ULTRAPAR HOLDINGS INC
Form F-4/A
November 15, 2007
Table of Contents

As filed with the Securities and Exchange Commission on November 15, 2007

Registration No. 333-146406

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

AMENDMENT NO 1.

TO

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Ultrapar Participações S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant s name into English)

Brazil	2860	Not Applicable
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Av. Brigadeiro Luis Antônio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

Telephone: 55-11-3177-6695

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

National Registered Agents, Inc.

875 Avenue of the Americas, Suite 501

New York, New York 10001

(800) 300-5067

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Diane G. Kerr, Esq.

Andrés V. Gil, Esq.

Davis Polk & Wardwell

450 Lexington Avenue

New York, New York 10017

(212) 450-4000

Approximate date of commencement of proposed offer to the public: As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS (Subject to Completion)

Dated November 15, 2007

Ultrapar Participações S.A.

Exchange of Preferred Shares

for Preferred Shares of

Refinaria de Petróleo Ipiranga S.A.,

Distribuidora de Produtos de Petróleo Ipiranga S.A.

and

Companhia Brasileira de Petróleo Ipiranga

Dear RIPI, DPPI and CBPI Preferred Shareholders:

This prospectus relates to a share exchange transaction, or the Share Exchange, wherein the preferred shares of Refinaria de Petróleo Ipiranga S.A., or RIPI, Distribuidora de Produtos de Petróleo Ipiranga S.A., or DPPI, and Companhia Brasileira de Petróleo Ipiranga, or CBPI, will be exchanged for preferred shares of Ultrapar Participações S.A., or Ultrapar. In addition, as part of the Share Exchange, all remaining outstanding common shares of RIPI, DPPI and CBPI will be exchanged for Ultrapar preferred shares. The Share Exchange is part of a multi-step acquisition, or the Transaction, by Ultrapar of RIPI, DPPI and CBPI, which together with their subsidiaries make up the Ipiranga Group. The Transaction is being conducted by Ultrapar on its own behalf and on behalf of Petróleo Brasileiro S.A., or Petrobras, and Braskem S.A., or Braskem, and following completion of the Transaction, Ultrapar, Petrobras and Braskem will divide among themselves all of the Ipiranga Group s assets and operations, including those of RIPI, DPPI and CBPI.

As discussed herein, RIPI, DPPI and CBPI have each called extraordinary shareholders meetings for the purpose of allowing their respective common shareholders to determine whether to approve the Share Exchange. Since Ultrapar currently holds more than a majority of each of RIPI, DPPI and CBPI s common shares, the Share Exchange will be approved at such shareholders meetings. Holders of RIPI, DPPI and CBPI preferred shares are not entitled to vote at meetings of the shareholders of RIPI, DPPI and CBPI. Accordingly, once the RIPI, DPPI and CBPI common shareholders approve the Share Exchange, your only alternatives prior to the Share Exchange will be (i) to hold your RIPI, DPPI or CBPI preferred shares and participate in the Share Exchange, (ii) to dispose of your RIPI, DPPI or CBPI preferred shares or (iii) if you are a RIPI or DPPI preferred shareholder to exercise appraisal rights pursuant to Brazilian law and request that RIPI or DPPI, as applicable, purchase your preferred shares, as explained further in this prospectus. According to Brazilian Law, holders of CBPI shares, which are highly liquid, are not entitled to appraisal rights. Your right to exercise appraisal rights will be triggered by publication of the approval of the Share Exchange at RIPI s and DPPI s respective extraordinary shareholder meetings. Once you notify the company whose shares you hold that you wish to exercise your appraisal rights, such request is irrevocable.

In connection with the Share Exchange, Ultrapar will issue 54,704,948 new preferred shares, which includes 1,043,359 preferred shares issued to the common shareholders RIPI, DPPI and CBPI. Each RIPI, DPPI and CBPI preferred share will be exchanged for Ultrapar preferred shares in accordance with the ratio of 0.79850, 0.64048 and 0.41846 Ultrapar preferred shares for each RIPI, DPPI and CBPI preferred share, respectively. On March 16, 2007, the last full trading day in São Paulo prior to the announcement of the Transaction, the implied value of the consideration per share of RIPI, DPPI and CBPI preferred stock was R$39.36, R$31.57 and R$20.63, respectively, and on November 9, 2007, the latest practicable date prior to the date of this document, the implied value of the consideration per share of RIPI, DPPI and CBPI preferred stock was R$53.45, R$42.85 and R$27.99, respectively. Ultrapar s preferred shares are listed on the BOVESPA stock exchange in Brazil under the ticker symbol UGPA4. American Depositary Shares, or ADSs, representing Ultrapar s preferred shares are listed on the New York Stock Exchange under the symbol UGP , but you will not receive ADSs in the Share Exchange.

The accompanying document provides a detailed description of the Transaction and Share Exchange. You are urged to read these materials carefully. **Please pay particular attention to the Risk Factors beginning on page 57 for a discussion of risks related to the Transaction.** If you are in any doubt as to the action you should take, contact your broker, lawyer, accountant or other professional advisor without delay. Other than reading the accompanying document, you are not being asked to take any action at this time. You are receiving this document for your information only, in connection with Ultrapar s registration of its preferred shares with the Securities and Exchange Commission, or SEC, under the U.S. Securities Act of 1933, as amended.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This document does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where such an offer or solicitation would be illegal.

This prospectus is dated , 2007 and is expected to be first made available to holders of RIPI, DPPI and CBPI preferred shares on or about that date.

Sincerely,

André Covre

Chief Financial and Investor

Relations Officer Ultrapar

Table of Contents

ADDITIONAL INFORMATION

This document contains annexes which include important business and financial information about Ultrapar. For a more detailed description of the documents included in the annexes to this prospectus, see Where You Can Find More Information beginning on page 208.

The documents included as annexes hereto have also been filed by Ultrapar with the Securities and Exchange Commission, or SEC. You can obtain additional copies of documents included as annexes hereto from the SEC s website at www.sec.gov or by requesting them in writing or by telephone from:

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

Refinaria de 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

Distribuidora de Produtos 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

Companhia Brasileira de Petróleo Ipiranga

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

Ultrapar, RIPI, DPPI and CBPI are not incorporating the contents of the websites of the SEC, Ultrapar, RIPI, DPPI, CBPI or any other person into this document. Ultrapar is providing only the information about how you can obtain additional copies of documents that are annexed to this document at these websites for your convenience.

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form F-4 filed with the SEC by Ultrapar (File No. 333-146406), constitutes a prospectus of Ultrapar under Section 5 of the U.S. Securities Act of 1933, as amended, or the Securities Act, with respect to the Ultrapar preferred shares to be issued to RIPI, DPPI and CBPI preferred shareholders in connection with the Share Exchange.

TERMS USED IN THIS PROSPECTUS

References in this prospectus to Ultrapar, we, our, us and the Company are to Ultrapar Participações S.A. and its consolidated subsidiaries (unless the context otherwise requires). In addition, all references in this prospectus to:

2006 Form 20-F are to our 2006 Annual Report on Form 20-F, filed with the SEC on June 7, 2007;

ADRs are to the American Depositary Receipts evidencing our ADSs;

ADSs are to our American Depositary Shares, each representing one share of our non-voting preferred stock;

Acquiring Companies are to Ultrapar, Petrobras and Braskem;

AM/PM are to AM/PM Comestíveis Ltda.;

Apsis Valuation Report are to the valuation report which will be delivered by Apsis Consultoria Empresarial S/C Ltda. to Ultrapar prior to the calling of the RIPI, DPPI or CBPI shareholders meetings;

BOVESPA are to the *Bolsa de Valores de São Paulo*, the São Paulo stock exchange;

Braskem are to Braskem S.A.;

Braskem/Petrobras Asset Purchase Agreement are to the Asset Security Agreement entered into by and among Ultrapar, Braskem and Petrobras on April 18, 2007, whereby Ultrapar pledged to Braskem and Petrobras all of the common shares and 50% of the RIPI preferred shares it acquired from the Key Shareholders;

Brazilian Central Bank, BACEN, Central Bank of Brazil or Central Bank are to the *Banco Central do Brasil*, the Brazilian central bank;

Brazilian Corporate Law are to Law No. 6,404 of December 1976, as amended by Law No. 9,457 of May 1997 and by Law No. 10,303 of October 2001;

Brazilian government are to the federal government of the Federative Republic of Brazil;

CBPI are to Companhia Brasileira de Petróleo Ipiranga, a company listed on the BOVESPA;

CBPI Opco are to the operating assets of CBPI;

Combined Company are to Ultrapar following the completion of the Transaction;

Commission or SEC are to the U.S. Securities and Exchange Commission;

Copesul are to Companhia Petroquímica do Sul;

CVM are to the *Comissão de Valores Mobiliários*, the Brazilian securities commission;

Deutsche Bank are to Deutsche Bank Securities Inc.;

Deutsche Bank Valuation Report are to the Valuation Report delivered by Deutsche Bank Securities Inc. to Ultrapar on April 4, 2007, as amended;

Table of Contents

DPPI are to Distribuidora de Produtos de Petróleo Ipiranga S.A., a company listed on the BOVESPA;

DPPI Opco are to the operating assets of DPPI;

EMCA are to Empresa Carioca de Produtos Químicos S.A.;

IASA are to Ipiranga Asfaltos S.A.;

Ipiranga and Ipiranga Group are to RIPI, DPPI, CBPI, IQ, IPQ, Copesul and their respective subsidiaries;

IPQ are to Ipiranga Petroquímica S.A.;

IQ are to Ipiranga Química S.A.;

Isa-Sul are to Isa-Sul Administração e Participação Ltda., a subsidiary of DPPI;

Investment Agreement are to the Investment Agreement entered into by and among Ultrapar, Petrobras and Braskem on March 18, 2007, amended on April 18, 2007;

Key Shareholders are to the direct and indirect controlling shareholders of RIPI, DPPI and CBPI prior to the closing of the SPA;

LPG are to liquefied petroleum gas;

Mandatory Tender Offers are to the mandatory cash tender offers (pursuant 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 that Ultrapar did not acquire under the SPA;

NYSE are to the New York Stock Exchange;

Northern Distribution Business are to CBPI s fuel and lubricant distribution businesses located in the North, Northeast and Central West regions of Brazil;

Oil Refining Operations are to the oil refining operations of RIPI;

Oxiteno are to Oxiteno S.A. Indústria e Comércio, Ultrapar s wholly owned subsidiary, and its subsidiaries that produce ethylene oxide, its principal derivatives and other specialty chemicals;

Petrobras are to Petróleo Brasileiro S.A.;

Petrobras Asset Purchase Agreement are to the Asset Security Agreement entered into by and among Ultrapar and Petrobras on April 18, 2007, 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;

Petrochemical Business are to IQ, IPQ and IPQ s stake in Copesul;

Protocol and Justification are to each of the three *Protocolo e Justificação da Incorporaçao de Acões* agreements entered into on November 9, 2007 by the management of Ultrapar and each of RIPI, DPPI and CBPI. The Protocol and Justifications approve the Share Exchange. The boards of directors of each company approved their respective Protocol and Justification on November 12, 2007. The Protocol and Justifications will be required to be approved by the common shareholders of each company at the meetings called to approve the Share Exchange;

Public Tender Offer are to the tender offer by Braskem for the delisting of Copesul s common shares from the BOVESPA;

real, *reais* or R$ are to Brazilian *reais*, the official currency of Brazil;

v

Table of Contents

RIPI are to Refinaria de Petróleo Ipiranga S.A., a company listed on the BOVESPA;

RIPI Opco are to the operating assets of RIPI;

RIPI Shareholders Agreement are to the shareholders agreement governing the relationship among Ultrapar, Petrobras and Braskem regarding how RIPI s oil refining operations will be managed prior to the completion of the Transaction entered into on April 18, 2007;

Securities Act are to the U.S. Securities Act of 1933, as amended;

Separation of Assets are to the separation of the Target Companies assets following the Share Exchange and Public Tender Offer;

Share Exchange are to the exchanges contemplated by this prospectus of RIPI, DPPI and CBPI s preferred shares for Ultrapar s preferred shares in connection with the Transaction;

Southern Distribution Business are to DPPI and CBPI s fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil;

SPA are to the Share Purchase Agreement entered into by and among Ultrapar, with the consent of Petrobras and Braskem, and the Key Shareholders on March 18, 2007;

Target Companies are to RIPI, DPPI and CBPI;

Target Companies Shareholders Agreement are to the shareholders agreement governing the relationships among Ultrapar, Petrobras and Braskem regarding how IQ s, IPQ s and the Target Companies businesses will be managed prior to completion of the Transaction, excluding matters governed by the RIPI Shareholders Agreement, entered into by and among Ultrapar, Petrobras and Braskem on April 18, 2007;

Target Operations are to the operations substantially comprised of the Southern Distribution Business, the Ipiranga trademark and the Oil Refining Operations that Ultrapar will retain following the Transaction;

Transaction are to the acquisition of the Ipiranga Group by the Acquiring Companies;

Transaction Agreements are to the Investment Agreement, the SPA, the Target Companies Shareholders Agreement, the RIPI Shareholders Agreement, the Braskem/Petrobras Asset Purchase Agreement, the Petrobras Asset Purchase Agreement and the Protocol and Justifications;

Ultracargo are to Ultracargo Operações Logísticas e Participações Ltda., Ultrapar s wholly owned subsidiary, and its subsidiaries, that provide integrated road transport, storage, handling and logistics planning services for special bulk cargo; and

Ultragaz are to Ultragaz Participações Ltda., Ultrapar s wholly owned subsidiary, and its subsidiaries, that distribute LPG.
All references in this prospectus to U.S. dollars, dollars or US$ are to U.S. dollars. All references to the *real*, *reais* or R$ are to the Brazil *real*, the official currency of Brazil.

