cosan

2Q14 Results Presentation

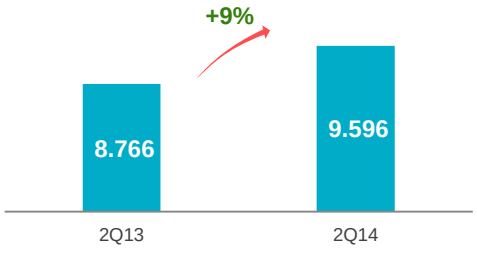
DISCLAIMER

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 Pro forma | Highlights 2Q14

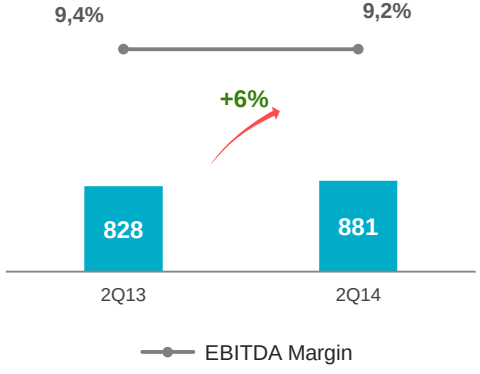
Net Revenue | (R$ MM)



R$ 9.6 billion, increase of 9% compared to 2Q13

- Comparable quarters in all business lines
- Consolidation of 50% of Raizen and 100% of other business units

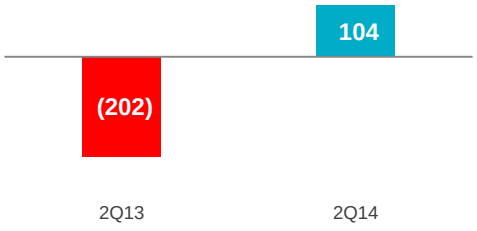
EBITDA and EBITDA Margin | (R$ MM)



R$ 881 million growth of 6% compared to 2Q13

- Good operational performance during the quarter
- EBITDA growth despite a challenging economic environment

Net Income (Loss) | (R$ MM)

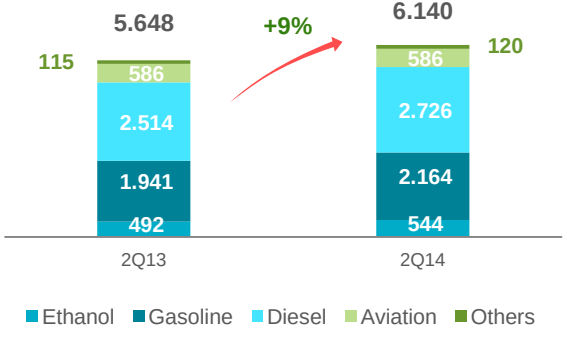


R$ 104 million, mainly due to:

- Increase of R$ 197 million from equity result of Raízen
- Improvement of R$ 88 million in the financial result due to exchange rate variation and other effects
- Cosan S/A dividends distribution of R$ 150 million on May 20, 2014 equivalent to R$ 0.37/share

Raízen Combustíveis

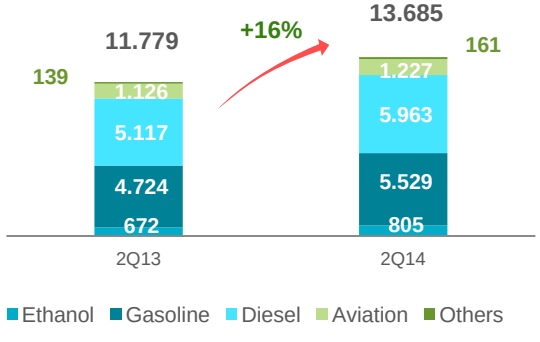
Volume Sold | (MM liters)



6.1 billion liters sold in 2Q14

- Higher than the fuels market (ANP: +5%) and the fleet growth (ANFAVEA: +5%)
- Sales increase of 11% in the Otto Cycle and 8% in Diesel

