

Ultrapar Participações S.A.

Earnings conference call

Comments on 2Q10 performance and outlook

08.13.10

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UGPA4 NÍVEL 1 BOVESPA BRASIL
IBOVESPA
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Forward-looking statements

This document may include "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Investors are cautioned that such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Ultrapar Participações S.A. ("Ultrapar") are based on current expectations that are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. Ultrapar is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. For this reason, readers should not place undue emphasis on these forward-looking statements.

Considerations on the financial and operational information

Standards and criteria adopted in preparing the information

- ✓ Ultrapar's financial statements for the year ended December 31st, 2009 were prepared in accordance with the accounting directives set out in the Brazilian Corporate Law, being adopted the alterations introduced by Laws 11,638/07 and 11,941/09, as well as the CVM standards, instructions and guidelines, which regulate them. In connection with the process of converging the accounting practices adopted in Brazil to the international financial reporting standards (IFRS), several guidelines, interpretations and orientations were issued during 2009 with mandatory application for the year ending December 31st, 2010. Ultrapar decided to rely on the option foreseen in Article 1 of CVM Resolution 603/2009, as amended by CVM Resolution 626/2010, an option that allows companies to report their quarterly information for the periods ended June 30th and March 31st, 2010 in accordance with the accounting standards valid on December 31st, 2009.
- ✓ The financial information of Ultragaz, Ipiranga, Oxiteno and Ultracargo is presented without elimination of transactions carried out between the companies. Therefore, the sum of such information may not correspond to Ultrapar's consolidated financial information.
- ✓ Except when otherwise indicated, the amounts presented in this presentation are expressed in millions of R$ and are subject to rounding off. Consequently, the total amounts presented in the tables may differ from the direct sum of the amounts that precede them.

Effect of the acquisition – Texaco

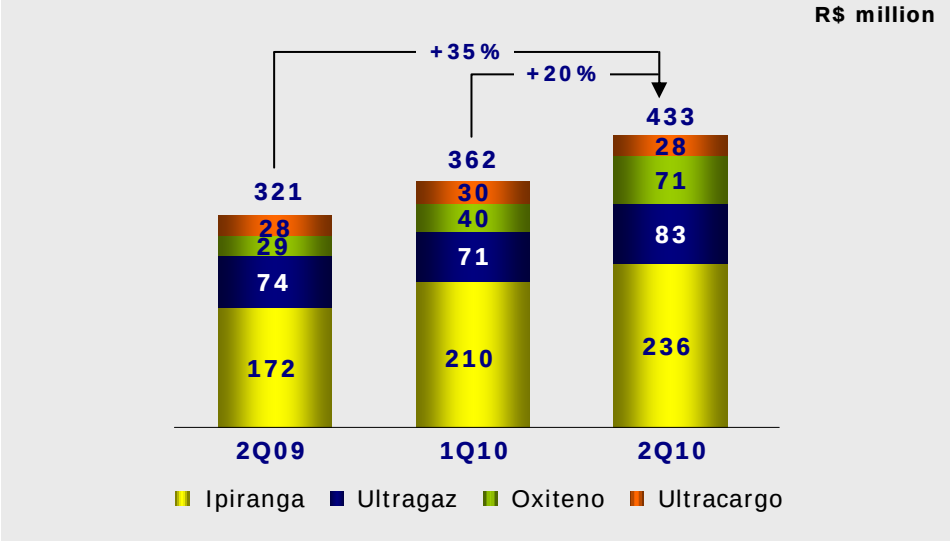
- ✓ In August 2008, Ultrapar announced the signing of the sale and purchase agreement for the acquisition of Texaco's fuel distribution business in Brazil. The results of Texaco were consolidated in Ultrapar's financial statements from April 1st, 2009, after the closing of the acquisition on March 31st, 2009. Ultrapar's financial statements in periods prior to 2Q09 do not include Texaco's results.