Table of Contents

FINANCIAL INFORMATION

The following financial statements are included in this prospectus:

For Ultrapar and the Target Companies

Ultrapar s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004, which are included in our 2006 Form 20-F attached hereto as Annex A;

Ultrapar s unaudited interim consolidated financial statements as of and for the nine-month periods ended September 30, 2007 and 2006;

Ultrapar s unaudited interim consolidated financial statements as of and for the six-month periods ended June 30, 2007 and 2006;

RIPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005;

RIPI s unaudited interim consolidated financial information for the nine-month periods ended September 30, 2007 and 2006 and as of September 30, 2007;

RIPI s unaudited interim consolidated financial information for the six-month periods ended June 30, 2007 and 2006 and as of June 30, 2007;

DPPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005;

DPPI s unaudited interim consolidated financial information for the nine-month periods ended September 30, 2007 and 2006 and as of September 30, 2007;

DPPI s unaudited interim consolidated financial information for the six-month periods ended June 30, 2007 and 2006 and as of June 30, 2007;

CBPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005; and

DPPI s unaudited interim consolidated financial information for the nine-month periods ended September 30, 2007 and 2006 and as of September 30, 2007;

CBPI s unaudited interim consolidated financial information for the six-month periods ended June 30, 2007 and 2006 and as of June 30, 2007.

For the Target Companies businesses that Ultrapar will keep following completion of the Transaction

Audited financial statements of the RIPI s refining business carried for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005 (in which Ultrapar will hold a 33% interest following completion of the Transaction);

Audited financial statements for DPPI s Southern Distribution Business for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005; and

Audited combined statements of revenue and direct expenses for the years ended December 31, 2006, 2005 and 2004 and combined statements of assets acquired and liabilities assumed as of December 31, 2006 and 2005, in each case for the part of CBPI s Southern Distribution Business.

Unaudited interim financial information of the Target Companies for the nine-month periods ended September 30, 2007 and 2006 and as of September 2007

We are including in this prospectus the unaudited interim financial information of RIPI, DPPI and CBPI for the nine months ended September 30, 2007 which was publicly released in Brazil on November 7, 2007 in accordance with the requirements for financial reporting established by the CVM. This interim financial information has been prepared in accordance with accounting practices adopted in Brazil and has not been reconciled to generally accepted accounting principles in the United States as such reconciliation is not required by the CVM. Amounts of net income and net equity of RIPI, DPPI and CBPI calculated in accordance with accounting practices adopted in Brazil differ from the amounts that would be determined under U.S. GAAP, as described in Note 25 to each of the annual audited financial statements of RIPI, DPPI and CBPI as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004 included in this prospectus.

Unaudited interim financial information of RIPI as of September 30, 2007 and for the nine-months ended September 30, 2007 and 2006 is presented on an unconsolidated basis only since this is the information that was presented to the CVM. Following the closing of the SPA on April 18, 2007, RIPI ceased controlling the operations of the Petrochemical Assets and therefore no longer presented its financial statements on a consolidated basis. Accordingly, even if consolidated financial information for RIPI had been presented in this prospectus it would have reflected the consolidation of the Petrochemical Assets only for the period prior to April 1, 2007.

Principal differences between accounting practices adopted in Brazil and U.S. GAAP

The unaudited 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). Brazilian accounting policies, which differ significantly from U.S. GAAP, are summarized below. This description has not been subject to an audit or review by our independent auditors.

a) Inflation accounting

Accounting practices adopted in Brazil account for the effects of inflation on financial statements through December 31, 1995 using official inflation indexes. 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 based on inflation indexes calculated by independent institutions.

b) Fixed asset revaluations

Under accounting practices adopted in Brazil fixed assets could be revalued by independent appraisers in order to establish their market values. Under U.S. GAAP the revaluation of fixed assets is not permitted.

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.

For U.S. GAAP purposes, such amounts do not meet the conditions established for deferral and, accordingly, are charged to income.

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.

Under U.S. GAAP, less than 20% owned affiliated companies are accounted for on the basis of cost and more than 20% and less than 50% owned affiliated companies are accounted for based on the equity method.

Table of Contents

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.

e) Capitalization of interest in relation to construction in progress

Under accounting practices adopted in Brazil, prior to January 1, 1996 companies were 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.

f) Acquisitions and business combinations

The accounting practices adopted in Brazil derived from Corporation Law and CVM rules prescribe the application of the purchase method based on book values of the net assets acquired. Goodwill or negative goodwill recorded on the acquisition of a company is calculated as the difference between the cost of acquisition and the net book value of assets and liabilities acquired and is attributed to one of the following: step up basis of the assets due to differences in the carrying values and fair values of the assets, future profitability and other reasons. Such goodwill should be amortized as follows depending on its nature:

Step up basis of the assets. Goodwill or negative goodwill should be amortized proportionally over the remaining estimated useful lives of the corresponding assets of the acquiree;

Future profitability. Goodwill should be amortized during the time expected results are achieved. In this case, the amortization period should not exceed ten years. When considered appropriate, such as where future recoverability is not likely, goodwill may be written-off immediately on acquisition;

Other reasons. Goodwill should be expensed immediately. Negative goodwill should not be amortized to income until the related investment is sold or written off.

For U.S. GAAP purposes, all business combinations are accounted for using the purchase method. The purchase method is applicable for a business combination in which one company acquires an unrelated company. Under the purchase method, the acquiring company records identifiable assets and liabilities acquired based on their fair values. If the purchase price exceeds the amount of such fair value, the excess is recorded as goodwill in the books of the acquiring company. Under SFAS No. 141, more detailed guidelines have been provided for the recognition of intangible assets. Goodwill and other intangible assets with indefinite lives are no longer amortized. Under Statement of Financial Accounting Standard No. 142, or SFAS No. 142, the amount of goodwill will be evaluated for impairment annually, and, if an impairment exists, its recorded value will be adjusted accordingly. Purchase price includes direct costs of acquisition. If assets other than cash are distributed as part of the purchase price, such assets should be valued at fair value. When securities traded in the market are issued as part of the purchase price by the acquiring entity, the market price for a reasonable period before and after the date the terms of the acquisition are agreed to and announced should be considered in the determining purchase price. Under SFAS No. 141, any excess of net assets of the purchase price is first allocated to reduce the allocated amount of long-term assets, and any unallocated amount is recognized as an extraordinary gain in the statement of operations.

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, in accordance with SFAS No. 128 issued by the FASB, or SFAS No. 128, Earnings per Share, the presentation of earnings per share is required for public companies, including earnings per share

Table of Contents

from continuing operations and net income per share on the cover of the income statement, and the per share effect of changes in accounting principles, discontinued operations and extraordinary items either on the cover of the income statement or in a note. A dual presentation is required: (i) basic and (ii) diluted.

Computations of basic and diluted earnings per share data should be based on the weighted average number of shares outstanding during the period and all dilutive potential shares outstanding during each period presented, respectively.

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.

Under U.S. GAAP, available-for-sale equity securities are recorded at estimated fair value, and the resulting accumulated adjustment is recognized as a separate component of shareholders equity until realization.

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.

For U.S. GAAP reconciliation purposes, available-for-sale debt securities are recorded at estimated fair value, and the resulting accumulated adjustment, is recognized as a separate component of shareholders equity until realization.

i) Accounting for derivative financial instruments

Under 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.

j) Fair value of guarantees

Under accounting practices adopted in Brazil, companies are 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 U.S. GAAP, companies recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing guarantees. Companies reduce the liability (by a credit to earnings) as they are released from risk under the guarantees.

k) Translation adjustments

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, 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

x

Table of Contents

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.

l) Operating income

Under accounting practices adopted in Brazil, non-operating income (expenses) includes certain items that would be classified within operating income for U.S. GAAP purposes.

m) Right of offset

Brazilian GAAP permits offsetting amounts due or payable among parties for purposes of presenting balances in the financial statements based on management s expectation of being able to offset the amounts.

Under U.S. GAAP, the conditions to be met require the parties to agree to the offset and the legal right of offset to exist.

n) Accounting for asset retirement obligation

Under Brazilian GAAP, companies expense the amounts to be incurred when certain assets are retired, at the time of retirement.

Under U.S. GAAP, asset retirement obligations correspond to the legally required obligation to remove assets upon retirement. 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.

o) Financial statement note disclosures

Brazilian GAAP in general requires less information to be disclosed in financial statement footnotes than U.S. GAAP. Disclosures required under U.S. GAAP not typically found in Brazilian GAAP financial statements include, but are not limited to, the following:

- general business, political and economic risks;
- off-balance sheet risks and commitments, concentration of credit risk and major customers;
- irrevocable commitments such as take-or-pay or minimum sales contracts;
- advertising expense and assets;
- research and development costs;

- impairment of long-lived assets;
- impairment of goodwill;
- environmental related costs, liabilities and proceedings;
- analysis of sales by geographical area;
- financing facilities and terms; and
- footnote disclosure of summarized financial statements of affiliated companies which meet certain tests of significance.

Brazilian GAAP generally requires more disclosure than U.S. GAAP with respect to insurance coverage, parent company financial statements and details of investments in affiliated and subsidiary companies.

p) Pension and other post-employment benefits

Pension benefits

Pension benefit obligations for Brazilian GAP requires companies to account for defined benefit plans by recognizing a percentage attributed to the Company of the funded status and of the cost of the plan.

Under U.S. GAAP, for multi-employer plans, companies recognize as expense the contribution due to the plan over the corresponding period.

Other post-retirement benefits

Under accounting practices in Brazil actuarial gains and losses are deferred and recognized in income over the estimated remaining service period of the employees.

Under U.S. GAAP such benefits are accounted for by recognizing the funded status of the other postretirement benefits as a liability with an offsetting amount in accumulated other comprehensive income.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

The following are some questions that you may have regarding the Share Exchange and the Transaction and brief answers to those questions. Ultrapar, RIPI, DPPI and CBPI urge you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the Share Exchange and the Transaction. Additional important information is also contained in the documents included as annexes to this prospectus.

Q: Why am I receiving this document?

A: In connection with the Share Exchange, Ultrapar is required by the Securities Act to deliver this document to all preferred shareholders of RIPI, DPPI and CBPI that are U.S. residents. This document is being distributed to you for informational purposes only. You should carefully review it, but you will not be entitled to vote at the shareholder meetings that have been called in order for the common shareholders of RIPI, DPPI and CBPI to approve the Share Exchange. However, RIPI and DPPI preferred shareholders are entitled to appraisal rights in respect of the Share Exchange, as explained below. The Share Exchange will occur automatically following the vote of the common shareholders of each Target Company and, accordingly, you will not be required to take any action in order for your Target Company securities to be exchanged for Ultrapar preferred shares.

Q: What is the purpose of the Transaction?

A: Through the Transaction, Ultrapar is participating in an important step in the reorganization and consolidation of industries 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, has historically operated in the same business 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 major 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 of Brazil. The consolidated net revenues of the Ipiranga Group in 2006 amounted to R$31 billion and net income of R$534 million.

Ultrapar, the largest LPG distributor in Brazil, became, following the closing of the SPA, the second-largest fuel distributor in Brazil, holding 15% of the market. 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 well-known 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.

Ultrapar believes that by completing the Transaction it will achieve the following objectives:

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

- Obtain larger operating scale and administrative efficiency;

Combine logistics and distribution network management know-how;

Combine the market and consumer awareness of two major brands for the distribution of oil byproducts; and

Table of Contents

Accelerate investment in the growth of Ipiranga s businesses.

See The Transaction Ultrapar s Reasons For the Transaction for more information.

Q: What will happen in the Transaction?

A: The Transaction consists of a series of steps and is governed by the Transaction Agreements. In connection with the Transaction, the businesses and subsidiaries of the Ipiranga Group will be acquired and divided among Ultrapar, Petrobras and Braskem. Ultrapar will retain the fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil; 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 business will be shared equally among Petrobras, Ultrapar and Braskem.

The principal steps of the Transaction are:

Closing of the SPA on April 18, 2007, whereby Ultrapar acquired a controlling interest in each of the Target Companies;

Closing of mandatory tag-along cash tender offers by Ultrapar for the remaining outstanding common shares of each of the Target Companies, which occurred on November 8, 2007;

The Share Exchange wherein any remaining common and all preferred shares of each Target Company that Ultrapar does not already hold will be exchanged for Ultrapar preferred shares; and

Split-up of the Southern Distribution Business, Northern Distribution Business, the Petrochemical Business and RIPI s oil refining business and the subsequent transfer of the relevant assets to Petrobras and Braskem . See The Transaction for more information regarding the steps and agreements involved in the Transaction.

Q: What is the Share Exchange?

A: The Share Exchange is a stock merger (*incorporação de ações*), which is a Brazilian corporate law procedure pursuant to which a company becomes a wholly owned subsidiary of another company and shareholders of the former receive shares of the latter. Upon completion of the Share Exchange described in this prospectus, RIPI, DPPI and CBPI will become wholly owned subsidiaries of Ultrapar and the holders of common and preferred shares of RIPI, DPPI and CBPI will receive Ultrapar preferred shares in exchange for their respective shares in RIPI, DPPI and CBPI.

Q: What type of consideration will I receive for my preferred shares of RIPI, DPPI and CBPI in the Share Exchange?

A: In the Share Exchange, you will receive consideration for each of your shares of RIPI, DPPI and CBPI preferred stock in the form of 0.79850, 0.64048 and 0.41846 shares of Ultrapar s preferred stock, respectively. The aggregate number of Ultrapar preferred shares that will be delivered to RIPI, DPPI and CBPI preferred shareholders in the Share Exchange is 13,846,251, 11,682,147 and 28,133,191, respectively. Ultrapar will issue an additional 269,451, 181,139, and 592,769 preferred shares to the remaining common shareholders of RIPI, DPPI and CBPI, respectively, as part of the Share Exchange.

Q: What is the status of the Transaction?

A: The Investment Agreement entered into by the Acquiring Companies on March 18, 2007 regulates the relationships among these companies during the process of completing the Transaction. As of the date of this prospectus, the SPA has closed, the mandatory tag along cash tender offers have been completed and the shareholder meetings to approve the Share Exchange have been called, as described below.

Q: When do you currently expect to complete the Transaction?

