Cosan S.A. Indústria e Comércio

Consolidated interim financial statements at
March 31, 2014

Cosan S.A. Indústria e Comércio

Consolidated interim financial statements

For the quarter ended March 31, 2014 and 2013
(A free translation of the original in Portuguese)

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Report of independent registered public accounting firm

To the Board of Directors and Shareholders
Cosan S.A. Indústria e Comércio

Report on Review of Quarterly Information

To the Board of Directors and Shareholders
Cosan S.A. Indústria e Comércio

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Cosan S.A. Indústria e Comércio, included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2104, comprising the balance sheets as at that date and the statements of income and comprehensive income for the quarter and three-month period then ended, and the statements of, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent
company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated
interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the three-month period ended March 31, 2104. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Campinas, May 13, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F"

Valdir Augusto de Assunção
Contador CRC 1SP135319/O-9

Cosan S.A. Indústria e Comércio

Statement of financial position
March 31, 2014 and December 31, 2013
(Amounts in thousands of Brazilian Reais – R$, unless otherwise stated)
(A free translation of the original in Portuguese)

		Parent Company		Consolidated	
	Note	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Assets					
Cash and cash equivalents	4	17,417	256,091	1,472,480	1,474,553
Securities		-	-	120,875	87,978
Trade receivables	5	-	-	869,707	844,483
Inventories		-	-	269,594	311,980
Receivables from related parties	7	67,104	26,799	66,164	64,535
Income tax		11,630	18,399	48,951	56,340
Other current tax assets		206	70	80,133	85,337
Other financial assets	6	64,492	63,054	64,492	63,054
Dividends receivable		307,039	173,262	131,432	26,350
Other assets		30,034	48,025	204,681	217,927
		497,922	585,700	3,328,509	3,232,537
Non-current asset held for sale	23	-	-	271,030	314,104
Current assets		**497,922**	**585,700**	**3,599,539**	**3,546,641**
Trade receivables	5	-	-	258,748	238,460
Deferred tax assets	16	-	-	223,893	232,188
Receivables from related parties	7	403,363	508,216	398,763	504,481
Income tax		49,268	49,268	49,268	49,268
Other current tax assets		-	-	17,866	18,366
Judicial deposits	17	212,056	208,612	358,535	361,554
Other financial assets	6	100,008	97,729	414,855	407,107
Derivative financial instruments	24	190,046	205,154	469,770	513,934
Other non-current asset		467,484	474,918	487,565	493,340
Equity method investments	8	8,510,979	8,355,309	103,607	103,316
Investment in joint ventures	9	6,360,185	6,325,801	8,462,573	8,498,259
Investment property	10	-	-	2,263,356	2,281,509
Property, plant and equipment	11	29,901	28,123	1,296,841	1,271,910
Intangible assets	12	3,142	3,905	10,081,690	10,078,040
Non-current assets		**16,326,432**	**16,257,035**	**24,887,330**	**25,051,732**
Total Assets		**16,824,354**	**16,842,735**	**28,486,869**	**28,598,373**

The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statement of financial position
March 31, 2014 and December 31, 2013
(Amounts in thousands of Brazilian Reais – R$, unless otherwise stated)
(A free translation of the original in Portuguese)

		Parent Company		Consolidated	
	Note	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Liabilities					
Loans and borrowings	13	326,148	455,673	810,079	987,596
Derivative financial instruments	24	-	-	55,154	48,720
Trade payables	14	1,268	1,511	825,409	862,429
Employee benefits		7,593	13,001	68,099	103,296
Income tax payable		2,621	1,955	23,458	28,143
Other current tax liabilities	15	67,390	81,772	187,454	199,057
Dividends payable		65,128	65,128	202,499	144,751
Payables to related parties	7	247,506	955,321	76,570	105,463
Other current liabilities		17,803	17,364	97,532	157,802
Current liabilities		**735,457**	**1,591,725**	**2,346,254**	**2,637,257**
Loans and borrowings	13	1,382,898	1,381,914	7,912,384	7,842,563
Derivative financial instruments	24	66,396	79,955	246,384	280,462
Other current tax liabilities	15	696,221	701,390	1,011,068	1,010,767
Provision for judicial demands	17	257,617	254,470	656,173	722,458
Payables to related parties	7	2,757,917	2,079,188	-	-
Pension and post-employment benefits	26	149	155	344,911	339,135
Deferred tax liabilities	16	886,845	908,712	1,718,498	1,698,622
Other non-current liabilities		100,474	108,368	537,557	551,739
Non-current liabilities		**6,148,517**	**5,514,152**	**12,426,975**	**12,445,746**
Total liabilities		**6,883,974**	**7,105,877**	**14,773,229**	**15,083,003**
Equity	18				
Share capital		4,691,822	4,691,822	4,691,822	4,691,822
Treasury shares		(99,744)	(104,337)	(99,744)	(104,337)
Capital reserve		859,473	856,910	859,473	856,910
Other comprehensive income		161,595	221,351	161,595	221,351
Profit reserve		4,071,112	4,071,112	4,071,112	4,071,112
Retained earnings		256,122	-	256,122	-
Equity attributable to:					
Owners of the Company		**9,940,380**	**9,736,858**	**9,940,380**	**9,736,858**
Non-controlling interests	8	**-**	**-**	**3,773,260**	**3,778,512**
Total equity		**9,940,380**	**9,736,858**	**13,713,640**	**13,515,370**
Total equity and liabilities		**16,824,354**	**16,842,735**	**28,486,869**	**28,598,373**

Notes to the interim financial statements

Cosan S.A. Indústria e Comércio

Statement of profit or loss and other comprehensive income

For the quarter ended March 31, 2014 and 2013

(In thousands of Brazilian Reais – R$, except earnings per share)

(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Net sales	20	-	-	2,157,186	1,989,210
Cost of sales		-	-	(1,520,794)	(1,385,437)
Gross profit		**-**	**-**	**636,392**	**603,773**
Selling expenses		-	-	(206,618)	(198,477)
General and administrative expenses		(26,060)	(22,876)	(145,095)	(137,743)
Other, net	22	(8,689)	29,919	(32,792)	71,863
Operating expenses		**(34,749)**	**7,043**	**(384,505)**	**(264,357)**
Income before financial results, equity income of associates and income taxes		**(34,749)**	**7,043**	**251,887**	**339,416**
Equity income of associates					
Equity pick-up in investees	8	214,084	102,714	(1,188)	(1,468)
Equity pick-up in jointly controlled entity	9	92,559	94,077	222,990	94,077
		306,643	**196,791**	**221,802**	**92,609**
Financial results	21				
Finance expense		(119,173)	(160,435)	(181,147)	(231,643)
Finance income		35,861	29,816	47,731	59,525
Foreign exchange losses, net		94,239	32,059	77,860	(85)
Derivatives		(47,756)	(15,757)	(50,622)	(5,321)
		(36,829)	**(114,317)**	**(106,178)**	**(177,524)**
Profit before taxes		**235,065**	**89,517**	**367,511**	**254,501**
Income taxes	16				
Current		-	2,838	(30,539)	(27,736)
Deferred		21,057	(61,844)	(29,023)	(111,483)
		21,057	**(59,006)**	**(59,562)**	**(139,219)**
Profit from continuing operations		**256,122**	**30,511**	**307,949**	**115,282**
Loss from discontinued operation, net of tax		**-**	**(3,369)**	**-**	**(3,369)**
Profit for the period		**256,122**	**27,142**	**307,949**	**111,913**

Cosan S.A. Indústria e Comércio

Statement of profit or loss and other comprehensive income

For the quarter ended March 31, 2014 and 2013

(In thousands of Brazilian Reais – R$, except earnings per share)

(A free translation of the original in Portuguese)

Other comprehensive income					
Items that will never be reclassified to profit or loss:					
Defined benefit plan actuarial losses		(233)	(52,253)	(359)	(52,253)
Taxes on items that will never be reclassified to profit or loss		80	17,766	122	17,766
		(153)	(34,487)	(237)	(34,487)
Items that are or may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		(10,763)	2,791	(10,763)	2,791
Gain (loss) on cash flow hedge		(74,409)	(12,333)	(74,411)	(12,333)
Changes in value of securities available for sale		411	2,991	700	10,421
Taxes on items that are may be reclassified subsequently to profit or loss		25,159	3,176	25,063	650
		(59,602)	(3,375)	(59,411)	1,529
period, net of tax		**(59,755)**	**(37,862)**	**(59,648)**	**(32,958)**
Total comprehensive income (loss) for the period		**196,367**	**(10,720)**	**248,301**	**78,955**
Profit attributable to:					
Owners of the Company (including discontinued operations)		256,122	27,142	256,122	27,142
Non-controlling interests		-	-	51,827	84,771
Total comprehensive income (loss) attributable to:					
Owners of the Company		196,367	(10,720)	196,366	(10,720)
Non-controlling interests		-	-	51,935	89,675
Basic earnings (loss) per share					
Continuing operations	19	R$ 0.63	R$ 0.08	-	-
Discontinued operations		-	(R$ 0.01)	-	-
Diluted earnings per share					
Continuing operations	19	R$ 0.63	R$ 0.07	-	-
Discontinued operations		-	(R$ 0.01)	-	-

The accompanying notes are an integral part of these interim financial statements.

Cosan S.A. Indústria e Comércio

Statements of changes in shareholder' equity
For the quarter ended March 31, 2014 and 2013
(Amounts in thousands of Brazilian Reais – R$, unless otherwise stated)
(A free translation of the original in Portuguese)

			Capital Reserve		Profit Reverse							
	Common Stock	Treasury share	Others capital reserve (APIC)	Others equity components	Legal	Statutory Reserve	Unrealized Earnings	Retained Earnings	Accumulated losses	Total	Non-controlling interest	Total Equity
January 1, 2014	4,691,822	(104,337)	856,910	221,351	237,030	2,417,613	248,318	1,168,151	-	9,736,858	3,778,512	13,515,370
Profit for the period	-	-	-	-	-	-	-	-	256,122	256,122	51,827	307,949
Loss on cash flow hedge in jointly controlled entity	-	-	-	(49,110)	-	-	-	-	-	(49,110)	-	(49,110)
Foreign currency translation effects	-	-	-	(10,763)	-	-	-	-	-	(10,763)	-	(10,763)
Actuarial gain on defined benefit plan	-	-	-	(154)	-	-	-	-	-	(154)	(83)	(237)
Change in fair value of available for sale securities	-	-	-	271	-	-	-	-	-	271	191	462
Total comprehensive income for the period	-	-	-	(59,756)	-	-	-	-	256,122	196,366	51,935	248,301
Exercise of stock options plan	-	4,593	-	-	-	-	-	-	-	4,593	-	4,593
Dividends	-	-	-	-	-	-	-	-	-	-	(57,187)	(57,187)
Share based compensation	-	-	2,563	-	-	-	-	-	-	2,563	-	2,563
Total contributions by and distributions to owners of the Cosan	-	4,593	2,563	-	-	-	-	-	-	7,156	(57,187)	(50,031)
March 31, 2014	4,691,822	(99,744)	859,473	161,595	237,030	2,417,613	248,318	1,168,151	256,122	9,940,380	3,773,260	13,713,640

The accompanying notes are an integral part of these financial statements.

