ULTRAPAR HOLDINGS INC
Form F-4
October 01, 2007

As filed with the Securities and Exchange Commission on September 28, 2007

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Ultrapar Participações S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant s name into English)

Brazil	**2860**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

Av. Brigadeiro Luis Antônio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

Telephone: 55-11-3177-6695

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

National Registered Agents, Inc.

875 Avenue of the Americas, Suite 501

New York, New York 10001

(800) 300-5067

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Diane G. Kerr, Esq.

Andrés V. Gil, Esq.

Davis Polk & Wardwell

450 Lexington Avenue

New York, New York 10017

(212) 450-4000

Approximate date of commencement of proposed offer to the public: As soon as practicable after this registration statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered(1)**	**Proposed maximum offering price per unit**	**Proposed maximum aggregate offering price(2)**	**Amount of registration fee(3)**
Preferred Shares, no par value	53,661,589	N/A	$1,852,446,012.67	$56,870.09

(1) Represents the number of Ultrapar preferred shares expected to be issued to preferred shareholders of RIPI, DPPI and CBPI.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rules 457(c) and (f) of the Securities Act. Based upon the market value of 17,340,327 preferred shares of RIPI, 18,239,675 preferred shares of DPPI and 67,230,300 preferred shares of CBPI to be received by Ultrapar in the Share Exchange as established by the average of the high and low prices of the RIPI, DPPI and CBPI preferred shares on the BOVESPA stock exchange on September 25, 2007 of R$49.41 (U.S.$26.40) per RIPI preferred share, R$42.55 (U.S.$22.74) per DPPI preferred share and R$27.27 (U.S.$14.57) per CBPI preferred share.

(3) Computed in accordance with Rule 457(f) of the Securities Act by multiplying the proposed maximum aggregate offering price by 0.0000307.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS (Subject to Completion)

Dated September 28, 2007

Ultrapar Participações S.A.

Exchange of Preferred Shares

for Preferred Shares of

Refinaria de Petróleo Ipiranga S.A.,

Distribuidora de Produtos de Petróleo Ipiranga S.A.

and

Companhia Brasileira de Petróleo Ipiranga

Dear RIPI, DPPI and CBPI Preferred Shareholders:

This prospectus relates to a share exchange transaction, or the Share Exchange, wherein the preferred shares of Refinaria de Petróleo Ipiranga S.A., or RIPI, Distribuidora de Produtos de Petróleo Ipiranga, or DPPI, and Companhia Brasileira de Petróleo Ipiranga S.A., or CBPI, will be exchanged for preferred shares of Ultrapar Participações S.A., or Ultrapar. The Share Exchange is part of a multi-step acquisition, or the Transaction, by Ultrapar of RIPI, DPPI and CBPI, which together with their subsidiaries make up the Ipiranga Group. The Transaction is being conducted by Ultrapar on its own behalf and on behalf of Petróleo Brasileiro S.A., or Petrobras, and Braskem S.A., or Braskem, and following completion of the Transaction, Ultrapar, Petrobras and Braskem will divide among themselves all of the Ipiranga Group s assets and operations, including those of RIPI, DPPI and CBPI.

As discussed herein, RIPI, DPPI and CBPI have each called extraordinary shareholders meetings for the purpose of allowing their respective common shareholders to determine whether to approve the Share Exchange. Since Ultrapar currently holds more than a majority of each of RIPI, DPPI and CBPI s common shares, the Share Exchange will be approved at such shareholders meetings. Holders of RIPI, DPPI and CBPI preferred shares are not entitled to vote at meetings of the shareholders of RIPI, DPPI and CBPI. Accordingly, once the RIPI, DPPI and CBPI common shareholders approve the Share Exchange, your only alternatives prior to the Share Exchange will be (i) to hold your RIPI, DPPI or CBPI preferred shares and participate in the Share Exchange, (ii) to dispose of your RIPI, DPPI or CBPI preferred shares or (iii) if you are a RIPI or DPPI preferred shareholder to exercise appraisal rights pursuant to Brazilian law and request that RIPI or DPPI, as applicable, purchase your preferred shares, as explained further in this prospectus. According to Brazilian Law, holders of CBPI shares, which are highly liquid, are not entitled to appraisal rights. Your right to exercise appraisal rights will be triggered by publication of the approval of the Share Exchange at RIPI s and DPPI s respective extraordinary shareholder meetings. Once you notify the company whose shares you hold that you wish to exercise your appraisal rights, such request is irrevocable.

In connection with the Share Exchange, Ultrapar will issue 53,661,589 new preferred shares. Each RIPI, DPPI and CBPI preferred share will be exchanged for Ultrapar preferred shares in accordance with the ratio of 0.79850, 0.64048 and 0.41846 Ultrapar preferred shares for each RIPI, DPPI and CBPI preferred share, respectively. On March 16, 2007, the last full trading day in São Paulo prior to the announcement of the Transaction, the implied value of the share consideration per share of RIPI, DPPI and CBPI preferred stock was R$39.36, R$31.57 and R$20.63, respectively, and on September 27, 2007, the latest practicable date prior to the date of this document, the implied value of the share consideration per share of RIPI, DPPI and CBPI preferred stock was R$56.61, R$45.41 and R$29.67, respectively. Ultrapar s preferred shares are listed on the BOVESPA stock exchange in Brazil under the ticker symbol UGPA4. American Depositary Shares (ADSs) representing Ultrapar s preferred shares are listed on the New York Stock Exchange under the symbol UGP , but you will not receive ADSs in the Share Exchange.

The accompanying document provides a detailed description of the Transaction and Share Exchange. You are urged to read these materials carefully. **Please pay particular attention to the Risk Factors beginning on page 38 for a discussion of risks related to the Transaction.** If you are in any doubt as to the action you should take, contact your broker, lawyer, accountant or other professional advisor without delay. Other than reading the accompanying document, you are not being asked to take any action at this time. You are receiving this document for your information only, in connection with Ultrapar s registration of its preferred shares with the Securities and Exchange Commission, or SEC, under the U.S. Securities Act of 1933, as amended.

Neither the SEC nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense. This document does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where such an offer or solicitation would be illegal.

This prospectus is dated , 2007 and is expected to be first made available to holders of RIPI, DPPI and CBPI preferred shares on or about that date.

Sincerely,

André Covre

Chief Financial and Investor

Relations Officer Ultrapar

ADDITIONAL INFORMATION

This document incorporates by reference important business and financial information about Ultrapar from documents filed with the U.S. Securities and Exchange Commission, which is referred to as the SEC, that are not included in or delivered with this document. For a more detailed description of the documents incorporated by reference into this document and how you may obtain them, see Where You Can Find More Information beginning on page 148.

Documents incorporated by reference are available to you without charge upon your written or oral request, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this document. You can obtain any of these documents from the SEC s website at www.sec.gov or by requesting them in writing or by telephone from:

Ultrapar Participações S.A.

Av. Brigadeiro Luis Antônio, 1343, 8º Andar

São Paulo, SP, Brazil 01317-910

Attention: Investor Relations Department

Telephone: 55-11-3177-7014

Ultrapar, RIPI, DPPI and CBPI are not incorporating the contents of the websites of the SEC, Ultrapar, RIPI, DPPI, CBPI or any other person into this document. Ultrapar is providing only the information about how you can obtain certain documents that are incorporated by reference into this document at these websites for your convenience.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form F-4 filed with the SEC by Ultrapar (File No. 333-), constitutes a prospectus of Ultrapar under Section 5 of the U.S. Securities Act of 1933, as amended, or the Securities Act, with respect to the Ultrapar preferred shares to be issued to RIPI, DPPI and CBPI preferred shareholders in connection with the Share Exchange.

TERMS USED IN THIS PROSPECTUS

References in this prospectus to Ultrapar, we, our, us and the Company are to Ultrapar Participações S.A. and its consolidated subsidiaries (unless the context otherwise requires). In addition, all references in this prospectus to:

2006 Form 20-F are to our 2006 Annual Report on Form 20-F, filed with the SEC on June 7, 2007;

ADRs are to the American Depositary Receipts evidencing our ADSs;

ADSs are to our American Depositary Shares, each representing one share of our non-voting preferred stock;

Acquiring Companies are to Ultrapar, Petrobras and Braskem;

Apsis Valuation Report are to the valuation report which will be delivered by Apsis Consultoria Empresarial s/c Ltda. to Ultrapar prior to the calling of the RIPI, DPPI or CBPI shareholders meetings;

BOVESPA are to the *Bolsa de Valores de São Paulo*, the São Paulo stock exchange;

Braskem are to Braskem S.A.;

Braskem/Petrobras Asset Purchase Agreement are to the Asset Security Agreement entered into by and among Ultrapar, Braskem and Petrobras on April 18, 2007, whereby Ultrapar pledged to Braskem and Petrobras all of the common shares and 50% of the RIPI preferred shares it acquired from the Key Shareholders;

Brazilian Central Bank, BACEN, Central Bank of Brazil or Central Bank are to the *Banco Central do Brasil*, the Brazilian central bank;

Brazilian Corporate Law are to Law No. 6,404 of December 1976, as amended by Law No. 9,457 of May 1997 and by Law No. 10,303 of October 2001;

Brazilian government are to the federal government of the Federative Republic of Brazil;

CBPI are to Companhia Brasileira de Petróleo Ipiranga, a company listed on the BOVESPA;

Combined Company are to Ultrapar following the completion of the Transaction;

Commission or SEC are to the U.S. Securities and Exchange Commission;

Copesul are to Companhia Petroquímica do Sul;

CVM are to the *Comissão de Valores Mobiliários*, the Brazilian securities commission;

Deutsche Bank are to Deutsche Bank Securities Inc.;

Deutsche Bank Valuation Report are to the Valuation Report delivered by Deutsche Bank Securities Inc. to Ultrapar on April 4, 2007;

DPPI are to Distribuidora de Produtos de Petróleo Ipiranga S.A., a company listed on the BOVESPA;

Ipiranga and Ipiranga Group are to RIPI, DPPI, CBPI, IQ, IPQ, Copesul and their respective subsidiaries;

IPQ are to Ipiranga Petroquímica S.A.;

IQ are to Ipiranga Química S.A.;

Investment Agreement are to the Investment Agreement entered into by and among Ultrapar, Petrobras and Braskem on March 18, 2007, amended on April 18, 2007;

Key Shareholders are to the direct and indirect controlling shareholders of RIPI, DPPI and CBPI prior to the closing of the SPA;

LPG are to liquefied petroleum gas;

NYSE are to the New York Stock Exchange;

Northern Distribution Business are to CBPI s fuel and lubricant distribution businesses located in the North, Northeast and Central West regions of Brazil;

Oil Refining Operations are to the oil refining operations of RIPI;

Oxiteno are to Oxiteno S.A. Indústria e Comércio, Ultrapar s wholly owned subsidiary, and its subsidiaries that produce ethylene oxide, its principal derivatives and other specialty chemicals;

Petrobras are to Petrobras Petróleo Brasileiro S.A.;

Petrobras Asset Purchase Agreement are to the Asset Security Agreement entered into by and among Ultrapar and Petrobras on April 18, 2007, whereby Ultrapar pledged in favor of Petrobras, 31% of the common shares and 78% of the preferred shares of DPPI that it acquired from the Key Shareholders;

Petrochemical Business are to IQ, IPQ and IPQ s stake in Copesul;

real, *reais* or R$ are to Brazilian *reais*, the official currency of Brazil;

RIPI are to Refinaria de Petróleo Ipiranga S.A., a company listed on the BOVESPA;

RIPI Shareholders Agreement are to the shareholders agreement governing the relationship among Ultrapar, Petrobras and Braskem regarding how RIPI s oil refining operations will be managed prior to the completion of the Transaction entered into on April 18, 2007;

Share Exchange are to the exchanges contemplated by this prospectus of RIPI, DPPI and CBPI s preferred shares for Ultrapar s preferred shares in connection with the Transaction;

Southern Distribution Business are to DPPI and CBPI s fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil;

SPA are to the Share Purchase Agreement entered into by and among Ultrapar, with the consent of Petrobras and Braskem, and the Key Shareholders on March 18, 2007;

Target Companies are to RIPI, DPPI and CBPI;

Target Companies Shareholders Agreement are to the shareholders agreement governing the relationships among Ultrapar, Petrobras and Braskem regarding how the Target Companies businesses will be managed prior to completion of the Transaction, excluding matters governed by the RIPI Shareholders Agreement, entered into by and among Ultrapar, Petrobras and Braskem on April 18, 2007;

Target Operations are to the operations substantially comprised of the Southern Distribution Business, the Ipiranga trademark and the Oil Refining Operations that Ultrapar will retain following the Transaction;

Transaction are to the acquisition of the Ipiranga Group by the Acquiring Companies;

Transaction Agreements are to the Investment Agreement, the SPA, the Target Companies Shareholders Agreement, the RIPI Shareholders Agreement, the Braskem/Petrobras Asset Purchase Agreement and the Petrobras Asset Purchase Agreement;

Ultracargo are to Ultracargo Operações Logísticas e Participações Ltda., Ultrapar s wholly owned subsidiary, and its subsidiaries, that provide integrated road transport, storage, handling and logistics planning services for special bulk cargo; and

Ultragaz are to Ultragaz Participações Ltda., Ultrapar s wholly owned subsidiary, and its subsidiaries, that distribute LPG.

All references in this prospectus to U.S. dollars, dollars or US$ are to U.S. dollars. All references to the *real*, *reais* or R$ are to the Brazil *real*, the official currency of Brazil.

OTHER INFORMATION

The following financial statements are included or incorporated by reference, in this prospectus:

For Ultrapar and the Target Companies

Ultrapar s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005, which are incorporated herein by reference to our 2006 Form 20-F;

RIPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005;

DPPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005; and

CBPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005.

For the Target Companies businesses that Ultrapar will keep following completion of the Transaction

Audited financial statements of the oil refining business carried out by RIPI for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005 (in which Ultrapar will hold a 33% interest following completion of the Transaction);

Audited financial statements for the fuel distribution business of DPPI for the years ended December 31, 2006, 2005 and 2004 and as of December 31, 2006 and 2005; and

Audited combined statements of revenue and direct expenses for the years ended December 31, 2006, 2005 and 2004 and combined statements of assets acquired and liabilities assumed as of December 31, 2006 and 2005, in each case for the part of the South and Southeast Fuel Distribution Business carried out by CBPI.

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains or incorporates by reference a number of forward-looking statements, including statements about the financial conditions, results of operations, earnings outlook and prospects of Ultrapar, RIPI, DPPI and CBPI and may include statements for the period following the completion of the Transaction. Forward-looking statements are typically identified by words such as plan, believe, expect, anticipate, intend, outlook, estimate, forecast, project and other similar words and expressions. These statements appear in a number of pl this prospectus and include, but are not limited to, statements regarding our intent, belief or current expectations with respect to:

- strategy for marketing and operational expansion;
- capital expenditures forecasts;
- development of additional sources of revenue; and
- the completion of the Transaction, according to the steps and the timetable discussed in this prospectus.

The forward-looking statements involve certain risks and uncertainties. The ability of either Ultrapar, RIPI, DPPI or CBPI to predict results or the actual effects of its plans and strategies, or those of the Combined Company, is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth below under Risk Factors and those discussed and identified in public filings made with the SEC by Ultrapar as well as, among others, the following:

- general economic and business conditions, including the price of crude oil and other commodities, refining margins and prevailing foreign exchange rates;
- competition;
- ability to produce and deliver products on a timely basis;
- ability to anticipate trends in the industries in which it operates, including changes in capacity and industry price movements;
- changes in official regulations;
- receipt of official authorizations and licenses;
- political, economic and social events in Brazil;
- access to sources of financing and our level of debt;
- ability to integrate acquisitions;

- regulatory issues relating to acquisitions;
- availability of tax benefits; and
- other factors contained in this prospectus under Risk Factors.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of any document incorporated by reference in this document.

All subsequent written forward-looking statements concerning the Transaction or other matters addressed in this document and attributable to Ultrapar, RIPI, DPPI, CBPI or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document. Except to the extent required by applicable law or regulation, Ultrapar, RIPI, DPPI and CBPI undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

The following are some questions that you may have regarding the Share Exchange and the Transaction and brief answers to those questions. Ultrapar, RIPI, DPPI and CBPI urge you to read carefully the remainder of this document because the information in this section does not provide all the information that might be important to you with respect to the Share Exchange and the Transaction. Additional important information is also contained in the documents incorporated by reference in this document.

Q: Why am I receiving this document?

A: In connection with the Share Exchange that Ultrapar will conduct as part of the Transaction, Ultrapar is required by the U.S. Securities Act of 1933, as amended, to deliver this document to all preferred shareholders of RIPI, DPPI and CBPI that are U.S. residents. This document is being distributed to you for informational purposes only and you are not required to do anything in addition to carefully reviewing it.

Q: What is the purpose of the Transaction?

A: Through the Transaction, Ultrapar is participating in an important step in the reorganization and consolidation of industries that are fundamental to the growth of the Brazilian economy.

The Ipiranga Group, one of Brazil s largest and most well-established corporate conglomerates, has historically operated in the same business segments as Petrobras, Ultrapar and Braskem. In 2006 the Ipiranga Group was Brazil s second-largest fuel distributor, with a network of 4,240 service stations. It also had a major share of the petrochemical market, with the production of 650,000 tons of petrochemical resins, through IPQ, and shared joint control with Braskem of Copesul, a naphtha-based cracker located in the southern petrochemical complex of Brazil. The consolidated net revenues of the Ipiranga Group in 2006 amounted to R$31 billion, with EBITDA of R$1 billion and net income of R$534 million.

Ultrapar, the largest LPG distributor in Brazil, became, following the closing of the SPA, the second-largest fuel distributor in Brazil, holding 15% of the market. Ultrapar believes that fuel distribution is a natural extension of LPG distribution because it has similar profitability drivers: logistics efficiency, management of a dealer network and leveraging a well-known brand. Fuel consumption has been increasing in Brazil, mainly due to increased national income and credit availability. See The Transaction Ultrapar s Reasons For the Transaction for more information on the specific objectives Ultrapar hopes to achieve through the Transaction.

Q: What will happen in the Transaction?

A: The Transaction consists of a series of steps and is governed by the Transaction Agreements. In connection with the Transaction, the businesses and subsidiaries of the Ipiranga Group will be acquired and divided among Ultrapar, Petrobras and Braskem. Ultrapar will retain the fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil; Petrobras will receive the fuel and lubricant distribution businesses located in the North, Northeast and Central West regions of Brazil; and Petrobras and Braskem will receive the petrochemical business, in the proportion of 60% for Braskem and 40% for Petrobras. RIPI s oil refining business will be shared equally among Petrobras, Ultrapar and Braskem.

The principal steps of the Transaction are:

Closing of the SPA on April 18, 2007, whereby Ultrapar acquired a controlling interest in each of the Target Companies;

Mandatory tag-along cash tender offers by Ultrapar for the remaining outstanding common shares of each of the Target Companies;

The Share Exchange wherein any remaining common and all preferred shares of each Target Company that Ultrapar does not already hold will be exchanged for Ultrapar preferred shares; and

Split-up of the Southern Distribution Business, Northern Distribution Business, the Petrochemical Business and RIPI s oil refining business and the subsequent transfer of the relevant assets to Petrobras and Braskem . See The Transaction for more information regarding the steps and agreements involved in the Transaction.

Q: What is the Share Exchange?

A: The Share Exchange is a stock merger (*incorporação de ações*), which is a Brazilian corporate law procedure pursuant to which a company becomes a wholly owned subsidiary of another company and shareholders of the former receive shares of the latter. Upon completion of the Share Exchange described in this prospectus, RIPI, DPPI and CBPI will become wholly owned subsidiaries of Ultrapar and the holders of common and preferred shares of RIPI, DPPI and CBPI will receive Ultrapar preferred shares in exchange for their respective shares in RIPI, DPPI and CBPI.

Q: What type of consideration will I receive for my preferred shares of RIPI, DPPI and CBPI in the Share Exchange?

A: In the Share Exchange, you will receive consideration for each of your shares of RIPI, DPPI and CBPI preferred stock in the form of 0.79850, 0.64048 and 0.41846 shares of Ultrapar s preferred stock, respectively. The aggregate number of Ultrapar preferred shares that will be delivered to RIPI, DPPI and CBPI preferred shareholders in the Share Exchange are 13,846,251, 11,682,147 and 28,133,191, respectively, assuming that all holders of outstanding preferred shares as of the date of the Share Exchange convert their shares into Ultrapar shares.

Q: What is the status of the Transaction?

A: The Investment Agreement entered into by the Acquiring Companies on March 18, 2007 regulates the relationships among these companies during the process of completing the Transaction. As of the date of this prospectus, the SPA has closed and the mandatory tag along cash tender offers have been completed.

Q: When do you currently expect to complete the Transaction?

A: In the fourth quarter of 2007. However, Ultrapar, RIPI, DPPI and CBPI cannot assure you when or if all of the steps of the Transaction as described in this prospectus will occur. RIPI, DPPI and CBPI must first obtain the required approvals of RIPI, DPPI and CBPI shareholders. Ultrapar s shareholders and the relevant regulatory bodies must also approve the Transaction. According to the Investment Agreement, upon the occurrence of certain events which delay completion of certain steps of the Transaction, Ultrapar, Petrobras and Braskem may decide to follow different steps for the completion of the Transaction as described in detail in the Investment Agreement and in The Transaction Transaction Agreements Investment Agreement.

Q: Are shareholder votes required for the Share Exchange?

A: Yes, but only the favorable vote of a majority of the common shareholders of each of RIPI, DPPI, CBPI and Ultrapar are required for the Share Exchange to be approved. Ultrapar, RIPI, DPPI and CBPI have called extraordinary shareholder meetings for the purpose of approving the Share Exchange.

Q: Can I vote on the Share Exchange?

A: No. Only common shareholders of Ultrapar, RIPI, DPPI and CBPI may vote on the Share Exchange. Preferred shareholders do not have the right to vote on the Share Exchange.

Q: May I attend the RIPI, DPPI and CBPI extraordinary shareholder meetings regarding the Share Exchange?

A: Yes.

Q: When and where are the Ultrapar, RIPI, DPPI and CBPI extraordinary shareholder meetings regarding the Share Exchange?

A: The RIPI extraordinary shareholder meeting will take place on , 2007 at a.m. (São Paulo time) at RIPI s headquarters, located at Rua Engenheiro Heitor Amaro Barcellos, 551, City of Rio Grande, Rio Grande do Sul State, Brazil. The DPPI extraordinary shareholder meeting will take place on , 2007 at a.m. (São Paulo time) at DPPI s headquarters, located at Avenida Dolores Alcaraz Caldas, 90, City of Porto Alegre, State of Rio Grande do Sul, Brazil. The CBPI extraordinary shareholder meeting will take place on , 2007 at a.m. (São Paulo time) at CBPI s headquarters, located at Rua Francisco Eugênio, 329, City of Rio de Janeiro, State of Rio de Janeiro, Brazil. Ultrapar s extraordinary shareholder meeting will take place on , 2007 at a.m. São Paulo time, at Ultrapar s headquarters, located at Av. Brigadeiro Luiz Antonio, 1343 9th Floor, City of São Paulo, State of São Paulo, Brazil.

Q: How will my rights as an RIPI, DPPI or CBPI preferred shareholder change after the Share Exchange?

A: Because your RIPI, DPPI or CBPI preferred shares will be exchanged for Ultrapar preferred shares, you will become an Ultrapar shareholder and therefore will have the rights conferred by Ultrapar preferred shares. See Comparison of Your Rights as a Holder of RIPI, DPPI or CBPI Preferred Shares and Your Rights as a Potential Holder of Ultrapar Preferred Shares.

Q: What other approvals from your shareholders, any governmental authorities, RIPI, DPPI, CBPI or any third parties are required in order to complete the Transaction?

A: In addition to the shareholder approvals required for the Share Exchange, completion of the Transaction is subject to:

approval of the split-up of the Northern Distribution Business by the CBPI shareholders;

approval of the split-up of the Petrochemical Business by the CBPI and RIPI shareholders; and

approval of the split-up of the Northern Distribution Business and the Petrochemical Business by the debenture holders of CBPI; and

ratification of the Transaction by Ultrapar shareholders, pursuant to article 256 of Brazilian Corporate Law, which must occur prior to April 18, 2008.

Q: Do I have withdrawal, appraisal or dissenter s rights with respect to the Share Exchange?

A: Holders of RIPI and DPPI preferred shares are entitled to appraisal rights, but holders of CBPI preferred shares are not, given CBPI preferred shares high level of liquidity and the dispersion of its shareholder base. CBPI s preferred shares are included in the IBOVESPA stock index, which is the most actively traded in Brazil. Under Brazilian law, when these conditions are met, as in the case of CBPI s preferred shares, shareholders do not have appraisal rights. The appraisal rights may be exercised only by owners of record of RIPI and DPPI shares as of the date of the public announcement of the approval of the Share Exchange. Holders of RIPI or DPPI preferred shares who exercise their appraisal rights may choose to receive an amount per share based on either book value or, if the exchange ratio calculated with reference to liquidation value is more favorable to the shareholders of RIPI and DPPI, as applicable, than the exchange ratio offered by Ultrapar (which was calculated with reference to the economic value), such shareholders may choose between book value and liquidation value for their preferred shares. Book values to be paid to RIPI and DPPI shareholders will be R$ per RIPI share and R$ per DPPI share and are based on RIPI s balance sheet as of and DPPI s balance sheet as of , respectively. Liquidation values to be paid to such shareholders will be R$ per RIPI share and R$ per DPPI share, based on the valuation report to be prepared by Apsis Consultoria Empresarial S/C Ltda, or Apsis, which will be delivered to Ultrapar prior to the calling of the RIPI, DPPI and CBPI shareholder meetings. The selection of Apsis as valuation expert for determining liquidation value will be submitted to Ultrapar, RIPI, DPPI and CBPI shareholders and requires the approval of shareholders representing more than 50% of the voting capital stock present at each such meeting.

Q: Are there risks associated with the Share Exchange or the Transaction that I should consider in deciding whether to exercise my appraisal rights?

A: Yes. There are a number of risks related to the Transaction that are discussed in this document and in other documents incorporated by reference in this document. ***Please read in particular the detailed description of the risks associated with the Transaction on pages 38 through 40 and in the documents incorporated herein by reference, referred to in Where You Can Find More Information on page 148.***

Q: When must I exercise my appraisal rights if I decide to do so?

A: Your appraisal rights can only be exercised during the 30 day period following publication of the approval of the Share Exchange by the common shareholders of each of RIPI and DPPI. However, payment will not be due if the Share Exchange is rejected by the shareholders of either Ultrapar or RIPI, in the case of the RIPI Share Exchange, or the shareholders of either Ultrapar or DPPI, in the case of the DPPI Share Exchange, at the applicable shareholders meeting. Once the 30-day period for the exercise of your appraisal rights has expired, you will no longer have any right to compel RIPI or DPPI to purchase your preferred shares.

Q: What if I want to cancel the exercise of my appraisal right after I have requested it?

A: Exercise of your appraisal right is irrevocable.

Q: When will I know the outcome of the Share Exchange?

A: You will know if the Share Exchange was approved by the common shareholders of Ultrapar, RIPI, DPPI and CBPI immediately after the applicable extraordinary shareholder meetings. Under Brazilian Corporate Law, Ultrapar, RIPI, DPPI and CBPI must each publish a press release reporting the outcome of these meetings. Following the 30-day period within which you may exercise your appraisal rights, each of Ultrapar and RIPI, DPPI and CBPI will publish an additional press release explaining the overall outcome of the Share Exchange.

Q: When will I receive my new Ultrapar preferred shares?

A: If you do not dispose of your RIPI, DPPI or CBPI preferred shares or exercise your appraisal rights, your RIPI, DPPI or CBPI preferred shares will be automatically exchanged for the appropriate number of Ultrapar preferred shares a few days later after the 30th day following publication of the approval of the Share Exchange by the common shareholders of each of RIPI, DPPI and CBPI. If management of any of RIPI, DPPI or Ultrapar believes that the total value of the appraisal rights exercised by its shareholders could jeopardize the financial stability of their respective companies, within 10 days after the end of the appraisal rights period, such management could call a shareholders meeting to reconsider the applicable Share Exchange.

Q: What will be the accounting treatment of the Share Exchange?

A: In connection with the Share Exchange, we will execute a capital increase, corresponding to the number of new Ultrapar preferred shares that will be required to be issued in order to exchange all of the Target

Companies outstanding common and preferred shares for our preferred shares. Under Brazilian GAAP, we intend to register this capital increase in an amount established in the Transaction Agreements. For U.S. GAAP, we intend to value the new Ultrapar shares based on the market price of the securities over a reasonable period of time before and after the terms of the acquisition were agreed to and announced, in accordance with paragraph 22 of SFAS 141 Business Combination . The capital increase will correspond to an increase in the investment by Ultrapar in the Target Companies. The portion of the investment that corresponds to the net assets to be transferred to Braskem and Petrobras will be added to the previous steps amounts that pertain to the two companies. For the portion of the investment that corresponds to the net assets that will remain with Ultrapar, the difference between the value of this investment and its Brazilian GAAP book value will be recorded as goodwill and be amortized over 10 years. Under U.S. GAAP, we will adopt the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill will be recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Q: What will my tax consequences be after the Share Exchange?

A: The exchange of preferred shares of RIPI, DPPI or CBPI for our preferred shares pursuant to the Share Exchange will be a taxable transaction for U.S. federal income tax purposes. Accordingly, U.S. Holders who participate in the Share Exchange generally will recognize gain or loss. For a discussion of certain other U.S. tax matters that may be relevant to U.S. Holders, see Material U.S. Federal Income Tax Consequences. You are urged to consult your own tax advisor with respect to your personal tax consequences of the Share Exchange, which may vary for investors in different tax situations.

Based on the opinion of its external tax advisors, Ultrapar believes that there are good legal grounds to sustain the position that the receipt of Ultrapar s preferred shares in exchange for RIPI, DPPI or CBPI preferred shares, pursuant to the Shares Exchange, will not be a taxable transaction in Brazil. Gains, if any, resulting from the exercise of appraisal rights, however, will be taxable. You should consult your own tax advisor for a full understanding of the tax consequences of the Share Exchange to you. For a discussion of certain other Brazilian tax consequences, see Brazilian Tax Consequences.