A: In the fourth quarter of 2007. However, Ultrapar, RIPI, DPPI and CBPI cannot assure you when or if all of the steps of the Transaction as described in this prospectus will occur. RIPI, DPPI and CBPI must first

Table of Contents

obtain the required approvals of RIPI, DPPI, CBPI shareholders and CBPI Debenture holders. Ultrapar s shareholders must also approve the Transaction. According to the Investment Agreement, upon the occurrence of certain events which delay completion of certain steps of the Transaction, Ultrapar, Petrobras and Braskem may decide to follow different steps for the completion of the Transaction as described in detail in the Investment Agreement and in The Transaction Transaction Agreements Investment Agreement.

Q: Are shareholder votes required for the Share Exchange?

A: Yes, but only the favorable vote of a majority of the common shareholders of each of RIPI, DPPI and CBPI and of a majority of common shareholders of Ultrapar present at each respective shareholder meeting are required for the Share Exchange to be approved. Ultrapar, RIPI, DPPI and CBPI have called extraordinary shareholder meetings for the purpose of approving the Share Exchange, as described below.

Q: Can I vote on the Share Exchange?

A: No. Only common shareholders of Ultrapar, RIPI, DPPI and CBPI may vote on the Share Exchange. Preferred shareholders of Ultrapar, RIPI, DPPI and CBPI do not have the right to vote on the Share Exchange.

Q: May I attend the Ultrapar, RIPI, DPPI and CBPI extraordinary shareholder meetings regarding the Share Exchange?

A: Yes, you may attend the shareholder meetings of the companies in which you hold shares.

Q: When and where are the Ultrapar, RIPI, DPPI and CBPI extraordinary shareholder meetings regarding the Share Exchange?

A: The RIPI extraordinary shareholder meeting will take place 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, Rio Grande do Sul State, Brazil. The DPPI extraordinary shareholder meeting will take place 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. The CBPI extraordinary shareholder meeting will take place 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. Ultrapar s extraordinary shareholder meeting will take place on December 18, 2007 at 7:00 p.m. São Paulo time, at Ultrapar s headquarters, located at Av. Brigadeiro Luiz Antonio, 1343 9th Floor, City of São Paulo, State of São Paulo, Brazil.

Q: How will my rights as an RIPI, DPPI or CBPI preferred shareholder change after the Share Exchange?

A: Because your RIPI, DPPI or CBPI preferred shares will be exchanged for Ultrapar preferred shares, you will become an Ultrapar shareholder and therefore will have the rights conferred by Ultrapar preferred shares. See 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.

Q: What other approvals from your shareholders, any governmental authorities, RIPI, DPPI, CBPI or any third parties are required in order to complete the Transaction?

A: In addition to the shareholder approvals required for the Share Exchange, completion of the Transaction is subject to:

Approval of the Share Exchange in respect of CBPI s shares by the holders of debentures issued by CBPI, the meeting for which will be held immediately after the approval of the Share Exchange by CBPI s shareholders;

Table of Contents

Approval of the split-up of the Northern Distribution Business by CBPI s shareholders, the meeting for which will be held immediately after the Share Exchange in respect of CBPI s shares;

Approval of the split-up of the Petrochemical Business by CBPI and RIPI s shareholders, the meetings for which will be held immediately after the Share Exchange in respect of CBPI s and RIPI s shares;

Approval of the split-up of the Northern Distribution Business and the Petrochemical Business by the holders of debentures of CBPI; the meeting for which will be held immediately after the approval of such split-ups by CBPI s shareholders; and

Ratification of the Transaction by Ultrapar s shareholders, pursuant to article 256 of Brazilian Corporate Law, which must occur prior to April 18, 2008.

Completion of the Transaction does not depend on obtaining the approval of any regulatory body. 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. In light of the fact that the assets we are acquiring in the Transaction relate to industries in which we have not historically operated, we do not believe that we will be required to divest any of such assets as a result of the review of the transaction by the Brazilian antitrust regulator. See The Transaction Regulatory Approvals Required for the Transaction .

Q: Do I have withdrawal, appraisal or dissenter s rights with respect to the Share Exchange?

A: Holders of RIPI and DPPI preferred shares are entitled to appraisal rights. Holders of CBPI preferred shares are not entitled to appraisal rights because of CBPI preferred shares high level of liquidity and the dispersion of CBPI s shareholder base. CBPI s preferred shares are included in the IBOVESPA stock index, which is the most actively traded in Brazil. Under Brazilian law, when such conditions are met, as in the case of CBPI s preferred shares, shareholders do not have appraisal rights. RIPI and DPPI shareholders appraisal rights may be exercised only by owners of record of RIPI and DPPI shares as of the last trading date prior to the first public announcement relating to the Share Exchange, which was March 19, 2007. Holders of DPPI preferred shares who exercise their appraisal rights may choose to receive an amount per share based on book value or liquidation value because the exchange ratio calculated with reference to liquidation 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. Liquidation value is R$33.55 per DPPI share, based on the valuation report prepared by Apsis Consultoria Empresarial S/C Ltda, or Apsis.

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. Ultrapar intends to attach a copy of this report as an exhibit to the registration statement of which this prospectus forms a part.

Q: Are there risks associated with the Share Exchange or the Transaction that I should consider in deciding whether to exercise my appraisal rights?

A: Yes. There are a number of risks related to the Transaction that are discussed in this document. ***Please read in particular the detailed description of the risks associated with the Transaction on pages 57 through 59 and in the 2006 Form 20-F included as Annex A hereto.***

Table of Contents

Q: When must I exercise my appraisal rights if I decide to do so?

A: Your appraisal rights can only be exercised during the 30 day period following publication of the approval of the Share Exchange by the common shareholders of each of RIPI and DPPI. However, payment will not be due if the Share Exchange is rejected by the shareholders of either Ultrapar or RIPI, in the case of the RIPI Share Exchange, or the shareholders of either Ultrapar or DPPI, in the case of the DPPI Share Exchange, at the applicable shareholders meeting. Once the 30-day period for the exercise of your appraisal rights has expired, you will no longer have any right to compel RIPI or DPPI to purchase your preferred shares. The minutes of the shareholders meetings that approve the Share Exchange, as well as press releases related to the Share Exchange, will be published in the newspapers in which Ultrapar, RIPI and DPPI customarily publish their notices on the business day following the relevant shareholder meeting. Such publications shall constitute your sole notification regarding the commencement of the period to exercise your appraisal rights.

Q: What if I want to cancel the exercise of my appraisal right after I have requested it?

A: Exercise of your appraisal right is irrevocable.

Q: When will I know the outcome of the Share Exchange?

A: You will know if the Share Exchange was approved by the common shareholders of Ultrapar, RIPI, DPPI and CBPI immediately after the applicable extraordinary shareholder meetings. Under Brazilian Corporate Law, Ultrapar, RIPI, DPPI and CBPI must each publish a press release reporting the outcome of these meetings on the day following such shareholder meetings. Following the 30-day period within which you may exercise your appraisal rights, each of Ultrapar and RIPI, DPPI and CBPI will publish an additional press release describing the overall outcome of the Share Exchange**.**

Q: When will I receive my new Ultrapar preferred shares?

A: If you do not dispose of your RIPI, DPPI or CBPI preferred shares or exercise your appraisal rights, your RIPI, DPPI or CBPI preferred shares will be automatically exchanged for the appropriate number of Ultrapar preferred shares a few days later after the 30th day following publication of the approval of the Share Exchange by the common shareholders of each of RIPI, DPPI and CBPI. If management of any of RIPI, DPPI, CBPI or Ultrapar concludes, within 10 days after the end of the appraisal rights period, that the total value of the appraisal rights exercised by its shareholders could jeopardize the financial stability of their respective companies, such management could call a shareholder meeting to reconsider the approval of the applicable Share Exchange.

Q: What will be the accounting treatment of the Share Exchange?

A: 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 preferred 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 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 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.

Table of Contents

Q: What will my tax consequences be after the Share Exchange?

A: The exchange of preferred shares of RIPI, DPPI or CBPI for our preferred shares pursuant to the Share Exchange will be a taxable transaction for U.S. federal income tax purposes. Accordingly, U.S. Holders who participate in the Share Exchange generally will recognize gain or loss. For a discussion of certain other U.S. tax matters that may be relevant to U.S. Holders, see Material U.S. Federal Income Tax Consequences. You are urged to consult your own tax advisor with respect to your personal tax consequences of the Share Exchange, which may vary for investors in different tax situations.

Based on the opinion of its external tax advisors, Ultrapar believes that there are good legal grounds to support the position that the receipt of Ultrapar s preferred shares in exchange for RIPI, DPPI or CBPI preferred shares, pursuant to the Shares Exchange, will not be a taxable transaction in Brazil. Gains, if any, resulting from the exercise of appraisal rights, however, will be taxable. You should consult your own tax advisor for a full understanding of the tax consequences of the Share Exchange to you. For a discussion of certain other Brazilian tax consequences, see Brazilian Tax Consequences.

Q: What do I do now?

A: The only thing you need to do now is to carefully read and consider the information contained in, and included as annexes to, this document. You do not need to reply to this document and you are not entitled to vote on the Share Exchange. Following the applicable meeting of the common shareholders of RIPI and DPPI, if you hold RIPI and/or DPPI preferred shares you should consider whether to exercise your appraisal rights.

Q: Whom can I call with questions about the shareholder meetings or the Share Exchange?

A: If you have questions about the Share Exchange or the extraordinary shareholder meetings or you need additional copies of this document, you should contact Ultrapar, RIPI, DPPI or CBPI at the addresses and telephone numbers listed on page i.

Q: Where can I find more information about Ultrapar, RIPI, DPPI, CBPI and the Transaction?

A: You can find more information about Ultrapar, RIPI, DPPI, CBPI and the Transaction from the various sources described under Where You Can Find More Information beginning on page 208.

Table of Contents

SUMMARY

The following summary highlights material information from this document. It does not contain all of the information that may be important to you. You are urged to read carefully this entire document and other documents which are included as annexes to this document in order to fully understand the Share Exchange and the Transaction. See Where You Can Find More Information on page 208. Most items in this summary include a page reference directing you to a more complete description of those items.

Ultrapar, RIPI, DPPI, CBPI and the Ipiranga Group (see page 100)

Overview of Ultrapar

Ultrapar is one of Brazil s largest corporate groups and is the second largest fuel distributor, a leading chemicals manufacturer and integrated logistics services provider. Our wholly owned subsidiary, Ultragaz, is the largest LPG distributor in Brazil, with a market share of approximately 24%. In the chemicals business, our wholly owned subsidiary, Oxiteno, is the largest producer of ethylene oxide and its principal derivatives in South America and a major producer of specialty chemicals. Through our wholly owned subsidiary, Ultracargo, we believe we are a leading provider of integrated road transport, storage, handling and logistics planning services for special bulk cargo. Following the closing of the SPA and Ultrapar s acquisition of a portion of the Ipiranga Group s fuel distribution business, Ultrapar became the second largest Brazilian fuel distributor, with approximately 15% market share.

Overview of the Ipiranga Group

Prior to the Transaction, RIPI, DPPI and CBPI were part of the Ipiranga Group, which, in addition to being Brazil s second largest fuel distributor through DPPI and CBPI as discussed below, had a significant presence in the petrochemical market, with the production of 650 thousand tons of petrochemical resins a year. The Ipiranga Group conducted its petrochemical business through IQ and IPQ and a 29.5% interest in Copesul (with Braskem owning another 29.5%), a petrochemical company that produces basic petrochemicals, such as ethylene, from naphtha, located in the southern petrochemical complex, which is Brazil s second-largest producer of petrochemicals.

Overview of RIPI

RIPI primarily operates an oil refinery in the state of Rio Grande do Sul, in the Southern region of Brazil, and also has interests in other companies in the Ipiranga Group. 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 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.

Overview of DPPI

DPPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in the State of Rio Grande do Sul and the Western portion of the State of Santa Catarina in Brazil. DPPI is also the controlling shareholder of CBPI, the company responsible for the fuel distribution business of the Ipiranga Group throughout the remainder of Brazil. DPPI s share of the Brazilian fuels market was approximately 2.6% as of December 31, 2006. A substantial portion of DPPI s net sales is derived from the sale of diesel and gasoline.

Table of Contents

Overview of 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.

The Transaction (see page 61)

On March 19, 2007, Ultrapar, Petrobras and Braskem announced their intention to acquire the Ipiranga Group and that on March 18, 2007, Ultrapar had entered into, and Petrobras and Braskem had acknowledged, a Share Purchase Agreement, or the SPA, with the Key Shareholders of the principal companies comprising the Ipiranga Group: RIPI, DPPI and CBPI. The SPA closed on April 18, 2007, upon payment of total consideration in the amount of R$2.1 billion, of which R$0.7 billion was paid by Ultrapar. As discussed below, in connection with the Transaction, Ultrapar is acting on its own behalf and on behalf of Petrobras and Braskem as commission agent.

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 businesses of the 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 business will be shared equally among Petrobras, Ultrapar and Braskem.

The Transaction is divided into five phases: (1) acquisition of the shares held by the Key Shareholders by Ultrapar (which closed on April 18, 2007); (2) mandatory cash tender offers (pursuant 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; (3) tender offer by Braskem for the delisting of Copesul s common shares from the BOVESPA; (4) exchange of any remaining common and all preferred shares of RIPI, DPPI and CBPI for preferred shares of Ultrapar; and (5) separation of the Target Companies assets. See The Transaction Description of the Transaction Phases of the Transaction.

In order to effect the Transaction, Ultrapar entered into certain agreements with Petrobras, Braskem and the Ipiranga Group, which we refer to as the Transaction Agreements, including:

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

Share Purchase Agreement. Entered into on March 18, 2007 among Ultrapar, with the consent of Petrobras and Braskem, and the Key Shareholders, the Share Purchase Agreement, or SPA, sets forth the conditions governing the Acquiring Companies acquisition of a controlling stake in the Ipiranga Group, which occurred on April 18, 2007.

Target Companies Shareholders Agreement. Ultrapar, Petrobras and Braskem entered into the Target Companies Shareholders Agreement on April 18, 2007 principally to govern the relationships among Ultrapar, Petrobras and Braskem with respect to the management of the Target Company s, IQ s and IPQ s businesses prior to the completion of the Transaction.

