

Ultrapar Participações S.A.

Earnings Conference Call

Comments on the company's 2Q09 performance and outlook

08.14.09

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 quarter ending June 30th, 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 (former Provisional Measure 449/08), as well as the CVM standards, instructions and guidelines, which regulate them.

  - ✓ In order to provide comparability of financial statements, the figures presented in this presentation for the second quarter of 2008 consider such changes and, therefore, are different from the figures previously reported in the respective results release.

  - ✓ Additional information regarding effects of the new legislation are available on the accompanying notes 2 and 3 of the audited financial statements for the year ended on December 31st, 2008 and financial statements for the quarters ended on March 31st, 2009 and June 30th, 2009, available at Ultrapar's website (www.ultra.com.br).

  - ✓ Separately, in 1Q09 Ultragaz reclassified the volumes sold between the bottle and bulk segments to reflect the current structure and management responsibility between geographies and segments. In order to provide comparability, Ultragaz's information on volume and net sales for the bottled and bulk segments included in this presentation and in the company's website were reclassified retroactively to 1Q08 based on the new criteria adopted.

  - ✓ Except as when otherwise indicated, the amounts included in this presentation are expressed in R$ million and are subject to rounding off. Consequently, the total amounts presented may differ from the direct sum of the amounts that precede them.

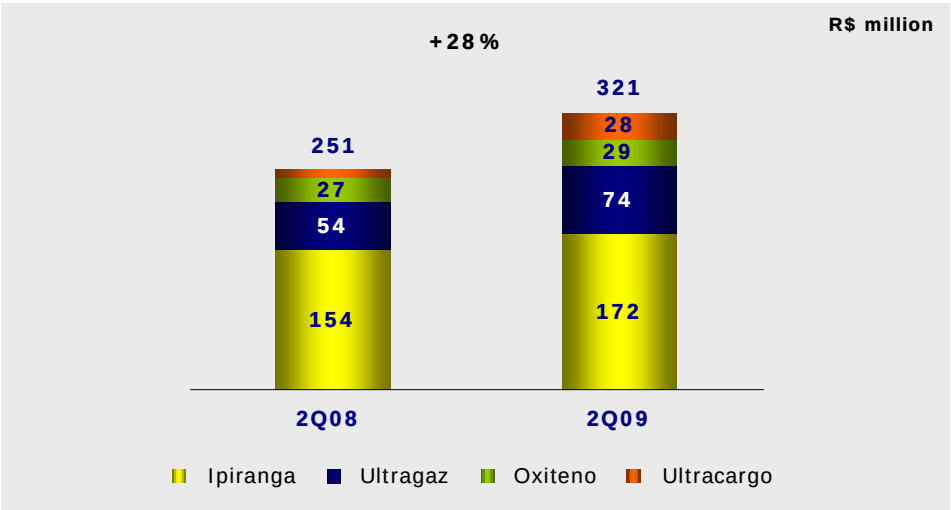
Considerations on the financial statements – effects of acquisitions

- União Terminais
  - ✓ In June 2008, Ultrapar signed the sale and purchase agreement for the acquisition of 100% shares of União Terminais e Armazéns Gerais Ltda., a company involved in the storage and handling of bulk liquids, previously held by Unipar – União das Indústrias Petroquímicas S.A., with operations in the ports located in Santos (in the state of São Paulo), Rio de Janeiro and Paranaguá (in the state of Paraná - through a 50% stake in União/Vopak Armazéns Gerais Ltda). In October 2008, Ultrapar announced to the market that it had closed the purchase of the port terminals in Santos and Rio de Janeiro and, in November 2008, the closing of the acquisition of the port terminal in Paranaguá. The results of the businesses acquired were consolidated in Ultrapar's financial statements after their respective closing dates. Ultrapar's financial statements in periods prior to 4Q08 do not include the results of the businesses acquired. The total acquisition amounted to R$ 519 million, including in this figure the assumption of R$ 32 million in net debt.