Cosan S.A. Indústria e Comércio

Statements of changes in shareholder' equity
For the quarter ended March 31, 2014 and 2013
(Amounts in thousands of Brazilian Reais – R$, unless otherwise stated)
(A free translation of the original in Portuguese)

			Capital Reserve		Profit Reverse							
	Common Stock	Treasury share	Others capital reserve (APIC)	Others equity components	Legal	Statutory Reserve	Unrealized Earnings	Retained Earnings	Accumulated losses	Total	Non-controlling interest	Total Equity
January 1, 2013	4,691,822	(52,988)	631,447	265,716	193,411	1,861,873	336,128	1,168,151	605,867	9,701,427	3,673,758	13,375,185
Profit for the nine months	-	-	-	-	-	-	-	-	27,142	27,142	84,771	111,913
Loss on cash flow hedge in jointly controlled entity	-	-	-	(8,140)	-	-	-	-	-	(8,140)	-	(8,140)
Foreign currency translation effects	-	-	-	2,791	-	-	-	-	-	2,791	-	2,791
Actuarial gain on defined benefit plan	-	-	-	(34,487)	-	-	-	-	-	(34,487)	-	(34,487)
Change in fair value of available for sale securities	-	-	-	1,974	-	-	-	-	-	1,974	4,904	6,878
Total comprehensive income for the year	-	-	-	(37,862)	-	-	-	-	27,142	(10,720)	89,675	78,955
Exercise of stock options plan	-	2,089	-	-	-	-	-	-	-	2,089	-	2,089
Effect of distribution of dividends to non-controlling	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	243	-	-	-	-	-	(151,578)	(151,335)	(9,466)	(160,801)
Statutory reserve	-	-	-	-	-	449,520	-	-	(449,520)	-	-	-
Legal reserve	-	-	-	-	31,911	-	-	-	(31,911)	-	-	-
Share based compensation	-	-	3,325	-	-	-	-	-	-	3,325	-	3,325
Total contributions by and distributions to owners of the Cosan	-	2,089	3,568	-	31,911	449,520	-	-	(633,009)	(145,921)	(9,466)	(155,387)
	-	-	114,250	-	-	-	-	-	-	114,250	-	114,250
Business combination - COMGÁS	-	-	101,212	-	-	-	-	-	-	101,212	(3,362)	97,850
Business combination - Radar	-	-	914	-	-	-	-	-	-	914	(206,050)	(205,136)
Total transactions with owners of the parent	-	-	216,376	-	-	-	-	-	-	216,376	(209,412)	6,964
March 31, 2013	4,691,822	(50,899)	851,391	227,854	225,322	2,311,393	336,128	1,168,151	-	9,761,162	3,544,555	13,305,717

The accompanying notes are an integral part of these financial statements.

Cosan S.A. Indústria e Comércio

Statement of cash flows
For the quarter ended March 31, 2014 and 2013
(Amounts in thousands of Brazilian Reais – R$, unless otherwise stated)
(A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Cash flows from operating activities					
Profit (loss) before taxes		235,065	89,517	367,511	254,501
Adjustments for:			-		
Depreciation and amortization	11 / 12	735	463	160,378	159,352
Equity pick-up in investees	8	(214,084)	(102,714)	1,188	1,468
Equity pick-up in jointly controlled entity	9	(92,559)	(94,077)	(222,990)	(94,077)
Loss (gain) on disposals assets		-	7,111	2,052	7,011
Equity-settled share-based payment transactions		2,563	3,324	2,563	3,322
Change in fair value of investment property	10	-	-	18,153	(52,861)
Change in fair value of assets held for sale	23	-	-	4,767	-
Provision for judicial demands		12,372	-	18,491	16,183
Indexation charges, interest and exchange gains/losses, net		38,502	84,056	137,495	152,706
Other		1,994	-	17,966	7,814
		(15,412)	(12,320)	507,574	455,419
Changes in:					
Trade receivables		1,121	(2,959)	(58,421)	(48,688)
Investment securities		-	-	(29,050)	(14,276)
Restricted cash		-	1,560	-	-
Inventories		-	-	41,623	11,676
Recoverable taxes		1,478	(12,173)	798	6,261
Related parties		(30,375)	203,153	(52,112)	(3,786)
Trade payables		(243)	588	(36,611)	72,743
Employee benefits		(9,114)	(1,836)	(44,683)	(43,588)
Provision for judicial demands		(2,594)	(14,524)	(6,595)	(1,086)
Income and other taxes		(16,759)	(15,815)	(57,758)	(192,237)
Other		(1,115)	(71,455)	(12,705)	(158,084)
		(57,601)	86,539	(255,514)	(371,065)
Net cash generated by operating activities		**(73,013)**	**74,219**	**252,060**	**84,354**
Cash flows from investing activities					
Acquisitions net of cash acquired		(3,507)	(3,514)	(6,944)	(6,958)
Capital contribution in associates		-	-	-	-
Dividends received from investees		-	195,898	-	195,898
Dividends received from jointly controlled entity		197,000	-	197,000	-
Acquisition of property, plant and equipment and intangible assets	11 / 12	(1,750)	(932)	(192,169)	(251,360)
Proceeds from sale of property, plant and equipment, intangible and investments		- 23	- 911,392	- 100	- 53,306
Net cash generated by (used in) investing activities		**191,766**	**1,112,844**	**(2,013)**	**(9,114)**
Cash flows from financing activities					
Loans and borrowings raised		-	-	191,150	2,549,245
Payment of principal and interest on loans and borrowings		(280,723)	(1,210,197)	(416,866)	(2,551,212)
Related parties		(35,000)	-	-	-
Derivative financial instruments		(46,297)	(3,554)	(30,997)	-
Proceeds from exercise of share options		4,593	2,089	4,593	2,090
Net cash used in financing activities		**(357,427)**	**(1,211,662)**	**(252,120)**	**123**
Increase (decrease) in cash and cash equivalents		**(238,674)**	**(34,599)**	**(2,073)**	**75,363**
Cash and cash equivalents at the beginning of the period		256,091	346,086	1,474,553	1,463,391
Effect of exchange rate changes on cash held		-	-	-	-
Cash and cash equivalents at the ended of the period		**17,417**	**311,487**	**1,472,480**	**1,538,754**
Supplemental cash flow information					
Interest paid		246,538	13,468	316,959	41,978
Income taxes paid		-	-	27,874	163,399

	Parent Company		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenues				
Sale of services and products, net	-	-	2,541,107	2,353,482
Other operational revenues, net	3,625	40,854	111,011	209,703
Allowance for doubtful accounts	-	-	(7,452)	(7,716)
	3,625	**40,854**	**2,644,666**	**2,555,469**
Raw materials acquired from third parties				
Cost of sales and services rendered	-	-	(1,695,885)	(1,556,435)
Materials, energy, third parties services, others	(22,258)	(21,192)	(123,006)	(86,464)
	(22,258)	**(21,192)**	**(1,818,891)**	**(1,642,899)**
Gross value added	**(18,633)**	**19,662**	**825,775**	**912,570**
Retention				
Depreciation and amortization	(735)	(463)	(160,378)	(159,352)
	(735)	**(463)**	**(160,378)**	**(159,352)**
Net value added	**(19,368)**	**19,199**	**665,397**	**753,218**
Value added received in transfer				
Equity pick-up in investees	214,084	102,714	(1,188)	(1,468)
Equity pick-up in jointly controlled entity	92,559	94,077	222,990	94,077
Financial revenue	15,597	5,142	150,025	57,093
	322,240	**201,933**	**371,827**	**149,702**
Value added to be distributed	**302,872**	**221,132**	**1,037,224**	**902,920**
Distribution of value added				
Salaries	12,520	11,148	105,595	120,456
Taxes and contributions	(19,317)	59,064	355,626	420,004
Financial expenses	52,427	119,584	256,203	234,627
Rentals and leasing	1,120	825	11,851	12,551
Non-controlling interests	-	-	51,827	84,771
Dividends	-	151,579	-	151,355
Net income from continuing operations	256,122	(121,068)	256,122	(120,844)
	302,872	**221,132**	**1,037,224**	**902,920**

The accompanying notes are an integral part of these interim financial statements.

1 Contexto Operacional

Cosan S.A. Indústria e Comércio, composed of its subsidiaries and jointly controlled entities ("Company" or "Cosan") is a publicly traded company with its shares traded on the Novo Mercado da Bolsa de Valores de São Paulo ("BM&FBOVESPA") under the ticker symbol CSAN3, and has its headquarters in the city of São Paulo, Brazil. Cosan Limited is the controlling shareholder of Cosan, in which it holds 62.30%.

The primary activities in which Cosan S.A.operates, include the following business segments: (i) Piped natural gas distribution to part of the State of São Paulo through its subsidiary Companhia de Gás de São Paulo – COMGÁS ("COMGÁS"), which is consolidated since November 2012 (See Note 11); (ii) Logistics services including transportation, port loading and storage of sugar, through its subsidiary Rumo Logística Operadora Multimodal S.A. ("Rumo"); (iii) Purchase, sale and leasing of agricultural land through its subsidiary, Radar Propriedades Agrícolas S.A. ("Radar"); (iv) Production and distribution of lubricants under the Mobil licensed trademark in Brazil, Bolivia, Uruguay and Paraguay, in addition to the European and Asian market using the Comma brand and corporate activities; and (v) other investments, in addition to the corporate structures of Company ("Cosan's other business").

The Company also holds interests in two jointly controlled entities ("Joint Ventures" or "JVs"): (i) Raízen Combustíveis S.A. ("Raízen Combustíveis"), fuel distribution business, and (ii) Raízen Energia S.A. ("Raízen Energia"), production and marketing of sugar, ethanol and energy cogeneration, produced from sugar cane bagasse. Cosan and Royal Dutch Shell ("Shell") share control of the two entities, where each owns 50% of the economic control. Up until the adoption of IFRS11 – Joint Arrangements ("IFRS 11"), these investments were accounting for using the proportional consolidation method. As form the adoption of IFRS 11 in fiscal year ended December 31, 2013, these investments are accounted for under the equity method (Note 13).

The Annual General Shareholders' Meeting held on July 31, 2013, approved a fiscal year end change from March 31st to December 31st. This change was driven by changes in the Company's investment portfolio, in which other businesses that do not use the harvest year (March 31) have become more significant. With this change, the Company's fiscal year begins January 1st, and end December 31st each year. These consolidated financial statements are for the three months ended March 31, 2014.

2 Presentation of financial statements and significant accounting policies

2.1. Basis of preparation

Statement of compliance

The interim consolidated financial statements have been prepared in accordance with CPC 21 - Interim Financial Reporting and the International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), and presented in accordance with the standards issued by the Securities and Exchange Commission applicable to the preparation of the Quarterly Information - ITR. These financial statements have been prepared following the basis of preparation and accounting policies consistent with those adopted in preparing the financial statements of December 31, 2013 and should be read together. Information notes that no significant changes had or irrelevant information compared to December 31, 2013 were not fully presented in these financial statements.

The individual financial statements were prepared in accordance with accounting practices adopted in Brazil. These practices differ from IFRS, applicable to separate financial information, only in respect to the evaluation of investments in subsidiaries, affiliates and jointly controlled entities, which are accounted for under the equity method, while for IFRS purposes these would be accounted for at cost or fair value.

These consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2014.

2.2. *Basis of measurement*

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

	Percentage	
	March 31, 2014	**December 31, 2013**
Subsidiaries		
Administração de Participações Aguassanta Ltda. [2]	-	65.00
Águas da Ponte Alta S.A.	65.00	65.00
Aldwych Temple Venture Capital	100.00	100.00
Bioinvestments Negócios e Participações S.A.	65.00	65.00
CCL Cayman Finance Limited	100.00	100.00
Comma Oil Chemicals	100.00	100.00
Companhia de Gás de São Paulo - COMGÁS	60.05	60.05
Cosan Biomassa S.A.	100.00	100.00
Cosan Cayman Finance Limited	100.00	100.00
Cosan Cayman II Limited	100.00	100.00
Cosan Global Limited	100.00	-
Cosan Infraestrutura S.A.	100.00	100.00
Cosan Investimentos e Participações S.A.	100.00	-
Cosan Lubes Investments Limited	100.00	100.00
Cosan Lubrificantes e Especialidades S.A.	100.00	100.00
Cosan Luxembourg S.A.	100.00	100.00
Cosan Overseas Limited	100.00	100.00
Cosan US, Inc.	100.00	100.00
Logispot Armazéns Gerais S.A. [1]	38.25	38.25
Nova Agrícola Ponte Alta S.A.	29.50	29.50
Nova Amaralina S.A. Propriedades Agrícolas	29.50	29.50
Nova Santa Barbara Agrícola S.A.	29.50	29.50
Novo Rumo Logística S.A.	100.00	100.00
Pasadena Empreendimentos e Participações S.A.	100.00	100.00
Proud Participações S.A.	65.00	65.00
Radar II Propriedades Agrícolas S.A.	65.00	65.00
Radar Propriedades Agrícolas S.A.	29.50	29.50
Rumo Logística Operadora Multimodal S.A.	75.00	75.00
Cosan Paraguay S.A.	100.00	100.00
Terras da Ponte Alta S.A.	29.50	29.50
Vale da Ponte Alta S.A.	65.00	65.00

[1] Cosan has control over this subsidiary through an interest of 51% held by Rumo;
[2] Incorporated in March 2014.