Q: What do I do now?

A: The only thing you need to do now is to carefully read and consider the information contained in and incorporated by reference into this document. You do not need to reply to this document and you are not entitled to vote on the Share Exchange.

Q: Whom can I call with questions about the shareholder meetings or the Share Exchange?

A: If you have questions about the Share Exchange or the extraordinary shareholder meetings or you need additional copies of this document, you should contact:

Ultrapar Participações S.A.

Av. Brigadeiro Luis Antônio, 1343, 8º Andar

São Paulo, SP, Brazil 01317-910

Attention: Investor Relations Department

Telephone: 55-11-3177-7014

Fax: 55-11-3177-6107

e-mail: Invest@ultra.com.br

Q: Where can I find more information about Ultrapar, RIPI, DPPI, CBPI and the Transaction?

A: You can find more information about Ultrapar, RIPI, DPPI, CBPI and the Transaction from the various sources described under Where You Can Find More Information beginning on page 148.

SUMMARY

The following summary highlights material information from this document. It does not contain all of the information that may be important to you. You are urged to read carefully this entire document and other documents which are referred to in this document in order to fully understand the Share Exchange and the Transaction. See Where You Can Find More Information on page 148. Most items in this summary include a page reference directing you to a more complete description of those items.

Ultrapar, RIPI, DPPI, CBPI and the Ipiranga Group (see page 68)

Overview of Ultrapar

Ultrapar is one of Brazil s largest corporate groups and is the second largest fuel distributor, a leading chemicals manufacturer and integrated logistics services provider. Our wholly owned subsidiary, Ultragaz, is the largest LPG distributor in Brazil, with a market share of approximately 24%. In the chemicals business, our wholly owned subsidiary, Oxiteno, is the largest producer of ethylene oxide and its principal derivatives in South America and a major producer of specialty chemicals. Through our wholly owned subsidiary, Ultracargo, we believe we are a leading provider of integrated road transport, storage, handling and logistics planning services for special bulk cargo. Following the closing of the SPA and Ultrapar s acquisition of a portion of the Ipiranga Group s fuel distribution business, Ultrapar became the second largest Brazilian fuel distributor, with approximately 15% market share.

Overview of the Ipiranga Group

Prior to the Transaction, RIPI, DPPI and CBPI were part of the Ipiranga Group, which, in addition to being Brazil s second largest fuel distributor through DPPI and CBPI as discussed below, had a significant presence in the petrochemical market, with the production of 650 thousand tons of petrochemical resins a year. The Ipiranga Group conducted its petrochemical business through IQ and IPQ and a 29.5% interest in Copesul (with Braskem owning another 29.5%), a naphtha-based cracker located in the southern petrochemical complex, which is Brazil s second-largest producer of petrochemicals.

Overview of RIPI

RIPI primarily operates an oil refinery in the state of Rio Grande do Sul, in the Southern region of Brazil, and also has interests in other companies in the Ipiranga Group. As of December 31, 2006, RIPI s nominal capacity was 17,000 barrels per day, and its principal products include gasoline, diesel, naphtha, fuel oil, LPG and kerosene. During 2006, RIPI faced difficulties in keeping its operations at full capacity due to an increase in international oil prices, to which its costs are linked, without a corresponding increase in oil derivatives prices in Brazil. This led RIPI to suspend its operations for five months during the year. In 2006, the average production of the refinery was 7,158 barrels per day, which represented 42% of the refinery s nominal capacity, and RIPI s market share reached 0.4% of the Brazilian market.

Overview of DPPI

DPPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in the State of Rio Grande do Sul and the Western portion of the State of Santa Catarina in Brazil. DPPI is also the controlling shareholder of CBPI, the company responsible for the fuel distribution business of the Ipiranga Group throughout the remainder of Brazil. DPPI s share of the Brazilian fuels market was approximately 2.6% as of December 31, 2006. A substantial portion of DPPI s net sales is derived from the sale of diesel and gasoline.

Overview of CBPI

CBPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in Brazil, with the exception of those regions in which DPPI operates and the States of Roraima and Amapá. CBPI is controlled by DPPI. CBPI s share of the Brazilian fuels market was 16.9% as of December 31, 2006. In addition to selling gasoline and fuel alcohol, CBPI also sells diesel, vehicular natural gas, fuel oil, kerosene and lubricants. Together with DPPI, CBPI forms Brazil s second-largest fuel distributor, with a network of approximately 4,200 service stations and a 19% market share as of December 31, 2006.

The Transaction (see page 40)

On March 19, 2007, Ultrapar, Petrobras and Braskem announced their intention to acquire the Ipiranga Group and that on March 18, 2007, Ultrapar had entered into, and Petrobras and Braskem had acknowledged, a Share Purchase Agreement, or the SPA, with the Key Shareholders of the principal companies comprising the Ipiranga Group: RIPI, DPPI and CBPI. The SPA closed on April 18, 2007, upon payment of total consideration in the amount of R$2.1 billion, of which R$0.7 billion was paid by Ultrapar. As discussed below, in connection with the Transaction, Ultrapar is acting on its own behalf and on behalf of Petrobras and Braskem as commission agent.

After the completion of the Transaction, the businesses of the Ipiranga Group will be divided among Petrobras, Ultrapar and Braskem. Ultrapar will retain the fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil, as well as the logistics and chemical businesses of the Ipiranga Group. Petrobras will receive the fuel and lubricant distribution businesses located in the North, Northeast and Central West regions of Brazil; and Petrobras and Braskem will receive the petrochemical business, in the proportion of 60% for Braskem and 40% for Petrobras. RIPI s oil refining business will be shared equally among Petrobras, Ultrapar and Braskem.

The Transaction is divided into five phases: (1) acquisition of the shares held by the Key Shareholders by Ultrapar (which closed on April 18, 2007); (2) mandatory cash tender offers (pursuant to tag along rights held by common minority shareholders under Brazilian Corporate Law and CVM rules) for the acquisition of the remaining common shares of RIPI, DPPI, CBPI and IPQ (Mandatory Tender Offers); (3) tender offer by Braskem for the delisting of Copesul s common shares from the BOVESPA (Public Tender Offer); (4) exchange of any remaining common and all preferred shares of RIPI, DPPI and CBPI for preferred shares of Ultrapar (Share Exchange); and (5) separation of the Target Companies assets (Separation of Assets). See The Transaction Description of the Transaction Phases of the Transaction.

In order to effect the Transaction, Ultrapar entered into certain agreements with Petrobras, Braskem and the Ipiranga Group, which we refer to as the Transaction Agreements, including:

Investment Agreement. The Investment Agreement was executed by Ultrapar, Petrobras and Braskem on March 18, 2007 and amended on April 18, 2007 (the Investment Agreement), regulates the relationship among the Acquiring Companies and is the principal agreement governing the Transaction.

Share Purchase Agreement. Entered into on March 18, 2007 among Ultrapar, with the consent of Petrobras and Braskem, and the Key Shareholders, the SPA sets forth the conditions of the Acquiring Companies acquisition of a controlling stake in the Ipiranga Group that was completed on April 18, 2007.

Target Companies Shareholders Agreement. Ultrapar, Petrobras and Braskem entered into the Target Companies shareholders agreement on April 18, 2007 principally to govern the relationships among Ultrapar, Petrobras and Braskem with respect to the management of IQ s and IPQ s businesses.

RIPI Shareholders Agreement. The RIPI shareholders agreement, entered into among Ultrapar, Braskem and Petrobras on April 18, 2007, governs the relationship among Ultrapar, Petrobras and Braskem regarding how RIPI s operations will be managed prior to completion of the Transaction.

Braskem/Petrobras Asset Security Agreement. Ultrapar, Braskem and Petrobras entered into the Braskem/Petrobras asset security agreement on April 18, 2007 pursuant to which Ultrapar is required to pledge to Braskem and Petrobras, in the proportions of 60% and 40%, respectively, all of the RIPI common shares and 50% of the RIPI preferred shares that it acquired from the Key Shareholders. Under this agreement, the RIPI shares acquired in the Mandatory Tender Offers will also be pledged in favor of Braskem and Petrobras, in the same proportions.

Petrobras Asset Security Agreement. Under the Petrobras asset security agreement, entered into on April 18, 2007 among Ultrapar and Petrobras, Ultrapar was required to pledge in favor of Petrobras 31% of the common shares and 100% of the preferred shares of DPPI that it acquired from the Key Shareholders, as well as 100% of the common shares of CBPI that it acquired from the Key Shareholders. After the Mandatory Tender Offers, Ultrapar will also be required to pledge, in substitution for 1,482,751 common shares issued by DPPI, 3,013,903 common shares issued by CBPI that will be acquired, assuming that all the common shares issued by CBPI are acquired in the Mandatory Tender Offers.

For more information on the Transaction Agreements, see The Transaction Transaction Agreements.

To finance part of the Transaction, on April 11, 2007, we completed an offering of unsecured debentures in the aggregate principal amount of R$889 million, in two series. The first series, in the aggregate amount of R$675 million, was issued on April 11, 2007. The second series, in the aggregate amount of R$214 million, will be issued on the financial settlement of the Mandatory Tender Offers for the shares of RIPI, DPPI and CBPI. The debentures have a term of one year, and a coupon rate of 102.5% of CDI. For more information see our 2006 Form 20-F.

The Share Exchange

You Will Receive Ultrapar Preferred Shares in the Share Exchange (see page 44)

In the Share Exchange, Ultrapar will effect an *incorporação de ações* under Brazilian Corporate Law, where each remaining common and all preferred shares of each of RIPI, DPPI and CBPI that are not already owned by Ultrapar will be exchanged for 0.79850, 0.64048 and 0.41846 Ultrapar preferred shares, respectively. As a result, RIPI, DPPI and CBPI will become wholly owned subsidiaries of Ultrapar.

Based on the closing price of Ultrapar preferred shares on the BOVESPA:

- on March 16, 2007, the last full trading day in São Paulo prior to the announcement of the Transaction, the implied value of the share consideration per share of RIPI, DPPI and CBPI preferred stock was R$39.36, R$31.57 and R$20.63, respectively; and

- on September 27, 2007, the latest practicable date prior to the date of this document, the implied value of the share consideration per share of RIPI, DPPI and CBPI preferred stock was R$56.61, R$45.41 and R$29.67, respectively.

The Ultrapar Preferred Shares to Be Issued in the Share Exchange Will Be Listed and Traded on the BOVESPA Stock Market in Brazil

Ultrapar preferred shares are listed on the BOVESPA stock exchange in Brazil under the symbol UGPA4. Ultrapar s ADSs are listed on the New York Stock Exchange under the symbol UGP, but you will not receive any Ultrapar ADSs in connection with the Share Exchange.

The Rights Associated With Owning Ultrapar Preferred Shares Are Different from Those Associated with Owning RIPI, DPPI or CBPI Preferred Shares (see page 106)

The rights of holders of Ultrapar preferred shares are governed by Brazilian Corporate Law and by Ultrapar s bylaws. The rights of holders of RIPI preferred shares are also governed by Brazilian Corporate Law and by RIPI s bylaws. The rights of holders of DPPI preferred shares are also governed by Brazilian Corporate Law and by DPPI s bylaws. The rights of holders of CBPI preferred shares are also governed by Brazilian Corporate Law and by CBPI s bylaws. Accordingly, upon completion of the Share Exchange, preferred shareholders of each of RIPI, DPPI and CBPI will become holders of Ultrapar preferred shares and their rights as preferred shareholders will be governed by, in addition to Brazilian Corporate Law, Ultrapar s bylaws and not RIPI, DPPI or CBPI s bylaws. For a comparison of the rights of holders of Ultrapar preferred shares with the rights of holders of RIPI, DPPI or CBPI preferred shares, see Comparison of Your Rights as a Holder of RIPI, DPPI or CBPI Preferred Shares and Your Rights as a Potential Holder of Ultrapar Preferred Shares.

Deutsche Bank Securities Inc. Has Provided a Valuation Report (see page 48)

Deutsche Bank has provided a valuation report to Ultrapar, dated as of April 4, 2007 in accordance with Brazilian securities law. Revised valuation reports were prepared subsequent to April 4, 2007 and provided to Ultrapar. The most recent updated valuation report will be filed with the SEC and incorporated herein by reference. The report was conducted in connection with the Share Exchange and indicates economic valuations of Ultrapar, RIPI, DPPI and CBPI. The full text of Deutsche Bank s report, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in connection with the report is incorporated herein by reference to Ultrapar s Report on Form 6-K, filed with the SEC on April 19, 2007. You are urged to read the report in its entirety. The report and its conclusions are not recommendations by Deutsche Bank as to whether RIPI, DPPI and CBPI preferred shareholders should take any action in connection with the Share Exchange or the Transaction. The report is not a fairness opinion as such is understood under U.S. law or a recommendation to shareholders relating to the exchange ratio to be offered to the RIPI, DPPI and CBPI preferred shareholders. The report was prepared in connection with Brazilian legal requirements relating to third-party independent valuation reports to be used in connection with merger and acquisition transactions. As compensation for its services in connection with the valuation report, Deutsche Bank will receive US$3,000,000 net of taxes upon completion of the Share Exchange. See The Transaction Deutsche Bank Valuation Report for a summary description of Deutsche Bank s valuation report.

Apsis Consultoria Empresarial S/C Ltda. Will Provide a Valuation Report (see page 56)

Apsis Consultoria Empresarial Ltda., or Apsis, has been engaged by Ultrapar and the Target Companies to conduct a valuation analysis for the purpose of appraising the equity of both Ultrapar and the Ipiranga Group. Apsis s valuation analysis will be used to determine the book value and liquidation value of the Target Companies preferred shares. These values will be utilized in connection with the Target Company shareholders appraisal rights. As noted above, Apsis engagement is subject to shareholder approval.

We intend to include a detailed summary of Apsis s valuation report, and to annex the full text of the report as an exhibit to the registration statement of which this prospectus forms a part, when the report is delivered to us, which we expect to occur prior to the calling of the various shareholder meetings required to implement the Share Exchange.

Appraisal Rights (see page 57)

RIPI and DPPI shareholders will have appraisal rights in connection with the Share Exchange, but CBPI shareholders will not. In the Share Exchange, RIPI and DPPI preferred shareholders appraisal rights will provide them with the right to sell their preferred shares to RIPI or DPPI at their book value, or at either book value or the liquidation value, at their sole discretion, if the exchange ratio calculated with reference to the liquidation value is more favorable to the shareholders of RIPI and DPPI, as applicable, than the exchange ratio offered by Ultrapar, which was calculated with reference to the economic value.

Appraisal rights can only be exercised in the 30 day period following publication of the approval of the Share Exchange by RIPI and DPPI s common shareholders, as applicable. Once the 30-day period for the exercise of appraisal rights has expired, an RIPI or DPPI preferred shareholder will no longer have any right to compel RIPI or DPPI to purchase his or her preferred shares.

RIPI and DPPI s preferred shareholders may exercise their appraisal rights by sending a written notice to RIPI or DPPI, as applicable, informing it that they intend to exercise their appraisal rights. Upon receipt of the notice, RIPI and DPPI are bound to buy the preferred shares, and the shareholder is bound to sell them, unless the management of Ultrapar, RIPI or DPPI decides to reconsider the Share Exchange, as explained below. An RIPI and DPPI preferred shareholder s exercise of appraisal right is irrevocable.

RIPI Will Hold Its Extraordinary Shareholder Meeting on , 2007 (see page 66)

RIPI s extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at RIPI s headquarters, located at Rua Engenheiro Heitor Amaro Barcellos, 551, city of Rio Grande, State of Rio Grande do Sul, Brazil.

You may not vote at RIPI s extraordinary shareholder meeting as a holder of RIPI preferred shares, although you may attend.

DPPI Will Hold Its Extraordinary Shareholder Meeting on , 2007 (see page 66)

DPPI s extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at DPPI s headquarters, located at Avenida Dolores Alcaraz Caldas, 90, city of Porto Alegre, State of Rio Grande do Sul, Brazil.

You may not vote at DPPI s extraordinary shareholder meeting as a holder of DPPI preferred shares, although you may attend.

CBPI will hold its Extraordinary Shareholder Meeting on , 2007 (see page 66)

CBPI s extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at CBPI s headquarters located at Ruo Francisco Eugênio, no 329, City of Rio de Janeiro, State of Rio de Janeiro, Brazil.

You may not vote at CBPI s extraordinary shareholder meeting as a holder of CBPI preferred shares, although you may attend.

Ultrapar Will Hold Its Extraordinary Shareholder Meeting on , 2007 (see page 67)

The Ultrapar extraordinary shareholder s meeting will be held on , 2007 at a.m. (São Paulo time) at Ultrapar s headquarters, located at Av. Brigadeiro Luiz Antonio, 1345 8° andar, city of São Paulo, State of São Paulo, Brazil.

Pending Regulatory Approvals Required for the Transaction (see page 56)

The Transaction must be approved by the Brazilian antitrust authority, *Conselho Administrativo de Defesa Econômica CADE*, which is currently assessing the Transaction and its potential consequences on completion in the relevant Brazilian industries. Approval of the Transaction by CADE is not required for the completion of the Transaction.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF ULTRAPAR

Following is selected consolidated financial data from Ultrapar s audited consolidated annual financial statements, for the periods indicated. You should read this selected financial data in conjunction with Ultrapar s consolidated financial statements and related notes included in its 2006 Form 20-F. See Where You Can Find More Information on page 148.

Ultrapar s consolidated financial statements are prepared in Brazilian *reais* in accordance with accounting practices adopted in Brazil, which differ in certain material respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 24 to Ultrapar s consolidated financial statements appearing in its 2006 Form 20-F, which has been incorporated in this document by reference. For further information concerning the preparation and presentation of the financial information contained in Ultrapar s 2006 Form 20-F, see Presentation of Financial Information appearing in its 2006 Form 20-F.

The following table presents Ultrapar s selected financial information at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income, cash flows, changes in financial position and changes in shareholders equity for the years ended December 31, 2006, 2005 and 2004 are derived from Ultrapar s audited consolidated financial statements included in its 2006 Form 20-F. The consolidated balance sheet information as of December 31, 2004, 2003 and 2002 and the related consolidated statements of income, cash flows, changes in financial position and changes in shareholders equity for the years ended December 31, 2003 and 2002 are derived from Ultrapar s audited consolidated financial statements that are not included in its 2006 Form 20-F, but were include in its Annual Reports on Form 20-F for prior years.

	Year Ended December 31,					
Consolidated Income Statement Data:	**2006(1)**	**2006**	**2005**	**2004**	**2003**	**2002**
	(in millions, except per share data)					
	US$	**R$**	**R$**	**R$**	**R$**	**R$**
Gross sales and services	2,446.2	5,229.9	5,158.0	5,250.6	4,603.8	3,795.3
Taxes on sales and services, rebates, discounts and returns	(203.8)	(435.8)	(464.2)	(466.4)	(603.5)	(800.8)
Net Sales and Services	2,242.4	4,794.1	4,693.8	4,784.2	4,000.3	2,994.5
Cost of sales and services	(1,805.4)	(3,859.9)	(3,783.4)	(3,669.9)	(3,196.4)	(2,247.1)
Gross profit	437.0	934.2	910.4	1,114.3	803.9	747.4
Operating (expenses) income						
Selling, general and administrative expenses	(283.0)	(605.1)	(551.7)	(555.9)	(458.9)	(382.3)
Other operating income, net	0.6	1.3	(0.4)	5.5	6.6	0.4
Total operating expenses	(282.4)	(603.8)	(552.1)	(550.4)	(452.3)	(381.9)
Operating income before financial items	154.6	330.4	358.3	563.9	351.6	365.5
Financial (expenses) income, net	14.3	30.6	(27.3)	(45.0)	(57.2)	28.5
Nonoperating (expenses) income, net	(8.7)	(18.5)	(1.8)	(16.0)	1.0	(44.1)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies and minority interest	160.2	342.5	329.2	502.9	295.4	349.9
Income and social contribution taxes	(26.2)	(56.1)	(28.8)	(83.0)	(44.9)	(71.4)
Income before equity in earnings (losses) of affiliated companies and minority interest	134.0	286.4	300.4	419.9	250.5	278.5

Consolidated Income Statement Data:	2006(1)	2006	2005	2004	2003	2002
		Year Ended December 31, (in millions, except per share data)				
	US$	R$	R$	R$	R$	R$
Equity in earnings (losses) of affiliated companies	0.5	1.0	1.6		(0.5)	(1.7)
Minority interest	(2.5)	(5.3)	(2.8)	(5.4)	(3.6)	(54.5)
Net income	132.0	282.1	299.2	414.5	246.4	222.3
Earnings per share(2)	1.66	3.55	3.73	5.95	3.54	3.62
Dividends per common share(3)	0.83	1.78	1.93	2.36	1.01	1.00
Dividends per preferred share(3)	0.83	1.78	1.93	2.36	1.11	1.09
U.S. GAAP:						
Net income(4)	131.2	280.5	288.9	413.3	292.0	141.5
Basic and diluted earnings per common share(4)(5)	1.62	3.46	3.57	5.17	3.52	1.94
Basic and diluted earnings per preferred share(4)(5)	1.62	3.46	3.57	5.17	3.87	2.13
Depreciation and amortization	67.3	143.9	137.4	126.6	98.5	85.4

(1) The *real* amounts for December 31, 2006 have been converted into dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on this date. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Exchange Rates.

(2) Earnings per share are calculated on the shares outstanding at year end. Under Brazilian GAAP, net earnings per share are not retroactively adjusted for the stock dividend but are retroactively adjusted for the reverse stock split described in our 2006 Form 20-F under Item 4.B. Information on the Company Business Overview.

(3) See Item 8.A. Consolidated Statements and Other Financial Information Dividend and Distribution Policy in our 2006 Form 20-F for information regarding declaration and payment of dividends. Dividends per share do not reflect any adjustments related to the stock dividend described under Item 4.B. Information on the Company Business Overview in our 2006 Form 20-F.

(4) The calculation of net income and earnings per share is retroactively adjusted for the effect of a change in an accounting policy for all the periods presented. See Item 5.A. Operating and Financial Review and Prospects Operating Results U.S. GAAP Reconciliation in our 2006 Form 20-F and Note 24(I)(q) to our consolidated financial statements for more information.

(5) The calculation of earnings per share is retroactively adjusted for stock dividend and reverse stock split for all the periods presented.

Consolidated Balance Sheet Data:	2006(1)	2006	As of December 31, 2005	2004	2003	2002
	(in millions of U.S. dollars or reais, where indicated)					
	US$	R$	R$	R$	R$	R$
Current assets						
Cash and cash equivalents	180.1	385.1	1,114.2	624.5	568.8	637.9
Short-term investment	344.9	737.3	184.8	22.4	41.0	
Trade accounts receivable	168.4	360.0	343.3	369.3	322.3	278.0
Inventories	101.6	217.2	191.7	210.3	137.7	106.3
Recoverable Taxes	55.1	117.8	62.9	73.0	115.5	115.1
Other	19.6	42.0	39.4	45.4	33.4	49.6
Total current assets	**869.7**	**1,859.4**	**1,936.3**	**1,344.9**	**1,218.7**	**1,186.9**
Long-term assets						
Long-term investments	256.3	548.0	372.7	38.8		
Related companies	3.5	7.4	3.7	3.1	2.8	2.6
Deferred income and social contribution taxes	27.2	58.2	61.0	36.3	61.4	33.3
Recoverable Taxes	30.5	65.3	46.8	36.6		
Other	22.4	47.9	49.3	28.5	20.7	11.5
Total long-term assets	**339.9**	**726.8**	**533.5**	**143.3**	**84.9**	**47.4**
Permanent assets						
Investments	14.4	30.8	32.3	31.8	33.1	33.0
Property, plant, equipment and intangible assets, net	548.6	1,172.8	1,072.7	1,047.4	968.6	779.5
Deferred charges, net	52.5	112.3	98.3	99.8	102.7	81.1
Total permanent assets	**615.5**	**1,315.9**	**1,203.3**	**1,179.0**	**1,104.4**	**893.6**
TOTAL ASSETS	**1,825.1**	**3,902.1**	**3,673.1**	**2,667.2**	**2,408.0**	**2,127.9**
Current liabilities						
Loans, financing and debentures	78.5	167.9	201.9	381.6	381.6	219.8
Trade accounts payable	52.6	112.5	90.9	102.0	90.3	104.4
Payroll and related charges	38.0	81.2	66.1	94.1	74.7	64.4
Dividends payable	47.4	101.4	103.9	74.7	41.7	49.0
Other	9.7	20.8	25.5	33.0	44.5	30.6
Total current liabilities	**226.2**	**483.8**	**488.3**	**685.4**	**632.8**	**468.2**
Long-term liabilities						
Loans, financing and debentures	646.3	1,381.8	1,278.6	258.1	306.3	363.6
Related companies	2.2	4.7	5.0	8.8	9.0	10.2
Other taxes and contributions	17.1	36.5	54.7	52.1	40.9	28.5
Other	13.4	28.7	26.8	34.1	30.1	35.3
Total long-term liabilities	**679.0**	**1,451.7**	**1,365.1**	**353.1**	**386.3**	**437.6**
TOTAL LIABILITIES	**905.2**	**1,935.5**	**1,853.4**	**1,038.5**	**1,019.1**	**905.8**
Minority Interest	15.5	33.1	29.6	28.2	32.2	31.0

Consolidated Balance Sheet Data:	2006(1)	2006	2005	2004	2003	2002
	As of December 31, (in millions of U.S. dollars or reais, where indicated)					
	US$	R$	R$	R$	R$	R$
Shareholder s equity						
Capital	442.5	946.0	946.0	664.0	664.0	664.0
Capital reserve	0.3	0.6	0.3	0.1		
Revaluation reserve	6.1	13.0	15.0	16.4	17.8	26.0
Reserves and retained earnings	455.5	973.9	828.8	920.0	674.9	501.1
TOTAL SHAREHOLDER S EQUITY	**904.4**	**1,933.5**	**1,790.1**	**1,600.5**	**1,356.7**	**1,191.1**
TOTAL LIABILITIES AND SHAREHOLDER S EQUITY	**1,825.1**	**3,902.1**	**3,673.1**	**2,667.2**	**2,408.0**	**2,127.9**
U.S. GAAP						
Total assets	**1,797.7**	**3,843.5**	**3,610.0**	**2,595.9**	**2,343.6**	**2,004.2**
Total shareholders equity(2)	**876.0**	**1,872.9**	**1,730.2**	**1,555.3**	**1,305.3**	**1,083.4**

(1) The *real* amounts for December 31, 2006 have been converted into dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on this date. This information is presented solely for the convenience of the reader. You should not interpret the currency conversions in this prospectus as a statement that the amounts in *reais* currently represent such values in U.S. dollars. Additionally, you should not interpret such conversions as statements that the amounts in *reais* have been, could have been or could be converted into U.S. dollars at this or any other foreign exchange rates. See Item 3A. Selected Consolidated Financial Data Exchange Rates in our 2006 Form 20-F.

(2) Shareholders equity as of December 31, 2005, 2004, 2003 and 2002 was retroactively adjusted to reflect changes in accounting policies as from January 2006. See Item 5A. Operating and Financial Review and Prospects Operating Results U.S. GAAP Reconciliation and Note 24 I(q) to our consolidated financial statements included in our 2006 Form 20-F for a better understanding of these changes.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

UNAUDITED PRO FORMA FINANCIAL INFORMATION

As described in more detail herein, this unaudited pro forma financial information is based on the consolidated financial statements of Ultrapar Participações S.A. (Ultrapar or the Company) after giving effect to the Share Exchange.

The unaudited pro forma financial information does not represent what our consolidated financial position or statement of income would actually have been if the proposed Transaction had in fact occurred on the dates informed below. Consequently, you are cautioned not to place undue reliance on the pro forma financial statements. Furthermore, there can be no certainty that the proposed Transaction will be completed in the manner described herein, if at all.

The unaudited pro forma financial information was prepared in accordance with accounting practices adopted in Brazil (Brazilian GAAP), which differ in certain material respects from the generally accepted accounting principles in the United States of America (U.S. GAAP). The unaudited pro forma financial information includes a pro forma reconciliation of net income from Brazilian GAAP to U.S. GAAP.

Summary of Ipiranga Group Acquisition

On March 18, 2007, Ultrapar entered into a stock purchase agreement with the Key Shareholders who controlled Ipiranga Group, a Brazilian conglomerate operating in the fuel and lubricant distribution, oil refining and petrochemicals businesses. The stock purchase agreement closed on April 18, 2007 and, as a result, Ultrapar currently holds a controlling interest in the voting common shares of each of the Target Companies. The Acquisition is being undertaken by Ultrapar in association with Petróleo Brasileiro S.A. Petrobras (Petrobras) and Braskem S.A. (Braskem), two Brazilian public companies and SEC registrants operating in the oil and chemicals businesses. Pursuant to an Investment Agreement signed among the three companies, Ultrapar will acquire all of the businesses of the Ipiranga Group, acting on its own behalf and also as a commission agent for Braskem and Petrobras. The Investment Agreement provides for the agreed division among Ultrapar, Petrobras and Braskem of the assets of the Ipiranga Group as the last step of the Acquisition. Also under the Investment Agreement, Petrobras and Braskem have agreed to provide funding to Ultrapar to pay for the Ipiranga Group assets that they will receive upon completion of the Acquisition. Pursuant to the Investment Agreement, the assets of the Ipiranga Group will be divided as follows: the entire petrochemical business and two-thirds of the Ipiranga Group s oil refining business will be allocated to Braskem and Petrobras; the Ipiranga Group s fuel distribution business in the North, Northeast and Center-West regions of Brazil will be allocated to Petrobras and the Ipiranga Group s fuel distribution business in the South and Southeast regions of Brazil, along with the remaining third of the Ipiranga Group s oil refining business, will be allocated to Ultrapar.

The Acquisition is divided into five steps: (1) acquisition by Ultrapar pursuant to the stock purchase agreement of the Key Shareholders equity interests in the Target Companies; (2) mandatory tender offers (pursuant to tag-along rights held by minority shareholders of the Target Companies, as required by Brazilian Corporate Law) for the acquisition of the remaining common shares of the Target Companies; (3) tender offer by Braskem for the delisting of one company within the Ipiranga Group from the São Paulo Stock Exchange; (4) the Share Exchanges; and (5) separation of the Ipiranga Group s assets among Ultrapar, Petrobras and Braskem.

