

Ultrapar Participações S.A.

Results conference call

Comments on the company's performance in 1Q08 and future outlook

May 16th, 2008



Forward-looking statements

This document may contain forecasts as to future events. Such forecasts reflect merely expectations on the part of the Company's management. Words such as "believe", "expect", "plan", "strategy", "prospect", "forecast", "estimate", "project", "anticipate", "can" and other words with a similar meaning are to be understood as preliminary declarations as to future expectations and projections. Such declarations are subject to risks and uncertainties forecasted or otherwise by the Company and may make the effective results significantly different from those that have been projected. For this reason, the reader should not base his/her decisions solely on these estimates.



Initial consideration

- Since April/07, Ultrapar started to consolidate the results from the businesses acquired from Ipiranga Group.

- Except when otherwise mentioned, Ultrapar figures for periods prior to April/07 do not include Ipiranga.

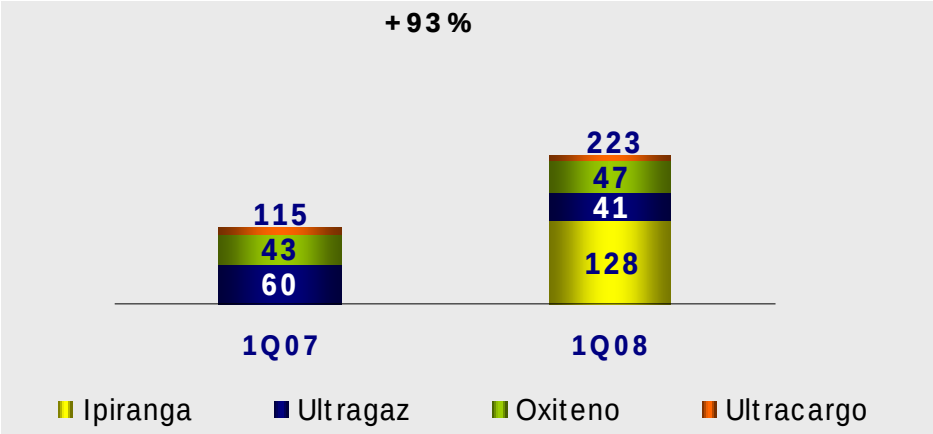
- Ipiranga pro-forma figures for 1Q07 are non-audited and were included with the sole purpose of providing a comparison base for the analysis of the company´s performance.

- From January/08 on, EMCA has been consolidated into Oxiteno. Financial statements of Oxiteno and Ipiranga prior to this date reflect the current consolidation, retrospectively.

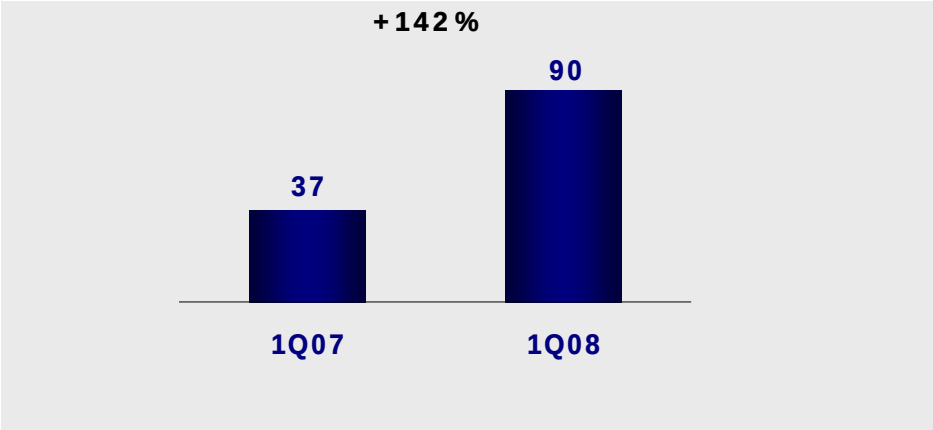
- References to the term “Ipiranga” consequently refer to the fuel and lubricant distribution businesses in the South and Southeast of Brazil, and related activities.

Ultrapar – 1Q08 highlights

EBITDA (R$ million)



Net earnings (R$ million)

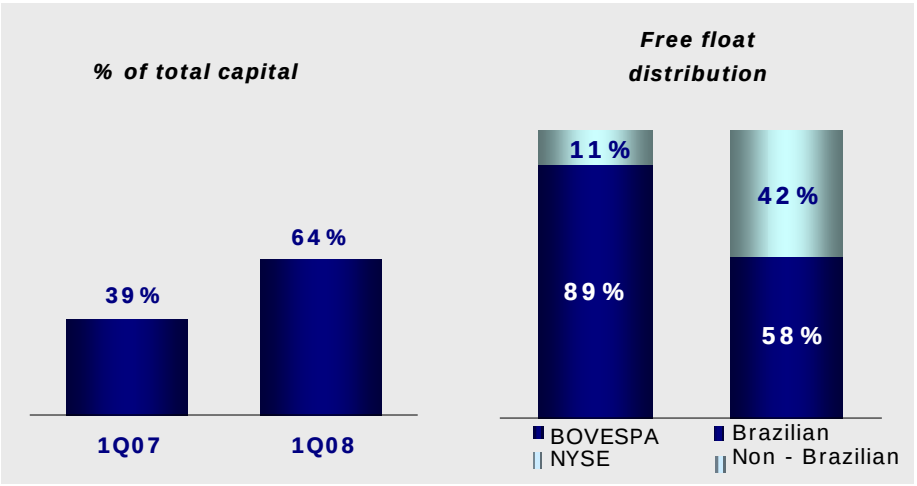


- Ipiranga – Sales volume increase 5.5% compared to 1Q07
- Oxiteno – Specialty chemicals sales volume +12%
- Ultragaz – Challenging operational environment, although stable
- Ultracargo – Effective storage volume increases 14% compared to 1Q07

