

ULTRAPAR HOLDINGS INC
Form 6-K
November 19, 2007

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

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

For the month of November, 2007

Commission File Number: 001-14950

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

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

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

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

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

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

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

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

N/A



ULTRAPAR HOLDINGS INC.

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ITEM

1. Interim Financial Information for the nine-month period Ended September 30, 2007 and Independent Accountants' Review Report
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Ultrapar Participações S.A.

Interim Financial Information for the nine-month period Ended
September 30, 2007 and Independent Accountants' Review Report
(A free translation of the original report in Portuguese as published in
Brazil containing interim financial information prepared in accordance
with accounting practices adopted in Brazil)

Independent accountant's review report

To the Board of Directors and Shareholders
Ultrapar Participações S.A.
São Paulo - SP

1 We have reviewed the interim financial information (ITR) of Ultrapar Participações S.A. and the interim financial information of this Company and its subsidiaries (consolidated interim financial information) for the three-month period ended September 30, 2007, which comprises the balance sheet, the statement of income, management report and other relevant information, prepared in accordance with accounting practices adopted in Brazil and rules issued by the Brazilian Securities and Exchange Commission (CVM).

2 Our review was performed in accordance with review standards established by IBRACON - The Brazilian Institute of Independent Auditors and the Federal Council of Accounting, which comprised mainly: (a) inquiry and discussion with management responsible for the accounting, financial and operational areas of the Company and its subsidiaries, regarding the main criteria adopted in the preparation of the interim financial information; and (b) review of post-balance sheet information and events which may have a material effect on the financial position and the operations of the Company and its subsidiaries.

3 Based on our review, we are not aware of any material changes which should be made to the interim financial information described above, for them to be in accordance with the accounting practices adopted in Brazil and the regulations issued by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of interim financial information.

4 Our review was performed with the objective of issuing a review report on the interim financial information, as described in the first paragraph. The individual and consolidated statements of cash flows of Ultrapar Participações S.A. and its subsidiaries for the three-month period ended September 30, 2007 are supplementary information to the ITR, which are not required by the accounting practices adopted in Brazil, and have been included to facilitate additional analysis. These supplementary information were subject to the same review procedures applied to the aforementioned ITR and, in our opinion, is presented fairly, in all material respects, in relation to the ITR taken as a whole.

5The interim financial information for the period ended September 30, 2006 was reviewed by other independent accountant's, who issued an unqualified review report dated October 27, 2006. In addition, the financial statements for the year-ended December 31, 2006 were audited by those auditors, whose unqualified opinion was issued on January 31, 2007.

November 1, 2007

KPMG Auditores Independentes
CRC 2SP014428/O-6

Pedro Augusto de Melo
Accountant CRC 1SP113939/O-8

Alexandre Heinermann
Accountant CRC 1SP228175/O-0

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ULTRAPAR PARTICIPAÇÕES S.A.

IDENTIFICATION

01.01- CAPITAL COMPOSITION

Number of shares	Current quarter	Prior quarter	Same quarter in prior year
(Thousands)	09/30/2007	06/30/2007	09/30/2006
Paid-up Capital			
1 - Common	49,430	49,430	49,430
2 - Preferred	31,895	31,895	31,895
3 - Total	81,325	81,325	81,325
Treasury Stock			
4 - Common	7	7	7
5 - Preferred	580	516	213
6 - Total	587	523	220

01.02 - DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - REVENUE	5 - BEGINNING OF PAYMENT	7 - TYPE OF SHARE	8 - AMOUNT PER SHARE
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01.03 - SUBSCRIBED CAPITAL AND ALTERATIONS IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF ALTERATION	3 - AMOUNT OF THE CAPITAL (IN THOUSANDS OF REAIS)	4 - AMOUNT OF THE ALTERATION (IN THOUSANDS OF REAIS)	5 - NATURE OF ALTERATION	7 - NUMBER OF SHARES ISSUED (THOUSAND)	8 - SHARE PRICE ON ISSUE DATE (IN REAIS)
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(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

BALANCE SHEETS AS OF SEPTEMBER 30, 2007 AND JUNE 30, 2007 (unaudited)

(In thousands of Brazilian reais - R\$)

