

Financial Statements

Cosan S.A. Indústria e Comércio

March 31, 2010 and 2009

with Report of Independent Auditors

“A free translation into English of the original issued in Portuguese”

COSAN S.A. INDÚSTRIA E COMÉRCIO

FINANCIAL STATEMENTS

March 31, 2010 and 2009

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A free translation from Portuguese into English of the Report of Independent Auditors on the Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil

Report of Independent Auditors

To the Management and Shareholders of
Cosan S.A. Indústria e Comércio

We have audited the balance sheets (parent company and consolidated) of Cosan S.A. Indústria e Comércio and subsidiaries as of March 31, 2010 and 2009, and the related statement of operations, changes in shareholders' equity, cash flows and value added for the year ended March 31, 2010 and the eleven month period ended March 31, 2009, prepared under the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements.

We conducted our audits in accordance with the applicable audit standards in Brazil and included: a) the planning of works, considering the materiality of balances, volume of transactions and the accounting system and internal controls of the Company and its subsidiaries; b) the verification, based on tests, of the evidences and records supporting the amounts and accounting information disclosed; and c) the assessment of the most relevant accounting practices and estimates adopted by the management of the Company and its subsidiaries, as well as the presentation of the financial statements as a whole.

In our opinion, the financial statements represent fairly, in all material respects, the financial position of Cosan S.A. Indústria e Comércio and subsidiaries (parent company and consolidated) as of March 31, 2010 and 2009, the results of its operations, changes in shareholders' equity, cash flows and value added of operations for the year ended March 31, 2010 and the eleven month period ended March 31, 2009, in accordance with the accounting practices adopted in Brazil.

São Paulo, June 10, 2010.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP015199/O-6

Luiz Carlos Nannini
Accountant CRC 1SP171638/O-7

Antonio C. M. Lage
Accountant CRC 1MG077995/O-1-S-SP

COSAN S.A. INDÚSTRIA E COMÉRCIO

Balance sheets
March 31, 2010 and 2009
(In thousands of reais)

		Parent Company		Consolidated	
		2010	2009	2010	2009
Assets					
Current assets					
Cash and cash equivalents	Note 4	285,925	388,726	1,078,366	719,356
Restricted cash		44,972	11,757	44,972	11,757
Trade accounts receivable	Note 5	224,961	112,415	766,415	599,163
Derivative financial instruments	Note 20	238,024	17,022	230,561	17,022
Inventories	Note 6	255,643	341,490	1,046,730	1,106,185
Advances to suppliers		69,480	74,520	235,552	206,032
Related parties	Note 7	429,223	196,319	24,859	57,232
Deferred income and social contribution taxes	Note 12.b	12,680	-	76,310	42,471
Recoverable taxes		115,321	89,763	327,864	265,417
Other assets		9,369	11,285	61,166	50,279
		1,685,598	1,243,297	3,892,795	3,074,914
Noncurrent assets					
Long-term receivables					
Accounts receivable from federal government	Note 15	-	-	333,733	323,433
CTNs-Restricted Brazilian Treasury Bills	Note 13	31,234	27,356	205,657	177,626
Deferred income and social contribution taxes	Note 12.b	150,226	236,710	560,114	700,044
Advances to suppliers		4,635	3,800	63,741	48,035
Related parties	Note 7	22,160	-	81,411	-
Recoverable Taxes		2,666	4,207	45,018	21,374
Other assets		1,712	1,219	166,823	111,058
Permanent assets					
Investments	Note 8	6,125,151	4,788,932	193,123	278,209
Property, plant and equipment	Note 9	872,122	789,259	5,561,065	3,465,236
Intangible assets	Note 10	399,648	403,918	2,901,308	2,447,464
		7,609,554	6,255,401	10,111,993	7,572,479
Total assets		9,295,152	7,498,698	14,004,788	10,647,393

		Parent Company		Consolidated	
		2010	2009	2010	2009
Liabilities					
Current liabilities					
Loans and financing	Note 13	500,142	1,419,451	800,902	1,449,504
Derivative financial instruments	Note 20	76,703	66,895	76,703	66,895
Trade accounts payable		116,363	92,874	569,399	456,116
Salaries payable		48,759	29,713	141,584	93,156
Taxes and social contributions payable	Note 11	42,633	36,076	215,862	168,596
Dividends payable	Note 16.b	116,569	-	116,569	-
Related parties	Note 7	92,818	26,801	14,416	5,169
Other liabilities		68,047	39,203	182,434	85,794
		1,062,034	1,711,013	2,117,869	2,325,230
Noncurrent liabilities					
Loans and financing	Note 13	1,740,779	1,237,766	5,136,529	2,885,456
Taxes and social contributions payable	Note 11	87,645	55,410	593,505	328,760
Provision for judicial demands	Note 14	71,556	236,633	444,421	1,105,899
Related parties	Note 7	967,974	853,151	-	405,160
Actuarial liability	Note 24	-	-	61,788	60,378
Deferred income and social contribution taxes	Note 12.b	220,697	-	346,599	-
Other liabilities		34,711	38,978	146,496	139,884
		3,123,362	2,421,938	6,729,338	4,925,537
Minority shareholders' interest		-	-	47,825	30,879
Shareholders' equity					
Capital	Note 16	4,687,826	3,819,770	4,687,826	3,819,770
Capital reserves		50,626	41,655	50,626	41,655
Income reserves		374,248	-	374,248	-
Other comprehensive income		(2,944)	-	(2,944)	-
Accumulated losses		-	(495,678)	-	(495,678)
		5,109,756	3,365,747	5,109,756	3,365,747
Total liabilities and shareholders' equity		9,295,152	7,498,698	14,004,788	10,647,393

The notes are an integral part of the financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statement of income

Years ended March 31, 2010 and 2009 (11 months)

(In thousands of reais, except earnings (losses) per share)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Gross operating sales				
Sales of goods and services	2,722,619	1,685,721	16,685,884	6,732,757
Taxes and sales deductions	(139,525)	(100,530)	(1,349,829)	(462,668)
Net operating sales	2,583,094	1,585,191	15,336,055	6,270,089
Cost of goods sold and services rendered	(2,097,657)	(1,343,113)	(13,210,692)	(5,470,657)
Gross profit	485,437	242,078	2,125,363	799,432
Operating income (expenses)				
Selling expenses	(151,073)	(124,699)	(864,601)	(432,550)
General and administrative expenses	(244,005)	(132,378)	(497,153)	(275,892)
Financial, net	Note 18 433,308	(438,788)	420,353	(817,419)
Income (loss) on equity investments	Note 8 594,830	(121,974)	(18,645)	13,976
Goodwill amortization	-	(60,456)	-	(196,467)
Goodwill realized through sale	Note 8 -	-	(85,589)	-
Other operating income (expenses), net	Note 19 77,079	4,121	333,141	199,859
	710,139	(874,174)	(712,494)	(1,508,493)
Operating income (loss) before income and social contribution taxes	1,195,576	(632,096)	1,412,869	(709,061)
Income and social contribution taxes				
Current	Note 12.a -	8,698	(78,381)	(1,735)
Deferred	Note 12.a (209,081)	149,562	(355,454)	236,401
	(209,081)	158,260	(433,835)	234,666
Net income (loss) before minority interest	986,495	(473,836)	979,034	(474,395)
Minority interest	-	-	7,461	559
Net income (loss) for the year	986,495	(473,836)	986,495	(473,836)
Earnings (loss) per share – in Reais	2.43	(1.44)		

The notes are an integral part of the financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statement of changes in shareholders' equity
 Years ended March 31, 2010 and 2009 (11 months)
 (In thousands of reais)

	Capital reserve			Income reserve		Revaluation reserve		Other comprehensive	Retained earnings / (accumulated losses)	Total
	Capital	Treasury shares	Recorded granted options	Legal reserve	Reserve for new investments and renovation	Company	Subsidiaries			
Balances at April 30, 2008	2,935,268	-	-	15,954	180,210	107,742	86,626	-	-	3,325,800
Adoption of Law 11,638/07 and MP 449/08	-	-	34,368	-	-	(107,742)	(86,626)	-	(215,254)	(375,254)
Capital increase due to exercise of subscription right	880,000	-	-	-	-	-	-	-	-	880,000
Capital increase in view of Stock Option Plan	4,502	-	-	-	-	-	-	-	-	4,502
Stock purchase	-	(4,186)	-	-	-	-	-	-	-	(4,186)
Recorded granted options	-	-	11,473	-	-	-	-	-	-	11,473
Own effect over expenses with share placement at associated company	-	-	-	-	-	-	-	-	(2,752)	(2,752)
Loss in the year	-	-	-	-	-	-	-	-	(473,836)	(473,836)
Accumulated losses	-	-	-	(15,954)	(180,210)	-	-	-	196,164	-
Balances at March 31, 2009	3,819,770	(4,186)	45,841	-	-	-	-	-	(495,678)	3,365,747
Capital increase due to merger of Curupay into the company	334,172	-	-	-	-	-	-	-	-	334,172
Capital increase in view of Stock Option Plan	6,004	-	-	-	-	-	-	-	-	6,004
Capital increase due to exercise of subscription bonus	527,880	-	-	-	-	-	-	-	-	527,880
Recorded granted options	-	-	8,971	-	-	-	-	-	-	8,971
Other comprehensive income	-	-	-	-	-	-	-	(2,944)	-	(2,944)
Net income in the year	-	-	-	-	-	-	-	-	986,495	986,495
Net income allocation:										
Legal reserve	-	-	-	24,541	-	-	-	-	(24,541)	-
Minimum mandatory dividends	-	-	-	-	-	-	-	-	(116,569)	(116,569)
Reserves	-	-	-	-	349,707	-	-	-	(349,707)	-
Balance on March 31, 2010	4,687,826	(4,186)	54,812	24,541	349,707	-	-	(2,944)	-	5,109,756

The notes are an integral part of the financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statements of cash flows
Years ended March 31, 2010 and 2009 (11 months)
(In thousands of reais)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Cash flows from operating activities				
Net income (loss) for the period	986,495	(473,836)	986,495	(473,836)
Adjustments to reconcile net income (loss) for the period to cash provided by operating activities				
Depreciation and amortization	190,352	171,414	636,344	427,157
Losses (income) on equity investments	(594,830)	121,974	18,645	(13,976)
Loss (income) from disposal of permanent assets	2,669	(18,023)	(80,466)	(208,939)
Goodwill amortization and realized through sale	-	60,456	85,589	196,467
Deferred income and social contribution taxes	209,081	(149,562)	355,454	(236,401)
Recording of provision for legal claims	19,746	27,307	25,829	25,908
Minority interest	-	-	(7,461)	(559)
Recorded granted options	8,971	11,473	8,971	11,473
Net earnings from adhesion to tax payment in installments	(77,833)	-	(270,333)	-
Interest, monetary and exchange variation, net	(193,567)	594,570	(150,465)	932,529
Other	(17,852)	(8,198)	(8,283)	1,685
	533,232	337,575	1,600,319	661,508
Changes in assets and liabilities				
Trade accounts receivables	(81,633)	(54,569)	2,415	(54,856)
Inventories	104,878	(113,061)	224,698	(198,854)
Recoverable taxes	(24,017)	(31,495)	(36,572)	(76,073)
Advances to suppliers	4,205	19,585	66,542	48,831
Suppliers	23,489	33,574	(46,515)	77,389
Salaries payable	19,046	(3,270)	30,565	(15,314)
Derivative financial instruments and restricted cash	(244,409)	77,968	(231,043)	77,968
Other assets and liabilities, net	42,611	2,387	(52,575)	(93,576)
	(155,830)	(68,881)	(42,485)	(234,485)
Net cash generated from operating activities	377,402	268,694	1,557,834	427,023
Cash flows from investments activities				
Acquisition of new businesses, net of cash received and additions to investments	(45,947)	(2,644,627)	(16,041)	(1,823,587)
Advance for future capital increase	(360,716)	-	-	-
Addition to property, plant and equipment, software and other intangible assets	(292,821)	(202,583)	(1,926,123)	(1,346,118)
Cash from the sale of aviation fuel business	-	-	115,601	-
Cash from the sale of other permanent assets	725	35,302	10,613	372,060
Net cash used in investment activities	(698,759)	(2,811,908)	(1,815,950)	(2,797,645)

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statements of cash flow--Continued
 Years ended March 31, 2010 and 2009 (11 months)
 (In thousands of reais)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Cash flows from financing activities				
Loans and financing funded	1,415,120	1,232,689	3,427,928	1,478,000
Amortization of principal and interest on loans and financing, advances from customers and Promissory Notes	(1,778,897)	(120,081)	(2,846,648)	(257,169)
Capital increase	533,884	884,502	533,884	884,502
Capital increase in subsidiaries by minority shareholders	-	-	-	15,376
Purchase of treasury stock	-	(4,186)	-	(4,186)
Related parties	48,449	13,859	(498,038)	(36,633)
Net cash generated by financing activities	218,556	2,006,783	617,126	2,079,890
Net increase (decrease) in cash and cash equivalents	(102,801)	(536,431)	359,010	(290,732)
Cash and cash equivalents at the beginning of the period	388,726	925,157	719,356	1,010,088
Cash and cash equivalents at the end of the period	285,925	388,726	1,078,366	719,356
Additional cash flow information				
Interest paid on loans and financing, advances from customers and Promissory Notes	(154,234)	(100,203)	(388,854)	(171,439)
Income and social contribution taxes paid	-	(671)	(62,337)	(8,926)

The notes are an integral part of the financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statement of value added
Year ended March 31, 2010 and 2009 (11 months)
(In thousands of reais)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Revenues				
Sale of goods and services, net of returns	2,708,873	1,684,302	16,598,210	6,724,924
Other operating income, net	77,079	4,121	333,141	199,859
Reversal (recording) of allowance for doubtful accounts	(30)	(65)	(20,591)	1,069
	2,785,922	1,688,358	16,910,760	6,925,852
Inputs acquired from third-parties				
Cost of goods sold and services rendered	(1,607,579)	(902,528)	(11,659,630)	(4,440,594)
Material, energy, outsourced services and other	(231,295)	(153,836)	(882,170)	(501,965)
	(1,838,874)	(1,056,364)	(12,541,800)	(4,942,559)
Gross value added	947,048	631,994	4,368,960	1,983,293
Retention				
Depreciation and amortization	(190,352)	(171,414)	(636,344)	(427,157)
Amortization of goodwill and realized through sale	-	(60,456)	(85,589)	(196,467)
	(190,352)	(231,870)	(721,933)	(623,624)
Net value added generated	756,696	400,124	3,647,027	1,359,669
Value added received as transfer				
Equity investments	594,830	(121,974)	(18,645)	13,976
Financial revenues	12,168	908,766	78,082	751,703
	606,998	786,792	59,437	765,679
Total value added to distribute	1,363,694	1,186,916	3,706,464	2,125,348
Distribution of value added				
Payroll and charges	412,718	349,419	1,119,664	783,194
Taxes, fees and contributions	324,419	(90,949)	1,538,232	135,786
Financial expenses, rental and commercial leasing	(359,938)	1,402,282	69,534	1,680,763
Minority interest	-	-	(7,461)	(559)
Proposed dividends	116,569	-	116,569	-
Retained earnings / (accumulated losses) for the period	869,926	(473,836)	869,926	(473,836)
	1,363,694	1,186,916	3,706,464	2,125,348

The notes are an integral part of the financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements
March 31, 2010 and 2009
(In thousands of reais)

1. Operations

Cosan S.A. Indústria e Comércio (“Company” or “Cosan”), with principal place of business in the city of Barra Bonita, São Paulo, is a publicly-held Company, controlled by Cosan Limited, which holds 62.3% of its capital.

The primary activities of Cosan, and its subsidiaries are (i) the manufacturing and trading of sugar and ethanol, as well as energy cogeneration from sugarcane bagasse, (ii) the distribution of fuel and lubricants, and (iii) logistics transportation, warehousing and port lifting services.

The Company has 23 producing units, located in e São Paulo, Goiás and Mato Grosso do Sul States, with a nominal capacity of milling 60 million tons of sugarcane per year, producing varied qualities of raw and refined sugar, anhydrous and hydrated ethanol.

The Company, through its subsidiary Cosan Combustíveis e Lubrificantes S.A. (“Cosan CL”), operates in 45 fuel distribution bases and a lubricants plant in Brazil and ranks as one of the four biggest fuel distributors in the country, with a distribution network of nearly 1,700 gas stations across Brazil, which sell 5 billion liters of fuels, 93 million cubic meters of NGV and 135 thousand cubic meters of lubricants. Accordingly, the Company expanded its business model and became the first integrated renewable energy company, acting from the plantation of sugar cane to the distribution and retail sale of fuels.

Additionally, the Company provides logistics transportation, warehousing and port lifting services in the State of São Paulo through its Santos-based subsidiary Rumo Logística S.A..

In the Annual and Special Meeting held on August 29, 2008, the Company's shareholders changed the end of fiscal year to March 31 of each year. As a result, the income, changes in shareholders' equity, cash flows and value added statements for the year ended on March 31, 2009, and the related notes, which are used for comparison purposes, cover eleven (11) months' operations and therefore cannot be compared to those prepared for the year ended on March 31, 2010, which in turn represent twelve (12) months' operations.

Additionally, the same financial statements cover 4 months' of income for Cosan CL for the period of 11 months ended March 31, 2009, which began to be consolidated as of December 1, 2008, and 10 months of income for Cosan Alimentos S.A. for the year ended March 31, 2010, which began to consolidated as of June 1, 2009.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

1. Operations (Continued)

During the year ended on March 31, 2010, the Company and its subsidiaries performed the following transactions:

a. Novo Rumo Logística S.A.