UNAUDITED PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006

(Amounts in thousands of Brazilian reais, except per share data)

We present below our unaudited pro forma statement of income for the year ended December 31, 2006.

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	Ultrapar and subsidiaries(1)	Acquisition of Fuel and Lubricant Distribution Business (South and Southeast regions)(2)	Acquisition of Oil Refining Business(3)	Eliminations(4)	Pro forma adjustments before the Share Exchange(5)	Pro-Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(5)	Pro-Forma after Share Exchange
Net revenue from sales and/or services	4,794,048	19,107,602	144,031	(162,534)		23,883,147		23,883,147
Cost of sales and/or services	(3,859,860)	(18,150,053)	(135,181)	161,926		(21,983,168)		(21,983,168)
Gross profit	934,188	957,549	8,850	(608)		1,899,979		1,899,979
Operating (expenses) income:								
Selling expenses	(203,320)	(324,562)	(1,094)			(528,976)		(528,976)
General and administrative expenses	(401,794)	(361,819)	(8,651)			(772,264)		(772,264)
Other operating income	1,317	26,699	163			28,179		28,179
Goodwill amortization		2,408			(38,091)	(35,683)	(42,200)	(77,883)
Income (loss) before financial items	330,391	300,275	(732)	(608)	(38,091)	591,235	(42,200)	549,035
Financial income (expenses), net	30,572	139	(1,141)		(134,648)	(105,078)		(105,078)
Nonoperating income (expenses), net	(18,488)	29,930	1			11,443		11,443
Income (loss) before taxes on income and profit sharing	342,475	330,344	(1,872)	(608)	(172,739)	497,600	(42,200)	455,400
Income and social contribution taxes	(61,447)	(74,956)	(1,161)			(137,564)		(137,564)
Deferred income and social contribution taxes	5,355	40,902			58,731	104,988	14,348	119,336
Income (loss) before profit sharing and equity in affiliates	286,383	296,290	(3,033)	(608)	(114,008)	465,024	(27,852)	437,172
Equity in affiliates	965					965		965
Profit sharing		(13,356)	(23)			(13,379)		(13,379)
Minority interest	(5,284)	(139,354)				(144,638)	139,354	(5,284)
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**282,064**	**143,580**	**(3,056)**	**(608)**	**(114,008)**	**307,972**	**111,502**	**419,474**
Outstanding shares as of December 31, 2007 (in thousands)	**81,325.40**	**32,000.00**	**29,600.00**					**134,987.00**

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	Ultrapar and subsidiaries(1)	Acquisition of Fuel and Lubricant Distribution Business (South and Southeast regions)(2)	Acquisition of Oil Refining Business(3)	Eliminations(4)	Pro forma adjustments before the Share Exchange(5)	Pro-Forma before Share Exchange	Pro forma adjustments related to the Share Exchange(5)	Pro-Forma after Share Exchange
Brazilian GAAP pro forma earnings (loss) per share	**3.55**	**4.49**	**-0.09**					**3.46**
Brazilian GAAP dividends declared and interest on capital per share	**1.78**							**1.78(*)**

(*) Pro-forma dividend reflects the same dividend per share distributed by Ultrapar prior to the Transaction.

PRO FORMA RECONCILIATION TO U.S. GAAP								
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**282,064**	**143,580**	**(3,056)**	**(608)**	**(114,008)**	**307,972**	**111,502**	**419,474**
Reversal of revaluation adjustments	3,305					3,305		3,305
Inflation accounting	(3,588)	(21,081)	(58)			(24,727)		(24,727)
Fair value adjustments relating purchase accounting of a business acquired					(40,572)	(40,572)		(40,572)
Different criteria for:								
Cancellation of subsidiaries treasury stock	869					869		869
Deferred charges	(17,611)					(17,611)		(17,611)
Depreciation of interest costs capitalized during construction	(458)					(458)		(458)
Reversal of goodwill amortization	5,248				38,091	43,339	42,200	85,539
Fair value adjustments relating to accounting for derivative instruments and hedging activities	1,350	446				1,796		1,796
Translation adjustments Canamex	1,759					1,759		1,759
Other individually insignificant adjustments	1,438					1,438		1,438
Fair value adjustments relating to business combinations	(1,547)					(1,547)		(1,547)
Fair value adjustments relating to acquisition of minority interest in Oxiteno S.A. Indústria e Comércio	4,485					4,485		4,485

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	**Ultrapar and subsidiaries(1)**	**Acquisition of Fuel and Lubricant Distribution Business (South and Southeast regions)(2)**	**Acquisition of Oil Refining Business(3)**	**Eliminations(4)**	**Pro forma adjustments before the Share Exchange(5)**	**Pro-Forma before Share Exchange**	**Pro forma adjustments related to the Share Exchange(5)**	**Pro-Forma after Share Exchange**
Fair value adjustments relating to the acquisition of SPGás Distribuidora de Gás Ltda.	1,484					1,484		1,484
Fair value adjustments relating to the acquisition of Canamex Químicos S.A. de C.V.	167					167		167
Fair value adjustments relating to acquisition of minority interest in Companhia Ultragaz S.A	(551)					(551)		(551)
Gain on change in equity interest in Max Facil		(85,494)				(85,494)		(85,494)
Post-employment benefits adjustment		(16,090)	(767)			(16,857)		(16,857)
Accounting for asset retirement obligation		686				686		686
Capitalization of interest costs during construction, net of depreciation		1,115				1,115		1,115
Fair value of guarantees under FIN 45		708	32			740		740
Accounting for refunds		2,218				2,218		2,218
Deferred tax effects	2,053	7,493	270		844	10,660	(14,348)	(3,688)
Minority interest	41					41		41
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**280,508**	**33,580**	**(3,579)**	**(608)**	**(115,645)**	**194,257**	**139,354**	**333,611**
U.S. GAAP weighted average number of shares outstanding (in thousands)	**81,129.70**	**32,000.00**	**29,600.00**					**134,791.30**
Basic and diluted U.S. GAAP pro forma earnings (loss) per share	**3.46**	**1.07**	**-0.24**					**2.98**
U.S. GAAP dividends declared and interest on shareholders equity per share	**1.78**							**1.78(*)**

(*) Pro-forma dividend reflects the same dividend per share distributed by Ultrapar prior to the Transaction.

The accompanying notes are an integral part of these unaudited pro forma financial statements.

(1) Reflects Ultrapar s statement of income for the year ended December 31, 2006.

(2) Reflects statement of income for the year ended December 31, 2006 relating to the South and Southeast fuel and lubricant distribution business acquired, resulting from DPPI and CBPI carve-out financials, as detailed in Note 3.i.

(3) Reflects RPI s statement of income for the year ended December 31, 2006 relating to the portion of the oil refining businesses acquired, as detailed in Note 3.ii.

(4) Reflects the elimination of intercompany transactions. See Note 2.

(5) Reflects the pro forma adjustments which are commented in Notes 4 and 5.

Notes to the Unaudited Pro Forma Financial Information

1. Basis of Presentation

The unaudited pro forma financial information for the year ended December 31, 2006 has been prepared by combining the Company s historical consolidated statement of income for the year ended December 31, 2006 with the statement of income relating to the fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil and the proportion of the oil refining business acquired by us for the same period, in all cases under Brazilian GAAP reconciled to U.S. GAAP.

The unaudited pro forma financial information has been derived from, and should be read in conjunction with, the historical consolidated financial statements of Ultrapar, DPPI and RPI, including notes thereto. Those consolidated financial statements are included elsewhere in this Prospectus or by reference.

The unaudited pro forma financial information included herein gives effect to the acquisition as if it had occurred on January 1, 2006. The unaudited pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved had the acquisition been completed as of the date indicated above or of results that may be attained in the future.

2. Eliminations

Intercompany eliminations and consolidating entries related to the unaudited pro forma statement of income for December 31, 2006 refer to sales of fuels by RPI to DPPI, which should be eliminated in order to show our total unaudited pro forma consolidated statement of income.

3. Unaudited Pro Forma Statements of Fuel and Lubricant Distribution and Oil Refining Businesses acquired by Ultrapar, were construed as follows:

i) Fuel and Lubricant Distribution Business

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	**DPPI and subsidiaries(a)**	**CBPI and subsidiaries(b)**	**DPPI (-) CBPI(c)**	**Adjustments(d)**	**DPPI Carved-out(e)**	**CBPI Carved-out(f)**	**CBPI Other Income (Expenses) of South and Southeast Fuel and Lubricant Distribution Business(g)**	**Acquisition of Fuel and Lubricant Distribution Business (South and Southeast regions)**
Net revenue from sales and/or services	25,714,728	22,225,121	3,489,607	80,624	3,570,231	15,537,371		19,107,602
Cost of sales and/or services	(24,430,465)	(21,143,026)	(3,287,439)	(64,282)	(3,351,721)	(14,798,332)		(18,150,053)
Gross profit	1,284,263	1,082,095	202,168	16,342	218,510	739,039		957,549
Operating (expenses) income:								
Selling expenses	(439,641)	(365,646)	(73,995)	(15,836)	(89,831)	(177,284)	(57,447)	(324,562)
General and administrative expenses	(492,762)	(426,290)	(66,472)	(949)	(67,421)	(150,655)	(143,743)	(361,819)
Other operating income	23,163	19,531	3,632	569	4,201	27,564	(5,066)	26,699
Equity in subsidiaries and goodwill amortization	(2,164)	(2,164)		858	858	1,550		2,408
Income (loss) before financial items	372,859	307,526	65,333	984	66,317	440,214	(206,256)	300,275
	(7,702)	(25,067)	17,365	(1,417)	15,948		(15,809)	139

Financial income
(expenses), net

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	**DPPI and subsidiaries(a)**	**CBPI and subsidiaries(b)**	**DPPI (-) CBPI(c)**	**Adjustments(d)**	**DPPI Carved-out(e)**	**CBPI Carved-out(f)**	**CBPI Other Income (Expenses) of South and Southeast Fuel and Lubricant Distribution Business(g)**	**Acquisition of Fuel and Lubricant Distribution Business (South and Southeast regions)**
Nonoperating income (expenses), net	30,139	3,730	26,409	(209)	26,200		3,730	29,930
Income (loss) before taxes on income and profit sharing	395,296	286,189	109,107	(642)	108,465	440,214	(218,335)	330,344
Income and social contribution taxes	(91,184)	(70,291)	(20,893)	433	(20,460)		(54,496)	(74,956)
Deferred income and social contribution taxes	43,145	35,251	7,894		7,894		33,008	40,902
Income (loss) before profit sharing and equity in affiliates	347,257	251,149	96,108	(209)	95,899	440,214	(239,823)	296,290
Equity in affiliates	87,056	87,056						
Profit sharing	(16,318)	(14,656)	(1,662)		(1,662)		(11,694)	(13,356)
Minority interest	(257,120)						117,766	(139,354)
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**160,875**	**323,549**	**94,446**	**(209)**	**94,237**	**440,214**	**(133,751)**	**143,580**
PRO FORMA RECONCILIATION TO U.S. GAAP								
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**160,875**	**323,549**	**94,446**	**(209)**	**94,237**	**440,214**	**(133,751)**	**143,580**
Inflation accounting	(23,505)	(21,276)	(2,229)		(2,229)	(18,852)		(21,081)
Fair value adjustments relating to accounting for derivative instruments and hedging activities	748	748					446	446
Goodwill and business combination	846	4,665	(3,819)	3,819				
Gain on change in equity interest in Max Facil	(85,494)	(58,136)	(27,358)		(27,358)	(58,136)		(85,494)
Post-employment benefits adjustment	(20,781)	(17,808)	(2,973)		(2,973)	(1,844)	(11,273)	(16,090)
Accounting for asset retirement obligation	731	229	502		502	184		686

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	DPPI and subsidiaries(a)	CBPI and subsidiaries(b)	DPPI (-) CBPI(c)	Adjustments(d)	DPPI Carved-out(e)	CBPI Carved-out(f)	CBPI Other Income (Expenses) of South and Southeast Fuel and Lubricant Distribution Business(g)	Acquisition of Fuel and Lubricant Distribution Business (South and Southeast regions)
Capitalization of interest costs during construction, net of depreciation	1,702	1,455	247		247		868	1,115
Fair value of guarantees under FIN 45	226	(482)	708		708			708
Accounting for refunds	2,346	2,346				2,218		2,218
U.S. GAAP adjustments on net equity and net income of affiliates	(60,689)	(28,623)	(32,066)	32,066				
Accounting for convertible debentures issued by IQ and warrants purchased by the Company	720	720						
Deferred tax effects	45,090	11,752	33,338	(32,066)	1,272	6,221		7,493
Minority interest	86,293		86,293	(86,293)				
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**109,108**	**219,139**	**147,089**	**(82,683)**	**64,406**	**370,005**	**(143,710)**	**33,580**

a) Reflects DPPI s consolidated Statement of Income for the year ended December 31, 2006. Since DPPI controls CBPI, the latter is consolidated by DPPI. See page F-48 for DPPI s consolidated financial statements.

b) Reflects CBPI s consolidated Statement of Income for the year ended December 31, 2006. See page F-88 for CBPI s consolidated financial statements.

c) Reflects DPPI s Statement of Income for the year ended December 31, 2006, excluding CBPI.

d) Reflects the reversal of intercompany eliminations that had already been booked in DPPI s consolidated Statement of Income for the year ended December 31, 2006. The main eliminating items refer to sales of fuels between CBPI and DPPI and freight services provided by a subsidiary of CBPI to DPPI.

e) Reflects DPPI s carved-out Statement of Income for the year ended December 2006, which reflects the company s fuel and lubricants operations. See page F-150 for the carve out financial statements of DPPI.

f) Reflects CBPI carved-out Abbreviated Statement of Revenues and Direct Expenses for the year ended December 31, 2006, which relates to the company s fuel and lubricants operations in the South and Southeast regions of Brazil. See page F-185 for CBPI s Abbreviated financial statements.

g) Reflects other income and expenses for the carved-out business of CBPI for the year ended December 31, 2006. To estimate sales, general and administrative expenses and profit sharing we used the proportion of such items existing in 2007 from the acquisition onward between the South and Southeast operations to the total of CBPI. For financial expenses we used a proportion of operating profit. For income taxes we adopted the overall income tax rate of CBPI in 2006. For deferred taxes we used our best judgment to separate factors that affect the tax base of the South and Southeast operations. Minority interest reflects the minorities of CBPI in the aforementioned adjustments.

ii) Oil Refining Business

PRO FORMA STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2006	**RPI and subsidiaries (a)**	**(-) RPI s Results relating to the Petrochemical and Fuel and Lubricant Distribution Businesses (b)**	**RPI Oil Refining Business (c)**	**Acquisition of Oil Refining Business**
Net revenue from sales and/or services	4,191,357	(3,759,222)	432,135	144,031
Cost of sales and/or services	(3,379,553)	2,973,968	(405,585)	(135,181)
Gross profit	811,804	(785,254)	26,550	8,850
Operating (expenses) income:				
Selling expenses	(191,881)	188,600	(3,281)	(1,094)
General and administrative expenses	(155,424)	129,468	(25,956)	(8,651)
Other operating income	8,204	(7,715)	489	163
Goodwill amortization				
Income (loss) before financial items	472,703	(474,901)	(2,198)	(732)
Financial income (expenses), net	(86,349)	82,926	(3,423)	(1,141)
Nonoperating income (expenses), net	(34,160)	34,164	4	1
Income (loss) before taxes on income and profit sharing	352,194	(357,811)	(5,617)	(1,872)
Income and social contribution taxes	(104,108)	100,626	(3,482)	(1,161)
Deferred income and social contribution taxes	22,678	(22,678)		
Income (loss) before profit sharing and equity in affiliates	270,764	(279,863)	(9,099)	(3,033)
Equity in affiliates	24,324	(24,324)		
Profit sharing	(7,867)	7,797	(70)	(23)
Minority interest	(122,981)	122,981		
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**164,240**	**(173,409)**	**(9,169)**	**(3,056)**

PRO FORMA RECONCILIATION TO U.S. GAAP				
NET PRO FORMA INCOME (LOSS) UNDER BRAZILIAN GAAP	**164,240**	**(173,409)**	**(9,169)**	**(3,056)**
Inflation accounting	(2,673)	2,499	(174)	(58)
Different criteria for:				
Deferred charges	(3,954)	3,954		
Other individually insignificant adjustments	(3,973)	3,973		
Post-employment benefits adjustment	(5,822)	3,522	(2,300)	(767)
Fair value of guarantees under FIN45	96	(0)	96	32
IPQ s business acquisition by IQ in 1998	21,322	(21,322)		
COPESUL s business acquisition by IPQ in 2000	(1,199)	1,199		
IPQ s business acquisition by IQ in 2003	6,041	(6,041)		

IPQ s business acquisition by IQ in 2006	47,925	(47,925)		
Different criteria for investments in affiliated companies (DPPI) Reversal of equity pick-up	(7,316)	7,316		
U.S GAAP adjustments on net income of COPESUL	(50,606)	50,606		
Valuation allowance for deferred taxes	(76,245)	76,245		
U.S GAAP adjustments on net income of CBPI	(10,464)	10,464		
Accounting for warrants purchased by the Company	(38,493)	38,493		
Deferred tax effects	109,508		810	270
Minority interest	(14,359)	14,359		
NET PRO FORMA INCOME (LOSS) UNDER U.S. GAAP	**134,028**	**(36,067)**	**(10,737)**	**(3,579)**

a) Reflects RPI and Subsidiaries Statement of Income for the year ended December 31, 2006, which includes the consolidation of the petrochemical business and equity in DPPI. See Annex F1 for RPI s consolidated financial statements.

b) Reflects the elimination of results obtained from the petrochemical and fuel and lubricant distribution businesses for the year ended December 31, 2006

c) Reflects the Statement of Income of RPI s oil refining business for the year ended December 31, 2006. See Annex F4 for RPI s carve-out financial statements.

4. Pro Forma Adjustments under Brazilian GAAP

i) *Offering of unsecured debentures*

To finance part of the Ipiranga Group Acquisition, on April 11, 2007 Ultrapar completed the second offering of unsecured debentures in the aggregate principal amount of R$890 million. The debentures have a term of one year, and a coupon rate of 102.5% of the CDI.

For purposes of the unaudited pro forma financial information, the debentures were considered issued at January 1, 2006. Consequently, the unaudited pro forma financial information includes interests related to these series in the amount of R$134,497 for the year ended December 31, 2006.

This adjustment is presented in the pro forma adjustments before the Share Exchange column.

ii) *Equity in subsidiaries*

Goodwill amortization related to the acquisition of DPPI and RPI under Brazilian GAAP

Under Brazilian GAAP, the acquisition of DPPI and RPI is recorded based on the historical values of their assets and liabilities and the difference between the historical carrying value of net assets and the purchase price is recorded as goodwill. Minority interest is presented separately. For purposes of the unaudited pro forma statement of income the goodwill is being amortized in ten years, resulting in amortization of R$80,291 for the year ended December 31, 2006.

For purposes of the unaudited pro forma financial information, goodwill was determined as follows:

	R$
Amount relating to the acquisition of voting shares	890,000
Amount relating to the acquisition of non-voting shares	986,000
Purchase price of DPPI, CBPI and RPI, net of the assets to be transferred to Petrobras and Braskem	1.876,000
Proportional equity of DPPI, CBPI and RPI as of January 1, 2006, net of the assets to be transferred to Petrobras and Braskem	(1,073,093)
Estimated goodwill under Brazilian GAAP	802,907

The table below shows the movements in the goodwill balance:

	R$
Balance as of January 1, 2006	802,907

Amortization for the year ended December 31, 2006	(80,291)
Balance as of December 31, 2006	722,616

This adjustment for the voting shares is presented under pro forma adjustments before the Share Exchange and for the non-voting shares under pro forma adjustments related to the Share Exchange .

iii) *Deferred income tax effects*
Reflects the income tax effects of the pro forma adjustments commented above.

iv) *Minority interest*
No minority interest will remain in DPPI, CBPI and RPI after the Share Exchange. This adjustment is presented in the pro forma adjustments related to the Share Exchange column.

5. Pro Forma Adjustments under U.S. GAAP:

i) *Under U.S. GAAP the acquisition of DPPI and RPI was accounted for under the purchase method as follows:*

	R$
Cost of acquisition	1,876,000
Proportional net equity (at fair value) of DPPI as of January 1, 2006	(1,250,994)
Proportional net equity (at fair value) of RPI as of January 1, 2006	(50,006)
Estimated DPPI and RPI goodwill under U.S. GAAP	575,000

Goodwill under U.S. GAAP will be tested for impairment on an annual basis. As a consequence, the reconciliation between Brazilian GAAP and U.S. GAAP refers to the elimination of Brazilian GAAP goodwill amortization. The corresponding reconciling item for the voting shares is presented under pro forma adjustments before the Share Exchange and for the non-voting shares under pro forma adjustments related to the Share Exchange .

ii) *Other Pro Forma Adjustments to the Reconciliation of Net Income from Brazilian GAAP to U.S. GAAP*
The reconciling items between Brazilian GAAP and U.S. GAAP and the accompanying references as they relate to Ultrapar, DPPI and RPI are described in the notes to the respective consolidated financial statements, included elsewhere in this Prospectus or by reference.

iii) *Deferred income tax effects*
Reflects the income tax effects of the pro forma adjustments commented above.

iv) *Minority interest*
No minority interest will remain in DPPI, CBPI and RPI after the Share Exchange as these Target Companies will become wholly owned subsidiaries of Ultrapar. This adjustment is presented in the pro forma adjustments related to the Share Exchange column.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF RIPI

Following is selected consolidated financial data from RIPI s audited consolidated annual financial statements, for the periods indicated. You should read this selected financial data in conjunction with RIPI s consolidated financial statements and related notes included in this prospectus. See Where You Can Find More Information on page 148.

RIPI s consolidated financial statements are prepared in Brazilian *reais* in accordance with accounting practices adopted in Brazil, which differ in certain material respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 25 to RIPI s consolidated financial statements included in this prospectus. For further information concerning the preparation and presentation of the financial information contained in RIPI s consolidated financial statements, see Note 2 to RIPI s consolidated financial statements included in this prospectus.

The following table presents RIPI s selected financial information at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income, cash flows, changes in financial position and changes in shareholders equity for the years ended December 31, 2006, 2005 and 2004 are derived from RIPI s audited consolidated financial statements included in this prospectus.

Consolidated Income Statement

	2006(1)	**2006**	**2005**	**2004**
	(in millions, except per share data)			
	US$	**R$**	**R$**	**R$**
Gross sales and services	2,628.6	5,619.9	4,998.1	5,176.9
Taxes on sales and services, rebates, discounts and returns	(668.1)	(1,428.5)	(1,385.4)	(1,429.9)
Net Sales and Services	**1,960.5**	**4,191.4**	**3,612.7**	**3,747.0**
Cost of sales and services	(1,580.7)	(3,379.6)	(2,872.8)	(2,897.3)
Gross profit	**379.8**	**811.8**	**739.9**	**849.7**
Operating (expenses) income				
Selling, general and administrative expenses	(162.4)	(347.3)	(304.8)	(303.2)
Other operating income, net	3.8	8.2	26.6	11.9
Total operating expenses	(158.6)	(339.1)	(278.2)	(291.3)
Operating income before financial items	**221.2**	**472.7**	**461.7**	**558.4**
Financial (expenses) income , net	(40.4)	(86.4)	(134.5)	(111.0)
Nonoperating (expenses) income, net	(15.9)	(34.1)	1.2	(0.2)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies, employee statutory interest and minority interest	164.9	352.2	328.4	447.2
Income and social contribution taxes	(38.1)	(81.4)	(100.2)	(68.3)
Income before equity in earnings (losses) of affiliated companies and minority interest	126.8	270.8	228.2	378.9
Equity in earnings (losses) of affiliated companies	11.4	24.3	30.4	19.8

Consolidated Income Statement

	2006(1)	2006	2005	2004
	(in millions, except per share data)			
	US$	R$	R$	R$
Employees statutory interest	(3.7)	(7.9)	(7.1)	(6.4)
Minority interest	(57.5)	(123.0)	(113.2)	(176.4)
Net income	**77.0**	**164.2**	**138.3**	**215.9**
Net earnings per share	2.60	5.55	9.34	14.59
Dividends per common shares	0.27	0.57	1.25	1.03
Dividends per preferred shares	0.29	0.62	1.38	1.14
U.S. GAAP:				
Net income		134.0	338.1	
Basic earnings per common share		4.25	10.71	
Diluted earnings per common share		4.10	10.65	
Basic earnings per preferred share		4.67	11.78	
Diluted earnings per preferred share		4.51	11.72	
Depreciation and amortization		145.0	167.4	

(1) *Real* amounts for December 31, 2006 have been converted into U.S. dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on such date. This information is presented solely for the convenience of the reader.

Consolidated Balance Sheet	2006(1)	As of December 31, 2006	2005	2004
	US$	R$	R$	R$
Current assets				
Cash and cash equivalents	42.9	91.8	91.3	100.5
Short-term Investments	13.3	28.4	29.9	22.2
Related companies	11.0	23.5	11.2	11.1
Trade accounts receivable, net	210.3	449.6	186.7	358.1
Inventories	223.1	476.9	414.8	385.5
Recoverable Taxes	43.3	92.6	89.4	73.1
Other	49.1	105.0	52.6	91.7
Total current assets	**593.0**	**1,267.8**	**875.9**	**1,042.9**
Long-term assets				
Trade accounts receivable, net	1.3	2.8	0.2	44.5
Long term investments	0.1	0.2	0.3	3.4
Related companies			0.1	
Deferred income and social contribution taxes	65.8	140.7	109.7	117.4
Recoverable Taxes	70.8	151.3	130.8	33.2
Other	9.4	20.0	20.7	19.2
Total long-term assets	**147.4**	**315.0**	**261.8**	**217.7**
Permanent assets				
Investments	156.5	334.7	334.7	289.7
Property, plant, equipment and intangible assets, net	467.4	999.4	1,017.7	1,036.7
Deferred charges, net	8.5	18.2	16.3	19.3
Total permanent assets	**632.4**	**1,352.3**	**1,368.7**	**1,345.7**
TOTAL ASSETS	**1,372.8**	**2,935.1**	**2,506.4**	**2,606.3**

Consolidated Balance Sheet	2006(1) US$	As of December 31, 2006 R$	2005 R$	2004 R$
Current liabilities				
Loans, financing and debentures	97.8	209.0	333.9	501.0
Trade accounts payable	330.5	706.6	510.5	476.6
Payroll and related charges	18.4	39.4	32.8	
Provision for post-employment benefits	1.9	4.1	4.2	6.8
Taxes Payable	27.6	59.0	38.3	114.7
Related companies	42.6	91.0	16.4	1.6
Dividends payable	44.2	94.5	22.4	16.3
Other Taxes and Contributions contingent liabilities	4.7	10.0	1.6	1.3
Other	16.8	36.0	63.0	81.0
Total current liabilities	**584.5**	**1,249.6**	**1,023.1**	**1,234.8**
Long-term liabilities				
Loans, financing and debentures	326.5	698.0	710.0	829.9
Other Taxes and Contributions contingent liabilities	5.5	11.8	3.8	2.5
Provision for post-employment benefits	22.1	47.3	49.7	62.7
Other	34.8	74.3	77.3	62.7
Total long-term liabilities	**388.9**	**831.4**	**840.8**	**957.8**
TOTAL LIABILITIES	**973.4**	**2,081.0**	**1,863.9**	**2,192.6**
Minority Interest	130.7	279.5	214.1	103.8
Stockholder s equity				
Capital	170.7	365.0	180.0	180.0
Revaluation reserve	2.9	6.2	6.2	6.2
Reserves and retained earnings	95.1	203.4	242.2	123.7
TOTAL STOCKHOLDER S EQUITY	**268.7**	**574.6**	**428.4**	**309.9**
TOTAL LIABILITIES STOCKHOLDER S EQUITY	**1,372.8**	**2,935.1**	**2,506.4**	**2,606.3**
U.S. GAAP				
Total assets		2,856.5	2,463.9	
Total stockholders equity		772.9	655.5	

(1) *Real* amounts for December 31, 2006 have been converted into U.S. dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on such date. This information is presented solely for the convenience of the reader.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF DPPI

Following is selected consolidated financial data from DPPI s audited consolidated annual financial statements, for the periods indicated. You should read this selected financial data in conjunction with DPPI s consolidated financial statements and related notes included in this prospectus. See Where You Can Find More Information on page 148.

DPPI s consolidated financial statements are prepared in Brazilian *reais* in accordance with accounting practices adopted in Brazil, which differ in certain material respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 25 to DPPI s consolidated financial statements included in this prospectus. For further information concerning the preparation and presentation of the financial information contained in DPPI s consolidated financial statements, see Note 2 to DPPI s consolidated financial statements included in this prospectus.

The following table presents DPPI s selected financial information at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income, cash flows, changes in financial position and changes in shareholders equity for the years ended December 31, 2006, 2005 and 2004 are derived from DPPI s audited consolidated financial statements included in this prospectus.

Consolidated Income Statement	**2006(1)**	**2006**	**2005**	**2004**
	(in millions, except per share data)			
	US$	**R$**	**R$**	**R$**
Gross sales and services	12,329.7	26,360.8	23,471.7	19,698.2
Taxes on sales and services, rebates, discounts and returns	(302.2)	(646.0)	(714.2)	(586.6)
Net Sales and Services	**12,027.5**	**25,714.8**	**22,757.5**	**19,111.6**
Cost of sales and services	(11,426.8)	(24,430.5)	(21,533.9)	(18,009.9)
Gross profit	**600.7**	**1,284.3**	**1,223.6**	**1,101.7**
Operating (expenses) income				
Selling, general and administrative expenses	(436.1)	(932.4)	(881.1)	(772.7)
Other operating income, net	10.9	23.2	62.7	12.7
Total operating expenses	(425.2)	(909.2)	(818.4)	(760.0)
Operating income before financial items	**175.5**	**375.1**	**405.2**	**341.7**
Financial (expenses) income , net	(3.6)	(7.7)	40.8	15.3
Nonoperating (expenses) income, net	14.1	30.1	26.6	(11.1)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies and minority interest	186.0	397.5	472.6	345.9
Income and social contribution taxes	(22.5)	(48.1)	(99.7)	(70.4)
Income before equity in earnings (losses) of affiliated companies, employee statutory interest and minority interest	163.5	349.4	372.9	275.5
Equity in earnings (losses) of affiliated companies	39.7	84.9	72.4	127.8
Employees statutory interest	(7.6)	(16.3)	(16.7)	(12.7)
Minority interest	(120.3)	(257.1)	(258.8)	(252.6)
Net income	**75.3**	**160.9**	**169.8**	**138.0**

Consolidated Income Statement	2006(1)	2006	2005	2004
		(in millions, except per share data)		
	US$	R$	R$	R$
Net earnings per share	2.35	5.03	10.61	8.63
Dividends per common shares	0.89	1.91	4.13	3.28
Dividends per preferred shares	0.98	2.10	4.55	3.61
U.S. GAAP:				
Net income		109.1	101.5	
Basic and diluted earnings per common share		3.20	2.97	
Basic and diluted earnings per preferred share		3.52	3.27	
Depreciation and amortization		113.7	127.6	

(1) *Real* amounts for December 31, 2006 have been converted into U.S. dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on such date. This information is presented solely for the convenience of the reader.

