ULTRAPAR HOLDINGS INC
Form F-4
October 01, 2007

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

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Ultrapar Participações S.A.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant s name into English)

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

Av. Brigadeiro Luis Antônio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

Telephone: 55-11-3177-6695

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

National Registered Agents, Inc.

875 Avenue of the Americas, Suite 501

New York, New York 10001

(800) 300-5067

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

Copy to:

Diane G. Kerr, Esq.

Andrés V. Gil, Esq.

Davis Polk & Wardwell

450 Lexington Avenue

New York, New York 10017

(212) 450-4000

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

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

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

CALCULATION OF REGISTRATION FEE

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

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

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

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

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

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

PRELIMINARY PROSPECTUS (Subject to Completion)

Dated September 28, 2007

Ultrapar Participações S.A.

Exchange of Preferred Shares

for Preferred Shares of

Refinaria de Petróleo Ipiranga S.A.,

Distribuidora de Produtos de Petróleo Ipiranga S.A.

and

Companhia Brasileira de Petróleo Ipiranga

Dear RIPI, DPPI and CBPI Preferred Shareholders:

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

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

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

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

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

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

Sincerely,

André Covre

Chief Financial and Investor

Relations Officer Ultrapar

ADDITIONAL INFORMATION

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

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

Ultrapar Participações S.A.

Av. Brigadeiro Luis Antônio, 1343, 8º Andar

São Paulo, SP, Brazil 01317-910

Attention: Investor Relations Department

Telephone: 55-11-3177-7014

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

ABOUT THIS DOCUMENT

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

TERMS USED IN THIS PROSPECTUS

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

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

ADRs are to the American Depositary Receipts evidencing our ADSs;

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

Acquiring Companies are to Ultrapar, Petrobras and Braskem;

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

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

Braskem are to Braskem S.A.;

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

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

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

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

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

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

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

Copesul are to Companhia Petroquímica do Sul;

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

Deutsche Bank are to Deutsche Bank Securities Inc.;

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

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

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

IPQ are to Ipiranga Petroquímica S.A.;

IQ are to Ipiranga Química S.A.;

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

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

LPG are to liquefied petroleum gas;

NYSE are to the New York Stock Exchange;

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

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

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

Petrobras are to Petrobras Petróleo Brasileiro S.A.;

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

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

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

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

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

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

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

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

Target Companies are to RIPI, DPPI and CBPI;

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

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

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

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

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

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

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

OTHER INFORMATION

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

For Ultrapar and the Target Companies

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

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

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

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

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

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

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

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

TABLE OF CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

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

QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

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

Q: Why am I receiving this document?

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

Q: What is the purpose of the Transaction?

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

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

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

Q: What will happen in the Transaction?

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

The principal steps of the Transaction are:

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

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

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

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

Q: What is the Share Exchange?

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

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

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

Q: What is the status of the Transaction?

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

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

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

Q: Are shareholder votes required for the Share Exchange?

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

Q: Can I vote on the Share Exchange?

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

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

A: Yes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A: Exercise of your appraisal right is irrevocable.

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

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

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

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

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

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

x

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

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

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

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

Q: What do I do now?

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

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

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

Ultrapar Participações S.A.

Av. Brigadeiro Luis Antônio, 1343, 8º Andar

São Paulo, SP, Brazil 01317-910

Attention: Investor Relations Department

Telephone: 55-11-3177-7014

Fax: 55-11-3177-6107

e-mail: Invest@ultra.com.br

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

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

SUMMARY

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

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

Overview of Ultrapar

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

Overview of the Ipiranga Group

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

Overview of RIPI

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

Overview of DPPI

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

Overview of CBPI

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

The Transaction (see page 40)

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

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

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

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

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

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

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

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

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

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

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

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

The Share Exchange

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Appraisal Rights (see page 57)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF ULTRAPAR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

UNAUDITED PRO FORMA FINANCIAL INFORMATION

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

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

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

Summary of Ipiranga Group Acquisition

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

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

UNAUDITED PRO FORMA STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Unaudited Pro Forma Financial Information

1. Basis of Presentation

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

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

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

2. Eliminations

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

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

i) Fuel and Lubricant Distribution Business

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

Financial income
(expenses), net

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

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

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

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

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

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

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

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

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

ii) Oil Refining Business

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

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

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

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

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

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

4. Pro Forma Adjustments under Brazilian GAAP

i) *Offering of unsecured debentures*

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

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

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

ii) *Equity in subsidiaries*

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

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

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

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

The table below shows the movements in the goodwill balance:

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

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

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

iii) *Deferred income tax effects*

Reflects the income tax effects of the pro forma adjustments commented above.

iv) *Minority interest*

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

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

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

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

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

ii) *Other Pro Forma Adjustments to the Reconciliation of Net Income from Brazilian GAAP to U.S. GAAP*

The reconciling items between Brazilian GAAP and U.S. GAAP and the accompanying references as they relate to Ultrapar, DPPI and RPI are described in the notes to the respective consolidated financial statements, included elsewhere in this Prospectus or by reference.

iii) *Deferred income tax effects*

Reflects the income tax effects of the pro forma adjustments commented above.

iv) *Minority interest*

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

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF RIPI

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

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

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

Consolidated Income Statement

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

Consolidated Income Statement

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

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

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

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

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

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF DPPI

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

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

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

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

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

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

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

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

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

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

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF CBPI

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

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

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

Consolidated Income Statement

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

Consolidated Income Statement

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

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

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

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

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

COMPARATIVE PER SHARE FINANCIAL DATA

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

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

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

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

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

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

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

(4) Not available.

COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

Share and Dividend Information

Trading History of Ultrapar s Preferred Shares

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

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

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

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

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

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

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

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

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

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

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

Trading History of RIPI s Preferred Shares

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

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

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

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

Source: BOVESPA stock exchange.

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

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

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

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

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

Trading History of DPPI s Preferred Shares

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

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

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

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

Source: BOVESPA stock exchange.

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

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

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

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

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

Trading History of CBPI s Preferred Shares

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

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

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

Source: BOVESPA stock exchange.

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

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

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

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

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

Market Information

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

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

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

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

EXCHANGE RATES

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

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

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

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

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

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE TRANSACTION

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

Background of the Transaction

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

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

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

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

Ultrapar s Reasons for the Transaction

Introduction

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

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

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

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

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

Larger operating scale and administrative benefits

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

Combination of efficiencies, logistics and resale management know-how

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

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

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

Accelerate investments in the growth of Ipiranga s operations

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

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

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

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

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

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

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

The Key Shareholders Reasons for the Transaction

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

Description of the Transaction

Overview

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

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

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

Phases of the Transaction

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

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

	RIPI			**DPPI**			**CBPI**		
	Number of Shares	**% of Total Capital**	**Price per Share paid under SPA**	**Number of Shares**	**% of Total Capital**	**Price per Share paid under SPA**	**Number of Shares**	**% of Total Capital**	**Price per Share paid under SPA**
Common Shares pursuant to the Target Companies Shareholders Agreement	5,746,232	19.41%	132.85	5,449,388	17.03%	140.08671	n.a.	n.a.	n.a.
Common shares not pursuant to the Target Companies Shareholders Agreement	861,751	2.91%	106.28	1,960,604	6.13%	112.06	1,344,497	1.27%	58.10
Preferred shares	2,277,269	7.69%	38.29	2,239,899	7.00%	29.57	402	0.00%	20.55
Total shares	8,885,252	30.02%		9,649,891	30.16%		1,344,899	1.27%	

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

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

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

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

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

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

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

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

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

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

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

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

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

Transaction Agreements

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

Investment Agreement

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

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

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

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

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

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

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

Guarantees. Ultrapar has pledged the following:

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

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

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

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

Share Purchase Agreement

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

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

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

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

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

Shareholders Agreements

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

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

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

Braskem/Petrobras Asset Security Agreement

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

Petrobras Asset Security Agreement

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

Deutsche Bank Valuation Report

General

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

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

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

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

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

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

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

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

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

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

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

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

Valuation Methodology Summary

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

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

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

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

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

Discounted Cash Flow Analysis

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

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

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

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

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

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

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

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

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

50

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

Companies valued by discounted cash flow DCF

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

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

Comparable Public Company Analysis

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

Comparable Precedent Transaction Analysis

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

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

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

Companies valued by multiples

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

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

Summary Valuation Analysis

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

Ultrapar

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

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

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

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

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

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

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

RIPI

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

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

DPPI

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

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

CBPI

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

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

Conclusions

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

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

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

Other Considerations

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

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

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

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

Apsis Valuation Report

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

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

Regulatory Approvals Required for the Transaction

Regulatory Approvals in the United States

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

Regulatory Approvals in Brazil

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

Board of Directors and Executive Officers of the Combined Company

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

Appraisal Rights

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

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

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

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

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

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

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

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

ACCOUNTING TREATMENT

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

Closing of the Share Purchase Agreement

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

Mandatory Tender Offers

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

Share Exchanges

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

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

Split-up of Assets

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

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

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

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

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

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

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

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

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

The Share Exchange

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

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

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

Ownership of Our Preferred Shares

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

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

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

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

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

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

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

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

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

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

BRAZILIAN TAX CONSEQUENCES

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

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

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

Taxation on Gains Share Exchange

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

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

Taxation on Gains Exercise of Appraisal Rights

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

Taxation on Gains Future Disposals of Ultrapar s Shares

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

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

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

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

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

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

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

Shareholders Compensation

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

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

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

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

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

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

Other Brazilian Taxes

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

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

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

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

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

EXTRAORDINARY SHAREHOLDERS MEETINGS OF RIPI, DPPI, CBPI AND ULTRAPAR

RIPI Will Hold its Extraordinary Shareholder Meeting on , 2007

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

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

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

DPPI Will Hold its Extraordinary Shareholder Meeting on , 2007

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

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

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

CBPI Will Hold its Extraordinary Shareholder Meeting on , 2007

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

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

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

to approve the Share Exchange; and

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

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

Ultrapar Will Hold its Extraordinary Shareholder Meeting on , 2007

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

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

INFORMATION ABOUT THE COMPANIES

Ultrapar

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

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

Ratio of Earnings to Combined Fixed Charges and Preference Securities

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

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

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

The Ipiranga Group

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

RIPI

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

DPPI

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

CBPI

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

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

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

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

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

A. Operating Results

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

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

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

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

Brazilian Economic Background

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

Gross domestic product

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

Inflation and currency fluctuations

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

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

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

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

Interest rate

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

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

Critical Accounting Policies and Estimates

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

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

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

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

Allowance for doubtful accounts

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

Deferred Taxes

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

Contingent liabilities

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

Pension and other post-retirement benefits

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

Provision for losses on investments

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

Results of Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Liquidity and Capital Resources

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

Sources and Uses of Funds

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

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

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

Indebtedness

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

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

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

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

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

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

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

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

Investments

Equity investments

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

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

Investments in permanent assets and deferred charges

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

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

RIPI s investments strategy includes its subsidiaries strategies.

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

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

U.S. GAAP Reconciliation

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

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

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

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

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

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

RIPI subsidiaries own the register of a few brands.

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

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

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

D. Trend Information

See Operating Results above.

E. Off Balance Sheet Arrangements

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

F. Tabular Disclosure of Contractual Obligations

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

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

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

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

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

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

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

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

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

A. Operating Results

Brazilian Economic Background

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

Gross domestic product

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

Inflation and currency fluctuations

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

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

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

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

Interest rate and credit availability

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

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

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

Critical Accounting Policies and Estimates

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

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

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

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

Allowance for doubtful accounts

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

Deferred Taxes

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

Contingent liabilities

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

Pension and other post-retirement benefits

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

Provision for losses on investments

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

Results of Operations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Year ended December 31, 2005	Percentage of net sales and services	Year ended December 31, 2004	Percentage of net sales and services	Percent change
	(in millions of *reais*, except percentages)				
Net sales and services	22,757.5	100%	19,111.6	100%	19%
Cost of sales and services	(21,533.9)	95%	(18,009.9)	94%	20%
Gross profit	1,223.6	5%	1,101.8	6%	11%
Selling, general and administrative expenses	(881.1)	4%	(772.8)	4%	14%
Other operating income (expense), net	62.7	0%	12.7	0%	394%
Operating income before financial items	405.1	2%	341.7	2%	19%
Financial income (expense), net	40.7	0%	15.3	0%	167%
Non-operating income (expense), net	26.6	0%	(11.1)	0%	(340)%
Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments	72.4	0%	127.8	1%	(43)%
Income and social contribution taxes	(99.7)	0%	(70.4)	0%	42%
Profit sharing	(16.7)	0%	(12.7)	0%	32%
Minority Interest	(258.8)	1%	(252.6)	1%	2%
Net income	**169.8**	**1%**	**138.0**	**1%**	**23%**

Net sales and services. Net sales and services for the year ended December 31, 2005 increased by 19% to R$22,757.5 million from R$19,111.6 million for the year ended December 31, 2004. The increase in net sales was driven by 3% growth in sales volume and pricing adjustments in consequence of higher refinery costs.

Cost of sales and services. Cost of sales and services increased by 20% to R$21,533.9 million for the year ended December 31, 2005, compared to R$18,009.9 million for the year ended December 31, 2004, mainly due to an increases in the cost of raw materials and growth in sales volumes.

Gross profit. Gross profit increased by 11% to R$1,223.6 million for the year ended December 31, 2005 from R$1,101.8 million for the year ended December 31, 2004.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 14% to R$881.1 million for the year ended December 31, 2005 from R$772.8 million for the year ended December 31, 2004. This increase reflects (i) salary increases as a result of the annual collective wage agreement, (ii) freight and other variable expenses due to higher volumes and sales, and (iii) increase in marketing and maintenance expenses.

Other operating income. Other operating income increased to R$62.7 million for the year ended December 31, 2005, compared to R$12.7 million for the year ended December 31, 2004, mainly due to positive actuarial effects on its pension fund. See Note 18 to DPPI s consolidated financial statement.

Operating income before financial items. Operating income before financial items increased by 19% to R$405.1 million for the year ended December 31, 2005 from R$341.7 million for the year ended December 31, 2004.

Financial income (expense), net. Reported net financial income amounted to R$40.7 million for the year ended December 31, 2005, compared to a net financial income of R$15.3 million for the year ended December 31, 2004. The R$25.4 million improvement was mainly due to the effect of the exchange rate fluctuations on DPPI dollar-denominated financial instruments.

Non-operating income (expense), net. Net non-operating income was R$26.6 million for the year ended December 31, 2005 compared to a net non-operating expense of R$11.1 million for the year ended December 31, 2004. The improvement in non-operating income derives substantially from gains related to the sale by DPPI to RIPI of subscription warrants in the amount of R$29 million. See Note 7 to DPPI s consolidated financial statements.

Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments. Equity in earnings of affiliates amounted to R$72.4 million for the year ended December 31, 2005, a 43% decrease compared to the year ended December 31, 2004. Such decrease is mainly due to a reversal of a provision for loss on the investment in Ipiranga Petroquímica S.A. in 2004 due to an increase in the results of operation in this affiliate.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$99.7 million for the year ended December 31, 2005, an increase of 42% from R$70.4 million for the year ended December 31, 2004. This increase is primarily due to higher pre-tax profit.

Profit sharing. Profit sharing was R$16.7 million for the year ended December 31, 2005, compared to R$12.7 million for the year ended December 31, 2005, reflecting the improvement in the company s operational result.

Minority interest. Minority interest was R$258.8 million for the year ended December 31, 2006, compared to R$252.6 million for the year ended December 31, 2005.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2005 was R$169.8 million, an increase of 23% compared to R$138.0 million in 2004.

B. Liquidity and Capital Resources

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

Sources and Uses of Funds

Net cash flow from operations was R$229.9 million, R$156.9 million and R$289.9 million for 2006, 2005 and 2004, respectively. DPPI s cash flow from operations increased by R$72.9 million in 2006, compared to 2005 and decreased by R$132.9 million in 2005 compared to 2004, mainly reflecting the cash generated by the increase in other liabilities in 2004. Net cash flow from financing activities amounted to R$(177.8) million, R$(31.3) million and R$(344.4) million in the years ended December 31, 2006, 2005 and 2004, respectively. The cash consumed by financing activities in 2006 increased by R$146.5 million compared to 2005, mainly due to a lower level of net cash raised. Cash consumed by financing activities in 2005 decreased by R$313.0 million compared to 2004, due to a higher level of net cash raised from new loans.

Investing activities generated net cash of R$11.3 million in the year ended December 31,2006, and consumed R$(203.3) million and R$(142.9) million in the years ended December 31, 2005 and 2004, respectively. The increase in cash flow generated from investing activities in 2006 compared to 2005 was principally due to proceeds from debentures issued by related parties and held by DPPI and CBPI, which were partially redeemed in 2006. Acquisitions of property, plant and equipment and additions to intangible assets and deferred charges consumed R$178.6 million, R$159.1 million and R$149.6 million in 2006, 2005 and 2004, respectively. For the year ended December 31, 2006, amounts under investing activities were allocated mainly in the renovation and operational improvement of the company s service stations and distribution facilities and on the expansion of NGV service stations.

As of December 2006, DPPI had R$201.4 million in cash, cash equivalents and long-term investments. DPPI will spend approximately R$1.0 billion in the next five years to meet long-term contractual obligations as described in the Tabular Disclosure of Contractual Obligations. DPPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new-debt financing and the refinancing of some of its indebtedness as it becomes due.

Indebtedness

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

Indebtedness	Currency	Interest Rate(1)	Principal amount of outstanding and accrued interest through December 31,		
			2006	2005	2004
			(in millions of *reais*)		
Foreign currency-denominated loans:					
	US$	Exchange variations US$ + 1.0% to 1.4% p.a.	41.1	278.3	66.8
Purchase financing	¥	Exchange variations Ienes + 1.4% p.a			
Global Notes(a)	US$	Exchange variations US$ + 9.875% p.a.	124.9	320.7	370.1
***Real*-denominated loans:**					
Property and equipment acquisition	R$	TJLP² plus interest of 4.0% to 5.1% p.a.	37.7	35.5	24.9
Debentures(b)	R$	103.8% of CDI	361.4		
Subsidiaries	R$		41.2		
Working capital	R$	CDI up to 106.5%	132.2	80.1	80.5
Total			738.5	714.6	542.3

(1) Interest rate only as of 2006.

(2) TJLP (Long-Term Interest Rate) is a nominal interest rate established by Brazilian National Monetary Council (CMN) on a quarterly basis. On December 31, 2006, TJLP was fixed at 6.85% p.a.

(a) On August 1, 2003, the subsidiary CBPI issued US$135 million in Global Notes in the international markets. On August 1, 2005, when interest increased from 7.875% per year to 9.875% per year some of the holders decided to early redeem its notes in the amount of US$1,285 or R$ 3,072. In 2006, the subsidiary made an offer to repurchase to the bondholders as result of which there was a partial redemption in the amount of US$ 79,574 or R$164,877, which represents the acceptance of the repurchase offer made to the bondholders.

(b) On April 18, 2006, the subsidiary CBPI registered with the Brazilian Securities Commission (CVM) the public offering of 35,000 simple debentures, of a single series, all of which are book entry, nonconvertible, with face value of R$10 each, and issued on April 1, 2006, in the amount of R$ 350,000. The debentures have a term of 5 years maturing on April 1, 2011. They pay interest, from the issuance date, on their unit face value, of 103.80% of the daily average rate of interbank deposits (*Taxa DI over extra grupo*), disclosed by the Clearinghouse for the Custody and Financial Settlement of Securities (CETIP). This interest is paid every 6 months from the issuance date of the debentures to the holders registered at the end of the business day prior to the payment.

