

Cosan S.A.

Interim financial statements

(Free translation from the original prepared in Portuguese)

As of March 31, 2019



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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 March 31, 2019, which comprises the statement of financial position as of March 31, 2019 and the respective statements of profit and loss, comprehensive income, changes in shareholders' equity and cash flows for the three-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 three-month period ended March 31, 2019, 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, May 13, 2019

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

Statements of financial position
(In thousands of Brazilian Reals - R\$)

	Note	Parent Company		Consolidated	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018 (Reclassified)
Assets					
Cash and cash equivalents	5.1	896,468	928,077	3,487,723	2,696,947
Marketable securities	5.2	101,373	137,313	1,169,263	1,359,232
Trade receivables	5.3	-	-	1,408,275	1,128,304
Derivative financial instruments	5.7	31,173	45,680	185,855	178,545
Inventories	7	-	-	468,133	452,904
Receivables from related parties	5.4	259,789	248,210	70,995	70,083
Income tax receivable		108,697	115,359	137,646	217,495
Other current tax receivable	6	3,713	3,708	603,947	601,018
Dividends and interest on capital receivable		13,114	34,354	13,114	27,309
Other financial assets		511,923	454,449	511,923	454,449
Other current assets		107,300	109,100	407,079	403,259
Total current assets		2,033,550	2,076,250	8,463,953	7,589,545
Trade receivables	5.3	-	-	20,524	21,826
Deferred income tax and social contribution	12	-	-	508,662	494,498
Receivables from related parties	5.4	491,310	495,188	58,736	62,715
Other non-current tax receivable	6	40,261	40,261	55,381	54,698
Judicial deposits	13	350,325	354,554	516,938	508,398
Derivative financial instruments	5.7	1,010,295	938,034	1,400,229	1,337,337
Other non-current assets		152,813	90,227	237,427	104,024
Investments in associates	8	12,927,411	11,711,240	334,599	334,518
Investments in joint ventures	9	2,465,682	2,491,512	7,987,127	8,077,907
Contract assets		-	-	297,033	227,261
Right-of-use assets		28,811	-	67,767	-
Property, plant and equipment	10.1	65,350	66,651	481,858	498,413
Intangible assets	10.2	2,895	3,182	9,472,084	9,478,620
Total non-current assets		17,535,153	16,190,849	21,438,365	21,200,215
Total assets		19,568,703	18,267,099	29,902,318	28,789,760

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

Statements of financial position
(In thousands of Brazilian Reais - R\$)

	Note	Parent Company		Consolidated	
		March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Liabilities					
Loans, borrowings and debentures	5.5	570,993	-	1,813,719	1,161,203
Leases		2,198	-	10,841	-
Derivative financial instruments	5.7	-	-	-	3,880
Trade payables	5.6	1,845	4,509	1,556,179	1,472,203
Employee benefits payable		18,271	29,418	87,830	132,321
Income tax payables		3,538	13,952	27,636	28,242
Other taxes payable	11	113,211	110,507	328,356	209,878
Dividends payable		422,726	422,726	423,759	427,232
Payables to related parties	5.4	302,308	306,864	220,300	207,989
Other financial liabilities		-	-	95,267	117,997
Other current liabilities		35,333	39,646	165,036	233,273
Total current liabilities		1,470,423	927,622	4,728,923	3,994,218
Loans, borrowings and debentures	5.5	1,129,963	-	9,874,437	8,795,935
Leases		27,071	-	68,290	-
Preferred shareholders payable in subsidiaries		1,113,523	1,097,490	1,113,523	1,097,490
Derivative financial instruments	5.7	22,087	21,714	22,136	21,834
Other taxes payable	11	143,213	144,381	149,605	150,844
Provision for legal proceedings	13	349,922	306,351	911,322	848,515
Provision for uncovered liability of associates	8	112,641	75,273	-	-
Payables to related parties	5.4	5,342,709	5,329,245	-	-
Post-employment benefits	21	159	162	585,465	579,823
Deferred tax liabilities	12	154,698	186,682	1,691,392	1,740,380
Other non-current liabilities		257,447	249,464	627,733	637,588
Total non-current liabilities		8,653,433	7,410,762	15,043,903	13,872,409
Total liabilities		10,123,856	8,338,384	19,772,826	17,866,627
Shareholders' equity	14				
Share capital		4,418,476	4,418,476	4,418,476	4,418,476
Treasury shares		(627,913)	(627,913)	(627,913)	(627,913)
Capital reserve		(304,200)	391,174	(304,200)	391,174
Other equity		(280,198)	(95,994)	(280,198)	(95,994)
Profit reserve		5,842,972	5,842,972	5,842,972	5,842,972
Retained earnings		395,710	-	395,710	-
Equity attributable to:					
Owners of the Company		9,444,847	9,928,715	9,444,847	9,928,715
Non-controlling interests	8.2	-	-	684,645	994,418
Total shareholders' equity		9,444,847	9,928,715	10,129,492	10,923,133
Total shareholders' equity and liabilities		19,568,703	18,267,099	29,902,318	28,789,760

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

Statements of profit or loss
(In thousands of Brazilian Reais - R\$)

	Note	Parent Company		Consolidated	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Net sales	16	-	-	3,094,696	2,155,842
Cost of sales	17	-	-	(2,325,282)	(1,521,062)
Gross profit		-	-	769,414	634,780
Selling expenses	17	-	-	(261,179)	(241,241)
General and administrative expenses	17	(32,022)	(23,426)	(158,780)	(128,801)
Other (expense) income, net	18	15,745	(15,476)	16,453	(18,265)
Operating expenses		(16,277)	(38,902)	(403,506)	(388,307)
(Loss) income before equity in earnings of investees and financial results and taxes		(16,277)	(38,902)	365,908	246,473
Interest in earnings of associates	8	428,979	491,067	(31,548)	(4,191)
Interest in earnings of joint ventures	9	(25,829)	(28,596)	303,833	297,657
Equity in earnings of investees		403,150	462,471	272,285	293,466
Finance expense		(154,698)	(91,861)	(323,365)	(112,538)
Finance income		99,369	41,460	137,740	115,690
Foreign exchange, net		(26,843)	(17,612)	(42,682)	(38,086)
Derivatives		60,751	(66,972)	89,961	(72,522)
Finance results, net	19	(21,421)	(134,985)	(138,346)	(107,456)
Profit before taxes		365,452	288,584	499,847	432,483
Income tax (expenses) benefits	12				
Current		-	-	(131,249)	57,775
Deferred		30,258	57,132	60,422	(112,544)
		30,258	57,132	(70,827)	(54,769)
Profit for the period		395,710	345,716	429,020	377,714
Total net income attributable to:					
Owners of the Company		395,710	345,716	395,710	345,716
Non-controlling interests		-	-	33,310	31,998
		395,710	345,716	429,020	377,714
Basic earnings per share from:					
Continuing operations	15	R\$0.99925	R\$0.84407	R\$0.99925	R\$0.84407
		R\$0.99925	R\$0.84407	R\$0.99925	R\$0.84407
Diluted earnings per share from:					
Continuing operations	15	R\$0.99614	R\$0.84163	R\$0.99614	R\$0.84163
		R\$0.99614	R\$0.84163	R\$0.99614	R\$0.84163

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

Statements of other comprehensive income
(In thousands of Brazilian Reais - R\$)

	Parent Company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Profit for the period	395,710	345,716	429,020	377,714
Other comprehensive income (loss)				
Items that are or may subsequently be reclassified to profit or loss:				
Foreign currency translation effect	(4,338)	(18,760)	(8,034)	(18,760)
Gain (loss) on cash flow hedge in joint ventures	(179,877)	3,317	(179,877)	3,317
Changes in fair value of financial assets	-	32	-	32
Realization of fair value of investment property	11	-	11	-
	(184,204)	(15,411)	(187,900)	(15,411)
Total other comprehensive (loss) income, net of tax	(184,204)	(15,411)	(187,900)	(15,411)
Total comprehensive income	211,506	330,305	241,120	362,303
Total comprehensive income attributable to:				
Owners of the Company	211,506	330,305	211,506	330,305
Non-controlling interests	-	-	29,614	31,998
	211,506	330,305	241,120	362,303

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

Statements of changes in equity
(In thousands of Brazilian Reais - R\$)

	Capital reserve					Profit reserve							
	Common stock	Treasury share	Statutory transactions - Law 6,404	Capital transactions	Others equity components	Legal	Statutory reserve	Unrealized earning	Retained earning	Profit reserve	Total	Non-controlling interest (Note 8.2)	Total equity
Balance as at January 1, 2019	4,418,476	(627,913)	367,979	23,195	(95,994)	82,616	4,560,371	171,021	1,028,964	-	9,928,715	994,418	10,923,133
Net income for the period	-	-	-	-	-	-	-	-	-	395,710	395,710	33,310	429,020
Other comprehensive income - Note 14													
Loss on cash flow hedge in joint ventures	-	-	-	-	(179,877)	-	-	-	-	-	(179,877)	-	(179,877)
Foreign currency translation effects	-	-	-	-	(4,338)	-	-	-	-	-	(4,338)	(3,696)	(8,034)
Change in fair value of financial assets	-	-	-	-	11	-	-	-	-	-	11	-	11
Total comprehensive income for the period	-	-	-	-	(184,204)	-	-	-	-	395,710	211,506	29,614	241,120
Contributions by and distributions to owners of the Company:													
Share-based payment transactions - Note22	-	-	-	2,405	-	-	-	-	-	-	2,405	83	2,488
Total contributions by and distributions to owners of the Company	-	-	-	2,405	-	-	-	-	-	-	2,405	83	2,488
Transactions with owners of the Company													
Change of shareholding interest in subsidiary - Comgás - Note 8.1.a (i)	-	-	-	(822,689)	-	-	-	-	-	-	(822,689)	(776,548)	(1,599,237)
Change of shareholding interest in subsidiary - Moove - Note 8.1.a (ii)	-	-	-	124,910	-	-	-	-	-	-	124,910	437,078	561,988
Total transactions with shareholders	-	-	-	(697,779)	-	-	-	-	-	-	(697,779)	(339,470)	(1,037,249)
Balance as at March 31, 2019	4,418,476	(627,913)	367,979	(672,179)	(280,198)	82,616	4,560,371	171,021	1,028,964	395,710	9,444,847	684,645	10,129,492

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

Statements of changes in equity
(In thousands of Brazilian Reais - R\$)

	Capital reserve				Others equity component s	Profit reserve					Non- controlling interest	Total equity
	Common stock	Treasury share	Statutory transactions - Law 6,404	Capital transactions		Legal	Statutory reserve	Unrealized earning	Retained earning	Profit reserve		
At January 1, 2018	3,999,075	(114,413)	604,580	604,580	(55,646)	190,726	3,520,703	171,021	1,035,384	-	9,351,430	10,297,265
New standards and interpretations adopted	-	-	-	-	-	-	-	-	(5,080)	-	(5,080)	(6,360)
Balance as at January 1, 2018	3,999,075	(114,413)	604,580	95,240	(55,646)	190,726	3,520,703	171,021	1,030,304	-	9,441,590	10,290,905
Net income for the period	-	-	-	-	-	-	-	-	-	345,716	345,716	377,714
Other comprehensive income - Note 14												
Gain on cash flow hedge in joint ventures	-	-	-	-	3,317	-	-	-	-	-	3,317	3,317
Foreign currency translation effects	-	-	-	-	(18,760)	-	-	-	-	-	(18,760)	(18,760)
Change in fair value of financial assets	-	-	-	-	32	-	-	-	-	-	32	32
Total comprehensive income for the period	-	-	-	-	(15,411)	-	-	-	-	345,716	330,305	362,303
Contributions by and distributions to owners of the Company:												
Share options exercised	-	13,538	-	-	-	-	-	-	-	-	13,538	13,538
Redeem entity's shares	-	(9,996)	-	-	-	-	-	-	-	-	(9,996)	(9,996)
Share-based payment transactions - Note 22	-	-	-	2,032	-	-	-	-	-	-	2,032	2,093
Total contributions by and distributions to owners of the Company	-	3,542	-	2,032	-	-	-	-	-	-	5,574	5,635
Total transactions with shareholders	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	3,999,075	(110,871)	604,580	97,272	(71,057)	190,726	3,520,703	171,021	1,030,304	345,716	9,777,469	10,658,843

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

Statements of cash flows
(In thousands of Brazilian Reais - R\$)

	Note	Parent Company		Consolidated	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash flows from operating activities					
Profit before taxes		365,452	288,584	499,847	432,483
Adjustments for:					
Depreciation and amortization		3,311	1,342	140,017	142,102
Interest in earnings of subsidiaries	8	(428,979)	(491,067)	31,548	4,191
Interest in earnings of joint ventures	9	25,829	28,596	(303,833)	(297,657)
Loss on disposals assets		-	-	5,859	1,254
Share-based payment transactions		1,933	1,781	2,488	2,093
Provision for legal proceedings		21,232	10,504	23,247	10,302
Indexation charges, interest and exchange, net		35,893	136,994	173,973	145,530
Provisions for employee benefits		3,579	4,098	17,071	15,715
Allowance for doubtful accounts		-	-	2,816	5,367
Other		(57,440)	(1,720)	(104,494)	(3,043)
		(29,190)	(20,888)	488,539	458,337
Changes in:					
Trade receivables		-	-	(273,154)	(34,680)
Inventories		-	-	(19,360)	33,535
Other current tax receivable		10,204	(265)	123,011	(9,110)
Income tax receivable		(10,032)	(5,264)	(49,571)	(82,279)
Related parties, net		(3,310)	(30,490)	(4,626)	(33,997)
Trade payables		(2,711)	(1,684)	63,002	58,951
Employee benefits payable		(14,726)	(18,052)	(64,136)	(74,671)
Provision for legal proceedings		684	56	(1,904)	(13,239)
Other financial assets		-	-	4,576	(5,054)
Judicial deposits		(663)	(27,002)	(2,744)	(14,168)
Cash received on sale of credit rights		-	1,340,000	-	1,340,000
Gas paid and not used		-	-	78,593	-
Post-employment benefits		-	-	(8,893)	(7,764)
Other assets and liabilities, net		1,290	8,416	(93,660)	(52,306)
		(19,264)	1,265,715	(248,866)	1,105,218
Net cash (used in) generated by operating activities		(48,454)	1,244,827	239,673	1,563,555
Cash flows from investing activities					
Capital contribution in subsidiaries and associates		(26,145)	(35,000)	(26,045)	-
Acquisition of subsidiary, net of cash acquired	8.2	-	-	-	(35,869)
Marketable securities		37,394	(287,088)	205,557	(244,490)
Cash received on sale of fixed assets, and intangible assets		-	-	28	1,123
Dividends received from subsidiaries and associates		7,045	112,942	-	-
Dividends received from jointly controlled entity		34,170	60,861	230,470	408,151
Acquisition of property, plant and equipment, intangible assets, contract assets and right-of-use assets		(767)	(79)	(151,254)	(139,593)