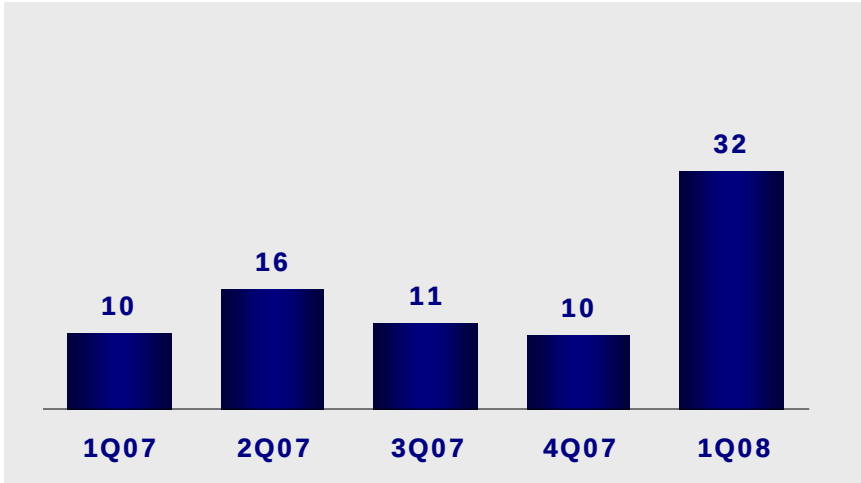
- Segregation of the Petrochemical and Northern distribution assets concluded
- Receipt of R$ 1.7 billion after the handover of assets
  - ✓ Petrochemicals on February 27, 2008
  - ✓ Northern Distribution on May 14, 2008

Ultrapar – Increase of liquidity in the shares traded volume

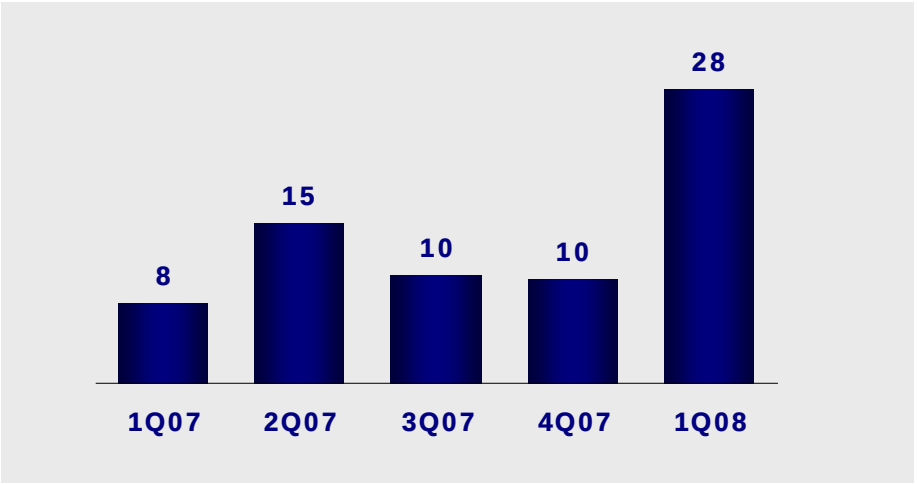
Free float



Daily trading volume (R$ million)



Number of deals - Bovespa ('000)



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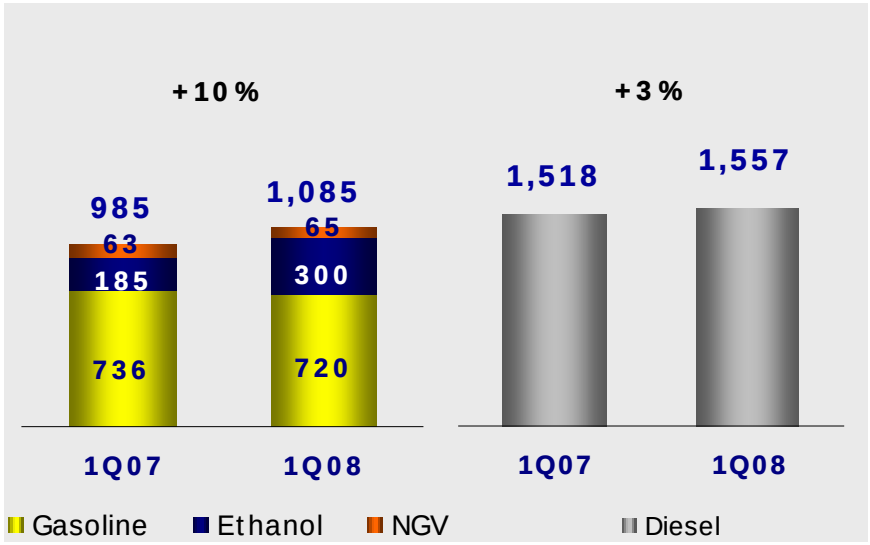
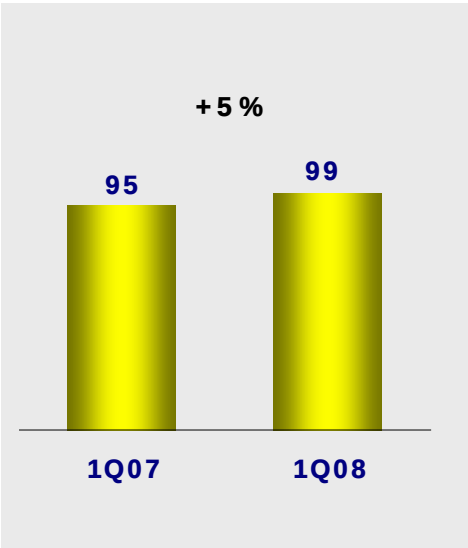
IPIRANGA