2.3. New standards and interpretations not yet adopted

The following new standards and interpretations to existing standards were issued by the IASB , but are not effective for the financial year 2014. Early adoption of standards , although encouraged by the IASB , is not permitted in Brazil , by the Accounting Pronouncements Committee (CPC) .

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact. A standard is applicable from 1 January 2015.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3 Operating segments

(a) Segment information

The following segment information is based on the information used by Cosan's senior management to assess the performance of the operating segments and to make decisions with regards to the allocation of resources. This information is prepared on a consistent basis with the accounting policies used in the preparation of the consolidated financial statements. Cosan evaluates operating performance based on the measure of EBITDA. A reconciliation of EBITDA to profit (loss) of the period is presented below.

Operating segments

I. Raízen Energia: production and marketing of a variety of products derived from sugar cane, including raw sugar (VHP), anhydrous and hydrated ethanol, and activities related to energy cogeneration from sugarcane bagasse. In addition, this segment holds interests in companies engaged in research and development on new technology;

II. Raízen Combustíveis: distribution and marketing of fuels, mainly through a franchised network of service stations under the brand "Shell" and "Esso" throughout Brazil;

III. COMGÁS: distribution of piped natural gas to part of the State of São Paulo (approximately 180 municipalities, including the region called Greater São Paulo) to customers in the industrial, residential, commercial, automotive, thermogeneration and cogeneration sectors;

IV. Rumo: logistics services for transport, storage and port loading of commodities, mainly for sugar products;

V. Radar: management, buying, selling and leasing of agricultural;

VI. Lubricants: production and distribution of lubricants under the Mobil brand in Brazil, Bolivia, Uruguay and Paraguay, as well as European and Asian market with a Comma trademark; Due to the adoption of IFRS 11, whereby the Company no longer proportionally consolidates the results of Raízen Energia and Raízen Combustíveis, the Lubricants segment met the quantitative thresholds to be separately reportable, and the comparative segment information is being restated;

VII. Cosan´s others business: other investments, in addition to the corporate activities of the Company.

The segments Raízen Energia and Raízen Combustíveis are equity accounted for under the equity method and not consolidated in these interim consolidated financial statements. However, the Company's senior management continues to review segment information of 100% of the results of these segments and we present the reconciliation of these segments to the entity's financial information in the column "Joint Venture deconsolidation".

The following assets and statement of profit or loss selected information by segment was prepared on the same basis as the accounting practices used in the preparation of consolidated information:

	March 31, 2014									
	Raízen Energia	**Raízen Combustíveis**	**COMGÁS**	**Rumo**	**Radar**	**Lubricants**	**Cosan´s other business**	**Joint Venture deconsolidated**	**Segment elimination**	**Consolidated**
Statement of income or loss:										
Net sales	2,604,833	13,010,956	1,517,378	207,935	63,552	368,269	52	(15,615,789)	-	2,157,186
Domestic market	992,922	13,010,956	1,517,378	178,931	63,552	368,269	52	(14,003,878)	-	2,128,182
External market	1,611,911	-	-	29,004	-	-	-	(1,611,911)	-	29,004
Gross profit	491,873	670,295	448,410	84,403	25,244	78,273	62	(1,162,168)	-	636,392
Selling, general and administrative expenses	(303,558)	(388,603)	(217,462)	(19,974)	(8,350)	(73,657)	(32,270)	692,161	-	(351,713)
Other income (expenses)	60,169	101,760	(7,112)	6,702	(23,045)	408	(9,745)	(161,929)	-	(32,792)
Financial income	65,911	17,667	15,459	12,227	3,413	(207)	19,955	(83,578)	(3,116)	47,731
Financial expense	(128,398)	(20,044)	(71,389)	(8,487)	(268)	42,683	(146,802)	148,442	3,116	(181,147)
Exchange rate	78,784	32,882	35,266	113	-	(9,989)	52,470	(111,666)	-	77,860
Derivatives	48,129	(29,844)	(35,885)	-	-	(7,221)	(7,516)	(18,285)	-	(50,622)
Equity pick-up	(10,363)	5,254	-	-	-	(1,298)	146,824	5,109	(146,714)	(1,188)
Equity pick-up - JV	-	-	-	-	-	-	222,990	-	-	222,990
Income tax and social contribution	(96,089)	(118,019)	(58,963)	(25,243)	(2,726)	(20,792)	48,162	214,108	-	(59,562)
Profit (loss) for the period	206,458	271,348	108,324	49,741	(5,732)	8,200	294,130	(477,806)	(146,714)	307,949
Other selected data:										
Depreciation and amortization	495,854	132,466	118,168	21,715	242	19,517	736	(628,320)	-	160,378
EBITDA	733,975	521,172	342,004	92,846	(5,909)	23,243	328,597	(1,255,147)	(146,714)	634,067
Addition to PP&E, intangible and biological assets (cash)	1,009,050	277,800	155,810	13,947	40	5,916	16,456	(1,286,850)	-	192,169
Reconciliation of EBITDA										
Profit (loss) for the period	206,458	271,348	108,324	49,741	(5,732)	8,200	294,130	(477,806)	(146,714)	307,949
Income tax and social contribution	96,089	118,019	58,963	25,243	2,726	20,792	(48,162)	(214,108)	-	59,562
Financial result, net	(64,426)	(661)	56,549	(3,853)	(3,145)	(25,266)	81,893	65,087	-	106,178
Depreciation and amortization	495,854	132,466	118,168	21,715	242	19,517	736	(628,320)	-	160,378
EBITDA	733,975	521,172	342,004	92,846	(5,909)	23,243	328,597	(1,255,147)	(146,714)	634,067

	March 31, 2013									
	Raízen Energia	**Raízen Combustíveis**	**COMGÁS**	**Rumo**	**Radar**	**Lubricants**	**Cosan´s other business**	**Joint Venture deconsolidated**	**Segment elimination**	**Consolidated**
Statement of income or loss:										
Net sales	2,350,366	10,947,101	1,447,743	168,385	15,383	357,699	-	(13,297,467)	-	1,989,210
Domestic market	777,634	10,947,101	1,447,743	151,095	15,383	357,699	-	(11,724,735)	-	1,971,920
External market	1,572,732	-	-	17,290	-	-	-	(1,572,732)	-	17,290
Gross profit	259,406	595,495	415,369	73,233	15,383	99,788	-	(854,901)	-	603,773
Selling, general and administrative expenses	(332,020)	(358,398)	(221,994)	(16,696)	(4,821)	(67,552)	(25,157)	690,418	-	(336,220)
Other income (expenses)	26,595	67,303	(1,358)	(5,992)	54,417	(2,487)	27,283	(93,898)	-	71,863
Financial income	46,012	33,207	9,627	8,873	585	9,146	31,294	(79,219)	-	59,525
Financial expense	(89,552)	(22,715)	(55,598)	(10,120)	(261)	(15,310)	(150,354)	112,267	-	(231,643)
Exchange rate	31,211	14,903	(12,833)	24	(3)	(2,041)	14,768	(46,114)	-	(85)
Derivatives	20,842	(19,156)	8,779	-	-	5,587	(19,687)	(1,686)	-	(5,321)
Equity pick-up	(9,272)	-	-	-	-	-	98,612	9,272	(100,080)	(1,468)
Equity pick-up - JV	-	-	-	-	-	-	94,077	-	-	94,077
Income tax and social contribution	24,445	(90,861)	(48,541)	(16,539)	(3,423)	(13,897)	(56,819)	66,416	-	(139,219)
Profit (loss) for the period	(22,333)	219,778	93,451	32,783	61,877	13,234	14,017	(197,445)	(100,080)	115,282
Other selected data:										
Depreciation and amortization	465,752	118,464	122,338	18,514	222	17,815	463	(584,216)	-	159,352
EBITDA	410,461	422,864	314,355	69,059	65,201	47,564	195,278	(833,325)	(100,080)	591,377
Addition to PP&E, intangible and biological assets (cash)	1,017,140	153,544	174,533	57,015	2,360	16,045	1,407	(1,170,684)	-	251,360
Reconciliation of EBITDA										
Profit (loss) for the period	(22,333)	219,778	93,451	32,783	61,877	13,234	14,017	(197,445)	(100,080)	115,282
Income tax and social contribution	(24,445)	90,861	48,541	16,539	3,423	13,897	56,819	(66,416)	-	139,219
Financial result, net	(8,513)	(6,239)	50,025	1,223	(321)	2,618	123,979	14,752	-	177,524
Depreciation and amortization	465,752	118,464	122,338	18,514	222	17,815	463	(584,216)	-	159,352
EBITDA	410,461	422,864	314,355	69,059	65,201	47,564	195,278	(833,325)	(100,080)	591,377

	March 31, 2014									
Statement of financial position:	**Raízen Energia**	**Raízen Combustíveis**	**COMGÁS**	**Rumo**	**Radar**	**Lubricants**	**Cosan´s other business**	**Joint Venture deconsolidated**	**Segment elimination**	**Consolidated**
Cash and cash equivalents	1,771,015	566,606	783,560	462,982	7,968	72,124	145,846	(2,337,621)	-	1,472,480
Securities	-	-	-	-	120,875	-	-	-	-	120,875
Trade receivables	356,004	1,190,832	592,520	26,551	51,402	197,946	1,288	(1,546,836)	-	869,707
Inventories	453,810	941,982	116,527	5,250	-	147,816	1	(1,395,792)	-	269,594
Current other assets	1,409,016	557,552	237,879	28,782	285,267	44,715	625,730	(1,966,568)	(355,490)	866,883
Equity investments in investeess	162,266	255,711	-	-	-	13,592	6,074,793	(417,977)	(5,984,778)	103,607
Equity investments in jointly controlled entity	-	-	-	-	-	-	8,471,068	-	(8,495)	8,462,573
Biological Assets	2,036,693	-	-	-	-	-	-	(2,036,693)	-	-
Investment property	-	-	-	-	2,263,356	-	-	-	-	2,263,356
Property, plant and equipment	10,322,749	2,503,252	-	1,021,712	10,999	198,289	65,841	(12,826,001)	-	1,296,841
Intangible assets	3,329,949	4,092,153	8,486,121	739,302	83	852,997	3,187	(7,422,102)	-	10,081,690
Non-current other assets	1,418,139	1,349,945	325,473	270,994	4,499	(110,068)	2,590,876	(2,768,084)	(402,511)	2,679,263
Loans and borrowings	(7,580,843)	(815,208)	(2,964,239)	(688,916)	-	(206,502)	(4,862,806)	8,396,051	-	(8,722,463)
Trade payables	(637,863)	(777,950)	(727,212)	(57,227)	(766)	(38,889)	(1,315)	1,415,813	-	(825,409)
Employee benefits	(292,468)	(86,164)	(35,873)	(7,965)	(6,366)	(9,674)	(8,221)	378,632	-	(68,099)
Current other liabilities	(618,828)	(718,443)	(300,472)	(338,549)	(30,414)	(102,057)	(227,289)	1,337,271	356,114	(642,667)
Non-current other liabilities	(1,630,735)	(2,456,469)	(905,865)	(207,141)	(84,207)	(242,479)	(3,476,786)	4,087,204	401,887	(4,514,591)
Total assets (net of liabilities) allocated by segment	10,498,904	6,603,799	5,608,419	1,255,775	2,622,696	817,810	9,402,213	(17,102,703)	(5,993,273)	13,713,640
Total assets	21,259,641	11,458,033	10,542,080	2,555,573	2,744,449	1,417,411	17,978,628	(32,717,674)	(6,751,272)	28,486,869

