

Ultrapar Participações S.A.

Earnings conference call

Comments on the company's 2Q12 performance and outlook

08.03.12

Considerations on the information provided

Forward-looking statements

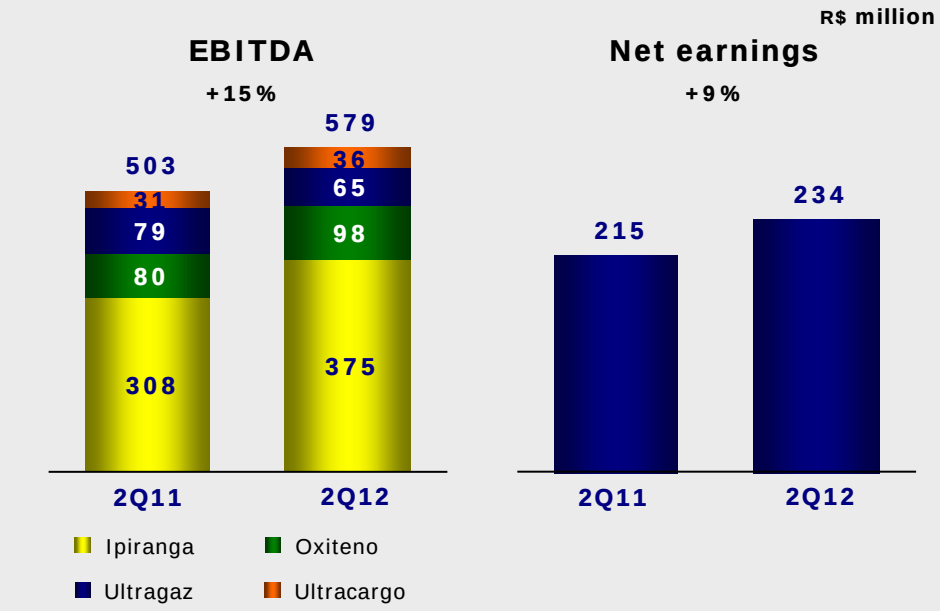
- ✓ This document may include “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “estimate,” “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

- ✓ The financial information presented in this document was prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultragaz, Ipiranga, Oxiteno and Ultracargo is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated financial information of Ultrapar. In addition, except when otherwise indicated, the amounts presented in this document are expressed in millions of Reais 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 – 2Q12 highlights

One more quarter of positive results



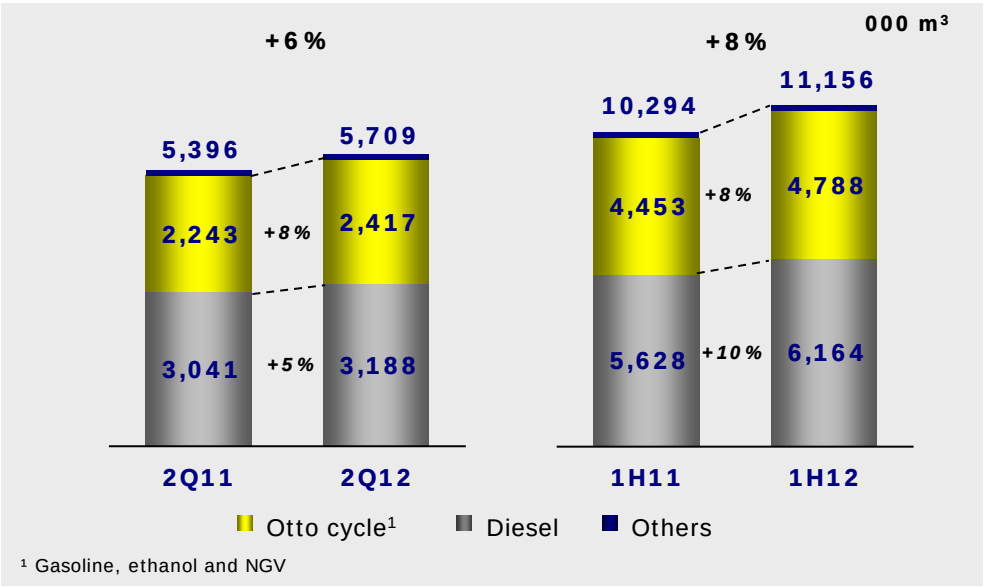
- Positive earnings progression despite the slowdown of the Brazilian economic growth
  - ✓ Resilient businesses
- Increased operating scale, as a result of investments made
- Consistent strategic planning and execution