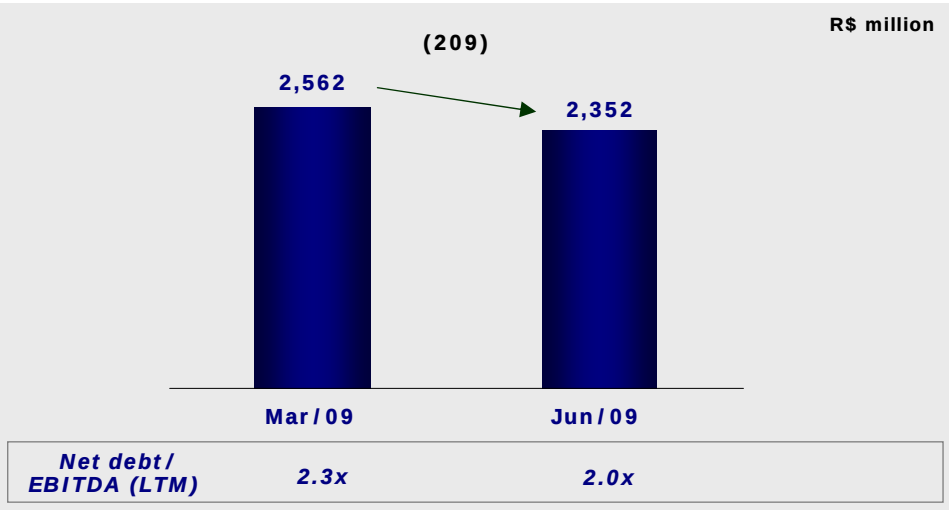
- Texaco
  - ✓ In August 2008, Ultrapar announced the signing of the sale and purchase agreement for the acquisition of Texaco's fuel distribution business in Brazil. On March 31st, 2009, Ultrapar closed the acquisition of Texaco through the disbursement of R$ 1,106 million, in addition to the US$ 38 million deposit made to Chevron in August 2008. Texaco's results started to be consolidated into Ultrapar's financial statements from April 1st, 2009 on. Ultrapar's financial statements in periods prior to 2Q09 do not include Texaco's results. With the purpose of providing a comparison basis for analysis of the evolution in the performance of Ipiranga prior to the consolidation of Texaco's results, we have included in this presentation the results we estimated Ipiranga would have obtained in 2Q09 excluding Texaco's results ("Ipiranga ex-Texaco"). Likewise, in order to allow the understanding of Texaco's recurring contribution to Ipiranga's consolidated results, we have excluded R$ 28 million in non-recurring expenses incurred in 2Q09 with the conversion of Texaco service stations into the Ipiranga brand and with integration of operations ("Texaco ex-non-recurring expenses").