ASSETS	Notes	Parent Company		Consolidated		LIABILITIES
		09/30/2007	06/30/2007	09/30/2007	06/30/2007	
CURRENT ASSETS						CURRENT LIABILITIES
Cash and banks	-	552	297	81,958	47,069	Loans and financing
Temporary cash investments	4	50,693	67,739	1,445,992	1,474,828	Debentures
Trade accounts receivable	5	-	-	1,294,301	1,260,910	Suppliers
Inventories	6	-	-	566,380	540,443	Salaries and related charges
Recoverable taxes	7	10,156	9,840	215,041	193,599	Taxes payable
Deferred income and social contribution taxes	9a.	117	122	78,568	74,504	Dividends payable
Prepaid expenses	10	1,294	1,908	17,840	20,474	Income and social contribution taxes
Other	-	458	451	25,293	31,277	Post-retirement benefits
Total current assets		63,270	80,357	3,725,373	3,643,104	Provision for contingencies
						Deferred income and social contribution taxes
						Other
						Total current liabilities
NONCURRENT ASSETS						NONCURRENT
Long-term investments	4	-	-	119,487	118,946	Long-term liabilities
Trade accounts receivable	5	-	-	165,803	157,647	Loans and financing
Related companies	8	79,866	85,481	43,111	42,148	Debentures
Deferred income and social contribution taxes	9a.	26,641	13,484	128,856	109,707	Related companies
Recoverable taxes	7	18,540	18,595	75,389	72,437	Deferred income and social contribution taxes
Escrow deposits	-	193	193	27,456	25,100	Provision for contingencies
Prepaid expenses	10	11	45	30,448	29,077	Post-retirement benefits

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Other	-	-	-	8,198	8,173	Other
Total long-term assets		125,251	117,798	598,748	563,235	Total noncurrent liabilities
MINORITY INTEREST						
Permanent assets						
Investments:						
Subsidiary	11a.	2,467,566	2,417,390	-	-	SHAREHOLDERS' EQUITY
Goodwill	-	401,320	411,825	-	-	Capital
Affiliated companies	11b.	-	-	12,157	12,242	Capital reserve
Other	-	60	60	34,026	26,615	Revaluation reserve
Property, plant and equipment	12	-	-	2,112,085	1,998,374	Profit reserves
Intangible	13	-	-	67,897	67,967	Treasury shares
Deferred charges	14	12,771	11,644	538,619	543,840	Retained earnings
Total permanent assets		2,881,717	2,840,919	2,764,784	2,649,038	Total shareholders' equity
Total noncurrent assets		3,006,968	2,958,717	3,363,532	3,212,273	Total minority interest and shareholders' equity
TOTAL LIABILITIES AND SHAREHOLDERS'						
TOTAL ASSETS		3,070,238	3,039,074	7,088,905	6,855,377	EQUITY

The accompanying notes are integral part of these interim financial information

(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE QUARTERS ENDED SEPTEMBER 30, 2007 AND 2006 (unaudited)

(In thousands of Brazilian reais - R\$, except for earnings per share)

	Notes	Parent Company		Consolidated	
		09/30/07	09/30/06	09/30/07	09/30/06
GROSS SALES AND SERVICES	2	-	-	6,413,498	1,415,025
Deductions	-	-	-	(250,751)	(119,831)
NET SALES AND SERVICES		-	-	6,162,747	1,295,194
Cost of sales and services	2	-	-	(5,684,189)	(1,029,861)
GROSS PROFIT		-	-	478,558	265,333
EQUITY IN SUBSIDIARIES AND AFFILIATED COMPANIES	11a.,11b.	50,222	88,301	(85)	49
OPERATING (EXPENSES) INCOME		(10,687)	71	(341,592)	(153,391)
Selling	-	-	-	(139,579)	(51,303)
General and administrative	-	98	70	(136,917)	(70,562)
Management compensation	-	-	-	(1,512)	(1,459)
Depreciation and amortization	-	(10,781)	-	(64,409)	(30,785)
Other operating income, net	-	(4)	1	825	718
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		39,535	88,372	136,881	111,991
Financial income (expenses), net		(28,015)	722	(30,081)	(2,944)
Financial income	19	1,830	12,400	42,176	43,444
Financial expenses	19	(29,845)	(11,678)	(72,257)	(46,388)
INCOME FROM OPERATIONS		11,520	89,094	106,800	109,047
Nonoperating (expenses) income, net	17	-	-	(962)	(7,677)
INCOME BEFORE TAXES ON INCOME AND MINORITY INTEREST	-	11,520	89,094	105,838	101,370
INCOME AND SOCIAL CONTRIBUTION TAXES		13,151	(264)	(27,890)	(11,185)
Current	9b.	-	(318)	(51,038)	(35,506)
Benefit of tax holidays - ADENE	9b.,9c.	-	-	3,402	15,352
Deferred	9b.	13,151	54	19,746	8,969

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INCOME BEFORE MINORITY INTEREST		24,671	88,830	77,948	90,185
Employees statutory interest	-	-	-	(1,635)	-
Minority interest	-	-	-	(51,642)	(1,355)
NET INCOME		24,671	88,830	24,671	88,830
EARNINGS PER SHARE - R\$		0.30577	1.09525	0.30557	1.09525

