cosan

Financial Letter

2nd Quarter of Fiscal Year 2011 – July, August and September

Record EBITDA of R$796.7 million

São Paulo, November 10, 2010 - COSAN LIMITED (NYSE: CZZ; Bovespa: CZLT11) and COSAN S.A. INDÚSTRIA E COMÉRCIO (Bovespa: CSAN3) are announcing today their results for the second quarter of fiscal year 2011 (2Q'11), ended on September 30, 2010. The results for 2Q'11 are shown in consolidated form, according to Brazilian corporate legislation.

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2Q'11 Highlights

- New quarterly Record of 23.1 million tons of sugarcane crushed
- Revenues of R$81,5 million in cogeneration
- Record Revenues of R$3.0 billion from CCL
- Record EBITDA R$796.7 million, benefited by higher volume sold in all business units, higher prices and increase in transportation revenues from Rumo

Definitions:

FY'11 – fiscal year beginning on April 1, 2010 and ending on March 31, 2011
FY'10 – fiscal year beginning on April 1, 2009 and ending on March 31 , 2010
2Q'11 – quarter ended September 30, 2010
2Q'10 - quarter ended September 30, 2009
YTD'11 - period beginning on the same date as FY'11 and ending at the end of 2Q'11
YTD'10 period beginning on the same date as FY'10 and ending at the end of 1Q'10

Summary of Financial and Operating Information (R$MM)

2Q'10	2Q'11		YTD'10	YTD'11
3,575.3	4,716.1	Net sales	7,141.4	8,715.7
523.8	728.5	● Gross profit	891.5	1,235.0
14.7%	*15.4%*	*Gross Margin*	*12.5%*	*14.2%*
277.8	586.7	● Operating income (loss)	763.4	615.8
7.8%	*12.4%*	*Operating margin*	*10.7%*	*7.1%*
355.7	796.7	● EBITDA	666.9	1,154.7
9.9%	*16.9%*	*EBITDA Margin*	*9.3%*	*13.2%*
173.9	459.6	● Income (loss) before minority interest	501.7	470.2
173.4	439.7	● Net income (loss)	510.6	448.5
4.8%	*9.3%*	*Profit (loss) Margin*	*7.2%*	*5.1%*
373.5	391.4	Capex	795.9	987.4
4,309.7	4,741.0	Net Debt	4,309.7	4,741.0
4,250.9	5,594.1	Shareholders' & Minorities Equity	4,250.9	5,594.1

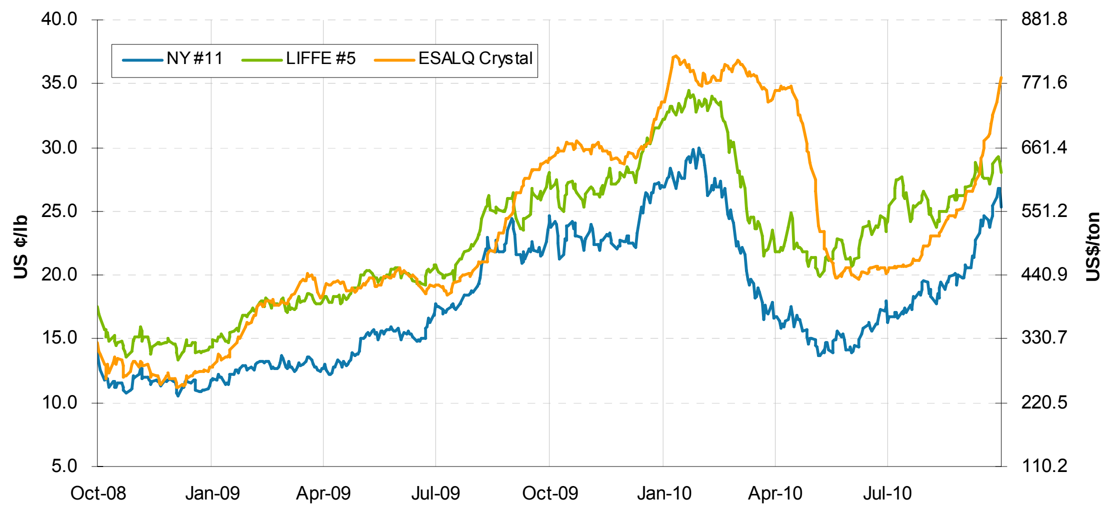
A. Market Overview

According to UNICA data, after a very dry beginning and middle harvest, rainfall returned with intensity greater than expected since the ending of September, adversely affecting crushing and, mostly, reducing the quality of the raw material. Up to the second half of September the Center-South (CS) region had crushed 444.5 million tons of sugarcane, 17.3% over the same period of the previous harvest. The increase in crushing resulted mainly from the earlier start of the harvest, favorable weather conditions and large volume of cane left on the fields from last crop. The production mix continues to maximize sugar, with 45.0% of the sugarcane allocated to this product, compared to 43.6% in the previous harvest, as a result of the higher sugar prices in the domestic and international markets. Thus, 27.1 million tons of sugar and of 20.3 billion liters ethanol were produced, representing an increase of 30.1% and 22.6%, respectively, when compared to the previous harvest.

The increase of sugar production in the CS region of Brazil was accompanied by a strong pace of exports. In the period of April to September 2010, 15.5 million tons of sugar were exported from Brazil, a volume 22.0% greater than for the 2009/10 crop.

Sugar

Sugar Prices - Last 24 months



Source: NYBOT, LIFFE, ESALQ

The strong recovery in international sugar prices in the period resulted from (i) the intense international demand due to low level of inventories deriving from the last two years of world deficit unfavorable (ii) unfavorable climatic conditions in several producing countries. In China, domestic prices reached historical peaks of RMB 7,100/ton (US$1,075/ton) in early November due to the strong volume of rainfall that is delaying the beginning of the 2010/11 harvest. In Russia, one of the major sugar importers, current estimates show production of 2.7 million tons, compared to the initial estimates of more than 4.0 million, raising the need for imports to 3.0 million tons, 1.0 million higher than initially expected. For this reason, the government is already assessing the possibility of bringing forward the seasonal reduction of the import tariff, from US$140.0/ton to US$50.0/ton.

In the European Union, the reduction of local availability will limit sugar exports from the country and the maximum limit of exports established by the WTO of 1.35 million tons will probably not be achieved, compared with the additional exports of 500 thousand tons in the 2009/10 crop. Harvest estimates for Mexico and South Africa, which are traditional exporters of sugar to the U.S. and Asia, respectively, are also being revised, leading to reduced availability for exports. For this reason, traditional importers like Indonesia, Malaysia, Japan and South Korea are already looking for diversification of origin. In Australia, wet weather boosted agricultural yields but decreased TSR levels.

The 2010/11 Indian crop is only beginning, thus market estimates are still ranging from 23.0 to 28.0 million tons. It is important to note, however, that the government announced the release of export licenses of 930 thousand tons of sugar of the ALS (Advanced Licensing Systems) system, which provides on the obligation of exporting white sugar deriving from imported raw sugar since the 2004/05 crop (ton-to-ton). However, although there is an expectation of exports of approximately 2.0 million tons, it is estimated that the country will also have to import 1.7 million tons of raw sugar due to regional differences and to meet the demand of the new refineries.

As a result of this scenario, the price of raw sugar began to show strong recovery in this 2Q'11, presenting an average of ¢US$20.12/lb, in line with the average price for 2Q'10 and 29.6% higher than 1Q'11, reaching ¢US$25.3/lb at the end of September.

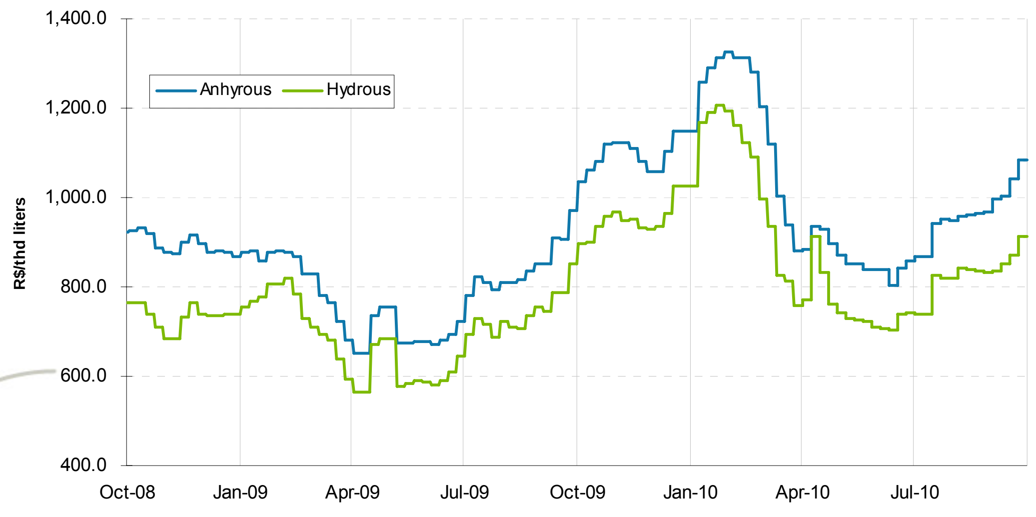
Refined sugar in the international market showed an average price of US$581.4/ton in the period, 11.1% over the 2Q'10 and 18.4% over 1Q'11. With the beginning of production in the European Union and other traditional white sugar producers, the white premium showed and average of US$137.8/ton, compared to US$70.8/ton in 2Q'10 and US$147.4/ton in 1Q'11.

In the 2Q'11, the Real had an average quote of R$1.75/US$, 2.4% less than the average of the previous quarter. The exchange rate at the end of the period was R$1.69/US$, compared to R$1.80/US$ in June 2010 and R$1.78/US$ in September 2009.

In the domestic sugar market, the average price of crystal sugar in the 2Q'11, ESALQ base, was of R$48.0 per 50Kg-bag, equivalent to ¢US$24.9/lb, stable compared to the previous quarter and to the 2Q'10, mainly due to the preference for exports.

Ethanol

Ethanol Prices - Last 24 months



Source: ESALQ

In the domestic ethanol market, prices of anhydrous and hydrous ethanol showed recovery due to the build-up of inventories in this sector. The average price for hydrous, ESALQ base, was of R$826.1/cbm in 2Q'11, 12.2% higher than in the same quarter of the previous year and 9.6% over 1Q'11. The average price of anhydrous was of R$964.3/cbm, showing and increase of 15.0% compared to the 2Q'10 and 11.5% compared to the previous quarter.

The average parity of the price of hydrous ethanol in relation to gasoline in Brazil, weighted by the fleet, according to National Petroleum Agency (ANP) data, was of approximately 65.0% at the end of 2Q'11, which is lower than the 70.0% in 12 states, which represent approximately 67.0% of the flex fuel fleet in Brazil.

Fuels

According to Sindicom, Diesel sales volume in the months of July to September 2010 was 12.7% higher than the same period of the previous year, reaching 10.9 billion liters. Although ethanol is already below the parity in various States, consumption has not yet recovered completely, remaining 6.9% below the same months of the previous year, with 2.5 billion liters traded. For this same reason, the volume of gasoline C showed growth of 16.3% in the period amounting to 5.4 billion liters traded.

