

Conference Call Transcript — Investment Plan — April 23rd, 2015

Operator:

Good morning. Welcome to the teleconference for Rumo Logística with its investment plan. Today with us we have Mr. Julio Fontana, CEO; Mr. José Cezário, CFO and IRO; and Mr. Guilherme Machado, Investor Relations Manager.

We would like to inform this event is recorded and all participants will only be in listen-only mode during the Company's presentation. After that we will have a Q&A session for industry analysts. At that time further instructions will be given. Should any participant need assistance during this call please press *1 to reach the operator. The audio and slideshow of this presentation are available through live webcast at www.alllogistica.com.br/ir. The slides can also be downloaded from the webcast platform.

Before proceeding, let me mention that forward-looking statements will be made under the safe harbor of the Securities Litigation Reform Act of 1996. We will have projections and operations goals, but they are based on assumptions by the Company's management and also based on information currently available. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Rumo Logística and could cause results to differ materially from those expressed in such forward-looking statements. Now I will turn the conference over to Mr. Guilherme Machado. You have the floor, sir.

Guilherme Machado:

Well, good morning. I would like to thank you for attending our call for the investment plan of Rumo. We would like to talk about the material that was developed by the transition team before the approval by the authorities – CADE – and about the current situation of the company and the necessary investments for the company – Rumo and ALL. It is important to mention that the plan was developed with the best assumptions concerning gains in market share, operational gains, financial aspects and therefore involve future risks. They are only projections.

So, let us begin with the presentation on slide number three. Our intention here was to show the history of Rumo and ALL, just to remind you of the main events of both companies until the merger that happened in the beginning of this year. So, our timeline begins with the privatization of the railway system, which then began the use of these parts in the South and enabled the creation of ALL in 1999.

In 2004, with the IPO at Level II BOVESPA. In 2006, the acquisition of Brazil Ferrovias Novoeste, with the beginning of ALL in the states of Mato Grosso, Mato Grosso do Sul and Sao Paulo, operating in the main corridors for the exports of agricultural commodities to the Port of Santos.

In 2008, the creation of Rumo and then operations dedicated to the transportation of sugar and ALL beginning the construction of the terminal at Rondonópolis and then expanding

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the railway to Paraguay. Then the contract between Rumo and ALL, and in 2010 we had the entry of ALL in Novo Mercado BOVESPA, and in the case of Rumo, the capitalization of R\$400 million with the entrance of two funds – TPG and Gávea.

In the last three years, we had many factors that lead to the formalization of the proposal for the merger of the operations and then the actual merger in the beginning of this year, 2015.

OK, so now going to the assets of Rumo-ALL, we would like to talk about the assets, the highlights of the assets as a result of the merger. So on slide number five we can see it, highlighting the railways. ALL has the concession of four railways in Brazil, representing 12,000 kilometers. It extends from the states of Mato Grosso, Mato Grosso do Sul, São Paulo and Rio, reaching the states in the South of Brazil and is connected to the main ports for imports and exports for the country.

In 2014, through these railways lines we exported 42 billion TKUs. On slides number six, very quickly, the current fleet of Rumo-ALL – 1,000 locomotives, 25,000 railway cars – because later on we will give you more details on the situation of the assets that make up the rolling stock of the company. And here, in terms of assets, talking about the port terminals and in the interior, Rumo-ALL has assets with terminals in the interior and in the main ports of Brazil.

Today we operate 13 terminals in the interior – the main terminals, that have a capacity of 900,000 tons, and in the ports, where presently we have an annual capacity of 29 million tons. All this infrastructure of assets is important and place us in a unique strategic position, guaranteeing great competitive edges in relation to the railway competitors and also port competitors. We are responsible for a great load of imports and exports in the country.

OK. We talked about the assets, now on slide number eight we would like to talk about the governance. A little of the changes that already happened in the governance structure of the companies ALL and Rumo. On slide number nine, we have a new management counsel, with the ex-shareholders of Rumo and ALL, respectively, and in this way we would like to highlight the new control group, which is made up, today, by COSAN Logística, CPG, Gávia, BNDES – the national development bank – and together they have 42% of the total equity of the new company through two shareholder agreements.

So the members of the counsel, which will be important for the strategic decisions of the company and converging interests. The other shareholders and also the amount negotiated in the stock market represent 58% of the total equity of Rumo-ALL.

On slide number 10 it is important to highlight the executives that are here in this project. We have the first line, which reports to Mr. Julio Fontana. Julio Fontana will head this project. He will be the chairman. You know him very well – more than 25 years of experience in leadership positions. He was chairman of MRS for 10 years and he has been in Rumo's project since the beginning, since its creation. Directly reporting to Julio in northern operations, Daniel Rockenbach, who was the chairman of Rumo until the period before the merger, and he worked at AmBev ALL in operations in the south.