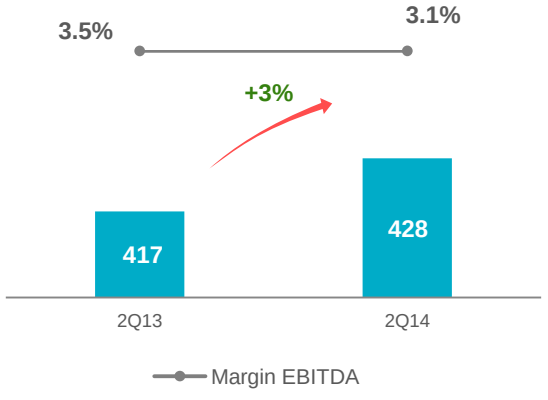
Net Revenue| (R$ MM)



R$ 13.7 billion, increase of 16%

- Retail network (5,245 stations) and C-Stores (910 stores) growth
- Increase of 9% in volume sold and 7% on the average price

EBITDA and EBITDA Margin | (R$ MM)

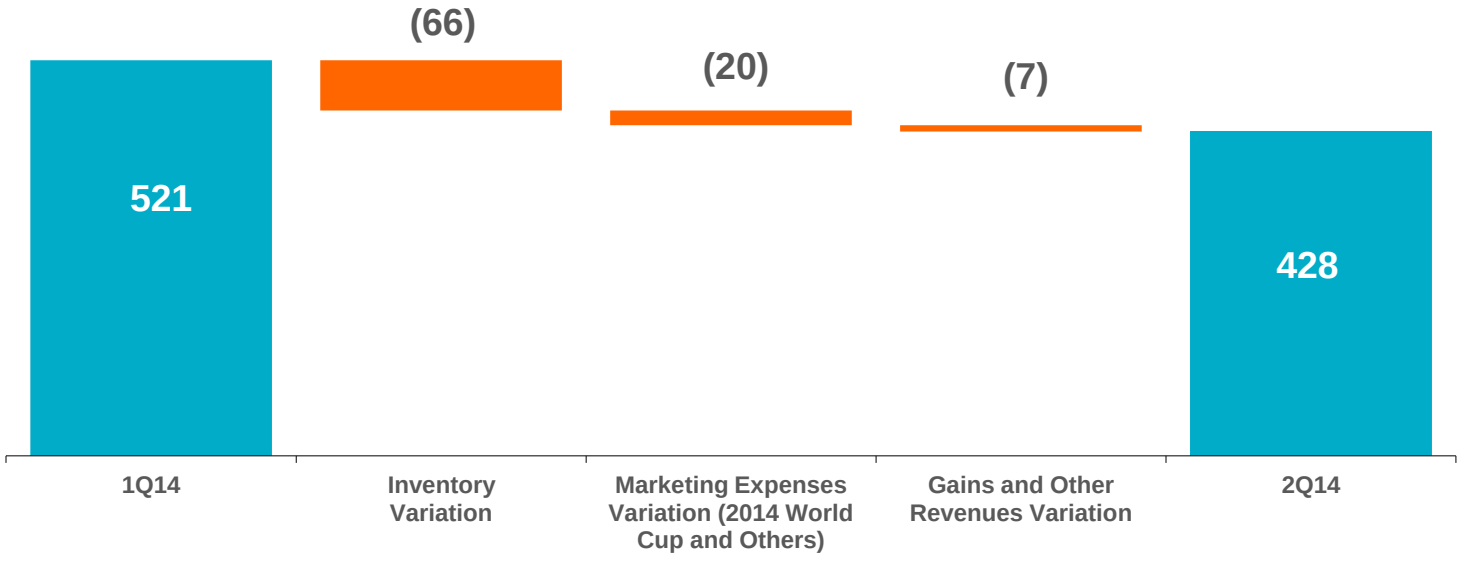


R$ 428 million, increase of 3%

- Petrobras price increase
- **Rebates to retailers related to volume KPIs** of R$ 29 million, reducing EBITDA

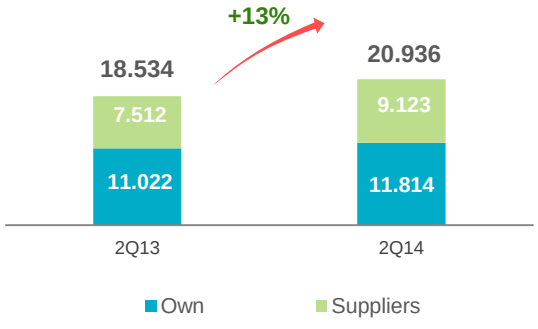
Raízen Combustíveis

EBITDA Reconciliation 1Q14 x 2Q14 | (R$ MM)