Ipiranga – 1Q08 Performance

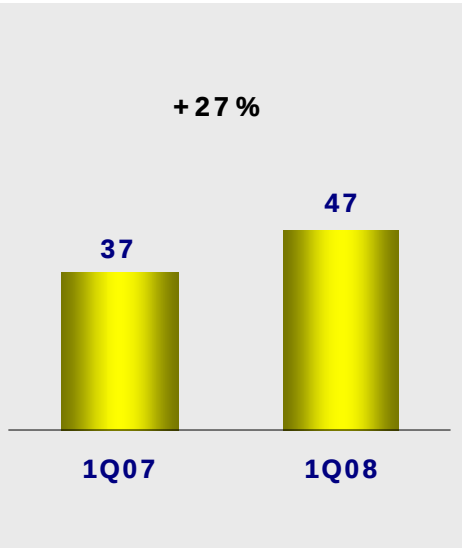
Volume ('000 m³)



Gross Profit (R$/m³)

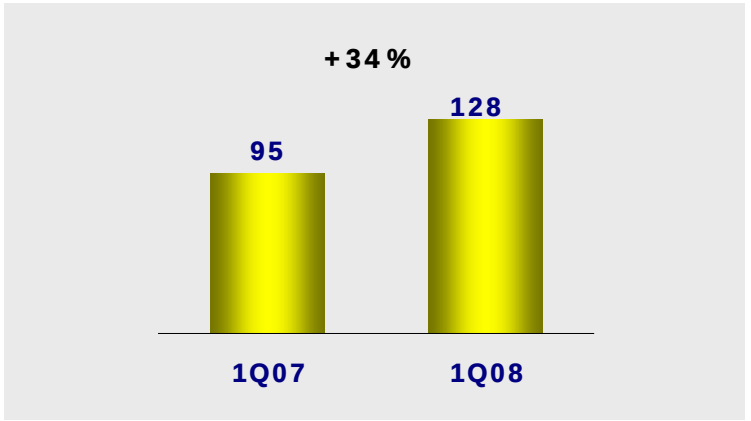


EBITDA (R$/m³)



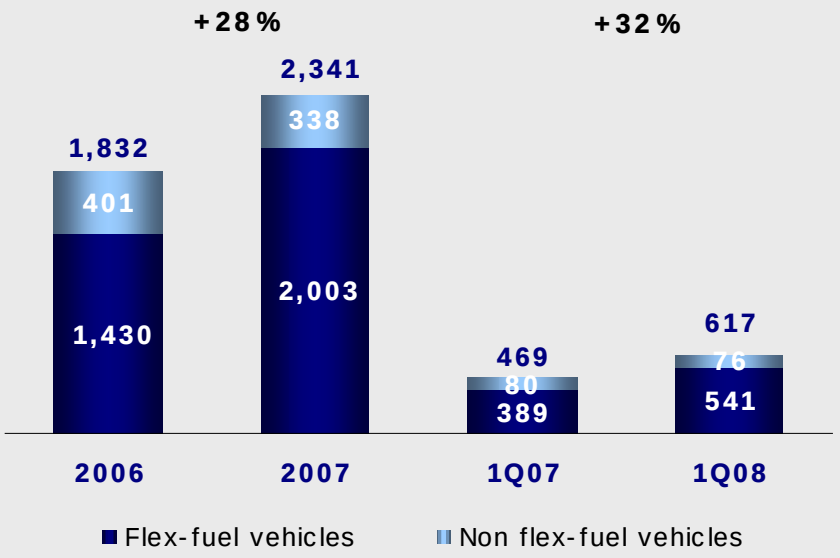
- Increased economic activity
- Continuous growth in vehicle sales, specially flex-fuel cars
- Improvements to legislation and inspection implemented
- Effects of the greater supply levels of ethanol in Brazil
- Economies of scale / decrease in general and administrative expenses

EBITDA (R$ million)



Ipiranga – Drivers for organic volume growth

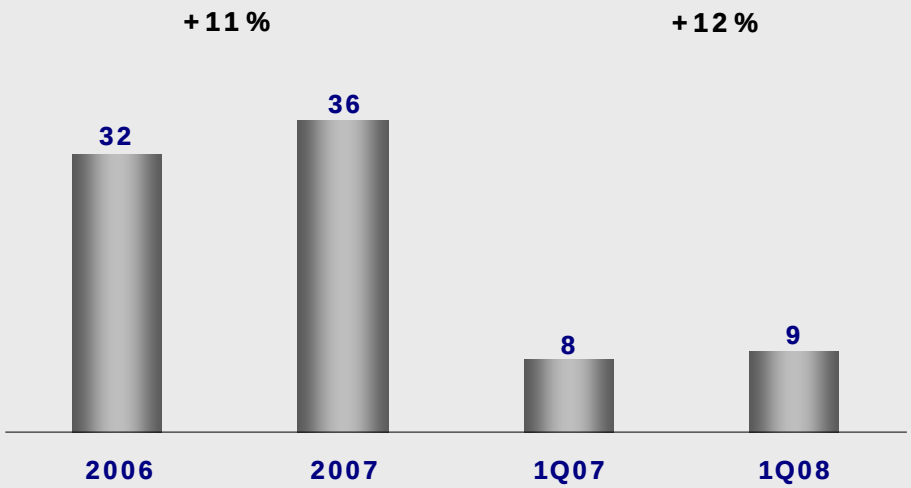
Growth of light vehicles sales in Brazil ('000 units)