Ultrapar – 2Q09 highlights

EBITDA



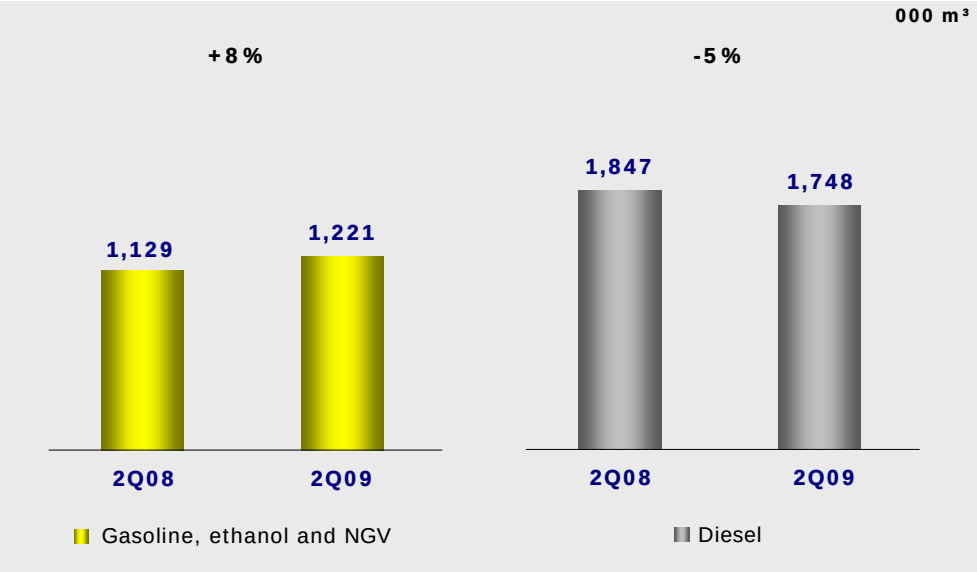
Net debt



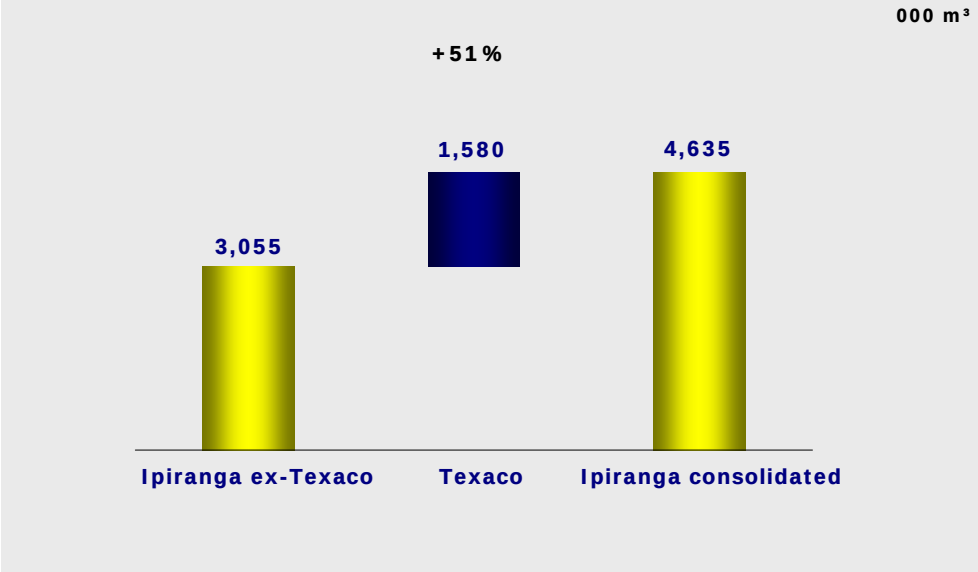
- Revenues grow in all business units and reach R$ 9.6 billion
- EBITDA reaches R$ 321 million, 28% higher than that in 2Q08, with growth in all business units
- Net earnings reach R$ 93 million, higher than that in 1Q09 but lower than that in 2Q08
  - ✓ Growth in EBITDA offset by the result of higher net debt and the increase in depreciation
    - — Acquisitions and organic investments in the last 12 months
- Cash generation and net debt reduction compared with 1Q09 ...
- ... allowing the payment of R$ 119 million in dividends for 1H09
  - ✓ 65% of the consolidated net earnings
  - ✓ 3% dividend yield
- Beginning of the management and consolidation of Texaco