Statements of cash flows
(In thousands of Brazilian Reais - R\$)

Net cash generated by (used in) investing activities		51,697	(148,364)	258,756	(10,678)
Cash flows from financing activities					
Loans, borrowings and debentures raised	5.5	1,692,647	-	1,711,983	101,435
Amortization of principal on loans, borrowings and debentures	5.5	-	-	(112,280)	(689,097)
Payment of interest on loans, borrowings and debentures	5.5	-	-	(154,304)	(152,497)
Amortization of principal on leases		(1,077)	-	(1,923)	-
Payment of interest on leases		-	-	(301)	-
Payment of derivative financial instruments		(53,222)	(81,432)	(74,807)	(540,505)
Receipt of derivative financial instruments		48,328	124,246	84,049	570,667
Capital contribution from non-controlling interest	8.1	-	-	434,000	-
Related parties		(122,291)	(94,901)	-	-
Payments to redeem entity's shares		-	(9,996)	-	(9,996)
Acquisition of non-controlling interests	8.1	(1,599,237)	-	(1,599,237)	-
Dividends paid		-	-	(2,229)	(36,291)
Share options exercised		-	13,538	-	13,538
Net cash (used in) generated by financing activities		(34,852)	(48,545)	284,951	(742,746)
(Decrease) increase in cash and cash equivalents		(31,609)	1,047,918	783,380	810,131
Cash and cash equivalents at beginning of period		928,077	144,005	2,696,947	3,150,328
Effect of exchange rate fluctuations on cash held		-	-	7,396	3,449
Cash and cash equivalents at end of period		896,468	1,191,923	3,487,723	3,963,908
Additional information					
Income tax paid		-	-	41,490	43,869

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

Non-cash transaction

During the period ended March 31, 2019, the Company carried out the following transactions that did not involve cash and are therefore not reflected in the statement of cash flows:

- i. Acquisition of construction assets for distribution network with payment of term, in the amount of R\$35,035.
- ii. Contingent consideration asset in the subsidiary Moove, with a down payment in the amount of R\$128,000 (Note 8.1).
- iii. Recognition of litigation indemnification in the amount of R\$50,284 (Note 18).

Disclosure of interest and dividends

- i. The Company discloses the dividends and interest on shareholders' equity received as cash flow from investing activities, with the purpose of avoiding distortions in its cash flows from operation activities, as result of cash from its operations through increase in dividends received from subsidiaries.
- ii. Interest received or paid is classified as cash flow from financing activities, as it is considered to refer to the costs of obtaining financial resources.

Statements of value added
(In thousands of Brazilian Reais - R\$)

	Parent Company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenues				
Sales of products and services net of returns	-	-	3,839,522	2,742,902
Other operating revenues (expenses), net	40,942	(4,522)	39,614	(2,597)
Allowance for doubtful accounts	-	-	(2,814)	(5,367)
	40,942	(4,522)	3,876,322	2,734,938
Raw materials acquired from third parties				
Cost of goods sold and services rendered	-	-	(2,321,274)	(1,512,023)
Materials, energy, third party services, others	(39,042)	(20,190)	(128,544)	(100,566)
	(39,042)	(20,190)	(2,449,818)	(1,612,589)
Gross value added	1,900	(24,712)	1,426,504	1,122,349
Retention				
Depreciation and amortization	(3,311)	(1,342)	(140,017)	(142,102)
	(3,311)	(1,342)	(140,017)	(142,102)
Net value added	(1,411)	(26,054)	1,286,487	980,247
Value added transferred in				
Interest in earnings of subsidiaries	428,979	491,067	(31,548)	(4,191)
Interest in earnings of joint ventures	(25,829)	(28,596)	303,833	297,657
Finance income	99,369	48,170	136,393	113,278
	502,519	510,641	408,678	406,744
Value added to be distributed	501,108	484,587	1,695,165	1,386,991
Distribution of value added				
Employee benefits	11,138	10,100	152,999	127,126
Taxes and contributions	(27,660)	(54,957)	832,110	654,590
Finance expense and rents	121,920	183,728	281,036	227,561
Non-controlling interests	-	-	33,310	31,998
Profit for the period	395,710	345,716	395,710	345,716
	501,108	484,587	1,695,165	1,386,991

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

1 Operations

Cosan S.A. ("Company" or "Cosan") is a publicly traded company with its shares traded on the "Novo Mercado da B3 S.A. – Brasil, Bolsa, Balcão", or "B3", 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 60.25% of its shares.

On December 21, 2018, the Company entered into an investment agreement between Cosan Lubes Investments Limited ("Cosan Lubes" or "Moove") and CVC Fund VII ("CVC"), this transaction was concluded on March 29, 2019. Additional information see Note 8.1.

On March 13, 2019, the Company concluded the voluntary tender offer ("Voluntary TO") for acquisition of class "A" preferred shares issued by its subsidiary Companhia de Gás de São Paulo ("Comgás"), with acquisition of 19.496.165 Class A preferred shares, which represents 14.77% of Comgás capital. Additional information see Note 8.1.

2 Statement of compliance

These interim individual and consolidated financial statements have been prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and the International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Brazilian 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, 2018 and should be read together.

The information notes that did not change significantly compared with the December 31, 2018 have not been fully presented in these interim financial statements.

The consolidated interim financial statements present the reclassification of comparative balances. The balance of construction in progress, in the amount of R\$217,856, previously classified in intangible assets and balance of R\$9,405, previously classified as other non-current assets, in accordance with CPC 47 / IFRS 15, effective for fiscal years beginning on or after January 1, 2018, should be classified as contract asset. It is a reclassification of assets captions, within the same balance sheet section, non-current assets, without any impact on the profit and loss of the presented periods.

	Note	Consolidated	
		December 31, 2018 (Stated)	December 31, 2018 (Reclassified)
Assets			
Current assets		7,589,545	7,589,545
Other non-current assets		11,390,310	11,390,310
Other assets		113,429	104,024
Intangible assets	10.2	9,696,476	9,478,620
Contract assets		-	227,261
Non-current assets		21,200,215	21,200,215
Total assets		28,789,760	28,789,760

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.

These interim financial statements were authorized for issue by the Board of Directors on May 10, 2019.

3 Accounting policies

These interim consolidated financial statements 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, 2018, except for the adoption of CPC 06 (R2) / IFRS 16 - Leases, whose effects and changes are disclosed in Note 3.1, effective as of January 1, 2019. The Company has not adopted in advance any other standard or interpretation issued that is not yet in force.

3.1 New standards, interpretations and changes adopted by the Company

IFRS 16 Leases

CPC 06 (R2) / IFRS 16 introduced a single model for the accounting of leases in the balance sheet of lessees. As a result, the Company, as a lessee, recognized the rights to use assets that represent its rights to use the underlying assets and the lease liabilities that represent its obligation to make lease payments. The lessor's accounting remains similar to previous accounting policies.

The Company has chosen to use the modified retrospective approach in which the cumulative effect of the initial adoption is recognized as an adjustment to the opening balance of retained earnings on January 1, 2019. Therefore, the comparative information presented for the year ended December 31, 2018 has not been restated - or and is presented as previously reported in accordance with CPC 06 (R1) / IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

(a) In the definition of lease

Previously, the Company determined, at the inception of the agreement, whether it was or contained a lease under ICPC 03 / IFRIC 4 - Complementary

Aspects of Leasing Operations. The Company now assesses whether a lease is or contains a lease based on the new lease definition. According to CPC 06 (R2) / IFRS 16, a contract is or contains a lease if it transfers the right to control the use of an identified asset for a period of time in exchange for consideration.

In the transition to CPC 06 (R2) / IFRS 16, the Company opted to apply the practical case of maintaining the evaluation of which transactions are leases, to which CPC 06 (R2) / IFRS 16 applied. The contracts that were not identified as leases in accordance with CPC 06 (R1) / IAS 17 and ICPC 03 / IFRIC 4 were not revalued. Accordingly, the new lease definition in accordance with CPC 06 (R2) / IFRS 16 was applied to contracts in force after January 1, 2019.

At the inception or revaluation of a lease component, the Company allocates the lease consideration to each lease component rather than lease based on its individual lease price.

(b) In the treatment as a lessee

The Company leases assets, including real estate, rail infrastructure, port, rolling stock (locomotives and wagons), vehicles and IT equipment. As a lessee, the Company previously classified operating or financial leases based on its assessment as to whether the lease substantially transferred all the risks and benefits of the property. In accordance with CPC 06 (R2) / IFRS 16, the Company recognizes the right to use assets and the lease liabilities for most leases - that is, these leases are recorded in the balance sheet.

However, the Company has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets (eg IT equipment). The Company recognizes the payments associated with these leases as an expense under the straight-line method over the lease term.

The Company presents the carrying amounts of the right-of-use assets

(including assets previously classified as financial leases) in a specific balance sheet line called "Right-of-use assets". Likewise, it records the liabilities in a separate account called "Leases".

(i) Accounting policy adopted as of January 1, 2019 meaning:

The Company recognizes a right-of-use assets and lease liability at the date of commencement of the lease. The right-of-use assets is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment, and adjusted for the incremental interest rate of related contracts.

The lease liability is initially measured at the present value of the lease payments that were not paid at the commencement date, discounted using the interest rate implied in the lease or, if that rate cannot be determined immediately, the incremental loan rate of Company and its subsidiaries. Generally, the Company uses its incremental loan rate as the discount rate.

The Company has applied a judgment to determine the lease term of some contracts that include renewal options. The evaluation of whether the Company is reasonably certain to exercise these options has an impact on the term of the lease, which significantly affects the value of lease liabilities and recognized right-of-use assets. The extension and termination options are included in several lease agreements throughout the Company. These terms are used to maximize operational flexibility in terms of contract management. Most of the extension and termination options exercised are exercisable by both participants (lessor and lessee).

(ii) Transition

Lease liabilities were measured at the present value of the remaining payments, discounted by the incremental loan rate of the Company on January 1, 2019. The rights to use assets are measured:

- i. At the amount equivalent to the lease liability, adjusted for the amount of any prepayment or accumulated rent - the Company applied this approach to all other leases.

The Company used the following practical arrangements when applying CPC 06 (R2) / IFRS 16 to leases previously classified as operating leases in accordance with CPC 06 (R1) / IAS 17:

- i. It applied the exemption for not recognizing rights-of-use assets and liabilities for leases with terms less than 12 months.
- ii. Excluded the initial direct costs of measuring the right to use asset at the date of initial application.
- iii. It used late perception when determining the term of the lease if the contract contained options to extend or terminate the lease.

Leases classified and previously recorded as finance leases under CPC 06 (R1) / IAS 17 had the book value of the right to use the asset and the lease liability on January 1, 2019 determined by the carrying amount of the lease and liability assets lease immediately prior to that date.

(c) Impact on statement of financial position on January 1, 2019:

	Parent Company	Consolidated
	January 1, 2019	
Other financial assets	-	2,490
Current assets	-	2,490
Other financial assets	-	8,030
Right-of-use assets	29,767	70,249
Non-current assets	29,767	78,279
Total impact on assets	29,767	80,769
Leases	2,696	10,113
Current liabilities	2,696	10,113
Leases	27,071	70,656
Non-current liabilities	27,071	54,155
Total impact on liabilities	29,767	80,769

The joint ventures Raízen Energia S.A. and Raízen Combustíveis S.A. recognized the lease liability and the right to use asset at the date of the initial application for leases previously classified as operating leases, retrospectively, with cumulative effect. These joint ventures used as a practical expedient the use of a single discount rate on the lease portfolio with similar characteristics.

When measuring lease liabilities for those leases previously classified as operating leases, the Company discounted lease payments using its incremental loan rate on January 1, 2019. The weighted average rates applied was 4.23% per year.

3.2 Other standards and interpretations effective as of January 1, 2019, without effects on the financial statements

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting of income taxes when tax treatment involves uncertainty that affects the application of IAS 12 and does not apply to taxes or charges outside the scope of IAS 12, nor does it specifically treatment of interest and penalties associated with uncertain taxes.

The Company is subject to examination by the tax authorities, with the five fiscal years open in general. The Company has audits in progress at various stages of completion, one of which may be completed within the next 12 months. However, at that time, the Company had no uncertainties regarding the treatment of income tax.