Consolidated Balance Sheet	2006(1)	As of December 31, 2006	2005	2004
		(in millions, where indicated)		
	US$	R$	R$	R$
Current assets				
Cash and cash equivalents	54.4	116.3	52.9	130.6
Related companies	28.6	61.2	2.1	4.9
Trade accounts receivable, net	568.8	1,216.1	1,152.5	975.6
Inventories	231.3	494.6	437.4	404.6
Recoverable Taxes	32.7	70.0	43.1	53.2
Other	38.3	81.7	55.6	56.7
Total current assets	**954.1**	**2,039.9**	**1,743.6**	**1,625.6**
Long-term assets				
Trade accounts receivable, net	87.5	187.0	167.0	148.6
Long term investments	39.8	85.0		
Related companies	36.3	77.7	336.4	254.8
Deferred income and social contribution taxes	22.2	47.5	51.9	52.0
Recoverable Taxes	1.4	3.0	9.5	7.6
Other	30.0	64.1	64.7	55.9
Total long-term assets	**217.2**	**464.3**	**629.5**	**518.9**
Permanent assets				
Investments	117.7	251.6	252.1	178.3
Property, plant, equipment and intangible assets, net	420.6	899.3	843.3	800.4
Deferred charges, net	0.2	0.5	1.2	0.8
Total permanent assets	**538.5**	**1,151.4**	**1,096.6**	**979.5**
TOTAL ASSETS	**1,709.8**	**3,655.6**	**3,469.7**	**3,124.0**
Current liabilities				
Loans, financing and debentures	67.2	143.6	289.7	181.9
Trade accounts payable	237.9	508.8	567.3	549.7
Payroll and related charges	51.2	109.4	113.9	59.2
Provision for post-employment benefits	3.3	7.2	3.4	13.7
Taxes Payable	26.1	55.8	78.9	64.7
Related companies	2.0	4.4	2.0	7.1
Dividends payable				50.9

Other Taxes and Contributions - contingent liabilities	16.6	35.4	38.1	32.6
Other	9.3	20.0	21.3	64.9
Total current liabilities	**413.6**	**884.6**	**1,114.6**	**1,024.8**

Consolidated Balance Sheet Data	As of December 31, 2006(1)	2006	2005	2004
	(in millions, where indicated)			
	US$	R$	R$	R$
Long-term liabilities				
Loans, financing and debentures	278.2	594.8	424.8	409.5
Other Taxes and Contributions contingent liabilities	27.6	59.0	57.0	20.7
Provision for post-employment benefits	36.2	77.4	90.1	125.6
Other	3.5	7.4	8.3	20.7
Total long-term liabilities	**345.5**	**738.6**	**580.2**	**576.5**
TOTAL LIABILITIES	**759.1**	**1,623.2**	**1,694.8**	**1,601.3**
Minority Interest	574.6	1,228.4	1,066.5	913.6
Stockholder s equity				
Capital	259.6	555.0	305.0	265.0
Capital reserve				0.1
Reserves and retained earnings	116.5	249.0	403.4	344.0
TOTAL STOCKHOLDER S EQUITY	**376.1**	**804.0**	**708.4**	**609.1**
TOTAL LIABILITIES STOCKHOLDER S EQUITY	**1,709.8**	**3,655.6**	**3,469.7**	**3,124.0**
U.S. GAAP:				
Total assets		**3,710.4**	**3,528.9**	
Total stockholders equity		**849.0**	**767.1**	

(1) *Real* amounts for December 31, 2006 have been converted into U.S. dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on such date. This information is presented solely for the convenience of the reader.

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF CBPI

Following is selected consolidated financial data from CBPI s audited consolidated annual financial statements, for the periods indicated. You should read this selected financial data in conjunction with CBPI s consolidated financial statements and related notes included in this prospectus. See Where You Can Find More Information on page 148.

CBPI s consolidated financial statements are prepared in Brazilian *reais* in accordance with accounting practices adopted in Brazil, which differ in certain material respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. For a summary of the differences between the accounting practices adopted in Brazil and U.S. GAAP, see Note 25 to CBPI s consolidated financial statements included in this prospectus. For further information concerning the preparation and presentation of the financial information contained in CBPI s consolidated financial statements see Note 2 to CBPI s consolidated financial statements included in this prospectus.

The following table presents CBPI s selected financial information at the dates and for each of the periods indicated in Brazilian GAAP, and U.S. GAAP where indicated. The consolidated balance sheet information as of December 31, 2006 and 2005 and the consolidated statements of income, cash flows, changes in financial position and changes in shareholders equity for the years ended December 31, 2006, 2005 and 2004 are derived from CBPI s audited consolidated financial statements included in this prospectus.

Consolidated Income Statement

	2006(1)	**2006**	**2005**	**2004**
	(in millions of U.S. dollars or reais, where indicated, except per share data)			
	US$		**R$**	
Gross sales and services	10,656.2	22,783.0	20,104.5	16,769.1
Taxes on sales and services, rebates, discounts and returns	(260.9)	(557.9)	(628.0)	(520.7)
Net Sales and Services	**10,395.3**	**22,225.1**	**19,476.5**	**16,248.4**
Cost of sales and services	(9,889.1)	(21,143.0)	(18,450.1)	(15,336.5)
Gross profit	**506.2**	**1,082.1**	**1,026.4**	**911.9**
Operating (expenses) income				
Selling, general and administrative expenses	(370.4)	(791.9)	(758.8)	(659.5)
Other operating income, net	9.1	19.5	49.8	5.6
Total operating expenses	(361.3)	(772.4)	(709.0)	(653.9)
Operating income before financial items	**144.9**	**309.7**	**317.4**	**258.0**
Financial (expenses) income , net	(11.7)	(25.1)	22.2	6.3
Nonoperating (expenses) income, net	1.7	3.7	(2.9)	(12.4)
Income before income and social contribution taxes, equity in earnings (losses) of affiliated companies and employee statutory interest	134.9	288.3	336.7	251.9
Income and social contribution taxes	(16.4)	(35.0)	(69.2)	(51.2)
Income before equity in earnings (losses) of affiliated companies and employee statutory interest	118.5	253.3	267.5	200.7
Equity in earnings (losses) of affiliated companies	39.7	84.9	72.4	127.8
Employees statutory interest	(6.9)	(14.7)	(14.4)	(10.6)
Net income	**151.3**	**323.5**	**325.5**	**317.9**

Consolidated Income Statement

	2006(1)	2006	2005	2004
	(in millions of U.S. dollars or reais, where indicated, except per share data)			
	US$		R$	
Net earnings per share	1.43	3.05	6.14	6.00
Dividends per common shares	0.49	1.05	2.34	1.96
Dividends per preferred shares	0.54	1.16	2.58	2.15
U.S. GAAP:				
Net income		219.1	398.2	
Basic and diluted earnings per common share		1.94	3.52	
Basic and diluted earnings per preferred share		2.13	3.88	
Depreciation and amortization		113.2	108.1	

(1) *Real* amounts for December 31, 2006 have been converted into dollar using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on such date. This information is presented solely for the convenience of the reader.

Consolidated Balance Sheet	2006(1)	As of December 31, 2006	2005	2004
	US$		R$	
Current assets				
Cash and cash equivalents	42.0	89.9	20.6	102.2
Related companies	7.3	15.7	4.4	6.4
Trade accounts receivable, net	491.3	1,050.5	984.6	840.7
Inventories	199.1	425.6	384.8	338.2
Recoverable Taxes	25.7	55.0	40.4	46.0
Other	32.7	69.6	47.1	49.7
Total current assets	**798.1**	**1,706.3**	**1,481.9**	**1,383.2**
Long-term assets				
Trade accounts receivable, net	74.6	159.6	139.4	122.0
Long term investments	27.0	57.8		
Related companies	15.2	32.6	128.9	107.2
Deferred income and social contribution taxes	16.9	36.2	42.1	38.9
Recoverable Taxes	1.4	3.0	3.4	
Other	26.6	56.5	56.2	51.2
Total long-term assets	**161.7**	**345.7**	**370.0**	**319.3**
Permanent assets				
Investments	117.4	251.1	251.6	177.9
Property, plant, equipment and intangible assets, net	336.1	718.6	671.6	637.6
Deferred charges, net	0.3	0.6	1.2	0.8
Total permanent assets	**453.8**	**970.3**	**924.4**	**816.3**
TOTAL ASSETS	**1,413.6**	**3,022.3**	**2,776.3**	**2,518.8**
Current liabilities				
Loans, financing and debentures	53.9	115.2	228.3	116.4
Trade accounts payable	221.4	473.3	508.1	491.0
Payroll and related charges	32.1	68.7	67.8	54.9
Provision for post-employment benefits	2.2	4.8	1.7	11.1
Recoverable Taxes	23.7	50.6	68.6	60.5

Consolidated Balance Sheet	2006(1)	2006	2005	2004
		As of December 31,		
	US$		R$	
Related companies	0.5	1.1	1.1	0.8
Dividends payable				41.5
Other Taxes and Contributions contingent liabilities	15.2	32.4	33.8	29.2
Other	20.0	42.6	51.2	52.8
Total current liabilities	**369.0**	**788.7**	**960.6**	**858.2**
Long-term liabilities				
Loans, financing and debentures	263.1	562.6	341.8	371.7
Other Taxes and Contributions contingent liabilities	27.6	59.0	57.0	20.8
Provision for post-employment benefits	22.7	48.6	59.8	90.7
Other	3.8	8.2	6.8	20.7
Total long-term liabilities	**317.2**	**678.4**	**465.4**	**503.9**
TOTAL LIABILITIES	**686.2**	**1,467.1**	**1,426.0**	**1,362.1**
Stockholder s equity				
Capital	479.4	1,025.0	580.0	450.0
Capital reserve	0.3	0.6	0.6	129.2
Reserves and retained earnings	247.7	529.6	769.7	577.5
TOTAL STOCKHOLDER S EQUITY	**727.4**	**1,555.2**	**1,350.3**	**1,156.7**
TOTAL LIABILITIES STOCKHOLDER S EQUITY	**1,413.6**	**3,022.3**	**2,776.3**	**2,518.8**
U.S. GAAP				
Total assets		**3,039.5**	**2,805.9**	
Total stockholders equity		**1,718.3**	**1,560.7**	

(1) Real amounts for December, 2006 have been converted into dollars using the exchange rate of US$1.00 = R$2.138, which is the commercial rate reported by the Central Bank on such date. This information is presented solely for the convenience of the reader.

COMPARATIVE PER SHARE FINANCIAL DATA

The following table sets forth for the Ultrapar, RIPI, DPPI and CBPI preferred shares certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the Transaction as if the Share Exchange had been effective on January 1, 2006, in the case of the basic earnings, diluted earnings and dividends data. The pro forma data in the tables assume that the Transaction is accounted for using the purchase method of accounting and represents a current estimate based on available information of the Combined Company s results of operations. The information in the following table is based on, and should be read together with, the financial information included in this prospectus and in our 2006 Form 20-F, which has been previously filed with the SEC. See Where You Can Find More Information on page 148.

The Transaction is anticipated to provide Ultrapar with financial benefits that include reduced operating expenses and revenue enhancement opportunities. While the pro forma information is helpful in illustrating Ultrapar s financial performance under one set of assumptions, it does not reflect the impact of possible revenue enhancements, expense efficiencies, asset dispositions and share repurchases, among other factors, that may result as a consequence of the Transaction and, accordingly, does not attempt to predict or suggest future results. It also does not necessarily reflect what the historical results of Ultrapar following the Transaction would have been had the companies been combined during these periods. Following the closing of the SPA on April 18, 2007, whereby Ultrapar acquired a controlling interest in the Target Companies, Ultrapar has included in its consolidated financial statements, retroactively to the beginning of the second quarter of 2007, the portion of the Target Companies financial results that Ultrapar will retain following completion of the Transaction.

	Year Ended December 31, 2006 (under BR GAAP)	Year Ended December 31, 2006 (under U.S. GAAP)
Ultrapar Historical (per preferred share)		
Basic earnings	R$3.55	R$3.46
Diluted earnings	R$3.55	R$3.46
Dividends, gross	R$1.78	R$1.78
Book value	R$23.77	R$23.02
Ultrapar Pro Forma (per preferred share)		
Basic earnings	R$3.46	R$2.98
Diluted earnings	R$3.46	R$2.98
Dividends, gross	R$1.78	R$1.78
Book value	N.A.(4)	N.A.(4)
RIPI Historical (per preferred share)		
Basic earnings	R$5.55	R$4.67
Diluted earnings	R$5.55	R$4.51
Dividends, gross	R$0.62	R$0.62
Book value	R$19.41	R$26.11

	Year Ended December 31, 2006 (under BR GAAP)	Year Ended December 31, 2006 (under U.S. GAAP)
Pro Forma RIPI Equivalents (per preferred share) (1)		
Basic earnings	R$2.83	R$2.76
Diluted earnings	R$2.83	R$2.76
Dividends, gross	R$1.42	R$1.42
Book value	N.A. (4)	N.A. (4)
DPPI Historical (per preferred share)		
Basic earnings	R$5.03	R$3.52
Diluted earnings	R$5.03	R$3.52
Dividends, gross	R$2.10	R$2.10
Book value	R$25.12	R$26.53
Pro Forma DPPI Equivalents (per preferred share) (2)		
Basic earnings	R$2.27	R$2.22
Diluted earnings	R$2.27	R$2.22
Dividends, gross	R$1.19	R$1.14
Book value	N.A. (4)	N.A. (4)
CBPI Historical (per preferred share)		
Basic earnings	R$3.05	R$2.13
Diluted earnings	R$3.05	R$2.13
Dividends, gross	R$1.16	R$1.16
Book value	R$14.67	R$16.22
Pro Forma CBPI Equivalents (per preferred share) (3)		
Basic earnings	R$1.49	R$1.45
Diluted earnings	R$1.49	R$1.45
Dividends, gross	R$0.74	R$0.74
Book value	N.A. (4)	N.A. (4)

(1) RIPI equivalent pro forma combined share amounts are calculated by multiplying the Ultrapar pro forma combined per share amounts by the exchange ratio of 0.79850, representing the number Ultrapar shares that RIPI stockholders will receive in the Share Exchange for each share of RIPI common stock.

(2) DPPI equivalent pro forma combined share amounts are calculated by multiplying the Ultrapar pro forma combined per share amounts by the exchange ratio of 0.64048, representing the number Ultrapar shares that DPPI stockholders will receive in the Share Exchange for each share of DPPI common stock.

(3) CBPI equivalent pro forma combined share amounts are calculated by multiplying the Ultrapar pro forma combined per share amounts by the exchange ratio of 0.41846, representing the number Ultrapar shares that CBPI stockholders will receive in the Share Exchange for each share of CBPI common stock.

(4) Not available.

COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

Share and Dividend Information

Trading History of Ultrapar s Preferred Shares

Our preferred shares are listed on the BOVESPA stock exchange under the ticker symbol UGPA4 and in the form of ADSs on the NYSE under the ticker symbol UGP . You will not receive any Ultrapar ADSs in connection with the Share Exchange.

The following table sets forth the high and low closing sales prices for Ultrapar s preferred shares on the BOVESPA stock exchange for the periods indicated.

	São Paulo Stock Exchange		
	High	Low	Volume(1)
	(in *reais* per preferred share)		
2002	26.40	18.10	40,360
2003	37.70	21.95	39,398
2004	53.50	27.10	71,265
2005	48.60	31.70	79,784
2006	49.66	31.77	64,070
2007 (through September 27, 2007)	70.90	49.29	122,925
First quarter 2005	48.60	42.00	81,615
Second quarter 2005	45.90	40.00	95,090
Third quarter 2005	41.70	35.00	78,689
Fourth quarter 2005	39.00	31.70	64,515
First quarter 2006	39.20	31.80	73,065
Second quarter 2006	39.40	33.61	58,656
Third quarter 2006	39.19	31.77	55,730
Fourth quarter 2006	49.66	38.00	69,264
First quarter 2007	60.90	49.29	124,716
Second quarter 2007	65.31	58.89	132,400
Third quarter (through September 27, 2007)	70.90	61.00	111,689
March 2007	60.90	49.29	142,736
April 2007	65.31	60.80	146,885
May 2007	63.70	59.13	128,200
June 2007	64.65	58.89	122,535
July 2007	67.29	61.25	120,967
August 2007	67.87	61.00	78,735
September 2007 (through September 27)	70.90	65.15	142,972

(1) Average daily trading volume in number of shares.

On September 27, 2007, the last reported closing sale price of Ultrapar s preferred shares on BOVESPA stock exchange was R$70.90 (US$38.51) per share.

The following table sets forth the dividends per share distributed by us with respect to our preferred shares in the past two years. We declare and pay dividends and/or interest attributed to shareholders equity, pursuant to Brazilian corporate law and our bylaws. Our board of directors may approve the distribution of dividends and/or interest attributed to shareholders equity, calculated based on our annual or semi-annual financial statements or on financial statements relating to shorter periods. The amount of any distributions will depend on a series of factors, such as our financial condition, prospects, macroeconomic conditions, tariff adjustments, regulatory changes, growth strategies and other issues our board of directors and our shareholders may consider relevant.

For 2006 and 2005, we declared dividends to our shareholders (both common and preferred) in the amounts of R$144 million and R$157 million, corresponding to 51% and 53% of our net income for each period, respectively.

Year declared	*Reais* per preferred share	US$ per preferred share(1)
2005	1.94	0.83
2006	1.78	0.83

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

Holders of our preferred shares are entitled to receive dividends declared by us solely from the date of the subscription and/or acquisition of such shares.

As of September 27, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,300 registered holders of Ultrapar preferred shares.

Trading History of RIPI s Preferred Shares

RIPI s preferred shares are listed on BOVESPA stock exchange under the symbol RIPI4.

The following table sets forth the high and low closing sales prices for RIPI s preferred shares on the BOVESPA stock exchange for the periods indicated.

	BOVESPA stock exchange (*reais* per preferred share)	
	High	Low
2002	8.50	2.55
2003	10.35	1.93
2004	22.75	8.08
2005	29.50	20.13
2006	37.99	22.55
2007 (through September 27, 2007)	51.78	36.20
First quarter 2005	29.50	20.13
Second quarter 2005	29.50	22.76
Third quarter 2005	27.10	22.16
Fourth quarter 2005	26.85	21.30
First Quarter 2006	27.60	22.55
Second Quarter 2006	31.50	24.50
Third Quarter 2006	34.50	28.90
Fourth Quarter 2006	37.99	35.00
First Quarter 2007	47.50	36.20
Second Quarter 2007	49.40	43.98
Third Quarter 2007 (through September 27, 2007)	51.78	43.80

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
March 2007	47.50	38.40
April 2007	48.20	45.80
May 2007	47.91	43.98
June 2007	49.40	45.30
July 2007	49.80	46.49
August 2007	50.60	43.80
September 2007 (through September 27, 2007)	51.78	49.25

Source: BOVESPA stock exchange.

On September 27, 2007, the last reported closing sale price of RIPI s preferred shares on the BOVESPA stock exchange was R$51.50 (US$27.99) per share.

The following table sets forth interest on shareholder s equity paid by RIPI with respect to its preferred shares in the past two years. For 2006 and 2005, RIPI paid interest on shareholder s equity to its preferred shareholders in the amounts of R$10 million and R$12 million, net of taxes, corresponding to 6% and 8% of its net income for each period, respectively.

Year declared	***Reais* per preferred share**	**US$ per preferred share(1)**
2005	1.1724	0.5219
2006	0.4818	0.2523

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

As of September 27, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 1,800 registered holders of RIPI preferred shares.

Trading History of DPPI s Preferred Shares

DPPI s preferred shares are listed on BOVESPA stock exchange under the symbol DPPI4.

The following table sets forth the high and low closing sales prices for DPPI s preferred shares on the BOVESPA stock exchange for the periods indicated.

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
2002	13.50	9.00
2003	12.75	7.00
2004	20.50	12.00
2005	22.10	16.01
2006	27.50	19.56
2007 (through September 27, 2007)	42.00	26.25

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
First Quarter 2005	22.10	19.75
Second Quarter 2005	20.10	16.50
Third Quarter 2005	20.50	16.01
Fourth Quarter 2005	20.25	18.00
First Quarter 2006	24.85	19.56
Second Quarter 2006	25.99	23.00
Third Quarter 2006	25.20	22.00
Fourth Quarter 2006	27.50	22.72
First Quarter 2007	38.01	26.25
Second Quarter 2007	40.52	36.47
Third Quarter 2007 (through September 27, 2007)	42.00	35.50
March 2007	38.01	30.66
April 2007	40.38	36.80
May 2007	40.00	36.47
June 2007	40.52	36.71
July 2007	42.00	38.20
August 2007	41.59	35.50
September 2007 (through September 27, 2007)	44.50	40.00

Source: BOVESPA stock exchange.

On September 27, 2007, the last reported closing sale price of DPPI s preferred shares on the BOVESPA stock exchange was R$44.50 (US$24.18) per share.

The following table sets forth the interest on shareholder s equity per share paid by DPPI with respect to its preferred shares in the past two years. For 2006 and 2005, DPPI paid interest on shareholder s equity to its preferred shareholders in the amounts of R$39 million and R$42 million, net of taxes, corresponding to 24% and 25% of its net income for each period, respectively.

Year declared	***Reais* per preferred share**	**US$ per preferred share(1)**
2005	3.97	1.82
2006	1.83	0.84

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

As of September 27, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 2,000 registered holders of DPPI preferred shares.

Trading History of CBPI s Preferred Shares

CBPI s preferred shares are listed on BOVESPA stock exchange under the symbol PTIP4

The following table sets forth the high and low closing sales prices for CBPI s preferred shares on the BOVESPA stock exchange for the periods indicated.

	BOVESPA stock exchange (*reais* per preferred share)	
	High	**Low**
2002	7.75	3.49
2003	7.15	3.31
2004	13.64	5.55
2005	17.50	10.08
2006	19.89	14.41
2007 (through September 27, 2007)	28.71	17.75
First Quarter 2005	17.50	13.50
Second Quarter 2005	13.95	10.08
Third Quarter 2005	13.65	10.25
Fourth Quarter 2005	14.50	11.51
First Quarter 2006	17.15	14.41
Second Quarter 2006	19.13	16.00
Third Quarter 2006	18.52	16.05
Fourth Quarter 2006	19.89	17.20
First Quarter 2007	25.15	17.75
Second Quarter 2007	26.31	23.51
Third Quarter 2007 (through September 27, 2007)	28.71	23.70
March 2007	25.15	20.56
April 2007	26.00	24.40
May 2007	26.31	23.51
June 2007	26.30	23.97
July 2007	27.41	24.03
August 2007	26.75	23.70
September 2007 (through September 27, 2007)	28.71	25.81

Source: BOVESPA stock exchange.

On September 27, 2007, the last reported closing sale price of CBPI s preferred shares on the BOVESPA stock exchange was R$28.71 (US$15.60) per share.

The following table sets forth the interest on shareholder s equity per share paid by CBPI with respect to its preferred shares in the past two years. For 2006 and 2005, CBPI paid interest on shareholder s equity to its preferred shareholders in the amounts of R$70 million and R$79 million, net of taxes, corresponding to 22% and 24% of its net income for each period, respectively.

Year declared	***Reais* per preferred share**	**US$ per preferred share(1)**
2005	2.25	0.95
2006	1.00	0.46

(1) The amounts in *reais* have been converted into dollars using the exchange rates at each payment date.

As of September 27, 2007, the most recent date for which it was practicable to obtain this information, there were approximately 6,300 registered holders of CBPI preferred shares.

Market Information

The following table represents the closing sales prices of Ultrapar preferred shares and RIPI, DPPI and CBPI preferred shares (in *reais* and translated into U.S. dollars) on September 27, 2007, the last practicable date prior to the date of this document. The table also presents the equivalent value of the Share Exchange consideration per share of RIPI, DPPI and CBPI preferred stock on such date, calculated by multiplying the closing price of Ultrapar preferred shares on such date by the exchange ratio of 0.79850, 0.64048 and 0.41846, respectively, representing the number of Ultrapar preferred shares that RIPI, DPPI and CBPI preferred shareholders will receive in the Share Exchange for each share of RIPI, DPPI and CBPI preferred stock. Based on the closing price of RIPI, DPPI and CBPI preferred shares and Ultrapar preferred shares on the BOVESPA as of the close of business on September 27, 2007, the consideration to be paid to RIPI, DPPI and CBPI preferred shareholders in the Share Exchange represented an approximate 10%, 2% and 3% premium over the price of RIPI, DPPI and CBPI preferred shares on such date, respectively.

Date	Ultrapar Preferred Shares *(reais)*	Exchange Rate ($/R$)	Ultrapar Preferred Shares (U.S. dollars)	RIPI Preferred Shares (U.S. dollars)	Equivalent Per Share Value of RIPI Preferred Stock Exchange for Ultrapar Preferred Shares	DPPI Preferred Shares (U.S. dollars)	Equivalent Per Share Value of DPPI Preferred Stock Exchange for Ultrapar Preferred Shares	CBPI Preferred Shares (U.S. dollars)	Equivalent Per Share Value of CBPI Preferred Stock Exchange for Ultrapar Preferred Shares
September 27, 2007	70.90	1.8409	38.51	27.98	30.75	24.17	24.67	15.60	16.12

The information included in this prospectus concerning the trading history of Ultrapar s preferred shares and RIPI, DPPI and CBPI s preferred shares is presented solely for informational purposes. This information should not be viewed as indicative of future sales prices for either Ultrapar s preferred shares or RIPI, DPPI or CBPI s preferred shares on the BOVESPA stock exchange. You are urged to obtain current market quotations prior to making any decision with respect to the Share Exchange. The market price of Ultrapar, RIPI, DPPI and CBPI preferred shares will fluctuate between the date of this document and the completion of the Share Exchange. No assurance can be given concerning the market price of Ultrapar, RIPI, DPPI or CBPI preferred shares before or after the effective date of the Share Exchange.

Following the Share Exchange, Ultrapar preferred shares will continue to be traded on the BOVESPA stock exchange under the ticker symbol UGPA4 and in the form of ADSs on the New York Stock Exchange under the symbol UGP.

EXCHANGE RATES

The following tables show, for the periods indicated, information concerning the exchange rate between the U.S. dollar and the *real*. This information is provided solely for your information and Ultrapar, RIPI, DPPI and CBPI do not represent that *reais* could be converted into U.S. dollars at these rates or at any other rate. These rates are not the rates used by Ultrapar, RIPI, DPPI or CBPI in the preparation of their consolidated financial statements incorporated by reference into, or included in, this document.

On September 27, 2007, the exchange rate for *reais* into U.S. dollars was R$1.841 to US$1.00, based on the commercial selling rate as reported by the Central Bank. The following table sets forth information on prevailing commercial foreign exchange selling rates for the periods indicated, as published by the Central Bank on its electronic information system, SISBACEN, using PTAX 800, Option 5.

Annual Data (Year Ended December 31,)	Average(1)
2002	2.998
2003	3.060
2004	2.917
2005	2.412
2006	2.177
2007 (through September 27, 2007)	1.985

(1) Average of the foreign exchange rates on the last day of each month in the period.

Recent Monthly Data	High	Low
November 2006	2.187	2.135
December 2006	2.169	2.138
January 2007	2.156	2.125
February 2007	2.118	2.077
March 2007	2.139	2.050
April 2007	2.048	2.023
May 2007	2.031	1.929
June 2007	1.964	1.905
July 2007	1.918	1.845
August 2007	2.112	1.873
September 2007 (through September 27, 2007)	1.964	1.841

RISK FACTORS

In addition to general investment risks and the other information contained in or incorporated by reference into this document, including the matters under the caption Cautionary Statement Regarding Forward-Looking Statements and the matters discussed under the caption Risk Factors included the Annual Report on Form 20-F, filed by Ultrapar for the year ended December 31, 2006, as updated by subsequently furnished Forms 6-K, you should carefully consider the following factors in deciding whether to exercise appraisal rights or take no action and receive Ultrapar preferred shares in connection with the Share Exchange.

The Share Exchange might not be completed and an alternative corporate reorganization of the Ipiranga businesses might be sought.

Minority shareholders might not agree with the exchange ratio under the Share Exchange and might challenge the assumptions underlying the valuation methodologies applied by Deutsche Bank in its report. Such shareholders have challenged the valuation report by filing complaints with the CVM and may also challenge the Share Exchange at the CVM or in Brazilian courts. Such complaints may cause interruptions and delays in the Share Exchange and in the completion of the Transaction as envisioned by Ultrapar. According to the Investment Agreement, a significant delay in the completion of the Transaction as originally planned entitles the parties to implement an alternative corporate reorganization of the Ipiranga businesses which would include, among other things, spin-offs of CBPI, DPPI and RIPI. See The Transaction. The alternative corporate reorganization selected may not provide you with the same economic benefits, as a holder of RIPI, DPPI or CBPI preferred shares, as you would receive in the Share Exchange.

The integration by Ultrapar of the operations of the Target Companies that will remain with Ultrapar may present significant challenges.

