Rumo | Earnings Release 1Q17

Rumo | Disclaimer

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

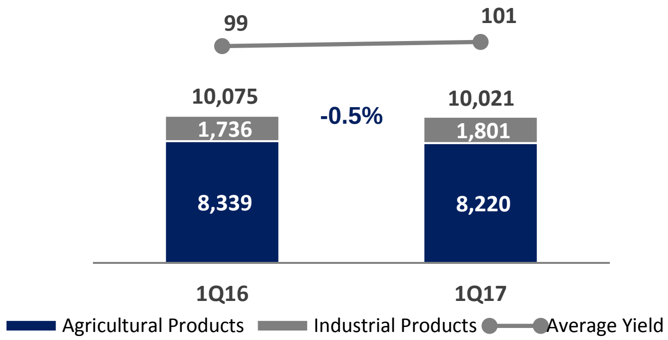
The words "believe", "may", "should", "estimate", "continue", "foresee", "intend", "expect" and similar words aim at identifying forward-looking estimates and statements. Forward-looking estimates and statements only refer to the date when these are made and we do not assume any obligation to update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

Consolidated Result | Operational

Volume transported in line with previous year, despite the strong year-on-year comparison.
Sugar crop transportation in 2016 impacted port loading volume.

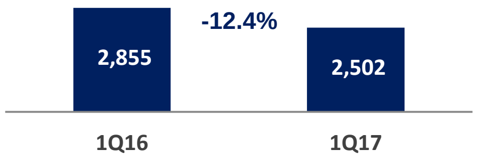
Volume and Transportation Tariff

(MM RTK and R$/RTK x 1000)



Loading Volume

(Thousand tons)



- Volume transported in 1Q17 in line with the same period last year, when we saw an atypical demand for corn transportation.
- Volume of agricultural products went down 1.4%. 1Q17 did not record similar demand for corn transportation seen in 1Q16. However, additional soybean volumes partially offset such effect.
- Industrial products volume was up 3.8%, with 8.7% increase in fuel transportation chiefly due to recovery of agricultural production.
- Higher transportation tariffs due to contractual adjustments, partially offset by less favorable mix, with greater presence of industrial products.
- 12.4% reduction in the port loading volume. Sugar crop ended in 1Q17 already had most of its volume transported during 2016.

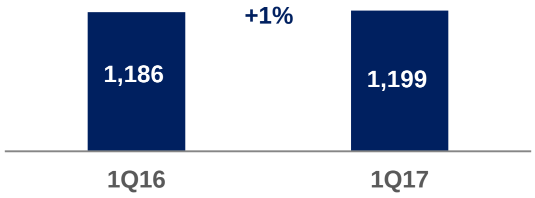
Note1: 2016 Proforma Results

Consolidated Result | Financial

Growth of both EBITDA and margin due to operating efficiency gains.
Higher net debt due to execution of Business Plan.

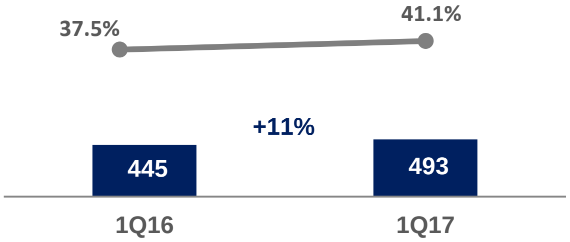
Net Revenue

(R$ MM)



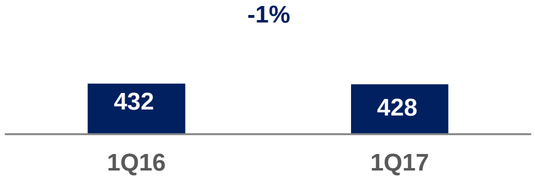
EBITDA and EBITDA Margin

(R$ MM)



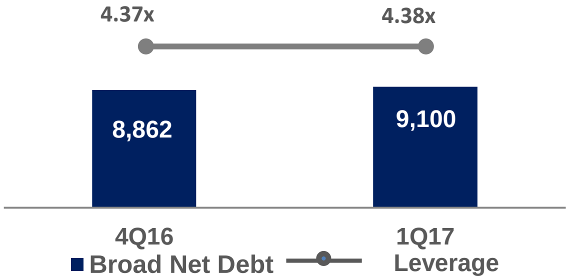
Fixed Costs + SG&A excluding Depreciation and Amortization

