

Cosan Ltd.
Form 6-K
May 13, 2016
[Table of Contents](#)

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant To Rule 13a-16 Or 15d-16

of the Securities Exchange Act of 1934

For the month of May, 2016

Commission File Number: 1-33659

COSAN LIMITED

(Translation of registrant's name into English)

Av. Juscelino Kubitschek, 1327, 4th floor

São Paulo, SP 04543-000 Brazil

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F X

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

No X

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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes _____

No X

Table of Contents

COSAN LIMITED

Item

1. Consolidated interim financial statements as at March 31, 2016 and independent auditors' review report

Table of Contents

Cosan Limited

Consolidated interim financial

statements as at March 31, 2016 and

independent auditors' review report

Table of Contents

Cosan Limited

Consolidated financial statements

March 31, 2016

Contents

| | |
|---|----|
| <u>Independent auditors' report on review of interim financial statements</u> | 3 |
| <u>Consolidated statements of financial position</u> | 4 |
| <u>Consolidated statements of profit or loss and other comprehensive income</u> | 6 |
| <u>Consolidated statements of changes in equity</u> | 8 |
| <u>Consolidated statements of cash flows</u> | 10 |
| <u>Notes to the consolidated financial statements</u> | 12 |

Table of Contents

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Board of Directors and Shareholders

Cosan Limited

Introduction

We have reviewed the accompanying consolidated interim financial information of Cosan Limited (The Company), contained in the Quarterly Information Form ITR for the quarter ended March 31, 2016, which comprises the statement of financial position as of March 31, 2016 and the respective statements of profit or loss and comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, including the footnotes.

Management is responsible for the preparation of the consolidated interim financial information in accordance with IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board IASB, such as for the presentation of this information in accordance with the regulations of the Brazilian Securities Commission CVM, applicable to the preparation of Quarterly Information ITR. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International standards on review engagements of interim financial information (NBC TR 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity 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 the 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 the audit standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the Quarterly Information Form ITR referred to above has not been prepared, in all material respects, in accordance with IAS 34 applicable to the preparation of Quarterly Information ITR, and presented in accordance with the regulations of the Brazilian Securities Commission CVM.

São Paulo, May 12, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Rogério Hernandez Garcia

Contador CRC 1SP213431/O-5

Table of Contents**Cosan Limited****Consolidated statements of financial position***(In thousands of Brazilian Reais - R\$)*

| | Note | March 31, 2016 | December 31, 2015 (Restated) |
|----------------------------------|------|-------------------|---------------------------------|
| Assets | | | |
| Cash and cash equivalents | 5 | 3,209,652 | 3,505,824 |
| Restricted cash | | | 57,290 |
| Marketable securities | 6 | 549,694 | 749,698 |
| Trade receivables | 7 | 903,486 | 904,245 |
| Derivative financial instruments | 26 | 54,610 | 138,105 |
| Inventories | | 654,074 | 656,901 |
| Receivables from related parties | 9 | 81,152 | 75,229 |
| Income tax receivable | | 130,162 | 135,050 |
| Other current tax receivable | 8 | 213,680 | 311,892 |
| Dividends receivable | | 146,730 | 12,064 |
| Assets held for sale | 12 | 217,515 | 149,938 |
| Other current assets | | 132,910 | 138,995 |
| Total current assets | | 6,293,665 | 6,835,231 |
| Trade receivables | 7 | 62,355 | 60,733 |
| Restricted cash | | 181,875 | 200,893 |
| Deferred tax assets | 20 | 1,683,252 | 1,698,611 |
| Receivables from related parties | 9 | 235,665 | 221,345 |
| Income tax receivable | | 253,838 | 274,597 |
| Other non-current tax receivable | 8 | 706,734 | 633,549 |
| Judicial deposits | 21 | 691,760 | 680,224 |
| Derivative financial instruments | 26 | 1,929,835 | 2,292,191 |
| Other non-current assets | | 1,195,610 | 1,185,787 |
| Investments in associates | 10 | 180,702 | 184,376 |
| Investments in joint ventures | 11 | 8,266,574 | 8,237,190 |
| Investment property | 12 | 2,526,141 | 2,595,035 |
| Property, plant and equipment | 13 | 10,033,703 | 9,805,887 |
| Intangible assets and goodwill | 14 | 17,274,892 | 17,309,689 |
| Total non-current assets | | 45,222,936 | 45,380,107 |
| Total assets | | 51,516,601 | 52,215,338 |

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

Table of Contents**Cosan Limited****Consolidated statements of financial position***(In thousands of Brazilian Reais - R\$)*

| | Note | March 31, 2016 | December 31, 2015 (Restated) |
|--|------|-------------------|---------------------------------|
| Liabilities | | | |
| Loans, borrowings and debentures | 15 | 3,443,065 | 2,775,510 |
| Leases | 16 | 542,366 | 539,615 |
| Advances on real estate credits | | 58,479 | 88,089 |
| Derivative financial instruments | 26 | 309,635 | 812 |
| Trade payables | 18 | 1,949,548 | 1,963,981 |
| Employee benefits payable | | 199,864 | 256,279 |
| Income tax payable | | 50,632 | 59,620 |
| Other taxes payable | 19 | 174,807 | 153,540 |
| Leases on concessions | 17 | 26,782 | 20,205 |
| Dividends payable | | 36,108 | 39,934 |
| Payables to related parties | 9 | 242,961 | 204,080 |
| Deferred revenue | | 14,167 | 110,517 |
| Other financial liabilities | | 132,246 | 236,698 |
| Other current liabilities | | 413,902 | 473,753 |
| Total current liabilities | | 7,594,562 | 6,922,633 |
| | | | |
| Loans, borrowings and debentures | 15 | 14,991,399 | 16,053,693 |
| Leases | 16 | 1,188,325 | 1,202,086 |
| Advances on real estate credits | | 207,356 | 196,917 |
| Derivative financial instruments | 26 | 689,694 | 741,686 |
| Trade payables | 18 | 865 | 1,031 |
| Other taxes payable | 19 | 47,646 | 51,327 |
| Provision for legal proceedings | 21 | 1,214,779 | 1,193,931 |
| Leases on concessions | 17 | 2,293,627 | 2,204,039 |
| Post-employment benefits | 27 | 349,414 | 344,447 |
| Deferred tax liabilities | 20 | 4,084,553 | 4,179,564 |
| Preferred shareholders payable in subsidiaries | | 2,111,942 | 2,042,878 |
| Deferred revenue | | 70,168 | 95,730 |
| Other non-current liabilities | | 800,288 | 723,034 |
| Total non-current liabilities | | 28,050,056 | 29,030,363 |

| | | | |
|--|----|-------------------|-------------------|
| Total liabilities | | 35,644,618 | 35,952,996 |
| Shareholders' equity | 22 | | |
| Share capital | | 5,328 | 5,328 |
| Additional paid-in capital | | 4,001,024 | 4,006,562 |
| Accumulated other comprehensive loss | | (474,885) | (478,207) |
| Retained earnings | | 2,556,875 | 2,425,567 |
| Equity attributable to owners of the parent | | 6,088,342 | 5,959,250 |
| Non-controlling interests | | 9,783,641 | 10,303,092 |
| Total shareholders' equity | | 15,871,983 | 16,262,342 |
| Total liabilities and shareholders' equity | | 51,516,601 | 52,215,338 |

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

Table of Contents**Cosan Limited****Consolidated statements of profit or loss and other comprehensive income****For the quarters ended March 31, 2016 and 2015***(In thousands of Brazilian Reais R\$, except earnings per share)*

| | Note | March 31, 2016 | March 31, 2015 |
|--|-------------|---------------------------|---------------------------|
| Net sales | | 3,141,982 | 2,141,124 |
| Cost of sales | | (2,066,104) | (1,591,340) |
| Gross profit | | 1,075,878 | 549,784 |
| Selling expenses | | (236,830) | (219,326) |
| General and administrative expenses | | (235,540) | (179,812) |
| Other income expense, net | 25 | (37,566) | (99,324) |
| Operating expense | | (509,936) | (498,462) |
| Income before equity in earnings of investees and financial results | | 565,942 | 51,322 |
| Equity in earnings of investees | | | |
| Equity in earnings of associates | 10 | (1,558) | (4,635) |
| Equity in earnings of joint ventures | 11 | 441,344 | 157,772 |
| | | 439,786 | 153,137 |
| Financial results | 24 | | |
| Finance expense | | (876,738) | (291,612) |
| Finance income | | 250,773 | 69,791 |
| Foreign exchange losses, net | | 525,354 | (591,834) |
| Derivatives | | (704,142) | 555,232 |
| | | (804,753) | (258,423) |
| Profit (loss) before taxes | | 200,975 | (53,964) |
| Income tax (expense) benefit | 20 | | |
| Current | | (101,495) | (4,838) |
| Deferred | | 81,275 | 84,529 |
| | | (20,220) | 79,691 |

| | | |
|---|----------------|---------------|
| Net profit for the period | 180,755 | 25,727 |
| Other comprehensive income (loss) | 22 | |
| Items that may be reclassified to profit or loss: | | |
| Foreign currency translation effect | 33,810 | (80,686) |
| (Loss) gain on cash flow hedge in joint ventures and subsidiary | (27,092) | 20,735 |
| Changes in fair value of available for sale securities | (2,579) | 1,486 |

Table of Contents**Cosan Limited****Consolidated statements of profit or loss and other comprehensive income****For the quarters ended March 31, 2016 and 2015***(In thousands of Brazilian Reais R\$, except earnings per share)*

| | | | |
|--|----------------|-----------------|-----------|
| Taxes on items that may be reclassified to profit or loss | 877 | (505) | |
| Total other comprehensive income (loss), net of tax | 5,016 | (58,970) | |
| Total comprehensive income (loss) | 185,771 | (33,243) | |
| Net income attributable to: | | | |
| Owners of the Parent | 131,308 | 9,539 | |
| Non-controlling interests | 49,447 | 16,188 | |
| Total comprehensive income (loss) attributable to: | | | |
| Owners of the Parent | 134,630 | (50,459) | |
| Non-controlling interests | 51,141 | 17,216 | |
| Basic earnings per share from continuing operations | 23 | R\$0.50 | R\$0.04 |
| Diluted earnings per share from continuing operations | 23 | R\$0.44 | (R\$0.02) |

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

Table of Contents**Cosan Limited****Consolidated statements of changes in equity****For the quarters ended March 31, 2016 and 2015***(In thousands of Brazilian Reais R\$)*

| | Share capital | Capital reserve Additional paid-in capital | Accumulated other comprehensive loss | Retained earnings | Equity attributable to owners of the parent | Non- controlling interests | Total equity |
|---|------------------|--|---|----------------------|--|----------------------------------|-------------------|
| At January 1, 2016 | 5,328 | 4,006,562 | (478,207) | 2,483,283 | 6,016,966 | 10,337,706 | 16,354,672 |
| Adoption to IAS 41 effect joint ventures (Note 2.2) | | | | (57,716) | (57,716) | (34,614) | (92,330) |
| At January 1, 2016 (Restated) | 5,328 | 4,006,562 | (478,207) | 2,425,567 | 5,959,250 | 10,303,092 | 16,262,342 |
| Net profit for the period | | | | 131,308 | 131,308 | 49,447 | 180,755 |
| Other comprehensive income: | | | | | | | |
| Foreign currency translation effects | | | 20,610 | | 20,610 | 13,200 | 33,810 |
| Loss on cash flow hedge in joint ventures and subsidiary | | | (16,935) | | (16,935) | (10,157) | (27,092) |
| Changes in fair value of available for sale securities | | | (353) | | (353) | (1,349) | (1,702) |
| Total comprehensive income for the period | | | 3,322 | 131,308 | 134,630 | 51,141 | 185,771 |
| Contributions by and distributions to owners of the Parent: | | | | | | | |
| Dividends non-controlling interests | | (7,091) | | | (7,091) | 7,091 | |

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| | | | | | | | |
|--|--------------|-----------|-----------|-----------|-----------|-----------|------------|
| Share-based compensation | Subsidiaries | 1,553 | | 1,553 | | 1,396 | 2,949 |
| Dividends | | | | | | (579,079) | (579,079) |
| Total contributions by and distributions to owners of the Parent | | | | | | | |
| | | (5,538) | | (5,538) | | (570,592) | (576,130) |
| At March 31, 2016 | 5,328 | 4,001,024 | (474,885) | 2,556,875 | 6,088,342 | 9,783,641 | 15,871,983 |

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

Table of Contents**Cosan Limited****Consolidated statements of changes in equity****For the quarters ended March 31, 2016 and 2015***(In thousands of Brazilian Reais R\$)*

| | Share capital | Capital reserve Additional paid-in capital | Accumulated other comprehensive income | Retained earnings | Equity attributable to owners of the parent | Non- controlling interests | Total equity |
|---|------------------|--|---|----------------------|---|----------------------------------|-------------------|
| At January 1, 2015 | 5,328 | 3,887,109 | (165,618) | 2,117,739 | 5,844,558 | 7,644,749 | 13,489,307 |
| Net profit for the period | | | | 9,539 | 9,539 | 16,188 | 25,727 |
| Other comprehensive income: | | | | | | | |
| Foreign currency translation effects | | | (72,952) | | (72,952) | (7,734) | (80,686) |
| Gain on cash flow hedge in joint ventures and subsidiary | | | 12,962 | | 12,962 | 7,773 | 20,735 |
| Changes in fair value of available for sale securities | | | (8) | | (8) | 989 | 981 |
| Total comprehensive income for the period | | | (59,998) | 9,539 | (50,459) | 17,216 | (33,243) |
| Contributions by and distributions to owners of the Parent: | | | | | | | |
| Share-based compensation Subsidiaries | | 1,831 | | | 1,831 | 1,098 | 2,929 |
| Dividends | | | | | | (75,000) | (75,000) |
| Total contributions by and distributions to owners of the Parent | | 1,831 | | | 1,831 | (73,902) | (72,071) |

| | | | | | | | |
|--------------------------|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| At March 31, 2015 | 5,328 | 3,888,940 | (225,616) | 2,127,278 | 5,795,930 | 7,588,063 | 13,383,993 |
|--------------------------|--------------|------------------|------------------|------------------|------------------|------------------|-------------------|

