


# Ultrapar Participações S.A.

## Earnings conference call

Comments on the company's 4Q10 and 2010 performance and outlook

02.25.11

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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

- ✓ From the year ending December 31st, 2010 onwards, CVM made mandatory the adoption of the International Financial Reporting Standards ("IFRS") in the presentation of financial statements of the Brazilian publicly-held companies.

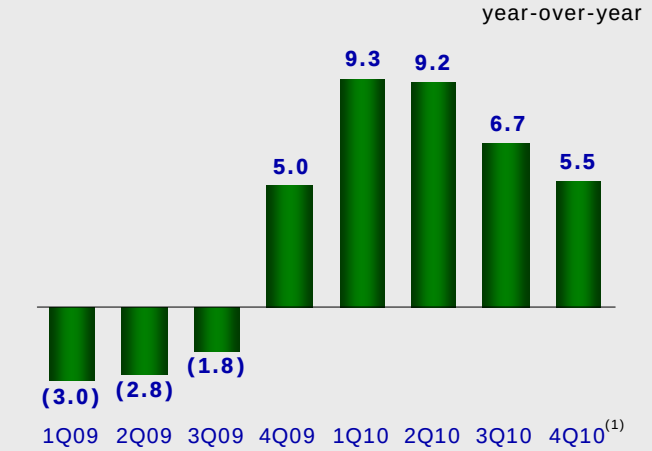
- ✓ Accordingly, Ultrapar's consolidated financial statements for the year ended December 31st, 2010 were prepared in compliance with the IFRS, which differs in certain aspects from the previous Brazilian accounting standards.

- ✓ For an understanding of the effects of the adoption of the IFRS, we released financial spreadsheets on CVM's website (www.cvm.gov.br), as well as on Ultrapar's website (www.ultra.com.br), demonstrating the impacts of the accounting changes introduced by the IFRS on the main line items of the financial statements for 2009 and 2010 in comparison with the amounts that would have been obtained without such changes. Additional information on the changes resulting from the adoption of the IFRS is available in note 2 of the financial statements of the year ended December 31st, 2010.

- ✓ Except when otherwise indicated, the amounts presented in this document are expressed in millions of R$ and, therefore, 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.

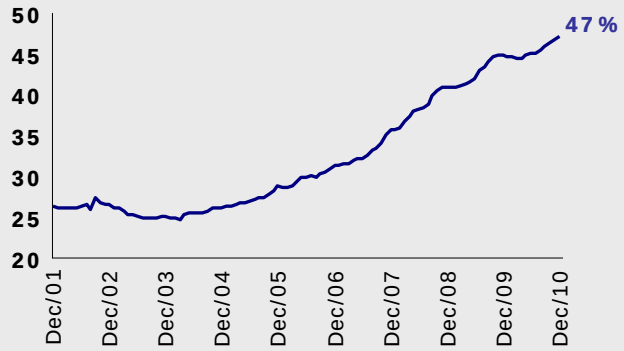
# Ultrapar – 2010 / 2009 economic environment