	December 31, 2013									
Statement of financial position:	**Raízen Energia**	**Raízen Combustíveis**	**COMGÁS**	**Rumo**	**Radar**	**Lubricants**	**Cosan´s other business**	**Joint Venture deconsolidated**	**Segment elimination**	**Consolidated**
Cash and cash equivalents	1,058,483	328,992	535,957	497,753	13,408	57,892	369,543	(1,387,475)	-	1,474,553
Securities	-	-	-	-	87,978	-	-	-	-	87,978
Trade receivables	416,746	1,435,095	582,889	32,506	28,051	200,796	241	(1,851,841)	-	844,483
Inventories	2,026,925	1,057,049	121,253	5,237	-	185,490	-	(3,083,974)	-	311,980
Current other assets	1,279,553	484,475	248,803	22,389	323,476	45,227	332,013	(1,764,028)	(144,261)	827,647
Equity investments in investeess	408,591	254,826	-	-	-	15,364	6,101,361	(663,417)	(6,013,409)	103,316
Equity investments in jointly controlled entity	-	-	-	-	-	-	8,498,259	-	-	8,498,259
Biological Assets	1,867,765	-	-	-	-	-	-	(1,867,765)	-	-
Investment property	-	-	-	-	2,281,509	-	-	-	-	2,281,509
Property, plant and equipment	9,504,874	2,494,486	-	1,013,149	11,195	197,137	50,429	(11,999,360)	-	1,271,910
Intangible assets	3,100,227	4,038,314	8,450,541	755,635	89	867,826	3,949	(7,138,541)	-	10,078,040
Non-current other assets	1,534,557	1,403,117	332,918	234,965	4,884	(93,658)	2,755,373	(2,937,674)	(415,784)	2,818,698
Loans and borrowings	(7,732,778)	(862,521)	(2,841,387)	(705,974)	-	(209,579)	(5,073,219)	8,595,299	-	(8,830,159)
Trade payables	(633,505)	(551,176)	(706,397)	(82,872)	(1,216)	(70,102)	(1,562)	1,184,681	(280)	(862,429)
Employee benefits	(249,919)	(60,091)	(59,417)	(12,522)	(4,247)	(13,039)	(14,071)	310,010	-	(103,296)
Current other liabilities	(495,240)	(525,188)	(301,089)	(127,287)	(31,020)	(107,826)	(260,693)	1,020,428	143,979	(683,936)
Non-current other liabilities	(1,693,036)	(2,715,727)	(863,768)	(198,620)	(85,951)	(327,564)	(3,543,628)	4,408,763	416,348	(4,603,183)
Total assets (net of liabilities) allocated by segment	10,393,243	6,781,651	5,500,303	1,434,359	2,628,156	747,964	9,217,995	(17,174,894)	(6,013,407)	13,515,370
Total assets	21,197,721	11,496,354	10,272,361	2,561,634	2,750,590	1,476,074	18,111,168	(32,694,075)	(6,573,454)	28,598,373

(b) ***Detailed net sales by segment*:**

	March 31, 2014	March 31, 2013
Raízen Energia		
Sugar	1,225,469	1,176,667
Ethanol	1,321,277	1,123,323
Cogeneration	27,266	13,139
Other	30,821	37,237
	2,604,833	**2,350,366**
Raízen Combustíveis		
Fuels	13,010,956	10,947,101
Other	-	-
	13,010,956	**10,947,101**
COMGÁS		
Industrial	1,025,427	945,740
Residential	112,176	113,986
Thermo generation	87,595	84,682
Cogeneration	63,834	68,325
Automotive	46,796	44,954
Commercial	55,457	48,853
Construction revenue	117,641	135,161
Other	8,452	6,042
	1,517,378	**1,447,743**
Rumo		
Port lifting	49,428	36,634
Logistics	154,947	128,498
Other	3,560	3,253
	207,935	**168,385**
Radar		
Property sale	45,590	-
Land lease	16,128	15,383
Land lease	1,834	-
	63,552	**15,383**
Lubricants		
Lubricants	319,188	324,088
Basic Oil	46,023	31,122
Other	3,058	2,489
	368,269	**357,699**
Cosan's other business	**52**	**-**
Joint Venture deconsolidated	(15,615,789)	(13,297,467)
Total	**2,157,186**	**1,989,210**

4 Cash and cash equivalents

	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Cash and bank accounts	-	82	82,467	113,527
Financial Investments	17,417	256,009	1,390,013	1,361,026
	17,417	**256,091**	**1,472,480**	**1,474,553**

Financial investments refer substantially exclusive funds as presented below:

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Exclusive funds				
Commitment transactions	12,219	202,386	441,580	662,262
Bank certificate of deposits - CDB	3,967	53,623	110,939	175,895
Títulos públicos	-	-	-	-
	16,186	**256,009**	**552,519**	**838,157**
Bank investments				
Bank certificate of deposits - CDB	1,231	-	212,359	147,782
Commitment transactions	-	-	538,074	342,894
Other financial investments	-	-	87,061	32,193
	1,231	**-**	**837,494**	**522,869**
	17,417	**256,009**	**1,390,013**	**1,361,026**

5 Trade receivables

The balance of trade receivables is comprised of the followng:

	March 31, 2014	December 31, 2013
Domestic	1,136,556	1,087,118
Foreign	27,986	24,453
Allowance for doubtful accounts	(36,087)	(28,628)
	1,128,455	**1,082,943**
Current	**869,707**	**844,483**
Non-current	**258,748**	**238,460**

In October 10, 2013, ALL – América Latina Logística S.A. ("ALL"), issued a press release announcing that it has initiated legal actions in relation to the contracts entered with Rumo. Rumo, then filed a request for arbitration against ALL, among other administrative and judicial measures to enforce their contractual rights and to require that ALL comply with the terms of the agreement signed in 2009, as amended, including the 4th and 5th amendment signed on May 31, 2013. There are no judicial decisions suspending the validity of the contracts signed between ALL and Rumo.

As of March 31, 2014, Rumo has recorded accounts receivable from ALL amounting to R$ 245,559 (R$ 225,401 on December 31, 2013) for services provided under the agreements in accordance with IAS 18 - Revenue. Additionally, revenue, totaling R$ 95,600, including penalties and interest, was not recorded because not all the criteria for revenue recognition have been met.

	Consolidated	
	March 31, 2014	**December 31, 2013**
Finished goods	**147,947**	**185,620**
Product in process	**78,761**	**82,361**
Spare parts and others	**49,714**	**44,331**
Provision for inventory realization and obsolescence	**(6,828)**	**(332)**
	269,594	**311,980**

	Parent Company			Consolidated		
	December 31, 2013	**March 31, 2013**	**April 1, 2012**	**December 31, 2013**	**March 31, 2013 (Restated)**	**April 1, 2012**
Recoverable taxes						
COFINS - Revenue tax	**(8,965)**	-	-	**(8,485)**	2,476	6,455
PIS - Revenue tax	**-**	-	-	**104**	537	1,413
ICMS - State VAT	**1**	-	-	**95,780**	77,535	3,051
IPI - Exercise tax	**-**	-	-	**(3)**	-	5,279
Other	**9,171**	-	1,809	**10,604**	1,016	1,392
	207	-	1,809	**98,000**	81,564	17,590
Current	**206**	-	1,809	**80,133**	63,683	16,584
Non Current	**-**	-	-	**17,866**	17,881	1,006

6 Other financial assets

	Parent Company		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Exxon Mobil financial assets	-	-	314,847	309,378
Receivable from sale discontinued operations (a)	164,500	160,783	164,500	160,783
	164,500	**160,783**	**479,347**	**470,161**
Current	64,492	63,054	64,492	63,054
Non Current	100,008	97,729	414,855	407,107

a) Remaining balance the alienation of Cosan Alimentos.

7 Related parties

(a) Receivables from and payables to related parties are as follows:

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Current Asset				
Commercial operations				
Cosan Lubrificantes e Especialidades	8,896	5,221	-	-
Raízen Energia S.A.	11,129	9,840	26,307	27,199
Corporate Expense Reimbursement	-	-	-	-
Transport services	-	-	8,775	10,539
Lubrificants	-	-	2,623	3,086
Other	11,129	9,840	14,909	13,574
Raízen Combustíveis S.A.	-	-	4,779	4,048
Aguassanta Participações S.A.	6,440	6,368	6,440	6,368
RUMO Group	2,972	1,851	-	-
Other	2,297	2,051	5,808	1,071
	31,734	**25,331**	**43,334**	**38,686**
Corporate operation / Agreements				
Raízen Energia S.A.	-	1,468	3	1,468
	-	**1,468**	**3**	**1,468**
Financial operations				
Rezende Barbosa Group	-	-	6,188	7,223
Cosan Lubrificantes e Especialidades	35,370	-	-	-
Cosan Limited S.A.	-	-	16,639	17,158
	35,370	**-**	**22,827**	**24,381**
	67,104	**26,799**	**66,164**	**64,535**
Non-current assets				
Preferred shares				
Raízen Energia S.A.	261,547	305,183	261,547	305,183
Raízen Combustíveis S.A.	30,252	90,756	30,252	90,756
	291,799	**395,939**	**291,799**	**395,939**
Financial operations				
Rezende Barbosa Group	106,057	106,057	106,230	107,002
	106,057	**106,057**	**106,230**	**107,002**
Corporate restructuring				
Corporate restructuring	5,507	6,220	734	1,540
	403,363	**508,216**	**398,763**	**504,481**

	Parent Company		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Current liabilieites				
Commercial operations				
Raízen Energia S.A.	11,484	6,060	19,894	18,491
Advances from port services	-	-	3,885	7,998
Shared expenses	11,484	6,060	11,640	10,276
Other	-	-	4,369	217
Rumo Group	1,551	1,551	-	-
Radar Group	2,690	2,682	-	-
Raízen Combustíveis S.A.	536	923	591	1,709
Other	276	245	66	34
	16,537	**11,461**	**22,883**	**26,220**
Corporate operations / Agreements				
Cosan Biomassa S.A.	142,569	-	-	-
Raizen Combustiveis S.A.	9,091	8,800	9,091	8,800
Raízen Energia S.A.	44,596	70,443	44,596	70,443
	196,256	**79,243**	**53,687**	**79,243**
Financial Operations				
Cosan Overseas Limited	13,960	13,452	-	-
Cosan Luxembourg S.A.	20,753	851,165	-	-
	34,713	**864,617**	**-**	**-**
	247,506	**955,321**	**76,570**	**105,463**
Non-current liabilities				
Financial operations				
Cosan Overseas Limited	1,139,421	1,179,499	-	-
Cosan Luxembourg S.A.	1,618,496	899,689	-	-
	2,757,917	**2,079,188**	**-**	**-**
	2,757,917	**2,079,188**	**-**	**-**

(b) Related party transactions are as follows:

Commercial operations of Cosan among its subsidiaries and jointly controlled entities are carried out at market prices and market conditions. During quarter ended March 31, 2014 and 2013 no loss for doubtful accounts was recorded with regards to receivables from related parties.