Highlights

- Dividend distribution of R$ 273 M
  - ✓ R$ 0.51/share
  - ✓ Payout: 64% on the 1H12 net earnings
  - ✓ Dividend yield: 3%
- Closing of the acquisition of a liquid bulk terminal at the port of Itaqui, in the state of Maranhão
- Acquisition of specialty chemicals company in Uruguay
- Progress of Oxiteno's business plan in the United States
- Important awards
  - ✓ Winner in the Sustainability category and 4th place in overall ranking in the "Prêmio Destaque 2012" by Agência Estado
  - ✓ Ipiranga: the best company in its segment in Revista Exame's *Maiores e Melhores* publication

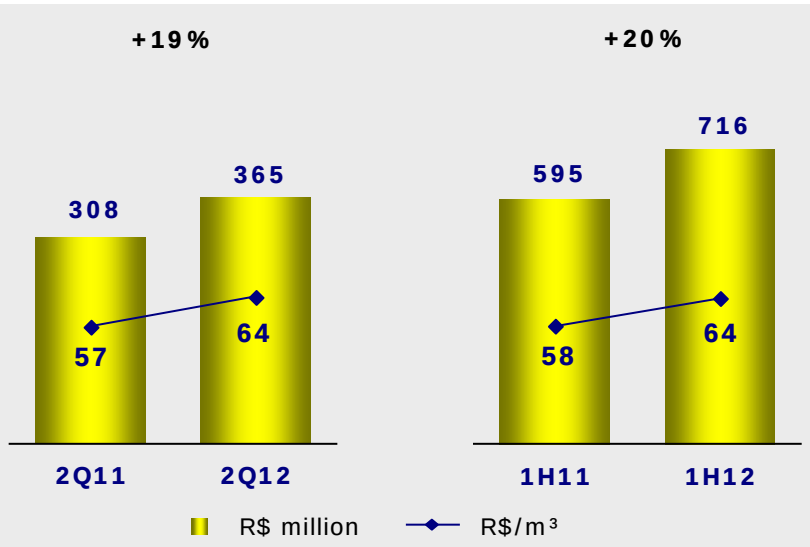
Ipiranga – 2Q12 performance

Volume



¹ Gasoline, ethanol and NGV

EBITDA ex-non-recurring items¹



Volume

- Otto cycle
  - ✓ Growth of the Brazilian light vehicle fleet
  - ✓ Investments to expand the network focused on the Midwest, Northeast and North of Brazil
- Diesel
  - ✓ Investments in new clients
  - ✓ Brazilian economic growth

EBITDA

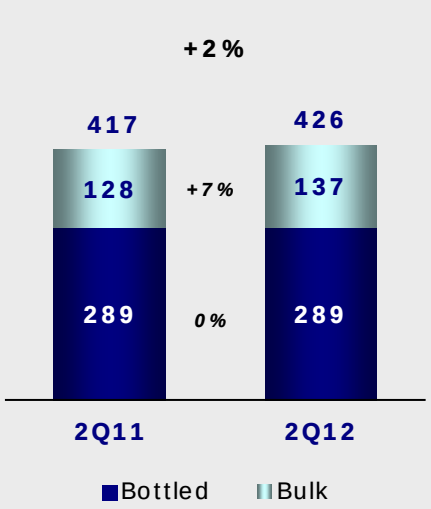
- Higher sales volume
- Evolution of prices and costs of ethanol