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Darlan David, more than 15 years of experience in railways, he worked at MRS and recently he was chairman of Rift Valley Railways.

In the legal department, José Alberto Martins, who worked in the last five years in Tyson do Brasil, more than 30 years of experience in the legal area. In regulatory issues we have Daniel Rossi, who was in Rumo from the beginning. He will articulate the issues related to LGP and other regulatory agencies and authorities.

Also, Human Resources, Eduardo Pellegrina, who participated in the acquisition process of Exxon by Cosan and also worked in Human Resources at ALL and 11 years in other companies. Institutional Relations, José di Bella, who was chairman of Codesp, executive secretary also in another company and also in Finances we have José Cezário, who has been in the COSAN group for more than five years, having been the Finances director in the last two years, before taking part in the transition team and now in Rumo-ALL.

Apart from this, it is important to mention that we are defining the name of the person who will become Compliance Supervisor – a structure that was devised together with CADE – and he will have a fundamental role in rendering the services to all these clients.

Now, going to slide 11 I would like to highlight the business units. This structure is the result after seven months of work by the transition team. Looking at all the operations aspects we verified and organized the company in the best way to make the best sense in the results management, as you will see in our communications in the future to the market. We have two large business units – the northern operations and the southern operations.

In the North we have the São Paulo railway and also management of the port of Santos. In the South we have the western and southern railways. Both structures will have dedicated departments for sales, maintenance and execution, and in the case of the northern ones, an additional structure for ports and terminals. Apart from this, we will have structures that will render services to both business units, with CCOs – Control Operations Center – for trains planning and operation and also expansion projects.

It is important to mention that from now there is a great cooperation between the two business units, but they have different challenges. These are: in the southern operations we must recover the loss of market share we had in the last few years, improve also the conditions of the Permanent Way and also the discharging operations in the ports of Paraná, São Francisco and Rio Grande, since this was not the bulk of the company in the last few years.

Now, in the northern operations we must recover the permanent way in order to be able to circulate at higher speeds and also reduce the number of accidents. Also, focus on access to the Port of Santos, where we have projects, to help in solving these issues.

On slide number 12, I would like to reinforce the governance structure of the company with some of the measures that were already implemented: a new ethics channel, limits of authority, also SOX and FCPA, also a committee for financial management, and also, in order to carry out everything that was decided by CADE – the regulating agency. All these

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structures are important to guarantee a good relationship with regulators and a healthy work environment.

Now on slide number 13 and 14, I would like to talk about the new guidelines for compensation in the company. We will have incentives in the short term and long term, following the guidelines that are present in the Cosan group of companies in the short term. We will have indicators and they will be made up by collective, individual and safety indicators. In the collective indicators, the variables will be Return on Invested Capital as a measure of efficiency of the capital used, TKU as a measure of operations growth and the generation of cash, showing the financial health of the company.

Individual indicators: we will have the goals, individual KPIs and also behavioral aspects in line with the company. And, finally, the safety aspect, which will impact at 10% on all hierarchic levels and we will have indicators for personal safety and also in the railway operations that are fundamental according to the nature of our operations.

The long-term incentive has a stock option plan – it is under development now. What we hope is that these new guidelines will aim at aligning the interests of our employees with the objective of the company, contributing to a better search for results. Now I would like to pass the floor to Mr. Julio Fontana, who will describe the current situation and the investments plan. Julio, you have the floor.

Julio Fontana:

Good morning. We are here available to you. Let us talk about the evaluation that the transition team did concerning the assets. We are on slide number 16. Beginning with the Permanent Way, where we have a total of 12,000 kilometers under our concession, of which we can consider that 2,600 kilometers – or 22% – are the stretches with high density, responsible for the largest contribution in terms of results for the company, because it has high volumes of transportation.

We also have 4,500 kilometers that currently have low density in terms of traffic – of trains per day – and we are doing a study to evaluate the economic feasibility and volumes to be transported. They represent 45% of the total railway. It is important to say that we do not have yet a feasibility study to have a good definition to tell us that the existing demand is feasible or not for us to make investments, for us to decide. We also have the anti-economic stretches, representing a third, which do not have any circulation of train.

Now, the rolling stock – 1,000 locomotive – 30% of the fleet is older than 30 years. In the total fleet we have a backlog for maintenance of 67%. Now, for example, 65% of the others are older than 30 years. Total fleet: a maintenance backlog of 81% in the railway cars. This diagnosis was prepared for the investment plan that we will present from now on.