Ipiranga – 2Q09 performance

Ipiranga ex-Texaco - volume



Ipiranga – consolidated volume

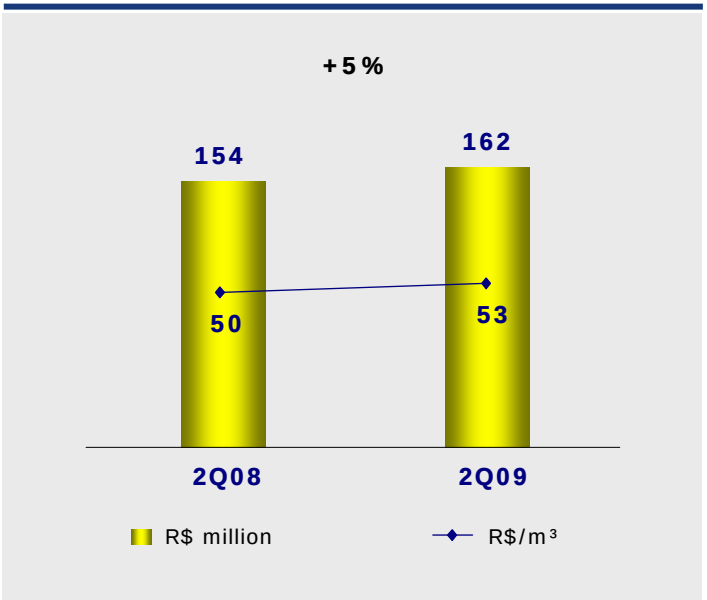


- Sales volume in line with 2Q08
  - ✓ Gasoline, ethanol and NGV +8%
    - — Record level of new light vehicles licensed in 2Q09
    - — Investments in new and re-branded service stations
  - ✓ 5% decrease in diesel sales volume
    - — Lower economic activity
- Improvements in legislation and inspection implemented in the sector

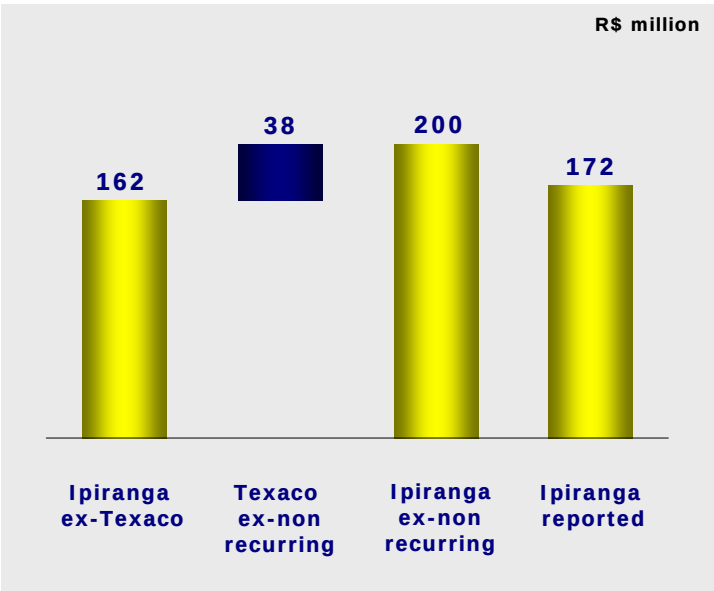
- Fuels sales volume +51%
  - ✓ Significant additional volume from the acquisition of Texaco
  - ✓ New level of size and scale

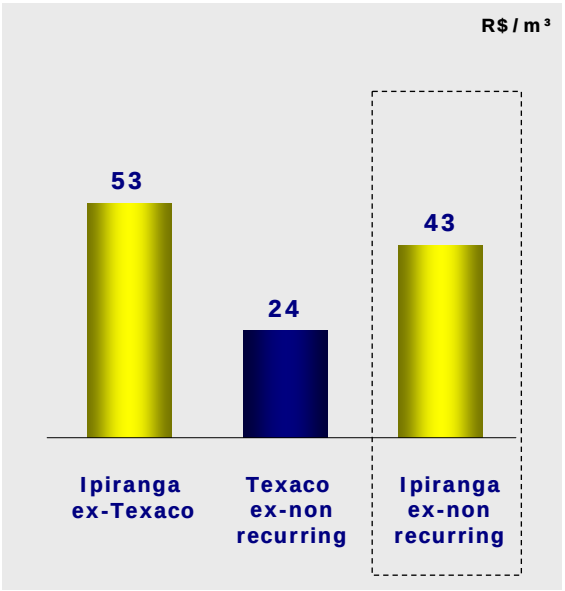
Ipiranga – 2Q09 performance

EBITDA growth in Ipiranga ex-Texaco



New level of EBITDA and margin with the consolidation of Texaco





- Ipiranga ex-Texaco: improvements in legislation and inspection in the sector, with influence over the fluctuations of prices and costs of ethanol
- Non-recurring expenses
  - ✓ Brand-switching of Texaco service stations -R$ 21 million
  - ✓ Integration expenses -R$ 7 million
- Texaco: margin higher than the R$ 20/m³ pre-acquisition
- New level of EBITDA margin with the consolidation of Texaco: R$ 43/m³