Pursuant to a certain shareholders' agreement entered into in April 2008, port concessions and assets used in sugar export operations of the Company and of Rezende Barbosa S.A. Administração e Participações ("Rezende Barbosa"), including Teaçu Armazéns Gerais S.A. ("Teaçu"), were transferred to Novo Rumo Logística S.A. ("Novo Rumo"), an indirect subsidiary of the Company. Please see Note 8 for further details of this transaction.

b. Operating partnership between Rumo Logística S.A. ("Rumo") and ALL – América Latina Logística S.A. ("ALL")

On March 5, 2009, Rumo and ALL announced an agreement for the expansion of their rail transportation capacity. This arrangement anticipates investments to be made by Rumo in railway-related assets (locomotives, rail cars and expansion of the railway network) in the amount of approximately R\$875,000. According to the agreement, this expanded capacity will be operated by ALL and used primarily for providing transportation services for sugar or other solid sugar cane commodities. This agreement is set to be in force until 2028.

c. Curupay Participações S.A.

In June 2009, the Company's shareholders approved at the extraordinary general meeting the acquisition of Curupay S.A. Participações ("Curupay"), a subsidiary of Rezende Barbosa at the time, through issuance of 44,300,389 shares of common stock in the amount of R\$334,172. Please see Note 8 for further details of this transaction.

d. Sale of Aviation Fuel Business to Shell do Brasil Ltda.

In June 2009, Cosanpar Participações S.A. ("Cosanpar"), a subsidiary of the Company, sold to Shell its assets in aviation fuel businesses. Please see Note 8 for further details of this transaction.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

1. Operations (Continued)

e. Santos Ethanol Export Terminal (“TEAS”)

In November 2009 the Company acquired the controlling interest in TEAS for the sum of R\$20,002, resulting in an stake of 66.67% in the entity’s voting and total stock. Please see Note 8 for further details of this transaction.

f. Logisport Armazéns Gerais S.A. (“Logisport”)

In November 2009, Cosan, through its subsidiary Rumo, acquired a 14.28% equity interest in Logisport for the total amount of R\$19.992. Please see Note 8 for further details of this transaction.

g. Acquisition of Petrosul Gas Station Chain

In December 2009 the Company entered into a purchase and sale agreement in the estimated amount of R\$51,000 for the acquisition of 46 gas stations.

h. Shell Joint Venture

In February 2010 the Company signed a non-binding memorandum of understanding together with Shell International Petroleum Company Ltd. (“Shell”) which will be valid for 180 days, whereby both companies plan to pool the Company’s sugar and ethanol assets and distribution facilities with Shell’s distribution facilities in Brazil. Pursuant to this non-binding memorandum of understanding, Shell will make a capital contribution in the amount of approximately US\$1.6 billion (equivalent to R\$2,900,000 at the exchange rate of March 31, 2010) within two years. This agreement will become official upon certain requirements being met and the conclusion of negotiations.

2. Basis of preparation and presentation of the financial statements

The Company’s financial statements for the year ended March 31, 2010 and 2009, were prepared based on the accounting standards adopted in Brazil and on the rules issued by the Brazilian Securities and Exchange Commission (“CVM”), observing the accounting guidelines set forth in the corporate law (Law N° 6404/76) which include the new provisions established, amended and repealed by Laws 11638/07 and 11941/09, as well as standards, guidelines and interpretations issued by the Accounting Standards Board (“CPC”). These financial statements were approved by the Company’s Board of Directors on June 7, 2010.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

2. Basis of preparation and presentation of the financial statements (Continued)

During 2009 the CPC issued, and CVM approved, several standards, interpretations and guidelines requiring companies to present new financial statements for the comparative year. These standards are mandatory only for fiscal years beginning on or after January 1, 2010 with the requirement to present comparative figures.

As an alternative, the Company could have adopted the standards applicable to fiscal years beginning on or after January 1, 2010, for the accounting period ended as early as March 31, 2010, provided it did so for the entirety of the earlier period. The Company elected not to apply the aforementioned standards for the relevant financial statements. The Company hereinafter presents brief descriptions that to the best of its understanding will explain potential significant changes in relation to the accounting principles previously adopted for financial statements as of March 31, 2010, and also comparative periods. Additionally, below is some information that according to the Company's management may have significant impacts on the Company's financial statements as a result of future transactions.

- CPC 15 – Business Combinations, approved in CVM Statement No. 580 dated July 31, 2009

This standard essentially sets forth principles and requirements applicable to an acquiring entity taking part in a combination of businesses.

The Company anticipates that the disclosed figures relating to the acquisition of Teaçu and Curupay will change when this standard, which introduces a new technique that measures goodwill as expected future earning power, is applied retroactively to April 1, 2009, as a result of measuring the net assets of Teaçu and Curupay at the fair value of acquired assets and liabilities (including any identified intangible assets), as well as in view of the measurement of the relevant payment methods used. Therefore, as it will be eliminated, against shareholders' equity, goodwill deriving from minority interest when there is no change in control.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

2. Basis of preparation and presentation of the financial statements (Continued)

- CPC 16 – Inventories, approved in CVM Statement No. 575 dated June 5, 2009

This standard essentially establishes how to recognize, measure, and reduce inventories to their net realizable value, as well as certain criteria related to costing, manner of allocating costs to results and the requirement to disclose inventory information in notes to financial statements.

The Company does not anticipate the cited standard will have any significant impact on its financial statements, as its inventory-related accounting practices are aligned with those set forth in the cited CPC standard, except that agricultural produce from sugar cane plantations will comply with CPC 29 – Biological Assets and Agricultural Produce.

- CPC 20 – Loan Costs, approved in CVM Statement No. 577 dated June 5, 2009

This standard sets forth a method of accounting for loan costs susceptible of being capitalized in the cost of certain assets deemed eligible, and which are directly attributable to the acquisition, building or manufacture of such assets.

The Company does not capitalize loan costs directly attributable to eligible assets. Thus, the aforementioned standard may have some impact on the Company's financial statements depending on what option will be evaluated by the Company's management in 2010.

- CPC 22 – Segment Reporting, approved in CVM Statement No. 582 dated July 31, 2009

This standard requires that the Company will disclose financial information segregated by its operating segments.

The Company's management has already elected to include in the financial statements additional information and metrics related to assets, liabilities, and results identified for each of the Company's operating segments. Such information is included in these financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

2. Basis of preparation and presentation of the financial statements (Continued)

- CPC 24 – Subsequent Event, approved in CVM Statement No. 593 dated September 15, 2009

The most significant impact resulting from application of this standard regard accounting for dividends. According to this standard, at the end of each fiscal year the Company must recognized as liability only the minimum mandatory dividend as provided for in its by-laws.

By adopting this standard, any dividends in excess of minimum mandatory dividends will be recorded as liabilities, to the extent such additional dividends are approved by the Company's authorized bodies.

- CPC 26 – Presentation of Financial Statements, approved in CVM Statement No. 595 dated September 15, 2009

This standard sets out the basis for presentation of financial statements by establishing general presentation requirements, financial statement structuring guidelines and the minimum level of information to be included in an entity's financial statements.

Two new requirements were introduced in relation to the prior standard: (i) disclosure of comprehensive income (loss) and (ii) disclosure of three balance sheets in situations where the Company employs accounting policies retroactively or restate its financial statements.

- CPC 27 – Property Plant and Equipment, approved in CVM Statement No. 583 dated July 31 2009

This standard sets out the accounting treatment applicable to property, plant and equipment, specially with regard to (i) recognition of such assets, (ii) their measurement, (iii) manner of determining depreciation and (iv) devaluation losses, and includes a (v) requirement to disclose such asset's information in notes to financial statements.

The Company is still reviewing whether or not the aforementioned standard will have any significant impact on its financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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2. Basis of preparation and presentation of the financial statements (Continued)

- CPC 29 – Biological Assets and Agricultural Produce, approved in CVM Statement No. 596 dated September 15, 2009

This standard sets out the accounting treatment and financial statement disclosure rules for biological assets and agricultural produce, particularly with regard to the manner of measurement. Such assets are measured at their transformation-date fair value, with immediate impact on income.

The Company anticipates this standard to have a significant impact on its financial statements, since its current accounting policy regarding biological assets and agricultural produce (represented by sugar cane plantations and harvests) is at considerable variance with the accounting policy established by this Technical Pronouncement.

Below is a brief description of the main expected impacts:

- i) Change in the manner of recognizing gains and losses by using fair value instead of formation historical cost.
 - ii) Changes in performance metrics on account of the above-described recognition method, since fair value will introduce volatility to income.
 - iii) Significant increase in disclosure levels in notes to financial statements.
 - iv) Impacts on dividend policy.
- CPC 37 – First-Time Adoption of International Accounting Standards, approved in CVM Statement No. 609 dated December 22, 2009, and CPC 43, Initial Application of CPC Standards 15 through 40, approved in CVM Statement No. 610 dated December 22, 2009

The goal of CPC Standard No. 37 is to establish guidelines to ensure that financial statements are prepared in accordance with international accounting rules set forth by the International Accounting Standards Board (IASB).

These CPCs introduce new exemptions that can impact the Company's financial statements, especially with regard to Property Plant and Equipment and pension plans.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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2. Basis of preparation and presentation of the financial statements (Continued)

- CPC 38, 39 and 40 – Financial Instruments: Recognition, Measurement, Presentation and Disclosure, approved in CVM Statement No. 604 dated November 19, 2009

CPC 38 – Financial Instruments: Recognition and Measurement

This standard sets out rules governing recognition and measurement of transactions involving financial instruments, including derivatives.

CPC 38 introduces an array of new concepts that were not present in CPC 14. The main items not covered in CPC 14 are embedded derivatives, non-recognition of financial assets and liabilities and provision for impairment losses.

The Company does not anticipate the aforementioned standard will have any significant impact on its financial statements.

CPC 39 – Financial Instruments: Presentation

This standard sets out principles applicable to the presentation of financial instruments as either net assets or liabilities and to the offsetting of financial assets and liabilities.

The Company does not anticipate the aforementioned standard will have any significant impact on its financial statements.

CPC 40 – Financial Instruments: Disclosure

This standard introduces a requirement covering disclosure of financial instruments with sufficient level of detail in order to establish the relevance of such instruments relative to an entity's asset and financial position.

The Company does not anticipate the aforementioned standard will have any significant impact on the disclosure of financial instrument information in its financial statements.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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(In thousands of reais)

3. Summary of Significant Accounting Policies

a) Revenue Recognition

Income from operations is determined in conformity with the accrual accounting method. Sales revenues are reported as gross figures, that is, they include taxes levied and discounts applied on said revenues, which are presented as contra-revenue accounts. Revenue derived from sales of products is recognized in the income when a product is delivered, and all risks and benefits are transferred, to the purchaser. Revenue derived from sales of services is recognized in the income when services are effectively provided by the Company.

b) Conversion of Balances Expressed in Foreign Currency

(i) Functional Currency and Currency of Financial Statement Presentation

The Company's functional currency is the Brazilian real, which is also the currency used for presentation of both parent (Company) and consolidated financial statements. The financial statements of each consolidated subsidiary and those used as basis for investment appraisal using the equity accounting method are prepared using the functional currency of each company.

Assets and liabilities of foreign subsidiaries are translated into Brazilian reais at year-end exchange rates while income and expenses are translated using average-for-the-year exchange rates. The effects of this currency translation are recorded in the shareholders' equity of each such subsidiary.

(ii) Transactions Expressed in Foreign Currency

Money assets and liabilities denominated in foreign currency are translated to Brazilian reais using the prevailing exchange rate at each respective subsidiary's year end. The results of converting these assets and liabilities at the exchange rate prevailing on the date of each transaction and at the exchange rate prevailing on each respective year end are recognized as either financial income or expense on the statement of income.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

3. Summary of Significant Accounting Policies (Continued)

c) Financial Instruments

Financial instruments are recognized only at the date on which the Company becomes a party to the relevant financial instrument agreement. When recognized, financial instruments are initially recorded at their fair value plus any transaction costs directly attributable to their acquisition or issuance, except that for financial assets and liabilities recorded at fair value through income, such costs are allocated directly in the year's statement of income. Subsequent measurement of such assets and liabilities occurs at each year end in accordance with the rules applicable to each financial asset and liability classification category as follows:

Financial assets: These assets are classified into one of the following categories based on the nature of each financial instrument contracted or issued:

- (i) *Financial Assets Measured at Fair Value Through Profit and Loss*: These include financial assets maintained for negotiation and assets designated at initial recognition at fair value through income. Assets are classified as maintained for negotiation if they originate for the purpose of being sold or repurchased in the short term. Derivatives also are measured at fair value through income, save for those designated as hedge instruments. Interest, inflation adjustments, exchange variations and variations resulting from valuation at fair value are recognized on the statement of income when incurred in either the financial revenue or expense line.
- (ii) *Investments Held to Maturity*: Non-derivative financial assets with fixed payments or determinable payments with defined maturity for which the Company has a firm intent and ability to maintain until the maturity date. Interest, inflation adjustments, exchange variations, less impairment losses, where applicable, are recognized on the statement of income when incurred in either the financial revenue or expense line.
- (iii) *Receivables*: Non-derivative financial assets with fixed or determinable payments, however not listed in an active market. Interest, inflation adjustments, exchange variations, less impairment losses, where applicable, are recognized on the statement of income when incurred in either the financial revenue or expense line.

The main financial assets recognized by the Company are cash and cash equivalents, trade notes receivable, derivative financial instruments and a loss and damages award.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

3. Summary of Significant Accounting Policies (Continued)

c) Financial Instruments (Continued)

Financial liabilities: These liabilities are classified into one of the following categories based on the nature of each financial instrument contracted or issued:

- (i) *Financial Liabilities Measured at Fair Value Through Profit and Loss*: These include financial liabilities usually traded before maturity, liabilities designated at initial recognition at fair value through income and derivatives, except derivatives designated as hedge instruments. Interest, inflation adjustment, exchange variations and variations resulting from valuation at fair value, where applicable, are recognized in the income when they are incurred.
- (ii) *Financial Liabilities not Measured at Fair Value*: These include non-derivative financial liabilities not usually traded before maturity. Interest, inflation adjustment and exchange variations, where applicable, are recognized in the income when they are incurred.

The main financial liabilities recognized by the Company are loans and financings, vendor accounts payable and derivative financial instruments.

Market Value: The market value of financial instruments actively traded in organized markets is determined based on their listed prices at year end. Where no active markets exist, the market value is determined through certain valuation techniques. These techniques include using recent arm's length market transactions, reference to the market value of similar financial instruments, discounted cash flow analysis or other valuation methods.

d) Cash and Cash Equivalents

These include checking account balances and investments callable within 90 days from investment date, recorded at their cost plus any earnings accrued until year end, and for which there is negligible risk that any change in value will not exceed their market values.

Investments deemed as cash equivalents are mainly classified in the "financial assets measure at fair value through income" category. Please see Note 4 for further details on such investments.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

3. Summary of Significant Accounting Policies (Continued)

e) Trade Accounts Receivables

These include customer receivables and are reduced to their likely realization value by use of an allowance. This allowance for doubtful accounts is established at such amount as the management deems sufficient to compensate for any losses in collecting accounts receivable.

f) Inventories

Inventories are valued at average acquisition or production cost, however not to exceed the market value. Provisions for obsolete or slow-moving inventories are established whenever the management deems necessary.

During the period in which sugar cane plantations are developing, the associated costs are recorded in a fixed asset account. After this development period, annual plantation upkeep costs are considered in the current year's upkeep costs, as crops, together with harvesting costs, plant depreciation and allocated overhead costs. Annual upkeep costs include tillage, spraying, trimming and fertilizer costs, which are allocated to production costs based on the amount of sugar cane that is crushed during the harvest season.

At Cosan harvest begins in March and April each year and usually ends in November or December. Significant maintenance activities are performed from January through March.

g) Investments

The Company's investments in controlled and subsidiary companies are valued by the equity pickup method. Other investments are valued at acquisition cost less a devaluation allowance, where applicable. Equity interests held in direct subsidiaries Cosan International Universal Corporation and Cosan Finance Limited, in indirect subsidiaries CCL Finance Limited and America Trading Investments S.A., and in affiliate Vertical UK LLP are valued against each respective financial statements, adjusted to accounting principles generally accepted in Brazil.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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3. Summary of Significant Accounting Policies (Continued)

h) Property Plant and Equipment

Property, plant and equipment are stated at the acquisition or building cost, net of tax credits. Depreciation of assets is computed using the straight-line method down to such residual values as are estimated using rates that take into account the useful lives described in Note 9.

Formation costs of sugar cane plantations are stated at cost and amortized over a 5-year period.

Cosan schedules and performs maintenance work on its facilities on a yearly basis. Maintenance work is carried out from January through March, during which period Cosan will inspect its equipment for defective components and perform replacements as applicable. Primary maintenance costs include labor, materials, and contractor costs, as well as overhead expenses allocated during the harvest off-season. Cosan uses the built-in overhaul method to account for the annual costs of primary maintenance activities. Thus, the estimated share in the total cost of a given piece of equipment that needs to be replaced every year is recorded as part of the cost of that particular piece of equipment and depreciated over the next harvest season. Replacements then occur during annual scheduled maintenance activities. Regular maintenance costs are expensed as incurred since replaced components do not enhance crushing capacity nor introduce any improvements to equipment.

The Company recognizes impairment of long-lived assets when certain events or changes in asset circumstances indicate that the carrying amount of an asset, or of a group of assets, may not be recoverable.

i) Leasing

Financial lease agreements are recognized as Property Plant and Equipment and in liabilities as loans and financings, at the least of either the present value of minimum contractual mandatory repayments or the asset's fair value. Amounts recorded as Property Plant and Equipment are depreciated over the asset's estimated useful life or the lease agreement term, whichever is shorter. Implied interest on loans and financings recognized in liabilities are recognized in the income according to each agreement term using the actual interest rate method.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

3. Summary of Significant Accounting Policies (Continued)

i) Leasing (Continued)

Operating lease agreements are recognized as expense consistently on such basis that represents the period during which the intended benefit is obtained from the leased asset, even if the relevant payments are not made on such basis.

j) Intangibles

Any expected future earning power (goodwill) generated from investment acquisitions occurred by or before March 31, 2009, were amortized on a straight-line basis over 5 to 10 years until the foregoing date. Beginning on April 1, 2009, goodwill ceased to be amortized and is now subject to an annual test for impairment.

