

ULTRAPAR HOLDINGS INC
Form 6-K
February 22, 2008

Form 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report Of Foreign Private Issuer
Pursuant To Rule 13a-16 Or 15d-16 Of
The Securities Exchange Act Of 1934

For the month of February, 2008

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.
(Translation of Registrant's Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9ºAndar
São Paulo, SP, Brazil 01317-910
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form	<input checked="" type="checkbox"/>	Form
20-F		40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes	No	<input checked="" type="checkbox"/>
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Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes	No	<input checked="" type="checkbox"/>
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Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes	No	<input checked="" type="checkbox"/>
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

ULTRAPAR HOLDINGS INC.

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NOTICE TO SHAREHOLDERS

ULTRAPAR PARTICIPAÇÕES S.A.

CNPJ nº 33.256.439/0001-39

DISTRIBUTION OF DIVIDENDS

We hereby announce that the Board of Directors of Ultrapar Participações S.A., at its meeting held on February 20, 2008, approved the distribution of dividends, payable from the 2007 net earnings account, in the amount of R\$ 240,873,326.74 (two hundred forty million, eight hundred seventy-three thousand, three hundred twenty-six reais and seventy-four cents).

Dividends will be paid from March 07, 2008 without remuneration or monetary restatement. The holders of common and preferred shares will receive the dividend of R\$ 1.777031 per share.

The record date to establish the right to receive the dividend will be February 27, 2008 in Brazil and March 03, 2008 in the United States of America. As from February 28, 2008, the shares will trade "ex-dividend" on both the São Paulo Stock Exchange (Bovespa) and the New York Stock Exchange (NYSE).

São Paulo, February 20, 2008.

André Covre
Chief Financial and Investor Relations Officer
ULTRAPAR PARTICIPAÇÕES S.A.

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly Listed Company

CNPJ nº 33.256.439/0001- 39

MATERIAL NOTICE

São Paulo, February 20, 2008 - Ultrapar Participações S.A. (“Ultrapar” – BOVESPA: UGPA4 / NYSE: UGP) hereby informs that at this date its Board of Directors decided to assume the commitment with the capital market to join Level II of Bovespa, in another step in the constant improvement of its corporate governance.

Ultrapar is a pioneer in corporate governance, having been one of the first Brazilian companies to grant 100% tag along rights to ordinary shares and the first company to also extent 100% tag along rights to the preferred shares. During almost 10 years of listing on Bovespa and the NYSE, Ultrapar has received numerous awards and recognitions, both national and international, for its good corporate governance practices, attesting to its continuous search for alignment of interests and its commitment with the rights of all shareholders and with the transparency of the information published.

Joining Level II reinforces company’s commitment with the capital markets, recognizing the material increase in its shareholder basis after receiving the new shareholders from Ipiranga. Adhesion to Level II will be formalized with Bovespa after the conclusion of the last stage of the acquisition of Ipiranga. Such as already occur in Level I, Ultrapar will keep granting to all the shareholders rights and guarantees, which exceed the requirements made by the rules of Level II of Bovespa, the most prominent being the 100% tag along for all shares category.

São Paulo, February 20, 2008.

André Covre
Financial and Investor Relations Director
Ultrapar Participações S.A.

São Paulo, February 20, 2008 - **Ultrapar Participações S.A.** (BOVESPA: UGPA4 / NYSE: UGP), a company engaged in the distribution of fuel (Ultragaz/Ipiranga), the production of chemicals (Oxiten), as well as integrated solutions for special bulk cargoes (Ultracargo), hereby reports its results for the fourth quarter of 2007 and the year 2007.

Investor Relations

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 Website: www.ultra.com.br

Results Conference Calls/APIMEC

National Conference Call/APIMEC

Date: February 25, 2008
 12.30 p.m. (local time)
 Location: Hotel Unique
 (Tavarua Room)
 São Paulo - SP
 Telephone for connection: 55
 11 2188-0188
 Code: Ultrapar

International Conference Call

Date: February 25, 2008
 1.30 p.m. (US time)
 Participants in Brazil:
 0-800-891-9722
 Participants in the US:
 1-800-418-6854
 International participants: 1
 (973) 935-8893
 Code: 31433590

APIMEC

Date: February 26, 2008
 8:30 a.m. (local time)
 Local: Hotel Sheraton
 (Mercosul Room)
 Porto Alegre - RS

Ultrapar Participações S.A.
 UGPA4 = R\$ 63.00/ share

After the completion of the Ipiranga's share exchange, Ultrapar reached a R\$ 9 billion market capitalization at the end of the year, almost double that in 2006. In the 4Q07 Ultrapar produced an EBITDA of R\$ 221 million, 91% higher than in 4Q06. For the year, Ultrapar's total EBITDA amounted to R\$ 779 million, up 51% compared to 2006.

Ø ULTRAPAR COMPLETED THE SHARE EXCHANGE OF RPI, DPPI AND CBPI

Ø ULTRAPAR BECAME PART OF THE IBOVESPA AND MSCI INDEX AND ANNOUNCES ITS COMMITMENT TO JOIN THE LEVEL II OF BOVESPA'S CORPORATE GOVERNANCE

Ø APPROVED THE DISTRIBUTION OF R\$ 241 MILLION IN DIVIDENDS OVER 2007, CORRESPONDING TO 132% OF THE CONSOLIDATED NET EARNINGS IN THE PERIOD

Ø APPROVED 2008 INVESTMENT PLAN OF R\$ 839 MILLION, FOCUSED ON EXPANSION OF OXITENO'S CAPACITIES AND IPIRANGA'S RETAILER SERVICE STATION

"The year 2007 represented a milestone in the history of Ultrapar, with the purchase of Ipiranga in one of the largest private-sector acquisitions ever undertaken in Brazil. In parallel with this, the investments made in the

UGP = US\$ 34.64/ ADR
(12/31/07)

other businesses have provided operational leverage and have resulted in an improvement in the quality of our products and services. We keep confident in our growth strategy, with significant investments for 2008.”

Pedro Wongtschowski – CEO

Summary of the Fourth Quarter 2007

In April 2007 Ultrapar acquired the control of various companies in the Ipiranga Group, ending up with: (i) the fuel and lubricants distribution businesses in the South and Southeast of Brazil and related activities, (ii) EMCA - Empresa Carioca de Produtos Químicos, a producer of white mineral-based oils and special fluids, and (iii) a stake in the refining operations. The financial statements of Ultrapar's consolidate all the businesses acquired from 2Q07 onwards. The references to Ipiranga refer to the fuel and lubricant distribution businesses acquired in the South and Southeast and related activities, as well as EMCA. After the Share Exchange, the correspondent portion of the minority interest in Refinaria de Petróleo Ipiranga S.A., Distribuidora de Produtos de Petróleo Ipiranga S.A. and Companhia Brasileira de Petróleo Ipiranga was reduced and since October 2007 and Ultrapar started to consolidate 100% of the earnings of that companies in its figures. Except where otherwise mentioned, Ultrapar's financial statements in periods prior to 2Q07 do not include the operations acquired. With the purpose of providing a comparison basis for the analysis of the evolution in the performance of Ipiranga, unaudited financial statements for this company have been drawn up for periods prior to 2Q07 ("Ipiranga Pro-forma figures"). For the same reason, when indicated, the figures for operations acquired have been included in all Ultrapar's financial statements relating to quarters prior to 2Q07 ("Ultrapar pro-forma figures").

Profit and Loss Data Ultrapar Consolidated	4Q07	4Q06	3Q07	D (%) 4Q07vs. 4Q06	D (%) 4Q07vs. 3Q07	2007	2006	D (%) 2007vs.2006
Net Sales and Services	6,403	1,204	6,163	432%	4%	19,921	4,794	316%
Gross Profit	518	233	479	122%	8%	1,697	934	82%
Operating Profit	137	69	137	98%	0%	486	330	47%
EBITDA	221	115	218	91%	1%	779	516	51%
Net Earnings	83	48	25	71%	237%	182	282	(35%)
Earnings per share*	0.97	0.60	0.30	63%	220%	2.19	3.47	(37%)

Amounts in R\$ million

(except EPS)

* Calculated based on the weighted average of the number of shares during the period

Operational Data Ultragas	4Q07	4Q06	3Q07	D (%) 4Q07vs. 4Q06	D (%) 4Q07vs. 3Q07	2007	2006	D (%) 2007vs.2006
Total Volume ('000 tons)	391	388	411	1%	(5%)	1,572	1,544	2%
Bottled	266	267	279	0%	(5%)	1,061	1,058	0%
Bulk	126	121	132	4%	(5%)	511	486	5%

Operational Data Ipiranga	4Q07	4Q06¹	3Q07	D (%) 4Q07v4Q06	D (%) 4Q07v3Q07	2007¹	2006¹	D (%) 2007v2006
Total Volume ('000 m³)	2,982	2,694	2,860	11%	4%	11,169	10,521	6%
Diesel	1,697	1,599	1,711	6%	(1%)	6,591	6,398	3%
Gasoline	805	780	749	3%	8%	3,039	3,035	0%
Ethanol	330	174	252	90%	31%	961	539	78%
NGV	68	65	65	4%	5%	262	229	14%
Fuel oils and kerosene	47	45	47	4%	(1%)	179	200	(10%)
Lubricants and greases	36	31	36	15%	(0%)	137	121	14%

Operational Data Oxiteno	4Q07	4Q06	3Q07	D (%)	D (%)	2007	2006	D (%)
				4Q07vs. 4Q06	4Q07vs. 3Q07			2007vs.2006
Total Volume ('000 tons)	168	131	162	29%	4%	621	544	14%
Sales in Brazil	108	96	104	12%	4%	435	386	13%
Sales outside Brazil	61	35	58	74%	4%	186	157	18%

Operational Data Ultracargo	4Q07	4Q06	3Q07	D (%)	D (%)	2007	2006	D (%)
				4Q07vs. 4Q06	4Q07vs. 3Q07			2007vs.2006
Effective storage ('000 m ³) ²	286	251	292	14%	(2%)	279	240	17%
Total kilometrage travelled (million)	8.2	8.8	8.3	(6%)	(1%)	33.9	43.0	(21%)

piranga Pro-forma
2 Monthly average

Macroeconomic Indicators	4Q07	4Q06	3Q07	D (%)		2007	2006	D (%) 2007vs.2006
				4Q07vs. 4Q06	4Q07vs. 3Q07			
Exchange-rate average (R\$/US\$)	1.786	2.152	1.916	(17%)	(7%)	1.948	2.176	(10%)
Brazilian basic interest rate (CDI)	2.6%	3.1%	2.8%			11.8%	15.0%	
Inflation in the period (IPCA)	1.4%	1.1%	0.9%			4.5%	3.1%	

Highlights

Ø Conclusion of the Share Exchange – In April 2007 Ultrapar acquired the controlling stake of certain companies of the Ipiranga Group, becoming owner of: (i) the fuel and lubricants distribution businesses in the South and SouthEast of Brazil, together with related activities, (ii) EMCA - Empresa Carioca de Produtos Químicos, a producer of white mineral oils and special fluids, and (iii) a stake in the refinery operations. Under the terms of the Investment Agreement signed with Petrobras and Braskem, Ultrapar acted as commission agent for the stakes acquired by these companies (notably petrochemical assets, distribution assets in the North, Northeast and Central West, as well as two thirds of the refinery operations). Ipiranga Group acquisition transaction is composed of four stages. The first one was concluded on April 18, 2007, with the acquisition of control by Ultrapar. In November 2007 the second stage of the process was concluded, with the completion of the mandatory tag along tender offers of Refinaria de Petróleo Ipiranga S.A. (RPI), Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI) and Companhia Brasileira de Petróleo Ipiranga (CBPI). In December the Share Exchange of shares issued by RPI, DPPI and CBPI by Ultrapar (“Share Exchange”) was approved at Extraordinary General Meetings of the respective companies, which resulted in the issuance of 55 million preferred shares of Ultrapar to the former shareholders of RPI, DPPI and CBPI. On January 21, 2008 expired the period for the dissident shareholders at the Extraordinary General Meetings to exercise their appraisal rights, with no shareholder opting to exercise it. Currently, the acquisition process is in its final stage, which consists on the spin-off and transfer of the assets to Petrobras and Braskem.

Ø Ultrapar becomes part of the Bovespa Index (Ibovespa) and MSCI index – The issuance of 55 million preferred shares, as a consequence of the Share Exchange, increased Ultrapar's free-float from 32 million shares to 87 million shares, representing the free float 64% of the company's total capital. Ultrapar's shares achieved a new level of liquidity in equity markets in the first 15 trading days with the new free-float, the average trading volume of Ultrapar's shares amounted to R\$ 35 million/day, higher than the historic average trading volume of Ultrapar, RPI, CBPI and DPPI combined. This significant increase in the size of the free float also enabled Ultrapar to become part of Ibovespa, the Bovespa index as well as the MSCI index, which is widely recognized in international financial markets.

Ø Ultrapar assumes the commitment to join the Level II of Bovespa's Corporate Governance – Ultrapar published a Material Event communicating that at this date its Board of Directors decided to assume the commitment with the capital market to join Level II of Bovespa, in another step in the constant improvement of its corporate governance. Joining Level II reinforces company's commitment with the capital markets, recognizing the material increase in its shareholder basis after receiving the new shareholders from Ipiranga. Adhesion to Level II will be formalized with Bovespa after the conclusion of the last stage of the acquisition of Ipiranga.

Ø Approval of R\$ 241 million in dividends payment – On this date, the Board of Directors of Ultrapar approved the payment of R\$ 241 million in dividends, equivalent to R\$ 1.78 per share, to be paid from March 7, 2008. This distribution corresponds to 132% of consolidated net earnings in 2007, representing a dividend yield of 3% on Ultrapar's average share price in 2007.

Ø Investment plan of R\$839 million approved for 2008 – Ultrapar's Board of Directors approved an investment plan for 2008 of R\$ 839 million. It is expected R\$ 479 million of investment at Oxiteno, R\$ 171 million at Ipiranga, R\$ 140 million at Ultragaz and R\$ 48 million at Ultracargo. These investments are part of Ultrapar's expansion plan and aim at growing the company through expanding operational scale, through differentiated technology and through the optimization of costs and expenses. This amount does not include any possible acquisitions.