## Brazilian real GDP growth (%)




[1] Source: Central Bank of Brazil, forecast

## Credit / GDP (%)

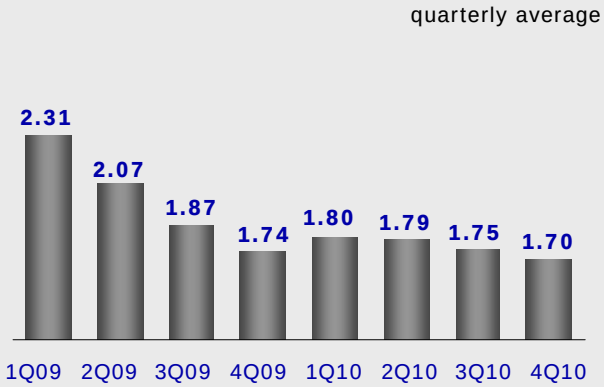



Source: Central Bank of Brazil

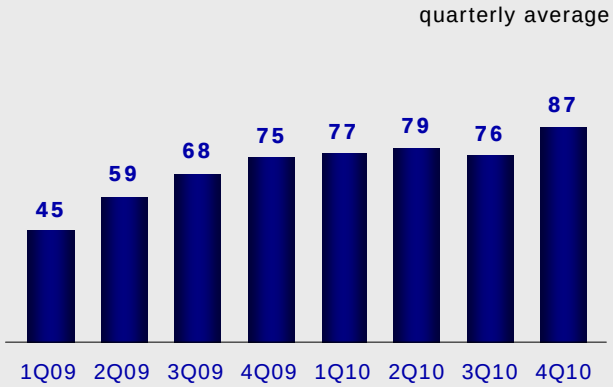
## Economic environment

- Increased dynamism of the Brazilian economy – 8% GDP growth, as of Sep/10 YTD
  - ✓ Expansion in income
  - ✓ Record level of credit availability
- 12% stronger Real against the US dollar
  - ✓ Record inflow of foreign investments in 2010
- Relative stability in oil prices until Sep/10 - increasing oil prices from 4Q10

## Exchange rate (R$/US$)




## Brent oil (US$/barrel)



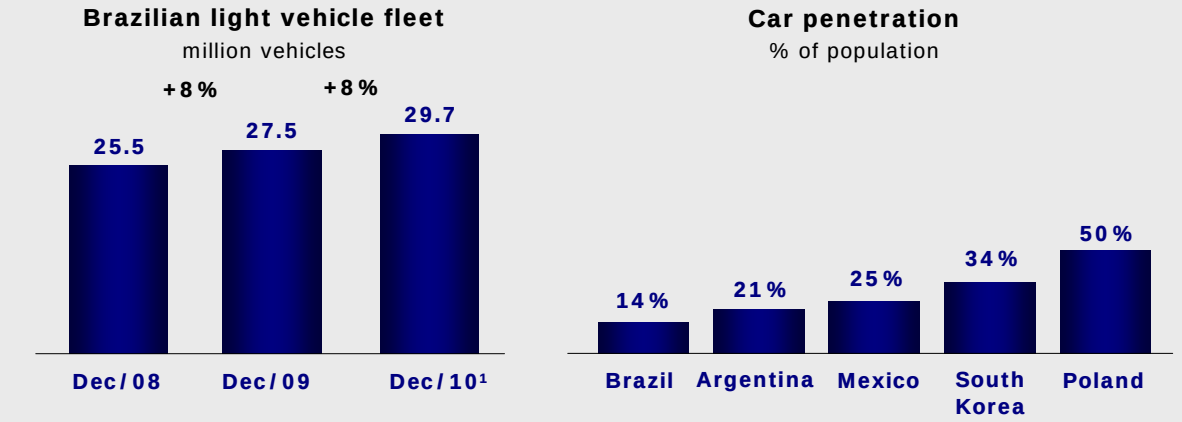
# Ultrapar – Operational highlights in 2010

- With the conclusion of Texaco's integration, the 2nd phase of expansion of Ipiranga's distribution network started, focusing on the Midwest, Northeast and North regions of Brazil
  - ✓ More than 400 service stations being added to the network
  - ✓ Acquisition of DNP, 4th largest fuel distributor in the North with 110 service stations
- Strategic repositioning of Ultracargo
  - ✓ Sale of the road transportation, solid bulk storage, and in-house logistics businesses for R$ 80 million
  - ✓ Focus on liquid bulk storage
  - ✓ Acceleration of investments to expand its capacity in 15% until the end of 2012
- Conclusion of expansion in the ethoxylation unit in Camaçari and significant earnings progression at Oxiteno
- Expansion of UltraSystem and new resellers at Ultragaz

Volume and earnings growth in all businesses units

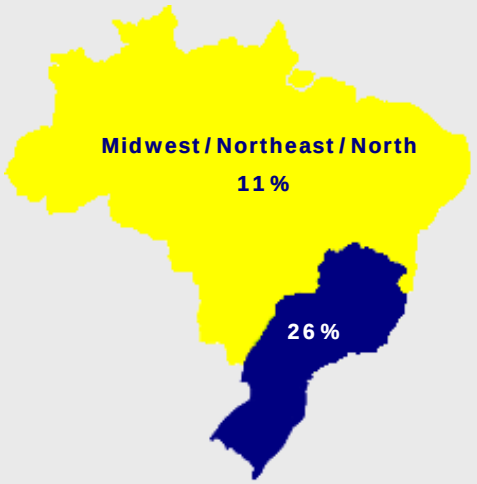
# Ipiranga – Maximize benefits from volume growth and strengthen differentiation strategy

