

Initial Remarks

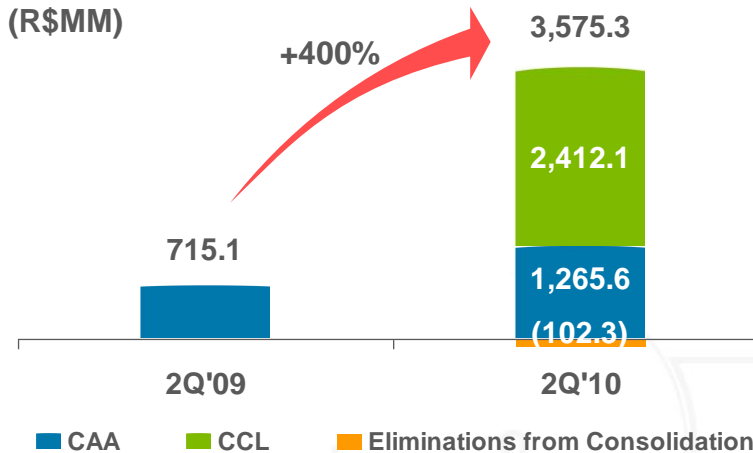


- After changes in Fiscal Year 2009, 2Q'10 comprises the months of July, August and September, while 2Q'09 comprises the months of August, September and October;
- This quarter will be the first with results for 3 full months of operations of NovAmerica integrated with the Cosan Group.

COSAN Highlights 2Q'10

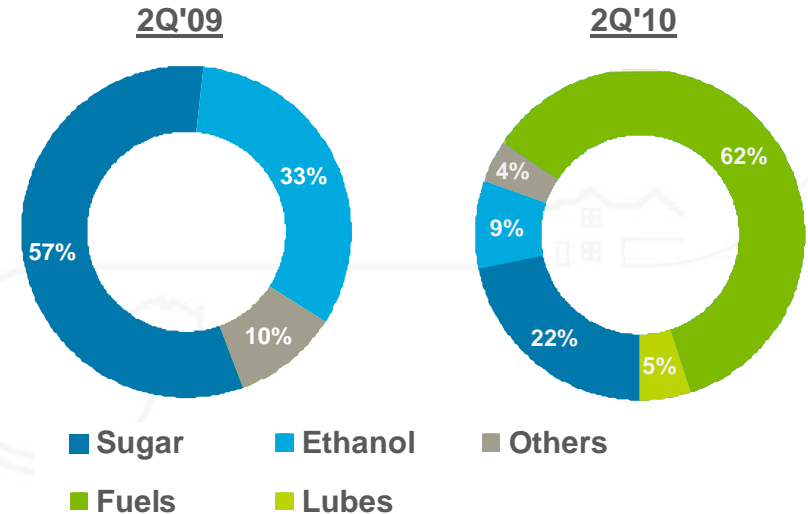


Consolidated Net Revenue

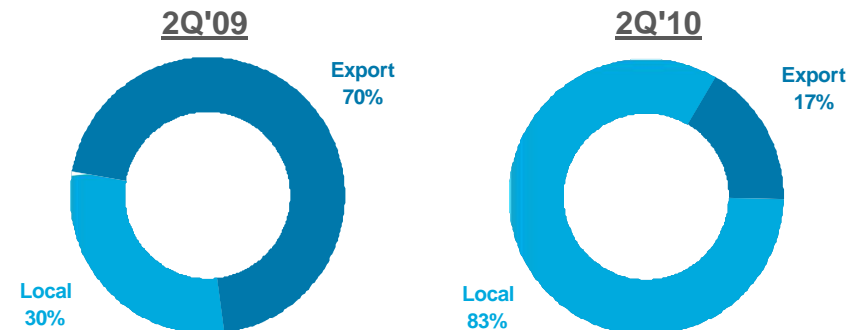


- Consolidated Net Revenue of R\$3.6 billions, 400% higher than results from 2Q'09;
- CAA invoiced R\$1.2 billion, increase in sugar volume and better sugar/ethanol prices;
- CCL invoiced R\$2.4 billions, with higher ethanol and diesel volumes and logistics synergies gains.

Net Revenue by Product



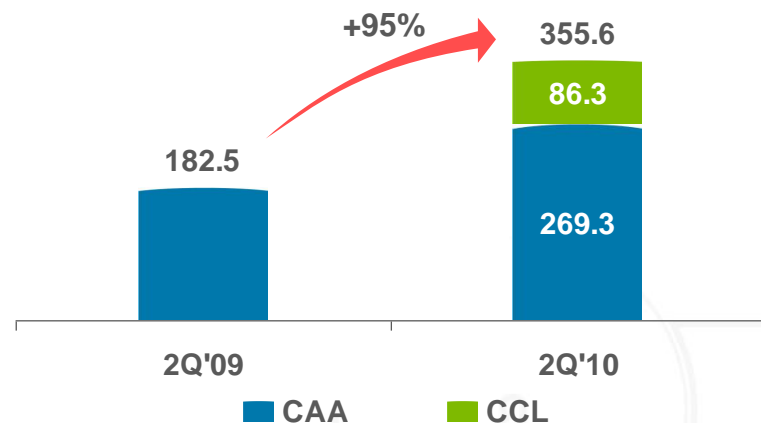
Net Revenue by Market



COSAN Highlights 2Q'10

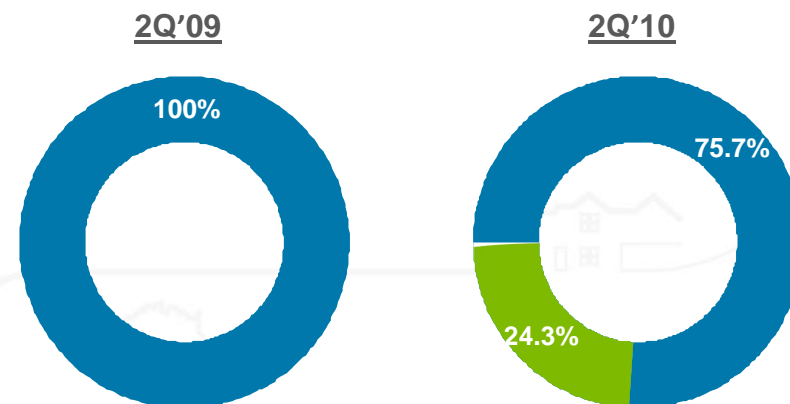
Consolidated EBITDA

(R\$MM)