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

Maturity	**Amount (in millions of *reais*)**
January 1, 2007 to December 31, 2007	143.6
January 1, 2008 to December 31, 2008	221.8
January 1, 2009 to December 31, 2009	128.2
January 1, 2010 to December 31, 2010	126.1
January 1, 2011 to December 31, 2011	118.7
Total	738.5

DPPI provides collaterals and guarantees for some loan operations conducted directly or indirectly by affiliates and subsidiaries. As of December 31, 2006 and 2005, amounts referring to these operations were R$227.3 million and R$187.0 million, respectively. See Note 20 to DPPI s consolidated financial statements.

Investments

Equity investments

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

	Year ended December 31,		
	2006	**2005**	**2004**
	(in millions of *reais*)		
Investments in shareholding stakes	3.9	8.8	19.7

Investments in permanent assets and deferred charges(1)

The following table sets forth DPPI s investments for the years ended December 31, 2006, 2005 and 2004.

	Year ended December 31,		
	2006	**2005**	**2004**
	(in millions of *reais*)		
Distribuidora de Produtos de Petróleo Ipiranga S.A.	52.2	55.3	33.7
Subsidiaries	337.7	303.4	298.9
Total capital expenditures	389.9	358.6	332.7
Disposals	(200.8)	(143.6)	(161.1)
Total capital expenditures, net of disposals	189.1	215.0	171.6

(1) Includes customer financing, net of its amortization and leasing operations.

DPPI s investment strategy has been to make improvements related to its retail service stations network and terminals. During the years ended December 31, 2006, 2005 and 2004, investments focused on enhancing environmental safeguard, increasing convenience stores list of services and products offered, and expanding the availability of NGV (Compressed natural gas) on DPPI s network.

The investment plan for 2007 has a total budget of R$178.5 million, consisting of (i) modernization and expansion of our service stations network, (ii) modernization and expansion of DPPI s convenience stores network and (iii) renovation of exclusivity contracts with some of DPPI s retail dealers.

U.S. GAAP Reconciliation

DPPI s net income under Brazilian GAAP was R$160.9 million and R$169.8 million for the years ended December 31, 2006 and 2005, respectively. Under U.S. GAAP, DPPI had net income of R$109.1 million and R$101.5 million for the years ended December 31, 2006 and 2005, respectively.

DPPI s shareholders equity under Brazilian GAAP as of December 31, 2006 and 2005 was R$804.0 million and R$708.4 million, respectively. Under U.S. GAAP, we had shareholders equity of R$849.0 million and R$767.1 million, respectively, as of December 31, 2006 and 2005.

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

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

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

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

DPPI owns the registers of its brands including Ipiranga , Corrida Premiada and Posto 24 Horas . The company also owns the registers of DPPISA, Ipicil, Ipiflex, Ipilube, Ipitur, Isa, Marina 2T Plus and several other brands. Through its controlled company CBPI, DPPI also owns the register of RodoRede, Jet OIl, Atlantic, F1 Master, F1 Super, Ipiranga 4x4, Lub Fácil, Sintex, Moldax, Rede Nota Dez, Ipitrust, GP Super and several other brands. The register of these brands expires between 2007 and 2016, and the renovation of these registers is part of DPPI s and CBPI s annual activities.

One of DPPI s indirectly controlled companies, AM/PM Comestíveis Ltda., is the master franchisee of AM/PM brand in Brazil. Costs and terms of brand usage are governed by the agreement signed between AM/PM Internacional Co. and AM/PM Comestíveis Ltda.

D. Trend Information

See Operating Results above.

E. Tabular Disclosure of Contractual Obligations

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

Contractual obligations - DPPI	Total	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
		Payment due by period (in millions of *reais*)			
Financing	738.5	143.6	350.0	244.8	0
Estimated interest payments on financing(1)(2)	205. 6	61.0	109.5	35.2	0
Estimated planned funding of pension and other post-retirement benefit obligations(3)	212.7	8.3	17.8	19.6	167.1
Operating lease obligations(4)	6.7	0.7	1.5	1.5	3.0
Total contractual obligations	**1,163.5**	**213.6**	**478.8**	**301.1**	**170.1**

(1) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar exchange rate, (iii) a 3% inflation rate, and (iv) an 6% TJLP rate. See Liquidity and Capital Resources Indebtedness and Note 14 to DPPI s consolidated financial statements for more information about the maturity of DPPI s debt and applicable interest rates.

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

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

(4) Include franchise contract with AM/PM International, under which DPPI and/or its subsidiaries are entitled to pay minimum royalty fees through 2015.

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

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

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

A. Operating Results

Brazilian Economic Background

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

Gross domestic product

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

Inflation and currency fluctuations

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

The principal foreign exchange risk CBPI faces arises from certain U.S. dollar-denominated debt. On December 31, 2006, exchange rate exposure totaled US$65,419. Hence, CBPI is exposed to foreign exchange rate risks which could negatively impact its businesses, financial situation and operating results, as well as its capacity to service its debt. See Note 21 to CBPI s consolidated financial statements.

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

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

Interest rate and credit availability

Interest rates in Brazil have been historically high, but monetary authorities there have had success in controlling them in a consistent manner during recent years. In 2003, there was a significant monetary tightening in which the basic rate was increased to 26% per year, as a response to the inflation bubble of the previous year. However, the rate dropped further during 2003 to 16%. Between 2004 and mid-2005, there was another tightening of rates, as a reply to a quick acceleration of inflation. Now, as inflation has been controlled, the basic rate was reduced to 11.25% per year in September 2007. The unemployment rate in Brazil dropped from 12% to 10% in the past two years. Despite the relatively high unemployment rate, the average worker s income has been constantly increasing since the end of 2003. The greater availability of credit due to lower interest rates and improvement in Brazilian population income largely explain the increase in internal demand, including the record levels of vehicle sales in the first half of 2007, amounting to 1.082 million vehicles registered, including cars, trucks and buses. This is a 25.7% increase compared to the first half of 2006, according to figures published by the National Vehicle Registry (Renavam). This growth has been having a positive influence on demand for fuels.

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

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

Critical Accounting Policies and Estimates

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

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

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

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

Allowance for doubtful accounts

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

Deferred Taxes

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

Contingent liabilities

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

Pension and other post-retirement benefits

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

Provision for losses on investments

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

Results of Operations

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

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

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

	Year ended December 31, 2006	**Percentage of net sales and services**	**Year ended December 31, 2005**	**Percentage of net sales and services**	**Percent change**
		(in millions of *reais*, except percentages)			
Net sales and services	22,225.1	100%	19,476.5	100%	14%
Cost of sales and services	(21,143.0)	95%	(18,450.1)	95%	15%
Gross profit	1,082.1	5%	1,026.4	5%	5%
Selling, general and administrative expenses	(791.9)	4%	(758.9)	4%	4%
Other operating income (expense), net	19.5	0%	49.7	0%	(61)%
Operating income before financial items	309.7	1%	317.3	2%	(2)%
Financial income (expense), net	(25.1)	0%	22.2	0%	(213)%
Non-operating income (expense), net	3.7	0%	(2.9)	0%	%
Equity in earnings of affiliates/Goodwill amortization	84.9	0%	72.4	0%	17%
Income and social contribution taxes	(35.0)	0%	(69.2)	0%	(49)%
Profit sharing	(14.7)	0%	(14.4)	0%	2%
Net income	**323.5**	**1%**	**325.5**	**2%**	**(1)%**

Net sales and services. Net sales and services for the year ended December 31, 2006 increased by 14% to R$22,225.1 million from R$19,476.5 million for the year ended December 31, 2005. The increase in net sales was driven by a 3% growth in sales volume and pricing adjustments in consequence of higher refinery costs.

Cost of sales and services. Cost of sales and services increased by 15% to R$21,143.0 million for the year ended December 31, 2006, compared to R$18,450.1 million for the year ended December 31, 2005, mainly due to an increase in the cost of raw materials and the growth in sales volume.

Gross profit. Gross profit increased by 5% to R$1,082.1 million for the year ended December 31, 2006, compared to R$1,026.4 million for the year ended December 31, 2005.

Selling, general and administrative expenses. Our selling, general and administrative expenses increased by 4% to R$791.9 million for the year ended December 31, 2006 from R$758.9 million for the year ended

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

Other operating income. Other operating income decreased by 61% to R$19.5 million for the year ended December 31, 2006, compared to R$49.7 million for the year ended December 31, 2005 mainly due to positive actuarial effects on its pension fund in 2005. See Note 18 to CBPI s consolidated financial statement.

Operating income before financial items. Operating income before financial items decreased by 2% to R$309.7 million for the year ended December 31, 2006 compared to R$317.3 million for the year ended December 31, 2005.

Financial income (expense), net. CBPI reported net financial expense of R$25.1 million for the year ended December 31, 2006, compared to a net financial income of R$22.2 million for the year ended December 31, 2005. The R$47.3 million increase in financial expense was principally due to the interest expenses on a R$350 million debenture issued in 2006.

Non-operating income (expense), net. We reported a net non-operating income of R$3.7 million for the year ended December 31, 2006, compared to a net non-operating expense of R$2.9 million for the year ended December 31, 2005. The improvement of R$6.6 million on non-operating income is primarily attributable to reversal of a permanent assets loss provision and capital gains related to the subsidiary Maxfácil, which was partially offset by Termogaúcha s write-off.

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

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$35.0 million for the year ended December 31, 2006, a decrease of 49% from R$69.2 million for the year ended December 31, 2005. This decrease is primarily due to a lower pre-tax profit and the increase in non-taxable income.

Profit sharing. Profit sharing was R$14.7 million for the year ended December 31, 2006, compared to R$14.4 million for the year ended December 31, 2005.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2006 was R$323.5 million, a decrease of 1% compared to R$325.5 million for the year ended December 31, 2005.

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

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

	Year ended December 31, 2005	Percentage of net sales and services	Year ended December 31, 2004	Percentage of net sales and services	Percent change
	(in millions of reais, except percentages)				
Net sales and services	19,476.5	100%	16,248.3	100%	20%
Cost of sales and services	(18,450.1)	95%	(15,336.5)	94%	20%
Gross profit	1,026.4	5%	911.8	6%	13%
Selling, general and administrative expenses	(758.9)	4%	(659.5)	4%	15%
Other operating income (expense), net	49.7	0%	5.6	0%	%
Operating income before financial items	317.3	2%	257.9	2%	23%
Financial income (expense), net	22.2	0%	6.3	0%	251%
Non-operating income (expense), net	(2.9)	0%	(12.4)	0%	77%
Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments	72.4	0%	127.8	1%	(43)%
Income and social contribution taxes	(69.2)	0%	(51.2)	0%	35%
Profit sharing	(14.4)	0%	(10.6)	0%	36%
Net income	**325.5**	**2%**	**317.9**	**2%**	**2%**

Net sales and services. Net sales and services for the year ended December 31, 2005 increased by 20% to R$19,476.5 million from R$16,248.3 million for the year ended December 31, 2004. The increase in net sales was driven by a 4% growth in sales volume and pricing adjustments in consequence of refinery price increases occurred during the second semester of 2004 and in September 2005.

Cost of sales and services. Cost of sales and services increased by 20% to R$18,450.1 million for the year ended December 31, 2005 compared to R$15,336.5 million for the year ended December 31, 2004, mainly due to the increase in the cost of raw materials and the growth in sales volume.

Gross profit. Gross profit increased by 13% to R$1,026.4 million for the year ended December 31, 2005 from R$911.8 million for the year ended December 31, 2004.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 15% to R$758.9 million for the year ended December 31, 2005 from R$659.5 million for the year ended December 31, 2004. This increase reflects (i) salary increases as a result of the annual collective wage agreement and (ii) freight and other variable expenses due to higher volumes and sales.

Other operating income. Other operating income increased to R$49.7 million for the year ended December 31, 2005, compared to R$5.6 million for the year ended December 31, 2004 mainly due to positive actuarial effects on its pension fund. See Note 18 to CBPI s consolidated financial statement.

Operating income before financial items. Operating income before financial items increased by 23% to R$317.3 million for the year ended December 31, 2005 from R$257.9 million for the year ended December 31, 2004.

Financial income (expense), net. CBPI reported net financial income of R$22.2 million for the year ended December 31, 2005, compared to a net financial income of R$6.3 million for the year ended December 31, 2004.

The R$15.9 million improvement was principally due to the effect of exchange rates on CBPI dollar-denominated financial instruments.

Non-operating income (expense), net. CBPI reported a net non-operating expense of R$2.9 million for the year ended December 31, 2005 compared to a net non-operating expense of R$12.4 million for the year ended December 31, 2004. The decrease in net expense is primarily attributable to a permanent asset loss provision in 2004.

Equity in earnings of affiliates/Goodwill amortization/ Provision for loss on investments. Equity in earnings of affiliates amounted to R$72.4 million for the year ended December 31, 2005, a 43% decrease compared to the year ended December 31, 2004. Such decrease is mainly due to a reversal of a provision on loss in our investment in Ipiranga Petroquímica S.A. in 2004 due to an increase in the results of operation in this affiliate in 2005.

Income and social contribution taxes. Income and social contribution tax expenses amounted to R$69.2 million for the year ended December 31, 2005, an increase of 35% from R$51.2 million for the year ended December 31, 2004. This increase is primarily due to higher profit.

Profit sharing. Profit sharing was R$14.4 million for the year ended December 31, 2005, compared to R$10.6 million for the year ended December 31, 2005, reflecting the improvement in CBPI s operational result.

Net income. As a result of the aforementioned, net income for the year ended December 31, 2005 was R$325.5 million, an increase of 2% compared to R$317.9 million in 2004.

B. Liquidity and Capital Resources

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

Sources and Uses of Funds

Net cash flow from operations was R$196.2 million, R$99.4 million and R$194.0 million for 2006, 2005 and 2004, respectively. CBPI s cash flow from operations increased by R$96.8 million in 2006, compared to 2005 and decreased by R$94.6 million in 2005 compared to 2004, mainly reflecting the variations in working capital and the increase in the operational results. Net cash flow from financing activities amounted to R$(44.0) million, (R$41.2) million and R$(241.4) million in the years ended December 31, 2006, 2005 and 2004, respectively. The cash flow from financing activities in 2006 compared to 2005 remained practically stable. The decrease in cash consumed from financing in 2005, compared to 2004, was mainly due to a higher level of new loans and financings obtained in 2005.

Net cash flow from investing activities amounted to R$(82.9) million, R$(133.8) million and R$(134.9) million for the years ended December 31, 2006, 2005 and 2004, respectively. The decrease in cash consumed from investing activities in 2006 compared to 2005 was principally attributed to the proceeds from debentures issued by related parties and held by CBPI, which were partially redeemed in 2006. Acquisitions of property, plant and equipment and additions to intangible assets and deferred charges consumed R$149.8 million, R$131.1 million and R$132.4 million in 2006, 2005 and 2004, respectively. For the year ended December 31, 2006, funds comprehended in investing activities were allocated mainly in the renovation and operational improvement of the Company s service stations and distribution facilities and on the expansion of NGV service stations.

As of December 2006, CBPI had R$147.7 million in cash, cash equivalents, and short- and long-term investments. CBPI will spend approximately R$1.0 billion in the next five years to meet long-term contractual obligations described in the Tabular Disclosure of Contractual Obligations. CBPI expects to meet these cash requirements through a combination of cash generated from operating activities and cash generated by financing activities, including new debt financing and the refinancing of some of its indebtedness as it becomes due.

Indebtedness

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

Indebtedness	Currency	Interest Rate(1)	Principal amount of outstanding and accrued interest through December 31, 2006	2005	2004
			(in millions of reais)		
Foreign currency-denominated loans:					
Compror	US$	Exchange variations US$ + 1.0% p.a. up to + 1.3% p.a.		154.9	
	¥	Exchange variations Ienes + 1.4% p.a.			
Global Notes(3)	US$	Exchange variations US$ + 9.875% p.a.	124.9	320.7	370.1
Subsidiaries	US$	Exchange variations US$ + 6.0% p.a. up to + exchange variations US$ + 8.2% p.a.	15.0	9.5	18.7
***Real*-denominated loans:**					
BNDES-National Bank for Economic and Social Development	R$				
		From TJLP(2) + 4.4% p.a. up to TJLP+ 5.1% p.a.			
		80% TJLP+ 20% of currencies portfolio + 4.5% p.a.	29.0	28.8	19.4
Debentures(4)	R$	103.8% of the CDI	361.4		
Financial Institutions	R$	100.0% of the CDI	60.4		
Debtor Balance	R$		46.0	12.9	
Subsidiaries	R$	From TJLP+ 1.7% p.a. up to TJLP+4.5% p.a.			
		106.4% up to 106.5 % of the CDI	41.2	43.3	30.8
Total loans	R$		677.9	570.1	439.0

(1) Interest rate only as of 2006.

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

(3) On August 1, 2003, CBPI issued US$ 135 million in Global Notes in the international market. On August 1, 2005, when interest increased from 7.875% per year to 9.875% per year, part of the options for redemption of these notes was exercised in the amount of US$ 1,285 or R$ 3,072. In 2006, there was a partial redemption in the amount of US$ 79,574 or R$164,811, which represents the acceptance of the repurchase offer made to the bondholders.

(4) On April 18, 2006, CBPI registered with the Brazilian Securities Commission (CVM) the public offering of 35,000 simple debentures, of a single series, all of which are book entry, nonconvertible, with face value of R$ 10 each, and issued on April 1, 2006, in the amount of R$ 350,000. The debentures have a term of five years maturing on April 1, 2011. They pay an interest rate, from the issuance date, on their unit face value, of 103.80% of the daily average rate of interbank deposits (*Taxa DI over extra grupo*), disclosed by the Clearinghouse for the Custody and Financial Settlement of Securities (CETIP). This interest is paid every six months from the issuance date of the debentures to the holders registered at the end of the business day prior to the payment.

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

Maturity	**Amount (in millions of *reais*)**
January 1, 2007 to December 31, 2007	115.2
January 1, 2008 to December 31, 2008	193.7
January 1, 2009 to December 31, 2009	126.2
January 1, 2010 to December 31, 2010	124.7
January 1, 2011 to December 31, 2011	118.0
Total	677.9

CBPI provides collateral and guarantees for some loan operations conducted directly or indirectly by affiliates and subsidiaries. As of December 31, 2006 and 2005, amounts referring to these operations were R$ 203.5 million and R$ 110.5 million, respectively. See Note 20 to CBPI s consolidated financial statements.

Investments

Equity investments

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

Company	**Year ended December 31, 2006**	**2005**	**2004**
	(in millions of *reais*)		
Investments in shareholding stakes	3.8	8.1	19.7

Investments in permanent assets and deferred charges(1)

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

	Year ended December 31, 2006	**2005**	**2004**
	(in millions of *reais*)		
Cia Brasileira de Petroleo Ipiranga	315.9	281.7	263.4
Subsidiaries	18.0	19.3	35.0
Total capital expenditures	333.9	301.0	298.4
Disposals	(164.4)	(145.1)	(132.0)
Total capital expenditures, net of disposals	169.5	155.9	166.4

(1) Includes customer financing, net of its amortization and leasing

CBPI s investment strategy has been to make improvements related to its retail service stations network and terminals. During the years ended December 31, 2006, 2005 and 2004, investments focused on enhancing environmental safeguards, increasing convenience stores list of services and products offered and expanding the availability of NGV (natural gas vehicular) on its network.

