

Quarterly Financial Information

Cosan S.A. Indústria e Comércio

September 30, 2011

Quarterly information with independent auditors review report
“a Free Translation of the Original Issued in Portuguese”

COSAN S.A. INDÚSTRIA E COMÉRCIO

Quarterly Information

September 30, 2011

Contents

Quarterly information review report.....	1
Statements of Financial Position.....	3
Income Statements.....	5
Statements of Changes in Equity.....	6
Statements of Comprehensive Income	7
Statements of Cash Flows	8
Statements of Value Added	9
Notes to the Quarterly information	10



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A free translation from Portuguese into English of Independent Auditor's Review Report

INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors and Shareholders of
Cosan S.A. Indústria e Comércio
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Financial Information (ITR) of Cosan S.A. Indústria e Comércio, as of September 30, 2011, comprising the statement of financial position and the related statements of income, comprehensive income for the three-month and nine-month periods then ended, and changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 – Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC) and of the consolidated interim financial information in accordance with CPC 21 and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly financial information (ITR), consistently with the rules issued by the Brazilian Securities Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of quarterly information (ITR), consistently with the rules issued by the Brazilian Securities Commission.

Other matters

Interim statements of value added

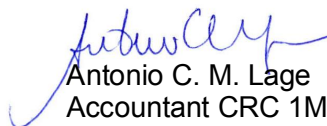
We have also reviewed the individual and consolidated interim statements of value added (SVA) for the nine-month period ended September 30, 2011, whose presentation in the interim financial information is required by rules issued by the Brazilian Securities Commission (CVM), and as supplementary information by IFRS, which do not require SVA presentation. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they are not prepared, in all material respects, in relation to the overall accompanying individual and consolidated interim financial information.

São Paulo, November 09, 2011

ERNST & YOUNG TERCO
Auditores Independentes S.S.

A handwritten signature in blue ink, appearing to read "Luiz Carlos Nannini".

Luiz Carlos Nannini
Accountant CRC 1SP171638/O-7

A handwritten signature in blue ink, appearing to read "Antonio C. M. Lage".

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

COSAN S.A INDÚSTRIA E COMÉRCIO

Statements of Financial Position
September 30, 2011 and March 31, 2011
(In Thousands of Reais)

	Note	Parent Company		Consolidated	
		September 30, 2011	March 31, 2011	September 30, 2011	March 31, 2011
Assets					
Current					
Cash and cash equivalents	4	394,026	372,318	1,471,685	1,254,070
Restricted cash	5	-	2,719	52,540	187,944
Accounts receivable	7	3,986	44,782	983,724	594,857
Derivatives	24	-	-	29,434	55,682
Inventories	8	-	92,571	1,361,809	670,331
Advances to suppliers		-	42,436	141,897	229,325
Related parties	10	25,251	73,939	599,679	14,669
Recoverable taxes	9	12,472	105,134	416,032	374,991
Dividends		17,948	-	-	-
Other current assets		10,318	31,565	108,109	80,385
		464,002	765,464	5,164,909	3,462,254
Non-current					
Deferred income taxes	18	377,032	215,490	959,744	715,333
Advances to suppliers		-	7,045	39,623	46,037
Related parties	10	503,348	71,233	1,176,606	91,954
Recoverable taxes	9	-	4,622	123,648	55,066
Judicial deposits		196,846	17,574	491,056	218,371
Other financial assets	6	417,623	201,773	418,647	420,417
Other non-current assets		356,237	1,401	966,508	443,752
Equity method investments	12	11,338,224	8,290,188	358,052	304,142
Biological assets	13	-	532,140	716,966	1,561,132
Property, plant and equipment	14	19,747	1,177,298	7,928,774	7,980,524
Intangible assets	15	99,105	366,471	4,531,105	3,445,674
		13,308,162	10,885,235	17,710,729	15,282,402
Total Assets		13,772,164	11,650,699	22,875,638	18,744,656

COSAN S.A INDÚSTRIA E COMÉRCIO

Statements of Financial Position
September 30, 2011 and March 31, 2011
(In Thousands of Reais)

	Note	Parent Company		Consolidated	
		September 30, 2011	March 31, 2011	September 30, 2011	March 31, 2011
Liabilities					
Current					
Current portion of long-term debt	16	-	110,526	758,728	916,400
Derivatives	24	-	-	29,293	132,289
Trade accounts payable		1,756	99,630	757,453	558,766
Salaries payable		6,065	54,199	191,546	183,560
Taxes payable	17	63,304	33,758	328,874	245,284
Dividends payable	20	14,376	190,285	21,223	190,285
Related parties	10	140,435	29,001	163,167	41,163
Deferred income		-	-	22,933	-
Other current liabilities		50,837	44,183	283,470	189,629
		<u>276,773</u>	<u>561,582</u>	<u>2,556,687</u>	<u>2,457,376</u>
Non-current					
Long-term debt	16	318,758	1,551,236	4,407,785	6,274,895
Taxes payable	17	650,164	88,717	1,179,958	639,071
Legal proceedings	19	307,507	78,142	975,791	666,282
Related parties	10	2,921,713	2,401,518	546,295	4,444
Pension	25	-	-	27,412	24,380
Deferred income taxes	17	417,686	462,841	3,159,134	1,510,965
Other non-current liabilities		49,335	47,802	752,056	382,897
		<u>4,665,163</u>	<u>4,630,256</u>	<u>11,048,431</u>	<u>9,502,934</u>
Equity					
Common stock	19	4,691,822	4,691,822	4,691,822	4,691,822
Treasury shares		(66,284)	(19,405)	(66,284)	(19,405)
Capital reserve		609,939	537,468	609,939	537,468
Profit reserves		1,232,228	1,248,976	1,232,228	1,248,976
Accumulated losses		2,362,523	-	2,362,523	-
Equity attributable to owners of the Company		<u>8,830,228</u>	<u>6,458,861</u>	<u>8,830,228</u>	<u>6,458,861</u>
Equity attributable to non-controlling interests		-	-	440,292	325,485
Total Equity		<u>8,830,228</u>	<u>6,458,861</u>	<u>9,270,520</u>	<u>6,784,346</u>
Total Liabilities and Equity		<u>13,772,164</u>	<u>11,650,699</u>	<u>22,875,638</u>	<u>18,744,656</u>

See accompanying notes to quarterly financial information.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Income Statements

Period ended September 30, 2011 and 2010

(In thousands of Reais, except otherwise stated)

	Note	Parent Company				Consolidated			
		07.01.2011 to 09.30.2011	04.01.2011 to 09.30.2011	07.01.2010 to 09.30.2010	04.01.2010 to 09.30.2010	07.01.2011 to 09.30.2011	04.01.2011 to 09.30.2011	07.01.2010 to 09.30.2010	04.01.2010 to 09.30.2010
Net sales	22	-	64	588,348	1,152,154	6,804,283	11,992,263	4,716,087	8,715,709
Cost of goods sold		(442)	(897)	(422,178)	(852,937)	(6,042,363)	(10,642,363)	(3,995,209)	(7,517,890)
Gross profit		(442)	(833)	166,170	299,217	761,920	1,349,900	720,878	1,197,819
Operational income /(expenses)		-	-	-	-	-	-	-	-
Selling		-	-	(47,248)	(77,269)	(295,266)	(556,468)	(265,511)	(481,608)
General and administrative		(20,659)	(34,544)	(69,912)	(121,740)	(158,154)	(308,174)	(137,915)	(258,526)
Other, net		(39,570)	(34,213)	(34,542)	(39,160)	3,236	25,259	(39,131)	(41,462)
Gain of formation of joint venture	21	67,277	36,865	-	-	(18,160)	3,296,959	-	-
		7,048	(31,892)	(151,702)	(238,169)	(468,344)	2,457,576	(442,557)	(781,596)
Income before financial results, equity income of associates and income taxes		6,606	(32,725)	14,468	61,048	293,576	3,807,476	278,321	416,223
Equity income of associates	11	221,047	2,787,588	88,988	125,128	(1,303)	656	2,358	8,116
Financial results, net	23	(330,171)	(565,003)	235,727	135,087	(393,595)	(382,385)	86,407	(44,096)
Income before income taxes		(102,518)	2,189,860	339,183	321,263	(101,322)	3,425,747	367,086	380,243
Income Taxes									
Current	18	87,535	2,429	-	-	(89,524)	(116,389)	(21,829)	(33,535)
Deferred	18	78,182	170,234	(87,646)	(69,313)	277,718	(920,054)	(104,420)	(103,714)
		165,717	172,663	(87,646)	(69,313)	188,194	(1,036,443)	(126,249)	(137,249)
Net income for the year		63,199	2,362,523	251,537	251,950	86,872	2,389,304	240,837	242,994
Net income attributable to non- controlling interests		-	-	-	-	(23,673)	(26,781)	10,700	8,956
Net income attributable to Cosan		63,199	2,362,523	251,537	251,950	63,199	2,362,523	251,537	251,950

See accompanying notes to quarterly financial information.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statements of Changes in Equity Period ended September 30, 2011 (In Thousands of Reais)

	Capital reserves				Profit reserves		Retained earnings (accumulated losses)	Total	Non-controlling interests	Total equity
	Capital stock	Treasury shares	Additional paid-in capital	Other components of equity	Legal	Retained earnings				
Balances at March 31, 2011	4,691,822	(19,405)	660,743	(123,275)	63,119	1,185,857	-	6,458,861	325,485	6,784,346
Hedge accounting	-	-	-	10,424	-	-	-	10,424	-	10,424
Equity Adjustment - deconsolidation of subsidiaries contributed to joint ventures	-	-	-	65,246	-	-	-	65,246	-	65,246
Change in the non-controlling interest by the formation of Raizen	-	-	-	-	-	-	-	-	9,036	9,036
Acquisition of treasury shares	-	(46,879)	-	-	-	-	-	(46,879)	-	(46,879)
Net income for the period	-	-	-	-	-	-	2,365,523	2,365,523	26,781	2,389,304
Effect of corporate reorganization of Rumo	-	-	(3,199)	-	-	-	-	(3,199)	-	(3,199)
Dividends proposed	-	-	-	-	-	(16,748)	-	(16,748)	-	(16,748)
Balances at September 30, 2011	4,691,822	(66,284)	657,544	(47,605)	63,119	1,169,109	2,365,523	8,830,228	440,292	9,270,520

	Capital Reserves				Profit reserves		Retained earnings (accumulated losses)	Total	Non-controlling interests	Total equity
	Capital stock	Treasury shares	Additional paid-in capital	Other Components of equity	Legal	Retained earnings				
Balances at March 31, 2010	4,687,826	(4,186)	452,217	39,112	24,541	349,707	369,841	5,919,058	63,119	5,982,177
Share based compensation	-	-	859	-	-	-	-	859	-	859
Hedge accounting	-	-	-	(131,457)	-	-	-	(131,457)	-	(131,457)
Current Translation Adjustment - CTA	-	-	-	94	-	-	-	94	-	94
Exercise of common stock warrants	1	-	-	-	-	-	-	1	-	1
Exercise of stock options	3,308	-	-	-	-	-	-	3,308	-	3,308
Issuance of subsidiary shares to non-controlling interest	-	-	206,404	-	-	-	-	206,404	193,596	400,000
Net income for the period	-	-	-	-	-	-	251,950	251,950	(8,956)	242,994
Dividends	-	-	-	-	-	-	(83,431)	(83,431)	-	(83,431)
Pension Plan	-	-	-	(2,402)	-	-	-	(2,402)	-	(2,402)
Balances at September 30, 2010	4,691,135	(4,186)	659,480	(94,653)	24,541	349,707	538,360	6,164,384	247,759	6,412,143

See accompanying notes to quarterly financial information.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statements of Comprehensive Income
 Period ended September 30, 2011 and 2010
 (In Thousands of Reais)

	Consolidated			
	07.01.2011 to 09.30.2011	04.01.2011 to 09.30.2011	07.01.2010 to 09.30.2010	04.01.2010 to 09.30.2010
Net income of the period	86,873	2,389,304	240,838	242,996
Other Comprehensive Income (Loss):				
Exchange differences on translation of foreign operations – CTA Vertical	-	-	100	94
Net movement on cash flow hedges	(42,268)	15,794	(229,394)	(199,177)
Actuarial gains and losses on defined benefit plans	-	-	(2,879)	(3,640)
Income tax effects	14,371	(5,370)	78,973	68,958
Other Comprehensive Income (Loss) for the period, net of tax	(27,897)	10,424	(153,200)	(133,859)
Total Comprehensive Income for the period, net of tax	58,976	2,399,728	87,638	109,229
Attributable to:				
Owners of the Company	82,649	2,420,293	76,938	100,273
Non-controlling interests	(23,673)	(20,565)	10,700	8,956

See accompanying notes to quarterly financial information.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statements of Cash Flows Period ended September 30, 2011 and 2010 (In Thousands of Reais)

	Parent Company		Consolidated	
	09.30.2011	09.30.2010	09.30.2011	09.30.2010
Operating activities				
Net income of the period	2,362,523	251,950	2,362,523	251,950
Non-cash adjustments to reconcile profit before tax to net cash flows from operating activities:				
Depreciation and amortization	3,354	109,076	669,205	690,927
Biological assets	-	14,719	17,856	70,829
Income from equity investments	(2,787,588)	(125,128)	(656)	(8,116)
Loss (gain) from disposal of property, plant and equipment	48	1,699	5,542	(8,718)
Deferred income taxes	(170,234)	69,314	920,054	103,714
Non-controlling interests	-	-	26,781	(8,956)
Interest, monetary variations and foreign exchange variation, net	93,463	(21,885)	528,615	104,746
Joint Ventures formation effects	(204,860)	-	(3,296,959)	-
Others	-	(355)	(4)	3,204
	(703,294)	299,390	1,232,957	1,199,580
Changes in assets and liabilities				
Accounts receivable	(3,986)	163,095	(228,808)	(121)
Restricted cash	(3,207)	-	121,179	-
Inventories	-	(157,513)	(638,444)	(752,596)
Related parties	574,666	(115,996)	(1,604,806)	-
Advances to suppliers	(18,245)	(24,677)	(103,922)	(59,728)
Suppliers	14,514	81,607	366,203	262,688
Salaries payable	3,435	23,166	116,062	83,905
Legal proceedings	258,326	19,491	68,074	34,288
Derivatives	(274,364)	(158,304)	(141,853)	(143,865)
Taxes and Contributions Payable	105,166	686	924,273	5,209
Recoverable taxes	-	(6,958)	-	(60,071)
Other assets and liabilities, net	375,144	(112,519)	354,716	(3,852)
	1,031,449	(287,922)	(767,326)	(634,143)
Net cash flows from operating activities	328,155	11,468	465,631	565,437
Investing activities				
Acquisitions, net cash of cash acquired	-	2,439	-	-
Cash contributed on establishment of the Joint Ventures	-	-	(173,116)	-
Acquisitions of sugar retail business	(85,861)	-	(72,780)	-
Dividends received	27,144	100,100	-	-
Capital increase in associates	(4,935)	-	(26,270)	(16,467)
Purchase of property, plant and equipment, software and other intangible assets	(3,260)	(154,467)	(729,096)	(826,505)
Sugarcane planting and growing costs	-	(58,352)	(340,784)	(392,620)
Proceeds from the sale of other investments and property, plant and equipment	-	374	42,282	17,906
Net cash flows used in investing activities	(66,912)	(109,906)	(1,299,764)	(1,217,686)
Financing activities				
Proceeds from long-term debt	-	417,090	1,764,887	1,138,273
Capital increase in subsidiaries by non-controlling interests in joint venture	-	(369,124)	(613,524)	(786,368)
Acquisition of treasury shares	(46,879)	3,309	139,925	403,309
Dividends paid	(192,656)	-	(46,879)	-
Dividends paid	(192,656)	(192,964)	(192,661)	(192,964)
Net cash flows from financing activities	(239,535)	(141,689)	1,051,748	562,250
Net increase in cash and cash equivalents	21,708	(240,127)	217,615	(89,999)
Cash and cash equivalents at the beginning of the year	372,318	285,925	1,254,070	1,078,366
Cash and cash equivalents at the end of the year	394,026	45,798	1,471,685	988,367
Supplemental disclosure of cash flow information				
Financial interest expenses paid	77,883	69,992	151,823	211,456
Income taxes paid	35,354	-	98,836	18,369

See accompanying notes to quarterly financial information.