(R$ MM)



Broad Net Debt and Leverage

(R$ MM)

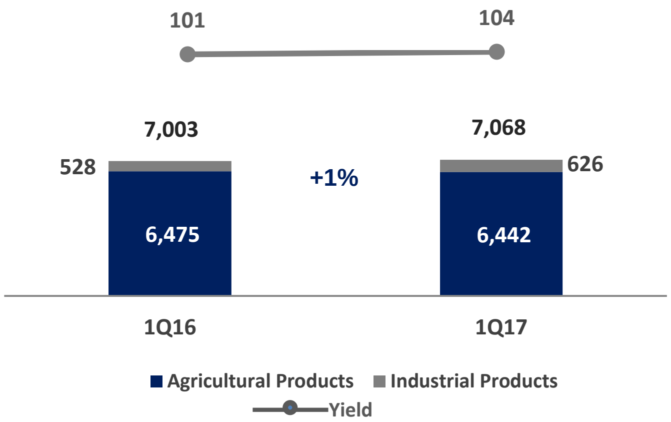


- Increased net revenue in the period due to higher tariffs, despite reduction in the volume transported.
- EBITDA growth due to efficiency gains resulting from investments made.
- Expansion of EBITDA margin through variable costs reduction, fixed costs increase and G&A expenses below inflation.
- 3% increase of the broad net debt due to execution of the Capex plan, which partially consumed cash in the period.
- Leverage of 4.4 times in line with the same period last year.

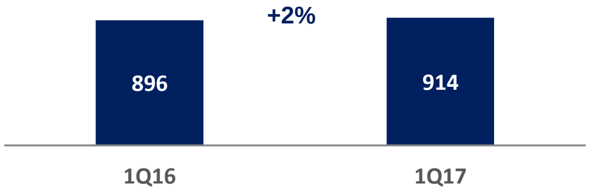
Note 1: 2016 Proforma Results

North Operation | Higher volumes despite strong basis of comparison

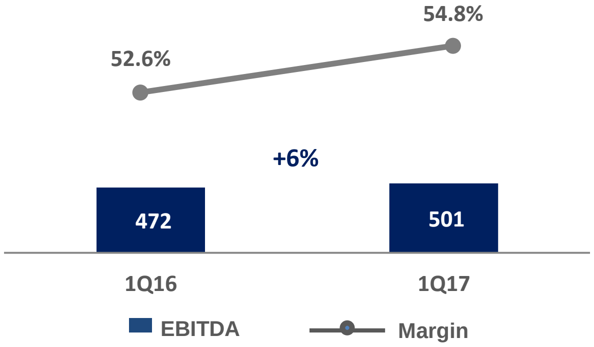
Volume and Transportation Tariff
(MM RTK and R$/RTK x 1000)



Net Revenue
(R$ MM)



EBITDA and EBITDA Margin
(R$ MM)

