Deferred		83,962	(28,582)	47,221	(27,079)
		52,707	**(2,062)**	**(12,220)**	**(49,562)**
Profit for the period		**(45,446)**	**332,267**	**(29,148)**	**207,355**
Total net income attributable to:					
Owners of the Company		(64,345)	281,371	(76,041)	129,273
Non-controlling interests		18,899	50,896	46,893	78,082
		(45,446)	**332,267**	**(29,148)**	**207,355**

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

Cosan S.A.

Consolidated statement of other comprehensive income
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais - R$)

	Parent Company			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Net income for the period	**(64,345)**	**281,371**	**(76,041)**	**129,273**
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Gain on share subscription of subsidiary	-	-	-	69,633
	-	**-**	**-**	**69,633**
Items that are or may subsequently be reclassified to profit or loss:				
Foreign currency translation differences	(41,803)	(60,563)	(12,950)	(11,388)
Gain on cash flow hedge in joint ventures	(87,271)	(83,954)	150,908	322,203
Changes in fair value of available for available for sale securities	21	53	3,195	3,324
	(129,053)	**(144,464)**	**141,153**	**314,139**
Total other comprehensive (loss) income, net of tax	**(129,053)**	**(144,464)**	**141,153**	**383,772**
Total comprehensive income	**(193,398)**	**136,907**	**65,112**	**513,045**
Total net income attributable to:				
Owners of the Parent	(64,345)	281,371	(76,041)	129,273
	(64,345)	**281,371**	**(76,041)**	**129,273**
Total comprehensive income attributable to:				
Owners of the Company	(193,398)	136,907	65,112	513,045
	(193,398)	**136,907**	**65,112**	**513,045**

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

Cosan S.A.

Consolidated statement of other comprehensive income
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais - R$)

	Consolidated			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Profit (loss) for the period	**(45,446)**	**332,267**	**(29,148)**	**207,355**
Other comprehensive income				
Items that will never be reclassified to profit or loss				
Financial instruments - common transactions	-	-	-	69,633
	-	-	-	**69,633**
Items that are or may subsequently be reclassified to profit or loss:				
Foreign currency translation differences	(41,803)	(60,563)	(12,950)	(11,388)
(Loss) gain on cash flow hedge in joint ventures	(87,271)	(83,954)	150,908	322,203
Changes in fair value of available for available for sale securities	21	53	3,194	3,323
	(129,053)	**(144,464)**	**141,152**	**314,138**
Total other comprehensive (loss) income, net of tax	**(129,053)**	**(144,464)**	**141,152**	**383,771**
Total comprehensive income	**(174,499)**	**187,803**	**112,004**	**591,126**
Total net income attributable to:				
Owners of the parent (including	(64,345)	281,371	(76,041)	129,273
Non-controlling interests	18,899	50,896	46,893	78,082
	(45,446)	**332,267**	**(29,148)**	**207,355**
Total comprehensive income attributable to:				
Owners of the Company	(193,398)	136,907	65,112	513,045
Non-controlling interests	18,899	50,896	46,892	78,081
	(174,499)	**187,803**	**112,004**	**591,126**

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

Cosan S.A.

Consolidated statements of changes in shareholder'equity
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais - R$)

					Profit reserve							
	Common stock	**Treasuary share**	**Other capital reserve**	**Others equity components**	**Legal**	**Statutory reserve**	**Unrealized earning**	**Retained earning**	**Profit reserve**	**Total**	**Non-controlling interest**	**Total equity**
At January 1, 2018	**3,999,075**	**(114,413)**	**699,820**	**(55,646)**	**190,726**	**3,520,703**	**171,021**	**1,035,384**	**-**	**9,446,670**	**850,595**	**10,297,265**
New standards and interpretations adopted by the Company	-	-	-	-	-	-	-	(6,420)	-	**(6,420)**	(1,280)	**(7,700)**
At January 1, 2018	**3,999,075**	**(114,413)**	**699,820**	**(55,646)**	**190,726**	**3,520,703**	**171,021**	**1,028,964**	**-**	**9,440,250**	**849,315**	**10,289,565**
Net income for the period	-	-	-	-	-	-	-	-	281,371	281,371	50,896	332,267
Other comprehensive income:												
Gain on cash flow hedge in joint ventures	-	-	-	(83,954)	-	-	-	-	-	(83,954)	-	(83,954)
Foreign currency translation differences	-	-	-	(60,563)	-	-	-	-	-	(60,563)	-	(60,563)
available for sale securities	-	-	-	53	-	-	-	-	-	53	-	53
Total comprehensive income for the period	**-**	**-**	**-**	**(144,464)**	**-**	**-**	**-**	**-**	**281,371**	**136,907**	**50,896**	**187,803**
Contributions and distributions for shareholders												
Increase capital	419,401	-	(228,675)	-	(190,726)	-	-	-	-	-	-	-
Share options exercised	-	84,601	(68,050)	-	-	-	-	-	-	16,551	-	16,551
Business combination	-	-	-	-	-	-	-	-	-	-	2,209	2,209
Dividends	-	-	-	-	-	-	-	(137,610)	-	(137,610)	-	(137,610)
Redeem entity's shares	-	(607,932)	-	-	-	-	-	-	-	(607,932)	-	(607,932)
Share-based payment transactions	-	-	4,230	-	-	-	-	-	-	4,230	130	4,360
Total contributions by and distributions to owners of the Parent	**419,401**	**(523,331)**	**(292,495)**	**-**	**(190,726)**	**-**	**-**	**(137,610)**	**-**	**(724,761)**	**2,339**	**(722,422)**
Transactions with owners of the Company												
Change of shareholding interest in subsidiary	-	-	(7,888)	-	-	-	-	-	-	(7,888)	12,051	4,163
Total transactions with shareholders	**-**	**-**	**(7,888)**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,888)**	**12,051**	**4,163**
At June 30, 2018	**4,418,476**	**(637,744)**	**399,437**	**(200,110)**	**-**	**3,520,703**	**171,021**	**891,354**	**281,371**	**8,844,508**	**914,601**	**9,759,109**

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

Cosan S.A.

Consolidated statements of changes in shareholder'equity
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais - R$)

					Profit reserve							
	Common stock	**Treasuary share**	**Other capital reserve**	**Others equity components**	**Legal**	**Statutory reserve**	**Unrealized earning**	**Retained earning**	**Profit reserve**	**Total**	**Non-controlling interest**	**Total equity**
At January 1, 2017	**3,824,648**	**(34,966)**	**956,318**	**(295,923)**	**284,960**	**2,963,532**	**171,021**	**1,096,016**	**-**	**8,965,606**	**1,826,733**	**10,792,339**
Net income for the period	-	-	-	-	-	-	-	-	129,273	129,273	78,082	207,355
Other comprehensive income:												
Gain on cash flow hedge in joint ventures	-	-	-	322,203	-	-	-	-	-	322,203	-	322,203
Foreign currency translation differences	-	-	-	(11,388)	-	-	-	-	-	(11,388)	-	(11,388)
Financial instruments - common transactions	-	-	-	69,633	-	-	-	(60,633)	-	9,000	-	9,000
available for sale securities	-	-	-	3,323	-	-	-	-	-	3,323	-	3,323
Total comprehensive income for the period	**-**	**-**	**-**	**383,771**	**-**	**-**	**-**	**(60,633)**	**129,273**	**452,411**	**78,082**	**530,493**
Contributions and distributions for shareholders												
Increase capital	174,427	-	(14,427)	-	(160,000)	-	-	-	-	-	-	-
Dividends - non-controlling interests	-	-	(3,934)	-	-	-	-	-	-	(3,934)	3,934	-
Share options exercised	-	-	14,786	-	-	-	-	-	-	14,786	-	14,786
Dividends	-	-	-	-	-	(379,998)	-	-	-	(379,998)	(127,094)	(507,092)
Constitution legal reserve	-	-	-	-	-	-	-	-	-	-	-	-
Redeem entity's shares	-	(25,922)	-	-	-	-	-	-	-	(25,922)	-	(25,922)
Share-based payment transactions	-	-	3,488	-	-	-	-	-	-	3,488	-	3,488
Total contributions by and distributions to owners of the Parent	**174,427**	**(25,922)**	**(87)**	**-**	**(160,000)**	**(379,998)**	**-**	**-**	**-**	**(391,580)**	**(123,160)**	**(514,740)**
Transactions with owners of the Company												
Change of shareholding interest in subsidiary	-	-	(6,690)	-	-	-	-	-	-	(6,690)	27,107	20,417
Total transactions with shareholders	**-**	**-**	**(6,690)**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,690)**	**27,107**	**20,417**
At June 30, 2017	**3,999,075**	**(60,888)**	**949,541**	**87,848**	**124,960**	**2,583,534**	**171,021**	**1,035,383**	**129,273**	**9,019,747**	**1,808,762**	**10,828,509**

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

Cosan S.A.

Consolidated statement of cash flows
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais - R$)

	Note	Parent Company		Consolidated	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Cash flows from operating activities					
Profit before taxes		124,510	62,942	334,329	256,917
Adjustments for:					
Depreciation and amortization		2,662	3,348	290,741	308,656
Interest in earnings of associates	11	(658,312)	(353,414)	(10,469)	1,834
Interest in earnings of joint ventures	12	57,963	70,680	(348,113)	(296,094)
Loss on disposals assets		60	-	5,821	20,435
Share-based payment transactions		3,706	3,488	4,360	3,488
Provision for legal proceedings		14,428	14,835	13,973	9,219
Indexation charges, interest and exchange, net		417,930	164,425	564,269	546,433
Provisions for employee benefits		8,217	6,602	35,008	29,307
Allowance for doubtful accounts		-	-	7,602	9,939
Other		(1,473)	313	(5,460)	7,827
		(30,309)	**(26,781)**	**892,061**	**897,961**
Changes in:					
Trade receivables		-	-	(180,415)	(145,039)
Inventories		-	-	(994)	9,714
Other taxes, net		(13,062)	(3,372)	(131,144)	(20,431)
Related parties, net		(52,745)	(18,857)	(55,588)	(22,831)
Trade payables		(1,879)	(2,692)	198,844	74,281
Employee benefits		(18,297)	(19,764)	(72,670)	(71,474)
Provision for legal proceedings		(2,978)	(483)	(19,692)	(1,789)
Other financial assets		-	-	(3,159)	11,345
Judicial deposits		(30,195)	391	(17,416)	2,040
Cash received on sale of credit rights		1,340,000	233,570	1,340,000	233,570
Post-employment benefits		-	-	(16,043)	(13,209)
Other assets and liabilities, net		5,878	37,957	(51,616)	(37,978)
		1,226,722	**226,750**	**990,107**	**18,199**
operating activities		**1,196,413**	**199,969**	**1,882,168**	**916,160**
Cash flows from investing activities					
Capital contribution in associates		(41,162)	(58,770)	(6,162)	(3,968)
Acquisition of subsidiary, net of cash acquired		-	-	(72,985)	-
Marketable securities		(82,899)	(14,169)	(615,288)	3,535
Cash received on sale of fixed assets, and intangible assets		-	-	1,369	1,097
Dividends received from investees		576,011	636,471	4,793	2,565
Dividends received from jointly controlled entity		81,261	129,625	723,651	576,625
Other financial assets		-	(275,780)	-	(275,780)
Acquisition of property, plant and equipment, intangible assets and investments		(590)	(1,675)	(273,639)	(179,979)
investing activities		**532,621**	**415,702**	**(238,261)**	**124,095**

Cash flows from financing activities				
Loans, borrowings and debentures raised	-	-	584,334	93,438
Amortization of principal on loans, borrowings and debentures	-	-	(815,002)	(474,059)
Payment of interest on loans, borrowings and debentures	-	-	(225,592)	(238,068)
Derivative financial instruments	55,363	(178,943)	64,327	(173,095)
Related parties	(131,688)	(132,152)	-	-
Payments to redeem entity's shares	(607,932)	(25,922)	(607,932)	(25,922)
Non-controlling interest subscription	4,163	20,375	4,163	20,375
Dividends paid	(446,295)	(376,679)	(754,322)	(839,629)
Share options exercised	16,551	14,786	16,551	14,786
Net cash used in financing activities	**(1,109,838)**	**(678,535)**	**(1,733,473)**	**(1,622,174)**
equivalents	**619,196**	**(62,864)**	**(89,566)**	**(581,919)**
Cash and cash equivalents at beginning of period	144,005	1,066,930	3,150,328	3,990,930
Effect of exchange rate fluctuations on cash held	-	-	83,592	6,104
Cash and cash equivalents at end of period	**763,201**	**1,004,066**	**3,144,354**	**3,415,115**
Additional information				
Income tax paid	-	-	58,214	221

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

Cosan S.A.

Consolidated statement of value added
For the three and six months period ended June 30, 2018 and 2017
(In thousands of Brazilian Reais - R$)

	Parent Company		Consolidated	
	June 30, 2018	**June 30, 2018**	**June 30, 2018**	**June 30, 2018**
Revenue				
Sales of products and services net of returns	-	-	5,843,592	4,442,766
Other operating (expense) revenue	(5,350)	(25,613)	4,920	13,777
Allowance for doubtful accounts	-	-	(7,602)	(9,939)
	(5,350)	**(25,613)**	**5,840,910**	**4,446,604**
Raw materials acquired from third parties				
Cost of goods sold and services rendered	-	-	(3,309,292)	(2,243,467)
Materials, energy, third party services, others	(37,133)	(41,278)	(239,180)	(311,797)
	(37,133)	**(41,278)**	**(3,548,472)**	**(2,555,264)**
Gross value added	**(42,483)**	**(66,891)**	**2,292,438**	**1,891,340**
Retention				
Depreciation and amortization	(2,662)	(3,348)	(290,741)	(308,656)
	(2,662)	**(3,348)**	**(290,741)**	**(308,656)**
Net value added	**(45,145)**	**(70,239)**	**2,001,697**	**1,582,684**
Value added transferred in				
Equity pick-up in investees	658,312	353,414	10,469	(1,834)
Equity pick-up in jointly controlled entity	(57,963)	(70,680)	348,113	296,094
Financial income	463,179	216,520	243,404	392,354
	1,063,528	**499,254**	**601,986**	**686,614**
Value added to be distributed	**1,018,383**	**429,015**	**2,603,683**	**2,269,298**
Distribution of value added				
Personnel	20,555	22,756	247,012	215,488
Taxes and contributions	(152,518)	(61,631)	1,297,837	1,048,590
Financial expenses	868,975	338,617	726,567	797,865
Non-controlling interests	-	-	50,896	78,082
Profit from continued operations	281,371	129,273	281,371	129,273
	1,018,383	**429,015**	**2,603,683**	**2,269,298**

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

1 Operations

Cosan S.A. composed of its subsidiaries and jointly controlled entities ("Company" or "Cosan") is a publicly traded company with its shares traded on the Novo Mercado da Bolsa de Valores de São Paulo ("BM&FBOVESPA") under the ticker symbol CSAN3, and has its headquarters in the city of São Paulo, Brazil. Cosan Limited is the controlling shareholder of Cosan, in which it holds 60.29%.