COSAN S.A. INDÚSTRIA E COMÉRCIO

Statement of value added

Period ended September 30, 2011 and 2010

(In thousands of Reais)

	Parent Company		Consolidated	
	04.01.2011 to 09.30.11	04.01.2010 to 09.30.10	04.01.2011 to 09.30.11	04.01.2010 to 09.30.10
Revenues				
Sales of services and products	64	1,219,941	13,079,782	9,569,127
Others operational revenues, net	1,405	(4,617)	25,259	(17,828)
Gain of formation of joint venture	204,860	-	3,296,959	-
Reversal (additions) of allowance for doubtful accounts	-	(275)	(5,611)	1,501
	206,329	1,215,049	16,396,389	9,552,800
Raw materials acquired from third parties				
Cost of goods sold and services rendered	(911)	(600,286)	(9,873,659)	(6,641,359)
Materials, energy, third parties services, others	(224,796)	(238,168)	(582,500)	(763,684)
	(225,707)	(838,454)	(10,456,159)	(7,405,043)
Gross value added	(19,378)	376,595	5,940,230	2,147,757
Retention				
Depreciation and amortization	(259)	(109,076)	(669,205)	(442,090)
	(259)	(109,076)	(669,205)	(442,090)
Net value added	(19,637)	267,519	5,271,025	1,705,667
Value added received in transfer				
Income from equity investments	2,787,588	125,129	656	8,116
Financial revenue	162,038	297,674	186,778	311,459
	2,949,626	422,803	187,434	319,575
Value added to be distributed	2,929,989	690,322	5,458,459	2,025,242
Distribution of value added				
Salaries	11,770	82,948	464,121	284,163
Taxes and contributions	(172,663)	137,101	1,934,152	990,667
Financial expenses	727,042	162,587	569,162	355,554
Rentals and leasing	1,317	55,735	101,720	133,951
Non-controlling interests	-	-	26,781	8,956
Proposed dividends	16,748	316,569	16,748	316,569
Retained earnings	2,345,775	(64,618)	2,345,775	(64,618)
	2,929,989	690,322	5,458,459	2,025,242

See accompanying notes to quarterly financial information.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

1. Operations

Cosan S.A. Indústria e Comércio ("Cosan" or "the Company") is a Brazilian Company with its shares traded on the São Paulo Stock Exchange (Bovespa – CSAN 3). Its registered office is located in the city of São Paulo, Brazil. Cosan Limited is the controlling shareholder of Cosan, holding a 62.2% interest therein as of September 30, 2011.

Cosan, through its subsidiaries and jointly controlled subsidiaries, primary activities are in the following business segments (i) Sugar & Ethanol: the production of sugar and ethanol, as well as the energy cogeneration produced from sugarcane bagasse, through its joint venture named Raízen Energia Participações S.A. ("Raízen Energia") (ii) Fuel Distribution through its joint venture named Raízen Combustíveis S.A. ("Raízen Combustíveis") (iii) Logistics services including transportation, port lifting and storage of sugar (iv) Production and distribution of lubricants licensed by Mobil trademark and, (v) since July 1, 2011, the purchase and sale of sugar in the retail segment, activity that was previously developed by its joint venture Raízen Energia, now under the name of a business segment "Cosan Alimentos".

On June 1st 2011, the Company completed, jointly with Royal Dutch Shell ("Shell"), the establishment of two controlling companies ("joint ventures"): (i) Raízen Combustíveis S.A. ("Raízen Combustíveis"), in the fuel distribution segment, and (ii) Raízen Energia Participações SA ("Raízen Energia"), in the segment of sugar and ethanol. Cosan and Shell share control of the two entities, with each company holding 50% of the economic control. Cosan recorded its investments in the joint ventures using the equity method of accounting for the purposes of its individual financial information, and through proportionate consolidation in the consolidated financial information.

Cosan contributed with their business of sugar, ethanol, cogeneration and fuel distribution in the formation of joint ventures. Shell contributed its business of distributing fuel in Brazil and participation in business research and development of second generation ethanol (logen and Codexis), the license to use the Shell brand in the amount of R\$ 530,498 and a contribution of money determined valued at approximately R\$ 1.8 billion over a period of 2 years. The accounting effects arising from the formation of Raízen Combustíveis and Raízen Energia are presented in Note 21.

The logistics of sugar and lubricants business, together with investment in Radar Propriedades Agrícolas S.A. ("Radar") were not contributed to the joint ventures.

2. Presentation of quarterly financial information and accounting policies

The quarterly financial information have been prepared and presented in accordance with the accounting practices adopted in Brazil and in accordance with the rules of the Brazilian Securities and Exchange Commission ("CVM") and the pronouncements of the Accounting Standards

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Committee ("CPC"), which conform with the rules and procedures of the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), except for investments in subsidiary companies valued at equity method.

The financial information of the Company have been prepared and are presented in accordance with the IFRS, issued by the IASB, which do not differ from accounting practices adopted in Brazil and in accordance with the rules of the CVM and the CPCs.

The preparation of financial information follows the guidance rules of CPC 21 - Interim Financial Information. Information in the notes to the financial information that have not had any significant changes or present immaterial information in comparison to those included in the annual report dated March 31, 2011, have not been included in this financial information.

As of April 1, 2011, the following pronouncements and interpretations took effect: IAS 24 - Disclosure Requirements for State Entities and Definition of Related Party (Revised), IFRIC 14 - Prepayments of a Minimum Funding Requirement, and IFRIC 19 - Extinguishment of Financial Liabilities to Equity Instruments. The adoption of these pronouncements and interpretations did not impact the financial information for September 30, 2011.

On November 3, 2011, the Company's Board of Directors approved this financial information and authorized its issuance.

Certain reclassifications have been made for presentation purposes of certain quarterly financial information.

Company's jointly controlled subsidiaries

Cosan holds stakes in two joint ventures (Raizen Combustíveis and Raizen Energia), which, together with Shell, have a contractual arrangement that establishes joint control of the company's activities. Cosan recognizes their participation in these joint ventures through proportionate consolidation of the consolidated information and through the equity method applied in the individual information.

Consolidation of quarterly financial information

The consolidated quarterly financial information include information from Cosan, its subsidiaries and jointly controlled subsidiaries for the quarter ended September 30, 2011 and year ended March 31, 2011. The Subsidiaries and jointly controlled subsidiaries are listed below:

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	September 30, 2011			March 31, 2011		
	Direct	Indirect	Total	Direct	Indirect	Total
Subsidiaries						
Administração de Participações Aguassanta Ltda.	91.50%	-	91.50%	91.50%	-	91.50%
Bioinvestments Negócios e Participações S.A.	-	100.00%	100.00%	-	91.50%	91.50%
Vale da Ponte Alta S.A.	-	100.00%	100.00%	-	91.50%	91.50%
Águas da Ponte Alta S.A.	-	100.00%	100.00%	-	91.50%	91.50%
Proud Participações S.A.	100.00%	-	100.00%	99.90%	-	99.90%
Cosan Distribuidora de Combustíveis Ltda.	100.00%	-	100.00%	99.90%	-	99.90%
Cosan Overseas Limited	100.00%	-	100.00%	100.00%	-	100.00%
Pasadena Empreendimentos e Participações S.A.	100.00%	-	100.00%	100.00%	-	100.00%
Cosan Finance Limited	100.00%	-	100.00%	100.00%	-	100.00%
Cosan Lubricants e Especialidades S.A. (previously named Cosan Combustíveis e Lubricants S.A.)	-	100.00%	100.00%	100.00%	-	100.00%
CCL Finance Limited	-	100.00%	100.00%	-	100.00%	100.00%
Copsapar Participações S.A.	90.00%	-	90.00%	90.00%	-	90.00%
Novo Rumo Logística S.A.	28.80%	64.10%	92.90%	28.80%	64.10%	92.90%
Rumo Logística S.A.	-	-	-	-	69.70%	69.70%
Docelar Alimentos e Bebidas S.A.	33.00%	66.90%	99.90%	99.90%	-	99.90%
Cosan Operadora Portuária S.A.	-	69.70%	69.70%	-	69.70%	69.70%
Teaçu Armazéns Gerais S.A.	-	69.70%	69.70%	-	69.70%	69.70%
Logisport Armazéns Gerais S.A.	-	35.50%	35.50%	-	35.50%	35.50%
Jointly Controlled Entities						
Raízen S.A. ⁽¹⁾	50.00%	-	50.00%	-	-	-
Raízen Energia Participações S.A. ⁽¹⁾	50.00%	-	50.00%	-	-	-
Raízen Combustíveis S.A. ⁽¹⁾	-	50.00%	50.00%	-	-	-

The subsidiaries are fully consolidated from the date of acquisition of control, and continue to be consolidated until the date that control ceases to exist. The jointly controlled subsidiaries are consolidated proportionally from the date of acquisition of joint control until the date that joint control ceases to exist.

The quarterly financial information of subsidiaries and jointly controlled subsidiaries are prepared for the same disclosure period as that of the parent company, using consistent accounting policies. All balances held between the subsidiary companies and jointly controlled subsidiaries, income and expenses and unrealized gains and losses derived from intercompany transactions are eliminated in their entirety.

Any change in the ownership interest of a subsidiary that does not result in loss of control is accounted for as an equity transaction.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

2. New IFRS and IFRIC Interpretations Committee (Financial Reporting Interpretations of IASB) applicable to the consolidated financial statements

New accounting pronouncements from the IASB and IFRIC interpretations have been published and / or reviewed and have the optional adoption for the current year. These new accounting pronouncements and interpretations are described below:

- IFRS 9 Financial Instruments – Classification and measurement - It reflects the first phase of the IASBs work on the replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses a simplified approach to determine whether a financial asset is measured at amortized cost or fair value, based on the manner in which an entity manages its financial instruments (business model) and the typical contractual cash flow of financial assets. The standard also requires the adoption of only one method for determining losses in recoverable value of assets. The standard is effective for annual periods beginning on or after 1 January 2013. Early adoption is permitted. Management is still evaluating the impact on its financial position or performance in relation to IFRS 9.
- IFRS 10 Consolidated Financial Statements - IFRS 10 as issued establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 *Consolidation—Special Purpose Entities* and IAS 27 *Consolidated and Separate Financial Statements* and is effective for annual periods beginning on or after January 1, 2013. Early adoption is permitted. Management is still evaluating the impact on its financial position or performance from the adoption of IFRS 10.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

3. New IFRS and IFRIC Interpretations Committee (Financial Reporting Interpretations of IASB) applicable to the consolidated financial statements

- IFRS 11 Joint Arrangements – IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 13 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Ventures*, and is effective for annual periods beginning on or after 1 January 2013. Early adoption is permitted. The main effect of this adoption of IFRS 11 will be the end of the option of proportional consolidation. Equity method will be the only option to account for interest in joint ventures entities in the consolidated financial statements.
- IFRS 12 Disclosures of Interests in Other Entities – IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after 1 January 2013. Early adoption is permitted. Management is still evaluating the impact on its financial position or performance from the adoption of IFRS 12.
- IFRS 13 Fair Value Measurement - IFRS 13 establishes new requirements on how to measure fair value and the related disclosures for IFRS and US generally accepted accounting principles. The standard is effective for annual periods beginning on or after 1 January 2013. Early adoption is permitted. Management is still evaluating the impact on its financial position or performance from the adoption of IFRS 13.

There are no other issued pronouncement and interpretation not yet adopted which may, in the management's opinion, have significant impact in the income statement or in the shareholder's equity disclosed by the Company.

4. Cash and cash equivalents

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Cash	119	146	2,465	289
Bank accounts	531	11,971	84,718	64,437
Amounts pending foreign exchange closing	894	5,952	133,605	78,353
Highly liquid investments	392,482	354,249	1,250,897	1,110,991
	<u>394,026</u>	<u>372,318</u>	<u>1,471,685</u>	<u>1,254,070</u>

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

5. Restricted cash

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Restricted Financial Investments	-	-	25,383	61,072
Deposits in connection with derivative transactions	-	2,719	27,157	126,872
	-	2,719	52,540	187,944

Deposits in connection with derivative transactions relate to margin calls by counterparties in derivative transactions.

6. Other financial assets

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Fair value of Radar option (1)	142,589	162,961	142,589	162,961
Brazilian Treasury certificates – CTN (2)	275,034	38,812	276,058	257,456
	417,623	201,773	418,647	420,417

(1) The Company holds warrants on Radar, exercisable at any time up to maturity (August 2018). Such warrants will allow Cosan to purchase additional shares at R\$41.67 per share adjusted by inflation (IPCA, consumer price index), equivalent to 20% of the total shares issued by Radar as of the date of exercise. The exercise of warrants will not change the classification of this investment as an equity investment. The fair value of these warrants was calculated based on observable market data.

(2) Represented by bonds issued by the Brazilian National Treasury under the Special Program for Agricultural Securitization - "PESA" with original maturity of 20 years in connection with the long-term debt denominated PESA (note 16). These bonds yield inflation (IGPM) plus 12% p.a.. The value of these securities at maturity is expected to be equal to the amount due to the PESA at that date. If the PESA debt is paid in advance, the Company may still keep this investment until maturity.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

7. Accounts receivable

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Domestic	-	45,790	978,923	678,498
Foreign	3,986	-	104,647	7,556
Allowance for doubtful accounts	-	(1,008)	(99,846)	(91,197)
	<u>3,986</u>	<u>44,782</u>	<u>983,724</u>	<u>594,857</u>

8. Inventories

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Finished goods:				
Sugar	-	9,559	368,031	77,673
Ethanol	-	18,080	280,670	42,840
Fuel and Lubricants	-	-	537,180	326,634
Raw material	-	17,546	36,412	51,598
Work in process	-	1,121	11,464	5,121
Spare parts and other	-	51,993	134,614	186,032
Provision for inventory realization and obsolescence and other	-	(5,728)	(6,562)	(19,567)
	<u>-</u>	<u>92,571</u>	<u>1,361,809</u>	<u>670,331</u>

9. Recoverable taxes

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Withholding income tax	-	-	5,043	-
Income tax and social contribution	12,386	25,953	104,289	66,274
COFINS	-	61,478	115,304	121,474
PIS	-	13,426	32,430	27,338
State VAT - ICMS	-	7,713	191,781	151,161
IPI	-	976	39,142	47,741
Others	86	210	52,691	16,069
	<u>12,472</u>	<u>109,756</u>	<u>539,680</u>	<u>430,057</u>
Current	(12,472)	(105,134)	(416,032)	(374,991)
Non Current	-	4,622	123,648	55,066

10. Related parties

In the normal course of business the Company has operational and financing transactions with several related parties. The significant related party balances and transactions are summarized below:

- Aguassanta:

The jointly-controlled subsidiary Raízen Energia has land leased from entities controlled by Group Aguassanta ("Aguassanta"). The lease costs are paid

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

considering the ATR price published by CONSECANA and contracts having terms expiring between 2026 and 2027.

