Quarterly Financial Letter

1st Quarter of Fiscal Year 2009 – May, June and July

As expected, a difficult beginning of harvest

- This section provides a summary of the quarterly performance of Cosan Ltd. (NYSE: CZZ), the parent company of the Cosan Group. The financial information in this section is therefore expressed in U.S. dollars and in accordance with U.S. GAAP. For comparative purposes, the figures for the period prior to the constitution of Cosan Ltd were prepared on a pro-forma basis based on those of Cosan S.A. as if Cosan Ltd. had existed before the date of its constitution. More information on the financial statements of Cosan Ltd. is provided at the end of the section.
- For Cosan, the FY'09 began with accelerated production, a product mix favoring ethanol and a policy of stockpiling. As a result, ethanol sales volume totaled 89.4 million gallons in the 1Q'09, 42.1% up year-on-year, while sugar volume, thanks to the build-up of stocks, recorded a slight decline of 4.9% to 791,700 tonnes.
- The increase in international sugar prices and the impact of the appreciation of the Real against the dollar on domestic sales converted to dollars pushed up average sugar prices by 19.7% year-on-year to ¢US$12.44/lb, while average ethanol prices moved up by 23.7% to US$1.66 per gallon.
- As a result, net operating revenue moved up by a hefty 30.8% year-on-year to US$394.0 million. However, the same exchange effect that fueled the increase in domestic sales revenue converted to dollars, also pushed up costs and expenses originally denominated in Reais. Production costs were also negatively impacted by the reduction in yield measured by the TSR, which fell by 5.7% over the 1Q'08.
- Consequently, Cosan closed the 1Q'09 with EBITDA of US$14.6 million and an EBITDA margin of 3.7%, 43.3% down year-on-year. On the other hand, the exchange impact on dollar-denominated debt generated financial revenue, which helped absorb part of the depreciation of assets.

Summary of Financial and Operating Information				
1Q'08	**1Q'09**	**(In millions of U.S. dollars)**	**YTD'08**	**YTD'09**
62.9	89.4	Ethanol Sold (millions of gallons)	62.9	89.4
832.7	791.7	Sugar Sold (thousand tonnes)	832.7	791.7
301.3	394.0	Net sales	301.3	394.0
13.1	(4.9)	• Gross profit	13.1	(4.9)
4.4%	*-1.2%*	*Gross Margin*	*4.4%*	*-1.2%*
(49.0)	(94.2)	• Operating income (loss)	(49.0)	(94.2)
-16.3%	*-23.9%*	*Operating margin*	*-16.3%*	*-23.9%*
25.7	14.6	• EBITDA	25.7	14.6
8.5%	*3.7%*	*EBITDA Margin*	*8.5%*	*3.7%*
2.2	(47.9)	• Income (loss) before minority interest	2.2	(47.9)
1.2	(29.3)	• Net income (loss)	1.2	(29.3)
0.4%	*-7.4%*	*Profit (loss) Margin*	*0.4%*	*-7.4%*
94.4	169.3	Capex	94.4	169.3
730.8	82.7	• Net Debt	730.8	82.7
1,019.1	2,908.8	• Shareholders' & Minorities Equity	1,019.1	2,908.8

- With a negative pre-tax result, Cosan S.A. recorded revenue from income tax in Brazil, due to the constitution of tax loss carryforwards. Thanks to the share of Cosan S.A.'s minority interests in its net loss, Cosan Ltd. posted a 1Q'09 net loss of US$29.3 million, versus net income of US$1.2 million in the 1Q'08.
- Capex totaled US$169.3 million in the 1Q'09, 79.4% up year-on-year The main investments included US$42.1 million in the Jataí greenfield project in Goiás; US$25.6 million in cogeneration projects in Costa Pinto, Rafard and Bonfim;

CZZ
LISTED
NYSE

Stock Performance			
	IPO	Jul31/08	Sep11/08
CZZ			
Price (US$/Share)	10.50	13.11	8.15
Δ since IPO (%)		24.9%	-22.4%
Daily Vol. US$MM		10.2	9.8
CZLT11			
Price (R$/BDR)	21.05	21.40	14.59
Δ since IPO (%)		1.7%	-30.7%
Daily Vol. R$MM		1.6	1.5

Source: NYSE and BOVESPA

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Definitions:

FY'09 - fiscal year begun May 1, 2008 and to be ended March 31, 2009

FY'08 - fiscal year begun May 1, 2007 and ending April 30, 2008

1Q'09 - quarter ended July 31, 2008

1Q'08 - quarter ended July 31, 2007

YTD'09- period begun on the same date as the FY'09 and ended at the close of the 1Q'09

YTD'08- period begun on the same date as the FY'08 and ended at the close of the 1Q'08

US$24.2 million in the conclusion of the cogeneration expansion of the Gasa unit; and US$33.8 million in sugarcane planting, as well as other minor projects in the industrial and agricultural areas.

- In terms of capital structure, Cosan closed the 1Q'09 with net debt of US$82.7 million, a negligible amount when set against shareholders' equity and minority interests of US$2.9 billion, and an exceptionally comfortable cash position of US$890.4 million.
- In the 1Q'09, Cosan celebrated several more important achievements that formed part of its corporate strategy, having executed a series of important biomass energy sales contracts through auction and bilateral agreements through the Bonfim, Jataí, Gasa, Barra, Diamante and Univalem plants. All the contracts have similar characteristics, constituting fixed, inflation-adjusted revenue over 15 years which will not only increase EBITDA in consolidated cash flow, but will also, and even more importantly, greatly reduce the volatility of our results caused by swings in commodity prices and the exchange rate.

The major asset of Cosan Ltd. on its constitution was its equity interest in Cosan S.A. Its operating results are therefore substantially based on those of its subsidiary, Cosan S.A.

Cosan Ltd. uses the US$ as its reporting currency and the R$ as its functional currency..

The financial statements of Cosan Ltd. are drawn up primarily in US GAAP, while those of its subsidiary Cosan S.A. are drawn up primarily in BR GAAP. The main differences between the accounting practices of US GAAP and BR GAAP that affect the results of Cosan Ltd. are::

- evaluation of acquired companies at their fair market value instead of their book value, increasing the value of fixed assets and, consequently, depreciation expenses;
- the non-existence of asset revaluation and, consequently, depreciation of the revalued portion;
- the non-existence of amortization of goodwill;
- capitalization of interest on financings for fixed assets under construction;
- mark-to-market of hedge instruments recorded directly in the result;
- the booking of remuneration from the executives' stock option plan under general and administrative expenses;
- the non-existence of deferred expenses; and
- the booking of goods acquired through leasing under assets.

Quarterly Financial Letter

1st Quarter of Fiscal Year 2009 – May, June and July

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CSAN3 NOVO MERCADO BOVESPA BRASIL

Stock Performance			
	IPO	Jul31/08	Sep11/08
CSAN3			
Price (R$/Share)	16.00	31.00	19.00
Δ since IPO (%)		93.8%	18.8%
Daily Vol. R$MM		34.6	34.0

Source: BOVESPA

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YTD'08- period begun on the same date as the FY'08 and ended at the close of the 1Q'08

Difficult, as expected

- As expected, Cosan S.A. (BOVESPA: CSAN3) experienced a bad beginning of harvest. While sugar prices look like being in a random recovery, ethanol prices, although slightly higher than a year ago, underwent their reaction to the start of the harvest, recording a year-on-year decline. On the production side, the exceptionally high rainfall in April and May jeopardized cane sucrose content, lowering yield in comparison with the previous year and pushing up production costs. In addition, the continuing appreciation of the Real against the dollar exerted negative pressure on export revenue. As if this were not enough, the inflationary inertia of the costs also affected the expenses, both in terms of freight and labor, with the beginning-of-year wage increase, pushing up selling expenses. All in all, then, these series of expected adverse impacts in the sector which together led Cosan to adopt a change in tactics. The Company therefore began to intensively build up ethanol and (especially) sugar inventories in order to take advantage of the product's strong financial carrying incentives. However, this strategy ended up reducing immediate sugar sales, jeopardizing the dilution of fixed costs and expenses even further and putting even more pressure on short-term results.

- The bias towards ethanol production simultaneously increased stocks and sales and 1Q'09 operating revenue moved up 8.1% year-on-year. If we include the result of hedge operations, however, this increase was a considerably more modest 1.4%, given that sugar price locks at the beginning of the FY'08 were generating much higher gains. The cost of goods sold, reflecting the low value of the cane TSR, climbed by 14.2%, while selling expenses jumped by 40.3% thanks to the upturn in freight costs and the hefty increase in ethanol exports. As a result, EBITDA totaled R$24.7 million, 50.1% below the 1Q'08, while EBITDAH, even when hedge operations are factored in, dropped by 47.5% year-on-year to R$69.9 million. This substantial reduction was insufficient to absorb growing depreciation from new investments, plantations and the amortization of goodwill from past acquisitions. As a result, Cosan posted a 1Q'09 net loss of R$58.1 million, versus net income of R$13.7 million in the 1Q'08, totally aligned with the previous guidance informed by the Company to the market.

1Q'08	1Q'09	Financial Highlights (R$MM)	YTD'08	YTD'09
591.7	**639.6**	**Net Operating Revenue**	**591.7**	**639.6**
43.7	**13.6**	**Gross Profit**	**43.7**	**13.6**
7.4%	*2.1%*	*Gross Margin*	*7.4%*	*2.1%*
49.5	**24.7**	**EBITDA**	**49.5**	**24.7**
8.4%	*3.9%*	*EBITDA Margin*	*8.4%*	*3.9%*
133.3	**69.9**	**EBITDAH (Adjusted by Hedge)**	**133.3**	**69.9**
19.7%	*10.2%*	*EBITDAH Margin*	*19.7%*	*10.2%*
13.7	**(58.1)**	**Net Profit (Loss)**	**13.7**	**(58.1)**
2.3%	*-9.1%*	*Net Margin*	*2.3%*	*-9.1%*

A. Market Overview

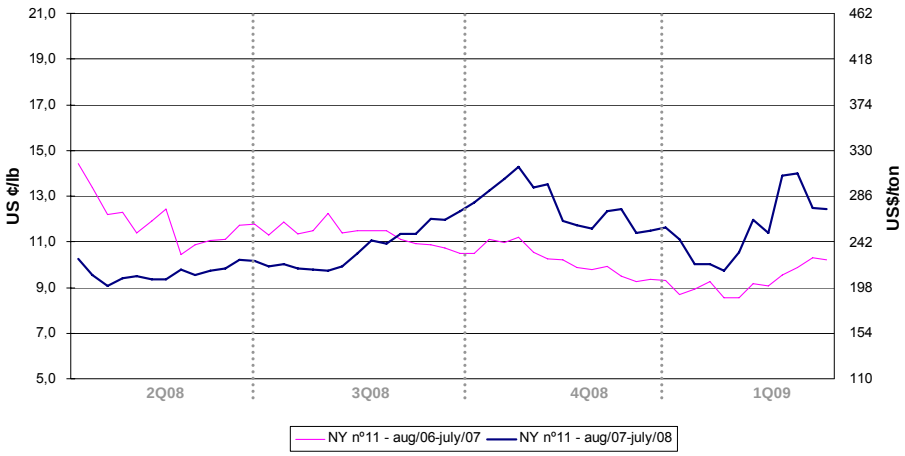
- The crushing pace in the 2008/09 sugarcane crop in Brazil's Central-South region is still below initial expectations for two main reasons: i) high rainfall in the first two weeks of August, especially in the states of Paraná, Mato Grosso do Sul and São Paulo, which paralyzed the harvest for 10, 5 and 2 days respectively; and ii) delay in the start-up of crushing in the new plants scheduled to come on

stream in the 08/09 season. In fact, of the 32 new mills, 3 will not become operational this harvest and a further 11 have not yet done so, although they are scheduled for start-up within the next few months. The other 18 are already operating.