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

Table of Contents**Cosan Limited****Consolidated statements of cash flows****For the quarters ended March 31, 2016 and 2015***(In thousands of Brazilian Reais R\$)*

| | Note | March 31, 2016 | March 31, 2015 |
|--|-------------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Profit (loss) before taxes | | 200,975 | (53,964) |
| Adjustments for: | | | |
| Depreciation and amortization | 13 / 14 | 401,332 | 165,391 |
| Equity in earnings of associates | 10 | 1,558 | 4,635 |
| Equity in earnings of joint ventures | 11 | (441,344) | (157,772) |
| Loss on disposal of assets | | 4,841 | 1,281 |
| Share-based compensation expense | 9 | 2,949 | 2,930 |
| Change in fair value of investment property | 12 / 25 | 290 | (14,320) |
| Provisions for legal proceedings | 25 | 21,197 | 9,200 |
| Indexation charges, interest and exchange gains/losses, net | | 860,692 | 331,898 |
| Other | | 3,308 | 20,502 |
| | | 1,055,798 | 309,781 |
| Decrease (increase) in assets/ (Decrease) Increase in liabilities: | | | |
| Trade receivables | | 2,646 | (8,280) |
| Inventories | | (6,276) | 33,468 |
| Recoverable taxes | | 41,179 | (34,796) |
| Related parties | | 16,599 | (46,693) |
| Trade payables | | (27,619) | 213,518 |
| Other financial liabilities | | (104,451) | |
| Employee benefits | | (74,943) | (54,012) |
| Provisions for legal proceedings | | (16,465) | (312) |
| Judicial deposits | | (1,566) | (955) |
| Post-employment benefits | | (6,284) | (5,201) |
| Income and other taxes | | (76,394) | (990) |
| Leases on concessions | | (25,996) | |
| Other assets and liabilities, net | | (112,759) | (105,096) |
| | | (392,329) | (9,349) |
| Net cash generated by operating activities | | 663,469 | 300,432 |

Cash flows from investing activities

| | | |
|--|----------------|------------------|
| Capital contribution in associates | (2,170) | (22,555) |
| Marketable securities | 213,463 | |
| Restricted cash | 78,283 | |
| Dividends received from joint ventures | 251,396 | 93,925 |
| Acquisition of property, plant and equipment, intangible assets and investments, net | (389,300) | (181,685) |
| Net cash generated by (used in) investing activities | 151,672 | (110,315) |

Table of Contents**Cosan Limited****Consolidated statements of cash flows****For the quarters ended March 31, 2016 and 2015***(In thousands of Brazilian Reais R\$)*

| | | |
|--|--------------------|------------------|
| Cash flows from financing activities | | |
| Loans, borrowings and debentures raised | 628,261 | 705,479 |
| Payment of loans, borrowings and debentures | | |
| Principal | (527,214) | (359,460) |
| Interest | (330,694) | (167,633) |
| Payment of leases | | |
| Principal | (111,206) | |
| Interest | (91,171) | |
| Advances on real estate credits | (31,176) | |
| Derivative financial instruments | (8,131) | 178,832 |
| Dividends paid | (583,129) | (75,000) |
| Net cash (used in) generated by financing activities | (1,054,460) | 282,218 |
| (Decrease) increase in cash and cash equivalents | (239,319) | 472,335 |
| Cash and cash equivalents at beginning of the period | 3,505,824 | 1,649,340 |
| Effects of exchange rate changes on cash held | (56,853) | 710 |
| Cash and cash equivalents at end of the period | 3,209,652 | 2,122,385 |
| Supplemental cash flow information: | | |
| Income taxes paid | (32,530) | (24,082) |
| The accompanying notes are an integral part of these consolidated interim financial statements | | |

Table of Contents

Cosan Limited

Notes to the consolidated financial statements

For the quarters ended March 31, 2016 and 2015

(Amounts in thousands of Brazilian Reals – R\$, unless otherwise stated)

1 Operations

Cosan Limited (Cosan) was incorporated in Bermuda on April 30, 2007. Cosan's class A common shares are traded on the New York Stock Exchange (NYSE) (ticker CZZ). The BDRs (Brazilian Depositary Receipts) representing Cosan's class A common shares are listed on the Brazilian Stock Exchange (BM&FBovespa) (ticker CZLT33). Mr. Rubens Ometto Silveira Mello is the ultimate controlling shareholder of Cosan. Cosan controls its subsidiaries Cosan S.A. Indústria e Comércio (Cosan S.A.) and Cosan Logística S.A. (Cosan Logística) through a 62.51% and 63.27% interest, respectively. Cosan, Cosan S.A., Cosan Logística and its subsidiaries are collectively referred to as the Company .

The Company's primary activities are in the following business segments: (i) Piped natural gas distribution to part of the State of São Paulo through its subsidiary Companhia de Gás de São Paulo – COMGÁS (COMGÁS); (ii) Logistics services including transportation, port loading and storage of sugar, leasing or lending of locomotives, wagons and other railway equipment, through its indirect subsidiaries Rumo Logística Operadora Multimodal S.A. (Rumo) and América Latina Logística S.A. (ALL), logistic segment (Logistic); (iii) Purchase, sale and leasing of agricultural land through its subsidiaries, Radar Propriedades Agrícolas S.A. and Radar II Propriedades Agrícolas S.A. (Radar); (iv) Production and distribution of lubricants, through its indirect subsidiaries Cosan Lubrificantes e Especialidades S.A. (CLE) and Comma Oil & Chemicals Ltd. (Comma), under the Mobil licensed trademark in Brazil, Bolivia, Uruguay and Paraguay, in addition to the European and Asian market using the Comma brand and corporate activities (Lubricants); and (v) other investments, in addition to the corporate structures of the Company (Cosan's other business).

The Company also holds interests in two joint ventures (JVs): (i) Raízen Combustíveis S.A. (Raízen Combustíveis), a fuel distribution business, and (ii) Raízen Energia S.A. (Raízen Energia), which operates in the production and marketing of sugar, ethanol and energy cogeneration, produced from sugar cane bagasse.

On March 31, 2016, Cosan Logística had a negative consolidated working capital of R\$2,863,678 and loss for the period of R\$48,044. Nevertheless, it presented a net cash generation from operations of R\$355,105 and made investments in the modernization of its fleet and improving the railway network in the amount of R\$284,874, in line with its business plan.

The subsidiary Cosan S.A. and Cosan Logística are part of an agreement with the non-controlling interest holder of Rumo. This agreement provides the non-controlling interest holder the right to substitute its shares in Rumo for a fixed number of shares to be issued by Cosan S.A. and Cosan Logística. On April 28, 2016, the GIF Rumo Fundo de Investimentos em Participações (GIF) exercised its right to Exchange shares issued by Rumo for shares issued by Cosan S.A. and shares issued by Cosan Logística.

On April 13, 2016, Rumo completed a capital increase in an amount of R\$2,600,000 through an offer of shares to investors in Brazil and abroad. Rumo intends to use the net proceeds from the offering to strengthen its working capital and make investments.

2 Basis of preparation

2.1 Statement of compliance

The consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), and in accordance with the regulations issued by the Brazilian Securities Commission CVM applicable to the preparation of the Quarterly Information ITR. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2015.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2015, except for the adoption of new standards and interpretations effective as of January 1, 2016. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These consolidated financial statements were authorized for issue by the Board of Directors on May 12, 2016.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

2.2 New standards, interpretations and amendments adopted by the Company Restated

Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements or the interim consolidated financial statements of the Company. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model. The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. These amendments substantially impact the jointly controlled company Raízen Energia and do not have any effect to the Company since it does not have any bearer plants. The impact related to the initial adoption of the accounting standard for the year ended December 31, 2015, as follow:

| | Consolidated statements of financial position | | |
|-------------------------------|---|-----------------|-------------------|
| | December 31, 2015 | | |
| | As issued | IAS 41 effect | Restated |
| Assets | | | |
| Current assets | 6,835,231 | | 6,835,231 |
| Investments in joint ventures | 8,329,520 | (92,330) | 8,237,190 |
| Other non-current assets | 37,142,917 | | 37,142,917 |
| Total assets | 52,307,668 | (92,330) | 52,215,338 |
| Liabilities | | | |
| Current liabilities | 6,922,633 | | 6,922,633 |
| Non-current liabilities | 29,030,363 | | 29,030,363 |
| Total liabilities | 35,952,996 | | 35,952,996 |

Shareholders' equity

| | | | |
|--|-------------------|-----------------|-------------------|
| Share capital | 5,328 | | 5,328 |
| Additional paid-in capital | 4,006,562 | | 4,006,562 |
| Accumulated other comprehensive loss | (478,207) | | (478,207) |
| Retained earnings | 2,483,283 | (57,716) | 2,425,567 |
| Equity attributable to owners of the parent | 6,016,966 | (57,716) | 5,959,250 |
| Non-controlling interests | 10,337,706 | (34,614) | 10,303,092 |
| Total shareholders' equity | 16,354,672 | (92,330) | 16,262,342 |
| Total liabilities and shareholders' equity | 52,307,668 | (92,330) | 52,215,338 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)

3 Significant accounting policies

The accounting policies set out below have been applied consistently by the Company to all periods presented.

3.1 Basis of consolidation

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

| | March 31, 2016 | December 31, 2015 |
|--|-----------------------|--------------------------|
| Directly owned subsidiaries | | |
| Cosan Logística S.A. | 63.27% | 63.27% |
| Cosan S.A. Indústria e Comércio | 62.51% | 62.51% |
| Interest of Cosan S.A. in its subsidiaries | | |
| Águas da Ponte Alta S.A. | 65.00% | 65.00% |
| Bioinvestments Negócios e Participações S.A. | 65.00% | 65.00% |
| Comma Oil Chemicals Limited | 100.00% | 100.00% |
| Companhia de Gás de São Paulo COMGÁS | 61.33% | 61.33% |
| Cosan Biomassa S.A. | 100.00% | 100.00% |
| Cosan Cayman II Limited | 100.00% | 100.00% |
| Cosan Global Limited | 100.00% | 100.00% |
| Cosan Investimentos e Participações S.A. | 100.00% | 100.00% |
| Cosan Lubes Investments Limited | 100.00% | 100.00% |
| Cosan Lubrificantes e Especialidades S.A. | 100.00% | 100.00% |
| Cosan Luxembourg S.A. | 100.00% | 100.00% |
| Cosan Overseas Limited | 100.00% | 100.00% |
| Cosan Paraguay S.A. | 100.00% | 100.00% |
| Cosan US, Inc. | 100.00% | 100.00% |
| Ilha Terminal Distribuição de Produto Químicos Ltda. | 100.00% | 100.00% |
| Nova Agrícola Ponte Alta S.A. | 29.50% | 29.50% |
| Nova Amaralina S.A. Propriedades Agrícolas | 29.50% | 29.50% |
| Nova Santa Barbara Agrícola S.A. | 29.50% | 29.50% |
| Pasadena Empreendimentos e Participações S.A. | 100.00% | 100.00% |
| Proud Participações S.A. | 65.00% | 65.00% |

| | | |
|--|---------|---------|
| Radar II Propriedades Agrícolas S.A. | 65.00% | 65.00% |
| Radar Propriedades Agrícolas S.A. | 29.50% | 29.50% |
| Terras da Ponte Alta S.A. | 29.50% | 29.50% |
| Vale da Ponte Alta S.A. | 65.00% | 65.00% |
| Zip Lube S.A. | 100.00% | 100.00% |
| Interest of Cosan Logística S.A. in its subsidiaries | | |
| ALL América Latina Logística Argentina S.A. | 23.89% | 23.89% |
| ALL América Latina Logística Armazéns Gerais Ltda. | 26.26% | 26.26% |
| ALL América Latina Logística Central S.A. | 19.31% | 19.31% |
| ALL América Latina Logística Equipamentos Ltda ⁽ⁱ⁾ | | 26.26% |
| ALL América Latina Logística Intermodal S.A. | 26.26% | 26.26% |
| ALL América Latina Logística Malha Norte S.A. | 26.06% | 26.06% |
| ALL América Latina Logística Malha Oeste S.A. | 26.26% | 26.26% |
| ALL América Latina Logística Malha Paulista S.A. | 26.26% | 26.26% |
| ALL América Latina Logística Malha Sul S.A. | 26.26% | 26.26% |
| ALL América Latina Logística Mesopotâmica S.A. | 18.53% | 18.53% |
| ALL América Latina Logística Participações S.A. ⁽ⁱ⁾ | | 26.26% |
| ALL América Latina Logística Rail Management Ltda. | 13.13% | 13.13% |
| ALL América Latina Logística S.A. | 26.26% | 26.26% |
| ALL América Latina Logística Serviços Ltda. | 26.26% | 26.26% |
| Boswells S.A. | 26.26% | 26.26% |
| Brado Holding S.A. | 26.26% | 26.26% |
| Brado Logística e Participações S.A. | 16.34% | 16.34% |
| Brado Logística S.A. | 16.34% | 16.34% |
| Logisport Armazéns Gerais S.A. | 13.39% | 13.39% |
| Paranaguá S.A. | 26.22% | 26.22% |
| PGT Grains Terminal S.A. | 26.26% | 26.26% |
| Portofer Transporte Ferroviário Ltda. | 26.26% | 26.26% |
| Rumo Logística Operadora Multimodal S.A. | 26.26% | 26.26% |

(i) Incorporated in March 1, 2016 by ALL Intermodal S.A.