- Radar

The jointly-controlled subsidiary Raízen Energia has land leased with investee Radar Propriedades Agrícolas S.A. ("Radar").

These lease costs are paid also considering the ATR price published by CONSECANA and most of the lease contracts have terms expiring in 2027.

- Rezende Barbosa

The Company has receivable from Rezende Barbosa are ultimately guaranteed by shares issued by the Cosan.

The jointly-controlled subsidiary Raízen Energia executed a long-term agreement with Rezende Barbosa to supply sugar-cane prior related parts. Prices paid to them are based on ATR price published by CONSECANA.

- Vertical

The jointly-controlled subsidiary Raízen Energia sell and buy ethanol from Vertical UK LLP ("Vertical") in the normal course of business. Vertical is a Trading Company headquartered in Switzerland which the Company has a indirect interest of 50% without exercising control over it.

- Raízen Energia and Raízen Combustíveis

The jointly-controlled subsidiary Raízen Energia e Raízen Combustíveis, in sequence to the contract signed upon its formation (note 21), assumed rights and obligations of certain transactions with the Company, seeking refunds or reimbursements related to certain operations prior to the formation of the joint venture.

The Company has right to a financial compensation from Raízen Energia for the tax benefit obtained by Raízen Energia due to the use of tax losses by Raízen Energia and Raízen Combustíveis for the tax benefit obtained by Raízen Combustíveis due to tax amortization of goodwill contributed by the Company.

- Shell Group

The jointly-controlled subsidiary Raízen Combustíveis has fuel sale operations for use on foreign aircrafts that have contracts with Shell Aviation Limited. Payments take place every fifteen days.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

The jointly Raizen Combustíveis in sequence to the contract signed of the formation of the joint venture, assumed the rights to reimbursement of certain litigation from the period prior to the joint venture with Shell Brazil Holding BV.

The jointly-controlled subsidiary Raizen Energia, in response to the contract signed of the formation of the joint venture, has a certain quantity to be received due to Shell's cash contribution in the amount of R\$ 1,774,082, being presented here only the portion equivalent to the Company, in the amount of R\$ 887,041, distributed between short and long term. This amount is indexed in U.S. dollars and has been corrected in LIBOR.

a. Balances with related parties (Summary)

	Consolidated	
	September 30, 2011	March 31, 2011
Current assets		
Shell Brazil Holding B.V.	577,373	-
Raízen Energia	7,795	-
Rezende Barbosa	8,958	7,298
Vertical UK LLP	2,526	6,430
Raízen Combustíveis	547	-
Other Related parties	2,480	941
Total Current assets	599,679	14,669
Non-current assets		
Shell Brazil Holding B.V.	766,856	-
Raízen Energia	217,419	-
Raízen Combustíveis	98,220	-
Rezende Barbosa	88,358	91,954
CTC - Centro de Tecnologia Canavieira	3,985	-
Other Related parties	1,768	-
Total Non Current assets	1,176,606	91,954
Total Assets	1,776,285	106,623

a. Balances with related parties (Summary)

	Consolidated	
	September 30, 2011	March 31, 2011
Current Liabilities		
Raízen Energia	75,911	-
Grupo Rezende Barbosa	56,750	37,664
Shell Brazil Holding B.V.	28,782	-
Others	1,724	3,499
Total Current Liabilities	163,167	41,163
Non-current liabilities		
Shell Brazil Holding B.V.	444,785	-
Raízen Energia	86,207	-
Others	15,303	4,444
Total non Current Liabilities	546,295	4,444
Total Liabilities	709,462	45,607

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

b. Transactions with related parties (Summary)

	Consolidated	
	September 30, 2011	September 30, 2010
Sale		
Vertical UK LLP	118,722	87,930
Other	120	34,576
	<u>118,842</u>	<u>122,506</u>
Purchase of goods/ services		
Grupo Rezende Barbosa	222,579	245,709
Leased land		
Aguassanta	10,678	13,261
Radar	17,508	12,803
	<u>28,186</u>	<u>26,064</u>
Financial income/ (expense)		
Grupo Rezende Barbosa	1,343	-
Shell Brazil Holding B.V.	100,330	-
Other	68	-
	<u>101,741</u>	<u>-</u>

c. Officers and directors compensation

At the General and Extraordinary Assembly in 29 July 2011 was approved the total annual remuneration of the directors of the Company for the fiscal year ending on March 31, 2012 in the maximum amount until R\$ 32,000 (including fees and bonuses)

Additionally, in the same Assembly it was approved the Comany new stock options plan, which until September 30, 2011 had granted 9,825,000 options (Note 25).

11. Business combinations and acquisitions of non-controlling interest

a. Retail sugar business

On July 1, 20011, Cosan, through its indirect subsidiary Docelar Alimentos S.A. ("Docelar"), purchased the retail sugar business of Raízen Energia. The preliminary estimated fair value of assets at the date of acquisition of the consideration transferred amounted R\$ 175,000, as follows:

Cash	145,560
Consideration considered	29,440
Total	<u>175,000</u>

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

The estimated preliminary fair value of assets acquired and liabilities assumed at the date of acquisition of the retail sugar business were as follows:

Description	
Accounts receivable	105,894
Inventories	33,398
Taxes recoverable	3,413
Deferred taxes	12,956
Property, plant and equipment	37,114
Suppliers	(21,709)
Others	(6,360)
Net assets acquired	164,706
Consideration transferred, net cash acquired	175,000
Preliminary goodwill	10,294

The purchase price for the acquisition of the retail sugar was allocated on a preliminary basis based on the estimated fair value of assets acquired and liabilities assumed. The negative goodwill was allocated to the primary segment "Cosan Alimentos."

The assets represented by retail brands, such as "União" and "DaBarra" which had not been contributed to the Raízen Energia, being from that quarter, considered as assets of the "Cosan Alimentos".

12. Equity method investments

a) Parent Company

	Investments		Equity income (loss) of subsidiaries and associates	
	09.30.2011	03.31.2011	09.30.2011	09.30.2010
<u>Subsidiaries and jointly-controlled subsidiaries</u>				
Cosan Distribuidora de Combustíveis S.A. (1)	5,051,886	-	2,231,977	-
Cosan Cayman Finance Limited	765,164	651,480	20,254	-
Cosan Cayman II Limited	442,114	-	10,306	-
Copsapar Participações S.A.	524,030	498,102	38,993	39,171
Cosan Lubrificantes e Especialidades S.A. (5)	-	1,933,302	-	55,122
Administração de Participações Aguassanta S.A.	148,529	138,193	(2,129)	(1,361)
Cosan Overseas	9,883	-	24,755	-
Novo Rumo Logística S.A.	235,466	223,006	18,334	17,623
Proud Participações S.A.	206,681	53,236	4,597	-
Handson Participações S.A.	89,539	-	32,012	-
Docelar Alimentos e Bebidas S.A.	44,101	-	15,767	-
Raízen Energia Participações S.A. (2)	3,540,416	-	(66,044)	-
Usina da Barra S/A - Açúcar e Álcool	-	-	233,906	5,549
Raízen Energia S.A. (3)	-	2,946,111	-	-
TEAS - Terminal Exportador de Álcool de Santos S.A. (4)	-	40,088	-	469
Raízen S.A. Bioenergia (4)	-	152,929	-	-
Cosan Finance Limited (4)	-	17,489	-	-
Raízen Tarumã S.A. (4)	-	959,665	-	-
Cosan International Universal Corporation (4)	-	1,304	-	-
Cosan Cauman Limited (4)	-	376,311	1,729	-
<u>Associates</u>				
Radarr Propriedades Agrícolas S.A.	263,989	260,757	3,245	14,450
Vertical	8,871	8,872	-	-
Outros investimentos	7,555	29,343	27,102	(5,895)
	11,338,224	8,290,188	2,594,804	125,128

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

- (1) Subsidiary that has the direct economic interest of 50.0% in Raizen Combustíveis S.A. and 100% of Cosan Lubrificantes e Especialidades S.A.
- (2) Entity created due to the formation of Joint Ventures, which controls Raizen Energia S.A.
- (3) Former Cosan S.A. Açúcar e Alcool became an indirect jointly-controlled subsidiary due to the formation of Raizen Energia Participações S.A.
- (4) Subsidiaries contributed to the formation of the Joint Ventures
- (5) Due to the corporate restructure and formation of the Joint Ventures, this entity is now controlled by Cosan Distribuidora de Combustíveis S.A.

Changes in investments, associates and jointly-controlled subsidiaries

Balance at March 31, 2011	<u>8,290,188</u>
Equity income and Exchange variation effect of foreign investments	2,787,588
Capital increase Docelar and Tellus	90,796
Other comprehensive income	(67,628)
Net effect of the formation of Raizen	270,044
Dividends	(32,764)
Balance at September 30, 2011	<u><u>11,338,224</u></u>

b) Consolidated

	Investments		Equity income (loss) of subsidiaries and associates	
	09.30.2011	03.31.2011	09.30.2011	09.30.2010
Radar Propriedades Agrícolas S.A.	263,989	260,756	656	14,450
Codexis Inc	43,974	-	-	-
Other investments	50,089	43,836	-	(6,334)
	<u>358,052</u>	<u>304,592</u>	<u>656</u>	<u>8,116</u>

Changes in investments

Balance at March 31, 2011	<u>304,142</u>
Equity income (loss)	656
Capital increase on Tellus and Logum	26,270
Net effect of the formation of Raizen	30,043
Other	(3,059)
Balance at September 30, 2011	<u><u>358,052</u></u>

13. Biological assets

Changes in biological assets (sugarcane plants) is described below:

	<u>Parent Company</u>	<u>Consolidated</u>
Balances at March 31, 2011	532,140	1,561,132
Asset contribution to subsidiary	(532,140)	-
Changes in fair value less estimated cost to sell	-	(17,856)
Increase due to planting and growing costs	-	340,784
Harvest cane transferred to inventory (*)	-	(363,510)
Proportional consolidation effect due to the formation of JVs (50%)	-	(803,584)
Balances at September 30, 2011	<u>-</u>	<u><u>716,966</u></u>

(*) R\$109,364 of this amount was allocated in sugar and ethanol's inventory as of September 30, 2011.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Sugarcane plants

Areas cultivated represent only sugarcane, without considering the land where these crops are found. The following assumptions were used to determine fair value using the discounted cash flow (consolidated):

	<u>09.30.2011</u>	<u>03.31.2011</u>
Crop area (hectares) (1)	367,265	340,386
Expect productivity (tons of cane per hectare)	84.74	85
Total amount of recoverable sugar – ATR (kg)	138.54	138.54
Price kg ATR projected average (R\$/kg)	0.4228	0.4228

(1) The biological assets are proportionally consolidated in 50.0% in the Company.

Sugar production depends on the volume and sucrose content of sugarcane grown or supplied by farmers located near the plants. The yield of the crop and the sucrose content in sugarcane mainly depend on weather conditions such as rainfall rate and temperature, which may vary.

Historically, weather conditions have caused volatility in ethanol and sugar production, and consequently in our operating results because it cause damage to the annual harvest. Future climate conditions may reduce the amount of sugar and sugarcane that the Company will obtain in a particular season or in the sucrose content of sugarcane. Additionally, our business is subject to seasonality according to the growth cycle of sugarcane in the south-central region of Brazil.

The period of annual harvest of sugarcane in the south-central region of Brazil begins in April / May and ends in November / December. This creates variations in stock, usually high in November to cover sales between harvests (i.e. from December to April) and a degree of seasonality in gross profit as sales of ethanol and sugar are significantly lower in the last quarter of fiscal year. The seasonality and any reduction in the volume of sugar recovered could have a material adverse effect on our operating results and financial condition.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

14. Property, plant and equipment

Parent Company						
	03.31.2011	Addition	Write-off	Transfer	Capital increase in subsidiary	09.30.2011
Cost:						
Land and rural properties	240,330	-	-	(225,033)	(14,072)	1,225
Buildings and improvements	181,081	-	-	-	(172,902)	8,179
Machinery, equipments and installations	653,655	-	-	(835)	(651,733)	1,087
Aircraft	13,395	-	-	-	-	13,395
Boats and vehicles	110,966	-	(206)	-	(110,760)	-
Furniture, fixtures and computer equipment	40,008	-	-	243	(40,008)	243
Construction in progress and Advances for purchase of property, plant and equipment	200,830	3,260	-	(373)	(193,921)	9,796
Other	234,356	-	-	(66,283)	(168,073)	-
Total	1,674,621	3,260	(206)	(292,281)	(1,351,469)	33,925
Depreciation:						
Buildings and improvements	(36,000)	(164)	-	(1)	35,704	(461)
Machinery, equipments and installations	(315,771)	(54)	-	374	315,232	(219)
Aircraft	(13,395)	-	-	-	-	(13,395)
Boats and vehicles	(46,639)	(7)	159	-	46,487	-
Furniture, fixtures and computer equipment	(19,235)	(21)	-	(35)	19,188	(103)
Other	(66,283)	-	-	63,147	3,136	-
Total	(497,323)	(246)	159	63,485	419,747	(14,178)
Net salvage value:	1,177,298	3,014	(47)	(228,796)	(931,722)	19,748
Consolidated						
	03.31.2011	Addition	Write-off	Transfer	Capital increase in subsidiary	09.30.2011
Cost						
Land and rural properties	1,263,240	-	(14,880)	(2,514)	398,852	1,644,698
Buildings and improvements	1,122,256	1,432	(14,051)	140,823	(282,416)	968,044
Machinery, equipments and installations	4,980,432	34,484	(16,184)	554,816	(342,410)	5,211,138
Aircraft	30,903	-	(4,691)	-	-	26,212
Rail cars and locomotives	341,647	-	-	50,000	-	391,647
Boats and vehicles	323,042	2,741	(604)	18,598	(46,283)	297,494
Furniture, fixtures and computer equipment	137,206	174	(4,143)	16,236	(22,821)	126,652
Construction in progress	1,218,765	502,071	(4,013)	(394,259)	(512,056)	810,508
Advances for purchase of property, plant and equipment	148,947	16,632	(2,009)	(33,570)	(36,482)	93,518
Parts and components to be periodically replaced	1,043,342	124,283	-	(117,292)	(277,221)	773,112
Other	4,782	12,994	(9,596)	30,421	134,526	173,127
Total	10,614,562	694,811	(70,171)	263,259	(986,311)	10,516,150

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Consolidated						
	03.31.2011	Addition	Write-off	Transfer	Capital increase in subsidiary	09.30.2011
Depreciation:						
Land and rural properties	(3,118)	-	-	3,118	-	-
Buildings and improvements	(287,620)	(24,375)	4,540	(50,983)	107,891	(250,547)
Machinery, equipments and installations	(1,472,512)	(202,994)	10,454	(289,090)	662,003	(1,292,139)
Aircraft	(15,195)	(876)	860	-	-	(15,211)
Rail cars and locomotives	(6,128)	(6,079)	-	-	-	(12,207)
Boats and vehicles	(150,146)	(16,034)	460	(8,552)	60,555	(113,717)
Furniture, fixtures and computer equipment	(87,460)	(6,015)	3,303	(12,440)	11,165	(91,447)
Construction in progress	-	49	-	-	-	49
Advances for purchase of property, plant and equipment	-	-	-	-	-	-
Parts and components to be periodically replaced	(611,859)	(260,280)	-	129,322	37,728	(705,089)
Other	-	(2,875)	2,974	(21,503)	(85,664)	(107,068)
Total	(2,634,038)	(519,479)	22,591	(250,128)	793,678	(2,587,376)
Net salvage value:	7,980,524	175,331	(47,580)	13,132	(192,633)	7,928,774

Capitalization of borrowing costs

During the period ended September 30, 2011, borrowing costs capitalized amounted to R\$ 33,153 (R\$ 70,543 during the year ended March 31, 2011). The weighted average interest rate, used for capitalization of interest on the balance of construction in progress, was 8.60% per year during the period ended September 30, 2011 (9.13% per year during the year ended March 31, 2011).

