cosan

Financial Letter

1st Quarter of Fiscal Year 2011 – April, May and June

EBITDA reaches R$358.0 million, 15% higher than 1Q'10, benefited by growth from Rumo, Cogeneration and CCL

São Paulo, August 12, 2010 - COSAN LIMITED (NYSE: CZZ; Bovespa: CZLT11) and COSAN S.A. INDÚSTRIA E COMÉRCIO (Bovespa: CSAN3) are announcing today their results for the first quarter of fiscal year 2011 (FY'11), ended on June 30, 2010. The results for 1Q'11 are shown in consolidated form, according to Brazilian corporate legislation.

Marcelo Martins
CFO & IRO

Luiz Felipe Jansen de Mello
Head of IR

ri@cosan.com.br
www.cosan.com.br

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CSAN3 NOVO MERCADO

1Q'11 Highlights

- Sugarcane crushing of 19.9 million tons, record in a quarter
- Investments increased mechanization level to 80.0% in 2010/11 crop
- Cogeneration revenues of R$55.4 million
- Record revenues of R$2,781.6 million in the Fuels and Lubricants Distribution business unit
- Rumo´s EBITDA of R$36.2 million, benefited by higher volume loaded and transportation services

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
1Q'11 – quarter ended June 30, 2010
1Q'10 - quarter ended June 30, 2009
YTD'11 - period beginning on the same date as FY'11 and ending at the end of 1Q'11
YTD'10 period beginning on the same date as FY'10 and ending at the end of 1Q'10

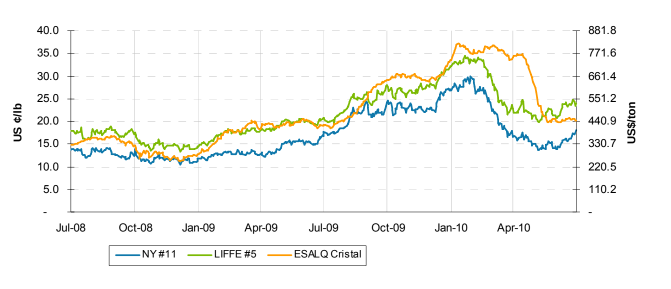
Summary of Financial and Operating Information (R$MM)

1Q'10	1Q'11		YTD'10	YTD'11
3,566.1	3,999.6	Net sales	3,566.1	3,999.6
367.7	506.6	● Gross profit	367.7	506.6
10.3%	*12.7%*	*Gross Margin*	*10.3%*	*12.7%*
485.6	29.1	● Operating income (loss)	485.6	29.1
13.6%	*0.7%*	*Operating margin*	*13.6%*	*0.7%*
311.2	358.0	● EBITDA	311.2	358.0
8.7%	*9.0%*	*EBITDA Margin*	*8.7%*	*9.0%*
327.7	10.6	● Income (loss) before minority interest	327.7	10.6
337.3	8.7	● Net income (loss)	337.3	8.7
9.5%	*0.2%*	*Profit (loss) Margin*	*9.5%*	*0.2%*
422.4	595.9	Capex	422.4	595.9
3,691.5	4,502.9	Net Debt	3,691.5	4,502.9
4,070.5	5,188.7	Shareholders' & Minorities Equity	4,070.5	5,188.7

A. Market Overview

According to UNICA data, the pace of the 2010/11 harvest in the Central-South region remains strong, an increase of sugarcane crushing up to the 1st fortnight of July of 20.3% in relation to the previous harvest, totaling 255.2 million tons. The increased crushing mainly results from early commencement of the harvest and from extremely favorable climatic conditions for the harvest. The production mix continues to be directed to sugar, with 44.0% of the sugarcane allocated for this product, compared to 42.2% in the previous harvest, resulting from strong international physical demand. Thus, 14.0 million tons of sugar and 10.9 billion liters of ethanol were produced, representing increases of 30.4% and 20.6%, respectively, when compared to the previous harvest.

Sugar Prices - Last 24 months



Source: NYBOT, LIFFE, ESALQ

The increase of production of sugar in the CS (Central-South) region of Brazil was accompanied by a strong pace of exports. In the period April to June 2010 6.0 million tons of sugar were exported from Brazil, a volume 5.2% greater than for the 2009/10 harvest. Due to the high prices at the end of last crop, some importers postponed the demand, rebuilding inventories only in the most recent months, when prices began to be more attractive. Russia and India were the major importers of Brazilian sugar in the period, followed by the refineries located in the Middle East, North Africa and Asia.

The mills in India closed the 2009/10 harvest with a total production of approximately 19 million tons of sugar, a volume significantly higher in relation to the initial market estimates of approximately 15 million tons. For the 2010/11 harvest, the increase of planting of a specific variety of sugarcane, i.e. 265, will contribute for an increase of agricultural productivity, and the increment in the planted area of approximately 30% will result in production estimated at 25 million tons.

These news, added to estimates of higher production in Brazil in the 2010/11 crop due to higher productivity, longer crop and investments made in the previous crop to expand sugar capacity, resulted in plunging prices, from record levels of ¢US$29.90/lb by the end of January to ¢US$13.67/lb on May.

On the other hand, in Russia, although the planted area of beetroot has increased by 20.0%, the extremely dry climatic conditions associated with high temperatures impacted significantly the productivity of beetroot. As a consequence, the estimated production for 2010/11 harvest, which will begin in August/10, was revised from 4.1 to 3.4 million tons of sugar. Pakistan is also attracting the attention of the market with its purchasing auctions, through which it is planned to import up to 765,000 tons, and high prices in the domestic market. In addition, on account of the restricted domestic availability, it is probable that the government will permit private companies to import sugar.

China was one of the principal buyers of raw sugar, importing approximately 316,000 tons in the period. While the market already expected that China would become an important world sugar importer, the imports were effected earlier than expected. In the U.S., the USDA (the U.S. Department of Agriculture) ratified the increase of import quotas by 300,000 tons, evidencing the fragile condition of the domestic balance of production and consumption. In Mexico, after rumors that the 2009/10 harvest would be significantly lower than the previous one, the end of the harvest was quite surprising, with good industrial yields, closing with 4.8 million tons of sugar. Although the production of sugar is slightly less than last year, the local authorities estimate that the inventories will be sufficient to meet the local demand in the offseason period.

In addition to the events mentioned above in countries that are traditional importers, the market is still being affected by the lower Thai availability, which traditionally supplies the Asian demand, resulting in an additional demand for Brazilian sugar, with significant exports also to Indonesia, Malaysia and Bangladesh. In the European Union, unfavorable climatic conditions, with a period of drought followed by high temperatures, are impacting the development of the beetroot harvests. It is probable that the reduction of the domestic availability will limit the exports of sugar of the countries, and there is a possibility that the maximum exports established by the WTO of 1.35 million tons will not be attained.

The strong demand for the Brazilian product, however, triggered the logistics bottleneck for sugar exports in Brazil. In June approximately 40 vessels were waiting in line to be loaded. This figure rose to 80 in the month of July, causing many shipments to be “rolled over” to subsequent months.

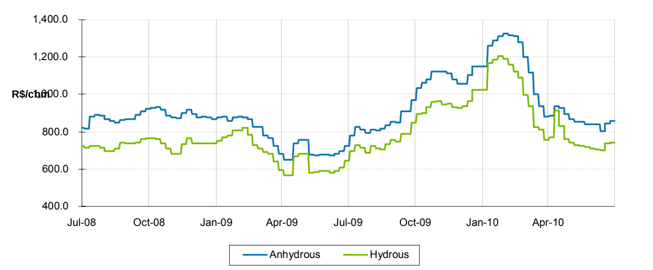
Due to this scenario, the price of raw sugar began to recover at the end of June, but still presented an average of ¢US$15.53/lb in 1Q’11, 5.7% higher than in 1Q’10 but 36.7% below 4Q’10, reaching ¢US$19.57/lb by the end of July.

Refined sugar in the international market showed an average price of US$491.0/ton in the period, 14.4% above 1Q’10 and 25.5% lower than 4Q’10, with a white premium of, on average, US$147.4/ton, compared to US$15.4/ton in 1Q’10 and US$118.58/ton in 4Q’10.

In 1Q’11 the Real remained stable against the U.S. dollar, with an average quote of R$1.79/US$, 0.5% lower than the average for the previous quarter. The exchange rate at the end of the period was R$1.80/US$, equal March 2010 and R$2.08/US$ in June 2009.

In the domestic sugar market, the average price of crystal in 1Q’11, ESALQ (Luiz de Queiroz Higher School of Agronomics) base, was of R$49.4 per 50kg-bag, or ¢US$25.0/lb, representing a drop of 30.2% to the previous quarter and an increase of 11.2% compared to 1Q’10, mainly due to the beginning of the harvest in the CS region. After this period of adjustment, the domestic market remained well balanced with relatively stable prices between R$40.0 to R$50.0 per 50kg bag.

Ethanol Prices - Last 24 months



Source: ESALQ

In the domestic ethanol market, prices of anhydrous and hydrous ethanol incurred minor adjustments due to the increase of supply deriving from the beginning of the harvest in the CS region, but continued to be traded at a level considerably above the level of prices observed in the same period of last year. The average price for hydrous, ESALQ base, was of R$753.6/liter in 1Q’11, 23.8% higher than the same quarter of the previous year and 27.7% lower than 4Q’10. The average price of anhydrous was R$865.0/liter, 24.8% higher than 1Q’10 and 27.2% over the previous quarter.

The average parity of the price of hydrous ethanol in relation to gasoline in Brazil, weighted by the fleet, according to data disclosed by the National Petroleum Agency (local acronym ANP), was of approximately 61.8% at the end of 1Q'11, returning to levels lower than the parity of 70% in 13 states, which represent approximately 85% of the flexfuel fleet in Brazil.

According to data disclosed by the ANFAVEA (National Association of Automotive Vehicle Manufacturers), sales of light commercial vehicles in the quarter totaled 649,626 units, representing a retraction of 5% in relation to the same quarter of 2009, reflecting the end of the reduced IPI (Federal Excise Tax on Manufactured Goods) rate in March 2010.

According to the ANP, the traded volume of Diesel in the months April to June 2010 was 12.7% higher than for the previous year, reaching 12.2 billion liters. Although ethanol is once again below the parity in various States, consumption has not yet recovered completely, remaining 7.2% below the same months of the previous year, with 3.8 million liters traded. For this same reason, the volume of C gasoline showed growth of 16.0% in the period, totaling 7.1 billion liters traded.

B. Production Figures

1Q'10	1Q'11	Production Highlights	YTD'10	YTD'11
17,453	**19,868**	**Sugarcane Crushed (thd tons)**	**17,453**	**19,868**
10,667	9,896	Own Cane (thd tons)	10,667	9,896
6,786	9,972	Suppliers (thd tons)	6,786	9,972
		Production	-	
865	861	Raw Sugar (thd tons)	865	861
298	407	White Sugar (thd tons)	298	407
144	196	Anhydrous Ethanol (thd cbm)	144	196
476	559	Hydrous Ethanol (thd cbm)	476	559
125.1	**128.8**	**Sugarcane TSR (kg/ton)**	**125.1**	**128.8**
61.6%	**79.8%**	**Mechanization (%)**	**61.6%**	**79.8%**

The two months of incorporation of Cosan Alimentos (including the Caarapó greenfield), formerly named NovAmérica, the operating start-up of Jataí and the adequate climatic conditions were the main factors that accounted for the increase of crushing by 13.8% in this quarter compared to the same quarter last year, reaching 19.9 million tons of crushed sugarcane, of which 50.2% came from third parties. In this quarter we reached a mechanization index of 80%, as a result of the investments made at the end of the last fiscal year.