The primary activities in which Cosan S.A. operates, include the following business segments: (i) Piped natural gas distribution to part of the State of São Paulo through its subsidiary Companhia de Gás de São Paulo – COMGÁS ("COMGÁS"); (ii) Production and distribution of lubricants, through its indirect subsidiaries Cosan Lubrificantes e Especialidades S.A. ("CLE") and Comma Oil & Chemicals Ltd. ("Comma"), under the Mobil licensed trademark in Brazil, Bolivia, Uruguay and Paraguay, in addition to the European and Asian market using the Comma's brand and corporate activities ("Moove") and; and (iv) Other investments, in addition to the corporate structures of Company ("Cosan Corporate").

The Company also holds interests in two jointly controlled entities ("Joint Ventures" or "JVs"): (i) Raízen Combustíveis S.A. ("Raízen Combustíveis"), fuel distribution business, and (ii) Raízen Energia S.A. ("Raízen Energia"), production and marketing of sugar, ethanol and energy cogeneration, produced from sugar cane bagasse.

On January 31, 2018, the Company received the amount of 1,340,000 related to the Assignment of receivables, as published in the financial statements as of December 31, 2017 in note 34.

On March 19, 2018, we entered into a contract with ExxonMobil Lubricants Trading Company that grants our subsidiary "Moove" the exclusive rights to produce, import, distribute and sell in Brazil, Bolivia, Paraguay and Uruguay lubricants and other related products under the Mobil brand. until November 30, 2038. This agreement shall enter into force on December 1, 2018.

On June 30, 2018, the Company, through its subsidiary Comma, supplemented the price paid on account of compliance with certain contractual conditions in which it generated an increase in consideration in the amount of R$ 31,726 (Note 14 , R $ 8,111 on March 31, 2018, relating to the acquisition of the full control of Stanbridge Group Limited. In addition, after fulfilling the contractual conditions and reviewing the fair value of the transaction, the remaining balance and the additional preliminary consideration in the amount of R $ 35,869 were settled in cash. On May 31, 2018, Management made part of the allocation of the purchase price under "Customer Relations" in the amount of R $ 136,499 (Note 14).

On May 31, 2018, the Company, through its subsidiary Comma, acquired control of the companies TTA - SAS Techniques & Technologie Appliquées and LubrigrupoII, S.A in the preliminary amount of R$ 42,650 and R$ 5,933 respectively, generating an additional goodwill in the Lubricants segment of R$ 17,131 and R$ 2,383 (Note 14), respectively. The transferred consideration, net of cash received, totaled R$ 32,583 and R$ 4,533, respectively.

On April 24, 2018, Raízen Combustíveis and its subsidiary Raízen Argentina Holdings S.A.U. entered into an agreement for the acquisition of Shell Argentina from Shell Overseas Investments B.V. and B.V. Dordtsche Petroleum Maatschappij for the an amount of U.S.$950 million. The consideration to be paid assumes that Shell Argentina has no indebtedness and is subject to customary adjustments, including for variations in working capital and net debt, through to the closing date.

Shell Argentina operates a petroleum refinery and distributes fuel through a network of 645 petrol stations in Argentina. It is expected that following the closing of the transaction, Shell Argentina will enter into several agreements with Shell entities, on market terms, including a supply agreement for the import of hydrocarbons and a license to use certain Shell brands in Argentina.

The closing of the transaction is subject to certain customary closing conditions, including (i) a corporate reorganization of the target group of companies, which includes the carve-out of the upstream

(exploration and production) business of Shell in Argentina, and (ii) regulatory approvals. It is expected that these precedent conditions will be fulfilled by the end of 2018.

During the six-month period ended June 30, 2018, Raízen Combustíveis made a partial advance for the acquisition of Shell Argentina's DS business in the amount of R $ 341,010, equivalent to US $ 100,000 thousand.

As announced to the market, on August 2, 2018, the Civil Police of the State of Paraná launched on July 31, 2018, the Operation Controlled Margin to investigate the alleged involvement of Raízen Combustíveis S.A. ("RCSA"), a joint venture formed by Cosan and Shell, in practices to control the final price of fuel sold in gas stations located in such region. On the same date, search and seizure warrants were executed and three of RCSA's employees were temporarily arrested and on August 3, 2018, the court determined the release of them. To this moment, in view of the existing information, no irregular conduct may be attributed to RCSA or its employees. No complaints were filed against any employees of RCSA, and no court order was issued determining the freeze of any assets or funds in its bank accounts.

In parallel, also on July 31, 2018, in connection with the so-called Operation Dubai, the Prosecution Office of the Federal District filed a complaint against, among other parties, RCSA and one employee on the grounds of alleged anticompetitive practice. In said complaint, the Prosecution Office requested freeze of assets and funds of RCSA of approximately R$120,000, and such request is under analysis. RCSA is taking the necessary steps to bring the appropriate remedies against that decision. According to analysis of the Company and RCSA, based on the information available so far, the above-mentioned allegations have no factual or legal grounds the prices charged in the gas stations are set exclusively by resellers, with no interference of RCSA.

At the present date there is no definitive decision or material impact on the business and financial statements of RCSA, and for the time being, there is no evidence to show that in the future, there will be a material impact on the financial statements of RCSA.

2 Basis of preparation

2.1 Statement of compliance

The interim individual and consolidated financial statements have been prepared in accordance with CPC 21 - Interim Financial Reporting and the International Accounting Standard IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Securities and Exchange Commission applicable to the preparation of the Quarterly Information - ITR.

These interim financial statements have been prepared following the basis of preparation and accounting policies consistent with those adopted in preparing the financial statements for the year ended on December 31, 2017 and should be read together.

The information notes that did not change significantly compared with the December 31, 2017 have not been fully presented in these financial statements.

The relevant information specific to the interim financial statements, and only them, are being evidenced and that correspond to those used by it in its management.

Certain amounts of the comparative balances in the statements of cash flows and in notes 5, 10, 11, 18, 19, 20 and 24 were reclassified to improve the level of detail of the disclosures in these consolidated interim financial statements. These reclassifications had inconsequential impacts on the Company's consolidated interim financial statements.

These interim financial statements were authorized for issue by the Board of Directors on August 03, 2018.

3 Significant accounting policies

These interim financial information were prepared based on the preparation basis and accounting policies consistent with those adopted in the preparation of the financial statements as of December 31, 2017, except for the adoption of IFRS 15 (CPC 47) Customer Contract Revenue and IFRS 9 (CPC 48) Financial Instruments, whose effects and changes are disclosed below (Note 3.2) effective as of January 1, 2018. The Company has not adopted in advance any other standard or interpretation issued that is not yet in force.

3.1 Basis of consolidation

The consolidated interim financial statements include the accounts of Cosan and its subsidiaries. Cosan's subsidiaries are listed below:

	Direct and indirect interest	
	June 30. 2018	**December 31. 2017**
Directly owned subsaresidiaries		
Comma Oil Chemicals	100.00%	100.00%
Companhia de Gás de São Paulo – COMGÁS [(ii)]	80.12%	79.87%
Cosan Biomassa S.A. [(i)]	100.00%	100.00%
Cosan Cayman II Limited	100.00%	100.00%
Cosan Global Limited	100.00%	100.00%
Cosan Investimentos e Participações S.A.	100.00%	100.00%
Cosan Lubes Investments Limited [(i)]	100.00%	100.00%
Airport Energy Limited	100.00%	100.00%
Airport Energy Services Limited	100.00%	100.00%
Wessesx Petroleum Limited	100.00%	100.00%
Stanbridge Group Limited	100.00%	100.00%
TTA - SAS Techniques & Technologie Appliquées [(iii)]	75.00%	-
Cosan Lubrificantes S.R.L	100.00%	-
LubrigrupoII, S.A [(iii)]	100.00%	-
Cosan Lubrificantes e Especialidades S.A.	100.00%	100.00%
Cosan Luxembourg S.A.	100.00%	100.00%
Cosan Overseas Limited	100.00%	100.00%
Cosan Paraguay S.A.	100.00%	100.00%
Cosan US. Inc.	100.00%	100.00%
Ilha Terminal Distribuição de Produtos Químicos	100.00%	100.00%
Pasadena Empreendimentos e Participações S.A. [(i)]	100.00%	100.00%
Zip Lube S.A.	100.00%	100.00%

(i) Management has concluded that there are no material uncertainties that cast doubt on the continuity of the subsidiaries. Although they had a combined amount of uncovered liabilities of R $ 155,618 as of June 30, 2018 (Note 11), there were no events or conditions that individually or collectively could raise significant doubts as to their ability to maintain their operational continuity. The subsidiaries have the financial support of the Company.

(ii) As of June 30, 2018, the Company increased its interest, in Comgás to 80.12% due to the capital increase arising from the partial use of the goodwill tax benefit, according to Ordinary / Extraordinary General Meeting of April 25, 2018, of the subsidiary Comgás. As a consequence, a loss in shareholders' equity was recognized in the total amount of R$ 7,888.

(iii) Acquisition of control of companies in the Lubricants segment as described in the note 1.

3.2 New standards, interpretations and changes adopted by the Company

Although these new standards and amendment below apply for the first time in 2018, they do not have a material impact on the Company's annual consolidated financial statements or in the interim financial statements. The nature and impact of each new standard or change are described below:

a) IFRS 15 - Customer Contract Revenue

IFRS 15 includes as a fundamental principle the recognition of revenue when goods or services are transferred to customers at the transaction price. Revenue is recognized according to this principle by applying a 5 step model:

- Step 1: Identify the contracts with the client;
- Step 2: Identify the performance obligations defined in the contract;
- Step 3: Determine the price of the transaction;
- Step 4: Allocate the price of the transaction to the performance obligations provided for in the agreement; and
- Step 5: Recognize revenue when (or as) the entity meets each performance obligation.

When evaluating contracts with customers, the Company uses judgment to identify whether contracts can be combined, whether there are contract modifications, determine different goods and services, and whether performance obligations are satisfied over time or at a point in time, if there are implicit rebates on the contact and determine significant funding components. In addition, the Company uses estimates when determining the variable consideration and its individual sales prices when using the allocation methodology.

The Company records all its sales of goods and services only when a firm sales contract is in effect, delivery occurred or services were rendered and collection of the fixed or determinable sales price is reasonably estimate. Agreements for the sale of goods and services sometimes include multiple components. Most of the Company's multi-component agreements involve the sale of goods and services in the Lubricants segment. The multi-component agreements usually involve an initial supply of finished products and basic oil and territorial concession and storage services. In such agreements, the selling price is determined for each component and any difference between the total of the separate selling prices and the total consideration of the contract (ie discount) is allocated proportionally in each of the components of the agreement. The value attributed to each component is determined objectively and is obtained, primarily, from sources such as the separate selling price for the same item, a similar item or competing prices for similar items. If such evidence is not available, we use our best estimate of selling price, which is set according to the pricing strategy of the business and considers product configuration, geography, customer type and other specific market factors. In agreements which the Company sells products that give the customer a right of return, we use our experience to estimate and arrange those returns when we record the sale. In situations where sales include customer acceptance forecasts based on objective vendor or customer criteria, we recognize revenue when we reliably demonstrate that all specified acceptance criteria have been met or when formal acceptance occurs respectively. Unless stated otherwise, we do not estimate anticipated losses before recording sales.

The Company recognizes revenue from contracts of gas distribution services, construction revenue (under IFRIC 12). We estimate total contract revenue net of price concessions, as well as the total contract costs. For the construction revenues that are related to concession contracts, we recognize the revenue and costs at the moment of completion of the work. We routinely update our forward cost estimates for ongoing contracts and report any cumulative effects of such adjustments on current operations. We record any expected loss in these agreements when such loss it is probable. The Company recognizes revenue from logistics services in the issuance of the invoice, which is at the time of delivery of the products to Rumo to perform the service. Significant components of our revenue and cost estimates include prices and guarantees related to performance, as well as material, labor, and

overhead costs. We record any expected loss in these agreements when such loss it is probable.

In the evaluation of the Company, no effects of the adoption of IFRS 15, which affected these interim financial statements, were identified, except for the reclassification of commission's expenses in the amount of R$ 37,813 to reduce the revenue previously recorded in selling expenses. In the period ended June 30, 2017, the amount of R $ 46,838 was recorded in selling expenses.

b) IFRS 9 - Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018, bringing together all three aspects of accounting for financial instruments: (i) classification and measurement; (ii) impairment; and (iii) hedge accounting.

The Company applied IFRS 9 with the initial application date of January 1, 2018, retrospectively, except as described below:

- The Company has adopted the exception of not re-presenting comparative information from previous periods regarding the classification and measurement requirements (including impairment). Differences in the balances of financial assets and liabilities arising from the adoption of IFRS9 were recorded in retained earnings and reserves on January 1, 2018. Thus, the information presented for 2017 generally does not reflect the requirements of IFRS 9, but the requirements of IAS 39.

- Certain definitions were made based on the facts and circumstances existing at the date of initial application: i) determination of the business model in which a financial asset is held; ii) the designation and revocation of prior designations of certain financial assets and liabilities as measured at fair value through profit or loss.

- All hedge relationship designations in accordance with IAS 39 existing as of December 31, 2017 meet the hedging criteria in accordance with IFRS 9 as of January 1, 2018 and are therefore designated as continuing hedge relationships.

The effect of the adoption of IFRS 9 is as follows:

Assets	
Trades receivables	(9,637)
Investments in joint ventures	(1,340)
Deferred tax	3,277
Equity	
Retained earnings	7,700

(i) Classification and measurement

Except for certain commercial receivables, in accordance with CPC 48 / IFRS 9, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not measured at the fair value through profit or loss, of transaction costs.

Under IFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortized cost, or fair value through other comprehensive income (FVOCI).
The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

The Company recognizes its financial assets at amortized cost for financial assets that are kept within a

business model with the objective of obtaining contractual cash flows that meet the "SPPI criterion." This category includes trade accounts receivable, cash and cash equivalents, restricted cash, receivables from related parties, other financial assets and dividends and interest on shareholders' equity receivable. No new measurement of financial assets was carried out.

The evaluation of the Company's business models was carried out from the date of initial application on January 1, 2018 and retrospectively applied to financial assets that were not derecognized before January 1, 2018. The assessment of whether cash flows contractual debt instruments are solely composed of principal and interest were made based on the facts and circumstances as in the initial recognition of the assets.

The accounting of the Company's financial liabilities remains basically the same as those of IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration to be treated as financial instruments measured at fair value with changes in fair value recognized in profit or loss.

The embedded derivatives are not separated from the related financial asset. Instead, financial assets are classified based on their contractual terms and the Company's business model.

The accounting of embedded derivatives in financial liabilities and in non-financial related contracts did not change from that required by IAS 39.