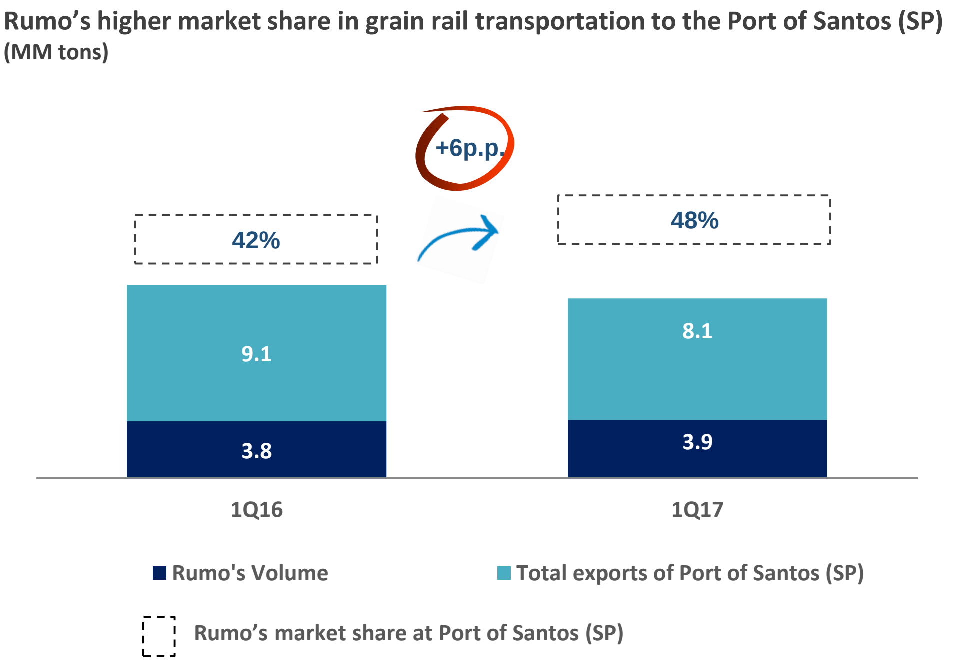


- Higher volumes transported in the period, despite strong basis of comparison generated by atypical demand for corn transportation in 1Q16.
- Net revenue growth chiefly due to tariff contractual adjustments, added to higher volume in the period.
- Increased EBITDA due to higher operating efficiency, resulting in lower unit costs, and expansion of EBITDA margin.

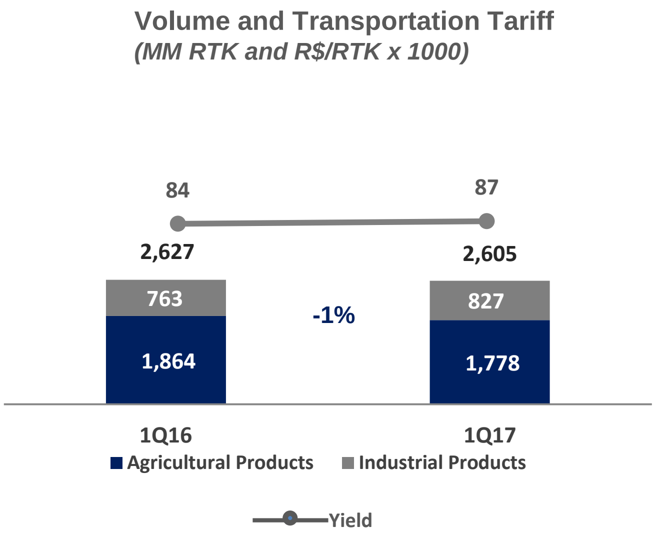
Note 1: 2016 Proforma Results

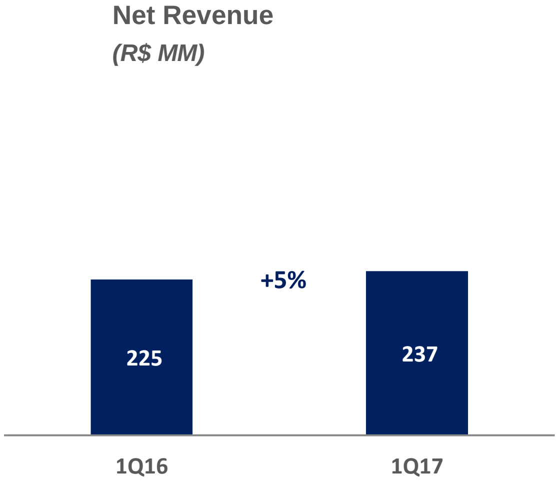
North Operation | Market share of grains transportation to the Port of Santos (SP)

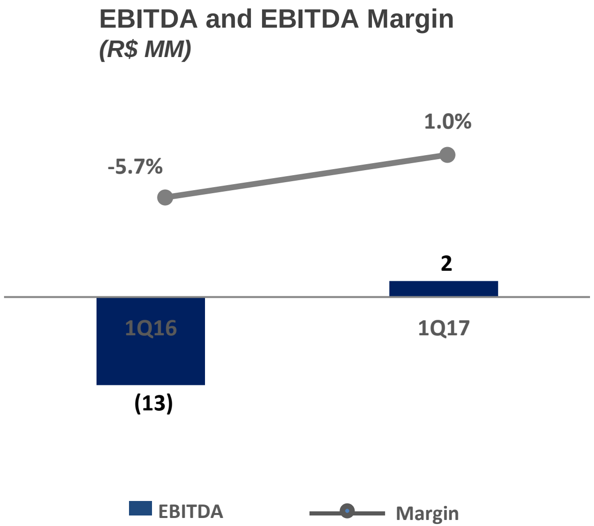
In 1Q17, Rumo increased its share in grain transportation to the Port of Santos (SP) by 6 p.p.



