Keating Neal J
Form 4
May 26, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
Keating Neal J

(Last) (First) (Middle)

C/O KAMAN CORPORATION, 1332 BLUE HILLS AVE

(Street)

BLOOMFIELD, CT 06002

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
KAMAN CORP [KAMN]

3. Date of Earliest Transaction (Month/Day/Year)
05/25/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chm, Pres & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Kaman Common Stock	05/25/2010		P		2,000	A	$ 23.0779 (1)	118,692.85 (2) (3)	D	
Kaman Common Stock								14,000	I	Held In Investment Management Account Of An LLC Wholly Owned By Mr. Keating

And His Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships: Director	10% Owner	Officer	Other
Keating Neal J C/O KAMAN CORPORATION 1332 BLUE HILLS AVE BLOOMFIELD, CT 06002	X		Chm, Pres & CEO	

Signatures

/s/ Neal J. Keating	05/26/2010
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This figure represents the weighted average purchase price for the shares purchased. The range of prices was $23.06 to $23.08. The reporting person will provide full information regarding the number of shares purchased at each separate price upon request by the SEC staff, the issuer, or any security holder of the issuer

(2) Includes acquisition of 570.57 shares under the Corporation's Employees Stock Purchase Plan, a Rule 16(b)-3 qualified plan, through 5/25/2010.

(3) Includes acquisition of 52.36 shares by the reporting person pursuant to the periodic, automatic reinvestment of dividends paid on the Corporation's common stock under a program maintained by the reporting person's brokerage firm which is similar to the Corporation's Dividend Reinvestment Plan.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ; (232,568) (232,568)

Accumulated amortization

132,577 132,577 132,577

Capitalization of interest costs during construction:

Cost

22,801 22,801 22,801

Accumulated amortization

(12,713) (12,713) (12,713)

Accounting for refunds

(5,314) (5,314) (5,314)

Reversal of goodwill amortization of SPGás acquisition under BR GAAP

18,727 18,727 18,727

Reversal of goodwill amortization of Butano acquisition under BR GAAP

(907) (907) (907)

Fair value adjustments relating to accounting for derivative instruments

(637) (637) (637)

Assets Retirement Obligation FAS 143 Assets

23,117 23,117 23,117

Assets Retirement Obligation FAS 143 Liabilities

(88,272) (88,272) (88,272)

Pension Plan

(5,691) (5,691) (5,691)

Other individually insignificant adjustments

(66) (66) 23 (43)

Explanation of Responses:

Deferred tax effects

51,366 51,366 51,366

Minority interests

607 607 607

Fair value adjustments relating to business combinations:

573 573 573

Deferred tax effect

(263) (263) (263)

Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio

(20,403) (20,403) (20,403)

25

Table of Contents

	Historical Information of Ultrapar and subsidiaries(a)	Pro forma adjustments before the Share Exchange(b)	Notes	Pro Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(c)	Notes	Pro Forma after Share Exchange
Deferred tax effects	4,140			4,140			4,140
Adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.:							
Fair value adjustments	(4,807)			(4,807)			(4,807)
Deferred tax effects	1,634			1,634			1,634
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil	14,359			14,359			14,359
Minority interest	(207)			(207)			(207)
Adjustments relating to the acquisition of Oxiteno Mexico:							
Fair value adjustments	(1,687)			(1,687)			(1,687)
Deferred tax effects	573			573			573
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil	618			618			618
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A	3,485			3,485			3,485
Deferred tax effects	(1,185)			(1,185)			(1,185)
Accounting for uncertain income tax position FIN 48	(12,876)			(12,876)			(12,876)
Adjustments relating to the acquisition of Ipiranga:							
Fair value adjustments	161,855	39,388	2(iii)	201,243	104,692	2(iv)	305,935
Deferred tax effects	(54,026)	(13,392)	2(iii)	(67,418)	(35,595)	2(iv)	(103,013)
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil	(99,312)	(25,124)	2(iii)	(124,436)	15,967	2(ii)	(108,469)
Minority interest	27,030	(872)	2(vi)	26,158	(26,158)	2(vii)	
Available-for-sale equity securities (temporary unrealized losses)	4,372			4,372			4,372
Deferred tax effects	(1,487)			(1,487)			(1,487)
Available-for-sale debt securities (temporary unrealized losses)	15,765			15,765			15,765
Deferred tax effects	(5,360)			(5,360)			(5,360)
TOTAL PRO FORMA STOCKHOLDERS EQUITY UNDER U.S. GAAP	**1,935,917**			**1,935,917**	**2,806,400**		**4,742,317**

(a) Reflects the consolidated balance sheet of Ultrapar and subsidiaries as of June 30, 2007.

(b) Reflects the pro forma adjustments before the Share Exchange, which are discussed below in Note 2.

(c) Reflects the pro forma adjustments relating to the Share Exchange, which are discussed below in Note 2.

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

26

Table of Contents

UNAUDITED PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts in thousands of Brazilian reais, except per share data)

The following is our unaudited pro forma statement of income for the year ended December 31, 2006:

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	Historical Information of Ultrapar and subsidiaries(a)	Acquisition of Southern Distribution Business(b)	Acquisition of Oil Refining Business(c)	Eliminations(d)	Pro forma adjustments before the Share Exchange(e)	Notes	Pro Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(e)	Notes	Pro Forma after Share Exchange
Net revenue from sales and/or services	4,794,048	19,107,602	144,031	(162,534)			23,883,147			23,883,147
Cost of sales and/or services	(3,859,860)	(18,150,053)	(135,181)	161,926			(21,983,168)			(21,983,168)
Gross profit	934,188	957,549	8,850	(608)			1,899,979			1,899,979
Operating (expenses) income:										
Selling expenses	(203,320)	(324,562)	(1,094)				(528,976)			(528,976)
General and administrative expenses	(401,794)	(361,819)	(8,651)				(772,264)			(772,264)
Other operating income	1,317	26,699	163				28,179			28,179
Goodwill amortization		2,408			(51,463)	3 (i)	(49,055)			(49,055)
Income (loss) before financial items	330,391	300,275	(732)	(608)	(51,463)		577,863			577,863
Financial income (expenses), net	30,572	139	(1,141)		(134,648)	3 (ii)	(105,078)			(105,078)
Nonoperating income (expenses), net	(18,488)	29,930	1				11,443			11,443
Income (loss) before taxes on income and profit sharing	342,475	330,344	(1,872)	(608)	(186,111)		484,228			484,228
Income and social contribution taxes	(61,447)	(74,956)	(1,161)				(137,564)			(137,564)
Deferred income and social contribution taxes	5,355	40,902			63,278	3 (iv)	109,535			109,535

Income (loss) before profit sharing and equity in affiliates	286,383	296,290	(3,033)	(608)	(122,833)	456,199			456,199
Equity in affiliates	965					965			965
Profit sharing		(13,356)	(23)			(13,379)			(13,379)
Minority interest	(5,284)	(139,354)				(144,638)	139,354	3 (v)	(5,284)

27

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	Historical Information of Ultrapar and subsidiaries(a)	Acquisition of Southern Distribution Business(b)	Acquisition of Oil Refining Business(c)	Eliminations(d)	Pro forma adjustments before the Share Exchange(e)	Notes	Pro Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(e)	Notes	Pro Forma after Share Exchange
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**282,064**	**143,580**	**(3,056)**	**(608)**	**(122,833)**		**299,147**	**139,354**		**438,501**
Outstanding shares as of December 31, 2006 (in thousands)	**81,325.409**									**136,030.357**
Brazilian GAAP pro forma earnings (loss) per share	**3.47**									**3.22**
Brazilian GAAP dividends declared and interest on capital per share	**1.78**									**1.78(*)**

(*) Pro forma dividend reflects the same dividends per share distributed by Ultrapar prior to the transaction

PRO FORMA RECONCILIATION TO U.S. GAAP										
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**282,064**	**143,580**	**(3,056)**	**(608)**	**(122,833)**		**299,147**	**139,354**		**438,501**
Reversal of revaluation adjustments	3,305						3,305			3,305
Inflation accounting	(3,588)	(21,081)	(58)				(24,727)			(24,727)
Adjustments relating to the acquisition of Ipiranga:										
Fair value adjustments relating purchase accounting of a business acquired					(2,513)	3 (iii)	(2,513)	(10,686)	3 (iii)	(13,199)
Different criteria for:										
Cancellation of subsidiaries treasury stock	869						869			869
Deferred charges	(17,611)						(17,611)			(17,611)

28

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006 **PRO FORMA RECONCILIATION TO U.S. GAAP**	**Historical Information of Ultrapar and subsidiaries(a)**	**Acquisition of Southern Distribution Business (b)**	**Acquisition of Oil Refining Business(c)**	**Eliminations(d)**	**Pro forma adjustments before the Share Exchange(e)**	**Notes**	**Pro Forma before Share Exchange**	**Pro forma adjustments related to the Share Exchange(e)**	**Notes**	**Pro Forma after Share Exchange**
Depreciation of interest costs capitalized during construction	(458)						(458)			(458)
Reversal of goodwill amortization	5,248				51,463	3 (i)	56,711			56,711
Fair value adjustments relating to accounting for derivative instruments and hedging activities	1,350	446					1,796			1,796
Translation adjustments Oxiteno Mexico	1,759						1,759			1,759
Other individually insignificant adjustments	1,438						1,438			1,438
Fair value adjustments relating to business combinations	(1,547)						(1,547)			(1,547)
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio	4,485						4,485			4,485
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.	1,484						1,484			1,484
Fair value adjustments relating to the acquisition of Oxiteno Mexico	167						167			167
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A	(551)						(551)			(551)

29

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	**Historical Information of Ultrapar and subsidiaries(a)**	**Acquisition of Southern Distribution Business (b)**	**Acquisition of Oil Refining Business(c)**	**Eliminations(d)**	**Pro forma adjustments before the Share Exchange(e)**	**Notes**	**Pro Forma before Share Exchange**	**Pro forma adjustments related to the Share Exchange(e)**	**Notes**	**Pro Forma after Share Exchange**
Gain on change in equity interest in Max Facil		(85,494)					(85,494)			(85,494)
Post-employment benefits adjustment		(16,090)	(767)				(16,857)			(16,857)
Accounting for asset retirement obligation		686					686			686
Capitalization of interest costs during construction, net of depreciation		1,115					1,115			1,115
Fair value of guarantees under FIN45		708	32				740			740
Accounting for refunds		2,218					2,218			2,218
Deferred tax effects	2,135	7,493	270.00		(16,643)	3 (iv)	(6,745)	3,633	3 (iv)	(3,112)
Minority interest	(41)						(41)			(41)
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**280,508**	**33,581**	**(3,579)**	**(608)**	**(90,527)**		**219,376**	**132,301**		**351,677**
U.S. GAAP weighted average number of shares outstanding (in thousands)	**81,129.709**									**135,834.658**
Basic and diluted U.S. GAAP pro forma earnings (loss) per share	**3.46**									**2.58**
U.S. GAAP dividends declared and interest on shareholders equity per share	**1.78**									**1.78(*)**

(*) Pro-forma dividend reflects the same dividends per share distributed by Ultrapar prior to the transaction

a) Reflects Ultrapar s statement of income for the year ended December 31, 2006.

b) Reflects the statement of income for the year ended December 31, 2006 relating to the Southern Distribution Business, based on the DPPI and CBPI carve-out financials, as detailed in Southern Distribution Business table below.

c) Reflects RIPI s statement of income for the year ended December 31, 2006 relating to the portion of the oil refining businesses acquired, as detailed in Oil Refining Business table below.

d) Intercompany eliminations and consolidating entries related to the unaudited pro forma statement of income for December 31, 2006 refer to sales of fuel by RIPI to DPPI, which should be eliminated in order to show our total unaudited pro forma consolidated statement of income.

e) Reflects the pro forma adjustments which are discussed below in Note 3.

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

Table of Contents

ACQUISITION OF SOUTHERN DISTRIBUTION BUSINESS

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	**Historical Information of DPPI and subsidiaries(a)**	**Historical Information of CBPI and subsidiaries(b)**	**DPPI (-) CBPI(c)**	**Adjustments(d)**	**Historical Information of DPPI Carved-out(e)**	**Historical Information of CBPI Carved-out(f)**	**CBPI Other Income (Expenses) of Southern Distribution Business(g)**	**Acquisition of Southern Distribution Business**
Net revenue from sales and/or services	25,714,728	22,225,121	3,489,607	80,624	3,570,231	15,537,371		19,107,602
Cost of sales and/or services	(24,430,465)	(21,143,026)	(3,287,439)	(64,282)	(3,351,721)	(14,798,332)		(18,150,053)
Gross profit	1,284,263	1,082,095	202,168	16,342	218,510	739,039		957,549
Operating (expenses) income:								
Selling expenses	(439,641)	(365,646)	(73,995)	(15,836)	(89,831)	(177,284)	(57,447)	(324,562)
General and administrative expenses	(492,762)	(426,290)	(66,472)	(949)	(67,421)	(150,655)	(143,743)	(361,819)
Other operating income	23,163	19,531	3,632	569	4,201	27,564	(5,066)	26,699
Goodwill amortization	(2,164)	(2,164)		858	858	1,550		2,408
Income (loss) before financial items	372,859	307,526	65,333	984	66,317	440,214	(206,256)	300,275
Financial income (expenses), net	(7,702)	(25,067)	17,365	(1,417)	15,948		(15,809)	139
Nonoperating income (expenses), net	30,139	3,730	26,409	(209)	26,200		3,730	29,930
Income (loss) before taxes on income and profit sharing	395,296	286,189	109,107	(642)	108,465	440,214	(218,335)	330,344
Income and social contribution taxes	(91,184)	(70,291)	(20,893)	433	(20,460)		(54,496)	(74,956)
Deferred income and social contribution taxes	43,145	35,251	7,894		7,894		33,008	40,902
Income (loss) before profit sharing and equity in affiliates	347,257	251,149	96,108	(209)	95,899	440,214	(239,823)	296,290
Equity in affiliates	87,056	87,056						
Profit sharing	(16,318)	(14,656)	(1,662)		(1,662)		(11,694)	(13,356)
Minority interest	(257,120)						117,766	(139,354)
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN	**160,875**	**323,549**	**94,446**	**(209)**	**94,237**	**440,214**	**(133,751)**	**143,580**

GAAP

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006 PRO FORMA RECONCILIATION TO U.S. GAAP	Historical Information of DPPI and subsidiaries(a)	Historical Information of CBPI and subsidiaries(b)	DPPI (-) CBPI(c)	Adjustments(d)	Historical Information of DPPI Carved-out(e)	Historical Information of CBPI Carved-out(f)	CBPI Other Income (Expenses) of Southern Distribution Business(g)	Acquisition of Southern Distribution Business
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**160,875**	**323,549**	**94,446**	**(209)**	**94,237**	**440,214**	**(133,751)**	**143,580**
Inflation accounting	(23,505)	(21,276)	(2,229)		(2,229)	(18,852)		(21,081)
Different criteria for:								
Fair value adjustments relating to accounting for derivative instruments and hedging activities	748	748					446	446
Goodwill and business combination	4,665	4,665						
Gain on change in equity interest in Max Facil	(85,494)	(58,136)	(27,358)		(27,358)	(58,136)		(85,494)
Post-employment benefits adjustment	(20,781)	(17,808)	(2,973)		(2,973)	(1,844)	(11,273)	(16,090)
Accounting for asset retirement obligation	731	229	502		502	184		686
Capitalization of interest costs during construction, net of depreciation	1,702	1,455	247		247		868	1,115
Fair value of guarantees under FIN 45	226	(482)	708		708			708
Accounting for refunds	2,346	2,346				2,218		2,218
U.S. GAAP adjustments on net equity and net income of affiliates	(11,733)	(11,733)						
Deferred tax effects	13,269	11,997	1,272		1,272	6,221		7,493
Minority interest	69,508		69,508	(69,508)				
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**112,557**	**235,554**	**134,123**	**(69,717)**	**64,406**	**370,005**	**(143,710)**	**33,580**

a) Reflects DPPI s consolidated statement of income for the year ended December 31, 2006. Since DPPI controls CBPI, the latter is consolidated by DPPI. See page F-172 for DPPI s consolidated financial statements.

b) Reflects CBPI s consolidated statement of income for the year ended December 31, 2006. See page F-212 for CBPI s consolidated financial statements.

c) Reflects DPPI s statement of income for the year ended December 31, 2006, excluding CBPI.

d) Reflects the reversal of intercompany eliminations that had already been booked in DPPI s consolidated statement of income for the year ended December 31, 2006. The principal eliminating items refer to sales of fuels between CBPI and DPPI and freight services provided by a subsidiary of CBPI to DPPI.

e) Reflects DPPI s carved-out statement of income for the year ended December 2006, which reflects the company s fuel and lubricants operations. See page F-462 for the carve out financial statements of DPPI.

f) Reflects CBPI carved-out abbreviated statement of revenues and direct expenses for the year ended December 31, 2006, which relates to the company s fuel and lubricants operations in the South and Southeast regions of Brazil. See page F-497 for CBPI s abbreviated financial statements.

32

Table of Contents

g) Reflects other income and expenses for the carved-out business of CBPI for the year ended December 31, 2006. To estimate sales, general and administrative expenses and profit sharing we used the proportion of such items from April 1, 2007 to June 30, 2007, which corresponds to the period from the acquisition onward, between the Southern Distribution Business to the total of CBPI. For financial expenses we used a proportion of operating profit. For income taxes we adopted the overall income tax rate of CBPI in 2006. For deferred taxes we used our best judgment to separate factors that affect the tax base of the Southern Distribution Business. Minority interest reflects the minorities of CBPI in the aforementioned adjustments.

Table of Contents

ACQUISITION OF OIL REFINING BUSINESS

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	Historical Information of RIPI and subsidiaries(a)	(RPI s Results relating to the Petrochemical Businesses and Southern Distribution Business(b)	Historical Information of RIPI Oil Refining Business(c)	Acquisition of Oil Refining Business(d)
Net revenue from sales and/or services	4,191,357	(3,759,222)	432,135	144,031
Cost of sales and/or services	(3,379,553)	2,973,968	(405,585)	(135,181)
Gross profit	811,804	(785,254)	26,550	8,850
Operating (expenses) income:				
Selling expenses	(191,881)	188,600	(3,281)	(1,094)
General and administrative expenses	(155,424)	129,468	(25,956)	(8,651)
Other operating income	8,204	(7,715)	489	163
Income (loss) before financial items	472,703	(474,901)	(2,198)	(732)
Financial income (expenses), net	(86,349)	82,926	(3,423)	(1,141)
Nonoperating income (expenses), net	(34,160)	34,164	4	1
Income (loss) before taxes on income and profit sharing	352,194	(357,811)	(5,617)	(1,872)
Income and social contribution taxes	(104,108)	100,626	(3,482)	(1,161)
Deferred income and social contribution taxes	22,678	(22,678)		
Income (loss) before profit sharing and equity in affiliates	270,764	(279,863)	(9,099)	(3,033)
Equity in affiliates	24,324	(24,324)		
Profit sharing	(7,867)	7,797	(70)	(23)
Minority interest	(122,981)	122,981		
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**164,240**	**(173,409)**	**(9,169)**	**(3,056)**
PRO FORMA RECONCILIATION TO U.S. GAAP				
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**164,240**	**(173,409)**	**(9,169)**	**(3,056)**
Reversal of revaluation adjustments				
Inflation accounting	(2,673)	2,499	(174)	(58)
Fair value adjustments relating purchase accounting of a business acquired				
Different criteria for:				
Deferred charges	(3,954)	3,954		
Other individually insignificant adjustments	(3,973)	3,973		
Post-employment benefits adjustment	(5,822)	3,522	(2,300)	(767)
Fair value of guarantees under FIN 45	96		96	32
IPQ s business acquisition for IQ on 1998	21,437	(21,437)		
COPESUL s business acquisition for IPQ on 2000	(1,199)	1,199		

IPQ s business acquisition for IQ on 2003	6,041	(6,041)		
IPQ s business acquisition for IQ on 2006	63,969	(63,969)		
Different criteria for investments in affiliated companies (DPPI) Reversal of equity pick-up	(7,316)	7,316		
U.S GAAP adjustments on net income of COPESUL	11,772	(11,772)		
Valuation allowance for deferred taxes	(76,245)	76,245		
U.S GAAP adjustments on net income of CBPI	(3,526)	3,526		
Accounting for warrants purchased by the Company	(38,493)	38,493		
Deferred tax effects	(2,279)		810	270
Minority interest	13,827	(13,827)		
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**135,902**	**(149,728)**	**(10,737)**	**(3,579)**

---

a) Reflects RIPI s and Subsidiaries statement of income for the year ended December 31, 2006, which includes the consolidation of the petrochemical business and equity in DPPI. See page F-129 for RIPI s consolidated financial statements.

34

Table of Contents

b) Reflects the elimination of results obtained from the petrochemical and fuel and lubricant distribution businesses for the year ended December 31, 2006.

c) Reflects the statement of income of RPI s oil refining business for the year ended December 31, 2006. See page F-438 for RIPI s carve-out financial statements.

d) Refers to the portion of 33.33% of RPI s oil refining business acquired by Ultrapar.

Table of Contents

UNAUDITED PRO FORMA STATEMENT OF INCOME

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2007 (Amounts in thousands of Brazilian reais, except per share data)

The following is our unaudited pro forma statement of income for the six-month period ended June 30, 2007:

PRO FORMA STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30, 2007	Historical Information of Ultrapar and subsidiaries(a)	Results of Oil Refining and Southern Distribution Businesses First quarter 2007(b)	Total Ultrapar	Pro forma adjustments before the Share Exchange(c)	Notes	Pro Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(d)	Notes	Pro Forma after Share Exchange
Net revenue from sales and/or services	7,355,235	4,609,028	11,981,743			11,981,743			11,981,743
Cost of sales and/or services	(6,655,116)	(4,355,938)	(11,028,534)			(11,028,534)			(11,028,534)
Gross profit	700,119	253,090	953,209			953,209			953,209
Operating (expenses) income:									
Selling expenses	(177,781)	(80,844)	(258,625)			(258,625)			(258,625)
General and administrative expenses	(314,347)	(79,300)	(393,647)	(15,115)	3(i)	(408,762)			(408,762)
Other operating income	4,077	3,329	7,406			7,406			7,406
Income before financial items	212,068	96,275	308,343	(15,115)		293,228			293,228
Financial income (expenses), net	(35,137)	(16,665)	(51,802)	(35,358)	3(ii)	(87,160)			(87,160)
Nonoperating income (expenses), net	(1,945)	6,300	4,355			4,355			4,355
Income before taxes on income and profit sharing	174,986	85,910	260,896	(50,472)		210,424			210,424
Income and social contribution taxes	(77,347)	(19,085)	(96,432)			(96,432)			(96,432)
Deferred income and social contribution taxes	21,966	(8,077)	13,889	17,161	3(iv)	31,050			31,050
Benefit of tax holidays	6,084		6,084			6,084			6,084
Income before profit sharing and equity in affiliates	125,689	58,748	184,437	(33,312)		151,125			151,125
Equity in affiliates	(129)	(93)	(222)			(222)			(222)
Profit sharing	(2,816)		(2,816)			(2,816)			(2,816)
Minority interest	(48,174)	(30,908)	(79,082)	4,185	3(v)	(74,897)	73,176	3(v)	(1,721)
NET PRO FORMA INCOME UNDER BRAZILIAN GAAP	**74,570**	**27,747**	**102,317**	**(29,127)**		**73,190**	**73,176**		**146,366**

36

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30, 2007	Historical Information of Ultrapar and subsidiaries(a)	Results of Oil Refining and Southern Distribution Businesses First quarter 2007(b)	Total Ultrapar	Pro forma adjustments before the Share Exchange(c)	Notes	Pro Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(d)	Notes	Pro Forma after Share Exchange
Outstanding shares as of June 30, 2007 (in thousands)	**81,325.409**								**136,030.357**
Brazilian GAAP pro forma earnings (loss) per share	**0.92**								**1.08**
PRO FORMA RECONCILIATION TO U.S. GAAP									
NET PRO FORMA INCOME UNDER BRAZILIAN GAAP	**74,570**	**27,747**	**102,317**	**(29,127)**		**73,190**	**73,176**		**146,366**
Reversal of revaluation adjustments:									
Depreciation of property, plant and equipment	1,370		1,370			1,370			1,370
Deferred tax effects	(181)		(181)			(181)			(181)
Inflation accounting:									
Property, plant and equipment incremental depreciation	(2,885)	(2,175)	(5,060)			(5,060)			(5,060)
Inventories and other nonmonetary assets	113		113			113			113
Deferred tax effects	1,046	842	1,888			1,888			1,888
Different criteria for:									
Cancellation of subsidiaries treasury stock	535		535			535			535
Deferred charges expensed:									
Cost	(27,585)		(27,585)			(27,585)			(27,585)
Amortization	24,492		24,492			24,492			24,492
Depreciation of interest costs capitalized during construction	(214)	107	(107)			(107)			(107)
Reversal of goodwill amortization	2,624		2,624	15,115	3(i)	17,739			17,739
Fair value adjustments relating to accounting for derivative instruments and hedging activities	586		586			586			586
Translation adjustments Oxiteno Mexico	(2,817)		(2,817)			(2,817)			(2,817)
Assets Retirement Obligation FAS 143 Assets	480	480	960			960			960
Assets Retirement Obligation FAS 143 Liabilities	(618)	(618)	(1,236)			(1,236)			(1,236)
Pension Plan	(2,162)	(2,162)	(4,324)			(4,324)			(4,324)
Other individually insignificant adjustments	2,288	183	2,471			2,471			2,471

37

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30, 2007	Historical Information of Ultrapar and subsidiaries(a)	Results of Oil Refining and Southern Distribution Businesses First quarter 2007(b)	Total Ultrapar	Pro forma adjustments before the Share Exchange(c)	Notes	Pro Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(d)	Notes	Pro Forma after Share Exchange
Deferred tax effects	611	968	1,579	(5,139)	3(iv)	(3,560)		3(iv)	(3,560)
Fair value adjustments relating to business combinations	(773)		(773)			(773)			(773)
Deferred tax effects	263		263			263			263
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio	2,243		2,243			2,243			2,243
Deferred tax effects	(462)		(462)			(462)			(462)
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.	742		742			742			742
Deferred tax effects	(252)		(252)			(252)			(252)
Fair value adjustments relating to the acquisition of Oxiteno Mexico	84		84			84			84
Deferred tax effects	(28)		(28)			(28)			(28)
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A	(275)		(275)			(275)			(275)
Deferred tax effects	94		94			94			94
Accounting for uncertain income tax position FIN 48	(7,129)	(122)	(7,251)			(7,251)			(7,251)
Adjustments relating to the acquisition of Ipiranga:									
Fair value adjustments	(3,736)		(3,736)	2,480	3(iii)	(1,256)	(5,343)	3(iii)	(6,599)
Deferred tax effects	1,270		1,270	(843)	3(iv)	427	1,817	3(iv)	2,244
Reversal of goodwill amortization	11,126		11,126			11,126			11,126
Minority interest	2,539		2,539	381	3(v)	2,920	(2,920)	3(v)	
Accounting for refunds	529	529	1,058			1,058			1,058
Deferred tax effects	(180)	(180)	(360)			(360)			(360)
NET PRO FORMA INCOME UNDER U.S. GAAP	**78,308**	**25,599**	**103,907**	**(17,133)**		**86,774**	**66,730**		**153,504**
U.S. GAAP weighted average number of shares outstanding (in thousands)	**81,021.201**								**135,726.150**
Basic and diluted U.S. GAAP pro forma earnings (loss) per share	**0.97**								**1.13**

(a) Reflects Ultrapar s statement of income for the six-month period ended June 30, 2007, which includes the consolidation of the Southern Distribution Business and Ultrapar s portion of the oil refining business which occurred on April 1, 2007.

(b) Reflects the pro forma results of the Southern Distribution Business and Ultrapar s portion of the oil refining business acquired for the three-month period ended March 31, 2007, assuming that the acquisition had occurred on January 1, 2006, as detailed in Results of Oil Refining and Southern Distribution

Businesses First quarter 2007 table below.

(c) Reflects the pro forma adjustments before the Share Exchange, which are described below in Note 3.

(d) Reflects the pro forma adjustments relating to the Share Exchange, which are described below in Note 3.

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

Table of Contents

RESULTS OF OIL REFINING AND SOUTHERN

DISTRIBUTION BUSINESSES FIRST QUARTER 2007

PRO FORMA STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30, 2007	**Historical Information of Distribuidora de Produtos de Petróleo Ipiranga S.A. and Subsidiaries(a)**	**Historical Information of Refinaria de Petróleo Ipiranga S.A.(b)**	**Adjustments(c)**	**Notes**	**Results of Oil Refining and South and Southern Distribution Businesses First quarter 2007**
Net revenue from sales and/or services	12,799,366	1,403,898	(9,594,236)		4,609,028
Cost of sales and/or services	(12,135,174)	(1,140,349)	8,919,585		(4,355,938)
Gross profit	664,192	263,549	(674,651)		253,090
Operating (expenses) income:					
Selling expenses	(219,019)	(60,081)	198,256		(80,844)
General and administrative expenses	(250,111)	(46,098)	216,909		(79,300)
Other operating income	6,876	(6,180)	2,633		3,329
Income before financial items	201,938	151,190	(256,853)		96,275
Financial income (expenses), net	8,368	(2,584)	(22,449)		(16,665)
Nonoperating income (expenses), net	6,741	(444)	3		6,300
Income before taxes on income and profit sharing	217,047	148,162	(279,299)		85,910
Income and social contribution taxes	(53,821)	(40,829)	75,565		(19,085)
Deferred income and social contribution taxes	(14,444)	(1,090)	7,457		(8,077)
Income before profit sharing and equity in affiliates	148,782	106,243	(196,277)		58,748
Equity in affiliates	66,074	69,110	(135,277)		(93)
Profit sharing	(3,541)	(1,713)	5,254		
Minority interest	(141,898)	(40,728)	151,718		(30,908)
NET PRO FORMA INCOME UNDER BRAZILIAN GAAP	**69,417**	**132,912**	**(174,582)**		**27,747**
PRO FORMA RECONCILIATION TO U.S. GAAP					
NET PRO FORMA INCOME UNDER BRAZILIAN GAAP	**69,417**	**132,912**	**(174,582)**		**27,747**
Inflation accounting:					
Property, plant and equipment incremental depreciation	(2,844)	(1,336)	2,005		(2,175)
Deferred tax effects	968	454	(580)		842
Minority interests	1,001	379	(1,380)		

39

Table of Contents

PRO FORMA STATEMENT OF INCOME FOR THE PERIOD ENDED JUNE 30, 2007	Historical Information of Distribuidora de Produtos de Petróleo Ipiranga S.A. and Subsidiaries(a)	Historical Information of Refinaria de Petróleo Ipiranga S.A.(b)	Adjustments(c)	Notes	Results of Oil Refining and Southern Distribution Businesses First quarter 2007
Different criteria for:					
Deferred charges expensed:					
Cost					
Amortization		1,047	(1,047)		
Capitalization (Depreciation) of interest costs capitalized during construction	589		(482)		107
Assets Retirement Obligation FAS 143 Assets			480		480
Assets Retirement Obligation FAS 143 Liabilities	(1,612)		994		(618)
Pension Plan	(6,028)	(1,655)	5,521		(2,162)
Other individually insignificant adjustments	396	1,325	(1,538)		183
Deferred tax effects	2,266	(245)	(1,053)		968
Minority interests	2,861	(327)	(2,534)		
Fair value adjustments relating to business combinations	2,333	(19,583)	17,250	c.1	
Deferred tax effects	85	9,434	(9,519)	c.1	
Minority interests	(1,911)	4,244	(2,333)	c.1	
Accounting for uncertain income tax position FIN 48	(261)		139		(122)
Minority interests	200		(200)		
Accounting for refunds	1,179		(650)		529
Deferred tax effects	(401)		221		(180)
Minority interest	(615)		615		
USGAAP adjustments on net equity and net income of affiliates	(41,630)	(202,191)	243,821	c.2	
Minority interest	32,883	160,767	(193,650)	c.2	
Valuation allowance for deferred taxes		(8,416)	8,416		
Minority interest		3,865	(3,865)		
Accounting for convertible debentures issued by IQ and warrants purchased by the Company		(46,067)	46,067	c.3	
Deferred tax effects		15,663	(15,663)	c.3	
Minority interest		12,609	(12,609)	c.3	
NET PRO FORMA INCOME UNDER U.S. GAAP	**58,876**	**62,879**	**(253,008)**		**29,895**

a) Reflects DPPI s consolidated statement of income for the six-month period ended June 30, 2007. Since DPPI controls CBPI, the latter is consolidated by DPPI. See page F-287 for DPPI s consolidated financial statements.

b) Reflects RIPI and Subsidiaries statement of income for the six-month period ended June 30, 2007. As a result of the terms of the shareholders agreement, since the date of the acquisition, Ipiranga Química and its subsidiaries are no longer consolidated in RIPI s financial statements, but rather, the investments in such subsidiaries are accounted for using the equity method. See page F-129 to RIPI s consolidated financial statements.

Table of Contents

c) Adjustments column reflects exclusion of (i) the entire petrochemical business and two-thirds of the Ipiranga Group s oil refining business that will be allocated to Braskem and Petrobras; (ii) the Ipiranga Group s fuel distribution business in the North, Northeast and Center-West regions of Brazil which will be allocated to Petrobras; (iii) three-month period relating to the second-quarter of the Ipiranga Group s fuel distribution business in the South and Southeast regions of Brazil and of one-third of the oil refining operation which are already recorded in Ultrapar and subsidiaries financial statements since April 1, 2007.

Additional adjustments are principally represented as follows:

c.1) Elimination of the fair value recorded in previous business combinations of the Ipiranga Group which occurred before the acquisition by Ultrapar, Braskem and Petrobras.

c.2) Elimination of the equity recorded in the historical financial statements related to the equity interest in companies that were not acquired by Ultrapar.

c.3) Warrant recorded at RIPI is related to the right to subscribe shares of IQ. According to the investment agreement this warrant will be transferred to Braskem and consequently no rights will remain with RIPI.

Notes to the Unaudited Pro Forma Financial Information

(Amounts in thousand of Brazilian *reais*, except where otherwise indicated)

1. Basis of Presentation

Our unaudited pro forma balance sheet as of June 30, 2007 was prepared as if the transactions mentioned in steps 2 and 4 above had occurred on June 30, 2007. Our unaudited pro forma statements of operations for the year ended December 31, 2006 and for the six month period ended June 30, 2007 were prepared as if all transactions mentioned above had occurred on January 1, 2006.

Our unaudited pro forma financial information has been prepared based on assumptions that we consider to be appropriate and should be read in conjunction with our financial statements included elsewhere in this document.

The unaudited pro forma financial information has been derived from, and should be read in conjunction with, the historical consolidated financial statements of Ultrapar, including notes thereto. The material pre-acquisition contingencies are disclosed in Note 20 to the interim financial statements of Ultrapar as of June 30, 2007. These consolidated financial statement are included elsewhere in this prospectus.

The unaudited pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved had the acquisition been completed as of the dates indicated above or of results that may be attained in the future.

2. Pro Forma Adjustments for the Balance Sheet as of June 30, 2007

Under Brazilian GAAP, the goodwill and corresponding equity acquired are demonstrated below:

i) *Acquisition described in step 2 above.* For Brazilian GAAP purposes, the consolidated balance sheet of Ipiranga is already included in the consolidated figures of Ultrapar and subsidiaries. Therefore, the acquisition of voting shares in the amount of R$163,120, resulted in a goodwill totaling R$105,920, which is recorded under deferred charges. The acquisition was funded through the issuance of debentures totaling R$214,000, and consequently, an increase in cash totaling R$50,880 was recorded.

Amount relating to the acquisition of voting shares	163,120
Book value of the interest acquired in RIPI, DPPI and CBPI as of June 30, 2007, net of the assets to be transferred to Petrobras and Braskem	(57,200)
Estimated goodwill relating to the acquisition of voting shares	105,920

ii) *Acquisition described in step 4 above.* For Brazilian GAAP purposes, the consolidated balance sheet of Ipiranga is already included in the consolidated figures of Ultrapar and subsidiaries. Therefore, the

41

Table of Contents

acquisition of shares in the amount of R$1,007,728, resulted in negative goodwill totaling R$15,967, which is recorded under deferred charges. Additionally, Ultrapar will acquire the shares of Ipiranga in step 4, through the issuance of preferred shares, for the amount of R$1,739,743, which is recorded as accounts receivables. Ultrapar will pay this acquisition through the issuance of its own preferred shares totaling R$2,747,471.

Amount relating to the acquisition of the remaining shares	1,007,728
Book value of the interest acquired of RIPI, DPPI and CBPI as of June 30, 2007, net of the assets to be transferred to Petrobras and Braskem	(1,023,695)
Estimated negative goodwill relating to the acquisition of shares	(15,967)

Under U.S. GAAP, the goodwill and corresponding equity acquired are discussed below:

iii) For the acquisition described in step 2 above, see below the computations performed:

Amount relating to the acquisition of voting shares	163,120
Total fair value of interest acquired in RIPI, DPPI and CBPI as of June 30, 2007, net of the assets to be transferred to Petrobras and Braskem	(82,324)
Estimated goodwill relating to the acquisition of voting shares	80,796
Goodwill recognized under Brazilian GAAP	105,920
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil	(25,124)
Proportional Fair value of assets acquired in step 2, substantially related to Property, plant and equipment and intangibles	39,388
Deferred Income Tax (Effective Rate 34%)	(13,392)

iv) For the acquisition described in step 4 above, there was excess of assigned value of identifiable assets over the cost of Ipiranga (negative goodwill). The negative goodwill was allocated as a pro rata reduction of the amounts that would have been assigned to the assets acquired, therefore reducing the fair value assigned to the property, plant, equipment and intangibles acquired. See below the computations performed:

Amount relating to the acquisition of the remaining shares	1,007,728
Additional capital increase (See note (v))	58,893
Value of interest acquired in RIPI, DPPI and CBPI as of June 30, 2007, net of the assets to be transferred to Petrobras and Braskem	(1,506,112)
Estimated negative goodwill relating to the acquisition of remaining shares	(439,491)
Recognition of deferred income tax (effective rate 34%)	(226,405)
Total negative goodwill	(665,896)
Proportional fair value of assets acquired in step 4, substantially related to Property, plant and equipment and intangibles	770,588
Fair Value recognized in the pro forma financial statements	104,692
Deferred Income Tax (Effective Rate 34%)	(35,595)

Table of Contents

v) Under Brazilian GAAP, the capital increase reflects the price of the shares as defined in the Investment Agreement. For U.S. GAAP purposes, the capital increase corresponds to the average price of the securities at BOVESPA stock exchange, taking into account the closing prices two days before and two days after the acquisition date. The difference was recorded as additional paid-in-capital. See below the computations performed:

Preferred shares issued	54.704.948
Average price of the securities at BOVESPA R$	51,30
Acquisition cost under U.S. GAAP	2.806.364
Acquisition cost under BR GAAP (see note 2 (ii))	2.747.471
Additional paid in capital	58,893

vi) Minority interest in the acquisition described in step 2 was calculated as follows:

Minority interest according to the Brazilian GAAP	1,023,695
Minority interest according to the U.S. GAAP	997,537
Minority interest under Historical U.S. GAAP as of June 30, 2007, considering the acquisitions described in steps 1 and 2	26,158
Minority interest under Historical U.S. GAAP as of June 30, 2007, considering only the acquisition described in step 1 above	27,030
Pro forma adjustment	(872)

vii) No minority interest will remain in RIPI, DPPI, and CBPI after the Share Exchange.

viii) Offering of unsecured debentures

To finance part of the Ipiranga Group acquisition, on April 11, 2007 Ultrapar completed the offering of unsecured debentures in the aggregate principal amount of R$890 million, of which R$676 million were used to purchase the control of the Ipiranga Group and R$214 million were used to acquire the minority common shares outstanding. The debentures have a term of one year, and a coupon rate of 102.5% of the CDI.

For purposes of the unaudited pro forma financial information, the debentures issued to finance the acquisition of the minority common shares were considered issued as of June 30, 2007 for the balance sheet, and as of January 1, 2006 for the statement of income.

This adjustment is presented in the pro forma adjustments before the Share Exchange column.

43

Table of Contents

3. Pro forma adjustments for the statements of income for the year ended December 31, 2006 and for the six-month period ended June 30, 2007

i) Under Brazilian GAAP, the acquisition of the Southern Distribution Business and the third part of oil refining business are recorded based on the historical values of their assets and liabilities and the difference between the historical carrying value of net assets and the purchase price is recorded as goodwill. See below the computations performed relating to the goodwill under Brazilian GAAP:

Amount relating to the acquisition of voting shares in March 2007	676,432
Book value of interest acquired in RIPI, DPPI and CBPI as of March 31, 2007, net of the assets to be transferred to Petrobras and Braskem	(251,752)
Goodwill relating to the acquisition of voting shares in March/2007 (a)	424,680
Amount relating to the acquisition of voting shares	163,120
Book value of interest acquired in RIPI, DPPI and CBPI as of June 30, 2007, net of the assets to be transferred to Petrobras and Braskem	(57,200)
Estimated goodwill relating to the acquisition of voting shares (b)	105,920
Amount relating to the acquisition of remaining shares	1,007,728
Book value of interest acquired in RIPI, DPPI and CBPI as of June 30, 2007, net of the assets to be transferred to Petrobras and Braskem	(1,023,695)
Estimated negative goodwill relating to the acquisition of remaining shares (c)	(15,967)
Total pro forma goodwill under Brazilian GAAP (a + b + c)	514,633
Estimated annual amortization of goodwill included in the statement of income for the year ended December 31, 2006, considering that the goodwill will be amortized in 10 years	51,463
Estimated amortization of goodwill for the six-month period ended June 30, 2007	25,732
Amortization already recorded for three-months period ended June 30, 2007	(10,617)
Pro forma adjustment as included in the pro forma adjustments before share exchange column	15,115

ii) To finance part of the Ipiranga Group acquisition, on April 11, 2007 Ultrapar completed the offering of unsecured debentures in the aggregate principal amount of R$890 million, of which R$676 million were used to purchase the control of the Ipiranga Group and R$214 million were used to acquire the minority common shares outstanding. See below the computation relating to the interest expenses included in the pro forma statements of income:

Debentures issued for the acquisition described in step 1	676,000
Debentures issued for the acquisition described in step 2	214,000
Total debentures	890,000
102,5% of CDI, considering CDI average rate in 2006 of 14,76%	15,13%
Interest expense included in the pro forma for the year ended December 31, 2006	(134,648)
102,5% of CDI, considering CDI average rate in 2007 of 12,5%, for the six-month period ended June 30, 2007	6,41%
Interest expense included for the six-month period ended June 30, 2007	57,008
Interest expense already recorded in 2007	(21,650)

Interest expense included in the pro forma for the six-month period ended June 30, 2007	35,358
Sensitivity analysis	
Impact of 1/8 percent variance in the interest rate tied to CDI in 2006	0,125%
Estimated impact on income in case of changes on interest rate in 2006	1,112
Impact of 1/8 percent variance in the interest rate tied to CDI in 2007	0.062%
Estimated impact on income in case of changes on interest rate in 2007	556

44

Table of Contents

iii) Under the purchase method, fair value adjustments (Brazilian GAAP X U.S. GAAP) were identified and should be amortized as follows:

Shareholder s equity under U.S. GAAP at the acquisition date	1,262,040
Fair value adjustments of assets acquired	986,802
Deferred income tax (34%)	(335,513)
Shareholder s equity adjusted at fair value	1,913,329

Fair value adjustments of assets acquired are composed as follows:

Fair Value adjustment of property, plant and equipment acquired	478,802
Fair Value of Intangibles	
Registered Trademark Acquired (unamortized intangible)	413,000
Franchise agreements	95,000
Total Fair Value adjustment of assets acquired	986,802
Negative goodwill on step 4	(665,896)
Total Fair Value adjustment reduced by the negative goodwill	320,906
Total fair value by asset after reduction by the negative goodwill:	
Fair Value adjustment of property, plant and equipment acquired	155,705
Fair Value adjustment of Intangibles:	
Registered Trademark Acquired (unamortized intangible)	134,307
Franchise agreements	30,894
Total	320,906
Weighted average annual depreciation rate	6,21%
Depreciation of fair value relating to property, plant and equipment acquired	(9,669)
Annual amortization of intangibles acquired	(3,530)
Total realization of fair value adjustment for the year ended December 31, 2006	(13,199)
Total realization of fair value adjustment for the year ended December 31, 2006 before share exchange	(2,513)
Total realization of fair value adjustment for the year ended December 31, 2006 related to share exchange	(10,686)
Total realization of fair value adjustment for the six month period ended June 30, 2007 before share exchange	(1,256)
Realization of fair value already recorded in Ultrapar Financial Statements	3,736
Total realization of fair value adjustment for the six month period ended June 30, 2007 before share exchange, net	2,480
Total realization of fair value adjustment for the six month period ended June 30, 2007 related to share exchange	(5,343)

Table of Contents

iv) *Deferred income tax effects*

In preparing our unaudited pro forma financial information for the year ended December 31, 2006 and as of and for the six months period ended June 30, 2007, we have assumed that the goodwill amortization expense is deductible for purposes of calculation of income tax and social contribution.

See below the computations performed for the year ended December 31, 2006:

Pro forma adjustments for the year ended December 31, 2006 under Brazilian GAAP	
Goodwill amortization before share exchange (note 3(i))	(51,463)
Interest expense in connection with the issuance of debentures (note 3(ii))	(134,648)
Total pro forma adjustments before share exchange	(186,111)
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange	63,278
Pro forma adjustments for the year ended December 31, 2006 under U.S. GAAP	
Fair value adjustments relating to purchase accounting of business acquired before share exchange (note 3(iii))	(2,513)
Reversal of goodwill amortization under Brazilian GAAP	51,463
Total pro forma adjustments before share exchange	48,950
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange under	(16,643)
Fair value adjustments relating to purchase accounting of business acquired related to share exchange (note 3(iii))	(10,686)
Income taxes effective rate	34%
Pro forma deferred income tax related to share exchange under	3,633

See below the computations performed for the six-month period ended June 30, 2007:

Pro forma adjustments for the six-month period ended June 30, 2007 under Brazilian GAAP	
Goodwill amortization before share exchange (note 3(i))	(15,115)
Interest expense in connection with the issuance of debentures (note 3(ii)	(35,358)
Total pro forma adjustments before share exchange	(50,473)
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange under	17,161
Pro forma adjustments for the six-month period ended June 30, 2007 under U.S. GAAP	
Fair value adjustments relating to purchase accounting of business acquired before share exchange (note 3(iii))	2,480
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange under	(843)
Reversal of goodwill amortization under Brazilian GAAP	15,115
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange under	(5,139)
Fair value adjustments relating to purchase accounting of business acquired related to share exchange (note 3(iii))	(5,343)

Income taxes effective rate	34%
Pro forma deferred income tax related to share exchange under	1,817

v) No minority interest will remain in DPPI, CBPI and RIPI after the Share Exchange.

46

Table of Contents

COMPARATIVE PER SHARE FINANCIAL DATA

The following table sets forth for the Ultrapar, RIPI, DPPI and CBPI preferred shares certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the Transaction as if the Share Exchange had been effective on January 1, 2006, in the case of the basic earnings, diluted earnings and dividends data. The pro forma data in the tables assume that the Transaction is accounted for using the purchase method of accounting and represents a current estimate based on available information of the Combined Company s results of operations. The information in the following table is based on, and should be read together with, the financial information included in this prospectus and in our 2006 Form 20-F, which is included as Annex A hereto.

The Transaction is anticipated to provide Ultrapar with financial benefits that include reduced operating expenses and revenue enhancement opportunities. While the pro forma information is helpful in illustrating Ultrapar s financial performance under one set of assumptions, it does not reflect the impact of possible revenue enhancements, expense efficiencies, asset dispositions and share repurchases, among other factors, that may result as a consequence of the Transaction and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of Ultrapar following the Transaction would have been had the companies been combined during these periods. Following the closing of the SPA on April 18, 2007, whereby Ultrapar acquired a controlling interest in the Target Companies, Ultrapar has included in its consolidated financial statements the portion of the Target Companies financial results that Ultrapar will retain following completion of the Transaction.

	Six-month period ended June 30, 2007		Year Ended December 31, 2006	
	(under BR GAAP)	(under U.S. GAAP)	(under BR GAAP)	(under U.S. GAAP)
Ultrapar Historical (per preferred share)				
Basic earnings	R$0.92	R$0.97	R$3.55	R$3.46
Diluted earnings		R$0.97		R$3.46
Dividends, gross			R$1.78	R$1.78
Book value	R$24.44	R$23.80	R$23.77	R$23.02
Ultrapar Pro Forma (per preferred share)				
Basic earnings	R$1.08	R$1.13	R$3.22	R$2.58
Diluted earnings		R$1.13		R$2.58
Dividends, gross			R$1.78	R$1.78
Book value	R$34.81	R$34.86	R$33.73	R$33.81
RIPI Historical (per preferred share)				
Basic earnings	R$4.63	R$2.19	R$5.55	R$4.74
Diluted earnings		R$2.19		R$4.33
Dividends, gross			R$0.62	R$0.62
Book value	R$23.99	R$32.35	R$19.41	R$26.11

Table of Contents

	Six-month period ended June 30, 2007 (under BR GAAP)	Six-month period ended June 30, 2007 (under U.S. GAAP)	Year Ended December 31, 2006 (under BR GAAP)	Year Ended December 31, 2006 (under U.S. GAAP)
Pro Forma RIPI Equivalents (per preferred share) (1)				
Basic earnings	R$0.73	R$0.90	R$2.57	R$2.06
Diluted earnings		R$0.90		R$2.06
Dividends, gross			R$1.42	R$1.42
Book value	R$27.79	R$27.84	R$26.94	R$27.00
DPPI Historical (per preferred share)				
Basic earnings	R$2.24	R$1.90	R$5.03	R$3.63
Diluted earnings		R$1.90		R$3.63
Dividends, gross			R$2.10	R$2.10
Book value	R$27.29	R$28.30	R$25.12	R$26.53
Pro Forma DPPI Equivalents (per preferred share) (2)				
Basic earnings	R$0.59	R$0.72	R$2.06	R$1.65
Diluted earnings		R$0.72		R$1.65
Dividends, gross			R$1.19	R$1.14
Book value	R$22.29	R$22.33	R$21.60	R$21.65
CBPI Historical (per preferred share)				
Basic earnings	R$1.75	R$1.32	R$3.05	R$2.29
Diluted earnings		R$1.32		R$2.29
Dividends, gross			R$1.16	R$1.16
Book value	R$16.37	R$17.40	R$14.67	R$16.22
Pro Forma CBPI Equivalents (per preferred share) (3)				
Basic earnings	R$0.38	R$0.47	R$1.34	R$1.08
Diluted earnings		R$0.47		R$1.08
Dividends, gross			R$0.74	R$0.74
Book value	R$14.57	R$14.59	R$14.12	R$14.15

(1) RIPI equivalent pro forma combined share amounts are calculated by multiplying the Ultrapar pro forma combined per share amounts by the exchange ratio of 0.79850, representing the number Ultrapar shares that RIPI stockholders will receive in the Share Exchange for each share of RIPI common stock.

(2) DPPI equivalent pro forma combined share amounts are calculated by multiplying the Ultrapar pro forma combined per share amounts by the exchange ratio of 0.64048, representing the number Ultrapar shares that DPPI stockholders will receive in the Share Exchange for each share of DPPI common stock.

(3) CBPI equivalent pro forma combined share amounts are calculated by multiplying the Ultrapar pro forma combined per share amounts by the exchange ratio of 0.41846, representing the number Ultrapar shares that CBPI stockholders will receive in the Share Exchange for each share of CBPI common stock.

48

Table of Contents

COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

Share and Dividend Information

Trading History of Ultrapar s Preferred Shares

Our preferred shares are listed on the BOVESPA stock exchange under the ticker symbol UGPA4 and in the form of ADSs on the NYSE under the ticker symbol UGP . You will not receive any Ultrapar ADSs in connection with the Share Exchange.

The following table sets forth the high and low closing sales prices for Ultrapar s preferred shares on the BOVESPA stock exchange for the periods indicated.

	São Paulo Stock Exchange		
	High	Low	Volume(1)
	(in *reais* per preferred share)		
2002	26.40	18.10	40,360
2003	37.70	21.95	39,398
2004	53.50	27.10	71,265
2005	48.60	31.70	79,784
2006	49.66	31.77	64,070
2007 (through December 13, 2007)	75.40	49.29	119,244
First quarter 2005	48.60	42.00	81,615
Second quarter 2005	45.90	40.00	95,090
Third quarter 2005	41.70	35.00	78,689
Fourth quarter 2005	39.00	31.70	64,515
First quarter 2006	39.20	31.80	73,065
Second quarter 2006	39.40	33.61	58,656
Third quarter 2006	39.19	31.77	55,730
Fourth quarter 2006	49.66	38.00	69,264
First quarter 2007	60.90	49.29	124,716
Second quarter 2007	65.31	58.89	132,400
Third quarter 2007	71.05	61.00	111,152
Fourth quarter 2007 (through December 13, 2007)	75.40	61.25	106,452
March 2007	60.90	49.29	142,736
April 2007	65.31	60.80	146,885
May 2007	63.70	59.13	128,200
June 2007	64.65	58.89	122,535
July 2007	67.29	61.25	120,967
August 2007	67.87	61.00	78,735
September 2007	71.05	65.15	139,547
October 2007	75.40	70.29	111,091
November 2007	68.05	61.25	99,068
December 2007 (through December 13, 2007)	65.20	61.95	110,700

(1) Average daily trading volume in number of shares.

On December 13, 2007, the last reported closing sale price of Ultrapar s preferred shares on BOVESPA stock exchange was R$62.70 (US$35.33) per share.

The following table sets forth the dividends per share distributed by us with respect to our preferred shares in the past two years. We declare and pay dividends and/or interest attributed to shareholders equity, pursuant to Brazilian corporate law and our bylaws. Our board of directors may approve the distribution of dividends and/or

49

Table of Contents

interest attributed to shareholders equity, calculated based on our annual or semi-annual financial statements or on financial statements relating to shorter periods. The amount of any distributions will depend on a series of factors, such as our financial condition, prospects, macroeconomic conditions, tariff adjustments, regulatory changes, growth strategies and other issues our board of directors and our shareholders may consider relevant. For 2006 and 2005, we declared dividends to our shareholders (both common and preferred) in the amounts of R$144 million and R$157 million, corresponding to 51% and 53% of our net income for each period, respectively.

Year declared	*Reais* per preferred share	US$ per preferred share(1)
2005	1.94	0.83
2006	1.78	0.83

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

Holders of our preferred shares are entitled to receive dividends declared by us solely from the date of the subscription and/or acquisition of such shares.

As of December 13, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,750 registered holders of Ultrapar preferred shares.

Trading History of RIPI s Preferred Shares

RIPI s preferred shares are listed on BOVESPA stock exchange under the symbol RIPI4.

The following table sets forth the high and low closing sales prices for RIPI s preferred shares on the BOVESPA stock exchange for the periods indicated.

	BOVESPA stock exchange (*reais* per preferred share)	
	High	Low
2002	8.50	2.55
2003	10.35	1.93
2004	22.75	8.08
2005	29.50	20.13
2006	37.99	22.55
2007 (through December 13, 2007)	57.00	36.20
First quarter 2005	29.50	20.13
Second quarter 2005	29.50	22.76
Third quarter 2005	27.10	22.16
Fourth quarter 2005	26.85	21.30
First Quarter 2006	27.60	22.55
Second Quarter 2006	31.50	24.50
Third Quarter 2006	34.50	28.90
Fourth Quarter 2006	37.99	35.00
First Quarter 2007	47.50	36.20
Second Quarter 2007	49.40	43.98
Third Quarter 2007	52.20	43.80
Fourth Quarter 2007 (through December 13, 2007)	57.00	48.54

50

Table of Contents

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
March 2007	47.50	38.40
April 2007	48.20	45.80
May 2007	47.91	43.98
June 2007	49.40	45.30
July 2007	49.80	46.49
August 2007	50.60	43.80
September 2007	52.20	49.25
October 2007	57.00	54.20
November 2007	54.70	48.54
December 2007 (through December 13, 2007)	51.49	48.99

Source: BOVESPA stock exchange.

On December 13, 2007, the last reported closing sale price of RIPI s preferred shares on the BOVESPA stock exchange was R$48.99 (US$27.61) per share.

The following table sets forth interest on shareholder s equity paid by RIPI with respect to its preferred shares in the past two years. For 2006 and 2005, RIPI paid interest on shareholder s equity to its preferred shareholders in the amounts of R$10 million and R$12 million, net of taxes, corresponding to 6% and 8% of its net income for each period, respectively.

Year declared	***Reais* per preferred share**	**US$ per preferred share(1)**
2005	1.1724	0.5219
2006	0.4818	0.2523

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

As of December 13, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,500 registered holders of RIPI preferred shares, of which 25 are domiciled in the United States, representing 14.5% of the total preferred shares.

Trading History of DPPI s Preferred Shares

DPPI s preferred shares are listed on BOVESPA stock exchange under the symbol DPPI4.

The following table sets forth the high and low closing sales prices for DPPI s preferred shares on the BOVESPA stock exchange for the periods indicated.

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
2002	13.50	9.00
2003	12.75	7.00
2004	20.50	12.00
2005	22.10	16.01

2006	27.50	19.56
2007 (through December 13, 2007)	48.80	26.25

51

Table of Contents

	BOVESPA stock exchange (*reais* per preferred share) High	Low
First Quarter 2005	22.10	19.75
Second Quarter 2005	20.10	16.50
Third Quarter 2005	20.50	16.01
Fourth Quarter 2005	20.25	18.00
First Quarter 2006	24.85	19.56
Second Quarter 2006	25.99	23.00
Third Quarter 2006	25.20	22.00
Fourth Quarter 2006	27.50	22.72
First Quarter 2007	38.01	26.25
Second Quarter 2007	40.52	36.47
Third Quarter 2007	45.30	35.50
Fourth Quarter 2007 (through December 13, 2007)	48.80	39.90
March 2007	38.01	30.66
April 2007	40.38	36.80
May 2007	40.00	36.47
June 2007	40.52	36.71
July 2007	42.00	38.20
August 2007	41.59	35.50
September 2007	45.30	40.00
October 2007	48.80	45.98
November 2007	46.31	40.15
December 2007 (through December 13, 2007)	42.00	39.90

Source: BOVESPA stock exchange.

On December 13, 2007, last reported closing sale price of DPPI s preferred shares on the BOVESPA stock exchange was R$39.90 (US$22.48) per share.

The following table sets forth the interest on shareholder s equity per share paid by DPPI with respect to its preferred shares in the past two years. For 2006 and 2005, DPPI paid interest on shareholder s equity to its preferred shareholders in the amounts of R$39 million and R$42 million, net of taxes, corresponding to 24% and 25% of its net income for each period, respectively.

Year declared	*Reais* per preferred share	US$ per preferred share(1)
2005	3.97	1.82
2006	1.83	0.84

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

As of December 13, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,800 registered holders of DPPI preferred shares, of which 23 are domiciled in the United States, representing 8.7% of the total preferred shares.

52

Table of Contents

Trading History of CBPI s Preferred Shares

CBPI s preferred shares are listed on BOVESPA stock exchange under the symbol PTIP4

The following table sets forth the high and low closing sales prices for CBPI s preferred shares on the BOVESPA stock exchange for the periods indicated.

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
2002	7.75	3.49
2003	7.15	3.31
2004	13.64	5.55
2005	17.50	10.08
2006	19.89	14.41
2007 (through December 13, 2007)	31.38	17.75
First Quarter 2005	17.50	13.50
Second Quarter 2005	13.95	10.08
Third Quarter 2005	13.65	10.25
Fourth Quarter 2005	14.50	11.51
First Quarter 2006	17.15	14.41
Second Quarter 2006	19.13	16.00
Third Quarter 2006	18.52	16.05
Fourth Quarter 2006	19.89	17.20
First Quarter 2007	25.15	17.75
Second Quarter 2007	26.31	23.51
Third Quarter 2007	29.39	23.70
Fourth Quarter 2007 (through December 13, 2007)	31.38	25.30
March 2007	25.15	20.56
April 2007	26.00	24.40
May 2007	26.31	23.51
June 2007	26.30	23.97
July 2007	27.41	24.03
August 2007	26.75	23.70
September 2007	29.39	25.81
October 2007	31.38	30.20
November 2007	30.05	25.30
December 2007 (through December 13, 2007)	27.71	25.76

Source: BOVESPA stock exchange.

On December 13, 2007, the last reported closing sale price of CBPI s preferred shares on the BOVESPA stock exchange was R$25.76 (US$14.52) per share.

The following table sets forth the interest on shareholder s equity per share paid by CBPI with respect to its preferred shares in the past two years. For 2006 and 2005, CBPI paid interest on shareholder s equity to its preferred shareholders in the amounts of R$70 million and R$79 million, net of taxes, corresponding to 22% and 24% of its net income for each period, respectively.

Year declared

	Reais per preferred share	US$ per preferred share(1)
2005	2.25	0.95
2006	1.00	0.46

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

53

Table of Contents

As of December 13, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 6,000 registered holders of CBPI preferred shares, of which 60 are domiciled in the United States, representing 20.9% of the total preferred shares.

Market Information

The following table represents the closing sales prices of Ultrapar preferred shares and RIPI, DPPI and CBPI preferred shares (in *reais* and translated into U.S. dollars) on December 13, 2007, the last practicable date prior to the date of this document. The table also presents the equivalent value of the Share Exchange consideration per share of RIPI, DPPI and CBPI preferred stock on such date, calculated by multiplying the closing price of Ultrapar preferred shares on such date by the exchange ratio of 0.79850, 0.64048 and 0.41846, respectively, representing the number of Ultrapar preferred shares that RIPI, DPPI and CBPI preferred shareholders will receive in the Share Exchange for each share of RIPI, DPPI and CBPI preferred stock. Based on the closing price of RIPI, DPPI and CBPI preferred shares and Ultrapar preferred shares on the BOVESPA as of the close of business on December 13, 2007, the consideration to be paid to RIPI, DPPI and CBPI preferred shareholders in the Share Exchange represented an approximate 2.2%, 0.6% and 1.9% premium over the price of RIPI, DPPI and CBPI preferred shares on such date, respectively.

Date	Ultrapar Preferred Shares *(reais)*	Exchange Rate ($/R$)	Ultrapar Preferred Shares (U.S. dollars)	RIPI Preferred Shares (U.S. dollars)	Equivalent Per Share Value of RIPI Preferred Stock Exchange for Ultrapar Preferred Shares	DPPI Preferred Shares (U.S. dollars)	Equivalent Per Share Value of DPPI Preferred Stock Exchange for Ultrapar Preferred Shares	CBPI Preferred Shares (U.S. dollars)	Equivalent Per Share Value of CBPI Preferred Stock Exchange for Ultrapar Preferred Shares
December 13, 2007	62.70	1.775	35.33	27.61	28.21	22.48	22.63	14.52	14.78

The information included in this prospectus concerning the trading history of Ultrapar s preferred shares and RIPI, DPPI and CBPI s preferred shares is presented solely for informational purposes. This information should not be viewed as indicative of future sales prices for either Ultrapar s preferred shares or RIPI, DPPI or CBPI s preferred shares on the BOVESPA stock exchange. You are urged to obtain current market quotations prior to making any decision with respect to the Share Exchange. The market price of Ultrapar, RIPI, DPPI and CBPI preferred shares will fluctuate between the date of this document and the completion of the Share Exchange. No assurance can be given concerning the market price of Ultrapar, RIPI, DPPI or CBPI preferred shares before or after the effective date of the Share Exchange.

Following the Share Exchange, Ultrapar preferred shares will continue to be traded on the BOVESPA stock exchange under the ticker symbol UGPA4 .

54

Table of Contents

EXCHANGE RATES

The following tables show, for the periods indicated, information concerning the exchange rate between the U.S. dollar and the *real*. This information is provided solely for your information and Ultrapar, RIPI, DPPI and CBPI do not represent that *reais* could be converted into U.S. dollars at these rates or at any other rate. These rates are not the rates used by Ultrapar, RIPI, DPPI or CBPI in the preparation of their consolidated financial statements included in this document.

On December 13, 2007, the exchange rate for *reais* into U.S. dollars was 1.775 to US$1.00, based on the commercial selling rate as reported by the Central Bank. The following table sets forth information on prevailing commercial foreign exchange selling rates for the periods indicated, as published by the Central Bank on its electronic information system, SISBACEN, using PTAX 800, Option 5.

Annual Data (Year Ended December 31,)	Average(1)
2002	2.998
2003	3.060
2004	2.917
2005	2.412
2006	2.177
2007 (through December 13, 2007)	1.931

(1) Average of the foreign exchange rates on the last day of each month in the period.

Recent Monthly Data	High	Low
November 2006	2.187	2.135
December 2006	2.169	2.138
January 2007	2.156	2.125
February 2007	2.118	2.077
March 2007	2.139	2.050
April 2007	2.048	2.023
May 2007	2.031	1.929
June 2007	1.964	1.905
July 2007	1.918	1.845
August 2007	2.112	1.873
September 2007	1.964	1.839
October 2007	1.828	1.744
November 2007	1.850	1.733
December 2007 (through December 13, 2007)	1.823	1.762

Table of Contents

RISK FACTORS

In addition to general investment risks and the other information contained in this document, including the matters described under the caption Cautionary Statement Regarding Forward-Looking Statements and the matters discussed under the caption Risk Factors included the 2006 Form 20-F, which is included as Annex A to this document, you should carefully consider the following factors in deciding whether to exercise appraisal rights or take no action and receive Ultrapar preferred shares in connection with the Share Exchange.

The Share Exchange might not be completed and an alternative corporate reorganization of the Ipiranga businesses might be sought.

Minority shareholders might not agree with the exchange ratio under the Share Exchange and might challenge the assumptions underlying the valuation methodologies included in the valuation reports described in this prospectus. Such shareholders have challenged our ability to complete the Share Exchange and the Deutsche Bank and Credit Suisse valuation reports by filing complaints with a district court and the CVM. Such complaints may cause interruptions and delays in the Share Exchange and in the completion of the Transaction as envisioned by Ultrapar. The complaints filed to date have focused on the legal characterization of the Share Exchange and the level of disclosure and certain of the projections, assumptions and comparable companies used by Deutsche Bank and Credit Suisse in their valuation reports. Deutsche Bank amended its report to comply with requests for additional explanatory disclosure from the CVM. No changes were made to the quantitative information included in this report as a result of the complaints or the CVM review. The final copy of the report is included as an exhibit to the registration statement of which this prospectus forms a part.

We can provide no assurance that pending complaints will be resolved favorably or that additional complaints will not be lodged relating to the valuation reports or the Share Exchange. According to the Investment Agreement, a significant delay in the completion of the Transaction as originally planned entitles the parties to implement an alternative corporate reorganization of the Ipiranga businesses which would include, among other things, spin-offs of CBPI, DPPI and RIPI. See The Transaction. The alternative corporate reorganization selected may not provide you with the same economic benefits, as a holder of RIPI, DPPI or CBPI preferred shares, as you would receive in the Share Exchange.

The integration by Ultrapar of the operations of the Target Companies that will remain with Ultrapar may present significant challenges.

There is a significant degree of difficulty inherent in the process of integrating Ultrapar s businesses with those of the Target Companies which will remain with Ultrapar following completion of the Transaction. These difficulties include:

- the need to consolidate organizations with headquarters located in different cities;
- the challenge of integrating the business cultures of the Target Companies with that of Ultrapar; and
- the need to retain key officers and personnel of the Target Companies.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of Ultrapar and the Target Companies businesses. Ultrapar s senior management team may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage the business of Ultrapar, service existing customers, attract new customers and develop new products or strategies. If Ultrapar s senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, Ultrapar s business could suffer. Ultrapar and the Target Companies cannot assure you that they will successfully or cost-effectively integrate the Target Companies and Ultrapar s existing businesses. The failure to do so could have a material adverse effect on Ultrapar s business, financial condition and results of operations following completion of the Transaction.

The Ultrapar securities you receive in the Share Exchange will represent an investment in a fundamentally different business from that in which you originally invested.

You will receive Ultrapar preferred shares for your preferred shares of RIPI, DPPI or CBPI in the Share Exchange. The Target Companies will be combined with Ultrapar following completion of the Transaction. This combined entity will operate in sectors where RIPI, DPPI and CBPI have not historically conducted their businesses and will be a fundamentally different company from RIPI, DPPI and CBPI, with different risks and potential liabilities.

The market price of Ultrapar preferred shares after the Share Exchange may be affected by factors different from those that currently affect the preferred shares of Ultrapar, RIPI, DPPI or CBPI.

The businesses of Ultrapar, RIPI, DPPI and CBPI differ in some respects, and, accordingly, the results of operations of the Combined Company following consummation of the Share Exchange and the market price of Ultrapar shares following the Share Exchange may be affected by factors different from those currently affecting the individual results of operations of each of Ultrapar, RIPI, DPPI or CBPI. For a discussion of the businesses of Ultrapar, RIPI, DPPI and CBPI and of certain factors to consider in connection with those businesses, see Information About the Companies on page 110 and the documents included as annexes to this document and referred to under Where You Can Find More Information on page 217.

The market price of Ultrapar RIPI, DPPI and CBPI s preferred shares is uncertain.

The exchange ratio in the Share Exchange is fixed, and there is no mechanism to adjust the exchange ratio in the event that the market price of the Ultrapar preferred shares declines. The trading market for RIPI, DPPI and CBPI preferred shares after the Share Exchange is approved by the requisite shareholders meetings may be severely impaired or disrupted. As a result, until the Share Exchange closes and you receive Ultrapar preferred shares, the liquidity of the RIPI, DPPI and CBPI preferred shares may decline and their volatility may increase. This could result in substantial fluctuations in the trading price for RIPI, DPPI and CBPI preferred shares.

The market price of Ultrapar, RIPI, DPPI and CBPI s preferred shares may be adversely affected by arbitrage activities occurring prior to the completion of the Share Exchange.

The market price of RIPI, DPPI and CBPI preferred shares and Ultrapar preferred shares may be adversely affected by arbitrage activities occurring prior to the completion of the Share Exchange. These sales, or the prospects of such sales in the future, could adversely affect the market price for, and the ability to sell in the market, shares of RIPI, DPPI and CBPI preferred stock before the Share Exchange is completed and Ultrapar preferred shares before and after the Share Exchange is completed.

In connection with the Share Exchange, Target Company Shareholders will receive Ultrapar preferred shares, which are traded on the BOVESPA in Brazil, rather than Ultrapar ADSs, which are traded on the New York Stock Exchange.

In connection with the Share Exchange, Target Company shareholders will receive Ultrapar preferred shares, which are traded on the BOVESPA in Brazil, rather than Ultrapar ADSs, which are traded on the New York Stock Exchange. Because Ultrapar s preferred shares trade on the BOVESPA and not on any U.S. stock exchange, price quotes for the preferred shares are provided in *reais* and information regarding the preferred shares may be more difficult to obtain than it would be for securities traded on a U.S. stock exchange. Holding Ultrapar preferred shares in the form of ADSs would have potential benefits for Target Company shareholders, such as easier access to trading information, which is provided in U.S. dollars. Moreover, since Ultrapar s ADSs trade on the New York Stock Exchange, the ADSs are traded, cleared and settled according to U.S. market conventions. Dividend payments on the Ultrapar ADSs are made in U.S. dollars through the depositary for the ADR program, while dividend payments on the Ultrapar preferred shares are made in *reais* in accordance with

Table of Contents

Brazilian law. In addition, we are obligated under our deposit agreement for our ADR program to provide notice, in English, to ADS holders regarding significant corporate events and this requirement protects your ability to stay informed as an Ultrapar shareholder.

As a result of the Transaction, Ultrapar will assume certain liabilities of the Target Companies and will assume all the risks relating to those liabilities.

You should be aware that because Ultrapar will assume certain liabilities of the Target Companies as a result of the Transaction, certain existing known or unknown financial obligations, legal liabilities or other contingent liabilities or risks of the Target Companies will become the responsibility of Ultrapar. These liabilities could cause Ultrapar to be required to make payments, incur charges or take other actions that could adversely affect Ultrapar s financial position and results of operations and the price of Ultrapar s preferred shares.

In connection with the Transaction, Ultrapar assumed R$459 million in net liabilities as of June 30, 2007, consisting of:

- R$641 million in gross financial debt, primarily consisting of R$350 million in debentures, with a 5-year term, paying interest at a rate of 103.8% of the CDI per year, and approximately R$113 million in notes due in 2008, paying interest at a rate of 9.875% per year;

- R$153 million related to pension funds and other contingencies; and

- R$334 million in cash, cash equivalents and receivables from related parties.

If regulatory agencies impose conditions on approval of the Transaction, the anticipated benefits of the Transaction could be diminished.

While no governmental approvals are currently required in order to complete the transaction, if regulators were to impose any requirements for approval, Ultrapar and the Target Companies would vigorously pursue any such governmental approvals. If any such approvals were withheld, the benefits of the Transaction could be delayed, possibly for a significant period of time after the Acquiring Companies have approved the Transaction. In addition, if governmental agencies conditioned their approval of the Transaction on the imposition of conditions, Ultrapar s operating results or the value of Ultrapar s preferred stock could be adversely affected. Anticipated benefits of the Transaction that might not be realized include loss of revenue.

The Brazilian antitrust authority, the *Conselho Administrativo de Defesa Econômica CADE*, is reviewing the Transaction and has the authority, following completion of the Transaction, to require one or more of the Acquiring Companies to dispose of assets acquired in the Transaction. While we believe it is unlikely that we will be required to divest any of the assets we acquire in the Transaction because these assets relate to industries in which we have not historically operated, there can be no assurance that this will not be the case. If we were required to divest certain of the Ipiranga Group assets we have acquired, we could fail to obtain all our objectives for the Transaction and our business, results of operations and financial condition could be materially adversely affected.

Table of Contents

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains, including in the annexes hereto, a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of Ultrapar, RIPI, DPPI and CBPI and may include statements for the period following the completion of the Transaction. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions. These statements appear in a number of pl this prospectus and include, but are not limited to, statements regarding our intent, belief or current expectations with respect to:

- strategy for marketing and operational expansion;
- capital expenditures forecasts;
- development of additional sources of revenue; and
- the completion of the Transaction, according to the steps and the timetable discussed in this prospectus.

The forward-looking statements involve certain risks and uncertainties. The ability of either Ultrapar, RIPI, DPPI or CBPI to predict results or the actual effects of its plans and strategies, or those of the Combined Company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth below under Risk Factors and in the 2006 Form 20-F, which is attached hereto as Annex A, as well as, among others, the following:

- general economic and business conditions, including the price of crude oil and other commodities, refining margins and prevailing foreign exchange rates;
- competition;
- ability to produce and deliver products on a timely basis;
- ability to anticipate trends in the industries in which it operates, including changes in capacity and industry price movements;
- changes in official regulations;
- receipt of official authorizations and licenses;
- political, economic and social events in Brazil;
- access to sources of financing and our level of debt;

- ability to integrate acquisitions;
- regulatory issues relating to acquisitions; and
- availability of tax benefits.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of any document included as an annex to this prospectus.

All subsequent written forward-looking statements concerning the Transaction or other matters addressed in this document and attributable to Ultrapar, RIPI, DPPI, CBPI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, Ultrapar, RIPI, DPPI and CBPI undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Table of Contents

THE TRANSACTION

The following is a description of the material terms of the Transaction. While Ultrapar, RIPI, DPPI and CBPI believe that the following description covers the material terms of the Transaction, the description may not contain all the information that is important to you. Ultrapar, RIPI, DPPI and CBPI encourage you to carefully read this entire document, including the annexes hereto, and the Transaction Agreements included as exhibits to the registration statement of which this prospectus forms a part, for a complete understanding of the Transaction.

Background of the Transaction

Ultrapar s board of directors has from time to time engaged Ultrapar s senior management in strategic discussions and has considered ways to continue growing and enhancing Ultrapar s performance and prospects in light of competitive and other relevant developments. Ultrapar s growth strategy has focused on organic expansion and acquisition opportunities in the businesses in which it operates or in complementary ones.

In September 2006, Ultrapar hired Estáter Assessoria Financeira Ltda. to advise and help it to evaluate the Target Companies, conduct the discussions with the Key Shareholders, structure the Transaction and prepare a binding offer. We also hired Machado, Meyer, Sendacz e Opice Advogados as our Brazilian legal counsel and Davis Polk & Wardwell as our U.S. legal counsel. In parallel, we engaged in conversations with Braskem and Petrobras that led to the execution of the Investment Agreement based upon such companies interests in keeping the Ipiranga Group s Petrochemical Business and part of its fuel distribution business.

The price established for the acquisition of the RIPI, DPPI and CBPI shares was the result of a complex negotiation process. The negotiation was particularly complex due to the large number of parties involved. On the one hand, there were three purchasing parties Ultrapar, Petrobras and Braskem each of which was interested in different parts of Grupo Ipiranga s businesses; and on the other hand, there were 67 individuals as selling shareholders, each of whom owned different interests in each of the three Target Companies. Each one of these parties had its own vision of the Ipiranga Group s businesses, of the value of the assets being acquired and, most importantly, had an independent right to decide whether or not to enter into the SPA.

As a result, the price established for the acquisition of the RIPI, DPPI and CBPI shares does not represent the vision of one party or group of parties, but rather reflects a series of compromises necessary for all of the parties to reach a mutually satisfactory agreement.

On March 15, 2007, Ultrapar s board of directors approved (i) a binding offer for the purchase of the shares of the Target Companies owned by the Key Shareholders and (ii) the execution by Ultrapar s executive officers of all documents related to the Transaction.

The offer was presented to the Key Shareholders on March 17, 2007 and accepted on March 18, 2007. The Share Purchase Agreement and other related documents were executed on March 18, 2007, and the Transaction was announced in press releases issued by Ultrapar, Braskem, Petrobras, and the Target Companies on March 19, 2007.

On November 9, 2007, the management of Ultrapar and each of the Target Companies entered into the Protocol and Justifications, in which they each agreed to recommend to their respective boards of directors that such boards examine the Share Exchange and call meetings of shareholders required for the common shareholders of each company to approve the Share Exchange. The Protocol and Justifications describe the material reasons each of the management of Ultrapar and the Target Companies determined that it was in the best interests of each of their respective companies to recommend to the respective boards of directors that they approve the Share Exchange. See Transaction Agreements Protocol and Justifications for more information regarding these agreements and the matters described therein.

Table of Contents

On November 12, 2007, the boards of directors of Ultrapar and each of the Target Companies examined the Share Exchange and resolved to call shareholders meetings for the common shareholders of the respective companies to approve the Share Exchange. On November 12, 2007, following their examination of the Share Exchange, the boards of directors of Ultrapar and each of the Target Companies published announcements calling meetings of the common shareholders of each company for December 18, 2007.

Ultrapar s Reasons for the Transaction

Introduction

Through the Transaction, Ultrapar is participating in an important step in the reorganization and consolidation of sectors that are fundamental to the growth of the Brazilian economy. Ultrapar believes the division of the Ipiranga Group s assets among Ultrapar, Braskem and Petrobras will benefit the Brazilian economy because the Acquiring Companies will be in a position to provide focus, specialized management and strategic alignment to their respective assets. In addition, we believe that the Acquiring Companies will be able to make higher levels of investments in the Ipiranga Group assets they acquire and therefore develop their businesses to a greater extent than under the former owners, thereby stimulating growth in these key areas of the Brazilian economy.

The Ipiranga Group, one of Brazil s largest and most well-established corporate conglomerates, operated in the same segments as Petrobras, Ultrapar and Braskem. In 2006, the Ipiranga Group was Brazil s second-largest fuel distributor, with a network of 4,240 service stations. It also had a significant share of the petrochemical market, with the production of 650,000 tons of petrochemical resins through IPQ, and shared joint control with Braskem of Copesul, a petrochemical company that produces basic petrochemicals, such as ethylene, from naphtha, located in the southern petrochemical complex, in the state of Rio Grande do Sul. The consolidated net revenues of the Ipiranga Group in 2006 amounted to R$31 billion and net income amounted to R$534 million.

Following the Transaction, Ultrapar, already the largest LPG distributor in Brazil, became the second-largest group in the fuel distribution business in Brazil, with approximately 15% market share. Ultrapar believes that fuel distribution is a natural extension of LPG distribution because it has similar profitability drivers: logistics efficiency, management of a dealer network and leveraging a renowned brand. In addition, Ultrapar believes that the fuel distribution business presents attractive growth prospects in light of increased fuel consumption in Brazil in the past several years, principally due to increased national income and availability of credit.

Operational growth already the leader in LPG market, Ultrapar became the second largest fuel distribution company in Brazil, with a market share of approximately 15%

The acquisition of the Ipiranga Group allowed Ultrapar to expand its operations in the oil-based fuel distribution business. Operating in Brazil since 1937, Ultragaz introduced LPG for domestic cooking and has become the Brazilian market leader in LPG, with a 24% market share, according to Sindigas - *Sindicato Nacional das Empresas Distribuidoras de Gás Liqüefeito de Petróleo* (the National Association of Liquid Petroleum Gas Distributors). As a result of Ultragaz leadership position and the worldwide LPG market s maturity, Ultrapar feels that increasing its portfolio of products is important and fuel distribution is a natural extension of its LPG business. After closing of the SPA, in addition to being Brazil s leading LPG distributor, Ultrapar has become Brazil s second largest distributor of fuels and lubricants, with a market share of approximately 15%, based on information provided by ANP - *Agência Nacional de Petróleo* (the National Oil Agency).

Larger operating scale and administrative benefits

Ipiranga s fuel distribution business has a strong operational track record with a solid business model and operating performance. Ipiranga s volume sold per station (throughput) increased by an average of 8% from 2002-2005, while in this same period the market average of volume per station decreased by 5%, according to ANP. However, Ipiranga was burdened by a complex shareholder structure that led to delays in decision making and high administrative costs due to the need to maintain a large administrative structure supporting its

Table of Contents

controlling shareholders. In addition to reducing administrative expenses, we believe there are other opportunities to benefit from the Transaction, such as in procurement, from the complementary client portfolios of Ipiranga and Ultragaz and by leveraging businesses related to ethanol trade and logistics that involve Ipiranga, Oxiteno and Ultracargo.

Combination of efficiencies, logistics and resale management know-how

We believe that our expertise in logistics efficiency and the management of our dealer network that we have applied at Ultragaz will be complemented by Ipiranga s know-how for maximizing efficiency and profitability.

Ultrapar will have two major brands for oil by-products distribution

Ipiranga is considered one of the most respected brands in Brazil and Ultragaz similarly has high brand recognition. We believe such brands are associated with quality, safety and efficiency. These brands reputations, combined with Ultrapar s ability to invest, positions Ultrapar to benefit from growth opportunities through the supply of high-quality products and services and the introduction of new services and distribution channels.

Accelerate investments in the growth of Ipiranga s operations

Strengthening for future expansion. Ultrapar intends to use its efficient decision-making processes together with its solid financial position to leverage investment in Ipiranga and to thereby accelerate expansion through organic growth and acquisitions, in order to strengthen its market share in the regions in which it operates and to expand further into the rest of Brazil.

Potential growth in Brazilian consumption. Recent economic indicators, including from IBGE - *Instituto Brasileiro de Geografia e Estatística*, or the Brazilian Institute of Geography and Statistics, have shown a decrease in Brazilian unemployment from 10% in September 2006 to 9% in September 2007. IBGE indicators have also shown an improvement in Brazilian GDP, which increased by 5% in the first half of 2007, compared to the same period in 2006. These factors, together with greater credit availability, as indicated by the 25% increase in the total amount of credit in the Brazilian financial system in the eight-month period ended August 2007, compared to the same period in 2006, according to the Brazilian Central Bank, have resulted in record levels of vehicle sales in the first half of 2007, which increased 25.7% in terms of new vehicles registered compared to the same period in 2006. Despite record car sales, however, Brazil s current fleet is small compared to other Latin American countries, with 8 inhabitants per vehicle, whereas Argentina and Mexico have 5 inhabitants per vehicle, according to ANFAVEA - *Associação Nacional dos Fabricantes Veículos Automotores* (Brazilian Association of Vehicle Producers).

Based on the current expansion in the economy and recent increases in the availability of credit, together with the low ratio of inhabitants per vehicle, Ultrapar believes the outlook for increased Brazilian fuel consumption is positive in the near-term.

Potential growth in the biofuel market. A highlight of the Brazilian automotive sector in 2007 was an increase in the number of flex-fuel vehicles, which run on engines adapted to function using either gasoline or ethanol, or any combination of the two. Currently flex-fuel vehicles account for approximately 11% of Brazil s fleet, with the potential to increase to more than 50% in the next 5 years, according to Anfavea s forecast (Agência Nacional dos Fabricantes de Veículos Automotores).

Consistently strong financial position. Ultrapar has a consistent track record of growth focused on fiscal discipline. In part as a result of its solid financial position, Standard & Poor s assigned the company a credit rating of brAA+ on a national scale (equivalent to Brazilian sovereign risk) and BB+ on a global scale, one grade below investment grade, which ratings were reassigned after the announcement of the Transaction. Ultrapar s strong financial position allows it to increase its investments without compromising its solid financial position.

Table of Contents

In connection with the Transaction, we increased our debt in order to acquire the Ipiranga Group securities owned by the Key Shareholders. Following completion of the Transaction and our receipt of funds from Petrobras and Braskem as payment for the Target Company assets distributed to each company, we expect to repay our debt incurred in connection with the Transaction.

The Key Shareholders Reasons for the Transaction

Ultrapar acquired a controlling interest in the common shares of the Target Companies in connection with the SPA. We believe the Key Shareholders agreed to enter into the SPA and sell their controlling interest in the Target Companies to Ultrapar because they considered the price offered for their securities to be attractive and they had an interest in monetizing their shareholdings.

Description of the Transaction

Overview

On March 19, 2007, Ultrapar, Petrobras and Braskem announced their intent to acquire the Ipiranga Group and that on March 18, 2007, Ultrapar entered into, and Petrobras and Braskem acknowledged, a Share Purchase Agreement, or the SPA, with the Key Shareholders of the principal companies comprising the Ipiranga Group: RIPI, DPPI and CBPI. As discussed further below, in connection with the Transaction, Ultrapar is acting on its own behalf and on behalf of Petrobras and Braskem pursuant to the Transaction Agreements. See Transaction Agreements.

To finance part of the Ipiranga Group acquisition, we issued unsecured debentures in the aggregate principal amount of R$889 million, in two series. The first series, in the aggregate amount of R$675 million, was issued on April 11, 2007. The second series, in the aggregate amount of R$214 million, was issued on October 22, 2007. The debentures have a term of one year, and a coupon rate of 102.5% of the interbank deposit certificates index, or CDI.

After the completion of the Transaction, the businesses of the Ipiranga Group will be divided among Petrobras, Ultrapar and Braskem. Ultrapar will retain the fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil, as well as the logistics and chemical business of Ipiranga Group; Petrobras will receive the fuel and lubricant distribution businesses located in the North, Northeast and Central West regions of Brazil; and Petrobras and Braskem will receive the petrochemical business, in the proportion of 60% for Braskem and 40% for Petrobras. RIPI s oil refining operations will be shared equally among Petrobras, Ultrapar and Braskem.

Before the Transaction there was no corporate relationship among Ultrapar, Braskem and Petrobras. Petrobras and Braskem, however, are principal suppliers to Ultrapar s subsidiaries Ultragaz and Oxiteno: Petrobras supplies LPG to Ultragaz and Braskem is one of the principal suppliers of ethylene to Oxiteno. Petrobras is also the principal supplier of fuels, especially diesel and gasoline, to CBPI and DPPI. As of September 30, 2007, Ultrapar s trade accounts payable to Petrobras and Braskem amounted to R$187 million and R$10 million, respectively. For the nine-month period ended September 30, 2007, Ultrapar s total purchase transactions from Petrobras and Braskem amounted to R$9 billion and R$515 million. Ultrapar s accounts payable to and purchase transactions with Petrobras correspond basically to the purchase of LPG by Ultragaz and the purchase of fuels by CBPI and DPPI, related to their fuel distribution business in the South and Southeast regions of Brazil. Ultrapar s accounts payable to and purchase transactions with Braskem correspond to the purchase of ethylene by Oxiteno. Considering the type and size of the different businesses operated by the Ipiranga Group and in light of the interests of Petrobras and Braskem to expand in the petrochemical sector, as well as Petrobras desire to expand its fuel distribution business in Brazil, Ultrapar, Petrobras and Braskem decided to undertake the Transaction together.

Phases of the Transaction

The Transaction is divided into five phases: (1) the acquisition by Ultrapar of the RIPI, DPPI and CBPI shares held by the Key Shareholders, which closed on April 18, 2007; (2) the mandatory tender offers (pursuant

Table of Contents

to tag along rights held by common minority shareholders under Brazilian Corporate Law and CVM rules) for the acquisition of the remaining common shares of RIPI, DPPI, CBPI and IPQ, or the Mandatory Tender Offers, which were completed on November 8, 2007; (3) the tender offer by Braskem for the delisting of Copesul s common shares from the BOVESPA, or the Public Tender Offer, which occurred on October 17, 2007; (4) exchange of the remaining common and preferred shares of RIPI, DPPI and CBPI for preferred shares of Ultrapar, or the Share Exchange; and (5) separation of the Target Companies assets, or the Separation of Assets. The completion of the Transaction is expected to occur in the fourth quarter of 2007.

Phase 1 Acquisition of the shares of the Key Shareholders. On April 18, 2007, pursuant to the SPA, Ultrapar acquired, from the Key Shareholders, shares issued by RIPI, DPPI and CBPI, as described below. The total consideration paid for this acquisition was R$2.1 billion, of which R$0.7 billion was effectively paid by Ultrapar. The shares acquired pursuant to the SPA from the Key Shareholders who are approximately 67 individuals that controlled the Ipiranga Group through shareholders agreements were divided into two groups: shares whose ownership was subject to the shareholders agreements among the Key Shareholders and shares that were not subject to the shareholders agreements.

	RIPI			DPPI			CBPI		
	Number of Shares	% of Total Capital	Price per Share paid under SPA	Number of Shares	% of Total Capital	Price per Share paid under SPA	Number of Shares	% of Total Capital	Price per Share paid under SPA
Common Shares subject to the Target Companies Shareholders Agreement	5,746,232	19.41%	132.85	5,449,388	17.03%	140.08671	n.a.	n.a.	n.a.
Common shares not subject to the Target Companies Shareholders Agreement	861,751	2.91%	106.28	1,960,604	6.13%	112.06	1,344,497	1.27%	58.10
Preferred shares	2,277,269	7.69%	[illegible]	2,239,899	7.00%	29.57	402	0.00%	20.55
Total shares	8,885,252	30.02%		9,649,891	30.16%		1,344,899	1.27%	

Common shares held by the Key Shareholders that were not included in the Key Shareholders common shares subject to the shareholders agreements, were acquired pursuant to the SPA at a price equal to 80% of the purchase price of the common shares subject to the shareholders agreements. Preferred shares held by the Key Shareholders were purchased pursuant to the SPA based on such shares market price on the BOVESPA.

Phase 2 Mandatory Tender Offers for the common shares of RIPI, DPPI, CBPI and IPQ. As a result of the change of control of RIPI, DPPI and CBPI, under Art. 254-A of Law No. 6,404/76 and CVM Rule Nº 361, Ultrapar filed on May 2, 2007 with the CVM a request to register the Mandatory Tender Offers. Under Brazilian law, the price per share we are required to offer in the Mandatory Tender Offers must equal at least 80% of the price paid to the Key Shareholders. On September 14, 2007, the CVM approved the registration of the Mandatory Tender Offers for RIPI and DPPI s common shares. On the same date, in connection with its review of the registration of the Mandatory Tender Offer for CBPI s common shares, the CVM, through the Securities Registry Department, or SRE, determined that Ultrapar must carry out the Mandatory Tender Offer for CBPI s common shares at a price of R$64.43 per common share, and not R$58.10, which was the price per share originally offered by Ultrapar. The SRE stated that it believed R$64.43 per share was the appropriate price to offer the remaining holders of CBPI common shares. The increase in the per share purchase price requested by the SRE increased the expected total cost of the CBPI Mandatory Tender Offer from R$175 million to R$194 million. The SRE s decision was subject to appeal. However, in light of our obligation to avoid excessive delays

Table of Contents

in completing the Transaction and our focus on not delaying payments to CBPI s minority common shareholders, we decided not to appeal the decision and adopted the price of R$64.43 per CBPI common share for the CBPI Mandatory Tender Offer. The registration of the CBPI Mandatory Tender Offer was approved on October 5, 2007.

The notices for the Mandatory Tender Offers for RIPI and DPPI were published on September 20, 2007, and the auctions for the purchases of the shares took place on October 22, 2007. Ultrapar acquired 2,771,761 common shares of RIPI, or 82% of the shares under the offer, and 1,274,718 common shares of DPPI, or 77% of the shares under the offer, in the respective auctions. Ultrapar extended the period for acquiring RIPI and DIPI common shares through November 8, 2007, and maintained the same terms as originally offered, for those shareholders not able to register their shares for the auctions prior to the original deadline. Ultrapar acquired 97,712 common shares of DPPI and 203,132 common shares of RIPI during this extended period, which together with the shares acquired during the original auction period amounted to 1,372,430 shares of DPPI, or 82% of the shares under the offer, and 2,974,893 shares of RIPI, or 88% of the shares under the offer.

The notice for the Mandatory Tender Offer for CBPI was published on October 9, 2007, and the auction for the purchase of the shares took place on November 8, 2007. Ultrapar acquired 1,574,486 common shares of CBPI, or 52% of the shares under the offer.

The total consideration paid under the Mandatory Tender Offers for DPPI, RIPI and CBPI common shares was R$576 million, of which R$161 million was paid by Ultrapar following reimbursements received from Petrobras and Braskem. The table below presents the per share and total amounts paid in the Mandatory Tender Offers, as well as the per share amounts adjusted pursuant to the Brazilian law requirement that the per share prices must be restated by the variation in the *Taxa Referencial*, or the Reference Rate or TR, (365 days basis) calculated on a pro-rata basis from auction dates to the relevant auction s financial settlement date.

Company	**Price per share**	**Price per share (TR adjusted)**	**Total (R$ million)**
CBPI	64.43	64.91	102.2
DPPI	112.07	112.88	154.9
RIPI	106.28	107.05	318.5

Under Brazilian law, Braskem and Petrobras would ordinarily have been required to carry out a mandatory tender offer for the purchase of common shares held by the minority shareholders of IPQ. However, given the small number of minority shareholders of IPQ, the CVM waived the requirement for a mandatory tender offer. Accordingly, Braskem and Petrobras negotiated directly with the minority shareholders of IPQ and purchased their common shares on June 28, 2007, without a formal tender offer. In connection with these direct purchases, 2,427,807,049 shares were purchased from minority shareholders, representing 7.61% of the capital stock of IPQ, at R$0.05 per share, or R$118 million for all shares acquired.