- Greater availability of credit
- Lengthening in the financing terms
- Flex-fuel vehicles reaches 88% of vehicles registered in 1Q08

*Source: Anfavea

Growth of fuels market[1] (million of m³)



- Successive record vehicle sales
- Increased economic activity
- Improvements to legislation and inspection implemented – growth of the formal market

[1] Gasoline, ethanol and NGV- ANP

Ipiranga – Significant improvements in the legislation of fuel distribution sector

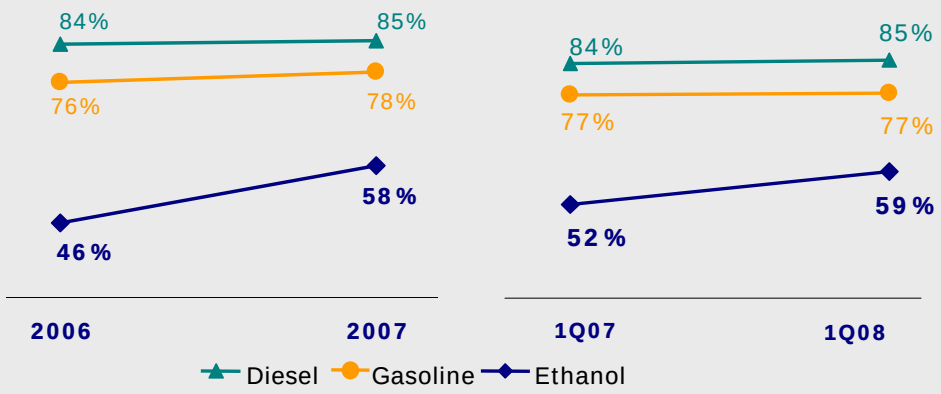
Electronic tax invoices

- Obligatory since April 01, 2008
- Benefits:
  - ✓ Simplification of the collection
  - ✓ Red tape reduction
  - ✓ Enhanced control, less space for tax evasion
- Real time follow-up of commercial operations by the fiscal authorities
- Prospects of significant reduction of frauds and tax evasion

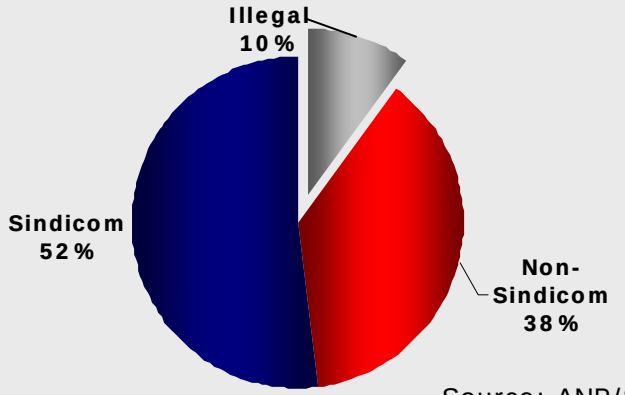
Provisional Measure 413

- Great advance in the sector formalization
  - ✓ Ethanol is the fastest growing product in the Brazilian energetic matrix (16% in 2007 x 14,5% in 2006)
  - ✓ Most affected product by tax evasion
- Basis for the approval agreed
  - ✓ 40% of PIS/Cofins collection made on ethanol production distilleries
  - ✓ Installation of flow meters