Here, we can see on slide 18, we have a division of the investment plan in two fronts: in the short term we will have an initiative during 18 months that we will conclude until the end of 2016. This will begin immediately, generating value independent of the concession terms. We will have an increase in efficiency and cost reduction of the operation. Many

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things are already being done with good results. In the long-term plan, investments depend on the extension of the contract and will focus on increasing capacity and the company transporting higher volumes.

On slide 19 we will talk specifically about the 18-month plan. The initiatives of this plan are focused on three large projects: substitution and revamping of locomotives, substitution and revamping of railway cars and recovery of the permanent way. In all these projects, the benefits will be immediate and they are focused on saving Diesel oil and lubricants, expenses with maintenance, as a result of using assets that are newer and safer, and as a result of this, there will be a reduction in expenses and also the optimization of the circulation of trains.

Additionally, we already have initiatives to improve operating processes in several areas, aiming at having a better efficiency of the use of the assets. Some of these changes are already being felt with less transit time in the northern and southern operations.

Finally, one thing that we have been doing since the approval by the CADE is the improvement of the relationship with the many stakeholders of the company, through a better interaction with clients, with focus on the long-term development of strategic partnerships and also a positive agenda with the regulators.

All these projects will require a CAPEX expansion estimated at 2.8 billion by the end of 2016 and will allow the growth of our EBITDA to an estimated 500 million above the current levels.

On slide number 20 we will see some actions of this 18-month plan. The first will be the substitution of the C30 locomotives that are older, by AC44 locomotives, 440hp, manufactured by GE. 13 were delivered last month. These are the most modern locomotives that exist today. We are also investing in the backlog of locomotives and railway cars and the acquisition of new railway cars for northern and southern operations.

On the Permanent Way, we are concluding the duplication of the stretch Campinas-Santos in São Paulo, and we also have environmental permissions for a new yard and investments in the quality of the Permanent Way, thus reducing drastically the restrictions we have. In Santos and Paranaguá ports we are improving the access to the ports. Many projects on the short, medium and long term that will eliminate the bottlenecks concerning the arrival and discharge at these ports.

On slide 21, as we can see, we have the expected increase by the 18-month plan. For this, we are estimating a growth in the northern operations of three to five pairs of trains. Now, in the south, where we have surplus capacity, we will grow repairs of trains per days occupying the stretches that are not used today to improve our market share.

On slide number 22 we will see the long-term plan. As we said before, this is a project that depends on the extension of the contract, increasing capacity and higher volumes to be transported. With these initiatives we will build new yards in the north and in the south. The expansions are necessary so that we can change the configuration of the current trains.

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They are 80 railway cars. We want to change this to 120 railway cars, thus increasing the capacity to be transported by the trains.

We will duplicate the Itirapina-Campinas stretch – 42 kilometers that are critical to have an increase of more than 12 pairs of train per day. We will make an acquisition of rolling stock, including locomotive and railway cars in order to increase the amounts transported. These railway cars will have greater capacity, we will also have an uniform fleet, decreasing the energy that will be necessary, the locomotives will be newer, also with more power.

Also, in the access of the Port of Santos, Paranaguá and São Francisco, all this capacity generated by the Permanent Way will not suffer from bottlenecks in the port. Apart from this, we have projects for investment increase in the capacity in terminals in the interior, especially in the city of Rondonópolis.

All these projects will require a CAPEX of expansion estimated at R\$4.6 billion, this will happen between the beginning of 2017 to 2019. This will grow our EBITDA to a level of R\$1.1 billion, above the current situation.

On slide number 23 we can see that our reinvestment plan is based on many markets studies and foresee the growth of the harvest of grains and sugar, which are transported currently by ALL. According to these studies, we estimate a growth in the harvest of 70 million to be exported, grains, between 2014 and 2015, thus the Company's market share will grow in the Port of Santos, Paranaguá, São Francisco and Rio Grande.

At the same time, for sugar, studies show a growth of approximately 13 million tons to be exported between 2014 and 2025, thus our market share will grow substantially in the Port of Santos, Paranaguá and São Francisco.

For the five-year plan, the increase in capacity in the North will be sufficient to take care of all the demands generated by the harvest of grains and market share expected by the Company. That should also take care of all the demands of sugar in the Center and South that is not captured today by the railway. We will have surplus capacity to focus on other types of cargo that are not captured by our business today.

The same concept applies to the operations of the South, where we will have access to the port, with solutions that will bring efficiency and also things that will be required in the future.

Finally, on slide number 26, as we said, we estimate a growth of our EBITDA with all the investments that will be made in the next five years, according to the short and long term plans, as we can see on the graph on slide 26.

Now I will pass the floor to José Cezário, who will talk about financing of the expansion plan and the financial highlights of the Company.

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José Cezário:

Good morning. We are on slide 28, where we have this division of the 18-months plan, a long term plan. We can see that for the 18-months plan we will deem an expansion CAPEX of R\$2.8 billion. We already have 50% of the resources, the other 50% we will go to the market, resources such as BNDES, Capital Market, agencies for credit, for exports and also funds in the Mid-West.

