

## The Creation of Raízen

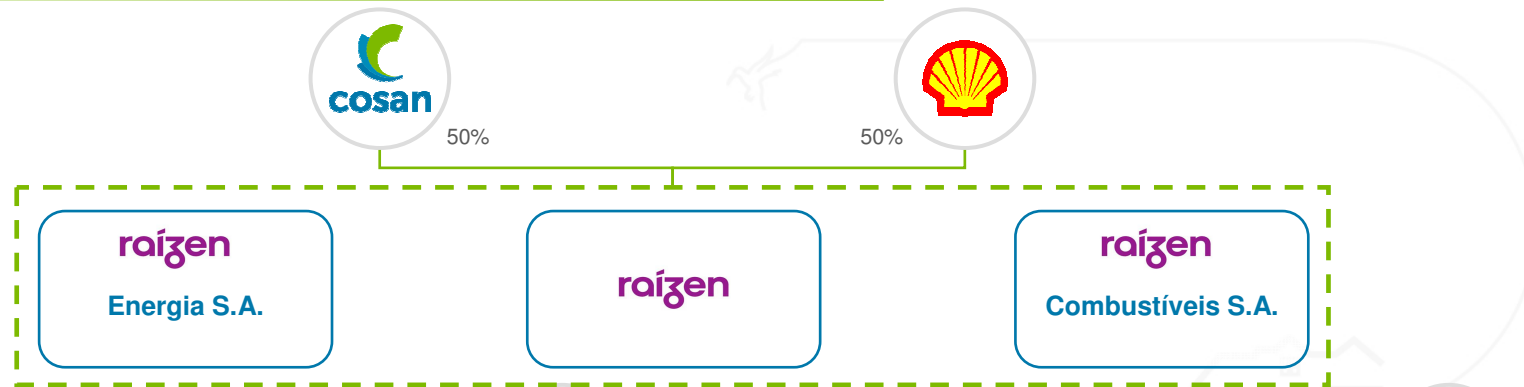
June 2<sup>nd</sup>, 2011

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# Raízen agreement overview



## Assets Contributed by Cosan



- Sugar and ethanol business
- Energy cogeneration
- Fuel distribution business
- Ethanol logistics assets
- Initial Net Debt of R\$ 4.941 billion
- 2.1 thousand hectares in land
- Contingent contributions of US\$ 300 million from possible future gains at Raízen, to be returned (100%) to Cosan in approx. 5 yrs

## Assets Contributed by Shell



- Brazilian fuel distribution business
- Brazilian aviation business
- Equity interest in logen Corp. and Codexis, Inc. involved in the research and development of biomass fuel, including ethanol (2G)
- Total cash contribution of US\$1,625MM, to be contributed as follows:
  - Initial cash contribution of R\$ 815MM, which refers to:
    - 1/3 of US\$ 1,625MM total cash contribution initially agreed;
    - Plus US\$ 310MM for the payment of other ancillary contracts;
    - Partially offset by US\$ 350MM payment for licensing of the Shell brand
  - 2 other installments in the amount of US\$ 540MM each in 1st and 2nd anniversary of the joint venture

## Assets Retained by Cosan



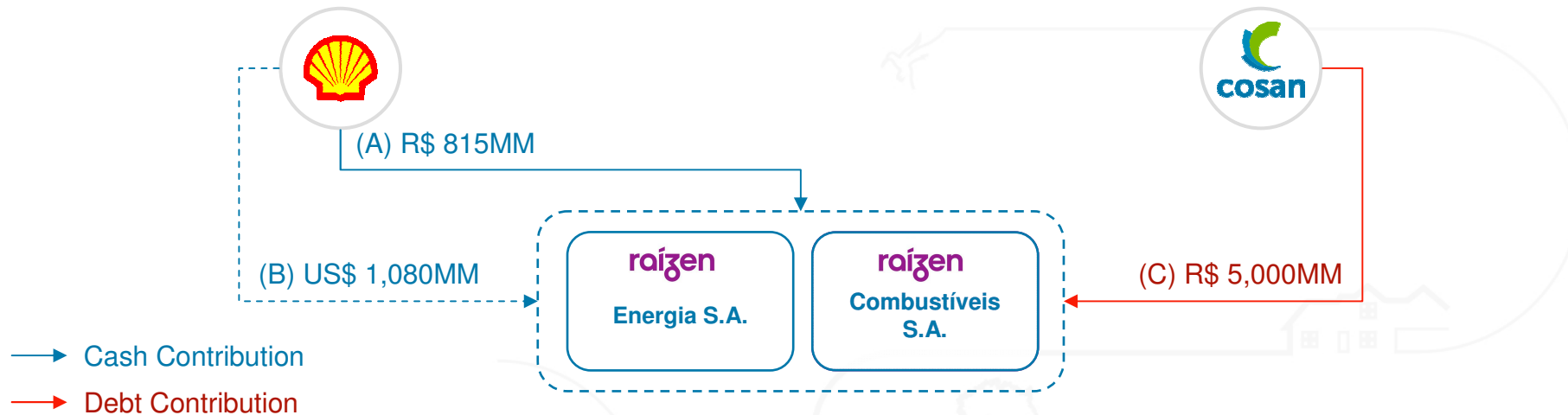
- Lubricants business (CCL Lubricants)
- Sugar logistics business (Rumo)
- Sugar retail business (Da Barra and União)
- Land prospecting and development business (Radar)
- Right to conduct our own sugar trading business globally
- Right to conduct our own non sugarcane ethanol trading business globally