Table of Contents

Cosan Limited

Notes to the consolidated financial statements

For the quarters ended March 31, 2016 and 2015

(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)

3.2 New standards and interpretations not yet adopted

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

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company has yet to assess IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

The Company is currently assessing the potential impacts of adopting IFRS 15.

IFRS 16 Leases was issued on January 13, 2016. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. For lessees, the lease becomes an on-balance sheet liability that attracts interest, together with a new asset on the other side of the balance sheet. In other words, lessees will appear to become more asset-rich but also more heavily indebted. The new standard takes effect in January 2019.

There are no other IFRS or IFRIC interpretations that are not yet effective and that are expected to have a significant impact on the Company.

4 Operating segments

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.

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

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)*

| March 31, 2016 | | | | | | | | | | |
|-----------------------|---------------------|---------------|--------------|-------------------|------------------|-----------------|-----------------------|----------------------|---------------------|-----------|
| Óleo | Raízen | COMGÁS | Radar | Lubricants | Logistics | Other | Deconsolidated | Segment | Total | C |
| energia | Combustíveis | | | | | business | effects IFRS | elimination / | consolidated | En |
| | | | | | | | 11 | adjustments | | |
| 66,279 | 16,391,752 | 1,460,076 | 22,913 | 479,124 | 1,185,891 | 34 | (20,258,031) | (6,056) | 3,141,982 | 1,9 |
| 79,105 | 16,391,752 | 1,460,076 | 22,913 | 365,932 | 1,145,496 | 34 | (18,070,857) | (6,056) | 2,988,395 | 1,8 |
| 87,174 | | | | 113,192 | 40,395 | | (2,187,174) | | 153,587 | 1 |
| 67,086) | (15,600,588) | (828,583) | | (371,944) | (871,083) | (550) | 18,267,674 | 6,056 | (2,066,104) | (1,2 |
| 99,193 | 791,164 | 631,493 | 22,913 | 107,180 | 314,808 | (516) | (1,990,357) | | 1,075,878 | 7 |
| 88,404) | (357,096) | (154,584) | | (83,974) | 1,728 | | 545,500 | | (236,830) | (2 |
| 63,286) | (101,209) | (73,327) | (7,575) | (18,793) | (89,774) | (46,071) | 264,495 | | (235,540) | (1 |
| 68,479 | 80,718 | (2,016) | (211) | 1,701 | 2,272 | (39,312) | (149,197) | | (37,566) | 6 |
| 09,241 | (132,961) | (96,075) | 3,764 | (18,913) | (427,296) | (371,013) | (76,280) | 104,780 | (804,753) | (4 |
| 62,775) | (43,355) | (209,988) | (409) | (8,797) | (469,652) | (292,672) | 306,130 | 104,780 | (876,738) | (4 |
| 62,288 | 59,551 | 113,554 | 4,222 | 964 | 61,526 | 70,507 | (221,839) | | 250,773 | 1 |
| 15,174) | 358,297 | 123,854 | (49) | 17,421 | 46,520 | 337,608 | (343,123) | | 525,354 | 5 |
| 24,902 | (507,454) | (123,495) | | (28,501) | (65,690) | (486,456) | 182,552 | | (704,142) | (6 |
| 36,283) | 2,520 | | | (866) | 3,558 | 282,490 | 33,763 | (286,740) | (1,558) | 4 |
| | | | | | | 441,344 | | | 441,344 | 4 |

| | | | | | | | | | | |
|---------|-----------|-----------|---------|----------|-----------|-----------|-------------|-----------|-----------|---|
| 68,617) | (109,974) | (104,635) | (3,936) | 567 | 10,320 | 113,089 | 478,591 | (35,625) | (20,220) | |
| 20,323 | 173,162 | 200,856 | 14,955 | (13,098) | (184,384) | 380,011 | (893,485) | (217,585) | 180,755 | 3 |
| | | | | | | | | | | |
| 20,323 | 163,097 | 200,856 | 14,955 | (13,098) | (48,044) | 380,011 | (883,420) | (403,372) | 131,308 | 2 |
| | 10,065 | | | | (136,340) | | (10,065) | 185,787 | 49,447 | |
| | | | | | | | | | | |
| 43,442 | 163,619 | 119,047 | 155 | 20,629 | 209,786 | 2,963 | (807,061) | | 352,580 | 1 |
| 23,141 | 579,716 | 520,613 | 15,282 | 25,877 | 442,378 | 640,898 | (2,102,857) | (286,740) | 1,358,308 | 9 |
| | | | | | | | | | | |
| 10,634 | 179,164 | 94,139 | 100 | 9,348 | 284,874 | 838 | (989,798) | | 389,299 | 1 |
| | | | | | | | | | | |
| 20,323 | 173,162 | 200,856 | 14,955 | (13,098) | (184,384) | 380,011 | (893,485) | (217,585) | 180,755 | 3 |
| | | | | | | | | | | |
| 68,617 | 109,974 | 104,635 | 3,936 | (567) | (10,320) | (113,089) | (478,591) | 35,625 | 20,220 | |
| 09,241) | 132,961 | 96,075 | (3,764) | 18,913 | 427,296 | 371,013 | 76,280 | (104,780) | 804,753 | 4 |
| | | | | | | | | | | |
| 43,442 | 163,619 | 119,047 | 155 | 20,629 | 209,786 | 2,963 | (807,061) | | 352,580 | 1 |
| 23,141 | 579,716 | 520,613 | 15,282 | 25,877 | 442,378 | 640,898 | (2,102,857) | (286,740) | 1,358,308 | 9 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)*

| March 31, 2015 | | | | | | | | | | |
|----------------|---------------------|-------------|---------|------------|-----------|----------------|--|-----------------------------------|--------------------|--------------|
| Raízen Energia | Raízen Combustíveis | COMGÁS | Radar | Lubricants | Logistics | Other business | Deconsolidated Segment effects IFRS 11 | Segment elimination / adjustments | Total consolidated | Consolidated |
| 1080,040 | 14,061,510 | 1,534,064 | 21,606 | 379,843 | 205,611 | | (17,141,550) | | 2,141,124 | 1,941,124 |
| 166,359 | 14,061,510 | 1,534,064 | 21,606 | 305,666 | 176,847 | | (15,227,869) | | 2,038,183 | 1,862,333 |
| 913,681 | | | | 74,177 | 28,764 | | (1,913,681) | | 102,941 | |
| 620,827) | (13,260,089) | (1,154,677) | (1,738) | (288,575) | (146,350) | | 15,880,916 | | (1,591,340) | (1,470,424) |
| 459,213 | 801,421 | 379,387 | 19,868 | 91,268 | 59,261 | | (1,260,634) | | 549,784 | 400,513 |
| 149,073) | (315,933) | (154,521) | | (64,805) | | | 465,006 | | (219,326) | (270,321) |
| 140,651) | (100,271) | (86,595) | (7,207) | (16,146) | (24,371) | (45,493) | 240,922 | | (179,812) | (139,161) |
| 39,099 | 60,926 | (2,081) | 14,324 | 159 | (460) | (111,266) | (100,025) | | (99,324) | (60,225) |
| 238,303) | 12,953 | (73,959) | 1,691 | 3,770 | (20,398) | (169,527) | 225,350 | | (258,423) | (25,073) |
| 204,842) | (38,955) | (103,891) | (355) | (8,445) | (10,323) | (172,421) | 243,797 | 3,823 | (291,612) | (25,073) |
| 147,793 | 37,777 | 37,314 | 2,070 | 329 | 5,653 | 28,248 | (185,570) | (3,823) | 69,791 | |
| 605,426) | (172,806) | (242,513) | (24) | 2,614 | (56,217) | (295,694) | 778,232 | | (591,834) | (5,060,426) |
| 424,172 | 186,937 | 235,131 | | 9,272 | 40,489 | 270,340 | (611,109) | | 555,232 | 400,513 |
| (5,990) | 4,048 | | | (4,960) | | 8,960 | 1,942 | (8,635) | (4,635) | |
| | | | | | | 157,772 | | | 157,772 | 157,772 |

| | | | | | | | | | | |
|----------|-----------|----------|---------|---------|---------|-----------|-------------|----------|----------|---|
| 42,751 | (144,976) | (31,841) | (3,343) | (5,705) | (4,832) | 125,412 | 102,225 | | 79,691 | |
| 7,046 | 318,168 | 30,390 | 25,333 | 3,581 | 9,200 | (34,142) | (325,214) | (8,635) | 25,727 | (|
| | | | | | | | | | | |
| 7,046 | 306,146 | 30,390 | 25,333 | 3,581 | 7,553 | (34,142) | (313,192) | (23,176) | 9,539 | (|
| | 12,022 | | | | 1,647 | | (12,022) | 14,541 | 16,188 | |
| | | | | | | | | | | |
| 627,614 | 139,333 | 119,451 | 245 | 17,928 | 26,653 | 974 | (766,947) | | 165,251 | 1 |
| 830,212 | 589,524 | 255,641 | 27,230 | 23,444 | 61,083 | 10,947 | (1,419,736) | (8,635) | 369,710 | 3 |
| | | | | | | | | | | |
| 828,526 | 239,699 | 123,566 | 668 | 8,300 | 30,989 | 18,162 | (1,068,225) | | 181,685 | 1 |
| | | | | | | | | | | |
| 7,046 | 318,168 | 30,390 | 25,333 | 3,581 | 9,200 | (34,142) | (325,214) | (8,635) | 25,727 | (|
| | | | | | | | | | | |
| (42,751) | 144,976 | 31,841 | 3,343 | 5,705 | 4,832 | (125,412) | (102,225) | | (79,691) | (|
| 238,303 | (12,953) | 73,959 | (1,691) | (3,770) | 20,398 | 169,527 | (225,350) | | 258,423 | 2 |
| | | | | | | | | | | |
| 627,614 | 139,333 | 119,451 | 245 | 17,928 | 26,653 | 974 | (766,947) | | 165,251 | 1 |
| 830,212 | 589,524 | 255,641 | 27,230 | 23,444 | 61,083 | 10,947 | (1,419,736) | (8,635) | 369,710 | 3 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)*

| March 31, 2016 | | | | | | Deconsolidated effects IFRS 11 | Segment elimination | Total consolidated |
|------------------------|-----------|-----------|------------|-----------|-------------------|--------------------------------------|------------------------|-----------------------|
| Raízen Combustíveis | COMGÁS | Radar | Lubricants | Logistics | Other business | | | |
| 1,384,957 | 1,000,160 | 817 | 72,625 | 207,406 | 1,928,644 | (4,372,632) | | 3,209,652 |
| | | 254,313 | | 295,381 | | | | 549,694 |
| 1,606,572 | 480,985 | 35,977 | 246,230 | 202,649 | | (2,064,367) | | 965,841 |
| 85,699 | 557,395 | | | 87,548 | 1,339,502 | (1,326,837) | | 1,984,445 |
| 1,184,264 | 132,608 | | 300,548 | 217,555 | 3,363 | (1,696,261) | | 654,074 |
| 1,341,716 | 91,661 | 190,992 | 63,279 | 343,988 | 302,105 | (3,012,105) | (69,876) | 922,149 |
| 842,308 | 277,987 | 62 | 23,666 | 2,860,622 | 1,795,254 | (3,883,858) | (8,857) | 4,948,734 |
| | | | 9,061 | 44,045 | 11,466,849 | (210,425) | (11,339,253) | 180,702 |
| | | | | | 8,266,574 | | | 8,266,574 |
| | | | | | | (968,521) | | |
| | | 2,526,141 | | | | | | 2,526,141 |
| 2,411,346 | | 1,740 | 242,310 | 9,637,560 | 152,093 | (13,777,306) | | 10,033,703 |
| 4,411,262 | 8,592,772 | 1,903 | 807,867 | 7,863,667 | 8,683 | (7,675,035) | | 17,274,892 |

| | | | | | | | | | |
|---|-------------------|-------------------|------------------|------------------|-------------------|-------------------|---------------------|---------------------|-------------------|
| | | | | | | | | | |
|) | (2,976,278) | (3,745,234) | | (541,796) | (8,662,993) | (5,484,441) | 12,816,947 | | (18,434,464) |
| | | | | | | | | | |
|) | (312,010) | | | (28,765) | (38,011) | (932,553) | 996,328 | | (999,329) |
|) | (774,195) | (1,143,536) | (2,294) | (241,456) | (558,791) | (4,336) | 1,666,041 | | (1,950,413) |
| | | | | | | | | | |
|) | (112,280) | (34,849) | (4,122) | (13,789) | (137,000) | (10,104) | 494,543 | | (199,864) |
|) | (1,470,728) | (137,948) | (34,499) | (88,966) | (1,284,717) | (214,171) | 2,246,871 | 67,851 | (1,692,450) |
| | | | | | | | | | |
|) | (2,762,282) | (1,206,805) | (105,185) | (178,240) | (7,242,814) | (3,812,259) | 3,996,238 | 177,205 | (12,368,098) |
| | | | | | | | | | |
| | 4,860,351 | 4,865,196 | 2,865,845 | 672,574 | 3,836,095 | 14,805,203 | (16,770,379) | (11,172,930) | 15,871,983 |
| | 13,268,124 | 11,133,568 | 3,011,945 | 1,765,586 | 21,760,421 | 25,263,067 | (38,987,347) | (11,417,986) | 51,516,601 |
| | | | | | | | | | |
| | 4,689,812 | 4,865,196 | 2,865,845 | 672,574 | 1,066,452 | 14,805,203 | (16,600,803) | (18,186,928) | 6,088,342 |
|) | 170,539 | | | | 2,769,643 | | (169,576) | 7,013,998 | 9,783,641 |
| | | | | | | | | | |
| | 4,860,351 | 4,865,196 | 2,865,845 | 672,574 | 3,836,095 | 14,805,203 | (16,770,379) | (11,172,930) | 15,871,983 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)*