Effect of the divestment – Ultracargo's road transportation, in-house logistics and solid bulk storage

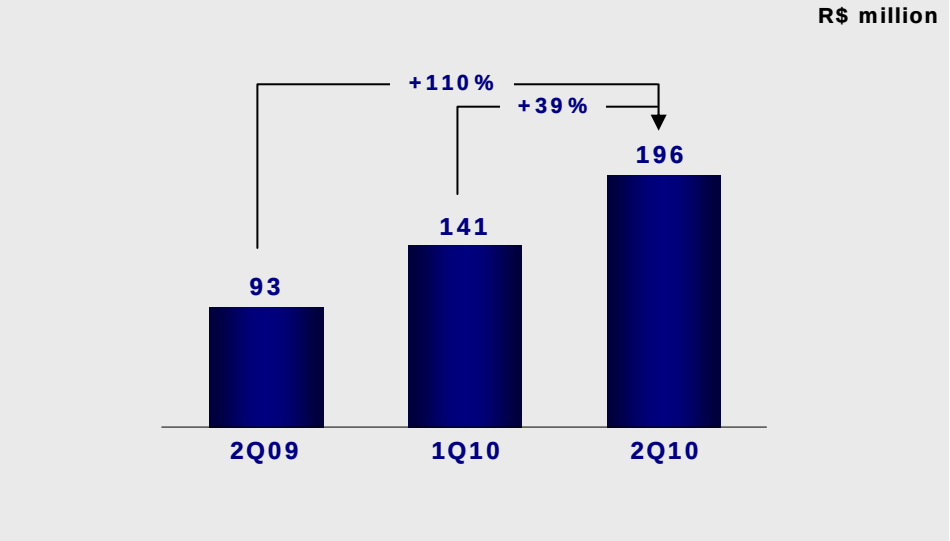
- ✓ On July 1st, 2010, Ultrapar concluded the sale of Ultracargo's in-house logistics, solid bulk storage and road transportation businesses, with the transfer of the shares of AGT – Armazéns Gerais e Transporte Ltda. and Petrolog Serviços e Armazéns Gerais Ltda. to Aqces Logística Internacional Ltda. and the receipt of R$ 74 million, in addition to the R$ 8 million deposit received upon the announcement of the transaction on March 31st, 2010. Ultrapar and Ultracargo's financial statements from the 3Q10 onwards will no longer consolidate the results of the businesses sold.

Ultrapar – 2Q10 highlights

EBITDA



Net earnings



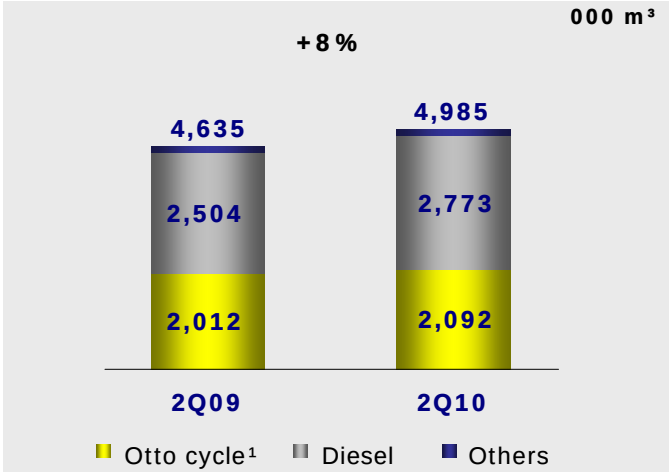
- Volume and EBITDA growth in all businesses
- 16th consecutive quarter of EBITDA growth in Ultrapar
  - ✓ Brazilian economic growth
  - ✓ Acquisitions with solid returns
  - ✓ Operational excellence programs
- Record net earnings of R$ 196 million

- Reduction in financial leverage
  - ✓ Net debt/EBITDA[1]: from 2.0x in 2Q09 to 1.5x in 2Q10
- Dividend distribution of R$ 177 million in 1H10
  - ✓ 53% payout over 1H10 net earnings
  - ✓ 3% annualized dividend yield

