Quarterly Financial Letter

2nd Quarter of Fiscal Year 2009 – August, September and October

Devaluation of the real pushes up operating results

- 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.
- The 2Q'09 was strongly impacted by the hefty devaluation of the Real and its effects on Cosan's exports. Thus, despite the sugar and ethanol stockpiling strategy and the consequent year-on-year reduction in sales volume (5.9% for ethanol and 9.2% for sugar), Cosan recorded net operating revenue of US$383.8 million, 17.0% up on the 2Q'08.
- While ethanol prices remained flat over the 1Q'09 at US$1.66 per gallon, 41.6% up year-on-year, sugar prices increased by 24.7% over the 2Q'08 to an average 13.52 ¢US$/lb.
- As revenue growth was based entirely on higher prices and the behavior of the exchange rate, the impact of the improved operating result was more than proportional. Thus, while 2Q'09 gross profit moved up by 95.9% year-on-year to US$63.6 million, period EBITDA jumped by 183.2% to US$118.5 million, with a margin of 30.9%.

Summary of Financial and Operating Information				
2Q'08	**2Q'09**	**(In millions of U.S. dollars)**	**YTD'08**	**YTD'09**
79.1	74.4	Ethanol Sold (millions of gallons)	142.1	163.8
815.1	739.9	Sugar Sold (thousand tonnes)	1,647.8	1,531.5
328.0	383.8	Net sales	629.3	777.8
32.5	63.6	• Gross profit	45.6	58.7
9.9%	*16.6%*	*Gross Margin*	*7.2%*	*7.5%*
(42.0)	(20.3)	• Operating income (loss)	(91.0)	(114.6)
-12.8%	*-5.3%*	*Operating margin*	*-14.5%*	*-14.7%*
41.9	118.5	• EBITDA	67.6	133.1
12.8%	*30.9%*	*EBITDA Margin*	*10.7%*	*17.1%*
23.8	(163.5)	• Income (loss) before minority interest	26.0	(211.4)
17.7	(114.1)	• Net income (loss)	18.9	(143.4)
5.4%	*-29.7%*	*Profit (loss) Margin*	*3.0%*	*-18.4%*
90.5	146.7	Capex	184.9	316.0
(215.4)	157.4	• Net Debt	(215.4)	157.4
2,242.3	2,463.0	• Shareholders' & Minorities Equity	2,242.3	2,463.0

- Although the devaluation had a substantial positive impact on the operating result, it also led to non-cash adjustments from the restatement of dollar-denominated debt, most of which is perpetual or with a 10-year maturity. Thus, the higher EBITDA was more than offset by exchange-related financial expenses of US$274.5 million, generating a net loss of US$114.1 million, versus net income of US$17.7 million in the 2Q'08.
- Capex totaled US$146.7 million, 62.2% up year-on-year, fueled by progress in Jataí, Cosan's first greenfield project, which is expected to begin operations in the next harvest. Final work on the Bonfim and Gasa co-generation projects also moved ahead, the latter having been completed in the quarter with the initiation of energy billing.

CZZ
LISTED
NYSE

Stock Performance			
	IPO	Out31/08	Dec12/08
CZZ			
Price (US$/Share)	10.50	2.68	2.89
Δ since IPO (%)		-74.5%	-72.5%
Daily Vol. US$MM		9.2	8.5
CZLT11			
Price (R$/BDR)	21.05	6.10	6.99
Δ since IPO (%)		-71.0%	-66.8%
Daily Vol. R$MM		1.2	1.1

Source: NYSE and BOVESPA

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Definitions:

FY'09 - fiscal year begun May 1, 2008 and ending March 31, 2009

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

2Q'09 - quarter ended October 31, 2008

2Q'08 - quarter ended October 31, 2007

YTD'09- period begun on the same date as the FY'09 and ended at the close of the 2Q'09

YTD'08- period begun on the same date as the FY'08 and ended at the close of the 2Q'08

- In terms of capital structure, Cosan closed the 2Q'09 with net debt of US$157.4 million, a negligible amount when set against shareholders' equity and minority interests of US$2.5 billion, and an exceptionally comfortable cash position of US$969.5 million.
- After the close of the quarter, the Company successfully completed the transition period for the acquisition of Esso's Brazilian assets, which are now under Cosan's management. Consequently, the Company's 3Q'09 figures will consolidate the results of fuel and lubricant distribution and sales under the Esso brand throughout Brazil.

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

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EBITDA grows 2.3 times in the wake of the currency devaluation

- Following the guidance revision disclosed on October 9 last, the revenue of Cosan S.A. (BOVESPA: CSAN3) was fueled by the devaluation of the Real, substantially improving the operating results.
- Despite the continuation of the stockpiling strategy and, consequently, the year-on-year reduction in sugar and ethanol sales volume of 10.2% and 7.8% respectively, net operating revenue moved up by 14.0%, including the first revenue from the Gasa electricity co-generation plant. However, the biggest contribution came from the higher average sales prices, fueled by the conversion of dollar prices to Reais. In the 2Q'09, ethanol averaged R$826 per thousand liters, 30.3% up on the 2Q'08 average. Similarly, average sugar prices moved up by 23.4% to R$554/t.
- The reduction in the cost of goods sold was less than the drop in sales volume, due mainly to the increase in depreciation. As a result EBITDA jumped by 131.0% year-on-year to R$175.3 million, while the EBITDA margin more than doubled to 24.5%. EBITDAH (adjusted for price locking and currency hedges) moved up by a less spectacular but nonetheless healthy 24.9%, reaching R$178.3 million, accompanied by an EBITDAH margin of 24.8%.

2Q'08	2Q'09	Financial Highlights (R$MM)	YTD'08	YTD'09
627.5	**715.1**	**Net Operating Revenue**	**1,219.2**	**1,354.7**
76.4	**167.9**	**Gross Profit**	**120.1**	**181.5**
12.2%	*23.5%*	*Gross Margin*	*9.8%*	*13.4%*
75.9	**175.3**	**EBITDA**	**125.4**	**200.0**
12.1%	*24.5%*	*EBITDA Margin*	*10.3%*	*14.8%*
142.7	**178.3**	**EBITDAH (Adjusted by Hedge)**	**276.1**	**248.2**
20.6%	*24.8%*	*EBITDAH Margin*	*20.2%*	*17.7%*
15.2	**(380.7)**	**Net Profit (Loss)**	**28.9**	**(438.8)**
2.4%	*-53.2%*	*Net Margin*	*2.4%*	*-32.4%*

- However, in accounting terms, this exceptional operating result was more than offset by non-cash financial expenses from the impact of the exchange variation on dollar-denominated debt which totaled R$501.4 million, generating a negative bottom-line of R$380.7 million. Of the total negative exchange variation, R$219.5 million came from the US$400 million bond issue maturing in 2017, and R$246.9 million from the US$450 million perpetual bond issue. If we compare future export flows (around US$0.8 billion p.a.) with the gross dollar debt, considering the latter's long-term profile, we can see that export flows are much higher, generating operating gains that are substantially greater than this current non-cash result.

CSAN3 NOVO MERCADO BOVESPA

Stock Performance			
	IPO	Out31/08	Dec12/08
CSAN3			
Price (R$/Share)	16.00	10.55	10.70
Δ since IPO (%)		-34.1%	-33.1%
Daily Vol. R$MM		33.1	32.1

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 2Q'08

A. Market Overview

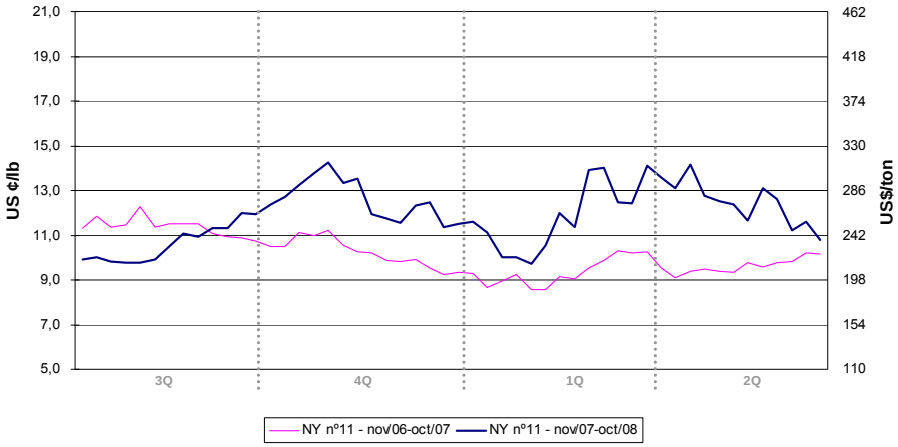
2008/09 harvest nears end with record crushing volume and maintenance of ethanol bias

- According to the latest figures from UNICA, the sugarcane growers' association, crushed cane volume in the Central-South totaled 469 million tonnes by November 30, 12.31% up on the same period in 2007. Period sugar production amounted to 25.36 million tonnes, 0.98% down year-on-year, while ethanol output moved up by 18% to more than 23.08 billion liters. Of this total, hydrous accounted for 15.09 billion liters, 22.5% up year-on-year, and anhydrous reached 8 billion liters, up by 10.63%. Priority was still being given to ethanol, which accounted for 61.92% of crushed cane volume, while sugar accounted for 38.08%. The harvest period is nearing its end and 43 plants had already concluded crushing through November 30, versus 99 in the same period in the previous season.
- The 08/09 harvest recently got under way in India with expectations of a substantial reduction in sugar output. The more conservative estimates point to production of around 21 million tonnes while the more aggressive ones are forecasting 19 million, versus 26 million in the previous season. Consequently, India's exports are likely to be well below the more than 4 million tonnes shipped in the 07/08 harvest, creating more space for Brazil's sugar exports to the Middle East, where it faced strong competition last year.



- International raw sugar prices averaged 12.54 ¢US$/lb in the 2Q'09, 29% up year-on-year and 7.3% up on the 11.68 ¢US$/lb recorded in the 1Q'09. However, it is worth noting that the depreciation of the Real more than offset the international price slide caused by the worsening of the international financial crisis. Raw sugar prices in Reais closed the 2Q'09 at approximately 25.43 ¢R$/lb, 16.51% higher than in the 1Q'09, versus the 7.3% upturn in dollars. This tendency was further intensified recently as a result of the continuous depreciation of the Real, as shown in the adjacent chart.