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

Braskem/Petrobras Asset Security Agreement. Ultrapar, Braskem and Petrobras entered into the Braskem/Petrobras Asset Security Agreement on April 18, 2007 pursuant to which Ultrapar is required to pledge to Braskem and Petrobras, in the proportions of 60% and 40%, respectively, all of the RIPI common shares and 50% of the RIPI preferred shares that it acquired from the Key Shareholders. Under this agreement, the RIPI shares acquired in the Mandatory Tender Offers were required to be pledged in favor of Braskem and Petrobras, in the same proportions.

Petrobras Asset Security Agreement. Under the Petrobras Asset Security Agreement, entered into on April 18, 2007 among Ultrapar and Petrobras, Ultrapar was required to pledge in favor of Petrobras 31% of the common shares and 100% 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. Following completion of the Mandatory Tender Offers, Ultrapar was required to pledge, in substitution for 1,482,751 common shares issued by DPPI, 3,013,903 common shares issued by CBPI acquired in the Mandatory Tender Offers.

Protocol and Justifications. On November 9, 2007, Ultrapar and each of RIPI, DPPI and CBPI entered into the Protocol and Justifications, which include a description of the Share Exchange and the reasons the management of each company recommends approval of the Share Exchange by such company s board of directors. On November 12, 2007, the boards of directors of Ultrapar, RIPI, DPPI and CBPI approved their respective Protocol and Justification. The Protocol and Justifications will be required to be approved by the common shareholders of each company at the meetings called to approve the Share Exchange.

For more information on the Transaction Agreements, see The Transaction Transaction Agreements.

To finance part of the Transaction, on April 11, 2007, we completed an offering of 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 CDI. For more information see our 2006 Form 20-F.

The Share Exchange

You Will Receive Ultrapar Preferred Shares in the Share Exchange (see page 66)

In the Share Exchange, Ultrapar will effect an *incorporação de ações* under Brazilian Corporate Law, where each remaining common and all preferred shares of each of RIPI, DPPI and CBPI that are not already owned by Ultrapar will be exchanged for 0.79850, 0.64048 and 0.41846 Ultrapar preferred shares, respectively. As a result, RIPI, DPPI and CBPI will become wholly owned subsidiaries of Ultrapar.

Based on the closing price of Ultrapar preferred shares on the BOVESPA:

- on March 16, 2007, the last full trading day in São Paulo prior to the announcement of the Transaction, the implied value of the consideration per share of RIPI, DPPI and CBPI preferred stock was R$39.36, R$31.57 and R$20.63, respectively; and

- on November 9, 2007, the latest practicable date prior to the date of this document, the implied value of the consideration per share of RIPI, DPPI and CBPI preferred stock was R$53.42, R$42.85 and R$27.99, respectively.

Table of Contents

The Ultrapar Preferred Shares to Be Issued in the Share Exchange Will Be Listed and Traded on the BOVESPA Stock Market in Brazil

Ultrapar preferred shares are listed on the BOVESPA stock exchange in Brazil under the symbol UGPA4. Ultrapar s ADSs are listed on the New York Stock Exchange under the symbol UGP, but you will not receive any Ultrapar ADSs in connection with the Share Exchange. In order to convert the Ultrapar preferred shares you receive in the Share Exchange into Ultrapar ADSs, you will need to contact the depositary for Ultrapar s American Depositary Receipts program and pay any applicable fees.

The Rights Associated With Owning Ultrapar Preferred Shares Are Different from Those Associated with Owning RIPI, DPPI or CBPI Preferred Shares (see page 166)

The rights of holders of Ultrapar preferred shares are governed by Brazilian Corporate Law and by Ultrapar s bylaws. The rights of holders of RIPI preferred shares are also governed by Brazilian Corporate Law and by RIPI s bylaws. The rights of holders of DPPI preferred shares are also governed by Brazilian Corporate Law and by DPPI s bylaws. The rights of holders of CBPI preferred shares are also governed by Brazilian Corporate Law and by CBPI s bylaws. Accordingly, upon completion of the Share Exchange, preferred shareholders of each of RIPI, DPPI and CBPI will become holders of Ultrapar preferred shares and their rights as preferred shareholders will be governed by, in addition to Brazilian Corporate Law, Ultrapar s bylaws and not RIPI, DPPI or CBPI s bylaws. For a comparison of the rights of holders of Ultrapar preferred shares with the rights of holders of RIPI, DPPI or CBPI preferred shares, see 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.

Deutsche Bank Securities Inc. Has Provided a Valuation Report (see page 71)

Deutsche Bank has provided a valuation report to Ultrapar, dated as of April 4, 2007, in accordance with Brazilian securities law. The report was prepared in connection with the Share Exchange and contains economic valuations of Ultrapar, RIPI, DPPI and CBPI. 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. Revised valuation reports were prepared to address these CVM requests. The full text of the final copy 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, has been included as an exhibit to the registration statement of which this prospectus forms a part. You are urged to read the report in its entirety. 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 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. The 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. As compensation for its services in connection with the valuation report, Deutsche Bank will receive US$3,000,000 net of taxes upon completion of the Share Exchange. See The Transaction Deutsche Bank Valuation Report for a summary description of Deutsche Bank s valuation report.

Apsis Consultoria Empresarial S/C Ltda. Has Provided a Valuation Report (see page 80)

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 s valuation analysis will be used to determine the liquidation value of each of Ultrapar and the Target Companies preferred shares. These values will be utilized in connection with the RIPI and DIPI preferred shareholders appraisal rights.

Table of Contents

We intend to include the full text of the Apsis report as an exhibit to the registration statement of which this prospectus forms a part. See The Transaction Apsis Valuation Report for a summary description of the Apsis valuation report.

Credit Suisse Valuation Report

In connection with the Share Exchange, the managements of each of the Target Companies engaged Credit Suisse to provide a valuation report covering the matters addressed by Deutsche Bank in its valuation report. We intend to include a summary of the Credit Suisse Report in this prospectus and the full text of the Credit Suisse report as an exhibit to the registration statement of which this prospectus forms a part.

Appraisal Rights (see page 88)

RIPI and DPPI shareholders will have appraisal rights in connection with the Share Exchange, but CBPI shareholders will not. In the Share Exchange, RIPI preferred shareholders appraisal rights will provide them with the right to sell their preferred shares to RIPI at their book value. In the Share Exchange, DPPI preferred shareholders appraisal rights will provide them the right to sell their preferred shares to DPPI at either book value or the liquidation value, at their sole discretion, because the exchange ratio calculated with reference to the liquidation value is more favorable than the exchange ratio offered by Ultrapar, which was calculated with reference to the economic value of such shares.

Appraisal rights can only be exercised in the 30 day period following publication of the approval of the Share Exchange by RIPI and DPPI s common shareholders, as applicable. Once the 30-day period for the exercise of appraisal rights has expired, RIPI or DPPI preferred shareholders will no longer have any right to compel RIPI or DPPI to purchase their preferred shares.

RIPI and DPPI s preferred shareholders may exercise their appraisal rights by sending a written notice to RIPI or DPPI, as applicable, informing them that they intend to exercise their appraisal rights. Upon receipt of the notice, RIPI and DPPI are bound to buy the preferred shares, and the shareholder is bound to sell them, unless the management of Ultrapar, RIPI or DPPI decides to reconsider the Share Exchange, as explained below. The exercise of appraisal rights is irrevocable.

RIPI Will Hold Its Extraordinary Shareholder Meeting on December 18, 2007 (see page 98)

RIPI s 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.

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

DPPI Will Hold Its Extraordinary Shareholder Meeting on December 18, 2007 (see page 98)

DPPI s 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.

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

CBPI will hold its Extraordinary Shareholder Meeting on December 18, 2007 (see page 98)

CBPI s 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, no 329, city of Rio de Janeiro, State of Rio de Janeiro, Brazil.

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

Ultrapar Will Hold Its Extraordinary Shareholder Meeting on December 18, 2007 (see page 99)

The Ultrapar extraordinary shareholder s meeting will be held on December 18, 2007 at 7:00 p.m. (São Paulo time) at Ultrapar s headquarters, located at Av. Brigadeiro Luiz Antonio, 1343, 8th Floor, city of São Paulo, State of São Paulo, Brazil.

Regulatory Approvals Required for the Transaction (see page 88)

The Brazilian antitrust authority, *Conselho Administrativo de Defesa Econômica CADE*, 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. 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 industries in which we have not historically operated, we do not believe that we will be required to divest any of such assets as a result of the review of the Transaction by the Brazilian antitrust regulator. See The Transaction Regulatory Approvals Required for the Transaction .

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF ULTRAPAR

The following is selected consolidated financial data from Ultrapar s consolidated financial statements, for the periods indicated. You should read this selected consolidated financial data in conjunction with Ultrapar s consolidated financial statements and related notes included in Annex A to this prospectus or contained elsewhere in this prospectus. See Where You Can Find More Information on page 208.

Ultrapar s consolidated financial statements are prepared in Brazilian *reais* in accordance with accounting practices adopted in Brazil, or Brazilian GAAP, which differ in certain material respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 24 to Ultrapar s consolidated financial statements appearing in its 2006 Form 20-F. For further information concerning the preparation and presentation of the financial information contained in Ultrapar s 2006 Form 20-F, see Presentation of Financial Information in its 2006 Form 20-F.

The following table presents Ultrapar s selected consolidated financial data at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income for the years ended December 31, 2006, 2005 and 2004 are derived from Ultrapar s audited consolidated financial statements included in this prospectus. The consolidated balance sheet information as of December 31, 2004, 2003 and 2002 and the related consolidated statements of income for the years ended December 31, 2003 and 2002 are derived from Ultrapar s audited consolidated financial statements that are not included in this prospectus.

The consolidated balance sheet data as of September 30, 2007 and as of June 30, 2007 and the consolidated statements of income for the nine-month periods ended September 30, 2007 and 2006 and the six-month periods ended June 30, 2007 and 2006 are derived from Ultrapar s unaudited consolidated financial statements included in this prospectus.

Table of Contents

Consolidated Income Statement Data:	Nine-Month Period Ended September 30, 2007(1) US$	2007 R$	2006 R$	Six-Month Period Ended June 30, 2007 R$	2006 R$	Year Ended December 31, 2006(1) US$	2006 R$	2005 R$	2004 R$	2003 R$	2002 R$
	(in millions, except per share data)										
Gross sales and services	7,689.1	14,139.5	3,914.7	7,726.0	2,499.7	2,844.0	5,229.9	5,158.0	5,250.6	4,603.8	3,795.3
Taxes on sales and services, rebates, discounts and returns	(338.0)	(621.5)	(324.4)	(370.8)	(204.6)	(237.0)	(435.8)	(464.2)	(466.4)	(603.5)	(800.8)
Net Sales and Services	7,351.1	13,518.0	3,590.3	7,355.2	2,295.1	2,607.0	4,794.1	4,693.8	4,784.2	4,000.3	2,994.5
Cost of sales and services	(6,710.2)	(12,339.3)	(2,889.3)	(6,655.1)	(1,859.4)	(2,099.0)	(3,859.9)	(3,783.4)	(3,669.9)	(3,196.4)	(2,247.1)
Gross profit	640.9	1,178.7	701.0	700.1	435.7	508.0	934.2	910.4	1,114.3	803.9	747.4
Operating (expenses) income											
Selling, general and administrative expenses	(453.9)	(834.6)	(441.9)	(492.1)	(287.6)	(329.1)	(605.1)	(551.7)	(555.9)	(458.9)	(382.3)
Other operating income, net	2.7	4.9	1.8	4.1	1.0	0.7	1.3	(0.4)	5.5	6.6	0.4
Total operating expenses	(451.2)	(829.7)	(440.1)	(488.0)	(286.6)	(328.3)	(603.8)	(552.1)	(550.4)	(452.3)	(381.9)
Operating income before financial items	189.7	349.0	260.9	212.1	149.1	179.7	330.4	358.3	563.9	351.6	365.5
Financial (expenses) income, net	(35.5)	(65.2)	32.0	(35.1)	34.9	16.6	30.6	(27.3)	(45.0)	(57.2)	28.5
Nonoperating (expenses) income, net	(1.6)	(2.9)	(20.9)	(2.0)	(13.2)	(10.1)	(18.5)	(1.8)	(16.0)	1.0	(44.1)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies, employees statutory interests and minority interest	152.6	280.9	272.0	175.0	170.8	186.3	342.5	329.2	502.9	295.4	349.9
Income and social contribution taxes	(42.0)	(77.2)	(35.4)	(49.3)	(24.2)	(30.5)	(56.1)	(28.8)	(83.0)	(44.9)	(71.4)
Income before equity in earnings (losses) of affiliated companies and minority interest	110.6	203.7	236.6	125.7	146.6	155.7	286.4	300.4	419.9	250.5	278.5
Equity in earnings (losses) of affiliated companies	(0.1)	(0.2)	0.7	(0.1)	0.6	0.5	1.0	1.6		(0.5)	(1.7)
Minority interest	(54.3)	(99.8)	(3.6)	(48.2)	(2.3)	(2.9)	(5.3)	(2.8)	(5.4)	(3.6)	(54.5)
Employees statutory interest	(2.4)	(4.5)		(2.8)							
Net income	53.8	99.2	233.7	74.6	144.9	153.4	282.1	299.2	414.5	246.4	222.3
Earnings per share(2)	0.67	1.23	2.88	0.92	1.79	1.93	3.55	3.73	5.95	3.54	3.62
Dividends per common share(3)			0.89			0.97	1.78	1.93	2.36	1.01	1.00
Dividends per preferred share(3)			0.89			0.97	1.78	1.93	2.36	1.11	1.09
U.S. GAAP:											
Net income(4)				78.3	143.7	152.5	280.5	288.9	413.3	292.0	141.5
Basic and diluted earnings per common share(4)(5)				0.97	1.77	1.88	3.46	3.57	5.17	3.52	1.94
Basic and diluted earnings per preferred share(4)(5)				0.97	1.77	1.88	3.46	3.57	5.17	3.87	2.13
Depreciation and amortization				131.2	93.5	78.3	143.9	137.4	126.6	98.5	85.4

Table of Contents

(1) The *real* amounts for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006, have been converted into dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

(2) Earnings per share are calculated based on the shares outstanding at period end. Under Brazilian GAAP, net earnings per share are not retroactively adjusted for the stock dividend but are retroactively adjusted for the reverse stock split described in our 2006 Form 20-F under Item 4.B. Information on the Company Business Overview.