On March 31, 2009, software license rights and other intangibles were reclassified from the Property Plant and Equipment account to intangible assets in the amounts of R\$26,475 and R\$28,711, respectively for the parent and consolidated statements, and were amortized using the straight-line over their useful lives.

k) Impairment Review

Management reviews the net carrying amount of assets yearly for the purpose of identifying events or changes in economic, operating or technological circumstances that may indicate deterioration or impairment. Where evidence of such events is present and the net carrying amount exceeds the recoverable value of an asset, a provision is established for impairment and the net carrying amount is adjusted to the recoverable value. The counter-entry to this provision is classified in other operating expenses.

l) Other Current and Non-Current Assets

Other assets are recognized when it is likely that the future benefits of an asset will accrue to the Company and its cost and value can be reasonably measured. These assets are presented in accordance with the timing and value of realization, including, where applicable, any earnings, inflation adjustments and exchange variations.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

3. Summary of Significant Accounting Policies (Continued)

m) Liabilities

A liability is recognized when it results from a legal obligation of the Company or from past events and it is likely that funds will be required to settle the same. Some liabilities are inherently uncertain with regard to term and amount, and are thus estimated as incurred and accounted for in a provision. Provisions are recorded based on best estimates of the associated risks.

n) Stock-Based Compensation

The senior management of the Company receive a portion of their compensation in the form of stock-based compensation, the settlement of which is also made in stock. The costs of such transactions are recognized in the income over the period in which an officer rendered its services to the Company, being also offset against a capital reserve and measured at fair value. This fair value is measured at stock plan award time and is not subject to any subsequent changes whatsoever.

o) Taxation

Sales revenues are subject to taxation in accordance with the prevailing applicable Brazilian laws.

Relevant taxes are stated as deductions from sales in the income statement. Specifically, credits generated by non-cumulative PIS/COFINS are reported as reducing the cost of products sold in income statements. No tax is levied on export revenues nor on the income of direct subsidiaries Cosan International and Cosan Finance, and of indirect subsidiaries CCL Finance Limited and America Trading Investments, S.A.

Income taxation includes both the income tax and a social security contribution. Income tax is levied at the rate of 15%, plus a 10% surcharge on any income that exceeds R\$240 in a period of 12 months, while the social security contribution is levied at the rate of 9%, on taxable income recognized on an accrual basis. Deferred taxes relative to tax losses, the social security negative taxable basis and interim differences are reported in current and non-current assets and calculated by the rates prevailing at realization time, as well as reviewed yearly. These tax credits are recognized only to the extent it is likely that a taxable basis will exist against which interim differences may be used.

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Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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3. Summary of Significant Accounting Policies (Continued)

o) Taxation (Continued)

Advance tax payments or amounts subject to offsetting are reported in current and non-current assets, in accordance with their estimated realization.

p) Loans and Financing

Loans and financings are updated against inflation adjustments or exchange variations, as applicable, and include any interest accrued by or before year end.

q) Adjustment of Assets and Liabilities to Present Value

Long-term money assets and liabilities are adjusted to their present value, while short-term assets and liabilities are adjusted when the impact of such adjustment is deemed significant with regard to the combined financial statements. Adjustment to present value is calculated considering contractual provisions and explicit, and in certain situations, implicit, interest rate of each respective asset and liability. If relevant, this interest is reassigned to financial expense and income lines on the income statement.

r) Accounting Estimates

The Company and its subsidiaries employ estimates for the purpose of measuring and recognizing certain assets and liabilities in their financial statements. Computation of such estimates takes into account experience learned with past and current events, assumptions regarding future events and other criteria, both objective and subjective. Significant estimates include determination of useful lives of fixed and intangible assets; allowance for doubtful accounts; provision for inventory losses; provision for investment losses; impairment testing of fixed and intangible assets; expected realization of deferred income tax and social security contribution; rates and periods employed in determining the present value adjustment for certain assets and liabilities; provision for court decisions and actuarial liabilities; measurement of the fair value of stock-based compensation and financial instruments; recognition and measurement of development costs classified in intangible assets; and estimates concerning disclosure of sensitivity analysis schedule for derivative financial instruments in conformity with CVM Statement No. 475/08.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

3. Summary of Significant Accounting Policies (Continued)

r) Accounting Estimates (Continued)

Settlement of transactions involving the foregoing estimates may result in figures significantly different from those reported on financial statements on account of inherent inaccuracies of the estimation process. The Company reviews its estimates and underlying assumptions from time to time.

s) Income (Loss) per Share

Income (loss) per share is calculated taking into account the number of outstanding shares at year end.

t) Consolidation of Financial Statements

The consolidated financial statements include financial information of the Company and of its subsidiaries and were prepared in conformity with basic consolidation principles. The consolidation process includes the following steps: (i) Intercompany assets and liabilities are eliminated; (ii) Equity investments in subsidiaries, proportionate to the parent company interest in the shareholders' equity of subsidiaries, are eliminated; (iii) Intercompany revenues and expenses are eliminated; and (iv) Significant unearned intercompany income is eliminated, when relevant.

The fiscal years of consolidated entities reflect that of the Company, or the effects determined as of March 31, 2010, were considered for consolidation purposes. Accounting policies were applied consistently at consolidated entities and in keeping with the policies used in the precedent year.

Special purpose entities are consolidated when their relationship with the Company denotes that the former are controlled by the latter. Control is evidenced, among others, by an assessment of the Company's exposure to risks associated with, and benefits generated by the relevant entity.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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3. Summary of Significant Accounting Policies (Continued)

t) Consolidation of Financial Statements (Continued)

The main consolidated companies are listed below:

	Direct and indirect interest as of	
	03/31/10	03/31/09
Administração de Participações Aguassanta Ltda.	91.5%	91.5%
Cosan S.A Açúcar e Álcool ("Cosan Açúcar e Álcool") (1)	99.6%	99.6%
Águas da Ponte Alta S.A.	99.6%	99.6%
Vale da Ponte Alta S.A.	99.6%	99.6%
Agrícola Ponte Alta S.A.	99.6%	99.6%
Cosan Centroeste S.A. Açúcar e Álcool	99.6%	99.6%
Barra Bioenergia S.A.	99.6%	99.6%
DaBarra Alimentos Ltda.	99.6%	99.6%
Bonfim Nova Tamoio – BNT Agrícola Ltda.	99.6%	99.6%
Benálcool Açúcar e Álcool S.A.	99.6%	99.6%
Barrapar Participações Ltda.	99.6%	99.6%
Aliança Indústria e Comércio de Açúcar e Álcool S.A.	99.6%	99.6%
Cosan Distribuidora de Combustíveis Ltda.	99.9%	99.9%
Cosan S.A. Bioenergia	100.0%	100.0%
Cosan International Universal Corporation	100.0%	100.0%
Cosan Finance Limited	100.0%	100.0%
Grançucar S.A. Refinadora de Açúcar	100.0%	100.0%
Cosanpar Participações S.A. (4)	-	100.0%
Cosan Combustíveis e Lubrificantes S.A.	100.0%	-
Copsapar Participações S.A.	90.0%	90.0%
Novo Rumo Logística S.A.	92.9%	-
Rumo Logística S.A.	92.9%	-
Cosan Operadora Portuária S.A.	92.9%	92.9%
Teaçú Armazéns Gerais S.A.	92.9%	-
Teas Terminal Exportador de Álcool de Santos S.A. (3)	66.7%	32.0%
Pasadena Empreendimentos e Participações S.A. (5)	-	-
Cosan Alimentos S.A.	100.0%	-

(1) Previously known as Usina da Barra S.A. Açúcar e Álcool;

(2) Formerly Nova América S.A. – Agroenergia;

(3) Holding increase with shareholding acquisition (Note 8).

(4) On June 23, 2009, the controlling Cosanpar Participações S.A. was merged into Cosan CL; and

(5) Special purpose entity, controlled by the Company

4. Cash and cash equivalents

	Parent Company		Consolidated	
	2010	2009	2010	2009
Cash	247	40	384	125
"Overnight" investments	-	-	50,470	67,137
Bank checking accounts	1,767	44,081	22,740	74,586
Amounts pending foreign exchange closing	125,882	46,776	127,755	48,969
Marketable securities	158,029	297,829	877,017	528,539
	285,925	388,726	1,078,366	719,356

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

4. Cash and cash equivalents (Continued)

The balance of Overnight investments refers to financial investments in US dollars made with highly-rated banks, are remunerated according to the Federal Funds rate and may be promptly redeemed.

Amounts pending foreign exchange closing refer to receipts of funds in foreign currency from customers located abroad, whose foreign exchange closing with the applicable financial institutions had not occurred as of the balance sheet date.

The balances of Marketable Securities mainly correspond to investments in Bank Deposit Certificates – CDB, allowing immediate redemption, are made with highly-rated banks and accrue in average 101.49% of the Interbank Deposit Certificate - CDI.

5. Trade accounts receivable

	Parent Company		Consolidated	
	2010	2009	2010	2009
Domestic	97,930	39,125	675,008	485,518
International	127,837	74,066	148,655	162,822
(-) Allowance for doubtful accounts	(806)	(776)	(57,248)	(49,177)
	224,961	112,415	766,415	599,163

6. Inventories

	Parent Company		Consolidated	
	2010	2009	2010	2009
Finished goods:				
Sugar	10,050	56,328	93,610	109,265
Ethanol	17,194	78,661	56,232	200,980
Fuels and lubricants	-	-	286,461	274,430
Harvest costs	171,331	158,450	434,046	386,529
Supplies and other	63,851	57,907	221,641	158,083
Provision for inventory realization and obsolescence	(6,783)	(9,856)	(25,260)	(23,102)
	255,643	341,490	1,046,730	1,106,185

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

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7. Related parties

	Assets			
	Parent Company		Consolidated	
	2010	2009	2010	2009
Cosan Açúcar e Álcool S.A.	276,121	78,026	-	-
Cosan Alimentos S.A.	122,679	30,382	-	30,382
Cosanpar Participações S.A.	-	33,013	-	-
Pasadena Empreendimentos e Participações S.A.	22,160	-	-	-
Cosan Combustíveis e Lubrificantes S.A.	-	37,580	-	-
Rezende Barbosa S.A. Administração e Participações	-	-	87,071	-
Other	30,423	17,318	19,199	26,850
	451,383	196,319	106,270	57,232
Current	(429,223)	(196,319)	(24,859)	(57,232)
Noncurrent	22,160	-	81,411	-

	Liabilities			
	Parent Company		Consolidated	
	2010	2009	2010	2009
Cosan Finance Limited	668,395	872,128	-	-
CCL Finance Limited	317,844	-	-	-
Cosan Limited	-	-	-	405,871
Cosan Combustíveis e Lubrificantes S.A.	38,537	-	-	-
Logisport Armazéns Gerais S.A.	-	-	11,244	-
Other	36,016	7,824	3,172	4,458
	1,060,792	879,952	14,416	410,329
Current	(92,818)	(26,801)	(14,416)	(5,169)
Noncurrent	967,974	853,151	-	405,160

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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7. Related parties (Continued)

	Parent Company		Consolidated	
	2010	2009	2010	2009
Asset balance transactions				
Fund remittances, net of receipts and credit assignments	1,168,717	688,677	(150,841)	(561,019)
Payment for capital of subsidiaries by means of wire transfers and advance for future capital increase	-	(1,351,257)	-	-
Sales of finished products, inputs and services (1)	171,238	143,867	-	-
Purchases of finished products, inputs and services (1)	(834,126)	(265,283)	-	-
Sales of finished products, inputs and services to affiliate and related companies	89,985	108,015	255,944	283,337
Purchase of finished products, inputs and services from direct and indirect subsidiaries	-	-	(147,255)	-
Sale of property to related company	-	32,337	-	32,337
Sale of equity interests to affiliate company	-	-	-	286,272
Merged assets	-	-	73,229	-
Financial revenues	19,966	248,848	17,961	-
	<u>255,064</u>	<u>(394,796)</u>	<u>49,038</u>	<u>40,927</u>
Liability balance transactions				
Fund raising (payments)	7,202	(77,172)	5,035	(6,251)
Export per-payment financing	321,755	-	-	-
Debt assignment (payment) with associated companies	-	-	(322,333)	413,158
Financial expense (revenue)	(148,117)	312,820	(78,615)	3,422
	<u>180,840</u>	<u>235,648</u>	<u>(395,913)</u>	<u>410,329</u>

(1) It consists of operations carried out between Cosan's direct and indirect subsidiaries included in the consolidation.

The purchase and sale transactions are carried out at prices and under conditions similar to those existing in the market.

The credit balance of Cosan S.A Açúcar e Álcool as of March 31, 2010, corresponds to funds remitted to its indirect subsidiary Cosan Centroeste S.A., which remittances were made for account and at the order of such subsidiary and which bear no interest.

On January 21, 2010, Pasadena Empreendimentos and Participações S.A. ("Pasadena") was incorporated. Pasadena was formed with the specific purpose of managing the gas station chain acquired by the Company. As of March 31, 2010, the Company had made advances in the amount of R\$22,160 under a purchase and sale agreement covering 46 gas stations, of which 9 stations had already been acquired.

The receivable of Cosan Alimentos S.A. essentially relates to advances made for a future capital increase in that company. These advances do not accrue interest.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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7. Related parties (Continued)

The receivable of Cosanpar and of its direct subsidiary Cosan CL as of March 31, 2009, essentially related to loan transactions for the reimbursement of expenses incurred in the transition process regarding acquisition of Cosan CL. The foregoing balances did not accrue interest. In the course of the period ended on March 31, 2010, both balances were settled with the proceeds of the sale of Jacta (see Note 8) by Cosan CL. Since these amounts exceeded the balances previously owed to Cosan, the latter became a debtor of Cosan CL. The balance resulting from the transactions, which was also maintained as loan, does not accrue interest.

The receivable from Rezende Barbosa S.A. Administração e Participações (“Rezende Barbosa”) is related to credits assumed by that company, in connection with the acquisition of Cosan Alimentos.

The balance payable to Cosan Finance Limited refers to future sugar export prepayment loan agreements to be settled in 2014, 2015 and 2016, which are subject to the US dollar exchange variation and Libor annual interest rate, plus spread from 4.75% to 4.85% per year.

The balance payable to CCL Finance Limited refers to prepayment contracts for future sugar exports to be settled in 2014, which is subject to US Dollar exchange variation and annual interest of 9.5%.

The amount payable to Cosan Limited concerned floating rate notes issued by Cosan CL in the amount of US\$175.000 with maturities in 2018. These notes bore variable interest at a rate equal to the 3-month Libor rate plus 2.8% per annum, payable on a quarterly basis. Cosan CL prepaid this debt fully in the course of the period ended on March 31, 2010, using funds raised through *senior notes with maturities* in 2014 (see Note 13).

The balance payable to Logisport Armazéns Gerais S.A. (“Logisport”) refers to the outstanding payment of interest acquired, the details of which are described in Note 8.

At March 31, 2010, the Company and its subsidiary Cosan Açúcar e Álcool were lessees of approximately 68,000 hectares of related companies land (unaudited information). Furthermore, following the merger of Cosan Alimentos in June 2009, the Company has acquired 2,784 thousand metric tonnes of sugar cane from Rezende Barbosa. These operations are carried out under conditions and prices similar to those prevailing in the market, calculated based on sugarcane tons per hectare, valued in accordance with the price established by CONSECANA.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

8. Investments

(i) At March 31, 2010

	Investees		Parent Company		
	Shareholders' equity	Year income	Equity interest %	Investor Investments	Equity pickup
Administração de Participações Aguassanta Ltda.	141,833	15,064	91.5	129,382	13,783
Cosan S.A. Açúcar e Alcool	2,887,100	307,251	95.1	2,744,968	292,125
TEAS – Terminal Exportador de Alcool de Santos S.A. (4)	47,730	1,302	66.7	39,121	505
Cosan S.A. Bionergia	131,634	(4,654)	100.0	131,634	(4,653)
Cosan International Universal Corporation	607	(9,488)	100.0	607	(9,488)
Cosan Finance Limited	23,179	1,137	100.0	23,179	1,137
Radar Propriedades Agrícolas S.A.	818,417	19,316	18.9	154,836	1,816
Cosanpar Participações S.A. (1)	-	-	-	-	72,212
Copsapar Participações S.A.	193,158	(4,762)	90.0	173,842	(4,286)
Cosan Combustíveis e Lubrificantes S.A.	1,914,287	228,201	100.0	1,914,261	155,926
Novo Rumo Logística S.A.	270,383	(18,473)	28.8	77,924	3,043
Cosan Alimentos S.A. (2) (3)	251,717	93,608	100.0	715,385	93,608
Other investments	-	-	-	20,012	(20,898)
				<u>6,125,151</u>	<u>594,830</u>

(1) Merged by Cosan Combustíveis e Lubrificantes S.A. on June 23, 2009;

(2) Ten-month period ended on March 31, 2010;

(3) Includes the amounts of R\$360,761 and R\$102,952 concerning an advance for future capital increase and goodwill in the acquisition of Curupay, respectively; and

(4) Includes the amount of R\$7,301 referring to goodwill in the acquisition of shares.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

8. Investments (Continued)

(ii) At March 31, 2009

	Investees		Parent Company		
	Stockholders' equity	Year income	Equity interest %	Investments	Equity pickup
Administração de Participações Aguassanta Ltda.	126,340	(15,510)	91.5	115,599	(14,191)
Cosan S.A. Açúcar e Álcool	2,579,849	(134,413)	95.1	2,452,843	(119,136)
TEAS – Terminal Exportador de Álcool de Santos S.A.	46,084	1,744	32.0	14,747	615
Cosan S.A. Bionergia	136,288	(4,287)	100.0	136,288	(4,287)
Cosan International Universal Corporation	13,245	4,786	100.0	13,245	4,786
Cosan Finance Limited	28,879	10,362	100.0	28,879	10,362
Radar Propriedades Agrícolas S.A.	736,529	15,434	18.9	139,343	2,919
Cosanpar Participações S.A.	1,686,121	(20,658)	100.0	1,686,121	(20,658)
Copsapar Participações S.A.	195,589	6,284	90.0	176,030	5,655
Other investments	-	-	-	25,837	11,961
				<u>4,788,932</u>	<u>(121,974)</u>

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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8. Investments (Continued)

The quantity of stock and/or units of subsidiaries and affiliates and the respective quantities held by the Company on March 31, 2010 and 2009, are as follows:

	2010		2009	
	Stock/units		Stock/units	
	Total stock/units of Investee	Total stock/units held by Investor	Total stock/units of Investee	Total stock/units held by Investor
Cosan S.A. Bioenergia	140,575,100	140,575,100	140,575,100	140,575,100
Administração de Participações Aguassanta Ltda.	9	1	9	1
Cosan S.A. Açúcar e Alcool	3,115,704,233	2,962,318,537	3,115,704,233	2,962,318,537
Copsapar Participações S.A.	190,797,424	171,717,682	190,797,424	171,717,682
Cosan International Universal Corporation	2	2	2	2
Cosan Finance Limited	1	1	1	1
Cosan Combustíveis e Lubrificantes S.A.	431,480	431,474	-	-
Cosanpar Participações S.A.	-	-	1,706,779,790	1,706,779,790
Radarm Propriedades Agrícolas S.A.	19,909,260	3,766,620	18,026,602	3,410,633
TEAS - Terminal Exportador de Alcool de Santos S.A.	39,477,357	26,318,238	11,281,960	3,610,227
Novo Rumo Logística S.A.	278,336,920	80,216,699	-	-
Cosan Alimentos S.A.	112,166	112,163	-	-

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

8. Investments (Continued)

On March 31, 2010 and 2009, the account Investments showed the following transactions:

	Parent Company		Consolidated	
	2010	2009	2010	2009
Opening balances	4,788,932	1,954,588	278,209	120,312
Equity pickup	594,830	(121,974)	(18,645)	13,976
Investment additions and advance for future capital inc	408,350	3,369,336	46,036	146,692
Additions resulting from merger/spin-off	334,172	-	2,769	-
Consolidation write-off	-	-	(19,051)	-
Investment acquisition advancement write-off	-	-	(100,000)	-
Mirror effect on the reversal of revaluation required by Law No. 11,638/07 and MP 449/08	-	(257,023)	-	-
Capital payment investment write-off	-	(164,618)	-	-
Others	(1,133)	8,623	3,805	(2,771)
Final balances	6,125,151	4,788,932	193,123	278,209

Transactions occurred in the year ended on March 31, 2010

Business combination with Grupo Rezende Barbosa

a. Novo Rumo Logística S.A.