B. Production Figures

2Q'10	2Q'11	Production Highlights	YTD'10	YTD'11
18,452	**23,072**	**Sugarcane Crushed (thd tons)**	**35,905**	**42,939**
6,998	10,534	Own Cane (thd tons)	17,665	20,430
11,454	12,538	Suppliers (thd tons)	18,240	22,509
		Production	-	
993	1,169	Raw Sugar (thd tons)	1,858	2,030
421	674	White Sugar (thd tons)	719	1,081
251	316	Anhydrous Ethanol (thd cbm)	395	512
424	674	Hydrous Ethanol (thd cbm)	900	1,233
136.7	**149.6**	**Sugarcane TSR (kg/ton)**	**131.1**	**139.9**
65.3%	**79.3%**	**Mechanization (%)**	**65.3%**	**79.3%**

The start-up of operations of the Jataí and Caarapó greenfields, and the adequate weather conditions, were the major factors responsible for the 25.0% increase of crushing in this quarter compared to the previous year, reaching 23.1 million tons of sugarcane crushed, of which 45.7% of own sugarcane, with a mechanization ratio of 79.3%.

The TSR of 149.6kg/tons of sugarcane and the mix favoring sugar enabled production of 30.3% more sugar, totaling 1.8 million tons, of which 36.6% of white sugar (including refined, crystal and organic), compared to 29.8% in the same quarter of the previous year. Production of ethanol was 990 thousand cbm, 46.7% over the previous period, with anhydrous ethanol reaching 31.9%.

C. Operating Performance

As of the 2011 fiscal year, the Company adopted the *hedge accounting* criteria with the goal of providing greater transparency regarding hedges and their results. All of its effects will be described in detail in the section "Hedge Accounting Impacts."

EBITDA by Business Unit

EBITDA (R$ MM) - 2Q'11	CAA	Rumo	CCL	Total*
Net Revenues	**1,758.5**	**144.7**	**3,017.0**	**4,716.1**
(-) Cost of Product Sold / Services Rendered	(1,279.1)	(100.2)	(2,811.5)	(3,987.6)
(=) Gross Profit	**479.4**	**44.4**	**205.5**	**728.5**
Gross Margin	*27.3%*	*30.7%*	*6.8%*	*15.4%*
(-) Selling Expenses	(169.0)	1.6	(105.1)	(264.6)
(-) General and Administrative Expenses	(102.7)	(8.5)	(26.3)	(137.5)
(-) Other Operating Revenues	174.1	1.5	15.4	183.9
(+) Depreciation and Amortization	270.9	4.9	10.7	286.4
(=) EBITDA	**652.7**	**43.9**	**100.2**	**796.7**
EBITDA Margin	*37.1%*	*30.3%*	*3.3%*	*16.9%*

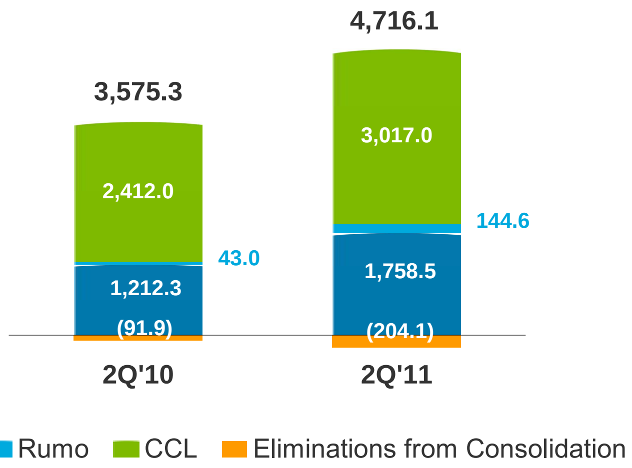
** Total contemplates the effects of consolidation elimination*

Net Revenue

2Q'10	2Q'11	Sales Composition (R$MM)	YTD'10	YTD'11
3,575.3	**4,716.1**	**Net Operating Revenue**	**7,141.4**	**8,715.7**
1,212.3	**1,758.5**	**CAA**	**2,417.5**	**3,032.1**
775.6	1,107.0	● Sugar Revenue - CAA	1,426.7	1,936.3
278.9	*338.3*	*Local*	*415.4*	*648.3*
496.7	*768.7*	*Export*	*1,011.2*	*1,288.1*
327.8	532.4	● Ethanol Revenue - CAA	807.2	889.3
212.9	*453.4*	*Local*	*526.9*	*760.1*
114.9	*79.0*	*Export*	*280.3*	*129.2*
38.5	81.5	● Energy Cogeneration - CAA	67.9	136.8
70.4	37.6	● Other Revenue - CAA	115.7	69.7
43.0	**144.7**	**Rumo**	**82.2**	**250.0**
41.3	46.3	● Loading	79.5	81.4
1.6	98.3	● Transportation	2.7	168.6
2,412.0	**3,017.0**	**CCL**	**4,856.7**	**5,798.6**
2,223.2	2,795.7	● Fuels Revenue - CCL	4,498.7	5,354.8
189.9	*203.2*	*Ethanol*	*345.8*	*373.0*
912.1	*1,102.8*	*Gasoline*	*1,799.9*	*2,177.5*
1,094.4	*1,467.0*	*Diesel*	*2,172.8*	*2,758.5*
26.8	*22.7*	*Other*	*180.2*	*45.7*
170.9	204.6	● Lubes Revenue - CCL	321.2	406.3
18.0	16.7	● Other Revenue - CCL	36.8	37.6
(91.9)	**(204.1)**	**Eliminations from Consolidation**	**(215.0)**	**(365.1)**

Net revenue by Cosan reached R$4.7 billion in the 2Q'11, compared to R$3.6 billion in the same quarter of the previous year. This increase of 31.9% reflects the growth in all business units through the increased capacity, volume sold and services rendered. In CAA, better sugar prices, the start-up of operations at other co-generation projects and the increased production capacity due to (i) improved climatic conditions, (i) start-up of operations at 2 *greenfields* (Jataí and Caarapó) and (iii) sugar mill expansions increased the CAA revenue by 46.8% to R$1.8 billion. CCL showed growth of revenue from sales of fuel, lubricants and other products totaling R$3.0 billion. The revenue of Rumo Logística showed an increase of 227.1%, as a result of the start-up of transportation operations based primarily on the partnership agreement with ALL – America Latina Logística S.A.

Net Operating Revenue (Million R$)



Sugar Sales - CAA

The sales of sugar reached R$1,107.0 million in this quarter, a growth of 42.7% in relation to the same quarter of the previous year. The main effects that contributed to the increase of R$308.0 million were:

- ⇒ Increase of R$196.8 million resulting from the greater volume sold, 24.6% greater than the same quarter of the previous year. Sales in the domestic market increased 11.9%, reaching 361,000 tons, while exports totaled 1.0 million tons, showing an increase of 29.9%;
- ⇒ Increase of R$89.2 million due to an 11.2% increase in prices given that prices in the international market were 19.1% more expensive and the prices in the domestic market were kept in line with those from the previous year.

Sugar

Volume (thd tons) and Average Unit Price (R$/ton)

The volume sold during this quarter reflects the recovery of the pace of shipping at the port and the increased production of sugar expected for this harvest. This increase in production is the result of (i) the expected increase in cane crushing based on the consolidation of 12 months of Cosan Alimentos and the more adequate climatic conditions, and (ii) the expansion of sugar mills conducted in the previous year to capture higher sugar prices for this harvest. Thus, even with an increase of 24.6% in the volume sold, the sugar inventories remained at the same level as the 2Q'10.

Sugar Inventories

Inventories: Sugar	2Q'10	2Q'11
'000 ton	1,071.4	1,089.6
R$'MM	477.4	569.5
R$/ton	446	523

Ethanol Sales - CAA

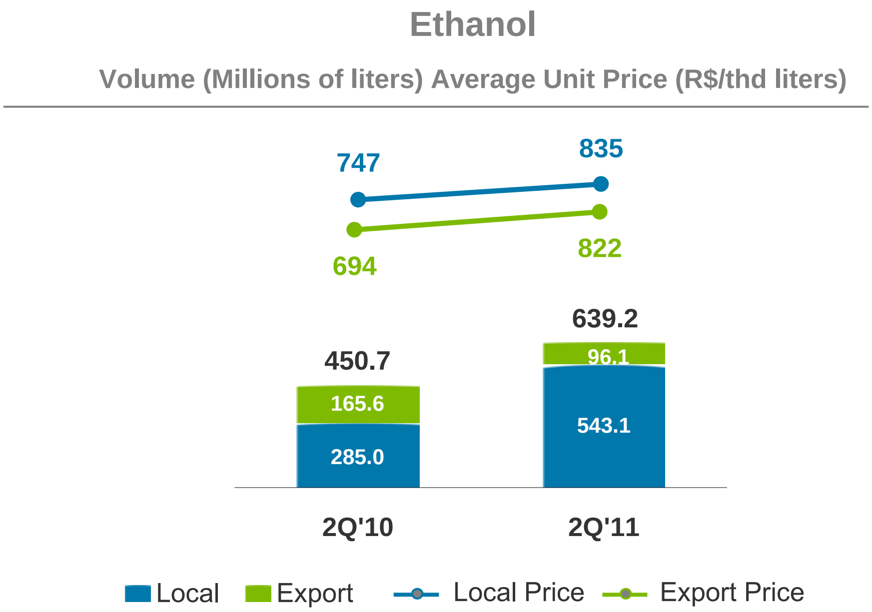
Revenue from ethanol in 2Q'11 totaled R$532.4 million, showing a 62.4% increase when compared to 2Q'10. It is worth highlighting the principal factors that increased revenue by R$204.6 millions:

⇒ Increase of R$137.2 million based on the greater volume sold, 41.8% more than the 2Q'10, resulting from the increase of 90.5% in the volume sold in the domestic market, partially offset by a decrease of 42.0% in exports. It is worth remembering that the volume sold in the 2Q'10 was impacted:

- o In the domestic market, by the commercial decision to decrease the pace of sales due to perspective increases in the price of ethanol in the following months, as occurred during the offseason. In the current quarter, with the increased ethanol inventory kept by the sector, the company opted to maintain a normal pace for its ethanol sales; and
- o In the international market, by contracts established in the beginning of that fiscal year and which were fulfilled throughout the 2009/10 harvest.

⇒ Increase of R$47.6 million as a result of an 11.8% increase in prices in the domestic market and an increase of 18.6% in the international market;

⇒ In addition, revenue for the 2Q'11 was benefited from R$19.9 million in sales mix aimed at the domestic market, which displayed higher prices and represented 85.0% of sales for the period, compared to 63.3% in the 2Q'10.



Despite the 41.8% increase in the volume sold compared to the same quarter from the previous year, the Company's commercial strategy of not accelerating or deferring sales in this fiscal year, added to a production that was 46.7% greater than the previous fiscal year, elevating the ethanol inventory by 62.7%, totaling 733.1 million liters at the end of 2Q'11.

Ethanol Inventories

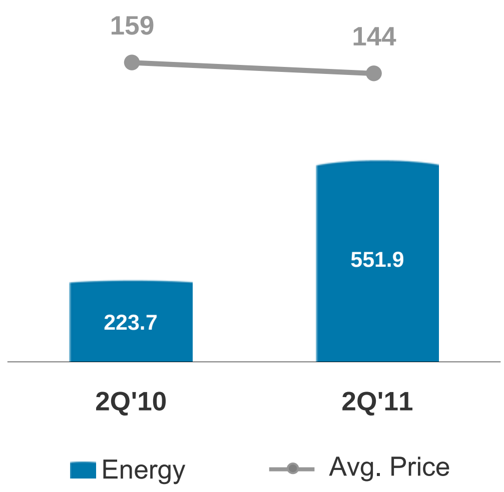
Inventories: Ethanol		
	2Q'10	2Q'11
'000 cbm	450.5	733.1
R$'MM	315.4	561.6
R$/cbm	700	766

Cogeneration of Energy - CAA

Revenue from energy totaled R$81.5 million through the sale of R$2.1 million of steam and 551.9 thousand MWh of energy at an average price of R$143.8/MWh. The growth of 158.1% in the volume sold is the result of start-up of operations at new cogeneration units (totaling 10 this year, compared to 6 in the previous year) and the *ramp-up* of others. On the other hand, these new units have an average price for their long-term contracts that is lower than those for the units already in operation, since they had previously established their energy prices when the same were at higher levels.