The accompanying notes are integral part of these interim financial information

(A free translation of the original report in Portuguese as published in Brazil)

ULTRAPAR PARTICIPAÇÕES S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2007 AND 2006 (unaudited)

(In thousands of Brazilian reais - R\$, except for earnings per share)

	Notes	Parent Company		Consolidated	
		09/30/07	09/30/06	09/30/07	09/30/06
GROSS SALES AND SERVICES	2a.	-	-	14,139,495	3,914,718
Deductions	-	-	-	(621,513)	(324,445)
NET SALES AND SERVICES		-	-	13,517,982	3,590,273
Cost of sales and services	2a.	-	-	(12,339,305)	(2,889,278)
GROSS PROFIT		-	-	1,178,677	700,995
EQUITY IN SUBSIDIARIES AND AFFILIATED COMPANIES	11a.,11b.	147,267	242,171	(214)	696
OPERATING (EXPENSES) INCOME		(21,618)	(335)	(829,643)	(439,996)
Selling	-	-	-	(317,360)	(144,859)
General and administrative	-	17	(335)	(351,234)	(200,901)
Management compensation	-	-	-	(4,124)	(4,105)
Depreciation and amortization	-	(21,632)	-	(161,827)	(91,925)
Other operating income, net	-	(3)	-	4,902	1,794
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		125,649	241,836	348,820	261,695
Financial income (expenses), net		(49,996)	4,528	(65,218)	31,952
Financial income	19	10,621	40,680	111,041	117,261
Financial expenses	19	(60,617)	(36,152)	(176,259)	(85,309)
INCOME FROM OPERATIONS		75,653	246,364	283,602	239,647
Nonoperating (expenses) income, net	17	-	-	(2,907)	(20,911)
INCOME BEFORE TAXES ON INCOME AND MINORITY INTEREST	-	75,653	246,364	280,695	272,736
INCOME AND SOCIAL CONTRIBUTION TAXES		23,588	(6,332)	(77,187)	(35,370)
Current	9b.	-	(6,468)	(128,385)	(101,692)
Benefit of tax holidays - ADENE	9b.,9c.	-	-	9,486	46,105
Deferred	9b.	23,588	136	41,712	20,217

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INCOME BEFORE MINORITY INTEREST		99,241	240,032	203,508	237,366
Employees statutory interest	-	-	-	(4,451)	-
Minority interest	-	-	-	(99,816)	(3,643)
NET INCOME		99,241	240,032	99,241	233,723
EARNINGS PER SHARE - R\$		1.22.917	2.95952	1.22917	2.88173

The accompanying notes are integral part of these interim financial information

(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)

1. OPERATIONS

Ultrapar Participações S.A. (the “Company”), with headquarters in the city of São Paulo, invests in commercial and industrial activities, including subscription or purchase of shares of other companies with similar activities.

Through its subsidiaries, the Company is engaged in the distribution of liquefied petroleum gas - LPG (Ultragaz), production and sale of chemicals (Oxitenó), and services in integrated logistics solution for special bulk (Ultracargo). After acquisition of the Ipiranga Group, in April 2007, the Company became engaged in the distribution of fuels/lubricants and related products in the South and Southeast Regions of Brazil. The Company also became engaged in oil refining (“Refinery”) through its stake in Refinaria de Petróleo Ipiranga S.A.

2. PRESENTATION OF INTERIM FINANCIAL INFORMATION AND SIGNIFICANT ACCOUNTING PRACTICES

The accounting practices adopted by Ultrapar and its subsidiaries to record transactions and for the preparation of the Interim Financial Information - ITR are those established by accounting practices derived from the Brazilian Corporation Law and the Brazilian Securities Commission (CVM).

a) Results of operations

Determined on the accrual basis of accounting. Revenues from sales and respective costs are recognized when the products are delivered to the customers or services are performed, and the transfer of risks, rights and obligations associated with the ownership of products takes place.

b) Current and noncurrent assets

Temporary cash and long-term investments are stated at cost, plus accrued income (on a “pro rata temporis” basis), which approximate their market value. Temporary cash investments include the results from hedges, as described in Notes 4 and 20, that management intends to hold to maturity.

The allowance for doubtful accounts is recorded based on estimated losses and is considered sufficient by management to cover potential losses on accounts receivable.

Inventories are stated at the lower of average cost of acquisition or production, that do not overcome the market value.

Other assets are stated at the lower of cost or realizable values, including, when applicable, accrued income and monetary and exchange variation incurred or net of allowances for losses.

c) Investments

Significant investments in subsidiaries and affiliated companies are recorded under the equity method, as shown in Note 11.

