

# Cosan

1Q13 Results Presentation

# Disclaimer

## Forward Looking Statements



This presentation contains estimates and forward-looking statements regarding our strategy and opportunities for future growth. Such information is mainly based on our current expectations and estimates or projections of future events and trends, which affect or may affect our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others: (1) general economic, political, demographic and business conditions in Brazil and particularly in the geographic markets we serve; (2) inflation, depreciation and devaluation of the real; (3) competitive developments in the ethanol and sugar industries; (4) our ability to implement our capital expenditure plan, including our ability to arrange financing when required and on reasonable terms; (5) our ability to compete and conduct our businesses in the future; (6) changes in customer demand; (7) changes in our businesses; (8) government interventions resulting in changes in the economy, taxes, rates or regulatory environment; and (9) other factors that may affect our financial condition, liquidity and results of our operations.

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made and we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. Our future results may differ materially from those expressed in these estimates and forward-looking statements. In light of the risks and uncertainties described above the estimates and forward-looking statements discussed in this presentation might not occur and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, inclusive, but not limited to the factors mentioned above. Because of these uncertainties you should not make any investment decision based on these estimates and forward-looking statements.

# Cosan Consolidated

## Business Units



○ **Raízen Combustíveis**

Fuels Distribution

○ **Raízen Energia**

Sugar, Ethanol and Cogeneration

○ **Rumo**

Sugar Logistics

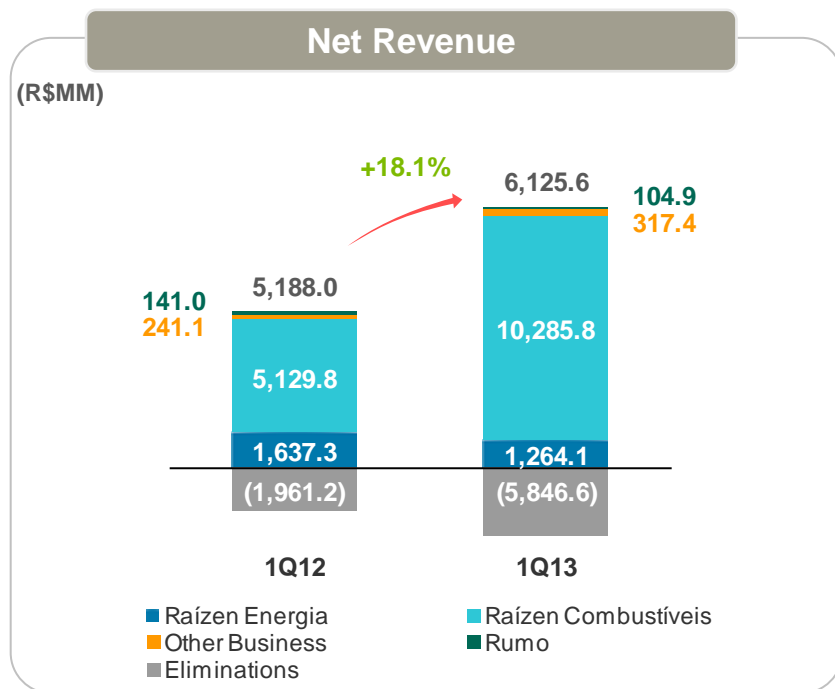
○ **Other Business**

Lubricants and Specialties

Corporate Structures

# Cosan Consolidated

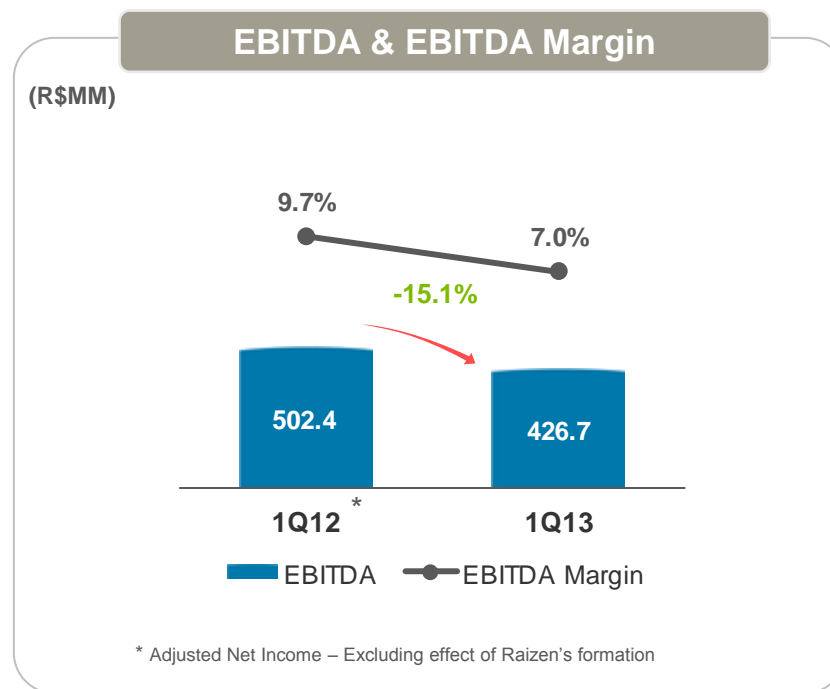
## Highlights 1Q13 x 1Q12



**Net Revenue:** Growth of 18.1% compared to 1Q12 totaling R\$ 6.1 billion

### Consolidation:

- 50% Raízen Combustíveis
- 50% Raízen Energia
- 100% Rumo
- 100% Outros Business



**EBITDA:** R\$ 426.7 million and EBITDA Margin of 7.0%

- Due to Raízen Energia sugarcane crushing 39.8% lower in this quarter

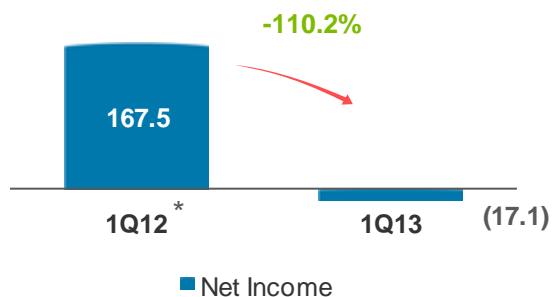
# Cosan Consolidated

Highlights 1Q13 x 1Q12



## Net (Loss) Income

(R\$MM)



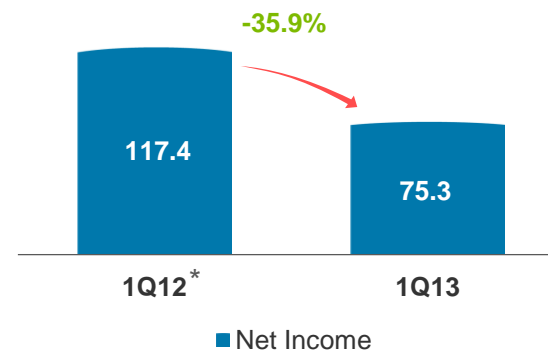
\* Adjusted Net Income – Excluding Effect of Raizen's formation

**Net Loss :** R\$ 17.1 million in 1Q13

- Negative non-cash effect from exchange variation of R\$ 198.5 million in the quarter

## Net Income Normalized \*\*

(R\$MM)



\* Adjusted Net Income – Excluding effect of Raizen's formation

\*\* Excluding exchange variation effect

**Net Income:** R\$ 75.3 million in 1Q13 adjusted for:

- 1Q13 – Excluding effects of negative exchange variation and positive result from sale of assets net of withholding tax
- 1Q12 – Excluding effects of positive exchange variation and positive result from sale of assets net of withholding tax

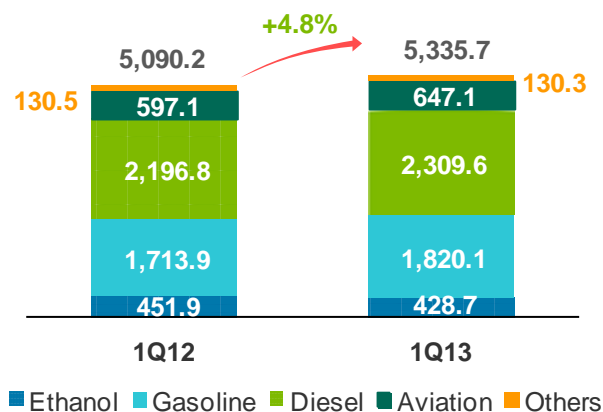
# Raízen Combustíveis

Financial performance 1Q13 vs 1Q12 (Pro forma)



