

EARNINGS RELEASE 2Q18

Curitiba, August 7, 2018 – RUMO S.A. (B3: RAIL3) (“Rumo”) and COSAN LOGÍSTICA S.A. (B3: RLOG3) (“Cosan Logística”) today announced their results for the second quarter of 2018 (2Q18) composed of April, May, and June. The results are consolidated in accordance with the accounting criteria adopted in Brazil and International Financial Reporting Standards (IFRS). The comparisons included in this report consider 2Q18 and 2Q17 unless otherwise indicated.

Rumo 2Q18 and 6M18 Highlights

- In 2Q18, EBITDA totaled R\$844 million, 15% higher than 2Q17. EBITDA margin grew by 2 p.p. to 51%. In 6M18, EBITDA advanced 22% to R\$1,494 million, with a margin of 49%, 4 p.p. higher than in 6M17.
- Total transported volume reached 13.5 billion RTK, 9% higher than in 2Q17. In 6M18, total transported volume grew 13% to 25.3 billion RTK. May volumes were negatively impacted by the truck drivers’ strike. In April and June, transported volumes rose more than 15%, when compared to last year.
- Loading volumes in Rumo’s terminals at the Port of Santos (SP) dropped 21% in 2Q18 year-over-year and 12% in 6M18, totaling 5.1 million tons. This result mainly reflected the negative macro environment for sugar trade.
- Capex totaled R\$559 million in 2Q18, while in 6M18, capex came to R\$1,042 million, in line with the Company’s investment plan, with a highlight to the investments in truck dumpers that increase significantly the capacity of the Rondonópolis (MT) terminal.

2Q18	2Q17	Chg.-%	Summary of Financial (Amounts in R\$ MM)	6M18	6M17	Chg.-%
13,464	12,317	9.3%	Total Transported Volume (million RTK)	25,291	22,338	13.2%
2,616	3,292	-20.5%	Total Volume Loaded (TU ‘000)	5,090.5	5,793.0	-12.1%
1,664.5	1,506.1	10.5%	Net Revenue	3,061.2	2,705.3	13.2%
548.1	516.8	6.1%	Gross Profit	944.1	785.1	20.2%
32.9%	34.3%	-1.4 p.p.	Gross Margin (%)	30.8%	29.0%	1.8 p.p.
(70.0)	(82.0)	-14.7%	Selling, General and Administrative Expenses	(143.9)	(147.2)	-2.2%
(0.4)	(0.8)	-55.1%	Other Op. Revenues (Expenses) and Equity Pickup	(3.4)	(1.2)	>100%
477.8	434.0	10.1%	Operational Profit	796.8	636.7	25.2%
365.9	298.7	22.5%	Depreciation and Amortization	697.1	588.7	18.4%
843.7	732.7	15.1%	EBITDA	1,493.9	1,225.4	21.9%
50.7%	48.6%	2 p.p.	EBITDA Margin (%)	48.8%	45.3%	3.5 p.p.
(34.5)	(30.2)	14.5%	Net Profit (Loss)	(92.8)	(278.8)	-66.7%
-2.1%	-2.0%	-0.1 p.p.	Net Margin (%)	-3.0%	-10.3%	7.3 p.p.
559.1	478.2	16.9%	Capex	1,042.3	950.1	9.7%

Conference Call

English – 2:00 p.m. (Brasília time)

August 8, 2018 (Wednesday)

Phones (BR): +55 11 3193 1001

+ 55 11 2820 4001

Phone (USA): +1 646 828 8246

Code: RUMO

Portuguese – 3:00 p.m. (Brasília time)

August 8, 2018 (Wednesday)

Phones: + 55 11 3193 1001

+ 55 11 2820 4001

Code: RUMO

Investor Relations

E-mail: ir@rumolog.com

Phones: +55 41 2141-7555

+55 11 3897-9797

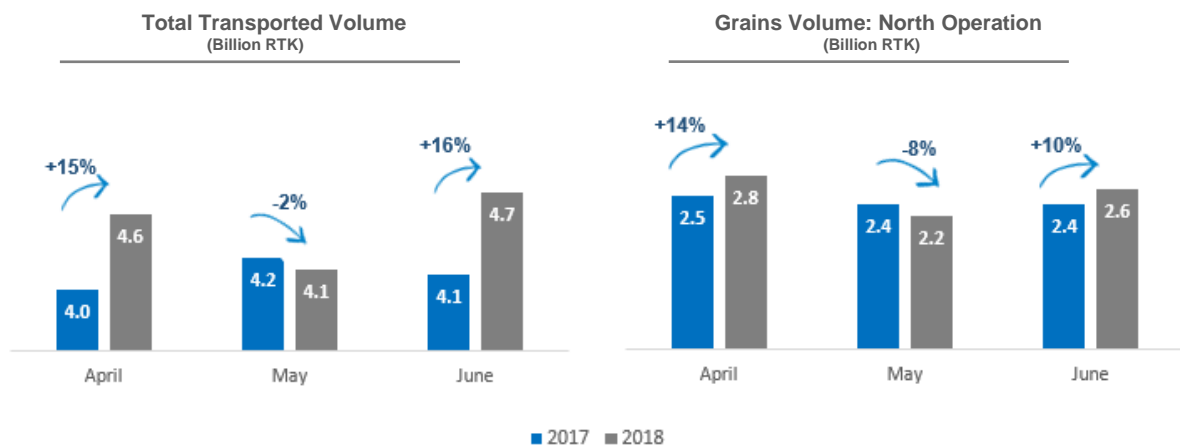
Website: ri.rumolog.com



1. 2Q18 Executive Summary

Rumo's EBITDA reached R\$843.7 million in 2Q18, up 15% year-over-year. In 6M18, EBITDA advanced 22% to R\$1.5 billion. The results were bolstered by higher transported volumes and greater cost efficiency. In 2Q18, fuel consumption decreased (Liters/GTK: -7%) and fixed costs were diluted, contributing to 2 p.p. margin expansion, to 51% in the period.

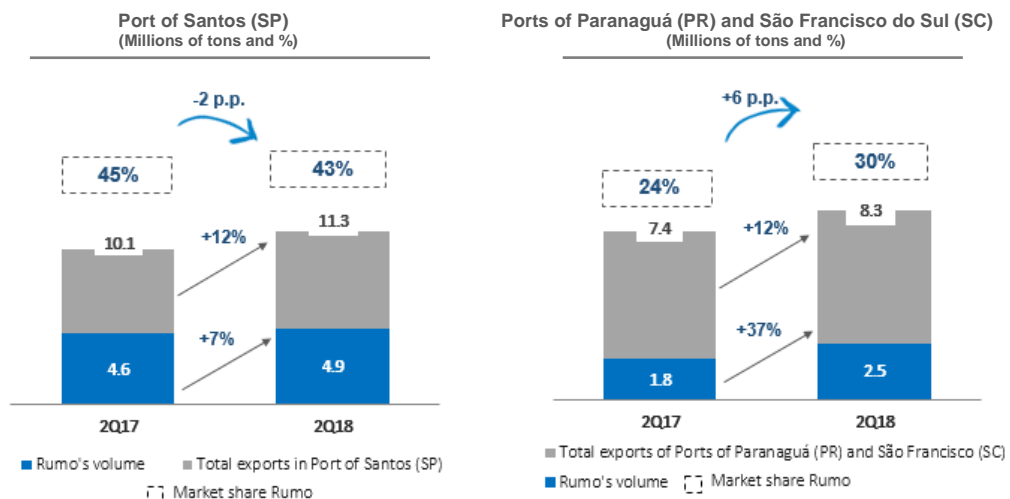
Volume transported by Rumo reached 13.5 billion RTK in 2Q18, up 9% year-over-year. In 6M18, volume transported totaled 25.3 billion RTK, up 13% versus 6M17. The quarter started with strong demand for soybean transportation and capacity, which drove 15% growth in April volumes. In May, the first 20 days of the month mirrored April's performance, however, over the last 10 days of the month, with the truck drivers' strike, the Company was impacted especially in its grain operation in the state of Mato Grosso. In June, with the end of the strike, demand and operation got back to normal, recording growth of 16% in transported volumes in front of last year. In addition, it is worth mentioning that fertilizer operation in Rondonópolis (MT) initiated activities this quarter, which is strictly within the volumes planned for the year.