The investment plan for 2007 has a total budget of R$145.4 million, consisting of (i) modernization and expansion of CBPI service stations network, (ii) modernization and expansion of CBPI s convenience stores network and (iii) renovation of exclusivity contracts with some of CBPI s retail dealers.

U.S. GAAP Reconciliation

CBPI s net income under Brazilian GAAP was R$323.5 million and R$325.5 million for the years ended December 31, 2006 and 2005, respectively. Under U.S. GAAP, CBPI had net income of R$219.1 million and R$398.2 million for the years ended December 31, 2006 and 2005, respectively.

CBPI shareholders equity under Brazilian GAAP as of December 31, 2006 and 2005 was R$1,555.2 million and R$1,350.3 million, respectively. Under U.S. GAAP, we had shareholders equity of R$1,718.3 million and R$1,560.7 million, respectively, as of December 31, 2006 and 2005.

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

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

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

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

CBPI and its parent company, Distribuidora de Produtos de Petróleo Ipiranga S.A., own the register of the brands used in their distribution business, including Ipiranga , Rodo Rede and Jet Oil . The register of Gasolina Original Ipiranga (Original Ipiranga Gasoline) has been requested to Brazilian authorities. The company also owns the register of Atlantic, F1 Master, F1 Super, Ipiranga 4x4, Lub Fácil, Sintex, Moldax, Rede Nota Dez, Ipitrust, GP Super and several other brands. The register of these brands expires between 2007 and 2016, and renovating these registers is part of companies annual activities. CBPI also owns a supplying pump fuel patent and others patents. One of its controlled companies, AM/PM Comestíveis Ltda., is the master franchisee of AM/PM brand in Brazil. Costs and terms of brand usage are governed by the agreement signed between AM/PM Internacional Co. and AM/PM Comestíveis Ltda.

D. Trend Information

See Operating Results above.

E. Tabular Disclosure of Contractual Obligations

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

Contractual obligations - CBPI	Total	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years
			Payment due by period (in millions of *reais*)		
Financing	677.9	115.2	319.9	242.7	0
Estimated interest payments on financing(1)(2)	195.7	60.0	101.0	34.6	0
Estimated planned funding of pension and other post-retirement benefit obligations(3)	162.3	6.5	13.9	15.4	126.5
Operating leases(4)	6.7	0.7	1.5	1.5	3.0
Total contractual obligations	**1,042.6**	**182.4**	**436.3**	**294.2**	**129.5**

(1) The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, principally (i) a 12% CDI interest rate, (ii) a 3% variation in the *reais* to U.S. dollar exchange rate, (iii) a 3% inflation rate, and (iv) an 6% TJLP rate. See Liquidity and Capital Resources Indebtedness and Note 14 to CBPI s consolidated financial statements for more information about the maturity of CBPI s debt and applicable interest rates.

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

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

(4) Include franchise contract with AM/PM International, under which CBPI and/or its subsidiaries are entitled to pay minimum royalty fees through 2015.

RIPI PREFERRED STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the preferred share ownership of each director and executive officer of RIPI and all directors and executive officers as a group. As of September 27, 2007, no person was known to RIPI to be the beneficial owner of more than five percent (5%) of RIPI s outstanding shares of preferred stock.

Name	Preferred shares beneficially owned at September 27, 2007	percent of class
Board of Directors		
João Adolfo Oderich		0%
Flávio do Couto Bezerra Cavalcanti		0%
Eduardo de Toledo		0%
Carlos José Fadigas de Souza Filho		0%
Roberto Lopes Pontes Simões		0%
Francisco Pais		0%
José Afonso Alves Castanheira		0%
Executive Officers Who Are Not Also Directors of RIPI		
Elizabeth Surreaux Ribeiro Tellechea		0%
Sérgio Roberto Weyne Ferreira da Costa	2	0%*
Eduardo Teixeira Neto		0%

* Less than one percent (1%)

DPPI PREFERRED STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the preferred share ownership of each director and executive officer of DPPI and all directors and executive officers as a group. As of September 27, 2007, no person was known to DPPI to be the beneficial owner of more than five percent (5%) of DPPI s outstanding shares of preferred stock.

Name	Preferred shares beneficially owned at September 27, 2007	percent of class
Board of Directors		
Pedro Wongtschowski		0%
André Covre		0%
Eduardo de Toledo		0%
Jose Roberto Opice		0%
Roberto Kutschat Neto		0%
Jose Afonso Alves Castanheira	1	0%*
Executive Officers who are not also Directors of DPPI		
Leocadio de Almeida Antunes Filho	1,000	0%*
Sergio Roberto Weyne Ferreira Da Costa	2	0%*
Jose Augusto Dutra Nogueira		0%
Ricardo Cavalho Maia		0%
Jose Manuel Alves Borges		0%

* Less than one percent (1%)

CBPI PREFERRED STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information concerning the preferred share ownership of each director and executive officer of CBPI and all directors and executive officers as a group. As of September 27, 2007, no person was known to CBPI to be the beneficial owner of more than five percent (5%) of CBPI s outstanding shares of preferred stock.

Name	Preferred shares beneficially owned at September 27, 2007	percent of class
Board of Directors		
Pedro Wongtschowski		0%
Maria das Graças Silva Foster		0%
Eduardo de Toledo		0%
José Roberto Opice		0%
André Covre		0%
Luiz Carlos Teixeira		0%
Executive Officers Who Are Not Also Directors of CBPI		
Leocadio de Almeida Antunes Filho	15,000	0%*
Ricardo Carvalho Maia		0%
José Manuel Alves Borges		0%
José Augusto Dutra Nogueira		0%
Sérgio Roberto Weyne Ferreira Da Costa		0%
Daniel Lima Oliveira		0%
Sadi Leite Ribeiro Filho		0%
Carlos Eduardo G. de Meirelles Leite		0%

* Less than one percent (1%)

COMPARISON OF YOUR RIGHTS AS A HOLDER OF RIPI, DPPI OR CBPI PREFERRED SHARES AND YOUR RIGHTS AS A POTENTIAL HOLDER OF ULTRAPAR PREFERRED SHARES

Ultrapar, RIPI, DPPI and CBPI are companies organized under the laws of the Federative Republic of Brazil and are governed by the Brazilian Corporate Law. The rights of holders of Ultrapar, RIPI, DPPI and CBPI preferred shares are governed by Brazilian law and by Ultrapar, RIPI, DPPI and CBPI s bylaws, respectively. Upon completion of the Share Exchange, to the extent you will become a preferred shareholder of Ultrapar, your rights will be governed by Brazilian law and Ultrapar s bylaws. See Description of Ultrapar Preferred Shares for more information about Ultrapar preferred shares.

The following discussion of the material differences between the rights of Ultrapar preferred shareholders and RIPI, DPPI and CBPI preferred shareholders is only a summary and does not purport to be a complete description of these differences. The following discussion is qualified in its entirety by reference to the Brazilian Corporate Law, as well as the full text of Ultrapar RIPI, DPPI and CBPI s respective bylaws, which are filed with the SEC and the CVM. For information on how you can obtain copies of these documents, see Where You Can Find More Information on page 148.

ULTRAPAR	RIPI / DPPI/CBPI
CORPORATE GOVERNANCE	
Ultrapar s bylaws and the Brazilian Corporate Law, as amended from time to time, govern the rights of holders of Ultrapar common and preferred shares.	RIPI, DPPI and CBPI s bylaws and the Brazilian Corporate Law, as amended from time to time, govern the rights of holders of RIPI, DPPI and CBPI common and preferred shares, respectively.
AUTHORIZED CAPITAL STOCK	
Capital Stock. As of September 28, 2007, Ultrapar s capital stock was R$946.034.662,97, fully subscribed and paid in, comprised of 81,325,409 shares, without par value, of which 49,429,897 are common shares and 31,895,512 are preferred shares.	*Capital Stock*. As of September 28, 2007, RIPI s capital stock was R$475,000,000.00, comprised of 29,600,000 shares, without par value, of which 9,982,404 are common shares and 19,617,596 are preferred shares.
	As of September 28, 2007, DPPI s capital stock was R$615,000,000.00, comprised of 32,000,000 shares, without par value, of which 10,706,368 are common shares and 21,293,632 are preferred shares.
	As of September 28, 2007, CBPI s capital stock was R$1,030,000,000.00, comprised of 105,952,000 shares, without par value, of which 35,409,306 are common shares and 70,542,694 are preferred shares.
VOTING RIGHTS; ACTION BY WRITTEN CONSENT	
Voting Rights. The holders of Ultrapar common stock are entitled to one vote per share on all matters presented to stockholders. Preferred stock only vote on specific matters determined by Brazilian Corporate Law.	*Voting Rights*. The holders of RIPI, DPPI and CBPI common stock are entitled to one vote per share on all matters presented to stockholders. Preferred stock only vote on specific matters determined by Brazilian Corporate Law.

ULTRAPAR	RIPI / DPPI/CBPI
Brazilian Corporate Law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends. Because Ultrapar s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of Ultrapar preferred shares cannot acquire voting rights as a result of Ultrapar s failure to distribute dividends.	Brazilian Corporate Law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends. Because RIPI, DPPI and CBPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of such preferred shares cannot acquire voting rights as a result of failure to distribute dividends.
Action by Written Consent. Ultrapar s bylaws and the Brazilian Corporate Law do not permit shareholder action without a meeting.	*Action by Written Consent*. RIPI, DPPI and CBPI s bylaws and the Brazilian Corporate Law do not permit shareholder action without a meeting.

AMENDMENT TO THE BYLAWS

Ultrapar s bylaws may be altered, amended, added to or repealed by a resolution duly adopted by a majority at a general shareholders meeting, subject to certain quorum and voting requirements established by the Brazilian Corporate Law. As a general rule, the affirmative vote of shareholders representing at least the majority of the issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, according to Brazilian Corporate Law, the affirmative vote of shareholders representing one-half of the issued and outstanding voting capital is required to:	RIPI, DPPI and CBPI s bylaws may be altered, amended, added to or repealed by a resolution duly adopted by a majority at a general shareholders meeting, subject to certain quorum and voting requirements established by the Brazilian Corporate Law. As a general rule, the affirmative vote of shareholders representing at least the majority of the issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, according to Brazilian Corporate Law, the affirmative vote of shareholders representing one-half of the issued and outstanding voting capital is required to:
modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;	modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
reduce the percentage of mandatory dividends;	reduce the percentage of mandatory dividends;
change the corporate purpose;	change the corporate purpose;
merge into or with another company;	merge into or with another company;
spin off a portion of the assets or liabilities;	
approve participation in a group of companies;	

ULTRAPAR	RIPI / DPPI/CBPI
AMENDMENT TO THE BYLAWS	
	spin off a portion of the assets or liabilities;
apply for cancellation of any voluntary liquidation; and	
	approve participation in a group of companies;
approve dissolution.	
	apply for cancellation of any voluntary liquidation; and
	approve dissolution.
RIGHT TO DIVIDENDS	
Ultrapar shareholders have the right to participate in any dividend payment in proportion to the paid-in capital corresponding to their shares. There is no difference in the dividends paid to common and preferred shareholders of Ultrapar.	RIPI, DPPI and CBPI shareholders have the right to participate in any dividend payment in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of DPPI, RIPI and CBPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies.
APPRAISAL RIGHTS	
Under Brazilian Corporate Law, appraisal rights are exceptional rights that may be exercised by shareholders only in extraordinary situations resulting from significant decisions taken at general shareholders meetings. Appraisal rights provide shareholders the right to sell his or her preferred shares at their book value or the per share liquidation value, if higher. Appraisal rights can only be exercised in the 30 day period following the shareholder meeting in which the significant decision was taken. According to Brazilian corporate law , the appraisal rights of Ultrapar s shareholders may be exercised in the following circumstances:	Under Brazilian Corporate Law, appraisal rights are exceptional rights that may be exercised by shareholders only in extraordinary situations resulting from significant decisions taken at general shareholders meetings. Appraisal rights provide shareholders the right to sell his or her preferred shares at their book value or the per share liquidation value, if higher. Appraisal rights can only be exercised in the 30 day period following the shareholder meeting in which the significant decision was taken.
	According to Brazilian corporate law, the appraisal rights of RIPI, DPPI and CBPI s shareholders may be exercised in the following circumstances:
modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;	modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;

reduction in the percentage of mandatory dividends;	reduction in the percentage of mandatory dividends;
change in corporate purpose;	change in corporate purpose;
merger (*fusão or incorporação*) with another company;	merger (*fusão or incorporação*) with another company;

ULTRAPAR	RIPI / DPPI/CBPI
APPRAISAL RIGHTS	
Ultrapar s participation in a group of companies;	RIPI, DPPI or CBPI s participation in a group of companies;
change in corporate form;	change in corporate form;
merger of all Ultrapar s shares into another Brazilian company, so that Ultrapar become a wholly owned subsidiary of such company; and	merger of all RIPI, DPPI or CBPI s shares into another Brazilian company, so that such companies become wholly owned subsidiary of such another company; and
acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.	acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.
In the event that the shareholders approve any resolution in connection with the items marked above, the appraisal right may be exercised only if the shares fail to satisfy certain liquidity tests at the time of the meeting.	
Brazilian Corporate Law further provides that any resolution regarding Ultrapar s spin-off would only entitle shareholders to withdraw from Ultrapar s company if the spin-off:	Brazilian Corporate Law further provides that any resolution regarding a spin-off would only entitle shareholders to withdraw from the company if the spin-off:
causes a change in the purpose of the Company, except if the equity is spun off to a company whose primary activities are consistent with Ultrapar s corporate purpose;	causes a change in the purpose of the company, except if the equity is spun off to a company whose primary activities are consistent with RIPI, DPPI and CBPI s corporate purpose;
reduces Ultrapar s mandatory dividends; or	reduces mandatory dividends; or
causes us to join a group of companies.	causes us to join a group of companies.
PREEMPTIVE RIGHTS	
Pursuant to the Brazilian Corporate Law, any shareholder has, except in certain circumstances, a general preemptive right to subscribe for new shares in a capital increase in proportion to the number of shares it holds. These preemptive rights may be abolished under certain circumstances determined under Brazilian Corporate Law.	Pursuant to the Brazilian Corporate Law, any shareholder has, except in certain circumstances, a general preemptive right to subscribe for new shares in a capital increase in proportion to the number of shares it holds. These preemptive rights may be abolished under certain circumstances determined under Brazilian Corporate Law.
ATTENDANCE AND VOTING AT MEETINGS OF STOCKHOLDERS	

Every stockholder of record as of the applicable record date has the right to attend the shareholder meeting. Only holders of common shares have the right to vote at shareholders meetings. Preferred shareholders only have the right to vote in special occasions.	Every stockholder of record as of the applicable record date has the right to attend the shareholder meeting. Only holders of common shares have the right to vote at shareholders meetings. Preferred shareholders only have the right to vote in special occasions.

ULTRAPAR	RIPI / DPPI/CBPI
SPECIAL MEETINGS OF STOCKHOLDERS	
Extraordinary general shareholders meetings of Ultrapar may be called from time to time by Ultrapar board of directors at its discretion. An extraordinary shareholders meeting may also be called by the Fiscal Council on specific situations; by any shareholder when the board of directors delays calling a shareholders meeting for more then 60 days when required by law or the bylaws; by shareholders representing at least five per cent of Ultrapar share capital.	Extraordinary general shareholders meetings of RIPI, DPPI and CBPI may be called from time to time by RIPI, DPPI or CBPI board of directors at its discretion. An extraordinary shareholders meeting may also be called by the Fiscal Council on specific situations; by any shareholder when the board of directors delays calling a shareholders meeting for more then 60 days when required by law or the bylaws; by shareholders representing at least five per cent of RIPI, DPPI or CBPI share capital.
Shareholders representing at least five percent of Ultrapar share capital have the right to request that the board of directors call an extraordinary general shareholders meeting to vote on any matters indicated in such request, as long as they present the basis for such request.	Shareholders representing at least five percent of RIPI, DPPI or CBPI share capital have the right to request that the board of directors call an extraordinary general shareholders meeting to vote on any matters indicated in such request, as long as they present the basis for such request.
Brazilian Corporate Law also provides that holders of Ultrapar s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to Ultrapar s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over Ultrapar s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of Ultrapar s common shares, but also a prior approval or ratification by shareholders holding the majority of Ultrapar s preferred shares.	Brazilian Corporate Law also provides that holders of RIPI, DPPI and CBPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to RIPI, DPPI or CBPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over RIPI, DPPI or CBPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of RIPI, DPPI or CBPI s common shares, but also a prior approval or ratification by shareholders holding the majority of RIPI, DPPI or CBPI s preferred shares.
SHAREHOLDER SUITS	
Corporate action for liability against directors of a company will usually be brought by the company itself if shareholders of the company pass a resolution to that effect at a shareholders meeting. Such a resolution may be presented and voted on even if it not on the agenda. Any shareholder can file the corporate action if not done by the company in 3 months from the shareholders meeting decision.	Corporate action for liability against directors of a company will usually be brought by the company itself if shareholders of the company pass a resolution to that effect at a shareholders meeting. Such a resolution may be presented and voted on even if it not on the agenda. Any shareholder can file the corporate action if not done by the company in 3 months from the shareholders meeting decision.
Under Brazilian Corporate Law, however, shareholders representing at least five percent of the share capital of the company may jointly initiate a corporate action for liability against one or more directors to recover any damages incurred by the company as a result of the directors liability, if the shareholders meeting votes against the corporate action for liability.	Under Brazilian Corporate Law, however, shareholders representing at least five percent of the share capital of the company may jointly initiate a corporate action for liability against one or more directors to recover any damages incurred by the company as a result of the directors liability, if the shareholders meeting votes against the corporate action for liability.

ULTRAPAR	RIPI / DPPI/CBPI

BOARD OF DIRECTORS

Size and Election of Board of Directors

ULTRAPAR	RIPI / DPPI/CBPI
According to Ultrapar s bylaws, Ultrapar s board of directors consists of a minimum of four and a maximum of seven members. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of Ultrapar s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of Ultrapar s voting share capital. Ultrapar s directors are elected by Ultrapar s shareholders in Ultrapar s annual shareholders meeting for a one-year term. The Ultrapar board of directors currently consist of 7 members.	The RIPI board of directors currently consists of 7 directors. RIPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted.
	The DPPI board of directors currently consists of 6 directors. DPPI s bylaws provide that the number of directors will not be fewer than five nor more than seven. Each director is elected for a three-year term and a reelection is permitted.
Brazilian Corporate Law requires that each director own at least one share of Ultrapar. There is no mandatory retirement age for directors.	The CBPI board of directors currently consists of 7 directors. CBPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted.
	The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of the respective company common shares.
	Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of RIPI, DPPI and CBPI s voting share capital.
	Brazilian corporate law requires that each director own at least one share of RIPI, DPPI or CBPI. There is no mandatory retirement age for directors.

Removal

ULTRAPAR	RIPI / DPPI/CBPI
Directors may be removed by adoption of a shareholders resolution by majority vote at the ordinary or an extraordinary general shareholders meeting at any time.	Directors may be removed by adoption of a shareholders resolution by majority vote at the ordinary or an extraordinary general shareholders meeting at any time.