Raw Sugar Prices - Last 24 Months (NY11)



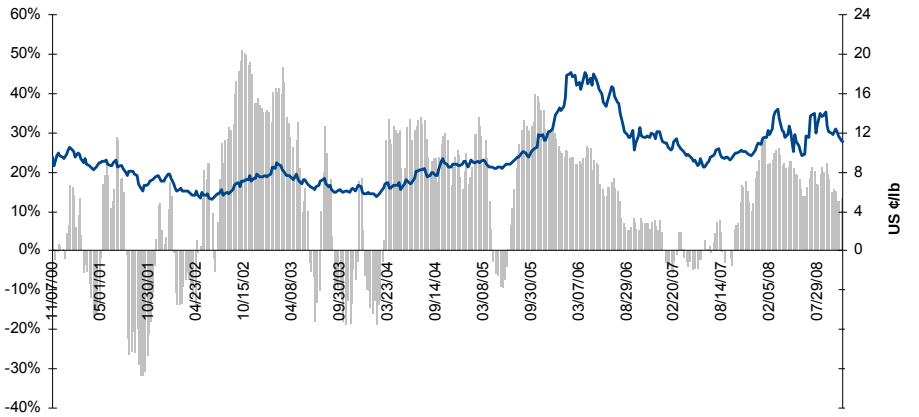
Source: NYBOT

Big reduction in the number of open contracts due to flight from the commodities market

- In the 2Q'09, major hedge funds, plus smaller funds and speculators, maintained the previous quarter's trend, reducing their net long positions by 33%, from 130,000 lots at the beginning of August to around 87,000 at the close of October, equivalent to 14% of all open contracts. It is also worth noting that the number of open contracts fell substantially, from around 780,000 lots to 640,000, a drop of around 18%, higher than the 15% reduction recorded in the previous

quarter. This decline was chiefly due to the increase in the number of redemptions in recent months by holders of shares in commodity funds, especially index funds, which had to liquidate their positions.

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



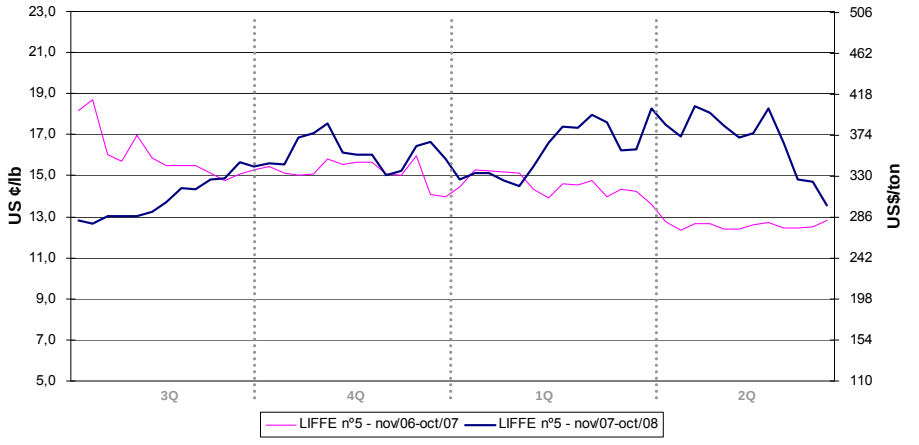
Source: NYBOT & CFTC (Commodities Futures Trading Commission)

- Refined sugar prices on the international market averaged US$369.18/t, 32.4% up on the U$278.73/t recorded in the 2Q'08 and 3.6% higher than the quarter before. The white premium closed the 2Q'09 at U$68/t, 20% down on the 1Q'09.

Strong reduction in international freight charges thanks to the slide in oil prices

- International freight costs dropped sharply as a result of the decline in oil prices and the global credit crisis. The Baltic Exchange Dry Index fell to less than 1,000 points, versus 3,000 in October and a peak of 11,500 in mid-March, fueling Brazilian sugar exports in the past two months, particularly to Southeast Asia which had been primarily supplied by Thailand.

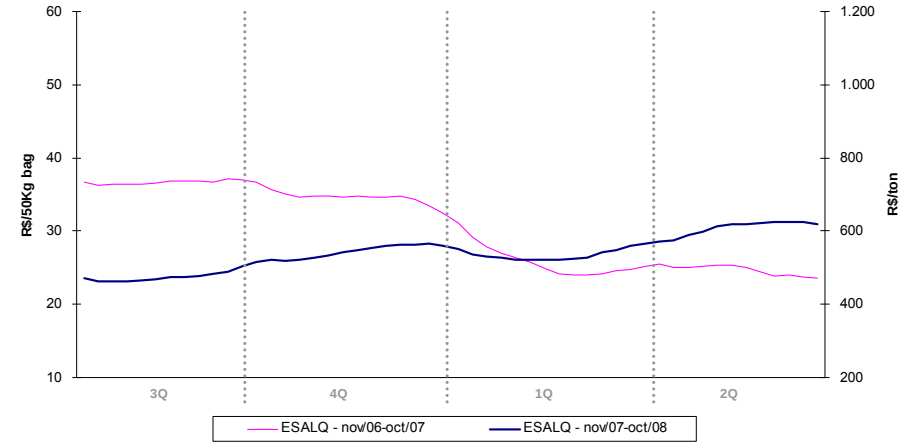
Refined Sugar Prices - Last 24 Months (LIFFE nº 5)



Source: LIFFE

- Domestic crystal sugar prices (ESALQ) averaged R$30.35/50kg bag (or R$606.98/t) in the 2Q'09, versus R$24.71/50kg bag (or R$494.16/t) in the 2Q'08. In relation to the previous quarter, crystal sugar prices moved up by 13.5%.

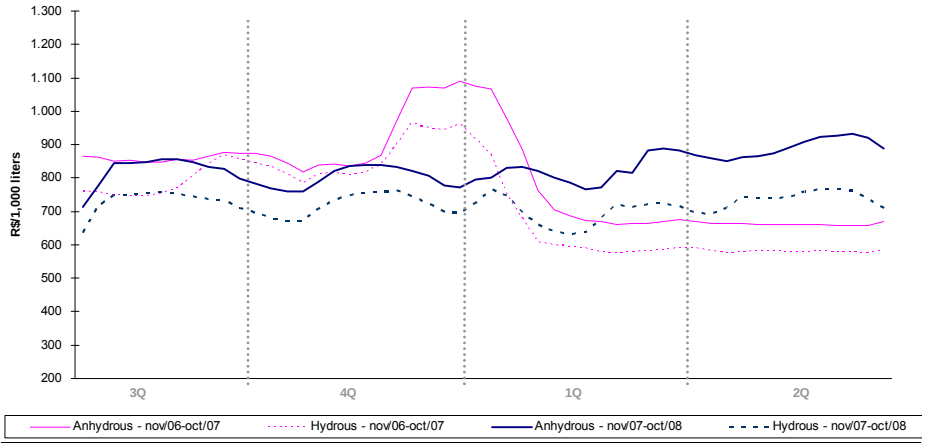
Crystal Sugar Prices - Last 24 Months (ESALQ 50 kg bags)



Source: ESALQ

- Domestic hydrous ethanol prices (ESALQ) averaged R$0.732/liter in the 2Q'09, 26% up on the R$0.581/liter recorded in the same period the year before, while anhydrous prices climbed 34.2% year-on-year to R$0.889/liter. In relation to the previous three months, hydrous moved up by 4.7% and anhydrous by 8.2%.
- The gap between hydrous and anhydrous prices widened in the 2Q'09 and reached more than R$190/$m^3$ in the first week of November. This was due to the huge volume of anhydrous exports in the second half of this year and the heavy harvest rainfall, which favored hydrous output to the detriment of anhydrous.
- Ethanol exports through October totaled 3.4 billion liters, a hefty 74% up year-on-year, led by the US, with 1.2 billion liters, followed by the EU, with 867 million liters, and the CBI countries, with 630 million liters. Exports should reach a new record this harvest, exceeding 4 billion liters.

Ethanol Prices - Last 24 Months (ESALQ)



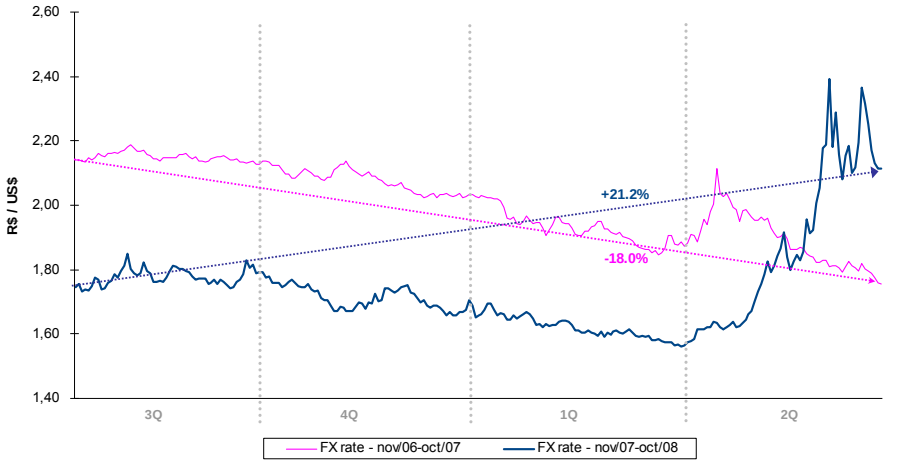
Source: ESALQ

Ethanol remains competitive vis-à-vis gasoline in most Brazilian states

- According to Brazil's National Petroleum Agency (ANP), domestic retail gasoline prices averaged R$2.4780/liter at the end of the 2Q'09, while hydrous ethanol averaged R$1.540/liter, giving a parity of 62.1%. Ethanol prices only exceeded 75% of gasoline prices in four Brazilian states (Amapá, Roraima, Pará and Sergipe). In São Paulo state, the country's largest consumption center, the ratio stood at only 54.5%.

- Ethanol consumption remains buoyant throughout the country. According to the ANP, hydrous consumption moved up 45% year-on-year between January and October, while 2Q'09 sales totaled 5.1 billion liters – 3.5 billion liters of hydrous and 1.6 billion liters of anhydrous – versus 4.9 billion liters of gasoline in the same period last year.
- Flex-fuel vehicle sales through October exceeded the total for the entire year of 2007, reflecting the excellent performance of Brazil's auto manufacturing industry in 2008. However, sales figures for the first half of November are already indicating a strong decline due to the economic uncertainties and the credit squeeze. As a result, the government has allocated R$4 billion to the industry to facilitate financing and prop up sales.
- According to Anfavea, the auto manufacturers' association, new car sales totaled 710,000 units in the 2Q'09, while those of flex-fuel cars exceeded 616,00 units, equivalent to 87% of the total. The current flex-fuel fleet exceeds 7 million vehicles, 27% of the total fleet.