08/09 harvest in Brazil's Central-South continues to prioritize ethanol production

- According to the latest figures from UNICA, the sugarcane growers' association, crushed cane volume in the Central-South totaled 244 million tonnes by August 15, 8.5% up on the same period in 2007, below the initially expected 15% increase. Period sugar production amounted to 12.5 million tonnes, 5% down year-on-year, while ethanol output moved up by 13.7% to more than 11.3 billion liters. Of this total, hydrous accounted for 7.6 billion liters, 23.2% up year-on-year, and anhydrous for 3.8 billion liters, down by 1.5%. Priority was still being given to ethanol, which accounted for 59.8% of crushed cane volume, while sugar accounted for 40.2%.
- On the international front, initial forecasts put Indian sugar production from the 08/09 harvest at 21.8 million tonnes, around 5 million tonnes less than the season before. As we mentioned in our previous release, this reduction was due to the decline in planted area, thanks to low prices and higher returns from other crops such as wheat and rice. India's domestic market has already begun to feel the impact of the reduced supply and prices have gone up by 10% in the last two months, out of step with international prices. As a result of all these factors, India's exports are likely to be substantially below the 4.4 million tonnes shipped during the 07/08 season.
- On the other hand, despite the strong increase in Chinese demand, estimated at around 10%, leading to annual consumption of close to 14 million tonnes this year, domestic prices have reached their lowest level for three years due to record output of 14.8 million tonnes. As a result of the price slide, Chinese imports are not economically viable and local buyers have pulled out of the market. In addition, the authorities have been taking steps to discourage the use of remaining import licenses due to the ample availability of sugar on the home market.
- International raw sugar prices averaged ¢US$11.59/lb in the 1Q'09, 24.8% up year-on-year, but 8.5% down on the ¢US$12.67/lb recorded in the 4Q'08.

Raw Sugar Prices - Last 24 Months (NY11)

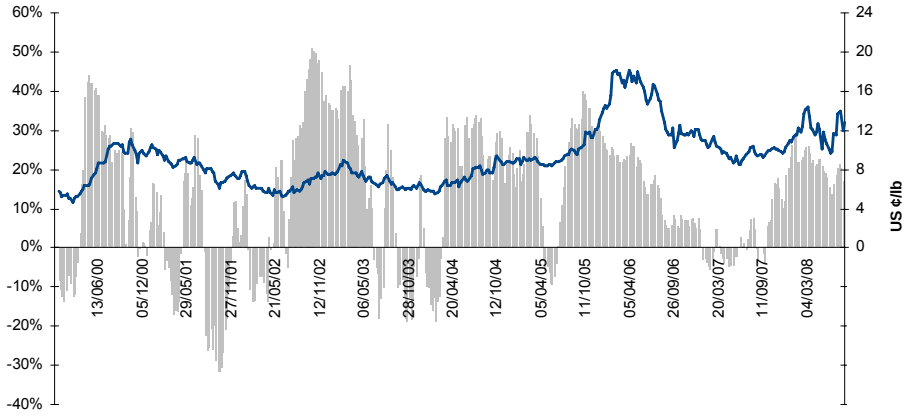


Source: NYBOT

Speculator flight substantially reduces the number of open contracts

- In the 1Q'09, major hedge funds, plus smaller funds and speculators, reduced their net long positions by 33%, from 196,000 lots at the beginning of May to around 130,000 at the close of July, equivalent to 17% of all open contracts. It is also worth noting that the number of open contracts fell substantially, from 920,000 to 780,000 lots, a drop of around 15%, as speculators began to move out of commodities due to expectations of a global economic slowdown.

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



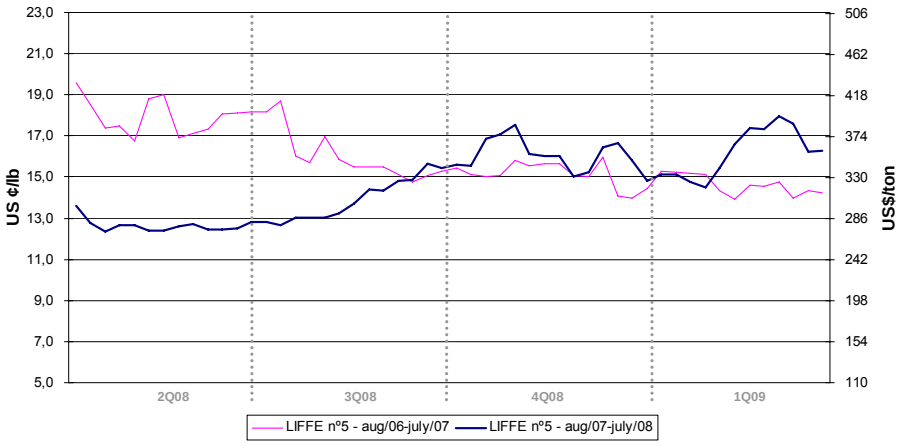
Source: NYBOT & CFTC (Commodities Futures Trading Commission)

- Refined sugar prices on the international market averaged US$354.7/t in the 1Q'09, 10.1% up on the U$322.18/t recorded in the 1Q'08 and virtually flat over the same period the year before. The white premium closed the 1Q'09 at U$85/t, 12% down on the 4Q'08.

US refined sugar import quota drives up white premium

- However, at the beginning of August, the USDA opened an import quota of 300,000 tonnes on refined sugar imports, which may be maintained for an indeterminate period if the following are confirmed: i) a 600,000 tonne decline in beet sugar production; ii) a reduction in refining capacity due to an accident in a major US refinery at the beginning of the year and; iii) an increase in the price of HFCS (high fructose corn syrup) due to high corn prices. This measure pushed up the white premium to more than US$110/t.

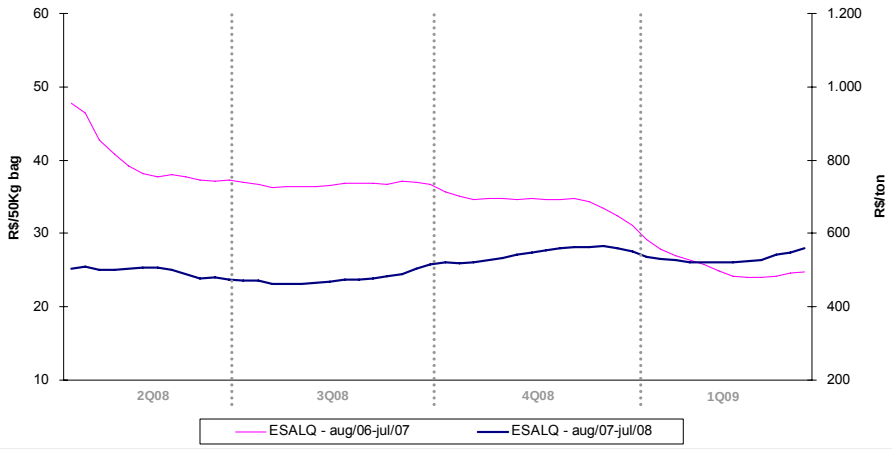
Refined Sugar Prices - Last 24 Months (LIFFE nº 5)



Source: LIFFE

- Domestic crystal sugar prices (ESALQ) averaged R$26.67 per bag of 50 kg (or R$533.18/t) in the 1Q'09, versus R$25.96 per bag of 50 Kg (or R$519.28/t) in the 1Q'08. In relation to the 4Q'08, crystal prices remained more or less stable, dipping by 2.0%.

Crystal Sugar Prices - Last 24 Months (ESALQ 50 kg bags)



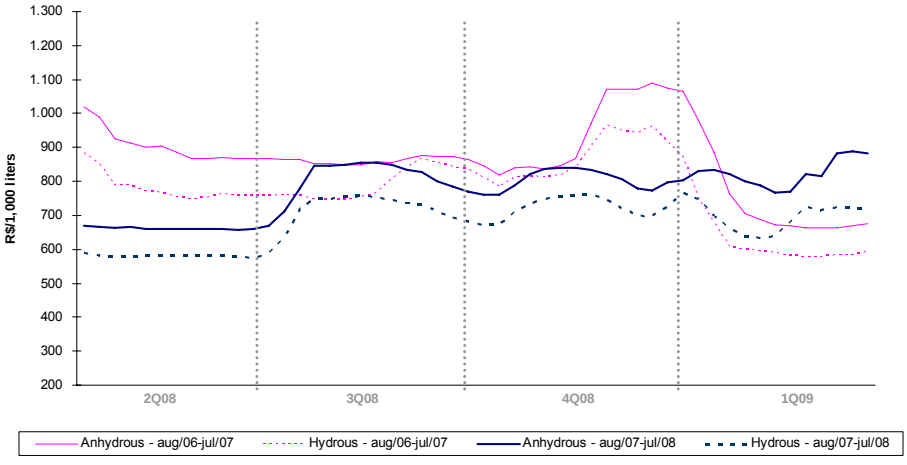
Source: ESALQ

- Domestic hydrous ethanol prices (ESALQ) averaged R$0.697/liter in the 1Q'09, 10.8% up on the R$0.629/liter recorded in the same period the year before, while anhydrous prices climbed 9.6% year-on-year to R$0.824/liter. In relation to the previous three months, hydrous fell by 3.6%, while anhydrous moved up by 2.3%. This contrary movement was due to strong period export demand for anhydrous ethanol.

Ethanol exports reach record levels in the 1Q'09

- Ethanol exports in the 1Q'09 totaled 1.4 billion liters, a hefty 64% up year-on-year, chiefly fueled by strong US demand, in turn caused by the floods that hit the American Midwest in June, which impacted corn prices and hampered internal ethanol distribution. As a result, the US absorbed most of Brazil's period ethanol exports, or 0.66 billion liters, followed by the CBI nations, with 0.32 billion and the EU, with 0.26 billion. It is also worth noting that ethanol exports in July reached the record level of 0.61 billion liters.

Ethanol Prices - Last 24 Months (ESALQ)



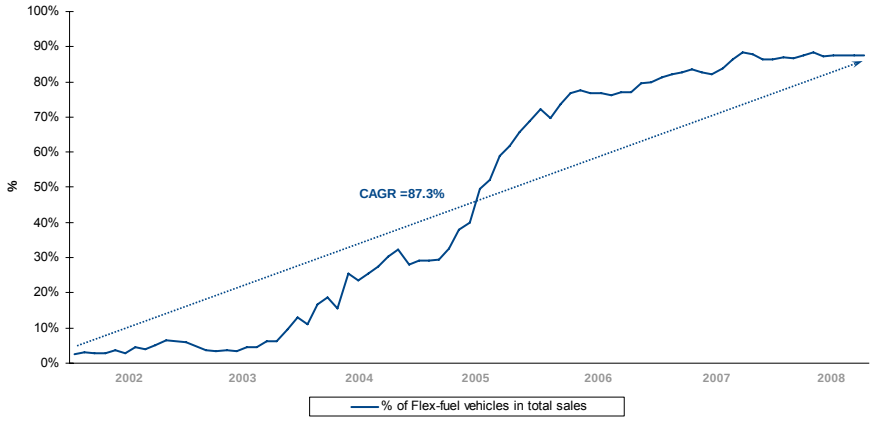
Source: ESALQ

- According to Brazil's National Petroleum Agency (ANP), domestic retail gasoline prices averaged R$2.450/liter in the quarter, while hydrous ethanol prices averaged R$1.501/liter, giving a parity of 61.2%. Ethanol prices only exceeded 75% of gasoline prices in six Brazilian states (Amapa, Roraima, Pará, Rio Grande do Norte, Paraíba and Piauí). In São Paulo state, the country's largest consumption center, the ratio stood at only 52.3%.

Ethanol consumption continues to outpace gasoline consumption in the quarter

- This highly favorable situation continued to favor ethanol consumption throughout the country – according to the ANP, hydrous consumption moved up 49% year-on-year in the 1Q'09. Quarterly sales totaled 4.7 billion liters – 3.2 billion liters of hydrous and 1.5 billion liters of anhydrous – versus 4.6 billion liters of gasoline in the same period.

