cosan

Financial Letter

Fiscal Year 2010 – Apr/09 to March/10

Net income of R$986.5 millions in FY'10

São Paulo, June 10, 2010 - COSAN LIMITED (NYSE: CZZ; Bovespa: CZLT11) and COSAN S.A. INDÚSTRIA E COMÉRCIO (Bovespa: CSAN3) disclose today their results referring to Fiscal Year 2010 (FY'10), ended in March 31, 2010. The results presented below are consolidated in accordance with Brazilian accounting policies.

Marcelo Martins,
CFO & IRO

Luiz Felipe Jansen de Mello,
Head of IR

Investors@cosan.com.br
www.cosan.com.br

CZZ LISTED NYSE

CSAN3 NOVO MERCADO

Highlights FY'10

- Record Net Revenue of R$15.3 billions, up 144.6% than Fiscal Year 2009
- Record EBITDA of R$1.7 billion
- Net Income of R$986.5 millions
- Crushed cane volume in 2009/10 crop totaled 50 million tonnes, compared to 43 million tonnes of 2008/09 crop

Summary of Financial and Operating Information (R$MM)

4Q'09	4Q'10		FY'09	FY'10
2,349.8	4,394.1	Net sales	6,270.1	15,336.1
239.9	773.9	● Gross profit	799.4	2,125.4
10.2%	*17.6%*	*Gross Margin*	*12.7%*	*13.9%*
(99.5)	396.5	● Operating income (loss)	(709.1)	1,412.9
-4.2%	*9.0%*	*Operating margin*	*-11.3%*	*9.2%*
165.9	575.9	● EBITDA	718.0	1,733.1
7.1%	*13.1%*	*EBITDA Margin*	*11.5%*	*11.3%*
40.4	744.7	● EBITDAH	765.7	2,064.0
1.8%	*16.3%*	*EBITDAH Margin*	*12.1%*	*13.2%*
(39.9)	309.6	● Income (loss) before minority interest	(474.4)	979.0
(40.2)	308.7	● Net income (loss)	(473.8)	986.5
-1.7%	*7.0%*	*Profit (loss) Margin*	*-7.6%*	*6.4%*
334.6	745.4	Capex	1,346.1	1,926.1
3,035.6	4,255.4	Net Debt	3,035.6	4,255.4
3,396.6	5,157.6	Shareholders' & Minorities Equity	3,396.6	5,157.6

Definitions:

FY'10 - fiscal year started on April 1st, 2009, and ending on March 31st, 2010
FY'09 - fiscal year started on May 1st, 2008 and ending on March 31st, 2009
4Q'10 - quarter ended on March 31st, 2010
4Q'09 - quarter ended on March 31st, 2009

A. Market Overview

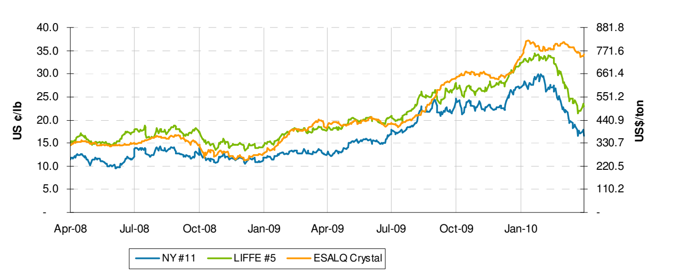
According to UNICA, the sugarcane growers' association, crushed cane volume in Brazil's central-south region totaled 541.9 million tonnes in the 2009/10 crop, 7.3% up compared to the previous harvest. Sugar production increased by 7.3% to reach 28.6 million tonnes, while ethanol output dropped by 5.6% to 23.7 billion liters, of which hydrous ethanol accounted for 17.5 billion liters and anhydrous ethanol for 6.2 billion liters, an increase of 3.8% and decrease of 24.8%, respectively, in relation to the previous harvest. This reflects the crop shortfall due to record level of rains during the crop, when the weather is usually dry, which not only decreased the number of crushing days but also the sucrose content of the total sugar recoverable (TSR) in the cane to 130.25 kg/t, compared to 140.88 kg/t in the previous harvest. In addition, due to increase in sugar prices in the international market during the crop, the production mix continued to prioritize sugar (42.6%) compared to the previous year.

UNICA estimates that the total crushed cane volume for the 2010/11 crop will reach 595.9 million tonnes in Brazilian Central-South region, which, combined with an improve of TSR to 138.59 kg/t and 43.29% of cane towards sugar production, maintaining the production mix more focused on sugar compared to last year's, will result in 34.1 million tonnes of sugar, 20.1 billion liters of hydrous ethanol and 7.3 billion liters of anhydrous ethanol, an increase of 19.1%, 15.4% and 16.2%, respectively. These projections are mainly the result of (i) greater agricultural productivity (tonnes of cane / hectare) due to the higher level of rains during the planting and growth of sugarcane, despite such adverse effects as the orange rust of sugarcane, which may affect certain cane varieties and the aging of the field; (ii) higher yield of sucrose (TSR) in the cane as a result of a more favorable weather conditions for harvesting and maturing of the cane, despite the higher volume of cane left on the field, anticipation of the beginning of harvest and the evolution of mechanical harvesting; and the (iii) increase in crushing capacity as result of the startup of 10 new mill units and ramp-up of the harvesting area of those that started operating in the previous harvests, effect that started to vanish due to the lower investment level compared to the peak in 2007 and 2008 in the sector.

The latest UNICA data indicate an increase of crushed cane volume in beginning of 2010/11 crop, until May 16th, totaling 93.9 million tones, 27.1% higher on the same period in the last crop, mainly due to the advance of sugarcane harvest. The production mix in the period continues to prioritize sugar to attend the contracts which could not be performed last year, being 41.9% of production directed to this product and 58.1% for ethanol. Sugar production reached 4.4 million tonnes, an increase of 38.7% than last crop, while ethanol output stood at 3.8 billion liters, with 2.9 billion liters of hydrous ethanol and 829 million liters of anhydrous ethanol, an increase of 11.5% and 74.6%, respectively.

In this quarter, raw sugar prices averaged 24.52 US¢/lb, 92.8% up over 4Q09 and 3.6% up over 3Q10. It is important to note the variation of prices in the period: after rallying in January, when sugar price reached 29.9 US¢/lb, the highest in 29 years, prices dropped by 44.5% until the end of the quarter. The downward trend continued, reaching the lowest point of 13.67 US¢/lb in the beginning of May, 54.3% down from the peak in January.

Sugar Prices - Last 24 months



Source: NYBOT, LIFFE, ESALQ

This can be explained by some factors: (i) export of 500,000 tonnes of out-of-quota sugar to the European Union, as mentioned in the last Financial Letter; (ii) export of nearly 1 million tonnes of sugar from Brazil in the quarter, which was not expected by the market based on the estimates of initial inventories for the harvest; (iii) the recovery and extension of the Indian crop, which usually ends in March and was estimated between 13 and 15 million tonnes. In May, there were still several mills processing cane, with new estimates between 18 and 19 million tonnes; (iv) the deferral of demand in response to the higher prices; (v) the prospect of better weather conditions for the 2010/11 crop in Brazil and India, resulting in more optimistic sugar production estimates ranging from 32-35 to 24-25 million tonnes, respectively.

On the other hand, world sugar inventories are much lower compared to historical levels and need to be recomposed. Moreover, there are several uncertainties concerning the crop in some countries, for example: (i) in Brazil and India, if the weather conditions are not as adequate as expected, production will be lower than expected; (ii) the announcement by the Pakistani government of its intention to buy approximately 900,000 tonnes; (iii) potential imports from China to recompose strategic inventories, given that these were released to curb inflation in the domestic market after a bad crop; (iv) the possibility that the United States will allow additional raw sugar imports to meet domestic demand.

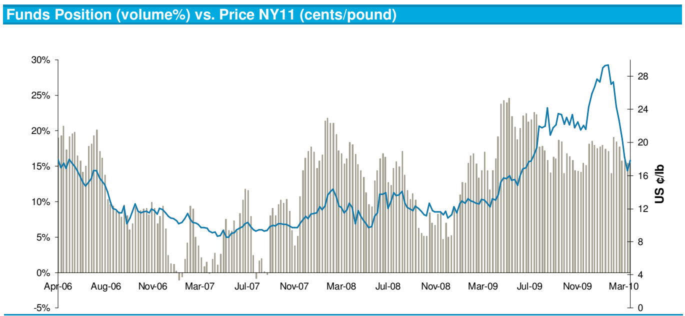
International refined sugar prices partially followed the downward trajectory of raw sugar prices, dropping by 37.6% in 61 days. The average price in the period was US$659.15/t, 75.5% and 7.4% up over 4Q09 and 3Q10, respectively. Due to the lack of sugar for refining, mainly because Brazil is in the inter-harvest period, the white premium averaged US$118.58/t.

In 4Q10, the Brazilian real depreciated against the U.S. dollar to average R$1.80/US$, 3.6% up from the previous quarter. In the quarter, the Real reached R$1.87/US$, due to the initial signs of an economic slowdown in Portugal, Italy, Greece and Spain. The foreign exchange rate at the end of the period was R$1.78/US$, compared with R$1.74/US$ in December 2009 and R$2.32/US$ in March 2009.

Domestic crystal sugar prices (ESALQ) averaged R$70.80/50Kg bag (or 35.65 US¢/lb) in 4Q10, 22.8% up compared to the previous quarter and 63.7% up on 4Q09. These prices reflect the lower sugar availability due to the rainy season and strong exports during the harvest, which amounted to 19.8 million tonnes (from April/09 to March/10).

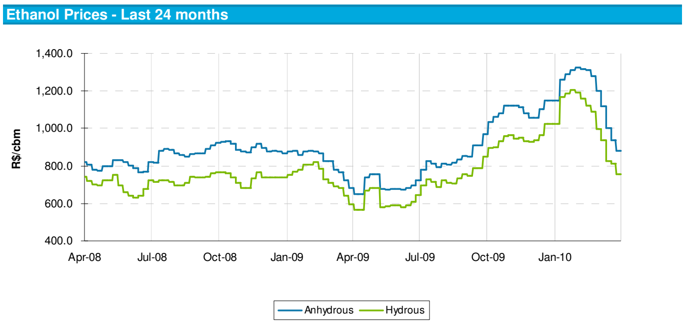
In response to the previously mentioned factors and the macroeconomic conditions, major hedge funds, plus smaller funds and speculators, who had built positions in the commodity due to its solid fundamentals, quickly reduced their long sugar positions, helping with the decline in sugar prices. At the end of 4Q10, the net long position stood at 158,000 lots, or 15.8% of open contracts, 30.2% down from the previous quarter.

Funds Position (volume%) vs. Price NY11 (cents/pound)



Source: NYBOT & CFTC (Commodities Futures Trading Commission)

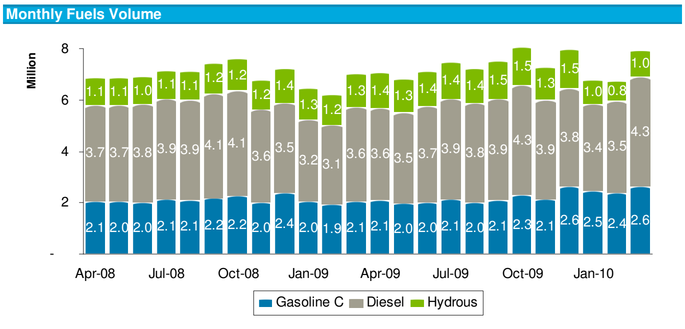
In the domestic market, the lower availability of ethanol due to the accelerated demand in 2009 (increase in flex fuel cars sales) and the reduced supply due to the rainy harvest, resulted in a significant increase in prices of both anhydrous and hydrous ethanol. Hydrous ethanol prices (ESALQ) averaged R$1.041/liter in 4Q10, 40.8% up YoY and 9.7% up over 3Q10. Anhydrous prices averaged R$1.188/liter, 43.1% higher than 3Q09 and 8.6% up on the previous quarter.



Source: ESALQ

According to Brazil's National Petroleum Agency (ANP), the average hydrous ethanol/gasoline price parity (weighted by the size of the fleet) closed 69% at the end of 4Q10, returning to below 70% parity in 6 states, which account for more than 50% of Brazil's flex-fuel fleet. Between February and May 1st, 2010, the anhydrous ethanol blend ratio in gasoline reduced from 25% to 20%, yet anhydrous ethanol consumption remained unchanged compared to February and March 2009, once gasoline consumption increased significantly as ethanol prices were above parity during most of the period.

According to ANFAVEA, the auto manufacturers' association, flex-fuel vehicle sales in Brazil totaled 652,700 units in 4Q10, accounting for 87% of new car sales, 16.1% up year-on-year.



Source: ANP

According to ANP, Diesel sales in the first three months of 2010 totaled 11.1 billion liters, 12.7% up year-on-year. Gasoline A volume increased by a significant 29.7% in the period, with 5.9 billion liters sold, as ethanol prices were above parity and percentage of anhydrous ethanol blended in gasoline decreased. For these same reasons, ethanol consumption dropped by 24.7% in the period to reach 2.8 billion liters.