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



Source: BACEN

Depreciation of the Real exceeds 35% in the quarter

- The global financial crisis put an end to the downward price trajectory of the U.S. dollar against the world's other leading currencies. The dollar closed the 2Q'09 at R$2.1153 / US$, 35% up on the end of the previous quarter, and moved up even further thereafter, occasionally exceeding R$2.50 / US$.

B. Operating Performance

- Cosan closed the 2Q'09 with an EBITDAH margin of 24.8%, although the bottom line was still negative due to financial expenses with exchange variation caused by the strong period depreciation of the Real against the U.S. dollar. However, this devaluation also led to a substantial improvement in the quarterly operating result due to better sugar and ethanol prices.

2Q'08	2Q'09	Income Statement (R$MM)	YTD'08	YTD'09
627.5	**715.1**	**Net Operating Revenue**	**1,219.2**	**1,354.7**
(551.1)	(547.1)	Cost of Goods Sold	(1,099.1)	(1,173.2)
(139.0)	*(176.7)*	*with Depreciation & Amortization*	*(264.4)*	*(333.9)*
76.4	**167.9**	**Gross Profit**	**120.1**	**181.5**
12.2%	*23.5%*	*Gross Margin*	*9.8%*	*13.4%*
(91.9)	(88.6)	Selling Expenses	(153.0)	(174.3)
(45.5)	(66.5)	General & Adm. Expenses	(102.5)	(126.2)
(2.0)	(14.2)	Other Operating Expenses	(3.5)	(14.8)
75.9	**175.3**	**EBITDA**	**125.4**	**200.0**
12.1%	*24.5%*	*EBITDA Margin*	*10.3%*	*14.8%*
142.7	**178.3**	**EBITDAH (Adjusted by Hedge)**	**276.1**	**248.2**
20.6%	*24.8%*	*EBITDAH Margin*	*20.2%*	*17.7%*
144.3	(540.8)	Net Financial Expenses	295.2	(453.8)
0.0	1.2	Equity Income	0.1	1.4
(56.6)	(40.4)	Goodwill Amortization	(112.6)	(80.8)
2.3	(15.8)	Other Non-Operat.Result/Extraordinary	5.2	(11.3)
26.9	**(597.1)**	**Profit Before Income Tax**	**49.0**	**(678.4)**
(12.3)	210.0	Income Tax	(21.4)	232.4
0.7	6.5	Minority Interests	1.3	7.3
15.2	**(380.7)**	**Net Profit (Loss)**	**28.9**	**(438.8)**
2.4%	*-53.2%*	*Net Margin*	*2.4%*	*-32.4%*

Quarterly exports boosted by exchange rate

- Following several quarters of appreciation, the Real fell sharply in the 2Q'09. As a result, the revenue share of exports in Reais reversed its previous downward trajectory, increasing from 56.4%, in the 2Q'08, to 70.2%. In terms of product mix, however, there was very little change, with 57.3% of revenue coming from sugar sales, 32.6% from ethanol sales and 10.1% from the sale of other products and services

2Q'08	2Q'09	Sales Composition (R$MM)	YTD'08	YTD'09
627.5	**715.1**	**Net Operating Revenue**	**1,219.2**	**1,354.7**
369.7	409.7	Sugar Revenue	741.5	762.1
65.7	*57.2*	*Local*	*123.0*	*115.1*
304.0	*352.5*	*Export*	*618.5*	*647.0*
193.8	232.8	Ethanol Revenue	362.7	474.6
148.3	*89.3*	*Local*	*268.4*	*249.3*
45.5	*143.5*	*Export*	*94.3*	*225.2*
64.0	72.6	Other Revenue	115.0	118.0
59.8	*66.3*	*Local*	*106.5*	*108.2*
4.2	*6.4*	*Export*	*8.5*	*9.9*

- Sugar sales in the 2Q'09 grew by 10.8%, with domestic sales recording a decline and exports moving up. This result was achieved despite a 10.2% year-on-year reduction in sales volume to 739.900t, thanks to the substantial increase in prices. The combined effect of the appreciation of the Real and the market price hikes pushed up sugar prices to an average R$554/t (12.54 ¢US$/lb), 23.4% up on the R$449/t (9.72 ¢US$/lb) recorded in the 2Q'08. Sugar inventories closed the 2Q'09 at 1,173 thousand tones, 6.6% up year-on-year.

Inventories		
Sugar	2Q'08	2Q'09
000 ton	1,100.8	1,173.0
R$'MM	411.6	459.3
R$/ton	374	392

2Q'08	2Q'09	Sugar Business	YTD'08	YTD'09
		Volume Sold (thousand tons)		
823.9	739.9	Total Local & Export	1,666.0	1,531.5
130.2	92.2	*Local*	234.5	196.4
693.7	647.7	*Export*	1,431.6	1,335.1
		Average Unit Price (R$/ton)		
449	554	Total Local & Export	445	498
505	620	*Local*	525	586
438	544	*Export*	432	485

Ethanol exports exceed domestic sales for the first time

- Ethanol revenue climbed by 20.1%, leveraged by record exports. For the first time, foreign sales exceeded domestic sales, accounting for 61.6% of the total, a massive year-on-year upturn of 215.4%. As with sugar, this outstanding result was generated thanks to higher prices, given that sales volume fell by 7.8% to 281.7 million liters, leading to closing stocks of 817.8 million liters, 14.1% up on the end of the 2Q'08. Thanks to the exchange rate and domestic anhydrous prices, ethanol averaged R$826 per 1,000 liters, 30.3% higher than the 2Q'08 average.

Inventories		
Ethanol	**2Q'08**	**2Q'09**
000 m³	716.8	817.8
R$'MM	424.7	547.2
R$/m³	593	669

2Q'08	2Q'09	Ethanol Business	YTD'08	YTD'09
		Volume Sold (million liters)		
305.6	281.7	Total Local & Export	550.6	620.2
242.4	114.3	*Local*	416.9	337.9
63.2	167.4	*Export*	133.7	282.3
		Average Unit Price (R$/thousand liters)		
634	826	Total Local & Export	659	765
612	781	*Local*	644	738
720	857	*Export*	705	798

- Revenue from other products and services totaled R$72.6 million, 13.5% up on the R$64.0 million recorded in the 2Q'08. Growth was mainly fueled by R$6.1 million in energy sales by the Gasa unit's new company-generation plant.

Stable COGS, with lower volume offset by higher unit cost

- The cost of goods sold and services rendered dipped by 0.7% to R$547.1 million, mainly due to lower sales volume (-9.1% in sugar-equivalent terms compared with the 2Q'08), despite pressure from the 7.2% unit cost increase.
- Most of the latter variation came from the 3.9% reduction in sucrose content (ATR) in cane production, from 143.7 kg per tonne of cane in the 07/08 harvest to 138.7 kg/t in the 08/09 season. In addition, the price of the ATR acquired from third parties moved up by 6.0%, from R$0.2420/kg at the end of October 2008 to R$0.2566/kg at the close of the 2Q'09, due to the increase in the Consecana price caused by the recovery of sugar and ethanol prices. This raised total cane costs by 3%, from R$ 44.92/t to R$46.31/t.
- Another important factor was the reduction in processed cane volume from 17.6 million tonnes to 16.8 million, chiefly due to more time lost to rain in the 2Q'09.

2Q'08	2Q'09	COGS per Product	YTD'08	YTD'09
(551.1)	**(547.1)**	**Cost of Good Sold (R$MM)**	**(1,099.1)**	**(1,173.2)**
(310.6)	(299.2)	Sugar	(663.5)	(639.7)
(190.9)	(189.4)	Ethanol	(354.8)	(432.1)
(49.6)	(58.5)	Other Products/Services	(80.8)	(101.4)
		Average Unit Cost (R$)		
377	404	Unit COGS of Sugar (R$/ton)	398	418
625	672	Unit COGS of Ethanol (R$/thousand liters)	644	697
n.a.	n.a.	Unit COGS of Other Produtcs/Services	n.a.	n.a.

Selling expenses move up due to higher ethanol exports

- Selling expenses totaled R$88.6 million, 3.6% down year-on-year. In unit sugar-equivalent terms, however, this corresponds to R$73/t, 6.0% up on the R$69/t recorded in the 2Q'08, basically due to the alteration in the ethanol sales mix from 80:20 in favor of the domestic market in the 2Q'08 to 60:40 in favor of the export market in the 2Q'09. As a result, ethanol export logistics expenses played a major role in increasing the unit cost of freight to the port by R$60/$m^3$ and port loading costs by R$21.7/$m^3$.

2Q'08	2Q'09	Selling Expenses	YTD'08	YTD'09
(91.9)	(88.6)	Expenses (R$MM)	(153.0)	(174.3)
1,328.4	1,207.7	Volume (10³ tons of sugar-equivalent)	2,574.6	2,559.9
69	73	Unitary Expense (R$/ton)	59	68

- G&A expenses totaled R$66.5 million in the 2Q'09, representing 9.3% of net revenue, 49.9% up on the R$45.5 million recorded in the 2Q'08, chiefly due to the hiring of the entire cane-cutting workforce directly by Cosan under the CLT (registered salary) system, thereby cutting out sub-contractors; and improvements to the Company's IT and telecommunications systems.

2Q'08	2Q'09	General & Administrative Expenses	YTD'08	YTD'09
(45.5)	(66.5)	Expenses (R$MM)	(102.5)	(126.2)
1,328.4	1,207.7	Volume (10^3 tons of sugar-equivalent)	2,574.6	2,559.9
34	55	Unitary Expense (R$/ton)	40	49

- Other operating expenses amounted to R$14.2 million, mainly non-cash provisions for tax contingencies.

Exchange variation influences the 2Q'09 financial result

- The Company posted a negative net financial result, chiefly due to the big devaluation of the Real against the US dollar. The resulting restatement of dollar-denominated debt generated exchange losses of around R$501.4 million, versus revenue of R$146.0 million in the 2Q'08.

2Q'08	2Q'09	Financial Expenses, Net (R$MM)	YTD'08	YTD'09
(55.0)	(43.2)	Interest on Financial Debt	(110.5)	(81.0)
20.8	27.0	Financial Investments Income	44.1	47.0
(34.2)	**(16.1)**	**Sub-total: Interest on Net Financial Debt**	**(66.4)**	**(34.1)**
2.8	(25.8)	Other interest and monetary variation	(20.9)	(67.4)
146.0	(501.4)	Exchange Variation	274.5	(399.8)
66.8	3.0	Gains (losses) with Derivatives	150.6	48.2
(18.5)	(0.4)	CPMF Taxes, Banking Fees and Other	(24.1)	(0.8)
(30.2)	-	Premium Paid in Bond Tender Offer	(30.2)	-
11.5	-	Interest on Indemnity from Government	11.5	-
144.3	**(540.8)**	**Net Financial Expenses**	**295.2**	**(453.8)**

- Unlike in the 2Q'08, derivative transactions only made a very limited contribution to financial revenue. Commodity derivatives generated gains of R$17.5 million, versus gains of R$56.9 million last year, while FX derivatives generated losses of R$14.5 million, versus gains of R$40.1 million in the 2Q'08. In addition, in the 2Q'08 the Company recorded losses of R$30.1 million in derivatives from the accounting reclassification, subsequently adjusted in the 3Q'08.