There is a significant degree of difficulty inherent in the process of integrating Ultrapar s businesses with those of the Target Companies which will remain with Ultrapar following completion of the Transaction. These difficulties include:

- the need to consolidate organizations with headquarters located in different cities;
- the challenge of integrating the business cultures of the Target Companies with that of Ultrapar; and
- the need to retain key officers and personnel of the Target Companies.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of Ultrapar and the Target Companies businesses. Ultrapar s senior management team may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage the business of Ultrapar, service existing customers, attract new customers and develop new products or strategies. If Ultrapar s senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, Ultrapar s business could suffer. Ultrapar and the Target Companies cannot assure you that they will successfully or cost-effectively integrate the Target Companies and Ultrapar s existing businesses. The failure to do so could have a material adverse effect on Ultrapar s business, financial condition and results of operations following completion of the Transaction.

The Ultrapar securities you receive in the Share Exchange will represent an investment in a fundamentally different business from that in which you originally invested.

You will receive Ultrapar preferred shares for your preferred shares of RIPI, DPPI or CBPI in the Share Exchange. The Target Companies will be combined with Ultrapar following completion of the Transaction. This combined entity will operate in sectors where RIPI, DPPI and CBPI have not historically conducted their businesses and will be a fundamentally different company from RIPI, DPPI and CBPI, with different risks and potential liabilities.

The market price of Ultrapar preferred shares after the Share Exchange may be affected by factors different from those that currently affect the preferred shares of Ultrapar, RIPI, DPPI or CBPI.

The businesses of Ultrapar, RIPI, DPPI and CBPI differ in some respects, and, accordingly, the results of operations of the Combined Company following consummation of the Share Exchange and the market price of Ultrapar shares following the Share Exchange may be affected by factors different from those currently affecting the individual results of operations of each of Ultrapar, RIPI, DPPI or CBPI. For a discussion of the businesses of Ultrapar, RIPI, DPPI and CBPI and of certain factors to consider in connection with those businesses, see Information About the Companies on page 68 and the documents incorporated by reference in this document and referred to under Where You Can Find More Information on page 148.

The market price of Ultrapar RIPI, DPPI and CBPI s preferred shares is uncertain.

The exchange ratio in the Share Exchange is fixed, and there is no mechanism to adjust the exchange ratio in the event that the market price of the Ultrapar preferred shares declines. The trading market for RIPI, DPPI and CBPI preferred shares after the Share Exchange is approved by the requisite shareholders meetings may be severely impaired or disrupted. As a result, until the Share Exchange closes and you receive Ultrapar preferred shares, the liquidity of the RIPI, DPPI and CBPI preferred shares may decline and their volatility may increase. This could result in substantial fluctuations in the trading price for RIPI, DPPI and CBPI preferred shares.

The market price of Ultrapar, RIPI, DPPI and CBPI s preferred shares may be adversely affected by arbitrage activities occurring prior to the completion of the Share Exchange.

The market price of RIPI, DPPI and CBPI preferred shares and Ultrapar preferred shares may be adversely affected by arbitrage activities occurring prior to the completion of the Share Exchange. These sales, or the prospects of such sales in the future, could adversely affect the market price for, and the ability to sell in the market, shares of RIPI, DPPI and CBPI preferred stock before the Share Exchange is completed and Ultrapar preferred shares before and after the Share Exchange is completed.

As a result of the Transaction, Ultrapar will assume certain liabilities of the Target Companies and will assume all the risks relating to those liabilities.

You should be aware that because Ultrapar will assume certain liabilities of the Target Companies as a result of the Share Exchange, certain existing known or unknown financial obligations, legal liabilities or other contingent liabilities or risks of the Target Companies will become the responsibility of Ultrapar. These liabilities could cause Ultrapar to be required to make payments, incur charges or take other actions that could adversely affect Ultrapar s financial position and results of operations and the price of Ultrapar s preferred shares.

If regulatory agencies impose conditions on approval of the Transaction, the anticipated benefits of the Transaction could be diminished.

While Ultrapar and the Target Companies intend to pursue vigorously all required governmental approvals and do not know of any reason why they would not be able to obtain the necessary approvals in a timely manner, if approvals are withheld, the benefits of the Transaction could be delayed, possibly for a significant period of time after the Acquiring Companies have approved the Transaction. In addition, if governmental agencies conditioned their approval of the Transaction on the imposition of conditions, Ultrapar s operating results or the value of Ultrapar s preferred stock could be adversely affected. Anticipated benefits of the Transaction that might not be realized include loss of revenue.

THE TRANSACTION

The following is a description of the material aspects of the Transaction. While Ultrapar, RIPI, DPPI and CBPI believe that the following description covers the material terms of the Transaction, the description may not contain all the information that is important to you. Ultrapar, RIPI, DPPI and CBPI encourage you to carefully read this entire document, and the Transaction Agreements incorporated herein by reference to Ultrapar s 2006 Form 20-F, for a complete understanding of the Transaction.

Background of the Transaction

Ultrapar s board of directors has from time to time engaged Ultrapar s senior management in strategic discussions and has considered ways to continue growing and enhancing Ultrapar s performance and prospects in light of competitive and other relevant developments. Ultrapar s growth strategy has focused on organic expansion and acquisition opportunities in the businesses in which it operates or in complementary ones.

In September 2006, Ultrapar hired Estáter Assessoria Financeira Ltda. to advise and help it to evaluate the Target Companies, conduct the discussions with the Key Shareholders, structure the Transaction and prepare a binding offer. We also hired Machado, Meyer, Sendacz e Opice Advogados as our Brazilian legal counsel and Davis Polk & Wardwell as our U.S. legal counsel. In parallel, we engaged in conversations with Braskem and Petrobras that led to the execution of the Investment Agreement based upon such companies interests in keeping the Ipiranga Group s Petrochemical Business and part of its fuel distribution business. As RIPI, DPPI and CBPI are publicly traded companies on the BOVESPA, the per share purchase price included in the SPA was prepared based on public information and the binding offer was delivered on that basis.

On March 15, 2007, Ultrapar s board of directors approved (i) a binding offer for the purchase of the shares of the Target Companies owned by the Key Shareholders and (ii) the execution by Ultrapar s executive officers of all documents related to the Transaction.

The offer was presented to the Key Shareholders on March 17, 2007 and accepted on March 18, 2007. The Share Purchase Agreement and other related documents were executed on March 18, 2007, and the Transaction was announced in press releases issued by Ultrapar, Braskem, Petrobras, and the Target Companies on March 19, 2007.

Ultrapar s Reasons for the Transaction

Introduction

Through the Transaction, Ultrapar is participating in an important step in the reorganization and consolidation of sectors that are fundamental to the growth of the Brazilian economy.

The Ipiranga Group, one of Brazil s largest and most well-established corporate conglomerates, operated in the same segments as Petrobras, Ultrapar and Braskem. In 2006, the Ipiranga Group was Brazil s second-largest fuel distributor, with a network of 4,240 service stations. It also had a significant share of the petrochemical market, with the production of 650,000 tons of petrochemical resins through IPQ, and shared joint control with Braskem of Copesul, a naphtha-based cracker located in the southern petrochemical complex, in the state of Rio Grande do Sul. The consolidated net revenues of the Ipiranga Group in 2006 amounted to R$31 billion, with EBITDA of R$1 billion and net income of R$534 million.

Following the Transaction, Ultrapar, already the largest LPG distributor in Brazil, became the second-largest group in the fuel distribution business in Brazil, with approximately 15% market share. Ultrapar believes that fuel distribution is a natural extension of LPG distribution because it has similar profitability drivers: logistics efficiency, management of a dealer network and leveraging a renowned brand. Fuel consumption is growing in Brazil, mainly due to increased national income and credit availability.

Operational growth already the leader in LPG market, Ultrapar became the second largest fuel distribution company in Brazil, with a market share of approximately 15%

The acquisition of the Ipiranga Group allowed Ultrapar to expand its operations in the oil-based fuel distribution business. Operating in Brazil since 1937, Ultragaz introduced LPG for domestic cooking and has become the Brazilian market leader in LPG, with a 24% market share. As a result of Ultragaz leadership position and the worldwide LPG market s maturity, Ultrapar feels that increasing its portfolio of products is important and fuel distribution is a natural extension of its LPG business. After closing of the SPA, in addition to being Brazil s leading LPG distributor, Ultrapar has become Brazil s second largest distributor of fuels and lubricants, with a market share of approximately 15%.

Larger operating scale and administrative benefits

Ipiranga s fuel distribution business has a strong operational track record with a solid business model and operating performance. However, Ipiranga was burdened by a complex shareholder structure that led to delays in decision making and high administrative costs due to the need to maintain a large administrative structure supporting its controlling shareholders. In addition to reducing administrative expenses, we believe there are other opportunities to benefit from the Transaction, such as in procurement, from the complementary client portfolios of Ipiranga and Ultragaz and by leveraging businesses related to ethanol trade and logistics that involve Ipiranga, Oxiteno and Ultracargo.

Combination of efficiencies, logistics and resale management know-how

We believe that our expertise in logistics efficiency and the management of our dealer network that we have applied at Ultragaz will be complemented by Ipiranga s know-how for maximizing efficiency and profitability.

Ultrapar will have two major brands for oil by-products distribution

Ipiranga is considered one of the most respected brands in Brazil and Ultragaz similarly has high brand recognition. We believe such brands are associated with quality, safety and efficiency. These brands reputations, combined with Ultrapar s ability to invest, positions Ultrapar to benefit from growth opportunities through the supply of high-quality products and services and the introduction of new services and distribution channels.

Accelerate investments in the growth of Ipiranga s operations

Strengthening for future expansion. Ultrapar intends to use its efficient decision-making processes together with its solid financial position to leverage investment through Ipiranga and to thereby accelerate expansion through organic growth and acquisitions, in order to strengthen its market share in the regions it operates and to expand further into the rest of Brazil.

Potential growth in Brazilian consumption. Recent economic indicators have shown a rise in employment levels and improved Brazilian national income. This, together with greater credit availability, has resulted in record levels of vehicle sales in the first half of 2007 (growth of 25.7% if compared to 2006) and consequently an increased demand for fuel. Despite record car sales, however, Brazil s current fleet is small compared to other Latin American countries, with 8.4 inhabitants per vehicle, whereas Argentina and Mexico have 5.5 inhabitants per vehicle.

Based on the current expansion in the economy and credit availability, together with the low ratio of inhabitants per vehicle, Ultrapar believes the outlook for increased Brazilian fuel consumption is positive for the coming years.

Potential growth in the biofuel market. A highlight of the Brazilian automotive sector s growth in 2007 was flex-fuel vehicles. In the last three years this category represented approximately 12% of Brazil s fleet.

Ultrapar believes that use of flex-fuel vehicles comes from the competitiveness of ethanol prices compared to gasoline as a result of strong investments in ethanol production in Brazil. Ultrapar expects a large increase in the demand for ethanol, provided that a high level of foreign and domestic investment is made in sugar cane production, which would increase the availability of ethanol and lower production costs.

Consistently strong financial position. Ultrapar has a consistent track record of growth focused on fiscal discipline. In part as a result of its solid financial position, Standard & Poor s assigned the company a credit rating of brAA+ on a national scale (equivalent to Brazilian sovereign risk) and BB+ on a global scale, one grade below investment grade, which ratings were reassigned after the announcement of the Transaction. Ultrapar s strong financial position allows it to increase its investments without compromising its solid financial position.

In connection with the Transaction, we increased our debt in order to acquire the Ipiranga Group securities owned by the Key Shareholders. Following completion of the Transaction and our receipt of funds from Petrobras and Braskem as payment for the Target Company assets distributed to each company, we expect to repay our debt incurred in connection with the Transaction with cash received from Petrobras and Braskem.

The Key Shareholders Reasons for the Transaction

Ultrapar acquired a controlling interest in the common shares of the Target Companies in connection with the SPA. We believe the Key Shareholders agreed to enter into the SPA and sell their controlling interest in the Target Companies to Ultrapar because they considered the price offered for their securities to be attractive and they had an interest in monetizing their share holdings.

Description of the Transaction

Overview

On March 19, 2007, Ultrapar, Petrobras and Braskem announced their intent to acquire the Ipiranga Group and on March 18, 2007, Ultrapar entered into, and Petrobras and Braskem acknowledged, a Share Purchase Agreement, or the SPA, with the Key Shareholders of the principal companies comprising the Ipiranga Group: RIPI, DPPI and CBPI. As discussed further below, in connection with the Transaction, Ultrapar is acting on its own behalf and on behalf of Petrobras and Braskem pursuant to the Transaction Agreements. See Transaction Agreements.

To finance part of the Ipiranga Group acquisition, on April 11, 2007, we completed an offering of unsecured debentures in the aggregate principal amount of R$889 million, in two series. The first series, in the aggregate amount of R$675 million, was issued on April 11, 2007. The second series, in the aggregate amount of R$214 million, will be issued on the auction date of the Mandatory Tender Offers for the shares of RIPI, DPPI and CBPI. The debentures have a term of one year, and a coupon rate of 102.5% of the interbank deposit certificates index, or CDI.

After the completion of the Transaction, the businesses of the Ipiranga Group will be divided among Petrobras, Ultrapar and Braskem. Ultrapar will retain the fuel and lubricant distribution businesses located in the South and Southeast regions of Brazil, as well as the logistics and chemical business of Ipiranga Group; Petrobras will receive the fuel and lubricant distribution businesses located in the North, Northeast and Central West regions of Brazil; and Petrobras and Braskem will receive the petrochemical business, in the proportion of 60% for Braskem and 40% for Petrobras. RIPI s oil refining operations will be shared equally among Petrobras, Ultrapar and Braskem.

Phases of the Transaction

The Transaction is divided into five phases: (1) the acquisition by Ultrapar of the RIPI, DPPI and CBPI shares held by the Key Shareholders that closed on April 18, 2007; (2) the mandatory tender offers (pursuant to tag along rights held by common minority shareholders under Brazilian Corporate Law and CVM rules) for the acquisition of the remaining common shares of RIPI, DPPI, CBPI and IPQ (Mandatory Tender Offers); (3) the tender offer by Braskem for the delisting of Copesul s common shares from the BOVESPA (Public Tender Offer); (4) exchange of the remaining common and preferred shares of RIPI, DPPI and CBPI for preferred shares of Ultrapar (the Share Exchange), of which the Share Exchange forms a substantial part; and (5) separation of the Target Companies assets (Separation of Assets). The completion of the Transaction is expected to occur in the fourth quarter of 2007.

Phase 1 Acquisition of the shares of the Key Shareholders. On April 18, 2007, pursuant to the SPA, Ultrapar acquired, from the Key Shareholders, shares issued by RIPI, DPPI and CBPI, as described below. The total consideration paid for this acquisition was R$2.1 billion, of which R$0.7 billion was effectively paid by Ultrapar.

	RIPI			DPPI			CBPI		
	Number of Shares	**% of Total Capital**	**Price per Share paid under SPA**	**Number of Shares**	**% of Total Capital**	**Price per Share paid under SPA**	**Number of Shares**	**% of Total Capital**	**Price per Share paid under SPA**
Common Shares pursuant to the Target Companies Shareholders Agreement	5,746,232	19.41%	132.85	5,449,388	17.03%	140.08671	n.a.	n.a.	n.a.
Common shares not pursuant to the Target Companies Shareholders Agreement	861,751	2.91%	106.28	1,960,604	6.13%	112.06	1,344,497	1.27%	58.10
Preferred shares	2,277,269	7.69%	32.93	2,239,899	7.00%	29.57	402	0.00%	20.55
Total shares	8,885,252	30.02%		9,649,891	30.16%		1,344,899	1.27%	

Phase 2 Mandatory Tender Offers for the common shares of RIPI, DPPI, CBPI and IPQ. As a result of the change of control of RIPI, DPPI and CBPI, under Art. 254-A of Law No. 6,404/76 and CVM Rule Nº 361, Ultrapar filed on May 2, 2007 with the CVM a request to register the Mandatory Tender Offers for approximately R$0.7 billion, of which R$0.2 billion will be paid by Ultrapar following reimbursements received from Petrobras and Braskem, calculated based on a per share price, defined by laws and regulations regarding changes in control, of 80% of the per share price paid to controlling shareholders for their common shares. The table below presents the per share amounts to be paid in the Mandatory Tender Offers:

Company	**Price per share**	**Total (R$ million)**
CBPI		
DPPI	112.07	186.44
RIPI	106.28	358.64
Total		

Under the same law and rule, Braskem and Petrobras would ordinarily have been required to carry out a mandatory tender offer for the purchase of common shares held by the minority shareholders of IPQ. However, given the small number of minority shareholders of IPQ, the CVM waived the requirement for a mandatory tender offer. Accordingly, Braskem and Petrobras negotiated directly with the minority shareholders of IPQ and purchased their common shares on June 28, 2007, without a formal tender offer.

Phase 3 Public Tender Offer for the delisting of Copesul s common shares from the BOVESPA. In April 2007, Braskem filed a request with the CVM for the registration of the Public Tender Offer for the delisting of Copesul s common shares, under Art. 4, § 4, of Law No. 6,404/76 and CVM Rule No. 361, at a price of R$37.60 per share, R$1.4 billion for all common shares. Such tender offer was scheduled to take place on Oct. 5, 2007.

Phase 4 Share Exchange. After the conclusion of the Mandatory Tender Offers, Ultrapar will carry out the Share Exchange, under Art. 252 and 264 of Law No. 6,404/76, in which it will exchange its preferred shares for the remaining outstanding common and preferred shares of DPPI, CBPI and RIPI, including your preferred shares. Following the completion of the Share Exchange, RIPI, DPPI and CBPI will become wholly owned subsidiaries of Ultrapar. The table below presents the exchange ratios applicable to the Share Exchange, expressed in terms of Ultrapar preferred shares per one Target Company preferred share.

Merger of Shares Companies	**Exchange Ratio**
CBPI	0.41846
DPPI	0.64048
RIPI	0.79850

Ultrapar s capital structure before and after phase 4 will be as follows:

	Before	**After**
Common Shares	49.4	49.4
Preferred Shares	31.9	85.6
Total	81.3	135.0
% Common	61%	37%
% Preferred	39%	63%

Ultrapar expects to issue approximately 54 million shares to complete the Share Exchange. If any holder of the preferred and common shares of Ultrapar, RIPI, DPPI and CBPI and/or holders of common shares of CBPI dissents from the applicable Share Exchange transaction, the shareholder will have the right to withdraw as an Ultrapar, RIPI or DPPI shareholder, as applicable. Under Brazilian law, because the CBPI preferred shares trade as part of a recognized stock exchange index, holders of CBPI preferred shares are not entitled to withdraw as shareholders of CBPI through the mechanism available to the common shareholders of CBPI and the common and preferred shareholders of RIPI and DPPI. The shareholder rights relevant to the Share Exchange are as follows:

Ultrapar Shares. Ultrapar s bylaws will be amended in order to reflect the increase in paid-in capital and the issuance of new preferred shares. The new preferred shares to be issued will confer on their holders the same rights and privileges that are available to Ultrapar s existing preferred shareholders. Ultrapar s preferred shares confer the right to receive the same price as that paid to Ultrapar s controlling shareholders in the event that a change of control transaction were to occur (constituting tag along rights of 100%).

Right of Withdrawal from Ultrapar. Under the terms of Art. 252, § 1 of Law No. 6,404/76, the holders of the preferred and common shares issued by Ultrapar who dissent from the Share Exchange will have the right of withdrawal from Ultrapar.

Right of Withdrawal from the Target Companies. Under Art. 252 § 2nd and 264, § 3, of Law No. 6,404/76, the holders of common and preferred shares of RIPI and DPPI and holders of common shares of CBPI who dissent from the Share Exchange will have the right of withdrawal from such companies. See Appraisal Rights.

Phase 5 Separation of Assets. After the completion of the Share Exchange, Ultrapar will carry out the Separation of Assets through a series of corporate restructurings designed to divide the former Ipiranga Group assets among itself and the other Acquiring Companies, as indicated in the diagram below:

Transaction Agreements

In March 2007, Ultrapar entered into a series of agreements, the Transaction Agreements, which govern the Transaction and the relationship among Ultrapar, Petrobras and Braskem during the period in which the Transaction is being completed. The brief summaries of the Transaction Agreements below are qualified in their entireties by reference to the more extensive summaries and translations of the Transaction Agreements, which are incorporated herein by reference to Ultrapar s 2006 Form 20-F.

Investment Agreement

The Investment Agreement executed by Ultrapar, Petrobras and Braskem on March 18, 2007 and amended on April 18, 2007 regulates the relationship among the companies and is the principal Transaction Agreement.

Under the Investment Agreement, Ultrapar is acting as a commission agent, under Articles 693 through 709 of the Brazilian Civil Code, for Petrobras and Braskem for the purpose of completing the acquisition of RIPI and CBPI s petrochemical business, and for Petrobras for the acquisition of CBPI s Northern Distribution Business. The following is a brief summary of the material terms of the Investment Agreement:

Commission. Ultrapar is acting as a commission agent for Petrobras and Braskem, under Articles 693 through 709 of the Brazilian Civil Code. The object of the commission is (A) the execution of the Transaction by Ultrapar on behalf of Petrobras of the Northern Distribution Business, as well as the execution of the Transaction, on behalf of Braskem and Petrobras, of the Petrochemical Business; and (B) the transfer to Braskem and Petrobras of the Petrochemical Business and to Petrobras of the Northern Distribution Business. Braskem and Petrobras shall pay Ultrapar a commission on the date of the transfer of the Northern Distribution Business and the Petrochemical Business in the amount of R$5,000,000.00.

Price to Be Paid for the Petrochemical Business. The price to be paid for the Petrochemical Business is R$2.5 billion, and shall be paid by Braskem and Petrobras to Ultrapar in three installments, as follows: (a) a first installment of R$0.7 billion paid by Braskem and R$0.4 billion by Petrobras, (b) a second installment of R$0.3 billion paid by Braskem and R$0.2 billion by Petrobras and (c) a third installment of R$0.6 billion paid by Braskem and R$0.4 billion by Petrobras.

Price to Be Paid for the Northern Distribution Business. The price to be paid for the Northern Distribution Business is R$1.1 billion, and shall be paid by Petrobras to Ultrapar in three installments, as follows: (a) a first installment of R$0.3 billion, (b) a second installment of R$0.1 billion and (c) a third installment of R$0.7 billion.

Date of Asset Transfer. The Northern Distribution Business and the Petrochemical Business will be delivered after Ultrapar receives the three installments indicated above, which is expected to occur after the completion of the conditions regarding transfer of the assets.

Payment Dates. Braskem and Petrobras must pay Ultrapar each installment of the price of the Northern Distribution Business and the Petrochemical Business on the following dates, respectively: (a) April, 18, 2007, (b) the date of financial settlement by Ultrapar of the Mandatory Tender Offers and (c) the date of the effective transfer of the Northern Distribution Business to Petrobras and the Petrochemical Business to Braskem and Petrobras.

Guarantees. Ultrapar has pledged the following:

In favor of Braskem and Petrobras, in the proportions of 60% and 40%, respectively, all the common shares and 50% of the preferred shares issued by RIPI and acquired from the Key Shareholders. The shares issued by RIPI acquired in the Mandatory Tender Offers will also be pledged in favor of Braskem and Petrobras, in the same proportion. After the exchange offer for the shares of RIPI, Ultrapar must ensure that the pledge of RIPI s shares will be substituted by the pledge of IQ s shares.

In favor of Petrobras, 31% of the common shares and 78% of the preferred shares of DPPI that it acquired from the Key Shareholders, as well as 100% of the common shares of CBPI that it acquired from the Key Shareholders. After the Mandatory Tender Offers, Ultrapar will pledge, in substitution for 1,482,751 common shares issued by DPPI, 3,013,903 common shares issued by CBPI that will be acquired, assuming that all the common shares issued by CBPI will be acquired in the Mandatory Tender Offers.

Transfer of the Assets. After the completion of the asset separation, Ultrapar shall transfer (A) the Petrochemical Business to Braskem, through the transfer of the common shares representing 60% of IQ s capital, and to Petrobras, through the transfer of common shares representing 40% of IQ s capital, and (B) the Northern Distribution Business, through the transfer to Petrobras of all the shares of the Company spun-off from CBPI and then holding the Northern Distribution Business.

Delays or Justified Impediments to the Transfer of Assets. The commission is irrevocable; thus, in the event the transfer of the Northern Distribution Business and/or the Petrochemical Business (A) is in any way restricted or suspended, due to legal, judicial or administrative order, and remains restricted for a period of more than 120 days, or (B) has not occurred by April 18, 2008, an alternative reorganization will be implemented that, among other things, spins off CBPI, DPPI and RIPI, in order to separate the Northern Distribution Business and the Petrochemical Business into the spun-off companies, the shares of these spun-off companies being subsequently transferred to Petrobras and Braskem, as applicable.

Share Purchase Agreement

On March 18, 2007, Ultrapar, with the consent of Petrobras and Braskem, and the Key Shareholders entered into the SPA, which sets forth the terms and conditions regarding Ultrapar s acquisition of a controlling stake in the Ipiranga Group. The SPA closed on April 18, 2007.

The total consideration paid by Ultrapar (for itself and on behalf of the other Acquiring Companies) to the Key Shareholders for their controlling interests in the Ipiranga Group companies was R$2,071,107,581.2. Pursuant to the SPA, the Key Shareholders sold 6,607,983 common shares and 2,277,269 preferred shares issued by RIPI; 7,409,992 common shares and 2,239,899 preferred shares issued by DPPI; and 1,344,497 common shares and 402 preferred shares in CBPI. Of these shares, 5,746,232 common shares issued by RIPI and 5,449,388 common shares issued by DPPI were subject to the provisions of the RIPI shareholder agreement of February 23, 1994 and the DPPI shareholder agreement of October 27, 1981, respectively.

The purchase price assigns the following values to each share: (i) R$132.85184 for each RIPI common share bound by the RIPI shareholder agreement; (ii) R$106.28147 for each RIPI common share not bound by the RIPI shareholder agreement; (iii) R$38.93 for each RIPI preferred share; (iv) R$140.08671 for each DPPI common share bound by the DPPI shareholder agreement; (v) R$112.06937 for each DPPI common share not bound by the DPPI shareholder agreement; (vi) R$29.57 for each DPPI preferred share in DPPI; (vii) R$58.10 for each CBPI common share; and (viii) R$20.55 for each CBPI preferred share.

The parties enumerated a series of conditions precedent to the closing of the purchase, including the waiver of the right of first refusal by the owners of all common shares to acquire shares representing control of any of the Target Companies and the absence of any laws prohibiting the purchase and sale. Furthermore, prior to closing, the sellers were required to refrain from carrying out a variety of acts, including alterations to bylaws, corporate policies, dividends, or board member remuneration, mergers, encumbrance, transfer, or disposal of assets, creation of new corporate commitments, and amendments to old contracts and agreements, among others. In addition, the sellers would take all steps reasonably requested by the purchaser in order to facilitate the transfer of management. They were also required to allow the purchaser access to information that might be necessary for such purpose.

The purchaser and intervenors agreed to submit for approval the transactions set forth to CADE, to pay the costs associated with such submission, and also to file a request to register a public offering to acquire shares with voting rights issued by the Target Companies, with the CVM. The sellers, however, further entered into a covenant of non-competition, whereby they were bound, for five years hence, not to control or participate in any body or organization that participated in business activities directly or indirectly related to a specific subset of activities, or to set up ventures or partnerships that act in the same area of business as the Target Companies, or to approach any of the Target Company s employees in an attempt to offer them employment or to encourage them to breach their labor agreements with the Target Companies.

Shareholders Agreements

The parties to the SPA also entered into shareholders agreements, pursuant to which during the period in which the Transaction was being completed: (i) the distribution business other than the Northern Distribution Business will be controlled and managed by Ultrapar, (ii) the Petrochemical Business will be controlled and managed by Braskem and Petrobras, in the respective proportions of 60% and 40%, (iii) the Northern Distribution Business will be controlled and managed by Petrobras and (iv) the assets related to RIPI s oil refinery business will be controlled and managed jointly by Petrobras, Ultrapar and Braskem.

Target Companies Shareholders Agreement. On April 18, 2007, Ultrapar, Petrobras and Braskem entered into the Target Companies Shareholders Agreement, which governs the relationship among Ultrapar, Petrobras and Braskem regarding how the Target Companies businesses will be managed prior to the completion of the Transaction, except for the matters regulated by the RIPI Shareholders Agreement.

RIPI Shareholders Agreement. On April 18, 2007, Ultrapar, Braskem and Petrobras entered into the RIPI Shareholders Agreement, which governs the relationship among Ultrapar, Petrobras and Braskem regarding how RIPI s oil refining operations will be managed prior to the completion of the Transaction.

Braskem/Petrobras Asset Security Agreement

On April 18, 2007, Ultrapar, Braskem and Petrobras entered the Braskem/Petrobras Asset Security Agreement, whereby Ultrapar pledged to Braskem and Petrobras, in the proportions of 60% and 40%, respectively, all of its common shares and 50% of the RIPI preferred shares it acquired from the Key Shareholders. The shares issued by RIPI acquired in the Mandatory Tender Offers will also be pledged in favor of Braskem and Petrobras, in the same proportions. After the exchange offer of the shares of RIPI, Ultrapar must ensure that the pledge of RIPI s shares will be substituted by a pledge of IQ s shares.

Petrobras Asset Security Agreement

On April 18, 2007, Ultrapar and Petrobras entered into the Petrobras Asset Security Agreement, whereby Ultrapar pledged in favor of Petrobras, 31% of the common shares and 78% of the preferred shares of DPPI that it acquired from the Key Shareholders, as well as 100% of the common shares of CBPI that it acquired from the Key Shareholders. After the Mandatory Tender Offers, Ultrapar will pledge, in substitution for 1,482,751 common shares issued by DPPI, 3,013,903 common shares issued by CBPI that will be acquired, assuming that all the common shares issued by CBPI will be acquired in the Mandatory Tender Offers.

Deutsche Bank Valuation Report

General

Ultrapar retained Deutsche Bank to deliver a valuation report in connection with the Share Exchange in accordance with Brazilian securities law. The report prepared by Deutsche Bank was delivered to Ultrapar on April 4, 2007. Revised valuation reports were prepared subsequent to April 4, 2007 and provided to Ultrapar. The most recent updated valuation report will be filed with the SEC and incorporated herein by reference.

