

Cosan

2Q13 Results Presentation

Disclaimer

Forward Looking Statements



This presentation contains estimates and forward-looking statements regarding our strategy and opportunities for future growth. Such information is mainly based on our current expectations and estimates or projections of future events and trends, which affect or may affect our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others: (1) general economic, political, demographic and business conditions in Brazil and particularly in the geographic markets we serve; (2) inflation, depreciation and devaluation of the real; (3) competitive developments in the ethanol and sugar industries; (4) our ability to implement our capital expenditure plan, including our ability to arrange financing when required and on reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in customer demand; (7) changes in our businesses; (8) government interventions resulting in changes in the economy, taxes, rates or regulatory environment; and (9) other factors that may affect our financial condition, liquidity and results of our operations.

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made and we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Our future results may differ materially from those expressed in these estimates and forward-looking statements. In light of the risks and uncertainties described above the estimates and forward-looking statements discussed in this presentation might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to the factors mentioned above. Because of these uncertainties you should not make any investment decision based on these estimates and forward-looking statements.

Cosan Consolidated

Business Units



○ Raízen Combustíveis

Fuels Distribution

○ Raízen Energia

Sugar, Ethanol and Cogeneration

○ Rumo

Sugar Logistics

○ Radar

Investments in Agricultural Land

○ Other Business

Lubricants and Specialties

Corporate Structure

Cosan Consolidated

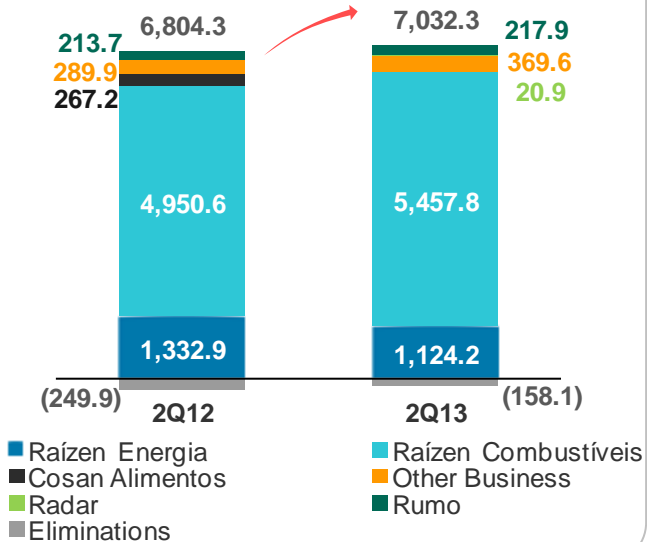
Highlights 2Q13 x 2Q12



Net Revenue

(R\$MM)

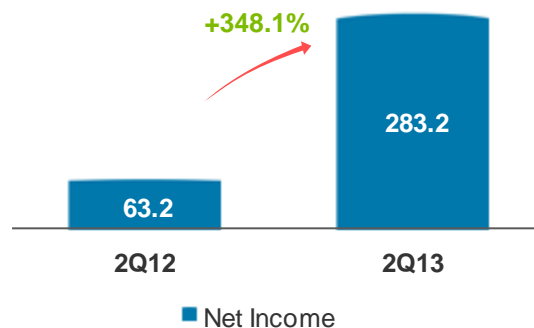
+3.4%



Net Income

(R\$MM)

+348.1%



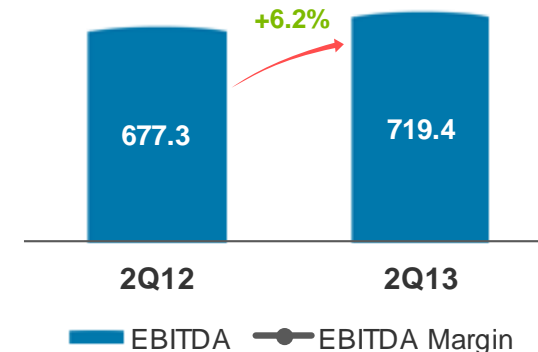
EBITDA & EBITDA Margin

(R\$MM)

10.0%

10.2%

+6.2%



Net Revenue: Growth of 3.4% compared to 2Q12 totaling R\$ 7.0 billion

Consolidation:

- 50% Raízen Combustíveis
- 50% Raízen Energia
- 100% Rumo
- 100% Radar
- 100% Other Business

Net Income: R\$ 283.2 million in 2Q13.