¹ Non-recurring effects in 2Q12

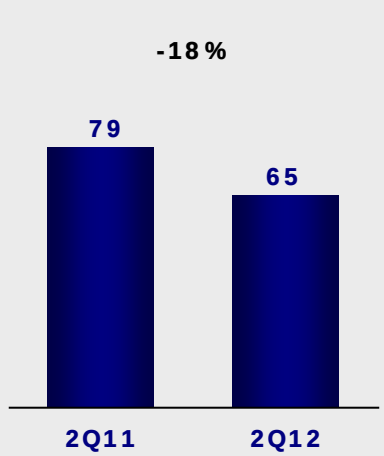
- ✓ R$ 13 M expenses related to the return of the Ipiranga brand to the Midwest, Northeast and North of Brazil
- ✓ R$ 22 M gain from a material real estate sale

Ultragaz – 2Q12 performance

Volume



EBITDA



Volume

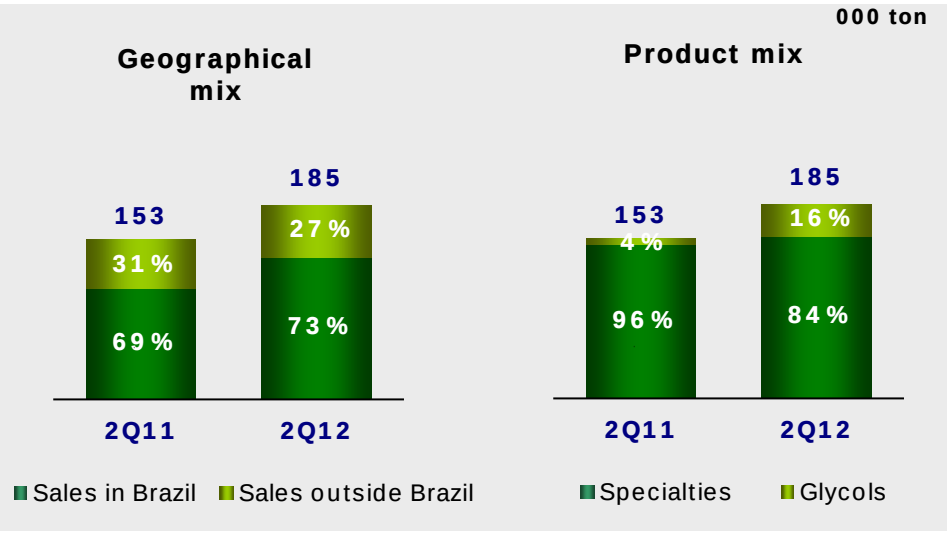
- Growth in the bulk segment
  - ✓ Acquisition of Repsol
  - ✓ Increased consumption of large customers
  - ✓ Capture of new clients

EBITDA

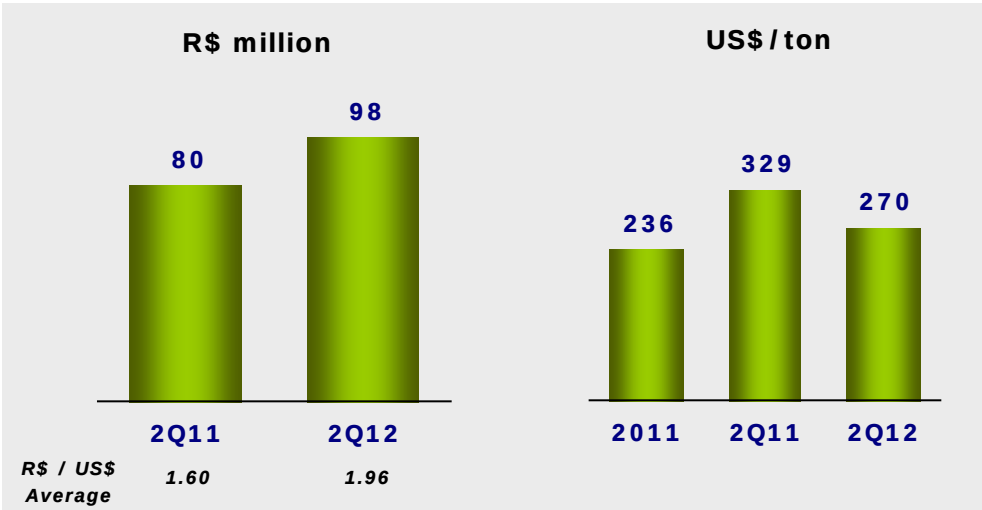
- Effects of inflation on costs and expenses
- Higher expenses related to marketing and sales campaigns
- Commercial and cost management initiatives underway