- Record EBITDA of R\$355.6 millions, 95% higher compared to 2Q'09;
- CAA EBITDA of R\$269.3 millions, up 47% compared to 2Q'09
- CCL EBITDA of R\$86.3 millions

EBITDA by segment

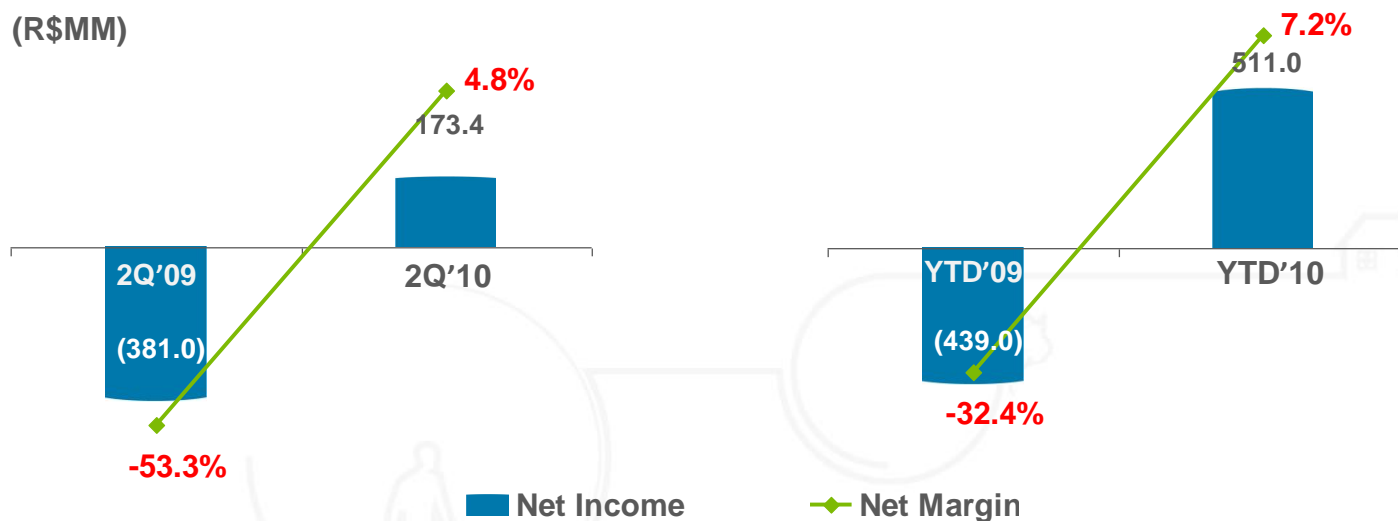


- In 2Q'09, CAA represented 100% of EBITDA;
- In 2Q'10, CAA represented 75.7%, while CCL represented 24.3% of Consolidated EBITDA.

COSAN Highlights 2Q'10

Net Income

(R\$MM)



- Net Income of R\$173.4 millions in 2Q'10 and net margin of 4.8%.
- Positive non-cash effect due to FX variation and, mainly, due to strong operating quarterly results derived from better sugar prices, recovering of ethanol prices and good distribution margins contributed to the results;
- Accumulated net income of R\$511.0 millions in YTD'10, with net margin of 7.2%.

CAA

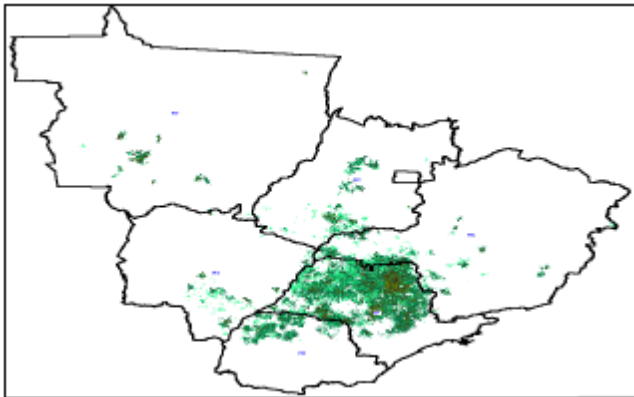


Sugar Market Overview



Brazil

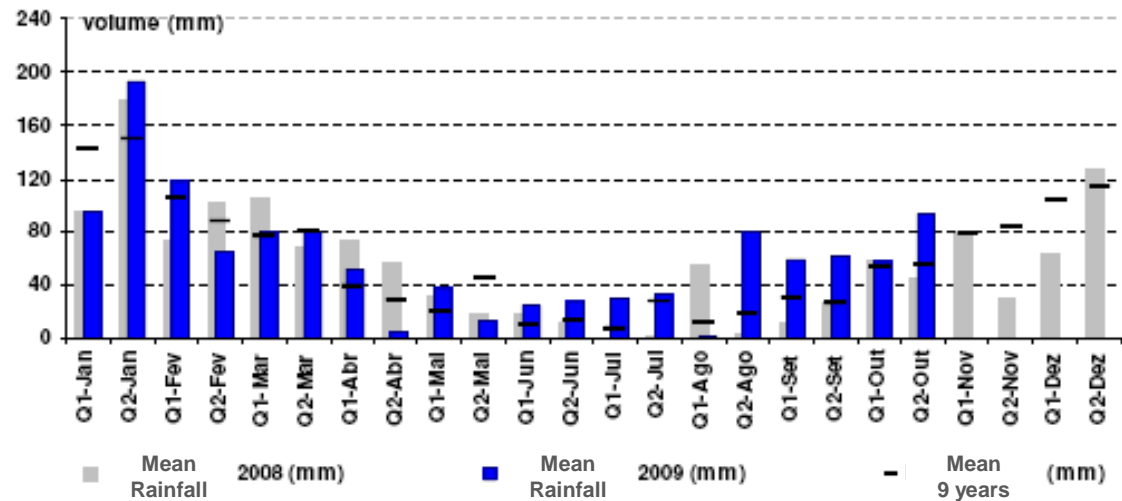
Center-South Region



STATES MONITORED – São Paulo, Paraná, Minas Gerais, Goiás, Mato Grosso do Sul e Mato Grosso