Other investments are stated at acquisition cost, net of allowances for losses, should the losses not be considered temporary.

d) Property, plant and equipment

Stated at acquisition or construction cost, including financial charges incurred on constructions in progress and include revaluation write-ups based on appraisal reports issued by independent appraisers, in accordance with item 68, letter b), of CVM Resolution No. 183/95, as well as costs related to the maintenance of significant assets during scheduled factory maintenance operations.

Depreciation is calculated on a straight-line basis at the annual rates described in Note 12, and is based on the economic useful live of the assets.

Leasehold improvements in gas stations are depreciated over the effective contract terms or the useful life of the assets, if shorter.

e) Intangible

Stated at acquisition cost, net of allowance for losses, should the losses not be considered temporary, as shown in Note 13.

f) Deferred charges

Deferred charges comprise costs incurred in the installation of Company and its subsidiaries equipment at customers' facilities amortized over the terms of the LPG supply contracts with these customers, project expenses and goodwill on acquisition of subsidiaries, as stated in Note 14.

g) Current and noncurrent liabilities

Stated at known or estimated amounts including, when applicable, accrued charges, monetary and exchange rate variations incurred until the interim financial information date.

h) Income and social contribution taxes on income

Income and social contribution taxes, current and deferred (according to CVM Resolution No. 273/98) are measured on the basis of effective rates and include the benefit of tax holidays, as mentioned in Note 9.b).

i) Provision for contingencies

The provision for contingencies is recorded for contingent risks with an estimated probable loss, based on the opinion of the internal and external legal advisors and administrators. Amounts are recorded based on the estimated costs and results of proceedings (see Note 21.a).

j) Actuarial commitment with post-retirement benefits

Actuarial commitments with the post-retirement benefits plan granted and to be granted to employees, retired employees and pensioners (net of plan assets) are provided for based on the actuarial calculation prepared by an independent actuary in accordance with the projected credit unit method, as mentioned in Note 23.b).

k) Basis for translation of the interim financial information of foreign subsidiaries

The interim financial information of foreign subsidiaries are translated into Brazilian reais at the current exchange rate in effect at the date of the interim financial information - ITR. The criteria for preparation of the interim financial information have been adapted to conform to accounting practices derived from the Brazilian Corporation Law.

l) Cash flow statement

The Company is presenting the statement of cash flow as supplementary information, prepared in accordance with Accounting Standards and Procedures No. 20 (NPC) issued by IBRACON - Brazilian Institute of Independent Auditors.

m) Use of estimates

The preparation of interim financial information in accordance with accounting practices derived from the Brazilian Corporation Law requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet dates and the reported amounts of revenues, costs and expenses for the years presented. Although these estimates are based on management's best available knowledge of current and expected future events, actual results could differ from those estimates.

3.

CONSOLIDATION PRINCIPLES

The consolidated interim financial information have been prepared in accordance with the basic consolidation principles established by accounting practices adopted in Brazil and by the Brazilian Securities Commission (CVM), and include the following direct and indirect subsidiaries:

	Ownership interest - %			
	09/30/2007		06/30/2007	
	Direct	Indirect	Direct	Indirect
Ultragaz Participações Ltda.	100	-	100	-
SPGás Distribuidora de Gás Ltda.	-	99	-	99
Companhia Ultragaz S.A.	-	99	-	99
Bahiana Distribuidora de Gás Ltda.	-	100	-	100
Utingás Armazenadora S.A.	-	56	-	56
LPG International Inc.	-	100	-	100
Ultracargo - Operações Logísticas e Participações Ltda.	100	-	100	-
Transultra - Armazenamento e Transporte Especializado Ltda.	-	100	-	100
Petrolog Serviços e Armazéns Gerais Ltda.	-	100	-	100
Terminal Químico de Aratu S.A. – Tequimar	-	99	-	99
Melamina Ultra S.A. Indústria Química	-	99	-	99
Oxiten S.A. Indústria e Comércio	100	-	100	-
Oxiten Nordeste S.A. Indústria e Comércio	-	99	-	99
Oxiten Argentina Sociedad de Responsabilidad Ltda.	-	99	-	99
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	-	100	-	100
Barrington S.L.	-	100	-	100
Oxiten México S.A. de C.V.	-	100	-	100
Oxiten Servicios Corporativos S.A. de C.V.	-	100	-	100
Oxiten Servicios Industriales S.A. de C.V.	-	100	-	100
Oxiten International Corp.	-	100	-	100
Oxiten Overseas Corp.	-	100	-	100
Oxiten Andina, C.A.	-	100	-	-
Imaven Imóveis e Agropecuária Ltda.	100	-	100	-
Distribuidora de Produtos de Petróleo Ipiranga S.A.	32	-	32	-
Companhia Brasileira de Petróleo Ipiranga (*)	1	11	1	11
am/pm Comestíveis Ltda. (*)	-	11	-	11
Centro de Conveniências Millennium Ltda. (*)	-	11	-	11
Empresa Carioca de Produtos Químicos S.A.	-	11	-	11
Ipiranga Comercial Importadora e Exportadora Ltda.	-	11	-	11
Ipiranga Trading Limited	-	11	-	11
Tropical Transportes Ipiranga Ltda.	-	11	-	11
Ipiranga Imobiliária Ltda.	-	11	-	11
Ipiranga Logística Ltda.	-	11	-	11
Maxfácil Participações S.A. (**)	-	9	-	9
Isa-Sul Administração e Participações Ltda.	-	32	-	32
Comercial Farroupilha Ltda.	-	32	-	32
Ipiranga Administração de Bens Móveis Ltda.	-	32	-	32
Refinaria de Petróleo Ipiranga S.A. (***)	10	-	10	-