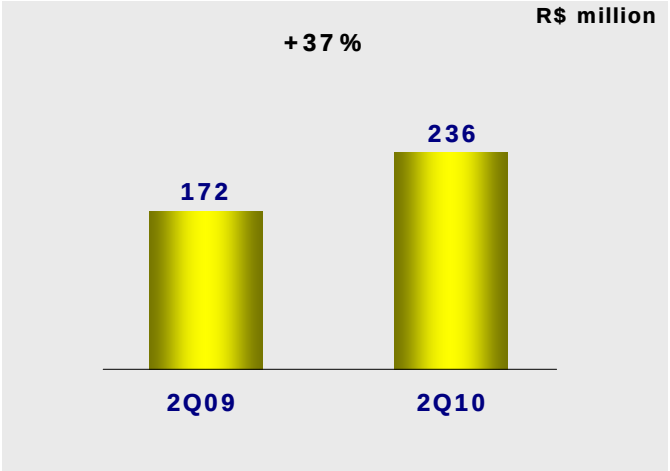
[1]LTM EBITDA

Ipiranga – 2Q10 performance

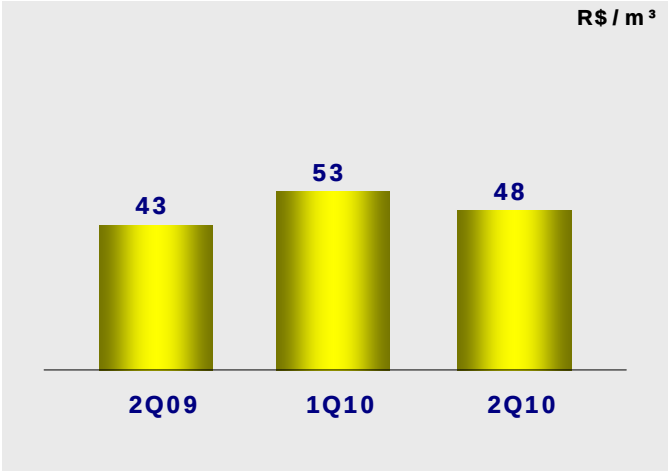
Volume



Reported EBITDA



EBITDA margin ex-non-recurring



Volume

- Strong growth of 8%
  - ✓ Diesel +11%
    - — Higher level of economic activity
  - ✓ Otto cycle +4%
    - — Continued growth of the Brazilian light vehicle fleet

Reported EBITDA

- 37% growth vs. 2Q09
  - ✓ Volume growth
  - ✓ Implementation of Texaco's synergy plan
  - ✓ Lower non-recurring expenses with Texaco's integration

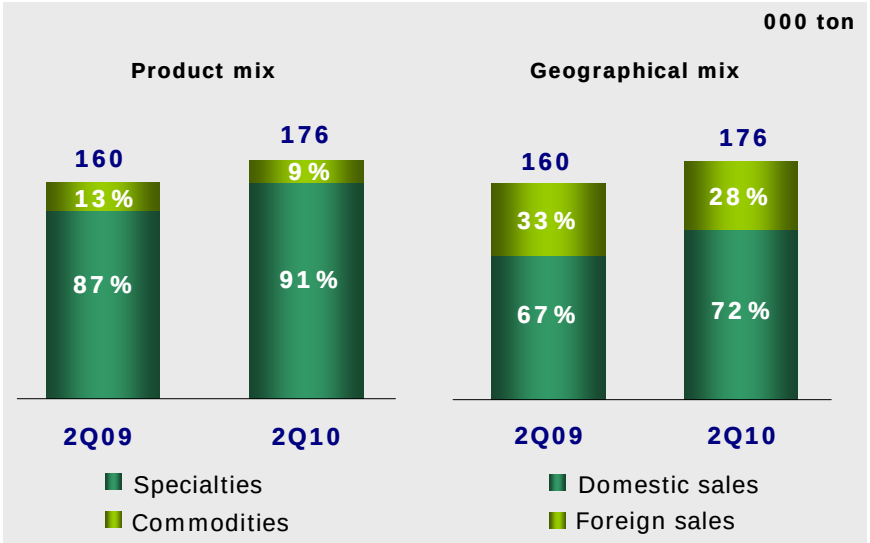
EBITDA margin ex-non-recurring

- Growth vs. 2Q09 – Texaco's synergies
- Volatile ethanol availability in the market during 1H10
- Lower share of gasoline in the product mix vs. 1Q10