15. Intangible assets

Parent Company						
	At March 31, 2011	Additions	Write offs	Transfers to others subsidiares	Capital contribution in subsidiary	At September 30, 2011
Cost						
Software	50,182	-	-	-	(50,182)	-
Trademarks and patents	-	-	-	85,354	-	85,354
Goodwill	550,600	-	-	45,203	(264,260)	331,543
Others	17,603	-	-	-	-	17,603
Total	618,385	-	-	130,557	(314,442)	434,500
Depreciation						
Software	(32,809)	-	-	-	32,809	-
Trademarks and patents	-	(884)	-	-	-	(884)
Goodwill	(218,361)	(193,633)	-	-	80,451	(331,543)
Others	(744)	(2,224)	-	-	-	(2,968)
Total	(251,914)	(196,741)	-	-	113,260	(335,395)
Net salvage value	366,471	(196,741)	-	130,557	(201,182)	99,105

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Consolidated						
Cost	At March 31, 2011	Additions	Write offs	Transfers	Effects of formation of JV and Docelar	At September 30, 2011
Software	98,063	570	(1)	(75,593)	28,065	51,104
Trademarks and patents	429,671	-	(9,513)	(40,375)	230,401	610,184
Goodwill	2,253,320	-	(195,253)	10,293	751,098	2,819,458
Customer base	583,420	-	-	(57,701)	317,986	843,705
Leases	155,505	-	(232)	(14,253)	(61,333)	79,687
Distribution rights	170,291	2,531	-	206,289	(53,952)	325,159
Others	43,263	7,863	(8,645)	36,754	103,458	182,693
Total	3,733,533	10,964	(213,644)	65,414	1,315,723	4,911,990
Depreciation						
Software	(66,111)	(4,760)	1	68,433	(34,254)	(36,691)
Trademarks and patents	(98,710)	(12,911)	-	39,359	(2,335)	(74,597)
Goodwill	-	-	-	-	-	-
Customer base	(41,038)	(18,579)	-	41,086	(16,587)	(35,118)
Favorable operating leases	(15,118)	(1,389)	232	13,817	(7,559)	(10,017)
Distribution rights	(62,387)	(3,397)	-	(34,641)	-	(100,425)
Others	(4,495)	(13,789)	(224)	(12,217)	(93,312)	(124,037)
Software	(287,859)	(54,825)	9	115,837	(154,047)	(380,885)
Net salvage value	3,445,674	(43,861)	(213,635)	181,251	1,161,676	4,531,105

Intangible assets(except Goodwill)	Annual amortization		
	Rate	09.30.2011	03.31.2011
Software	20%	14,413	31,952
Trademarks and patents (a)	20%	283,848	68,696
Trademark Mobil (b)	10%	165,496	176,911
Trademark União (c)	2%	86,243	85,354
Customer base (d)	3%	519,982	247,907
Operation license and customer base(e)	4%	288,604	294,475
Favorable operating leases (f)	6%	69,670	140,387
Distribution rights	Straight line over contract term	224,734	107,904
Other		58,657	38,767
Total		1,711,647	1,192,353

(a) Refers to the right to use the trademark of fuel distribution through its joint venture Raízen Combustíveis

(b) Refers to the right to use the trademark of Mobil lubricants

(c) Refers to the right to use the trademark sugar União arising from business combination

(d) Refers to the relationship between Raízen Combustíveis and the gas station that maintain its flags

(e) Operation license and customer relations of Rumo, arising from business combination

(f) Intangible assets related to existing contracts of lease of land from business combination

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Impairment testing of goodwill

The Company tests annually (on March 31) the recoverable amounts of intangible assets with indefinite useful lives, consisting primarily of a portion of goodwill from expected future income resulting from business combination processes and establishment of joint ventures. The assets property, plant and equipments and intangible assets subject to amortization are reviewed whenever there are indications that the carrying amount is not recoverable.

During the quaterd ended September 30, 2011, the Company did not identify any indicators of impairment that would required another impairment test.

The combined accounting values of goodwill allocated to each unit are as follows:

Accounting value of Goodwill	Consolidated	
	09.30.2011	03.31.2011
Cash-generating unit Raizen Energia	1,420,234	1,433,982
Cash-generating unit Raizen Combustiveis	753,148	184,415
Cash-generating unit Docelar	10,294	-
Cash-generating unit Rumo	63,812	63,814
Cash-generating unit Others	571,110	571,109
Total goodwill	2,819,458	2,253,320

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

16. Loans and long-term debt

Description	Financial charges (1)		Parent Company		Consolidated		Maturity date
	Index	Average Annual interest rate	09.30.2011	03.31.2011	09.30.2011	03.31.2011	
Senior Notes Due 2014	Dollar (USD)	9.5%	-	-	328,374	576,814	July/2014
Senior Notes Due 2017	Dollar (USD)	7.0%	-	-	375,135	658,954	February/2017
BNDES	URTJLP	2.75%	-	-	659,390	1,308,034	October/2025
	Pre fixed	4.5%	-	-	156,011	242,508	July/2020
	UMBND	6.74%	-	-	20,075	38,947	July/2019
	Dollar (USD)	7.09%	-	-	19	-	November/2012
Bank Credit Notes	CDCA	0.55%+CDI	-	-	15,755	31,378	December/2011
ACC	Dollar (USD)	1.54%	-	65,215	364,775	228,229	May/2012
Perpetual Notes	Dollar (USD)	8.3%	-	741,553	939,099	1,236,209	November/2015
Resolution 2471 (PESA)	IGP-M	3.95%	-	110,361	312,594	674,392	April/2023
	Pre fixed	3.0%	-	114	57	114	October/2025
Rural Credits	Pre fixed	6.75%	-	31,168	47,735	92,352	October/2011
	Dollar (USD) +						
Working capital	Libor	2.15%	-	-	417,240	-	April/2013
	IGP-M	11%	-	-	141	-	December/2012
	Pre fixed	13.64%	-	-	5,881	-	March/2015
	Dollar (USD) +						
Pre payments	Libor	6.0%	-	244,493	368,904	736,472	April/2016
Credit Notes	110,0% CDI	-	322,736	303,028	322,736	303,719	February/2014
	Dollar (USD)	2.35%	-	167,196	174,645	314,105	February/2013
	Pre fixed	6.25%	-	-	-	10,142	October/2012
Finame	Pre fixed	4.85%	-	-	420,176	517,842	July/2020
	URTJLP	2.42%	-	-	252,338	187,336	January/2022
	UMBND	8.59%	-	-	29	-	October/2012
Others	Diverse	Diverse	(3,978)	(1,366)	(14,596)	33,748	Diverse
			318,758	1,661,762	5,166,513	7,191,295	
Current			-	(110,526)	(758,728)	(916,400)	
Non-current			318,758	1,551,236	4,407,785	6,274,895	

(1) Financial charges as of September 30, 2011, except as indicated otherwise;

All loans and long-term debt are guaranteed by promissory notes and endorsements of the Company and its jointly-controlled subsidiaries and controlling shareholders, besides other guarantees, such as: i) Credit rights originated from energy contracts (BNDES); ii) CTN and land mortgages; and iii) underlying assets being financed (Finame).

Long-term debt has the following scheduled maturities:

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
13 to 24 months	-	223,578	815,962	745,454
25 to 36 months	318,758	363,953	975,619	762,649
37 to 48 months	-	60,926	209,959	1,010,797
49 to 60 months	-	60,992	1,124,149	777,963
61 to 72 months	-	8	527,544	878,092
73 to 84 months	-	8	191,092	222,289
85 to 96 months	-	19,443	280,257	453,711
Thereafter	-	822,328	283,203	1,423,940
	318,758	1,551,236	4,407,785	6,274,895

PESA - Resolution 2471

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

From 1998 to 2000, the Company and currently the jointly-controlled Raízen Energia renegotiated their debts related to financing for agricultural costs with several financial institutions, reducing it to annual interest rates below 10%, ensuring the repayment of debt's principal with assignment and transfer of Treasury Certificates, redeemable at the debt clearing, using the incentives promoted by Central Bank resolution No. 2471 of February 26, 1998. That debt is self-cleared by CTN, as mentioned in explanatory note 6.

Senior Notes due on 2014

On August 4, 2009, the indirect subsidiary CCL Finance Limited issued Senior Notes in the international market in accordance with "Regulation S" and "Rule 144A" in the amount of US\$350 million, which are subject to interest of 9.5% per year payable semiannually in February and August each year, beginning in February 2010.

Senior Notes due on 2017

On January 26, 2007, the wholly-owned indirect controlled Cosan Finance Limited issued Senior Notes in the international market in accordance with the "Regulation S" and "Rule 144A" in the amount of US\$ 400 million, which are subject to interest at 7% per annum, payable semiannually in February and August of each year.

BNDES

Refers to the financing of cogeneration projects, greenfields (sugar and ethanol mills) and expansion of the logistics segment.

Perpetual Notes

On January 24 and February 10, 2006, the Company issued Perpetual Notes in the international market in accordance with "Regulation S" and "Rule 144A" in the amount of US\$450 million for qualified institutional investors. The Perpetual Notes were repurchased on May 2011 as part of the financial restructuring for the formation of the joint venture. In order to repurchase these notes, working capital was raised, as described below.

On November 5, 2010, the subsidiary Cosan Overseas Limited issue Perpetual Notes in the international market, in accordance with "Regulation S" in the amount of US\$300 thousand, which are subject to interest at 8.25% per year, payable quarterly. On July 2011, complementary Perpetual Notes of US\$ 200 millions were issued, which are subject to the same conditions of the previous operation.

Export Prepayment

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Between 2009 and 2011, the Company and its jointly-controlled Raízen Energia signed export prepayment with several institutions. These export prepayment will be for funding of future sugar exports which will be settled between 2013 and 2016.

Working Capital

On May 16, 2011, a bank debt of US\$ 450 million was issued in favour of the jointly-controlled subsidiary Raízen Energia in order to replace the perpetual notes issued in 2006. This bank debt has a maturity up to two years, payable quarterly and subject to Libor + interest of 2.15% per annum.

Advances on Foreign Exchange Contracts ("ACC") and Credit Notes

ACC contracts and credit notes have been signed with several financial institutions and will be cleared through exports made from 2011 and 2014. These transactions are subject to interest payable semiannually and on maturity.

Finame

Finame borrowings are financing related to financing of machinery and equipment. These loans are subject to interest payable monthly and are secured by underlying financed assets.

Covenants

The Company, its subsidiaries and jointly-controlled subsidiaries are annually (March 31) subject to certain restrictive financial covenants set forth in existing loans and financing agreements based on certain financial indicators, which are monthly assessed by management. For the quarter ended September 30, 2011, the Company, its subsidiaries and jointly-controlled subsidiaries were in compliance with their debt covenants.

17. Taxes payable

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>09.30.2011</u>	<u>03.31.2011</u>	<u>09.30.2011</u>	<u>03.31.2011</u>
ICMS	-	7,268	45,809	72,265
IPI	-	843	5,961	30,661
INSS	299	5,828	15,991	25,309
PIS	-	-	15,547	7,229
COFINS	-	-	82,883	33,721
Recovery program – Refis IV (a)	710,266	100,768	1,219,763	670,645
Others	2,903	7,768	122,878	44,525
	713,468	122,475	1,508,832	884,355
Current	(63,304)	(33,758)	(328,874)	(245,284)
Non-current	650,164	88,717	1,179,958	639,071

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

- a) On July 2011 the subsidiary Cosan Lubrificantes e Especialidades S.A., current name of Cosan Combustíveis e Lubrificantes S.A., successor entity of Esso Brasileira de Petróleo Ltda. (“Essobrás”), consolidated the current tax liabilities included the special program of federal tax recovery (“Refis IV”) in the amount of 537,703, as determined by ExxonMobil Brasil Holdings BV., former owner of Essobrás and contractually responsible for these liabilities. As a result, the Company recognized an obligation and a corresponding accounts receivable of ExxonMobil Brasil Holdings BV in the same amount, under the caption “other credits”, of which R\$40,080 in the short term and the remaining balance in the long term.

Maturities of long-term taxes payable are as follows:

	Parent Company		Consolidated	
	09.30.2011	03.30.2011	09.30.2011	03.30.2011
13 to 24 months	54,279	11,080	99,158	67,848
25 to 36 months	53,171	7,335	95,760	61,205
37 to 48 months	53,105	7,199	95,601	60,396
49 to 60 months	53,099	6,870	94,906	60,008
61 to 72 months	52,957	6,489	94,654	52,243
73 to 84 months	51,787	6,489	92,589	46,707
85 to 96 months	51,491	6,489	92,065	45,799
Thereafter	280,275	36,766	515,225	244,865
	<u>650,164</u>	<u>88,717</u>	<u>1,179,958</u>	<u>639,071</u>

18. Income taxes and social contribution

- a) Reconciliation of income and social contribution tax expenses:

	Parent Company		Consolidated	
	09.30.2011	09.30.2010	09.30.2011	09.30.2010
Income before income tax and social contribution				
Income tax and social contribution at nominal rate (34%)	2,189,860	321,263	3,425,747	380,245
	(744,552)	(109,229)	(1,164,754)	(129,283)
Adjustments made for determining the effective rate:				
Equity pick-up	947,779	44,549	223	4,277
Release of Provision for non-realization of fiscal credits	-	-	36,169	-
Income not taxable of foreign subsidiary	(16,949)	-	91,895	-
Others	(13,615)	(4,632)	24	(12,243)
Total of deferred and current income taxes and social contributions	<u>172,663</u>	<u>69,312</u>	<u>(1,036,443)</u>	<u>(137,249)</u>
Effective rate	7.88%	21.58%	30.25%	36.09%

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

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	Parent Company				03.31.2011
	09.30.2011				
	Basis	IRPJ 25%	CSLL 9%	Total	
Assets					
Tax losses:					
Tax losses					
	508,147	127,037		127,037	110,195
Negative social contribution	508,248		45,742	45,742	39,679
Temporary differences:					
Temporary differences from IFRS adoption					
	193,633	48,408	17,427	65,835	
Provisions for judicial demands and other temporary differences					
	407,112	101,778	36,640	138,418	65,616
		277,223	99,809	377,032	215,490
Liabilities					
Temporary differences:					
Exchange variation	(278,301)	(69,575)	(25,047)	(94,622)	(233,100)
Goodwill	(50,661)	(12,665)	(4,560)	(17,225)	(35,194)
Temporary differences from IFRS adoption / Other provisions and other temporary differences	(899,526)	(224,881)	(80,958)	(305,839)	(194,547)
		(307,121)	(110,565)	(417,686)	(462,841)
Total deferred taxes, net		(29,898)	(10,756)	(40,654)	(247,351)

	Consolidated				03.31.2011
	09.30.2011				
	Basis	IRPJ 25%	CSLL 9%	Total	
Assets					
Tax losses:					
Tax losses	1,865,178	466,295	-	466,295	273,555
Negative social contribution	1,844,243	-	165,982	165,982	99,609
Temporary differences:					
Provision for judicial demands and other temporary differences					
	963,140	240,785	86,683	327,468	342,169
	4,672,561	707,080	252,664	959,744	715,333
Liabilities					
Temporary differences:					
Exchange variation	(361,112)	(90,278)	(32,500)	(122,778)	(274,189)
Depreciation	(36,622)	(9,156)	-	(9,156)	(4,596)
Goodwill	(625,075)	(156,269)	(56,257)	(212,526)	(252,323)
Other provisions and other temporary differences:					
Business Combinations					
Property, Plant and equipment	(3,129,578)	(782,394)	(281,662)	(1,064,056)	(344,686)
Intangible assets	(1,371,473)	(342,868)	(123,433)	(466,301)	(381,558)
Other net assets	46,699	11,675	4,203	15,877	99,331
Gain of formation of Joint Venture	(3,296,959)	(824,240)	(296,726)	(1,120,966)	-
Deemed cost	(366,151)	(91,538)	(32,954)	(124,491)	(124,490)
Others	(160,994)	(40,249)	(14,489)	(54,738)	(228,454)
	(9,301,265)	(2,325,316)	(833,818)	(3,159,134)	(1,510,965)
Total deferred taxes, net	(4,628,704)	(1,618,237)	(581,153)	(2,199,390)	(795,632)

The assets of deferred income taxes should be realized within 10 years, according to the future profitability of the Company, its subsidiaries and joint-controlled entities.