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Ultrapar in the Macroeconomic Scenario

The operational-economic environment in the fourth quarter of 2007 confirmed the trend of increasing dynamism in the Brazilian economy, driven by the expansion in the domestic consumer market. The increasing purchasing power of the Brazilian population, combined with the reduction in Brazil's basic interest rates, a stable inflation scenario and greater credit availability, has resulted in growth in the three sectors of the economy – services, industry and agriculture – with particular emphasis on the strong performance in the construction sector and automotive industry. According to statistics published by Brazilian Central Bank, it is estimated that Brazilian's GDP increased by more than 5% in 2007, after years of modest performance. The attention point in the Brazilian macroeconomic scenario this year was the 10% appreciation of the Brazilian Real against the US Dollar, resulting in the fourth year running with appreciation of the Brazilian's average exchange rate, with effects on the industrial sector, which has been losing competitiveness both in the international and the domestic market, as a result of imports. Additionally, the continuous increase in international oil prices, rising from US\$ 65/barrel in 2006 to US\$ 73/barrel in 2007 has put pressure on costs in the economy as whole, particularly the petrochemical industry. On the international front, the global economy continued to present a strong pace of activity expanding, mainly as a result of China and India. However the depth of the real-estate credit crisis in the United States has brought up an uncertainty about the global economic growth in 2008.

In the fourth quarter of 2007, the Brazilian LPG market increased by 2.8%, compared to the fourth quarter in 2006, influenced by the increased dynamism in the Brazilian economy. In the same period, the volume sold of Ultragaz grew 1%, as a result of increased competition in the sector from the third quarter of the year onwards. As a consequence, EBITDA at Ultragaz amounted to R\$ 51 million in 4Q07, compared to R\$ 58 million reported in the fourth quarter of 2006. For the year, EBITDA at Ultragaz totaled R\$ 252 million, 10% lower than 2006, impacted by the results in the second half of the year.

The good performance of the economy, particularly the automotive industry, contributed to an increase of 11% in Ipiranga's sales volume in the fourth quarter of 2007. In 2007, 2.5 million new vehicles were registered, 28% higher than the amount registered in 2006, specially the registration of flex-fuel cars, which increased by 40% in the period. Also, during 2007, 23 investment announcements were made by the car manufacturers in Brazil, to cope with the growing demand for vehicles in the country. The increase in sales volume and the improvements in the legislation and inspection in the fuel sector resulted in Ipiranga reporting EBITDA of R\$ 112 million in 4Q07, 11% higher than the Pro-forma EBITDA reported in 4Q06. Ipiranga's Pro-forma EBITDA for 2007 amounted to R\$ 420 million, up 20% on 2006.

At Oxiteno, the improved performance of the economy, commercial initiatives and the development of new products and the coming on stream of additional specialty chemicals production capacity, as well as the acquisitions made, resulted in a record volume of 168,000 tons in 4Q07, an increase of 29% on 4Q06. Despite the adverse effects of the appreciation in the Brazilian Real on Oxiteno's revenues and the increase in the cost of raw materials, particularly the increase in the unit cost of ethylene in dollar per ton, the growth in sales volume and the recovery in prices in dollar, resulted in an EBITDA of R\$ 49 million in 4Q07, an increase of 7% on 4Q06, and up 39% on 3Q07 - being the 4Q07, the second quarter in sequence that Oxiteno presents an improvement of 43% in EBITDA/ton in dollar compared to 3Q07. For the year 2007 EBITDA at Oxiteno totaled R\$ 155 million, a decrease of 19% compared to 2006.

At Ultracargo, the improved performance at the Suape and Aratu terminals was offset by non-recurring items of R\$ 2.5 million in the costs disbursed on 4Q07, resulting in a reduction of 21% in EBITDA in 4Q07, compared to 4Q06. EBITDA for 2007 as a whole totaled R\$ 43 million, 13% up on the same period in 2006.

As a result, Ultrapar's consolidated EBITDA totaled R\$ 221 million in 4Q07, up 91% compared to 4Q06. For 2007, Ultrapar's EBITDA amounted to R\$ 779 million, up 51% on 2006.

Quarterly EBITDA
R\$ million

Operational Performance

Ultragaz—The Brazilian LPG market increased by 2.8% in 4Q07, compared to 4Q06, reflecting the improved performance of the economy and the increase in Brazilian population income. Sales volume at Ultragaz in 4Q07 totaled 391,000 tons, up 1% on the sales volume reported in 4Q06. Ultragaz's sales in the bulk segment (Ultrasystem) showed an increase of 4% (5,000 tons) in 4Q07, compared to 4Q06, as a consequence of winning of new clients and the increased activity in the Brazilian economy. In the bottled segment, Ultragaz's volume remained practically stable compared to 4Q06, at 266,000 tons, as a result of a more competitive environment in the sector in the second half of the year. Compared to 3Q07, Ultragaz's sales volume was 5% down, as result of the seasonal reduction in volume between the two periods. In 2007, Ultragaz's total sales volume amounted to 1,572,000 tons, 2% higher than in 2006, in line with the market growth.

Sales Volume – Ultragaz (in '000 tons)

Ipiranga – The increase in vehicle sales and the improvements made to legislation and inspection implemented in the sector, for example ANP resolution number 7, the implementation of CODIF/Passé Fiscal and the addition of colorant to anhydrous ethanol, all had a positive influence on Ipiranga's sales volume, which in 4Q07 amounted to 2,982,000 cubic meters, an increase of 11% on the Pro-forma figure in 4Q06. The main highlights were: (i) the combined volume of gasoline, ethanol and NGV, which increased by 18% (183,000 cubic meters), with emphasis to the 90% increase in ethanol sales as a result of the expansion of Brazilian's fleet, particularly of flex-fuel

vehicles, and the improvements implemented in the sector and (ii) diesel volume, which increased by 6% in the period (98,000 cubic meters), as a consequence of increased economic activity. Compared to 3Q07, Ipiranga showed an increase of 4% in sales volume (123,000 cubic meters), reflecting the seasonal variation between the periods, and the 31% increase (78,000 cubic meters) in ethanol sales volume, the latter related to the improvements made to legislation in the sector and the record sugarcane harvest in 2007. In 2007 Pro-forma Ipiranga's sales volume amounted to 11,169,000 cubic meters, 6% higher than in 2006.

Sales Volume– Ipiranga ('000 m³)

Oxitenó - Oxitenó's sales volume in 4Q07 totaled 168,000 tons, 29% higher than in 4Q06, with significant growth being seen in almost all the segments and geographical areas, keeping the quality of sales mix, as a result of the investment made in the production capacity expansions. In the domestic market, sales volume increased by 12% (12,000 tons), being the volume of specialty chemicals up by 23% (18,000 tons), due to the strong performance of the Brazilian economy and the development of new products, which resulted in gains in market share, mainly on the cosmetic and detergent, paint and varnish and agrochemical segments. Glycols sales volume in the domestic market was down by 31% (6,000 tons), due to the suspension of operations at two PET production plants in the country. In the international market, sales volume was 73% (26,000 tons) higher than 4Q06, due to: (i) increase of 14,000 tons in glycol sales volume, as a result of a restriction in the supply of glycols in the international market, due to operational problems at a plant in the Middle East, and (ii) the increase of 11,000 tons in the specialty chemicals sales volume, as a consequence of the opening of sales offices in Argentina and the United States, the acquisition of Oxitenó Andina and the increased sales at Oxitenó México. As a result of the same factors, Oxitenó's total sales volume was up by 4% (7,000 tons) compared to 3Q07, despite the fact that the fourth quarter is usually seasonally weaker. For 2007 as a whole, total sales volume amounted to 621,000 tons, 14% higher than the sales volume in 2006, mainly in specialty chemicals, for which sales volume increased 18% in the period, increasing their share of overall sales volume for the year to 76%.

Sales Volume – Oxitenó ('000 tons)

Ultracargo – Average storage volumes at Ultracargo in 4Q07, measured in cubic meters, were 14% higher than in 4Q06, mainly due to the expansion at the Suape and Aratu terminals. In comparison to 3Q07, there was a decrease of 2%, as a result of the reduction in the volume stored at the ethanol terminal at Santos, in accordance with the usual seasonal variation seen between these two quarters. In the transport segment, total kilometrage travelled was down 6% and 1% compared to 4Q06 and 3Q07, respectively, as a result of Ultracargo's decision to concentrate its operations on the providing of differentiated services. In 2007, Ultracargo's average storage volume in cubic meters showed an increase of 17% on 2006, while kilometrage travelled dropped by 21%.

**Average occupancy rate m³
(‘000)**

**Kilometrage travelled
(million)**

Economic-Financial Performance

Net Sales and Services – Ultrapar's consolidated net sales and services in 4Q07 amounted to R\$ 6,403 million, 432% higher than the net sales in 4Q06, due to Ipiranga’s acquisition, and 4% higher than the net sales in 3Q07. Taking Pro-forma figures for Ultrapar in 4Q06, net sales and services were up 4%. For 2007 as a whole, net sales and services at Ultrapar totaled R\$ 19,921 million, up 316% on 2006, as a result of the addition of Ipiranga revenues from 2Q07 onwards.

Net Sales and Services (in R\$ million)

Ultragaz – Net sales and services at Ultragaz amounted to R\$ 771 million in 4Q07, down 1% compared to 4Q06, as a consequence of the increased competition in this quarter. Compared to 3Q07, net sales were down by 5%, in line with the variation in sales volume. For 2007, Ultragaz's net sales totaled R\$ 3,113 million, up 2% compared to 2006, in line with the variation in sales volume.

Ipiranga – Net sales at Ipiranga totaled R\$ 5,091 million in 4Q07, 3% higher than the Ipiranga Pro-forma figures for 4Q06. Despite the 11% increase in sales volume and the benefits from improved legislation and inspection of the sector, net sales were impacted by the variation in the price of anhydrous and hydrated ethanol, as a result of the record Brazilian sugarcane harvest in 2007, and the reduction in the rate of ICMS tax in the state of Rio Grande do Sul. Compared to 3Q07, net sales were up 4%, in line with the growth in volume. In 2007, Pro-forma net sales of Ipiranga totaled R\$ 19,473 million, up 2% compared to the Ipiranga's Pro-forma net sales in 2006.

Net sales breakdown by product – Ipiranga

Oxitenó – Oxitenó's net sales and services amounted R\$ 481 million in 4Q07, 24% and 14% higher than 4Q06 and 3Q07, respectively, due to: (i) increases in sales volume of 29% and 4% respectively, and (ii) the price recovery in dollar terms, as a result of commercial initiatives of the company and better glycol prices in the international market. The benefits from these factors were to some extent offset by the appreciation of the Brazilian Real against the US dollar, of 17% and 7% compared to 4Q06 and 3Q07, respectively. Net sales in 2007 amounted to R\$ 1,686 million, up 9% compared to 2006, as a result of: (i) a 14% increase in sales volume, (ii) an improvement in sales mix and (iii) a recovery in international prices, partially offset by the 10% appreciation in the Brazilian Real.

Ultracargo – Net revenue from services at Ultracargo amounted to R\$ 59 million in 4Q07, up 8% on 4Q06, as a result of: (i) the expansion in storage operations at the Suape and Aratu terminals and (ii) the new internal logistics operations, with the acquisition of Petrolog in 2Q07, partly offset by the reduction in kilometrage travelled. Compared to 3Q07, net revenue was practically unchanged. For 2007 as a whole, net revenue at Ultracargo totaled R\$ 229 million, in line with the revenues reported in 2006 – the 18% increase in net storage revenues was partially offset by the reduction in transport revenues as a result of the decision of Ultracargo to concentrate its transport operations on the providing of differentiated services.

Cost of Products Sold– Ultrapar's cost of products sold amounted to R\$ 5,885 million in 4Q07, 506% higher than in 4Q06, basically as a result of the acquisition of Ipiranga, and 4% higher than in 3Q07. Considering Pro-forma figures for Ultrapar in 4Q06, the cost of products sold would have increased by 4%. In 2007, Ultrapar's cost of products sold amounted to a total of R\$ 18,224 million, up 372% compared to 2006, as a result of the addition costs of Ipiranga from 2Q07 onwards.

Ultragaz – The cost of products sold at Ultragaz totaled R\$ 662 million in 4Q07, up 1% compared to 4Q06, and down 5% compared to 3Q07, both in line with the variation in sales volume in the respective periods. In 2007, Ultragaz's cost of products sold amounted to R\$ 2,644 million, up 3% compared to 2006.

Ipiranga – Ipiranga's cost of products sold amounted to R\$ 4,798 million in 4Q07, up 3% compared to Pro-forma figures for Ipiranga in 4Q06, lower than the increase of 11% in the volume sold as a result of the variation in the cost of ethanol, as a consequence of the record sugarcane harvest in 2007 and the reduction in the rate of ICMS tax in the state of Rio Grande do Sul. Compared to 3Q07, the company's cost of products sold was up by 4%, in line with the variation in sales volume in the period. For 2007, Ipiranga's cost of products sold, on a Pro-forma basis, amounted to R\$ 18,412 million, up 2% compared to the Pro-forma figures for 2006.

Oxitenó – Oxitenó's cost of products sold in 4Q07 amounted to R\$ 382 million, up 29% compared to 4Q06, in line with the increase in sales volume. The increase in unit costs, specially the 17% increase in the unit cost of ethylene in dollar, was offset by the 17% appreciation in the Brazilian Real. Compared to 3Q07, Oxitenó's cost of products sold was up 10%, basically as a consequence of the 4% increase in sales volume and the increase in the unit cost of ethylene, in dollar, of 8%. In 2007, Oxitenó's cost of products sold totaled R\$ 1,359 million, up 14% compared to 2006, basically due to the 14% increase in sales volume.