(3) See Item 8.A. Consolidated Statements and Other Financial Information Dividend and Distribution Policy in our 2006 Form 20-F for information regarding declaration and payment of dividends. Dividends per share do not reflect any adjustments related to the stock dividend described under Item 4.B. Information on the Company Business Overview in our 2006 Form 20-F.

(4) The calculation of net income and earnings per share as of December 31, 2005, 2004, 2003 and 2002 was retroactively adjusted for the effect of a change in an accounting policy beginning in January 2006. See Item 5.A. Operating and Financial Review and Prospects Operating Results U.S. GAAP Reconciliation in our 2006 Form 20-F and Note 24(I)(q) to our consolidated financial statements for more information.

(5) The calculation of earnings per share as of December 31, 2005, 2004, 2003 and 2002 was retroactively adjusted for stock dividend and reverse stock split beginning in January 2006.

Table of Contents

	As of September 30,		As of June 30,			As of December 31,			
	2007(1)	2007	2007	2006(1)	2006	2005	2004	2003	2002
	US$	R$	R$	US$	R$	R$	R$	R$	R$
	(in millions of U.S. dollars or *reais*, where indicated)								
Consolidated Balance Sheet Data:									
Current assets									
Cash and cash equivalents	44.6	82.0	785.0	209.4	385.1	1,114.2	624.5	568.8	637.9
Short term investment	786.3	1,446.0	804.3	400.9	737.3	184.8	22.4	41.0	
Trade accounts receivable, net	703.8	1,294.3	1,260.9	195.8	360.0	343.3	369.3	322.3	278.0
Inventories	308.0	566.4	540.4	118.1	217.2	191.7	210.3	137.7	106.3
Recoverable Taxes	116.9	215.0	193.6	64.1	117.8	62.9	73.0	115.5	115.1
Other	66.2	121.7	126.3	22.8	42.0	39.4	45.4	33.4	49.6
Total current assets	**2,025.8**	**3,725.4**	**3,710.5**	**1,011.1**	**1,859.4**	**1,936.3**	**1,344.9**	**1,218.7**	**1,186.9**
Long-term assets									
Trade accounts receivable, net	90.2	165.8	157.6						
Long term investments	65.0	119.5	118.9	298.0	548.0	372.7	38.8		
Related companies	23.4	43.1	42.1	4.0	7.4	3.7	3.1	2.8	2.6
Deferred income and social contribution taxes	70.1	128.9	109.7	31.6	58.2	61.0	36.3	61.4	33.3
Recoverable Taxes	41.0	75.4	72.4	35.5	65.3	46.8	36.6		
Other	35.9	66.0	62.4	26.0	47.9	49.3	28.5	20.7	11.5
Total long-term assets	**325.6**	**598.7**	**563.1**	**395.2**	**726.8**	**533.5**	**143.3**	**84.9**	**47.4**
Permanent assets									
Investments	25.1	46.2	38.9	16.7	30.8	32.3	31.8	33.1	33.0
Property, plant, equipment and intangible assets, net	1,185.5	2,180.0	2,066.4	637.8	1,172.8	1,072.7	1,047.4	968.6	779.5
Deferred charges, net	292.9	538.6	543.8	61.1	112.3	98.3	99.8	102.7	81.1
Total permanent assets	**1,503.5**	**2,764.8**	**2,649.1**	**715.6**	**1,315.9**	**1,203.3**	**1,179.0**	**1,104.4**	**893.6**
TOTAL ASSETS	**3,854.9**	**7,088.9**	**6,922.7**	**2,122.0**	**3,902.1**	**3,673.1**	**2,667.2**	**2,408.0**	**2,127.9**
Current liabilities									
Loans, financing and debentures	860.4	1,582.1	1,385.4	91.3	167.9	201.9	381.6	381.6	219.8
Suppliers	246.7	453.7	450.7	61.2	112.5	90.9	102.0	90.3	104.4
Payroll and related charges	65.7	120.8	105.3	44.2	81.2	66.1	94.1	74.7	64.4
Post-retirement benefits	3.7	6.8	7.2						
Taxes payable	24.6	45.3	51.6						
Dividends payable	22.0	40.5	39.6	55.1	101.4	103.9	74.7	41.7	49.0
Provision for contingencies	5.3	9.7	11.8						
Other	58.4	107.4	66.6	11.3	20.8	25.5	33.0	44.5	30.6
Total current liabilities	**1,286.8**	**2,366.3**	**2,118.2**	**263.1**	**483.8**	**488.3**	**685.4**	**632.8**	**468.2**
Long-term liabilities									
Loans, financing and debentures	730.6	1,343.5	1,499.1	751.4	1,381.8	1,278.6	258.1	306.3	363.6
Related companies	2.6	4.7	4.7	2.6	4.7	5.0	8.8	9.0	10.2
Other taxes and contributions contingent liabilities	48.8	89.7	88.0	19.8	36.5	54.7	52.1	40.9	28.5
Post-retirement benefits	36.9	67.8	71.7						
Other	22.3	41.2	37.9	15.6	28.7	26.8	34.1	30.1	35.3
Total long-term liabilities	**841.2**	**1,546.9**	**1,701.4**	**789.4**	**1,451.7**	**1,365.1**	**353.1**	**386.3**	**437.6**
TOTAL LIABILITIES	**2,128.0**	**3,913.2**	**3,819.6**	**1,052.5**	**1,935.5**	**1,853.4**	**1,038.5**	**1,019.1**	**905.8**
Minority Interest	634.8	1,167.3	1.115.7	18.0	33.1	29.6	28.2	32.2	31.0
Shareholders equity									
Capital	514.4	946.0	946.0	514.4	946.0	946.0	664.0	664.0	664.0
Capital reserve	0.4	0.8	0.7	0.3	0.6	0.3	0.1		
Revaluation reserve	6.5	12.0	12.3	7.1	13.0	15.0	16.4	17.8	26.0
Reserves and retained earnings	570.8	1,049.6	1,028.4	529.6	973.9	828.8	920.0	674.9	501.1

TOTAL SHAREHOLDERS EQUITY	**1,092.1**	**2,008.4**	**1,987.4**	**1,051.4**	**1,933.5**	**1,790.1**	**1,600.5**	**1,356.7**	**1,191.1**
TOTAL LIABILITIES SHAREHOLDERS EQUITY	**3,854.9**	**7,088.9**	**6,922.7**	**2,122.0**	**3,902.1**	**3,673.1**	**2,667.2**	**2,408.0**	**2,127.9**
U.S. GAAP									
Total assets			6,924.2	2,090.1	3,843.5	3,610.0	2,595.9	2,343.6	2,004.2
Total shareholders equity(2)			1,935.9	1,018.5	1,872.9	1,730.2	1,555.3	1,305.3	1,083.4

10

Table of Contents

(1) The *real* amounts as of the nine-month period ended September 30, 2007 and as of the year ended December 31, 2006, have been converted into dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

(2) Shareholders equity as of December 31, 2005, 2004, 2003 and 2002 was retroactively adjusted to reflect changes in accounting policies beginning in January 2006. See Item 5A. Operating and Financial Review and Prospects Operating Results U.S. GAAP Reconciliation and Note 24 I(q) to our consolidated financial statements included in our 2006 Form 20-F for a better understanding of these changes.

Table of Contents

SELECTED HISTORICAL FINANCIAL DATA OF RIPI

The following is selected financial data from RIPI s audited consolidated annual financial statements and unaudited consolidated interim financial information for the periods indicated. You should read this selected financial data in conjunction with RIPI s financial statements and related notes included in this prospectus.

Following closing of the SPA on April 18, 2007, Braskem assumed control of the Petrochemical Business. Accordingly, after such date RIPI no longer included the results of the Petrochemical Business in its consolidated financial statements. See Transaction Description of the Transaction .

RIPI s financial statements are prepared in Brazilian *reais* in accordance with Brazilian GAAP, which differs in certain material respects from U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 25 to RIPI s consolidated financial statements and Note 23 to RIPI s interim consolidated financial information included in this prospectus. For further information concerning the preparation and presentation of the financial information contained in RIPI s financial statements, see Note 2 to RIPI s financial statements included in this prospectus.

The following table presents RIPI s selected financial data at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income for the years ended December 31, 2006, 2005 and 2004 are derived from RIPI s audited consolidated financial statements included in this prospectus. The balance sheet information as of September 30, 2007 and as of June 30, 2007 and the statements of income for the nine-month periods ended September 30, 2007 and 2006 and the six-month periods ended June 30, 2007 and 2006 are derived from RIPI s unaudited interim financial consolidated information included in this prospectus.

Income Statement	**Nine-month Period Ended September 30,**			**Six-month Period Ended June 30,**		**Year Ended December 31,**			
	2007(1) US$	**2007 R$**	**2006 R$**	**2007 R$**	**2006 R$**	**2006(1) US$**	**2006 R$**	**2005 R$**	**2004 R$**
				(in millions, except per share data)					
Gross sales and services	488.7	898.6	537.1	1,892.3	2,805.3	3,056.1	5,619.9	4,998.1	5,176.9
Taxes on sales and services, rebates, discounts and returns	(156.1)	(287.1)	(223.6)	(488.4)	(765.5)	(776.8)	(1,428.5)	(1,385.4)	(1,429.9)
Net sales and services	**332.6**	**611.5**	**313.5**	**1,403.9**	**2,039.7**	**2,279.3**	**4,191.4**	**3,612.7**	**3,747.0**
Cost of sales and services	(312.1)	(573.9)	(292.9)	(1,140.3)	(1,670.8)	(1,837.8)	(3,379.6)	(2,872.8)	(2,897.3)
Gross profit	**20.5**	**37.6**	**20.6**	**263.6**	**368.9**	**441.5**	**811.8**	**739.9**	**849.7**
Operating (expenses) income									
Selling, general and administrative expenses	(12.8)	(23.6)	(21.3)	(106.2)	(163.0)	(188.9)	(347.3)	(304.8)	(303.2)
Other operating income, net			0.5	(6.2)	10.5	4.5	8.2	26.6	11.9
Total operating expenses	(12.8)	(23.6)	(20.8)	(112.4)	(152.5)	(184.4)	(339.1)	(278.2)	(291.3)
Operating income before financial items	**7.7**	**14.0**	**(0.2)**	**151.2**	**216.4**	**257.1**	**472.7**	**461.7**	**558.4**
Financial (expenses) income, net	(3.9)	(7.2)	(2.4)	(2.6)	(29.6)	(47.0)	(86.4)	(134.5)	(111.0)
Nonoperating (expenses) income, net	0.2	0.4		(0.5)	(1.3)	(18.5)	(34.1)	1.2	(0.2)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies, employee statutory interest and minority interest	4.0	7.2	(2.6)	148.1	185.5	191.6	352.2	328.4	447.2
Income and social contribution taxes			(1.1)	(41.9)	(33.3)	(44.3)	(81.4)	(100.2)	(68.3)
Income before equity in earnings (losses) of affiliated companies and minority interest	4.0	7.2	(3.7)	106.2	152.2	147.3	270.8	228.2	378.9
Equity in earnings (losses) of affiliated companies	100.6	185.0	131.1	69.1	10.3	13.2	24.3	30.4	19.8

Table of Contents

Income Statement	Nine-month period ended September 30,			Six-month period ended June 30,		Year Ended December 31,			
	2007(1) US$	2007 R$	2006 R$	2007 R$	2006 R$	2006(1) US$	2006 R$	2005 R$	2004 R$
	(in millions, except per share data)								
Employees statutory interest				(1.7)	(2.9)	(4.3)	(7.9)	(7.1)	(6.4)
Minority interest				(40.7)	(66.4)	(66.9)	(123.0)	(113.2)	(176.4)
Net income	**104.6**	**192.2**	**127.4**	**132.9**	**93.2**	**89.3**	**164.2**	**138.3**	**215.9**
Net earnings per share	3.53	6.49	4.30	4.49	3.15	3.02	5.55	9.34	14.59
Dividends per common shares				0.57	1.25	0.31	0.57	1.25	1.03
Dividends per preferred shares				0.62	1.38	0.34	0.62	1.38	1.14
U.S. GAAP:									
Net income				62.9	32.8	73.9	135.9	336.9	
Basic earnings per common share				1.99	1.04	2.34	4.31	10.67	
Diluted earnings per common share				1.99	1.04	2.14	3.94	8.98	
Basic earnings per preferred share				2.19	1.14	2.58	4.74	11.74	
Diluted earnings per preferred share				2.19	1.14	2.35	4.33	9.88	
Depreciation and amortization				24.5	35.7	45.1	82.9	89.3	

(1) The *real* amounts for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006, have been converted into U.S. dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

Balance Sheet	As of September 30, 2007(1) US$	As of September 30, 2007 R$	As of June 30, 2007 R$	2006(1) US$	As of December 31, 2006 R$	As of December 31, 2005 R$	2004 R$
	(in millions of U.S. dollars or *reais*, where indicated)						
Current assets							
Cash and cash equivalents	15.6	28.6	7.5	49.9	91.8	91.3	100.5
Short-term investments				15.4	28.4	29.9	22.9
Related companies	9.6	17.7	25.1	12.8	23.5	11.2	11.1
Trade accounts receivable, net	1.0	1.8	1.0	244.5	449.6	186.7	358.1
Inventories	42.3	77.7	97.3	259.3	476.9	414.8	385.5
Recoverable taxes	9.1	16.8	21.9	50.4	92.6	89.4	73.1
Other	0.4	0.5	0.7	57.2	105.0	52.6	91.7
Total current assets	**78.0**	**143.1**	**153.5**	**689.5**	**1,267.8**	**875.9**	**1,042.9**
Long-term assets							
Trade accounts receivable, net				1.5	2.8	0.2	44.5
Long term investments				0.1	0.2	0.3	3.4
Related companies						0.1	
Deferred income and social contribution taxes				76.5	140.7	109.7	117.4
Recoverable Taxes				82.3	151.3	130.8	33.2
Other	0.2	0.4	0.4	10.9	20.1	20.7	19.2