Vacancies

ULTRAPAR	RIPI / DPPI/CBPI
Directors are appointed by shareholders at a general shareholders meeting. A vacancy will be filled by a Director elected by the shareholders at the next general shareholders meeting.	In the event of a vacancy of a board member of any of these companies, the board of directors will appoint a shareholder to fill such vacancy for the remaining of the mandate. If the vacant member is a person appointed by the minority shareholders, an extraordinary shareholders meeting shall be called for a new

member to be voted.

ULTRAPAR	RIPI / DPPI/CBPI
Director Liability	
According to Brazilian Corporate Law, Directors are not individually liable for any obligations assumed by Ultrapar or as a result of regular management acts. Directors are, however, liable to Ultrapar, Ultrapar shareholders and creditors of Ultrapar for any damage that they may cause by acts or omissions that violate law or Ultrapar s bylaws, or for acts performed with negligence and in breach of good faith. Directors are not jointly liable for acts caused by other Directors, except if they have participated of such act or if they had knowledge about the practice of such act. The Directors will be jointly liable for damages originated by the non-compliance with the duties determined by law to run the company s business, except if the company by-laws establishes that such duty was specific to one Director.	According to Brazilian Corporate Law, Directors are not individually liable for any obligations assumed by RIPI, DPPI and CBPI as a result of regular management acts. Directors are, however, liable to such companies, such companies shareholders and creditors for any damage that they may cause by acts or omissions that violate law or such companies bylaws, or for acts performed with negligence and in breach of good faith. Directors are not jointly liable for acts caused by other Directors, except if they have participated of such act or if they had knowledge about the practice of such act. The Directors will be jointly liable for damages originated by the non-compliance with the duties determined by law to run the company s business, except if the company by-laws establishes that such duty was specific to one Director.
Mandatory Tender Offer / Tag Along Rights	
Brazilian Corporate Law and CVM rules determine that upon the sale of a controlling interest in a publicly listed company, the purchaser will have to file a mandatory cash tender offer with the CVM to acquire all the remaining outstanding common shares of the target entity for at least 80% of the price paid for the common shares of the controlling block.	Brazilian Corporate Law and CVM rules determine that upon the sale of a controlling interest in a publicly listed company, the purchaser will have to file a mandatory cash tender offer with the CVM to acquire all the remaining outstanding common shares of the target entity for at least 80% of the price paid for the common shares of the controlling block.
Ultrapar s bylaws provide that any person who purchases control of Ultrapar s company must carry out a tender offer for the remaining shares, common and preferred, at the same price and on the same payment conditions, adjusted between such person and Ultrapar s controlling shareholders.	The offer must be made on the São Paulo Stock Exchange.
The offer must be made on both the São Paulo Stock Exchange and the New York Stock Exchange.	

ULTRAPAR	RIPI / DPPI/CBPI
DUTIES OF DIRECTORS	
Ultrapar Directors must carry out the duties associated with their positions on the board of directors in accordance with the Brazilian Corporate Law and Ultrapar s bylaws:	RIPI, DPPI and CBPI Directors must carry out the duties associated with their positions on the board of directors in accordance with the Brazilian Corporate Law and their respective bylaws.
Ultrapar bylaws establishes that the board of directors responsibilities are:	RIPI, DPPI and CBPI bylaws establish that their board of directors responsibilities are:
a) to set the general business policy;	a) to set the general business policy;
b) to call the shareholders meetings;	b) to elect and remove from office the officers and set their individual duties;
c) to elect and remove from office the officers and set their individual duties and fees, when the shareholders meeting decides on their overall remuneration;	c) to oversee the Officers management; at any time examine the company s books and papers; request information on any agreement already or about to be entered into and on any other acts;
d) to choose the Chief Executive Officer;	d) to call the shareholders meetings;
e) to approve the increase in the subscribed capital and the form under which it shall occur, up to the limit of the authorized capital;	e) to provide opinion on the management report and on the Board of Officers accounts;
f) to submit to the shareholders meeting for approval the allocation of the net profit adjusted in the fiscal year;	f) to provide an opinion on any act or agreement not contemplated in the annual budget;
g) to oversee the Officers management; at any time examine Ultrapar s books and papers; request information on any agreement already or about to be entered into and on any other acts;	g) authorize the acquisition or disposal of permanent assets, and encumbrance of real estate property, offer of collateral or personal guarantees to third parties;
h) to provide opinion on the management report and on the Board of Officers accounts;	h) to choose and remove the Independent Auditors;

i) to approve the distribution of semi-annual or interim dividends;

j) to approve the holding of interest in other companies;

k) to propose to the shareholder meeting the Ultrapar s winding-up, merger or consolidation under any form;

l) to choose and remove the Independent Auditors nominated by the Audit Committee;

m) to decide on any matters not regulated, and resolve on the omitted cases;

n) to appoint among the Officers that who shall perform the duties of Investor Relations Officer.

o) grant stock options to its officers and employees holding key positions in the Company and its controlled entities;

i) to submit to the shareholders meeting the increase in the subscribed capital;

j) authorize the acquisition of its own shares to be kept in treasury or canceled up.

According to Brazilian Corporate Law Directors are prohibited from:

performing any act of generosity using corporate assets to the detriment of the corporation;

by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;

taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and

ULTRAPAR

p) approve the issuance, for public subscription, of commercial paper by the company.

The prior approval of the board of directors shall also be required for the performance of acts that might result in acquisition, disposal, swap and encumbrance of real estate property, offer of collateral or personal guarantees, taking out of loans or waiver of rights the amount of which be in excess of three percent Ultrapar s net worth.

By a resolution of the board of directors, Ultrapar may acquire its own shares to be kept in treasury or canceled up to the amount of the profit and reserve balance, except for the legal reserve, without any decrease in the capital stock.

According to Brazilian Corporate Law Directors are prohibited from:

performing any act of generosity using corporate assets to the detriment of the corporation;

by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;

taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and

without prior authorization from the shareholders meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

RIPI / DPPI/CBPI

without prior authorization from shareholders meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

ULTRAPAR	RIPI / DPPI/CBPI

OFFICERS

The Board of Officers of Ultrapar is elected by the board of directors for a one-year term. The Officers may be reelected. The Ultrapar Board of Officers currently consists of 5 members. Ultrapar s bylaws provide that the number of directors will not be fewer than four nor more than six. Decisions shall be taken by a majority of votes. The Board of Officers is responsible to conduct the day-to-day operations of Ultrapar, observing the general business policy set out by the board of directors.	The Board of Officers of each of RIPI, DPPI and CBPI is elected by its respective board of directors for a three-year term. The Officers may be reelected. RIPI, DPPI and CBPI Board of Officers currently consist of 3, 5 and 6 members respectively. All such company s bylaws provide that the number of directors will not be fewer than three nor more than ten. Decisions shall be taken by a majority of votes. The Board of Officers is responsible to conduct the day-to-day operations of such companies, observing the general business policy set out by the board of directors.

FISCAL COUNCIL / AUDIT COMMITTEE

Brazilian Corporate Law requires Ultrapar to establish a Fiscal Council. Ultrapar Fiscal Council also acts as an audit committee pursuant to the requirements of the Sarbanes-Oxley Act. Ultrapar Fiscal Council is constituted of five members and their respective alternate members. The Fiscal Council is a separate corporate body independent of Ultrapar management and Ultrapar external independent registered public accounting firm. The members of Ultrapar Fiscal Council are elected by Ultrapar shareholders at the annual general shareholders meeting for one-year term and are eligible for reelection.	Brazilian Corporate Law requires RIPI, DPPI and CBPI to establish a Fiscal Council. The Fiscal Council of each of RIPI, DPPI and CBPI are constituted of three members and their respective alternate members. The Fiscal Council is a separate corporate body independent of the management and of the external independent registered public accounting firm. The members of the Fiscal Councils are elected by each of RIPI, DPPI and CBPI s shareholders at the annual general shareholders meeting for one-year term and are eligible for reelection

DESCRIPTION OF ULTRAPAR PREFERRED SHARES

Our Issued Capital Stock

Ultrapar s capital stock is R$946,034,662.97, fully subscribed and paid in, comprised of 81,325,409 shares, without par value, of which 49,429,897 are common shares and 31,895,512 are preferred shares. As of September 27, 2007, Ultrapar and its affiliates held 6,617 common shares and 827,147 preferred shares in treasury.

Ultrapar s bylaws authorize Ultrapar s board of directors to increase Ultrapar s share capital up to the limit of R$1.5 billion by issuing either common or preferred shares. Any capital increase that exceeds such amount requires an amendment to Ultrapar s bylaws, which must be approved by shareholders at a shareholders meeting. Pursuant to Brazilian corporate law and Ultrapar s bylaws, the number of preferred shares may not exceed two-thirds of Ultrapar s issued capital stock.

History of Capital Stock

On February 2, 2005, Ultrapar s board of directors approved the increase of Ultrapar s capital stock, pursuant to a partial capitalization of reserves, and the issuance of 10,453,690,324 new preferred shares distributed to Ultrapar s shareholders as a result of a stock dividend. Following this stock dividend, Ultrapar shareholders approved on July 20, 2005 the reverse split of its shares at the ratio of one thousand (1,000) shares of each type to one (1) share of such type and a change in the ratio of American Depositary Shares (ADSs) traded on the New York Stock Exchange, where one (1) ADS represented one (1) preferred share.

Preferred Shares Rights

In accordance with Ultrapar s bylaws, Ultrapar s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because Ultrapar s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of Ultrapar s preferred shares cannot acquire voting rights as a result of Ultrapar s failure to distribute dividends.

Brazilian corporate law also provides that holders of Ultrapar s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to Ultrapar s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over Ultrapar s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of Ultrapar s common shares, but also a prior approval or ratification by shareholders holding the majority of Ultrapar s preferred shares.

According to Brazilian corporate law, (i) Ultrapar s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of Ultrapar s total capital stock, and (ii) holders of common shares that are not controlling shareholders, and who represent, at least, 15% of Ultrapar s total voting stock, will have the right to elect one member of Ultrapar s board of directors.

In case Ultrapar s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of Ultrapar s total capital, they may elect a member of Ultrapar s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon Ultrapar s liquidation, holders of preferred shares shall have priority in relation to holders of common shares in respect of their return on capital, without any premium. The holders of Ultrapar s preferred shares have the right to receive the same amount of dividends per share to which the holders of Ultrapar s common shares are entitled. See Comparative Market Price and Dividend Information.

Ultrapar s preferred shares have tag along rights, which enable their holders to, upon the sale of a controlling interest in us, receive 100% of the price paid per common share of the controlling block. On March 22, 2000, Ultrapar s controlling shareholders entered into a shareholders agreement designed to ensure the equal treatment of all non-controlling shareholders in the event of any change in control. Pursuant to the agreement, the provisions of which have been incorporated in Ultrapar s bylaws, any transfer of Ultrapar s control, either directly or indirectly, may only be executed in conjunction with a public tender offer by the acquiring entity to purchase the shares of all minority shareholders under the same price and payment terms as those offered to the controlling shareholders. The agreement provides that there will be no discount or price differentiation between the shares in the public tender offer and those being sold by the controlling shareholders. The offer must be made on both the São Paulo Stock Exchange and the New York Stock Exchange.

Preemptive Rights

Ultrapar s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in proportion to their shareholdings. Ultrapar s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire Ultrapar s shares and subscription warrants that Ultrapar may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain their participation in the total capital stock, may subscribe for other classes or types of shares.

According to Brazilian corporate law and Ultrapar s bylaws, Ultrapar s board of directors is authorized to exclude preemptive rights for the issuance of new shares, convertible debentures and subscription warrants if the distribution of those shares is effected through stock exchanges or public subscription. In addition, Brazilian corporate law establishes that the grant and exercise of stock options under stock option plans are not subject to preemptive rights.

Conversion Rights

In accordance with Ultrapar s bylaws, Ultrapar s common shares may be converted into Ultrapar s preferred shares, upon the request of the shareholder that requested such conversions, and subsequent to approval by a general shareholders meeting, and also subject to the limitations established by Brazilian corporate law.

In addition, according to the Shareholders Agreement of Ultrapar signed in 2004, shareholders of the controlling entity of Ultrapar, Ultra S.A. Participações, or Ultra , may request the exchange of their Ultra common or preferred shares into Ultrapar s preferred shares, provided that Ultra continues as the holder of 51%

of Ultrapar s common shares and that the existing limit for the proportion of Ultrapar s capital stock, corresponding to a ratio of one-third of common shares to two-thirds of preferred shares, is not exceeded.

Corporate Purpose

As per Ultrapar s bylaws, Ultrapar s corporate purpose is to use Ultrapar s capital in commerce, industry, agriculture and as service providers, upon the subscription or acquisition of shares or quotas issued by companies.

Shareholders Meetings

At Ultrapar s shareholders meetings, shareholders are generally empowered to take any action relating to Ultrapar s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve Ultrapar s financial statements and to determine the allocation of Ultrapar s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to such shareholders meeting. The election of Ultrapar s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of Ultrapar s fiscal council may be elected at any shareholders meeting.

An extraordinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of Ultrapar s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or Ultrapar s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of Ultrapar s capital stock;
- approval of Ultrapar s transformation into a *sociedade limitada* or any other corporate form;
- approval of Ultrapar s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of Ultrapar s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and
- authorization to petition for Ultrapar s bankruptcy or request the compulsory rescheduling of Ultrapar s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

the right to participate in the distribution of profits;

the right to participate equally and ratably in any remaining residual assets in the event of liquidation of the Company;

the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law described in Preemptive Rights ;

- the right to withdraw from the Company in the cases specified in Brazilian corporate law; and
- the right to supervise, pursuant to Brazilian corporate law, the management of the Company.

Quorum

Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend Ultrapar s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of Ultrapar s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of Ultrapar s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of Ultrapar s issued and outstanding voting capital is required to:

- modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
- reduce the percentage of mandatory dividends;
- change Ultrapar s corporate purpose;
- merge us into or with another company;
- spin off a portion of Ultrapar s assets or liabilities;
- approve Ultrapar s participation in a group of companies;
- apply for cancellation of any voluntary liquidation; and
- approve Ultrapar s dissolution.

Notice of Ultrapar s shareholders meetings

Notice of Ultrapar s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where Ultrapar s headquarters are located and another newspaper widely published, currently *Valor Econômico*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission

Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights and Redemption

Appraisal rights

Any of Ultrapar s shareholders who dissent from certain actions taken by Ultrapar s shareholders in a shareholders meeting have the right to withdraw from Ultrapar and to receive the value of their shares.

According to Brazilian corporate law and Ultrapar s bylaws, the appraisal rights of Ultrapar s shareholders may be exercised in the following circumstances:

- modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;
- reduction in the percentage of mandatory dividends;
- change in Ultrapar s corporate purpose;
- merger (*fusão or incorporação*) with another company if Ultrapar is not the surviving entity;
- Ultrapar s participation in a group of companies;
- change in Ultrapar s corporate form;
- merger of all Ultrapar s shares into another Brazilian company, so that Ultrapar becomes a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding Ultrapar s spin-off would only entitle shareholders to withdraw from Ultrapar s company if the spin-off:

- causes a change in the purpose of the Company, except if the equity is spun off to a company whose primary activities are consistent with Ultrapar s corporate purpose;
- reduces Ultrapar s mandatory dividends; or
- causes us to join a group of companies.

In cases where Ultrapar modifies a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creates a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where Ultrapar:

- merges with another company in circumstances in which Ultrapar is not the surviving company; or participates in a group of companies,

Ultrapar s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

Ultrapar s shareholders shall have appraisal rights in case Ultrapar implements a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days after the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. Ultrapar is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize Ultrapar s financial stability.

In case of exercise of appraisal rights, Ultrapar s shareholders are entitled to receive book value for their shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made later than 60 days after the date of the last approved balance sheet, a shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, Ultrapar must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by Ultrapar s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption

In accordance with Brazilian corporate law, Ultrapar s shares may be redeemed upon the decision of Ultrapar s shareholders. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to Ultrapar s bylaws, Ultrapar s board of directors consists of a minimum of four and a maximum of seven members. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of Ultrapar s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of Ultrapar s voting share capital. Ultrapar s directors are elected by Ultrapar s shareholders at Ultrapar s annual shareholders meeting for a one-year term.

Brazilian corporate law requires that each director own at least one share of Ultrapar s company. There is no mandatory retirement age for directors.

Transactions in Which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization from Shareholders Meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, for his or her own or a third party s benefit, or for a company s benefit in which he or she has an interest.

The compensation of directors is determined at the annual shareholders meetings.

Anti-Takeover Effects of Certain Provisions of Ultrapar s Bylaws

Some provisions of Ultrapar s bylaws may have the effect of discouraging, delaying or preventing hostile takeovers of Ultrapar s company. Ultrapar s bylaws provide that any person who purchases control of Ultrapar s company must carry out a tender offer for the remaining shares, at the same price and on the same payment conditions, adjusted between such person and Ultrapar s controlling shareholders. This requirement is intended to protect minority shareholders.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

Ultrapar s direct or indirect controlling shareholders, directors and executive officers and members of Ultrapar s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in Ultrapar s securities, including derivatives based on Ultrapar s securities, among others, as follows:

- before the public disclosure of any material act or fact with respect to Ultrapar s business;
- if Ultrapar intends to merge with another company, consolidate, spin off part or all of Ultrapar s assets or reorganize;
- during the 15-day period before the disclosure of Ultrapar s quarterly and annual financial statements; or
- with respect only to Ultrapar s controlling shareholders, directors and executive directors, in the event of acquisition or sale of Ultrapar s shares by us or the transaction or sale of Ultrapar s shares by any of Ultrapar s controlled or affiliated companies or any other company under Ultrapar s common control.

Purchases by Us of Shares of Ultrapar s Own Capital Stock

Ultrapar s bylaws entitle Ultrapar s board of directors to approve the transaction of Ultrapar s own shares. The decision to acquire Ultrapar s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of Ultrapar s share capital;
- require the use of resources greater than Ultrapar s accumulated profits and available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by Ultrapar s controlling shareholders.

Ultrapar may not keep in treasury more than 10% of the float of each class of Ultrapar s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by us of Ultrapar s shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, Ultrapar is subject to the reporting requirements established by Brazilian corporate law and the CVM.

As a result of the issuance of Ultrapar s ADSs, Ultrapar is required to furnish to the SEC certain information, which Ultrapar files with the CVM, translated into English.

In addition to the provisions of the CVM and the SEC, the Company has also implemented a disclosure and trading policy regarding the procedures to be followed (i) for announcing material information or facts relating to Ultrapar and (ii) with respect to the trading of securities issued by the Company while material information is pending disclosure.

Disclosure of information

Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders

Brazilian securities regulation requires Ultrapar s controlling shareholders, management, members of Ultrapar s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by us, Ultrapar s subsidiaries and Ultrapar s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments

Under Brazilian securities regulations, Ultrapar must disclose any material development related to Ultrapar s business to the CVM and BOVESPA. Ultrapar is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of Ultrapar s securities, the decision of investors to hold, purchase or sell Ultrapar s securities, or the decision of investors to exercise any rights as holders of any of Ultrapar s securities.