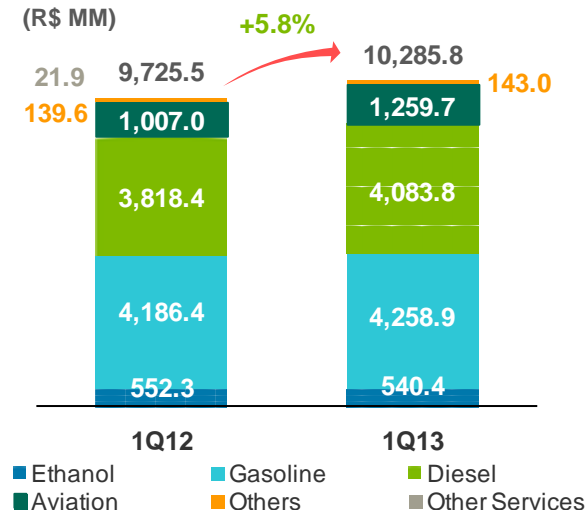
## Volume

(Million liters)



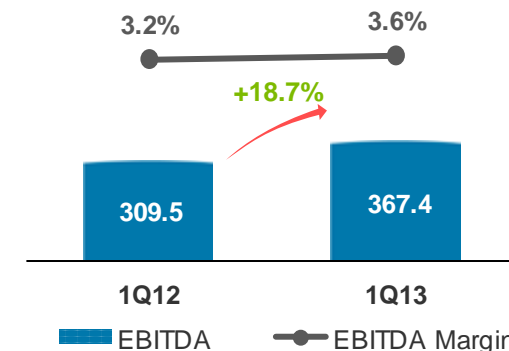
## Net Revenue

(R\$ MM)



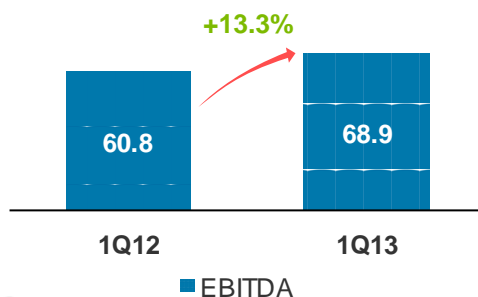
## EBITDA and EBITDA Margin

(R\$ MM)



## EBITDA

(R\$/cbm)



**Net Revenue:** R\$ 10.3 billion in 1Q13, due to:

- Increase in sales volume of 4.8% specially:
  - 5.1% in Diesel volume
  - 6.2% in Gasoline volume
  - 25.1% in Aviation volume

**EBITDA:** In 1Q13 Raízen Combustíveis's EBITDA totaled R\$ 367.4 million

- 18.7% increase of the EBITDA due to:
  - better mix of products
  - higher volume due to larger penetration of Shell brand on the conversion process

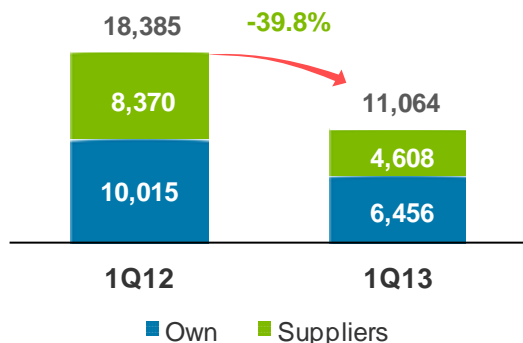
# Raízen Energia

## Operational performance



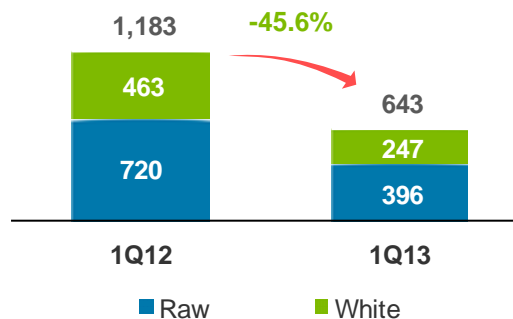
### Sugarcane Crushed

('000 tonnes)