Phase 3 Public Tender Offer for the delisting of Copesul s common shares from the BOVESPA. In April 2007, Braskem filed a request with the CVM for the registration of the Public Tender Offer for the delisting of Copesul s common shares, under Art. 4, § 4, of Law No. 6,404/76 and CVM Rule No. 361. Such tender offer took place on October 5, 2007 at a per share price of R$38.02, totaling to R$1.3 billion. Braskem purchased 34,040,927 shares, which corresponds to 99% of the total shares registered for the auction of the offer. The minimum percentage of shares required to be purchased for the delisting of Copesul was 67%. The delisting of Copesul s common shares occurred on October 17, 2007.

Table of Contents

Phase 4 Share Exchange. After the conclusion of the Mandatory Tender Offers, Ultrapar expects to carry out the Share Exchange, under Art. 252 and 264 of Law No. 6,404/76, in which it will exchange its preferred shares for the remaining outstanding common and preferred shares of DPPI, CBPI and RIPI, including your preferred shares. Following the completion of the Share Exchange, RIPI, DPPI and CBPI will become wholly owned subsidiaries of Ultrapar. The table below presents the exchange ratios applicable to the Share Exchange, expressed in terms of Ultrapar preferred shares per one Target Company preferred share.

Merger of Shares Companies	Exchange Ratio
CBPI	0.41846
DPPI	0.64048
RIPI	0.79850

According to articles 224, 225 and 252 of Brazilian Corporate Law, prior to the extraordinary shareholders meetings that will approve the Share Exchange, each of RIPI, DPPI and CBPI must enter into a Protocol and Justification with Ultrapar. The Board of Officers of Ultrapar, RIPI, DPPI and CBPI approved their respective Protocol and Justification at their respective meetings held on November 9, 2007 and the three Protocol and Justifications were signed by officers of such companies on that same date. The Protocol and Justifications were examined by the boards of directors of Ultrapar, RIPI, CBPI and DPPI at their meetings held on November 12, 2007 and were submitted for approval by such companies shareholders at the shareholders meetings called to approve the Share Exchange. The Protocol and Justifications signed between Ultrapar and each of RIPI, DPPI and CBPI are included as exhibits to the registration statement of which this prospectus forms a part.

For comparison purposes, we present below the per share consideration to be paid for each preferred share of each Target Company according to the applicable exchange ratio and based on the closing price of Ultrapar s preferred shares on March 16, 2007, which is the date on which the exchange ratios were determined.

We note that the per share consideration offered in the Share Exchange differs from the per share purchase price offered in the Mandatory Tender Offers. The difference is principally attributable to the fact that under Brazilian law, following a change of control, common shares held by minority shareholders have the right to participate in a mandatory tender offer in which they must be offered at least 80% of the consideration paid to the controlling common shareholders. No similar right for preferred shareholders exists under Brazilian law.

Company	Exchange ratio	Exchange ratio Consideration	Phase 2 price per share
Ultrapar	N/A	49.29	N/A
RPI	0.79850	39.36	106.28
DPPI	0.64048	31.57	112.07
CBPI	0.41846	20.63	64.43

Ultrapar s capital structure before and after phase 4 will be as follows:

	Before	After
Common Shares	49.4	49.4
Preferred Shares	31.9	86.6
Total	81.3	136.0
% Common	61%	36%
% Preferred	39%	64%

66

Table of Contents

Ultrapar will issue approximately 55 million preferred shares to complete the Share Exchange. If any holder of the preferred and common shares of Ultrapar, RIPI and DPPI and/or holders of common shares of CBPI dissents from the applicable Share Exchange transaction, the shareholder will have the right to withdraw as an Ultrapar, RIPI, DPPI or CBPI shareholder, as applicable. Under Brazilian law, because the CBPI preferred shares trade as part of a recognized stock exchange index, holders of CBPI preferred shares are not entitled to withdraw as shareholders of CBPI through the mechanism available to the common shareholders of CBPI and the common and preferred shareholders of RIPI and DPPI. The shareholder rights relevant to the Share Exchange are as follows:

Ultrapar Shares. Ultrapar s bylaws will be amended in order to reflect the increase in paid-in capital and the issuance of new preferred shares. The new preferred shares to be issued will confer on their holders the same rights and privileges that are available to Ultrapar s existing preferred shareholders. Ultrapar s preferred shares confer the right to receive the same price as that paid to Ultrapar s controlling shareholders in the event that a change of control transaction were to occur (constituting tag along rights of 100%).

Right of Withdrawal from Ultrapar. Under the terms of Art. 252, § 1 of Law No. 6,404/76, the holders of the preferred and common shares issued by Ultrapar who dissent from the Share Exchange will have the right to withdraw as shareholders of Ultrapar.

Right of Withdrawal from the Target Companies. Under Art. 252 § 2 and 264, § 3, of Law No. 6,404/76, the holders of common and preferred shares of RIPI and DPPI and holders of common shares of CBPI who dissent from the Share Exchange will have the right to withdraw as shareholders of such companies. See Appraisal Rights.

Phase 5 Separation of Assets. After the completion of the Share Exchange, Ultrapar will carry out the Separation of Assets through a series of corporate restructurings designed to divide the former Ipiranga Group assets among itself and the other Acquiring Companies, as indicated in the diagram below:

Table of Contents

Transaction Agreements

In March 2007, Ultrapar entered into a series of agreements which govern the Transaction and the relationship among Ultrapar, Petrobras and Braskem during the period in which the Transaction is being completed. In addition, on November 9, 2007, Ultrapar and each of the Target Companies entered into the Protocol and Justifications, in which they each agreed to recommend to their respective boards of directors that the boards of directors examine the Share Exchange. The brief summaries of these agreements, which we refer to as the Transaction Agreements, included below are qualified in their entireties by reference to the more extensive summaries and translations of the Transaction Agreements, which are included as exhibits to the registration statement of which this prospectus forms a part.

Investment Agreement

The Investment Agreement executed by Ultrapar, Petrobras and Braskem on March 18, 2007 and amended on April 18, 2007 regulates the relationship among the companies and is the principal Transaction Agreement.

Under the Investment Agreement, Ultrapar is acting as a commission agent, under Articles 693 through 709 of the Brazilian Civil Code, for Petrobras and Braskem for the purpose of completing the acquisition of RIPI and CBPI s petrochemical business and of the Oil Refining Operations, and for Petrobras for the acquisition of CBPI s Northern Distribution Business. The following is a brief summary of the material terms of the Investment Agreement:

Commission. Ultrapar is acting as a commission agent for Petrobras and Braskem, under Articles 693 through 709 of the Brazilian Civil Code. The object of the commission is (A) the execution of the Transaction by Ultrapar on behalf of Petrobras of the Northern Distribution Business, as well as the execution of the Transaction, on behalf of Braskem and Petrobras, of the Petrochemical Business; and (B) the transfer to Braskem and Petrobras of the Petrochemical Business and to Petrobras of the Northern Distribution Business. Braskem and Petrobras shall pay Ultrapar a commission on the date of the transfer of the Northern Distribution Business and the Petrochemical Business in the amount of R$5,000,000.00.

Price to Be Paid for the Petrochemical Business. The price to be paid for the Petrochemical Business is R$2.5 billion, and shall be paid by Braskem and Petrobras to Ultrapar in three installments, as follows: (a) a first installment of R$0.7 billion paid by Braskem and R$0.4 billion by Petrobras, (b) a second installment of R$0.3 billion paid by Braskem and R$0.2 billion by Petrobras and (c) a third installment of R$0.6 billion paid by Braskem and R$0.4 billion by Petrobras.

Price to Be Paid for the Northern Distribution Business. The price to be paid for the Northern Distribution Business is R$1.1 billion, and shall be paid by Petrobras to Ultrapar in three installments, as follows: (a) a first installment of R$0.3 billion, (b) a second installment of R$0.1 billion and (c) a third installment of R$0.7 billion.

Date of Asset Transfer. The Northern Distribution Business, the Petrochemical Business and the two one-third interests in the oil refining operations will be delivered after Ultrapar receives the three installments indicated above, which is expected to occur after the completion of the conditions regarding transfer of the assets.

Payment Dates. Braskem and Petrobras must pay Ultrapar each installment of the price of the Northern Distribution Business and the Petrochemical Business on the following dates, respectively: (a) April, 18, 2007, (b) the date of financial settlement by Ultrapar of the Mandatory Tender Offers and (c) the date of the effective transfer of the Northern Distribution Business to Petrobras and the Petrochemical Business to Braskem and Petrobras.

Guarantees. Ultrapar has pledged the following:

In favor of Braskem and Petrobras, in the proportions of 60% and 40%, respectively, all the common shares and 50% of the preferred shares issued by RIPI and acquired from the Key

68

Table of Contents

Shareholders. The shares issued by RIPI acquired in the Mandatory Tender Offers will also be pledged in favor of Braskem and Petrobras, in the same proportion. After the exchange offer for the shares of RIPI, Ultrapar must ensure that the pledge of RIPI s shares will be substituted by the pledge of IQ s shares.

In favor of Petrobras, 31% of the common shares and 78% of the preferred shares of DPPI that it acquired from the Key Shareholders, as well as 100% of the common shares of CBPI that it acquired from the Key Shareholders. After the Mandatory Tender Offers, Ultrapar will pledge, in substitution for 1,482,751 common shares issued by DPPI, 3,013,903 common shares issued by CBPI that will be acquired, assuming that all the common shares issued by CBPI will be acquired in the Mandatory Tender Offers.

Transfer of the Assets. After the completion of the asset separation, Ultrapar shall transfer (A) the Petrochemical Business to Braskem, through the transfer of the common shares representing 60% of IQ s capital, and to Petrobras, through the transfer of common shares representing 40% of IQ s capital, and (B) the Northern Distribution Business, through the transfer to Petrobras of all the shares of the company spun-off from CBPI and then holding the Northern Distribution Business.

Delays or Justified Impediments to the Transfer of Assets. The commission is irrevocable; thus, in the event the transfer of the Northern Distribution Business and/or the Petrochemical Business (A) is in any way restricted or suspended, due to legal, judicial or administrative order, and remains restricted for a period of more than 120 days, or (B) has not occurred by April 18, 2008, an alternative reorganization will be implemented that, among other things, spins off CBPI, DPPI and RIPI, in order to separate the Northern Distribution Business and the Petrochemical Business into the spun-off companies, the shares of these spun-off companies being subsequently transferred to Petrobras and Braskem, as applicable.

Share Purchase Agreement

On March 18, 2007, Ultrapar, with the consent of Petrobras and Braskem, and the Key Shareholders entered into the SPA, which sets forth the terms and conditions regarding Ultrapar s acquisition of a controlling stake in the Ipiranga Group. The SPA closed on April 18, 2007.

The total consideration paid by Ultrapar (for itself and on behalf of the other Acquiring Companies) to the Key Shareholders for their controlling interests in the Ipiranga Group companies was R$2,071,107,581.25. Pursuant to the SPA, the Key Shareholders sold 6,607,983 common shares and 2,277,269 preferred shares issued by RIPI; 7,409,992 common shares and 2,239,899 preferred shares issued by DPPI; and 1,344,497 common shares and 402 preferred shares in CBPI. Of these shares, 5,746,232 common shares issued by RIPI and 5,449,388 common shares issued by DPPI were subject to the provisions of the RIPI shareholder agreement of February 23, 1994 and the DPPI shareholder agreement of October 27, 1981, respectively.

The purchase price assigns the following values to each share: (i) R$132.85184 for each RIPI common share bound by the RIPI shareholder agreement; (ii) R$106.28147 for each RIPI common share not bound by the RIPI shareholder agreement; (iii) R$38.93 for each RIPI preferred share; (iv) R$140.08671 for each DPPI common share bound by the DPPI shareholder agreement; (v) R$112.06937 for each DPPI common share not bound by the DPPI shareholder agreement; (vi) R$29.57 for each DPPI preferred share; (vii) R$58.10 for each CBPI common share; and (viii) R$20.55 for each CBPI preferred share.

The parties enumerated a series of conditions precedent to the closing of the purchase, including the waiver of the right of first refusal by the owners of all common shares to acquire shares representing control of any of the Target Companies and the absence of any laws prohibiting the purchase and sale. Furthermore, prior to closing, the sellers were required to refrain from carrying out a variety of acts, including alterations to bylaws, corporate policies, dividends, or board member remuneration, mergers, encumbrance, transfer, or disposal of assets, creation of new corporate commitments, and amendments to old contracts and agreements, among others. In addition, the sellers would take all steps reasonably requested by the purchaser in order to facilitate the transfer of management. They were also required to allow the purchaser access to information that might be necessary for such purpose.

The purchaser and intervenors agreed to submit for approval the transactions set forth to CADE, to pay the costs associated with such submission, and also to file a request to register a public offering to acquire shares with voting rights issued by the Target Companies, with the CVM. The sellers, however, further entered into a covenant of non-competition, whereby they were bound, for five years hence, not to control or participate in any body or organization that participated in business activities directly or indirectly related to a specific subset of activities, or to set up ventures or partnerships that act in the same area of business as the Target Companies, or to approach any of the Target Company s employees in an attempt to offer them employment or to encourage them to breach their labor agreements with the Target Companies.

Shareholders Agreements

The parties to the SPA also entered into shareholders agreements, pursuant to which during the period in which the Transaction was being completed: (i) the distribution business other than the Northern Distribution Business will be controlled and managed by Ultrapar, (ii) the Petrochemical Business will be controlled and managed by Braskem and Petrobras, in the respective proportions of 60% and 40%, (iii) the Northern Distribution Business will be controlled and managed by Petrobras and (iv) the assets related to RIPI s oil refinery business will be controlled and managed jointly by Petrobras, Ultrapar and Braskem.

Target Companies Shareholders Agreement. On April 18, 2007, Ultrapar, Petrobras and Braskem entered into the Target Companies Shareholders Agreement, which governs the relationship among Ultrapar, Petrobras and Braskem regarding how the Target Companies IQ and IPQ s businesses will be managed prior to the completion of the Transaction, except for the matters regulated by the RIPI Shareholders Agreement.

RIPI Shareholders Agreement. On April 18, 2007, Ultrapar, Braskem and Petrobras entered into the RIPI Shareholders Agreement, which governs the relationship among Ultrapar, Petrobras and Braskem regarding how RIPI s oil refining operations will be managed prior to the completion of the Transaction.

Braskem/Petrobras Asset Security Agreement

On April 18, 2007, Ultrapar, Braskem and Petrobras entered the Braskem/Petrobras Asset Security Agreement, whereby Ultrapar pledged to Braskem and Petrobras, in the proportions of 60% and 40%, respectively, all of its common shares and 50% of the RIPI preferred shares it acquired from the Key Shareholders. The shares issued by RIPI acquired in the Mandatory Tender Offers will also be pledged in favor of Braskem and Petrobras, in the same proportions. After the exchange offer of the shares of RIPI, Ultrapar must ensure that the pledge of RIPI s shares will be substituted by a pledge of IQ s shares.

Petrobras Asset Security Agreement

On April 18, 2007, Ultrapar and Petrobras entered into the Petrobras Asset Security Agreement, whereby Ultrapar pledged in favor of Petrobras, 31% of the common shares and 78% of the preferred shares of DPPI that it acquired from the Key Shareholders, as well as 100% of the common shares of CBPI that it acquired from the Key Shareholders. After the Mandatory Tender Offers, Ultrapar will pledge, in substitution for 1,482,751 common shares issued by DPPI, 3,013,903 common shares issued by CBPI that will be acquired, assuming that all the common shares issued by CBPI will be acquired in the Mandatory Tender Offers.

Protocol and Justifications

On November 9, 2007, Ultrapar s management entered into a Protocol and Justification with the management of each Target Company to agree on the reasons for the Share Exchange and on the criteria used to

Table of Contents

determine the exchange ratio of Ultrapar s preferred shares for each Target Company s common and preferred shares. On November 12, 2007, the board of directors of each Target Company examined its respective company s Protocol and Justification and determined, based on the reasons set forth in the Protocol and Justification, that the Share Exchange is in the best interests of each of their respective companies. On the same date, the boards of directors also called meetings of their companies respective shareholders in order to approve the Share Exchange and the Protocol and Justifications. The Protocol and Justifications for each Target Company contain substantially similar terms.

As stated in each Protocol and Justification, the companies reasons for the Share Exchange include an interest in simplifying the Ipiranga Group s corporate structure; increasing the liquidity of the Target Companies shares; developing and strengthening Ipiranga s businesses; aligning the interests of Ultrapar and Ipiranga s shareholders; and leveraging Ultrapar s corporate governance practices.

The Protocol and Justifications establish three types of valuations of each company s shares based on book value, future profitability and market value. Book value was established based on each company s shareholders equity, as stated on its respective balance sheet as of September 30, 2007. Future profitability was established by the Deutsche Bank Valuation Report and the Credit Suisse Valuation Report and, under the Protocol and Justifications, was the basis for determining the exchange ratio applicable to each Target Company. Market value was established by the Apsis Valuation Report.

The Protocol and Justifications also acknowledge and guarantee the availability of appraisal rights for RIPI and DPPI shareholders that dissent from the Share Exchange and set forth the calculations of the appraisal values of the respective companies shares. The agreements stipulate that appraisal of RIPI s shares will be limited to valuations based on book value, given that the exchange ratio offered by Ultrapar is more advantageous than the exchange ratio based on market value, while appraisal of DPPI s shares is to be calculated based on either book value or market value.

Deutsche Bank Valuation Report

General

Ultrapar retained Deutsche Bank to deliver a valuation report in connection with the Share Exchange in accordance with Brazilian securities law. The report prepared by Deutsche Bank was delivered to Ultrapar on April 4, 2007. The original Deutsche Bank valuation report was filed with the CVM and was the subject of several requests from the CVM for additional explanatory disclosure to be included in the report. These requests did not relate to the quantitative information included in the report. Revisions to the valuation report were prepared to address these CVM requests. The final copy of the Deutsche Bank valuation report is included as an exhibit to the registration statement of which this prospectus forms a part.

You should consider the following when reading the summary of the Deutsche Bank valuation report below:

- The report was prepared in compliance with the requirements imposed by Brazilian securities law, in particular CVM Rule No. 361, and was not prepared with a view toward complying with the published guidelines of the SEC or the American Institute of Certified Public Accountants with respect to prospective financial information.

- The full text of Deutsche Bank s report, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in connection with the report, is included as an exhibit to the registration statement of which this prospectus forms a part. RIPI, DPPI and CBPI preferred shareholders are urged to read the report in its entirety. The summary of the report set forth in this prospectus is qualified in its entirety by reference to the full text of the report.

- The report and its conclusions are not recommendations by Deutsche Bank as to whether RIPI, DPPI and CBPI preferred shareholders should take any action in connection with the Share Exchange or the

Table of Contents

Transaction. The report is not a fairness opinion as such is understood under U.S. law or a recommendation to shareholders relating to the exchange ratio to be offered to the RIPI, DPPI and CBPI preferred shareholders. Brazilian law does not require an opinion from an investment bank that the consideration offered in a merger or acquisition is fair. Brazilian law also does not require that a valuation report be used to determine the price to be paid in a merger or acquisition or that any party to a merger or acquisition obtain the opinion of a third party that the price paid in such merger or acquisition is fair. The Deutsche Bank report was prepared in connection with Brazilian legal requirements relating to third-party independent valuation reports used in connection with merger and acquisition transactions. All shareholders should conduct their own analysis of the Transaction and should rely on their own financial, tax and legal advisors and not Deutsche Bank s report in evaluating whether to take any action in connection with the Share Exchange or the Transaction.

In making their determinations as to whether or not to submit the Share Exchange to shareholder approval, Brazilian law did not require the boards of directors of Ultrapar, RIPI, DPPI and CBPI to make a specific determination regarding the fairness of the exchange ratio offered in the Share Exchange. Nevertheless, the board of directors of Ultrapar, RIPI, DPPI and CBPI diligently examined the Share Exchange and have recommended the transaction by submitting the matter for approval by the shareholders of such companies. The Deutsche Bank valuation report is one of the documents that was considered by the boards of directors in making their determination whether to recommend that the shareholders approve the Share Exchange.

Deutsche Bank discussed orally with the management of the Ipiranga Group certain non-public information regarding the Ipiranga Group in order to confirm the assumptions Deutsche Bank used in the preparation of its report. This discussion included, among other things, a description of the Ipiranga Group s operations and strategy, including the main differences between the strategy of DPPI and CBPI for their respective fuel distribution businesses and management s expectations regarding the Ipiranga Group s future sales and product mix, certain financial analyses, including relating to the evolution of margins and projected working capital assumptions, balance sheet information, including the assurance that all relevant information was properly reflected in the balance sheets, to the best knowledge of management, production capacity information, including relating to the evolution of production capacity and mix, investment requirements, including relating to capital expenditures (maintenance and expansion) and marketing expenses, the prospects of the Ipiranga Group, including management s expectations regarding the Ipiranga Group s business going forward, maintenance of the current strategy and the analysis of historical performance as a benchmark for the Ipiranga Group s future performance and the operations of the combined company following the Transaction, including management s expectations regarding the impact of the Transaction on the Ipiranga Group s current operations. In addition, Deutsche Bank has (i) reviewed the reported prices and trading activity for the stock of Ultrapar, RIPI, DPPI and CBPI, (ii) compared certain financial and stock market information for Ultrapar and the Ipiranga Group with similar information for certain other companies whose securities are publicly traded, (iii) reviewed the financial terms of certain recent business combinations which it deemed comparable in whole or in part, (iv) reviewed the terms of the agreements governing the Transaction, and (v) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Deutsche Bank has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning Ultrapar or the Ipiranga Group, including, without limitation, any financial information, forecasts or projections considered in connection with the preparation of its valuation report. Accordingly, for purposes of its report, Deutsche Bank has assumed and relied upon the accuracy and completeness of all such information and Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or liabilities, of Ultrapar or any member of the Ipiranga Group.

Any valuations, financial and other forecasts and/or estimates or projections and other assumptions contained in the valuation report (including, without limitation, regarding financial and operating performance), were prepared or derived from information (whether oral or in writing) supplied solely by the respective managements of Ultrapar, the Ipiranga Group and Braskem or derived from other public sources, without any independent verification by Deutsche Bank, and involve numerous and significant subjective determinations and assumptions by Ultrapar, the Ipiranga Group and Braskem, which may not be correct. As a result, actual results may vary materially from those shown in the valuation report. In addition, with respect to any such information made available to Deutsche Bank and used in its analyses, Deutsche Bank has assumed that such information has been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Ultrapar, the Ipiranga Group and Braskem as to the matters covered thereby.

In preparing its valuation report, neither Deutsche Bank nor any of its affiliates or representatives make any express or implied representation or warranty, or express any view, as to the accuracy, reasonableness, completeness or achievability of any such financial and other forecasts and/or estimates or projections, or as to the determinations or assumptions on which they are based. Deutsche Bank s report is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date of the report.

Deutsche Bank has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Ultrapar or the Ipiranga Group is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Ultrapar or the Ipiranga Group or materially reduce the contemplated benefits of the Transaction to Ultrapar.

Ultrapar did not provide specific instructions to, place any limitations on the scope of the investigation by, or request any procedures or factors be considered by, Deutsche Bank in performing its analyses or preparing the valuation report.

The report was based on the information available as of the date of the report, and the views expressed are subject to change based upon a number of factors, including market conditions and Ultrapar s and the Ipiranga Group s business and prospects.

Valuation Methodology Summary

Deutsche Bank conducted valuations of Ultrapar and the Ipiranga Group in accordance with the mandatory criteria of the CVM. In accordance with CVM Rule No. 361, Deutsche Bank prepared its valuations using the following methodologies and assumptions:

Economic value. The economic value analysis is based on a discounted cash flow analysis for certain business lines and a comparable multiples analysis for other business lines, each as further described below. The economic valuation analysis was based on publicly available information and discussions with management of Ultrapar and the Ipiranga Group and Braskem.

Market value. Deutsche Bank s market value valuation analysis, which was based on average share prices weighted by traded volume during the twelve-month period ended March 16, 2007 (the last trading day before the announcement of the Transaction).

Book value. Deutsche Bank s book value valuation analysis was based on the book value of the shares of Ultrapar, RIPI, DPPI and CBPI as reflected in their respective audited financial statements as of December 31, 2006.

Among the different valuation methodologies presented in the valuation report, Deutsche Bank believes that the economic value analysis based on discounted cash flow and comparable multiples is the most applicable methodology for valuing Ultrapar, RIPI, DPPI and CBPI.

Table of Contents

CVM Rule No. 361/02 requires that one of three basic methodologies be used in preparation of a valuation report: economic value, market value or book value. Deutsche Bank believes that the economic value analysis based on discounted cash flow (DCF) is the most appropriate methodology for valuing Ultrapar, RIPI, DPPI and CBPI because the DCF analysis takes into consideration the future unlevered free cash flows of such companies and accounts for the time value of money by calculating the present value of the future cash flows, providing a more detailed picture of the investment to be valued by allowing the evaluator to consider a larger amount of information and a longer timeframe in its analysis. For certain business lines and subsidiaries of the Ipiranga Group, representing less than 10% of Ipiranga Group s consolidated value, Deutsche Bank believes that an economic value analysis based on comparable multiples is the most appropriate methodology for valuing these business lines and subsidiaries because it better reflects updated company and comparable transactions values for such businesses considering the specific characteristics of their respective industries. The preparation of projections for those companies and the use of a DCF valuation would be imprecise and would not improve the quality of the analysis.

Discounted Cash Flow Analysis

Deutsche Bank performed a DCF analysis to value Ultrapar, the operating assets of DPPI, or DPPI Opco, the operating assets of CBPI, or CBPI Opco, Copesul, which is a subsidiary of IPQ, which is in turn a subsidiary of Ipiranga Química S.A., or IQ. All of IQ s outstanding shares are held either by RIPI or CBPI. A DCF analysis is a method of evaluating the value of an asset by estimating the future unlevered free cash flows of such asset and taking into consideration the time value of money by calculating the present value, i.e. the current value of future cash flows, of these estimated cash flows. Deutsche Bank calculated the DCF values for each of Ultrapar, DPPI Opco., CBPI Opco., Copesul and IPQ as the sum of the net present value of (i) the estimated future cash flow that such business line will generate for the years 2007 through 2016 and (ii) the value of such business line at the end of such period (the Terminal Value).

In addition, in performing the DCF analyses, Deutsche Bank made several assumptions including, but not limited to, the following:

- The base date for the DCF analyses is December 31, 2006.
- Projections were prepared in nominal Brazilian *reais*, and each of the annual cash flows were converted to U.S. Dollars based on the average exchange rate for the year.
- An exchange rate of 2.1385 R$/US$ is used as of December 31, 2006 to convert the net present value in U.S. Dollars to Brazilian *reais*.
- The weighted average cost of capital is in nominal U.S. dollars.
- Cash flow is generated in the middle of the year (in June) for purposes of discounting cash flows to present value.
- The Terminal Values were calculated based on Gordon s growth formula and include adjustments to capital expenditures, depreciation, tax rates and net operating working capital.
- The perpetuity cash flows of petrochemical companies have been adjusted for mid-cycle.

Table of Contents

The following table sets forth a summary of the results of the DCF analyses performed for each of Ultrapar, DPPI Opco, CBPI Opco, Copesul and IPQ.

Companies valued by discounted cash flow DCF

Company	Description	TEV (R$ million)	g[1]	WACC
CBPI Opco	A distributor of fuel to retail gas stations and industrial sites. In 2006, volume of core products was 11.6 billion m^3	2,421	3.0%	12.2%
DPPI Opco	A distributor of fuels to retail gas stations and industrial sites. In 2006, volume of core products was 1.8 billion m^3	566	3.0%	12.3%
Copesul	A petrochemical company that produces basic petrochemicals, such as ethylene, from naphtha, with volume of 2.96 million tons in 2006	5,635	0.0%	11.2%
IPQ	A 2nd generation producer of high-end petrochemicals. Volume sold in 2006 was 636,100 tons	1,452	0.0%	11.8%
Ultrapar	A distributor of liquefied petroleum gas (LPG), 2nd generation producer of petrochemicals, and a logistics provider for special products	5,879	3.0%	10.6%

Notes: (1) Perpetual growth rate in US Dollar real terms.
TEV means Total Enterprise Value, which is total value of the business line calculated based on economic value of shareholders equity plus net debt as defined in the valuation report.
WACC Weighed average cost of capital

Comparable Public Company Analysis

Deutsche Bank performed a comparable public company analysis for the operating assets of the following companies, each of which is a subsidiary of CBPI:

- RIPI, or RIPI Opco,
- Empresa Carioca de Produtos Químicos S.A., or EMCA,
- AM/PM Comestíveis, or AM/PM, and
- ISA-SUL.

For these business lines, the comparable multiples analysis involved comparing certain financial information and commonly used valuation measurements for the applicable business line to corresponding information and measurements for a publicly traded company or a group of publicly traded companies in the same industry.

The comparable public company analyses were conducted on a comparison of multiples for earnings before interest, taxes, depreciation and amortization, or EBITDA, for 2006, except for certain petrochemical business lines for which a normalized average EBITDA (based on a three to five-year period) was used. The companies comprising each comparison group were chosen primarily because Deutsche Bank believed they share similar business characteristics to the respective business lines based on operational and financial metrics. However, none of the companies selected is identical or directly comparable to any of the analyzed business lines. Other companies may have been considered but not deemed relevant because their size, operations, target customers, product offerings, financial and operating metrics or other characteristics differ substantially from the analyzed business lines.

The companies were selected based on their similarities to the businesses developed by each of the Ipiranga Group Companies, with special attention to value drivers, growth potential and margins. Deutsche Bank used

75

Table of Contents

comparable transactions when they were available, and reviewed trading public companies that most closely replicated the business of the company being assessed. Deutsche Bank excluded from the sample companies or transactions that were not sufficiently comparable to the company being assessed.

RIPI Opco was valued based on comparisons with the following companies trading multiples:

- Alon USA,
- Delek US Holdings, and
- Frontier Oil.

IQ was valued based on precedent transaction multiples using implied multiples in the acquisitions of:

- Univar by ChemCentral,
- NIB Capital by INT Muellor Chemical,
- Brenntag by ICI, and
- Vopak Distribution by Ellis & Everard.

IASA was valued based on precedent transaction multiples using implied multiples in the acquisitions of:

- Frehner Construction by Aggregate Industries,
- Better Materials Corp. by Hanson Building Materials,
- S.E. Johnson by CRH plc,
- Kiewit Materials by CSR, and
- Mount Hope Rock Products, Northern Ohio Paving and Dolomite Group, The Shelly Company, Thompson-McCully, Dell Contractors and Millington Quarry and MA Segale Icon Materials, all by CRH plc.

EMCA was valued based on commodity and specialty listed companies multiples:

Nova, BASF, Westlake, Dow, Lyondell PF, Braskem, Suzano Petroquímica and Petroquímica União (commodity companies), and

Clariant, Rhodia, Lubrizol, Huntsman and Celanese (specialty companies).

AM/PM was valued based on Brazilian retailer Pão de Acucar CBD s trading multiples.

Isa-Sul was valued based on the implied multiple derived from the DCF valuation of DPPI.

Comparable Precedent Transaction Analysis

Deutsche Bank conducted an analysis of selected precedent transactions in determining its valuation of Ipiranga Asfaltos S.A. or IASA. In such cases, Deutsche Bank reviewed the financial terms, to the extent publicly available, of numerous mergers and acquisition transactions involving companies in the same industries. The precedent transaction analyses were conducted on a comparison of multiples for earnings before interest, taxes, depreciation and amortization for the last twelve months (LTM) prior to a given transaction.

Deutsche Bank reviewed various precedent transactions and, based on qualitative judgments and complex considerations concerning differences between the characteristics of these transactions and the characteristics of the acquired company, selected the transactions that were considered most comparable to IQ and IASA. Deutsche Bank calculated various financial multiples based on certain publicly available information for each of the

Table of Contents

comparable transactions and compared them to corresponding financial multiples for IQ and IASA. Deutsche Bank has also analyzed Isa-Sul Administração e Participação Ltda., a subsidiary of DPPI, whose operations are similar to DPPI Opco. For this reason, Deutsche Bank used the multiple of value derived from the DCF valuation on DPPI Opco and applied to Isa-Sul.

The following table sets forth a summary of the results of the comparable multiples analyses.

Companies valued by multiples

Business Line	Description / Methodology	TEV (R$mm)	TEV/ 06 EBITDA
RIPI Opco	A refinery that has operated on a break even basis (sometimes given special tax incentives by the State)		
	Valuation based on comparable public company analysis	9	6.5x
IQ	A chemical products distributor with over 5,000 clients in 50 different markets		
	Valuation based on comparable precedent transaction analysis	176	8.6x
EMCA	A producer of specialty petrochemicals; consolidated by CBPI SA		
	Valuation based on comparable public company analysis	18	6.3x
IASA	A producer of asphalt and pavement surface products		
	Valuation based on comparable precedent transaction analysis	89	6.8x
AM/PM Comestíveis	A retail convenience store chain attached to DPPI and CBPI gas stations, consolidated by CBPI		
	Valuation based on comparable public company analysis	236	7.5x
Isa-Sul Administração e Part. Ltda.	A subsidiary that owns 152 and operates 15 of the gas stations in DPPI s region		
	Valuation based on the same multiple as DPPI-Opco implied by the DCF	140	8.8x

Note: TEV means Total Enterprise Value, which is total value of the business line calculated based on economic value of shareholders equity plus net debt as defined in the valuation report.

Summary Valuation Analysis

Set forth below are summaries of the share price valuations with respect to Ultrapar, RIPI, DPPI and CBPI as indicated by the valuation report. Each share price valuation under the economic value analysis shows a mid-point amount and a plus or minus 5% range as permitted by CVM Rule No. 361.

Ultrapar

The table entitled Economic Value of Ultrapar summarizes the economic value of Ultrapar shares as indicated by the valuation report. For purposes of the table, Step 1 refers to the acquisition by Ultrapar of a controlling interest in the common shares of each of RIPI, DPPI and CBPI (completed on April 18, 2007), and Step 2 refers to the completion of mandatory tag-along cash tender offers by Ultrapar for the remaining outstanding common shares of each of RIPI, DPPI and CBPI.

After completing Step 1 and Step 2, Ultrapar would have acquired shares equivalent to 41.3% of RIPI, 35.4% of DPPI, and 4.1% of CBPI. These stakes are equivalent to 41.3% of RIPI Opco, 38.5% of the distribution business of DPPI, and 16.9% of the distribution business of CBPI if all common shares of RIPI, DPPI and CBPI were acquired in the mandatory tender offers.

77

Table of Contents

Value of the assets acquired by Ultrapar in Steps 1 and 2

(R$ million)		**TEV[5]**	**Equity**
Assets acquired by Ultrapar		**591**	**497**
RIPI Opco[1]	41.3%	1	(10)
DPPI distribution[2]	38.5%	272	290
CPBI distribution[3]	16.9%	315	217
CBPI EMCA[4]	16.9%	3	0

(1) Includes 1/3 of the refinery.
(2) Includes ISA-Sul.
(3) Includes CBPI distribution and the AM/PM convenience stores in the South and Southeast.
(3) Assumes that Petrobras will pay with cash for 100% of its stake and will assume no debt from CBPI.
(4) EMCA will be 100% owned by Ultrapar.
(5) Represents Ultrapar's stake in the acquired assets.

Therefore, prior to the Share Exchange, Ultrapar will have acquired assets worth 497 million Brazilian *reais* equity value, for which Ultrapar paid 876 million Brazilian *reais* according to the investment agreement among Ultrapar, Braskem and Petrobras.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing Ultrapar s shares. As required by the CVM Rule No. 361, Deutsche Bank also presented in the valuation report Ultrapar s book value of R$23.86 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$43.08 per preferred share with respect to Ultrapar. Since Ultrapar s common shares did not trade for the 12 months ending March 16, 2007, no market value analysis was performed with respect to those shares.

Table of Contents

RIPI

The following table summarizes the economic value of RIPI shares as indicated by the valuation report.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing RIPI s shares. As required by the CVM Rule No. 361, Deutsche Bank also presented in the valuation report RIPI s book value of R$19.50 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$32.75 per preferred share and R$45.81 per common share with respect to RIPI.

DPPI

The following table summarizes the economic value of DPPI shares as indicated by the valuation report.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing DPPI s shares. As required by CVM Rule No. 361, Deutsche Bank also presented in the valuation report DPPI s book value of R$25.13 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$24.99 per preferred share and R$41.69 per common share with respect to DPPI.

Table of Contents

CBPI

The following table summarizes the economic value of CBPI shares as indicated by the valuation report.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing CBPI s shares. As required by CVM Rule No. 361, Deutsche Bank also presented in the valuation report CBPI s book value of R$14.68 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$18.32 per preferred share and R$21.72 per common share with respect to CBPI.

Conclusions

Share price range based on the economic value (R$ per share)

	-5%	Mid-range	+5%
CBPI	26.97	28.39	29.81
DPPI	41.11	43.28	45.44
RIPI	51.63	54.35	57.06
Ultrapar	64.48	67.87	71.26

Note: 10% range in compliance with CVM Rule No. 361.

Other Considerations

The foregoing summary describes certain analyses and factors that Deutsche Bank conducted in connection with the preparation of its report, but is not a comprehensive description of all analyses performed and factors considered by Deutsche Bank in connection with preparing the report. RIPI, DPPI and CBPI preferred shareholders are urged to read the full text of the report, which is included as an exhibit to the registration statement of which this prospectus forms a part. The report is not readily susceptible to summary description. Deutsche Bank believes that its report must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses or factors could create a misleading view of the process underlying the report.

Table of Contents

In conducting its analyses and preparing its report, Deutsche Bank utilized a variety of generally accepted valuation methods. The analyses were prepared solely for the purpose of enabling Deutsche Bank to prepare and issue the valuation report and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, nor do they take into account any element of value that may arise from the accomplishment or expectation of the proposed Transaction.

Ultrapar selected Deutsche Bank to prepare the valuation report based on Deutsche Bank s qualifications, expertise, reputation and experience in mergers and acquisitions and related transactions. Deutsche Bank and its affiliates are experienced in advising and valuing Brazilian publicly listed companies. Ultrapar has retained Deutsche Bank pursuant to an engagement letter dated March 18, 2007. Deutsche Bank will receive U.S. $3,000,000 net of taxes for delivering the valuation report upon consummation of the Share Exchange. In addition to the fees payable to Deutsche Bank pursuant to the engagement letter and irrespective of whether the Share Exchange is consummated, Ultrapar has agreed to reimburse Deutsche Bank for reasonable fees and disbursements of Deutsche Bank s counsel and all of Deutsche Bank s reasonable travel and other out-of-pocket expenses incurred in connection with the preparation and delivery of the valuation report or otherwise arising out of the retention of Deutsche Bank under the engagement letter. The expenses related to Deutsche Bank s counsel, in excess of US$ 40,000.00, are subject to the prior written approval of Ultrapar. Ultrapar has also agreed to indemnify Deutsche Bank and certain related persons to the full extent lawful against certain liabilities arising out of its engagement or the Share Exchange.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank is an affiliate of Deutsche Bank AG. As of the date of the report, Deutsche Bank and its affiliates owned equity and debt securities of Braskem and Petrobras. Deutsche Bank has also provided advisory services to Petrobras. Deutsche Bank and its affiliates may actively trade securities of Ultrapar, Braskem, Petrobras and/or any member of the Ipiranga Group for their own account or the account of their customers and, accordingly, may from time to time hold a long or short position in such securities.

Apsis Valuation Report

Apsis Consultoria Empresarial Ltda., or Apsis, has been engaged by Ultrapar and the Target Companies to conduct a valuation analysis for the purpose of appraising the equity of both Ultrapar and the Ipiranga Group. Apsis valuation analysis has been used to determine the market values of Ultrapar and the Target Companies shares. These values will be used in connection with the appraisal rights available to RIPI and DPPI preferred shareholders.

We have included below a summary of Apsis s valuation report. The full report is included as an exhibit to the registration statement of which this prospectus forms a part.

General

In connection with the selection of financial advisors for the Share Exchange, Ultrapar and the Ipiranga Group received recommendations for Apsis Consultoria Empresarial Ltda., or Apsis. Apsis was requested to submit a proposal with respect to the fees and services to be provided in connection with the proposed transaction. Apsis was selected on the basis of its experience and expertise and the strength of its proposal. Subsequent to its selection, the Board of Directors of both Ultrapar and the Ipiranga Group ratified the appointment of Apsis.

Apsis was selected and retained as Ultrapar and Ipiranga s financial advisor to render a valuation report solely for the purpose of appraising the market price of the equity of both Ultrapar and the Ipiranga Group, under the same criteria and on the same dates, for the purposes of Article 264 of Brazilian Corporate Law, based upon and subject to the considerations and limitations set forth in the valuation report. The valuation report prepared by Apsis is subject to the assumptions and considerations described in such valuation report. Apsis advisory services and valuation report were presented to the board of directors of each of Ultrapar and the Ipiranga Group on November 12, 2007 for use in consideration of the Share Exchange. The valuation report is not to be used by any other person or for any other purpose, and is not intended to be and does not constitute a recommendation to any shareholder as to how such shareholder should vote on any matters relating to the merger of shares. Apsis did not make a recommendation with respect to the exchange ratio, which was determined through discussions between the parties to the Share Exchange.

Summary of Apsis Valuation Report

The Apsis valuation report was rendered to the Board of directors of both Ultrapar and the Ipiranga Group on November 12, 2007. This summary of the Apsis valuation report is qualified in its entirety by reference to the full text of the report.

Apsis was contracted by Ultrapar and Ipiranga Group to calculate the exchange ratios of RIPI, DPPI and CBPI shares not owned by Ultrapar, for Ultrapar shares, with the appraisal of the equity of both Ultrapar and the Ipiranga Group, under the same criteria and on the same dates, and at market price, for the purposes of Article 264 of Brazilian Corporate Law.

The report shows the assets and liabilities of Ultrapar and the Ipiranga Group at adjusted book net equity values for the Ipiranga Group and Ultrapar to reflect market values based on the assets approach.

In rendering its valuation report, Apsis held discussions with representatives of both Ultrapar and the Ipiranga Group concerning the nature of their assets and liabilities, in order to calculate the market value and adjust the book net equity of each of RIPI, DPPI and CBPI and Ultrapar. Apsis also performed technical visits in order to inspect the property, plant and equipment listed by Ultrapar, RIPI, DPPI and CBPI and their respective operating subsidiaries.

The Apsis valuation report was also based on the financial statements of Ultrapar and the Ipiranga Group as of September 30, 2007.

The managements of each of Ultrapar and the Ipiranga Group have advised Apsis that the financial information of each of Ultrapar, RIPI, DPPI and CBPI, respectively, as of September 30, 2007, was prepared in accordance with Brazilian Corporate Law. Ultrapar and the Ipiranga Group have directed Apsis to rely on such financial information, and Apsis has not performed an independent verification of such financial information and does not assume responsibility therefor.

In addition, in preparing its valuation report, Apsis assumed and relied on the accuracy, completeness and reasonableness of all financial and other information and data supplied or otherwise made available to it, discussed with or reviewed by or for it, or publicly available. In addition, Apsis assumed an obligation to conduct a physical inspection of the properties and facilities of Ultrapar, RIPI, DPPI and CBPI and their respective subsidiaries.

For the purpose of its valuation analyses, Apsis did not take into account tax-related effects that Ipiranga s shareholders may experience in connection with the Share Exchange, or any fees and expenses that may be incurred in connection with the settlement of that transaction.

Apsis valuation report is necessarily based on information available to it and financial, stock market and other conditions and circumstances existing and disclosed to Apsis as of the date of the valuation report.

Apsis has no obligation to update or otherwise revise its valuation report should any future events or conditions affect its valuation analyses or conclusions.

Table of Contents

The scope of Apsis valuation analyses was limited to the appraisal of the equity of each of Ultrapar, RIPI, DPPI and CBPI under the same criteria and on the same dates, and at market prices, for the purposes of Article 264 of Brazilian Corporate Law and did not address, among others:

- treatment given to different classes of shares of each of Ultrapar, RIPI, DPPI and CBPI, as the case may be;
- any other transaction relating to the shares of Ultrapar, RIPI, DPPI and CBPI, as the case may be;
- Ipiranga s underlying business decision to effect the Share Exchange, and
- the prices at which RIPI, DPPI and CBPI or Ultrapar securities, as the case may be, may actually be sold.

Apsis valuation report is not intended to be and does not constitute a recommendation or opinion to Ultrapar or the Ipiranga Group, nor does it constitute a recommendation or opinion to any shareholder of Ultrapar or the Ipiranga Group, as to any matters relating to the Share Exchange.

Below is a summary of the material analyses undertaken by Apsis in connection with the rendering of its valuation report. The summary includes information presented in tabular format. **In order to fully understand the methodologies used by Apsis, the table must be read together with the text of the summary. The tables alone do not constitute a complete description of the analyses.**

Using the financial statements provided by management of each of Ultrapar, RIPI, DPPI and CBPI, Apsis performed adjustments on the book value of their assets and liabilities, based on the assets approach net equity at market value. This methodology comes from Brazilian GAAP, where the financial statements are prepared based on the historical cost principle, i.e. the acquisition cost. Based on this and basic accounting principles, the methodology used presumes book value of a company s assets minus the book value of its liabilities is equal to the book value of its net equity. This methodology first considers the book value of the assets and liabilities, and requires adjustments to a few of these items, so as to reflect their likely market values. The result of this method may give an initial base to estimate a company s value, and a useful base to compare the results of other methodologies. The asset approach attempts to determine a company s value by adjusting the book values (net balance) to their respective fair market values. The assets and liabilities deemed relevant are evaluated by their fair market value, comparing this value to its book value (net balance).

The general appraisal criteria used to adjust the assets subject to appraisal at market price are detailed in Apsis complete report.

The adjustments discussed above, duly analyzed, are added to book net equity value to determine a company s market value by the assets approach. The fair market value of a company will be the net equity, based on adjustments found for the appraised assets and liabilities.

Table of Contents

The table below shows the market value of RIPI s net equity, including the respective adjustments of the principal accounts:

			IN MILLION OF REAIS	
RELEVANT ACCOUNTS		**BOOK VALUE**	**MARKET VALUE**	**ADJUSTMENT**
ASSETS		**976.73**	**1,350.10**	**373.37**
SHORT TERM ASSETS		**143.14**	**141.40**	**(1.74)**
LONG TERM ASSETS		**0.42**	**0.42**	**0.00**
PERMANENT ASSETS		**833.17**	**1,208.28**	**375.11**
Investments		798.10	1,086.39	288.29
DPPI	7.65%	69.58	82.13	12.55
CBP I	11.42%	210.10	257.85	47.75
IQ	58.53%	518.03	746.01	227.98
Outros		0.39	0.39	0.00
Fixed Assets		35.08	121.89	86.82
Equipment		17.45	88.05	70.59
Building		2.29	19.95	17.67
Land		11.46	10.02	(1.44)
Improvements in third part properties		0 .00	0.00	0.00
Constructions in progress		3 .80	3.80	0.00
Vehicles		0.04	0.04	0.00
Others		0.03	0.03	0.00
LIABILITIES		**976.73**	**1,350.10**	**(373.37)**
SHORT TERM LIABILITIES		**107.83**	**136.62**	**(28.79)**
LONG TERM LIABILITIES		**99.40**	**99.80**	**(0.40)**
NET EQUITY		**769.50**	**1,113.68**	**(344.18)**
Net Adjustment at Market			**344.18**	

VALUE OF RIPI SHARES

29,600,000 shares		**SHARE VALUE PER SHARE**
Book equity value	R$	25.996726
Adjustment per share	R$	11.627578
Equity amount adjusted at market value	R$	37.624304

Table of Contents

The table below shows DPPI s net equity at market price, including the respective adjustments of the principal accounts:

RELEVANT ACCOUNTS		BOOK VALUE	IN MILLION OF REAIS MARKET VALUE	ADJUSTMENT
ASSETS		**1,017.74**	**1,215.18**	**197.44**
SHORT TERM ASSETS		**332.98**	**321.27**	**(11.71)**
LONG TERM ASSETS		**88.20**	**88.20**	**0.00**
PERMANENT ASSETS		**596.56**	**805.71**	**209.16**
Investments		474. 86	609.72	134.86
CBPI	21.01%	386. 62	474.38	87.76
ISA-SUL	100.00%	57. 32	102.67	45.35
COFAL	100.00%	1. 13	2.89	1.76
MAX IFACIL	16.00%	29. 66	29.66	0.00
Others		0. 12	0.12	0.00
Fixed Assets		121. 70	195.99	74.29
Equipment		53. 74	77.51	23.77
Building		18. 37	38.45	20.08
Land		12. 97	43.42	30.44
Improvements in third part properties		18. 87	18.87	0.00
Constructions in progress		9. 22	9.22	0.00
Vehicles		1. 33	1.33	0.00
Others		7. 20	7.20	0.00
LIABILITIES		**1,017.74**	**1,215.18**	**(197.44)**
SHORT TERM LIABILITIES		**73.72**	**88.55**	**(14.83)**
LONG TERM LIABILITIES		**34.05**	**53.00**	**(18.95)**
NET EQUITY		**909.97**	**1,073.63**	**(163.66)**
Net Adjustments at Market			**163.66**	

VALUE OF DPPI SHARES

32,000,000 shares	**SHARE VALUE** **PER SHARE**
Book equity value	R$ 28.436606
Adjustment per share	R$ 5.114296
Equity amount adjusted at market value	R$ 33.550902

85

Table of Contents

The table below shows CBPI s net equity at market price, including the respective adjustments of the principal accounts:

RELEVANT ACCOUNTS		BOOK VALUE	IN MILLION OF REAIS MARKET VALUE	ADJUSTMENT
ASSETS		**3,123.50**	**3,787.39**	**663.89**
SHORT TERM ASSETS		**1,711.57**	**1,713.60**	**2.03**
LONG TERM ASSETS		**216.93**	**216.93**	**0.00**
PERMANENT ASSETS		**1,195.00**	**1,856.86**	**661.86**
Investments		573.45	846.89	273.44
IQ	41.47%	346.54	528.57	182.03
TSB	20.00%	6.99	6.99	0.00
IASA	100.00%	32.02	49.63	17.61
TROPICAL	100.00%	14.98	11.43	(3.55)
EMCA	100.00%	18.92	39.53	20.61
AM PM	100.00%	81.50	138.24	56.74
ITL	100.00%	0.05	0.05	0.00
ICIE	100.00%	0.03	0.03	0.00
MAX-FACI L	34.00%	63.03	63.03	0.00
IMOBILIARIA	100.00%	7.99	7.99	0.00
Others		1.40	1.40	0.00
Fixed Assets		621.55	1,009.97	388.42
Equipment		360.77	485.28	124.51
Building		84.35	194.58	110.23
Land		96.28	249.96	153.68
Improvements in third part properties		24.98	24.98	0.00
Constructions in progress		46.45	46.45	0.00
Vehicles		8.72	8.72	0.00
Others		0.00	0.00	0.00
LIABILITIES		**3,123.50**	**3,787.39**	**(663.89)**
SHORT TERM LIABILITIES		**814.41**	**888.88**	**(74.47)**
LONG TERM LIABILITIES		**469.22**	**640.62**	**(171.40)**
NET EQUITY		**1,839.87**	**2,257.89**	**(418.01)**
Net Adjustments at Market			**418.01**	

VALUE OF CBPI SHARES

105,952,000 shares		**SHARE VALUE PER SHARE**
Book equity value	R$	17.365169
Adjustment per share	R$	3.945308
Equity amount adjusted at market value	R$	21.310477

Table of Contents

The table below shows Ultrapar s net equity at market price, including the respective adjustments of the principal accounts:

RELEVANT ACCOUNTS		BOOK VALUE	IN MILLION OF REAIS MARKET VALUE	ADJUSTMENTS
ASSETS		**3,284.24**	**5,503.34**	**2,219.11**
SHORT TERM LIABILITIES		**114. 14**	**112.85**	**(1.29)**
LONG TERM LIABILITIES		**125. 25**	**125.25**	**0.00**
PERMANENT ASSETS		**3,044.85**	**5,265.25**	**2,220.40**
Investments		3,032.08	5,252.48	2,220.40
Ultracargo	100.00%	216.54	499.84	283.30
Ultragaz Part	100.00%	425.04	1,134.64	709.60
Imaven	100.00%	49.56	63.83	14.27
Oxiteno S.A	99.99%	1,505.16	3,161.23	1,656.07
DPPI SUL	37.55%	196.53	225.03	28.50
CBPI SUL	15.27%	134.22	164.14	29.91
RPI REFINO 1/3	40.28%	0.25	3.72	3.46
Goodwill/Discount		504.71	0.00	(504.71)
Others		0.06	0.06	0.00
Deferred Assets		12.77	12.77	0.00
LIABILITIES		**3,284.24**	**5,503.34**	**(2,219.11)**
SHORT TERM ASSETS		**1,268.83**	**1,268.39**	**0.44**
LONG TERM ASSETS		**0. 46**	**0.46**	**0.00**
NET EQUITY		**2,014.96**	**4,234.50**	**(2,219.55)**
Net Adjustments at Market			**2,219.55**	

VALUE OF ULTRAPAR SHARES

81,325,409 shares		**SHARE VALUE PER SHARE**
Book equity value	R$	24.776467
Adjustment per share	R$	27.292162
Equity amount adjusted at market value	R$	52.068629

After adjusting the net equity of RIPI, CBPI and DPPI and Ultrapar at market values, the following tables show the calculation of the exchange ratios:

EXCHANGE RATIOS CALCULATION

RIPI SHARE EXCHANGE

NET EQUITY AT MARKET

	Ultrapar	RIPI
NET EQUITY AT MARKET (IN MILLIONS OF *REAIS*)	R$ 4,235	R$ 1,114
TOTAL SHARES	81,325,409	29,600,000
PER THOUSAND OF SHARES (IN *REAIS*)	R$ 52.068629	R$ 37.624304
EXCHANGE RATIO	**0.722591**	**1.000000**

Note: Amount of Ultrapar shares for one RPI share

Table of Contents

DPPI SHARE EXCHANGE

NET EQUITY AT MARKET		
	Ultrapar	**DPPI**
NET EQUITY AT MARKET (IN MILLIONS OF *REAIS*)	R$ 4,235	R$ 1,074
TOTAL SHARES	81,325,409	32,000,000
PER THOUSAND OF SHARES (IN *REAIS*)	R$ 52.068629	R$ 33.550902
EXCHANGE RATIO	**0.644359**	**1.000000**

Note: Amount of Ultrapar shares for one DPPI share

CBPI SHARE EXCHANGE

NET EQUITY AT MARKET		
	Ultrapar	**CPPI**
NET EQUITY AT MARKET (IN MILLIONS OF *REAIS*)	R$ 4,235	R$ 2,258
TOTAL SHARES	81,325,409	105,952,000
PER THOUSAND OF SHARES (IN *REAIS*)	R$ 52.068629	R$ 21.310477
EXCHANGE RATIO	**0.409277**	**1.000000**

Note: Amount of Ultrapar shares for one CBPI share

The preceding discussion is a summary of the materials furnished by Apsis to the board of directors of both Ultrapar and the Ipiranga Group, but it does not purport to be a complete description of the analyses performed by Apsis. The preparation of the valuation report is a complex process involving technical judgments and is not necessarily adequately represented by partial analyses or summary description. Accordingly, Apsis believes that its analyses, and the summary set forth above, must be considered as a whole, and that selecting portions of the analyses, without considering all of the analyses and factors, could create a misleading or incomplete view of the processes underlying the analyses conducted by Apsis and its valuation report.

In its analyses, Apsis made numerous assumptions with respect to Ultrapar, RIPI, DPPI and CBPI, their respective subsidiaries, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Ultrapar, the Ipiranga Group and Apsis. Any estimates contained in Apsis analyses are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by these analyses. Estimates of the values of Ultrapar and the Ipiranga Group do not purport to be appraisals or necessarily to reflect the prices at which Ultrapar and the Ipiranga Group may actually be sold. Because these estimates are inherently subject to uncertainty, none of Ultrapar, RPI, DPPI, CBPI, Apsis, their respective affiliates or any other person assumes responsibility if future results or actual values differ materially from the estimates.

Apsis qualifications to render the valuation report arise from its extensive experience as an internationally recognized consulting company engaged in, among others, the valuation of companies and other businesses and their securities in Brazil and elsewhere in connection with mergers and acquisitions, restructurings, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Table of Contents

Credit Suisse Valuation Report

General

Banco de Investimentos Credit Suisse (Brasil) S.A., or Credit Suisse, was retained to deliver a valuation report for the use of the shareholders and boards of directors of RIPI, DPPI and CBPI. The valuation report prepared by Credit Suisse was delivered to RIPI, DPPI and CBPI on November 8, 2007 for their use in the proposed share exchange transaction in which the preferred shares of CBPI, DPPI and RIPI will be exchanged for preferred shares of Ultrapar (the Transaction). The base date for this valuation report is September 30, 2007. A copy of the Credit Suisse Valuation Report is included as an exhibit to the registration statement of which this prospectus forms a part.

You should consider the following when reading the summary of the Credit Suisse Valuation Report below:

The Credit Suisse Valuation Report was prepared in compliance with the requirements imposed by Brazilian securities law, in particular CVM Rule No. 319 and Articles 254-A and 137 from Law No. 6,404/64 (Lei das S.A), and was not prepared with a view toward complying with the published guidelines of the SEC or the American Institute of Certified Public Accountants with respect to prospective financial information.

The full text of the Credit Suisse Valuation Report, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken by Credit Suisse in connection with the Credit Suisse Valuation Report, is included as an exhibit to the registration statement of which this prospectus forms a part.

The Credit Suisse Valuation Report should not be used for the purposes of Articles 8 and 170 of the Lei das S.A. or for any purpose other than as set forth above without the written consent of Credit Suisse.

The Credit Suisse Valuation Report and its conclusions are not recommendations by Credit Suisse as to whether shareholders of RIPI, DPPI and CBPI should take any action in connection with the Transaction. The Credit Suisse Valuation Report is not a fairness opinion as such is understood under U.S. law or a recommendation to shareholders relating to the exchange ratio to be offered to the shareholders of RIPI, DPPI and CBPI. Brazilian law does not require an opinion from an investment bank that the consideration offered in a merger or acquisition is fair. Brazilian law also does not require that a valuation report be used to determine the price to be paid in a merger or acquisition or that any party to a merger or acquisition obtain the opinion of a third party that the price paid in such merger or acquisition is fair.

The Credit Suisse Valuation Report was prepared in connection with Brazilian legal requirements relating to third-party independent valuation reports to be used in connection with merger and acquisition transactions. All shareholders should conduct their own analysis of the Transaction and should rely on their own financial, tax and legal advisors and not the Credit Suisse Valuation Report in evaluating whether to take any action in connection with the Transaction.

In making their determinations as to whether or not to submit the Share Exchange to shareholder approval, Brazilian law did not require the boards of directors of RIPI, DPPI and CBPI to make a specific determination regarding the fairness of the exchange ratio offered in the Share Exchange. Nevertheless, the board of directors of RIPI, DPPI and CBPI diligently examined the Share Exchange and have recommended the transaction by submitting the matter for approval by the shareholders of such companies. The Credit Suisse valuation report is one of the documents that was considered by the boards of directors of RIPI, DPPI and CBPI in making their determination whether to recommend that their respective company s shareholders approve the Share Exchange.

In connection with Credit Suisse s valuation analysis and its preparation of its valuation report, Credit Suisse has reviewed certain publicly available financial and other information concerning Ultrapar, RIPI, DPPI and CBPI and certain internal analyses and other information furnished to it by Ultrapar, RIPI, DPPI and CBPI. Credit Suisse has also held discussions with members of the senior managements of Ultrapar, RIPI, DPPI and CBPI. Credit Suisse discussed orally with the management of RIPI, DPPI and CBPI certain non-public

information regarding RIPI, DPPI and CBPI in order to confirm the assumptions provided by RIPI, DPPI and CBPI to Credit Suisse for use in the preparation of its valuation report. This discussion included a description of the operations and strategy of RIPI, DPPI and CBPI, certain financial analyses, including relating to the evolution of margins and working capital assumptions, production capacity information, including relating to the production capacity mix and evolution, investment requirements, including for maintenance and expansion purposes, unit costs, marketing expenses, and prospects of RIPI, DPPI and CBPI, including relating to expectations regarding future trends and the sustainability of current strategy. In addition, Credit Suisse has (i) reviewed the audited consolidated financial statements of RIPI, DPPI and CBPI for the fiscal years 2004, 2005 and 2006, the financial statements of RIPI, DPPI and CBPI for the nine-month period ended September 30, 2007, which were reviewed by KPMG Auditores Independentes (KPMG), the consolidated financial statements of Ultrapar for the fiscal years 2004, 2005 and 2006, which were audited by Deloitte Touche Tohmatsu, and the financial statements of Ultrapar for the nine-month period ended September 30, 2007, which were reviewed by KPMG, (ii) reviewed other financial information received from Ultrapar, RIPI, DPPI and CBPI, including financial and operating projections for the next 10 years, (iii) reviewed the reported prices and trading activity for the stock of Ultrapar, RIPI, DPPI and CBPI, (iv) compared certain financial and stock market information for Ultrapar, RIPI, DPPI and CBPI with similar information for certain other companies whose securities are publicly traded, (v) reviewed the financial terms of certain recent business combinations which it deemed comparable in whole or in part, (vi) reviewed the terms of the agreements governing the Transaction, and (vii) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Credit Suisse has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning Ultrapar, RIPI, DPPI or CBPI or any macroeconomic projections based on the Banco Central do Brasil projected scenario, including, without limitation, any financial information, forecasts or projections considered in connection with the preparation of its valuation report. Accordingly, for purposes of its valuation report, Credit Suisse has assumed and relied upon the accuracy and completeness of all such information and Credit Suisse has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or liabilities, of Ultrapar, RIPI, DPPI or CBPI.

Any valuations, financial and other forecasts and/or estimates or projections and other assumptions contained in the Credit Suisse Valuation Report (including, without limitation, regarding financial and operating performance), were prepared or derived from information (whether oral or in writing) supplied solely by the respective managements of Ultrapar, RIPI, DPPI and CBPI or derived from other public sources, without any independent verification by Credit Suisse, and involve numerous and significant subjective determinations and assumptions by Ultrapar, RIPI, DPPI and CBPI, which may not be correct. As a result, actual results may vary materially from those shown in the Credit Suisse Valuation Report. In addition, with respect to any such information made available to Credit Suisse and used in its analyses, Ultrapar, RIPI, DPPI and CBPI have represented to Credit Suisse that such information has been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Ultrapar, RIPI, DPPI and CBPI as to the matters covered thereby.

In preparing its valuation report, neither Credit Suisse nor any of its affiliates or representatives make any express or implied representation or warranty, or express any view, as to the accuracy, reasonableness, completeness or achievability of the Transaction or any such financial and other forecasts and/or estimates or projections, or as to the determinations or assumptions on which they are based. The Credit Suisse Valuation Report is necessarily based on economic, market and other conditions as in effect on, and the information made available to it as of, the date of the Credit Suisse Valuation Report. Credit Suisse has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which Ultrapar, RIPI, DPPI or CBPI is a party or is subject or by which it is bound, no limitations,

Table of Contents

restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Ultrapar, RIPI, DPPI or CBPI or materially reduce the contemplated benefits of the Transaction to RIPI, DPPI or CBPI.

In preparing its valuation report, Credit Suisse did not assume any difference between different classes of shares, considered RIPI, DPPI, CBPI and Ultrapar on a stand alone basis, and did not include any operating or fiscal gains or losses, including any goodwill, synergy and incremental costs generated from the Transaction. None of RIPI, DPPI and CBPI provided specific instructions to, placed any limitations on the scope of the investigation by, or requested any procedures or factors be considered by, Credit Suisse in performing its analyses or preparing its valuation report.

The views expressed in the Credit Suisse Valuation Report are subject to change based upon a number of factors, including market conditions and the businesses and prospects of Ultrapar, RIPI, DPPI and CBPI.

Valuation Methodology Summary

Credit Suisse conducted valuations of Ultrapar, RIPI, DPPI and CBPI in accordance with the mandatory criteria of the CVM. In accordance with CVM Rule No. 319, Credit Suisse prepared its valuations using the following methodologies and assumptions:

Economic value. The economic value analysis is based on a discounted cash flow analysis for certain business lines and a comparable multiples analysis for other business lines, each as further described below.

Market value. Credit Suisse s market value valuation analysis was based on average share prices weighted by traded volume during the twelve-month period ended October 31, 2007.

Book value. Credit Suisse s book value valuation analysis was based on the book value of the shares of Ultrapar, RIPI, DPPI and CBPI as reflected in their respective audited financial statements as of September 30, 2007.

Among the different valuation methodologies presented in its valuation report, Credit Suisse believes that the economic value analysis based on discounted cash flow and comparable multiples is the most applicable methodology for valuing Ultrapar, RIPI, DPPI and CBPI.

Credit Suisse believes that the economic value analysis based on discounted cash flow, or DCF, is the most appropriate methodology for valuing Ultrapar, RIPI, DPPI and CBPI because the DCF analysis takes into consideration the future unlevered free cash flows of such companies and accounts for the time value of money by calculating the present value of the future cash flows, providing a more detailed picture of the investment to be valued by allowing the evaluator to consider a larger amount of information and a longer timeframe in its analysis. Credit Suisse believes that an economic value analysis based on comparable multiples is the most appropriate methodology for valuing certain business lines and subsidiaries of RIPI, DPPI and CBPI. The preparation of projections for those companies and the use of a DCF valuation would be imprecise and would not improve the quality of the analysis.

Discounted Cash Flow Analysis

Credit Suisse performed a DCF analysis to value Ultrapar, DPPI Opco, CBPI Opco, AM/PM, Copesul and IPQ. A DCF analysis is a method of evaluating the value of an asset by estimating the future unlevered free cash flows of such asset and taking into consideration the time value of money by calculating the present value of these estimated cash flows. Credit Suisse calculated the DCF values for each of Ultrapar, DPPI Opco, CBPI Opco, AM/PM, Copesul and IPQ as the sum of the net present value of (i) the estimated future cash flow that such business line will generate for the years 2007 through 2016 and (ii) the value of such business line at the end of such period, or the Terminal Value.

Table of Contents

In addition, in performing the DCF analyses, Credit Suisse made several assumptions including, but not limited to, the following:

The base date for the DCF analyses is September 30, 2007.

Projections were prepared in nominal Brazilian *reais*, and each of the annual cash flows were converted to U.S. dollars based on the average exchange rate for the year.

An exchange rate of US$1.00 = R$1.839 is used as of September 30, 2007 to convert the net present value in U.S. dollars to Brazilian *reais*.

The weighted average cost of capital is in nominal U.S. dollars.

The Terminal Values were calculated based on Gordon s growth formula and include adjustments to normalize capital expenditures, depreciation, tax rates and net operating working capital.

The perpetuity cash flows of petrochemical companies have been adjusted for mid-cycle.

The following table sets forth a summary of the results of the DCF analyses performed for each of Ultrapar, DPPI Opco, AM/PM, CBPI Opco, Copesul and IPQ.

Companies valued by discounted cash flow DCF

Company	**Description**	**TEV(1) (R$ million)**	**g(2)**	**WACC(3)**
CBPI Opco	A distributor of fuel to retail gas stations and industrial sites. In 2006, volume of core products was 11.6 billion m^3	2,328	5.5%	11.3%
DPPI Opco	A distributor of fuels to retail gas stations and industrial sites. In 2006, volume of core products was 1.8 billion m^3	514	5.5%	11.3%
AM/PM	A retail convenience store chain attached to DPPI and CBPI gas stations, consolidated by CBPI	282	3.5%	10.9%
Copesul	A petrochemical company that produces basic petrochemicals, such as ethylene, from naphtha, with volume of 2.96 million tons in 2006	4,756	2.5%	10.8%
IPQ	A 2nd generation producer of high-end petrochemicals. Volume sold in 2006 was 636,100 tons	1,330	2.5%	10.9%
Ultrapar	A distributor of liquefied petroleum gas (LPG), 2nd generation producer of petrochemicals, and a logistics provider for special products	6,210	4.2%	9.7%

(1) TEV means Total Enterprise Value, which is the total value of the business line calculated based on the economic value of shareholders equity plus net debt as defined in the Credit Suisse Valuation Report.
(2) Perpetual growth rate in U.S. dollar nominal terms.
(3) WACC means weighed average cost of capital.

Comparable Public Company Analysis

Credit Suisse performed a comparable public company analysis for the operating assets of RIPI Opco and EMCA. For these business lines, the comparable multiples analysis involved comparing certain financial information and commonly used valuation measurements for the applicable business line to corresponding information and measurements for a publicly traded company or a group of publicly traded companies in the same industry. The comparable public company analyses were conducted based on a comparison of multiples for estimated 2007 EBITDA, except for petrochemical business lines of Copesul and IPQ for which a normalized

Table of Contents

average EBITDA (based on a three to five-year period) was used. The companies comprising each comparison group were chosen primarily because Credit Suisse believed they share similar business characteristics to the respective business lines based on operational and financial metrics. However, none of the companies selected is identical or directly comparable to any of the analyzed business lines. Other companies may have been considered but not deemed relevant because their size, operations, target customers, product offerings, financial and operating metrics or other characteristics differ substantially from the analyzed business lines.

The companies were selected based on their similarities to the businesses developed by RIPI, DPPI and/or CBPI, with special attention to value drivers, growth potential and margins. Credit Suisse used comparable transactions when they were available, and reviewed trading public companies that most closely replicated the business of the company being assessed. Credit Suisse excluded from the sample companies or transactions that were not sufficiently comparable to the company being assessed. RIPI Opco was valued based on comparisons with Alon USA, Delek US Holdings and Frontier Oil. IQ and IASA were valued based on precedent transaction multiples. EMCA was valued based on comparisons with commodity and specialty listed companies such as Nova Chemicals, Basf, Westlake, Dow Chemicals, Lyondell, Braskem, Suzano Petroquímica, Petroquímica União, Croda, Clariant, Rhodia, Lubrizol, Huntsman and Celanese. Isa-Sul was valued based on the implied multiple derived from the DCF valuation of DPPI.

Comparable Precedent Transaction Analysis

Credit Suisse conducted an analysis of selected precedent transactions in determining its valuation of IQ and IASA. In such cases, Credit Suisse reviewed the financial terms, to the extent publicly available, of numerous mergers and acquisition transactions involving companies in the same industries. The precedent transaction analyses were conducted based on a comparison of multiples for EBITDA for the last twelve months (LTM) prior to a given transaction.

Credit Suisse reviewed various precedent transactions and, based on qualitative judgments and complex considerations concerning differences between the characteristics of these transactions and the characteristics of the acquired company, selected the transactions that were considered most comparable to IQ and IASA. Credit Suisse calculated various financial multiples based on certain publicly available information for each of the comparable transactions and compared them to corresponding financial multiples for IQ and IASA. Credit Suisse also analyzed Isa-Sul, a subsidiary of DPPI, whose operations are similar to DPPI Opco. For this reason, Credit Suisse used the multiple of value derived from the DCF valuation on DPPI Opco and applied it to Isa-Sul.

Table of Contents

The following table sets forth a summary of the results of the comparable multiples analyses.

Companies valued by multiples

Business Line	**Description / Methodology**	**TEV[(1)] (millions of *reais*)**	**TEV/ 07E EBITDA**
RIPI Opco	A refinery that has operated on a break even basis Valuation based on comparable public company analysis	4	5.6x
IQ	A chemical products distributor with over 5,000 clients in 50 different markets Valuation based on comparable precedent transaction analysis	139	8.2x
EMCA	A producer of specialty petrochemicals; Valuation based on comparable public company analysis	25	7.0x
IASA	A producer of asphalt and pavement surface products Valuation based on comparable precedent transaction analysis	33	6.9x
Isa-Sul Administração e Part. Ltda.	A subsidiary that owns 152 and operates 15 of the gas stations in the region in which DPPI operates Valuation based on the same multiple as DPPI-Opco implied by the DCF	146	7.7x

(1) TEV means Total Enterprise Value, which is the total value of the business line calculated based on the economic value of shareholders equity plus net debt as defined in the Credit Suisse Valuation Report.

Summary Valuation Analysis

Set forth below are summaries of the share price valuations with respect to Ultrapar, RIPI, DPPI and CBPI as indicated by the Credit Suisse Valuation Report. Each share price valuation under the economic value analysis shows a mid-point amount and a plus or minus 5% range.

Table of Contents

Ultrapar

The table entitled Economic Value of Ultrapar summarizes the economic value of Ultrapar shares as indicated by the Credit Suisse Valuation Report.

The economic valuation presented above was considered by Credit Suisse the most appropriate methodology for valuing Ultrapar s shares. Credit Suisse also presented in its valuation report Ultrapar s book value of R$24.89 per share as of September 30, 2007, and a market value based on the weighted average share price from March 16, 2007 to October 31, 2007 of R$63.30 per Ultrapar preferred share. Since Ultrapar s common shares only traded on two days in the 12-month-period ended October 31, 2007, no market value analysis was performed with respect to those shares.

RIPI

The following table summarizes the economic value of RIPI shares as indicated by the Credit Suisse Valuation Report.

RIPI	**100% TEV (millions of *reais*)**	**(%)**	**TEV (millions of *reais*)**	
IQ	2,870.3	58.53%	1,680.0	
CBPI	3,858.5	11.42%	440.6	
DPPI	1,470.9	7.65%	112.5	
RIPI Opco	4.0	100.00%	4.0	
RIPI Total Enterprise Value			**2,237.2**	
(-) Net Debt			(651.2)	
RIPI Equity Value			**1,586.1**	
Total number of shares (million)			29.60	
		-5%		+5%
			←→	
Price per Share (R$ per share)		**50.90**	**53.58**	**56.26**

Table of Contents

The economic valuation presented above was considered by Credit Suisse the most appropriate methodology for valuing RIPI s shares. Credit Suisse also presented in its valuation report RIPI s book value of R$26.00 per share as of September 30, 2007, and a market value based on the weighted average share price from March 16, 2007 to October 31, 2007 of R$46.80 per RIPI preferred share and R$100.67 per RIPI common share.

DPPI

The following table summarizes the economic value of DPPI shares as indicated by the Credit Suisse Valuation Report.

DPPI	100% TEV (millions of *reais*)	(%)	TEV (millions of *reais*)	
CBPI	3,858.5	21.01%	810.7	
DPPI	660.2	100.00%	660.2	
DPPI Total Enterprise Value			**1,470.9**	
(-) Net Debt			(56.1)	
DPPI Equity Value			**1,418.8**	
Total number of shares (million)			32.00	
		-5%	←→	+5%
Price per Share (R$ per share)		**42.00**	**44.21**	**46.42**

The economic valuation presented above was considered by Credit Suisse the most appropriate methodology for valuing DPPI s shares. Credit Suisse also presented in its valuation report DPPI s book value of R$28.44 per share as of September 30, 2007, and a market value based on the weighted average share price from March 16, 2007 to October 31, 2007 of R$39.61 per DPPI preferred share and R$104.64 per DPPI common share.

CBPI

The following table summarizes the economic value of CBPI shares as indicated by the Credit Suisse Valuation Report.

CBPI	100% TEV (millions of *reais*)	(%)	TEV (millions of *reais*)
Copesul	4,755.9	29.46%	1,401.1
IPQ Opco	1,330.0	100.00%	1,330.0
100% IPQ			**2,731.1**
IPQ	2,731.1	100.00%	2,731.1
IQ Opco	139.3	100.00%	139.3
100% IQ			**2,870.3**
IQ	2,870.3	41.47%	1,190.3
CBPI Opco[(a)]	2,668.2	100.00%	2,668.2
CBPI Total Enterprise Value			**3,858.5**
(-) Net Debt			(774.3)
CBPI Equity Value			**3,084.2**

Total number of shares (million)		105.95	
	-5%		+5%
		←→	
Price per Share (R$ per share)	**27.65**	**29.11**	**30.57**

(a) Includes AM/PM, IASA and EMCA.

96

Table of Contents

The economic valuation presented above was considered by Credit Suisse the most appropriate methodology for valuing CBPI s shares. Credit Suisse also presented in its valuation report CBPI s book value of R$17.37 per share as of September 30, 2007, and a market value based on the weighted average share price from March 16, 2007 to October 31, 2007 of R$25.49 per CBPI preferred share and R$54.87 per CBPI common share.

Conclusions

Share price range based on the economic value (R$ per share)

	-5%	Mid-point	+5%
CBPI	27.65	29.11	30.57
DPPI	42.00	44.21	46.42
RIPI	50.90	53.58	56.26
Ultrapar	64.50	67.90	71.29

Other Considerations

The foregoing summary describes certain analyses and factors that Credit Suisse conducted in connection with the preparation of its valuation report, but is not a comprehensive description of all analyses performed and factors considered by Credit Suisse in connection with preparing its valuation report. RIPI, DPPI and CBPI preferred shareholders are urged to read the full text of the Credit Suisse Valuation Report, which is included as an exhibit to the registration statement of which this prospectus forms a part. The Credit Suisse Valuation Report is not readily susceptible to summary description. Credit Suisse believes that its valuation report must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses or factors could create a misleading view of the process underlying its valuation report.

In conducting its analyses and preparing its valuation report, Credit Suisse utilized a variety of generally accepted valuation methods. The analyses were prepared solely for the purpose of enabling Credit Suisse to prepare and issue its valuation report and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, nor do they take into account any element of value that may arise from the accomplishment of the Transaction.

KPMG Valuation Report

Brazilian Corporate Law requires companies involved in a corporate reorganization, such as the Share Exchange, to present a valuation of their net book value determined in accordance with accounting principles generally accepted in Brazil. These reports are generally used to support the capital increase of the company which is issuing new shares, as well as to support book values of shares used in connection with appraisal rights.

A summary of KPMG s reports relating to the book value of the preferred shares of Ultrapar, RIPI and DPPI follows:

Objective

The KPMG reports were issued exclusively in connection with the Share Exchange.

Valuation Criteria

As stated in the Protocol and Justifications, KPMG utilized the valuation criteria provided in articles 183 and 184 of Law 6404/76 for the purpose of determining the value of asset and liability accounts of Ultrapar, RIPI and DPPI, as of September 30, 2007 in order to evaluate each company s net book value.

Table of Contents

Examinations Performed and Effective Date

KPMG s valuations were performed by comparing, through the application of test procedures, the asset and liability balances shown in the balance sheets of Ultrapar, RIPI and DPPI as of September 30, 2007 with the information contained in each company s accounting books and other support documentation, in accordance with articles 183, 184 and 248 of Law 6404/76.

Results of the Evaluation

Based on the examinations described above, KPMG concluded that the equity net book value, as of September 30, 2007, of:

Ultrapar, was R$2,014,956,352.29, represented by 49,429,897 common shares and 31,895,512 preferred shares, resulting in a net book value per share of R$24.78.

RIPI, was R$769,503,076.33, represented by 9,982,404 common shares and 19,617,596 preferred shares, resulting in a net book value per share of R$26.00.

DPPI, was R$909,971,402.47, represented by 10,706,368 common shares and 21,293,632 preferred shares, resulting in a net book value per share of R$28.44.

Regulatory Approvals Required for the Transaction

Regulatory Approvals in the United States

Ultrapar, RIPI, DPPI and CBPI are not aware of any governmental approvals that are required for completion of the Transaction. It is presently contemplated that if any governmental approvals are required, those approvals will be sought. There can be no assurance, however, that any additional approvals will be obtained.

Regulatory Approvals in Brazil

The Transaction was submitted to the Brazilian antitrust authority, *Conselho Administrativo de Defesa Econômica CADE*, which is currently reviewing the Transaction and its potential consequences on competition in the relevant Brazilian industries. Approval of the Transaction by CADE, however, is not required prior to the completion of the Transaction. However, if, following the completion of the Transaction, CADE determines that the Transaction or part of the Transaction has a material adverse effect on competition in Brazil, it may require that Ultrapar, Braskem or Petrobras divest all or part of the assets acquired in the Transaction. In light of the fact that the assets we are acquiring in the Transaction relate to the industries in which we have not historically operated, we do not believe that we will be required to divest any such assets as a result of the review of the Transaction by the Brazilian antitrust regulator.

Board of Directors and Executive Officers of the Combined Company

Upon completion of the Transaction, the board of directors and executive officers of Ultrapar are expected to remain the same. See our 2006 Form 20-F for further information concerning the board of directors and executive officers of Ultrapar.

Appraisal Rights

RIPI, DPPI and Ultrapar preferred shareholders are entitled to appraisal rights in connection with the Share Exchange with respect to the shares of each of their respective companies. For the purposes of Brazilian Corporate Law (*Lei das Sociedades Anônimas*), the Share Exchange constitutes a stock merger (*incorporação de ações*), whereby all shares of a target company are transferred to an acquiring company. The shareholders of the target company receive shares in the acquiring company in exchange for their shares in the target company. The result of the stock merger is that the target company becomes a wholly owned subsidiary of the acquiring company, and the shareholders of the target company become shareholders of the acquiring company.

Table of Contents

In order for a stock merger to be carried out, general meetings of the shareholders of both the target and acquiring companies must be held and the shareholders of the two companies must approve the stock merger. Only holders of common shares have the right to vote at shareholders meetings. Preferred shareholders do not have the right to vote. In accordance with Brazilian Corporate Law a stock merger becomes mandatory for all shareholders, even the preferred shareholders who do not have the right to vote, if approved at the relevant shareholders meeting. When the Share Exchange is approved, shareholders who dissent from the decision have the right to exercise appraisal rights against their company, according to the Brazilian Corporate Law.

Holders of DPPI preferred shares who exercise their appraisal rights may choose to receive an amount per share based on either book value, or market value because the exchange ratio calculated with reference to market value is more favorable to DPPI shareholders than the exchange ratio offered by Ultrapar (which was calculated based on economic value). RIPI shareholders may exercise their appraisal rights based on book value only. Book values to be paid to RIPI and DPPI shareholders will be R$19.50 per RIPI share and R$25.13 per DPPI share and are based on RIPI s balance sheet as of December 31, 2006 and DPPI s balance sheet as of December 31, 2006, respectively. Market value is R$33.55 per DPPI share, based on the valuation report prepared by Apsis.

In a stock merger transaction, the appraisal rights can only be exercised after the approval of the stock merger and, consequently, after the general meeting of shareholders has been held. Appraisal rights may be exercised in the 30 days following publication of the resolution by the shareholders in a general meeting approving the transaction that triggers the appraisal rights.

Preferred shareholders of RIPI and DPPI are entitled under Brazilian Corporate Law to request that they be provided with book value information for their respective preferred shares updated to a date that is within 60 days of the date of the relevant shareholder meeting. Ultrapar has engaged KPMG to issue a report confirming the book value applicable to RIPI and DPPI preferred shares as of September 30, 2007, which is based on these companies interim financial information included in this prospectus. A copy of this report is included as an exhibit to the registration statement of which this prospectus forms a part.

Shareholders who vote in favor of approving the Share Exchange at the shareholders meeting do not have appraisal rights. Appraisal rights are reserved to those who voted against the Share Exchange, those who did not vote (including preferred shareholders) and those who did not attend the shareholders meeting.

Shareholders exercise their appraisal rights by sending a written notice to RIPI, DPPI or Ultrapar as applicable, informing the relevant company that they intend to exercise appraisal rights. Upon receipt of the notice, the relevant company is bound to buy the shares, and the shareholder is bound to sell them, unless the relevant company decides to reconsider the Share Exchange, as explained below.

Once the 30-day period for exercise of appraisal rights has expired, the shareholders no longer have any right to compel the relevant company to purchase their shares and the relevant company will proceed to determine how many shareholders exercised appraisal rights.

The Brazilian Corporate Law gives Ultrapar, RIPI, DPPI and CBPI a period of 10 days to call a new general shareholders meeting to reconsider the resolution that approved the Share Exchange if any of Ultrapar, RIPI, DPPI and CBPI believes that the total amount to be paid to the shareholders who exercised their appraisal rights could adversely affect their company s financial situation. If the shareholders in a general meeting reverse their earlier decision, Ultrapar, RIPI, DPPI and CBPI as the case may be, is released from the obligation to pay the appraisal amount.

Table of Contents

ACCOUNTING TREATMENT

The following should be read in conjunction with the Unaudited pro forma Financial Statements, The Transaction and the consolidated financial statements included in this prospectus, including in the annexes attached hereto. The several steps of the Transaction will be accounted for under Brazilian GAAP and U.S. GAAP as set forth below.

Closing of the Share Purchase Agreement

In connection with the Share Purchase Agreement, which closed on April 18, 2007, Ultrapar acquired a controlling interest in the common shares of each of RIPI, DPPI and CBPI. On the same date, Ultrapar, Braskem and Petrobras executed two shareholders agreements, one for RIPI, and the other for DPPI, CBPI, ICQ and IPQ, which established the rights and obligations among Ultrapar, Petrobras and Braskem relating to the management and control of RIPI, DPPI and CBPI during the period in which the Transaction is being completed. These agreements were signed in order to ensure that (i) Ultrapar fulfills its obligations owed to Petrobras and Braskem, including those established under the Investment Agreement, and (ii) Petrobras and Braskem are each entitled to manage, during the period in which the Transaction is being completed, the assets of RIPI, DPPI and CBPI that each such company will receive in the separation of assets that will occur in connection with the completion of the Transaction. For the closing of the SPA Ultrapar received funds from Braskem and Petrobras which were recorded as a liability, with an offsetting asset, since the net assets acquired for Braskem and Petrobras under the commission agreement are not controlled by, and will not remain with, Ultrapar. As a result, for the portion of the Target Companies net assets that will be transferred to Braskem and Petrobras, the net effect in Ultrapar s financial statements under Brazilian GAAP and U.S. GAAP is zero. For the portion of the Target Companies net assets that will remain with Ultrapar, the difference between the price paid for them and their Brazilian GAAP book value was recorded as goodwill and is being amortized over 10 years. Under U.S. GAAP we adopted the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill was recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Mandatory Tender Offers

In connection with the Mandatory Tender Offers by Ultrapar for the remaining outstanding common shares of each of the Target Companies, the funds received from Braskem and Petrobras were recorded as a liability, with an offsetting asset, since the net assets acquired for Braskem and Petrobras under the commission agreement are not controlled by, and will not remain with, Ultrapar. As a result, for the portion of the Target Companies net assets that will be transferred to Braskem and Petrobras, the net effect in Ultrapar s financial statements under Brazilian GAAP and U.S. GAAP is zero. For the portion of the Target Companies net assets that will remain with Ultrapar, the difference between the price paid for them and their Brazilian GAAP book value is recorded as goodwill, to be amortized over a 10 year period. Under U.S. GAAP we adopted the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill is recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Share Exchange

In connection with the Share Exchange, we will execute a capital increase, corresponding to the number of new Ultrapar preferred shares that will be required to be issued in order to exchange all of the Target Companies outstanding common and preferred shares for our preferred shares. Under Brazilian GAAP, we intend to register this capital increase in an amount established in the Transaction Agreements. For U.S. GAAP, we intend to value the new Ultrapar shares based on the market price of the securities over a reasonable period of time before and after the terms of the acquisition were agreed to and announced, in accordance with paragraph 22 of SFAS 141 Business Combination . The capital increase will correspond to an increase in the investment by Ultrapar in the

Table of Contents

Target Companies. The portion of the investment that corresponds to the net assets to be transferred to Braskem and Petrobras will be added to the previous steps amounts that pertain to the two companies. For the portion of the investment that corresponds to the net assets that will remain with Ultrapar, the difference between the value of this investment and its Brazilian GAAP book value will be recorded as goodwill and be amortized over 10 years. Under U.S. GAAP, we will adopt the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill will be recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Split-up of Assets

In connection with the final phase of the Transaction, there will be a split-up of the Southern Distribution Business, Northern Distribution Business and the Petrochemical Business and subsequent transfer of the Petrochemical Business to Braskem and Petrobras, the Northern Distribution Business to Petrobras and one third ownership in RIPI to each of Braskem and Petrobras. In order to transfer the relevant assets to Petrobras and Braskem, the Target Companies will effect a spin-off of such assets and transfer them to Ultrapar. Ultrapar will then transfer those assets to Braskem and Petrobras in exchange for the funds received in steps 1 and 2 and will receive cash from Braskem and Petrobras for the portion of assets acquired by Ultrapar in the Share Exchange. In light of the accounting of each of the previous steps, we do not expect any significant gains or losses to be recorded under Brazilian GAAP and U.S. GAAP as a result of this step.

Table of Contents

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Davis Polk & Wardwell, the following are the material U.S. federal income tax consequences to holders who exchange preferred shares of RIPI, DPPI or CBPI for our preferred shares pursuant to the Share Exchange, and the material U.S. federal income tax consequences of holding and disposing of our preferred shares. This discussion applies only to U.S. Holders (as defined below) that hold preferred shares of RIPI, DPPI or CBPI and that will hold our preferred shares as a result of the Share Exchange as capital assets.

This discussion does not describe all of the tax consequences that may be relevant to a holder in light of the holder s particular circumstances or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers in securities;
- persons holding preferred shares of RIPI, DPPI or CBPI or our new preferred shares as part of a hedge, straddle , integrated transaction or similar transactions;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- tax-exempt organizations; or
- persons that own or are deemed to own ten percent or more of our voting stock.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code , administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Please consult your own tax advisor concerning the U.S. federal, state, local and foreign tax consequences of purchasing, owning and disposing of preferred shares in your particular circumstances.

As used herein, the term U.S. Holder means a beneficial owner of preferred shares of RIPI, DPPI or CBPI, that is, for U.S. federal tax purposes:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; or

an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

The Share Exchange

A U.S. Holder will recognize gain or loss on the exchange of preferred shares of RIPI, DPPI or CBPI for our preferred shares in an amount equal to the difference between the fair market value of our preferred shares received and the U.S. Holder s tax basis in the preferred shares of RIPI, DPPI or CBPI exchanged. In general, such gain or loss will be treated as long-term capital gain or loss if the shares exchanged have been held for more than one year at the time of exchange. For U.S. federal income tax purposes, any gain or loss realized by a U.S. Holder will be treated as U.S. source gain or loss.

As a consequence of the exchange, a U.S. Holder s adjusted basis in our preferred shares will be equal to the fair market value of our preferred shares on the date the U.S. Holder made the exchange, and the holding period of our preferred shares received will begin on the day immediately following such date.

An exchanging U.S. shareholder may have different consequences if RIPI, DPPI or CBPI, as the case may be, is or was a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year during which such U.S. Holder held the exchanged shares. Because PFIC status depends on the

Table of Contents

composition of a company s assets and income from time to time and because the relevant taxable periods for conducting this analysis may be different for each holder, we have not undertaken to determine whether any of RPI, DPPI, or CBPI is or was a PFIC for any taxable year. Exchanging U.S. Holders are urged to consult with their own tax advisors regarding the PFIC status of RPI, DPPI, or CBPI, as the case may be, for the periods during which they have held their shares and as to the U.S. federal income tax consequences to them of exchanging their shares if RPI, DPPI, or CBPI, as the case may be, is or was a PFIC.

Ownership of Our Preferred Shares

Taxation of distributions. Distributions paid with respect to preferred shares will be includable in the income of a U.S. Holder as ordinary dividend income to the extent paid out of current or accumulated earnings and profits of Ultrapar, as determined for U.S. federal income tax purposes. As discussed in the following two sentences, although the matter is not free from doubt, under current law, dividends paid to non-corporate U.S. Holders on preferred shares in taxable years beginning before January 1, 2011, will generally be taxable at a maximum rate of 15%, provided that certain holding period and other requirements are satisfied. Current law requires that to qualify for the lower 15% rate, dividends must be paid in respect of stock that is readily tradable on a securities exchange in the United States. Notwithstanding the fact that our ADSs are currently listed on the New York Stock Exchange, it is possible that the Internal Revenue Service could argue that dividends paid in respect of our preferred shares do not qualify for the lower 15% rate. U.S. Holders should consult their own tax advisors regarding the availability of this lower tax rate in their particular circumstances. For purposes of these rules, the amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution. In addition, the taxable amount of any distribution will include the amount of Brazilian tax withheld on the amount distributed, if any, and the amount of a distribution paid in reais will be measured by reference to the exchange rate for converting reais into U.S. dollars in effect on the date the distribution is received by the U.S. Holder. The U.S. Holder may have foreign currency gain or loss if the amount of such dividend is not converted into U.S. dollars on the date of its receipt.

Dividends paid by us generally will be treated as foreign source dividend income to U.S. Holders and will not be eligible for the dividends received deduction. Subject to certain limitations, Brazilian withholding tax, if any, paid in connection with any distribution with respect to preferred shares may be claimed as a credit against the U.S. federal income tax liability of a U.S. Holder if such U.S. Holder elects for that year to credit all foreign income taxes; otherwise, such Brazilian withholding tax may be taken as a deduction. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. U.S. Holders should consult their own tax advisors concerning the availability and utilization of the foreign tax credit.

Sale and other disposition of our preferred shares. Gain or loss realized by a U.S. Holder upon the sale, exchange or other disposition of a preferred share will be subject to U.S. federal income tax as U.S. source capital gain or loss in an amount equal to the difference between the amount realized on the disposition of the preferred share and the U.S. Holder s tax basis in the preferred share. The gain or loss will be long-term capital gain or loss if the U.S. Holder s holding period in the preferred share exceeds one year. If a Brazilian income tax is imposed on the sale or disposition of preferred shares, and the U.S. Holder does not receive significant foreign source income from other sources, the U.S. Holder may not be able effectively to credit such Brazilian tax against its U.S. tax liability. U.S. Holders should consult their tax advisors regarding the U.S. federal tax treatment of capital gains, which may be taxed at lower rates than ordinary income for individuals, and losses, the deductibility of which is subject to limitations.

Passive foreign investment company. Special U.S. tax rules apply to U.S. Holders that own shares in a PFIC. In general, we will be classified as a PFIC in a particular taxable year if either:

- 75% or more of our gross income consists of passive income, such as dividends, interest, rents and royalties; or

- 50% or more of our assets, by value, determined on the basis of a quarterly average, consists of assets that produce, or are held for the production of, passive income.

Table of Contents

Based on a review of our income and assets, we believe that we are not a PFIC for U.S. federal income tax purposes and we do not expect to be a PFIC in the foreseeable future. However, since PFIC status depends upon the composition of a company s income and assets and the market value of its assets (including, among others, goodwill and less than 25 percent owned equity investments) from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year.

If we are treated as a PFIC in any taxable year during which a U.S. Holder owns preferred shares, gain recognized by such U.S. Holder on the sale or other disposition of the preferred shares will be allocated ratably over the U.S. Holder s holding period for the preferred shares. The amounts allocated to the taxable year of the sale or other exchange and to any year before we become a PFIC will be taxable as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for that year for individuals or corporations, as appropriate, and an interest charge will be imposed on the amount allocated to such taxable year. Further, any distribution in respect of the preferred shares in excess of 125 percent of the average of the annual distributions on preferred shares received by the U.S. Holder during the preceding three years or the U.S. Holder s holding period, whichever is shorter, will be subject to taxation as described above. Certain elections may be available (including a mark-to-market election) to U.S. persons that may mitigate the adverse consequences resulting from PFIC status.