Source: Rumo System

In 2Q18, Rumo reached a market share of 43% in the transportation of grains to the Port of Santos (SP), 2 p.p. lower than in 2Q17. Both exports volume and transported volumes by Rumo were impacted by the truck drivers' strike in May. However, excluding the strike period, Rumo's volume was constrained by capacity, which was lower than market expansion during some periods of the quarter, resulting market share loss. The South Operation increased 6 p.p. market share of grains at the ports of Paranaguá (PR), and São Francisco do Sul (SC), due to more available capacity for grains, as long as sugar market was not favorable. Additionally, our commercial effort to bring more grains demand, improvements in operational safety, access to better port terminals, together with investments delivered 37% growth in transported volumes.

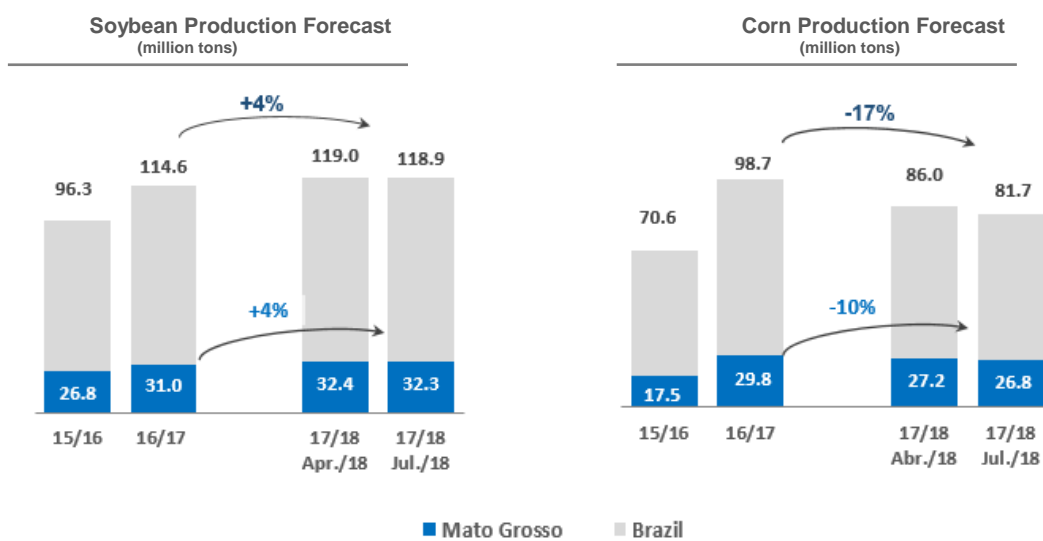
Rumo's Volume and Market Share Evolution in Grain Transportation:



Source: Marine Agency

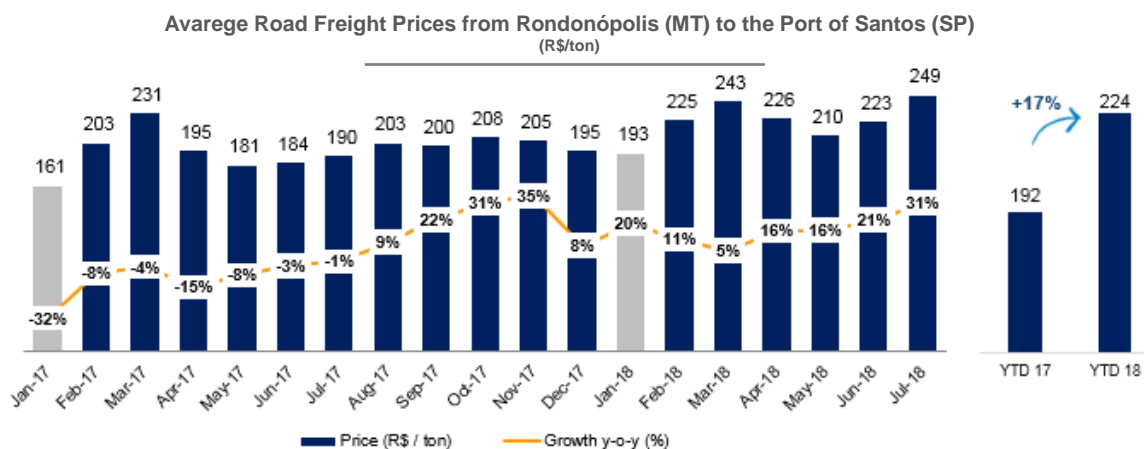
In 2Q18, Rumo maintained its indebtedness ratio at 2.6x broad net debt/EBITDA, making prepayments on certain instruments, reducing its gross debt balance from R\$12.1 billion to R\$10.9 billion. This quarter, the financial result recorded relevant non-recurring effects: (i) marked-to-market of Senior Notes hedging instruments (swap for CDI interest rate) as a result of interest forward curve fluctuation, which impacted results by R\$80 million, but a non-cash effect; (ii) recognition of approximately R\$22 million non-cash expenses referring to the *Debenture* issued in 2016, which previously would be deferred over the debt useful life, and due to prepayment, were recognized in advance; and (iii) prepayment fees of this *Debenture* totaling R\$16 million (cash effect).

The outlook for 2018 grains crops remains positive for Rumo. Agroconsult revised estimates for the 2017/2018 soybean crop relative to the previous crop, increasing production projections in Brazil and the state of Mato Grosso to 4% growth, which would make this a record crop. For the 2017/2018 corn crop, estimates indicate a 17% decline in Brazilian production and a 10% drop in Mato Grosso production. Positive conditions for soybean trade extended its exports period, which coupled with corn carryover inventories contributed to offset the lower grain production, already expected for the second half.



Source: Agroconsult

In addition, there is a trend of increase in average road freight prices when compared to 2017, which is evidenced by IMEA figures, enhancing Rumo’s competitiveness.



Source: IMEA (Mato Grosso Institute of Agribusiness Economy)

All of the comments in this report refer to Rumo’s consolidated results. However, the 2Q18 financial information related to Cosan Logística is available in the appendices.

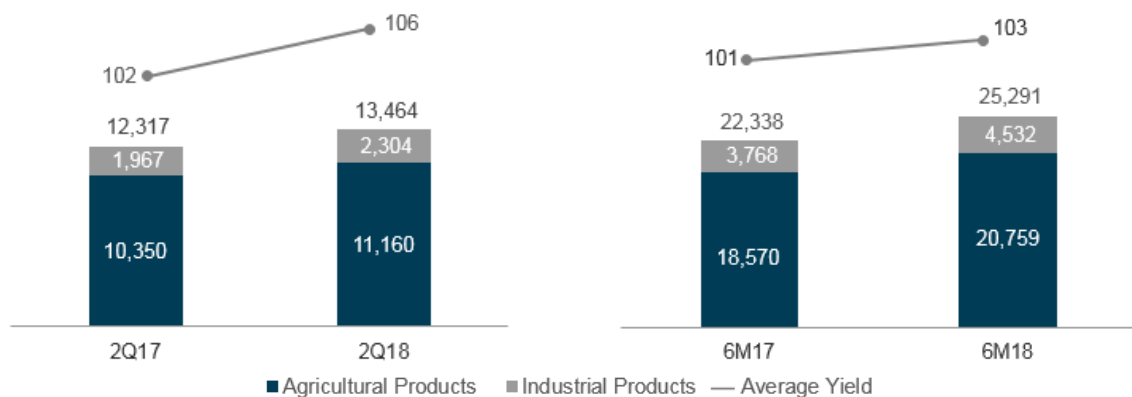
2. Consolidated Operating and Financial Indicators