In the long term plan, we have a total demand of resources approximately R\$4.6 billion between 2017 and 2019, and we estimate that these will be financed preferably with resources from BNDES, the national development bank, and the rest from other sources in the market, especially capital markets.

Now, guidance or projections, slide number 30. As is the practice for companies controlled by the Cosan Group, we will have a guidance with the main metrics. We have the following guidance: for 2015, our consolidated EBITDA R\$1.62 billion, our recurring CAPEX between R\$800 million to R\$1 billion, and our expansion CAPEX, around R\$800 million to R\$900 million.

Now, going to slide 31, we have our long-term estimate for the periods 2015 to 2019. I would like to reinforce the message that the plan was based on the best assumptions concerning gains in market share, market growth, also financing and operating gains — these, of course, involve risks because they are projections. An average growth in the volume transported of 8%, measured in RTK, 48 to 50 RTK in 2015, and 65 RTKs 2019.

EBITDA, as already mentioned, we estimate average growth of 15%, an interval of R\$1.6 billion to R\$2 billion, R\$3.3 billion to R\$3.5 billion, as you can see, our CAPEX curve focused on expansion, as mentioned; and the line with operating excellence.

It is important to mention that after 2019 there will be investments, but the gains resulting from investments already made will surely bring a drop in the recurring CAPEX of the Company.

Finally, we have leverage, which will drop as years go by, especially with the growth of EBITDA, which will make us have a drop in the net debt/EBITDA we have today, a drop in the debt.

In the concluding slide, I would like to say that we have a virtual cycle of investments. These investments will lead to a better quality of operations, giving us more reliability to our clients. We will have focus on maximizing the use of the assets, always looking for gains to generate cash and increase the return on investments.

I would like to say that short term initiatives will be immediate and will focus on increasing operational efficiency and cost reduction. Long term investments depend on the regulator, and we will increase capacity in volumes.

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Financing of the expansion CAPEX in the short term, we have 50% of the resources already, and we have a governance structure with a new compensation policy and also better relationships with all our stakeholders.

In other words, we are very optimistic and very happy with the challenges we have ahead of us in this great project. Thank you and now we would like to be in the Q&A session.

Alexandre Falcão, HSBC:

Good morning. Two questions. The first has to do with giving back some stretches, this would generate an indemnity, I believe, which would not be paid for in your contract, am I correct in getting to this conclusion using the parameter for return stretches, a benefit of R\$1 million per kilometer? How are you calculating this CAPEX by returning some stretches?

Second question, concerning cash generation, looking at the plans, when will the Company go from a situation of consuming cash to a situation of generating cash? And what is the financial cost of the new structure? Will you have a reduction in the financial cost or an increase in financial expenditures?

Julio Fontana:

Good morning. Concerning your first question, returning stretches, we are still negotiating with ANTT. I believe today we can have an idea, according to our negotiation with ANTT because the characteristics of each stretch in the case of FCA, the stretch returned was not operational during the concession, and now this is not the situation of the stretches, they are not in operation.

So, they are different from the conditions that I, for example, I have to return the stretch the way I received it. We are negotiating with ANTT in terms of how they will give us this indemnity and according to the case of FCA — whether we would transform the indemnity in investments in railway safety, which would bring a great advantage or benefits in terms of increasing the speed of the train and decreasing the cycles.

In terms of railway safety, there are guidelines from BNDES, the national development bank, with very low interest rates. We are still negotiating, but there is a value in CAPEX based on this, it is not an exceptionally large amount, but because all of this negotiation will be done by stretch, the calculations will be made by stretch.

Alexandre Falcão:

Now, cash flow. Let me ask you, how many years do you have of concessions?

Julio Fontana:

In our opinion, we are negotiating based on the rights we have on the contract, 30 + 30. Concerning your question on cash generation, our projections show that as of 2017, as

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soon as we finish the first cycle of short term investments, we will have more comfortable cash position, cash generation situation.

Now, concerning financial cost, it will depend on the financing model that we will obtain from the BNDES and the other sources, this will depend a lot on market conditions, but we are not taking into consideration any optimism in relation to the interest rates we had in the past. We are not optimistic in having the same low rates.

Alexandre Falcão:

Do you believe that the total cost of the debt, looking in 2019, will be higher, lower or the same as today?

José Cezário:

With normal market conditions, it should be lower. And just to complement, we already have credit lines at the national development bank, BNDES. This was done last year by ALL, with recurring CAPEX. Apart from this, we have financing in the previous model, BSI. So, we have attractive interest rates for the financing that will be necessary.