In addition, if we are treated as a PFIC in a taxable year in which we pay a dividend or the prior taxable year, the 15% dividend rate discussed above with respect to dividends paid to non-corporate holders will not apply in that year or the next year.

U.S. backup withholding and information reporting. Payment of dividends and other proceeds in connection with the preferred shares made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding unless the U.S. Holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) in the case of backup withholding, provides a taxpayer identification number on a properly completed Internal Revenue Service Form W-9 or a substitute form and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding is creditable against the U.S. Holder s federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

Table of Contents

BRAZILIAN TAX CONSEQUENCES

The following discussion is based on Brazilian law and practice as applied and interpreted as of the date of this prospectus, which are subject to change at any time. There is currently no treaty for the avoidance of double taxation between Brazil and the United States.

The following discussion mainly summarizes the principal Brazilian tax consequences of the transactions described in this prospectus to a U.S. holder not deemed to be domiciled in Brazil for Brazilian tax purposes (a U.S. holder). This discussion does not address all possible Brazilian tax consequences relating to the Exchange of Shares and does not address all the Brazilian tax considerations that may be applicable to any particular non-Brazilian holder. You should consult your own tax advisor regarding taxes that may arise in connection with the Exchange of Shares.

Despite the lack of specific provisions in Brazilian tax legislation with respect to the Share Exchange, there are good legal grounds to sustain that the exchange by a U.S. person or entity of preferred shares that are registered as a foreign portfolio investment under Resolution 2,689/00 of the National Monetary Council Regulations, or Resolution 2,689/00, or are registered as a foreign direct investment under Law 4,131/62 would not be subject to income tax pursuant to Brazilian law. However, the exercise of appraisal rights is a taxable transaction.

Taxation on Gains Share Exchange

There are good legal grounds to sustain that the exchange of shares would not be subject to income tax pursuant to Brazilian law. Nevertheless, in case these arguments do not prevail, the following rule will apply to calculate the taxable gains:

Gains that may be realized through the exchange of RIPI, DPPI or CBPI shares for Ultrapar shares (e.g., cases of foreign direct investment under Law 4,131/62) could be subject to tax at a rate of 15%, unless the investor is established in a tax haven, in which case the applicable rate would be 25%. This rule would apply even in case of an investment made under Resolution 2,689/00, since the exchange of shares would be considered as a transaction carried out off of a stock exchange. These gains would be measured by the difference between the transaction cost of RIPI, DPPI or CBPI shares and the amount attributed to the received Ultrapar shares upon the exchange of shares. Both amounts should be considered in Brazilian currency without any correction for inflation as of 1996. Although there is a controversy surrounding this issue, there are arguments to sustain that the transaction cost of foreign investments should be indexed in foreign currency.

Taxation on Gains Exercise of Appraisal Rights

Gains that may be realized through the exercise of appraisal rights would be subject to tax at a rate of 15%, unless the investor is established in a tax haven, in which case the applicable rate would be 25%. This rule would apply even in case of an investment made under Resolution 2,689/00, since the exercise of appraisal rights would be considered as a transaction carried out off of a stock exchange. Both amounts should be treated as being in Brazilian currency without any correction for inflation as of 1996. Although there is a controversy surrounding this issue, there are arguments to sustain that the transaction cost of foreign investments should be indexed in foreign currency.

Taxation on Gains Future Disposals of Ultrapar s Shares

In case of future disposal of the preferred shares received upon the exchange of shares, potential gains realized by U.S. or non-resident holders would be taxed in Brazil, as follows:

In case of disposal to another U.S. holder or non-Brazilian holder, Brazilian income tax would apply, as of February 2004, at 15 %, except if the beneficiary is located in a low-tax jurisdiction, in which case the applicable rate would be of 25 %. There may be arguments to challenge the imposition of the

Table of Contents

Brazilian tax on this transaction. Nevertheless, because the provision is very recent and has not been tested before Brazilian courts, we may not predict whether this discussion will prevail in the future;

In case of transactions carried on the Brazilian stock exchanges by investors who entered the country under Resolution 2,689/00 of the National Monetary Council Regulations, a tax exemption would apply and gains would not be taxed in Brazil, except if the investor is domiciled in a tax haven, in which case the applicable rate would be of 15%;

In case of transactions carried outside of the Brazilian stock exchange by investors under Resolution 2,689/00, the applicable withholding tax rate would be 15%, except if the investor is located in a low-tax jurisdiction, in which case the applicable rate would be 25%;

In case of transactions carried on, or out of, the Brazilian stock exchange by investors that are not under Resolution 2,689/00 (Law 4,131/62 regime), the applicable withholding tax would be 15%, except if the transaction is carried out of the Brazilian stock exchange and the beneficiary is located in a tax haven, in which case the applicable rate would be 25%.

There can be no assurance that the current preferential treatment for U.S. and non-Brazilian holders of shares under Resolution 2,689/00 will be maintained.

Gain on the disposal of shares is measured by the difference between the amount in Brazilian currency realized on the sale or exchange and the Transaction cost of the shares sold, measured in Brazilian currency, without any correction for inflation as of 1996. Although there is a controversy surrounding this issue, there are arguments to sustain that the Transaction cost of foreign investments should be indexed in the currency of that foreign country.

Shareholders Compensation

Taxation of dividends and interest on capital will be the same for RIPI, DPPI and CBPI shareholders.

(A) Taxation of Dividends. Dividends paid by Ultrapar in cash or in kind out of profits generated on or after January 1, 1996 to a non-Brazilian holder in respect of preferred shares will not be subject to Brazilian withholding tax.

(B) Distributions of Interest on Capital. Brazilian corporations may make payments to shareholders characterized as interest on capital as an alternative to making dividend distributions. The rate of interest may not be higher than the federal government s long-term interest rate, or the TJLP, as determined by the Central Bank from time to time. The total amount distributed as interest on capital may not exceed the greater of (i) 50% of net income (before taking the distribution and any deductions for income taxes into account) for the year in respect of which the payment is made or (ii) 50% of retained earnings for the year prior to the year in respect of which the payment is made. Payments of interest on capital are approved by the shareholders on the basis of recommendations of the company s board of directors. Usually the board of directors approves the payment of interest on capital, subject to ratification by the general meeting.

Distributions of interest on capital paid to Brazilian and non-Brazilian holders of common shares and preferred shares are deductible by Ultrapar for Brazilian corporate tax purposes, within the limits referred above. Payments to non-Brazilian holders are subject to Brazilian withholding tax at the rate of 15%. If the recipient of the payment is domiciled in a tax haven jurisdiction (i.e., a country that does not impose any income tax or that imposes tax at a rate of less than 20%), the rate will be 25%. The tax treatment of interest on capital at the recipient level varies according to such recipient s jurisdiction. You should consult with your own tax advisor regarding the tax treatment applicable to you.

Amounts paid as interest on capital (net of applicable withholding tax) may be treated as payments in respect of the dividends Ultrapar is obligated to distribute to its shareholders in accordance with its by-laws and the Brazilian Corporate Law. Distributions of interest on capital in respect of common shares and preferred shares may be converted into U.S. dollars and remitted outside of Brazil, subject to applicable exchange controls.

Table of Contents

No assurance can be given that the board of directors of Ultrapar will recommend that future distributions of profits will be made by means of interest on capital. Whether the board of directors of Ultrapar will recommend the distribution of profits by means of interest on capital or dividends will depend on Ultrapar s tax position and corporate/tax legislation in force on the date of the recommendations.

Other Brazilian Taxes

The exchange of shares will not trigger any Brazilian inheritance, gift or succession taxes (Imposto sobre Transmissão Causa Mortis e Doações ITCMD) or Contribution on Financial Transfers (Contribuição Provisória sobre Movimentação Financeira CPMF) or Tax on Financial Transactions (Imposto sobre Operações Financeiras IOF), except in case of exercise of appraisal rights, in which case CPMF may apply. Some Brazilian states impose ITCMD on gifts or bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such states.

Law No. 8,894, dated as of June 21, 1994, created the IOF, which may be imposed on any transaction involving bonds and securities, even if the transaction includes Brazilian stock, futures or commodities exchanges, or exchange as well as currency transactions.

The rate of IOF with respect to transactions involving shares is currently zero, although the executive branch may increase the rate up to 1.5% per day of the terms of the securities, but only with respect to future transactions.

The current applicable rate for almost all foreign currency exchange transactions is also zero. Notwithstanding this, the Ministry of Finance may increase the rate at any time, up to 25%. However, it may only do so with respect to future transactions.

CPMF is a tax imposed on bank account debits at a rate of 0.38%. Although the CPMF is set to expire on December 31, 2007, the Brazilian Federal Government may extend it, as it already has done several times, or transform the CPMF into a permanent tax. The burden of the CPMF tax is borne by the holder of the bank account (in this case, Ultrapar) and the responsibility for the CPMF tax collection is of the financial institution that carries out the relevant financial transaction.

Table of Contents

EXTRAORDINARY SHAREHOLDERS MEETINGS OF RIPI, DPPI, CBPI AND ULTRAPAR

RIPI Will Hold its Extraordinary Shareholder Meeting on December 18, 2007

The RIPI extraordinary shareholder meeting will be held on December 18, 2007 at 9:00 a.m. (São Paulo time) at RIPI s headquarters, located at Rua Engenheiro Heitor Amaro Barcellos, 551, City of Rio Grande, State of Rio Grande do Sul, Brazil. At the extraordinary shareholder meeting, RIPI s common shareholders will be asked:

- to approve all the terms and conditions of the Share Exchange pursuant to the Protocol and Justification and to authorize the company s executive officers to take all necessary actions with respect thereto;
- to approve an amendment to the bylaws; and
- to transact any other business as may properly be brought before the RIPI extraordinary shareholder meeting or any adjournment or postponement of the RIPI extraordinary shareholder meeting.

You may not vote at the RIPI extraordinary shareholder meeting as a holder of RIPI preferred stock, although you may attend.

DPPI Will Hold its Extraordinary Shareholder Meeting on December 18, 2007

The DPPI extraordinary shareholder meeting will be held on December 18, 2007 at 9:00 a.m. (São Paulo time) at DPPI s headquarters, located at Avenida Dolores Alcaraz Caldas, 90, City of Porto Alegre, State of Rio Grande do Sul, Brazil. At the extraordinary shareholder meeting, DPPI s common shareholders will be asked:

- to approve all the terms and conditions of the Share Exchange pursuant to the Protocol and Justification and to authorize the company s executive officers to take all necessary actions with respect thereto;
- to approve an amendment to the bylaws; and
- to transact any other business as may properly be brought before the DPPI extraordinary shareholder meeting or any adjournment or postponement of the DPPI extraordinary shareholder meeting.

You may not vote at the DPPI extraordinary shareholder meeting as a holder of DPPI preferred stock, although you may attend.

CBPI Will Hold its Extraordinary Shareholder Meeting on December 18, 2007

The CBPI extraordinary shareholder meeting will be held on December 18, 2007 at 5:00 p.m. (São Paulo time) at CBPI s headquarters, located at Rua Francisco Eugênio, 329 , City of Rio de Janeiro, State of Rio de Janeiro, Brazil. At the extraordinary shareholder meeting, CBPI s common shareholders will be asked:

- to approve all the terms and conditions of the Share Exchange pursuant to the Protocol and Justification and to authorize the company s executive officers to take all necessary actions with respect thereto;
- to approve an amendment to the bylaws; and

to transact any other business as may properly be brought before the CBPI extraordinary shareholder meeting or any adjournment or postponement of the CBPI extraordinary shareholder meeting.

You may not vote at the CBPI extraordinary shareholder meeting as a holder of CBPI preferred stock, although you may attend.

Ultrapar Will Hold its Extraordinary Shareholder Meeting on December 18, 2007

The Ultrapar extraordinary shareholder meeting will be held on December 18, 2007 at 7:00 p.m. (São Paulo time) at its headquarters at Avenida Brigadeiro Luis Antônio 1343, 9 floor, City of São Paulo, State of São Paulo, Brazil. At the extraordinary shareholder meeting, Ultrapar common shareholders will be asked:

to approve all the terms and conditions of the Share Exchange pursuant to the Protocol and Justification and to authorize the company s executive officers to take all necessary actions with respect thereto;

to approve an amendment to the bylaws;

108

Table of Contents

- to ratify the engagement of Deutsche Bank to deliver the Deutsche Bank Valuation Report;

- to approve a capital increase in connection with the Share Exchange; and

- to transact any other business as may properly be brought before the Ultrapar extraordinary shareholder meeting or any adjournment or postponement of the Ultrapar extraordinary shareholder meeting.

Table of Contents

INFORMATION ABOUT THE COMPANIES

Ultrapar

Ultrapar Participações S.A., or Ultrapar, is a *sociedade anônima* incorporated under the laws of the Federative Republic of Brazil. We have a significant market presence in the business areas in which we operate. We are the leader in LPG distribution in Brazil through Ultragaz, with a 24% market share, and one of the largest independent distributors in the world in terms of volume sold. We deliver LPG to an estimated 10 million households using our own vehicle fleet and also through approximately 4,000 independent retailers. We are the largest producer in South America of ethylene oxide and its principal derivatives, with an extensive business in the domestic and international markets. Through Ultracargo, we are a leading provider of integrated logistics for special bulk cargo in Brazil. We offer integrated multimodal transportation, loading and unloading services and the management of third-party fleets. Our high storage capacity, together with the strategic location of our assets, facilitates product movement along an integrated multimodal logistics system. With the acquisition of Ipiranga s fuel distribution business in the south and southeast regions of Brazil, we became the second largest Brazilian fuel distributor with approximately 15% market share. In 2006, we estimate that the Target Operations net sales in the fuel distribution business amounted to approximately R$19 billion.

Additional information about Ultrapar and its subsidiaries is included in our 2006 Form 20-F, which is included as an annex to this document. See Where You Can Find More Information on page 217.

Ratio of Earnings to Combined Fixed Charges and Preference Securities

The following table sets forth our ratio of earnings to combined fixed charges and preference securities for the periods indicated:

	As of June 30,		As of December 31,				
	2007	**2006**	**2002**	**2003**	**2004**	**2005**	**2006**
Ratio of earnings to combined fixed charges and preference securities (1)	2.18	3.27	4.11	5.38	9.00	4.17	3.29

(1) For the purpose of calculating the ratio of earnings to combined fixed charges and preference securities, earnings consist of income from continuing operations before taxation and minority interests plus fixed charges and after deduction of the unremitted pre-tax income of companies accounted for by the equity method. Combined fixed charges and preference dividends consist of total interest expense, including or excluding interest on deposits as appropriate, and the proportion of rental expense deemed representative of the interest factor. Combined fixed charges and preference dividends include dividends and interest paid on the preferred shares.

The Ipiranga Group

The Ipiranga Group operated Brazil s second-largest fuel distributor, with a network of approximately 4,200 service stations and a 19% market share as of December 31, 2006. Ipiranga also had a significant presence in the petrochemicals market, with the production of 650,000 tons of petrochemical resins a year and an oil refinery business in southern Brazil. The Ipiranga Group conducted its refinery business through RIPI, its fuel distribution business through CBPI and DPPI and its petrochemical business through IQ and IPQ and held a 29.5% interest in Copesul (with Braskem owning another 29.5%), which is Brazil s second-largest producer of petrochemicals.

RIPI

RIPI is an oil refinery in the state of Rio Grande do Sul, in the Southern region of Brazil. As of December 31, 2006, RIPI s nominal capacity was 17,000 barrels per day, and its principal products include gasoline, diesel, naphtha, fuel oil, LPG and kerosene. During 2006, RIPI faced difficulties in keeping its operations at full capacity, due to an increase in international oil prices, to which its costs are linked, without a

Table of Contents

corresponding increase in oil derivatives prices in Brazil. This led RIPI to suspend its operations for five months during the year. In 2006, the average production of the refinery was 7,158 barrels per day, which represented 42% of the refinery s nominal capacity, and RIPI s market share reached 0.4% of the Brazilian market, according to ANP data. RIPI s principal executive offices are located at Rua Engenheiro Heitor Amaro Barcellos, 551, City of Rio Grande, State of Rio Grande do Sul, Brazil.

DPPI

DPPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in the State of Rio Grand do Sul and the western portion of the State of Santa Catarina, Brazil. DPPI is also the controlling entity of CBPI, the company responsible for the fuels distribution business of the Ipiranga Group in the remaining Brazilian territory. DPPI s share of the Brazilian fuels market is 2.6%. A substantial portion of DPPI net sales is derived from the sale of diesel and gasoline. DPPI s principal executive offices are located at Avenida Dolores Alcaraz Caldas, 90, City of Porto Alegre, State of Rio Grande do Sul, Brazil.

CBPI

CBPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in Brazil, with the exception of those regions in which DPPI operates and the States of Roraima and Amapá. CBPI is controlled by DPPI. CBPI s share of the Brazilian fuels market was 16.9 % as of December 31, 2006. In addition to selling gasoline and fuel alcohol, CBPI also sells diesel, vehicular natural gas, fuel oil, kerosene and lubricants. Together with DPPI, CBPI forms Brazil s second-largest fuel distributor, with a network of approximately 4,200 service stations and a 19% market share as of December 31, 2006. CBPI s principal executive offices are located at Rua Francisco Eugênio, 329, City of Rio de Janeiro, State of Rio de Janeiro, Brazil.

The following diagram shows the corporate structure of the Ipiranga Group prior to the completion of the Transaction:

Table of Contents

ULTRAPAR MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULT OF OPERATIONS

A. Operating Results

The following discussion is based on and should be read in conjunction with Ultrapar s consolidated financial statements for the nine-month periods ended September 30, 2007 and 2006 and the six-month periods ended June 30, 2007 and 2006, as well as their respective notes, included in this prospectus, the sections Other Information and Selected Consolidated Historical Financial Data of Ultrapar and other financial information presented elsewhere in this prospectus.

Following the closing of our acquisition of Ipiranga on April 18, 2007, the second and third quarters of 2007 were the only time periods for which the operating results of Ipiranga that are discussed below were consolidated with ours. Accordingly, this discussion does not include period-to-period comparisons of Ipiranga s contributions to our operating results for the nine-month period ended September 30, 2007 or the six-month period ended June 30, 2007 to the corresponding periods of 2006.

This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. Ultrapar s actual results may differ significantly from those discussed in these estimates and forward looking statements as a result of various factors, including, without limitation, those described in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

Overview

Our principal businesses are:

- the LPG distribution business, conducted by our wholly-owned subsidiary Ultragaz;

- the fuel distribution business, conducted by our subsidiaries DPPI and CBPI, which we acquired through our acquisition of the controlling stake of the Ipiranga Group and which through the Southern Distribution Business made us the second largest Brazilian fuel distributor with an approximate 15% market share. See The Transaction ;

- chemical and petrochemical businesses, conducted by our wholly owned subsidiary Oxiteno; and

- logistics services for special bulk cargo, conducted by our wholly owned subsidiary Ultracargo.

Ultragaz sells LPG to the residential, commercial and industrial market segments. Ipiranga distributes fuels in the Southeast and South of Brazil. Oxiteno produces ethylene oxide and its principal derivatives, and is also a significant producer of specialty chemicals, manufacturing approximately 700 products used in various industrial sectors such as polyethylene terephthalate, or PET, packaging, polyester, textiles, paints, cosmetics and detergents. Ultracargo operates a fleet of trucks specialized in the transport of products that require special handling and maintains storage facilities at railroad junctions and port terminals.

Brazilian economic background

Since most of our operating businesses are located in Brazil, we are significantly affected by Brazil s economic and social conditions, including, but not limited to, gross domestic product, or GDP, growth rates, the domestic rate of inflation and exchange rate fluctuations.

Gross domestic product. In the first half of 2007, Brazilian GDP grew by 4.8%, compared to the same period in 2006. This growth was mainly influenced by the improved performance of the industrial sector as a result of lower interest rates, greater credit availability and expansion in the Brazilian population income.

Inflation and currency fluctuations. Our cash operating expenses are substantially in *reais* and tend to increase with inflation. However, a significant portion of our costs of sales and services rendered are linked to the

Table of Contents

U.S. dollar and are not substantially affected by the Brazilian inflation rate. In addition, some of our *real*-denominated debt is indexed to take into account the effects of inflation. In the first semester of 2007, the *real* appreciated by 10% against the U.S. dollar and the inflation rate for the period was 1.5%, as measured by the IGP-M.

The principal foreign exchange risk we face arises from certain U.S. dollar denominated costs and expenses. Although a substantial part of our debt is dollar-denominated, it is currently hedged against currency devaluation through the use of various derivative instruments or matching investments in the same currency. Additionally, a significant part of our raw materials is also denominated or indexed to the U.S. dollar. A large part of our sales is denominated in *reais*, although prices in the chemical business are benchmarked to prices prevailing in the international markets and denominated in U.S. dollars. Hence, we are exposed to foreign exchange rate risks which could negatively impact our businesses, financial situation and operating results as well as our capacity to service our debt.

The table below shows the inflation rate for the periods indicated, as measured by the IGP-M as well as the devaluation of the *real* against the U.S. dollar.

	Six-month period ended June 30,	
Index	**2007**	**2006**
General Price Index IGP-M	1.5%	1.4%
Devaluation (appreciation) of the *real* against the U.S. dollar	(9.9)%	(7.5)%

We manage the foreign exchange risk associated with the scheduled payments under the terms of our U.S. dollar indebtedness by investing in U.S. dollar-denominated securities and foreign currency/interest swap contracts, under which we pay variable interest in *reais* based on the interbank certificate of deposit rate, or CDI, and receive fixed interest in U.S. currency. As of June 30, 2007 our total obligations denominated in foreign currency were R$970.0 million, including pre-export finance contracts and import payables. At the same date our total asset position in foreign currency was R$799.4 million, composed of investments indexed to U.S. dollars and swap instruments used to manage fluctuations of exchange rates and foreign currency receivables exposures.

Interest rate

Interest rates in Brazil have been historically high, but the monetary authorities have gathered success in diminishing it in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was elevated to 26% per year, as a reply to the inflation bubble of the previous year. However, the interest rate was rapidly diminished yet during 2003 to 16%. Between 2004 and mid-2005, there was another tightening, as a reply to a quick inflation acceleration and to heating in the trade area. Now, once the inflation has been controlled, the basic rate was reduced to 11.25% per year on September 2007. The main interest rate risk in Ultrapar arises from the possibility of incurring losses due to interest rate fluctuations that increase interest expenses on loans and financing.

	Six-month period ended	Year ended December 31,		
Index	**June 30, 2007**	**2006**	**2005**	**2004**
Interest rate Selic	6%	15%	19%	16%

113

Table of Contents

Results of operations

The following discussion of our results of operations is based on the financial information derived from our consolidated financial statements prepared in accordance with Brazilian GAAP.

Nine-month period ended September 30, 2007 compared to the nine-month period ended September 30, 2006

The following table shows a summary of our results of operations for the periods ended September 30, 2007 and 2006:

	Period ended September 30, 2007	Percentage of net sales and services	Period ended September 30, 2006	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	13,518.0	100%	3,590.3	100%	277%
Cost of sales and services	(12,339.3)	91%	(2,889.3)	80%	327%
Gross profit	1,178.7	9%	701.0	20%	68%
Selling, general and administrative expenses	(834.6)	6%	(441.8)	12%	89%
Other operating income (expense), net	4.9	0%	1.8	0%	172%
Operating income before financial items	349.0	3%	261.0	7%	34%
Financial income (expense), net	(65.2)	0%	31.9	1%	(304%)
Non-operating income (expense), net	(2.9)	0%	(20.9)	1%	(86%)
Income and social contribution taxes	(77.2)	1%	(35.4)	1%	118%
Minority interest/equity in earnings of affiliates	(100.0)	1%	(2.9)	0%	3348%
Profit sharing	(4.5)	0%	0	0%	
Net income	**99.2**	**1%**	**233.7**	**7%**	**(58%)**

Net sales and services. Net sales and services for the nine-month period ended September 30, 2007 increased by 277% to R$13,518.0 million from R$3,590.3 million for the nine-month period ended September 30, 2006.

The following table illustrates the change in sales in each of our segments:

	Period ended September 30, 2007	2006	Percent change
	(in millions of *reais*)		
Ultragaz	2,342.4	2,292.3	2%
Ipiranga	9,836.3		
Oxiteno	1,205.1	1,162.4	4%
Ultracargo	170.6	172.1	(1)%

Ultragaz net sales and services increased by 2% to R$2,342.4 million for the nine-month period ended September 30, 2007 compared to R$2,292.3 million for the nine-month period ended September 30, 2006. The increase in net sales was driven by the 2% growth in sales volume, mainly in the bulk segment, which grew by 6% in the period.

Ipiranga s net sales amounted to R$9,836.3 million in the second and third quarters of 2007.

Oxiteno s net sales and services increased by 4% to R$1,205.1 million for the nine-month period ended September 30, 2007 compared to R$1,162.4 million for the nine-month period ended September 30, 2006. The

114

Table of Contents

increase in Oxiteno s net sales and services was mainly due to (i) the 10% growth in sales volume and (ii) the improvement in sales mix, with increased proportion of specialty chemicals volume of 75% in 2007, compared to 73% in 2006, which are higher value added products, and sales in the domestic market, which have higher prices. These effects were partially offset by the 8% appreciation in the Brazilian *real* against the U.S. Dollar.

Ultracargo s net sales and services decreased by 1% to R$170.6 million for the nine-month period ended September 30, 2007, compared to R$172.1 million for the nine-month period ended September 30, 2006. Although the effective storage levels were 17% higher than in 2007, the total kilometrage traveled was 25% lower than that in 2006 due to a restructuring of the Company s customer portfolio in the transport segment, which focused on services with a higher aggregate value.

Cost of sales and services. Cost of sales and services increased by 327% to R$12,339.3 million for the nine-month period ended September 30, 2007, compared to R$2,889.3 million for the nine-month period ended September 30, 2006.

Ultragaz cost of sales and services increased by 3% to R$1,981.8 million for the nine-month period ended September 30, 2007 compared to R$1,919.2 million for the nine-month period ended September 30, 2006, mainly due to higher sales volume.

Ipiranga s cost of sales and services amounted to R$ 9,315.4 million in the second and third quarters of 2007.

Oxiteno s cost of sales and services increased by 9% to R$976.7 million for the nine-month period ended September 30, 2007 compared to R$896.7 million for the nine-month period ended September 30, 2006. This increase was mainly due to an increase in the dollar cost of ethylene of 14%, its main raw material, and a 10% increase in sales volume, which were partially offset by the 8% appreciation of the *real* against the U.S. dollar.

Ultracargo s cost of sales and services decreased by 6% to R$104.0 million for the nine-month period ended September 30, 2007 from R$110.1 million for the nine-month period ended September 30, 2006. This decrease was a result of the reduction in the company s transport operations.

Gross profit. Gross profit increased by 68% to R$1,178.7 million for the nine-month period ended September 30, 2007 compared to R$701.0 million for the nine-month period ended September 30, 2006. Ultragaz gross profit was R$360.6 million for the nine-month period ended September 30, 2007, a 3% decrease compared to R$373.1 million for the nine-month period ended September 30, 2006. Ipiranga s gross profit was R$520.9 million in the second and third quarters of 2007. Oxiteno s gross profit was R$228.4 million for the nine-month period ended September 30, 2007, a 14% decrease compared to R$265.7 million for the nine-month period ended September 30, 2006. Ultracargo s gross profit was R$66.6 million for the nine-month period ended September 30, 2007, a 7% increase compared with R$62.0 million for the nine-month period ended September 30, 2006.

Selling, general and administrative expenses. Our selling, general and administrative expenses increased by 89% to R$834.6 million for the nine-month period ended September 30, 2007 from R$441.8 million for the nine-month period ended September 30, 2006.

Ultragaz selling, general and administrative expenses increased by 6% to R$250.0 million for the nine-month period ended September 30, 2007 compared to R$236.3 million for the nine-month period ended September 30, 2006. This increase reflects (i) an increase in personnel expenses as a result of annual collective wage agreements (5%) and expansion in the size of the workforce compatible with the company s new commercial structure (3%); and (ii) higher expenses with advertising and marketing (R$4.9 million).

Table of Contents

Ipiranga s selling, general and administrative expenses amounted to R$ 354.3 million in the second and third quarters of 2007, the only time periods for which Ipiranga s results have been consolidated with ours following our acquisition of the Ipiranga Group that closed on April 18, 2007.

Oxiteno s selling, general and administrative expenses increased by 3% to R$160.0 million for the nine-month period ended September 30, 2007 compared to R$155.5 million for the nine-month period ended September 30, 2006, principally due to (i) an increase in volume sold of 10% and (ii) an increase in expenses at Oxiteno Mexico, mainly freight, which presented a 25% increase in volume sold.

Ultracargo s selling, general and administrative expenses decreased by 5% to R$51.1 million for the nine-month period ended September 30, 2007 compared to R$53.6 million for the nine-month period ended September 30, 2006, principally due to downsizing in the workforce as a result of the reduction in transport operations.

Operating income before financial items. Operating income before financial items increased by 34% to R$349.0 million for the nine-month period ended September 30, 2007 compared to R$261.0 million for the nine-month period ended September 30, 2006. Ultragaz operating income before financial items for the nine-month period ended September 30, 2007 was R$111.1 million, a 19% decrease compared to R$137.3 million compared to the nine-month period ended September 30, 2006. Ipiranga s operating income before financial items for the second and third quarters of 2007, was R$169.1 million. Oxiteno s operating income before financial items was R$69.7 million for the nine-month period ended September 30, 2007, a 37% decrease compared to R$111.4 million for the nine-month period ended September 30, 2006. Ultracargo s operating income before financial items was R$16.2 million for the nine-month period ended September 30, 2007, a 91% increase compared to the R$8.5 million for the nine-month period ended September 30, 2006.

Financial income (expense), net. We reported net financial expense of R$65.2 million for the nine-month period ended September 30, 2007, compared to a net financial income of R$31.9 million for the nine-month period ended September 30, 2006. The financial result for the nine months ended September 30, 2006 benefited from an extraordinary gain of R$43 million, due to the favorable outcomes of lawsuits related to the levying of PIS and COFINS taxes on financial revenues. In addition, the financial result for the nine months ended September 30, 2007 reflects Ultrapar s increase in net debt as a result of the payment related to the acquisition of the controlling stake of Ipiranga. Ultrapar s net debt position was R$1,278.2 million for the nine months ended September 30, 2007, compared to a net cash position of R$142.1 million for the same period of 2006.

Non-operating income (expense), net. We reported a net non-operating expense of R$2.9 million for the nine-month period ended September 30, 2007 compared to a net non-operating expense of R$20.9 million for the nine-month period ended September 30, 2006. This net expense is primarily attributable to (i) the write-off of deferred assets related to projects analysis of approximately R$12 million, (ii) the result on the scrapping of LPG cylinders (R$3 million) and (iii) loss provision in the investment in a subsidiary (R$2 million).

Income and social contribution taxes. Income and social contribution taxes expenses amounted to R$77.2 million for the nine-month period ended September 30, 2007, an increase of 118% from R$35.4 million for the nine-month period ended September 30, 2006. This increase is primarily due to higher pre-tax profit as a result of the consolidation of Ipiranga s results. In December 2006, the income tax exemption of Oxiteno s unit at Camaçari expired and a request was filed with the ADENE (Northeast Development Agency), which is responsible for the management of this incentive program, for a 75% reduction in income tax until 2016, which was deferred on May 25, 2007. On July 3, 2007, the report issued by ADENE was sent to the federal tax authorities for approval, which must occur within 120 days.

Minority interest/equity in earnings of affiliates. Minority interest and equity in earnings of affiliates increased to R$100.0 million for the nine-month period ended September 30, 2007, compared to R$2.9 million for the nine-month period ended September 30, 2006, reflecting the stake held by minority shareholders in Ipiranga. As of September 30, 2007, Ultrapar held 11.52% of CBPI s capital and 32.45% of DPPI s capital.

Table of Contents

Net income. As a result of the foregoing, net income for the nine-month period ended September 30, 2007 was R$99.2 million, a decrease of 58% compared to R$233.7 million for the nine-month period ended September 30, 2006.

Six-month period ended June 30, 2007 compared to the six-month period ended June 30, 2006

Initial Considerations. In April 2007 we acquired the controlling stake of certain companies of the Ipiranga Group, becoming owners of (i) the fuel and lubricant distribution businesses in the South and Southeast of Brazil, together with related activities, (ii) EMCA Empresa Carioca de Produtos Químicos, a producer of white mineral oils and special fluids, and (iii) a stake in the refinery operations. Ultrapar s figures in 2Q07 already consolidate the results from the acquired businesses as from the acquisition date. The references to Ipiranga correspond to the fuel and lubricant distribution businesses acquired in the South and Southeast of Brazil and related activities, as well as EMCA.

The following table shows a summary of our results of operations for the periods ended June 30, 2007 and 2006:

	Six-month period ended June 30, 2007	Percentage of net sales and services	Six-month period ended June 30, 2006	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	7,355.2	100%	2,295.1	100%	220%
Cost of sales and services	(6,655.1)	90%	(1,859.4)	81%	258%
Gross profit	700.1	10%	435.7	19%	61%
Selling, general and administrative expenses	(492.1)	7%	(287.7)	13%	71%
Other operating income (expense), net	4.1	0%	1.1	0%	273%
Operating income before financial items	212.1	3%	149.1	6%	42%
Financial income (expense), net	(35.2)	0%	34.8	2%	(201%)
Non-operating income (expense), net	(1.9)	0%	(13.2)	1%	(86%)
Income and social contribution taxes	(49.3)	1%	(24.1)	1%	(105%)
Minority interest/equity in earnings of affiliates	(48.3)	1%	(1.7)	0%	2,741%
Profit sharing	(2.8)	0%			
Net income	**74.6**	**1%**	**144.9**	**6%**	**(49)%**

Net sales and services. Net sales and services for the six-month period ended June 30, 2007 increased by 220% to R$7,355.2 million from R$2,295.1 million for the six-month period ended June 30, 2006.

The following table illustrates the change in sales in each of our segments:

	Six-month period ended June 30, 2007	2006	Percent change
	(in millions of *reais*)		
Ultragaz	1,533.0	1,475.3	4%
Ipiranga	4,958.8		
Oxiteno	783.9	727.8	8%
Ultracargo	111.3	116.8	(5)%

Ultragaz net sales and services increased by 4% to R$1,533.0 million for the six-month period ended June 30, 2007 compared to R$1,475.3 million for the six-month period ended June 30, 2006. The increase in net sales was driven by the 3% growth in sales volume, mainly in the bulk segment, which grew by 7% in the period.

Table of Contents

Ipiranga s net sales amounted to R$4,958.8 in the second quarter of 2007.

Oxiteno s net sales and services increased by 8% to R$783.9 million for the six-month period ended June 30, 2007 compared to R$727.8 million for the six-month period ended June 30, 2006. The increase in Oxiteno s net sales and services was mainly due to (i) the 11% growth in sales volume and (ii) the improvement in sales mix, with increased proportion of specialty chemicals volume of 75% in 2007, compared to 72% in 2006, which are higher added value products, and sales in the domestic market. These effects were partially offset by the 7% appreciation in the Brazilian Real against the U.S. dollar.

Ultracargo s net sales and services decreased by 5% to R$111.3 million for the six-month period ended June 30, 2007, compared to R$116.8 million for the six-month period ended June 30, 2006. Although the effective storage levels were 17% higher than in 2007, the total kilometrage traveled was 28% lower than that in 2006 due to a restructuring of the company s customer portfolio in the transport segment, which focused on services with a higher aggregate value.

Cost of sales and services. Cost of sales and services increased by 258% to R$6,655.1 million for the six-month period ended June 30, 2007, compared to R$1,859.4 million for the six-month period ended June 30, 2006.

Ultragaz cost of sales and services increased by 3% to R$1,288.0 million for the six-month period ended June 30, 2007 compared to R$1,245.9 million for the six-month period ended June 30, 2006, mainly due to higher sales volume.

Ipiranga s cost of sales and services amounted to R$4,702.4 million in the second quarter of 2007.

Oxiteno s cost of sales and services increased by 12% to R$630.4 million for the six-month period ended June 30, 2007 compared to R$564.0 million for the six-month period ended June 30, 2006. This increase was mainly due to an increase in the dollar cost of ethylene of 16%, its main raw material, and an 11% increase in sales volume, which were partly offset by the 7% appreciation of the *real* against the U.S. dollar.

Ultracargo s cost of sales and services decreased by 9% to R$67.5 million for the six-month period ended June 30, 2007 from R$74.5 million for the six-month period ended June 30, 2006. This decrease was a result of the reduction in the company s transport operations.

Gross profit. Gross profit increased by 61% to R$700.1 million for the six-month period ended June 30, 2007 compared to R$435.7 million for the six-month period ended June 30, 2006. Ultragaz gross profit was R$245.0 million for the six-month period ended June 30, 2007, a 7% increase compared to R$229.4 million for the six-month period ended June 30, 2006. Ipiranga s gross profit was R$256.4 million in the second quarter of 2007. Oxiteno s gross profit was R$153.5 million for the six-month period ended June 30, 2007, a 6% decrease compared to R$163.8 million for the six-month period ended June 30, 2006. Ultracargo s gross profit was R$43.8 million for the six-month period ended June 30, 2007, a 4% increase compared with R$42.3 million for the six-month period ended June 30, 2006.

Selling, general and administrative expenses. Our selling, general and administrative expenses increased by 71% to R$492.1 million for the six-month period ended June 30, 2007 from R$287.7 million for the six-month period ended June 30, 2006.

Ultragaz selling, general and administrative expenses increased by 9% to R$166.7 million for the six-month period ended June 30, 2007 compared to R$153.6 million for the six-month period ended June 30, 2006. This increase reflects (i) an increase in personnel expenses as a result of annual collective wage agreements (5%) and expansion in the size of the workforce compatible with the company s new commercial structure (5%); and (ii) higher expenses with advertising and marketing (R$2.5 million).

Table of Contents

Ipiranga s selling, general and administrative expenses amounted to R$174.8 in the second quarter of 2007.

Oxiteno s selling, general and administrative expenses increased by 7% to R$107.7 million for the six-month period ended June 30, 2007 compared to R$100.4 million for the six-month period ended June 30, 2006, principally due to (i) an increase in volume sold of 11% and (ii) an increase in expenses at Oxiteno Mexico, mainly freight, which presented a 24% increase in volume sold in the first half of 2007 compared to 2006.

Ultracargo s selling, general and administrative expenses decreased by 7% to R$33.7 million for the six-month period ended June 30, 2007 compared to R$36.1 million for the six-month period ended June 30, 2006, principally due to downsizing in the workforce as a result of the reduction in transport operations.

Operating income before financial items. Operating income before financial items increased by 42% to R$212.1 million for the six-month period ended June 30, 2007 compared to R$149.1 million for the six-month period ended June 30, 2006. Ultragaz operating income before financial items for the six-month period ended June 30, 2007 was R$78.8 million, a 3% increase compared to R$76.4 million compared to the six-month period ended June 30, 2006. Ipiranga s operating income before financial items in the second quarter of 2007, was R$84.2 million. Oxiteno s operating income before financial items was R$46.1 million for the six-month period ended June 30, 2007, a 28% decrease compared to R$64.0 million for the six-month period ended June 30, 2006. Ultracargo s operating income before financial items was R$10.8 million for the six-month period ended June 30, 2007, a 74% increase compared to the R$6.2 million for the six-month period ended June 30, 2006.

Financial income (expense), net. We reported net financial expense of R$35.2 million for the six-month period ended June 30, 2007, compared to a net financial income of R$34.8 million for the six-month period ended June 30, 2006. The financial result in the first semester of 2006 was benefited from an extraordinary gain of R$43 million, due to the winning of lawsuits related to the levying of PIS and COFINS taxes on financial revenues. In addition, the financial result in the first half of 2007 reflects Ultrapar s increase in net debt as a result of the payment related to the acquisition of the controlling stake of Ipiranga. Ultrapar ended the semester with a net debt position of R$1,176.3 million, compared to a net cash position of R$162.1 million as of June 30, 2006.

Non-operating income (expense), net. We reported a net non-operating expense of R$1.9 million for the six-month period ended June 30, 2007 compared to a net non-operating expense of R$13.2 million for the six-month period ended June 30, 2006. This net expense as of June 30, 2006 is primarily attributable to (i) the write-off of deferred assets related to projects analysis of approximately R$6 million and (ii) the result on the sale of property, plant and equipment (R$2 million) and scraping of bottles (R$3 million).

Income and social contribution taxes. Income and social contribution taxes expenses amounted to R$49.3 million for the six-month period ended June 30, 2007, an increase of 105% from R$24.1 million for the six-month period ended June 30, 2006. This increase is primarily due to higher pre-tax profit as a result of the aggregation of Ipiranga s results. In December 31, 2006, the income tax exemption enjoyed by Oxiteno s unit at Camaçari expired and a request was filed with ADENE (Northeast Development Agency), responsible to manage this incentive program, asking for a 75% reduction in income tax until 2016, which was deferred on May 25, 2007. On July 3, 2007, the report issued by ADENE was sent to the Federal Tax Authorities for approval, which has a time limit of 120 days to occur.

Minority interest/equity in earnings of affiliates. Minority interest and equity in earnings of affiliates increased to R$48.3 million for the six-month period ended June 30, 2007, compared to R$1.7 million for the six-month period ended June 30, 2006, reflecting the stake held by minority shareholders in Ipiranga. As of June 30, 2007, Ultrapar held 11.52% of CBPI capital and 32.45% of DPPI capital.

Net income. As a result of the foregoing, net income for the six-month period ended June 30, 2007 was R$74.6 million, a decrease of 49% compared to R$144.9 million for the six-month period ended June 30, 2006.

Table of Contents

B. Liquidity and Capital Resources

Our principal sources of liquidity are cash generated from operations and financing. We believe that these sources will continue to be sufficient to satisfy our current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends.

From time to time, we examine the opportunities for acquisitions and investments. We consider different types of investments, either direct or through subsidiaries, joint ventures, or affiliated companies. We finance such investments using cash generated from our operations, through funding raised in the capital markets, through capital increases or through a combination of these methods.

Sources and Uses of Funds

Net cash flow from operations was R$181.2 million and R$138.3 million for the six months ended June 30, 2007 and 2006, respectively. Our cash flow from operations increased by R$42.9 million in the six months ended June 30, 2007 compared to 2006, mainly reflecting the increase in our operation results due to the acquisition of Ipiranga. Net cash flow from financing activities amounted to R$645.2 million and R$(136.3) million for the six months ended June 30, 2007 and 2006, respectively, reflecting an increase in 2007 due to the issuance of R$675 million in debentures in April, 2007 to finance the acquisition of shares from Ipiranga s Key Shareholders.

Investing activities used net cash of R$398.1 million and R$619.9 million for the six months ended June 30, 2007 and 2006, respectively. The decrease of R$221.8 million in the investing activities comes from a reduction of R$570.6 in short term investments, partially offset by the increase in acquisitions of property, plant and equipment and additions to intangible assets and deferred charges.

As of June 2007, Ultrapar had R$785.0 million in cash, cash equivalents, derivatives, short- and long-term investments. Ultrapar will spend approximately R$3.9 billion over the next five years to meet the long-term contractual obligations described in Tabular Disclosure of Contractual Obligations . Ultrapar expects to meet these cash requirements through a combination of cash generated from operating activities, cash generated by financing activities and the reimbursement from Petrobras and Braskem of approximately R$1.7 billion after the Share Exchange.

Table of Contents

Indebtedness

As of June 30, 2007, our consolidated short and long-term debt was as follows:

Indebtedness	Currency	Interest Rate(1)	Principal amount of outstanding and accrued interest through June 30,
Foreign currency-denominated loans:			
Syndicated loan	US$	5.05%	115.7
Notes due in 2008	US$	9.88%	112.5
Notes due in 2015	US$	7.25%	482.5
Notes due in 2020	US$	9.00%	115.9
Export prepayment(2)	US$	6.20%	6.7
Advances on Foreign Exchange Contracts	US$	5.20% to 6.20%	36.8
BNDES National Bank for Economic and Social Development	UMBNDES(ii)	4.50% to 10.38%	9.0
BNDES National Bank for Economic and Social Development	US$	7.68% to 10.83%	10.6
Financing of Inventories and Property Plant & Equipment	MX$(i)	TIIE(i) +1.1% to 2.0%	22.7
Financing of Inventories and Property Plant & Equipment	US$	LIBOR + from 1.5% to 1.75%	3.2
Import financing (REFINIMP)	US$	6.8%	2.0
Import financing (FINIMP)	US$	LIBOR + 0.23%	5.2
Working capital loan	MX$(i)	TIIE(i) + 1.0%	6.4
Working capital loan	US$	From 7.12 to 8.55	2.6
Foreign Financing	US$	LIBOR + 2.0%	23.6
***Real*-denominated loans:**			
BNDES National Bank for Economic and Social Development	R$	TJLP(iii) + 1.8% to 4.85%	199.7
BNDES National Bank for Economic and Social Development	R$	IGPM(iv) + 6.5%	4.7
FINEP Research and Projects Financing	R$	TJLP(iii) (2.0)% to 5.0%	67.3
FINAME Financing for Machines and Equipment	R$	TJLP(iii) + 2.5% to 5.10%	73.8
Debentures	R$	102.5% of CDI(v)	312.1
Debentures	R$	102.5% of CDI(v)	692.7
Debentures	R$	103.8% of CDI(v)	360.5
BNB	R$	9.8% to 11.5%	44.2
Financial Institutions	R$	100% of CDI(v)	91.4
Debit balance	R$	Free of charge	15.0
Other	R$		0.3
Total loans	R$		2,817.1
Unrealized losses on swaps transactions			67.4
Total			2,884.5

(i) MX$ = Mexican pesos, TIIE = Mexican break-even interbank interest rate.
(ii) UMBNDES = BNDES monetary unit. This is a basket of currencies representing the composition of BNDES debt in foreign currency, 93% of which is linked to the U.S. dollar.
(iii) TJLP = Brazilian long-term interest rate.
(iv) IGP-M = general market price index, is a measure of Brazilian inflation calculated by the Getúlio Vargas Foundation.

(v) CDI = Brazilian Interbank deposit rate.

Table of Contents

Our consolidated debt as of June 30, 2007 had the following maturity schedule:

Maturity	**Amount (in millions of *reais*)**
July 01, 2007 to June 30, 2008	1,385.4
July 1, 2008 to June 30, 2009	433.0
July 1, 2009 to June 30, 2010	219.1
July 1, 2010 to June 30, 2011	164.2
July 1, 2011 to June 30, 2012	36.2
Thereafter	646.6
Total	2,884.5

As of June 30, 2007, R$74.4 million of our consolidated debt was secured by property, plant and equipment and R$4.7 million was secured by shares of affiliated companies and by guarantees provided by minority shareholders. Other loans are collateralized by guarantees issued by us and by the future flow of exports. The Company is responsible for securities and guarantees offered on behalf of its subsidiaries, amounting to R$979.2 million as of June 30, 2007.

Investments

Equity investments

The table below shows our investments in shareholding stakes for the periods ended June 30, 2007 and 2006.

Company	**Six-month period ended June 30, 2007**	**2006**
Ultragaz		
Ipiranga		
Oxiteno		
Ultracargo	8.1	
Others(1)	697.4	
Total	705.5	

(1) Includes share repurchase program included in our consolidated statement of cash flows under Cash flows from financing activities Other, and the amount related to the acquisition of the controlling stake in Ipiranga.

122

Table of Contents

Investments in permanent assets and deferred charges

The following table sets forth our investments in permanent assets and deferred charges for the six-month periods ended June 30, 2007 and 2006.

	Six-month period ended June 30, 2007	Six-month period ended June 30, 2006
Ultragaz	56.5	51.2
Ipiranga(1)	32.0	
Oxiteno	205.9	66.3
Ultracargo	22.4	21.1
Others(2)	13.4	0.3
Total capital expenditures	330.2	138.9
Disposals	(10.5)	(3.7)
Total capital expenditures, net of disposals	319.7	135.3

(1) Includes customer financing, net of its amortization and leasing.

(2) Includes expenditures related to maintenance of our headquarters which is performed by our wholly owned subsidiary Imaven Imóveis e Agropecuária Ltda.

At Ultragaz, our investments were mainly in the renewal of existing cylinders and tanks, as well as in the expansion of the overall business.

At Ipiranga, R$30 million was allocated mainly towards the renovation and operational improvement of the company s service stations and distribution facilities and for the expansion of NGV service stations. Of the total amount invested, R$16 million referred to the addition of property, plant and equipment (PP&E) and deferred charges, net of disposals, R$6 million referred to the financing operations for the company s clients (financing operations for the company s clients are reported as the working capital on the Statement of Cash Flows), net of repayment, and R$7 million referred to assets acquired through leasing operations.

At Oxiteno, investments were basically concentrated on production capacity expansion projects, particularly in the building of the fatty alcohol plant, expansion of specialty chemical production capacity and expansion of the ethylene oxide production capacity at Mauá.

At Ultracargo investments were primarily allocated towards the expansion of the Aratu terminal for the storage of palm oil and the maintenance of its operational bases.

U.S. GAAP reconciliation

Our net income under Brazilian GAAP was R$74.6 million and R$144.9 million for the six-month periods ended June 30, 2007 and 2006, respectively. Under U.S. GAAP, we had net income of R$78.3 million and R$143.7 for the six-month periods ended June 30, 2007 and 2006, respectively.

Our shareholders equity under Brazilian GAAP as of June 30, 2007 was R$1,987.4 million. Under U.S. GAAP, we had shareholders equity of R$1,935.9 million as of June 30, 2007.

The principal differences between Brazilian GAAP and U.S. GAAP that affect our net income and shareholders equity relate to the treatment of the following items:

capitalized interest;

fixed assets revaluation reversal;

reversal of deferred charges;

Table of Contents

restatement of property, plant and equipment to adjust for the effects of inflation between January 1, 1996 and June 30, 1997, and its respective depreciation, not required by Brazilian GAAP;

differences in equity accounting;

differences in goodwill accounting;

securities available for sale;

purchase value adjustments relating to business combinations (including the 2002 corporate restructuring);

fair value adjustments of derivatives; and

deferred tax effects on the foregoing adjustments.

See Note 24 to our consolidated financial statements for a description of the differences above as they relate to us and a reconciliation to U.S. GAAP of net income and total shareholders equity.

C. Research and Development, Patents and Licenses, etc.

Oxiteno carries on a wide range of research and development activities, principally related to the application of specialty chemicals and improvements in production processes. As of June 30, 2007, 123 employees of Oxiteno were engaged in research and development and engineering activities. Oxiteno s research and development expenditures in the first half of 2007 was R$9.1 million.

D. Trend Information

LPG business

Since 2003, LPG prices charged to LPG distributors in Brazil have been stable, despite increases in oil and LPG prices in the international markets. However, appreciation of the *real* compared to the U.S. dollar has partially offset the increase in international LPG prices, decreasing the discrepancy between LPG prices in Brazil and in the international markets. We cannot guarantee that this trend will continue. Any sharp increase in LPG prices charged to LPG distributors could have an impact on Ultragaz s results, should it not be able to pass on such cost increase to its customers.

In 2006, the Bolivian Federal Government announced the nationalization of its reserves of natural gas, for which one of our products, LPG, is a suitable substitute in the bulk segment. This announcement created uncertainties related to the supply of natural gas in Brazil given that a significant portion of the natural gas consumed in Brazil is supplied by Bolivia. Uncertainties regarding natural gas supply in Brazil have positively influenced the Brazilian LPG market such that bulk clients have begun to reconsider switching from using LPG to using natural gas as an energy source. A shortage in natural gas supply in Brazil could have a positive influence on Brazilian LPG market demand, thus increasing the volume Ultragaz sells in the future, but we cannot guarantee that this trend will continue.

Chemical and petrochemical business

Oxiteno s revenues in 2007 were negatively impacted by the appreciation of the *real* against the U.S. dollar that has persisted since 2003, as a large portion of Oxiteno s product prices are linked to the U.S. dollar. See Exchange Rates . We cannot guarantee that this trend will continue. The continuation of a significant appreciation of the *real* compared to the U.S. dollar could have a negative impact on Oxiteno s revenues in the future.

Oxiteno s main raw material is the ethylene, which is produced from naphtha in Brazil. Naphtha prices in Brazil fluctuate with oil prices, which recently sharply increased in the international markets and impacted Oxiteno s costs. We cannot predict whether oil and ethylene prices will continue to increase. An increase in ethylene prices could have a negative impact on Oxiteno s results of operations if Oxiteno is not able to pass on cost increases to its customers.

Table of Contents

Fuel distribution business

See DPPI Management s Discussion and Analysis of Financial Condition and Results of Operations Trend Information and CBPI Management s Discussion and Analysis of Financial Condition and Results of Operations Trend Information .

E. Off Balance Sheet Arrangements

Our subsidiaries have provided guarantees to financial institutions related to amounts owed to those institutions by certain of their customers (vendor financing). The guarantees have a term of up to 210 days and are equal to the terms of the related financing arrangements. There are no recourse provisions or collateral that would enable the Company or its subsidiaries to recover any amounts paid to the financial institutions under these agreements. In the event such payments are made, the subsidiaries may recover such amounts paid directly from their customers. At June 30, 2007, the maximum potential payment under these guarantees totaled R$20.0 million, which represented a R$14.9 million decrease from December 31, 2006. As of June 30, 2007, the Company and its subsidiaries have not incurred any loss nor recorded any liability related to these guarantees.

F. Tabular Disclosure of Contractual Obligations

The following table summarizes our contractual obligations, as of June 30, 2007:

		Payment due by period			
Contractual obligations(1)	**Total**	**Up to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
			(in millions of *reais*)		
Financing	2,884.5	1,385.4	652.1	200.4	646.6
Estimated interest payments on financing(1)(2)	747.4	129.1	165.9	125.6	326.8
Estimated planned funding of pension and other postretirement benefit obligations(3)	173.0	5.2	11.3	12.4	144.1
Purchase obligations(4)	3,960.8	214.1	463.9	511.5	2,771.3
Operating leases(5)	91.4	5.6	11.2	11.2	63.4
Total contractual obligations	**7,857.1**	**1,739.4**	**1,304.4**	**861.1**	**3,952.2**

(1) The figures in this table do not include any contractual obligations assumed in connection with the Transaction.

(2) Includes estimated interest payments on our short- and long-term debt.

(3) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar exchange rate, (iii) a 3% inflation rate, and (iv) a 6% TJLP rate. See Item 5.B. Operating and Financial Review and Prospect Liquidity and Capital Resources Indebtedness and Note 14 to our consolidated financial statements for more information about the maturity of our debt and applicable interest rates. See Note 19 and Note 25 (i) to our consolidated financial statements for more information on the maturity and the fair value of our swap agreements. See Note 24 (b) to our consolidated financial statements for more information relating to our estimated planned funding of pensions and other post-retirement benefit obligations. See Note 18 to Ultrapar s unaudited consolidated interim financial statements for more information relating to Ultrapar s estimated planned funding of pensions and other post-retirement benefit obligations.

(4) Purchase obligations relate to a long-term contract with Braskem under which we are committed to purchase a minimum quantity of ethylene annually. In the event that this commitment is not met, we are required to pay a fine of a maximum of 40% of the annual ethylene volume, multiplied by the price of ethylene. This contract does not establish the price of ethylene and for this reason the amount in *reais* is based on the purchase price as at June 30, 2007. On August 16, 2006, Oxiteno signed a memorandum of understanding,

Table of Contents

altering the ethylene supply contract with Braskem S.A. described above. The memorandum of understanding regulates new conditions of ethylene supply through 2021, and in 2007 and 2008, Oxiteno will receive an increased volume of ethylene, with the minimum quantity in tons increasing to 180 thousand and 190 thousand, respectively. The new condition provided for in the memorandum of understanding is reflected in the minimum purchase commitments discussed in the table above.

(5) Our subsidiary company Terminal Químico de Aratu S.A. Indústria e Comércio has contracts with CODEBA Companhia Docas do Estado da Bahia, and Complexo Industrial Portuário Governador Eraldo Gueiros, in connection with its port facilities in Aratu and Suape, respectively. Such contracts establish a minimum cargo movement of products of 1,000,000 tons per year in Aratu, effective through 2022 and 250,000 tons per year in Suape, effective through 2027. If the annual movement is less than the minimum contractual movement, the subsidiary is liable to pay the difference between the effective movement and the minimum contractual movement based on the port tariff rates on the date established for payment. As of June 30, 2007, these rates were R$4.59 for Aratu and R$3.97 for Suape. The Company has been in compliance with the minimum movement of products since the inception of the contracts.

Table of Contents

RIPI MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with RIPI s unaudited interim financial information for the nine-month periods ended September 30, 2007 and 2006 and the six-month periods ended June 30, 2007 and 2006 and the audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004, as well as their respective notes, included in this prospectus, and the sections Other Information and Selected Historical Financial Data of RIPI and other financial information presented elsewhere in this prospectus.

Under the terms of the Transaction Agreements executed by Ultrapar, Braskem and Petrobras, Braskem controls the petrochemical business of the former Ipiranga Group, represented by IQ, IPQ and IPQ s stake in Copesul. Thus RIPI is no longer consolidating the Petrochemical Business under its Brazilian GAAP financial statements since Ultrapar acquired the shares held by the Key Shareholders. See The Transaction Description of the Transaction and Financial Information .

This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. RIPI s actual results may differ significantly from those discussed in these estimates and forward-looking statements as a result of various factors, including, without limitation, those described in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

A. Operating Results

Overview

RIPI operates an oil refinery located in the Southern region of Brazil, with the capacity to process 17 thousand barrels per day, which, in December 2006, corresponded to 0.4% of the total refining capacity in Brazil, according to ANP data. RIPI sells oil byproducts such as gasoline, diesel, and naphtha, among others.

Petrobras is the main oil refining company in Brazil, with integrated operations in the oil and oil-based products chain ranging from the exploration and production of oil and natural gas to distribution to end consumers. As of December 2006, Petrobras was responsible for 92.9% of the total refining capacity in Brazil. Thus, Petrobras supplies a major portion of the Brazilian oil derivatives markets and has a large influence over these product prices in Brazil.

Until 2005, the prices of certain oil byproducts, especially gasoline and diesel, were being periodically updated by Petrobras to minimize discrepancies between Brazilian and international prices. Petrobras has not updated these prices since September 2005. International oil prices have been influenced by the increase in worldwide demand for oil and political instability in producing countries, which has led to an increase in average oil prices from US$44 per barrel in January 2005 to US$62 per barrel in December 2006 and US$71 per barrel in June 2007, based on the price of Brent Crude Oil, one of the major worldwide classifications of oil. These combined factors have caused an inconsistency between international oil prices and oil byproduct prices in Brazil. We can not predict if or when gasoline and diesel prices in Brazil will be adjusted to international prices.

RIPI s economic performance in oil refining in 2005 and 2006 reflected difficulties caused by the incompatibility between oil prices in the international market and certain oil byproduct prices in Brazil since RIPI s cost of raw materials follows international prices, while its selling prices follow the Brazilian market prices. In order to minimize operating losses and as happened in most part of 2005, Refinaria Ipiranga s management interrupted the production from June to October of 2006 but has been consistent since then.

As part of the actions to ensure continuity of operations of Refinaria de Petróleo Ipiranga S.A., RIPI s management intensified contacts and negotiations with the regulatory agencies of the industry, Brazilian Federal Government and the Rio Grande do Sul State Government. In July 2006, RIPI and the Rio Grande do Sul State Government started to study the possibility of producing petrochemical naphtha in order to have an alternative

Table of Contents

that allowed the operational continuity of RIPI and an increase in tax collection for Rio Grande do Sul State. Naphtha prices in Brazil are indexed to international prices, which are highly correlated to international oil prices. Based on this, RIPI s management believes that by selling petrochemical naphtha, it would be able to maintain reasonable operating margins.

On November 1, 2006, Decree No. 44,714 was published in the Official Gazette of Rio Grande do Sul State, permitting the use, as a deemed tax credit, of up to 8.5% of the ICMS (state VAT) levied on petrochemical naphtha produced in facilities located in the Southern region of Rio Grande do Sul State and sold in the same state, according to the agreement signed in November 27, 2006.

Therefore, operations were resumed according to the agreement signed with Rio Grande do Sul State Government. As a consequence of the initiatives taken, RIPI s economic performance in the first half of 2007 reflected the operational continuity of the oil refinery during the period. In addition, despite the increase in oil prices in the first half of 2007 compared to 2006, RIPI s results improved due to higher volumes and prices of naphtha sold and the Brazilian currency appreciation against the U.S. dollar, which partially offset the increase in oil prices.

Brazilian Economic Background

Since RIPI s operating businesses are located substantially in Brazil, RIPI is significantly affected by Brazil s economic and social conditions, including, but not limited to, gross domestic product, or GDP, interest rates, the domestic rate of inflation and exchange rate fluctuations.

Gross domestic product

As government became more confident regarding inflation trends, interest rates were lowered, and Brazilian GDP grew by 4.9% in 2004. However, in order to meet inflation targets, the Central Bank increased interest rates again in 2005, and GDP growth decreased to 2.3% in the year ended December 31, 2005. During 2006, the Brazilian economy presented the same trend shown in the previous year and GDP grew by 2.9%. In the first half of 2007, Brazilian GDP grew by 4.8%, compared to the same period in 2006. This growth was mainly influenced by the improved performance of the industrial sector as a result of lower interest rates, greater credit availability and expansion in Brazilian household income.

Inflation and currency fluctuations

RIPI s cash operating expenses are substantially in *reais* and tend to increase with inflation. In 2004, the *real* appreciated further against the U.S. dollar and IGP-M for the year was 12.4%. In 2005, 2006 and the first half of 2007 , the *real* continued to appreciate against the U.S. dollar, which, together with the increased average interest rates, resulted in an inflation rate of 1.2%, 3.9% and 1.5%, respectively, as measured by the IGP-M. Future governmental actions, including actions to adjust the value of the *real* in relation to the dollar, may increase inflation.

The principal foreign exchange risk RIPI faces arises from certain U.S. dollar-denominated debt. On June 30, 2007 the exchange rate exposure amounted to US$51,748. Hence, RIPI is exposed to foreign exchange rate risks which could negatively impact RIPI s businesses, financial situation and operating results as well as the capacity to service its debt. See Note 22 to RIPI s consolidated financial statements.

The table below shows the inflation rate for the periods indicated, as measured by the IGP-M as well as the devaluation of the *real* against the U.S. dollar.

	Six-month period ended June 30,		**Year ended December 31,**		
Index	**2007**	**2006**	**2006**	**2005**	**2004**
General Price Index IGP-M	1.5%	1.4%	3.9%	1.2%	12.4%
Devaluation (appreciation) of the *real* against the U.S. dollar	(9.9)%	(7.5)%	(8.7)%	(11.8)%	(8.1)%

Table of Contents

Interest rate

Interest rates in Brazil has been historically high, but the monetary authorities have gathered success in diminishing it in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was elevated to 26% per year, as a reply to the inflation bubble of the previous year. However, the interest rate was rapidly diminished yet during 2003 to 16%. Between 2004 and mid-2005, there was another tightening, as a reply to a quick inflation acceleration and to heating in the trade area. Now, once the inflation has been controlled, the basic rate was reduced to 11.25% per year on September 2007. The main interest rate risk in RIPI arises from the possibility of incurring losses due to interest rate fluctuations that increase interest expenses on loans and financing.

Index	Six-month period ended June 30, 2007	Year ended December 31, 2006	2005	2004
Interest rate Selic	6%	15%	19%	16%

Critical Accounting Policies and Estimates

The presentation of RIPI s financial condition and results of operations requires its management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of its assets and liabilities and that may affect the reported amount of them as well as its revenues and expenses. Actual results may differ from those estimated under different variables, assumptions or conditions, even though RIPI s management believes that its accounting estimates are reasonable. The following paragraphs review the critical accounting estimates that management considers most important for understanding RIPI s financial condition, results of operations and cash flows. An accounting estimate is considered a critical accounting estimate if it meets the following criteria:

The accounting estimate requires management to make assumptions about matters that were highly uncertain at the time the accounting estimate was made; and

Different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on our financial condition, results of operations or cash flows.

We have identified the following five of RIPI s accounting policies that can be considered critical.

Allowance for doubtful accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the subsequent inability of RIPI s customers to make required payments. The allowance for doubtful accounts is recorded in an amount RIPI consider sufficient to cover any probable losses on realization of its accounts receivable from its customers, as well as other receivables, and is included in RIPI s results of operations as selling expenses; no adjustment is made to net sales and services revenue. In order to establish the allowance for doubtful accounts, RIPI s management constantly evaluates the amount and characteristics of its accounts receivable. When significant delays occur and the likelihood of receiving these payments decreases, a provision is made. In case receivables in arrears are guaranteed or there are reasonable grounds to believe they will be paid, no provision is made. If the financial conditions of RIPI s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances would be required in future periods. However, because RIPI cannot predict with certainty the future financial stability of its customers, RIPI cannot guarantee that its reserves will continue to be adequate. Actual credit losses may be greater than the allowance RIPI has established, which could have a significant impact on our selling expenses. See Note 22(b) to RIPI s financial statements for additional information about our credit risk.

Deferred Taxes

RIPI recognizes deferred tax assets and liabilities which do not expire, arising from tax-loss carryforwards, temporary add-backs, revaluation of property, plant and equipment and other procedures. RIPI periodically

Table of Contents

reviews the deferred tax assets for recoverability and establishes a valuation allowance, as required, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences. In the event RIPI or one of its subsidiaries operates at a loss or is unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, RIPI evaluates the need to establish a valuation allowance against all or a significant portion of its deferred tax assets, resulting in an increase in its effective tax rate, thereby decreasing net income. If RIPI determines that it can realize a deferred tax in excess of its net recorded amount, it decreases the valuation allowance, thereby increasing net income. Significant management judgment is required in determining any valuation allowance. The principal uncertainty relates to the likelihood of future taxable income from the subsidiary that generated the deferred tax asset. A change in RIPI s projections of profitability could result in the need to record a valuation allowance against deferred tax assets, resulting in a negative impact of future results. See Note 11(a) to RIPI s unaudited interim consolidated financial statements for additional information on deferred taxes.

Contingent liabilities

RIPI is currently involved in certain legal and administrative proceedings that arise from its normal course of business as described in Note 17 to RIPI s financial statements. We believe that the extent to which these contingencies are recognized in RIPI s financial statements is adequate. It is RIPI s policy to record accrued liabilities in respect of contingencies that can be reasonably estimated and could have a material adverse impact on the results of RIPI s operations or its financial condition and that are probable to occur in the opinion of its management, based on information available to RIPI including information obtained from its legal advisors. Future results of operations for any particular quarterly or annual period could be materially affected by changes in RIPI s assumptions, by the effectiveness of its strategies relating to these proceedings, by future developments in each matter being discussed or by changes in approach, such as a change in settlement strategy in dealing with these matters.

Pension and other post-retirement benefits

The determination of the expense and liability relating to RIPI s pension plan and certain insurance benefits for RIPI s employees and their dependents involves the use of actuarial assumptions. These include estimates of future mortality, withdrawal, changes in compensation and the discount rate used to reflect the time value of money as well as the rate of return on plan assets. These assumptions are reviewed at least annually and may differ materially from actual results due to changing market and economic conditions, regulatory events, judicial ruling, higher or lower withdrawal rates or longer or shorter life spans of participants. In case actual results differ from the assumptions adopted, there may be a significant impact on the amount of pension liability and post-retirement health care and expenses RIPI records. See Note 19 to RIPI s financial statements for additional information on provision for post-employment benefits.

Provision for losses on investments

RIPI recognizes a provision for losses on investments related to investments in non-consolidated affiliates which i) have reported negative stockholders equity in their financial statements prepared in accordance with Brazilian GAAP and ii) have outstanding loans which RIPI has guaranteed. In such cases RIPI first reduces the value of the investment to zero, and subsequently provide for its portion of negative equity. The amount of losses recognized by RIPI and related payments made on behalf of the non-consolidated affiliate, if any, will depend upon the future results of such affiliate during the period the guarantee is outstanding.

Table of Contents

Results of Operations

The following discussion of RIPI s results of operations is based on the financial information derived from its consolidated financial statements prepared in accordance with Brazilian GAAP that are included in this prospectus.

The following table shows a summary of our results of operations for the periods ended September 30, 2007 and 2006:

	Period ended September 30, 2007	Percentage of net sales and services	Period ended September 30, 2006	Percentage of net sales and services	Percent change
	(in millions of reais, except percentages)				
Net sales and services	611.5	100%	313.5	100%	95%
Cost of sales and services	(573.9)	94%	(292.9)	93%	96%
Gross profit	**37.5**	**6%**	**20.6**	**7%**	**82%**
Selling, general and administrative expenses	(23.6)	4%	(21.3)	7%	11%
Other operating income (expense), net	0.0	0%	0.5	0%	
Operating income before financial items	**13.9**	**2%**	**(0.2)**	**0%**	
Financial income (expense), net	(7.2)	1%	(2.3)	1%	206%
Non-operating income (expense), net	0.4	0%		0%	
Income and social contribution taxes		0%	(1.0)	0%	
Minority interest/equity in earnings of affiliates	185.0	30%	131.1	42%	41%
Profit sharing		0%	(0.1)	0%	
Net income	**192.2**	**31%**	**127.4**	**41%**	**51%**

Net sales and services. Net sales of refining business operated by RIPI increased 95% to R$611.5 million for the nine months ended September 30, 2007 from R$313.5 million for the same period of 2006. This increase in net sales comes from higher sales volume of more than 85% (as the refinery was not fully operating in the nine months of 2006), following the agreement with the Rio Grande do Sul tax authorities in November 2006, which allowed for more stability of operating margins.

Cost of sales and services. The refining business operated by RIPI increased its cost of sales by 96% to R$573.9 million for the nine months ended September 30, 2007 from R$292.9 million for the same period of 2006, in line with sales growth.

Gross profit. Gross profit increased by 82% to R$37.5 million for the nine months ended September 30, 2007 compared to R$20.6 million for the nine months ended September 30, 2006.

Selling, general and administrative expenses. The refining business operated by RIPI increased expenses by 11% to R$23.6 million for the nine months ended September 30, 2007 from R$21.3 million for the same period of 2006. This increase reflects (i) higher freight expenses due to an increase in volume sold and (ii) an increase in provisions for labor contingencies.

Other operating income. The refining business operated by RIPI had no other operating income in the nine months ended September 30, 2007, compared to R$0.5 million income in the same period of 2006.

Operating income before financial items. The refining business operated by RIPI increased its operating income by R$14.1 million to R$13.9 million for the nine months ended September 30, 2007 from R$0.2 million loss for the same period of 2006, mostly as a result of increase in the gross profit.

131

Table of Contents

Financial income (expense), net. The refining business operated by RIPI increased its net financial expense by 206% to R$7.2 million for the nine months ended September 30, 2007 from R$2.3 million for the same period of 2006. This increase of R$4.9 million was primarily driven by an increase in net debt position, mainly derived from a new debt raised to finance RIPI s working capital.

Non-operating income (expense), net. The refining business operated by RIPI recorded a non-operating gain of R$0.4 million for the nine months ended September 30, 2007, compared to zero for the same period of 2006, primarily due to the sale of fixed assets in 2007.

Equity in earnings of affiliates. Equity in earnings of affiliates for the period ended September 30, 2007 amounted to a gain of R$185.0 million, compared to a gain of R$131.1 million for the nine months ended September 30, 2006. This increase is mainly due to the fact that the results of the chemicals and petrochemicals businesses operated by the affiliate IQ and its subsidiaries presented an improvement in their operations.

Income and social contribution taxes. The refining business operated by RIPI registered an income and social contribution tax expense of zero for the nine months ended September 30, 2007, compared to an expense of R$1.0 million for the same period of 2006, primarily due to the benefit of the payment of interest on capital in 2007.

Profit sharing. Profit sharing for the refining business operated by RIPI remained constant at zero for the nine months ended September 30, 2007, compared to R$0.1 million in the same period of 2006.

Net income. As a result of the foregoing, net income for the period ended September 30, 2007 increased by 51%, to R$192.2 million from R$127.4 million for the nine months ended September 30, 2006.

Six-month period ended June 30, 2007 compared to the six-month period ended June 30, 2006

The following table shows a summary of RIPI s results of operations for the six-month period ended June 30, 2007 and 2006:

	Six-month period ended June 30, 2007	**Percentage of net sales and services**	**Six-month period ended June 30, 2006**	**Percentage of net sales and services**	**Percent change**
		(in millions of *reais*, except percentages)			
Net Sales and Services	1,403.9	100%	2,039.7	100%	(31)%
Cost of sales and services	(1,140.3)	81%	(1,670.8)	82%	(32)%
Gross profit	263.6	19%	368.9	18%	(29)%
Selling, general and administrative expenses	(106.2)	8%	(163.0)	8%	(35)%
Other operating income (expense), net	(6.2)	0%	10.5	1%	(159)%
Operating income before financial items	151.2	11%	216.4	11%	(30)%
Financial income (expense), net	(2.6)	0%	(29.6)	1%	(91)%
Non-operating income (expense), net	(0.5)	0%	(1.3)	0%	(62)%
Equity in earnings of affiliates	69.1	5%	10.3	1%	571%
Income and social contribution taxes	(41.9)	3%	(33.3)	2%	26%
Profit sharing	(1.7)	0%	(2.9)	0%	(41)%
Minority interest	(40.7)	3%	(66.4)	3%	(39)%
Net income	**132.9**	**9%**	**93.2**	**5%**	**43%**

Net sales and services. Net sales and services for the six-month period ended June 30, 2007 decreased by 31%, to R$1,403.9 million from R$2,039.7 million in the six months ended June 30, 2006. This was due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The

Table of Contents

refining business operated by RIPI increased 40% in comparison to R$420.8 million for the six months ended June 30, 2007 from R$300.2 million in the same period of 2006. This increase in net sales is derived from a higher sales volume of naphtha and diesel of more than 21% (as the refinery was not fully operating in the first half of 2006), following the agreement with the Rio Grande do Sul tax authorities in November 2006, which allowed the operational continuity of RIPI in 2007.

Cost of sales and services. Cost of sales and services for the period ended June 30, 2007 decreased by 32%, to R$1,140.4 million from R$1,670.8 million in the semester ended June 30, 2006. This was due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The refining business operated by RIPI increased 40% to R$392.2 million for the six months ended June 30, 2007 from R$279.3 million for the same period of 2006, in line with sales growth.

Gross profit. Gross profit for the period ended June 30, 2007 decreased by 29%, to R$263.5 million from R$368.9 million for the six months ended June 30, 2006. This was due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The refining business operated by RIPI increased 37% to R$28.6 million for the six months ended June 30, 2007 from R$20.9 million for the same period of 2006.

Selling, general and administrative expenses. Selling, general and administrative expenses for the period ended June 30, 2007 decreased by 35%, to R$106.1 million from R$163.0 million for the semester ended June 30, 2006. This was due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The refining business operated by RIPI increased 23% in the comparison between semesters, to R$17.6 million in the six months ended June 30, 2007 from R$14.3 million in the same period of 2006. This increase reflects (i) higher freight expenses due to an increase in volume sold and (ii) an increase in provisions for labor contingencies.

Other operating income. Other operating income for the period ended June 30, 2007 presented an expense of R$6.2 million compared to a gain of R$10.5 million in the semester ended June 30, 2006. This was mainly due to the increase in provisions for contingencies recorded by IPQ for the six-month period ended June 30, 2007 amounting to R$3.2 million, and to the reversal of the provision for contingencies recorded by Copesul which positively impacted June 30, 2006 figures in an amount of R$6.6 million. The refining business operated by RIPI had no other operating results for the six months ended June 30, 2007, compared to R$0.5 million income for the same period of 2006.

Operating income before financial items. Operating income before financial items for the period ended June 30, 2007 decreased by 30%, to R$151.2 million from R$216.4 million for the six months ended June 30, 2006. This was due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The refining business operated by RIPI increased 55% to R$10.9 million for the six months ended June 30, 2007 from R$7.1 million for the same period of 2006, in line with gross profit growth.

Financial income (expense), net. Financial expense for the period ended June 30, 2007 decreased by 91%, to R$2.6 million from R$29.6 million for the semester ended June 30, 2006. This is due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The refining business operated by RIPI decreased its net financial expense by 52% to R$1.0 million for the six months ended June 30, 2007 from R$2.0 million for the same period of 2006. This improvement was primarily driven by a decrease in indebtedness and the effect of the *real* s appreciation on dollar-denominated debt.

Non-operating income (expense), net. Non-operating expense for the six-month period ended June 30, 2007 decreased by 62%, to R$0.5 million from R$1.3 million for the six months ended June 30, 2006. The refining business operated by RIPI registered a non-operating gain of R$0.4 million for the six-months ended June 30, 2007, compared to zero for the same period of 2006, primarily due to the sale of fixed assets in 2007.

Table of Contents

Equity in earnings of affiliates. Equity in earnings of affiliates for the six-month period ended June 30, 2007 amounted to a gain of R$69.1 million, compared to a gain of R$10.3 million for the semester ended June 30, 2006. This is mainly due to the fact that the results of the chemicals and petrochemicals businesses operated by the affiliate IQ and its subsidiaries began being accounted for through the equity method in April 2007, in light of the change of control brought about by the Transaction. Until the end of the first quarter of 2007, IQ and its subsidiaries were consolidated by RIPI. In spite of the change in presentation, overall the chemical and petrochemical business presented an improvement in its operations.

Income and social contribution taxes. Income and social contribution taxes for the six-month period ended June 30, 2007 increased by 26%, to R$41.9 million from R$33.3 million for the six months ended June 30, 2006. This increase is mainly related to an improvement in Copesul s gross profit due to a higher level of exports sales. The refining business operated by RIPI recorded an income and social contribution tax expense of zero in the six months ended June 30, 2007, compared to an expense of R$2.7 million in the same period of 2006, primarily due to the benefit of the payment of interest on capital in 2007.

Profit sharing. Profit sharing for the six-month period ended June 30, 2007 decreased by 41%, to R$1.7 million from R$2.9 million for the six months ended June 30, 2006. This is due to the end of the consolidation of the chemical and petrochemical businesses from the acquisition onwards. The refining business operated by RIPI remained stable in comparison, with zero profit sharing accrued for the six months ended June 30, 2007, compared to R$0.1 million for the same period of 2006.

Minority Interest. Minority interest for the six-month period ended June 30, 2007 decreased by 39% to R$40.7 million from R$66.4 million, due to the unconsolidation of IQ and IPQ, RIPI s affiliates, from RIPI s financial statements.

Net income. As a result of the foregoing, net income for the six-month period ended June 30, 2007 increased by 43%, to R$132.9 million from R$93.2 million in the six months ended June 30, 2006.

Year ended December 31, 2006 compared to the year ended December 31, 2005.

The following table shows a summary of RIPI s results of operations for the years ended December 31, 2006 and 2005:

	Year ended December 31, 2006	Percentage of net sales and services	Year ended December 31, 2005	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	4,191.4	100%	3,612.7	100%	16%
Cost of sales and services	(3,379.6)	81%	(2,872.8)	80%	18%
Gross profit	811.8	19%	739.9	20%	10%
Selling, general and administrative expenses	(347.3)	8%	(304.8)	8%	14%
Other operating income (expense), net	8.2	0%	26.6	1%	(69)%
Operating income before financial items	472.7	11%	461.7	13%	2%
Financial income (expense), net	(86.4)	2%	(134.5)	4%	(36)%
Non-operating income (expense), net	(34.1)	1%	1.2	0%	
Equity in earnings of affiliates	24.3	1%	30.4	1%	(20)%
Income and social contribution taxes	(81.4)	2%	(100.2)	3%	(19)%
Profit sharing	(7.9)	0%	(7.1)	0%	12%
Minority Interest	(123.0)	3%	(113.2)	3%	9%
Net income	**164.2**	**4%**	**138.3**	**4%**	**19%**

Table of Contents

Net sales and services. Net sales and services for the year ended December 31, 2006 increased by 16% to R$4,191.4 million from R$3,612.7 million for the year ended December 31, 2005. The increase in net sales was mostly driven by increase in sales volume and higher prices practiced in consequence of oil and derivative products price increases in the international market.

Cost of sales and services. Cost of sales and services increased by 18% to R$3,379.6 million for the year ended December 31, 2006, compared to R$2,872.8 million for the year ended December 31, 2005, mainly due to an increase in the cost of raw materials and growth in sales volumes.

Gross profit. Gross profit increased by 10% to R$811.8 million for the year ended December 31, 2006 compared to R$739.9 million for the year ended December 31, 2005.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 14% to R$347.3 million for the year ended December 31, 2006 from R$304.8 million for the year ended December 31, 2005. This increase reflects (i) higher freight expenses due to the increase in volume sold, and (ii) salary increases as a result of the annual collective wage agreement.

Other operating income. Other operating income decreased by 69% to R$8.2 million for the year ended December 31, 2006, compared to R$26.6 million for the year ended December 31, 2005, mainly due to positive actuarial effects on RIPI s pension fund in 2005. See Note 19 to RIPI s consolidated financial statements.

Operating income before financial items. Operating income before financial items increased by 2% to R$472.7 million for the year ended December 31, 2006 compared to R$461.7 million for the year ended December 31, 2005.

Financial income (expense), net. Reported net financial expense was R$86.4 million for the year ended December 31, 2006, compared to a net financial expense of R$134.5 million for the year ended December 31, 2005. The R$48.2 million improvement in financial expense was principally due to a decrease in interest expenses.

Non-operating income (expense), net. Reported net non-operating expense was R$34.1 million for the year ended December 31, 2006 compared to a net non-operating income of R$1.2 million for the year ended December 31, 2005. The decrease of R$35 million on non-operating income is primarily attributable to a loss on change in ownership percentage in the affiliate IPQ Ipiranga Petroquímica S.A.

Equity in earnings of affiliates. Equity in earnings of affiliates amounted to R$24.3 million for the year ended December 31, 2006, a 20% decrease compared to the year ended December 31, 2005. The decrease is mainly due to higher goodwill amortization.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$81.4 million for the year ended December 31, 2006, a decrease of 19% from R$100.2 million for the year ended December 31, 2005. This decrease is primarily due to the tax effect on the positive actuarial effects on its pension fund in 2005.

Profit sharing. Profit sharing was R$7.9 million for the year ended December 31, 2006, compared to R$7.1 million for the year ended December 31, 2005.

Minority interest. Minority interest was R$123.0 million for the year ended December 31, 2006, compared to R$113.2 million for the year ended December 31, 2005. Such increase is due to improvements in the results of the affiliate IQ Ipiranga Química S.A.

Net income. As a result of the foregoing, net income for the year ended December 31, 2006 was R$164.2 million, an increase of 19% compared to R$138.3 million for the year ended December 31, 2005.

Table of Contents

Year ended December 31, 2005 compared to the year ended December 31, 2004.

The following table shows a summary of RIPI s results of operations for the years ended December 31, 2005 and 2004:

	Year ended December 31, 2005	Percentage of net sales and services	Year ended December 31, 2004	Percentage of net sales and services	Percent change
		(in millions of *reais*, except percentages)			
Net sales and services	3,612.7	100%	3,747.0	100%	(4)%
Cost of sales and services	(2,872.8)	80%	(2,897.3)	77%	(1)%
Gross profit	739.9	20%	849.7	23%	(13)%
Selling, general and administrative expenses	(304.9)	8%	(303.3)	8%	1%
Other operating income (expense), net	26.5	1%	11.9	0%	122%
Operating income before financial items	461.5	13%	558.4	15%	(17)%
Financial income (expense), net	(134.5)	4%	(111.0)	3%	21%
Non-operating income (expense), net	1.2	0%	(0.2)	0%	
Equity in earnings of affiliates	30.5	1%	19.8	1%	54%
Income and social contribution taxes	(100.2)	3%	(68.4)	2%	46%
Profit sharing	(7.1)	0%	(6.4)	0%	10%
Minority Interest	(113.2)	3%	(176.4)	5%	(36)%
Net income	**138.3**	**4%**	**215.9**	**6%**	**(36)%**

Net sales and services. Net sales and services for the year ended December 31, 2005 decreased to R$3,612.7 million from R$3,747.0 million for the year ended December 31, 2004. The decrease in net sales was mainly driven by a decrease in sales volume and due to an 11% appreciation in the Brazilian *real* against U.S Dollar in 2005 compared to 2004.

Cost of sales and services. Cost of sales and services decreased by 1% to R$2,872.8 million for the year ended December 31, 2005, compared to R$2,897.3 million for the year ended December 31, 2004, mainly due to a decrease in sales volume partially offset by an increase in the cost of raw materials.

Gross profit. Gross profit decreased by 13% to R$739.9 million for the year ended December 31, 2005 from R$849.7 million for the year ended December 31, 2004.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 1% to R$304.9 million for the year ended December 31, 2005 from R$303.3 million for the year ended December 31, 2004.

Other operating income. Other operating income increased to R$26.5 million for the year ended December 31, 2005, compared to R$11.9 million for the year ended December 31, 2004, mainly due to positive actuarial effects on its pension fund in 2005. See Note 19 to RIPI s consolidated financial statements.

Operating income before financial items. Operating income before financial items decreased by 17% to R$461.5 million for the year ended December 31, 2005 from R$558.4 million for the year ended December 31, 2004.

Financial income (expense), net. Reported net financial expense amounted to R$134.5 million for the year ended December 31, 2005, an increase of 21% compared to a net financial expense of R$111.0 million for the year ended December 31, 2004. The R$23.5 million increase was principally due to an increase in interest expenses.

Non-operating income (expense), net. Net non-operating income was R$1.2 million for the year ended December 31, 2005 compared to a net non-operating expense of R$0.2 million for the year ended December 31, 2004.

Table of Contents

Equity in earnings of affiliates. Equity in earnings of affiliates amounted to R$30.5 million for the year ended December 31, 2005, a 54% increase compared to the year ended December 31, 2004. Such increase is mainly due to lower goodwill amortization at subsidiary IQ Ipiranga Química S.A.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$100.2 million for the year ended December 31, 2005, an increase of 46% from R$68.4 million for the year ended December 31, 2004. This increase is primarily due to the tax effect on the positive actuarial effects on its pension fund in 2005.

Profit sharing. Profit sharing was R$7.1 million for the year ended December 31, 2005, compared to R$6.4 million for the year ended December 31, 2004.

Minority interest. Minority interest was R$113.2 million for the year ended December 31, 2005, compared to R$176.4 million for the year ended December 31, 2004. Such decrease derives from the result of the affiliate IQ Ipiranga Química S.A.

Net income. As a result of the foregoing, net income for the year ended December 31, 2005 was R$138.3 million, a decrease of 36% compared to R$215.9 million in 2004.

B. Liquidity and Capital Resources

RIPI s principal sources of liquidity are cash generated from operations and financing. RIPI believes that these sources will continue to be sufficient to satisfy its current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends or interest on equity.

Sources and Uses of Funds

Net cash flow from operations was R$101.2 million and R$116.6 million for the six months ended June 2007 and 2006, respectively. RIPI s cash flow from operations decreased R$15.4 million due to end of consolidation of the chemical and petrochemical businesses from the acquisition of the Ipiranga Group onwards. The refining business net cash flow from operations decreased by R$50.8 million mainly because of higher investment in working capital, as RIPI s refinery was not fully operating in the first half of 2006. Net cash flow from financing activities amounted to R$(821.0) million and R$(29.6) million in the first half of 2007 and 2006, respectively. Cash consumed by financing activities in the first half of 2007 decreased R$792 million compared to the same period in 2006 due to end of consolidation of the chemical and petrochemical businesses from the acquisitions onwards. Cash used by the refining operations related to financing activities increased R$ 51.7 million due to higher volume of debt contracted in the first semester of 2007 compared to 2006.

Investing activities generated net cash of R$625.7 million and used R$49.3 million in the first six months ended June 30, 2007 and 2006, respectively. The higher level of cash generated by investing activities in the first half of 2007 compared to 2006 was due to end of consolidation of the chemical and petrochemical businesses from the acquisition of the Ipiranga Group onwards. For the refining business operated by RIPI, cash used by investing activities increased R$0.1 million.

As of June 30 2007, RIPI had R$7.5 million in cash, cash equivalents, derivatives and short- and long-term investments. RIPI will spend approximately R$63.0 million over the next five years to meet its long-term contractual obligations described in Tabular Disclosure of Contractual Obligations . RIPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of its current indebtedness as it becomes due.

Table of Contents

Net cash flow from operations was R$18.7 million, R$509.3 million and R$349.8 million for 2006, 2005 and 2004, respectively. RIPI s cash flow from operations decreased by R$490.6 million in 2006 compared to 2005 and increased by R$159.5 million in 2005 compared to 2004, mainly reflecting the changes in working capital. Net cash flow from financing activities amounted to R$61.6 million, R$(396.7) million and R$(424.2) million in the years ended December 31, 2006, 2005 and 2004, respectively. The cash flow from financing activities in 2006 increased by R$458.4 million compared to 2005, due to the higher level of new loans obtained and the lower level of amortization of loans and financings in 2006. Cash used by financing activities in 2005 decreased by R$27.4 million compared to 2004.

Investing activities used net cash of R$(76.7) million, R$(119.6) million and R$(68.1) million in the years ended December 31, 2006, 2005 and 2004, respectively. The higher level of cash used by investing activities in 2005 compared to 2006 and 2004 was principally due to additions to investment in related parties. See Note 8 to RIPI s consolidated financial statements. Acquisitions of property, plant and equipment and additions to intangible assets and deferred charges used R$91.8 million, R$68.5 million and R$67.2 million in 2006, 2005 and 2004, respectively. For the year ended December 31, 2006, investing activities were mainly composed of expansion of products and services offer, maintenance of competitiveness and investments in life and environmental safeguards.

As of December 2006, RIPI had R$120.0 million in cash, cash equivalents, derivatives and short-and long-term investments.

Indebtedness

As of June 30, 2007, RIPI s short- and long-term debt was as follows:

Indebtedness	Currency	Index	Principal amount of outstanding and accrued interest through June 30, 2007
Foreign currency-denominated loans:			
FINIMP financing for importation	US$	LIBOR + US$ 0.125 +0.15	51.7
Total loans			51.7
Unrealized losses on swaps transactions			
Total	US$		51.7

RIPI s debt as of June 30, 2007 had the following maturity schedule:

Maturity	Amount (in millions of *reais*)
July 1, 2007 to June 30, 2008	51.7
Total	51.7

Table of Contents

As of December 31, 2006, RIPI s consolidated short- and long-term debt was as follows:

Indebtedness	Currency	Index	Effective Rate	Principal amount of outstanding and accrued interest through December 31, 2006 (in millions of *reais*)	2005	2004
Foreign currency-denominated loans:						
Industrial expansion	US$	Basket of currencies	9.3%	3.1	12.8	351.8
Working capital (foreign exchange contracts and prepayments)	US$	Monthly, quarterly and annual LIBOR	6.6%	907.0	713.5	757.7
Restricted export drafts	US$			(149.8)	(136.1)	(183.4)
***Real*-denominated loans:**						
Industrial expansion	R$	TJLP(1)	10.6%	44.0	39.6	38.0
Investment acquisition	R$	IGPM(2)	6.5%	9.9	36.4	70.1
Working capital	R$	CDI	13.4%	8.3	69.2	39.5
Total loans	R$			822.5	735.4	1,073.7
Unrealized losses on swaps transactions	R$			6.7	1.5	2.4
Total	R$			829.2	736.9	1,076.1

(1) TJLP (Long-Term Interest Rate) is a nominal rate of interest established quarterly. On December 31, 2006, TJLP was fixed at 6.85% p.a. Interest rate only as of 2006.

(2) IGPM is the General Market Price Index in Brazil. Net of linked operations.

RIPI s consolidated debt as of December 31, 2006 had the following maturity schedule:

Maturity	Amount (in millions of *reais*)
January 1, 2007 to December 31, 2007	209.0
January 1, 2008 to December 31, 2008	109.6
January 1, 2009 to December 31, 2009	141.4
January 1, 2010 to December 31, 2010	130.6
After 2011	238.7
Total	829.2

By using its own funds of approximately US$56 million and funds obtained in the domestic financial market, the indirect subsidiary Ipiranga Petroquímica S.A. (IPQ) paid in advance its debt to International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), Deutsche Entwicklungsgesellschaft (DEG) and foreign banks participating in the B Loan , or B Loan Banks, in the amount of approximately US$136 million. With these payments made on June 15, 2005, IPQ is compliant with all restrictive covenants contained in all agreements signed with IFC, KfW, DEG and B Loan Banks, and obtained better conditions related to maturities and costs of funds obtained from the financial market. On August 28, 2005, IPQ signed a long-term loan pre-agreement in the amount of US$150 million, structured by IFC, which can be fully or partially withdrawn, as needed. Until the date of the financial statements, it was not necessary to use this amount.

RIPI provides collaterals and guarantees for some loan operations conducted directly or indirectly by affiliates and subsidiaries. As of June 30, 2007, December 31, 2006 and 2005, amounts referring to these operations were R$90.7 million, R$90.9 million and R$119.8 million, respectively. See Note 20 to RIPI s financial statements.

Table of Contents

Investments

Equity investments

The table below shows RIPI investments in shareholding stakes for the six-month period ended June 30, 2007 and years ended December 31, 2006, 2005 and 2004.

Company	Six-month period ended June 30, 2007	Year ended December 31, 2006	2005	2004
		(in millions of *reais*)		
Total investments in shareholding stakes		61.0	35.9	0.5

Investments in permanent assets and deferred charges

The following table sets forth RIPI s investments in permanent assets and deferred charges for the six-month period ended June 30, 2007 and years ended December 31, 2006, 2005 and 2004.

	Six-month period ended June 30, 2007	Year ended December 31, 2006	2005	2004
		(in millions of *reais*)		
Refinaria de Petróleo Ipiranga S.A.	0.3	0.3	0.5	6.3
Subsidiaries		91.6	68.0	60.9
Total capital expenditures	0.3	91.8	68.5	67.2
Disposals		(0.4)	(1.5)	(0.8)
Total capital expenditures, net of disposals	0.3	91.4	67.0	66.5

RIPI s investment strategy for 2006, 2005, and 2004, included its subsidiaries strategies.

Copesul investment strategy has been focused on keeping its competitiveness and supplying its working capital by the maintenance of its minimum level of inventories. It also involves investments in life and environmental safeguards, expansion of products and services offer and improvements in technology. The investment plan for 2007 maintains the strategies related to expansion of products and services offered, maintenance of competitiveness and investments in life and environmental safeguards. RIPI owns shares of Copesul representing 29.5% of the total and voting share capital of Copesul.

IPQ s investment strategy has been to make improvements related to safety, environmental safeguards, expansion of the production capacity and betterments to increase the productivity and quality in the production process. Through its subsidiary IQ, RIPI owns shares of IPQ representing 58.53% of the total and voting share capital of IPQ.