2Q18	2Q17	Chg.%	Summary of Financial Information (Amounts in R\$ MM)	6M18	6M17	Chg.%
13,464	12,317	9.3%	Total Transported Volume (million RTK)	25,291	22,338	13.2%
11,160	10,350	7.8%	Agricultural Products	20,759	18,570	11.8%
2,304	1,967	17.1%	Industrial Products	4,532	3,768	20.3%
106.0	102.3	3.4%	Average Transportation Yield (R\$/000 RTK)	103.3	101.0	2.3%
2,616	3,292	-20.5%	Total Volume Loaded (TU '000)	5,090	5,793	-12.1%
27.5	25.0	10.0%	Average Loading Yield (R\$/TU)	26.2	24.6	6.5%
1,664.5	1,506.1	10.5%	Net Operating Revenue	3,061.2	2,705.3	13.2%
1,440.7	1,275.2	13.0%	Transportation	2,643.8	2,284.0	15.8%
72.0	82.2	-12.4%	Port Loading	133.5	142.5	-6.3%
151.8	148.7	2.1%	Other ²	283.9	278.9	1.8%
(1,116.4)	(989.3)	12.8%	Costs of Services	(2,117.1)	(1,920.2)	10.3%
(386.5)	(337.1)	14.7%	Variable Costs	(705.9)	(615.4)	14.7%
(366.1)	(353.5)	3.6%	Fixed Costs	(718.4)	(718.6)	0.0%
(363.8)	(298.8)	14.7%	Depreciation and Amortization	(692.9)	(586.2)	18.2%
843.7	732.7	15.1%	EBITDA	1,493.9	1,225.4	21.9%
50.7%	48.6%	2.0 p.p.	EBITDA Margin (%)	48.8%	45.3%	3.5 p.p.

Note²: Includes revenue from right of way of other railways, revenue from sugar transportation using other railways or road transportation and revenue from volumes contracted but not executed according to commercial agreements (take or pay).

Rumo Consolidated Transported Volume

Transported Volume (Million RTK) and Average Railroad Transportation Yield (R\$/000 RTK)



2Q18	2Q17	Chg.%	Operational Figures (Amounts in R\$ MM)	6M18	6M17	Chg. %
13,464	12,317	9.3%	Total Transported Volume (million RTK)	25,291	22,338	13.2%
11,160	10,350	7.8%	Agricultural Products	20,759	18,570	11.8%
7,770	6,200	25.3%	Soybean	14,340	12,203	17.5%
1,717	1,546	11.0%	Soybean meal	3,256	2,874	13.3%
362	1,243	-70.9%	Corn	1,045	1,364	-23.4%
1,014	1,171	-13.4%	Sugar	1,643	1,676	-1.9%
298	187	59.5%	Fertilizers	450	319	41.1%
-	2	-100.0%	Other	24	133	-82.1%
2,304	1,967	17.1%	Industrial Products	4,532	3,768	20.3%
1,060	1,021	3.8%	Fuels	2,127	2,068	2.9%
461	259	78.2%	Wood, Pulp and Paper	929	441	>100%
557	452	23.2%	Containers	1,035	800	29.4%
226	235	-4.0%	Other	441	459	-3.8%

Results by Business Unit

Business Units

The business units (reporting segments) are organized as follows:

- **North Operation** North Network, Paulista Network, and Port Operation in Santos
- **South Operation** West Network and South Network
- **Container Operation** Container operations including Brado Logística

Results by Business Unit 2Q18	North Operation	South Operation	Containers Operations	Consolidated
Transported Volume	9,097	3,811	557	13,464
Net Revenue	1,210.7	389.2	64.7	1,664.5
Cost of Services	(685.4)	(355.8)	(75.3)	(1,116.4)
Gross Profit	525.3	33.4	(10.6)	548.1
<i>Gross Margin (%)</i>	43.4%	8.6%	-16.4%	32.9%
Selling Expenses, General and Administrative Expenses	(48.2)	(15.7)	(6.1)	(70.0)
Other Operating Revenues (Expenses)	2.4	(7.4)	4.6	(0.4)
Depreciation and Amortization ²	246.8	105.2	14.0	365.9
EBITDA	726.3	115.5	1.9	843.7
EBITDA Margin (%)	60.0%	29.7%	2.9%	50.7%

Results by Business Unit 6M18	North Operation	South Operation	Containers Operations	Consolidated
Transported Volume	17,359	6,897	1,035	25,291
Net Revenue	2,264.0	677.3	119.9	3,061.2
Cost of Services	(1,287.4)	(683.2)	(146.5)	(2,117.1)
Gross Profit	976.6	(5.8)	(26.7)	944.1
<i>Gross Margin (%)</i>	43.1%	-0.9%	-22.3%	30.8%
Selling Expenses, General and Administrative Expenses	(100.8)	(30.2)	(12.8)	(143.9)
Other Operating Revenues (Expenses) and equity pickup	3.7	(13.6)	6.5	(3.4)
Depreciation and Amortization ²	469.3	200.3	27.5	697.1
EBITDA	1,348.7	150.5	(5.4)	1,493.9
EBITDA Margin (%)	59.6%	22.2%	-4.5%	48.8%

Note³: Depreciation and amortization are allocated as the cost of services provided and as general and administrative expenses,

North Operation

2Q18	2Q17	Chg. %	Operational Figures	6M18	6M17	Chg. %
9,097	8,322	9.3%	Total Transported Volume (million RTK)	17,359	15,390	12.8%
8,261	7,748	6.6%	Agricultural Products	15,711	14,190	10.7%
5,662	4,531	25.0%	Soybean	10,697	9,342	14.5%
1,572	1,445	8.8%	Soybean meal	3,013	2,691	12.0%
361	1,231	-70.7%	Corn	871	1,327	-34.3%
523	541	-3.3%	Sugar	988	830	19.0%
143	-	>100%	Fertilizers	143	-	>100%
836	574	45.7%	Industrial Products	1,648	1,200	37.3%
593	574	3.3%	Fuels	1,174	1,200	-2.2%
243	-	>100%	Pulp	475	-	>100%
109.8	107.0	2.6%	Average Transportation Yield (R\$/000 RTK)	108.2	105.5	2.6%
2,616	3,292	-20.5%	Total Volume Loaded (TU '000)	5,090	5,793	-12.1%
27.5	25.0	10.0%	Average Loading Yield (R\$/TU)	26.2	24.6	6.5%

In 2Q18, total volume transported by the North Operation was 9% higher than in 2Q17. In 6M18, the increase was up 13% in front of 6M17, reaching 17 billion RTK. There was a significant increase in soybean volume, mainly reflecting capacity gains which allowed Rumo to capture higher volumes in April and June, more than offsetting the drop in grains origination that occurred in May, due to the truck drivers' strike. The fertilizer operation which initiated its activities in early April, also contributed to results and remains on schedule. Concerning industrial products, Fibria's new operation to transport pulp was again a highlight. In addition, increased transportation of biodiesel and ethanol drove higher fuel volumes in 2Q18. Port loading volume reflected reduced sugar exports versus 2Q17, even this, Rumo's market share increased 6 pp in sugar transportation to the Port of Santos (SP). Additionally, the entry of a new port terminal impacted demand for all terminals.