Ultracargo – The cost of services provided by Ultracargo in 4Q07 amounted to R\$ 41 million, up 22% and 12% compared to 4Q06 and 3Q07, respectively. Ultracargo's costs were impacted by non-recurring items in 4Q07, of R\$ 4 million, being R\$ 1.5 million related to depreciation costs. In addition, the higher volumes stored and the addition of costs from Petrolog also pushed up costs compared to 4Q06. For 2007 as a whole, the cost of services provided by the company amounted to R\$ 145 million, unchanged compared to 2006.

Sales, General and Administrative Expenses– Ultrapar's sales, general and administrative expenses amounted to R\$ 389 million in 4Q07, 138% higher than in 4Q06, as a result of the acquisition of Ipiranga. Compared to 3Q07, sales, general and administrative expenses were up 13%. Taking Pro-forma figures for Ultrapar in 4Q06, sales, general and administrative expenses would have increased by 11%. For 2007, sales, general and administrative expenses for Ultrapar totaled R\$ 1,223 million, up 102% compared to 2006, as a result of the consolidation of Ipiranga's expenses from 2Q07.

Ultragaz – Ultragaz's sales, general and administrative expenses amounted to R\$ 88 million in 4Q07, 3% down on 4Q06, mainly as a result of certain non-recurring expenses that were booked in 2006. Compared to 3Q07, the company's sales, general and administrative expenses were up 5%, basically as a consequence of collective wage increases and advertising and marketing expenses related to Ultragaz's 70-year institutional campaign. In 2007, sales, general and administrative expenses amounted to R\$ 338 million, 3% higher than in 2006, as a result of the factors outlined above.

Ipiranga – Sales, general and administrative expenses at Ipiranga amounted to R\$ 207 million in 4Q07, up 20% and 16% compared to the Pro-forma figures in 4Q06 and 3Q07, respectively, basically as a function of: (i) increased sales volume, mainly impacting freight expenses, (ii) higher expenses on advertising and marketing arising from projects such as the Ipiranga Zero Carbon Card, Clube VIP (*VIP Club*) and Clube do Milhão (*Million Club*) and (iii) an increase in variable remuneration, in line with the improvement in earnings. In 2007, Pro-forma sales, general and administrative expenses amounted to R\$ 738 million, 8% higher than the Pro-forma figure for 2006, basically as a result of the factors outlined above.

Oxitenó – Oxitenó's sales, general and administrative expenses totaled R\$ 62 million in 4Q07, 10% and 19% higher than in 4Q06 and 3Q07, respectively, as a result of increased sales volume, mainly impacting freight expenses, the consolidation of Oxitenó Andina, and higher personnel expenses as a result of a collective wage increase, partially offset by a reduction in expenses on commission agents, due to the opening of sales offices in Argentina and the United States. In 2007, Oxitenó's sales, general and administrative expenses totaled R\$ 222 million, up 5% compared to 2006.

Ultracargo – Sales, general and administrative expenses at Ultracargo totaled R\$ 19 million in 4Q07, up 10% compared to 4Q06 and 3Q07, as a result of the collective wage increases and the addition of expenses of Petrolog. In 2007, sales, general and administrative expenses amounted to R\$ 70 million, down 1% compared to 2006.

EBITDA– Ultrapar presented consolidated operational cash generation (EBITDA), of R\$ 221 million in 4Q07, up 91% compared to 4Q06 due to Ipiranga's acquisition, and practically unchanged on 3Q07. Taking Pro-forma figures for Ultrapar in 4Q06, EBITDA would have increased by 3% compared to 4Q06. For 2007, Ultrapar's EBITDA amounted to R\$ 779 million, up 51% on 2006, basically due to the addition of Ipiranga's EBITDA from 2Q07.

EBITDA (in R\$ million)

Ultragaz – Ultragaz reported EBITDA of R\$ 51 million in 4Q07, down 12% compared to 4Q06, and down 17% compared to 3Q07, as a result of: (i) a more competitive market in this quarter and (ii) the typical seasonal variation between the third and fourth quarters. For 2007, EBITDA at Ultragaz totaled R\$ 252 million, down 10% on the previous year, basically due to a more competitive market in the second half of the year.

Ipiranga – Ipiranga reported EBITDA of R\$ 112 million in 4Q07, up 11% compared to Pro-forma figures for 4Q06, mainly as a result of increased sales volume, the measures implemented to improve legislation and inspection measures in the fuel sector and the effects derived from the record sugar cane harvest in 2007. Compared to 3Q07, EBITDA was up 5%, basically as a result of increased sales volume. In 2007, Pro-forma Ipiranga's EBITDA totaled R\$ 420 million, up 20% compared to 2006, as a result of increased sales volume, the measures implemented to improve the legislation and inspection measures in the fuel sector and the effects derived from the record sugar cane harvest in 2007.

Oxitenó – EBITDA at Oxitenó totaled R\$ 49 million in 4Q07, up 7% compared to 4Q06, basically as a result of increased sales volume and a recovery in prices, in dollar terms, partially offset by the 17% appreciation in the Brazilian Real and the increase in the cost of raw materials, specially ethylene. Compared to 3Q07, EBITDA was up 39%, basically as a consequence of higher sales volume and a recovery in prices in dollar terms. In addition to the improvement in EBITDA quarter-on-quarter, Oxitenó's EBITDA/ton in dollar terms improved by 43%, rising from US\$ 114/ton in 3Q07 to US\$ 164/ton in 4Q07. For 2007, Oxitenó's EBITDA totaled R\$ 155 million, 19% less than in 2006, as a result of the 10% appreciation in the Brazilian Real and the increase in the cost of raw material, notably ethylene.

Ultracargo – Ultracargo reported EBITDA of R\$ 7 million, down 21% compared to 4Q06, basically as a result of certain non-recurring costs recognized in 4Q07. Compared to 3Q07, EBITDA was down 42% as a result of the reduction in the volume stored at the ethanol terminal at Santos and non-recurring costs. In 2007 Ultracargo's EBITDA totaled R\$ 43 million, up 13% compared to 2006, due to the expansion in storage operations and the acquisition of the internal logistics business of Petrolog.

Financial Result – Ultrapar presented net financial expense of R\$ 54 million in 4Q07, compared to net financial expense of R\$ 1 million in 4Q06. The increase in financial expenses in 4Q07 basically reflects the temporary increase in Ultrapar's net debt as a result of the disbursements related to the Ipiranga acquisition and non-recurring effects of PIS/Cofins tax. Ultrapar ended 2007 with a net debt of R\$ 1,434 million, compared to a net cash of R\$ 121 million in 4Q06, due to the Ipiranga acquisition. In December 2007 Ultrapar's total receivables from Petrobras and Braskem amounted to R\$ 1,752 million, referring to the stake incorporated of the petrochemical and fuel distribution assets acquired from the Ipiranga Group in the name of these companies. This amount will be received by Ultrapar on the fourth stage of the acquisition process.

Benefits of Tax Holidays – In 4Q07 Oxiteno recognized the tax benefit generated during the year 2007 related to the Camaçari unit, which totaled R\$ 21.7 million and was deducted of the income tax and social contribution in 4Q07. In December 2006 the income tax exemption enjoyed by Oxiteno's unit at Camaçari expired and a request was filed with ADENE (Northeast Development Agency), responsible for this incentive program, asking for a 75% reduction in income tax until 2016, which was deferred on May 25, 2007. On July 3, 2007 the report issued by ADENE was sent to the Federal Tax Authorities for approval, being the time limit of 120 days. On October 31, 2007, this time limit expired, allowing the company to automatically recognize the full benefits of the tax reduction requested, retroactively to January 1st, 2007.

Minority Interest – Ultrapar's minority interest amounted to R\$ 1 million in 4Q07, lower than the R\$ 52 million reported in 3Q07, reflecting the minority shareholder stake in Ipiranga. After the Share Exchange in December 2007, Ultrapar started to consolidate 100% of the results of the assets acquired since October 2007 onwards.

Goodwill on the acquisition of Ipiranga– The acquisition of Ipiranga resulted in goodwill of R\$ 484 million, which is being amortized over a period of 10 years. In 4Q07, the amortization of this goodwill totaled R\$ 12 million.

Net earnings – Ultrapar's net consolidated earnings in 4Q07 amounted to R\$ 83 million, 71% higher than the net earnings in 4Q06, basically due to the consolidation of the results of Ipiranga from 2Q07, and the recognition of Oxiteno's tax benefit in 4Q07, retroactively to January. Compared to 3Q07, this improvement was also due to the Share Exchange, with the consequent reduction in minority interest and the recognition of Oxiteno's tax benefit.

Investments– Total investment, net of divestments and repayments, amounted to R\$ 1,410 million in 4Q07, distributed as follows:

- At Ultragaz, R\$ 41 million was invested to expand its bulk distribution system (Ultrasystem), as well as on the purchase and renewal of gas bottles and tanks.
- At Ipiranga, R\$ 59 million was spent mainly on the renewal of contracts and improvements at fuel service stations and distribution facilities, and investment related to information technology. Of the total investments, R\$ 29 million referred to addition of property, plant and equipment, net of disposals, R\$ 17 million referred to financing customer activities¹, net of repayments, and R\$ 12 million referred to leased equipment.
- At Oxiteno, the R\$ 126 million invested was basically spent on expanding production capacity, particularly the building of the fatty alcohols plant, expansion of specialty chemicals production and expansion of ethylene oxide production capacity at Mauá facility.
- Ultracargo invested R\$ 15 million, mainly on improvements at its terminals, the purchase of trucks, the construction of a new warehouse and in implementation of systems.
- Acquisitions amounted to R\$ 1,169 million in 4Q07, reflecting (i) the stakes of Ultrapar in the mandatory tag along tender offers and the Share Exchange and (ii) the buyback of the company's shares to be held in treasury.

<i>Investment in PPE, intangible and deferred assets 4Q07*</i>	<i>R\$ million</i>	<i>% of total</i>
Ultragaz	41	19%
Ipiranga	29	14%
Oxiteno	126	59%
Ultracargo	15	7%

Ultrapar parent company	1	0%
Ultrapar	212	100%

**Net of disposals*

¹ Financing and bonuses for clients are included under working capital in the cash flow statement

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Total investments in 2007 amounted to R\$ 2,687 million. Focused in the same areas above, Ultragas invested R\$ 129 million, Ipiranga R\$ 144 million (of which R\$ 79 million in financing and bonuses to customers, net of repayments, and leasing operations), Oxiteno R\$ 453 million and Ultracargo R\$ 44 million.

In addition to investing in the organic growth of its operations, Ultrapar also considers acquisitions as an important resource of creating value for its shareholders. Keeping this philosophy, in 2007 approximately R\$ 1.9 billion was invested in acquisitions, most of it in Ipiranga's transaction, which also included the assumption of the existing net debt at the company, of approximately R\$ 0.5 billion at the time of the acquisition.

The investment plan for 2008, excluding acquisitions, amounts to R\$ 839 million, R\$ 140 million to be invested in Ultragas, R\$ 171 million in Ipiranga, R\$ 479 million in Oxiteno and R\$ 48 million in Ultracargo. At Ultragas, investments basically involve expansion of bulk LPG distribution (Ultrasystem), the strengthening of the company's operations in the North and Northeast of Brazil and the execution of the DME (propellant in the aerosol market) project. At Ipiranga the main investments will be made on expanding the company's service station distribution network and carrying out operational improvements. Planned investments at Oxiteno comprise: (i) the completion of the fatty alcohol plant, (ii) the conclusion of expansion of the ethylene oxide production capacity at Mauá and expansion at Camaçari and (iii) expansion in the specialty chemicals production capacity. At Ultracargo, investment will be allocated to the expansion of its terminals and internal logistics operations.

Ultrapar In the Capital Markets

As part of the Ipiranga acquisition process, Ultrapar carried out two important corporate transactions in capital markets: the mandatory tag along tender offers as a result of the acquisition of control of Ipiranga and the Share Exchange, through the exchange of the shares of RPI, DPPI and CBPI for preferred shares of Ultrapar. The Share Exchange resulted in (i) greater alignment of interests of all the company's shareholders, (ii) an increase in the liquidity of the company shares, due to expansion of the shareholder base, as a result of the concentration of all the shareholders of the listed companies of the Ipiranga Group into one company, Ultrapar, with shares traded on São Paulo Stock Exchange (Bovespa) and in New York (NYSE), and (iii) extension of Ultrapar's recognized corporate governance standards to all the shareholders of RPI, DPPI and CBPI, notably regarding the 100% tag along rights for preferred shares. The Share Exchange was completed in December 2007, with the issuance of 55 million preferred shares, increasing Ultrapar's free float from 32 million shares to 87 million shares, now the free float representing 64% of the company's total capital. This significant increase in the size of the free float also enabled Ultrapar to become part of Ibovespa, the Bovespa index as well as the MSCI index, which is widely recognized in international financial markets.

Ultrapar's shares have reached a new level of liquidity in the stock market, with a 58% increase in the average daily volume traded in 2007, compared to the same period in 2006, considering the combined volume in Bovespa and NYSE. Financial volume traded in 2007 amounted to R\$12 million/day, taking into account the trading in Bovespa and NYSE, compared to an average of R\$ 5 million/day in the previous year, an increase of more than 150%. In addition in the first 15 trading days with a larger free float after the Share Exchange, Ultrapar's average daily financial volume reached R\$ 35 million per day, higher than the historical average of Ultrapar, RPI, CBPI and DPPI, combined. The average price of Ultrapar's shares in 2007 was 63% higher than 2006 in Bovespa and 81% in NYSE. In the same period, the main indexes of these markets, the Ibovespa and the Dow Jones, appreciated by 40% and 15%, respectively. Ultrapar ended 2007 with a market value of R\$ 9 billion, 115% higher than at the end of 2006, as a result of the appreciation of its shares and the issuance of new shares in December.

UGPA4 vs UGP (ADR)

Ultrapar shareholding base (millions of shares)

**Market capitalisation
in R\$ billion**

**Dividends Declared
in R\$ million**

Dividends of R\$ 241 million were declared for the financial year 2007, representing 132% of consolidated net earnings in the year. Ultrapar constantly evaluates its immediate capital needs for investment in assets and acquisitions and, having ensured its continuing sound financial position, distributes its excess cash in the form of dividends to its shareholders.