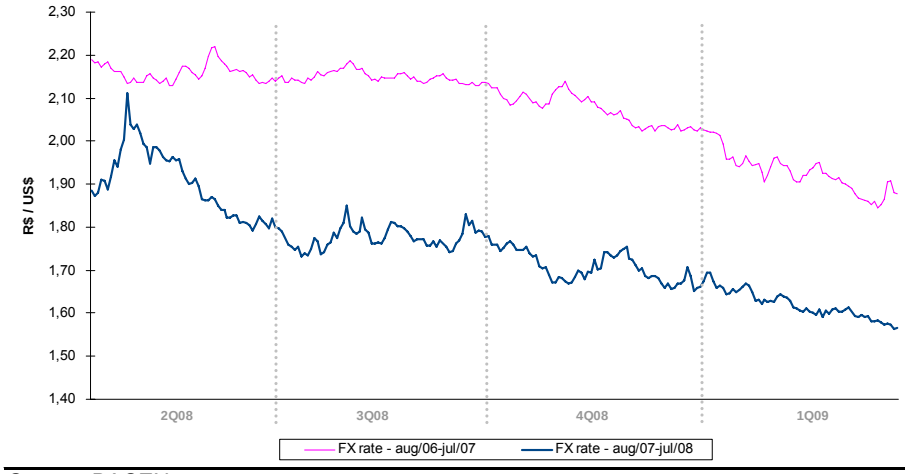
Flex-fuel Vehicles Sales Evolution



Source: ANFAVEA

- According to Anfavea, the auto manufacturers' association, new car sales remained heated, totaling 704,607 units in the 1Q'09, 25% up year-on-year, while those of flex-fuel cars exceeded 650,000 units, equivalent to 87.6% of the total. The current flex-fuel fleet exceeds 7.2 million vehicles, 27% of the total fleet.

Exchange Rate Evolution - Last 24 Months (R$/US$)



Source: BACEN

- The dollar closed the 1Q'09 at R$1.5666, representing a 7.7% appreciation of the Real over the end of the 4Q'08. After the end of the quarter, however, the

dollar began to move up against the world's other leading currencies and is currently quoted at R$1.8.

B. Operating Performance

- Cosan closed the 1Q'09 with an EBITDAH margin of only 10.2% and a negative bottom line. The main factor behind these figures, which were substantially below 1Q'08 levels, was the big reduction in TSR (total recoverable sugar, a measure of sugarcane sucrose content), which had a direct impact on production costs and, consequently, the cost of goods sold, which increased by R$78.1 million year-on-year. However, there were also several other negative factors, including inflation, commodity prices, the exchange rate and the decision to stockpile.

1Q'08	1Q'09	Income Statement (R$MM)	YTD'08	YTD'09
591.7	**639.6**	**Net Operating Revenue**	**591.7**	**639.6**
(548.0)	(626.0)	Cost of Goods Sold	(548.0)	(626.0)
(125.4)	*(157.2)*	*with Depreciation & Amortization*	*(125.4)*	*(157.2)*
43.7	**13.6**	**Gross Profit**	**43.7**	**13.6**
7.4%	*2.1%*	*Gross Margin*	*7.4%*	*2.1%*
(61.1)	(85.7)	Selling Expenses	(61.1)	(85.7)
(57.0)	(59.7)	General & Adm. Expenses	(57.0)	(59.7)
(1.5)	(0.6)	Other Operating Expenses	(1.5)	(0.6)
49.5	**24.7**	**EBITDA**	**49.5**	**24.7**
8.4%	*3.9%*	*EBITDA Margin*	*8.4%*	*3.9%*
133.3	**69.9**	**EBITDAH (Adjusted by Hedge)**	**133.3**	**69.9**
19.7%	*10.2%*	*EBITDAH Margin*	*19.7%*	*10.2%*
150.8	86.9	Net Financial Expenses	150.8	86.9
0.1	0.2	Equity Income	0.1	0.2
(56.0)	(40.4)	Goodwill Amortization	(56.0)	(40.4)
3.0	4.5	Other Non-Operat.Result/Extraordinary	3.0	4.5
22.1	**(81.3)**	**Profit Before Income Tax**	**22.1**	**(81.3)**
(9.0)	22.4	Income Tax	(9.0)	22.4
0.6	0.8	Minority Interests	0.6	0.8
13.7	**(58.1)**	**Net Profit (Loss)**	**13.7**	**(58.1)**
2.3%	*-9.1%*	*Net Margin*	*2.3%*	*-9.1%*

Exchange rate continues to hit exports

- The influence of the exchange rate on Cosan's exports remained strong. Thus, with one more quarter in which the Real appreciated against the dollar, exports lost even more ground, despite the big increase in volume, falling to 59.4% of total revenue (65% of total revenue in terms of sugar-equivalent volume). Nevertheless, ethanol shipments have played an important role in regulating domestic prices and sugar supply. This instrument, although partially jeopardizing the direct result of exported ethanol, with relatively low prices and an unsatisfactory exchange rate, ends up generating higher profits from sugar sales and domestic ethanol sales.

1Q'08	1Q'09	Sales Composition (R$MM)	YTD'08	YTD'09
591.7	**639.6**	**Net Operating Revenue**	**591.7**	**639.6**
371.8	352.4	Sugar Revenue	371.8	352.4
57.3	*57.9*	*Local*	*57.3*	*57.9*
314.5	*294.6*	*Export*	*314.5*	*294.6*
168.9	241.8	Ethanol Revenue	168.9	241.8
120.1	*160.0*	*Local*	*120.1*	*160.0*
48.8	*81.8*	*Export*	*48.8*	*81.8*
51.0	45.4	Other Revenue	51.0	45.4
46.6	*41.9*	*Local*	*46.6*	*41.9*
4.3	*3.5*	*Export*	*4.3*	*3.5*

- In terms of product mix, Cosan once again gave priority for the ethanol production, while the strategy for the sugar production was to build up stocks. As a result, sugar's share of total revenue fell from 62.8% in the 1Q'08 to 55.1% in the 1Q'09. Ethanol's share moved up from 28.6% to 37.8% in the same period, and also climbed up over the revenue from other products and services, which fell in value and also lost share, chiefly due to reduced port activities, in turn caused by the decline in sugar shipments.

1Q'08	1Q'09	Sugar Business	YTD'08	YTD'09
		Volume Sold (thousand tons)		
842.1	791.7	Total Local & Export	842.1	791.7
104.3	104.2	*Local*	104.3	104.2
737.8	687.5	*Export*	737.8	687.5
		Average Unit Price (R$/ton)		
442	445	Total Local & Export	442	445
550	555	*Local*	550	555
426	428	*Export*	426	428

Inventories		
Sugar	**1Q'08**	**1Q'09**
000 ton	306.7	555.7
R$'MM	143.0	229.0
R$/ton	466	412

- As for sugar, while domestic sales volume remained virtually flat over the 1Q'08, exports fell by 6.8% to 687,500 tonnes. As a result, total sales volume fell by 6.0% year-on-year. On the other hand, thanks to increased production and Cosan's stockpiling strategy, sugar inventories closed the quarter at 555,700 tonnes, a hefty 81.2% up on the end of the 1Q'08. At current sales levels, these stocks are sufficient for 63 days, versus only 33 days a year ago. This has allowed the Company to capture important carrying premiums paid by the market, measured by future sugar contract spreads, which reached more than 100% p.a. on the expiry of the May/08 contract.
- Thanks to the increase in the market price and the appreciation of the Real, sugar prices averaged R$445/t (¢US$12.45/lb), just 0.8% up on the R$442/t (¢US$10.37/lb) recorded in the 1Q'08, albeit accompanied by a combination of factors that were highly harmful to the competitiveness of Brazilian sugar.

1Q'08	1Q'09	Ethanol Business	YTD'08	YTD'09
		Volume Sold (million liters)		
245.0	338.5	Total Local & Export	245.0	338.5
174.5	223.5	*Local*	174.5	223.5
70.5	115.0	*Export*	70.5	115.0
		Average Unit Price (R$/thousand liters)		
690	714	Total Local & Export	690	714
689	716	*Local*	689	716
692	711	*Export*	692	711

Inventories		
Ethanol	**1Q'08**	**1Q'09**
000 m³	325.5	349.6
R$'MM	215.3	235.8
R$/m³	661	674

- Total ethanol sales volume recorded robust year-on-year growth of 38.2%. Exports moved up by a hefty 63.0%, which accounted for 34.0% of the period total ethanol sales, versus 28.8% in the 1Q'08, and domestic sales climbed by a respectable 28.1%, led by hydrous ethanol, which is used in flex-fuel vehicles. Despite this big increase, following the 17.1% upturn in production, stocks also moved up, closing the quarter at 349.6 million liters. As with sugar, Cosan has been pursuing a stockpiling policy, attempting to benefit from possible price gains in the off-season, which traditionally offer a premium which is much higher than the carrying cost of the inventories themselves .

Ethanol exports balance domestic supply

- Ethanol average prices were slightly more favorable than those of sugar, growing by 3.6% over the 1Q'08 to R$714 per thousand liters. As mentioned earlier, it is worth remembering the important role played by exports in regulating the market. Although the average price of the ethanol exports were slightly lower than those at home, even including the built-in FOB value, lead to the shrinkage of the domestic market and helping to support higher prices comparing to the year before.

- Revenue from other products and services fell by 10.9%, from R$51.0 million in the 1Q'08 to R$45.4 million, primarily due to the reduction in the volume of port services and the impact of the appreciation of the Real, given that most such services are priced in dollars. In fact, like Cosan itself, the entire sugar sector delayed their foreign shipments until the second half, leaving the port relatively idle. However, it is worth emphasizing that since port service contracts are of the take-or-pay type, even if this shipment volume is not recovered, port operations will still be remunerated. The main item in this revenue group, however, is still the sale of diesel to Cosan's own third-party agricultural service providers, which generated net revenue of R$13.4 million in the 1Q'09. However, this operation generates no margins as the entire amount is also booked under cost of other products and services.

Unit sugarcane costs jeopardized by low sucrose content

- The cost of goods sold and services rendered increased by 14.2% year-on-year to R$626.0 million, mainly due to the lower sucrose content (TSR) of the cane processed in the period. The sugar and ethanol production cost edged up by 0.5%, from R$55.1 per tonne of processed cane, in the 1Q'08, to R$55.4 in the 1Q'09. However, since sugar content fell by 5.7% to 130.8 kg per tonne of cane, the cost per TSR produced increased by 6.6% to R$423.3 per ton of TSR. And since sales volume also rose by 8.5% in sugar-equivalent terms, the combined effect of low yield and high volume pushed up the cost of goods sold and services rendered.
- In terms of production, the agricultural phase was still responsible for adding most value, contributing R$44.4 per ton of cane, versus R$44.85 in the 1Q'08, and accounting for 80.2% of sugar-equivalent production costs. Industrial costs came to R$10.98 per ton of cane, or 19.8% of total production costs. The cost of the cane delivered at the mill (R$44,4/ton of cane) includes 43% of the cane acquired from third parties for R$38.6 per ton of cane and 57% of the cane planted by Cosan for R$48.7 per ton of cane.
- Mechanization was responsible for 50% of harvested area in the 1Q'09, at a cost of R$18.7/t, with an average yield of 553 tonnes per day per machine, while the remaining 50% was harvested by hand through burning at a cost of R$21.6/t, both figures including depreciation. It is worth remembering that mechanically harvested area and yield per harvester are both moving up within a normal learning curve. This combined effect should generate a big reduction in cutting, loading and transportation costs.
- Another important factor in agricultural production, that of crop treatment, remained stable at R$1,080.0/ha. Although punishing input price inflation has exerted upward pressure on costs, this has been offset by economies generated by the resizing of activities and the reformulation of applications.

1Q'08	1Q'09	COGS per Product	YTD'08	YTD'09
(548.0)	**(626.0)**	**Cost of Good Sold (R$MM)**	**(548.0)**	**(626.0)**
(352.9)	(340.5)	Sugar	(352.9)	(340.5)
(164.0)	(242.7)	Ethanol	(164.0)	(242.7)
(31.2)	(42.8)	Other Products/Services	(31.2)	(42.8)
		Average Unit Cost (R$)		
419	430	Unit COGS of Sugar (R$/ton)	419	430
669	717	Unit COGS of Ethanol (R$/thousand liters)	669	717
n.a.	n.a.	Unit COGS of Other Produtcs/Services	n.a.	n.a.

- In terms of unit costs per product sold, sugar costs increased by 2.6% year-on-year and those of ethanol by 7.1%, the difference reflecting the production mix between plants (those with slightly higher production costs turning out more ethanol and those with lower costs producing more sugar). However, this type of distortion is corrected over the course of the harvest.