Cogeneration

Volume ('000 MWh) and Average Unit Price (R$/MWh)



Other Products and Services - CAA

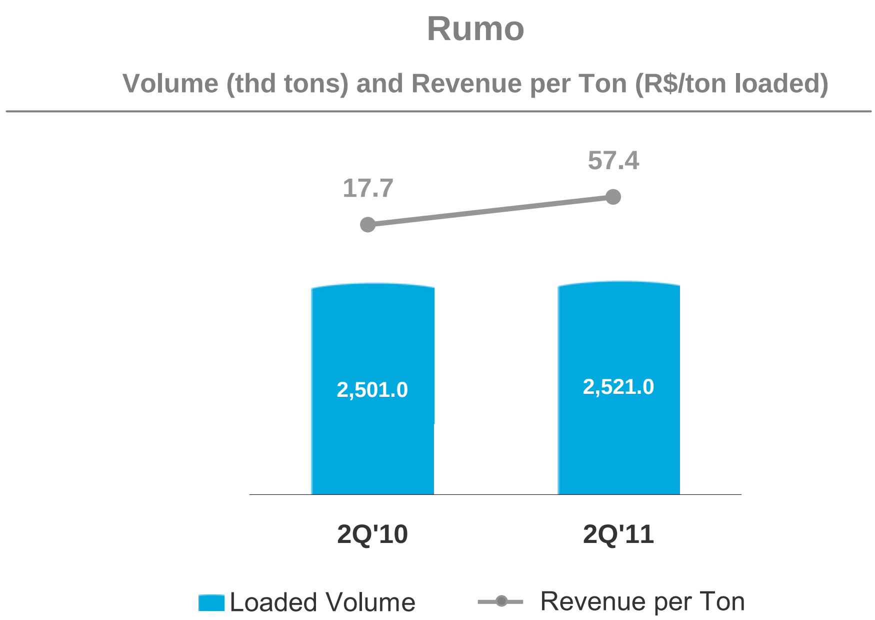
Revenue from other CAA products and services showed a reduction of 46.5%, or R$32.7 million in relation to 2Q'10, due mainly to: (i) the reduction of retail sales of the DaBarra food products, such as breakfast specialties, due to a strategic repositioning of Cosan Alimentos, and (ii) reduction of the sale of diesel oil, mainly to service providers in the agricultural area, due to the increase of own agricultural machinery and equipment, which raised the company's level of mechanization.

Rumo

Rumo’s net revenue amounting to R$144.7 million in 2Q’11 was 3.4 times greater than the 2Q’10, as a result of the start-up of transportation operations in January 2010. Excluding port operations, Rumo obtained revenue of R$98.3 million with transportation operations alone, principally through the contract in partnership with ALL signed in the previous year.

The load volume was kept in line with the previous year, totaling 2,521 thousand tons of sugar. As anticipated in its investment plan, Rumo prioritized the purchase of the rolling stock (locomotives and railcars) and the investment in the permanent way. Therefore, the port terminal investments will only occur in the next fiscal year, providing gains in efficiency and productivity that will result in an increased load volume. Of the total loaded, CAA represented 33.1%, or 834.0 thousand tons for the period.

In addition, the average price for the period, considering the added value of the product shipped at the port terminal, was R$57.4/ton or 3.2 times greater than that of the previous year, impacted mainly by the increase in transportation operations. With the increase in transportation revenue in the total revenue mix of Rumo, the trend is for the average unit price to continue increasing.



Fuel Sales - CCL

CCL net revenue totaled R$3.0 billion in 2Q'11, 25.1% over the same quarter of the previous year, with revenue from fuels increasing by 25.8%, reaching R$2.8 billion. The main factors affecting the fuel revenue in this quarter were:

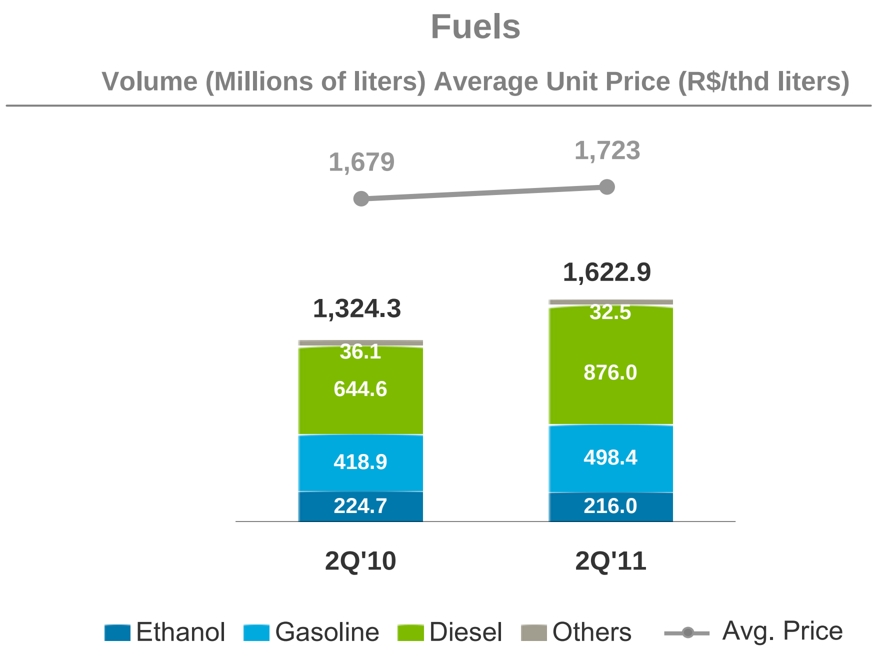
⇒ Growth of 35.9% in the volume of Diesel sold compared to 2Q'10. This increase occurred due to the following factors:

- Gains in retail *market-share* and, especially, in the industrial segment; and
- Increase in national Diesel consumption that, according to Sindicom, increased 12.1% in the 2Q'11 compared to the 2Q'10 due to the increase in the demand for industrial clients and transportation due to the recovery of economic activity in the country, showing a strong correlation between the GDP and the sale of diesel.

⇒ Increase of 19.0% in the volume of C gasoline sold in relation to the 2Q'10, due to the increase in the percentage of motorists using *flex fuel* cars that opt for this fuel instead of hydrous ethanol;

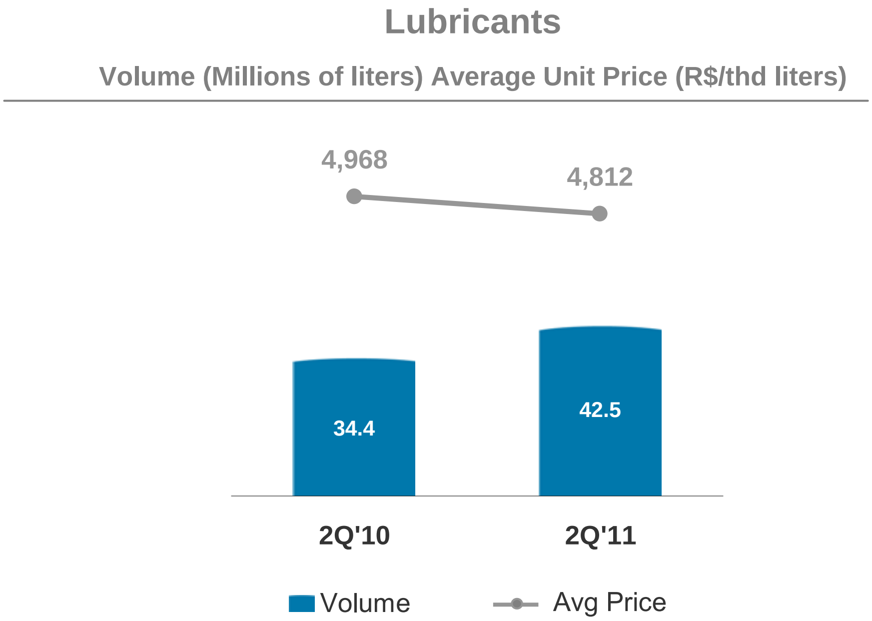
⇒ The greatest participation of diesel and gasoline in the sales mix that have higher prices than ethanol;

⇒ The 11.3% increase in the average price of ethanol was partially offset by the 4% decrease in the quantity sold.



Lubricant Sales - CCL

The revenue of R$204.6 million in the lubricant business results from the strong sales volume of 42.5 million liters for the quarter and from the focus on *premium* products, which offer more aggregate value. The drop in average unit price in the period reflects the opportunity perceived by CCL of serving a sales niche for processing oil. These sales contributed to raising the nominal revenue of the lubricant business, yet impacted the average unit price in the quarter, as they show a lower average prices than for the *premium* profile of the other products.



The CCL inventories increased by 25.8%, accompanying the growth of the fuel volume sold. However, we analyzed the inventory by sale days and there was no significant change, remaining constant at approximately 8 days.

CCL Inventories

(Includes Fuels and Lubricants)

Inventories: CCL	2Q'10	2Q'11
'000 cbm	119.4	150.2
R$'MM	244.0	299.9
R$/cbm	2,044	1,997

Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R$4.0 billion, compared to R$3.1 billion in the same quarter of the previous year. In CAA, the increase of 45.5%, or R$400.0 million is mainly due to the higher volume sold and the increased depreciation. In CCL, the growth of 26.2%, or R$853.2 million in the COGS is mainly due to the higher volume sold and is also slightly impacted by the increased participation of gasoline and Diesel in the *mix* of products sold, along with the increase in the price of ethanol.

2Q'10	2Q'11	COGS per Product	YTD'10	YTD'11
(3,051.5)	**(3,987.6)**	**Cost of Good Sold (R$MM)**	**(6,249.9)**	**(7,480.7)**
(879.2)	(1,279.1)	CAA	(1,912.5)	(2,289.2)
(499.4)	*(706.2)*	*Sugar*	*(930.8)*	*(1,240.5)*
(318.8)	*(493.3)*	*Ethanol*	*(864.3)*	*(915.4)*
(60.9)	*(79.6)*	*Others CAA + Cogeneration*	*(117.4)*	*(133.3)*
(32.1)	(100.2)	Rumo	(58.5)	(172.7)
(2,228.3)	(2,811.5)	CCL	(4,486.0)	(5,387.2)
88.1	203.2	Eliminations from Consolidation	207.1	368.5
		Average Unit Cost		
		CAA		
398	431	Unit Cash COGS of Sugar (R$/ton)	385	459
565	584	Unit Cash COGS of Ethanol (R$/thd liters)	347	311
1,640	1,688	CCL (R$/thousand liters)	1,617	1,712

** the cash-cost of sugar and ethanol does not include depreciation and amortization of planted areas, agricultural depreciation (machinery and equipment), industrial depreciation and inter-harvest maintenance.*

CAA

Since the beginning of FY'11, we have shown the unit cost for sugar and ethanol without the amortization and depreciation (cash cost) effects, aiming at better analyzing its behaviors throughout the quarters.

The effects of depreciation and amortization on the unit costs reflect the investments made in mechanization of the harvest, in greenfield projects that started operating at the end of the last harvest, the investment in maintenance of our industrial structure and in the planting of sugarcane, which returned to historic levels.