Rainfalls Volume

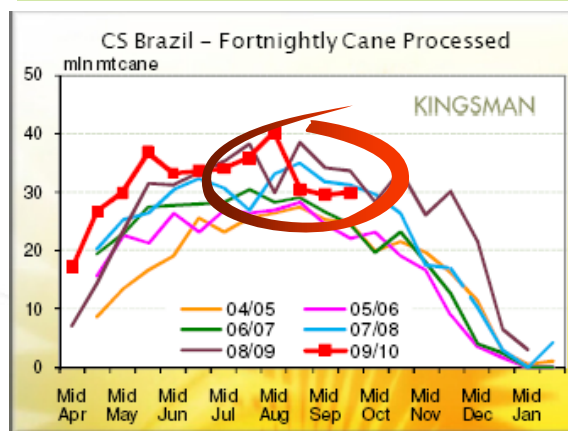
○ Months of July, August and September with heavy rainfalls



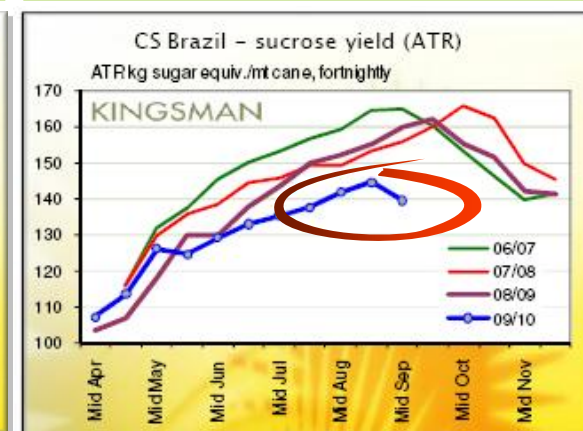
Sugar Market Overview

Brazil

Cane Processed



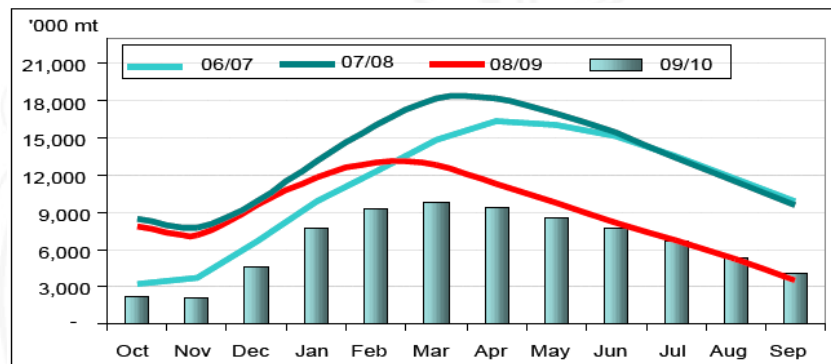
Sucrose yield



- CS Brazilian harvest affected, reducing cane processed and sucrose yield;
- UNICA estimates for 2009/10 crop revised down.

India

Stock Volume



- The end-of-season stock ratio (as at 30 Sept 2009) of 15.7% is the lowest percentage already on record for India;
- Recently, the Indian Government announced a Fair and Remunerative Price (FRP) of cane of Rs1.298,4/mt (US\$27,9/ton).

Sugar Market Overview

Importers

Mexico

- Inventories deteriorating due to last year's poor harvest and exports to the USA

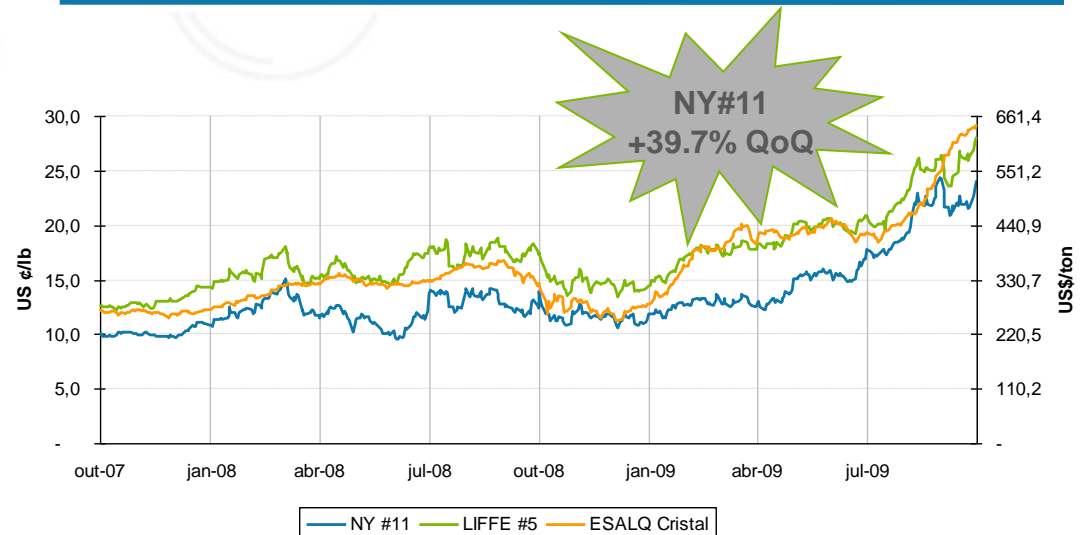
Russia

- Preliminary figures for the sugar beet harvest point towards a reduction in productivity per hectare;
- Low sugar output and inventories could lead the government to suspend the import surcharge