With an TSR (Total Sugar Recoverable) of 128.8kg/ton of sugarcane and a mix that favored sugar, it was possible to produce 1.3 million tons of sugar, with 32.1% of white sugar (including refined, crystal and organic), compared to 25.6% in the previous year, a reflection of the incorporation of Cosan Alimentos, which had always been oriented to sales in the domestic market. Production of ethanol was of 755 thousand m3, 21.9% over the previous period, with anhydrous ethanol representing 26.0%.

C. Operating Performance

The quarter ended June 30, 2010 shows differences in the way to analyze Cosan's operating results when compared to the same period of the previous fiscal year. Among them the following should be highlighted:

(i) In June 2009, the aviation fuel distribution business was sold, thus the figures for 1Q'10 consolidated 2 months of that business;

(ii) The results of Cosan Alimentos began to be consolidated as from June 2009, the date of its incorporation into Cosan S.A., thus 1Q'11 contemplates 3 months of consolidation of Cosan Alimentos, while 1Q'10 only one month.

(iii) The adoption of the hedge accounting, with the purpose of providing more transparency for the hedge effects on the results disclosed by the company. All of its effects are described in detail in the section "Impacts of Hedge Accounting".

EBITDA by Business Unit

EBITDA (R$ MM) -1Q'11	CAA	Rumo	CCL	Total*
Net Revenues	**1,273.6**	**105.4**	**2,781.6**	**3,999.6**
(-) Cost of Product Sold / Services Rendered	(1,010.1)	(72.4)	(2,575.8)	(3,493.1)
(=) Gross Profit	**263.5**	**32.9**	**205.8**	**506.6**
Gross Margin	*20.7%*	*31.2%*	*7.4%*	*12.7%*
(-) Selling Expenses	(111.7)	(1.5)	(101.3)	(215.2)
(-) General and Administrative Expenses	(81.4)	(6.5)	(32.2)	(120.2)
(-) Other Operating Revenues	(2.3)	7.5	(4.5)	(2.3)
(+) Depreciation and Amortization	169.2	3.8	16.2	189.2
(=) EBITDA	**237.3**	**36.2**	**84.1**	**358.0**
EBITDA Margin	*18.6%*	*34.4%*	*3.0%*	*9.0%*

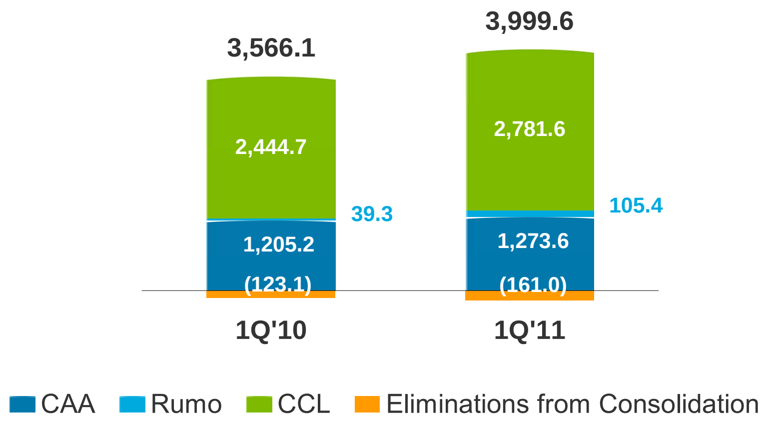
** Total contemplates the effects of consolidation eliminations*

Net Revenue

1Q'10	1Q'11	Sales Composition (R$MM)	YTD'10	YTD'11
3,566.1	**3,999.6**	**Net Operating Revenue**	**3,566.1**	**3,999.6**
1,205.2	**1,273.6**	**CAA**	**1,205.2**	**1,273.6**
651.0	829.3	● Sugar Revenue - CAA	651.0	829.3
136.6	*310.0*	*Local*	*136.6*	*310.0*
514.5	*519.4*	*Export*	*514.5*	*519.4*
479.5	356.9	● Ethanol Revenue - CAA	479.5	356.9
314.0	*306.7*	*Local*	*314.0*	*306.7*
165.5	*50.1*	*Export*	*165.5*	*50.1*
29.4	55.4	● Energy Cogeneration - CAA	29.4	55.4
45.3	32.1	● Other Revenue - CAA	45.3	32.1
39.3	**105.4**	**Rumo**	**39.3**	**105.4**
38.2	35.0	● Loading	38.2	35.0
1.1	70.4	● Transportation	1.1	70.4
2,444.7	**2,781.6**	**CCL**	**2,444.7**	**2,781.6**
2,275.5	2,559.1	● Fuels Revenue - CCL	2,275.5	2,559.1
155.9	*169.8*	*Ethanol*	*155.9*	*169.8*
887.9	*1,074.7*	*Gasoline*	*887.9*	*1,074.7*
1,078.4	*1,291.5*	*Diesel*	*1,078.4*	*1,291.5*
153.4	*23.1*	*Other*	*153.4*	*23.1*
150.4	201.7	● Lubes Revenue - CCL	150.4	201.7
18.8	20.9	● Other Revenue - CCL	18.8	20.9
(123.1)	**(161.0)**	**Eliminations from Consolidation**	**(123.1)**	**(161.0)**

Net revenue reached R$4 billion in 1Q'11, compared to R$3.6 billion in the same quarter of the previous year. This increase of 12.2% reflects growth in all of the business units, through increase of capacity, of volume sold and of services rendered. The major contribution for this increase continued to be from CCL, with revenue of R$2.8 billion in the period, representing 69.5% of net revenue. Even without the aviation business, which was sold in June last year, CCL showed growth of revenue from sales of fuel, lubricants and other products of R$337 million. In addition, the incorporation of Cosan Alimentos, which was only consolidated in June 2009, the increase of production capacity with the operating start-up the 2 new Greenfields (Jataí and Caarapó), better sugar prices and the operating start-up and other co-generation projects raised CAA's revenue, which grew by 5.7% to R$1.3 billion. The revenue of Rumo Logística showed an increase of 168.2%, as a result of the start-up of transportation operations based primarily in the partnership agreement with ALL – America Latina Logística S.A.

Net Operating Revenue (R$ MM)



Sugar Sales - CAA

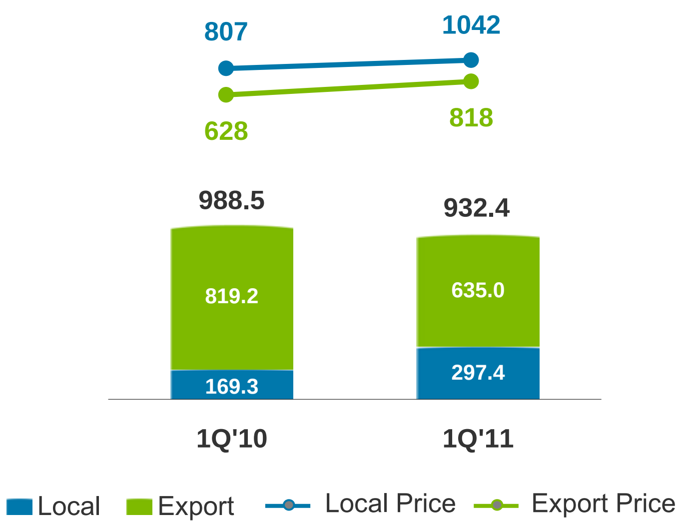
The sales of Sugar reached R$829.3 million in this quarter, a growth of 27.4% in relation to the same quarter of the previous year. The main effects that contributed to the increase of R$ 178.3 million were:

⇒ In the domestic market, net revenues were R$173.4 million higher than 1Q'10, benefited by gains of R$40 million from the 29.2% higher average price and of R$133.5 million from the higher volume of sugar sold in this market;

⇒ In the international market, although prices 30.2% higher contributed with a positive effect of R$155.5 million in net revenues, the decline of 22.5% in exports contributed negatively with R$150.6 million. This reduction occurred principally due to (i) lower inventories at end of FY´10, (ii) the business strategy of reducing the pace of sales, waiting for better prices than those for April and May, and (iii) the strong demand in the physical sugar market, coupled with the climatic problems that arose in producing countries, started again to raise prices in the international market in June, but caused heavy concentration of shipments at the port terminals, which despite the records achieved were not able to meet the new schedule of shipments.

Sugar

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



The business strategy of concentrating the sales of sugar in the last quarter of the previous fiscal year in order to capture the higher prices resulted in a reduction of the inventories at the end of the crop. Therefore, even with sales in the 1Q'11 lower than in 1Q'10, the position of inventories of sugar at the end of the 1Q'11 was 12.9% lower than for the same quarter of the previous year.

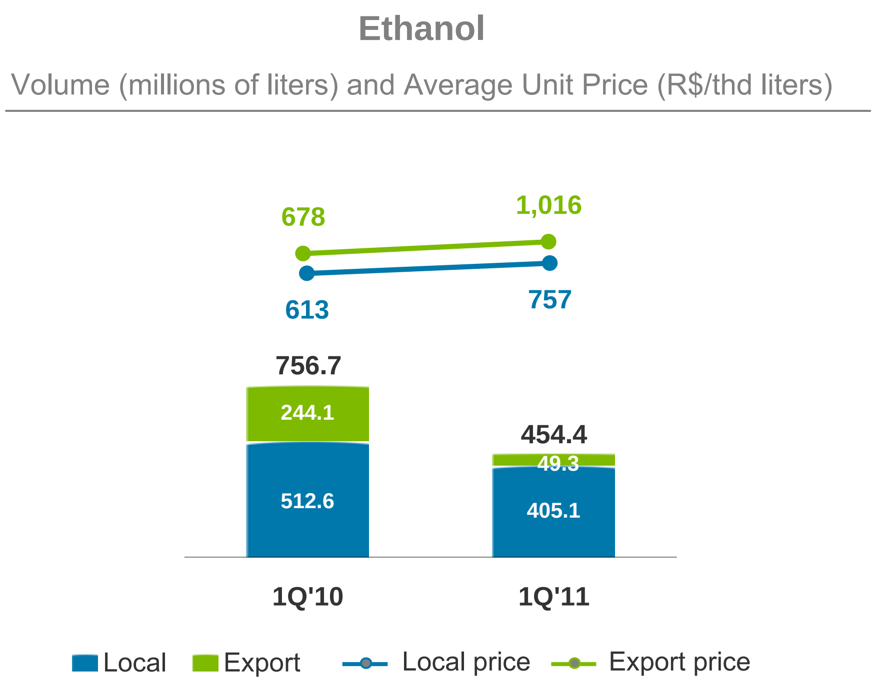
Sugar Inventories

	1Q'10	1Q'11
'000 ton	633.7	552.2
R$'MM	271.9	297.0
R$/ton	429	538

Ethanol Sales - CAA

Revenue from ethanol in 1Q'11 totaled R$356.9 million, showing a 25.6% reduction when compared to 1Q'10. It is worth highlighting the principal factors that reduced revenue by R$ 122.6 million:

- ⇒ Reduction of the volume of ethanol traded both in the domestic market, with a drop of 21%, due to perspectives of better prices in the course of the harvest and offseason, as well as in the foreign market, with a drop of 79.8%, mainly due to the absence of opportunities of arbitration of the price of ethanol in the international market. The impact of this reduction in volumes was of R$81.5 million and R$197.9 million in the domestic and export markets, respectively;
- ⇒ Even with the significant drop of prices in relation to 4Q'10, the average price of ethanol in this quarter was 23.9% higher than shown in 1Q´10, reflecting the increase of the fleet of flexfuel vehicles and the consumer having reassumed preference for ethanol at the fuel stations. The increase of average ethanol prices when compared with the same period of the previous year helped to offset the reduction of revenue of R$74.2 million in the domestic market and of R$82.6 million in the international market;
- ⇒ As in the case for sugar, the concentration of sales in the last quarter of the last fiscal year contributed to important gains with the high prices secured, but reduced the inventory at the beginning of the first quarter and consequently the availability of product for sale.