You should consider the following when reading the summary of the Deutsche Bank valuation report below:

The report was prepared in compliance with the requirements imposed by Brazilian securities law, in particular CVM Rule No. 361, and was not prepared with a view toward complying with the published guidelines of the SEC or the American Institute of Certified Public Accountants with respect to prospective financial information.

The full text of Deutsche Bank s report, which sets forth, among other things, the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in connection with the report, has been incorporated herein by reference to Ultrapar s Report on Form 6-K, filed with the SEC on April 16, 2007. RIPI, DPPI and CBPI preferred shareholders are urged to read the report, and when available, any updated reports, in its entirety. The summary of the report set forth in this prospectus is qualified in its entirety by reference to the full text of the report.

The report and its conclusions are not recommendations by Deutsche Bank as to whether RIPI, DPPI and CBPI preferred shareholders should take any action in connection with the Share Exchange or the Transaction. The report is not a fairness opinion as such is understood under U.S. law or a recommendation to shareholders relating to the exchange ratio to be offered to the RIPI, DPPI and CBPI preferred shareholders. The report was prepared in connection with Brazilian legal requirements relating to third-party independent valuation reports to be used in connection with merger and acquisition transactions. All shareholders should conduct their own analysis of the Transaction and should rely on their own financial, tax and legal advisors and not Deutsche Bank s report in evaluating whether to take any action in connection with the Share Exchange or the Transaction.

In connection with Deutsche Bank s valuation analysis and its preparation of the valuation report, Deutsche Bank has reviewed certain publicly available financial and other information concerning Ultrapar and the Ipiranga Group and certain internal analyses and other information furnished to it by Ultrapar and the Ipiranga Group. Deutsche Bank has also held discussions with members of the senior managements of Ultrapar and the Ipiranga Group, and with respect to certain assets, the senior management of Braskem, regarding the businesses and prospects of their respective companies and the operations of the combined company following the Transaction. In addition, Deutsche Bank has (i) reviewed the reported prices and trading activity for the stock of Ultrapar, RIPI, DPPI and CBPI, (ii) compared certain financial and stock market information for Ultrapar and the Ipiranga Group with similar information for certain other companies whose securities are publicly traded, (iii) reviewed the financial terms of certain recent business combinations which it deemed comparable in whole or in part, (iv) reviewed the terms of the agreements governing the Transaction, and (v) performed such other studies and analyses and considered such other factors as it deemed appropriate.

Deutsche Bank has not assumed responsibility for independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning Ultrapar or the Ipiranga Group, including, without limitation, any financial information, forecasts or projections considered in connection with the preparation of its valuation report. Accordingly, for purposes of its report, Deutsche Bank has assumed and relied upon the accuracy and completeness of all such information and Deutsche Bank has not conducted a physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or liabilities, of Ultrapar or any member of the Ipiranga Group.

Any valuations, financial and other forecasts and/or estimates or projections and other assumptions contained in the valuation report (including, without limitation, regarding financial and operating performance), were prepared or derived from information (whether oral or in writing) supplied solely by the respective managements of Ultrapar, the Ipiranga Group and Braskem or derived from other public sources, without any independent verification by Deutsche Bank, and involve numerous and significant subjective determinations and assumptions by Ultrapar, the Ipiranga Group and Braskem, which may not be correct. As a result, actual results may vary materially from those shown in the valuation report. In addition, with respect to any such information made available to Deutsche Bank and used in its analyses, Deutsche Bank has assumed that such information has been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Ultrapar, the Ipiranga Group and Braskem as to the matters covered thereby.

In preparing its valuation report, neither Deutsche Bank nor any of its affiliates or representatives make any express or implied representation or warranty, or express any view, as to the accuracy, reasonableness, completeness or achievability of any such financial and other forecasts and/or estimates or projections, or as to the determinations or assumptions on which they are based. Deutsche Bank s report is necessarily based upon economic, market and other conditions as in effect on, and the information made available to it as of, the date of the report.

Deutsche Bank has also assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, or any amendments, modifications or waivers to any agreements, instruments or orders to which either Ultrapar or the Ipiranga Group is a party or is subject or by which it is bound, no limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would have a material adverse effect on Ultrapar or the Ipiranga Group or materially reduce the contemplated benefits of the Transaction to Ultrapar.

Ultrapar did not provide specific instructions to, place any limitations on the scope of the investigation by, or request any procedures or factors be considered by, Deutsche Bank in performing its analyses or preparing the valuation report.

The report was based on the information available as of the date of the report, and the views expressed are subject to change based upon a number of factors, including market conditions and Ultrapar s and the Ipiranga Group s business and prospects.

Valuation Methodology Summary

Deutsche Bank conducted valuations of Ultrapar and the Ipiranga Group in accordance with the mandatory criteria of the CVM. In accordance with CVM Rule No. 361, Deutsche Bank prepared its valuations using the following methodologies and assumptions:

Economic value. The economic value analysis is based on a discounted cash flow analysis for certain business lines and a comparable multiples analysis for other business lines, each as further described below. The economic valuation analysis was based on publicly available information and discussions with management of Ultrapar and the Ipiranga Group and Braskem.

Market value. Deutsche Bank s market value valuation analysis, which was based on average share prices weighted by traded volume during the twelve-month period ended March 16, 2007 (the last trading day before the announcement of the Transaction).

Book value. Deutsche Bank s book value valuation analysis was based on the book value of the shares of Ultrapar, RIPI, DPPI and CBPI as reflected in their respective audited financial statements as of December 31, 2006.

Among the different valuation methodologies presented in the valuation report, Deutsche Bank believes that the economic value analysis based on discounted cash flow and comparable multiples is the most applicable methodology for valuing Ultrapar, RIPI, DPPI and CBPI.

Discounted Cash Flow Analysis

Deutsche Bank performed a discounted cash flow, or DCF, analysis to value Ultrapar, the operating assets of DPPI (DPPI Opco), the operating assets of CBPI (CBPI Opco), Copesul and IPQ. A DCF analysis is a method of evaluating the value of an asset by estimating the future unlevered free cash flows of such asset and taking into consideration the time value of money by calculating the present value, i.e. the current value of future cash flows, of these estimated cash flows. Deutsche Bank calculated the DCF values for each of Ultrapar, DPPI Opco., CBPI Opco., Copesul and IPQ as the sum of the net present value of (i) the estimated future cash flow that such business line will generate for the years 2007 through 2016 and (ii) the value of such business line at the end of such period (the Terminal Value).

In addition, in performing the DCF analyses, Deutsche Bank made several assumptions including, but not limited to, the following:

The base date for the DCF analyses is December 31, 2006.

Projections were prepared in nominal Brazilian *reais*, and each of the annual cash flows were converted to U.S. Dollars based on the average exchange rate for the year.

An exchange rate of 2.1385 R$/US$ is used as of December 31, 2006 to convert the net present value in U.S. Dollars to Brazilian *reais*.

The weighted average cost of capital is in nominal U.S. dollars.

Cash flow is generated in the middle of the year (in June) for purposes of discounting cash flows to present value.

The Terminal Values were calculated based on Gordon s growth formula and include adjustments to capital expenditures, depreciation, tax rates and net operating working capital.

The perpetuity cash flows of petrochemical companies have been adjusted for mid-cycle.

The following table sets forth a summary of the results of the DCF analyses performed for each of Ultrapar, DPPI Opco, CBPI Opco, Copesul and IPQ.

Companies valued by discounted cash flow DCF

Company	Description	TEV (R$ million)	g[1]	WACC
CBPI Opco	A distributor of fuel to retail gas stations and industrial sites. In 2006, volume of core products was 11.6 billion m^3	2,421	3.0%	12.2%
DPPI Opco	A distributor of fuels to retail gas stations and industrial sites. In 2006, volume of core products was 1.8 billion m^3	566	3.0%	12.3%
Copesul	A naphtha-based cracker with volume of 2.96 million tons in 2006	5,635	0.0%	11.2%
IPQ	A 2nd generation producer of high-end petrochemicals. Volume sold in 2006 was 636,100 tons	1,452	0.0%	11.8%
Ultrapar	A distributor of liquefied petroleum gas (LPG), 2nd generation producer of petrochemicals, and a logistics provider for special products	5,879	3.0%	10.6%

Notes: (1) Perpetual growth rate in US Dollar real terms.
TEV means Total Enterprise Value, which is total value of the business line calculated based on economic value of shareholders equity plus net debt as defined in the valuation report.
WACC Weighed average cost of capital

Comparable Public Company Analysis

Deutsche Bank performed a comparable public company analysis for the operating assets of RIPI (RIPI Opco or RIPI refinery), Empresa Carioca de Produtos Químicos S.A. (EMCA) and AM/PM Comestíveis (AM/PM). For these business lines, the comparable multiples analysis involved comparing certain financial information and commonly used valuation measurements for the applicable business line to corresponding information and measurements for a publicly traded company or a group of publicly traded companies in the same industry. The comparable public company analyses were conducted on a comparison of multiples for earnings before interest, taxes, depreciation and amortization (EBITDA) for 2006, except for certain petrochemical business lines for which a normalized average EBITDA (based on a three to five-year period) was used. The companies comprising each comparison group were chosen primarily because Deutsche Bank believed they share similar business characteristics to the respective business lines based on operational and financial metrics. However, none of the companies selected is identical or directly comparable to any of the analyzed business lines. Other companies may have been considered but not deemed relevant because their size, operations, target customers, product offerings, financial and operating metrics or other characteristics differ substantially from the analyzed business lines.

Comparable Precedent Transaction Analysis

Deutsche Bank conducted an analysis of selected precedent transactions in determining its valuation of Ipiranga Química S.A. (IQ) and Ipiranga Asfaltos (IASA). In such cases, Deutsche Bank reviewed the financial terms, to the extent publicly available, of numerous mergers and acquisition transactions involving companies in the same industries. The precedent transaction analyses were conducted on a comparison of multiples for earnings before interest, taxes, depreciation and amortization (EBITDA) for the last twelve months (LTM) prior to a given transaction.

Deutsche Bank reviewed various precedent transactions and, based on qualitative judgments and complex considerations concerning differences between the characteristics of these transactions and the characteristics of the acquired company, selected the transactions that were considered most comparable to IQ and IASA. Deutsche Bank calculated various financial multiples based on certain publicly available information for each of the comparable transactions and compared them to corresponding financial multiples for IQ and IASA. Deutsche Bank has also analyzed Isa-Sul Administração e Participação Ltda. (Isa-Sul), a subsidiary of DPPI, whose operations are similar to DPPI Opco. For this reason, Deutsche Bank used the multiple of value derived from the DCF valuation on DPPI Opco and applied to Isa-Sul.

The following table sets forth a summary of the results of the comparable multiples analyses.

Companies valued by multiples

Business Line	Description / Methodology	TEV (R$mm)	TEV/ 06 EBITDA
RIPI Opco	A refinery that has operated on a break even basis (sometimes given special tax incentives by the State)		
	Valuation based on comparable public company analysis	9	6.5x
IQ	A chemical products distributor with over 5,000 clients in 50 different markets		
	Valuation based on comparable precedent transaction analysis	176	8.6x
EMCA	A producer of specialty petrochemicals; consolidated by CBPI SA		
	Valuation based on comparable public company analysis	18	6.3x
IASA	A producer of asphalt and pavement surface products		
	Valuation based on comparable precedent transaction analysis	89	6.8x
AM/PM Comestíveis	A retail convenience store chain attached to DPPI and CBPI gas stations, consolidated by CBPI		
	Valuation based on comparable public company analysis	236	7.5x
Isa-Sul Administração e Part. Ltda.	A subsidiary that owns 152 and operates 15 of the gas stations in DPPI s region		
	Valuation based on the same multiple as DPPI-Opco implied by the DCF	140	8.8x

Note: TEV means Total Enterprise Value, which is total value of the business line calculated based on economic value of shareholders equity plus net debt as defined in the valuation report.

Summary Valuation Analysis

Set forth below are summaries of the share price valuations with respect to Ultrapar, RIPI, DPPI and CBPI as indicated by the valuation report. Each share price valuation under the economic value analysis shows a mid-point amount and a plus or minus 5% range as permitted by CVM Rule No. 361.

Ultrapar

The table entitled Economic Value of Ultrapar summarizes the economic value of Ultrapar shares as indicated by the valuation report. For purposes of the table, Step 1 refers to the acquisition by Ultrapar of a controlling interest in the common shares of each of RIPI, DPPI and CBPI (completed on April 18, 2007), and Step 2 refers to the completion of mandatory tag-along cash tender offers by Ultrapar for the remaining outstanding common shares of each of RIPI, DPPI and CBPI.

After completing Step 1 and Step 2, Ultrapar will have acquired shares equivalent to 41.3% of RIPI, 35.4% of DPPI, and 4.1% of CBPI. These stakes are equivalent to 41.3% of the RIPI refinery, 38.5% of the distribution business of DPPI, and 16.9% of the distribution business of CBPI.

Value of the assets acquired by Ultrapar in Steps 1 and 2

(R$ million)		**TEV[5]**	**Equity**
Assets acquired by Ultrapar		**591**	**497**
RIPI refinery[1]	41.3%	1	(10)
DPPI distribution[2]	38.5%	272	290
CPBI distribution[3]	16.9%	315	217
CBPI EMCA[4]	16.9%	3	0

(1) Includes 1/3 of the Refinery only
(2) Includes ISA-Sul
(3) Includes CBPI distribution and the AM/PM convenience stores in the South and Southeast
(3) Assumes that Petrobras will pay with cash for 100% of its stake and will assume no debt from CBPI
(4) EMCA will be 100% owned by Ultrapar
(5) Represents Ultrapar's stake in the acquired assets

Therefore, prior to the Share Exchange, Ultrapar will have acquired assets worth 497 million Brazilian *reais* equity value, for which Ultrapar paid 876 million Brazilian *reais* according to the investment agreement among Ultrapar, Braskem and Petrobras.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing Ultrapar s shares. As required by the CVM Rule No. 361, Deutsche Bank also presented in the valuation report Ultrapar s book value of R$23.86 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$43.08 per preferred share with respect to Ultrapar. Since Ultrapar s common shares did not trade for the 12 months ending March 16, 2007, no market value analysis was performed with respect to those shares.

RIPI

The following table summarizes the economic value of RIPI shares as indicated by the valuation report.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing RIPI s shares. As required by the CVM Rule No. 361, Deutsche Bank also presented in the valuation report RIPI s book value of R$19.50 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$32.75 per preferred share and R$45.81 per common share with respect to RIPI.

DPPI

The following table summarizes the economic value of DPPI shares as indicated by the valuation report.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing DPPI s shares. As required by CVM Rule No. 361, Deutsche Bank also presented in the valuation report DPPI s book value of R$25.13 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$24.99 per preferred share and R$41.69 per common share with respect to DPPI.

CBPI

The following table summarizes the economic value of CBPI shares as indicated by the valuation report.

The economic valuation presented above was considered by Deutsche Bank the most appropriate methodology for valuing CBPI s shares. As required by CVM Rule No. 361, Deutsche Bank also presented in the valuation report CBPI s book value of R$14.68 per share as of December 31, 2006, and a market value based on the weighted average share price from March 15, 2006 to March 16, 2007 of R$18.32 per preferred share and R$21.72 per common share with respect to CBPI.

Conclusions

Share price range based on the economic value (R$ per share)

	-5%	**Mid-range**	**+5%**
CBPI	26.97	28.39	29.81
DPPI	41.11	43.28	45.44
RIPI	51.63	54.35	57.06
Ultrapar	64.48	67.87	71.26

Note: 10% range in compliance with CVM Rule No. 361.

Other Considerations

The foregoing summary describes certain analyses and factors that Deutsche Bank conducted in connection with the preparation of its report, but is not a comprehensive description of all analyses performed and factors considered by Deutsche Bank in connection with preparing the report. RIPI, DPPI and CBPI preferred shareholders are urged to read the full text of the report, which is incorporated herein by reference to Ultrapar s Report on Form 6-K, filed with the SEC on April 16, 2007. The report is not readily susceptible to summary description. Deutsche Bank believes that its report must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses or factors could create a misleading view of the process underlying the report.

In conducting its analyses and preparing its report, Deutsche Bank utilized a variety of generally accepted valuation methods. The analyses were prepared solely for the purpose of enabling Deutsche Bank to prepare and issue the valuation report and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold, nor do they take into account any element of value that may arise from the accomplishment or expectation of the proposed Transaction.

Ultrapar selected Deutsche Bank to prepare the valuation report based on Deutsche Bank s qualifications, expertise, reputation and experience in mergers and acquisitions and related transactions. Deutsche Bank and its affiliates are experienced in advising and valuing Brazilian publicly listed companies. Ultrapar has retained Deutsche Bank pursuant to an engagement letter dated March 18, 2007. Deutsche Bank will receive U.S. $3,000,000 net of taxes for delivering the valuation report upon consummation of the Share Exchange. In addition to the fees payable to Deutsche Bank pursuant to the engagement letter and irrespective of whether the Share Exchange is consummated, Ultrapar has agreed to reimburse Deutsche Bank for reasonable fees and disbursements of Deutsche Bank s counsel and all of Deutsche Bank s reasonable travel and other out-of-pocket expenses incurred in connection with the preparation and delivery of the valuation report or otherwise arising out of the retention of Deutsche Bank under the engagement letter. The expenses related to Deutsche Bank s counsel, in excess of US$ 40,000.00, are subject to the prior written approval of Ultrapar. Ultrapar has also agreed to indemnify Deutsche Bank and certain related persons to the full extent lawful against certain liabilities arising out of its engagement or the Share Exchange.

Deutsche Bank is an internationally recognized investment banking firm experienced in providing advice in connection with mergers and acquisitions and related transactions. Deutsche Bank is an affiliate of Deutsche Bank AG. As of the date of the report, Deutsche Bank and its affiliates owned equity and debt securities of Braskem and Petrobras. Deutsche Bank has also provided advisory services to Petrobras. Deutsche Bank and its affiliates may actively trade securities of Ultrapar, Braskem, Petrobras and/or any member of the Ipiranga Group for their own account or the account of their customers and, accordingly, may from time to time hold a long or short position in such securities.

Apsis Valuation Report

Apsis Consultoria Empresarial Ltda., or Apsis, has been engaged by Ultrapar and the Target Companies to conduct a valuation analysis for the purpose of appraising the equity of both Ultrapar and the Ipiranga Group. Apsis s valuation analysis will be used to determine the book value and liquidation value of the Target Companies preferred shares. These values will be utilized in connection with the Target Company shareholders appraisal rights. As noted above, Apsis engagement is subject to shareholder approval.

We intend to include a detailed summary of Apsis s valuation report, and to annex the full text of the report as an exhibit to the registration statement of which this prospectus forms a part, when the report is delivered to us, which we expect to occur prior to the calling of the various shareholder meetings required to implement the Share Exchange.

Regulatory Approvals Required for the Transaction

Regulatory Approvals in the United States

Ultrapar, RIPI, DPPI and CBPI are not aware of any governmental approvals that are required for completion of the Transaction. It is presently contemplated that if any governmental approvals are required, those approvals will be sought. There can be no assurance, however, that any additional approvals will be obtained.

Regulatory Approvals in Brazil

The Transaction must be approved by the Brazilian antitrust authority, Conselho Administrativo de Defesa Econômica CADE, which is currently assessing the Transaction and its potential consequences. Approval of the Transaction by CADE is not required for the completion of the Transaction.

Board of Directors and Executive Officers of the Combined Company

Upon completion of the Transaction, the board of directors and executive officers of Ultrapar are expected to remain the same. See our 2006 Form 20-F for further information concerning the board of directors and executive officers of Ultrapar.

Appraisal Rights

RIPI, DPPI and Ultrapar preferred shareholders are entitled to appraisal rights in connection with the Share Exchange with respect to the shares of each of their respective companies. For the purposes of Brazilian Corporate Law (*Lei das Sociedades Anônimas*), the Share Exchange constitutes a stock merger (*incorporação de ações*), whereby all shares of a target company are transferred to an acquiring company. The shareholders of the target company receive shares in the acquiring company in exchange for their shares in the target company. The result of the stock merger is that the target company becomes a wholly owned subsidiary of the acquiring company, and the shareholders of the target company become shareholders of the acquiring company.

In order for a stock merger to be carried out, general meetings of the shareholders of both the target and acquiring companies must be held and the shareholders of the two companies must approve the stock merger. Only holders of common shares have the right to vote at shareholders meetings. Preferred shareholders do not have the right to vote. In accordance with Brazilian Corporate Law a stock merger becomes mandatory for all shareholders, even the preferred shareholders who do not have the right to vote, if approved at the relevant shareholders meeting. When the Share Exchange is approved, shareholders who dissent from the decision have the right to exercise appraisal rights against their company, according to the Brazilian Corporate Law.

Appraisal rights give the shareholder the right to sell his or her shares to RIPI, DPPI or Ultrapar, as applicable, at their book value or, if the exchange ratio calculated with reference to liquidation value is more favorable to the shareholder of RIPI and DPPI, as applicable, than the exchange ratio offered by Ultrapar (which was calculated with reference to the economic value), such shareholders may choose between book value and liquidation value for their preferred shares.

In a stock merger transaction, the appraisal rights can only be exercised after the approval of the stock merger and, consequently, after the general meeting of shareholders has been held. Appraisal rights may be exercised in the 30 days following publication of the resolution by the shareholders in a general meeting approving the transaction that triggers the appraisal rights.

Shareholders who vote in favor of approving the Share Exchange at the shareholders meeting do not have appraisal rights. Appraisal rights are reserved to those who voted against the Share Exchange, those who did not vote (including preferred shareholders) and those who did not attend the shareholders meeting.

Shareholders exercise their appraisal rights by sending a written notice to RIPI, DPPI or Ultrapar as applicable, informing the relevant company that they intend to exercise appraisal rights. Upon receipt of the notice, the relevant company is bound to buy the shares, and the shareholder is bound to sell them, unless the relevant company decides to reconsider the Share Exchange, as explained below.

Once the 30-day period for exercise of appraisal rights has expired, the shareholders no longer have any right to compel the relevant company to purchase their shares and the relevant company will proceed to determine how many shareholders exercised appraisal rights.

The Brazilian Corporate Law gives Ultrapar, RIPI and DPPI a period of 10 days to call a new general shareholders meeting to reconsider the resolution that approved the Share Exchange if any of Ultrapar, RIPI and DPPI believes that the total amount to be paid to the shareholders who exercised their appraisal rights could adversely affect their company s financial situation. If the shareholders in a general meeting reverse their earlier decision, Ultrapar, RIPI and DPPI, as the case may be, is released from the obligation to pay the appraisal amount.

ACCOUNTING TREATMENT

The following should be read in conjunction with the Unaudited pro forma Financial Statements. The Transaction and the consolidated financial statements included, or incorporated by reference in, this prospectus. The several steps of the Transaction will be accounted for under Brazilian GAAP and U.S. GAAP as set forth below.

Closing of the Share Purchase Agreement

In connection with the Share Purchase Agreement, which closed on April 18, 2007, Ultrapar acquired a controlling interest in the common shares of each of RIPI, DPPI and CBPI. On the same date, Ultrapar, Braskem and Petrobras executed two shareholders agreements, one for RIPI, and the other for DPPI, CBPI, ICQ and IPQ, which established the rights and obligations among Ultrapar, Petrobras and Braskem relating to the management and control of RIPI, DPPI and CBPI during the period in which the Transaction is being completed. These agreements were signed in order to ensure that (i) Ultrapar fulfills its obligations owed to Petrobras and Braskem, including those established under the Investment Agreement, and (ii) Petrobras and Braskem are each entitled to manage, during the period in which the Transaction is being completed, the assets of RIPI, DPPI and CBPI that each such company will receive in the separation of assets that will occur in connection with the completion of the Transaction. For the closing of the SPA Ultrapar received funds from Braskem and Petrobras which were recorded as a liability, with an offsetting asset, since the net assets acquired for Braskem and Petrobras under the commission agreement are not controlled by, and will not remain with, Ultrapar. As a result, for the portion of the Target Companies net assets that will be transferred to Braskem and Petrobras, the net effect in Ultrapar s financial statements under Brazilian GAAP and U.S. GAAP is zero. For the portion of the Target Companies net assets that will remain with Ultrapar, the difference between the price paid for them and their Brazilian GAAP book value was recorded as goodwill and is being amortized over 10 years. Under U.S. GAAP we adopted the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill was recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Mandatory Tender Offers

In connection with the Mandatory Tender Offers by Ultrapar for the remaining outstanding common shares of each of the Target Companies, the funds received from Braskem and Petrobras were recorded as a liability, with an offsetting asset, since the net assets acquired for Braskem and Petrobras under the commission agreement are not controlled by, and will not remain with, Ultrapar. As a result, for the portion of the Target Companies net assets that will be transferred to Braskem and Petrobras, the net effect in Ultrapar s financial statements under Brazilian GAAP and U.S. GAAP is zero. For the portion of the Target Companies net assets that will remain with Ultrapar, the difference between the price paid for them and their Brazilian GAAP book value is recorded as goodwill, to be amortized over a 10 year period. Under U.S. GAAP we adopted the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill is recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Share Exchanges

In connection with the Share Exchange, we will execute a capital increase, corresponding to the number of new Ultrapar preferred shares that will be required to be issued in order to exchange all of the Target Companies outstanding common and preferred shares for our preferred shares. Under Brazilian GAAP, we intend to register this capital increase in an amount established in the Transaction Agreements. For U.S. GAAP, we intend to value the new Ultrapar shares based on the market price of the securities over a reasonable period of time before and after the terms of the acquisition were agreed to and announced, in accordance with paragraph 22 of SFAS 141

Business Combination . The capital increase will correspond to an increase in the investment by Ultrapar in the Target Companies. The portion of the investment that corresponds to the net assets to be transferred to Braskem and Petrobras will be added to the previous steps amounts that pertain to the two companies. For the portion of the investment that corresponds to the net assets that will remain with Ultrapar, the difference between the value of this investment and its Brazilian GAAP book value will be recorded as goodwill and be amortized over 10 years. Under U.S. GAAP, we will adopt the purchase method of accounting for a step acquisition under the provisions of SFAS 141 Business Combination . Goodwill will be recognized based on the excess of Ultrapar s acquisition cost over the net amounts assigned to the fair value of assets acquired and liabilities assumed. Goodwill is subject to annual impairment tests.

Split-up of Assets

In connection with the final phase of the Transaction, there will be a split-up of the Southern Distribution Business, Northern Distribution Business and the Petrochemical Business and subsequent transfer of the Petrochemical Business to Braskem and Petrobras, the Northern Distribution Business to Petrobras and one third ownership in RIPI to each of Braskem and Petrobras. In order to transfer the relevant assets to Petrobras and Braskem, the Target Companies will effect a spin-off of such assets and transfer them to Ultrapar. Ultrapar will then transfer those assets to Braskem and Petrobras in exchange for the funds received in steps 1 and 2 and will receive cash from Braskem and Petrobras for the portion of assets acquired by Ultrapar in the Share Exchange. In light of the accounting of each of the previous steps, we do not expect any significant gains or losses to be recorded under Brazilian GAAP and U.S. GAAP as a result of this step.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following are the material U.S. federal income tax consequences to holders who exchange preferred shares of RIPI, DPPI or CBPI for our preferred shares pursuant to the Share Exchange, and the material U.S. federal income tax consequences of holding and disposing of our preferred shares. This discussion applies only to U.S. Holders (as defined below) that hold preferred shares of RIPI, DPPI or CBPI and that will hold our preferred shares as a result of the Share Exchange as capital assets.

This discussion does not describe all of the tax consequences that may be relevant to a holder in light of the holder s particular circumstances or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers in securities;
- persons holding preferred shares of RIPI, DPPI or CBPI or our new preferred shares as part of a hedge, straddle , integrated transaction or similar transactions;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- tax-exempt organizations; or
- persons that own or are deemed to own ten percent or more of our voting stock.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code , administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Please consult your own tax advisor concerning the U.S. federal, state, local and foreign tax consequences of purchasing, owning and disposing of preferred shares in your particular circumstances.

As used herein, the term U.S. Holder means a beneficial owner of preferred shares of RIPI, DPPI or CBPI, that is, for U.S. federal tax purposes:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States or any political subdivision thereof; or

an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

The Share Exchange

A U.S. Holder will recognize gain or loss on the exchange of preferred shares of RIPI, DPPI or CBPI for our preferred shares in an amount equal to the difference between the fair market value of our preferred shares received and the U.S. Holder s tax basis in the preferred shares of RIPI, DPPI or CBPI exchanged. In general, such gain or loss will be treated as long-term capital gain or loss if the shares exchanged have been held for more than one year at the time of exchange. For U.S. federal income tax purposes, any gain or loss realized by a U.S. Holder will be treated as U.S. source gain or loss.

As a consequence of the exchange, a U.S. Holder s adjusted basis in our preferred shares will be equal to the fair market value of our preferred shares on the date the U.S. Holder made the exchange, and the holding period of our preferred shares received will begin on the day immediately following such date.

An exchanging U.S. shareholder may have different consequences if RIPI, DPPI or CBPI, as the case may be, is or was a passive foreign investment company (PFIC) for U.S. federal income tax purposes for any taxable year during which such U.S. Holder held the exchanged shares. Because it would be impractical for us to undertake such an analysis, we are unable to determine whether or not any of RIPI, DPPI or CBPI is or has been a PFIC. U.S. Holders are urged to consult their own tax advisors in this regard.

Ownership of Our Preferred Shares

Taxation of distributions. Distributions paid with respect to preferred shares will be includable in the income of a U.S. Holder as ordinary dividend income to the extent paid out of current or accumulated earnings and profits of Ultrapar, as determined for U.S. federal income tax purposes. As discussed in the following two sentences, although the matter is not free from doubt, under current law, dividends paid to non-corporate U.S. Holders on preferred shares in taxable years beginning before January 1, 2011, will generally be taxable at a maximum rate of 15%, provided that certain holding period and other requirements are satisfied. Current law requires that to qualify for the lower 15% rate, dividends must be paid in respect of stock that is readily tradable on a securities exchange in the United States. Notwithstanding the fact that our ADSs are currently listed on the New York Stock Exchange, it is possible that the Internal Revenue Service could argue that dividends paid in respect of our preferred shares do not qualify for the lower 15% rate. U.S. Holders should consult their own tax advisors regarding the availability of this lower tax rate in their particular circumstances. For purposes of these rules, the amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution. In addition, the taxable amount of any distribution will include the amount of Brazilian tax withheld on the amount distributed, if any, and the amount of a distribution paid in reais will be measured by reference to the exchange rate for converting reais into U.S. dollars in effect on the date the distribution is received by the U.S. Holder. The U.S. Holder may have foreign currency gain or loss if the amount of such dividend is not converted into U.S. dollars on the date of its receipt.