(ii) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

The Company recognizes a provision for expected credit loss for its accounts receivable. The simplified standard approach is applied and the expected credit losses for the entire life of the asset are calculated. The Company has established a provisioning matrix that is based on the historical experience of credit loss of each business segment, adjusted for specific prospective factors for the debtors and for the economic environment.

The adoption of the expected credit loss requirements of IFRS 9 resulted in a rise in the Company's provisions for losses of R$ 9,637. The rise in the provision resulted in adjustment to retained earnings in the amount of R$ 7,700.

(iii) Hedge accounting

The Company applied the changes of hedge accounting prospectively. At the date of initial application, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with previous periods, the Company continued to designate the change in the fair value of the entire forward contract in the Company's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of IFRS 9 had no significant impact on the Company's consolidated interim financial statements.

According to IAS 39, all gains and losses arising from the Company's cash flow hedge relationships were eligible to be subsequently reclassified to income. However, in accordance with IFRS 9, the gains and losses resulting from cash flow hedge of the expected purchases of non-financial assets need to be incorporated into the initial book values of non-financial assets. Therefore, after the adoption of IFRS 9, the net cash flow hedge gain or loss was presented under "Other comprehensive income not being reclassified to income". This amendment applies only prospectively from the date of initial application of IFRS 9 and has no impact on the presentation of comparative figures.

c) ICPC 21 - Transaction in Foreign Currency and Down Payment

ICPC 21 states that the date of the transaction for the purpose of determining the exchange rate should be the date on which the entity initially recognizes the non-monetary asset or liability arising from the payment or early receipt.

Management conducted the analysis of the impacts of the initial adoption of ICPC 21 and considered them to be immaterial. Thus, it is still under analysis if the adoption will be carried out prospectively or retrospectively.

3.2 Non-cash transaction

During the period ended June 30, 2018, the Company carried out the following transactions that did not involve cash and are therefore not reflected in the statement of cash flows:

- Capital increase in subsidiary Cosan Lubrificantes e Especialidades S.A, with payment in installments, to be settle during the year, in the amount of R$ 65,000.
- Capital increase in the amount of R $ 419,401 through the use of the capital reserve of R $ 228,675 and legal reserve of R $ 190,726 without the use of cash.

4 New standards and interpretations not yet effective

The following new standards and interpretations of standards have been issued by the IASB, but are not in force for the year 2018. Early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

a) IFRS 16 Leases

IFRS 16 introduces a single model for the accounting of leases in the balance sheet for tenants. A lessee recognizes a right of use asset that represents his right to use the leased asset and a lease liability that represents his obligation to make lease payments. Optional exemptions are available for short-term leases and low value items. The lessor's accounting remains similar to the current standard, that is, lessors continue to classify leases as financial or operating.

IFRS 16 replaces existing lease standards, including IAS 17 Leasing Operations and IFRIC 4, SIC 15 and SIC 27 Complementary Aspects of Leasing Operations.

The standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted only for financial statements in accordance with IFRSs and only for entities that apply IFRS 15 Revenue from Contracts with Customers or before the date of initial application of IFRS 16.

The Company began an initial assessment of the potential impact on its financial statements. So far, the most significant impact identified is that the subsidiary Rumo will recognize new assets and liabilities for its operating leases. In the jointly-owned subsidiary Raízen, it is expected to have significant impacts on land leases. In addition, the nature of the expenses related to these leases will be changed, since IFRS 16 replaces the line operating lease expense due to depreciation of the right of use and interest on the lease liabilities. The Company has not yet decided whether to use the optional exemptions.

As a lessee, the Company may apply the standard using a:

i. Retrospective approach; or
ii. Modified retrospective approach with optional practical expedients.

The lessee will apply this choice consistently to all of its leases. The Company should apply IFRS 16 initially on January 1, 2019. The Company has not yet determined which transition approach to apply.

The Company has not yet quantified the impact of adopting IFRS 16 on its assets and liabilities. The quantitative effect of the adoption of IFRS 16 will depend specifically on the transition method chosen, the use of practical expedients and recognition exemptions, and any additional leases that the Company will enter into. The Company expects to disclose its transition approach and quantitative information prior to adoption.

There are no other IFRS standards or IFRIC interpretations that have not come into effect and are expected to have a material impact on the Company.

5 Segment Information

The following segment information is based on the information used by Cosan's senior management to assess the performance of the operating segments and to make decisions with regards to the allocation of resources. Cosan evaluates operating performance based on the measure of EBITDA. A reconciliation of EBITDA to profit (loss) of the period is presented below.

Reported segments

(i) **Raízen Energia**: production and marketing of a variety of products derived from sugar cane, including raw sugar (VHP), anhydrous and hydrated ethanol, and activities related to energy cogeneration from sugarcane bagasse. In addition, this segment holds interests in companies engaged in research and development on new technology;

(ii) **Raízen Combustíveis**: distribution and marketing of fuels, mainly through a franchised network of service stations under the brand Shell throughout Brazil;

(iii) **COMGÁS**: distribution of piped natural gas to part of the State of São Paulo (approximately 180 municipalities, including the region called Greater São Paulo) to customers in the industrial, residential, commercial, automotive, thermo generation and cogeneration sectors;

(iv) **Moove**: production and distribution of lubricants, through its indirect subsidiaries Cosan Lubrificantes e Especialidades S.A. ("CLE"), Stanbridge Group Limited ("Stanbridge"), TTA - SAS Techniques & Technologie Appliquées, LubrigrupoII, S.A. e Cosan Lubrificantes S.R.L, under the Mobil licensed trademark in Brazil, Bolivia, Uruguay, Paraguay and Europe market, and Comma Oil & Chemicals Ltd. ("Comma") under the Comma's brand to the Europe and Asian market and corporate activities ("Moove").; and

Reconciliation

(v) **Cosan Corporate:** other investments, in addition to the corporate activities of the Company. The Cosan Corporate segment's includes the subsidiaries responsible for raising funds for the group.

Although Raízen Energia and Raízen Combustíveis are equity accounted joint ventures and are no longer proportionally consolidated since adoption of IFRS 11, senior management continues to review segment information. A reconciliation of these segments is presented in the column "Deconsolidated effects IFRS 11."

The following statement of financial position and profit or loss selected information by segment was prepared on the same basis as the accounting practices used in the preparation of consolidated information:

	April 1, 2018 to June 30, 2018							
	Reported segments				Reconciliation			
	Raízen Energia	Raízen Combustíveis	COMGÁS	Moove	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Statement of profit or loss:								
Net sales	4,091,556	19,594,604	1,592,803	826,673	29	(23,686,160)	(1)	2,419,504
Domestic market	2,616,400	19,594,604	1,592,803	804,300	29	(22,211,004)	(1)	2,397,131
External market	1,475,156	-	-	22,373	-	(1,475,156)	-	22,373
Cost of sales	(3,790,328)	(18,824,974)	(1,140,367)	(666,065)	-	22,615,302	1	(1,806,431)
Gross profit	301,228	769,630	452,436	160,608	29	(1,070,858)	-	613,073
Selling expenses	(184,954)	(339,826)	(152,090)	(93,034)	(1)	524,780	-	(245,125)
General and administrative expenses	(155,960)	(115,004)	(81,824)	(36,792)	(34,249)	270,964	-	(152,865)
Other income (expenses), net	50,838	97,412	(4,065)	(2,987)	(9,664)	(148,250)	-	(16,716)
Financial results	(115,652)	(260,074)	(65,925)	5,336	(301,047)	375,726	-	(361,636)
Financial expenses	(246,890)	(41,680)	(135,020)	(10,162)	(62,947)	288,570	-	(208,129)
Financial Income	171,292	49,830	69,402	2,305	57,831	(221,122)	-	129,538
Foreign exchange losses, net	(141,466)	(767,074)	(93,241)	(17,457)	(641,971)	908,540	-	(752,669)
Derivatives	101,412	498,850	92,934	30,650	346,040	(600,262)	-	469,624
Equity in earnings of associates	(1,402)	-	-	9,236	114,935	1,402	(109,512)	14,659
Equity in earnings of joint ventures	-	-	-	-	50,457	-	-	50,457
Income tax (expense)benefit	82,052	(22,308)	(54,641)	(7,846)	115,194	(59,744)	-	52,707
Profit (loss) from continuing operations	**(23,850)**	**129,830**	**93,891**	**34,521**	**(64,346)**	**(105,980)**	**(109,512)**	**(45,446)**
Net income attributable to:								
Owners of the Parent	(23,832)	124,646	75,148	34,365	(64,346)	(100,814)	(109,512)	(64,345)
Non-controlling interests	(18)	5,184	18,743	156	-	(5,166)	-	18,899
	(23,850)	**129,830**	**93,891**	**34,521**	**(64,346)**	**(105,980)**	**(109,512)**	**(45,446)**
Other select data:								
Depreciation and amortization	430,106	30,590	116,356	28,479	3,805	(460,696)	-	148,640
EBITDA	439,856	442,802	330,813	65,510	125,312	(882,658)	(109,512)	412,123
Additions to PP&E, intangible and biological assets	480,470	496,982	123,312	10,136	598	(977,452)	-	134,046
Reconciliation of EBITDA:								
Profit (loss) for the period	(23,850)	129,830	93,891	34,521	(64,346)	(105,980)	(109,512)	(45,446)
Income tax and social contribution	(82,052)	22,308	54,641	7,846	(115,194)	59,744	-	(52,707)
Financial results, net	115,652	260,074	65,925	(5,336)	301,047	(375,726)	-	361,636
Depreciation and amortization	430,106	30,590	116,356	28,479	3,805	(460,696)	-	148,640
EBITDA	**439,856**	**442,802**	**330,813**	**65,510**	**125,312**	**(882,658)**	**(109,512)**	**412,123**

	January 1, 2018 to June 30, 2018							
	Reported segments				Reconciliation			
	Raízen Energia	**Raízen Combustíveis**	**COMGÁS**	**Moove**	**Cosan Corporate**	**Deconsolidated effects IFRS 11**	**Segment elimination / adjustments**	**Total consolidated**
Statement of profit or loss:								
Net sales	8,604,494	39,089,576	3,023,679	1,551,245	430	(47,694,070)	(8)	4,575,346
Domestic market	5,543,056	39,089,576	3,023,679	1,514,594	430	(44,632,632)	(8)	4,538,695
External market	3,061,438	-	-	36,651	-	(3,061,438)	-	36,651
Cost of sales	(7,735,380)	(37,346,658)	(2,082,799)	(1,244,562)	(140)	45,082,038	8	(3,327,493)
Gross profit	869,114	1,742,918	940,880	306,683	290	(2,612,032)	-	1,247,853
Selling expenses	(340,048)	(684,928)	(306,555)	(179,811)	-	1,024,976	-	(486,366)
General and administrative expenses	(329,374)	(250,332)	(158,596)	(59,435)	(63,635)	579,706	-	(281,666)
Other income (expenses), net	159,296	196,796	(4,318)	(4,094)	(26,569)	(356,092)	-	(34,981)
Financial results	(151,946)	(332,440)	(87,555)	(3,696)	(377,842)	484,386	-	(469,093)
Financial expenses	(445,772)	(35,710)	(231,884)	(17,290)	(71,494)	481,482	-	(320,668)
Financial Income	310,068	98,626	142,733	5,272	97,223	(408,694)	-	245,228
Foreign exchange losses, net	(135,124)	(854,154)	(87,826)	(19,290)	(683,639)	989,278	-	(790,755)
Derivatives	118,882	458,798	89,422	27,612	280,068	(577,680)	-	397,102
Equity in earnings of associates	(5,560)	-	-	4,176	255,763	5,560	(249,470)	10,469
Equity in earnings of joint ventures	-	-	-	-	348,113	-	-	348,113
Income tax (expense)benefit	9,658	(165,164)	(130,989)	(16,325)	145,252	155,506	-	(2,062)
Profit (loss) from continuing operations	**211,140**	**506,850**	**252,867**	**47,498**	**281,372**	**(717,990)**	**(249,470)**	**332,267**
Net income attributable to:								
Owners of the Parent	211,146	486,452	202,127	47,342	281,372	(697,598)	(249,470)	281,371
Non-controlling interests	(6)	20,398	50,740	156	-	(20,392)	-	50,896
	211,140	**506,850**	**252,867**	**47,498**	**281,372**	**(717,990)**	**(249,470)**	**332,267**
Other select data:								
Depreciation and amortization	1,041,694	100,790	233,772	49,335	7,634	(1,142,484)	-	290,741
EBITDA	1,395,122	1,105,244	705,183	116,854	521,596	(2,500,366)	(249,470)	1,094,163
Additions to PP&E, intangible and biological assets	1,496,676	585,750	251,627	21,334	678	(2,082,426)	-	273,639
Reconciliation of EBITDA:								
Profit (loss) for the period	211,140	506,850	252,867	47,498	281,372	(717,990)	(249,470)	332,267
Income tax and social contribution	(9,658)	165,164	130,989	16,325	(145,252)	(155,506)	-	2,062
Financial results, net	151,946	332,440	87,555	3,696	377,842	(484,386)	-	469,093
Depreciation and amortization	1,041,694	100,790	233,772	49,335	7,634	(1,142,484)	-	290,741
EBITDA	**1,395,122**	**1,105,244**	**705,183**	**116,854**	**521,596**	**(2,500,366)**	**(249,470)**	**1,094,163**