The costs of goods sold and services rendered by CAA amounted to R$ 1.3 billion, resulting in an increase of 45.5%, or R$ 400.0 million, in relation to the same period of the previous year. The main factors that explain this increase are (i) the higher amount of sugar and ethanol sold, which is responsible for the increase of R$ 256.4 million, and (ii) an increase of R$ 121.9 million in depreciation. However, it is important to highlight certain impacts that occurred in the course of this quarter, which led to an increase of cash unit costs for sugar and for ethanol, by 8.3% and 3.2 %, respectively:

⇒ Reversal of R$ 23 million from the provision for sale at market prices for ethanol inventories, made in 1Q'11;

⇒ Increase in TRS (Total Sugar Recoverable) from 136.7kg/ton of sugar cane to 149.6kg/ton due to more improved climatic conditions, which improved costs in R$45.0 million in 2Q'11; and

⇒ However, these positive impacts have been more than offset by the 17.6% increase in the TRS average value calculated by Consecana, which went from R$ 0.2996/kg of TRS to

R$ 0.3524/kg of TRS, resulting in a higher leasing cost of land and cane from sugarcane suppliers, totaling an additional cost of approximately R$ 90 million in this quarter.

Rumo

Rumo's COGS in 2Q'11 was of R$ 100.2 million and considers costs related to loading services, transshipment, storage in the countryside and hiring of rail and road and freight.

CCL

CCL's COGS showed an increase of 26.2% when compared with 2Q'10. Excluding the volume factor, the unit cost of R$ 1,655/m3 in 2Q'11 was 3.1% higher than for the same quarter of the previous year. This effect is a result of the following factors:

- ⇒ The cost of the ethanol is 9.6% higher than in the 2Q'10;
- ⇒ Selling mix with higher gasoline and Diesel participation;
- ⇒ Reduction of the unit cost of lubricants, which occurred due to:
    - o Appreciation of the Real compared to the US Dollar affecting the cost of basic oil, which is the main raw material used in the production of lubricants; and
    - o Opportunity captured by CCL to serve a sales niche in processing oil, of which the COGS is much lower than for premium goods, as previously mentioned;
- ⇒ The effect caused on 2Q'10 inventories that accumulated due to the Change in Control (CIC) in December 2008 and that still impacted the costs of 2Q'10 (which were higher because of the international oil prices).

Gross Profit

With these results, 2Q'11 showed gross profit of R$ 728.5 million, 39.1% more than for the comparable quarter of the previous year, showing a margin of 15.4%. CAA contributed with a gross profit of R$ 479.4 million, with a gross cash margin for ethanol of 29.9%, and 46.6% for sugar, and from the greater participation of the results of cogeneration. Rumo, in turn, contributed with a gross profit of R$ 44.4 million, showing a consolidated margin of 30.7%. In CCL, the gross margin was reduced from 7.6% to 6.8% on account of alteration of the product mix and the Diesel sales increase for industrial clients, which has a smaller margin.

2Q'10	2Q'11	Gross Margin per Product	YTD'10	YTD'11
		Unitary Gross Margin		
		CAA		
306	376	Gross Margin (Cash) Sugar (R$/ton)	297	381
162	249	Gross Margin (Cash) Ethanol (R$/thd liters)	322	502
135	123	CCL (R$/thousand liters)	134	131
		% Gross Margin/Net Revenues		
		CAA		
43.5%	46.6%	Gross Margin (Cash) Sugar	43.5%	45.3%
22.2%	29.9%	Gross Margin (Cash) Ethanol	48.1%	61.8%
25.2%	30.7%	Rumo	28.8%	30.9%
7.6%	6.8%	CCL	7.6%	7.1%

Selling Expenses

The selling expenses showed a growth of 25.2%, or R$ 53.3 million in relation to 2Q'10, mainly due to the increase of the sales volume by CAA and by CCL, which resulted in higher freight expenses.

2Q'10	2Q'11	Selling Expenses	YTD'10	YTD'11
(211.3)	**(264.6)**	**Selling Expenses (R$MM)**	**(420.9)**	**(479.8)**
(121.5)	(169.0)	CAA	(240.8)	(280.7)
-	1.6	Rumo	-	0.1
(93.7)	(105.1)	CCL	(188.1)	(206.3)
3.9	7.8	*Elimination*	8.0	7.1

CAA

The selling expenses of CAA in 2Q'11 showed a significant increase of 39.1%, reaching R$169.0 million, mainly because of the higher volume of sugar sold, both in the local and in the export markets. Excluding the volume factor, the selling expenses showed an increase of approximately 5.8% due to more expensive freight, which is due to the economic recovery in the country.

Rumo

In this quarter, Rumo benefited from an accounting entry rectification related to transshipment and storage which had been classified as Selling Expenses in 1Q'11 and were reclassified as Cost of Goods Sold in July.

CCL

CCL's selling expenses showed an increase of 12.2%, or R$ 11.4 million, reaching R$ 105.1 million mainly due to the increase in the volume sold. Thus, when analyzing the selling expenses by units, one can see a decrease of 8.5%, from R$ 69.0/m3 in 2Q'10 to R$ 63.1/m3 in 2Q'11, benefited by a higher dilution of fixed expenses due to a 22.6% increase on the volume sold.

General and Administrative Expenses

The general and administrative expenses of R$ 137.5 million represented an increase of 18.3% in relation to the R$ 116.2 million from 2Q'10. This increase occurred in all of our business units and reflects the efforts and investments, mostly non-recurring, which are being made in order to improve controls and management, but principally aiming at more operating efficiency when the investments have been completed. The main factors that impacted the general and administrative expenses are described below:

2Q'10	2Q'11	General & Administrative Expenses	YTD'10	YTD'11
(116.2)	**(137.5)**	**G&A Expenses (R$MM)**	**(205.5)**	**(257.7)**
(98.0)	(102.7)	CAA	(167.5)	(184.1)
(4.7)	(8.5)	Rumo	(8.1)	(15.0)
(13.5)	(26.3)	CCL	(29.8)	(58.6)

CAA

CAA general and administrative expenses of R$102.7 million in 2Q'11 showed an increase of 4.8% when compared to the same quarter of the previous year. This increase of R$4.7 million is mainly a result of the non-recurring expenses related to the formation process of the JV (Joint Venture) with Shell.

Rumo

Rumo's general and administrative expenses amounted to R$8.5 million in 2Q'11, showing an increase of 80.9%, as expected. This increase is a result of:

⇒ Non-recurring expenses related to the Company's private placement process;

⇒ Hiring of new executives beginning in 2Q'10, aimed at strengthening the senior and middle management teams of the Company;

⇒ Consultancy firms to review and renegotiate contracts with suppliers;

⇒ Advisory for the start and monitoring of the transport operations.

CCL

CCL's general and administrative expenses amounted to R$ 26.3 million in 2Q'11, compared to the R$ 13.5 million in the 2Q'10, impacted by: (i) bonus provision of R$ 7.0 million, which was not accrued in 2Q'10; (ii) R$ 5.0 million of non-recurring expenditures relative to adjustments for transition to the CAN and for implementation of the Joint Venture with Shell, and (iii) R$ 0.8 million from additional expenses with the current CAN structure, which is expected to start generating efficiency profits beginning in the next fiscal year and partially offset by the cost reduction with personnel and processes.

EBITDA

With these results, Cosan reached an EBITDA of R$ 796.7 million in 2Q'11, 124.0% more than the EBITDA of 2Q'10, of R$ 355.7 million. Of this total, CAA contributed with R$ 652.7 million, 151.6% more than its EBITDA for 2Q'10 benefited by better prices, larger volumes and Other Operating Revenue, totaling R$ 174.1 million. CCL collaborated with R$ 100.2 million and Rumo collaborated with R$ 44.0 million.

2Q'10	2Q'11	EBITDA	YTD'10	YTD'11
355.6	**796.7**	**EBITDA (R$MM)**	**666.9**	**1,154.7**
9.9%	*16.9%*	*Margin*	*9.3%*	*13.2%*
259.4	652.7	● CAA	465.7	890.3
20.7%	*37.1%*	*Margin*	*18.6%*	*29.4%*
9.9	43.9	● Rumo	28.9	80.1
23.1%	*30.3%*	*Margin*	*35.2%*	*32.0%*
86.3	100.2	● CCL	172.3	184.3
3.6%	*3.3%*	*Margin*	*3.5%*	*3.2%*

CAA

CAA other operating Revenues amounted to R$174.1 million in the quarter, due to:

⇒ Net gain by reduced equity participation in Rumo Logística amounting to R$ 202.8 million because of the Subscription Agreement established via investments managed by TPG Participações S.A. and Gávea Investimentos. This Agreement occurred by means of increase of the capital of Rumo Logística, amounting to R$ 400.0 million to be paid in equal parts by the Investors. As a result of this operation, Cosan, which indirectly held 92.9% of Rumo, will now hold 69.7%, generating a net gain by reduced equity participation; and

⇒ Expenses of R$ 28.7 million related to provisions for legal demands and other expenses

Depreciation and amortization of R$ 270.9 million, 87.8% more than those recorded in 2Q'10 (R$ 144.3 million), result (i) from the larger volume sold in the period, and (ii) from the heavy investment plan that is being implemented with the objective of increasing production yields through agricultural mechanization, cogeneration and industrial enhancements, in addition to the investments in expansion of the sugar production capacity and growth of the crushing capacity in new units (greenfields). Thus, CAA showed an EBITDA of R$ 652.7 million, with a margin of 37.1%.

Rumo

Impacted by the start-up of transport activities, Rumo's EBITDA in 2Q'11 reached R$ 44.0 million, with a margin of 30.4%, an amount that is 3.4 times higher than 2Q'11. The depreciation for the period was R$ 4.9 million.

CCL

This quarter, CCL had an EBITDA of R$100.2 million with a margin of R$60.2/thousand liters, or 3.3%. This EBITDA figure was mainly impacted by a better mix of products sold, both fuels and lubricants, which offset the lower gross margin of ethanol and the extraordinary selling expenses, both general and administrative. Other non-recurring revenue in the amount of R$15.4 million from the sale of non-operating assets also had a positive impact on EBITDA in the period analyzed.

CCL's depreciation and amortization of R$10.7 million in the quarter, 17.9% more than in 2Q10, result from (i) intangible amortization of Cosanpar (R$2.0 million), which did not impact 2Q10, and (iii) investments in maintenance and repairs at fuel stations, aimed at improving the image of such stations, as well as investments in terminal expansion and improvement, performed in the previous year.

Financial Result

The financial result in 2Q11 was a net revenue of R$80.1 million compared with the net revenue of R$78.9 million in the same quarter of the previous year.

Expenses related to debt charges increased by 7.0%, mainly due to the higher indebtedness and interest rates in 2Q11 compared to the same period of the previous year.

The net effect of foreign exchange variation increased by R$187.7 million in 2Q11 compared to R$200.2 million in 2Q10. This smaller increase in the foreign exchange is mainly due to the lower volatility of the Brazilian Real versus the US dollar, which appreciated by 5.9% in 2Q11 (R$1.8006/US$ on June 30, 2010 and R$1.6942/US$ on September 30, 2010) compared to a 8.9% valuation in the same period of the previous year (R$1.9516/US$ on June 30, 2009 and R$1.8677/US$ on September 30, 2009).

This results from derivatives in this quarter was positive in R$15.5 million compared with R$16.6 million loss in the same quarter of the previous year, already net of impact of the hedge accounting commented below.