## Gasoline + ethanol + NGV: growth of light vehicle fleet




Source: Anfavea and Sindipeças
[1] 2010 fleet estimated based on the number of cars licensed in the year

## Regional market share




Source: ANP (diesel, gasoline and ethanol)

- Expansion strategy to the Midwest, Northeast and North
  - ✓ Regional growth above national average
  - ✓ Ipiranga's market share lower than that in the South and the Southeast
- Organic expansion
  - ✓ New service stations and conversion of unbranded service stations
- Acquisitions of regional distributors

## Ipiranga's business model

- 1.024 stores - 2nd largest retailer network in points of sale
- 55 bakeries – increased convenience
- Private label products







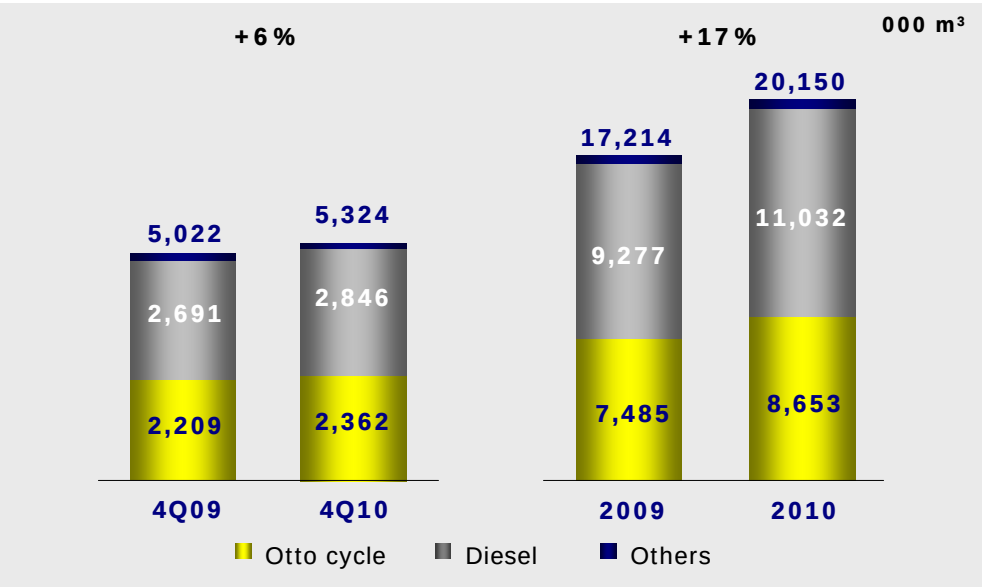

- 704 franchises, of which 61 are Jet Oil Motos (for motorcycles)



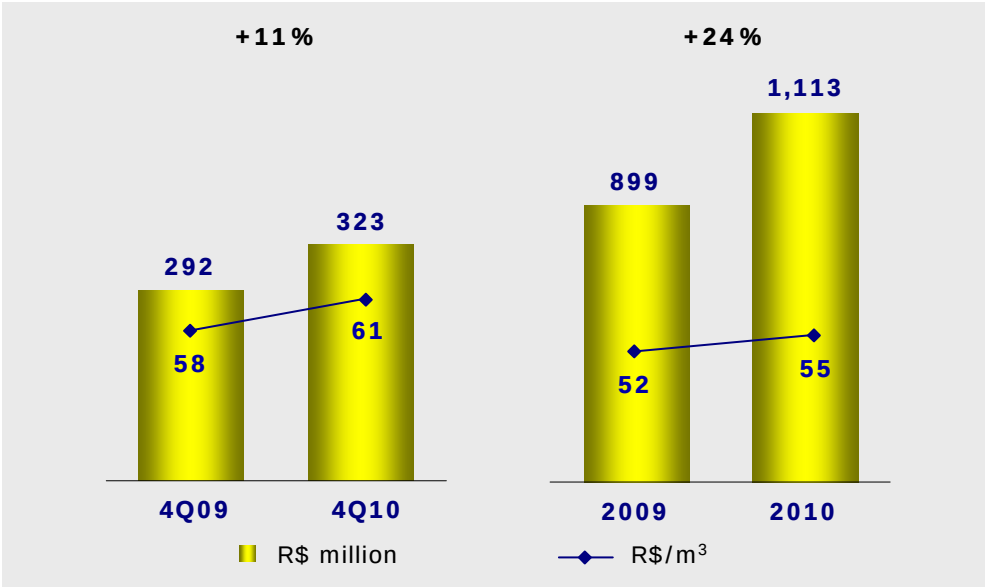
- More than 5.5 million individuals registered
- Credit cards: ~6 million cards issued