April 1, 2017 to June 30, 2017

	Reported segments				Reconciliation			
	Raízen Energia	**Raízen Combustíveis**	**COMGÁS**	**Moove**	**Cosan Corporate**	**Deconsolidated effects IFRS 11**	**Segment elimination / adjustments**	**Total consolidated**
Statement of profit or loss:								
Net sales	3,105,914	17,264,040	1,359,665	511,466	183	(20,369,954)	(33)	1,871,281
Domestic market	1,726,017	17,264,040	1,359,665	399,717	183	(18,990,057)	(33)	1,759,532
External market	1,379,897	-	-	111,749	-	(1,379,897)	-	111,749
Cost of sales	(3,095,884)	(16,499,280)	(866,811)	(354,429)	(548)	19,595,164	33	(1,221,755)
Gross profit	10,030	764,760	492,854	157,037	(365)	(774,790)	-	649,526
Selling expenses	(186,415)	(327,978)	(164,243)	(99,902)	(5)	514,393	-	(264,150)
General and administrative expenses	(128,491)	(102,422)	(81,081)	(21,175)	(34,954)	230,913	-	(137,210)
Other income (expenses), net	(7,733)	225,052	(9,308)	(316)	(35,885)	(217,319)	-	(45,509)
Financial results	(98,083)	(71,169)	(41,192)	(4,377)	(211,371)	169,252	-	(256,940)
Financial expenses	(231,311)	(69,598)	(141,297)	(11,097)	(231,543)	300,909	-	(383,937)
Financial Income	206,246	25,989	100,180	8,739	48,250	(232,235)	-	157,169
Foreign exchange losses, net	(13,790)	(159,127)	(42,378)	(7,547)	(164,012)	172,917	-	(213,937)
Derivatives	(59,228)	131,567	42,303	5,528	135,934	(72,339)	-	183,765
Equity in earnings of associates	(10,494)	-	-	(2,568)	96,770	10,494	(97,244)	(3,042)
Equity in earnings of joint ventures	-	-	-	-	40,397	-	-	40,397
Income tax (expense)benefit	171,283	(143,768)	(70,815)	(10,775)	69,370	(27,515)	-	(12,220)
Profit (loss) from continuing operations	**(249,903)**	**344,475**	**126,215**	**17,924**	**(76,043)**	**(94,572)**	**(97,244)**	**(29,148)**
Net income attributable to:								
Owners of the Parent	(249,903)	329,889	79,322	17,924	(76,043)	(79,986)	(97,244)	(76,041)
Non-controlling interests	-	14,586	46,893	-	-	(14,586)	-	46,893
	(249,903)	**344,475**	**126,215**	**17,924**	**(76,043)**	**(94,572)**	**(97,244)**	**(29,148)**
Other select data:								
Depreciation and amortization	505,515	162,420	128,070	19,901	4,095	(667,935)	-	152,066
EBITDA	182,412	721,832	366,292	52,977	70,053	(904,244)	(97,244)	392,078
Additions to PP&E, intangible and biological assets	410,813	159,978	102,727	5,034	1,454	(570,791)	-	109,215
Reconciliation of EBITDA:								
Profit (loss) for the period	(249,903)	344,475	126,215	17,924	(76,043)	(94,572)	(97,244)	(29,148)
Income tax and social contribution	(171,283)	143,768	70,815	10,775	(69,370)	27,515	-	12,220
Financial results, net	98,083	71,169	41,192	4,377	211,371	(169,252)	-	256,940
Depreciation and amortization	505,515	162,420	128,070	19,901	4,095	(667,935)	-	152,066
EBITDA	**182,412**	**721,832**	**366,292**	**52,977**	**70,053**	**(904,244)**	**(97,244)**	**392,078**

	January 1, 2017 to June 30, 2017							
	Reported segments				Reconciliation			
	Raízen Energia	Raízen Combustíveis	COMGÁS	Moove	Cosan Corporate	Deconsolidated effects IFRS 11	Segment elimination / adjustments	Total consolidated
Statement of profit or loss:								
Net sales	6,019,148	34,962,194	2,505,932	958,162	361	(40,981,342)	(33)	3,464,422
Domestic market	3,343,013	34,962,194	2,505,932	757,911	361	(38,305,207)	(33)	3,264,171
External market	2,676,135	-	-	200,251	-	(2,676,135)	-	200,251
Cost of sales	(5,328,028)	(33,246,205)	(1,586,931)	(668,415)	(1,616)	38,574,233	33	(2,256,929)
Gross profit	691,120	1,715,989	919,001	289,747	(1,255)	(2,407,109)	-	1,207,493
Selling expenses	(330,717)	(642,079)	(332,030)	(187,291)	(57)	972,796	-	(519,378)
General and administrative expenses	(287,252)	(218,664)	(158,194)	(41,394)	(74,539)	505,916	-	(274,127)
Other income (expenses), net	(93,027)	179,275	(9,889)	(168)	(49,297)	(86,248)	-	(59,354)
Financial results	36,980	(243,286)	(82,616)	(24,175)	(285,186)	206,306	-	(391,977)
Financial expenses	(451,555)	(119,869)	(356,319)	(18,386)	(432,791)	571,424	-	(807,496)
Financial Income	380,211	70,589	273,956	12,663	137,276	(450,800)	-	423,895
Foreign exchange losses, net	(39,177)	(49,907)	(13,664)	(3,625)	(59,759)	89,084	-	(77,048)
Derivatives	147,501	(144,099)	13,411	(14,827)	70,088	(3,402)	-	68,672
Equity in earnings of associates	(47,771)	-	-	(4,147)	153,032	47,771	(150,719)	(1,834)
Equity in earnings of joint ventures	-	-	-	-	296,094	-	-	296,094
Income tax (expense)benefit	93,711	(233,167)	(126,529)	(13,513)	90,480	139,456	-	(49,562)
Profit (loss) from continuing operations	**63,044**	**558,068**	**209,743**	**19,059**	**129,272**	**(621,112)**	**(150,719)**	**207,355**
Net income attributable to:								
Owners of the Parent	63,044	529,784	131,661	19,059	129,272	(592,828)	(150,719)	129,273
Non-controlling interests	-	28,284	78,082	-	-	(28,284)	-	78,082
	63,044	**558,068**	**209,743**	**19,059**	**129,272**	**(621,112)**	**(150,719)**	**207,355**
Other select data:								
Depreciation and amortization	954,248	312,590	260,818	39,554	8,284	(1,266,838)	-	308,656
EBITDA	886,601	1,347,111	679,706	96,301	332,262	(2,233,712)	(150,719)	957,550
Additions to PP&E, intangible and biological assets	1,300,558	418,803	171,447	6,770	1,762	(1,719,361)	-	179,979
Reconciliation of EBITDA:								
Profit (loss) for the period	63,044	558,068	209,743	19,059	129,272	(621,112)	(150,719)	207,355
Income tax and social contribution	(93,711)	233,167	126,529	13,513	(90,480)	(139,456)	-	49,562
Financial results, net	(36,980)	243,286	82,616	24,175	285,186	(206,306)	-	391,977
Depreciation and amortization	954,248	312,590	260,818	39,554	8,284	(1,266,838)	-	308,656
EBITDA	**886,601**	**1,347,111**	**679,706**	**96,301**	**332,262**	**(2,233,712)**	**(150,719)**	**957,550**

	June 30, 2018							
	Reported segments				Reconciliation			
Statement of financial position:	**Raízen Energia**	**Raízen Combustíveis**	**COMGÁS**	**Moove**	**Cosan Corporate**	**Deconsolidated effects IFRS 11**	**Segment elimination**	**Total consolidated**
Cash and cash equivalents	2,351,476	691,695	1,376,192	146,742	1,621,420	(3,043,171)	-	3,144,354
Marketable securities	-	-	1,090,901	8,993	216,756	-	-	1,316,650
Trade receivables	822,618	2,504,378	752,655	437,479	6	(3,326,996)	-	1,190,140
Derivative financial instruments	813,830	506,483	408,245	27,427	815,487	(1,320,313)	-	1,251,159
Inventories	2,001,259	2,427,576	69,142	336,171	2,276	(4,428,835)	-	407,589
Other financial assets	395,887	-	-	-	376,925	(395,887)	-	376,925
Other current assets	3,605,787	2,284,918	291,585	95,358	329,616	(5,890,705)	(2,064)	714,495
Other non-current assets	4,065,011	3,524,472	347,822	77,776	1,059,349	(7,589,483)	(1,435)	1,483,512
Investment in associates	357,967	341,010	-	18,052	4,980,933	(698,977)	(4,693,127)	305,858
Investment in joint ventures	-	-	-	-	8,022,046	-	-	8,022,046
Biological assets	838,770	-	-	-	-	(838,770)	-	-
Property, plant and equipment	11,358,109	2,280,671	-	276,783	136,186	(13,638,780)	-	412,969
Intangible assets and goodwill	3,586,709	2,073,704	8,469,686	894,923	4,404	(5,660,413)	-	9,369,013
Loans, borrowings and debenture	(11,579,392)	(3,024,509)	(4,262,973)	(747,665)	(5,264,219)	14,603,901	-	(10,274,857)
Derivative financial instruments	(679,450)	(167,253)	-	(427)	(23,689)	846,703	-	(24,116)
Trade payables	(3,007,310)	(1,271,947)	(1,606,452)	(439,184)	(4,599)	4,279,257	-	(2,050,235)
Employee benefits payable	(502,204)	(132,784)	(42,275)	(28,194)	(22,100)	634,988	-	(92,569)
Preferred shareholders payable in subsidiaries	-	-	-	-	(1,211,621)	-	-	(1,211,621)
Other current liabilities	(1,628,569)	(2,221,448)	(161,797)	(200,685)	(606,301)	3,850,017	3,499	(965,284)
Other non-current liabilities	(1,430,169)	(4,853,183)	(1,946,475)	(207,162)	(1,588,369)	6,283,352	125,087	(3,616,919)
Total assets (net of liabilities) allocated by segment	11,370,329	4,963,783	4,786,256	696,387	8,844,506	(16,334,112)	(4,568,040)	9,759,109
Total assets	**30,197,423**	**16,634,907**	**12,806,228**	**2,319,704**	**17,565,404**	**(46,832,330)**	**(4,696,626)**	**27,994,710**
Equity attributable to :								
Owners of the parent	11,371,316	4,739,442	3,874,016	694,026	8,844,506	(16,110,758)	(4,568,040)	8,844,508
Non-controlling interests	(987)	224,341	912,240	2,361	-	(223,354)	-	914,601
Total shareholders' equity	**11,370,329**	**4,963,783**	**4,786,256**	**696,387**	**8,844,506**	**(16,334,112)**	**(4,568,040)**	**9,759,109**

December 31, 2017

	Reported segments				Reconciliation			
Statement of financial position:	**Raízen Energia**	**Raízen Combustíveis**	**COMGÁS**	**Moove**	**Cosan Corporate**	**Deconsolidated effects IFRS 11**	**Segment elimination**	**Total consolidated**
Cash and cash equivalents	2,069,357	1,221,890	1,727,521	192,115	1,230,692	(3,291,247)	-	3,150,328
Marketable securities	-	-	509,544	5,439	185,052	-	-	700,035
Trade receivables	688,235	2,679,114	640,682	310,006	13	(3,367,349)	-	950,701
Derivative financial instruments	453,775	88,496	458,476	2,581	591,048	(542,271)	-	1,052,105
Inventories	2,804,223	2,416,833	76,548	301,850	2,372	(5,221,056)	-	380,770
Other financial assets	476,181	-	-	-	1,686,718	(476,181)	-	1,686,718
Other current assets	2,114,733	1,406,945	155,815	98,419	498,610	(3,521,678)	(126,172)	626,672
Other non-current assets	3,373,565	1,335,986	356,962	70,055	1,096,024	(4,709,551)	(1,231)	1,521,810
Investment in associates	348,523	-	-	12,113	4,716,900	(348,523)	(4,469,601)	259,412
Investment in joint ventures	-	-	-	-	8,447,799	-	-	8,447,799
Biological assets	880,668	-	-	-	-	(880,668)	-	-
Property, plant and equipment	10,753,205	2,329,858	-	270,229	142,096	(13,083,063)	-	412,325
Intangible assets and goodwill	3,669,903	4,600,777	8,471,087	873,924	5,587	(8,270,680)	-	9,350,598
Loans, borrowings and debenture	(10,853,768)	(2,741,312)	(4,212,504)	(589,292)	(4,873,198)	13,595,080	-	(9,674,994)
Derivative financial instruments	(250,033)	(218,888)	-	(8,293)	(106,238)	468,921	-	(114,531)
Trade payables	(1,341,867)	(2,124,538)	(1,444,835)	(353,474)	(7,076)	3,466,405	-	(1,805,385)
Employee benefits payable	(356,155)	(94,158)	(59,059)	(34,125)	(30,833)	450,313	-	(124,017)
Preferred shareholders payable in subsidiaries	-	-	-	-	(1,442,680)	-	-	(1,442,680)
Other current liabilities	(1,412,872)	(1,387,037)	(358,430)	(237,302)	(981,148)	2,799,909	127,404	(1,449,476)
Other non-current liabilities	(1,345,322)	(4,392,359)	(1,782,718)	(212,710)	(1,715,067)	5,737,681	79,570	(3,630,925)
Total assets (net of liabilities) allocated by segment	12,072,351	5,121,607	4,539,089	701,535	9,446,671	(17,193,958)	(4,390,030)	10,297,265
Total assets	**27,632,368**	**16,079,899**	**12,396,635**	**2,136,731**	**18,602,911**	**(43,712,267)**	**(4,597,004)**	**28,539,273**
Equity attributable to :								
Owners of the parent	12,073,314	4,888,966	3,688,494	701,535	9,446,671	(16,962,280)	(4,390,030)	9,446,670
Non-controlling interests	(963)	232,641	850,595	-	-	(231,678)	-	850,595
Total shareholders' equity	**12,072,351**	**5,121,607**	**4,539,089**	**701,535**	**9,446,671**	**(17,193,958)**	**(4,390,030)**	**10,297,265**

Net Sales by segment:

	April 1, 2018 to June 30, 2018	January 1, 2018 to June 30, 2018	April 1, 2017 to June 30, 2017	January 1, 2017 to June 30, 2017
Reported segments				
Raízen Energia				
Ethanol	1,624,324	4,048,018	1,614,698	3,145,257
Sugar	729,444	2,079,694	1,221,516	2,513,242
Gas	275,069	396,791	-	-
Diesel	1,122,690	1,122,690	-	-
Cogeneration	303,939	412,934	198,677	239,775
Other	36,090	544,367	71,023	120,874
	4,091,556	**8,604,494**	**3,105,914**	**6,019,148**
Raízen Combustíveis				
Fuels	19,594,604	39,089,576	17,264,040	34,962,194
	19,594,604	**39,089,576**	**17,264,040**	**34,962,194**
COMGÁS				
Industrial	1,017,538	1,959,418	840,938	1,601,201
Residential	238,830	429,026	228,418	379,903
Cogeneration	71,850	130,525	50,754	98,477
Automotive	62,957	118,151	54,733	105,989
Commercial	90,735	172,285	79,305	146,984
Construction revenue	96,177	185,670	86,787	143,114
Other	14,716	28,604	18,730	30,264
	1,592,803	**3,023,679**	**1,359,665**	**2,505,932**
Moove				
Finished goods	738,030	1,384,111	425,491	806,714
Basic oil	79,057	150,066	78,650	136,171
Services	9,586	17,068	7,325	15,277
	826,673	**1,551,245**	**511,466**	**958,162**
Reconciliation				
Cosan Corporate				
Other	29	430	183	362
	29	**430**	**183**	**362**
IFRS 11 - Deconsolidated of adjustments / eliminations joint ventures and eliminations	(23,686,161) -	(47,694,078)	(20,369,987)	(40,981,376)
Total	**2,419,504**	**4,575,346**	**1,871,281**	**3,464,422**

Recognition time

	April 1, 2018 to June 30, 2018	January 1, 2018 to June 30, 2018	April 1, 2017 to June 30, 2017	January 1, 2017 to June 30, 2017
At a point in time				
Fuels	22,616,687	44,657,075	18,878,738	38,107,451
Sugar	729,444	2,079,694	1,221,516	2,513,242
Gas distribution	1,410,060	2,678,880	1,254,148	2,332,554
Lubrificant and basic oil	426,025	1,143,114	504,141	942,885
Cogeneration	375,789	543,459	198,677	239,775
Construction revenue	96,177	185,670	86,787	143,114
Other	441,868	964,033	89,753	151,137
	26,096,050	52,251,926	22,233,760	44,430,158
Over time				
Other services	9,615	17,498	7,508	15,640
	9,615	17,498	7,508	15,640
IFRS 11 - Deconsolidated of adjustments/ eliminations joint ventures and eliminations	(23,686,161)	(47,694,078)	(20,369,987)	(40,981,376)
Total of net sales	2,419,504	4,575,346	1,871,281	3,464,422

6 Cash and cash equivalents

	Parent Company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Cash and bank accounts	2	393	76,998	43,893
Savings account	-	-	595,685	901,706
Financial Investments	763,199	143,612	2,471,671	2,204,729
	763,201	**144,005**	**3,144,354**	**3,150,328**

Financial investments are as follows:

	Parent Company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Investment fund				
Repurchase agreements	433,898	113,520	1,645,762	1,472,683
Bank certificate of deposits - CDB	228,041	29,092	355,013	377,137
	661,938	**142,612**	**2,000,775**	**1,849,820**
Bank investments				
Repurchase agreements	100,153	-	108,033	2,800
Bank certificate of deposits - CDB	-	-	361,745	351,109
Other	1,108	1,000	1,118	1,000
	101,261	**1,000**	**470,896**	**354,909**
	763,199	**143,612**	**2,471,671**	**2,204,729**

7 Marketable securities

	Parent company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Government security [(i)]	145,009	54,079	1,316,650	700,035
	145,009	**54,079**	**1,316,650**	**700,035**

(i) Investments in government securities are carried out through exclusive investment funds. These bonds are remunerated at Selic and mature between one and seven years, when asked to redeem the quotas for conversion into cash by the Company, the fund manager may trade them in an active secondary market with high liquidity.