Sindicom volume / ANP volume



Hydrated ethanol 2007

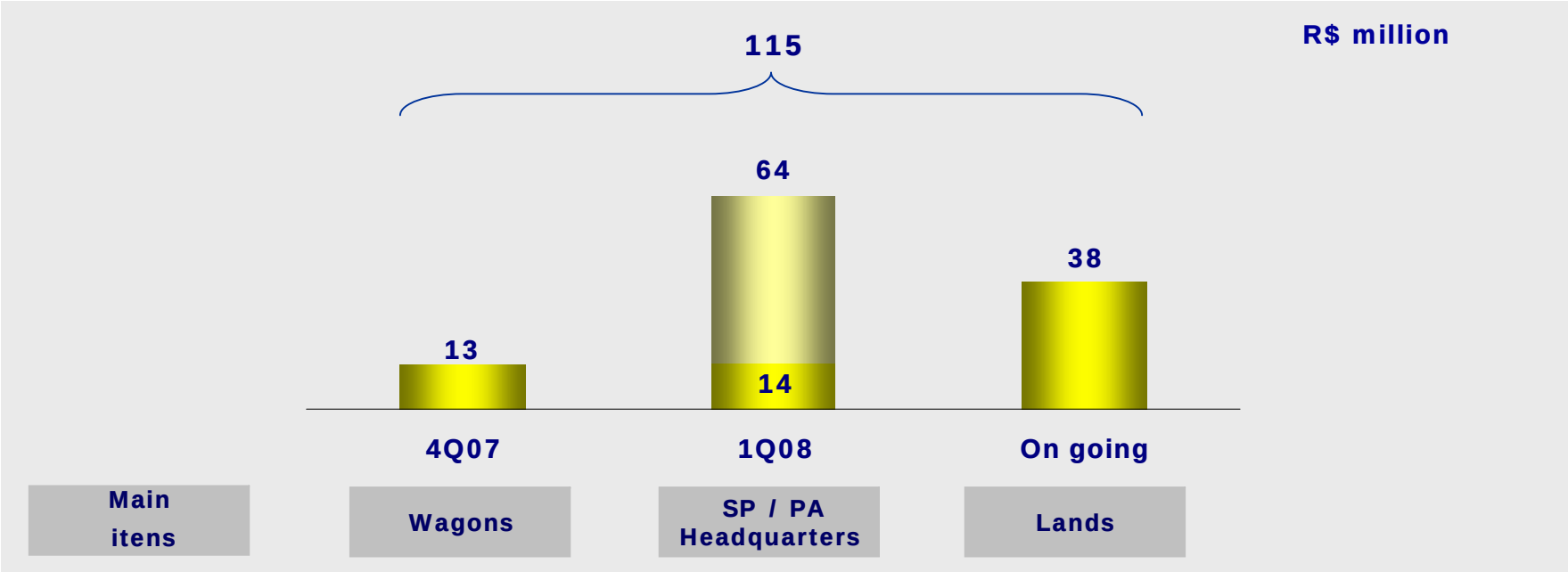


Source: ANP/Sindicom

Ipiranga – Implementation of acquisition business plan

- Organizational optimization
  - ✓ Demobilization of superior council / executive committee / corporate staff – concluded
  - ✓ Consolidation of Ipiranga's financial area to Ultrapar – concluded
  - ✓ Elimination of CBPI and DPPI redundancies – under implementation
- Higher investment capacity / decision making process more simple and faster
  - ✓ Conversion of unbranded service stations / new stations in 2007 were twice the figures in 2006
  - ✓ Acquisitions
- EVA implementation as management model - concluded
  - ✓ Executives' variable remuneration linked to EVA growth targets
  - ✓ Alignment of interest between executives and shareholders
  - ✓ Value creation for all shareholders

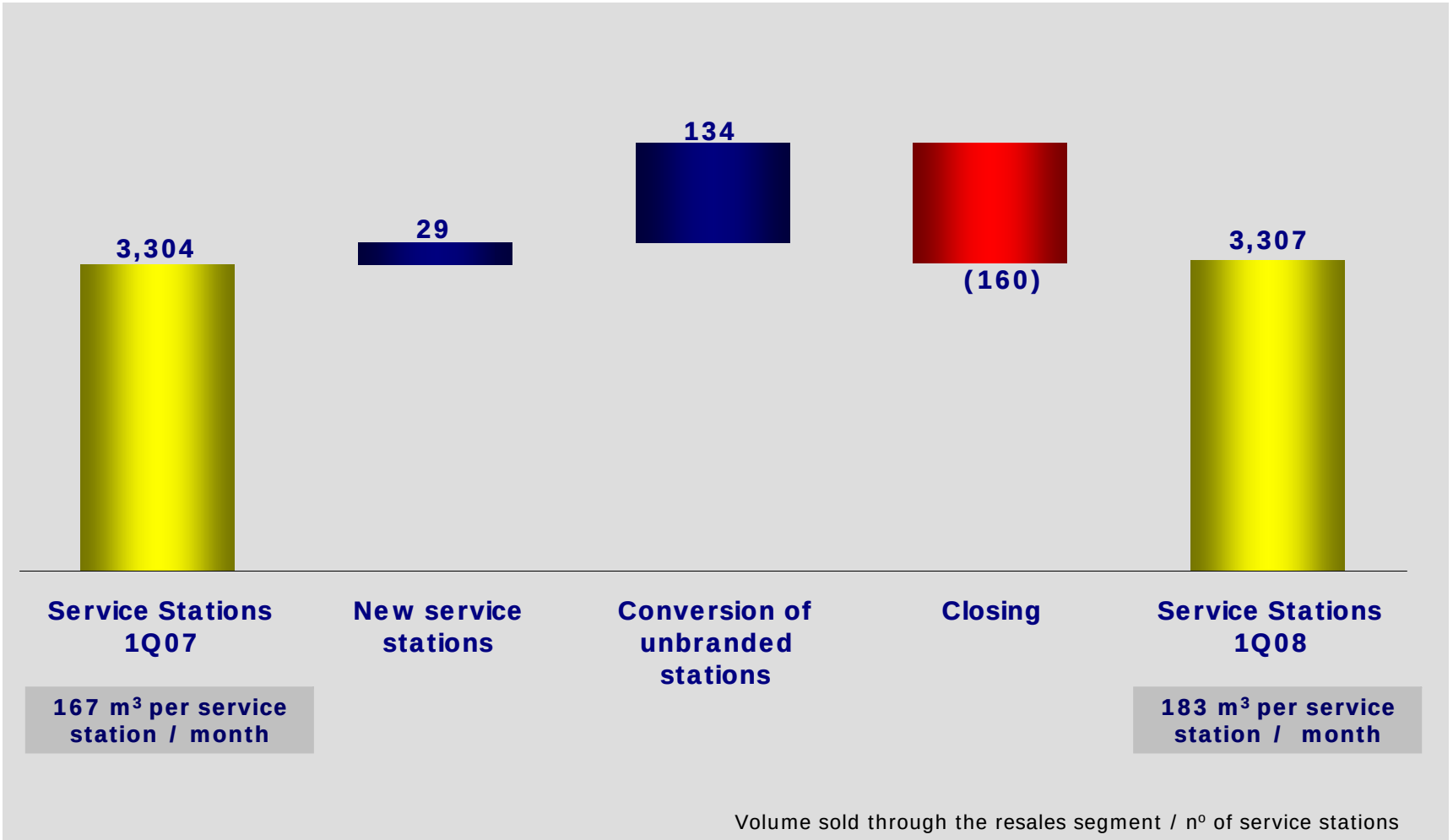
Ipiranga – Real-state sales



- Ipiranga Group owned 3 headquarters, located in São Paulo, Rio de Janeiro and Porto Alegre

- On going negotiation for lands sales
  - ✓ Assets with high market value
  - ✓ Individual value of the land higher than the operational value of some service stations