Ipiranga – Implementation of Texaco's business plan

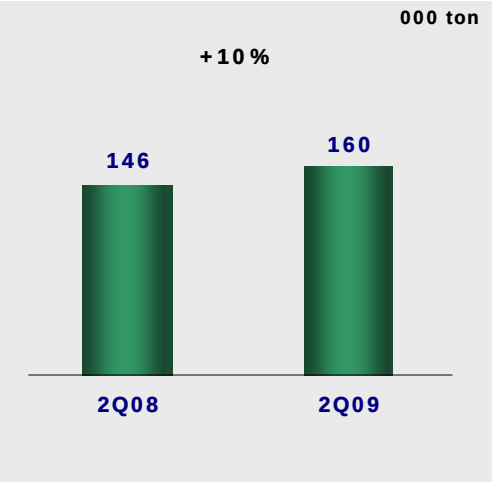
- Increased operational scale ✓
  - ✓ +51% in sales volume
  - ✓ Larger and denser service station network: from ~3,500 to 5,500 service stations
- Better position to grow ✓
  - ✓ Geographical expansion – beginning of Ipiranga's expansion to the Mid-West, North and Northeast regions of Brazil
  - ✓ New commercial opportunities arising from the nationwide coverage: 13 new clients in the large consumers segment
- Integration of operations – economies of scale *Underway*
  - ✓ Beginnig of Ipiranga's management of Texaco from April 1st, 2009 onwards
  - ✓ Integration of Texaco's information systems into Ipiranga's and Ultrapar's in August 1st, 2009
    - — A single system for the fuel distribution business
    - — Important stage for the capture of economies of scale
  - ✓ Merger of Texaco into Ipiranga scheduled for November/09
- Implementation of Ipiranga's business model in the acquired network *Underway*
  - ✓ 830 Texaco service stations converted to the Ipiranga brand until August 13th (>60% Texaco's service station network in the South and Southeast regions)