8 Trade receivables

	Consolidated	
	June 30, 2018	**December 31, 2017**
Domestic – Brazilian Reais	1,212,516	1,026,075
Export – Foreign currency	66,736	14,895
Allowance for doubtful accounts	(89,112)	(90,269)
	1,190,140	**950,701**
Current	**1,161,828**	**918,423**
Non-current	**28,312**	**32,278**

9 Other current tax receivables

	Parent Company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Credit installment	39,597	38,926	39,597	38,926
COFINS - Revenue tax	3,698	3,698	20,873	31,454
ICMS - State VAT	-	-	122,337	109,125
PIS - Revenue tax	-	-	3,511	5,887
Other	52	6	22,232	13,545
	43,347	**42,630**	**208,550**	**198,937**
Current	**3,750**	**3,704**	**126,319**	**118,174**
Non-Current	**39,597**	**38,926**	**82,231**	**80,763**

10 Related parties

a) Receivables from and payables to related parties:

	Parent Company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Current Asset				
Corporate operation / Agreements				
Raízen Energia S.A.	16,601	13,937	20,254	15,876
Rumo S.A	2,493	4,200	6,374	7,379
Aguassanta Participações S.A.	32	17	32	17
Cosan Biomassa S.A	5,560	4,939	-	-
Cosan Limited	4,562	4,207	4,562	4,207
Cosan Lubrificantes e Especialidades	4,979	3,543	-	-
Raízen Combustíveis S.A.	10	11	1,393	1,063
Other	543	717	1,756	927
	34,780	**31,571**	**34,371**	**29,469**
Financial operations				
Cosan Limited	-	-	30,871	26,128
	-	**-**	**30,871**	**26,128**
	34,780	**31,571**	**65,242**	**55,597**
Non-current assets				
Preferred shares				
Raízen Energia S.A.	37,099	87,969	37,099	87,969
Janus Brasil Participações S.A	-	30,423	-	30,423
	37,099	**118,392**	**37,099**	**118,392**
Financial operations				
Rezende Barbosa	27,744	31,444	27,744	31,444
Other	8,954	8,819	1,767	1,833
	36,698	**40,263**	**29,511**	**33,277**
	73,797	**158,655**	**66,610**	**151,669**

	Parent Company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Current liabilities				
Corporate operations / agreements				
Raízen Energia S.A.	177,996	167,487	186,762	176,989
Cosan Lubrificantes e Especialidades	238	16	-	-
Raízen Combustíveis S.A.	9,092	8,849	10,057	9,813
Aguassanta Participações S.A.	-	337	-	337
Rumo S.A	573	850	705	950
Cosan Biomassa S.A.	25	-	25	-
	187,924	**177,539**	**197,549**	**188,089**
Financial oprerations				
Cosan Limited	248,831	210,497	248,831	210,497
Cosan Lubrificantes e Especialidades	64,906	-	-	-
Cosan Overseas Limited	24,915	21,375	-	-
Cosan Luxembourg S.A.	43,827	61,292	-	-
Other	50	-	50	-
	382,529	**293,164**	**248,881**	**210,497**
	570,453	**470,703**	**446,430**	**398,586**
Non-current liabilities				
Financial operations				
Cosan Luxembourg S.A.	2,095,628	1,797,898	-	-
Cosan Overseas Limited	1,941,395	1,665,578	-	-
	4,037,023	**3,463,476**	**-**	**-**

b) Related party transactions:

	Parent Company			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Shared income (expense)				
Aguassanta Participações S.A.	46	112	107	267
Rumo S.A	2,317	5,799	2,825	5,327
Cosan Biomassa S.A.	151	614	610	1,324
Cosan Lubrificantes e Especialidades	1,299	3,522	1,582	3,664
Raízen Energia S.A.	(731)	(1,582)	(985)	(2,541)
	3,082	**8,465**	**4,139**	**8,041**
Financial result				
Usina Santa Luiza	(60)	(119)	(57)	(261)
Cosan Limited	(35,708)	(38,397)	35	12
Cosan Luxembourg S.A.	(314,610)	(342,215)	(115,673)	(71,450)
Pasadena Empreendimento Participação S.A.	100	201	151	326
Cosan Overseas Limited	(308,086)	(349,094)	(104,237)	(90,380)
Raízen Energia S.A.	2,481	4,449	3,499	3,784
	(655,883)	**(725,175)**	**(216,282)**	**(157,969)**

	Consolidated			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Product sales				
Rumo S.A	9,482	18,578	8,917	15,501
Raízen Combustíveis S.A	3,997	7,466	3,378	6,333
Raízen Energia S.A.	7,254	10,911	4,713	8,470
	20,733	**36,955**	**17,008**	**30,304**
Purchase of goods / Inputs				
Raízen Energia S.A.	(119)	(186)	(143)	(292)
Raízen Combustíveis S.A.	(9)	(11)	(4)	(4)
	(128)	**(197)**	**(147)**	**(296)**
Shared expanse				
Rumo S.A	2,316	5,799	2,931	5,594
Raízen Energia S.A.	(11,038)	(22,242)	(10,553)	(20,968)
	(8,722)	**(16,443)**	**(7,622)**	**(15,374)**
Financial result				
Usina Santa Luiza	(60)	(119)	(57)	(261)
Cosan Limited	(35,508)	(38,023)	191	313
Raízen Energia S.A.	2,481	4,449	3,499	3,784
	(33,087)	**(33,693)**	**3,633**	**3,836**

c) Officers' and directors' compensation

The fixed and variable remuneration of key persons, including directors and members of the board, are recorded in the consolidated income statement as follows:

	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Short-term benefits to officers and directors	13,043	20,938	9,639	29,812
Post-employment benefits	91	162	115	297
Other long-term benefits	35	70	141	271
Benefits from termination of employment contract	677	677	-	-
Stock option expense	1,806	3,626	1,748	3,665
	15,652	**25,473**	**11,643**	**34,045**

11 Investments in associates and associates with negative equity

a) Parent Company

	Shares issued by the investee	Shares held by Cosan	Cosan ownership interest (%)	Economic benefit (%)	At January 1, 2018	Equity income of investee	Equity method adjustments	Dividends	Capital increase / Decrease	Other	Reclassification of uncovered liability of companies	June 30, 2018	Equity income of investee June 30, 2017
Companhia de Gás de São Paulo – COMGÁS	132,023,251	105,779,857	80.12%	80.12%	3,688,493	202,132	-	-	-	(16,610)	-	3,874,015	131,660
Cosan Global	1	1	100.00%	100.00%	94,495	16,400	-	-	-	-	-	110,895	(341)
Cosan Investimentos e Participações S.A.	3,778,868,643	3,778,868,643	100.00%	100.00%	6,335,438	377,287	(88,013)	(730,000)	-	(1,341)	-	5,893,371	336,792
Cosan Lubrificantes e Especialidades S.A.	490,441	490,441	100.00%	100.00%	-	-	-	-	-	-	60,490	60,490	-
Cosan Luxembourgo S.A.	500,000	500,000	100.00%	100.00%	117,994	95,552	-	-	-	-	-	213,546	(80,549)
Radar II Propriedades Agrícolas S.A.	81,440,221	24,920,708	51.00%	3.00%	31,127	441	12	(184)	-	-	-	31,396	564
Radar Propriedades Agrícolas S.A.	1,735,703	531,125	51.00%	2.51%	57,533	613	53	-	-	-	-	58,199	924
Tellus Brasil Participações S.A.	120,920,492	61,359,624	50.74%	5.00%	98,723	1,670	-	(1,855)	-	-	-	98,538	2,799
Usina Santa Luiza S.A.	28,553,200	9,516,782	33.33%	33.33%	4,389	(457)	-	-	1,833	-	-	5,765	-
Janus Brasil Participações S.A.	142,202,486	72,200,370	50.77%	5.00%	51,426	3,873	-	(2,754)	36,585	-	-	89,130	588
Outros	-	-	-	-	32,951	855	5,739	-	-	-	-	39,545	(3,371)
Total investments in associates					**10,512,569**	**698,366**	**(82,209)**	**(734,793)**	**38,418**	**(17,951)**	**60,490**	**10,474,890**	**389,066**
Cosan Biomassa	26,841,942	26,841,942	100.00%	100.00%	(7,178)	(17,040)	-	-	-	-	-	(24,218)	(23,765)
Cosan Lubes Investiment	6,300,001	6,300,001	100.00%	100.00%	(71,597)	149	(53,641)	-	-	-	-	(125,089)	2,884
Cosan Lubrificantes e Especialidades S.A.	490,441	490,441	100.00%	100.00%	(7,974)	(22,925)	(8,611)	-	100,000	-	(60,490)	-	(12,920)
Pasadena Empreendimentos e Participações S.A.	32,752,251	32,751,751	99,99%.	99,99%.	(6,074)	(238)	-	-	-	1	-	(6,311)	(1,851)
Total investments in capital deficiency					**(92,823)**	**(40,054)**	**(62,252)**	**-**	**100,000**	**1**	**(60,490)**	**(155,618)**	**(35,652)**
Total					**10,419,746**	**658,312**	**(144,461)**	**(734,793)**	**138,418**	**(17,950)**	**-**	**10,319,272**	**353,414**

b) Consolidated

	Shares issued by the investee	Shares held by Cosan	Cosan ownership interest (%)	Economic benefit (%)	At January 1, 2018	Equity income of investee	Equity method adjustments	Dividends	Capital increase / Decrease	Other	June 30, 2018	Equity income of investee June 30, 2017
Tellus Brasil Participações S.A.	120,920,492	61,359,624	51%	5.00%	98,723	1,670	-	(1,855)	-	-	98,538	2,799
Novvi Limited Liability Company	1,011,000	202,200	20.00%	20.00%	11,756	4,204	1,718	-	-	-	17,678	(4,147)
Janus Brasil Participações S.A.	142,202,486	72,200,370	51%	5.00%	51,426	3,873	-	(2,754)	36,585	-	89,130	588
Radar Propriedades Agrícolas S.A	1,735,703	531,125	51%	2.51%	57,533	613	53	-	-	-	58,199	924
Radar II Propriedades Agrícolas S.A	81,440,221	24,920,708	51%	3.00%	31,127	441	12	(184)	-	-	31,396	564
Usina Santa Luiza S.A.	28,553,200	9,516,782	33%	33.33%	4,389	(457)	-	-	1,833	-	5,765	-
Other investments	-	-	-	-	4,458	125	569	-	-	-	5,152	(2,562)
Total investments in associates					**259,412**	**10,469**	**2,352**	**(4,793)**	**38,418**	**-**	**305,858**	**(1,834)**

c) Information in the non-controlling interests in subsidiaries of the Company:

	Shares issued by the investee	Shares held by Cosan	Cosan ownership interest (%)	At January 1, 2018	Equity income of investee	Business combination	New standards adopted by Company	Changes in ownership	Equity method adjustments	June 30, 2018	Equity income of investee June 30, 2017
Companhia de Gás de São Paulo - COMGÁS	132,023,251	26,243,394	19.88%	850,595	51,052	-	(1,280)	12,051	130	912,548	78,082
Other				-	(156)	2,208	-	-	-	2,052	-
				850,595	**50,896**	**2,208**	**(1,280)**	**12,051**	**130**	**914,600**	**78,082**

12 Investments in joint ventures

The Company entered into an agreement to form two joint ventures, accounting for 50% of the economic benefits of the companies. They are:

	Consolidated		
	Raízen Combustíveis S.A.	**Raízen Energia S.A.**	**Total**
Ordinary shares issued by jointly controlled entities	1,661,418,472	7,243,283,198	
Shares held by Cosan	830,709,236	3,621,641,599	
Cosan ownership interest (%)	50%	50%	
Equity in earnings (losses) of jointly controlled entities June 30, 2017	264,447	31,647	**296,094**
At December 31, 2017	**3,185,987**	**5,261,812**	**8,447,799**
Equity in earnings (losses) of jointly controlled entities	243,276	104,837	**348,113**
Equity method adjustments	28,727	(185,743)	**(157,016)**
Interest on capital	(39,500)	-	**(39,500)**
Dividends	(307,340)	(270,010)	**(577,350)**
June 30, 2018	**3,111,150**	**4,910,896**	**8,022,046**

The statement of financial position and statement of profit or loss of the joint ventures are disclosed in (Note 5).

13 Property, plant and equipment

	Consolidated					Parent Company
	Land, buildings and improvements	**Machinery, equipment and facilities**	**Construction in progress**	**Other**	**Total**	**Total**
Cost						
At January 1, 2018	**248,224**	**199,860**	**56,799**	**61,766**	**566,649**	**40,055**
Additions	(13)	62	10,521	4,347	14,917	275
Disposals	-	(24)	-	(1,896)	(1,920)	(797)
Business combination [(ii)]	-	-	-	5,699	5,699	-
Transfers [(i)]	6,073	20,932	(29,208)	510	(1,693)	(1,069)
At June 30, 2018	**254,284**	**220,830**	**38,112**	**70,426**	**583,652**	**38,464**
Depreciation						
At January 1, 2018	**(50,754)**	**(73,698)**	**-**	**(29,872)**	**(154,324)**	**(17,552)**
Additions	(4,829)	(9,840)	-	(4,457)	(19,126)	(1,354)
Disposals	-	24	-	1,693	1,717	633
Transfers [(i)]	-	-	-	1,050	1,050	1,049
At June 30, 2018	**(55,583)**	**(83,514)**	**-**	**(31,586)**	**(170,683)**	**(17,224)**
At January 1, 2018	**197,470**	**126,162**	**56,799**	**31,894**	**412,325**	**22,503**
At June 30, 2018	**198,701**	**137,316**	**38,112**	**38,840**	**412,969**	**21,240**

(i) Transfers to intangible assets caused by the completion of those assets.
(ii) Acquisition of control of companies in the Lubricants segment and allocation of the purchase price of the acquisition of Stambridge Group Limited (Note 1).