Alexandre Falcão:

The last question, in these plans, by 2019 are you including increases in capital?

José Cezário:

No.

Alexandre Falcão:

Thank you.

Sara Delfim, Bank of America:

Good morning. Falcão asked the question I had concerning returning some stretches. Now I ask about all these operating improvements you are mentioning to increase EBITDA by R\$500 million, and then in the second stage of improvement, another R\$1 billion.

I would like to understand. Is this the whole potential with all the synergies, integration of railways and ports? Do you see any risk of upside additional improvements due to other synergies? Because what you show gives us an impression that some of these things were abandoned and we could have more gains.

What is your trust level in this execution? Where do you believe you will have the greatest challenge in execution?

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Julio Fontana:

Good morning. Our plan, I would say, is pretty conservative. We see many other upside ideas, but we are not going into this area until we have a complete idea. Based on what we have seen, through this task force, in the last 40 days, we saw that we have been conservative. We see the possibility of increasing the EBITDA.

Right now we are not compromising, maybe in the next three months, in the next call, we might have a better vision of this. In the upside, especially the issues involving the ports, we are investing in the short term in the ports to improve our efficiency in the ports.

Also, there is the possibility of having downsides to it, that is why we are using this conservative position.

Sara Delfim:

An additional question, this expansion plan for market share and volume through agribusiness, in the future, in five or six years, do you believe that the port structures would really be adequate for this increase in volume or we would have to make large structural changes in the ports in order to accommodate this extra volume?

Julio Fontana:

We have very detailed plans to improve the access and port capacity in the next five years, and everything that is being projected can be carried out. In ten years from now, maybe we will need new options.

Now, for the next five, seven years, we do not see any problem with the ports handling our volume, with the project that we have underway for improvement.

Sara Delfim:

Just to confirm an information that you included in the answer to Falcão, the investment plan of 2016 does not depend on renewal of the contracts? As of 2017 it would depend on the renewal of contracts? Have you negotiated anything with the government concerning renewal of the contracts?

Julio Fontana:

Yes, the 18-months plan does not depend on renewal of contracts. Now, the other investments, structural investments, long-term investments, we must renew the concessions so we can invest more.

Sara Delfim:

OK, thank you.

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Giovana Araújo, Itaú BBA:

Good morning. My first question has to do with the agenda with the regulating agency. Could you please detail for us your agenda with the regulating agency? You mentioned the renewal of the concession, returning stretches, are there other topics? For example, the tariffs, the ceiling for rates and tariffs?

Julio Fontana:

As you mentioned, we have three basic agendas: one if the renewal of the concession, the other is returning stretches, and also renegotiation of penalties, ceilings, rates, all of these things that are outstanding at ANTT. All of this is being negotiated right now, that is why we created a regulation's department in our structure, totally focused on the solution of these problems, and we are doing very well with the negotiations. I can tell you that soon we will have many announcements to make.

Giovana Araújo:

Do you have any expectations concerning time at looking at renewal of the contracts and returning stretches?

Julio Fontana:

Our timing is, until the end, we want all of this solved by the end of 2015.

Giovana Araújo:

Concerning the delta EBITDA in the 12 months in the long term plan, I know you mentioned many initiatives, but these R\$500 million of delta, can you identify the main actions in terms of permanent way of rolling stock and the greatest contribution for this R\$500 million and R\$1.1 billion in the long term?

Julio Fontana:

We have many initiatives, in the short term plans we have changes in process that have good results. We have great improvements in the operation in this month of April, I would say to you that in the short term we will make a study of the Permanent Way in order to improve efficiency. We have also a lot of work in cost reduction and operations control.

In the long term we have structural things, such as the construction of yards, duplication of certain stretches of the railway, investments in the access to the ports that will bring us benefits. I believe that this is clear, the market is there and we will not have problems in reaching these numbers.

Giovana Araújo:

Thank you.

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Victor Misuzaki, Bradesco:

Good morning. I have two questions, the first, looking at the Company's long term guidance, R\$3.3 billion, R\$3.5 billion in 2019 versus the guidance of growth in volume after that period, and gains in market share. In this scenario, after 2019, how do you see the growth of EBITDA?

Second question, in the CAPEX, R\$4.6 billion, when we look at slide 28, looking at financing, the sources of financing, in this graph, considering that 100% of this investment will be financed by debt, is that true?

José Cezário:

Let us begin by the second question, yes, we are considering 100% of financing of the long term plan will be financed by debt. We are taking into consideration not only the normal financing sources, the national development bank, BNDES, also export credit, we have imported items, and other alternatives for long term funding.

Now, concerning growth of EBITDA, as of 2019, we did not make these calculations concerning growth after this second cycle of investments. We are bearing in mind that EBITDA will change, but there are many opportunities that will be identified during this process, which may contribute in some way to generate additional EBITDA.