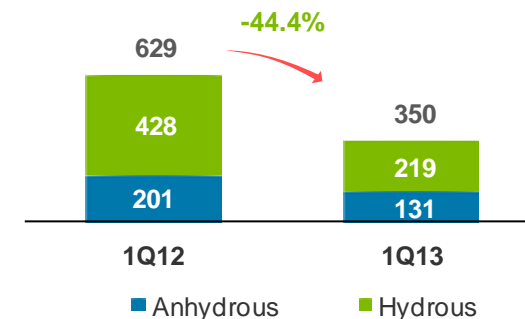
### Sugar Production

('000 tonnes)



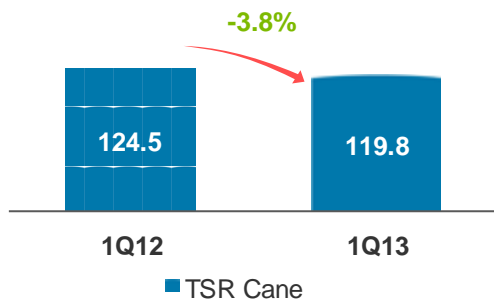
### Ethanol Production

('000 cbm)



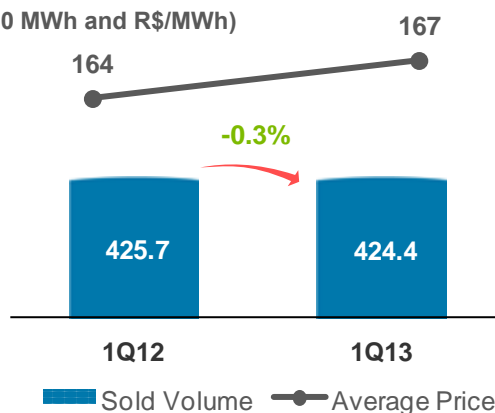
### TSR Cane

(kg/tonnes)



### Sold Volume - Cogen

('000 MWh and R\$/MWh)



- **Sugarcane Crushing:** Reduction of 39.8% compared to 1Q12, reflecting the delayed start of the sugarcane crushing.
- **TSR:** 119.8 kg/ton in FY12, a decrease of 3.8% compared to 1Q12 (124.5 kg/tonnes).
- **Climate Effects:** Drought during interharvest period affecting the sugarcane growth and excess of rains during the beginning of the harvest, delaying the production

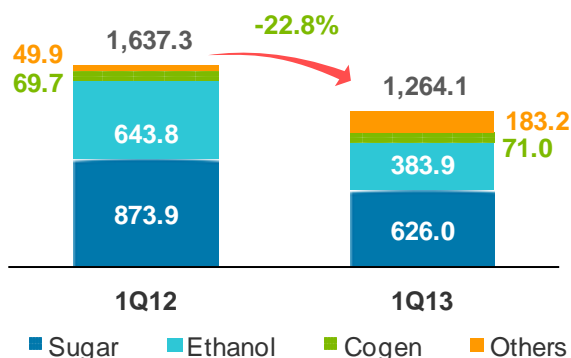
# Raízen Energia

## Financial performance



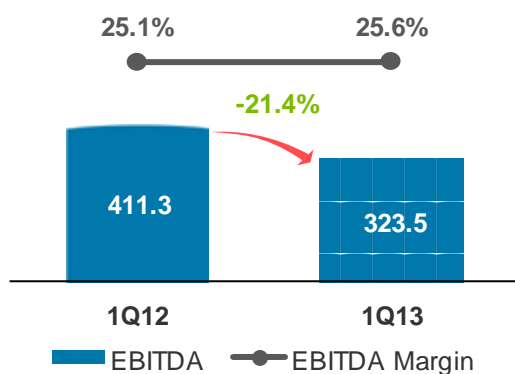
### Net Revenue

(R\$ MM)



### EBITDA and EBITDA Margin

(R\$ MM)



### Summary of Hedge Operations at June 30, 2012

2012 / 2013

2013 / 2014

#### Sugar

##### NY11

Volume ('000 tonnes)	2,108.9	399.6
Average Price (¢US\$/lb)	22.88	21.6

##### London #5

Volume ('000 tonnes)	-	-
Average Price (US\$/lb)	-	-

#### Exchange rate

##### US\$

Volume (US\$ million)	1,108.6	197.8
Average Price (R\$/US\$)	1.9240	2.1765

**Volume to be sold / Hedged ('000 tonnes)**

**2,833.1**

**2,833.1**

**% Sale Protected Sugar / Fixed**

**74.4%**

**14.1%**

**Net Revenue:** R\$ 1.3 billion in 1Q13

- Decrease of 22.8% due to:
  - delayed start of the 2012/2013 crop
  - lower volumes of sugar and ethanol sold