B. Production Figures

4Q'09	4Q'10	Production Highlights	FY'09	FY'10
207	**181**	**Sugarcane Crushed (thd tons)***	**42,594**	**50,314**
132	16	Own Cane (thd tons)	21,537	23,459
75	164	Suppliers (thd tons)	21,057	26,855
		Production	-	
9	-	Raw Sugar (thd tons)	2,531	2,519
-	-	Refined Sugar (thd tons)	656	994
-	-	Anhydrous Ethanol (thd cbm)	734	623
8	9	Hydrous Ethanol (thd cbm)	936	1,211
111.7	**115.0**	**Sugarcane TSR (thd cbm)**	**139.0**	**129.8**
61.7%	**99.5%**	**Mechanization (%)**	**50.8%**	**64.5%**

* This total includes production data from NovAmerica only as from June/09, when it started being consolidated into Cosan. Considering the full year of NovAmerica production, Cosan would have crushed 53.1 million tons of sugar-cane.

Cosan crushed 50.3 million tonnes of sugarcane in FY’10, 18.1% increase compared to the previous year despite the atypical rainfall which reduced the number of crushing days, chiefly due to the merger of NovAmérica in June 2009. The harvest mechanization ratio closed the year at 64.5%, versus 50.8% in FY’09. From the total sugar-cane crushed in FY’10, 53.4% was originated from third parties suppliers.

Thanks to the excessive rainfall, total sugar recoverable (TSR) fell by 6.6% to only 129.8kg/t. As a result, the Company produced 2.5 million tonnes of raw sugar, 1.0 million tonnes of refined sugar, 1.8 billion liters of ethanol, 1.2 billion of which hydrous and 0.6 billion anhydrous, 29.4% up and 15.1% down on the previous year, respectively.

It is important to say that the above mentioned TSR is measured when the sugar-cane enters into ours mill while the average TSR of the South-center presented by UNICA is measured through a stoichiometric conversion of the products. Using the UNICA´s criteria, COSAN´s TSR would have been 136.58 kg / ton of cane.

C. Operating Performance

When comparing FY'10 and FY'09 for analytical purposes, the following differences should be taken into consideration:

(i) Due to the change in closure of FY'09 from April to March 31, 2009, the two fiscal years in question were not comparable: FY'09 consisted of 11 months only, from May 2008 to March 2009, while FY'10 consisted of 12 months, from April 2009 to March 2010;

(ii) The criterion for presenting depreciation in the results analysis and financial statements was altered. In FY'10, depreciation was booked under the cost of goods sold (COGS) and operating expenses (SG&A), whereas in FY'09 it was booked under production costs (the entry into production of goods and services rendered) and operating expenses. It is worth noting that depreciation under operating expenses suffered no change.

(iii) The consolidation of CCL only began in December 2008. Thus CCLs figures for 4Q'09 and FY'09 correspond to the periods between February and March 2009 and December 2008 to March 2009, respectively.

(iv) Cosan sold the aviation fuel distribution business in June 2009. Consequently, the figures as from 2Q'10 no longer include this business;

(v) NovAmérica's results were consolidated as of June 2009, when the company was merged into Cosan S.A.

EBITDA per Business Unit

EBITDA (R$ MM) - FY'10	CAA	Rumo	CCL	Total*
Net Revenues	**5.380,1**	**158,2**	**10.145,1**	**15.336,1**
(-) Cost of Product Sold / Services Rendered	(4.068,0)	(115,5)	(9.374,6)	(13.210,7)
(=) Gross Profit	**1.312,1**	**42,7**	**770,5**	**2.125,4**
Gross Margin	*24,4%*	*27,0%*	*7,6%*	*13,9%*
(-) Selling Expenses	(464,5)	-	(400,1)	(864,6)
(-) General and Administrative Expenses	(386,3)	(18,1)	(92,7)	(497,2)
(-) Other Operating Revenues	312,2	4,0	16,9	333,1
(+) Depreciation and Amortization	584,7	14,2	37,5	636,3
(=) EBITDA	**1.358,3**	**42,8**	**332,0**	**1.733,1**
EBITDA Margin	*25,2%*	*27,0%*	*3,3%*	*11,3%*
(=) EBITDAH	**1.689,2**	**41,8**	**332,0**	**2.063,0**
EBITDAH Margin	*29,6%*	*26,4%*	*3,3%*	*13,5%*

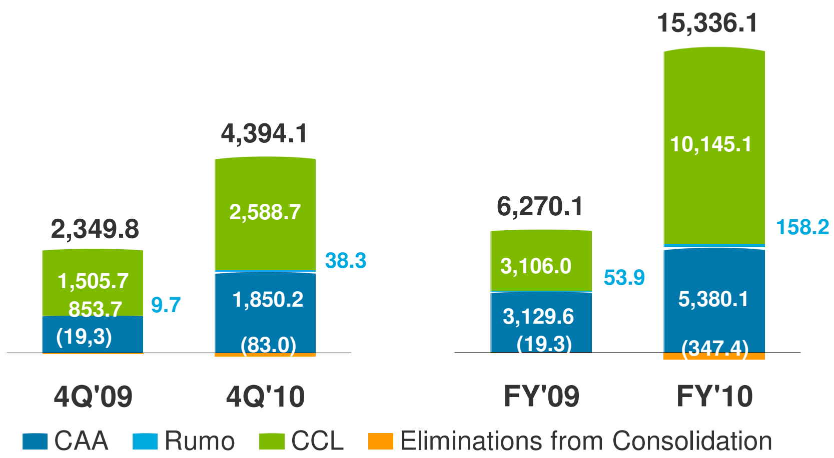
* Total excludes eliminations from consolidation effects

Net Revenue

4Q'09	4Q'10	Sales Composition (R$MM)	FY'09	FY'10
2,349.8	**4,394.1**	**Net Operating Revenue**	**6,270.1**	**15,336.1**
853.7	**1,850.2**	**CAA**	**3,129.6**	**5,380.1**
502.4	1,215.5	● Sugar Revenue - CAA	1,805.1	3,377.8
64.1	*347.7*	*Local*	*233.8*	*1,062.3*
438.2	*867.8*	*Export*	*1,571.3*	*2,315.5*
337.5	602.1	● Ethanol Revenue - CAA	1,176.0	1,747.6
257.8	*549.7*	*Local*	*775.1*	*1,325.9*
79.8	*52.4*	*Export*	*401.0*	*421.8*
3.6	5.7	● Energy Cogeneration - CAA	15.1	92.4
10.3	26.8	● Other Revenue - CAA	133.4	162.2
9.7	**38.3**	**Rumo**	**53.9**	**158.2**
9.7	24.9	● Loading	53.9	142.1
-	13.4	● Transportation	-	16.1
1,505.7	**2,588.7**	**CCL**	**3,106.0**	**10,145.1**
1,393.7	2,401.6	● Fuels Revenue - CCL	2,893.9	9,437.3
106.3	*170.4*	*Ethanol*	*220.6*	*757.0*
594.6	*1,208.6*	*Gasoline*	*1,267.0*	*4,111.0*
588.1	*999.3*	*Diesel*	*1,156.3*	*4,338.5*
104.7	*23.3*	*Other*	*250.0*	*230.9*
98.2	168.9	● Lubes Revenue - CCL	186.4	634.0
13.8	18.1	● Other Revenue - CCL	25.8	73.7
(19.3)	**(83.0)**	**Eliminations from Consolidation**	**(19.3)**	**(347.4)**

Net revenue totaled R$15.3 billion in FY'10, versus R$6.3 billion in the previous year. CCL accounted for most of this figure, contributing R$10.1 billion, or 66.2% of the total. CAA's revenue, which grew by 71.9% to R$5.4 billion, was fueled by the merger of NovAmérica, higher sugar prices and the start-up of the co-generation projects.

Net Operating Revenue (R$ million)



Sugar Sales - CAA

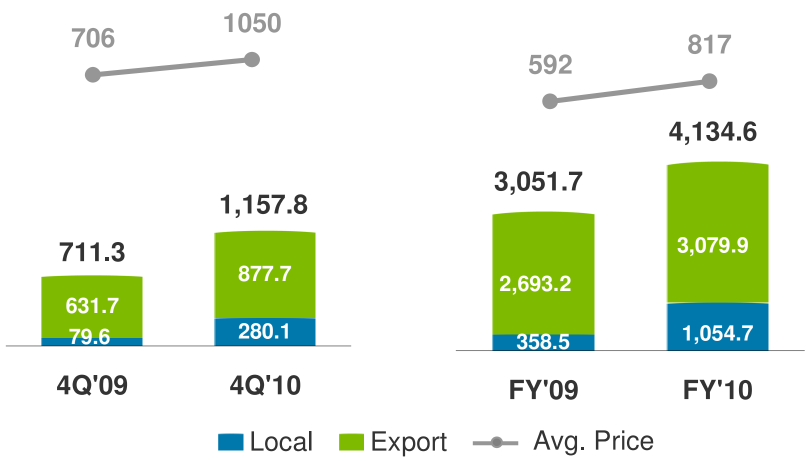
Sugar sales totaled R$3.4 billion, 87.1% more than the previous year. The main factors contributing to the R$ 1.6 billion increase were:

⇒ Record international and domestic prices, 28.9% and 54.4% above previous year which have contributed with gains of approximately R$ 453.5 million and R$ 127.3 million, respectively;

⇒ The higher sugar volume sold, resulted in an additional revenues of R$640.5 million. This increase in volume can be explained by: (i) NovAmerica consolidation; (ii) the higher share of sugar in the product mix; (iii) the reduction in carryover stocks; and (iv) the distortion in the comparison with the previous year, which had only 11 months.

Sugar

Volume (thousand tonnes) and Average Unit Price (R$/tonne)



The sugar inventories in FY’10 were 49.0% lower compared to the previous year, reflecting the commercial strategy adopted to capture the higher prices over the last quarter.

Sugar Inventories

	4Q'09	4Q'10
'000 ton	266.4	135.8
R$'MM	109.3	93.6
R$/ton	410	689

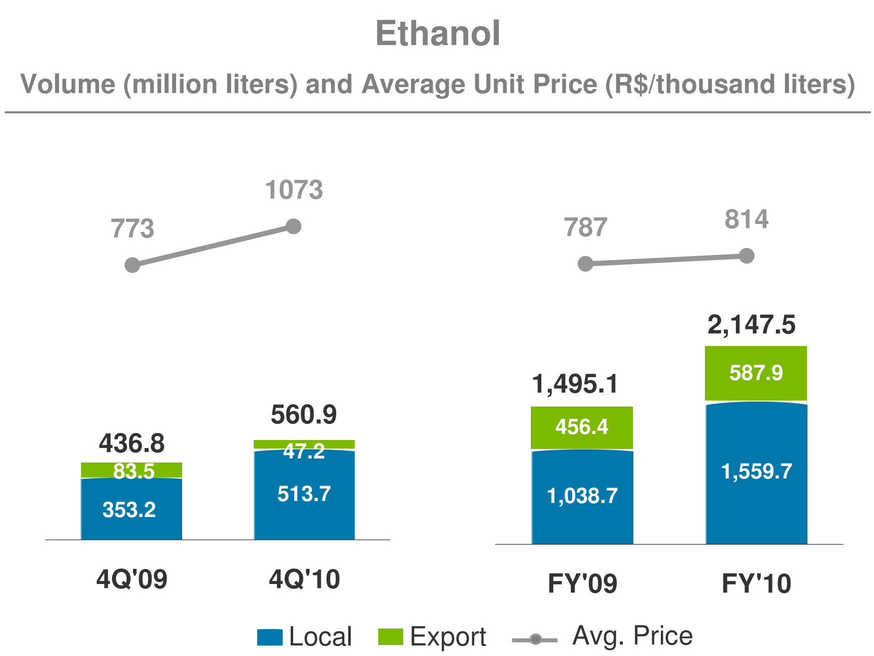
Ethanol Sales – CAA

Ethanol revenue totaled R$1.7 billion, 48.6%, or R$ 571.6 million, up on FY'09, mainly due to:

⇒ Gain of R$513.2 million from higher ethanol sales, thanks to: (i) the incorporation of NovAmérica's plants; (ii) the reduction in carryover stocks, taking advantage of the higher inter-harvest prices; (iii) the effect from the comparison with FY'09, which had only 11 months;

⇒ Gain of R$40.7 million due to the increase in domestic average prices, notwithstanding the 18.3% decrease in the international average prices;

⇒ Loss of R$78.0 million, due to higher exports, whose average prices were lower than domestic ones.



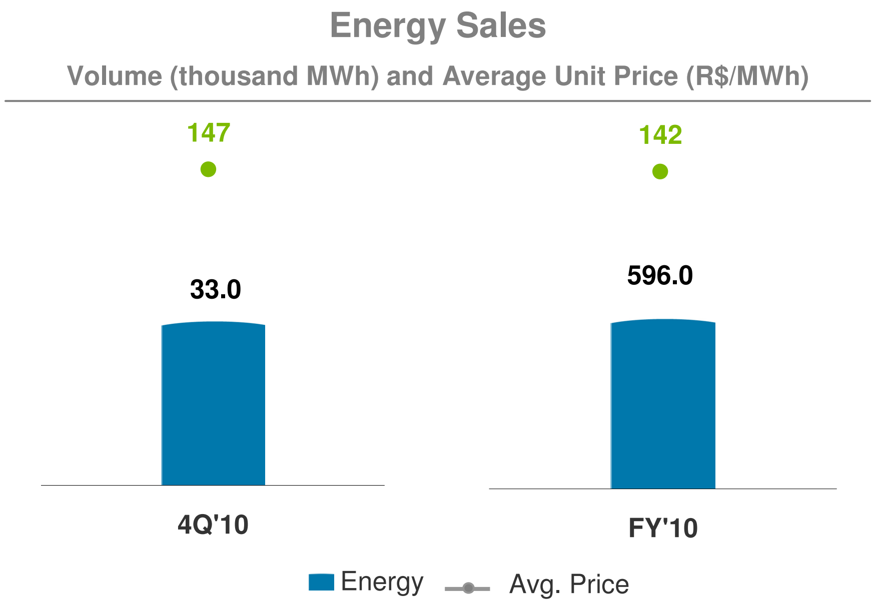
Ethanol inventories were 76.2% lower than in the previous year due to our strategy to capture the higher prices over the off-season period (4T'10).