Selling expenses record a year-on-year upturn due to ethanol exports

- Selling expenses totaled R$85.7 million, 40.3% up year-on-year. In unit sugar-equivalent terms, this corresponds to R$63/t, 29.3% more than the R$49/t recorded in the 1Q'08.

1Q'08	1Q'09	Selling Expenses	YTD'08	YTD'09
(61.1)	(85.7)	Expenses (R$MM)	(61.1)	(85.7)
1,246.2	1,352.2	Volume (10^3 tons of sugar-equivalent)	1,246.2	1,352.2
49	63	Unitary Expense (R$/ton)	49	63

- Part of this upturn was due to sugar freight costs. As we mentioned in our 2Q'08 Release, part of the 1Q'08 expenses were retained in current assets as expenses from subsequent periods, only being discharged in the result in the 2Q'08. Real sugar freight costs came to R$49.6/t in the 1Q'09, versus an adjusted R$50.8/t in the 1Q'08. Another important factor in the increase in selling expenses was the upturn in ethanol freight costs caused by record exports, which pushed up tanker-truck transport, and the introduction of the mandatory biodiesel mix with production in the North and Northeast of Brazil.

- G&A expenses totaled R$59.7 million in the 1Q'09, representing 9.3% of net revenue, 4.8% up on the R$57.0 million recorded in the 1Q'08. In unit sugar-equivalent terms, however, these expenses dropped by 3.4%, from R$46/t to R$44/t, thanks to higher production volume.

1Q'08	1Q'09	General & Administrative Expenses	YTD'08	YTD'09
(57.0)	(59.7)	Expenses (R$MM)	(57.0)	(59.7)
1,246.2	1,352.2	Volume (10^3 tons of sugar-equivalent)	1,246.2	1,352.2
46	44	Unitary Expense (R$/ton)	46	44

- G&A expenses were leveraged by three main factors: (i) the 23.5% growth in own labor costs to R$27.9 million, reflecting union agreements and the higher average wage due to a more qualified workforce (ii) non-recurring expenses of R$2.0 million in legal fees for the provision of services related to fiscal disputes and other contingencies; (iii) increased depreciation, reflecting the beginning of depreciation of amounts related to the acquisition of licenses and the installation of the SAP ERP. On the other hand, there was a big reduction in expenses from third-party services in general, which fell by R$4.1 million year-on-year, reflecting Cosan's cost-reduction drive, which we have mentioned previously.

- Other operating expenses amounted to R$0.6 million, including non-cash expenses of R$10.6 million from the constitution of provisions for fiscal contingencies (mainly ICMS tax), operating revenue of R$4.4 million related to gains from the roll-over of physical sugar contracts with trading companies, and R$3.9 million in gains from port operations due to storage and demurrage/dispatch premiums, as well as R$1.8 million from rent and leasing.

Exchange variation influences the 'Q'09 fuinancial result

- The Company posted another positive net financial result, chiefly thanks to the appreciation of the Real against the dollar. Although the exchange variation corroded average export prices, the restatement of dollar-denominated debt generated exchange revenue of R$101.5 million, versus R$128.5 million in the 1Q'08.

1Q'08	1Q'09	Financial Expenses, Net (R$MM)	YTD'08	YTD'09
(55.5)	(37.9)	Interest on Financial Debt	(55.5)	(37.9)
23.3	19.9	Financial Investments Income	23.3	19.9
(32.3)	**(17.9)**	**Sub-total: Interest on Net Financial Debt**	**(32.3)**	**(17.9)**
(23.7)	(41.5)	Other interest and monetary variation	(23.7)	(41.5)
128.5	101.5	Exchange Variation	128.5	101.5
83.8	45.2	Gains (losses) with Derivatives	83.8	45.2
(5.5)	(0.4)	CPMF Taxes, Banking Fees and Other	(5.5)	(0.4)
150.8	**86.9**	**Net Financial Expenses**	**150.8**	**86.9**

- Derivative transactions, especially exchange-related, also made a major contribution to financial revenue, albeit less so than in the 1Q'08. All in all, transactions involving commodity derivatives recorded gains of R$7.9 million, versus R$44.0 million in the 1Q'08, while exchange derivatives generated gains of R$37.4 million, versus R$39.8 million in the 1Q'08.

Pricing Derivatives - NY11		
Screen	'000 t	¢/lb
Oct'08	607.0	11.76
Mar'09	468.6	13.71
May'09	10.2	15.60
Jul'09	416.3	14.15
Oct'09	476.9	14.26
Jul'10	35.6	15.05
Oct'10	57.9	15.09
Total	**2,072.5**	**13.42**

Pricing Derivatives - London #5		
Screen	'000 t	US$/ton
Oct'08	26.5	367.63
Total	**26.5**	**367.63**

FX Derivatives		
Quarter	'US$MM	R$/US$
2Q'09	197.0	1.80
3Q'09	168.9	1.83
4Q'09	147.9	1.86
Total	**513.8**	**1.83**

- At the close of the 1Q'09, Cosan had 2,072,500 tonnes of VHP sugar tied to the NY11, hedged at an average price of ¢US$13.42/lb, with an estimated negative market value of R$109.6 million, and 26,500 tonnes of refined sugar, tied to the London5, hedged at an average price of US$367.63/t. It also had US$513.8 million hedged at an average exchange rate of R$1.8304/US$ with an estimated market value of R$102.4 million.
- The increase in expenses from other interest and monetary variations was caused by the upturn in the balance of provisions for contingencies most of which are restated by the CDI, which remained flat, and the onerous monetary variation related to the PESA debt, restated by the IGP-M inflationary index, which recorded 5.45% in the 1Q'09, versus just 0.58% in the 1Q'08.
- The 27.8% reduction in expenses from goodwill amortizations to R$40.4 million in the 1Q'09 reflected the conclusion of the amortization payments related to the acquisition of Barra five years ago and the beginning of the amortization process for the recently-acquired Benálcool..
- The positive income and social contribution tax result reflected the constitution of deferred taxes from the period fiscal loss and the negative social contribution base and were levied at a nominal rate of 34% and adjusted for tax-deductible revenue and expenses. At the close of the 1Q'09, Cosan recorded R$386.7 million in deferred income and social contribution taxes, realizable in the long term, R$260.4 million of which in temporary differences, especially provisions for contingencies, and R$126.3 million relative to tax-loss carryforwards and negative social contribution bases which can be offset by future taxable income (cash basis).

Income and Social Contribution Taxes Calculation	YTD'08	YTD'09
Income (loss) before taxes	**22.1**	**(81.3)**
Adjustments to effective taxation		
Equity Income	(0.1)	(0.2)
Non-deductible goodwill amortization	2.5	4.2
Non-deductible donations and contributions	2.5	3.1
Other	(0.4)	8.3
Effective tax base	**26.6**	**(65.9)**
Nominal Rate	34%	34%
Income taxes	**(9.0)**	**22.4**
Current taxes	(20.0)	(13.7)
Deferred Taxes	10.9	36.1
Effective rate	**41.0%**	**27.6%**

- After taxes and adjusted for minority interests in Usina da Barra and Cosan Portuária, the Company recorded a 1Q'09 net loss of R$58.1 million, versus net income of R$13.7 million in the 1Q'08.

C. Financial Situation

- The Company closed the 1Q'09 with gross debt of R$1,537.7 million, well below the R$2,234.9 million recorded at the end of the 1Q'08, due to the impact of the exchange variation and the prepayment of US$164.2 million of the Senior Notes maturing in 2009, commented on in the 2Q'08 Release. Taking cash and cash equivalents and financial assets into consideration, net debt stood at R$903.8 million, versus R$1,418.5 million at the close of the 1Q'08.

Debt per Type (R$MM)	1Q'08	%	1Q'09	%	Var.
Senior Notes 2009	385.1	*17.2*	57.5	*3.7*	(327.6)
Senior Notes 2017	777.9	*34.8*	626.6	*40.8*	(151.3)
Perpetual Notes	861.9	*38.6*	718.8	*46.7*	(143.1)
FX Advances	-	-	-	-	-
Finame (BNDES)	13.4	*0.6*	6.2	*0.4*	(7.2)
Working Capital	36.7	*1.6*	29.5	*1.9*	(7.2)
IFC	118.7	*5.3*	85.0	*5.5*	(33.6)
Pre-Export Contracts	40.0	*1.8*	14.0	*0.9*	(26.0)
Promissory Notes	1.3	*0.1*	-	-	(1.3)
Gross Debt	**2,234.9**	***100.0***	**1,537.7**	***100.0***	**(697.2)**
Cash & Marketable Securities	816.4	*36.5*	633.9	*41.2*	(182.5)
Net Debt	**1,418.5**	***63.5***	**903.8**	***58.8***	**(514.7)**

- Short-term debt remained at exceptionally low levels, accounting for only 4.1% of the total. In currency terms, the dollar-denominated portion of the debt remained at 97.7%.

Debt Profile (R$MM)	1Q'08	%	1Q'09	%	Var.
Total Debt	**2,234.9**	***100.0***	**1,537.7**	***100.0***	**(697.2)**
Short-Term	126.3	*5.7*	62.9	*4.1*	(63.5)
Long-Term	2,108.6	*94.3*	1,474.9	*95.9*	(633.7)
Real - R$	51.3	*2.3*	35.7	*2.3*	(15.6)
Dollar - US$	2,183.6	*97.7*	1,502.0	*97.7*	(681.5)

D. Investments

- Cosan's 1Q'09 capex totaled R$265.6 million, 52.3% up year-on-year. This figure includes R$12.2 million in non-operating investments, comprising: (i) R$3.7 million in the capitalization of Uniduto; (ii) R$1.9 million in goodwill from the acquisition of shares in Aliança, a project company in the Araçatuba region which already possesses an environmental license and which represents the second phase of the expansion of the Gasa unit to a crushing capacity of up to 3.8 million tonnes; (iii) R$11.5 million in pre-operating expenses related to the greenfield bioenergy project and in expenses from the integration of Esso, and; (iv) a negative adjustment of R$4.9 million in the goodwill from the acquisition of Santa Luiza due to reclassifications in the latter company's accounts..

1Q'08	1Q'09	Capex (R$MM)	YTD'08	YTD'09
3.9	0.7	New Investments, including Goodwill	3.9	0.7
0.1	11.5	Deferred Charges & Other	0.1	11.5
56.1	54.9	Sugar Cane Planting Costs	56.1	54.9
27.5	41.6	Co-generation Projects	27.5	41.6
3.6	-	Inter-harvest Maintenance Costs	3.6	-
83.1	156.9	Investments in P,P&E	83.1	156.9
174.4	**265.6**	**Capex**	**174.4**	**265.6**
170.3	**253.3**	**Operating Capex**	**170.3**	**253.3**

Wortk speeds up on greenfield unit in Jataí

- Operating capex came to R$253.3 million, 50.1% up on the R$170.3 million invested in the 1Q'08. Growth was chiefly leveraged by the termination of investments related to the expansion of the Gasa unit (R$39.4 million), disbursements related to the Jataí greenfield project (R$68.3 million) and the conclusion of the cogeneration projects in the Costa Pinto and Rafard units and the beginning of expenditures on the Bonfim unit.
- Other major operating investments included: (i) R$8.4 million in the construction of additional ethanol tankage capacity in the Ipaussu, Bonfim, Barra and Gasa units; (ii) R$6.6 million in the construction of pipelines to carry vignasse to the plantations for environmental reasons and to reduce dependence on fertilizers,

and; (iii) R$15.3 million in mechanization, including new harvesters, tractors, implements and trucks for agricultural operations in the various units.

- Investments in sugarcane planting (except in Jataí, included in the greenfield expenses mentioned above) remained flat over the 1Q'08. As of the 2Q'09, however, Cosan will be reducing planted area and, consequently, planting capex.