Pricing Derivatives - NY11		
Screen	'000 t	¢/lb
Oct'08	150.2	12.46
Mar'09	360.1	14.71
May'09	433.5	12.69
Jul'09	42.3	14.77
Oct'09	144.3	14.98
Total	**1,130.4**	**13.68**

FX Derivatives		
Quarter	'US$MM	R$/US$
3Q'09	(265.5)	2.01
4Q'09	343.1	1.94
1Q'10	65.8	1.93
2Q'10	64.0	2.06
3Q'10	25.0	2.06
4Q'10	1.0	2.01
Total	**233.4**	**1.90**

- At the close of the 2Q'09, Cosan had 1,130.4 thousand tonnes of VHP sugar tied to the NY11, hedged at an average price of 13.68 ¢US$/lb, position that, marked-to-market, results in an estimated positive value of R$84.9 million. It also had US$233.4 million hedged at an average exchange rate of R$1.90/US$, with an estimated negative market value of R$97.9 million. This includes a US$694.8 million short position at an average price of R$1.93/US$ and an estimated negative market value of R$196.5 million, to protect future export flows, and a US$461.2 million long position at an average price of R$1.95 and an estimated positive market value of R$98.6 million to settle dollar-denominated debt, especially that related to the Esso acquisition.
- The increase in expenses from other interest and monetary variations on contingent and fiscal liabilities chiefly reflected the above-mentioned R$30.1 million accounting reclassification of derivative losses in the 2Q'08, subsequently corrected in the 3Q08.
- Expenses from goodwill amortizations fell by 28.6% in line with the amortization schedules in the financial statements. The positive income and social contribution tax result reflected the appropriation of tax credits, chiefly on exchange expenses which contaminated the result.
- All in all, Cosan recorded a 2Q'09 net loss of R$380.7 million. However, it is worth noting that this figure includes R$501.4 million in losses from the impact of

the exchange variation on dollar-denominated debt, most of which long-term or perpetual, which had no effect on the Company's cash.

C. Financial Situation

- The Company closed the 2Q'09 with gross financial debt of R$2,400.3 million, well above the R$1,778.0 million reported at the end of the 2Q'08, chiefly due to the 21.3% year-on-year increase in the end-of-period exchange rate, BNDES funding to finance the co-generation programs and advances on export contracts (ACCs) to strengthen liquidity. However, net debt, taking cash and cash equivalents into consideration, fell by 48.8%, from R$1,636.4 million, in the 2Q'08, to R$837.5 million.

Debt per Type (R$MM)	2Q'08	%	2Q'09	%	Var.
BNDES	-	-	191.7	*8.0*	191.7
Senior Notes 2009	71.4	*4.0*	75.7	*3.2*	4.4
Senior Notes 2017	709.7	*39.9*	860.8	*35.9*	151.1
Perpetual Notes	800.2	*45.0*	970.6	*40.4*	170.4
FX Advances	-	-	127.6	*5.3*	127.6
Finame (BNDES)	12.5	*0.7*	10.1	*0.4*	(2.3)
Working Capital	38.6	*2.2*	28.5	*1.2*	(10.1)
IFC	114.2	*6.4*	116.0	*4.8*	1.8
Pre-Export Contracts	31.5	*1.8*	19.3	*0.8*	(12.2)
Promissory Notes	-	-	-	-	-
Gross Debt	**1,778.0**	***100.0***	**2,400.3**	***100.0***	**622.3**
Cash & Marketable Securities	141.6	*8.0*	1,562.8	*65.1*	1,421.2
Net Debt	**1,636.4**	***92.0***	**837.5**	***34.9***	**(798.9)**

- Thanks to the two new funding operations (BNDES loan and the ACCs), the profile of the debt changed, with the short-term portion increasing to 12.4% at the close of the quarter, although still low. Most of the debt was still dollar-denominated, but the Real-indexed portion moved up due to the BNDES funding.

Debt Profile (R$MM)	2Q'08	%	2Q'09	%	Var.
Total Debt	**1,778.0**	***100.0***	**2,400.3**	***100.0***	**622.3**
Short-Term	99.6	*5.6*	298.6	*12.4*	199.1
Long-Term	1,678.5	*94.4*	2,101.7	*87.6*	423.2
Real - R$	51.1	*2.9*	357.9	*14.9*	306.8
Dollar - US$	1,726.9	*97.1*	2,042.4	*85.1*	315.5

D. Investments

- Cosan's 2Q'09 operating capex totaled R$304.7 million, 122.8% up year-on-year. Non-operating investments came to R$19.9 million, primarily R$15.4 million in deferred assets from pre-operating expenses in the bioenergy facilities, in Jataí, and in preparations for the acquisition of Esso.

2Q'08	2Q'09	Capex (R$MM)	YTD'08	YTD'09
0.3	4.4	New Investments, including Goodwill	4.2	5.2
0.4	15.4	Deferred Charges & Other	0.6	26.9
49.6	24.6	Sugar Cane Planting Costs	105.8	79.5
26.5	127.3	Co-generation Projects	54.0	168.9
-	14.7	Inter-harvest Maintenance Costs	3.6	14.7
60.6	138.1	Investments in P,P&E	143.8	294.9
137.5	**324.6**	**Capex**	**311.9**	**590.1**
136.8	**304.7**	**Operating Capex**	**307.1**	**558.1**

- The Company reduced its new planted area to 5,739 hectares, 52% less than in the 1Q'08; consequently, planting capex fell from R$49.8 million to R$ 24.6 million in the same period.
- Co-generation absorbed R$128.9 million, most of which went to the Gasa and Bonfim units. The Gasa plant already sold energy during the quarter, generating revenue of R$6.1 million. Cosan is finalizing the Costa Pinto, Rafard, Bonfim and Gasa projects and is planning the initiation of investments in Diamante, Univalem and Barra, all of which already have energy sale contracts.
- Inter-harvest maintenance costs refer to the advanced purchase of equipment to be used for industrial maintenance in the inter-harvest period beginning in January 2009. These acquisitions were brought forward in order to prevent possible equipment delivery delays and a subsequent postponement of the beginning of the next harvest as well as to reduce the risk of crushing stoppages due to lack of maintenance. In addition, thanks to the state of the market, purchase bargaining conditions were exceptionally favorable.
- Investments in fixed assets included R$113.3 million in the Jataí greenfield project, corresponding to the initiation of the electro-mechanical assembly work and the advanced stage of construction. By the close of the quarter, the project had absorbed a total of R$275.5 million.
- Other important investments included: (i) R$8.0 million in the conclusion of new ethanol tankage assets in Ipaussu, Bonfim, Barra and Gasa; (ii) R$3.0 million in the construction of pipelines to carry vignasse to the plantations for environmental reasons and to reduce dependence on fertilizers; (iii) R$8.6 million in mechanization, including new harvesters, tractors, implements and trucks for agricultural operations in the various units; (iv) the conclusion of the installation of a boiler in Univalem, allowing the supply of steam to third parties (fixed client and contracted steam); and (v) the renewal and upgrading of fermentation tanks in Univalem, reducing process costs and losses.

E. Material Facts

- In the 2Q'09, the Company entered into 7 new energy trading contracts through its Gasa, Bonfim, Barra, Jataí, Univalem, Diamante and Paraúna units. These biomass co-generation contracts will last for 15-years and were established by bilateral agreements and through energy auctions held by the federal government. Including previous contracts by the Costa Pinto, Rafard and Bonfim units, the total volume of energy contacted from the Company comes to approximately 28,000,000 MWh, equivalent to around R$ 4.3 billion at current values.
- On December 1, 2008, Cosan became the first integrated renewable energy company by finalizing the acquisition of Esso Brasileira de Petróleo Ltda. ("Essobrás"), which holds the marketing and distribution of fuels and production and marketing of lubes and specialties assets of ExxonMobil in Brazil. Ranked among the four largest fuel distribution companies in Brazil, Essobrás has a nationwide network of more than 1,500 gas stations and 40 distribution centers and annual sales of more than 5 billion liters of ethanol, gasoline and diesel, 160 million m^3 of VNG and 127,000 ^{m3} of lubricants. The acquisition was concluded through the payment of US$ 715 million to ExxonMobil International Holdings B.V., which retained 100% of the companies holding ExxonMobil's downstream assets in Brazil, plus the assumption of US$ 175 million in debt.
- In order to finance the acquisition of Esso Brasileira Petróleo Ltda., on September 19 a stand-by loan of US$ 500 million from Banco Bradesco S.A. was approved (in R$ equivalent). The funds were accessed through a public

issue of commercial promissory notes in the amount of R$ 1.1 billion, entirely subscribed by the agent bank at the rate of DI + 3% p.a. for 360 days.

- On September 19, the Company announced a Cosan S.A. capital increase in the amount of R$ 880 million through the issue of 55,000,000 new shares at R$ 16.00 each. In addition, subscribers were granted 1 subscription bonus for each new share subscribed, entitling their holders the right to subscribe to 0.6 common shares each up to the end of 2009. On the same date, Cosan Limited declared its intention of subscribing all the shares, respecting minority interests. The issue was wound up on November 10, Cosan Limited having subscribed 54,993,482 shares, equivalent to R$ 879,895,712.00. Minority shareholders manifesting an interest in subscribing to the unsubscribed shares could, together with Cosan Limited, increase their holdings in the Company.
- In October, a private subscription was announced involving US$ 50 million by the controlling shareholder, Rubens Ometto Silveira Mello, and up to US$ 150 million by the funds managed by Gávea Investimentos Ltda, at US$ 4.50 per class A share or BDR subscribed. The offering was extended to all class A share or BDR holders, respecting the respective legislation of each jurisdiction. The offering was concluded on October 27, with the issue of 44,444,529 new class A shares and/or BDRs subscribed by the Gávea funds, Rubens Ometto Silveira Mello and other class A share and/or BDR holders. As a result, the controlling group retained 41.5% of the Company's total capital and 86.1% of its voting capital. The proceeds from the placement will be used to strengthen the Cosan group's capital structure, providing a platform for its expansion projects, possible future acquisitions and other corporate ends.