| December 31, 2015 (Restated) | | | | | | Deconsolidated | Segment | Total |
|------------------------------|-----------|-----------|------------|-----------|------------|----------------|--------------|--------------|
| Raízen | COMGÁS | Radar | Lubricants | Logistics | Other | effects IFRS | elimination | consolidated |
| Combustíveis | | | | | business | 11 | | |
| 885,880 | 1,967,643 | 1,016 | 96,907 | 246,849 | 1,193,409 | (3,881,375) | | 3,505,824 |
| | | 241,430 | | 508,268 | | | | 749,698 |
| 2,058,601 | 540,132 | 38,510 | 220,417 | 165,671 | 248 | (2,777,693) | | 964,978 |
| 255,665 | 665,032 | | 12,363 | 99,863 | 1,653,038 | (1,721,481) | | 2,430,296 |
| 1,287,946 | 134,347 | | 293,916 | 225,784 | 2,854 | (3,659,933) | | 656,901 |
| 1,029,510 | 132,960 | 120,615 | 51,926 | 364,168 | 277,393 | (2,609,078) | (66,604) | 880,458 |
| 921,891 | 279,091 | 51 | (135,853) | 2,824,311 | 1,937,123 | (4,347,859) | (9,717) | 4,895,006 |
| 248,456 | | | 8,453 | 44,241 | 11,971,024 | (474,126) | (11,839,342) | 184,376 |
| | | | | | 8,237,190 | | | 8,237,190 |
| | | | | | | (730,348) | | |
| | | 2,595,035 | | | | | | 2,595,035 |
| 2,409,555 | | 2,029 | 243,080 | 9,404,087 | 156,691 | (13,385,232) | | 9,805,887 |
| 4,414,352 | 8,620,436 | 1,669 | 818,362 | 7,862,420 | 6,802 | (7,675,975) | | 17,309,689 |

| | | | | | | | | | |
|---|-------------|-------------|-----------|-----------|-------------|-------------|--------------|--------------|--------------|
| | | | | | | | | | |
|) | (3,226,449) | (3,823,067) | | (512,758) | (8,585,175) | (5,908,203) | 14,775,660 | | (18,829,203) |
| | | | | | | | | | |
|) | (67,902) | | | (291) | (1,780) | (740,427) | 744,223 | | (742,498) |
|) | (937,177) | (1,302,397) | (2,511) | (235,663) | (420,189) | (4,252) | 2,063,717 | | (1,965,012) |
| | | | | | | | | | |
|) | (83,214) | (65,522) | (5,684) | (15,061) | (149,871) | (20,141) | 398,918 | | (256,279) |
|) | (968,904) | (103,331) | (35,464) | (135,945) | (1,477,920) | (237,919) | 1,889,202 | 64,528 | (1,926,051) |
| | | | | | | | | | |
|) | (3,129,560) | (1,180,987) | (104,403) | (209,245) | (7,094,274) | (3,754,009) | 4,493,646 | 108,965 | (12,233,953) |
| | | | | | | | | | |
| | | | | | | | | | |
| - | 5,098,650 | 5,864,337 | 2,852,293 | 500,608 | 4,016,453 | 14,770,821 | (16,897,734) | (11,742,170) | 16,262,342 |
| 4 | 13,511,856 | 12,339,641 | 3,000,355 | 1,609,571 | 21,745,662 | 25,435,772 | (41,263,100) | (11,915,663) | 52,215,338 |
| | | | | | | | | | |
| 7 | 4,926,655 | 5,864,337 | 2,852,293 | 500,608 | 1,113,277 | 14,770,821 | (16,726,702) | (19,142,086) | 5,959,250 |
|) | 171,995 | | | | 2,903,176 | | (171,032) | 7,399,916 | 10,303,092 |
| | | | | | | | | | |
| 4 | 5,098,650 | 5,864,337 | 2,852,293 | 500,608 | 4,016,453 | 14,770,821 | (16,897,734) | (11,742,170) | 16,262,342 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)****Net sales by segment:***

| | March 31, 2016 | March 31, 2015 |
|----------------------------|---------------------------|---------------------------|
| Raízen Energia | | |
| Ethanol | 1,936,912 | 1,626,484 |
| Sugar | 1,846,288 | 1,408,329 |
| Cogeneration | 43,881 | 12,686 |
| Other | 39,198 | 32,541 |
| | 3,866,279 | 3,080,040 |
| Raízen Combustíveis | | |
| Fuels | 16,391,752 | 14,061,510 |
| | 16,391,752 | 14,061,510 |
| COMGÁS | | |
| Industrial | 1,006,065 | 1,027,851 |
| Residential | 155,406 | 120,857 |
| Thermo generation | 51,721 | 115,109 |
| Construction revenue | 66,192 | 90,381 |
| Commercial | 53,327 | 61,609 |
| Cogeneration | 54,523 | 65,972 |
| Automotive | 47,150 | 45,038 |
| Other | 25,692 | 7,247 |
| | 1,460,076 | 1,534,064 |
| Radar | | |
| Land lease | 19,189 | 16,986 |
| Property sales | | 1,879 |
| Other | 3,724 | 2,741 |
| | 22,913 | 21,606 |
| Lubricants | | |
| Lubricants | 425,912 | 309,708 |

| | | |
|--|------------------|------------------|
| Basic oil | 48,942 | 37,455 |
| Other | 4,270 | 32,680 |
| | 479,124 | 379,843 |
| Other businesses | 34 | |
| IFRS 11 Deconsolidated of adjustments/eliminations joint ventures and eliminations | (20,264,087) | (17,141,550) |
| Cosan Energia | 1,956,091 | 1,935,513 |
| Logistics | | |
| North operations ⁽ⁱ⁾ | 895,886 | 205,611 |
| South operations ⁽ⁱ⁾ | 224,871 | |
| Container operations ⁽ⁱ⁾ | 65,134 | |
| | 1,185,891 | 205,611 |
| Total | 3,141,982 | 2,141,124 |

(i) Segment created following the ALL Acquisition, which was completed on April 1, 2015.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***5 Cash and cash equivalents**

| | March 31, 2016 | December 31, 2015 |
|------------------------|---------------------------|------------------------------|
| Cash and bank deposits | 512,206 | 305,510 |
| Short-term investments | 2,697,446 | 3,200,314 |
| | 3,209,652 | 3,505,824 |

Short-term investments are composed as follows:

| | March 31, 2016 | December 31, 2015 |
|----------------------------------|---------------------------|------------------------------|
| Investment funds | | |
| Repurchase agreements | 880,819 | 1,252,229 |
| Bank certificate of deposits CDB | 911,477 | 792,279 |
| Other | 124,072 | 199,919 |
| | 1,916,368 | 2,244,427 |
| Bank investments | | |
| Repurchase agreements | 582,976 | 407,971 |
| Bank certificate of deposits CDB | 176,752 | 542,658 |
| Other | 21,350 | 5,258 |
| | 781,078 | 955,887 |
| | 2,697,446 | 3,200,314 |

6 Marketable securities

| | March 31, 2016 | December 31, 2015 |
|----------------------------------|---------------------------|------------------------------|
| Government security | 68,757 | 334,167 |
| Bank certificate of deposits CDB | 338,856 | 271,323 |
| Debentures | 142,081 | 144,208 |
| | 549,694 | 749,698 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***7 Trade receivables**

| | March 31, 2016 | December 31, 2015 |
|---------------------------------|---------------------------|------------------------------|
| Domestic Brazilian Reais | 1,010,489 | 999,007 |
| Export Foreign currency | 23,251 | 29,402 |
| Allowance for doubtful accounts | (67,899) | (63,431) |
| | 965,841 | 964,978 |
| Current | 903,486 | 904,245 |
| Non-current | 62,355 | 60,733 |

8 Other current tax receivable

| | March 31, 2016 | December 31, 2015 |
|---|---------------------------|------------------------------|
| ICMS State VAT | 603,531 | 597,023 |
| COFINS Revenue tax | 240,431 | 235,980 |
| PIS Revenue tax | 67,619 | 69,098 |
| PAES Special Program for Installment Payments | 1,977 | 33,245 |
| Provision for non-realization tax | (7,587) | (7,587) |
| Other | 14,443 | 17,682 |
| | 920,414 | 945,441 |
| Current | 213,680 | 311,892 |
| Non-current | 706,734 | 633,549 |

9 Related parties

a) Receivables from and payables to related parties:

| | March 31, 2016 | December 31, 2015 |
|-------------------------------|---------------------------|------------------------------|
| Current assets | | |
| Commercial operations | | |
| Raízen Energia S.A. | 43,770 | 47,591 |
| Raízen Combustíveis S.A. | 12,510 | 3,052 |
| Aguassanta Participações S.A. | 6,322 | 6,371 |
| Other | 4,436 | 4,085 |
| | 67,038 | 61,099 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***Corporate operation / Agreements**

| | | |
|---------------------|---------------|---------------|
| Raízen Energia S.A. | 14,114 | 13,028 |
| | 14,114 | 13,028 |

Financial operations

| | | |
|--------------------------|---------------|---------------|
| Raízen Combustíveis S.A. | | 1,102 |
| | | 1,102 |
| | 81,152 | 75,229 |

Non-current assets**Receivables under the framework agreement**

| | | |
|---------------------------------|----------------|----------------|
| Raízen Energia S.A. | 89,763 | 89,763 |
| Janus Brasil Participações S.A. | 20,875 | 20,875 |
| | 110,638 | 110,638 |

Financial operations

| | | |
|---------------------------------|----------------|---------------|
| Rezende Barbosa Group | 85,558 | 70,365 |
| Novvi Limited Liability Company | 15,586 | 17,121 |
| Other | 17 | 8 |
| | 101,161 | 87,494 |

Corporate operation

| | | |
|---------------------|----------------|----------------|
| Raízen Energia S.A. | 23,866 | 23,029 |
| Other | | 184 |
| | 23,866 | 23,213 |
| | 235,665 | 221,345 |

| | | |
|--------------|----------------|----------------|
| Total | 316,817 | 296,574 |
|--------------|----------------|----------------|

Current liabilities**Commercial operations**

| | | |
|---------------------|--------|--------|
| Raízen Energia S.A. | 44,673 | 46,582 |
|---------------------|--------|--------|

| | | |
|--|----------------|----------------|
| Raízen Combustíveis S.A. | 96,813 | 71,489 |
| Other | 105 | (454) |
| | 141,591 | 117,617 |
| Corporate operations / Agreements | | |
| Raízen Energia S.A. | 93,560 | 78,653 |
| Raízen Combustíveis S.A. | 7,810 | 7,810 |
| | 101,370 | 86,463 |
| Total | 242,961 | 204,080 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***b) Related party transactions:**

| | March 31, 2016 | March 31, 2015 |
|------------------------------------|---------------------------|---------------------------|
| Sales of goods and services | | |
| Raízen Energia S.A. | 114,835 | 95,741 |
| Raízen Combustíveis S.A. | 27,898 | |
| Other | 422 | |
| | 143,155 | 95,741 |
| Purchase of goods / Inputs | | |
| Raízen Energia S.A. | (19) | |
| Raízen Combustíveis S.A. | (201,095) | (12) |
| Other | (125) | |
| | (201,239) | (12) |
| Land lease | | |
| Raízen Energia S.A. | 16,171 | 14,502 |
| | 16,171 | 14,502 |
| Shared income (expense) | | |
| Aguassanta Participações S.A. | 79 | 106 |
| Raízen Energia S.A. | (19,008) | (22,734) |
| | (18,929) | (22,628) |
| Financial result | | |
| Raízen Energia S.A. | 361 | 810 |
| Rezende Barbosa Group | | 9 |
| Other | (201) | (48) |
| | 160 | 771 |
| Total | (60,682) | 88,374 |

c) Officers and directors compensation

| | March 31, 2016 | March 31, 2015 |
|---|---------------------------|---------------------------|
| Regular compensation | 11,075 | 14,215 |
| Stock option expense | 2,480 | 2,929 |
| Bonuses and other variable compensation | 10,285 | 8,152 |
| | 23,840 | 25,296 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***10 Investments in associates****a) Information in associates of the Company and the Company's ownership:**

| | Tellus Brasil Participações S.A. | Novvi Limited Liability Company | Janus Brasil Participações S.A. | Other investments | Total |
|--|---|--|--|------------------------------|----------------|
| Shares issued by the associate | 65,957,282 | 200,002 | 16,166,927 | | |
| Shares held by Cosan | 33,638,214 | 100,001 | 31,699,465 | | |
| Cosan ownership interest | 51.00% | 50.00% | 51.00% | | |
| Equity in earnings (losses) of associates at March 31, 2015 | 2,539 | (4,950) | (23) | (2,201) | (4,635) |
| At December 31, 2015 | 99,638 | 6,783 | 23,713 | 54,242 | 184,376 |
| Equity in earnings (losses) of associates | (1,989) | (866) | 867 | 430 | (1,558) |
| Capital increase | | 2,170 | | | 2,170 |
| Dividends | | | | (3,754) | (3,754) |
| Other | (492) | | | (40) | (532) |
| At March 31, 2016 | 97,157 | 8,087 | 24,580 | 50,878 | 180,702 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***b) Information in the non-controlling interests in subsidiaries of the Company:**

| Cosan S.A. Indústria e Comércio | Cosan Logística S.A. | Companhia de Gás de São Paulo COMGÁS | Rumo Logística Operadora Multimodal S.A. | Logisport Armazéns Agrícolas S.A. | Radar Propriedades Agrícolas S.A. | Radar II Propriedades Agrícolas S.A. | Elimination of participation Radar II in Radar |
|--|-------------------------------------|---|---|--|--|---|---|
| 407,214,353 | 405,856,814 | 124,009,308 | 299,015,898 | 2,040,816 | 21,148,989 | 830,690,258 | |
| 153,511,030 | 152,153,491 | 47,950,970 | 220,507,722 | 1,000,000 | 17,147,822 | 290,710,861 | |
| 37.49% | 36.73% | 38.67% | 73.74% | 49.00% | 81.08% | 35.00% | |
| (16,377) | 2,832 | 11,948 | 1,647 | | 13,271 | 2,867 | |
| 3,700,096 | 46,043 | 2,109,567 | 2,866,244 | 36,835 | 1,728,749 | 349,022 | (498,850) |
| 119,164 | (17,645) | 77,665 | (135,649) | (690) | 3,139 | 4,091 | (628) |
| (17) | 318 | | 2,434 | | (1,139) | (81) | 179 |
| (103,728) | | (475,351) | | | | | |
| (38,070) | 130 | 11,344 | 469 | | | | |
| 3,677,445 | 28,846 | 1,723,225 | 2,733,498 | 36,145 | 1,730,749 | 353,032 | (499,299) |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***11 Investments in joint ventures**