The result of foreign exchange derivatives reflects the impacts on the selling position that the Company holds, given its exporting profile, seeking coverage for its future sales denominated in US dollars in a scenario where the foreign exchange rate appreciated by 5.9% this quarter and 8.9% in 2Q10, as previously mentioned. On the other hand, the Company was negatively impacted by commodities derivatives this quarter, especially sugar, net of the hedge accounting effects, when compared to a scenario of significant losses in the same quarter of the previous year due to our selling position in sugar derivatives and considering a significant appreciation of sugar contract (NY#11), which were priced at ¢US$16.50/lb on June 30, 2009 and ¢US$24.12/lb on September 30, 2009. It is worth highlighting that hedge accounting was not applied in 2Q10.

The position of volumes and prices of sugar established with trading companies or through financial derivative instruments on September 30, 2010, as well as the foreign exchange derivative contracts signed with the purpose of protecting the Company's future cash flows, are summarized as follows:

Summary of Hedge* as of September 30, 2010:	**Fiscal Year**	
	2010/11	**2011/12**
Sugar		
NY#11		
Volume (thd tons)	*1,218.4*	*921.8*
Average Price (¢US$/lb)	*22.0*	*17.5*
London #5		
Volume (thd tons)	*125.9*	*-*
Average Price (US$/ton)	*568.8*	*-*
Ethanol		
BM&F		
Volume (cubic meters)	*900.0*	*-*
Average Price (R$/cbm)	*1,048.3*	*-*
US$		
Volume (US$ million)	*(18.5)*	*396.0*
Average Price (R$/US$)	*1.766*	*1.997*

Note: For sugar we considerer written options once they are in the money as a hedge while for FX derivatives we consider the Delta, regardless if in or out of the money

Gross debt charges amounted to R$113.3 million, a 7.0% increase when compared to a total of R$105.9 million in 2Q10. It is important to highlight the change in the debt profile in 2Q11 compared to 2Q10, which was mainly due to new funding from BNDES and settlements performed in previous quarters in relation to the Senior Notes, valid until 2009, promissory notes, debentures and bank credit notes.

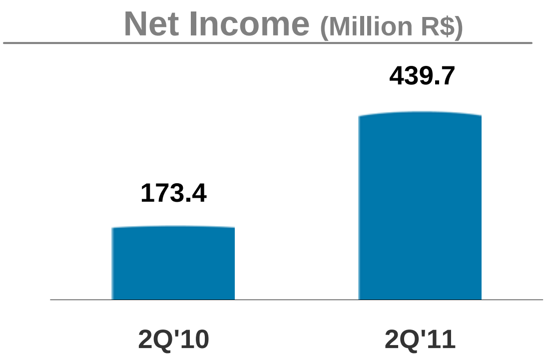
2Q'10	2Q'11	Financial Expenses, Net (R$MM)	YTD'10	YTD'11
(105.9)	(113.3)	Interest on Financial Debt	(201.5)	(222.2)
17.0	18.3	Financial Investments Income	27.6	36.3
(88.9)	**(95.0)**	**(=) Sub-total: Interest on Net Financial Debt**	**(173.9)**	**(186.0)**
(15.3)	(26.9)	Other charges and monetary variation	(38.9)	(50.2)
200.2	187.7	Exchange Variation	578.8	155.5
(16.6)	15.5	Gains (losses) with Derivatives	144.2	23.3
(0.5)	(1.3)	Others	2.1	(1.9)
78.9	**80.1**	**(=) Net Financial Expenses**	**512.3**	**(59.2)**

Impacts of Hedge Accounting

As of April 1st, 2010, the Company adopted hedge accounting in the cash flow hedge category for certain financial derivative instruments designated for covering the price risk and foreign exchange risk from sugar export revenues. In the quarter ended on September 30, 2010, there was a deferral (reclassification between results and the "reserve" account in shareholders' equity) of R$212.5 million in net losses with these derivatives. In 2Q11, there was an appropriation of gains from a variation in the fair value of derivatives in the amount of R$16.9 million, recorded as net operating revenue. The table below shows the forecast for the transfer of deferred balances in shareholder equity into net operating revenues, according to the coverage period of each of the designated instruments.

			Expected period to affect P&L		
Derivative	**Market**	**Risk**	**2010/11**	**2011/12**	**Total**
Future	OTC/NYBOT	#11	(192,998)	(101,594)	(294,592)
NDF	OTC/CETIP	USD	28,490	66,933	95,423
(=) Hedge Accounting impact			**(164,508)**	**(34,661)**	**(199,169)**
(-) Deferred income taxes			55,933	11,779	67,712
(=) Other comprehensive income			**(108,575)**	**(22,882)**	**(131,457)**

Net Income



Cosan ended 2Q11 showing a net income of R$439.7 million compared with a net income of R$173.4 million in 2Q10. This result was benefited by higher volumes in CAA and CCL, better prices, especially for sugar and ethanol, and the ramp-up of Rumo's transportation activity and cogeneration projects. Net income also benefited from the foreign exchange variation effect in the period and other operating revenues, especially the net gain from the reduction of our equity in Rumo.

D. Indebtedness

The gross financial debt, excluding Resolution 2471[1], totaled R$5.7 billion in 2Q11, an increase of 3.1% in relation to the R$5.6 billion in 1TQ and 8.9% more than the indebtedness of R$5.3 billion existing at the end of 2Q10.

In 2Q11, the Company received R$244.0 million as Advances on Foreign Exchange Agreements, as well as R$58.7 million from agricultural credits, in addition to the clearing of R$163.4 million in credit facilities granted by BNDES and Finame, mainly for energy cogeneration projects, greenfields and mechanization of sugarcane crops. Moreover, there was an amortization of around R$107.3 million in the period.

Debt per Type (R$MM)	2Q'10	1Q'11	2Q'11	% ST	Var.
Foreign Currency	**2,494.4**	**3,480.7**	**3,460.3**		**(20.4)**
Perpetual Notes	809.6	820.2	771.4	1.2%	(48.85)
Senior Notes 2017	719.4	741.5	685.5	0.7%	(56.02)
Senior Notes 2009	66.4	-	-	0.0%	-
Senior Notes 2014	630.0	653.7	601.1	0.9%	(52.54)
IFC	83.0	-	-	0.0%	-
FX Advances	91.0	184.2	382.6	100.0%	198.43
Pre-Export Contracts	95.1	899.1	845.8	35.4%	(53.27)
Export Credit Notes	-	182.1	173.9	2.6%	(8.14)
Local Currency	**2,764.0**	**2,077.0**	**2,269.1**		**192.02**
Promissory Notes	1,233.7	-	-	0.0%	-
BNDES	714.8	1,336.3	1,342.9	26.4%	6.66
Finame (BNDES)	210.0	342.9	456.9	10.9%	114.03
Working Capital	20.5	18.9	18.3	26.4%	(0.61)
Overdraft	37.2	54.3	20.2	100.0%	(34.09)
Credit Banking Notes	217.4	-	-	0.0%	-
Debentures	152.6	-	-	0.0%	-
Credit Notes	222.9	304.8	314.8	28.5%	9.98
CDCA	-	60.1	61.8	51.5%	1.66
Crédito Rural	-	-	89.4	0.0%	
Expenses with Placement of Debt	(45.2)	(40.3)	(35.3)	30.0%	5.03
Gross Debt	**5,258.3**	**5,557.8**	**5,729.4**	**18.1%**	**171.62**
Cash and Marketable Securities	948.6	1,054.9	988.4		(66.55)
Net Debt	**4,309.7**	**4,502.9**	**4,741.0**		**238.16**

At the end of 2Q11, Cosan's cash resources totaled R$0.9 billion, accounting for a net indebtedness of R$4.7 billion, equivalent to 2.1 times EBITDA in the last 12 months.

[1] *As disclosed in note 13 of the financial statement, this Resolution 2471 debt are backed by National Treasury certificates acquired by the Company and recorded as non-current assets. There for, we do not take this debt into account when analyzing our indebtedness.*

E. Investments

Cosan's flow of investments in the second quarter totaled R$393.5 million, with Capex of R$391.4 million, consisting mainly of investments in Rumo, planting and environment.

The consolidated Capex for 2Q11 was 4.8% higher, mainly influenced by (i) investments of R$127.0 million by Rumo, (ii) the return of historical planting levels, totaling R$87.5 million and (iii) the investment of R$43.3 million in projects related to Safety, Health and Environment (SHE).

2Q'10	2Q'11	Capex (R$MM)	YTD'10	YTD'11
109.6	**183.3**	**CAA - Capex operacional**	**277.8**	**465.5**
44.8	87.5	● Sugar Cane Planting Costs	116.5	188.5
1.8	(5.4)	● Inter-harvest Maintenance Costs	26.6	55.6
5.8	43.3	● SSMA & Sustaining	6.8	52.1
-	33.6	● Mecanização	-	87.2
57.2	24.3	● Projects CAA	127.9	82.1
255.3	**55.7**	**CAA - Capex de expansão**	**497.3**	**231.1**
92.4	15.0	● Co-generation Projects	171.0	113.8
155.2	18.2	● Greenfield	318.6	42.6
7.7	22.5	● Expansão	7.7	74.7
365.0	**239.0**	**CAA - Total**	**775.2**	**696.7**
7.7	**25.3**	**CCL**	**19.2**	**39.8**
0.8	**127.0**	**Rumo**	**1.5**	**250.9**
373.5	**391.4**	(=) **Capex Consolidado**	**795.9**	**987.4**
29.2	2.1	● Investments	(29.3)	7.9
(1.5)	17.2	● Cash received on Sale of Fixed Assets	0.6	17.9
401.2	**410.7**	(=) **Investment Cash Flow**	**767.2**	**1,013.2**

* mechanization during 2Q10 is under CAA Projects

CAA

In 2Q11 the company returned to historical investment levels in planting, showing a 95.3% increase compared to the same period of the previous year, totaling R$87.5 million. In the period, 42.1 thousand hectares were planted, representing a 26.8% increase in relation to the 33.2 thousand hectares planted in 2Q10, in addition to 8.6 thousand hectares of soil preparation in non-planted areas, an increase of around 62.3% compared to the 5.3 thousand hectares of the same period of the previous year.

This quarter we had an accounting entry reversal in the amount of R$5.4 million under Inter-harvest Maintenance.

Investments related to Safety, Health and Environment (SHE) represented a significant amount in 2Q11, with a 392.2% increase compared to the previous quarter, and approximately 646.6% compared to the same quarter of the previous year. 95.0% of the total amount invested was used in vinasse projects, which is a liquid byproduct derived from the ethanol manufacturing process and reused as fertilizer.

Investments in mechanization remain strong this quarter, totaling R$33.6 million and basically composed of agricultural equipment and machinery, as well as adaptation of the units to receive sugarcane originating from mechanized harvest. It is important to mention that, this quarter, the Company has already conducted 80.0% of the harvest in areas it owns using mechanized methods.

The various CAA projects consumed R$24.3 million and consist mainly of investments in the industrial and agricultural areas, seeking to increase productivity and efficiency of the Company's units.

Investments in cogeneration amounted to R$15.0 million, reflecting the projects of the following units: Barra and Bonfim, which are almost completed; Ipaussu, which is currently under construction; and Univalem, which is in the engineering specification stage, starting construction and acquisition of the main equipment.

Cosan's greenfield projects, Jataí (state of Goiás) and Caarapó (state of Mato Grosso do Sul), received investments of R$18.2 million in the period, mainly related to investments in agricultural assets, as well as logistics/administrative assets. These units are currently in operation, which justifies the lower level of investments compared to 2Q10. These investments are basically aimed at increasing the sugarcane crushing capacity, sugar and ethanol production and energy production, in order to achieve full production capacity in the coming years.

Investments in sugar mill capacity expansion totaled R$22.5 million. The units of Gasa, Ipaussu, Bonfim, Junqueira and Tamoio have already been completed and construction is ongoing at the Costa Pinto and Barra units.