Ethanol Inventories

	4Q'09	4Q'10
'000 cbm	287.2	68.2
R$'MM	201.0	56.2
R$/cbm	700	824

Energy co-generation – CAA

⇒ Energy revenue totaled R$92.4 million, thanks to growing investments in co-generation, which are expected to continue recording strong growth in the coming years. FY'10 was marked by the beginning of energy delivered by Serra, Gasa, Costa Pinto, Tarumã and Maracaí accordingly to the bi-lateral sales contracts and/or auctioned energy sale contracts. Sales volume totaled 596MWh, at an average of R$142/MWh.



Other Products and Services – CAA

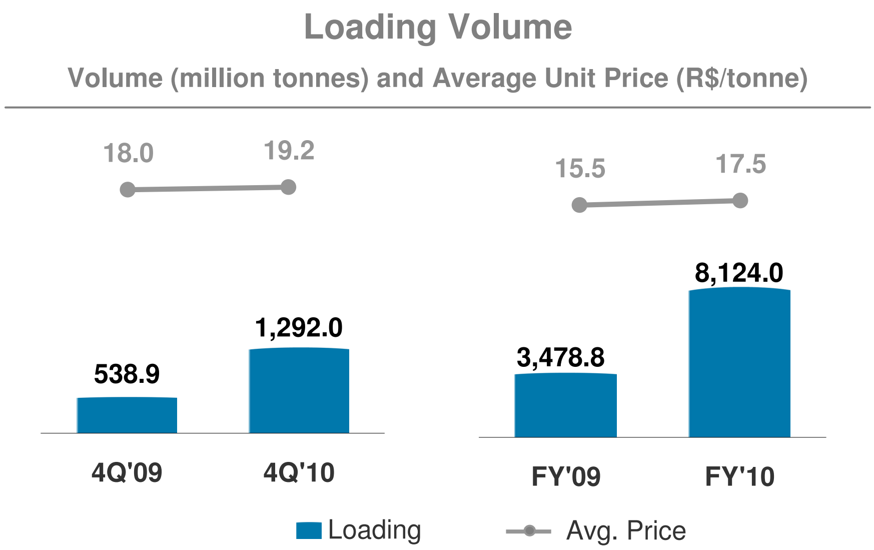
Despite the fact that revenue from loading services and energy sales were no longer considered under CCA's "Other products and services", revenue from this line still grew by 21% chiefly due to sales of molasses, fusel oil and sugarcane.

Rumo

In FY'10, Rumo concluded its first year jointly operating in the Cosan Portuária and Teaçú terminals and began transport operations through a partnership agreement with ALL, with total net revenues of R$158.2 million. Loading service volume grew by 131.4% over FY'09, from 3.5 million to 8.1 million tonnes, 34.6% of which (or 2.8 million tonnes) being service provided to Cosan. This result was achieved because of a merger of Teaçú, NovAmérica's former terminal, and higher productivity due to synergies and improvements in operational processes.

The average cargo handling price increased by 13.0% over FY'09 to R$17.50/ton.

The transportation agreement entered into with ALL became valid and executable in 4Q'10, generating additional revenue of R$16.1 million in this quarter.



Fuel Sales – CCL

CCL's recorded FY'10 net revenue of R$ 10.1 billion, 226.6% up on the previous year, given that only four months of this company's results were consolidated in FY'09, as mentioned previously. Fuel segment revenue totaled R$ 9.4 billion, up by 226.1%. The main factors contributing to the net revenue achieved in FY'10 were:

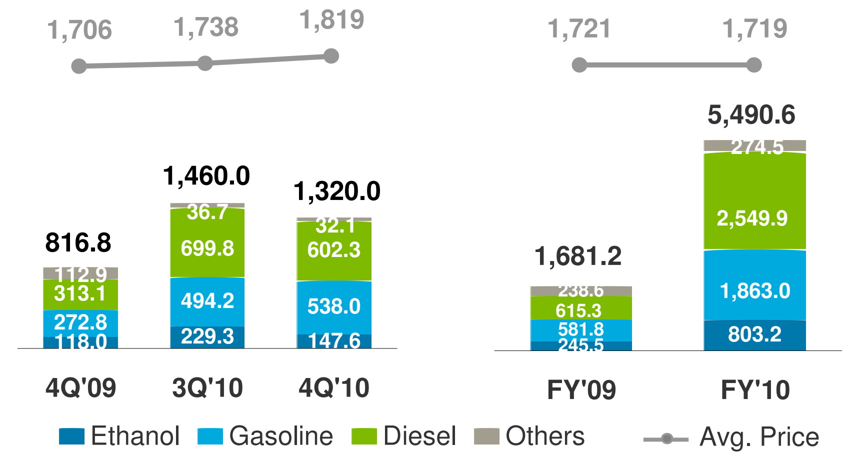
⇒ Ethanol sales of 803.2 million liters, reflecting record vehicle licensing volume between April 2009 and March 2010, 88% of which flex-fuel vehicles;

⇒ Higher ethanol prices in the inter-harvest period, which not only benefited hydrous net revenue, but also resulted in an upturn in gasoline sales volume. This was because ethanol prices were above 70% parity with gasoline prices in many Brazilian sates, causing some flex-fuel owners to switch from ethanol to gasoline, whose prices are higher (average of R$2,207/m3 in FY'10 versus R$942/m3 of ethanol);

⇒ The acquisition of new corporate clients, who accounted for an additional 210 million liters of Diesel in FY'10, beyond the diesel volume sold to CAA.

Fuel

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

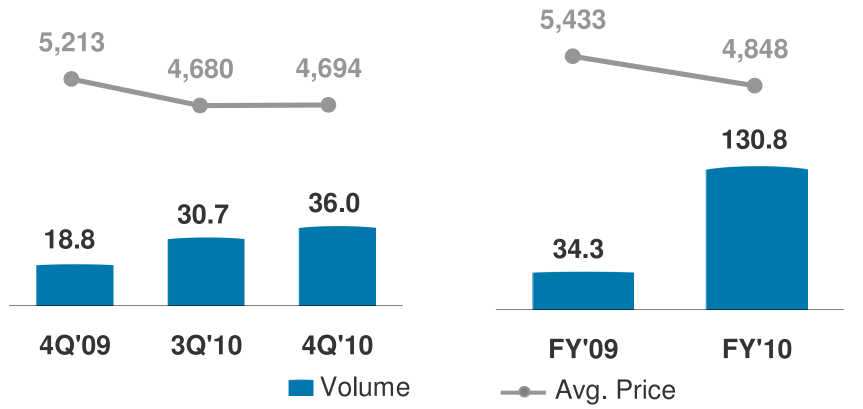


Lubricant Sales – CCL

Lubricant sales totaled R$634 million, thanks to the increased share of higher added-value products in the sales mix and the upturn in market share.

Lubricants

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



CCL Inventories

(Including Fuels and Lubricants)

	4Q'09	4Q'10
'000 cbm	138.5	137.5
R$'MM	274.4	266.5
R$/cbm	1,981	1,938

Cost of Goods Sold (COGS)

COGS totaled R$13.2 billion, versus R$5.5 billion in the previous year. This substantial upturn reflected the 12-month consolidation of fuel and lubricant distribution, which added R$ 9.4 billion to annual COGS, versus R$2.9 billion in the previous year, when only four months of this business unit were consolidated. In addition, CAA's COGS increased by 60.5%, chiefly due to higher sales volume, sugar sourcing activities, higher costs for sugar cane acquired from third parties, the poor harvest and the reduction in TSR, the last two due to excess rainfall in the harvest period.

4Q'09	4Q'10	COGS per Product	FY'09	FY'10
(2,109.9)	**(3,620.3)**	**Cost of Good Sold (R$MM)**	**(5,470.7)**	**(13,210.7)**
(715.9)	(1,296.9)	CAA	(2,533.8)	(4,068.0)
(343.1)	*(687.1)*	*Sugar*	*(1,313.1)*	*(2,116.2)*
(353.1)	*(567.0)*	*Ethanol*	*(1,088.9)*	*(1,745.5)*
(19.7)	*(42.8)*	*Other Products & Services - CA*	*(131.9)*	*(206.4)*
(8.3)	(24.6)	Rumo	(40.1)	(115.5)
(1,405.0)	(2,381.8)	CCL	(2,916.1)	(9,374.6)
19.3	83.0	Eliminations from Consolidation	19.3	347.4
		Average Unit Cost (R$)		
482	593	Unit COGS of Sugar (R$/ton)	430	512
808	1,011	Unit COGS of Ethanol (R$/thousand liters	728	813
1,681	1,757	CCL (R$/thousand liters)	1,700	1,668

CAA

The cost of goods sold and services rendered totaled R$4.1 billion, accompanying sugar and ethanol sales growth and reflecting the merger of NovAmérica and the strong impact of the lower TSR obtained from the sugarcane, the upturn in the TSR price (due to higher sugar prices in Brazil and abroad), mainly due to adverse weather conditions throughout the harvest.

The R$1.5 billion increase, results from the 19.1% upturn in average unit sugar costs and the 11.6% rise in average unit ethanol costs, was chiefly due to:

⇒ The increase in sugar sourcing (purchase of the raw material to be refined and product for subsequent resale and distribution on the domestic market), a traditional NovAmerica practice, whose margins are lower and which had an impact of R$61 million;

⇒ The increase of 25.5% in the average TSR price, as calculated by Consecana, from R$0.2772/Kg of TSR to R$0.3492/Kg of TSR, which pushed up the cost of land leased and sugarcane acquired from suppliers, adding approximately R$260 million;

⇒ The effect of lower concentration in the TSR itself (cane sucrose content), from 139.0kg/ton of sugar cane to 129.8kg/ton, surpassed the gains in efficiency in the process of mechanization of the harvest, leading to additional costs of R$180 million;

⇒ Thanks to excessive rainfall, there were less effective crushing days. Consequently, 3.3 million tonnes of cane which were expected to be processed were left in the fields, generating an impact on the dilution of fixed agricultural costs (planting, treatment and leasing).

⇒ Despite the harvesting difficulties, CLT costs (cutting, loading and transport) has not increased benefited from the mechanical harvest which accounted for 64.5% of the total harvest, stood at R$6.25/tonne of cane, cheaper than manual CLT costs.

Rumo

Rumo's COGS totaled R$115.5 million, including loading and transportation costs, the latter consisting of costs from transshipment, road and rail freight, and storage.

The variable part of the loading costs refer mostly to stevedore expenses, port tariffs and electric power, while the fixed part refers to operational labor, equipment rental, port leasing costs and maintenance.

CCL

CCL's average COGS recorded a decline of R$32/m3 in FY'10, or 2%, lower than FY'09, primarily due to the reduction in Petrobrás' Diesel price and lower lubricant costs due to the appreciation of the Real against the dollar. The reduction of the average unit cost quoted above occurred despite the upturn in the inter-harvest ethanol costs, which affected not only hydrous costs but also those of gasoline C, due to the mandatory gasoline mix with anhydrous ethanol. In addition, between February and April 2010, the ratio was reduced from 25% to 20% turning even more expensive the cost of gasoline C.

Gross Profit

As a result, the Company recorded a FY'10 gross profit of R$2.1 billion, an increase of 165.9% compared to the previous year, with a gross margin equivalent to 13.9%. The ethanol margin recovered throughout the harvest, reaching breakeven at the close of the year. On the other hand, sugar recorded a positive margin of 37.4%, partially benefiting from the increase in international prices and sugar's greater share of domestic sales. In addition, CCL's gross unit margin moved up by R$26/m3 to R$137/m3.

4Q'09	4Q'10	Gross Margin per Product	FY'09	FY'10
		Unitary Gross Margin		
224	456	Sugar (R$/ton)	161	305
(36)	63	Ethanol (R$/thousand liters)	58	1
120	153	CCL (R$/thousand liters)	111	137
		% Gross Margin/Net Revenues		
31.7%	43.5%	Sugar	27.3%	37.4%
-4.6%	5.8%	Ethanol	7.4%	0.1%
14.8%	35.7%	Rumo	25.6%	27.0%
6.7%	8.0%	CCL	6.1%	7.6%

Selling Expenses

Selling expenses increased by 100% compared to the previous year mainly due to the merger of CCL, which contributed with R$400.1 million, and NovAmérica (R$91.4 million).

4Q'09	4Q'10	Selling Expenses	FY'09	FY'10
(101.5)	**(225.3)**	**Selling Expenses (R$MM)**	**(432.6)**	**(864.6)**
(49.1)	(120.6)	CAA	(317.8)	(464.5)
-	-	Rumo	-	-
(52.4)	(104.7)	CCL	(114.7)	(400.1)

CAA

Excluding the effects from the NovAmerica merger, CAA recorded selling expenses of R$373.1 million,17.4% higher than the previous year, chiefly due to the following factors:

⇒ The higher sugar exports caused an increase in freight and loading expenses of around 14.4%.