Outlook

2007 represented a milestone in Ultrapar's history, with the acquisition of Ipiranga in one of the largest private-sector acquisitions ever seen in Brazil. At Ipiranga, the good results reported after the acquisition and the good performance in Brazil's fuel market, reinforce our conviction in the investment decision. The increase in the Brazilian population income, higher credit availability, the accelerated growth of the vehicle fleet and the improvement in the legislation in the sector should be the growth drivers of this market. In addition, we will be seeking the reinsertion of Ipiranga in the remainder of the country aiming at becoming a nationwide player again. In 2008, Ultragas should benefit from the expansion of its operations in the states of Pará and Maranhão, as well as from the decision to invest in the expansion of its product portfolio, with the inclusion of DME for the gas propellant market. Oxiteno will follow its strategy of achieving growth with increased operational scale and differentiated products, aiming to achieve a leadership position in the Americas and the development of alternatives to increase its profitability and minimize the adverse effects of the successive oil price increases and the appreciation of the Brazilian Real, whether through the development of products with a higher added value, or through the access to renewable raw material and at a more competitive price. The new fatty alcohols plant and the expansion to the production of ethylene oxide and specialty chemicals at Mauá, is part of this strategy, and should benefit sales volumes in 2008. Oxiteno will continue with its process of internationalization, through the opening of offices in Europe and Asia, seeking investment opportunities in the sector, following the example of the acquisitions made in 2007. Ultracargo will continue to invest in the expansion of its strategically located assets, at Brazil's major logistics junctions and in search for new acquisitions, such as the case of Petrolog, acquired in 2007.

Forthcoming events

APIMEC/ Conference call/Webcast for analysts: February 25, 2008

Ultrapar will be holding an APIMEC meeting and conference call for analysts on February 25, 2008 to comment on the performance of the company in the fourth quarter of 2007 and the outlook for the future. The presentation will be available for download on the company's website 1 hour before the start of the conference calls.

In Brazil: 12.30 p.m. (local time)

Location: Hotel Unique (Tavarua Room), São Paulo - SP

For connection please call 5 minutes before the conference call on telephone number **55 11 2188-0188**

Code: Ultrapar

International: 3.30 p.m. (local time)/ 1:30 p.m. (US time)

Participants in Brazil: 0-800-891-9722

Participants in the US: 1-800-418-6854

International participants: 1 (973) 935-8893

Code: 31433590

APIMEC: February 26, 2008

Ultrapar will be holding an APIMEC meeting for analysts on February 26, 2008, to comment on the company's performance in the fourth quarter of 2007, and the outlook for the future.

Local: Hotel Sheraton (Room Mercosul), Porto Alegre - RS

WEBCAST live by Internet on site www.ultra.com.br. Please connect 15 minutes in advance.

This document may contain forecasts of future events. Such predictions merely reflect the expectations of the Company's management. Words such as: "believe", "expect", "plan", "strategy", "prospects", "envisage", "estimate", "forecast", "anticipate", "may" and other words with similar meaning are intended as preliminary declarations regarding expectations and future forecasts. Such declarations are subject to risks and uncertainties, anticipated by the Company or otherwise, which could mean that the reported results turn out to be significantly different from those forecast. Therefore, the reader should not base investment decisions solely on these estimates.

Operational and Market Information

Financial focus	4Q07	4Q06	3Q07	2007	2006
EBITDA margin Ultrapar	3%	10%	4%	4%	11%
Net margin Ultrapar	1%	4%	0%	1%	6%
Productivity	4Q07	4Q06	3Q07	2007	2006
EBITDA R\$/ton Ultragaz	131	151	151	160	182
EBITDA R\$/m ³ Ipiranga ¹	28	31	31	32	29
EBITDA R\$/ton Oxiteno	292	353	219	249	353
Focus on human resources	4Q07	4Q06	3Q07	2007	2006
Number of Ultrapar employees	9,653	6,885	9,684	9,653	6,885
Number of Ultragaz employees	4,467	4,424	4,479	4,467	4,424
Number of Ipiranga ² employees --	2,317	2,430	2,342	2,317	2,430
Number of Oxiteno employees	1,441	1,263	1,460	1,441	1,263
Number of Ultracargo employees	1,193	981	1,186	1,193	981
Focus on capital markets	4Q07	4Q06	3Q07	2007	2006
Number of shares (million)	136,096	81,325	81,325	136,096	81,325
Market capitalisation ³ – R\$ million	9,082	3,707	5,294	9,082	3,080
Bovespa					
Average daily volume ('000 shares)	108,710	71,254	111,152	119,318	64,655
Average daily volume (R\$ '000 shares)	7,252	3,204	7,258	7,319	2,449
Average share price (R\$ /share)	66,7	45,0	65,3	61,3	45,0
NYSE					
Number of ADRs ⁴ ('000 ADRs)	10,398	11,795	9,992	10,398	11,795
Average daily volume (ADRs)	37,316	49,505	64,725	73,433	57,943
Average daily volume (US\$ '000)	1,396	1,067	2,194	2,281	1,008
Average share price (US\$ / ADRs)	37.4	22.6	33.9	31.1	21.6
Total⁵					
Average daily volume ('000 shares)	146,026	120,759	175,878	192,751	122,598
Average daily volume (R\$ '000 shares)	9,745	5,504	11,450	11,781	4,639

All financial information is presented according to the accounting principles laid down in Brazilian Corporate Legislation (BR GAAP). All figures are expressed in Brazilian Reais, except for the amounts on page 18, which are expressed in US dollars and were obtained using the average rate of exchange (commercial dollar rate) for the corresponding periods.

For additional information, please contact:

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¹ Just for the sales of fuels and lubricants. The information for 2006 and 1Q07–this latter included in 9M07 –consists of pro forma figures, unaudited, inserted only to provide a basis of comparison

² *The information for 2006 and 1Q07–this latter included in 9M07 consists of pro forma figures for Ipiranga, unaudited, inserted only to provide a basis of comparison*

³ *Calculated based on the weighted average price in the period*

⁴ *1 ADR = 1 Preferred Share*

⁵ *Total = BOVESPA + NYSE*

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ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED BALANCE SHEET

In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	DEC 2007	DEC 2006	SEP 2007
ASSETS			
Cash and cash equivalents	1,622.9	1,070.1	1,527.9
Trade accounts receivable	1,344.4	360.0	1,294.3
Inventories	631.1	217.2	566.4
Other	2,097.3	159.8	336.7
Total Current Assets	5,695.7	1,807.1	3,725.3
Investments	47.1	30.8	46.2
Property, plant and equipment	2,335.8	1,172.8	2,180.0
Deferred charges	570.1	112.3	538.6
Long term investments	120.8	548.0	119.5
Other long term assets	455.0	178.8	479.3
Total Long Term Assets	3,528.8	2,042.7	3,363.6
TOTAL ASSETS	9,224.5	3,849.8	7,088.9
LIABILITIES			
Loans and financing	589.9	102.8	564.9
Debentures	1,228.7	12.8	1,017.2
Suppliers	582.7	112.5	453.7
Payroll and related charges	123.2	81.2	120.8
Taxes	120.7	18.0	110.7
Other accounts payable	363.8	104.1	99.1
Total Current Liabilities	3,009.0	431.4	2,366.4
Loans and financing	1,009.2	1,081.8	993.5
Debentures	350.0	300.0	350.0
Income and social contribution taxes	1.8	26.0	26.7
Other long term liabilities	218.9	44.0	176.6
Total Long Term Liabilities	1,579.9	1,451.8	1,546.8
TOTAL LIABILITIES	4,588.9	1,883.2	3,913.2
STOCKHOLDERS' EQUITY			
Capital	3,696.8	946.0	946.0
Capital reserve	0.9	0.6	0.8
Revaluation reserves	11.6	13.0	12.0
Profit reserves	891.5	973.9	949.5
Retained earnings	-	-	100.1
Total Stockholders' Equity	4,600.8	1,933.5	2,008.4
Minority Interests	34.8	33.1	1,167.3
TOTAL STOCKHOLDERS' EQUITY & M.I.	4,635.6	1,966.6	3,175.7

TOTAL LIAB. AND STOCKHOLDERS' EQUITY	9,224.5	3,849.8	7,088.9
Cash and Long term investments	1,743.7	1,618.1	1,647.4
Debt	3,177.9	1,497.4	2,925.6
Net cash (debt)	(1,434.1)	120.7	(1,278.2)

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ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED STATEMENT OF INCOME
In millions of reais (except per share data) - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2007	DEC 2006	SEP 2007	DEC 2007	DEC 2006
Net sales and services	6,403.3	1,203.8	6,162.8	19,921.3	4,794.1
Cost of sales and services	(5,884.9)	(970.6)	(5,684.2)	(18,224.2)	(3,859.9)
Gross profit	518.4	233.2	478.6	1,697.1	934.2
Operating expenses					
Selling	(155.2)	(58.4)	(139.6)	(472.6)	(203.3)
General and administrative	(166.8)	(74.1)	(138.5)	(522.2)	(279.1)
Depreciation and amortization	(66.7)	(30.8)	(64.4)	(228.5)	(122.7)
Other operating income (expenses)	7.4	(0.5)	0.8	12.3	1.3
Income before equity and financial results	137.1	69.4	136.9	486.1	330.4
Financial results	(54.2)	(1.3)	(30.0)	(119.4)	30.6
Financial income	46.5	38.6	34.8	150.2	155.9
Financial expenses	(78.2)	(40.6)	(60.7)	(230.9)	(154.3)
Taxes on financial activities	(22.5)	0.7	(4.1)	(38.7)	29.0
Equity in earnings (losses) of affiliates					
Affiliates	0.8	0.3	(0.1)	0.6	1.0
Nonoperating income (expense)	11.7	2.4	(1.0)	8.8	(18.5)
Income before taxes and profit sharing	95.4	70.8	105.8	376.1	343.5
Provision for income and social contribution tax	(34.4)	(24.9)	(31.3)	(121.1)	(106.4)
Benefit of tax holidays	25.7	4.2	3.4	35.2	50.3
Income before minority interest	86.7	50.1	77.9	290.2	287.4
Employees statutory interest	(2.8)	-	(1.7)	(7.3)	-
Minority interest	(1.2)	(1.7)	(51.6)	(101.0)	(5.3)
Net Income	82.7	48.4	24.6	181.9	282.1
EBITDA	220.9	115.4	218.1	779.4	516.2
Depreciation and amortization	86.7	46.0	82.8	300.6	185.8
	1,409.7	106.9	252.1	2,687.1	320.3

Total investments, net of write-off and
repayments

RATIOS

Earnings / share - R\$	0.97	0.60	0.30	2.19	3.47
Net debt / Stockholders' equity	0.31	Na	0.40		
Net debt / LTM EBITDA	1.62	Na	1.47		
Net interest expense / EBITDA	0.25	0.01	0.14	0.15	Na
Gross margin	8%	19%	8%	9%	19%
Operating margin	2%	6%	2%	2%	7%
EBITDA margin	3%	10%	4%	4%	11%

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ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED CASH FLOW STATEMENT
In millions of reais - Accounting practices adopted in Brazil

	JAN - DEC	
	2007	2006
Cash Flows from operating activities	588.1	463.3
Net income	181.9	282.1
Minority interest	101.0	5.3
Depreciation and amortization	300.6	185.8
Working capital	49.1	(62.4)
Financial expenses (A)	67.2	65.3
Deferred income and social contribution taxes	(92.2)	(5.4)
Other (B)	(19.5)	(7.4)
Cash Flows from investing activities	(2,608.6)	(320.3)
Additions to property, plant, equipment and deferred charges (C)	(694.6)	(319.1)
Acquisition of minority interests (D)	(1,914.0)	(1.2)
Cash Flows from (used in) financing activities	1,893.0	(148.5)
Short term debt, net	(220.7)	(269.3)
Issuance of debentures	889.0	-
Issuances	265.0	273.6
Related companies	26.4	(4.2)
Dividends paid (E)	(65.7)	(148.6)
Increase of capital	999.0	-
Net increase (decrease) in cash and cash equivalents	(127.5)	(5.5)
Cash by subsidiaries acquired (F) (G)	253.1	-
Cash and cash equivalents at the beginning of the period (G)	1,618.1	1,623.6
Cash and cash equivalents at the end of the period (G)	1,743.7	1,618.1
Supplemental disclosure of cash flow information		
Cash paid for interest (H)	160.5	92.5
Cash paid for taxes on income (I)	70.6	30.9

(A) Not including financial income. Comprised basically of financial expenses, in particular, exchange variations.

(B) Comprised mainly cost of permanent asset sold and noncurrent assets and liabilities net.

- (C) Included ICMS on the Property, plant and equipment according to Law Complemental no. 102/2000.
- (D) Included R\$ 1,857.9 million of Ipiranga / Refinery acquisition, R\$ 8,1 million of Petrolog acquisition, R\$ 15,0 million of Oxiteno Andina acquisition, R\$ 25.3 million of treasury shares.
- (E) Including dividends paid by Ultrapar and its subsidiaries.
- (F) The debt amount assumed of subsidiaries acquired totalized R\$ 677.0 million
- (G) Included Long term investments.
- (H) Included in cash flow used in financing activities.
- (I) Included in cash flow from operating activities.