Sugar Domestic Market

- Low production due to unusual heavy rainfalls and strong sugar exports;
- Domestic crystal sugar prices (ESALQ) averaged R\$47.37/50kg bag (or R\$ 947.34/t) in the 2Q'10, 6.6% up on the previous quarter and 63.3% up on the 2Q'09

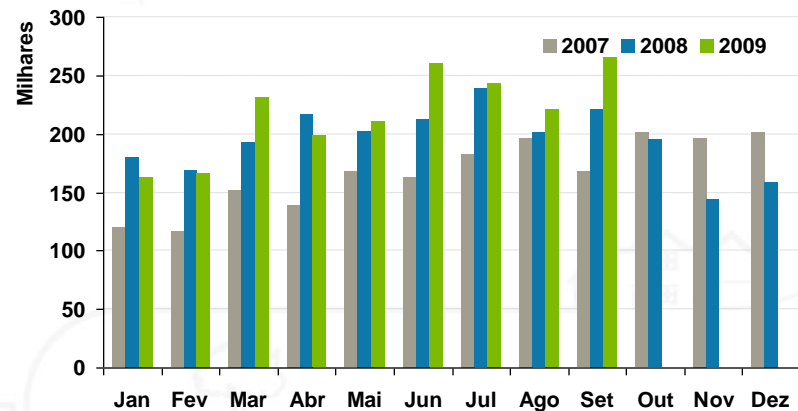
Sugar Prices – International and Domestic Prices



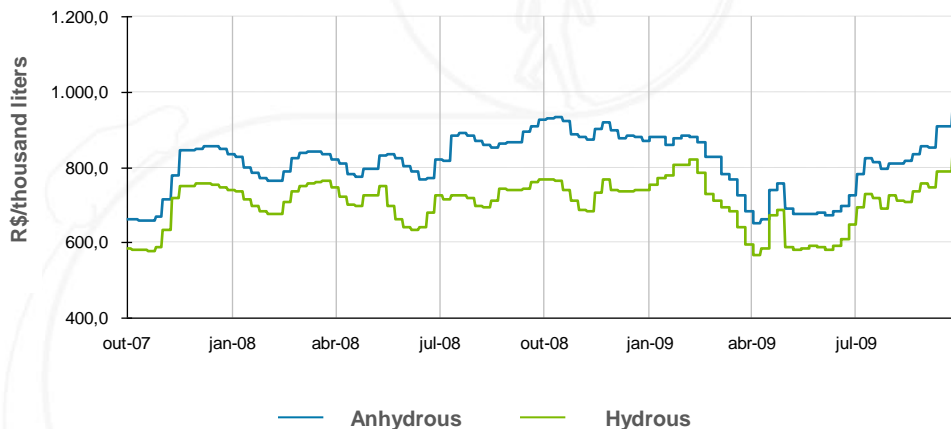
Ethanol Market Overview

- According to ANFAVEA, until September, flex vehicles sales totaled 1.962 millions, an increase of 7% comparing to 9 months of 2008;
- In the last 3 months without IPI tax, vehicles sales boosted, and September sales were record in the sector;
- Approximately 90% of total car sales in 2009 were flex-fuel vehicles.

Flex-Fuel Vehicles Sales



Ethanol Prices – Domestic Market

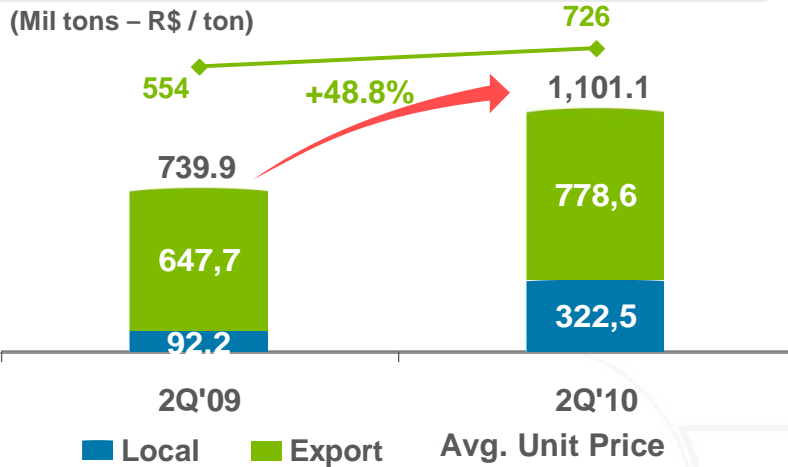


- Recovering prices seem to reflect:
 - Low level of stocks expected to the inter-harvest period resulted from a higher sugar mix production;
 - High ethanol sales due to recovering of domestic market;
 - Atypical rainfalls reduced processed cane;
- Anhydrous price at R\$0.838/liter, 21.9% higher than last quarter;
- Hydrus price at R\$0.736/liter, 22.4% higher than last quarter;