Rumo

In 2Q11, Rumo received investments of R$127.0 million, in line with the amount invested in the first quarter of this year. This amount includes the acquisition of railcars and locomotives. It is worth highlighting the acquisition of 17 locomotives and the speed-up of construction in the permanent railway.

CCL

In 2Q11, CCL's capex totaled R$25.3 million, equivalent to 3.3 times the amount recorded in the same quarter of the previous year. The main investments in this period were the reactivation of distribution terminals and the construction of a new terminal at Alto Taquari, the implementation of new programs and systems, especially to the fiscal department and the update of lubricants storage system.

F. Relevant Facts

⇒ On August 25, Cosan S.A. and Cosan Limited successfully concluded the negotiations with Shell International Petroleum Company Limited and have entered into definitive agreements providing for the creation of a proposed joint venture involving certain of their respective assets, resulting in an estimated amount of US$12 billion.

⇒ On August 30, Cosan S.A. paid dividends in the amount of R$200,000,000, equivalent to R$0.491388181 per share.

⇒ On September 10, Cosan Limited distributed dividends relative to fiscal year 2010, amounting US$70,413,337.75, corresponding to US$0.260127888 per class A and/or B share. Payment in Brazil to the holders of BDRs occurred on September 17, 2010, for an amount of R$0.446561545 per BDR, based on a foreign exchange rate defined on September 10, 2010.

⇒ On September 2, Rumo Logística S.A. received capitalization in a total amount of R$400,000,000.00 of investment vehicles managed by TPG Capital and Gávea Investimentos, which afterwards proceeded to detain 12.5% of Rumo each. These funds, added to the financing secured with the BNDES, assure the totality of the funds required for Rumo's investments plan.

⇒ On October 29 Cosan Overseas Limited, a subsidiary of Cosan S.A., priced its Perpetual Senior Notes, amounting to US$300 million, with an interest rate of 8.25% per annum, paid quarterly. The Notes are guaranteed by Cosan S.A. and, with the conclusion of the proposed joint venture between Cosan and Shell, by Cosan Combustíveis e Lubrificantes S.A. (CCL), which will then proceed to detain exclusively the lubricants business.

G. Guidance

This section contains guidance ranges for selected key parameters of the Company for the fiscal year 2011, which began on April 1st, 2010 and will end on March 31st, 2011. Note that statements in other sections of this letter may also contain projections. These projections and guidance are merely estimates and indicative, and should not be construed as a guarantee of future performance. This guidance takes into consideration the operations held by the Cosan group today, which includes CAA, CCL, and Rumo Logística.

The guidance for this fiscal year has been revised in order to reflect some impacts suffered until the end of this quarter (2Q'11) in our business units.

As already mentioned in this quarterly letter, the dry weather that penalized the entire Brazilian Center South region caused a decline in agricultural productivity yields, reflecteting in lower availability of sugarcane. Consequently, raw material (bagasse) for energy cogeneration was also reduced, lowering the amount of energy available for sale, but enough to fulfill all energy contracts. For the same reason, sugar production could not be maximized as much as forecasted in the beginning of the crop which, added to the delay of the start of operations of the new sugar mills, will result in lower production of this product.

The lower availability of sugar in the CS region will also slow down the pace of Brazilian exports in the 2nd half of this fiscal year, which we expect to be reflected in a lower transported and loaded volume by Rumo Logística.

On the other hand, CCL was able to capture more market share than expected and was benefited by the recovery in the Brazilian economic activity which added to the growth in vehicle fleet, will result in sales of fuels and lubricants above our initial projections.

In a consolidated view, the above mentioned impacts together with higher sugar and ethanol prices will partially compensate each other, therefore net revenues and EBITDA will vary within the range previously presented.

Guidance	2009FY	2010FY	2011FY
Crushed Cane Volume (thousand tons)	43,127	50,314	54.000 ≤ Δ ≤ 58.000
Sugar Volume Sold (thousand tons)	3,187	4,135	4.100 ≤ Δ ≤ 4.500
Ethanol Volume Sold (million liters)	1,671	2,148	2.000 ≤ Δ ≤ 2.200
Volume of Energy Sold (thousand MWh)	-	596	1.000 ≤ Δ ≤ 1.300
Loading Volume (thousand tons)	3,479	8,124	9.000 ≤ Δ ≤ 11.000
Transportation Volume (thousand tons)	-	-	5.000 ≤ Δ ≤ 6.000
Volume of Fuels Sold (million liters)	1,681	5,491	5.700 ≤ Δ ≤ 6.200
Volume of Lubes Sold (million liters)	34	131	140 ≤ Δ ≤ 160
Revenues (R$MM)	6,270	15,336	16.500 ≤ Δ ≤ 18.500
EBITDA (R$MM)	718	1,733	2.000 ≤ Δ ≤ 2.400
Net Profit/Loss (R$MM)	(474)	986	*
Capex (R$MM)	1,346	1,926	1.900 ≤ Δ ≤ 2.300

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H. Financial Statements of Cosan S.A. - BRGAAP

Income Statement (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
Gross Operating Revenue	**2,978.6**	**6,732.8**	**16,685.9**	**3,907.2**	**4,145.1**	**4,790.0**	**4,369.4**	**5,199.8**
(-) Sales Taxes and Deductions	(242.5)	(462.7)	(1,349.8)	(331.9)	(344.6)	(395.9)	(369.8)	(483.7)
(=) Net Operating Revenue	**2,736.2**	**6,270.1**	**15,336.1**	**3,575.3**	**3,800.5**	**4,394.1**	**3,999.6**	**4,716.1**
(-) Cost of Goods Sold and Services Rendered	(2,387.1)	(5,470.7)	(13,210.7)	(3,051.5)	(3,340.5)	(3,620.3)	(3,493.1)	(3,987.6)
(=) Gross Profit	**349.0**	**799.4**	**2,125.4**	**523.8**	**460.0**	**773.9**	**506.6**	**728.5**
Margin	*12.8%*	*12.7%*	*13.9%*	*14.7%*	*12.1%*	*17.6%*	*12.7%*	*15.4%*
(-) Operating Income (Expenses):	**(418.0)**	**(1,508.5)**	**(712.5)**	**(246.1)**	**(206.9)**	**(377.4)**	**(477.4)**	**(141.8)**
(-) Selling	(301.3)	(432.6)	(864.6)	(211.3)	(218.4)	(225.3)	(215.2)	(264.6)
(-) General and Administrative	(210.2)	(275.9)	(497.2)	(116.2)	(117.9)	(173.7)	(120.2)	(137.5)
(-) Financial Income (Expenses), Net	284.3	(817.4)	420.4	78.9	(78.3)	(13.7)	(139.3)	80.2
(±) Earnings (Losses) on Equity Investments	6.6	14.0	(18.6)	0.0	(9.4)	(5.8)	(0.4)	(3.7)
(-) Goodwill Amortization	(201.4)	(196.5)	(85.6)	-	-	-	-	-
(±) Other Operating Income (Expenses), Net	4.0	199.9	333.1	2.5	217.0	41.1	(2.3)	183.9
(=) Operating Income (Loss)	**(69.0)**	**(709.1)**	**1,412.9**	**277.8**	**253.0**	**396.5**	**29.1**	**586.7**
Margin	*-2.5%*	*-11.3%*	*9.2%*	*7.8%*	*6.7%*	*9.0%*	*0.7%*	*12.4%*
(±) Income and Social Contribution Taxes	18.7	234.7	(433.8)	(103.8)	(85.3)	(86.9)	(18.5)	(127.2)
(±) Minority Interest	2.5	0.6	7.5	(0.6)	(0.7)	(0.9)	(1.9)	(19.8)
(=) Net Income (Loss) for the Year	**(48.0)**	**(474.0)**	**986.5**	**173.0**	**167.0**	**309.0**	**9.0**	**440.0**
Margin	*-1.8%*	*-7.6%*	*6.4%*	*4.8%*	*4.4%*	*7.0%*	*0.2%*	*9.3%*
● **EBITDA**	**182.9**	**718.0**	**1,733.1**	**355.7**	**490.4**	**575.9**	**358.0**	**796.7**
Margin	*6.7%*	*11.5%*	*11.3%*	*9.9%*	*12.9%*	*13.1%*	*9.0%*	*16.9%*
● Depreciation & Amortization	341.3	427.2	636.3	156.8	149.7	160.0	189.2	286.4

Balance Sheet (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
Cash and Cash Equivalents	1,010.1	719.4	1,078.4	948.6	864.1	1,078.4	1,054.9	988.4
Restricted Cash	79.6	11.8	45.0	149.5	172.1	45.0	51.3	76.0
Derivative Financial Instruments	6.9	17.0	230.6	97.4	72.0	230.6	144.5	166.0
Trade Accounts Receivable	215.2	599.2	766.4	589.7	511.1	766.4	619.1	760.0
Inventories	570.5	1,106.2	1,046.7	1,531.5	1,936.8	1,046.7	1,433.7	1,938.8
Advances to Suppliers	226.1	206.0	235.6	336.7	241.2	235.6	323.5	293.9
Related Parties	16.3	57.2	24.9	21.6	24.6	24.9	49.9	21.2
Deferred Income and Social Contribution Taxes	-	42.5	76.3	48.1	29.2	76.3	94.6	94.5
Recoverable Taxes	129.8	265.4	327.9	342.9	307.8	327.9	355.4	396.4
Other Assets	17.9	50.3	61.2	41.7	54.0	61.2	68.3	71.9
Current Assets	**2,272.4**	**3,074.9**	**3,892.8**	**4,107.9**	**4,212.8**	**3,892.8**	**4,195.1**	**4,807.1**
Accounts Receivable from Federal Government	342.2	323.4	333.7	329.0	331.4	333.7	336.3	339.2
CTN's-Restricted Brazilian Treasury Bills	151.7	177.6	205.7	189.3	194.6	205.7	217.6	228.5
Deferred Income and Social Contribution Taxes	357.0	700.0	560.1	551.5	334.2	560.1	521.5	576.1
Advances to Suppliers	77.3	48.0	63.7	85.1	132.5	63.7	52.5	65.1
Related Parties	-	-	81.4	151.8	149.9	81.4	79.6	77.8
Other Assets	94.4	132.4	211.8	190.2	210.8	211.8	216.7	225.2
Investments	120.3	278.2	193.1	196.5	194.0	193.1	193.6	207.6
Property, Plant and Equipment	2,776.3	3,465.2	5,561.1	4,671.4	4,871.5	5,561.1	5,836.0	5,878.4
Intangible	1,160.7	2,447.5	2,901.3	2,737.5	2,765.5	2,901.3	2,921.2	2,931.8
Noncurrent Assets	**5,079.9**	**7,572.5**	**10,112.0**	**9,102.3**	**9,184.4**	**10,112.0**	**10,375.0**	**10,529.8**
(=) Total Assets	**7,352.4**	**10,647.4**	**14,004.8**	**13,210.2**	**13,397.2**	**14,004.8**	**14,570.1**	**15,336.9**
Loans and Financings	78.2	1,449.5	800.9	1,184.7	892.6	800.9	860.3	1,058.6
Derivatives Financial Instruments	50.7	66.9	76.7	215.4	232.9	76.7	37.4	96.1
Trade Accounts Payable	191.0	456.1	569.4	712.5	712.1	569.4	716.3	832.1
Salaries Payable	80.7	93.2	141.6	180.9	133.0	141.6	219.9	225.5
Taxes and Social Contributions Payable	116.1	168.6	215.9	230.9	201.0	215.9	197.4	239.2
Related Parties	-	5.2	14.4	3.8	50.5	14.4	120.1	66.0
Dividendos a pagar	-	-	116.6	-	-	116.6	116.6	7.0
Other Liabilities	49.9	85.8	182.4	100.7	123.4	182.4	189.4	198.4
Current Liabilities	**566.5**	**2,325.2**	**2,117.9**	**2,629.0**	**2,345.5**	**2,117.9**	**2,457.3**	**2,722.8**
Loans and Financing	2,106.2	2,885.5	5,136.5	4,667.4	4,859.1	5,136.5	5,322.7	5,310.8
Taxes and Social Contributions Payable	359.3	328.8	593.5	288.9	255.7	593.5	597.9	606.3
Provision for Legal Proceedings	832.4	1,105.9	444.4	1,143.4	755.7	444.4	456.1	469.3
Related Parties	-	405.2	-	-	-	-	-	-
Pension Fund	-	60.4	61.8	62.3	61.6	61.8	59.8	57.8
Other Liabilities	144.4	139.9	493.1	168.4	155.8	493.1	487.8	575.8
Noncurrent Liabilities	**3,442.3**	**4,925.5**	**6,729.3**	**6,330.3**	**6,087.8**	**6,729.3**	**6,924.2**	**7,020.0**
Minority Shareholders' Interest	**17.7**	**30.9**	**47.8**	**30.4**	**47.0**	**47.8**	**49.7**	**246.5**
Capital	2,935.3	3,819.8	4,687.8	4,155.3	4,687.7	4,687.8	4,687.8	4,691.1
Capital Reserve	-	41.7	50.6	50.2	50.1	50.6	51.1	51.5
Profits Reserve	180.2	-	374.2	-	-	374.2	374.2	290.8
Legal Reserve	16.0	-	-	-	-	-	-	-
Revaluation Reserves	194.4	-	-	-	-	-	-	-
Ajuste de Avaliação Patrimonial	-	-	(2.9)	-	-	(2.9)	17.0	(134.3)
Accumulated losses	-	(495.7)	-	15.0	179.1	-	8.7	448.4
Shareholders' Equity	**3,325.8**	**3,365.7**	**5,109.8**	**4,220.5**	**4,917.0**	**5,109.8**	**5,138.9**	**5,347.6**
(=) Total Liabilities & Shareholders' Equity	**7,352.4**	**10,647.4**	**14,004.8**	**13,210.2**	**13,397.2**	**14,004.8**	**14,570.1**	**15,336.9**