E. Material Facts

- On August 14, the subsidiary Barra Bioenergia S.A., signed an agreement with CPFL Comercialização Brasil S.A. ("CPFL") to sell the latter between 2,900 GWh and 3,600 GWh of electric power over 15 years, totaling around R$ 500 million, adjusted annually by the variation in the IGP-M inflationary index. The energy will be supplied by a cogeneration facility to be built in association with the Gasa unit. The agreement also envisages the supply of any surplus electricity from the same plant, including from the increased use of biomass, i.e. the use of sugarcane leaves and straw in addition to bagasse.
- Given the advanced conclusion of the cogeneration projects in the Costa Pinto and Rafard plants, scheduled for start-up in 2009, Cosan S.A. Bioenergia will also supply CPFL with 100 GWh over 6 months beginning in September/08. In addition, January/09 will see the first revenue from the energy sold at the 2005 auction, representing a monthly cash intake of around R$4.0 million.
- The subsidiaries Barra Bioenergia S.A. and Cosan Centroeste S.A. Sugar e Álcool emerged victorious from the 1st Reserve Energy Auction on August 14. The Barra, Bonfim and Jataí units will build biomass cogeneration plants to produce 9,504.6 GWh over 15 years as of 2010, with a present value of around R$1.5 billion adjusted by the IPCA consumer price index.
- On August 28, Cosan S.A. constituted the subsidiary Radar Propriedades Agrícolas S.A. ("RADAR"), whose corporate purpose is to identify and acquire rural properties with high appreciation potential for subsequent leasing and/or sale. Over the last decade COSAN has developed a technical center specialized in evaluating the agricultural potential of rural properties. RADAR's management will be entirely independent with its own team of dedicated professionals. Cosan will retain around 18.9% of RADAR's capital and the remaining 81.1% will be divided among other investors. COSAN initially invested US$35 million and the other investors US$150 million, and a second investment is expected within the next two years. According to the shareholders' agreement, executed on the same date, Cosan will retain the majority of votes on RADAR's Board of Directors, thereby retaining control of the company. In addition, COSAN has a 10-year option to subscribe 20% of RADAR's capital stock for the same amount as the initial capitalization.
- On September 11, 2009, Cosan, through its bioenergy subsidiaries, also entered into other contracts for the supply of biomass electricity through bilateral agreements with Rede Comercializadora de Energia S/A, in accordance with which, the Univalem and Diamante plants will also provide approximately 3,000 GWh at a current amount of close to R$489 million, adjusted annually by the variation in the IGP-M inflationary index.

F. Guidance for the FY'09

- *This guidance was prepared without considering the effects of Esso's possible consolidation.*

- *Also excluded is the anticipation of the end of Cosan's fiscal year to March 31 approved on General and Extraordinary Shareholders' Meeting held on August 29, resulting in an FY'09 of only 11 months.*

- This section presents guidance by range of variation for the same key parameters for the company, including non-relevant variations below 5%, at the company's current state of development, medium variations of up to 15%, material variations of up to 30% and significant variations of over 30%. In addition, other statements within this letter may be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934 as well as amendments to same. Such forward-looking statements are only predictions and are not guarantees of future performance. Investors are cautioned that any such forward-looking statements are subject to various risks, uncertainties and factors related to the market and operations of Cosan and its subsidiaries that may cause the actual results of the Company to be significantly different from any future results expressed or implied by such predictions. Although Cosan believes that the expectations and assumptions reflected in the forward-looking statements are fair, based on information currently available to its management, it cannot guarantee future results or events. Cosan also expressly disclaims any responsibility for updating any of the forward-looking statements.

Variation Range	Code
-5% ≤ Δ ≤ +5%	=
+5% ≤ Δ ≤ +15%	▲
+15% ≤ Δ ≤ +30%	▲▲
+30% ≤ Δ	▲▲▲
-15% ≤ Δ ≤ -5%	▼
-30% ≤ Δ ≤ -15%	▼▼
-30% ≥ Δ	▼▼▼

Guidance	2007FY	2008FY	2009FY	Changes from previous guidance
FX Rate - EoP (R$:US$)	2.0339	1.6872	=	-
Crushed Cane Volume (thousand tons)	36,157	40,315	▲	-
Sugar Volume Sold (thousand tons)	3,241	3,147	▲	-
Ethanol Volume Sold (million liters)	1,322	1,568	▲	-
Avg. Sugar Price (R$/ton)	683	454	▲	-
Avg Ethanol Price (R$/thousand liter)	897	714	▲	-
Revenues (R$MM)	3,605	2,736	▲▲	-
COGS (R$MM)	2,481	2,387	▲▲	-
EBITDA (R$MM)	928	173	▲▲▲	-
EBITDAH (R$MM)	854	398	▲	-
Net Profit/Loss (R$MM)	357	(48)	▼▼▼	-
Operating Capex (R$MM)	684	1,051	▲▲	-

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

Income Statement (In million of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
Gross Operating Revenue	**2,702.4**	**3,902.9**	**2,978.6**	**1,084.3**	**1,048.5**	**755.4**	**636.4**	**678.3**	**747.5**	**916.4**	**692.7**
(-) Sales Taxes and Deductions	(224.5)	(297.8)	(242.5)	(76.2)	(77.7)	(73.3)	(44.7)	(50.8)	(73.5)	(73.4)	(53.1)
(=) Net Operating Revenue	**2,477.9**	**3,605.1**	**2,736.2**	**1,008.1**	**970.8**	**682.1**	**591.7**	**627.5**	**674.0**	**843.0**	**639.6**
(-) Cost of Goods Sold and Services Rendered	(1,721.3)	(2,481.1)	(2,387.1)	(713.1)	(680.2)	(511.8)	(548.0)	(551.1)	(594.4)	(693.6)	(626.0)
(=) Gross Profit	**756.6**	**1,123.9**	**349.0**	**294.9**	**290.6**	**170.3**	**43.7**	**76.4**	**79.6**	**149.4**	**13.6**
Margin	*30.5%*	*31.2%*	*12.8%*	*29.3%*	*29.9%*	*25.0%*	*7.4%*	*12.2%*	*11.8%*	*17.7%*	*2.1%*
(-) Operating Income (Expenses):	**(819.1)**	**(558.6)**	**(428.0)**	**(109.7)**	**(196.7)**	**98.9**	**(24.6)**	**(51.8)**	**(186.1)**	**(165.5)**	**(99.4)**
(-) Selling	(217.1)	(282.0)	(301.3)	(75.6)	(71.2)	(75.2)	(61.1)	(91.9)	(73.4)	(74.9)	(85.7)
(-) General and Administrative	(150.0)	(246.2)	(210.2)	(49.4)	(52.8)	(97.7)	(57.0)	(45.5)	(49.9)	(57.7)	(59.7)
(-) Financial Income (Expenses), Net	(245.2)	158.0	284.3	27.7	(17.6)	333.6	150.8	144.3	(11.9)	1.0	86.9
(±) Earnings (Losses) on Equity Investments	0.6	(0.1)	6.6	0.1	0.1	(0.5)	0.1	0.0	0.1	6.4	0.2
(-) Goodwill Amortization	(142.8)	(223.7)	(201.4)	(55.6)	(55.9)	(55.9)	(56.0)	(56.6)	(48.2)	(40.6)	(40.4)
(±) Other Operating Income (Expenses), Net	(11.8)	35.3	(6.0)	43.1	0.7	(5.4)	(1.5)	(2.0)	(2.7)	0.3	(0.6)
(-) Expenses with Placement of Shares	(52.8)	-	-	-	-	-	-	-	-	-	-
(=) Operating Income (Loss)	**(62.5)**	**565.3**	**(79.0)**	**185.3**	**93.9**	**269.1**	**19.1**	**24.6**	**(106.6)**	**(16.1)**	**(85.8)**
Margin	*-2.5%*	*15.7%*	*-2.9%*	*18.4%*	*9.7%*	*39.5%*	*3.2%*	*3.9%*	*-15.8%*	*-1.9%*	*-13.4%*
(±) Non-operating Result, Net	(1.0)	2.0	10.0	0.3	0.1	0.4	3.0	2.3	1.1	3.7	4.5
(=) Income (Loss) before Taxes	**(63.5)**	**567.3**	**(69.0)**	**185.6**	**94.0**	**269.5**	**22.1**	**26.9**	**(105.5)**	**(12.4)**	**(81.3)**
(±) Income and Social Contribution Taxes	5.8	(203.9)	18.7	(60.1)	(30.0)	(102.5)	(9.0)	(12.3)	33.5	6.6	22.4
(±) Minority Interest	(6.9)	(6.2)	2.5	(1.8)	(0.6)	(2.3)	0.6	0.7	0.6	0.5	0.8
(=) Net Income (Loss) for the Year	**(64.6)**	**357.3**	**(47.8)**	**123.8**	**63.4**	**164.7**	**13.7**	**15.2**	**(71.4)**	**(5.3)**	**(58.1)**
Margin	*-2.6%*	*9.9%*	*-1.7%*	*12.3%*	*6.5%*	*24.2%*	*2.3%*	*2.4%*	*-10.6%*	*-0.6%*	*-9.1%*
● **EBITDA**	**517.7**	**928.0**	**172.9**	**272.6**	**197.9**	**128.4**	**49.5**	**75.9**	**1.3**	**46.2**	**24.7**
Margin	*20.9%*	*25.7%*	*6.3%*	*27.0%*	*20.4%*	*18.8%*	*8.4%*	*12.1%*	*0.2%*	*5.5%*	*3.9%*
● **EBITDAH (Ebitda adjusted by Hedge)**	**308.6**	**853.7**	**397.8**	**280.9**	**233.2**	**136.4**	**133.3**	**142.7**	**94.4**	**27.3**	**69.9**
Margin	*13.6%*	*24.2%*	*13.4%*	*27.6%*	*23.2%*	*19.8%*	*19.7%*	*20.6%*	*12.3%*	*3.3%*	*10.2%*
● Depreciation & Amortization	139.9	297.0	341.3	59.5	30.6	136.5	125.4	139.0	47.8	29.1	157.2