# Ipiranga – 4Q10 / 2010 performance

## Volume




## EBITDA and EBITDA margin ex-non-recurring items




### Volume

- Gasoline, ethanol and NGV – light vehicle fleet expansion
- Diesel – higher level of economic activity
- Texaco's consolidation from 2Q09 onwards

### EBITDA

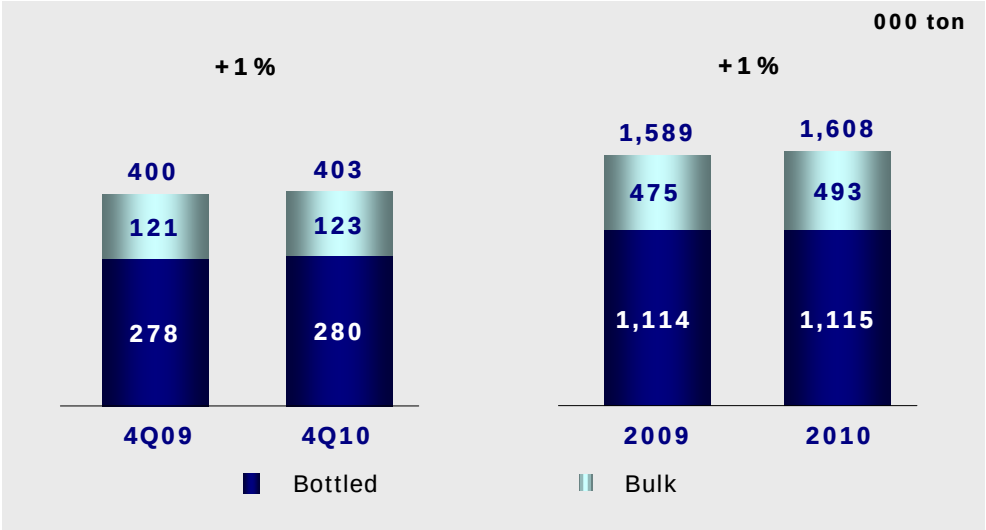
- Significant growth in EBITDA
  - ✓ Higher sales volume
  - ✓ Implementation of Texaco's synergies plan
  - ✓ Improved sales mix

### Outlook

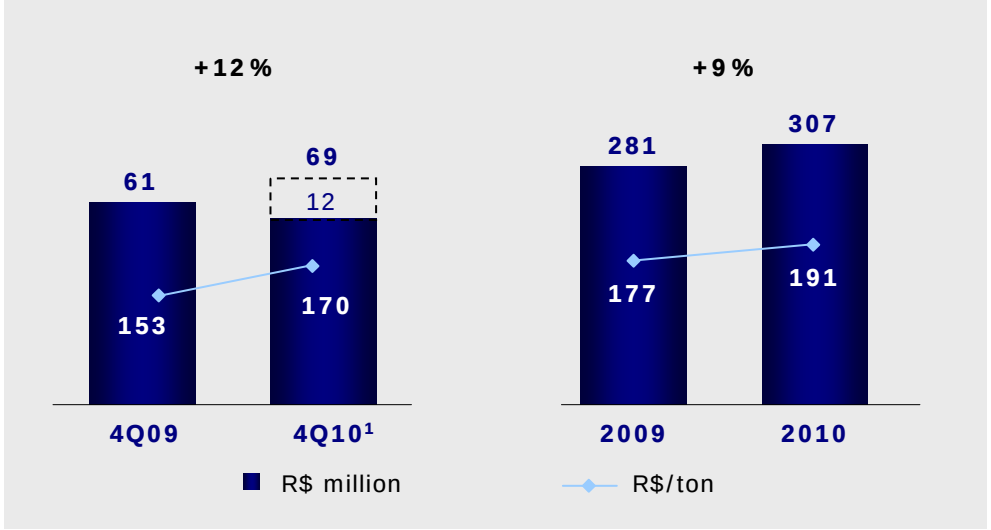
- Continued growth of the fleet and the economy
- Expansion to Midwest, Northeast and North of Brazil
- Strengthening of Ipiranga's business model
  - ✓ Broaden product and service range