Registry of Ultrapar s Preferred Shares

Ultrapar s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of Ultrapar s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Delisting as a Public Company

Ultrapar s delisting as a public company must be preceded by a tender offer by Ultrapar s controlling shareholders or ourselves for the transaction of all Ultrapar s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established by Brazilian corporate law;

- shareholders holding more than two-thirds of Ultrapar s free float shares shall have expressly agreed to Ultrapar s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to Ultrapar s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of Ultrapar s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of Ultrapar s outstanding shares, by means of a request sent to Ultrapar s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. Ultrapar s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

DESCRIPTION OF RIPI PREFERRED SHARES

RIPI Issued Capital Stock

RIPI s capital stock is R$475,000,000.00, fully subscribed and paid in, comprised of 29,600,000 shares, without par value, of which 9,982,404 are common shares and 19,617,596 are preferred shares. As of September 27, 2007, RIPI held no common shares or preferred shares in treasury.

Preferred Shares Rights

In accordance with RIPI s bylaws, RIPI s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because RIPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of RIPI s preferred shares cannot acquire voting rights as a result of RIPI s failure to distribute dividends.

Brazilian corporate law also provides that holders of RIPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to RIPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over RIPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of RIPI s common shares, but also a prior approval or ratification by shareholders holding the majority of RIPI s preferred shares.

According to Brazilian corporate law, (i) RIPI s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of RIPI s total capital stock, and (ii) holders of common shares, that are not controlling shareholders, and who represent, at least, 15% of RIPI s total voting stock, will have the right to elect one member of RIPI s board of directors.

In case RIPI s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of RIPI s total capital, they may elect a member of RIPI s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon RIPI s liquidation, holders of preferred shares shall have the priority in relation to holders of common shares to their return on capital, without any premium. RIPI shareholders have the right to participate in any dividend payment or stock dividend distribution in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of RIPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. See Comparative Market Price and Dividend Information.

Preemptive Rights

RIPI s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in the proportion to their shareholdings. RIPI s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire RIPI s shares and subscription warrants that RIPI may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain its participation in the total capital stock, may subscribe for other classes or types of shares.

Corporate Purpose

As per RIPI s bylaws, RIPI s corporate purpose is to operate and exploit an oil refinery in the city of Rio Grande, warehousing of fuels; import, export and commercialization of oil products raw materials for industrial purposes and exploitation of chemical products, except pharmaceuticals.

Shareholders Meetings

At RIPI s shareholders meetings, shareholders are generally empowered to take any action relating to RIPI s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve RIPI s financial statements and to determine the allocation of RIPI s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the shareholders meeting. The election of RIPI s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of RIPI s fiscal council may be elected at any shareholders meeting.

An extraordinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of RIPI s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or RIPI s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of RIPI s capital stock;
- approval of RIPI s transformation into a *sociedade limitada* or any other corporate form;
- approval of RIPI s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of RIPI s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and
- authorization to petition for RIPI s bankruptcy or request the compulsory rescheduling of RIPI s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

the right to participate in the distribution of profits;

the right to participate equally and ratably in any remaining residual assets in the event of liquidation of RIPI;

- the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law;
- the right to withdraw from RIPI in the cases specified in Brazilian corporate law, and
- the right to supervise, pursuant to Brazilian corporate law, the management of the company.

Quorum. Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend RIPI s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of RIPI s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of RIPI s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of RIPI s issued and outstanding voting capital is required to:

- modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
- reduce the percentage of mandatory dividends;
- change RIPI s corporate purpose;
- merge us into or with another company;
- spin off a portion of RIPI s assets or liabilities;
- approve RIPI s participation in a group of companies;
- apply for cancellation of any voluntary liquidation; and
- approve RIPI s dissolution.

Notice of RIPI s shareholders meetings. Notice of RIPI s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where RIPI s headquarters are located and another newspaper widely published, currently RIPI publishes in the Estado de São Paulo and in a local newspaper called *Agora*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission. Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights And Redemption

Appraisal rights. Any of RIPI s shareholders who dissent from certain actions taken by RIPI s shareholders in a shareholders meeting have the right to withdraw from RIPI s company and to receive the value of their shares.

According to Brazilian corporate law, the appraisal rights of RIPI s shareholders may be exercised in the following circumstances:

- modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;
- reduction in the percentage of mandatory dividends;
- change in RIPI s corporate purpose;
- merger (*fusão or incorporação*) with another company if RIPI is not the surviving entity;
- RIPI s participation in a group of companies;
- change in RIPI s corporate form;
- merger of all RIPI s shares into another Brazilian company, so that RIPI become a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding RIPI s spin-off would only entitle shareholders to withdraw from RIPI s company if the spin-off:

- causes a change in the purpose of RIPI, except if the equity is spun off to a company whose primary activities are consistent with RIPI s corporate purpose;
- reduces RIPI s mandatory dividends; or
- causes RIPI to join a group of companies.

In cases where RIPI modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where RIPI:

- merge with another company in circumstances in which RIPI is not the surviving company; or
- participate in a group of companies,

RIPI s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

RIPI s shareholders shall have appraisal rights in case RIPI implement a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days from the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. RIPI is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize RIPI s financial stability.

In case of exercise of appraisal rights, RIPI s shareholders are entitled to receive book value for the shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, RIPI must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by RIPI s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption. In accordance with Brazilian corporate law, RIPI s shares may be redeemed upon the decision of RIPI s shareholders meeting. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to RIPI s bylaws, RIPI board of directors currently consists of 7 directors. RIPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of RIPI s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of RIPI s voting share capital.

Brazilian corporate law requires that each director own at least one share of RIPI s company. There is no mandatory retirement age for directors.

Transactions in which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization at a shareholders meeting or from the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

The compensation of directors is determined at the annual shareholders meetings.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

RIPI s direct or indirect controlling shareholders, directors, executive officers and members of RIPI s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in RIPI s securities, including derivatives based on RIPI s securities, as follows, among others:

- before the public disclosure of any material act or fact with respect to RIPI s business;
- if RIPI intend to merge with another company, consolidate, spin off part or all of RIPI s assets or reorganize;
- during the 15-day period before the disclosure of RIPI s quarterly and annual financial statements; or

with respect only to RIPI s controlling shareholders, directors and executive directors, in the event of acquisition or sale of RIPI s shares by RIPI or the transaction or sale of RIPI s shares by any of RIPI s controlled or affiliated companies or any other company under RIPI s common control.

Purchases by Us of Shares of RIPI s Own Capital Stock

RIPI s bylaws entitle RIPI s board of directors to approve the transaction of RIPI s own shares. The decision to acquire RIPI s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of RIPI s share capital;
- require the use of resources greater than RIPI s accumulated profits and the available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by RIPI s controlling shareholders.

RIPI may not keep in treasury more than 10% of the float of each class of RIPI s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by RIPI of its own shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, RIPI is subject to the reporting requirements established by Brazilian corporate law and the CVM.

Disclosure of information. Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders. Brazilian securities regulation requires RIPI s controlling shareholders, management, members of RIPI s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by RIPI, RIPI s subsidiaries and RIPI s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments. Under Brazilian securities regulations, RIPI must disclose any material development related to RIPI s business to the CVM and BOVESPA. RIPI is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of RIPI s securities, the decision of investors to hold, purchase or sell RIPI s securities, or the decision of investors to exercise any rights as holders of any of RIPI s securities.

Registry of RIPI s Preferred Shares

RIPI s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of RIPI s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Delisting as a Public Company

RIPI s delisting as a public company must be preceded by a tender offer by RIPI s controlling shareholders or ourselves for the transaction of all RIPI s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established in Brazilian corporate law;

- shareholders holding more than two-thirds of RIPI s free float shares shall have expressly agreed to RIPI s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to RIPI s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of RIPI s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of RIPI s outstanding shares, by means of a request sent to RIPI s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. RIPI s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

DESCRIPTION OF DPPI PREFERRED SHARES

DPPI Issued Capital Stock

DPPI s capital stock is R$615,000,000.00, fully subscribed and paid in, comprised of 32,000,000 shares, without par value, of which 10,706,368 are common shares and 21,293,632 are preferred shares. As of September 27, 2007, DPPI held no common shares or preferred shares in treasury.

Preferred Shares Rights

In accordance with DPPI s bylaws, DPPI s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because DPPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of DPPI s preferred shares cannot acquire voting rights as a result of DPPI s failure to distribute dividends.

Brazilian corporate law also provides that holders of DPPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to DPPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over DPPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of DPPI s common shares, but also a prior approval or ratification by shareholders holding the majority of DPPI s preferred shares.

According to Brazilian corporate law, (i) DPPI s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of DPPI s total capital stock, and (ii) holders of common shares, that are not controlling shareholders, and who represent, at least, 15% of DPPI s total voting stock, will have the right to elect one member of DPPI s board of directors.

In case DPPI s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of DPPI s total capital, they may elect a member of DPPI s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon DPPI s liquidation, holders of preferred shares shall have the priority in relation to holders of common shares to their return on capital, without any premium. DPPI shareholders have the right to participate in any dividend payment or stock dividend distribution in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of DPPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. See Comparative Market Price and Dividend Information.

Preemptive Rights

DPPI s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in the proportion to their shareholdings. DPPI s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire DPPI s shares and subscription warrants that DPPI may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain its participation in the total capital stock, may subscribe for other classes or types of shares.

Corporate Purpose

As per DPPI s bylaws, DPPI s corporate purpose is to operate and exploit an oil refinery in the city of Rio Grande, warehousing of fuels; import, export and commercialization of oil products raw materials for industrial purposes and exploitation of chemical products, except pharmaceuticals.

Shareholders Meetings

At DPPI s shareholders meetings, shareholders are generally empowered to take any action relating to DPPI s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve DPPI s financial statements and to determine the allocation of DPPI s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the shareholders meeting. The election of DPPI s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of DPPI s fiscal council may be elected at any shareholders meeting.

An extrarodinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of DPPI s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or DPPI s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of DPPI s capital stock;
- approval of DPPI s transformation into a *sociedade limitada* or any other corporate form;
- approval of DPPI s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of DPPI s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and
- authorization to petition for DPPI s bankruptcy or request the compulsory rescheduling of DPPI s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

the right to participate in the distribution of profits;

the right to participate equally and ratably in any remaining residual assets in the event of liquidation of DPPI;

the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law;

the right to withdraw from DPPI in the cases specified in Brazilian corporate law, and

the right to supervise, pursuant to Brazilian corporate law, the management of the company.

Quorum. Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend DPPI s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of DPPI s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of DPPI s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of DPPI s issued and outstanding voting capital is required to:

modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;

reduce the percentage of mandatory dividends;

change DPPI s corporate purpose;

merge us into or with another company;

spin off a portion of DPPI s assets or liabilities;

approve DPPI s participation in a group of companies;

apply for cancellation of any voluntary liquidation; and

approve DPPI s dissolution.

Notice of DPPI s shareholders meetings. Notice of DPPI s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where DPPI s headquarters are located and another newspaper widely published, currently DPPI publishes in the Estado de São Paulo and in a local newspaper called *Jornal do Comércio of Porto Alegre*. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission. Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights And Redemption

Appraisal rights. Any of DPPI s shareholders who dissent from certain actions taken by DPPI s shareholders in a shareholders meeting have the right to withdraw from DPPI s company and to receive the value of their shares.

According to Brazilian corporate law, the appraisal rights of DPPI s shareholders may be exercised in the following circumstances:

modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;

- reduction in the percentage of mandatory dividends;
- change in DPPI s corporate purpose;
- merger (*fusão or incorporação*) with another company if DPPI is not the surviving entity;
- DPPI s participation in a group of companies;
- change in DPPI s corporate form;
- merger of all DPPI s shares into another Brazilian company, so that DPPI become a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding DPPI s spin-off would only entitle shareholders to withdraw from DPPI s company if the spin-off:

- causes a change in the purpose of DPPI, except if the equity is spun off to a company whose primary activities are consistent with DPPI s corporate purpose;
- reduces DPPI s mandatory dividends; or
- causes DPPI to join a group of companies.

In cases where DPPI modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where DPPI:

- merge with another company in circumstances in which DPPI is not the surviving company; or
- participate in a group of companies,

DPPI s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

DPPI s shareholders shall have appraisal rights in case DPPI implement a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days from the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. DPPI is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize DPPI s financial stability.

In case of exercise of appraisal rights, DPPI s shareholders are entitled to receive book value for the shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, DPPI must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by DPPI s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption. In accordance with Brazilian corporate law, DPPI s shares may be redeemed upon the decision of DPPI s shareholders meeting. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to DPPI s bylaws, the DPPI board of directors currently consists of 6 directors. DPPI s bylaws provide that the number of directors will not be fewer than five nor more than seven. Each director is elected for a three-year term and a reelection is permitted. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of DPPI s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of DPPI s voting share capital.

Brazilian corporate law requires that each director own at least one share of DPPI s company. There is no mandatory retirement age for directors.

Transactions in which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization from Shareholders Meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

The compensation of directors is determined at the annual shareholders meetings.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

DPPI s direct or indirect controlling shareholders, directors, executive officers and members of DPPI s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in DPPI s securities, including derivatives based on DPPI s securities, as follows, among others:

- before the public disclosure of any material act or fact with respect to DPPI s business;
- if DPPI intend to merge with another company, consolidate, spin off part or all of DPPI s assets or reorganize;
- during the 15-day period before the disclosure of DPPI s quarterly and annual financial statements; or
- with respect only to DPPI s controlling shareholders, directors and executive directors, in the event of acquisition or sale of DPPI s shares by DPPI or the transaction or sale of DPPI s shares by any of DPPI s controlled or affiliated companies or any other company under DPPI s common control.

Purchases by Us of Shares of DPPI s Own Capital Stock

DPPI s bylaws entitle DPPI s board of directors to approve the transaction of DPPI s own shares. The decision to acquire DPPI s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of DPPI s share capital;
- require the use of resources greater than DPPI s accumulated profits and the available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by DPPI s controlling shareholders.

DPPI may not keep in treasury more than 10% of the float of each class of DPPI s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by DPPI of its own shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, DPPI is subject to the reporting requirements established by Brazilian corporate law and the CVM.

Disclosure of information. Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders. Brazilian securities regulation requires DPPI s controlling shareholders, management, members of DPPI s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by DPPI, DPPI s subsidiaries and DPPI s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments. Under Brazilian securities regulations, DPPI must disclose any material development related to DPPI s business to the CVM and BOVESPA. DPPI is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of DPPI s securities, the decision of investors to hold, purchase or sell DPPI s securities, or the decision of investors to exercise any rights as holders of any of DPPI s securities.

Registry of DPPI s Preferred Shares

DPPI s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of DPPI s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Delisting as a Public Company

DPPI s delisting as a public company must be preceded by a tender offer by DPPI s controlling shareholders or ourselves for the transaction of all DPPI s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established in Brazilian corporate law;

- shareholders holding more than two-thirds of DPPI s free float shares shall have expressly agreed to DPPI s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to DPPI s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of DPPI s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of DPPI s outstanding shares, by means of a request sent to DPPI s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. DPPI s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

DESCRIPTION OF CBPI PREFERRED SHARES

CBPI Issued Capital Stock

CBPI s capital stock is R$ R$1,030,000,000.00, fully subscribed and paid in, comprised of 105,952,000 shares, without par value, of which 35,409,306 are common shares and 70,542,694 are preferred shares. As of September 27, 2007, CBPI held no common shares or preferred shares in treasury.

Preferred Shares Rights

In accordance with CBPI s bylaws, CBPI s preferred shares do not entitle their holders to voting rights in the shareholders meetings, except for specific events determined by Brazilian corporate law.

Brazilian corporate law provides that non-voting shares, such as preferred shares, may acquire voting rights if the Company fails to distribute fixed or minimum dividends in connection with such shares for three consecutive fiscal years and will retain such voting rights until the distribution of such fixed or minimum dividends.

Because CBPI s preferred shares are not entitled to the payment of any fixed or minimum dividend, holders of CBPI s preferred shares cannot acquire voting rights as a result of CBPI s failure to distribute dividends.

Brazilian corporate law also provides that holders of CBPI s preferred shares are entitled to vote as a special class in shareholders meetings called to decide upon changes to the preferences or rights attributed to CBPI s preferred shares and upon the creation of a new class of preferred shares that has either priority or preference over CBPI s existing preferred shares or the increase of an existing class of preferred shares disproportionately relative to the other classes. The approval of such proposals depends not only on the affirmative vote of shareholders holding the majority of CBPI s common shares, but also a prior approval or ratification by shareholders holding the majority of CBPI s preferred shares.

According to Brazilian corporate law, (i) CBPI s shareholders that jointly hold non-voting preferred shares, or shares with restricted voting rights, that represent, at least, 10% of CBPI s total capital stock, and (ii) holders of common shares, that are not controlling shareholders, and who represent, at least, 15% of CBPI s total voting stock, will have the right to elect one member of CBPI s board of directors.

In case CBPI s non-controlling shareholders do not achieve the aforementioned percentage, they may combine their participation and, if they hold jointly, at least, 10% of DPPI s total capital, they may elect a member of DPPI s board of directors. Only shareholders that prove they have held the shares for at least three continuous months may exercise such rights.

Upon DPPI s liquidation, holders of preferred shares shall have the priority in relation to holders of common shares to their return on capital, without any premium. DPPI shareholders have the right to participate in any dividend payment or stock dividend distribution in proportion to the paid-in capital corresponding to their shares. Preferred shareholders of DPPI have the right to receive dividends 10% higher then those paid to the common stock shareholders of such companies. See Comparative Market Price and Dividend Information.

Preemptive Rights

CBPI s shareholders have the preemptive right to subscribe for new shares issued by us in case of any capital increase, in the proportion to their shareholdings. CBPI s shareholders also have the preemptive right to subscribe for any convertible debentures, and rights to acquire CBPI s shares and subscription warrants that CBPI may issue. According to Brazilian corporate law, a period of at least 30 days following the publication of notice of the capital increase is allowed for the exercise of the preemptive right, except if otherwise determined by the bylaws or the shareholders meeting.

According to Brazilian corporate law, capital increases that do not change the proportion between the existing classes and types of shares entitle the shareholders to exercise their preemptive rights solely with respect to shares of equal class and type as the shares each of them already holds. Notwithstanding that, if the Company issues shares that cause changes to the existing proportion of classes and types of shares, then the shareholders may exercise their preemptive rights with respect to shares of equal class and type as the shares they already hold and, only if necessary to maintain its participation in the total capital stock, may subscribe for other classes or types of shares.

Corporate Purpose

As per CBPI s bylaws, CBPI s corporate purpose is to operate and exploit an oil refinery in the city of Rio Grande, warehousing of fuels; import, export and commercialization of oil products raw materials for industrial purposes and exploitation of chemical products, except pharmaceuticals.

Shareholders Meetings

At CBPI s shareholders meetings, shareholders are generally empowered to take any action relating to CBPI s corporate purpose and to pass such resolutions as they deem necessary. Shareholders at the annual shareholders meeting have the exclusive power to approve DPPI s financial statements and to determine the allocation of DPPI s net income and the distribution of dividends with respect to the fiscal year ended immediately prior to the shareholders meeting. The election of DPPI s directors typically takes place at the annual shareholders meeting, although under Brazilian corporate law it may also occur at an extraordinary shareholders meeting. Members of CBPI s fiscal council may be elected at any shareholders meeting.