Growth of 348.1% due to:

- Increase of gross profit by operational efficiency
- Positive effect of exchange rate variation

EBITDA: R\$ 719.4 million, an increase of 6.2% compared to 2Q12. Growth of EBITDA Margin, reaching 10.2%, due to:

- Increase in Raízen Combustíveis EBITDA
- Recovery of 2012/13 harvest season

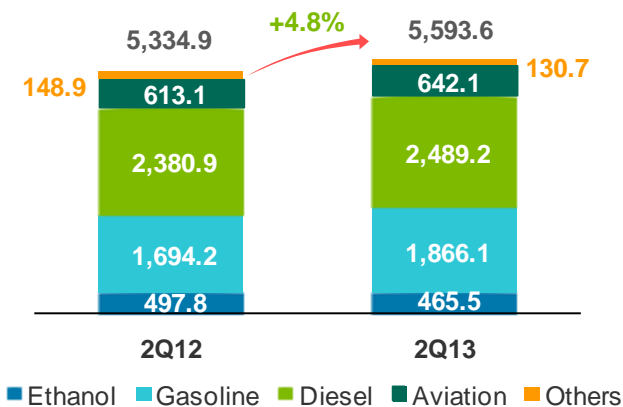
Raízen Combustíveis

Financial performance 2Q13 vs 2Q12



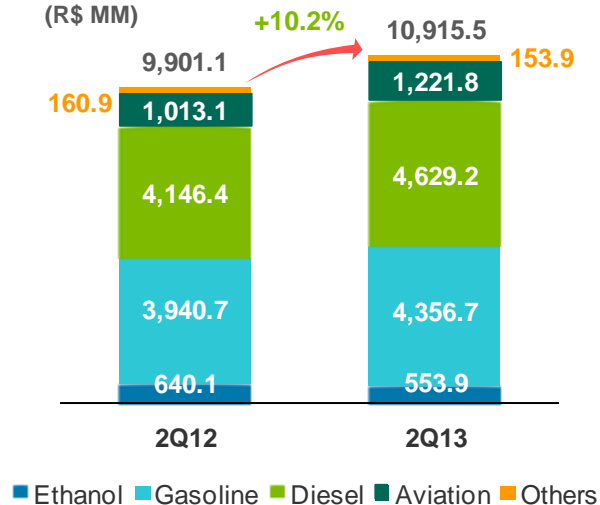
Volume

(Million liters)



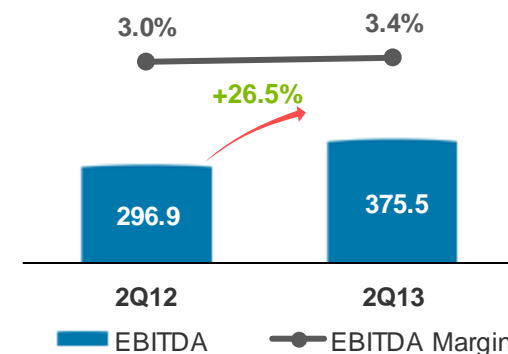
Net Revenue

(R\$ MM)



EBITDA and EBITDA Margin

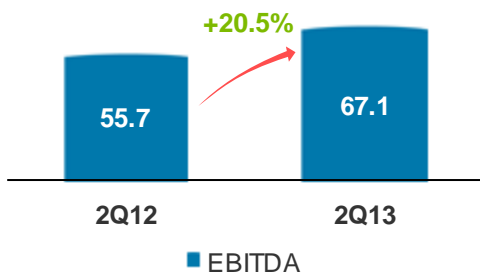
(R\$ MM)



EBITDA

(R\$/cbm)

(1) 2Q13 Adjusted: R\$ 71/m³



Note: (1) Excluding non-recurring effects

Net Revenue: R\$ 10.9 billion in 2Q13, due to:

- Increase in volume of 4.8% specially:
 - 4.5% in Diesel volume
 - 10.2% in Gasoline volume
 - 4.7% in Aviation volume

EBITDA: In 2Q13 Raízen Combustíveis's EBITDA totaled R\$ 375.5 million

- 26.5% increase of the EBITDA due to:
 - better mix of products
 - higher volume due to larger penetration of Shell brand on the conversion process
 - Better integration of highway stations

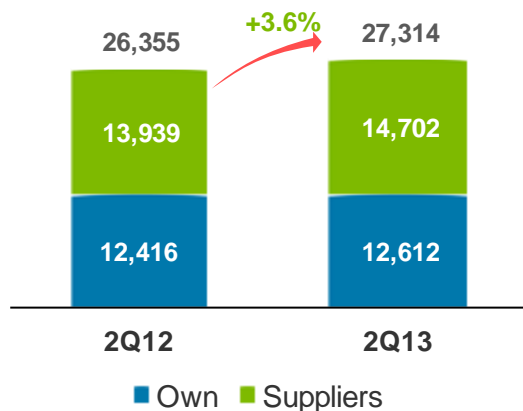
Raízen Energia

Operational performance



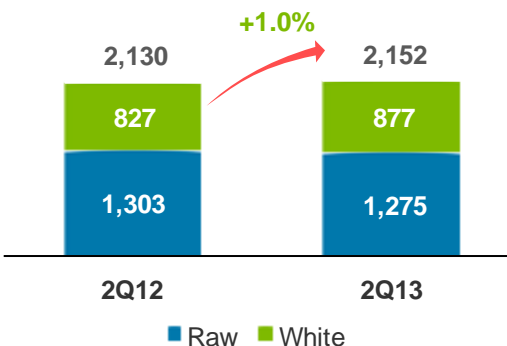
Sugarcane Crushed

('000 tonnes)



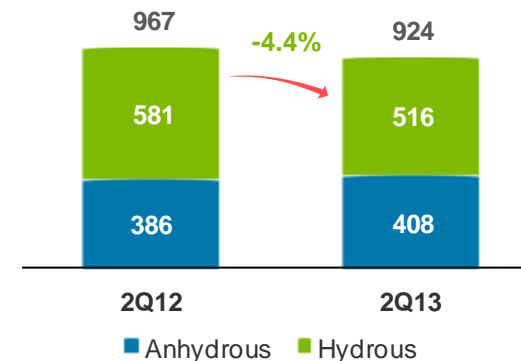
Sugar Production

('000 tonnes)



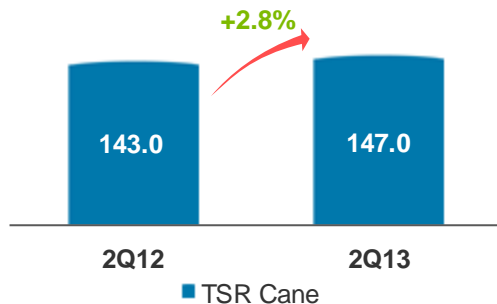
Ethanol Production

('000 cbm)



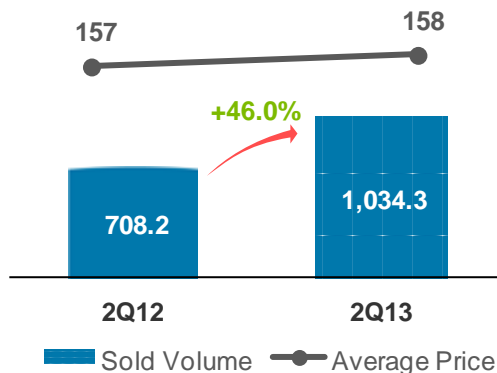
TSR Cane

(kg/tonnes)



Sold Volume - Cogen

('000 MWh and R\$/MWh)



- **Sugarcane Crushing:** Increase of 3.6% compared to 2Q12, reflecting the recovery of the crop, which started approximately 12 days late.
- **TSR:** 147.0 kg/ton, an increase of 2.8% compared to 2Q12 (143.0 kg/tonnes).
- **Cogeneration:** Increase of 46% in volume sold, at R\$158/MWh.