# Ultragaz – 4Q10 / 2010 performance

## Volume




## EBITDA




### Volume

- Bulk +4% vs. 2009
  - ✓ Higher level of economic activity
  - ✓ Recovery in the industrial activity

### EBITDA

- Recovery in margins
  - ✓ Benefits from the implementation of the operational excellence programs
  - ✓ Improved performance in the bulk segment

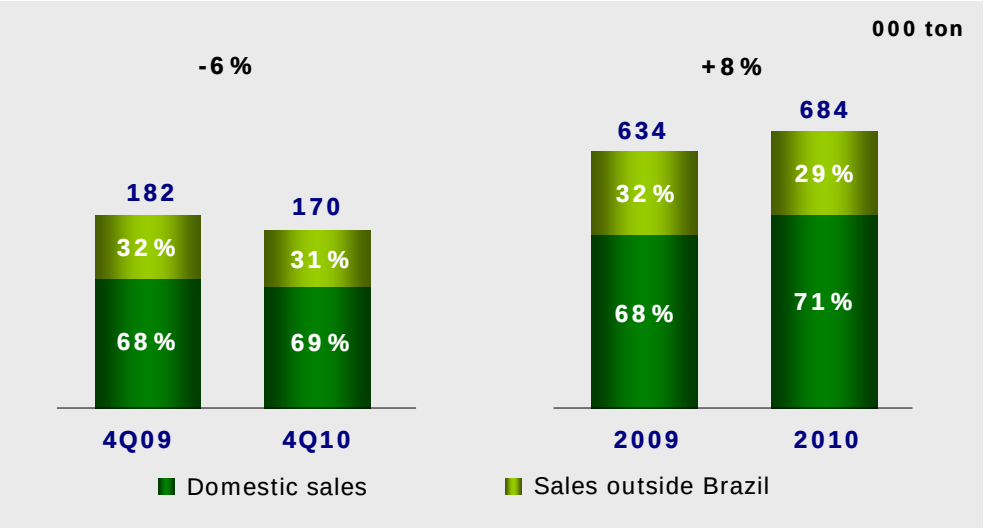
### Outlook

- Growth in the bulk segment
- Growth in niche markets and capture of new clients

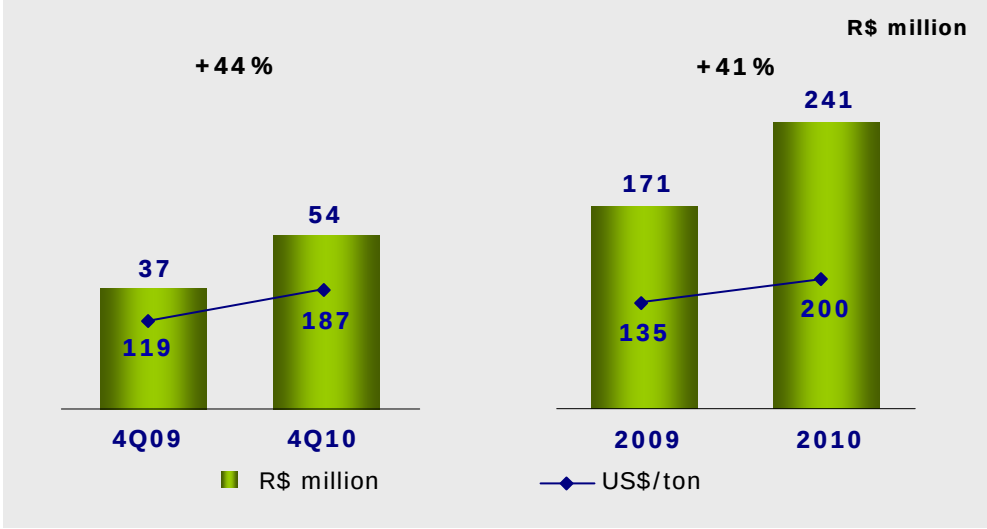
(1) EBITDA ex-non-recurring expenses of R$ 12 M related to studies and projects