**EBITDA:** R\$ 323.5 million. Decrease of 21.4% compared to 1Q12.

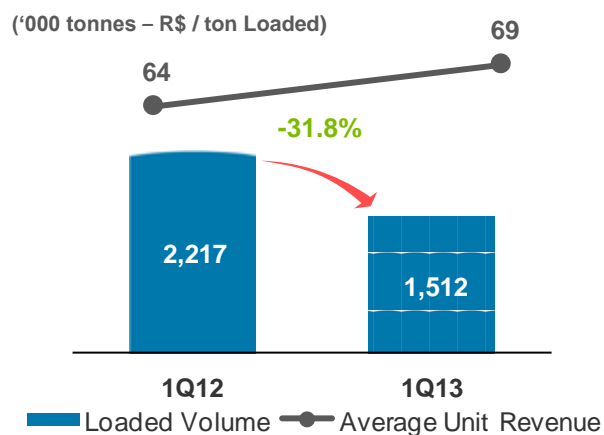


# Rumo

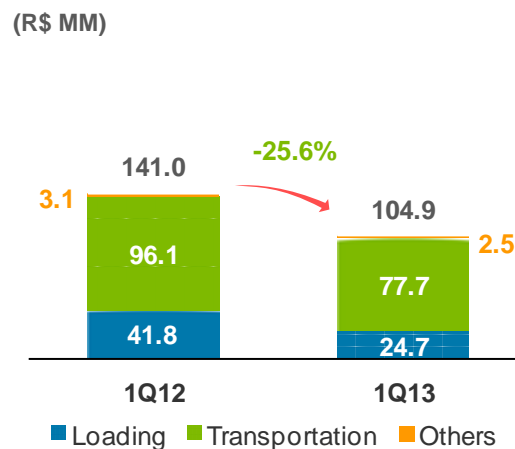
## Operational and financial performance