F. Guidance for the FY'09

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

- ***Also excluded is the anticipation of the end of Cosan's fiscal year to March 31 approved by the Annual and Extraordinary General Meeting of 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%, 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	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	Oct'08 2Q'09
Gross Operating Revenue	**2,702.4**	**3,902.9**	**2,978.6**	**1,048.5**	**755.4**	**636.4**	**678.3**	**747.5**	**916.4**	**692.7**	**760.1**
(-) Sales Taxes and Deductions	(224.5)	(297.8)	(242.5)	(77.7)	(73.3)	(44.7)	(50.8)	(73.5)	(73.4)	(53.1)	(45.0)
(=) Net Operating Revenue	**2,477.9**	**3,605.1**	**2,736.2**	**970.8**	**682.1**	**591.7**	**627.5**	**674.0**	**843.0**	**639.6**	**715.1**
(-) Cost of Goods Sold and Services Rendered	(1,721.3)	(2,481.1)	(2,387.1)	(680.2)	(511.8)	(548.0)	(551.1)	(594.4)	(693.6)	(626.0)	(547.1)
(=) Gross Profit	**756.6**	**1,123.9**	**349.0**	**290.6**	**170.3**	**43.7**	**76.4**	**79.6**	**149.4**	**13.6**	**167.9**
Margin	*30.5%*	*31.2%*	*12.8%*	*29.9%*	*25.0%*	*7.4%*	*12.2%*	*11.8%*	*17.7%*	*2.1%*	*23.5%*
(-) Operating Income (Expenses):	**(819.1)**	**(558.6)**	**(428.0)**	**(196.7)**	**98.9**	**(24.6)**	**(51.8)**	**(186.1)**	**(165.5)**	**(99.4)**	**(771.3)**
(-) Selling	(217.1)	(282.0)	(301.3)	(71.2)	(75.2)	(61.1)	(91.9)	(73.4)	(74.9)	(85.7)	(88.6)
(-) General and Administrative	(150.0)	(246.2)	(210.2)	(52.8)	(97.7)	(57.0)	(45.5)	(49.9)	(57.7)	(59.7)	(66.5)
(-) Financial Income (Expenses), Net	(245.2)	158.0	284.3	(17.6)	333.6	150.8	144.3	(11.9)	1.0	86.9	(540.8)
(±) Earnings (Losses) on Equity Investments	0.6	(0.1)	6.6	0.1	(0.5)	0.1	0.0	0.1	6.4	0.2	1.2
(-) Goodwill Amortization	(142.8)	(223.7)	(201.4)	(55.9)	(55.9)	(56.0)	(56.6)	(48.2)	(40.6)	(40.4)	(40.4)
(±) Other Operating Income (Expenses), Net	(11.8)	35.3	(6.0)	0.7	(5.4)	(1.5)	(2.0)	(2.7)	0.3	(0.6)	(14.2)
(-) Expenses with Placement of Shares	(52.8)	-	-	-	-	-	-	-	-	-	(22.1)
(=) Operating Income (Loss)	**(62.5)**	**565.3**	**(79.0)**	**93.9**	**269.1**	**19.1**	**24.6**	**(106.6)**	**(16.1)**	**(85.8)**	**(603.4)**
Margin	*-2.5%*	*15.7%*	*-2.9%*	*9.7%*	*39.5%*	*3.2%*	*3.9%*	*-15.8%*	*-1.9%*	*-13.4%*	*-84.4%*
(±) Non-operating Result, Net	(1.0)	2.0	10.0	0.1	0.4	3.0	2.3	1.1	3.7	4.5	6.2
(=) Income (Loss) before Taxes	**(63.5)**	**567.3**	**(69.0)**	**94.0**	**269.5**	**22.1**	**26.9**	**(105.5)**	**(12.4)**	**(81.3)**	**(597.1)**
(±) Income and Social Contribution Taxes	5.8	(203.9)	18.7	(30.0)	(102.5)	(9.0)	(12.3)	33.5	6.6	22.4	210.0
(±) Minority Interest	(6.9)	(6.2)	2.5	(0.6)	(2.3)	0.6	0.7	0.6	0.5	0.8	6.5
(=) Net Income (Loss) for the Year	**(64.6)**	**357.3**	**(47.8)**	**63.4**	**164.7**	**13.7**	**15.2**	**(71.4)**	**(5.3)**	**(58.1)**	**(380.7)**
Margin	*-2.6%*	*9.9%*	*-1.7%*	*6.5%*	*24.2%*	*2.3%*	*2.4%*	*-10.6%*	*-0.6%*	*-9.1%*	*-53.2%*
● **EBITDA**	**517.7**	**928.0**	**172.9**	**197.9**	**128.4**	**49.5**	**75.9**	**1.3**	**46.2**	**24.7**	**175.3**
Margin	*20.9%*	*25.7%*	*6.3%*	*20.4%*	*18.8%*	*8.4%*	*12.1%*	*0.2%*	*5.5%*	*3.9%*	*24.5%*
● **EBITDAH (Ebitda adjusted by Hedge)**	**308.6**	**853.7**	**397.8**	**233.2**	**136.4**	**133.3**	**142.7**	**94.4**	**27.3**	**69.9**	**178.3**
Margin	*13.6%*	*24.2%*	*13.4%*	*23.2%*	*19.8%*	*19.7%*	*20.6%*	*12.3%*	*3.3%*	*10.2%*	*24.8%*
● Depreciation & Amortization	139.9	297.0	341.3	30.6	136.5	125.4	139.0	47.8	29.1	157.2	176.7

Balance Sheet (In million of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	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	Oct'08 2Q'09
Cash and Cash Equivalents	61.0	643.8	65.8	976.8	643.8	579.0	135.1	115.7	65.8	90.4	134.6
Marketable Securities	770.5	573.3	944.2	303.7	573.3	237.4	6.5	1,332.5	944.2	543.5	1,428.2
Derivative Financial Instruments	288.6	37.6	86.5	8.5	37.6	94.0	3.6	67.3	86.5	88.4	8.8
Trade Accounts Receivable	212.6	112.3	215.2	212.1	112.3	140.4	107.3	105.4	215.2	115.5	215.9
Inventories	390.8	503.4	570.5	857.9	503.4	790.2	1,194.8	1,019.7	570.5	905.6	1,439.9
Advances to Suppliers	132.7	211.4	226.1	184.0	211.4	308.6	304.5	243.1	226.1	252.3	287.0
Related Parties	0.0	-	16.3	0.1	-	-	-	-	16.3	1.1	26.5
Deferred Income and Social Contribution Taxes	41.4	38.1	-	144.9	38.1	26.9	24.2	26.0	-	-	-
Other Assets	115.7	104.9	158.8	121.7	104.9	94.2	75.1	79.7	158.8	143.2	200.0
Current Assets	**2,013.4**	**2,224.7**	**2,283.6**	**2,809.6**	**2,224.7**	**2,270.8**	**1,851.1**	**2,989.4**	**2,283.6**	**2,140.0**	**3,740.9**
Accounts Receivable from Federal Government	-	318.4	342.2	-	318.4	318.4	331.4	339.2	342.2	342.2	342.2
CTN's-Restricted Brazilian Treasury Bills	104.9	123.3	151.7	119.2	123.3	127.8	135.9	144.9	151.7	164.8	170.9
Deferred Income and Social Contribution Taxes	361.8	242.5	357.0	214.0	242.5	261.6	277.1	297.9	357.0	386.7	571.9
Other Assets	99.5	112.4	201.7	113.0	112.4	108.1	105.8	151.8	201.7	212.3	217.6
Investments	13.4	93.2	120.3	13.7	93.2	13.8	13.9	14.0	120.3	124.2	129.2
Property, Plant and Equipment	1,656.4	2,013.1	2,771.4	1,732.1	2,013.1	2,076.7	2,070.3	2,293.3	2,771.4	2,864.7	2,993.2
Goodwill	1,353.0	1,133.2	1,160.7	1,189.1	1,133.2	1,146.6	1,090.2	1,042.4	1,160.7	1,115.6	1,074.5
Deferred Charges	2.3	2.6	4.9	2.2	2.6	3.2	3.6	3.7	4.9	18.0	33.4
Permanent Assets	**3,591.3**	**4,038.6**	**5,109.9**	**3,383.2**	**4,038.6**	**4,056.2**	**4,028.1**	**4,287.1**	**5,109.9**	**5,228.5**	**5,532.9**
(=) Total Assets	**5,604.8**	**6,263.4**	**7,393.5**	**6,192.8**	**6,263.4**	**6,327.0**	**5,879.2**	**7,276.4**	**7,393.5**	**7,368.5**	**9,273.7**
Loans and Financings	68.8	89.0	83.3	75.9	89.0	116.5	105.1	74.9	83.3	66.4	301.7
Derivatives Financial Instruments	65.4	35.5	41.9	2.5	35.5	48.0	31.2	20.5	41.9	13.1	105.3
Trade Accounts Payable	201.7	113.8	191.0	197.2	113.8	315.2	373.3	196.3	191.0	331.6	492.0
Salaries Payable	49.7	63.3	80.7	37.5	63.3	91.7	113.4	51.7	80.7	119.0	143.0
Taxes and Social Contributions Payable	111.1	126.2	116.1	114.8	126.2	131.5	101.0	93.3	116.1	115.0	109.7
Advances from Customers	79.2	49.4	26.3	83.2	49.4	41.0	28.7	30.0	26.3	25.5	32.1
Promissory Notes	55.8	1.3	-	3.7	1.3	1.3	-	-	-	-	-
Related Parties	0.1	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	27.2	107.2	87.3	12.3	8.3	32.9	17.5	26.6
Current Liabilities	**670.0**	**591.7**	**577.7**	**547.5**	**591.7**	**838.1**	**770.5**	**480.5**	**577.7**	**693.4**	**1,215.8**
Loans and Financing	2,002.7	2,770.4	2,136.2	2,868.7	2,770.4	2,591.1	2,178.8	2,196.8	2,136.2	2,047.9	2,679.3
Taxes and Social Contributions Payable	446.9	338.5	359.3	346.2	338.5	336.5	345.0	340.1	359.3	351.5	346.1
Promissory Notes	12.7	-	-	-	-	-	-	-	-	-	-
Provision for Contingencies	907.4	728.0	832.4	717.4	728.0	741.0	757.5	775.3	832.4	849.8	873.1
Advances from Customers	86.9	49.5	-	42.5	49.5	15.6	14.5	-	-	-	-
Deferred Taxes on Revaluation Reserves	40.8	33.4	27.6	35.4	33.4	30.9	28.3	27.4	27.6	24.5	21.9
Other Liabilities	67.9	100.6	116.8	62.4	100.6	109.6	105.9	107.0	116.8	116.8	116.5
Noncurrent Liabilities	**3,565.4**	**4,020.4**	**3,472.3**	**4,072.5**	**4,020.4**	**3,824.7**	**3,429.9**	**3,446.7**	**3,472.3**	**3,390.5**	**4,037.0**
Minority Shareholders' Interest	**14.0**	**20.2**	**17.7**	**17.9**	**20.2**	**19.6**	**18.9**	**18.2**	**17.7**	**17.0**	**258.1**
Capital	1,185.8	1,192.7	2,935.3	1,192.7	1,192.7	1,192.7	1,192.7	2,935.3	2,935.3	2,935.3	3,815.3
Profits Reserve	-	227.3	180.2	-	227.3	227.3	227.3	227.3	180.2	180.2	180.2
Legal Reserve	-	16.0	16.0	-	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Stock in Treasury											(4.2)
Revaluation Reserves	195.9	195.0	194.4	195.2	195.0	194.7	194.5	194.4	194.4	194.2	193.8
Accumulated losses	(26.2)	-	-	167.0	-	13.9	29.4	(41.9)	-	(57.9)	(438.2)
Shareholders' Equity	**1,355.4**	**1,631.0**	**3,325.8**	**1,554.9**	**1,631.0**	**1,644.7**	**1,659.9**	**3,331.1**	**3,325.8**	**3,267.7**	**3,762.8**
(=) Total Liabilities & Shareholders' Equity	**5,604.8**	**6,263.4**	**7,393.5**	**6,192.8**	**6,263.4**	**6,327.0**	**5,879.2**	**7,276.4**	**7,393.5**	**7,368.5**	**9,273.7**