As mentioned above, the perspective of better prices, coupled with low inventories in the beginning of this quarter, reflected on the business decision of not increasing the pace of sales in the course of the quarter, which raised the level of inventories of ethanol by 90.9%, or 183 million liters, at the end of 1Q'11.

Ethanol Inventories

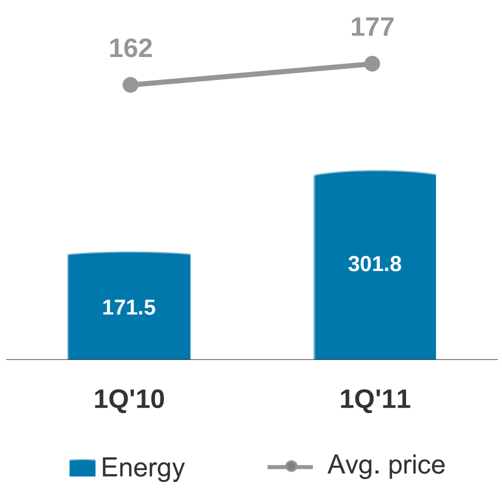
	1Q'10	1Q'11
000 cbm	201.4	384.4
R$'MM	148.6	296.4
R$/cbm	738	771

Cogeneration of Energy - CAA

Revenue from energy totaled R$55.4 million with the start-up of new cogeneration plants that were expected for this year. The average price obtained was of R$176.6/MWh. In the course of this year 10 units (Serra, Gasa, Costa Pinto, Rafard, Tarumã, Maracaí, Jataí, Caarapó, Barra and Bonfim) will be performing their agreements for sale of electric power. In the course of this quarter, the volume of non-contracted energy, i.e., sold in the spot market, was low, reflecting the strategy of giving priority to delivery of contracted energy in auctions and bilateral long-term agreements during the period.

Electric Power

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 24.6%, or R$13.2 million, in relation to 1Q’10, due mainly to: (i) the reduction of retail sales of the Da Barra food products, such as breakfast specialties, due to a strategic repositioning of Cosan Alimentos, and (ii) reduction of 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.

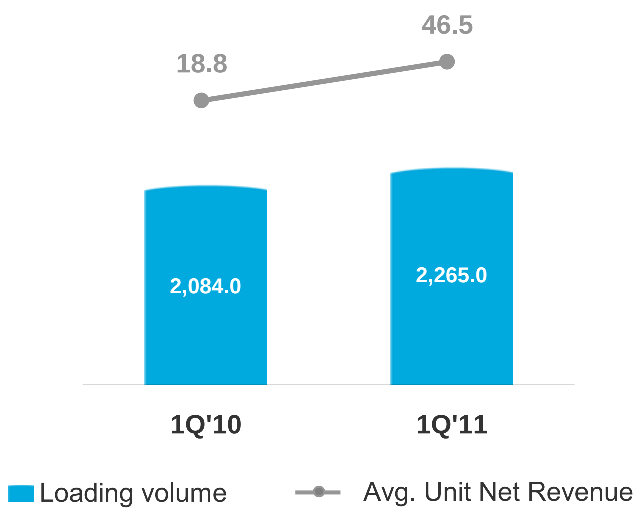
Rumo

The Net Revenue of Rumo, amounting to R$105.4 million in 1Q'11, was 168.4% higher than in 1Q'10 as a result of the start-up of transportation operations, which have already shown revenue of R$70.4 million, principally through the start of the partnership with ALL.

The volume loaded was 8.7% higher than in the previous year, totaling 2,265 thousand tons of sugar. This increase is mainly a result of the higher demand in the period, which despite more days with rains increased its volume of loading by 181 thousand tons. Of the total loaded, CAA represented 24.6%, or 557.5 thousand tons. In addition, the average unit net revenue of R$46.5/ton was 147.0% higher than last year's, impacted mainly by the value added with the beginning of transportation operations.

Loading

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



Fuel Sales - CCL

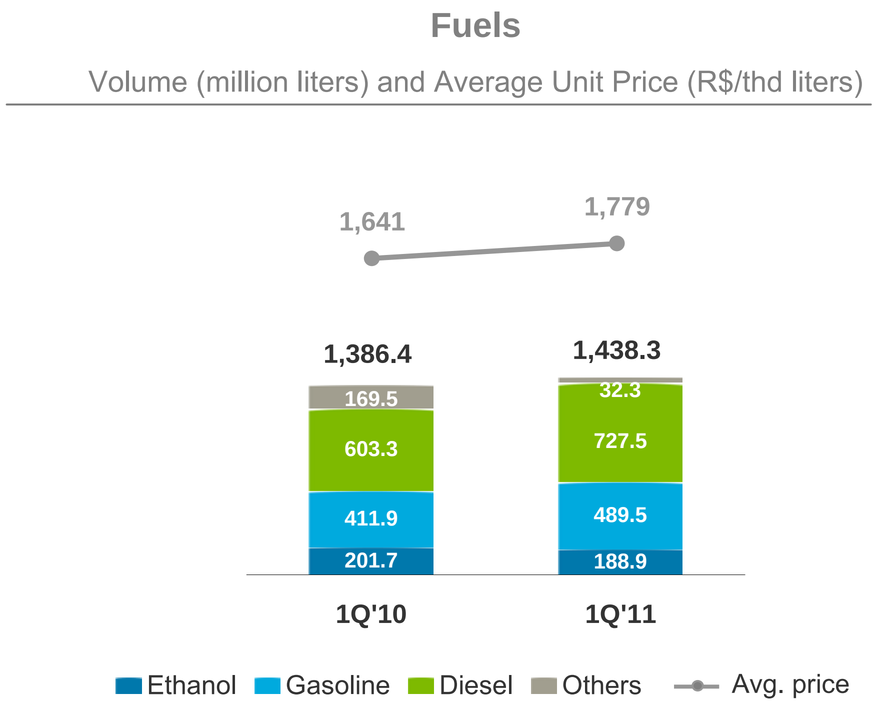
CCL's Net Revenue totaled R$2.8 billion in 1Q'11, 13.8% over the same quarter of the previous year, with revenue from fuels increasing by 12.5%, reaching R$2.6 billion. Despite the sale of the aviation fuel business, which contributed with 96.4 million liters in 1Q'10, the volume of fuels sold showed an increase of 3.7%. For purposes of comparison, excluding this product from the volume shown for 1Q'10, the increase of fuel would have been 11.5%. Thus, the principal factors that affected revenue in the quarter were:

⇒ Growth of the volume of Diesel and C gasoline sold, of 20.6% and 18.8%, respectively, in 1Q'11 compared to 1Q'10. This increase occurred partially due to gains in market share, and also as a consequence of the growth of national consumption (according to the ANP, sales of Diesel and C gasoline increased by 12.7% and 16.0%, respectively, in the same period of comparison);

⇒ Higher participation of Diesel and gasoline in the sales mix, which showed higher prices than for ethanol;

⇒ Increase of 16.3% in the selling price of ethanol;

⇒ Volume of ethanol sold approximately 6.3% less than in the same quarter of the previous year, inasmuch as, at the beginning of 1Q'11, approximately 35.0% of the fleet was in States the prices of which were above the parity with gasoline, while in 1Q'10 this percentage was less than 2.0%.

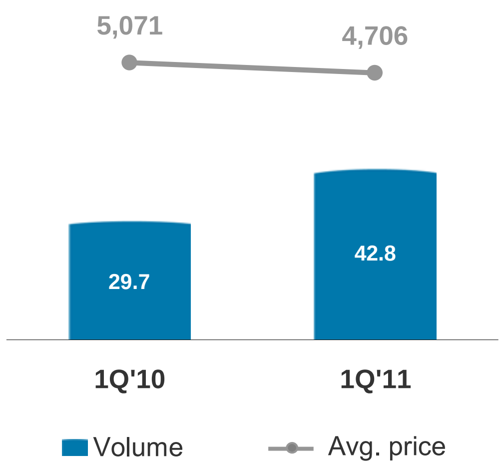


Lubricant Sales – CCL

The revenue of R$201.7 million in the lubricants business results from the record volume of 42.8 million liters in the quarter, and from the focus on premium products, which offer more aggregate value. The drop in unit average prices 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 lubricants business, yet impacted the average unit price in the quarter, as they show a lower average price than for the premium profile of the other products.

Lubricants

Volume (million liters) and Average Unit Price (R$/thd liters)



CCL Inventories

(Includes Fuels and Lubricants)

	1Q'10	1Q'11
000 cbm	111.2	140.7
R$'MM	223.0	271.1
R$/cbm	2,006	1,928

Cost of Goods Sold

Cost of Goods Sold (COGS) totaled R$3.5 billion, compared to R$3.2 billion in the same quarter of the previous year. This increase mainly reflects the impact of CCL, which increased the volume of gasoline and diesel products sold, as well as the increase of the price of ethanol, which combined raised CCL's COGS by R$318 million. On the other hand, CAA's COGS showed a slight reduction of R$23.2 million, resulting from lower volumes sold, which were ultimately offset by higher unit costs. Principally after the incorporation of Cosan Alimentos, which altered the production mix with more emphasis on the sale of sugar in the domestic market, production costs began to reflect the new dynamics for originating finished goods, as well as additional costs in the refining phase, which more than offset themselves in the final price of the finish goods sold.

1Q'10	1Q'11	COGS per Product	YTD'10	YTD'11
(3,198.4)	**(3,493.1)**	**Cost of Good Sold (R$MM)**	**(3,198.4)**	**(3,493.1)**
(1,033.3)	(1,010.1)	CAA	(1,033.3)	(1,010.1)
(431.3)	*(534.3)*	*Sugar*	*(431.3)*	*(534.3)*
(545.5)	*(422.2)*	*Ethanol*	*(545.5)*	*(422.2)*
(56.5)	*(53.6)*	*Others CAA + Cogeneration*	*(56.5)*	*(53.6)*
(26.4)	(72.4)	Rumo	(26.4)	(72.4)
(2,257.7)	(2,575.8)	CCL	(2,257.7)	(2,575.8)
119.0	165.3	Eliminations from Consolidation	119.0	165.3
		Average Unit Cost		
		CAA		
381	496	Unit Cash COGS of Sugar (R$/ton)	381	496
609	771	Unit Cash COGS of Ethanol (R$/thd liters)	609	771
1,594	1,739	CCL (R$/thousand liters)	1,594	1,739

** 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

As from this quarter we present unit cost for the sugar and ethanol products excluding the effects of amortization and depreciation (cash cost), with the purpose of better analysis in the course of the quarters.

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

Cost of goods sold and services rendered amounted to R$1 billion, in line with the same period of the previous year. However, it is important to highlight certain impacts that occurred in the course of this quarter, which led to an increase of unit cash costs for sugar and for ethanol, by 30.1% and 26.6%, respectively:

⇒ Origination of sugar amounting R$90.0 million, characterized by the purchase of raw material for refining and finished goods for subsequent resale and distribution in the domestic market. This activity started with the incorporation of Cosan Alimentos, therefore it did not occur in 1Q'10;

⇒ Origination of ethanol of R$16.0 million to comply with commercial agreements at the beginning of the harvest, since the inventories had been totally sold in order to take advantage of the better prices in the last quarter of the previous year;

- ⇒ A provision of R$ 26.0 million for realization at market prices of the ethanol inventories, given that they were below the average production cost recorded in the inventories;
- ⇒ Increase of 24.7% in the average value of TSR calculated by the Consecana, which went from R$0.2828/kg of TSR to R$0.3528/kg of TSR, giving rise to a higher cost of leasing of land and of sugarcane from suppliers, totaling an additional cost of approximately R$78.7 million in this fiscal year;
- ⇒ The start up of operation at the end of the last harvest of the 2 Greenfields (Jataí and Caarapó) provided an increase of the crushing capacity, but also an increase of cost, like for example depreciation, which has an expected impact at the beginning of the plan for growth of crushing of each one of the units;
- ⇒ The increase of participation in the domestic sugar market raised our revenue from the sale of a product with a higher aggregate value, but also contributed to an increase of production costs, since the activity of refining and packing adds approximately R$120/ton to the COGS;
- ⇒ We began this harvest, after a major investment made last year, with a mechanization index of our harvest of 80%. The mechanization of CCT (harvesting, loading and transportation) continues to provide benefits for our costs, which in this quarter showed a difference of R$11.60/ton of sugarcane, less costly than manual harvesting. However, it is important to stress that with the increase of mechanization, manual CCT began to be carried out preferably in areas with difficult access and/or with more complex harvesting conditions, which increases their cost when compared to those carried out under normal conditions.