Changes to investments in joint ventures were as follows:

| | Raízen Combustíveis S.A. | Raízen Energia S.A. | Total |
|--|-------------------------------------|--------------------------------|------------------|
| Shares issued by the associate | 3,303,168,484 | 5,902,595,634 | |
| Shares held by Cosan | 1,651,584,242 | 2,951,297,817 | |
| Cosan ownership interest | 50.00% | 50.00% | |
| Equity in earnings of joint ventures at March 31, 2015 | 152,765 | 5,007 | 157,772 |
| At December 31, 2015 | 3,204,834 | 5,124,686 | 8,329,520 |
| Adoption to IAS 41 effect (Note 2.2) | | (92,330) | (92,330) |
| At December 31, 2015 (Restated) | 3,204,834 | 5,032,356 | 8,237,190 |
| Equity in earnings of joint ventures | 81,185 | 360,159 | 441,344 |
| Other comprehensive losses | (1,045) | (14,572) | (15,617) |
| Interest on capital | (16,500) | | (16,500) |
| Dividends | (182,060) | (197,783) | (379,843) |
| At March 31, 2016 | 3,086,414 | 5,180,160 | 8,266,574 |

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

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 REFIS (tax amnesty and refinancing program), recorded in Other taxes payable. Additionally, Cosan has access to a credit line (stand-by facility) granted to Raízen in the amount of US\$500 million, which was unused at March 31, 2016.

12 Assets held for sale and investment property

| | Investment property | Assets held for sale | Total |
|--------------------------|--------------------------------|---------------------------------|------------------|
| At December 31, 2015 | 2,595,035 | 149,938 | 2,744,973 |
| Change in fair value | (290) | (4,409) | (4,699) |
| Additions | | 3,382 | 3,382 |
| Transfers | (68,604) | 68,604 | |
| At March 31, 2016 | 2,526,141 | 217,515 | 2,743,656 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***13 Property, plant and equipment**

| | Land, buildings and improvements | Machinery, equipment and facilities | Railcars and locomotives | Permanent railways | Construction in progress | Other | Total |
|---------------------------------|---|--|-------------------------------------|-------------------------------|---|-----------------|-------------------|
| Cost | | | | | | | |
| At December 31, 2015 | 859,957 | 663,223 | 4,235,037 | 3,568,597 | 824,034 | 467,090 | 10,617,938 |
| Additions | | 6,385 | 9,611 | | 414,546 | 2,855 | 433,397 |
| Disposals | | (98) | (823) | (9,816) | | (5,870) | (16,607) |
| Transfers | 28,296 | 19,549 | 119,316 | (5,106) | (184,887) | 11,751 | (11,081) |
| At March 31, 2016 | 888,253 | 689,059 | 4,363,141 | 3,553,675 | 1,053,693 | 475,826 | 11,023,647 |
| Depreciation | | | | | | | |
| At December 31, 2015 | (118,056) | (218,925) | (248,686) | (209,308) | | (17,076) | (812,051) |
| Additions | (9,457) | (19,972) | (68,676) | (67,146) | | (15,725) | (180,976) |
| Disposals | | 98 | 440 | 3,046 | | 2,486 | 6,070 |
| Transfers | 846 | 1,161 | | | | (4,994) | (2,987) |
| At March 31, 2015 | (126,667) | (237,638) | (316,922) | (273,408) | | (35,309) | (989,944) |
| At December 31, 2015 | 741,901 | 444,298 | 3,986,351 | 3,359,289 | 824,034 | 450,014 | 9,805,887 |
| At March 31, 2016 | 761,586 | 451,421 | 4,046,219 | 3,280,267 | 1,053,693 | 440,517 | 10,033,703 |

Capitalization of borrowing costs

Capitalized borrowing costs for the quarter ended March 31, 2016 amounted to R\$1,798 (R\$1,401 for the quarter ended March 31, 2015).

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***14 Intangible assets**

| | | | Improvements to public concessions and operating | | Customer | | |
|---------------------------------|-----------------|------------------------------|---|-------------------|----------------------|------------------|--------------------|
| | Goodwill | Concession rights | licenses | Trademarks | relationships | Other | Total |
| Cost | | | | | | | |
| At December 31, 2015 | 713,291 | 16,664,047 | 432,529 | 252,474 | 940,470 | 404,013 | 19,406,824 |
| Additions | | 76,813 | | | 18,830 | 2,722 | 98,365 |
| Disposals | | (8,493) | | | (1,026) | | (9,519) |
| Transfers | | 385 | | | (1,740) | 11,108 | 9,753 |
| Business combination | | 33,142 | | | | | 33,142 |
| At March 31, 2016 | 713,291 | 16,765,894 | 432,529 | 252,474 | 956,534 | 417,843 | 19,538,565 |
| Amortization | | | | | | | |
| At December 31, 2015 | | (1,011,806) | (193,818) | (159,789) | (575,411) | (156,311) | (2,097,135) |
| Additions | (1,423) | (111,058) | (2,935) | (5,707) | (36,712) | (15,470) | (173,305) |
| Disposals | | 6,244 | | | 520 | | 6,764 |
| Transfers | | 124 | | | | (121) | 3 |
| At March 31, 2016 | (1,423) | (1,116,496) | (196,753) | (165,496) | (611,603) | (171,902) | (2,263,673) |
| At December 31, 2015 | 713,291 | 15,652,241 | 238,711 | 92,685 | 365,059 | 247,702 | 17,309,689 |
| At March 31, 2016 | 711,868 | 15,649,398 | 235,776 | 86,978 | 344,931 | 245,941 | 17,274,892 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***Capitalization of borrowing costs**

Capitalized borrowing costs for the quarter ended March 31, 2016, amounted to R\$5,182 (R\$4,545 for the quarter ended March 31, 2015). The weighted average interest rate used to capitalize borrowing costs on the balance of construction in progress, was 13.94% p.a. for the quarter ended March 31, 2016 (12.37% p.a. for the quarter ended March 31, 2015).

| Intangible assets (excluding goodwill) | Annual rate of amortization % | March 31, 2016 | December 31, 2015 |
|--|--------------------------------------|-----------------------|--------------------------|
| Gas distribution concession COMGÁS® | Concession term | 8,230,941 | 8,237,379 |
| Concession rights Rumô ⁽ⁱⁱ⁾ | Concession term | 7,418,457 | 7,414,862 |
| | | 15,649,398 | 15,652,241 |
| Operating license for port terminal ⁽ⁱⁱⁱ⁾ | 4.00% | 235,776 | 238,711 |
| | | 235,776 | 238,711 |
| Trademarks | | | |
| Mobil | 10.00% | 62,774 | 68,481 |
| Comma | | 24,204 | 24,204 |
| | | 86,978 | 92,685 |
| Relationships with customers | | | |
| COMGÁS | 20.00% | 294,954 | 313,694 |
| Lubricants | 6.00% | 49,977 | 51,365 |
| | | 344,931 | 365,059 |
| Other | | | |
| Software licenses | 20.00% | 133,009 | 126,469 |
| Other | 15.00% | 112,932 | 121,233 |
| | | 245,941 | 247,702 |
| | | 16,563,024 | 16,596,398 |

- (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;
- (ii) Refers to the concession right agreement of ALL Malha Norte, which will be amortized until the end of the concession in 2079;
- (iii) Port operating license and customer relationships of Rumo, from the business combinations.

Impairment testing of cash-generating units goodwill

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

During the quarter ended March 31, 2016, no impairment indicators were identified that would trigger the need for an impairment test.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)***15 Loans, borrowings and debentures**

| Description | Interest Index ⁽ⁱ⁾ | Annual interest ⁽ⁱⁱ⁾ | March 31, 2016 | December 31, 2015 | Maturity |
|----------------------------|-------------------------------|---------------------------------|----------------|-------------------|----------|
| Loan and borrowings | | | | | |
| BNDES | URTJLP | 9.12% | 2,768,966 | 2,851,793 | Aug-2029 |
| | Fixed | 5.50% | 969,228 | 1,016,225 | Sep-2018 |
| | TJ462 | 10.43% | 770,501 | 809,660 | Oct-2020 |
| | Selic | 16.20% | 316,655 | 298,258 | Jun-2023 |
| | TJLP | 10.19% | 190,565 | 176,900 | Oct-2018 |
| | Selic | 15.75% | 5,315 | 5,595 | Sep-2020 |
| | Fixed | 3.97% | 4,476 | 4,684 | Jan-2024 |
| | IPCA | 15.58% | 4,358 | 4,152 | Nov-2021 |
| | URTJLP | 10.85% | 26,650 | 217 | Jun-2016 |
| EIB | US\$ + LIBOR | 2.28% | 779,278 | 869,014 | Sep-2021 |
| Foreign loans | LIBOR Sterling | 3.95% | 279,781 | 312,940 | Dec-2019 |
| FRN | US\$ | 2.63% | 190,973 | 216,134 | Jan-2017 |
| ECN | 112% of CDI | 15.95% | 418,611 | 406,805 | Sep-2019 |
| | 109% of CDI | 15.50% | 318,371 | 304,644 | Oct-2018 |
| | US\$ | 3.79% | 81,371 | 126,669 | Jul-2016 |
| Perpetual Notes | US\$ | 8.25% | 1,801,543 | 1,976,673 | |
| Resolution 4131 | US\$ | 3.11% | 425,075 | 477,705 | Oct-2020 |
| | US\$ + LIBOR | 2.40% | 439,467 | 471,045 | Mar-2018 |
| | US\$ + LIBOR | 1.76% | 359,192 | 406,348 | Nov-2016 |
| Senior Notes Due 2018 | Fixed | 9.50% | 854,964 | 875,376 | Mar-2018 |
| Senior Notes Due 2023 | US\$ | 5.00% | 1,811,358 | 2,009,296 | Mar-2023 |
| FINEP | Fixed | 5.00% | 130,077 | 137,133 | Nov-2020 |
| Trade banks | CDI + 3.50% p.a. | 18.13% | 198,428 | 205,781 | Sep-2016 |
| | CDI + 4.91% p.a. | 19.73% | 196,179 | 195,632 | Jun-2019 |
| | Fixed | 20.98% | 2,888 | 3,898 | Jun-2016 |
| | CDI + 1,80 a.a. | 16.18% | 172,357 | | May-2016 |
| | CDI + 4,80% a.a. | 19.61% | 70,552 | | Apr-2016 |
| Working capital | CDI + 2.50% p.a. | 16.98% | 409,844 | 388,203 | Dec-2018 |

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| | | | | | |
|----------------------------|------------------|--------|-------------------|-------------------|----------|
| | US\$ + LIBOR | 4.45% | 87,145 | 100,121 | Sep-2021 |
| | CDI + 0.28% p.m. | 18.02% | 23,471 | 25,004 | Dec-2016 |
| | 121.10% of CDI | 17.37% | 8,015 | 10,144 | Nov-2016 |
| Overdraft | 118% of CDI | 16.89% | 74,714 | 17,764 | Apr-2016 |
| Prepayment | US\$ + LIBOR | 3.62% | 50,015 | | Feb-2017 |
| | | | 14,240,383 | 14,703,813 | |
| Debentures | | | | | |
| Convertible debentures | URTJLP | 9.01% | 2,553 | 2,592 | Jun-2016 |
| Non-convertible debentures | CDI + 2.05% p.a | 16.47% | 1,431,533 | 1,431,607 | Apr-2018 |
| | CDI + 1.30% p.a. | 15.61% | 803,298 | 775,228 | Oct-2017 |
| | IPCA | 18.79% | 621,760 | 594,157 | Dec-2025 |
| | 108% of CDI | 15.34% | 507,517 | 526,285 | Jul-2018 |
| | IPCA | 16.53% | 501,757 | 484,246 | Sep-2020 |
| | Fixed | 13.13% | 168,799 | 161,175 | Oct-2020 |
| | CDI | 15.17% | 125,252 | 119,785 | Sep-2019 |
| | % of net revenue | | 31,612 | 30,315 | Jun-2016 |
| | | | 4,194,081 | 4,125,390 | |
| Total | | | 18,434,464 | 18,829,203 | |
| Current | | | 3,443,065 | 2,775,510 | |
| Non-current | | | 14,991,399 | 16,053,693 | |

(i) TJLP and URTJLP are long-term interest rates on BNDES (Brazilian National Economic and Social Development Bank) loans. Selic is the benchmark interest rate set by the Brazilian Central Bank. CDI is a benchmark interbank lending rate in Brazil. IPCA is a benchmark consumer price index.