Oxiteno – 2Q12 performance

Volume



EBITDA



Volume +21%

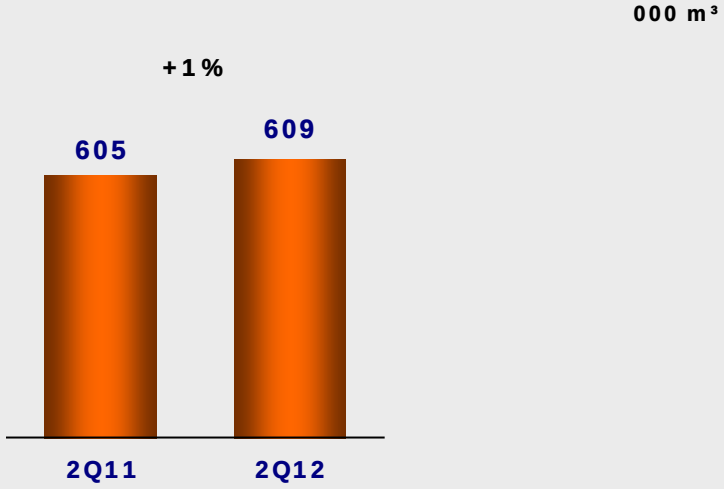
- Brazil +28% / Outside Brazil +6%
- Higher sales of glycols – ethylene oxide expansion concluded in 2011
- Specialties in Brazil +6%
  - ✓ Effects of the lower level of the Brazilian economic growth on clients' inventories in 2Q11
  - ✓ Growth in the main segments served by Oxiteno

EBITDA +22%

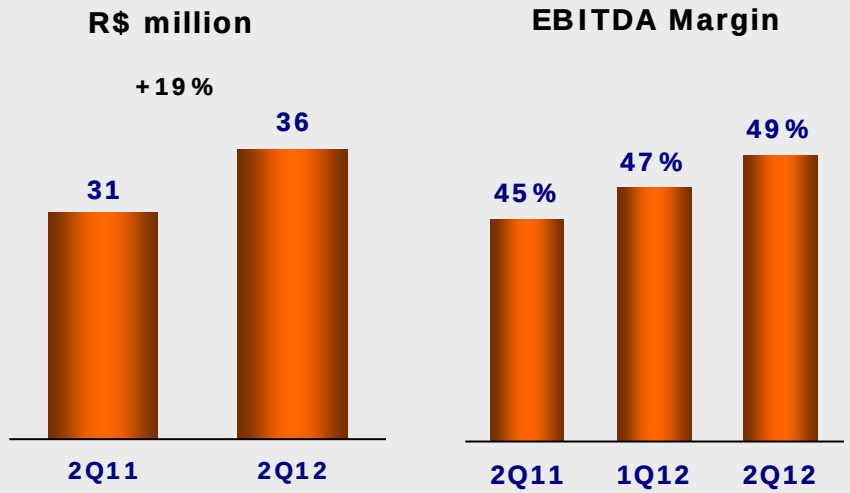
- Higher sales volume
- 23% weaker Real
- ...partially offset by the extraordinarily favorable sales mix in 2Q11 and lower international prices of glycol in 2Q12

Ultracargo – 2Q12 performance

Volume



EBITDA



Volume

- Increased effective storage in the Santos terminal
  - ✓ Higher exports of ethanol