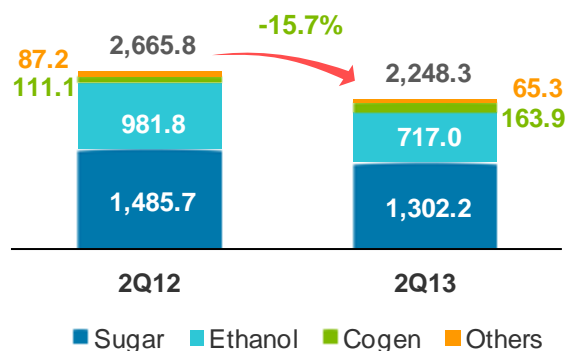
Raízen Energia

Financial performance



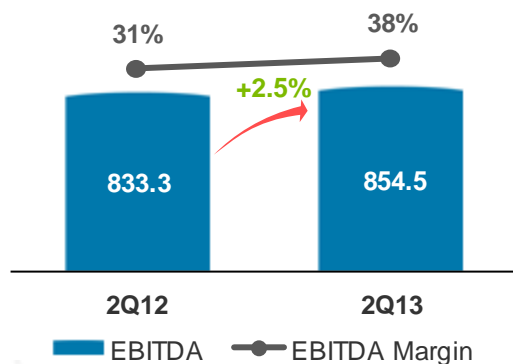
Net Revenue

(R\$ MM)



EBITDA and EBITDA Margin

(R\$ MM)



Summary of hedge Operations at September 30th , 2012

2012 / 2013 2013 / 2014

Sugar

NY #11

Volume ('000 tonnes)	2,611.1	665.9
Average Price (¢US\$/lb)	22.61	22.00

London #5

Volume ('000 tonnes)	-	-
Average Price (US\$/lb)	-	-

Exchange rate

US\$

Volume (US\$ million)	1351.4	339.1
Average Price (R\$/US\$)	1.9546	2.1662

Volume to be sold / Hedged ('000 tonnes)

3,072.6 3,072.6

% Sale Protected Sugar / Fixed

85.0% 21.7%

Net Revenue: R\$ 2.2 billion in 2Q13

Decrease of 15.7% due to:

- Lower volumes of sugar and ethanol sold
- Lower ethanol prices in the domestic market

EBITDA: R\$ 854.5 million. Increase of 2.5% compared to 2Q12. EBITDA Margin of 38%:

- Better fixing of sugar prices
- Gains in operational efficiency

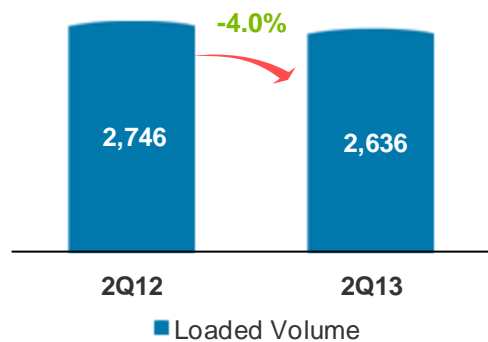
Rumo

Operational and financial performance



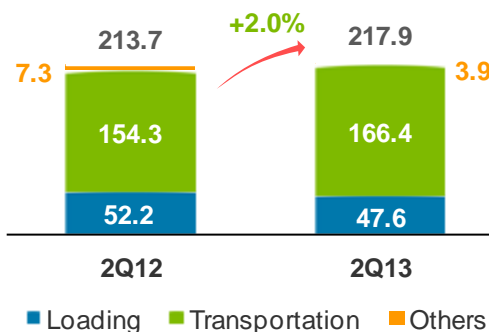
Volume

('000 tonnes – R\$ / ton Loaded)