An extrarodinary shareholders meeting may be held at any time or concurrently with the annual shareholders meeting. The following actions, among others, may be taken only at an extraordinary shareholders meeting:

- amendment of CBPI s bylaws;
- delisting of the Company as a publicly held company with the CVM;
- authorization to issue debentures;
- suspension of the rights of a shareholder who has violated Brazilian corporate law or CBPI s bylaws;
- acceptance or rejection of the valuation of in-kind contributions offered by a shareholder in consideration for issuance of shares of CBPI s capital stock;
- approval of CBPI s transformation into a *sociedade limitada* or any other corporate form;
- approval of CBPI s merger with another company (*incorporação or fusão*) or a spin-off (*cisão*);
- approval of CBPI s dissolution or liquidation, and the appointment and dismissal of the respective liquidator and review of the reports prepared by him or her and by the acting fiscal council during such liquidation; and

- authorization to petition for CBPI s bankruptcy or request the compulsory rescheduling of CBPI s debts.

According to Brazilian corporate law, neither a company s bylaws nor actions taken at a shareholders meeting may deprive a shareholder of some specific rights, such as:

- the right to participate in the distribution of profits;
- the right to participate equally and ratably in any remaining residual assets in the event of liquidation of CBPI;

- the right to preemptive rights in the event of subscription of shares, convertible debentures or subscription warrants, except in some specific circumstances under the Brazilian law;
- the right to withdraw from CBPI in the cases specified in Brazilian corporate law, and
- the right to supervise, pursuant to Brazilian corporate law, the management of the company.

Quorum. Generally, Brazilian corporate law provides that a quorum at a shareholders meeting consists of shareholders representing at least 25% of a company s issued and outstanding voting capital on the first call and, if that quorum is not reached, any percentage on the second call. If the shareholders are called to amend CBPI s bylaws, a quorum at a shareholders meeting consists of shareholders representing at least two-thirds of CBPI s issued and outstanding voting capital on the first call and any percentage on the second call.

As a general rule, the affirmative vote of shareholders representing at least the majority of CBPI s issued and outstanding common shares present in person or represented by proxy at a shareholders meeting is required to ratify any proposed action, and abstentions are not taken into account. However, the affirmative vote of shareholders representing one-half of CBPI s issued and outstanding voting capital is required to:

- modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares;
- reduce the percentage of mandatory dividends;
- change CBPI s corporate purpose;
- merge us into or with another company;
- spin off a portion of CBPI s assets or liabilities;
- approve CBPI s participation in a group of companies;
- apply for cancellation of any voluntary liquidation; and
- approve CBPI s dissolution.

Notice of CBPI s shareholders meetings. Notice of CBPI s shareholders meetings must be published at least three times in the *Diário Oficial da União* or the *Diário Oficial do Estado*, the official newspaper of the state where CBPI s headquarters are located and another newspaper widely published, currently CBPI publishes in the Estado de São Paulo and in Valor Econômico. The first notice must be published no later than 15 days before the date of the meeting on the first call, and no later than eight days before the date of the meeting on the second call. However, in certain circumstances, the CVM may require that the first notice be published 30 days in advance of the meeting.

Conditions of admission. Shareholders attending a shareholders meeting must produce proof of their status as shareholders and proof that they hold the shares they intend to vote.

A shareholder may be represented at a shareholders meeting by a proxy appointed less than a year before, which must be a shareholder, a corporation officer, a lawyer or a financial institution. Investment funds must be represented by their administrator.

Appraisal Rights And Redemption

Appraisal rights. Any of CBPI s shareholders who dissent from certain actions taken by CBPI s shareholders in a shareholders meeting have the right to withdraw from CBPI s company and to receive the value of their shares.

According to Brazilian corporate law, the appraisal rights of CBPI s shareholders may be exercised in the following circumstances:

- modification of a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or creation of a new class with greater privileges than the existing classes of preferred shares;
- reduction in the percentage of mandatory dividends;
- change in CBPI s corporate purpose;
- merger (*fusão or incorporação*) with another company if CBPI is not the surviving entity;
- CBPI s participation in a group of companies;
- change in CBPI s corporate form;
- merger of all CBPI s shares into another Brazilian company, so that CBPI become a wholly owned subsidiary of such company; and
- acquisition of the shareholding control of another company for a price that exceeds certain limits provided by law.

Brazilian corporate law further provides that any resolution regarding CBPI s spin-off would only entitle shareholders to withdraw from CBPI s company if the spin-off:

- causes a change in the purpose of CBPI, except if the equity is spun off to a company whose primary activities are consistent with CBPI s corporate purpose;
- reduces CBPI s mandatory dividends; or
- causes CBPI to join a group of companies.

In cases where CBPI modify a preference, privilege or condition of redemption or amortization conferred on one or more classes of preferred shares, or create a new class with greater privileges than the existing classes of preferred shares, the decision will be effective only upon the prior approval or ratification by holders of preferred shares negatively affected by this action at a special meeting of the holders of preferred shares. In these cases, only such holders of the shares negatively affected by this action are entitled to withdraw.

In cases where CBPI:

- merge with another company in circumstances in which CBPI is not the surviving company; or
- participate in a group of companies,

CBPI s shareholders will not be entitled to withdraw if their respective shares (i) are liquid, defined as being part of a traded stock exchange index, and (ii) are widely held, such that the controlling shareholder or companies it controls hold less than 50% of such class or type of shares relating to the withdrawal right.

CBPI s shareholders shall have appraisal rights in case CBPI implement a merger or spin-off and the resulting company does not obtain its register as a publicly held company or does not cause its shares to be permitted to trade in the secondary market within 120 days from the shareholders meeting that approves such transaction.

The right to withdraw expires 30 days after publication of the minutes of the relevant shareholders meeting. CBPI is entitled to reconsider any action giving rise to withdrawal rights for 10 days after the expiration of those rights if the redemption of shares of dissenting shareholders would jeopardize CBPI s financial stability.

In case of exercise of appraisal rights, CBPI s shareholders are entitled to receive book value for the shares, based on the last balance sheet approved by the shareholders. If the resolution giving rise to the rights is made later than 60 days after the date of the last approved balance sheet, the shareholder may demand that his or her shares be valued according to a new balance sheet dated less than 60 days before the resolution date. In this case, CBPI must immediately pay 80% of the book value of the shares according to the most recent balance sheet approved by CBPI s shareholders, and the balance must be paid within 120 days after the date of the resolution of the relevant shareholders meeting.

Redemption. In accordance with Brazilian corporate law, CBPI s shares may be redeemed upon the decision of CBPI s shareholders meeting. If the shares to be redeemed do not involve the totality of a certain class or type of shares, they must be chosen by lottery.

Board of Directors

According to CBPI s bylaws, the CBPI board of directors currently consists of 7 directors. CBPI s bylaws provide that the number of directors will not be fewer than six nor more than eight. Each director is elected for a three-year term and a reelection is permitted. The exact number of directors is defined in a shareholders meeting by the majority vote of the holders of CBPI s common shares. Brazilian corporate law allows the adoption of a multiple vote process, by request of shareholders representing at least 10% of CBPI s voting share capital.

Brazilian corporate law requires that each director own at least one share of CBPI s company. There is no mandatory retirement age for directors.

Transactions in which Directors Have an Interest

Brazilian corporate law prohibits a director from:

- performing any act of generosity using corporate assets to the detriment of the corporation;
- by virtue of his or her position, receiving any type of direct or indirect personal advantage from third parties without authorization in the bylaws or from a shareholders meeting;
- taking part in any corporate transaction in which he or she has an interest that conflicts with an interest of the corporation, or in the decisions made by other directors on the matter; and
- without prior authorization from Shareholders Meeting or the board of directors, lending funds or assets of the company, or using the company s assets, services or credits, at his or her own or a third party s benefit, or at a company s benefit in which he or she has interest.

The compensation of directors is determined at the annual shareholders meetings.

Restrictions on Certain Transactions by Controlling Shareholders, Directors, Officers and Members of the Fiscal Council

CBPI s direct or indirect controlling shareholders, directors, executive officers and members of CBPI s fiscal council, who are considered insiders under Brazilian securities regulation, must abstain from trading in CBPI s securities, including derivatives based on CBPI s securities, as follows, among others:

- before the public disclosure of any material act or fact with respect to CBPI s business;
- if CBPI intend to merge with another company, consolidate, spin off part or all of CBPI s assets or reorganize;

during the 15-day period before the disclosure of CBPI s quarterly and annual financial statements; or

with respect only to CBPI s controlling shareholders, directors and executive directors, in the event of acquisition or sale of CBPI s shares by CBPI or the transaction or sale of CBPI s shares by any of CBPI s controlled or affiliated companies or any other company under CBPI s common control.

Purchases by Us of Shares of CBPI s Own Capital Stock

CBPI s bylaws entitle CBPI s board of directors to approve the transaction of CBPI s own shares. The decision to acquire CBPI s shares, or maintain the acquired shares in treasury or cancel them, may not, among other things:

- result in the reduction of CBPI s share capital;
- require the use of resources greater than CBPI s accumulated profits and the available reserves;
- create, directly or indirectly, any artificial demand, supply or share price condition or use any unfair practice as a result of any action or omission;
- involve non-equitable practices; or
- be used for the transaction of shares held by CBPI s controlling shareholders.

CBPI may not keep in treasury more than 10% of the float of each class of CBPI s shares, including the shares held by subsidiaries and affiliates.

Any acquisition by CBPI of its own shares must be made on a stock exchange, except where the shares are registered for negotiation only in the over-the-counter market and cannot be made in a private transaction.

Disclosure Requirements

As a publicly held corporation, CBPI is subject to the reporting requirements established by Brazilian corporate law and the CVM.

Disclosure of information. Brazilian securities regulations require that a publicly held corporation provide the CVM and the relevant stock exchanges where its shares are traded with periodic information that includes annual information statements, quarterly financial statements, quarterly management reports and reports of the independent auditors. Brazilian securities regulations also require public companies to file with the CVM shareholders agreements and notices and minutes of shareholders meetings.

Disclosure of trading by insiders. Brazilian securities regulation requires CBPI s controlling shareholders, management, members of CBPI s fiscal council and any other technical or consultant body to disclose to the CVM and BOVESPA the number and type of securities issued by CBPI, CBPI s subsidiaries and CBPI s controlling companies that are held by them or by persons closely related to them. The information regarding the transaction of such securities (amount, price and date of acquisition) must be provided to us within 10 days of the end of the month in which they were traded.

Disclosure of material developments. Under Brazilian securities regulations, CBPI must disclose any material development related to CBPI s business to the CVM and BOVESPA. CBPI is also required to publish a notice of that material development. A development is deemed material if it has an impact on the price of CBPI s securities, the decision of investors to hold, purchase or sell CBPI s securities, or the decision of investors to exercise any rights as holders of any of CBPI s securities.

Registry of CBPI s Preferred Shares

CBPI s preferred shares are held in book-entry form with Banco Itaú S.A. The transfer of CBPI s preferred shares is carried out by means of an entry by Banco Itaú S.A. in its registries as a debit in the account of the seller and a credit in the account of the buyer, with the presentation of a written order of the transferor or a judicial authorization or order to effect such transfers.

Delisting as a Public Company

CBPI s delisting as a public company must be preceded by a tender offer by CBPI s controlling shareholders or ourselves for the transaction of all CBPI s then outstanding shares, subject to the conditions below:

- the price offered for the shares in the public offering must be the fair value of those shares, as established in Brazilian corporate law;

- shareholders holding more than two-thirds of CBPI s free float shares shall have expressly agreed to CBPI s decision to become a private company or accepted the offer.

According to Brazilian corporate law, a fair price shall be at least be equal to CBPI s valuation, as determined by one or more of the following valuation methods: book value, net book value assessed by market price, discounted cash flow, multiples, price of CBPI s shares in the market or any other valuation method accepted by the CVM. The price under such tender offer may be revised if challenged within 15 days of its publication by holders of at least 10% of CBPI s outstanding shares, by means of a request sent to CBPI s management that an extraordinary shareholders meeting be called to decide whether to request a new valuation under the same or a different valuation method. CBPI s shareholders that request a new valuation and those who approve such request shall reimburse us for incurred costs if the new valuation is lower than the challenged valuation. However, if the second valuation is higher, the offeror will have the option to continue the offer with the new price or quit the offer.

ULTRAPAR MARKET ACTIVITIES INVOLVING ULTRAPAR PREFERRED SHARES

Since the announcement of the Transaction, Ultrapar and certain of its affiliates have engaged, and intend to continue to engage, in various activities involving Ultrapar preferred shares outside the United States.

In August 2006, the board of directors approved a share repurchase program with a 12-month term under which we can acquire our own preferred shares at market price and hold them in treasury for subsequent sale or cancellation. The maximum number of shares that may be repurchased is 2,723,106 shares.

On August 8, 2007 the board of directors of Ultrapar approved the renewal of this share repurchase program. The maximum number of shares that may be repurchased is 2,362,131 shares and remains in force for one year with the possibility of renewal. The total shares repurchased from January 1, 2007 through September 27, 2007 under these programs, were preferred shares, as follows:

Period	Total number of shares repurchased	Average price per share in *reais*	Total number of shares repurchased as part of publicly announced plans or programs	Maximum number of shares that may yet be repurchased under the plans or program
January 1, 2007 January 31, 2007				2,362,131
February 1, 2007 February 28, 2007				2,362,131
March 1, 2007 March 31, 2007	45,000	53.12	45,000	2,317,131
April 1, 2007 April 30, 2007	56,900	61.07	56,900	2,260,231
May 1, 2007 May 31, 2007	160,600	59.80	160,600	2,099,631
June 1, 2007 June 30, 2007	92,400	59.21	92,400	2,007,231
July 1, 2007 July 31, 2007	34,500	62.95	34,500	1,972,731
August 1, 2007 August 31, 2007	29,100	59.52	29,100	1,943,631
September 1, 2007 September 27, 2007				1,943,631
Total shares repurchased during 2007	418,500	59.36	418,500	1,943,631

RIPI MARKET ACTIVITIES INVOLVING RIPI PREFERRED SHARES

Since the announcement of the Transaction, RIPI has not engaged in any activities involving its preferred shares.

DPPI MARKET ACTIVITIES INVOLVING DPPI PREFERRED SHARES

Since the announcement of the Transaction, DPPI has not engaged in any activities involving its preferred shares.

CBPI MARKET ACTIVITIES INVOLVING CBPI PREFERRED SHARES

Since the announcement of the Transaction, CBPI has not engaged in any activity involving its preferred shares.

LEGAL MATTERS AND EXPERTS

Legal Matters

Certain matters of U.S. law have been passed upon for us by Davis Polk & Wardwell, New York, New York.

Certain matters of Brazilian law have been passed upon for us by Machado, Meyer, Sendacz e Opice Advogados, São Paulo, Brazil.

Experts

The consolidated financial statements and management s report on the effectiveness of internal control over financial reporting incorporated by reference in this prospectus from our 2006 Form 20-F have been audited by Deloitte Touche Tohmatsu Auditores Independentes, an independent registered public accounting firm, as stated in their reports which are incorporated herein by reference (which reports (1) express an unqualified opinion on the consolidated financial statements and include an explanatory paragraph referring to the inclusion of an additional note to the consolidated financial statements presenting the nature and effect of the differences between accounting practices adopted in Brazil and accounting principles generally accepted in the United States of America (U.S. GAAP) as they relate to the Company, (2) express an unqualified opinion on management s assessment regarding the effectiveness of internal control over financial reporting, and (3) express an unqualified opinion on the effectiveness of internal control over financial reporting), and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Refinaria de Petróleo Ipiranga S.A as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Distribuidora de Produtos de Petróleo Ipiranga S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of Companhia Brasileira de Petróleo Ipiranga and Subsidiaries S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of the Oil Refining Business of Refinaria de Petróleo Ipiranga S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The financial statements of the South Fuel and Lubricant Distribution Business of Distribuidora de Produtos de Petróleo Ipiranga S.A. as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The statement of assets and liabilities assumed and the statement of revenues and direct expenses of the South and Southeast Fuel and Lubricant Distribution Business of Companhia Brasileira de Petróleo Ipiranga as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Auditores Independentes, independent accountants, given on the authority of said firm as experts in auditing and accounting.

Neither the Company s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained in this prospectus, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The reports of PricewaterhouseCoopers Auditores Independentes included in this prospectus relate to the financial information of CBPI, DPPI, and RIPI and they do not extend to the prospective financial information and should not be read to do so.

Enforceability of Civil Liabilities Under U.S. Securities Laws

Ultrapar is a limited liability company (*sociedade anónima*) organized under the laws of the Federative Republic of Brazil. Substantially all of the directors and executive officers of Ultrapar, and certain of the experts named in this document, are not residents of the United States and all or a substantial portion of Ultrapar s assets and directors and officers are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons with respect to matters arising under the Securities Act or to enforce against them judgments of courts of the United States predicated upon civil liability under the Securities Act. Ultrapar is advised by its Brazilian legal counsel that there is doubt as to the enforceability in Brazil in original actions or in actions for enforcement of judgments of U.S. courts of liabilities predicated solely upon the securities laws of the United States. Ultrapar has submitted to the non-exclusive jurisdiction of New York state and U.S. federal courts sitting in New York City for the purpose of any suit, action or proceeding arising out of the Transaction Agreements and has appointed National Registered Agents, Inc. as its agent in New York City to accept service of process in any such action.

WHERE YOU CAN FIND MORE INFORMATION

Ultrapar

Ultrapar files annual reports on Form 20-F and furnishes periodic reports on Form 6-K to the SEC. If you are an Ultrapar shareholder, we may have sent you some of the documents incorporated by reference, but you can obtain any of them through us or the SEC. You may read and copy any materials we have filed with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov. Ultrapar s SEC filings are also available to the public from commercial document retrieval services.

Ultrapar has filed a registration statement on Form F-4 to register with the SEC the Ultrapar preferred shares to be delivered to holders of RIPI, DPPI and CBPI preferred shares in the Share Exchange. This prospectus is a part of that registration statement and constitutes a prospectus of Ultrapar. As allowed by SEC rules, this prospectus does not contain all the information you can find in the registration statement or the exhibits to the registration statement.

Ultrapar is subject to the reporting requirements under the Exchange Act applicable to foreign private issuers. Ultrapar is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. Ultrapar is required to (i) file its annual report on Form 20-F with the SEC within six months after the end of each fiscal year and (ii) furnish reports on Form 6-K to the SEC regarding certain information required to be publicly disclosed by Ultrapar in Brazil or filed with the CVM, or distributed or required to be distributed by Ultrapar to its shareholders. Ultrapar is not required to file periodic reports on Form 10-Q or Form 8-K and is not required to file financial statements prepared in accordance with U.S. GAAP (although it is required to reconcile its financial statements to U.S. GAAP). In addition, Ultrapar is exempt from certain rules under the Exchange Act, including the proxy rules, which impose certain disclosure and procedural requirements for proxy solicitations under Section 14 of the Exchange Act, and is not required to comply with Regulation FD, which addresses certain restrictions on the selective disclosure of material information. Among other matters, Ultrapar s officers, directors and principal shareholders are also exempt from the reporting and short-swing profit recovery provisions of Section 16 of the Exchange Act.

Ultrapar makes available free of charge through its website accessible at www.ultra.com.br all of Ultrapar s reports and other information filed with or furnished to the SEC. With the exception of the reports specifically incorporated by reference in this document as set forth in Incorporation of Certain Documents by Reference, material contained on or accessible through Ultrapar s website is not incorporated into this document. You may also request a copy of Ultrapar s filings at no cost, by writing or calling Ultrapar at the following addresses:

Ultrapar Participações S.A.