U.S. GAAP Reconciliation

RIPI s net income under Brazilian GAAP was R$132.9 million, R$164.2 million and R$138.3 million for the six-month period ended June 30, 2007 and for the years ended December 31, 2006 and 2005, respectively. Under U.S. GAAP, RIPI had net income of R$62.9 million, R$135.9 million and R$336.9 million for the six-month period ended June 30, 2007 and for the years ended December 31, 2006 and 2005, respectively.

RIPI s shareholders equity under Brazilian GAAP as of June 30, 2007, December 31, 2006 and December 31, 2005 was R$710.2 million, R$574.6 million and R$428.4 million, respectively. Under U.S. GAAP, RIPI had shareholders equity of R$927.1 million, R$770.1 million and R$650.8 million, respectively, as of June 30, 2007, December 31, 2006 and December 31, 2005.

Table of Contents

The principal differences between Brazilian GAAP and U.S. GAAP that affect RIPI s net income and shareholders equity relate to the treatment of the following items:

- adjustments for inflation of property, plant and equipment;
- pension and other post-employment benefits adjustment;
- gain on percentage variation of capital share;
- accounting for deferred taxes;
- differences in equity accounting;
- accounting for convertible debentures;
- goodwill, acquisitions and business combinations;
- securities available for sale;
- fair-value adjustments of derivatives; and
- deferred tax effects on the foregoing adjustments.

See Note 25 to RIPI s financial statements for a description of the differences above as they relate to RIPI and a reconciliation to U.S. GAAP of net income and total shareholders equity.

C. Research and Development, Patents and Licenses, etc.

RIPI subsidiaries own the register of a few brands.

Copesul owns a logotype as an emblem and COPESUL as a nominative brand. Both are registered as company properties in the *Certificado de Registro de Marca* (Brands Register Certificate) from *Instituto Nacional de Propriedade Industrial* (National Institute of Industrial Property) by number 819827266 and expire within 10 years after 20/07/1999.

Ipiranga Petroquímica S.A. owns the register of Ipiranga Mista, TopClub Programa IPQ de Relacionamento and Maxifilme which expiration dates are being brought into agreement.

IPQ investments in research and development are approximately US$1.5 million/year. IPQ owns a pilot plant and development laboratories to support R&D strategy.

D. Trend Information

Crude oil prices

International oil prices increased at a record rate in 2006 and the nine-month period ended September 2007. The main factors driving this price increase include:

- the substantial growth in demand for oil products, with little impact resulting from the oil price increase;
- increased pressure on oil production and refining facilities; and
- conflicts in the Middle East.

Oil products prices

Until 2005, the prices of certain oil by-products, especially gasoline and diesel, were being periodically updated by Petrobras to reduce the differences between prices in Brazil and prices prevailing in the international markets. However, since September 2005, these prices have not been updated by Petrobras. On the other hand, oil prices in the international markets have been influenced by the increase in worldwide demand for oil and the instability in producing countries, which led to an increase of the average oil prices from US$44 per barrel in

Table of Contents

January 2005 to US$62 per barrel in December 2006 and US$71 per barrel in June 2007, based on the price of Brent Crude Oil. This combination of factors caused an incompatibility between oil prices in the international markets and oil by-products prices in Brazil. We can not predict if and when gasoline and diesel prices will be adjusted to prices in the international markets.

In July 2006, RIPI and the Rio Grande do Sul State Government started to study the possibility of producing petrochemical naphtha in order to have an alternative that allowed both the operational continuity of Refinaria Ipiranga and an increase in tax collection for Rio Grande do Sul State. This agreement was signed in November, 2006. Naphtha prices in Brazil are referenced to international prices, which are highly correlated to international oil prices. Should petrochemical naphtha prices not follow international oil price rises in the future, the Company believes this could have a negative impact on RIPI s profitability.

E. Off Balance Sheet Arrangements

Companhia Petroquimica do Sul (Copesul) and Ipiranga Petroquimica S.A. (IPQ), two of RIPI s subsidiaries, have provided guarantees to financial institutions related to amounts owed to those institutions by certain of their customers (vendor financing). Guarantees have an average term of 38 days in Copesul and 33 days in IPQ and, in both cases, are equal to the terms of the related financing arrangements. There exists no recourse provision that would enable RIPI or its subsidiaries to recover any amount paid to the financial institutions under these guarantees. In the event that the financial institutions exercise these guarantees, RIPI is entitled to recover the amount paid directly from its customers under the vendor contracts. At December 31, 2006, the maximum potential payment under these guarantees totaled R$616.5 million (total amount, not representing our stake in those companies), which represented a R$144.9 million increase over December 31, 2005. At December 31, 2006, in accordance with Brazilian GAAP, we did not record any liability on our consolidated financial statements related to these guarantees.

F. Tabular Disclosure of Contractual Obligations

The following table summarizes RIPI s contractual obligations, as of June 30, 2007:

			Payment due by period		
Contractual obligations	**Total**	**Up to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
			(in millions of *reais*)		
Financing	**51.7**	51.7			
Estimated interest payments on financing(1)(2)	**0.1**	0.1			
Estimated planned funding of pension and other post-retirement benefit obligations(3)	**62.8**	2.1	4.5	5.0	51.1
Operating lease obligations					
Total contractual obligations	**114.6**	**53.9**	**4.5**	**5.0**	**51.1**

(1) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar exchange rate, (iii) a 3% inflation rate, and (iv) a 6% TJLP rate. See Liquidity and Capital Resources Indebtedness and Note 14 to RIPI s unaudited consolidated interim financial statements for more information about the maturity of RIPI s debt and applicable interest rates. See Note 14 and Note 23 to RIPI s unaudited consolidated interim financial statements for more information on the maturity and the fair value of RIPI s swap agreements.

(2) Includes estimated interest payments on RIPI s short- and long-term debt.

(3) See Note 18 to RIPI s unaudited consolidated interim financial statements for more information relating to RIPI s estimated planned funding of pensions and other post-retirement benefit obligations.

Table of Contents

DPPI MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with DPPI s unaudited consolidated interim financial information for the nine-month periods ended September 30, 2007 and 2006 and the six month periods ended June 30, 2007 and 2006 and the audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004, as well as their respective notes, included in this prospectus, and the sections Other Information and Selected Consolidated Historical Financial Data of DPPI and other financial information presented elsewhere in this prospectus.

This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. DPPI s actual results may differ significantly from those discussed in these estimates and forward-looking statements as a result of various factors, including, without limitation, those described in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

A. Operating Results

Brazilian Economic Background

Since all of DPPI s operating businesses are located in Brazil, it is significantly affected by Brazil s economic and social conditions, including, but not limited to, gross domestic product, or GDP, Brazilian population income, credit availability, interest rates, the domestic rate of inflation and exchange rate fluctuations.

Gross domestic product

As government became more confident regarding inflation trends, interest rates were lowered, and Brazilian GDP grew by 4.9% in 2004. However, in order to meet inflation targets, the Central Bank increased interest rates again in 2005, and GDP growth decreased to 2.3% in the year ended December 31, 2005. During 2006, the Brazilian economy presented the same trend shown in the previous year and GDP grew by 2.9%. DPPI s operations, especially sales of fuels, are significantly impacted by Brazilian GDP growth. In addition, the level of Brazilian population income, which often bears a relation to GDP performance, also affects the sales of fuels. In the first half of 2007, Brazilian GDP grew by 4.8%, compared to the same period in 2006. This growth was mainly influenced by the improved performance of the industrial sector as a result of lower interest rates, greater credit availability and increases in average household income in Brazil.

Inflation and currency fluctuations

DPPI s cash operating expenses are substantially in *reais* and tend to fluctuate with inflation. In 2004, the *real* appreciated against the U.S. dollar and the IGP-M for the year was 12.4%. In 2005, 2006 and the first half of 2007 the *real* continued to appreciate against the U.S. dollar, which, together with the increased average interest rates, resulted in an inflation rates of 1.2%, 3.9% and 1.5% respectively, as measured by the IGP-M. Future governmental actions, including actions to adjust the value of the *real* in relation to the U.S. dollar, may increase inflation.

The principal foreign exchange risk DPPI faces arises from certain U.S. dollar-denominated debt. On June 30, 2007, the exchange rate exposure amounted to US$62.5 million. Hence, DPPI s exposed to foreign exchange rate risks which could negatively impact its businesses, financial situation and operating results as well as its capacity to service its debt. See Note 21 to DPPI s consolidated financial statements.

Table of Contents

The table below shows the inflation rate for the periods indicated, as measured by the IGP-M, as well as the devaluation of the *real* against the U.S. dollar.

Index	Six-month period ended June 30, 2007	2006	Year ended December 31, 2006	2005	2004
General Price Index IGP-M	1.5%	1.4%	3.9%	1.2%	12.4%
Devaluation (appreciation) of the *real* against the U.S. dollar	(9.9)%	(7.5)%	(8.7)%	(11.8)%	(8.1)%

Interest rate and credit availability

Interest rate in Brazil has been historically high, but the monetary authorities have gathered success in diminishing it in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was elevated to 26% per year, as a reply to the inflation bubble of the previous year. However, the interest rate was rapidly diminished yet during 2003 to 16%. Between 2004 and mid-2005, there was another tightening, as a reply to a quick inflation acceleration and to heating in the trade area. Now, once the inflation has been controlled, the basic rate was reduced to 11.25% per year in September 2007. The unemployment rate in Brazil dropped from a 12% level to 10% in the past two years. Despite the relatively high unemployment rate, the average worker income has been constantly increasing since the end of 2003. The greater availability of credit derived from the lower interest rate and the improvement in Brazilian population income largely explain the increase in internal demand, including the record levels of vehicle sales in the first half of 2007, amounting to 1,082 million vehicles registered, including cars, trucks and buses. This is a 25.7% increase compared to the first half of 2006, according to figures published by the National Vehicle Registry (Renavam). This growth has been having a positive influence on demand for fuels.

The main interest rate risk DPPI faces derives from interest rate fluctuations that might increase its interest expenses on loans and financing. DPPI continuously monitors interest rates in the market in order to evaluate the need for hedging against the volatility of these rates.

Index	Six-month period ended June 30, 2007	Year ended December 31, 2006	2005	2004
Interest rate Selic	6%	15%	19%	16%

Critical Accounting Policies and Estimates

The presentation of DPPI s financial condition and results of operations require its management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of its assets and liabilities and may affect the reported amount of them as well as its revenues and expenses. Actual results may differ from those estimated under different variables, assumptions or conditions, even though DPPI s management believes that its accounting estimates are reasonable. The following paragraphs review the critical accounting estimates that management considers most important for understanding DPPI s financial condition, results of operations and cash flows. An accounting estimate is considered a critical accounting estimate if it meets the following criteria:

- The accounting estimate requires management to make assumptions about matters that were highly uncertain at the time the accounting estimate was made; and

- Different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on our financial condition, results of operations or cash flows.

We have identified the following five accounting policies of DPPI that can be considered critical.

Allowance for doubtful accounts

DPPI maintains allowances for doubtful accounts for estimated losses resulting from the subsequent inability of its customers to make required payments. The allowance for doubtful accounts is recorded in an amount DPPI consider sufficient to cover any probable losses on realization of its accounts receivable from its customers, as well as other receivables, and is included as selling expenses; no adjustment is made to net sales and services revenue. In order to establish the allowance for doubtful accounts, DPPI s management constantly evaluates the amount and characteristics of its accounts receivable. When significant delays occur and the likelihood of receiving these payments decreases, a provision is made. In case receivables in arrears are guaranteed or there are reasonable grounds to believe they will be paid, no provision is made. If the financial conditions of DPPI s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances would be required in future periods. However, because DPPI cannot predict with certainty the future financial stability of its customers, it cannot guarantee that its reserves will continue to be adequate. Actual credit losses may be greater than the allowance we have established, which could have a significant impact on its selling expenses. See Note 21(b) to DPPI s consolidated financial statements for additional information about DPPI s credit risk.

Deferred Taxes

DPPI recognizes deferred tax assets and liabilities which do not expire, arising from tax loss carry forwards, temporary add-backs, revaluation of property, plant and equipment and other procedures. DPPI periodically review the deferred tax assets for recoverability and establish a valuation allowance, as required, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences. In the event DPPI or one of its subsidiaries operates at a loss or is unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, DPPI evaluate the need to establish a valuation allowance against all or a significant portion of its deferred tax assets, resulting in an increase in its effective tax rate, thereby decreasing net income. If DPPI determines that it can realize a deferred tax in excess of its net recorded amount, DPPI decreases the valuation allowance, thereby increasing net income. Significant management judgment is required in determining any valuation allowance. The principal uncertainty relates to the likelihood of future taxable income from the subsidiary that generated the deferred tax asset. A change in DPPI s projections of profitability could result in the need to record a valuation allowance against deferred tax assets, resulting in a negative impact of future results. See Note 10(a) to DPPI s consolidated financial statements for additional information on deferred taxes.

Contingent liabilities

DPPI is currently involved in certain legal and administrative proceedings that arise from its normal course of business as described in Note 16 to DPPI s consolidated financial statements. DPPI believes that the extent to which these contingencies are recognized in DPPI s consolidated financial statements is adequate. It is DPPI s policy to record accrued liabilities in regard to contingencies that can be reasonably estimated and could have a material adverse impact on the result of its operations or its financial condition and that are probable to occur in the opinion of DPPI s management, based on information available to it, including information obtained from its legal advisors. Future results of operations for any particular quarterly or annual period could be materially affected by changes in DPPI s assumptions, by the effectiveness of its strategies relating to these proceedings, by future developments in each matter being discussed or by changes in approach, such as a change in settlement strategy in dealing with these matters.

Pension and other post-retirement benefits

The determination of the expense and liability relating to DPPI s pension plan and certain insurance benefits for DPPI s employees and their dependents involves the use of actuarial assumptions. These include estimates of future mortality, withdrawal, changes in compensation and the discount rate used to reflect the time value of money, as well as the rate of return on plan assets. These assumptions are reviewed at least annually and may

Table of Contents

differ materially from actual results due to changing market and economic conditions, regulatory events, judicial ruling, higher or lower withdrawal rates or longer or shorter life spans of participants. In case actual results differ from the assumptions adopted, there may be a significant impact on the amount of pension liability and post-retirement health care and expenses DPPI records. See Note 18 to DPPI s consolidated financial statements for additional information on provision for post-employment benefits.

Provision for losses on investments

DPPI recognizes a provision for losses on investments related to investments in non-consolidated affiliates which i) have reported negative stockholders equity in their financial statements prepared in accordance with Brazilian GAAP and ii) have outstanding loans which DPPI has guaranteed. In such cases, DPPI first reduces the value of the investment to zero, and subsequently provides for its portion of negative equity. The amount of losses recognized by DPPI and related payments made on behalf of the non-consolidated affiliate, if any, will depend upon the future results of such affiliate during the period the guarantee is outstanding.

Results of Operations

The following discussion of DPPI s results of operations is based on the financial information derived from DPPI s consolidated financial statements prepared in accordance with Brazilian GAAP.

The following table shows a summary of our results of operations for the nine-month periods ended September 30, 2007 and 2006:

	Period ended September 30, 2007	Percentage of net sales and services	Period ended September 30, 2006	Percentage of net sales and services	Percent change
		(in millions of *reais*, except percentages)			
Net sales and services	19,408.3	100%	19,040.0	100%	2%
Cost of sales and services	(18,389.0)	95%	(18,104.8)	95%	2%
Gross profit	1,019.3	5%	935.2	5%	9%
Selling, general and administrative expenses	(708.9)	4%	(691.0)	4%	3%
Other operating income (expense), net	7.5	0%	11.5	0%	(35)%
Operating income before financial items	317.9	2%	255.7	1%	24%
Financial income (expense), net	18.5	0%	(5.6)	0%	432%
Non-operating income (expense), net	6.5	0%	30.4	0%	(79)%
Equity in earnings of affiliates and Goodwill amortization	99.7	1%	65.5	0%	52%
Income and social contribution taxes	(106.1)	1%	(37.9)	0%	180%
Profit sharing	(5.6)	0%	(4.4)	0%	28%
Minority Interest	(224.9)	1%	(184.4)	1%	22%
Net income	**105.9**	**1%**	**119.4**	**1%**	**(11)%**

Net sales and services. Net sales and services for the nine-month period ended September 30, 2007 increased by 2% to R$19,408.3 million from R$19,040.0 million for the nine-month period ended September 30, 2006. The increase in net sales and services was driven by a 5% growth in the sales volume, particularly the ethanol and diesel volumes, partially offset by a 3% decrease in average prices.

Cost of sales and services. Cost of sales and services increased by 2% to R$18,389.0 million for the nine-month period ended September 30, 2007, compared to R$18,104.8 million for the nine-month period ended September 30, 2006, mainly due to volume growth, which was partially offset by the cost reduction of ethanol given the harvest season in 2007.

146

Table of Contents

Gross profit. Gross profit increased by 9% to R$1,019.3 million for the nine-month period ended September 30, 2007 compared to R$935.2 million for the nine-month period ended September 30, 2006.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 3% to R$708.9 million for the nine-month period ended September 30, 2007 from R$691.0 million for the nine- month period ended September 30, 2006. This increase reflects (i) non-recurring expenses as a result of laying off the corporate staff that supported the Key Shareholders (ii) higher freight expenses and (iii) higher marketing expenses.

Other operating income. Other operating income decreased by 35% to R$7.5 million for the nine-month period ended September 30, 2007, compared to R$11.5 million for the nine-month period ended September 30, 2006, mainly due to a reclassification in ISA-Sul, DPPI s subsidiary, whereby revenues were transferred from other operating income to Net Sales.

Operating income before financial items. Operating income before financial items increased by 24% to R$317.9 million for the nine-month period ended September 30, 2007 compared to R$255.7 million for the nine-month period ended September 30, 2006.

Financial income (expense), net. DPPI reported net financial income of R$18.5 million for the nine-month period ended September 30, 2007, compared to a net financial expense of R$5.6 million for the nine-month period ended September 30, 2006. The R$24.1 million increase in net financial result was principally due to the effects of the *real* appreciation over dollar-denominated loans.

Non-operating income (expense), net. DPPI reported net non-operating income of R$6.5 million for the nine-month period ended September 30, 2007 compared to a net non-operating income of R$30.4 million for the nine-month period ended September 30, 2006. This decrease reflects capital gains related to the subsidiary Maxfacil in 2006.

Equity in earnings of affiliates and Goodwill amortization. Equity in earnings of affiliates amounted to R$99.7 million for the nine-month period ended September 30, 2007, a 52% increase compared to the nine-month period ended September 30, 2006. The increase is mainly due to an increase in the results of operations of its affiliate IQ Ipiranga Química S.A.

Income and social contribution taxes. Income and social contribution taxes expenses amounted to R$106.1 million for the nine-month period ended September 30, 2007, an increase of 180% from R$37.9 million for the nine-month period ended September 30, 2006. This increase is primarily due to higher pre-tax profit in 2007 and interest on equity paid in the 2006.

Profit sharing. Profit sharing was R$5.6 million for the nine-month period ended September 30, 2007, compared to R$4.4 million for the nine-month period ended September 30, 2006.

Minority interest. Minority interest amounted to R$224.9 million for the nine-month period ended September 30, 2007, compared to R$184.4 million for the nine-month period ended September 30, 2006, due to the increase in CBPI s results.

Net income. As a result of the aforementioned, net income for the nine-month period ended September 30, 2007 was R$105.9 million, a 11% decrease compared to R$119.4 million for the nine-month period ended September 30, 2006.

Table of Contents

Six-month period ended June 30, 2007 compared to the six-month period ended June 30, 2006.

The following table shows a summary of DPPI s results of operations for the six-month periods ended June 30, 2007 and 2006:

	Six-month period ended June 30, 2007	Percentage of net sales and services	Six-month period ended June 30, 2006	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	12,799.4	100%	12,405.2	100%	3%
Cost of sales and services	(12,135.2)	95%	(11,785.8)	95%	3%
Gross profit	664.2	5%	619.4	5%	7%
Selling, general and administrative expenses	(469.1)	4%	(453.7)	4%	3%
Other operating income (expense), net	6.9	0%	7.9	0%	(13)%
Operating income before financial items	201.9	2%	173.6	1%	16%
Financial income (expense), net	8.4	0%	1.9	0%	351%
Non-operating income (expense), net	6.7	0%	6.9	0%	(3)%
Equity in earnings of affiliates and Goodwill amortization	66.1	1%	45.2	0%	46%
Income and social contribution taxes	(68.3)	1%	(33.8)	0%	102%
Profit sharing	(3.5)	0%	(4.3)	0%	(18)%
Minority interest	(141.9)	1%	(122.9)	1%	15%
Net income	**69.4**	**1%**	**66.5**	**1%**	**4%**

Net sales and services. Net sales and services for the semester ended June 30, 2007 increased by 3% to R$12,799.4 million from R$12,405.2 million for the semester ended June 30, 2006. The increase in net sales and services was mostly driven by the 5% growth in sales volume, particularly the ethanol and diesel volumes.

Cost of sales and services. Cost of sales and services increased by 3% to R$12,135.2 million for the semester ended June 30, 2007, compared to R$11,785.8 million for the semester ended June 30, 2006, mainly due to volume growth which was partially offset by a reduction in the cost of ethanol given the harvest season.

Gross profit. Gross profit increased by 7% to R$664.2 million for the semester ended June 30, 2007 compared to R$619.4 million for the semester ended June 30, 2006.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 3% to R$469.1 million for the semester ended June 30, 2007 from R$453.7 million for the semester ended June 30, 2006. This increase reflects (i) non-recurring expenses as a result of laying off the corporate staff that supported the Key Shareholders (R$8 million) (ii) higher freight expenses and (R$5 million) (iii) higher marketing expenses (R$2 million).

Other operating income. Other operating income decreased by 13% to R$6.9 million for the semester ended June 30, 2007, compared to R$7.9 million for the semester ended June 30, 2006.

Operating income before financial items. Operating income before financial items increased by 16% to R$201.9 million for the semester ended June 30, 2007 compared to R$173.6 million for the semester ended June 30, 2006.

Financial income (expense), net. DPPI reported net financial income of R$8.4 million for the semester ended June 30, 2007, compared to a net financial income of R$1.9 million for the semester ended June 30, 2006. The R$6.5 million increase in financial income was principally due to the effects of the *real* appreciation over the dollar-denominated loans.

Table of Contents

Non-operating income (expense), net. Reported net non-operating income was R$6.7 million for the semester ended June 30, 2007 compared to a net non-operating income of R$6.9 million for the semester ended June 30, 2006. The decrease of non-operating income is primarily attributable to sale of fixed assets (vehicles) in 2006.

Equity in earnings of affiliates and goodwill amortization. Equity in earnings of affiliates amounted to R$66.1 million for the semester ended June 30, 2007, a 46% increase compared to the semester ended June 30, 2006. The increase is mainly due to an increase in the results of operations of the affiliate IQ Ipiranga Química S.A. and Isa-Sul.

Income and social contribution taxes. Income and social contribution taxes expenses amounted to R$68.3 million for the semester ended June 30, 2007, an increase of 102% from R$33.8 million for the semester ended June 30, 2006. This increase is primarily due to higher pre-tax profit in 2007 and interest on equity paid in 2006.

Profit sharing. Profit sharing was R$3.5 million for the semester ended June 30, 2007, compared to R$4.3 million for the semester ended June 30, 2006.

Minority interest. Minority interest amounted to R$141.9 million for the semester ended June 30, 2007, compared to R$122.9 million for the semester ended June 30, 2006, due to the increase in CBPI s results.

Net income. As a result of the aforementioned, net income for the semester ended June 30, 2007 was R$69.4 million, a 4% increase compared to R$66.5 million for the semester ended June 30, 2006.

Year ended December 31, 2006 compared to the year ended December 31, 2005.

The following table shows a summary of DPPI s results of operations for the years ended December 31, 2006 and 2005:

	Year ended December 31, 2006	Percentage of net sales and services	Year ended December 31, 2005	Percentage of net sales and services	Percent change
		(in millions of *reais*, except percentages)			
Net sales and services	25,714.7	100%	22,757.5	100%	13%
Cost of sales and services	(24,430.5)	95%	(21,533.9)	95%	13%
Gross profit	1,284.3	5%	1,223.6	5%	5%
Selling, general and administrative expenses	(932.4)	4%	(881.1)	4%	6%
Other operating income (expense), net	23.2	0%	62.7	0%	(63)%
Operating income before financial items	375.0	1%	405.1	2%	(7)%
Financial income (expense), net	(7.7)	0%	40.7	0%	(119)%
Non-operating income (expense), net	30.1	0%	26.6	0%	13%
Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments	84.9	0%	72.4	0%	17%
Income and social contribution taxes	(48.0)	0%	(99.7)	0%	(52)%
Profit sharing	(16.3)	0%	(16.7)	0%	(2)%
Minority interest	(257.1)	1%	(258.8)	1%	(1)%
Net income	**160.9**	**1%**	**169.8**	**1%**	**(5)%**

Net sales and services. Net sales and services for the year ended December 31, 2006 increased by 13% to R$25,714.7 million from R$22,757.5 million for the year ended December 31, 2005. The increase in net sales was mostly driven by 2% growth in sales volume and pricing adjustments in consequence of the higher refinery costs.

Table of Contents

Cost of sales and services. Cost of sales and services increased by 13% to R$24,430.5 million for the year ended December 31, 2006, compared to R$21,533.9 million for the year ended December 31, 2005, mainly due to increase in the cost of raw materials and growth in sales volumes.

Gross profit. Gross profit increased by 5% to R$1,284.3 million for the year ended December 31, 2006, compared to R$1,223.6 million for the year ended December 31, 2005.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 6% to R$932.4 million for the year ended December 31, 2006 from R$881.1 million for the year ended December 31, 2005. This increase reflects (i) salary increases as a result of the annual collective wage agreement, (ii) freight and other variable expenses due to higher volumes and sales, (iii) marketing and maintenance expenses and (iv) increase in depreciation due to the investments realized.

Other operating income. Other operating income decreased by 63% to R$23.2 million for the year ended December 31, 2006, compared to R$62.7 million for the year ended December 31, 2005, mainly due to positive actuarial effects on its pension fund in 2005. See Note 18 to DPPI s consolidated financial statements.

Operating income before financial items. Operating income before financial items decreased by 7% to R$375.0 million for the year ended December 31, 2006, compared to R$405.1 million for the year ended December 31, 2005.

Financial income (expense), net. Reported net financial expense was R$7.7 million for the year ended December 31, 2006, compared to a net financial income of R$40.7 million for the year ended December 31, 2005. The R$48.4 million increase in financial expense was principally due to the interest expenses on a R$350 million debenture issued by CBPI on 2006.

Non-operating income (expense), net. Reported net non-operating income was R$30.1 million for the year ended December 31, 2006, compared to a net non-operating income of R$26.6 million for the year ended December 31, 2005.

Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments. Equity in earnings of affiliates amounted to R$84.9 million for the year ended December 31, 2006, a 17% increase compared to the year ended December 31, 2005. The increase is mainly due to an increase in the results of operations of the affiliate IQ Ipiranga Química S.A.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$48.0 million for the year ended December 31, 2006, a decrease of 52% from R$99.7 million for the year ended December 31, 2005. This decrease is primarily due to a lower pre-tax profit and the increase in non-taxable income.

Profit sharing. Profit sharing was R$16.3 million for the year ended December 31, 2006, compared to R$16.7 million for the year ended December 31, 2005.

Minority interest. Minority interest was R$257.1 million for the year ended December 31, 2006, compared to R$258.8 million for the year ended December 31, 2005.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2006 was R$160.9 million, a decrease of 5% compared to R$169.8 million for the year ended December 31, 2005.

Table of Contents

Year ended December 31, 2005 compared to the year ended December 31, 2004.

The following table shows a summary of DPPI s results of operations for the years ended December 31, 2005 and 2004:

	Year ended December 31, 2005	Percentage of net sales and services	Year ended December 31, 2004	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	22,757.5	100%	19,111.6	100%	19%
Cost of sales and services	(21,533.9)	95%	(18,009.9)	94%	20%
Gross profit	1,223.6	5%	1,101.8	6%	11%
Selling, general and administrative expenses	(881.1)	4%	(772.8)	4%	14%
Other operating income (expense), net	62.7	0%	12.7	0%	394%
Operating income before financial items	405.1	2%	341.7	2%	19%
Financial income (expense), net	40.7	0%	15.3	0%	167%
Non-operating income (expense), net	26.6	0%	(11.1)	0%	(340)%
Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments	72.4	0%	127.8	1%	(43)%
Income and social contribution taxes	(99.7)	0%	(70.4)	0%	42%
Profit sharing	(16.7)	0%	(12.7)	0%	32%
Minority Interest	(258.8)	1%	(252.6)	1%	2%
Net income	**169.8**	**1%**	**138.0**	**1%**	**23%**

Net sales and services. Net sales and services for the year ended December 31, 2005 increased by 19% to R$22,757.5 million from R$19,111.6 million for the year ended December 31, 2004. The increase in net sales was driven by 3% growth in sales volume and pricing adjustments in consequence of higher refinery costs.

Cost of sales and services. Cost of sales and services increased by 20% to R$21,533.9 million for the year ended December 31, 2005, compared to R$18,009.9 million for the year ended December 31, 2004, mainly due to an increases in the cost of raw materials and growth in sales volumes.

Gross profit. Gross profit increased by 11% to R$1,223.6 million for the year ended December 31, 2005 from R$1,101.8 million for the year ended December 31, 2004.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 14% to R$881.1 million for the year ended December 31, 2005 from R$772.8 million for the year ended December 31, 2004. This increase reflects (i) salary increases as a result of the annual collective wage agreement, (ii) freight and other variable expenses due to higher volumes and sales, and (iii) increase in marketing and maintenance expenses.

Other operating income. Other operating income increased to R$62.7 million for the year ended December 31, 2005, compared to R$12.7 million for the year ended December 31, 2004, mainly due to positive actuarial effects on its pension fund. See Note 18 to DPPI s consolidated financial statement.

Operating income before financial items. Operating income before financial items increased by 19% to R$405.1 million for the year ended December 31, 2005 from R$341.7 million for the year ended December 31, 2004.

Financial income (expense), net. Reported net financial income amounted to R$40.7 million for the year ended December 31, 2005, compared to a net financial income of R$15.3 million for the year ended December 31, 2004. The R$25.4 million improvement was mainly due to the effect of the exchange rate fluctuations on DPPI dollar-denominated financial instruments.

Non-operating income (expense), net. Net non-operating income was R$26.6 million for the year ended December 31, 2005 compared to a net non-operating expense of R$11.1 million for the year ended December 31,

Table of Contents

2004. The improvement in non-operating income derives substantially from gains related to the sale by DPPI to RIPI of subscription warrants in the amount of R$29 million. See Note 7 to DPPI s consolidated financial statements.

Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments. Equity in earnings of affiliates amounted to R$72.4 million for the year ended December 31, 2005, a 43% decrease compared to the year ended December 31, 2004. Such decrease is mainly due to a reversal of a provision for loss on the investment in Ipiranga Petroquímica S.A. in 2004 due to an increase in the results of operation in this affiliate.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$99.7 million for the year ended December 31, 2005, an increase of 42% from R$70.4 million for the year ended December 31, 2004. This increase is primarily due to higher pre-tax profit.

Profit sharing. Profit sharing was R$16.7 million for the year ended December 31, 2005, compared to R$12.7 million for the year ended December 31, 2005, reflecting the improvement in the company s operational result.

Minority interest. Minority interest was R$258.8 million for the year ended December 31, 2006, compared to R$252.6 million for the year ended December 31, 2005.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2005 was R$169.8 million, an increase of 23% compared to R$138.0 million in 2004.

B. Liquidity and Capital Resources

DPPI s principal sources of liquidity are cash generated from operations and financing. DPPI believes that these sources will continue to be sufficient to satisfy our current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends or interest on equity.

Sources and Uses of Funds

Net cash flow from operations was R$158.3 million and R$(87.0) million for the six months ended June 2007 and 2006, respectively. DPPI s cash flow from operations increased R$245.3 million mostly because of a reduction in investment in working capital for the first half of 2007. Net cash flow from financing activities amounted to R$(99.8) million and R$47.9 million for the first half of 2007 and 2006, respectively. Cash used for financing activities for the first half of 2007 decreased R$147.6 million compared to the same period in 2006, as a result of higher new loans and financing obtained in the first half of 2006.

Investing activities used net cash of R$(20.7) million and R$8.6 million for the first six months ended June 30, 2007 and 2006, respectively. The higher level of cash used by investing activities for the first half of 2007 compared to 2006 was principally due to the amortization of debentures in the first semester of 2006 issued by its affiliate IQ.

As of June 30 2007, DPPI had R$242.9 million in cash, cash equivalents, derivatives, short- and long-term investments. DPPI will spend approximately R$890.8 million over the next five years to meet long-term contractual obligations described in Tabular Disclosure of Contractual Obligations . DPPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of its current indebtedness as it becomes due.

Net cash flow from operations was R$229.9 million, R$156.9 million and R$289.9 million for 2006, 2005 and 2004, respectively. DPPI s cash flow from operations increased by R$72.9 million in 2006, compared to 2005 and decreased by R$132.9 million in 2005 compared to 2004, mainly reflecting the cash generated by the

Table of Contents

increase in other liabilities in 2004. Net cash flow from financing activities amounted to R$(177.8) million, R$(31.3) million and R$(344.4) million in the years ended December 31, 2006, 2005 and 2004, respectively. The cash consumed by financing activities in 2006 increased by R$146.5 million compared to 2005, mainly due to a lower level of net cash raised. Cash consumed by financing activities in 2005 decreased by R$313.0 million compared to 2004, due to a higher level of net cash raised from new loans.

Investing activities generated net cash of R$11.3 million in the year ended December 31,2006, and consumed R$(203.3) million and R$(142.9) million in the years ended December 31, 2005 and 2004, respectively. The increase in cash flow generated from investing activities in 2006 compared to 2005 was principally due to proceeds from debentures issued by related parties and held by DPPI and CBPI, which were partially redeemed in 2006. Acquisitions of property, plant and equipment and additions to intangible assets and deferred charges consumed R$178.6 million, R$159.1 million and R$149.6 million in 2006, 2005 and 2004, respectively. For the year ended December 31, 2006, amounts under investing activities were allocated mainly in the renovation and operational improvement of the company s service stations and distribution facilities and on the expansion of NGV service stations.

As of December 2006, DPPI had R$201.4 million in cash, cash equivalents and long-term investments. DPPI will spend approximately R$1.0 billion in the next five years to meet long-term contractual obligations as described in the Tabular Disclosure of Contractual Obligations. DPPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new-debt financing and the refinancing of some of its indebtedness as it becomes due.

Indebtedness

As of June 30, 2007, DPPI s consolidated short- and long-term debt was as follows:

Indebtedness	Currency	Interest Rate(1)	Principal amount of outstanding and accrued interest through June 30, 2007	December 31, 2006	2005	2004
			(in millions of *reais*)			
Foreign currency-denominated loans:						
Purchase financing	US$	Exchange variations US$ + 1.0% to 1.4% p.a.		41.1	278.3	66.8
Global Notes(a)	US$	Exchange variations US$ + 9.875% p.a.	112.5	124.9	320.7	370.1
Subsidiaries		Exchange variations US$ + interest of 5.6% to 6.8% p.a. CDI up to 104%	12.9			
***Real*-denominated loans:**						
Property and equipment acquisition	R$	TJLP² plus interest of 3.8% to 5.1% p.a.	33.1	37.7	35.5	24.9
Debentures(b)	R$	103.8% of CDI	360.5	361.4		
Subsidiaries	R$	CDI up to 105.5% to 106.5%	49.2	41.2		
Working capital	R$	CDI up to 100.0%	42.0	132.2	80.1	80.5
Financial institutions	R$	CDI up to 100.0%	64.0			
Total			674.3	738.5	714.6	542.3

(1) Interest rate only as of June, 2007.

(2) TJLP (Long-Term Interest Rate) is a nominal interest rate established by Brazilian National Monetary Council (CMN) on a quarterly basis. On June 30, 2007, TJLP was fixed at 6.5% p.a.

(3) On August 1, 2003, CBPI issued US$135 million in notes in the international markets. On August 1, 2005, when interest increased from 7.875% per year to 9.875% per year, some of the holders decided to early

153

Table of Contents

redeem its notes in the amount of US$1,285 or R$3,072. In 2006, the subsidiary made an offer to repurchase to the bondholders as a result of which there was a partial redemption in the amount of US$79,574 or R$164,877.

(4) On April 18, 2006, CBPI registered with the Brazilian Securities Commission (CVM) a public offering of 35,000 debentures, of a single series, nonconvertible, with face value of R$10 each, and issued on April 1, 2006, in the amount of R$350,000. The debentures mature on April 1, 2011 with principal repaid in three annual installments. They pay interest, from the issuance date, on their unit face value, of 103.80% of the *Taxa DI over extra grupo*, or the daily average rate of interbank deposits, disclosed by the Clearinghouse for the Custody and Financial Settlement of Securities (CETIP). Interest is payable every 6 months from the issuance date of the debentures.

DPPI s consolidated debt as of June 30, 2007 had the following maturity schedule:

Maturity	**Amount (in millions of *reais*)**
July 1, 2007 to June 30, 2008	89.8
July 1, 2008 to June 30, 2009	214.3
July 1, 2009 to June 30, 2010	130.5
July 1, 2010 to June 30, 2011	121.9
July 1, 2011 to June 30, 2012	117.8
Total	674.3

DPPI provides collaterals and guarantees for some loan operations conducted directly or indirectly by affiliates and subsidiaries. As of June 30, 2007, December 31, 2006 and December 31, 2005, amounts referring to these operations were R$187.2 million, R$227.3 million and R$187.0 million, respectively. See Note 20 to DPPI s consolidated financial statements.

Investments

Equity investments

The table below shows DPPI s investments in shareholding stakes for the six-month period ended June 30, 2007 and the years ended December 31, 2006, 2005 and 2004.

	Six-month period ended June 30, 2007	**Year ended December 31, 2006**	**2005**	**2004**
	(in millions of *reais*)			
Investments in shareholding stakes	3.7	3.9	8.8	19.7

Investments in permanent assets and deferred charges

The following table sets forth DPPI s investments for the six-month period ended June 30, 2007 and the years ended December 31, 2006, 2005 and 2004.

	Six-month period ended June 30, 2007	**Year ended December 31, 2006**	**2005**	**2004**
	(in millions of *reais*)			
Distribuidora de Produtos de Petróleo Ipiranga S.A.	19.4	52.2	55.3	33.7
Subsidiaries	115.4	337.7	303.4	298.9

Total capital expenditures	134.8	389.9	358.6	332.7
Disposals	(79.4)	(200.8)	(143.6)	(161.1)
Total capital expenditures, net of disposals(1)	55.4	189.1	215.0	171.6

(1) Includes customer financing, net of its amortization and leasing operations.

Table of Contents

DPPI s investment strategy has been to make improvements related to its retail service stations network and terminals. During the six-month period ended June 30, 2007 and the years ended December 31, 2006, 2005 and 2004, investments focused on enhancing environmental safeguard, increasing convenience stores list of services and products offered, and expanding the availability of NGV (Compressed natural gas) on DPPI s network.

The investment plan for 2007 has a total budget of R$178.5 million, consisting of (i) modernization and expansion of our service stations network, (ii) modernization and expansion of DPPI s convenience stores network and (iii) renovation of exclusivity contracts with some of DPPI s retail dealers.

U.S. GAAP Reconciliation

DPPI s net income under Brazilian GAAP amounted to R$69.4 million and R$66.5 million for the six-month period ended June 30, 2007 and 2006, respectively, and R$160.9 million and R$169.8 million for the years ended December 31, 2006 and 2005, respectively. Under U.S. GAAP, DPPI presented net income of R$58.9 million and R$56.8 for the six month-period ended June 30, 2007 and 2006, respectively, and R$112.6 million and R$99.2 million for the years ended December 31, 2006 and 2005, respectively.

DPPI s shareholders equity under Brazilian GAAP as of June 30, 2007, December 31, 2006 and December 31, 2005 was R$873.4 million, R$804.0 million and R$708.4 million, respectively. Under U.S. GAAP, DPPI shareholders equity was R$901.4 million, R$843.9 million and R$758.5 million as of as of June 30, 2007, December 31, 2006 and December 31, 2005, respectively.

The principal differences between Brazilian GAAP and U.S. GAAP that affect DPPI s net income and shareholders equity relate to the treatment of the following items:

- adjustment for inflation of property, plant and equipment;
- post-employment benefits adjustment;
- gain on percentage variation of capital share;
- differences in goodwill accounting;
- fair-value adjustments of derivatives;
- accounting for deferred taxes;
- accounting for convertible debentures; and
- deferred tax effects on the foregoing adjustments.

See Note 25 to DPPI s consolidated financial statements for a description of the differences above as they relate to DPPI and a reconciliation to U.S. GAAP of net income and total shareholders equity.

C. Research and Development, Patents and Licenses, etc.

DPPI owns the registers of its brands including Ipiranga , Corrida Premiada and Posto 24 Horas . The company also owns the registers of DPPISA, Ipicil, Ipiflex, Ipilube, Ipitur, Isa, Marina 2T Plus and several other brands. Through its controlled company CBPI, DPPI also owns the register of RodoRede, Jet OIl, Atlantic, F1 Master, F1 Super, Ipiranga 4x4, Lub Fácil, Sintex, Moldax, Rede Nota Dez, Ipitrust, GP Super and several other brands. The register of these brands expires between 2007 and 2016, and the renovation of these registers is part of DPPI s and CBPI s annual activities.

One of DPPI s indirectly controlled companies, AM/PM Comestíveis Ltda., is the master franchisee of AM/PM brand in Brazil. Costs and terms of brand usage are governed by the agreement signed between AM/PM Internacional Co. and AM/PM Comestíveis Ltda.

Table of Contents

D. Trend Information

Brazilian consumption of fuels

Recent economic indicators, published by IBGE - *Instituto Brasileiro de Geografia e Estatística* (Brazilian Institute of Geography and Statistics), have shown a decrease in the unemployment levels from 10% in September 2006 to 9% in the September 2007. IBGE indicators have also shown an improvement in the Brazilian economy, as GDP increased by 5% in the first half of 2007 compared to the same period in 2006. This, together with greater credit availability, as shown by the 25% increase in the total stock of credit in the Brazilian financial system in the eight-month period ended August, 2007 as compared to the same period in 2006, according to Brazilian Central Bank data, has resulted in record levels of vehicle sales in the first half of 2007 (growth of 25.7% in the number of new vehicles registered as compared to 2006) and consequently an increased demand for fuel. Despite record car sales, however, Brazil s current fleet is small compared to other Latin American countries, with 8 inhabitants per vehicle, whereas Argentina and Mexico have 5 inhabitants per vehicle, according to ANFAVEA - *Associação Nacional dos Fabricantes Veículos Automotores* (Brazilian Association of Vehicle Producers).

Based on the current expansion in the economy and credit availability, together with the low ratio of inhabitants per vehicle, Ultrapar believes the outlook for increased Brazilian fuel consumption is positive for the coming years. The increase in fuel consumption could have a positive effect on the future volume sold by the company.

Oil products prices

Until 2005, the prices of certain oil byproducts, especially gasoline and diesel, were being periodically updated by Petrobras to reduce the differences between prices in Brazil and prices prevailing in the international markets. However, since September 2005, these prices have not been updated by Petrobras. On the other hand, oil prices in the international markets have been influenced by the increase in worldwide demand for oil and the instability in producing countries, which led to an increase of the average oil prices from US$44 per barrel in January 2005 to US$62 per barrel in December 2006 and US$71 per barrel in June 2007, based on the price for Brent Crude Oil, one of the major worldwide classifications of oil. This combination of factors caused an incompatibility between oil prices in the international markets and oil byproducts prices in Brazil. We can not predict if and when gasoline and diesel prices will be adjusted to prices in the international markets. The adjustment in the gasoline and diesel prices to international prices could have an impact on the company s profitability in the future.

E. Tabular Disclosure of Contractual Obligations

The following table summarizes DPPI s contractual obligations, as of June 30, 2007:

		Payment due by period			
Contractual obligations - DPPI	**Total**	**Up to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
		(in millions of *reais*)			
Financing	674.3	89.8	344.8	239.7	0
Estimated interest payments on financing(1)(2)	167.5	58.7	94.4	14.4	0
Estimated planned funding of pension and other postretirement benefit obligations(3)	212.7	8.3	17.8	19.6	167.1
Operating lease obligations(4)	5.4	0.7	1.3	1.3	2.0
Total contractual obligations	**1,059.9**	**157.5**	**458.3**	**275.0**	**169.1**

(1) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar

exchange rate, (iii) a 3% inflation rate, and (iv) an 6% TJLP rate. See Liquidity and Capital Resources Indebtedness and Note 14 to DPPI s consolidated financial statements for more information about the maturity of DPPI s debt and applicable interest rates.

(2) Includes estimated interest payments on our short- and long-term debt.

(3) See Note 18 to DPPI s consolidated financial statements for more information relating to DPPI estimated planned funding of pensions and other post-retirement benefit obligations.

(4) Includes the franchise contract with AM/PM, under which DPPI and/or its subsidiaries are entitled to pay minimum royalty fees through 2015.

Table of Contents

CBPI MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with CBPI s unaudited interim consolidated financial information for the nine-month periods ended September 30, 2007 and 2006 and the six-month period ended June 30, 2007 and 2006 and the audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004, as well as their respective notes, included in this prospectus, and the sections Other Information and Selected Consolidated Historical Financial Data of CBPI and other financial information presented elsewhere in this prospectus.

This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. CBPI s actual results may differ significantly from those discussed in these estimates and forward-looking statements as a result of various factors, including, without limitation, those described in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

A. Operating Results

Brazilian Economic Background

Since all of CBPI s operating businesses are located in Brazil, we are significantly affected by Brazil s economic and social conditions, including, but not limited to, gross domestic product, or GDP, Brazilian population income, credit availability, interest rates, the domestic rate of inflation and exchange rate fluctuations.

Gross domestic product

As the government became more confident regarding inflation trends, interest rates were lowered, and Brazilian GDP grew by 4.9% in 2004. However, in order to meet inflation targets, the Central Bank increased interest rates again in 2005, and GDP growth decreased to 2.3% in the year ended December 31, 2005. During 2006, the Brazilian economy presented the same trend shown in the previous year and GDP grew by 2.9%. In the first half of 2007, Brazilian GDP grew by 4.8%, compared to the same period in 2006. This growth was mainly influenced by the improved performance of the industrial sector as a result of lower interest rates, greater credit availability and expansion in the Brazilian population income. CBPI s operations, especially sales of fuels, are significantly impacted by Brazilian GDP growth. In addition, the level of Brazilian population income, which often bears a relation to GDP performance, also affect the sales of fuels.

Inflation and currency fluctuations

CBPI s cash operating expenses are substantially in *reais* and tend to fluctuate with inflation. In 2004, the *real* appreciated against the U.S. dollar and the IGP-M for the year was 12.4%. In 2005, 2006 and the first half of 2007, the *real* continued to appreciate against the U.S. dollar, which, together with increased average interest rates, resulted in inflation rates of 1.2%, 3.9% and 1.5%, respectively, as measured by the IGP-M. Future governmental actions, including adjustments to the value of the *real* in relation to the U.S. dollar, may increase inflation.

The principal foreign exchange risk CBPI faces arises from certain U.S. dollar-denominated debt. On June 30, 2007, exchange rate exposure totaled US$64.1 million. Hence, CBPI is exposed to foreign exchange rate risks which could negatively impact its businesses, financial situation and operating results, as well as its capacity to service its debt. See Note 21 to CBPI s consolidated financial statements.

The table below shows the inflation rate for the periods indicated, as measured by the IGP-M, as well as the devaluation of the *real* against the U.S. dollar.

Index	Six month period ended June 30, 2007	Six month period ended June 30, 2006	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
General Price Index IGP-M	1.5%	1.4%	3.9%	1.2%	12.4%
Devaluation (appreciation) of the *real* against the U.S. dollar	(9.9)%	(7.5)%	(8.7)%	(11.8)%	(8.1)%

Table of Contents

Interest rate and credit availability

Interest rates in Brazil have been historically high, but monetary authorities there have had success in controlling them in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was increased to 26% per year, as a response to the inflation bubble of the previous year. However, the rate dropped further during 2003 to 16%. Between 2004 and mid-2005, there was another tightening of rates, as a reply to a quick acceleration of inflation. Now, as inflation has been controlled, the basic rate was reduced to 11.25% per year in September 2007. The unemployment rate in Brazil dropped from 12% to 10% in the past two years. Despite the relatively high unemployment rate, the average worker s income has been constantly increasing since the end of 2003. The greater availability of credit due to lower interest rates and improvement in Brazilian population income largely explain the increase in internal demand, including the record levels of vehicle sales in the first half of 2007, amounting to 1.082 million vehicles registered, including cars, trucks and buses. This is a 25.7% increase compared to the first half of 2006, according to figures published by the National Vehicle Registry (Renavam). This growth has been having a positive influence on demand for fuels.

The main interest rate risk CBPI faces derives from interest rate fluctuations that might increase its interest expenses on loans and financing. CBPI continuously monitors interest rates in the market in order to evaluate the need for hedging against the volatility of these rates.

Index	Six-month period ended June 30, 2007	2006	Year ended December 31, 2005	2004
Interest rate Selic	6%	15%	19%	16%

Critical Accounting Policies and Estimates

The presentation of CBPI s financial condition and results of operations requires its management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of its assets and liabilities that may affect the reported amount of such assets as well as our revenues and expenses. Actual results may differ from those estimated under different variables, assumptions or conditions, even though CBPI s management believes that its accounting estimates are reasonable. The following paragraphs review the critical accounting estimates that management considers most important for understanding CBPI s financial condition, results of operations and cash flows. An accounting estimate is considered a critical accounting estimate if it meets the following criteria:

- The accounting estimate requires management to make assumptions about matters that were highly uncertain at the time the accounting estimate was made; and

- Different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on our financial condition, results of operations or cash flows.

We have identified the following five of CBPI s accounting policies that can be considered critical.

Allowance for doubtful accounts

CBPI maintains allowances for doubtful accounts for estimated losses resulting from the subsequent inability of its customers to make required payments. An allowance for doubtful accounts is recorded in an amount CBPI considers sufficient to cover any probable losses on realization of its accounts receivable from its customers, as well as other receivables, and is included as selling expenses; no adjustment is made to net sales and services revenue. In order to establish the allowance for doubtful accounts, CBPI s management constantly evaluates the amount and characteristics of its accounts receivable. When significant delays occur and the likelihood of receiving these payments decreases, a provision is made. In case receivables in arrears are guaranteed or there are reasonable grounds to believe they will be paid, no provision is made. If the financial conditions of CBPI s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances would be required in future periods. However, because CBPI cannot predict with certainty the future financial stability of its customers, CBPI cannot guarantee that its reserves will continue to be adequate. Actual credit losses may be greater than the allowance CBPI has established, which could have a significant impact on its selling expenses. See Note 21(b) to CBPI s consolidated financial statements for additional information about credit risk.

Deferred Taxes

CBPI recognizes deferred tax assets and liabilities which do not expire, arising from tax loss carry-forwards, temporary add-backs, revaluation of property, plant and equipment and other procedures. CBPI periodically reviews the deferred tax assets for recoverability and establishes a valuation allowance, as required, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences. In the event CBPI or one of its subsidiaries operates at a loss or is unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, CBPI evaluates the need to establish a valuation allowance against all or a significant portion of its deferred tax assets, resulting in an increase in its effective tax rate, thereby decreasing net income. If CBPI determines that it can realize a deferred tax in excess of its net recorded amount, CBPI decreases the valuation allowance, thereby increasing net income. Significant management judgment is required in determining any valuation allowance. The principal uncertainty relates to the likelihood of future taxable income from the subsidiary that generated the deferred tax asset. A change in CBPI s projections of profitability could result in the need to record a valuation allowance against deferred tax assets, resulting in a negative impact on future results. See Note 10(a) to CBPI s consolidated financial statements for additional information on taxes.

Contingent liabilities

CBPI is currently involved in certain legal and administrative proceedings that arise from its normal course of business as described in Note 16 to CBPI s consolidated financial statements. CBPI believes that the extent to which these contingencies are recognized in CBPI s consolidated financial statements is adequate. It is CBPI s policy to record accrued liabilities in regard to contingencies that can be reasonably estimated and could have a material adverse impact on the results of CBPI s operations or its financial condition and that are probable to occur in the opinion of its management, based on information available to CBPI, including information obtained from its legal advisors. Future results of operations for any particular quarterly or annual period could be materially affected by changes in CBPI s assumptions, by the effectiveness of CBPI s strategies relating to these proceedings, by future developments in each matter being discussed or by changes in approach, such as a change in settlement strategy in dealing with these matters.

Pension and other post-retirement benefits

The determination of the expense and liability relating to CBPI s pension plan and certain insurance benefits for CBPI s employees and their dependents involves the use of actuarial assumptions. These include estimates of future mortality, withdrawal, changes in compensation and the discount rate used to reflect the time value of money, as well as the rate of return on plan assets. These assumptions are reviewed at least annually and may differ materially from actual results due to changing market and economic conditions, regulatory events, judicial rulings, higher or lower withdrawal rates or longer or shorter life spans of participants. In case actual results differ from the assumptions adopted, there may be a significant impact on the amount of pension liability and post-retirement health care and expenses CBPI records. See Note 18 to CBPI s consolidated financial statements for additional information on provision for post-employment benefits.

Provision for losses on investments

CBPI recognizes a provision for losses on investments related to investments in non-consolidated affiliates which (i) have reported negative stockholders equity in their financial statements prepared in accordance with

Table of Contents

Brazilian GAAP and (ii) have outstanding loans which CBPI has guaranteed. In such cases, CBPI first reduces the value of the investment to zero, and subsequently provide for its portion of negative equity. The amount of losses recognized by CBPI and related payments made on behalf of the non-consolidated affiliate, if any, will depend upon the future results of such affiliate during the period the guarantee is outstanding.

Results of Operations

The following discussion of CBPI s results of operations is based on the financial information derived from CBPI s consolidated financial statements prepared in accordance with Brazilian GAAP.

The following table shows a summary of our results of operations for the nine-month periods ended September 30, 2007 and 2006:

	Period ended September 30, 2007	Percentage of net sales and services	Period ended September 30, 2006	Percentage of net sales and services	Percent change
	(in millions of reais, except percentages)				
Net sales and services	16,914.9	100%	16,454.3	100%	3%
Cost of sales and services	(16,054.5)	95%	(15,662.3)	95%	3%
Gross profit	**860.4**	**5%**	**791.9**	**5%**	**9%**
Selling, general and administrative expenses	(602.8)	4%	(586.8)	4%	3%
Other operating income (expense), net	8.4	0%	8.0	0%	5%
Operating income before financial items	**266.0**	**2%**	**213.1**	**1%**	**25%**
Financial income (expense), net	3.4	0%	(19.8)	0%	
Non-operating income (expense), net	6.6	0%	3.2	0%	106%
Equity in earnings of affiliates and Goodwill amortization	99.7	1%	65.5	0%	52%
Income and social contribution taxes	(86.4)	1%	(25.9)	0%	233%
Profit sharing	(4.6)	0%	(3.5)	0%	32%
Net income	**284.7**	**2%**	**232.5**	**1%**	**22%**

Net sales and services. Net sales and services for the nine-month period ended September 30, 2007 increased by 3% to R$16,914.9 million from R$16,454.3 million for the nine-month period ended September 30, 2006. The increase in net sales was driven by a 6% growth in sales volume, particularly in ethanol and diesel volumes, partially offset by a 3% decrease in average prices.

Cost of sales and services. Cost of sales and services increased by 3% to R$16,054.5 million for the nine-month period ended September 30, 2007, compared to R$15,662.3 million for the nine-month period ended September 30, 2006, mainly due to volume growth, which was partially offset by the cost reduction of ethanol given the harvest season in 2007.

Gross profit. Gross profit increased by 9% to R$860.4 million for the nine-month period ended September 30, 2007 compared to R$791.9 million for the nine-month period ended September 30, 2006.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 3% to R$602.8 million for the nine-month period ended September 30, 2007 from R$586.8 million for the nine-month period ended September 30, 2006. This increase reflects (i) non-recurring expenses as a result of laying off the corporate staff that supported the Key Shareholders, (ii) higher freight expenses and (iii) higher marketing expenses.

Other operating income. Other operating income increased by 5% to R$8.4 million for the nine-month period ended September 30, 2007, compared to R$8.0 million for the nine-month period ended September 30, 2006.

Table of Contents

Operating income before financial items. Operating income before financial items increased by 25% to R$266.0 million for the nine-month period ended September 30, 2007 compared to R$213.1 million for the nine-month period ended September 30, 2006.

Financial income (expense), net. CBPI reported net financial income of R$3.4 million for the nine-month period ended September 30, 2007, compared to a net financial expense of R$19.8 million for the nine-month period ended September 30, 2006. The R$23.2 million improvement in net financial result was principally due to the effects of the *real* appreciation over the dollar-denominated loans.

Non-operating income (expense), net. CBPI reported a net non-operating income of R$6.6 million for the nine-month period ended September 30, 2007 compared to a net non-operating income of R$3.2 million for the nine-month period ended September 30, 2006. The increase of R$3.4 million on non-operating income is primarily attributable to reversal of a permanent assets loss provision in 2007.

Equity in earnings of affiliates and goodwill amortization. Equity in earnings of affiliates amounted to R$99.7 million for the nine-month period ended September 30, 2007, a 52% increase compared to the nine-month period ended September 30, 2006. The increase is mainly due to an increase in the results of operation in the affiliate IQ.

Income and social contribution taxes. Income and social contribution taxes expenses amounted to R$86.4 million for the nine-month period ended September 30, 2007, an increase of 233% from R$25.9 million for the nine-month period ended September 30, 2006. This increase is primarily due to higher pre-tax income in 2007 and interest on equity paid in 2006.

Profit sharing. Profit sharing was R$4.6 million for the nine-month period ended September 30, 2007, compared to R$3.5 million for the nine-month period ended September 30, 2006. This increase is due to better results in 2007.

Net income. As a result of the foregoing, net income for the nine-month period ended September 30, 2007 was R$284.7 million, an increase of 22% compared to R$232.5 million for the nine-month period ended September 30, 2006.

Six-month period ended June 30, 2007 compared to the six-month period ended June 30, 2006

The following table shows a summary of CBPI s results of operations for the six-month period ended June 30, 2007:

	Semester ended June 30, 2007	Percentage of net sales and services	Semester ended June 30, 2006	Percentage of net sales and services	Percent change
	(in millions of reais, except percentages)				
Net sales and services	11,128.1	100%	10,677.5	100%	4%
Cost of sales and services	(10,571.3)	95%	(10,154.0)	95%	4%
Gross profit	556.8	5%	523.5	5%	6%
Selling, general and administrative expenses	(397.0)	4%	(388.6)	4%	2%
Other operating income (expense), net	5.2	0%	5.0	0%	3%
Operating income before financial items	165.0	1%	139.9	1%	18%
Financial income (expense), net	(0.1)	0%	(8.1)	0%	90%
Non-operating income (expense), net	6.4	0%	6.9	0%	(7)%
Equity in earnings of affiliates and Goodwill amortization	66.1	1%	45.2	0%	46%
Income and social contribution taxes	(54.3)	0%	(25.7)	0%	111%
Profit sharing	(2.8)	0%	(3.4)	0%	(17)%
Net income	**179.6**	**2%**	**154.7**	**1%**	**16%**

Table of Contents

Net sales and services. Net sales and services for the semester ended June 30, 2007 increased by 4% to R$11,128.1 million from R$10,677.5 million for the semester ended June 30, 2006. The increase in net sales was driven by a 5% growth in sales volume, particularly in ethanol and diesel volumes.

Cost of sales and services. Cost of sales and services increased by 4% to R$10,571.3 million for the semester ended June 30, 2007, compared to R$10,154.0 million for the semester ended June 30, 2006, mainly due to volume growth, which was partially offset by the cost reduction of ethanol given the harvest season in 2007.

Gross profit. Gross profit increased by 6% to R$556.8 million for the semester ended June 30, 2007 compared to R$523.5 million for the semester ended June 30, 2006.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 2% to R$397.0 million for the semester ended June 30, 2007 from R$388.6 million for the semester ended June 30, 2006. This increase reflects (i) non-recurring expenses as a result of laying off the corporate staff that supported the Key Shareholders (R$6 million) and (ii) higher freight expenses (R$5 million).

Other operating income. Other operating income increased by 3% to R$5.2 million for the semester ended June 30, 2007, compared to R$5.0 million for the semester ended June 30, 2006.

Operating income before financial items. Operating income before financial items increased by 18% to R$165.0 million for the semester ended June 30, 2007 compared to R$139.9 million for the semester ended June 30, 2006.

Financial income (expense), net. CBPI reported net financial expense of R$0.1 million for the semester ended June 30, 2007, compared to a net financial expense of R$8.1 million for the semester ended June 30, 2006. The R$8.0 million decrease in financial expense was principally due to the effects of the *real* appreciation over the dollar-denominated loans.

Non-operating income (expense), net. CBPI reported a net non-operating income of R$6.4 million for the semester ended June 30, 2007 compared to a net non-operating income of R$6.9 million for the semester ended June 30, 2006. The decrease of R$0.5 million on non-operating income is primarily attributable to sale of fixed assets (vehicles) in 2006.

Equity in earnings of affiliates and goodwill amortization. Equity in earnings of affiliates amounted to R$66.1 million for the semester ended June 30, 2007, a 46% increase compared to the semester ended June 30, 2006. The increase is mainly due to an increase in the results of operation in the affiliate IQ.

Income and social contribution taxes. Income and social contribution taxes expenses amounted to R$54.3 million for the semester ended June 30, 2007, an increase of 111% from R$25.7 million for the semester ended June 30, 2006. This increase is primarily due to higher pre-tax income in 2007 and interest on equity paid in 2006.

Profit sharing. Profit sharing was R$2.8 million for the semester ended June 30, 2007, compared to R$3.4 million for the semester ended June 30, 2006, the reduction is the result of the profit sharing payment to former executive officers in 2006.

Net income. As a result of the foregoing, net income for the semester ended June 30, 2007 was R$179.6 million, an increase of 16% compared to R$154.7 million for the semester ended June 30, 2006.

Table of Contents

Year ended December 31, 2006 compared to year ended December 31, 2005.

The following table shows a summary of our results of operations for the years ended December 31, 2006 and 2005:

	Year ended December 31, 2006	Percentage of net sales and services	Year ended December 31, 2005	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	22,225.1	100%	19,476.5	100%	14%
Cost of sales and services	(21,143.0)	95%	(18,450.1)	95%	15%
Gross profit	1,082.1	5%	1,026.4	5%	5%
Selling, general and administrative expenses	(791.9)	4%	(758.9)	4%	4%
Other operating income (expense), net	19.5	0%	49.7	0%	(61)%
Operating income before financial items	309.7	1%	317.3	2%	(2)%
Financial income (expense), net	(25.1)	0%	22.2	0%	
Non-operating income (expense), net	3.7	0%	(2.9)	0%	
Equity in earnings of affiliates/Goodwill amortization	84.9	0%	72.4	0%	17%
Income and social contribution taxes	(35.0)	0%	(69.2)	0%	(49)%
Profit sharing	(14.7)	0%	(14.4)	0%	2%
Net income	**323.5**	**1%**	**325.5**	**2%**	**(1)%**

Net sales and services. Net sales and services for the year ended December 31, 2006 increased by 14% to R$22,225.1 million from R$19,476.5 million for the year ended December 31, 2005. The increase in net sales was driven by a 3% growth in sales volume and pricing adjustments of 10% in consequence of higher refinery costs.

Cost of sales and services. Cost of sales and services increased by 15% to R$21,143.0 million for the year ended December 31, 2006, compared to R$18,450.1 million for the year ended December 31, 2005, mainly due to an increase of 11% in the cost of raw materials and the growth in sales volume.

Gross profit. Gross profit increased by 5% to R$1,082.1 million for the year ended December 31, 2006, compared to R$1,026.4 million for the year ended December 31, 2005.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 4% to R$791.9 million for the year ended December 31, 2006 from R$758.9 million for the year ended December 31, 2005. This increase reflects (i) salary increases as a result of the annual collective wage agreement, (ii) freight (R$17.1 million) and other variable expenses (R$11.1 million) due to higher volumes and sales and (iii) increase in depreciation due to investments realized.

Other operating income. Other operating income decreased by 61% to R$19.5 million for the year ended December 31, 2006, compared to R$49.7 million for the year ended December 31, 2005 mainly due to positive actuarial effects on its pension fund in 2005. See Note 18 to CBPI s consolidated financial statement.

Operating income before financial items. Operating income before financial items decreased by 2% to R$309.7 million for the year ended December 31, 2006 compared to R$317.3 million for the year ended December 31, 2005.

Financial income (expense), net. CBPI reported net financial expense of R$25.1 million for the year ended December 31, 2006, compared to a net financial income of R$22.2 million for the year ended December 31, 2005. The R$47.3 million increase in financial expense was principally due to the interest expenses on a R$350 million debenture issued in 2006.

Table of Contents

Non-operating income (expense), net. CBPI reported a net non-operating income of R$3.7 million for the year ended December 31, 2006, compared to a net non-operating expense of R$2.9 million for the year ended December 31, 2005. The improvement of R$6.6 million on non-operating income is primarily attributable to reversal of a permanent assets loss provision and capital gains related to the subsidiary Maxfácil, which was partially offset by Termogaúcha s write-off.

Equity in earnings of affiliates/Goodwill amortization. Equity in earnings of affiliates amounted to R$84.9 million for the year ended December 31, 2006, a 17% increase compared to the year ended December 31, 2005. The increase is mainly due to an increase in the results of operations of the affiliate IQ Ipiranga Química S.A.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$35.0 million for the year ended December 31, 2006, a decrease of 49% from R$69.2 million for the year ended December 31, 2005. This decrease is primarily due to a lower pre-tax profit and the increase in non-taxable income.

Profit sharing. Profit sharing was R$14.7 million for the year ended December 31, 2006, compared to R$14.4 million for the year ended December 31, 2005.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2006 was R$323.5 million, a decrease of 1% compared to R$325.5 million for the year ended December 31, 2005.

Year ended December 31, 2005 compared to year ended December 31, 2004.

The following table shows a summary of CBPI s results of operations for the years ended December 31, 2005 and 2004:

	Year ended December 31, 2005	Percentage of net sales and services	Year ended December 31, 2004	Percentage of net sales and services	Percent change
	(in millions of reais, except percentages)				
Net sales and services	19,476.5	100%	16,248.3	100%	20%
Cost of sales and services	(18,450.1)	95%	(15,336.5)	94%	20%
Gross profit	1,026.4	5%	911.8	6%	13%
Selling, general and administrative expenses	(758.9)	4%	(659.5)	4%	15%
Other operating income (expense), net	49.7	0%	5.6	0%	
Operating income before financial items	317.3	2%	257.9	2%	23%
Financial income (expense), net	22.2	0%	6.3	0%	251%
Non-operating income (expense), net	(2.9)	0%	(12.4)	0%	77%
Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments	72.4	0%	127.8	1%	(43)%
Income and social contribution taxes	(69.2)	0%	(51.2)	0%	35%
Profit sharing	(14.4)	0%	(10.6)	0%	36%
Net income	**325.5**	**2%**	**317.9**	**2%**	**2%**

Net sales and services. Net sales and services for the year ended December 31, 2005 increased by 20% to R$19,476.5 million from R$16,248.3 million for the year ended December 31, 2004. The increase in net sales was driven by a 4% growth in sales volume and pricing adjustments in consequence of price increases of 16% occurred during the second semester of 2004 and in September 2005.

Table of Contents

Cost of sales and services. Cost of sales and services increased by 20% to R$18,450.1 million for the year ended December 31, 2005 compared to R$15,336.5 million for the year ended December 31, 2004, mainly due to the increase of 17% in the cost of raw materials and the growth in sales volume.

Gross profit. Gross profit increased by 13% to R$1,026.4 million for the year ended December 31, 2005 from R$911.8 million for the year ended December 31, 2004.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 15% to R$758.9 million for the year ended December 31, 2005 from R$659.5 million for the year ended December 31, 2004. This increase reflects (i) salary increases as a result of the annual collective wage agreement and (ii) freight and other variable expenses due to higher volumes and sales.

Other operating income. Other operating income increased to R$49.7 million for the year ended December 31, 2005, compared to R$5.6 million for the year ended December 31, 2004 mainly due to positive actuarial effects on its pension fund. See Note 18 to CBPI s consolidated financial statement.

Operating income before financial items. Operating income before financial items increased by 23% to R$317.3 million for the year ended December 31, 2005 from R$257.9 million for the year ended December 31, 2004.

Financial income (expense), net. CBPI reported net financial income of R$22.2 million for the year ended December 31, 2005, compared to a net financial income of R$6.3 million for the year ended December 31, 2004. The R$15.9 million improvement was principally due to the effect of exchange rates on CBPI dollar-denominated financial instruments.

Non-operating income (expense), net. CBPI reported a net non-operating expense of R$2.9 million for the year ended December 31, 2005 compared to a net non-operating expense of R$12.4 million for the year ended December 31, 2004. The decrease in net expense is primarily attributable to a permanent asset loss provision in 2004.

Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments. Equity in earnings of affiliates amounted to R$72.4 million for the year ended December 31, 2005, a 43% decrease compared to the year ended December 31, 2004. Such decrease is mainly due to a reversal of a provision on loss in our investment in Ipiranga Petroquímica S.A. in 2004 due to an increase in the results of operation in this affiliate in 2005.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$69.2 million for the year ended December 31, 2005, an increase of 35% from R$51.2 million for the year ended December 31, 2004. This increase is primarily due to higher profit.

Profit sharing. Profit sharing was R$14.4 million for the year ended December 31, 2005, compared to R$10.6 million for the year ended December 31, 2005, reflecting the improvement in CBPI s operational result.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2005 was R$325.5 million, an increase of 2% compared to R$317.9 million in 2004.

B. Liquidity and Capital Resources

CBPI s principal sources of liquidity are cash generated from operations and financing. CBPI believes that these sources will continue to be sufficient to satisfy CBPI s current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends or interest on equity.

Table of Contents

Sources and Uses of Funds

Net cash flow from operations was R$96.8 million and R$(87.1) million for the six months ended June 2007 and 2006, respectively. CBPI s cash flow from operations increased R$183.9 million mostly because of a reduction in investments in working capital in the first half of 2007. Net cash flow from financing activities amounted to R$(62.0) million and R$97.0 million for the first half of 2007 and 2006, respectively. Cash used by financing activities for the first half of 2007 decreased R$159.1 million compared to the same period in 2006, as a result of higher new loans and financing obtained in the first half of 2006.

Investing activities used net cash of R$(38.4) million and R$(19.2) million for the six months ended June 30, 2007 and 2006, respectively. The higher level of cash used by investing activities for the first half of 2007 compared to 2006 was principally due to the amortization of debentures in the first semester of 2006 issued by IQ.

As of June 30 2007, CBPI had R$146.6 million in cash, cash equivalents, derivatives, short- and long-term investments. CBPI will spend approximately R$838.0 million over the next five years to meet long-term contractual obligations described in Tabular Disclosure of Contractual Obligations . CBPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of its current indebtedness as it becomes due.

Net cash flow from operations was R$196.2 million, R$99.4 million and R$194.0 million for 2006, 2005 and 2004, respectively. CBPI s cash flow from operations increased by R$96.8 million in 2006, compared to 2005 and decreased by R$94.6 million in 2005 compared to 2004, mainly reflecting the variations in working capital and the increase in the operational results. Net cash flow from financing activities amounted to R$(44.0) million, R$(47.2) million and R$(241.4) million in the years ended December 31, 2006, 2005 and 2004, respectively. The cash flow from financing activities in 2006 compared to 2005 remained practically stable. The decrease in cash consumed from financing in 2005, compared to 2004, was mainly due to a higher level of new loans and financings obtained in 2005.

Net cash flow from investing activities amounted to R$(82.9) million, R$(133.8) million and R$(134.9) million for the years ended December 31, 2006, 2005 and 2004, respectively. The decrease in cash consumed from investing activities in 2006 compared to 2005 was principally attributed to the proceeds from debentures issued by related parties and held by CBPI, which were partially redeemed in 2006. Acquisitions of property, plant and equipment and additions to intangible assets and deferred charges consumed R$149.8 million, R$131.1 million and R$132.4 million in 2006, 2005 and 2004, respectively. For the year ended December 31, 2006, funds comprehended in investing activities were allocated mainly in the renovation and operational improvement of the Company s service stations and distribution facilities and on the expansion of NGV service stations.

As of December 2006, CBPI had R$147.7 million in cash, cash equivalents, and short- and long-term investments. CBPI will spend approximately R$1.0 billion in the next five years to meet long-term contractual obligations described in Tabular Disclosure of Contractual Obligations . CBPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of its indebtedness as it becomes due.

Table of Contents

Indebtedness

As of June 30, 2007, CBPI s consolidated short- and long-term debt was as follows:

Indebtedness	Currency	Interest Rate(1)	Principal amount of outstanding and accrued interest through June 30, 2007	December 31, 2006	2005	2004
			(in millions of *reais*)			
Foreign currency-denominated loans:						
Compror	US$	Exchange variations US$ + 1.0% p.a. up to + 1.3% p.a.			154.9	
	¥	Exchange variations Ienes + 1.4% p.a.				
Global Notes(3)	US$	Exchange variations US$ + 9.875% p.a.	112.5	124.9	320.7	370.1
Subsidiaries	US$	Exchange variations US$ + 5.6% p.a. up to 6,0% + exchange variations + 8,2% up to 8.6% p.a/ Libor + 1.5 and Libor +1.8	12.8	15.0	9.5	18.7
***Real*-denominated loans:**						
BNDES-National Bank for Economic and Social Development	R$	From TJLP(2) + 4.4% p.a. up to TJLP + 5.1% p.a. 80% TJLP + 20% of currencies portfolio + 4.5% p.a.	25.4	29.0	28.8	19.4
Debentures(4)	R$	103.8% of the CDI	360.5	361.4		
Financial Institutions	R$	100.0% of the CDI	64.0	60.4		
Debtor Balance	R$		14.6	46.0	12.9	
Subsidiaries	R$	From TJLP + 1.7% p.a. up to TJLP + 4.5% p.a. 105.5% up to 106.5 % of the CDI	49.2	41.2	43.3	30.8
Total			639.1	677.9	570.1	439.0

(1) Interest rate only as of June, 2007.

(2) TJLP (Long-Term Interest Rate) is a nominal interest rate established by Brazilian National Monetary Council (CMN) on a quarterly basis. On June 30, 2007, TJLP was fixed at 6.5% p.a.

(3) On August 1, 2003, CBPI issued US$135 million in notes in the international markets. On August 1, 2005, when interest increased from 7.875% per year to 9.875% per year, some of the holders decided to early redeem its notes in the amount of US$1,285 or R$3,072. In 2006, the subsidiary made an offer to repurchase to the bondholders as a result of which there was a partial redemption in the amount of US$79,574 or R$164,877.

(4) On April 18, 2006, CBPI registered with the Brazilian Securities Commission (CVM) a public offering of 35,000 debentures, of a single series, nonconvertible, with face value of R$10 each, and issued on April 1, 2006, in the amount of R$350,000. The debentures mature on April 1, 2011 with principal repaid in three annual installments. They pay interest, from the issuance date, on their unit face value, of

103.80% of the daily average rate of interbank deposits, disclosed by the Clearinghouse for the Custody and Financial Settlement of Securities (CETIP). Interest is payable every 6 months from the issuance date of the debentures.

Table of Contents

CBPI s consolidated debt as of June 30, 2007 had the following maturity schedule:

Maturity	Amount (in millions of *reais*)
July 1, 2007 to June 30, 2008	87.3
July 1, 2008 to June 30, 2009	185.3
July 1, 2009 to June 30, 2010	128.4
July 1, 2010 to June 30, 2011	120.7
July 1, 2011 to June 30, 2012	117.4
Total	639.1

CBPI provides collateral and guarantees for some loan operations conducted directly or indirectly by affiliates and subsidiaries. As of June 30, 2007, December 31, 2006 and 2005, amounts referring to these operations were R$182.1 million, R$203.5 million and R$110.5 million, respectively. See Note 20 to CBPI s consolidated financial statements.

Investments

Equity investments

The table below shows CBPI s investments in shareholding stakes for the six-month period ended June 30, 2007 and for the years ended December 31, 2006, 2005 and 2004.

Company	Six-month period ended June 30, 2007	Year ended December 31, 2006	2005	2004
		(in millions of *reais*)		
Investments in shareholding stakes	3.7	3.8	8.1	19.7

Investments in permanent assets and deferred charges

The following table sets forth CBPI s investments in permanent assets and deferred charges for the six-month period ended June 30, 2007 and for the years ended December 31, 2006, 2005 and 2004.

	Six-month period ended June 30, 2007	Year ended December 31, 2006	2005	2004
		(in millions of *reais*)		
Cia Brasileira de Petroleo Ipiranga	107.9	315.9	281.7	263.4
Subsidiaries	7.4	18.0	19.3	35.0
Total capital expenditures	115.3	333.9	301.0	298.4
Disposals	(68.0)	(164.4)	(145.1)	(132.0)
Total capital expenditures, net of disposals(1)	47.3	169.5	155.9	166.4

(1) Includes customer financing, net of its amortization and leasing

CBPI s investment strategy has been to make improvements related to its retail service stations network and terminals. During the period ended June 30, 2007 and the years ended December 31, 2006, 2005 and 2004, investments focused on enhancing environmental safeguards, increasing convenience stores list of services and products offered and expanding the availability of NGV (natural gas vehicular) on its network.

The investment plan for 2007 has a total budget of R$145.4 million, consisting of (i) modernization and expansion of CBPI service stations network, (ii) modernization and expansion of CBPI s convenience stores network and (iii) renovation of exclusivity contracts with some of CBPI s retail dealers.

Table of Contents

U.S. GAAP Reconciliation

CBPI s net income under Brazilian GAAP was R$179.6 million and R$154.7 million for the six-month period ended June 30, 2007 and 2006, respectively and R$323.5 million and R$325.5 million for the years ended December 31, 2006 and 2005, respectively. Under U.S. GAAP, CBPI s net income amounted to R$136.1 million and R$110.5 million for the six-month period ended June 30, 2007 and 2006 and R$235.5 million and R$387.4 million for the years ended December 31, 2006 and 2005, respectively.

CBPI s shareholders equity under Brazilian GAAP as of June 30, 2007, December 31, 2006 and December 31, 2005 was R$1,734.8 million, R$1,555.2 million and R$1,350.3 million, respectively. Under U.S. GAAP, CBPI s shareholders equity was R$1,823.9 million, R$1,693.8 million and R$1,519.8 million as of as of June 30, 2007, December 31, 2006 and December 31, 2005, respectively.

The principal differences between Brazilian GAAP and U.S. GAAP that affect CBPI s net income and shareholders equity relate to the treatment of the following items:

- adjustments for inflation of property, plant and equipment;
- pension and other post-employment benefits adjustment;
- gain on percentage variation of capital share;
- accounting for deferred tax;
- differences in equity accounting;
- asset retirement obligations;
- goodwill and business combination;
- securities available for sale;
- accounting for convertible debentures;
- fair-value adjustments of derivatives; and
- deferred tax effects on the foregoing adjustments.

See Note 25 to CBPI s consolidated financial statements for a description of the differences above as they relate to CBPI and a reconciliation to U.S. GAAP of net income and total shareholders equity.

C. Research and Development, Patents and Licenses, etc.

CBPI and its parent company, Distribuidora de Produtos de Petróleo Ipiranga S.A., own the register of the brands used in their distribution business, including Ipiranga , Rodo Rede and Jet Oil . The register of Gasolina Original Ipiranga (Original Ipiranga Gasoline) has been requested to Brazilian authorities. The company also owns the register of Atlantic, F1 Master, F1 Super, Ipiranga 4x4, Lub Fácil, Sintex, Moldax, Rede Nota Dez, Ipitrust, GP Super and several other brands. The register of these brands expires between 2007 and 2016, and renovating these registers is part of companies annual activities. CBPI also owns a supplying pump fuel patent and others patents. One of its controlled companies, AM/PM Comestíveis Ltda., is the master franchisee of AM/PM brand in Brazil. Costs and terms of brand usage are governed by the agreement signed between AM/PM Internacional Co. and AM/PM Comestíveis Ltda.

D. Trend Information

Brazilian consumption of fuels

Recent economic indicators, published by IBGE - *Instituto Brasileiro de Geografia e Estatística* (Brazilian Institute of Geography and Statistics), have shown a decrease in the unemployment levels from 10% in September 2006 to 9% in the September 2007. IBGE indicators have also shown an improvement in the Brazilian economy, as GDP increased by 5% in the first half of 2007 compared to the same period in 2006. This, together with greater credit availability, as shown by the 25% increase in the total stock of credit in the Brazilian financial

Table of Contents

system in the eight-month period ended August, 2007 as compared to the same period in 2006, according to Brazilian Central Bank data, has resulted in record levels of vehicle sales in the first half of 2007 (growth of 25.7% in the number of new vehicles registered as compared to 2006) and consequently an increased demand for fuel. Despite record car sales, however, Brazil s current fleet is small compared to other Latin American countries, with 8 inhabitants per vehicle, whereas Argentina and Mexico have 5 inhabitants per vehicle, according to ANFAVEA - *Associação Nacional dos Fabricantes Veículos Automotores* (Brazilian Association of Vehicle Producers).

Based on the current expansion in the economy and credit availability, together with the low ratio of inhabitants per vehicle, Ultrapar believes the outlook for increased Brazilian fuel consumption is positive for the coming years. The increase in fuel consumption could have a positive effect on the future volume sold by the company.

Oil products prices

Until 2005, the prices of certain oil byproducts, especially gasoline and diesel, were being periodically updated by Petrobras to reduce the differences between prices in Brazil and prices prevailing in the international markets. However, since September 2005, these prices have not been updated by Petrobras. On the other hand, oil prices in the international markets have been influenced by the increase in worldwide demand for oil and the instability in producing countries, which led to an increase of the average oil prices from US$44 per barrel in January 2005 to US$62 per barrel in December 2006 and US$71 per barrel in June 2007, based on the price of Brent Crude Oil, one of the major worldwide classifications of oil. This combination of factors caused an incompatibility between oil prices in the international markets and oil byproducts prices in Brazil. We can not predict if and when gasoline and diesel prices will be adjusted to prices in the international markets. The adjustment in the gasoline and diesel prices to international prices could have an impact on the company s profitability in the future.

F. Tabular Disclosure of Contractual Obligations

The following table summarizes CBPI s contractual obligations, as of June 30, 2007:

	Payment due by period (in millions of *reais*)				
Contractual obligations	**Total**	**Up to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
Financing	639.1	87.3	313.7	238.1	0
Estimated interest payments on financing(1)(2)	159.8	58.1	87.4	14.3	0
Estimated planned funding of pension and other postretirement benefit obligations(3)	162.3	6.5	13.9	15.4	126.6
Operating lease obligations(4)	5.4	0.7	1.3	1.3	2.0
Total contractual obligations	**966.6**	**152.6**	**416.3**	**269.1**	**128.6**

(1) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar exchange rate, (iii) a 3% inflation rate, and (iv) an 6% TJLP rate. See Liquidity and Capital Resources Indebtedness and Note 14 to CBPI consolidated financial statements for more information about the maturity of CBPI s debt and applicable interest rates.

(2) Includes estimated interest payments on CBPI s short- and long-term debt.

(3) See Note 18 to CBPI s consolidated financial statements for more information relating to CBPI s estimated planned funding of pensions and other post-retirement benefit obligations.

(4)

Includes the franchise contract with AM/PM, under which CBPI and/or its subsidiaries are entitled to pay minimum royalty fees through 2015.

171

Table of Contents

RIPI PREFERRED STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the preferred share ownership of each director and executive officer of RIPI and all directors and executive officers as a group. As of December 13, 2007, no person was known to RIPI to be the beneficial owner of more than five percent (5%) of RIPI s outstanding shares of preferred stock.

Name	Preferred shares beneficially owned at December 13, 2007	percent of class
Board of Directors		
João Adolfo Oderich		0%
Flávio do Couto Bezerra Cavalcanti		0%
Eduardo de Toledo		0%
Carlos José Fadigas de Souza Filho		0%
Roberto Lopes Pontes Simões		0%
Francisco Pais		0%
José Afonso Alves Castanheira	1	0%*
Executive Officers Who Are Not Also Directors of RIPI		
Elizabeth Surreaux Ribeiro Tellechea		0%
Sérgio Roberto Weyne Ferreira da Costa	2	0%*
Eduardo Teixeira Neto		0%

* Less than one percent (1%)

172

Table of Contents

DPPI PREFERRED STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the preferred share ownership of each director and executive officer of DPPI and all directors and executive officers as a group. As of December 13, 2007, no person was known to DPPI to be the beneficial owner of more than five percent (5%) of DPPI s outstanding shares of preferred stock.

Name	Preferred shares beneficially owned at December 13, 2007	percent of class
Board of Directors		
Pedro Wongtschowski		0%
André Covre		0%
Eduardo de Toledo		0%
Jose Roberto Opice		0%
Roberto Kutschat Neto		0%
Jose Afonso Alves Castanheira	1	0%*
Executive Officers who are not also Directors of DPPI		
Leocadio de Almeida Antunes Filho	1,000	0%*
Sergio Roberto Weyne Ferreira Da Costa	2	0%*
Jose Augusto Dutra Nogueira		0%
Ricardo Cavalho Maia		0%
Jose Manuel Alves Borges		0%

* Less than one percent (1%)

173

[Table of Contents](#)

CBPI PREFERRED STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the preferred share ownership of each director and executive officer of CBPI and all directors and executive officers as a group. As of December 13, 2007, no person was known to CBPI to be the beneficial owner of more than five percent (5%) of CBPI s outstanding shares of preferred stock.

Name	Preferred shares beneficially owned at December 13, 2007	percent of class
Board of Directors		
Pedro Wongtschowski		0%
Maria das Graças Silva Foster		0%
Eduardo de Toledo		0%
José Roberto Opice		0%
André Covre		0%
Luiz Carlos Teixeira		0%
Executive Officers Who Are Not Also Directors of CBPI		
Leocadio de Almeida Antunes Filho	15,000	0%*
Ricardo Carvalho Maia		0%
José Manuel Alves Borges		0%
José Augusto Dutra Nogueira		0%
Sérgio Roberto Weyne Ferreira Da Costa		0%
Daniel Lima Oliveira		0%
Sadi Leite Ribeiro Filho		0%
Carlos Eduardo G. de Meirelles Leite		0%

* Less than one percent (1%)

174

Table of Contents

COMPARISON OF YOUR RIGHTS AS A HOLDER OF RIPI, DPPI OR CBPI PREFERRED SHARES AND YOUR RIGHTS AS A POTENTIAL HOLDER OF ULTRAPAR PREFERRED SHARES

Ultrapar, RIPI, DPPI and CBPI are companies organized under the laws of the Federative Republic of Brazil and are governed by the Brazilian Corporate Law. The rights of holders of Ultrapar, RIPI, DPPI and CBPI preferred shares are governed by Brazilian law and by Ultrapar, RIPI, DPPI and CBPI s bylaws, respectively. Upon completion of the Share Exchange, to the extent you will become a preferred shareholder of Ultrapar, your rights will be governed by Brazilian law and Ultrapar s bylaws. See Description of Ultrapar Preferred Shares for more information about Ultrapar preferred shares.

The following discussion of the material differences between the rights of Ultrapar preferred shareholders and RIPI, DPPI and CBPI preferred shareholders is only a summary and does not purport to be a complete description of these differences. The following discussion is qualified in its entirety by reference to the Brazilian Corporate Law, as well as the full text of Ultrapar RIPI, DPPI and CBPI s respective bylaws, which are filed with the SEC in the case of Ultrapar and the CVM in the case of Ultrapar, RIPI, DPPI and CBPI. For information on how you can obtain copies of these documents, see Where You Can Find More Information on page 217.

ULTRAPAR	RIPI / DPPI/CBPI
CORPORATE GOVERNANCE	
Ultrapar s bylaws and the Brazilian Corporate Law, as amended from time to time, govern the rights of holders of Ultrapar common and preferred shares.	RIPI, DPPI and CBPI s bylaws and the Brazilian Corporate Law, as amended from time to time, govern the rights of holders of RIPI, DPPI and CBPI common and preferred shares, respectively.
AUTHORIZED CAPITAL STOCK	
Capital Stock. As of December 13, 2007, Ultrapar s capital stock was R$946.034.662,97, fully subscribed and paid in, comprised of 81,325,409 shares, without par value, of which 49,429,897 are common shares and 31,895,512 are preferred shares.	*Capital Stock*. As of December 13, 2007, RIPI s capital stock was R$475,000,000.00, comprised of 29,600,000 shares, without par value, of which 9,982,404 are common shares and 19,617,596 are preferred shares.
	As of December 13, 2007, DPPI s capital stock was R$615,000,000.00, comprised of 32,000,000 shares, without par value, of which 10,706,368 are common shares and 21,293,632 are preferred shares.
	As of December 13, 2007, CBPI s capital stock was R$1,030,000,000.00, comprised of 105,952,000 shares, without par value, of which 35,409,306 are common shares and 70,542,694 are preferred shares.
VOTING RIGHTS; ACTION BY WRITTEN CONSENT	
Voting Rights. The holders of Ultrapar common stock are entitled to one vote per share on all matters presented to stockholders. Preferred stock only vote on specific matters determined by Brazilian Corporate Law.	*Voting Rights*. The holders of RIPI, DPPI and CBPI common stock are entitled to one vote per share on all matters presented to stockholders. Preferred stock only vote on specific matters determined by Brazilian Corporate Law.

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI
Brazilian Corporate Law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends. Because Ultrapar s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of Ultrapar preferred shares cannot acquire voting rights as a result of Ultrapar s failure to distribute dividends.	Brazilian Corporate Law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends. Because RIPI, DPPI and CBPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of such preferred shares cannot acquire voting rights as a result of failure to distribute dividends.
Action by Written Consent. Ultrapar s bylaws and the Brazilian Corporate Law do not permit shareholder action without a meeting.	*Action by Written Consent*. RIPI, DPPI and CBPI s bylaws and the Brazilian Corporate Law do not permit shareholder action without a meeting.

AMENDMENT TO THE BYLAWS

Ultrapar s bylaws may be altered, amended, added to or repealed by a resolution duly adopted by a majority at a general shareholders meeting, subject to certain quorum and voting requirements established by the Brazilian Corporate Law. As a general rule, the affirmative vote of shareholders representing at least the majority of the issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, according to Brazilian Corporate Law, the affirmative vote of shareholders representing one-half of the issued and outstanding voting capital is required to:	RIPI, DPPI and CBPI s bylaws may be altered, amended, added to or repealed by a resolution duly adopted by a majority at a general shareholders meeting, subject to certain quorum and voting requirements established by the Brazilian Corporate Law. As a general rule, the affirmative vote of shareholders representing at least the majority of the issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, according to Brazilian Corporate Law, the affirmative vote of shareholders representing one-half of the issued and outstanding voting capital is required to:
modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;	modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
reduce the percentage of mandatory dividends;	reduce the percentage of mandatory dividends;
change the corporate purpose;	change the corporate purpose;
merge into or with another company;	merge into or with another company;
spin off a portion of the assets or liabilities;	

approve participation in a group of companies;

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI

AMENDMENT TO THE BYLAWS

ULTRAPAR	RIPI / DPPI/CBPI
	spin off a portion of the assets or liabilities;
apply for cancellation of any voluntary liquidation; and	
	approve participation in a group of companies;
approve dissolution.	
	apply for cancellation of any voluntary liquidation; and
	approve dissolution.

RIGHT TO DIVIDENDS

ULTRAPAR	RIPI / DPPI/CBPI
Ultrapar shareholders have the right to participate in any dividend payment in proportion to the paid-in capital corresponding to their shares. There is no difference in the dividends paid to common and preferred shareholders of Ultrapar.	RIPI, DPPI and CBPI shareholders have the right to participate in any dividend payment in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of DPPI, RIPI and CBPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. In addition, CBPI shareholders have priority to receive a dividend of 1% over CBPI s profits calculated according to the terms of its bylaws.

APPRAISAL RIGHTS

ULTRAPAR	RIPI / DPPI/CBPI
Under Brazilian Corporate Law, appraisal rights are exceptional rights that may be exercised by shareholders only in extraordinary situations resulting from significant decisions taken at general shareholders meetings. Appraisal rights can only be exercised in the 30 day period following the shareholder meeting in which the significant decision was taken. According to Brazilian corporate law, the appraisal rights of Ultrapar s shareholders may be exercised in the following circumstances:	Under Brazilian Corporate Law, appraisal rights are exceptional rights that may be exercised by shareholders only in extraordinary situations resulting from significant decisions taken at general shareholders meetings. Appraisal rights can only be exercised in the 30 day period following the shareholder meeting in which the significant decision was taken.
	According to Brazilian corporate law, the appraisal rights of RIPI, DPPI and CBPI s shareholders may be exercised in the following circumstances:
modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;	modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;

reduction in the percentage of mandatory dividends;

reduction in the percentage of mandatory dividends;

change in corporate purpose;

change in corporate purpose;

merger (*fusão or incorporação*) with another company;

merger (*fusão or incorporação*) with another company;

177

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI
APPRAISAL RIGHTS	
Ultrapar s participation in a group of companies;	RIPI, DPPI or CBPI s participation in a group of companies;
change in corporate form; and	change in corporate form; and
merger of all Ultrapar s shares into another Brazilian company, so that Ultrapar become a wholly owned subsidiary of such company.	merger of all RIPI, DPPI or CBPI s shares into another Brazilian company, so that such companies become wholly owned subsidiary of such another company.

In the event that the shareholders approve any resolution in connection with the items marked above, the appraisal right may be exercised only if the shares fail to satisfy certain liquidity tests at the time of the meeting.

Brazilian Corporate Law further provides that any resolution regarding Ultrapar s spin-off would only entitle shareholders to withdraw from Ultrapar s company if the spin-off:	Brazilian Corporate Law further provides that any resolution regarding a spin-off would only entitle shareholders to withdraw from the company if the spin-off:
causes a change in the purpose of the Company, except if the equity is spun off to a company whose primary activities are consistent with Ultrapar s corporate purpose;	causes a change in the purpose of the company, except if the equity is spun off to a company whose primary activities are consistent with RIPI, DPPI and CBPI s corporate purpose;
reduces Ultrapar s mandatory dividends; or	reduces mandatory dividends; or
causes us to join a group of companies.	causes us to join a group of companies.
PREEMPTIVE RIGHTS	
Pursuant to the Brazilian Corporate Law, any shareholder has, except in certain circumstances, a general preemptive right to subscribe for new shares in a capital increase in proportion to the number of shares it holds. These preemptive rights may be abolished under certain circumstances determined under Brazilian Corporate Law.	Pursuant to the Brazilian Corporate Law, any shareholder has, except in certain circumstances, a general preemptive right to subscribe for new shares in a capital increase in proportion to the number of shares it holds. These preemptive rights may be abolished under certain circumstances determined under Brazilian Corporate Law.
ATTENDANCE AND VOTING AT MEETINGS OF STOCKHOLDERS	
Every stockholder of record as of the applicable record date has the right to attend the shareholder meeting. Only holders of common shares have the right to vote at shareholders meetings. Preferred shareholders only have the right to vote in special occasions.	Every stockholder of record as of the applicable record date has the right to attend the shareholder meeting. Only holders of common shares have the right to vote at shareholders meetings. Preferred shareholders only have the right to vote in special occasions.