14 Intangible assets and goodwill

	Consolidated						Parent company
	Goodwill	**Concession rights - COMGAS**	**Trademarks**	**Related customer relationships**	**Other**	**Total**	**Total**
Cost:							
January 1, 2018	**751,434**	**9,532,844**	**252,474**	**989,387**	**320,963**	**11,847,102**	**13,211**
Additions	-	189,815	-	36,854	21,421	**248,090**	84
Disposal	-	(33,752)	-	(2,685)	(61)	**(36,498)**	(61)
Transfers (i)	-	740	-	(765)	668	**643**	20
Business combination [(ii)]	(85,259)	-	-	136,499	-	**51,240**	-
June 30, 2018	**666,175**	**9,689,647**	**252,474**	**1,159,290**	**342,991**	**12,110,577**	**13,254**
Amortization							
January 1, 2018	**-**	**(1,335,330)**	**(205,443)**	**(787,426)**	**(168,305)**	**(2,496,504)**	**(7,997)**
Additions	-	(179,075)	(11,414)	(58,888)	(22,790)	**(272,167)**	(1,308)
Disposals	-	24,778	-	2,268	61	**27,107**	61
Transfers (i)	-	(360)	-	360	-	**-**	-
June 30, 2018	**-**	**(1,489,987)**	**(216,857)**	**(843,686)**	**(191,034)**	**(2,741,564)**	**(9,244)**
January 1, 2018	**751,434**	**8,197,514**	**47,031**	**201,961**	**152,658**	**9,350,598**	**5,214**
June 30, 2018	**666,175**	**8,199,660**	**35,617**	**315,604**	**151,957**	**9,369,013**	**4,010**

(i) Refer to intangible transfers due to the capitalization of these assets.

(ii) On October 31, 2017, the Company, through its indirect subsidiary Comma Oil ("Comma"), acquired full control of Stanbridge Group Limited. For the period ended June 30, 2018, the Company revalued the fair value of the transaction and generated an additional consideration in the amount of R$ 8,111. In addition, after had met the contractual conditions and reviewed the fair value of the transaction, the remaining balance and the additional consideration in the amount of R$ 35,869 were settled in cash.

.

Capitalization of borrowing costs

Capitalized borrowing costs for period ended on June 30, 2018, amounted to R$ 4,400 (R$ 5,155 for the period ended on June 30, 2017), relating to interest on loans obtained for the construction of these assets. The weighted average interest rate used to capitalize borrowing costs on the balance of construction in progress, was 7.51% p.a. for the period ended on June 30, 2018 (10.42% p.a. on June 30, 2017).

Intangible assets (excluding goodwill)	**Annual rate of amortization**	**June 30, 2018**	**December 31, 2017**
Concession intangible asset - COMGÁS	Over the concession term	8,199,660	8,197,514
Trademarks		-	
Mobil	10.00%	11,413	22,827
Comma	-	24,204	24,204
		35,617	**47,031**
Relationship with customers:		-	
Comgás	20.00%	160,669	174,459
Lubricants	6.00%	154,935	27,502
		315,604	**201,961**
Other		-	
License de software	20.00%	135,669	135,808
Other		16,288	16,850
		151,957	**152,658**
Total		**8,702,838**	**8,599,164**

Refers to the intangible asset for the public gas distribution service concession, which represents the right to charge users for the supply of gas, composed by: (i) the concession rights recognized in the business combination and (ii) concession assets;

Impairment testing of cash-generating units ("CGU") goodwill

The Company annually tests recoverable amounts of goodwill arising from business combination operations. Property, plant and equipment and intangible assets with a defined useful life subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable..

During the period ended June 30, 2018, no impairment indicators were identified that would require the review of the last test conducted at December 31, 2017.

15 Loans, borrowings and debentures

	Interest		Consolidated		
Description [(ii)]	**Index** [(i)]	**Annual interest rate** [(i)]	**June 30, 2018**	**December 31, 2017**	**Maturity**
Loan and borrowings					
BNDES	TJLP	8.65%	119,895	120,573	Jun/2023
	TJ462	9.45%	401,555	485,807	Oct/2020
	Selic	8.32%	188,187	221,222	Oct/2020
	Selic	8.49%	68,779	66,794	Jun/2023
EIB	US$	3.88%	118,788	127,190	Jun/2020
	US$	2.94%	68,803	70,611	Sep/2020
	US$ + LIBOR	3.03%	137,339	138,778	May/2021
	US$ + LIBOR	2.91%	150,341	149,386	Sep/2021
Foreign loans	LIBOR Sterling	3.95%	364,334	312,642	Dec/2022
	LIBOR Sterling	2.22%	179,267	157,432	Nov/2019
Resolution 4131	US$	4.79%	49,416	68,305	Oct/2020
	US$	2.40%	-	415,762	Mar/2018
	US$	3.67%	282,606	-	May/2023
	US$ + LIBOR	3.47%	154,633	50,868	Feb/2020
Perpetual Notes	US$	8.25%	1,952,200	1,674,847	Dec/1899
Senior Notes Due 2018	Fixed	9.50%	-	168,052	Mar/2018
Senior Notes Due 2023	US$	5.00%	378,920	339,665	Mar/2023
Senior Notes Due 2027	US$	7.00%	2,761,149	2,530,442	Jan/2027
FINEP	Fixed	5.00%	93,165	93,058	Nov/2022
Working capital	CDI + 0.31% p.m.	10.93%	-	1,117	Jan/2018
	CDI + 0.33% p.m.	11.20%	-	3,345	Mar/2018
	120.85% of CDI	7.77%	10,842	10,440	Jul/2018
	120.75% of CDI	7.77%	20,703	20,879	Jul/2018
	120% CDI	7.72%	20,142	21,221	Jul/2018
	122% CDI	7.85%	15,400	-	Feb/2019
FINAME	Fixed	5.50%	15	45	Sep/2018
Secured account	125,5% of CDI	8.08%	2	94	Aug/2018
Other	US$ + Libor Tri	3.70%	11,698	10,039	Apr/2019
			7,548,179	**7,258,614**	
Non-convertible debentures	CDI + 0,90%	7.35%	87,083	87,467	Sep/2019
	IPCA + 5,10%	9.40%	380,232	363,894	Sep/2018
	IPCA + 5,57%	9.89%	203,987	197,923	Sep/2020
	IPCA + 7,14%	11.52%	310,864	293,312	Dec/2020
	IPCA + 7,48%	11.88%	279,916	263,701	Dec/2022
	IPCA + 7,36%	11.75%	92,219	86,927	Dec/2025
	IPCA + 5,87%	10.20%	737,909	726,826	Dec/2023
	IPCA + 4,33%	8.60%	414,945	396,330	Oct/2024
	IGPM + 6,10%	14.38%	219,523	-	May/2028
			2,726,678	**2,416,380**	
Total			**10,274,857**	**9,674,994**	
Current			**1,214,399**	**1,611,547**	
Non-current			**9,060,458**	**8,063,447**	

(i) On June 30, 2018.

(ii) The Company's debts with national and international development agencies have bank guarantees. Guarantees are contracted with first-tier banks guaranteeing the total amount of debt.

The carrying amounts of the Company's loans and financing are denominated in these currencies:

	June 30, 2018	December 31, 2017
Dollar (US$) [(i)]	6,065,893	5,575,894
Reais (R$)	3,665,362	3,629,026
Pound (GBP)	543,602	470,074
	10,274,857	**9,674,994**

(i) On June 30, 2018, all dated debts denominated in US Dollars have currency risk protection through derivatives (Note 24.)

Below are the movements that occurred for the period ended June 30, 2018.

	Consolidated
At December 31, 2017	**9,674,994**
Raised	584,334
Amortization of principal	(815,002)
Payment of interest	(225,592)
Interest, exchange rate and fair value	1,056,123
At June 30, 2018	**10,274,857**

Working Capital

On February 23, 2018, Cosan Biomassa, a wholly-owned subsidiary of the Company, obtained a loan in the amount of R$ 15,000 from Banco ABC with maturity on February 18, 2019 and a fixed interest rate of 122.00% of CDI.

On May, 9, 2018, Cosan Biomassa, a wholly-owned subsidiary of the Company, added the loan contract with Banco Santander in the amount R$ 20,000 thousands that delay the maturity to July, 17, 2018. The interest rate is floating and fixed of CDI.

Resolution 4131

On March 9, 2018, Moove, a wholly-owned subsidiary of the Company, obtained a loan from Bank of America Merril Lynch in the amount of U.S.$ 20,000 thousands with maturity on February 20, 2020 and interest at libor + 1.00%p.a.

On May 29, 2018, Comgás, a wholly-owned subsidiary of the Company, obtained a loan from Scotiabank in the amount US$ 75,000 thousands with maturity on May 30, 2023 and pre-fixed interest at 3.67% p.a.

Debentures

On May, 15, 2018, Comgás, a wholly-owned subsidiary of the Company, placed a public offering of the 7th issued debentures.
Resources were captured in a single series, in the amount R$ 215.000 thousands, corrected annually IGP-M, interest rate 6.10% p.a and maturity in May, 15, 2028.

Available credit line

- **Standy by facilities**

  As of June 30, 2018 and December 31,2017, the Company had available credit lines from three different Brazilian financial institutions, which were not used, in the total amount of R$ 501,000.

- **BNDES**

  As of June 30, 2018, the subsidiary Cosan S.A. had available credit lines, which were not used, in the total amount of R$ 200,458. (R$ 288,000 on December 31, 2017).

Financial Covenants

The Company is subject to certain restrictive clauses in most of the loan and financing agreements, based on certain financial and non-financial indicators. The Company evaluates the financial covenants as of December 31, 2018.

As of June 30, 2018, the Company and its subsidiaries were in compliance with all debt covenants.

16 Trade payables

	Parent company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Natural gas suppliers	-	-	1,773,029	1,563,930
Judicial deposits [(i)]	-	-	(294,976)	(294,976)
Material and services suppliers	1,486	3,713	572,182	536,431
	1,486	**3,713**	**2,050,235**	**1,805,385**

(i) There are ongoing proceeding between Comgás and its gas supplier. The gas supplier is charging different prices comparing to the gas supply market. At June 30, 2018, the balance of the judicial discussion is R$ 1,165,745 (R$ 1,154,603 on December 31, 2017). The amount is secured by judicial deposit R$ 294,976 (R$ 294,976 on December 31, 2017) and the guaranteed value through surety is of R$ 870,769 (R$ 859,627 on December 31, 2017).

17 Other taxes payable

	Parent Company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Tax amnesty and refinancing program - Refis	198,752	200,484	205,962	207,790
ICMS – State VAT	-	-	138,250	118,497
COFINS - Revenue tax	40,584	114,854	71,478	144,351
PIS - Revenue tax	2,485	24,452	8,921	30,825
Other	2,033	1,513	2,614	30,180
INSS - Social security	553	586	909	1,134
	244,407	**341,889**	**428,134**	**532,777**
Current	**101,936**	**198,569**	**279,076**	**382,150**
Non-Current	**142,471**	**143,320**	**149,058**	**150,627**

18 Income tax and social contribution

a) Reconciliation of income and social contribution tax expenses

	Parent company			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Profit before taxes	(164,074)	124,510	(125,054)	62,942
Income tax and social contribution at nominal rate (34%)	55,785	(42,333)	42,518	(21,400)
Adjustments to determine the effective rate				
Equity method investments (non taxable income)	46,879	204,119	11,449	96,130
Non-deductible expenses (donations, gifts, etc.)	(766)	(1,632)	(191)	(2,435)
Stock options	(305)	(726)	(508)	(1,015)
Differences in tax rates on earnings / losses of overseas companies	(1,161)	(1,161)	-	-
Other	(703)	(1,406)	(4,255)	(4,949)
Income tax and social contribution expense (current and deferred)	**99,729**	**156,861**	**49,013**	**66,331**
Effective rate	60.78%	(125.98%)	39.19%	(105.38%)

	Consolidated			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Profit (loss) before taxes	(98,153)	334,329	(16,928)	256,917
Income tax and social contribution at nominal rate (34%)	33,372	(113,672)	5,756	(87,352)
Adjustments to determine the effective rate				
Equity method investments (non taxable income)	22,140	121,918	12,701	100,048
Non-deductible expenses (donations, gifts, etc.)	(3,481)	(4,610)	(2,095)	(8,071)
Stock options	(305)	(726)	(508)	(1,015)
Interest capital - benefit	(8,160)	(13,430)	(8,500)	(14,280)
Other temporary differences	(2,953)	(6,036)	(4,400)	(8,356)
Differences in tax rates on earnings / losses of overseas companies	16,779	17,548	(7,103)	(15,415)
Differences in tax rates on entities under Brazilian presumed profits tax regime	-	-	4	8
Other	(4,685)	(3,054)	(8,075)	(15,129)
Income tax and social contribution expense (current and deferred)	**52,707**	**(2,062)**	**(12,220)**	**(49,562)**
Effective rate	53.70%	0.62%	(72.19%)	19.29%

b) Deferred income tax assets and liabilities

	Parent company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Assets credit of:				
Income tax loss carry forwards	214,516	193,812	432,384	401,541
Social contribution tax loss carry forwards	78,254	70,800	157,336	146,233
Temporary differences				
Foreign exchange - Loans and borrowings	703,885	495,957	807,589	548,568
Legal proceedings provision	51,497	55,597	183,264	160,386
Tax deductible goodwill	-	-	-	56,276
Provisions for employee benefits	-	-	155,788	153,434
Allowance for doubtful accounts	-	27	12,028	3,508
Regulatory asset (liability)	-	-	62,457	65,318
Impairment of tax credit	6,985	6,985	28,493	30,809
Share-based payment transactions	2,100	-	515	291
Profit sharing	1,471	4,773	6,923	12,518
Interest on preferred shareholders payable in subsidiaries	231,497	218,599	231,497	218,599
Useful life review	-	-	(298,443)	(312,113)
Contractual disputes	-	-	87,897	86,482
Provisions	44,379	45,173	88,254	133,584
Other	-	-	5,169	6,985
Total	**1,334,584**	**1,091,723**	**1,961,151**	**1,712,419**
(-) Deferred taxes assets not recognized	**-**	**-**	**(21,581)**	**(18,040)**
Liabilities credit of:				
Temporary differences				
Business combination - Property, plant and equipment	-	-	(25,622)	(26,025)
Tax deductible goodwill	(21,823)	(21,823)	(346,999)	(329,271)
Lease	-	-	(14)	(14)
Concession contract	-	-	(7,713)	(8,681)
Unrealized gains on derivatives instruments [(i)]	(228,547)	(156,081)	(377,238)	(154,044)
Income on formation of joint ventures	(1,135,036)	(1,135,036)	(1,135,036)	(1,135,036)
Business combination - Intangible asset	-	-	(1,168,411)	(1,161,630)
Other	(63,381)	(51,951)	(59,526)	(16,741)
	(1,448,787)	**(1,364,891)**	**(3,120,559)**	**(2,831,442)**
Total of deferred taxes recorded	**(114,203)**	**(273,168)**	**(1,180,989)**	**(1,137,063)**
Deferred income tax - Assets	**-**	**-**	**466,791**	**474,804**
Deferred income tax - Liabilities	**(114,203)**	**(273,168)**	**(1,647,780)**	**(1,611,867)**