Av. Brigadeiro Luis Antônio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

Attention: Investor Relations Department

Telephone: 55-11-3177-6695

Ultrapar is also subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some Ultrapar filings with the CVM are also available at the website maintained by the CVM at *http://www.cvm.gov.br*.

RIPI

RIPI is subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some RIPI filings with the CVM are also available at the website maintained by the CVM at *http://www.cvm.gov.br*.

RIPI also makes available free of charge through its website accessible at www.ipiranga.cvm.br all of RIPI s reports and other information filed with or furnished to the CVM. Material contained on or accessible through RIPI s website is not incorporated into this document. You may also request a copy of RIPI s filings at no cost, by writing or calling RIPI at the following addresses:

Refinaria Petróleo Ipiranga S.A.

Rua Engenheiro Heitor Amaro Barcellos, 551

CEP: 96202-900 Rio Grande RS Brazil

Telephone: 55-53-3233-8001

Fax: 55-53-3233-8014

Attention: Investor Relations Department

DPPI

DPPI is subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some DPPI filings with the CVM are also available at the website maintained by the CVM at *http://ww.cvm.gov.br*.

DPPI also makes available free of charge through its website accessible at www.ipiranga.cvm.br all of DPPI s reports and other information filed with or furnished to the CVM. Material contained on or accessible through DPPI s website is not incorporated into this document. You may also request a copy of DPPI s filings at no cost, by writing or calling RIPI at the following addresses:

Distribuidora de Produtos de Petróleo Ipiranga S.A.

Av. Dolores Alcaraz Caldas, 90 Praia de Belas

CEP: 90110-180 Porto Alegre RS Brazil

Telephone 55-51-3216-4355

Fax: 55-51-3224-0501

Attention: Investor Relations Department

CBPI

CBPI is subject to the informational requirements of the CVM and the BOVESPA and files reports and other information relating to its business, financial condition and other matters with the CVM and Brazilian stock exchanges. You may read these reports, statements and other information at the public reference facilities maintained in Rio de Janeiro or São Paulo. Some CBPI filings with the CVM are also available at the website maintained by the CVM at *http://ww.cvm.gov.br*.

CBPI also makes available free of charge through its website accessible at www.ipiranga.com.br all of CBPI s reports and other information filed with or furnished to the CVM. Material contained on or accessible through CBPI s website is not incorporated into this document. You may also request a copy of CBPI s filings at no cost, by writing or calling RIPI at the following addresses:

Companhia Brasileira de Petróleo Ipiranga S.A.
Rua Francisco Eugênio, 329 São Cristovão
CEP: 20941-900 Rio de Janeiro RJ
Telephone: 55-21-2574-5363/5267
Fax: 55-21-3224-6493
Attention: Investor Relations Department

This document includes the web addresses of the SEC, the CVM, Ultrapar, RIPI, CBPI and CBPI as inactive textual references only. Except as specifically incorporated by reference into this document, information on those websites is not part of this document.

Incorporation of Certain Documents by Reference

This document incorporates by reference certain information that Ultrapar has filed with or furnished to the SEC, which means that Ultrapar discloses important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this document, and information that Ultrapar files later with or furnishes later to the SEC will automatically update and supersede this information to the extent specified in such later filings.

This document incorporates by reference the following documents listed below that Ultrapar has previously filed with the SEC:

Ultrapar SEC Filings (File No. 001-14950)	Period/Filing Date
Annual Report on Form 20-F	Year ended December 31, 2006 (filed on June 7, 2007)
Form 6-K	Filed on June 7, 2007
Form 6-K	Filed on June 14, 2007
Form 6-K	Filing Date June 20, 2007
Form 6-K	Filed on September 14, 2007
Form 6-K	Filed on September 17, 2007
Form 6-K	Filed on September 20, 2007

Ultrapar also incorporates by reference additional documents that it files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act between the date of this document and the date of the RIPI, DPPI and CBPI shareholder meetings. These documents include periodic reports, such as Annual Reports on Form 20-F and certain Current Reports, but only to the extent designated within such Current Reports, furnished by Ultrapar on Form 6-K.

Ultrapar also incorporates the Transaction Agreements herein by reference to Ultrapar s 2006 Form 20-F.

Ultrapar has supplied all information contained or incorporated by reference in this document relating to Ultrapar, RIPI, DPPI and CBPI.

Documents incorporated by reference are available from Ultrapar without charge, excluding exhibits to those documents unless specifically incorporated by reference as an exhibit in this document. You can obtain documents incorporated by reference in this document by requesting them in writing or by telephone from the appropriate company at the addresses listed above in Ultrapar, RIPI, DPPI and CBPI .

None of Ultrapar, RIPI, DPPI or CBPI has authorized anyone to give any information or make any representation about the Share Exchange or their companies that is different from, or in addition to, that contained in this document or in any of the materials that have been incorporated in this document. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this document or the solicitation of proxies is unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this document does not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

EXHIBIT INDEX

2.1	The Investment Agreement entered into by and among Ultrapar, Petrobras and Braskem dated March 18, 2007, as amended by the Amendment to Investment Agreement entered into by and among Ultrapar, Petrobras and Braskem dated April 18, 2007 (incorporated by reference to Exhibit 4.4 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
2.2	Share Purchase Agreement entered into by and among Ultrapar, Petrobras, Braskem and the Key Shareholders of RIPI, DPPI and CBPI, dated April 18, 2007 (incorporated by reference to Exhibit 4.5 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
2.3	Braskem/Petrobras Asset Security Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 4.6 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
2.4	Petrobras Asset Security Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 4.7 to Ultrapar s 2006 Form 20-F filed with the SEC on June 7, 2007).
3.1	Bylaws of Ultrapar, as amended on April 27, 2006 (incorporated by reference to Exhibit 1.1 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.1	Shareholders Agreement dated March 22, 2000 (incorporated by reference to Exhibit 2.1 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.2	Shareholders Agreement dated September 22, 2004 (incorporated by reference to Exhibit 10.3 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
4.3	Indenture in respect of the 1st issue of simple, non-convertible debentures, unsecured and without special privileges, in a single series, for public distribution, dated of February 16, 2005 (incorporated by reference our report on Form 6-K filed on March 1, 2005).
4.4	Indenture, dated as of December 20, 2005, among LPG International Inc., as Issuer, Ultrapar Participações S.A. and Oxiteno S.A. Indústria e Comércio, as Guarantors, JPMorgan Chase Bank, N.A., as Trustee, Transfer Agent and Registrar, J.P. Morgan Trust Bank LTD., as Principal Payment Agent and J.P. Morgan Bank Luxembourg S.A., as Luxembourg Paying Agent, Luxembourg Transfer Agent and Luxembourg Listing Agent (incorporated by reference to Exhibit 2.2 to Form 20-F of Ultrapar Participações S.A. filed on May 5, 2006).
4.5	Amendment dated as of March 31, 2006 to the Indenture dated as of December 20, 2005 (incorporated by reference to Exhibit 2.3 to Form 20-F of Ultrapar Participações S.A. filed on May 5, 2006).
4.6	Indenture regarding first tranche of the issuance of debentures in Brazil totaling R$675 million in connection with the Ipiranga Acquisition (incorporated by reference to Exhibit 2.6 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.7	Target Companies Shareholders Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 2.7 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
4.8	RIPI Shareholders Agreement entered into by and among Ultrapar, Petrobras and Braskem, dated April 18, 2007 (incorporated by reference to Exhibit 2.8 to the Form 20-F of Ultrapar Participações S.A. filed on June 7, 2007).
5.1	Opinion of Machado, Meyer, Sendacz e Opice Advogados (to be filed by amendment).
8.1	Opinion of Davis Polk and Wardwell as to tax matters (to be filed by amendment).
8.2	Opinion of Machado, Meyer, Sendacz e Opice Advogados as to tax matters (to be filed by amendment).
10.1	Share Sale and Purchase Agreement related to the sale and purchase of the entire share capital of Shell Gás (LPG) Brasil S.A. (incorporated by reference to Exhibit 10.2 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).

10.2	Form of agreement between Ultragaz and independent dealers (incorporated by reference to Exhibit 10.4 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
10.3	Take or pay agreement between Tequimar and CODEBA (incorporated by reference to Exhibit 10.5 to Form F-1 of Ultrapar Participações S.A. filed on February 2, 2005).
21.1	List of subsidiaries of Ultrapar (incorporated by reference to Exhibit 8.1 to Ultrapar s Annual Report on Form 20-F filed with the SEC on June 7, 2007).
23.1	Consent of Deloitte Touche Tohmatsu Auditores Independentes regarding use in this Registration Statement of its report dated January 31, 2007 relating to the financial statements of Ultrapar Participações S.A.
23.2	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report dated September 28, 2007 relating to the financial statements of Refinaria de Petróleo Ipiranga S.A.
23.3	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report dated September 28, 2007 relating to the carve-out financial statements of the Oil Refining Business of Refinaria de Petróleo Ipiranga S.A.
23.4	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report dated September 28, 2007 relating to the financial statements of Distribuidora de Produtos de Petróleo Ipiranga S.A.
23.5	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report dated September 28, 2007 relating to the carve-out financial statements of the South Fuel and Lubricants Distribution Business of Distribuidora de Produtos de Petróleo Ipiranga S.A.
23.6	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report dated September 28, 2007 relating to the financial statements of Companhia Brasileira de Petróleo Ipiranga S.A.
23.7	Consent of PricewaterhouseCoopers Auditores Independentes regarding use in this Registration Statement of its report dated September 28, 2007 relating to the statement of assets acquired and liabilities assumed and the statement of revenues and direct expenses of South and Southeast Fuel and Lubricant Distribution Business of Companhia Brasileira de Petróleo Ipiranga S.A.
23.8	Consent of Deutsche Bank Securities Inc. regarding use in this Registration Statement of its valuation report dated September 27, 2007 relating to the proposed share exchange transaction wherein the preferred shares of Companhia Brasileira de Petróleo Ipiranga, Distribuidora de Produtos de Petróleo Ipiranga S.A. and Refinaria de Petróleo Ipiranga S.A. will be exchanged for preferred shares of Ultrapar.
99.1	Valuation Report to Ultrapar Participações S.A. by Deutsch Bank Securities Inc. dated April 4, 2007 (incorporated by reference to Ultrapar s current report on Form 6-K filed with the SEC on April 16, 2007).

INDEX TO FINANCIAL STATEMENTS

Refinaria de Petróleo Ipiranga S.A. and Subisidiaries

Financial Statements for the Years Ended

December 31, 2006, 2005 and 2004

Report of Independent Auditors

To the Board of Directors

and Shareholders of

Refinaria de Petróleo Ipiranga S.A.

We have audited the accompanying consolidated balance sheets of Refinaria de Petróleo Ipiranga S.A. and its subsidiaries as of December 31, 2006 and 2005, and the related consolidated statements of income, of changes in financial position and of changes in shareholders´ equity for the years ended December 31, 2006, 2005 and 2004. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Refinaria de Petróleo Ipiranga S.A. and its subsidiaries at December 31, 2006 and 2005, and the results of their operations and their changes in financial position for the years ended December 31, 2006, 2005 and 2004 in conformity with accounting practices adopted in Brazil.

Our audits were performed for the purpose of issuing an opinion on the financial statements referred to in the first paragraph, prepared in conformity with accounting practices adopted in Brazil. The consolidated statement of cash flows, which provides supplemental information about the Company and its subsidiaries, is not a required component of the financial statements. We also applied the audit procedures described above to the statement of cash flows for the years ended December 31, 2006, 2005 and 2004 and, in our opinion, it is fairly stated in all material respects in relation to the financial statements taken as a whole.

Accounting practices adopted in Brazil vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 25 to the consolidated financial statements.

PricewaterhouseCoopers Auditores Independentes

Porto Alegre, Brazil

September 28, 2007

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006 AND 2005

(In thousands of Brazilian reais R$)

ASSETS	**2006**	**2005**
CURRENT ASSETS		
Cash and cash equivalents	91,827	91,283
Short term investments	9,480	14,317
Derivatives	18,889	15,550
Trade accounts receivable	634,035	374,579
( ) Allowance for doubtful accounts	(34,722)	(51,749)
( ) Restricted export drafts	(149,758)	(136,139)
Receivables from related parties	23,460	11,232
Recoverable taxes	92,574	89,396
Deferred income and social contribution taxes	10,534	24,905
Dividends/Interest on capital receivable from affiliates	70,599	
Inventories	476,884	414,808
Other current assets	13,164	20,202
Prepaid expenses	10,877	7,471
	1,267,843	875.855
NONCURRENT ASSETS		
Long-term assets		
Restricted temporary cash investments	237	293
Trade accounts receivable	17,818	15,737
( ) Allowance for doubtful accounts	(15,054)	(15,575)
Recoverable taxes	151,265	130,842
Deferred income and social contribution taxes	140,726	109,668
Related companies		98
Other long-term assets	9,852	10,781
Judicial deposits	8,900	8,185
Prepaid expenses	1,324	1,835
Permanent assets		
Investments in affiliates	239,065	208,359
Warrants	28,989	28,989
Goodwill on subsidiaries	62,284	93,376
Other investments	4,358	3,964
Property, plant and equipment, net	999,361	1,017,663
Deferred charges, net	18,213	16,295
	1667,338	1,630,510
TOTAL	2,935,181	2,506,365

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

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006 AND 2005

(In thousands of Brazilian reais R$)

LIABILITIES AND SHAREHOLDERS EQUITY	**2006**	**2005**
CURRENT LIABILITIES		
Loans and financing	202,278	332,401
Derivatives	6,704	1,543
Trade accounts payable	706,564	510,483
Taxes payable	59,018	38,272
Deferred income and social contribution taxes	8,721	20,605
Dividends payable and interest on capital	94,485	22,363
Other taxes and contribution contingent liabilities	10,014	1,629
Provision for pension and post-employment benefits	4,086	4,191
Payables to related parties	33,575	16,427
Debentures payable to related parties	23,593	
Payable for the acquisition of warrants	33,818	
Payroll and related charges payable	39,355	32,743
Other current liabilities	27,450	42,453
	1,249,661	1,023,110
NONCURRENT LIABILITIES		
Loans and financing	620,279	402,971
Other taxes and contribution contingent liabilities	11,818	3,766
Provision for pension and post-employment benefits	47,267	49,735
Debentures payable to related parties	77,747	306,985
Payable for the acquisition of warrants		29,396
Taxes payable	41,130	16,622
Deferred income and social contribution taxes	29,412	15,700
Other long-term liabilities	3,753	15,572
	831,406	840,747
MINORITY INTEREST	279,486	214,108
SHAREHOLDERS EQUITY		
Capital	365,000	180,000
Revaluation reserve	6,186	6,186
Profit reserves	203,442	242,214
	574,628	428,400
TOTAL	2,935,181	2,506,365

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

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

(In thousands of Brazilian reais R$)

	2006	2005	2004
GROSS SALES AND SERVICES	5,619,861	4,998,141	5,176,898
Taxes, discounts and returns	(1,428,504)	(1,385,401)	(1,429,889)
NET SALES AND SERVICES	4,191,357	3,612,740	3,747,009
Cost of sales and services	(3,379,553)	(2,872,802)	(2,897,271)
GROSS PROFIT	811,804	739,938	849,738
OPERATING (EXPENSES) INCOME			
Selling	(191,881)	(163,630)	(182,278)
General and administrative	(155,424)	(141,258)	(120,983)
Other operating income, net	8,204	26,488	11,926
	(339,101)	(278,400)	(291,335)
OPERATING INCOME BEFORE FINANCIAL ITEMS	472,703	461,538	558,403
Financial income (expenses), net	(86,349)	(134,482)	(110,998)
Nonoperating expenses, net	(34,160)	1,227	(183)
	(120,509)	(133,255)	(111,181)
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES, EQUITY IN AFFILIATES, PROFIT SHARING AND MINORITY INTEREST	352,194	328,283	447,222
INCOME AND SOCIAL CONTRIBUTION TAXES			
Current	(104,108)	(80,981)	(132,249)
Deferred	22,678	(19,200)	63,864
	(81,430)	(100,181)	(68,385)
INCOME BEFORE EQUITY IN AFFILIATES, PROFIT SHARING AND MINORITY INTEREST	270,764	228,102	378,837
Equity in affiliates and goodwill amortization	24,324	30,451	19,831
Profit sharing	(7,867)	(7,054)	(6,417)
Minority interest	(122,981)	(113,204)	(176,365)
NET INCOME	164,240	138,295	215,886

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

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

(In thousands of Brazilian reais R$)

	2006	2005	2004
SOURCES OF FUNDS			
From operations			
Net income	164,240	138,295	215,886
Items not affecting working capital			
Minority interest	122,981	113,204	176,365
Provision for pension and post-employment benefits	(2,468)	(12,970)	(1,416)
Allowance for doubtful accounts	(521)	(3,204)	18,779
Depreciation and amortization	82,867	89,268	87,349
Net book value of permanent assets written off or sold	32,168	3,261	804
Equity in affiliates	(48,594)	(49,496)	(46,257)
Goodwill amortization	24,270	19,045	26,426
Monetary and exchange variation and Interest on long-term liabilities	(13,125)	(715)	(47,390)
Monetary and exchange variation and Interest on long-term assets	(6,678)	888	(6,690)
Reversal of provision for loss on investments		(485)	
Monetary and exchange variation on permanent assets	72	1	41
(Recognition) reversal of deferred income and social contribution taxes	(22,678)	19,200	(63,864)
Provision for contingencies	8,052	1,295	
Loss on change in interest in affiliate	32,964		
Others	5,376	(35,497)	10,600
	378,926	282,090	370,633
From shareholders	188		
	188		
From third parties:			
Increase in long-term liabilities		52,154	
Long-term loans	384,140	244,637	391,869
Interest on capital received	17,889	19,787	16,321
Decrease in long-term assets			65,785
Tax incentives	2		
	402,031	316,578	473,975
Total of sources	781,145	598,668	844,608
USES OF FUNDS			
Investments	394	35,944	524
Property, plant and equipment	85,347	66,919	65,574
Increase in noncurrent assets	14,947	47,952	46,846
Transfer of loans from long-term to current liabilities	153,707	379,126	
Decrease in long-term liabilities	5,188		641,146
Dividends and interest on capital paid	17,889	19,787	16,321
Minority interest in dividends and interest on capital received	13,068	2,935	1,663
Deferred charges	6,555	1,557	
Return of capital to shareholders of Ipiranga Petroquímica S.A.	17,287		
Repurchase of shares of Ipiranga Petroquímica S.A.	60,569		
Collection of debentures from related parties	240,757		
Total of uses	615,708	554,220	772,074
INCREASE IN WORKING CAPITAL	165,437	44,448	72,534

REPRESENTED BY			
Current assets:			
At end of year	1,267,843	875,855	1,042,937
At beginning of year	875,855	1,042,937	1,021,264
INCREASE (DECREASE)	391.988	(167,082)	21,673
Current liabilities:			
At end of year	1,249,661	1023,110	1,234,640
At beginning of year	1,023,110	1,234,640	1,285,501
INCREASE (DECREASE)	226,551	(211,530)	(50,861)
INCREASE IN WORKING CAPITAL	165,437	44,448	72,534

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

REFINARIA DE PETRÓLEO IPIRANGA S.A AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2006, 2005 AND 2004

(In thousands of Brazilian reais R$)

	Capital	Revaluation reserve	Profit reserves	Retained earnings (accumulated deficit)	Total shareholders equity
BALANCE AS OF DECEMBER 31, 2003	180,000	6,186		(75,859)	110,327
Net income				215,886	215,886
Distribution of net income to:					
Legal reserve			7,189	(7,189)	
Unrealized profit reserve			27,374	(27,374)	
Statutory reserves			89,143	(89,143)	
Interest on capital				(10,416)	(10,416)
Dividends				(5,905)	(5,905)
BALANCE AS OF DECEMBER 31, 2004	180,00	6,186	123,706		309,892
Net income				138,295	138,295
Distribution of net income to:					
Legal reserve			6,866	(6,866)	
Unrealized profit reserve			19,165	(19,165)	
Statutory reserves			92,477	(92,477)	
Interest on capital				(19,787)	(19,787)
BALANCE AS OF DECEMBER 31, 2005	180,000	6,186	242,214		428,400
Capitalization of reserves	185,000		(185,000)		
Net income				164,240	164,240
Distribution of net income to:					
Legal reserve			8,201	(8,201)	
Unrealized profit reserve			28,960	(28,960)	
Statutory reserves			109,067	(109,067)	
Interest on capital				(17,889)	(17,889)
Other				(123)	(123)
BALANCE AS OF DECEMBER 31, 2006	365,000	6,186	203,442		(574,628)

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

REFINARIA DE PETRÓLEO IPIRANGA S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS

ENDED DECEMBER 31, 2006, 2005 AND 2004

(Amounts in thousands of Brazilian reais R$, unless otherwise stated)

1 Operations

Refinaria de Petróleo Ipiranga S.A. (the Company) is a public company whose shares are traded on the São Paulo Stock Exchange (BOVESPA) and is controlled by members of the Bastos, Mello, Ormazabal, Tellechea and Gouvêa Vieira families.