Have not been identified effects of interpretation adoption IFRIC 23 that could affect the Company accounting policies and its interim consolidated financial statements

4 Segment information

The following segment information is used by Cosan's senior management (the "Chief Operating Decision Maker") to assess the performance of the operating segments and to make decisions with regards to the allocation of resources. This information is prepared on a basis consistent with the accounting policies used in the preparation of the financial statements. Cosan evaluates the performance of its operating segments based on the measure of Earnings Before Interest Tax, Depreciation and Amortization ("EBITDA").

Reported segments:

- i. **Raízen Energia:** production and marketing of a variety of products derived from sugar cane, including raw sugar (Very High Polarization, or "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 "Shell" brand throughout Brazil, petroleum refining, the operation of fuel resellers, the manufacture and sale of automotive and industrial lubricants, and the production and sale of liquefied petroleum gas throughout Argentina;
- iii. **Comgás:** distribution of piped natural gas to part of the State of São Paulo to customers in the industrial, residential, commercial, automotive and cogeneration sectors;
- iv. **Moove:** consisting of Cosan Lubrificantes e Especialidades S.A., or "CLE," Stanbridge Group Limited, or "Stanbridge," Moove Lubricants Limited, or "Moove Lubricants," TTA - SAS Techniques et Technologie Appliquées, or "TTA," Lubrigrupoll, S.A., or "Lubrigrupoll," Cosan

Lubrificantes S.R.L, or “Cosan S.R.L” and Commercial Lubricants, LLC (d/b/a Metrolube), or “Metrolube”: production and distribution of lubricants under the Mobil brand in Brazil, Argentina, Bolivia, Uruguay, Paraguay, the United States of America and Europe, as well as in the European and Asian markets under the Comma trademark; and

Reconciliation:

- i. **Cosan Corporate:** an online payment services platform and other investments, in addition to the corporate activities of the Company. The Cosan corporate segment includes the financing subsidiaries for the Cosan group.

Although, Raízen Energia and Raízen Combustíveis are equity accounted joint ventures and are no longer proportionally consolidated, senior management continues to review segment information. A reconciliation of these segments is presented in the column “Deconsolidation of joint ventures”.

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

March 31, 2019

	Reported segments				Reconciliation			Segment elimination	Consolidated
	Raízen Energia	Raízen Combustíveis Brazil	Argentina	Comgás	Moove	Cosan Corporate	Deconsolidated effects		
Statement of profit or loss:									
Gross sales	7,560,998	21,073,405	4,390,694	2,607,433	1,282,348	306	(33,025,097)	(3)	3,890,084
Domestic market	5,749,207	21,073,405	4,390,694	2,607,433	1,234,640	306	(31,213,306)	(3)	3,842,376
External market	1,811,791	-	-	-	47,708	-	(1,811,791)	-	47,708
Net sales	7,120,028	20,033,141	3,128,122	2,060,052	1,034,341	306	(30,281,291)	(3)	3,094,696
Cost of sales	(6,651,275)	(19,120,447)	(2,779,020)	(1,498,927)	(826,358)	-	28,550,742	3	(2,325,282)
Gross profit	468,753	912,694	349,102	561,125	207,983	306	(1,730,549)	-	769,414
Selling expenses	(235,450)	(342,945)	(163,613)	(149,238)	(112,024)	83	742,008	-	(261,179)
General and administrative expenses	(124,437)	(130,697)	(31,874)	(83,607)	(37,643)	(37,530)	287,008	-	(158,780)
Other income (expenses), net	48,030	260,632	20,006	3,469	1,039	11,945	(328,668)	-	16,453
Interest in earnings of associates	-	110,742	-	-	1,725	155,947	(100,742)	(189,220)	(31,548)
Interest in earnings of joint ventures	4,689	1	-	-	-	303,833	(4,690)	-	303,833
Financial results	(155,050)	33,868	(104,908)	(52,477)	(3,119)	(82,750)	226,090	-	(138,346)
Finance expense	(316,305)	(176,802)	(17,291)	(99,040)	(10,703)	(213,622)	510,398	-	(323,365)
Finance Income	125,371	61,695	5,273	46,634	3,509	87,597	(192,339)	-	137,740
Foreign exchange losses, net	26,488	58,706	(92,890)	(3,316)	(9,252)	(30,114)	7,696	-	(42,682)
Derivatives	9,396	90,269	-	3,245	13,328	73,388	(99,665)	-	89,961
Income tax (expense)benefit	6,890	(225,469)	42,029	(99,332)	(15,371)	43,876	176,550	-	(70,827)
Profit (loss) from continuing operations	13,425	618,826	110,742	179,940	42,590	395,710	(742,993)	(189,220)	429,020
Net income attributable to:									
Owners of the Parent	12,645	598,014	110,742	159,830	29,390	395,710	(721,401)	(189,220)	395,710
Non-controlling interests	780	20,812	-	20,110	13,200	-	(21,592)	-	33,310
	13,425	618,826	110,742	179,940	42,590	395,710	(742,993)	(189,220)	429,020
Other select data:									
Depreciation and amortization	728,597	83,315	102,530	115,395	20,480	4,142	(914,442)	-	140,017
EBITDA	890,182	893,742	276,151	447,144	81,560	438,726	(2,060,075)	(189,220)	778,210
Additions to PP&E, intangible, biological assets and contract assets	1,078,021	72,995	18,480	146,182	3,282	1,790	(1,169,496)	-	151,254
Reconciliation of EBITDA:									
Profit (loss) from continuing operations	13,425	618,826	110,742	179,940	42,590	395,710	(742,993)	(189,220)	429,020
Income tax and social contribution	(6,890)	225,469	(42,029)	99,332	15,371	(43,876)	(176,550)	-	70,827
Financial results, net	155,050	(33,868)	104,908	52,477	3,119	82,750	(226,090)	-	138,346
Depreciation and amortization	728,597	83,315	102,530	115,395	20,480	4,142	(914,442)	-	140,017
EBITDA	890,182	893,742	276,151	447,144	81,560	438,726	(2,060,075)	(189,220)	778,210

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

March 31, 2018

	Reported segments				Reconciliation			Consolidated
	Raízen Energia	Raízen Combustíveis	Comgás	Moove	Cosan Corporate	Deconsolidated effects	Segment eliminations / adjustments	
Statement of profit or loss:								
Gross sales	4,897,389	20,366,794	1,850,337	942,491	460	(25,264,183)	(7)	2,793,281
Domestic market	3,311,105	20,366,794	1,850,337	928,213	460	(23,677,899)	(7)	2,779,003
External market	1,586,284	-	-	14,278	-	(1,586,284)	-	14,278
Net sales	4,512,938	19,494,972	1,430,876	724,572	401	(24,007,910)	(7)	2,155,842
Cost of sales	(3,945,052)	(18,521,684)	(942,432)	(578,497)	(140)	22,466,736	7	(1,521,062)
Gross profit	567,886	973,288	488,444	146,075	261	(1,541,174)	-	634,780
Selling expenses	(155,094)	(345,102)	(154,465)	(86,776)	-	500,196	-	(241,241)
General and administrative expenses	(173,414)	(135,328)	(76,772)	(22,643)	(29,386)	308,742	-	(128,801)
Other (expense) income, net	108,456	99,384	(252)	(1,111)	(16,902)	(207,840)	-	(18,265)
Interest in earnings of associates	(4,158)	-	-	(5,059)	140,825	4,158	(139,957)	(4,191)
Interest in earnings of joint ventures	-	-	-	-	297,657	-	-	297,657
Financial results	(36,292)	(72,366)	(21,631)	(9,032)	(76,793)	108,658	-	(107,456)
Finance expense	(198,882)	5,972	(96,864)	(7,128)	(8,546)	192,910	-	(112,538)
Finance income	138,776	48,796	73,331	2,967	39,392	(187,572)	-	115,690
Foreign exchange losses, net	6,344	(87,080)	5,415	(1,833)	(41,668)	80,736	-	(38,086)
Derivatives	17,470	(40,054)	(3,513)	(3,038)	(65,971)	22,584	-	(72,522)
Income tax (expense) benefit	(72,394)	(142,856)	(76,348)	(8,478)	30,057	215,250	-	(54,769)
Profit (loss) from continuing operations	234,990	377,020	158,976	12,976	345,719	(612,010)	(139,957)	377,714
Total net income attributable to:								
Owners of the Company	234,976	361,806	126,978	12,976	345,719	(596,782)	(139,957)	345,716
Non-controlling interests	14	15,214	31,998	-	-	(15,228)	-	31,998
	234,990	377,020	158,976	12,976	345,719	(612,010)	(139,957)	377,714
Other selected data:								
Depreciation and amortization	611,588	70,203	117,416	20,853	3,833	(681,791)	-	142,102
EBITDA	955,264	662,445	374,371	51,339	396,288	(1,617,709)	(139,957)	682,041
Additions to PP&E, intangible and biological assets	1,016,207	88,767	97,201	11,198	80	(1,104,974)	-	108,479
Reconciliation of EBITDA:								
Profit (loss) from continuing operations	234,990	377,020	158,976	12,976	345,719	(612,010)	(139,957)	377,714
Income tax and social contribution	72,394	142,856	76,348	8,478	(30,057)	(215,250)	-	54,769
Financial result, net	36,292	72,366	21,631	9,032	76,793	(108,658)	-	107,456
Depreciation and amortization	611,588	70,203	117,416	20,853	3,833	(681,791)	-	142,102
EBITDA	955,264	662,445	374,371	51,339	396,288	(1,617,709)	(139,957)	682,041

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

March 31, 2019

	Reported segments					Reconciliation			
	Raízen Combustíveis					Cosan Corporate	Deconsolidated effects	Segment elimination	Consolidated
	Raízen Energia	Brazil	Argentina	Comgás	Moove				
Items of statement of financial position:									
Cash and cash equivalents	3,189,859	2,316,713	501,878	864,906	601,175	2,021,642	(6,008,450)	-	3,487,723
Marketable securities	-	-	-	931,854	11,682	225,727	-	-	1,169,263
Trade receivables	974,025	2,563,163	337,721	905,827	522,964	8	(3,874,909)	-	1,428,799
Derivative financial instruments	1,350,963	786,149	9,017	374,796	38,491	1,172,797	(2,146,129)	-	1,586,084
Inventories	797,083	2,168,125	1,110,063	63,452	402,428	2,253	(4,075,271)	-	468,133
Other financial assets	434,738	-	-	-	-	511,923	(434,738)	-	511,923
Other current assets	3,551,789	2,655,735	1,045,979	492,312	232,423	737,944	(7,253,503)	(229,898)	1,232,781
Other non-current assets	4,275,604	3,671,795	57,424	353,033	844,476	1,613,064	(8,004,823)	(1,136,396)	1,674,177
Investments in associates	-	3,202,864	-	-	15,647	6,542,331	(3,202,864)	(6,223,379)	334,599
Investments in joint ventures	572,918	-	268	-	-	7,987,127	(573,186)	-	7,987,127
Biological assets	812,965	-	-	-	-	-	(812,965)	-	-
Property, plant and equipment	11,834,699	2,609,988	3,252,383	-	311,198	170,660	(17,697,070)	-	481,858
Intangible assets and goodwill	3,630,418	2,543,256	9,664	8,271,564	1,192,674	7,846	(6,183,338)	-	9,472,084
Right-of-use assets	4,009,474	135,979	430,878	14,662	24,077	29,028	(4,576,331)	-	67,767
Loans, borrowings and debentures	(12,161,698)	(4,698,497)	(392,614)	(3,627,166)	(796,741)	(7,264,249)	17,252,809	-	(11,688,156)
Derivative financial instruments	(1,145,599)	(88,624)	-	-	-	(22,136)	1,234,223	-	(22,136)
Trade payables	(4,189,363)	(2,563,631)	(1,272,561)	(1,052,190)	(501,204)	(2,785)	8,025,555	-	(1,556,179)
Employee benefits payable	(399,418)	(104,768)	(39,578)	(35,699)	(33,292)	(18,839)	543,764	-	(87,830)
Preferred shareholders payable in subsidiaries	-	-	-	-	-	(1,113,523)	-	-	(1,113,523)
Other current liabilities	(2,742,629)	(4,984,486)	(886,813)	(209,465)	(486,703)	(835,127)	8,613,928	260,100	(1,271,195)
Other non-current liabilities	(3,397,086)	(5,295,430)	(960,845)	(2,004,527)	(814,629)	(2,320,844)	9,653,361	1,106,193	(4,033,807)
Total assets (net of liabilities) allocated by segment	11,398,742	4,918,331	3,202,864	5,343,359	1,564,666	9,444,847	(19,519,937)	(6,223,380)	10,129,492
Total assets	35,434,535	22,653,767	6,755,275	12,272,406	4,197,235	21,022,350	(64,843,577)	(7,589,673)	29,902,318
Equity attributable to:									
Equity attributable to owners of the Company	11,363,480	4,677,467	3,202,864	5,109,180	1,114,200	9,444,847	(19,243,811)	(6,223,380)	9,444,847
Non-controlling interests	35,262	240,864	-	234,179	450,466	-	(276,126)	-	684,645
Total shareholders' equity	11,398,742	4,918,331	3,202,864	5,343,359	1,564,666	9,444,847	(19,519,937)	(6,223,380)	10,129,492