Victor Misuzaki:

A last question, in the 18-month plan, is there any large risk which could delay the acquisition of this project?

Julio Fontana:

The 18 months plan, we have nothing structural that could include environmental issues, only quality of the Permanent Way, so we are taking 18 months to have the environmental licensing for the long term plan.

Victor Misuzaki:

Thank you.

Sami Karlik, Banco Votorantim:

Good morning. I would like to understand better the 1Q15. Are you going to the direction of R\$1.6 billion EBITDA and the expansion volume for 2015, please?

José Cezário:

One important thing in this business is seasonality. We have, in fact, the first and the last quarter of each year with a train of lower volume in relation to segments or quarter. What

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we will see in the 1Q is that something to be multiplied by four to get to the annual EBITDA.

We have a typical behavior of the 1Q for this type of business and together with the situation we know of delay in the sale of grains in comparison to previous years. We have a timing for the sale of trains which really resulted in not having a great concentration of volume in the 1Q.

Rogério Araujo, Brasil Plural:

Good morning. Thanks for the opportunity, two questions. The first, renew of the concessions. Do you believe this could require changes in the legislation of the sector, depending on congress like we saw in 2012 in the boards of contract allows to renew of the concessions before expires?

Julio Fontana:

We understand that we do not need anything extra, the existing legislation, it is an item of the concession contract. What may happen is some adaptation in the contract, concerning contracts that were made in the past and something that could be updated in the current legislation, but there is no need for the legislation.

Rogério Araújo:

My second question, the EBITDA that you are calculating after the 18 months plan, R\$1.7 billion, but this EBITDA includes contingencies, indemnities that brought an increase of R\$200 million.

Another fact is the migration of sugar from Rumo to grains. We see there that this benefit could reach R\$300 million. My question is: is the contingency indemnity is not as large in the future and if we see a relevant result for the migration from sugar to grain, could we have higher numbers or an EBITDA that would be larger and add an extra R\$500 million from the 18 months plan?

José Cezário:

Rogério, concerning the growth of the expected EBITDA, this R\$500 million are in a change level. We believe this would happen as a result of the investments that we are making, investments in expansion and recovery of the assets of the Company. The preference is that we use the EBITDA that was recorded as adjusted or preform EBITDA of the previous year.

Now, what will happen was contingencies and other items, this is difficult to estimate with precision. We prefer not to speculate on this point. The guidance for 2015 is between R\$1.6 billion and R\$2 billion EBITDA for the year, R\$1.6 billion, R\$1.7 billion, which was last year's preform within this interval, that is why we believe it is a good reference for us to understand the message.

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The message that we want to convey is: we are making a significant investment that will transform this Company in the short term and alter its EBITDA in a positive way, raising the level of EBITDA by R\$500 million at the end of this cycle of investments. This is our important message.

Concerning the migration of sugar to grain, I do not know if I understood well your question. Nowadays what we have is a service that is below the volume we will have at the end of this investment cycle, especially after the long term investment cycle. Today, what we see in the sugar market is the great opportunity to grow. This will only happen if we create capacity in the railway, because if we have any restriction in capacity, the natural trend will be to decide to bring cargo from greater distances.

In this case, grains make more sense than sugar. What we are working on and what we will strive to do is increase capacity. All the investment plan is to increase capacity, remove the restrictions, the bottlenecks, improve the receiving process at the ports in order to take also care of this demand in the sugar market.

So these R\$500 million includes an increase in average distance, but not a reduction in contingency or indemnity. In fact, it does not take into consideration these other aspects, this contingency or any other topics that may bring variations to the results. These R\$500 million are the results of an improvement in the performance of the Company and its transportation capacity, and its capacity to generate EBITDA.

Rogério Araújo:

Thank you.

Marcio Prado, Goldman Sachs:

Good morning. Thanks for the call. Some questions were already answered, I have two. One quick comment, going back to governance, the shareholder agreement, the control group is formed by two different shareholders agreement: one, Cosan BNDES and the other with GPG Gávea Fund. I would like to understand how these two agreements separately work to form a consolidated control group, since today when we analyze the structure of the Company more than 50% is in the market. Could you comment on the governance structure and control structure based on these two concepts?

Second question, pretty simple, I would like to understand if the guidance that is being shown, if the values in Reais are nominal or if they are numbers based on 2015?

José Cezário:

First, your last question, the values are Real. In the case of 2015 they are nominal, no difference.

Now, for the long term plan, the numbers will bring this year are Real numbers. Concerning the shareholder agreement, in fact, we have a shareholder agreement with GPG Gávea Fund and now with this change, and the revenue of BNDES – BNDES

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requested a new agreement. We made this agreement with the public (58:04), no concerns to us.