Total long-term assets	**0.2**	**0.4**	**0.4**	**171.3**	**315.1**	**261.8**	**217.7**
Permanent assets							
Investments	434.0	798.1	735.6	182.0	334.7	334.7	289.7

Table of Contents

Balance Sheet	As of September 30, 2007(1) US$	2007 R$	As of June 30, 2007 R$	2006(1) US$	As of December 31, 2006 R$	2005 R$	2004 R$
	(in millions of U.S. dollars or *reais*, where indicated)						
Property, plant, equipment and intangible assets, net	19.1	35.1	35.8	543.5	999.4	1,017.7	1,036.7
Deferred charges, net				9.9	18.2	16.3	19.3
Total permanent assets	**453.1**	**833.2**	**771.4**	**735.4**	**1,352.3**	**1,368.7**	**1,345.7**
TOTAL ASSETS	**531.3**	**976.7**	**925.3**	**1,596.2**	**2,935.2**	**2,506.4**	**2,606.3**
Current liabilities							
Loans, financing and debentures	46.1	84.7	51.7	113.7	209.0	333.9	501.0
Suppliers	0.2	0.4	1.8	384.3	706.6	510.5	476.6
Payroll and related charges	1.2	2.2	1.9	21.4	39.4	32.8	45.4
Post-retirement benefits	2.1	3.9	3.9	2.2	4.1	4.2	6.8
Taxes payable	8.1	14.9	8.6	32.1	59.0	38.3	114.7
Related companies	20.5	37.7	80.8	49.5	91.0	16.4	1.6
Dividends payable	0.2	0.3	0.4	51.4	94.5	22.4	16.3
Provision for contingencies	0.2	0.4	0.7	5.4	10.0	1.6	1.3
Other	0.1	0.1	2.3	19.6	36.1	63.0	71.1
Total current liabilities	**78.7**	**144.6**	**152.1**	**679.6**	**1,249.7**	**1,023.1**	**1,234.8**
Long-term liabilities							
Loans, financing and debentures				379.6	698.0	710.0	829.9
Other taxes and contributions contingent liabilities	0.4	0.7	1.1	6.4	11.8	3.8	2.5
Post-retirement benefits	19.9	36.6	36.5	25.7	47.3	49.7	62.7
Other	13.8	25.3	25.4	40.4	74.3	77.3	62.7
Total long-term liabilities	**34.1**	**62.6**	**63.0**	**452.1**	**831.4**	**840.8**	**957.8**
TOTAL LIABILITIES	**112.8**	**207.2**	**215.1**	**1,131.7**	**2,081.1**	**1,863.9**	**2,192.6**
Minority interest				152.0	279.5	214.1	103.8
Shareholder s equity							
Capital	258.3	475.0	475.0	198.5	365.0	180.0	180.0
Revaluation reserve	3.4	6.2	6.2	3.4	6.2	6.2	6.2
Reserves and retained earnings	156.8	288.3	229.0	110.6	203.4	242.2	123.7
TOTAL SHAREHOLDER S EQUITY	**418.5**	**769.5**	**710.2**	**312.5**	**574.6**	**428.4**	**309.9**
TOTAL LIABILITIES SHAREHOLDER S EQUITY	**531.3**	**976.7**	**925.3**	**1,596.2**	**2,935.2**	**2,506.4**	**2,606.3**
U.S. GAAP							
Total assets				1,553.4	2,856.5	2,463.9	
Total shareholders equity			927.1	418.8	770.1	650.8	

(1) The *real* amounts as of the nine-month period ended September 30, 2007 and as of the year ended December 31, 2006, have been converted into U.S. dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF DPPI

The following is selected consolidated financial data from DPPI s audited consolidated financial statements and unaudited consolidated interim financial information for the periods indicated. You should read this selected financial data in conjunction with DPPI s consolidated financial statements and related notes included in this prospectus.

DPPI s consolidated financial statements are prepared in Brazilian *reais* in accordance with Brazilian GAAP, which differs in certain material respects from U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 25 to DPPI s consolidated financial statements and Note 25 to DPPI s interim consolidated financial information included in this prospectus. For further information concerning the preparation and presentation of the financial information contained in DPPI s consolidated financial statements, see Note 2 to DPPI s financial statements included in this prospectus.

The following table presents DPPI s selected financial data at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income for the years ended December 31, 2006, 2005 and 2004 are derived from DPPI s audited consolidated financial statements included in this prospectus. The balance sheet information as of September 30, 2007 and as of June 30, 2007 and the statements of income information, for the nine-month periods ended September 30, 2007 and 2006 and the six-month periods ended June 30, 2007 and 2006 are derived from DPPI s unaudited interim consolidated financial information included in this prospectus.

Consolidated Income Statement	**Nine-month Period Ended September 30,**			**Six-month period ended June 30,**		**Year ended December 31,**			
	2007(1) US$	**2007 R$**	**2006 R$**	**2007 R$**	**2006 R$**	**2006(1) US$**	**2006 R$**	**2005 R$**	**2004 R$**
				(in millions, except per share data)					
Gross sales and services	10,823.5	19,903.4	19,531.7	13,120.8	12,747.1	14,335.1	26,360.8	23,471.7	19,698.2
Taxes on sales and services, rebates, discounts and returns	(269.2)	(495.1)	(491.7)	(321.4)	(341.9)	(351.3)	(646.0)	(714.2)	(586.6)
Net Sales and Services	**10,554.3**	**19,408.3**	**19,040.0**	**12,799.4**	**12,405.2**	**13,983.8**	**25,714.8**	**22,757.5**	**19,111.6**
Cost of sales and services	(10,000.0)	(18,389.0)	(18,104.8)	(12,135.2)	(11,785.8)	(13,285.4)	(24,430.5)	(21,533.9)	(18,009.9)
Gross profit	**554.3**	**1,019.3**	**935.2**	**664.2**	**619.4**	**698.4**	**1,284.3**	**1,223.6**	**1,101.7**
Operating (expenses) income									
Selling, general and administrative expenses	(385.5)	(708.9)	(691.0)	(469.1)	(453.6)	(507.0)	(932.4)	(881.1)	(772.7)
Other operating income, net	4.1	7.5	11.5	6.9	7.9	12.6	23.2	62.7	12.7
Total operating expenses	(381.4)	(701.4)	(679.5)	(462.2)	(445.7)	(494.4)	(909.2)	(818.4)	(760.0)
Operating income before financial items	**172.9**	**317.9**	**255.7**	**202.0**	**173.7**	**204.0**	**375.1**	**405.2**	**341.7**
Financial (expenses) income , net	10.1	18.5	(5.6)	8.4	1.9	(4.2)	(7.7)	40.8	15.3
Nonoperating (expenses) income, net	3.5	6.5	30.4	6.7	6.9	16.4	30.1	26.6	(11.1)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies, employees statutory interest and minority interest	186.5	342.9	280.5	217.1	182.5	216.2	397.5	472.6	345.9
Income and social contribution taxes	(57.7)	(106.1)	(37.9)	(68.3)	(33.9)	(26.2)	(48.1)	(99.7)	(70.4)

15

Table of Contents

Consolidated Income Statement	Nine-month Period Ended September 30,			Six-month period ended June 30,		Year ended December 31,			
	2007(1) US$	**2007 R$**	**2006 R$**	**2007 R$**	**2006 R$**	**2006(1) US$**	**2006 R$**	**2005 R$**	**2004 R$**
	(in millions, except per share data)								
Income before equity in earnings (losses) of affiliated companies, employees statutory interest and minority interest	128.8	236.8	242.6	148.8	148.6	190.0	349.4	372.9	275.5
Equity in earnings (losses) of affiliated companies	54.2	99.7	65.5	66.0	45.1	46.2	84.9	72.4	127.8
Employees statutory interest	(3.0)	(5.6)	(4.4)	(3.5)	(4.3)	(8.9)	(16.3)	(16.7)	(12.7)
Minority interest	(122.3)	(224.9)	(184.4)	(141.9)	(122.9)	(139.8)	(257.1)	(258.8)	(252.6)
Net income	**57.7**	**106.0**	**119.3**	**69.4**	**66.5**	**87.5**	**160.9**	**169.8**	**138.0**
Net earnings per share	1.80	3.31	3.73	2.17	2.08	2.73	5.03	10.61	8.63
Dividends per common shares			0.78		0.78	1.04	1.91	4.13	3.28
Dividends per preferred shares			0.86		0.86	1.14	2.10	4.55	3.61
U.S. GAAP:									
Net income				58.9	56.8	61.2	112.6	99.2	
Basic and diluted earnings per common share				1.73	1.66	1.79	3.30	2.91	
Basic and diluted earnings per preferred share				1.90	1.83	1.97	3.63	3.20	
Depreciation and amortization				56.4	54.4	59.9	110.2	101.0	

(1) The *real* amounts for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006, have been converted into dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

16

Table of Contents

Consolidated Balance Sheet	As of September 30, 2007(1) US$	As of September 30, 2007 R$	As of June 30, 2007 R$	As of December 31, 2006(1) US$	As of December 31, 2006 R$	As of December 31, 2005 R$	As of December 31, 2004 R$
	(in millions of U.S. dollars or *reais*, where indicated)						
Current assets							
Cash and cash equivalents	140.5	258.3	154.2	63.2	116.3	52.9	130.6
Related companies	66.5	122.3	117.7	33.3	61.2	2.1	4.9
Trade accounts receivable, net	698.6	1,284.6	1,270.1	661.3	1,216.1	1,152.5	975.6
Inventories	230.4	423.6	433.1	269.0	494.6	437.4	404.6
Recoverable Taxes	54.3	99.9	76.3	38.1	70.0	43.1	53.2
Other	36.8	67.8	78.5	44.5	81.7	55.6	56.7
Total current assets	**1,227.1**	**2,256.5**	**2,129.9**	**1,109.4**	**2,039.9**	**1,743.6**	**1,625.6**
Long-term assets							
Trade accounts receivable, net	109.0	200.4	186.3	101.7	187.0	167.0	148.6
Long term investments	49.1	90.2	88.6	46.2	85.0		
Related companies				42.3	77.7	336.4	254.8
Deferred income and social contribution taxes	25.7	47.2	46.7	25.8	47.5	51.9	52.0
Recoverable Taxes	1.7	3.1	3.0	1.6	3.0	9.5	7.6
Other	20.8	38.4	65.4	34.9	64.1	64.7	55.9
Total long-term assets	**206.3**	**379.3**	**390.0**	**252.5**	**464.3**	**629.5**	**518.9**
Permanent assets							
Investments	192.7	354.4	321.1	136.8	251.6	252.1	178.3
Property, plant, equipment and intangible assets, net	481.0	884.6	887.5	489.0	899.3	843.3	800.4
Deferred charges, net	0.2	0.3	0.5	0.3	0.5	1.2	0.8
Total permanent assets	**673.9**	**1,239.3**	**1,209.1**	**626.1**	**1,151.4**	**1,096.6**	**979.5**
TOTAL ASSETS	**2,107.3**	**3,875.1**	**3,729.0**	**1,988.0**	**3,655.6**	**3,469.7**	**3,124.0**
Current liabilities							
Loans, financing and debentures	163.1	299.9	89.8	78.1	143.6	289.7	181.9
Suppliers	101.8	187.1	170.9	276.8	508.8	567.3	549.7
Payroll and related charges	33.3	61.3	65.5	59.5	109.4	113.9	86.4
Post-retirement benefits	3.9	7.2	7.2	3.9	7.2	3.4	13.7
Taxes payable	71.7	131.9	96.5	30.3	55.8	78.9	64.7
Related companies	140.3	258.0	277.9	2.4	4.4	2.0	7.1
Dividends payable							50.9
Provision for contingencies	4.1	7.6	37.3	19.3	35.4	38.1	32.6
Other	19.7	36.2	15.3	10.8	20.0	21.3	37.8
Total current liabilities	**537.9**	**989.2**	**760.4**	**481.1**	**884.6**	**1,114.6**	**1,024.8**
Long-term liabilities							
Loans, financing and debentures	207.4	381.3	584.4	323.5	594.8	424.8	409.5
Other taxes and contributions contingent liabilities	32.7	60.1	59.0	32.1	59.0	57.0	20.7
Post-retirement benefits	40.4	74.2	74.2	42.1	77.4	90.1	125.6
Other	3.8	7.0	7.3	4.0	7.4	8.3	20.7
Total long-term liabilities	**284.3**	**522.6**	**724.9**	**401.7**	**738.6**	**580.2**	**576.5**
TOTAL LIABILITIES	**822.2**	**1,511.8**	**1,485.3**	**882.8**	**1,623.2**	**1,694.8**	**1,601.3**
Minority Interest	790.3	1,453.3	1,370.3	668.0	1,228.4	1,066.5	913.6
Shareholder s equity							
Capital	334.4	615.0	615.0	301.8	555.0	305.0	265.0

Capital reserve							0.1
Reserves and retained earnings	160.4	295.0	258.4	135.4	249.0	403.4	344.0
TOTAL SHAREHOLDER S EQUITY	**494.8**	**910.0**	**873.4**	**437.2**	**804.0**	**708.4**	**609.1**
TOTAL LIABILITIES SHAREHOLDER S EQUITY	**2,107.3**	**3,875.1**	**3,729.0**	**1,988.0**	**3,655.6**	**3,469.7**	**3,124.0**
U.S. GAAP:							
Total assets				**2,017.7**	**3,710.4**	**3,528.9**	
Total shareholders equity			**901.4**	**458.9**	**843.9**	**758.5**	

Table of Contents

(1) The *real* amounts as of the nine-month period ended September 30, 2007 and as of the year ended December 31, 2006, have been converted into dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF CBPI

The following is selected consolidated financial data from CBPI s audited consolidated financial statements and unaudited interim consolidated financial information for the periods indicated. You should read this selected financial data in conjunction with CBPI s consolidated financial statements and related notes included in this prospectus.