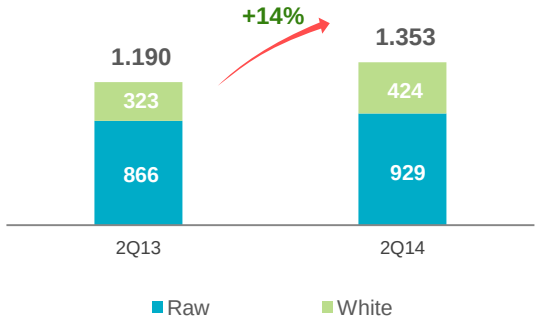


Raízen Energia

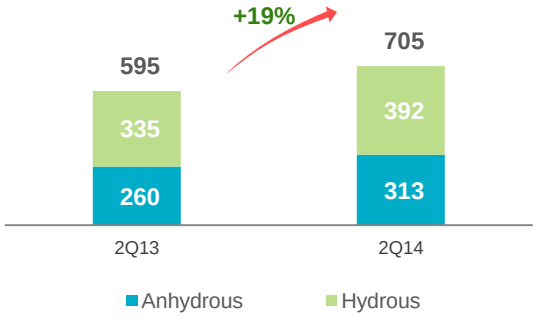
Sugarcane Crushed | (MM tons)



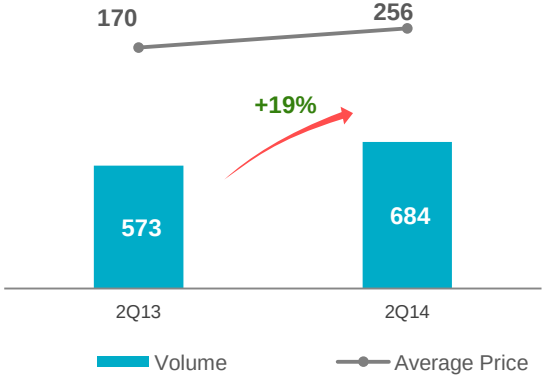
Sugar Production | (MM tons)



Ethanol Production | (‘000 cbm)

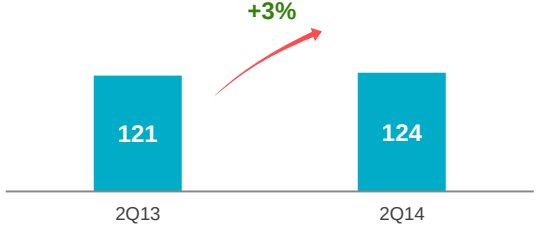


Energy Sold Volume | (‘000 MWh & R$/MWh)



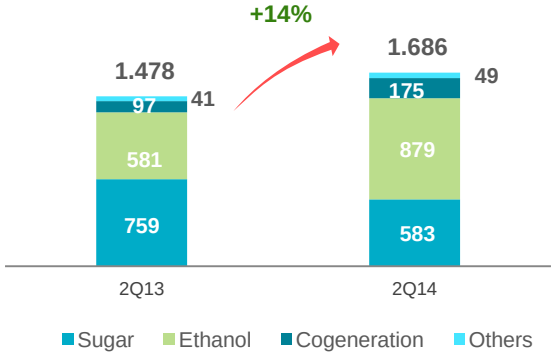
- **Sugarcane Crushed**: 20.9 million tons, 13% higher than 2Q13 due to more days of crushing
- **TSR:** 3% higher than 2Q13 due to higher concentration of sugar by as a function of dry weather
- **Energy (Cogeneration)**: 19% increase in sales volume due to the anticipation of operations to capture better spot market prices

TSR Cane | (kg/ton)