Dividends paid by us generally will be treated as foreign source dividend income to U.S. Holders and will not be eligible for the dividends received deduction. Subject to certain limitations, Brazilian withholding tax, if any, paid in connection with any distribution with respect to preferred shares may be claimed as a credit against the U.S. federal income tax liability of a U.S. Holder if such U.S. Holder elects for that year to credit all foreign income taxes; otherwise, such Brazilian withholding tax may be taken as a deduction. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. U.S. Holders should consult their own tax advisors concerning the availability and utilization of the foreign tax credit.

Sale and other disposition of our preferred shares. Gain or loss realized by a U.S. Holder upon the sale, exchange or other disposition of a preferred share will be subject to U.S. federal income tax as U.S. source capital gain or loss in an amount equal to the difference between the amount realized on the disposition of the preferred share and the U.S. Holder s tax basis in the preferred share. The gain or loss will be long-term capital gain or loss if the U.S. Holder s holding period in the preferred share exceeds one year. If a Brazilian income tax is imposed on the sale or disposition of preferred shares, and the U.S. Holder does not receive significant foreign source income from other sources, the U.S. Holder may not be able effectively to credit such Brazilian tax against its U.S. tax liability. U.S. Holders should consult their tax advisors regarding the U.S. federal tax treatment of capital gains, which may be taxed at lower rates than ordinary income for individuals, and losses, the deductibility of which is subject to limitations.

Passive foreign investment company. Special U.S. tax rules apply to U.S. Holders that own shares in a PFIC. In general, we will be classified as a PFIC in a particular taxable year if either:

- 75% or more of our gross income consists of passive income, such as dividends, interest, rents and royalties; or

- 50% or more of our assets, by value, determined on the basis of a quarterly average, consists of assets that produce, or are held for the production of, passive income.

Based on a review of our income and assets, we believe that we are not a PFIC for U.S. federal income tax purposes and we do not expect to be a PFIC in the foreseeable future. However, since PFIC status depends upon the composition of a company s income and assets and the market value of its assets (including, among others, goodwill and less than 25 percent owned equity investments) from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year.

If we are treated as a PFIC in any taxable year during which a U.S. Holder owns preferred shares, gain recognized by such U.S. Holder on the sale or other disposition of the preferred shares will be allocated ratably over the U.S. Holder s holding period for the preferred shares. The amounts allocated to the taxable year of the sale or other exchange and to any year before we become a PFIC will be taxable as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for that year for individuals or corporations, as appropriate, and an interest charge will be imposed on the amount allocated to such taxable year. Further, any distribution in respect of the preferred shares in excess of 125 percent of the average of the annual distributions on preferred shares received by the U.S. Holder during the preceding three years or the U.S. Holder s holding period, whichever is shorter, will be subject to taxation as described above. Certain elections may be available (including a mark-to-market election) to U.S. persons that may mitigate the adverse consequences resulting from PFIC status.

In addition, if we are treated as a PFIC in a taxable year in which we pay a dividend or the prior taxable year, the 15% dividend rate discussed above with respect to dividends paid to non-corporate holders will not apply in that year or the next year.

U.S. backup withholding and information reporting. Payment of dividends and other proceeds in connection with the preferred shares made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and may be subject to backup withholding unless the U.S. Holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) in the case of backup withholding, provides a taxpayer identification number on a properly completed Internal Revenue Service Form W-9 or a substitute form and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding is creditable against the U.S. Holder s federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

BRAZILIAN TAX CONSEQUENCES

The following discussion is based on Brazilian law and practice as applied and interpreted as of the date of this prospectus, which are subject to change at any time. There is currently no treaty for the avoidance of double taxation between Brazil and the United States.

The following discussion mainly summarizes the principal Brazilian tax consequences of the transactions described in this prospectus to a U.S. holder not deemed to be domiciled in Brazil for Brazilian tax purposes (a U.S. holder). This discussion does not address all possible Brazilian tax consequences relating to the Exchange of Shares and does not address all the Brazilian tax considerations that may be applicable to any particular non-Brazilian holder. You should consult your own tax advisor regarding taxes that may arise in connection with the Exchange of Shares.

Despite the lack of specific provisions in Brazilian tax legislation with respect to the Share Exchange, there are good legal grounds to sustain that the exchange by a U.S. person or entity of preferred shares that are registered as a foreign portfolio investment under Resolution 2,689/00 of the National Monetary Council Regulations (Resolution 2,689/00) or are registered as a foreign direct investment under Law 4,131/62 would not be subject to income tax pursuant to Brazilian law. However, the exercise of appraisal rights is a taxable transaction.

Taxation on Gains Share Exchange

There are good legal grounds to sustain that the exchange of shares would not be subject to income tax pursuant to Brazilian law. Nevertheless, in case these arguments do not prevail, the following rule will apply to calculate the taxable gains:

Gains that may be realized through the exchange of RIPI, DPPI or CBPI shares for Ultrapar shares (e.g., cases of foreign direct investment under Law 4,131/62) could be subject to tax at a rate of 15%, unless the investor is established in a tax haven, in which case the applicable rate would be 25%. This rule would apply even in case of an investment made under Resolution 2,689/00, since the exchange of shares would be considered as a transaction carried out off of a stock exchange. These gains would be measured by the difference between the transaction cost of RIPI, DPPI or CBPI shares and the amount attributed to the received Ultrapar shares upon the exchange of shares. Both amounts should be considered in Brazilian currency without any correction for inflation as of 1996. Although there is a controversy surrounding this issue, there are arguments to sustain that the transaction cost of foreign investments should be indexed in foreign currency.

Taxation on Gains Exercise of Appraisal Rights

Gains that may be realized through the exercise of appraisal rights would be subject to tax at a rate of 15%, unless the investor is established in a tax haven, in which case the applicable rate would be 25%. This rule would apply even in case of an investment made under Resolution 2,689/00, since the exercise of appraisal rights would be considered as a transaction carried out off of a stock exchange. Both amounts should be treated as being in Brazilian currency without any correction for inflation as of 1996. Although there is a controversy surrounding this issue, there are arguments to sustain that the transaction cost of foreign investments should be indexed in foreign currency.

Taxation on Gains Future Disposals of Ultrapar s Shares

In case of future disposal of the preferred shares received upon the exchange of shares, potential gains realized by U.S. or non-resident holders would be taxed in Brazil, as follows:

In case of disposal to another U.S. holder or non-Brazilian holder, Brazilian income tax would apply, as of February 2004, at 15 %, except if the beneficiary is located in a low-tax jurisdiction, in which case the applicable rate would be of 25 %. There may be arguments to challenge the imposition of the Brazilian tax on this transaction. Nevertheless, because the provision is very recent and has not been tested before Brazilian courts, we may not predict whether this discussion will prevail in the future;

In case of transactions carried on the Brazilian stock exchanges by investors who entered the country under Resolution 2,689/00 of the National Monetary Council Regulations, a tax exemption would apply and gains would not be taxed in Brazil, except if the investor is domiciled in a tax haven, in which case the applicable rate would be of 15%;

In case of transactions carried on, or outside of, the Brazilian stock exchange by investors under Resolution 2,689/00, the applicable withholding tax rate would be 15%, except if the investor is located in a low-tax jurisdiction, in which case the applicable rate would be 25%;

In case of transactions carried on, or out of, the Brazilian stock exchange by investors that are not under Resolution 2,689/00 (Law 4,131/62 regime), the applicable withholding tax would be 15%, except if the transaction is carried out of the Brazilian stock exchange and the beneficiary is located in a tax haven, in which case the applicable rate would be 25%.

There can be no assurance that the current preferential treatment for U.S. and non-Brazilian holders of shares under Resolution 2,689/00 will be maintained.

Gain on the disposal of shares is measured by the difference between the amount in Brazilian currency realized on the sale or exchange and the Transaction cost of the shares sold, measured in Brazilian currency, without any correction for inflation as of 1996. Although there is a controversy surrounding this issue, there are arguments to sustain that the Transaction cost of foreign investments should be indexed in the currency of that foreign country.

Shareholders Compensation

Taxation of dividends and interest on capital will be the same for RIPI, DPPI and CBPI shareholders.

(A) Taxation of Dividends. Dividends paid by Ultrapar in cash or in kind out of profits generated on or after January 1, 1996 to a non-Brazilian holder in respect of preferred shares will not be subject to Brazilian withholding tax.

(B) Distributions of Interest on Capital. Brazilian corporations may make payments to shareholders characterized as interest on capital as an alternative to making dividend distributions. The rate of interest may not be higher than the federal government s long-term interest rate, or the TJLP, as determined by the Central Bank from time to time. The total amount distributed as interest on capital may not exceed the greater of (i) 50% of net income (before taking the distribution and any deductions for income taxes into account) for the year in respect of which the payment is made or (ii) 50% of retained earnings for the year prior to the year in respect of which the payment is made. Payments of interest on capital are approved by the shareholders on the basis of recommendations of the company s board of directors. Usually the board of directors approves the payment of interest on capital, subject to ratification by the general meeting.

Distributions of interest on capital paid to Brazilian and non-Brazilian holders of common shares and preferred shares are deductible by Ultrapar for Brazilian corporate tax purposes, within the limits referred above. Payments to non-Brazilian holders are subject to Brazilian withholding tax at the rate of 15%. In a recent decision of Brazilian Superior Court (Superior Tribunal de Justicia STJ) interest on capital would also be subject to two tax contributions to PIS Contribution to the Social Integration Program and to COFINS Contribution to the Social Financial Program on such tax contributions is still subject to an agreement upon the bar for such taxation. If the recipient of the payment is domiciled in a tax haven jurisdiction (i.e., a country that does not impose any income tax or that imposes tax at a rate of less than 20%), the rate will be 25%. The tax treatment of interest on capital at the recipient level varies according to such recipient s jurisdiction. You should consult with your own tax advisor regarding the tax treatment applicable to you.

Amounts paid as interest on capital (net of applicable withholding tax) may be treated as payments in respect of the dividends Ultrapar is obligated to distribute to its shareholders in accordance with its by-laws and the Brazilian Corporate Law. Distributions of interest on capital in respect of common shares and preferred shares may be converted into U.S. dollars and remitted outside of Brazil, subject to applicable exchange controls.

No assurance can be given that the board of directors of Ultrapar will recommend that future distributions of profits will be made by means of interest on capital. Whether the board of directors of Ultrapar will recommend the distribution of profits by means of interest on capital or dividends will depend on Ultrapar s tax position and corporate/tax legislation in force on the date of the recommendations.

Other Brazilian Taxes

The exchange of shares will not trigger any Brazilian inheritance, gift or succession taxes (Imposto sobre Transmissão Causa Mortis e Doações ITCMD) or Contribution on Financial Transfers (Contribuição Provisória sobre Movimentação Financeira CPMF) or Tax on Financial Transactions (Imposto sobre Operações Financeiras IOF), except in case of exercise of appraisal rights, in which case CPMF may apply. Some Brazilian states impose ITCMD on gifts or bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such states.

Law No. 8,894, dated as of June 21, 1994, created the IOF, which may be imposed on any transaction involving bonds and securities, even if the transaction includes Brazilian stock, futures or commodities exchanges, or exchange as well as currency transactions.

The rate of IOF with respect to transactions involving shares is currently zero, although the executive branch may increase the rate up to 1.5% per day of the terms of the securities, but only with respect to future transactions.

The current applicable rate for almost all foreign currency exchange transactions is also zero. Notwithstanding this, the Ministry of Finance may increase the rate at any time, up to 25%. However, it may only do so with respect to future transactions.

CPMF is a tax imposed on bank account debits at a rate of 0.38%. Although the CPMF is set to expire on December 31, 2007, the Brazilian Federal Government may extend it, as it already has done several times, or transform the CPMF into a permanent tax. The burden of the CPMF tax is borne by the holder of the bank account (in this case, Ultrapar) and the responsibility for the CPMF tax collection is of the financial institution that carries out the relevant financial transaction.

EXTRAORDINARY SHAREHOLDERS MEETINGS OF RIPI, DPPI, CBPI AND ULTRAPAR

RIPI Will Hold its Extraordinary Shareholder Meeting on , 2007

The RIPI extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at RIPI s headquarters, located at Rua Engenheiro Heitor Amaro Barcellos, 551, City of Rio Grande, State of Rio Grande do Sul, Brazil. At the extraordinary shareholder meeting, RIPI s common shareholders will be asked:

- to approve all the conditions of the Share Exchange pursuant to the Investment Agreement;
- to ratify the engagement of Deutsche Bank to determine the book value and the liquidation value of RIPI;
- to approve the Share Exchange; and
- to transact any other business as may properly be brought before the RIPI extraordinary shareholder meeting or any adjournment or postponement of the RIPI extraordinary shareholder meeting.

You may not vote at the RIPI extraordinary shareholder meeting as a holder of RIPI preferred stock, although you may attend.

DPPI Will Hold its Extraordinary Shareholder Meeting on , 2007

The DPPI extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at DPPI s headquarters, located at Avenida Dolores Alcaraz Caldas, 90, City of Porto Alegre, State of Rio Grande do Sul, Brazil. At the extraordinary shareholder meeting, DPPI s common shareholders will be asked:

- to approve all the conditions of the Share Exchange pursuant to the Investment Agreement;
- to ratify the engagement of Deutsche Bank to determine the book value and the liquidation value of DPPI;
- to approve the Share Exchange; and
- to transact any other business as may properly be brought before the DPPI extraordinary shareholder meeting or any adjournment or postponement of the DPPI extraordinary shareholder meeting.

You may not vote at the DPPI extraordinary shareholder meeting as a holder of DPPI preferred stock, although you may attend.

CBPI Will Hold its Extraordinary Shareholder Meeting on , 2007

The CBPI extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at CBPI s headquarters, located at Rua Francisco Eugênio, 329 , City of Rio de Janeiro, State of Rio de Janeiro, Brazil. At the extraordinary shareholder meeting, CBPI s common shareholders will be asked:

- to approve all the conditions of the Share Exchange pursuant to the Investment Agreement;

to appoint or ratify the engagement of Deutsche Bank to determine the book value and the liquidation value of CBPI;

to approve the Share Exchange; and

to transact any other business as may properly be brought before the CBPI extraordinary shareholder meeting or any adjournment or postponement of the CBPI extraordinary shareholder meeting.

You may not vote at the CBPI extraordinary shareholder meeting as a holder of CBPI preferred stock, although you may attend.

Ultrapar Will Hold its Extraordinary Shareholder Meeting on , 2007

The Ultrapar extraordinary shareholder meeting will be held on , 2007 at a.m. (São Paulo time) at its headquarters at Avenida Brigadeiro Luis Antônio 1343, 9 floor, City of São Paulo, State of São Paulo, Brazil. At the extraordinary shareholder meeting, Ultrapar common shareholders will be asked:

- to approve all the conditions of the Share Exchange pursuant to the Investment Agreement;
- to ratify the engagement of Deutsche Bank to determine the book value and the liquidation value of RIPI, DPPI and CBPI;
- to approve the Share Exchange;
- to approve a capital increase in connection with the Share Exchange; and
- to transact any other business as may properly be brought before the Ultrapar extraordinary shareholder meeting or any adjournment or postponement of the Ultrapar extraordinary shareholder meeting.

INFORMATION ABOUT THE COMPANIES

Ultrapar

Ultrapar Participações S.A., or Ultrapar, is a *sociedade anônima* incorporated under the laws of the Federative Republic of Brazil. We have a significant market presence in the business areas in which we operate. We are the leader in LPG distribution in Brazil through Ultragaz, with a 24% market share, and one of the largest independent distributors in the world in terms of volume sold. We deliver LPG to an estimated 10 million households using our own vehicle fleet and also through approximately 4,000 independent retailers. We are the largest producer in South America of ethylene oxide and its principal derivatives, with an extensive business in the domestic and international markets. Through Ultracargo, we are a leading provider of integrated logistics for special bulk cargo in Brazil. We offer integrated multimodal transportation, loading and unloading services and the management of third-party fleets. Our high storage capacity, together with the strategic location of our assets, facilitates product movement along an integrated multimodal logistics system. With the acquisition of Ipiranga s fuel distribution business in the south and southeast regions of Brazil, we became the second largest Brazilian fuel distributor with approximately 15% market share. In 2006, we estimate that the Target Operations net sales in the fuel distribution business amounted to approximately R$19 billion.

Additional information about Ultrapar and its subsidiaries is included in our 2006 Form 20-F, which is incorporated by reference in this document. See Where You Can Find More Information on page 148.

Ratio of Earnings to Combined Fixed Charges and Preference Securities

The following table sets forth our ratio of earnings to combined fixed charges and preference securities for the periods indicated:

	As of December 31,				
	2002	2003	2004	2005	2006
Ratio of earnings to combined fixed charges and preference securities (1)	4.11	5.38	9.00	4.17	3.29

(1) For the purpose of calculating the ratio of earnings to combined fixed charges and preference securities, earnings consist of income from continuing operations before taxation and minority interests plus fixed charges and after deduction of the unremitted pre-tax income of companies accounted for by the equity method. Combined fixed charges and preference dividends consist of total interest expense, including or excluding interest on deposits as appropriate, and the proportion of rental expense deemed representative of the interest factor. Combined fixed charges and preference dividends include dividends and interest paid on the preferred shares.

The Ipiranga Group

The Ipiranga Group operated Brazil s second-largest fuel distributor, with a network of approximately 4,200 service stations and a 19% market share as of December 31, 2006. Ipiranga also had a significant presence in the petrochemicals market, with the production of 650,000 tons of petrochemical resins a year and an oil refinery business in southern Brazil. The Ipiranga Group conducted its refinery business through RIPI, its fuel distribution business through CBPI and DPPI and its petrochemical business through IQ and IPQ and held a 29.5% interest in Copesul (with Braskem owning another 29.5%), which is Brazil s second-largest producer of petrochemicals.

RIPI

RIPI is an oil refinery in the state of Rio Grande do Sul, in the Southern region of Brazil. As of December 31, 2006, RIPI s nominal capacity was 17,000 barrels per day, and its principal products include gasoline, diesel, naphtha, fuel oil, LPG and kerosene. During 2006, RIPI faced difficulties in keeping its operations at full capacity, due to an increase in international oil prices, to which its costs are linked, without a corresponding increase in oil derivatives prices in Brazil. This led RIPI to suspend its operations for five months during the year. In 2006, the average production of the refinery was 7,158 barrels per day, which represented 42% of the refinery s nominal capacity, and RIPI s market share reached 0.4% of the Brazilian market, according to ANP data. RIPI s principal executive offices are located at Rua Engenheiro Heitor Amaro Barcellos, 551, City of Rio Grande, State of Rio Grande do Sul, Brazil.

DPPI

DPPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in the State of Rio Grand do Sul and the western portion of the State of Santa Catarina, Brazil. DPPI is also the controlling entity of CBPI, the company responsible for the fuels distribution business of the Ipiranga Group in the remaining Brazilian territory. DPPI s share of the Brazilian fuels market is 2.6%. A substantial portion of DPPI net sales is derived from the sale of diesel and gasoline. DPPI s principal executive offices are located at Avenida Dolores Alcaraz Caldas, 90, City of Porto Alegre, State of Rio Grande do Sul, Brazil.

CBPI

CBPI is engaged in the distribution and marketing of petroleum products, fuel alcohol and vehicular natural gas in Brazil, with the exception of those regions in which DPPI operates and the States of Roraima and Amapá. CBPI is controlled by DPPI. CBPI s share of the Brazilian fuels market was 16.9 % as of December 31, 2006. In addition to selling gasoline and fuel alcohol, CBPI also sells diesel, vehicular natural gas, fuel oil, kerosene and lubricants. Together with DPPI, CBPI forms Brazil s second-largest fuel distributor, with a network of approximately 4,200 service stations and a 19% market share as of December 31, 2006. CBPI s principal executive offices are located at Rua Francisco Eugênio, 329, City of Rio de Janeiro, State of Rio de Janeiro, Brazil.

The following diagram shows the corporate structure of the Ipiranga Group prior to the completion of the Transaction:

RIPI MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with RIPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004, as well as their respective notes, included in this prospectus, and the sections Other Information and Selected Consolidated Historical Financial Data of RIPI and other financial information presented elsewhere in this prospectus.

This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. RIPI s actual results may differ significantly from those discussed in these estimates and forward-looking statements as a result of various factors, including, without limitation, those described in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

A. Operating Results

RIPI s economic performance in oil refining in 2006 continued to reflect difficulties caused by the incompatibility between oil prices in the international market and by-products prices in Brazil, in the prior year. In order to minimize operating losses and as happened in most part of 2005, Refinaria Ipiranga s management interrupted the production from June to October of 2006.

As part of the actions to ensure continuity of operations of Refinaria de Petróleo Ipiranga S.A., the management intensified contacts and negotiations with the regulatory agencies of the industry, the Federal Government and the Government of Rio Grande do Sul State. In July 2006, RIPI and the State Government started to study the possibility of producing petrochemical naphtha in order to have an alternative that allowed the operational continuity of Refinaria Ipiranga and an increase in tax collection for Rio Grande do Sul State.

On November 1, 2006, Decree No. 44,714 was published in the Official Gazette of Rio Grande do Sul State, permitting the use, as a deemed tax credit, of up to 8.5% of the ICMS (state VAT) levied on petrochemical naphtha produced in facilities located in the South region of Rio Grande do Sul State and sold in the same state, according to the agreement signed in November 27, 2006.

Therefore, operations were resumed according to the agreement signed with Rio Grande do Sul State Government and Refinaria Ipiranga s management believes that, from now on, there may be a better condition to continue operations by means of an alternative structured with Government and/or more consistent domestic price policies, including market conditions.

Brazilian Economic Background

Since RIPI s operating businesses are located substantially in Brazil, RIPI is significantly affected by Brazil s economic and social conditions, including, but not limited to, gross domestic product, or GDP, interest rates, the domestic rate of inflation and exchange rate fluctuations.

Gross domestic product

As government became more confident regarding inflation trends, interest rates were lowered, and Brazilian GDP grew by 4.9% in 2004. However, in order to meet inflation targets, the Central Bank increased interest rates again in 2005, and GDP growth decreased to 2.3% in the year ended December 31, 2005. During 2006, the Brazilian economy presented the same trend shown in the previous year and GDP grew by 2.9%.

Inflation and currency fluctuations

RIPI s cash operating expenses are substantially in *reais* and tend to increase with inflation. In 2004, the *real* appreciated further against the U.S. dollar and IGP-M for the year was 12.4%. In 2005 and 2006, the *real* continued to appreciate against the U.S. dollar, which, together with the increased average interest rates, resulted in an inflation rate of 1.2% and 3.9%, respectively, as measured by the IGP-M. Future governmental actions, including actions to adjust the value of the *real* in relation to the dollar, may increase inflation.

The principal foreign exchange risk RIPI faces arises from certain U.S. dollar-denominated debt. On December 31, 2006 the exchange rate exposure amounted to US$313,350. Hence, RIPI is exposed to foreign exchange rate risks which could negatively impact RIPI s businesses, financial situation and operating results as well as the capacity to service its debt. See Note 22 to RIPI s consolidated financial statements.

The table below shows the inflation rate for the periods indicated, as measured by the IGP-M as well as the devaluation of the *real* against the U.S. dollar.

	Year ended December 31,		
Index	**2006**	**2005**	**2004**
General Price Index IGP-M	3.9%	1.2%	12.4%
Devaluation (appreciation) of the *real* against the U.S. dollar	(8.7)%	(11.8)%	(8.1)%

Interest rate

Interest rates in Brazil has been historically high, but the monetary authorities have gathered success in diminishing it in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was elevated to 26% per year, as a reply to the inflation bubble of the previous year. However, the interest rate was rapidly diminished yet during 2003 to 16%. Between 2004 and mid-2005, there was another tightening, as a reply to a quick inflation acceleration and to heating in the trade area. Now, once the inflation has been controlled, the basic rate was reduced to 11.25% per year on September 2007. The main interest rate risk in RIPI arises from the possibility of incurring losses due to interest rate fluctuations that increase interest expenses on loans and financing.

	Year ended December 31,		
Index	**2006**	**2005**	**2004**
Interest rate Selic	15%	19%	16%

Critical Accounting Policies and Estimates

The presentation of RIPI s financial condition and results of operations requires its management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of its assets and liabilities and may affect the reported amount of them as well as its revenues and expenses. Actual results may differ from those estimated under different variables, assumptions or conditions, even though RIPI s management believes that its accounting estimates are reasonable. The following paragraphs review the critical accounting estimates that management considers most important for understanding RIPI s financial condition, results of operations and cash flows. An accounting estimate is considered a critical accounting estimate if it meets the following criteria:

The accounting estimate requires management to make assumptions about matters that were highly uncertain at the time the accounting estimate was made; and

Different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on our financial condition, results of operations or cash flows.

We have identified the following five of RIPI s accounting policies that can be considered critical.

Allowance for doubtful accounts

We maintain allowances for doubtful accounts for estimated losses resulting from the subsequent inability of RIPI s customers to make required payments. The allowance for doubtful accounts is recorded in an amount RIPI consider sufficient to cover any probable losses on realization of its accounts receivable from its customers, as well as other receivables, and is included as selling expenses; no adjustment is made to net sales and services revenue. In order to establish the allowance for doubtful accounts, RIPI s management constantly evaluates the amount and characteristics of its accounts receivable. When significant delays occur and the likelihood of receiving these payments decreases, a provision is made. In case receivables in arrears are guaranteed or there are reasonable grounds to believe they will be paid, no provision is made. If the financial conditions of RIPI s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances would be required in future periods. However, because RIPI cannot predict with certainty the future financial stability of its customers, RIPI cannot guarantee that its reserves will continue to be adequate. Actual credit losses may be greater than the allowance RIPI has established, which could have a significant impact on our selling expenses. See Note 22(b) to RIPI s consolidated financial statements for additional information about our credit risk.

Deferred Taxes

RIPI recognizes deferred tax assets and liabilities which do not expire, arising from tax-loss carryforwards, temporary add-backs, revaluation of property, plant and equipment and other procedures. RIPI periodically reviews the deferred tax assets for recoverability and establishes a valuation allowance, as required, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences. In the event RIPI or one of its subsidiaries operates at a loss or is unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, RIPI evaluates the need to establish a valuation allowance against all or a significant portion of its deferred tax assets, resulting in an increase in its effective tax rate, thereby decreasing net income. If RIPI determines that it can realize a deferred tax in excess of its net recorded amount, it decreases the valuation allowance, thereby increasing net income. Significant management judgment is required in determining any valuation allowance. The principal uncertainty relates to the likelihood of future taxable income from the subsidiary that generated the deferred tax asset. A change in RIPI s projections of profitability could result in the need to record a valuation allowance against deferred tax assets, resulting in a negative impact of future results. See Note 11(a) to RIPI s consolidated financial statements for additional information on deferred taxes.

Contingent liabilities

RIPI is currently involved in certain legal and administrative proceedings that arise from its normal course of business as described in Note 17 to RIPI s consolidated financial statements. We believe that the extent to which these contingencies are recognized in RIPI s consolidated financial statements is adequate. It is RIPI s policy to record accrued liabilities in respect of contingencies that can be reasonably estimated and could have a material adverse impact on the results of RIPI s operations or its financial condition and that are probable to occur in the opinion of its management, based on information available to RIPI including information obtained from its legal advisors. Future results of operations for any particular quarterly or annual period could be materially affected by changes in RIPI s assumptions, by the effectiveness of its strategies relating to these proceedings, by future developments in each matter being discussed or by changes in approach, such as a change in settlement strategy in dealing with these matters.

Pension and other post-retirement benefits

The determination of the expense and liability relating to RIPI s pension plan and certain insurance benefits for RIPI s employees and their dependents involves the use of actuarial assumptions. These include estimates of future mortality, withdrawal, changes in compensation and the discount rate used to reflect the time value of money as well as the rate of return on plan assets. These assumptions are reviewed at least annually and may differ materially from actual results due to changing market and economic conditions, regulatory events, judicial ruling, higher or lower withdrawal rates or longer or shorter life spans of participants. In case actual results differ from the assumptions adopted, there may be a significant impact on the amount of pension liability and post-retirement health care and expenses RIPI records. See Note 19 to RIPI s consolidated financial statements for additional information on provision for post-employment benefits.

Provision for losses on investments

RIPI recognizes a provision for losses on investments related to investments in non-consolidated affiliates which i) have reported negative stockholders equity in their financial statements prepared in accordance with Brazilian GAAP and ii) have outstanding loans which RIPI has guaranteed. In such cases RIPI first reduces the value of the investment to zero, and subsequently provide for its portion of negative equity. The amount of losses recognized by RIPI and related payments made on behalf of the non-consolidated affiliate, if any, will depend upon the future results of such affiliate during the period the guarantee is outstanding.

Results of Operations

The following discussion of RIPI s results of operations is based on the financial information derived from its consolidated financial statements prepared in accordance with Brazilian GAAP that are included in this prospectus.

Year ended December 31, 2006 compared to the year ended December 31, 2005.

The following table shows a summary of RIPI s results of operations for the years ended December 31, 2006 and 2005:

	Year ended December 31, 2006	Percentage of net sales and services	Year ended December 31, 2005	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	4,191.4	100%	3,612.7	100%	16%
Cost of sales and services	(3,379.6)	81%	(2,872.8)	80%	18%
Gross profit	811.8	19%	739.9	20%	10%
Selling, general and administrative expenses	(347.3)	8%	(304.9)	8%	14%
Other operating income (expense), net	8.2	0%	26.5	1%	(69)%
Operating income before financial items	472.7	11%	461.5	13%	2%
Financial income (expense), net	(86.3)	2%	(134.5)	4%	(36)%
Non-operating income (expense), net	(34.2)	1%	1.2	0%	
Equity in earnings of affiliates	24.3	1%	30.5	1%	(20)%
Income and social contribution taxes	(81.4)	2%	(100.2)	3%	(19)%
Profit sharing	(7.9)	0%	(7.1)	0%	12%
Minority Interest	(123.0)	3%	(113.2)	3%	9%
Net income	**164.2**	**4%**	**138.3**	**4%**	**19%**

Net sales and services. Net sales and services for the year ended December 31, 2006 increased by 16% to R$4,191.4 million from R$3,612.7 million for the year ended December 31, 2005. The increase in net sales was mostly driven by increase in sales volume and higher prices practiced in consequence of oil and derivative products price increases in the international market.