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

December 31, 2018

Items of statement of financial position:	Reported segments					Reconciliation			
	Raízen Energia	Raízen Combustíveis		Comgás (Reclassified)	Moove	Cosan Corporate	Deconsolidated effects	Segment elimination	Consolidated
	Brazil	Argentina							
Cash and cash equivalents	2,437,571	864,105	490,960	602,618	206,702	1,887,627	(3,792,636)	-	2,696,947
Marketable securities	-	-	-	1,124,723	13,033	221,476	-	-	1,359,232
Trade receivables	1,061,297	2,747,503	372,202	695,147	446,645	8,338	(4,181,002)	-	1,150,130
Derivative financial instruments	1,956,616	639,976	-	368,928	29,976	1,116,978	(2,596,592)	-	1,515,882
Inventories	3,618,573	2,078,003	1,284,087	65,259	385,901	1,744	(6,980,663)	-	452,904
Other financial assets	516,519	-	-	-	-	454,449	(516,519)	-	454,449
Other current assets	3,203,838	3,045,745	1,122,633	641,042	161,076	766,215	(7,372,216)	(249,169)	1,319,164
Other non-current assets	4,141,547	3,508,485	66,117	282,573	750,088	1,536,566	(7,716,149)	(1,117,633)	1,451,594
Investments in associates	-	3,056,024	265	-	13,799	5,462,690	(3,056,289)	(5,141,971)	334,518
Investments in joint ventures	567,785	-	-	-	-	8,077,907	(567,785)	-	8,077,907
Biological assets	740,473	-	-	-	-	-	(740,473)	-	-
Investment property	10,912,819	2,292,355	3,182,272	-	321,746	176,667	(16,387,446)	-	498,413
Intangible assets and goodwill	3,626,819	2,513,923	8,591	8,279,592	1,191,627	7,401	(6,149,333)	-	9,478,620
Loans, borrowings and debentures	(12,702,418)	(4,665,127)	(971,268)	(3,651,545)	(759,169)	(5,546,424)	18,338,813	-	(9,957,138)
Derivative financial instruments	(1,223,260)	(31,469)	-	-	(3,880)	(21,834)	1,254,729	-	(25,714)
Trade payables	(3,090,299)	(1,603,481)	(1,003,917)	(1,012,895)	(452,300)	(7,008)	5,697,697	-	(1,472,203)
Employee benefits payable	(343,670)	(73,481)	(36,829)	(63,520)	(37,850)	(30,951)	453,980	-	(132,321)
Preferred shareholders payable in subsidiaries	-	-	-	-	-	(1,097,490)	-	-	(1,097,490)
Other current liabilities	(2,448,741)	(4,520,490)	(624,633)	(159,060)	(499,759)	(816,308)	7,593,864	250,516	(1,224,611)
Other non-current liabilities	(1,305,251)	(5,028,754)	(834,456)	(2,009,997)	(794,110)	(2,269,234)	7,168,461	1,116,191	(3,957,150)
Total assets (net of liabilities) allocated by segment	11,670,218	4,823,317	3,056,024	5,162,865	973,525	9,928,809	(19,549,559)	(5,142,066)	10,923,133
Total assets	32,783,857	20,746,119	6,527,127	12,059,882	3,520,593	19,718,058	(60,057,103)	(6,508,773)	28,789,760
Equity attributable to:									
Owners of the Company	11,632,885	4,589,627	3,056,024	4,175,508	966,465	9,928,809	(19,278,536)	(5,142,066)	9,928,716
Non-controlling interests	37,333	233,690	-	987,357	7,060	-	(271,023)	-	994,417
Total shareholders' equity	11,670,218	4,823,317	3,056,024	5,162,865	973,525	9,928,809	(19,549,559)	(5,142,066)	10,923,133

4.1 Net sales by segment

	March 31, 2019	March 31, 2018
Reported segment		
Raízen Energia		
Ethanol	2,950,545	2,423,694
Sugar	1,581,597	1,350,250
Gas	623,530	121,722
Diesel	1,199,276	-
Cogeneration	735,880	108,995
Other	29,200	508,277
	7,120,028	4,512,938
Raízen Combustíveis		
Fuels	22,298,950	19,494,972
Other	862,313	-
	23,161,263	19,494,972
Comgás		
Industrial	1,388,407	941,881
Residential	210,928	190,196
Cogeneration	103,523	58,675
Automotive	79,969	55,194
Commercial	103,927	81,550
Construction revenue	159,936	89,493
Other	13,362	13,887
	2,060,052	1,430,876
Moove		
Finished goods	936,818	646,081
Basic oil	90,757	71,009
Services	6,766	7,482
	1,034,341	724,572
Reconciliation		
Cosan Corporate	306	401
Deconsolidated of joint ventures and eliminations	(30,281,294)	(24,007,917)
Total	3,094,696	2,155,842

5 Financial assets and liabilities

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

		Parent Company		Consolidated	
	Note	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Assets					
Fair values through profit or loss					
Cash and cash equivalents	5.1	540,164	824,437	1,691,168	1,598,421
Marketable securities	5.2	101,373	137,313	1,169,263	1,359,232
Other financial assets		511,923	454,449	383,923	454,449
Contingent consideration asset	5.8	-	-	128,000	-
Derivative financial instruments	5.7	1,041,468	983,714	1,586,084	1,515,882
		2,194,928	2,399,913	4,958,438	4,927,984
Amortized cost					
Cash and cash equivalents	5.1	356,304	103,640	1,796,555	1,098,526
Trade receivables	5.3	-	-	1,428,799	1,150,130
Receivables from related parties	5.4	751,099	743,398	129,731	132,798
Dividends and interest on capital receivable		13,114	34,354	13,114	27,309
		1,120,517	881,392	3,368,199	2,408,763
Total		3,315,445	3,281,305	8,326,637	7,336,747
Liabilities					
Amortized cost					
Loans, borrowings and debentures	5.5	1,700,956	-	6,410,689	4,679,752
Leases		29,269	-	79,131	-
Trade payables	5.6	1,845	4,509	1,556,179	1,472,203
Other financial liabilities		-	-	95,267	117,997
Dividends payable		422,726	422,726	423,759	427,232
Payables to related parties	5.4	5,645,017	5,636,109	220,300	207,989
Real estate credit certificates	11	197,820	199,582	204,862	206,687
Preferred shareholders payable in subsidiaries		1,113,523	1,097,490	1,113,523	1,097,490
		9,111,156	7,360,416	10,103,710	8,209,350
Fair values through profit or loss					
Loans, borrowings and debentures	5.5	-	-	5,277,467	5,277,386
Contingent consideration payable	5.8	-	-	72,467	119,825
Derivative financial instruments		22,087	21,714	22,136	25,714
		22,087	21,714	5,372,070	5,422,925
Total		9,133,243	7,382,130	15,475,780	13,632,275

5.1 Cash and cash equivalents

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Cash and bank accounts	366	63	81,404	57,781
Savings account	-	-	981,650	564,606
Financial Investments	896,102	928,014	2,424,669	2,074,560
	896,468	928,077	3,487,723	2,696,947

Financial investments are composed as follows:

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Investment fund				
Repurchase agreements	284,169	579,146	1,091,644	1,179,503
Bank certificate of deposits - CDB	255,995	245,291	599,524	418,918
	540,164	824,437	1,691,168	1,598,421
Bank investments				
Repurchase agreements	103,846	-	103,846	-
Bank certificate of deposits - CDB	251,965	102,577	629,528	475,129
Other	127	1,000	127	1,010
	355,938	103,577	733,501	476,139
	896,102	928,014	2,424,669	2,074,560

The Company's onshore financial investments are remunerated at rates around 100% of CDI in March 31, 2019 (100% of CDI in December 31, 2018) and offshore financial investments are remunerated at rates around 100% of Fed Funds. The sensitivity analysis on interest rate risks is in Note 20.

5.2 Marketable securities

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Marketable securities				
Government security ⁽ⁱ⁾	101,373	137,313	1,169,263	1,359,232
	101,373	137,313	1,169,263	1,359,232

(i) Government security have stated interest connected to SELIC.

5.3 Trade receivables

	Consolidated	
	March 31, 2019	December 31, 2018
Domestic – Brazilian Reais	1,510,384	1,226,496
Export – Foreign currency	24,541	31,380
	1,534,925	1,257,876
Allowance for doubtful accounts	(106,126)	(107,746)
	1,428,799	1,150,130
Current	1,408,275	1,128,304
Non-current	20,524	21,826

5.4 Related parties

a) Receivables from and payables to related parties:

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Current assets				
Commercial operation				
Raízen Energia S.A.	21,716	21,876	24,366	23,979
Rumo S.A.	3,327	2,858	7,866	7,861
Aguassanta Participações S.A.	92	29	92	29
Cosan Biomassa S.A.	6,098	5,891	-	-
Cosan Limited	4,484	4,479	4,484	4,479
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱⁱⁱ⁾	213,458	212,338	-	-
Raízen Combustíveis S.A.	2,106	738	3,354	2,050
Payly Soluções de Pagamentos S.A.	8,449	-	-	-
Other	59	1	289	216
	259,789	248,210	40,451	38,614
Financial operations				
Cosan Limited	-	-	30,544	31,469
	-	-	30,544	31,469
	259,789	248,210	70,995	70,083
Non-current assets				
Receivables under the framework agreement				
Raízen Energia S.A. ⁽ⁱ⁾	37,592	37,470	37,592	37,470
	37,592	37,470	37,592	37,470
Financial and corporation operations				
Rezende Barbosa ⁽ⁱⁱ⁾	21,144	23,144	21,144	23,144
Cosan Lubrificantes e Especialidades S.A. ⁽ⁱⁱⁱ⁾	425,081	425,081	-	-
Other	7,493	9,493	-	2,101
	453,718	457,718	21,144	25,245
	491,310	495,188	58,736	62,715

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Current liabilities				
Commercial operation				
Raízen Energia S.A. ⁽ⁱ⁾	196,548	177,029	209,427	196,182
Raízen Combustíveis S.A.	9,882	9,474	9,923	10,461
Rumo S.A.	578	577	889	1,138
Cosan Limited	26	-	26	-
Cosan Lubrificantes e Especialidades S.A.	33,667	14,737	-	-
Other	-	816	35	208
	240,701	202,633	220,300	207,989
Financial and corporation operations				
Cosan Overseas Limited	25,179	25,037	-	-
Cosan Luxembourg S.A.	26,016	79,194	-	-
Other	10,412	-	-	-
	61,607	104,231	-	-
	302,308	306,864	220,300	207,989
Non-current liabilities				
Financial and corporation operations				
Cosan Luxembourg S.A.	2,702,361	2,687,174	-	-
Cosan Lubrificantes e Especialidades S.A.	678,360	691,109	-	-
Cosan Overseas Limited	1,961,988	1,950,962	-	-
	5,342,709	5,329,245	-	-
	5,342,709	5,329,245	-	-

- (i) Raízen Energia balances receivable recorded as non-current assets basically represent tax credits that will be returned by these entities to the Company when effectively used. The balances recorded as current liabilities represent recoveries related to expenses paid by Raízen of the Company responsibility.
- (ii) The Company has receivables with Rezende Barbosa for the repayment of loans taken prior to the acquisition of the subsidiaries. These receivables are secured by Company shares.
- (iii) The recorded balances refers basically assets balances from Framework Agreement signed during the year ended 2018, with no impacts at the Company' consolidated financial position.

b) Related party transactions:

	Parent Company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Operating revenues				
Rumo S.A.	-	-	9,429	9,096
Raízen Energia S.A.	-	-	3,581	3,641
Raízen Combustíveis S.A.	-	-	7,810	3,469
	-	-	20,820	16,206
Purchase of goods / inputs				
Raízen Energia S.A.	-	-	(5)	(14)
Rumo S.A.	-	-	(33)	-
Raízen Combustíveis S.A.	(25)	-	(25)	(2)
Other	-	-	(192)	(53)
	(25)	-	(255)	(69)
Shared expense				
Aguassanta Participações S.A.	2	66	2	66
Rumo S.A.	2,938	3,483	2,938	3,483
Cosan Biomassa S.A.	-	464	-	-
Cosan Lubrificantes e Especialidades S.A.	939	2,223	-	-
Raízen Energia S.A.	(957)	(849)	(10,267)	(11,269)
Outros	92	-	-	-
	3,014	5,387	(7,327)	(7,720)
Financial result				
Usina Santa Luiza S.A.	(41)	(59)	(41)	(59)
Cosan Lubrificantes e Especialidades S.A.	(874)	(2,689)	-	-
Cosan Limited	5	-	284	(2,515)
Cosan Luxembourg S.A.	(49,566)	(27,605)	-	-
Pasadena Empreendimento Participação S.A.	102	101	-	-
Cosan Overseas Limited	(49,092)	(41,008)	-	-
Raízen Energia S.A.	-	1,968	-	1,968
Raízen Combustíveis S.A.	1,368	-	1,368	-
	(98,098)	(69,292)	1,611	(606)

c) Officers and directors compensation

The Company has a compensation policy approved by the Board of Directors. Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

	Consolidated	
	March 31, 2019	March 31, 2018
Short-term benefits to officers and directors	17,099	7,895
Post-employment benefits	169	71
Other long-term benefits	-	35
Stock option expense	1,546	1,820
	18,814	9,821

5.5 Loans, borrowings and debentures

Parent Company:

Description	Interest		Parent Company		Maturity	Purpose
	Index	Annual interest rate	March 31, 2019	December 31, 2018		
No Warranty						
Non-convertible debentures	106% CDI	6.80%	1,700,956	-	Feb-21	Acquisition
Total			1,700,956	-		
Current			570,993	-		
Non-current			1,129,963	-		

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Consolidated:

Description	Index	Interest	Consolidated		Maturity	Purpose
		Annual interest rate	March 31, 2019	December 31, 2018		
With warranty						
BNDES	TJLP	9,11%	102.039	107.731	Jun-23	Investments
	TJ462	9,92%	274.476	316.854	Oct-20	Investments
	Selic	8,32%	133.784	152.562	Oct-20	Investments
	Selic	8,49%	61.220	63.852	Jun-23	Investments
EIB	US\$	3,88%	91.105	89.003	Jun-20	Investments
	US\$	2,94%	42.769	54.508	Sep-20	Investments
	US\$ + LIBOR	3,43%	116.642	115.581	May-21	Investments
	US\$ + LIBOR	3,29%	108.462	130.402	Sep-21	Investments
FINEP	Fixed	5,00%	93.357	93.309	Nov-22	Investments
			1.023.854	1.123.802		
No Warranty						
Foreign loans	LIBOR Sterling	4,22%	378.697	363.250	Dec-22	Acquisition
	LIBOR Sterling	2,47%	219.760	199.794	Nov-20	Acquisition
Resolution 4131	US\$ + LIBOR	3,79%	157.847	156.387	Feb-20	Working capital
	US\$	3,67%	298.988	292.172	May-23	Working capital
	US\$	4,79%	40.438	39.738	Oct-20	Working capital
	US\$	4,34%	41.184	41.033	Dec-19	Working capital
Perpetual Notes	US\$	8,25%	1.972.907	1.961.819		Acquisition
Senior Notes Due 2023	US\$	5,00%	410.958	409.590	Mar-23	Acquisition
Senior Notes Due 2027	US\$	7,00%	2.985.388	2.977.721	Jan-27	Acquisition
	122% CDI	7,86%	15.125	15.402	Feb-20	Working capital
	122% CDI	7,74%	31.389	30.828	Aug-20	Working capital
	122% CDI	8,06%	5.114	5.018	Dec-19	Working capital
Other	US\$ + Libor Tri	4,10%	7.869	11.706	Apr-19	Working capital
Non-convertible debentures	CDI + 0,90%	7,36%	42.759	43.471	Sep-19	Investments
	IPCA + 5,57%	9,68%	208.376	203.613	Sep-20	Investments
	IPCA + 7,14%	11,31%	314.849	305.894	Dec-20	Investments
	IPCA + 7,48%	11,66%	283.281	275.014	Dec-22	Investments
	IPCA + 7,36%	11,54%	93.355	90.656	Dec-25	Investments
	IPCA + 5,87%	9,99%	797.528	767.638	Dec-23	Investments
	IPCA + 4,33%	8,39%	424.084	414.583	Oct-24	Investments
	IGPM + 6,10%	11,64%	233.449	228.009	May-28	Investments
	106% CDI	6,80%	1.700.957	-	Feb-21	Acquisition
			10.664.302	8.833.336		
Total			11.688.156	9.957.138		
Current			1.813.719	1.161.203		
Non-current			9.874.437	8.795.935		

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Non-current borrowings are scheduled to fall due as follows:

	Parent Company	Consolidated	
	March 31, 2019	March 31, 2019	December 31, 2018
13 to 24 months	1,129,963	2,116,681	1,118,902
25 to 36 months	-	353,569	369,884
37 to 48 months	-	711,013	300,807
49 to 60 months	-	1,082,012	1,528,216
61 to 72 months	-	452,743	448,323
73 to 84 months	-	30,687	30,122
85 to 96 months	-	3,026,710	392,389
Thereafter	-	2,101,022	4,607,292
	1,129,963	9,874,437	8,795,935

The carrying amounts of loans, borrowings and debentures are denominated in the following currencies:

	Parent Company	Consolidated	
	March 31, 2019	March 31, 2019	December 31, 2018
Reais (R\$)	1,700,956	4,815,142	3,114,435
Dollar (U.S.\$)	-	6,274,557	6,279,659
Pound (GBP)	-	598,457	563,044
	1,700,956	11,688,156	9,957,138

All debts with date denominated in US dollars, in subsidiaries, are hedged against exchange rate risk through derivatives (Note 5.7). For the 5th Issuance of debentures denominated in R\$ of the subsidiary Comgás, a derivative transaction was carried out in which its future cash flow was protected, and the IPCA interest rate risk was changed by CDI percentages.

Below are the movements that occurred for the period ended March 31, 2019:

	Parent Company	Consolidated
At December 31, 2018	-	9,957,138
Raised	1,692,647	1,711,983
Amortization of principal on loans, borrowings and debentures	-	(112,280)
Payment of interest on loans, borrowings and debentures	-	(154,304)
Interest, exchange rate and fair value	8,309	285,619
At March 31, 2019	1,700,956	11,688,156

a) Guarantees

Some financing agreements with the BNDES, destined to investments, are also guaranteed, according to each contract, by bank guarantee, with an average cost of 0.97% p.a. or by real guarantees (assets) and escrow account. As at March 31, 2019, the balance of bank guarantees contracted was R\$1,134,519 (R\$1,195,048 as of December 31, 2018).

The other loans are guaranteed by bank guarantee, with an average cost of 1.4% per year.

b) Available credit line

As at March 31, 2019, the subsidiary Cosan S.A. had available credit lines from financial institutions AA, which were not used, in the total amount of R\$501,000 (R\$501,000 on December 31, 2018).

The use of these credit lines is subject to certain contractual conditions.

c) Financial covenants

Under the terms of the major borrowing facilities, the Company is required to comply with the following financial covenants:

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Debit	Triggers	Ratios
Debenture de 3th issue Comgás	Net onerous debt / EBITDA cannot exceed 4.00	0.71
	Short-term indebtedness / Total indebtedness can not exceed 0.6	0.17
Debenture de 4th issue Comgás	Net onerous debt / EBITDA can not exceed 4.00	0.71
	Short-term indebtedness / Total indebtedness can not exceed 0.6	0.17
Debenture de 5th issue Comgás	Net onerous debt / EBITDA can not exceed 4.00	0.71
Debenture de 6th issue Comgás	Net onerous debt / EBITDA can not exceed 4.00	0.71
Debenture de 7th issue Comgás	Net onerous debt / EBITDA can not exceed 4.00	0.71
Senior Notes 2027	Pro forma net debt (i) (ii) / EBITDA not higher than or equal to 3.5	2.20
Debenture de 2th issue Cosan S.A.	Net debt / EBITDA can not exceed 4.50	2.20

- (i) Included joint ventures.
- (ii) The effects of recognition of CPC 06 (R2) / IFRS 16 were not considered in the financial index, for the debenture financial covenants.

For the other loans, borrowings and debentures of the Company there are no financial covenants.

As at March 31, 2019, the Company and its subsidiaries were in compliance with all debt financial covenants.

d) Fair value and exposure to financial risk

The fair value of the loans is based on the discounted cash flow using its implicit discount rate. They are classified as a level 2 fair value in the hierarchy (Note 5.8) due to the use of unobservable data, including own credit risk.

The details of the Company's exposure to risks arising from loans are disclosed in Note 20.

5.6 Trade payables

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Natural gas suppliers	-	-	854,288	838,105
Materials and service suppliers	1,845	4,509	701,891	634,098
	1,845	4,509	1,556,179	1,472,203

5.7 Derivative financial instruments

The derivative financial instruments held by the Company are as follow:

	Notional		Fair value	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Forward agreements				
Exchange rate derivative	501,670	515,342	10,431	(1,551)
	501,670	515,342	10,431	(1,551)
Swap agreements				
Interest rate	2,804,503	2,114,926	437,039	394,497
Exchange and interest rate	5,287,284	6,074,553	1,116,478	1,097,222
	8,091,787	8,189,479	1,553,517	1,491,719
Total financial instruments			1,563,948	1,490,168
Current and non-current assets			1,586,084	1,515,882
Current and non-current liabilities			(22,136)	(25,714)

Derivatives are only used for economic hedging purposes and not as speculative investments.

The Company has adopted the fair value hedge accounting 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:

	Debit (i)	Derivative (ii)	Total
At December 31, 2018	(1,382,764)	311,937	(1,070,827)
Principal amortization	17,282	(2,316)	14,966
Fair value	(36,197)	21,325	(14,872)
At March 31, 2019	(1,401,679)	330,946	(1,070,733)

Notes to the interim financial statements
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- (i) Loans, borrowings and debentures.
- (ii) Derivate financial instruments.

5.8 Recognized fair value measurements

The market value of the Senior Notes are listed on the Luxembourg Stock Exchange is based on their quoted market price are as follows:

Loans	Company	March 31, 2019	December 31, 2018
Senior Notes Due 2023	Cosan S.A	99.02%	96.86%
Senior Notes Due 2027	Cosan S.A	105.45%	101.15%
Perpetual Notes	Cosan S.A	102.42%	101.21%

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

	Carrying amount		Assets and liabilities measured at fair value					
			March 31, 2019			December 31, 2018		
	March 31, 2019	December 31, 2018	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets								
Investment funds	1,691,168	1,598,421	-	1,691,168	-	-	1,598,421	-
Marketable securities	1,169,263	1,359,232	-	1,169,263	-	-	1,359,232	-
Other financial assets	383,923	454,449	383,923	-	-	454,449	-	-
Contingent consideration asset (i)	128,000	-	-	-	128,000	-	-	-
Derivate financial instruments	1,586,084	1,515,882	-	1,586,084	-	-	1,515,882	-
Total	4,958,438	4,927,984	383,923	4,446,515	128,000	454,449	4,473,535	-
Liabilities								
Loans, borrowings and debentures	(5,277,467)	(5,277,386)	-	(5,277,467)	-	-	(5,277,386)	-
Contingent consideration payable (ii)	(72,467)	(119,825)	-	-	(72,467)	-	-	(119,825)
Derivate financial instruments	(22,136)	(25,714)	-	(22,136)	-	-	(25,714)	-
Total	(5,372,070)	(5,422,925)	-	(5,299,603)	(72,467)	-	(5,303,100)	(119,825)

(i) The contingent consideration asset considers the Company ability to reach the Moove budget EBTIDA for the fiscal years of 2018 and 2019. Also, considering that EBTIDA of fiscal year 2018 was reached and the current fiscal year 2019 budget EBTIDA are likely reached, we determined the fair value as the fully contingent consideration receivable and recognized it as an asset.

(ii) The valuation of the contingent consideration payable 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

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

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.

6 Other current tax receivables

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018 (Reclassified)
COFINS (tax for security financing)				
- Revenue tax	3,698	3,694	394,015	369,695
ICMS (value added tax on sales and services) - State VAT	-	-	129,792	133,002
PIS (social integration program) - Revenue tax	1	-	56,055	79,451
Credit installment	40,261	40,261	40,261	40,261
ICMS CIAP - State VAT	-	-	9,552	9,390
Other	14	14	29,653	23,917
	43,974	43,969	659,328	655,716
Current	3,713	3,708	603,947	601,018
Non-Current	40,261	40,261	55,381	54,698

7 Inventories

	Consolidated	
	March 31, 2019	December 31, 2018
Finished goods	406,156	389,896
Product in process	45,513	45,397
Spare parts and others	16,464	17,611
	468,133	452,904

8.1 Investments in associates

Cosan's subsidiaries are listed below:

	March 31, 2019	December 31, 2018
Directly owned subsidiaries		
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 Luxembourg S.A. (i)	100.00%	100.00%
Cosan Overseas Limited	100.00%	100.00%
Pasadena Empreendimentos e Participações S.A. (i)	100.00%	100.00%
Paylu Soluções de Pagamentos S.A.	100.00%	100.00%

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Companhia de Gás de São Paulo - Comgás (ii)	94.88%	80.12%
Cosan Lubes Investments Limited (iii)	70.00%	100.00%

Interest of Cosan Lubes Investments Limited in its subsidiaries

Moove Lubricants Limited	100.00%	100.00%
Cosan Cinco S.A.	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 et Technologies Appliquées	75.00%	75.00%
Cosan Lubrificantes S.R.L.	100.00%	100.00%
Lubrigrupo II, S.A	100.00%	100.00%
Commercial Lubricants Moove Corp	100.00%	100.00%
Cosan Lubrificantes e Especialidades S.A.	100.00%	100.00%
Cosan US, Inc.	100.00%	100.00%
Ilha Terminal Distribuição de Produtos Químicos	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 present a combined amount of negative equity of R\$112,641 as of March 31, 2019, no events or conditions were identified that individually or collectively could raise significant doubts related to their ability to maintain their operational continuity. The subsidiaries have the financial support of the Company.
- ii. On March 8, 2019, the Company performed a voluntary tender offer ("Voluntary TO") acquiring 19,496,165 Class A preferred shares of its subsidiary Comgás, which represent 14.77% of its share capital. See detail of transaction above.
- i. On March 29, 2019, the Company conclude the investment agreement between Cosan Lubes and CVC Fund VII, which represent 30% of its controlling interest. See detail of transaction above.