According to the shareholders' agreement executed on April 9, 2008, the port concessions and assets for sugar export owned by the Company and by Rezende Barbosa S.A. Administração e Participações ("Rezende Barbosa") were concentrated on Novo Rumo Logística S.A. ("Novo Rumo"), which is indirectly controlled by the Company.

On April 10, 2009 the Company and Rezende Barbosa, parent company of Grupo Nova América integrated the port terminals of Cosan and Teaçu Armazéns Gerais S.A. ("Teaçu"), a subsidiary of Rezende Barbosa. As a consequence of this operation, which involved the payment of R\$121,331 and the issuance of shares of Novo Rumo, the Company acquired 100% of Teaçu, becoming the indirect holder of a 64.06% interest of Rumo, and 28.82% remained held by Rezende Barbosa. This operation resulted in a R\$69,145 goodwill classified as Intangible assets.

In addition, the capital reorganization resulted in a total net capital loss of R\$31,190, recorded in results for the year as Other operating income (expenses), net.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

8. Investments (Continued)

Transactions occurred in the year ended on March 31, 2010 (Continued)

b. Curupay Participações S.A.

At a Special General Meeting held on June 18, 2009 the Company's shareholders approved the acquisition of Curupay S.A. Participações ("Curupay"), then a subsidiary of Rezende Barbosa, through the issuance of 44,300,389 common shares for the equity amount of R\$334,172, and whose market value on that date was R\$624,192.

Beginning that date, the Company incorporated in its net asset the Curupay's investments, comprising (i) 28.82% interest in Novo Rumo, (ii) 100% direct interest in Nova América S.A. Trading, and (iii) 100% direct and indirect interest in Cosan Alimentos S.A. ("Cosan Alimentos", previously known as Nova América S.A. – Agroenergia) and subsidiaries. As a consequence of this transaction, the Company increased to 92.88% its direct and indirect interest in Novo Rumo, generating R\$3,052 of capital gain, recorded in the results for the year as Other operating income (expenses), net.

At the closing of that operation, the Company recorded R\$102,952 goodwill, arising from the equity variation between the date of net assets calculation at book value and the date of approval of Curupay's merger by the Company shareholders on June 18, 2009.

On November 18, 2009, Cosan Alimentos absorbed with Nova América S.A. Trading.

For purposes of consolidation of Cosan Alimentos and Nova América S.A. Trading, the opening balance taken into consideration was that of net assets adjusted to the Company's accounting practices on June 1, 2009.

Sale of aircraft fuel business to Shell do Brasil Ltda.

On June 17, 2009, Cosanpar sold to Shell the aviation fuel business, for R\$115,601. As a result of this operation, Cosanpar fully wrote off the cost of R\$22,504, generating a R\$93,097 net gain on this transaction, recorded in the results for the year as Other operating income (expenses), net (Note 19). Consequently, the corresponding goodwill was recorded in the amount of R\$85,589.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

8. Investments (Continued)

Transactions occurred in the year ended on March 31, 2010 (Continued)

Acquisition of interest

a. TEAS Santos Ethanol Exporting Terminal ("TEAS")

On November 24, 2009, the Company acquired 10,527,295 common shares issued by TEAS for R\$20,002, increasing its interest by 26.67%, to 66.67% of the voting capital of that company. As a result, the company recorded goodwill amounting to R\$7,301.

For purposes of consolidation of TEAS, the opening balance was considered to be the shareholders' equity adjusted to the Company's accounting practices on December 1, 2009.

b. Logispot Armazéns Gerais S.A. ("Logispot")

On November 12, 2009, Cosan, through its subsidiary Rumo Logística S.A. ("Rumo"), acquired 166,590 common shares issued by Logispot, the equivalent to 14.28% of Logispot's capital, for R\$19,992. Up to March 31, 2010, R\$8,751 had been paid in cash and the outstanding balance to be paid in 9 monthly, consecutive and equal installments of R\$1,249.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

9. Property, plant and equipment

	Average annual depreciation rates (%)	Parent Company			
		2010		2009	
		Cost	Accumulated depreciation/ amortization	Net	Net
Land and rural properties	-	59,591	-	59,591	59,591
Machinery, equipment and installations	9.81	510,414	(295,600)	214,814	202,237
Aircraft	10.00	13,395	(12,935)	460	2,262
Vehicles	19.98	66,140	(40,458)	25,682	29,281
Furniture, fixtures and computer equipment	17.50	29,592	(14,968)	14,624	9,689
Buildings and improvements	4.00	173,525	(33,538)	139,987	128,043
Construction in progress	-	101,344	-	101,344	68,758
Sugarcane planting costs	20.00	455,617	(222,407)	233,210	223,874
Parts and components to be periodically replaced	100.00	82,410	-	82,410	65,524
		1,492,028	(619,906)	872,122	789,259

	Average annual depreciation rates (%)	Consolidated			
		2010		2009	
		Cost	Accumulated depreciation/ amortization	Net	Net
Land and rural properties	-	210,429	-	210,429	201,046
Machinery, equipment and installations	9.96	3,433,745	(1,537,299)	1,896,446	791,189
Aircraft	10.00	18,086	(13,091)	4,995	2,998
Vehicles	19.84	226,973	(137,969)	89,004	86,403
Furniture, fixtures and computer equipment	15.45	129,597	(89,590)	40,007	31,010
Buildings and improvements	4.17	1,007,806	(293,218)	714,588	458,491
Construction in progress	-	1,408,252	-	1,408,252	881,561
Sugarcane planting costs	20.00	1,422,813	(672,962)	749,851	659,158
Parts and components to be periodically replaced	100.00	245,178	-	245,178	146,641
Advances for fixed asset purchases	-	200,634	-	200,634	203,493
Others	-	1,681	-	1,681	3,246
		8,305,194	(2,744,129)	5,561,065	3,465,236

The consolidated balance of construction in progress and advances for fixed asset purchases corresponds, substantially, to (i) investments in co-generation capacity, (ii) upgrading and expansion of industrial plants, (iii) expanding warehousing capacity, and (iv) advances for purchases of wagons and locomotives.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

9. Property, plant and equipment (Continued)

On March 31, 2010 and 2009, the Property, Plant and Equipment account showed the following transactions:

	Parent		Consolidated	
	2010	2009	2010	2009
Opening balances	789,259	847,625	3,465,236	2,743,036
Additions to the Property Plant and Equipment	288,295	202,001	1,921,001	1,345,537
Write-offs and transfers	(7,918)	(15,750)	(43,748)	(7,667)
Depreciation and amortization	(197,514)	(164,046)	(595,401)	(419,092)
Revaluation reversal – Law No. 11,638/07	-	(107,742)	-	(320,034)
Leasing transactions – CPC 06	-	27,171	-	27,171
Accretion from mergers/acquisition	-	-	792,812	303,118
Accretion from amalgamation	-	-	21,165	-
Spin-offs	-	-	-	(206,833)
Closing balances	872,122	789,259	5,561,065	3,465,236

10. Intangible

	Parent Company			
	2010		2009	
	Cost	Accumulated amortization	Net	Net
<u>Goodwill (amortized on a straight-line basis until March 31, 2009)</u>				
Acquisition of JVM Participações S.A.	63,720	(53,100)	10,620	10,620
Acquisition of Grupo Mundial	127,953	(40,518)	87,435	87,435
Payment of capital, Mundial	21,142	(6,342)	14,800	14,800
Acquisition of Corona (ABC 125 and ABC 126)	267,824	(84,811)	183,013	183,013
Acquisition of Usina Açucareira Bom Retiro S.A.	115,165	(33,590)	81,575	81,575
	595,804	(218,361)	377,443	377,443
<u>Other intangibles</u>				
Software (amortization at the rate of 20% p. a.)	46,001	(23,796)	22,205	26,475
	641,805	(242,157)	399,648	403,918

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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10. Intangible (Continued)

	Consolidated			
	2010		2009	
	Cost	Accumulated amortization	Net	Net
<u>Goodwill (amortized on a straight-line basis until March 31, 2009)</u>				
Acquisition of JVM Participações S.A.	63,720	(53,100)	10,620	10,620
Acquisition of Cosan Açúcar e Álcool	35,242	(34,684)	558	558
Formation of FBA	22,992	(18,585)	4,407	4,407
Acquisition of Univalem S.A. Açúcar e Álcool	24,118	(19,100)	5,018	5,018
Acquisition of Grupo Destivale	69,918	(27,424)	42,494	42,494
Acquisition of Grupo Mundial	127,953	(40,518)	87,435	87,435
Payment of capital, Mundial	21,142	(6,342)	14,800	14,800
Acquisition of Corona	818,831	(255,815)	563,016	563,016
Acquisition of Usina Açucareira Bom Retiro S.A.	115,165	(33,590)	81,575	81,575
Acquisition of Usina Santa Luíza	47,053	(4,705)	42,348	42,348
Acquisition of Benálcool	167,300	(18,053)	149,247	149,247
Acquisition of Aliança	1,860	-	1,860	1,860
Acquisition of Cosan CL (1)	1,513,091	(134,395)	1,378,696	1,415,375
Acquisition of Teaçu (2)	69,145	-	69,145	-
Merger of Curupay (Cosan Alimentos) (3)	102,952	-	102,952	-
Acquisition of Açúcar União (4)	74,832	(57,371)	17,461	-
Acquisition of Destilaria Paraguaçu (4)	166,656	-	166,656	-
Subscription of share of Nova América (4)	121,893	-	121,893	-
Purchase of shares of TEAS (5)	7,301	-	7,301	-
	3,571,164	(703,682)	2,867,482	2,418,753
<u>Other intangibles</u>				
Software (amortization at the rate of 20% p. a.)	77,309	(48,058)	29,251	28,711
Others	7,315	(2,740)	4,575	-
	84,624	(50,798)	33,826	28,711
	3,655,788	(754,480)	2,901,308	2,447,464

- (1) As mentioned in Note 8, on June 17, 2009 Cosanpar sold to Shell its equity interest in Jacta, fully realizing the R\$85,589 goodwill on that investment.
- (2) Goodwill generated in the ports integration of groups Cosan and Rezende Barbosa, described in note 8.
- (3) As mentioned in Note 8, in the business combination between groups Cosan and Rezende Barbosa, through the incorporation of Curupay, the Company recorded a R\$102,952 goodwill.
- (4) As mentioned in Note 8, goodwill incorporated on business combination.
- (5) Goodwill from shareholding increase, as per Note 8.

As of March 31, 2010 and 2009, the Intangibles account showed the following transactions:

	Parent Company		Consolidated	
	2010	2009	2010	2009
Opening balances	403,918	471,160	2,447,464	1,193,931
Accretion to goodwill	-	-	228,310	1,461,838
Increase in software and other intangibles	4,526	582	5,122	581
Accretion from mergers/acquisition	-	-	320,456	2,933
Goodwill derived from disposals	-	-	(85,589)	-
Amortization of software and other intangibles	(8,796)	(7,368)	(12,455)	(8,065)
Goodwill amortization	-	(60,456)	-	(196,467)
Others	-	-	(2,000)	(7,287)
Closing balances	399,648	403,918	2,901,308	2,447,464

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

11. Taxes and social contributions payable

	Parent Company		Consolidated	
	2010	2009	2010	2009
ICMS – State VAT	8,865	5,566	49,197	24,847
IPI	886	117	6,379	25,776
INSS – Social Security	6,933	5,922	23,891	20,376
PIS – Social Integration Program	1,120	2,826	8,129	6,113
COFINS – Social Security Financing	5,153	12,808	32,076	23,492
Installment payments – Refis IV	97,703	-	665,470	-
Tax Recovery Program – REFIS (1)	-	-	-	273,507
Special Tax Payment Program – PAES (1)	-	50,906	409	69,813
Income and social contribution taxes payable	-	8,216	2,597	41,099
Other	9,618	5,125	21,219	12,333
	130,278	91,486	809,367	497,356
Current liabilities	(42,633)	(36,076)	(215,862)	(168,596)
Noncurrent liabilities	87,645	55,410	593,505	328,760

(1) All tax repayment arrangements under REFIS and PAES were included in the Refis IV repayment plan, save for repayment arrangements related to the education allowance charge.

Noncurrent amounts will become due as follows:

	Parent Company		Consolidated	
	2010	2009	2010	2009
13 to 24 months	11,732	16,143	60,349	44,549
25 to 36 months	9,326	15,460	57,933	43,409
37 to 48 months	6,525	14,704	54,991	42,644
49 to 60 months	6,169	4,314	51,241	28,837
61 to 72 months	6,043	1,005	51,026	24,067
73 to 84 months	5,521	1,005	44,303	24,067
85 to 96 months	5,521	1,005	38,911	24,067
Thereafter	36,808	1,774	234,751	97,120
	87,645	55,410	593,505	328,760

Tax debt installments – Law No 11.941/09 and MP 470/09 (“Refis IV”)

During the year ended March 31, 2010, the Company and its subsidiaries Cosan Açúcar e Alcool, Cosan Alimentos S.A., Bonfim Nova Tamoio – BNT Agrícola Ltda., Benalcool Açúcar e Alcool S.A. and Administração de Participações Aguassanta Ltda. opted for the payment in installments of Refis IV.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

11. Taxes and social contributions payable (Continued)

The effects of that installment option are as follows:

	2010	
	Parent Company	Consolidated
Balance of taxes payable and contingencies, restated before Refis IV	365,512	1,600,767
Statutory reductions	(174,523)	(620,865)
Net amount of taxes eligible for Refis IV repayments	190,989	979,902
Amount of taxes payable, court deposits and contingencies accounted for before Refis IV	(268,822)	(1,250,235)
Net result of Refis IV (1)	(77,833)	(270,333)
Net amount of taxes eligible for Refis IV repayments	190,989	979,902
Amortization of court deposits	(7,749)	(100,841)
Tax loss and CSLL negative basis carryforwards	(85,553)	(203,903)
Repayments made after enrollment in the program	(2,967)	(29,286)
Inflation adjustment	2,983	19,598
Balance due as of March 31, 2010	97,703	665,470

(1) Classified to the income for the year as Other operating revenues, net (Note 19).

The Company and its subsidiaries must comply with several conditions to continue benefiting from the installment payment programs, particularly with the regular payment of the installments as required by law.