Cash Flow Statement (In millions of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	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	Oct'08 2Q'09
Net Income (Loss) for the Year	**(64.6)**	**357.3**	**(47.8)**	**63.4**	**164.7**	**13.7**	**15.2**	**(71.4)**	**(5.3)**	**(58.1)**	**(380.7)**
Non-cash Adjustments:											
Earnings (Losses) from Equity Investments	(0.6)	0.1	(6.6)	(0.1)	0.5	(0.1)	(0.0)	(0.1)	(6.4)	(0.2)	(1.2)
Depreciation & Amortization	139.9	297.0	341.3	30.6	136.5	125.4	139.0	47.8	29.1	157.2	176.7
Residual Value of Permanent Assets Disposals	6.7	8.4	11.0	1.0	3.8	2.6	4.2	0.1	4.1	2.8	3.0
Goodwill Amortization	142.8	223.7	201.4	55.9	55.9	56.0	56.6	48.2	40.6	40.4	40.4
Accrued Financial Expenses	48.7	(190.6)	(116.0)	65.0	(344.9)	(103.0)	(63.2)	87.5	(37.2)	(26.2)	572.0
Other Non-cash Items	(25.6)	119.7	(52.7)	(7.3)	117.0	(9.9)	(17.0)	(17.6)	(8.2)	(24.5)	(181.7)
(=) Adjusted Net Profit (Loss)	**247.4**	**815.5**	**330.7**	**208.4**	**133.5**	**84.5**	**134.8**	**94.5**	**16.8**	**91.4**	**228.4**
(±) Decrease (Increase) in Assets	(366.5)	165.0	(352.8)	356.6	342.1	(441.8)	(272.1)	31.9	329.2	(251.0)	(659.2)
(±) Increase (Decrease) in Liabilities	51.7	(313.0)	2.9	(264.3)	(20.6)	217.1	(34.6)	(184.5)	4.9	113.8	271.6
(=) Cash Flow from Operating Activities	**(67.4)**	**667.5**	**(19.2)**	**300.7**	**455.1**	**(140.2)**	**(171.8)**	**(58.1)**	**350.9**	**(45.8)**	**(159.1)**
Marketable Securities	(766.6)	197.2	(361.8)	42.0	(269.6)	338.7	230.9	(1,326.0)	394.6	400.8	(884.7)
Goodwill Paid in Equity Investment Acquisitions	(536.1)	(3.7)	-	-	-	(1.8)	(0.3)	(0.4)	2.5	3.0	(0.7)
Acquisition of Investments	-	(80.0)	(169.6)	(0.0)	(80.0)	(2.1)	-	(0.0)	(167.5)	(3.8)	(3.8)
Acquisition of Property, Plant and Equipment	(208.9)	(683.5)	(1,050.5)	(111.2)	(365.1)	(170.3)	(136.8)	(270.8)	(472.6)	(253.3)	(304.7)
Additions to Deferred Charges and Other	0.2	(0.6)	(2.6)	(0.0)	(0.4)	(0.1)	(0.4)	(0.2)	(1.8)	(11.5)	(15.4)
(=) Cash Flow from Investment Activities	**(1,511.4)**	**(570.7)**	**(1,584.5)**	**(69.3)**	**(715.1)**	**164.3**	**93.4**	**(1,597.4)**	**(244.8)**	**135.2**	**(1,209.3)**
Additions of Debt	1,878.8	854.7	198.3	852.1	(47.0)	1.9	8.8	213.0	(25.5)	3.0	315.8
Payments of Principal and Interest on Debt	(1,159.9)	(375.6)	(839.4)	(170.3)	(25.9)	(97.7)	(370.0)	(319.6)	(52.2)	(67.8)	(26.7)
Capital Increase	885.8	6.9	1,742.6	6.9	-	-	-	1,742.6	-	-	880.0
Treasury Stock	-	-	-	-	-	-	-	-	-	-	(4.2)
Capital Increase at subsidiaries	-	-	-	-	-	-	-	-	-	-	247.7
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**	**688.7**	**(72.9)**	**(88.9)**	**(365.5)**	**1,636.0**	**(155.9)**	**(64.8)**	**1,412.6**
(=) Total Cash Flow	**25.8**	**582.8**	**(578.0)**	**920.1**	**(333.0)**	**(64.8)**	**(443.9)**	**(19.4)**	**(49.8)**	**24.6**	**44.1**
(+) Cash & Equivalents, Beginning	35.2	61.0	643.8	56.7	976.8	643.8	579.0	135.1	115.7	65.8	90.4
(=) Cash & Equivalents, Closing	**61.0**	**643.8**	**65.8**	**976.8**	**643.8**	**579.0**	**135.1**	**115.7**	**65.8**	**90.4**	**134.6**

Credit Statistics (LTM) (In million of reais)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	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	Oct'08 2Q'09
Net Operating Revenues	**2,477.9**	**3,605.1**	**2,736.2**	**3,670.4**	**3,605.1**	**3,252.7**	**2,872.1**	**2,575.2**	**2,736.2**	**2,784.1**	**2,871.6**
● Gross Profit	756.6	1,123.9	349.0	1,193.9	1,123.9	799.5	580.9	369.9	349.0	318.9	410.5
● EBITDA	517.7	928.0	172.9	968.1	928.0	648.5	451.8	255.1	172.9	148.1	247.5
● EBIT	377.8	631.1	(168.4)	782.6	631.1	296.4	20.3	(193.6)	(168.4)	(225.1)	(163.3)
● Net Financial Expenses	245.2	(158.0)	(284.3)	261.0	(158.0)	(494.5)	(611.1)	(616.9)	(284.3)	(220.4)	464.7
● Net Profit	(64.6)	357.3	(47.8)	191.7	357.3	365.6	257.0	122.2	(47.8)	(119.6)	(515.5)
Liquid Funds	**831.5**	**1,217.1**	**1,010.1**	**1,280.5**	**1,217.1**	**816.4**	**141.6**	**1,448.2**	**1,010.1**	**633.9**	**1,562.8**
● Cash and Cash Equivalents	61.0	643.8	65.8	976.8	643.8	579.0	135.1	115.7	65.8	90.4	134.6
● Marketable Securities	770.5	573.3	944.2	303.7	573.3	237.4	6.5	1,332.5	944.2	543.5	1,428.2
Short-Term Debt	**171.3**	**109.0**	**80.5**	**116.4**	**109.0**	**126.3**	**99.6**	**80.2**	**80.5**	**62.9**	**298.6**
● Loans and Financings	42.9	71.1	65.7	65.8	71.1	100.7	82.6	65.1	65.7	48.8	279.3
● Pre-Export Contracts	72.6	36.7	14.8	46.8	36.7	24.4	17.0	15.1	14.8	14.0	19.3
● Promissory Notes	55.8	1.3	-	3.7	1.3	1.3	-	-	-	-	-
Long-Term Debt	**1,630.0**	**2,324.8**	**1,592.4**	**2,419.3**	**2,324.8**	**2,108.6**	**1,678.5**	**1,663.6**	**1,592.4**	**1,474.9**	**2,101.7**
● Loans and Financings	1,530.3	2,275.3	1,592.4	2,376.8	2,275.3	2,092.9	1,663.9	1,663.6	1,592.4	1,474.9	2,101.7
● Pre-Export Contracts	86.9	49.5	-	42.5	49.5	15.6	14.5	-	-	-	-
● Promissory Notes	12.7	-	-	-	-	-	-	-	-	-	-
Total Debt	**1,801.3**	**2,433.8**	**1,672.9**	**2,535.7**	**2,433.8**	**2,234.9**	**1,778.0**	**1,743.8**	**1,672.9**	**1,537.7**	**2,400.3**
Net Debt	**969.8**	**1,216.7**	**662.9**	**1,255.2**	**1,216.7**	**1,418.5**	**1,636.4**	**295.6**	**662.9**	**903.8**	**837.5**
Current Assets	2,013.4	2,224.7	2,283.6	2,809.6	2,224.7	2,270.8	1,851.1	2,989.4	2,283.6	2,140.0	3,740.9
Current Liabilities	670.0	591.7	577.7	547.5	591.7	838.1	770.5	480.5	577.7	693.4	1,215.8
Shareholders' Equity	**1,355.4**	**1,631.0**	**3,325.8**	**1,554.9**	**1,631.0**	**1,644.7**	**1,659.9**	**3,331.1**	**3,325.8**	**3,267.7**	**3,762.8**
Capex - Property, Plant and Equipment	**744.8**	**767.9**	**1,222.7**	**906.7**	**767.9**	**854.0**	**868.7**	**1,028.8**	**1,222.7**	**1,313.8**	**1,500.9**
● Capex - Operational	208.9	683.5	1,050.5	427.4	683.5	769.5	783.5	943.0	1,050.5	1,133.5	1,301.4
EBITDA Margin	**20.9%**	**25.7%**	**6.3%**	**26.4%**	**25.7%**	**19.9%**	**15.7%**	**9.9%**	**6.3%**	**5.3%**	**8.6%**
● Gross Profit Margin	30.5%	31.2%	12.8%	32.5%	31.2%	24.6%	20.2%	14.4%	12.8%	11.5%	14.3%
● EBIT Margin	15.2%	17.5%	-6.2%	21.3%	17.5%	9.1%	0.7%	-7.5%	-6.2%	-8.1%	-5.7%
● Net Profit Margin	-2.6%	9.9%	-1.7%	5.2%	9.9%	11.2%	8.9%	4.7%	-1.7%	-4.3%	-18.0%
Net Debt ÷ Shareholders' Equity											
● Net Debt %	41.7%	42.7%	16.6%	44.7%	42.7%	46.3%	49.6%	8.2%	16.6%	21.7%	18.2%
● Shareholders' Equity %	58.3%	57.3%	83.4%	55.3%	57.3%	53.7%	50.4%	91.8%	83.4%	78.3%	81.8%
Long-Term Payable Debt to Equity Ratio	1.2x	1.4x	0.5x	1.6x	1.4x	1.3x	1.0x	0.5x	0.5x	0.5x	0.6x
Liquidity Ratio (Current Assets ÷ Current Liabilities)	3.0x	3.8x	4.0x	5.1x	3.8x	2.7x	2.4x	6.2x	4.0x	3.1x	3.1x
Net Debt ÷ EBITDA	**1.9x**	**1.3x**	**3.8x**	**1.3x**	**1.3x**	**2.2x**	**3.6x**	**1.2x**	**3.8x**	**6.1x**	**3.4x**
● Short-Term Net Debt ÷ EBITDA	0.3x	0.1x	0.5x	0.1x	0.1x	0.2x	0.2x	0.3x	0.5x	0.4x	1.2x
Net Debt ÷ (EBITDA - Capex)	**-4.3x**	**7.6x**	**-0.6x**	**20.4x**	**7.6x**	**-6.9x**	**-3.9x**	**-0.4x**	**-0.6x**	**-0.8x**	**-0.7x**
● Net Debt ÷ (EBITDA - Operational Capex)	3.1x	5.0x	-0.8x	2.3x	5.0x	-11.7x	-4.9x	-0.4x	-0.8x	-0.9x	-0.8x
Interest Cover (EBITDA ÷ Net Financial Exp.)	**2.1x**	**-5.9x**	**-0.6x**	**3.7x**	**-5.9x**	**-1.3x**	**-0.7x**	**-0.4x**	**-0.6x**	**-0.7x**	**0.5x**
● Interest Cover (EBITDA - Op.Capes)÷Net Fin.)	1.3x	-1.5x	3.1x	2.1x	-1.5x	0.2x	0.5x	1.1x	3.1x	4.5x	-2.3x
Avg. Debt Cost (Net.Fin.Exp. ÷ Net Debt)	**25.3%**	**-13.0%**	**-42.9%**	**20.8%**	**-13.0%**	**-34.9%**	**-37.3%**	**-208.7%**	**-42.9%**	**-24.4%**	**55.5%**