# Oxiteno – 4Q10 / 2010 performance

## Volume




## EBITDA




### Volume

- 4Q10 – lower availability of raw materials as a result of the maintenance stoppage in the Camaçari complex
- 2010 – Specialty chemicals in Brazil +11%
  - ✓ Higher level of economic activity
  - ✓ Expansion of the production capacity

### EBITDA – strong growth in 2010

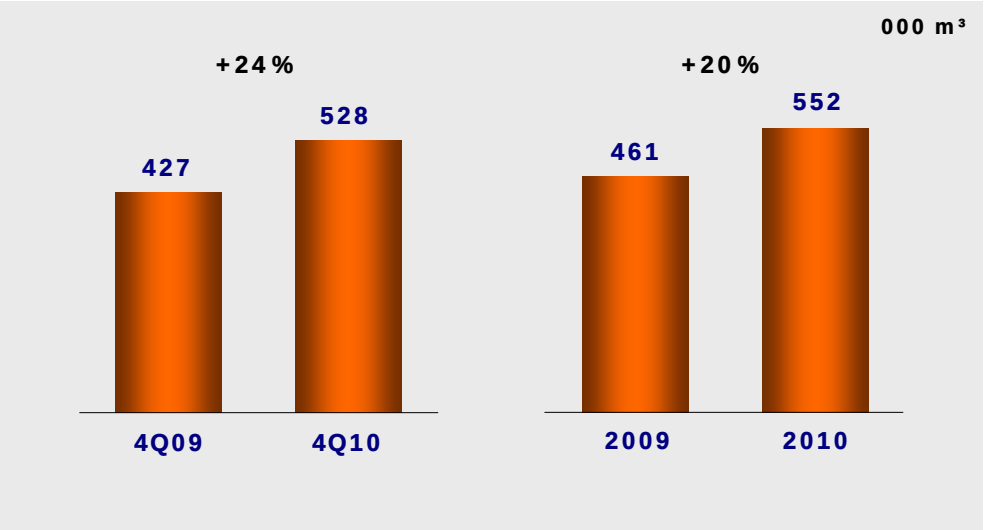
- Higher sales volume
- Recovery in margins
- ... despite the 12% stronger Real

### Outlook

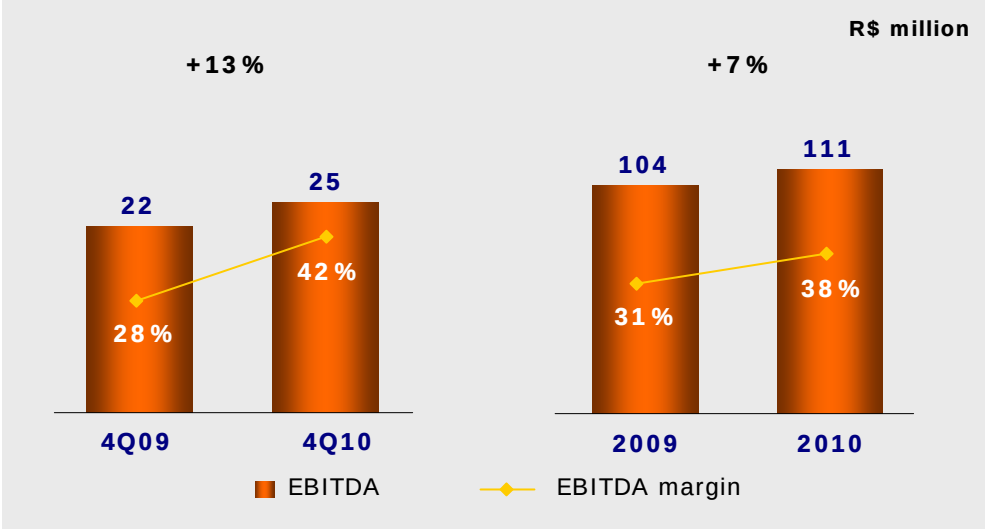
- Expansion cycle to be concluded in 2011 – increased production capacity available
- Positioning in segments with strong growth outlook
  - ✓ Cosmetics, detergents, agricultural chemicals, coatings and oil & gas