2Q18	2Q17	Chg. %	Financial Data	6M18	6M17	Chg. %
1,210.7	1,116.3	8.5%	Net Operating Revenue	2,264.0	2,030.5	11.5%
998.9	890.8	12.1%	Transportation	1,879.0	1,624.4	15.7%
921.7	837.6	10.0%	Agricultural Products	1,729.1	1,513.9	14.2%
77.2	53.2	45.1%	Industrial Products	149.9	110.5	35.7%
72.0	82.2	-12.4%	Port Loading	133.5	142.5	-6.3%
139.8	143.3	-2.4%	Other Net Revenues ⁴	251.5	263.7	-4.6%
(685.4)	(604.0)	13.5%	Cost of Services	(1,287.4)	(1,156.5)	11.3%
(266.1)	(239.3)	11.2%	Variable Costs	(482.6)	(434.7)	11.0%
(174.2)	(173.0)	0.7%	Fixed Costs	(338.6)	(348.9)	-2.9%
(245.1)	(191.8)	27.8%	Depreciation and Amortization	(466.2)	(372.9)	25.0%
525.3	512.3	2.5%	Gross (Loss) Profit	976.6	874.0	11.7%
43.4%	45.9%	-2.5 p.p.	Gross Margin (%)	43.1%	43.0%	0.2%
(48.2)	(59.3)	-18.7%	Selling, General and Administrative Expenses	(100.8)	(102.7)	-1.8%
2.4	(0.9)	>100%	Other Op. Revenues (Expenses) and Equity Pickup	3.7	(1.8)	>100%
246.8	192.0	28.5%	Depreciation and Amortization	469.3	375.2	25.1%
726.3	644.1	12.8%	EBITDA	1,348.7	1,144.6	17.8%
60.0%	57.7%	2.3 p.p.	EBITDA Margin (%)	59.6%	56.4%	5.7%

Note⁴: Includes revenue from the right of way of other railways, revenue from sugar transportation using other railways or road transportation and revenue from volumes contracted but not executed according to commercial agreements (take or pay).

EBITDA reached R\$726 million in 2Q18, up 13% from 2Q17. In 6M18, EBITDA grew by 18% to R\$1.3 billion year-over-year. Variable cost increased due to volume growth and diesel average-price increase (R\$/Liter +25%), partially offset by higher energy efficiency (Liter/GTK -7%). Fixed costs were in line with 2Q17. EBITDA margin reached 60%, 2 p.p. higher than in 2Q17, an effect of cost dilution in the quarter.

South Operation

2Q18	2Q17	Chg. %	Operational Figures	6M18	6M17	Chg. %
3,811	3,543	7.6%	Transported Volume (million RTK)	6,897	6,148	12.2%
2,899	2,602	11.4%	Agricultural Products	5,047	4,380	15.2%
2,108	1,670	26.2%	Soybean	3,644	2,860	27.4%
144	101	43.0%	Soybean meal	244	183	32.9%
0	12	-96.1%	Corn	174	37	>100%
491	630	-22.1%	Sugar	655	847	-22.6%
153	187	-18.2%	Fertilizers	286	319	-10.5%
3	2	61.4%	Other	45	133	-65.9%
912	941	-3.1%	Industrial Products	1,850	1,768	4.6%
467	447	4.5%	Fuel	954	868	9.9%
218	259	-15.7%	Wood. Pulp and Paper	454	441	3.0%
227	236	-3.8%	Civil construction/steel and mining	442	459	-3.7%
101.2	92.5	9.4%	Average Transportation Yield (R\$/000 RTK)	96.9	90.2	7.4%

In 2Q18, the South Operation's transported volume was 8% higher than in 2Q17. In 6M18, the increase was 12% year-over-year. As with North Operation, capex investment enabled a significant increase in soybean transportation, resulting in 6 p.p. growth of Rumo's market share of grains transportation to the ports of Paranaguá (PR) and São Francisco do Sul (SC). Lower sugar volume transported in the quarter mainly reflected a sugar/ethanol ratio more favorable to the latter. In the transportation of industrial products, fuel volume increased, mainly driven by higher demand for transportation of biodiesel and ethanol.

2Q18	2Q17	Chg. %	Operational Figures	6M18	6M17	Chg. %
389.2	333.0	16.9%	Net Operating Revenue	677.3	570.1	18.8%
385.6	327.6	17.7%	Transportation	668.4	554.8	20.5%
288.2	235.9	22.2%	Agricultural Products	469.6	382.0	22.9%
97.4	91.7	6.2%	Industrial Products	198.8	172.8	15.0%
3.6	5.4	-33.3%	Other Revenues ⁵	8.9	15.2	-41.3%
(355.8)	(310.5)	14.6%	Cost of Services	(683.2)	(617.4)	10.7%
(92.3)	(74.7)	23.6%	Variable Costs	(170.9)	(137.1)	24.7%
(158.4)	(144.7)	9.4%	Fixed Costs	(312.1)	(298.6)	4.5%
(105.1)	(91.1)	15.4%	Depreciation and Amortization	(200.2)	(181.7)	10.2%
33.4	22.5	48.4%	Gross (Loss) Profit	(5.8)	(47.3)	-87.7%
9%	6.8%	1.8 p.p.	Gross Margin (%)	-0.9%	-8.3%	7.4 p.p.
(15.7)	(16.8)	-6.7%	Selling, General and Administrative Expenses	(30.2)	(33.2)	-8.8%
(7.4)	(2.0)	>100%	Other Op. Revenues (Expenses) and Equity Pickup	(13.6)	(3.8)	>100%
105.2	91.2	15.4%	Depreciation and Amortization	200.3	181.8	10.1%
115.5	94.8	21.9%	EBITDA	150.5	97.6	54.3%
29.7%	28.5%	1.2 p.p.	EBITDA Margin (%)	22.2%	17.1%	5.1 p.p.

Note ⁵: Includes revenue from volumes contracted but not executed according to commercial agreements ("take or pay").

The South Operation's EBITDA came to R\$116 million in 2Q18, up 22% from 2Q17. In 6M18, EBITDA climbed 54% to R\$151 million. Net revenue growth in the quarter was bolstered by higher transported volumes and 9% increase in the average yield. The variable cost increases due to higher transported volumes and higher diesel average price (R\$/Liter +25%), but it was mitigated by lower fuel consumption (Liters/GTK: -7%). Fixed costs increased mainly due to the recognition of R\$24 million of tax credits in 2Q17. Thus, operation reached 30% of EBITDA margin in the quarter, a relevant expansion when we exclude the tax credits from the 2Q17 basis.

Container Operations

2Q18	2Q17	Chg. %	Operational Figures	6M18	6M17	Chg. %
16,219	15,362	5.6%	Total Volume (Containers '000)	29,824	28,981	2.9%
3.3	2.7	22.2%	<i>Intermodal Average Yield (R\$ '000/containers)</i>	3.2	2.6	23.1%
557	452	23.2%	Total Volume (million RTK)	1,035	800	29.3%

Volume of transported containers totaled 16.2 thousand containers in 2Q18, 6% higher than in 2Q17. In 6M18, volume of transported containers grew by 3% to 29.8 thousand containers. The Company's strategy of diversifying cargo and servicing routes with higher average distance allowed increased average yield and RTK total volume.

2Q18	2Q17	Chg. %	Financial Results	6M18	6M17	Chg. %
64.7	56.8	13.8%	Net Operating Revenue	119.9	104.7	14.5%
(75.3)	(74.8)	0.6%	Cost of Services	(146.6)	(146.4)	0.2%
(31.0)	(23.1)	34.1%	Variable Costs	(52.3)	(43.5)	20.2%
(30.7)	(35.8)	-14.3%	Fixed Costs	(67.4)	(71.2)	-5.3%
(13.6)	(15.8)	-14.3%	Depreciation and Amortization	(26.9)	(31.6)	-15.0%
(10.6)	(18.0)	-40.9%	Gross Profit (Loss)	(26.7)	(41.6)	-35.9%
-16.4%	-31.6%	15.2 p.p.	<i>Gross Margin (%)</i>	-22.3%	-39.7%	17.5 p.p.
(6.1)	(5.9)	2.9%	Selling, General and Administrative Expenses	(12.8)	(11.3)	13.3%
4.6	2.1	>100%	Other Op. Revenues (Expenses) and Equity Pickup ⁶	6.5	4.4	48.9%
14.0	15.6	-10.3%	Depreciation and Amortization	27.5	31.7	-13.4%
1.9	(6.2)	>100%	EBITDA	(5.4)	(16.8)	-68.0%
2.9%	-10.9%	13.8 p.p.	<i>EBITDA Margin (%)</i>	-4.5%	-16.1%	11.6 p.p.

Note⁶: Includes revenue from service units.