	Parent Company		Consolidated	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Product sales				
Raízen Energia S.A.	-	-	93,571	96,825
Other	-	-	14	-
	-	**-**	**93,585**	**96,825**
Purchase of goods / Inputs				
Raízen Energia S.A.	-	-	(1)	(1)
Raízen Combustíveis S.A.	-	-	(364)	(208)
	-	**-**	**(365)**	**(209)**
Land lease				
Shared income (expanse)				
Aguassanta Participações S.A.	106	91	106	91
Cosan Biomassa S.A.	422	384	-	-
Rumo Group	2,581	120	-	-
Cosan Lubrificantes e Especialidades	3,353	3,046	-	-
Raízen Energia S.A.	(1,587)	(1,578)	(3,520)	(2,083)
Other	756	-	-	-
	5,631	**2,063**	**(3,414)**	**(1,992)**
Financial result				
Rezende Barbosa Group	-	-	167	330
Cosan Lubrificantes e Especialidades	370	-	-	-
Cosan Luxembourg S.A.	10,217	533	-	-
Raízen Energia S.A.	616	516	616	516
Cosan Limited S.A.	(20)	(7)	(20)	(7)
Other	53	(227)	53	(367)
	11,236	**815**	**816**	**472**

8 Equity method investments

a) Parent Company

	Issued shares of the investee	Number of shares held by Cosan	Percentage of interest (%)	December 31, 2013	Equity income of investee	Equity method adjustments	Dividends	Capital incrase	Other	At March 31, 2014	Equity income of investees March 31, 2013
Subsidiaries											
Cosan Lubrificantes e Especialidades S.A.	290,441	290,437	100,00%	252,814	48,718	-	-	-	-	301,532	3,580
Novo Rumo Logística S.A.	278,336,920	278,336,917	100,00%	1,029,042	36,911	-	(28,694)	-	-	1,037,259	10,180
Radar Propriedades Agrícolas S.A.	21,148,989	4,001,167	18,92%	587,977	(918)	51	-	-	-	587,110	9,062
Radar II Propriedades Agrícolas S.A.	830,690,258	539,979,397	65,00%	609,503	(1,096)	29	-	-	-	608,436	14,116
Companhia de Gás de São Paulo – "COMGÁS"	119,822,797	71,957,990	60,05%	3,538,971	65,049	(125)	-	-	-	3,603,895	56,118
Cosan Investimentos e Participações S.A.	2,072,284,917	2,072,284,917	100,00%	2,172,458	109,931	-	(180,000)	-	-	2,102,389	-
Cosan Luxembourg S.A.	500,000	500,000	100,00%	46,222	(21,910)	-	-	-	-	24,312	23,453
Cosan Global	1	1	100,00%	8,565	(9,052)	-	-	7,048	-	6,561	-
Cosan Biomassa	149,289,282	149,289,282	100,00%	-	(1,994)	-	-	142,569	(5,488)	135,087	-
Other	-	-	-	30,936	(12,001)	2,055	-	-	531	21,521	(4,962)
Associates											
Tellus Brasil Participações Ltda (a)	65,957,282	33,638,214	-	78,821	446	103	-	3,507	-	82,877	(8,833)
Total				**8,355,309**	**214,084**	**2,113**	**(208,694)**	**153,124**	**(4,957)**	**8,510,979**	**102,714**

b) Consolidated

	Issued shares of the investee	Number of shares held by Cosan	Percentage of interest (%)	December 31, 2013	Equity income of investee	Equity method adjustments	Capital Incrase	Other	March 31, 2014	Equity income of investee March 31, 2013
Tellus Brasil Participações Ltda (a)	65,957,282	33,638,214	51,00%	78,821	446	103	3,507	-	82,877	59
Novvi Limited	200,002	100,001	50,00%	15,364	(1,298)	(473)	-	-	13,593	-
Vertical UK LLP	-	-	50,00%	8,126	666	(1,654)	-	-	7,138	-
Other investments	-	-	-	1,005	(1,002)	-	-	(4)	(1)	(1,527)
Total				**103,316**	**(1,188)**	**(2,024)**	**3,507**	**(4)**	**103,607**	**(1,468)**

(a) The Company is entitled to 5% of the economic benefits of this associates as established in shareholders agreement.

c) Non-controlling:

	Issued shares of the investee	Number of shares held by non-controlling	Percentage of interest by non-controlling(%)	December 31, 2013	Equity in income of investee of non-controlling	Equity method adjustments	Dividends	March 31, 2014
Logispot Armazéns Gerais S.A.	2,040,816	1,000,000	61.75	37,219	(221)	-	(141)	36,857
Rumo Logística Operadora Multimodal S.A.	956,917	239,229	25.00	349,285	12,491	-	(57,046)	304,730
Radar Propriedades Agrícolas S.A.	21,148,989	17,147,822	81.08	1,607,793	(3,934)	219	-	1,604,078
Radar II Propriedades Agrícolas S.A.	830,690,258	290,710,861	35.00	328,192	(590)	16	-	327,618
Elimination of participation Radar II in Radar	-	-	-	(505,215)	806	(44)	-	(504,453)
Companhia de Gás de São Paulo - "COMGÁS"	119,822,797	47,864,807	39.95	1,961,238	43,275	(83)	-	2,004,430
Total				**3,778,512**	**51,827**	**108**	**(57,187)**	**3,773,260**

9 Investment in jointly controlled entities

Cosan has joint control over Raízen Energia and Raízen Combustíveis by virtue of its 50% share in the equity shares of both companies and the requirement for unanimous consent by all parties over decisions related to the relevant activities of the arrangements. The investments have been classified as joint ventures under IFRS 11 and therefore the equity method of accounting is used in the consolidated financial statements. Prior to the adoption of IFRS 11, Cosan's interests in Raízen Energia and Raízen Combustíveis were proportionately consolidated.

Investments in jointly controlled entities had the following change in the period:

	Issued shares of the investee	Number of shares held by Cosan	Percentage of interest (%)	December 31, 2013	Equity in income of jointly controlled entity	Dividends	Equity method adjustments	Other reflex effects	December 31, 2013	Equity pick-up March 31, 2013
Raízen Combustíveis S.A.	3,303,168,484	1,651,584,242	50.00	3,326,482	111,983	(200,500)	-	-	3,237,965	107,663
Raízen Energia S.A.	5,902,595,634	2,951,297,817	50.00	5,171,777	111,007	(518)	(61,928)	4,270	5,224,608	(13,586)
Total				**8,498,259**	**222,990**	**(201,018)**	**(61,928)**	**4,270**	**8,462,573**	**94,077**

The statement of financial position and statement of income of jointly controlled are disclosed in note segments (Note 3).

The cash flows and comprehensive income of the jointly controlled entities Raízen Energia and Raízen Combustíveis for the period ended March 31, 2014 and March 31, 2013 are presented below:

	Raízen Energia		Raízen Combustíveis	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Cash flow				
Operating activities	1,829,954	1,691,394	997,678	352,792
Investing activities	(1,007,923)	(1,059,472)	(323,134)	86,976
Financing activities	(109,499)	(475,730)	(436,930)	(393,136)
Increase in cash and cash equivalents	**712,532**	**156,192**	**237,614**	**46,632**
Other comprehensive loss income	**91,484**	**(35,585)**	**271,498**	**219,779**

According to the terms of the Framework Agreement of Joint Venture Raízen, Cosan is responsible for legal proceedings that existed prior to the formation of Raízen, which are net of judicial deposits as of April 1, 2011, as well as tax installments on the REFIS (tax refinancing) program, recorded in "Other taxes payable". Additionally, Cosan is party to a credit line (stand-by facility) granted to Raízen in the amount of US Dollars 500,000 thousand, which was unused at March 31, 2014.

10 Investment property

The balance of investment property is as follow:

	Consolidated
At December 31, 2013	2,281,509
Change in fair value	(18,153)
At March 31, 2014	**2,263,356**

11 Property, plant and equipment

	Consolidated						Parent Company
	Land, buildings and improvements	Machinery, equipment and facilities	Rail cars and locomotives	Construction in progress	Other	Total	Total
Cost							
At December 31, 2013	447,240	359,262	436,064	284,262	35,100	1,561,928	32,591
Additions	1,624	3,047	-	30,432	0	35,104	1,750
Disposals	-	(1,070)	-	-	(844)	(1,914)	-
Transfers [(i)]	28,877	56,399	-	(83,027)	5,097	7,346	590
At March 31, 2014	**477,741**	**417,639**	**436,064**	**231,667**	**39,353**	**1,602,464**	**34,931**
Depreciation							
At December 31, 2013	(80,419)	(153,996)	(41,584)	-	(14,019)	(290,018)	(4,468)
Additions	(3,831)	(8,045)	(3,416)	-	(1,092)	(16,383)	(562)
Disposals	-	-	-	-	778	778	-
Transfers [(i)]	-	-	-	-	-	-	-
At March 31, 2014	**(84,250)**	**(162,041)**	**(45,000)**	**-**	**(14,333)**	**(305,623)**	**(5,030)**
At December 31, 2013	**366,821**	**205,266**	**394,480**	**284,262**	**21,081**	**1,271,910**	**28,123**
At March 31, 2014	**393,491**	**255,598**	**391,064**	**231,667**	**25,021**	**1,296,841**	**29,901**

(i) Refer to intangible transfers due to the capitalization of these assets.

Capitalization of borrowing costs

Capitalized borrowing costs for the quarter ended March 31, 2014, amounted to R$ 1,978 (March 31, 2013 R$ 1,575). The weighted average interest rate used to capitalize interest on the balance of construction in progress, was 5.92% p.a. for the quarter ended March 31,2014 (5,84% p.a. for the quarter ended March 31,2013).

12 Intangible assets

	Consolidated							Parent Company
	Goodwill	Concession intangible asset - COMGÁS	Improvements in public concessions and operation licenses	Trademarks	Related customer relationships	Other	Total	Total
Cost								
At December 31, 2013	703,956	8,307,282	751,555	252,474	719,186	200,825	10,935,278	5,923
Additions	-	122,329	-	-	32,145	2,592	157,066	-
Disposals	-	(2,863)	-	-	(1,975)	-	(4,838)	-
Transfers [(i)]	-	-	(4,812)	-	-	(2,534)	(7,346)	(589)
At March 31, 2014	**703,956**	**8,426,748**	**746,743**	**252,474**	**749,356**	**200,883**	**11,080,160**	**5,334**
Amortization								
At December 31, 2013	-	(306,437)	(102,119)	(114,132)	(273,120)	(61,430)	(857,238)	(2,018)
Additions	-	(75,980)	(8,989)	(5,707)	(40,662)	(12,809)	(144,147)	(173)
Disposals	-	1,808	-	-	1,107	-	2,915	-
At March 31, 2014	**-**	**(380,609)**	**(111,108)**	**(119,839)**	**(312,675)**	**(74,239)**	**(998,470)**	**(2,192)**
At December 31, 2013	**703,956**	**8,000,845**	**649,436**	**138,342**	**446,066**	**139,395**	**10,078,040**	**3,905**
At March 31, 2014	**703,956**	**8,046,139**	**635,635**	**132,635**	**436,681**	**126,644**	**10,081,690**	**3,142**

(i) Refer to intangible transfers due to the capitalization of these assets.

Capitalization of borrowing costs

Capitalized borrowing costs for the quarter ended March 31, 2014, amounted to R$ 4,452 (March 31, 2013 R $ 4,310). The weighted average interest rate used to capitalize borrowing costs on the balance of construction in progress, was 9.62% p.a. for the quarter ended March 31, 2014 (7.23% p.a. for the quarter ended March 31, 2013).

Intangible assets (excluding goodwill)	Annual rate of amortization - %	March 31, 2014	December 31, 2013
Concession intangible asset - COMGÁS [(a)]	Over the concession term	**8,046,139**	**8,000,845**
Improvements in public grants [(b)]	Over the concession term	376,380	387,245
Operating license for port terminal [(c)]	4.00	259,255	262,191
		635,635	**649,436**
Trademarks			
Mobil	10.00	108,431	114,138
União	2.00	-	-
Comma		24,204	24,204
		132,635	**138,342**
Relationship with customers			
COMGÁS	3.00	372,047	375,184
Lubricants	6.00	64,634	70,882
		436,681	**446,066**
Other			
Software licenses	20.00	81,881	91,695
Other	Up to 20	44,762	47,700
		126,643	**139,395**
		9,377,734	**9,374,084**

(a) Refers to the concession intangible asset for the public gas distribution service, which represents the right to charge users for the supply of gas and it is comprised of: (i) the concession rights recognized in the business combination and (ii) concession assets as disclosed;
(b) Refers improvements made to the federal railways in relation to the transportation agreement entered by Rumo;
(c) License port operations and customer relationships of Rumo, recognized as a result of business combinations.