Rumo

Rumo's COGS in 1Q'11 was of R$72.4 million and consider costs related to loading services, transshipment, storage in the countryside and hiring of rail and road freight.

CCL

CCL's COGS showed an increase of 14.1% when compared with 1Q'10. Excluding the volume factor, the unit cost of R$1.739/thousand liters in 1Q'11 was 9.1% higher than for the same quarter of the previous year. This effect is the result of 22.3% higher ethanol cost, of the sales mix with more participation of gasoline and diesel and of the reduction of the unit cost of lubricants. This reduction occurred due to the:

- ⇒ Appreciation of the Real compared to the U.S. dollar
- ⇒ Opportunity captured by CCL of serving a sales niche for processing oil;
- ⇒ Impact, in the 1Q'10, of the inventories that were accumulated due to the Change in Control (CIC) in December 2008 and which were still impacting costs in the mentioned quarter (with higher costs because of the international oil prices at the time).

Gross Profit

With these results, 1Q'11 showed gross profit of R$506.6 million, 37.8% more than for the comparable quarter of the previous year, showing a margin of 12.7%. CAA contributed with gross profit of R$263.5 million, with a gross cash margin for ethanol of 1.8%, of 44.2% for sugar, and from the greater participation of the results from cogeneration. Rumo, in turn, contributed with a gross profit of R$32.9 million, showing a consolidated margin of 31.2%. In CCL, the gross margin was reduced from 7.6% to 7.4% on account of alteration of the product mix with higher prices. In this way, it is more adequate to analyze the unit gross margin, which increased from R$132/thousand liters to R$139/thousand liters.

1Q'10	1Q'11	Gross Margin per Product	YTD'10	YTD'11
		Unitary Gross Margin		
		CAA		
277	393	Gross Margin (Cash) Sugar (R$/ton)	277	393
25	14	Gross Margin (Cash) Ethanol (R$/thd liters)	25	14
132	139	CCL (R$/thousand liters)	132	139
		% Gross Margin/Net Revenues		
		CAA		
42.1%	44.2%	Gross Margin (Cash) Sugar	42.1%	44.2%
3.9%	1.8%	Gross Margin (Cash) Ethanol	3.9%	1.8%
32.8%	31.2%	Rumo	32.8%	31.2%
7.6%	7.4%	CCL	7.6%	7.4%

Selling Expenses

Selling expenses showed growth of 2.7%, or R$5.6 million in relation to 1Q'10, mainly due to the growth of CCL, which increased the volume of sales of fuels. However, this increase was offset by a reduction of CAA's selling expenses.

1Q'10	1Q'11	Selling Expenses	YTD'10	YTD'11
(209.6)	**(215.2)**	**Selling Expenses (R$MM)**	**(209.6)**	**(215.2)**
(119.3)	(111.7)	CAA	(119.3)	(111.7)
-	(1.5)	Rumo	-	(1.5)
(94.4)	(101.3)	CCL	(94.4)	(101.3)
4.1	(0.8)	*Elimination*	4.1	(0.8)

CAA

The selling expenses of CAA in 1Q´11 showed a reduction of 6.4%, totaling R$111.7 million. It is worth highlighting some of the principal factors that contributed to this reduction:

⇒ The lower volume of exported sugar was partially offset by the increase of sales in the domestic market, which include costs for freight, distribution, marketing and commission fees, as well as retail bonuses;

⇒ Regarding ethanol, the lower volume sold in the export market provided a significant reduction of selling expenses, inasmuch as the volume sold in the domestic market does not impact selling expenses, since the distributors habitually pick up the ethanol at the plants.

Rumo

Selling expenses of R$1.5 million in this quarter are relative to a portion of expenses with transshipment and storage, which in July were reclassified to Cost of Goods Sold.

CCL

CCL's selling expenses showed an increase of 7.3%, amounting to R$101.3 million, mainly due to: (i) the positive effect of R$3.0 million reimbursement of real estate property tax that occurred in 1Q'10, (ii) R$3.0 million resulting from higher freight, due to the increased volume transported and a sales mix with heavier concentration in the more distant regions, and with pointed demand of service stations with less average volume, and (iii) R$2.5 million relative to the increase of marketing expenses, travel and legal contingency reserves.

General and Administrative Expenses

General and administrative expenses of R$120.2 million represented an increase of 34.6% in relation to the R$89.3 million of 1Q´10. This increase occurred in all of our business units, and reflects the efforts and investments that are being made to improve controls and management, but principally aiming at more operating efficiency when the investments have been completed. The main factors that impacted general and administrative expenses are described below:

1Q'10	1Q'11	General & Administrative Expenses	YTD'10	YTD'11
(89.3)	**(120.2)**	**G&A Expenses (R$MM)**	**(89.3)**	**(120.2)**
(69.5)	(81.4)	CAA	(69.5)	(81.4)
(3.4)	(6.5)	Rumo	(3.4)	(6.5)
(16.3)	(32.2)	CCL	(16.3)	(32.2)

CAA

General and administrative expenses of R$81.4 million in 1Q´11 showed an increase of 17.1% when compared to the same quarter of the previous year. This increase of R$11.9 million occurred mainly as result of:

⇒ Approximately R$10.8 million, relative to certain projects for consulting and legal services, with the implementation of the EVA model, a number of IT developments and the implementation of the Shared Services Center – local acronym CAN, as well as with the development of the PMO of the JV (Joint Venture) with Shell, which are non-recurrent expenses.

⇒ Approximately R$2.9 million on account of the collective bargaining agreement of the workers' category in June 2010, relative retroactively to May, and other general expenses such as lodging and travel, principally due to the geographical dispersion of the group's administrative offices.

Rumo

Rumo's general and administrative expenses amounted to R$6.5 million in 1Q'11, showing an increase of 90.1% as expected. This increase results from the hiring of:

⇒ New executives starting from the 2Q'10 objecting to strengthen the senior and the 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$32.2 million in 1Q'11, compared to R$16.3 million in 1Q'10, impacted by: (i) the monthly PLR (profit sharing program) and bonuses provision, amounting to R$5.7 million, which was not accrued in 1Q'10; (ii) R$5.7 million of non-recurrent expenditures relative to adjustments for transition to the CAN and for implementation of the Joint Venture with Shell and (iii) R$2.0 million from the amortization of Cosanpar intangible, which did not occur in 1Q'10.

EBITDA

With these results, Cosan reached an EBITDA of R$358 million in 1Q'11, 15% more than the EBITDA for 1Q'10, of R$311.2 million. Of this total, CAA contributed with R$237.7million, 15.2% more than its EBITDA for 1Q'10, while CCL collaborated with R$84.1 million and Rumo with R$36.2 million.

1Q'10	1Q'11	EBITDA	YTD'10	YTD'11
311.2	**358.0**	**EBITDA (R$MM)**	**311.2**	**358.0**
8.7%	*9.0%*	*Margin*	*8.7%*	*9.0%*
206.3	237.7	● CAA*	206.3	237.7
16.6%	*18.7%*	*Margin*	*16.6%*	*18.7%*
19.0	36.2	● Rumo	19.0	36.2
48.4%	*34.4%*	*Margin*	*48.4%*	*34.4%*
85.9	84.1	● CCL*	85.9	84.1
3.5%	*3.0%*	*Margin*	*3.5%*	*3.0%*

** In 1Q'10, CAA EBITDA was impacted in R$66.0 million by a non-recurring revenue of R$93.1 million from the sale of the aviation business partially compensated by expenses with the incorporation of Teaçu (R$29.9 million). In 1Q'10, CCL EBITDA was also benefitted by the non-recurring revenue of R$6.5 million from the incorporation of Cosanpar*

CAA

The depreciation and amortization of R$169.2 million, 7.6% more than recorded in 1Q'10 (R$157.2 million), resulted from the heavy investments 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, excluding this non-cash effect from the operating cost and expenses, CAA showed an EBITDA of R$237.7 million.

Rumo

Rumo's EBITDA of R$36.2 million in the 1Q'11 presented an EBITDA margin of 34.4%, higher than its gross margin of 31.2%. The depreciation in the period amounted R$3.8 million which, summed with revenues classified as Other Net Operating Revenues of R$7.5 million, deriving from collection of dispatch/demurrage, take or pay, storage and other services, compensated the increase of selling, general and administrative expenses in the period.

CCL

CCL's depreciation and amortization of R$16.2 million in the quarter, 81.7% more than in the previous quarter, results from: (i) approximately R$6.0 million non-recurring adjustment, (ii) R$2.0 million of intangible amortization from Cosanpar which did not impact in 1Q´10 and (iii) investments in maintenance and repairs at fuel stations, aiming at improvement of the image of the stations, and in expansion and reformation of the terminals carried out in the previous year. Further excluding non-recurring Other Operating Expenses of R$4.5 million, CCL showed an EBITDA of R$84.1 million in 1Q'11, with a margin of R$57/thousand liters, or 3.0%. This EBITDA was mainly impacted by the better mix of products sold, both fuels and lubricants, which offset the lower gross margin for ethanol and the non-recurring selling, general and administrative expenses.

Financial Result

The financial result in 1Q'11 was a net expense of R$139.3 million, compared with the net revenue of R$433.4 million in the same quarter of the previous year, i.e., a variance of R$572.7 million. This variance was due mainly to (i) the net expense of foreign exchange variance of R$32.2 million in this quarter, compared with revenue of R$378.5 million in the same quarter of the previous year; and (ii) the positive derivatives result of R$7.8 million in this quarter, compared with the R$160.8 million gain in the same quarter of the previous year.

The result from exchange rate variation was an expense of R$32.2 million in this quarter, compared to revenue of R$378.5 million in 1Q´10, principally due to the impact on the U.S. dollar indebtedness of the devaluation of the Real against the U.S. dollar, which was of approximately 2% in the quarter (R$1.7810/US$ on March 31, 2010 and R$1.8015 on June 30, 2010), compared with an appreciation of 16% in the same period of the previous year (R$2.3152/US$ on March 31, 2009 and R$1.9516 on June 30, 2009).

The result from derivatives in this quarter was positive in R$7.8 million, compared with R$160.8 million gain in the same quarter of the previous year, already net of impact of the hedge accounting commented below. The lower gain from derivatives in this quarter is mainly due to the foreign exchange derivatives, which represented a gain of R$286.3 million in the previous year, compared to a loss of R$5.6 million in this quarter. Commodity derivatives, in turn, had shown a loss of R$125.5 million in the previous year, while in this quarter represented a gain of R$13.3 million.