Ipiranga - Evolution in the number of gas stations with higher operational efficiency



Volume sold through the resales segment / nº of service stations



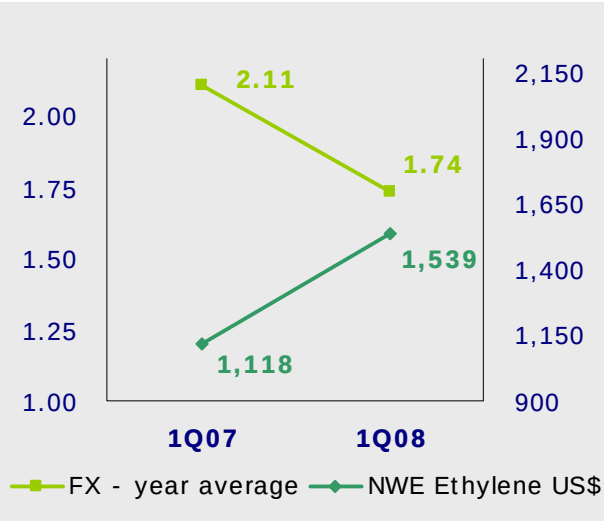
OXITENO

Oxiteno – 1Q08 Performance

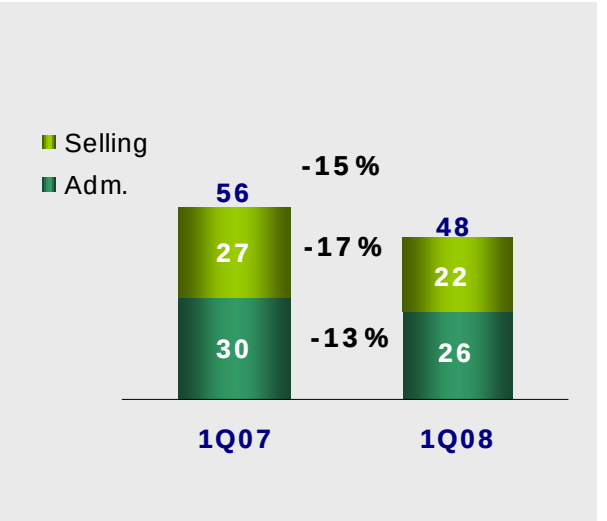
Volume ('000 tons)



Exchange Rate / Ethylene

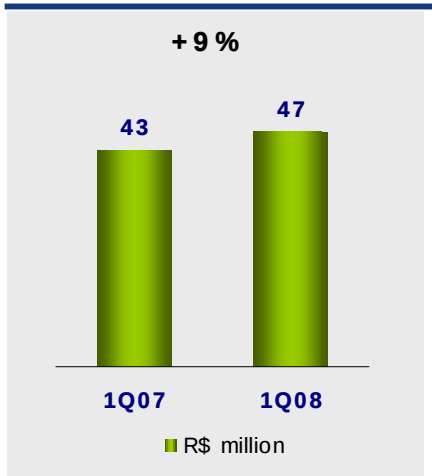


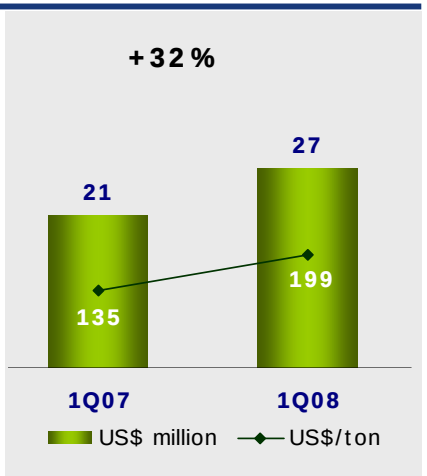
SG&A (R$ million)



- Adverse scenario of exchange rate and raw material cost
- Specialties sales volume +12%
  - ✓ Additional specialties capacities
  - ✓ Acquisitions made in 2007
  - ✓ Better economic performance
- Discipline in expenses – 13% decrease in general and administrative expenses, 17% decrease on selling expenses (higher than the 10% variation of sales volume)