Raízen Energia

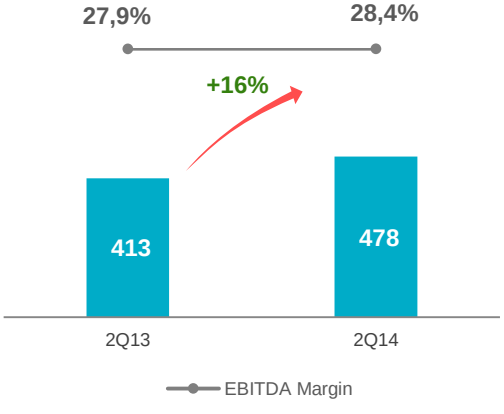
Net Revenue | (R$ MM)



R$ 1.7 billion increase of 14%

- Higher volume sales of ethanol, trading and cogeneration of energy in 2Q14
- 35% growth in sales volume of ethanol and trading

EBITDA and EBITDA Margin | (R$ MM)



R$ 478 million EBITDA, growth of 16%

- Good pricing performance for all products
- Focus on operational efficiency and reduction of expenses

Summary of *Hedge* Operations in 06/30/2014

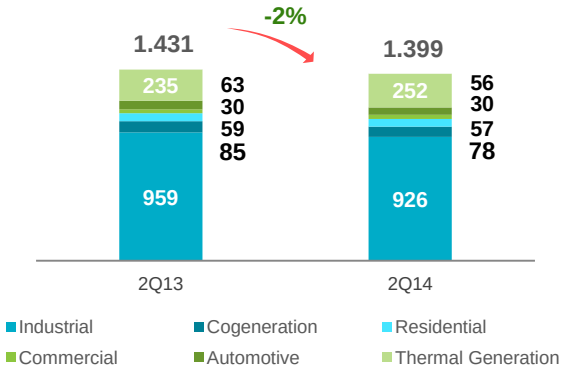
Sugar | NY11	2014/15	2015/16
Volume (thousand tons)	2,375.5	50.0
Average Price (¢US$/lb)	18.23	19.07
Exchange rate		
Volume (US$ mm)	993.4	21.9
Average Price (R$/US$)	2.38	2.63

The table above demonstrates the hedged taking into account the crop year and ending on 03/31/2015 and 03/31/2016 respectively.

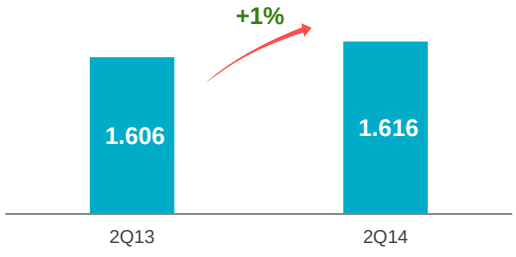
EBITDA Ex-Biological Asset (R$ MM)	2Q13 (apr-jun/13)	2Q14 (apr-jun/14)	Var.%
EBITDA	**413.2**	**478.3**	**15.8%**
(+) Biological Asset Variation	3.3	(11.4)	n/a
EBITDA Ex-Biological Asset	**416.5**	**466.9**	**12.1%**

Comgás

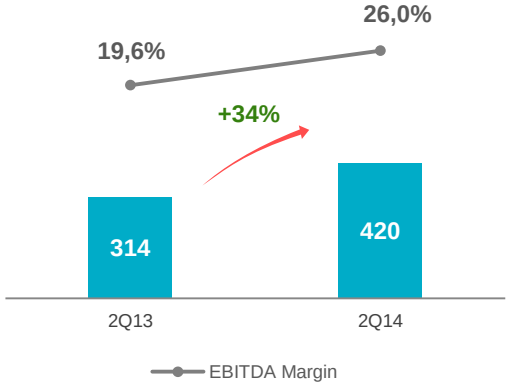
Volume | (‘000 cbm)



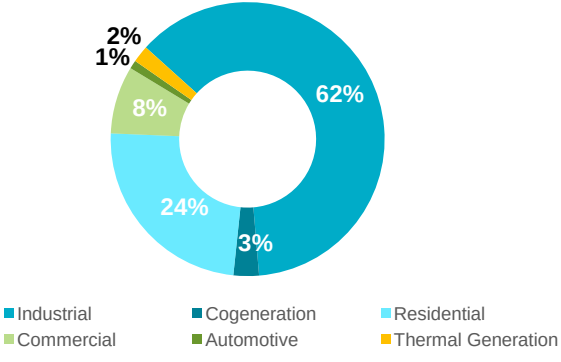
Net Revenue (R$ MM)