The Company is primarily engaged in oil refining and sale of its by-products and is a holding company for subsidiaries engaged in the chemical business which represent a significant portion of its consolidated business.

The Company s economic performance in oil refining in 2006 continued to reflect difficulties caused by the incompatibility between oil prices in the international market and by-products prices in Brazil, in the prior year. In order to minimize operating losses management interrupted production for a significant part of 2005 and from June to October 2006.

As part of the actions to ensure continuity of the oil refining operations, Company s management intensified contacts and negotiations with the regulatory agencies of the oil industry, with the Federal Government and with the Rio Grande do Sul State Government. In July 2006, the Company and the Rio Grande do Sul State Government began studying the possibility of producing petrochemical naphtha in order to have an alternative that would allow the operational continuity of the oil refining operations and to increase tax collection for Rio Grande do Sul State.

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

As a result, operations were resumed according to the Agreement signed with the Rio Grande do Sul State Government and management believes that, from now on, there may be better conditions to continue operations as a result of the alternative structured with the State Government and/or through more consistent domestic price policies, within market conditions.

2 Presentation of consolidated financial statements

The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil (Brazilian GAAP).

The financial statements presented herein are different from the ones prepared by the Company for statutory purposes because they do not include the holding company s stand-alone financial statements, have been adjusted with respect to the financial statements for statutory purposes to include in Note 25 a reconciliation of net equity and net income between the amounts under Brazilian GAAP and generally accepted accounting principles in the United States of America (U.S. GAAP) and have also been adjusted to present certain additional disclosures to facilitate its understanding by readers not familiar with Brazilian GAAP.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include, but are not limited to, estimates relating to the useful lives of property, plant and equipment, accounting for contingencies and provisions for income taxes, among others. Actual results could differ in relation to these estimates.

3 Summary of significant accounting practices

Accounting practices adopted in Brazil (Brazilian GAAP) to record transactions and prepare the consolidated financial statements comply with those prescribed by Brazilian corporate law and specific standards established by the Brazilian Securities Commission (CVM), which differ in certain respects from the U.S. GAAP. See Note 25 for a discussion of these differences and a reconciliation of consolidated shareholders equity and consolidated net income between Brazilian GAAP and U.S. GAAP.

The following is a summary of significant accounting policies followed in the preparation of the accompanying financial statements:

(a) Cash and cash equivalents

Cash and cash equivalents comprise highly-liquid temporary cash investments (with maturities of 3 months or less when acquired and readily convertible to cash).

(b) Short-term investments and derivatives

Short-term investments correspond to temporary investments. Derivative instruments included swap transactions and options which are cost plus accrued income or expense based on the contractual rates included in each agreement.

(c) Allowance for doubtful accounts

The Company s management has individual customer credit information, which is used to asses customers ability to pay. The allowance is recorded in an amount considered sufficient to cover probable losses on realization of accounts receivable.

(d) Restricted export drafts

Correspond to receivables from exports to customers that have been transferred to financial institutions as repayment of export pre-financing or post-financing obtained.

(e) Inventories

Stated at the lower of average acquisition or production cost or estimated net realizable value.

(f) Investments in affiliates and goodwill

Accounted following the equity method with a corresponding entry to operating income.

Goodwill on the acquisition of subsidiaries is amortized over 10 years, the estimated period of realization.

(g) Property, plant and equipment

Stated at acquisition or construction cost, monetarily restated through December 1995. Depreciation is calculated following the straight-line method based on the estimated economic useful lives of the assets.

(h) Loans and financing

Stated at the amount of principal, plus financial charges incurred, on a pro rata basis, through the balance sheet date. Foreign currency-denominated loans were converted into Brazilian reais at the exchange rates prevailing at the balance sheet date.

(i) Income and social contribution taxes

Tax expense is calculated based on the income tax rate of 15% plus a 10% surtax and social contribution tax rate of 9%.

(j) Deferred income and social contribution taxes

Calculated on temporary differences and on tax loss carryforwards using the income tax and social contribution tax rates effective for the period in which the tax effects are expected to be realized.

Deferred income and social contribution tax assets are only recognized up to the amount that is likely to be realized within the next ten years as established by CVM Instruction No. 371/02.

(k) Provision for contingencies

Recorded for contingencies whose likelihood of loss is probable, based on the opinion of management and inside and outside legal counsel. The provision is recorded based on the estimated losses upon final resolution of lawsuits.

(l) Pension and other post-employment benefit obligations

Pension and other post-employment benefits liabilities to employees, retirees and pensioners (net of the assets of the benefit plan) are recorded based on the actuarial calculation prepared by an independent actuary, using the Projected Unit Credit Method.

(m) Other assets and liabilities

Other assets and liabilities, classified as current and long term, are stated at realizable or estimated settlement amounts. These assets and liabilities are stated at cost or realizable value and known or estimated amounts, respectively, including, when applicable, interest and monetary and exchange variations.

(n) Interest on capital

Interest on capital can be paid by Brazilian companies in lieu of, or in addition to, mandatory dividend stipulated by the respective company s bylaws. Interest on capital is calculated within the limits established by Law No. 9,249/95 for a maximum amount computed as the TJLP (long-term interest rate) applied on the respective shareholders equity.

Interest on capital received from affiliates is recorded as a receivable. Interest on capital payable, since it represents in essence dividends, is recorded as a reduction in Retained earnings .

(o) Results of operations

Revenue from sale of products is recognized when significant risks and benefits related to the product ownership pass to customer. Revenue from sale of services is recognized when services are provided. Other income, expenses and costs are recognized when incurred and/or realized. The result includes interest and monetary and exchange variations, at official indexes and rates, applicable to current and long-term assets and liabilities and, when applicable, the effects of adjustments of assets to its net realizable value.

4 Consolidation criteria

The consolidated financial statements have been prepared in accordance with the consolidation principles established by Brazilian GAAP and include the accounts of the Company and the following subsidiaries:

		Ownership interest %			
	Country of	2006		2005	
	incorporation	Direct	Indirect	Direct	Indirect
Ipiranga Química S.A.	Brazil	58.5269		58.5269	
Through Ipiranga Química S.A.:					
Ipiranga Petroquímica S.A.***	Brazil		92.3863		88.4800
Isatec Pesquisa, Desenvolvimento e Análises Químicas Ltda.	Brazil		100.0000		100.0000
Forlab Chitec S.A. Comércio Internacional	Brazil				100.0000
Ipiranga Química Armazéns Gerais Ltda.	Brazil		99.8500		99.8500
Through Ipiranga Petroquímica S.A.:					
IPQ Petroquímica Chile S.A.	Chile		100.0000		100.0000
Ipiranga Petroquímica Chile Ltda.	Chile		100.0000		100.0000
Ipiranga S.A. (Argentina)	Argentina		100.0000		100.0000
Natal Trading Ltd.	BVI*		100.0000		100.0000
COPESUL Companhia Petroquímica do Sul(**)	Brazil		29.4600		29.4600

(*) BVI British Virgin Islands.

(**) COPESUL is a jointly-controlled entity under Brazilian GAAP and accordingly is proportionately consolidated.

(***) On December 26, 2006, Ipiranga Petroquímica repurchased all its shares held up to such date by the minority shareholder International Finance Corporation IFC and those shares were cancelled. As a result the interest of shareholders other than IFC in Ipiranga Petroquímica increased. The interest of Ipiranga Química increased from 88.4800% to 92.32863%.

The following practices were adopted in the preparation of the consolidated financial statements:

(a) Intercompany balances, transactions and unrealized profits have been eliminated.

(b) Minority interest in fully-consolidated subsidiaries is presented in a separate caption.

(c) Assets and liabilities, and revenues and expenses of the jointly-controled entity COPESUL were included in the consolidated financial statements in proportion to the investor s interest in the investee s capital, pursuant to CVM Instruction No. 247/96. The consolidated balance sheet and statement of income of COPESUL are presented, on a condensed basis, in Note 25 I e).

5 Short-term investments

	2006	2005
Treasury bills (LTF)	3,926	3,406
Investment funds	3,528	3,873
Non-convertible debentures and other debt instruments		4,434
Time deposits	2,263	
Receivables investment funds		2,897
	9,717	14,610
( ) Current	9,480	14,317
Long term (restricted balance)	237	293

6 Derivatives

COPESUL entered into operations involving options with respect to U.S. dollars called box options as commented below. Its purpose has been to invest cash resources at rates higher than other available investment options. The Company also entered into swap operations which were entered into by Fundo de Investimento Financeiro Multimercado Copesul, a fund consolidated by COPESUL, whose custodian and manager is Banco Santander Brasil S.A.

Swaps correspond to cross-currency interest rate swaps by which the Company pays a fixed interest rate and receives a variable rate based on the Interbank Deposit Certificates (CDI) rate.

	Amounts receivable	
	2006	**2005**
Swap transactions receivable	7,842	693
Swap with anticipatory breach		120
Box options	11,047	14,737
Total	18,889	15,550

	Amounts payable	
	2006	**2005**
Options payable		880
Swap transactions payable	6,704	663
Total (Note 15)	6,704	1,543

Box options are combined operations that involve both the purchase and the sale of options in US dollars for the same maturity at a certain price, so that, regardless of the future U.S. dollar rate, the Company knows in advance the net result of such operations providing what the Company views as a fixed return over its investment. The value paid for the options, called premium, corresponds to the amount invested by the Company and the sum redeemed will be the premium plus a pre-fixed rate of return.

7 Trade accounts receivable

	2006	**2005**
Domestic market		
Trade notes receivable	436,299	280,520
Foreign market		
Receivables	215,554	109,796
	651,853	390,316
( ) Current	634,035	374,579
Long term	17,818	15,737

8 Related-party transactions

Intercompany transactions are conducted under price and term conditions similar to those adopted for transactions with unrelated parties and are as follows:

	December 31, 2006							
Companies	**Trade accounts receivable (current)**	**Trade accounts receivable (long term)**	**Trade accounts payable (current)**	**Payable for warrants purchased (current)(b)(*)**	**Debentures (a)(c)(**)**	**Sales**	**Purchases**	**Financial income (expenses)**
Distribuidora de Produtos de Petróleo Ipiranga S.A.	3,647		737	33,818	58,794	492,086	877	(23,969)
Companhia Brasileira de Petróleo Ipiranga	660		1,456		42,546	10,663	13,935	(14,740)
Ipiranga Asfaltos S.A.	76					1,908		
Empresa Carioca de Produtos Químicos S.A.	27		143			203	2,312	
Tropical Transportes Ipiranga Ltda.	4		226			8	4,843	
COPESUL Companhia Petroquímica do Sul	3,042		13,306			66,191	1,355,896	284
Braskem S.A	11,484		719			810,995	15,195	
Petróleo Brasileiro S.A Petrobras	35		11,000			35	378,612	
Refinaria Alberto Pasqualini S.A.	1,162		5,768			22,766	195,312	
Other	3,323		220			3,677	2,820	
Total as of December 31, 2006	23,460		33,575	33,818	101,340	1,408,532	1,969,802	(38,425)

	December 31, 2005							
Companies	**Trade accounts receivable (current)**	**Trade accounts receivable (long term)**	**Trade accounts payable (current)**	**Payable for warrants purchased (long-term)(b)**	**Debentures(a)**	**Sales**	**Purchases**	**Financial income (expenses)**
Distribuidora de Produtos de Petróleo Ipiranga S.A.	375	2	1,042	29,396	178,117	386,908	2,049	(30,947)
Companhia Brasileira de Petróleo Ipiranga	1,070	53	359		128,868	13,319	4,000	(21,608)
Ipiranga Asfaltos S.A.	10					1,491		
Empresa Carioca de Produtos Químicos S.A.			44				1,232	
Tropical Transportes Ipiranga Ltda.	2		224			2	134	
COPESUL Companhia Petroquímica do Sul	529	14	14,162			10,157	104,157	
Braskem S.A	5,881		151			758,102	19,431	685
Refinaria Alberto Pasqualini S.A.	3,308		125			14,936	265,846	
Other	57	29	320			10,957	327,846	2,319
Total as of December 31, 2005	11,232	98	16,427	29,396	306,985	1,195,872	724,695	(49,551)

(*) As of December 31, 2005, the amount was recorded as noncurrent long-term liabilities and was reclassified to current liabilities as of December 31, 2006 considering its maturity date.

(**) The balances of R$ 13,688 and R$ 9,905 of debentures due to Distribuidora de Produtos de Petróleo Ipiranga S.A. and Companhia Brasileira de Petróleo Ipiranga, respectively, were reclassified to current liabilities in 2006 due to their expected payment during 2007.

(a) Debentures issued by Ipiranga Química in 2003

The Extraordinary Shareholders Meeting of Ipiranga Química S.A. held on May 26, 2003 approved the issuance of two series of private convertible debentures, consisting of 11,000 Series A debentures, with face value of R$ 10 each, amounting to R$ 110,000, and 80,000 Series B debentures, with face value of R$ 1 each, amounting to R$ 80,000.

Both series of debentures mature on June 1, 2008.

On June 12, 2003, Distribuidora de Produtos de Petróleo Ipiranga S.A. fully subscribed the Series A debentures and Companhia Brasileira de Petróleo Ipiranga. fully subscribed the Series B debentures.

The subscribed debentures pay interest based on the CDI interest rate, plus spread subject to renegotiation every 6 months (for Series A) and every 5 months (for Series B) as established by the indenture dated June 1, 2003.

The spread for Series A debentures, for the most part of 2005, was 1.5% per year, and changed to 1.0% per year on December 1, 2005 remaining the same in 2006 . The spread for Series B debentures was 1.0% per year in 2005.

The Board of Directors of Ipiranga Química S.A., at the meetings held on May 2, 2006 and December 28, 2006, decided that the funds received through equity pick-up by the interest held by Ipiranga Química S.A. in Ipiranga Petroquímica S.A. should be fully used in the partial redemption of its debentures.

Debentures are convertible into common shares of Ipiranga Química S.A. at any time after their issuance and until their maturity or redemption at the option of the holder.

The conversion price is a fixed amount established in the indenture of the debentures. However, the quantity of common shares to be received upon conversion will be higher than the amount determined as face value of the debentures divided by the conversion price if they are converted before June 1, 2007. The quantity of additional shares to be received will be 25% if converted up to June 1, 2004, 18.2177% if converted before June 1, 2005, 11.8034% if converted before June 1, 2006 and 5.7371% if converted before June 1, 2007.

(b) Modification of terms of the debentures and purchase of warrants by the Company

Pursuant to a Memorandum of Understanding signed on October 3, 2005, Distribuidora de Produtos de Petróleo Ipiranga S.A., Companhia Brasileira de Petróleo Ipiranga and the Company agreed to hold an Extraordinary Shareholders Meeting of Ipiranga Química S.A. to approve a change in the type of debentures, issued by Ipiranga Química S.A. on June 1, 2003.

The changes approved on the meeting held on October 6, 2005 were: (i) to change the debentures from convertible to nonconvertible without making any other change in the terms or conditions of the debentures, and (ii) to issue of warrants to the holders of the debentures, without any charge, replacing the conversion right established for the debentures; the terms of the warrants allow their holder to purchase common shares of Ipiranga Química in exactly the same terms than the conversion features originally included in the debentures.

Contemporaneously, the parties agreed that Distribuidora de Produtos de Petróleo Ipiranga S.A. would sell for R$ 29.0 million the warrants obtained to the Company. The amount for the purchase of the warrants is payable on October 3, 2007, and carries interest at the CDI interest rate.

Upon acquisition of the warrants, the Company recognized the cost of R$ 29.0 million as an asset within Permanent Assets and the corresponding payable to Distribuidora de Produtos de Petróleo Ipiranga S.A. The warrant is recorded at cost by the Company.

(c) Early partial redemption of the debentures in 2006

The Board of Directors of Ipiranga Química S.A., at the meetings held on May 2, 2006 and December 28, 2006, decided to make an early partial redemption of its debentures, issued on June 1, 2003, considering the financial cost that this debt has been generating for Ipiranga Química S.A.

Funds used to pay for the redemption were received by Ipiranga Química S.A. from its investee Ipiranga Petroquímica S.A. resulting from a reduction in capital approved by it on April 28, 2006 and from distribution of dividends.

Out of the outstanding balance of debentures of R$ 307.0 million, R$ 240.8 million was early redeemed in 2006.

9 Inventories

	2006	2005
Finished products	175,798	169,887
Work in process	15,802	7,523
Raw materials	101,602	127,323
Indirect materials, packaging and storeroom supplies	67,881	71,900
Products and raw materials held by third parties	45,776	
Imports in transit	10,250	11,701
Goods in transit	59,775	26,474
	476,884	414,808

10 Recoverable taxes

	2006	2005
Income and social contribution taxes	9,032	56,294
IRRF (withholding income tax)	13,757	7,933
ICMS (State VAT)	164,478	113,784
IPI (Federal VAT)	2,199	2,182
ILL (tax on net income)	15,821	15,138
PIS/COFINS (taxes on revenue)	18,815	15,286
State income tax additional	8,170	9,472
Other	11,567	149
	243,839	220,238
( ) Current	92,574	89,396
Long term	151,265	130,842

11 Income and social contribution taxes

(a) Deferred

Considering the uncertainties with respect to future taxable income, as mentioned in Note 1, management maintained the decision of not recording any deferred income and social contribution tax assets as of December 31, 2006 for the oil refining business, and reversed the amounts recorded as of December 31, 2004, in the amount of R$ 14,192.

On January 1, 2003, the subsidiary Ipiranga Petroquímica S.A. (IPQ) changed the criteria to tax unrealized foreign exchange gains and losses from the accrual basis to the cash basis. Considering the foreign currency exposure of IPQ, the foreign exchange variation significantly influenced the determination of taxable income in prior periods.

Considering the change in the taxation criteria and also considering