**ULTRAGAZ PARTICIPAÇÕES LTDA.
CONSOLIDATED BALANCE SHEET**

In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	DEC 2007	DEC 2006	SEP 2007
OPERATING ASSETS			
Trade accounts receivable	167.2	160.2	166.3
Trade accounts receivable - noncurrent portion	13.0	17.6	12.5
Inventories	50.4	31.1	36.8
Other	12.5	12.1	14.7
Property, plant and equipment	407.5	399.1	392.7
Deferred charges	84.3	82.8	89.3
TOTAL OPERATING ASSETS	734.9	702.9	712.3
OPERATING LIABILITIES			
Suppliers	29.0	32.2	27.7
Payroll and related charges	40.4	43.5	41.0
Taxes	5.5	3.9	4.5
Other accounts payable	3.1	1.3	1.6
TOTAL OPERATING LIABILITIES	78.0	80.9	74.8

*Since 2Q07 we started to include "Trade accounts receivable of long term" in the operating assets

**ULTRAGAZ PARTICIPAÇÕES LTDA.
CONSOLIDATED STATEMENT OF INCOME**

In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2007	DEC 2006	SEP 2007	DEC 2007	DEC 2006
Net sales	770.5	774.6	809.4	3,112.9	3,066.9
Cost of sales and services	(661.9)	(653.4)	(693.8)	(2,643.7)	(2,572.6)
Gross profit	108.6	121.2	115.6	469.2	494.3
Operating expenses					
Selling	(29.0)	(33.4)	(28.7)	(115.0)	(114.6)
General and administrative	(28.3)	(28.9)	(24.9)	(103.1)	(99.2)
Depreciation and amortization	(30.3)	(28.4)	(29.7)	(119.5)	(113.2)
Other operating results	-	(0.5)	-	0.5	-
EBIT	21.0	30.0	32.3	132.1	167.3

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EBITDA	51.4	58.4	62.0	251.7	280.5
Depreciation and amortization	30.3	28.4	29.7	119.5	113.2

RATIOS

Gross margin	14%	16%	14%	15%	16%
Operating margin	3%	4%	4%	4%	5%
EBITDA margin	7%	8%	8%	8%	9%

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**IPIRANGA
CONSOLIDATED BALANCE
SHEET**

**In millions of reais - Accounting
practices adopted in Brazil**

	QUARTERS ENDED IN		
	DEC 2007	DEC 2006	SEP 2007
OPERATING ASSETS			
Trade accounts receivable	950.0	846.7	910.8
Trade accounts receivable - noncurrent portion	163.0	125.4	151.6
Inventories	337.2	330.6	296.7
Other	69.9	141.9	71.5
Property, plant and equipment	726.1	719.4	706.2
Deferred charges	-	0.2	-
TOTAL OPERATING ASSETS	2,246.2	2,164.2	2,136.8
OPERATING LIABILITIES			
Suppliers	409.9	371.6	319.9
Payroll and related charges	46.0	46.9	43.6
Post-retirement benefits	81.1	76.6	74.6
Taxes	62.1	39.7	28.4
Other accounts payable	39.9	42.5	23.0
TOTAL OPERATING LIABILITIES	639.0	577.3	489.5

**IPIRANGA
CONSOLIDATED STATEMENT
OF INCOME**

**In millions of reais - Accounting
practices adopted in Brazil**

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2007	DEC 2006	SEP 2007	DEC 2007	DEC 2006
Net sales	5,090.6	4,933.0	4,877.5	19,473.0	19,027.0
Cost of sales and services	(4,798.2)	(4,676.5)	(4,613.0)	(18,411.9)	(18,085.8)
Gross profit	292.4	256.5	264.5	1,061.1	941.2
Operating expenses					
Selling	(97.1)	(77.6)	(87.4)	(336.8)	(298.5)
General and administrative	(89.3)	(73.8)	(71.0)	(316.9)	(298.9)
Depreciation and amortization	(20.9)	(21.3)	(21.0)	(84.3)	(84.1)
Other operating results	6.7	3.2	(0.2)	12.6	12.8

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EBIT	91.8	87.0	84.9	335.7	272.5
EBITDA	111.8	101.0	106.1	419.7	351.0
Depreciation and amortization	22.7	23.0	22.9	91.4	90.9
Employees statutory interest	2.8	9.0	1.7	7.3	12.4

RATIOS

Gross margin	5.7%	5.2%	5.4%	5.4%	4.9%
Operating margin	1.8%	1.8%	1.7%	1.7%	1.4%
EBITDA margin	2.2%	2.0%	2.2%	2.2%	1.8%

*Information before 2Q07 is pro forma reported, non audited, inserted only to supply a comparison base.

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OXITENO S/A - INDÚSTRIA E COMÉRCIO
CONSOLIDATED BALANCE SHEET
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	DEC 2007	DEC 2006	SEP 2007
OPERATING ASSETS			
Trade accounts receivable	203.9	180.6	192.3
Inventories	221.0	182.5	220.6
Other	136.7	104.9	136.2
Property, plant and equipment	952.2	559.7	844.1
Deferred charges	20.8	13.5	17.2
TOTAL OPERATING ASSETS	1,534.6	1,041.2	1,410.4
OPERATING LIABILITIES			
Suppliers	123.5	76.9	102.2
Payroll and related charges	26.2	28.4	25.2
Taxes	7.6	11.0	8.7
Other accounts payable	7.4	1.5	9.2
TOTAL OPERATING LIABILITIES	164.7	117.8	145.3

OXITENO S/A - INDÚSTRIA E COMÉRCIO
CONSOLIDATED STATEMENT OF INCOME
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2007	DEC 2006	SEP 2007	DEC 2007	DEC 2006
Net sales	480.6	387.1	421.2	1,685.7	1,549.5
Cost of goods sold					
Variable	(338.6)	(259.6)	(308.3)	(1,202.9)	(1,049.6)
Fixed	(33.4)	(26.9)	(28.2)	(116.3)	(105.6)
Depreciation and amortization	(9.9)	(9.2)	(9.8)	(39.4)	(37.2)
Gross profit	98.7	91.4	74.9	327.1	357.1
Operating expenses					
Selling	(28.2)	(24.5)	(23.2)	(99.2)	(88.4)
General and administrative	(31.9)	(30.1)	(26.9)	(114.4)	(115.7)
Depreciation and amortization	(2.2)	(2.1)	(2.2)	(8.7)	(8.1)
Other operating results	0.5	0.2	1.0	1.8	1.4
EBIT	36.9	34.9	23.6	106.6	146.3

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EBITDA	49.2	46.1	35.5	154.8	191.6
Depreciation and amortization	12.1	11.2	12.0	48.1	45.3

RATIOS

Gross margin	21%	24%	18%	19%	23%
Operating margin	8%	9%	6%	6%	9%
EBITDA margin	10%	12%	8%	9%	12%

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**ULTRACARGO
PARTICIPAÇÕES LTDA.
CONSOLIDATED BALANCE
SHEET**

**In millions of reais - Accounting
practices adopted in Brazil**

	QUARTERS ENDED IN		
	DEC 2007	DEC 2006	SEP 2007
OPERATING ASSETS			
Trade accounts receivable	26.7	25.0	29.6
Inventories	3.7	3.6	3.9
Other	6.0	6.0	8.0
Property, plant and equipment	226.1	204.4	221.8
Deferred charges	7.7	10.1	6.6
TOTAL OPERATING ASSETS	270.2	249.1	269.9
OPERATING LIABILITIES			
Suppliers	13.7	9.0	9.7
Payroll and related charges	8.7	9.3	10.3
Taxes	3.5	1.8	1.9
Other accounts payable	0.7	0.2	0.5
TOTAL OPERATING LIABILITIES	26.6	20.3	22.4

**ULTRACARGO PARTICIPAÇÕES LTDA.
CONSOLIDATED STATEMENT OF INCOME**
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2007	DEC 2006	SEP 2007	DEC 2007	DEC 2006
Net sales	58.5	54.0	59.3	229.1	226.1
Cost of sales and services	(40.8)	(33.5)	(36.5)	(144.8)	(143.6)
Gross profit	17.7	20.5	22.8	84.3	82.5
Operating expenses					
Selling	(0.2)	(0.5)	(0.1)	(0.7)	(0.3)
General and administrative	(18.4)	(16.8)	(16.9)	(68.4)	(70.2)
Depreciation and amortization	(0.5)	(0.1)	(0.4)	(1.1)	(0.5)
Other operating results	-	(0.2)	-	0.7	(0.1)
EBIT	(1.4)	2.9	5.4	14.8	11.4

EBITDA	7.2	9.1	12.4	43.1	38.0
Depreciation and amortization	8.7	6.2	7.0	28.4	26.6

RATIOS

Gross margin	30%	38%	38%	37%	36%
Operating margin	-2%	5%	9%	6%	5%
EBITDA margin	12%	17%	21%	19%	17%

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ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED INCOME STATEMENT

In millions of US dollars (except per share data) - Accounting practices adopted in Brazil

(US\$ millions)	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2007	DEC 2006	SEP 2007	DEC 2007	DEC 2006
Net sales					
Ultrapar	3,586.1	559.4	3,216.3	10,227.1	2,203.1
Ultragaz	431.5	359.9	422.4	1,598.1	1,409.4
Ipiranga*	2,850.9	2,292.3	2,545.5	9,996.9	8,743.6
Oxitenó	269.2	179.9	219.8	865.4	712.1
Ultracargo	32.8	25.1	31.0	117.6	103.9
EBIT					
Ultrapar	76.8	32.2	71.4	249.6	151.8
Ultragaz	11.8	13.9	16.9	67.8	76.9
Ipiranga*	51.4	40.4	44.3	172.3	125.2
Oxitenó	20.7	16.2	12.3	54.7	67.2
Ultracargo	(0.8)	1.4	2.8	7.6	5.2
Operating margin					
Ultrapar	2%	6%	2%	2%	7%
Ultragaz	3%	4%	4%	4%	5%
Ipiranga*	2%	2%	2%	2%	1%
Oxitenó	8%	9%	6%	6%	9%
Ultracargo	-2%	5%	9%	6%	5%
EBITDA					
Ultrapar	123.7	53.6	113.8	400.1	237.2
Ultragaz	28.8	27.1	32.4	129.2	128.9
Ipiranga*	62.6	46.9	55.4	215.5	161.3
Oxitenó	27.6	21.5	18.5	79.5	88.1
Ultracargo	4.0	4.2	6.5	22.1	17.5
EBITDA margin					
Ultrapar	3%	10%	4%	4%	11%
Ultragaz	7%	8%	8%	8%	9%
Ipiranga*	2%	2%	2%	2%	2%
Oxitenó	10%	12%	8%	9%	12%
Ultracargo	12%	17%	21%	19%	17%
Net income					
Ultrapar	46.3	22.5	12.8	93.4	129.6
Net income / share (US\$)	0.54	0.28	0.16	1.12	1.59

Information before 2Q07 is pro forma reported, non audited, inserted only to supply a comparison base.

ULTRAPAR PARTICIPAÇÕES S/A
LOANS, DEBENTURES, CASH AND MARKETABLE SECURITIES

In millions of reais - Accounting practices adopted in Brazil

LOANS AND DEBENTURES	Balance in December/2007					Ultrapar Parent Company
	Ultragaz	Oxiteno	Ultracargo	Ipiranga	Other	
Foreign Currency						
Syndicated loan	-	106.4	-	-	-	-
Notes	106.6	-	-	-	-	-
Notes	443.7	-	-	-	-	-
Notes	-	-	-	106.8	-	-
Working capital loan	-	3.5	-	-	-	-
Foreign financing	-	21.7	-	-	-	-
Financings for Property Plant and Equipment	-	19.6	-	-	-	-
Financings for Property Plant and Equipment	-	6.6	-	3.0	-	-
Import Financing	-	-	-	-	13.2	-
Advances on Foreign Exchange Contracts	-	126.9	-	5.3	-	-
National Bank for Economic and Social Development - BNDES	3.8	-	1.9	0.3	-	-
	7.3	7.6	1.1	-	-	-
Export prepayment, net of linked operations	-	3.1	-	-	-	-
Subtotal	561.4	295.4	3.0	115.4	13.2	-
Local Currency						
National Bank for Economic and Social Development - BNDES	100.8	85.6	67.4	2.2	-	-
Agency for Financing Machinery and Equipment(FINAME)	0.2	9.3	18.0	35.5	-	-
Research and projects financing (FINEP)	-	61.6	-	-	-	-
Debentures	-	-	-	-	-	310.5
Debentures	-	-	-	359.4	-	-
Debentures	-	-	-	-	-	908.9
Banco do Nordeste do Brasil	-	103.5	-	-	-	-
Financial institution	-	-	-	123.8	-	-
Other	-	-	0.3	-	-	-
Subtotal	101.0	262.5	85.7	520.9	-	1,219.4

Total	662.4	557.9	88.7	636.3	13.2	1,219.4
Composition per Annum						
Up to 1 Year	34.1	288.0	27.9	236.1	13.2	1,219.4
From 1 to 2 Years	25.9	74.3	27.6	154.6	-	-
From 2 to 3 Years	17.3	47.4	15.4	123.9	-	-
From 3 to 4 Years	16.4	36.7	8.3	120.7	-	-
From 4 to 5 Years	15.5	31.7	7.5	1.0	-	-
Thereafter	553.2	79.8	2.0	-	-	-
Total	662.4	557.9	88.7	636.3	13.2	1,219.4

(*) TJLP - Long Term Interest Rate / IGPM - Market General Price Index / UMBNDES - BNDES Basket of Currencies / TIIE - Interbank Interest Rate Even / CDI - interbank deposit rate

MANAGEMENT REPORT 2007

Dear Shareholders,

The Management of ULTRAPAR PARTICIPAÇÕES S.A. (Ultrapar) hereby presents the Management Report, Balance Sheet and other Financial Statements for the fiscal year 2007. This information has been prepared according to the Brazilian Corporate Law and is accompanied by the independent auditor's report with an unqualified opinion (clean opinion).

COMPANY PROFILE

Ultrapar is one of the largest and most solid Brazilian economic groups, with operations in Brazil, Mexico, Argentina, the United States and Venezuela, and a differentiated position in the three sectors where its four business units operate: fuel distribution which is carried out by Ultragas and Ipiranga, the production of chemicals by Oxiteno and integrated logistics solutions for special bulk cargo by Ultracargo. In 2007 Ultrapar acquired the fuel distribution operations of Ipiranga Group in the South and Southeast regions of Brazil, aiming at expanding its activities in the distribution sector. With this acquisition Ultrapar, already Brazil's largest distributor of LPG (liquefied petroleum gas, or cooking gas), also became the second largest distributor of fuels, with a 15% market share.

Ultrapar's operation is based on the constant improvement of its results and of its level of excellence. National and international certification for environment, health and quality procedures, associated to intense programs for the development and training of its employees, attest the company's commitment to its most prominent stakeholders as well as the society as a whole.