Marcio Prado:

The fact that this control group has left, than half of the shares, could this generate any problem in terms of control?

José Cezário:

No.

Marcio Prado:

OK, thank you.

Bruno Amorim, Santander:

Good morning, thanks for the call. I have a question concerning cash generation. In 2017 you may already have a positive cash generation. In the presentation you mentioned a CAPEX of R\$2.9 billion for 2017, very close to the EBITDA for this period and for this you have to say financial aspects of the debt.

How can you get to a positive cash generation in 2017? After 2017, after the investment cycle, after 2017?

José Cezário:

In practice, we will have a new cycle beginning in 2017 and with all our plan and negotiation with the regulating agency for renewal, we will be beginning a new cycle of investments and this cash generation taking into consideration the result of these investments in the first cycle, the short term cycle.

Obviously, we will be beginning a new investment cycle of the R\$4.6 billion, and obviously this new cycle will request new investments and will absorb part of this cash generation.

Marcio Prado:

Thank you.

Renato Mimica, BTG:

Good morning. I have some questions, the first, your long term plan is based on the assumption that you will renew the concession. What is your B plan, if the negotiation with the ANTT or if the terms are not as interesting as you might want for your funding becomes more difficult with a long term plan? What is your alternative, your B plan if there are problems in the negotiation after 2017?

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Julio Fontana:

The B plan is to pursue investments, reminding you that we have the north section, our concession goes up until 2078. Our B plan would be to supply capacity to the north section to get to the volumes we want to have in that reach.

Renato Mimica:

Thank you. The second question, you were talking about beginning deleveraging at 2017. Can you give us according to your business plan, the peak of that leverage in the next four or five years?

Julio Fontana:

The level of leverage in 2017, I believe the peak was in 2014 when we had an EBITDA in the case of ALL reaching 5x the net debt. We believe we will present the first consolidated reports Rumo-ALL in the next quarter, when we will have consolidated numbers and the consolidation of numbers will bring us an improvement of the number we had in December 2014.

At the time Rumo has less leverage. We were discussing some processes linked to accounting that can bring us a small variant in the projected number without affecting cash. We are talking about CAPEX versus OPEX, but we believe that this Company will have a level of leverage below 5x.

We once had any situation above this peak that we reached in the December 2014. In the next quarter, we will have a better visibility in relation to this indicator and we will share with you at the right time the results.

Renato Mimica:

One last question, concerning the numbers for 2015, I understand that your messages focused on R\$500 million in benefits coming from this 18-month plan. But looking specifically at 2015, the bottom is a little lower than adjusted numbers for 2014. I would like to understand better 2015, since you said that the guidance is conservative and that 2014 was a bad year.

Concerning this scenario that you are seeing in this year's yields and if you can talk about the new management negotiation with clients and this scenario in the first four months of the year of yields for the Company and operational performance and the seasonality that you mentioned, giving us some details about underlining transport, if it says that it is not much higher than last year.

José Cezário:

Our goal is the center of the guidance. In practice, we established this range to have some comfort and to include some uncertainties that may arrive and that we are getting to know. We have made great changes in the Company's Board of Directors, they are changes in

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progress. So we are working with an average of 1.8 as the great goal of the year, but we know that there are assets that should be taken into consideration with caution.

That is why we have this range and we are very optimistic in relation to the opportunities that come up all the time in order to improve the efficiency of the business and bring positive surprises. I believe it is a little early to really talk about this.

Renato Mimica:

Good. In terms of operating performance, looking at the negotiations at the beginning of the year, will you not give us any detail?

José Cezário:

Not now. Maybe in the next release we might have something new with the numbers of the 1Q, then we can talk more about commercial aspects of the year.

Renato Mimica:

Thank you.

Welliam Wang, Quest:

Good morning. What you are negotiating with the Regulating Agency seems high with this EBITDA and regulatory CAPEX as the one we see here. I talked to Carlos, superintendent of ANTT, and he said that the discounted cash flow would define the number of years and not an automatic 30-year renewal, and you have to request indemnities of the stretches returns, which is relevant, and rolling stock.

And also long-term CAPEX, to see that it is half of the R\$1.7 billion, it seems low since ALL invested R\$2.1 billion a year. How do you compare R\$1.2 billion with R\$750 million in maintenance?

Julio Fontana:

First, we do not compare. In the disclaimers, we said that we have problems with this number. Second, concerning the first question, right now we have a contract that says that we can renew the concession for 30 years. When you say that it may not make sense to have 30 years, we must understand that the renewal is done by the stretch.

When we make the investment in São Paulo to support the volume that will come from the loan section, I can tell you that we should have a concession of more than 30 years, but the contract says 30.