EBITDA from Container Operations was R\$1.9 million in 2Q18. In 6M18, EBITDA was a loss of R\$5.4 million, a 68% improvement compared to 6M17. The qualification of operations enabled net revenue increase. Variable cost increased due to transported volumes increase, which resulted in higher expenses for truck freights to the terminals. Diesel average-price increase also impacted results in the period. Highest operational efficiency allowed the significantly reduce in fixed costs, which were diluted by the 23% volume growth in RTK.

3. Other Results

Breakdown of Costs of Services Provided

2Q18	2Q17	Chg. %	Consolidated Costs (Amounts in R\$ MM)	6M18	6M17	Chg. %
(1,116.4)	(989.3)	12.8%	Consolidated Costs	(2,117.1)	(1,920.2)	10.3%
(386.5)	(337.1)	14.7%	Variable costs	(705.9)	(615.4)	14.7%
(238.3)	(186.1)	28.1%	Fuel and lubricants	(445.9)	(346.5)	28.7%
(55.8)	(51.6)	8.1%	Own logistic costs ⁷	(103.0)	(92.1)	11.8%
(92.4)	(99.3)	-6.9%	Third party freight costs ⁸	(157.0)	(176.7)	-11.2%
(366.1)	(353.5)	3.6%	Fixed Costs	(718.4)	(718.6)	0.0%
(33.2)	(41.2)	-19.5%	Maintenance	(61.3)	(89.6)	-31.6%
(173.5)	(168.0)	3.3%	Payroll expenses	(340.0)	(305.3)	11.4%
(55.1)	(47.8)	15.2%	Leasing and concessions	(106.8)	(99.2)	7.6%
(8.7)	(17.8)	-51.1%	Operational leasing	(22.1)	(33.1)	-33.3%
(60.0)	(57.4)	4.6%	Third party services	(119.7)	(115.0)	4.1%
(35.6)	(21.3)	67.0%	Other operational costs	(68.6)	(76.5)	-10.4%
(363.8)	(298.8)	21.8%	Depreciation and Amortization	(692.9)	(586.2)	18.2%

Note⁷: Own logistics costs include sand, right of way, terminals, and other variable costs.

Note⁸: Third-party freight costs include contracts for road and railway freights with other operators.

Variable costs totaled R\$386.5 million in 2Q18, up 14.7% from 2Q17. Higher transported volume (+9%) in the quarter drove the increase. The 25% increase in average diesel price was partially offset by efficiency gains in locomotives' consumption (Liters /GTK: -7%). Likewise, in the North Operation, higher grain volumes transported contributed to increase own logistics costs. Third-party freight costs decreased due to lower sugar volume transported by truck freights and other railways.

Fixed costs totaled R\$366.1 million in 2Q18, 3.6% higher than in 2Q17. This result reinforces the Company's operational leverage and cost dilution strategy. Maintenance cost reduction was due to lower corrective maintenance expenses (lower preventive maintenance cost classified as Capex). Operating lease expenses significantly decreased due to refund/acquisition of rolling stock. Also, the recognition of tax credits (R\$24.3 million) in 2Q17 contributed to increasing other operating expenses in 2Q18. In addition, costs due to depreciation and amortization increased due to the investments made in 2017.

Financial Results

2Q18	2Q17	Chg.%	Financial Results (Amounts in R\$ MM)	6M18	6M17	Chg.%
(386.2)	(359.6)	7.4%	Cost of Bank Debt ⁹	(644.7)	(688.3)	-6.3%
(20.2)	(32.3)	-37.5%	Charges over Leasing	(72.5)	(66.5)	9.0%
(1.5)	(5.6)	-73.3%	Charges on Certificates of Real Estate Receivables	(3.7)	(12.6)	-70.7%
47.1	69.8	-32.5%	Financial Income from Investments	103.1	102.4	0.8%
(360.8)	(327.8)	10.1%	(=) Cost of Broad Net Debt	(617.7)	(665.1)	-7.1%
(47.3)	(61.9)	-23.5%	Monetary Variation on Liabilities of Concessions	(92.6)	(135.0)	-31.4%
(24.6)	(16.1)	52.3%	Rates on contingencies and contracts	(48.7)	(35.9)	35.7%
(27.0)	(27.3)	-1.1%	Other Financial Expenses	(49.5)	(48.5)	2.2%
(459.7)	(433.0)	6.2%	(=) Financial Result	(808.6)	(884.4)	-8.6%

Note⁹: Includes interest rates, foreign exchange variation, net result from derivatives and other debt charges.

The financial result in 2Q18 was a net expense of R\$459.7 million, 6.2% higher from 2Q17. The debt cost suffered a non-recurring impact (i) of marked-to-market of derivatives hedging Senior Notes (swap for CDI interest rate), due to interest forward curve fluctuation (which impacted results by R\$80 million, but a non-cash effect); (ii) recognition of approximately R\$22 million non-cash expenses referring to the Debenture issued in 2016, which previously would be deferred over the debt useful life, and due to prepayment had to be recognized in advance and (iii) the prepayment fees of this Debenture (R\$16 million, cash effect). Leasing charges and real estate receivables certificate tumbled due to the amortization of these instruments, without new funding. Financial investment yield declined 32.5% due to CDI interest rate drop quarter-over-quarter. Monetary variation on leasing and concession agreements reflects the adjustment (SELIC) to the unpaid concession amounts of the West and Paulista Networks, which are currently under litigation. Other financial expenses include costs with bank-issued guarantees and other financial operations.

Income Tax and Social Contribution

2Q18	2Q17	Chg. %	Income Tax and Social Contribution (Amounts in R\$ MM)	6M18	6M17	Chg. %
18.1	0.9	>100%	Income (Loss) before IT / SC	(11.8)	(247.8)	-95.3%
34%	34%	<i>Op.p.</i>	<i>Theoretical rate IR / SC</i>	34%	34%	<i>Op.p.</i>
(6.2)	(0.3)	>100%	Theoretical Income (Expense) with IR / SC	4.0	84.2	-95.3%
Adjustments to calculate the effective rate						
(25.0)	(34.7)	-27.9%	Tax losses and temporary differences not recognized ¹⁰	(61.4)	(119.4)	-48.6%
(16.1)	10.9	>100%	Tax incentives arising from the North Network ¹¹	(11.3)	15.0	>100%
1.3	0.5	>100%	Equity Pickup	1.8	1.1	63.6%
(6.6)	(7.5)	-10.9%	Other Effects	(14.1)	(11.9)	18.4%
(52.6)	(31.1)	69.3%	Income (Expense) with IT / SC	(81.0)	(31.0)	>100%
-290.7%	-3291.4%	-91.2%	<i>Effective rate (%)</i>	688.7%	12.5%	676.2p.p.
(4.8)	(5.4)	-10.0%	IT/SC current	(8.7)	(16.3)	-46.9%
(47.8)	(25.7)	85.7%	IT/SC deferred	(72.4)	(14.7)	>100%

Note10: We did not record deferred income tax and social contribution on tax losses in certain companies, due to the lack of prospects for future taxable income.

Note11: North Network enjoys the Amazon Development Office (SUDAM) benefit that entitles it to a 75% reduction in corporate income tax (rate of 25%) until 2023.

4. Loans and Financing

Broad gross debt at the end of 2Q18 was R\$10.9 billion, 10.0% lower than 1Q18 and down 9.8% year-over-year. Leverage remained at 2.6x (broad net debt/EBITDA), considering EBITDA of R\$3.0 billion over the last 12 months. The balance of broad net debt came to R\$7.7 billion, 3.8% higher than 1Q18 and 16.4% lower than 2Q17.