The result from foreign exchange derivatives reflects the impacts of the selling position that the Company holds, given its exporting profile, seeking coverage for its future sales denominated in USD, in a foreign exchange scenario with a USD rate that rose 2% in this quarter and dropped 16% in the same quarter of the previous year. Yet, in the ambit of commodity derivatives, most notably sugar, we had positive reflections in the current quarter, already net of the effects of hedge accounting, compared to a scenario of significant losses in the same quarter of the previous year, likewise due to our selling position in sugar derivatives, considering a significant appreciation of the # 11 sugar agreements, which were quoted at ¢US$12.41/lb on March 31, 2009 and ¢US$16.50/lb on June 30, 2009, stressing that in 1Q'10 we were not using hedge accounting.

The position of volumes and prices of sugar established with trading companies or through financial derivative instruments on June 30, 2010, as well as the foreign exchange derivative contracts, closed with the purpose of protection of the future cash flows of the company, are summarized as follows:

Summary of Hedge* as of June 30, 2010:	Fiscal Year	
	2010/11	2011/12
Sugar		
NY#11		
Volume (thd tons)	*1,833.5*	*840.3*
Average Price (¢US$/lb)	*17.6*	*17.2*
London #5		
Volume (thd tons)	*150.4*	-
Average Price (US$/ton)	*500.8*	-
FX		
€		
Volume (€ million)	*7.8*	-
Average Price (R$/€)	*2.18*	-
US$		
Volume (US$ million)	*465.4*	*421.0*
Average Price (R$/US$)	*1.958*	*2.036*

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

The Interest on Financial Debt totaled R$108.9 million, an increase of 13.9% compared with the R$95.6 million in 1Q'10. The increase is mainly due to the effect of the incorporation of Cosan Alimentos's debt of approximately R$1.1 billion, which occurred in June 2009, and which impacted only one month in 1Q´10, in addition to the increase of the Company's indebtedness to implement the current investment projects, mostly related to the greenfield and cogeneration projects. It is worth highlighting the alteration in the debt profile for 1Q'11, when compared with 1Q'10, principally due to the issuance of senior notes maturing in 2014, as well as the increase of funding with the BNDES (National Economic and Social Development Bank).

1Q'10	1Q'11	Financial Expenses, Net (R$MM)	YTD'10	YTD'11
(95.6)	(108.9)	Interest on Financial Debt	(95.6)	(108.9)
10.6	18.0	Financial Investments Income	10.6	18.0
(85.0)	**(90.9)**	**(=) Sub-total: Interest on Net Financial Debt**	**(85.0)**	**(90.9)**
(23.6)	(23.3)	Other charges and monetary variation	(23.6)	(23.3)
378.5	(32.2)	Exchange Variation	378.5	(32.2)
160.8	7.8	Gains (losses) with Derivatives	160.8	7.8
2.7	(0.6)	Others	2.7	(0.6)
433.4	**(139.3)**	**(=) Net Financial Expenses**	**433.4**	**(139.3)**

Impacts of Hedge Accounting

As from April 1, 2010, the Company adopted hedge accounting in the cash flow hedge category, for certain financial derivative instruments designated for covering price risk and foreign exchange variance risk on revenues from sugar exports. In the quarter ended on June 30, 2010, there was deferral (reclassification between results and the "reserve" account in shareholders' equity) of R$30.2 million in gains with these derivatives, which will impact the net operating revenue in the next quarters, in accordance with the period of coverage of each one of the designated instruments. In 1Q'11 there was appropriation of the losses of variance of the fair value of the derivatives amounting to R$0.9 million, classified as net operating revenue.

Hedge Accounting			Expected period to affect P&L		
Derivative	**Market**	**Risk**	**2010/11**	**2011/12**	**Total**
Futures	OTC / NYBOT	#11	6,623	5,919	12,542
NDF	OTC/Cetip	USD	5,819	11,855	17,674
(=) Hedge accounting impact			**12,442**	**17,774**	**30,216**
(-) Deferred income taxes			(4,230)	(6,043)	(10,273)
(=) Other comprehensive income			**8,212**	**11,731**	**19,943**

Net Income

Cosan ended 1Q'11 showing net income of R$8.7 million, compared with net income of R$337.3 million in 1Q'10. Although gross profit surpassed by R$138.9 million the result for 1Q'10, it was partially reduced by the increase in selling, general and administrative expenses, which consumed R$36.5 million. However, the net income for 1Q'10 was favored principally by the positive impacts of the financial result, as commented above.

D. Indebtedness

The gross financial debt, excluding Resolution 24711, totaled R$5.6 billion in 1Q'11, an increase of 4.2% in relation to the R$5.3 billion in 4Q'10 and 20.2% more than the indebtedness of R$4.6 billion existing at the end of 1Q'10.

In 1Q'11 R$420.3 million of credit facilities contracted with the BNDES and Finame (Government Agency for Machinery and Equipment Financing) were released, relative principally to the projects of cogeneration of energy, greenfields and mechanization of sugarcane crops, as well as settlement of certain Advances on Foreign Exchange Contracts and export prepayments of approximately R$284.4 million.

Debt per Type (R$MM)	1Q'10	4Q'10	1Q'11	% ST	Var.
Foreign Currency	**2,135.2**	**3,622.5**	**3,480.7**		**(141.7)**
Perpetual Notes	888.6	810.9	820.2	1.2%	9.33
Senior Notes 2017	803.3	720.6	741.5	2.8%	20.90
Senior Notes 2009	71.1	-	-	0.0%	-
Senior Notes 2014	-	631.2	653.7	3.5%	22.40
IFC	98.8	-	-	0.0%	-
FX Advances	152.1	296.4	184.2	100.0%	(112.19)
Pre-Export Contracts	121.3	980.5	899.1	29.6%	(81.42)
Export Credit Notes	-	182.8	182.1	1.1%	(0.74)
Local Currency	**2,489.3**	**1,711.4**	**2,077.0**		**365.69**
Promissory Notes	1,198.2	-	-	0.0%	-
BNDES	360.1	1,057.8	1,336.3	10.8%	278.51
Finame (BNDES)	222.7	201.1	342.9	11.8%	141.79
Working Capital	24.5	19.5	18.9	24.6%	(0.57)
Overdraft	0.3	36.8	54.3	100.0%	17.48
Credit Banking Notes	216.8	-	-	0.0%	-
Debentures	157.8	-	-	0.0%	-
Credit Notes	343.2	378.7	304.8	26.2%	(73.90)
CDCA	-	61.4	60.1	50.1%	(1.30)
PROINFA	-	-	-	14.9%	-
Expenses with Placement of Debt	(34.3)	(44.0)	(40.3)	31.9%	3.68
Gross Debt	**4,624.4**	**5,333.8**	**5,557.8**	**15.3%**	**223.98**
Cash and Marketable Securities	932.9	1,078.4	1,054.9		(23.45)
Net Debt	**3,691.5**	**4,255.4**	**4,502.9**		**247.43**
Inventories (Sugar, Ethanol, Fuels and Lubes)	643.5	416.3	864.6		448.27

At the end of 1Q'11 Cosan's cash resources totaled R$1.1 billion, reducing its net indebtedness to R$4.5 billion, equivalent to 2.5 times the EBITDA of the last 12 months.

E. Investments

Cosan's flow of investments totaled R$602.4 million in 1Q'11, with Capex (capital expenditures) of R$595.2 million, consisting mainly of investments in the cogeneration projects, in Rumo, in planting and in inter-harvest maintenance.

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1 As disclosed in explanatory note 13 of the financial statements, this debt of Resolution 2471 is backed by National Treasury certificates acquired by the Company and recorded in current and non-current assets. For this reason, we have not considered this debt in the analysis of indebtedness.

The consolidated Capex for 1Q'11 is 40% higher than for the same period of the previous year, principally on account of the investments of R$123.8 million in Rumo, of the completion of the projects for expansion of the sugar mills, and of the return of planting to historical levels of the Company, in addition to the investment in mechanization amounting to R$44 million.

1Q'10	1Q'11	Capex (R$MM)	YTD'10	YTD'11
168.2	**282.2**	**CAA - Operating Capex**	**168.2**	**282.2**
71.7	101.0	● Sugar Cane Planting Costs	71.7	101.0
24.8	61.0	● Inter-harvest Maintenance Costs	24.8	61.0
1.0	8.8	● SSMA & Sustaining	1.0	8.8
-	44.0	● Mecanização	-	44.0
70.7	67.4	● Projects CAA	70.7	67.4
242.0	**175.4**	**CAA - Expansion Capex**	**242.0**	**175.4**
78.6	98.8	● Co-generation Projects	78.6	98.8
163.4	24.4	● Greenfield	163.4	24.4
-	52.2	● Expansão	-	52.2
410.2	**457.6**	**CAA - Total**	**410.2**	**457.6**
11.5	**14.5**	**CCL**	**11.5**	**14.5**
0.7	**123.8**	**Rumo**	**0.7**	**123.8**
422.4	**595.9**	**(=) Consolidated Capex**	**422.4**	**595.9**
(58.5)	5.8	● Investments	(58.5)	5.8
2.1	0.7	● Cash received on Sale of Fixed Assets	2.1	0.7
366.0	**602.4**	**(=) Investment Cash Flow**	**366.0**	**602.4**

CAA

In 1Q'11 the Company maintained its investments in planting at historical levels, totaling R$101.0 million. In the period, 24.7 thousand hectares were planted, in addition to 30.3 thousand hectares of preparation of soil in areas that had not yet been planted, compared to 21.2 thousand hectares of planting and 20.8 thousand hectares of soil preparation in 1Q'10.

Investments in inter-harvest maintenance for the period amounted to R$61 million, mainly due to the addition of the Cosan Alimentos units and the effects of a shorter inter-harvest period, which increased the need for contracting outsourced services. It is important to stress that investments in typical inter-harvest maintenance have been applied earlier, as a strategy for optimization of implementation of works within increasingly shorter periods, and also as a way to secure better negotiation opportunities.

It is important to highlight that the investment made in this quarter in mechanization, amounting to R$44.0 million, features the acquisition of 52 harvesters, in addition to trailers, transshipments and investments in the plants to adapt them to receive an increasing volume of mechanized sugarcane. It should be mentioned that in this quarter the Company conducted 80% of its harvest in proprietary areas in a mechanized form.

The various CAA projects consumed R$67.4 million and consist mainly of investments in the industrial and agricultural areas, seeking to increase the productivity and efficiency of the Company's units.

Investments in cogeneration amounted to R$98.8 million in the period, 25.6% more than in the same period of the previous fiscal year, reflecting the completion of two relevant projects (Barra and Bonfim) and the accelerated commencement of works in certain units.

The Capex for Cosan's greenfield projects was of R$24.4 million in the period, mainly associated with investments in agricultural and logistics/administrative assets already provided previously.

The Jataí (State of Goiás) and Caarapó (State of Mato Grosso do Sul) projects, which started their activities in the last harvest, are increasing the quantity of processed sugarcane in this harvest until reaching full capacity in the next years.

The expansion projects amounted to R$55.2 million, relative to the final phase of expansion of the sugar mills of the Costa Pinto, Gasa, Bonfim, Barra, Tamoio, Ipaussu and Junqueira units, increasing the Company's production capacity by approximately 400 thousand tons per year.

Rumo

In the first quarter of fiscal year 2011, Rumo proceeded with its investment plan, principally the acquisition of railcars (in the quarter we acquired 457 railcars) and investments in permanent way, which totaled R$123.8 million in 1Q´11, and that receives financial support already contracted with the BNDES.

CCL

In 1Q'11, CCL's Capex mainly reflects investments of R$14.5 million in reactivation of distribution terminals such as in Araçatuba and Cuiabá, replacement of storage tanks and corporate systems. In the composition of the variance of the 1Q'11 compared to the first quarter from the previous year, 77.0% concerns reactivation of the distribution terminals.