General considerations

Under the self-assessment tax system adopted in Brazil, income tax returns filed may be audited by tax authorities for a period of five years from their filing.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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12. Income and social contribution taxes

a) Reconciliation of income and social contribution tax expenses:

	Parent Company		Consolidated	
	2010	2009	2010	2009
Operating profit (loss) before income tax and social security contribution	1,195,576	(632,096)	1,412,869	(709,061)
Income tax and social security contribution at nominal rate (34%)	(406,496)	214,913	(480,375)	241,081
Adjustments made for determining the effective rate:				
Equity pickup	202,242	(41,471)	(6,339)	4,752
Amortization of non-deductible goodwill	-	(2,087)	-	(5,187)
Non-deductible donations and contributions	(2,212)	(1,765)	(4,167)	(2,484)
Capital loss from business combinations, net of gains	1,038	-	(9,567)	-
Tax implications from joining the repayment program established by Refis IV	1,161	-	59,038	-
Recognized granted options	(3,050)	(3,901)	(3,050)	(3,901)
Others	(1,764)	(7,429)	10,625	405
Total of deferred and current taxes	(209,081)	158,260	(433,835)	234,666
Effective rate	17.49%	-	30.71%	-

b) Deferred income and social contribution tax assets and liabilities:

	Parent Company				2009 Total
	2010				
	Base	IRPJ 25%	CSSL 9%	Total	Total
Provisions for court judgments and other interim differences	147,597	36,899	13,284	50,183	61,555
Tax implications of Law No. 11,638/07	-	-	-	-	15,034
Tax losses	331,510	82,878	-	82,878	117,730
Social security contribution negative basis	331,612	-	29,845	29,845	42,391
		119,777	43,129	162,906	236,710
Exchange variation	(447,648)	(112,000)	(40,320)	(152,320)	-
Tax implications of Law No. 11,638/07	(144,110)	(36,027)	(12,970)	(48,997)	-
Goodwill	(57,000)	(14,250)	(5,130)	(19,380)	-
		(162,277)	(58,420)	(220,697)	-
Total deferred taxes		(42,500)	(15,291)	(57,791)	236,710
Current assets				12,680	-
Non-current assets				150,226	236,710
Non-current liabilities				(220,697)	-

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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12. Income and social contribution taxes (Continued)

	Consolidated				2009 Total
	2010				
	Base	IRPJ 25%	CSSL 9%	Total	
Provisions for court judgments and other interim differences	999,084	249,771	89,918	339,689	442,064
Tax implications of Law No. 11,638/07	-	-	-	-	15,034
Tax losses	869,441	217,360	-	217,360	209,859
Social security contribution negative basis	881,932	-	79,375	79,375	75,558
		467,131	169,293	636,424	742,515
Exchange variation	(539,554)	(134,889)	(48,560)	(183,449)	-
Tax implications of Law No. 11,638/07	(144,110)	(36,028)	(12,970)	(48,998)	-
Goodwill	(335,741)	(83,935)	(30,217)	(114,152)	-
		(254,852)	(91,747)	(346,599)	-
Total deferred taxes		212,279	77,546	289,825	742,515
Current assets				76,310	42,471
Non-current assets				560,114	700,044
Non-current liabilities				(346,599)	-

Deferred income and social contribution tax on accumulated loss must be realized within 10 years, according to the Company's and its subsidiaries' expected profitability shown in financial projections prepared by management.

The Company expects to realize non-current tax credits and debts in the course of the following years:

	Assets			
	Parent Company		Consolidated	
	2010	2009	2010	2009
2011	-	2,168	-	33,484
2012	10,622	25,462	84,818	76,119
2013	16,409	53,894	93,328	130,318
2014	16,340	75,281	68,303	174,995
2015 to 2017	84,688	64,806	194,445	192,627
2018 to 2019	22,167	15,099	119,220	92,501
	150,226	236,710	560,114	700,044

	Liabilities			
	Parent Company		Consolidated	
	2010	2009	2010	2009
2012	20,132	-	23,245	-
2013	20,132	-	23,245	-
2014	20,132	-	23,245	-
2015 to 2017	60,394	-	69,733	-
2018 to 2019	99,907	-	207,131	-
	220,697	-	346,599	-

Tax credit recovery estimates were based on taxable profit projections, taking into consideration several financial and business assumptions on the balance sheet preparation date.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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13. Loans and financing

Description	Financial charges (1)			Parent Company		Consolidated		Final maturity date	Guarantees (2)	
	Index	Annual average interest rate		2010	2009	2010	2009		2010	2009
Senior notes due 2009	U.S dollar	Interest @ 9.0%	-	86,456	-	86,456	-	Nov 2009	-	-
Senior notes due 2014	U.S dollar	Interest @ 9.5%	-	-	631,246	-	-	Aug 2014	-	-
Senior notes due 2017	U.S dollar	Interest @ 7.0%	-	-	720,573	936,704	-	Feb 2017	-	-
Trade-related promissory notes	DI – Interbank deposits	Interest @ 3%	-	1,161,971	-	1,161,971	-	Nov 2009	Conditional sale	Conditional sale
								Oct 2025		
								Mar 2018		
								Apr 2018		
								Apr 2015		
								Nov 2012		
BNDES (3)	URTJLP	Interest @ 3.6%	-	-	1,057,775	230,504	-	Jan 2013	Credit rights from PPA	Credit rights from PPA
								Oct 2012		
Bank credit certificate	CDI	Interest @ 0.6%	-	-	61,444	-	-	Dec 2011	Statutory lien	-
Advance against exchange contract	U.S dollar	Interest @ 2.1%	296,375	143,250	296,375	143,250	-	Mar 2010	-	-
Bonuses in perpetuity	U.S dollar	Interest @ 8.3%	810,896	1,054,119	810,896	1,054,119	-	-	-	-
IFC	U.S dollar	Interest @ 7.4%	-	114,323	-	114,323	-	-	-	Conditional sale
	IGP-M	Interest @ 3.9%	99,493	97,642	603,504	579,856	-	Dec 2020	Treasury certificates and mortgaged lands	Treasury certificates and mortgaged lands
Statement No. 2,471	Fixed	Interest @ 3.0%	121	129	121	129	-	Oct 2025		
Pre-payments	U.S. dollar + Libor	Interest @ 6.2%	537,390	-	980,533	-	-	Sep 2014	-	-
	123.4% CDI	-	311,916	-	378,748	-	-			
Credit note	U.S dollar	Interest @ 6.2%	182,831	-	182,831	-	-	Oct 2012	-	-
	Fixed	Interest @ 4.6%	225	1,014	106,255	1,014	-	Jan 2022		
	URTJLP	Interest @ 3.8%	20,162	20,070	94,775	43,653	-	Mar 2018		
Finame	U.S dollar	Interest @ 3.3%	-	-	84	-	-	Nov 2012	Statutory lien on purchased assets	Statutory lien on purchased assets
Others	Sundry	Sundry	-	-	56,286	25,333	-	Sundry	Mortgage, inventories and statutory lien on purchased assets	Mortgage, inventories and statutory lien on purchased assets
Expenses incurred with security placement			(18,488)	(21,757)	(44,014)	(42,352)	-	-	-	-
			2,240,921	2,657,217	5,937,431	4,334,960	-	-	-	-
Current			(500,142)	(1,419,451)	(800,902)	(1,449,504)	-	-	-	-
Non-current			1,740,779	1,237,766	5,136,529	2,885,456	-	-	-	-

(1) Financial charges as of March 31, 2010, except as indicated otherwise;

(2) All loans and financings are secured by promissory notes and sureties posted by the Company, its subsidiaries and controlling shareholders, in addition to the collateral described above; and

(3) These correspond to funds secured by direct and indirect subsidiaries, Cosan S.A. Bioenergia, Barra Bioenergia S.A. and Cosan Centroeste S.A. Açúcar e Alcool, for the purpose of financing cogeneration and greenfield projects.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

13. Loans and financing (Continued)

Noncurrent loans, net of transaction costs amortization, have the following scheduled maturities:

	Parent Company		Consolidated	
	2010	2009	2010	2009
13 to 24 months	333,679	16,029	612,101	42,322
25 to 36 months	510,570	23,401	748,966	49,799
37 to 48 months	33	58,129	235,191	83,140
49 to 60 months	26	2,058	849,737	23,882
61 to 72 months	8	8	113,057	19,447
73 to 84 months	8	8	825,623	16,676
85 to 96 months	8	8	109,472	943,421
Thereafter	896,447	1,138,125	1,642,382	1,706,769
	1,740,779	1,237,766	5,136,529	2,885,456

Resolution No. 2471

From 1998 to 2000, the Company and its subsidiaries renegotiated their debt related to agricultural funding with several financial institutions, thereby reducing their financial cost to annual interest rates below 10% and guaranteeing the amortization of the updated principal amount with the assignment and transfer of CTNs - Restricted Brazilian Treasury Bills redeemable on the debt maturity dates, using the tax incentive introduced by Resolution No. 2471, issued by the Central Bank of Brazil on February 26, 1998. On March 31, 2010, these certificates, classified as noncurrent assets, amounted to R\$31,234 (R\$27,356 in 2009), at the Company, and R\$205,657 (R\$177,626 in 2009) at consolidated. Payments pursuant to such certificates are remunerated based on the IGP-M variation plus annual interest of 12%. Upon payment of the debt, the redemption value should be similar to the amount of the renegotiated debt. Interest referring to these financings is paid annually and principal is to be entirely settled in 2020 at the Company, and in 2025 at consolidated.

Senior Notes due in 2017

On January 26, 2007, wholly-owned subsidiary Cosan Finance Limited issued Senior Notes in the international capital markets under Rule 144A and Regulation S of the U.S. Securities Act of 1933, in the amount of US\$400 million. These Senior Notes bear interest at a rate of 7% per annum, payable semi-annually in February and August of each year.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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13. Loans and financing (Continued)

Perpetual Notes

On January, 24 and February 10, 2006, the Company issued perpetual notes in the international market in accordance with Regulations S and Rule 144A, in the amount of US\$450 million for qualified institutional investors. Perpetual notes are listed in the Luxemburg Stock Exchange - EURO MTF and bear interest of 8.25% per year, payable quarterly on the 15th of May, August, November and February of each year, beginning May 15, 2006. These notes may, at the discretion of the Company, be redeemed as from February 15, 2011 on any interest payment date, for their face value. Perpetual notes are secured by the Company and Cosan Açúcar e Alcool.

Commercial Promissory Notes

On November 17, 2008, the Company issued 44 nominal promissory notes of a single series at the price of R\$25,000 each, whose offering reached R\$1,100,000.

On November 12, 2009, the Company made the complete payment of this financing facility, totaling R\$1,249,745.

Senior Notes due in 2014

On August 4, 2009, the indirect subsidiary CCL Finance Limited issued US\$350,000 of Senior Notes in the international capital markets according to Regulations S and 144A that bear interest at a rate of 9.5% per annum, payable semi-annually in February and August of each year, from February 2010.

Advance Against Exchange Agreements and Credit Note

Certain advances against exchange agreements and credit notes were taken out from several banking institutions and will be settled against export proceeds over 2012. These transactions bear interest at rates that vary between 2.1% and 6.2% per annum, payable semi annually at each maturity date.

Finame

This refers to loans associated with the financing of machinery and equipment (FINAME – Financiamento de Máquinas e Equipamentos) obtained from several financial institutions. These loans are intended to fund capital expenditures. These loans bear interest at rates that vary between 3.0% to 5.0% per annum, payable monthly, and are secured by statutory liens on the purchased assets.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

13. Loans and financing (Continued)

Advanced payments

During the year ended March 31, 2010, the Company and its subsidiary Cosan Alimentos S.A. funded R\$924,327, the equivalent to US\$530,000 thousand as advances for future sugar exports to be settled in 2012 and 2014. Exchange rate variation and annual interests based on the Libor rate, plus 6.2% spread p.a. are levied over these advances.

Restrictive covenants in loan and financing agreements

The Company and its subsidiaries are subject to certain restrictive covenants contained in loan and financing agreements, based on certain financial indicators ascertained on a monthly basis.

Restrictive covenants have been met by the Company and its subsidiaries.

14. Provision for judicial demands

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Tax issues	40,144	226,805	397,051	1,121,338
Civil and labor	37,044	22,905	214,932	155,827
	77,188	249,710	611,983	1,277,165
Court deposits	(5,632)	(13,077)	(167,562)	(171,266)
	71,556	236,633	444,421	1,105,899
Opening balances	236,633	196,997	1,105,899	832,425
Formation (reversal) and transfers, net	(175,762)	24,991	(729,455)	15,074
Inflation adjustment	10,685	14,645	41,696	56,792
Accretion from acquisitions, net of write-offs	-	-	26,281	201,608
Closing balances	71,556	236,633	444,421	1,105,899

The Company and its subsidiaries are party to various ongoing labor claims, civil and tax proceedings arising from the normal course of their business.

Respective provisions for judicial demands were recorded considering those cases in which the likelihood of loss has been rated as probable based on the opinion of legal advisors. Management believes resolution of these disputes will have no effect significantly different than the estimated amounts accrued.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

14. Provision for judicial demands (Continued)

Court proceedings deemed as probable losses

The main tax judicial demands at March 31, 2010, are as follows:

Description	Parent Company		Consolidated	
	2010	2009	2010	2009
IPI excise tax stimulus credit (i)	-	146,886	-	269,157
IPI credits from non-taxable (NT) products (i)	-	-	-	92,722
Contribution to the IAA (i)	-	-	-	84,904
IPI (i)	6,290	9,534	8,357	54,699
PIS and Cofins (ii)	4,297	17,334	21,212	144,830
IPC – 89 (iii)	-	-	86,503	81,546
Finsocial offsetting (iv)	-	-	172,960	163,668
ICMS credits	16,553	14,718	60,240	46,226
IRPJ and CSLL	789	5,381	789	43,463
Others	12,215	32,952	46,990	140,123
	40,144	226,805	397,051	1,121,338

(i) As presented in Note 11, during the quarter ended March 31, 2010, the Company and its subsidiaries Cosan Alimentos, Cosan Açúcar e Álcool, Bonfim Nova Tamoio – BNT Agrícola Ltda., Benalcool Açúcar e Álcool S.A. and Administração de Participações Aguassanta Ltda. opted for the payment in installments of Refis IV, related to ongoing legal demands involving undue use of IPI credit premium and other federal taxes. In addition, the Company and its subsidiaries utilize accumulated tax losses to pay these demands and the fines and interest thereof. Subsequently, the claims related to the remaining credit premium - IPI were fully paid for in installments, as well as installments of other federal taxes, which were recorded under taxes and contributions payable.

(ii) On May 27, 2009, the paragraph 1st and 3rd of Law No 9718/98 that regulated the collection of PIS and Cofins (federal tax contributions) on exchange variation and other financial income was revoked by Refis IV. The Company has evaluated its ongoing judicial demands related to the legal obligations not paid related to the increase of calculation basis of PIS and Cofins, confirming the absence of errors or flaws in the ongoing demands, reason why on March 31, 2010, the Company reversed the provision for accounting for the respective legal liabilities in its financial statements in the amount of R\$53,810.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

14. Provision for judicial demands (Continued)

(iii) In 1993 subsidiary Cosan CL filed a suit to challenge the balance sheet restatement index (IPC) established by the federal government in 1989, which index did not reflect the actual inflation back then. The use of this index caused the Company to supposedly overstate and overpay the IRPJ and CSLL. Cosan CL obtained a favorable preliminary order that allowed it to recalculate the balance sheet restatement, now using indexes that accurately measured the inflation over the relevant period. In doing so the company rectified the amounts of IRPJ and CSLL payable. Identified overpayments for both taxes were offset in subsequent years until 1997, when the balance was zeroed. Despite the favorable court rulings, tax authorities issued a notice of infringement to the Company challenging all tax offsets performed in 1993 and some offsets in 1994 and 1997. Given the contingent nature of this tax offsetting, associated amounts were also recorded as a provision for court rulings and have been restated against the variation of the SELIC rate.

(iv) From June through December 1994, subsidiary Conan CL offset COFINS and several other taxes with previously paid amounts of FINSOCIAL. This offsetting was backed in a preliminary order issued by a court of competent jurisdiction in a suit brought to challenge the constitutionality of FINSOCIAL.

In 1995 Cosan CL was declared exempt from COFINS levies. Thus, the company understood that past offsets of COFINS against FINSOCIAL were not in order and in 2003, based on another favorable court ruling relative to FINSOCIAL, concluded that FINSOCIAL credits previously offset against CONFINS were once again available to be offset against other tax liabilities. The Company then offset these credits against IRPJ, CSLL, CIDE, PIS, COFINS and IRRF resulting from its operations. Once again, because of the contingent nature of this procedure the Company recorded the full offset amount as a provision for court rulings until the Federal Revenue Service ratified this offsetting.

In 2008 the Federal Revenue Service dismissed the offsetting performed on the ground that Cosan CL had already used the tax credits to offset COFINS back in 1994. In view of this understanding, the management of the Company decided to challenge the administrative decisions, which is pending judgment at the Taxpayers' Council. The amount recorded as provision for court ruling has been restated against the SELIC rate.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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14. Provision for judicial demands (Continued)

Court proceedings deemed as possible losses

As regards tax, labor and civil claims whose likelihood of unfavorable outcome is rated as possible, and, as a consequence no provision for lawsuits was recorded in the financial statements, are as follows:

	Parent Company		Consolidated	
	2010	2009	2010	2009
Notice of infringement – Income tax withheld at source (i)	182,824	161,440	182,824	161,440
ICMS – State VAT (ii)	33,550	9,460	322,340	178,390
IPI – Federal VAT (iii)	10,617	15,539	263,597	75,667
Offsets against IPI credits – IN 67/98 (iv)	-	-	174,867	157,525
IAA – Sugar and Ethanol Institute	-	-	2,544	73,184
INSS	-	11	4,061	1,839
PIS/Cofins	12,078	11,023	143,556	35,953
Civil and labor (v)	74,695	38,401	490,493	219,016
Others	33,636	30,306	117,784	80,686
	<u>347,400</u>	<u>266,180</u>	<u>1,702,066</u>	<u>983,700</u>

(i) Notice of infringement – Income tax withheld at source

In September 2006 the Federal Revenue Service served another notice of infringement on the Company, this time for failure to withhold and pay income tax at source on capital gains derived from the acquisition of a subsidiary company. This notice of infringement led to an administrative proceeding which is deemed a likely loss in the opinion of the Company's legal counsels, the amount of which was not recorded as a provision in the Company's financial statements.

(ii) ICMS - Tax on the Circulation of Goods and Transportation Services

This refers essentially to (a) a notice of infringement served on account of an alleged failure to pay ICMS and perform ancillary duties relative to agricultural partnership operations and processing activities outsourced to Central Paulista Açúcar e Alcool Ltda., from May through December 2006, and May through December 2007; (b) ICMS levied on granulated sugar exports which were deemed semi-processed commodities by the tax agent in charge of this assessment, and as such subject to be levied by the ICMS pursuant to the applicable regulation.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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14. Provision for judicial demands (Continued)

(iii) IPI – Excise Tax on Manufactured Goods

IPI as per Normative Instruction No. 67/98: Normative Instruction SRF No. 67/98 validated a procedure whereby manufacturing plants sold several types of cane sugar, including demerara, higher refined, special refined, special extra refined and granulated refined sugars, without assessing and paying IPI from July 6, 1995 through November 16, 1997, as well as amorphous refined sugar sales from January 14, 1992 through November 16, 1997. This instruction was applied to the relevant proceedings initiated by the Federal Revenue Service, which are deemed as likely losses in the opinion of the Company's legal counsels.