178

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI

EXTRAORDINARY MEETINGS OF STOCKHOLDERS

ULTRAPAR	RIPI / DPPI/CBPI
Extraordinary general shareholders meetings of Ultrapar may be called from time to time by Ultrapar board of directors at its discretion. An extraordinary shareholders meeting may also be called by the Fiscal Council on specific situations; by any shareholder when the board of directors delays calling a shareholders meeting for more then 60 days when required by law or the bylaws; by shareholders representing at least five per cent of Ultrapar share capital.	Extraordinary general shareholders meetings of RIPI, DPPI and CBPI may be called from time to time by RIPI, DPPI or CBPI board of directors at its discretion. An extraordinary shareholders meeting may also be called by the Fiscal Council on specific situations; by any shareholder when the board of directors delays calling a shareholders meeting for more then 60 days when required by law or the bylaws; by shareholders representing at least five per cent of RIPI, DPPI or CBPI share capital.
Shareholders representing at least five percent of Ultrapar share capital have the right to request that the board of directors call an extraordinary general shareholders meeting to vote on any matters indicated in such request, as long as they present the basis for such request.	Shareholders representing at least five percent of RIPI, DPPI or CBPI share capital have the right to request that the board of directors call an extraordinary general shareholders meeting to vote on any matters indicated in such request, as long as they present the basis for such request.
Brazilian Corporate Law also provides that holders of Ultrapar s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to Ultrapar s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over Ultrapar s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of Ultrapar s common shares, but also a prior approval or ratification by shareholders holding the majority of Ultrapar s preferred shares.	Brazilian Corporate Law also provides that holders of RIPI, DPPI and CBPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to RIPI, DPPI or CBPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over RIPI, DPPI or CBPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of RIPI, DPPI or CBPI s common shares, but also a prior approval or ratification by shareholders holding the majority of RIPI, DPPI or CBPI s preferred shares.

SHAREHOLDER SUITS

ULTRAPAR	RIPI / DPPI/CBPI
Corporate action for liability against directors of a company will usually be brought by the company itself if shareholders of the company pass a resolution to that effect at a shareholders meeting. Such a resolution may be presented and voted on even if it not on the agenda. Any shareholder can file the corporate action if not done by the company in 3 months from the shareholders meeting decision.	Corporate action for liability against directors of a company will usually be brought by the company itself if shareholders of the company pass a resolution to that effect at a shareholders meeting. Such a resolution may be presented and voted on even if it not on the agenda. Any shareholder can file the corporate action if not done by the company in 3 months from the shareholders meeting decision.
Under Brazilian Corporate Law, however, shareholders representing at least five percent of the share capital of the company may jointly initiate a corporate action for liability against one or more directors to recover any damages incurred by the company as a result of the directors liability, if the shareholders meeting votes against the corporate action for liability.	Under Brazilian Corporate Law, however, shareholders representing at least five percent of the share capital of the company may jointly initiate a corporate action for liability against one or more directors to recover any damages incurred by the company as a result of the directors liability, if the shareholders meeting votes against the corporate action for liability.

Table of Contents

BOARD OF DIRECTORS

Size and Election of Board of Directors

ULTRAPAR	RIPI / DPPI/CBPI
According to Ultrapar s bylaws, Ultrapar s board of directors consists of a minimum of four and a maximum of seven members. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of Ultrapar s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of Ultrapar s voting share capital. Ultrapar s directors are elected by Ultrapar s shareholders in Ultrapar s annual shareholders meeting for a one-year term. The Ultrapar board of directors currently consist of 7 members.	The RIPI board of directors currently consists of 7 directors. RIPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted.
	The DPPI board of directors currently consists of 6 directors. DPPI s bylaws provide that the number of directors will not be fewer than five nor more than seven. Each director is elected for a three-year term and a reelection is permitted.
Brazilian Corporate Law requires that each director own at least one share of Ultrapar. There is no mandatory retirement age for directors.	The CBPI board of directors currently consists of 7 directors. CBPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted.
	The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of the respective company common shares.
	Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of RIPI, DPPI and CBPI s voting share capital.
	Brazilian corporate law requires that each director own at least one share of RIPI, DPPI or CBPI. There is no mandatory retirement age for directors.

Removal

ULTRAPAR	RIPI / DPPI/CBPI
Directors may be removed by adoption of a shareholders resolution by majority vote at the ordinary or an extraordinary general shareholders meeting at any time.	Directors may be removed by adoption of a shareholders resolution by majority vote at the ordinary or an extraordinary general shareholders meeting at any time.

Vacancies

ULTRAPAR	RIPI / DPPI/CBPI
Directors are appointed by shareholders at a general shareholders meeting. A vacancy will be filled by a Director elected by the shareholders at the next general shareholders meeting.	In the event of a vacancy of a board member of any of these companies, the board of directors will appoint a shareholder to fill such vacancy for the remaining of the mandate. If the vacant

member is a person appointed by the minority shareholders, an extraordinary shareholders meeting shall be called for a new member to be voted.

180

ULTRAPAR	RIPI / DPPI/CBPI
Director Liability	
According to Brazilian Corporate Law, Directors are not individually liable for any obligations assumed by Ultrapar or as a result of regular management acts. Directors are, however, liable to Ultrapar, Ultrapar shareholders and creditors of Ultrapar for any damage that they may cause by acts or omissions that violate law or Ultrapar s bylaws, or for acts performed with negligence and in breach of good faith. Directors are not jointly liable for acts caused by other Directors, except if they have participated of such act or if they had knowledge about the practice of such act. The Directors will be jointly liable for damages originated by the non-compliance with the duties determined by law to run the company s business, except if the company by-laws establishes that such duty was specific to one Director.	According to Brazilian Corporate Law, Directors are not individually liable for any obligations assumed by RIPI, DPPI and CBPI as a result of regular management acts. Directors are, however, liable to such companies, such companies shareholders and creditors for any damage that they may cause by acts or omissions that violate law or such companies bylaws, or for acts performed with negligence and in breach of good faith. Directors are not jointly liable for acts caused by other Directors, except if they have participated of such act or if they had knowledge about the practice of such act. The Directors will be jointly liable for damages originated by the non-compliance with the duties determined by law to run the company s business, except if the company by-laws establishes that such duty was specific to one Director.
Mandatory Tender Offer / Tag Along Rights	
Brazilian Corporate Law and CVM rules determine that upon the sale of a controlling interest in a publicly listed company, the purchaser will have to file a mandatory cash tender offer with the CVM to acquire all the remaining outstanding common shares of the target entity for at least 80% of the price paid for the common shares of the controlling block.	Brazilian Corporate Law and CVM rules determine that upon the sale of a controlling interest in a publicly listed company, the purchaser will have to file a mandatory cash tender offer with the CVM to acquire all the remaining outstanding common shares of the target entity for at least 80% of the price paid for the common shares of the controlling block.
Ultrapar s bylaws provide that any person who purchases control of Ultrapar s company must carry out a tender offer for the remaining shares, common and preferred, at the same price and on the same payment conditions, adjusted between such person and Ultrapar s controlling shareholders.	The offer must be made on the São Paulo Stock Exchange.
The offer must be made on both the São Paulo Stock Exchange and the New York Stock Exchange.	

Table of Contents

ULTRAPAR	RIPI/DPPI/CBPI
Ultrapar Directors must carry out the duties associated with their positions on the board of directors in accordance with the Brazilian Corporate Law and Ultrapar s bylaws:	RIPI, DPPI and CBPI Directors must carry out the duties associated with their positions on the board of directors in accordance with the Brazilian Corporate Law and their respective bylaws.
Ultrapar s bylaws establish that the board of directors has the following responsibilities:	RIPI, DPPI and CBPI s bylaws establish that their respective boards of directors have the following responsibilities:
a) to set general business policy;	a) to set general business policy;
b) to call shareholders meetings;	b) to call shareholders meetings;
c) to elect and remove from office the officers and establish their individual duties and compensation, while the shareholders decide their overall remuneration;	c) to elect and remove from office the officers and set their individual duties;
d) to oversee management; at any time to examine Ultrapar s books and records; to request information concerning any agreement or relating to any other acts to be undertaken by the company;	d) to oversee management; at any time to examine the company s books and records; request information concerning any agreement or relating to any other acts to be undertaken by the company;
e) to provide opinion on the management report and on the Board of Officers accounts;	e) to provide opinion on the management report and on the Board of Officers accounts;
f) to choose and remove the independent auditors nominated by the audit committee;	f) to choose and remove the independent auditors;
g) to approve increases in the subscribed capital and the form under which it shall occur, up to the amount of authorized capital;	g) to submit to shareholders an increase in the subscribed capital;
	h) to authorize the acquisition or disposal of permanent assets, the encumbrance of real estate property, or the offer of collateral or personal guarantees to third parties;

h) to propose to shareholders the winding-up, merger or consolidation of Ultrapar;

i) to choose the chief executive officer;

j) to submit to the shareholders meeting for approval the allocation of the adjusted net profit for each fiscal year;

k) to approve the distribution of semi-annual or interim dividends;

l) to approve investments in other companies;

m) to appoint among the officers an investor relations officer.

n) to grant stock options; and

o) to approve the issuance, for public subscription, of commercial paper by the company.

i) to provide an opinion on any act or agreement not contemplated in the annual budget; and

j) to authorize the acquisition of the relevant company s shares to be kept in treasury or canceled.

182

Table of Contents

ULTRAPAR	RIPI/DPPI/CBPI
The prior approval of the board of directors shall also be required for the performance of any act that might result in an acquisition, disposal, swap or encumbrance of real estate property, an offer of collateral or personal guarantees, the taking out of loans or a waiver of rights, in each case the amount of which would be in excess of three percent of Ultrapar s net worth.	
By a resolution of the board of directors, Ultrapar may acquire its own shares to be kept in treasury or canceled up to the amount of the profit and reserve balance, except for the legal reserve, without any decrease in the capital stock.	
According to Brazilian Corporate Law, directors are prohibited from:	According to Brazilian Corporate Law, directors are prohibited from:
performing any act using corporate assets to the detriment of the company;	performing any act using corporate assets to the detriment of the company;
by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from the shareholders;	by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from the shareholders;
taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the company, or in the decisions made by other directors on the matter; and	taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the company, or in the decisions made by other directors on the matter; and
without prior authorization from the shareholders or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, for his or her own or a third party s benefit, or for a company s benefit in which he or she has interest.	without prior authorization from shareholders or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, for his or her own or a third party s benefit, or for a company s benefit in which he or she has interest.

OFFICERS

The Board of Officers of Ultrapar is elected by the board of directors for a one-year term. The Officers may be reelected. The Ultrapar Board of Officers currently consists of 5 members. Ultrapar s bylaws provide that the number of directors will not be fewer than four nor more than six. Decisions shall be taken by a majority of votes. The Board of Officers is responsible to conduct the day-to-day operations of Ultrapar, observing the general business policy set out by the board of directors.

The Board of Officers of each of RIPI, DPPI and CBPI is elected by its respective board of directors for a three-year term. The Officers may be reelected. RIPI, DPPI and CBPI Board of Officers currently consist of 3, 5 and 7 members respectively. All such company s bylaws provide that the number of directors will not be fewer than three nor more than ten. Decisions shall be taken by a majority of votes. The Board of Officers is responsible to conduct the day-to-day operations of such companies, observing the general business policy set out by the board of directors.

183

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI

FISCAL COUNCIL / AUDIT COMMITTEE

Brazilian Corporate Law requires Ultrapar to establish a Fiscal Council. Ultrapar Fiscal Council also acts as an audit committee pursuant to the requirements of the Sarbanes-Oxley Act. Ultrapar Fiscal Council is constituted of five members and their respective alternate members. The Fiscal Council is a separate corporate body independent of Ultrapar management and Ultrapar external independent registered public accounting firm. The members of Ultrapar Fiscal Council are elected by Ultrapar shareholders at the annual general shareholders meeting for one-year term and are eligible for reelection.	Brazilian Corporate Law requires RIPI, DPPI and CBPI to establish a Fiscal Council. The Fiscal Council of each of RIPI, DPPI and CBPI are constituted of three members and their respective alternate members. The Fiscal Council is a separate corporate body independent of the management and of the external independent registered public accounting firm. The members of the Fiscal Councils are elected by each of RIPI, DPPI and CBPI s shareholders at the annual general shareholders meeting for one-year term and are eligible for reelection.

184

Table of Contents

DESCRIPTION OF ULTRAPAR PREFERRED SHARES

Our Issued Capital Stock

Ultrapar s capital stock is R$946,034,662.97, fully subscribed and paid in, comprised of 81,325,409 shares, without par value, of which 49,429,897 are common shares and 31,895,512 are preferred shares. As of December 13, 2007, Ultrapar and its affiliates held 6,617 common shares and 827,147 preferred shares in treasury.

Ultrapar s bylaws authorize Ultrapar s board of directors to increase Ultrapar s share capital up to the limit of R$1.5 billion by issuing either common or preferred shares. Any capital increase that exceeds such amount requires an amendment to Ultrapar s bylaws, which must be approved by shareholders at a shareholders meeting. Pursuant to Brazilian corporate law and Ultrapar s bylaws, the number of preferred shares may not exceed two-thirds of Ultrapar s issued capital stock.

On February 2, 2005, Ultrapar s board of directors approved the increase of Ultrapar s capital stock, pursuant to a partial capitalization of reserves, and the issuance of 10,453,690,324 new preferred shares distributed to Ultrapar s shareholders as a result of a stock dividend. Following this stock dividend, Ultrapar shareholders approved on July 20, 2005 the reverse split of its shares at the ratio of one thousand (1,000) shares of each type to one (1) share of such type and a change in the ratio of ADSs traded on the New York Stock Exchange, where one (1) ADS represented one (1) preferred share.

Preferred Share Rights

In accordance with Ultrapar s bylaws, Ultrapar s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because Ultrapar s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of Ultrapar s preferred shares cannot acquire voting rights as a result of Ultrapar s failure to distribute dividends.

Brazilian corporate law also provides that holders of Ultrapar s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to Ultrapar s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over Ultrapar s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of Ultrapar s common shares, but also a prior approval or ratification by shareholders holding the majority of Ultrapar s preferred shares.

According to Brazilian corporate law, (i) Ultrapar s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of Ultrapar s total capital stock, and (ii) holders of common shares that are not controlling shareholders, and who represent, at least, 15% of Ultrapar s total voting stock, will have the right to elect one member of Ultrapar s board of directors.

In case Ultrapar s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of Ultrapar s total capital, they may elect a member of Ultrapar s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Table of Contents

Upon Ultrapar s liquidation, holders of preferred shares shall have priority in relation to holders of common shares in respect of their return on capital, without any premium. The holders of Ultrapar s preferred shares have the right to receive the same amount of dividends per share to which the holders of Ultrapar s common shares are entitled. See Comparative Market Price and Dividend Information.

Ultrapar s preferred shares have tag along rights, which enable their holders to, upon the sale of a controlling interest in us, receive 100% of the price paid per common share of the controlling block. On March 22, 2000, Ultrapar s controlling shareholders entered into a shareholders agreement designed to ensure the equal treatment of all non-controlling shareholders in the event of any change in control. Pursuant to the agreement, the provisions of which have been incorporated in Ultrapar s bylaws, any transfer of Ultrapar s control, either directly or indirectly, may only be executed in conjunction with a public tender offer by the acquiring entity to purchase the shares of all minority shareholders under the same price and payment terms as those offered to the controlling shareholders. The agreement provides that there will be no discount or price differentiation between the shares in the public tender offer and those being sold by the controlling shareholders. The offer must be made on both the São Paulo Stock Exchange and the New York Stock Exchange.

Preemptive Rights

Ultrapar s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in proportion to their shareholdings. Ultrapar s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire Ultrapar s shares and subscription warrants that Ultrapar may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain their participation in the total capital stock, may subscribe for other classes or types of shares.

According to Brazilian corporate law and Ultrapar s bylaws, Ultrapar s board of directors is authorized to exclude preemptive rights for the issuance of new shares, convertible debentures and subscription warrants if the distribution of those shares is effected through stock exchanges or public subscription. In addition, Brazilian corporate law establishes that the grant and exercise of stock options under stock option plans are not subject to preemptive rights.

Conversion Rights

In accordance with Ultrapar s bylaws, Ultrapar s common shares may be converted into Ultrapar s preferred shares, upon the request of the shareholder that requested such conversions, and subsequent to approval by a general shareholders meeting, and also subject to the limitations established by Brazilian corporate law.

In addition, according to the Shareholders Agreement of Ultrapar signed in 2004, shareholders of the controlling entity of Ultrapar, Ultra S.A. Participações, or Ultra , may request the exchange of their Ultra common or preferred shares into Ultrapar s preferred shares, provided that Ultra continues as the holder of 51% of Ultrapar s common shares and that the existing limit for the proportion of Ultrapar s capital stock, corresponding to a ratio of one-third of common shares to two-thirds of preferred shares, is not exceeded.

Table of Contents

Corporate Purpose

As per Ultrapar s bylaws, Ultrapar s corporate purpose is to use Ultrapar s capital in commerce, industry, agriculture and as service providers, upon the subscription or acquisition of shares or quotas issued by companies.

Shareholders Meetings

At Ultrapar s shareholders meetings, shareholders are generally empowered to take any action relating to Ultrapar s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve Ultrapar s financial statements and to determine the allocation of Ultrapar s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to such shareholders meeting. The election of Ultrapar s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of Ultrapar s fiscal council may be elected at any shareholders meeting.

An extraordinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of Ultrapar s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or Ultrapar s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of Ultrapar s capital stock;
- approval of Ultrapar s transformation into a *sociedade limitada* or any other corporate form;
- approval of Ultrapar s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of Ultrapar s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and
- authorization to petition for Ultrapar s bankruptcy or request the compulsory rescheduling of Ultrapar s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

- the right to participate in the distribution of profits;

the right to participate equally and ratably in any remaining residual assets in the event of liquidation of the Company;

the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law described in Preemptive Rights ;

the right to withdraw from the Company in the cases specified in Brazilian corporate law; and

the right to supervise, pursuant to Brazilian corporate law, the management of the Company.

Table of Contents

Quorum

Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend Ultrapar s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of Ultrapar s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of Ultrapar s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of Ultrapar s issued and outstanding voting capital is required to:

- modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
- reduce the percentage of mandatory dividends;
- change Ultrapar s corporate purpose;
- merge us into or with another company;
- spin off a portion of Ultrapar s assets or liabilities;
- approve Ultrapar s participation in a group of companies;
- apply for cancellation of any voluntary liquidation; and
- approve Ultrapar s dissolution.

Notice of Ultrapar s shareholders meetings

Notice of Ultrapar s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where Ultrapar s headquarters are located and another newspaper widely published, currently *Valor Econômico*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission

Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights and Redemption

Appraisal rights

Any of Ultrapar s shareholders who dissent from certain actions taken by Ultrapar s shareholders in a shareholders meeting have the right to withdraw from Ultrapar and to receive the value of their shares.

Table of Contents

According to Brazilian corporate law and Ultrapar s bylaws, the appraisal rights of Ultrapar s shareholders may be exercised in the following circumstances:

- modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;
- reduction in the percentage of mandatory dividends;
- change in Ultrapar s corporate purpose;
- merger (*fusão or incorporação*) with another company if Ultrapar is not the surviving entity;
- Ultrapar s participation in a group of companies;
- change in Ultrapar s corporate form;
- merger of all Ultrapar s shares into another Brazilian company, so that Ultrapar becomes a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding Ultrapar s spin-off would only entitle shareholders to withdraw from Ultrapar s company if the spin-off:

- causes a change in the purpose of the Company, except if the equity is spun off to a company whose primary activities are consistent with Ultrapar s corporate purpose;
- reduces Ultrapar s mandatory dividends; or
- causes us to join a group of companies.

In cases where Ultrapar modifies a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creates a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where Ultrapar:

- merges with another company in circumstances in which Ultrapar is not the surviving company; or

participates in a group of companies,
Ultrapar s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

Ultrapar s shareholders shall have appraisal rights in case Ultrapar implements a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days after the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. Ultrapar is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize Ultrapar s financial stability.

In case of exercise of appraisal rights, Ultrapar s shareholders are entitled to receive book value for their shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is

189

Table of Contents

made later than 60 days after the date of the last approved balance sheet, a shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, Ultrapar must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by Ultrapar s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption

In accordance with Brazilian corporate law, Ultrapar s shares may be redeemed upon the decision of Ultrapar s shareholders. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to Ultrapar s bylaws, Ultrapar s board of directors consists of a minimum of four and a maximum of seven members. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of Ultrapar s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of Ultrapar s voting share capital. Ultrapar s directors are elected by Ultrapar s shareholders at Ultrapar s annual shareholders meeting for a one-year term.

Brazilian corporate law requires that each director own at least one share of Ultrapar s company. There is no mandatory retirement age for directors.

Transactions in Which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization from Shareholders Meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, for his or her own or a third party s benefit, or for a company s benefit in which he or she has an interest.

The compensation of directors is determined at the annual shareholders meetings.

Anti-Takeover Effects of Certain Provisions of Ultrapar s Bylaws

Some provisions of Ultrapar s bylaws may have the effect of discouraging, delaying or preventing hostile takeovers of Ultrapar s company. Ultrapar s bylaws provide that any person who purchases control of Ultrapar s company must carry out a tender offer for the remaining shares, at the same price and on the same payment conditions, adjusted between such person and Ultrapar s controlling shareholders. This requirement is intended to protect minority shareholders.

Table of Contents

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

Ultrapar s direct or indirect controlling shareholders, directors and executive officers and members of Ultrapar s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in Ultrapar s securities, including derivatives based on Ultrapar s securities, among others, as follows:

- before the public disclosure of any material act or fact with respect to Ultrapar s business;
- if Ultrapar intends to merge with another company, consolidate, spin off part or all of Ultrapar s assets or reorganize;
- during the 15-day period before the disclosure of Ultrapar s quarterly and annual financial statements; or
- with respect only to Ultrapar s controlling shareholders, directors and executive directors, in the event of acquisition or sale of Ultrapar s shares by us or the transaction or sale of Ultrapar s shares by any of Ultrapar s controlled or affiliated companies or any other company under Ultrapar s common control.

Purchases by Us of Shares of Ultrapar s Capital Stock

Ultrapar s bylaws entitle Ultrapar s board of directors to approve the transaction of Ultrapar s own shares. The decision to acquire Ultrapar s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of Ultrapar s share capital;
- require the use of resources greater than Ultrapar s accumulated profits and available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by Ultrapar s controlling shareholders.

Ultrapar may not keep in treasury more than 10% of the float of each class of Ultrapar s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by us of Ultrapar s shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, Ultrapar is subject to the reporting requirements established by Brazilian corporate law and the CVM.

As a result of the issuance of Ultrapar s ADSs, Ultrapar is required to furnish to the SEC certain information, which Ultrapar files with the CVM, translated into English.

In addition to the provisions of the CVM and the SEC, the Company has also implemented a disclosure and trading policy regarding the procedures to be followed (i) for announcing material information or facts relating to Ultrapar and (ii) with respect to the trading of securities issued by the Company while material information is pending disclosure.

Disclosure of information

Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information

Table of Contents

statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders

Brazilian securities regulation requires Ultrapar s controlling shareholders, management, members of Ultrapar s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by us, Ultrapar s subsidiaries and Ultrapar s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments

Under Brazilian securities regulations, Ultrapar must disclose any material development related to Ultrapar s business to the CVM and BOVESPA. Ultrapar is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of Ultrapar s securities, the decision of investors to hold, purchase or sell Ultrapar s securities, or the decision of investors to exercise any rights as holders of any of Ultrapar s securities.

Registry of Ultrapar s Preferred Shares

Ultrapar s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of Ultrapar s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Delisting as a Public Company

Ultrapar s delisting as a public company must be preceded by a tender offer by Ultrapar s controlling shareholders or ourselves for the transaction of all Ultrapar s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established by Brazilian corporate law;

- shareholders holding more than two-thirds of Ultrapar s free float shares shall have expressly agreed to Ultrapar s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to Ultrapar s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of Ultrapar s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of Ultrapar s outstanding shares, by means of a request sent to Ultrapar s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. Ultrapar s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

Table of Contents

DESCRIPTION OF RIPI PREFERRED SHARES

RIPI s Issued Capital Stock

RIPI s capital stock is R$475,000,000.00, fully subscribed and paid in, comprised of 29,600,000 shares, without par value, of which 9,982,404 are common shares and 19,617,596 are preferred shares. As of December 13, 2007, RIPI held no common shares or preferred shares in treasury.

Preferred Share Rights

In accordance with RIPI s bylaws, RIPI s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because RIPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of RIPI s preferred shares cannot acquire voting rights as a result of RIPI s failure to distribute dividends.

Brazilian corporate law also provides that holders of RIPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to RIPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over RIPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of RIPI s common shares, but also a prior approval or ratification by shareholders holding the majority of RIPI s preferred shares.

According to Brazilian corporate law, (i) RIPI s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of RIPI s total capital stock, and (ii) holders of common shares, that are not controlling shareholders, and who represent, at least, 15% of RIPI s total voting stock, will have the right to elect one member of RIPI s board of directors.

In case RIPI s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of RIPI s total capital, they may elect a member of RIPI s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon RIPI s liquidation, holders of preferred shares shall have the priority in relation to holders of common shares to their return on capital, without any premium. RIPI shareholders have the right to participate in any dividend payment or stock dividend distribution in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of RIPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. See Comparative Market Price and Dividend Information.

Preemptive Rights

RIPI s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in the proportion to their shareholdings. RIPI s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire RIPI s shares and subscription warrants that RIPI may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

Table of Contents

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain its participation in the total capital stock, may subscribe for other classes or types of shares.

Corporate Purpose

As per RIPI s bylaws, RIPI s corporate purpose is to operate and exploit an oil refinery in the city of Rio Grande, warehousing of fuels; import, export and commercialization of oil products raw materials for industrial purposes and exploitation of chemical products, except pharmaceuticals.

Shareholders Meetings

At RIPI s shareholders meetings, shareholders are generally empowered to take any action relating to RIPI s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve RIPI s financial statements and to determine the allocation of RIPI s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the shareholders meeting. The election of RIPI s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of RIPI s fiscal council may be elected at any shareholders meeting.

An extraordinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of RIPI s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or RIPI s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of RIPI s capital stock;
- approval of RIPI s transformation into a *sociedade limitada* or any other corporate form;
- approval of RIPI s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of RIPI s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and
- authorization to petition for RIPI s bankruptcy or request the compulsory rescheduling of RIPI s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

- the right to participate in the distribution of profits;
- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of RIPI;

Table of Contents

the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law;

the right to withdraw from RIPI in the cases specified in Brazilian corporate law, and

the right to supervise, pursuant to Brazilian corporate law, the management of the company.

Quorum. Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend RIPI s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of RIPI s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of RIPI s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of RIPI s issued and outstanding voting capital is required to:

modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;

reduce the percentage of mandatory dividends;

change RIPI s corporate purpose;

merge us into or with another company;

spin off a portion of RIPI s assets or liabilities;

approve RIPI s participation in a group of companies;

apply for cancellation of any voluntary liquidation; and

approve RIPI s dissolution.

Notice of RIPI s shareholders meetings. Notice of RIPI s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where RIPI s headquarters are located and another newspaper widely published, currently RIPI publishes in the Estado de São Paulo and in a local newspaper called *Agora*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission. Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights And Redemption

Appraisal rights. Any of RIPI s shareholders who dissent from certain actions taken by RIPI s shareholders in a shareholders meeting have the right to withdraw from RIPI s company and to receive the value of their shares.

Table of Contents

According to Brazilian corporate law, the appraisal rights of RIPI s shareholders may be exercised in the following circumstances:

- modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;
- reduction in the percentage of mandatory dividends;
- change in RIPI s corporate purpose;
- merger (*fusão or incorporação*) with another company if RIPI is not the surviving entity;
- RIPI s participation in a group of companies;
- change in RIPI s corporate form;
- merger of all RIPI s shares into another Brazilian company, so that RIPI become a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding RIPI s spin-off would only entitle shareholders to withdraw from RIPI s company if the spin-off:

- causes a change in the purpose of RIPI, except if the equity is spun off to a company whose primary activities are consistent with RIPI s corporate purpose;
- reduces RIPI s mandatory dividends; or
- causes RIPI to join a group of companies.

In cases where RIPI modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where RIPI:

- merge with another company in circumstances in which RIPI is not the surviving company; or participate in a group of companies,

RIPI s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

RIPI s shareholders shall have appraisal rights in case RIPI implement a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days from the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. RIPI is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize RIPI s financial stability.

In case of exercise of appraisal rights, RIPI s shareholders are entitled to receive book value for the shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made

Table of Contents

later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, RIPI must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by RIPI s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption. In accordance with Brazilian corporate law, RIPI s shares may be redeemed upon the decision of RIPI s shareholders meeting. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to RIPI s bylaws, RIPI board of directors currently consists of 7 directors. RIPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of RIPI s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of RIPI s voting share capital.

Brazilian corporate law requires that each director own at least one share of RIPI s company. There is no mandatory retirement age for directors.

Transactions in which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization at a shareholders meeting or from the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

The compensation of directors is determined at the annual shareholders meetings.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

RIPI s direct or indirect controlling shareholders, directors, executive officers and members of RIPI s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in RIPI s securities, including derivatives based on RIPI s securities, as follows, among others:

- before the public disclosure of any material act or fact with respect to RIPI s business;
- if RIPI intend to merge with another company, consolidate, spin off part or all of RIPI s assets or reorganize;

during the 15-day period before the disclosure of RIPI s quarterly and annual financial statements; or

with respect only to RIPI s controlling shareholders, directors and executive directors, in the event of acquisition or sale of RIPI s shares by RIPI or the transaction or sale of RIPI s shares by any of RIPI s controlled or affiliated companies or any other company under RIPI s common control.

197

Table of Contents

Purchases by RIPI of Shares of RIPI s Capital Stock

RIPI s bylaws entitle RIPI s board of directors to approve the transaction of RIPI s own shares. The decision to acquire RIPI s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of RIPI s share capital;
- require the use of resources greater than RIPI s accumulated profits and the available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by RIPI s controlling shareholders.

RIPI may not keep in treasury more than 10% of the float of each class of RIPI s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by RIPI of its own shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, RIPI is subject to the reporting requirements established by Brazilian corporate law and the CVM.

Disclosure of information. Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders. Brazilian securities regulation requires RIPI s controlling shareholders, management, members of RIPI s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by RIPI, RIPI s subsidiaries and RIPI s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments. Under Brazilian securities regulations, RIPI must disclose any material development related to RIPI s business to the CVM and BOVESPA. RIPI is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of RIPI s securities, the decision of investors to hold, purchase or sell RIPI s securities, or the decision of investors to exercise any rights as holders of any of RIPI s securities.

Registry of RIPI s Preferred Shares

RIPI s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of RIPI s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

198

Table of Contents

Delisting as a Public Company

RIPI s delisting as a public company must be preceded by a tender offer by RIPI s controlling shareholders or ourselves for the transaction of all RIPI s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established in Brazilian corporate law;
- shareholders holding more than two-thirds of RIPI s free float shares shall have expressly agreed to RIPI s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to RIPI s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of RIPI s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of RIPI s outstanding shares, by means of a request sent to RIPI s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. RIPI s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

DESCRIPTION OF DPPI PREFERRED SHARES

DPPI s Issued Capital Stock

DPPI s capital stock is R$615,000,000.00, fully subscribed and paid in, comprised of 32,000,000 shares, without par value, of which 10,706,368 are common shares and 21,293,632 are preferred shares. As of December 13, 2007, DPPI held no common shares or preferred shares in treasury.

Preferred Share Rights

In accordance with DPPI s bylaws, DPPI s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because DPPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of DPPI s preferred shares cannot acquire voting rights as a result of DPPI s failure to distribute dividends.

Brazilian corporate law also provides that holders of DPPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to DPPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over DPPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of DPPI s common shares, but also a prior approval or ratification by shareholders holding the majority of DPPI s preferred shares.

According to Brazilian corporate law, (i) DPPI s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of DPPI s total capital stock, and (ii) holders of common shares, that are not controlling shareholders, and who represent, at least, 15% of DPPI s total voting stock, will have the right to elect one member of DPPI s board of directors.

In case DPPI s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of DPPI s total capital, they may elect a member of DPPI s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon DPPI s liquidation, holders of preferred shares shall have the priority in relation to holders of common shares to their return on capital, without any premium. DPPI shareholders have the right to participate in any dividend payment or stock dividend distribution in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of DPPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. See Comparative Market Price and Dividend Information.

Preemptive Rights

DPPI s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in the proportion to their shareholdings. DPPI s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire DPPI s shares and subscription warrants that DPPI may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

Table of Contents

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain its participation in the total capital stock, may subscribe for other classes or types of shares.

Corporate Purpose

As per DPPI s bylaws, DPPI s corporate purpose is to operate and exploit an oil refinery in the city of Rio Grande, warehousing of fuels; import, export and commercialization of oil products raw materials for industrial purposes and exploitation of chemical products, except pharmaceuticals.

Shareholders Meetings

At DPPI s shareholders meetings, shareholders are generally empowered to take any action relating to DPPI s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve DPPI s financial statements and to determine the allocation of DPPI s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the shareholders meeting. The election of DPPI s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of DPPI s fiscal council may be elected at any shareholders meeting.

An extraordinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of DPPI s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or DPPI s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of DPPI s capital stock;
- approval of DPPI s transformation into a *sociedade limitada* or any other corporate form;
- approval of DPPI s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of DPPI s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and
- authorization to petition for DPPI s bankruptcy or request the compulsory rescheduling of DPPI s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

- the right to participate in the distribution of profits;
- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of DPPI;
- the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law;

Table of Contents

- the right to withdraw from DPPI in the cases specified in Brazilian corporate law, and

- the right to supervise, pursuant to Brazilian corporate law, the management of the company.

Quorum. Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend DPPI s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of DPPI s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of DPPI s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of DPPI s issued and outstanding voting capital is required to:

- modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;

- reduce the percentage of mandatory dividends;

- change DPPI s corporate purpose;

- merge us into or with another company;

- spin off a portion of DPPI s assets or liabilities;

- approve DPPI s participation in a group of companies;

- apply for cancellation of any voluntary liquidation; and

- approve DPPI s dissolution.

Notice of DPPI s shareholders meetings. Notice of DPPI s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where DPPI s headquarters are located and another newspaper widely published, currently DPPI publishes in the Estado de São Paulo and in a local newspaper called *Jornal do Comércio of Porto Alegre*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission. Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights And Redemption

Appraisal rights. Any of DPPI s shareholders who dissent from certain actions taken by DPPI s shareholders in a shareholders meeting have the right to withdraw from DPPI s company and to receive the value of their shares.

According to Brazilian corporate law, the appraisal rights of DPPI s shareholders may be exercised in the following circumstances:

modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;

Table of Contents

- reduction in the percentage of mandatory dividends;
- change in DPPI s corporate purpose;
- merger (*fusão or incorporação*) with another company if DPPI is not the surviving entity;
- DPPI s participation in a group of companies;
- change in DPPI s corporate form;
- merger of all DPPI s shares into another Brazilian company, so that DPPI become a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding DPPI s spin-off would only entitle shareholders to withdraw from DPPI s company if the spin-off:

- causes a change in the purpose of DPPI, except if the equity is spun off to a company whose primary activities are consistent with DPPI s corporate purpose;
- reduces DPPI s mandatory dividends; or
- causes DPPI to join a group of companies.

In cases where DPPI modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where DPPI:

- merge with another company in circumstances in which DPPI is not the surviving company; or
- participate in a group of companies,

DPPI s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

DPPI s shareholders shall have appraisal rights in case DPPI implement a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days from the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. DPPI is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize DPPI s financial stability.

In case of exercise of appraisal rights, DPPI s shareholders are entitled to receive book value for the shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, DPPI must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by DPPI s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption. In accordance with Brazilian corporate law, DPPI s shares may be redeemed upon the decision of DPPI s shareholders meeting. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Table of Contents

Board of Directors

According to DPPI s bylaws, the DPPI board of directors currently consists of 6 directors. DPPI s bylaws provide that the number of directors will not be fewer than five nor more than seven. Each director is elected for a three-year term and a reelection is permitted. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of DPPI s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of DPPI s voting share capital.

Brazilian corporate law requires that each director own at least one share of DPPI s company. There is no mandatory retirement age for directors.

Transactions in which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization from Shareholders Meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

The compensation of directors is determined at the annual shareholders meetings.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

DPPI s direct or indirect controlling shareholders, directors, executive officers and members of DPPI s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in DPPI s securities, including derivatives based on DPPI s securities, as follows, among others:

- before the public disclosure of any material act or fact with respect to DPPI s business;
- if DPPI intend to merge with another company, consolidate, spin off part or all of DPPI s assets or reorganize;
- during the 15-day period before the disclosure of DPPI s quarterly and annual financial statements; or
- with respect only to DPPI s controlling shareholders, directors and executive directors, in the event of acquisition or sale of DPPI s shares by DPPI or the transaction or sale of DPPI s shares by any of DPPI s controlled or affiliated companies or any other company under DPPI s common control.

Purchases by DPPI of Shares of DPPI s Capital Stock

DPPI s bylaws entitle DPPI s board of directors to approve the transaction of DPPI s own shares. The decision to acquire DPPI s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of DPPI s share capital;
- require the use of resources greater than DPPI s accumulated profits and the available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by DPPI s controlling shareholders.

Table of Contents

DPPI may not keep in treasury more than 10% of the float of each class of DPPI s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by DPPI of its own shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, DPPI is subject to the reporting requirements established by Brazilian corporate law and the CVM.

Disclosure of information. Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders. Brazilian securities regulation requires DPPI s controlling shareholders, management, members of DPPI s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by DPPI, DPPI s subsidiaries and DPPI s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments. Under Brazilian securities regulations, DPPI must disclose any material development related to DPPI s business to the CVM and BOVESPA. DPPI is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of DPPI s securities, the decision of investors to hold, purchase or sell DPPI s securities, or the decision of investors to exercise any rights as holders of any of DPPI s securities.

Registry of DPPI s Preferred Shares

DPPI s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of DPPI s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Delisting as a Public Company

DPPI s delisting as a public company must be preceded by a tender offer by DPPI s controlling shareholders or ourselves for the transaction of all DPPI s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established in Brazilian corporate law;

- shareholders holding more than two-thirds of DPPI s free float shares shall have expressly agreed to DPPI s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to DPPI s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of DPPI s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of DPPI s outstanding shares, by means of a request sent to DPPI s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. DPPI s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

Table of Contents

DESCRIPTION OF CBPI PREFERRED SHARES

CBPI s Issued Capital Stock

CBPI s capital stock is R$ R$1,030,000,000.00, fully subscribed and paid in, comprised of 105,952,000 shares, without par value, of which 35,409,306 are common shares and 70,542,694 are preferred shares. As of December 13, 2007, CBPI held no common shares or preferred shares in treasury.

Preferred Share Rights

In accordance with CBPI s bylaws, CBPI s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because CBPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of CBPI s preferred shares cannot acquire voting rights as a result of CBPI s failure to distribute dividends.

Brazilian corporate law also provides that holders of CBPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to CBPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over CBPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of CBPI s common shares, but also a prior approval or ratification by shareholders holding the majority of CBPI s preferred shares.

According to Brazilian corporate law, (i) CBPI s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of CBPI s total capital stock, and (ii) holders of common shares, that are not controlling shareholders, and who represent, at least, 15% of CBPI s total voting stock, will have the right to elect one member of CBPI s board of directors.

In case CBPI s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of DPPI s total capital, they may elect a member of DPPI s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon DPPI s liquidation, holders of preferred shares shall have the priority in relation to holders of common shares to their return on capital, without any premium. DPPI shareholders have the right to participate in any dividend payment or stock dividend distribution in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of DPPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. See Comparative Market Price and Dividend Information.

Preemptive Rights

CBPI s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in the proportion to their shareholdings. CBPI s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire CBPI s shares and subscription warrants that CBPI may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

Table of Contents

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain its participation in the total capital stock, may subscribe for other classes or types of shares.

Corporate Purpose

As per CBPI s bylaws, CBPI s corporate purpose is to operate and exploit an oil refinery in the city of Rio Grande, warehousing of fuels; import, export and commercialization of oil products raw materials for industrial purposes and exploitation of chemical products, except pharmaceuticals.

Shareholders Meetings

At CBPI s shareholders meetings, shareholders are generally empowered to take any action relating to CBPI s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve DPPI s financial statements and to determine the allocation of DPPI s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the shareholders meeting. The election of DPPI s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of CBPI s fiscal council may be elected at any shareholders meeting.

An extraordinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

amendment of CBPI s bylaws;

delisting of the Company as a publicly held company with the CVM;

authorization to issue debentures;

suspension of the rights of a shareholder who has violated Brazilian corporate law or CBPI s bylaws;

acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of CBPI s capital stock;

approval of CBPI s transformation into a *sociedade limitada* or any other corporate form;

approval of CBPI s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);

approval of CBPI s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and

authorization to petition for CBPI s bankruptcy or request the compulsory rescheduling of CBPI s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

- the right to participate in the distribution of profits;
- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of CBPI;

207

- the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law;

- the right to withdraw from CBPI in the cases specified in Brazilian corporate law, and

- the right to supervise, pursuant to Brazilian corporate law, the management of the company.

Quorum. Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend CBPI s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of CBPI s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of CBPI s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of CBPI s issued and outstanding voting capital is required to:

- modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;

- reduce the percentage of mandatory dividends;

- change CBPI s corporate purpose;

- merge us into or with another company;

- spin off a portion of CBPI s assets or liabilities;

- approve CBPI s participation in a group of companies;

- apply for cancellation of any voluntary liquidation; and

- approve CBPI s dissolution.

Notice of CBPI s shareholders meetings. Notice of CBPI s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where CBPI s headquarters are located and another newspaper widely published, currently CBPI publishes in the Estado de São Paulo and in Valor Econômico. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission. Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights And Redemption

Appraisal rights. Any of CBPI s shareholders who dissent from certain actions taken by CBPI s shareholders in a shareholders meeting have the right to withdraw from CBPI s company and to receive the value of their shares.

208

Table of Contents

According to Brazilian corporate law, the appraisal rights of CBPI s shareholders may be exercised in the following circumstances:

- modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;
- reduction in the percentage of mandatory dividends;
- change in CBPI s corporate purpose;
- merger (*fusão or incorporação*) with another company if CBPI is not the surviving entity;
- CBPI s participation in a group of companies;
- change in CBPI s corporate form;
- merger of all CBPI s shares into another Brazilian company, so that CBPI become a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding CBPI s spin-off would only entitle shareholders to withdraw from CBPI s company if the spin-off:

- causes a change in the purpose of CBPI, except if the equity is spun off to a company whose primary activities are consistent with CBPI s corporate purpose;
- reduces CBPI s mandatory dividends; or
- causes CBPI to join a group of companies.

In cases where CBPI modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where CBPI:

- merge with another company in circumstances in which CBPI is not the surviving company; or participate in a group of companies,

CBPI s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

CBPI s shareholders shall have appraisal rights in case CBPI implement a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days from the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. CBPI is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize CBPI s financial stability.

Table of Contents

In case of exercise of appraisal rights, CBPI s shareholders are entitled to receive book value for the shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, CBPI must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by CBPI s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption. In accordance with Brazilian corporate law, CBPI s shares may be redeemed upon the decision of CBPI s shareholders meeting. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to CBPI s bylaws, the CBPI board of directors currently consists of 7 directors. CBPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of CBPI s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of CBPI s voting share capital.

Brazilian corporate law requires that each director own at least one share of CBPI s company. There is no mandatory retirement age for directors.

Transactions in which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization from Shareholders Meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

The compensation of directors is determined at the annual shareholders meetings.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

CBPI s direct or indirect controlling shareholders, directors, executive officers and members of CBPI s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in CBPI s securities, including derivatives based on CBPI s securities, as follows, among others:

- before the public disclosure of any material act or fact with respect to CBPI s business;
- if CBPI intend to merge with another company, consolidate, spin off part or all of CBPI s assets or reorganize;

during the 15-day period before the disclosure of CBPI s quarterly and annual financial statements; or

with respect only to CBPI s controlling shareholders, directors and executive directors, in the event of acquisition or sale of CBPI s shares by CBPI or the transaction or sale of CBPI s shares by any of CBPI s controlled or affiliated companies or any other company under CBPI s common control.

Table of Contents

Purchases by CBPI of Shares of CBPI s Capital Stock

CBPI s bylaws entitle CBPI s board of directors to approve the transaction of CBPI s own shares. The decision to acquire CBPI s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of CBPI s share capital;
- require the use of resources greater than CBPI s accumulated profits and the available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by CBPI s controlling shareholders.

CBPI may not keep in treasury more than 10% of the float of each class of CBPI s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by CBPI of its own shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, CBPI is subject to the reporting requirements established by Brazilian corporate law and the CVM.

Disclosure of information. Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders. Brazilian securities regulation requires CBPI s controlling shareholders, management, members of CBPI s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by CBPI, CBPI s subsidiaries and CBPI s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments. Under Brazilian securities regulations, CBPI must disclose any material development related to CBPI s business to the CVM and BOVESPA. CBPI is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of CBPI s securities, the decision of investors to hold, purchase or sell CBPI s securities, or the decision of investors to exercise any rights as holders of any of CBPI s securities.

Registry of CBPI s Preferred Shares

CBPI s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of CBPI s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

211

Table of Contents

Delisting as a Public Company

CBPI s delisting as a public company must be preceded by a tender offer by CBPI s controlling shareholders or ourselves for the transaction of all CBPI s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established in Brazilian corporate law;
- shareholders holding more than two-thirds of CBPI s free float shares shall have expressly agreed to CBPI s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to CBPI s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of CBPI s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of CBPI s outstanding shares, by means of a request sent to CBPI s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. CBPI s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

Table of Contents

ULTRAPAR MARKET ACTIVITIES INVOLVING ULTRAPAR PREFERRED SHARES

Since the announcement of the Transaction, Ultrapar and certain of its affiliates have engaged, and intend to continue to engage, in various activities involving Ultrapar preferred shares outside the United States.

In August 2006, the board of directors approved a share repurchase program with a 12-month term under which we can acquire our own preferred shares at market price and hold them in treasury for subsequent sale or cancellation. The maximum number of shares that may be repurchased is 2,723,106 shares.

On August 8, 2007 the board of directors of Ultrapar approved the renewal of this share repurchase program. The maximum number of shares that may be repurchased is 2,362,131 shares and remains in force for one year with the possibility of renewal. The total shares repurchased from January 1, 2007 through December 13, 2007 under these programs, were preferred shares, as follows:

Period	Total number of shares repurchased	Average price per share in *reais*	Total number of shares repurchased as part of publicly announced plans or programs	Maximum number of shares that may yet be repurchased under the plans or program
January 1, 2007 January 31, 2007				2,362,131
February 1, 2007 February 28, 2007				2,362,131
March 1, 2007 March 31, 2007	45,000	53.12	45,000	2,317,131
April 1, 2007 April 30, 2007	56,900	61.07	56,900	2,260,231
May 1, 2007 May 31, 2007	160,600	59.80	160,600	2,099,631
June 1, 2007 June 30, 2007	92,400	59.21	92,400	2,007,231
July 1, 2007 July 31, 2007	34,500	62.95	34,500	1,972,731
August 1, 2007 August 31, 2007	29,100	59.52	29,100	1,943,631
September 1, 2007 September 30, 2007				1,943,631
October 1, 2007 October 30, 2007				1,943,631
November 1, 2007 November 30, 2007				1,943,631
December 1, 2007 December 13, 2007				1,943,631
Total shares repurchased during 2007	418,500	59.36	418,500	1,943,631

Table of Contents

RIPI MARKET ACTIVITIES INVOLVING RIPI PREFERRED SHARES

Since the announcement of the Transaction, RIPI has not engaged in any activities involving its preferred shares.

DPPI MARKET ACTIVITIES INVOLVING DPPI PREFERRED SHARES

Since the announcement of the Transaction, DPPI has not engaged in any activities involving its preferred shares.

CBPI MARKET ACTIVITIES INVOLVING CBPI PREFERRED SHARES

Since the announcement of the Transaction, CBPI has not engaged in any activity involving its preferred shares.

Table of Contents

LEGAL MATTERS AND EXPERTS

Legal Matters

Certain matters of U.S. law have been passed upon for us by Davis Polk & Wardwell, New York, New York.

Certain matters of Brazilian law have been passed upon for us by Machado, Meyer, Sendacz e Opice Advogados, São Paulo, Brazil.

Experts

Ultrapar s consolidated financial statements as of December 31, 2006 and 2005 and for the three years ended December 31, 2006 and management s report on the effectiveness of internal control over financial reporting as of December 31, 2006 included in the 2006 Form 20-F, which is included as Annex A hereto, have been audited by Deloitte Touche Tohmatsu Auditores Independentes, an independent registered public accounting firm, as stated in their reports which are included in Annex A hereto (which reports (1) express an unqualified opinion on the consolidated financial statements and include an explanatory paragraph referring to the inclusion of an additional note to the consolidated financial statements presenting the nature and effect of the differences between accounting practices adopted in Brazil and accounting principles generally accepted in the United States of America (U.S. GAAP) as they relate to the Company, (2) express an unqualified opinion on management s assessment regarding the effectiveness of internal control over financial reporting, and (3) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so included in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Refinaria de Petróleo Ipiranga S.A as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Distribuidora de Produtos de Petróleo Ipiranga S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Companhia Brasileira de Petróleo Ipiranga and Subsidiaries S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of the Oil Refining Business of Refinaria de Petróleo Ipiranga S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of the South Fuel and Lubricant Distribution Business of Distribuidora de Produtos de Petróleo Ipiranga S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

The statement of assets and liabilities assumed and the statement of revenues and direct expenses of the South and Southeast Fuel and Lubricant Distribution Business of Companhia Brasileira de Petróleo Ipiranga as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

Neither the Company s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained in this prospectus (including the annexes thereto) or the Registration Statement of which this prospectus forms a part, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The reports of PricewaterhouseCoopers Auditores Independentes included in this prospectus relate to the historical financial information of CBPI, DPPI, and RIPI and they do not extend to the prospective financial information and should not be read to do so.

Enforceability of Civil Liabilities Under U.S. Securities Laws

Ultrapar is a limited liability company (*sociedade anónima*) organized under the laws of the Federative Republic of Brazil. Substantially all of the directors and executive officers of Ultrapar, and certain of the experts named in this document, are not residents of the United States and all or a substantial portion of Ultrapar s assets and directors and officers are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons with respect to matters arising under the Securities Act or to enforce against them judgments of courts of the United States predicated upon civil liability under the Securities Act. Ultrapar is advised by its Brazilian legal counsel that there is doubt as to the enforceability in Brazil in original actions or in actions for enforcement of judgments of U.S. courts of liabilities predicated solely upon the securities laws of the United States. Ultrapar has submitted to the non-exclusive jurisdiction of New York state and U.S. federal courts sitting in New York City for the purpose of any suit, action or proceeding arising out of the Transaction Agreements and has appointed National Registered Agents, Inc. as its agent in New York City to accept service of process in any such action.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Ultrapar

Ultrapar files annual reports on Form 20-F and furnishes periodic reports on Form 6-K to the SEC. If you are an Ultrapar shareholder, we may have sent you some of the documents included as annexes hereto, but you can obtain any of them through us or the SEC. You may read and copy any materials we have filed with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. Ultrapar s SEC filings are also available to the public from commercial document retrieval services.

Ultrapar has filed a registration statement on Form F-4 to register with the SEC the Ultrapar preferred shares to be delivered to holders of RIPI, DPPI and CBPI preferred shares in the Share Exchange. This prospectus is a part of that registration statement and constitutes a prospectus of Ultrapar. As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

Ultrapar is subject to the reporting requirements under the Exchange Act applicable to foreign private issuers. Ultrapar is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Ultrapar is required to (i) file its annual report on Form 20-F with the SEC within six months after the end of each fiscal year and (ii) furnish reports on Form 6-K to the SEC regarding certain information required to be publicly disclosed by Ultrapar in Brazil or filed with the CVM, or distributed or required to be distributed by Ultrapar to its shareholders. Ultrapar is not required to file periodic reports on Form 10-Q or Form 8-K and is not required to file financial statements prepared in accordance with U.S. GAAP (although it is required to reconcile its financial statements to U.S. GAAP). In addition, Ultrapar is exempt from certain rules under the Exchange Act, including the proxy rules, which impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act, and is not required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information. Among other matters, Ultrapar s officers, directors and principal shareholders are also exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act.

Ultrapar makes available free of charge through its website accessible at www.ultra.com.br all of Ultrapar s reports and other information filed with or furnished to the SEC. With the exception of the reports specifically included as annexes to this document as described under Documents Included as Annexes, material contained on or accessible through Ultrapar s website is not incorporated into this document. You may also request a copy of Ultrapar s filings at no cost, by writing or calling Ultrapar at the following address:

Ultrapar Participações S.A.

Av. Brigadeiro Luis Antônio, 1343, 8º Andar

São Paulo, SP, Brazil 01317-910

Attention: Investor Relations Department

Telephone: 55-11-3177-7014

Fax: 55-11-3177-6107

Ultrapar is also subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some Ultrapar filings with the CVM are also available at the website maintained by the CVM at *http://www.cvm.gov.br*.

Table of Contents

RIPI

RIPI is subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some RIPI filings with the CVM are also available at the website maintained by the CVM at *http://www.cvm.gov.br*.

RIPI also makes available free of charge through its website accessible at www.ipiranga.cvm.br all of RIPI s reports and other information filed with or furnished to the CVM. Material contained on or accessible through RIPI s website is not incorporated into this document. You may also request a copy of RIPI s filings at no cost, by writing or calling RIPI at the following address:

Refinaria Petróleo Ipiranga S.A.

Rua Engenheiro Heitor Amaro Barcellos, 551

CEP: 96202-900 Rio Grande RS Brazil

Telephone: 55-53-3233-8001

Fax: 55-53-3233-8014

Attention: Investor Relations Department

DPPI

DPPI is subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some DPPI filings with the CVM are also available at the website maintained by the CVM at *http://ww.cvm.gov.br*.

DPPI also makes available free of charge through its website accessible at www.ipiranga.cvm.br all of DPPI s reports and other information filed with or furnished to the CVM. Material contained on or accessible through DPPI s website is not incorporated into this document. You may also request a copy of DPPI s filings at no cost, by writing or calling RIPI at the following address:

Distribuidora de Produtos de Petróleo Ipiranga S.A.

Av. Dolores Alcaraz Caldas, 90 Praia de Belas

CEP: 90110-180 Porto Alegre RS Brazil

Telephone 55-51-3216-4355

Fax: 55-51-3224-0501

Attention: Investor Relations Department

CBPI

CBPI is subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some CBPI filings with the CVM are also available at the website maintained by the CVM at *http://ww.cvm.gov.br*.

Table of Contents

CBPI also makes available free of charge through its website accessible at www.ipiranga.com.br all of CBPI s reports and other information filed with or furnished to the CVM. Material contained on or accessible through CBPI s website is not incorporated into this document. You may also request a copy of CBPI s filings at no cost, by writing or calling RIPI at the following address:

Companhia Brasileira de Petróleo Ipiranga S.A.
Rua Francisco Eugênio, 329 São Cristovão
CEP: 20941-900 Rio de Janeiro RJ
Telephone: 55-21-2574-5363/5267
Fax: 55-21-3224-6493
Attention: Investor Relations Department

This document includes the web addresses of the SEC, the CVM, Ultrapar, RIPI, CBPI and CBPI as inactive textual references only. Except for the documents specifically included as annexes to this document, information on those websites is not part of this document.

Documents Included as Annexes

This document includes as annexes certain information that Ultrapar has filed with or furnished to the SEC. The information included in the annexes to the prospectus is considered to be part of this document.

Ultrapar has supplied all information contained in, or annexed to, this document relating to Ultrapar, RIPI, DPPI and CBPI.

None of Ultrapar, RIPI, DPPI or CBPI has authorized anyone to give any information or make any representation about the Share Exchange or their companies that is different from, or in addition to, that contained in this document or included as annexes hereto. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this document or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

Table of Contents

EXHIBIT INDEX

2.1	The Investment Agreement entered into by and among Ultrapar, Petrobras and Braskem dated March 18, 2007, as amended by the Amendment to Investment Agreement entered into by and among Ultrapar, Petrobras and Braskem dated April 18, 2007 (incorporated by reference to Exhibit 4.4 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
2.2	Share Purchase Agreement entered into by and among Ultrapar, Petrobras, Braskem and the Key Shareholders of RIPI, DPPI and CBPI, dated April 18, 2007 (incorporated by reference to Exhibit 4.5 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
2.3	Braskem/Petrobras Asset Security Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 4.6 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
2.4	Petrobras Asset Security Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 4.7 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
3.1	Bylaws of Ultrapar, as amended on April 27, 2006 (incorporated by reference to Exhibit 1.1 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.1	Shareholders Agreement dated March 22, 2000 (incorporated by reference to Exhibit 2.1 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.2	Shareholders Agreement dated September 22, 2004 (incorporated by reference to Exhibit 10.3 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
4.3	Indenture in respect of the 1st issue of simple, non-convertible debentures, unsecured and without special privileges, in a single series, for public distribution, dated of February 16, 2005 (incorporated by reference our report on Form 6-K filed on March 1, 2005).
4.4	Indenture, dated as of December 20, 2005, among LPG International Inc., as Issuer, Ultrapar Participações S.A. and Oxiteno S.A. Indústria e Comércio, as Guarantors, JPMorgan Chase Bank, N.A., as Trustee, Transfer Agent and Registrar, J.P. Morgan Trust Bank LTD., as Principal Payment Agent and J.P. Morgan Bank Luxembourg S.A., as Luxembourg Paying Agent, Luxembourg Transfer Agent and Luxembourg Listing Agent (incorporated by reference to Exhibit 2.2 to Form 20-F of Ultrapar Participações S.A. filed on May 5, 2006).
4.5	Amendment dated as of March 31, 2006 to the Indenture dated as of December 20, 2005 (incorporated by reference to Exhibit 2.3 to Form 20-F of Ultrapar Participações S.A. filed on May 5, 2006).
4.6	Indenture regarding first tranche of the issuance of debentures in Brazil totaling R$675 million in connection with the Ipiranga Acquisition (incorporated by reference to Exhibit 2.6 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.7	Target Companies Shareholders Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 2.7 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.8	RIPI Shareholders Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 2.8 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.9	*Protocolo e Justificação do Incorporação de Ações* (Protocol and Justification of the Share Exchange) between Ultrapar and RIPI, dated November 9, 2007 (previously filed).
4.10	*Protocolo e Justificação do Incorporação de Ações* (Protocol and Justification of the Share Exchange) between Ultrapar and DPPI, dated November 9, 2007 (previously filed).

220

Table of Contents

4.11	*Protocolo e Justificação do Incorporação de Ações* (Protocol and Justification of the Share Exchange) between Ultrapar and CBPI, dated November 9, 2007 (previously filed).
5.1	Form of opinion of Machado, Meyer, Sendacz e Opice Advogados (previously filed).
8.1	Form of opinion of Davis Polk & Wardwell as to tax matters (previously filed).
8.2	Form of opinion of Machado, Meyer, Sendacz e Opice Advogados as to tax matters.
10.1	Share Sale and Purchase Agreement related to the sale and purchase of the entire share capital of Shell Gás (LPG) Brasil S.A. (incorporated by reference to Exhibit 10.2 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
10.2	Form of agreement between Ultragaz and independent dealers (incorporated by reference to Exhibit 10.4 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
10.3	Take or pay agreement between Tequimar and CODEBA (incorporated by reference to Exhibit 10.5 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
11.1	Statement regarding computation of per share earnings (incorporated by reference to Note 24(v) in the financial statements included in Ultrapar s Annual Report on Form 20-F filed with the SEC on June 7, 2007).
21.1	List of subsidiaries of Ultrapar (incorporated by reference to Exhibit 8.1 to Ultrapar s Annual Report on Form 20-F filed with the SEC on June 7, 2007).
23.1	Consent of Deloitte Touche Tohmatsu Auditores Independentes regarding use in this Registration Statement of its report dated January 31, 2007 relating to the financial statements of Ultrapar Participações S.A. (previously filed).
23.2	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report relating to the financial statements of Refinaria de Petróleo Ipiranga S.A. (previously filed).
23.3	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report relating to the financial statements of Distribuidora de Produtos de Petróleo Ipiranga S.A. (previously filed).
23.4	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report relating to the financial statements of Companhia Brasileira de Petróleo Ipiranga S.A. (previously filed).
23.5	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report relating to the carve-out financial statements of the Oil Refining Business of Refinaria de Petróleo Ipiranga S.A. (previously filed).
23.6	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report relating to the carve-out financial statements of the South Fuel and Lubricants Distribution Business of Distribuidora de Produtos de Petróleo Ipiranga S.A. (previously filed).
23.7	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report relating to the statement of assets acquired and liabilities assumed and the statement of revenues and direct expenses of South and Southeast Fuel and Lubricant Distribution Business of Companhia Brasileira de Petróleo Ipiranga S.A. (previously filed).
23.8	Consent of Deutsche Bank Securities Inc. regarding use in this Registration Statement of its valuation report dated April 4, 2007 relating to the proposed share exchange transaction wherein the preferred shares of Companhia Brasileira de Petróleo Ipiranga, Distribuidora de Produtos de Petróleo Ipiranga S.A. and Refinaria de Petróleo Ipiranga S.A. will be exchanged for preferred shares of Ultrapar (previously filed).

Table of Contents

23.9	Consent of Apsis Consultoria Empresarial S/C Ltda. (previously filed).
23.10	Consent of Banco de Investimento Credit Suisse (Brasil) S.A. (previously filed).
99.1	Valuation Report by Deutsche Bank Securities Inc. dated April 4, 2007 (incorporated by reference to Ultrapar s current report on Form 6-K filed with the SEC on April 16, 2007).
99.2	Valuation Report by Apsis Consultoria Empresarial S/C Ltda. (previously filed).
99.3	Valuation Report by Banco de Investimento Credit Suisse (Brasil) S.A. (previously filed).
99.4	Valuation Report by KPMG Auditores Independentes (previously filed).

Table of Contents

INDEX TO FINANCIAL STATEMENTS

Table of Contents

Table of Contents

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Interim Financial Statements as of and for the six-month period ended on June 30, 2007 (unaudited), as of and for the six-month period ended on June 30, 2006 (unaudited) and December 31, 2006

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2007 AND DECEMBER 31, 2006

(In millions of Brazilian reais R$)

	Note	June 30, 2007 (unaudited)	December 31, 2006
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	785.0	385.1
Short-term investments	5	804.3	737.3
Trade accounts receivable, net	6	1,260.9	360.0
Inventories	7	540.4	217.2
Recoverable taxes	8	193.6	117.8
Deferred income and social contribution taxes	22a	74.5	27.3
Other		31.3	6.1
Prepaid expenses	9	20.5	8.6
		3,710.5	1,859.4
NON-CURRENT			
LONG-TERM ASSETS			
Long-term investments	5	118.9	548.0
Trade accounts receivable, net	6	157.6	19.2
Related companies	21	42.1	7.4
Deferred income and social contribution taxes	22a	109.7	58.2
Recoverable taxes	8	72.4	65.3
Escrow deposits		25.1	14.3
Other		8.2	1.2
Prepaid expenses	9	29.1	13.2
		563.1	726.8
PERMANENT ASSETS			
Investments:			
Affiliated companies	10	12.3	5.3
Other		26.6	25.5
Property, plant and equipment, net	11	1,998.4	1,111.8
Intangible assets, net	12	68.0	61.0
Deferred charges, net	13	543.8	112.3
		2,649.1	1,315.9
TOTAL		6,922.7	3,902.1

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

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2007 AND DECEMBER 31, 2006

(In millions of Brazilian reais R$)

	Note	June 30, 2007 (unaudited)	December 31, 2006
LIABILITIES AND STOCKHOLDERS EQUITY			
CURRENT LIABILITIES			
Loans and financing	14	370.1	155.1
Debentures	14	1,015.3	12.8
Suppliers		450.7	112.5
Payroll and related charges		105.3	81.2
Taxes payable		51.6	16.9
Dividends payable		39.6	101.4
Income and social contribution taxes		36.3	1.0
Post-retirement benefits	24b	7.2	
Provision for contingencies	20a	11.8	
Deferred income and social contribution taxes	22a	0.2	0.2
Other		30.1	2.7
		2,118.2	483.8
NON-CURRENT			
LONG-TERM LIABILITIES			
Loans and financing	14	1,149.1	1,081.8
Debentures	14	350.0	300.0
Related companies	21	4.7	4.7
Deferred income and social contribution taxes	22a	26.5	26.0
Other taxes and contributions contingent liabilities	20a	88.0	36.5
Post-retirement benefits	24b	71.7	
Other		11.4	2.7
		1,701.4	1,451.7
MINORITY INTEREST		1,115.7	33.1
SHAREHOLDERS EQUITY			
Capital	15a	946.0	946.0
Capital reserve	15c	0.7	0.6
Revaluation reserve	15d	12.3	13.0
Profit reserves	15e	983.2	983.2
Treasury shares	15b	(30.0)	(9.3)
Retained earnings		75.2	
		1,987.4	1,933.5
TOTAL		6,922.7	3,902.1

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

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006

(In millions of Brazilian reais R$, except for earnings per share)

	Note	June 30, 2007	June 30, 2006
GROSS SALES AND SERVICES	3q	7,726.0	2,499.7
Deductions		(370.8)	(204.6)
NET SALES AND SERVICES		7,355.2	2,295.1
Cost of sales and services	3r	(6,655.1)	(1,859.4)
GROSS PROFIT		700.1	435.7
OPERATING (EXPENSES) INCOME			
Selling		(177.8)	(93.6)
General and administrative		(214.3)	(130.3)
Management compensation		(2.6)	(2.6)
Depreciation and amortization		(97.4)	(61.1)
Other operating income, net		4.1	1.0
		(488.0)	(286.6)
OPERATING INCOME BEFORE FINANCIAL ITEMS		212.1	149.1
Financial income (expenses), net	16	(35.1)	34.9
Nonoperating expenses, net	17	(2.0)	(13.2)
		(37.1)	21.7
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES, EQUITY IN GAIN OF AFFILIATED COMPANIES, EMPLOYEES STATUTORY INTEREST AND MINORITY INTEREST		175.0	170.8
INCOME AND SOCIAL CONTRIBUTION TAXES			
Current	22b	(77.4)	(66.2)
Deferred	22b	22.0	11.2
Benefit of tax holidays	22b	6.1	30.8
		(49.3)	(24.2)
INCOME BEFORE EQUITY IN GAIN OF AFFILIATED COMPANIES, EMPLOYEES STATUTORY INTEREST AND MINORITY INTEREST		125.7	146.6
Equity in (loss) gain of affiliated companies	10	(0.1)	0.6
Employees statutory interest		(2.8)	
Minority interest		(48.2)	(2.3)
NET INCOME		74.6	144.9
EARNINGS PER SHARE (BASED ON ANNUAL WEIGHTED AVERAGE OF SHARES OUTSTANDING) R$		0.92	1.79

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

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006 AND FOR THE YEAR ENDED DECEMBER 31, 2006

(In millions of Brazilian reais R$)

	Note	Capital	Capital reserve	Revaluation reserve of subsidiary and affiliated companies	Profit reserves Legal	Retention of profits	Unrealized profits	Retained earnings	Treasury shares	Total
BALANCES AT DECEMBER 31, 2005		946.0	0.3	15.0	76.7	657.5	103.3		(8.7)	1,790.1
Sale of treasury shares			0.1						0.3	0.4
Realization of revaluation reserve				(0.8)				0.8		
Income and social contribution taxes on realization of revaluation reserve of subsidiaries								(0.2)		(0.2)
Net income								144.9		144.9
Reversal of allowance for factory maintenance shutdown by the subsidiary, net of income taxes								6.3		6.3
BALANCES AT JUNE 30, 2006		946.0	0.4	14.2	76.7	657.5	103.3	151.8	(8.4)	1,941.5
Acquisition of treasury shares									(1.1)	(1.1)
Sale of treasury shares			0.2						0.2	0.4
Realization of revaluation reserve				(1.2)				1.2		
Income and social contribution taxes on realization of revaluation reserve of subsidiaries								(0.3)		(0.3)
Retention of realization of profit reserve net of income and social contribution taxes						1.6		(1.6)		
Net income								137.2		137.2
Appropriation of net income:										
Legal reserve					14.3			(14.3)		
Interim dividends (R$0.89 per thousand common and preferred share)								(72.0)		(72.0)
Proposed dividends payable (R$0.89 per thousand common and preferred share)							(68.2)	(4.0)		(72.2)
Reserve for unrealized profits							61.0	(61.0)		
Retention of profit reserves						137.0		(137.0)		
BALANCES AT DECEMBER 31, 2006		946.0	0.6	13.0	91.0	796.1	96.1	(0.0)	(9.3)	1,933.5
Acquisition of treasury shares	15 b								(20.9)	(20.9)
Sale of treasury shares	15 b		0.1						0.2	0.3
Realization of revaluation reserve	15 d			(0.7)				0.7		
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	15 d							(0.1)		(0.1)
Net income								74.6		74.6
BALANCES AT JUNE 30, 2007		946.0	0.7	12.3	91.0	796.1	96.1	75.2	(30.0)	1,987.4

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

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006

(In millions of Brazilian reais R$)

	June 30, 2007	June 30, 2006
SOURCES OF FUNDS		
Operations:		
Net income	74.6	144.9
Items not affecting working capital:		
Equity in losses of affiliated companies	0.1	(0.6)
Depreciation and amortization	131.2	93.5
PIS and COFINS credit on depreciation	1.3	1.1
Long-term interest and monetary variations	(78.9)	(69.7)
Deferred income and social contribution taxes	(6.5)	(11.6)
Minority interest	48.2	2.3
Net book value of permanent assets written off	13.5	12.7
Other long-term taxes	23.6	(10.8)
Usufruct	0.3	0.3
Reversal of provision for probable losses on permanent assets	(2.8)	2.4
Reversal of allowance for factory maintenance shutdown by subsidiary, net of income taxes		6.3
	204.6	170.8
Third parties:		
Increase in long-term liabilities	7.6	3.3
Decrease in long-term assets	584.1	44.2
Dividends received	2.2	
Net working capital acquired from subsidiaries	948.6	
Long-term financing and debentures	87.5	38.6
	1,630.0	86.1
Total sources	1,834.6	256.9
USES OF FUNDS		
Permanent assets:		
Acquisition of investments	684.5	
Acquisition of property, plant and equipment	271.5	93.8
Acquisition of intangible	3.5	7.8
Acquisition of deferred charges	41.8	37.3
	1,001.3	138.9
Dividends and interest on capital		
Transfer from long-term to current liabilities	478.0	53.4
Decrease in long-term liabilities	31.3	8.3
Increase in long-term assets	86.3	44.0
Acquisition of treasury shares	20.9	
Acquisition of shares from minority shareholders	0.1	
Taxes on realization of revaluation reserve		0.1
	616.6	105.8

Total uses	1,617.9	244.7
INCREASE (DECREASE) IN WORKING CAPITAL	216.7	12.2
REPRESENTED BY		
Current assets:		
At end of year	3,710.5	1,794.2
At beginning of year	1,859.4	1,936.3
	1,851.1	(142.1)
Current liabilities:		
At end of year	2,118.2	334.0
At beginning of year	483.8	488.3
	1,634.4	(154.3)
INCREASE (DECREASE) IN WORKING CAPITAL	216.7	12.2

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

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE SIX-MONTH PERIOD ENDED ON JUNE 30, 2007 AND 2006

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

1. Operations

Ultrapar Participações S.A. (the Company or Ultrapar) is a holding company with headquarters in the city of São Paulo, organized under the laws of the Federative Republic of Brazil, which, through its operating subsidiaries, is engaged in the distribution of Liquefied Petroleum Gas (LPG) (Ultragaz), the production and sale of chemicals (Oxiteno), and logistic services of chemicals and fuels (Ultracargo). After acquisition of certain operation of the Ipiranga Group, in April 2007, the Company became engaged in the distribution of fuels/lubricants and related products in the South and Southeast Regions of Brazil. The Company also became engaged in oil refining through its interest in Refinaria de Petróleo Ipiranga S.A.

2. Presentation of the interim financial statements and significant accounting policies

These interim financial statements were prepared in accordance with accounting practices adopted in Brazil. They have been translated into English from the original interim financial statements issued in Portuguese. In addition, certain terminology changes have been made and the notes to the interim financial statements have been adjusted to conform more closely to reporting practices prevailing in the United States of America.

3. Summary of significant accounting policies

The accounting practices adopted in Brazil to record transactions and prepare the interim financial statements comply with those prescribed by Brazilian corporate law and specific standards established by the Brazilian Securities Commission (CVM), which differ in certain respects from accounting principles generally accepted in the United States of America (U.S. GAAP). See Note 25 for further discussions of these differences and a reconciliation of shareholders equity and net income under both sets of principles.

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

a) Consolidation principles

The consolidated interim financial statements include the accounts of the Company and all of the subsidiaries in which the Company directly or indirectly controls more than 50% of the voting share capital, as listed below. Intercompany investments, asset and liability balances, income and expenses, as well as the effects arising from significant intercompany transactions, have been eliminated. Minority interest in subsidiaries is presented separately in the interim financial statements.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

	Ownership % (unaudited) June 30, 2007		2006	
	Direct	**Indirect**	**Direct**	**Indirect**
Ultragaz Participações Ltda.	100		100	
SPGás Distribuidora de Gás Ltda.		99		99
Companhia Ultragaz S.A.		99		99
Bahiana Distribuidora de Gás Ltda.		100		100
Utingás Armazenadora S.A.		56		56
LPG International Inc.		100		100
Ultracargo Operações Logísticas e Participações Ltda.	100		100	
Melamina Ultra S.A. Indústria Química		99		99
Transultra Armazenamento e Transporte Especializado Ltda.		100		100
Petrolog Serviços e Armazéns Gerais Ltda.		100		
Terminal Químico de Aratu S.A. Tequimar		99		99
Oxiteno S.A. Indústria e Comércio	100		100	
Oxiteno Nordeste S.A. Indústria e Comércio		99		99
Oxiteno Argentina Sociedad de Responsabilidad Ltda.		99		
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.		100		100
Barrington S.L.		100		100
Oxiteno México S.A. de C.V.		100		100
Oxiteno Servicios Corporativos S.A. de C.V.		100		100
Oxiteno Servicios Industriales S.A. de C.V.		100		100
Oxiteno International Corp.		100		100
Oxiteno Overseas Corp.		100		100
Imaven Imóveis e Agropecuária Ltda.	100		100	
Distribuidora de Produtos de Petróleo Ipiranga S.A.	32			
Companhia Brasileira de Petróleo Ipiranga (*)	1	11		
am/pm Comestíveis Ltda. (*)		11		
Centro de Conveniências Millennium Ltda. (*)		11		
Empresa Carioca de Produtos Químicos S.A.		11		
Ipiranga Comercial Importadora e Exportadora Ltda.		11		
Ipiranga Trading Limited		11		
Tropical Transportes Ipiranga Ltda.		11		
Ipiranga Imobiliária Ltda.		11		
Ipiranga Logística Ltda.		11		
Maxfácil Participações S.A. (**)		9		
Isa-Sul Administração e Participações Ltda.		32		
Comercial Farroupilha Ltda.		32		
Ipiranga Administração de Bens Móveis Ltda.		32		
Refinaria de Petróleo Ipiranga S.A. (***)	10			

(*) As informed in the Material Event of March 19, 2007 and the Market Announcement of April 19, 2007, distribution of fuels/lubricants and related products of these companies are divided between Ultrapar (South and Southeast Regions of Brazil) and Petrobras (North, Northeast and Center West Regions of Brazil).

(**) Joint control among DPPI (16%), CBPI (34%) and União de Bancos Brasileiro S.A. UNIBANCO (50%).

(***) Oil refinery operations of Refinaria de Petróleo Ipiranga S.A. are equally shared among Petrobras, Ultrapar and Braskem, and the subsidiary was proportionality consolidated in these interim financial statements in accordance with Article 32 of CVM Instruction No. 247/96.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

On April 18, 2007, the Company, together with Petróleo Brasileiro S.A. (Petrobras) and Braskem S.A. (Braskem), acquired the controlling interest of Ipiranga Group, as informed in Material Event published on April 19, 2007. Under the terms of the Acquisition Agreement signed by the three buyers, the Company acted as commission agent of Braskem and Petrobras, and for itself for the acquisition of the fuels/lubricants distribution and related products businesses located in the South and Southeast Regions of Brazil and Empresa Carioca de Produtos Químicos S.A. (Ipiranga), maintaining the brand Ipiranga. Petrobras holds the control of fuel distribution and lubricant businesses located in the North, Northeast and Center West Regions of Brazil (North Distribution Assets), and Braskem holds control of the petrochemical assets, represented by Ipiranga Química S.A., Ipiranga Petroquímica S.A. (IPQ) and the ownership in Copesul Companhia Petroquímica do Sul (Copesul) (Petrochemical Assets).

The transaction is structured in 5 stages:

(i) acquisition of Ipiranga Group controlling interest (occurred on April 18, 2007);

(ii) tag along offering for the purchase of common shares issued by Companhia Brasileira de Petróleo Ipiranga (CBPI), Refinaria de Petróleo Ipiranga S.A. (RPI) and Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI), which registration order was filed with CVM on May 2nd, 2007;

(iii) offer by Braskem for the delisting of Copesul from the São Paulo Stock Exchange (BOVESPA);

(iv) merger of shares issued by CBPI, RPI and DPPI into Ultrapar; and

(v) segregation of assets among Ultrapar, Petrobras and Braskem.

The conclusion of the transaction is forecasted to occur in the fourth quarter of 2007. In the first stage, the Company spent the net amount of R$ 676.4, Petrobras R$ 742.7 and Braskem R$ 651.9. Based on the initial balance sheet of March 31, 2007, the Company recorded a goodwill in the amount of R$ 424.7 in the first stage of the transaction, which is being amortized over 10 years starting in April 2007, based on the expected future profitability of Ipiranga.

The assets, liabilities and income of Ipiranga are reflect in the Company s interim financial statements since April, 2007, with minority interest presented separately in the consolidated interim financial statements. As the Company acted as commission agent for Braskem and Petrobras, the assets acquired in for them were recorded as reduction of the amounts received in the same first stage of the transaction, not producing any effect in the Company s consolidated interim financial statements. The assets related to the operations of RPI s oil refinery (Refinery) were proportionally consolidated in the Company s interim financial statements, since their control is shared with Petrobras and Braskem.

As a result of the acquiring structure described above, the ownership percentages described in the chart above, reflect the total ownership percentage acquired by Ultrapar in those Company and RPI, DPPI and CBPI financial statements herein consolidated by Ultrapar only reflect the Ipiranga assets and liabilities acquired by Ultrapar. These assets and liabilities could be summarized based on the Investors' Memorandum, as corresponding to (i) one-third of the interest acquired in RPI s oil refining activities (which exclude RPI shareholdings in IQ, DPPI and CBPI) and (ii) the totality of the interest acquired in DPPI (less a proportional of DPPI s interest in CBPI, that corresponds to the latter s fuel distribution assets and liabilities in the North and Northeast Regions of Brazil).

On April 30, 2007 the subsidiary Transultra Armazenamento e Transporte Especializado Ltda. acquired the company Petrolog Serviços e Armazéns Gerais Ltda. for the amount of R$ 8.1, recording goodwill in the amount of R$ 6.5, amortized in 10 years, based on its expected future profitability.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

On August 3, 2006, the subsidiaries Oxiteno S.A. Indústria e Comércio and Oxiteno Nordeste S.A. Indústria e Comércio formed the subsidiary Oxiteno Argentina Sociedad de Responsabilidad Ltda., which operates as a commercial representation office.

b) Cash and cash equivalents

Cash and cash equivalents comprise highly-liquid temporary cash investments (with original maturities of three months or less and which are readily convertible to cash).

c) Short-term investments

Short-term investments are stated at cost plus accrued income earned (on a pro rata temporis basis), which approximates their market values.

d) Trade accounts receivable

Trade accounts receivable are stated at estimated net realizable values. The allowance for doubtful accounts is based on estimated losses and is considered by management to be sufficient to cover probable losses on accounts receivable.

e) Inventories

Inventories are stated at the lower of average cost of acquisition or production, market or net realizable value.

f) Long-term investments

Long-term investments are stated at cost plus accrued income earned (on a pro rata temporis basis), which approximates their market values.

g) Investments in affiliated companies

Investments in operating companies not controlled by the Company, but over which it has significant influence, are accounted for using the equity method (see Note 10).

h) Other investments

Other investments are recorded at cost less provision for losses, if expected to be other than temporary.

i) Property, plant and equipment

Property, plant and equipment are stated at historical cost of acquisition, process or construction, monetarily restated through December 31, 1995, including financial charges incurred on constructions in progress and revaluation adjustments based on appraisal reports issued by independent appraisers, in accordance with item 68, letter b), of CVM Resolution No. 183/95, as well as costs related to the maintenance of significant assets during scheduled factory maintenance operations, less accumulated depreciation. Revaluation increases are credited to the revaluation reserve component of shareholders equity and subsequently transferred to retained earnings as the related assets are depreciated or disposed of.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

Depreciation is calculated on a straight-line basis at the annual rates described in Note 11, and is based on the estimated useful lives of the corresponding assets.

j) Intangible assets

Stated at acquisition cost, less an allowance for losses, should the losses not be considered temporary, as shown in Note 12.

k) Deferred charges

Deferred charges consist mainly of costs incurred in the installation of Company equipment at customers facilities amortized over the terms of the LPG supply contracts with these customers, project expenses and goodwill arising from acquisition of subsidiaries, as stated in Note 13.

l) Income and social contribution taxes on income

Income and social contribution taxes (the latter of which is a federally mandated tax based on income) are accrued on taxable income at the applicable rates.

The accrual for income tax includes the effects of tax holidays, where applicable. Deferred income and social contribution taxes on temporary differences are recognized in accordance with CVM Resolution No. 273/98, as mentioned in Note 22.

m) Provision for contingencies

The provision for contingencies is recorded for contingent risks with an estimated probable loss, based on the opinion of the internal and external legal advisors and administrators. Amounts are recorded based on the estimated costs and results of proceedings (see Note 20.a).

n) Actuarial commitment with post-retirement benefits

Actuarial commitments with the post-retirement benefits plan granted and to be granted to employees, retired employees and pensioners of Ipiranga/Refinery (net of plan assets) are provided for based on the actuarial calculation prepared by an independent actuary in accordance with the projected credit unit method, as mentioned in Note 24.b).

o) Compensated absences

The liability for future compensation for employee vacations is fully accrued as earned.

p) Assets and liabilities denominated in foreign currency or subject to indexation

Assets and liabilities denominated in foreign currencies are translated into Brazilian reais at the exchange rate reported by the Brazilian Central Bank (BACEN) at each balance sheet date. Transaction gains and losses are recognized in income.

Assets and liabilities denominated in reais and contractually or legally subject to indexation are restated to the balance sheet date by applying the corresponding index, with related gains and losses recognized in income.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

q) Revenues and expenses

Revenues from sales are recognized when products are delivered to the customer or services are performed, and the transfer of risks, rights and obligations associated with the ownership of products takes place. Expenses are recognized on the accrual basis. Advertising expenses, which are expensed as incurred, amounted to R$ 16.5 and R$ 1.6 for the six-month period ended June 30, 2007 and 2006, respectively. Shipping and handling costs, classified as selling expenses and expensed as incurred, amounted to R$ 96.9 and R$ 31.3 for the six-month period ended June 30, 2007 and 2006, respectively.

r) Cost of sales and services

Cost of sales and services provided includes raw materials (mainly fuels/lubricants, LPG and chemicals) and production, distribution, storage and filling costs.

s) Earnings per share

Earnings per share are calculated based on the annual weighted average of shares outstanding during each of the years presented, giving retroactive effect to stock splits. Stock dividends are not included in such retroactive earnings per share calculation. See Note 15.

t) Use of estimates

The preparation of interim financial statements in accordance with accounting practices adopted in Brazil requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and the reported amounts of revenues, costs and expenses for the period presented. Although these estimates are based on management s best available knowledge of current and expected future events, actual results could differ from those estimates.

u) Basis for translation of the interim financial statements of foreign subsidiaries

The interim financial statements of foreign subsidiaries are translated into Brazilian reais at the current exchange rate in effect at the balance sheet date. The criteria for preparation of the interim financial statements have been adapted to conform to accounting practices adopted in Brazil.

4. Cash and cash equivalents

Cash equivalents consist of investments, contracted with banks of good standing, mostly represented by certificates of deposit and funds linked to the Brazilian interbank certificates of deposit (CDI) rate, and are stated at cost plus accrued income on a pro rata temporis basis. The increase in foreign investments is due to Money Market Funds in the amount of R$ 293.7, held by the subsidiary Oxiteno Overseas Corp.

	June 30, 2007 (unaudited)	**December 31, 2006**
Cash	47.1	32.0
Certificates of deposit and funds in Brazil	423.3	303.6
Foreign investments	314.6	49.5
Total	785.0	385.1

F-15

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

5. Short and long-term investments

Short-term investments relate to the amount invested by the indirect subsidiary Oxiteno Overseas Corp. in debt securities of U.S. corporations and to notes issued by the Austrian Government. As of June 30, 2007, funds in the amount of R$ 248.6 (R$ 553.1 as of December 31, 2006), raised through notes issued by the subsidiary of LPG International Inc. were invested in certificates of deposit (Dual Currency Deposits) denominated in U.S. dollars issued by foreign banks of good standing. The decrease in the Dual Currency Deposits balance was due to their maturity in June 2007. Dual Currency Deposits are investments whose yield can be in US dollars or Brazilian reais, depending on the U.S. dollar rate as of the maturity date. If the U.S. dollar rate is lower than the strike rate on the maturity date, the yield of this operation will be in US dollars plus interest of 7.5% per year; otherwise, it will be in Brazilian reais plus average interest of 16.2% per year. The subsidiary records the investment at the lower of the two alternative yields, which until June 30, 2007 was represented by the US dollar. Up to June 30, 2007 the exchange rate always remained below the strike rate. Long-term investments are mainly represented by a debt security of an European corporation denominated in U.S. dollars, bearing interest of six-month LIBOR plus interest of 3.25% per annum and maturing on September 27, 2009.

In April 2006, subsidiary Oxiteno Overseas Corp., owner of notes in the amount of US$ 60 million issued by Companhia Ultragaz S.A. in the international market in 1997 (Original Notes), sold these Original Notes to a foreign financial institution. Concurrently, subsidiary Oxiteno Overseas Corp. acquired from this financial institution a credit linked note backed by the Original Notes. This transaction provides a financial gain for the Company corresponding to the difference between the interest rate paid for the credit linked note and the Original Notes, as mentioned in Note 14.b).

	June 30, 2007 (unaudited)	December 31, 2006
Short - term investment	804.3	737.3
Long - term investment	118.9	548.0
	923.2	1,285.3

6. Trade accounts receivable, net

	June 30, 2007 (unaudited)	December 31, 2006
Domestic customers Ipiranga / Refinery	802.3	
Other domestic customers	377.9	375.5
Financing to customers	263.2	
Foreign customers	89.9	76.4
( ) Advances on foreign exchange contracts	(57.6)	(50.9)
( ) Allowance for doubtful accounts	(57.2)	(21.8)
	1,418.5	379.2
Current portion	1,260.9	360.0
Noncurrent portion	157.6	19.2

Financing to customers is directed to the reimbursement of reforms and modernizations of gas stations, acquisition of products and market development of Ipiranga.

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The changes in the allowance for doubtful accounts are shown below:

Balance as of December 31, 2006	21.8
Initial balance of Ipiranga / Refinery	41.2
Additions recorded in selling expenses	7.2
Deductions write-off of trade accounts receivable	(13.0)
Balance as of June 30, 2007	57.2

Allowance for doubtful accounts in the amount of R$ 36.7 and R$ 12.0 are recorded in current trade accounts receivable as of June 30, 2007 and December 31, 2006, and R$ 20.5 and R$ 9.8 are recorded in long-term trade accounts receivable as of June 30, 2007 and December 31, 2006, respectively.

7. Inventories

	June 30, 2007 (unaudited)			December 31, 2006		
	Cost	Provision for losses	Net	Cost	Provision for losses	Net
Finished products	147.2	(3.1)	144.1	98.7	(1.5)	97.2
Work in process	1.1		1.1	0.6		0.6
Raw materials	81.4		81.4	65.6	(0.1)	65.5
Liquefied Petroleum Gas (LPG)	20.5		20.5	23.4		23.4
Fuel, lubricants and grease	230.4	(0.4)	230.0			
Supplies and cylinders for resale	44.5	(1.3)	43.2	20.9	(0.5)	20.4
Advances to suppliers	20.1		20.1	10.1		10.1
Total	545.2	(4.8)	540.4	219.3	(2.1)	217.2

The changes in the provision for losses on inventories are shown below:

Balance as of December 31, 2006	2.1
Additions	2.7
Balance as of June 30, 2007	4.8

8. Recoverable taxes

Represented, substantially, by credit balances of ICMS (State Value Added Tax VAT), PIS and COFINS (taxes on revenue), and income and social contribution taxes.

	June 30, 2007 (unaudited)	December 31, 2006
Income and social contribution taxes	107.6	75.3
ICMS	155.4	101.0
Provision for losses ICMS (*)	(40.9)	(31.4)
PIS and COFINS	19.9	28.4
VAT of subsidiary Oxiteno MéxicoS.A. de C.V.	15.4	8.5
Manufacturing Tax IPI	7.4	
Other	1.2	1.3
Total	266.0	183.1
Current portion	193.6	117.8
Noncurrent portion	72.4	65.3

F-17

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

(*) The provision refers to balances that the Company s subsidiaries estimate not being able to recover in the future.
The changes in the provision for losses on ICMS are shown below:

Balance as of December 31, 2006	31.4
Initial balance of Ipiranga / Refinery	6.0
Additions	5.4
Deductions write-off	(1.9)
Balance as of June 30, 2007	40.9

The increase in the balance of income and social contribution tax credits is mainly due to the acquisition of Ipiranga.

The increase in the balance of ICMS is due to the credit additions by Ipiranga and also the increase in ICMS credits of the Camaçari (Bahia State) plant of the subsidiary Oxiteno Nordeste S.A. Indústria e Comércio, which was affected by measures taken by Bahia State Authorities, that made it difficult to utilize credits for import payment or to transfer them to third parties. The total balance of credits from the Camaçari plant corresponds to R$ 66.3 as of June 30, 2007 (R$ 50.2 as of December 31, 2006) of which R$ 27.6 have already been reviewed by the tax authorities and are awaiting release by the state finance department of Bahia for commercialization. In addition to these credits, the subsidiary s management is working on a series of measures for realization of the plant s ICMS balance. The allowance for loss of the plant s credits was recognized on the basis of the maximum discount expected on their commercialization. The PIS and COFINS credits are being utilized to offset other federal taxes, mainly income and social contribution taxes on income.

9. Prepaid expenses

	June 30, 2007 (unaudited)	December 31, 2006
Rents	20.4	3.6
Marketing	5.5	
Expenses with bond issuances	12.7	12.1
Insurance premium	3.4	2.7
Taxes, mainly Municipal Real Estate Tax IPTU Vehicle Tax IPVA	2.1	0.2
Other prepaid expenses	5.5	3.2
	49.6	21.8
Current portion	20.5	8.6
Noncurrent portion	29.1	13.2

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

10. Investments in affiliated companies

A summary of financial information for the Company s equity investments is as follows:

	June 30, 2007 (unaudited)		
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.
Number of shares or quotas held	80,500,000	156	1,493,120
Net equity R$	28.5	6.3	7.1
Net income for the period R$	(0.4)	(0.4)	0.2
Ownership interest %	25.00	25.00	50.00

	June 30, 2007 (unaudited)			
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Total
Changes in investments:				
Balance at December 31, 2006		1.8	3.5	5.3
Acquisition of Ipiranga	7.2			7.2
Payback of Advance for Future Capital Increase		(0.1)		(0.1)
Equity pick-up	(0.1)	(0.1)	0.1	(0.1)
Balance at end of period	7.1	1.6	3.6	12.3

	December 31, 2006	
	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.
Number of shares or quotas held	156	1,493,120
Net equity as of December 31, 2006 R$	7.2	6.9
Ownership interest %	25.00	50.00

	June 30, 2006 (unaudited)	
	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.
Net income for the period as of June 30, 2006 R$	(0.1)	1.3

	June 30, 2006 (unaudited)		
	Oxicap Indústria de	Química da Bahia	Total

	Gases Ltda.	Indústria e Comércio S.A.	
Changes in investments:			
Balance at December 31, 2005	1.4	2.8	4.2
Equity pick-up		0.6	0.6
Balance at end of period	1.4	3.4	4.8

F-19

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

	December 31, 2006		
	Oxicap Indústria de Gases Ltda.	**Química da Bahia Indústria e Comércio S.A.**	**Total**
Changes in investments:			
Balance at beginning of year	1.4	2.8	4.2
Equity pick-up	0.3	0.7	1.0
Stock redemption received	0.1		0.1
Balance at end of year	1.8	3.5	5.3

In the consolidated interim financial statements, the investment of subsidiary Oxiteno S.A. Indústria e Comércio in the affiliated company Oxicap Indústria de Gases Ltda. is carried under the equity method based on the affiliate s financial statements as of May 31, 2007. Other subsidiaries are valued based on the interim financial statements as of June 30, 2007.