CBPI s consolidated financial statements are prepared in Brazilian *reais* in accordance with Brazilian GAAP, which differs in certain material respects from U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 25 to CBPI s consolidated financial statements and Note 25 to CBPI s interim consolidated financial information included in this prospectus. For further information concerning the preparation and presentation of the financial information contained in CBPI s financial statements see Note 2 to CBPI s consolidated financial statements included in this prospectus.

The following table presents CBPI s selected financial information at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income for the years ended December 31, 2006, 2005 and 2004 are derived from CBPI s audited consolidated financial statements included in this prospectus. The balance sheet information as of September 30, 2007 and as of June 30, 2007 and the statements of income information for the nine-month periods ended September 30, 2007 and 2006 and the six-month periods ended June 30, 2007 and 2006 are derived from CBPI s unaudited interim consolidated financial information included in this prospectus.

Consolidated Income Statement	**Nine-month Ended September 30,**			**Six-month period ended June 30**		**Year ended December 31,**			
	2007(1) US$	**2007 R$**	**2006 R$**	**2007 R$**	**2006 R$**	**2006(1) US$**	**2006 R$**	**2005 R$**	**2004 R$**
				(in millions, except per share data)					
Gross sales and services	9,429.7	17,340.2	16,881.7	11,403.1	10,977.1	12,389.5	22,783.0	20,104.5	16,769.1
Taxes on sales and services, rebates, discounts and returns	(231.2)	(425.2)	(427.4)	(275.0)	(299.6)	(303.4)	(557.9)	(628.0)	(520.7)
Net sales and services	**9,198.5**	**16,915.0**	**16,454.3**	**11,128.1**	**10,677.5**	**12,086.1**	**22,225.1**	**19,476.5**	**16,248.4**
Cost of sales and services	(8,730.5)	(16,054.5)	(15,662.3)	(10,571.3)	(10,154.0)	(11,497.6)	(21,143.0)	(18,450.1)	(15,336.5)
Gross profit	**468.0**	**860.5**	**792.0**	**556.8**	**523.5**	**588.5**	**1,082.1**	**1,026.4**	**911.9**
Operating (expenses) income									
Selling, general and administrative expenses	(327.9)	(602.9)	(587.0)	(397.0)	(388.6)	(430.6)	(791.9)	(758.8)	(659.5)
Other operating income, net	4.6	8.4	8.0	5.2	5.0	10.6	19.5	49.8	5.6
Total operating expenses	(323.3)	(594.5)	(579.0)	(391.8)	(383.6)	(420.0)	(772.4)	(709.0)	(653.9)
Operating income before financial items	**144.7**	**266.0**	**213.0**	**165.0**	**139.9**	**168.5**	**309.7**	**317.4**	**258.0**
Financial (expenses) income , net	1.8	3.4	(19.8)	(0.8)	(8.1)	(13.6)	(25.1)	22.2	6.3
Nonoperating (expenses) income, net	3.6	6.6	3.2	6.4	6.9	2.0	3.7	(2.9)	(12.4)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies and employee s statutory interest	150.1	276.0	196.4	170.7	138.7	156.9	288.3	336.7	251.9
Income and social contribution taxes	(47.0)	(86.4)	(25.9)	(54.3)	(25.7)	(19.0)	(35.0)	(69.2)	(51.2)
Income before equity in earnings (losses) of affiliated companies and employee statutory interest	103.1	189.6	170.5	116.4	113.0	137.9	253.3	267.5	200.7
Equity in earnings (losses) of affiliated companies	54.2	99.7	65.5	66.1	45.2	46.2	84.9	72.4	127.8
Employees statutory interest	(2.5)	(4.6)	(3.5)	(2.8)	(3.4)	(8.0)	(14.7)	(14.4)	(10.6)
Net income	**154.8**	**284.7**	**232.5**	**179.6**	**154.7**	**176.1**	**323.5**	**325.5**	**317.9**

Table of Contents

Consolidated Income Statement	Nine-month period ended September 30,			Six-month period ended June 30,		Year ended December 31,			
	2007(1) US$	2007 R$	2006 R$	2007 R$	2006 R$	2006(1) US$	2006 R$	2005 R$	2004 R$
	(in millions, except per share data)								
Net earnings per share	1.46	2.69	2.20	1.70	1.46	1.66	3.05	6.14	6.00
Dividends per common shares			0.47		0.47	0.57	1.05	2.34	1.96
Dividends per preferred shares			0.52		0.52	0.63	1.16	2.58	2.15
U.S. GAAP:									
Net income				136.1	110.5	128.1	235.6	387.5	
Basic and diluted earnings per common share				1.20	0.98	1.13	2.08	3.43	
Basic and diluted earnings per preferred share				1.32	1.08	1.25	2.29	3.77	
Depreciation and amortization				47.1	45.2	50.0	91.9	84.4	

(1) The *real* amounts for the nine-month period ended September 30, 2007 and for the year ended December 31, 2006, have been converted into dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

Consolidated Balance Sheet	As of September 30,		As of June 30,	As of December 31,			
	2007(1) US$	2007 R$	2007 R$	2006(1) US$	2006 R$	2005 R$	2004 R$
	(in millions of U.S. dollars or *reais*, where indicated)						
Current assets							
Cash and cash equivalents	103.2	189.8	86.3	48.9	89.9	20.6	102.2
Related companies	21.4	39.3	37.3	8.5	15.7	4.4	6.4
Trade accounts receivable, net	614.3	1,129.6	1,123.4	571.3	1,050.5	984.6	840.7
Inventories	197.6	363.3	379.5	231.4	425.6	384.8	338.2
Recoverable taxes	50.6	93.0	64.2	29.9	55.0	40.4	46.0
Other	32.7	60.1	68.3	37.8	69.6	47.1	49.7
Total current assets	**1,019.8**	**1,875.1**	**1,759.0**	**927.8**	**1,706.3**	**1,481.9**	**1,383.2**
Long-term assets							
Trade accounts receivable, net	91.0	167.3	158.5	86.8	159.6	139.4	122.0
Long term investments	33.4	61.4	60.3	31.4	57.8		
Related companies				17.7	32.6	128.9	107.2
Deferred income and social contribution taxes	19.1	35.2	35.2	19.7	36.2	42.1	38.9
Recoverable taxes	1.7	3.1	3.0	1.6	3.0	3.4	
Other	17.1	31.6	57.9	30.9	56.5	56.2	51.2
Total long-term assets	**162.3**	**298.6**	**314.9**	**188.1**	**345.7**	**370.0**	**319.3**
Current assets							
Permanent assets							
Investments	192.7	354.3	320.7	136.5	251.1	251.6	177.9
Property, plant, equipment and intangible assets, net	385.4	708.7	710.7	390.8	718.6	671.6	637.6
Deferred charges, net	0.2	0.3	0.5	0.3	0.6	1.2	0.8

Total permanent assets	**578.3**	**1,063.3**	**1,031.9**	**527.6**	**970.3**	**924.4**	**816.3**
TOTAL ASSETS	**1,760.4**	**3,237.0**	**3,105.8**	**1,643.5**	**3,022.3**	**2,776.3**	**2,518.8**

Table of Contents

Consolidated Balance Sheet	As of September 30, 2007(1) US$	2007 R$	As of June 30, 2007 R$	2006(1) US$	As of December 31, 2006 R$	2005 R$	2004 R$
	(in millions of U.S. dollars or *reais*, where indicated)						
Current liabilities							
Loans, financing and debentures	146.4	269.3	87.2	62.6	115.2	228.3	116.4
Suppliers	93.1	171.2	155.4	257.4	473.3	508.1	491.0
Payroll, related charges and profit sharing	29.3	53.8	45.6	37.4	68.7	67.8	54.9
Post-retirement benefits	2.6	4.8	4.8	2.6	4.8	1.7	11.1
Taxes payable	68.5	125.9	90.9	27.5	50.6	68.6	60.5
Related companies	136.0	250.0	268.4	0.6	1.1	1.1	0.8
Dividends payable							41.5
Provision for contingencies	3.5	6.5	34.5	17.6	32.4	33.8	29.2
Other	14.9	27.4	21.1	23.2	42.6	51.2	52.8
Total current liabilities	**494.3**	**908.9**	**707.9**	**428.9**	**788.7**	**960.6**	**858.2**
Long-term liabilities							
Loans, financing and debentures	204.9	376.8	551.9	305.9	562.6	341.8	371.7
Other taxes and contributions contingent liabilities	31.8	58.5	58.2	32.1	59.0	57.0	20.8
Post-retirement benefits	24.4	44.9	44.9	26.4	48.6	59.8	90.7
Other	4.5	8.0	8.1	4.5	8.2	6.8	20.7
Total long-term liabilities	**265.6**	**488.2**	**663.1**	**368.9**	**678.4**	**465.4**	**503.9**
TOTAL LIABILITIES	**759.9**	**1,397.1**	**1,371.0**	**797.8**	**1,467.1**	**1,426.0**	**1,362.1**
Shareholder s equity							
Capital	560.1	1,030.0	1,030.0	557.4	1,025.0	580.0	450.0
Capital reserve	0.3	0.6	0.6	0.3	0.6	0.6	129.2
Reserves and retained earnings	440.1	809.3	704.2	288.0	529.6	769.7	577.5
TOTAL SHAREHOLDER S EQUITY	**1,000.5**	**1,839.9**	**1,734.8**	**845.7**	**1,555.2**	**1,350.3**	**1,156.7**
TOTAL LIABILITIES SHAREHOLDER S EQUITY	**1,760.4**	**3,237.0**	**3,105.8**	**1,643.5**	**3,022.3**	**2,776.3**	**2,518.8**
U.S. GAAP							
Total assets				**1,652.9**	**3,039.5**	**2,805.9**	
Total shareholders equity			**1,823.9**	**921.1**	**1,693.8**	**1,519.8**	

(1) The *real* amounts as of the nine-month period ended September 30, 2007 and as of the year ended December 31, 2006, have been converted into dollars using the exchange rate of US$1.00 = R$1.839, which was the commercial rate reported by the Central Bank on September 30, 2007. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

Table of Contents

UNAUDITED PRO FORMA FINANCIAL INFORMATION

As described in more detail herein, this unaudited pro forma financial information is based on the consolidated financial statements of Ultrapar Participações S.A. after giving effect to the acquisition and subsequent transfer of the assets of Ipiranga Group that are part of the Transaction.

The unaudited pro forma financial information does not represent what our consolidated financial position or statement of income would actually have been if the proposed transaction had in fact occurred on the dates indicated below. Consequently, you are cautioned not to base investment decisions on the pro forma financial statements. Furthermore, there can be no certainty that the proposed transaction will be completed in the manner described herein, if at all.

The unaudited pro forma financial information was prepared in accordance with Brazilian GAAP, which differs in certain material respects from U.S. GAAP. The unaudited pro forma financial information includes a pro forma reconciliation of shareholders equity and net income from Brazilian GAAP to U.S. GAAP.

Summary of the Ipiranga Group Acquisition

On March 19, 2007, Ultrapar, Petrobras and Braskem announced their intent to acquire the Ipiranga Group and 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, on April 11, 2007, we completed an offering of 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 the 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.

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 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; (3) the tender offer by Braskem for the delisting of Copesul s common shares from the BOVESPA; (4) exchange of the remaining common and preferred shares of RIPI, DPPI and CBPI for preferred shares of Ultrapar, of which the Share Exchange forms a substantial part; and (5) separation of the Target Companies assets. The completion of the Transaction is expected to occur in the fourth quarter of 2007.

Table of Contents

UNAUDITED PRO FORMA BALANCE SHEET

AS OF JUNE 30, 2007

(Amounts in thousands of Brazilian reais)

The following is our unaudited pro forma balance sheet as of June 30, 2007:

	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
PRO FORMA ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	784,999	50,880	2(i)	835,879			835,879
Short-term investments	804,267			804,267			804,267
Trade accounts receivable, net	1,260,910			1,260,910			1,260,910
Accounts receivables relating to the transaction					1,739,743	2(ii)	1,739,743
Inventories	540,443			540,443			540,443
Recoverable taxes	193,599			193,599			193,599
Deferred income and social contribution taxes	74,504			74,504			74,504
Other	31,277			31,277			31,277
Prepaid expenses	20,474			20,474			20,474
TOTAL CURRENT ASSETS	**3,710,473**	**50,880**		**3,761,353**	**1,739,743**		**5,501,096**
NONCURRENT ASSETS							
Long-term investments	118,946			118,946			118,946
Trade accounts receivable, net	157,647			157,647			157,647
Related companies	42,148			42,148			42,148
Deferred income and social contribution taxes	109,707			109,707			109,707
Recoverable taxes	72,437			72,437			72,437
Escrow deposits	25,100			25,100			25,100
Other	8,173			8,173			8,173
Prepaid expenses	29,078			29,078			29,078
TOTAL NONCURRENT ASSETS	**563,236**			**563,236**			**563,236**
PERMANENT ASSETS							
Investments	38,857			38,857			38,857
Property, plant and equipment, net	1,998,374			1,998,374			1,998,374
Intangible assets, net	67,967			67,967			67,967
Deferred charges, net	543,840	105,920	2(i)	649,760	(15,967)	2(ii)	633,793
TOTAL PERMANENT ASSETS	**2,649,038**	**105,920**		**2,754,958**	**(15,967)**		**2,738,991**
TOTAL PRO FORMA ASSETS UNDER BRAZILIAN GAAP	**6,922,747**	**156,800**		**7,079,547**	**1,723,776**		**8,803,323**