(iv) Offsets against IPI credits – IN 67/98

Normative Instruction SRF No. 67/98 made it possible to obtain refund of IPI tax payments for sales of refined amorphous sugar from January 14, 1992 through November 16, 1997. In view of this rule, Cosan Açúcar and Álcool applied for offsetting amounts paid during the relevant periods against other tax liabilities of its own. However, the Federal Revenue Service denied its application for both reimbursement and offsetting of such amounts. Cosan Açúcar and Álcool challenged this ruling in an administrative proceeding.

Upon being notified to pay tax debts resulting from offset transactions in light of certain changes introduced by IN SRF No. 210/02, subsidiary Cosan Açúcar and Álcool filed a writ of mandamus and applied for a preliminary injunction seeking to stay enforceability of offset taxes, in an attempt to prevent the tax authorities from demanding the relevant tax debts in court. The preliminary injunction was granted by the competent court. The legal counsel in charge of this suit has deemed it a likely loss.

The amount offset, duly restated as of March 31, 2010, is R\$162,928 (R\$157,525 at April 30, 2009). Likewise, subsidiary Cosan Alimentos S.A., formerly Nova América S.A. Agroenergia, holds a similar claim against the Federal Revenue Service in the amount of R\$11,939, duly restated as of March 31, 2010. In view of the opinion of its legal counsels, the management of the Company has seen fit not to establish an accounting provision for the amounts involved in this lawsuit.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

14. Provision for judicial demands (Continued)

(v) Civil and labor

The Company and its subsidiaries are party in several civil and labor claims resulting from the normal course of its activities. On March 31, 2010, out of the total amount, R\$35,653 (R\$25,993 in 2009) in the parent company and R\$235,010 (R\$145,936 in 2009) in the consolidated represent civil claims and R\$39,042 (R\$12,408 in 2009) in the parent company and R\$255,483 (R\$73,080 in 2009) in the consolidated represent labor claims.

15. Accounts receivable from federal government

On February 28, 2007, subsidiary Cosan Açúcar e Álcool recognized gain of R\$318,358, corresponding to a lawsuit filed against federal government claiming indemnification for damages since prices of its products, at the time the sector was subject to government control, were imposed not observing the prevailing reality of the sector created by government control itself. A final decision in favor of the subsidiary was handed down. The gain was recorded in the statement of operations for the year, the contra entry being to noncurrent assets of the Company, in receivables from federal government.

The Company awaits a final ruling on the manner of payment. This payment will be effected in the form of court-mandated government bonds which, once issued, will be settled within 10 years.

As of March 31, 2010, the assets reported relative to the suit for loss and damages and related provision for attorney's fees amounted to R\$333,733 and R\$40,048 (R\$323,433 and R\$38,812 in 2009), respectively.

Subsidiary Cosan Açúcar e Álcool has other claims for damages of this nature filed against the Federal Government, which are not recognized in accounting since these still represent contingent assets.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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16. Shareholders' equity

a) Capital

As explained in Note 8, on June 18, 2009, the shareholders convened at extraordinary general meeting resolved to increase the Company's capital stock in the amount of R\$334,172 by issuing 44,300,389 new registered, book-entry shares of common stock without par value, at the issue price of R\$7.54 per share, as a result of the merger with Curupay. In view of the issue of new shares, the capital stock of the Company increased to R\$4,153,942, divided into 372,585,273 registered, book-entry shares of common stock at no par value.

On July 15, 2009, the directors convened at a meeting of the Board resolved to increase the capital stock in the amount of R\$1,374 through issue of 224,819 new book-entry, registered shares of common stock without par value under the Company's Stock Option Plan. This new issue reflected the exercise of options by eligible officers at the strike price of R\$6.11 per share as established in the stock plan. In view of the issue of new shares, the capital stock of the Company increased to R\$4,155,316, divided into 372,810,092 registered, book-entry shares of common stock at no par value.

Additionally, at a meeting convened on August 7, 2009, the Board of Directors approved a further capital increase in the amount of R\$800 (eight hundred reais) through issue of 50 new shares of common stock of the Company, at the issue price of R\$16, reflecting the exercise of shareholder bonus subscription rights, pursuant to a resolution adopted by the Board of Directors at a meeting held on September 19, 2008. As a result of this capital increase, the Company's capital stock changed to R\$4,155,316, duly within the authorized capital limit set forth in article 6 of the Company's by-laws. As a result, the capital stock of the Company changed to 372,810,142 registered, book-entry shares of common stock at no par value.

On October 5, 2009, the Board of Directors approved a capital increase of R\$1,036 through issuance of 169,500 new common shares, with no par value, in connection with the "Company's Stock Option Plan" and with the exercise of such options by the eligible executives, at the issuance price of R\$6.11 per share, set on the terms of the stock option plan. After the issuance of the shares, the Company's capital amounts to R\$4,156,352 and is comprised of 372,979,642 registered common shares with no par value.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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16. Shareholders' equity

a) Capital (Continued)

On October 29, 2009, the Board of Directors approved a capital increase of R\$380,063 through issuance of 23,753,953 new common shares, with no par value, at issue price of R\$16.00, due to exercise of 39,589,922 subscription warrants by Cosan Limited, under the Board of Directors deliberation terms in the September 19, 2008 meeting (note 16.g). After the issuance of the shares, the Company's capital amounts to R\$4,536,415, below the limit of authorized capital, as described on article 6 of the Company's bylaws, represented by 396,733,595 common shares with no par value.

On December 15, 2009, the Board of Directors approved a capital increase of R\$4,834 upon issue of 655,194 new shares, due to: (i) exercise of 140,000 subscription bonus, totaling 84,000 new shares; and (ii) 571,194 new shares, for purposes of meeting the needs of the share-based plan, due to exercise of such options by qualifying executives. With the issuance of new shares, the Company's capital corresponds to R\$4,541,249 represented by 397,388,789 registered common shares, nominated and with no par value.

The Board of Directors' Meeting held on December 22, 2009 approved the capital increase in the amount of R\$129,168, upon issue of 8,072,976 new Company shares, at the issue price of R\$16.00, in view of the exercise of 13,454,960 subscription bonus. Of this total, the parent company Cosan Limited exercised the right to 5,403,560 subscription bonus, the equivalent to 3,242,136 new shares. In view of the capital increase approved at the meeting, the Company's capital stock increased to R\$4,670,417, divided into 405,461,765 book-entry, registered common shares with no par value.

In addition, the Board of Directors' Meeting held on December 31, 2009 approved a new capital increase of R\$17,305, upon issue of 1,081,552 new shares, in view of the exercise of 1,802,588 subscription bonus, thus increasing the Company's capital to R\$3,687,722, within the limit of authorized capital, divided into 406,543,317 book-entry, registered common shares with no par value.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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16. Shareholders' equity

a) Capital (Continued)

On March 29, 2009, the directors convened at a meeting of the Board resolved to increase the capital stock in the amount of R\$104 through issue of 17,000 new book-entry, registered shares of common stock without par value under the Company's Stock Option Plan. This new issue reflected the exercise of options by eligible officers at the strike price of R\$6.11 per share as established in the stock plan. In view of the issue of new shares, the capital stock of the Company increased to R\$4,687,826, duly within the authorized capital limit and divided into 406,560,317 registered, book-entry shares of common stock at no par value.

As of March 31, 2010, the stock capital was divided into 406,560,317 (328.284.884 shares in 2009) registered, book-entry shares of common stock at no par value. The authorized capital stock can be increased up to the limit of R\$5,000,000 without any amendment to the by-laws upon resolution of the Board of Directors.

b) Dividends

Pursuant to the Company's by-laws, the shareholders are entitled to a minimum statutory dividend of 25% on the net income reported at year end, as adjusted pursuant to article 202 of the Brazilian Corporate Law. The amounts of the statutory reserve and of dividends were determined as follows:

	2010
Net income for the year	<u>986,495</u>
Accumulated loss carryforward	<u>(495,678)</u>
Statutory reserve calculation basis	<u>490,817</u>
Statutory reserve established at 5%	<u>(24,541)</u>
Calculation basis for dividend distribution	<u>466,276</u>
Proposed dividends – 25%	<u>(116,569)</u>

On June 7, 2010, the Board of Directors' Meeting was approved the additional distribution of dividends in the amount of R\$83,431, to be ratified at a Special Shareholders' Meeting, which will total R\$200,000 of dividends to be distributed.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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16. Shareholders' equity

c) Legal reserve

On March 31, 2010, the Company allocated 5% of the net income reported for the period to establish the statutory reserve, pursuant to its by-laws and in compliance with the Brazilian Corporate Law.

d) New investment and improvement reserve

The management of the Company will present a capital budget at the next general meeting and propose that a portion of the income is retained for the purpose of continued investments and improvements.

e) Treasury shares

On March 31, 2010 the Company held in treasury 343,139 book entry common registered shares with no par value, whose market value per share, as of that date, amounted to R\$21.68.

f) Recorded granted options

These consist of the accounting record of the share-based plan (Note 23), in compliance with Brazilian FASB (CPC) Technical Pronouncement N° 10 – Share-based payment, approved by Brazilian SEC (CVM) Resolution N° 562/08.

g) Stock purchase warrants

According to the meeting of the Board of Directors held on September 19, 2008, 1 (one) stock purchase warrant issued by the Company was assigned as an additional advantage to the subscribers for a new share, which entitled the holder to subscribe for Cosan's shares through certain conditions. A total of 55,000,000 stock purchase single series warrants without part value were issued. The holder was entitled to subscribe for 0.6 (zero point six) of a common share, the delivery of fractional shares being voided. The stock purchase warrant was valid from its issuance until December 31, 2009, and could be exercised at the holder's discretion, except for the days a Company's General Meeting is held. The price of exercise of each quantity of stock purchase warrants totaling 1 (one) share was R\$16.00.

As of December 31, 2009, 49,987,552 subscription bonuses had been exercised. Other 12,488 remaining bonuses expired on December 31, 2009.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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17. Management compensation

Expenses incurred with compensation paid to senior management (executive officers and members of the board of directors) recorded in the income for the year under General and Administrative Expenses on March 31, 2010 and 2009 are listed below:

	Parent and Consolidated	
	2010	2009
Management fees	6,589	6,461
Recognized granted stock options	7,576	9,095
Bonuses and other variable compensation	6,325	1,235
Amounts recorded in the income for the year	20,490	16,791

18. Financial, net

	Parent Company		Consolidated	
	2010	2009	2010	2009
<u>Financial expenses</u>				
Interest	(326,042)	(262,305)	(567,408)	(354,371)
Inflation adjustment expense	(30,436)	(5,117)	(64,395)	(41,607)
Bank expenses	(312)	(652)	(1,527)	(1,947)
	(356,790)	(268,074)	(633,330)	(397,925)
<u>Financial revenues</u>				
Interest	36,207	50,243	96,521	32,960
Inflation adjustment income	246	1,300	13,374	8,568
Income from money market investments	17,443	46,992	52,530	64,591
Discounts earned	411	212	1,333	357
	54,307	98,747	163,758	106,476
<u>Exchange variation</u>				
Exchange losses ⁽¹⁾	534,484	(609,136)	644,668	(643,250)
Exchange gains ⁽¹⁾	(42,139)	237,300	(85,691)	69,562
	492,345	(371,836)	558,977	(573,688)
<u>Net impact of derivatives ⁽²⁾</u>				
Commodity derivatives	(113,686)	61,052	(186,268)	63,998
Exchange and interest derivatives	357,132	41,323	517,216	(16,280)
	243,446	102,375	330,948	47,718
	433,308	(438,788)	420,353	(817,419)

(1) Includes exchange gains (losses) on assets and liabilities denominated in foreign currency; and,

(2) Includes realized and unrealized income from transactions in futures markets, and with options, *swaps* and *NDFs*.

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19. Other operating revenues, net

	Parent Company		Consolidated	
	2010	2009	2010	2009
Capital gains from disposal of equity interests, net of losses (note 8)	-	-	93,097	167,857
Gains earned with land sales	-	18,399	-	18,399
Capital gains (losses) from business combinations (note 8.a and 8.b)	3,052	-	(28,138)	-
Rent and lease revenue	2,229	2,114	6,215	6,187
Revenue from sales of scrap and waste	1,554	1,780	6,417	5,925
Constitution of provision for judicial demands	(19,746)	(27,307)	(25,829)	(25,908)
Reversal of provision for fixed asset losses	-	3,342	-	3,342
Gains earned by joining the Refis IV tax repayment scheme	77,833	-	270,333	-
Other income, net	12,157	5,793	11,046	24,057
	77,079	4,121	333,141	199,859

20. Financial instruments

a) Risk management

The Company and its subsidiaries are exposed to market risks, especially: (i) volatility in the price of sugar, and; (ii) volatility in foreign exchange rates. In order to manage these risks, the Company adopts policies and procedures approved by Management through its Risk Committee. These documents establish limits, continuous monitoring of exposures, counterparties and financial instruments approved for trading. Financial instruments and risks are managed through the definition of strategies, establishment of control systems and determination of foreign exchange, interest rate and price exposure limits.

As of March 31, 2010 and March 31, 2009, the fair values of transactions involving derivative financial instruments are as follows:

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

20. Financial instruments (Continued)

a) Risk management (Continued)

	Parent Company					Consolidated				
	Notional		Fair Value		Result (*)	Notional		Fair Value		Result (*)
	Mar 31 2010	Mar 31 2009	Mar 31 2010	Mar 31 2009		Mar 31 2010	Mar 31 2009	Mar 31 2010	Mar 31 2009	
Price risk										
Commodity derivatives										
Future contracts										
Sugar sales contracts <i>(sugar price hedge)</i>	994,483	423,550	146,449	9,638	146,449	994,483	423,550	146,449	9,638	146,449
Sugar purchase contracts <i>(average price improvement)</i>	182,954	141	(34,067)	(9)	(34,067)	182,954	141	(34,067)	(9)	(34,067)
Options contracts										
Call sold <i>(average price improvement)</i>	555,376	149,021	(11,614)	(6,728)	25,723	555,376	149,021	(11,614)	(6,728)	25,723
Purchased put <i>(sugar price hedge)</i>	259,165	-	22,756	-	(14,117)	259,165	-	22,756	-	(14,117)
Sold put <i>(average price improvement)</i>	260,038	-	(22,871)	-	(17,735)	260,038	-	(22,871)	-	(17,735)
Swap contracts										
Sugar swap <i>(sugar price hedge)</i>	100,794	-	1,081	-	1,081	100,794	-	1,081	-	1,081
			101,733	2,901	107,333			101,733	2,901	107,333

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

20. Financial instruments (Continued)

a) Risk management (Continued)

	Parent Company					Consolidated				
	Notional		Fair Value		Result (*)	Notional		Fair Value		Result (*)
	Mar 31 2010	Mar 31 2009	Mar 31 2010	Mar 31 2009		Mar 31 2010	Mar 31 2009	Mar 31 2010	Mar 31 2009	
Exchange rate risk										
Exchange rate derivative										
Future contracts										
Sold	1,060,945	861,787	7,997	7,384	7,997	1,060,945	861,787	7,997	7,384	7,997
<i>(cash flow hedge)</i>										
Purchased	1,042,111	-	(7,526)	-	(7,526)	1,042,111	-	(7,526)	-	(7,526)
<i>(cash flow improvement)</i>										
Forward contracts										
Sold	957,149	427,510	36,559	(53,330)	36,559	957,149	427,510	36,559	(53,330)	36,559
<i>(cash flow hedges)</i>										
Options contract										
Purchased put	671,502	-	15,719	-	(471)	671,502	-	15,719	-	(471)
<i>(cash flow hedges)</i>										
Swap contracts										
Exchange risk transfer hedge	322,023	-	7,463	-	7,463	-	-	-	-	-
<i>(cash flow hedges)</i>										
2009 senior note hedge	-	570,700	-	(6,828)	-	-	570,700	-	(6,828)	-
<i>(cash flow hedge)</i>										
			60,213	(52,774)	44,022			52,750	(52,774)	36,559
Interest rate risk										
Interest derivative										
Libor swap contracts										
Interest hedge (assets: variable / liabilities: fixed)	518,790	-	(624)	-	(624)	518,790	-	(624)	-	(624)
<i>(cash flow hedges)</i>										
			(624)	-	(624)			(624)	-	(624)
TOTAL			161,322	(49,873)	150,731			153,859	(49,873)	143,268
Total Assets			238,024	17,022				230,561	17,022	
Total Liabilities			(76,703)	(66,895)				(76,703)	(66,895)	

(*) Amounts relative to income determined in the period of twelve months ended March 31, 2010, only for derivatives outstanding on such date.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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20. Financial instruments (Continued)

a) Risk management (Continued)

Counterparties – The Company operates commodity derivatives in futures and options markets on the New York Board of Trade (NYBOT) and the London International Financial Futures and Options Exchange (LIFFE), as well as over-the-counter market with selected counterparties. The Company operates foreign exchange derivatives on BM&FBovespa and OTC contracts registered with CETIP with banks Unibanco - União de Bancos Brasileiros S.A, Banco Bradesco S.A., Banco Itaú BBA S.A., Banco UBS Pactual S.A., Banco Barclays S.A. and Banco Morgan Stanley Witter S.A.