11. Property, plant and equipment, net

	Annual depreciation average rates - %	**June 30, 2007 (unaudited)**			**December 31, 2006**
		Cost, Including revaluation	**Accumulated depreciation**	**Net amount**	**Net amount**
Land		177.5		177.5	46.7
Buildings	4	591.1	(266.9)	324.2	204.2
Leasehold improvements	4	182.3	(67.3)	115.0	68.5
Machinery and equipment	8	1,007.6	(544.3)	463.3	458.2
Equipment and fixtures for the distribution of fuels / lubricants	10	740.1	(436.2)	303.9	
Gas tanks and cylinders for LPG	10	281.7	(171.0)	110.7	114.5
Vehicles	21	213.7	(157.9)	55.8	35.6
Furniture and fixtures	10	57.5	(32.9)	24.6	15.0
Construction in progress		302.2		302.2	107.0
Advances to suppliers		84.5		84.5	49.2
Imports in transit		5.1		5.1	0.5
IT equipment	20	139.6	(108.1)	31.5	12.4
Other		0.2	(0.1)	0.1	
Total		3,783.1	(1,784.7)	1,998.4	1,111.8

Property, plant and equipment include net capitalized interest cost of R$ 4.0 and R$ 4.3 as of June 30, 2007 and December 31, 2006, respectively.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The subsidiaries recorded, in previous years, revaluation of property, plant and equipment items. The revaluation balances are shown below:

	June 30, 2007 (unaudited)			December 31, 2006
	Revaluation	Accumulated depreciation	Net book value	Net book value
Land	16.1		16.1	15.5
Buildings	43.8	(34.9)	8.9	9.8
Machinery and equipment	31.8	(30.8)	1.0	1.1
Gas tanks and cylinders	48.9	(48.9)		
Vehicles	0.7	(0.7)		
	141.3	(115.3)	26.0	26.4

The depreciation of these revaluations in the amount of R$ 0.9 (R$ 1.0 as of June 30, 2006) was recorded in the statements of income. The amount of deferred taxes on revaluation totals R$ 7.1 (R$ 7.5 as of December 31, 2006), of which R$ 0.7 (R$ 0.9 as of December 31, 2006) is recorded as non-current liabilities, as shown in Note 22.a), and R$ 6.3 (R$ 6.6 as of December 31, 2006) is accrued in the same period in which certain subsidiaries realize the revaluation reserve, since these revaluations occurred prior to the issuance of CVM Resolution No. 183/95.

Construction in progress refers substantially to construction of the fatty alcohols plant of the subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda. in the amount of R$ 141.5, and the new alkoxylation plant of subsidiary Oxiteno S.A. Indústria e Comércio in the amount of R$ 40.1, as well as expansions and renovations of subsidiaries plants, the construction and modernization of gas stations and terminals for distribution of fuel of subsidiaries Companhia Brasileira de Petróleo Ipiranga and Distribuidora de Petróleo Ipiranga S.A., in the amount of R$ 38.9.

Advances to suppliers refer basically to purchases of equipment for the fatty alcohols plant of subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.

12. Intangible assets, net

	Annual amortization average rates - %	June 30, 2007 (unaudited)			December 31, 2006
		Cost	Accumulated amortization	Net book value	Net book value
Software	20	105.2	(72.5)	32.7	24.6
Commercial property rights	3	16.3	(1.9)	14.4	14.6
Goodwill	20	15.4	(10.3)	5.1	6.1
Technology	20	20.5	(5.2)	15.3	15.2
Other	10	1.4	(0.9)	0.5	0.5
		158.8	(90.8)	68.0	61.0

Aggregate amortization expense for the above intangible assets amounted to R$ 6.1 (R$ 5.6 as of June 30, 2006).

F-21

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The estimated aggregate amortization expense for the next five years is as follows:

Until 1 year	15.3
From 1 to 2 years	11.8
From 2 to 3 years	9.4
From 3 to 4 years	7.8
From 4 to 5 years	5.4
Thereafter	18.3
Total	68.0

Commercial property rights, refer mainly to those described below:

On July 11, 2002, the indirect subsidiary Terminal Químico de Aratu S.A. Tequimar signed a contract with CODEBA Companhia Docas do Estado da Bahia for use of the site on which it operates its Aratu Terminal for 20 years, renewable for another 20 years. The amount of R$ 12.0 paid by Tequimar is being amortized from August, 2002 to July 2042.

Further, subsidiary Terminal Químico de Aratu S.A. Tequimar has a 20-year lease of an area adjacent to the Santos harbor which allows it to build, operate and exploit the terminal, intended for the distribution of liquid bulk renewable for another 20 years. The price paid by Tequimar was R$ 4.3 and is being amortized from August 2005 until December 2022.

13. Deferred charges, net

	Annual amortization rates - %	June 30, 2007 (unaudited) Cost	Accumulated amortization	Net book value	December 31, 2006 Net book value
Expenses with studies and projects	20	67.6	(14.8)	52.8	39.7
Pre-operating expenses	12	6.7	(2.9)	3.8	4.6
Installation of Ultrasystem equipment at customers facilities	33	175.0	(113.6)	61.4	61.0
Goodwill	10	439.6	(14.8)	424.8	6.0
Other	20	2.4	(1.4)	1.0	1.0
		691.3	(147.5)	543.8	112.3

Expenses with studies and projects include, mainly, the LPG distribution structure review project and expenses for the Rio de Janeiro Petrochemical Complex (COMPERJ) project.

Goodwill related to the share acquisitions of Petrolog Serviços e Armazéns Gerais Ltda. in the amount of R$ 6.5, and for Ipiranga in the amount of R$ 424.7 are being amortized in 10 years (see Note 3).

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

14. Loans, financing and debentures

a) Composition

Description	June 30, 2007 (unaudited)	December 31, 2006	Index/ Currency	Annual interest rate 2007 - %	Maturity
Foreign currency:					
Syndicated loan (b)	115.7	128.5	US$	5.05	2008
Notes in the foreign market (b)	115.9	128.7	US$	9.00	2020
Notes in the foreign market (c)	482.5	535.6	US$	7.25	2015
Notes in the foreign market (d)	112.5		US$	9.88	2008
Working capital loan	6.4	1.4	MX$ + TIIE(i)	1.0	2008
Working capital loan	2.6		US$	From 7.12 to 8.55	2007
Foreign financing	23.6	26.1	US$ + LIBOR	2.0	2009
Financing for inventories and property additions	22.7	14.4	MX$ + TIIE(i)	From 1.1 to 2.0	From 2009 to 2014
Financing for inventories and property additions	3.2		US$ + LIBOR	From 1.5 to 1.75	2009
Import financing (REFINIMP)	2.0		US$	6.8	2007
Import financing (FINIMP)	5.2		US$ + LIBOR	0.23	2007
Advances on foreign exchange contracts	36.8	1.3	US$	From 5.20 to 6.20	<149 days
National Bank for Economic and Social Development (BNDES)	9.0	12.9	UMBNDES(ii)	From 4.50 to 10.38	From 2007 to 2011
National Bank for Economic and Social Development (BNDES)	10.6	10.1	US$	From 7.68 to 10.83	From 2010 to 2013
Export prepayments	6.7	11.1	US$	6.2	2008
Subtotal	955.4	870.1			
Unrealized losses on swap transactions	67.4	52.3			
Subtotal	1,022.8	922.4			
Local currency:					
National Bank for Economic and Social Development (BNDES)	199.7	199.9	TJLP(iii)	From 1.80 to 4.85	From 2007 to 2013
National Bank for Economic and Social Development (BNDES)	4.7	7.0	IGP-M(iv)	6.5	2008
Government Agency for Machinery and Equipment Financing (FINAME)	73.8	40.7	TJLP(iii)	From 2.5 to 5.10	From 2007 to 2011
Research and projects financing (FINEP)	67.3	46.9	TJLP(iii)	From (2.0) to 5.0	From 2009 to 2014
Debentures (e.1)	312.1	312.8	CDI(v)	102.5	2008
Debentures (e.2)	692.7		CDI(v)	102.5	2008
Debentures (e.3)	360.5		CDI(v)	103.8	2011
Banco do Nordeste do Brasil	44.2	19.8		From 9.78 to 11. 5	2018
Financial institutions	91.4		CDI(v)	100	2008
Debit balance	15.0			Free of charge	2007

Other	0.3	0.2
Subtotal	1,861.7	627.3
Total financing and debentures	2,884.5	1,549.7
Current liabilities	(1,385.4)	(167.9)
Long-term liabilities	1,499.1	1,381.8

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

(i) MX$ = Mexican pesos, TIIE = Mexican break-even interbank interest rate.
(ii) UMBNDES = BNDES monetary unit. This is a basket of currencies representing the composition of BNDES debt in foreign currency, 93% of which is linked to the U.S. dollar.
(iii) TJLP = long-term interest rate.
(iv) IGP-M = general market price index, is a measure of Brazilian inflation calculated by the Getúlio Vargas Foundation.
(v) CDI = Interbank deposit rate

Annual maturities of long-term financing

	June 30, 2007 (unaudited)
From 1 to 2 years	433.0
From 2 to 3 years	219.1
From 3 to 4 years	164.2
From 4 to 5 years	36.2
Thereafter	646.6
Total	1,499.1

b) Notes in the foreign market and syndicated loan

In June 1997, the subsidiary Companhia Ultragaz S.A. issued US$ 60 million in notes, (Original Notes) maturing in 2005. In June 2005, maturity was extended to June 2020 with put/call options in June 2008.

In June 2005, the subsidiary Oxiteno Overseas Corp. acquired the full amount of Original Notes issued by Companhia Ultragaz S.A., with funds from a syndicated loan in the amount of US$ 60 million with maturity in June 2008 and interest rate of 5.05% per year. The syndicated loan was guaranteed by the Company and the subsidiary Oxiteno S.A. Indústria e Comércio.

In April 2006, the subsidiary Oxiteno Overseas Corp. sold the Original Notes to a financial institution. Concurrently, the subsidiary acquired from this financial institution a credit linked note backed by the Original Notes, as mentioned in Note 5, thus obtaining an additional return on this investment. The transaction matures in 2020, and the subsidiary as well as the financial institution may redeem it early, although the subsidiary has only an annual option of redemption (purchase) in or after June 2008. In the event of insolvency of the financial institution, Companhia Ultragaz S.A. would be required to settle the Original Notes, although Oxiteno Overseas Corp. would continue to be creditor of the credit linked note. Thus, the Company does not eliminate the Original Notes in its consolidated financial statements.

c) Notes in the foreign market

In December 2005, the subsidiary LPG International Inc. issued notes in the amount of US$ 250 million, maturing in December 2015, with annual interest rate of 7.25% paid semiannually, with the first payment scheduled for June 2006. The issue price was 98.75% of the notes face value, which represented a total yield for investors of 7.429% per annum upon issuance. The notes were guaranteed by the Company and by Oxiteno S.A.- Indústria e Comércio.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

As a result of the issuance of notes and the syndicated loan, the Company and its subsidiaries mentioned previously are subject to covenants that limit, among other things:

Transactions with shareholders that hold amounts of 5% or more of any class of Capital Stock of the Company, except upon fair and reasonable terms no less favorable to the Company than could be obtained in a comparable arm s-length transaction with a third party.

Obligation of having Board of Directors resolution for transactions with related parties higher than US$ 15 million (excepting transactions by the Company with subsidiaries and between subsidiaries).

Restriction of disposal of the totality or near totality of the assets of Company and subsidiaries.

Restriction of encumbrances on assets in excess of US$ 150 million or 15% of the value of consolidated tangible assets.

Maintenance of financial ratio, between consolidated net debt and consolidated EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization), less than or equal to 3.5.

Maintenance of financial ratio, between consolidated EBITDA and consolidated net financial expenses higher than or equal to 1.5.

The restrictions imposed on the Company and its subsidiaries are usual in transactions of this nature and have not limited their ability to conduct their business to date.

The Company is in compliance with all covenants at June 30, 2007.

d) Notes in the foreign market

On August 1, 2003, subsidiary Companhia de Petróleo Ipiranga issued US$ 135 millions in notes in the international market. On August 1, 2005, when the interest levied increased from 7.875% per year to 9.875% per year, these securities were partly redeemed in the amount of US$ 1.3 million or R$ 3.1 millions. In 2006, partial redemption was performed in the amount of US$ 79.6 millions or R$ 164.9 millions, which represented the acceptance of CBPI s repurchase offer to the note holders.

e) Debentures

e.1) On March 1, 2005, the Company issued single series of 30,000 nonconvertible debentures, whose main features are:

Nominal unit value:	R$ 10.000 (ten thousands reais).
Final maturity:	March 1, 2008.
Nominal value payment:	Lump sum at final maturity.
Yield:	102.5% of CDI.

Yield payment:	Semiannually, beginning March 1, 2005.
Repricing:	None.

The debentures are subject to commitments that restrict, among other things, certain operations of merger or spin-off, as well as the disposal of operating assets that would result in a reduction of more than 25% of consolidated net sales, and include the obligation to maintain a consolidated net debt to consolidated EBITDA ratio less than or equal to 3.5. None of these commitments have restricted the ability of Company and its subsidiaries to conduct business.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

e.2) On April 11, 2007, the Company issued debentures in the amount of R$ 889.0, of which a first series was received on April 18, 2007, in the total amount of R$ 675.0 with maturity on April 11, 2008 and semiannual yield of 102.5% of CDI, and the second series in the amount of R$ 214.0 to be issued (see Note 26 Subsequent Event).

Nominal unit value:	R$ 675.000.000 (six hundred seventy five millions reais).
Final maturity:	April 11, 2008
Nominal value payment:	Lump sum at final maturity
Yield:	102.5% of CDI
Yield payment:	Semiannually, beginning October11, 2007
Repricing:	None

e.3) On April 18, 2006, subsidiary Companhia Brasileira de Petróleo Ipiranga registered in the Brazilian Securities and Exchange Commission CVM, the public distribution of 35,000 debentures, single series, non-convertible into shares and non-preferred (chirographary) whose main features are:

Nominal unit value:	R$ 10.000 (ten thousands reais).
Final maturity:	April 1, 2011
Nominal value payment:	three quotas in 2009, 2010 and 2011
Yield:	103.8% of CDI
Yield payment:	Semiannually, beginning April 1, 2006

The Company and its subsidiaries have in some loans, financing and debentures (Syndicated loan, Notes in the foreign market and Debentures) clauses of cross default which oblige the Company to pay the contracted debt in case of default of any other debts in the amount equal or higher than US$ 10 millions. As of June 30, 2007 no default has occurred in relation to the Company s debt.

f) Collateral

A portion of the financing is collateralized by liens on property, plant and equipment, shares of investee and guarantees provided by the Company and its subsidiaries and by minority shareholders, as shown below:

	June 30, 2007 (unaudited)	**December 31, 2006**
Amount of financing secured by:		
Property, plant and equipment	74.4	42.7
Shares of investee minority and shareholders guarantees	4.7	7.0
Total	79.1	49.7

Other loans are collateralized by guarantees issued by Company and by the future flow of exports. The Company is responsible for sureties and guarantees offered on behalf of its subsidiaries, amounting to R$ 979.2 (R$ 1,073.1 as of December 31, 2006).

Certain subsidiaries have issued guarantees to financial institutions related to amounts owed to those institutions by certain of their customers (vendor financing). There are no recourse provisions or collaterals that would enable the Company or its subsidiaries to recover any amounts paid to the financial institutions under these agreements. In the event such payments are made, the subsidiaries may recover such amounts paid directly

F-26

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

from their customers. Maximum future payments related to these guarantees amount to R$ 20.0 (R$ 34.9 as of December 31, 2006), with terms of up to 210 days. As of June 30, 2007, the Company and its subsidiaries have not incurred any loss nor recorded any liability related these guarantees.

15. Shareholders equity

a) Capital

The Company is a listed corporation with shares traded on the São Paulo and New York Stock Exchanges. Subscribed and paid-up capital is represented by 81,325,409 shares without par value, comprised of 49,429,897 common shares and 31,895,512 preferred shares.

As of June 30, 2007, 10,701,954 preferred shares were outstanding abroad, in the form of American Depositary Receipts ADRs.

The Extraordinary Shareholders Meeting held on July 20, 2005 approved reverse stock split, attributing 1 (one) share in substitution for every 1,000 (thousand) existing shares. Likewise, each American Depositary Share ADS, previously representative of a lot of 1,000 (thousand) preferred shares, became representative of 1 (one) preferred share.

Preferred shares are not convertible into common shares, do not entail voting rights, and have priority in capital redemption, without premium, in the event of liquidation of the Company.

At the beginning of 2000, the Company granted, through a shareholders agreement, tag-along rights, which assure to minority shareholders identical conditions to those negotiated by the controlling shareholders in case of disposal of shareholding control of the Company. The tag-along rights guarantee 100% of the offer price for all types of shares issued by the Company. On May 18, 2004, the Company included the tag-along rights in its bylaws.

The Company is authorized to increase its capital, regardless of amendment to the bylaws, through a resolution of the Board of Directors, until it reaches R$ 1,500,000, by means of issuance of common or preferred shares, without keeping the existing ratio, observing the limit of 2/3 of preferred shares, to the total of the shares issued.

b) Treasury shares

The Company acquired its own shares at market prices, without capital reduction, for holding in treasury and subsequent disposal or cancellation, in accordance with the provisions of Brazilian Securities Commission (CVM) Instructions No. 10 of February 14, 1980 and No. 268 of November 13, 1997.

During the first semester of 2007, 354,900 preferred shares were acquired at the average cost of R$ 59.01 per share regarding to the share repurchase program approved in the Board of Director s Meeting of August 02, 2006.

As of June 30, 2007, the Company and its subsidiaries held 763,547 preferred shares (516,597 preferred shares, net of shares provided to certain executives of these subsidiaries as described in Note 23) and 6,617 common shares in treasury, which had been acquired at the average cost of R$ 49.17 (whole Brazilian reais) and R$ 19.30 (whole Brazilian reais) per share, respectively. The average acquisition cost, was adjusted to reflect the stock dividends and reverse stock split.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The market price of preferred shares issued by the Company as of June 30, 2007 on the BOVESPA (São Paulo Stock Exchange) was R$ 64.39.

c) Capital reserve

The capital reserve in the amount of R$ 0.7 reflects the goodwill of the sale of shares at market price to be held in treasury in the Company s subsidiaries, at the average price of R$ 36.00 (whole Brazilian reais) per share. These shares were provided to certain executives of these subsidiaries as described in Note 23.

d) Revaluation reserve

This reserve reflects the revaluation write-up of assets of subsidiaries and is realized based upon depreciation, write-off or disposal of revalued assets, including the related tax effects.

In some cases, taxes on the revaluation reserve of certain subsidiaries are recognized only upon the realization of this reserve since the revaluations occurred prior to the publication of CVM Resolution No.183/95, as mentioned in Note 11.

e) Profit reserves

Legal reserve

Under Brazilian corporate law, the Company is required to appropriate 5% of annual earnings to a legal reserve, until the balance reaches 20% of capital stock. This reserve may be used to increase capital or absorb losses, but may not be distributed as dividends.

Reserve for retention of profits

This reserve is supported by the investment program, in conformity with article 196 of Brazilian corporate law, and includes both a portion of net income and the realization of the revaluation reserve.

Unrealized profit reserve

This reserve is established in conformity with article 197 of Brazilian corporate law, based on the equity pick-up in subsidiaries and affiliated companies. The realization of this reserve usually occurs on receipt of dividends, sale and write-off of investments.

f) Dividends and appropriation of net income (Company)

According to the Company s bylaws, shareholders are entitled to a minimum annual dividend of 50% of adjusted net income, calculated under the terms of accounting practices adopted in Brazil.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

16. Financial income (expenses), net

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Financial income:		
Interest on cash and cash equivalents, short and long-term investments	72.5	83.7
Interest on trade accounts receivables	6.6	2.9
Monetary and exchange variation income	(11.1)	(13.8)
Other income	0.9	1.0
	68.9	73.8
Financial expense:		
Interest on financing	(45.8)	(42.7)
Interest on debentures	(45.1)	(24.0)
Bank charges	(8.7)	(6.5)
Monetary and exchange variation expenses	23.7	15.1
Financial results from currency swap transactions	(9.1)	(11.7)
CPMF/IOF/other financial expenses	(12.0)	33.5
Other expenses	(7.0)	(2.6)
	(104.0)	(38.9)
Financial income (expenses), net	(35.1)	34.9

17. Nonoperating income (expenses), net

Composed mainly of R$ 1.5 as of June 30, 2007 (R$ 6.7 as of June 30, 2006) in write-off of deferred assets related to studies and projects, and R$ 0.5 as of June 30, 2007 (R$ 6.5 as of June 30, 2006) of result on the sale of property, plant and equipment, mainly gas cylinders and vehicles.

18. Segment information

The Company has four relevant segments: gas, chemical, logistics and distribution. The gas segment distributes LPG to residential, commercial and industrial consumers mainly in the South, Southeast and Northeast regions of Brazil. The chemical segment primarily produces ethylene oxide and byproducts, which are raw materials for the textiles, foods, cosmetics, detergents, agricultural chemicals, paints and varnishes industries, among other. Operations in the logistics segment include storage and transportation, mainly in the Southeast and Northeast regions of Brazil. The distribution segment operates in distribution of fuels, lubricants and related products in the South and Southeast regions of Brazil. Reportable segments are strategic business units that provide different products and services. Intersegment sales are transacted at prices that are freely negotiated and approximate those that could be obtained with third parties.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The principal financial information about each of the Company s reportable segments is as follows:

	June 30, 2007 (unaudited)						June 30, 2006 (unaudited)
	Ultragaz	**Oxiteno**	**Ultracargo**	**Ipiranga**	**Other**	**Consolidated**	**Consolidated**
Net sales, net of intercompany transactions	1,532.4	783.9	88.4	4,947.4	3.1	7,355.2	2,295.1
Operating income before financial items and equity in subsidiary and affiliated companies	78.8	46.1	10.8	84.2	(7.8)	212.1	149.1

	June 30, 2007 (unaudited)						December 31, 2006
	Ultragaz	**Oxiteno**	**Ultracargo**	**Ipiranga**	**Other**	**Consolidated**	**Consolidated**
Total assets, net of related parties	957.4	2,478.1	353.3	2,563.1	570.8	6,922.7	3,902.1

In the table above, the column other is composed mainly by parent company Ultrapar Participações S.A., that recorded the goodwill on the acquisition of Ipiranga, and by the participation in the oil refining business.

Disclosures of segments in accordance with U.S. GAAP are made in Note 25.V.h).

19. Risks and financial instruments

The main risk factors to which the Company and its subsidiaries are exposed reflect strategic-operating and economic-financial aspects. Strategic-operating risks (such as behavior of demand, competition, technological innovation and significant structural changes in industry, among others) are addressed by the Company s management model. Economic-financial risks mainly reflect customer default and macroeconomic variables, such as exchange and interest rates, as well as the characteristics of the financial instruments used by the Company. These risks are managed through control policies, specific strategies and the determination of limits, as follows:

Customer default These risks are managed by specific policies for accepting customers and analyzing credit and are mitigated by diversification of sales. As of June 30, 2007, Oxiteno S.A. Indústria e Comércio and its subsidiaries maintained R$ 1.4 (as of December 31, 2006 R$ 1.6) and the subsidiaries of Ultragaz Participações Ltda, maintained R$ 13.5 (as of December 31, 2006 R$ 20.0) and Ipiranga / Refinery maintained R$ 41.9 as an allowance for doubtful accounts.

Interest rates The Company and its subsidiaries adopt conservative policies to obtain and invest funds and to minimize the cost of capital. The temporary cash investments of the Company and its subsidiaries are comprised substantially of transactions linked to the CDI, as described in Note 4. A portion of the financial assets is intended for foreign currency hedges, as mentioned below. Borrowings are mainly originated from the BNDES, debentures and foreign currency financing are disclosed in Note 14.

Exchange rate The Company s subsidiaries use foreign currency swap instruments (mainly US$ and CDI) available in the financial market to cover assets and liabilities in foreign currency, so as to reduce the exchange rate variation effects on their results. Such swap instruments have amounts, periods and indexes equivalent to the assets and liabilities in foreign currency to which they are linked. The

F-30

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

following summary shows assets and liabilities in foreign currency, translated into Brazilian reais at June 30, 2007 and December 31, 2006 at the corresponding year end exchange rates:

	June 30, 2007 (unaudited)	December 31, 2006
Assets:		
Investments abroad and swap instruments	63.3	94.4
Foreign cash and cash equivalents abroad	315.7	50.4
Short and long-term investments in foreign currency	388.2	726.9
Receivables from foreign customers, net of advances on foreign exchange contracts and allowance for losses	32.2	25.4
Total	799.4	897.1
Liabilities:		
Foreign currency financing	955.4	870.1
Import transactions payables	14.6	30.9
Total	970.0	901.0
Net asset (liability) position	(170.6)	(3.9)

The exchange rate variation related to cash and cash equivalents, short and long-term investments in foreign currencies was recorded as financial expense in the consolidated statement of income for June 30, 2007, in the amount of R$ 13.0 (financial expense of R$ 14.3 as of June 30, 2006).

Market value of financial instruments

Market value of financial instruments as of June 30, 2007 and December 31, 2006 are as follows:

	June 30, 2007 (unaudited)		December 31, 2006	
	Book value	Market value	Book value	Market value
Financial assets:				
Cash and cash equivalents	785.0	785.0	385.1	385.1
Short-term investments	804.3	818.7	737.3	734.6
Long-term investments	118.9	120.3	548.0	564.4
	1,708.2	1,724.0	1,670.4	1,684.1
Financial liabilities:				
Current and long-term financing and swaps	1,519.2	1,545.4	1,236.9	1,265.3
Current and long-term debentures	1,365.3	1,365.2	312.8	312.7

	2,884.5	2,910.6	1,549.7	1,578.0
Investment:				
Investments in affiliated companies	26.6	33.0	25.5	29.0

The market value of financial instruments was obtained through the commonly used marking to market methodology, which consists of carrying the balances of the instruments until the maturity at the respective contracted rates, discounting them to present value at market rates as of June 30, 2007 and December 31, 2006. The market value of investments in affiliated companies is based on the share price trading on the BOVESPA São Paulo Stock Exchange.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

20. Contingencies and commitments

a) Labor, civil and tax lawsuits

The Petrochemical Industry Labor Union, of which the employees of Oxiteno Nordeste S.A. Indústria e Comércio are members, filed a lawsuit against the subsidiary in 1990, demanding compliance with the adjustments established in collective labor agreement, in lieu of the salary policies effectively followed. At the same time, the employers association proposed a collective bargaining for the interpretation and clarification of the fourth clause of the agreement. Based on the opinion of its legal counsel, who analyzed the last decision of the Federal Supreme Court (STF) on the collective bargaining, as well as the status of the individual lawsuit of the subsidiary, management believes that an accrual for a potential loss is not necessary as of June 30, 2007.

The subsidiaries Companhia Ultragaz S.A. and SPGás Distribuidora de Gás Ltda. are parties to an administrative proceeding at the SDE (Economic Law Department), linked to CADE (Administrative Council for Economic Defense), under the allegation of anticompetitive practice in certain municipalities of the State of Minas Gerais in 2001. In September 2005, the SDE issued a technical notice recommending to CADE a ruling against the companies involved in this proceeding. In their defense, the subsidiaries arguments, among others, are that: (i) under the terms of the notice issued by the Company s chief executive officer on July 4, 2000, the subsidiaries employees were forbidden to discuss with third parties matters related to prices; and (ii) no consistent proof was attached to the proceeding s records. In view of the arguments presented, the fact that the technical notice has no binding effect on CADE s decision, and their legal counsel s opinion, the subsidiaries did not record a provision for this issue. Should CADE s decision be unfavorable, the subsidiaries could still discuss the issue at the judicial level.

The subsidiary Companhia Ultragaz S.A. is a defendant in lawsuits relating to damages caused by an explosion in 1996 in a shopping mall in the city of Osasco, State of São Paulo. Such lawsuits involve: (i) individual suits filed by victims of the explosion claiming damages from Ultragaz for the loss of economic benefit and for pain and suffering, (ii) reimbursement of expenses from management of the shopping mall and its insurance company, and (iii) a class action lawsuit seeking indemnification for material damages and pain and suffering for all the victims injured and deceased. The subsidiary believes that it has presented evidence that defective gas pipes in the shopping mall caused the accident and that Ultragaz s on-site LPG storage facilities did not contribute to the explosion. Of the 58 lawsuits judged so far, a favorable judgment was obtained for 57, and out of these 19 have already been dismissed; only 1 had an unfavorable decision, which is still subject to appeal, and whose amount, should the decision be upheld, is R$ 0.017. Three lawsuits have not yet been judged. The subsidiary has insurance coverage for these lawsuits, and the uninsured contingent amount is R$ 23.6 as of June 30, 2007. The Company has not recorded any provision for this amount, since it believes the probability of loss is remote.

The Company and its subsidiaries obtained injunctions to pay PIS and COFINS (taxes on revenues) without the changes introduced by Law No. 9718/98 in its original version. The ongoing questioning refers to the levy of these taxes on sources of income other than revenues. Recently the STF has decided the matter favorable to the taxpayer. Although it is a precedent, the effect of this decision does not automatically apply to all the companies, since they have to await judgment of their own lawsuit. In the first semester of 2007 final decisions were rendered for the Company and its subsidiaries which reversed the accrual previously recorded, in the amount of R$ 12.8 (in the first semester of 2006 R$ 17.2 of accrual reversal and R$ 26.2 of recovery of amounts paid in previous periods), net of attorney s fees, as financial income in the statement of income for the period. The Company has other subsidiaries whose lawsuits have not yet been judged in the amount of R$ 28.9, net of attorney s fees.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The Company s subsidiary Oxiteno S.A. Indústria e Comércio accrued R$ 9.2 (R$ 8.9 as of December 31, 2006) for ICMS tax assessments being judged at lower-level administrative courts. The subsidiary is currently awaiting decision on the appeal.

The Company s subsidiary Utingás Armazenadora S.A. has challenged in court ISS (Service Tax) tax assessments issued by the municipal government of Santo André. Legal counsel of the subsidiary classifies the risk as low, since a significant portion of the lower-court decisions was favorable to the subsidiary. The argument defended by the subsidiary is supported by the opinion of a renowned tax specialist. The unprovisioned updated amount of the contingency as of June 30, 2007 is R$ 39.0 (R$ 33.4 as of December 31, 2006).

On October 07, 2005, the subsidiaries of Ultragaz Participações Ltda. filed for and obtained an injunction to support the offset of PIS and COFINS credits against other federal taxes administered by the Federal Revenue Service (SRF), notably corporate income tax and social contribution taxes. According to the injunction obtained, the subsidiaries have been making escrow deposits for these debits in the amount of R$ 55.9 as of June 30, 2007 (R$ 32.3 as of December 31, 2006) and recognizing the corresponding liability for this purpose.

Subsidiaries Ultragaz Participações Ltda, Cia. Ultragaz S.A., Utingás Armazenadora S.A., Terminal Químico de Aratu S.A. Tequimar, Transultra Armazenamento e Transporte Especializado Ltda. and Ultracargo Operações Logísticas e Participações Ltda., hold judicial measures petitioning the full and immediate utilization of supplementary monetary adjustment based on the Consumer Price Index (IPC) / National Treasury Bonds (BTN) for 1990 (Law No. 8.200/91), and hold accruals in the amount of R$ 13.1 as a possible contingency, in case of unfavorable outcome of such lawsuits.

On December 29, 2006, the subsidiaries Oxiteno S.A Indústria e Comércio, Oxiteno Nordeste S.A Indústria e Comércio, Companhia Ultragaz S.A. and Transultra Armazenamento e Transporte Especializado Ltda filed for an injunction seeking the deduction of ICMS from PIS and COFINS tax basis. Oxiteno Nordeste S.A Indústria e Comércio received an injunction and is paying the amounts into judicial deposits, as well as recording the respective accrual in the amount of R$ 4.9 as of June 30, 2007; the others subsidiaries did not receive similar injunction and are waiting the judgment of an appeal to Regional Federal Court TRF of the 3rd Region.

The Company and some subsidiaries filed a request for an injunction seeking not to be subject to the legislation that restricted the offset of corporate income tax (IRPJ) and social contribution (CSLL) tax loss carryforwards computed through December 31, 1994 to 30% of income for the year. There are good precedents for these discussions when it is proven that there was only a postponement of payment of IRPJ and CSLL to the following years, as is the case of the Company s subsidiaries, and legal counsel understands that the chances of success of the challenge in the judicial sphere is possible. As of June 30, 2007, the contingency is estimated at R$ 6.5.

Regarding Ipiranga / Refinery, the main provisions for contingencies refer to: (a) requirements for the reversal of ICMS credits on transportation services taken during the freight reimbursement system established by DNC (currently National Agency for Petroleum ANP), in the amount of R$ 6.9; (b) requirements for the reversal of ICMS credits in the State of Minas Gerais, on interstate outflows carried under Article 33 of ICMS Agreement 66/88, which allowed the maintenance of credits and which was suspended by an injunction conceded by the Supreme Court STF, in the amount of R$ 26.9; (c) reversal of the deduction of unconditional discounts from the ICMS calculation basis, in the State of Minas Gerais, as a result of tax substitution, in the amount of R$ 15.4; (d) litigation based on clauses of contracts with clients; (e) claims made by former employees and outsourced personnel regarding salary related amounts.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The main tax contingencies of Ipiranga / Refinery which present risks evaluated as possible, and which, based in this evaluation, have not been accrued for in the interim financial statements, refer to ICMS, in the total amount of R$ 107.7 and relate, mainly to: (a) requirements for the reversal of credits on interstate outflows; (b) requirements of ICMS on the purchases of basic oils; (c) demands to reverse credits related with interstate transport services operations; (d) demands to reverse credits derived from excess taxation generated on the purchase of products in the petroleum refinery under the tax substitution system; (e) demands to reverse credits in operations with alcohol (anhydrous fuel alcohol) in the State of São Paulo; (f) tax assessment resulting from operations of alcohol loan devolutions (anhydrous fuel alcohol). In addition, subsidiary Distribuidora de Produtos de Petróleo Ipiranga S.A. DPPI and its subsidiaries have tax assessments concerning non-homologation of IPI credits originated in acquisitions of products whose subsequent sales had no taxation. The non-accrued contingent amount as of June 30, 2007, is R$ 15.2.

The Company and its subsidiaries have other ongoing administrative and judicial proceedings. Legal counsel classified the risks on these proceedings as possible and/or remote and, therefore, no reserves for potential losses on these proceedings have been recorded. The Company and its subsidiaries also have litigations that aims at recovery of taxes and contributions, that have not been registered in the interim financial statements due to their contingent nature.

Accruals and escrow deposits are summarized below:

Provisions	**Balance in 12/31/2006**	**Initial balance of Ipiranga / Refinery**	**Additions**	**Write-offs**	**Interest**	**Balance in 06/30/2007 (unaudited)**
Income and social contribution taxes	36.0		38.6		3.0	77.6
PIS and COFINS on other revenues	14.4			(12.7)	0.2	1.9
PIS on rendering of services	0.3					0.3
ICMS	15.8	50.2	4.9	(6.8)	1.0	65.1
INSS	2.2				0.2	2.4
Other		0.9	0.8	(0.3)	0.4	1.8
Civil lawsuits		5.2	0.5	(0.4)	(0.3)	5.0
Labor claims		13.4	0.4	(0.4)		13.4
(-) Escrow deposits	(32.2)	(7.1)	(26.1)		(2.3)	(67.7)
Total	36.5	62.6	19.1	(20.6)	2.2	99.8

b) Take or pay commitments

The Company s subsidiary Terminal Químico de Aratu S.A. Tequimar has contracts with CODEBA and Complexo Industrial Portuário Governador Eraldo Gueiros, in connection with their port facilities in Aratu and Suape, respectively. Such contracts establish minimum cargo movement of 1,000,000 tons per year for Aratu, effective through 2022, and 250,000 tons per year for Suape, effective through 2027. If annual movement is less than the established minimum, the subsidiary is required to pay the difference between the actual movement and the minimum contractual movement using the port rates in effect at the date of payment. As of June 30, 2007, such rates were R$ 4.59 and R$ 3.97 per ton for Aratu and Suape, respectively. The subsidiary has met the minimum cargo movement limits since inception of the contracts. At June 30, 2007, future minimum lease payments under these operating leases are: R$ 5.6 in 2007, R$ 5.6 in 2008, R$ 5.6 in 2009, R$ 5.6 in 2010, R$ 5.6 in 2011 and thereafter R$ 63.4. A substantial part of these leases are paid directly to the port authorities by Tequimar s customers. The part of such lease expenses paid by Tequimar amounted to R$ 0.8 as of June 30, 2007 and R$ 1.1 as of June 30, 2006.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The Company s subsidiary Oxiteno Nordeste S.A. Indústria e Comércio has a supply contract with Braskem S.A., that establishes a minimum annual consumption level of ethylene per year. The minimum purchase commitment and the actual demand for the six-month periods ended June 30, 2007 and 2006, expressed in tons of ethylene, are summarized below. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 40% of the current ethylene price for the quantity not purchased.

	Minimum purchase Commitment		Actual demand (unaudited)	
	2007	2006	2007	2006
In tons of ethylene	180,000	137,900	96,221	90,968

At June 30, 2007, future minimum purchase commitments under this contract, based on the price prevailing at that date, are: R$ 214.1 in 2007, R$ 226.0 in 2008, R$ 237.9 in 2009, R$ 249.8 in 2010, R$ 261.7 in 2011 and R$ 2,771.3 between 2012 and 2021. Total purchases made under this contract were R$ 340.9 as of June 30, 2007 and R$ 299.4 as of June 30, 2006.

On August 16, 2006 the subsidiary signed a memorandum of understanding, altering the ethylene supply contract with Braskem S.A. described above. The memorandum of understanding regulates new conditions of ethylene supply through 2021, and in 2007 and 2008 the subsidiary will have an additional volume of ethylene, with the minimum quantity in tons increasing to 180 thousand and 190 thousand, respectively. The new condition provided for in the memorandum of understanding are reflected in future minimum purchase commitments mentioned above.

c) Insurance coverage for subsidiaries

The Company has insurance policies to cover various risks, including loss and damage from fire, lightning, explosion of any nature, windstorm, plane crash and electrical damage, among others, protecting the plants and other branches of all subsidiaries except Ipiranga / Refinery, with coverage amounting to US$ 404 million.

For the plants of Oxiteno S.A. Indústria e Comércio, Oxiteno Nordeste S.A. Indústria e Comércio and Oxiteno MéxicoS.A. de C.V., there is also a loss of income insurance against losses from potential accidents related to their assets, with coverage amounting to US$ 242 million.

A civil liability insurance program covers the Company and its subsidiaries, with global coverage of US$ 200 million, for losses and damages from accidents caused by third parties, related to the commercial and industrial operations and/or distribution and sale of products and services.

Group life insurance, personal accident insurance, health insurance, and domestic and international transportation insurance are also contracted.

Ipiranga / Refinery have an insurance and risk management program which provides coverage for all their insurable assets, as well as coverage against risks resulting from the interruption of production, by means of an operating risk policy negotiated with the national and international insurance market, through the Brazilian Reinsurance Institute.

The coverage and limits insured by the policies are based on a detailed study of risks and losses, prepared by local insurance consultants. Management considers the type of insurance contracted sufficient to cover possible claims, in view of the nature of the activities of the companies.

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The main coverages are related to operating risks, loss of profits, multiple industrial perils, multiple office risks, named perils pools and civil liability.

21. Related companies

The balances and transactions with related parties are as follows:

	June 30, 2007 (unaudited)			
	Loans		Trade accounts	
	Assets	Liabilities	Receivable	Payable
Química da Bahia Indústria e Comércio S.A.		3.6		
Serma Associação dos Usuários de Equipamentos de Processamentos de Dados e Serviços Correlatos	9.9			
Petroquímica União S.A.				0.4
Oxicap Indústria de Gases Ltda.				0.8
Liquigás Distribuidora S.A			0.2	
Petróleo Brasileiro S.A. Petrobras			7.6	194.2
Copagaz Distribuidora de Gás S.A.			0.1	
Braskem S.A.				6.3
SHV Gás Brasil Ltda.			0.2	
Plenogás Distribuidora de Gás S.A.		0.9		
Refinaria de Petróleo Ipiranga S.A. (*)	32.2			4.8
Other		0.2		
Total at June 30, 2007	42.1	4.7	8.1	206.5
Total at December 31, 2006	7.4	4.7	0.4	13.8

(*) The loan with Refinaria de Petróleo Ipiranga S.A., refers to the acquisition of subscription rights from Distribuidora de Produtos de Petróleo Ipiranga S.A., with maturity on October 3, 2007. The amount in the table above refers to the receivable that was not eliminated on consolidation, given that RPI s consolidation is proportional (1/3 according to CVM 247 Instruction).

With exception of the loans with Química da Bahia Indústria e Comércio S.A. and Refinaria de Petróleo Ipiranga S.A., loans are not subject to financial charges.

	Six-month period ended		
	June 30, 2007 (unaudited)		
	Transactions		Financial
	Sales	Purchases	expenses
Petroquímica União S.A.	0.1	61.7	
Oxicap Indústria de Gases Ltda.		5.0	
Liquigás Distribuidora S.A.	1.9		
Química da Bahia Indústria e Comércio S.A.			(0.1)

Petróleo Brasileiro S.A. Petrobras		4,744.0	
Copagaz Distribuidora de Gás Ltda.	0.5		
Braskem S.A.	25.3	340.9	
SHV Gás Brasil Ltda.	0.8		
Refinaria de Petróleo Ipiranga S.A. (**)	0.2	149.4	0.7
Other	0.4		
Total	29.2	5,301.0	0.6
Total six-month period ended June 30, 2006 (unaudited)	28.8	1,341.0	(0.1)

F-36

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

(**) Purchase and sales transactions refer substantially to fuel supplies of RPI to DPPI. The amount in the table above refers to the transactions that were not eliminated on consolidation, given that RPI s consolidation is proportional.

Purchase and sale transactions refer, substantially, to purchases of raw materials, other materials and storage and transportation services, carried out at market prices and conditions.

22. Income and social contribution taxes

a) Deferred income and social contribution taxes

The Company and its subsidiaries recognize tax assets and liabilities, which do not expire, arising from tax loss carryforwards, temporary add-backs, revaluation of property, plant and equipment and other procedures. Tax credits are based on the continuing profitability from operations. Deferred income and social contribution taxes are presented in the following principal categories:

	June 30, 2007 (unaudited)	December 31, 2006
Assets:		
Deferred income and social contribution taxes on:		
Provision for losses in assets	42.0	20.4
Provision for contingencies	38.1	13.3
Provision for post-retirement benefits (see Note 24.b)	25.0	
Other provisions	36.8	25.8
Income and social contribution on tax loss carryforwards	42.3	26.0
Total	184.2	85.5
Current portion	74.5	27.3
Noncurrent portion	109.7	58.2
Liabilities:		
Deferred income and social contribution taxes on:		
Revaluation of property, plant and equipment	0.7	0.9
Accelerated depreciation	0.2	
Income earned abroad	25.8	25.3
Total	26.7	26.2
Current portion	0.2	0.2
Noncurrent portion	26.5	26.0

The estimated recovery of deferred income and social contribution tax assets is shown below:

Until 1 year	74.5
From 1 to 2 years	38.0
From 2 to 3 years	30.4
From 3 to 4 years	24.6
From 5 to 7 years	9.1

From 8 to 10 years	7.6
	184.2

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

b) Reconciliation of income and social contribution taxes to statutory tax rates

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Income before taxes, equity in subsidiaries and affiliated companies and minority interest	172.1	170.8
Official tax rates %	34.0	34.0
Income and social contribution taxes at official rates	(58.5)	(58.1)
Adjustments to the effective tax rate:		
Operating provisions and nondeductible expenses/nontaxable income		1.7
Adjustments to estimated income	3.0	0.9
Employees Meal Program (PAT)	0.3	0.5
Other adjustments	(0.2)	
Income and social contribution taxes before tax benefits	(55.4)	(55.0)
Benefits of tax holidays ADENE	6.1	30.8
Income and social contribution taxes per statement of income	(49.3)	(24.2)
Current	(77.4)	(66.2)
Deferred	22.0	11.2
Benefits of tax holidays ADENE	6.1	30.8

c) Tax loss carryforwards

Tax loss carryforwards may be used to offset up to 30% of future taxable income and do not expire.

d) Tax exemption

The following indirect subsidiaries have partial or total exemption from income tax in connection with a government program for the development of the Northeast Region of Brazil:

Subsidiary	Unit	Incentive - %	Expiration date
Oxiteno Nordeste S.A. Indústria e Comércio (*)	Camaçari plant	100	2006
Bahiana Distribuidora de Gás Ltda.	Mataripe plant	75	2013
	Suape plant	100	2007
	Ilhéus plant	25	2008
	Aracaju plant	25	2008
	Caucaia plant	75	2012
Terminal Químico de Aratu S.A. Tequimar	Aratu Terminal	75	2012
	Suape Terminal	75	2015

(*)

In December 2006, this plant s exemption expired and a request was filed with ADENE (Northeast Development Agency), the agency in charge of managing this incentive program, seeking a 75% income tax reduction until 2016, which was granted on May 25, 2007. On July 3, 2007, the benefit analysis report issued by ADENE was directed to the Federal Revenue Service to be ratified in up to 120 days, that expired on October 31, 2007. Thus the subsidiary will record in October of 2007 the reduction value in its results, with retroactive effect to January 1, 2007, in the amount of R$ 15.4.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

23. Share compensation plan

The Extraordinary Shareholders Meeting held on November 26, 2003 approved a compensation plan for management of the Company and its subsidiaries, which provides for: (i) the initial grant of usufruct of shares issued by the Company and held in treasury by the subsidiaries in which the beneficiaries are employed, and (ii) the transfer of the beneficial ownership of the shares after ten years of the initial concession provided that the professional relationship between the beneficiary and the Company and its subsidiaries is not interrupted. The total value granted to executives until June 30, 2007, including taxes, was R$ 12.3 (R$ 12.3 as of December 31, 2006). Such value is being amortized over a period of ten years and the amortization related to the six-month period ended June 30, 2007, in the amount of R$ 0.6 (R$ 0.4 as of June 30, 2006), was recorded as an operating expense for the period.

24. Employee benefits and private pension plan

a) ULTRAPREV Associação de Previdência Complementar

In August 2001, the Company and its subsidiaries (except subsidiaries recently acquired from the Ipiranga Group) began to offer their employees a defined contribution pension plan, managed by Ultraprev Associação de Previdência Complementar. Under the terms of the plan, the basic contribution of each participating employee is defined annually by the participant between 0% and 11%, of his/her salary. The sponsoring companies provide a matching contribution to the basic contribution. As participants retire, they may opt to receive monthly: (i) a percentage varying between 0.5% and 1.0% of the fund accumulated in his/her name at Ultraprev, or (ii) a fixed-monthly amount that will extinguish the fund accumulated in his/her name in a period between 5 and 25 years. As such, neither the Company nor its subsidiaries assume responsibility for guaranteeing amounts or periods of receipt for the participants that retire. As of June 30, 2007, the Company and its subsidiaries contributed R$ 1.7 (R$ 1.7 as of June 30, 2006) to Ultraprev, which was charged to income for the year. The total number of employee participants as of June 30, 2007 was 5,606, with 12 participants retired to date. Additionally, Ultraprev has 1 active participant and 31 former employees receiving benefits according to the policies of a previous plan.

b) Fundação Francisco Martins Bastos

The subsidiaries Distribuidora de Produtos de Petróleo Ipiranga S.A., Companhia Brasileira de Petróleo Ipiranga and Refinaria de Petróleo Ipiranga S.A., together with other companies which formed the Ipiranga Group, are sponsors of Fundação Francisco Martins Bastos, which provides a defined benefit plan to their employees.

The accumulated amount of contribution to the plan by Ipiranga / Refinery in the quarter ended as of June 30, 2007 was R$ 1.3.

The recorded net liabilities of Ipiranga / Refinery as of June 30, 2007 were R$ 78.9, of which R$ 7.2 in current liabilities and R$ 71.7 in noncurrent liabilities.

The actuarial liability as of June 30, 2007 reflects the report elaborated by the independent actuary Towers Perrin Forster & Crosby Ltda on May 31, 2007, which has kept the biometric premises and the rates used in the subsidiaries financial statements of December 31, 2006.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

25. SUMMARY AND RECONCILIATION OF THE DIFFERENCES BETWEEN ACCOUNTING PRACTICES ADOPTED IN BRAZIL AND ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA (U.S. GAAP)

I Description of GAAP differences

The consolidated interim financial statements of the Company are prepared in accordance with accounting practices adopted in Brazil, which comply with those prescribed by Brazilian corporate law and specific standards established by the Brazilian Securities Commission (CVM). Note 3 to the consolidated interim financial statements summarizes the accounting policies adopted by the Company. Accounting policies, which differ significantly from U.S. GAAP, are summarized below.

a) Inflation accounting

The Company, as described in Note 3.i), accounts for the effects of inflation in its consolidated financial statements through December 31, 1995. Under U.S. GAAP, Brazil was considered to be a highly inflationary economy until July 1, 1997, and the effect of inflation was recognized until December 31, 1997.

In determining amounts under U.S. GAAP, the effects of inflation for the years ended December 31, 1996 and 1997 were determined using the Índice Geral de Preços -Disponibilidade Interna IGP-DI index, which is widely-accepted and respected index published monthly by the Fundação Getúlio Vargas.

Through December 31, 1995, the Company used indexes established by the government to restate balances and transactions for purposes of its corporate law financial statements. Such indexes do not necessarily represent changes in general price levels, as would be required under U.S. GAAP.

Because the Company s management believes that the Índice Geral de Preços Disponibilidade Interna IGP-DI is an appropriate and consistent measure of the general price inflation in Brazil and because of its availability, for U.S. GAAP purposes the Company adopted the IGP-DI for restatement of its financial statements through December 31, 1995, replacing the government mandated index. This procedure is consistent with the recommendation by the Brazilian Task Force (organized under the AICPA International Practices Task Force to review the issue of the appropriate index to be used for preparing price-level adjusted financial statements of Brazilian companies filing with the SEC) of using the IGP-M or IGP-DI for such purposes. Thus, all nonmonetary assets and liabilities were restated using the IGP-DI since the inception of the Company, through December 31, 1997.

b) Reversal of fixed asset revaluations and related deferred tax liabilities

For U.S. GAAP reconciliation purposes, the revaluation of fixed assets and the related deferred income tax effects recorded in the financial statements prepared in accordance with accounting practices adopted in Brazil have been eliminated in order to present fixed assets at historical cost less accumulated depreciation. Accordingly, the depreciation on such revaluation charged to income has also been eliminated for U.S. GAAP reconciliation purposes.

c) Deferred charges

Accounting practices adopted in Brazil permit the deferral of research and development costs and of pre-operating expenses incurred in the construction or expansion of a new facility until the facility begins commercial operations. Deferred charges are amortized over a period of five to ten years.

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

For U.S. GAAP reconciliation purposes, such amounts do not meet the conditions established for deferral and, accordingly, have been charged to income and the related amortization under accounting practices adopted in Brazil has been reversed.

d) Investments in affiliated companies

As from 1996, Brazilian corporate law allows certain less than 20% owned affiliated companies in which an investor owns more than 10% of voting stock to be accounted for under the equity method. In addition, certain more than 20% and less than 50% owned affiliated companies deemed not significant in relation to their parent company are accounted at cost.

For U.S. GAAP reconciliation purposes, less than 20% owned affiliated companies have been accounted for on the basis of cost and more than 20% and less than 50% owned affiliated companies have been accounted for on the equity method for all years presented.

Brazilian corporate law allows certain jointly controlled corporate entities to be consolidated in a pro rata basis. U.S. GAAP requires these entities to be reported under the equity method. The Company s investment in Refining is consolidated using the pro rata method for Brazilian GAAP purposes.

e) Capitalization of interest in relation to construction in progress

Under accounting practices adopted in Brazil, prior to January 1, 1996 the Company was not required to capitalize the interest cost of borrowed funds as part of the cost of the related asset. Under U.S. GAAP, capitalization of borrowed funds during construction of major facilities is recognized as part of the cost of the related assets.

Under U.S. GAAP, interest on construction-period financing denominated in foreign currencies is capitalized using contractual interest rates, exclusive of foreign exchange or monetary correction gains or losses. Interest on construction-period financing denominated in Brazilian reais is capitalized.

f) Acquisitions and business combinations

Under accounting practices adopted in Brazil, assets and liabilities of acquired entities are reflected at book values. Goodwill is represented by the excess of purchase price paid over the book value of net assets and is amortized on a straight-line basis over the periods estimated to be benefited.

Under U.S. GAAP, business combinations are accounted for by the purchase method utilizing fair values. Goodwill is not amortized and should be tested for impairment. An impairment test of goodwill is performed annually or more frequently if events or changes in circumstances indicate that the goodwill might be impaired. Such impairment test is performed utilizing a two-step method. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the second step is performed to measure the amount of impairment loss, if any. The second step compares the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. If the implied fair value of reporting unit goodwill is lower than the carrying amount of such goodwill, an impairment loss is recognized.

Under Brazilian corporate law, purchases by subsidiaries of their own stock from minority shareholders are initially recorded at cost. Upon cancellation of these shares, the difference between cost and the related book value of the subsidiary s shareholders equity is recorded by the parent company and in the consolidated financial

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

statements as a capital gain or loss. Direct purchases by the parent company of the subsidiaries stock from minority shareholders are recorded at cost, with the difference between cost and the related book value of the subsidiaries shareholders equity recorded as positive or negative goodwill by the parent company and in the consolidated financial statements.

Under U.S. GAAP, purchases of treasury stock by subsidiaries from minority shareholders and direct purchases by the parent company of the subsidiaries stock from minority shareholders are recorded as step acquisitions under the purchase method, with assignment of the purchase price to the underlying assets and liabilities based on their fair values and recording of goodwill to the extent that the purchase price exceeds the proportionate amount of the net fair value of the assets and liabilities. No gain or loss is recognized upon either purchase or cancellation of the shares.

Acquisition of Ipiranga

As mentioned in Note 3, on April 18, 2007, the Company acquired the controlling interest of Ipiranga and 10% of Refinery. The results of Ipiranga and Refinery have been included in the consolidated financial statements since April 2007. Following the transaction, Ultrapar, already the largest LPG distributor in Brazil, became the second largest group in the fuel distribution business in Brazil, with approximately 15% market share. Ultrapar believes that fuel distribution is a natural extension of LPG distribution because it has similar profitability drivers: logistics efficiency, management of a dealer network and leveraging of a renowned brand.

The cost of acquisition was R$ 688.3, including the purchase price amounting to R$ 676.4 and other direct costs amounting to R$ 11.9. Of the total cost of acquisition, R$ 128.6 relate to DPPI, R$ 558.0 relate to CBPI and R$ 1.7 were allocated to RPI.

Under U.S. GAAP, the Company recorded the acquisition based on the fair value of the assets acquired and liabilities assumed and determined goodwill in accordance with the purchase method of accounting prescribed by Statement of Financial Accounting Standards (SFAS) 141, Business Combinations . This allocation is completed and resulted in the identification of goodwill as shown below.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

	R$
Current assets	1,394.3
Noncurrent assets	410.0
Property, plant and equipment	868.8
Intangible assets	76.7
Goodwill	329.2
Total assets acquired and goodwill	3,079.0
Current liabilities	496.6
Noncurrent liabilities	884.1
Minority interest in subsidiaries	1,010.0
Net assets	688.3
Goodwill recorded under accounting practices adopted in Brazil	424.7
Other direct costs recorded as deferred charges for accounting practices adopted in Brazil	11.9
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil (see the shareholders equity reconciliation)	(107.4)
Goodwill recorded under U.S. GAAP	329.2
Intangible assets:	
Trademark acquired Ipiranga	62.4
Franchise agreement am/pm	14.3
	76.7

Of the R$ 76.7 of acquired intangible assets, R$ 62.4 was assigned to a registered trademark that is not subject to amortization. The remaining R$ 14.3 of acquired intangible assets have a useful life of approximately 8 years.

The R$ 329.2 of goodwill was assigned to the distribution of fuels/lubricants segment. The goodwill of R$ 424.7 under Brazilian GAAP is expected to be deductible for tax purposes.

The following summary presents the Company s unaudited pro forma consolidated results of operations for the periods ended June 30, 2007 and 2006, in accordance with accounting practices adopted in Brazil, as if the distribution of fuels/lubricants acquisition had been completed at the beginning of each period. The pro forma information is only presented for comparative purposes and does not purport to be indicative of what would have occurred had the acquisition actually been made at such dates, nor is it necessarily indicative of future operating results:

Amounts under accounting practices adopted in Brazil	**2007**	**2006**
Net sales and services	11,981.7	11,597.7
Operating income before financial items	314.2	323.4
Net income	83.2	160.7
Net earnings per thousand shares whole R$	1.03	1.98

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

Acquisition of Petrolog

As mentioned in Note 3, on April 30, 2007 the Company acquired, through its subsidiary Transultra Armazenamento e Transporte Especializado Ltda., the company Petrolog Serviços e Armazéns Gerais Ltda. for the amount of R$ 8.1, recording goodwill in the amount of R$ 6.5, amortized in 10 years, based on its expected of future profitability. The Company has not identified any significant differences between accounting practices adopted in Brazil and U.S.GAAP in relation to this acquisition.

g) Earnings per share

Under accounting practices adopted in Brazil, it is permitted to determine earnings per share based upon the weighted average number of shares outstanding during each year that earnings are reported. Subsequent changes in the Company s share capital, such as stock dividends, are not retroactively reflected in the disclosure of number of shares outstanding and in the calculation of earnings per share under accounting practices adopted in Brazil, except for the reverse stock split.

Under U.S. GAAP, earnings per share are determined based upon the weighted average number of shares outstanding during the period, giving retroactive effect to stock dividends and stock splits. Nonvested shares granted to certain executives of the Company as disclosed in Note 25.I.k) are not included in the computation of basic earnings per share even though the shares are legally issued, since such shares are considered contingently returnable because if the executives do not render the requisite service, the shares are returned to the Company. These nonvested shares are included in diluted earnings per share applying the treasury stock method. The calculation of earnings per share under U.S. GAAP is shown in Note 25.V.a).

The Extraordinary Stockholders Meeting held on July 20, 2005 approved a reverse stock split of the Company s shares, attributing 1 (one) share in substitution for every 1,000 (thousand) existing shares. Likewise, each American Depositary Share ADS, previously representative of a lot of 1,000 (thousand) preferred shares, became representative of 1 (one) preferred share.

h) Available-for-sale securities

Equity securities

Under accounting practices adopted in Brazil, available-for-sale equity securities are generally carried at cost, less provision charged to the statement of income if a loss in value is considered to be other than temporary.

For U.S. GAAP reconciliation purposes, the available-for-sale equity security has been recorded at estimated fair value, and the resulting accumulated adjustment, in the amount of R$ 6.0 (positive) and R$ 3.3 (positive) as of June 30, 2007 and as of June 30, 2006, respectively, net of deferred tax effect, when applicable, has been recognized as a separate component of shareholders equity until realization. The estimated fair values of the equity security carried by the Company are R$ 25.1 and R$ 22.2 as of June 30, 2007 and as of December 31, 2006, respectively. During the years presented, no equity security classified under U.S. GAAP as available-for-sale was disposed of.

Debt securities

Under accounting practices adopted in Brazil, available-for-sale debt securities are generally carried at cost, plus interest income earned less provisions, when applicable, charged to the statement of income to reduce its carrying value to market value.

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

For U.S. GAAP reconciliation purposes, available-for-sale debt securities have been recorded at estimated fair value, and the resulting accumulated adjustment, in the amount of R$ 10.4 positive as of June 30, 2007 (R$ 9.0 positive as of December 31, 2006), has been recognized as a separate component of shareholders equity, net of deferred tax effects and minority interest, when applicable, until realization.

As of June 30, 2007 and as of December 31, 2006, the fair values of available-for-sale debt securities amounted to R$ 492.6 and R$ 871.8, respectively, and the gross unrealized gains amount to R$ 15.8 as of June 30, 2007 and R$ 13.7 as of December 31, 2006. As of June 30, 2006, the fair values of available-for-sale debt securities amounted to R$ 846.0 and the gross unrealized gains amount to R$ 18.5.

As of June 30, 2007 , the amount of R$ 365.1 of available-for-sale debt securities mature within one year and R$ 111.7 mature between one and two years.

For the six-month period ended June 30, 2007, the Company sold debt securities for R$ 453.0 (R$ 92.7 as of June 30, 2006), generating a gross realized loss of R$ 24.0 (R$ 1.1 June 30, 2006), recorded in the statement of income. The cost of such securities was based on specific identification.

As of June 30, 2007 , the amount of R$ 439.2 of held to maturity debt securities mature within one year and R$ 7.2 mature in 2018. Under accounting practices adopted in Brazil and for U.S. GAAP, held to maturity debt securities are treated similarly.

i) Accounting for derivative financial instruments

In the Company s interim financial statements prepared in accordance with accounting practices adopted in Brazil derivative financial instruments are recorded at net settlement price as determined on each balance sheet date.

Under U.S. GAAP, effective January 1, 2001, all derivative financial instruments must be reported at fair value on each balance sheet date and classified as a derivative asset or liability. Also under U.S. GAAP, the requirements for a derivative instrument to qualify for hedge accounting and deferral of gains and losses are more restrictive than under Brazilian corporate law. The Company has not accounted for any derivative instrument following hedge accounting.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

(Amounts in millions of Brazilian reais R$, unless otherwise stated)

The following table provides a detail of our derivative financial instruments outstanding at the end of each period for which income statement is being presented.

June 30, 2007 (unaudited)

	Notional amount				Fair value		
Description	**Receive currency**	**Pay currency**	**Receiving side Interest rate**	**Paying side Interest rate**	**Book value Gain (loss)**	**U.S. GAAP Gain (loss)**	**Adjustment Gain (loss)**
Swap	US$54.7	R$132.2	5.1% fixed	101.7% to 102.0% of CDI variable	(61.9)	(64.7)	(2.8)
Zero Cost Collar	US$13.0	MXN143.7		Below MXN/US$ 11.1140	(0.7)	(0.7)	
Swap	US$1.4	R$2.8		35.7% of CDI variable	(0.0)	(0.0)	(0.0)
Swap	R$46.1	US$23.2	38.7 to 49.9% of CDI variable		1.3	2.1	0.8
Swap	R$11.9	US$6.0	39.8 to 52.0% of CDI variable		0.3	0.5	0.2
Swap	R$38.6	US$19.4	87.3 to 95.4% of CDI variable	5.3% fixed	1.2	2.2	1.0
Swap	R$19.4	US$10.0	87.9 to 93.0% of CDI variable	5.3% fixed	0.1	0.4	0.3
Swap	US$ 2.8	R$8.2	6.2% fixed	90.6% of CDI variable	(7.7)	(7.8)	(0.1)
Total					(67.4)	(68.0)	(0.6)

December 31, 2006

	Notional amount				Fair value		
Description	**Receive currency**	**Pay currency**	**Receiving side Interest rate**	**Paying side Interest rate**	**Book value Gain (loss)**	**U.S. GAAP Gain (loss)**	**Adjustment Gain (loss)**
Swap	US$56.0	R$135.5	5.1% fixed	101.7% to 102.0% of CDI variable	(42.8)	(45.1)	(2.3)
Zero Cost Collar	US$13.0	MXN 143.6		Below MXN 11.1140	(0.4)	(0.4)	
Swap	US$7.7	R$16.7		41.0 to 61.0% of CDI variable	(0.2)	(0.3)	(0.1)
Swap	R$28.3	US$13.2	51.5 to 58.6% of CDI variable		0.3	0.5	0.2
Swap	R$12.8	US$6.0	51.1 to 61.0% of CDI variable		0.1	0.2	0.1
Swap	R$44.9	US$20.9	96.4 to 105.0% of CDI variable	5.3% fixed	0.5	1.0	0.5
Swap	R$17.9	US$8.4	98.3 to 101.0% of CDI variable	5.3% fixed	0.1	0.4	0.3

Swap	US$4.3	R$12.6	6.2% fixed	93.0% of CDI	variable	(9.9)	(9.8)	0.1
Total						(52.3)	(53.5)	(1.2)

Table of Contents

j) Income and social contribution FIN 48

On January 1, 2007 for U.S. GAAP purposes, the Company adopted Financial Accounting Board Interpretation No.48 (FIN 48) Accounting for Uncertainty in Income Taxes . This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax position taken, or expected to be taken, in a tax return. This interpretation also provides a guidance on derecognition, classification, interest and penalties, accounting in interim periods disclosure. The effect of first applying the provision of this interpretation in the amount of R$ 12.9 is recognized in shareholder s equity and R$ 7.1 (expenses) in net income reconciliation.

The Company files its tax returns on income and social contribution taxes as prescribed by the tax laws. The Company is subject to examination by fiscal authorities up to 5 years.

k) Accounting for share compensation plan

As mentioned in Note 23, the Company has approved a share compensation plan on November 26, 2003.

The table below summarizes the information related to the shares granted to the Company s executives:

Grant date	Restricted shares granted (*)	Fair value of shares (whole Brazilian reais)	Total compensation costs, including tax	Accumulated recognized compensation costs	Unrecognized compensation costs
November 9, 2006	51,800	46.50	3.3	(0.2)	3.1
December 14, 2005	28,400	32.83	1.3	(0.2)	1.1
October 4, 2004	47,150	40.78	2.7	(0.7)	2.0
December 17, 2003	119,600	30.32	5.0	(1.8)	3.2
	246,950		12.3	(2.9)	9.4

(*) Retroactively adjusted for the stock dividend and reverse stock split as mentioned in Note 25.I.g).

Those shares were granted at no cost to the Company s executives. The grant-date fair values were determined based on the market value of these shares on the BOVESPA. These executives have the right to receive dividends on these shares provided that the professional relationship between them and the Company and its subsidiaries is not interrupted. These shares will cliff vest after ten years of the initial award. As of June 30, 2007, none of these shares granted to the executives were forfeited. As of June 30, 2007, the total compensation cost related to nonvested awards not yet recognized amounts to R$ 9.4, and 7.9 years is the weighted-average period over which this compensation cost is expected to be recognized.

Under accounting practices adopted in Brazil, the Company records compensation costs from its share compensation plan similarly to the requirements of SFAS 123 (R) Share-Based Payment , using the fair value of the award. Compensation cost is charged to earnings on a straight-line basis. The fair value of the award equals its intrinsic value at the grant date.

No adjustments are included in the U.S. GAAP reconciliation related to the Company s stock compensation plan since the Company applies SFAS 123 (R) Share-Based Payment to account for the plan for U.S. GAAP purposes.

For U.S. GAAP purposes, dividends declared under these unvested restricted shares are accounted for initially as a charge to retained earnings. If the restricted shares do not vest, all previously declared dividends associated with the restricted shares are reversed from retained earnings and charged to compensation expense. As of June 30, 2007, accumulated dividends declared under all unvested restricted shares outstanding amounted to R$ 0.9 (R$ 0.9 as of December 31, 2006).

Table of Contents

l) Fair value of guarantees under FIN 45

Under accounting practices adopted in Brazil, the Company is not required to record any liability related to guarantees given to third parties unless contingent obligations to make future payments under the guarantees are probable.

Under accounting practices adopted in Brazil, as of June 30, 2007, the Company has not recorded any liability related to these guarantees, as disclosed in Note 14.

Under U.S. GAAP, the Company recognizes, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing guarantees in accordance with FIN 45, Guarantor s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others . In the event that, at inception of the guarantee, the Company is required to recognize a liability under SFAS 5, Accounting for Contingencies , the liability initially recognized would be the greater of: (a) the amount of fair value of the value of the obligation undertaken in issuing guarantee, or (b) the contingent liability amount required to be recognized at inception of the guarantee by applying SFAS 5.

Under U.S. GAAP, as of June 30, 2007 and December 31, 2006 the Company recorded a liability in the amount of R$ 1.8 and R$ 0.8, respectively, related to these guarantees based on their fair value. The respective offsetting entry of this liability was recorded as an expense. The net effect of this matter in the income statement as per U.S. GAAP is R$ 0.5 (income) and R$ 0.2 (income), per the six-month period ended on June 30, 2007 and 2006, respectively, at the time those guarantees were issued. The Company reduces the liability (by a credit to earnings) as it is released from risk under the guarantees.

m) Translation adjustments Oxiteno México

Under accounting practices adopted in Brazil, assets and liabilities of foreign subsidiaries are translated into Brazilian reais at the exchange rate in effect at the end of the reporting period, and revenues, expenses, gains and losses are translated into Brazilian reais at the exchange rates prevailing in the end of each month. The net translation gain or loss is reported, net of tax, in the statement of income as Other operating income (loss) .

Under U.S. GAAP, the functional currency of Oxiteno MéxicoS.A. de C.V. (Oxiteno México), recently renamed Oxiteno México is the Mexican Peso. As a consequence, the financial statements of Oxiteno México are translated into Brazilian reais in accordance with the criteria set forth in Statement of Financial Accounting Standards No. 52 (SFAS 52). Under these criteria, assets and liabilities are translated into Brazilian reais at the exchange rate in effect at the end of the reporting period, and revenues, expenses, gains and losses are translated into Brazilian reais at the average rates prevailing during the respective months. The net translation gain or loss resulting from this translation process is excluded from income and is presented as cumulative translation adjustments (CTA) in Other comprehensive income (loss) as a separate component of shareholders equity.

As a result of this difference, the net translation gain or loss, net of tax, reported in the statement of income under accounting practices adopted in Brazil in the amount of R$ 1.9 (gain) for the six-month period ended June 30, 2007 (R$ 1.1 (loss) as of June 30, 2006) was reclassified to Accumulated other comprehensive income (loss) in shareholders equity under U.S. GAAP. Such difference has no total shareholders equity effect.

n) Classification of export notes

Certain subsidiaries of the Company have discounted certain export notes under recourse financing arrangements with financial institutions operating in Brazil. If the original debtors fail to pay their obligations when due, these subsidiaries would be required to repay the financed amounts. Under accounting practices adopted in Brazil, such transactions are classified as a reduction of accounts receivable as mentioned in Note 6. Under U.S. GAAP, these transactions are recorded gross as accounts receivable and bank loans. As a consequence, current assets and liabilities under U.S. GAAP would be increased by R$ 57.6 and R$ 50.9 at June 30, 2007 and December 31, 2006, respectively. This U.S. GAAP difference has no net income or equity effect.

Table of Contents

o) Operating income

Under accounting practices adopted in Brazil, nonoperating income (expenses) includes certain items that would be classified within operating income for U.S. GAAP purposes. These items amounted to R$ 2.1 (loss) and R$ 10.8 (loss) for the six-month period ended June 30, 2007 and 2006, respectively, and are composed as follows:

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Total net nonoperating expenses, reported under accounting practices adopted in Brazil	(2.0)	(13.2)
Operating items under U.S. GAAP:		
Loss on disposals of fixed assets	0.7	4.1
Expenses related to studies and projects	1.5	6.7
Net nonoperating income (expenses), under U.S. GAAP (gain (loss) on disposal of investments)	0.2	(2.4)

p) Escrow deposits

Under accounting practices adopted in Brazil, the balances of escrow deposits are offset against these under the heading Other taxes and contributions contingent liabilities in non-current liabilities (as shown in the table of Note 20 a). Under U.S. GAAP, these balances are recorded gross as escrow deposits and other taxes and contributions contingent liabilities. As a consequence, non-current assets and liabilities under U.S. GAAP would be increased by R$ 67.7 and R$ 32.2 at June 30, 2007 and December 31, 2006, respectively. This U.S. GAAP difference has no net income or equity effect.

q) Accounting for asset retirement obligation

Under Brazilian GAAP, the Company expenses the amounts to be incurred when certain assets are retired, when incurred.

Under U.S. GAAP, the Company adopts SFAS No. 143 Accounting for Asset Retirement Obligations (SFAS 143). Asset retirement obligations correspond to the legally required obligation to remove fuel tanks upon retirement. Under SFAS 143, the fair value of asset retirement obligations are recorded as liabilities on a discounted basis when they are incurred, which is typically at the time the related assets are installed. Amounts recorded for the related assets will be increased by the amount of these obligations and depreciated over the related useful lives of such assets. Over time, the amounts recognized as liabilities will be accreted for the change in their present value until the related assets are retired or sold.

r) Financial statement note disclosures

Under accounting practices adopted in Brazil, a certain set of information is required to be disclosed in the notes to interim financial statements. The additional disclosures required by U.S. GAAP, which are relevant to the accompanying interim financial statements, are included herein.

s) New pronouncements

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB No. 115 which permits companies to choose to measure many financial instruments and certain other items at fair value in order to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This statement is effective for the Company s fiscal year ending January 31, 2009. The Company is currently assessing the impact of this statement on its consolidated financial statements.

t) Pension and other post-employment benefits

t.1) Pension benefits

Pension benefit obligations for Brazilian GAAP should be accounted for following CVM Instruction 371/2000, which requires the mandatory application of Brazilian Accounting Standard IBRACON NPC 26.

Table of Contents

Under IBRACON NPC 26 the Company has accounted for the plan administered by FFMB (and to which several Petróleo Ipiranga companies contribute) by recognizing a percentage attributed to the Company of the funded status and of the cost of the plan.

Under U.S. GAAP, considering that the financial information of the Company does not consolidate all the sponsors of the FFMB and such financial information does not represent the financial statements of the parent company of the Petróleo Ipiranga companies, the Company has accounted for its participation in the pension plan administered by FFMB as if it were a multi-employer plan.

As a result, the reconciliation presents: (a) the reversal of the pension plan asset/liability recognized for Brazilian GAAP as of each reporting date and the reversal of the related pension cost, and (b) the recognition as expense of the contribution due to the plan over the corresponding period.

t.2) Other post-retirement benefits

As explained in Note 18, the accompanying financial statements account for other post-retirement benefits following IBRACON NPC 26. Other post-retirement benefits are unfunded and are the sole responsibility of each Petróleo Ipiranga company. Under IBRACON NPC 26 actuarial gains and losses are deferred and recognized in income over the estimated remaining service period of the employees to the extent that those actuarial gains and losses exceed 10% of the higher of the plan assets and the projected benefit obligation.

Under U.S. GAAP such benefits are accounted for following SFAS No. 106 Employers' Accounting for Postretirement Benefits Other Than Pensions and, as from December 31, 2006, following SFAS 158 Employers Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106 and 132(R) . Under SFAS 158 the funded status of the other postretirement benefits must be recognized as a liability with an offsetting amount in accumulated other comprehensive income. As required by SFAS 158, provisions of SFAS 158 were applied effective on December 31, 2006.

Although projected benefit obligations are the same under Brazilian GAAP and U.S. GAAP, differences arise in the amounts recorded in the financial statements as result of: (i) that, for periods before implementation of SFAS 158, the amount of unrealized gains and losses for U.S. GAAP and BR GAAP differ as result of the fact that for BR GAAP purposes other post-retirement benefits are being accounted for under NPA 26 as from January 1, 2001 and after implementation of SFAS 158 unrealized gains and losses for U.S. GAAP are recognized against other comprehensive income, and (ii) the recognition as from December 31, 2006, as a liability for U.S. GAAP purposes of the funded status against accumulated other comprehensive income.

The projected benefit obligation as of June 30, 2007 has been determined based on the employees that will be transferred to Company as a result of the fuel and lubricant business acquired. The fair value of the plan assets is determined based on the proportion of the contribution made by each Ipiranga s group companies, as the plan is a multi-employer benefit plan. Should changes occur to the plan status, these will be adjusted to goodwill.

u) Accounting for refunds

The Company and its subsidiary CBPI offer to certain of their customers refunds in cash if they meet a specified cumulative volume of sales over a specified period of time. Under Brazilian GAAP, the refund is recognized as an expense when the cumulative volume of sales has been met. Such refunds are offered to a reduced group of customers and have begun to be offered recently.

Under U.S. GAAP, EITF 01-9, Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor s Products) , a Company should recognize a liability based on a systematic and rational allocation of the cost of honoring the commitment in each of the underlying transactions that result in progress toward earning the refund. Considering the reduced customers to which the refund is offered and the reduced historical experience, the Company believes that it cannot reasonably estimate the ultimate amount that will be earned by customers. As a result, under U.S. GAAP a liability is recognized for the maximum potential amount of the refund.

Table of Contents

II - Reconciliation of the differences between U.S. GAAP and accounting practices adopted in Brazil in net income

	Note 25.I.	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Net income as reported under accounting practices adopted in Brazil		74.6	144.9
Reversal of revaluation adjustments:	b)		
Depreciation of property, plant and equipment		1.4	1.4
Deferred tax effects		(0.2)	(0.2)
		1.2	1.2
Inflation accounting:	a)		
Property, plant and equipment incremental depreciation		(2.9)	(1.8)
Other nonmonetary assets		0.1	(0.4)
		(2.8)	(2.2)
Deferred tax effects		1.0	0.7
		(1.8)	(1.5)
Different criteria for:			
Cancellation of subsidiaries treasury stock	f)	0.5	0.5
Deferred charges expensed:	c)		
Cost		(27.6)	(32.1)
Amortization		24.5	22.4
Depreciation of interest costs capitalized during construction	e)	(0.2)	(0.2)
Reversal of goodwill amortization	f)	2.6	2.4
Fair value adjustments relating to accounting for derivative instruments and hedging activities	i)	0.6	0.4
Asset Retirement Obligation SFAS 143 depreciation of assets	q)	0.5	
Asset Retirement Obligation SFAS 143 increase in liabilities	q)	(0.6)	
Pension Plan	t)	(2.2)	
Translation adjustments Oxiteno México	m)	(2.8)	1.7
Accounting for refunds	u)	0.5	
Other individually insignificant adjustments	d), l)	2.3	1.3
		(1.9)	(3.6)
Deferred tax effects		0.6	1.2
		(1.3)	(2.4)
Fair value adjustments relating to business combinations	f)	(0.8)	(0.8)
Deferred tax effects		0.3	0.3
		(0.5)	(0.5)
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio	f)	2.2	2.2
Deferred tax effects		(0.5)	(0.5)
		1.7	1.7
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.	f)	0.7	0.7

Deferred tax effects	(0.3)	(0.3)
	0.4	0.4

Table of Contents

	Note 25.I.	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Fair value adjustments relating to the acquisition of Oxiteno México S.A. de C.V.	f)	0.1	0.1
Deferred tax effects			
		0.1	0.1
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A	f)	(0.3)	(0.3)
Deferred tax effects		0.1	0.1
		(0.2)	(0.2)
Fair value adjustments relating to the acquisition of Ipiranga and Refinery	f)	(3.6)	
Deferred tax effects		1.2	
Reversal of goodwill amortization		11.1	
Minority interests		2.5	
		11.2	
Income and social contribution taxes FIN 48	j)	(7.1)	
Net income under U.S. GAAP		78.3	143.7
Basic and diluted earnings per share under U.S. GAAP (in accordance with SFAS 128) R$:	g)	0.97	1.77
Basic and diluted earnings per common share(*)			
Basic and diluted earnings per preferred share(*)			

(*) The calculation of basic and diluted earnings per share is summarized in Note 25.V.a.

F-52

Table of Contents

III - Reconciliation of the differences between U.S. GAAP and accounting practices adopted in Brazil in shareholders equity

	Note 25.I.	June 30, 2007 (unaudited)	December 31, 2006
Shareholders equity as reported under accounting practices adopted in Brazil		1,987.4	1,933.5
Reversal of revaluation adjustments:	b)		
Property, plant and equipment		(25.9)	(27.3)
Deferred tax effects		0.7	0.9
Minority interests		0.5	0.5
		(24.7)	(25.9)
Inflation accounting:	a)		
Property, plant and equipment		56.2	21.7
Other nonmonetary assets		2.9	2.8
		59.1	24.5
Deferred tax effects		(20.1)	(8.3)
Minority interests		(0.2)	(0.2)
		38.8	16.0
Different criteria for:			
Cancellation of subsidiaries treasury stock	f)	(1.6)	(2.1)
Deferred charges:	c)		
Cost		(232.6)	(205.0)
Accumulated amortization		132.6	108.1
Capitalization of interest costs during construction:	e)		
Cost		22.8	12.8
Accumulated amortization		(12.7)	(12.5)
Reversal of goodwill amortization of SPGás acquisition under BR GAAP	f)	18.7	16.3
Reversal of net goodwill generated in the acquisition of Companhia Ultragaz S.A. shares from minority shareholders under BR GAAP	f)	(0.9)	(1.1)
Fair value adjustments relating to accounting for derivative instruments	i)	(0.6)	(1.2)
Asset Retirement Obligation SFAS 143 Assets	q)	23.1	
Asset Retirement Obligation SFAS 143 Liabilities	q)	(88.3)	
Pension Plan	t)	(5.7)	
Accounting for refunds	u)	(5.3)	
Other individually insignificant adjustments	d), l)	(0.1)	0.2
		(150.6)	(84.5)
Deferred tax effects		51.4	27.6
Minority interests		0.6	0.6
		(98.6)	(56.3)
Fair value adjustments relating to business combinations:	f)	0.7	1.5
Deferred tax effect		(0.2)	(0.5)
		0.5	1.0

Table of Contents

	Note 25.I.	June 30, 2007 (unaudited)	December 31, 2006
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio	f)	(20.4)	(22.6)
Deferred tax effects		4.1	4.6
		(16.3)	(18.0)
Adjustments relating to the acquisition of Ipiranga and Refinery :	f)		
Fair value adjustments		161.9	
Deferred tax effects		(54.1)	
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil		(99.3)	
Minority interest		27.0	
		35.5	
Adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.:	f)		
Fair value adjustments		(4.8)	(5.5)
Deferred tax effects		1.6	1.9
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil		14.4	14.4
Minority interest		(0.2)	(0.2)
		11.0	10.6
Adjustments relating to the acquisition of Oxiteno MéxicoS.A. de C.V.:	f)		
Fair value adjustments		(1.7)	(1.8)
Deferred tax effects		0.6	0.6
Goodwill difference between U.S. GAAP and accounting practices adopted in Brazil		0.7	0.7
		(0.4)	(0.5)
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A.	f)	3.5	3.8
Deferred tax effects		(1.2)	(1.3)
		2.3	2.5
Available-for-sale equity securities (temporary unrealized gain)	h)	4.4	1.5
Deferred tax effects		(1.5)	(0.5)
		2.9	1.0
Available-for-sale debt securities (temporary unrealized gain)	h)	15.8	13.7
Deferred tax effects		(5.4)	(4.7)
		10.4	9.0
Income and social contribution taxes FIN 48	j)	(12.9)	
Shareholders equity under U.S. GAAP		1,935.9	1,872.9

Table of Contents

IV - Statement of changes in shareholders equity in accordance with U.S. GAAP

	June 30, 2007 (unaudited)	December 31, 2006	June 30, 2006 (unaudited)
Shareholders equity under U.S. GAAP as of beginning of the year	1,872.9	1,730.2	1,730.2
Additional paid-in capital	0.4	0.7	0.3
Net income	78.3	280.5	143.7
Dividends and interest on own capital		(144.2)	
Acquisition of treasury shares	(20.9)	(1.1)	
Unrealized gains (losses) on available-for-sale equity securities, net of tax Note 25.I.h)	1.9	(1.0)	(1.8)
Unrealized gains (losses) on available-for-sale debt securities, net of tax Note 25.I.h)	1.4	9.0	18.5
Translation adjustment Oxiteno México net of tax Note 25.I.m)	1.9	(1.2)	(1.1)
Shareholders equity under U.S. GAAP as of the end of the period	1,935.9	1,872.9	1,889.8

	June 30, 2007 (unaudited)	December 31, 2006	June 30, 2006 (unaudited)
Comprehensive income (under SFAS 130):			
Net income	78.3	280.5	143.7
Unrealized gains (losses) on available-for-sale equity securities, net of tax Note 25.I.h)	1.9	(1.0)	(1.8)
Unrealized gains (losses) on available-for-sale debt securities, net of tax Note 25.I.h)	1.4	9.0	18.5
Translation adjustment Oxiteno México net of tax Note 25.I.m)	1.9	(1.2)	(1.1)
Total comprehensive income	83.5	287.3	159.3
Accumulated other comprehensive income as of the end of the period	18.3	13.1	21.9
Thereof:			
Available for sale equity securities, net of tax Note 25.I.h)	6.0	4.1	3.3
Available for sale debt securities, net of tax Note 25.I.h)	10.4	9.0	18.5
Cumulative Translation adjustment Oxiteno México, net of tax Note 25.I.m)	1.9		0.1
	18.3	13.1	21.9

V - Additional disclosures required by U.S. GAAP

a) Earnings per share

The following table provides a reconciliation of the numerators and denominators used in computing earnings per share as required by SFAS 128. The calculation of earnings per share as summarized below is retroactively adjusted for the stock dividend and reverse stock split as mentioned in Note 25.I.g). As discussed in Notes 23 and 25.I.k), the Company has a share compensation plan. For all periods presented, the impact of this share compensation plan on diluted earnings per share was minimal and, consequently, the Company has not presented a separate calculation of the diluted earnings per share amount.

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Undistributed income	78.3	143.7

Net income under U.S. GAAP	78.3	143.7
Weighted average shares outstanding (in thousands)	81,021.2	81,131.5
Basic and diluted earnings per share whole R$	0.97	1.77

Table of Contents

b) Concentrations of credit risk

Financial instruments which potentially subject the Company to credit risk are cash and cash equivalents, financial investments and trade receivables. Based on the factors described below, the Company considers the risk of counterparty default to be minimal.

The Company manages its credit risk with respect to cash equivalents and financial investments by investing only in liquid instruments with highly-rated financial institutions. In addition, investments are diversified in several institutions, and credit limits are established for each individual institution.

Credit risk from accounts receivable is managed following specific criteria for each of the segments in which the Company operates, as follows:

Chemical segment (Oxiteno)

Oxiteno s customers of commodity chemicals are principally chemical companies, surface coating producers and polyester resin producers, while customers of specialty chemicals comprise a variety of industrial and commercial enterprises. No single customer or group accounts for more than 10% of total revenue. Management believes that by distributing its products to a variety of markets it is able to protect itself, to a certain extent, from the effects of negative trends in any particular market. Oxiteno acts as a member of a Credit Committee of the Brazilian chemical manufacturers which meets monthly to review the financial position of clients showing past-due accounts.

Historically, the Company has not experienced significant losses on trade receivables.

Gas segment (Ultragaz)

Ultragaz sells its products to the residential, commercial and industrial markets.

Sales to the residential market are carried out directly by Ultragaz using cash terms, from which no significant credit risk exists, or through outside distributors. Credit risk in sales to outside distributors is reduced due to the large customer base, the ongoing control procedures that monitor the creditworthiness of distributors, and by short payment terms (22 days on average) that permit continuous monitoring of distributors compliance.

Sales to the commercial and industrial markets are usually made to customers that have signed a credit agreement with the Company and have provided guarantees or collateral. Periodic monitoring of these accounts is performed by specific staff with the support of financial information systems.

No single customer or group accounts for more than 10% of total revenue.

Historically, the Company has not experienced significant losses on trade receivables.

Logistic segment (Ultracargo)

The main customers of Ultracargo are chemical companies. The average-term payment is 33 days.

Historically, the Company has not experienced significant losses on trade receivables.

Distribution segment (Ipiranga)

Ipiranga engages in distribution of fuels/lubricants and related products.

Credit risk in sales is reduced due to the large customer base and by short payment terms (12 days on average). Periodic monitoring of these accounts is performed by specific staff with the support of financial information systems.

Table of Contents

No single customer or group accounts for more than 10% of total revenue.

Historically, the Company has not experienced significant losses on trade receivables.

Company is dependent on few major suppliers

The Company is dependent on third-party manufacturers for all of its supply of ethylene, fuels/lubricants and LPG. As of June 30, 2007 and as of June 30, 2006, products purchased from the Company s three largest suppliers accounted for approximately 77% and 72% of cost of sales and services, respectively. The Company is dependent on the ability of its suppliers to provide products on a timely basis and on favorable pricing terms. The loss of certain principal suppliers or a significant reduction in product availability from principal suppliers could have a material adverse effect on the Company. The Company believes that its relationship with its suppliers is satisfactory.

c) Impairment of long-lived assets

The Company reviews the carrying value of property, plant, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors.

No impairment has been recorded in the consolidated interim financial statements as of June 30, 2007.

d) Impairment of goodwill

Under U.S. GAAP financial statements, goodwill consists of the excess of the cost paid for the acquisitions of SPGás, Oxiteno México, Petrolog and Ipiranga over the net of the fair value assigned to assets acquired and liabilities assumed of these companies.

The Company has recorded the following amounts of goodwill under the U.S. GAAP financial statements:

Description	**June 30, 2007 (unaudited)**	**December 31, 2006**
Gas segment (Ultragaz):		
Goodwill on the acquisition of SPGás	39.9	39.9
Chemical segment (Oxiteno):		
Goodwill on the acquisition of Oxiteno México	2.6	2.6
Cargo segment (Ultracargo):		
Goodwill on the acquisition of Petrolog	6.5	
Distribution segment (Ultrapar):		
Goodwill on the acquisition of Ipiranga	329.2	

As mentioned in Note 25.I.f), goodwill is not amortized and is annually tested for impairment.

e) Fair value of financial instruments

The fair values of accounts receivables and trade suppliers approximate their book values. The fair value of financial assets and financial liabilities, including cash and cash equivalents, short and long-term investments, financing, debentures and swap instruments are disclosed in Note 19.

Table of Contents

f) Environmental issues

The Company and its subsidiaries are subject to federal, state and local laws and regulations relating to the environment. These laws generally provide for control of air and effluent emissions and require responsible parties to undertake remediation of hazardous waste disposal sites. Civil penalties may be imposed for noncompliance. The Company provides for remediation costs and penalties when a loss is probable and the amount is reasonably determinable. It is not presently possible to estimate the amount of all remediation costs that might be incurred or penalties that may be imposed; however, management does not presently expect that such costs and penalties will have a material effect on the Company s consolidated financial position or results of operations. Recurring costs associated with managing hazardous substances and pollution in on-going operations, mainly composed of costs for treatment of effluents and for incinerations, amounted to R$ 6.7 and R$ 1.8 for the six-month period ended June 30, 2007 and 2006, respectively. Capital expenditures to limit or monitor hazardous substances and pollutants amounted to R$ 4.0 and R$ 2.8, for the six-month period ended June 30, 2007 and June 30, 2006, respectively.

The Company s subsidiary Ultracargo Operações Logísticas e Participações Ltda. has controlled environmental liabilities in two of its terminals, situated in Santos and Paulínia, which are in monitoring and remediation phase, respectively.

We have no historical mandated expenditures to remediate previously contaminated sites, and other infrequent or non-recurring clean-up expenditures that can be anticipated but which are not required in the present circumstances.

g) Statement of cash flows

Accounting practices adopted in Brazil do not require the presentation of a statement of cash flows as required by U.S. GAAP. Changes in working capital are presented in the statement of changes in financial position. U.S. GAAP requires the presentation of a statement of cash flows describing the Company s cash flows from operating, financing and investing activities. Statements of cash flows derived from the information based on accounting practices adopted in Brazil are as follows:

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006

(In millions of Brazilian reais R$)

	June 30, 2007	June 30, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	74.6	144.9
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	131.2	93.5
PIS and COFINS credit on depreciation	1.3	1.1
Loss on disposals of permanent assets	3.0	9.2
Interest, monetary and exchange variation (gains)	(37.4)	(53.1)
Allowance (reversal of provision) for losses on permanent assets	(2.8)	2.4
Equity in losses of affiliated companies	0.1	(0.6)
Deferred income and social contribution taxes	(22.7)	(11.2)
Minority interest	48.2	2.3
Dividends received	2.2	
Other	0.3	6.8
Decrease (increase) in operating assets:		
Trade accounts receivable	(16.0)	(14.4)
Recoverable taxes	(24.2)	(23.2)
Inventories	(6.1)	(5.5)
Prepaid expenses	0.1	(0.4)
Other	(19.5)	0.3
Increase (decrease) in operating liabilities:		
Suppliers	31.9	(0.9)
Salaries and related charges	(6.4)	0.8
Taxes	4.8	4.7
Income and social contribution taxes	18.4	4.8
Provision for contingencies	1.1	(12.5)
Other	(0.9)	(10.7)
Net cash provided by operating activities	181.2	138.3
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to short-term investments	(7.1)	(577.7)
Proceeds from sales of short-term investments	453.0	92.7
Purchase of Ipiranga, net of cash acquired	(532.1)	
Additions to escrow deposits	(5.5)	0.3
Additions to property, plant and equipment	(271.5)	(93.8)
Additions to intangible assets	(3.5)	(7.8)
Additions to deferred charges	(41.8)	(37.3)
Proceeds from sales of property, plant and equipment	10.5	3.7
Other	(0.1)	
Net cash used in investing activities	(398.1)	(619.9)

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2007 AND 2006

(In millions of Brazilian reais R$) (Continuation)

	June 30, 2007	June 30, 2006
CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term debt, net	649.5	(88.1)
Loans, Financing and Debentures:		
Issuances	87.5	38.4
Repayments	(3.4)	2.5
Loans from affiliated companies:		
Issuances	6.9	2.7
Repayments	(10.5)	(4.3)
Dividends paid	(63.9)	(87.5)
Acquisition of treasury shares	(20.9)	
Net cash provided by (used in) financing activities	645.2	(136.3)
Effect of exchange rate changes on cash and cash equivalents	(28.4)	(6.6)
Net increase (decrease) in cash and cash equivalents	399.9	(624.5)
Cash and cash equivalents at the beginning of the period	385.1	1,114.2
Cash and cash equivalents at the end of the period	785.0	489.7
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest, net of amounts capitalized	47.1	43.7
Income taxes	29.8	6.6

F-60

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

h) Segment information

Financial information about each of the Company s reportable segments based on records in accordance with accounting practices adopted in Brazil is as follows:

	June 30, 2007 (unaudited)	**June 30, 2006 (unaudited)**
Net revenue from sales to unassociated companies:		
Gas	1,532.4	1,474.9
Distribution of fuels/lubricants	4,947.4	
Chemical(1)	783.9	727.7
Logistics	88.4	92.5
Other(2)	3.1	
	7,355.2	2,295.1
Intersegment:		
Gas	0.6	0.5
Distribution of fuels/lubricants		
Chemical		0.1
Logistics	22.9	24.4
Other(2)	20.5	3.2
Elimination	44.0	28.2
Net revenues:		
Gas	1,533.0	1,475.4
Distribution of fuels/lubricants	4,947.4	
Chemical	783.9	727.8
Logistics	111.3	116.9
Other(2)	23.6	3.2
Elimination	(44.0)	(28.2)
	7,355.2	2,295.1
Operating profit before financial items:		
Gas	78.8	76.4
Distribution of fuels/lubricants	84.2	
Chemical	46.1	64.0
Logistics	10.8	6.2
Other(2)	(7.8)	2.5
	212.1	149.1
Financial income (expenses), net	(35.1)	34.9
Nonoperating expenses, net	(2.0)	(13.2)
Income before income and social contribution taxes, equity in gain of affiliated companies and minority interest	175.0	170.8

Equity in gain of affiliated companies and minority interest	(48.3)	(1.7)
Employees statutory interest	(2.8)	
Income before taxes	123.9	169.1

(1) Net revenue from sales to unassociated companies of the chemical segment includes the amounts of R$ 224.2 and R$ 212.1 for the six-month period ended June 30, 2007 and 2006, respectively, related to Glycols. Historically Glycols is the only one of our chemical products families that represents more than 10% of total sales. As of June 30, 2007 and 2006, glycols represented 3.0% and 9.2% of total sales, respectively. An important portion of our products could be classified as a commodity and a specialty chemical, depending on the use of such products by our customers. As a consequence we consider that an exact split of sales between commodity and specialty chemicals would be impractical.