(ii) As at March 31, 2016.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

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

| | March 31, 2016 | December 31, 2015 |
|----------------|---------------------------|------------------------------|
| Brazilian Real | 12,129,266 | 11,863,258 |
| US Dollar | 6,025,417 | 6,653,005 |
| Pound Sterling | 279,781 | 312,940 |
| | 18,434,464 | 18,829,203 |

Financial Covenants

The Company and its subsidiaries are subject to certain restrictive financial covenants set forth in existing loans, financing and debentures agreements in relation to certain financial and non-financial indicators. Financial ratios are: (i) consolidated net debt / EBITDA; (ii) EBITDA / consolidated financial results (considers only interest on debentures, loans / financing and derivative activities); (iii) equity / net assets, being item (iii) applicable only to BNDES. Except for BNDES, whose measurement is required annually, a quarterly measurement is required on the reporting date, using the consolidated financial statements.

With the acquisition of ALL the Company initiated a process of discussion with the banks by setting new standards for the covenants. Except for BNDES, whose new net debt indicators / EBITDA and ICD are yet to be set, all other creditors have agreed to a ratio of up to 5.5x net debt / EBITDA. If the negotiations with BNDES require a lower leverage ratio, such ratio will be extended to all other creditors with equivalent covenants conditions. On March 31, 2016, quarterly financial covenants were met within the new established standards.

As at March 31, 2016, the Company, its subsidiaries and joint ventures were in compliance with all debt financial covenants.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***16 Leases*****Finance lease liabilities***

Finance lease liabilities are payable as follows:

| | Less than one year | Between one and five years | More than five years | Total |
|--|-------------------------------|---------------------------------------|---------------------------------|------------------|
| Future minimum lease payments | 722,678 | 1,171,539 | 352,854 | 2,247,071 |
| Rolling stock | 691,543 | 1,075,481 | 238,483 | 2,005,507 |
| Terminal | 24,055 | 90,591 | 114,371 | 229,017 |
| Other | 7,080 | 5,467 | | 12,547 |
| Interests | (180,312) | (261,213) | (74,855) | (516,380) |
| Rolling stock | (162,692) | (212,922) | (46,003) | (421,617) |
| Terminal | (16,044) | (46,961) | (28,852) | (91,857) |
| Other | (1,576) | (1,330) | | (2,906) |
| Present value of minimum lease payments | 542,366 | 910,326 | 277,999 | 1,730,691 |
| Current | | | | 542,366 |
| Non-current | | | | 1,188,325 |

Leases have various expiration dates, the last maturing in June 2043. The amounts are updated annually by Brazilian market price index (Índice Geral de Preços do Mercado-IGPM) plus TJLP (Long-Term Interest Rate) or CDI.

Operating leases

As of March 31, 2016, the future minimum lease payments under non-cancellable leases are as follows:

| | |
|---------------------------|------------------------------|
| March 31, 2016 | December 31, 2015 |
|---------------------------|------------------------------|

| Future minimum lease payments | | |
|--------------------------------------|---------------|---------------|
| Less than one year | 19,664 | 22,788 |
| Between one and five years | 23,904 | 24,364 |
| More than five years | 9,096 | 13,528 |
| | 52,664 | 60,680 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)*

The rentals are recognized as expenses (Note 25) on a straight-line basis over the life of the respective agreement.

17 Leases on concessions

| | Leases | Concessions | Total | Judicial deposits |
|-------------------------|------------------|--------------------|------------------|--------------------------|
| Payables | | | | |
| Malha Sul | 38,892 | 27,181 | 66,073 | |
| Malha Paulista | | 25,416 | 25,416 | |
| | 38,892 | 52,597 | 91,489 | |
| Court Discussion | | | | |
| Malha Paulista | 1,226,495 | 1,559 | 1,228,054 | 116,983 |
| Malha Oeste | 940,225 | 60,641 | 1,000,866 | 18,439 |
| | 2,166,720 | 62,200 | 2,228,920 | 135,422 |
| Total | 2,205,612 | 114,797 | 2,320,409 | 135,422 |
| Current | | | 26,782 | |
| Non-current | | | 2,293,627 | |

18 Trade payables

| | March 31, 2016 | December 31, 2015 |
|----------------------------------|-----------------------|--------------------------|
| Natural gas suppliers | 1,352,519 | 1,489,552 |
| Materials and service suppliers | 758,613 | 627,067 |
| Fuels suppliers | 1,693 | 3,535 |
| Judicial deposits ⁽ⁱ⁾ | (294,976) | (294,976) |
| Other | 132,564 | 139,834 |

| | | |
|--------------------|------------------|------------------|
| | 1,950,413 | 1,965,012 |
| Current | 1,949,548 | 1,963,981 |
| Non-current | 865 | 1,031 |

- (i) The controversial values calculated based on the supply of gas from January to September 2014 were assured in a court decision upon a judicial deposit and the controversial values calculated found as of the supply of gas from October 2014 to September 2015 began to be secured by a bank guarantees. On March 31, 2016, the guaranteed value in the judicial deposit is R\$ 294,976 and the guaranteed value through surety is of R\$ 689,314.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***19 Other taxes payable**

| | March 31, 2016 | December 31, 2015 |
|---|-----------------------|--------------------------|
| ICMS State VAT | 87,054 | 73,692 |
| Tax Amnesty and Refinancing Program REFIS | 51,169 | 56,041 |
| COFINS Revenue tax | 22,803 | 23,080 |
| INSS Social security | 7,066 | 7,483 |
| PIS Revenue tax | 4,906 | 4,670 |
| Other | 49,455 | 39,901 |
| | 222,453 | 204,867 |
| Current | 174,807 | 153,540 |
| Non-current | 47,646 | 51,327 |

20 Income tax and social contribution

a) Reconciliation of income and social contribution tax expenses:

| | March 31, 2016 | March 31, 2015 |
|--|-----------------------|-----------------------|
| Profit before taxes | 200,975 | (53,964) |
| Income tax and social contribution at nominal rate (34%) | (68,332) | 18,348 |
| <i>Adjustments to reconcile nominal to effective tax rate</i> | | |
| Equity in earnings of investees (non-taxable income) | 149,527 | 52,067 |
| Compensation action | 1,398 | |
| Differences in tax rates on earnings / losses of overseas companies | (43,108) | 22,287 |
| Differences in tax rates on entities under Brazilian presumed profits tax regime | 2,344 | 6,361 |
| Tax profit of the activity (operating income) | 10,691 | |
| Stock options | (1,003) | (996) |
| Interest on capital (net received) | (5,610) | (6,120) |
| Non-deductible expenses | | |

| | | |
|--|-----------------|---------------|
| (donations, gifts, etc.) | (2,037) | (12,262) |
| Tax losses not recorded | (69,917) | (73) |
| Other | 5,827 | 79 |
| Income tax and social contribution benefit (expense) current and deferred | (20,220) | 79,691 |
| Effective rate % | 10.06 | 147.67 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***b) Deferred income tax assets and liabilities:**

| | | March 31, 2016 | | December 31, 2015 | |
|--|--------------|---------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Basis | Income taxes (25%) | Social contribution (9%) | Total income taxes (34%) | Total income taxes (34%) |
| Tax loss carry forwards | | | | | |
| Income tax loss carry forwards | 6,960,165 | 1,740,041 | | 1,740,041 | 1,597,697 |
| Social contribution tax loss carry forwards | 7,019,123 | | 631,721 | 631,721 | 580,269 |
| Temporary differences | | | | | |
| Foreign currency losses | 2,171,889 | 542,972 | 195,470 | 738,442 | 937,281 |
| Provision for judicial demands | 1,086,937 | 271,734 | 97,824 | 369,558 | 354,730 |
| Impairment | 1,000,652 | 250,163 | 90,059 | 340,222 | 350,325 |
| Business combination Property, plant and equipment | 648,855 | 162,214 | 58,397 | 220,611 | 246,757 |
| Tax deductible goodwill | 206,196 | 51,549 | 18,558 | 70,107 | 129,207 |
| Gains or losses on actuarial liabilities | 310,490 | 77,623 | 27,944 | 105,567 | 103,820 |
| Allowance for doubtful accounts | 290,575 | 72,644 | 26,152 | 98,796 | 95,015 |
| Regulatory asset | 221,559 | 55,390 | 19,940 | 75,330 | 76,764 |
| Profit sharing | 56,665 | 14,166 | 5,100 | 19,266 | 32,327 |
| Concession contract | (35,495) | (8,874) | (3,195) | (12,069) | (12,552) |
| Assets held for sale | (85,692) | (1,714) | (925) | (2,639) | (1,255) |
| Business combination Other fair value adjustments | (772,238) | (44,697) | (18,413) | (63,110) | (66,404) |
| Property, plant and equipment | (281,206) | (70,301) | (25,309) | (95,610) | (147,749) |
| Unrealized gains on derivatives instruments | (727,520) | (181,880) | (65,477) | (247,357) | (469,899) |
| Unrealized gains on investment properties | (1,975,635) | (39,513) | (21,337) | (60,850) | (62,069) |
| Gain on formation of joint ventures | (3,338,342) | (834,586) | (300,451) | (1,135,037) | (1,135,037) |
| (-) Valuation allowance | (7,591,278) | (1,194,617) | (430,062) | (1,624,679) | (1,526,639) |
| Business combination Intangible assets | (11,258,292) | (2,814,573) | (1,013,246) | (3,827,819) | (3,839,323) |
| Other | 746,886 | 189,884 | 68,324 | 258,208 | 275,782 |

| | | | | |
|--|--------------------|------------------|--------------------|--------------------|
| Total net liability | (1,762,375) | (638,926) | (2,401,301) | (2,480,953) |
| Deferred income tax Assets | | | 1,683,252 | 1,698,611 |
| Deferred income tax Liabilities | | | (4,084,553) | (4,179,564) |
| Total net deferred taxes | | | (2,401,301) | (2,480,953) |

c) Changes in deferred income taxes, net:

| | |
|---|--------------------|
| At December 31, 2015 Net deferred tax liability | (2,480,953) |
| Recorded through income | 81,275 |
| Recorded through other comprehensive income | 877 |
| Business combinations | (11,268) |
| Other | 8,768 |
| At March 31, 2016 Net deferred tax liability | (2,401,301) |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***21 Provision for legal proceedings**

| | Provision for legal proceedings | | Judicial deposits | |
|-------------------------------------|--|--------------------------|--------------------------|--------------------------|
| | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 |
| Tax | 446,656 | 441,674 | 379,242 | 377,435 |
| Civil, regulatory and environmental | 301,818 | 284,344 | 182,168 | 181,180 |
| Labor | 466,305 | 467,913 | 130,350 | 121,609 |
| | 1,214,779 | 1,193,931 | 691,760 | 680,224 |

Changes in provision for legal proceedings:

| | Tax | Civil, regulatory and environmental | Labor | Total |
|---------------------------------|----------------|--|----------------|------------------|
| At December 31, 2015 | 441,674 | 284,344 | 467,913 | 1,193,931 |
| Accruals | 1,979 | 8,541 | 22,831 | 33,351 |
| Write-off / Reversals | (3,287) | (3,925) | (32,643) | (39,855) |
| Indexation and interest charges | 6,290 | 12,858 | 8,204 | 27,352 |
| At March 31, 2016 | 446,656 | 301,818 | 466,305 | 1,214,779 |

Tax claims**a) Judicial claims deemed to be probable losses, fully accrued**

| | March 31, 2016 | December 31, 2015 |
|-----------------------------|-----------------------|--------------------------|
| Compensation with FINSOCIAL | 258,489 | 255,022 |

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| | | |
|--------------------------|----------------|----------------|
| State VAT ICMS credits | 80,937 | 79,417 |
| INSS Social security | 59,181 | 57,916 |
| PIS and COFINS | 2,210 | 2,781 |
| IPI Excise tax credit NT | 1,125 | 1,105 |
| Federal income taxes | 329 | 329 |
| Other | 44,385 | 45,104 |
| | 446,656 | 441,674 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***b) Judicial claims deemed as possible losses, and therefore not accrued**

| | March 31, 2016 | December 31, 2015 |
|-------------------------------------|-----------------------|--------------------------|
| ICMS State VAT | 1,950,943 | 1,904,253 |
| Federal income taxes ⁽ⁱ⁾ | 1,590,230 | 886,178 |
| Foreign financial operation | 929,997 | 911,942 |
| PIS and COFINS Revenue taxes | 885,261 | 879,669 |
| IRRF Withholding tax | 808,988 | 792,104 |
| INSS Social security and other | 599,233 | 577,686 |
| IPI Excise tax credit NT | 489,983 | 484,606 |
| Goodwill ALL | 455,579 | 446,535 |
| Penalties related to tax positions | 365,020 | 258,391 |
| Compensation with IPI IN 67/98 | 124,737 | 123,522 |
| MP 470 Tax installments | 115,351 | 113,814 |
| Intermodal | 78,360 | 76,914 |
| Stock option | 58,688 | 57,554 |
| Financial transactions tax on loan | 51,073 | 49,844 |
| Social security contributions | 41,563 | 40,855 |
| Compensation credit award | 35,403 | |
| Other | 956,623 | 952,651 |
| | 9,537,032 | 8,556,518 |

(i) The tax contingencies relate to the tax assessments mainly in the Federal sphere assessed as possible losses by the legal counsel and management and, therefore, no reserve was required. Until the date of approval of the interim financial statements, the Company had science assessment notice on goodwill amortization expense amounting possible is R\$598,052. The tax assessment is questioned at the administrative level.