Balance Sheet (In million of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
Cash and Cash Equivalents	61.0	643.8	65.8	56.7	976.8	643.8	579.0	135.1	115.7	65.8	90.4
Marketable Securities	770.5	573.3	944.2	345.7	303.7	573.3	237.4	6.5	1,332.5	944.2	543.5
Derivative Financial Instruments	288.6	37.6	86.5	15.2	8.5	37.6	94.0	3.6	67.3	86.5	88.4
Trade Accounts Receivable	212.6	112.3	215.2	277.4	212.1	112.3	140.4	107.3	105.4	215.2	115.5
Inventories	390.8	503.4	570.5	1,221.2	857.9	503.4	790.2	1,194.8	1,019.7	570.5	905.6
Advances to Suppliers	132.7	211.4	226.1	174.2	184.0	211.4	308.6	304.5	243.1	226.1	252.3
Related Parties	0.0	-	16.3	-	0.1	-	-	-	-	16.3	1.1
Deferred Income and Social Contribution Taxes	41.4	38.1	-	56.9	144.9	38.1	26.9	24.2	26.0	-	-
Other Assets	115.7	104.9	158.8	124.7	121.7	104.9	94.2	75.1	79.7	158.8	143.2
Current Assets	**2,013.4**	**2,224.7**	**2,283.6**	**2,272.0**	**2,809.6**	**2,224.7**	**2,270.8**	**1,851.1**	**2,989.4**	**2,283.6**	**2,140.0**
Accounts Receivable from Federal Government	-	318.4	342.2	-	-	318.4	318.4	331.4	339.2	342.2	342.2
CTN's-Restricted Brazilian Treasury Bills	104.9	123.3	151.7	114.0	119.2	123.3	127.8	135.9	144.9	151.7	164.8
Deferred Income and Social Contribution Taxes	361.8	242.5	357.0	299.3	214.0	242.5	261.6	277.1	297.9	357.0	386.7
Other Assets	99.5	112.4	201.7	93.7	113.0	112.4	108.1	105.8	151.8	201.7	212.3
Investments	13.4	93.2	120.3	13.6	13.7	93.2	13.8	13.9	14.0	120.3	124.2
Property, Plant and Equipment	1,656.4	2,013.1	2,771.4	1,600.3	1,732.1	2,013.1	2,076.7	2,070.3	2,293.3	2,771.4	2,864.7
Goodwill	1,353.0	1,133.2	1,160.7	1,245.0	1,189.1	1,133.2	1,146.6	1,090.2	1,042.4	1,160.7	1,115.6
Deferred Charges	2.3	2.6	4.9	2.3	2.2	2.6	3.2	3.6	3.7	4.9	18.0
Permanent Assets	**3,591.3**	**4,038.6**	**5,109.9**	**3,368.2**	**3,383.2**	**4,038.6**	**4,056.2**	**4,028.1**	**4,287.1**	**5,109.9**	**5,228.5**
(=) Total Assets	**5,604.8**	**6,263.4**	**7,393.5**	**5,640.2**	**6,192.8**	**6,263.4**	**6,327.0**	**5,879.2**	**7,276.4**	**7,393.5**	**7,368.5**
Loans and Financings	68.8	89.0	83.3	73.4	75.9	89.0	116.5	105.1	74.9	83.3	66.4
Derivatives Financial Instruments	65.4	35.5	41.9	20.5	2.5	35.5	48.0	31.2	20.5	41.9	13.1
Trade Accounts Payable	201.7	113.8	191.0	348.0	197.2	113.8	315.2	373.3	196.3	191.0	331.6
Salaries Payable	49.7	63.3	80.7	92.0	37.5	63.3	91.7	113.4	51.7	80.7	119.0
Taxes and Social Contributions Payable	111.1	126.2	116.1	107.3	114.8	126.2	131.5	101.0	93.3	116.1	115.0
Advances from Customers	79.2	49.4	26.3	98.4	83.2	49.4	41.0	28.7	30.0	26.3	25.5
Promissory Notes	55.8	1.3	-	37.8	3.7	1.3	1.3	-	-	-	-
Related Parties	0.1	0.7	-	0.7	-	0.7	-	-	-	-	-
Deferred Income and Social Contribution Taxes	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Other Liabilities	32.8	107.2	32.9	64.9	27.2	107.2	87.3	12.3	8.3	32.9	17.5
Current Liabilities	**670.0**	**591.7**	**577.7**	**848.4**	**547.5**	**591.7**	**838.1**	**770.5**	**480.5**	**577.7**	**693.4**
Loans and Financing	2,002.7	2,770.4	2,136.2	2,040.6	2,868.7	2,770.4	2,591.1	2,178.8	2,196.8	2,136.2	2,047.9
Taxes and Social Contributions Payable	446.9	338.5	359.3	355.8	346.2	338.5	336.5	345.0	340.1	359.3	351.5
Promissory Notes	12.7	-	-	-	-	-	-	-	-	-	-
Provision for Contingencies	907.4	728.0	832.4	705.4	717.4	728.0	741.0	757.5	775.3	832.4	849.8
Advances from Customers	86.9	49.5	-	87.1	42.5	49.5	15.6	14.5	-	-	-
Deferred Taxes on Revaluation Reserves	40.8	33.4	27.6	37.2	35.4	33.4	30.9	28.3	27.4	27.6	24.5
Other Liabilities	67.9	100.6	116.8	63.8	62.4	100.6	109.6	105.9	107.0	116.8	116.8
Noncurrent Liabilities	**3,565.4**	**4,020.4**	**3,472.3**	**3,289.9**	**4,072.5**	**4,020.4**	**3,824.7**	**3,429.9**	**3,446.7**	**3,472.3**	**3,390.5**
Minority Shareholders' Interest	**14.0**	**20.2**	**17.7**	**17.4**	**17.9**	**20.2**	**19.6**	**18.9**	**18.2**	**17.7**	**17.0**
Capital	1,185.8	1,192.7	2,935.3	1,185.8	1,192.7	1,192.7	1,192.7	1,192.7	2,935.3	2,935.3	2,935.3
Profits Reserve	-	227.3	180.2	-	-	227.3	227.3	227.3	227.3	180.2	180.2
Legal Reserve	-	16.0	16.0	-	-	16.0	16.0	16.0	16.0	16.0	16.0
Revaluation Reserves	195.9	195.0	194.4	195.4	195.2	195.0	194.7	194.5	194.4	194.4	194.2
Accumulated losses	(26.2)	-	-	103.4	167.0	-	13.9	29.4	(41.9)	-	(57.9)
Shareholders' Equity	**1,355.4**	**1,631.0**	**3,325.8**	**1,484.6**	**1,554.9**	**1,631.0**	**1,644.7**	**1,659.9**	**3,331.1**	**3,325.8**	**3,267.7**
(=) Total Liabilities & Shareholders' Equity	**5,604.8**	**6,263.4**	**7,393.5**	**5,640.2**	**6,192.8**	**6,263.4**	**6,327.0**	**5,879.2**	**7,276.4**	**7,393.5**	**7,368.5**

Cash Flow Statement (In millions of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
Net Income (Loss) for the Year	**(64.6)**	**357.3**	**(47.8)**	**123.8**	**63.4**	**164.7**	**13.7**	**15.2**	**(71.4)**	**(5.3)**	**(58.1)**
Non-cash Adjustments:											
Earnings (Losses) from Equity Investments	(0.6)	0.1	(6.6)	(0.1)	(0.1)	0.5	(0.1)	(0.0)	(0.1)	(6.4)	(0.2)
Depreciation & Amortization	139.9	297.0	341.3	59.5	30.6	136.5	125.4	139.0	47.8	29.1	157.2
Residual Value of Permanent Assets Disposals	6.7	8.4	11.0	1.6	1.0	3.8	2.6	4.2	0.1	4.1	2.8
Goodwill Amortization	142.8	223.7	201.4	55.6	55.9	55.9	56.0	56.6	48.2	40.6	40.4
Accrued Financial Expenses	48.7	(190.6)	(116.0)	(1.8)	65.0	(344.9)	(103.0)	(63.2)	87.5	(37.2)	(26.2)
Other Non-cash Items	(25.6)	119.7	(52.7)	3.1	(7.3)	117.0	(9.9)	(17.0)	(17.6)	(8.2)	(24.5)
(=) Adjusted Net Profit (Loss)	**247.4**	**815.5**	**330.7**	**241.7**	**208.4**	**133.5**	**84.5**	**134.8**	**94.5**	**16.8**	**91.4**
(±) Decrease (Increase) in Assets	(366.5)	165.0	(352.8)	(263.8)	356.6	342.1	(441.8)	(272.1)	31.9	329.2	(251.0)
(±) Increase (Decrease) in Liabilities	51.7	(313.0)	2.9	(232.7)	(264.3)	(20.6)	217.1	(34.6)	(184.5)	4.9	113.8
(=) Cash Flow from Operating Activities	**(67.4)**	**667.5**	**(19.2)**	**(254.8)**	**300.7**	**455.1**	**(140.2)**	**(171.8)**	**(58.1)**	**350.9**	**(45.8)**
Marketable Securities	(766.6)	197.2	(361.8)	287.9	42.0	(269.6)	338.7	230.9	(1,326.0)	394.6	400.8
Goodwill Paid in Equity Investment Acquisitions	(536.1)	(3.7)	-	-	-	-	(1.8)	(0.3)	(0.4)	2.5	3.0
Acquisition of Investments	-	(80.0)	(169.6)	-	(0.0)	(80.0)	(2.1)	-	(0.0)	(167.5)	(3.8)
Acquisition of Property, Plant and Equipment	(208.9)	(683.5)	(1,050.5)	(122.7)	(111.2)	(365.1)	(170.3)	(136.8)	(270.8)	(472.6)	(253.3)
Additions to Deferred Charges and Other	0.2	(0.6)	(2.6)	(0.0)	(0.0)	(0.4)	(0.1)	(0.4)	(0.2)	(1.8)	(11.5)
(=) Cash Flow from Investment Activities	**(1,511.4)**	**(570.7)**	**(1,584.5)**	**165.2**	**(69.3)**	**(715.1)**	**164.3**	**93.4**	**(1,597.4)**	**(244.8)**	**135.2**
Additions of Debt	1,878.8	854.7	198.3	46.3	852.1	(47.0)	1.9	8.8	213.0	(25.5)	3.0
Payments of Principal and Interest on Debt	(1,159.9)	(375.6)	(839.4)	(76.2)	(170.3)	(25.9)	(97.7)	(370.0)	(319.6)	(52.2)	(67.8)
Capital Increase	885.8	6.9	1,742.6	-	6.9	-	-	-	1,742.6	-	-
Dividends	-	-	(75.8)	-	-	-	-	-	-	(75.8)	-
Other	-	-	-	-	-	-	6.8	(4.4)	-	(2.4)	-
(=) Cash Flows from Financing Activities	**1,604.6**	**486.0**	**1,025.7**	**(29.9)**	**688.7**	**(72.9)**	**(88.9)**	**(365.5)**	**1,636.0**	**(155.9)**	**(64.8)**
(=) Total Cash Flow	**25.8**	**582.8**	**(578.0)**	**(119.5)**	**920.1**	**(333.0)**	**(64.8)**	**(443.9)**	**(19.4)**	**(49.8)**	**24.6**
(+) Cash & Equivalents, Beginning	35.2	61.0	643.8	176.2	56.7	976.8	643.8	579.0	135.1	115.7	65.8
(=) Cash & Equivalents, Closing	**61.0**	**643.8**	**65.8**	**56.7**	**976.8**	**643.8**	**579.0**	**135.1**	**115.7**	**65.8**	**90.4**