EBITDA and EBITDA Margin | (R$ MM)



Contribution Margin 2Q14



R$ 1.6 billion, 1% growth

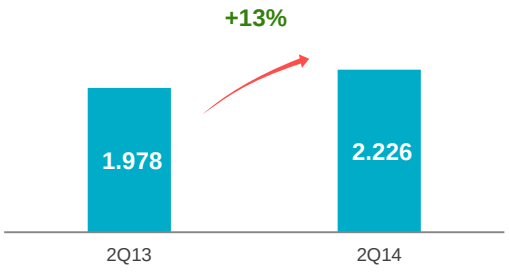
- Higher sales tariffs as approved by ARSESP
- Increase of 10% total customers base during the quarter
- Reduction of 2% on volume sold, due to higher temperatures, water rationing and economic slowdown

R$ 420 million and margin of 26%

- Recovery of R$ 73 million from regulatory account, reducing the balance to R$ 223 million in the 2Q14
- **EBITDA normalized** by the regulatory account of **R$ 339 million**, 3% above the same period of 2013

Rumo

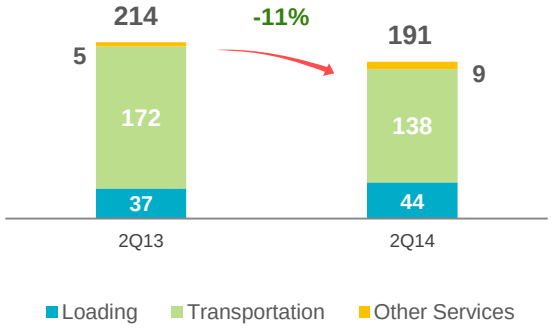
Volume Loaded at the Port | ('000 tons)



2.2 million of tons of sugar loaded in 2Q14, growth of 13%

- New contracts signed in the period

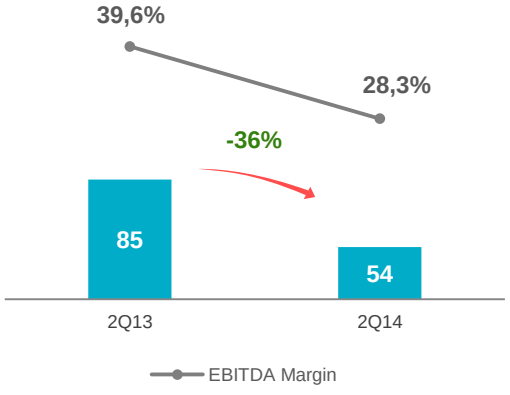
Net Revenue | (R$ MM)



R$ 191 million,decrease of 11%

- Lower transportation revenue, partially offset by increase in revenues of sugar loading and other revenues

EBITDA and EBITDA Margin | (R$ MM)

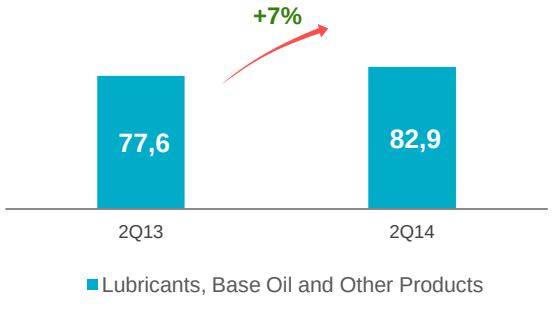


R$ 54 million in 2Q14, 36% bellow 2Q13

- Lower volumes transported in the quarter

Cosan Lubricants

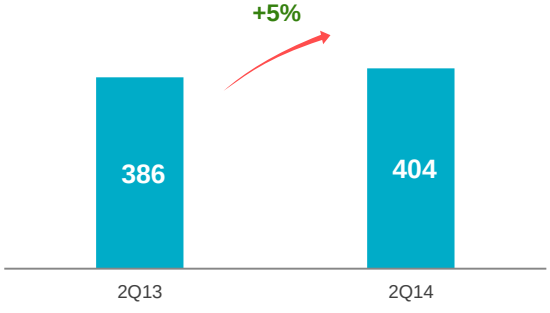
Total Volume Sold | (million liters)