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	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	Oct'08 2Q'09
Net sales	**1,096.6**	**1,679.1**	**1,491.2**	**463.2**	**328.1**	**301.3**	**328.0**	**376.7**	**485.3**	**394.0**	**383.8**
(-) Cost of goods sold	(796.3)	(1,191.3)	(1,345.6)	(338.7)	(258.7)	(288.2)	(295.5)	(343.5)	(418.4)	(398.9)	(320.2)
(=) Gross profit	**300.3**	**487.8**	**145.6**	**124.4**	**69.4**	**13.1**	**32.5**	**33.2**	**66.9**	**(4.9)**	**63.6**
(-) Selling expenses	(97.8)	(133.8)	(168.6)	(35.5)	(35.2)	(32.0)	(50.2)	(41.6)	(44.9)	(53.0)	(47.9)
(-) General and administrative expenses	(72.0)	(121.1)	(115.1)	(26.5)	(48.6)	(30.1)	(24.4)	(30.2)	(30.5)	(36.3)	(36.1)
(=) Operating income (loss)	**130.5**	**232.9**	**(138.1)**	**62.5**	**(14.3)**	**(49.0)**	**(42.0)**	**(38.6)**	**(8.5)**	**(94.2)**	**(20.3)**
Operating margin	*11.9%*	*13.9%*	*-9.3%*	*13.5%*	*-4.4%*	*-16.3%*	*-12.8%*	*-10.2%*	*-1.8%*	*-23.9%*	*-5.3%*
(-) Other income (expense):											
Financial	(226.6)	289.4	116.8	(13.4)	213.4	53.7	75.6	(131.8)	119.3	26.5	(228.4)
Other	(5.5)	16.3	(3.7)	0.5	(2.6)	(0.5)	0.1	(1.4)	(1.8)	(3.5)	(8.1)
(=) Income (loss) before income taxes, equity in income of affiliates and minority interest	**(101.6)**	**538.5**	**(25.0)**	**49.6**	**196.5**	**4.2**	**33.7**	**(171.9)**	**109.0**	**(71.2)**	**(256.8)**
(-) Income taxes expense (benefit)	29.7	(188.8)	19.8	(16.6)	(72.2)	(1.7)	(8.1)	57.5	(27.9)	23.2	92.9
(=) Income (loss) before equity in income of affiliates and minority interest	**(71.8)**	**349.7**	**(5.2)**	**33.1**	**124.2**	**2.5**	**25.6**	**(114.3)**	**81.1**	**(48.0)**	**(164.0)**
(±) Equity in income of affiliates	1.6	(0.0)	(0.2)	0.1	(0.2)	(0.2)	(1.8)	(0.5)	2.3	0.1	0.5
(±) Minority interest in net (income) loss of subsidiaries	33.1	(173.0)	22.0	(16.4)	(61.4)	(1.0)	(6.1)	55.2	(26.1)	18.6	49.4
(=) Net income (loss)	**(37.1)**	**176.7**	**16.6**	**16.7**	**62.6**	**1.2**	**17.7**	**(59.7)**	**57.3**	**(29.3)**	**(114.1)**
Margin	*-3.4%*	*10.5%*	*1.1%*	*3.6%*	*19.1%*	*0.4%*	*5.4%*	*-15.8%*	*11.8%*	*-7.4%*	*-29.7%*
● **EBITDA**	**223.6**	**436.5**	**94.3**	**76.9**	**73.4**	**25.7**	**41.9**	**11.8**	**15.0**	**14.6**	**118.5**
Margin	*20.4%*	*26.0%*	*6.3%*	*16.6%*	*22.4%*	*8.5%*	*12.8%*	*3.1%*	*3.1%*	*3.7%*	*30.9%*
● **EBIT**	**125.0**	**249.2**	**(141.8)**	**63.0**	**(17.0)**	**(49.5)**	**(41.9)**	**(40.0)**	**(10.3)**	**(97.7)**	**(28.4)**
Margin	*11.4%*	*14.8%*	*-9.5%*	*13.6%*	*-5.2%*	*-16.4%*	*-12.8%*	*-10.6%*	*-2.1%*	*-24.8%*	*-7.4%*
● Depreciation and amortization	98.6	187.4	236.1	13.9	90.3	75.2	83.8	51.8	25.3	112.3	147.0

Cash Flow Statement (In millions of U.S. dollars)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	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	Oct'08 2Q'09
● **Cash flow from operating activities:**											
Net income (loss) for the year/quarter	(37.1)	176.7	16.6	16.7	62.6	1.2	17.7	(59.7)	57.3	(29.3)	(114.1)
Adjustments to reconcile net income (loss) to cash provided by operating activities:											
Depreciation and amortization	98.6	187.4	236.1	13.9	90.3	75.2	83.8	51.8	25.3	112.3	147.0
Deferred income and social contribution taxes	(53.0)	150.2	(52.4)	(14.2)	76.3	(8.6)	(5.9)	(51.9)	14.0	(31.6)	(84.4)
Interest, monetary and exchange variation	24.3	116.3	(43.7)	(4.6)	24.7	(53.1)	(44.5)	56.5	(2.5)	(14.5)	327.5
Minority interest in net income of subsidiaries	(33.1)	173.0	(22.0)	16.4	61.4	1.0	6.1	(55.2)	26.1	(18.6)	(49.4)
Others	15.9	(176.8)	15.2	0.5	(164.1)	5.8	6.9	(6.2)	8.7	9.2	6.0
	15.6	**626.8**	**149.8**	**28.7**	**151.2**	**21.5**	**63.9**	**(64.6)**	**128.9**	**27.5**	**232.6**
Decrease/increase in operating assets and liabilities:											
Trade accounts receivable, net	(35.4)	48.2	(57.1)	29.9	47.7	(16.7)	15.4	6.4	(62.2)	63.9	(63.7)
Inventories	30.9	(54.1)	(31.7)	168.7	165.6	(147.8)	(240.5)	103.1	253.5	(214.0)	(197.2)
Advances to suppliers	(10.7)	(38.7)	(8.4)	(4.7)	(14.6)	(50.9)	(1.3)	35.2	8.6	(16.8)	(12.1)
Trade accounts payable	28.7	(43.2)	33.7	(70.4)	(41.1)	106.0	40.8	(100.9)	(12.2)	90.1	56.4
Derivative financial instruments	83.5	(155.0)	90.4	15.1	(38.7)	33.5	9.0	127.4	(79.6)	11.3	(4.8)
Taxes payable	(37.6)	(36.6)	(19.6)	25.4	(9.5)	(0.8)	(15.4)	13.7	(17.1)	(7.9)	(5.0)
Minority interest	-	-	-	-	-	-	-	-	-	-	-
Other assets and liabilities, net	11.0	(63.4)	(99.4)	(29.0)	8.2	11.1	(25.6)	(107.9)	23.0	16.2	(23.6)
	70.4	**(342.8)**	**(92.2)**	**135.0**	**117.6**	**(65.6)**	**(217.7)**	**77.1**	**114.0**	**(57.1)**	**(249.9)**
(=) Net cash provided by operating actitivities	**86.0**	**284.0**	**57.6**	**163.7**	**268.7**	**(44.0)**	**(153.8)**	**12.5**	**242.9**	**(29.6)**	**(17.3)**
● **Cash flow from investing activities:**											
Restricted cash	(62.6)	47.0	(25.9)	(0.3)	(12.6)	(30.0)	48.9	(33.6)	(11.1)	0.1	37.4
Marketable securities	(366.9)	97.0	(671.0)	23.1	(124.4)	180.8	(972.6)	(71.0)	191.8	(202.4)	(257.7)
Acquisition of property, plant and equipment	(135.2)	(356.2)	(642.9)	(62.5)	(242.6)	(94.4)	(90.5)	(157.3)	(300.8)	(169.3)	(146.7)
Acquisitions, net of cash acquired	(260.9)	(39.4)	(102.0)	0.1	(39.4)	(1.1)	1.1	(1.2)	(100.8)	0.8	(18.3)
Purchase of goodwill and intangible assets	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	(1.2)	1.2	-	-	-
(=) Net cash used in investing actitivities	**(825.5)**	**(251.6)**	**(1,441.7)**	**(39.6)**	**(419.0)**	**55.3**	**(1,014.3)**	**(261.9)**	**(220.8)**	**(370.8)**	**(385.3)**
● **Cash flow from financing activities:**											
Proceeds from issuance of common stock	383.1	3.2	1,118.4	3.2	-	-	1,118.4	-	-	-	196.2
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	(25.3)	424.6	-	-	-	117.5	-	174.5
Payments of long-term debts	(556.5)	(205.0)	(492.1)	(86.9)	(22.4)	(47.1)	(213.3)	(60.4)	(171.2)	(39.8)	(26.2)
Other	-	-	-	-	-	-	-	-	-	-	-
(=) Net cash provided by financing actitivities	**725.9**	**222.8**	**1,023.3**	**314.8**	**(21.6)**	**(47.1)**	**905.1**	**252.3**	**(86.9)**	**(39.8)**	**344.6**
Effect of exchange rate changes on cash and cash equivalents	29.6	32.1	112.6	(5.6)	28.7	27.0	32.2	3.6	49.8	458.1	35.5
(=) Net increase (decrease) in cash and cash equivalents	**16.1**	**287.3**	**(248.2)**	**433.3**	**(143.2)**	**(8.8)**	**(230.7)**	**6.4**	**(15.0)**	**17.9**	**(22.6)**
(+) Cash and cash equivalents at beginning of year	13.2	29.2	316.5	26.5	459.7	316.5	307.7	77.0	83.4	68.4	86.3
(=) Cash and cash equivalents at end of year	**29.2**	**316.5**	**68.4**	**459.7**	**316.5**	**307.7**	**77.0**	**83.4**	**68.4**	**86.3**	**63.7**