(i) For the year 2018, the Company opted for the accrual basis to calculate the Income Tax on foreign currency transactions. As a consequence of the change, a deferred income tax liability was recorded on the accumulated gains.

c) Changes in deferred income taxes, net

	Parent company	Consolidated
At January 1, 2018	**(273,168)**	**(1,137,063)**
Deferred taxes recognized on income period	156,861	(28,582)
Business combinations	-	(23,615)
Tax loss carryforwards used to settle other tax installments	2,104	2,104
Other	-	6,167
At June 30, 2018	**(114,203)**	**(1,180,989)**

19 Provision for legal proceedings

	Provision for legal proceedings			
	Parent company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Tax	95,947	94,004	429,592	432,350
Civil, environmental and regulatory	104,902	105,708	222,551	226,825
Labor	106,950	115,079	181,016	186,947
	307,799	**314,791**	**833,159**	**846,122**

The judicial deposits at June 30, 2018 and December 31, 2017 are as follows:

	Judicial deposit			
	Parent company		Consolidated	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Tax	299,805	236,921	409,927	352,612
Civil, environmental and regulatory	12,937	13,890	34,263	33,765
Labor	32,437	32,230	49,016	48,035
	345,179	**283,041**	**493,206**	**434,412**

Changes in provision for judicial demands:

	Parent company			
	Tax	Civil and environmental	Labor	Total
At January 1, 2018	**94,004**	**105,708**	**115,079**	**314,791**
Provisions	202	1,156	16,881	18,239
Settlement / Write-offs	(4)	(2,593)	(22,263)	(24,860)
Monetary variation	1,745	631	(2,747)	(371)
At June 30, 2018	**95,947**	**104,902**	**106,950**	**307,799**

	Consolidated			
	Tax	Civil and environmental	Labor	Total
At January 1, 2018	**432,350**	**226,825**	**186,947**	**846,122**
Provisions	229	16,855	20,069	37,153
Settlement / Write-offs	(14,300)	(8,070)	(25,795)	(48,165)
Transfers	7,178	(7,177)	-	1
Monetary variation	4,135	(5,882)	(205)	(1,952)
At June 30, 2018	**429,592**	**222,551**	**181,016**	**833,159**

(i) Includes interest reversal.

The Company's debts with legal proceedings are secured by assets, cash deposit, bank guarantee or insurance guarantee.

a) Tax

The main tax lawsuits at the judicial deposits at June 30, 2018 and December 31, 2017 are as follows:

	Parent company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Compensation with FINSOCIAL	-	-	283,560	280,158
INSS	55,699	54,645	66,395	65,149
ICMS credits	30,069	29,404	44,767	43,848
PIS and COFINS	-	-	142	140
IPI	688	678	688	678
IRPJ and CSLL	-	-	1,550	1,521
Others	9,491	9,277	32,490	40,856
	95,947	**94,004**	**429,592**	**432,350**

b) Civil and labor

The Company and its subsidiaries are parties to civil proceedings relating to (i) compensation for material and moral damage, (ii) public civil actions for abstaining from straw burning sugarcane and (iii) execution of an civil and environmental nature.

The Company and its subsidiaries are parties to labor lawsuits filed by former employees and employees of service providers who question, among others, joint and several liability, overtime and reflex payments, intrajornate interval, additional hazardous and unhealthy, prior notice, Differences in FGTS, hours in itinerate, 13th salary, vacation plus one third, additional night, indemnity for moral damages and materials resulting from work accident and / or occupational disease, obligation to do or not to comply with regulatory standards of the MTE, Collective moral damages, repayment of discounts made on payroll, such as confederation contribution, union tax and others.

Contingencies - Lawsuits considered as possible losses therefore not provided

	Parent company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Tax	4,812,677	4,819,403	8,423,374	8,237,260
Regulatory	-	-	52,350	63,105
Civil and environmental	806,803	620,702	1,493,767	1,342,822
Labor	137,216	201,247	195,564	255,779
	5,756,696	**5,641,352**	**10,165,055**	**9,898,966**

a) Tax

The main tax lawsuits whose probability of losses are possible and therefore no provision has been recognized in the financial statements are highlighted below:

	Parent company		Consolidated	
	June 30, 2018	**December 31, 2017**	**June 30, 2018**	**December 31, 2017**
Federal income taxes	548,298	533,828	2,531,436	2,395,855
ICMS- state VAT	1,558,628	1,614,146	1,965,450	2,006,898
IRRF - Withholding tax	2,797	2,768	857,373	842,079
PIS and COFINS - revenue taxes	810,542	797,279	826,863	798,066
INSS - social security	553,901	531,297	605,067	556,252
IPI - Excise tax	430,759	443,483	543,553	523,121
MP 470 - Debt installments	182,776	180,291	182,776	180,291
Compensation with IPI - IN 67/98	133,462	132,270	133,462	132,270
Other	591,514	584,041	777,394	802,428
	4,812,677	**4,819,403**	**8,423,374**	**8,237,260**

20 Shareholders´ equity

a. Common stock

The subscribed and fully paid capital as of R$ 4,418,476 is represented by 407,904,353 common shares at June 30, 2018 and December 31, 2017 book entry and without par value.

At June 30, 2018, Company's share capital is composed of the following:

	Common shares	
Shareholders - Common shares	**Quantity**	**%**
Cosan Limited	236,515,386	57.98%
Group	4,028	0.00%
Administradores	516,958	0.13%
Free Float	155,238,735	38.06%
Total shares outstanding	**392,275,107**	**96.17%**
Treasury shares	15,629,246	3.83%
Total	**407,904,353**	**100.00%**

b. Treasury shares

In the period ended June 30, 2018, the Company repurchased 14,732,000 common shares in the amount of R$ 607,932 with a maximum unit cost of R$ 43.30, minimum unit cost of R$ 39.29 and unit cost of R$ 41.16.

In the six-month period ended June 30, 2018, there were options related to the Stock Option Plan, 708,993 of which in treasury were delivered to the beneficiaries (there was no exercise in the six-month period ended June 30, 2017)

At June 30, 2018, the Company had 15,629,246 treasury shares (1,606,239 common shares as of December 31, 2017), whose market price was R$ 35,18 (R$ 41.50 as of December 31, 2017).

c. Other comprehensive income

	December 31, 2017	**Comprehensive income**	**June 30, 2018**
Foreign currency translation differences - equity - accounted investee	(33,014)	(62,252)	(95,266)
Gain on cash flow hedge in joint ventures and subsidiaries	15,325	(83,954)	(68,629)
Actuarial loss on defined benefit plan	(65,344)	-	(65,344)
Financial instrument with subsidiary	15,001	1,689	16,690
Changes in fair value of available for sale securities	25,554	53	25,607
Total	**(42,478)**	**(144,464)**	**(186,942)**
Attributable to:			
Owner of the Company	(55,646)	(144,464)	(200,110)
Non-controlling interests	13,168	-	13,168

21 Earnings per share

The following table sets forth the calculation of earnings per share (in thousands of Brazilian Reais, except per share amounts):

	April 1, 2018 to June 30, 2018	June 30, 2018	April 1, 2018 to June 30, 2018	December 31, 2017
Income attributable from continued operation to ordinary				
equity holders for earnings - Basic	**(64,345)**	**281,371**	**(76,041)**	**129,273**
Effect of dilution:				
Dilutive effect of subsidiary's stock option plan	(101)	(259)	-	-
Income from continued operation attributable to				
ordinary equity holders adjusted for				
the effect of dilution	**(64,446)**	**281,112**	**(76,041)**	**129,273**
Weighted average number of shares outstanding - basic - (*In thousands of shares*)	**404,159**	**406,847**	**407,474**	**407,573**
Effect of dilution:				
Stock option	835	844	-	2,255
Repurchase share [(2)]	656	-	(3,177)	-
Weighted average number of shares outstanding - diluted - (*In thousands of shares*)	**405,650**	**407,691**	**404,297**	**409,827**
Basic (Losses) earnings per common share	(R$0.15921)	R$0.6916	(R$0.18662)	R$0.31718
Diluted (Losses) earnings per common share	(R$0.15887)	R$0.6895	(R$0.18808)	R$0.31543

For the three month period ended At June 30, 2018, 656,000 shares related to the share repurchase plan of subsidiary Cosan S.A have an antidilutive effect, so they were not considered in the diluted earnings per share analysis.

22 Other expense, net

	Parent company			
	April 1, 2018 to June 30, 2018	**June 30, 2018**	**April 1, 2018 to June 30, 2018**	**December 31, 2017**
Provisions for legal proceedings and recovery taxes program	(3,924)	(14,607)	(32,231)	(36,178)
Other	(1,277)	(6,069)	79	(6,570)
	(5,201)	**(20,676)**	**(32,152)**	**(42,748)**

	Consolidated			
	April 1, 2018 to June 30, 2018	**June 30, 2018**	**April 1, 2018 to June 30, 2018**	**December 31, 2017**
Net effect of legal proceedings, recoverable and tax installments	(4,403)	(15,341)	(25,451)	(28,596)
Income from disposals and write-offs of property and equipment and intangible assets	(4,507)	(5,820)	(16,037)	(17,657)
Other	(7,806)	(13,820)	(4,021)	(13,101)
	(16,716)	**(34,981)**	**(45,509)**	**(59,354)**

23 Financial results

	Parent Company			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Cost of gross debt				
Derivative and fair value results	344,732	351,442	138,366	57,014
Amortization of funding expenditure	(31)	(92)	(61)	(123)
	344,701	**351,350**	**138,305**	**56,891**
Income from financial investments and exchange variation of cash	18,042	34,403	26,605	63,443
	18,042	**34,403**	**26,605**	**63,443**
Other charges and monetary variations	**362,743**	**385,753**	**164,910**	**120,334**
Other charges and monetary variations				
Interest on other receivables	3,329	7,362	8,109	18,423
Interest on other financial assets	24,215	28,803	2,296	30,192
Interest on shareholders' equity	24,000	39,500	25,000	42,000
Interest on other obligations	(24,801)	(56,103)	(75,036)	(161,225)
Bank charges and other	(4,054)	(9,651)	(2,961)	(9,760)
Exchange variation	(654,497)	(799,715)	(221,700)	(160,021)
	(631,808)	**(789,804)**	**(264,292)**	**(240,391)**

Financial results, net	**(269,065)**	**(404,051)**	**(99,382)**	**(120,057)**
Financial expenses	(92,215)	(184,077)	(132,310)	(277,992)
Financial income	70,552	112,012	63,681	157,940
Exchange variation	(596,817)	(614,429)	(167,200)	(58,585)
Net effect of derivatives	349,415	282,443	136,447	58,580
Financial results, net	**(269,065)**	**(404,051)**	**(99,382)**	**(120,057)**

	Consolidated			
	April 1, 2018 to June 30, 2018	**January 1, 2018 to June 30, 2018**	**April 1, 2017 to June 30, 2017**	**January 1, 2017 to June 30, 2017**
Cost of gross debt				
Interest and monetary variation	(171,253)	(327,558)	(161,567)	(340,243)
Net exchange rate variation on debt	(809,210)	(829,647)	(227,737)	(81,062)
Derivative and fair value results	526,968	551,888	103,852	(24,845)
Amortization of funding expenditure	(271)	(513)	(314)	(557)
Guarantees and warranties on debt	(6,777)	(14,210)	(7,685)	(16,360)
	(460,543)	**(620,040)**	**(293,451)**	**(463,067)**
Income from financial investments and exchange variation of cash	133,466	192,075	101,153	208,800
	133,466	**192,075**	**101,153**	**208,800**
Cost of debt, net	**(327,077)**	**(427,965)**	**(192,298)**	**(254,267)**
Other charges and monetary variations			-	
Interest on other receivables	10,429	51,962	21,776	59,297
Interest on other financial assets	24,215	28,803	2,296	30,192
Interest on shareholders' equity	-	-	-	-
Interest on other obligations	(47,740)	(71,974)	(82,100)	(202,917)
Bank charges	(9,183)	(19,334)	(8,184)	(20,295)
Exchange variation	(12,280)	(30,585)	1,570	(3,987)
	(34,559)	**(41,128)**	**(64,642)**	**(137,710)**
Financial results, net	**(361,636)**	**(469,093)**	**(256,940)**	**(391,977)**
Financial expenses	(208,129)	(320,668)	(383,937)	(807,496)
Financial income	129,538	245,228	157,169	423,895
Exchange variation	(752,669)	(790,755)	(213,937)	(77,048)
Net effect of derivatives	469,624	397,102	183,765	68,672
Financial results, net	**(361,636)**	**(469,093)**	**(256,940)**	**(391,977)**

24 Financial instruments

Financial risk management

Overview

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

- Credit risk;

- Liquidity risk; and
- Market risk

This note presents information about the exposure of the Company and its subsidiaries to the above risks, as well as the objectives of the Company's risk management policies, these policy and processes for the assessment and management of risks.