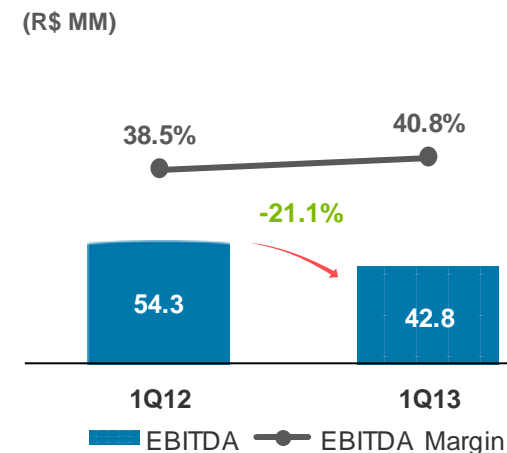
### Volume and Avg. Unit Revenue



### Net Revenue



### EBITDA and EBITDA Margin



**Net Revenue:** Decrease of 25.6% compared to 1Q12.

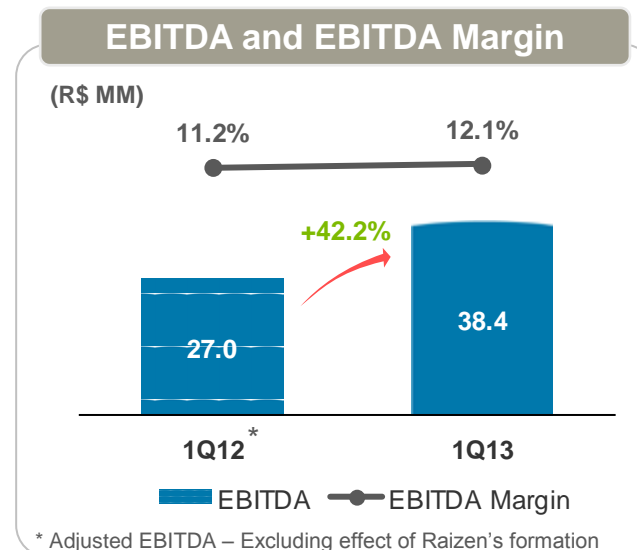
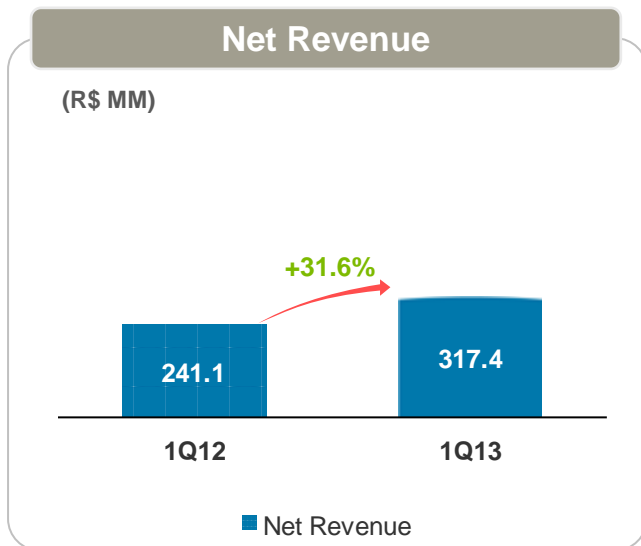
- Lower transportation and elevation volumes, reflecting the delay in sugar cane crop in the Center South region
- Transportation revenue was responsible for 74.1% of Rumo's total revenue
- Growth in average unit net revenue by 7.8% reaching R\$ 69 / ton

**EBITDA:** R\$ 42.8 million and an EBITDA margin of 40.8%

- Increase in EBITDA Margin despite lower volumes

# Other Business

Operational and financial performance



**Net Revenue:** Increase of 31.6% compared to 1Q12

- Increase of lubricants and base oil volumes sold
- Increase of 2.0 % of volume sold due to distribution operations in Bolivia, Uruguay and Paraguay

**EBITDA:** R\$ 38.4 million and EBITDA margin of 12.1%

# Net Debt



Debt Structure Amounts in RS MM	1Q13	4Q12	% ST	Chg.%
<b>Raízen (100%)</b>	<b>6,339.0</b>	<b>5,611.5</b>	<b>36%</b>	<b>13.0%</b>
Cosan Stake (50%)	3,169.5	2,805.7	36%	13.0%
Rumo	649.4	632.8	1%	2.6%
Other Business	171.2	-	11%	n/d
Corporate	1,368.2	1,259.3	0%	8.7%
<b>Cosan - Controlled Business</b>	<b>2,188.8</b>	<b>1,892.1</b>	<b>4%</b>	<b>15.7%</b>
<b>Cosan Consolidated</b>	<b>5,358.4</b>	<b>4,697.8</b>	<b>27%</b>	<b>14.1%</b>
<b>Cash and Cash Equivalents</b>	<b>1,407.2</b>	<b>1,616.2</b>	<b>-</b>	<b>-12.9%</b>
<b>Net Debt</b>	<b>3,951.2</b>	<b>3,081.6</b>	<b>-</b>	<b>28.2%</b>
<b>Capital Subscription to be Paid from Shell to Raízen (50%)</b>	<b>489.9</b>	<b>489.9</b>	<b>-</b>	<b>-</b>
<b>Adjusted Net Debt</b>	<b>3,461.3</b>	<b>2,591.7</b>	<b>-</b>	<b>33.6%</b>