Impairment testing for cash-generating units containing goodwill

During the period ended March 31, 2014, no impairment indicators was identified that would require the performance of an impairment test.

13 Loans and borrowings

	Financial charges		Parent company		Consolidated		
Description (a)	**Index (b)**	**Nominal interest rate (%) (c)**	**March 31, 2014**	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**	**Maturity date**
Senior Notes Due 2018	Pré-fixed	9.50	-	-	853,512	873,589	mar-18
Senior Notes Due 2023	Dollar (US$)	5.00	-	-	1,065,194	1,086,716	mar-23
BNDES	TJLP	7.98	-	-	466,297	526,716	jun-17
BNDES	SELIC	10.70	-	-	206,944	159,894	oct-20
BNDES	TJ462	7.94	-	-	665,151	525,636	oct-20
Perpetual notes	Dollar (US$)	8.25	-	-	1,145,923	1,186,221	-
Credit notes	110.00% CDI	11.61	302,526	393,646	302,526	393,646	aug-14
Finame	Pré-fixed	4.23	-	-	266,118	277,298	nov-22
Finame	URTJLP	7.06	-	-	415,412	428,916	may-22
Finem	Pré-fixed	3.50	-	-	2,114	-	jan-24
Finem	URTJLP	6.74	-	-	5,511	-	jan-22
Leasing	CDI	10.55	-	-	749	1,068	oct-14
Foreign loans	LIBOR UK semiannual	4.27	-	-	206,264	209,340	jun-17
EIB	Dollar (US$) + LIBOR	2.12	-	-	632,428	633,223	sep-21
Resolution 4131	Dollar (US$) + LIBOR	2.87	-	-	397,788	413,477	feb-18
Debentures	CDI	12.98	1,406,520	1,443,941	1,406,520	1,443,941	oct-20
Non-convertible debentures	CDI	11.69	-	-	162,779	164,144	aug-14
Debentures	Fixed rate+IPCA	11.31	-	-	432,103	417,230	sep-20
Finep	Pré-fixed	5.00	-	-	89,130	89,104	jan-21
			1,709,046	**1,837,587**	**8,722,463**	**8,830,159**	
Current			**326,148**	**455,673**	**810,079**	**987,596**	
Non-current			**1,382,898**	**1,381,914**	**7,912,384**	**7,842,563**	

(a) Loans and borrowings are guaranteed by promissory notes and endorsements of the Company and its jointly-controlled entities and controlling shareholders, besides other guarantees, such as: (i) credit rights originating from energy contracts (BNDES), (ii) CTN and land mortgages (PESA), and (iii) underlying assets (Property, plant and equipment and Intangible assets) being financed (FINAME);

(b) TJLP and URTJLP are the interest rates established long-term loans granted by BNDES, the National Development Bank. Is the SELIC base interest rate set by the Central Bank of Brazil. CDI is an interbank lending benchmark in Brazil. IPCA is a consumer price index reference used by the Central Bank of Brazil to set monetary policy.

(c) At March 31, 2014, except where otherwise indicated.

The carrying amounts and fair value of loans and borrowings:

	Carrying amount		Fair value	
	March 31, 2014	**December 31, 2013**	**March 31, 2014**	**December 31, 2013**
Senior / perpetual notes	3,064,630	3,174,894	2,919,964	2,977,658
Financing	5,657,833	5,655,265	5,657,833	5,655,266
Total	**8,722,463**	**8,830,159**	**8,577,797**	**8,632,924**

14 Trade payables

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Natural gas suppliers	-	-	611,142	590,168
Suppliers of materials and services	1,268	1,511	214,267	272,261
	1,268	1,511	825,409	862,429
Current	1,268	1,511	825,409	862,429

15 Other taxes payable

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
ICMS – State VAT	-	-	84,532	77,466
IPI	-	-	-	-
INSS	532	683	2,112	2,842
PIS	190	2,939	3,949	5,170
COFINS	874	13,537	24,822	30,470
Recovery program – REFIS	761,730	765,642	1,076,578	1,075,019
Other	285	361	6,529	18,857
Current	**67,390**	**81,772**	**187,454**	**199,057**
Non-Current	**696,221**	**701,390**	**1,011,068**	**1,010,767**

16 Income tax and social contribution

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

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Profit (loss) before taxes	235,065	89,517	367,511	254,501
Income tax and social contribution at nominal rate (34%)	(79,922)	(30,436)	(124,954)	(86,530)
Adjustments to determine the effective rate				
Equity pick-up	104,259	66,909	75,413	31,487
Permanent differences (donations, gifts, etc.)	(150)	(137)	(1,704)	(860)
Stock options	(872)	(1,130)	(872)	(1,130)
Interest capital	-	(6,800)	(6,970)	(6,800)
Tax losses	-	(68,528)	(674)	(65,006)
Non-taxable income (loss) from overseas Companies	-	(4,292)	(6,654)	-
Different tax regime for entities taxed on presumed profits	-	-	(3,748)	16,315
Exchange variation on the paid up capital	-	-	(766)	(15,210)
Reversal of lawsuits related to IR / CS	-	-	13,839	
Other	(2,258)	(14,592)	(2,472)	(11,485)
Income tax and social contribution expense (current and deferred)	**21,057**	**(59,006)**	**(59,562)**	**(139,219)**
Effective rate - %	**-8.96**	**65.92**	**16.21**	**54.70**

(b) Deferred income tax on assets and liabilities:

	Parent Company				
	March 31, 2014				
	Basis	Income taxes (25%)	Social contribution (9%)	Total	December 31, 2013
Tax loss carryforwards:					
Income tax loss carryforwards	646,150	161,537	-	161,537	115,971
Social contribution tax loss carryforwards	646,251	-	58,163	58,163	41,759
Temporary differences:					
Foreign currency receivables and payables	360,670	90,167	32,460	122,627	152,766
Tax deductible goodwill	(64,185)	(16,046)	(5,777)	(21,823)	(21,778)
Provision for judicial demands	163,327	40,832	14,699	55,531	61,218
Allowance for doubtful accounts	36,250	9,062	3,263	12,325	15,190
Profit sharing	4,394	1,099	395	1,494	3,469
Derivatives instruments unrealized gains	(123,650)	(30,912)	(11,128)	(42,040)	(42,568)
Unrealized gain on sale of investiments	(90,864)	(22,716)	(8,178)	(30,894)	(30,894)
Other temporary differences	3,906	977	353	1,330	1,245
Gain on formation of Joint Venture	(3,338,342)	(834,586)	(300,451)	(1,135,037)	(1,135,044)
Other	(206,050)	(51,513)	(18,545)	(70,058)	(70,046)
Total	**-**	**(652,099)**	**(234,746)**	**(886,845)**	(908,712)

	Consolidated				
	March 31, 2014				December 31, 2013
	Basis	Income taxes (25%)	Social contribution (9%)	Total	
Tax loss carryforwards:					
Income tax loss carryforwards	1,335,328	333,832	-	333,832	282,656
Social contribution tax loss carryforwards	1,342,549	-	120,829	120,829	102,410
Temporary differences:					
Foreign currency receivables and payables	336,287	84,072	30,266	114,338	11,603
Tax deductible goodwill	1,422,668	355,667	128,040	483,707	514,893
Provision for judicial demands	528,068	132,017	47,526	179,543	194,985
Allowance for doubtful accounts	158,617	39,659	14,276	53,935	54,258
Profit sharing	9,728	2,432	876	3,308	67,057
Derivatives instrumetns unrealized gains	(130,124)	(32,531)	(11,711)	(44,242)	107,489
Unrealized gain on sale of investiments	(90,864)	(22,716)	(8,178)	(30,894)	(30,894)
Other temporary differences	(137,847)	(34,462)	(12,406)	(46,868)	(38,897)
Property, plant and equipment	(90,013)	(22,503)	(8,101)	(30,604)	(28,017)
Gain on formation of Joint Venture	(3,338,342)	(834,586)	(300,451)	(1,135,037)	(1,135,044)
Unrealized gains on investment property	(2,258,589)	(45,172)	(24,393)	(69,565)	(70,309)
Assets held for sale	(275,797)	(5,516)	(2,979)	(8,495)	(9,636)
Concession contract	31,881	7,970	2,869	10,839	11,579
Regulatory asset	296,729	74,182	26,706	100,888	118,228
Gains or losses on actuarial liabilities	297,835	74,459	26,804	101,263	41,593
Business combination - Property and equipment	(110,919)	(27,730)	(9,983)	(37,713)	(38,098)
Business combination - Intangible assets	(4,203,232)	(1,050,808)	(378,291)	(1,429,099)	(1,441,910)
Business combination – Other fair value adjustments	(50,085)	(12,521)	(4,508)	(17,029)	(17,706)
Other	(433,941)	(108,486)	(39,055)	(147,541)	(162,674)
Total	**-**	**(1,092,741)**	**(401,864)**	**(1,494,605)**	**(1,466,434)**
Deferred income tax – Assets				**223,893**	**232,188**
Deferred income tax - Liabilities				**(1,718,498)**	**(1,698,622)**
Total net deferred taxes				**(1,494,605)**	**(1,466,434)**

(c) Changes in deferred income taxes (net):

	Parent Company	Consolidated
	March 31, 2014	December 31, 2013
Net deferred tax liability	**(908,712)**	**(1,466,434)**
Income	**21,057**	**(29,023)**
Other	**810**	**884**
Net deferred tax liability	**(886,845)**	**(1,494,605)**

In November 2013, the Provisional Measure (MP) 627 was issued, promoting changes to corporate income tax. This measure, among other things, revokes the Transitional Tax Regime, introduced by Law 11.941/2009, and establishes that records prepared under international accounting standards (IFRS) be the bases for determination of taxes on income. The measure comes into effect in 2015, but may be early adopted in 2014 at, the taxpayer's option. The Company analyzed the provisions of this MP and concluded that are no significant effects to be recorded in the financial statements for the period ended March 31, 2014. This analysis will be reviewed be reviewed again once the measure is enacted as there may be amendments to the bill.

17 Provision for legal proceedings

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Tax	76,323	75,579	342,310	410,890
Civil and environmental	48,184	46,608	146,753	146,011
Labor	133,110	132,283	167,110	165,557
	257,617	**254,470**	**656,173**	**722,458**

Judicial deposits as at March 31, 2014 and December 31, 2013 are as follow:

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Tax	179,855	178,807	275,403	294,991
Civil and environmental	11,958	11,021	43,267	33,659
Labor	20,243	18,784	39,865	32,904
	212,056	208,612	358,535	361,554

Changes in provision for judicial demands:

	Parent Company			
	Tax	Civil	Labor	Total
At december 31, 2013	**75,579**	**46,608**	**132,283**	**254,470**
Provisions	465	1,201	15,271	16,937
Settlement or Write-Offs	(1,614)	(1,289)	(22,340)	(25,243)
Interest and accruals	1,893	1,664	7,896	11,453
At march 31, 2014	**76,323**	**48,184**	**133,110**	**257,617**

	Consolidated			
	Tax	Civil	Labor	Total
At december 31, 2013	**410,890**	**146,011**	**165,557**	**722,458**
Provisions	1,369	4,858	16,030	22,257
Settlement or Write-Offs	(77,419)	(5,783)	(23,092)	(106,294)
Monetary variation	5,622	3,727	8,403	17,752
At march 31, 2014	**342,310**	**146,753**	**167,110**	**656,173**

(a) Tax

The major taxation-related legal proceeding as at March 31, 2014 and December 31, 2013 are described as follow:

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Offset with FINSOCIAL	-	-	233,342	230,775
IPC - 89 (i)	-	-	-	74,879
Others	10,007	9,884	34,127	30,968
INSS	44,137	43,313	46,845	46,291
ICMS credits	19,236	19,454	20,215	20,114
PIS and COFINS	1,635	1,606	6,473	6,541
IPI	979	993	979	993
IRPJ and CSLL	329	329	329	329
	76,323	**75,579**	**342,310**	**410,890**

(i) In 1993, Cosan Lubrificantes e Especialidades ("Cosan CLE") filed a lawsuit to challenge the balance sheet inflation accounting index ("IPC") established by the Federal Government in 1989, considering that this index did not reflect the actual rate of inflation. The use of this index led the Company to overpay income and social contribution taxes. Cosan CLE obtained a favorable preliminary court ruling that allowed it to recalculate its financial position, using indices that better reflected the actual inflation over the period. In doing so the Company adjusted the amounts of income and social contribution taxes payable and offset the overpayments in subsequent years until 1997. Despite the favorable court rulings, the tax authorities issued a notice of infringement to the Company challenging all of the taxes that were offset. The judicial demands has been reclassified to remote loss and therefore the provision of the R$ 75,144 was reversed and R$ 13,839 recorded under income tax expense for previous years and interest of the R$ 61,305 for judicial demands.

b) Civil, labor and environmental

The Company and its subsidiaries are parties to a number of civil legal claims related to (i) indemnification for material and moral damages, (ii) public civil claims related to burning of sugarcane stubble, and (iii) environmental matters.