(*) As informed in the “Material Event” of March 19, 2007 and the “Market Announcement” of April 19, 2007, distribution of fuels/lubricants and related products of these companies are divided between Ultrapar (South and Southeast Regions of Brazil) and Petrobras (North, Northeast and Center West Regions of Brazil).

(**) Joint control among DPPI (16%), CBPI (34%) and União de Bancos Brasileiro S.A. – UNIBANCO (50%).

(***) Oil refinery operations of Refinaria de Petróleo Ipiranga S.A. are equally shared among Petrobras, Ultrapar and Braskem, and the subsidiary was proportionality consolidated in these interim financial information in accordance with Article 32 of CVM Instruction No. 247/96.

On April 18, 2007 the Company, together with Petróleo Brasileiro S.A. (“Petrobras”) and Braskem S.A. (“Braskem”), acquired the controlling interest of Ipiranga Group, as informed in “Material Event” published on April 19, 2007. Under the terms of the Acquisition Agreement signed by the three buyers, the Company acted as commission agent of Braskem and Petrobras, and for itself for the acquisition of the fuels/lubricants distribution and related products businesses located in the South and Southeast Regions of Brazil and Empresa Carioca de Produtos Químicos S.A. (“Ipiranga”), maintaining the brand Ipiranga. Petrobras holds the control of fuel distribution and lubricant businesses located in the North, Northeast and Center West Regions of Brazil (“North Distribution Assets”), and Braskem holds control of the petrochemical assets, represented by Ipiranga Química S.A., Ipiranga Petroquímica S.A. (IPQ) and the ownership in Copesul – Companhia Petroquímica do Sul (Copesul) (“Petrochemical Assets”).

The transaction is structured in 4 stages:

- (i) acquisition of Ipiranga Group controlling interest (occurred on April 18, 2007);
- (ii) tag along offering for the purchase of common shares issued by Companhia Brasileira de Petróleo Ipiranga (CBPI), Refinaria de Petróleo Ipiranga S.A. (RPI) and Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI), which registration order was filed with CVM on May 2nd, 2007;

(iii) merger of shares issued by CBPI, RPI and DPPI into Ultrapar; and

(iv) segregation of assets among Ultrapar, Petrobras and Braskem.

The conclusion of the transaction is forecasted to occur in the fourth quarter of 2007. In the first stage, the Company spent the net amount of R\$ 676,432, Petrobras R\$ 742,747 and Braskem R\$ 651,928. Based on the initial balance sheet of March 31, 2007, the Company recorded a goodwill in the amount of R\$ 424,680 in the first stage of the transaction, which is being amortized over 10 years starting in April 2007, based on the expected future profitability of Ipiranga.

The assets, liabilities and income of Ipiranga are reflect in the Company's interim financial information since April, 2007, with minority interest presented separately in the consolidated interim financial information. As the Company acted as commission agent for Braskem and Petrobras, the assets acquired in for them were recorded as reduction of the amounts received in the same first stage of the transaction, not producing any effect in the Company's interim financial information. The assets related to the operations of RPI's oil refinery were proportionally consolidated in the Company's interim financial information, since their control is shared equally with Petrobras and Braskem.

On April 30, 2007, the subsidiary Transultra - Armazenamento e Transporte Especializado Ltda. acquired the company Petrolog Serviços e Armazéns Gerais Ltda. for the amount of R\$ 8,083, recording goodwill in the amount of R\$ 6,507, amortized in 10 years, based on its expected of future profitability.

On September 13, 2007, the subsidiary Barrington S.L. acquired the company Arch Química Andina, C.A. in Venezuela in amount of US\$ 7,631 equivalent R\$ 14,972, that after acquisition started to call Oxiteno Andina, C.A., recording goodwill in the amount of R\$ 164, amortized in 10 years, based on its expected of future profitability.