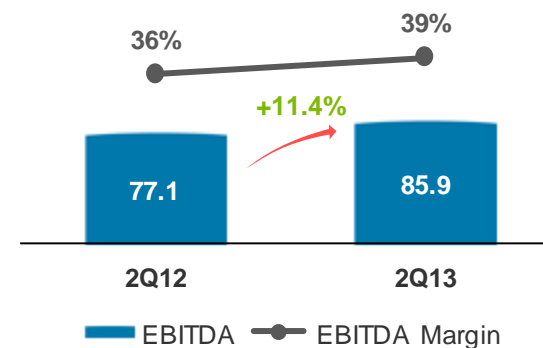
Net Revenue

(R\$ MM)



EBITDA and EBITDA Margin

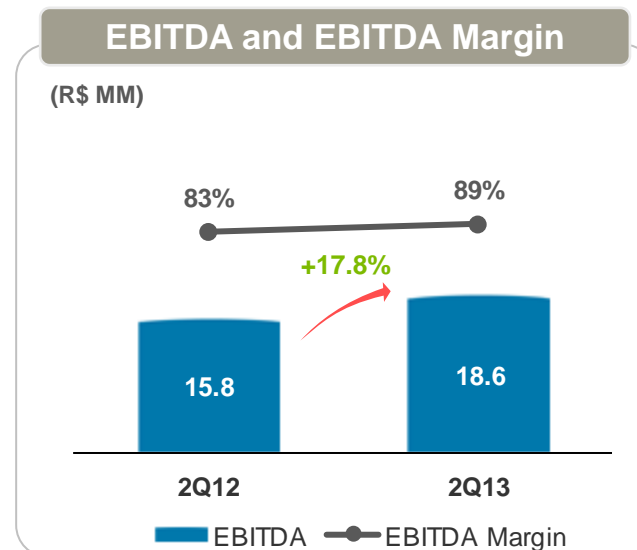
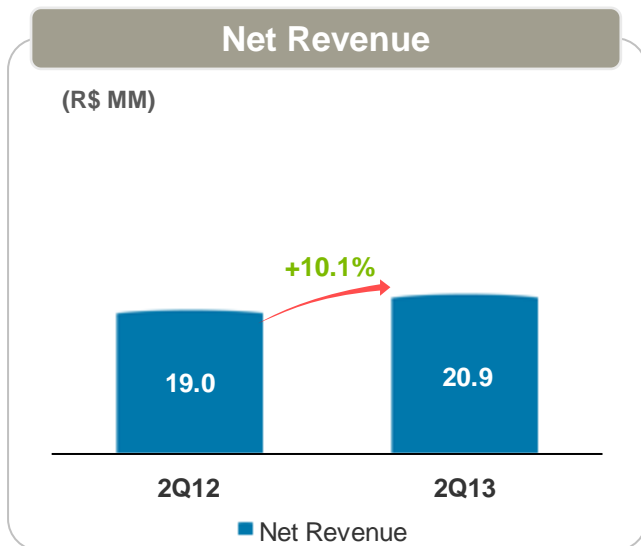
(R\$ MM)



Net Revenue: Increase of 2.0% compared to 2Q12.

- Increased volumes of sugar transported
- Reivement of logistics service contract values

EBITDA: Increase of 11.4% compared to 2Q12, reaching R\$ 85.9 million and EBITDA Margin of 39.4%



Consolidation Accounting:

- Change in the Bylaws and Shareholders Agreement
- Increase of Cosan's stake in Radar from 18.9% to 37.7%, due to contribution of 23,100 hectares of agricultural land, valued at R\$ 551.4 million.