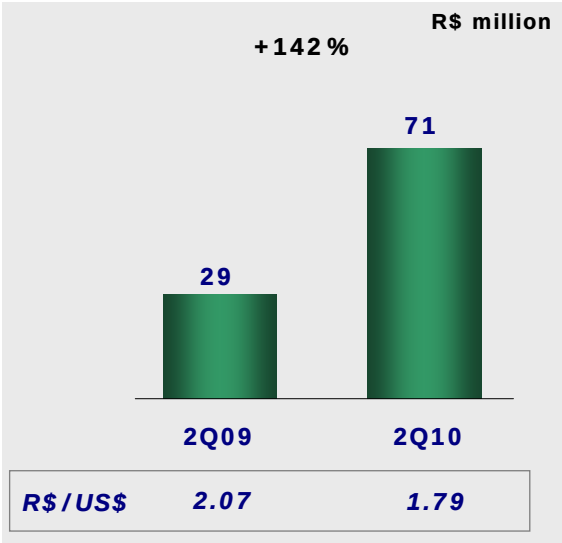
¹ Gasoline, ethanol and NGV

Oxiteno – 2Q10 performance

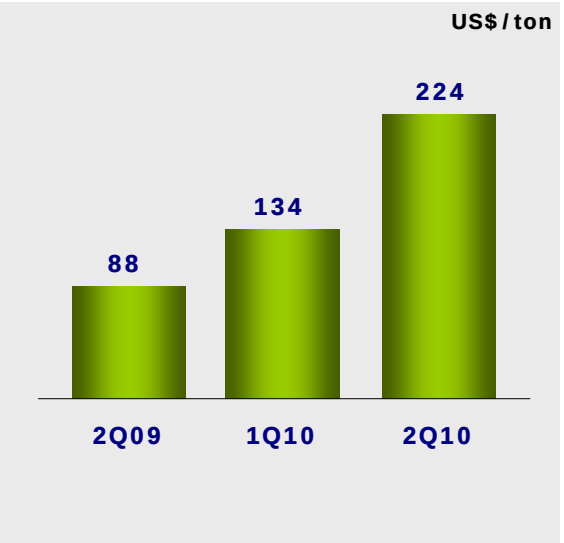
Volume



EBITDA



EBITDA margin



Volume

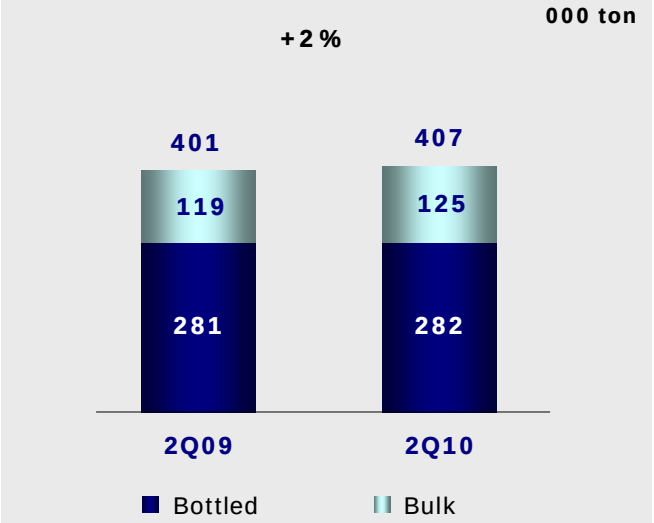
- Robust growth of 10%
  - ✓ Specialty chemicals +15%
  - ✓ Domestic sales +18%
    - — Higher level of economic activity – sales of specialty chemicals historically grow at a multiple of GDP
    - — Specialties' production capacity +52% vs. 2007