Total Indebtedness (Amounts in R\$ MM)	2Q18	1Q18	Chg.%
Commercial Banks	97.7	88.8	10.0%
NCE	1,485.5	1,506.0	-1.4%
BNDES	3,253.4	3,361.4	-3.2%
Debentures	558.2	2,224.1	-74.9%
Senior notes 2024 and 2025	4,753.0	4,102.8	15.8%
Total Bank Debt	10,147.7	11,283.1	-10.1%
Leases	671.3	716.3	-6.3%
Certificate of Real Estate Receivables	36.9	59.5	-38.0%
Total Broad Gross Debt	10,855.9	12,058.9	-10.0%
Cash and Cash Equivalents and Securities ¹²	(2,639.6)	(4,372.8)	-39.6%
Net Derivative Instruments	(480.5)	(80.6)	>100%
Total Broad Net Debt	7,735.7	7,605.4	1.7%
EBITDA LTM	3,025.1	2,914.1	3.8%
Leverage (Broad Net Debt / EBITDA LTM)	2.6x	2.6x	-

The following table gives a breakdown of the items that impacted Rumo's consolidated debt:

Bank Gross Indebtedness (Amounts in R\$ MM)	2Q18
Opening balance of broad net debt	7,605.4
Cash and Cash Equivalents and Marketable Securities ¹²	(4,372.8)
Net derivative instruments	(80.6)
Opening balance of broad gross debt	12,058.9
Items with Cash Impact	(2,053.1)
New Funding	61.4
Amortization of Principal	(1,918.8)
Amortization of Interest Rates	(195.7)
Items without Cash Impact	850.1
Provision for Interest Rates (accrual)	222.0
Monetary variation, MtM adjustments of debt and others	628.1
Closing balance of broad gross debt	10,855.9
Cash and Cash Equivalents and Marketable Securities ¹²	(2,639.6)
Net Derivative Instruments	(480.5)
Closing balance of broad net debt	7,735.7

Note ¹²: The 2Q18 includes restricted cash linked to bank debts of R\$70.5 million. The 1Q18 includes restricted cash from bank debts totaling R\$69.7 million.

Rumo is subject to certain restrictive covenants referring to its leverage level and debt service coverage in a few of its contracts. Most restrictive provisions are verified at year end and refer to broad net debt. Broad net debt includes bank debts, debentures, leases, real estate receivables certificates, and derivatives linked to credit operations, less marketable securities and cash and cash equivalents. For December 31, 2018, the covenants were defined for maximum leverage of 4.0x (broad net debt /LTM EBITDA) and minimum interest rate coverage index of 1.4 times EBITDA/Financial Result.

5. Capex

2Q18	2Q17	Chg.%	Investments (Amounts in R\$ MM)	6M18	6M17	Chg.%
559.1	478.2	16.9%	Total Investments¹³	1,042.3	950.1	9.7%
206.4	192.6	7.2%	Recurring	416.6	357.0	16.7%
352.7	285.6	23.5%	Expansion	625.7	593.1	5.5%

Note¹³: it includes the amount of R\$3.0 million referring to the acquisition of materials/services, with disbursement in 3Q18.

In 2Q18, capex totaled R\$559.1 million, up 16.8% from 2Q17. In 6M18, capex increased 9.7% to R\$1,043 million. Recurring capex came to R\$206.4 million, in line with the guidance projected for 2018 and 7% above 2Q17. Expansion capex totaled R\$352.3 million. In 2Q18, the main investments in capacity expansion were: (i) infrastructure improvement to remove restrictions and increase capacity; (ii) upgrade of permanent way, by replacing tracks and sleepers; (iii) acquisition of 106 HPT railcars and 6 AC44 locomotives; (iv) several improvements in rail yards and terminals, aimed at optimizing the train dwell time and increasing operational productivity.

6. Cash Flow Statement

Below, Rumo's consolidated cash flow statement. Marketable securities were considered as cash and cash equivalents in this statement.

	2Q18	2Q17	Chg.%	Indirect Cash Flow (Amounts in R\$ MM)	6M18	6M17	Chg.%
	843.7	732.7	15.1%	EBITDA	1,493.9	1,225.4	21.9%
	(97.5)	(231.9)	-57.9%	Working Capital Variations and non-cash effects	(433.6)	(140.7)	>100%
	15.2	25.9	-41.4%	Operating Financial Result	46.4	9.8	>100%
(a)	761.3	526.7	44.6%	(=) Operating Cash Flow	1,106.7	1,094.5	1.1%
	(556.1)	(478.2)	16.3%	Capex	(1,039.9)	(950.1)	9.5%
(b)	(203.9)	(192.5)	5.9%	Recurring	(414.6)	(357.0)	16.1%
	(352.3)	(285.6)	23.3%	Expansion	(625.2)	(593.1)	5.4%
	-	-	>100%	Asset Sale	-	7.0	-100.0%
	6.1	1.3	>100%	Dividends Received	6.5	3.8	71.6%
(c)	(550.0)	(476.9)	15.3%	(=) Cash Flow from Investing Activities	(1,033.4)	(939.3)	10.0%
	61.4	67.6	-9.3%	Funding	2,136.8	2,456.1	-13.0%
	(1,918.8)	(375.0)	>100%	Amortization of Principal	(2,675.9)	(719.5)	>100%
	(195.7)	(410.7)	-52.4%	Amortization of Interest Rates	(447.2)	(631.6)	-29.2%
	(1.7)	(0.6)	>100%	Paid Dividends	(2.6)	(0.6)	>100%
	7.3	27.5	-73.3%	Derivative Financial Instruments and others	(31.7)	28.3	>100%
	30.4	5.4	>100%	Restricted Cash	59.2	(18.7)	>100%
(d)	(2,017.0)	(685.8)	>100%	(=) Cash Flow from Financing Activities	(961.4)	1,114.0)	>100%
(e)	71.6	(19.9)	>100%	Forex variation impact on cash balances	126.8	27.6	>100%
	(1,734.1)	(655.9)	>100%	(=) Net Cash generated (consumed)	(761.3)	1,296.8	>100%
	4,303.2	3,129.9	37.5%	(+) Total Cash (includes cash + marketable securities) opening	3,330.4	1,177.1	>100%
	2,569.1	2,473.9	3.8%	(=) Total Cash (includes cash + marketable securities) closing	2,569.1	2,473.9	3.8%
Metrics							
	557.5	334.1	66.9%	(=) Cash Generation after Recurring Capex (a+b)	692.1	737.5	-6.2%
	211.3	49.8	>100%	(=) Cash Generation after Cash from Investments (a+c)	73.3	155.2	-52.8%
	(1,734.1)	(655.9)	>100%	(=) Total Cash Generation (Consumption) (a+c+d+e)	(761.3)	1,296.8	>100%

7. Operating and Financial Performance Indicators

Below, the historical trend of main operating and financial performance indicators.

Operating and Financial Performance Index	6M17	6M18	Chg. %	2Q17	2Q18	Chg. %
Consolidated						
Operating ratio	76%	74%	-3.3%	71%	71%	0.3%
Diesel Consumption (liters/ '000 GTK)	4.6	4.4	-4.3%	4.5	4.2	-6.7%
Rail accidents (Accidents /Km)	15.8	14.9	-5.9%	15.8	14.9	-5.9%
Personal Accidents (Accidents /MM MHW)	0.5	0.4	-15.6%	0.5	0.4	-15.6%
North Operation						
Total volume transported (RTK million)	15,390	17,359	12.8%	8,322	9,097	9.3%
Cycle of railcars – Grains from Rondonópolis (MT) – Santos (SP)	10.0	10.3	3.0%	9.8	10.7	9.2%
South Operation						
Total volume transported (RTK million)	6,148	6,897	12.2%	3,543	3,811	7.6%
Cycle of railcars – Grains from North PR – Ports PR/SC	7.3	7.5	2.7%	7.0	7.4	5.7%

Operating Ratio: This index, which represents the portion of costs and expenses as a percentage of net revenue, was in line with 2Q17, reflecting higher yields and reduction in fixed and variable costs (unitary), being compensated by depreciation increase, which occurs due to higher investment levels.

Diesel Consumption: The 7% improvement in this index reflects the higher efficiency in unitary diesel consumption of new locomotives included in the operation. In addition, higher volume of grains transported in the North Operation contributed to this result, since this commodity route has lower average diesel consumption (liters/GTK).

Rail accidents: This index, which measures the number of accidents per million kilometers, improved 6% versus 2Q17. In 6M18, the Company reduced the number of rail accidents against the same period last year, thereby generating greater operational efficiency.