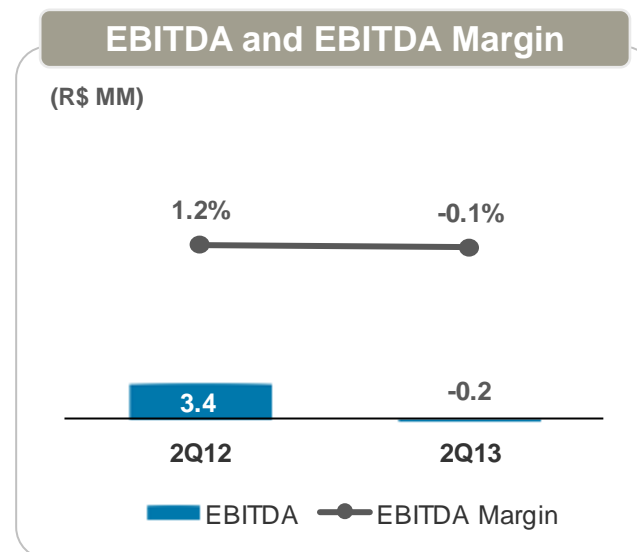
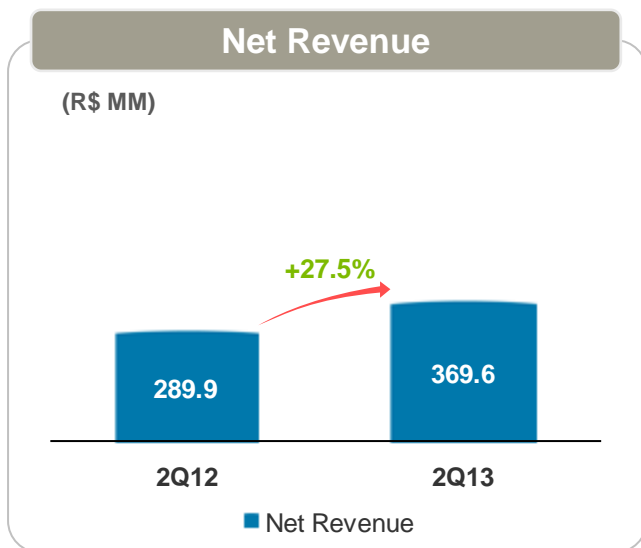
Net Revenue: Increase of 10.1% compared to 2Q12

- Due to a property sale in 2Q13

EBITDA: R\$ 18.6 million in 2Q13, an increase of 17.8% compared to 2Q12

Other Business

Operational and financial performance



Net Revenue: Increase of 27.5% compared to 2Q12

- Consolidation of Comma Oil and Chemicals results (since July 1st, 2012)
- Growth of lubricants and base oil volume sold
- Increase in volume sold due to distribution operations in Bolivia, Uruguay and Paraguay

EBITDA: Negative in R\$ 0.2 million due to the allocation of Cosan's corporate expenses

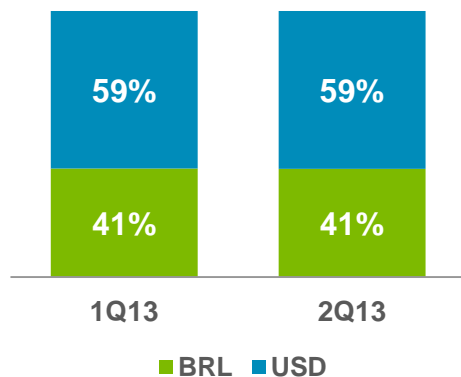
Net Debt



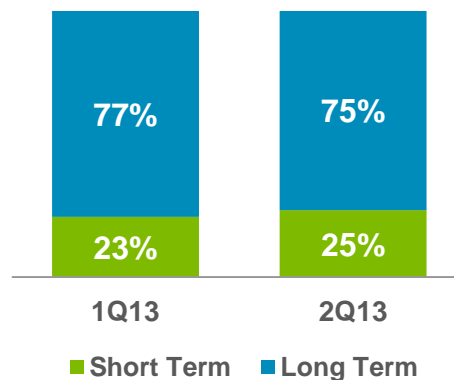
Debt Structure				
Amounts in R\$ MM	2Q13	1Q13	% ST	Chg. %
Raizen (100%)	6,284.1	6,339.2	37%	-0.9%
Cosan Stake (50%)	3,142.0	3,169.6	37%	-0.9%
Rumo	654.2	649.4		
Other Business	179.0	171.2		
Corporate	1,380.6	1,368.2		
Cosan - Controlled Business	2,213.8	2,188.8		
Cosan Consolidated	5,355.9	5,358.4	23%	0.0%
Cash and Cash Equivalents	1,892.2	1,407.2	-	34.5%
Net Debt	3,463.7	3,951.2	-	-12.3%
Capital Subscription to be Paid from Shell to Raizen (50%)	-	489.9	-	-100.0%
Adjusted Net Debt	3,463.7	3,461.3	-	0.1%