Upon consolidation, intercompany investments, accounts, transactions and profits were eliminated. Minority interest in subsidiaries is presented separately in the interim financial information.

4. TEMPORARY CASH AND LONG-TERM INVESTMENTS

These investments, contracted with leading banks, are substantially composed of: (i) private securities issued by leading banks and fixed-income funds, all linked to the interbank deposit rate (CDI); (ii) abroad, in cash investments, in notes issued by the Austrian Government in Brazilian reais and linked to the interbank deposit rate (CDI), and in Dual Currency Deposits; and (iii) currency hedge transaction. Such investments are stated at cost plus accrued income on a “pro rata temporis” basis.

	Parent Company		Consolidated	
	09/30/2007	06/30/2007	09/30/2007	06/30/2007
Austrian notes	-	-	415,237	439,197
Dual Currency Deposits (a)	-	-	468,503	248,613
Foreign investments (b) (c)	-	-	197,078	454,144
Securities and fixed-income funds in Brazil	50,693	67,739	563,865	519,190
Net expenses on hedge transaction (d)	-	-	(79,204)	(67,370)
Total	50,693	67,739	1,565,479	1,593,774
Current portion	50,693	67,739	1,445,992	1,474,828
Noncurrent portion	-	-	119,487	118,946

(a) Dual Currency Deposits are investments of the subsidiary Oxiteno Overseas Corp., whose yield can be in US dollars or Brazilian reais, depending on the US dollar rate as of the maturity date. If the US dollar rate is lower than the strike rate on the maturity date, the yield of this operation will be in US dollars plus interest of 7.3% per year; otherwise, it will be in Brazilian reais plus average interest of 13.7% per year. The subsidiary records the investment at the lower of the two alternative yields, which until September 30, 2007 was represented by the US dollar. Up to September 30, 2007 the exchange rate has always remained below the strike rate.

(b) Investments made by the subsidiaries Oxiteno Overseas Corp., Oxiteno International Corp., LPG International Inc. and Oxiteno México S.A. de C.V. in fixed-income funds, certificates of deposit and investment grade corporate securities.

(c) In April 2006, subsidiary Oxiteno Overseas Corp., owner of notes in the amount of US\$ 60 million issued by Companhia Ultragas S.A. in the international market in 1997 (Original Notes), sold these Original Notes to a foreign financial institution. Concurrently, subsidiary Oxiteno Overseas Corp. acquired from this financial institution a credit linked note backed by the Original Notes. This transaction provides a financial gain for the Company corresponding to the difference between the interest rate paid for the credit linked note and the Original Notes, as mentioned in Note 15.b).

(d) Accumulated gain or loss (see Note 20).

5. TRADE ACCOUNTS RECEIVABLE (CONSOLIDATED)

	09/30/2007	06/30/2007
Domestic customers Ipiranga / Refinery	817,010	802,374
Other domestic customers	377,667	377,920
Financing to customers	284,580	263,197
Foreign customers	125,576	89,941
(-) Advances on foreign exchange contracts	(85,002)	(57,632)
(-) Allowance for doubtful accounts	(59,727)	(57,243)
	1,460,104	1,418,557
Current portion	1,294,301	1,260,910
Noncurrent portion	165,803	157,647

Financing to customers are directed to the reimbursement of reforms and modernizations of gas stations, acquisition of products and market development of fuel and lubricant distribution.

The changes in the allowance for doubtful accounts are shown below:

Balance at June 30, 2007	57,243
Addition recorded as selling expenses	5,685
Utilization	(3,201)
Balance at September 30, 2007	59,727

6.

INVENTORIES (CONSOLIDATED)

	09/30/2007			06/30/2007		
	Cost	Provision for losses	Net	Cost	Provision for losses	Net
Finished products	153,083	(3,658)	149,425	147,247	(3,152)	144,095
Work in process	2,536	-	2,536	1,114	-	1,114
Raw materials	77,624	(35)	77,589	81,398	(37)	81,361
Liquefied petroleum gas (LPG)	24,674	-	24,674	20,491	-	20,491
Fuel, lubricants and grease	248,566	(428)	248,138	230,389	(375)	230,014
Supplies and cylinders for resale	35,783	(2,891)	32,892	44,512	(1,261)	43,251
Advances to suppliers	31,126	-	31,126	20,117	-	20,117
	573,392	(7,012)	566,380	545,268	(4,825)	540,443

The changes in the provision for losses on inventories are shown below:

Balance at June 30, 2007	4,825
Additions	2,988
Reversal	(801)
Balance at September 30, 2007	7,012

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7.