The Company and its subsidiaries are also parties to a number of labor claims filed by former employees and service providers challenging, among other things, unpaid overtime, night shift premiums and risk premiums, employment guarantees, and the reimbursement of withholdings from payroll such as social contributions and trade union charges, among others.

Judicial claims deemed as possible losses, and therefore not accrued

a) Tax Claims

The main tax claims for which an unfavorable is deemed possible and for which, therefore, no provision for legal claims was recorded in the interim consolidated financial statements, are as follow:

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
ICMS - State VAT [(i)]	1,193,251	959,125	1,496,898	1,291,685
IRRF	1,611	2,049	621,659	637,130
IRPJ/CSLL	303,200	243,853	722,325	726,815
Other	509,657	514,869	689,000	637,619
INSS - social security and other	480,947	473,795	506,428	508,053
IPI credit - NT	370,294	400,546	405,705	430,981
PIS and COFINS	420,487	411,991	515,263	506,813
Compensation with IPI - IN 67/98	115,921	115,004	115,921	115,004
	3,395,368	**3,121,232**	**5,073,199**	**4,854,100**

(i) ICMS State VAT

State VAT: Refers mainly to (i) Tax assessments filed against the Company for alleged unpaid ICMS and non-compliance with regulations, in connection with the partnership and manufacturing upon demand, with Central Paulista Açúcar e Álcool Ltda., between May to December 2006 and May to December 2007, (ii) ICMS levied on the remittances for the export of crystallized sugar, which the Company understands are tax exempted. However, the tax authorities, classify crystallized sugar as a semi-finished product therefore, subject to ICMS taxation and (iii) Penalties related to the withholding of ICMS taxes on the sale of ethanol to customers residing in other states, (iv) ICMS withholdings rate differences on the sale of ethanol to companies located in other states, which subsequently had their tax registrations revoked, and (v) disallowance of ICMS tax credits in the sale of diesel fuel to customers engaged in the agroindustrial business. The State Tax Administration understands that because the diesel fuel sold is for agricultural use, which is not Company's core business, ICMS cannot be compensated and (e) ICMS payments on inventory differences arising from erroneous calculations by the State Tax Administration.

b) Civil and labor

The main civil and labor claims for which unfavorable outcomes are deemed possible are as follow:

	Parent Company		Consolidated	
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Civil	361,369	350,359	793,828	832,311
Labor	379,218	368,210	515,441	502,697
	740,587	**718,569**	**1,309,269**	**1,335,008**

18 Equity

a) Common stock

Subscribed and fully paid capital as of March 31, 2014 and December 31, 2013 is represented by 407,214,353 common shares, without par value.

b) Treasury shares

The Company holds 2,985,539 treasury shares as of March 31, 2014 with a market value of R$ 35.26 as at March 31, 2014 (R$ 39.58 on December 31, 2013).

c) Other comprehensive income

	December 31, 2013	Comprehensive income	March 31, 2014
Foreign currency translation differences - equity - accounted investee	(240)	(10,763)	(11,003)
Gain (loss) on cash flow hedge	43,385	(49,110)	(5,725)
Revaluation of investment property reclassified from property, plant and equipment	190,735	-	190,735
Defined benefit plan actuarial losses	(7,546)	(237)	(7,783)
Available for sale financial assets	16,126	462	16,588
Total	**242,460**	**(59,648)**	**182,812**
Attributable to:			
Owner of the Cosan	221,351	(59,756)	161,595
Non-controlling interests	21,109	108	21,217

	December 31, 2012	Comprehensive income	March 31, 2013
Foreign currency translation differences - equity - accounted investee	17,929	2,791	20,720
Gain (loss) on cash flow hedge	57,950	(8,140)	49,810
Revaluation of investment property reclassified from property, plant and equipment	190,735	-	190,735
Defined benefit plan actuarial losses	(1,068)	(34,487)	(35,555)
Available for sale financial assets from securities	170	6,878	7,048
Total	**265,716**	**(32,958)**	**232,758**
Attributable to:			
Owner of the Cosan	265,716	(37,862)	227,854
Non-controlling interests	-	4,904	4,904

19 Earnings per share

Earnings per share is computed by dividing net income by the weighted average ordinary shares outstanding during the year average number. Diluted earnings per share is calculated by adjusting average shares outstanding and reflects the conversion of all potentially dilutive options.

The following table sets forth the computation of earnings per share for the periods ended March 31, 2014 and December 31,2013 (in thousands, except per share amounts):

Basic

	March 31, 2014	March 31, 2013
Numerator		
Income for the year	256,122	30,511
Income for the year from discontinued operations	-	(3,369)
Denominator		
Weighted average number of common share	404,228,814	405,030,314
Denominator for basic earning per share	404,228,814	405,030,314
Income basic earning per share	R$ 0.63	R$ 0.08
Income basic earning per share - discontinued operations	-	-R$ 0.01
	R$ 0.63	**R$ 0.07**

Diluted

	March 31, 2014	March 31, 2013
Numerator		
Income for the year	256,122	30,511
Income for the year from discontinued operations	-	(3,369)
Denominator		
Weighted average number of common share	404,228,814	405,030,314
Potential increase of common share	4,313,002	4,235,279
Denominator for diluted earning per share	**408,541,816**	**409,265,593**
Income diluted earning per share	R$ 0.63	R$ 0.07
Income diluted earning per share - discontinued operations	-	-R$ 0.01
	R$ 0.63	**R$ 0,07**

20 Gross Sales

	March 31, 2014	March 31, 2013
Taxable gross revenue from sales of products and services	2,547,442	2,328,816
Construction revenue	117,641	135,161
Indirect taxes and deductions	(507,897)	(474,767)
Net revenue	**2,157,186**	**1,989,210**

21 Financial results

	Parent company		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Financial expanses				
Interest expenses	(113,681)	(125,577)	(151,421)	(181,503)
Monetary variation	-	-	(17,156)	(6,637)
Bank fees	(5,492)	(34,858)	(12,570)	(43,503)
	(119,173)	**(160,435)**	**(181,147)**	**(231,643)**
Financial income				
Interest income	28,603	23,337	15,587	35,003
Monetary variation	4,174	1,681	1,929	1,686
Investment income	3,084	4,798	30,215	22,836
Others	-	-	-	-
	35,861	**29,816**	**47,731**	**59,525**
Foreign exchange variation, net (1)				
Foreign exchange variation, net	94,239	32,059	77,860	(85)
	94,239	**32,059**	**77,860**	**(85)**
Derivatives gains (losses)				
Exchange rate and interest derivatives	(47,756)	(15,757)	(50,622)	(5,321)
	(47,756)	(15,757)	(50,622)	(5,321)
	(36,829)	**(114,317)**	**(106,178)**	**(177,524)**

(1) Includes gains on foreign exchange rates relating to assets and liabilities denominated in foreign currency.

22 Other, net

	Parent Company		Consolidated	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Profit (loss) on port operations	-	-	5,343	(4,845)
Provision for judicial demands	(12,372)	(11,178)	(18,441)	(18,326)
Profit (loss) on sale of non-current assets	-	16,906	(2,052)	15,548
Income from rents and leases	-	-	167	184
Change in fair value of investment properties	-	-	(18,153)	52,753
Change in fair value for available-for-sale assets	-	-	(4,767)	-
Provision for loan losses	-	-	1,347	(72)
Gain on corporate restructuring	4,299	-	4,299	-
Other Income	(616)	24,191	(535)	26,621
	(8,689)	**29,919**	**(32,792)**	**71,863**

23 Assets held for sale

Assets held for sale were reduced by R$ 43,074 in the period, comprinsing R$ 38,307 on the disposal of farms and R$ 4,767 upon changes in fair value.

24 Financial Instruments

Overview

The Company is exposed to the following risk related to the use of financial instruments:

- Foreign exchange rates;
- Interest rates;
- Credit risk;
- Liquid risk.

This note presents information about the exposure of the Company and its subsidiaries to the above risks, as well as the objectives of the Company's risk management policies, the polices and processes for the measurement and management of risk, and for capital management.

Risk management structure

The risks inherent to each type of business market are managed and monitored by the Company and, where applicable, risk committees are convened to discuss and determine the hedginge strategy of the Company in accordance with its policies and guidelines.

As at March 31, 2014 and December 31, 2013, the fair values relating to transactions involving derivative financial instruments to mitigate the Company's risk exposure were measured at fair market value using observable inputs such as quoted prices in active markets, or discounted cash flows based on market curves, and are presented below:

	Notional		Fair value		
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013	P&L
COMGÁS derivatives					
Exchange rate risk					
Exchange rate derivatives					
Swap agreements	828,442	828,442	192,536	209,532	192,536
	828,442	828,442	192,536	209,532	192,536
Company and subsidiaries derivatives					
Exchange rate risk					
Exchange rate derivatives					
Term agreements	171,089	232,220	14,201	25,713	14,201
	171,089	232,220	14,201	25,713	14,201
Interest rate and exchange rate risk					
Swap agreements (interest rate)	181,617	181,617	(13,012)	(13,573)	(13,012)
Swap agreements (interest and exchange rate)	1,483,743	1,483,743	(25,493)	(36,919)	(25,493)
	1,665,360	1,665,360	(38,505)	(50,492)	(38,505)
Total financial instruments contracted by Company			**168,232**	**184,752**	**168,232**
Assets			**469,770**	**513,934**	
Liabilities			**(301,538)**	**(329,182)**	

Foreign exchange risk

The table below shows the consolidated positions as at March 31, 2014 of derivatives used to hedge exchange rates:

Derivatives	Purchased / Sold	Market	Agreement	Maturity date	Notional (US$)	Notional (R$)	Fair Value (R$)
Composition of balance of derivative financial instruments non designated in hedge accounting							
Financial instruments contracted by COMGÁS:							
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	Jul-17	75,000	153,899	16,336
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	Feb-18	50,000	99,385	13,408
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	Aug-18	50,000	115,000	(3,191)
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	Jun-20	84,381	154,933	45,354
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	Sep-20	39,922	69,580	22,737
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	May-21	71,400	115,497	46,651
Swap/flx cx	N/A	OTC/Cetip	Cross-Cur Swap	Sep-21	72,435	120,148	51,241
At March 31, 2014					**443,138**	**828,442**	**192,536**
At December 31, 2013					**443,138**	**828,442**	**209,532**
Financial instruments contracted by other subsidiaries:							
Term	Purchased	OTC	NDF	Feb-14	3,358	8,015	(320)
Term	Purchased	OTC	NDF	May-14	10,385	22,083	1,635
Term	Purchased	OTC	NDF	Aug-14	10,385	22,509	1,758
Term	Purchased	OTC	NDF	Nov-14	10,385	22,927	1,895
Term	Purchased	OTC	NDF	Feb-15	10,385	23,310	2,055
Term	Purchased	OTC	NDF	May-15	10,385	23,668	2,231
Term	Purchased	OTC	NDF	Aug-15	10,385	24,092	2,379
Term	Purchased	OTC	NDF	Nov-15	10,385	24,485	2,569
Sub-total Term at March 31, 2014					76,053	171,089	14,202
Sub-total Term at December 31, 2013					102,971	232,220	25,713
Swap	N/A	OTC	Swap	Dec-14	81,972	181,617	(548)
Swap	N/A	OTC	Swap	Mar-18	-	-	(4,401)
Swap	N/A	OTC	Swap	Mar-23	675,000	1,483,743	(34,473)
Swap	Amortization Gain / Loss D1				-	-	918
Sub-total Swap at March 31, 2014					756,972	1,665,360	(38,504)
Sub-total Swap at December 31, 2013					756,972	1,665,360	(50,492)
At March 31, 2014					**833,025**	**1,836,449**	**(24,302)**
At December 31, 2013					**859,943**	**1,897,580**	**(24,779)**

As at March 31, 2014 and December 31, 2013, the Company and its subsidiaries had the following net exposure to the exchange rate variations on assets and liabilities denominated in US Dollars and British pounds:

	March 31, 2014	December 31, 2013
Cash and cash equivalents	31,982	27,679
Trade receivables	27,986	24,453
Loans and borrowings	(3,470,203)	(3,552,075)
Foreign exchange exposure, net	**(3,410,235)**	**(3,499,943)**

Interest rate risk

The Company and its subsidiaries monitor the fluctuations in the variable interest rates in connection with certain debts, especially those related to of LIBOR, and make use of derivative instruments in order to minimize these risks.

Credit risk

The credit risk on cash and cash equivalents, bank deposits in national and foreign financial institutions are determined using the rating instruments accepted by the market as follows:

	Financial investments and securities
AAA	1,192,721
AA	197,292
At March 31, 2014	1,390,013

Liquid risk

The table below demonstrates the Company's non-derivative financial liabilities classified by due date at March 31, 2014. The amounts disclosed in the table are the contracted undiscounted cash flows.

	March 31, 2014					December 31, 2013
	Until 1 year	1 -2 years	3 – 5 years	More than 5 years	Total	Total
Loans and borrowings	(566,733)	(370,464)	(1,455,972)	(6,017,353)	(8,410,522)	(10,688,457)
Trade payables	(825,409)	-	-	-	(825,409)	(862,429)
REFIS payable	(65,510)	(71,980)	(213,355)	(725,733)	(1,076,578)	(1,010,767)
Total	**(1,457,652)**	**(442,444)**	**(1,669,327)**	**(6,743,086)**	**(10,312,509)**	**(12,561,653)**

Hedge Accounting

To mitigate the Company´s risks from volatility of foreign exchange rates and interest rates, the Company entered into certain derivative contracts that were designated for hedge accounting (fair value hedge) as of July 1, 2013, with the purpose of protecting the "2023 Senior Notes". The hedge relationship consists of swapping the cash flows (cross currency interest rate swaps) with a foreign currency risk (USD) for local currency (BRL) and a fixed interest rate for a fixed percentage of the CDI (local market). The table below shows the fair value and gain recognized in the statement of profit or loss:

	March 31, 2014
Fair value of the Senior Notes 2023	1,087,223
Loss recognized in the financial result	(27,584)

Fair value

The fair value of financial assets and liabilities is determined by reference to price at which they could be exchanged in a current transaction between parties willing to negotiate, and not in a forced sale or liquidation. (Note 25)

Sensitivity analysis

A sensitivity analysis of the effects of changes in the relevant risk factors to which the Company is exposed to as of March 31, 2014 is presented below:

(a) Sensitivity analysis on changes in foreign exchange rates

			Impacts on P&L (i)			
	Risk factor	**Probable scenario**	**Variation scenario (25%) Increase**	**Variation scenario (50%) Increase**	**Variation scenario (25%) Decrease**	**Variation scenario (50%) Decrease**
Derivatives in COMGÁS						
Exchange rate and interest risks						
Exchange rate derivatives						
Swap contracts	Decrease in exchange rate R$/US$ and increase in CDI curve	192,536	512,678	813,972	(112,773)	(439,256)
Exchange rate risks						
Exchange rate derivatives						
Term agreements						
Purchasing agreements	Decrease in exchange rate R$/US$	14,201	56,608	99,015	(28,206)	(70,613)
Interest rate risk						
Contracts swap	Decrease in LIBOR curve	(549)	(238)	72	(860)	(1,171)
Swaps de Linguagem	No risk - asset and liabilitie same position	(16,865)				
Exchange rate and interest risks						
Swap contracts	Decrease in exchange rate R$/US$ and increase in CDI curve	(22,009)	139,108	324,890	(223,423)	(416,466)
Total impact		**167,314**	**708,156**	**1,237,949**	**(365,262)**	**(927,506)**

(i) Exposure to fluctuations of controlled COMGAS absorbed by the asset (liability), which are passed on to customers through periodic tariff revisions

The probable scenario was defined based on the US Dollar market rates as at March 31, 2014, which determines the fair values of the derivatives at that date. Stressed scenarios were defined based on impacts of a 25% and 50% change in the US Dollar exchange rates used in the probable scenario.

Based on the financial instruments denominated in US Dollars at March 31, 2014 the Company performed a sensitivity analysis by increasing and decreasing the exchange rate for R$/US$ by 25% and 50%. The probable scenario considers the estimated exchange rates at the due date of the transactions, as follows:

	Exchange rate sensitivity analysis (R$/US$)					
		Scenario				
	March 31,2014	**Probable**	**25%**	**50%**	**-25%**	**-50%**
At March 31, 2014	2.2630	2.2630	2.8288	3.3945	1.6973	1.1315

Consider the scenario above the profit and loss would be impacted as follows:

Exchange rate exposure

	Balance	25%	50%	-25%	-50%
Bonds e Debêntures - USD	(2,232,984)	(558,246)	(1,116,492)	558,246	1,116,492
Loans and borrowings (USD)	(1,030,216)	(257,554)	(515,108)	257,554	515,108
Loans and borrowings (GBP)	(206,263)	(51,566)	(103,131)	51,566	103,132
Trade receivables	27,986	6,997	13,993	(6,997)	(13,993)
Effect on Profit and loss		(860,369)	(1,720,738)	860,369	1,720,739

(b) Sensitivity analysis on changes in interest rates

The Company performed a sensitivity analysis on the interest rates on loans and borrowings and return on CDI investments with increases and decreases of 25% and 50%, the results of which are presented below:

Exposure interest rate

	Balance	25%	50%	-25%	March 31, 2014 -50%
Financial investments	1,390,013	36,662	73,323	(36,662)	(73,323)
Securities	120,875	3,188	6,376	(3,188)	(6,376)
Loans and borrowings	(2,427,296)	(64,020)	(128,040)	64,020	128,040
Profit of the year		(24,170)	(48,341)	24,170	48,341

The categories of financial instruments, are presented below:

	Financial assets Designated as at fair value trough profit or loss	Loans and receivables	Total
Assets			
Cash and cash equivalents	-	1,472,480	1,472,480
Trade receivables	-	1,128,455	1,128,455
Derivative financial instruments	469,770	-	469,770
Securities	-	120,875	120,875
Dividends receivable	-	87,796	87,796
Judicial deposits	-	358,535	358,535
Other financial assets	-	479,347	479,347
	469,770	3,647,488	4,117,258

	Financial liabilities designated as at fair value through profit or loss	Other Financial Liabilities	Total
Liabilities			
Loans and borrowings	-	(8,722,463)	(8,722,463)
Derivative financial instruments	(301,538)	(301,538)	(301,538)
Trade payables	-	(825,409)	(825,409)
Dividends payable	-	(202,499)	(202,499)
			-
	(301,538)	(9,750,371)	(10,051,909)

Capital management

The Company's policy is to maintain a solid capital base to promote the confidence of investors, creditors and the market, and to ensure the future development of the business. Management monitors that return on capital is adequate for each of its businesses, which the Company defines as the result of operating activities divided by total net equity.

25 Fair value hierarchy

Below is the fair value classification of the Company's financial instruments:

Financial instruments measured at fair value	Level 1	Level 2	Total
At March 31, 2014			
Derivative financial assets	-	463,948	463,948
Derivative financial liabilities	-	(301,538)	(301,538)
Pension plan assets	281,142	-	281,142
Securities	-	120,875	120,875
Total	**281,142**	**283,285**	**564,427**
At December 31, 2013			
Derivative financial assets	-	513,934	513,934
Derivative financial liabilities	-	(757,952)	(757,952)
Pension plan assets	281,142	-	281,142
Securities	-	87,978	87,978
Total	281,142	(156,040)	125,102

26 Pension and post-employment benefit plans

The following is the balance of pension and post-employment benefit plan:

	March 31, 2014	December 31, 2013
Futura	72,386	71,065
Futura II	848	828
COMGÁS	271,677	267,242
Total	**344,911**	**339,135**

Pension Plan

Defined benefit

The subsidiary Cosan Lubrificantes e Especialidade ("CLE") sponsors the (Futura, former Exxon Previd), which aims supplemental benefits within certain limits in regulation of the Retirement Plan. This plan was amended to allow its settlement, approved by the competent authority on May 5, 2011. During the quarter ended March 31, 2014, the values of the sponsor's contributions to the plan totaled R$ 2,277.

Defined contribution

The subsidiary COMGÁS offers supplemental retirement plan, issued by a defined contribution plan through a generator Plan of Benefits (PGBL). During the quarter ended March 31, 2014, the values of sponsor contributions to the plan totaled R$ 8,186. Additionally, during the quarter ended on March 31, 2014, the actuarial liabilities recorded an actuarial loss of R$ 316 recognized in other comprehensive income.

27 Share-based payment

At the annual and extraordinary general shareholders' meeting held on July 29, 2011, the guidelines for the outlining and structuring of the stock option compensation plan for Cosan S.A.'s executives and employees was approved, authorizing the issue of up to 5% of shares comprising Cosan S.A.'s total capital. This stock option plan was created to attract and retain executives and key employees, offering them the opportunity to become Cosan S.A.'s shareholders.

The changes in the plan during the period was:

	Number of options	Weighted-average exercise price
At December 31, 2013	9,345,000	23.74
Share options exercised	(190,000)	(24.17)
At March 31, 2014	**9,155,000**	**24.19**

28 Subsequent events

Following the Material Facts dated February 24, 2014, April 01, 2014 and April 15, 2014, the merger of shares issued by ALL – AMÉRICA LATINA LOGÍSTICA S.A. ("ALL") into RUMO LOGÍSTICA OPERADORA MULTIMODAL S.A. ("Rumo"), Company's subsidiary, pursuant to article 252 of Law 6,404/76 ("Stock Merger"), was approved at the Extraordinary General Meetings of Rumo and ALL, held on April 08, 2014.

The execution of the Stock Merger is still conditional upon approval by the Brazilian Antitrust Board ("CADE"), the National Transportation Agency ("ANTT"), as well as any other public administration agencies whose prior authorizations are necessary and other conditions precedent contained in the association proposal presented by Rumo to ALL on February 24, 2014 ("Proposal").

In addition to approving the Stock Merger by the Extraordinary General Meetings, its subsidiary
Cosan Infraestrutura S.A. has entered, along with the intervention of the Company and some of its subsidiaries and parent company, into a Shareholders' Agreement with BNDES PARTICIPAÇÕES S.A. - BNDESPAR, whose effectiveness is also subject to conditions precedent to the fulfillment of the Stock Merger.

In addition to the Shareholders' Agreement with BNDESPAR, the Shareholders Agreement originally signed by Cosan with the funds managed by Gávea Investments and TPG in June 30, 2011, remains valid.

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