



COSAN S.A. INDÚSTRIA E COMÉRCIO

Corporate Taxpayer ID (CNPJ) 50.746.577/0001-15

Company Registry (NIRE): 35.300.177.045

Publicly Held Company

MATERIAL FACT

Cosan S.A. Indústria e Comercio (B3: CSAN3) ("Cosan" or "Company"), complementing the Notices to the Market dated July 18, 2017 and September 6, 2017, hereby announces to its shareholders and the market that on this date, Shell Gas B.V, Integral Investments B.V and Shell Brazil Holding B.V. (jointly referred to as "Shell") exercised their put option on the shares issued by Companhia de Gás de São Paulo – COMGÁS ("Comgás") against **Cosan Limited (NYSE: CZZ, B3: CZLT33) ("CZZ")**, the controlling shareholder of the Company, as per the material fact notice disclosed on this date by CZZ.

The option was exercised in compliance with the option agreement between Shell and CZZ executed on November 5, 2012 and amended on this date ("Option Agreement").

The consummation of said transaction shall produce effects only after the fulfillment of all conditions precedent established in the Option Agreement, including approval by Brazil's antitrust agency CADE (*Conselho Administrativo de Defesa Econômica*).

As per the Option Agreement, Shell will transfer to CZZ, on the Transaction Date, twenty-one million, eight hundred five thousand, six hundred forty-five (21,805,645) common shares issued by Comgás, which, on this date, correspond to 16.77% of the total equity of Comgás ("Comgás Shares"), at an implicit price of fifty-three reais and five centavos (R\$ 53.05) per Comgás Share.

In return, CZZ:

- (a) will deliver to Shell, on the Transaction Date, twenty million, three hundred forty-nine thousand, three hundred ninety-five (20,349,395) common shares issued by Cosan and held by CZZ, which correspond to 4.99% of the equity of Cosan on this date;



(b) pay the equivalent of two hundred eight million, six hundred fifty thousand, one hundred one reais and thirty-three centavos (R\$208,650,101.33), to be converted into and paid in U.S. dollar on the Transaction Date; and

(c) will pay Shell, one year after the Transaction Date, an amount in U.S. dollar, also fixed on the Transaction Date, equivalent to two hundred fourteen million, nine hundred nine thousand, six hundred four reais and thirty-seven centavos (R\$214,909,604.37). The intrinsic value of the transaction is one billion, one hundred fifty-six million, eight hundred fifty-one thousand, four hundred eighty-two reais and two centavos (R\$ 1,156,851,482.02) ("Strike Price").

With the conclusion of the transaction, the shareholders' agreement between the Company and Shell with regard to Comgás will be terminated.

CZZ offered the Company the possibility of acquiring the Comgás Shares immediately after the Transaction Date, at the Strike Price, to be settled financially in the same period as agreed between Shell and CZZ. The management of the Company will examine the transaction and inform the market when it concludes its analysis in this regard in the next ten (10) days.

São Paulo, October 10, 2017

Guilherme Lelis Bernardo Machado
Investor Relations Officer