RECOVERABLE TAXES

Represented substantially by credit balances of ICMS (state Value Added Tax - VAT), PIS and COFINS (taxes on revenue), and income and social contribution taxes.

	Parent Company		Consolidated	
	09/30/2007	06/30/2007	09/30/2007	06/30/2007
Income and social contribution taxes	28,635	28,373	124,562	107,571
ICMS	-	-	166,968	155,427
Provision for losses - ICMS (*)	-	-	(42,963)	(40,909)
PIS and COFINS	21	21	24,792	19,882
VAT of subsidiary Oxiteno México S.A. de C.V.	-	-	7,677	15,420
Manufacturing Tax - IPI	-	-	7,043	7,439
Other	40	41	2,351	1,206
Total	28,696	28,435	290,430	266,036
Current portion	10,156	9,840	215,041	193,599
Noncurrent portion	18,540	18,595	75,389	72,437

(*)The provision refers to credit balances that the subsidiaries estimate they will not be able to offset in the future.

The changes in the provision for losses on ICMS are shown below:

Balance at June 30, 2007	40,909
Addition	5,398
Reversal	(3,344)
Balance at September 30, 2007	42,963

The increase in the balance of income and social contribution tax credits is mainly due to the inclusion of Ipiranga.

The increase in the balance of ICMS is due to the credits addition by Ipiranga and the increase in ICMS credits of the Camaçari (Bahia State) plant of the subsidiary Oxiteno Nordeste S.A Indústria e Comércio, due to measures taken by the Bahia State, which made it difficult to utilize credits for import payment or to transfer them to third parties. The total balance of credits from this plant corresponds to R\$ 76,036 as of September 30, 2007 (R\$ 66,334 as of June 30, 2007), of which R\$ 37,337 have already been reviewed by the tax authorities and are awaiting release by the state finance department of Bahia for commercialization. In addition to these credits, the subsidiary's management is working on a series of additional measures for consumption of the plant's ICMS balance. The allowance for loss of the plant's credits was recognized on the basis of the maximum discount expected on their commercialization. The PIS and COFINS credits are being utilized to offset other federal taxes, mainly income and social contribution taxes on income.

8.

RELATED COMPANIES

	Parent Company Loan	
	Asset	Liability
Oxiteno S.A. Indústria e Comércio	72,103	-
Ultragaz Participações Ltda.	7,763	-
Melamina Ultra S.A. Indústria Química	-	456
Total at September 30, 2007	79,866	456
Total at June 30, 2007	85,481	456

	Consolidated			
	Loans		Trade accounts	
	Asset	Liability	Receivable	Payable
Química da Bahia Indústria e Comércio S.A.	-	3,641	-	-
Serma Associação dos Usuários de Equipamentos de Processamentos de Dados e Serviços Correlatos	9,948	-	-	-
Petroquímica União S.A.	-	-	-	2,359
Oxicap Indústria de Gases Ltda.	-	-	-	1,141
Liquigás Distribuidora S.A.	-	-	203	-
Petróleo Brasileiro S.A. Petrobras	-	-	5,717	187,056
Copagaz Distribuidora de Gás S.A.	-	-	63	-
Braskem S.A.	-	-	-	10,323
SHV Gás Brasil Ltda.	-	-	53	-
Plenogás - Distribuidora de Gás S.A.	-	871	-	-
Refinaria de Petróleo Ipiranga S.A. (*)	33,163	-	31	10,339
Other	-	211	34	-
Total at September 30, 2007	43,111	4,723	6,101	211,218
Total at June 30, 2007	42,148	4,723	8,117	206,548

(*)The loan with Refinaria de Petróleo Ipiranga S.A., refers to the acquisition of subscription rights from Distribuidora de Produtos de Petróleo Ipiranga S.A., with maturity on October 3, 2007. The amount in the table above refers to the loan amounts that were not eliminated on consolidation, given that RPI's consolidation is proportional and DPPI's is full.

	Consolidated		
	Operations		Financial
	Sales	Purchases	expenses
Petroquímica União S.A.	134	98,095	-
Oxicap Indústria de Gases Ltda.	-	7,972	-
Liquigás Distribuidora S.A.	2,902	-	-
Química da Bahia Indústria e Comércio S.A.	-	-	(110)
Petróleo Brasileiro S.A. - Petrobras	28	8,973,925	-
Copagaz Distribuidora de Gás S.A.	972	-	-
Braskem S.A.	26,035	515,314	-
SHV Gás Brasil Ltda.	1,214	-	-
Refinaria de Petróleo Ipiranga S.A. (**)	411	299,501	1,529
Other	576	-	-
Total at September 30, 2007	32,272	9,894,807	1,419
Total at September 30, 2006	42,899	2,070,985	(232)

(**) Purchase and sales transactions refer substantially to fuel supplies of RPI to DPPI. The amount in the table above refers to the amounts that were not eliminated on consolidation, given that RPI's consolidation is proportional and DPPI's is full.