# Ultracargo – 4Q10 / 2010 performance

## Average storage




## EBITDA




### Volume

- Strong growth of average storage
  - ✓ Consolidation of the terminal acquired in Suape in Dec/2009
  - ✓ Higher volume of operations in the terminals in Santos and Aratu
  - ✓ ... partially offset by the reduction in ethanol handling

### EBITDA: +7% vs. 2009

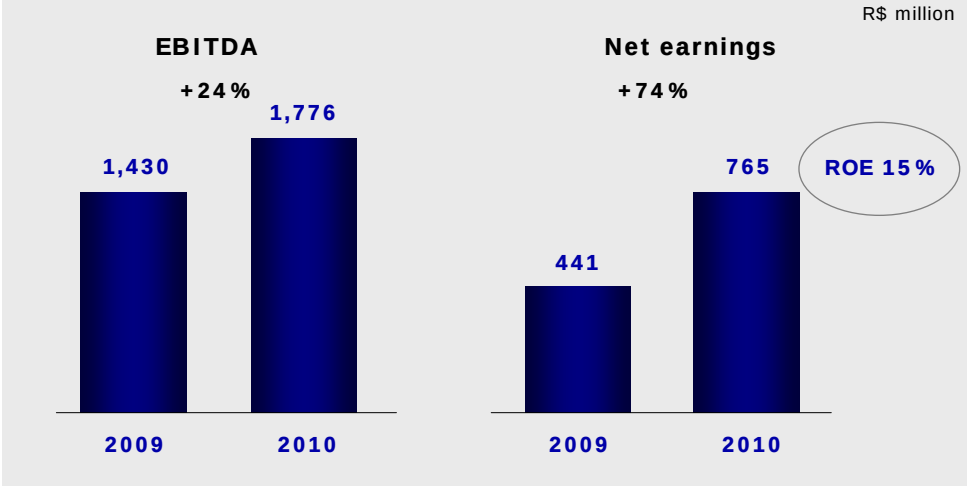
- Higher average storage in the terminals
- ... despite the sale of the in-house logistics, solid bulk storage, and road transportation businesses in Jul/10
- New level of EBITDA margins
  - ✓ Focus on storage for liquid bulk

### Outlook

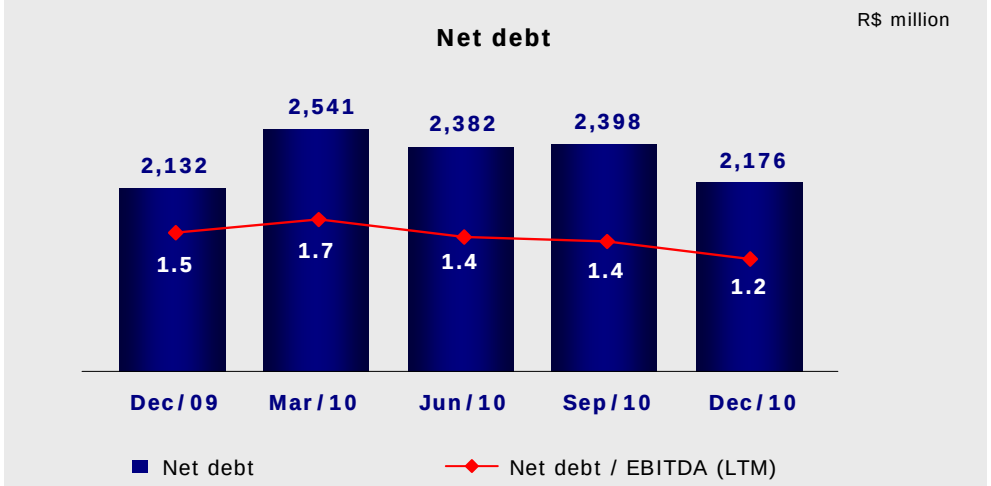
- Capacity expansion, as a result of expansions underway
- Growing demand for logistics infrastructure - 8% growth in liquid bulk terminals segment in the last 5 years