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
PRO FORMA LIABILITIES							
CURRENT LIABILITIES							
Loans and financing	370,098			370,098			370,098
Debentures	1,015,263	214,000	2(i), 2(viii)	1,229,263			1,229,263
Suppliers	450,745			450,745			450,745
Payroll and related charges	105,302			105,302			105,302
Taxes payable	51,608			51,608			51,608
Dividends payable	39,611			39,611			39,611
Income and social contribution taxes	36,343			36,343			36,343
Post-retirement benefits	7,240			7,240			7,240
Provision for contingencies	11,749			11,749			11,749
Deferred income and social contribution taxes	208			208			208
Other	30,008			30,008			30,008
CURRENT LIABILITIES	**2,118,175**	**214,000**		**2,332,175**			**2,332,175**
NONCURRENT LIABILITIES							
Loans and financing	1,149,132			1,149,132			1,149,132
Debentures	350,000			350,000			350,000
Related companies	4,723			4,723			4,723
Deferred income and social contribution taxes	26,514			26,514			26,514
Other taxes and contributions contingent liabilities	88,002			88,002			88,002
Post-retirement benefits	71,691			71,691			71,691
Other	11,343			11,343			11,343
NONCURRENT LIABILITIES	**1,701,405**			**1,701,405**			**1,701,405**
MINORITY INTEREST	1,115,685	(57,200)	2(i)	1,058,485	(1,023,695)	2(ii)	34,790
SHAREHOLDERS EQUITY							
Capital	946,035			946,035	2,747,471	2(ii)	3,693,506
Capital reserves	702			702			702
Revaluation reserve	12,310			12,310			12,310
Profit reserves	1,058,395			1,058,395			1,058,395
Treasury shares	(29,960)			(29,960)			(29,960)
TOTAL PRO FORMA SHAREHOLDERS EQUITY UNDER BRAZILIAN GAAP	**1,987,482**			**1,987,482**	**2,747,471**		**4,734,953**
TOTAL PRO FORMA LIABILITIES AND SHAREHOLDERS EQUITY UNDER BRAZILIAN GAAP	**6,922,747**	**156,800**		**7,079,547**	**1,723,776**		**8,803,323**

	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
PRO FORMA RECONCILIATION TO U.S. GAAP							
TOTAL PRO FORMA SHAREHOLDERS EQUITY UNDER BRAZILIAN GAAP	**1,987,482**			**1,987,482**	**2,747,471**		**4,734,953**
Reversal of revaluation adjustments:							
Property, plant and equipment	(25,852)			(25,852)			(25,852)
Deferred tax effects	684			684			684
Minority interests	503			503			503
Inflation accounting:							
Property, plant and equipment	56,205			56,205			56,205
Other nonmonetary assets	2,897			2,897			2,897
Deferred tax effects	(20,010)			(20,010)			(20,010)
Minority interests	(177)			(177)			(177)
Different criteria for:							
Cancellation of subsidiaries treasury stock	(1,633)			(1,633)			(1,633)
Deferred charges:							
Cost	(232,568)			(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)
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					(7,724)	3 (iii)	(7,724)	(32,848)	3 (iii)	(40,572)
Different criteria for:										
Cancellation of subsidiaries treasury stock	869						869			869
Deferred charges	(17,611)						(17,611)			(17,611)

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		(14,871)	3 (iv)	(4,973)	11,168	3 (iv)	6,195
Minority interest	(41)						(41)			(41)
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**280,508**	**33,581**	**(3,579)**	**(608)**	**(93,965)**		**215,937**	**117,674**		**333,611**
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**									**2.45**
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.

30

Table of Contents

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.

Table of Contents

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.

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.

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**

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

38

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)	(126)	3(iii)	(3,862)	(16,424)	3(iii)	(20,286)
Deferred tax effects	1,270		1,270	43	3(iv)	1,313	5,584	3(iv)	6,897
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**	**(18,853)**		**85,054**	**59,416**		**144,470**
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**								**1.06**

(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 occured 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)		

40

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

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 on behalf of Petrobras and Braskem, 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)

43

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.

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

Table of Contents

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

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
Weighted average annual depreciation rate	6,21%
Depreciation of fair value relating to property, plant and equipment acquired	(29.715)
Annual amortization of intangibles acquired	(10.857)
Total realization of fair value adjustment for the year ended December 31, 2006	(40.572)
Total realization of fair value adjustment for the year ended December 31, 2006 before share exchange	(7,724)
Total realization of fair value adjustment for the year ended December 31, 2006 related to share exchange	(32,848)
	(3,862)

Total realization of fair value adjustment for the six month period ended June 30, 2007 before share exchange	
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	(126)
Total realization of fair value adjustment for the six month period ended June 30, 2007 related to share exchange	(16.424)

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))	(7,724)
Reversal of goodwill amortization under Brazilian GAAP	51,463
Total pro forma adjustments before share exchange	43,739
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange under	(14,871)
Fair value adjustments relating to purchase accounting of business acquired related to share exchange (note 3(iii))	(32,848)
Income taxes effective rate	34%
Pro forma deferred income tax related to share exchange under	11,168

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))	(126)
Income taxes effective rate	34%
Pro forma deferred income tax before share exchange under	43
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))	(16,424)

Income taxes effective rate	34%
Pro forma deferred income tax related to share exchange under	5,584

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

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$1.09	R$3.22	R$2.45
Diluted earnings		R$1.09		R$2.48
Dividends, gross			R$1.78	R$1.78
Book value	R$34.81	R$34.86	R$33.73	R$33.80
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		Year Ended December 31, 2006	
	(under BR GAAP)	(under U.S. GAAP)	(under BR GAAP)	(under U.S. GAAP)
Pro Forma RIPI Equivalents (per preferred share) (1)				
Basic earnings	R$0.73	R$0.77	R$2.57	R$1.95
Diluted earnings		R$0.77		R$2.76
Dividends, gross			R$1.42	R$1.42
Book value	R$27.79	R$27.84	R$26.94	R$26.99
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$0.62	R$2.06	R$1.57
Diluted earnings		R$0.62		R$2.22
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$0.41	R$1.34	R$1.45
Diluted earnings		R$0.41		R$1.45
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.

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 November 9, 2007)	75.40	49.29	120,353
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 November 9, 2007)	75.40	66.50	104,871
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 (through November 9, 2007)	68.05	66.50	82,067

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

On November 9, 2007, the last reported closing sale price of Ultrapar s preferred shares on BOVESPA stock exchange was R$66.90 (US$38.25) 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

50

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 November 9, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,850 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 November 9, 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 November 9, 2007)	57.00	52.80

	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 (through November 9, 2007)	54.70	52.80

Source: BOVESPA stock exchange.

On November 9, 2007, the last reported closing sale price of RIPI s preferred shares on the BOVESPA stock exchange was R$53.20 (US$30.42) 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 November 9, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,550 registered holders of RIPI preferred shares, of which 26 are domiciled in the United States, representing 14.7% 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 November 9, 2007)	48.80	26.25

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 November 9, 2007)	48.80	43.99
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 (through November 9, 2007)	46.31	43.99

Source: BOVESPA stock exchange.

On November 9, 2007, last reported closing sale price of DPPI s preferred shares on the BOVESPA stock exchange was R$44.50 (US$25.44) 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 November 9, 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 22 are domiciled in the United States, representing 7.7% of the total preferred shares.

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 November 9, 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 November 9, 2007)	31.38	28.22
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 (through November 9, 2007)	30.05	28.22

Source: BOVESPA stock exchange.

On November 9, 2007, the last reported closing sale price of CBPI s preferred shares on the BOVESPA stock exchange was R$29.75 (US$17.01) 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**	**US$ per preferred**

	share	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.

Table of Contents

As of November 9, 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 61 are domiciled in the United States, representing 21.0% 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 November 9, 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 November 9, 2007, the consideration to be paid to RIPI, DPPI and CBPI preferred shareholders in the Share Exchange represented an approximate 0.4% premium and 3.7% and 5.9% discount 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
November 9, 2007	66.90	1.749	38.25	30.42	30.54	25.44	24.50	17.01	16.01

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 .

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 November 9, 2007, the exchange rate for *reais* into U.S. dollars was 1.749 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 November 9, 2007)	1.941

(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 (through November 9, 2007)	1.756	1.733

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 the Deutsche Bank valuation report by filing complaints with the CVM and may also challenge the Share Exchange at the CVM or in Brazilian courts. 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 with the CVM to date focused on the level of disclosure and certain of the projections, assumptions and comparable companies used by Deutsche Bank in its valuation report. 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 additional complaints will not be lodged with the CVM 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 100 and the documents included as annexes to this document and referred to under Where You Can Find More Information on page 208.

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.

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.

Table of Contents

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 approve 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 approved 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 approval 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

62

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. 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 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.

Table of Contents

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.

	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 pursuant 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 pursuant 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%	38.29	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 who are approximately 67 individuals that controlled the Ipiranga Group through shareholders agreements that were not included in the Key Shareholders common shares subject to the shareholders agreements, were acquired 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 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 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.

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 approved by the boards of directors of Ultrapar, RIPI, CBPI and DPPI at their meetings held on November 12, 2007 and will be 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%

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.

Table of Contents

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:

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 approve 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; (B) the transfer to Braskem and Petrobras of the Petrochemical Business and to Petrobras of the Northern Distribution Business; and (C) the transfer to each of Petrobras and Braskem of one-third of the oil refining operations. 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 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, (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 and (C) one-third of the oil refining operations to each of Braskem and Petrobras, through the transfer of one-third of the capital stake of RIPI to each of such companies.

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.

Table of Contents

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, the managements of Ultrapar and each of the Target Companies entered into Protocol and Justifications. The Protocol and Justifications describe the reasons each company s management determined that the Share Exchange was in the best interests of their respective company. The boards of directors of each company approved their respective Protocol and Justification on November 12, 2007. In addition, on the same date, the boards of directors of each of Ultrapar and the Target Companies called meetings of the common shareholders of each company to approve the Share Exchange and the Protocol and Justifications.

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 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.

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 a description of the Ipiranga Group s operations and strategy, certain financial analyses, balance sheet information, production capacity information, investment requirements, the prospects of the Ipiranga Group and the operations of the combined company following the Transaction. 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.

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

Table of Contents

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.

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 RIPI; RIPI Opco; Empresa Carioca de Produtos Químicos S.A., or EMCA, AM/PM Comestíveis, or AM/PM, IASA and ISA-SUL, each of which are subsidiaries of CBPI. 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 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 Alon USA, Delek US Holdings and Frontier Oil. IQ and IASA were valued based on precedent transaction multiples as set forth in Apendix II of the Deutsche Bank Valuation Report. EMCA was valued based on commodity and specialty listed companies multiples as set forth in Apendix II of the Deutsche Bank Valuation Report. AM/PM was valued based on Pao de Acucar CBD s trading multiples. Isa-Sul was valued based on the implied multiple derived from the DCF valuation of DPPI.

[Table of Contents](#)

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 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

76

Table of Contents

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.

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.

77

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 liquidation 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. We intend to include the full report 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

Table of Contents

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 liquidation 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:

RELEVANT ACCOUNTS		BOOK VALUE	IN MILLION OF REAIS 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**	

Table of Contents

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

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

			IN MILLION OF REAIS	
RELEVANT ACCOUNTS		**BOOK VALUE**	**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

Table of Contents

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

			IN MILLION OF REAIS	
RELEVANT ACCOUNTS		**BOOK VALUE**	**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

85

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.

Credit Suisse Valuation Report

In connection with the Share Exchange, the managements of each of the Target Companies engaged Credit Suisse to provide a valuation report covering the matters addressed by Deutsche Bank in its valuation report.

Table of Contents

We intend to include a summary of the Credit Suisse valuation report in this prospectus and the full text of the report as an exhibit to the registration statement of which this prospectus forms a part.

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.

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 liquidation value because the exchange ratio calculated with reference to liquidation 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

Table of Contents

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. Liquidation 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. Ultrapar intends to attach a copy of this report 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 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 conditions of the Share Exchange pursuant to the Investment Agreement;
- to approve the Share Exchange; 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 conditions of the Share Exchange pursuant to the Investment Agreement;
- to approve the Share Exchange; 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 conditions of the Share Exchange pursuant to the Investment Agreement;
- to approve the Share Exchange; 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.

Table of Contents

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 conditions of the Share Exchange pursuant to the Investment Agreement;
- to approve the Share Exchange;
- 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 208.

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.

Table of Contents

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

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.

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

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	Period ended September 30, 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

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).

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.

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	**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;

114

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

Table of Contents

Government started to study the possibility of producing petrochemical naphtha in order to have an alternative 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

120

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.

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 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	2005	2004
				(in millions of *reais*)		
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

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.

135

Table of Contents

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.

137

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.

139

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,

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

144

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,	Year ended December 31,		
	2007	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,	Year ended December 31,		
	2007	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.

	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 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.

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 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			
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	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.

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 November 9, 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 November 9, 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		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%)

163

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 November 9, 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 November 9, 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%)

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 November 9, 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 November 9, 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%)

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 208.

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 November 9, 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 November 9, 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 November 9, 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 November 9, 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	
	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 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	
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;

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.

169

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI
EXTRAORDINARY MEETINGS OF STOCKHOLDERS	
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	
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.

170

Table of Contents

ULTRAPAR	RIPI / DPPI/CBPI

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.

[Table of Contents](#)

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.

173

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.

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.

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 November 9, 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 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.

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 November 9, 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;

185

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.

188

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.

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.

Table of Contents

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 November 9, 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.

196

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 November 9, 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;

198

- 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.

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.

202

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 November 9, 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 9, 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.

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.
4.10	*Protocolo e Justificação do Incorporação de Ações* (Protocol and Justification of the Share Exchange) between Ultrapar and DPPI, dated November 9, 2007.

4.11	*Protocolo e Justificação do Incorporação de Ações* (Protocol and Justification of the Share Exchange) between Ultrapar and CBPI, dated November 9, 2007.
5.1	Form of opinion of Machado, Meyer, Sendacz e Opice Advogados.
8.1	Form of opinion of Davis Polk & Wardwell as to tax matters.
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.
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.
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.
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.
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.
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.
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.
23.8	Consent of Deutsche Bank Securities Inc. regarding use in this Registration Statement of its valuation report dated September 27, 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.

Table of Contents

23.9	Consent of Apsis Consultoria Empresarial S/C Ltda.
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. (to be filed by amendment).

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	Legal	Profit reserves 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.

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.

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.

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.

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

Table of Contents

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.

Table of Contents

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

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

Table of Contents

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).

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

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

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

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.

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.

Table of Contents

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)

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.