Credit Statistics (LTM) (In million of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
Net Operating Revenues	**2,477.9**	**3,605.1**	**2,736.2**	**3,356.2**	**3,670.4**	**3,605.1**	**3,252.7**	**2,872.1**	**2,575.2**	**2,736.2**	**2,784.1**
● Gross Profit	756.6	1,123.9	349.0	1,112.1	1,193.9	1,123.9	799.5	580.9	369.9	349.0	318.9
● EBITDA	517.7	928.0	172.9	903.0	968.1	928.0	648.5	451.8	255.1	172.9	148.1
● EBIT	377.8	631.1	(168.4)	726.0	782.6	631.1	296.4	20.3	(193.6)	(168.4)	(225.1)
● Net Financial Expenses	245.2	(158.0)	(284.3)	331.0	261.0	(158.0)	(494.5)	(611.1)	(616.9)	(284.3)	(220.4)
● Net Profit	(64.6)	357.3	(47.8)	87.1	191.7	357.3	365.6	257.0	122.2	(47.8)	(119.6)
Liquid Funds	**831.5**	**1,217.1**	**1,010.1**	**402.4**	**1,280.5**	**1,217.1**	**816.4**	**141.6**	**1,448.2**	**1,010.1**	**633.9**
● Cash and Cash Equivalents	61.0	643.8	65.8	56.7	976.8	643.8	579.0	135.1	115.7	65.8	90.4
● Marketable Securities	770.5	573.3	944.2	345.7	303.7	573.3	237.4	6.5	1,332.5	944.2	543.5
Short-Term Debt	**171.3**	**109.0**	**80.5**	**126.4**	**116.4**	**109.0**	**126.3**	**99.6**	**80.2**	**80.5**	**62.9**
● Loans and Financings	42.9	71.1	65.7	48.0	65.8	71.1	100.7	82.6	65.1	65.7	48.8
● Pre-Export Contracts	72.6	36.7	14.8	40.6	46.8	36.7	24.4	17.0	15.1	14.8	14.0
● Promissory Notes	55.8	1.3	-	37.8	3.7	1.3	1.3	-	-	-	-
Long-Term Debt	**1,630.0**	**2,324.8**	**1,592.4**	**1,643.6**	**2,419.3**	**2,324.8**	**2,108.6**	**1,678.5**	**1,663.6**	**1,592.4**	**1,474.9**
● Loans and Financings	1,530.3	2,275.3	1,592.4	1,556.4	2,376.8	2,275.3	2,092.9	1,663.9	1,663.6	1,592.4	1,474.9
● Pre-Export Contracts	86.9	49.5	-	87.1	42.5	49.5	15.6	14.5	-	-	-
● Promissory Notes	12.7	-	-	-	-	-	-	-	-	-	-
Total Debt	**1,801.3**	**2,433.8**	**1,672.9**	**1,770.0**	**2,535.7**	**2,433.8**	**2,234.9**	**1,778.0**	**1,743.8**	**1,672.9**	**1,537.7**
Net Debt	**969.8**	**1,216.7**	**662.9**	**1,367.6**	**1,255.2**	**1,216.7**	**1,418.5**	**1,636.4**	**295.6**	**662.9**	**903.8**
Current Assets	2,013.4	2,224.7	2,283.6	2,272.0	2,809.6	2,224.7	2,270.8	1,851.1	2,989.4	2,283.6	2,140.0
Current Liabilities	670.0	591.7	577.7	848.4	547.5	591.7	838.1	770.5	480.5	577.7	693.4
Shareholders' Equity	**1,355.4**	**1,631.0**	**3,325.8**	**1,484.6**	**1,554.9**	**1,631.0**	**1,644.7**	**1,659.9**	**3,331.1**	**3,325.8**	**3,267.7**
Capex - Property, Plant and Equipment	**744.8**	**767.9**	**1,222.7**	**883.0**	**906.7**	**767.9**	**854.0**	**868.7**	**1,028.8**	**1,222.7**	**1,313.8**
● Capex - Operational	208.9	683.5	1,050.5	342.8	427.4	683.5	769.5	783.5	943.0	1,050.5	1,133.5
EBITDA Margin	**20.9%**	**25.7%**	**6.3%**	**26.9%**	**26.4%**	**25.7%**	**19.9%**	**15.7%**	**9.9%**	**6.3%**	**5.3%**
● Gross Profit Margin	30.5%	31.2%	12.8%	33.1%	32.5%	31.2%	24.6%	20.2%	14.4%	12.8%	11.5%
● EBIT Margin	15.2%	17.5%	-6.2%	21.6%	21.3%	17.5%	9.1%	0.7%	-7.5%	-6.2%	-8.1%
● Net Profit Margin	-2.6%	9.9%	-1.7%	2.6%	5.2%	9.9%	11.2%	8.9%	4.7%	-1.7%	-4.3%
Net Debt ÷ Shareholders' Equity											
● Net Debt %	41.7%	42.7%	16.6%	48.0%	44.7%	42.7%	46.3%	49.6%	8.2%	16.6%	21.7%
● Shareholders' Equity %	58.3%	57.3%	83.4%	52.0%	55.3%	57.3%	53.7%	50.4%	91.8%	83.4%	78.3%
Long-Term Payable Debt to Equity Ratio	1.2x	1.4x	0.5x	1.1x	1.6x	1.4x	1.3x	1.0x	0.5x	0.5x	0.5x
Liquidity Ratio (Current Assets ÷ Current Liabilities)	3.0x	3.8x	4.0x	2.7x	5.1x	3.8x	2.7x	2.4x	6.2x	4.0x	3.1x
Net Debt ÷ EBITDA	**1.9x**	**1.3x**	**3.8x**	**1.5x**	**1.3x**	**1.3x**	**2.2x**	**3.6x**	**1.2x**	**3.8x**	**6.1x**
● Short-Term Net Debt ÷ EBITDA	0.3x	0.1x	0.5x	0.1x	0.1x	0.1x	0.2x	0.2x	0.3x	0.5x	0.4x
Net Debt ÷ (EBITDA - Capex)	**-4.3x**	**7.6x**	**-0.6x**	**68.6x**	**20.4x**	**7.6x**	**-6.9x**	**-3.9x**	**-0.4x**	**-0.6x**	**-0.8x**
● Net Debt ÷ (EBITDA - Operational Capex)	3.1x	5.0x	-0.8x	2.4x	2.3x	5.0x	-11.7x	-4.9x	-0.4x	-0.8x	-0.9x
Interest Cover (EBITDA ÷ Net Financial Exp.)	**2.1x**	**-5.9x**	**-0.6x**	**2.7x**	**3.7x**	**-5.9x**	**-1.3x**	**-0.7x**	**-0.4x**	**-0.6x**	**-0.7x**
● Interest Cover (EBITDA - Op.Capes)÷Net Fin.)	1.3x	-1.5x	3.1x	1.7x	2.1x	-1.5x	0.2x	0.5x	1.1x	3.1x	4.5x
Avg. Debt Cost (Net.Fin.Exp. ÷ Net Debt)	**25.3%**	**-13.0%**	**-42.9%**	**24.2%**	**20.8%**	**-13.0%**	**-34.9%**	**-37.3%**	**-208.7%**	**-42.9%**	**-24.4%**

H. Financial Statements of Cosan Ltd – US GAAP

Income Statement (In millions of U.S. dollars)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
Net sales	**1,096.6**	**1,679.1**	**1,491.2**	**462.7**	**463.2**	**328.1**	**301.3**	**328.0**	**376.7**	**485.3**	**394.0**
(-) Cost of goods sold	(796.3)	(1,191.3)	(1,345.6)	(330.5)	(338.7)	(258.7)	(288.2)	(295.5)	(343.5)	(418.4)	(398.9)
(=) Gross profit	**300.3**	**487.8**	**145.6**	**132.2**	**124.4**	**69.4**	**13.1**	**32.5**	**33.2**	**66.9**	**(4.9)**
(-) Selling expenses	(97.8)	(133.8)	(168.6)	(35.3)	(35.5)	(35.2)	(32.0)	(50.2)	(41.6)	(44.9)	(53.0)
(-) General and administrative expenses	(72.0)	(121.1)	(115.1)	(24.1)	(26.5)	(48.6)	(30.1)	(24.4)	(30.2)	(30.5)	(36.3)
(=) Operating income (loss)	**130.5**	**232.9**	**(138.1)**	**72.8**	**62.5**	**(14.3)**	**(49.0)**	**(42.0)**	**(38.6)**	**(8.5)**	**(94.2)**
Operating margin	*11.9%*	*13.9%*	*-9.3%*	*15.7%*	*13.5%*	*-4.4%*	*-16.3%*	*-12.8%*	*-10.2%*	*-1.8%*	*-23.9%*
(-) Other income (expense):											
Financial	(226.6)	289.4	116.8	66.5	(13.4)	213.4	53.7	75.6	(131.8)	119.3	26.5
Other	(5.5)	16.3	(3.7)	19.8	0.5	(2.6)	(0.5)	0.1	(1.4)	(1.8)	(3.5)
(=) Income (loss) before income taxes, equity in income of affiliates and minority interest	**(101.6)**	**538.5**	**(25.0)**	**159.1**	**49.6**	**196.5**	**4.2**	**33.7**	**(171.9)**	**109.0**	**(71.2)**
(-) Income taxes expense (benefit)	29.7	(188.8)	19.8	(52.6)	(16.6)	(72.2)	(1.7)	(8.1)	57.5	(27.9)	23.2
(=) Income (loss) before equity in income of affiliates and minority interest	**(71.8)**	**349.7**	**(5.2)**	**106.4**	**33.1**	**124.2**	**2.5**	**25.6**	**(114.3)**	**81.1**	**(48.0)**
(±) Equity in income of affiliates	1.6	(0.0)	(0.2)	0.0	0.1	(0.2)	(0.2)	(1.8)	(0.5)	2.3	0.1
(±) Minority interest in net (income) loss of subsidiaries	33.1	(173.0)	22.0	(52.6)	(16.4)	(61.4)	(1.0)	(6.1)	55.2	(26.1)	18.6
(=) Net income (loss)	**(37.1)**	**176.7**	**16.6**	**53.9**	**16.7**	**62.6**	**1.2**	**17.7**	**(59.7)**	**57.3**	**(29.3)**
Margin	*-3.4%*	*10.5%*	*1.1%*	*11.6%*	*3.6%*	*19.1%*	*0.4%*	*5.4%*	*-15.8%*	*11.8%*	*-7.4%*
● **EBITDA**	**223.6**	**436.5**	**94.3**	**138.6**	**76.9**	**73.4**	**25.7**	**41.9**	**11.8**	**15.0**	**14.6**
Margin	*20.4%*	*26.0%*	*6.3%*	*30.0%*	*16.6%*	*22.4%*	*8.5%*	*12.8%*	*3.1%*	*3.1%*	*3.7%*
● **EBIT**	**125.0**	**249.2**	**(141.8)**	**92.6**	**63.0**	**(17.0)**	**(49.5)**	**(41.9)**	**(40.0)**	**(10.3)**	**(97.7)**
Margin	*11.4%*	*14.8%*	*-9.5%*	*20.0%*	*13.6%*	*-5.2%*	*-16.4%*	*-12.8%*	*-10.6%*	*-2.1%*	*-24.8%*
● Depreciation and amortization	98.6	187.4	236.1	46.1	13.9	90.3	75.2	83.8	51.8	25.3	112.3

Cash Flow Statement (In millions of U.S. dollars)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
● **Cash flow from operating activities:**											
Net income (loss) for the year/quarter	(37.1)	176.7	16.6	53.9	16.7	62.6	1.2	17.7	(59.7)	57.3	(29.3)
Adjustments to reconcile net income (loss) to cash provided by operating activities:											
Depreciation and amortization	98.6	187.4	236.1	46.1	13.9	90.3	75.2	83.8	51.8	25.3	112.3
Deferred income and social contribution taxes	(53.0)	150.2	(52.4)	45.8	(14.2)	76.3	(8.6)	(5.9)	(51.9)	14.0	(31.6)
Interest, monetary and exchange variation	24.3	116.3	(43.7)	40.1	(4.6)	24.7	(53.1)	(44.5)	56.5	(2.5)	(14.5)
Minority interest in net income of subsidiaries	(33.1)	173.0	(22.0)	52.6	16.4	61.4	1.0	6.1	(55.2)	26.1	(18.6)
Others	15.9	(176.8)	15.2	(16.7)	0.5	(164.1)	5.8	6.9	(6.2)	8.7	9.2
	15.6	**626.8**	**149.8**	**221.7**	**28.7**	**151.2**	**21.5**	**63.9**	**(64.6)**	**128.9**	**27.5**
Decrease/increase in operating assets and liabilities:											
Trade accounts receivable, net	(35.4)	48.2	(57.1)	(21.2)	29.9	47.7	(16.7)	15.4	6.4	(62.2)	63.9
Inventories	30.9	(54.1)	(31.7)	(165.5)	168.7	165.6	(147.8)	(240.5)	103.1	253.5	(214.0)
Advances to suppliers	(10.7)	(38.7)	(8.4)	(3.5)	(4.7)	(14.6)	(50.9)	(1.3)	35.2	8.6	(16.8)
Trade accounts payable	28.7	(43.2)	33.7	(13.5)	(70.4)	(41.1)	106.0	40.8	(100.9)	(12.2)	90.1
Derivative financial instruments	83.5	(155.0)	90.4	(45.3)	15.1	(38.7)	33.5	9.0	127.4	(79.6)	11.3
Taxes payable	(37.6)	(36.6)	(19.6)	(54.8)	25.4	(9.5)	(0.8)	(15.4)	13.7	(17.1)	(7.9)
Other assets and liabilities, net	11.0	(63.4)	(99.4)	(59.9)	(29.0)	8.2	11.1	(25.6)	(107.9)	23.0	16.2
	70.4	**(342.8)**	**(92.2)**	**(363.8)**	**135.0**	**117.6**	**(65.6)**	**(217.7)**	**77.1**	**114.0**	**(57.1)**
(=) Net cash provided by operating actitivities	**86.0**	**284.0**	**57.6**	**(142.1)**	**163.7**	**268.7**	**(44.0)**	**(153.8)**	**12.5**	**242.9**	**(29.6)**
● **Cash flow from investing activities:**											
Restricted cash	(62.6)	47.0	(25.9)	0.6	(0.3)	(12.6)	(30.0)	48.9	(33.6)	(11.1)	0.1
Marketable securities	(366.9)	97.0	(671.0)	135.3	23.1	(124.4)	180.8	(972.6)	(71.0)	191.8	(202.4)
Acquisition of property, plant and equipment	(135.2)	(356.2)	(642.9)	(40.7)	(62.5)	(242.6)	(94.4)	(90.5)	(157.3)	(300.8)	(169.3)
Acquisitions, net of cash acquired	(260.9)	(39.4)	(102.0)	(0.1)	0.1	(39.4)	(1.1)	(0.1)	0.0	(100.8)	0.8
(=) Net cash used in investing actitivities	**(825.5)**	**(251.6)**	**(1,441.7)**	**95.2**	**(39.6)**	**(419.0)**	**55.3**	**(1,014.3)**	**(261.9)**	**(220.8)**	**(370.8)**
● **Cash flow from financing activities:**											
Proceeds from issuance of common stock	383.1	3.2	1,118.4	-	3.2	-	-	1,118.4	-	-	-
Capital increase on subsidiary from minority interest	-	-	324.4	-	-	-	-	-	312.7	11.7	-
Dividends Paid	-	-	(44.9)	-	423.8	(423.8)	-	-	-	(44.9)	-
Additions of long-term debts	899.3	424.6	117.5	23.8	(25.3)	424.6	-	-	-	117.5	-
Payments of long-term debts	(556.5)	(205.0)	(492.1)	(36.5)	(86.9)	(22.4)	(47.1)	(213.3)	(60.4)	(171.2)	(39.8)
Other	-	-	-	-	-	-	-	-	-	-	-
(=) Net cash provided by financing actitivities	**725.9**	**222.8**	**1,023.3**	**(12.7)**	**314.8**	**(21.6)**	**(47.1)**	**905.1**	**252.3**	**(86.9)**	**(39.8)**
Effect of exchange rate changes on cash and cash equivalents	29.6	32.1	112.6	5.1	(5.6)	28.7	27.0	32.2	3.6	49.8	458.1
(=) Net increase (decrease) in cash and cash equivalents	**16.1**	**287.3**	**(248.2)**	**(54.5)**	**433.3**	**(143.2)**	**(8.8)**	**(230.7)**	**6.4**	**(15.0)**	**17.9**
(+) Cash and cash equivalents at beginning of year	13.2	29.2	316.5	81.0	26.5	459.7	316.5	307.7	77.0	83.4	68.4
(=) Cash and cash equivalents at end of year	**29.2**	**316.5**	**68.4**	**26.5**	**459.7**	**316.5**	**307.7**	**77.0**	**83.4**	**68.4**	**86.3**