Below are investments in subsidiaries and associates that are material for the Company as at March 31, 2019:

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

a) Parent company

	Shares issued by the associate	Shares held by Cosan	Cosan ownership interest	Economic benefit (%)
Comgás	132,023,251	125,269,485	94.88%	94.88%
Cosan Global	1	1	100.00%	100.00%
Cosan Investimentos e Participações S.A.	3,778,868,643	3,778,868,643	100.00%	100.00%
Cosan Lubrificantes e Especialidades S.A.	990,441	990,441	100.00%	100.00%
Cosan Luxemburgo S.A.	500,010	500,000	100.00%	100.00%
Radar II Propriedades Agrícolas S.A.	81,440,221	24,920,708	51.00%	3.00%
Radar Propriedades Agrícolas S.A.	1,735,703	531,125	51.00%	2.51%
Tellus Brasil Participações S.A.	120,920,492	61,359,624	50.74%	5.00%
Janus Brasil Participações S.A.	207,712,545	105,461,644	50.77%	5.00%
Cosan Biomassa S.A.	26,841,942	26,841,942	100.00%	100.00%
Cosan Lubes Investment	34,963,764	24,474,635	70.00%	70.00%
Pasadena Empreendimentos e Participações S.A.	32,752,251	32,751,751	99.99%	99.99%

	At January 1, 2019	Interest in earnings (losses) of subsidiaries	Sales or purchase of interests	Other comprehensive income	Sales or purchase of interests	Other	At March 31, 2019	Interest in earnings (losses) of associates in March 31, 2018
Comgás (i)	4,175,505	156,654	776,548	472	-	-	5,109,179	126,981
Cosan Global	98,020	1,026	-	-	-	-	99,046	712
Cosan Investimentos e Participações S.A.	6,184,279	311,827	-	(174,812)	-	-	6,321,294	315,758
Cosan Lubrificantes e Especialidades S.A. (iii)	841,222	8,381	-	11,009	-	(860,612)	-	12,774
Cosan Lubes Investment (ii)(iii)	54,365	17,410	124,905	(17,700)	-	862,023	1,041,003	1,214
Radar II Propriedades Agrícolas S.A.	32,237	175	-	2	-	-	32,414	245
Radar Propriedades Agrícolas S.A.	59,585	263	-	9	-	-	59,857	329
Tellus Brasil Participações S.A.	101,109	717	-	-	-	-	101,826	716
Usina Santa Luiza S.A. (iv)	29,209	(29,209)	-	-	-	-	-	(1,411)
Janus Brasil Participações S.A.	93,821	(163)	-	-	26,045	-	119,703	933
Other	41,888	(734)	-	(2,711)	100	4,546	43,089	53
Total investments in associates	11,711,240	466,347	901,453	(183,731)	26,145	5,957	12,927,411	458,304
Cosan Biomassa S.A.	(41,816)	(7,125)	-	-	-	-	(48,941)	(8,522)
Cosan Luxemburgo S.A.	(26,652)	(30,251)	-	-	-	-	(56,903)	41,381
Pasadena Empreendimentos e Participações S.A.	(6,805)	8	-	-	-	-	(6,797)	(96)
Total investments in capital deficiency	(75,273)	(37,368)	-	-	-	-	(112,641)	32,763
Total	11,635,967	428,979	901,453	(183,731)	26,145	5,957	12,814,770	491,067

Corporate transactions incurred during the period ended March 31, 2019

(i) Comgás

As disclosed in Note 1, on March 13, 2019, the Company concluded the voluntary tender offer ("Voluntary TO") for acquisition of class "A" preferred shares issued by its subsidiary Companhia de Gás de São Paulo ("Comgás"), with acquisition of 19.496.165 Class A preferred shares for R\$82.00 per share ("Price per Share"), which represents 14.77% of subsidiary capital. . As result of the acquisition of more than 2/3 (two thirds) Class A preferred shares, Cosan S.A. may be required to acquire the outstanding Class A preferred shares, in case of holder exercise its rights during period from March 8, 2019 to June 8, 2019. The purchase price of shares will be the same Price per Share determined in Voluntary TO, adjusted by the Brazilian basic interest rate Selic, computed from the offer period to the date of settlement.

As result of transaction, the Company disbursed amount of R\$1,599,237, that generate an increase in investments of R\$776,548, changing the ownership interest at subsidiary from 80.12% to 94.88% and a goodwill in the amount of R\$822,689, recorded in the Company' equity as "Capital transactions".

(ii) Cosan Lubes Investments

As disclosed in Note 1, the Company concluded on March 29. 2019 the transactions with investment fund CVC Fund VII (CVC). As result of the completion of the transaction, CVC contributed R\$562,000 through the issuance of new common shares of Cosan Lubes Investments Limited ("Cosan Lubes" or "Moove"), equivalent to approximately 30% of the share capital. From the total contribution, Moove received R\$434,000 and recognized a contingent consideration receivable of R\$128,000 that will be paid by CVC until 2021, once the goals agreed in the transaction been met, without changing the controlling interest.

As result of transaction, the Company recognized an increase of R\$124,910 in its investment at Moove, composed by gain of R\$393,400, equivalent of capital contribution received, proportional at the Company controlling interest held at the subsidiary and a loss on ownership interest, in the amount of R\$(268,490), result of the Company ownership dilution interest, which now holds 70% of share capital of Moove.

(iii) Capital Contribution Agreement:

The Company, based on terms signed with their controlling shareholders entered on March 1, 2019, named Capital Contribution Agreement, contributed with its total investment, previously held in subsidiary Cosan Lubrificantes e Especialidades S.A. (CLE) at entity Cosan Cinco S.A (Cosan Cinco), a subsidiary of Cosan Lubes, resulting in a decrease in investment held at CLE and an increase in investment at Cosan Lubes, in the amount of R\$860,612.

(iv) Usina Santa Luiza (USL):

As approved by General Meeting on February 1, 2019, the Company merged assets and liabilities from its associate Usina Santa Luiza S.A., to its interest of 33.33% The gain on this transactions, net of tax, recorded by the Company was R\$13,242, represented by (i) gain of R\$50,284 (Note 18 – “Other income (expenses)”), related to Price Cause Indemnity; (ii) investments write-offs and expenses of R\$55,739 and (iii) reversion of income tax and social contribution provision of R\$18,697.

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b) Consolidated

	Shares issued by the associate	Shares held by Cosan	Cosan ownership interest	Economic benefit (%)
Radar II Propriedades Agrícolas S.A.	81,440,221	24,920,708	51.00%	3.00%
Radar Propriedades Agrícolas S.A.	1,735,703	531,125	51.00%	2.51%
Tellus Brasil Participações S.A.	120,920,492	61,359,624	50.74%	5.00%
Janus Brasil Participações S.A.	207,712,545	105,461,644	50.77%	5.00%
Novvi Limited Liability Company	1,011,000	202,200	17.82%	17.82%

	At January 1, 2019	Interest in earnings (losses) of subsidiaries	Other comprehensive income (losses)	Increase/reduction of capital	Other	At March 31, 2019	Interest in earnings (losses) of associates in March 31, 2018
Tellus Brasil Participações S.A.	101,109	717	-	-	-	101,826	716
Novvi Limited Liability Company	13,449	1,826	124	-	-	15,399	(5,008)
Janus Brasil Participações S.A.	93,821	(163)	-	26,045	-	119,703	933
Radar Propriedades Agrícolas S.A.	59,585	263	9	-	-	59,857	329
Radar II Propriedades Agrícolas S.A.	32,237	175	2	-	-	32,414	245
Usina Santa Luiza S.A.	29,209	(29,209)	-	-	-	-	(1,411)
Other	5,108	(5,157)	-	-	5,449	5,400	5
	334,518	(31,548)	135	26,045	5,449	334,599	(4,191)

8.2 Non-controlling interests in subsidiaries

Below there are the non-controlling interests in subsidiaries of the Company:

	<u>Shares issued by the subsidiary</u>	<u>Shares held by non-controlling shareholders</u>	<u>Non-controlling interest</u>
Comgás	132,023,251	6,753,766	5.12%
Cosan Lubes Investment	34,963,764	10,489,129	30.00%
TTA	10,521	2,630	25.00%

The following table summarizes the information relating to each of the Company's subsidiaries that has material non-controlling interests, before any intra-group elimination.

	<u>At January 1, 2019</u>	<u>Interest in earnings (losses) of subsidiaries</u>	<u>Sales or purchase of interests</u>	<u>Other comprehensive income (losses)</u>	<u>Other</u>	<u>At March 31, 2019</u>	<u>Interest in earnings (losses) of associates in March 31, 2018</u>
Comgás	987,358	23,287	(776,548)	-	83	234,180	31,998
Cosan Lubes Investment	-	9,419	437,078	(4,189)	-	442,308	-
TTA	7,060	604	-	493	-	8,157	-
	<u>994,418</u>	<u>33,310</u>	<u>(339,470)</u>	<u>(3,696)</u>	<u>83</u>	<u>684,645</u>	<u>31,998</u>

9 Investments in joint ventures

Changes to investments in joint ventures were as follows:

	Raízen Combustível S.A.	Consolidated Raízen Combustível S.A.	Total
Shares issued by the joint venture	1,661,418,472	7,243,283,198	
Shares held by Cosan	830,709,236	3,621,641,599	
Ownership interest (%)	50%	50%	
Interest in earnings of joint ventures at March 31, 2018	180,906	116,751	297,657
At December 31, 2018	3,104,613	4,973,294	8,077,907
Interest in earnings of joint ventures (i)	298,258	5,575	303,833
Other comprehensive (losses) income	(34,538)	(140,275)	(174,813)
Interest on capital	(23,500)	-	(23,500)
Dividends	(196,300)	-	(196,300)
At March 31, 2019	3,148,533	4,838,594	7,987,127

- (i) Include amount of R\$30,040, related to effect of initial recognition of CPC 06 (R2) / IFRS 1, adopted by the joint ventures, as disclosed in Note 3.1.

The statement of financial position and statement of profit or loss of the joint ventures are disclosed in Note 4 – Segments information.

Pursuant to the terms of the Raízen Joint Venture - Framework Agreement, Cosan is responsible for certain legal proceedings that existed prior to the formation of Raízen, net of judicial deposits as of April 1, 2011, as well as tax installments under the tax amnesty and refinancing program (*Programa de Refinanciamento*), or REFIS, recorded in “Other taxes payable.” Additionally, Cosan granted access to Raízen a credit line (stand-by facility) in the amount of U.S.\$350,000 thousand, unused as at March 31, 2019.

As at March 31, 2019, the Company was in compliance with the covenants of the agreements governing the Joint Ventures.

10 Property, plant and equipment, intangible assets and goodwill

10.1 Property, plant and equipment

Reconciliation of carrying amount

	Consolidated					Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Construction in progress	Other	Total	Total
Cost						
At December 31, 2018	274,974	242,699	55,090	129,321	702,084	85,794
Additions	10	522	-	1,820	2,352	579
Disposals	-	(80)	(1,046)	(990)	(2,116)	-
Transfers ⁽ⁱ⁾	431	2,004	(3,609)	(6,321)	(7,495)	-
Effect of exchange rate fluctuation	1,207	1,282	436	1,446	4,371	-
At March 31, 2019	276,622	246,427	50,871	125,276	699,196	86,373
Depreciation						
At December 31, 2018	(65,685)	(97,322)	-	(40,664)	(203,671)	(19,143)
Additions	(2,146)	(6,314)	-	(4,279)	(12,739)	(1,880)
Disposals	-	11	-	956	967	-
Transfers ⁽ⁱ⁾	(302)	(1,747)	-	2,058	9	-
Effect of exchange rate fluctuation	(278)	(786)	-	(840)	(1,904)	-
At March 31, 2019	(68,411)	(106,158)	-	(42,769)	(217,338)	(21,023)
At December 31, 2018	209,289	145,377	55,090	88,657	498,413	66,651
At March 31, 2019	208,211	140,269	50,871	82,507	481,858	65,350

(i) Refers to transfers of property, plant and equipment as a result of the capitalization of those assets.

10.2 Intangible assets and goodwill

	Consolidated						Parent Company
	Goodwill	Concession rights	Trademarks	Customer relationships	Other	Total	Total
Cost							
At December 31, 2018 (reclassified)	782,783	- 9,609,880	- 37,877	- 742,863	- 374,773	- 11,548,176	- 13,524
Additions	-	(16,523)	-	21,281	17,097	21,855	188
Disposals	-	(9,959)	-	(56)	-	(10,015)	-
Transfers	-	98,998	-	(4,339)	3,472	98,131	-
Effect of exchange rate fluctuation	3,421	-	889	1,435	609	6,354	-
At March 31, 2019	786,204	9,682,396	38,766	761,184	395,951	11,664,501	13,712
Depreciation							
At December 31, 2018 (reclassified)	-	- (1,602,467)	-	- (314,619)	- (152,470)	- (2,069,556)	- (10,342)
Additions	-	(91,589)	-	(26,459)	(9,206)	(127,254)	(475)
Disposals	-	4,912	-	42	-	4,954	-
Transfers	-	(1)	-	(84)	(9)	(94)	-
Effect of exchange rate fluctuation	-	-	-	(296)	(171)	(467)	-
At March 31, 2019	-	(1,689,145)	-	(341,416)	(161,856)	(2,192,417)	(10,817)
At December 31, 2018 (reclassified)	782,783	- 8,007,413	- 37,877	- 428,244	- 222,303	- 9,478,620	- 3,182
At March 31, 2019	786,204	- 7,993,251	- 38,766	- 419,768	- 234,095	- 9,472,084	- 2,895

a) Capitalization of borrowing costs

Capitalized borrowing costs for the period ended March 31, 2019, R\$3,202 was capitalized at an average rate of 8.60% p.a. (R\$2,123 and 8.43% p.a. on March 31, 2018).

b) Amortization methods and useful lives

Intangible assets (excluding goodwill)	Annual rate of amortization %	March 31, 2019	December 31, 2018 (Reclassified)
Comgás ⁽ⁱ⁾	Concession term	7,993,251	8,007,413
		7,993,251	8,007,413
Trademarks: Comma	Undefined	38,766	37,877
		38,766	37,877
Relationship with customers: Comgás	20.00%	145,817	149,890
Moove	6.00%	273,951	278,354
		419,768	428,244
Other Software license	20.00%	143,218	142,937
Other		90,877	79,366
		234,095	222,303
Total		8,685,880	8,695,837

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

Impairment testing of cash-generating units (“CGU”) goodwill, property, plant and equipment and intangible assets

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

During the period ended March 31, 2019, no impairment indicators were identified that would require the review of the last test conducted at December 31, 2018.