The carrying amount of financial assets and financial liabilities are as follows:

	June 30, 2018	December 31, 2017
Assets		
Fair value through profit or loss		
Investment funds	2,000,775	1,849,820
Marketable securities	1,316,650	700,035
Other financial assets	376,925	1,686,718
Derivative financial instruments	1,251,159	1,052,105
	4,945,509	**5,288,678**
Loans and receivables		
Cash and cash equivalents	1,143,579	1,300,508
Trade receivables	1,190,140	950,701
Receivables from related parties	131,852	207,266
Dividends receivable	19,290	13,114
Restricted cash	1,394	-
	2,486,255	**2,471,589**
Total	**7,431,764**	**7,760,267**
Liabilities		
Liabilities amortized cost		
Loans, borrowings and debentures	4,850,734	4,510,419
Trade payables	2,050,235	1,805,385
Payables to related parties	446,430	398,586
Dividends payable	31,211	373,277
Tax installments - REFIS	205,962	207,790
Preferred shareholders payable in subsidiaries	1,211,620	1,442,680
Other financial liabilities	48,296	90,725
	8,844,488	**8,828,862**
Fair value through profit or loss		
Loans, borrowings and debentures	5,424,123	5,164,575
Contingent consideration	54,494	116,542
Derivative financial instruments	24,116	114,531
	5,502,733	**5,395,648**
	14,347,221	**14,224,510**

Risk management structure

	Notional		Fair value	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Exchange rate derivatives				
Forward agreements	17,013	61,606	2,456	96
	17,013	61,606	2,456	96
Interest rate and exchange rate risk				
Swap agreements (interest rate)	2,284,808	2,284,808	242,877	328,703
Cross currency interest rate swaps	4,385,623	4,736,772	981,710	608,775
	6,670,431	7,021,580	1,224,587	937,478
Total financial instruments			**1,227,043**	**937,574**
Assets			**1,251,159**	**1,052,105**
Liabilities			**(24,116)**	**(114,531)**

Credit risk

	June 30, 2018	December 31, 2017
Cash and cash equivalents	3,144,354	3,150,328
Trade receivables	1,190,140	950,701
Derivative financial instruments	1,251,159	1,052,105
Receivables from related parties	131,852	207,266
Dividends payable	19,290	13,114
Restricted cash	1,394	-
Marketable securities	1,316,650	700,035
	7,054,839	**6,073,549**

The credit risk on cash and cash equivalents and derivative financial instruments are determined by the broadly accepted rating instruments and are arranged as follows:

	June 30, 2018	December 31, 2017
AAA	499,999	327,583
AA	5,213,558	4,443,753
	5,713,557	**4,771,336**

Liquidity risk

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

	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	June 30, 2018 Total	December 31, 2017 Total
Loans, borrowings and debentures	(1,785,142)	(1,630,808)	(4,670,058)	(7,868,772)	(15,954,780)	(15,507,918)
Trade payables	(2,050,235)	-	-	-	(2,050,235)	(1,805,385)
Derivative financial instruments	194,986	48,837	(143,868)	2,204,757	2,304,712	465,963
Other financial liabilities	(48,296)	-	-	-	(48,296)	(90,725)
Dividends payable	(339,907)	-	-	-	(339,907)	(373,277)
Tax installments - REFIS	(60,068)	(22,170)	(39,759)	(104,801)	(226,798)	(222,336)
	(4,088,662)	**(1,604,141)**	**(4,853,685)**	**(5,768,816)**	**(16,315,304)**	**(17,533,678)**

Market risk

a) Foreign exchange risk

As of June 30, 2018 and December 31, 2016, the Company and its subsidiaries had the following net exposure to the exchange rate variations on assets and liabilities denominated in USD Dollar:

	June 30, 2018 R$	December 31, 2017 R$
Cash and cash equivalents	540,068	765,370
Trade receivables	66,736	14,894
Loans, borrowings and debentures	(6,065,893)	(5,575,894)
Contingent consideration	(54,494)	(64,213)
Payables to related parties	(249,025)	(210,497)
Derivative financial instruments (notional) [(1)]	4,352,246	4,216,517
Foreign exchange exposure, net	**(1,410,362)**	**(853,823)**

(i) These balances are equivalent to the notional amount in US Dollars converted into R$ at the Dollar rate on June 30, 2018 and December 31, 2017, respectively.

Sensitivity analysis on exchange rate changes:

The probable scenario was defined based on the dollar market rates as of June 30, 2018, which determines the fair value of the derivatives at that date. Stressed scenarios (positive and negative effects, before taxes) were defined based on adverse impacts of 25% and 50% on the US dollar exchange rates used in the probable scenario.

Based on the financial instruments denominated in US dollars, as of June 30, 2018, the Company performed a sensitivity analysis with an increase and decrease in exchange rates (R$ / US$) of 25% and 50%. The probable scenario considers projections by the Company's specialized advisory services to exchange rates on the maturity of operations for companies with real functional currency (positive and negative, before taxes), as follows:

		Exchange rate sensitivity analysis (R$/US$)				
						Scenario
	June 30, 2018	**Probable**	**25%**	**50%**	**-25%**	**-50%**
At June 30, 2018	3.8558	3.4100	4.2625	5.1150	2.5575	1.7050

The Company considers the projections of interest rates, prepared by specialized consultants

Considering the above scenario the profit or loss would be impacted as follows:

		Variation scenario				
Instrument	**Risk factor**	**Probable**	**25%**	**50%**	**-25%**	**-50%**
Cash and cash equivalents	USD fluctuation	(62,442)	119,407	238,814	(119,407)	(238,814)
Trade receivables	USD fluctuation	(7,716)	14,755	29,511	(14,755)	(29,511)
derivatives (notional)	USD fluctuation	(535,404)	1,032,006	2,064,012	(1,032,006)	(2,064,012)
Loans, borrowings and debentures	USD fluctuation	701,327	(1,341,142)	(2,682,284)	1,341,142	2,682,284
Payable to related parties	USD fluctuation	28,792	(55,059)	(110,117)	55,059	110,117
Contingent consideration	USD fluctuation	6,300	(12,047)	(24,096)	12,047	24,096
Impacts on profit or loss		**130,857**	**(242,080)**	**(484,160)**	**242,080**	**484,160**

b) Interest rate risk

Sensitivity analysis on changes in interest rates:

A sensitivity analysis on the interest rates on loans and borrowings in compensation for the CDI investments with pre-tax increases and decreases of 25% and 50% is presented below:

	June 30, 2018				
Exposure interest rate	**Probable**	**25%**	**50%**	**-25%**	**-50%**
Cash and cash equivalents	157,513	39,378	78,756	(39,378)	(78,756)
Marketable securities	75,971	18,993	37,985	(18,993)	(37,985)
Interest derivative	(561,012)	(38,320)	(76,640)	38,320	76,640
Loans, borrowings and debentures	140,526	(627,998)	(1,165,001)	807,344	1,775,213
Restricted cash	35	9	17	(9)	(17)
Impacts on profit or loss	**(186,967)**	**(607,938)**	**(1,124,883)**	**787,284**	**1,735,095**

The probable scenario considers the projections of interest rates, prepared by specialized consultants and also by Banco do Brasil, as follows:

	Probable	25%	50%	-25%	-50%
SELIC	6.50%	8.13%	9.75%	4.88%	3.25%
CDI	5.77%	7.21%	8.66%	4.33%	2.89%
TJ462	8.30%	10.13%	11.95%	6.48%	4.65%
TJLP	7.30%	9.13%	10.95%	5.48%	3.65%
IPCA	3.33%	4.16%	5.00%	2.50%	1.67%
IGPM	3.24%	4.05%	4.86%	2.43%	1.62%
FED FUNDS	2.50%	3.13%	3.75%	1.88%	1.25%

Financial instruments fair value

Loan	Company	June 30, 2018	December 31, 2017
Senior Notes Due 2018	Cosan S.A	-	100.37%
Senior Notes Due 2023	Cosan S.A	96.27%	101.54%
Senior Notes Due 2027	Cosan S.A	97.50%	108.14%
Perpetual Notes	Cosan S.A	99.53%	102.83%

- 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 (Note 15).

The carrying amounts and fair value of financial assets and financial liabilities are as follows:

	Carrying amount		Assets and liabilities measured at fair value					
	June 30, 2018	December 31, 2017	June 30, 2018			December 31, 2017		
			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets								
Investment funds	2,000,775	1,849,820	-	2,000,775	-	-	1,849,820	-
Marketable securities	1,316,650	700,035	-	1,316,650	-	-	700,035	-
Other financial assets	376,925	1,686,718	376,925	-	-	346,716	1,340,002	-
Derivate financial instruments	1,251,159	1,052,105	-	1,251,159	-	-	1,052,105	-
Total	**4,945,509**	**5,288,678**	**376,925**	**4,568,584**	**-**	**346,716**	**4,941,962**	**-**
Liabilities								
Loans, borrowings and debentures	(5,424,123)	(5,164,575)	-	(5,424,123)	-	-	(5,164,575)	-
Contingent consideration [(i)]	(54,494)	(116,542)	-	-	(54,494)	-	-	(116,542)
Derivative financial instruments	(24,116)	(114,531)	-	(24,116)	-	-	(114,531)	-
Total	**(5,502,733)**	**(5,395,648)**	**-**	**(5,448,239)**	**(54,494)**	**-**	**(5,279,106)**	**(116,542)**

(i) The valuation of the contingent consideration considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the probable scenarios of forecast revenue and EBITDA, the amount to be paid under each scenario and the probability of each scenario. The significant unobservable inputs are the forecast of the annual growth rate of revenue, EBITDA margin forecast and the 13% discount rate adjusted for risk

Hedge accounting

Currently the Company has adopted the hedge accounting of fair value for some its operations that both the hedging instruments and the hedged items are accounted for at fair value through profit or loss.. Operations and accounting effects of this adoption are as follows:

	Debt	Derivative	Total
At December 31, 2017	**(1,647,599)**	**252,615**	**(1,394,984)**
Interest amortization	9,882	-	9,882
Fair values	(81,653)	58,046	(23,607)
At June 30, 2018	**(1,719,370)**	**310,661**	**(1,408,709)**

25 Post-employment benefits

	Consolidated	
	June 30, 2018	**December 31, 2017**
Futura	46,731	44,431
Futura II	146	1,237
COMGÁS	447,752	439,791
	494,629	**485,459**

During the period ended June 30, 2018, the amount of sponsor contributions to the plans was R$ 16,411 (R$ 13,999 on June 30, 2017).

26 Share-based payment

The Company and its subsidiaries have two active share-based payment plans. The first "Stock Option Plan" provides the distribution of stock options to executives of the Company and its subsidiaries. The second "Stock-Based Compensation Plan" provides the granting of shares to the Company's officers and employees. In both cases, there is a right to purchase options or receive shares after the fulfillment of the grace period of each plan.

The plans have been administered by the Board of Directors, at its option, by a Committee, within the limits established in the guidelines for the elaboration and structuring of each plan and in the applicable legislation.

a) Stock Option

The vesting period and the position of the outstanding options are as follows:

				Number of instruments on June 30, 2018					
Share option programs	**Expected life (years)**	**Interest rate**	**Expected volatility**	**Granted**	**Exercisable options**	**Outstanding**	**Market price on grant date**	**Exercise price at June 30, 2018**	**Fair value at grant date - R$[(i)]**
August 18, 2011 - Tranche A	1 to 7	12.39%	31.44%	4,825,000	(4,590,000)	235,000	22.80	22.98	6,80
August 18, 2011 - Tranche B	1 to 12	12.39%	30.32%	5,000,000	(2,500,000)	2,500,000	22.80	22.98	8,15
December 12, 2012 - Tranche C	1 to 7	8.78%	31.44%	700,000	(420,000)	280,000	38.89	42.59	10.10
April 24, 2013	5 to 7	13.35%	27.33%	970,000	(120,000)	850,000	45.22	48.75	17,95
April 25, 2014	5 to 7	12.43%	29.85%	960,000	(80,000)	880,000	39.02	39.30	15,67
August 31, 2015	5 to 7	14.18%	33.09%	759,000	(100,000)	659,000	19.96	18.34	7.67
				13,214,000	**(7,810,000)**	**5,404,000**			

(i) The fair value of the employee share options has been measured using the Black-Scholes formula.

For the period ended June 30, 2018, R$ 2,134 (R$ 2,986 on June 30, 2017) has been recognized as an expense related to the stock option plan.

b) Stock Grant

1) Cosan S.A Industria e Comércio

The vesting period and the position of the outstanding shares are as follows:

				Number of instruments on June 30, 2018				
Date of programs	**Expected life (years)**	**Interest rate**	**Expected volatility**	**Granted**	**Exercisable options**	**Outstanding**	**Market price on grant date**	**Fair value at grant date - R$(i)**
Stock Grant								
April 27, 2017	5	15.00%	32.75%	274,000	(53,700)	220,300	32.11	32.11
July 31, 2017	5	15.00%	33.70%	298,107	(54,948)	243,159	36.06	36.06
				572,107	**(108,648)**	**463,459**		

(i) The fair value measurement was carried out in the Black-Scholes pricing model.

For the period ended June 30, 2018, R$ 2,321(R$ 687 on June 30, 2017) has been recognized as an expense related to this stock grant plan.

2) Companhia de Gás de São Paulo – COMGÁS

The vesting period and the position of the outstanding shares are as follows:

				Number of instruments on June 30, 2018				
Date of programs	**Expected life (years)**	**Interest rate**	**Expected volatility**	**Granted**	**Exercisable options**	**Outstanding**	**Market price on grant date**	**Fair value at grant date - R$(i)**
Stock Grant								
April 20, 2017	5	12.16%	27.20%	61,300	-	61,300	47.80	37.29
December 08, 2017	5	10.09%	30.00%	97,780	-	97,780	54.25	36.37
				159,080	**-**	**159,080**		
				159,080	**-**	**159,080**		

(i) The fair value measurement was carried out in the Black-Scholes pricing model.

For the period ended June 30, 2018, R$ 658 has been recognized as an expense related to this stock grant plan. There were no cancellations and exercises in the period.

c) Movement of remuneration.

The number and weighted-average exercise prices of stock options and stock grant under the share option programs were as follows:

	Number of stock options	Number of stock grant	Total number of options/stock	Weighted average
December 31, 2017	**6,146,000**	**514,007**	**6,660,007**	**29.84**
Cancellation or settlements	(35,000)	(42,578)	(77,578)	
Share options exercised	(707,000)	(7,970)	(714,970)	23.41
June 30, 2018	**5,404,000**	**463,459**	**5,867,459**	**30.14**

27 Subsequent events

27.1 Acquisition WX Energy

On July 5, 2018, jointly controlled Raízen Energia, through its subsidiary Bio Barra, signed a shareholders' agreement with WX Energy Participações Ltda., Through which it formalized the commitment previously made in the Investment Agreement signed by the parties on April 27, 2018, to invest the approximate amount of R $ 95,000 in the company RWXE Participações SA, a company incorporated as a result of this business combination and parent company of WX Energy Comercializadora de Energia Ltda. With this transaction, the Company, 70% of RWXE, expands its presence in electric energy trading, diversifying its portfolio of products.

27.1 Acquisition of Canaviais from Usina Açucareira Furlan S.A ("Usina Furlan")

On July 5, 2018, jointly controlled Raízen Energia entered into agreements with São Martinho SA ("São Martinho"), which provide for the acquisition of the biological assets of Usina Açúcareira Furlan SA, related to the Santa Bárbara D'Oeste (SP) plant, as well as the lease of land owned by Usina Açucareira Furlan SA and Agro Pecuária Furlan SA ("Transaction"). Upon conclusion of the Transaction, the Company and São Martinho will independently assume 2/3 and 1/3, respectively, of the agricultural and supply contracts totaling approximately 1 million tons of sugarcane in the region. In addition, such agreements provide that the Company and São Martinho must pay the approximate amount of R$ 118.000 in the proportion established above. The conclusion of the Transaction is in line with the strategy of increasing the availability of cane for processing at Raízen mills and is subject to certain conditions, as well as approval by CADE.

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