Cost of sales and services. Cost of sales and services increased by 18% to R$3,379.6 million for the year ended December 31, 2006, compared to R$2,872.8 million for the year ended December 31, 2005, mainly due to an increase in the cost of raw materials and growth in sales volumes.

Gross profit. Gross profit increased by 10% to R$811.8 million for the year ended December 31, 2006 compared to R$739.9 million for the year ended December 31, 2005.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 14% to R$347.3 million for the year ended December 31, 2006 from R$304.9 million for the year ended December 31, 2005. This increase reflects (i) freight expenses due to an increase in volume sold, and (ii) salary increases as a result of the annual collective wage agreement.

Other operating income. Other operating income decreased by 69% to R$8.2 million for the year ended December 31, 2006, compared to R$26.5 million for the year ended December 31, 2005, mainly due to positive actuarial effects on its pension fund in 2005. See Note 19 to RIPI s consolidated financial statements.

Operating income before financial items. Operating income before financial items increased by 2% to R$472.7 million for the year ended December 31, 2006 compared to R$461.5 million for the year ended December 31, 2005.

Financial income (expense), net. Reported net financial expense was R$86.3 million for the year ended December 31, 2006, compared to a net financial expense of R$134.5 million for the year ended December 31, 2005. The R$48.2 million improvement in financial expense was principally due to a decrease in interest expenses.

Non-operating income (expense), net. Reported net non-operating expense was R$34.2 million for the year ended December 31, 2006 compared to a net non-operating income of R$1.2 million for the year ended December 31, 2005. The decrease of R$35 million on non-operating income is primarily attributable to a loss on change in ownership percentage in the affiliate IPQ Ipiranga Petroquímica S.A.

Equity in earnings of affiliates. Equity in earnings of affiliates amounted to R$24.3 million for the year ended December 31, 2006, a 20% decrease compared to the year ended December 31, 2005. The decrease is mainly due to higher goodwill amortization.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$81.4 million for the year ended December 31, 2006, a decrease of 19% from R$100.2 million for the year ended December 31, 2005. This decrease is primarily due to the tax effect on the positive actuarial effects on its pension fund in 2005.

Profit sharing. Profit sharing was R$7.9 million for the year ended December 31, 2006, compared to R$7.1 million for the year ended December 31, 2005.

Minority interest. Minority interest was R$123.0 million for the year ended December 31, 2006, compared to R$113.2 million for the year ended December 31, 2005. Such increase is due to improvements in the results of the affiliate IQ Ipiranga Química S.A.

Net income. As a result of the foregoing, net income for the year ended December 31, 2006 was R$164.2 million, an increase of 19% compared to R$138.3 million for the year ended December 31, 2005.

Year ended December 31, 2005 compared to the year ended December 31, 2004.

The following table shows a summary of RIPI s results of operations for the years ended December 31, 2005 and 2004:

	Year ended December 31, 2005	**Percentage of net sales and services**	**Year ended December 31, 2004**	**Percentage of net sales and services**	**Percent change**
		(in millions of *reais*, except percentages)			
Net sales and services	3,612.7	100%	3,747.0	100%	(4)%
Cost of sales and services	(2,872.8)	80%	(2,897.3)	77%	(1)%
Gross profit	739.9	20%	849.7	23%	(13)%
Selling, general and administrative expenses	(304.9)	8%	(303.3)	8%	1%
Other operating income (expense), net	26.5	1%	11.9	0%	122%
Operating income before financial items	461.5	13%	558.4	15%	(17)%
Financial income (expense), net	(134.5)	4%	(111.0)	3%	21%
Non-operating income (expense), net	1.2	0%	(0.2)	0%	
Equity in earnings of affiliates	30.5	1%	19.8	1%	54%
Income and social contribution taxes	(100.2)	3%	(68.4)	2%	46%
Profit sharing	(7.1)	0%	(6.4)	0%	10%
Minority Interest	(113.2)	3%	(176.4)	5%	(36)%
Net income	**138.3**	**4%**	**215.9**	**6%**	**(36)%**

Net sales and services. Net sales and services for the year ended December 31, 2005 decreased to R$3,612.7 million from R$3,747.0 million for the year ended December 31, 2004. The decrease in net sales was mainly driven by a decrease in sales volume and due to an 11% appreciation in the Brazilian *Real* against U.S Dollar in 2005 compared to 2004.

Cost of sales and services. Cost of sales and services decreased by 1% to R$2,872.8 million for the year ended December 31, 2005, compared to R$2,897.3 million for the year ended December 31, 2004, mainly due to a decrease in sales volume partially offset by an increase in the cost of raw materials.

Gross profit. Gross profit decreased by 13% to R$739.9 million for the year ended December 31, 2005 from R$849.7 million for the year ended December 31, 2004.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 1% to R$304.9 million for the year ended December 31, 2005 from R$303.3 million for the year ended December 31, 2004.

Other operating income. Other operating income increased to R$26.5 million for the year ended December 31, 2005, compared to R$11.9 million for the year ended December 31, 2004, mainly due to positive actuarial effects on its pension fund in 2005. See Note 19 to RIPI s consolidated financial statements.

Operating income before financial items. Operating income before financial items decreased by 17% to R$461.5 million for the year ended December 31, 2005 from R$558.4 million for the year ended December 31, 2004.

Financial income (expense), net. Reported net financial expense amounted to R$134.5 million for the year ended December 31, 2005, an increase of 21% compared to a net financial expense of R$111.0 million for the year ended December 31, 2004. The R$23.5 million increase was principally due to an increase in interest expenses.

Non-operating income (expense), net. Net non-operating income was R$1.2 million for the year ended December 31, 2005 compared to a net non-operating expense of R$0.2 million for the year ended December 31, 2004.

Equity in earnings of affiliates. Equity in earnings of affiliates amounted to R$ 30.5 million for the year ended December 31, 2005, a 54% increase compared to the year ended December 31, 2004. Such increase is mainly due lower goodwill amortization at subsidiary IQ Ipiranga Química S.A.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$100.2 million for the year ended December 31, 2005, an increase of 46% from R$68.4 million for the year ended December 31, 2004. This increase is primarily due to the tax effect on the positive actuarial effects on its pension fund in 2005.

Profit sharing. Profit sharing was R$7.1 million for the year ended December 31, 2005, compared to R$6.4 million for the year ended December 31, 2004.

Minority interest. Minority interest was R$113.2 million for the year ended December 31, 2005, compared to R$176.4 million for the year ended December 31, 2004. Such decrease derives from the result of the affiliate IQ Ipiranga Química S.A.

Net income. As a result of the foregoing, net income for the year ended December 31, 2005 was R$138.3 million, a decrease of 36% compared to R$215.9 million in 2004.

B. Liquidity and Capital Resources

RIPI s principal sources of liquidity are cash generated from operations and financing. RIPI believes that these sources will continue to be sufficient to satisfy its current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends or interest on equity.

Sources and Uses of Funds

Net cash flow from operations was R$18.7 million, R$509.3 million and R$349.2 million for 2006, 2005 and 2004, respectively. RIPI s cash flow from operations decreased by R$490.6 million in 2006 compared to 2005 and increased by R$159.5 million in 2005 compared to 2004, mainly reflecting the changes in working capital. Net cash flow from financing activities amounted to R$61.6 million, R$(396.7) million and R$(424.2) million in the years ended December 31, 2006, 2005 and 2004, respectively. The cash flow from financing activities in 2006 increased by R$458.4 million compared to 2005, due to the higher level of new loans obtained and the lower level of amortization of loans and financings in 2006. Cash consumed by financing activities in 2005 decreased by R$27.4 million compared to 2004.

Investing activities consumed net cash of R$(76.7) million, R$(119.6) million and R$(68.1) million in the years ended December 31, 2006, 2005 and 2004, respectively. The higher level of cash consumed by investing activities in 2005 compared to 2006 and 2004 was principally due to additions to investment in related parties. See Note 8 to RIPI s consolidated financial statements. Acquisitions of property, plant and equipment and additions to intangible assets and deferred charges consumed R$91.8 million, R$68.5 million and R$67.2 million in 2006, 2005 and 2004, respectively. For the year ended December 31, 2006, investing activities were mainly composed of expansion of products and services offer, maintenance of competitiveness and investments in life and environmental safeguards.

As of December 2006, RIPI had R$101.5 million in cash, cash equivalents, derivatives, short-and long-term investments. RIPI will spend approximately R$5.1 billion in the next five years to meet long-term contractual obligations described in the Tabular Disclosure of Contractual Obligations. RIPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of its indebtedness as it becomes due.

Indebtedness

As of December 31, 2006, RIPI s consolidated short- and long-term debt was as follows:

Indebtedness	Currency	Index	Effective Rate	Principal amount of outstanding and accrued interest through December 31, 2006	2005	2004
				(in millions of *reais*)		
Foreign currency-denominated loans:						
Industrial expansion	US$	Basket of currencies	9.3%	3.1	12.8	351.8
Working capital (foreign exchange contracts and prepayments)	US$	Monthly, quarterly and annual LIBOR	6.6%	907.0	713.5	757.7
Restricted export drafts	US$			(149.8)	(136.1)	(183.4)
***Real*-denominated loans:**						
Industrial expansion	R$	TJLP(1)	10.6%	44.0	39.6	38.0
Investment acquisition	R$	IGPM(2)	6.5%	9.9	36.4	70.1
Working capital	R$	CDI	13.4%	8.3	69.2	39.5
Total loans	R$			822.5	735.4	1,073.7
Unrealized losses on swaps transactions	R$			6.7	1.5	2.4
Total	R$			829.2	736.9	1,076.1

(1) TJLP (Long-Term Interest Rate) is a nominal rate of interest established quarterly. On December 31, 2006, TJLP was fixed at 6.85% p.a. Interest rate only as of 2006.

(2) IGPM is the General Market Price Index in Brazil. Net of linked operations.

RIPI s consolidated debt as of December 31, 2006 had the following maturity schedule:

Maturity	Amount (in millions of *reais*)
January 1, 2007 to December 31, 2007	209.0
January 1, 2008 to December 31, 2008	109.6
January 1, 2009 to December 31, 2009	141.4
January 1, 2010 to December 31, 2010	130.6
January 1, 2011 to December 31, 2011	238.7
Total	829.2

By using its own funds of approximately US$56 million and funds obtained in the domestic financial market, the indirect subsidiary Ipiranga Petroquímica S.A. (IPQ) paid in advance its debt to International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), Deutsche Entwicklungsgesellschaft (DEG) and foreign banks participating in the B Loan (B Loan Banks), in the amount of approximately US$136 million. With these payments made on June 15, 2005, IPQ is compliant with all restrictive covenants contained in all agreements signed with IFC, KfW, DEG and B Loan Banks, and obtained better conditions related to maturities and costs of funds obtained from the financial market. On August 28, 2005, IPQ signed a long-term loan pre-agreement in the amount of US$150 million, structured by IFC, which can be fully or partially withdrawn, as needed. Until the date of the financial statements, it was not necessary to use this amount.

RIPI provides collaterals and guarantees for some loan operations conducted directly or indirectly by affiliates and subsidiaries. As of December 31, 2006 and 2005, amounts referring to these operations were R$90.9 million and R$119.8 million, respectively. See Note 21 to RIPI s consolidated financial statements.

Investments

Equity investments

The table below shows RIPI investments in shareholding stakes for the years ended December 31, 2006, 2005 and 2004.

Company	**Year ended December 31,**		
	2006	**2005**	**2004**
	(in millions of *reais*)		
Total investments in shareholding stakes	61.0	35.9	0.5

Investments in permanent assets and deferred charges

The following table sets forth RIPI s investments in permanent assets and deferred charges for the years ended December 31, 2006, 2005 and 2004.

	Year ended December 31,		
	2006	**2005**	**2004**
	(in millions of *reais*)		
Refinaria de Petróleo Ipiranga S.A.	0.3	0.5	6.3
Subsidiaries	91.6	68.0	60.9
Total capital expenditures	91.8	68.5	67.2
Disposals	(0.4)	(1.5)	(0.8)
Total capital expenditures, net of disposals	91.4	67.0	66.5

RIPI s investments strategy includes its subsidiaries strategies.

Copesul investment strategy has been focused on keeping its competitiveness and supplying its working capital by the maintenance of its minimum level of inventories. It also involves investments in life and environmental safeguards, expansion of products and services offer and improvements in technology. The investment plan for 2007 maintains the strategies related to expansion of products and services offered, maintenance of competitiveness and investments in life and environmental safeguards. RIPI owns shares of Copesul representing 29.5% of the total and voting share capital of Copesul.

IPQ s investment strategy has been to make improvements related to safety, environmental safeguards, expansion of the production capacity and betterments to increase the productivity and quality in the production process. RIPI owns shares of IPQ representing 58.53% of the total and voting share capital of IPQ.

U.S. GAAP Reconciliation

RIPI s net income under Brazilian GAAP was R$164.2 million and R$138.3 million for the years ended December 31, 2006 and 2005, respectively. Under U.S. GAAP, RIPI had net income of R$134.0 million and R$338.1 million for the years ended December 31, 2006 and 2005, respectively.

RIPI s shareholders equity under Brazilian GAAP as of December 31, 2006 and 2005 was R$574.6 million and R$428.4 million, respectively. Under U.S. GAAP, we had shareholders equity of R$772.9 million and R$655.5 million, respectively, as of December 31, 2006 and 2005.

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The principal differences between Brazilian GAAP and U.S. GAAP that affect RIPI s net income and shareholders equity relate to the treatment of the following items:

- adjustments for inflation of property, plant and equipment;
- pension and other post-employment benefits adjustment;
- gain on percentage variation of capital share;
- accounting for deferred taxes;
- differences in equity accounting;
- accounting for convertible debentures;
- goodwill, acquisitions and business combinations;
- securities available for sale;
- fair-value adjustments of derivatives; and
- deferred tax effects on the foregoing adjustments.

See Note 25 to RIPI s consolidated financial statements for a description of the differences above as they relate to RIPI and a reconciliation to U.S. GAAP of net income and total shareholders equity.

C. Research and Development, Patents and Licenses, etc.

RIPI subsidiaries own the register of a few brands.

Copesul owns a logotype as an emblem and COPESUL as a nominative brand. Both are registered as company properties in the *Certificado de Registro de Marca* (Brands Register Certificate) from *Instituto Nacional de Propriedade Industrial* (National Institute of Industrial Property) by number 819827266 and expire within 10 years after 20/07/1999.

Ipiranga Petroquímica S.A. owns the register of Ipiranga Mista, TopClub Programa IPQ de Relacionamento and Maxifilme which expiration dates are being brought into agreement.

IPQ investments in research and development are approximately US$1.5 million/year. IPQ owns a pilot plant and development laboratories to support R&D strategy.

D. Trend Information

See Operating Results above.

E. Off Balance Sheet Arrangements

Companhia Petroquimica do Sul (Copesul) and Ipiranga Petroquimica S.A. (IPQ), two of RIPI s subsidiaries, have provided guarantees to financial institutions related to amounts owed to those institutions by certain of their customers (vendor financing). Guarantees have an average term of 38 days in Copesul and 33 days in IPQ and, in both cases, are equal to the terms of the related financing arrangements. There exists no recourse provision that would enable RIPI or its subsidiaries to recover any amount paid to the financial institutions under these guarantees. In the event that the financial institutions exercise these guarantees, RIPI is entitled to recover the amount paid directly from its customers under the vendor contracts. At December 31, 2006, the maximum potential payment under these guarantees totaled R$616.5 million (total amount, not representing our stake in those companies), which represented a R$144.9 million increase over December 31, 2005. At December 31, 2006, in accordance with Brazilian GAAP, we did not record any liability on our consolidated financial statements related to these guarantees.

F. Tabular Disclosure of Contractual Obligations

The following table summarizes RIPI s contractual obligations, as of December 31, 2006:

		Payment due by period			
Contractual obligations(1)	**Total**	**Up to 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
	(in millions of *reais*)				
Financing	**829.3**	209.0	251.0	369.3	
Estimated interest payments on financing(2)(3)	**146.7**	10.8	25.4	110.5	
Estimated planned funding of pension and other post-retirement benefit obligations(3)	**158.4**	5.9	12.8	14.1	125.6
Purchase obligations(4)	**5,245.9**	823.3	1,646.6	1,610.7	1,165.3
Total contractual obligations	**6,380.3**	**1,049.0**	**1,935.8**	**2,104.6**	**1,290.9**

(1) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar exchange rate, (iii) a 3% inflation rate, and (iv) a 6% TJLP rate. See Liquidity and Capital Resources Indebtedness and Note 15 to RIPI s consolidated financial statements for more information about the maturity of RIPI s debt and applicable interest rates. See Note 15 and Note 25 to RIPI s consolidated financial statements for more information on the maturity and the fair value of RIPI s swap agreements.

(2) Includes estimated interest payments on RIPI s short- and long-term debt.

(3) See Note 18 to RIPI s consolidated financial statements for more information relating to RIPI s estimated planned funding of pensions and other post-retirement benefit obligations.

(4) Consists of IPQ s purchase commitments for raw material and electric power pursuant to binding obligations which include all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Based upon the applicable purchase prices at December 31, 2006.

DPPI MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with DPPI s audited consolidated financial statements for the years ended December 31, 2006, 2005 and 2004, as well as their respective notes, included in this prospectus, and the sections Other Information and Selected Consolidated Historical Financial Data of DPPI and other financial information presented elsewhere in this prospectus.

This section contains discussions regarding estimates and forward-looking statements that involve risks and uncertainties. DPPI s actual results may differ significantly from those discussed in these estimates and forward-looking statements as a result of various factors, including, without limitation, those described in Cautionary Statement Regarding Forward-Looking Statements and Risk Factors.

A. Operating Results

Brazilian Economic Background

Since all of DPPI s operating businesses are located in Brazil, it is significantly affected by Brazil s economic and social conditions, including, but not limited to, gross domestic product, or GDP, Brazilian population income, credit availability, interest rates, the domestic rate of inflation and exchange rate fluctuations.

Gross domestic product

As government became more confident regarding inflation trends, interest rates were lowered, and Brazilian GDP grew by 4.9% in 2004. However, in order to meet inflation targets, the Central Bank increased interest rates again in 2005, and GDP growth decreased to 2.3% in the year ended December 31, 2005. During 2006, the Brazilian economy presented the same trend shown in the previous year and GDP grew by 2.9%. DPPI s operations, especially sales of fuels, are significantly impacted by Brazilian GDP growth. In addition, the level of Brazilian population income, which often bears a relation to GDP performance, also affects the sales of fuels.

Inflation and currency fluctuations

DPPI s cash operating expenses are substantially in *reais* and tend to fluctuate with inflation. In 2004, the *real* appreciated against the U.S. dollar and the IGP-M for the year was 12.4%. In 2005 and 2006, the *real* continued to appreciate against the U.S. dollar, which, together with the increased average interest rates, resulted in an inflation rates of 1.2% and 3.9%, respectively, as measured by the IGP-M. Future governmental actions, including actions to adjust the value of the *real* in relation to the U.S. dollar, may increase inflation.

The principal foreign exchange risk DPPI faces arises from certain U.S. dollar-denominated debt. On December 31, 2006, the exchange rate exposure amounted to US$65,414. Hence, DPPI s exposed to foreign exchange rate risks which could negatively impact its businesses, financial situation and operating results as well as its capacity to service its debt. See Note 21 to DPPI s consolidated financial statements.

The table below shows the inflation rate for the periods indicated, as measured by the IGP-M, as well as the devaluation of the *real* against the U.S. dollar.

	Year ended December 31,		
Index	**2006**	**2005**	**2004**
General Price Index IGP-M	3.9%	1.2%	12.4%
Devaluation (appreciation) of the *real* against the U.S. dollar	(8.7)%	(11.8)%	(8.1)%

Interest rate and credit availability

Interest rate in Brazil has been historically high, but the monetary authorities have gathered success in diminishing it in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was elevated to 26% per year, as a reply to the inflation bubble of the previous year. However, the interest rate was rapidly diminished yet during 2003 to 16%. Between 2004 and mid-2005, there was another tightening, as a reply to a quick inflation acceleration and to heating in the trade area. Now, once the inflation has been controlled, the basic rate was reduced to 11.25% per year in September 2007. The unemployment rate in Brazil dropped from a 12% level to 10% in the past two years. Despite the relatively high unemployment rate, the average worker income has been constantly increasing since the end of 2003. The greater availability of credit derived from the lower interest rate and the improvement in Brazilian population income largely explain the increase in internal demand, including the record levels of vehicle sales in the first half of 2007, amounting to 1,082 million vehicles registered, including cars, trucks and buses. This is a 25.7% increase compared to the first half of 2006, according to figures published by the National Vehicle Registry (Renavam). This growth has been having a positive influence on demand for fuels.

The main interest rate risk DPPI faces derives from interest rate fluctuations that might increase its interest expenses on loans and financing. DPPI continuously monitors interest rates in the market in order to evaluate the need for hedging against the volatility of these rates.

	Year ended December 31,		
Index	**2006**	**2005**	**2004**
Interest rate Selic	15%	19%	16%

Critical Accounting Policies and Estimates

The presentation of DPPI s financial condition and results of operations require its management to make judgments regarding the effects of matters that are inherently uncertain on the carrying value of its assets and liabilities and may affect the reported amount of them as well as its revenues and expenses. Actual results may differ from those estimated under different variables, assumptions or conditions, even though DPPI s management believes that its accounting estimates are reasonable. The following paragraphs review the critical accounting estimates that management considers most important for understanding DPPI s financial condition, results of operations and cash flows. An accounting estimate is considered a critical accounting estimate if it meets the following criteria:

The accounting estimate requires management to make assumptions about matters that were highly uncertain at the time the accounting estimate was made; and

Different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on our financial condition, results of operations or cash flows.

We have identified the following five accounting policies of DPPI that can be considered critical.

Allowance for doubtful accounts

DPPI maintains allowances for doubtful accounts for estimated losses resulting from the subsequent inability of its customers to make required payments. The allowance for doubtful accounts is recorded in an amount DPPI consider sufficient to cover any probable losses on realization of its accounts receivable from its customers, as well as other receivables, and is included as selling expenses; no adjustment is made to net sales and services revenue. In order to establish the allowance for doubtful accounts, DPPI s management constantly evaluates the amount and characteristics of its accounts receivable. When significant delays occur and the likelihood of receiving these payments decreases, a provision is made. In case receivables in arrears are guaranteed or there are reasonable grounds to believe they will be paid, no provision is made. If the financial conditions of DPPI s customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances would be required in future periods. However, because DPPI cannot predict with certainty the future financial stability of its customers, it cannot guarantee that its reserves will continue to be adequate. Actual credit losses may be greater than the allowance we have established, which could have a significant impact on its selling expenses. See Note 21(b) to DPPI s consolidated financial statements for additional information about DPPI s credit risk.

Deferred Taxes

DPPI recognizes deferred tax assets and liabilities which do not expire, arising from tax loss carry forwards, temporary add-backs, revaluation of property, plant and equipment and other procedures. DPPI periodically review the deferred tax assets for recoverability and establish a valuation allowance, as required, based on historical taxable income, projected future taxable income, and the expected timing of the reversals of existing temporary differences. In the event DPPI or one of its subsidiaries operates at a loss or is unable to generate sufficient future taxable income, or if there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, DPPI evaluate the need to establish a valuation allowance against all or a significant portion of its deferred tax assets, resulting in an increase in its effective tax rate, thereby decreasing net income. If DPPI determines that it can realize a deferred tax in excess of its net recorded amount, DPPI decreases the valuation allowance, thereby increasing net income. Significant management judgment is required in determining any valuation allowance. The principal uncertainty relates to the likelihood of future taxable income from the subsidiary that generated the deferred tax asset. A change in DPPI s projections of profitability could result in the need to record a valuation allowance against deferred tax assets, resulting in a negative impact of future results. See Note 10(a) to DPPI s consolidated financial statements for additional information on deferred taxes.

Contingent liabilities

DPPI is currently involved in certain legal and administrative proceedings that arise from its normal course of business as described in Note 16 to DPPI s consolidated financial statements. DPPI believes that the extent to which these contingencies are recognized in DPPI s consolidated financial statements is adequate. It is DPPI s policy to record accrued liabilities in regard to contingencies that can be reasonably estimated and could have a material adverse impact on the result of its operations or its financial condition and that are probable to occur in the opinion of DPPI s management, based on information available to it, including information obtained from its legal advisors. Future results of operations for any particular quarterly or annual period could be materially affected by changes in DPPI s assumptions, by the effectiveness of its strategies relating to these proceedings, by future developments in each matter being discussed or by changes in approach, such as a change in settlement strategy in dealing with these matters.

Pension and other post-retirement benefits

The determination of the expense and liability relating to DPPI s pension plan and certain insurance benefits for DPPI s employees and their dependents involves the use of actuarial assumptions. These include estimates of future mortality, withdrawal, changes in compensation and the discount rate used to reflect the time value of money, as well as the rate of return on plan assets. These assumptions are reviewed at least annually and may differ materially from actual results due to changing market and economic conditions, regulatory events, judicial ruling, higher or lower withdrawal rates or longer or shorter life spans of participants. In case actual results differ from the assumptions adopted, there may be a significant impact on the amount of pension liability and post-retirement health care and expenses DPPI records. See Note 18 to DPPI s consolidated financial statements for additional information on provision for post-employment benefits.

Provision for losses on investments

DPPI recognizes a provision for losses on investments related to investments in non-consolidated affiliates which i) have reported negative stockholders equity in their financial statements prepared in accordance with Brazilian GAAP and ii) have outstanding loans which DPPI has guaranteed. In such cases, DPPI first reduces the value of the investment to zero, and subsequently provides for its portion of negative equity. The amount of losses recognized by DPPI and related payments made on behalf of the non-consolidated affiliate, if any, will depend upon the future results of such affiliate during the period the guarantee is outstanding.

Results of Operations

The following discussion of DPPI s results of operations is based on the financial information derived from DPPI s consolidated financial statements prepared in accordance with Brazilian GAAP.

Year ended December 31, 2006 compared to the year ended December 31, 2005.

The following table shows a summary of DPPI s results of operations for the years ended December 31, 2006 and 2005:

	Year ended December 31, 2006	Percentage of net sales and services	Year ended December 31, 2005	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	25,714.7	100%	22,757.5	100%	13%
Cost of sales and services	(24,430.5)	95%	(21,533.9)	95%	13%
Gross profit	1,284.3	5%	1,223.6	5%	5%
Selling, general and administrative expenses	(932.4)	4%	(881.1)	4%	6%
Other operating income (expense), net	23.2	0%	62.7	0%	(63)%
Operating income before financial items	375.0	1%	405.1	2%	(7)%
Financial income (expense), net	(7.7)	0%	40.7	0%	(119)%
Non-operating income (expense), net	30.1	0%	26.6	0%	13%
Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments	84.9	0%	72.4	0%	17%
Income and social contribution taxes	(48.0)	0%	(99.7)	0%	(52)%
Profit sharing	(16.3)	0%	(16.7)	0%	(2)%
Minority interest	(257.1)	1%	(258.8)	1%	(1)%
Net income	**160.9**	**1%**	**169.8**	**1%**	**(5)%**

Net sales and services. Net sales and services for the year ended December 31, 2006 increased by 13% to R$25,714.7 million from R$22,757.5 million for the year ended December 31, 2005. The increase in net sales was mostly driven by 2% growth in sales volume and pricing adjustments in consequence of the higher refinery costs.

Cost of sales and services. Cost of sales and services increased by 13% to R$24,430.5 million for the year ended December 31, 2006, compared to R$21,533.9 million for the year ended December 31, 2005, mainly due to increase in the cost of raw materials and growth in sales volumes.

Gross profit. Gross profit increased by 5% to R$1,284.3 million for the year ended December 31, 2006, compared to R$1,223.6 million for the year ended December 31, 2005.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 6% to R$932.4 million for the year ended December 31, 2006 from R$881.1 million for the year ended

December 31, 2005. This increase reflects (i) salary increases as a result of the annual collective wage agreement, (ii) freight and other variable expenses due to higher volumes and sales, (iii) marketing and maintenance expenses and (iv) increase in depreciation due to the investments realized.

Other operating income. Other operating income decreased by 63% to R$23.2 million for the year ended December 31, 2006, compared to R$62.7 million for the year ended December 31, 2005, mainly due to positive actuarial effects on its pension fund in 2005. See Note 18 to DPPI s consolidated financial statements.

Operating income before financial items. Operating income before financial items decreased by 7% to R$375.0 million for the year ended December 31, 2006, compared to R$405.1 million for the year ended December 31, 2005.

Financial income (expense), net. Reported net financial expense was R$7.7 million for the year ended December 31, 2006, compared to a net financial income of R$40.7 million for the year ended December 31, 2005. The R$48.4 million increase in financial expense was principally due to the interest expenses on a R$350 million debenture issued by CBPI on 2006.

Non-operating income (expense), net. Reported net non-operating income was R$30.1 million for the year ended December 31, 2006, compared to a net non-operating income of R$26.6 million for the year ended December 31, 2005.

Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments. Equity in earnings of affiliates amounted to R$84.9 million for the year ended December 31, 2006, a 17% increase compared to the year ended December 31, 2005. The increase is mainly due to an increase in the results of operations of the affiliate ICQ Ipiranga Comercial Química S.A.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$48.0 million for the year ended December 31, 2006, a decrease of 52% from R$99.7 million for the year ended December 31, 2005. This decrease is primarily due to a lower pre-tax profit and the increase in non-taxable income.

Profit sharing. Profit sharing was R$16.3 million for the year ended December 31, 2006, compared to R$16.7 million for the year ended December 31, 2005.

Minority interest. Minority interest was R$257.1 million for the year ended December 31, 2006, compared to R$258.8 million for the year ended December 31, 2005.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2006 was R$160.9 million, a decrease of 5% compared to R$169.8 million for the year ended December 31, 2005.

Year ended December 31, 2005 compared to the year ended December 31, 2004.