South Operation | Increased EBITDA due to better operating conditions







- Reduced volumes is due to 1Q16 strong basis of comparison.
- Reduced agricultural volumes was partially offset by industrial volumes, especially pulp and paper from Klabin's new plant (Puma Project)

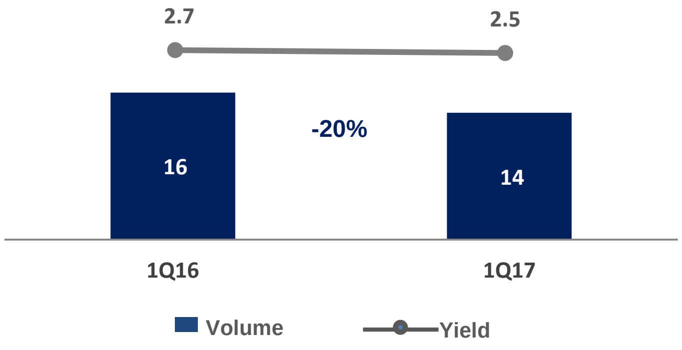
- Net revenue growth due to higher tariffs deriving from inflation and diesel contractual adjustments.

- Better operating conditions allowed to expand EBITDA margin with lower unit costs.
- EBITDA growth despite reduced volumes transported.

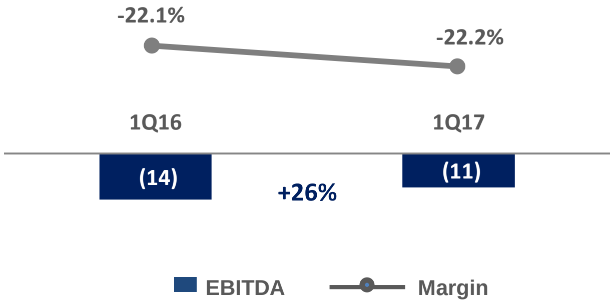
Note 1: 2016 Proforma Results

Container Operation | EBITDA growth despite reduced volumes

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



EBITDA and EBITDA margin
(R$ MM)



- **Reduced volumes of containers transported is chiefly due to the rationalization of non-profitable routes and lower demand for refrigerated products transportation.**
- **Despite negative at R$11 million, EBITDA was 26% better than 1Q16, due to the rationalization of routes and higher efficiency of railway operations.**

Note 1: 2016 Proforma Results

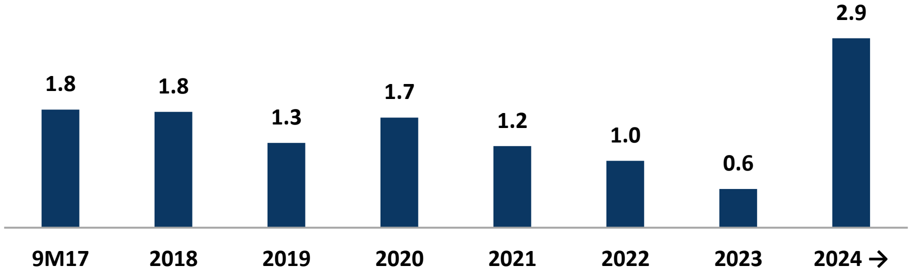
Indebtedness | Leverage reached 4.4 x

Net Debt and Leverage
(R$ MM)

Total Indebtness (Amounts in R$ MM)	1Q17	4Q16 Pro forma	Chg. %
Total Gross Broad Debt	**12,302.1**	**10,116.5**	**21.6%**
Cash and Cash Equivalents and Securities[1]	(3,217.9)	(1,263.0)	n.a.
Net Derivative Instruments	16.2	8.6	87.6%
Total Net Broad Debt	**9,100.3**	**8,862.1**	**2.7%**
EBITDA LTM	2,076.7	2,028.6	2.4%
Leverage (Net Broad Debt / EBITDA LTM)	**4.38x**	**4.37x**	**0.3%**

Note1: 4Q16 includes bank debt restricted cash totaling R$85.9 million. For 1Q17, bank debt restricted cash totaled R$88.0 million.