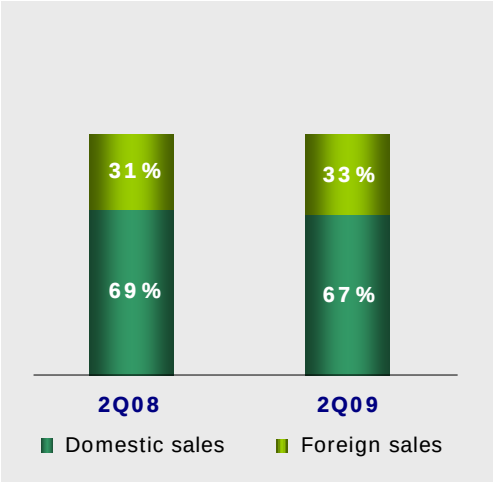


Oxiteno – 2Q09 performance

Volume



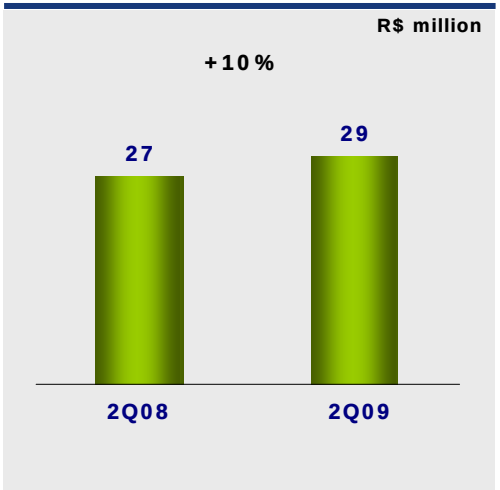
Geographical mix



Product mix

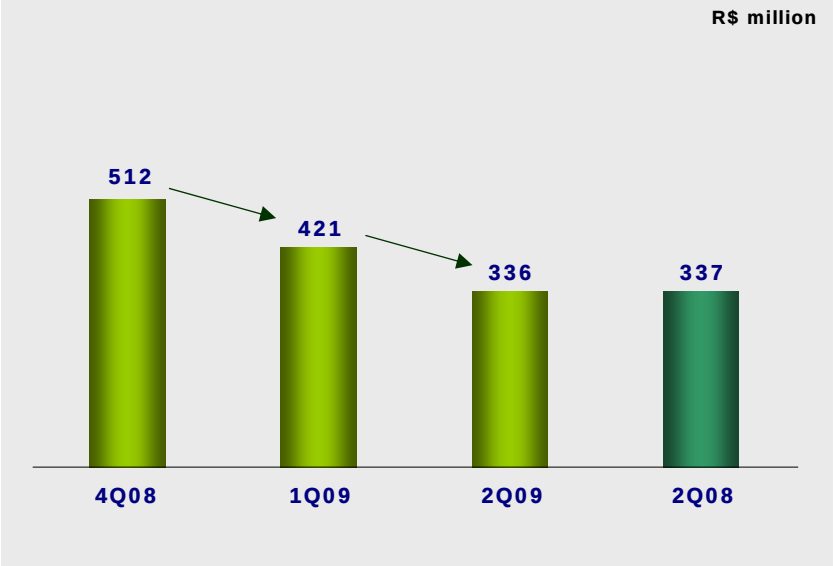


EBITDA



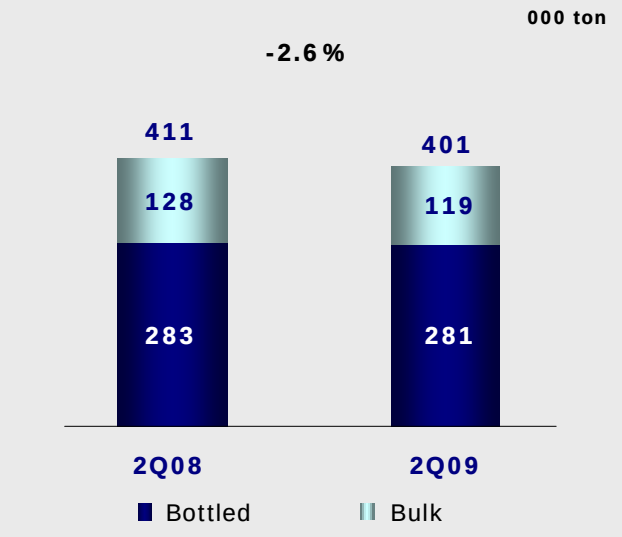
- Growth of 10% in sales volume
  - ✓ Production capacity expansion
  - ✓ Imports replacement process, mainly of specialty chemicals sold to the cosmetics, detergents and agrochemicals industries
  - ✓ Increase in exports
  - ✓ Lower spot sales of glycols in 2Q08
- EBITDA +10%
  - ✓ Growth in sales volume and a 25% weaker Real...
  - ✓ ... partially offset by a difference between historical costs and replacement costs: estimated effect of ~R$ 35 million in 2Q09
- Active management of inventories
  - ✓ Reduction of R$ 85 million in 2Q09 and R$ 177 million in 1H09
  - ✓ Return to the 2Q08 level of inventories