⇒ The increase of 28% in the volume of ethanol exports, which pushed up selling expenses by R$11.5 million.

⇒ Certain initiatives throughout the year to improve the efficiency of make the domestic sales management, including a reduction in retail commissions and bonuses through the revision of sales contracts and agreements in the case of sugar, and the elimination of less profitable accounts.

Rumo

Given the nature of its business, Rumo has no selling expenses.

CCL

CCL's selling expenses are mostly related to salaries and benefits, freight from product deliveries, maintenance, repairs and environmental expenses and marketing. It is worth noting that this fiscal year was characterized by investments in marketing, maintenance and repairs, in order to improve the image of the service stations, increase brand exposure and give more visibility to ethanol.

General and Administrative Expenses

G&A expenses totaled R$497.2 million, representing 3.2% of FY'10 net revenue, a hefty 80.2% up on the R$275.9 million recorded in FY'09, primarily due to the entry of NovAmérica (R$23.7 million), 12 months of expenses from CCL (R$92.7 million) and Teaçu consolidation by Rumo.

4Q'09	4Q'10	General & Administrative Expenses	FY'09	FY'10
(78.2)	**(173.7)**	**G&A Expenses (R$MM)**	**(275.9)**	**(497.2)**
(62.0)	(131.5)	CAA	(245.4)	(386.3)
0.2	(5.8)	Rumo	(5.7)	(18.1)
(16.4)	(36.5)	CCL	(24.8)	(92.7)

CAA

G&A expenses came to R$386.3 million, 57.4% higher than in FY'09, chiefly due to the entry of NovAmérica. The integration of NovAmérica's systems only took place in the second half of 4Q'10, so its full effects will only be reflected as of 1Q'11. Excluding this impact, G&A expenses increased by 47.8%, due to the following factors:

⇒ Increase of around R$42.0 million due to the provisioning of management and employee bonus payments;

⇒ Upturn of around R$20.0 million in expenses from consulting services, due to projects such as the Shared Services Center (CAN), the implementation of EVA and various other IT projects, non-recurring events.

⇒ Approximately R$11.0 million from the pay rise following the collective bargaining agreement and increase in other general expenses, such as travel expenses driven by geographic dispersion from our current different offices sites;

⇒ Fine of R$3.5 million levied by ANEEL due to breach of an energy supply contract by the Paraúna unit;

Rumo

Rumo's G&A expenses amounted to R$18.1 million, primarily related to the salaries and benefits, security, insurance and consulting services.

CCL

CCL's G&A expenses totaled R$92.7 million, jeopardized by the following non-recurring effects: (i) R$6.7 million from adjustments due to the transition to the CAN; (ii) additional profit-sharing and bonus provisions of R$5.0 million and (iii) additions to legal proceeding reserves totaling R$1.2 million.

EBITDA

As a result of all the above, Cosan posted record EBITDA of R$1.7 billion in FY'10, 86.3% more than its previous best of R$930million in FY'07. Of this total, CAA contributed R$1.4 billion, 106.5% up on the previous year, while CCL and Rumo contributed R$332.0 million and R$42.8 million, respectively. Even excluding the non-recurring effects of REFIS (federal tax recovery program) and the sale of the aviation fuel business, EBITDA maintained its historical level of R$1.4 billion.

4Q'09	4Q'10	EBITDA	FY'09	FY'10
165.9	**575.9**	**EBITDA (R$MM)**	**718.0**	**1,733.1**
7.1%	*13.1%*	*Margin*	*11.5%*	*11.3%*
121.9	477.7	● CAA	628.7	1,358.3
14.1%	*25.3%*	*Margin*	*19.8%*	*25.2%*
5.8	13.5	● Rumo	24.7	42.8
60.3%	*35.3%*	*Margin*	*46.0%*	*27.0%*
38.1	84.6	● CCL	64.5	332.0
2.5%	*3.3%*	*Margin*	*2.1%*	*3.3%*

CAA

Depreciation and amortization totaled R$584.7 million, 43.1% more than the R$408.6 million reported in FY'09, due to heavy investments in order to increase production efficiency through agricultural mechanization, co-generation and industrial improvements, as well as investments in increasing crushing capacity of the new plants (greenfield units). If this non-cash effect is excluded from operating costs and expenses, CAA recorded EBITDA of R$1.4 billion, chiefly due to the following:

⇒ Adherence to the REFIS program, which generated a positive impact of R$270.3 million, as explained in section F below;

⇒ Non-operating revenue resulting from a capital gain of R$93.1 million due to the sale of the aviation fuel business. In December 2008, Cosan S.A. acquired CCL through its subsidiary Cosanpar Participações, which sold this division in June 2009 for R$115.6 million. The difference between this amount and the amount booked under property, plant and equipment related to the aviation fuel business were recorded in the other operating income line, improving the EBITDA, as detailed in previous Financial Letters.

⇒ Non-operating expenses of R$29.9 million from the merger of Teaçu Armazéns Gerais S.A.

Rumo

Rumo recorded EBITDA of R$42.8 million in FY'10, showing an EBITDA margin of 27.0%. It is worth noting that the company recorded R$9.4 million in other operating income from dispatch/demurrage, take or pay and storage services, and a non-recurring non-operating expense of R$5.4 million from accounting adjustments arising from the merger of Teaçú. The depreciation and amortization for the period were R$14.2 million.

CCL

Excluding the non-cash impact of depreciation of R$37.5 million, CCL posted FY'10 EBITDA of R$332.0 million, with a margin of R$59/m3, or 3.3% EBITDA margin versus 2.1% for the previous year, due to the upturn in diesel, ethanol and gasoline sales volume, wider gasoline, diesel and lubricant unit margins, and the capture of logistics synergies from the merger with CAA.

Financial Result

The FY'10 net financial result was a positive R$420.4 million, versus a negative R$817.4 million in the previous year, chiefly fueled by the impact of the exchange variation on dollar-denominated debt, which was positive by R$559.0 million in FY'10 and negative by R$573.7 million in FY'09.

The exchange impact was in turn mainly due to the 37% appreciation of the U.S. dollar against the Real in FY'09 (R$1.6872/US$ x R$2.3152/US$) and the contrary effect in FY'10, when the dollar fell by 23.1% against the Real (R$2.3152/US$ x R$1.7810/US$). The foreign-currency debt has also been increasing in recent years, having closed FY'08, FY'09 and FY'10 at R$1.6 billion, R$2.3 billion and R$3.6 billion, respectively.

Interest on the gross debt totaled R$414.3 million, versus R$244.5 million in FY'09, chiefly due to the upturn from the merger of NovAmérica, which was consolidated as of June 2009, and the funding for the acquisition of CCL, which impacted only four months in FY'09.

4Q'09	4Q'10	Financial Expenses, Net (R$MM)	FY'09	FY'10
(68.3)	(101.5)	Interest on Financial Debt	(244.5)	(414.3)
9.6	10.8	Financial Investments Income	64.6	52.5
(58.7)	**(90.7)**	**(=) Sub-total: Interest on Net Financial Del**	**(179.9)**	**(361.8)**
4.7	(27.9)	Other interest and monetary variation	(90.8)	(116.6)
5.2	(70.0)	Exchange Variation	(573.7)	559.0
(125.4)	168.8	Gains (losses) with Derivatives	47.7	330.9
(19.1)	6.0	Others	(20.7)	8.8
(193.4)	**(13.7)**	**(=) Net Financial Expenses**	**(817.4)**	**420.4**

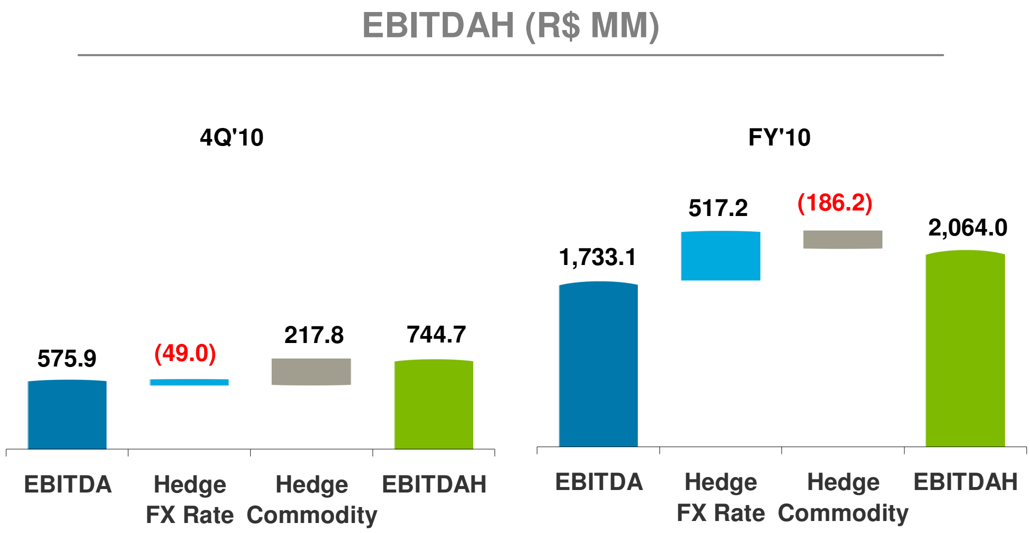
Sugar volume and price positions with Trading companies and derivatives on March 31, 2009, as well as foreign exchange hedge contracts to protect the Company's future cash flows are as follows:

Summary of Hedge* as of March 31, 2010:	Fiscal Year 2010/11	Fiscal Year 2011/12
Sugar		
NY#11		
Volume (thd tons)	*1,659.4*	*512.7*
Average Price (¢US$/lb)	*20.3*	*17.9*
London #5		
Volume (thd tons)	*79.0*	-
Average Price (US$/ton)	*622.1*	-
FX		
US$		
Volume (US$ million)	*472.3*	*170.0*
Average Price (R$/US$)	*1.99*	*2.03*

Note: For sugar we considerer 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

EBITDAH

EBITDAH totaled R$2.1 billion, versus R$1.7 billion for EBITDA before hedge operations. As can be seen in the graph below, the net hedge result was a positive R$330.9 million, versus a positive R$47.7 million in FY'09. FX derivatives generated a gain of R$517.2 million, helping to mitigate the negative impact of the dollar devaluation on revenue from dollar-denominated sales. Commodities derivatives recorded a loss of R$186.2 million, versus a gain of R$64.0 million in FY'09, reflecting the recovery of international sugar prices throughout most of 2010.

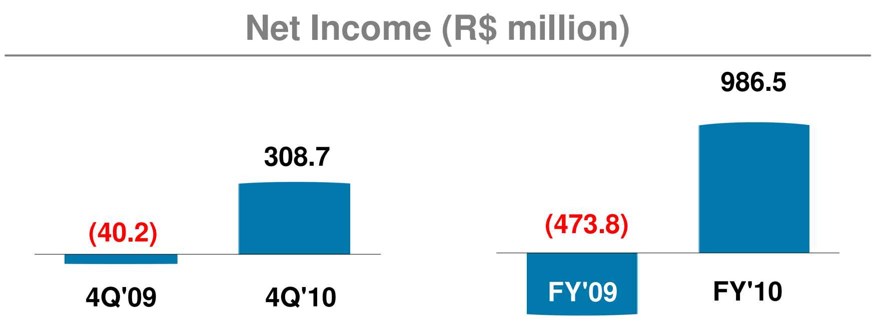


The table below gives a breakdown of EBITDAH per business segment:

4Q'09	4Q'10	EBITDAH	FY'09	FY'10
40.4	**744.7**	**EBITDAH (R$MM)**	**765.7**	**2,064.0**
1.8%	*16.3%*	*Margin*	*12.1%*	*13.2%*
(3.5)	646.6	● CAA	676.4	1,689.2
-0.5%	*32.0%*	*Margin*	*21.3%*	*29.6%*
24.7	13.5	● Rumo	24.7	41.8
-	*35.3%*	*Margin*	-	*26.6%*
38.1	84.6	● CCL	64.5	332.0
2.5%	*3.3%*	*Margin*	*2.1%*	*3.3%*

Net Income

Cosan posted FY'10 net income of R$986.5 million, versus a net loss of R$473.8 million the year before, fueled by the positive impact of higher sales volume and prices on all segments of the business, which pushed up the gross margin by R$1.3 billion, the effect of the exchange variation on dollar-denominated debt and the benefits from the Refis program.



D. Financial Situation

Cosan closed FY'09 with gross financial debt of R$5.3 billion (excluding Resolution 2471[1]), 42% up on the R$3.7 billion recorded at the end of FY'09 and just 3.3% up on the R$5.2 billion posted at the close of 3Q'10.

In November 2009, the Company implemented several measures to improve its debt profile, including full settlement of the promissory notes, the 209 senior notes, bank credit certificates and debentures, the last two resulting from the acquisition of NovAmérica and the contracting of: (i) US$ 430 million in export repayments, maturing in 5 years; (ii) US$ 100 million in export credit notes (NCEs), maturing in 3 years; (iii) R$ 300 million in export credit certificates (CCE), maturing in 2 years; and (iv) the disbursement by the BNDES (Brazilian Development Bank) of part of the funding for Jataí and Gasa.