Personal accidents: This index, which measures the number of accidents which required leave, improved 16% in 2Q18 vs. 2Q17. Rumo maintains its commitment to safe operations, in line with international railways benchmarks.

Transported volume: The total volume transported in the North and South Operations increased, mainly as a result of higher capacity generated through investments made by the Company.

Cycle time of railcars: This index was particularly affected in 2Q18 mainly due to effects of the truck drivers' strike.

8. Guidance

This section contains the guidance ranges for some of the key parameters that will influence Rumo's consolidated results for 2018. Note that other sections of this earnings release may also contain projections. Such projections and guidance are estimates and indications and should not be taken as a guarantee of future results.

Short Term

		2018 Guidance
Rumo	EBITDA (R\$ MM)	3,050 ≤ Δ ≤ 3,250
	Total Capex (R\$ MM)	1,900 ≤ Δ ≤ 2,100
	Recurring Capex (R\$ MM)	800 ≤ Δ ≤ 900
	Expansion Capex (R\$ MM)	1,100 ≤ Δ ≤ 1,200

Disclaimer

This document contains forward-looking statements and information. These forward-looking statements and information are solely forecasts and are not guarantees of future performance. All stakeholders are advised that these forward-looking statements and information are and will be, as applicable, subject to risks, uncertainties and factors related to the operations and business environment of Cosan Logística and its subsidiaries, and hence actual results of these companies could differ significantly from the future results expressed or implied by said forward-looking statements and information.

9. Attachments

9.1 Financial Statements - Rumo

9.1.1 Balance Sheet

Balance Sheet (Amounts in R\$ MM)	06/30/18 Rumo	03/31/18 Rumo
Current Assets	3,794,2	5,478,6
Cash and Cash Equivalents	81,6	1,687,1
Securities	2,487,5	2,616,0
Trade Receivables	384,8	360,0
Derivative Financial Instruments	354,2	294,6
Inventories	39,4	41,8
Peer Company Receivables	76,3	63,3
Income Tax and Social Contribution	206,5	228,1
Other Taxes Recoverable	163,8	187,5
Non-Current Assets	22,454,2	21,882,8
Trade Receivable	17,3	11,3
Restricted Cash	166,4	196,7
Deferred Income Tax and Social Contribution	1,086,6	1,125,9
Income Tax and Social Contribution	257,5	242,1
Other taxes recoverable	728,5	691,5
Judicial Deposits	344,1	337,2
Derivative and Financial Instruments	480,5	87,5
Other Assets	108,8	109,1
Investments in Associates	39,4	40,7
Property and Equipment	11,667,8	11,450,2
Intangible	7,557,4	7,590,5
Total Assets	26,248,4	27,361,4
Current Liabilities	2,933,8	3,116,8
Loans, Financing and Debentures	1,348,9	1,550,2
Leases	173,8	179,7
Certified Real Estate Receivables - CRI	36,9	59,5
Trade Accounts Payable	484,7	512,4
Labor and Social Security Obligations	147,8	128,5
Income Tax and Social Contribution Taxes	5,0	2,0
Other Payable Taxes	42,4	34,3
Dividends Payables	6,6	8,0
Leases and Concessions	28,8	27,7
Payable to Related Parties	163,6	152,5
Deferred Revenue	10,8	11,2
Other Financial Liabilities	301,3	245,9
Other Payables	183,0	204,9
Non-Current Liabilities	15,379,5	16,281,3
Loans, Financing and Debentures	8,798,8	9,732,9
Leases	497,4	536,6
Derivative Financial Instruments	-	6,9
Other Payables	7,4	9,2
Provision for lawsuits	534,9	519,3
Leases and Concessions	3,042,5	2,972,1
Deferred Income Tax and Social Contribution	2,348,3	2,339,8
Deferred Revenues	52,4	54,4
Other Payables	97,9	110,1
Shareholder's Equity	7,935,1	7,963,3
Total Liabilities	26,248,4	27,361,4

9.1.2 Income Statement

2Q18	2Q17	Chg.%	Income Statement (Amounts in R\$ MM)	6M18	6M17	Chg.%
1,664.5	1,506.1	10.5%	Net Operating Revenue	3,061.2	2,705.3	13.2%
(1,116.4)	(989.3)	12.8%	Cost of Goods Sold	(2,117.1)	(1,920.2)	10.3%
548.1	516.8	6.1%	Gross Profit	944.1	785.1	20.2%
(70.0)	(82.0)	-14.7%	Sales, General and Administrative Expenses	(143.9)	(147.2)	-2.2%
(4.1)	(2.2)	87.5%	Other Net Operating Income (Expenses)	(8.5)	(4.4)	93.9%
(459.7)	(433.0)	6.2%	Net Financial Result	(808.6)	(884.4)	-8.6%
3.8	1.4	>100%	Equity Pickup	5.2	3.2	63.6%
(52.6)	(31.1)	69.2%	Income Tax and Social Contribution	(81.0)	(31.0)	>100%
(34.5)	(30.2)	14.5%	Net Profit (Loss)	(92.8)	(278.8)	-66.7%
-2.1%	-2.0%	-0.1 p.p.	Net Margin (%)	-3.0%	-10.3%	7.3 p.p.

9.1.3 Cash Flow

2Q18	2Q17	Accounting Cash Flow (Amounts in R\$ MM)	6M18	6M17
18.1	0.9	Profit Before Income Tax and Social Contribution	(11.8)	(247.8)
365.9	298.7	Depreciation and amortization	697.1	588.7
(3.8)	(1.4)	Equity Pickup	(5.2)	(3.2)
23.9	21.9	Provision for profit sharing and bonuses	47.2	32.8
(6.5)	0.4	Result on disposals of fixed assets and intangible assets	(5.0)	(3.6)
21.7	18.4	Provision for lawsuits	42.1	32.3
(1.5)	12.6	Provision (reversal) for losses on doubtful accounts	(0.9)	11.2
1.7	1.3	Stock Option Plan	3.4	2.5
51.0	45.7	Leases and Concessions	100.6	95.2
436.8	398.0	Interest. Monetary and Exchange Variation. Net	774.2	811.9
(7.6)	(19.5)	Other	(11.9)	(23.8)
899.7	777.1	(=) Adjustments	1,629.8	1,296.3
(29.7)	(2.3)	Trade Receivables	(26.1)	92.3
33.4	(15.6)	Related Parties. Net	(2.0)	33.3
(37.0)	(64.7)	Taxes	(42.4)	(78.5)
(50.1)	5.9	Inventory	(62.4)	42.1
(5.0)	0.1	Labor and Social Security payable	(67.2)	(28.3)
(31.0)	(90.2)	Suppliers	(175.5)	(150.2)
(26.8)	(27.5)	Leases and concessions payable	(53.3)	(55.6)
(27.0)	(30.1)	Lawsuits	(50.8)	(54.1)
47.6	54.5	Other financial liabilities	(5.4)	39.0
(50.8)	(141.6)	Other assets and liabilities. net	(119.0)	(124.3)
(176.4)	(311.4)	(=) Changes in assets and liabilities	(604.0)	(284.1)
723.3	465.8	(=) Operational Cash Flow	1,025.9	1,012.2
166.6	(1,687.7)	Marketable securities	745.8	(1,291.4)
30.4	5.4	Restricted Cash	59.2	(18.7)
6.1	1.3	Dividends received from subsidiaries and associated companies	6.5	3.8
(556.1)	(478.2)	Additions to property. plant and equipment. software and other intangibles	(1,039.9)	(950.1)
-	-	Cash received from sales of other permanent assets	-	7.0
(353.1)	(2,159.2)	(=) Net cash used in investing activities	(228.5)	(2,249.4)
61.4	67.6	Funding	2,136.8	2,456.1
(1,918.8)	(375.0)	Amortization of principal	(2,675.9)	(719.5)
(195.7)	(410.7)	Amortization of interest	(447.2)	(631.6)
7.3	27.5	Derivative financial instruments	(31.7)	28.3
(1.7)	(0.6)	Dividend paid	(2.6)	(0.6)
(2,047.4)	(691.3)	(=) Cash generated by (used in) financing activities	(1,020.5)	1,132.7
71.6	(19.9)	Impact of Exchange variation in cash balance	126.8	27.6
(1,605.5)	(2,404.5)	(=) Net increase (decrease) in cash and cash equivalents	(96.4)	(77.0)
1,687.1	2,588.1	Final balance of cash and cash equivalents	178.0	260.5
81.6	183.5	(=) Net increase (decrease) in cash and cash equivalents	81.6	183.5