Cash Flow Statement (In millions of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
Net Income (Loss) for the Year	**(47.8)**	**(473.8)**	**986.5**	**173.4**	**167.1**	**308.7**	**8.7**	**439.7**
Non-cash Adjustments:								
Earnings (Losses) from Equity Investments	(6.6)	(14.0)	18.6	(0.0)	9.4	5.8	0.4	3.7
Depreciation & Amortization	341.3	427.2	636.3	156.8	149.7	160.0	189.2	286.4
Losses (Gains) in Fixed Assets Disposals	(1.2)	(208.9)	(80.5)	0.8	1.1	20.8	3.1	(11.8)
Goodwill Amortization	201.4	196.5	85.6	-	-	-	-	-
Accrued Financial Expenses	(116.0)	932.5	(150.5)	(84.0)	(60.5)	281.9	162.6	(56.0)
Other Non-cash Items	(42.4)	(197.9)	104.2	74.0	(154.1)	51.2	38.8	(90.5)
(=) Adjusted Net Profit (Loss)	**328.8**	**661.5**	**1,600.3**	**321.0**	**112.6**	**828.3**	**402.7**	**571.6**
(±) Variation on Assets and Liabilities	(360.1)	(234.5)	(42.5)	(312.9)	(142.7)	217.3	96.6	(725.2)
(=) Cash Flow from Operating Activities	**(31.3)**	**427.0**	**1,557.8**	**8.1**	**(30.1)**	**1,045.7**	**499.3**	**(153.7)**
Additions on Investments, Net of Cash Received	(160.5)	(1,823.6)	(16.0)	(29.2)	(14.7)	(30.7)	(8.2)	(12.7)
Additions on Property, Plant and Equipment	(1,053.1)	(1,346.1)	(1,926.1)	(359.1)	(401.0)	(745.4)	(595.9)	(398.9)
Cash Received on Sale of Fixed Asset	12.2	372.1	126.2	1.5	1.8	5.3	0.7	17.2
(=) Cash Flow from Investment Activities	**(1,201.4)**	**(2,797.6)**	**(1,816.0)**	**(386.8)**	**(413.9)**	**(770.9)**	**(603.5)**	**(394.4)**
Additions of Debt	198.3	1,478.0	3,427.9	1,045.8	1,665.5	543.8	642.4	495.9
Payments of Principal and Interest on Debt	(839.4)	(257.2)	(2,846.6)	(317.3)	(1,838.4)	(563.1)	(561.6)	(224.7)
Capital Increase	1,742.6	884.5	533.9	1.4	532.4	0.1	-	-
Treasury Stock	-	(4.2)	-	-	-	-	-	-
Capital Increase by noncontrolling	-	15.4	-	-	-	-	-	403.3
Dividends	(75.8)	-	-	-	-	-	-	(193.0)
Other	-	(36.6)	(498.0)	(335.4)	-	(41.3)	-	-
(=) Cash Flows from Financing Activities	**1,025.7**	**2,079.9**	**617.1**	**394.4**	**359.5**	**(60.5)**	**80.7**	**481.5**
(=) Total Cash Flow	**(207.0)**	**(290.7)**	**359.0**	**15.7**	**(84.6)**	**214.3**	**(23.5)**	**(66.5)**
(+) Cash & Equivalents, Beginning	1,217.1	1,010.1	719.4	932.9	948.6	864.1	1,078.4	1,054.9
(=) Cash & Equivalents, Closing	**1,010.1**	**719.4**	**1,078.4**	**948.6**	**864.1**	**1,078.4**	**1,054.9**	**988.4**

Credit Statistics (LTM) (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
Net Operating Revenues	**2,736.2**	**6,270.1**	**15,336.1**	**12,056.9**	**13,291.7**	**15,336.1**	**15,769.6**	**16,910.3**
● Gross Profit	349.0	799.4	2,125.4	1,509.4	1,591.4	2,125.4	2,264.2	2,468.9
● EBITDA	182.9	718.0	1,733.1	1,173.1	1,323.1	1,733.1	1,779.9	2,220.9
● EBIT	(158.4)	290.8	1,096.8	753.3	824.7	1,096.8	1,124.3	1,435.7
● Encargos Financeiros da Dívida Líquida	106.2	179.9	361.8	308.4	329.8	361.8	104.4	113.3
● Net Profit	(47.8)	(473.8)	986.5	475.6	637.5	986.5	657.9	924.3
Liquid Funds								
● Cash and Cash Equivalents	1,010.1	719.4	1,078.4	1,098.2	864.1	1,078.4	1,054.9	988.4
Short-Term Debt								
● Loans and Financings	69.3	1,442.7	793.8	1,171.6	886.5	793.8	848.5	1,058.6
Long-Term Debt								
● Loans and Financings	1,562.5	2,312.3	4,540.0	4,086.8	4,278.4	4,540.0	4,709.3	5,310.8
Total Debt	**1,631.8**	**3,755.0**	**5,333.8**	**5,258.3**	**5,164.9**	**5,333.8**	**5,557.8**	**6,369.4**
Net Debt	**621.7**	**3,035.6**	**4,255.4**	**4,160.2**	**4,300.8**	**4,255.4**	**4,502.9**	**5,381.0**
Current Assets	2,272.4	3,074.9	3,892.8	4,107.9	4,212.8	3,892.8	4,195.1	4,807.1
Current Liabilities	566.5	2,325.2	2,117.9	2,629.0	2,345.5	2,117.9	2,457.3	2,722.8
Shareholders' Equity	**3,325.8**	**3,365.7**	**5,109.8**	**4,220.5**	**4,917.0**	**5,109.8**	**5,138.9**	**5,347.6**
Capex - Property, Plant and Equipment	**1,053.1**	**1,346.1**	**1,180.7**	**1,546.7**	**1,515.3**	**1,180.7**	**595.9**	**595.9**
● Capex - Operational	781.9	565.0	500.2	626.5	673.9	500.2	282.2	282.2
EBITDA Margin	**6.7%**	**11.5%**	**11.3%**	**9.7%**	**10.0%**	**11.3%**	**11.3%**	**13.1%**
● Gross Profit Margin	12.8%	12.7%	13.9%	12.5%	12.0%	13.9%	14.4%	14.6%
● EBIT Margin	-5.8%	4.6%	7.2%	6.2%	6.2%	7.2%	7.1%	8.5%
● Net Profit Margin	-1.7%	-7.6%	6.4%	3.9%	4.8%	6.4%	4.2%	5.5%
Net Debt ÷ Shareholders' Equity								
● Net Debt %	15.8%	47.4%	45.4%	49.6%	46.7%	45.4%	46.7%	50.2%
● Shareholders' Equity %	84.2%	52.6%	54.6%	50.4%	53.3%	54.6%	53.3%	49.8%
Long-Term Payable Debt to Equity Ratio	0.5x	0.7x	0.9x	1.0x	0.9x	0.9x	0.9x	0.2x
Liquidity Ratio (Current Assets ÷ Current Liabilities)	4.0x	1.3x	1.8x	1.6x	1.8x	1.8x	1.7x	1.8x
Net Debt ÷ EBITDA	**3.4x**	**4.2x**	**2.5x**	**3.5x**	**3.3x**	**2.5x**	**2.5x**	**2.4x**
● Short-Term Net Debt ÷ EBITDA	0.4x	2.0x	0.5x	1.0x	0.7x	0.5x	0.5x	0.5x
Net Debt ÷ (EBITDA - Capex)	**-0.7x**	**-4.8x**	**7.7x**	**-11.1x**	**-22.4x**	**7.7x**	**3.8x**	**3.3x**
● Net Debt ÷ (EBITDA - Operational Capex)	-1.0x	19.8x	3.5x	7.6x	6.6x	3.5x	3.0x	2.8x
Interest Cover (EBITDA ÷ Net Financial Exp.)	**1.7x**	**4.0x**	**4.8x**	**3.8x**	**4.0x**	**4.8x**	**17.0x**	**19.6x**
● Interest Cover (EBITDA - Op.Capes)÷Net Fin.)	-5.6x	0.9x	3.4x	1.8x	2.0x	3.4x	14.3x	17.1x
Avg. Debt Cost (Net.Fin.Exp. ÷ Net Debt)	**17.1%**	**5.9%**	**8.5%**	**7.4%**	**7.7%**	**8.5%**	**2.3%**	**2.1%**