Inventories

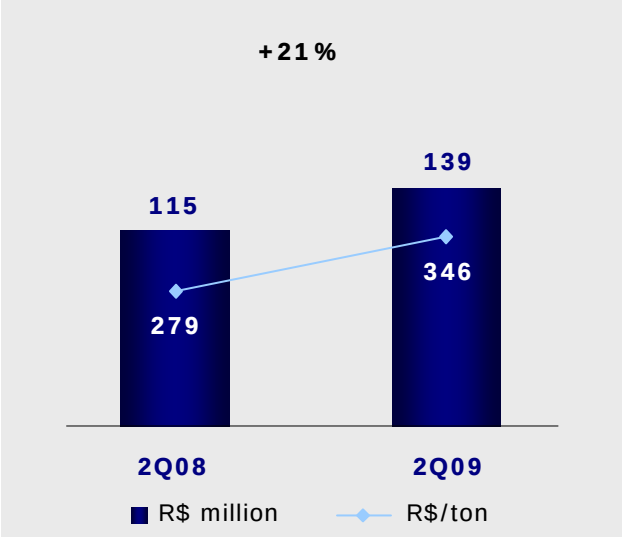


Ultragaz – 2Q09 performance

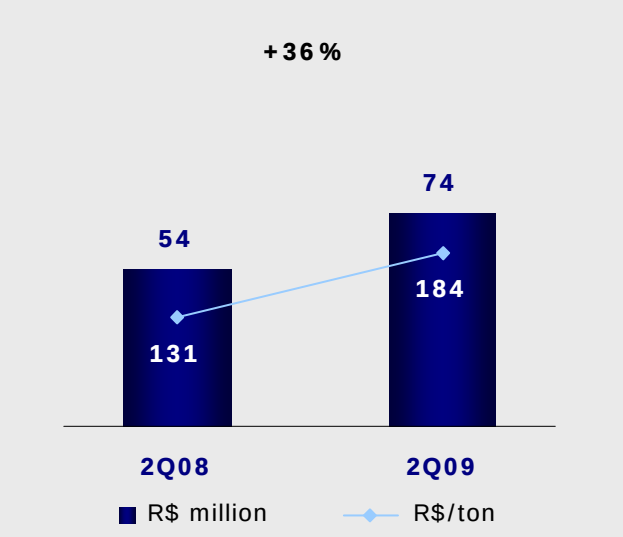
Volume



Gross profit



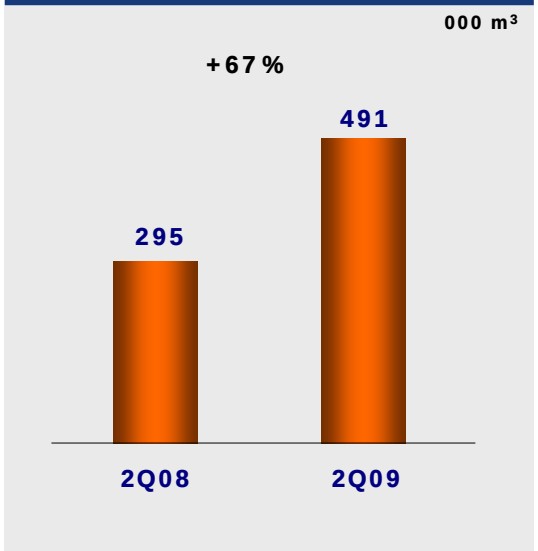
EBITDA



- Bottled volume: stable
  - ✓ Resilient demand: good of first necessity
  - ✓ Commercial initiatives implemented by the company, including new markets
- Bulk volume: -7%
  - ✓ Lower industrial activity in 2Q09
  - ✓ Temporary consumption by a client from the large bulk segment in 2Q08
- Significant growth in gross profit and EBITDA
  - ✓ Recovery in margins
  - ✓ Benefits from the operational efficiency program implemented by the company
    - — New management model for reseller network and channels
    - — Logistic structure adjusted to new reseller channels