F. Relevant Facts

- On June 16, Cosan informed that through its controlled subsidiary Barra Bioenergia S.A. it obtained approval by the BNDES of financial support in the amount of R$711.4 million, intended for the cogeneration projects of the Univalem, Ipaussu, Barra and Bonfim units, located in the State of São Paulo. The financial support is split into three financing facilities, which reflect the current conditions of the BNDES and the Company's risk: (i) cogeneration line, with an average term of 13 years TJLP (Long-Term Interest Rate) + 1.92% p.a.; (ii) Finame line PSI (local acronym for Investment Sustainability Program), with a term of 10 years, with a total cost of 4.5% p.a., provided that it is contracted by no later than June 30, 2010; and (iii) the social projects facility, with a term of 8 years with TJLP cost.
- On July 2, 2010, Cosan's controlled subsidiary named Novo Rumo Logística S.A. executed a Subscription Agreement with investment vehicles managed by TPG Capital e Gávea Investimentos, which will occur by means of increase of the capital of Rumo Logística S.A. amounting to four hundred million *Reais* (R$400,000,000.00) to be paid in equal parts by the Investors. In this way, the shareholding structure of Rumo will be the following: Cosan holds either directly or indirectly approximately 92.9% of Novo Rumo, which in turn will hold 75.0% of Rumo and the Investors will hold 12.5% each. The Subscription Agreement is subject to certain condition precedents, which must be fulfilled by no later than September 30, 2010. If an event of liquidity does not occur in Rumo within up to three years from the closing of the transaction, the Investors will have, for a period of twelve months, the right of exchanging their participation in Rumo for a total of 13,333,333 shares of Cosan, at a price of thirty *Reais* (R$30.00) per share. After such period elapses, the right of conversion will cease to exist. However, in the event of a change of control of Cosan, or material non-performance of the

specific obligations provided in the Rumo Shareholders' Agreement, not related to economic, financial or operational performance of Rumo or of the Company, the Investors may still opt for the conversion.

- On July 30, Cosan S.A. announced the approval, in an Annual and Special Shareholders' Meeting held on July 30, 2010, of distribution of dividends in a total amount of two hundred million *Reais* (R$200,000,000), corresponding to R$0.491388181 per share, without withholding Tax. The mentioned divides will be paid on August 30, 2010 and will have as a calculation base the shareholding position on July 30, 2010, whereby as from August 2, 2010, the Company's shares would be traded ex-dividends.
- On August 3, Cosan informed that its indirectly controlled subsidiary Rumo Logística S.A., through its subsidiary Cosan Operadora Portuária S.A., obtained approval by the BNDES of financial support in the amount of R$614 million, with a total cost of TJLP + 1.92% p.a., for a term of 12 years. This financing is intended for investments in the railway grid under concession of companies controlled by ALL – América Latina Logística S.A. in a section extending from Itirapina to the port of Santos, in the adaptation of Rumo's port terminals located in Santos, State of São Paulo, in the construction of a logistics terminal located in the Itirapina region, likewise in the State of São Paulo. Such financing, added to the R$372.5 million already approved by the BNDES in December 2009 and to the increase of capital amounting to R$400.0 million to be conducted by investment vehicles managed by TPG Capital e Gávea Investimentos, assure the totality of the funds that are necessary for accomplishment of Rumo's investments program of approximately R$1.2 billion, as previously disclosed.
- On August 6 Cosan Limited announced the approval in a Meeting of the Board of Directors, held on August 6, 2010, of the distribution of the totality of the dividends that will be received from Cosan S.A. Indústria e Comércio. In this way the shareholders will receive dividends relative to fiscal year 2010, ended on March 31, 2010, in a total amount of seventy million, four hundred and thirteen thousand, three hundred and thirty-seven U.S. dollars and seventy-five cents (US$70,413,337.75) corresponding to US$0.260127888 per class A and/or B share, or the equivalent in *Reais* for the holders of Brazilian Deposit Receipts (BDRs), without withholding Tax. The mentioned divides will be paid on September 10, 2010 and will have as a calculation base the shareholding position on August 17, 2010, whereby as from August 18, 2010, the Company's shares would be traded ex-dividends.

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.

Guidance	2009FY	2010FY	2011FY
Crushed Cane Volume (thousand tons)	43,127	50,314	58.000 ≤ Δ ≤ 62.000
Sugar Volume Sold (thousand tons)	3,187	4,135	4.700 ≤ Δ ≤ 5.100
Ethanol Volume Sold (million liters)	1,671	2,148	2.000 ≤ Δ ≤ 2.200
Volume of Energy Sold (thousand MWh)	-	596	1.200 ≤ Δ ≤ 1.500
Loading Volume (thousand tons)	3,479	8,124	9.500 ≤ Δ ≤ 11.500
Transportation Volume (thousand tons)	-	-	5.500 ≤ Δ ≤ 6.500
Volume of Fuels Sold (million liters)	1,681	5,491	5.400 ≤ Δ ≤ 5.900
Volume of Lubes Sold (million liters)	34	131	130 ≤ Δ ≤ 150
Revenues (R$MM)	6,270	15,336	16.500 ≤ Δ ≤ 18.500
EBITDA (R$MM)	718	1,733	2.000 ≤ Δ ≤ 2.400
Capex (R$MM)	1,346	1,926	1.900 ≤ Δ ≤ 2.300

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

Balance Sheet (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
Cash and Cash Equivalents	1,010.1	719.4	1,078.4	932.9	948.6	864.1	1,078.4	1,054.9
Restricted Cash	79.6	11.8	45.0	40.1	149.5	172.1	45.0	51.3
Derivative Financial Instruments	6.9	17.0	230.6	86.6	97.4	72.0	230.6	144.5
Trade Accounts Receivable	215.2	599.2	766.4	585.6	589.7	511.1	766.4	619.1
Inventories	570.5	1,106.2	1,046.7	1,149.9	1,531.5	1,936.8	1,046.7	1,433.7
Advances to Suppliers	226.1	206.0	235.6	386.1	336.7	241.2	235.6	323.5
Related Parties	16.3	57.2	24.9	36.1	21.6	24.6	24.9	49.9
Deferred Income and Social Contribution Taxes	-	42.5	76.3	53.5	48.1	29.2	76.3	94.6
Recoverable Taxes	129.8	265.4	327.9	299.0	342.9	307.8	327.9	355.4
Other Assets	17.9	50.3	61.2	32.7	41.7	54.0	61.2	68.3
Current Assets	**2,272.4**	**3,074.9**	**3,892.8**	**3,602.6**	**4,107.9**	**4,212.8**	**3,892.8**	**4,195.1**
Accounts Receivable from Federal Government	342.2	323.4	333.7	326.4	329.0	331.4	333.7	336.3
CTN's-Restricted Brazilian Treasury Bills	151.7	177.6	205.7	184.7	189.3	194.6	205.7	217.6
Deferred Income and Social Contribution Taxes	357.0	700.0	560.1	644.6	551.5	334.2	560.1	521.5
Advances to Suppliers	77.3	48.0	63.7	55.5	85.1	132.5	63.7	52.5
Related Parties	-	-	81.4	153.2	151.8	149.9	81.4	79.6
Other Assets	94.4	132.4	211.8	185.4	190.2	210.8	211.8	216.7
Investments	120.3	278.2	193.1	181.3	196.5	194.0	193.1	193.6
Property, Plant and Equipment	2,776.3	3,465.2	5,561.1	4,516.4	4,671.4	4,871.5	5,561.1	5,836.0
Goodwill	1,160.7	2,447.5	2,901.3	2,724.3	2,737.5	2,765.5	2,901.3	2,921.2
Noncurrent Assets	**5,079.9**	**7,572.5**	**10,112.0**	**8,971.7**	**9,102.3**	**9,184.4**	**10,112.0**	**10,375.0**
(=) Total Assets	**7,352.4**	**10,647.4**	**14,004.8**	**12,574.3**	**13,210.2**	**13,397.2**	**14,004.8**	**14,570.1**
Loans and Financings	78.2	1,449.5	800.9	1,127.4	1,184.7	892.6	800.9	860.3
Derivatives Financial Instruments	50.7	66.9	76.7	98.9	215.4	232.9	76.7	37.4
Trade Accounts Payable	191.0	456.1	569.4	662.8	712.5	712.1	569.4	716.3
Salaries Payable	80.7	93.2	141.6	152.3	180.9	133.0	141.6	219.9
Taxes and Social Contributions Payable	116.1	168.6	215.9	189.8	230.9	201.0	215.9	197.4
Related Parties	-	5.2	14.4	4.5	3.8	50.5	14.4	120.1
Dividendos a pagar	-	-	116.6	-	-	-	116.6	116.6
Other Liabilities	49.9	85.8	182.4	134.1	100.7	123.4	182.4	189.4
Current Liabilities	**566.5**	**2,325.2**	**2,117.9**	**2,369.7**	**2,629.0**	**2,345.5**	**2,117.9**	**2,457.3**
Loans and Financing	2,106.2	2,885.5	5,136.5	4,091.4	4,667.4	4,859.1	5,136.5	5,322.7
Taxes and Social Contributions Payable	359.3	328.8	593.5	335.5	288.9	255.7	593.5	597.9
Provision for Legal Proceedings	832.4	1,105.9	444.4	1,135.5	1,143.4	755.7	444.4	456.1
Related Parties	-	405.2	-	341.5	-	-	-	-
Pension Fund	-	60.4	61.8	61.0	62.3	61.6	61.8	59.8
Other Liabilities	144.4	139.9	493.1	169.2	168.4	155.8	493.1	487.8
Noncurrent Liabilities	**3,442.3**	**4,925.5**	**6,729.3**	**6,134.1**	**6,330.3**	**6,087.8**	**6,729.3**	**6,924.2**
Minority Shareholders' Interest	**17.7**	**30.9**	**47.8**	**29.9**	**30.4**	**47.0**	**47.8**	**49.7**
Capital	2,935.3	3,819.8	4,687.8	4,153.9	4,155.3	4,687.7	4,687.8	4,687.8
Capital Reserve	-	41.7	50.6	45.1	50.2	50.1	50.6	51.1
Profits Reserve	180.2	-	374.2	-	-	-	374.2	374.2
Legal Reserve	16.0	-	-	-	-	-	-	-
Revaluation Reserves	194.4	-	-	-	-	-	-	-
Ajuste de Avaliação Patrimonial	-	-	(2.9)	-	-	-	(2.9)	17.0
Accumulated losses	-	(495.7)	-	(158.4)	15.0	179.1	-	8.7
Shareholders' Equity	**3,325.8**	**3,365.7**	**5,109.8**	**4,040.7**	**4,220.5**	**4,917.0**	**5,109.8**	**5,138.9**
(=) Total Liabilities & Shareholders' Equity	**7,352.4**	**10,647.4**	**14,004.8**	**12,574.3**	**13,210.2**	**13,397.2**	**14,004.8**	**14,570.1**