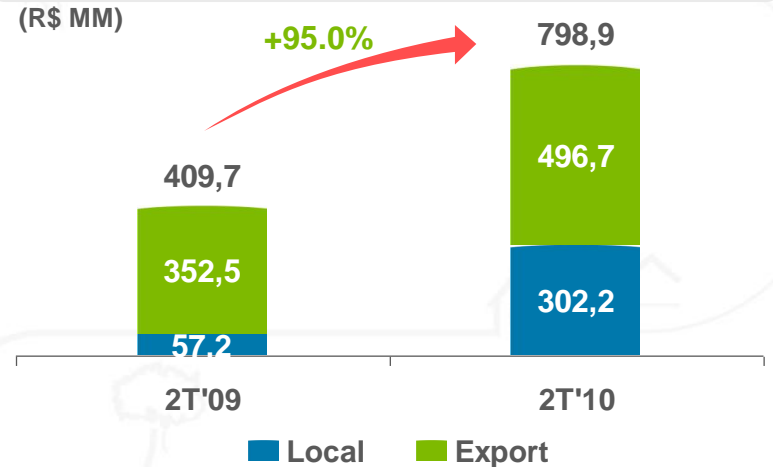
Financial Highlights - Sugar



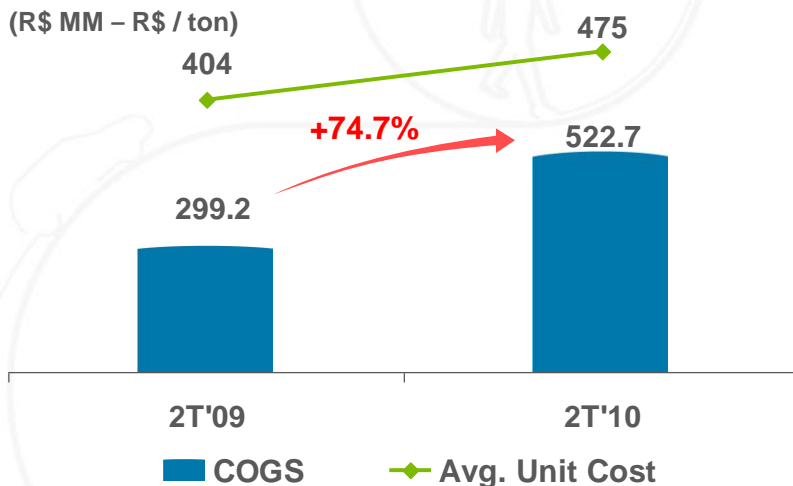
Sugar Volume & Avg. Unit Price



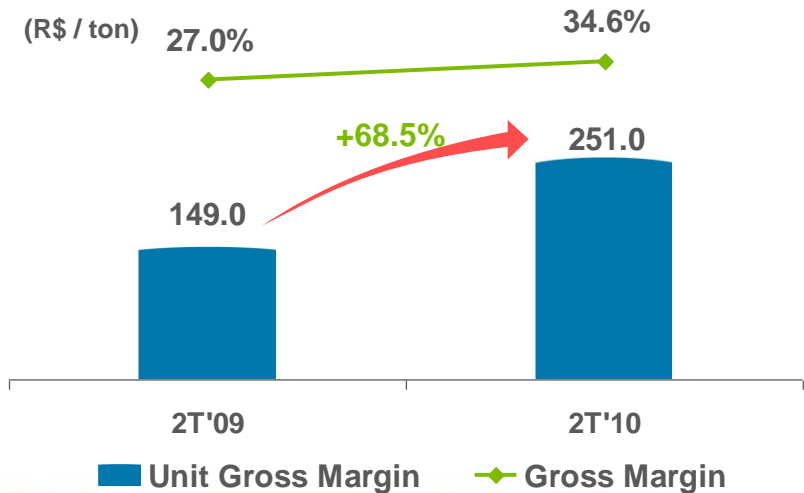
Net Revenue



COGS & Avg. Unit Cost



Unit Gross Margin

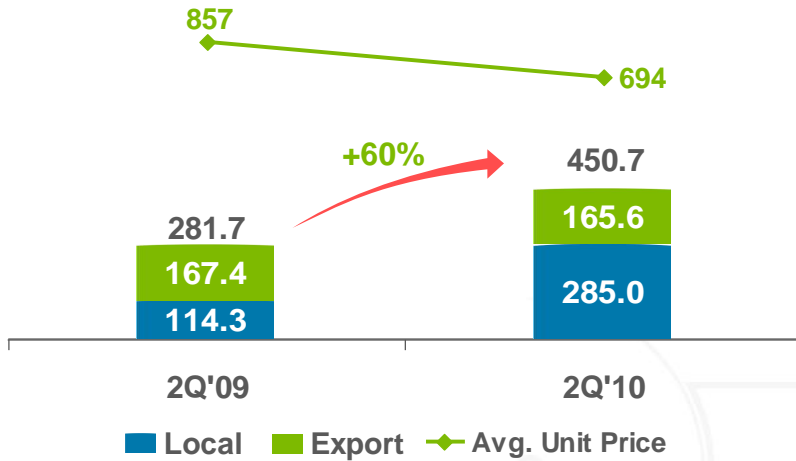


Financial Highlights - Ethanol



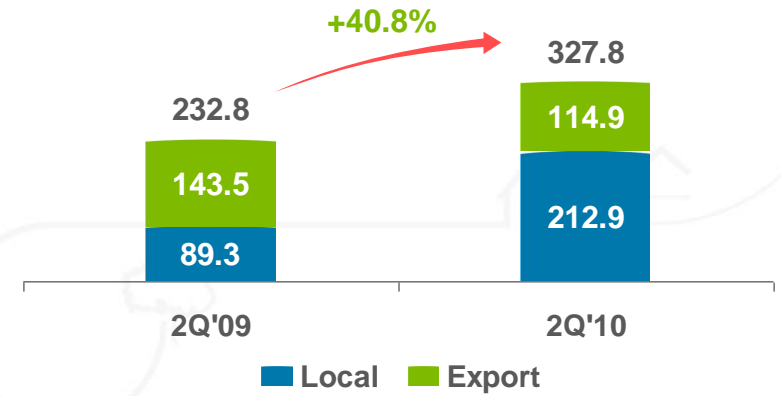
Ethanol Volume & Avg. Unit Price

(Million liters – R\$ / thousand liters)



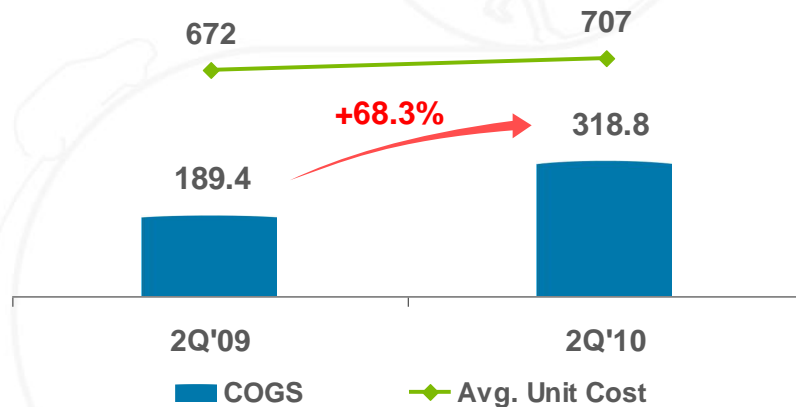
Net Revenue

(R\$ MM)