Civil, labor, regulatory and environmental**a) Judicial claims deemed to be probable losses, fully accrued**

Civil refers mainly to compensation for material and moral damages, class actions for abstaining from straw burning sugarcane and execution of environmental nature.

Labor represent labor claims filed by former employees and employees of service providers who question, among others, payment of overtime, night and dangerous, job reinstatement, compensation for accidents at work and reimbursement of discounts from payroll, such as confederative and assistance contributions, union dues and other.

Regulatory mainly refers to fines and discussions with National Authority for Terrestrial Transport (ANTT).

Environmental these amounts derive from assessments made by the Environmental Sanitation Technology Company (CETESB-SP), Brazilian Institute of Environment and Natural Resources (IBAMA) and Environment Municipal Departments related to soil contamination and water by the overflow of products and non-compliance with conditions imposed by such operating license. In all cases, measures are being taken to reduce the existing liabilities, as well as repair and prevention measures.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)

b) Judicial claims deemed as possible losses, and therefore not accrued

The main civil and labor lawsuits, for which the unfavorable outcome is considered possible, are as follows:

| | March 31, 2016 | December 31, 2015 |
|---------------|-----------------------|--------------------------|
| Civil | 2,436,926 | 2,385,643 |
| Labor | 1,024,388 | 960,446 |
| Regulatory | 364,344 | 339,267 |
| Environmental | 314,168 | 295,984 |
| | 4,139,826 | 3,981,340 |

22 Shareholders equity**a) Share capital**

As of March 31, 2016, Cosan Limited's share capital is composed of the following:

| Shareholders | Common shares | Class A and / or BDRs | % | Class B1 shares | % |
|--|----------------------|--------------------------------------|---------------|----------------------------|---------------|
| Queluz Holdings Limited | | 5,241,111 | 3.01 | 66,321,766 | 68.85 |
| Usina Costa Pinto S.A. Açúcar e Alcool | | | | 30,010,278 | 31.15 |
| Gávea Investimentos Ltda. | | 21,167,463 | 12.14 | | |
| Skagen AS | | 16,120,419 | 9.25 | | |
| MSOR Participações S.A. | | 1,811,250 | 1.04 | | |
| Other | | 124,018,596 | 71.14 | | |
| Total shares outstanding | | 168,358,839 | 96.56 | 96,332,044 | 100.00 |
| Treasury shares | | 5,996,502 | 3.44 | | |
| Total | | 174,355,341 | 100.00 | 96,332,044 | 100.00 |

b) Treasury shares

The Company holds 5,996,502 Class A treasury shares as of March 31, 2016 and December 31, 2015 with a market value of US\$4.92 per share at December 31, 2015 (US\$3.69 per share at December 31, 2015).

c) Other comprehensive (loss) income

| | December 31, 2015 | Comprehensive (loss) income | March 31, 2016 |
|--|--------------------------|--|-----------------------|
| Foreign currency translation effects | (468,350) | 33,810 | (434,540) |
| Loss on cash flow hedge in joint ventures and subsidiaries | (235,779) | (27,092) | (262,871) |
| Revaluation of investment properties reclassified from property, plant and equipment | 190,735 | | 190,735 |
| Actuarial gain on defined benefit plan | 28,032 | | 28,032 |
| Changes in fair value of available for sale securities | 6,748 | (1,702) | 5,046 |
| Total | (478,614) | 5,016 | (473,598) |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***Attributable to:**

| | | | |
|---------------------------|-----------|-------|-----------|
| Owners of the Parent | (478,207) | 3,322 | (474,885) |
| Non-controlling interests | (407) | 1,694 | 1,287 |

| | December 31, 2014 | Comprehensive (loss) income | March 31, 2015 |
|--|------------------------------|--|-------------------------------|
| Foreign currency translation effects | (298,446) | (80,686) | (379,132) |
| Gain (loss) on cash flow hedge in joint ventures and subsidiaries | (10,574) | 20,735 | 10,161 |
| Revaluation of investment properties reclassified from property, plant and equipment | 190,735 | | 190,735 |
| Actuarial (losses) gain on defined benefit plan | 47,104 | | 47,104 |
| Changes in fair value of available for sale securities | (1,467) | 981 | (486) |
| Total | (72,648) | (58,970) | (131,618) |

Attributable to:

| | | | |
|---------------------------|-----------|----------|-----------|
| Owners of the Parent | (165,618) | (59,998) | (225,616) |
| Non-controlling interests | 92,970 | 1,028 | 93,998 |

23 Earnings per share

The following table sets forth the calculation of earnings per share for the quarter ended March 31, 2016 and 2015 (in thousands of Brazilian Reais, except per share amounts):

| | March 31, 2016 | March 31, 2015 |
|---|---------------------------|---------------------------|
| Profit attributable to ordinary equity holders for basic earnings | 131,308 | 9,539 |
| Effect of dilution: | | |
| Dilutive effect of subsidiary's stock option plan | (328) | 69 |
| Dilutive effect of put option | (15,601) | (15,601) |

| | | |
|---|--------------------|--------------------|
| Profit attributable to ordinary equity holders adjusted for the effect of dilution | 115,379 | (5,993) |
| Weighted average number of shares outstanding | 264,690,883 | 264,690,883 |
| Basic earnings per share from continuing operations | R\$0.50 | R\$0.04 |
| Diluted earnings per share from continuing operations | R\$0.44 | (R\$0.02) |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

The non-controlling interests of the indirect subsidiary Brado have the right to exercise a liquidity option provided for in the shareholders' agreement signed on August 5, 2013. This option would exchange all Brado shares held by such minority shareholders by shares of ALL. The exchange ratio shall take into account the economic value for both Brado and ALL shares. At the Company's exclusive discretion, an equivalent cash payment is also possible.

ALL Malha Norte issued to BNDES Participações S.A., bonds convertible in to shares, remunerated at market rates, amounting to R\$ 2,553 on March 31, 2016, whose maturity date is June 2016.

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

24 Financial results

| | March 31, 2016 | March 31, 2015 |
|---|---------------------------|---------------------------|
| Cost of gross debt | | |
| Interest on debt | (434,685) | (177,484) |
| Exchange and monetary variations | 500,422 | (692,766) |
| Derivatives | (700,125) | 620,756 |
| Guarantees and warranties on debt | (37,096) | (5,744) |
| | (671,484) | (255,238) |
| Income from financial investment | 119,176 | 48,876 |
| Cost of debt, net | (552,308) | (206,362) |
| Other charges and monetary variations | | |
| Monetary variation on leases and concessions agreements | (73,408) | |
| Monetary restatement and interest on leases | (50,705) | |
| Interest on other receivables | 35,501 | (9,528) |
| Interest on other liabilities | (196,627) | (68,859) |
| Bank charges | 11,173 | (15,816) |
| Other | 21,621 | 42,142 |

| | | |
|-------------------------------|------------------|------------------|
| | (252,445) | (52,061) |
| Financial results, net | (804,753) | (258,423) |
| <i>Reconciliation</i> | | |
| Finance expense | (876,738) | (291,612) |
| Finance income | 250,773 | 69,791 |
| Foreign exchange losses, net | 525,354 | (591,834) |
| Derivatives | (704,142) | 555,232 |
| Financial results, net | (804,753) | (258,423) |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***25 Other income expense, net**

| | March 31, 2016 | March 31, 2015 |
|--|---------------------------|---------------------------|
| Insurance reimbursement income | 7,150 | 2,505 |
| Rental income | 385 | 168 |
| Cost related to internal organization and prospective acquisitions | | (103,844) |
| Changes in the fair value of investment properties | (290) | 14,320 |
| Loss on disposal of non-current assets | (6,493) | (1,282) |
| Provisions for legal proceedings | (37,869) | (9,200) |
| Other | (449) | (1,991) |
| | (37,566) | (99,324) |

26 Financial instruments***Financial risk management*****Overview**

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

Credit risk;
Liquidity risk; and
Market risk.

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

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

| | March 31, 2016 | December 31, 2015 |
|--|-------------------|----------------------|
| Assets | | |
| Fair value through profit or loss | | |
| Investment funds | 1,916,368 | 2,244,427 |
| Marketable securities | 549,694 | 749,698 |
| Derivate financial instruments | 1,984,445 | 2,430,296 |
| | 4,450,507 | 5,424,421 |
| Loans and receivables | | |
| Cash and cash equivalents | 1,293,284 | 1,261,397 |
| Trade receivables | 965,841 | 964,978 |
| Receivables from related parties | 316,817 | 296,574 |
| Dividends receivable | 146,730 | 12,064 |
| | 2,722,672 | 2,535,013 |
| Total | 7,173,179 | 7,959,434 |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)***Liabilities****Liabilities amortized cost**

| | | |
|--|-------------------|-------------------|
| Loans, borrowings and debentures | 13,877,349 | 13,895,414 |
| Leases | 1,730,691 | 1,741,701 |
| Advances on real state credits | 265,835 | 285,006 |
| Trade payables | 1,950,413 | 1,965,012 |
| Other financial liabilities | 132,246 | 236,698 |
| Payables to related parties | 242,961 | 204,080 |
| Contingent consideration | 150,255 | 217,377 |
| Dividends payable | 36,108 | 39,934 |
| Tax installments REFIS | 51,169 | 56,041 |
| Preferred shareholders payable in subsidiaries | 2,111,942 | 2,042,878 |
| | 20,548,969 | 20,684,141 |
| Fair value through profit or loss | | |
| Loans, borrowings and debentures | 4,557,115 | 4,933,789 |
| Post-employment benefits | 349,414 | 344,447 |
| Derivative financial instruments | 999,329 | 742,498 |
| | 5,905,858 | 6,020,734 |
| | 26,454,827 | 26,704,875 |

During the period there was no reclassification between categories, fair value through profit or loss, loans and receivables and liabilities at the amortized cost presented above.

Risk management structure

As at March 31, 2016 and December 31, 2015, the fair values relating to transactions involving derivative financial instruments to protect the Company's risk exposure were using observable inputs such as quoted prices in active markets, or discounted cash flows based on market curves, and are presented below:

Notional**Fair value**

| | March 31, 2016 | December 31, 2015 | March 31, 2016 | December 31, 2015 |
|---|-------------------|----------------------|-------------------|----------------------|
| Exchange rate derivatives | | | | |
| Forward agreements | 1,826,141 | 2,058,190 | (251,844) | 46,247 |
| Interest rate and exchange rate risk | | | | |
| Swap agreements (interest rate) | 1,088,636 | 1,083,526 | (60,559) | (107,230) |
| Cross currency interest rate swaps | 4,410,543 | 4,629,948 | 1,297,519 | 1,748,781 |
| | 5,499,179 | 5,713,474 | 1,236,960 | 1,641,551 |
| Total financial instruments | | | 985,116 | 1,687,798 |
| Assets | | | 1,984,445 | 2,430,296 |
| Liabilities | | | (999,329) | (742,498) |

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015***(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)****Credit risk***

| | March 31, 2016 | December 31, 2015 |
|---|---------------------------|------------------------------|
| Cash and cash equivalents ⁽ⁱ⁾ | 3,209,652 | 3,505,824 |
| Trade receivables ⁽ⁱⁱ⁾ | 965,841 | 964,978 |
| Derivative financial instruments ⁽ⁱⁱⁱ⁾ | 1,984,445 | 2,430,296 |
| Marketable securities | 549,694 | 749,698 |
| Dividends receivable | 146,730 | 12,064 |
| | 6,856,362 | 7,662,860 |

(i) The cash and cash equivalents are held with bank and financial institution counterparties, which are rated BB to AAA.

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

| | March 31, 2016 | December 31, 2015 |
|-----|---------------------------|------------------------------|
| AAA | 530,803 | 1,473,089 |
| AA | 3,966,318 | 4,068,000 |
| A | 809,141 | 357,399 |
| BB | 51,455 | 207,097 |
| BBB | 386,074 | 580,233 |
| | 5,743,791 | 6,685,818 |

(ii)

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

The requirement for impairment is analyzed at each reporting date on an individual basis for major clients.

Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data.

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

Management considers that the credit risk is covered by the allowance for doubtful accounts.

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 Company's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts as illustrated in Note 15. The Company's maximum exposure for financial guarantees and financial derivative instruments are as below.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reals – R\$, unless otherwise stated)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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. As mentioned in Note 1, Management has been working on measures to enable the Company to honor its Commitments.