1 As disclosed in Note 13 to the financial statements, the Resolution 2471 debt is pegged to Brazilian treasury certificates acquired by the Company and recognized under current and non-current assets. Consequently, this debt was excluded from the analysis of indebtedness.

In 4Q'10, the Company opted to prepay financing of R$90 million with the IFC due to its high cost, given that a portion is linked to the Group's operating cash flow. In addition, the BNDES disbursed R$123.4 million in new contracted loans and the Company contracted additional FINAME funding of around R$100.0 million, for machinery and equipment purchases. In the 4Q'10, a loan named "Proinfa" has been reclassified to the BNDES line as well as for part of the FINAME loan amounting to approximately R$40.0 million.

Debt per Type (R$MM)	FY'09	3T'10	4Q'10	% ST	Var.
Foreign Currency	**2,334.9**	**3,415.8**	**3,622.5**		**206.6**
Perpetual Notes	1,054.1	792.8	810.9	1.2%	18.12
Senior Notes 2017	936.7	716.7	720.6	1.1%	3.91
Senior Notes 2009	86.5	-	-	0.0%	-
Senior Notes 2014	-	632.3	631.2	1.2%	(1.01)
IFC	114.3	90.9	-	0.0%	(90.94)
FX Advances	143.3	223.2	296.4	100.0%	73.19
Pre-Export Contracts	-	960.0	980.5	20.5%	20.51
Export Credit Notes	-	-	182.8	2.6%	182.83
Local Currency	**1,420.1**	**1,749.0**	**1,711.4**		**(37.69)**
Promissory Notes	1,162.0	-	-	0.0%	-
BNDES	230.5	844.8	1,057.8	8.2%	213.00
Finame (BNDES)	44.7	156.1	201.1	16.0%	45.02
Working Capital	25.2	20.0	19.5	23.1%	(0.54)
Overdraft	0.1	42.0	36.8	100.0%	(5.19)
Credit Banking Notes	-	121.1	-	0.0%	(121.06)
Credit Notes	-	510.5	378.7	20.8%	(131.75)
CDCA	-	60.2	61.4	51.2%	1.26
PROINFA	-	42.2	-	0.0%	(42.16)
Expenses with Placement of Debt	(42.4)	(47.7)	(44.0)	35.6%	3.73
Gross Debt	**3,755.0**	**5,164.9**	**5,333.8**	**14.9%**	**168.92**
Cash and Marketable Securities	719.4	864.1	1,078.4		214.29
Net Debt	**3,035.6**	**4,300.8**	**4,255.4**		**(45.37)**

Cosan ended the year with a cash position of R$1.1 billion, reducing net debt to R$4.3 billion, or 2.4 times EBITDA in the last 12 months. This EBITDA is calculated using CAA and CCL's last 12 month EBITDA and NovAmérica's annualized last 10 month EBITDA.

E. Investments

Cosan's investment flows totaled R$1.8 billion in FY'10, totaling capex of R$1.9 billion, chiefly in greenfield projects, co-generation projects, planting and inter-harvest maintenance, less R$115.5 million from the sale of the aviation fuel business.

Consolidated capex was 43.1% higher than in the previous year, mainly due to the inclusion of NovAmérica's assets, investments of R$143.8 million by Rumo, the return of planting costs to historical levels and the inclusion of CCL for the entire year, versus only four months in FY'09.

4Q'09	4Q'10	Capex (R$MM)	FY'09	FY'10
167.2	**307.8**	**CAA - Capex Operacional**	**553.7**	**722.5**
22.0	47.3	● Sugar Cane Planting Costs	118.9	211.9
84.3	197.7	● Inter-harvest Maintenance Costs	144.4	260.9
*	22.3	● SSHE & Sustaining	*	45.0
*	30.5	● Mechanization	*	30.5
61.0	10.1	● Projects CAA	290.4	174.2
160.9	**245.7**	**Operating Capex - CAA**	**781.2**	**972.0**
53.4	112.0	● Co-generation Projects	325.8	376.4
107.5	46.1	● Greenfield	455.4	462.2
*	87.5	● Expansion	*	133.4
328.1	**553.5**	**Capex - CAA**	**1,334.8**	**1,694.5**
6.4	48.1	**CCL**	11.3	87.8
-	143.8	**Rumo**	-	143.8
334.6	**745.4**	**(=) Capex - Consolidated Cosan**	**1,346.1**	**1,926.1**
227.7	30.7	● Investments	1,823.6	16.0
(372.1)	(5.3)	● Cash received on Sale of Fixed Assets	(372.1)	(126.2)
190.3	**770.8**	**(=) Investment Cash Flow**	**2,797.6**	**1,815.9**

* FY'09 figures unavailable, investments previously included in the Projects CAA line

CAA

In FY'10, the Company's planting investments totaled R$211.9 million, representing a return to historical levels. Planted area came to 53,600 hectares, versus 28,100 hectares in FY'09. Land preparation in as yet unplanted areas is also included in this line.

Inter-harvest maintenance investments totaled R$260.9 million, chiefly due to the addition of the NovAmérica units and the impact of the shorter inter-harvest period, which increased the need for third-party services.

As of this quarter, investments in "Health, Safety & Environment" and Sustaining, which came to R$45.0 million in FY'10, will be recognized separately in order to highlight those investments in our units designed to generate gains in efficiency.

The company invested R$30.5 million in mechanization, giving a mechanization ratio of 64.5%.

Various CAA projects absorbed R$174.2 million, mainly consisting of investments in the industrial and agricultural areas, aiming to increase the productivity and efficiency of the company's units.

Energy co-generation investments amounted to R$376.4 million, 15% up on the year before, reflecting the conclusion of certain projects (Copi, Gasa and Rafard), the operational start-up of two major projects (Barra and Bonfim) and the beginning of works in other plants.

Greenfield capex totaled R$462.2 million, associated with the concluding phase of the Jataí (GO) and Caarapó (MS) projects.

Expansion projects absorbed R$133.4 million, related to the expansion of the Costa Pinto, Gasa, Bonfim, Barra, Tamoio, Ipaussu and Junqueira sugar plants, increasing the company's production capacity by approximately 400,000 tones per year.

In June 2009, the Company concluded the acquisition of NovAmérica (for more details, see section G – Material Facts).

Rumo

Rumo began investing in locomotives and rolling stock in 4Q'10, totaling R$143.8 million in FY'10. The company received a BNDES financing line to acquire these assets.

CCL

CCL invested R$87.8 million in improvements to service stations, terminal expansions and renovations. The R$76 million increase over FY'09 was mainly due to the inclusion of a full year of the company's investments for the first time in FY'10.

F. Effects of the Tax Recovery Program ("Refis")

The Company entered in the Tax Recovery program set by the Brazilian Government in accordance with law No. 11.941/09 and Provisional Measure MP 470/09. In the scope of these programs, Cosan had reductions in tax liabilities contingent, mainly related to recovery of taxes and federal contributions with IPI credit and IPI credit on purchases of raw material and inputs with zero tax rate, exempt and not exempt, which generated a benefit in the quarter, recognized under other operating revenues, in the amount of R$ 270.3 million. Additionally, this program also enabled the company to use income tax losses credits in the amount of approximately R$ 204 million, to reduce tax obligations that were previously being the subject contest of dispute by the Company. This last benefit, in spite of not impacting the result under the accounting point of view, benefited the Company in the sense that the mentioned tax credits are used only as the Company presents profit according to tax criteria, and is limited to 30% compensation in each annual period.

G. Material Facts

- In March 2009, Cosan announced a partnership with Nova América Agroenergia S.A. for the merger of the assets related to the sale, logistics and industrial production of sugar and ethanol and energy cogeneration. On June 18, the Extraordinary Shareholders' Meeting approved the merger of Curupay, the company resulting from the ownership restructuring of Nova América. Following the transaction, COSAN now holds: four sugar and ethanol production units, the traditional brand "União", which is the leader in Brazil's refined sugar market, two sugar refineries (Piedade and Tarumã), four sugar packaging units (Piedade, Tarumã, Sertãozinho and Araquari), an 8% interest in Terminal Exportador de Álcool de Santos S.A. ("TEAS"), and a 28.8% interest in Rumo Logística. As a result of the merger, Cosan S.A. issued 44,300,389 new shares, which correspond to 11.89% of its new capital stock, and which were attributed to Rezende Barbosa, for a capital increase of R$334.2 million. Mr. Roberto Rezende Barbosa was elected a member of the Board of Directors of Cosan S.A.
- On August 4, 2009, CCL Finance Limited, an indirect Cosan subsidiary, concluded an overseas issue of senior notes totaling US$ 350 million at 9.625% p.a., with a dollar coupon

of 9.5% p.a.. The senior notes are guaranteed by CCL and their final maturity date is August 2014. This was one of the first emerging-market corporate bond issue with a BB- rating assigned by Fitch and S&P to reopen the high-yield company market after the financial crisis which froze the credit market.

- On October 15, 2009, continuing with the process of professionalizing the Company and in-line with corporate governance best practices, Mr. Rubens O. Silveira Mello resigned from his position as CEO of Cosan S.A., keeping his position as Chairman of the Board, to fully engage in the Company's strategic management. As of November 1, 2009, Mr. Marcos Marinho Lutz, former Commercial and Logistic Executive Officer and Vice-President, was appointed as CEO.
- On September 14, 2009, Cosan Limited disposed of 10,000,000 subscription bonuses, part of the 54,993,482 bonuses that had been granted as per capital increase made at Cosan S.A. on November 10, 2008.
- By the end of 2009, the Company's first greenfield began operations in the city of Jataí, in Goiás state. With a crushing capacity of 4 million tonnes p.a., the Jataí plant is considered to be among the most modern in Brazil and the world, thanks to its exceptionally high level of automation. Caarapó greenfield also started operating this period, with crushing capacity of approximately 2.5 million tons of cane.
- On November 24th, the Company acquired a 26.7% of participation in TEAS, an ethanol port terminal in Santos, for the amount of R$20 million, becoming the owner of 66.67% of this society's total and voting capital
- On December 24, 2009, Rumo Logística notified ALL – América Latina Logística S.A. that as of that date the long-term agreements entered into by the two parties in March 2009 were valid and executable in all their terms and conditions, in the form set forth therein. The object of the agreements include the transportation by ALL of bulk sugar and other byproducts, with the expansion of the parties' operational capacity through investments of around R$ 1.2 billion in rights of way, yards, rail cars, locomotives and terminals to be realized by Rumo in ALL's network.
- The period for the exercise of subscription warrants conferred during the capital increase of Cosan S.A. on November 10, 2008, expired on December 31, 2009. A total of 54,987,554 warrants were exercised, increasing the Company's capital by 32,992,531 new shares. Cosan Limited exercised all of the warrants it held, subscribing to 26,996,089 new Cosan S.A. shares and increasing the latter's capital by R$ 431,937,424.00, while other shareholders were responsible for exercising warrants corresponding to 5,996,442 new shares, equivalent to R$ 95,943,072.00.
- In December 2009, Cosan and Amyris announced a partnership to implement Amyris' technology in one of the Group's plants to produce high added-value biofuels, involving investments of up to R$ 50 million. In addition to sugar and ethanol, the unit will also be capable of producing a chemical compound resulting from the fermentation of sugarcane juice and yeast. Both companies are still studying the details regarding the implementation and funding of these operations. For Cosan, investments in the development of new renewable energy sources such as biofuels are strategic, and the partnership with Amyris underlines this commitment.
- On February 1, 2010, Cosan and Shell International Petroleum Company Ltd. entered into a non-binding memorandum of understanding, subject to an exclusivity period of

180 days, for the creation of a joint venture ("JV") combining certain of their respective assets. Cosan would contribute its sugar, ethanol and energy cogeneration businesses, fuel distribution and retail businesses, its ethanol logistics assets and its entire participation in an ethanol trading company. Shell would contribute its fuel distribution and retail businesses (including aviation) in Brazil and its equity stakes in companies involved in the research and development of biomass, including ethanol. Additionally, Cosan would transfer net debt of approximately US$2,524 million to the JV and Shell would, over a period of two years, make a cash capital contribution of approximately US$1,625 million and a contingent contribution, estimated by Cosan at US$300 million, over a period of about 5 years, as additional contribution based on future gains of the Joint Venture. The JV is likely to consist of two separate legal entities: a sugar and ethanol company (upstream), which will focus on the production of sugar and ethanol and co-generation activities, receiving the assets related to this business, and a downstream company, which would conduct the supply, distribution and sale of fuels in Brazil, through network of about 4,500 fuel stations throughout Brazil, and the JV would be the third largest fuels retailer, with strong potential for future growth.