Balance Sheet (In millions of U.S. dollars)	Apr'06 FY'06	Apr'07 FY'07	Apr'08 FY'08	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	Oct'08 2Q'09
Assets											
Current assets:											
Cash and cash equivalents	29.2	316.5	68.4	459.7	316.5	307.7	77.0	83.4	68.4	86.3	63.7
Restricted cash	63.0	17.7	47.2	2.4	17.7	49.2	1.8	35.2	47.2	50.7	0.1
Marketable securities	368.8	281.9	1,014.5	142.9	281.9	124.5	1,131.6	1,188.5	1,014.5	804.2	905.8
Derivative financial instruments	16.7	65.2	31.5	99.8	65.2	44.1	48.4	12.7	31.5	65.3	86.8
Trade accounts receivable, net	101.8	55.2	126.9	99.8	55.2	74.6	61.4	59.8	126.9	73.0	101.9
Inventories	187.2	247.5	337.7	403.8	247.5	415.9	677.0	571.2	337.7	577.6	680.5
Advances to suppliers	63.5	104.0	133.7	86.6	104.0	163.5	173.4	137.1	133.7	160.8	135.5
Deferred income taxes	74.8	-	-	61.5	-	-	-	-	-	-	-
Other current assets	55.4	51.6	103.2	(6.5)	51.6	49.4	42.2	44.5	103.2	99.7	133.7
	960.3	**1,139.5**	**1,863.0**	**1,350.0**	**1,139.5**	**1,228.9**	**2,212.8**	**2,132.6**	**1,863.0**	**1,917.6**	**2,108.0**
Noncurrent assets:											
Property, plant and equipment, net	1,008.1	1,194.1	2,018.1	1,009.2	1,194.1	1,311.0	1,405.1	1,514.3	2,018.1	2,217.3	1,738.6
Goodwill	497.9	491.9	772.6	475.3	491.9	527.7	562.7	626.3	772.6	823.4	623.4
Intangible assets, net	98.9	94.0	106.1	91.8	94.0	99.7	105.2	102.0	106.1	111.8	81.8
Accounts Receivable from Federal Government	-	156.5	202.8	-	156.5	169.6	190.0	192.7	202.8	218.4	161.8
Other non-current assets	126.6	177.5	306.4	130.4	177.5	192.3	209.0	237.9	306.4	345.3	300.4
	1,731.4	**2,113.9**	**3,406.1**	**1,706.7**	**2,113.9**	**2,300.3**	**2,472.0**	**2,673.3**	**3,406.1**	**3,716.3**	**2,905.9**
(=) Total assets	**2,691.8**	**3,253.4**	**5,269.1**	**3,056.7**	**3,253.4**	**3,529.1**	**4,684.8**	**4,805.9**	**5,269.1**	**5,634.0**	**5,014.0**
Liabilities and shareholders' equity											
Current liabilities:											
Trade accounts payable	96.6	55.9	114.4	92.8	55.9	166.6	212.0	110.5	114.4	212.0	236.8
Advances from customers	37.9	24.3	15.6	39.1	24.3	21.9	16.4	17.0	15.6	15.3	15.2
Taxes payable	40.0	57.5	62.9	49.0	57.5	64.8	51.7	47.1	62.9	67.4	47.4
Salaries payable	23.8	31.1	47.8	17.7	31.1	47.9	63.8	29.2	47.8	75.8	67.5
Current portion of long-term debt	46.6	36.1	38.2	31.9	36.1	51.8	44.0	27.9	38.2	33.2	134.2
Derivative financial instruments	133.4	9.8	55.0	15.5	9.8	15.0	26.8	102.3	55.0	102.1	112.1
Dividends payable	-	37.3	-	-	37.3	40.4	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	10.3
Other liabilities	18.9	22.2	25.2	15.6	22.2	10.2	7.3	7.8	25.2	14.1	14.8
	397.1	**274.2**	**359.1**	**261.7**	**274.2**	**418.5**	**422.0**	**342.0**	**359.1**	**519.8**	**638.3**
Long-term liabilities:											
Long-term debt	941.7	1,342.5	1,249.3	1,330.4	1,342.5	1,357.2	1,226.2	1,226.5	1,249.3	1,291.4	1,257.4
Estimated liability for legal proceedings and labor claims	462.2	379.2	494.1	357.0	379.2	417.8	459.8	442.0	494.1	545.0	414.1
Taxes payable	152.4	106.9	170.4	105.1	106.9	115.7	130.5	127.7	170.4	181.9	133.4
Advances from customers	41.6	24.3	-	20.0	24.3	8.3	8.3	-	-	-	-
Deferred income taxes	81.6	141.6	101.8	143.7	141.6	142.2	144.7	85.9	101.8	83.6	-
Other long-term liabilities	33.1	47.5	101.7	28.4	47.5	50.3	51.0	72.8	101.7	103.3	107.7
	1,712.7	**2,042.0**	**2,117.4**	**1,984.6**	**2,042.0**	**2,091.5**	**2,020.4**	**1,954.9**	**2,117.4**	**2,205.3**	**1,912.7**
Minority interest in consolidated subsidiaries	**287.6**	**463.6**	**796.8**	**400.6**	**463.6**	**504.0**	**550.0**	**873.4**	**796.8**	**839.7**	**715.3**
Shareholders' equity:											
Common stock	1.0	1.0	2.3	1.0	1.0	1.0	2.1	2.1	2.3	2.3	2.7
Additional paid-in capital	349.2	354.0	1,723.1	408.8	354.0	514.2	1,473.3	1,471.0	1,723.1	1,724.6	1,920.9
Accumulated other comprehensive income	19.8	36.7	171.8	-	36.7	-	116.0	121.3	171.8	273.1	(130.9)
Retained earnings (losses)	(75.8)	81.9	98.5	-	81.9	-	100.9	41.2	98.5	69.2	(44.9)
Total shareholders' equity	**294.2**	**473.6**	**1,995.7**	**409.8**	**473.6**	**515.2**	**1,692.2**	**1,635.6**	**1,995.7**	**2,069.1**	**1,747.8**
(=) Total liabilities and shareholders' equity	**2,691.8**	**3,253.4**	**5,269.1**	**3,056.7**	**3,253.4**	**3,529.1**	**4,684.8**	**4,805.9**	**5,269.1**	**5,634.0**	**5,014.0**

I. Reconciliation of the Income Statements of Cosan S.A. e 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	**715.1**	(0.3)	**714.8**	0.7 (b)	**715.5**	**383.8**	(0.0)	**383.8**
Cost of goods sold	**(547.1)**	0.2	**(546.9)**	(49.1) (c)	**(596.0)**	**(319.7)**	(0.4) (j)	**(320.2)**
Gross profit	**167.9**	(0.1)	**167.9**	(48.4)	**119.5**	**64.1**	(0.4)	**63.6**
Selling expenses	**(88.6)**	-	**(88.6)**	(0.7) (b)	**(89.3)**	**(47.9)**	0.0	**(47.9)**
General and administrative expenses	**(60.3)** (a)	1.1	**(59.2)**	(4.7) (d)	**(63.9)**	**(34.3)**	(1.8) (k)	**(36.1)**
Operating income	**19.1**	1.0	**20.0**	(53.8)	**(33.8)**	**(18.1)**	(2.2)	**(20.3)**
Other income (expenses):								
Financial income (expenses), net	**(540.8)**	0.4	**(540.3)**	109.9 (e)	**(430.4)**	**(230.9)**	2.5 (l)	**(228.4)**
Goodwill amortization	**(40.4)**	0.1	**(40.3)**	40.3 (f)	**-**	**-**	-	**-**
Other	**(36.3)**	(0.9)	**(37.2)**	22.1 (n)	**(15.1)**	**(8.1)**	(0.0)	**(8.1)**
Income (loss) before income taxes, equity in income of affiliates and minority interest	**(598.4)**	0.6	**(597.8)**	118.5	**(479.3)**	**(257.1)**	0.3	**(256.8)**
Income taxes (expense) benefit	**210.0**	(0.3)	**209.7**	(36.6) (g)	**173.1**	**92.9**	-	**92.9**
Income (loss) before equity in income of affiliates and minority interest	**(388.4)**	0.3	**(388.1)**	81.9	**(306.2)**	**(164.3)**	0.3	**(164.0)**
Equity in income of affiliates	**1.2**	(0.3)	**0.9**	-	**0.9**	**0.5**	0.0	**0.5**
Minority interest in net income of subsidiaries	**6.5**	-	**6.5**	(9.9) (h)	**(3.4)**	**(1.8)**	51.3 (m)	**49.4**
Net income (loss)	**(380.7)**	-	**(380.7)**	71.9	**(308.7)**	**(165.6)**	51.5	**(114.1)**

(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) *Mainly related to minority participation on Expenses with placement of shares at Radar*
(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) *Mainly related to Expenses with placement of shares charged directly to capital increase in US GAAP*