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

| | March 31, 2016 | | | | December 31, 2015 | |
|----------------------------------|-----------------------|--------------------|--------------------|--------------------------|--------------------------|---------------------|
| | Up to 1 year | 1 2 years | 3 5 years | More than 5 years | Total | Total |
| Loans, borrowings and debentures | (3,804,154) | (3,934,110) | (7,558,221) | (6,141,810) | (21,438,295) | (29,450,102) |
| Trade payables | (1,949,518) | (895) | | | (1,950,413) | (1,965,012) |
| Other financial liabilities | (132,246) | | | | (132,246) | (236,698) |
| REFIS | (12,958) | (11,803) | (22,128) | (9,607) | (56,496) | (64,529) |
| Leases | (671,470) | (497,844) | (664,222) | (303,196) | (2,136,732) | (2,132,455) |
| Advances on real estate credits | (138,824) | (136,354) | (72,601) | | (347,779) | (382,559) |
| | (6,709,170) | (4,581,006) | (8,317,172) | (6,454,613) | (26,061,961) | (34,231,355) |

Market risk

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

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Risk Management Committee. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

a) Foreign exchange risk

As at March 31, 2016 and December 31, 2015, the Company and its subsidiaries had the following net exposure to the exchange rate variations on assets and liabilities denominated in Brazilian Reais:

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

| | March 31, 2016 | | December 31, 2015 | |
|---------------------------------------|-----------------------|----------------|--------------------------|---------------|
| | R\$ | US\$ | R\$ | US\$ |
| Cash and cash equivalents | 471,420 | 132,462 | 256,003 | 65,561 |
| Trade receivables | 17,481 | 4,912 | 18,227 | 4,668 |
| Advances to suppliers | 62,010 | 17,424 | 85,155 | 21,808 |
| Trade payables | (16,372) | (4,600) | (15,894) | (4,070) |
| Loans, borrowings and debentures | (6,025,417) | (1,693,056) | (6,653,006) | (1,703,802) |
| Advances from clients | (14,422) | (4,052) | (1,701) | (436) |
| Contingent consideration | (17,993) | (5,056) | (65,064) | (16,663) |
| Derivative financial instruments | 6,236,684 | 1,752,419 | 6,688,138 | 1,712,799 |
| Foreign exchange exposure, net | 713,391 | 200,453 | 311,858 | 79,865 |

Sensitivity analysis on changes in foreign exchange rates:

The probable scenario was defined based on the U.S. Dollar market rates as at March 31, 2016, which determines the fair values of the derivatives at that date. Stressed scenarios (positive and negative effects, before tax effects) were defined based on changes of a 25% and 50% to the U.S. Dollar exchange rates used in the probable scenario.

Based on the financial instruments denominated in U.S. Dollars at March 31, 2016, the Company performed a sensitivity analysis by increasing and decreasing the exchange rate for R\$/US\$ by 25% and 50%. The probable scenario considers the estimated exchange rates at the due date of the transactions for the companies with functional currency Real (positive and negative, before tax effects), as follows:

| | Exchange rate sensitivity analysis (R\$/US\$) | | | | | |
|-------------------|--|-----------------|-----------------|------------|-------------|-------------|
| | March 31, | | Scenario | | | |
| | 2016 | Probable | 25% | 50% | -25% | -50% |
| At March 31, 2016 | 3.5589 | 3.9600 | 4.9500 | 5.9400 | 2.9700 | 1.9800 |

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

| Instrument | Risk factor | Probable | Variation scenario | | | |
|---|-------------------------|---------------|--------------------|----------------|------------------|------------------|
| | | | 25% | 50% | -25% | -50% |
| Cash and cash equivalents | USD fluctuation | 53,129 | 184,267 | 315,404 | (78,008) | (209,145) |
| Trade receivables | USD fluctuation | 1,970 | 6,833 | 11,696 | (2,893) | (7,755) |
| Advances to suppliers | USD fluctuation | 6,989 | 24,238 | 41,488 | (10,261) | (27,511) |
| Trade payables | USD fluctuation | (1,845) | (6,399) | (10,954) | 2,709 | 7,263 |
| Exchange rate derivatives ⁽ⁱ⁾ | USD fluctuation | 205,808 | 713,795 | 1,221,782 | (302,179) | (810,167) |
| Exchange rate and interest derivatives ⁽ⁱ⁾ | USD and CDI fluctuation | 497,072 | 1,723,976 | 2,950,880 | (729,832) | (1,956,735) |
| Loans, borrowings and debentures | USD fluctuation | (679,070) | (2,355,192) | (4,031,313) | 997,052 | 2,673,174 |
| Advances from clients | USD fluctuation | (1,625) | (5,637) | (9,649) | 2,386 | 6,398 |
| Contingent consideration | USD fluctuation | (2,028) | (7,033) | (12,038) | 2,977 | 7,983 |
| Impacts on profit or loss | | 80,400 | 278,848 | 477,295 | (118,048) | (316,496) |

(i) For sensitivity analysis, it is only considered exchange rate swaps for Notional.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reals R\$, unless otherwise stated)

b) Interest rate risk

The Company and its subsidiaries monitor the fluctuations in variable interest rates in connection with its borrowings, especially those that accrue interest using LIBOR, and uses derivative instruments in order to minimize variable interest rate fluctuation risks.

Sensitivity analysis on changes in interest rates:

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

| Exposure interest rate⁽ⁱ⁾ | March 31, 2016 | | | | |
|---|-----------------------|------------------|------------------|----------------|----------------|
| | Probable | 25% | 50% | -25% | -50% |
| Cash and cash equivalents | 372,248 | 93,062 | 186,124 | (93,062) | (186,124) |
| Marketable securities | 75,858 | 18,964 | 37,929 | (18,964) | (37,929) |
| Leases | (37,563) | (9,171) | (18,343) | 9,171 | 18,343 |
| Advances on real state credits | (177,209) | (33,218) | (56,789) | 33,218 | 56,789 |
| Interest rate derivatives | (60,559) | (97,768) | (185,369) | 110,338 | 236,375 |
| Loans, borrowings and debentures | (1,667,037) | (416,759) | (833,518) | 416,759 | 833,518 |
| Impacts on profit or loss | (1,494,262) | (444,890) | (869,966) | 457,460 | 920,972 |

The probable scenario considers the estimated interest rate, as follows:

| | Probable | 25% | 50% | -25% | -50% |
|-------|-----------------|------------|------------|-------------|-------------|
| SELIC | 13.82% | 17.28% | 20.73% | 10.37% | 6.91% |
| CDI | 13.80% | 17.25% | 20.70% | 10.35% | 6.90% |
| TJ462 | 8.50% | 10.63% | 12.75% | 6.38% | 4.25% |
| TJLP | 7.50% | 9.38% | 11.25% | 5.63% | 3.75% |
| IPCA | 5.65% | 7.06% | 8.47% | 4.24% | 2.82% |

| | | | | | |
|---|-------|-------|-------|-------|-------|
| LIBOR | 1.20% | 1.50% | 1.80% | 0.90% | 0.60% |
| <i>Financial instruments fair value</i> | | | | | |

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The cash and cash equivalents, accounts receivable, trade receivables, trade payables and other current liabilities approximate their carrying amount largely due to the short-term maturity of these instruments.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

The market value of the Senior Notes Due 2018 and 2023 listed on the Luxembourg Stock Exchange (Note 15) is based on their quoted market price as of March 31, 2016, of 81.60% (78.71% on December 31, 2015) and 87.85% (83.83% at December 31, 2015), respectively, of the face nominal value at March 31, 2016.

The fair value of Perpetual Notes listed on the Luxembourg Stock Exchange (Note 15) is based on their quoted market price as March 31, 2016 of 84.44% (79.64% at December 31, 2015) of the face value of obligations at March 31, 2016.

The fair value of other loans and financing, the respective market values substantially approximate the amounts recorded due to the fact that these financial instruments are subject to variable interest rates (Note 15).

The fair values of the remaining of assets held for sale are derived from quoted market prices in active markets. The Company and its subsidiaries enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with observable market data refer mainly to interest rate swaps and foreign exchange forward contracts.

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

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

| | Carrying amount | | Assets and liabilities measured at fair value | | | |
|---------------|-----------------|-------------------|---|---------|-------------------|---------|
| | | | March 31, 2016 | | December 31, 2015 | |
| | March 31, 2016 | December 31, 2015 | Level 1 | Level 2 | Level 1 | Level 2 |
| Assets | | | | | | |

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| | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|
| Investment funds | 1,916,368 | 2,244,427 | 1,916,368 | 2,244,427 |
| Marketable securities | 549,694 | 749,698 | 549,694 | 749,698 |
| Derivate financial instruments | 1,984,445 | 2,430,296 | 1,984,445 | 2,430,296 |
| Total | 4,450,507 | 5,424,421 | 4,450,507 | 5,424,421 |

Liabilities

| | | | | |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| Loans, borrowings and debentures | (4,557,115) | (4,933,789) | (4,557,115) | (4,933,789) |
| Post-employment benefits | (349,414) | (344,447) | (349,414) | (344,447) |
| Derivative financial instruments | (999,329) | (742,498) | (999,329) | (742,498) |
| Total | (5,905,858) | (6,020,734) | (5,905,858) | (6,020,734) |

Hedge accounting Fair value

Currently the Company has adopted the fair value hedge for some of its operations that both the hedging instruments and the hedged items are accounted for at fair value through profit or loss.

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

Operations and accounting effects of this adoption are as follows:

| | Debt | Derivative | Total |
|-----------------------|-------------|-------------------|--------------|
| At December 31, 2015 | 2,522,772 | (822,586) | 1,700,186 |
| Interest amortization | (45,299) | (42,401) | (87,700) |
| Fair value | (123,442) | 982,131 | 858,689 |

| | | | |
|--------------------------|------------------|----------------|------------------|
| At March 31, 2016 | 2,354,031 | 117,144 | 2,471,175 |
|--------------------------|------------------|----------------|------------------|

Capital management

The Company's policy is to maintain a robust capital base to promote the confidence of investors, creditors and the market, and to ensure the future development of the business. Management monitors that the return on capital is adequate for each of its businesses.

27 Post-employment benefits

| | March 31, 2016 | December 31, 2015 |
|-----------|---------------------------|------------------------------|
| Futura | 48,236 | 48,414 |
| Futura II | 342 | 335 |
| COMGÁS | 300,836 | 295,698 |
| | 349,414 | 344,447 |

During the period ended March 31, 2016, the expense recognized in relation to the actuarial contributions was R\$6,921 (R\$7,577 on March 31, 2015).

28 Share-based payment

The vesting period and share options outstanding at the end of the period are as follows:

| Share option programs | Expected life (years) | Interest rate | Expected volatility | Number of instruments on March 31, 2016 | | | Market price on March 31, 2016 | Exercise price at March 31, 2016 | Fair value at grant date | R\$ |
|-----------------------|-----------------------|---------------|---------------------|---|---------------------|------------------------|--------------------------------|----------------------------------|--------------------------|-----|
| | | | | Granted | Exercisable options | Outstanding grant date | | | | |
| August 18, 2011 (A) | 1 to 5 | 12.39% | 31.44% | 4,825,000 | 1,285,000 | 2,250,000 | 22.98 | 26.72 | 6,80 | |
| August 18, 2011 (B) | 1 to 10 | 12.39% | 30.32% | 5,000,000 | 1,080,000 | 4,080,000 | 22.98 | 26.72 | 8,15 | |
| December 12, 2012 (C) | 1 to 5 | 8.78% | 31.44% | 700,000 | 372,000 | 652,000 | 39.80 | 46.29 | 10.10 | |
| April 24, 2013 | 5 | 13.35% | 27.33% | 970,000 | | 930,000 | 46.51 | 52.95 | 17,95 | |
| April 25, 2014 | 5 | 12.43% | 29.85% | 960,000 | | 930,000 | 37.10 | 43.22 | 15,67 | |
| August 31, 2015 | 5 | 14.18% | 33.09% | 759,000 | | 759,000 | 18.15 | 20.03 | 7.67 | |
| October 2, 2015 | 5 | 15.66% | 62.94% | 4,485,238 | | 4,205,238 | 6.30 | 7.72 | 2.83 | |
| | | | | 17,699,238 | 2,737,000 | 13,806,238 | | | | |

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

Table of Contents**Cosan Limited****Notes to the consolidated financial statements****For the quarters ended March 31, 2016 and 2015**

(Amounts in thousands of Brazilian Reais R\$, unless otherwise stated)

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

| | Number of options | Weighted- average exercise price R\$ |
|-----------------------------|------------------------------|---|
| At December 31, 2015 | 13,876,238 | 24.22 |
| Cancellation or settlements | (70,000) | |
| At March 31, 2016 | 13,806,238 | 24.37 |

29 Subsequent events**29.1 Capital increase in subsidiary Cosan Logística**

On April 13, 2016 approved the capital increase of R\$580,000 through the issuance of 1.054.545.455 (one billion, fifty four million, five hundred and forty-five thousand, and four hundred and fifty five) common shares. These funds will be used to increase capital in the subsidiary Rumo. On the same date it approved the reverse stock split at a ratio of four (4) common shares to one (1) common share.

29.2 Capital increase in indirect subsidiary Rumo

On April 13, 2016 Rumo completed a capital increase, pursuant to CVM Rule 476 and Regulation S for foreign investors, of R\$2,600,000 (cash received, net of issuance costs, totaled R\$2,545,877) through the issuance of 1,040,000,000 (one billion and forty million) Rumo's common shares of which the Company paid the amount of R\$750,000. These funds will be used for cash strengthening and financing of Rumo's business plan.

29.3 Capital increase in indirect subsidiary COMGÁS

On April 26, 2016 COMGÁS approved the capital increase of R\$168,828, from R\$1,143,548 on December 31, 2015 to R\$1,312,376, through the capitalization of capital reserve in the amount of the effective credit tax earned by the Company in the year ended December 31, 2015.

29.4 Exercise of right of stocks exchange

On April 22, 2016, the GIF, a subsidiary of Gávea Investimentos and shareholder of Rumo, exercised its right to exchange or swap 12,831,102 shares issued by Rumo for shares issued by Cosan S.A. and shares issued by Cosan Logística, pursuant to the shareholders' agreement entered into in 2010, as amended, between Cosan Logística, TPG VI Fundo de Investimento em Participações, GIF, Cosan S.A and Cosan Limited.

The exchange ratio established is 19.246654 Bound Shares to one (1) share of Cosan S.A. and one (1) share of Cosan Logística, subject to usual adjustments to be determined within the contractual terms, such as Rumo's share grouping, which is determined within the established contractual terms. The Company has 120 days after April 22, 2016 to complete the transaction.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2016

COSAN LIMITED

By: /s/ Marcelo Eduardo Martins
Name: Marcelo Eduardo Martins

Title: Chief Financial Officer