- On March 15, the Company announced the key executives that will lead this potential Joint Venture and assume their respective positions once the negotiations are concluded and the Joint Venture is formalized. Vasco Dias, the CEO of Shell Brasil, will be the CEO of the JV. Pedro Mizutani will maintain his current responsibilities for sugar and ethanol production and co-generation. Luis Henrique Guimarães will be responsible for the area of Downstream, which covers the Retail, Commercial and Aviation segments. Leonardo Gadotti Filho will be responsible for the Logistics, Supply &Distribution areas. And finally, Carlos Alberto Piotrowski will keep his current responsibilities for managing the Shared Service Center - CAN.
- On March 24, Rumo announced a logistics project and service agreement involving the transshipment and rail transportation of sugar with São Martinho S.A. The agreement consists of 2 phases: phase 1, which will last until March 31, 2011, and envisages that (i) Usina São Martinho will provide cargo transshipment services involving at least 500,000 tonnes of third-party sugar in its Terminal; and (ii) Rumo will transport 300,000 tonnes of sugar for São Martinho, in addition to the above mentioned third-party volume. Additionally, Rumo will also grant São Martinho the right to hire static storage capacity in its Port of Santos terminals, the respective volumes and conditions of which to be determined every harvest year. In phase 2, São Martinho will make the investments necessary to implement a transshipment terminal and Rumo will be responsible for investing in any eventual adaptations to the rail transportation system to make the transshipment of additional volumes in the terminal of Usina São Martinho possible in 2010 and 2011.
- On April 28, Rumo received the first 120 of the 729 rail cars that were ordered to Ioschpe Maxion and Randon. Fifty locomotives have also been ordered to GE, which will be delivered starting June 2010.

H. 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

cosan

I. Financial Statements of Cosan S.A. – BR GAAP

Income Statement (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Mar'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
Gross Operating Revenue	**2,978.6**	**6,732.8**	**16,685.9**	**692.7**	**760.1**	**2,746.4**	**2,533.6**	**3,843.5**	**3,907.2**	**4,145.1**	**4,790.0**
(-) Sales Taxes and Deductions	(242.5)	(462.7)	(1,349.8)	(53.1)	(45.0)	(180.7)	(183.8)	(277.4)	(331.9)	(344.6)	(395.9)
(=) Net Operating Revenue	**2,736.2**	**6,270.1**	**15,336.1**	**639.6**	**715.1**	**2,565.6**	**2,349.8**	**3,566.1**	**3,575.3**	**3,800.5**	**4,394.1**
(-) Cost of Goods Sold and Services Rendered	(2,387.1)	(5,470.7)	(13,210.7)	(626.0)	(547.1)	(2,187.6)	(2,109.9)	(3,198.4)	(3,051.5)	(3,340.5)	(3,620.3)
(=) Gross Profit	**349.0**	**799.4**	**2,125.4**	**13.6**	**167.9**	**378.0**	**239.9**	**367.7**	**523.8**	**460.0**	**773.9**
Margin	*12.8%*	*12.7%*	*13.9%*	*2.1%*	*23.5%*	*14.7%*	*10.2%*	*10.3%*	*14.7%*	*12.1%*	*17.6%*
(-) Operating Income (Expenses):	**(418.0)**	**(1,508.5)**	**(712.5)**	**(94.9)**	**(754.7)**	**(319.6)**	**(339.4)**	**117.9**	**(246.1)**	**(206.9)**	**(377.4)**
(-) Selling	(301.3)	(432.6)	(864.6)	(85.7)	(88.6)	(156.8)	(101.5)	(209.6)	(211.3)	(218.4)	(225.3)
(-) General and Administrative	(210.2)	(275.9)	(497.2)	(59.7)	(65.7)	(72.3)	(78.2)	(89.3)	(116.2)	(117.9)	(173.7)
(-) Financial Income (Expenses), Net	284.3	(817.4)	420.4	86.9	(551.8)	(159.2)	(193.4)	433.4	78.9	(78.3)	(13.7)
(±) Earnings (Losses) on Equity Investments	6.6	14.0	(18.6)	0.2	(0.3)	13.6	0.5	(3.6)	0.0	(9.4)	(5.8)
(-) Goodwill Amortization	(201.4)	(196.5)	(85.6)	(40.4)	(40.4)	(65.2)	(50.5)	(85.6)	-	-	-
(±) Other Operating Income (Expenses), Net	4.0	199.9	333.1	3.9	(8.0)	120.2	83.7	72.5	2.5	217.0	41.1
(=) Operating Income (Loss)	**(69.0)**	**(709.1)**	**1,412.9**	**(81.3)**	**(586.7)**	**58.5**	**(99.5)**	**485.6**	**277.8**	**253.0**	**396.5**
Margin	*-2.5%*	*-11.3%*	*9.2%*	*-12.7%*	*-82.0%*	*2.3%*	*-4.2%*	*13.6%*	*7.8%*	*6.7%*	*9.0%*
(±) Income and Social Contribution Taxes	18.7	234.7	(433.8)	22.4	205.9	(53.3)	59.6	(157.9)	(103.8)	(85.3)	(86.9)
(±) Minority Interest	2.5	0.6	7.5	0.8	0.1	0.0	(0.4)	9.6	(0.6)	(0.7)	(0.9)
(=) Net Income (Loss) for the Year	**(48.0)**	**(474.0)**	**986.5**	**(58.0)**	**(381.0)**	**5.0**	**(40.0)**	**337.0**	**173.0**	**167.0**	**309.0**
Margin	*-1.8%*	*-7.6%*	*6.4%*	*-9.1%*	*-53.3%*	*0.2%*	*-1.7%*	*9.5%*	*4.8%*	*4.4%*	*7.0%*
● **EBITDA**	**182.9**	**718.0**	**1,733.1**	**29.2**	**182.5**	**340.4**	**165.9**	**311.2**	**355.7**	**490.4**	**575.9**
Margin	*6.7%*	*11.5%*	*11.3%*	*4.6%*	*25.5%*	*13.3%*	*7.1%*	*8.7%*	*9.9%*	*12.9%*	*13.1%*
● **EBITDAH (Ebitda adjusted by Hedge)**	**407.8**	**765.7**	**2,064.0**	**74.4**	**185.5**	**465.3**	**40.4**	**472.0**	**338.9**	**508.4**	**744.7**
Margin	*13.8%*	*12.1%*	*13.2%*	*10.9%*	*25.8%*	*17.3%*	*1.8%*	*12.7%*	*9.5%*	*13.3%*	*16.3%*
● Depreciation & Amortization	341.3	427.2	636.3	157.2	176.8	71.1	22.0	169.9	156.8	149.7	160.0

Balance Sheet (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Mar'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
Cash and Cash Equivalents	1,010.1	719.4	1,078.4	633.9	1,276.3	689.7	719.4	932.9	948.6	864.1	1,078.4
Restricted Cash	79.6	11.8	45.0	79.4	0.2	11.9	11.8	40.1	149.5	172.1	45.0
Derivative Financial Instruments	6.9	17.0	230.6	9.0	8.6	6.1	17.0	86.6	97.4	72.0	230.6
Trade Accounts Receivable	215.2	599.2	766.4	115.5	215.9	459.0	599.2	585.6	589.7	511.1	766.4
Inventories	570.5	1,106.2	1,046.7	905.6	1,439.9	1,643.7	1,106.2	1,149.9	1,531.5	1,936.8	1,046.7
Advances to Suppliers	226.1	206.0	235.6	252.3	287.0	239.9	206.0	386.1	336.7	241.2	235.6
Related Parties	16.3	57.2	24.9	1.1	28.4	35.8	57.2	36.1	21.6	24.6	24.9
Deferred Income and Social Contribution Taxes	-	42.5	76.3	-	-	-	42.5	53.5	48.1	29.2	76.3
Recoverable Taxes	129.8	265.4	327.9	121.3	160.6	240.7	265.4	299.0	342.9	307.8	327.9
Other Assets	17.9	50.3	61.2	21.9	37.1	82.3	50.3	32.7	41.7	54.0	61.2
Current Assets	**2,272.4**	**3,074.9**	**3,892.8**	**2,140.0**	**3,453.9**	**3,409.0**	**3,074.9**	**3,602.6**	**4,107.9**	**4,212.8**	**3,892.8**
Accounts Receivable from Federal Government	342.2	323.4	333.7	342.2	342.2	342.2	323.4	326.4	329.0	331.4	333.7
CTN's-Restricted Brazilian Treasury Bills	151.7	177.6	205.7	164.8	170.9	175.5	177.6	184.7	189.3	194.6	205.7
Deferred Income and Social Contribution Taxes	357.0	700.0	560.1	386.7	567.8	665.0	700.0	644.6	551.5	334.2	560.1
Advances to Suppliers	77.3	48.0	63.7	88.2	93.6	125.3	48.0	55.5	85.1	132.5	63.7
Related Parties	-	-	81.4	-	-	-	-	153.2	151.8	149.9	81.4
Other Assets	94.4	132.4	211.8	124.1	124.0	159.1	132.4	185.4	190.2	210.8	211.8
Investments	120.3	278.2	193.1	124.2	184.7	280.5	278.2	181.3	196.5	194.0	193.1
Property, Plant and Equipment	2,776.3	3,465.2	5,561.1	2,882.8	3,020.8	3,389.0	3,465.2	4,516.4	4,671.4	4,871.5	5,561.1
Goodwill	1,160.7	2,447.5	2,901.3	1,115.6	1,074.5	2,493.8	2,447.5	2,724.3	2,737.5	2,765.5	2,901.3
Noncurrent Assets	**5,079.9**	**7,572.5**	**10,112.0**	**5,228.5**	**5,578.5**	**7,630.4**	**7,572.5**	**8,971.7**	**9,102.3**	**9,184.4**	**10,112.0**
(=) Total Assets	**7,352.4**	**10,647.4**	**14,004.8**	**7,368.5**	**9,032.4**	**11,039.4**	**10,647.4**	**12,574.3**	**13,210.2**	**13,397.2**	**14,004.8**
Loans and Financings	78.2	1,449.5	800.9	74.2	311.0	1,480.6	1,449.5	1,127.4	1,184.7	892.6	800.9
Derivatives Financial Instruments	50.7	66.9	76.7	19.3	32.6	49.5	66.9	98.9	215.4	232.9	76.7
Trade Accounts Payable	191.0	456.1	569.4	331.6	489.9	518.2	456.1	662.8	712.5	712.1	569.4
Salaries Payable	80.7	93.2	141.6	119.0	143.0	77.7	93.2	152.3	180.9	133.0	141.6
Taxes and Social Contributions Payable	116.1	168.6	215.9	115.0	109.7	163.2	168.6	189.8	230.9	201.0	215.9
Related Parties	-	5.2	14.4	-	-	2.5	5.2	4.5	3.8	50.5	14.4
Dividendos a pagar	-	-	116.6	-	-	-	-	-	-	-	116.6
Other Liabilities	49.9	85.8	182.4	34.4	126.1	66.6	85.8	134.1	100.7	123.4	182.4
Current Liabilities	**566.5**	**2,325.2**	**2,117.9**	**693.4**	**1,212.3**	**2,358.2**	**2,325.2**	**2,369.7**	**2,629.0**	**2,345.5**	**2,117.9**
Loans and Financing	2,106.2	2,885.5	5,136.5	2,047.9	2,679.3	2,904.5	2,885.5	4,091.4	4,667.4	4,859.1	5,136.5
Taxes and Social Contributions Payable	359.3	328.8	593.5	351.5	346.1	336.0	328.8	335.5	288.9	255.7	593.5
Provision for Legal Proceedings	832.4	1,105.9	444.4	849.8	873.1	1,114.1	1,105.9	1,135.5	1,143.4	755.7	444.4
Related Parties	-	405.2	-	-	-	405.3	405.2	341.5	-	-	-
Pension Fund	-	60.4	61.8	-	-	58.5	60.4	61.0	62.3	61.6	61.8
Other Liabilities	144.4	139.9	493.1	141.3	138.4	134.8	139.9	169.2	168.4	155.8	493.1
Noncurrent Liabilities	**3,442.3**	**4,925.5**	**6,729.3**	**3,390.5**	**4,037.0**	**4,953.1**	**4,925.5**	**6,134.1**	**6,330.3**	**6,087.8**	**6,729.3**
Minority Shareholders' Interest	**17.7**	**30.9**	**47.8**	**17.0**	**20.3**	**31.5**	**30.9**	**29.9**	**30.4**	**47.0**	**47.8**
Capital	2,935.3	3,819.8	4,687.8	2,935.3	3,815.3	3,815.3	3,819.8	4,153.9	4,155.3	4,687.7	4,687.8
Capital Reserve	-	41.7	50.6	-	(4.2)	(4.2)	41.7	45.1	50.2	50.1	50.6
Profits Reserve	180.2	-	374.2	180.2	180.2	180.2	-	-	-	-	374.2
Legal Reserve	16.0	-	-	16.0	16.0	16.0	-	-	-	-	-
Revaluation Reserves	194.4	-	-	194.2	193.8	93.2	-	-	-	-	-
Ajuste de Avaliação Patrimonial	-	-	(2.9)	-	-	-	-	-	-	-	(2.9)
Accumulated losses	-	(495.7)	-	(57.9)	(438.2)	(403.9)	(495.7)	(158.4)	15.0	179.1	-
Shareholders' Equity	**3,325.8**	**3,365.7**	**5,109.8**	**3,267.7**	**3,762.8**	**3,696.6**	**3,365.7**	**4,040.7**	**4,220.5**	**4,917.0**	**5,109.8**
(=) Total Liabilities & Shareholders' Equity	**7,352.4**	**10,647.4**	**14,004.8**	**7,368.5**	**9,032.4**	**11,039.4**	**10,647.4**	**12,574.3**	**13,210.2**	**13,397.2**	**14,004.8**