82,9 millions of liters sold at 2Q14**,** increase of 7%

- Lower sales volume of finish lubes offset by higher sales volume of base oil in the quarter
- Maintenance of market share

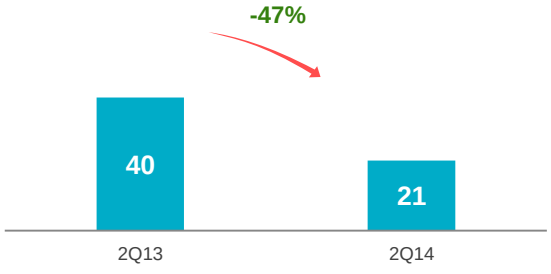
Net Revenue | (R$ MM)



R$ 404 million, increase of 5%

- Better prices for finish lubes in the quarter
- 7% increase in total sales volume

EBITDA (R$ MM)

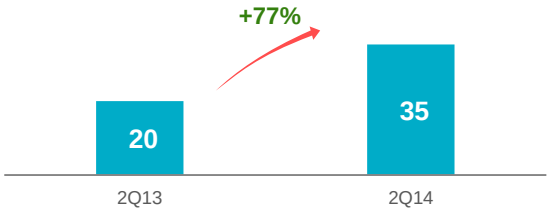


R$ 21 million, reduction of 47%

- Higher raw material costs
- Lower industrial volumes demanded due to economic slowdown
- Extraordinary expenses due to the administrative restructure and World Cup marketing expenses

Radar

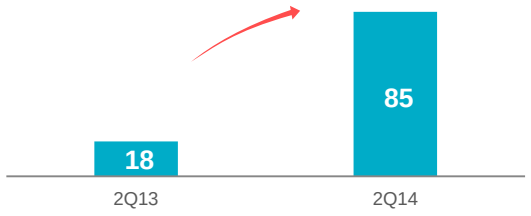
Net Revenue | (R$ MM)



R$ 35 million, increase of 77%

- Higher sales of properties in the quarter
- Increasing in leasing prices in the quarter

EBITDA | (R$ MM)



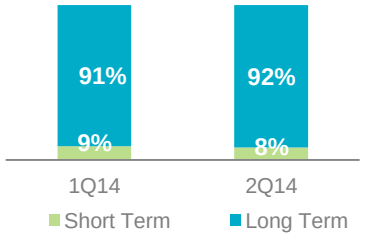
Positive EBITDA of R$ 85 million

- Appreciation of the portfolio of own land according to market variation adding R$ 68 million to EBITDA in the quarter

Net Debt

	2Q14 (Apr-Jun)	1Q14 (Jan-Mar)	Var. %
Comgás	2,824	2,772	1.9%
Rumo	664	689	-3.6%
Cosan Lubricants	204	207	-1.3%
Other Business	3,218	4,893	-34.2%
Total Debt - Cosan	**6,910**	**8,560**	**-19.3%**
Cash and Cash Equivalents and Securities	**(1,516)**	**(1,593)**	**-4.9%**
Net Debt - Cosan	**5,394**	**6,967**	**-22.6%**
Debt - Raízen (50%)	4,356	3,819	14.1%
Cash and Cash Equivalents and Securities - Raízen	(928)	(1,169)	-20.6%
Net Debt - Raízen	3,428	2,650	29.4%
Pro forma Total Debt (including Raízen)	**11,266**	**12,379**	**-9.0%**
Cash and Cash Equivalents and Securities (including Raízen)	**(2,444)**	**(2,762)**	**-11.5%**
Pro forma Net Debt (including Raízen)	**8,822**	**9,617**	**-8.3%**
Preferred non-controlling interests payable	**2,002**	**-**	**n/a**
Pro forma Net Debt	**10,824**	**9,617**	**12.6%**

Maturity[1]



Note (1): Excluding Raízen

Leverage

Using the EBITDA Proforma (LTM) for the period ended June 30, 2014 (R$ 4.1 billion):

Net Debt / EBITDA = **2.6x**

Net Debt

Cosan's Net Debt, totaled R$ 10.8 billion, mainly due to:

- R$ 2.2 billion raised through ACC, BNDES, working capital and others
- R$ 3.1 billion amortization of principal and interest mainly at debentures and Credit Notes using proceeds raised from transaction of preferred shares in subsidiary.