Balance Sheet (In millions of U.S. dollars)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	Oct'06 2Q'07	Jan'07 3Q'07	Apr'07 4Q'07	Jul'07 1Q'08	Oct'07 2Q'08	Jan'08 3Q'08	Apr'08 4Q'08	Jul'08 1Q'09
Assets											
Current assets:											
Cash and cash equivalents	29.2	316.5	68.4	26.5	459.7	316.5	307.7	77.0	83.4	68.4	86.3
Restricted cash	63.0	17.7	47.2	1.5	2.4	17.7	49.2	1.8	35.2	47.2	50.7
Marketable securities	368.8	281.9	1,014.5	161.3	142.9	281.9	124.5	1,131.6	1,188.5	1,014.5	804.2
Trade accounts receivable, net	101.8	55.2	126.9	129.4	99.8	55.2	74.6	61.4	59.8	126.9	73.0
Inventories	187.2	247.5	337.7	569.9	403.8	247.5	415.9	677.0	571.2	337.7	577.6
Advances to suppliers	63.5	104.0	133.7	81.3	86.6	104.0	163.5	173.4	137.1	133.7	160.8
Deferred income taxes	74.8	-	-	19.0	61.5	-	-	-	-	-	-
Other current assets	72.0	116.8	134.6	98.5	93.3	116.8	93.5	90.6	57.3	134.6	165.0
	960.3	**1,139.5**	**1,863.0**	**1,087.5**	**1,350.0**	**1,139.5**	**1,228.9**	**2,212.8**	**2,132.6**	**1,863.0**	**1,917.6**
Noncurrent assets:											
Property, plant and equipment, net	1,008.1	1,194.1	2,018.1	952.4	1,009.2	1,194.1	1,311.0	1,405.1	1,514.3	2,018.1	2,217.3
Goodwill	497.9	491.9	772.6	476.4	475.3	491.9	527.7	562.7	626.3	772.6	823.4
Intangible assets, net	98.9	94.0	106.1	92.8	91.8	94.0	99.7	105.2	102.0	106.1	111.8
Accounts Receivable from Federal Government	-	156.5	202.8	-	-	156.5	169.6	190.0	192.7	202.8	218.4
Other non-current assets	126.6	177.5	306.4	118.0	130.4	177.5	192.3	209.0	237.9	306.4	345.3
	1,731.4	**2,113.9**	**3,406.1**	**1,639.6**	**1,706.7**	**2,113.9**	**2,300.3**	**2,472.0**	**2,673.3**	**3,406.1**	**3,716.3**
(=) Total assets	**2,691.8**	**3,253.4**	**5,269.1**	**2,727.0**	**3,056.7**	**3,253.4**	**3,529.1**	**4,684.8**	**4,805.9**	**5,269.1**	**5,634.0**
Liabilities and shareholders' equity											
Current liabilities:											
Trade accounts payable	96.6	55.9	114.4	162.4	92.8	55.9	166.6	212.0	110.5	114.4	212.0
Advances from customers	37.9	24.3	15.6	45.9	39.1	24.3	21.9	16.4	17.0	15.6	15.3
Taxes payable	40.0	57.5	62.9	45.7	49.0	57.5	64.8	51.7	47.1	62.9	67.4
Salaries payable	23.8	31.1	47.8	42.9	17.7	31.1	47.9	63.8	29.2	47.8	75.8
Current portion of long-term debt	46.6	36.1	38.2	41.9	31.9	36.1	51.8	44.0	27.9	38.2	33.2
Derivative financial instruments	133.4	9.8	55.0	22.7	15.5	9.8	15.0	26.8	102.3	55.0	102.1
Dividends payable	-	37.3	-	-	-	37.3	40.4	-	-	-	-
Other liabilities	18.9	22.2	25.2	33.4	15.6	22.2	10.2	7.3	7.8	25.2	14.1
	397.1	**274.2**	**359.1**	**395.0**	**261.7**	**274.2**	**418.5**	**422.0**	**342.0**	**359.1**	**519.8**
Long-term liabilities:											
Long-term debt	941.7	1,342.5	1,249.3	931.7	1,330.4	1,342.5	1,357.2	1,226.2	1,226.5	1,249.3	1,291.4
Estimated liability for legal proceedings and labor claims	462.2	379.2	494.1	348.3	357.0	379.2	417.8	459.8	442.0	494.1	545.0
Taxes payable	152.4	106.9	170.4	107.0	105.1	106.9	115.7	130.5	127.7	170.4	181.9
Advances from customers	41.6	24.3	-	40.7	20.0	24.3	8.3	8.3	-	-	-
Deferred income taxes	81.6	141.6	101.8	106.5	143.7	141.6	142.2	144.7	85.9	101.8	83.6
Other long-term liabilities	33.1	47.5	101.7	29.5	28.4	47.5	50.3	51.0	72.8	101.7	103.3
	1,712.7	**2,042.0**	**2,117.4**	**1,563.8**	**1,984.6**	**2,042.0**	**2,091.5**	**2,020.4**	**1,954.9**	**2,117.4**	**2,205.3**
Minority interest in consolidated subsidiaries	**287.6**	**463.6**	**796.8**	**379.8**	**400.6**	**463.6**	**504.0**	**550.0**	**873.4**	**796.8**	**839.7**
Shareholders' equity:											
Common stock	1.0	1.0	2.3	1.0	1.0	1.0	1.0	2.1	2.1	2.3	2.3
Additional paid-in capital	349.2	354.0	1,723.1	387.5	408.8	354.0	514.2	1,473.3	1,471.0	1,723.1	1,724.6
Accumulated other comprehensive income	19.8	36.7	171.8	-	-	36.7	-	116.0	121.3	171.8	273.1
Retained earnings (losses)	(75.8)	81.9	98.5	-	-	81.9	-	100.9	41.2	98.5	69.2
Total shareholders' equity	**294.2**	**473.6**	**1,995.7**	**388.5**	**409.8**	**473.6**	**515.2**	**1,692.2**	**1,635.6**	**1,995.7**	**2,069.1**
(=) Total liabilities and shareholders' equity	**2,691.8**	**3,253.4**	**5,269.1**	**2,727.0**	**3,056.7**	**3,253.4**	**3,529.1**	**4,684.8**	**4,805.9**	**5,269.1**	**5,634.0**

I. Reconciliation of the Financial Statements of Cosan S.A. and Cosan Ltd.

Description	Cosan S.A. as audited	Santa Luiza	Cosan S.A. as internal books	GAAP Adjust-ments	Cosan S.A.	Cosan S.A.	Consolid. into Cosan Ltd.	Cosan Ltd as audited
Currency	R$'MM	R$'MM	R$'MM	R$'MM	R$'MM	US$'MM	US$'MM	US$'MM
GAAP	BR GAAP	BR GAAP	BR GAAP		US GAAP	US GAAP	US GAAP	US GAAP
						(i)		
Net Sales	**639.6**	(0.1)	**639.5**	0.4 (b)	**639.9**	**394.0**	0.0	394.0
Cost of goods sold	**(626.0)**	0.0	**(626.0)**	(19.7) (c)	**(645.8)**	**(397.6)**	(1.3) (j)	(398.9)
Gross profit	**13.6**	(0.1)	**13.5**	(19.4)	**(5.9)**	**(3.6)**	(1.3)	(4.9)
Selling expenses	**(85.7)**	(0.0)	**(85.7)**	(0.4) (b)	**(86.1)**	**(53.0)**	(0.0)	(53.0)
General and administrative expenses	**(55.2)** (a)	0.3	**(55.0)**	(3.8) (d)	**(58.7)**	**(36.2)**	(0.1) (k)	(36.3)
Operating income	**(127.4)**	0.2	**(127.2)**	(23.5)	**(150.7)**	**(92.8)**	(1.4)	(94.2)
Other income (expenses):								
Financial income (expenses), net	**86.9**	0.2	**87.1**	(49.1) (e)	**38.0**	**23.4**	3.1 (l)	26.5
Goodwill amortization	**(40.4)**	0.2	**(40.2)**	40.2 (f)	**-**	**-**	-	-
Other	**(0.6)**	(0.4)	**(1.0)**	(4.7) (n)	**(5.7)**	**(3.5)**	(0.0)	(3.5)
Income (loss) before income taxes, equity in income of affiliates and minority interest	**(81.5)**	0.1	**(81.3)**	(37.1)	**(118.4)**	**(72.9)**	1.7	(71.2)
Income taxes (expense) benefit	**22.4**	(0.1)	**22.3**	15.3 (g)	**37.6**	**23.2**	-	23.2
Income (loss) before equity in income of affiliates and minority interest	**(59.1)**	(0.0)	**(59.1)**	(21.8)	**(80.8)**	**(49.8)**	1.7	(48.0)
Equity in income of affiliates	**0.2**	0.0	**0.2**	-	**0.2**	**0.1**	(0.0)	0.1
Minority interest in net income of subsidiaries	**0.8**	-	**0.8**	(0.4) (h)	**0.4**	**0.2**	18.4 (m)	18.6
Net income (loss)	**(58.1)**	-	**(58.1)**	(22.1)	**(80.3)**	**(49.4)**	20.1	(29.3)

(a) *Includes G&A, Management fees and Nonoperating results*
(b) *Reclassification for services between Cosan Port. and Cosan S.A.*
(c) *Mainly depreciation on 'purchasing price allocation' in past acquisitions, but also depreciation in capitalized interests and reversion of depreciation in revaluated portion of P,P&E*
(d) *Mainly effect of stock option for executives accounting as expenses*
(e) *Mainly effect of mark-to market on derivatives, but also effect of interest capitalization on P,P&E under construction, leasing recognition and 'purchasing price allocation' related to PESA/CTN debt*
(f) *No goodwill amortization in US GAAP*
(g) *Recalculation of income taxes on GAAP differences*
(h) *Reversion of deferred charges to current expenses on Cosan Portuária*
(i) *Conversion rate calculated line by line on a quarterly basis; quarterly average rate is the arithmetic average of daily PTAX 800 rate; weekends and holidays using the last business day quotation*
(j) *Depreciation on 'purchasing price allocation' in the capital increase from Ltd. on S.A. last Dec/Jan*
(k) *Cosan Ltd. own G&A expenses (management fees and lawyers, mainly)*
(l) *Mainly cash interest gains in Cosan Ltd*
(m) *Bovespa floating stake of Cosan S.A. participation on Cosan S.A. net loss*
(n) *Expenses related to Esso acquisition/integration included in purchase price in BR GAAP*