Cash Flow Statement (In millions of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Mar'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
Net Income (Loss) for the Year	**(47.8)**	**(473.8)**	**986.5**	**(58.1)**	**(380.7)**	**5.2**	**(40.2)**	**337.3**	**173.4**	**167.1**	**308.7**
Non-cash Adjustments:											
Earnings (Losses) from Equity Investments	(6.6)	(14.0)	18.6	(0.2)	0.3	(13.6)	(0.5)	3.6	(0.0)	9.4	5.8
Depreciation & Amortization	341.3	427.2	636.3	157.2	176.8	71.1	22.0	169.9	156.8	149.7	160.0
Losses (Gains) in Fixed Assets Disposals	(1.2)	(208.9)	(80.5)	1.2	4.5	3.0	(217.6)	(103.2)	0.8	1.1	20.8
Goodwill Amortization	201.4	196.5	85.6	40.4	40.4	65.2	50.5	85.6	-	-	-
Accrued Financial Expenses	(116.0)	932.5	(150.5)	(26.2)	572.0	297.8	89.0	(287.8)	(84.0)	(60.5)	281.9
Other Non-cash Items	(42.4)	(197.9)	104.2	(32.2)	(162.9)	49.3	(52.1)	133.1	74.0	(154.1)	51.2
(=) Adjusted Net Profit (Loss)	**328.8**	**661.5**	**1,600.3**	**82.0**	**250.4**	**478.0**	**(148.9)**	**338.5**	**321.0**	**112.6**	**828.3**
(±) Variation on Assets and Liabilities	(360.1)	(234.5)	(42.5)	(129.5)	(399.0)	(140.7)	434.7	195.7	(312.9)	(142.7)	217.3
(=) Cash Flow from Operating Activities	**(31.3)**	**427.0**	**1,557.8**	**(47.4)**	**(148.6)**	**337.3**	**285.8**	**534.2**	**8.1**	**(30.1)**	**1,045.7**
Additions on Investments, Net of Cash Received	(160.5)	(1,823.6)	(16.0)	(0.7)	(61.4)	(1,533.7)	(227.7)	58.5	(29.2)	(14.7)	(30.7)
Additions on Property, Plant and Equipment	(1,053.1)	(1,346.1)	(1,926.1)	(264.8)	(314.3)	(432.4)	(334.6)	(420.6)	(359.1)	(401.0)	(745.4)
Cash Received on Sale of Fixed Asset	12.2	372.1	126.2	1.6	(1.6)	-	372.1	117.7	1.5	1.8	5.3
(=) Cash Flow from Investment Activities	**(1,201.4)**	**(2,797.6)**	**(1,816.0)**	**(263.9)**	**(377.4)**	**(1,966.1)**	**(190.3)**	**(244.3)**	**(386.8)**	**(413.9)**	**(770.9)**
Additions of Debt	198.3	1,478.0	3,427.9	3.0	315.8	1,196.4	(37.1)	172.9	1,045.8	1,665.5	543.8
Payments of Principal and Interest on Debt	(839.4)	(257.2)	(2,846.6)	(67.8)	(26.7)	(148.3)	(14.4)	(127.8)	(317.3)	(1,838.4)	(563.1)
Capital Increase	1,742.6	884.5	533.9	-	880.0	-	4.5	-	1.4	532.4	0.1
Treasury Stock	-	(4.2)	-	-	(4.2)	-	-	-	-	-	-
Capital Increase at subsidiaries	-	15.4	-	-	3.5	-	11.9	-	-	-	-
Dividends	(75.8)	-	-	-	-	-	-	-	-	-	-
Other	-	(36.6)	(498.0)	-	-	(5.9)	(30.7)	(121.4)	(335.4)	-	(41.3)
(=) Cash Flows from Financing Activities	**1,025.7**	**2,079.9**	**617.1**	**(64.8)**	**1,168.4**	**1,042.2**	**(65.8)**	**(76.3)**	**394.4**	**359.5**	**(60.5)**
(=) Total Cash Flow	**(207.0)**	**(290.7)**	**359.0**	**(376.2)**	**642.4**	**(586.7)**	**29.7**	**213.6**	**15.7**	**(84.6)**	**214.3**
(+) Cash & Equivalents, Beginning	1,217.1	1,010.1	719.4	1,010.1	633.9	1,276.3	689.7	719.4	932.9	948.6	864.1
(=) Cash & Equivalents, Closing	**1,010.1**	**719.4**	**1,078.4**	**633.9**	**1,276.3**	**689.7**	**719.4**	**932.9**	**948.6**	**864.1**	**1,078.4**

Credit Statistics (LTM) (In million of reais)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Mar'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
Net Operating Revenues	**2,736.2**	**6,270.1**	**15,336.1**	**2,784.1**	**2,871.6**	**4,763.3**	**6,270.1**	**9,196.6**	**12,056.9**	**13,291.7**	**15,336.1**
● Gross Profit	349.0	799.4	2,125.4	318.9	410.5	708.9	799.4	1,153.6	1,509.4	1,591.4	2,125.4
● EBITDA	182.9	718.0	1,733.1	159.6	264.0	602.1	718.0	1,000.0	1,173.1	1,323.1	1,733.1
● EBIT	(158.4)	290.8	1,096.8	(213.5)	(147.0)	167.7	290.8	560.2	753.3	824.7	1,096.8
● Encargos Financeiros da Dívida Líquida	106.2	179.9	361.8	91.9	85.2	136.1	179.9	247.0	308.4	329.8	361.8
● Net Profit	(47.8)	(473.8)	986.5	(119.6)	(515.5)	(438.9)	(473.8)	(78.4)	475.6	637.5	986.5
Liquid Funds											
● Cash and Cash Equivalents	1,010.1	719.4	1,078.4	633.9	1,276.3	689.7	719.4	932.9	1,098.2	864.1	1,078.4
Short-Term Debt											
● Loans and Financings	69.3	1,442.7	793.8	62.9	298.6	1,475.3	1,442.7	1,115.9	1,171.6	886.5	793.8
Long-Term Debt											
● Loans and Financings	1,562.5	2,312.3	4,540.0	1,474.9	2,101.7	2,327.6	2,312.3	3,508.5	4,086.8	4,278.4	4,540.0
Total Debt	**1,631.8**	**3,755.0**	**5,333.8**	**1,537.7**	**2,400.3**	**3,802.9**	**3,755.0**	**4,624.4**	**5,258.3**	**5,164.9**	**5,333.8**
Net Debt	**621.7**	**3,035.6**	**4,255.4**	**903.8**	**1,124.0**	**3,113.3**	**3,035.6**	**3,691.5**	**4,160.2**	**4,300.8**	**4,255.4**
Current Assets	2,272.4	3,074.9	3,892.8	2,140.0	3,453.9	3,409.0	3,074.9	3,602.6	4,107.9	4,212.8	3,892.8
Current Liabilities	566.5	2,325.2	2,117.9	693.4	1,212.3	2,358.2	2,325.2	2,369.7	2,629.0	2,345.5	2,117.9
Shareholders' Equity	**3,325.8**	**3,365.7**	**5,109.8**	**3,267.7**	**3,762.8**	**3,696.6**	**3,365.7**	**4,040.7**	**4,220.5**	**4,917.0**	**5,109.8**
Capex - Property, Plant and Equipment	**1,053.1**	**1,346.1**	**1,180.7**	**1,147.4**	**1,324.5**	**1,485.9**	**1,346.1**	**1,501.9**	**1,546.7**	**1,515.3**	**1,180.7**
● Capex - Operational	781.9	565.0	500.2	796.9	762.7	727.5	565.0	588.7	626.5	673.9	500.2
EBITDA Margin	**6.7%**	**11.5%**	**11.3%**	**5.7%**	**9.2%**	**12.6%**	**11.5%**	**10.9%**	**9.7%**	**10.0%**	**11.3%**
● Gross Profit Margin	12.8%	12.7%	13.9%	11.5%	14.3%	14.9%	12.7%	12.5%	12.5%	12.0%	13.9%
● EBIT Margin	-5.8%	4.6%	7.2%	-7.7%	-5.1%	3.5%	4.6%	6.1%	6.2%	6.2%	7.2%
● Net Profit Margin	-1.7%	-7.6%	6.4%	-4.3%	-18.0%	-9.2%	-7.6%	-0.9%	3.9%	4.8%	6.4%
Net Debt ÷ Shareholders' Equity											
● Net Debt %	15.8%	47.4%	45.4%	21.7%	23.0%	45.7%	47.4%	47.7%	49.6%	46.7%	45.4%
● Shareholders' Equity %	84.2%	52.6%	54.6%	78.3%	77.0%	54.3%	52.6%	52.3%	50.4%	53.3%	54.6%
Long-Term Payable Debt to Equity Ratio	0.5x	0.7x	0.9x	0.5x	0.6x	0.6x	0.7x	0.9x	1.0x	0.9x	0.9x
Liquidity Ratio (Current Assets ÷ Current Liabilities)	4.0x	1.3x	1.8x	3.1x	2.8x	1.4x	1.3x	1.5x	1.6x	1.8x	1.8x
Net Debt ÷ EBITDA	**3.4x**	**4.2x**	**2.5x**	**5.7x**	**4.3x**	**5.2x**	**4.2x**	**3.7x**	**3.5x**	**3.3x**	**2.5x**
● Short-Term Net Debt ÷ EBITDA	0.4x	2.0x	0.5x	0.4x	1.1x	2.5x	2.0x	1.1x	1.0x	0.7x	0.5x
Net Debt ÷ (EBITDA - Capex)	**-0.7x**	**-4.8x**	**7.7x**	**-0.9x**	**-1.1x**	**-3.5x**	**-4.8x**	**-7.4x**	**-11.1x**	**-22.4x**	**7.7x**
● Net Debt ÷ (EBITDA - Operational Capex)	-1.0x	19.8x	3.5x	-1.4x	-2.3x	-24.8x	19.8x	9.0x	7.6x	6.6x	3.5x
Interest Cover (EBITDA ÷ Net Financial Exp.)	**1.7x**	**4.0x**	**4.8x**	**1.7x**	**3.1x**	**4.4x**	**4.0x**	**4.0x**	**3.8x**	**4.0x**	**4.8x**
● Interest Cover (EBITDA - Op.Capes)÷Net Fin.)	-5.6x	0.9x	3.4x	-6.9x	-5.9x	-0.9x	0.9x	1.7x	1.8x	2.0x	3.4x
Avg. Debt Cost (Net.Fin.Exp. ÷ Net Debt)	**17.1%**	**5.9%**	**8.5%**	**10.2%**	**7.6%**	**4.4%**	**5.9%**	**6.7%**	**7.4%**	**7.7%**	**8.5%**

J. Financial Statements of Cosan Ltd. – US GAAP

Income Statement (In millions of U.S. dollars)	Apr'08 FY'08	Apr'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Apr'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
Net sales	**1,491.2**	**2,926.5**	**8,283.2**	**394.0**	**383.8**	**1,103.4**	**1,045.3**	**1,720.3**	**1,915.7**	**2,209.5**	**2,437.7**
(-) Cost of goods sold	(1,345.6)	(2,621.9)	(7,223.3)	(398.9)	(320.2)	(950.3)	(952.4)	(1,561.4)	(1,655.5)	(1,965.3)	(2,041.1)
(=) Gross profit	**145.6**	**304.6**	**1,059.9**	**(4.9)**	**63.6**	**153.0**	**92.8**	**158.8**	**260.1**	**244.3**	**396.6**
(-) Selling expenses	(168.6)	(213.3)	(470.3)	(53.0)	(47.9)	(67.6)	(44.7)	(102.1)	(115.1)	(128.0)	(125.2)
(-) General and administrative expenses	(115.1)	(140.1)	(271.3)	(36.3)	(34.9)	(42.2)	(26.8)	(7.9)	(62.8)	(106.7)	(93.9)
(=) Operating income (loss)	**(138.1)**	**(48.8)**	**318.3**	**(94.2)**	**(19.2)**	**43.2**	**21.4**	**48.9**	**82.3**	**9.6**	**177.6**
Operating margin	*-9.3%*	*-1.7%*	*3.8%*	*-23.9%*	*-5.0%*	*3.9%*	*2.0%*	*2.8%*	*4.3%*	*0.4%*	*7.3%*
(-) Other income (expense):											
Financial	116.8	(370.8)	203.7	26.5	(234.4)	(137.2)	(25.7)	215.7	64.1	(80.4)	4.2
Other	(3.7)	(2.3)	178.9	(3.5)	(8.1)	6.6	2.7	(7.9)	0.9	155.5	30.5
(=) Income (loss) before income taxes	**(25.0)**	**(421.9)**	**700.9**	**(71.2)**	**(261.7)**	**(87.3)**	**(1.6)**	**256.7**	**147.3**	**84.7**	**212.3**
(-) Income taxes expense (benefit)	19.8	144.7	(184.8)	23.2	94.5	(1.7)	28.7	(76.5)	(49.4)	(52.3)	(6.5)
(=) Income (loss) before equity	**(5.2)**	**(277.2)**	**516.2**	**(48.0)**	**(167.2)**	**(89.1)**	**27.1**	**180.1**	**97.9**	**32.4**	**205.8**
(±) Equity in income of affiliates	(0.2)	6.1	(10.3)	0.1	1.2	5.2	(0.3)	(1.7)	0.0	(3.8)	(4.8)
(±) Minority interest in net (income) loss	22.0	83.0	(174.0)	18.6	52.0	19.3	(6.9)	(55.8)	(34.0)	(7.3)	(77.0)
(=) Net income (loss)	**16.6**	**(188.1)**	**331.9**	**(29.3)**	**(114.1)**	**(64.6)**	**19.9**	**122.6**	**63.9**	**21.3**	**124.0**
Margin	*1.1%*	*-6.4%*	*4.0%*	*-7.4%*	*-29.7%*	*-5.9%*	*1.9%*	*7.1%*	*3.3%*	*1.0%*	*5.1%*
● **EBITDA**	**94.3**	**239.6**	**985.8**	**14.6**	**72.2**	**92.2**	**60.7**	**140.3**	**190.9**	**338.8**	**315.8**
Margin	*6.3%*	*8.2%*	*11.9%*	*3.7%*	*18.8%*	*8.4%*	*5.8%*	*8.2%*	*10.0%*	*15.3%*	*13.0%*
● **EBIT**	**(141.8)**	**(51.1)**	**497.3**	**(97.7)**	**(27.3)**	**49.9**	**24.1**	**40.9**	**83.1**	**165.1**	**208.1**
Margin	*-9.5%*	*-1.7%*	*6.0%*	*-24.8%*	*-7.1%*	*4.5%*	*2.3%*	*2.4%*	*4.3%*	*7.5%*	*8.5%*
● Depreciation and amortization	236.1	290.7	488.5	112.3	99.5	42.3	36.6	99.3	107.7	173.7	107.7