# Ultrapar in 2010

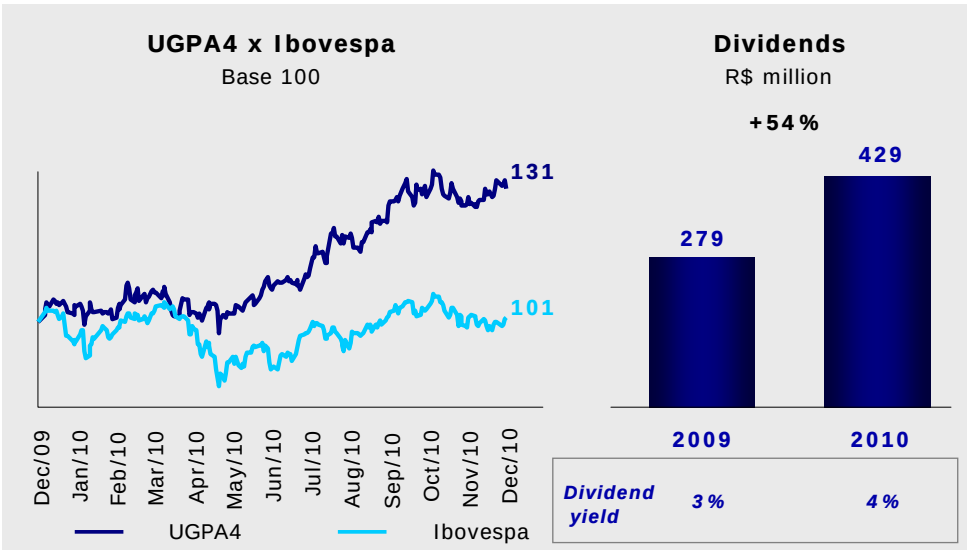
## Growth of earnings and cash generation...



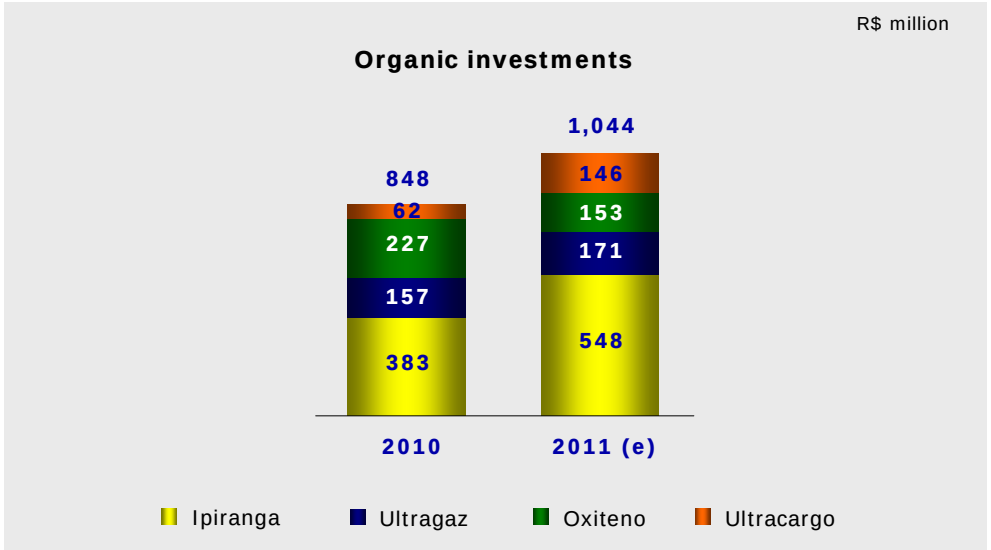

## ... with the maintenance of a sound financial position




## ... providing significant returns to shareholders




## ... allowing generation of new opportunities for growth






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Earnings Conference Call

Q&A session

02.25.11