Note 1: Excluding PESA'S debt

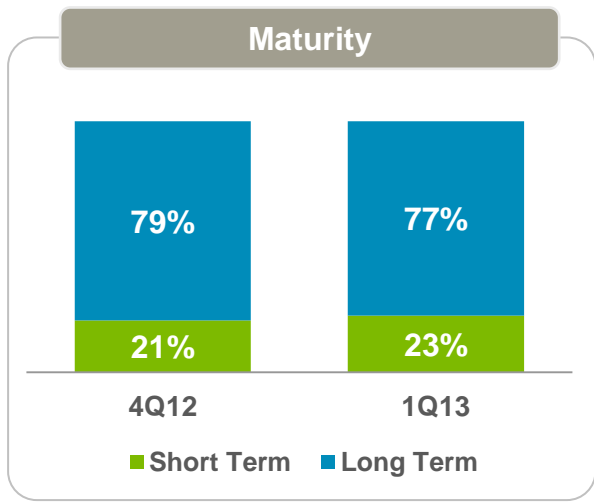
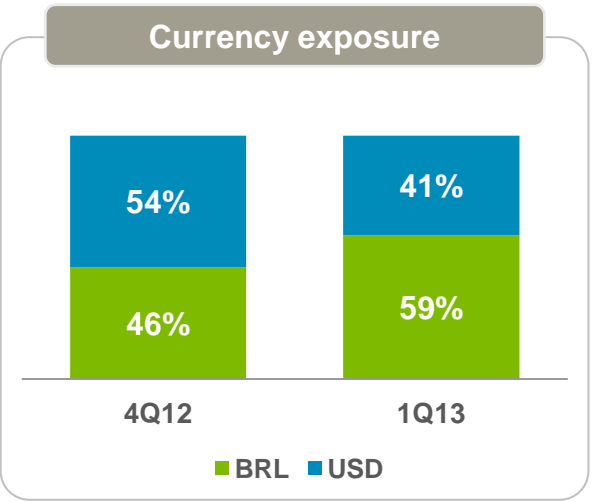
Using the EBITDA for the exercise ended June 31, 2012, **Net Debt/ EBITDA (LTM) of 1.7x** considering capital subscription to be paid from Shell to Raízen

## Debt

- Raízen's gross debt totaled R\$ 6.3 billion at the end of 1Q13, a increase of 13.0% over the balance of March 31, 2012.
- During the quarter it was raised approximately R\$ 608.8 million mainly through:
  - R\$ 496.9 million in foreign exchange contract advances and credit notes
  - R\$ 111.9 referring to BNDES lines
- The amortizations of principal and interest throughout the period totaled approximately R\$ 382.5 million

## Cash Equivalents

- R\$1.4 billion of cash and financial investments



# Guidance

Unchanged figures from last released on 4Q12



		FY11	FY12	FY 2013
<b>Cosan Consolidated</b>	<b>Net Revenue (R\$MM)</b>	<b>18.063</b>	<b>24.097</b>	<b>26,000 ≤ Δ ≤ 29,000</b>
	<b>EBITDA (R\$MM)</b>	<b>2.671</b>	<b>2.142</b>	<b>2,200 ≤ Δ ≤ 2,500</b>
	<b>CAPEX (R\$MM)</b>	<b>2.500</b>	<b>2.137</b>	<b>2,100 ≤ Δ ≤ 2,400</b>
<b>Raízen Energia</b>	<b>Volume of crushed sugarcane ('000 tons)</b>	<b>54.238</b>	<b>52.958</b>	<b>52,000 ≤ Δ ≤ 55,000</b>
	<b>Volume of sugar sold ('000 tons)</b>	<b>4.291</b>	<b>3.969</b>	<b>3,900 ≤ Δ ≤ 4,200</b>
	<b>Volume of ethanol sold (millions of liters)</b>	<b>2.247</b>	<b>1.921</b>	<b>1,850 ≤ Δ ≤ 2,050</b>
	<b>Volume of energy sold ('000 MWh)</b>	<b>1.254</b>	<b>1.233</b>	<b>1,650 ≤ Δ ≤ 1,850</b>
	<b>EBITDA (R\$MM)</b>	<b>2.130</b>	<b>2.235</b>	<b>2,200 ≤ Δ ≤ 2,500</b>
<b>Raízen Combustíveis</b>	<b>Volume of fuel sold (millions of liters)</b>	<b>-</b>	<b>20.914</b>	<b>21,000 ≤ Δ ≤ 23,000</b>
	<b>EBITDA (R\$MM)</b>	<b>-</b>	<b>1.305</b>	<b>1,300 ≤ Δ ≤ 1,500</b>
<b>Rumo</b>	<b>Volume of loading ('000 tons)</b>	<b>7.841</b>	<b>7.759</b>	<b>8,000 ≤ Δ ≤ 10,000</b>
	<b>EBITDA (R\$MM)</b>	<b>164</b>	<b>202</b>	<b>260 ≤ Δ ≤ 300</b>
<b>Other Business</b>	<b>Volume of lubricants and base oil sold (millions of liters)</b>	<b>166</b>	<b>205</b>	<b>220 ≤ Δ ≤ 260</b>

# Contacts



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