Welliam Wang:

Unless the return is much higher, R\$3.5 billion of annual EBITDA with 10 growth in CAPEX.

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Julio Fontana:

Welliam, 80% of our EBITDA is in an area where the concession goes until 2078, so the rest we must invest in stretches where we will have much higher returns than these that I mentioned.

Welliam Wang:

OK. That is it, thank you.

Alexandre Falcão, HSBC:

Thank you for the follow-up. My question has to do with what you found in the railway. Can you share what was done in April, perspectives that we can expect in terms of volume after the first month of operation? Can you share with us what you saw in terms of operation?

Julio Fontana:

Falcão, what we are doing initially right now is changes in process that have brought results. If everything goes well, this month we will have a record in production in the North and very close to the record in the South section. In the past, we had only this one. I will say to you that we already have expressive results in terms of gains of efficiency in the first month of operation.

Alexandre Falcão:

Now talking about CAPEX priority, today your CAPEX priority negotiating with the regulator is the port, to duplicate the Itirapina? And how would this affect loss of capacity? And when will the Santos-Campinas duplication be complete?

Julio Fontana:

We will not lose anything in terms of capacity. The plan was made to make us study the quality of the permanent way with intervals that will not influence the volume to be transported. It is a very detailed plan, stretch by stretch, day by day. We are positive and we have had a good performance. Concerning the Campinas-Santos stretch, I will say that, probably, by the end of May everything will be delivered.

Alexandre Falcão:

Thank you.

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Sara Delfim, Bank of America:

Here is a question, looking at the CAPEX curve of the short-term plan and medium-term plan, it is above my expectation, but I believe that the condition of the low way request more investments.

Since you will be investing a lot between 2015 and 2019, having a better infrastructure, can we consider that as of 2020, 2021, this CAPEX for maintenance would be lower than today, R\$800 million? Or is it better to maintain the R\$800 million or a percentage of the revenue?

Since you are investing a lot in the short-term, the CAPEX to maintain a much better infrastructure would be lower, right?

José Cezário:

You are right. The trend is for the maintenance CAPEX to be lower. In the future, it will be lower than it is today, but obviously it will never have an elasticity like in other industries. This industry will always require a recurring CAPEX that will be significant.

Júlio Fontana:

Now, there are standard numbers today concerning what you need to invest to maintain the infrastructure with the growth in efficiency and productivity. This number, R\$800 million, is roughly what we will have in the future due to the size of the infrastructure and we want a lot of efficiency. All the railways on a worldwide basis use this amount per maintenance.

Sara Delfim:

If you could guess in the long-term with a new renewal of the contract after 2026, 2027 what would you say? 10%, 15% of revenue per maintenance? Because the number that we use for the long-term will make a big difference.

Júlio Fontana:

Unfortunately, I am not a football player. It is difficult to do that, but we are estimating around R\$800 million and, with the growth of revenue and volume transported, this will impact the revenue of the Company.

Sara Delfim:

Thank you.

Juan Tavares, Citigroup:

Thank you, and good morning everyone. My first question is on deleverage you mentioned you are financing your debt. I am curious, what would be your target leverage if you

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finance your debt, the covenants that you are monitoring, I mean, besides that as well, is there a specific leverage ratio that you would consider raising equity?

My second question is regarding target returns. You mentioned in the compensation plan that you have specific target ROE for the management team. I am curious, where would you foresee after this investment plan the ROE reaching in the long term?

José Cezário:

First of all, I would like to remind you that we are in a turnaround situation. Here, we are after a significant change in the dynamics of the business and in obtaining more efficiency, having a more efficient Company. Truly, what we want in the long-term is a reduction in leverage that would be compatible with the size of the cash generation we will have during the next few years.

Now, looking at leverage on EBITDA, if we were to establish a target, I believe that an adequate number in the medium- and long-term would be 2.5x the net debt EBITDA as being a target. But, obviously, I believe it is a little early for us to use that as a goal and establish dates to reach that.

Ítalo Ferrara, Brasil Plural:

Good morning. This CAPEX in the 18-month plan, R\$2.8 billion, could you say how much of this CAPEX goes to rolling stock? How much would you invest in locomotives and railway cars?

José Cezário:

Less than R\$1 billion for rolling stock and most of it is with the permanent way. If it is very different, I will come back with a different answer. I think it is a little under R\$1 billion, especially locomotives and railway cars in the long-term plan. The percentage of rolling stock is the same.

Ítalo Ferrara:

Thank you.

Operator:

Thank you. Since we have no more questions, I would like to pass the floor to Mr. Julio Fontana for his last comments.

Julio Fontana:

I would like to thank you all for attending our call for investments. We are available to all of you. Thank you.

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Operator:

Thank you. The teleconference on the Investment Plan of Rumo is now concluded.

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