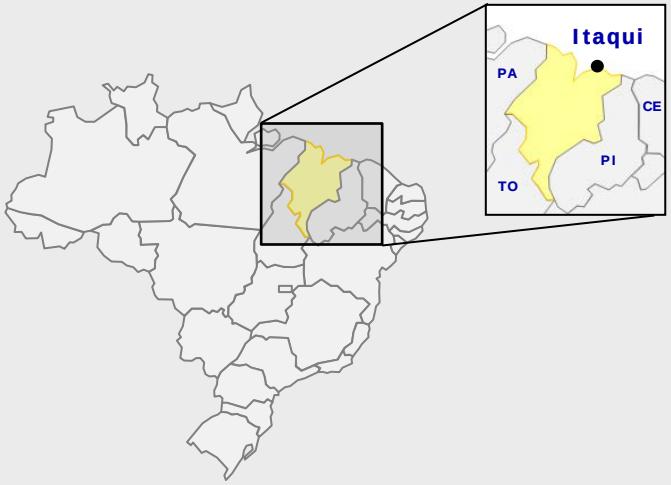
EBITDA

- Contractual tariff adjustments
- Improved mix of operations and contracts

Recent acquisitions announced

Terminal for liquid bulk – Temmar

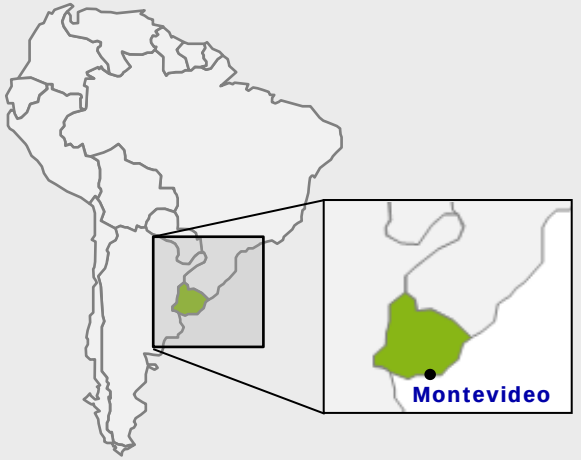
- Terminal located in Itaqui, Maranhão



- Strengthens operational scale and entry in a new market
  - ✓ 55 thousand m³ capacity (+8% over current capacity)
  - ✓ Potential for expansion: +78 thousand m³
- Acquisition value of R$ 160 M
  - ✓ Additional amount of at least R$ 12 million, amount that may reach approximately R$ 30 million, as a result of possible future expansions in the storage capacity
- Closing of the acquisition on July 31st, integration completed

Specialty chemicals – American Chemical

- Specialty chemicals company in Montevideo, Uruguay



- Production capacity of 81 thousand tons/year
  - ✓ Home and personal care industries
- Efficient logistics for exports and for serving the Southern Cone countries
- Commercial, operational and administrative gains
- Acquisition value of US$ 79 M
- Profitability similar to that of Oxiteno
- Closing is subject to the favorable result of the due diligence, among other requirements

Outlook

- Ipiranga
  - ✓ Continuity of the investment plan for 2012
  - ✓ Capture the benefits from the growth of the vehicle fleet and the expansion in the Midwest, Northeast and North regions of Brazil
- Ultragaz
  - ✓ Increase in bulk LPG sales volume
  - ✓ Commercial initiatives and cost and expenses management
- Oxiteno
  - ✓ Maturing process of investments in capacity expansion in Brazil in a more favorable exchange-rate environment
  - ✓ Focus on the integration and implementation of its business plan in the United States and Uruguay
- Ultracargo
  - ✓ Conclusion of the expansions of the terminals in Santos and Aratu
    - 10% increase in storage capacity
  - ✓ Conclusion of the acquisition of the liquid bulk terminal in Maranhão
- Acquisition opportunities











Ultrapar Participações S.A.

Earnings conference call

Q&A session

08.03.12