9.2 Financial Statements - Cosan Logística

9.2.1 Balance Sheet

Balance Sheet (Amounts in R\$ MM)	06/30/18 CLOG	03/31/18 CLOG
Current Assets	3,801.6	5,486.1
Cash and Cash Equivalents	83.9	1,689.4
Securities	2,488.0	2,616.7
Trade Receivables	384.8	360.0
Derivative Financial Instruments	354.2	294.6
Inventories	39.6	42.0
Related Party Receivables	80.7	67.7
Income Tax and Social Contribution	206.5	228.1
Other Recoverable Taxes	163.8	187.5
Non-Current Assets	22,454.9	21,883.5
Trade Receivables	17.3	11.3
Restricted Cash	166.4	196.7
Deferred Income Tax and Social Contribution	1,086.6	1,125.9
Income Tax and Social Contribution	257.5	242.1
Other recoverable taxes	728.5	691.5
Lawsuits	344.8	337.9
Derivative and Financial Instruments	480.5	87.5
Other Assets	108.8	109.1
Investments in Associated Companies	39.4	40.7
Property Plant and Equipment	11,667.8	11,450.2
Intangible	7,557.4	7,590.5
Total Assets	26,256.5	27,369.6
Current Liabilities	2,935.6	3,118.6
Loans, Financing and Debentures	1,348.9	1,550.2
Leases	173.8	179.7
Certified Real Estate Receivables - CRI	36.9	59.5
Trade Accounts Payable	484.7	512.4
Labor and Social Security Obligations	147.8	128.5
Income Tax and Social Contribution Taxes	5.0	2.0
Other Payable Taxes	43.4	35.3
Dividends Payable	6.9	8.3
Leases and Concessions	28.8	27.7
Payable to Related Parties	164.1	153.0
Deferred Revenue	10.8	11.2
Other Financial Liabilities	301.3	245.9
Other Payables	183.1	204.9
Non-Current Liabilities	15,379.5	16,281.3
Loans, Financing and Debentures	8,798.8	9,732.9
Leases	497.4	536.6
Derivative Financial Instruments	-	6.9
Other Payables	7.4	9.2
Provision for lawsuits	534.9	519.3
Leases and Concessions	3,042.5	2,972.1
Deferred Income Tax and Social Contribution	2,348.3	2,339.8
Deferred Revenues	52.4	54.4
Other Payables	97.9	110.1
Shareholder's Equity	7,941.4	7,969.7
Total Liabilities	26,256.5	27,369.6

9.2.2 Income Statement

2Q18	2Q17	Chg.%	Income Statement (Amounts in R\$ MM)	6M18	6M17	Chg.%
1,664.5	1,506.1	10.5%	Net Operating Revenue	3,061.2	2,705.3	13.2%
(1,116.4)	(989.3)	12.8%	Cost of Services	(2,117.1)	(1,920.2)	10.3%
548.1	516.8	6.1%	Gross Profit	944.1	785.1	20.2%
(70.6)	(83.2)	-15.1%	Selling, General and Administrative Expenses	(144.0)	(148.8)	-3.2%
(4.1)	(2.2)	87.4%	Other Net Operating Income (Expenses)	(8.5)	(4.4)	93.8%
(459.6)	(432.9)	6.2%	Financial Result	(808.4)	(884.1)	-8.6%
3.8	1.4	>100%	Equity Pickup	5.2	3.2	63.6%
(52.6)	(30.8)	70.9%	Income Tax and Social Contribution	(81.0)	(30.6)	>100%
(35.0)	(30.8)	13.7%	Net Profit (Loss)	(92.7)	(279.6)	-66.8%
-2.1%	-2.0%	-0.1 p.p.	Net Margin (%)	-3.0%	-10.3%	7.3 p.p.

9.2.3 Cash Flow

2Q18	2Q17	Accounting Cash Flow (Amounts in R\$ MM)	6M18	6M17
17.6	(0.0)	Operating Profit (Loss) Before Income Tax and Social Contribution	(11.7)	(249.0)
365.9	298.7	Depreciation and Amortization	697.1	588.7
(3.8)	(1.4)	Equity Pickup	(5.2)	(3.2)
23.9	21.9	Provision for profit sharing and bonuses	47.2	32.8
(6.5)	0.4	Profit (Loss) on disposals of fixed assets	(5.0)	(3.6)
21.7	18.4	Provision for lawsuits	42.1	32.3
(1.5)	12.6	Provision for losses on doubtful accounts	(0.9)	11.2
1.7	1.4	Stock Option Plan	3.5	2.7
51.0	45.7	Leases and Concessions	100.6	95.2
436.7	397.9	Interests, Monetary and Exchange Variation, Net	774.0	811.7
(7.6)	(19.5)	Others	(11.9)	(23.8)
899.1	776.1	(=) Adjustments	1,629.9	1,295.0
(29.7)	(2.3)	Accounts Receivable:	(26.1)	92.3
(0.6)	(17.0)	Advances from Customers	22.7	46.0
(6.4)	(10.0)	Judicial deposits	(14.3)	(17.9)
33.4	(15.0)	Related Parties	(2.9)	34.0
(36.9)	(64.7)	Taxes	(42.4)	(78.5)
(50.1)	5.9	Inventories	(62.4)	42.1
(5.0)	0.1	Labor and Social Security Obligations	(67.2)	(28.3)
(31.1)	(90.1)	Suppliers	(175.5)	(150.2)
(9.2)	1.1	Advances to suppliers	(19.6)	(15.3)
(26.8)	(27.5)	Leases and Concessions Payable	(53.3)	(55.6)
(20.6)	(20.1)	Provision for Contingencies	(36.5)	(36.2)
47.6	54.5	Other Financial Liabilities	(5.4)	39.0
(40.9)	(125.7)	Other Assets and Liabilities, Net	(123.0)	(155.0)
(176.4)	(310.8)	(=) Changes in Assets and Liabilities	(605.8)	(283.5)
722.8	465.3	(=) Cash Flow from Operating Activities	1,024.1	1,011.5
166.8	(1,688.1)	Marketable securities	746.0	(1,288.0)
30.4	5.4	Restricted Cash	59.2	(18.7)
6.1	1.3	Dividends received	6.5	3.8
(556.1)	(478.2)	Additions to property, plant and equipment, software and other intangibles	(1,039.9)	(950.1)
-	-	Cash received from sales of other permanent assets	-	7.0
(352.9)	(2,159.6)	(=) Cash flow from Operating Activities	(228.2)	(2,246.0)
61.4	67.6	Loans and Financings	2,136.8	2,456.1
(1,918.8)	(375.0)	Amortization of principal	(2,675.9)	(719.5)
(195.7)	(410.7)	Amortization of interest	(447.2)	(631.6)
-	10.2	Paid-in Capital	-	10.2
-	(10.2)	Acquisition of non-controlling stake	-	(10.2)
7.3	27.5	Derivatives financial instruments	(31.7)	28.3
0.4	-	Exercise of the Stock Option Plan	1.9	-
(1.7)	(0.6)	Dividends and IOC Paid	(2.6)	(0.6)
(2,047.0)	(691.3)	(=) Cash Flow from Investing Activities	(1,018.6)	1,132.7
71.6	(19.9)	Impact of Exchange variation on cash and cash equivalents	126.8	27.6
(1,605.5)	(2,405.4)	Net increase (decrease) in cash and cash equivalents	(96.0)	(74.2)
1,689.4	2,591.7	Beginning balance of cash and cash equivalents	179.9	260.5
83.9	186.3	Final balance of cash and cash equivalents	83.9	186.3