## Assets Retained by Shell



- Exploration and production, chemicals, gas and power businesses in Brazil
- Lubricants business
- Trading business

# Debt and Cash Contributions



- (A) 1st installment of the total US\$ 1,625MM is adjusted by:
  - (-) Payment of US\$ 350MM for licensing of Shell brand
  - (+) Contribution of US\$ 310MM for other ancillary agreements
  - (x) R\$ 1.6287/US\$
- (B) 2nd and 3rd installments to be received in the amount of US\$ 1,080MM
- (C) Estimated Net Debt contribution of R\$ 5,000 MM

Additional Net Debt contribution by Cosan compared to the amount announced in August 2010 results from:

Initial: US\$ 2,524 MM  
 (x) R\$ 1.6287 / US\$  
 (+) R\$ 500MM BNDES Debt  
 (+) R\$ 330MM Adjustments  
**(=) R\$ 4,941MM**

(+) R\$ 300 MM estimated other adjustments  
 (including R\$ 235MM debt from Zanin)

**(=) Estimated Net debt contribution: R\$ 5,240 MM**

\* Subject to final adjustments

# Improved Capital Structure



## Cosan Current Corporate Ratings

STANDARD  
& POOR'S

BB

FitchRatings  
KNOW YOUR RISK

BB  
A+ (escala nacional)



Moody's Investors Service

Ba2  
A1.Br(escala nacional)

## Raízen Expected Ratings – Investment Grade

Maximum Net Debt / EBITDA: 2.0x

STANDARD  
& POOR'S

BBB

FitchRatings  
KNOW YOUR RISK

BBB



Moody's Investors Service

Baa

## Cosan Notes Performance

Bond	Feb-2-2010		Aug-25-2010		June-1-2011	
	Price	YTM (%)	Price	YTM (%)	Price	YTM (%)
2014	110.000	6.892	116.375	4.898	116.875	3.842
2017	98.625	7.254	108.250	5.458	109.000	5.145
Perpetual (2006)	96.000	11.655	101.500	6.067	-	-
Perpetual (2010)*	-	-	102.000	8.801	103.625	7.947

\*Price and YTM at date of issuing of the bond (November 3rd, 2010)