I. Financial Statements of Cosan Limited – USGAAP

Income Statement (In millions of U.S. dollars)	Apr'08 FY'08	Apr'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
Net sales	**1,491.2**	**2,926.5**	**8,283.2**	**1,915.7**	**2,209.5**	**2,437.7**	**2,233.8**	**2,695.5**
(-) Cost of goods sold	(1,345.6)	(2,621.9)	(7,223.3)	(1,655.5)	(1,965.3)	(2,041.1)	(1,994.5)	(2,305.7)
(=) Gross profit	**145.6**	**304.6**	**1,059.9**	**260.1**	**244.3**	**396.6**	**239.4**	**389.8**
(-) Selling expenses	(168.6)	(213.3)	(470.3)	(115.1)	(128.0)	(125.2)	(122.7)	(151.2)
(-) General and administrative expenses	(115.1)	(140.1)	(271.3)	(62.8)	(106.7)	(93.9)	(68.3)	(79.9)
(=) Operating income (loss)	**(138.1)**	**(48.8)**	**318.3**	**82.3**	**9.6**	**177.6**	**48.4**	**158.7**
Operating margin	*-9.3%*	*-1.7%*	*3.8%*	*4.3%*	*0.4%*	*7.3%*	*2.2%*	*5.9%*
(-) Other income (expense):								
Financial	116.8	(370.8)	203.7	64.1	(80.4)	4.2	(62.3)	61.8
Other	(3.7)	(2.3)	178.9	0.9	155.5	30.5	(0.1)	(21.4)
(=) Income (loss) before income taxes	**(25.0)**	**(421.9)**	**700.9**	**147.3**	**84.7**	**212.3**	**(14.0)**	**199.1**
(-) Income taxes expense (benefit)	19.8	144.7	(184.8)	(49.4)	(52.3)	(6.5)	(1.2)	(69.9)
(=) Income (loss) before equity	**(5.2)**	**(277.2)**	**516.2**	**97.9**	**32.4**	**205.8**	**(15.3)**	**129.2**
(±) Equity in income of affiliates	(0.2)	6.1	(10.3)	0.0	(3.8)	(4.8)	0.6	(2.1)
(±) Minority interest in net (income) loss	22.0	83.0	(174.0)	(34.0)	(7.3)	(77.0)	2.8	(50.4)
(=) Net income (loss)	**16.6**	**(188.1)**	**331.9**	**63.9**	**21.3**	**124.0**	**(11.9)**	**76.7**
Margin	*1.1%*	*-6.4%*	*4.0%*	*3.3%*	*1.0%*	*5.1%*	*-0.5%*	*2.8%*
● **EBITDA**	**94.3**	**239.6**	**985.8**	**190.9**	**338.8**	**315.8**	**193.5**	**342.0**
Margin	*6.3%*	*8.2%*	*11.9%*	*10.0%*	*15.3%*	*13.0%*	*8.7%*	*12.7%*
● **EBIT**	**(141.8)**	**(51.1)**	**497.3**	**83.1**	**165.1**	**208.1**	**48.2**	**137.3**
Margin	*-9.5%*	*-1.7%*	*6.0%*	*4.3%*	*7.5%*	*8.5%*	*2.2%*	*5.1%*
● Depreciation and amortization	236.1	290.7	488.5	107.7	173.7	107.7	145.3	204.8

Cash Flow Statement (In millions of U.S. dollars)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
● **Cash flow from operating activities:**								
Net income (loss) for the year/quarter	16.6	(188.1)	331.9	63.9	21.3	124.0	(11.9)	76.7
Adjustments to reconcile net income (loss) to cash provided by operating activities:								
Depreciation and amortization	236.1	290.7	488.5	107.7	173.7	107.7	145.3	204.8
Deferred income and social contribution taxes	(52.4)	(145.3)	143.3	59.3	52.3	(35.0)	(5.3)	42.9
Interest, monetary and exchange variation	(43.7)	497.3	(131.4)	(67.9)	(57.8)	130.6	72.3	(5.6)
Minority interest in net income of subsidiaries	(22.0)	(83.0)	174.0	34.0	7.3	77.0	1.1	46.5
Others	15.2	14.5	(137.3)	(47.8)	(99.0)	(2.7)	11.5	25.5
	149.8	**386.1**	**869.0**	**149.3**	**97.8**	**401.6**	**213.0**	**390.7**
Decrease/increase in operating assets and liabilities:								
Trade accounts receivable, net	(57.1)	(23.7)	1.4	(8.5)	46.9	(93.6)	85.1	(85.1)
Inventories	(31.7)	(85.9)	126.2	(178.6)	(198.8)	415.1	(158.0)	(261.3)
Advances to suppliers	(8.4)	21.1	37.4	7.3	27.0	41.9	(42.6)	7.3
Trade accounts payable	33.7	33.4	(26.1)	30.3	0.9	(81.4)	81.5	73.5
Derivative financial instruments	90.4	4.4	(111.1)	57.9	25.5	(178.2)	67.7	(107.8)
Taxes payable	(19.6)	(17.1)	192.5	(29.7)	(0.6)	252.1	(16.1)	19.2
Other assets and liabilities, net	(99.4)	(61.8)	(278.2)	(12.1)	11.2	(310.3)	64.7	(54.0)
	(92.2)	**(129.6)**	**(58.1)**	**(133.3)**	**(88.0)**	**45.6**	**82.4**	**(408.2)**
(=) Net cash provided by operating actitivities	**57.6**	**256.6**	**811.0**	**16.0**	**9.8**	**447.2**	**295.3**	**(17.5)**
● **Cash flow from investing activities:**								
Restricted cash	(25.9)	29.3	(18.7)	(63.0)	(14.6)	73.4	(28.5)	(16.4)
Marketable securities	(671.0)	558.8	-	-	-	-	-	-
Acquisition of property, plant and equipment	(642.9)	(606.2)	(1,081.5)	(211.5)	(239.6)	(403.4)	(333.3)	(256.6)
Acquisitions, net of cash acquired	(102.0)	(930.4)	(9.0)	2.1	(239.7)	230.7	(2.1)	(7.6)
Other	-	160.7	6.0	(8.8)	(14.1)	(63.5)	0.4	80.9
(=) Net cash used in investing actitivities	**(1,441.7)**	**(787.8)**	**(1,103.2)**	**(281.3)**	**(507.9)**	**(162.8)**	**(363.4)**	**(199.6)**
● **Cash flow from financing activities:**								
Proceeds from issuance of common stock	1,118.4	200.0	-	0.7	303.7	(304.4)	-	227.8
Capital increase on subsidiary from minority	324.4	11.2	57.4	(0.3)	(1.3)	121.3	-	-
Dividends Paid	(44.9)	-	-	-	-	-	-	(184.3)
Additions of financial debt	117.5	789.5	2,020.7	596.8	996.1	339.2	356.6	315.3
Payments of financial debt	(492.1)	(111.1)	(1,839.5)	(351.4)	(1,064.4)	(354.5)	(311.8)	(152.4)
Other	-	(17.8)	(85.6)	-	-	(85.6)	-	-
(=) Net cash provided by financing actitivities	**1,023.3**	**871.9**	**153.0**	**245.8**	**234.0**	**(284.0)**	**44.8**	**206.4**
Effect of exchange rate changes on cash and cash	112.6	99.7	195.7	170.8	(46.8)	48.2	1.0	4.9
(=) Variation in cash & equivalents	**(248.2)**	**440.4**	**56.5**	**151.3**	**(310.9)**	**48.5**	**(22.3)**	**(5.9)**
(+) Cash and cash equivalents at beginning of year	316.5	68.4	508.8	676.3	827.6	508.8	623.7	601.4
(=) Cash and cash equivalents at end of year	**68.4**	**508.8**	**565.2**	**827.6**	**516.7**	**557.3**	**601.4**	**595.5**

Balance Sheet (In millions of U.S. dollars)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11	Set'10 2T'11
Assets								
Current assets:								
Cash and cash equivalents	68.4	508.8	623.7	769.1	516.7	623.7	601.4	595.5
Restricted cash	47.2	5.1	25.3	84.1	98.8	25.3	28.5	44.8
Marketable securities	1,014.5	-	-	-	-	-	-	-
Derivative financial instruments	31.5	7.4	129.5	54.8	41.4	129.5	80.2	98.0
Trade accounts receivable, net	126.9	258.9	430.3	331.6	293.5	430.3	343.7	448.6
Inventories	337.7	477.8	587.7	861.3	1,112.3	587.7	795.8	1,144.4
Advances to suppliers	133.7	89.0	132.3	189.4	138.6	132.3	179.6	173.5
Deferred income taxes	-	114.6	184.1	192.8	176.8	184.1	197.3	255.6
Other current assets	103.2	66.0	49.2	56.1	54.1	49.2	66.6	33.5
	1,863.0	**1,527.5**	**2,161.9**	**2,539.3**	**2,432.2**	**2,161.9**	**2,292.9**	**2,793.9**
Noncurrent assets:								
Property, plant and equipment, net	2,018.1	2,259.4	4,146.5	3,554.3	3,737.0	4,146.5	4,205.3	4,473.6
Goodwill	772.6	888.8	1,362.1	1,592.5	1,624.4	1,362.1	1,361.8	1,479.7
Intangible assets, net	106.1	243.1	602.3	256.9	255.3	602.3	582.2	592.8
Accounts Receivable from Federal Government	202.8	139.7	187.4	185.1	190.3	187.4	186.7	200.2
Other non-current assets	306.4	362.6	534.8	580.5	635.0	534.8	561.2	624.2
	3,406.1	**3,893.6**	**6,833.0**	**6,169.2**	**6,442.0**	**6,833.0**	**6,897.2**	**7,370.5**
(=) Total assets	**5,269.1**	**5,421.1**	**8,994.9**	**8,708.6**	**8,874.2**	**8,994.9**	**9,190.2**	**10,164.4**
Liabilities and shareholders' equity								
Current liabilities:								
Trade accounts payable	114.4	197.2	320.0	401.3	409.3	320.0	397.9	491.6
Taxes payable	62.9	69.0	121.2	125.1	115.4	121.2	109.5	141.2
Salaries payable	47.8	40.2	79.5	101.7	76.4	79.5	122.1	133.1
Current portion of long-term debt	38.2	781.7	471.1	673.0	542.9	471.1	498.6	645.4
Derivative financial instruments	55.0	28.9	43.1	121.1	133.8	43.1	20.8	56.7
Dividends payable	-	-	24.7	-	-	24.7	24.4	1.3
Deferred income taxes	-	-	-	-	-	-	-	-
Other liabilities	40.8	47.6	112.0	70.7	111.0	112.0	173.5	157.9
	359.1	**1,164.7**	**1,171.5**	**1,493.0**	**1,388.8**	**1,171.5**	**1,346.8**	**1,627.2**
Long-term liabilities:								
Long-term debt	1,249.3	1,251.1	2,845.7	2,632.3	2,802.2	2,845.7	2,917.6	3,096.3
Estimated liability for legal proceedings	494.1	497.6	294.6	672.6	464.8	294.6	297.7	326.7
Taxes payable	170.4	151.5	381.8	178.3	220.6	381.8	380.7	410.3
Advances from customers	-	-	-	-	-	-	-	-
Deferred income taxes	101.8	40.4	408.8	118.3	245.4	408.8	403.2	443.1
Other long-term liabilities	101.7	175.0	209.4	224.6	219.5	209.4	205.3	215.2
	2,117.4	**2,115.6**	**4,140.3**	**3,826.2**	**3,952.4**	**4,140.3**	**4,204.5**	**4,491.7**
Minority interest in consolidated subsidiaries	**796.8**	**544.5**	**1,338.9**	**1,181.8**	**1,296.7**	**1,338.9**	**1,324.1**	**1,570.9**
Shareholders' equity:								
Common stock	2.3	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Additional paid-in capital	1,723.1	1,926.7	1,932.1	1,961.8	1,927.3	1,932.1	1,932.3	2,004.0
Accumulated other comprehensive income	171.8	(243.6)	167.1	146.1	188.1	167.1	149.4	231.2
Retained earnings (losses)	98.5	(89.6)	242.3	96.9	118.3	242.3	230.3	236.6
Total shareholders' equity	**1,995.7**	**1,596.2**	**2,344.2**	**2,207.6**	**2,236.3**	**2,344.2**	**2,314.7**	**2,474.6**
(=) Total liabilities and shareholders' equity	**5,269.1**	**5,421.1**	**8,994.9**	**8,708.6**	**8,874.2**	**8,994.9**	**9,190.2**	**10,164.4**