EBITDA



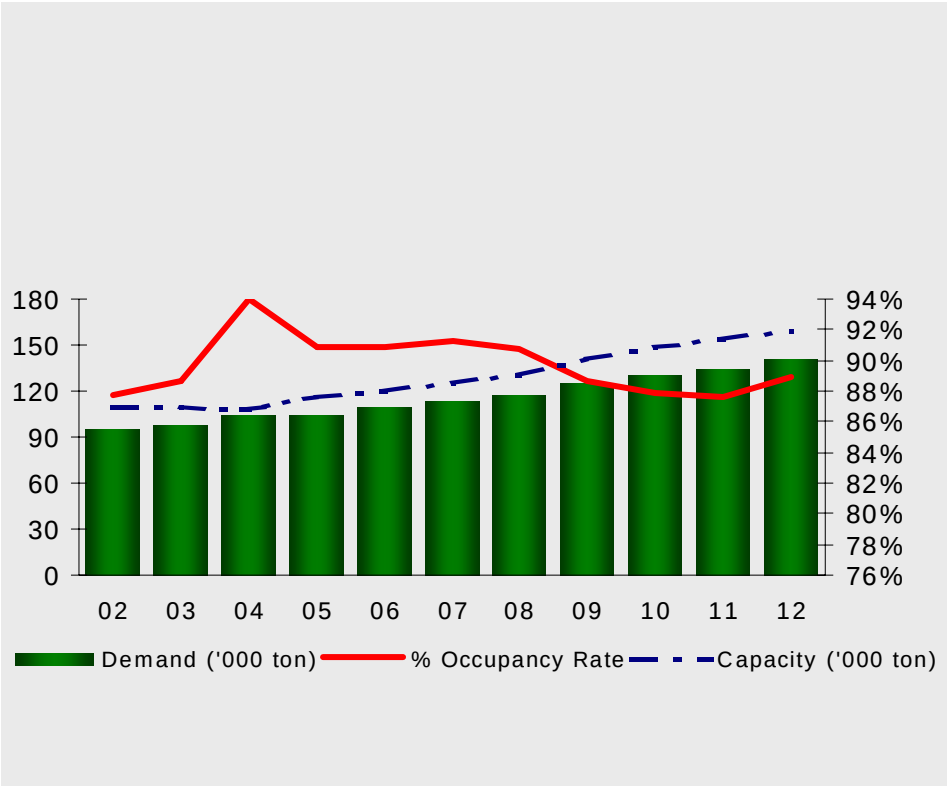


Oxiteno – New production capacities in 2H08

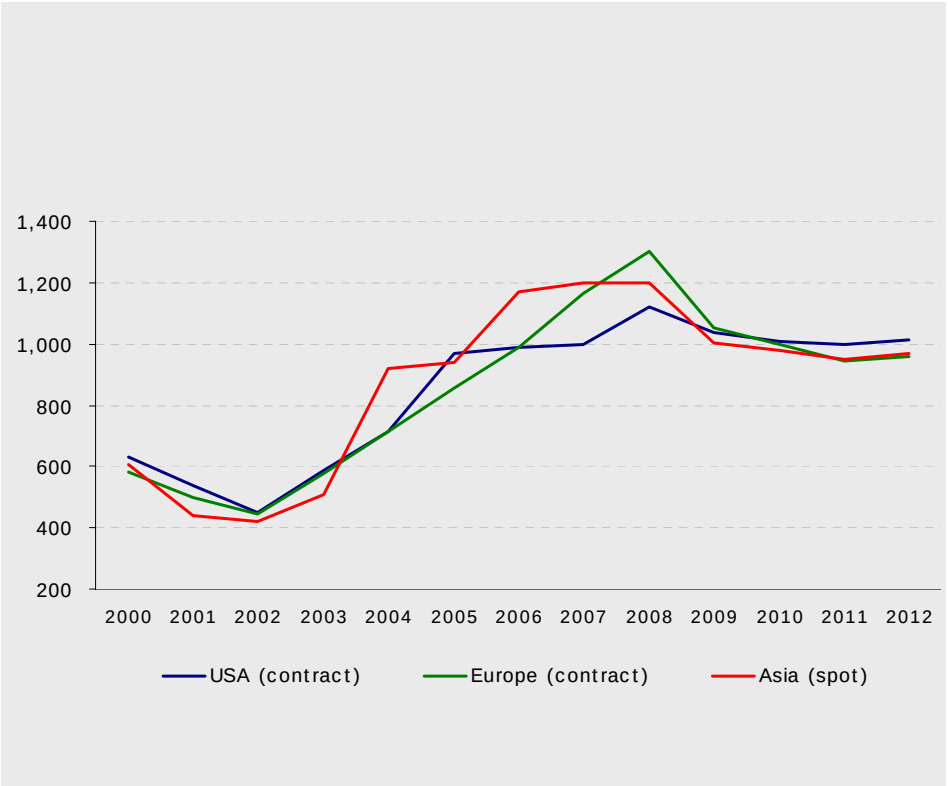
Project	Production capacity (kton)	Operational start-up
Specialties		
Fatty alcohol	100	2Q08
Ethoxilation Camaçari	70	3Q08
Ethanolamines Camaçari	50	3Q08
Ethylene Oxide		
Mauá	38	4Q08

Oxiteno – Forecast of occupancy rate and ethylene price

Ethylene – Operation rate of world capacity



Ethylene price (US$ per metric ton)