Income tax losses carryforward and social contribution tax losses may be offset against a maximum of 30% of annual taxable income earned, with no statutory limitation period. Income tax losses carryforward and social contribution tax losses do not expire.

19. Provision for judicial demands

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Tax	119,774	39,774	584,986	418,744
Civil	35,229	10,485	180,266	82,599
Labor	152,504	27,883	210,539	164,939
	307,507	78,142	975,791	666,282

Changes in provision for judicial demands:

	Parent Company			
	Tax	Civil	Labor	Total
Balance at March 31, 2011	39,774	10,485	27,883	78,142
Additions	18,577	4,499	33,002	56,078
Settlements	(1,746)	(1,926)	(5,168)	(8,840)
Write off	(12,070)	(486)	(18,527)	(31,083)
Effect of Raízen formation	70,071	24,108	108,069	202,248
Monetary variation	5,168	(1,451)	7,245	10,962
Balance at Setembro 30, 2011	119,774	35,229	152,504	307,507

	Consolidated			
	Tax	Civil	Labor	Total
Balance at March 31, 2011	418,744	82,599	164,939	666,282
Additions	35,984	20,882	51,075	107,941
Settlements	(2,175)	(3,309)	(6,607)	(12,091)
Write off	(908)	(16,092)	(31,228)	(48,228)
Reclassification	-	988	-	988
Effect of proportional consolidation of Raízen	118,824	91,020	22,768	232,612
Monetary variation	14,517	4,178	9,592	28,287
Balance at Setembro 30, 2011	584,986	180,266	210,539	975,791

The existing judicial demands and contingencies until the formation of the joint venture will be under the responsibility of their shareholders (Cosan and Shell). Any disbursement incurred by the jointly-controlled subsidiaries will be subject to refund.

The judicial demands and contingencies which may take place after the date of the formation of the joint ventures will be under the responsibility of the jointly-controlled subsidiaries.

Judicial demands deemed as probable loss

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

a) Tax

The major tax legal proceeding as of September 30, 2011 and March 31, 2011 are described as follows:

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
IPC – 89 (i)	-	-	81,225	80,273
Compensation with finsocial (ii)	-	-	189,918	183,706
CIDE (iii)	-	-	93,842	-
ICMS credits (iv)	43,039	7,205	67,085	56,880
PIS and COFINS	8,230	-	25,228	-
IPI	20,982	-	21,779	-
IRPJ and CSLL	997	-	4,073	-
Others	46,526	32,569	101,836	97,885
	119,774	39,774	584,986	418,744

(i) Since 1993, the subsidiary Cosan Lubrificantes e Especialidades (“Cosan CLE”) filed a suit to challenge the balance sheet restatement index (IPC) established by the federal government in 1989, considering the such index did not reflect the actual inflation back then. The use of this index led the Company to supposedly overstate and overpay the income and social contribution taxes. Cosan CLE obtained a favorable preliminary court ruling that allowed it to recalculate the financial position, using indexes that accurately measured the inflation over the period. In doing so the company adjusted the amounts of income and social contribution taxes payable and identified that overpayments for both taxes were offset in subsequent years until 1997. 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. Due to this contingent scenario involving those compensations, these amounts were recorded as a provision for judicial demands. These amounts have been updated according to the SELIC variation.

(ii) From September to March 1994, the subsidiary Cosan CLE did the compensation of COFINS and other taxes with the FINSOCIAL previous paid from that period, based on a favorable court ruling which were discussed the constitutionality of FINSOCIAL.

In 1995, Cosan CLE was declared exempt from COFINS levies. Thus, Cosan CLE understood that the compensations done between COFINS and FINSOCIAL did not occur and, in 2003, based on a favorable final court decision to the Company related to FINSOCIAL, the Company concluded that the credits of these taxes compensated with COFINS were once again available to compensate with another taxes. Due to this contingent scenario of this compensation, Cosan CLE maintained all the amount compensated recorded as a provision for judicial demands until the Federal Revenue Service ratify this compensation.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

In 2009 the Federal Revenue Service dismissed this aforementioned compensation, under the allegation that Cosan CLE had already utilized these credits to compensate with COFINS in 1994. In view of this understanding, the management decided to challenge the administrative decisions, which is pending judgement at the Taxpayers' Council. The amount of the provision for judicial demands recorded has been updated according to the SELIC variation.

(iii) The jointly-controlled subsidiary Raízen Combustíveis, while named Shell Brasil Limitada, made provisions of CIDE over services provided by operations not contributed in the process of formation of joint ventures such as exploration and production of oil and natural gas. If the jointly-controlled subsidiary is not successful in the litigation, the shareholder Shell will reimburse the jointly-controlled subsidiary. The reimbursement which the jointly-controlled subsidiary Raízen Combustíveis is entitled to receive from Shell Group is recorded as a accounts receivable in related parties.

(iv) The amount accrued related to ICMS credits is represented by: (a) notices of violations received, despite the fact that we are defending our position in an administrative or judicial sphere, our legal advisors believe that the chance of loss are probable; (b) use of credit and financial charges on issues whose understanding of the management of the Company and their tax advisors differs from the interpretations of the tax authorities.

b) Civil and labour

The Company, its subsidiaries and jointly-controlled subsidiaries are parties to a number of civil claims related to (i) indemnity for physical and moral damages; (ii) public civil claims related to sugarcane stubble burning; and (iii) environmental matters.

The Company, its subsidiaries and jointly-controlled subsidiaries are also parties to a number of labor claims filed by former employees and service providers challenging, among other factors, the payment of additional hours, night shift premium and risk premium, employment inclusion, reimbursement of discounts from payroll, such as social contribution, trade union charges, among others.

Judicial demands deemed as possible loss

a) Tax claims

The main tax claims for which the unfavorable outcome is deemed possible and, therefore, no provision for legal claims was recorded, are as follows:

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Tax assessment - Withholding income taxes (i)	198,878	192,903	199,845	194,498
ICMS - State VAT (ii)	300,645	116,865	596,146	490,896
IRPJ / CSSL	-	-	138,015	-
ICMS Tax Replacement (ii)	-	-	619,171	-
IPI - Federal VAT (iii)	11,155	10,944	204,891	270,817
Compensation with IPI – IN 67/98 (iv)	-	-	93,210	181,292
Contribution to IAA - sugar & ethanol institute	-	-	1,307	-
INSS - Social security contribution (v)	60,613	58,606	66,247	72,616
PIS and Cofins (vi)	31,091	20,425	422,045	163,129
Others	81,594	59,991	208,094	197,884
	683,976	459,734	2,548,971	1,571,132

(i) Tax assessment – withholding income tax

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. This tax assessment originated administrative demand, which loss probability is considered possible in the opinion of legal advisors of the Company and, therefore, no provision for legal claims was recorded.

ICMS – State VAT

Refers mainly to (i) Tax Assessment filed in view of the alleged lack of payment of ICMS and non-compliance with accessory obligation, in connection with the partnership and manufacturing upon demand, with Central Paulista Açúcar e Álcool Ltda., between May to December 2006 and May to December 2007; and (ii) ICMS levied on the remittances of crystallized sugar for export purposes. In accordance with the tax agent, such product is classified as semi-finished product and that, in accordance with the ICMS regulation, would be subject to taxation, (iii) ICMS levied on possible differences in terms of sugar and alcohol inventories, arising from magnetic tax files and Inventory Registry Books and (iv) ICMS concerning rate difference due to ethanol sales to companies located in other states, which, subsequently, had their registrations revoked and (v) disallowance of credit resulting from the acquisition of diesel used in the production process.

(iii) IPI – Federal VAT

SRF Normative Instruction n° 67/98 approved the procedure adopted by the industrial establishments which performed remittances without registries and payment of the IPI rate, in regard to transfers of sugarcane carried out between July 6, 1995 and November 16, 1997 and refined sugar between January 14, 1992 and November 16, 1997. Such rule was considered in proceedings filed by the Federal Revenue Secretariat against the Company, the unfavorable outcome of which is deemed as possible, in accordance with the opinion of the Company's legal advisors.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

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

SRF Normative Instruction No. 67/98 made it possible to obtain refund of IPI tax payments for sales of refined sugar from January 14, 1992 through November 16, 1997. In view of this rule, the Company applied for offsetting amounts paid during the relevant periods against other tax liabilities. However, the Federal Revenue Service denied its application for both reimbursement and offsetting of such amounts. The Company 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, the Company 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 court. A liminar foi deferida pelo juízo competente. The legal advisor of the Company, who sponsor this demand, considered the loss probability of this demand as possible.

(v) INSS - Social Security Contribution

Refers mainly to tax assessment received and defended by the legal counsel, concerning social security contribution on: (i) stock option plan and (ii) export sales and (iii) resale of materials for companies under common control and suppliers.

(vi) PIS e COFINS

Refers mainly to the reversal of PIS and COFINS credits, provided by Laws 10.637/2002 and 10.833/2003, respectively. Those reversals arise from a differing interpretation of the laws by the Internal Revenue Service in regard to raw materials. Such discussions are still at the administrative level.

The compensated and updated amount until September 30, 2011 is R\$184,439 (R\$182,624 as of March 31, 2011). In addition, the Company has the same litigation with the Internal Revenue Service, which the compensated and updated amount totalized R\$12,479 until September 30, 2011 (R\$12,360 as of March 31, 2011). This demand is supported by the legal advisors and the Company considers that there is no need to accrue any provision for this aforementioned demand.

b) Civil and labor

The main civil and labor claims for which the unfavorable outcome is deemed possible and, therefore, no provision for legal claims was recorded, are as follows::

	Parent Company		Consolidated	
	09.30.2011	03.31.2011	09.30.2011	03.31.2011
Civil	321,424	59,036	1,410,169	377,608
Labour	313,835	60,770	385,662	302,289
	<u>635,259</u>	<u>119,806</u>	<u>1,795,831</u>	<u>679,897</u>

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Paulínia Civil Action

The Labor public prosecution office of the 15th Region (Campinas) and two non-governmental organizations filed a public civil action (ACP) against Shell Brazil Ltda ("Shell Brazil") today the jointly controlled subsidiary Raizen Combustíveis, in March 2007. The applications are based on, at the preliminary injunction, (i) lifelong health care for all former employees of the Paulínia plant and their families and as a definite application, (i) confirmation of the application, in case it has not been granted as writ of prevention (ii) collective moral damages worth of R\$622,200 and (iii) failure to explore economic activity in that region due to environmental degradation caused by chemical contamination of soil and water. The parties attempted to negotiate an agreement between 2007 and 2009 and during this period the lawsuit was suspended.

On August 19, 2010, the ruling was published, which granted the former employees of the claim, Shell, the payment of R\$20 per year of service or fraction greater than six months, as individual moral damages, plus a consistent compensation for material damages for the cost of medical treatment to each former employee and their dependents, and also R\$ 64.5 to each former employee and each dependent as a compulsory substitute indemnification of affirmative covenant, which refers to the period between the filing of action until September 30, 2010, as well as collective moral damages, which was be revised from R\$ 622,200 to R\$762,000.

Finally, the judge ruled that the total amount the cause was R\$1,100,000. In August, Shell Brazil filed an ordinary appeal.

On April 8, 2011 the decision of the Regional Labor Court - TRT was published, which did not grant the ordinary appeals lodged by Shell and BASF and fully maintained the convictions set as published on August 19, 2010. The two companies requested further clarification on the decision in order to submit applicable appeals to the Superior Labor Court - TST." The Company believes that, on a possible ultimate conviction, the amount set by the decision will be significantly lower than those decided by the TST.

The Shell Group believes that, on a possible ultimate conviction, the amount set by the decision will be significantly lower than those decided by the TST.

It is import to mention that, according to a agreement entered into at the establishment of the joint venture, any convictions in litigation arising from events prior to the establishment of the joint venture, are the sole responsibility of the jointly controlling shareholders, in this case, the Shell Group.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

20. Equity

a) Common stock

The authorized common stock may be increased up to the limit of R\$5,000,000, with no need of an amendment to the Company's Bylaws, upon a decision of the Board of Directors, who has the competence to fix the number of shares to be issued, the price of issuance and other conditions of subscription of the shares inside the authorized common stock.

As of September 30, 2011 and March 31, 2011, the Company's capital is represented by 407,214,353 common shares, with no par value. The Company has 2,878,939 treasury shares as of September 30, 2011 (934,539 treasury shares as of March 31, 2011).

b) Earnings per share

Earnings per share are computed by dividing net income by the weighted average number of common shares outstanding during the year. Diluted earnings per share are calculated by adjusting average outstanding shares for the impact of conversion of all potentially dilutive options.

The table below reflects the income and share data used in the basic and diluted earnings per share calculation for the six-month periods ended September 30, 2011 and 2010 (in thousands of Reais, except values per share):

Basic:

	<u>09.30.2011</u>	<u>09.30.2010</u>
Numerator		
Net Income for Cosan	2,362,523	251,950
Denominator:		
Weighted average shares outstanding	406,102,315	406,217,178
Denominator for basic earnings per share	406,102,315	406,217,178
Basic earnings per share	R\$ 5.818	R\$ 0.620

Diluted:

	<u>09.30.2011</u>	<u>09.30.2010</u>
Numerator		
Net Income for Cosan	2.362.523	251.950
Denominator		
Weighted average shares outstanding	406,102,315	406.217.178
Effect of stock options	2,308,607	590.061
Denominator for diluted earnings per share	408,410,922	406.807.239
Diluted earnings per share	R\$ 5.785	R\$ 0.619

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

c) Repurchase of shares

On November 22, 2010, the Board of Directors approved a stock repurchase plan for the purpose of maintenance in treasury, cancellation or disposal. The plan mention that the Company may repurchase maximum of 6.640,091 of common shares, with no par value, in a specific period of 365 days.

During the quarter ended September 30, 2011, the Company acquired 1,944,400 shares for R\$46,879, including expenses. The average unit stock value acquired during the period was R\$24.57, which the maximum and minimum value was R\$25.57 and R\$ 23.44, respectively.