Debt Amortization Schedule
(R$ BLN)



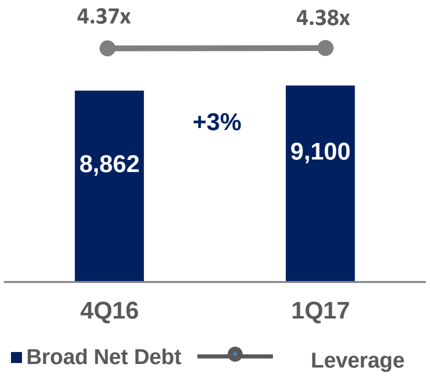
Main changes in 1Q17

Funding
R$2,363 million

Amortizations
Principal: R$345 million
Interest rates: R$221 million

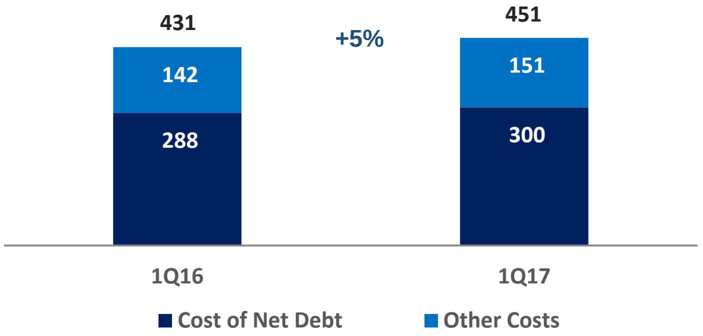
Average Debt Cost
Lower than 100% of CDI

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



Financial Result and Cash Flow

Financial Result
(R$ MM)



- **Higher gross debt charges as a result of the debt restructuring process.**
- **Reduced charges over leasing and real estate receivables certificates (CRIs) due to the amortization of these instruments, without relevant funding.**
- **Increased financial investment yield due to higher average cash balance, as a result of Senior Notes 2024 placement.**

CASH FLOW
(R$ MM)

	Indirect Cash Flow (Amounts in R$ MM)	1Q17	1Q16 Pro forma	Chg. %
	EBITDA	492.7	444.6	11%
	Non-cash effects	64.0	44.7	n.a.
	Working capital Variation	27.3	(114.9)	n.a.
	Operational Finacial Result	(16.1)	(20.4)	n.a.
(a)	**(=) Operating Cash Flow**	**567.9**	**354.0**	**60%**
	Total Capex	(471.9)	(284.9)	66%
(b)	Recurring	(164.4)	(148.0)	11%
	Expansion[13]	(307.5)	(136.9)	125%
	Sell of assets	7.0	-	100%
	Dividendends Received	2.5	1.7	47%
(c)	**(=) Cash Flow from Investiments**	**(462.4)**	**(283.2)**	**63%**
	Fundings	2.388.5	326.1	n.a.
	Amortization of Principal	(344.5)	(408.1)	-16%
	Amortization of Interest Rates	(220.8)	(244.8)	n.a.
	Derivative Financial Instruments and others	0.8	(16.4)	n.a.
	Restrict Cash	(24.1)	19.0	n.a.
(d)	**(=) Financial Cash Flow**	**1,799.9**	**(324.9)**	**n.a.**
(e)	**Impact of exchange variation on cash and cash equivalents**	**47.5**	**-**	**n.a.**
	(=) Generation (Consuption) Total Cash	**1,952.8**	**(253.5)**	**n.a.**
	(+) Total Cash (includes Cash and Marketable Securities) Inicial Rumo Consolidated	1,177.1	581.3	103%
	(=) Total Cash (includes Cash and Marketable Securities) final Rumo Consolidated	**3,129.9**	**327.1**	**n.a.**
	(=) Cash Generation after Recurring Capex (a+b)	**403.5**	**206.0**	**96%**
	(=) Cash Generation after Cash from Invesments (a+c)	**105.4**	**70.8**	**39%**
	(=) Generation (Consumption) total Cash (a+c+d+e)	**1,952.8**	**(253.5)**	**n.a.**
	(=) Generation (Consumption) total Cash excluding *Senior Note 2024*	**(346.0)**	**(253.5)**	**37%**