Guarantee margins – The Company's derivative operations on commodity exchanges (NYBOT, LIFFE and BM&FBovespa) require an initial guarantee margin. The brokers with which the Company operates on these commodity exchanges offer credit limits for these margins. As of March 31, 2010, the total credit limit used as initial margin is R\$68,646 (R\$36,722 in 2009). As a requirement to trade in BM&FBovespa, the Company posted on March 31, 2010, the amount of R\$83,042 (R\$111,026 in 2009) as guarantee in the form of a settlement bond issued by a first-class banking institution. Over-the-counter derivative transactions of the Company are exempt from margin guarantees.

b) Price risk

The Company has derivatives with the objective of mitigating its exposure to sugar price oscillation in the international market. Derivative operations allow ensuring minimum average profit for future production. The Company actively manages the contracted positions, also the result of these activities is monitored daily. through effective mark-to-market controls and price impact simulations in order to allow adjusting targets and strategies due to changes in market conditions.

The fair value of these derivatives was measured through observable factors, such as market quotation.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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20. Financial instruments (Continued)

b) Price risk (Continued)

Price risk: Commodity derivatives outstanding on March 31, 2010											
Derivatives	Purchased/sold	Market	Contract	Maturity	Number of contracts	Strike	Average price	Fair price	Notional (units)	Notional (R\$ '000)	Fair value (R\$ '000)
Future	Sold	LIFFE	White Sugar	May/10	200	-	¢/T 597.25	¢/T 504.00	10,000 T	10,637	1,661
Future	Sold	LIFFE	White Sugar	Aug/10	900	-	¢/T 608.37	¢/T 471.00	45,000 T	48,758	11,009
Future	Sold	LIFFE	White Sugar	Oct/10	200	-	¢/T 537.63	¢/T 463.00	10,000 T	9,575	1,329
Future	Sold	NYBOT	#11	May/10	1,260	-	¢/lb 20.95	¢/lb 16.59	64,011 T	52,662	10,966
Future	Sold	NYBOT	#11	Jul/10	6,613	-	¢/lb 19.78	¢/lb 16.51	335,956 T	260,986	43,201
Future	Sold	NYBOT	#11	Oct/10	4,986	-	¢/lb 19.38	¢/lb 16.50	253,301 T	192,755	28,651
Future	Sold	NYBOT	#11	Mar/11	152	-	¢/lb 20.70	¢/lb 16.70	7,722 T	6,276	1,213
Future	Sold	NYBOT	#11	May/11	996	-	¢/lb 18.06	¢/lb 16.53	50,599 T	35,877	3,036
Future	Sold	NYBOT	#11	Jul/11	1,146	-	¢/lb 17.07	¢/lb 16.35	58,220 T	39,023	1,647
Future	Sold	NYBOT	#11	Oct/11	321	-	¢/lb 16.21	¢/lb 16.13	16,308 T	10,378	49
Swap	Sold	OTC	#11	Jul/10	4,500	-	¢/lb 18.49	¢/lb 16.51	228,611 T	165,971	17,760
Swap	Sold	OTC	#11	Oct/10	4,120	-	¢/lb 19.66	¢/lb 16.50	209,306 T	161,586	25,926
Sub-total for sold sugar future contracts									1,289,033 T	994,483	146,449
Future	Purchased	NYBOT	#11	May/10	525	-	¢/lb 23.38	¢/lb 16.59	(26,671 T)	(24,485)	(7,111)
Future	Purchased	NYBOT	#11	Jul/10	310	-	¢/lb 24.43	¢/lb 16.51	(15,749 T)	(15,106)	(4,896)
Future	Purchased	NYBOT	#11	Mar/11	3,629	-	¢/lb 19.80	¢/lb 16.70	(184,362 T)	(143,364)	(22,059)
Sub-total for purchased sugar future contracts									(226,782 T)	(182,954)	(34,067)
Futures sub-total									1,062,251	811,529	112,382
Call	Sold	NYBOT	#11	May/10	850	32.00	¢/lb 0.64	¢/lb 0.01	43,182 T	54,256	(17)
Call	Sold	NYBOT/OTC	#11	Jul/10	5,987	20.00	¢/lb 1.30	¢/lb 0.38	304,154 T	238,848	(4,538)
Call	Sold	NYBOT/OTC	#11	Oct/10	2,153	20.50	¢/lb 1.78	¢/lb 0.66	109,378 T	88,040	(2,834)
Call	Sold	NYBOT/OTC	#11	Oct/10	1,784	21.00	¢/lb 1.87	¢/lb 0.60	90,631 T	74,730	(2,135)
Call	Sold	NYBOT/OTC	#11	Mar/11	1,485	24.50	¢/lb 1.82	¢/lb 0.56	75,442 T	72,573	(1,659)
Call	Sold	NYBOT	#11	Mar/11	300	25.00	¢/lb 1.34	¢/lb 0.52	15,241 T	14,960	(311)
Call	Sold	NYBOT	#11	Mar/11	200	30.00	¢/lb 0.72	¢/lb 0.30	10,160 T	11,968	(120)
Sub-total for sold calls									648,188 T	555,376	(11,614)
Put	Purchased	NYBOT/OTC	#11	Jul/10	5,987	16.50	¢/lb 2.33	¢/lb 1.28	304,154 T	197,049	15,286
Put	Purchased	NYBOT/OTC	#11	Oct/10	1,385	17.00	¢/lb 2.42	¢/lb 1.98	70,361 T	46,966	5,470
Put	Purchased	NYBOT/OTC	#11	Oct/10	434	17.50	¢/lb 2.70	¢/lb 2.31	22,048 T	15,150	2,000
Sub-total for purchased puts									396,564 T	259,165	22,756
Put	Sold	NYBOT	#11	Jul/10	5,987	16.50	¢/lb 0.29	¢/lb 1.28	197,049 T	197,049	(15,286)
Put	Sold	NYBOT	#11	Oct/10	1,385	17.00	¢/lb 0.53	¢/lb 1.98	70,361 T	46,966	(5,470)
Put	Sold	NYBOT	#11	Oct/10	459	17.50	¢/lb 0.28	¢/lb 2.31	23,318 T	16,023	(2,115)
Sub-total for sold puts									397,834 T	260,038	(22,871)
Swap	Purchased	OTC	#11	Oct/10	985	-	¢/lb 25.50	¢/lb 0.28	50,040 T	50,102	550
Swap	Purchased	OTC	#11	Oct/10	985	-	¢/lb 25.80	¢/lb 0.27	50,040 T	50,692	530
Swap sub-total									100,794	100,794	1,081
Total for commodities									1,062,251	1,986,902	101,733

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Notes to the Financial Statements (Continued)
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20. Financial instruments (Continued)

c) Foreign exchange risk

The Company has derivatives in order to mitigate its exposure to the effect of foreign exchange rate fluctuations on its revenue from exports. The exchange rate derivatives together with the commodity price derivatives allow ensuring minimum average profit from future production. The Company actively manages contracted positions, and the result of such activities is monitored daily. through effective mark-to-market controls and price impact simulations in order to allow adjusting targets and strategies due to changes in market conditions. The fair value of these derivatives was measured based on estimates that use discounted cash flows based on market curves.

At March 31, 2010, the Company had US\$862,118 thousand (US\$574,670 thousand in 2009) hedged by future, forward and option contracts traded in BM&FBovespa and OTC, with a positive adjustment to market value estimated at R\$52,750 (negative adjustment of R\$45,945 in 2009).

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20. Financial instruments (Continued)

c) Foreign exchange risk (Continued)

Price risk: Exchange rate derivatives outstanding on March 31, 2010											
Derivatives	Purchased/sold	Market	Contract	Screen	Number of contracts	Strike	Average price	Fair price	Notional	Notional	Fair value
Future	Sold	BM&FBovespa	Commercial U.S. dollar rate	Apr/10	6,220	-	\$1.7943	\$1.7810	\$311,000	558,038	4,147
Future	Sold	BM&FBovespa	Commercial U.S. dollar rate	Jul/10	1,845	-	\$1.8291	\$1.8146	\$92,250	168,738	1,342
Future	Sold	BM&FBovespa	Commercial U.S. dollar rate	Dec/10	1,400	-	\$1.8959	\$1.8812	\$70,000	132,712	1,029
Future	Sold	BM&FBovespa	Commercial U.S. dollar rate	Jul/11	1,300	-	\$1.9981	\$1.9837	\$65,000	129,873	934
Future	Sold	BM&FBovespa	Commercial U.S. dollar rate	Oct/11	700	-	\$2.0452	\$2.0297	\$35,000	71,584	546
Sub-total for sold future contracts									\$573,250	\$1,060,945	\$7,997
Future	Purchased	BM&FBovespa	Commercial U.S. dollar rate	Apr/10	(6,130)	-	\$1.7943	\$1.7810	\$(306,500)	(549,963)	(4,087)
Future	Purchased	BM&FBovespa	Commercial U.S. dollar rate	May/10	(3,300)	-	\$1.8049	\$1.7907	\$(165,000)	(297,803)	(2,339)
Future	Purchased	BM&FBovespa	Commercial U.S. dollar rate	Dec/10	(1,000)	-	\$1.8959	\$1.8812	\$(50,000)	(94,794)	(735)
Future	Purchased	BM&FBovespa	Commercial U.S. dollar rate	Jul/11	(1,000)	-	\$1.9910	\$1.9837	\$(50,000)	(99,550)	(366)
Sub-total for sold and purchased future contracts									\$(571,500)	\$(1,042,111)	\$(7,526)
Forward	Sold	OTC/Cetip	NDF	Jul/10	1	-	\$1.8945	\$1.8139	\$46,000	87,147	3,628
Forward	Sold	OTC/Cetip	NDF	Aug/10	1	-	\$1.9360	\$1.8255	\$50,000	96,800	5,364
Forward	Sold	OTC/Cetip	NDF	Sep/10	1	-	\$1.9165	\$1.8390	\$75,000	143,738	5,593
Forward	Sold	OTC/Cetip	NDF	Oct/10	1	-	\$2.0320	\$1.8534	\$5,000	10,160	852
Forward	Sold	OTC/Cetip	NDF	Oct/10	1	-	\$2.0080	\$1.8541	\$23,000	46,184	3,376
Forward	Sold	OTC/Cetip	NDF	Nov/10	1	-	\$1.9980	\$1.8665	\$73,800	147,454	9,179
Forward	Sold	OTC/Cetip	NDF	Jan/11	1	-	\$1.9125	\$1.8802	\$50,000	95,625	1,512
Forward	Sold	OTC/Cetip	NDF	Feb/11	1	-	\$1.9880	\$1.8965	\$45,000	89,460	3,821
Forward	Sold	OTC/Cetip	NDF	Jun/11	1	-	\$2.0183	\$1.9677	\$70,000	141,281	3,134
Forward	Sold	OTC/Cetip	NDF	Aug/11	1	-	\$1.9860	\$1.9837	\$50,000	99,300	101
Forward sub-total									\$487,800	957,149	36,559
Onshore Put	Purchased	BM&FBovespa	Commercial U.S. dollar rate	Jul/10	6,800	1.80	\$36.1590	\$41.7130	\$340,000	612,000	14,182
Onshore Put sub-total									\$340,000	612,000	14,182
Offshore Put	Purchased	OTC	Commercial U.S. dollar rate	Feb/11	475	1.80	\$103.7832	\$37.3177	\$23,768	42,782	887
Offshore Put	Purchased	OTC	Commercial U.S. dollar rate	Feb/11	176	1.90	\$162.4785	\$73.8414	\$8,800	16,720	650
Offshore Put sub-total									\$32,568	59,502	1,537
Total for export exchange rates									\$862,118	\$1,647,485	52,750
Swap	Purchased	OTC/Cetip	U.S. dollar/DI		1		US\$ / 57.49% CDI		\$175,000	322,023	7,463
Swap	Sold	OTC/Cetip	U.S. dollar/DI		1		57.49% CDI / US\$		\$(175,000)	(322,023)	(7,463)
Total for exchange rate									\$862,118	\$1,647,485	52,750

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Notes to the Financial Statements (Continued)
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20. Financial instruments (Continued)

c) Foreign exchange risk (Continued)

The Company does not use derivative financial instruments to hedge foreign exchange exposure from balance sheet. At March 31, 2010 and March 31, 2009, the Company and its subsidiaries presented the following net balance sheet exposure to US dollar:

	Consolidated			
	2010		2009	
	R\$	US\$ (thousand)	R\$	US\$ (thousand)
Amounts pending foreign exchange closing	127,755	71,732	48,969	21,151
Overnight	50,470	28,338	67,137	28,998
Trade notes receivable - foreign	148,655	83,467	162,822	70,327
Related parties	-	-	(405,871)	(175,306)
Foreign currency-denominated loans	(479,206)	(269,066)	(257,573)	(111,253)
Advances from customers	(980,533)	(550,552)	-	-
Senior Notes due in 2009	-	-	(86,456)	(37,343)
Senior Notes due in 2014	(631,246)	(354,433)	-	-
Senior Notes due in 2017	(720,573)	(404,589)	(936,704)	(404,589)
Perpetual bonds	(810,896)	(455,304)	(1,054,119)	(455,304)
Restricted cash	44,972	25,251	11,757	5,078
Foreign exchange exposure, net	<u>(3,250,602)</u>	<u>(1,825,156)</u>	<u>(2,450,038)</u>	<u>(1,058,241)</u>

d) Interest rate risk

The Company monitors fluctuations of the several interest rates to which its assets and liabilities are pegged and, in the event of increased volatility of such rates, it may engage in transactions with derivatives so as to minimize such risks. At March 31, 2010, the Company had US\$300,000 thousand hedged by swap contracts traded in the over-the-counter market, whose market value is assessed negatively at R\$624.

Price risk: outstanding commodities derivatives on March 31, 2010											
Derivative	Purchased/ sold	Market	Contract	Table	Number of contracts	Strike	Average price	Fair price	Notional (R\$ '000)	Notional (R\$ '000)	Fair value (R\$ '000)
Swap	Purchased	OCT/Cetip	Fix/Libor 3 month		1	-	1,199% / Libor 3 month		\$300,000	518,790	(624)
Total swap									<u>\$300,000</u>	<u>518,790</u>	<u>(624)</u>

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
(In thousands of reais)

20. Financial instruments (Continued)

e) Credit risk

A significant portion of sales made by the Company and its subsidiaries is for a selected group of best-in-class counterparts, i.e. trading companies, fuel distribution companies and large supermarket chains. In the fuel distribution activity, the diversity of the receivables, the selected clients and the follow up of financing terms of sales by business segment and individual position limits are procedures adopted to minimize eventual default in the accounts receivable. The Company's sales policy is directly related to the level of credit exposure experienced in the course of its business.

Credit risk is managed through specific rules of client acceptance, credit rating and setting of limits for customer exposure, including the requirement of a letter of credit from major banks and obtaining actual warranties on given credit, when applicable. Management believes that the risk of credit is substantially covered by the allowance for doubtful accounts.

The Company and its subsidiaries historically have not recorded material losses on trade accounts receivable.

f) Debt acceleration risk

As of March 31, 2010, the Company was a party to loan and financing agreements with covenants generally applicable to these operations, including requirements related to cash generation, debt to equity ratio and others. These covenants are being fully complied with by the Company and do not place any restrictions on its operations.

g) Market values

As of March 31, 2010 and 2009, the fair values of cash, marketable securities and trade accounts receivable and payable approximate the respective amounts recorded in the consolidated financial statements, due to their short-term nature.

The fair value of the Senior Notes maturing in 2014 and 2017, as described in Note 13, according to their market value, were 114.85% and 103.5%, respectively, of their face value at March 31, 2010.

The fair value of Perpetual Notes as described in Note 13, according to its market value, was 99.80% of its face value at March 31, 2010.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
 (In thousands of reais)

20. Financial instruments (Continued)

g) Market values (Continued)

As for the other loan and financing arrangements, their respective fair values substantially approximate the amounts recorded in the financial statements considering that such instruments are subject to variable interest rates.

h) Sensitivity analysis

Pursuant to CVM Rule N° 475 issued on December 17, 2008, following is the sensitivity analysis of the fair value of financial instruments, in accordance with the types of risks deemed to be significant by the Company:

Assumptions for the Sensitivity Analysis

For the analysis, the Company adopted three scenarios, being one probable and two that may have effects from impairment of the fair value of the Company's derivative financial instruments. The definition of the probable scenario included the market data at March 31, 2010, the same one which determine the fair value of the derivatives at that date and therefore there are no differences in relation to the fair value of the derivative financial instruments. The possible adverse and remote scenarios were established in view of adverse impacts of 25% and 50% on the curves in the prices of the U.S. dollar and sugar:

<u>Bourse:</u>	<u>Sugar #11</u>	<u>Sugar Ref.</u>	<u>Dollar</u>
<u>Unit:</u>	<u>NYBOT</u>	<u>LIFFE</u>	<u>BM&FBovespa</u>
	<u>US\$/lb</u>	<u>US\$/ton</u>	<u>R\$/US\$</u>
Apr-10	-	-	1.781000
May-10	16.59	504.00	1.790694
Jun-10	-	-	1.802495
Jul-10	16.51	-	1.814598
Aug-10	-	471.00	1.828130
Sep-10	-	-	1.841761
Oct-10	16.50	463.00	1.854871
Nov-10	-	-	1.867982
Dec-10	-	465.40	1.881189
Jan-11	-	-	1.896482
Feb-11	-	-	1.911138
Mar-11	16.70	466.40	1.925085
Apr-11	-	-	1.940068
May-11	16.53	-	1.952751
Jun-11	-	-	1.968527
Jul-11	16.35	-	1.983682
Aug-11	-	-	1.998283
Sept-11	-	-	2.015064
Oct-11	16.13	-	2.029650

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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20. Financial instruments (Continued)

h) Sensitivity analysis (Continued)

Sensitivity Exhibit

Following is the sensitivity exhibit on the change in the fair value of the Company's financial derivatives:

Risk factor	Impacts in P&L (*)			
	Probable Scenario	Possible Scenario (25%)	Remote Scenario (50%)	
Price risk				
Goods derivatives				
Futures contracts:				
Sale commitments	Sugar price spike	146,449	(215,057)	(434,604)
Purchase commitments	Sugar price decline	(34,843)	(41,584)	(81,219)
Options:				
Put	Sugar price spike	(11,614)	3,298	(81,065)
Call	Sugar price spike	22,756	(22,756)	(22,756)
Call - sold	Sugar price decline	(22,871)	(45,423)	(111,448)
Swap contracts	Sugar price decline	1,081	(55,410)	(72,292)
Exchange rate risk				
Exchange rate derivatives				
Futures contracts:				
Sale commitments	R\$/US\$ exchange rate appreciation	7,997	(263,237)	(526,474)
Purchase commitments	R\$/US\$ exchange rate depreciation	(7,526)	(258,646)	(517,292)
Forward contract:				
Sale commitments	R\$/US\$ exchange rate appreciation	36,559	(231,086)	(461,421)
Option:				
Call - purchased	R\$/US\$ exchange rate appreciation	15,719	(15,719)	(15,719)
Interest rate risk				
Interest derivatives				
Swap contracts	Libor curve decline	(624)	(2,140)	(4,280)

(*) Projected results to occur up to 12 months from March 31, 2010.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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21. Sales commitments

Sales

Considering that the Company engages primarily with commodities, sales are essentially closed at spot prices. However, the Company has entered into several sugar market agreements whereby it undertakes to sell sugar quantities against future crops.