As of September 30, 2011, the Companhia has 2,878,939 treasury shares (934,539 treasury shares as of March 31, 2011), which market value, that date, was R\$23.97 (R\$25.40 as of March 31, 2011).

21. Result of the formation of Joint Ventures (Raízen Energia e Raízen Combustíveis)

As mentioned in note 1, on July 1st, 2011, the Company concluded, together with Royal Dutch Shell ("Shell"), the formation of two joint ventures: (1) Raízen Combustíveis, in the fuel distribution segment, and (ii) Raízen Energia, in the sugar and ethanol segment. The Company and Shell share the control of the two entities, each one has 50% of the economic control.

The formation of Raízen Energia and Raízen Combustíveis has the objective to create one of the world's largest producers of sugar, ethanol and bioenergy produced through sugarcane and one of the largest fuel distributors in the Brazilian market.

Due to the formation of Raízen Energia and Raízen Combustíveis, the Company contributed its sugar and ethanol and fuel distribution businesses. Disconsolidating the related assets and liabilities and recording the remaining interest at fair value.

The process of disconsolidating do the contributed business, on June 1st, 2011, and the recognition of the new interest at fair value produced a gain of R\$3.296,959 recorded during the period and shown below:

Fair value of the remaining interest in the joint ventures (a)	8,059,870
Book value of the contributed businesses (assets and liabilities)	(4,207,173)
Gain on the formation of joint ventures	3,852,697
Other effects:	
Write-off of recoverable taxes not realizable (b)	(83,465)
Write-off of goodwill not contributed	(193,633)
Write-off of other comprehensive income related to hedge accounting	(98,858)
Accrual of provisions according to the joint venture's contract	(80,000)

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Other expenses and write-off incurred during the formation of joint ventures	(99,782)
Net result on the formation of joint ventures	<u>3,296,959</u>

- (a) According to the appraisal report prepared by independent appraisers.
 (b) Recoverable taxes registered by the Parent Company, considered not realizable, and which, if received will be reimbursed to Raízen Energia.

Considering that Cosan chose to consolidate proportionally the joint ventures, the fair value of the remaining interest was allocated to the 50% proportion of the fair value of the assets and liabilities of these entities with the purpose to determine the goodwill of the transaction, as shown below:

	Raízen Energia	Raízen Combustíveis	Total
Fair value of assets and liabilities (a):			
Cash and cash equivalents	391,663	51,636	443,299
Restricted cash	28,449	-	28,449
Accounts receivable	397,748	1,104,447	1,502,195
Derivatives	114,204	-	114,204
Inventories	750,611	864,227	1,614,838
Payment of capital receivable	1,853,969	-	1,853,969
Other assets	3,262,974	2,390,413	5,653,387
Investments	133,186	-	133,186
Biological assets	1,607,170	-	1,607,170
Property, plant and equipment	9,827,775	2,901,748	12,729,523
Intangible assets	191,180	1,738,871	1,930,051
Loans and financing	(5,574,083)	(929,471)	(6,503,554)
Suppliers	(488,209)	(518,031)	(1,006,240)
Taxes payable	(889,575)	(78,360)	(967,935)
Other liabilities	(3,779,444)	(3,409,812)	(7,189,256)
Non controlling interests	(133,569)	(35,527)	(169,096)
Net assets at fair value (a):	<u>7,694,049</u>	<u>4,080,141</u>	<u>11,774,190</u>
Cosan's interest - 50%	3,847,024	2,040,071	5,887,095
Goodwill allocated (a)	1,420,234	753,148	2,173,382
Fair value of the remaining interest in the joint ventures	<u>5,267,258</u>	<u>2,793,218</u>	<u>8,060,477</u>

- (a) Preliminary values.

The preliminary goodwill of the transaction (R\$2,173,382) was allocated to the segments Raízen Energia and Raízen Combustíveis in the proportion of net assets at fair value of each of these investments.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

22. Gross sales

	Parent Company		Consolidated	
	09.30.2011	09.30.2010	09.30.2011	09.30.2010
Gross revenue from Sales of products and services	64	1,219,941	12,922,330	9,569,127
Indirect taxes and deductions	-	(67,787)	(930,067)	(853,418)
Net revenue	64	1,152,154	11,992,263	8,715,709

23. Financial results, net

	Consolidated			
	07.01.11 to 09.30.2011	04.01.11 a 09.30.2011	07.01.10 a 09.30.2010	04.01.10 a 09.30.2010
Financial expenses				
Interest	(253,250)	(341,746)	(138,620)	(279,600)
Monetary variation	(7,590)	(11,365)	(15,232)	(32,885)
Bank charges	(1,700)	(4,861)	(759)	(1,407)
	(262,540)	(357,972)	(154,611)	(313,892)
Financial income				
Interest	94,721	101,358	12,040	38,998
Monetary variation	3,971	(1,455)	7,268	15,348
Investment income	55,164	72,547	18,287	36,253
Others	(19,366)	(19,306)	151	362
	134,490	153,144	37,746	90,961
Foreign exchange variation, net				
Gain/Loss of foreign Exchange variation (1)	(245,552)	(186,778)	187,745	155,519
	(245,552)	(186,778)	187,745	155,519
Derivatives, net				
Commodities	(6,356)	16,170	(17,177)	(3,800)
Commodities - Hedge Accounting	(13,637)	(6,949)	32,704	27,116
	(19,993)	9,221	15,527	23,316
	(393,595)	(382,385)	86,407	(44,096)

- (1) Include gain (losses) of foreign exchange rate over assets and liabilities denominated in foreign currency; and
- (2) Include realized results and unrealized results on operations in future market, options, swaps and NDFs, in addition to effects from non-designated instruments and from the ineffective portion of hedge accounting.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

24. Financial instruments

Financial risk management

a) Overview

The Company, its subsidiaries and jointly-controlled subsidiaries are exposed to the following risk related to the use of financial instruments:

- price risk
- foreign exchange rates
- interest rates
- credit risk
- liquidity risk

This note presents information about the Company, its subsidiaries and jointly-controlled subsidiaries exposure for which risk above, the object of the Company's risk management policies, the polices and processes for measurement, risk management and capital management.

b) Risk management structure

The Company, its subsidiaries and jointly-controlled subsidiaries have two committees related to risk management: (i) Risk management committee, formed by two Board Director's members and two executives of the Company, the *CEO - Chief Executive Officer and the CFO - Chief Financial Officer*, that meet, at least four times per year, to discuss and determine the Company's hedge policies; (ii) Executive risk committee, formed by management of the Company, which includes the *CFO - Chief Financial Officer and the EVP - Executive Vice President*, that meets on a weekly basis to analyze the foreign exchange and commodities market trends. The committee also reviews cover positions and the strategy of pricing exports of sugar in order to reduce the adverse effects of changes in sugar prices and the foreign exchange rate as well as monitoring the liquidity risks and counterparty (credit).

The Company, its subsidiaries and jointly-controlled subsidiaries are exposed to market risks. The main market risks are: (i) volatility of sugar and ethanol prices and, (ii) volatility of foreign exchange rates. Management analyzes these risks and uses financial instruments to hedge a portion of the risk exposure.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

On September 30, 2011 and March 31, 2011, fair values related to transactions involving derivative financial instruments with the purpose of hedge or other purposes were measured at market value (fair value) by observables factors such as quoted prices in active markets or discounted cash flows based on market curves and are presented below:

	Notional		Fair Value		Result (*)
	September 30 2011	March 31 2011	September 30 2011	March 31 2011	
Raizen Energia					
Price risk					
Commodity Derivatives					
Futures Contracts	478,392	-	25,235	-	(40,639)
Options	14,670	-	1,109	-	(13,988)
			26,344	-	(54,628)
Exchange rate risk					
Exchange rate derivatives					
Futures Contracts	413,770	-	(8,932)	-	13,683
Forward contract:	545,075	-	(28,942)	-	18,927
Exchange lock	256,381	-	(11,411)	-	(11,411)
			(49,285)	-	21,199
Total Raizen Energia			(22,941)	-	(33,428)
Consolidated Cosan (50% Raizen Energia)			(11,471)	-	(16,714)
Derivatives of the Parent Company and subsidiaries					
Price risk					
Commodity Derivatives					
Futures Contracts		1,308,033	-	(68,906)	-
Options:		10,364	-	(17,484)	-
			-	(86,390)	-
Exchange rate risk					
Exchange rate derivatives					
Futures Contracts	-	(114,204)	-	(117)	-
Forward contract:	111,384	694,599	11,612	9,900	39,706
			11,612	9,783	39,706
Total Cosan (Including 50% Raizen Energia)			141		22,992
Total Assets			29,434		
Total Liabilities			(29,293)		

(*) Results incurred during the six-month period ended September 30, 2011, only for the outstanding derivatives on that date.

c) Price risk

This arises from the potential for fluctuations in the market prices of products sold by the Company, mainly raw material sugar - VHP (sugar #11) and white sugar (LIFFE sugar #5). These fluctuations in prices can cause substantial changes in the revenues of the Company. To mitigate these risks, the Company constantly monitors the markets, seeking to anticipate changes in prices. The positions of the consolidated derivative financial instruments to hedge the price risk of commodities are shown in the table below:

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

Price risk : Outstanding commodities derivatives on September 30, 2011											
Derivatives	Long / Short	Market	Agreement	Maturity	Number of contracts	Strike	Average price	Fair value	Notional	Notional	Fair value
Derivatives financial instruments contracted by Raizen Energia											
<i>Composition of derivatives financial instruments designated in hedge accounting</i>											
Future	Short	NYBOT	Sugar#11	01/Mar/12	4,997	-	¢/lb 26.04	¢/lb 25.29	(249,850 T)	12,067	7,835
Future	Short	NYBOT	Sugar#11	01/Mai/12	925	-	¢/lb 26.37	¢/lb 24.60	(46,992 T)	50,659	3,399
Future	Short	NYBOT	Sugar#11	01/Jul/12	3,582	-	¢/lb 24.64	¢/lb 23.81	(181,974 T)	183,304	6,168
Future	Short	NYBOT	Sugar#11	01/Out/12	3,366	-	¢/lb 24.66	¢/lb 23.36	(171,001 T)	172,400	9,092
Sub-total of futures of Sugar Sold									(649,817 T)	418,431	26,494
<i>Composition of derivatives financial instruments not designated in hedge accounting</i>											
Future	Long	NYBOT	Sugar#11	01/Mar/12	858	-	¢/lb 25.95	¢/lb 25.29	(43,588 T)	(46,237)	(1,170)
Future	Long	NYBOT	Sugar#11	01/Mai/12	181	-	¢/lb 24.80	¢/lb 24.60	(9,195 T)	(9,323)	(75)
Future	Long	NYBOT	Sugar#11	01/Jul/12	74	-	¢/lb 23.97	¢/lb 23.81	(3,759 T)	(3,684)	(24)
Future	Long	NYBOT	Sugar#11	01/Out/12	15	-	¢/lb 23.05	¢/lb 23.36	(762 T)	(718)	10
Sub-total of futures of Sugar Purchased									(57,305 T)	(59,961)	(1,259)
Sub-total of futures of Sugar									(707,122 T)	358,469	25,235
Call	Long	NYBOT	Sugar#11	01/Jul/12	100	¢/lb 31.00	¢/lb 1.51	¢/lb 0.93	(5,080 T)	(314)	193
Call	Long	NYBOT	Sugar#11	01/Jul/12	1,700	¢/lb 31.00	¢/lb 0.68	¢/lb 0.93	(86,364 T)	(2,385)	3,284
Sub-total of Call Purchased									(91,444 T)	(2,699)	3,477
Call	Long	NYBOT	Sugar#11	01/Mai/12	545	¢/lb 29.00	¢/lb 2.47	¢/lb 1.27	(27,687 T)	2,800	(1,438)
Call	Long	NYBOT	Sugar#11	01/Jul/12	100	¢/lb 31.00	¢/lb 1.53	¢/lb 0.93	(5,080 T)	317	(193)
Call	Long	NYBOT	Sugar#11	01/Jul/12	2,075	¢/lb 31.00	¢/lb 1.42	¢/lb 0.93	(105,415 T)	6,106	(4,008)
Sub-total of Call Sold									(138,183 T)	9,223	(5,639)
Put	Short	NYBOT	Sugar#11	01/Mai/12	545	¢/lb 25.00	¢/lb 2.43	¢/lb 2.89	(27,687 T)	2,747	3,271
Sub-total of Put Purchased									(27,687 T)	2,747	3,271
Sub-total of Options of Sugar											1,109
Total Commodities										367,740	26,344

The fair value of these derivatives was measured by observable factors, such as quoted prices in active markets and, in some cases, by means of models whose assumptions are observable in the market.

Foreign Exchange risk

This arises from the possibility of fluctuations in the exchange rates of the foreign currencies used by the Company, its subsidiaries and jointly-controlled subsidiaries for the export revenues of products, imports, debt cash flow and other assets and liabilities denominated in a foreign currency. The Company, its subsidiaries and jointly-controlled subsidiaries use derivative transactions to manage the risks of cash flow coming from the export revenues denominated in U.S. dollars, net of other cash flows denominated in foreign currency. The table below demonstrates the consolidated positions outstanding on September 30, 2011 of derivatives used to hedge exchange rates:

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

Exchange risk : Outstanding derivatives on September 30, 2011											
Derivatives	Long / Short	Market	Agreement	Maturity	Number of contracts	Strike	Average price	Fair value	Notional	Notional	Fair value
Derivatives financial instruments contracted by Raizen Energia											
<i>Composition of derivatives financial instruments designated in hedge accounting</i>											
Forward	Short	OTC/Cetip	NDF	03/Out/11	1	-	R\$ 1.776 /US\$	R\$ 1.854 /US\$	USD 110,000	195,310	(8,670)
Forward	Short	OTC/Cetip	NDF	02/Jan/12	1	-	R\$ 1.822 /US\$	R\$ 1.920 /US\$	USD 50,000	91,075	(4,801)
Forward	Short	OTC/Cetip	NDF	02/Abr/12	1	-	R\$ 1.835 /US\$	R\$ 1.950 /US\$	USD 141,000	258,690	(15,471)
Sub-total of Forward Sold										545,075	(28,942)
<i>Composition of derivatives financial instruments not designated in hedge accounting</i>											
Future	Short	BMFBovespa	Commercial Dollar	03/Out/11	9,855	-	R\$ 1.711 /US\$	R\$ 1.854 /US\$	USD -	-	(1,672)
Future	Short	BMFBovespa	Commercial Dollar	01/Nov/11	5,755	-	R\$ 1.837 /US\$	R\$ 1.898 /US\$	USD -	-	(9,662)
Future	Short	CME Group	EUR/USD	21/Dez/11	65	-	US\$ 1.376 /€	US\$ 1.342 /€	EUR -	20,739	526
Sub-total of Future Sold										20,739	(10,808)
Future	Long	BMFBovespa	Commercial Dollar	03/Out/11	11,055	-	R\$ 1.770 /US\$	R\$ 1.854 /US\$	USD -	-	1,876
Sub-total of Future Purchased										-	1,876
Exchange lock	Short	OTC	Exchange lock	02/Jul/12	1	-	R\$ 1.937 /US\$	R\$ 1.977 /US\$	USD 30,000	58,104	(497)
Exchange lock	Short	OTC	Exchange lock	02/Jul/12	1	-	R\$ 1.913 /US\$	R\$ 1.977 /US\$	USD 20,000	38,254	(1,140)
Exchange lock	Short	OTC	Exchange lock	06/Set/12	1	-	R\$ 1.802 /US\$	R\$ 2.001 /US\$	USD 20,000	36,044	(3,565)
Exchange lock	Short	OTC	Exchange lock	13/Set/12	1	-	R\$ 1.860 /US\$	R\$ 2.002 /US\$	USD 40,250	74,881	(5,215)
Exchange lock	Short	OTC	Exchange lock	24/Set/12	1	-	R\$ 1.964 /US\$	R\$ 2.005 /US\$	USD 25,000	49,098	(993)
										256,381	(11,411)
Total of exchange - Derivatives financial instruments contracted by Raizen Energia										822,194	(49,285)
Fair value of derivative financial instruments registered in the Company (50% Raizen Energia)											(24,643)