EBITDA

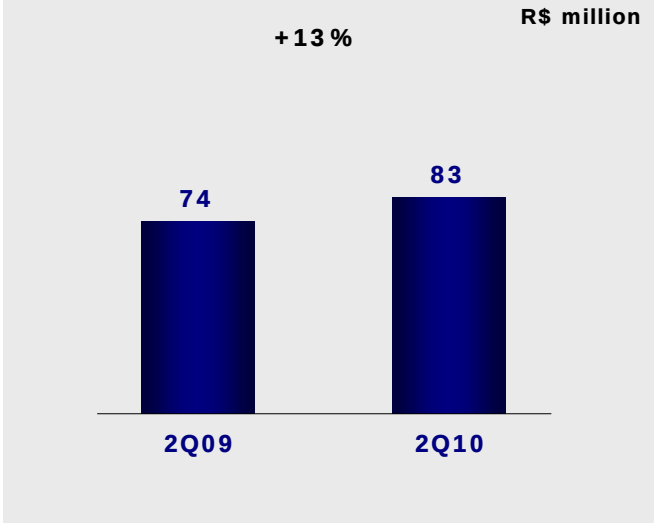
- Growth of 142% vs. 2Q09
  - ✓ Recovery in margins...
    - – Enhanced product and geographical mix
    - – Commercial initiatives
    - – Stability in raw materials prices
  - ✓ ...despite the 14% stronger *Real* in 2Q10

Ultragaz – 2Q10 performance

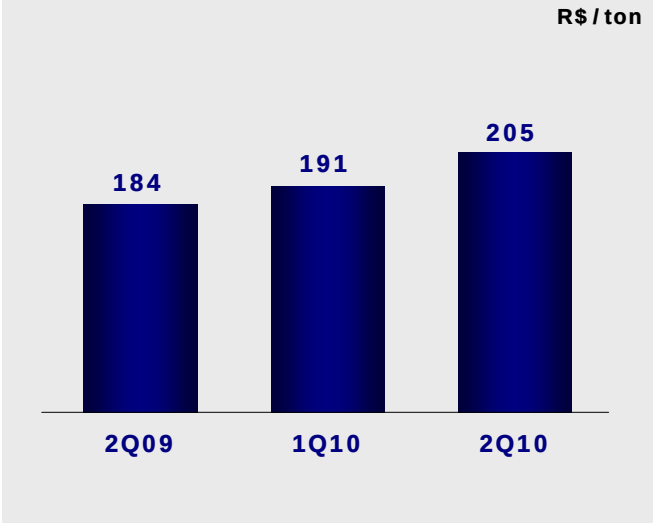
Volume



EBITDA



EBITDA margin



Volume

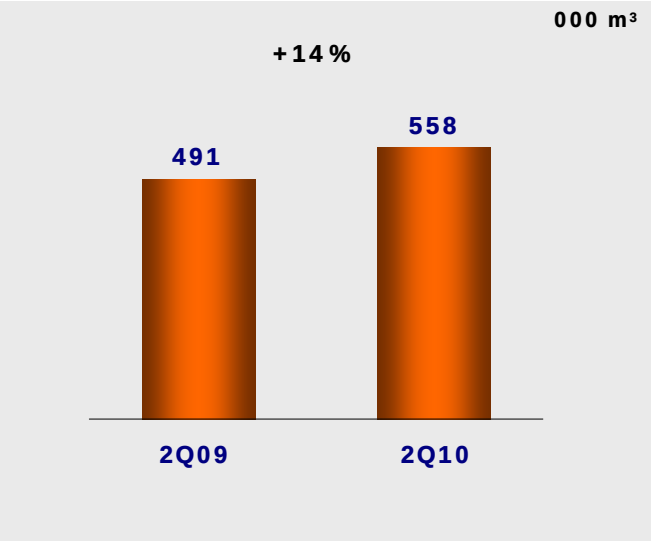
- Bulk +4%
  - ✓ Higher level of economic activity
  - ✓ Recovery in the industrial activity
- Bottled – stable

EBITDA

- Growth of 13%
  - ✓ Additional benefits from operational efficiency programs captured
  - ✓ Improved performance of the bulk segment