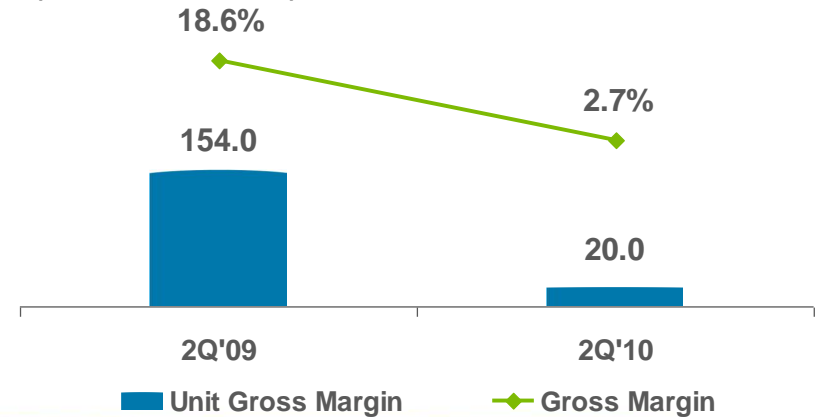
COGS & Avg. Unit Cost

(R\$ MM – R\$ / thousand liters)



Unit Gross Margin

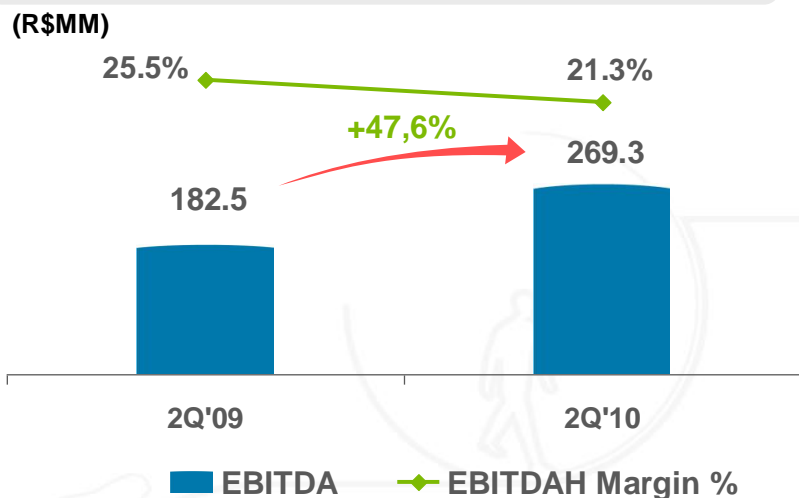
(R\$ / thousand liters)