ECONOMIC AND OPERATIONAL ENVIRONMENT

The economic and operational environment in 2007 was characterized by an increasing dynamism in the Brazilian economy, led by the expansion of the domestic consumer market. The increasing purchasing power of the Brazilian population, combined with the reduction in Brazil's basic interest rates, a stable inflation scenario and greater availability of credit, has resulted in growth in the three sectors of the economy – services, industry and agriculture – with particular emphasis on the strong performance in the construction and automotive industries. According to data published by Brazilian Central Bank it is estimated that Brazilian's GDP has increased by more than 5% after years of modest performance. The attention point in the Brazilian macroeconomic scenario this year was the 10% appreciation of the Brazilian Real against the US Dollar, resulting in the fourth year in a row that Brazilian average exchange rate has appreciated, with effects on the industrial sector, which has been losing competitiveness both in the international and domestic markets, where it competes with import products. Additionally, the continuous increase in international oil prices, rising from an average of US\$ 65/barrel in 2006 to US\$ 73/barrel in 2007, added pressure on costs in the economy as a whole, particularly in the petrochemical industry.

ULTRAPAR IN 2007

Highlights of the year

The year 2007 represented a milestone for Ultrapar. In one of the largest private sector acquisitions in Brazilian history, Ultrapar acquired the fuel distribution businesses of the Ipiranga Group in the South and Southeast of Brazil, together with the Ipiranga brand, reaching a new level of size and scale and creating uncountable benefits and growth opportunities for the company. With this acquisition Ultrapar strengthened its way ahead for sustainable growth and made significant progress in expanding its presence in the capital markets.

The acquisition of Ipiranga is part of Ultrapar's growth strategy in the fuel distribution industry, in which it already operated through Ultragas distributing LPG. The fuel distribution is an activity whose drivers to succeed are the same in the LPG distribution: a good brand, an efficient logistics system and excellence in the management of resellers network. The growth in fuel sales volumes, operational and administrative efficiency gains and higher investment capacity, through the simplification of the shareholding structure of Ipiranga Group and a faster decision making process, were all determinant factors to the acquisition decision. During 2007 Ultragas, on its turn, focused its efforts in prospecting opportunities in niche markets. One initiative in this area was the decision to expand its specialty gas operations, through sales of Dimethyl ether (DME). Ultragas, which already is the market leader in the supply of butane/propane gas to the propellant market, will now be adding DME to its portfolio of products which is considered to be a differentiated product due to its lower cost of formulation and packaging, besides its environmental benefits. Currently a large portion of the propellant products consumed in Brazil is imported and Ultragas plans to capture market share by

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replacing the imported products. As a result, Ultragas signed a long-term exclusive supply contract, which resulted in the construction of a plant of DME in Brazil. In November, the company also announced that it will be strengthening its presence in the North East and North of Brazil, selling LPG in Maranhão and Pará, states in which it did not have a significant presence, aiming at benefiting from the potential market growth in these regions, where LPG consumption has been growing faster than the national average. This initiative, in addition to increasing the scale of the company's sales, will place Ultragas in a better position to cope with competition.

At Oxiteno, we invested R\$ 453 million in 2007, mainly in the expansion of the production capacity - already ongoing in Brazil, part of which will start operating in 2008. In addition, we have strengthened the company's position in the Americas, with the opening of sales offices in Argentina and the United States, as well as acquisitions in Mexico and Venezuela. In Mexico, Oxiteno acquired the operational assets of Unión Química, thus reaching the leadership in the specialty chemicals Mexican market. In Venezuela, the only ethylene oxide producing country in Latin America where Oxiteno did not have any operations, the acquisition of Arch Química Andina, a producer of specialty chemicals, in addition to expanding our production of ethoxilated, will also enable Oxiteno to strongly act in the Andean market and to have access to competitive priced raw material.

Ultracargo, which over the last few years has been preparing itself for a faster rate of growth, in 2007 started to reap the benefits of its investment, driven largely by the expansion carried out at the Suape (Pernambuco) terminal, and the expansion of its operations at the Santos (São Paulo) and Aratu (Bahia) terminals. In addition, Ultracargo advanced in its strategy of being Brazilian's largest and most complete provider of logistics services for the specialty bulk cargos, by acquiring Petrolog - a company focused in in-house logistics operations. Petrolog acts in its customers' facilities, providing services for the management of finished product, packaging, stock control, warehousing and shipment for the domestic and international market. At the end of the year Ultracargo announced an R\$110 million investment plan for its terminals, increasing its storage capacity by approximately 35% by 2010.

In terms of consolidated economic performance, in 2007 Ultrapar reported net sales of R\$ 20 billion and EBITDA of R\$ 779 million, up 316% and 51%, respectively, compared to 2006, strongly influenced by the acquisition of Ipiranga. Net earnings amounted to R\$182 million, 35% down on net earnings reported in 2006, as a result of the temporary effects of increased debt and minority interests related to the acquisition of Ipiranga. These results correspond to the compounded annual average growth of 18% and 17% of EBITDA and net earnings, respectively, since 1998, one year before the company's IPO. The Board of Directors approved the distribution of R\$ 241 million in dividends for the year 2007 – representing a dividend yield of 3% on the average share price of the company.

* The results of the operations acquired from Ipiranga had been consolidated in Ultrapar's financial statements from April 1, 2007.

Investments

Ultrapar maintains a long-term strategic vision, with focus on value creation for its shareholders. All investment carried out is subjected to a rigorous analysis, which considers economic, financial, strategic and market aspects under various scenarios, using EVA® (Economic Value Added) as its main analysis tool.

Following its growth plan, in 2007 Ultrapar invested R\$ 773 million with the aim of boosting its growth through scale, differentiated technology and through the optimization of costs and expenses. At Ultragas, R\$ 129 million was invested in bulk LPG distribution (Ultrasystem) and in the purchase and renewal of gas tanks and bottles. Investments in the Ipiranga operation totaled R\$ 144 million, including financing customers activities, net of repayment and leased equipment, being allocated to the expansion of its distribution network, renewal of contracts and improvement in fuel service stations and distribution facilities, as well as investment related to information technology. At Oxiteno investment amounted to R\$ 453 million, concentrated on the expansion of production capacity – in particular the construction of the fatty alcohol plant, the expansion of specialty chemicals production capacity and on the expansion of production of ethylene oxide at Mauá. At Ultracargo investments totaled R\$ 44 million, being allocated mainly on the expansion of the Aratu terminal (Bahia) and on the maintenance of other terminals.

In addition to investing in the organic growth of its operations, Ultrapar also considers acquisitions as an important resource of creating value for its shareholders. Keeping this philosophy, in 2007 approximately R\$ 1.9 billion was invested in acquisitions, most of it in Ipiranga's transaction, which included the assumption of the existing net debt at the company, of approximately R\$ 0.5 billion at the time of the acquisition.

The investment plan for 2008, excluding acquisitions, amounts to R\$ 839 million, R\$ 140 million to be invested in Ultragas, R\$ 171 million in Ipiranga, R\$ 479 million in Oxiteno and R\$ 48 million in Ultracargo. At Ultragas, investments basically involve expansion of bulk LPG distribution (Ultrasystem) and the strengthening of the company's operations in the North and Northeast of Brazil. At Ipiranga the main investments will be made on expanding the company's service station distribution network and carrying out operational improvements. Planned investments at Oxiteno comprise: (i) the completion of the fatty alcohol plant, (ii) the conclusion of expansion of the ethylene oxide production capacity at Mauá and expansion at Camaçari and (iii) expansion in the specialty chemicals production capacity. At Ultracargo, investment will be allocated to the expansion of its terminals and internal logistics operations.

Capital markets

As part of the Ipiranga acquisition process, Ultrapar carried out two important corporate transactions in capital markets: the mandatory tag along tender offers as a result of the acquisition of control of Ipiranga and the Share Exchange of Refinaria de Petróleo Ipiranga (RPI), Distribuidora de Produtos de Petróleo Ipiranga S.A (DPPI) and Companhia Brasileira de Petróleo Ipiranga (CBPI), through the exchanging of the shares of these companies for preferred shares of Ultrapar ("Share Exchange"). The Share Exchange resulted in: (i) greater alignment of interests of all the company's shareholders, (ii) an increase in the liquidity of the company shares, due to expansion of the shareholder base, as a result of the concentration of all the shareholders of the listed companies of the Ipiranga Group into one company, Ultrapar, with shares traded on São Paulo Stock Exchange (Bovespa) and in New York (NYSE), and (iii) extension of Ultrapar's recognized corporate governance standards to all the shareholders of RPI, DPPI and CBPI, notably regarding the 100% tag-along rights for preferred shares. The Share Exchange was completed in December 2007, with the issuance of 55 million

preferred shares, increasing Ultrapar's free float from 32 million shares to 87 million shares, now the free float representing 64% of the company's total capital. This significant increase in the size of the free float also enabled Ultrapar to become part of Ibovespa, the Bovespa index as well as the MSCI index, which is widely recognized in international financial markets.

Ultrapar's shares have reached a new level of liquidity in the stock market, with a 58% increase in the average daily volume traded in 2007, compared to the same period in 2006, considering the combined volume in Bovespa and NYSE. Financial volume traded in 2007 amounted to R\$12 million/day, taking into account the trading in Bovespa and NYSE, compared to an average of R\$ 5 million/day in the previous year, an increase of more than 150%. In addition, in the first 15 trading days with larger free float after the Share Exchange, Ultrapar's average daily financial volume reached R\$ 35 million per day, higher than the historical average of Ultrapar, RPI, CBPI and DPPI, combined. The average price of Ultrapar's shares in 2007 was 63% higher than 2006 in Bovespa and 81% in NYSE. In the same period, the main indexes of these markets, the Ibovespa and the Dow Jones, appreciated by 40% and 15%, respectively. Ultrapar ended 2007 with a market value of R\$ 9 billion, 115% higher than at the end of 2006, as a result of the appreciation of its shares and the issuance of new shares in December.

In line with its philosophy of maintaining a transparent and interactive relationship with investors and shareholders, being always concerned about the transparency and accuracy of the information published, in 2007 the company held about 250 meetings with capital market institutions, 50% higher than meetings held in 2006, including participation in events with analysts and investors, both in Brazil and abroad.

Dividends of R\$ 241 million were declared for the financial year 2007, representing 132% of consolidated net earnings in the year. Ultrapar constantly evaluates its immediate capital needs for investment in assets and acquisitions and, having ensured its continuing sound financial position, distributes its excess cash in the form of dividends to its shareholders.

During 2007 the credit rating agency Standard & Poor's ratified its credit rating for Ultrapar of AA+ on a national scale and BB+ on a global scale after the acquisition of Ipiranga – based mainly on the combination of favorable fundamentals of the company's businesses combined with the sound financial position that it has for many years. The global scale credit rating is only one level below of the investment grade.

Corporate Governance

During almost 10 years of being listed in Bovespa and NYSE, Ultrapar has received many national and international awards and recognitions. Among the awards received in 2007 we highlight, the Top-5 award in Corporate Governance in Brazil, granted by *IR Global Rankings Latin America* and the second place in the *Most Shareholder Friendly Company* award granted by *Institutional Investor*. In addition, we are founding members of the *Latin American Corporate Governance Roundtable's Companies Circle*, a study group whose aim is to develop corporate governance in Latin America, sponsored by the *Organization for Economic Co-operation and Development – OECD*, in cooperation with the IFC (*International Finance Corporation*) and Bovespa.

In 2007 Ultrapar obtained SOX certification under Section 404 of the *Sarbanes-Oxley Act*, attesting to the efficiency of the company's internal controls over financial disclosure, confirming the high standards of quality of its financial statements and the company's commitment to good process, risk and control management.

In another step in the improvement of its already recognized standards of corporate governance, since 2007, Ultrapar has different individuals for the role of Chief Executive Officer and Chairman of the Board. In January 2007, Pedro Wongtschowski, the former Chief Executive Officer of Oxiteno, took over as Chief Executive Officer of Ultrapar, succeeding Paulo Cunha, who has dedicating himself exclusively to the post of Chairman of the Board.

Operational Excellence – Technology, Quality, Safety and the Environment

Operational excellence is an intrinsic part of the way in which business is conducted at Ultrapar, who views it as essential in terms of the company's sustainability. It is applied in such a way as to ensure that the company maintains its focus on quality, innovation, safety and respect for the environment. Each company has a combination of specific operational excellence programs, adapted to its products and services and the market in which it operates.

Ultragas sets its operational excellence directives for all its units through Fator Azul, a program which establishes standardization of quality, operational safety and environment care in all its production bases, as for example the implementation of effluent treatment stations, which results in water savings in the bottles treatment processes. Regarding safety, Fator Azul actively contributes to the dissemination of safety standards in the handling and usage of LPG, through specific training programs. The launching of DME as an alternative solution for customers in the propellants segment illustrates company's endless efforts to seek fast solutions to the customers needs and that are more environment friendly.

Ipiranga has an environmental policy, which seeks to be efficient in the use of natural resources, with the maximum use of residues and the adoption of preventing measures to minimize risks of its business. Through programs such as SIGA (*Sistema Ipiranga de Gestão / Ipiranga Management System*), under which Ipiranga carries out preventive investment in its facilities, or through software of stock control, Ipiranga seeks to minimize the impact of its business on the environment. In terms of innovation, Ipiranga has been investing in products other than fossil fuels, such as ethanol and bio-diesel. Recently, Ipiranga has launched one of the most innovative commercial environment-related initiatives, the Ipiranga Zero Carbon Card, which associates environmental benefits to the strategy of customer loyalty program. Ipiranga has a commitment to neutralize the quantity of carbon dioxide gas produced from the fuel purchased with the Ipiranga Zero Carbon Card, through projects for the utilization of carbon dioxide gas, which among others includes tree-planting programs.