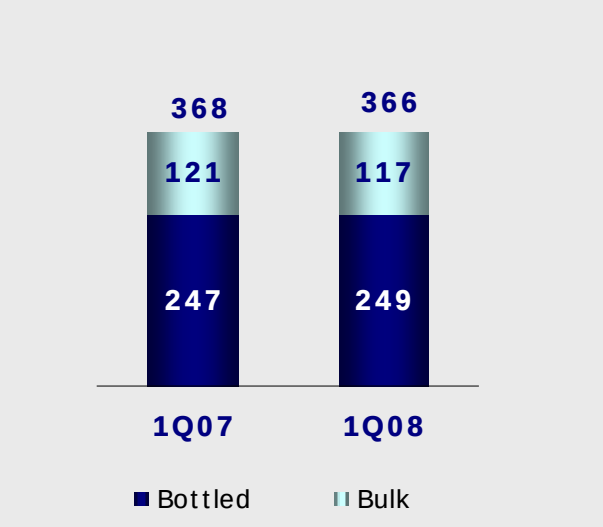
Source: CMAI



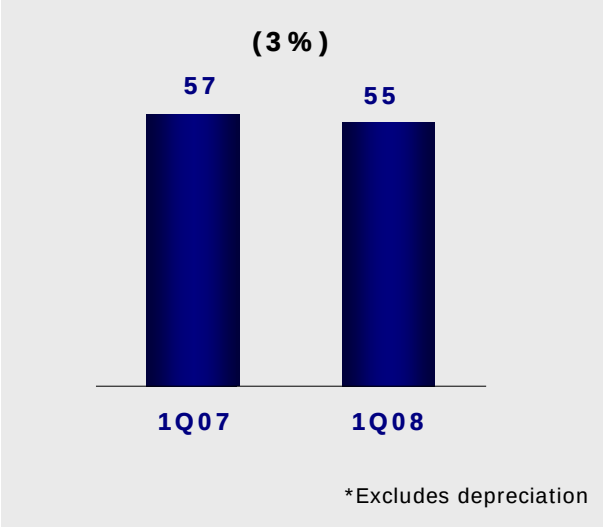
ULTRAGAZ

Ultragaz – 1Q08 Performance

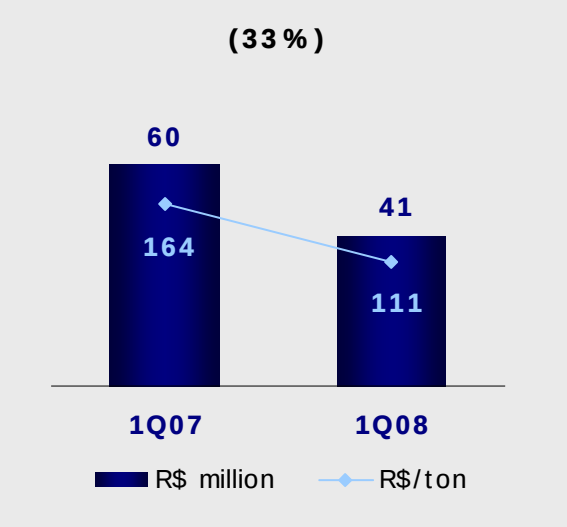
Volume ('000 tons)



SG&A* (R$ million)



EBITDA



- Market volume +2%
  - ✓ Increased economic activity
  - ✓ Increase in Brazilian population income
  - ✓ Ultragaz bottled
    - Challenging operational environment, although stable
  - ✓ Ultragaz bulk
    - Scheduled withdrawal of two major clients
    - 15% increase in LPG cost on January 01, 2008

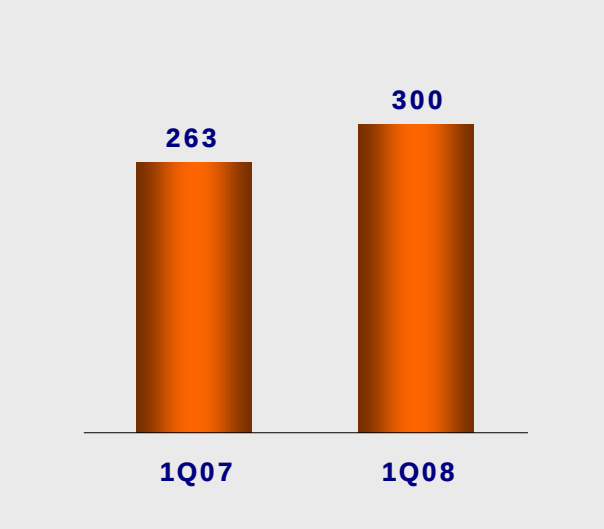
- SG&A – 3% reduction in expenses, despite the 5% inflation
- Expansion in propellants - DME
  - ✓ Beginning of sales forecasted to 4Q08
  - ✓ Preliminary prospect of demand significantly higher than expectations



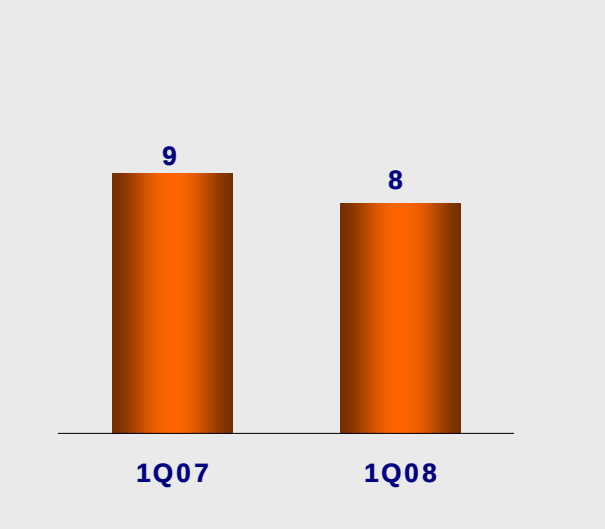
ULTRACARGO

Ultracargo – 1Q08 performance

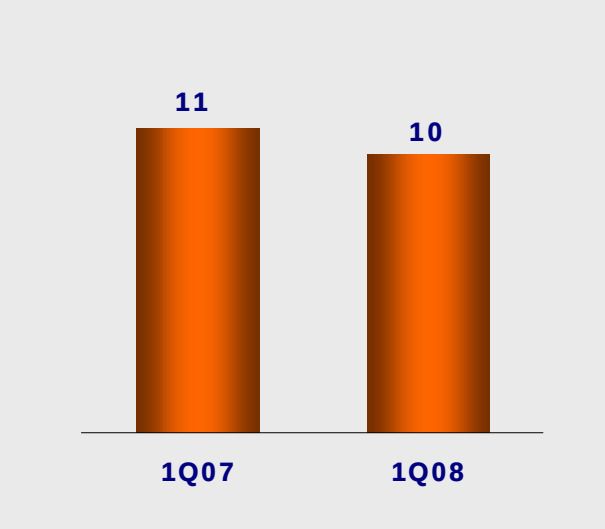
Effective storage m³ ('000)



Km travelled (million)



EBITDA (R$ million)



- Expansion of Suape and Aratu terminals
- Higher storage of Santos terminal – ethanol and chemicals
- Focus on providing differentiated services on transport operations
- Implementation of ERP – SAP - concluded
- Petroquímica Paulínia– Integrated logistics services from April/08
  - ✓ Raw material transport (propylene)
  - ✓ Internal logistics
  - ✓ Transport of final product transport



Results *conference call*

Q&A session

05.16.08

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