(2) In the table above, the other is composed mainly by parent company Ultrapar Participações S.A., by Imaven Imóveis e Agropecuária Ltda and by the participation in the oil refining business.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

	June 30, 2007 (unaudited)	December 31, 2006
Additions to property, plant and equipment and intangible assets according to:		
Accounting practices adopted in Brazil:		
Gas	32.0	62.3
Distribution of fuels/lubricants	18.7	
Chemical	201.9	160.2
Logistics	20.9	41.0
Other(1)	1.5	1.2
	275.0	264.7
U.S. GAAP:		
Gas	32.0	62.3
Distribution of fuels/lubricants	18.7	
Chemical	201.9	160.2
Logistics	20.9	41.0
Other(1)	1.5	1.2
	275.0	264.7

	June 30, 2007 (unaudited)	June 30, 2006 (unaudited)
Depreciation and amortization charges according to:		
Accounting practices adopted in Brazil:		
Gas	59.5	56.5
Distribution of fuels/lubricants	23.7	
Chemical	23.9	22.6
Logistics	12.6	14.0
Other(1)	11.5	0.4
	131.2	93.5
U.S. GAAP:		
Gas	33.2	33.5
Distribution of fuels/lubricants	35.8	
Chemical	23.2	22.3
Logistics	13.7	16.1
Other(1)	1.1	0.1
	107.0	72.0

F-62

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

	June 30, 2007 (unaudited)	December 31, 2006
Identifiable assets accounting practices adopted in Brazil:		
Gas	957.4	961.4
Distribution of fuels/lubricants	2,563.1	
Chemical	2,478.1	2,307.8
Logistics	353.3	310.1
Other(1).	570.8	322.8
	6,922.7	3,902.1
Identifiable assets U.S. GAAP:		
Gas	914.3	916.3
Distribution of fuels/lubricants	2,692.9	
Chemical	2,616.2	2,299.3
Logistics	354.8	311.2
Other(1)	550.4	316.7
	6,924.2	3,843.5

(1) In the table above, the other is composed by parent company Ultrapar Participações S.A., by Imaven Imóveis e Agropecuária Ltda and by the participation in the oil refining business.

Additional information about business segments can be found in Note 18.

	June 30, 2007 (unaudited)	December 31, 2006
Investments in equity investees accounting practices adopted in Brazil:		
Ipiranga	7.1	
Chemical	5.2	5.3

See Note 10 for details of investment in equity investees.

Table of Contents

i) Financial information for subsidiary guarantors and non-guarantor subsidiaries

Ultrapar Participações S.A. (Company) and Oxiteno S.A. (a wholly-owned subsidiary of Ultrapar Participações) are guarantors of LPG International Inc. s obligations in connection with the issuance of registered notes. The guarantees are full and unconditional and are joint and several. We are presenting, pursuant to Rule 3 10 of Regulation S-X, condensed consolidating financial statements, according to accounting practices adopted in Brazil, of the guarantors and other Ultrapar subsidiaries, as follow:

Consolidated Balance Sheets

as of June 30, 2007 (unaudited)

ASSETS	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
CURRENT ASSETS							
Cash and cash equivalents	0.8	68.0	15.8	83.8	700.4		785.0
Short-term investments					804.3		804.3
Trade accounts receivable, net			72.8	72.8	1,252.8	(64.7)	1,260.9
Inventories			78.5	78.5	462.3	(0.4)	540.4
Recoverable taxes		9.8	12.3	22.1	171.1	0.4	193.6
Deferred income and social contribution taxes		0.1	3.3	3.4	71.1		74.5
Dividends receivable			21.3	21.3		(21.3)	
Other		0.5	2.0	2.5	29.5	(0.7)	31.3
Prepaid expenses	1.0	2.0	1.4	3.4	17.0	(0.9)	20.5
TOTAL CURRENT ASSETS	**1.8**	**80.4**	**207.4**	**287.8**	**3,508.5**	**(87.6)**	**3,710.5**
NON-CURRENT ASSETS							
Long-term investments					118.9		118.9
Trade accounts receivable, net			0.5	0.5	157.1		157.6
Related companies	482.6	85.5	2.2	87.7	380.1	(908.3)	42.1
Deferred income and social contribution taxes		13.5	10.0	23.5	86.2		109.7
Recoverable taxes		18.6	34.7	53.3	19.1		72.4
Escrow deposits		0.2	2.5	2.7	22.4		25.1
Other					8.2		8.2
Prepaid expenses	7.1		2.1	2.1	25.8	(5.9)	29.1
TOTAL LONG TERM ASSETS	**489.7**	**117.8**	**52.0**	**169.8**	**817.8**	**(914.2)**	**563.1**
PERMANENT ASSETS							
Investments:							
Subsidiary and affiliated companies		2,829.3	1,292.8	4,122.1	10.7	(4,120.5)	12.3
Other					26.6		26.6
Property, plant and equipment, net			254.4	254.4	1,744.6	(0.6)	1,998.4
Intangible assets, net			11.6	11.6	56.4		68.0
Deferred charges, net		11.6	13.9	25.5	103.5	414.8	543.8
TOTAL PERMANENT ASSETS		**2,840.9**	**1,572.7**	**4,413.6**	**1,941.8**	**(3,706.3)**	**2,649.1**
TOTAL ASSETS UNDER ACCOUNTING PRACTICES ADOPTED IN BRAZIL	**491.5**	**3,039.1**	**1,832.1**	**4,871.2**	**6,268.1**	**(4,708.1)**	**6,922.7**

Table of Contents

Consolidated Balance Sheets

as of June 30, 2007 (unaudited)

RECONCILIATION TO U.S.GAAP	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
Reversal of revaluation adjustments			(1.2)	(1.2)	(24.7)		(25.9)
Inflation accounting			6.9	6.9	52.2		59.1
Different criteria for:							
Deferred charges		(11.9)	(13.9)	(25.8)	(74.2)		(100.0)
Capitalization of interest costs during construction					10.1		10.1
Reversal of goodwill amortization of SPGás acquisition under BR GAAP					18.7		18.7
Reversal of goodwill amortization of Companhia Ultragaz S.A. shares from minority shareholders					(0.9)		(0.9)
Other individually insignificant adjustments		0.1	(0.1)	(0.0)	1.7		1.7
Fair value adjustments relating to business combinations		(0.5)	1.3	0.8	(0.1)		0.7
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio		(20.4)		(20.4)			(20.4)
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.					9.6		9.6
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.					(1.0)		(1.0)
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A					3.5		3.5
Available-for-sale equity securities (temporary unrealized gain)			4.4	4.4			4.4
Available-for-sale debt securities (temporary unrealized gain)					15.8		15.8
Fair value adjustments relating to the acquisition of Ipiranga					62.6		62.6
Assets Retirement Obligation Assets					23.1		23.1
Deferred tax effects		2.7	0.5	3.2	(62.8)		(59.6)
Equity on U.S. GAAP adjustment		(23.8)	1.8	(22.0)		22.0	
TOTAL ASSETS UNDER U.S.GAAP	**491.5**	**2,985.3**	**1,831.8**	**4,817.1**	**6,301.7**	**(4,686.1)**	**6,924.2**

F-65

Table of Contents

Consolidated Balance Sheets

as of June 30, 2007 (unaudited)

LIABILITIES	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
CURRENT LIABILITIES							
Loans and financing	1.0		37.7	37.7	331.4		370.1
Debentures		1,004.8		1,004.8	10.5		1,015.3
Suppliers		1.0	68.1	69.1	443.3	(61.7)	450.7
Payroll and related charges		0.1	13.8	13.9	91.4		105.3
Taxes payable		0.1	0.9	1.0	50.6		51.6
Dividends payable		35.6	0.1	35.7	25.1	(21.2)	39.6
Income and social contribution taxes					36.3		36.3
Post-retirement benefits					7.2		7.2
Provision for contingencies					11.8		11.8
Deferred income and social contribution taxes			0.1	0.1	0.1		0.2
Other		2.8	1.8	4.6	26.1	(0.6)	30.1
TOTAL CURRENT LIABILITIES	**1.0**	**1,044.4**	**122.5**	**1,166.9**	**1,033.8**	**(83.5)**	**2,118.2**
NON-CURRENT							
LONG-TERM LIABILITIES							
Loans and financing	481.5		61.8	61.8	605.8		1,149.1
Debentures					350.0		350.0
Related companies		0.5	127.8	128.3	784.7	(908.3)	4.7
Deferred income and social contribution taxes			25.1	25.1	1.4		26.5
Other taxes and contributions contingent liabilities			9.2	9.2	78.8		88.0
Post-retirement benefits					71.7		71.7
Other			0.5	0.5	10.9		11.4
TOTAL LONG-TERM LIABILITIES	**481.5**	**0.5**	**224.4**	**224.9**	**1,903.3**	**(908.3)**	**1,701.4**
MINORITY INTEREST					**711.3**	**404.4**	**1,115.7**
SHAREHOLDERS' EQUITY							
Capital		946.0	720.3	1,666.3	1,526.1	(2,246.4)	946.0
Capital reserve		3.0		3.0	40.4	(42.7)	0.7
Revaluation reserve		12.3	1.3	13.6	20.0	(21.3)	12.3
Profit reserves	9.0	983.2	720.3	1,703.5	588.6	(1,317.9)	983.2
Treasury shares		(25.5)		(25.5)	(0.1)	(4.4)	(30.0)
Retained earnings		75.2	43.3	118.5	444.7	(488.0)	75.2
TOTAL SHAREHOLDERS EQUITY UNDER ACCOUNTING PRACTICES	**9.0**	**1,994.2**	**1,485.2**	**3,479.4**	**2,619.7**	**(4,120.7)**	**1,987.4**

ADOPTED IN BRAZIL

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY UNDER ACCOUNTING PRACTICES ADOPTED IN BRAZIL	**491.5**	**3,039.1**	**1,832.1**	**4,871.2**	**6,268.1**	**(4,708.1)**	**6,922.7**

Table of Contents

Consolidated Balance Sheets

as of June 30, 2007 (unaudited)

LIABILITIES	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
SHAREHOLDERS EQUITY RECONCILIATION TO U.S.GAAP							
Reversal of revaluation adjustments			(1.2)	(1.2)	(24.7)		(25.9)
Inflation accounting			6.9	6.9	52.2		59.1
Different criteria for:							
Cancellation of subsidiaries treasury stock					(1.6)		(1.6)
Deferred charges		0.1	(13.9)	(13.8)	(86.2)		(100.0)
Capitalization of interest costs during construction					10.1		10.1
Reversal of goodwill amortization of SPGás acquisition under BR GAAP					18.7		18.7
Reversal of goodwill amortization of Companhia Ultragaz S.A. shares from minority shareholders					(0.9)		(0.9)
Fair value adjustments relating to accounting for derivative instruments and headging activities			1.3	1.3	(1.9)		(0.6)
Other individually insignificant adjustments		0.1	(0.2)	(0.1)	0.0		(0.1)
Fair value adjustments relating to business combinations		(0.5)	1.3	0.8	(0.1)		0.7
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio		(20.4)		(20.4)			(20.4)
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.					9.6		9.6
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.					(1.0)		(1.0)
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A					3.5		3.5
Available-for-sale equity securities (temporary unrealized gain)			4.4	4.4			4.4
Available-for-sale debt securities (temporary unrealized gain)					15.8		15.8
Fair value adjustments relating to the acquisition of Ipiranga/Refinary					62.6		62.6
Assets Retirement Obligation Assets					23.1		23.1
Assets Retirement Obligation Liabilities							(88.3)
Pension Plan							(5.7)
FIN 48		(7.0)					(12.9)
Accounting for refunds							(5.3)
Deferred tax effects		5.1	0.4	5.5	(29.6)		(24.1)
Minority Interest					27.7		27.7
Equity on U.S.GAAP adjustment		(23.8)	1.8	(22.0)		22.0	
	9.0	**1,945.3**	**1,486.0**	**3,438.3**	**2,699.5**	**(4,098.7)**	**1,935.9**

TOTAL SHAREHOLDERS EQUITY UNDER U.S.GAAP

Table of Contents

Consolidated Statements of Income

for the period ended June 30, 2007 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
GROSS SALES AND SERVICES			382.1	382.1	7,543.1	(199.2)	7,726.0
Deductions			(90.0)	(90.0)	(312.2)	31.4	(370.8)
NET SALES AND SERVICES			**292.1**	**292.1**	**7,230.9**	**(167.8)**	**7,355.2**
Cost of sales and services			(261.9)	(261.9)	(6,557.3)	164.1	(6,655.1)
GROSS PROFIT			**30.2**	**30.2**	**673.6**	**(3.7)**	**700.1**
OPERATING (EXPENSES) INCOME		**(11.0)**	**(57.3)**	**(68.3)**	**(423.0)**	**3.3**	**(488.0)**
Selling			(13.4)	(13.4)	(164.7)	0.3	(177.8)
General and administrative		(0.1)	(41.1)	(41.2)	(178.8)	3.1	(216.9)
Depreciation and amortization		(10.9)	(3.7)	(14.6)	(82.8)		(97.4)
Other operating income, net			0.9	0.9	3.3	(0.1)	4.1
OPERATING INCOME (LOSS) BEFORE FINANCIAL ITEMS		**(11.0)**	**(27.1)**	**(38.1)**	**250.6**	**(0.4)**	**212.1**
Financial income (expenses), net	0.2	(22.0)	2.5	(19.5)	(7.1)	(8.7)	(35.1)
Nonoperating income (expenses), net					(2.0)		(2.0)
INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES, EQUITY IN GAIN (LOSSES) OF AFFILIATED COMPANIES AND MINORITY INTEREST	**0.2**	**(33.0)**	**(24.6)**	**(57.6)**	**241.5**	**(9.1)**	**175.0**
INCOME AND SOCIAL CONTRIBUTION TAXES		**10.5**		**10.5**	**(60.0)**	**0.2**	**(49.3)**
Current					(77.4)		(77.4)
Deferred		10.5		10.5	11.5		22.0
Benefit of tax holidays					5.9	0.2	6.1
INCOME (LOSS) BEFORE EQUITY IN GAIN (LOSSES) OF AFFILIATED COMPANIES AND MINORITY INTEREST	**0.2**	**(22.5)**	**(24.6)**	**(47.1)**	**181.5**	**(8.9)**	**125.7**
Equity in losses of affiliated companies		97.1	67.5	164.6	(0.1)	(164.6)	(0.1)
Employees statutory interest					(2.8)		(2.8)
Minority interest					(34.8)	(13.4)	(48.2)
NET INCOME (LOSS) UNDER ACCOUNTING PRACTICES	**0.2**	**74.6**	**42.9**	**117.5**	**143.8**	**(186.9)**	**74.6**

ADOPTED IN BRAZIL			
	0.0	0.0	0.0

F-68

Table of Contents

Consolidated Statements of Income

for the period ended June 30, 2007 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
RECONCILIATION TO U.S.GAAP							
Reversal of revaluation adjustments			0.4	0.4	1.0		1.4
Inflation accounting			(0.2)	(0.2)	(2.6)		(2.8)
Different criteria for:							
Cancellation of subsidiaries' treasury stock					0.5		0.5
Deferred charges		0.2	(2.9)	(2.7)	(0.4)		(3.1)
Depreciation of interest costs capitalized during construction					(0.2)		(0.2)
Reversal of goodwill amortization		0.5		0.5	13.2		13.7
Fair value adjustments relating to accounting for derivative instruments and headging activities			0.4	0.4	0.2		0.6
Translation adjustments Canamex					(2.8)		(2.8)
Other individually insignificant adjustments					2.4		2.4
Assets Retirement Obligation Assets					0.5		0.5
Assets Retirement Obligation Liabilities					(0.6)		(0.6)
Fair value adjustments relating to business combinations		0.5	(1.3)	(0.8)			(0.8)
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio		2.2		2.2			2.2
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.					0.7		0.7
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.					0.1		0.1
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A					(0.3)		(0.3)
Fair value adjustments relating to acquisition of Ipiranga/Refinary					(3.6)		(3.6)
FIN48		(7.0)		(7.0)	(0.1)		(7.1)
Accounting for refunds					0.5		0.5
Pension Plan					(2.2)		(2.2)
Deferred tax effects		0.2	1.3	1.5	0.6		2.1
Minority Interest					2.5		2.5
Equity on U.S.GAAP adjustment		13.1	(1.1)	11.9		(11.9)	
NET INCOME (LOSS) UNDER USGAAP	**0.2**	**84.3**	**39.5**	**123.7**	**153.2**	**(198.8)**	**78.3**

Table of Contents

Consolidated Statements of Cash Flows

for the period ended June 30, 2007 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wolly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income	0.2	74.6	42.9	117.5	143.8	(186.9)	74.6
Adjustments to reconcile net income to cash provided by operating activities:							
Depreciation and amortization		10.8	10.6	21.4	109.9	(0.1)	131.2
PIS and COFINS credit on depreciation			0.2	0.2	1.1		1.3
Loss on disposals of permanent assets			0.2	0.2	2.8		3.0
Interest, monetary and exchange variation (gains)	16.1	36.2	3.1	39.3	(116.8)	24.0	(37.4)
Allowance (reversal of provision) for losses on permanent assets					(2.8)		(2.8)
Equity in income (losses) of affiliated companies		(97.1)	(67.5)	(164.6)	0.1	164.6	0.1
Deferred income and social contribution taxes		(10.4)	(1.2)	(11.6)	(11.1)		(22.7)
Minority interest					34.8	13.4	48.2
Dividends received					2.0	0.2	2.2
Other					0.3		0.3
Decrease (increase) in operating assets:							
Trade accounts receivable			3.6	3.6	(23.0)	3.4	(16.0)
Recoverable taxes		(1.8)	(4.9)	(6.7)	(17.6)	0.1	(24.2)
Inventories			(9.2)	(9.2)	2.3	0.8	(6.1)
Prepaid expenses	0.1	(1.2)	(0.6)	(1.8)	2.2	(0.4)	0.1
Dividends received		12.9	174.9	187.8	40.9	(228.7)	
Other		(0.1)	(0.2)	(0.3)	(18.9)	(0.3)	(19.5)
Increase (decrease) in operating liabilities:							
Suppliers		0.6	11.5	12.1	23.8	(4.0)	31.9
Salaries and related charges			(5.0)	(5.0)	(1.4)		(6.4)
Taxes			0.3	0.3	4.5		4.8
Income and social contribution taxes		(9.4)	0.3	(9.1)	27.5		18.4
Other	1.1	2.9	1.3	4.2	(5.4)	0.3	0.2
Net cash (used in) provided by operating activities	**17.5**	**18.0**	**160.3**	**178.3**	**199.0**	**(213.6)**	**181.2**

F-70

Table of Contents

Consolidated Statements of Cash Flows

for the period ended June 30, 2007 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wolly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Oxiteno -Wolly Owned Guarantor Subsidiary	Consolidated
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to short-term investments					(122.7)	115.6	(7.1)
Proceeds from sales of short-term investments					453.0		453.0
Purchase of Ipiranga, net of cash acquired		(676.4)	(98.9)	(775.3)	101.1	142.1	(532.1)
Escrow deposits			(2.0)	(2.0)	(3.5)		(5.5)
Additions to property, plant and equipment			(40.9)	(40.9)	(230.6)		(271.5)
Additions to intangible assets			(0.6)	(0.6)	(2.9)		(3.5)
Additions to deferred charges		(11.9)	(2.5)	(14.4)	(27.4)		(41.8)
Proceeds from sales of property, plant and equipment			0.2	0.2	10.3		10.5
Other					(0.1)		(0.1)
Net cash (used in) provided by investing activities		**(688.3)**	**(144.7)**	**(833.0)**	**177.2**	**257.7**	**(398.1)**
CASH FLOWS FROM FINANCING ACTIVITIES							
Short-term debt, net	(17.5)	655.8	(7.2)	648.6	18.4		649.5
Long term financings and debentures:							
Issuances			24.8	24.8	62.7		87.5
Repayments					(3.4)		(3.4)
Loans from affiliated companies:							
Issuances		75.2	126.1	201.3	308.9	(503.3)	6.9
Repayments		(190.1)	(146.6)	(336.7)	(177.1)	503.3	(10.5)
Dividends paid		(61.1)	(43.2)	(104.3)	(163.4)	203.8	(63.9)
Capital increase			43.2	43.2	73.9	(117.1)	
Acquisition of treasury shares		(20.9)		(20.9)			(20.9)
Net cash provided by (used in) financing activities	**(17.5)**	**458.9**	**(2.9)**	**456.0**	**120.0**	**86.7**	**645.2**
Effect of exchange rate changes on cash and cash equivalents					(28.4)		(28.4)
Net increase (decrease) in cash and cash equivalents		(211.4)	12.7	(198.7)	467.8	130.8	399.9
Cash and cash equivalents at the beginning of the year	0.8	279.4	3.1	282.5	105.8	(4.0)	385.1
Cash and cash equivalents at the end of the year	0.8	68.0	15.8	83.8	573.6	126.8	785.0

Table of Contents

Consolidated Balance Sheets

as of December 31, 2006

ASSETS	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
CURRENT ASSETS							
Cash and cash equivalents	0.8	234.6	3.1	237.7	146.6		385.1
Short-term investments		44.8		44.8	692.5		737.3
Trade accounts receivable, net			76.5	76.5	343.5	(60.0)	360.0
Inventories			69.4	69.4	148.2	(0.4)	217.2
Recoverable taxes		8.0	7.4	15.4	102.4		117.8
Deferred income and social contribution taxes		0.1	2.1	2.2	25.1		27.3
Dividends receivable		53.8	146.1	199.9		(199.9)	
Other		0.3	1.7	2.0	5.1	(1.0)	6.1
Prepaid expenses	1.1	0.6	0.8	1.4	7.0	(0.9)	8.6
TOTAL CURRENT ASSETS	**1.9**	**342.2**	**307.1**	**649.3**	**1,470.4**	**(262.2)**	**1,859.4**
NON-CURRENT ASSETS							
Long-term investments					548.0		548.0
Trade accounts receivable, net			0.5	0.5	18.7		19.2
Related companies	535.3	3.5		3.5	500.5	(1,031.9)	7.4
Deferred income and social contribution taxes		3.1	10.2	13.3	44.9		58.2
Recoverable taxes		18.7	34.7	53.4	11.9		65.3
Escrow deposits		0.2	0.6	0.8	13.5		14.3
Other					1.2		1.2
Prepaid expenses	8.2	0.2	2.2	2.4	8.9	(6.3)	13.2
TOTAL LONG TERM ASSETS	**543.5**	**25.7**	**48.2**	**73.9**	**1,147.6**	**(1,038.2)**	**726.8**
PERMANENT ASSETS							
Investments:							
Subsidiary and affiliated companies		2,025.5	1,157.4	3,182.9	3.5	(3,181.1)	5.3
Other			19.1	19.1	6.4		25.5
Property, plant and equipment, net			223.4	223.4	889.1	(0.7)	1,111.8
Intangible assets, net			12.1	12.1	48.9		61.0
Deferred charges, net			11.5	11.5	100.8		112.3
TOTAL PERMANENT ASSETS		**2,025.5**	**1,423.5**	**3,449.0**	**1,048.7**	**(3,181.8)**	**1,315.9**
TOTAL ASSETS UNDER ACCOUNTING PRACTICES ADOPTED IN BRAZIL	**545.4**	**2,393.4**	**1,778.8**	**4,172.2**	**3,666.7**	**(4,482.2)**	**3,902.1**

[Table of Contents](#)

Consolidated Balance Sheets

as of December 31, 2006

RECONCILIATION TO U.S. GAAP	**LPG Issuer**	**Ultrapar - Parent Company Guarantor**	**Oxiteno - Wholly Owned Guarantor Subsidiary**	**Total Guarantors**	**Non - Guarantor Subsidiaries**	**Eliminations**	**Consolidated**
Reversal of revaluation adjustments			(1.7)	(1.7)	(25.6)		(27.3)
Inflation accounting			7.0	7.0	17.5		24.5
Different criteria for:							
Deferred charges			(11.0)	(11.0)	(85.9)		(96.9)
Capitalization of interest costs during construction					0.3		0.3
Reversal of goodwill amortization of SPGás acquisition under BR GAAP					16.3		16.3
Reversal of goodwill amortization of Companhia Ultragaz S.A. shares from minority stockholders					(1.1)		(1.1)
Other individually insignificant adjustments		0.0		0.0	1.0		1.0
Fair value adjustments relating to business combinations		(1.1)	2.6	1.5			1.5
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio		(22.6)		(22.6)			(22.6)
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.					8.9		8.9
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.					(1.1)		(1.1)
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A					3.8		3.8
Available-for-sale equity securities (temporary unrealized gain)			1.5	1.5			1.5
Available-for-sale debt securities (temporary unrealized gain)					13.7		13.7
Deferred tax effects		5.0	0.4	5.4	13.5		18.9
Equity on U.S. GAAP adjustment		(38.5)	0.7	(37.8)		37.8	
TOTAL ASSETS UNDER U.S. GAAP	**545.4**	**2,336.2**	**1,778.3**	**4,114.5**	**3,628.0**	**(4,444.4)**	**3,843.5**

Table of Contents

Consolidated Balance Sheets

as of December 31, 2006

LIABILITIES	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
CURRENT LIABILITIES							
Loans and financing	1.1		27.6	27.6	126.4		155.1
Debentures		12.8		12.8			12.8
Suppliers		0.4	56.6	57.0	112.7	(57.2)	112.5
Payroll and related charges			18.9	18.9	62.3		81.2
Taxes payable			0.6	0.6	16.3		16.9
Dividends payable		96.7	43.3	140.0	161.3	(199.9)	101.4
Income and social contribution taxes					1.0		1.0
Deferred income and social contribution taxes			0.1	0.1	0.1		0.2
Other			0.5	0.5	3.0	(0.8)	2.7
TOTAL CURRENT LIABILITIES	**1.1**	**109.9**	**147.6**	**257.5**	**483.1**	**(257.9)**	**483.8**
NON-CURRENT							
LONG-TERM LIABILITIES							
Loans and financing	534.5		51.8	51.8	495.5		1,081.8
Debentures		300.0		300.0			300.0
Related companies		33.5	146.1	179.6	857.0	(1,031.9)	4.7
Deferred income and social contribution taxes			24.7	24.7	1.3		26.0
Other taxes and contributions contingent liabilities		9.4	8.9	18.3	18.2		36.5
Other			0.6	0.6	2.1		2.7
TOTAL LONG-TERM LIABILITIES	**534.5**	**342.9**	**232.1**	**575.0**	**1,374.1**	**(1,031.9)**	**1,451.7**
MINORITY INTEREST					**51.4**	**(18.3)**	**33.1**
SHAREHOLDERS EQUITY							
Capital		946.0	644.4	1,590.4	890.2	(1,534.6)	946.0
Capital reserve		3.0		3.0	95.6	(98.0)	0.6
Revaluation reserve		13.0	1.7	14.7	20.2	(21.9)	13.0
Profit reserves	9.8	983.2	753.0	1,736.2	450.6	(1,213.4)	983.2
Treasury shares		(4.6)		(4.6)	0.0	(4.7)	(9.3)
Retained earnings					301.5	(301.5)	
TOTAL SHAREHOLDERS' EQUITY UNDER ACCOUNTING PRACTICES ADOPTED IN BRAZIL	**9.8**	**1,940.6**	**1,399.1**	**3,339.7**	**1,758.1**	**(3,174.1)**	**1,933.5**
	545.4	**2,393.4**	**1,778.8**	**4,172.2**	**3,666.7**	**(4,482.2)**	**3,902.1**

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY UNDER ACCOUNTING PRACTICES ADOPTED IN BRAZIL	

F-74

Table of Contents

Consolidated Balance Sheets

as of December 31, 2006

SHAREHOLDERS EQUITY RECONCILIATION TO U.S. GAAP	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno - Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
Reversal of revaluation adjustments			(1.7)	(1.7)	(25.6)		(27.3)
Inflation accounting			7.0	7.0	17.5		24.5
Different criteria for:							
Cancellation of subsidiaries' treasury stock					(2.1)		(2.1)
Deferred charges			(11.0)	(11.0)	(85.9)		(96.9)
Capitalization of interest costs during construction					0.3		0.3
Reversal of goodwill amortization of SPGás acquisition under BR GAAP					16.3		16.3
Reversal of goodwill amortization of Companhia Ultragaz S.A. shares from minority stockholders					(1.1)		(1.1)
Fair value adjustments relating to accounting for derivative instruments and headging activities			0.8	0.8	(2.0)		(1.2)
Other individually insignificant adjustments		0.0	(0.2)	(0.2)	0.4		0.2
Fair value adjustments relating to business combinations		(1.1)	2.6	1.5			1.5
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio		(22.6)		(22.6)			(22.6)
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.					8.9		8.9
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.					(1.1)		(1.1)
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A					3.8		3.8
Available-for-sale equity securities (temporary unrealized gain)			1.5	1.5			1.5
Available-for-sale debt securities (temporary unrealized gain)					13.7		13.7
Deferred tax effects		5.0	0.4	5.4	14.9		20.3
Minority Interest					0.7		0.7
Equity on U.S.GAAP adjustment		(38.5)	0.7	(37.8)		37.8	
TOTAL SHAREHOLDERS' EQUITY UNDER U.S. GAAP	**9.8**	**1,883.4**	**1,399.2**	**3,282.6**	**1,716.7**	**(3,136.3)**	**1,872.9**

Table of Contents

Consolidated Statements of Income

for the period ended June 30, 2006 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
GROSS SALES AND SERVICES			341.5	341.5	2,312.7	(154.5)	2,499.7
Deductions			(80.8)	(80.8)	(152.8)	29.0	(204.6)
NET SALES AND SERVICES			**260.7**	**260.7**	**2,159.9**	**(125.5)**	**2,295.1**
Cost of sales and services			(232.8)	(232.8)	(1,748.9)	122.3	(1,859.4)
GROSS PROFIT			**27.9**	**27.9**	**411.0**	**(3.2)**	**435.7**
OPERATING (EXPENSES) INCOME	**(0.2)**	**(0.4)**	**(57.1)**	**(57.5)**	**(232.0)**	**3.1**	**(286.6)**
Selling			(10.8)	(10.8)	(82.8)		(93.6)
General and administrative	(0.2)	(0.4)	(43.5)	(43.9)	(92.0)	3.2	(132.9)
Depreciation and amortization			(3.4)	(3.4)	(57.7)		(61.1)
Other operating income, net			0.6	0.6	0.5	(0.1)	1.0
OPERATING INCOME (LOSS) BEFORE FINANCIAL ITEMS	**(0.2)**	**(0.4)**	**(29.2)**	**(29.6)**	**179.0**	**(0.1)**	**149.1**
Financial income (expenses), net	0.2	3.7	4.5	8.2	26.5		34.9
Nonoperating income (expenses), net	(1.7)		(2.6)	(2.6)	(8.9)		(13.2)
INCOME (LOSS) BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES, EQUITY IN GAIN (LOSSES) OF AFFILIATED COMPANIES AND MINORITY INTEREST	**(1.7)**	**3.3**	**(27.3)**	**(24.0)**	**196.6**	**(0.1)**	**170.8**
INCOME AND SOCIAL CONTRIBUTION TAXES		**(6.0)**	**9.2**	**3.2**	**(53.9)**	**26.5**	**(24.2)**
Current		(6.1)	9.2	3.1	(69.3)		(66.2)
Deferred		0.1		0.1	11.1		11.2
Benefit of tax holidays					4.3	26.5	30.8
INCOME (LOSS) BEFORE EQUITY IN GAIN (LOSSES) OF AFFILIATED COMPANIES AND MINORITY INTEREST	**(1.7)**	**(2.7)**	**(18.1)**	**(20.8)**	**142.7**	**26.4**	**146.6**
Equity in losses of affiliated companies		153.9	120.5	274.4	0.6	(274.4)	0.6
Minority interest					(3.5)	1.2	(2.3)

NET INCOME (LOSS) UNDER ACCOUNTING PRACTICES ADOPTED IN BRAZIL	**(1.7)**	**151.2**	**102.4**	**253.6**	**139.8**	**(246.8)**	**144.9**

Table of Contents

Consolidated Statements of Income

for the period ended June 30, 2006 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wholly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
RECONCILIATION TO U.S. GAAP							
Reversal of revaluation adjustments			0.5	0.5	0.9		1.4
Inflation accounting			(0.3)	(0.3)	(1.9)		(2.2)
Different criteria for:							
Cancellation of subsidiaries treasury stock					0.5		0.5
Deferred charges			(5.6)	(5.6)	(4.1)		(9.7)
Depreciation of interest costs capitalized during construction					(0.2)		(0.2)
Reversal of goodwill amortization					2.4		2.4
Fair value adjustments relating to accounting for derivative instruments and headging activities			(0.8)	(0.8)	1.2		0.4
Translation adjustments Canamex					1.7		1.7
Other individually insignificant adjustments		0.1	(0.1)		1.3		1.3
Fair value adjustment relating short term investment							
Fair value adjustment relating long term investment							
Fair value adjustments relating to business combinations		0.5	(1.3)	(0.8)			(0.8)
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio		2.2		2.2			2.2
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.					0.7		0.7
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.					0.1		0.1
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A					(0.3)		(0.3)
Expenses of public offering of shares							
Deferred tax effects		(0.6)	2.6	2.0	(0.7)		1.3
Minority Interest							
Equity on U.S.GAAP adjustment		(3.3)	0.8	(2.6)		2.6	

NET INCOME (LOSS) UNDER U.S. GAAP	**(1.7)**	**150.1**	**98.2**	**248.2**	**141.4**	**(244.2)**	**143.7**

Table of Contents

Consolidated Statements of Cash Flows

for the period ended June 30, 2006 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wolly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income	(1.7)	151.2	102.4	253.6	139.8	(246.8)	144.9
Adjustments to reconcile net income to cash provided by operating activities:							
Depreciation and amortization			9.7	9.7	83.9	(0.1)	93.5
PIS and COFINS credit on depreciation					1.1		1.1
Loss on disposals of permanent assets			2.6	2.6	6.6		9.2
Interest, monetary and exchange variation (gains)	19.2	24.0	3.3	27.3	(108.9)	9.3	(53.1)
Allowance (reversal of provision) for losses on permanent assets					2.4		2.4
Equity in income (losses) of affiliated companies		(153.9)	(120.5)	(274.4)	(0.5)	274.3	(0.6)
Benefit of tax holidays					26.3	(26.3)	
Deferred income and social contribution taxes		(0.1)	(9.2)	(9.3)	(1.9)		(11.2)
Minority interest					3.5	(1.2)	2.3
Other					(0.1)	0.1	
Reversal of allowance for factory maintenance shutdown			1.2	1.2	5.6		6.8
Decrease (increase) in operating assets:							
Trade accounts receivable			(8.3)	(8.3)	(59.3)	53.2	(14.4)
Recoverable taxes		(1.7)	(1.6)	(3.3)	(20.0)	0.1	(23.2)
Inventories			3.3	3.3	(9.6)	0.8	(5.5)
Prepaid expenses		0.2	(0.8)	(0.6)	0.5	(0.3)	(0.4)
Dividends received		75.5	48.1	123.6		(123.6)	
Other		0.4	0.1	0.5	(0.3)	0.1	0.3
Increase (decrease) in operating liabilities:							
Suppliers			51.9	51.9	1.1	(53.9)	(0.9)
Salaries and related charges			(2.7)	(2.7)	3.5		0.8
Taxes			0.7	0.7	4.0		4.7
Income and social contribution taxes		0.4	0.5	0.9	3.9		4.8

Other	0.4		(1.6)	(1.6)	(21.9)	(0.1)	(23.2)
Net cash (used in) provided by operating activities	**17.9**	**96.0**	**79.1**	**175.1**	**59.7**	**(114.4)**	**138.3**

Table of Contents

Consolidated Statements of Cash Flows

for the period ended June 30, 2006 (unaudited)

	LPG Issuer	Ultrapar - Parent Company Guarantor	Oxiteno -Wolly Owned Guarantor Subsidiary	Total Guarantors	Non - Guarantor Subsidiaries	Oxiteno -Wolly Owned Guarantor Subsidiary	Consolidated
CASH FLOWS FROM INVESTING ACTIVITIES							
Additions to short-term investments					(577.7)		(577.7)
Proceeds from sales of short-term investments					92.7		92.7
Escrow deposits		(0.2)		(0.2)	0.5		0.3
Additions to investments			(1.1)	(1.1)	(0.1)	1.2	
Additions to property, plant and equipment			(21.6)	(21.6)	(72.2)		(93.8)
Additions to intangible assets			(4.7)	(4.7)	(3.1)		(7.8)
Additions to deferred charges			(8.3)	(8.3)	(29.0)		(37.3)
Proceeds from sales of property, plant and equipment			0.1	0.1	3.6		3.7
Net cash (used in) provided by investing activities		**(0.2)**	**(35.6)**	**(35.8)**	**(585.3)**	**1.2**	**(619.9)**
CASH FLOWS FROM FINANCING ACTIVITIES							
Short-term debt, net	(20.4)	(26.5)	(18.4)	(44.9)	(26.7)	3.9	(88.1)
Long term financings and debentures:							
Issuances			13.2	13.2	25.2		38.4
Repayments					2.5		2.5
Loans from affiliated companies:							
Issuances		45.6	39.8	85.4	109.2	(191.9)	2.7
Repayments		(8.7)	(12.9)	(21.6)	(174.6)	191.9	(4.3)
Dividends paid		(86.8)	(64.5)	(151.3)	(59.9)	123.7	(87.5)
Capital increase					1.1	(1.1)	
Net cash provided by (used in) financing activities	**(20.4)**	**(76.4)**	**(42.8)**	**(119.2)**	**(123.2)**	**126.5**	**(136.3)**
Effect of exchange rate changes on cash and cash equivalents					(6.6)		(6.6)
Net increase (decrease) in cash and cash equivalents	(2.5)	19.4	0.7	20.1	(655.4)	13.3	(624.5)
Cash and cash equivalents at the beginning of the year	2.5	359.7	4.7	364.4	747.8	(0.5)	1,114.2
Cash and cash equivalents at the end of the year	0.0	379.1	5.4	384.5	92.4	12.8	489.7

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

j) Geographical area information

All long-lived assets are located in Brazil, except for long-lived assets located in Mexico, in the amount of R$ 32.6, as of June 30, 2007 (R$ 26.5 as of December 31, 2006).

The Company generates revenues from operations in Brazil and, as from December 2003, from Mexico, as well as from exports of products to clients located in foreign countries as shown below:

	June 30, 2007 (unaudited)	June 30, 2006
Gross sales:		
Brazil	7,531.1	2,281.5
Latin America, other than Brazil	116.3	107.5
Far East	32.1	37.1
Europe	31.8	38.1
North America	3.8	24.7
Other	10.9	10.8
Total	7,726.0	2,499.7

k) Research and development expenses

Total research and development expenses amounted to R$ 9.1 and R$ 8.8 for the six-month period ended June 30, 2007 and 2006, respectively.

l) Employee severance fund and termination payments

The Company is required to contribute 8% of each employee s gross pay to an account maintained in the employee s name in the Government Severance Indemnity Fund (FGTS). No other contributions to the FGTS are required. Additionally, effective September 2001, the Company is required to pay an additional tax equal to 0.5% of gross pay. Contributions are expensed as incurred.

Under Brazilian law, the Company is also required to pay termination benefits to employees who have been dismissed. The amount of the benefit is calculated as 40% of the accumulated contributions made by the Company to the FGTS during the employee s period of service. Additionally, effective September 2001, the Company is required to pay a social tax of 10% of these accumulated contributions.

The Company does not accrue for these termination costs before a decision to terminate has been made, since the benefits are neither probable nor reasonably estimable. Actual termination costs paid on dismissal totaled R$ 9.6 and R$ 3.5 for the six-month period ended June 30, 2007 and 2006, respectively.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

m) Changes in number of shares

The following table presents changes in number of shares issued, held in treasury and outstanding for the six month period ended June 30, 2007:

	Shares issued			Treasury shares			Outstanding shares		
	Common (in thousands)	Preferred (in thousands)	Total (in thousands)	Common (in thousands)	Preferred (in thousands)	Total (in thousands)	Common (in thousands)	Preferred (in thousands)	Total (in thousands)
Shares at December 31, 2006	49,430	31,895	81,325	6	162	168	49,424	31,733	81,157
Acquisition of treasury shares					355	355		(355)	(355)
Shares granted to executives									
Shares at June 30, 2007 (unaudited)	49,430	31,895	81,325	6	517	523	49,424	31,378	80,802

n) Aggregate transaction gains and losses

Total aggregate transaction gains and losses included in financial income or expense amounted to R$ 16.1 (gain) and R$ 15.6 (gain) for the six month period ended June 30, 2007 and 2006, respectively.

26. Subsequent event

i) Ipiranga acquisition- Tag alongs

As mentioned in Note 3, in April of 2007 Ultrapar acquired the control of certain companies of Ipiranga Group. The acquisition process is structured in four stages. The first one was concluded in April 18 with the transfer of control. Currently the second stage of the process is being finished, which corresponds to the tag along public offering (OPA) by Refinaria de Petróleo Ipiranga S.A. (RPI), Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI) and Companhia Brasileira de Petróleo Ipiranga (CBPI). In October 22, the public offering of DPPI and RPI were carried out. The auction of CBPI is foreseen for November 8, 2007.

ii) ADENE exemption

In December 2006, the Camaçari plant s tax exemption of subsidiary Oxiteno Nordeste S.A. Indústria e Comércio expired, as shown in Note 22.c). The subsidiary filed a request with ADENE (Northeast Development Agency), the agency in charge of managing this incentive program, seeking a 75% income tax reduction until 2016, which was granted on May 25, 2007. On July 3, 2007, the benefit analysis report issued by ADENE was directed to the Federal Revenue Service to be ratified in up to 120 days, that expired on October 31, 2007. Thus the subsidiary will record in October of 2007 the reduction value in its results, with retroactive effect to January 1, 2007, in the amount of R$ 15.4.

Table of Contents

Ultrapar Participações S.A.

Interim Financial Information for the nine-

month period Ended September 30, 2007

and Independent Accountants Review

Report

(A free translation of the original report in Portuguese as published in Brazil containing interim financial information prepared in accordance with accounting practices adopted in Brazil)

F-82

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A.

IDENTIFICATION

01.01 CAPITAL COMPOSITION

Number of shares (Thousands)	Current quarter 09/30/2007	Prior quarter 06/30/2007	Same quarter in prior year 09/30/2006
Paid-up Capital			
1 - Common	49,430	49,430	49,430
2 - Preferred	31,895	31,895	31,895
3 - Total	81,325	81,325	81,325
Treasury Stock			
4 - Common	7	7	7
5 - Preferred	580	516	213
6 - Total	587	523	220

01.02 DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - REVENUE	5 - BEGINNING OF PAYMENT	7 - TYPE OF SHARE	8 - AMOUNT PER SHARE

01.03 SUBSCRIBED CAPITAL AND ALTERATIONS IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF ALTERATION	3 - AMOUNT OF THE CAPITAL (IN THOUSANDS OF REAIS)	4 - AMOUNT OF THE ALTERATION (IN THOUSANDS OF REAIS)	5 - NATURE OF ALTERATION	7 - NUMBER OF SHARES ISSUED (THOUSAND)	8 - SHARE PRICE ON ISSUE DATE (IN REAIS)

F-83

Table of Contents

(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND JUNE 30, 2007 (unaudited)

(In thousands of Brazilian reais R$)

		Parent Company		Consolidated	
	Notes	09/30/2007	06/30/2007	09/30/2007	06/30/2007
ASSETS					
CURRENT ASSETS					
Cash and banks		552	297	81,958	47,069
Temporary cash investments	4	50,693	67,739	1,445,992	1,474,828
Trade accounts receivable	5			1,294,301	1,260,910
Inventories	6			566,380	540,443
Recoverable taxes	7	10,156	9,840	215,041	193,599
Deferred income and social contribution taxes	9a.	117	122	78,568	74,504
Prepaid expenses	10	1,294	1,908	17,840	20,474
Other		458	451	25,293	31,277
Total current assets		63,270	80,357	3,725,373	3,643,104
NONCURRENT ASSETS					
Long-term investments	4			119,487	118,946
Trade accounts receivable	5			165,803	157,647
Related companies	8	79,866	85,481	43,111	42,148
Deferred income and social contribution taxes	9a.	26,641	13,484	128,856	109,707
Recoverable taxes	7	18,540	18,595	75,389	72,437
Escrow deposits		193	193	27,456	25,100
Prepaid expenses	10	11	45	30,448	29,077
Other				8,198	8,173
Total long-term assets		125,251	117,798	598,748	563,235
Permanent assets					
Investments:					
Subsidiary	11a.	2,467,566	2,417,390		
Goodwill		401,320	411,825		
Affiliated companies	11b.			12,157	12,242
Other		60	60	34,026	26,615
Property, plant and equipment	12			2,112,085	1,998,374
Intangible	13			67,897	67,967
Deferred charges	14	12,771	11,644	538,619	543,840
Total permanent assets		2,881,717	2,840,919	2,764,784	2,649,038
Total noncurrent assets		3,006,968	2,958,717	3,363,532	3,212,273
TOTAL ASSETS		3,070,238	3,039,074	7,088,905	6,855,377

The accompanying notes are integral part of these interim financial information

Table of Contents

(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND JUNE 30, 2007 (unaudited)

(In thousands of Brazilian reais R$)

		Parent Company		Consolidated	
	Notes	**09/30/2007**	**06/30/2007**	**09/30/2007**	**06/30/2007**
LIABILITIES					
CURRENT LIABILITIES					
Loans and financing	15			564,886	302,728
Debentures	15	1,014,789	1,004,752	1,017,181	1,015,263
Suppliers		501	970	453,714	450,745
Salaries and related charges		88	78	120,807	105,302
Taxes payable		43	52	45,303	51,608
Dividends payable		36,456	35,581	40,532	39,611
Income and social contribution taxes				65,237	36,343
Post-retirement benefits	23b.			6,828	7,240
Provision for contingencies	21a.			9,745	11,749
Deferred income and social contribution taxes	9a			176	208
Other		2,949	2,949	41,944	30,008
Total current liabilities		1,054,826	1,044,382	2,366,353	2,050,805
NONCURRENT					
Long-term liabilities					
Loans and financing	15			993,541	1,149,132
Debentures	15			350,000	350,000
Related companies	8	456	456	4,723	4,723
Deferred income and social contribution taxes	9a.			26,681	26,514
Provision for contingencies	21a.			89,699	88,002
Post-retirement benefits	23b.			67,776	71,691
Other				14,378	11,343
Total noncurrent liabilities		456	456	1,546,798	1,701,405
MINORITY INTEREST				1,167,330	1,115,685
SHAREHOLDERS EQUITY					
Capital	16a.	946,034	946,034	946,034	946,034
Capital reserve	16c.	3,026	3,026	777	702
Revaluation reserve	16d.	11,975	12,310	11,975	12,310
Profit reserves	16e.,16f.	983,230	983,230	983,230	983,230
Treasury shares	16b.	(29,434)	(25,530)	(33,717)	(29,960)
Retained earnings		100,125	75,166	100,125	75,166
Total shareholders equity		2,014,956	1,994,236	2,008,424	1,987,482
Total minority interest and shareholders equity		2,014,956	1,994,236	3,175,754	3,103,167
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY		3,070,238	3,039,074	7,088,905	6,855,377

The accompanying notes are integral part of these interim financial information

Table of Contents

(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED SEPTEMBER 30, 2007 AND 2006 (unaudited)

(In thousands of Brazilian reais R$, except for earnings per share)

		Parent Company		Consolidated	
	Notes	09/30/07	09/30/06	09/30/07	09/30/06
GROSS SALES AND SERVICES	2a.			6,413,498	1,415,025
Deductions				(250,751)	(119,831)
NET SALES AND SERVICES				6,162,747	1,295,194
Cost of sales and services	2a.			(5,684,189)	(1,029,861)
GROSS PROFIT				478,558	265,333
EQUITY IN SUBSIDIARIES AND AFFILIATED COMPANIES	11a., 11b.	50,222	88,301	(85)	49
OPERATING (EXPENSES) INCOME		(10,687)	71	(341,592)	(153,391)
Selling				(139,579)	(51,303)
General and administrative		98	70	(136,917)	(70,562)
Management compensation				(1,512)	(1,459)
Depreciation and amortization		(10,781)		(64,409)	(30,785)
Other operating income, net		(4)	1	825	718
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		39,535	88,372	136,881	111,991
Financial income (expenses), net		(28,015)	722	(30,081)	(2,944)
Financial income	19	1,830	12,400	42,176	43,444
Financial expenses	19	(29,845)	(11,678)	(72,257)	(46,388)
INCOME FROM OPERATIONS		11,520	89,094	106,800	109,047
Nonoperating (expenses) income, net	17			(962)	(7,677)
INCOME BEFORE TAXES ON INCOME AND MINORITY INTEREST		11,520	89,094	105,838	101,370
INCOME AND SOCIAL CONTRIBUTION TAXES		13,151	(264)	(27,890)	(11,185)
Current	9b.		(318)	(51,038)	(35,506)
Benefit of tax holidays ADENE	9b., 9c.			3,402	15,352
Deferred	9b.	13,151	54	19,746	8,969
INCOME BEFORE MINORITY INTEREST		24,671	88,830	77,948	90,185
Employees statutory interest				(1,635)	
Minority interest				(51,642)	(1,355)
NET INCOME		24,671	88,830	24,671	88,830

EARNINGS PER SHARE R$	0.30577	1.09525	0.30557	1.09525

The accompanying notes are integral part of these interim financial information

Table of Contents

(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 AND 2006 (unaudited)

(In thousands of Brazilian reais R$, except for earnings per share)

		Parent Company		Consolidated	
	Notes	**09/30/07**	**09/30/06**	**09/30/07**	**09/30/06**
GROSS SALES AND SERVICES	2a.			14,139,495	3,914,718
Deductions				(621,513)	(324,445)
NET SALES AND SERVICES				13,517,982	3,590,273
Cost of sales and services	2a.			(12,339,305)	(2,889,278)
GROSS PROFIT				1,178,677	700,995
EQUITY IN SUBSIDIARIES AND AFFILIATED COMPANIES	11a., 11b.	147,267	242,171	(214)	696
OPERATING (EXPENSES) INCOME		(21,618)	(335)	(829,643)	(439,996)
Selling				(317,360)	(144,859)
General and administrative		17	(335)	(351,234)	(200,901)
Management compensation				(4,124)	(4,105)
Depreciation and amortization		(21,632)		(161,827)	(91,925)
Other operating income, net		(3)		4,902	1,794
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		125,649	241,836	348,820	261,695
Financial income (expenses), net		(49,996)	4,528	(65,218)	31,952
Financial income	19	10,621	40,680	111,041	117,261
Financial expenses	19	(60,617)	(36,152)	(176,259)	(85,309)
INCOME FROM OPERATIONS		75,653	246,364	283,602	293,647
Nonoperating (expenses) income, net	17			(2,907)	(20,911)
INCOME BEFORE TAXES ON INCOME AND MINORITY INTEREST		75,653	246,364	280,695	272,736
INCOME AND SOCIAL CONTRIBUTION TAXES		23,588	(6,332)	(77,187)	(35,370)
Current	9b.		(6,468)	(128,385)	(101,692)
Benefit of tax holidays ADENE	9b., 9c.			9,486	46,105
Deferred	9b.	23,588	136	41,712	20,217
INCOME BEFORE MINORITY INTEREST		99,241	240,032	203,508	237,366
Employees statutory interest				(4,451)	
Minority interest				(99,816)	(3,643)
NET INCOME		99,241	240,032	99,241	233,723

EARNINGS PER SHARE R$	1.22917	2.95952	1.22917	2.88173

The accompanying notes are integral part of these interim financial information

F-87

Table of Contents

(Amounts in thousands of Brazilian reais R$, unless otherwise stated)

1. Operations

Ultrapar Participações S.A. (the Company), with headquarters in the city of São Paulo, invests in commercial and industrial activities, including subscription or purchase of shares of other companies with similar activities.

Through its subsidiaries, the Company is engaged in the distribution of liquefied petroleum gas LPG (Ultragaz), production and sale of chemicals (Oxiteno), and services in integrated logistics solution for special bulk (Ultracargo). After acquisition of the Ipiranga Group, in April 2007, the Company became engaged in the distribution of fuels/lubricants and related products in the South and Southeast Regions of Brazil. The Company also became engaged in oil refining (Refinery) through its stake in Refinaria de Petróleo Ipiranga S.A.

2. Presentation of interim financial information and significant accounting practices

The accounting practices adopted by Ultrapar and its subsidiaries to record transactions and for the preparation of the Interim Financial Information ITR are those established by accounting practices derived from the Brazilian Corporation Law and the Brazilian Securities Commission (CVM).

a) Results of operations

Determined on the accrual basis of accounting. Revenues from sales and respective costs are recognized when the products are delivered to the customers or services are performed, and the transfer of risks, rights and obligations associated with the ownership of products takes place.

b) Current and noncurrent assets

Temporary cash and long-term investments are stated at cost, plus accrued income (on a *pro rata temporis* basis), which approximate their market value. Temporary cash investments include the results from hedges, as described in Notes 4 and 20, that management intends to hold to maturity.

The allowance for doubtful accounts is recorded based on estimated losses and is considered sufficient by management to cover potential losses on accounts receivable.

Inventories are stated at the lower of average cost of acquisition or production, that do not overcome the market value.

Other assets are stated at the lower of cost or realizable values, including, when applicable, accrued income and monetary and exchange variation incurred or net of allowances for losses.

c) Investments

Significant investments in subsidiaries and affiliated companies are recorded under the equity method, as shown in Note 11.

Other investments are stated at acquisition cost, net of allowances for losses, should the losses not be considered temporary.

Table of Contents

d) Property, plant and equipment

Stated at acquisition or construction cost, including financial charges incurred on constructions in progress and include revaluation write-ups based on appraisal reports issued by independent appraisers, in accordance with item 68, letter b), of CVM Resolution No. 183/95, as well as costs related to the maintenance of significant assets during scheduled factory maintenance operations.

Depreciation is calculated on a straight-line basis at the annual rates described in Note 12, and is based on the economic useful live of the assets.

Leasehold improvements in gas stations are depreciated over the effective contract terms or the useful life of the assets, if shorter.

e) Intangible

Stated at acquisition cost, net of allowance for losses, should the losses not be considered temporary, as shown in Note 13.

f) Deferred charges

Deferred charges comprise costs incurred in the installation of Company and its subsidiaries equipment at customers facilities amortized over the terms of the LPG supply contracts with these customers, project expenses and goodwill on acquisition of subsidiaries, as stated in Note 14.

g) Current and noncurrent liabilities

Stated at known or estimated amounts including, when applicable, accrued charges, monetary and exchange rate variations incurred until the interim financial information date.

h) Income and social contribution taxes on income

Income and social contribution taxes, current and deferred (according to CVM Resolution No. 273/98) are measured on the basis of effective rates and include the benefit of tax holidays, as mentioned in Note 9.b).

i) Provision for contingencies

The provision for contingencies is recorded for contingent risks with an estimated probable loss, based on the opinion of the internal and external legal advisors and administrators. Amounts are recorded based on the estimated costs and results of proceedings (see Note 21.a).

j) Actuarial commitment with post-retirement benefits

Actuarial commitments with the post-retirement benefits plan granted and to be granted to employees, retired employees and pensioners (net of plan assets) are provided for based on the actuarial calculation prepared by an independent actuary in accordance with the projected credit unit method, as mentioned in Note 23.b).

k) Basis for translation of the interim financial information of foreign subsidiaries

The interim financial information of foreign subsidiaries are translated into Brazilian reais at the current exchange rate in effect at the date of the interim financial information ITR. The criteria for preparation of the interim financial information have been adapted to conform to accounting practices derived from the Brazilian Corporation Law.

Table of Contents

l) Cash flow statement

The Company is presenting the statement of cash flow as supplementary information, prepared in accordance with Accounting Standards and Procedures No. 20 (NPC) issued by IBRACON Brazilian Institute of Independent Auditors.

m) Use of estimates

The preparation of interim financial information in accordance with accounting practices derived from the Brazilian Corporation Law requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and the reported amounts of revenues, costs and expenses for the years presented. Although these estimates are based on management s best available knowledge of current and expected future events, actual results could differ from those estimates.

Table of Contents

3. Consolidation principles

The consolidated interim financial information have been prepared in accordance with the basic consolidation principles established by accounting practices adopted in Brazil and by the Brazilian Securities Commission (CVM), and include the following direct and indirect subsidiaries:

	Ownership interest - %			
	09/30/2007		06/30/2007	
	Direct	Indirect	Direct	Indirect
Ultragaz Participações Ltda.	100		100	
SPGás Distribuidora de Gás Ltda.		99		99
Companhia Ultragaz S.A.		99		99
Bahiana Distribuidora de Gás Ltda.		100		100
Utingás Armazenadora S.A.		56		56
LPG International Inc.		100		100
Ultracargo Operações Logísticas e Participações Ltda.	100		100	
Transultra Armazenamento e Transporte Especializado Ltda.		100		100
Petrolog Serviços e Armazéns Gerais Ltda.		100		100
Terminal Químico de Aratu S.A. Tequimar		99		99
Melamina Ultra S.A. Indústria Química		99		99
Oxiteno S.A. Indústria e Comércio	100		100	
Oxiteno Nordeste S.A. Indústria e Comércio		99		99
Oxiteno Argentina Sociedad de Responsabilidad Ltda.		99		99
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.		100		100
Barrington S.L.		100		100
Oxiteno México S.A. de C.V.		100		100
Oxiteno Servicios Corporativos S.A. de C.V.		100		100
Oxiteno Servicios Industriales S.A. de C.V.		100		100
Oxiteno International Corp.		100		100
Oxiteno Overseas Corp.		100		100
Oxiteno Andina, C.A.		100		
Imaven Imóveis e Agropecuária Ltda.	100		100	
Distribuidora de Produtos de Petróleo Ipiranga S.A.	32		32	
Companhia Brasileira de Petróleo Ipiranga(*)	1	11	1	11
am/pm Comestíveis Ltda.(*)		11		11
Centro de Conveniências Millennium Ltda.(*)		11		11
Empresa Carioca de Produtos Químicos S.A.		11		11
Ipiranga Comercial Importadora e Exportadora Ltda.		11		11
Ipiranga Trading Limited		11		11
Tropical Transportes Ipiranga Ltda.		11		11
Ipiranga Imobiliária Ltda.		11		11
Ipiranga Logística Ltda.		11		11
Maxfácil Participações S.A.(**)		9		9
Isa-Sul Administração e Participações Ltda.		32		32
Comercial Farroupilha Ltda.		32		32
Ipiranga Administração de Bens Móveis Ltda.		32		32
Refinaria de Petróleo Ipiranga S.A.(***)	10		10	

(*) As informed in the Material Event of March 19, 2007 and the Market Announcement of April 19, 2007, distribution of fuels/lubricants and related products of these companies are divided between Ultrapar (South and Southeast Regions of Brazil) and Petrobras (North, Northeast and Center West Regions of Brazil).

(**) Joint control among DPPI (16%), CBPI (34%) and União de Bancos Brasileiro S.A. UNIBANCO (50%).

(***) Oil refinery operations of Refinaria de Petróleo Ipiranga S.A. are equally shared among Petrobras, Ultrapar and Braskem, and the subsidiary was proportionality consolidated in these interim financial information in accordance with Article 32 of CVM Instruction No. 247/96.

On April 18, 2007 the Company, together with Petróleo Brasileiro S.A. (Petrobras) and Braskem S.A. (Braskem), acquired the controlling interest of Ipiranga Group, as informed in Material Event published on April 19, 2007. Under the terms of the Acquisition Agreement signed by the three buyers, the Company acted as commission agent of Braskem and Petrobras, and for itself for the acquisition of the fuels/lubricants distribution and related products businesses located in the South and Southeast Regions of Brazil and Empresa Carioca de Produtos Químicos S.A. (Ipiranga), maintaining the brand Ipiranga. Petrobras holds the control of fuel distribution and lubricant businesses located in the North, Northeast and Center West Regions of Brazil (North Distribution Assets), and Braskem holds control of the petrochemical assets, represented by Ipiranga Química S.A., Ipiranga Petroquímica S.A. (IPQ) and the ownership in Copesul Companhia Petroquímica do Sul (Copesul) (Petrochemical Assets).

The transaction is structured in 4 stages:

(i) acquisition of Ipiranga Group controlling interest (occurred on April 18, 2007);

(ii) tag along offering for the purchase of common shares issued by Companhia Brasileira de Petróleo Ipiranga (CBPI), Refinaria de Petróleo Ipiranga S.A. (RPI) and Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI), which registration order was filed with CVM on May 2nd, 2007;

(iii) merger of shares issued by CBPI, RPI and DPPI into Ultrapar; and

(iv) segregation of assets among Ultrapar, Petrobras and Braskem.

The conclusion of the transaction is forecasted to occur in the fourth quarter of 2007. In the first stage, the Company spent the net amount of R$ 676,432, Petrobras R$ 742,747 and Braskem R$ 651,928. Based on the initial balance sheet of March 31, 2007, the Company recorded a goodwill in the amount of R$ 424,680 in the first stage of the transaction, which is being amortized over 10 years starting in April 2007, based on the expected future profitability of Ipiranga.

The assets, liabilities and income of Ipiranga are reflect in the Company s interim financial information since April, 2007, with minority interest presented separately in the consolidated interim financial information. As the Company acted as commission agent for Braskem and Petrobras, the assets acquired in for them were recorded as reduction of the amounts received in the same first stage of the transaction, not producing any effect in the Company s interim financial information. The assets related to the operations of RPI s oil refinery were proportionally consolidated in the Company s interim financial information, since their control is shared equally with Petrobras and Braskem.

On April 30, 2007, the subsidiary Transultra Armazenamento e Transporte Especializado Ltda. acquired the company Petrolog Serviços e Armazéns Gerais Ltda. for the amount of R$ 8,083, recording goodwill in the amount of R$ 6,507, amortized in 10 years, based on its expected of future profitability.

On September 13, 2007, the subsidiary Barrington S.L. acquired the company Arch Química Andina, C.A. in Venezuela in amount of US$ 7,631 equivalent R$ 14,972, that after acquisition started to call Oxiteno Andina, C.A., recording goodwill in the amount of R$ 164, amortized in 10 years, based on its expected of future profitability.

Upon consolidation, intercompany investments, accounts, transactions and profits were eliminated. Minority interest in subsidiaries is presented separately in the interim financial information.

Table of Contents

4. Temporary cash and long-term investments

These investments, contracted with leading banks, are substantially composed of: (i) private securities issued by leading banks and fixed-income funds, all linked to the interbank deposit rate (CDI); (ii) abroad, in cash investments, in notes issued by the Austrian Government in Brazilian reais and linked to the interbank deposit rate (CDI), and in Dual Currency Deposits; and (iii) currency hedge transaction. Such investments are stated at cost plus accrued income on a *pro rata temporis* basis.

	Parent Company		Consolidated	
	09/30/2007	06/30/2007	09/30/2007	06/30/2007
Austrian notes			415,237	439,197
Dual Currency Deposits(a)			468,503	248,613
Foreign investments(b)(c)			197,078	454,144
Securities and fixed-income funds in Brazil	50,693	67,739	563,865	519,190
Net expenses on hedge transaction(d)			(79,204)	(67,370)
Total	50,693	67,739	1,565,479	1,593,774
Current portion	50,693	67,739	1,445,992	1,474,828
Noncurrent portion			119,487	118,946

(a) Dual Currency Deposits are investments of the subsidiary Oxiteno Overseas Corp., whose yield can be in US dollars or Brazilian reais, depending on the US dollar rate as of the maturity date. If the US dollar rate is lower than the strike rate on the maturity date, the yield of this operation will be in US dollars plus interest of 7.3% per year; otherwise, it will be in Brazilian reais plus average interest of 13.7% per year. The subsidiary records the investment at the lower of the two alternative yields, which until September 30, 2007 was represented by the US dollar. Up to September 30, 2007 the exchange rate has always remained below the strike rate.

(b) Investments made by the subsidiaries Oxiteno Overseas Corp., Oxiteno International Corp., LPG International Inc. and Oxiteno México S.A. de C.V. in fixed-income funds, certificates of deposit and investment grade corporate securities.

(c) In April 2006, subsidiary Oxiteno Overseas Corp., owner of notes in the amount of US$ 60 million issued by Companhia Ultragaz S.A. in the international market in 1997 (Original Notes), sold these Original Notes to a foreign financial institution. Concurrently, subsidiary Oxiteno Overseas Corp. acquired from this financial institution a credit linked note backed by the Original Notes. This transaction provides a financial gain for the Company corresponding to the difference between the interest rate paid for the credit linked note and the Original Notes, as mentioned in Note 15.b).

(d) Accumulated gain or loss (see Note 20).

5. Trade accounts receivable (consolidated)

	09/30/2007	06/30/2007
Domestic customers Ipiranga / Refinery	817,010	802,374
Other domestic customers	377,667	377,920
Financing to customers	284,580	263,197
Foreign customers	125,576	89,941
(-) Advances on foreign exchange contracts	(85,002)	(57,632)
(-) Allowance for doubtful accounts	(59,727)	(57,243)

	1,460,104	1,418,557
Current portion	1,294,301	1,260,910
Noncurrent portion	165,803	157,647

Table of Contents

Financing to customers are directed to the reimbursement of reforms and modernizations of gas stations, acquisition of products and market development of fuel and lubricant distribution.

The changes in the allowance for doubtful accounts are shown below:

Balance at June 30, 2007	57,243
Addition recorded as selling expenses	5,685
Utilization	(3,201)
Balance at September 30, 2007	59,727

6. Inventories (consolidated)

	09/30/2007			06/30/2007		
	Cost	Provision for losses	Net	Cost	Provision for losses	Net
Finished products	153,083	(3,658)	149,425	147,247	(3,152)	144,095
Work in process	2,536		2,536	1,114		1,114
Raw materials	77,624	(35)	77,589	81,398	(37)	81,361
Liquefied petroleum gas (LPG)	24,674		24,674	20,491		20,491
Fuel, lubricants and grease	248,566	(428)	248,138	230,389	(375)	230,014
Supplies and cylinders for resale	35,783	(2,891)	32,892	44,512	(1,261)	43,251
Advances to suppliers	31,126		31,126	20,117		20,117
	573,392	(7,012)	566,380	545,268	(4,825)	540,443

The changes in the provision for losses on inventories are shown below:

Balance at June 30, 2007	4,825
Additions	2,988
Reversal	(801)
Balance at September 30, 2007	7,012

7. Recoverable taxes

Represented substantially by credit balances of ICMS (state Value Added Tax VAT), PIS and COFINS (taxes on revenue), and income and social contribution taxes.

	Parent Company		Consolidated	
	09/30/2007	06/30/2007	09/30/2007	06/30/2007
Income and social contribution taxes	28,635	28,373	124,562	107,571
ICMS			166,968	155,427
Provision for losses ICMS(*)			(42,963)	(40,909)
PIS and COFINS	21	21	24,792	19,882
VAT of subsidiary Oxiteno México S.A. de C.V.			7,677	15,420

Manufacturing Tax IPI			7,043	7,439
Other	40	41	2,351	1,206
Total	28,696	28,435	290,430	266,036
Current portion	10,156	9,840	215,041	193,599
Noncurrent portion	18,540	18,595	75,389	72,437

(*) The provision refers to credit balances that the subsidiaries estimate they will not be able to offset in the future.

Table of Contents

The changes in the provision for losses on ICMS are shown below:

Balance at June 30, 2007	40,909
Addition	5,398
Reversal	(3,344)
Balance at September 30, 2007	42,963

The increase in the balance of income and social contribution tax credits is mainly due to the inclusion of Ipiranga.

The increase in the balance of ICMS is due to the credits addition by Ipiranga and the increase in ICMS credits of the Camaçari (Bahia State) plant of the subsidiary Oxiteno Nordeste S.A Indústria e Comércio, due to measures taken by the Bahia State, which made it difficult to utilize credits for import payment or to transfer them to third parties. The total balance of credits from this plant corresponds to R$ 76,036 as of September 30, 2007 (R$ 66,334 as of June 30, 2007), of which R$ 37,337 have already been reviewed by the tax authorities and are awaiting release by the state finance department of Bahia for commercialization. In addition to these credits, the subsidiary s management is working on a series of additional measures for consumption of the plant s ICMS balance. The allowance for loss of the plant s credits was recognized on the basis of the maximum discount expected on their commercialization. The PIS and COFINS credits are being utilized to offset other federal taxes, mainly income and social contribution taxes on income.

8. Related companies

	Parent Company	
	Loan	
	Asset	Liability
Oxiteno S.A. Indústria e Comércio	72,103	
Ultragaz Participações Ltda.	7,763	
Melamina Ultra S.A. Indústria Química		456
Total at September 30, 2007	79,866	456
Total at June 30, 2007	85,481	456

	Consolidated			
	Loans		Trade accounts	
	Asset	Liability	Receivable	Payable
Química da Bahia Indústria e Comércio S.A.		3,641		
Serma Associação dos Usuários de Equipamentos de Processamentos de Dados e Serviços Correlatos	9,948			
Petroquímica União S.A.				2,359
Oxicap Indústria de Gases Ltda.				1,141
Liquigás Distribuidora S.A.			203	
Petróleo Brasileiro S.A. Petrobras			5,717	187,056
Copagaz Distribuidora de Gás S.A.			63	
Braskem S.A.				10,323
SHV Gás Brasil Ltda.			53	
Plenogás Distribuidora de Gás S.A.		871		
Refinaria de Petróleo Ipiranga S.A.(*)	33,163		31	10,339
Other		211	34	

Total at September 30, 2007	43,111	4,723	6,101	211,218
Total at June 30, 2007	42,148	4,723	8,117	206,548

Table of Contents

(*) The loan with Refinaria de Petróleo Ipiranga S.A., refers to the acquisition of subscription rights from Distribuidora de Produtos de Petróleo Ipiranga S.A., with maturity on October 3, 2007. The amount in the table above refers to the loan amounts that were not eliminated on consolidation, given that RPI s consolidation is proportional and DPPI s is full.

	Consolidated		
	Operations		Financial
	Sales	Purchases	expenses
Petroquímica União S.A.	134	98,095	
Oxicap Indústria de Gases Ltda.		7,972	
Liquigás Distribuidora S.A.	2,902		
Química da Bahia Indústria e Comércio S.A.			(110)
Petróleo Brasileiro S.A. Petrobras	28	8,973,925	
Copagaz Distribuidora de Gás S.A.	972		
Braskem S.A.	26,035	515,314	
SHV Gás Brasil Ltda.	1,214		
Refinaria de Petróleo Ipiranga S.A.(**)	411	299,501	1,529
Other	576		
Total at September 30, 2007	32,272	9,894,807	1,419
Total at September 30, 2006	42,899	2,070,985	(232)

(**) Purchase and sales transactions refer substantially to fuel supplies of RPI to DPPI. The amount in the table above refers to the amounts that were not eliminated on consolidation, given that RPI s consolidation is proportional and DPPI s is full.

Purchase and sale transactions refer substantially to purchases of raw materials, other materials and transportation and storage services, carried out at market prices and conditions.

Table of Contents

9. Income and social contribution taxes

a) Deferred income and social contribution taxes

The Company and its subsidiaries recognize tax assets and liabilities, which do not expire, arising from tax loss carryforwards, temporary add-backs, revaluation of property, plant and equipment, and other procedures. The tax credits are based on continuing profitability from operations. Deferred income and social contribution taxes are presented in the following principal categories:

	Parent Company		Consolidated	
	09/30/2007	06/30/2007	09/30/2007	06/30/2007
Assets:				
Deferred income and social contribution taxes on:				
Provision for loss of assets			43,787	42,023
Provision for contingencies			40,651	38,076
Provision for post-retirement benefits (see Note 23.b)			24,949	24,974
Other provisions	117	122	40,316	36,840
Income and social contribution tax loss carryforwards	26,641	13,484	57,721	42,298
Total	26,758	13,606	207,424	184,211
Current portion	117	122	78,568	74,504
Noncurrent portion	26,641	13,484	128,856	109,707
Liabilities:				
Deferred income and social contribution taxes on:				
Revaluation of property, plant and equipment			634	684
Accelerated depreciation			173	180
Income earned abroad			26,050	25,858
Total			26,857	26,722
Current portion			176	208
Noncurrent portion			26,681	26,514

The estimated recovery of deferred income and social contribution tax assets is shown below:

	Parent Company	Consolidated
Until 1 year	117	78,568
From 1 to 2 years	13,011	47,808
From 2 to 3 years	6,850	26,350
From 3 to 4 years	6,780	31,422
From 5 to 7 years		15,438
From 8 to 10 years		7,838
	26,758	207,424

Table of Contents

b) Conciliation of income and social contribution taxes in the statements of income

Income and social contribution taxes are reconciled to official tax rates as follows:

	Parent Company		Consolidated	
	09/30/2007	09/30/2006	09/30/2007	09/30/2006
Income before taxes, equity in subsidiary and affiliated companies and minority interest	(71,614)	4,193	276,458	272,040
Official tax rates - %	34	34	34	34
Income and social contribution taxes at official rates	24,349	(1,426)	(93,996)	(92,494)
Adjustments to the effective tax rate:				
Operating provisions and nondeductible expenses/nontaxable income		(13)	774	8,599
Adjustments to estimated income			5,933	1,360
Interest on capital	(761)	(4,893)		
Workers meal program (PAT)			987	649
Other			(371)	411
Income and social contribution taxes before benefit of tax holidays	23,588	(6,332)	(86,673)	(81,475)
Benefit of tax holidays ADENE			9,486	46,105
Income and social contribution taxes in the statements of income	23,588	(6,332)	(77,187)	(35,370)
Current		(6,468)	(128,385)	(101,692)
Deferred	23,588	136	41,712	20,217
Benefit of tax holidays ADENE			9,486	46,105

c) Tax exemption

The following subsidiaries have partial or total exemption from income tax in connection with a government program for the development of the Northeast Region of Brazil:

Subsidiary	Plants	Incentive - %	Expiration date
Oxiteno Nordeste S.A. Indústria e Comércio(*)	Camaçari plant	100	2006
Bahiana Distribuidora de Gás Ltda.	Mataripe plant	75	2013
	Suape plant	100	2007
	Ilhéus plant	25	2008
	Aracaju plant	25	2008
	Caucaia plant	75	2012
Terminal Químico de Aratu S.A. Tequimar	Aratu Terminal	75	2012
	Suape Terminal	75	2015

(*) In December 2006, this plant s exemption expired and a request was filed with ADENE (Northeast Development Agency), the agency in charge of managing this incentive program, seeking a 75% income tax reduction until 2016, which was granted on May 25, 2007. On July 3, 2007, the benefit analysis report issued by ADENE was directed to the Federal Revenue Service to be ratified in up to 120 days that expired on October 31, 2007. Thus the subsidiary will record in October of 2007 the reduction value in its results, with retroactive effect to January 1, 2007, in amount of R$ 15,418.

F-98

Table of Contents

10. Prepaid expenses (consolidated)

	09/30/2007	06/30/2007
Rents	24,109	20,391
Marketing	5,377	5,453
Expenses with bond issuances	8,932	12,683
Insurance premium	2,212	3,373
Taxes, mainly Municipal Real Estate Tax IPTU Vehicle Tax IPVA	3,713	2,113
Other prepaid expenses	3,945	5,538
	48,288	49,551
Current portion	17,840	20,474
Noncurrent portion	30,448	29,077

11. Investments

a) Subsidiaries of the Company

	Investments		Equity method	
	09/30/2007	06/30/2007	09/30/2007	09/30/2006
Ultragaz Participações Ltda.	425,040	408,923	51,158	86,039
Ultracargo Operações Logísticas e Participações Ltda.	216,538	213,403	10,245	2,770
Imaven Imóveis e Agropecuária Ltda.	49,560	48,394	3,487	3,420
Oxiteno S.A. Indústria e Comércio	1,505,160	1,485,072	62,861	149,942
Distribuidora de Produtos de Petróleo Ipiranga S.A.	169,834	165,145	9,200	
Companhia Brasileira de Petróleo Ipiranga	101,243	95,944	10,125	
Refinaria de Petróleo Ipiranga S.A. (joint subsidiary)	191	509	191	
	2,467,566	2,417,390	147,267	242,171

b) Affiliated Companies (consolidated)

	Investments		Equity method	
	09/30/2007	06/30/2007	09/30/2007	09/30/2006
Química da Bahia Indústria e Comércio S.A.	3,540	3,551	65	641
Oxicap Indústria de Gases Ltda.	1,627	1,573	(44)	55
Transportadora Sulbrasileira de Gás S.A.	6,990	7,118	(235)	
	12,157	12,242	(214)	696

In the consolidated interim financial information, the investment of subsidiary Oxiteno S.A. Indústria e Comércio in the affiliated company Oxicap Indústria de Gases Ltda. is carried under the equity method based on the affiliate s interim financial information as of August 31, 2007. Other subsidiaries are valued based on the interim financial information as of September 30, 2007.

Table of Contents

12. Property, plant and equipment (consolidated)

	Annual depreciation average rates - %	09/30/2007 Revalued cost	Accumulated depreciation	Allowance for realization	Net book value	06/30/2007 Net book value
Land		180,415		(197)	180,218	177,464
Buildings	4	616,008	(286,705)		329,303	324,187
Leasehold improvements	4	188,884	(69,836)		119,048	114,971
Machinery and equipment	8	1,062,301	(538,805)	(655)	522,841	463,259
Equipment and fixtures for the distribution of fuels / lubricants	10	748,047	(447,983)		300,064	303,906
Gas tanks and cylinders for LPG	10	281,606	(174,729)		106,877	110,741
Vehicles	21	223,383	(167,052)		56,331	55,794
Furniture and fixtures	10	58,653	(33,472)		25,181	24,570
Construction in progress		343,017			343,017	302,236
Advances to suppliers		84,247			84,247	84,548
Imports in transit		13,253			13,253	5,140
IT equipment	20	141,887	(110,526)		31,361	31,490
Other		450	(106)		344	68
		3,942,151	(1,829,214)	(852)	2,112,085	1,998,374

The changes in the provision for losses on property, plant and equipment are shown below:

Balance at June 30, 2007	1,029
Write off	(177)
Balance at September 30, 2007	852

Construction in progress refers substantially to construction of the fatty alcohols plant of subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda. in the amount of R$ 220,197, as well as expansions and renovations of the subsidiaries plants, the construction and modernization of gas stations and terminals for distribution of fuel of subsidiaries Companhia Brasileira de Petróleo Ipiranga and Distribuidora de Petróleo Ipiranga S.A., in the amount of R$ 42,898.

Advances to suppliers refer basically to purchase of equipment for the fatty alcohols plant of subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.

The subsidiaries recorded, in previous years, revaluation of property, plant and equipment items. The revaluation balances are shown below:

	09/30/2007 Revaluation	Accumulated depreciation	Net book value	06/30/2007 Net book value
Land	16,088		16,088	16,088
Buildings	43,866	(35,296)	8,570	8,946
Machinery and equipment	31,738	(30,815)	923	972

Gas tanks and cylinders	48,873	(48,873)		
Vehicles	661	(661)		
	141,226	(115,645)	25,581	26,006

Table of Contents

The depreciation of theses revaluations in the amount of R$ 1,292 as of September 30, 2007 (R$ 1,424 as of September 30, 2006) was recorded in the statements of income. The amount of deferred taxes on revaluations totals R$ 6,909 as of September 30, 2007 (R$ 7,072 as of June 30, 2007), of which R$ 634 as of September 30, 2007 (R$ 684 as of June 30, 2007) is recorded as noncurrent liabilities, as shown in Note 9.a), and R$ 6,275 as of September 30, 2007 (R$ 6,388 as of June 30, 2007) is accrued in the same period in which certain subsidiaries realize the revaluation reserve, since these revaluations occurred prior to the issuance of CVM Resolution No. 183/95.

13. Intangible assets (consolidated)

	Annual amortization average rate - %	09/30/2007 Cost	Accumulated amortization	Provision for losses	Net book value	06/30/2007 Net book value
Software	20	109,472	(76,125)		33,347	32,689
Commercial property rights	3	16,334	(2,083)		14,251	14,388
Goodwill	20	15,466	(10,817)		4,649	5,138
Technology	20	20,374	(5,198)		15,176	15,323
Other	10	1,431	(121)	(836)	474	429
		163,077	(94,344)	(836)	67,897	67,967

The changes in the provision for losses on intangibles are shown below:

Balance at June 30, 2007	836
Addition	
Balance at September 30, 2007	836

Commercial property rights, mainly those described below:

On July 11, 2002, subsidiary Terminal Químico de Aratu S.A. Tequimar signed a contract with CODEBA Companhia Docas do Estado da Bahia for use of the site where the Aratu Terminal is located for another 20 years, renewable for the same period. The price paid by Tequimar amounted to R$ 12,000 and is being amortized from August 2002 to July 2042.

Further, subsidiary Terminal Químico de Aratu S.A. Tequimar has a lease agreement for an area adjacent to the Port of Santos for 20 years, effective December 2002 and renewable for another 20 years, for building and operating a terminal for receiving, tanking, handling and distribution of bulk liquids. The price paid by Tequimar was R$ 4,334 and is being amortized from August 2005 until December 2022.

14. Deferred charges (consolidated)

Annual amortization average	09/30/2007 Cost	Accumulated amortization	Net book value	06/30/2007 Net book value

	rates - %				
Expenses with studies and projects	20	72,885	(16,828)	56,057	52,839
Pre-operating expenses	12	6,728	(3,129)	3,599	3,779
Installation of Ultrasystem equipment at customers facilities	33	188,428	(123,583)	64,845	61,399
Goodwill	10	439,795	(26,680)	413,115	424,845
Other	20	2,445	(1,442)	1,003	978
		710,281	(171,662)	538,619	543,840

Table of Contents

Expenses on studies and projects include, mainly, the LPG distribution structure review project and expenses for the Rio de Janeiro Petrochemical Complex (COMPERJ) project.

Goodwill related to the share acquisitions of Petrolog Serviços e Armazéns Gerais Ltda. in the amount of R$ 6,507, and for Ipiranga in the amount of R$ 424,680 are being amortized in 120 months (see Note 3).

15. Loans, financing and debentures (consolidated)

a) Composition

Description	09/30/2007	06/30/2007	Index/currency	Annual Interest rate 2007 - %	Maturity
Foreign currency:					
Syndicated loan	111,897	115,718	US$	5.05	2008
Notes in the foreign market(b)	113,148	115,919	US$	9.0	2020
Notes in the foreign market(c)	468,983	482,520	US$	7.25	2015
Notes in the foreign market(d)	105,543	112,506	US$	9.88	2008
Working capital loan	6,442	6,391	MX$ + TIIE(i)	1.0	2008
Working capital loan		2,575	US$	7.12 to 8.55	2007
Foreign financing	22,080	23,561	US$ + LIBOR	2.0	2009
Inventories and property, plant and equipment financing	20,765	22,656	MX$ + TIIE(i)	From 1.1 to 2.0	From 2009 to 2014
Inventories and property, plant and equipment financing	10,077	3,233	US$ + LIBOR	From 1.0 to 1.5	From 2009 to 2010
Import financing (REFINIMP)	6,673	1,946	US$	7.4	2007
Import financing (FINIMP)		5,178	US$ + LIBOR	0.23	2007
Advances on foreign exchange contracts	53,820	36,824	US$	From 5.79 to 6.30	< 260 days
National Bank for Economic and Social Development (BNDES)	7,298	9,020	UMBNDES(ii)	From 8.49 to 10.75	From 2007 to 2011
National Bank for Economic and Social Development (BNDES)	13,277	10,631	US$	From 7.54 to 10.69	From 2010 to 2013
Export prepayments, net of linked operations	6,502	6,695	US$	6.2	2008
Subtotal	946,505	955,373			
Local currency:					
National Bank for Economic and Social Development (BNDES)	233,700	199,712	TJLP(iii)	From 1.80 to 4.85	From 2007 to 2013
National Bank for Economic and Social Development (BNDES)	2,390	4,736	IGP-M(iv)	6.5	2008
Government Agency for Machinery and Equipment Financing (FINAME)	67,801	73,792	TJLP(iii)	From 2.7 to 5.1	From 2007 to 2011
Research and projects financing (FINEP)	64,448	67,300	TJLP(iii)	From (2.0) to 5.0	From 2009 to 2014
Debentures (e.1)	302,332	312,073	CDI	102.5	2008
Debentures (e.2)	712,457	692,679	CDI	102.5	2008
Debentures (e.3)	352,392	360,511	CDI	103.8	2011
Banco do Nordeste do Brasil	94,807	44,168		From 9.78 to 11.50	2018
Financial institutions	146,660	91,429	CDI	100	2008
Debit balance	186	15,004		Free of charge	2007
Other	1,930	346	CDI	107	2007
Subtotal	1,979,103	1,861,750			

Total financing and debentures	2,925,608	2,817,123
Current liabilities	(1,582,067)	(1,317,991)
Non current liabilities	1,343,541	1,499,132

Table of Contents

(i) MX$ = Mexican peso; TIIE = Mexican break-even interbank interest rate.

(ii) UMBNDES = BNDES monetary unit. This is a basket of currencies representing the composition of the BNDES debt in foreign currency, 93%, of which is linked to the U.S. dollar.

(iii) TJLP = fixed by the CMN (National Monetary Council); TJLP is the basic cost of BNDES financing.

(iv) IGP-M = General Market Price Index, is a measure of Brazilian inflation calculated by the Getúlio Vargas Foundation.
The long-term portion matures as follows:

	09/30/2007	06/30/2007
From 1 to 2 years	238,496	433,009
From 2 to 3 years	222,508	219,069
From 3 to 4 years	179,230	164,239
From 4 to 5 years	50,817	36,197
Over 5 years	652,490	646,618
	1,343,541	1,499,132

b) Notes in the foreign market

In June 1997, the subsidiary Companhia Ultragaz S.A. issued US$ 60 million in notes, (Original Notes), maturing in 2005. In June 2005, maturity was extended to June 2020, with put/call options in June 2008.

In June 2005, the subsidiary Oxiteno Overseas Corp. acquired the full amount of Original Notes, with funds from a syndicated loan in the amount of US$ 60 million with maturity in June 2008 and interest rate of 5.05% per year. The syndicated loan was guaranteed by the Company and the subsidiary Oxiteno S.A. Indústria e Comércio.

In April 2006, subsidiary Oxiteno Overseas Corp. sold the Original Notes to a financial institution. Concurrently, the subsidiary acquired from this financial institution a credit linked note backed by the Original Notes, as mentioned in Note 4, thus obtaining an additional return on this investment. The transaction matures in 2020, and the subsidiary as well as the financial institution may redeem it early, although the subsidiary has only an annual option of redemption (purchase) in or after June 2008. In the event of insolvency of the financial institution, Companhia Ultragaz S.A. would be required to settle the Original Notes, although Oxiteno Overseas Corp. would continue to be the creditor of the credit linked note. Thus, the Company stopped eliminating the Original Notes in its interim financial information.

c) Notes in the foreign market

In December 2005, the subsidiary LPG International Inc. issued notes in the amount of US$ 250 million, maturing in December 2015, with annual interest rate of 7.25% paid semiannually, with the first payment scheduled for June 2006. The issue price was 98.75% of the notes face value, which represented a total yield for investors of 7.429% per year upon issuance. The notes were guaranteed by the Company and by Oxiteno S.A. Indústria e Comércio.

As a result of the issuance of notes and the syndicated loan, the Company and its subsidiaries mentioned above are subject to covenants that limit, among other things:

Limitation of transactions with shareholders that hold amounts of 5% or more of any class of Capital Stock of the Company, except upon fair and reasonable terms no less favorable to the Company than could be obtained in a comparable arm s-length transaction with a third party;

Obligation of having Board of Directors resolution for transactions with related parties higher than US$ 15 million (excepting transactions by the Company with subsidiaries and between subsidiaries);

Table of Contents

- Restriction of disposal of the totality or near totality of the assets of Company and subsidiaries;

- Restriction of encumbrances on assets in excess of US$ 150 million or 15% of the value of consolidated tangible assets;

- Maintenance of financial ratio, between consolidated net debt and consolidated EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization), less than or equal to 3.5; and

- Maintenance of financial ratio, between consolidated EBITDA and consolidated net financial expenses higher than or equal to 1.5.

The restrictions imposed on the Company and its subsidiaries are usual in transactions of this nature and have not limited their ability to conduct their businesses to date.

d) Notes in the foreign market

On August 1, 2003, subsidiary Companhia de Petróleo Ipiranga issued US$ 135 millions in notes in the international market. On August 1, 2005, when the interest levied increased from 7.875% per year to 9.875% per year, these securities were partly redeemed in the amount of US$ 1.3 million or R$ 3.1 millions. In 2006, partial redemption was performed in the amount of US$ 79.6 millions or R$ 164.9 millions, which represented the acceptance of CBPI s repurchase offer to the note holders.

e) Debentures

e.1) On March 1, 2005, the Company issued a single series of 30,000 nonconvertible debentures, whose main features are:

Nominal unit value:	R$ 10,000.00
Final maturity:	March 1, 2008
Nominal value payment:	Lump sum at final maturity
Yield:	102.5% of CDI
Yield payment:	Semiannually, beginning March 1, 2005
Repricing:	None

The debentures are subject to commitments that restrict, among other things, certain operations of merger or spin-off, as well as the disposal of operating assets that would result in a reduction of more than 25% of consolidated net sales, and also included the obligation to maintain a consolidated net debt to consolidated EBITDA ratio less than or equal to 3.5. Thus far, none of these commitments have restricted the ability of the Company and its subsidiaries to conduct business.

Table of Contents

e.2) On April 11, 2007, the Company issued debentures in the amount of R$ 889,000, of which a first series was received on April 18, 2007, in the total amount of R$ 675,000 with maturity on April 11, 2008 and semiannual yield of 102.5% of CDI, and the second series in the amount of R$ 214,000 to be issued.

Nominal unit value:	R$ 675,000,000.00
Final maturity:	April 11, 2008
Nominal value payment:	Lump sum at final maturity
Yield:	102.5% of CDI
Yield payment:	Semiannually, beginning October11, 2007
Repricing:	None

e.3) On April 18, 2006, subsidiary Companhia Brasileira de Petróleo Ipiranga registered in the Brazilian Securities and Exchange Commission CVM, the public distribution of 35,000 debentures, single series, non-convertible into shares and non-preferred (chirographary) whose main features are:

Nominal unit value:	R$ 10,000.00
Final maturity:	April 1, 2011
Nominal value payment:	three quotas in 2009, 2010 and 2011
Yield:	103.8% of CDI
Yield payment:	Semiannually, beginning April 1, 2006

f) Collateral

A portion of the financing is collateralized by liens on property, plant and equipment, shares, promissory notes and guarantees provided by the Company and its subsidiaries, as shown below:

	09/30/2007	**06/30/2007**
Amount of financing secured by:		
Property, plant and equipment	67,897	74,403
Shares of affiliated companies and minority stockholders guarantees	2,390	4,736
	70,287	79,139

Other loans are collateralized by guarantees issued by the Company and by the future flow of exports. The Company is responsible for sureties and guarantees offered on behalf of its subsidiaries, amounting to R$ 1,001,629 as of September 30, 2007 (R$ 979,182 as of June 30, 2007).

Certain subsidiaries have issued guarantees to financial institutions related to amounts owed to those institutions by some of their customers (vendor financing). In the event any subsidiary is required to make a payment under the guarantees, the subsidiary may recover such amounts paid directly from its customers through commercial collection. Maximum future payments related to these guarantees amount to R$ 23,537 as of September 30, 2007 (R$ 20,043 as of June 30, 2007), with terms of up to 210 days. As of September 30, 2007, the Company and its subsidiaries have not incurred any loss nor recorded any liability related to these guarantees.

Table of Contents

16. Shareholders equity

a) Capital

The Company is a listed corporation with shares traded on the São Paulo and New York Stock Exchanges. Subscribed and paid-up capital is represented by 81,325,409 shares without par value, comprised of 49,429,897 common and 31,895,512 preferred shares.

As of September 30, 2007, 9,992,004 preferred shares were outstanding abroad, in the form of American Depositary Receipts ADRs.

Preferred shares are not convertible into common shares, do not entail voting rights, and have priority in capital redemption, without premium, in the event of liquidation of the Company.

At the beginning of 2000, the Company granted, through a shareholders agreement, tag-along rights, which assure to minority stockholders identical conditions to those negotiated by the controlling shareholders in case of disposal of shareholding control of the Company.

The Company is authorized to increase its capital, regardless of amendment to the bylaws, through a resolution of the Board of Directors, until it reaches R$ 1,500,000, by means of issuance of common or preferred shares, without keeping the existing ratio, observed the limit of 2/3 of preferred shares to the total shares issued.

b) Treasury shares

The Company acquired its own shares at market prices, without capital reduction, for holding in treasury and subsequent disposal or cancellation, in accordance with the provisions of Brazilian Securities Commission (CVM) Instructions No. 10, of February 14, 1980, and No. 268, of November 13, 1997.

During the period of 2007, 418,500 preferred shares were acquired at the average cost of R$ 59.37 per share regarding to the share repurchase program approved in the Board of Director s Meeting of August 02, 2006.

As of September 30, 2007, the Company s interim financial information record 580,197 preferred shares and 6,617 common shares in treasury, which were acquired at the average cost of R$ 50.51 and R$ 19.30 per share, respectively. The consolidated financial information record 827,147 preferred shares and 6,617 common shares in treasury, which were acquired at the average cost of R$ 42.52 and R$ 19.30 per share, respectively.

The market price of preferred shares issued by the Company as of June 30, 2007 on the São Paulo Stock Exchange (BOVESPA) was R$ 71.05.

c) Capital reserve

The capital reserve in the amount of R$ 3,026 reflects the goodwill on the disposal of shares at market price to be held in treasury in the Company s subsidiaries, at the average price of R$ 36.00 per share. Executives of these subsidiaries were given the usufruct opportunity to have such shares, as described in Note 22.

d) Revaluation reserve

This reserve reflects the revaluation write-up of assets of subsidiaries and is realized based upon depreciation, write-off or disposal of revalued assets, including the related tax effects.

In some cases, taxes on the revaluation reserve of certain subsidiaries are recognized only upon the realization of this reserve, since the revaluations occurred prior to the publication of CVM Resolution No. 183/95, as mentioned in Note 12.