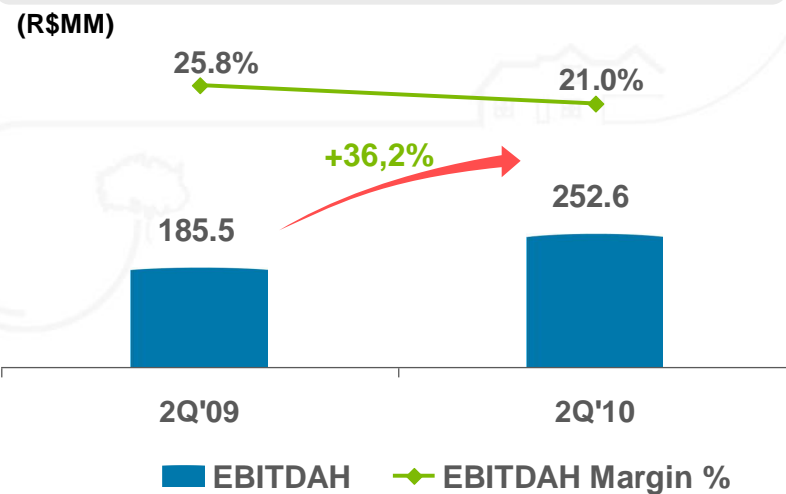
Financial Highlights - CAA



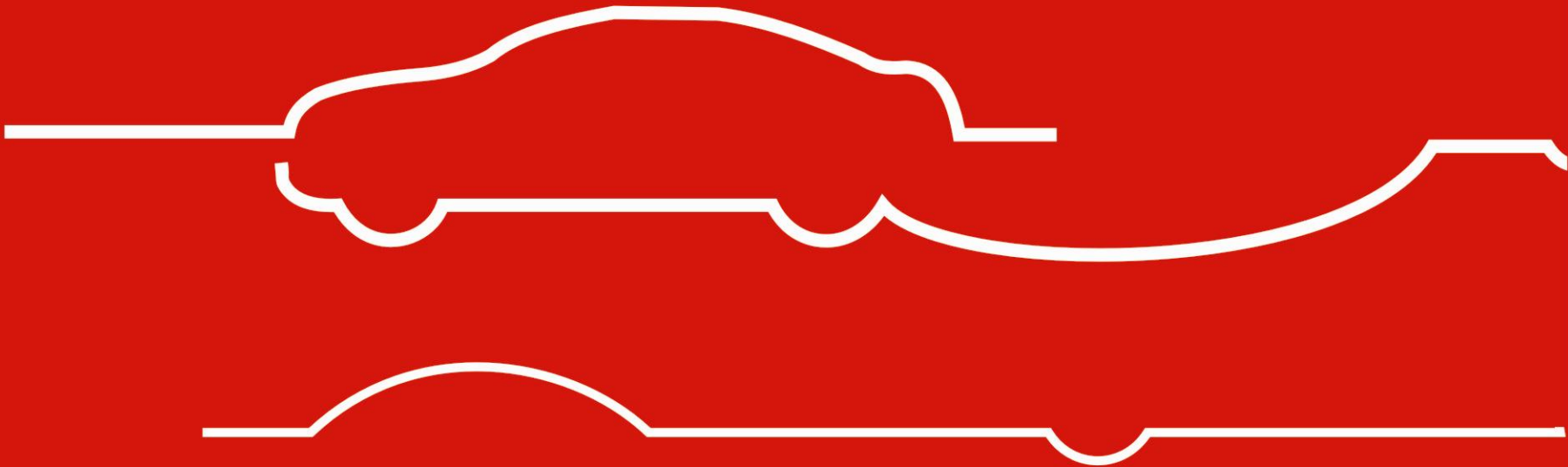
EBITDA - CAA



EBITDAH - CAA



CCL

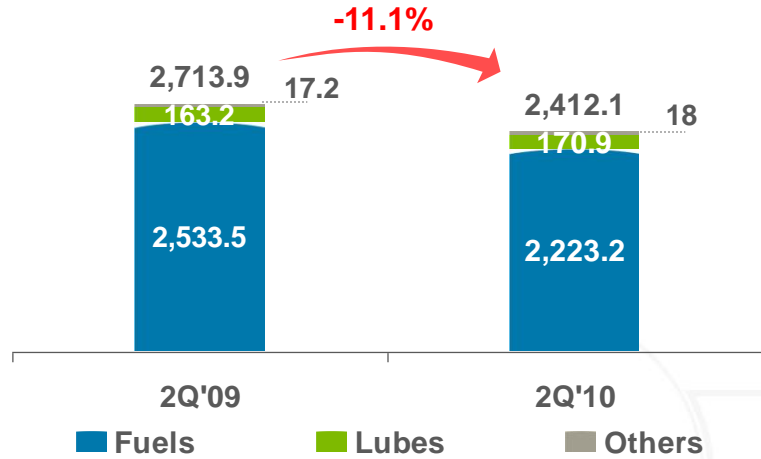


Financial Highlights - CCL



Net Revenue – CCL

(R\$ MM)

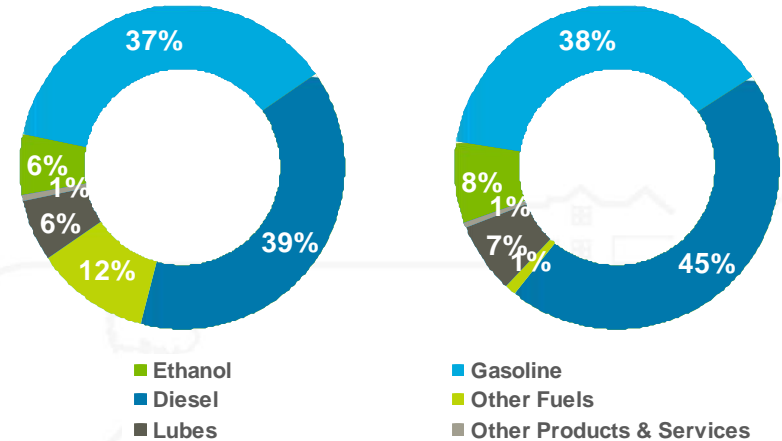


Net Revenue by Product - CCL

(%)

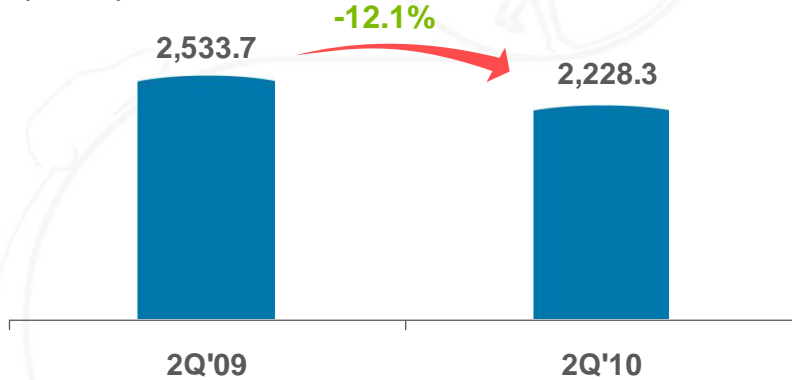
2Q'09

2Q'10



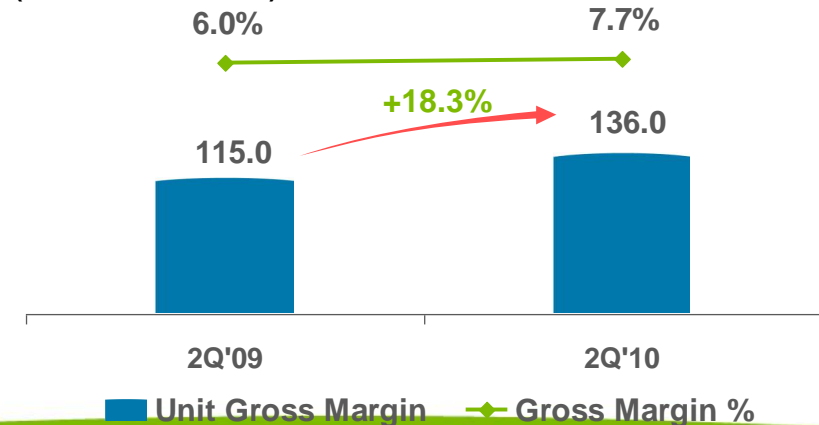
Cost of Goods Sold - CCL

(R\$ MM)



Unit Gross Margin - CCL

(R\$ / thousand liters)



Financial Highlights - CCL



EBITDA - CCL

(R\$MM)

3.6%



86.3



2Q'10

■ EBITDA ◆ EBITDA Margin %

EBITDA/m3 - CCL

(R\$/m3)

3.6%



63.8



2Q'10

■ EBITDA/m3 ◆ EBITDA Margin %

Summary of Hedge on September 30, 2009:	Fiscal Year	
	2009/10	2010/11
Sugar		
Sugar #11 (NY) - *		
Volume (thd tons)	1,121	1,063
Average Price (¢US\$/lb)	18.5	20.5
London #5		
Volume (thd tons)	14	-
Average Price (US\$/ton)	573.7	-
FX		
US\$		
Volume (US\$ million)	803	457
Average Price (R\$/US\$)	1.837	1.931

* - Includes futures, 'in the money' options and commercial contracts of sale at fixed prices.