Income Statement (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
Gross Operating Revenue	**2,978.6**	**6,732.8**	**16,685.9**	**3,843.5**	**3,907.2**	**4,145.1**	**4,790.0**	**4,369.4**
(-) Sales Taxes and Deductions	(242.5)	(462.7)	(1,349.8)	(277.4)	(331.9)	(344.6)	(395.9)	(369.8)
(=) Net Operating Revenue	**2,736.2**	**6,270.1**	**15,336.1**	**3,566.1**	**3,575.3**	**3,800.5**	**4,394.1**	**3,999.6**
(-) Cost of Goods Sold and Services Rendered	(2,387.1)	(5,470.7)	(13,210.7)	(3,198.4)	(3,051.5)	(3,340.5)	(3,620.3)	(3,493.1)
(=) Gross Profit	**349.0**	**799.4**	**2,125.4**	**367.7**	**523.8**	**460.0**	**773.9**	**506.6**
Margin	*12.8%*	*12.7%*	*13.9%*	*10.3%*	*14.7%*	*12.1%*	*17.6%*	*12.7%*
(-) Operating Income (Expenses):	**(418.0)**	**(1,508.5)**	**(712.5)**	**117.9**	**(246.1)**	**(206.9)**	**(377.4)**	**(477.4)**
(-) Selling	(301.3)	(432.6)	(864.6)	(209.6)	(211.3)	(218.4)	(225.3)	(215.2)
(-) General and Administrative	(210.2)	(275.9)	(497.2)	(89.3)	(116.2)	(117.9)	(173.7)	(120.2)
(-) Financial Income (Expenses), Net	284.3	(817.4)	420.4	433.4	78.9	(78.3)	(13.7)	(139.3)
(±) Earnings (Losses) on Equity Investments	6.6	14.0	(18.6)	(3.6)	0.0	(9.4)	(5.8)	(0.4)
(-) Goodwill Amortization	(201.4)	(196.5)	(85.6)	(85.6)	-	-	-	-
(±) Other Operating Income (Expenses), Net	4.0	199.9	333.1	72.5	2.5	217.0	41.1	(2.3)
(=) Operating Income (Loss)	**(69.0)**	**(709.1)**	**1,412.9**	**485.6**	**277.8**	**253.0**	**396.5**	**29.1**
Margin	*-2.5%*	*-11.3%*	*9.2%*	*13.6%*	*7.8%*	*6.7%*	*9.0%*	*0.7%*
(±) Income and Social Contribution Taxes	18.7	234.7	(433.8)	(157.9)	(103.8)	(85.3)	(86.9)	(18.5)
(±) Minority Interest	2.5	0.6	7.5	9.6	(0.6)	(0.7)	(0.9)	(1.9)
(=) Net Income (Loss) for the Year	**(48.0)**	**(474.0)**	**986.5**	**337.0**	**173.0**	**167.0**	**309.0**	**9.0**
Margin	*-1.8%*	*-7.6%*	*6.4%*	*9.5%*	*4.8%*	*4.4%*	*7.0%*	*0.2%*
● **EBITDA**	**182.9**	**718.0**	**1,733.1**	**311.2**	**355.7**	**490.4**	**575.9**	**358.0**
Margin	*6.7%*	*11.5%*	*11.3%*	*8.7%*	*9.9%*	*12.9%*	*13.1%*	*9.0%*
● **EBITDAH (Ebitda adjusted by Hedge)**	**182.9**	**718.0**	**1,893.9**	**472.0**	**355.7**	**490.4**	**575.9**	**-**
Margin	*6.7%*	*11.5%*	*12.2%*	*12.7%*	*9.9%*	*12.9%*	*13.1%*	-
● Depreciation & Amortization	341.3	427.2	636.3	169.9	156.8	149.7	160.0	189.2

Cash Flow Statement (In millions of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
Net Income (Loss) for the Year	**(47.8)**	**(473.8)**	**986.5**	**337.3**	**173.4**	**167.1**	**308.7**	**8.7**
Non-cash Adjustments:								
Earnings (Losses) from Equity Investments	(6.6)	(14.0)	18.6	3.6	(0.0)	9.4	5.8	0.4
Depreciation & Amortization	341.3	427.2	636.3	169.9	156.8	149.7	160.0	189.2
Losses (Gains) in Fixed Assets Disposals	(1.2)	(208.9)	(80.5)	(103.2)	0.8	1.1	20.8	3.1
Goodwill Amortization	201.4	196.5	85.6	85.6	-	-	-	-
Accrued Financial Expenses	(116.0)	932.5	(150.5)	(287.8)	(84.0)	(60.5)	281.9	162.6
Other Non-cash Items	(42.4)	(197.9)	104.2	133.1	74.0	(154.1)	51.2	38.8
(=) Adjusted Net Profit (Loss)	**328.8**	**661.5**	**1,600.3**	**338.5**	**321.0**	**112.6**	**828.3**	**402.7**
(±) Variation on Assets and Liabilities	(360.1)	(234.5)	(42.5)	195.7	(312.9)	(142.7)	217.3	96.6
(=) Cash Flow from Operating Activities	**(31.3)**	**427.0**	**1,557.8**	**534.2**	**8.1**	**(30.1)**	**1,045.7**	**499.3**
Additions on Investments, Net of Cash Received	(160.5)	(1,823.6)	(16.0)	58.5	(29.2)	(14.7)	(30.7)	(8.2)
Additions on Property, Plant and Equipment	(1,053.1)	(1,346.1)	(1,926.1)	(420.6)	(359.1)	(401.0)	(745.4)	(595.9)
Cash Received on Sale of Fixed Asset	12.2	372.1	126.2	117.7	1.5	1.8	5.3	0.7
(=) Cash Flow from Investment Activities	**(1,201.4)**	**(2,797.6)**	**(1,816.0)**	**(244.3)**	**(386.8)**	**(413.9)**	**(770.9)**	**(603.5)**
Additions of Debt	198.3	1,478.0	3,427.9	172.9	1,045.8	1,665.5	543.8	642.4
Payments of Principal and Interest on Debt	(839.4)	(257.2)	(2,846.6)	(127.8)	(317.3)	(1,838.4)	(563.1)	(561.6)
Capital Increase	1,742.6	884.5	533.9	-	1.4	532.4	0.1	-
Treasury Stock	-	(4.2)	-	-	-	-	-	-
Capital Increase at subsidiaries	-	15.4	-	-	-	-	-	-
Dividends	(75.8)	-	-	-	-	-	-	-
Other	-	(36.6)	(498.0)	(121.4)	(335.4)	-	(41.3)	-
(=) Cash Flows from Financing Activities	**1,025.7**	**2,079.9**	**617.1**	**(76.3)**	**394.4**	**359.5**	**(60.5)**	**80.7**
(=) Total Cash Flow	**(207.0)**	**(290.7)**	**359.0**	**213.6**	**15.7**	**(84.6)**	**214.3**	**(23.5)**
(+) Cash & Equivalents, Beginning	1,217.1	1,010.1	719.4	719.4	932.9	948.6	864.1	1,078.4
(=) Cash & Equivalents, Closing	**1,010.1**	**719.4**	**1,078.4**	**932.9**	**948.6**	**864.1**	**1,078.4**	**1,054.9**

Credit Statistics (LTM) (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
Net Operating Revenues	**2,736.2**	**6,270.1**	**15,336.1**	**9,196.6**	**12,056.9**	**13,291.7**	**15,336.1**	**15,769.6**
● Gross Profit	349.0	799.4	2,125.4	1,153.6	1,509.4	1,591.4	2,125.4	2,264.2
● EBITDA	182.9	718.0	1,733.1	1,000.0	1,173.1	1,323.1	1,733.1	1,779.9
● EBIT	(158.4)	290.8	1,096.8	560.2	753.3	824.7	1,096.8	1,124.3
● Encargos Financeiros da Dívida Líquida	106.2	179.9	361.8	247.0	308.4	329.8	361.8	104.4
● Net Profit	(47.8)	(473.8)	986.5	(78.4)	475.6	637.5	986.5	657.9
Liquid Funds								
● Cash and Cash Equivalents	1,010.1	719.4	1,078.4	932.9	1,098.2	864.1	1,078.4	1,054.9
Short-Term Debt								
● Loans and Financings	69.3	1,442.7	793.8	1,115.9	1,171.6	886.5	793.8	848.5
Long-Term Debt								
● Loans and Financings	1,562.5	2,312.3	4,540.0	3,508.5	4,086.8	4,278.4	4,540.0	4,709.3
Total Debt	**1,631.8**	**3,755.0**	**5,333.8**	**4,624.4**	**5,258.3**	**5,164.9**	**5,333.8**	**5,557.8**
Net Debt	**621.7**	**3,035.6**	**4,255.4**	**3,691.5**	**4,160.2**	**4,300.8**	**4,255.4**	**4,502.9**
Current Assets	2,272.4	3,074.9	3,892.8	3,602.6	4,107.9	4,212.8	3,892.8	4,195.1
Current Liabilities	566.5	2,325.2	2,117.9	2,369.7	2,629.0	2,345.5	2,117.9	2,457.3
Shareholders' Equity	**3,325.8**	**3,365.7**	**5,109.8**	**4,040.7**	**4,220.5**	**4,917.0**	**5,109.8**	**5,138.9**
Capex - Property, Plant and Equipment	**1,053.1**	**1,346.1**	**1,180.7**	**1,501.9**	**1,546.7**	**1,515.3**	**1,180.7**	**595.9**
● Capex - Operational	781.9	565.0	500.2	588.7	626.5	673.9	500.2	282.2
EBITDA Margin	**6.7%**	**11.5%**	**11.3%**	**10.9%**	**9.7%**	**10.0%**	**11.3%**	**11.3%**
● Gross Profit Margin	12.8%	12.7%	13.9%	12.5%	12.5%	12.0%	13.9%	14.4%
● EBIT Margin	-5.8%	4.6%	7.2%	6.1%	6.2%	6.2%	7.2%	7.1%
● Net Profit Margin	-1.7%	-7.6%	6.4%	-0.9%	3.9%	4.8%	6.4%	4.2%
Net Debt ÷ Shareholders' Equity								
● Net Debt %	15.8%	47.4%	45.4%	47.7%	49.6%	46.7%	45.4%	46.7%
● Shareholders' Equity %	84.2%	52.6%	54.6%	52.3%	50.4%	53.3%	54.6%	53.3%
Long-Term Payable Debt to Equity Ratio	0.5x	0.7x	0.9x	0.9x	1.0x	0.9x	0.9x	0.9x
Liquidity Ratio (Current Assets ÷ Current Liabilities)	4.0x	1.3x	1.8x	1.5x	1.6x	1.8x	1.8x	1.7x
Net Debt ÷ EBITDA	**3.4x**	**4.2x**	**2.5x**	**3.7x**	**3.5x**	**3.3x**	**2.5x**	**2.5x**
● Short-Term Net Debt ÷ EBITDA	0.4x	2.0x	0.5x	1.1x	1.0x	0.7x	0.5x	0.5x
Net Debt ÷ (EBITDA - Capex)	**-0.7x**	**-4.8x**	**7.7x**	**-7.4x**	**-11.1x**	**-22.4x**	**7.7x**	**3.8x**
● Net Debt ÷ (EBITDA - Operational Capex)	-1.0x	19.8x	3.5x	9.0x	7.6x	6.6x	3.5x	3.0x
Interest Cover (EBITDA ÷ Net Financial Exp.)	**1.7x**	**4.0x**	**4.8x**	**4.0x**	**3.8x**	**4.0x**	**4.8x**	**17.0x**
● Interest Cover (EBITDA - Op.Capes)÷Net Fin.)	-5.6x	0.9x	3.4x	1.7x	1.8x	2.0x	3.4x	14.3x
Avg. Debt Cost (Net.Fin.Exp. ÷ Net Debt)	**17.1%**	**5.9%**	**8.5%**	**6.7%**	**7.4%**	**7.7%**	**8.5%**	**2.3%**