Exchange risk : Outstanding derivatives on September 30, 2011											
Derivatives	Long / Short	Market	Agreement	Maturity	Number of contracts	Strike	Average price	Fair value	Notional	Notional	Fair value
Derivative financial instruments contracted by the Company and subsidiaries (except the joint ventures)											
<i>Composition of derivatives financial instruments not designated in hedge accounting</i>											
Forward	Long	OTC	NDF	04/Nov/11	1	-	R\$ 1.818 /US\$	R\$ 1.894 /US\$	USD 6,188	11,246	462
Forward	Long	OTC	NDF	03/Fev/12	1	-	R\$ 1.857 /US\$	R\$ 1.836 /US\$	USD 6,188	11,489	(130)
Forward	Long	OTC	NDF	04/Mai/12	1	-	R\$ 1.894 /US\$	R\$ 1.954 /US\$	USD 6,188	11,722	347
Forward	Long	OTC	NDF	03/Ago/12	1	-	R\$ 1.936 /US\$	R\$ 1.979 /US\$	USD 6,188	11,978	248
Forward	Long	OTC	NDF	01/Nov/12	1	-	R\$ 1.978 /US\$	R\$ 2.005 /US\$	USD 6,188	12,239	152
Forward	Long	OTC	NDF	04/Fev/13	1	-	R\$ 2.021 /US\$	R\$ 2.034 /US\$	USD 6,188	12,504	72
Forward	Long	OTC	NDF	03/Mai/13	1	-	R\$ 2.059 /US\$	R\$ 2.061 /US\$	USD 6,188	12,739	10
Forward	Long	OTC	NDF	02/Ago/13	1	-	R\$ 2.101 /US\$	R\$ 2.089 /US\$	USD 6,188	12,997	(64)
Forward	Long	OTC	NDF	04/Nov/13	1	-	R\$ 2.142 /US\$	R\$ 2.118 /US\$	USD 6,188	13,256	(129)
Forward	Long	OTC	NDF	04/Fev/14	1	-	R\$ 2.185 /US\$	R\$ 2.148 /US\$	USD 6,188	13,521	(196)
Forward	Long	OTC	NDF	02/Mai/14	1	-	R\$ 2.221 /US\$	R\$ 2.175 /US\$	USD 6,188	13,743	(233)
Forward	Long	OTC	NDF	04/Ago/14	1	-	R\$ 2.263 /US\$	R\$ 2.205 /US\$	USD 6,188	14,002	(287)
Forward	Long	OTC	NDF	04/Nov/14	1	-	R\$ 2.305 /US\$	R\$ 2.240 /US\$	USD 6,188	14,261	(315)
Forward	Long	OTC	NDF	04/Fev/15	1	-	R\$ 2.343 /US\$	R\$ 2.279 /US\$	USD 6,188	14,497	(304)
Forward	Long	OTC	NDF	04/Mai/15	1	-	R\$ 2.380 /US\$	R\$ 2.316 /US\$	USD 6,188	14,726	(295)
Forward	Long	OTC	NDF	04/Ago/15	1	-	R\$ 2.425 /US\$	R\$ 2.348 /US\$	USD 6,188	15,003	(346)
Forward	Long	OTC	NDF	04/Nov/15	1	-	R\$ 2.465 /US\$	R\$ 2.380 /US\$	USD 6,188	15,254	(380)
Forward	Long	OTC	NDF	04/Nov/11	1	-	R\$ 1.617 /US\$	R\$ 1.894 /US\$	USD 4,197	6,788	1,137
Forward	Long	OTC	NDF	03/Fev/12	1	-	R\$ 1.652 /US\$	R\$ 1.836 /US\$	USD 4,197	6,935	777
Forward	Long	OTC	NDF	04/Mai/12	1	-	R\$ 1.679 /US\$	R\$ 1.954 /US\$	USD 4,197	7,047	1,091
Forward	Long	OTC	NDF	03/Ago/12	1	-	R\$ 1.725 /US\$	R\$ 1.979 /US\$	USD 4,197	7,239	994
Forward	Long	OTC	NDF	01/Nov/12	1	-	R\$ 1.761 /US\$	R\$ 2.005 /US\$	USD 4,197	7,390	939
Forward	Long	OTC	NDF	04/Fev/13	1	-	R\$ 1.798 /US\$	R\$ 2.034 /US\$	USD 4,197	7,546	893
Forward	Long	OTC	NDF	03/Mai/13	1	-	R\$ 1.834 /US\$	R\$ 2.061 /US\$	USD 4,197	7,696	846
Forward	Long	OTC	NDF	02/Ago/13	1	-	R\$ 1.872 /US\$	R\$ 2.089 /US\$	USD 4,197	7,859	792
Forward	Long	OTC	NDF	04/Nov/13	1	-	R\$ 1.914 /US\$	R\$ 2.118 /US\$	USD 4,197	8,032	735
Forward	Long	OTC	NDF	04/Fev/14	1	-	R\$ 1.951 /US\$	R\$ 2.148 /US\$	USD 4,197	8,190	691
Forward	Long	OTC	NDF	02/Mai/14	1	-	R\$ 1.987 /US\$	R\$ 2.175 /US\$	USD 4,197	8,340	651
Forward	Long	OTC	NDF	04/Ago/14	1	-	R\$ 2.027 /US\$	R\$ 2.205 /US\$	USD 4,197	8,507	605
Forward	Long	OTC	NDF	04/Nov/14	1	-	R\$ 2.065 /US\$	R\$ 2.240 /US\$	USD 4,197	8,666	580
Forward	Long	OTC	NDF	04/Fev/15	1	-	R\$ 2.100 /US\$	R\$ 2.279 /US\$	USD 4,197	8,813	578
Forward	Long	OTC	NDF	04/Mai/15	1	-	R\$ 2.131 /US\$	R\$ 2.316 /US\$	USD 4,197	8,942	585
Forward	Long	OTC	NDF	04/Ago/15	1	-	R\$ 2.166 /US\$	R\$ 2.348 /US\$	USD 4,197	9,089	563
Forward	Long	OTC	NDF	04/Nov/15	1	-	R\$ 2.199 /US\$	R\$ 2.380 /US\$	USD 4,197	9,231	543
Total of exchange - Derivatives financial instruments contracted by the Company and subsidiaries (except the joint ventures)										361,487	11,611
Total of exchange											(13,031)

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

d) Effects of hedge accounting

The jointly-controlled subsidiary Raízen Energia formally designated its transactions subject to hedge accounting for cash flow hedges from sugar VHP (raw material) export revenue, documenting: (i) the relationship of the hedge, (ii) the Company's purpose for taking the hedge and its risk management strategy, (iii) identification of the financial instrument, (iv) the transaction or item covered, (v) the nature of the risk being hedged, (vi) a description of the hedging relationship (vii) the demonstration of correlation between the hedge and the object of coverage, and (viii) the prospective analysis of hedge effectiveness. The Company has designated derivative financial instruments of Sugar # 11 (NYBOT or OTC) to cover the risk of price and Non-Deliverable Forwards (NDF) to cover exchange rate risk, as demonstrated in topics (b) and (c) of this Note.

The jointly-controlled subsidiary records gains and losses deemed effective for purposes of hedge accounting to a specific account in equity ("other comprehensive income"), until the object of coverage (hedged item) affects the profit and loss. On September 30, 2011, the amounts recorded in other comprehensive income related to hedge accounting are as follows:

Derivative	Market	Risk	Expected period to affect P&L		
			2011/12	2012/13	Total
Future	OTC / NYBOT	#11	(86,527)	17,036	(69,491)
NDF	OTC / CETIP	USD	<u>(17,393)</u>	<u>(15,581)</u>	<u>(32,974)</u>
(-) Deferred income tax			35,333	(495)	34,838
Effect on the shareholder's equity			<u>(68,587)</u>	<u>960</u>	<u>(67,627)</u>

The movement for the period of the effect of hedge accounting on other comprehensive income is shown below:

Balance at March 31, 2011:	(143,298)
Gain/(losses) of cash flow hedges for the period:	
Future contracts and swap commodities contract	(4,863)
Currency forward contracts	28,558
Reclassification adjustments for losses included in the income statement	
(Revenue of sales /financial result)	(7,901)
Effect of the disconsolidation and formation of the Joint Ventures	<u>98,858</u>
Total before tax effect	114,652
Tax effect on gain/(losses) of cash flow hedges for the period – 34%	<u>(38,981)</u>
Hedge accounting effect, net of tax	<u>75,671</u>
Balance at September 30, 2011:	<u><u>(67,627)</u></u>

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

e) Interest rate risk

The Company monitors fluctuations of the interest rates related to certain loan contracts, mainly those with Libor interest rate risk, and in the event of increased volatility of such rates, it may engage in transactions with derivatives so as to minimize such risks. At September 30, 2011 and March 31, 2011, the Company has not presented interest rate risk derivatives outstanding.

f) Credit risk

A significant portion of sales made by the subsidiaries and jointly-controlled subsidiaries is to a select group of best-in-class counterparts (i.e. trading companies, fuel distribution companies and large supermarket chains).

Credit risk is managed through specific rules of client acceptance including credit ratings and 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 covered by the allowance for doubtful accounts.

The Company buys and sells 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 in the over-the-counter (OTC) market with selected counterparties. The Company and its jointly-controlled subsidiaries buy and sell foreign exchange derivatives on BM&FBovespa and OTC contracts registered with CETIP (OTC clearing house) with banks Banco Santander S.A., Espirito Santo Investment do Brasil S.A., Deutsche Bank S.A. – Banco Alemão, Banco JP Morgan S.A. and Banco Standard de Investimentos 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.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

g) Liquidity risk

Liquidity risk is the risk that the Company, its subsidiaries and jointly-controlled subsidiaries will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled with cash payments or other financial assets. The approach of the Company's liquidity management is to ensure, as much as possible, which always has sufficient liquidity to meet its obligations to win, under normal and stress, without causing unacceptable losses or risk damaging the reputation of the Company.

h) Debt acceleration risk

As of September 30, 2011, the Company, its subsidiaries and the jointly controlled subsidiaries, were party to loan and financing agreements in force, with restrictive covenants related to cash generation, debt to equity ratio and others. This restrictive clauses are being observed by the Company and do not restrain the capacity of the Company of normal course of its business.

i) Fair value

The fair value of financial assets and liabilities is included in the price at which the instrument could be exchanged in a current transaction between parties willing to negotiate, and not in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair value.

Cash and cash equivalents, accounts receivable, accounts payable and other short-term obligations approximate their respective carrying values due largely to short-term maturity of these instruments.

The fair value of marketable securities and bonds is based on price quotations on the date of the financial statements. The fair value of non-negotiable instruments, bank loans and other debts, obligations under finance leases, as well as other non-current financial liabilities are estimated by the discounted future cash flows using rates currently available for debt or deadlines and similar instruments.

The fair market value of Senior Notes due 2014 and 2017, described in note 16, at its market price are 113.9% and 102.9% respectively, of its face value at September 30, 2011.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Fair value

The fair market value of Perpetual bonds, described in note 16, at its market price is 95%, respectively, of its face value at September 30, 2011.

In respect of other loans and financing, their fair market values substantially approximate the amounts recorded in the financial statements due to the fact that these financial instruments are subject to variable interest rates.

The fair value of financial assets available for sale is obtained through quoted market prices in active markets, if any.

The Company, its subsidiaries and jointly-controlled subsidiaries enter into derivative financial instruments with various counterparties, primarily financial institutions with credit ratings of investment grade. The derivatives valued using valuation techniques with observable market data relate mainly to interest rate swaps, foreign exchange contracts and term contracts for commodities futures. The valuation techniques applied more often include pricing models for fixed-term contracts and swaps, with a present value calculations. The models incorporate various data, including credit quality of counterparties, the rates of currency spot and forward, interest rate curves and forward rate curves of the commodity underlying.

Fair value hierarchy

The Company, its subsidiaries and jointly-controlled subsidiaries have the following hierarchy to determine and disclose the fair value of financial instruments by the technical evaluation:

- Level 1: quoted prices in a active market to identical assets and liabilities;
- Level 2: other techniques for which all data that have significant effect on the fair value recorded are observable, directly or indirectly;
- Level 3: techniques that use data that have significant effect on the fair value recorded that are not based on observable market data.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

j) Fair value

Assets and Liabilities measured at fair value	Level 1	Level 2	Total
September 30, 2011			
<i>Warrants Radar</i>	-	142,589	142,589
Derivative financial assets	29,434	-	29,434
Derivative financial liabilities	(9,118)	(20,175)	(29,293)
March 31, 2011			
<i>Warrants Radar</i>	-	162,961	162,961
Derivative financial assets	35,577	20,105	55,682
Derivative financial liabilities	(122,084)	(10,205)	(132,289)

k) Sensitivity analysis

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 and its joint-controlled subsidiaries:

Assumptions for sensitivity analysis

For the analysis, the Company, its subsidiaries and jointly-controlled entities adopted three scenarios, being one probable and two that may have effects from impairment of the fair value of the financial instruments. The probable scenario was defined based on the futures sugar and US dollar market curves as of September 30, 2011, the same which determines the fair value of the derivatives at that date. Possible and remote scenarios were defined based on adverse impacts of 25% and 50% over the sugar and dollar price curves, which served as basis for the probable scenario.

Sensitivity exhibit

The sensitivity exhibit is shown below, disclosing the changes in the fair value of the derivative financial instruments in the scenarios probable, possible and remote. The effects related to the jointly-controlled subsidiaries consider the impacts of the proportional consolidation.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	Risk factors	Impacts on the result (*)		
		Probable scenario	Possible scenario (25%)	Remote scenario(50%)
Price risk				
Commodity derivatives				
Futures agreements:				
Sale Commitments	Increase in sugar price	13,247	(81,272)	(162,544)
Purchase Commitments	Decrease in sugar price	(630)	(7,338)	(14,675)
Options agreements:				
Call options purchased	Decrease in sugar price	1,738	(1,529)	(1,735)
Call options sold	Increase in sugar price	(2,819)	(6,739)	(17,719)
Put options purchased	Increase in sugar price	1,636	(1,086)	(1,474)
Exchange rate risk				
Exchange rate derivatives				
Futures agreements:				
Sale Commitments	R\$ / US exchange rate appreciation	(5,667)	(182,488)	(364,975)
Sale Commitments	€ / US exchange rate appreciation	263	(2,527)	(5,053)
Purchase Commitments	R\$ / US exchange rate depreciation	938	(128,128)	(256,255)
Forward agreements:				
Sale Commitments	R\$ / US exchange rate appreciation	(14,471)	(69,843)	(139,686)
Exchange lock:				
Sale Commitments	R\$ / US exchange rate appreciation	(5,705)	(30,805)	(61,609)

(*) Projected result to be occurred in the next 12 months from September 30, 2011

l) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

25. Shared-based payments

In the ordinary and extraordinary general meeting held on July 29, 2011, the guidelines for the outlining and structuring of a stock option plan for Cosan officers and employees were approved, thus authorizing the issue of up to 5% of shares comprising Cosan's share capital. This stock option plan was outlined to attract and retain services rendered by officers and key employees, offering them the opportunity to become shareholders of Cosan. On August 18, 2011, Cosan's board of directors approved the distribution of stock options corresponding up to 12,000,000 common shares to be issued or treasury shares held by Cosan corresponding to 2.95% of the share capital at the time. On the same date, 9,825,000 options were effectively granted, which by September 30, 2011, no options granted have been exercised or forfeited.