11 Other taxes payable

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Tax amnesty and refinancing program - Refis	197,820	199,582	204,862	206,687
ICMS – State VAT	-	-	180,114	91,512
COFINS - Revenue tax	46,414	44,966	56,127	44,210
PIS - Revenue tax	8,289	6,798	10,369	6,602
Other	3,250	2,724	25,611	10,423
INSS - Social security	651	818	878	1,288
	256,424	254,888	477,961	360,722
Current	113,211	110,507	328,356	209,878
Non-Current	143,213	144,381	149,605	150,844

12 Income tax and social contribution

a) Reconciliation of income and social contribution tax expenses

	Parent Company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Profit before taxes	365.452	288.584	499.847	432.483
Income tax and social contribution nominal rate (34%)	(124.254)	(98.119)	(169.948)	(147.044)
<i>Adjustments to determine the effective rate</i>				
Equity method investments (nontaxable income)	137.071	157.240	92.577	99.778
Non-deductible expenses (donations, gifts, etc.)	(126)	(866)	(4.572)	(1.129)
Stock options	(277)	(421)	(277)	(421)
Interest capital - benefit	-	-	(7.990)	(5.270)
Income tax loss and other temporary differences	-	-	(2.559)	(3.083)
Differences in tax rates on earnings / losses of overseas companies	-	-	188	769
Other	17.844	(702)	21.754	1.631
Income tax and social contribution expense (current and deferred)	30.258	57.132	(70.827)	(54.769)
Effective rate	8,28%	19,80%	(14,17%)	(12,66%)

b) Deferred income tax assets and liabilities

The tax effects of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities are presented below:

	Parent Company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Assets credit of:				
Income tax loss carry forwards	216,904	188,370	432,264	403,511
Social contribution tax loss carry forwards	79,113	68,842	157,292	146,942
Temporary differences				
Foreign exchange - Loans and borrowings	784,382	776,142	797,520	789,220
Legal proceedings provision	78,382	48,156	219,584	186,148
Provisions for employee benefits	-	-	186,860	175,178
Allowance for doubtful accounts	-	-	11,257	11,731
Regulatory asset (liability)	-	-	58,166	59,597
Impairment of tax credit	6,985	6,985	37,916	37,916
Share-based payment transactions	-	-	1,058	869
Profit sharing	317	5,508	4,607	13,119
Interest on preferred shareholders payable in subsidiaries	141,833	155,562	141,833	155,562
Property, plant, equipment and intangible - useful life review	-	-	(277,940)	(284,774)
Temporary differences	-	-	-	-
Provisions	40,834	47,692	95,888	103,988
Other	-	-	4,394	15,056
Deferred taxes - Assets	1,348,750	1,297,257	1,870,699	1,814,063
(-) Deferred taxes assets not recognized	-	-	(29,781)	(27,493)
Liabilities credit of:				
Temporary differences				
Business combination - Property, plant and equipment	-	-	(25,054)	(25,219)
Tax deductible goodwill	(21,823)	(21,823)	(365,411)	(365,411)
Concession contract	-	-	(6,261)	(6,745)
Unrealized (loss) gains on derivatives instruments (i)	(346,589)	(327,080)	(458,326)	(441,902)
Income on formation of joint ventures	(1,135,036)	(1,135,036)	(1,135,036)	(1,135,036)
Business combination - Intangible asset	-	-	(1,140,329)	(1,146,823)
Other	-	-	106,769	88,684
Total	(1,503,448)	(1,483,939)	(3,023,648)	(3,032,452)
Total of deferred taxes recorded	(154,698)	(186,682)	(1,182,730)	(1,245,882)
Deferred income tax - Assets	-	-	508,662	494,498
Deferred income tax - Liabilities	(154,698)	(186,682)	(1,691,392)	(1,740,380)

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

- (i) The subsidiary Comgás opted for the cash regime for the taxation of exchange variation on loans and financing.

c) Changes in deferred tax

	Parent Company	Consolidated
At December 31, 2018	(186,682)	(1,245,882)
Recognized in profit or loss	30,258	60,422
Other	1,726	2,730
At March 31, 2019	(154,698)	(1,182,730)

13 Provision for legal proceedings

The Company had contingent liabilities at March 31, 2019 and December 31, 2018 in respect of:

	Provision for legal proceedings			
	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Tax	174,724	126,088	517,665	457,361
Civil, environmental and regulatory	82,117	86,279	220,220	216,991
Labor	93,081	93,984	173,437	174,163
	349,922	306,351	911,322	848,515

	Judicial deposit			
	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018 (Reclassified)
Tax	305,080	308,745	434,646	424,412
Civil, environmental and regulatory	12,773	13,815	34,219	35,947
Labor	32,472	31,994	48,073	48,039
	350,325	354,554	516,938	508,398

Changes in provision for legal proceedings:

	Parent Company			
	Tax	Civil, environmental and regulatory	Labor	Total
At December 31, 2018	126,088	86,279	93,984	306,351
Provisions	25,740	318	6,831	32,889
Settlement / Write-offs	(8,096)	(8,556)	(8,077)	(24,729)
Monetary variation ⁽ⁱ⁾	30,992	4,076	343	35,411
At March 31, 2019	174,724	82,117	93,081	349,922

Notes to the interim financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

	Consolidated			
	Tax	Civil, environmental and regulatory	Labor	Total
At December 31, 2018	457,361	216,991	174,163	848,515
Provisions	25,830	657	8,114	34,601
Settlement / Write-offs	(8,099)	(8,717)	(9,844)	(26,660)
Monetary variation ⁽ⁱ⁾	42,573	11,289	1,004	54,866
At March 31, 2019	517,665	220,220	173,437	911,322

(i) Includes interest reversal.

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

a) Probable losses

Tax: The principal tax proceedings for which the risk of loss is probable are described below:

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Compensation with FINSOCIAL	-	-	288,566	286,929
INSS - Social security	60,030	56,707	71,007	67,592
State VAT - ICMS credit	36,407	30,735	44,863	39,135
PIS and COFINS	204	16	349	160
IPI - Excise tax credit - NT (i)	68,338	28,931	68,338	28,931
Federal income tax	66	66	1,761	1,589
Other	9,679	9,633	42,781	33,025
	174,724	126,088	517,665	457,361

(i) During the period ended March 31, 2019, the Company recorded provision for lawsuits IPI Seletividade, related to period from November 1992 to December 1995, judged by the Brazilian Federal Supreme Court ("STF"), using the General Repercussion method (RE n ° 592,145, item 080), in the amount of R\$39,407, with unfavorable scenario for the Company.

Civil, regulatory, environmental and other claims: Company and its subsidiaries are parties to a number of civil legal claims related to (i) indemnity for material and moral damages; (ii) termination of different kinds of agreements (iii) public civil claims related to sugarcane stubble burning; and (iv) compliance with terms of conduct adjustment, among other issues.

Labor claims: Cosan and its subsidiaries are also parties to a number of

labor claims filed by former employees and service providers challenging, among other matters, the payment of overtime, night shift premiums and risk premiums, the recognition of employment relationships and the reimbursement of discounts from payroll, such as social contribution and trade union charges. Additionally, we are involved in several labor administrative and judicial proceedings such as labor investigations and class actions filed by the labor prosecutor's office regarding alleged non-compliance with certain labor regulations, including work and safety rules, labor conditions and work environment, and social assistance plans. Moreover, we entered into certain consent orders (*Termos de Ajustamento de Conduta*) with Brazilian authorities and in the event, we fail to comply with such consent orders, we could be subject to fines.

b) Possible losses

The principal proceedings for which we deem the risk of loss as possible are described below:

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Tax	4,373,381	4,499,830	8,378,200	8,404,359
Civil, environmental and regulatory	857,208	820,890	1,582,935	1,524,691
Labor	74,978	97,952	123,182	145,567
	5,305,567	5,418,672	10,084,317	10,074,617

Tax:

	Parent company		Consolidated	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
ICMS - state VAT	1,549,204	1,542,607	2,010,961	1,978,627
Federal income taxes	578,628	660,208	2,855,021	2,867,881
PIS and COFINS	1,337,175	1,327,528	1,353,747	1,344,012
IRRF - Withholding tax	1,319	1,314	878,357	871,009
INSS - Social security	207,760	208,450	260,473	260,712
IPI – Excise tax credit - NT (ii)	298,974	360,398	430,245	490,500
MP 40 - Tax installments	186,431	185,236	186,431	185,236
Compensations tax on loan	135,215	134,642	135,215	134,642
Other	78,675	79,447	267,750	271,740
	4,373,381	4,499,830	8,378,200	8,404,359

- (ii) The reduction in IPI amounts, classified as possible losses, during the period

ended March 31, 2019, is related to the decision to provide the lawsuits over the same period, as described above in section "a) - Probable losses - Tax".

14 Shareholders' equity

a) Share capital

Subscribed and fully paid capital as of R\$ 4,418,476 represented by 407,904,353 common shares at March 31, 2019 and December 31, 2018, respectively, book entry and without par value. The authorized common stock may be increased up to the limit of R\$ 6,000,000.

At March 31, 2019, Cosan Limited's share capital is composed of the following:

	Ordinary shares	
	Quantity	%
Shareholders - Common shares		
Cosan Limited	236,515,386	57.98%
Control group	4,028	0.00%
Management	591,958	0.15%
Free Float	155,404,710	38.10%
Total outstanding shares	392,516,082	96.23%
Treasury shares	15,388,271	3.77%
Total	407,904,353	100.00%

b) Treasury shares

At March 31, 2019, the Company had 15,388,271 treasury shares (15,388,271 common shares as of December 31, 2018), whose market price was R\$42.65 (R\$33.46 as of December 31, 2018).

c) Other comprehensive (loss) income

	December 31, 2018	Comprehensive (loss) income	March 31, 2019
Foreign currency translation effects	(50,355)	(8,034)	(58,389)
Gain (loss) on cash flow hedge in joint ventures	18,642	(179,877)	(161,235)
Actuarial loss on defined benefit plan, net of tax	(68,474)	-	(68,474)
Financial instruments with subsidiaries	(47,050)	-	(47,050)
Change in fair values of financial assets, net of tax	25,586	11	25,597
Total	(121,651)	(187,900)	(309,551)
Attributable to:			
Owners of the Company	(131,689)	(184,204)	(315,893)
Non-controlling interests	10,038	(3,696)	6,342

	December 31, 2017	Comprehensive (loss) income	March 31, 2018
Foreign currency translation effects	(33,014)	(17,341)	(50,355)
Gain (loss) on cash flow hedge in joint ventures	15,325	3,317	18,642
Actuarial loss on defined benefit plan, net of tax	(68,474)	-	(68,474)
Financial instruments with subsidiaries	(45,631)	(1,419)	(47,050)
Change in fair values of financial assets, net of tax	25,554	32	25,586
Total	(106,240)	(15,411)	(121,651)
Attributable to:			
Owners of the Company	(116,278)	(15,411)	(131,689)
Non-controlling interests	10,038	-	10,038

15 Earnings per share

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

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Profit attributable from continued operation to ordinary equity holders for basic earnings	395,710	345,716
Effect of dilution:		
Dilutive effect of subsidiary's stock option plan	(335)	(157)
Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	395,375	345,559
Basic number of shares outstanding - In thousands of shares	396,006	409,583
Effect of dilution:		
Dilutive effect of stock option plan	902	964
Diluted number of shares outstanding - In thousands of shares	396,908	410,547
Basic earnings per share from:		
Continuing operations	R\$ 0.99925	R\$ 0.84407
Diluted earnings per share from:		
Continuing operations	R\$ 0.99614	R\$ 0.84163

16 Net sales

The following is an analysis of the Company's revenue for the period from continuing operations:

	Consolidated	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Gross revenue from sales of products and services	3,730,149	2,689,510
Construction revenue	159,936	89,493
Indirect taxes and deductions	(795,389)	(623,161)
Net sales	3,094,696	2,155,842

In the following table, revenue is disaggregated by products and service lines and timing of revenue recognition:

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Consolidated	
	March 31, 2019	March 31, 2018
At a point in time		
Gas distribution	1,886,754	1,327,496
Lubricants and basic oil	1,027,575	717,090
Other	13,668	14,288
	2,927,997	2,058,874
Over time		
Construction revenue	159,936	89,493
Other services	6,766	7,482
	166,702	96,975
Elimination	(3)	(7)
Total of net sales	3,094,696	2,155,842

17 Costs and expenses by nature

The expenses are presented in the statement of profit and loss by function. The reconciliation of income by nature/purpose are as follows:

	Parent Company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Raw materials ⁽ⁱ⁾	-	-	(1,975,276)	(1,247,320)
Construction cost - IFRIC 12	-	-	(159,936)	(89,493)
Expenses with third-party services	(7,363)	(6,947)	(61,482)	(60,730)
Employee benefit expense	(12,731)	(12,066)	(139,618)	(111,398)
Selling expenses	-	-	(8,863)	(6,187)
Transportation expenses	-	-	(190,014)	(189,819)
Depreciation and amortization	(3,310)	(1,342)	(140,017)	(142,012)
Other	(8,618)	(3,071)	(70,035)	(44,145)
	(32,022)	(23,426)	(2,745,241)	(1,891,104)
Cost of sales	-	-	(2,325,282)	(1,521,062)
Selling expenses	-	-	(261,179)	(241,241)
General and administrative	(32,022)	(23,426)	(158,780)	(128,801)
	(32,022)	(23,426)	(2,745,241)	(1,891,104)

- (i) The increase in costs with raw materials during the period ended March 31, 2019 is related to the impact of Moove segment, of production and distribution of lubricants, represented by business of Cosan S.R.L, TTA, Lubrigrupoll and Metrolube and increase in unit cost of gas, from Comgás segment.