Among Oxiteno's various operational excellence initiatives, the highlight was the continuity of the Six Sigma program, which seeks to achieve operational optimization through the use of advanced statistics tools. Among the results achieved in 2007, were the reduction in the emission of gases which contribute to the greenhouse effect, through the re-use of the CO₂ resulting from its production processes in the extraction of oil and the electricity co-generation through the use of the steam generated in the production process. The start up of the fatty alcohols plant,

Oxiteno's largest individual ongoing investment, scheduled for the first quarter of 2008, is a milestone in the company's growth based on renewable raw materials. In that direction, we had other progress, such as the development of oxygenated solvents based on sugar cane, which led to the project, in an advanced of study stage, of building a Bio-refinery, Oxiteno also initiated the REACH (*Registration Evaluation Authorization of Chemicals*) program, with the objective of complying with the legislation of the European Union concerning control of the manufacture, importing and use of chemical products in the region, passing on the responsibility for the management of risks associated with chemical products to the producers, rather than governmental institutions.

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Ultracargo, as a consequence of the nature of its logistics activities for products, which require special handling, has adopted various programs to ensure the safety of its operations. Since 2001, the company has been certified by ABIQUIM under SASSMAQ (*Sistema de Avaliação de Saúde, Segurança, Meio-Ambiente e Qualidade* (System for the Evaluation of Health, Safety, the Environment and Quality)). During 2007 Ultracargo also began the implementation of the six Sigma program, aiming at improving its operational and administrative processes, with the main objective of operational efficiency, such as the reduction of fuels consumption. It is also important to point the certification by ISO 14,000 of the main terminal of the company, Aratu's Terminal.

Personnel Management and Social Responsibility

Ultrapar's relationship with its employees is based on the principles of ethical conduct, always focused on the mutual benefit of sustainable growth of its businesses and staff development. At the end of 2007 Ultrapar had approximately 10,000 employees, distributed in Brazil, Argentina, Mexico, the United States and Venezuela. Ultrapar has a Code of Ethics as a reference for the professional conduct of its employees and as a standard for internal and external relationships with the stakeholders (shareholders, clients, employees, unions, partners, suppliers, service providers, competitors, society, government and the communities where the company operates). Through this Code of Ethics, Ultrapar aims to guarantee that its daily concerns with regard to efficiency, competitiveness and profitability include the ethical behavior.

In 70 years of existence, Ultrapar has always strived to develop and recompense the many talented people, which have contributed to its growth up to the current level. This acknowledgement of human resources value is manifested through human resources management policy directives, which are based on attracting, training and retaining talent, stimulating professional development, recognition of technical skills and commitment to organizational values in such a way as to achieve better results. Evidence of this recognition can be seen in the company's executive board and managers, whose most of the members began their careers in the apprenticeship and trainee programs run by the company. The good performance track record of retaining at these programs has made them one of the most efficient sources of renewing and qualification of Ultrapar's employees. To retain talent, the company invests in the specialization and expansion of the professional capacity of its employees. At Ultragaz, Academia Ultragaz has been operating since 2004 within the concept of a corporate university, in partnership with well-known institutions, dedicating itself to discussing and updating the best and most modern business practices. Ipiranga has a policy, which combines its growth strategy with the continual training of its employees, preparing them to better carry out their activities, in a quest for excellence and outstanding performance in a market of intense competition. Ipiranga also offers its professional staff development opportunities through the availability of student grants for graduation, post-graduation and language courses. Oxiteno has created the Program for the Strategic Management of Technological Innovation, in order to disseminate the culture of innovation within the company. In line with its internationalization strategy a specific management post has been created, aiming to involve and prepare employees for this process. Regarding the development of its staff Oxiteno continued its Individual Development Plan, focusing in enabling employees to view their careers in the current context and plan their future development, which is in line with the DNA project, a program for the evaluation of skills. Ultracargo seeks to develop its staff through training and update courses run by recognized institutions, which ensure that its team is kept up to date and these courses being extended to all hierarchal levels, ranging from technical to behavior training.

With regard to social responsibility, Ultrapar and its subsidiaries have a basic commitment to the development of initiatives with a focus on the promotion, dissemination and improvement of education, culture and professionalization, as a way of achieving sustainable social inclusion. Among the various educational projects that the Company sponsors, Ultrapar's main project is Ultra Formare, a school that offers free professional training, based at the company's headquarters buildings in São Paulo, which prepares youngsters from low-income families to work as administrative assistants. More than 70 volunteers participate as teachers on this project, which accomplished the graduation of its sixth group in 2007. Youngsters receive a certificate recognized by the Ministry of Education, and during the course they receive benefits such as: monthly student grants, in accordance with their frequency and the

grades they achieve at their regular schools; transport vouchers, meals at the company restaurant; life insurance; monthly food allowance; uniform; schooling material and access to Ultrapar's doctors and dentists.

In addition to Ultrapar's initiatives, each one of the business units has its own series of projects. Ultragas sponsors the Bom de Nota, Bom de Bola program (*good grades, good at football*), which caters to more than 1,000 children in six towns and cities. Under the project Pequeno Cidadão (*little citizen*), in partnership with the University of São Paulo, more than 1,500 children have already been benefited from cultural, educational and sports activities. Ipiranga supports wide-ranging educational projects, which range from the training of teachers, to formal and professional education. Among its various social initiatives, Ipiranga is one of the founding members and supporters of the NGO Parceiros Voluntários do Rio Grande do Sul (*Voluntary*

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Partners in the State of Rio Grande do Sul), responsible for organizing voluntary work, with the aim of improving the quality of life in society. Oxiteno develops one of its main social initiatives together with APOLO (Association of Petrochemical Industries of Grande ABC) offering free services to the population close to the petrochemical companies, including medical and dental checkups.

Added value

Ultrapar has generated added value of R\$ 1,6 billion, which is distributed according to the chart below, an increase of 60% compared to 2006, mainly as a result of the 29% growth in Ultrapar's number of employees, which totaled about 10,000 employees in 2007, and the higher level of tax collection, both due to the acquisition of Ipiranga.

Relationship with Independent Auditors

Ultrapar's policies and those of its subsidiaries on contracting services not related to external auditing, from its independent auditors, aims at ensuring that there is no conflict of interest, loss of independence or objectivity, being based on the principles which preserves the auditor's independence. These principles are based on the premise that the auditor should not audit its own work, nor exercise any management role. To avoid any subjectivity in the definition of the principle of independence in service provided by external auditors, procedures have been established for the approval of hiring such services, being those services precisely defined as: (i) previously authorized services, (ii) services that are subject to prior approval by the Fiscal Council/Audit Committee and (iii) services that are prohibited.

For the year ending December 31, 2007 Ultrapar and its subsidiaries did not contract any work from their independent auditors that was not directly linked to the auditing of financial statements.

KPMG Auditores Independentes began to provide external auditing services in 2007, in compliance with the regulations of the CVM (Brazilian Securities and Exchange Commission) that require a change in auditing company every 5 years.

ANALYSIS OF FINANCIAL PERFORMANCE IN 2007

Ultrapar's financial and operational information is presented on a consolidated basis, in accordance with generally accepted accounting practices in Brazil (BRGAAP).

Financial highlights, detailed by business unit**Amounts expressed in R\$ million**

In April 2007 Ultrapar acquired the control of various companies in the Ipiranga Group, ending up with: (i) the fuel and lubricants distribution businesses in the South and Southeast of Brazil and related activities, (ii) EMCA - Empresa Carioca de Produtos Químicos, a producer of white mineral-based oils and special fluids, and (iii) a stake in the refining operations. The financial statements of Ultrapar's consolidate all the businesses acquired from 2Q07 onwards. The references to Ipiranga refer to the fuel and lubricant distribution businesses acquired in the South and Southeast and related activities, as well as EMCA. After the Share Exchange, the correspondent portion of the minority interest in Refinaria de Petróleo Ipiranga S.A., Distribuidora de Produtos de Petróleo Ipiranga S.A. and Companhia Brasileira de Petróleo Ipiranga was reduced and since October 2007 and Ultrapar started to consolidate 100% of the earnings of that companies in its figures. Except where otherwise mentioned, Ultrapar's financial statements in periods prior to 2Q07 do not include the operations acquired. With the purpose of providing a comparison basis for the analysis of the evolution in the performance of Ipiranga, unaudited financial statements for this company have been drawn up for periods prior to 2Q07 ("Ipiranga Pro-forma figures"). For the same reason, when indicated, the figures for operations acquired have been included in all Ultrapar's financial statements relating to quarters prior to 2Q07 ("Ultrapar pro-forma figures").

Financial indicators ¹	2007					2006			
	Ultrapar	Ultragaz	Ipiranga ³	Oxiteno	Ultracargo	Ultrapar	Ultragaz	Oxiteno	Ultracargo
Net sales and services	19,921	3,113	14,927	1,686	229	4,794	3,067	1,550	226
Gross profit	1,697	469	813	327	84	934	494	357	83
Operating profit ²	486	132	261	107	15	330	167	146	11
Net earnings	182					282			
EBITDA	779	252	323	155	43	516	281	192	38

¹ The financial information of Ultragaz, Ipiranga, Oxiteno and Ultracargo is presented without eliminating the transactions carried out between the companies.

² Operating profit before financial revenues (expenses) and equity income.

³ Takes into account the result of Ipiranga from 2Q07

Sales Volume – In 2007, Brazilian's LPG market grew by 2.5% compared to 2006, as result of better economic performance and increase in the purchase power of the Brazilian population. Ultragaz volume sold followed the market trend, with total of 1,572,000 tons of LPG sold, with emphasis on the growth of 5% in the bulk segment (Ultrasystem). At Ipiranga sales volume was up 6% compared to 2006 as a result of the growth in Brazil's vehicle market and improvements made to legislation and inspection implemented in the sector, for example ANP resolution

Nº 07, which regulates distributors sales to branded service stations, and the implementation of CODIF/Passo Fiscal particularly in São Paulo state. At Oxiteno, the improved performance of the economy together with investments made in production capacity and in the development of new products and applications resulted in gains in market share and an improvement in sales mix, with a larger share of specialty chemicals in the volume sold. Sales volume increased by 14% compared to 2006, with particular emphasis on sales to the domestic market, which were up by 13%, more than twice the estimated growth of the Brazilian economy. Sales to the external market increased by 18%, largely due to increased exports of glycols in the fourth quarter, as a consequence of restrictions in the supply of this product in the external market. Sales volume at our foreign subsidiaries increased by 40% in 2007, mainly due to the increase in the volume sold of Oxiteno Mexico and the acquisition of Oxiteno Andina. At Ultracargo, the higher level of storage at the Suape, Santos and Aratu terminals contributed to a 17% increase in the storage volume, compared to 2006. Kilometrage travelled at Ultracargo was 21% down on 2006, as a consequence of the company's decision to concentrate its operations on providing differentiated services.

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Net Sales and Services – In 2007 Ultrapar reported Net Sales of R\$ 19,921 million, up 316% on 2006 basically due to the consolidation of Ipiranga's results since 2Q07. Net sales of Ultragaz amounted to R\$ 3,113 million, 2% higher than in 2006, as a result of increased sales volume, partly offset by a more competitive market in the second half of the year. Ipiranga's net sales amounted to R\$ 19,473 million in 2007, up 2% on 2006. Despite the growth in volume and the benefits from the improved regulation and inspection of the sector, Ipiranga's net sales and services were impacted by the price variation in anhydrous and hydrated ethanol, as a result of the record sugar-cane harvest in 2007 and a reduction in the rate of ICMS tax in the state of Rio Grande do Sul. Oxiteno reported net sales of R\$ 1,686 million, up 9% on 2006, as a consequence of a 14% increase in sales volume and the recovery in prices on international markets, partly offset by the 10% appreciation of the Brazilian Real during the period. Ultracargo's total net sales and services amounted to R\$ 229 million, up 1% on 2006 - the 18% increase in net revenues from storage services was partly offset by the reduction in transport revenues as a result of Ultracargo's decision to concentrate its transport operations on providing differentiated services.

Cost of Products and Services –Ultrapar's cost of products and services amounted to R\$ 18,224 million in 2007, up 372% in the previous year, due to the consolidation of Ipiranga's results since 2Q07. Ultragaz's cost of products sold amounted to R\$ 2,644 million, up 3% on 2006 basically as a result of increased sales volume. Cost of products sold at Ipiranga amounted to R\$ 18,412 million, up 2% on 2006, less than the variation in volume as a result of the variation in the cost of ethanol due to the record sugarcane harvest in 2007, and the reduction in the rate of ICMS tax in the state of Rio Grande do Sul. Cost of products sold at Oxiteno totaled R\$ 1,359 million, up 14% compared to 2006, basically due to a 14% increase in sales volume - higher unit costs, due to successive oil price increases, were compensated by the 10% appreciation of the Brazilian Real. The cost of services provided by Ultracargo totaled R\$ 145 million, practically stable when compared to 2006.

Sales, General and Administrative Expenses – Ultrapar's sales, general and administrative expenses totaled R\$ 1,223 million in 2007, up 102% on 2006 due to the consolidation of Ipiranga's results since 2Q07. Sales, general and administrative expenses at Ultragaz amounted to R\$ 338 million, up 3% on 2006, basically as a consequence of higher sales volume and increased expenses on advertising and marketing related to the company's institutional marketing campaign of its 70 years. Sales, general and administrative expenses at Ipiranga totaled R\$ 738 million, up 8% on 2006 basically due to: (i) the increase in sales volume, mainly

impacting freight expenses and (ii) higher expenses on advertising and marketing, as a consequence of projects such as Cartão Ipiranga Carbono Zero (*Ipiranga Zero Carbon Card*), 3,000 full tanks, Clube VIP (*VIP Club*) and Clube do Milhão (*Million Club*). Sales, general and administrative expenses at Oxiteno amounted to R\$ 222 million in 2007, up 5% on the previous year, below the variation in sales volume, due to the benefits from increased scale, the effect of appreciation of the Brazilian Real on international freight and lower expenses on commission agents due to the opening of sales offices in Argentina and the United States. Ultracargo's sales, general and administrative expenses amounted to R\$ 70 million in 2007, practically stable when compared to 2006.