I. Financial Statements of Cosan Limited – USGAAP

Balance Sheet (In millions of U.S. dollars)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
Assets								
Current assets:								
Cash and cash equivalents	68.4	508.8	623.7	676.3	769.1	516.7	623.7	601.4
Restricted cash	47.2	5.1	25.3	20.5	84.1	98.8	25.3	28.5
Marketable securities	1,014.5	-	-	-	-	-	-	-
Derivative financial instruments	31.5	7.4	129.5	44.4	54.8	41.4	129.5	80.2
Trade accounts receivable, net	126.9	258.9	430.3	300.1	331.6	293.5	430.3	343.7
Inventories	337.7	477.8	587.7	589.2	861.3	1,112.3	587.7	795.8
Advances to suppliers	133.7	89.0	132.3	200.8	189.4	138.6	132.3	179.6
Deferred income taxes	-	114.6	184.1	153.2	192.8	176.8	184.1	197.3
Other current assets	103.2	66.0	49.2	69.0	56.1	54.1	49.2	66.6
	1,863.0	**1,527.5**	**2,161.9**	**2,053.5**	**2,539.3**	**2,432.2**	**2,161.9**	**2,292.9**
Noncurrent assets:								
Property, plant and equipment, net	2,018.1	2,259.4	4,146.5	3,178.1	3,554.3	3,737.0	4,146.5	4,205.3
Goodwill	772.6	888.8	1,362.1	1,464.2	1,592.5	1,624.4	1,362.1	1,361.8
Intangible assets, net	106.1	243.1	602.3	240.5	256.9	255.3	602.3	582.2
Accounts Receivable from Federal Government	202.8	139.7	187.4	167.3	185.1	190.3	187.4	186.7
Other non-current assets	306.4	362.6	534.8	491.7	580.5	635.0	534.8	561.2
	3,406.1	**3,893.6**	**6,833.0**	**5,541.6**	**6,169.2**	**6,442.0**	**6,833.0**	**6,897.2**
(=) Total assets	**5,269.1**	**5,421.1**	**8,994.9**	**7,595.1**	**8,708.6**	**8,874.2**	**8,994.9**	**9,190.2**
Liabilities and shareholders' equity								
Current liabilities:								
Trade accounts payable	114.4	197.2	320.0	339.8	401.3	409.3	320.0	397.9
Taxes payable	62.9	69.0	121.2	92.9	125.1	115.4	121.2	109.5
Salaries payable	47.8	40.2	79.5	78.0	101.7	76.4	79.5	122.1
Current portion of long-term debt	38.2	781.7	471.1	582.9	673.0	542.9	471.1	498.6
Derivative financial instruments	55.0	28.9	43.1	50.7	121.1	133.8	43.1	20.8
Dividends payable	-	-	24.7	-	-	-	24.7	24.4
Deferred income taxes	-	-	-	-	-	-	-	-
Other liabilities	40.8	47.6	112.0	87.1	70.7	111.0	112.0	173.5
	359.1	**1,164.7**	**1,171.5**	**1,231.5**	**1,493.0**	**1,388.8**	**1,171.5**	**1,346.8**
Long-term liabilities:								
Long-term debt	1,249.3	1,251.1	2,845.7	2,249.1	2,632.3	2,802.2	2,845.7	2,917.6
Estimated liability for legal proceedings	494.1	497.6	294.6	607.5	672.6	464.8	294.6	297.7
Taxes payable	170.4	151.5	381.8	184.7	178.3	220.6	381.8	380.7
Advances from customers	-	-	-	-	-	-	-	-
Deferred income taxes	101.8	40.4	408.8	84.0	118.3	245.4	408.8	403.2
Other long-term liabilities	101.7	175.0	209.4	213.2	224.6	219.5	209.4	205.3
	2,117.4	**2,115.6**	**4,140.3**	**3,338.5**	**3,826.2**	**3,952.4**	**4,140.3**	**4,204.5**
Minority interest in consolidated subsidiaries	**796.8**	**544.5**	**1,338.9**	**1,037.8**	**1,181.8**	**1,296.7**	**1,338.9**	**1,324.1**
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	1,964.7	1,961.8	1,927.3	1,932.1	1,932.3
Accumulated other comprehensive income	171.8	(243.6)	167.1	(13.1)	146.1	188.1	167.1	149.4
Retained earnings (losses)	98.5	(89.6)	242.3	33.0	96.9	118.3	242.3	230.3
Total shareholders' equity	**1,995.7**	**1,596.2**	**2,344.2**	**1,987.3**	**2,207.6**	**2,236.3**	**2,344.2**	**2,314.7**
(=) Total liabilities and shareholders' equity	**5,269.1**	**5,421.1**	**8,994.9**	**7,595.1**	**8,708.6**	**8,874.2**	**8,994.9**	**9,190.2**

Income Statement (In millions of U.S. dollars)	Apr'08 FY'08	Apr'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
Net sales	**1,491.2**	**2,926.5**	**8,283.2**	**1,720.3**	**1,915.7**	**2,209.5**	**2,437.7**	**2,233.8**
(-) Cost of goods sold	(1,345.6)	(2,621.9)	(7,223.3)	(1,561.4)	(1,655.5)	(1,965.3)	(2,041.1)	(1,994.5)
(=) Gross profit	**145.6**	**304.6**	**1,059.9**	**158.8**	**260.1**	**244.3**	**396.6**	**239.4**
(-) Selling expenses	(168.6)	(213.3)	(470.3)	(102.1)	(115.1)	(128.0)	(125.2)	(122.7)
(-) General and administrative expenses	(115.1)	(140.1)	(271.3)	(7.9)	(62.8)	(106.7)	(93.9)	(68.3)
(=) Operating income (loss)	**(138.1)**	**(48.8)**	**318.3**	**48.9**	**82.3**	**9.6**	**177.6**	**48.4**
Operating margin	*-9.3%*	*-1.7%*	*3.8%*	*2.8%*	*4.3%*	*0.4%*	*7.3%*	*2.2%*
(-) Other income (expense):								
Financial	116.8	(370.8)	203.7	215.7	64.1	(80.4)	4.2	(62.3)
Other	(3.7)	(2.3)	178.9	(7.9)	0.9	155.5	30.5	(0.1)
(=) Income (loss) before income taxes	**(25.0)**	**(421.9)**	**700.9**	**256.7**	**147.3**	**84.7**	**212.3**	**(14.0)**
(-) Income taxes expense (benefit)	19.8	144.7	(184.8)	(76.5)	(49.4)	(52.3)	(6.5)	(1.2)
(=) Income (loss) before equity	**(5.2)**	**(277.2)**	**516.2**	**180.1**	**97.9**	**32.4**	**205.8**	**(15.3)**
(±) Equity in income of affiliates	(0.2)	6.1	(10.3)	(1.7)	0.0	(3.8)	(4.8)	0.6
(±) Minority interest in net (income) loss	22.0	83.0	(174.0)	(55.8)	(34.0)	(7.3)	(77.0)	2.8
(=) Net income (loss)	**16.6**	**(188.1)**	**331.9**	**122.6**	**63.9**	**21.3**	**124.0**	**(11.9)**
Margin	*1.1%*	*-6.4%*	*4.0%*	*7.1%*	*3.3%*	*1.0%*	*5.1%*	*-0.5%*
● **EBITDA**	**94.3**	**239.6**	**985.8**	**140.3**	**190.9**	**338.8**	**315.8**	**193.5**
Margin	*6.3%*	*8.2%*	*11.9%*	*8.2%*	*10.0%*	*15.3%*	*13.0%*	*8.7%*
● **EBIT**	**(141.8)**	**(51.1)**	**497.3**	**40.9**	**83.1**	**165.1**	**208.1**	**48.2**
Margin	*-9.5%*	*-1.7%*	*6.0%*	*2.4%*	*4.3%*	*7.5%*	*8.5%*	*2.2%*
● Depreciation and amortization	236.1	290.7	488.5	99.3	107.7	173.7	107.7	145.3

Cash Flow Statement (In millions of U.S. dollars)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10	Jun'10 1T'11
● **Cash flow from operating activities:**								
Net income (loss) for the year/quarter	16.6	(188.1)	331.9	122.6	63.9	21.3	124.0	(11.9)
Adjustments to reconcile net income (loss) to cash provided by operating activities:								
Depreciation and amortization	236.1	290.7	488.5	99.3	107.7	173.7	107.7	145.3
Deferred income and social contribution taxes	(52.4)	(145.3)	143.3	66.6	59.3	52.3	(35.0)	(5.3)
Interest, monetary and exchange variation	(43.7)	497.3	(131.4)	(136.3)	(67.9)	(57.8)	130.6	72.3
Minority interest in net income of subsidiaries	(22.0)	(83.0)	174.0	55.8	34.0	7.3	77.0	1.1
Others	15.2	14.5	(137.3)	12.2	(47.8)	(99.0)	(2.7)	11.5
	149.8	**386.1**	**869.0**	**220.3**	**149.3**	**97.8**	**401.6**	**213.0**
Decrease/increase in operating assets and liabilities:								
Trade accounts receivable, net	(57.1)	(23.7)	1.4	56.5	(8.5)	46.9	(93.6)	85.1
Inventories	(31.7)	(85.9)	126.2	88.4	(178.6)	(198.8)	415.1	(158.0)
Advances to suppliers	(8.4)	21.1	37.4	(38.8)	7.3	27.0	41.9	(42.6)
Trade accounts payable	33.7	33.4	(26.1)	24.1	30.3	0.9	(81.4)	81.5
Derivative financial instruments	90.4	4.4	(111.1)	(16.2)	57.9	25.5	(178.2)	67.7
Taxes payable	(19.6)	(17.1)	192.5	(29.3)	(29.7)	(0.6)	252.1	(16.1)
Other assets and liabilities, net	(99.4)	(61.8)	(278.2)	33.0	(12.1)	11.2	(310.3)	64.7
	(92.2)	**(129.6)**	**(58.1)**	**117.7**	**(133.3)**	**(88.0)**	**45.6**	**82.4**
(=) Net cash provided by operating actitivities	**57.6**	**256.6**	**811.0**	**338.0**	**16.0**	**9.8**	**447.2**	**295.3**
● **Cash flow from investing activities:**								
Restricted cash	(25.9)	29.3	(18.7)	(14.5)	(63.0)	(14.6)	73.4	(28.5)
Marketable securities	(671.0)	558.8	-	-	-	-	-	-
Acquisition of property, plant and equipment	(642.9)	(606.2)	(1,081.5)	(227.0)	(211.5)	(239.6)	(403.4)	(333.3)
Acquisitions, net of cash acquired	(102.0)	(930.4)	(9.0)	(2.1)	2.1	(239.7)	230.7	(2.1)
Other	-	160.7	6.0	92.4	(8.8)	(14.1)	(63.5)	0.4
(=) Net cash used in investing actitivities	**(1,441.7)**	**(787.8)**	**(1,103.2)**	**(151.2)**	**(281.3)**	**(507.9)**	**(162.8)**	**(363.4)**
● **Cash flow from financing activities:**								
Proceeds from issuance of common stock	1,118.4	200.0	-	-	0.7	303.7	(304.4)	-
Capital increase on subsidiary from minority	324.4	11.2	57.4	(62.2)	(0.3)	(1.3)	121.3	-
Dividends Paid	(44.9)	-	-	-	-	-	-	-
Additions of financial debt	117.5	789.5	2,020.7	88.6	596.8	996.1	339.2	356.6
Payments of financial debt	(492.1)	(111.1)	(1,839.5)	(69.2)	(351.4)	(1,064.4)	(354.5)	(311.8)
Other	-	(17.8)	(85.6)	-	-	-	(85.6)	-
(=) Net cash provided by financing actitivities	**1,023.3**	**871.9**	**153.0**	**(42.8)**	**245.8**	**234.0**	**(284.0)**	**44.8**
Effect of exchange rate changes on cash and cash	112.6	99.7	195.7	23.5	170.8	(46.8)	48.2	1.0
(=) Variation in cash & equivalents	**(248.2)**	**440.4**	**56.5**	**167.5**	**151.3**	**(310.9)**	**48.5**	**(22.3)**
(+) Cash and cash equivalents at beginning of year	316.5	68.4	508.8	508.8	676.3	827.6	508.8	623.7
(=) Cash and cash equivalents at end of year	**68.4**	**508.8**	**565.2**	**676.3**	**827.6**	**516.7**	**557.3**	**601.4**