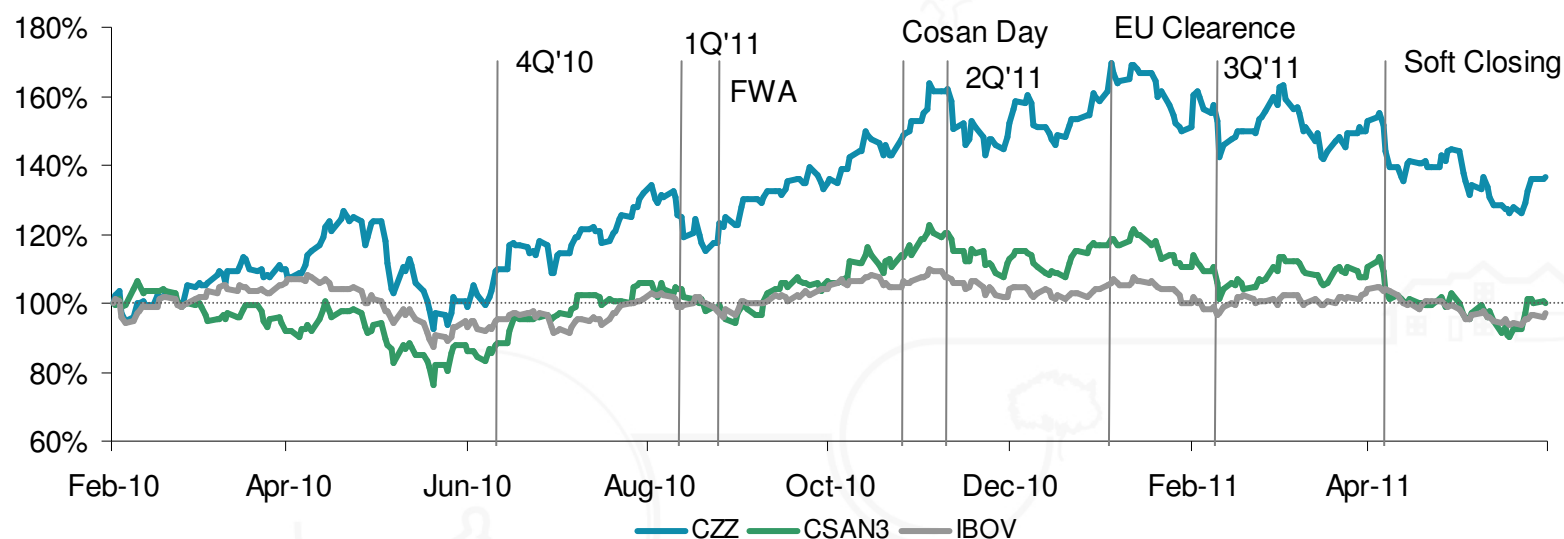
# Raízen Bilateral Contracts

Definition of procedures for Raízen to operate with related parties



Agreements	raízen	cosan	Shell
<b>Ethanol Trading</b>	<ul style="list-style-type: none"> <li>Worldwide</li> </ul>	<ul style="list-style-type: none"> <li>Other than Sugarcane ethanol</li> </ul>	<ul style="list-style-type: none"> <li>First &amp; Last Look</li> </ul>
<b>Sugar Trading</b>	<ul style="list-style-type: none"> <li>Worldwide but limited to places where JV has sugar production</li> <li>Worldwide</li> </ul>		
<b>Brands</b>	<ul style="list-style-type: none"> <li>Pays for the use of Shell Brand for 10 years</li> </ul>	<ul style="list-style-type: none"> <li>Receives upfront payment for licensing Brand to Raízen for 10 years</li> </ul>	
<b>Lubes Agency</b>	<ul style="list-style-type: none"> <li>Receives upfront payment to allow Shell's lubes being sold on its sites</li> </ul>		<ul style="list-style-type: none"> <li>Uses Raízen sites to sell Shell's lubes</li> </ul>
<b>Land Leases</b>	<ul style="list-style-type: none"> <li>Pays market prices for lease Agreements with Cosan / others</li> </ul>	<ul style="list-style-type: none"> <li>Receives lease payment from Raízen</li> </ul>	
<b>Sugar Logistics</b>	<ul style="list-style-type: none"> <li>Pays RUMO market prices for long term agreement (20 years)</li> </ul>	<ul style="list-style-type: none"> <li>RUMO provides long term logistics services and receives payment from Raízen</li> </ul>	
<b>Sugar Retail</b>	<ul style="list-style-type: none"> <li>Sells sugar (refined) to Cosan Alimentos at market prices</li> </ul>	<ul style="list-style-type: none"> <li>Cosan Alimentos will package sugar and distribute it using its Brand (União and Da Barra)</li> </ul>	

# Share Performance



## February 1st, 2010

Share Price: R\$ 23.58 / share  
 Market Cap: R\$ 9,513.1 MM  
 Net Debt: R\$ 4,300.8 MM  
 EV: R\$ 13,813.9 MM  
 EBITDA (LTM): R\$ 1,433.6 MM

**Net Debt / EBITDA (LTM): 3.0x**  
**EV / EBITDA (LTM): 9.6x**

## August 25th, 2010

Share Price: R\$ 23.50 / share  
 Market Cap: R\$ 9,566.9 MM  
 Net Debt: R\$ 4,502.9 MM  
 EV: R\$ 14,069.8 MM  
 EBITDA (LTM): R\$ 1,780.0 MM

**Net Debt / EBITDA (LTM): 2.5x**  
**EV / EBITDA (LTM): 7.9x**

## June 1st, 2011

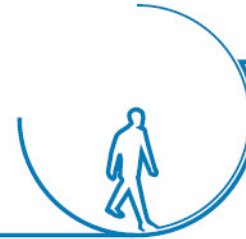
Share Price: R\$ 23.13 / share  
 Market Cap: R\$ 9,426.5 MM  
 Net Debt (Estimated): R\$ 1,633.0 MM  
 EV (E): R\$ 11,059.5MM

# Guidance Raízen - FY'12



Guidance Raízen	2009FY	2010FY	2011FY	2012FY
Crushed Sugarcane Volume (thousand tons)	43.127	50.314	54.238	56.000 ≤ Δ ≤ 60.000
Sugar Volume Sold (thousand tons)	3.187	4.135	4.291	4.200 ≤ Δ ≤ 4.600
Ethanol Volume Sold (million liters)	1.671	2.148	2.247	2.100 ≤ Δ ≤ 2.300
Volume of Energy Sold (thousand MW)	-	596	1.254	1.400 ≤ Δ ≤ 1.600
Volume of Fuels Sold (million liters)	1.681	5.491	6.077	21.000 ≤ Δ ≤ 23.000





Thank you