Note 1: Excluding PESA'S debt

Currency exposure



Maturity



- Using the EBITDA for the exercise ended September 30, 2012, **Net Debt/ EBITDA (LTM) of 1.4x**

Debt

- Cosan's consolidated gross debt (excluding PESA) reached R\$ 5.4 billion, aligned with what was reported in 1Q13.
- During the quarter, the following movements of principal and interest were made by Raizen:
 - Amortization of R\$ 529.1 million (R\$ 344.5 related to advances in exchange contracts, prepayments, credit notes and working capital)
 - R\$323.2 million raised, primarily through foreign exchange contract advances and working capital
 - Increase of R\$150.8 million related to monetary variation, interest and exchange variation

Cash Equivalents

- R\$1.9 billion of cash and financial investments

Guidance

1st Revision FY13



		FY11	FY12	FY13	1a Revision FY13
Cosan Consolidated	Net Revenue (R\$MM)	18,063	24,097	26.000 ≤ Δ ≤ 29.000	26,000 ≤ Δ ≤ 29,000
	EBITDA (R\$MM)	2,671	2,142	2.200 ≤ Δ ≤ 2.500	2,200 ≤ Δ ≤ 2,500
	Net income (R\$MM)	772	2,606	-	-
	CAPEX (R\$MM)	2,500	2,137	2.100 ≤ Δ ≤ 2.400	2,100 ≤ Δ ≤ 2,400
Raízen Energia	Volume of crushed sugarcane ('000 tons)	54,238	52,958	52.000 ≤ Δ ≤ 55.000	54,000 ≤ Δ ≤ 56,000
	Volume of sugar sold ('000 tons)	4,291	3,969	3.900 ≤ Δ ≤ 4.200	3,900 ≤ Δ ≤ 4,200
	Volume of ethanol sold (millions of liters)	2,247	1,921	1.850 ≤ Δ ≤ 2.050	1,850 ≤ Δ ≤ 2,050
	Volume of energy sold ('000 MWh)	1,254	1,233	1.650 ≤ Δ ≤ 1.850	1,650 ≤ Δ ≤ 1,850
	EBITDA (R\$MM)	2,130	2,235	2.200 ≤ Δ ≤ 2.500	2,200 ≤ Δ ≤ 2,500
Raízen Combustíveis	Volume of fuel sold (millions of liters)	-	20,914	21.000 ≤ Δ ≤ 23.000	21,000 ≤ Δ ≤ 23,000
	EBITDA (R\$MM)	-	1,305	1.300 ≤ Δ ≤ 1.500	1,300 ≤ Δ ≤ 1,500
Rumo	Volume of loading ('000 tons)	7,841	7,759	8.000 ≤ Δ ≤ 10.000	8,000 ≤ Δ ≤ 10,000
	EBITDA (R\$MM)	197	211	260 ≤ Δ ≤ 300	250 ≤ Δ ≤ 280
Radar	EBITDA (R\$MM)	-	-	-	120 ≤ Δ ≤ 140
Outros Negócios	Volume of Lubricants and Base Oil (million of liters)	166	205	220 ≤ Δ ≤ 260	220 ≤ Δ ≤ 260

Subsequent Events – 2Q13



Concluded:

- Acquisition of BG group's 60.1% stake in Comgás. Concluded in November 5th, 2012.
- Amount: **R\$ 3.4 billion**



Concluded:

- Sale of the sugar operation in the retail market of Cosan Alimentos to Camil, concluded in October 24, 2012.
- Amount: **R\$ 454 million**



Overview:

- Agreement to acquire 5.7% of ALL (49% of controlling group)
- Amount: **R\$ 897 million**

Next Steps:

- Approval of the other party to the shareholders agreement of ALL
- Redefinition of the shareholders agreement

Contacts



Marcos Lutz

CEO

Marcelo Martins

CFO and Investors Relations Officer

Guilherme Machado

Investor Relations Manager

Email: ri@cosan.com.br

Site: www.cosan.com.br/ir

Telephone: +55 11 3897-9797