Note 1: 2016 Proforma Results

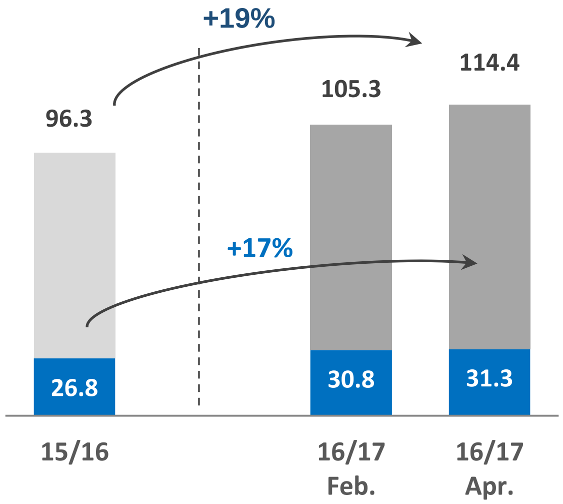
Operating and Financial Performance Indicators

Historical trend of main operating and financial indicators of the Company

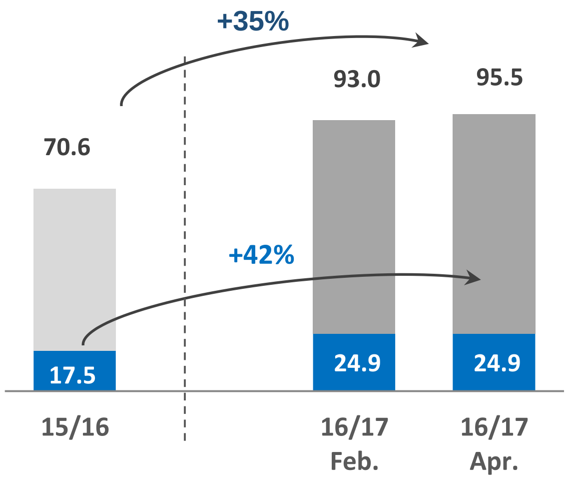
Operational and Financial Performance Indicators	1Q16	2Q16	3Q16	4Q16	1Q17	1Q17	1Q16	Chg. %
Consolidated								
Unitary Rail Variable Cost (R$/'000 TKU)[14]	**(20.1)**	**(19.6)**	**(18.9)**	**(21.1)**	**(19.0)**	**(19.0)**	**(20.1)**	**-6%**
Unitary Fixed Cost + SG&A excluding depreciation (R$/'000 TKU)	**(42.9)**	**(41.0)**	**(37.4)**	**(57.7)**	**(42.7)**	**(42.7)**	**(42.9)**	**-1%**
Operating ratio[15]	**86%**	**76%**	**75%**	**95%**	**83%**	**83%**	**86%**	**-3%**
Diesel Consuption (Liters/ '000 GTK)	**4.8**	**4.8**	**4.6**	**4.9**	**4.6**	**4.6**	**4.8**	**-4%**
North Operation								
Grains from Rondonópolis (MT) to Port of Santos (SP)								
Average number freight cars loaded per day (units)	395	361	352	97	369	368	395	-7%
Transit time (hours)	100.2	101.4	105.6	96.7	107.1	107	100.2	7%
Cycle time of freight cars (days)	10.8	10.4	9.9	11.0	10.2	10.2	10.8	-5%
South Operation								
Grains from terminals in north of Paraná to port of Paranaguá (PR)								
Average number freight cars loaded per day (units)	355	352	175	36	277	277	355	-22%
Transit time (hours)	49.3	46.1	45.9	47.6	57.9	57.9	49.3	17%
Cycle time of freight cars (days)	8.4	7.4	7.7	7.8	7.6	7.6	8.4	-9%

Expectations for soybean and corn 2016/2017 crops

Soybean Production Projection
(MM tons) (%)



Corn Production Projection
(MM tons) (%)



Mato Grosso Brasil

- Soybean (+19%) and corn (+35%) crop production in 2016/2017, should exceed grain record crop of 2014/2015
- Estimate of grain production growth in the state of Mato Grosso higher than Brazilian average, with additional total of 12 million tons in 2016/2017 crop

Source: Agroconsult

Guidance 2017

		2017 Guidance
Rumo	EBITDA (R$ MM)	2.600 ≤ Δ ≤ 2.800
	Total Capex(R$ MM)	2.000 ≤ Δ ≤ 2.200
	Recurring Capex (R$ MM)	700 ≤ Δ ≤ 800
	Expansion Capex (R$ MM)	1.300 ≤ Δ ≤ 1.400

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

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