18 Other income (expenses), net

	Parent company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gain on price cause indemnity	50,284	-	50,284	-
Loss on disposal of noncurrent assets and intangibles	-	-	(5,746)	(1,313)
Net effect of legal proceedings, recoverable and tax installments	(21,232)	(10,683)	(23,247)	(10,938)
Other	(13,307)	(4,793)	(4,838)	(6,014)
	15,745	(15,476)	16,453	(18,265)

19 Finance results, net

Details of finance income and costs are as follows:

	Parent Company		Consolidated	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cost of gross debt				
Interest on debt	(8,003)	-	(160,559)	(156,305)
Monetary and exchange rate variation	-	-	(48,048)	(20,437)
Derivatives and fair value measurement	61,124	6,710	35,725	24,920
Amortization of borrowing costs	(337)	(61)	(527)	(242)
Guarantees and warranties on debt	-	-	(7,221)	(7,433)
	52,784	6,649	(180,630)	(159,497)
Income from financial investment and exchange rate in cash and cash equivalents	16,014	16,360	55,632	58,609
	16,014	16,360	55,632	58,609
Cost of debt, net	68,798	23,009	(124,998)	(100,888)
Other charges and monetary variations				
Interest on other receivables	3,858	4,035	16,758	41,533
Interest on other financial assets	54,802	4,588	54,802	4,588
Interest on shareholders' equity	23,500	15,500	-	-
Interest on other liabilities	(54,849)	(31,302)	(77,241)	(24,234)
Bank charges and other	(8,287)	(5,597)	(9,623)	(10,150)
Exchange variation	(109,243)	(145,218)	1,956	(18,305)
	(90,219)	(157,994)	(13,348)	(6,568)
Finance results, net	(21,421)	(134,985)	(138,346)	(107,456)
Reconciliation				
Finance expense	(154,698)	(91,861)	(323,365)	(112,538)
Finance income	99,369	41,460	137,740	115,690
Foreign exchange (losses) gain, net	(26,843)	(17,612)	(42,682)	(38,086)
Derivatives	60,751	(66,972)	89,961	(72,522)
Finance results, net	(21,421)	(134,985)	(138,346)	(107,456)

20 Financial risk management

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

i) Foreign exchange risk

As at March 31, 2019 and December 31, 2018, the Company had the following net exposure to the exchange rate variations on assets and liabilities denominated in Dollar:

	March 31, 2019	December 31, 2018
Cash and cash equivalents	481,040	497,968
Trade receivables	24,541	31,380
Trade payables	(63,840)	(219,717)
Loans, borrowings and debentures	(6,274,557)	(6,279,659)
Contingent consideration payables	(72,467)	(119,825)
Derivative financial instruments	4,607,719	4,670,955
Foreign exchange exposure, net	(1,297,564)	(1,418,898)

The sensitivity of profit or loss to changes in the exchange rates arises mainly from U.S. Dollar denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges through its joint ventures.

A reasonably possible strengthening (weakening) of the Real to U.S. Dollar at March 31, 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below:

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

Instrument	Probable	Scenario			
		25%	50%	-25%	-50%
Cash and cash equivalents	(16,258)	116,195	232,391	(116,195)	(232,391)
Trade receivables	(829)	5,928	11,856	(5,928)	(11,856)
Loans, borrowings and debentures	212,066	(1,515,623)	(3,031,245)	1,515,623	3,031,245
Contingent consideration payables	2,449	(17,505)	(35,009)	17,505	35,009
Trade payables	2,158	(15,421)	(30,841)	15,421	30,841
Derivative financial instruments	(201,456)	1,439,791	2,879,581	(1,439,791)	(2,879,581)
Impacts on profit or loss	(1,870)	13,365	26,733	(13,365)	(26,733)

The probable scenario was defined based on the U.S dollar market rates projected for December 31, 2019, 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 U.S. Dollars at March 31, 2019, the Company performed a sensitivity analysis with a 25% and 50% increase in the exchange rate (R \$ / US \$). The probable scenario considers the Company's projections made by specialized advisory services for 12-month exchange rates, as follows:

Exchange rate sensitivity analysis (R\$/US\$)						
	March 31, 2019	Probable	Scenario			
			25%	50%	-25%	-50%
U.S.\$	3.8967	3.765	4.7063	5.6475	2.8238	1.8825

ii) Interest rate risk

The Company and its subsidiaries monitor the fluctuations in variable interest rates in connection with its borrowings and uses derivative instruments in order to minimize variable interest rate fluctuation risks.

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:

Notes to the interim financial statements
(In thousands of Brazilian Reais - R\$, unless otherwise stated)

	Probable	Scenario			
		25%	50%	-25%	-50%
Cash and cash equivalents	176,645	44,161	88,323	(44,161)	(88,323)
Marketable securities	77,754	19,439	38,877	(19,439)	(38,877)
Contingent consideration asset	4,256	1,062	2,131	(1,062)	(2,131)
Derivative financial instruments	(9,721)	(560,256)	(1,046,229)	658,752	1,426,938
Loans, borrowings and debentures	(703,101)	(62,346)	(124,693)	62,346	124,693
Impacts on profit or loss	(454,167)	(557,940)	(1,041,591)	656,436	1,422,300

The probable scenario considers the estimated interest rate, made by a specialized third part and Central Bank of Brazil (Banco Central do Brasil), or BACEN, as follows:

	Probable	Scenario			
		25%	50%	-25%	-50%
SELIC	6.65%	8.31%	9.98%	4.99%	3.33%
CDI	6.65%	8.31%	9.98%	4.99%	3.33%
TJLP462 (TJLP + 1% pay.)	6.80%	8.25%	9.70%	5.35%	3.90%
TJLP	5.80%	7.25%	8.70%	4.35%	2.90%
IGPM	3.38%	4.23%	5.07%	2.54%	1.69%
IPCA	3.70%	4.63%	5.55%	2.78%	1.85%
Fed Funds	2.40%	2.40%	3.60%	1.80%	1.20%
Libor	2.38%	2.98%	3.57%	1.79%	1.19%

b) Credit risk

The Company's regular operations expose it to potential defaults when customers, suppliers and counterparties are unable to comply with their financial or other commitments. The Company seeks to mitigate this risk by entering into transactions with a diverse pool of counterparties. However, the Company continues to remain subject to unexpected third party financial failures that could disrupt its operations. The exposure to credit risk was as follows:

Notes to the interim financial statements
(In thousands of Brazilian Reals - R\$, unless otherwise stated)

	March 31, 2019	December 31, 2018
Cash and cash equivalents	3,487,723	2,696,947
Marketable securities	1,169,263	1,359,232
Trade receivables	1,428,799	1,150,130
Contingent consideration asset	128,000	-
Derivative financial instruments	1,586,084	1,515,882
Receivables from related parties	129,731	132,798
Dividends	13,114	27,309
	7,942,714	6,882,298

The Company is also exposed to risks in connection with its cash management activities and temporary investments.

Liquid assets are invested primarily in government security and other investments in Banks with a minimum grade of "A." Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The credit risk on cash and cash equivalents, marketable securities, restricted cash and derivative financial instruments are determined by rating instruments widely accepted by the market and are arranged as follows:

	March 31, 2019	December 31, 2018
AAA	4,715,510	4,302,309
AA	1,527,560	1,269,752
	6,243,070	5,572,061

c) Liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are

due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

	March 31, 2019					December 31, 2018
	Up to 1 year	1 - 2 years	3 - 5 years	More than 5 years	Total	Total
Loans, borrowings and debentures	(2,285,689)	(2,715,126)	(4,997,733)	(6,794,983)	(16,793,531)	(15,405,314)
Trade payables	(1,556,179)	-	-	-	(1,556,179)	(1,472,203)
Leases	(15,632)	(14,776)	(45,026)	(27,462)	(102,896)	-
Other financial liabilities	(95,267)	-	-	-	(95,267)	(117,997)
Payables to related parties	(220,300)	-	-	-	(220,300)	(207,989)
Tax installments - REFIS	(6,438)	(5,725)	(10,344)	(198,423)	(220,930)	(221,299)
Dividends payable	(423,759)	-	-	-	(423,759)	(427,232)
Derivative financial instruments	185,732	72,739	346,701	1,674,494	2,279,666	2,303,489
	<u>(4,417,532)</u>	<u>(2,662,888)</u>	<u>(4,706,402)</u>	<u>(5,346,374)</u>	<u>(17,133,196)</u>	<u>(15,548,545)</u>

21 Post-employment benefits

	Consolidated	
	March 31, 2019	December 31, 2018
Futura	77,174	75,298
Futura II	167	205
Comgás	508,124	504,320
	<u>585,465</u>	<u>579,823</u>

During the period ended March 31, 2019, the amount of sponsor contributions to the plans was R\$8,462 (R\$7,442 on March 31, 2018).

22 Share-based payment

The Company and its subsidiaries have two active share-based payment plans. (i) "Stock Option Plan" provides the distribution of stock options to executives of the Company and its subsidiaries. (ii) "Stock-Based Compensation Plan" provides the granting of shares to the Company's officers and employees.

The plans have been administered by the Board of Directors of each Company, 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.

The following share-based payment arrangements:

Type of award / Grant date	Company	Expected life (years)	Granted
Stock option programs			
August 18, 2011 - (A)	Cosan S.A.	1 to 7	4,825,000
August 18, 2011 - (B)	Cosan S.A.	1 to 12	5,000,000
December 12, 2012 - (C)	Cosan S.A.	1 to 7	700,000
April 24, 2013	Cosan S.A.	5 to 7	970,000
April 25, 2014	Cosan S.A.	5 to 7	960,000
August 31, 2015	Cosan S.A.	5 to 7	759,000
			13,214,000
Stock grant programs			
April 20, 2017	Comgás	5	61,300
April 27, 2017	Cosan S.A.	5	274,000
July 31, 2017	Cosan S.A.	5	298,107
August 12, 2017	Comgás	5	97,780
July 31, 2018	Cosan S.A.	5	210,602
August 1, 2018	Comgás	5	96,787
			1,038,576

a) Reconciliation of outstanding share options

The movement in the number of awards outstanding and their related weighted-average exercise prices are as follows:

	Stock option programs	Stock grant programs	Total	Weighted-average exercise price
At December 31, 2018	5,029,000	902,228	5,931,228	30.21
Vested	-	(3,132)	(3,132)	-
Cancelled	-	(18,964)	(18,964)	-
At March 31, 2019	5,029,000	880,132	5,909,132	30.66

b) Expense recognized in profit or loss

Share-based compensation expense included in the statement of profit and loss for the period ended March 31, 2019 and 2018 was as follows:

	Stock option programs	Stock grant programs	Total
Period ended March 31, 2018	1,239	1,226	2,465
Period ended March 31, 2019	814	2,082	2,896

23 Subsequent events

23.1 Dividend distribution of Cosan S.A.

On April 26, 2019, the Ordinary and Extraordinary General Meeting, of the subsidiary Cosan S.A, approved the distribution of mandatory minimum dividends in the amount of R\$392,426.

23.2 Capital increase of Cosan S.A.

On April 26, 2019, the Ordinary and Extraordinary General Meeting approved the increase of the Cosan S.A's share capital in the amount of R\$626,738, without the issuance of new shares, by converting the existing balance of the Legal reserve and part of the existing balance of capital reserve and retained earnings reserve.

23.3 Cancellation of treasury shares of Cosan S.A.

On April 26, 2019, it was ratified at the Ordinary and Extraordinary Shareholders' Meeting and the cancellation of 9,000,000 shares issued by the Company that were held in treasury, previously performed by the Board of Directors on March 26, 2019.

23.4 Capital increase in subsidiary Comgás

On April 25, 2019, the Ordinary and Extraordinary General Meeting approved the increase of the Comgás share capital in the amount of R\$386,283, through (i) the capitalization of the goodwill reserve in the amount of R\$56,276 and (ii) total legal reserve in the amount of R\$330,007.

- (i) Of the total amount of the increase through the capitalization of the goodwill reserve, 30% (thirty percent) corresponding to R\$16,883 will be capitalized without the issuance of new shares for the benefit of all shareholders and 70% (seventy percent) of the total amount of the increase corresponding to R\$39,393 will be capitalized in favor of the Company's controlling shareholder, Cosan S.A. upon the issue of new common shares and Class A preferred shares.
- (ii) Considering that on December 31, 2018, the Company's legal reserve reached a limit of 20% of the share capital, it was decided to capitalize the legal reserve, without the issuance of new shares.

23.5 Voluntary public tender offer for the acquisition of common shares issued by its subsidiary Comgás

On April 30, 2019, Cosan S.A. announces a voluntary public tender offer ("Voluntary TO ON") for the acquisition of common shares issued by its subsidiary Comgás, at the price of R\$82.00 (eighty two Reais) per share. The Voluntary TO ON object will be the acquisition of up to all outstanding common shares issued by Comgás and traded on B3, currently amounting to 2,683,835 common shares, accounting for 2.03% of the total capital stock of Comgás, on the condition that two thirds (2/3) of all shareholders of outstanding common shares adhere to it. The Voluntary TO ON will not be registered at the CVM and will not require cancellation of Comgás' s registration as issuer of Category A securities.

Cosan S.A. also signed, on this date, a private agreement with shareholders of 1,700,795 common shares issued by Comgás, under which Cosan undertakes to acquire, and the shareholders undertake to sell, all said common shares under the Voluntary TO ON. The common shares subject to this private agreement account for approximately 63.37% of the Comgás' s outstanding common shares.

24 New standards and interpretations not yet effective

Certain new standards and amendments to standards are effective for annual periods beginning after January 1, 2019 and earlier application is permitted; however, the Company has not early adopted the following new or amended standards in preparing these consolidated financial statements.

24.1 IFRS 17 - Insurance Contracts

This standard introduces a new model for accounting for insurance contracts. IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Based on preliminary work we estimate the impact will be immaterial, we are in the process of reviewing our existing arrangements to determine the impact on adoption.

No other new accounting pronouncement issued or in force during the fiscal year had or should have a material impact on the financial statements.