Commitments with sales of sugar, in tonnes, at March 31, 2010 and 2009, are as follows:

Years	2010	2009
2010	-	2,428,000
2011	2,005,434	1,828,000
2012	1,828,134	1,828,000
Total	3,833,568	6,084,000

Sugar Purchases

Cosan has entered several sugar cane purchase agreements with third parties for the purpose of securing a portion of its production in subsequent crops/harvest seasons. The quantity of sugar cane to be purchased was calculated against the estimated quantity to be crushed per location. Amounts payable by the Company are determined at the end of each crop/harvest, in accordance with prices published by CONSECANA.

Crop purchase commitments expressed in metric tonnes as of March 31, 2010 and 2009, are as follows:

Years	2010	2009
2010	-	18,294,022
2011	27,029,473	15,597,478
2012	23,600,912	13,667,154
2013	20,112,639	9,754,713
2014	16,345,120	5,701,801
2015	13,667,148	3,198,591
Beginning in 2015	120,129,217	5,030,758
Total	220,884,509	71,244,517

As of March 31, 2010, the total sugarcane crushing capacity for the next crop, considering all facilities of the Company, is of approximately 60,000 metric tonnes.

The Company has entered into several agreements for the purchase of plant equipment intended for plant maintenance and expansion, as well as to support a CHP (combined heat and power) project, in the total amount of R\$330,801 as of March 31, 2010 (R\$716,790 in 2009).

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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21. Sales commitments (Continued)

Sugar Purchases (Continued)

Additionally, the Company, through its subsidiary Rumo Logística S.A., has entered into a purchase and sale commitment covering rail cars, train engines and other improvements for the purpose of expanding its logistics business over the next years, as follows:

Years	<u>2010</u>
2011	652,678
2012	126,892
2013	<u>94,682</u>
Total	<u><u>874,252</u></u>

Lease Agreements

The Company and its subsidiaries have entered several operating lease agreements to secure crop land, as well as a concession agreement covering operations of maritime terminal facilities. These agreements will expire in 20 years.

Minimum payments under each such covenants are calculated on a straight-line basis, pursuant to each respective agreement. Expenses associated with the foregoing agreements during the years ended on March 31, 2010 and 2009, are as follows:

	<u>2010</u>	<u>2009</u>
Minimum installment	113,953	88,593
Variable installment	112,990	85,267
Total	<u><u>226,943</u></u>	<u><u>173,860</u></u>

The schedule of future payments under the foregoing agreements as of March 31, 2010 and 2009, is as follows:

Years	<u>2010</u>	<u>2009</u>
2010	-	93,662
2011	131,362	96,364
2012	117,937	93,008
2013	117,200	86,058
2014	117,655	82,667
2015	117,431	82,667
Beginning in 2015	<u>1,354,501</u>	<u>992,287</u>
Total	<u><u>1,956,086</u></u>	<u><u>1,526,713</u></u>

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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22. Insurance

At March 31, 2010, the Company and its subsidiaries maintain insurance coverage against fire, thunderbolts and explosions of any nature for the whole sugar and ethanol inventory and for specific buildings, equipment, facilities and machinery.

The Company does not foresee any difficulties to renew its insurance policies and believes that the coverage established is reasonable in terms of amounts and consistent with Brazilian industry standards.

The scope of our independent auditors work did not include an opinion on the sufficiency of the insurance coverage, which, as determined by the Company management, was considered sufficient to cover any claims.

23. Stock option plan

At the Annual and Extraordinary General Meeting held on August 30, 2005, the Guidelines for the Outlining and Structuring of a Stock Option Plan for Company's officers and employees were approved, thus authorizing the issue of up to 5% of the Company's share capital. The stock option plan was designed to obtain and retain the services rendered by senior officers and employees, offering them the opportunity to become shareholders of the Company. On September 22, 2005, the Board of Directors approved the distribution of stock options corresponding to 4.302.780 common shares to be issued by the Company related to 3.25% of the share capital at the time, authorized by the Annual/Extraordinary General Meeting. On that same date, eligible officers were informed of the material terms and conditions of the share-based compensation agreement.

On September 11, 2007, the Board of Directors approved the distribution of stock options, corresponding to 450,000 common shares to be issued or purchased by the Company related to 0.24% of the share capital at the time, authorized by the Annual/Extraordinary General Meeting. On that same date, the eligible officer was informed of the material terms and conditions of the share-based compensation agreement. The remaining 1.51% may still be distributed.

On August 7, 2009, the Board of Directors approved an additional distribution of stock options, with no vesting period, corresponding to 165,657 common shares to be issued or purchased by the Company, following a change in the management members.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
 March 31, 2010 and 2009
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23. Stock option plan (Continued)

Based on the fair value at the issue date, exercise price is R\$6.11 (six reais and eleven cents) per share, without discount. The exercise price was calculated before the above evaluation based on an expected private equity agreement based on that eventually was not made. The options are exercisable over a 3-year period, considering a maximum percentage of 25% p.a. of total stock options offered by the Company, within a period of 5 years.

The options exercised shall be settled only upon issue of new common or treasury shares that the Company may have at each relevant date

Should any holder of stock options cease to be an employee or manager of the Company, by death, retirement or permanent disability of the beneficiary, any options not previously vesting shall become extinct on the date that employee or officer separates from the Company. However, in the case of termination without good cause, the terminated employees shall be entitled to exercise 100% of their options referring to that particular year, on top of exercising 50% of their options in the coming year.

At March 31, 2010 options equivalent to 653,976 common shares were not exercised.

	Shares	Weighted average strike price
Outstanding as of April 30, 2005	-	-
Option awards (SRA dated 9/22/2005)	4,302,780	6.11
Outstanding as of April 30, 2006	4,302,780	6.11
Exercised (SRA dated 11/20/2006)	(1,132,707)	6.11
Forfeitures (SRA dated 20/11/2006)	(285,060)	-
Outstanding as of April 30, 2007	2,885,013	6.11
Option awards (SRA dated 9/11/2007)	450,000	6.11
Exercised (SRA dated 11/19/2007)	(922,947)	6.11
Exercised (SRA dated 12/11/2007)	(38,725)	6.11
Outstanding as of April 30, 2008	2,373,341	6.11
Forfeitures (SRA dated 3/23/2009)	(165,657)	-
Exercised (SRA dated 3/6/2009)	(736,852)	6.11
Outstanding as of March 31, 2009	1,470,832	6.11
Exercised (SRA dated 7/15/2009)	(224,819)	6.11
Option awards (SRA dated 8/7/2009)	165,657	6.11
Exercised (SRA dated 10/5/2009)	(169,500)	6.11
Exercised (SRA dated 12/15/2009)	(571,194)	6.11
Exercised (SRA dated 3/29/2010)	(17,000)	6.11
Outstanding as of March 31, 2010	653,976	6.11

Until March 31, 2010, all stock option exercises were settled through the issuance of new common shares. Should the remaining options also be exercised through the issuance of new common shares, the current shareholders' interest would be reduced by 0.16% (0.45% in 2009) after exercising all remaining options.

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Notes to the Financial Statements (Continued)
March 31, 2010 and 2009
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23. Stock option plan (Continued)

At March 31, 2010, R\$2,960 regarding the unrecognized remuneration cost of stock options will be recognized within nearly six months (R\$9,978 in 2009, with a deadline of nearly 18 months).

The fair value of the stock-based compensation plan was estimated using the binomial pricing method against the following assumptions:

	Options awarded on September 22, 2005	Options awarded on September 22, 2007	Options awarded on August 7, 2009
Award price – R\$	6.11	6.11	6.11
Estimated time to exercise (in years)	7.5	7.5	Immediate
Interest rate	14.52%	9.34%	(1)
Volatility	34.00%	46.45%	(1)
Dividend income	1.25%	1.47%	(1)
Weighted average fair value at award date – R\$	12.35	18.19	(1)

(1) The fair value used was the market value at assignment date (R\$17.90) since exercise of these options was not subject to a vesting period.

Estimated Time to Exercise – The term estimated by the Company represents such period during which the compensation under the stock option plan must remain outstanding, and was determined based on the assumption that executive officers will effectively exercise their options at the end of the period. Thus, the term was determined based on 5 and 10 years, on average. The Company does not anticipate any variance from this estimate, considering that options are primarily awarded to its own executive officers who are not subject to high turnover or attrition.

Expected Volatility – The Company has elected to replace historical volatility of its stock for an appropriate comprehensive industry index, which is based on stock price volatility, and to factor this index into its pricing model. The Company identified and compared similar publicly-held corporations that operate on a global scale and publish information regarding prices of stock or available options, taking into account the expected or implicit historical volatility of stock prices of such corporations. The Company then estimated the expected volatility of its own stock in this global scenario..

Expected Dividends – Since the Company went public just recently, expected dividends were calculated based on the current price of outstanding stock at award date, adjusted by the average ROI rate during the expected period relative to the book value of stock.

Risk-Free Interest Rate – The Company adopts the SELIC rate.

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24. Pension plan

a) Pension Plan

Previd Exxon - Sociedade de Previdência Privada, a closed-ended supplementary pension entity sponsored by Cosan CL (previously denominated Essobrás), set up on December 23, 1980, engaged mainly in the supplementation of benefits within certain limits set in its formation deed, to which all employees of the sponsor and their beneficiaries are entitled as social security insured workers. Cosan CL determined the implications of implementing the procedures set forth in NPC 26 of IBRACON.

b) Actuarial Liabilities

This refers to the responsibility assumed by Cosan CL to complement retirement and pension benefits under an employment severance pa, as well as to accounting for the pension pa. These liabilities were determined by an independent actuary professional and represent the present value of benefits and pensions. As of March 31, 2010, the relevant balances were reported in non-current liabilities as actuarial liabilities in the amount of R\$61,788 (R\$60,378 in 2009).

The consolidated balance of the provision for pension pa expenditures, and the corresponding transaction during the year, are described as follows:

	2010	2009(*)
Present value of actuarial liabilities at the beginning of the year	(362,339)	(356,632)
Cost of interest	(32,584)	(10,466)
Cost of current service	(5,478)	(1,790)
Paid benefits	18,985	6,901
Actuarial gain (loss) on the liability at beginning of year	55,882	(352)
Present value of actuarial liability at year end	(325,534)	(362,339)
Fair value of plan assets at the beginning of the year	297,231	291,707
Expected income from pa assets	31,046	9,227
Contributions made to the pa	8,403	3,198
Paid benefits	(18,985)	(6,901)
Gain from asset fair value	30,008	-
Fair value of pa assets at year end	347,703	297,231
Present value of assets (liabilities), net	22,169	(65,108)
Non-recognized actuarial losses (gains)	(83,957)	4,730
Actuarial liabilities	(61,788)	(60,378)

(*) Four-month period ended on March 31, 2019.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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24. Pension plan (Continued)

For actuarial calculation purposes, which calculations were done by professional actuaries pursuant to NPC 26, the following assumptions were taken into account relative to the year ended on March 31, 2010:

Benefit pa	Defined benefit
Actuarial evaluation method	Projected credit unit
Life table	AT 83 segregated by gender, corrected by 10%
Actuarial liability discount rate	Interest: 6.58% pa + inflation: 4.50% pa
Expected yield for plant asset	Interest: 5.98% pa + inflation: 4.50% pa
Wage increase rate	1.57% + inflation: 4.50% pa
Estimated benefit increase rate	0.00% pa + inflation: 4.50% pa

The amount of the contributions made by Cosan CL to Previd Exxon – Sociedade de Previdência Privada in the year ended on March 31, 2010, was R\$8,403.

25. Segment Reporting (consolidated)

a) Segment Reporting

Segment information is based on information used by the management of Cosan to assess the performance of operating segments and make investment decisions. In view of the changes occurred in the course of the current year as well as of the growth and importance of other business ventures, the Company has modified its current segment structure, which comprises three segments: (i) sugar and ethanol (“CAA”), (ii) fuel and lubricant distribution (“CCL”) and (iii) logistics (“RUMO”). Operating assets associated with these segments are located solely in Brazil.

The primary activity of the CAA segment is the production and marketing of an array of sugarcane by-products, including raw sugar (referred to as VHP), and fuel ethanol, both anhydrous and hydrous. This segment also engages in power cogeneration from sugar cane bagasse.

The CCL segment engages in distribution and marketing of fuels and lubricants, especially through the franchised gas station network of the “Esso” brand in the whole national territory.

The RUMO segment operates logistic services comprising transportation, warehousing and cargo rigging for both the CAA segment (sugar) and third parties.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)
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25. Segment Reporting (consolidated) (Continued)

a) Segment Reporting (Continued)

Below are some segment-level income and asset selected information. Amounts were stated in accordance with the same accounting policies used in preparing the consolidated statements:

	2010				Consolidated
	CAA	CCL	RUMO	Adjustments and exclusions	
Balance Sheet:					
Property, plant and equipment	4,943,614	356,170	294,033	(32,752)	5,561,065
Intangibles	1,309,387	1,379,769	69,146	143,006	2,901,308
Loans and financing, net of cash and cash equivalents	(4,351,613)	(444,964)	(106,502)	44,014	(4,859,065)
Other assets and liabilities, net	3,763,800	610,384	13,706	(2,833,617)	1,554,273
Total assets (net of liabilities) per segment	<u>5,665,188</u>	<u>1,901,359</u>	<u>270,383</u>	<u>(2,679,349)</u>	<u>5,157,581</u>
Result for the period (12 months):					
Net operating revenue	5,380,134	10,145,054	158,249	(347,382)	15,336,055
Gross profit	1,312,143	770,492	42,728	-	2,125,363
SG&A expenses	(850,814)	(492,828)	(18,111)	-	(1,361,753)
Other operating revenues, net	312,202	16,928	4,011	-	333,141
Other selected information:					
Additions to PP&E and intangible assets	1,689,880	88,300	147,943	-	1,926,123
Depreciation and amortization	584,727	37,450	14,167	-	636,344
2009					
	CAA	CCL	RUMO	Adjustments and exclusions	Consolidated
Balance Sheet:					
Property, plant and equipment	3,079,833	297,993	68,100	19,310	3,465,236
Intangibles	980,651	2,236	-	1,464,577	2,447,464
Loans and financing, net of cash and cash equivalents	(2,598,952)	91,828	11,139	(1,119,619)	(3,615,604)
Other assets and liabilities, net	6,815,120	(181,101)	(3,401)	(5,531,087)	1,099,531
Total assets (net of liabilities) per segment	<u>8,276,652</u>	<u>210,956</u>	<u>75,838</u>	<u>(5,166,819)</u>	<u>3,396,627</u>
Result for the period (11 months):					
Net operating revenue	3,129,574	3,106,000	53,850	(19,335)	6,270,089
Gross profit	595,763	189,883	13,786	-	799,432
SG&A expenses	(531,140)	(171,557)	(5,745)	-	(708,442)
Other operating revenues, net	187,499	1,561	10,799	-	199,859
Other selected information:					
Additions to PP&E and intangible assets	1,329,185	11,300	5,633	-	1,346,118
Depreciation and amortization	408,623	12,628	5,906	-	427,157

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

25. Segment Reporting (consolidated) (Continued)

b) Opening of sales net revenues per segment:

	<u>2010</u>	<u>2009</u>
CAA		
Sugar	3,377,832	1,805,081
Ethanol	1,747,646	1,176,024
Cogeneration	93,583	15,100
Other	161,073	133,369
	5,380,134	3,129,574
CCL		
Fuel	9,437,316	2,893,859
Lubes	634,045	186,375
Other	73,693	25,766
	10,145,054	3,106,000
Rumo		
Raise	142,120	53,850
Transportations	16,129	-
	158,249	53,850
Adjustments/eliminations	(347,382)	(19,335)
Total	15,336,055	6,270,089

c) Sales revenues per region

The net operating revenue share per geographic area, expressed as a percentage, is as follows:

	<u>2010</u>	<u>2009</u>
Brazil	86.4%	73.6%
Europe	9.2%	18.5%
Latin America (other than Brazil)	2.8%	5.0%
Middle East and Asia	1.2%	1.9%
North America	0.3%	0.9%
Africa	0.1%	0.1%
Total	100.0%	100.0%

COSAN S.A. INDÚSTRIA E COMÉRCIO

Notes to the Financial Statements (Continued)

March 31, 2010 and 2009

(In thousands of reais)

25. Segment Reporting (consolidated) (Continued)

d) Significant customers

CAA

Sales in this segment are relatively dispersed, with one single customer representing more than 10% of total sales of this segment in 2010 and 2009 (Grupo SUCDEN with 17% and 14% of sales, respectively).

CCL

Sales in this segment are highly dispersed and there is no single customer or economic group representing sales of 10% or more in the segment.

RUMO

In 2010 33% of the sales in this segment were for the CAA segment (52% in 2009), with two other customers generating revenues of more than 10% of the total revenues in this segment, these being Grupo SUCDEN with 16% (14% in 2009) and Grupo ED & F MAN with 14% in 2010 (no sales in 2009).