Cash Equivalents

- All debts denominated in foreign currency hedged except for the main Perpetual (US$ 500 mm), issued by Cosan SA in 2010
- R$ 2.4 billion in Cash and Cash Equivalents and Marketable Securities

Guidance 2014

		2014 (jan/2014 - dec/2014)	2014 (jan/2014 - dec/2014) REVIEW 2T14
Cosan Consolidado	Pro forma Net Revenue (R$MM)	37,500 ≤ Δ ≤ 40,500	37,500 ≤ Δ ≤ 40,500
	Pro forma EBITDA (R$MM)	4,150 ≤ Δ ≤ 4,650	4,150 ≤ Δ ≤ 4,650
	Pro forma CAPEX (R$MM)	2,500 ≤ Δ ≤ 2,800	2,500 ≤ Δ ≤ 2,800
Raízen Combustíveis	EBITDA (R$MM)	2,000 ≤ Δ ≤ 2,200	2,000 ≤ Δ ≤ 2,200
	CAPEX (R$MM)	750 ≤ Δ ≤ 850	750 ≤ Δ ≤ 850
Raízen Energia	Volume of Sugar Cane Crushed (thousand tonnes)	61,000 ≤ Δ ≤ 63,000	58,000 ≤ Δ ≤ 60,000
	Volume of Sugar Sold (thousand tonnes)	4,400 ≤ Δ ≤ 4,700	4,200 ≤ Δ ≤ 4,500
	Volume of Ethanol Sold (million liters)	2,300 ≤ Δ ≤ 2,600	2,000 ≤ Δ ≤ 2,200
	Volume of Energy Sold (thousand of MWh)	2,000 ≤ Δ ≤ 2,200	1,950 ≤ Δ ≤ 2,150
	EBITDA (R$MM)	2,300 ≤ Δ ≤ 2,700	2,300 ≤ Δ ≤ 2,700
	CAPEX (R$MM)	2,000 ≤ Δ ≤ 2,200	2,000 ≤ Δ ≤ 2,200
Rumo	Volume of Loading (thousand tonnes)	10,500 ≤ Δ ≤ 12,500	10,500 ≤ Δ ≤ 12,500
	EBITDA (R$MM)	400 ≤ Δ ≤ 450	UNDER REVIEW
	CAPEX (R$MM)	250 ≤ Δ ≤ 300	250 ≤ Δ ≤ 300
Radar	EBITDA (R$MM)	170 ≤ Δ ≤ 200	170 ≤ Δ ≤ 200
Cosan Lubrificantes	Total Volume Sold (million Liters)	270 ≤ Δ ≤ 310	270 ≤ Δ ≤ 310
	EBITDA (R$MM)	140 ≤ Δ ≤ 170	140 ≤ Δ ≤ 170
		2014 (jan/2014 - dec/2014)	2014 (jan/2014 - dec/2014)
Comgás	Number of Clients (thousand)	1,420 ≤ Δ ≤ 1,450	1,420 ≤ Δ ≤ 1,450
	Total Volume of Gas Sold (thousand cbm)	5,200 ≤ Δ ≤ 5,700	5,200 ≤ Δ ≤ 5,700
	EBITDA IFRS (R$MM)	1,300 ≤ Δ ≤ 1,550	1,300 ≤ Δ ≤ 1,550
	CAPEX (R$MM)	680 ≤ Δ ≤ 780	680 ≤ Δ ≤ 780

Subsequent Events

Rumo and ALL Association

- **In 06/18/2014**, was formalized application for approval of the corporate restructuring with ANTT
- **In 07/21/2014**, was formalized application for approval of the corporate restructuring with ANTAQ.
- **In 07/21/2014**, was formalized the merger protocol with CADE
- **In 07/25/2014**, was published the Concentration Act in CADE

Other Events

- **In 08/06/2014**, Cosan S.A. approved its Share Buyback Program
- **In 08/14/2014**, was formalized October 1st 2014 as effective date of the spin-off of Cosan S/A and the creation of Cosan Logistics.

cosan

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