Ultracargo – 2Q09 performance

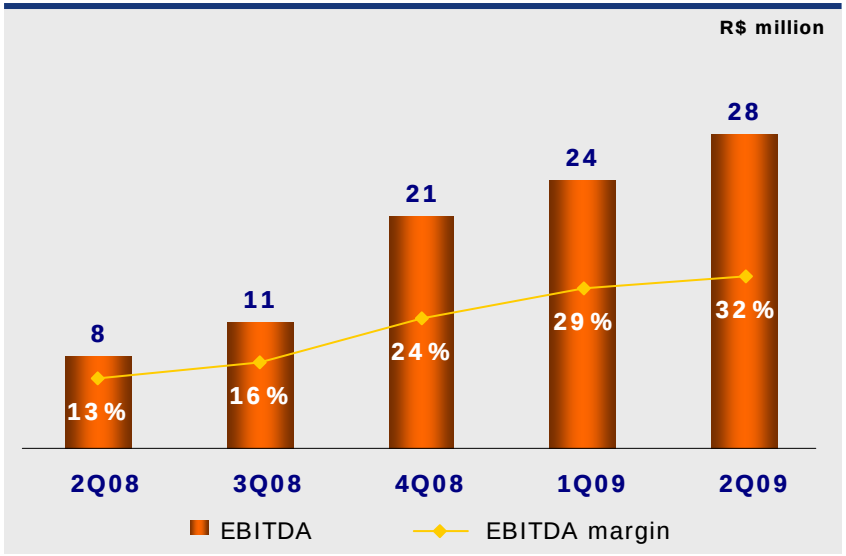
Effective storage



Total kilometrage



EBITDA

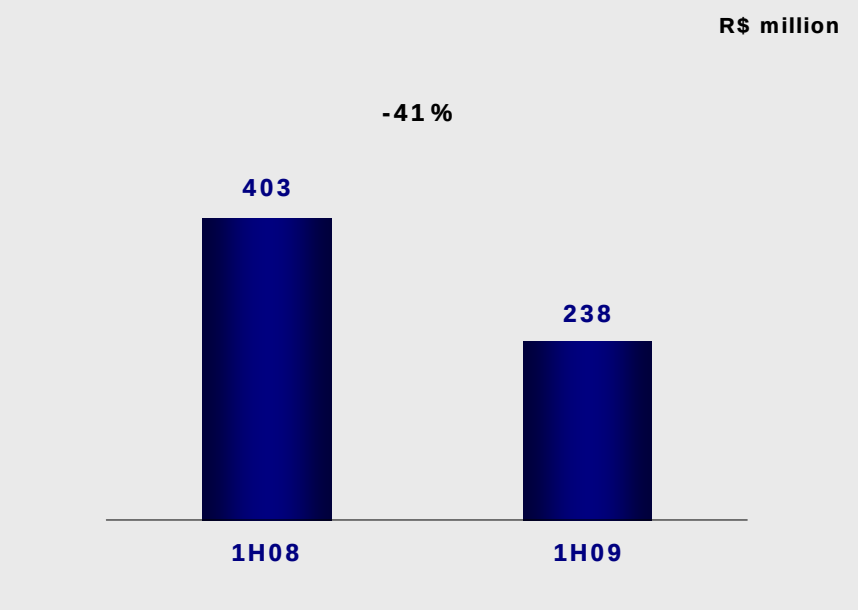


- Significant growth of effective storage
  - ✓ Consolidation of União Terminais from 4Q08 onwards
  - ✓ Expansions of the Aratu terminal
  - ✓ Higher occupancy rate at the Santos terminal
- Decrease in total kilometrage travelled
  - ✓ Lower economic activity
  - ✓ Decision to reduce its presence in the packed cargo segment
- Ultracargo's EBITDA reaches R$ 28 million
  - ✓ Growth in four consecutive quarters
  - ✓ New level with the consolidation of União Terminais
  - ✓ 17% and 237% growth over 1Q09 and 2Q08, respectively

Ultrapar – Outlook and priorities for the next quarters

- Ipiranga
  - ✓ Advance in Texaco's integration to achieve gains resulting from the increased operational scale and the nationwide coverage
  - ✓ Implement Ipiranga´s business model in the acquired network, particularly the brand-switching process
  - ✓ Capture the benefits from volume growth in the Otto cycle (gasoline, ethanol and NGV): expansion in the light vehicle fleet
- Oxiteno
  - ✓ Commercial initiatives to replace imports and a more dynamic economic environment: volume growth
  - ✓ Inventories alignment process substantially completed
  - ✓ Influence on the pace and extent of the Real appreciation and the rise in oil prices.
- Ultragaz
  - ✓ Continue to capture the benefits from the operational efficiency programs
  - ✓ Commercial initiatives, specially in new markets
- Ultracargo
  - ✓ Invest to expand existing terminals
  - ✓ Capture the benefits from the increased scale

Organic investments



- Lower level of investments
  - ✓ Investments made over the last few years allow growth in 2009/10
- Focus on cash flow generation
  - ✓ Lower net debt level



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Q&A session

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