Operational Cash Generation (EBITDA)– Ultrapar consolidated EBITDA amounted to R\$ 779 million in 2007, up 51% compared to 2006, due to the consolidation of Ipiranga's results since 2Q07. EBITDA at Ultragas totaled R\$ 252 million, down 10% on the previous year, basically due to the increased competitiveness of the market in the second half of the year. Ipiranga reported EBITDA of R\$ 420 million in 2007, up 20% compared to 2006, due to increased sales volume, measures introduced to improve legislation and inspection of the fuel sector and the effects of the record sugar-cane harvest in 2007. Oxiteno reported EBITDA of R\$ 155 million, down 19% on 2006, as a consequence of the 10% appreciation of the Brazilian Real and an increase in the cost of raw materials, particularly ethylene. EBITDA at Ultracargo amounted to R\$ 43 million, up 13% compared to 2006, as result of increased storage operations and the acquisition of Petrolog, the internal logistics business.

The EBITDA is a commonly used measure, similar to the operational result. Including EBITDA information aims to represent our capacity to generate cash from our operations. Among other uses, the EBITDA is used as a measurement of Ultrapar's financing commitments related to financings, according to the note number 15 in the company's financial statements. The EBITDA should not be considered separately, or as an alternative to net income, as a measure of operational performance, or as an alternative to the operational net cash flow, as a liquidity measure. The EBITDA is calculated as demonstrated below:

EBITDA Calculation	2007						2006
	Ultrapar	Ultragas	Ipiranga	Oxiteno	Ultracargo	Others	Ultrapar
Income from operations ¹	368	90	293	127	6	67	362
							-
(-) Equity in subsidiary and affiliated companies	(1)	-	(24)	(2)	-	(2)	(1)
							-
(+/-) Financial Income (Expenses), net	119	(42)	(8)	(18)	9	(94)	(31)
							-
(+) Depreciation and amortization	301	120	69	48	28	35	186
		-					
(+) statutory participation	(7)		(7)	-	-	-	
EBITDA	779	252	323	155	43	7	516

¹Profit before income tax and social contribution and non-operational result

Net earnings – Consolidated net earnings amounted to R\$ 182 million in 2007, 35% lower than the net earnings reported in 2006, basically due to the transitory effects of indebtedness and minority interests related to the acquisition of Ipiranga.

Indebtedness– Ultrapar ended 2007 with a gross debt of R\$ 3,178 million, 112% up on December 31, 2006, as a result of the acquisition of Ipiranga. The company's gross cash position at the end of 2007 amounted to R\$ 1,744 million, resulting in a net debt position of R\$ 1,434 million. On December 31, 2007 Ultrapar's total receivables from Petrobras and Braskem amounted to R\$ 1,752 million, referring to the stake incorporated of the petrochemical and fuel distribution assets acquired from the Ipiranga Group in the name of these companies. This amount will be received by Ultrapar on the fourth stage of the acquisition process.

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OUTLOOK

2007 represented a milestone in Ultrapar's history, with the acquisition of Ipiranga in one of the largest private-sector acquisitions ever seen in Brazil. At Ipiranga, the good results reported after the acquisition and the good performance in Brazil's fuel market, reinforce our conviction in the investment decision. The increase in the Brazilian population income, higher credit availability, the accelerated growth of the vehicle fleet and the improvement in the legislation in the sector should be the growth drivers of this market. In addition, we will be seeking the reinsertion of Ipiranga in the remainder of the country aiming at becoming a nationwide player again. In 2008, Ultragas should benefit from the expansion of its operations in the states of Pará and Maranhão, as well as from the decision to invest in the expansion of its product portfolio, with the inclusion of DME for the gas propellant market. Oxiteno will follow its strategy of achieving growth with increased operational scale and differentiated products, aiming to achieve a leadership position in the Americas and the development of alternatives to increase its profitability and minimize the adverse effects of the successive oil price increases and the appreciation of the Brazilian Real, whether through the development of products with a higher added value, or through the access to renewable raw material and at a more competitive price. The new fatty alcohols plant and the expansion to the production of ethylene oxide and specialty chemicals at Mauá, is part of this strategy, and should benefit sales volumes in 2008. Oxiteno will continue with its process of internationalization, through the opening of offices in Europe and Asia, seeking investment opportunities in the sector, following the example of the acquisitions made in 2007. Ultracargo will continue to invest in the expansion of its strategically located assets, at Brazil's major logistics junctions and in search for new acquisitions, such as the case of Petrolog, acquired in 2007. We would like to thank all those who took part in this important moment in the history of Ultrapar and express our satisfaction in receiving the former shareholders of RPI, DPPI and CBPI as shareholders of the company.

The Management

*(Convenience Translation into English from
the Original Previously Issued in Portuguese)*

***Ultrapar Participações
S.A. and Subsidiaries***

*Financial Statements for the Years Ended December
31, 2007 and 2006 and Independent Auditors'
Report*

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF DECEMBER 31, 2007 AND 2006

(In thousands of Brazilian Reais)

ASSETS	Notes	Company 2007	Company 2006	Consolidated 2007	Consolidated 2006	LIABILITIES	Notes	Company 2007	Company 2006
CURRENT						CURRENT			
Cash and banks		629	122	203,057	31,992	Loans and financing	15	-	
Temporary cash investments	4	97,197	279,264	1,419,859	1,038,084	Debentures	15	1,219,332	12
Trade accounts receivable	5	-	-	1,344,432	360,012	Suppliers		2,103	
Inventories	6	-	-	631,135	217,165	Salaries and related charges		88	
Recoverable taxes	7	34,019	7,959	202,620	117,802	Taxes payable		12,310	
Deferred income and social contribution taxes	9.a	4,202	82	108,964	27,298	Dividends payable		278,127	96
Dividends receivable		170,571	53,845	-	-	Income and social contribution taxes		-	-
Other	3.iii and 8	1,752,673	341	1,772,440	6,098	Deferred income and social contribution taxes	9.a	-	
Prepaid expenses	10	653	560	13,195	8,620	Post-retirement benefits	23.b	-	
Total current assets		2,059,944	342,173	5,695,702	1,807,071	Provision for contingencies	21.a	-	
						Other		2,946	
						Total current liabilities		1,514,906	109
NONCURRENT						NONCURRENT			
Long-term assets						Long-term liabilities			
Long-term investments	4	-	-	120,832	547,978	Loans and financing	15	-	
Trade accounts receivable	5	-	-	176,885	19,248	Debentures	15	-	300
Related companies	8	41,413	3,540	12,865	7,360	Related companies	8	689,955	33
Deferred income and social contribution taxes	9.a	11,287	3,087	119,575	58,201	Deferred income and social contribution taxes	9.a	-	
Recoverable taxes	7	-	18,739	68,652	65,300	Provision for contingencies	21.a	4,759	9
Escrow deposits		193	193	31,779	14,332	Post-retirement benefits	23.b	-	

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Other		20	-	8,317	1,265	Other		-	
						Total			
Prepaid expenses	10	-	187	36,929	13,259	noncurrent liabilities		694,714	342
		52,913	25,746	575,834	726,943				
						MINORITY INTEREST		-	
Permanent assets						SHAREHOLDERS' EQUITY			
Investments:						Capital	16.a	3,696,773	946
Subsidiary	11.a	4,706,685	2,025,485	-	-				
Affiliated companies	11.b	-	-	12,948	5,289	Capital reserve	16.c	3,664	3
Other		60	60	34,117	25,497	Revaluation reserve	16.d	11,641	13
Property, plant and equipment	12	-	-	2,268,885	1,111,775	Profit reserves	16.e,		
Intangible	13	-	-	66,894	61,013	Treasury shares	16.b	(27,519)	(4)
Deferred charges	14	-	-	570,124	112,256		16.h	4,609,982	1,940
		4,706,745	2,025,545	2,952,968	1,315,830				
Total non-current assets		4,759,658	2,051,291	3,528,802	2,042,773				
						TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,819,602	2,393
TOTAL ASSETS		6,819,602	2,393,464	9,224,504	3,849,844				

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(In thousands of Brazilian Reais, except for earnings per share)

	Notes	Company		Consolidated	
		2007	2006	2007	2006
GROSS SALES AND SERVICES	2.a	-	-	20,841,121	5,229,910
Taxes on sales and services		-	-	(805,346)	(412,150)
Rebates, discounts and returns		-	-	(114,470)	(23,712)
NET SALES AND SERVICES		-	-	19,921,305	4,794,048
Cost of sales and services	2.a	-	-	(18,224,238)	(3,859,860)
GROSS PROFIT		-	-	1,697,067	934,188
EQUITY IN SUBSIDIARY AND AFFILIATED COMPANIES	11.a, 11.b	315,004	291,803	576	965
OPERATING (EXPENSES) INCOME					
Selling		-	-	(472,590)	(203,320)
General and administrative		(243)	(236)	(512,496)	(273,541)
Management compensation		(1,912)	(1,246)	(9,679)	(5,557)
Depreciation and amortization		(34,032)	-	(228,438)	(122,696)
Other operating income, net		2,516	1,277	12,298	1,317
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		281,333	291,598	486,738	331,356
Financial income (expenses), net	19	(86,559)	3,091	(80,712)	1,620
PIS/COFINS/CPMF/IOF/other financial expenses	19	(5,742)	(486)	(38,699)	28,952
INCOME FROM OPERATIONS		189,032	294,203	367,327	361,928
Nonoperating expenses	17	-	(126)	8,808	(18,488)
INCOME BEFORE TAXES ON INCOME		189,032	294,077	376,135	343,440
INCOME AND SOCIAL CONTRIBUTION TAXES					
Current	9.b	(19,459)	(5,937)	(207,798)	(111,779)
Deferred	9.b	12,320	233	86,681	5,355
Benefit of tax holidays	9.b, 9.c	-	-	35,152	50,332
		(7,139)	(5,704)	(85,965)	(56,092)
INCOME BEFORE MINORITY INTEREST AND EMPLOYEES STATUTORY INTEREST		181,893	288,373	290,170	287,348

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Employees statutory interest	-	-	(7,318)	-	
Minority interest	-	-	(100,959)	(5,284)	
NET INCOME	16.i	181,893	288,373	181,893	282,064
EARNINGS PER SHARE (BASED ON ANNUAL					
WEIGHTED AVERAGE) - R\$					
		2.19	3.55		

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ULTRAPAR PARTICIPAÇÕES S.A.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (COMPANY)

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(In thousands of Brazilian Reais, except for dividends amounts)

	Notes	Capital	Revaluation reserve of subsidiary and Capital affiliated companies		Legal	Profit reserves			Treasury shares	Total
			reserve	companies		Retention of profits	Realizable profits	Retained earnings		
BALANCES AT DECEMBER 31, 2005										
		946,034	2,046	14,955	76,548	657,586	103,368	-	(4,894)	1,795,643
Acquisition of treasury shares										
		-	-	-	-	-	-	-	(1,124)	(1,124)
Sale of treasury shares										
		-	980	-	-	-	-	-	1,429	2,409
Realization of revaluation reserve										
	16.d	-	-	(1,946)	-	-	-	1,946	-	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries										
	16.d	-	-	-	-	-	-	(391)	-	(391)
Retention of realization of profit reserve net of income and social contribution taxes										
		-	-	-	-	1,555	-	(1,555)	-	-
Net income										
		-	-	-	-	-	-	288,373	-	288,373
Appropriation of net income:										
Legal reserve										
		-	-	-	14,419	-	-	(14,419)	-	-

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Interim dividends (R\$0.887398 per share)	16.g	-	-	-	-	-	-	(72,000)	-	(72,000)
Proposed dividends payable (R\$0.889633 per share)	16.g	-	-	-	-	-	(68,236)	(3,964)	-	(72,200)
Realizable profits reserve	16.f	-	-	-	-	-	61,013	(61,013)	-	-
Reserve for retention of profits	16.e	-	-	-	-	136,977	-	(136,977)	-	-
BALANCES AT DECEMBER 31, 2006										
		946,034	3,026	13,009	90,967	796,118	96,145	-	(4,589)	1,940,710
Capital increase due to merger of shares	16.a	2,750,739	-	-	-	-	-	-	-	2,750,739
Acquisition of treasury shares		-	-	-	-	-	-	-	(25,203)	(25,203)
Sale of treasury shares		-	638	-	-	-	-	-	2,273	2,911
Realization of revaluation reserve	16.d	-	-	(1,368)	-	-	-	1,368	-	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	16.d	-	-	-	-	-	-	(195)	-	(195)
Retention of realization of profit reserve net of income and social contribution taxes		-	-	-	-	1,173	-	(1,173)	-	-
Net income		-	-	-	-	-	-	181,893	-	181,893
Appropriation of net income:										

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Legal reserve		-	-	-	9,095	-	-	(9,095)	-	-
Proposed dividends payable (R\$ 1.777031 per share)	16.g	-	-	-	-	-	(96,145)	(144,728)	-	(240,873)
Reserve for retention of profits	16.e	-	-	-	-	28,070	-	(28,070)	-	-

BALANCES
AT
DECEMBER

31, 2007	3,696,773	3,664	11,641	100,062	825,361	-	-	(27,519)	4,609,982
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The accompanying notes are an integral part of these financial statements.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIESSTATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

(In thousands of Brazilian Reais)

	Notes	Company		Consolidated	
		2007	2006	2007	2006
SOURCES OF FUNDS					
From operations:					
Net income		181,893	288,373	181,893	282,064
Items not affecting working capital:					
Equity in subsidiary and affiliated companies	11.a	(315,004)	(291,803)	(576)	(965)
Depreciation and amortization		34,032	-	300,588	185,829
Credits of PIS and COFINS (taxes on revenue) on depreciation		-	-	2,994	2,117
Long-term interest and monetary variations		-	703	(130,708)	(95,250)
Deferred income and social contribution taxes		(8,200)	(238)	(41,467)	3,291
Minority interest		-	-	100,959	5,284
Net book value of permanent assets written off		-	126	26,219	34,196
Other long-term taxes		7,477	-	81,894	291
Provision (reversal of provision) for probable losses on permanent assets		-	-	(2,755)	3,198
Reversal of provision for factory maintenance shutdowns net of income tax effect		-	-	-	6,309
Other		-	-	1,141	807
		(99,802)	(2,839)	520,182	427,171
From shareholders:					
Capital increase due merger of shares	16.a	2,750,739	-	2,750,739	-
Disposal of treasury shares		2,911	2,409		