The strike price for the granted stock options was R\$22.80 (twenty two reais and eighty cents) per share indexed by IPCA up to the exercise date and have been determined based on the last 30 quotations before the grant date. The options can only be exercised on a 10% or 20% per year basis, depending on each individual contract, after a 12 months grace period, starting August 18, 2011. The options can be exercised up to a period of two years after the vesting period and will be forfeited upon its maturity or in case the beneficiary leaves the Company before its exercise, except in case of death or retirement.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

The fair value of the options granted will be amortized as an expense in our results against shareholders' equity over the vesting period according to the service provided by the beneficiaries of the Plan.

26. Pension and other post-employment benefits plan

a) Pension plan

Defined benefit

The subsidiary Cosan Lubricants e Especialidades S.A. sponsors Futura – a Complementary Pension Fund, formerly known as Previd Exxon – a private social security company, and the main purpose is to supplement benefits, within certain limits laid down in the by-laws, which all the employees of the sponsoring company and their respective beneficiaries are entitled to, as policy-holders/beneficiaries of social security. The supplementary pension plans offered to employees of Cosan CLE are a Defined Benefit Type. This plan was altered to allow its settlement and was approved by the relevant authority on May 5, 2011. Basically, the settlement is the process whereby the plan is closed to any new entrants, with the cessation of contributions, guaranteeing the participants a benefit that is in proportion to the rights they had accumulated in the plan up until March 31, 2011.

Defined contribution

Since July 1st, 2011, the Company and its subsidiaries start to sponsor the Retirement Plan Futura, managed by Futura II – a Complementary Pension Fund, which the main purpose is to generate long-term savings to complement retirement benefits. This plan is a Defined Contribution type and extends to all the employees of the companies that sponsor it. The contributions to this plan are defined in the regulations that have been duly approved by the relevant authority. As at June 30, 2011 no contributions had yet been made to the plan by the sponsoring company. During the period ended September 30, 2011, the amount of contributions totaled R\$3,032.

Since July 1st, 2011, the jointly-controlled subsidiaries started to sponsor the Retirement Plan Futura, managed by Futura II – a Complementary Pension Fund, which the main purpose is to generate long-term savings to complement retirement benefits. This plan is a Defined Contribution type and extends to all the employees of the companies that sponsor it. The contributions to this plan are defined in the regulations that have been duly approved by the relevant authority. During the period ended September 30, 2011, the amount of contributions totaled R\$2,372.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information
September 30, 2011
(in thousands of Reais, unless otherwise stated)

27. Segment information (consolidated)

a) Segment information

The following information about segments is based upon information used by Cosan's senior management to assess the performance of operating segments and to decide on the allocation of resources.

Due to the formation of the Joint Ventures Raízen Energia and Raízen Combustíveis and the acquisition of the sugar retail business from Raízen, Cosan modified the disclosure of its segments and now disclosing five segments, as shown below. The comparative information related to the previous period were reclassified to be comparable with the current information.

The S&E segment is primarily engaged in the production and marketing of a variety of products derived from cane sugar, including raw sugar (VHP), anhydrous and hydrated ethanol, and activities related to energy cogeneration from sugarcane bagasse.

- (i) Raízen Energia: production and marketing of a variety of products derived from cane sugar, including raw sugar (VHP), anhydrous and hydrated ethanol, and activities related to energy cogeneration from sugarcane bagasse. In addition, this segment has interest in companies of research and development in new technologies involved in this segment.
- (ii) Raízen Combustíveis: distribution and marketing of fuels and lubricants, mainly through franchised network of service stations under the brand "Shell" and "Esso" throughout the national territory.
- (iii) Rumo: logistics services for the transport, storage and port lifting of sugar for both the S&E segment and third parties.
- (iv) Cosan Alimentos: sale of food, mainly, of sugar in the retail under the brands "União" and "DaBarra".
- (v) Other business Cosan: sale and distribution of lubricants, investments in agricultural land and other investments, in addition to the corporate structures of the activities of the Company.

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

The following selected information result and segment assets that were measured in accordance with the accounting practices used in the preparation of consolidated information:

	07.01.2011 to 09.30.2011							
	Raizen Energia (*)	Raizen Combustíveis (*)	Cosan Alimentos	Rumo	Other business Cosan	Elimination 50% Raizen	Adjustments and eliminations	Consolidated
Income statement (3 months):								
Net Sales	2,665,768	9,901,065	267,165	213,711	289,908	(6,283,416)	(249,918)	6,804,283
Domestic market	1,320,468	9,901,065	267,165	213,711	289,908	(5,610,766)	(249,918)	6,131,633
External market	1,345,300	-	-	-	-	(672,650)	-	672,650
Gross profit	504,946	545,068	67,049	76,934	92,929	(525,006)	-	761,920
Selling, general and administrative expenses	(262,205)	(393,032)	(35,947)	(10,382)	(79,472)	327,618	-	(453,420)
Gain of formation of Joint Ventures	-	-	-	-	(18,160)	-	-	(18,160)
Other income (expenses)	(9,040)	60,654	19	277	(22,867)	(25,807)	-	3,236
Financial result, net	(341,778)	(150,790)	1,590	6,991	(155,892)	246,284	-	(393,595)
Income tax and social contribution	13,684	(21,699)	15,068	(24,237)	201,370	4,008	-	188,194
Net income	(100,307)	37,938	47,779	49,298	231,899	31,184	(234,592)	63,199
Other selected data:								
Additions to PP&E, intangible and biological assets (cash)	508,756	76,737	114	48,054	19,321	(292,746)	-	360,235
Depreciation and amortization (including biological assets noncash effect)	599,648	84,212	559	10,276	12,822	(341,930)	-	365,587

	04.01.2011 to 09.30.2011							
	Raizen Energia (*)	Raizen Combustíveis (*)	Cosan Alimentos	Rumo	Other business Cosan	Elimination 50% Raizen	Adjustments and eliminations	Consolidated
Income statement (6 months):								
Net Sales	4,303,096	15,030,857	267,165	354,664	531,035	(8,200,929)	(293,624)	11,992,263
Domestic market	2,367,029	15,030,857	267,165	354,664	531,035	(7,528,280)	(293,625)	10,728,845
External market	1,936,068	-	-	-	-	(672,650)	-	1,263,418
Gross profit	857,248	733,931	67,049	123,761	181,538	(613,627)	-	1,349,900
Selling, general and administrative expenses	(520,654)	(560,803)	(35,947)	(19,425)	(153,014)	425,201	-	(864,642)
Gain of formation of Joint Ventures	-	-	-	-	3,296,959	-	-	3,296,959
Other income (expenses)	(19,405)	109,213	19	6,596	(20,774)	(50,390)	-	25,259
Financial result, net	(298,132)	(126,802)	1,590	11,841	(229,665)	258,783	-	(382,385)
Income tax and social contribution	426	(60,277)	15,068	(40,727)	(907,849)	(43,084)	-	(1,036,443)
Net income	11,872	108,593	47,779	81,280	2,407,554	37,422	(331,977)	2,362,523
Other selected data:								
Additions to PP&E, intangible and biological assets (cash)	1,116,456	114,437	114	156,354	39,565	(357,046)	-	1,069,880
Depreciation and amortization (including biological assets noncash effect)	927,474	168,848	559	20,441	22,429	(470,546)	-	669,205

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	07.01.2010 to 09.30.2010							
	Raizen Energia (*)	Raizen Combustíveis (*)	Cosan Alimentos	Rumo	Other business Cosan	Elimination 50% Raizen	Adjustments and eliminations	Consolidated
Income statement (3 months):								
Net Sales	1,758,491	2,810,760	-	144,574	206,244	-	(203,982)	4,716,087
Domestic market	910,752	2,810,760	-	144,574	206,244	-	(203,982)	3,868,348
External market	847,739	-	-	-	-	-	-	847,739
Gross profit	492,846	113,236	-	40,965	74,623	-	(792)	720,878
Selling, general and administrative expenses	(271,699)	(90,343)	-	(6,861)	(42,327)	-	7,803	(403,426)
Gain of formation of Joint Ventures	-	-	-	-	-	-	-	-
Other income (expenses)	(49,004)	13,603	-	1,520	1,761	-	(7,011)	(39,131)
Financial result, net	74,791	8,910	-	1,640	1,066	-	-	86,407
Income tax and social contribution	(87,221)	(12,499)	-	(12,611)	(13,918)	-	-	(126,249)
Net income	160,198	32,906	-	24,653	89,316	-	(55,536)	251,537
Other selected data:								
Additions to PP&E, intangible and biological assets (cash)	358,398	25,300	-	127,000	-	-	-	510,698
Depreciation and amortization (including biological assets noncash effect)	355,220	28,353	-	8,251	8,655	-	-	400,479

	04.01.2010 to 09.30.2010							
	Raizen Energia (*)	Raizen Combustíveis (*)	Cosan Alimentos	Rumo	Other business Cosan	Elimination 50% Raizen	Adjustments and eliminations	Consolidated
Income statement (6 months):								
Net Sales	3,032,134	5,389,209	-	249,946	409,421	-	(365,001)	8,715,709
Domestic market	1,614,900	5,389,209	-	249,946	409,421	-	(365,001)	7,298,475
External market	1,417,234	-	-	-	-	-	-	1,417,234
Gross profit	747,745	221,733	-	70,525	154,524	-	3,291	1,197,819
Selling, general and administrative expenses	(464,877)	(183,720)	-	(14,897)	(83,478)	-	6,838	(740,134)
Gain of formation of Joint Ventures	-	-	-	-	-	-	-	-
Other income (expenses)	(51,282)	10,392	-	9,064	493	-	(10,129)	(41,462)
Financial result, net	(26,303)	228	-	(470)	(17,552)	-	-	(44,096)
Income tax and social contribution	(78,445)	(18,685)	-	(21,831)	(18,289)	-	-	(137,249)
Net income	109,689	29,886	-	42,393	108,137	-	(38,155)	251,950
Other selected data:								
Additions to PP&E, intangible and biological assets (cash)	924,698	40,150	-	250,932	3,345	-	-	1,219,125
Depreciation and amortization (including biological assets noncash effect)	604,736	51,022	-	15,386	19,784	-	-	690,927

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

	09.30.2011							
	Raizen Energia (*)	Raizen Combustíveis (*)	Cosan Alimentos	Rumo	Other business Cosan	Elimination 50% Raizen	Adjustments and elimination	Consolidated
Financial position:								
Property, plant and equipment	9,501,143	2,734,238	37,133	1,072,306	701,644	(6,117,691)	-	7,92
Intangible	3,024,851	3,614,538	16	355,332	856,062	(3,319,694)	-	4,53
Loans, net of cash and cash equivalents	(5,058,660)	(624,172)	42,287	(162,560)	(733,140)	2,841,416	-	(3,694)
Other assets and liabilities, net	2,791,832	(32,021)	132,870	(114,228)	10,003,948	(1,379,906)	(10,897,025)	50
Total asset (net of liabilities) allocated by segment	10,259,166	5,692,583	212,306	1,150,850	10,828,515	(7,975,875)	(10,897,025)	9,27
Total asset	17,912,583	14,129,907	380,317	2,032,329	16,843,017	(16,021,245)	(12,401,270)	22,87

	03.31.2011							
	Raizen Energia (*)	Raizen Combustíveis (*)	Cosan Alimentos	Rumo	Other business Cosan	Elimination 50% Raizen	Adjustments and elimination	Consolidated
Financial position:								
Property, plant and equipment	5,962,230	862,185	-	931,997	224,112	-	-	7,98
Intangible	1,644,350	528,653	-	358,287	914,385	-	-	3,44
Loans, net of cash and cash equivalents	(4,723,833)	(589,229)	-	(99,829)	(524,334)	-	-	(5,937)
Other assets and liabilities, net	(1,826,735)	(238,736)	-	(173,826)	6,655,159	-	(3,120,489)	1,29
Total asset (net of liabilities) allocated by segment	1,056,012	562,873	-	1,016,629	7,269,322	-	(3,120,489)	6,78
Total asset	8,567,722	1,777,299	-	1,713,112	9,915,149	-	(3,228,626)	18,74

b) Detailed net Sales per segment:

	07.01.2011 to 09.30.2011	04.01.2011 a 09.30.2011	07.01.2010 to 09.30.2010	04.01.2010 a 09.30.2010
Raizen Energia				
Sugar	1,485,701	2,359,622	1,106,981	1,936,312
Ethanol	981,770	1,625,569	532,416	889,269
Cogeneration	111,057	180,769	81,454	136,826
Other	87,240	137,136	37,640	69,727
	2,665,768	4,303,096	1,758,491	3,032,134
Raizen Combustíveis				
Fuels	9,901,065	15,008,974	2,773,005	5,309,034
Other	-	21,883	37,755	80,175
	9,901,065	15,030,857	2,810,760	5,389,209
Cosan Alimentos				
Amorfo	240,814	240,814	-	-
Crystal	13,262	13,262	-	-
Other	13,089	13,089	-	-
	267,165	267,165	-	-

Cosan S.A. Indústria e Comércio

Notes to quarterly financial information

September 30, 2011

(in thousands of Reais, unless otherwise stated)

Rumo				
Port lifting	52,170	93,934	38,830	73,846
Logistics	154,254	250,382	98,240	168,596
Other	7,287	10,348	7,504	7,504
	<u>213,711</u>	<u>354,664</u>	<u>144,574</u>	<u>249,946</u>
Other business Cosan				
Lubricants	282,908	522,755	206,244	407,902
Land leasing	7,000	7,000	-	-
Other	-	1,280	-	1,519
	<u>289,908</u>	<u>531,035</u>	<u>206,244</u>	<u>409,421</u>
Adjustments/eliminations	(6,533,334)	(8,494,553)	(203,982)	(365,001)
Total	<u>6,804,283</u>	<u>11,992,263</u>	<u>4,716,087</u>	<u>8,715,709</u>

c) Net Sales per region

The percentage of net sales of the Raízen Energia segment by geographic area for the years ended are as follows:

	<u>09.30.2011</u>	<u>09.30.2010</u>
Brasil	63.1%	69.3%
Europe	26.2%	26.8%
Latin America (Except Brazil)	0.9%	0.1%
Middle East and Asia	6.7%	2.1%
North America	2.0%	0.4%
Other	1.1%	1.4%
Total	<u>100.0%</u>	<u>100.0%</u>

The net sales from segments Raízen Combustíveis, Rumo and Cosan Alimentos are derived only from the domestic market (Brazil), with no revenue from foreign customers.

28. **Subsequent events** - (not revised by independent auditors).

Acquisitions of operations in South America

On October 13, 2011 the subsidiary Cosan Lubrificantes e Especialidades S.A. signed a Sales Purchase Agreement with ExxonMobil Lubrificants Trading Company for lubricants distribution in Bolivia, Uruguay and Paraguay, becoming the exclusive distributor of Mobil branded products in these countries. Cosan is expected to assume control on November 14, 2011, date which a fair value assessment of the assets acquired and liabilities assumed will be proceed.