Balance Sheet (In millions of U.S. dollars)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Mar'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
Assets											
Current assets:											
Cash and cash equivalents	68.4	508.8	623.7	86.3	62.6	100.5	508.8	676.3	769.1	516.7	623.7
Restricted cash	47.2	5.1	25.3	50.7	0.1	5.1	5.1	20.5	84.1	98.8	25.3
Marketable securities	1,014.5	-	-	804.2	771.5	397.0	-	-	-	-	-
Derivative financial instruments	31.5	7.4	129.5	65.3	86.8	3.7	7.4	44.4	54.8	41.4	129.5
Trade accounts receivable, net	126.9	258.9	430.3	73.0	101.9	197.9	258.9	300.1	331.6	293.5	430.3
Inventories	337.7	477.8	587.7	577.6	680.5	709.5	477.8	589.2	861.3	1,112.3	587.7
Advances to suppliers	133.7	89.0	132.3	160.8	135.5	103.5	89.0	200.8	189.4	138.6	132.3
Deferred income taxes	-	114.6	184.1	-	-	25.7	114.6	153.2	192.8	176.8	184.1
Other current assets	103.2	66.0	49.2	99.7	132.6	158.4	66.0	69.0	56.1	54.1	49.2
	1,863.0	**1,527.5**	**2,161.9**	**1,917.6**	**1,971.5**	**1,701.3**	**1,527.5**	**2,053.5**	**2,539.3**	**2,432.2**	**2,161.9**
Noncurrent assets:											
Property, plant and equipment, net	2,018.1	2,259.4	4,146.5	2,217.3	1,738.6	1,828.8	2,259.4	3,178.1	3,554.3	3,737.0	4,146.5
Goodwill	772.6	888.8	1,362.1	823.4	623.4	1,197.3	888.8	1,464.2	1,592.5	1,624.4	1,362.1
Intangible assets, net	106.1	243.1	602.3	111.8	81.8	73.1	243.1	240.5	256.9	255.3	602.3
Accounts Receivable from Federal Government	202.8	139.7	187.4	218.4	161.8	147.7	139.7	167.3	185.1	190.3	187.4
Other non-current assets	306.4	362.6	534.8	345.3	322.0	536.5	362.6	491.7	580.5	635.0	534.8
	3,406.1	**3,893.6**	**6,833.0**	**3,716.3**	**2,927.5**	**3,783.5**	**3,893.6**	**5,541.6**	**6,169.2**	**6,442.0**	**6,833.0**
(=) Total assets	**5,269.1**	**5,421.1**	**8,994.9**	**5,634.0**	**4,899.0**	**5,484.7**	**5,421.1**	**7,595.1**	**8,708.6**	**8,874.2**	**8,994.9**
Liabilities and shareholders' equity											
Current liabilities:											
Trade accounts payable	114.4	197.2	320.0	212.0	235.8	223.7	197.2	339.8	401.3	409.3	320.0
Taxes payable	62.9	69.0	121.2	67.4	47.4	66.1	69.0	92.9	125.1	115.4	121.2
Salaries payable	47.8	40.2	79.5	75.8	67.5	33.5	40.2	78.0	101.7	76.4	79.5
Current portion of long-term debt	38.2	781.7	471.1	33.2	134.2	786.7	781.7	582.9	673.0	542.9	471.1
Derivative financial instruments	55.0	28.9	43.1	102.1	112.1	83.3	28.9	50.7	121.1	133.8	43.1
Dividends payable	-	-	24.7	-	-	-	-	-	-	-	24.7
Deferred income taxes	-	-	-	-	10.3	-	-	-	-	-	-
Other liabilities	40.8	47.6	112.0	29.4	28.5	30.2	47.6	87.1	70.7	111.0	112.0
	359.1	**1,164.7**	**1,171.5**	**519.8**	**635.7**	**1,223.6**	**1,164.7**	**1,231.5**	**1,493.0**	**1,388.8**	**1,171.5**
Long-term liabilities:											
Long-term debt	1,249.3	1,251.1	2,845.7	1,291.4	1,257.4	1,246.5	1,251.1	2,249.1	2,632.3	2,802.2	2,845.7
Estimated liability for legal proceedings	494.1	497.6	294.6	545.0	414.1	546.4	497.6	607.5	672.6	464.8	294.6
Taxes payable	170.4	151.5	381.8	181.9	133.4	187.1	151.5	184.7	178.3	220.6	381.8
Advances from customers	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	101.8	40.4	408.8	83.6	-	-	40.4	84.0	118.3	245.4	408.8
Other long-term liabilities	101.7	175.0	209.4	103.3	107.7	181.6	175.0	213.2	224.6	219.5	209.4
	2,117.4	**2,115.6**	**4,140.3**	**2,205.3**	**1,912.7**	**2,161.5**	**2,115.6**	**3,338.5**	**3,826.2**	**3,952.4**	**4,140.3**
Minority interest in consolidated subsidiaries	**796.8**	**544.5**	**1,338.9**	**839.7**	**602.8**	**530.7**	**544.5**	**1,037.8**	**1,181.8**	**1,296.7**	**1,338.9**
Shareholders' equity:											
Common stock	2.3	2.7	2.7	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	1,724.6	1,920.9	1,922.0	1,926.7	1,964.7	1,961.8	1,927.3	1,932.1
Accumulated other comprehensive income	171.8	(243.6)	167.1	273.1	(130.9)	(246.2)	(243.6)	(13.1)	146.1	188.1	167.1
Retained earnings (losses)	98.5	(89.6)	242.3	69.2	(44.9)	(109.5)	(89.6)	33.0	96.9	118.3	242.3
Total shareholders' equity	**1,995.7**	**1,596.2**	**2,344.2**	**2,069.1**	**1,747.8**	**1,569.0**	**1,596.2**	**1,987.3**	**2,207.6**	**2,236.3**	**2,344.2**
(=) Total liabilities and shareholders' equity	**5,269.1**	**5,421.1**	**8,994.9**	**5,634.0**	**4,899.0**	**5,484.7**	**5,421.1**	**7,595.1**	**8,708.6**	**8,874.2**	**8,994.9**

Cash Flow Statement (In millions of U.S. dollars)	Apr'08 FY'08	Mar'09 FY'09	Mar'10 FY'10	Jul'08 1Q'09	Oct'08 2Q'09	Jan'09 3Q'09	Mar'09 4Q'09	Jun'09 1Q'10	Se´p'09 2Q'10	Dec'09 3Q'10	Mar'10 4T'10
● **Cash flow from operating activities:**											
Net income (loss) for the year/quarter	16.6	(188.1)	331.9	(29.3)	(114.1)	(64.6)	19.9	122.6	63.9	21.3	124.0
Adjustments to reconcile net income (loss) to cash provided by operating activities:											
Depreciation and amortization	236.1	290.7	488.5	112.3	99.5	42.3	36.6	99.3	107.7	173.7	107.7
Deferred income and social contribution taxes	(52.4)	(145.3)	143.3	(31.6)	(86.7)	13.9	(40.9)	66.6	59.3	52.3	(35.0)
Interest, monetary and exchange variation	(43.7)	497.3	(131.4)	(14.5)	327.5	2.2	182.1	(136.3)	(67.9)	(57.8)	130.6
Minority interest in net income of subsidiaries	(22.0)	(83.0)	174.0	(18.6)	(52.0)	(19.3)	6.9	55.8	34.0	7.3	77.0
Others	15.2	14.5	(137.3)	9.2	5.4	(55.0)	54.9	12.2	(47.8)	(99.0)	(2.7)
	149.8	**386.1**	**869.0**	**27.5**	**179.7**	**(80.5)**	**259.5**	**220.3**	**149.3**	**97.8**	**401.6**
Decrease/increase in operating assets and liabilities:											
Trade accounts receivable, net	(57.1)	(23.7)	1.4	63.9	(63.7)	26.5	(50.5)	56.5	(8.5)	46.9	(93.6)
Inventories	(31.7)	(85.9)	126.2	(214.0)	(197.2)	96.0	229.3	88.4	(178.6)	(198.8)	415.1
Advances to suppliers	(8.4)	21.1	37.4	(16.8)	(12.1)	22.8	27.2	(38.8)	7.3	27.0	41.9
Trade accounts payable	33.7	33.4	(26.1)	90.1	54.8	(83.8)	(27.6)	24.1	30.3	0.9	(81.4)
Derivative financial instruments	90.4	4.4	(111.1)	11.3	(4.8)	56.0	(58.1)	(16.2)	57.9	25.5	(178.2)
Taxes payable	(19.6)	(17.1)	192.5	(7.9)	(5.0)	(1.2)	(2.9)	(29.3)	(29.7)	(0.6)	252.1
Other assets and liabilities, net	(99.4)	(61.8)	(278.2)	16.2	(126.6)	23.5	25.0	33.0	(12.1)	11.2	(310.3)
	(92.2)	**(129.6)**	**(58.1)**	**(57.1)**	**(354.6)**	**139.8**	**142.4**	**117.7**	**(133.3)**	**(88.0)**	**45.6**
(=) **Net cash provided by operating actitivities**	**57.6**	**256.6**	**811.0**	**(29.6)**	**(174.9)**	**59.2**	**401.9**	**338.0**	**16.0**	**9.8**	**447.2**
● **Cash flow from investing activities:**											
Restricted cash	(25.9)	29.3	(18.7)	0.1	37.4	(8.3)	0.1	(14.5)	(63.0)	(14.6)	73.4
Marketable securities	(671.0)	558.8	-	(202.4)	(123.4)	791.6	93.0	-	-	-	#VALOR!
Acquisition of property, plant and equipment	(642.9)	(606.2)	(1,081.5)	(169.3)	(143.9)	(131.7)	(161.2)	(227.0)	(211.5)	(239.6)	(403.4)
Acquisitions, net of cash acquired	(102.0)	(930.4)	(9.0)	0.8	(45.2)	(671.5)	(214.5)	(2.1)	2.1	(239.7)	230.7
Other	-	160.7	6.0	-	-	(65.5)	226.2	92.4	(8.8)	(14.1)	(63.5)
(=) **Net cash used in investing actitivities**	**(1,441.7)**	**(787.8)**	**(1,103.2)**	**(370.8)**	**(275.2)**	**(85.4)**	**(56.4)**	**(151.2)**	**(281.3)**	**(507.9)**	**#VALOR!**
● **Cash flow from financing activities:**											
Proceeds from issuance of common stock	1,118.4	200.0	-	-	196.2	0.0	3.8	-	0.7	303.7	(304.4)
Capital increase on subsidiary from minority	324.4	11.2	57.4	-	-	-	11.2	(62.2)	(0.3)	(1.3)	121.3
Dividends Paid	(44.9)	-	-	-	-	-	-	-	-	-	-
Additions of financial debt	117.5	789.5	2,020.7	-	174.5	630.4	(15.4)	88.6	596.8	996.1	339.2
Payments of financial debt	(492.1)	(111.1)	(1,839.5)	(39.8)	(26.2)	(37.1)	(8.0)	(69.2)	(351.4)	(1,064.4)	(354.5)
Other	-	(17.8)	(85.6)	-	-	-	(17.8)	-	-	-	(85.6)
(=) **Net cash provided by financing actitivities**	**1,023.3**	**871.9**	**153.0**	**(39.8)**	**344.6**	**593.4**	**(26.2)**	**(42.8)**	**245.8**	**234.0**	**(284.0)**
Effect of exchange rate changes on cash and cash	112.6	99.7	195.7	458.1	81.8	(529.2)	89.0	23.5	170.8	(46.8)	48.2
(=) **Variation in cash & equivalents**	**(248.2)**	**440.4**	**56.5**	**17.9**	**(23.7)**	**37.9**	**408.3**	**167.5**	**151.3**	**(310.9)**	**#VALOR!**
(+) Cash and cash equivalents at beginning of year	316.5	68.4	508.8	68.4	86.3	62.6	100.5	508.8	676.3	827.6	508.8
(=) **Cash and cash equivalents at end of year**	**68.4**	**508.8**	**565.2**	**86.3**	**62.6**	**100.5**	**508.8**	**676.3**	**827.6**	**516.7**	**#VALOR!**