Net Debt

Debt per Type (R\$MM)	1Q'10	2Q'10	% ST	Var.	Nov 12
Foreign Currency	2,135.15	2,494.37		359.2	3,277.5
Perpetual Notes	888.57	809.58	1.2%	(79.0)	800.2
Senior Notes 2017	803.26	719.40	1.1%	(83.9)	709.7
Senior Notes 2009	71.08	66.40	100.0%	(4.7)	-
Senior Notes 2014	-	629.97	1.3%	630.0	616.8
IFC	98.82	82.96	23.2%	(15.9)	82.1
FX Advances	152.09	90.98	100.0%	(61.1)	74.6
Pre-Export Contracts	121.33	95.08	40.2%	(26.3)	813.6
Credit Exporting Notes	-	-	-	-	180.5
Local Currency	2,489.27	2,763.98		274.7	1,599.4
Promissory Notes	1,198.17	1,233.71	24.5%	35.5	-
BNDES	360.11	714.76	3.4%	354.6	821.1
Finame (BNDES)	222.71	210.00	24.5%	(12.7)	206.4
Working Capital	24.54	20.53	20.5%	(4.0)	20.5
Overdraft	0.27	37.24	98.5%	37.0	-
Credit Banking Note	216.81	217.44	72.4%	0.6	126.2
Debentures	157.77	152.56	100.0%	(5.2)	-
Credit Notes	343.23	222.93	98.8%	(120.3)	125.2
Expenses with Placement of Debt	(34.32)	(45.19)	40.6%	(10.9)	-
Export Financing	-	-	-	-	300.0
Gross Debt	4,624.42	5,258.34	22.3%	633.9	4,876.9
Cash & Marketable Securities	932.92	948.65		15.7	793.3
Net Debt	3,691.50	4,309.69	5.4%	618.2	4,083.7
Short Term	1,115.93	1,171.57		(55.6)	238.1
Long Term	3,508.49	4,086.77		(578.3)	4,638.8
Net Debt / EBITDA (LTM)	2.98x	3.12x			3.06x

- Payment of *Senior Notes* 2009
- Contract of US\$430 millions in Pre-export with duration of 2.5 years
- Contract of US\$100 millions of Credit Exporting notes with maturity of 3 years
- Payment of Promissory Notes
- Partial disbursements of resources made by BNDES to Jataí;
- Payment of Debentures and part of Credits Notes
- Contract of Export Financing with duration of 2 years

Indebtedness in 2Q'10

- Profile reflect the corporate bond issue in CCL Finance totaling US\$350 million to extend the debt maturity
- Also reflects disbursement of resources by BNDES (part of R\$639 millions of Jataí and R\$149 millions of GASA unit).

Debt Profile		
	2Q'10	Nov 12
Short-term	22.3%	4.9%
Long-term	77.7%	95.1%

* EBITDA (LTM) 2Q'10- 12-month period ended of CAA, ended in Sep 30th, 2009, and 10-month period annualized of CCL and 4-month period annualized of NovAmerica

Capex(R\$MM)	2Q'09	2Q'10	YTD'09	YTD'10
● Sugar Cane Planting Costs	24.6	44.8	79.5	116.4
● Inter-harvest Maintenance Costs	14.7	1.8	14.7	26.6
● Projects CAA	34.4	57.2	134.4	127.9
● Projects CCL	-	7.7	-	19.3
(=) Operating Capex	73.7	111.5	228.7	290.2
● Co-generation Projects	127.3	92.4	168.9	170.9
● Greenfield	113.3	155.2	181.6	318.6
(=) Capex	314.3	359.1	579.1	779.7
● Investments	61.4	29.2	62.1	(29.4)
● Cash from Sale of Fixed Assets	1.6	(1.5)		(119.2)
(=) Investment Cash Flow	377.3	386.8	641.3	631.1

- **Capex:** Investments of R\$359.1 millions in 2Q'10, up 4.3% compared to 2Q'09, mainly due to:
 - Greenfield: Jataí Unit already in operation and Caarapó will start until the end of this crop;
 - Cogeneration: Advance in Barra and Bonfim unit projects;
 - Projects CAA: Sugar plants expansion, environment improvements, Infrastructure and process;;
 - Planting: Renewal of crops.

Notices to Market



- Bond issue totaling US\$350 million at CCL Finance
- Creation of Share Serviced Center – CAN (Centro de Apoio ao Negócio)
- Announcement of Mr. Marcos Marinho Lutz, as the new CEO of Cosan S.A., taking over on November 1, 2009
- Cosan Limited sold 10 million warrants and exercise 39,589,922 subscription warrants, equivalent to 23,753,953 new Cosan S.A. shares.

Guidance	2008FY	2009FY	2010FY	
			Previous	Current
Crushed Cane Volume (thousand tons)	40,315	43,127	+20% ≤ Δ ≤ +30%	+20% ≤ Δ ≤ +30%
Sugar Volume Sold (thousand tons)	3,147	3,052	+60% ≤ Δ ≤ +80%	+30% ≤ Δ ≤ +50%
Ethanol Volume Sold (million liters)	1,568	1,495	+50% ≤ Δ ≤ +70%	+40% ≤ Δ ≤ +60%
Revenues (R\$MM)	2,736	6,270	+100% ≤ Δ ≤ +130%	+110% ≤ Δ ≤ +140%
EBITDA (R\$MM)	183	718	+60% ≤ Δ ≤ +80%	+100% ≤ Δ ≤ +120%
Net Profit/Loss (R\$MM)	(48)	(474)	*	*
Capex (R\$MM)	1,053	1,346	+10% ≤ Δ ≤ +20%	+20% ≤ Δ ≤ +30%

- * The Net profit (loss) is very sensitive to FX variations. Considering today's FX rate of R\$1.72/US\$, it is expected that the FY'09 net loss will be reverted to net profit in the next fiscal year.

Contacts



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Thank you!

energy for life