Ultracargo – 2Q10 performance

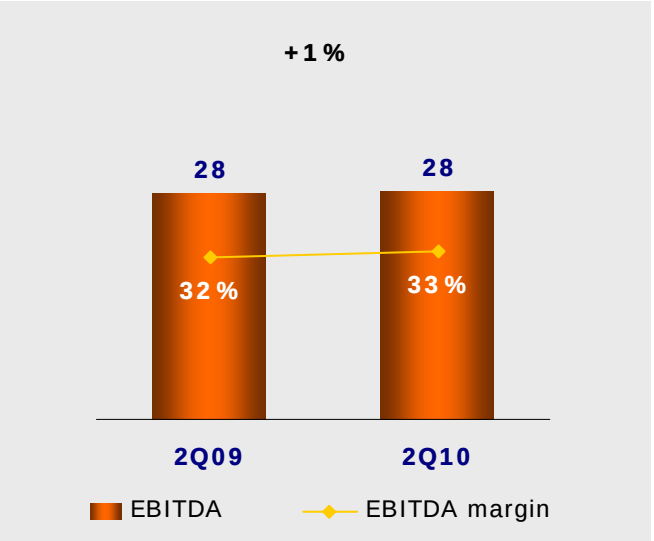
Effective storage



Total kilometrage



EBITDA



Volume

- 14% increase in effective storage
  - ✓ Consolidation of the Puma terminal in Suape and expansion of the Aratu terminal
  - ✓ ...partially offset by a reduction in the handling of ethanol
- Reduced presence in certain transportation segments during 2009
  - ✓ Sale closed on July 1st – last quarter of consolidation in Ultrapar's results

EBITDA

- EBITDA +1%
  - ✓ Increased effective storage in its terminals and realization of synergies resulting from União Terminais' integration...
  - ✓ ...offset by the reduction in the kilometrage travelled

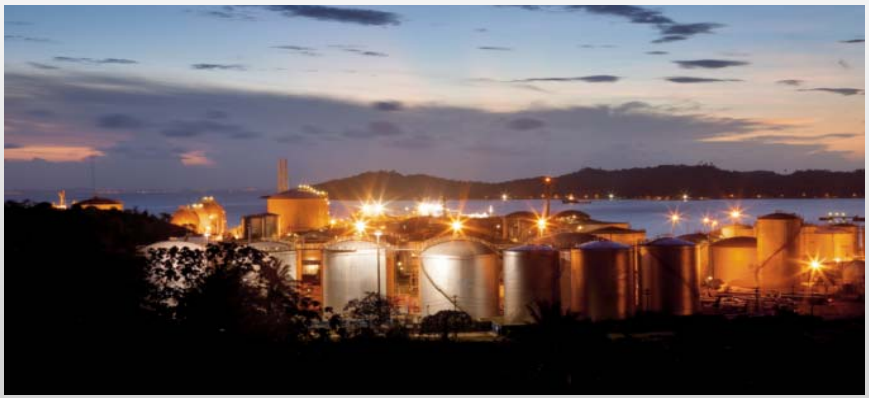
Ultracargo – Focus on liquid bulk storage business

Competitive advantages

- Leading position in its market
- Operational scale
- Assets strategically located in major ports of the country
- Management focused on liquid bulk terminals
  - ✓ Expertise and business prospecting
- Strong recent progression of the capacity in m^3 (CAGR 2004 - 2009)
  - ✓ Market +8%
  - ✓ Ultracargo { +12% - organic growth; +24% - total (including acquisitions)

Outlook on growth

- Increasing demand for logistics infrastructure in Brazil, especially for imports and exports
- Investment projects underway in the existing terminals – higher profitability
- Available areas for expansion in several terminals
- Opportunities for consolidation in the sector



Ultrapar – Outlook

- Acquisitions and organic investments carried out
  - ✓ Maturing process and capture of additional benefits
- Economic outlook in Brazil
  - ✓ Growth in volumes of fuels, specialty chemicals and liquid bulk storage boosted by GDP growth
  - ✓ Ipiranga, Oxiteno and Ultracargo well positioned to capture volume and profitability growth through operational leverage
- New investment opportunities in all businesses
  - ✓ Organic investments and acquisitions
  - ✓ Focus on sustained growth and value creation





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Q&A session

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