Table of Contents

e) Retention of profits reserve

This reserve is supported by the investment program, in conformity with article 196 of Brazilian corporate law, and includes both a portion of net income and the realization of the revaluation reserve.

f) Realizable profits reserve

This reserve is established in conformity with article 197 of Brazilian corporate law, based on the equity in subsidiaries and affiliated companies. Realization of the reserve usually occurs upon receipt of dividends, disposal and write-off of investments.

g) Conciliation of shareholders equity Company and consolidated

	09/30/2007	06/30/2007
Shareholders equity Company	2,014,956	1,994,236
Treasury shares held by subsidiaries, net of realization	(4,283)	(4,430)
Capital reserve arising from sale of treasury shares to subsidiaries, net of realization	(2,249)	(2,324)
Shareholders equity consolidated	2,008,424	1,987,482

h) Reconciliation of net income Parent Company and consolidated

The reconciliation of net income, Parent Company and consolidated, shows the effect of the reversal of the allowance for scheduled factory maintenance of some subsidiaries, net of income and social contribution taxes, recorded in retained earnings, in accordance with CVM Resolution No. 489/05 and Technical Interpretation No. 01/06 by IBRACON, as follows:

	09/30/2006
Net income Parent Company	240,032
Reversal of allowance for factory maintenance by the subsidiary Oxiteno S.A. Indústria e Comércio	(796)
Reversal of allowance for factory maintenance by the subsidiary Oxiteno Nordeste S.A. Indústria e Comércio	(5,513)
Net income consolidated	233,723

17. Nonoperating expenses, net (consolidated)

Composed mainly of R$ 1,532 as of September 30, 2007 (R$ 12,871 as of September 30, 2006) in write-off of deferred assets related to studies and projects, and R$ 1,375 as of September 30, 2007 (R$ 8,040 as of September 30, 2006) of result on the sale of property, plant and equipment, mainly gas cylinders and vehicles.

18. Segment information

The Company has four relevant segments: gas, chemicals, logistics and distribution. The gas segment distributes LPG to retail, commercial and industrial consumers mainly in the South, Southeast and Northeast Regions of Brazil. The chemicals segment primarily produces ethylene oxide and by products, which are raw materials for the textiles, foods, cosmetics, detergents, agricultural chemicals, paints and varnishes industries, among other. Operations in the logistics segment include storage and transportation, mainly in the Southeast and Northeast Regions of Brazil. The distribution segment operates in distribution of fuels, lubricants and related products in the South and Southeast Regions of Brazil. Reportable segments are strategic business units that offer

Table of Contents

different products and services. Intersegment sales are transacted at prices approximating those that could be obtained with third parties.

The main financial information about each of the Company s reportable segments is presented as follows:

	09/30/2007						09/30/2006
	Ultragaz	**Oxiteno**	**Ultracargo**	**Ipiranga**	**Other**	**Consolidated**	**Consolidated**
Net sales, net of related-party transactions	2,341,146	1,205,060	137,380	9,824,876	9,520	13,517,982	3,590,273
Income from operations before financial income (expenses) and equity in subsidiary and affiliated companies	111,052	69,551	16,278	168,975	(16,822)	349,034	260,999
Total assets, net of related parties	852,135	2,627,607	376,700	2,676,003	556,460	7,088,905	3,734,709

In the table above, the column other is composed mainly by parent company Ultrapar Participações S.A., that recorded the goodwill on the acquisition of Ipiranga, and by the participation in the oil refining business.

19. Financial income and expenses, net (consolidated)

	09/30/2007	**09/30/2006**
Financial income:		
Interest on temporary cash investments and noncurrent investments	108,579	124,565
Interest on trade accounts receivable	12,706	3,831
Monetary and exchange variation income	(11,514)	(12,546)
Other income	1,270	1,411
	111,041	117,261
Financial expenses:		
Interest on loans and financing	(71,663)	(64,885)
Interest on debentures	(84,026)	(35,108)
Bank charges	(13,409)	(9,825)
Monetary and exchange variations expenses	37,127	14,707
Financial results from currency hedge transactions	(17,139)	(14,441)
CPMF/IOF/other financial expenses (see Note 21 a)	(16,202)	28,300
Other expenses	(10,947)	(4,057)
	(176,259)	(85,309)
Financial (expenses) income, net	(65,218)	31,952

20. Risks and financial instruments (consolidated)

The main risk factors to which the Company and its subsidiaries are exposed reflect strategic/operating and economic/financial aspects. Strategic/operating risks (such as behavior of demand, competition, technological innovation, and significant structural changes in industry, among others) are addressed by the Company s management model. Economic/financial risks mainly reflect customer default, macroeconomic variables, such as exchange and interest rates, as well as the characteristics of the financial instruments used by the Company. These risks are managed through control policies, specific strategies and the determination of limits, as follows:

Customer default These risks are managed by specific policies for accepting customers and analyzing credit, and are mitigated by diversification of sales. As of September 30, 2007, Oxiteno S.A. Indústria e

Table of Contents

Comércio and its subsidiaries maintained R$ 1,433 (R$ 1,374 as of June 30, 2007), the subsidiaries of Ultragaz Participações Ltda. maintained R$ 14,955 (R$ 13,531 as of June 30, 2007), and Ipiranga / Refinery maintained R$ 42,921 (R$ 41,920 as of June 30, 2007) as an allowance for doubtful accounts.

Interest rates The Company and its subsidiaries adopt conservative policies to obtain and invest funds and to minimize the cost of capital. Temporary cash investments of the Company and its subsidiaries are comprised mainly of transactions linked to the CDI, as described in Note 4. A portion of the financial assets is intended for foreign currency hedges, as mentioned below. Borrowings are mainly originated from the BNDES, debentures and foreign currency financing, as mentioned in Note 15.

Exchange rate The Company s subsidiaries use hedge instruments (mainly CDI and US$) available in the financial market to cover assets and liabilities in foreign currency, so as to reduce the exchange variation effects on their results. Such hedges have amounts, periods and indexes substantially equivalent to the assets and liabilities in foreign currency to which they are linked. Shown below are the assets and liabilities in foreign currency, translated into Brazilian reais at September 30, 2007 and June 30, 2007:

	09/30/2007	**06/30/2007**
Assets:		
Investments abroad and hedges	201,647	63,339
Foreign cash and cash equivalents	5,098	1,150
Temporary cash and long-term investments in foreign currency	665,581	702,757
Receivables from foreign customers, net of advances on exchange contracts and allowance for loss	40,449	32,178
	912,775	799,424
Liabilities:		
Foreign currency financing	946,505	955,373
Import payables	(8,436)	14,646
	938,069	970,019
Net asset position	(25,294)	(170,595)

The exchange rate variation related to cash and banks, investments, temporary cash investments, and long-term cash investments of foreign subsidiaries was recorded as financial expense in the consolidated financial information of income for September 30, 2007, in the amount of R$ 19,423 (financial expense of R$ 12,660 as of September 30, 2006).

Market value of financial instruments

Market value of financial instruments as of September 30, 2007 and June 30, 2007 are as follows:

	09/30/2007		**06/30/2007**	
	Book value	**Market value**	**Book value**	**Market value**
Financial assets:				
Cash and banks	81,958	81,958	47,069	47,069
Temporary cash investments	1,445,992	1,459,976	1,474,828	1,488,616
Noncurrent investments	119,487	120,806	118,946	120,286
	1,647,437	1,662,740	1,640,843	1,655,971

Financial liabilities:				
Current and long-term loans	1,558,427	1,581,578	1,451,860	1,477,397
Current and long-term debentures	1,367,181	1,367,089	1,365,263	1,365,234
	2,925,608	2,948,667	2,817,123	2,842,631
Investment-				
Investments in affiliated companies	34,026	47,970	26,615	33,036

F-109

Table of Contents

The market value of financial instruments was obtained through the commonly used marking to market methodology, which consists of carrying the balances of the instruments until the maturity at the respective contracted rates, discounting them to present value at market rates as of September 30, 2007 and June 30, 2007. The market value of investment in affiliated company is based on the share price trading on the São Paulo Stock Exchange (BOVESPA).

21. Contingencies and commitments (consolidated)

a) Labor, civil and tax lawsuits

The Petrochemical Industry Labor Union, of which the employees of Oxiteno Nordeste S.A. Indústria e Comércio are members, filed an action against the subsidiary in 1990, demanding compliance with the adjustments established in a collective labor agreement, in lieu of the salary policies effectively followed. At the same time, the employers association proposed a collective bargaining for the interpretation and clarification of the fourth clause of the agreement. Based on the opinion of its legal counsel, who analyzed the last decision of the Federal Supreme Court (STF) on the collective bargaining, as well as the status of the individual lawsuit of the subsidiary, management believes that a reserve is not necessary as of September 30, 2007.

The subsidiaries Companhia Ultragaz S.A. and SPGás Distribuidora de Gás Ltda. are parties to an administrative proceeding at CADE (Administrative Council for Economic Defense), under the allegation of anticompetitive practice in municipalities of a region of the State of Minas Gerais in 2001. In September 2005, the SDE (Economic Law Department) issued a technical notice recommending to CADE a ruling against the companies involved in this proceeding. In their defense, the subsidiaries arguments, among others, are that: (i) under the terms of the notice issued by the Company s chief executive officer on July 4, 2000, the subsidiaries employees were forbidden to discuss with third parties matters related to prices; and (ii) no consistent evidence was attached to the proceeding s records. In view of the arguments presented, the fact that the technical notice has no binding effect on CADE s decision, and their legal counsel s opinion, the subsidiaries did not record a provision for this issue. Should CADE s decision be unfavorable, the subsidiaries can still discuss the issue at the judicial level.

The subsidiary Companhia Ultragaz S.A. is a defendant in lawsuits relating to damages caused by an explosion in 1996 in a shopping mall in the city of Osasco, State of São Paulo. Such lawsuits involve: (i) individual suits filed by victims of the explosion claiming damages from Ultragaz for the loss of economic benefit and for pain and suffering; (ii) lawsuit for reimbursement of expenses by the administration company of the shopping mall and its insurance company; and (iii) class action suit seeking indemnification for property damage and pain and suffering for all the victims injured and deceased. The subsidiary believes that it has presented evidence that defective gas pipes in the shopping mall caused the accident and that Ultragaz s on-site LPG storage facilities did not contribute to the explosion. Of the 58 lawsuits judged thus far, a favorable judgment was obtained for 57, and of these 20 have already been dismissed; only 1 had an unfavorable decision, which is still subject to appeal, and whose amount, should the decision be upheld, is R$ 17. Three lawsuits have not yet been judged. The subsidiary has insurance coverage for these lawsuits, and the uninsured contingent amount is R$ 23,595. The Company has not recorded any provision for this amount, since it believes the probability of loss is remote.

The Company and its subsidiaries obtained injunctions to pay PIS and COFINS (taxes on revenues) without the changes introduced by Law No. 9718/98 in its original version. The ongoing questioning refers to the levy of these taxes on sources other than revenues. Recently the STF has decided the matter favorable to the taxpayer. Although it is a precedent, the effect of this decision does not automatically apply to all companies, since they must await judgment of their own lawsuits. In the first semester of 2007, final decisions were rendered for the Company and its subsidiaries which reversed the accrual previously recorded, in the amount of R$ 12,759 (in the first semester of 2006 R$ 17,217 of accrual reversal and R$ 26,225 of recovery of amounts paid in previous periods), net of attorney s fees. The Company has other subsidiaries whose lawsuits have not yet been judged. Should there be final favorable outcomes for the subsidiaries in all lawsuits still not judged, the Company estimates that the total positive effect in income before income and social contribution taxes should reach R$ 29,300, net of attorney s fees.

Table of Contents

Subsidiary Oxiteno S.A. Indústria e Comércio accrued R$ 9,360 as of September 30, 2007 (R$ 9,212 as of June 30, 2007) for ICMS tax assessments being judged at a lower-level and appeal-level administrative courts. The subsidiary is currently awaiting decision on the appeal.

Subsidiary Utingás Armazenadora S.A. has challenged in court ISS (Service Tax) tax assessments issued by the municipal government of Santo André. Legal counsel of the subsidiary classifies the risk as low, since a significant portion of the lower-court decisions was favorable to the subsidiary. The thesis defended by the subsidiary is supported by the opinion of a renowned tax specialist. The unprovisioned updated amount of the contingency as of September 30, 2007 is R$ 40,777 (R$ 39,028 as of June 30, 2007).

On October 7, 2005, the subsidiaries of Ultragaz Participações Ltda. filed for and obtained an injunction to support the offset of PIS and COFINS credits against other federal taxes administered by the Federal Revenue Service (SRF), notably corporate income tax and social contribution taxes. According to the injunction obtained, the subsidiaries have been making judicial deposits for these debits in the amount of R$ 68,920 as of September 30, 2007 (R$ 55,858 as of June 30, 2007) and recognizing the corresponding liability for this purpose.

Subsidiaries Ultragaz Participações Ltda, Cia. Ultragaz S.A., Utingás Armazenadora S.A., Terminal Químico de Aratu S.A. Tequimar, Transultra Armazenamento e Transporte Especializado Ltda. and Ultracargo Operações Logísticas e Participações Ltda., hold judicial measures petitioning the full and immediate utilization of supplementary monetary adjustment based on the Consumer Price Index (IPC) / National Treasury Bonds (BTN) for 1990 (Law No. 8.200/91), and hold accruals in the amount of R$ 13,347 (R$ 13,098 as of June 30, 2007) as a possible contingency, in case of unfavorable outcome of such lawsuits.

On December 29, 2006, the subsidiaries Oxiteno S.A Indústria e Comércio, Oxiteno Nordeste S.A Indústria e Comércio, Companhia Ultragaz S.A. and Transultra Armazenamento e Transporte Especializado Ltda filed for an injunction seeking the deduction of ICMS from the PIS and COFINS tax basis. Oxiteno Nordeste S.A. Indústria e Comércio received an injunction and is paying the amounts into judicial deposits, as well as recording the respective accrual in the amount of R$ 7,487 (R$ 4,933 as of June 30, 2007); the others subsidiaries did not receive similar injunction and are waiting the judgment of an appeal to Regional Federal Court TRF of the 3rd Region.

The Company and some subsidiaries filed a request for an injunction seeking not to be subject to the legislation that restricted the offset of corporate income tax (IRPJ) and social contribution (CSLL) tax loss carryforwards computed through December 31, 1994 to 30% of income for the year. There are good precedents for these discussions when it is proven that there was only a postponement of payment of IRPJ and CSLL to the following years, as is the case of the Company s subsidiaries, and legal counsel understands that the chances of success of the challenge in the judicial sphere is possible. The contingency is estimated at R$ 6,562.

Regarding Ipiranga / Refinery, the main provisions for contingencies refer to: (a) requirements for the reversal of ICMS credits on transportation services taken during the freight reimbursement system established by DNC (currently National Agency for Petroleum ANP), in the amount of R$ 7,590; (b) requirements for the reversal of ICMS credits in the State of Minas Gerais, on interstate outflows carried under Article 33 of ICMS Agreement 66/88, which allowed the maintenance of credits and which was suspended by an injunction conceded by the Supreme Court STF, in the amount of R$ 27,158; (c) reversal of the deduction of unconditional discounts from the ICMS calculation basis, in the State of Minas Gerais, as a result of tax substitution, in the amount of R$ 15,538; (d) litigation based on clauses of contracts with clients; (e) claims made by former employees and outsourced personnel regarding salary related amounts.

The main tax contingencies of Ipiranga / Refinery which present risks evaluated as possible, and which, based in this evaluation, have not been accrued for in the interim financial information, refer to ICMS, in the total amount of R$ 110,605 and relate, mainly to: (a) requirements for the reversal of credits on interstate outflows; (b) requirements of ICMS on the purchases of basic oils; (c) demands to reverse credits related with interstate

Table of Contents

transport services operations; (d) demands to reverse credits derived from excess taxation generated on the purchase of products in the petroleum refinery under the tax substitution system; (e) demands to reverse credits in operations with alcohol (anhydrous fuel alcohol) in the State of São Paulo; (f) tax assessment resulting from operations of alcohol loan devolutions (anhydrous fuel alcohol). In addition, subsidiary Distribuidora de Produtos de Petróleo Ipiranga S.A.- DPPI and its subsidiaries have tax assessments concerning non-homologation of IPI credits originated in acquisitions of products whose subsequent sales had no taxation. The non-accrued contingent amount as of September 30, 2007, is R$ 20,734.

The Company and its subsidiaries have other ongoing administrative and judicial proceedings; legal counsel classified the risks on these proceedings as possible and/or remote and, therefore, no reserves for potential losses on these proceedings have been recorded. The Company and its subsidiaries also have litigations that aims at recovery of taxes and contributions, that have not been registered in the interim financial information due to their contingent nature.

Judicial deposits and provisions are summarized below:

Provisions	Balance in 06/30/2007	Additions	Write-off	Interest	Balance in 09/30/2007
Income and social contribution taxes	77,560	10,385		1,842	89,787
PIS and COFINS on other revenues	1,896	7,345		170	9,411
PIS on rendering of services	291			3	294
ICMS	65,122		(4,933)	596	60,785
INSS	2,375		(35)	57	2,397
Other	1,776	50		63	1,889
Civil lawsuits	4,985	140	(298)	260	5,087
Labor claims	13,432	934	(2,008)	485	12,843
(-) Judicial deposits	(67,686)	(14,001)		(1,362)	(83,049)
Total	99,751	4,853	(7,274)	2,114	99,444

b) Contracts

Subsidiary Terminal Químico de Aratu S.A. Tequimar has contracts with CODEBA and Complexo Industrial Portuário Governador Eraldo Gueiros, in connection with their port facilities in Aratu and Suape, respectively. Such contracts establish minimum cargo movement of 1,000,000 tons per year for Aratu, effective through 2022, and 250,000 tons per year for Suape, effective through 2027. If annual movement is less than the minimum required, the subsidiary is required to pay the difference between the actual movement and the minimum contractual movement, using the port rates in effect at the date established for payment. As of September 30, 2007, such rates were R$ 4.59 and R$ 3.97 per ton for Aratu and Suape, respectively. The subsidiary has met the minimum cargo movement limits since inception of the contracts.

Subsidiary Oxiteno Nordeste S.A. Indústria e Comércio has a supply contract with Braskem S.A, that establishes a minimum consumption level of ethylene per year. The minimum purchase commitment and the actual demand for the period ended June 30, 2007 and 2006, expressed in tons of ethylene, are summarized below. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 40% of the current ethylene price for the quantity not purchased.

	Minimum purchase commitment		Actual demand	
	2007	2006	2007	2006
In tons of ethylene	180,000	137,900	145,569	137,361

On August 16, 2006, the subsidiary signed a memorandum of understanding, altering the ethylene supply contract with Braskem S.A. described above. The memorandum of understanding regulates new conditions of

Table of Contents

ethylene supply through 2021, and in 2007 and 2008 the subsidiary is having access to an additional volume of ethylene, with the minimum quantity in tons increasing to 180 thousand and 190 thousand, respectively.

c) Insurance coverage for subsidiaries

The Company has insurance policies to cover various risks, including loss and damage from fire, lightning, explosion of any nature, windstorm, plane crash and electrical damage, among others, protecting the plants and other branches of all subsidiaries except Ipiranga / Refinery, with coverage amounting to US$404 million.

For the plants of Oxiteno S.A. Indústria e Comércio, Oxiteno Nordeste S.A. Indústria e Comércio and Oxiteno México S.A. de C.V., there is also loss of income insurance against losses from potential accidents related to their assets, with coverage amounting to US$242 million.

A civil liability insurance program covers the Company and its subsidiaries, with global coverage of US$ 200 millions, for losses and damage from accidents caused to third parties, related to the commercial and industrial operations and/or distribution and sale of products and services.

Group life insurance, personal accident insurance, health insurance, and domestic and international transportation insurance are also contracted.

Ipiranga / Refinery have an insurance and risk management program which provides coverage for all their insurable assets, as well as coverage against risks resulting from the interruption of production, by means of an operating risk policy negotiated with the national and international insurance market, through the Brazilian Reinsurance Institute.

The coverage and limits insured by the policies are based on a detailed study of risks and losses, prepared by local insurance consultants. Management considers the type of insurance contracted sufficient to cover possible claims, in view of the nature of the activities of the companies.

The main coverages are related to operating risks, loss of profits, multiple industrial perils, multiple office risks, named perils pools and civil liability.

22. Share compensation plan (consolidated)

The Extraordinary Shareholders Meeting held on November 26, 2003 approved a compensation plan for management of the Company and its subsidiaries, which provides for: (i) the initial grant of usufruct of shares issued by the Company and held in treasury by the subsidiaries in which the beneficiaries are employed; and (ii) the transfer of the beneficial ownership of the shares after ten years from the initial grant, provided that the professional relationship between the beneficiary and the Company and its subsidiaries is not interrupted. The total amount granted to executives until September 30, 2007, including taxes, was R$ 12,263 (R$ 12,263 as of June 30, 2007). This amount is being amortized over a period of ten years and the amortization related as of September 30, 2007 in the amount of R$ 921 (R$ 669 as of September 30, 2006), was recorded as an operating expense for the period.

23. Employee benefits and private pension plan (consolidated)

a) ULTRAPREV Associação de Previdência Complementar

In August 2001, the Company and its subsidiaries (except subsidiaries recently acquired from the Ipiranga Group) began to provide a defined contribution pension plan to their employees. This plan is managed by Ultraprev Associação de Previdência Complementar. Under the terms of the plan, the basic contribution of each participating employee is defined annually by the participant between 0% and 11%, of his/her salary. The

Table of Contents

sponsoring companies provide a matching contribution in an identical amount as the basic contribution. As participants retire, they have the option to receive monthly: (i) a percentage varying between 0.5% and 1.0% of the fund accumulated in their name in Ultraprev; or (ii) a fixed-monthly amount that will deplete the fund accumulated in the participant s name in a period of 5 to 25 years. Accordingly, neither the Company nor its subsidiaries assume responsibility for guaranteeing the levels of amounts or periods of receipt of the retirement benefit. As of September 30, 2007, the Company and its subsidiaries contributed R$ 2,560 (R$ 2,517 as of September 30, 2006) to Ultraprev, which was charged to income for the period. The total number of participating employees as of September 30, 2007 was 5,477, with 13 participants retired to date. Additionally, Ultraprev has 1 active participant and 31 former employees receiving defined benefits according to the policies of a previous plan.

b) Fundação Francisco Martins Bastos

The subsidiaries Distribuidora de Produtos de Petróleo Ipiranga S.A., Companhia Brasileira de Petróleo Ipiranga and Refinaria de Petróleo Ipiranga S.A., together with other companies which formed the Ipiranga Group, are sponsors of Fundação Francisco Martins Bastos, which provides a defined benefit plan to their employees.

The accumulated amount of contribution to the plan by Ipiranga / Refinery in the quarter ended as of September 30, 2007 was R$ 2,327.

The recorded net liabilities of Ipiranga / Refinery as of September 30, 2007 were R$ 74,604, of which R$ 6,828 in current liabilities and R$ 67,776 in noncurrent liabilities.

These complementary retirement benefits were elaborated in actuarial evaluation by the independent actuary Towers Perrin Forster & Crosby Ltda.

The actuarial liability as of September 30, 2007 reflects the report elaborated by the independent actuary on May 31, 2007, which has kept the biometric premises and the rates used in the subsidiaries financial statements of December 31, 2006.

Table of Contents

24. Supplementary statement of cash flow indirect method

Prepared in accordance with Accounting Standard and Procedure (NPC) No. 20 issued by IBRACON (Brazilian Institute of Independent Auditors).

	PARENT COMPANY	
	09/30/2007	**09/30/2006**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	99,241	240,032
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and Amortization	21,632	
Equity in subsidiaries and affiliated companies	(147,267)	(242,171)
Foreign exchange and indexation gains	64,732	35,108
Deferred income and social contribution taxes	(23,588)	(136)
Dividends received by direct subsidiaries	12,872	87,693
(Increase) decrease in current assets:		
Recoverable taxes	(2,197)	(6,379)
Other	(117)	401
Prepaid expenses	(734)	(24)
Increase (decrease) in current liabilities:		
Suppliers	137	(154)
Salaries and related charges	29	4
Taxes	9	54
Other	2,948	(1)
(Increase) decrease in long-term assets:		
Recoverable taxes	199	2,259
Judicial deposits		237
Prepaid expenses	176	
Increase (decrease) in long-term liabilities:		
Other taxes	(9,389)	548
NET CASH PROVIDED BY OPERATING ACTIVITIES	**18,683**	**117,471**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments acquired	(676,432)	
Additions to deferred charges	(13,281)	
Acquisition of treasury shares	(24,845)	(1,124)
NET CASH USED IN INVESTING ACTIVITIES	**(714,558)**	**(1,124)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans, financing and debentures:		
Issuances	675,000	
Amortization	(37,739)	(49,886)
Dividends paid	(60,201)	(149,222)
Related companies	(109,326)	18,846
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**467,734**	**(180,262)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(228,141)**	**(63,915)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	279,386	359,716
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	51,245	295,801

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid from financing activities	37,739	49,886

Table of Contents

	CONSOLIDATED	
	09/30/2007	09/30/2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	99,241	233,723
Adjustments to reconcile net income to cash provided by operating activities:		
Equity in subsidiaries and affiliated companies	214	(696)
Depreciation and amortization	213,915	139,825
PIS and COFINS credits on depreciation	2,017	1,597
Foreign exchange and indexation gains (losses)	32,786	11,843
Deferred income and social contribution taxes	(45,956)	(15,861)
Minority interest	99,816	3,643
Proceeds from disposals of permanent assets	3,470	16,742
Allowance for probable losses on permanent assets	(2,755)	2,604
Reversal of allowance for factory shutdown, net of taxes		6,309
Other	504	540
Dividends received	2,238	
(Increase) decrease in current assets:		
Trade accounts receivable	(42,550)	(47,468)
Inventories	(16,802)	23,422
Recoverable taxes	(40,558)	(39,871)
Other	(10,203)	(394)
Prepaid expenses	6,576	3,062
Increase (decrease) in current liabilities:		
Suppliers	18,234	(9,789)
Salaries and related charges	8,461	13,238
Taxes	(1,482)	9,387
Income and social contribution taxes	47,175	698
Other	2,918	(10,145)
(Increase) decrease in long-term assets:		
Recoverable taxes	(7,104)	(979)
Judicial deposits	(7,812)	211
Trade accounts receivable	(6,637)	(145)
Other	(1,836)	(779)
Prepaid expenses	(4,019)	(103)
Increase (decrease) in long-term liabilities:		
Provision for contingencies	1,994	(14,536)
Other	255	(633)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**352,100**	**325,445**

F-116

Table of Contents

	CONSOLIDATED	
	09/30/2007	09/30/2006
CASH FLOWS FROM INVESTING ACTIVITIES		
Transfer of financial application from long term to short term	515,140	
Cash investments in long-term, net of redemption	(3,817)	(7,193)
Acquisition of investment	(707,233)	
Acquisition of acquired companies cash	159,992	
Additions to property, plant and equipment	(442,614)	(156,486)
Additions to deferred charges	(63,476)	(58,886)
Additions to intangible	(4,648)	(9,934)
Proceeds from sales of permanent assets	14,734	13,071
Acquisition of minority interest	(53)	(28)
Acquisition of treasury shares	(24,845)	(1,124)
NET CASH USED IN INVESTING ACTIVITIES	**(556,820)**	**(220,580)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans, financing and debentures:		
Issuances	1,363,693	295,495
Amortization	(633,534)	(438,099)
Dividends paid	(63,004)	(149,913)
Related companies	(4,561)	(1,983)
NET CASH USED IN FINANCING ACTIVITIES	**662,594**	**(294,500)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**457,874**	**(189,635)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,070,076	1,250,924
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,527,950	1,061,289
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid on loans and financing	99,376	74,466
Income and social contribution taxes paid in the period	60,938	24,002

25. Subsequent events

i) Ipiranga acquisition Tag alongs

As mentioned in Note 3, in April of 2007, Ultrapar acquired the control of certain companies of Ipiranga Group. The acquisition process was structured in four phases. The first phase was concluded on April 18 with the transfer of control of the Ipiranga Group. The second phase of the acquisition, which comprises mandatory tender offers (tag along) by Ultrapar for the common shares of Refinaria de Petróleo Ipiranga S.A. (RPI), Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI) and Companhia Brasileira de Petróleo Ipiranga (CBPI), is scheduled to be completed shortly. RPI and DPPI tender offers were carried on October 22, 2007. Ultrapar acquired 1,274,718 shares of DPPI, equivalent to 77% of the shares subject to such tender offer and 2,771,781 shares of RPI, equivalent to 82% of the shares subject to such tender offer. The total disbursement in the RPI and DPPI tender offers was R$ 441 million. Of this amount Ultrapar was responsible for a disbursement of R$ 122 millions, financed through the issuance of a second series of nonconvertible debentures, yielding 102.5% of CDI and maturing in one year from the issuance (see Note 15.e.2). The mandatory tender offer for CBPI common shares is scheduled to happen on November 8, 2007. The maximum disbursement by Ultrapar in the CBPI tender offer will be R$ 54 millions, of a total amount of R$ 194 millions.

Table of Contents

ii) ADENE exemption

In December 2006, Oxiteno Nordeste S.A. Indústria e Comércio Camaçari plant s tax exemption expired, as shown in Note 9.c). The subsidiary has requested ADENE (Northeast Development Agency), the agency in charge of managing this incentive program, a 75% income tax reduction until 2016, which was granted on May 25, 2007. On July 3, 2007, the benefit analysis report issued by ADENE was directed to the Federal Revenue Service to be ratified. Such ratification should have occurred in 120 days from the date the request was filed. Such term expired on October 31, 2007. Therefore the subsidiary will record in October of 2007 a reduction in its results, with retroactive effect to January 1, 2007, in an amount of R$ 15,418.

OTHER INFORMATION CONSIDERED MATERIAL BY THE COMPANY

Shares directly or indirectly owned by the controlling shareholders, members of the Board of Directors, Executive Officers and members of the Fiscal Council as of September 30, 2007

		Sep-30-07	
	Common	**Preferred**	**Total**
Controlling Shareholders	33,748,059	293,732	34,041,791
Board of Directors(1)	46	6	52
Officers(2)		191,750	191,750
Fiscal Council		1,071	1,071

Note: (1) Shares owned by members of the Board of Directors which were not included in Controlling Shareholders position. Should the member not be part of the controlling group, only its direct ownership is included.

(2) Shares owned by Officers which were not included in Controlling Shareholders and Board of Directors positions

Shares directly or indirectly owned by the controlling shareholders, members of the Board of Directors, Executive Officers and members of the Fiscal Council Last 12 Months

		Sep-30-07			Sep-30-06	
	Common	**Preferred**	**Total**	**Common**	**Preferred**	**Total**
Controlling Shareholders	33,748,059	293,732	34,041,791	33,748,059	885,979	34,634,038
Board of Directors(1)	46	6	52	46	6	52
Officers(2)		191,750	191,750		139,950	139,950
Fiscal Council		1,071	1,071		1,071	1,071

Note: (1) Shares which were not included in Controlling Shareholders position

(2) Shares which were not included in Controlling Shareholders and Board of Directors positions

Total free float and its percentage of total shares as of September 30, 2007

	Common	**Preferred**	**Total**
Total Shares	49,429,897	31,895,512	81,325,409
(-) Shares held in treasury	6,617	580,197	586,814
(-) Shares owned by Controlling Shareholders	33,748,059	293,732	34,041,791
(-) Shares owned by Management	46	191,756	191,802
(-) Shares owned by affiliates(*)		55,200	55,200

Free-float	15,675,175	30,774,627	46,449,802
% Free-float / Total Shares	**31.71%**	**96.49%**	**57.12%**

* Subsidiaries

Table of Contents

The Company s shareholders that holds more than 5% of voting or non-voting capital, up to the individual level, and breakdown of their shareholdings as of September 30, 2007

ULTRAPAR PARTICIPAÇÕES S.A	Common	%	Preferred	%	Total	%
Ultra S.A. Participações	32,646,696	66.05%	12	0.00%	32,646,708	40.14%
Parth Investments Company(1)	9,311,730	18.84%	1,396,759	4.38%	10,708,489	13.17%
Monteiro Aranha S.A.(2)	5,212,637	10.55%	1,011,888	3.17%	6,224,525	7.65%
Shares held in treasury	6,617	0.01%	580,197	1.82%	586,814	0.72%
Dodge & Cox, Inc.(3)			6,819,785	21.38%	6,819,785	8.39%
Others	2,252,217	4.56%	22,086,871	69.25%	24,339,088	29.93%
TOTAL	**49,429,897**	**100.00%**	**31,895,512**	**100.00%**	**81,325,409**	**100.00%**

(1) Company headquartered outside of Brazil

(2) Brazilian public listed company

(3) Institutions headquartered outside of Brazil

ULTRA S.A. PARTICIPAÇÕES	Common	%	Preferred	%	Total	%
Fábio Igel	12,065,160	19.09%	4,954,685	19.55%	17,019,845	19.22%
Paulo Guilherme Aguiar Cunha	11,974,109	18.95%		0.00%	11,974,109	13.52%
Ana Maria Villela Igel	2,570,136	4.07%	9,208,690	36.34%	11,778,826	13.30%
Christy Participações Ltda.	6,425,199	10.17%	4,990,444	19.69%	11,415,643	12.89%
Joyce Igel de Castro Andrade	7,071,343	11.19%	2,062,989	8.14%	9,134,332	10.32%
Márcia Igel Joppert	7,758,967	12.28%	2,062,988	8.14%	9,821,955	11.09%
Rogério Igel	7,311,004	11.57%	1,615,027	6.37%	8,926,031	10.08%
Lucio de Castro Andrade Filho	3,775,470	5.97%		0.00%	3,775,470	4.26%
Others	4,250,660	6.73%	448,063	1.77%	4,698,723	5.31%
TOTAL	**63,202,048**	**100.00%**	**25,342,886**	**100.00%**	**88,544,934**	**100.00%**

Others: other individuals, none of them holding more than 5%

CHRISTY PARTICIPAÇÕES LTDA.	Capital Stock	%
Maria da Conceição Coutinho Beltrão	3,066	34.90%
Hélio Marcos Coutinho Beltrão	1,906	21.70%
Cristiana Coutinho Beltrão	1,906	21.70%
Maria Coutinho Beltrão	1,906	21.70%
TOTAL	**8,784**	**100.00%**

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

INVESTMENTS IN SUBSIDIARIES AND/OR AFFILIATES

1 - Item	2 - Company name	3 - Corporate taxpayer number (CNPJ)	4 - Classification	5 - % of ownership interest in investee	6 - % of investor s stakeholders equity	7 - Type of company	8 - Number of shares held in the current quarter (in thousands)	9 - Number of shares held in the prior quarter (in thousands)
01	Ultracargo Oper. Log. e Part. Ltda.	34.266.973/0001-99	Closely-held subsidiary	100.00	10.09	Commercial, industrial and other	2,461	2,461
02	Ultragaz Participações Ltda.	57.651.960/0001-39	Closely-held subsidiary	100.00	19.85	Commercial, industrial and other	4,336	4,336
03	Imaven Imóveis e Agropecuária Ltda.	61.604.112/0001-46	Closely-held subsidiary	100.00	2.30	Commercial, industrial and other	27,734	27,734
04	Oxiteno S.A. Indústria e Comércio	62.545.686/0001-53	Closely-held subsidiary	100.00	70.21	Commercial, industrial and other	35,102	35,102
05	Oxiteno Nordeste S.A. Indústria e Comércio	14.109.664/0001-06	Investee of subsidiary/affiliated company	99.42	49.82	Commercial, industrial and other	6,898	6,898
06	Terminal Químico de Aratu S.A. Tequimar	14.688.220/0001-64	Investee of subsidiary/affiliated company	99.44	5.48	Commercial, industrial and other	12,540	12,540
07	Transultra Armaz. e Transp. Espec. Ltda.	60.959.889/0001-60	Investee of subsidiary/affiliated company	100.00	3.59	Commercial, industrial and other	34,999	34,999
08	Companhia Ultragaz S.A.	61.602.199/0001-12	Investee of subsidiary/affiliated company	98.56	21.61	Commercial, industrial and other	799,931	799,929
09	SPGás Distribuidora de Gás Ltda.	65.828.550/0001-49	Investee of subsidiary/affiliated company	100.00	26.05	Commercial, industrial and other	1,314	1,314
10	Bahiana Distribuidora de Gás Ltda.	46.395.687/0001-02	Investee of subsidiary/affiliated company	100.00	6.53	Commercial, industrial and other	24	24
11	Utingás Armazenadora S.A.	61.916.920/0001-49	Investee of subsidiary/affiliated company	55.99	1.49	Commercial, industrial and other	2,800	2,800
12	Oxiteno México S.A. de C.V.		Investee of subsidiary/affiliated company	100.00	1.32	Commercial, industrial and other	122,048	122,048
13	Cia. Brasileira de Petróleo Ipiranga	33.069.766/0001-81	Open-held subsidiary	11.52	4.65	Commercial, industrial and other	12,206	12,206
14	Distrib. Produtos Petróleo Ipiranga S.A.	92.689.256/0001-76	Open-held subsidiary	32.45	7.89	Commercial, industrial and other	10,384	10,384
15	Am/pm Comestíveis Ltda.	40.299.810/0001-05	Investee of subsidiary/affiliated company	11.00	2.89	Commercial, industrial and other	6,369	6,369
16	Centro de Conveniências Millennium Ltda.	03.546.544/0001-41	Investee of subsidiary/affiliated company	11.00	0.08	Commercial, industrial and other	135	135
17	Empresa Carioca de Produtos Químicos S.A.	33.346.586/0001-08	Investee of subsidiary/affiliated company	11.00	0.89	Commercial, industrial and other	22,963	22,963
18	Ipiranga Com. Import. e Export. Ltda.	05.378.404/0001-37	Investee of subsidiary/affiliated company	11.00	0.00	Commercial, industrial and other	15	15
19	Ipiranga Trading Limited		Investee of subsidiary/affiliated company	11.00	0.00	Commercial, industrial and other	6	6
20	Tropical Transportes Ipiranga Ltda.	42.310.177/0001-34	Investee of subsidiary/affiliated company	11.00	0.70	Commercial, industrial and other	29	29
21	Ipiranga Imobiliária Ltda.	07.319.798/0001-88	Investee of subsidiary/affiliated company	11.00	0.37	Commercial, industrial and other	488	488
22	Ipiranga Logística Ltda.	08.017.542/0001-89	Investee of subsidiary/affiliated company	11.00	0.03	Commercial, industrial and other	1	1
23	Maxfácil Participações S.A.	08.077.294/0001-61	Investee of subsidiary/affiliated company	9.00	4.34	Commercial, industrial and other	2	2

24	Isa-Sul Administração e Participação Ltda.	89.548.606/0001-70	Investee of subsidiary/affiliated company	32.00	2.69	Commercial, industrial and other	15,209	15,209
25	Comercial Farroupilha Ltda.	92.766.484/0001-00	Investee of subsidiary/affiliated company	32.00	0.05	Commercial, industrial and other	2,920	2,920
26	Ipiranga Adm. de Bens Móveis Ltda.	08.056.984/0001-34	Investee of subsidiary/affiliated company	32.00	0.00	Commercial, industrial and other	3	3
27	Refinaria de Petróleo Ipiranga S.A.	94.845.674/0001-30	Investee of subsidiary/affiliated company	10.02	-0.13	Commercial, industrial and other	2,962	2,962
28	Oxiteno Andina, C.A.		Investee of subsidiary/affiliated	100.00	0,69	Commercial, industrial and other	12.076	12.076

Note: This information is an integral part of the interim financial information as required by the CVM.

F-120

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

CHARACTERISTICS OF DEBENTURES

1	ITEM	01
2	ORDER NUMBER	SINGLE
3	REGISTRATION NUMBER IN THE CVM	CVM/SRE/DEB/2005/015
4	REGISTRATION DATE	04/06/2005
5	SERIES ISSUED	UN
6	ISSUE TYPE	SINGLE
7	ISSUE NATURE	PUBLIC
8	ISSUE DATE	03/01/2005
9	MATURITY DATE	03/01/2008
10	DEBENTURE TYPE	NO PREFERENCE
11	YIELD	102.5% of the CDI
12	PREMIUM/DISCOUNT	
13	PAR VALUE (REAIS)	10,000.00
14	ISSUED AMOUNT (IN THOUSANDS OF REAIS)	302,332
15	ISSUED SECURITIES (UNIT)	30,000
16	OUTSTANDING SECURITIES (UNIT)	30,000
17	SECURITIES HELD IN TREASURY (UNIT)	0
18	REDEEMED SECURITIES (UNIT)	0
19	CONVERTED SECURITIES (UNIT)	0
20	UNPLACED SECURITIES (UNIT)	0
21	LAST RESET DATE	
22	NEXT EVENT DATE	03/01/2008

CHARACTERISTICS OF DEBENTURES

1	ITEM	02
2	ORDER NUMBER	2nd
3	REGISTRATION NUMBER IN THE CVM	AUTOMATIC EXEMPTION
4	REGISTRATION DATE	04/18/2007
5	SERIES ISSUED	1st
6	ISSUE TYPE	SINGLE
7	ISSUE NATURE	PUBLIC
8	ISSUE DATE	04/11/2007
9	MATURITY DATE	04/11/2008
10	DEBENTURE TYPE	SUBORDINATE
11	YIELD	102.5% of the CDI
12	PREMIUM/DISCOUNT	
13	PAR VALUE (REAIS)	675,000,000.00
14	ISSUED AMOUNT (IN THOUSANDS OF REAIS)	712,457
15	ISSUED SECURITIES (UNIT)	1
16	OUTSTANDING SECURITIES (UNIT)	1
17	SECURITIES HELD IN TREASURY (UNIT)	0
18	REDEEMED SECURITIES (UNIT)	0
19	CONVERTED SECURITIES (UNIT)	0
20	UNPLACED SECURITIES (UNIT)	0
21	LAST RESET DATE	
22	NEXT EVENT DATE	10/11/2007

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A

MD&A ANALYSIS OF CONSOLIDATED EARNINGS

Third Quarter 2007

(1) Key Indicators Consolidated:

(R$ million)	3Q07	3Q06	2Q07	Change 3Q07 vs. 3Q06	Change 3Q07 vs. 2Q07	9M 07	9M06	Change 9M07 vs. 9M06
Net sales and services	6,162.8	1,295.2	6,181.1	376%	(0)%	13,518.0	3,590.3	277%
Cost of sales and services	(5,684.2)	(1,029.9)	(5,704.2)	452%	(0)%	(12,339.3)	(2,889.3)	327%
Gross Profit	478.6	265.3	476.9	80%	0%	1,178.7	701.0	68%
Selling, general and administrative expenses	(342.5)	(154.1)	(336.3)	122%	2%	(834.6)	(441.8)	89%
Other operating income (expense), net	0.8	0.7	4.2	14%	(81)%	4.9	1.8	172%
Income from operations before financial items	136.9	111.9	144.8	22%	(5)%	349.0	261.0	34%
Financial (expense) income, net	(30.0)	(2.9)	(27.3)	934%	10%	(65.2)	31.9	(304)%
Equity in subsidiaries and affiliated companies	(0.1)	0.1		(200)%	0%	(0.2)	0.7	(129)%
Nonoperating income (expense), net	(1.0)	(7.7)	(1.1)	(87)%	(9)%	(2.9)	(20.9)	(86)%
Income before taxes and social contribution	105.8	101.4	116.4	4%	(9)%	280.7	272.7	3%
Income and social contribution taxes	(31.3)	(26.6)	(32.0)	18%	(2)%	(86.7)	(81.5)	6%
Benefit of tax holidays	3.4	15.3	3.3	(78)%	3%	9.5	46.1	(79)%
Employees statutory interest	(1.7)		(2.8)	0%	(39)%	(4.5)		0%
Minority interest	(51.6)	(1.3)	(47.5)	3.869%	9%	(99.8)	(3.6)	2.672%
Net income	24.6	88.8	37.4	(72)%	(34)%	99.2	233.7	(58)%
EBITDA	218.1	158.2	225.3	38%	(3)%	558.5	400.8	39%
Volume LPG sales	411	408	402	1%	2%	1,181	1,156	2%
Volume Fuels sales	2,860	2,705	2,753	6%	4%	8,187	7,827	5%
Volume Chemicals sales	162	149	147	8%	10%	453	413	10%

Initial Considerations: *In April 2007 we acquired the controlling stake of certain companies of the Ipiranga Group, becoming owners of (i) the fuel and lubricant distribution businesses in the South and Southeast of Brazil, together with related activities, (ii) EMCA Empresa Carioca de Produtos Químicos, a producer of white mineral oils and special fluids, and (iii) a stake in the refinery operations. Ultrapar s figures in 2Q07 already consolidate the results from the acquired businesses. The references to Ipiranga correspond to the fuel and lubricant distribution businesses acquired in the South and Southeast, related activities, as well as EMCA. Except where otherwise mentioned, the figures for Ultrapar referring to periods prior to 2Q07 do not include the acquired operations. Unaudited figures have been prepared relating Ipiranga for periods prior to 2Q07 (Pro-forma Ipiranga), with the sole purpose of providing a comparison base to facilitate the analysis of the*

Table of Contents

company s performance. With the same purpose, when indicated, certain Ultrapar figures referring to quarters prior to 2Q07 include the operations acquired (Pro-forma Ultrapar).

(2) Performance Analysis:

Net Sales and Services Ultrapar s net sales and services amounted to R$ 6,162.8 million in 3Q07, 376% up on the net sales in 3Q06, due to Ipiranga´s acquisition, and in line with sales in 2Q07. Compared with pro-forma figures for Ultrapar in 3Q06, net sales were almost unchanged. In 9M07 Ultrapar s net sales amounted to R$ 13,518.0 million, up 277% compared to 9M06, as a result of the addition of Ipiranga revenues from 2Q07 on.

Ultragaz: The Brazilian LPG market expanded by 2% in 3Q07 when compared to 3Q06, reflecting the improvement in Brazilian economy and the increase in Brazilian population income, a slower growth pace in comparison to the first six months of the year, when market expanded by 3%. Ultragaz s sales volume totalled 411,000 tons, a 1% growth over the volume sold in 3Q06. Ultragaz sales in the bulk gas segment showed a 4% increase (5,000 tons) in 3Q07, compared to 3Q06, as a consequence of winning new clients as well as the improved Brazilian economic scenario. In the bottled segment Ultragaz´s volume sold remained stable in comparison to 3Q06, in 279,000 tons. Compared to 2Q07, sales volume at Ultragaz rose by 2% due to seasonally stronger sales between the periods. In 9M07 Ultragaz reported total sales volume of 1,181,000 tons, 2% higher than in the same period in 2006. Net sales and services at Ultragaz amounted to R$ 809.4 million in 3Q07, down 1% compared to 3Q06, as a consequence of the increased competition in the LPG market in this third quarter. Compared to 2Q07, net sales showed an increase of 1%, basically as a consequence of the seasonal increase in sales volume. In 9M07, Ultragaz s net sales amounted to R$ 2,342.4 million, up 2% compared to 9M06.

Ipiranga: The expansion in the vehicles market and the improvements made to legislation and inspection implemented in the sector, for example ANP resolution Nº 07, the implementation of CODIF/Passe Fiscal and the addition of colorant to anhydrous ethanol, all had a positive influence on Ipiranga s sales volume, which amounted to 2,860,000 cubic metres in 3Q07, up 6% compared to 3Q06 pro-forma figures. Main highlights in 3Q07 were (i) the volume of gasoline, ethanol and NGV (natural gas for vehicles), which showed a 12% increase (110,000 cubic metres) as a result of the expansion in Brazil s vehicle fleet, particularly of flex-fuel vehicles, the improvements implemented in the sector and the investments made by the company in the expansion of its NGV service stations network and (ii) the volume of diesel, which increased by 2% in the period (39,000 cubic metres), as a consequence of increased economic activity. Compared to 2Q07, Ipiranga showed a 4% increase in sales volume (107,000 cubic metres), reflecting the seasonal variation between the periods and the 30% increase (58,000 cubic meters) in ethanol sales, the latter related to improvements made to legislation in the sector and the record sugarcane harvest in 2007. In 9M07 pro-forma Ipiranga s total sales amounted to 8,187,000 cubic metres, 5% higher than in the same period in 2006. Net sales at Ipiranga amounted to R$ 4,877.5 million in 3Q07, stable when compared to Ipiranga pro-forma net sales in 3Q06, but down 2% when compared to 2Q07. Despite the increase in sales volume net sales were impacted by the variation in the prices of anhydrous and hydrated ethanol, as a consequence of the record Brazilian sugarcane harvest in 2007, as well as the reduction in the rate of ICMS (Brazilian value added tax) in the state of Rio Grande do Sul. In 9M07 pro-forma, net sales for Ipiranga totalled R$ 14,382.3 million, a 2% increase compared to the pro-forma net sales figures for Ipiranga in 9M06.

Oxiteno: Total sales volume at Oxiteno in 3Q07 amounted to 162,000 tons, up 8% (12,000 tons) and 10% (15,000 tons) on 3Q06 and 2Q07, respectively, due to the increase in specialty chemicals sales volume in the domestic market, which were 15% and 9% higher than the volumes in 3Q06 and 2Q07, respectively, as a result of investments made in production capacity expansions. Increase in specialty chemicals sales volume took place in almost all segments, with particularly strong growth in the cosmetics & detergents, paints & varnishes and agrochemicals segments. Volume sales growth was also derived from gains in market share through the development of new products. Sales of commodities were down 73% (18,000 tons) and 70% (16,000 tons) when compared to 3Q06 and 2Q07, respectively, as a result of the interruption in operations of two PET industrial plants in Brazil, leading to a 5% and 7% drop in total Oxiteno sales volume to the domestic market compared to

Table of Contents

3Q06 and 2Q07. Volume sold outside Brazil amounted to 58,000 tons, up 45% (18,000 tons) and 64% (23,000 tons) compared to 3Q06 and 2Q07, respectively, basically as a result of higher glycol exports and to a lesser extent to the increase in sales by Oxiteno Mexico and the acquisition of Oxiteno Andina. For 9M07 Oxiteno reported total sales volume of 453,000 tons, up 10% on the same period in 2006. Oxiteno s net sales amounted to R$ 421.2 million in 3Q07, down 3% compared to 3Q06. The 8% increase in volume sold and the increased proportion of specialty chemicals were offset by the appreciation of 12% of the Brazilian Real against the US Dollar. In addition revenues in 3Q06 were benefited by an extraordinary gain of R$ 3.3 million, as a result of technology sales. Compared to 2Q07, net sales were up 9% as a consequence of the 10% increase in sales volume the 3% appreciation of the Brazilian Real was partially offset by the increase in average prices in US dollars. Net sales in 9M07 amounted to R$ 1,205.1 million, a 4% increase when compared to 9M06.

Ultracargo: In 3Q07, average storage volumes at Ultracargo, as measured in cubic metres, were 18% higher than in 3Q06, basically due to the expansion of the Suape and Aratu terminals, and the increase in operations at the Santos Intermodal Terminal TIS. When compared to 2Q07 average storage volume presented a 6% increase as a result of the expansion at the Aratu terminal and a higher capacity utilization at TIS. Total kilometrage travelled was down 17% compared to 3Q06, basically as a consequence of Ultracargo s decision to concentrate its operations on the provision of differentiated services. Compared to 2Q07, total kilometrage travelled remained practically unchanged. In 9M07, Ultracargo recorded an overall increase of 17% in average storage volume, as measured in cubic metres, and a 25% reduction in total kilometrage travelled. Ultracargo reported net revenue of R$ 59.3 million in 3Q07, up 7% and 1% compared to 3Q06 and 2Q07, as a consequence of (i) the expansion in storage operations at the Suape, Aratu and Santos terminals and (ii) the new internal logistics operations, with Petrolog acquisition in 2Q07, and the winning of new clients in this segment. In 9M07, Ultracargo s net revenues totalled R$ 170.6 million, unchanged compared to the same period in 2006.

Cost of Sales and Services: Ultrapar s cost of sales and services amounted to R$ 5,684.2 million in 3Q07, up 452% on 3Q06, basically due to the acquisition of Ipiranga, and in line with 2Q07 figures. Compared to pro-forma figures for Ultrapar in 3Q06 cost of sales and services would have remained stable. In 9M07 Ultrapar s cost of sales and services amounted to R$ 12,339.3 million, a 327% increase compared to 9M06, as a result of the additional costs of Ipiranga operations from 2Q07.

Ultragaz: Costs of products sold at Ultragaz amounted to R$ 693.8 million in 3Q07, up 3% and 4% compared to 3Q06 and 2Q07, respectively, basically due to (i) increased sales volume; (ii) higher costs associated with bringing UltraSystem up to new safety standards, (iii) higher costs associated to the maintenance of LPG bottles and (iv) inflationary effects on costs mainly related to personnel and freight costs. In 9M07 Ultragaz s cost of products sold amounted to R$ 1,981.8 million, a 3% increase compared to 9M06.

Ipiranga: Ipiranga s cost of products sold amounted to R$ 4,613.0 million in 3Q07, unchanged compared to the Ipiranga Pro-forma in 3Q06. Despite the increase in volume sold, costs remained unchanged as a consequence of the reduction in the cost of ethanol, due to the record sugarcane harvest in 2007 and due to the reduction in the rate of ICMS tax in the state of Rio Grande do Sul. Compared to 2Q07, Ipiranga s cost of products sold was down 2%, due to the drop in the cost of ethanol. In 9M07, on a pro-forma basis, Ipiranga s cost of products sold amounted to R$ 13,613.7 million, up 2% compared to pro-forma figures for 9M06.

Oxiteno: Oxiteno s cost of sales in 3Q07 amounted to R$ 346.3 million, a 4% increase compared to 3Q06 basically as a consequence of the 8% rise in volume sold and higher unit costs, particularly the increase in the unit cost of ethylene in US dollars, partially offset by the 12% appreciation in the Brazilian Real. Compared to 2Q07, there was a 9% increase in Oxiteno s cost of sales and services basically as a consequence of increased sales volume. In 9M07 Oxiteno s cost of sales and services totalled R$ 976.7 million, 9% higher than the figure reported in 9M06.

Ultracargo: The cost of services provided by Ultracargo in 3Q07 amounted to R$ 36.5 million, up 3% compared to the same quarter in 2006, and up 6% compared to 2Q07, basically as a consequence of an increase in the storage and internal logistics operations. In 9M07 cost of services provided by the company amounted to R$ 104.0 million, down 6% compared to 9M06, basically because of the reduction in transport operations.

Gross Profit: In 3Q07 Ultrapar reported a gross profit of R$ 478.6 million, 80% higher than 3Q06, as a result of adding Ipiranga s gross profit from 2Q07 and unchanged comparing to 2Q07. In 9M07 Ultrapar gross profit amounted to R$ 1,178.7 million, a 68% increase compared to 9M06.

Sales, General and Administrative Expenses: Ultrapar s sales, general and administrative expenses amounted to R$ 342.5 million in 3Q07, 122% higher than that reported in 3Q06, as a consequence of the consolidation of Ipiranga s figures. Compared to 2Q07, sales, general and administrative expenses increased by 2%. Compared to pro-forma figures for Ultrapar in 3Q06, sales, general and administrative expenses would have remained unchanged. For the first nine months of the year, Ultrapar s sales, general and administrative expenses totalled R$ 834.6 million, up 89% compared to the same period in 2006, as a result of the consolidation of Ipiranga s figures from 2Q07 onwards.

Ultragaz: Ultragaz s sales, general and administrative expenses amounted to R$ 83.3 million in 3Q07, remaining flat in relation to 3Q06, basically due to operational improvements implemented and lower profit-sharing payments, which offset increases resulting from salary increases, as a consequence of annual collective wage agreements, and increased marketing expenses. Compared to 2Q07, sales, general and administrative expenses increased by R$ 2.7 million, or 3%, basically a result of the 2% increase in volume sold and of expenses related to Ultragaz s 70th anniversary institutional campaign. In 9M07, sales, general and administrative expenses amounted to R$ 250.0 million.

Ipiranga: Sales, general and administrative expenses at Ipiranga amounted to R$ 179.4 million in 3Q07, up 2% and 3% compared to 3Q06 pro-forma and 2Q07, principally as a consequence of (i) higher marketing expenses related to projects such as Cartão Ipiranga Carbono Zero (Free Carbon Credit Card), 3,000 tanks, Clube VIP and Clube do Milhão, and (ii) the increase in volume sold, principally impacting freight expenses. In 9M07 pro-forma sales, general and administrative expenses totalled R$ 530.7 million, up 4% on the pro-forma figures for 9M06.

Oxiteno: Oxiteno s sales, general and administrative expenses totalled R$ 52.3 million in 3Q07, 5% lower than in 3Q06, as a consequence of (i) R$ 1.8 million in extraordinary expenses incurred in 3Q06 mainly related to the sale of technology, and (ii) lower profit-sharing expenses. Compared to 2Q07, there was a 1% drop in sales, general and administrative expenses, principally due to the reduction in commission expenses paid to sales agents abroad, due to the opening of sales offices in the US and Argentina, and a reduction in the administrative staff. In 9M07, general expenses totalled R$ 160.0 million, up 3% compared to 9M06.

Ultracargo: Sales, general and administrative expenses at Ultracargo totalled R$ 17.4 million in 3Q07, unchanged on 3Q06 and 2Q07, due to a reduction in expenses in the transport segment, offset by an increase in expenses related to storage and internal logistics operations. In 9M07, sales, general and administrative expenses amounted to R$ 51.1 million, down 5% compared to 9M06.

Income from Operations before Financial Items: Ultrapar reported an income from operations before financial items of R$ 136.9 million in 3Q07, 22% higher than the income from operations before financial items in 3Q06, basically as a result of the Ipiranga acquisition and 5% lower than 2Q07. Income from operations before financial items in 9M07 amounted to R$ 349.0 million, a 34% increase over 9M06.

Financial Income (Expenses), Net: Ultrapar s presented net financial expenses of R$ 30.0 million in 3Q07, compared to net financial expenses of R$ 2.9 million in 3Q06. Financial result in 3Q07 reflects the increase in Ultrapar s net debt as a consequence of the first payment related to Ipiranga acquisition. The company ended the quarter with net debt position of R$ 1,278.2 million, compared to a net cash (net of debt) position of R$ 142.1 million in 3Q06.

Non operating Income (Expenses), Net: In 3Q07 Ultrapar reported non operating expenses, net, of R$ 1.1 million, basically composed by net expenses of R$ 0.9 million as a result of cylinders scraping and net expenses of R$ 7.7 million in 3Q06 from project analyses (R$5.5 million) and provision for losses on permanent assets (R$2.0 million).

Income and Social Contribution / Benefit of Tax Holidays: Ultrapar reported income tax and social contribution expenses, net of benefit of tax holidays of R$ 27.9 million in 3Q07, 147% higher compared to 3Q06. Compared to 2Q07, income tax and social contribution expenses increased by 3% as a result of higher results. In December 2006, the income tax exemption enjoyed by Oxiteno s unit at Camaçari expired and a request was filed with the ADENE (Northeast Development Agency), responsible for the management of this incentive program, asking for a 75% reduction in income tax until 2016, which was deferred on May 25, 2007. On July 3, 2007, the report issued by ADENE was sent to the Federal Tax Authorities for approval. On October 31, 2007 the time limit for approval by the Federal Tax Authorities expired, the company becoming automatically entitled to receive the full benefit of the requested reduction from that date, being this benefit applicable retroactively on the results reported from January 1, 2007 on. However, at the end of this quarter, no tax reduction has been considered for Oxiteno s unit at Camaçari. Should the tax benefit had been obtained since January 1, 2007, total expense with income tax and social contribution would have been reduced by R$ 15.4 million, R$ 7.0 million referring to the tax benefit in 3Q07.

Net Income: Ultrapar s net consolidated earnings in 3Q07 amounted to R$ 24.6 million, 72% lower than the net earnings reported in 3Q06 and 34% lower than the figure reported in 2Q07, basically because of the effects related to financial results, tax incentives and minority interests, which totaled R$ 52 million in the period, as a result of minority interest on Ipiranga.

EBITDA: Ultrapar reported earnings before interest, taxes, depreciation and amortization (EBITDA) of R$ 218.1 million in 3Q07, an increase of 38% compared to 3Q06, but down 3% compared to 2Q07. Compared to pro-forma figures for Ultrapar in 3Q06, EBITDA would have shown a 6% decrease. In 9M07 Ultrapar s EBITDA amounted to R$ 558.5 million, up 39% on 9M06, as a result of the consolidation of Ipiranga s EBITDA from 2Q07.

Ultragaz: Ultragaz reported EBITDA of R$ 62.0 million in 3Q07, down 30% compared to 3Q06, and down 20% on 2Q07, the result of a temporary increase in the level of competition in the LPG market in 3Q07, combined with inflationary effects on distribution costs, higher costs associated with UltraSystem to bring it up to new safety standards and higher costs associated to the maintenance of LPG bottles. In the first nine months of 2007 Ultragaz s EBITDA amounted to R$ 200.3 million, 10% lower than in the same period in 2006.

Ipiranga: Ipiranga reported EBITDA of R$ 106.1 million in 3Q07, up 40% compared to the pro-forma figure for 3Q06 basically as a result of increased sales volume, the improvements in legislation and inspection enforcement measures implemented in the sector, as well as the effects derived from the record levels of sugarcane harvest in 2007. Compared to 2Q07, EBITDA remained practically unchanged the increase in gross profit was offset by a concentration of expenses in advertising and marketing in 3Q07. In 9M07 Ipiranga s pro-forma EBITDA amounted to R$ 307.9 million, up 23% on pro-forma figures for 9M06.

Oxiteno: EBITDA at Oxiteno totalled R$ 35.5 million in 3Q07, down 40% compared to 3Q06, basically due to the appreciation in the Brazilian Real, and the increase in raw material costs, particularly ethylene. Compared to 2Q07, EBITDA was up 27%, basically as a result of increased sales volume. In addition to the increase in EBITDA quarter-on-quarter, Oxiteno reported growth in EBITDA margin per ton, increasing from US$ 96/ton in 2Q07 to US$ 115/ton in 3Q07. For 9M07 Pro-forma, EBITDA at Oxiteno totalled R$ 105.6 million, 27% lower than that reported in 9M06.

Ultracargo: Ultracargo reported EBITDA of R$ 12.4 million, up 43% on 3Q06, and in line with 2Q07, the result of increased operations in storage and internal logistics segments. In 9M07 Ultracargo s EBITDA amounted to R$ 35.9 million, up 24% compared to 9M06.

Table of Contents

EBITDA

R$ million	3Q07	3Q06	2Q07	Change 3Q07 X 3Q06	Change 3Q07 X 2Q07	9M07	9M06	Change 9M07 X 9M06
Ultrapar	218.1	158.2	225.3	38%	(3)%	558.5	400.8	39%
Ultragaz	62.0	89.2	77.9	(30)%	(20)%	200.3	222.1	5%
Ipiranga	106.1	75.6	105.1	40%	1%	307.9	250.0	23%
Oxiteno	35.5	58.8	28.0	(40)%	27%	105.6	145.5	(27)%
Ultracargo	12.4	8.7	12.4	43%	0%	35.9	28.9	24%

We hereby inform that. in accordance with the requirements of CVM Resolution 381/03, our independent auditors KPMG Auditores Independentes have not performed during this first nine months of 2007 any service other than the external audit of the financial statements of Ultrapar and affiliated companies and subsidiaries. We also inform that there is no expectation, for the current year, for KPMG to perform any other service amounting to more than 5% of the auditing cost.

Table of Contents

Refinaria de Petróleo Ipiranga S.A. and Subsidiaries

Financial Statements for the Years Ended

December 31, 2006, 2005 and 2004

F-128

Table of Contents

Report of Independent Auditors

To the Board of Directors

and Shareholders of

Refinaria de Petróleo Ipiranga S.A.

We have audited the accompanying consolidated balance sheets of Refinaria de Petróleo Ipiranga S.A. and its subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of income, of changes in financial position and of changes in shareholders´ equity for the years ended December 31, 2006, 2005 and 2004. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Refinaria de Petróleo Ipiranga S.A. and its subsidiaries at December 31, 2006 and 2005, and the results of their operations and their changes in financial position for the years ended December 31, 2006, 2005 and 2004 in conformity with accounting practices adopted in Brazil.

Our audits were performed for the purpose of issuing an opinion on the financial statements referred to in the first paragraph, prepared in conformity with accounting practices adopted in Brazil. The consolidated statement of cash flows, which provides supplemental information about the Company and its subsidiaries, is not a required component of the financial statements. We also applied the audit procedures described above to the statement of cash flows for the years ended December 31, 2006, 2005 and 2004 and, in our opinion, it is fairly stated in all material respects in relation to the financial statements taken as a whole.

Accounting practices adopted in Brazil vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 25 to the consolidated financial statements.

PricewaterhouseCoopers Auditores Independentes

Porto Alegre, Brazil

September 28, 2007, except with respect to Note 25

as to which the date is November 9, 2007

Table of Contents

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006 AND 2005

(In thousands of Brazilian reais R$)

ASSETS	2006	2005
CURRENT ASSETS		
Cash and cash equivalents	91,827	91,283
Short term investments	9,480	14,317
Derivatives	18,889	15,550
Trade accounts receivable	634,035	374,579
( ) Allowance for doubtful accounts	(34,722)	(51,749)
( ) Restricted export drafts	(149,758)	(136,139)
Receivables from related parties	23,460	11,232
Recoverable taxes	92,574	89,396
Deferred income and social contribution taxes	10,534	24,905
Dividends/Interest on capital receivable from affiliates	70,599	
Inventories	476,884	414,808
Other current assets	13,164	20,202
Prepaid expenses	10,877	7,471
	1,267,843	875,855
NONCURRENT ASSETS		
Long-term assets		
Restricted temporary cash investments	237	293
Trade accounts receivable	17,818	15,737
( ) Allowance for doubtful accounts	(15,054)	(15,575)
Recoverable taxes	151,265	130,842
Deferred income and social contribution taxes	140,726	109,668
Related companies		98
Other long-term assets	9,852	10,781
Judicial deposits	8,900	8,185
Prepaid expenses	1,324	1,835
Permanent assets		
Investments in affiliates	239,065	208,359
Warrants	28,989	28,989
Goodwill on subsidiaries	62,284	93,376
Other investments	4,358	3,964
Property, plant and equipment, net	999,361	1,017,663
Deferred charges, net	18,213	16,295
	1,667,338	1,630,510
TOTAL	2,935,181	2,506,365

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

Table of Contents

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006 AND 2005

(In thousands of Brazilian reais R$)

LIABILITIES AND SHAREHOLDERS EQUITY	2006	2005
CURRENT LIABILITIES		
Loans and financing	202,278	332,401
Derivatives	6,704	1,543
Trade accounts payable	706,564	510,483
Taxes payable	59,018	38,272
Deferred income and social contribution taxes	8,721	20,605
Dividends payable and interest on capital	94,485	22,363
Other taxes and contribution contingent liabilities	10,014	1,629
Provision for pension and post-employment benefits	4,086	4,191
Payables to related parties	33,575	16,427
Debentures payable to related parties	23,593	
Payable for the acquisition of warrants	33,818	
Payroll and related charges payable	39,355	32,743
Other current liabilities	27,450	42,453
	1,249,661	1,023,110
NONCURRENT LIABILITIES		
Loans and financing	620,279	402,971
Other taxes and contribution contingent liabilities	11,818	3,766
Provision for pension and post-employment benefits	47,267	49,735
Debentures payable to related parties	77,747	306,985
Payable for the acquisition of warrants		29,396
Taxes payable	41,130	16,622
Deferred income and social contribution taxes	29,412	15,700
Other long-term liabilities	3,753	15,572
	831,406	840,747
MINORITY INTEREST	279,486	214,108
SHAREHOLDERS EQUITY		
Capital	365,000	180,000
Revaluation reserve	6,186	6,186
Profit reserves	203,442	242,214
	574,628	428,400
TOTAL	2,935,181	2,506,365

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

Table of Contents

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

(In thousands of Brazilian reais R$)

	2006	**2005**	**2004**
GROSS SALES AND SERVICES	5,619,861	4,998,141	5,176,898
Taxes, discounts and returns	(1,428,504)	(1,385,401)	(1,429,889)
NET SALES AND SERVICES	4,191,357	3,612,740	3,747,009
Cost of sales and services	(3,379,553)	(2,872,802)	(2,897,271)
GROSS PROFIT	811,804	739,938	849,738
OPERATING (EXPENSES) INCOME			
Selling	(191,881)	(163,630)	(182,278)
General and administrative	(155,424)	(141,258)	(120,983)
Other operating income, net	8,204	26,488	11,926
	(339,101)	(278,400)	(291,335)
OPERATING INCOME BEFORE FINANCIAL ITEMS	472,703	461,538	558,403
Financial income (expenses), net	(86,349)	(134,482)	(110,998)
Nonoperating expenses, net	(34,160)	1,227	(183)
	(120,509)	(133,255)	(111,181)
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES, EQUITY IN AFFILIATES, PROFIT SHARING AND MINORITY INTEREST	352,194	328,283	447,222
INCOME AND SOCIAL CONTRIBUTION TAXES			
Current	(104,108)	(80,981)	(132,249)
Deferred	22,678	(19,200)	63,864
	(81,430)	(100,181)	(68,385)
INCOME BEFORE EQUITY IN AFFILIATES, PROFIT SHARING AND MINORITY INTEREST	270,764	228,102	378,837
Equity in affiliates and goodwill amortization	24,324	30,451	19,831
Profit sharing	(7,867)	(7,054)	(6,417)
Minority interest	(122,981)	(113,204)	(176,365)
NET INCOME	164,240	138,295	215,886

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

F-132

Table of Contents

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

(In thousands of Brazilian reais R$)

	2006	**2005**	**2004**
SOURCES OF FUNDS			
From operations			
Net income	164,240	138,295	215,886
Items not affecting working capital			
Minority interest	122,981	113,204	176,365
Provision for pension and post-employment benefits	(2,468)	(12,970)	(1,416)
Allowance for doubtful accounts	(521)	(3,204)	18,779
Depreciation and amortization	82,867	89,268	87,349
Net book value of permanent assets written off or sold	32,168	3,261	804
Equity in affiliates	(48,594)	(49,496)	(46,257)
Goodwill amortization	24,270	19,045	26,426
Monetary and exchange variation and Interest on long-term liabilities	(13,125)	(715)	(47,390)
Monetary and exchange variation and Interest on long-term assets	(6,678)	888	(6,690)
Reversal of provision for loss on investments		(485)	
Monetary and exchange variation on permanent assets	72	1	41
(Recognition) reversal of deferred income and social contribution taxes	(22,678)	19,200	(63,864)
Provision for contingencies	8,052	1,295	
Loss on change in interest in affiliate	32,964		
Others	5,376	(35,497)	10,600
	378,926	282,090	370,633
From shareholders	188		
	188		
From third parties:			
Increase in long-term liabilities		52,154	
Long-term loans	384,140	244,637	391,869
Interest on capital received	17,889	19,787	16,321
Decrease in long-term assets			65,785
Tax incentives	2		
	402,031	316,578	473,975
Total of sources	781,145	598,668	844,608
USES OF FUNDS			
Investments	394	35,944	524
Property, plant and equipment	85,347	66,919	65,574
Increase in noncurrent assets	14,947	47,952	46,846
Transfer of loans from long-term to current liabilities	153,707	379,126	
Decrease in long-term liabilities	5,188		641,146
Dividends and interest on capital paid	17,889	19,787	16,321
Minority interest in dividends and interest on capital received	13,068	2,935	1,663
Deferred charges	6,555	1,557	
Return of capital to shareholders of Ipiranga Petroquímica S.A.	17,287		
Repurchase of shares of Ipiranga Petroquímica S.A.	60,569		
Collection of debentures from related parties	240,757		
Total of uses	615,708	554,220	772,074

INCREASE IN WORKING CAPITAL	165,437	44,448	72,534
REPRESENTED BY			
Current assets:			
At end of year	1,267,843	875,855	1,042,937
At beginning of year	875,855	1,042,937	1,021,264
INCREASE (DECREASE)	391.988	(167,082)	21,673
Current liabilities:			
At end of year	1,249,661	1,023,110	1,234,640
At beginning of year	1,023,110	1,234,640	1,285,501
INCREASE (DECREASE)	226,551	(211,530)	(50,861)
INCREASE IN WORKING CAPITAL	165,437	44,448	72,534

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

Table of Contents

REFINARIA DE PETRÓLEO IPIRANGA S.A AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

(In thousands of Brazilian reais R$)

	Capital	Revaluation reserve	Profit reserves	Retained earnings (accumulated deficit)	Total shareholders equity
BALANCE AS OF DECEMBER 31, 2003	180,000	6,186		(75,859)	110,327
Net income				215,886	215,886
Distribution of net income to:					
Legal reserve			7,189	(7,189)	
Unrealized profit reserve			27,374	(27,374)	
Statutory reserves			89,143	(89,143)	
Interest on capital				(10,416)	(10,416)
Dividends				(5,905)	(5,905)
BALANCE AS OF DECEMBER 31, 2004	180,000	6,186	123,706		309,892
Net income				138,295	138,295
Distribution of net income to:					
Legal reserve			6,866	(6,866)	
Unrealized profit reserve			19,165	(19,165)	
Statutory reserves			92,477	(92,477)	
Interest on capital				(19,787)	(19,787)
BALANCE AS OF DECEMBER 31, 2005	180,000	6,186	242,214		428,400
Capitalization of reserves	185,000		(185,000)		
Net income				164,240	164,240
Distribution of net income to:					
Legal reserve			8,201	(8,201)	
Unrealized profit reserve			28,960	(28,960)	
Statutory reserves			109,067	(109,067)	
Interest on capital				(17,889)	(17,889)
Other				(123)	(123)
BALANCE AS OF DECEMBER 31, 2006	365,000	6,186	203,442		(574,628)

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

F-134

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS

ENDED DECEMBER 31, 2006, 2005 AND 2004

(Amounts in thousands of Brazilian reais R$, unless otherwise stated)

1 Operations

Refinaria de Petróleo Ipiranga S.A. (the Company) is a public company whose shares are traded on the São Paulo Stock Exchange (BOVESPA) and is controlled by members of the Bastos, Mello, Ormazabal, Tellechea and Gouvêa Vieira families.

The Company is primarily engaged in oil refining and sale of its by-products and is a holding company for subsidiaries engaged in the chemical business which represent a significant portion of its consolidated business.

The Company s economic performance in oil refining in 2006 continued to reflect difficulties caused by the incompatibility between oil prices in the international market and by-products prices in Brazil, in the prior year. In order to minimize operating losses management interrupted production for a significant part of 2005 and from June to October 2006.

As part of the actions to ensure continuity of the oil refining operations, Company s management intensified contacts and negotiations with the regulatory agencies of the oil industry, with the Federal Government and with the Rio Grande do Sul State Government. In July 2006, the Company and the Rio Grande do Sul State Government began studying the possibility of producing petrochemical naphtha in order to have an alternative that would allow the operational continuity of the oil refining operations and to increase tax collection for Rio Grande do Sul State.

On November 1, 2006, Decree No. 44,714 was published in the Official Gazette of the Rio Grande do Sul State, permitting to use, as deemed tax credit, up to 8.5% of the ICMS (State VAT) levied on petrochemical naphtha produced in facilities located in the southern region of the Rio Grande do Sul State and sold in the same State, according to the Agreement signed on November 27, 2006.

As a result, operations were resumed according to the Agreement signed with the Rio Grande do Sul State Government and management believes that, from now on, there may be better conditions to continue operations as a result of the alternative structured with the State Government and/or through more consistent domestic price policies, within market conditions.

2 Presentation of consolidated financial statements

The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil (Brazilian GAAP).

The financial statements presented herein are different from the ones prepared by the Company for statutory purposes because they do not include the holding company s stand-alone financial statements, have been adjusted with respect to the financial statements for statutory purposes to include in Note 25 a reconciliation of net equity and net income between the amounts under Brazilian GAAP and generally accepted accounting principles in the United States of America (U.S. GAAP) and have also been adjusted to present certain additional disclosures to facilitate its understanding by readers not familiar with Brazilian GAAP.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include, but are not limited to, estimates relating to the useful lives of property, plant and equipment, accounting for contingencies and provisions for income taxes, among others. Actual results could differ in relation to these estimates.

Table of Contents

3 Summary of significant accounting practices

Accounting practices adopted in Brazil (Brazilian GAAP) to record transactions and prepare the consolidated financial statements comply with those prescribed by Brazilian corporate law and specific standards established by the Brazilian Securities Commission (CVM), which differ in certain respects from the U.S. GAAP. See Note 25 for a discussion of these differences and a reconciliation of consolidated shareholders equity and consolidated net income between Brazilian GAAP and U.S. GAAP.

The following is a summary of significant accounting policies followed in the preparation of the accompanying financial statements:

(a) Cash and cash equivalents

Cash and cash equivalents comprise highly-liquid temporary cash investments (with maturities of 3 months or less when acquired and readily convertible to cash).

(b) Short-term investments and derivatives

Short-term investments correspond to temporary investments. Derivative instruments included swap transactions and options which are cost plus accrued income or expense based on the contractual rates included in each agreement.

(c) Allowance for doubtful accounts

The Company s management has individual customer credit information, which is used to asses customers ability to pay. The allowance is recorded in an amount considered sufficient to cover probable losses on realization of accounts receivable.

(d) Restricted export drafts

Correspond to receivables from exports to customers that have been transferred to financial institutions as repayment of export pre-financing or post-financing obtained.

(e) Inventories

Stated at the lower of average acquisition or production cost or estimated net realizable value.

(f) Investments in affiliates and goodwill

Accounted following the equity method with a corresponding entry to operating income.

Goodwill on the acquisition of subsidiaries is amortized over 10 years, the estimated period of realization.

(g) Property, plant and equipment

Stated at acquisition or construction cost, monetarily restated through December 1995. Depreciation is calculated following the straight-line method based on the estimated economic useful lives of the assets.

(h) Loans and financing

Stated at the amount of principal, plus financial charges incurred, on a pro rata basis, through the balance sheet date. Foreign currency-denominated loans were converted into Brazilian reais at the exchange rates prevailing at the balance sheet date.

Table of Contents

(i) Income and social contribution taxes

Tax expense is calculated based on the income tax rate of 15% plus a 10% surtax and social contribution tax rate of 9%.

(j) Deferred income and social contribution taxes

Calculated on temporary differences and on tax loss carryforwards using the income tax and social contribution tax rates effective for the period in which the tax effects are expected to be realized.

Deferred income and social contribution tax assets are only recognized up to the amount that is likely to be realized within the next ten years as established by CVM Instruction No. 371/02.

(k) Provision for contingencies

Recorded for contingencies whose likelihood of loss is probable, based on the opinion of management and inside and outside legal counsel. The provision is recorded based on the estimated losses upon final resolution of lawsuits.

(l) Pension and other post-employment benefit obligations

Pension and other post-employment benefits liabilities to employees, retirees and pensioners (net of the assets of the benefit plan) are recorded based on the actuarial calculation prepared by an independent actuary, using the Projected Unit Credit Method.

(m) Other assets and liabilities

Other assets and liabilities, classified as current and long term, are stated at realizable or estimated settlement amounts. These assets and liabilities are stated at cost or realizable value and known or estimated amounts, respectively, including, when applicable, interest and monetary and exchange variations.

(n) Interest on capital

Interest on capital can be paid by Brazilian companies in lieu of, or in addition to, mandatory dividend stipulated by the respective company s bylaws. Interest on capital is calculated within the limits established by Law No. 9,249/95 for a maximum amount computed as the TJLP (long-term interest rate) applied on the respective shareholders equity.

Interest on capital received from affiliates is recorded as a receivable. Interest on capital payable, since it represents in essence dividends, is recorded as a reduction in Retained earnings .

(o) Results of operations

Revenue from sale of products is recognized when significant risks and benefits related to the product ownership pass to customer. Revenue from sale of services is recognized when services are provided. Other income, expenses and costs are recognized when incurred and/or realized. The result includes interest and monetary and exchange variations, at official indexes and rates, applicable to current and long-term assets and liabilities and, when applicable, the effects of adjustments of assets to its net realizable value.

Table of Contents

4 Consolidation criteria

The consolidated financial statements have been prepared in accordance with the consolidation principles established by Brazilian GAAP and include the accounts of the Company and the following subsidiaries:

	Country of incorporation	Ownership interest % 2006 Direct	Indirect	2005 Direct	Indirect
Ipiranga Química S.A.	Brazil	58.5269		58.5269	
Through Ipiranga Química S.A.:					
Ipiranga Petroquímica S.A.***	Brazil		92.3863		88.4800
Isatec Pesquisa, Desenvolvimento e Análises Químicas Ltda.	Brazil		100.0000		100.0000
Forlab Chitec S.A. Comércio Internacional	Brazil				100.0000
Ipiranga Química Armazéns Gerais Ltda.	Brazil		99.8500		99.8500
Through Ipiranga Petroquímica S.A.:					
IPQ Petroquímica Chile S.A.	Chile		100.0000		100.0000
Ipiranga Petroquímica Chile Ltda.	Chile		100.0000		100.0000
Ipiranga S.A. (Argentina)	Argentina		100.0000		100.0000
Natal Trading Ltd.	BVI*		100.0000		100.0000
COPESUL Companhia Petroquímica do Sul(**)	Brazil		29.4600		29.4600

(*) BVI British Virgin Islands.

(**) COPESUL is a jointly-controlled entity under Brazilian GAAP and accordingly is proportionately consolidated.

(***) On December 26, 2006, Ipiranga Petroquímica repurchased all its shares held up to such date by the minority shareholder International Finance Corporation IFC and those shares were cancelled. As a result the interest of shareholders other than IFC in Ipiranga Petroquímica increased. The interest of Ipiranga Química increased from 88.4800% to 92.32863%.

The following practices were adopted in the preparation of the consolidated financial statements:

(a) Intercompany balances, transactions and unrealized profits have been eliminated.

(b) Minority interest in fully-consolidated subsidiaries is presented in a separate caption.

(c) Assets and liabilities, and revenues and expenses of the jointly-controled entity COPESUL were included in the consolidated financial statements in proportion to the investor s interest in the investee s capital, pursuant to CVM Instruction No. 247/96. The consolidated balance sheet and statement of income of COPESUL are presented, on a condensed basis, in Note 25 I e).

5 Short-term investments

	2006	2005
Treasury bills (LTF)	3,926	3,406
Investment funds	3,528	3,873
Non-convertible debentures and other debt instruments		4,434
Time deposits	2,263	
Receivables investment funds		2,897
	9,717	14,610
( ) Current	9,480	14,317

Long term (restricted balance)	237	293

Table of Contents

6 Derivatives

COPESUL entered into operations involving options with respect to U.S. dollars called box options as commented below. Its purpose has been to invest cash resources at rates higher than other available investment options. The Company also entered into swap operations which were entered into by Fundo de Investimento Financeiro Multimercado Copesul, a fund consolidated by COPESUL, whose custodian and manager is Banco Santander Brasil S.A.

Swaps correspond to cross-currency interest rate swaps by which the Company pays a fixed interest rate and receives a variable rate based on the Interbank Deposit Certificates (CDI) rate.

	Amounts receivable	
	2006	**2005**
Swap transactions receivable	7,842	693
Swap with anticipatory breach		120
Box options	11,047	14,737
Total	18,889	15,550

	Amounts payable	
	2006	**2005**
Options payable		880
Swap transactions payable	6,704	663
Total (Note 15)	6,704	1,543

Box options are combined operations that involve both the purchase and the sale of options in US dollars for the same maturity at a certain price, so that, regardless of the future U.S. dollar rate, the Company knows in advance the net result of such operations providing what the Company views as a fixed return over its investment. The value paid for the options, called premium, corresponds to the amount invested by the Company and the sum redeemed will be the premium plus a pre-fixed rate of return.

7 Trade accounts receivable

	2006	**2005**
Domestic market		
Trade notes receivable	436,299	280,520
Foreign market		
Receivables	215,554	109,796
	651,853	390,316
( ) Current	634,035	374,579
Long term	17,818	15,737

Table of Contents

8 Related-party transactions

Intercompany transactions are conducted under price and term conditions similar to those adopted for transactions with unrelated parties and are as follows:

	December 31, 2006							
Companies	**Trade accounts receivable (current)**	**Trade accounts receivable (long term)**	**Trade accounts payable (current)**	**Payable for warrants purchased (current)(b)(*)**	**Debentures (a)(c)(**)**	**Sales**	**Purchases**	**Financial income (expenses)**
Distribuidora de Produtos de Petróleo Ipiranga S.A.	3,647		737	33,818	58,794	492,086	877	(23,969)
Companhia Brasileira de Petróleo Ipiranga	660		1,456		42,546	10,663	13,935	(14,740)
Ipiranga Asfaltos S.A.	76					1,908		
Empresa Carioca de Produtos Químicos S.A.	27		143			203	2,312	
Tropical Transportes Ipiranga Ltda.	4		226			8	4,843	
COPESUL Companhia Petroquímica do Sul	3,042		13,306			66,191	1,355,896	284
Braskem S.A	11,484		719			810,995	15,195	
Petróleo Brasileiro S.A Petrobras	35		11,000			35	378,612	
Refinaria Alberto Pasqualini S.A.	1,162		5,768			22,766	195,312	
Other	3,323		220			3,677	2,820	
Total as of December 31, 2006	23,460		33,575	33,818	101,340	1,408,532	1,969,802	(38,425)

	December 31, 2005							
Companies	**Trade accounts receivable (current)**	**Trade accounts receivable (long term)**	**Trade accounts payable (current)**	**Payable for warrants purchased (long-term)(b)**	**Debentures(a)**	**Sales**	**Purchases**	**Financial income (expenses)**
Distribuidora de Produtos de Petróleo Ipiranga S.A.	375	2	1,042	29,396	178,117	386,908	2,049	(30,947)
Companhia Brasileira de Petróleo Ipiranga	1,070	53	359		128,868	13,319	4,000	(21,608)
Ipiranga Asfaltos S.A.	10					1,491		
Empresa Carioca de Produtos Químicos S.A.			44				1,232	
Tropical Transportes Ipiranga Ltda.	2		224			2	134	
COPESUL Companhia Petroquímica do Sul	529	14	14,162			10,157	104,157	
Braskem S.A	5,881		151			758,102	19,431	685
Refinaria Alberto Pasqualini S.A.	3,308		125			14,936	265,846	
Other	57	29	320			10,957	327,846	2,319
Total as of December 31, 2005	11,232	98	16,427	29,396	306,985	1,195,872	724,695	(49,551)

Table of Contents

(*) As of December 31, 2005, the amount was recorded as noncurrent long-term liabilities and was reclassified to current liabilities as of December 31, 2006 considering its maturity date.

(**) The balances of R$ 13,688 and R$ 9,905 of debentures due to Distribuidora de Produtos de Petróleo Ipiranga S.A. and Companhia Brasileira de Petróleo Ipiranga, respectively, were reclassified to current liabilities in 2006 due to their expected payment during 2007.

(a) Debentures issued by Ipiranga Química in 2003

The Extraordinary Shareholders Meeting of Ipiranga Química S.A. held on May 26, 2003 approved the issuance of two series of private convertible debentures, consisting of 11,000 Series A debentures, with face value of R$ 10 each, amounting to R$ 110,000, and 80,000 Series B debentures, with face value of R$ 1 each, amounting to R$ 80,000.

Both series of debentures mature on June 1, 2008.

On June 12, 2003, Distribuidora de Produtos de Petróleo Ipiranga S.A. fully subscribed the Series A debentures and Companhia Brasileira de Petróleo Ipiranga. fully subscribed the Series B debentures.

The subscribed debentures pay interest based on the CDI interest rate, plus spread subject to renegotiation every 6 months (for Series A) and every 5 months (for Series B) as established by the indenture dated June 1, 2003.

The spread for Series A debentures, for the most part of 2005, was 1.5% per year, and changed to 1.0% per year on December 1, 2005 remaining the same in 2006 . The spread for Series B debentures was 1.0% per year in 2005.

The Board of Directors of Ipiranga Química S.A., at the meetings held on May 2, 2006 and December 28, 2006, decided that the funds received through equity pick-up by the interest held by Ipiranga Química S.A. in Ipiranga Petroquímica S.A. should be fully used in the partial redemption of its debentures.

Debentures are convertible into common shares of Ipiranga Química S.A. at any time after their issuance and until their maturity or redemption at the option of the holder.

The conversion price is a fixed amount established in the indenture of the debentures. However, the quantity of common shares to be received upon conversion will be higher than the amount determined as face value of the debentures divided by the conversion price if they are converted before June 1, 2007. The quantity of additional shares to be received will be 25% if converted up to June 1, 2004, 18.2177% if converted before June 1, 2005, 11.8034% if converted before June 1, 2006 and 5.7371% if converted before June 1, 2007.

(b) Modification of terms of the debentures and purchase of warrants by the Company

Pursuant to a Memorandum of Understanding signed on October 3, 2005, Distribuidora de Produtos de Petróleo Ipiranga S.A., Companhia Brasileira de Petróleo Ipiranga and the Company agreed to hold an Extraordinary Shareholders Meeting of Ipiranga Química S.A. to approve a change in the type of debentures, issued by Ipiranga Química S.A. on June 1, 2003.

The changes approved on the meeting held on October 6, 2005 were: (i) to change the debentures from convertible to nonconvertible without making any other change in the terms or conditions of the debentures, and (ii) to issue of warrants to the holders of the debentures, without any charge, replacing the conversion right established for the debentures; the terms of the warrants allow their holder to purchase common shares of Ipiranga Química in exactly the same terms than the conversion features originally included in the debentures.

Contemporaneously, the parties agreed that Distribuidora de Produtos de Petróleo Ipiranga S.A. would sell for R$ 29.0 million the warrants obtained to the Company. The amount for the purchase of the warrants is payable on October 3, 2007, and carries interest at the CDI interest rate.

Upon acquisition of the warrants, the Company recognized the cost of R$ 29.0 million as an asset within Permanent Assets and the corresponding payable to Distribuidora de Produtos de Petróleo Ipiranga S.A. The warrant is recorded at cost by the Company.

Table of Contents

(c) Early partial redemption of the debentures in 2006

The Board of Directors of Ipiranga Química S.A., at the meetings held on May 2, 2006 and December 28, 2006, decided to make an early partial redemption of its debentures, issued on June 1, 2003, considering the financial cost that this debt has been generating for Ipiranga Química S.A.

Funds used to pay for the redemption were received by Ipiranga Química S.A. from its investee Ipiranga Petroquímica S.A. resulting from a reduction in capital approved by it on April 28, 2006 and from distribution of dividends.

Out of the outstanding balance of debentures of R$ 307.0 million, R$ 240.8 million was early redeemed in 2006.

9 Inventories

	2006	**2005**
Finished products	175,798	169,887
Work in process	15,802	7,523
Raw materials	101,602	127,323
Indirect materials, packaging and storeroom supplies	67,881	71,900
Products and raw materials held by third parties	45,776	
Imports in transit	10,250	11,701
Goods in transit	59,775	26,474
	476,884	414,808

10 Recoverable taxes

	2006	**2005**
Income and social contribution taxes	9,032	56,294
IRRF (withholding income tax)	13,757	7,933
ICMS (State VAT)	164,478	113,784
IPI (Federal VAT)	2,199	2,182
ILL (tax on net income)	15,821	15,138
PIS/COFINS (taxes on revenue)	18,815	15,286
State income tax additional	8,170	9,472
Other	11,567	149
	243,839	220,238
( ) Current	92,574	89,396
Long term	151,265	130,842

11 Income and social contribution taxes

(a) Deferred

Considering the uncertainties with respect to future taxable income, as mentioned in Note 1, management maintained the decision of not recording any deferred income and social contribution tax assets as of December 31, 2006 for the oil refining business, and reversed the amounts recorded as of December 31, 2004, in the amount of R$ 14,192.

Table of Contents

On January 1, 2003, the subsidiary Ipiranga Petroquímica S.A. (IPQ) changed the criteria to tax unrealized foreign exchange gains and losses from the accrual basis to the cash basis. Considering the foreign currency exposure of IPQ, the foreign exchange variation significantly influenced the determination of taxable income in prior periods.

Considering the change in the taxation criteria and also considering the then existing economic scenario, the exposure of IPQ to several international market conditions, as well as the operating and business cycles of the petrochemical industry (which has presented significant changes in profit margins in periods which are shorter than most of other industry segments), IPQ management concluded that income projections for periods longer than 3 years may have uncertainty concerning the realization of its assumptions.

As a result of the above, as of December 31, 2004 and 2005 IPQ limited the amounts of deferred tax assets recognized to the amount considered probable to be recovered which was determined to be the amounts to be realized over the subsequent 3 years based on projections of taxable income as of each respective date.

As of December 31, 2006, due to the improvement of macroeconomic condition in Brazil and more accurate projections of the domestic and foreign market variables in the petrochemical industry, management of IPQ reviewed the initial estimate and decided to recognize as deferred tax assets an amount equal to the amounts expected to be realized over the subsequent 10 years based on projections of taxable income.

Recognition of deferred taxes is based on several factors including history of profitability of subsidiaries and budgets, approved by management, which estimates future income for the realization of this asset.

Deferred tax assets and liabilities are as follows:

	2006	2005
Assets		
Income tax loss carryforwards	842,361	872,469
Goodwill on purchase of shares by IPQ	12,504	
Taxes on exports	2,011	
Offsets preliminary injunction		70,590
Provision for pension and post-employment benefits	11,604	53,926
Allowance for doubtful accounts	35,767	67,324
Social contribution tax loss carryforwards	81,182	
Other provisions	24,128	55,596
Tax basis	1,009,557	1,119,905
Statutory rate	34%	34%
Deferred income and social contribution assets, gross	321,210	380,768
( ) Amounts expected to be realized over 10 years (2005 -over 3 years)	(169,950)	(246,195)
Deferred income and social contribution taxes, net	151,260	134,573
( ) Current	10,534	24,905
Long term	140,726	109,668
Liabilities		
Foreign exchange taxed on a cash basis	109,972	106,778
Other	2,184	
	112,156	106,778
Statutory rate	34%	34%
Deferred income and social contribution liabilities	38,133	36,305

( ) Current	8,721	20,605
Long term	29,412	15,700

F-143

Table of Contents

(c) Estimated realization of deferred tax assets and liabilities

The realization of tax credits and debts is based on future taxable income projections limited to the 10 years after each balance sheet date, as follows:

	Assets		Liabilities	
	2006	**2005**	**2006**	**2005**
2006		24,905		20,605
2007	10,534	56,525	8,721	7,513
2008	19,103	47,405	7,548	8,187
2009	5,952	3,419	5,391	
2010 to 2016	115,671	2,319	16,473	
	151,260	134,573	38,133	36,305

(d) Reconciliation of effective income tax and social contribution tax rate

	2006	**2005**	**2004**
Income before taxes, equity in affiliates, profit sharing and minority interest	352,194	328,283	447,222
Additions and deductions:			
Offsets preliminary injuction			63,062
Interest on capital received by the Company and its subsidiaries	43,579	16,802	16,321
Interest on capital paid by the Company and its subsidiaries	(49,831)	(10,416)	
Allowance for doubtful accounts		(13,791)	21,889
Realized foreign exchange gains		(29,220)	(58,747)
Non-deductible provisions	(27,680)	(29,937)	(10,293)
Loss on change in interest in affiliates	32,964		
Other	(37,850)	(23,542)	(5,461)
Use of tax loss carryforwards	(7,176)		(85,025)
Tax basis	306,200	238,179	388,968
Statutory rate	34%	34%	34%
Current income and social contribution taxes	(104,108)	(80,981)	(132,249)
Offsets preliminary injuction			63,062
Recognition (reversal) of provision for pension and other post-employment benefits	(899)		