Purchase and sale transactions refer substantially to purchases of raw materials, other materials and transportation and storage services, carried out at market prices and conditions.

9. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Deferred income and social contribution taxes

The Company and its subsidiaries recognize 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. The tax credits are based on continuing profitability from operations. Deferred income and social contribution taxes are presented in the following principal categories:

	Parent Company		Consolidated	
	09/30/2007	06/30/2007	09/30/2007	06/30/2007
Assets:				
Deferred income and social contribution taxes on:				
Provision for loss of assets	-	-	43,787	42,023
Provision for contingencies	-	-	40,651	38,076
Provision for post-retirement benefits (see Note 23.b)	-	-	24,949	24,974
Other provisions	117	122	40,316	36,840
Income and social contribution tax loss carryforwards	26,641	13,484	57,721	42,298
Total	26,758	13,606	207,424	184,211
Current portion	117	122	78,568	74,504
Noncurrent portion	26,641	13,484	128,856	109,707
Liabilities:				
Deferred income and social contribution taxes on:				
Revaluation of property, plant and equipment	-	-	634	684
Accelerated depreciation	-	-	173	180
Income earned abroad	-	-	26,050	25,858
Total	-	-	26,857	26,722
Current portion	-	-	176	208
Noncurrent portion	-	-	26,681	26,514

The estimated recovery of deferred income and social contribution tax assets is shown below:

	Parent Company	Consolidated
Until 1 year	117	78,568
From 1 to 2 years	13,011	47,808
From 2 to 3 years	6,850	26,350
From 3 to 4 years	6,780	31,422
From 5 to 7 years	-	15,438
From 8 to 10 years	-	7,838
	26,758	207,424

b) Conciliation of income and social contribution taxes in the statements of income

Income and social contribution taxes are reconciled to official tax rates as follows:

	Parent Company		Consolidated	
	09/30/2007	09/30/2006	09/30/2007	09/30/2006
Income before taxes, equity in subsidiary and affiliated companies and minority interest	(71,614)	4,193	276,458	272,040
Official tax rates - %	34	34	34	34
Income and social contribution taxes at official rates	24,349	(1,426)	(93,996)	(92,494)
Adjustments to the effective tax rate:				
Operating provisions and nondeductible expenses/nontaxable income	-	(13)	774	8,599
Adjustments to estimated income	-	-	5,933	1,360
Interest on capital	(761)	(4,893)	-	-
Workers' meal program (PAT)	-	-	987	649
Other	-	-	(371)	411
Income and social contribution taxes before benefit of tax holidays	23,588	(6,332)	(86,673)	(81,475)
Benefit of tax holidays - ADENE	-	-	9,486	46,105
Income and social contribution taxes in the statements of income	23,588	(6,332)	(77,187)	(35,370)
Current	-	(6,468)	(128,385)	(101,692)
Deferred	23,588	136	41,712	20,217
Benefit of tax holidays - ADENE	-	-	9,486	46,105

c) Tax exemption

The following subsidiaries have partial or total exemption from income tax in connection with a government program for the development of the Northeast Region of Brazil:

Subsidiary	Plants	Incentive -%	Expiration date
Oxiteno Nordeste S.A. Indústria e Comércio (*)	Camaçari plant	100	2006
Bahiana Distribuidora de Gás Ltda.	Mataripe plant	75	2013
	Suape plant	100	2007
	Ilhéus plant	25	2008
	Aracaju plant	25	2008
	Caucaia plant	75	2012
Terminal Químico de Aratu S.A. - Tequimar	Aratu Terminal	75	2012
	Suape Terminal	75	2015

(*) In December 2006, this plant's exemption expired and a request was filed with ADENE (Northeast Development Agency), the agency in charge of managing this incentive program, seeking a 75% income tax reduction until 2016, which was granted on May 25, 2007. On July 3, 2007, the benefit analysis report issued by ADENE was directed to the Federal Revenue Service to be ratified in up to 120 days that expired on October 31, 2007. Thus the subsidiary will record in October of 2007 the reduction value in its results, with retroactive effect to January 1, 2007, in amount of R\$ 15,418.

10. PREPAID EXPENSES (CONSOLIDATED)

	09/30/2007	06/30/2007
Rents	24,109	20,391
Marketing	5,377	5,453
Expenses with bond issuances	8,932	12,683
Insurance premium	2,212	3,373
Taxes, mainly Municipal Real Estate Tax - IPTU		
Vehicle Tax - IPVA	3,713	2,113
Other prepaid expenses	3,945	5,538
	48,288	49,551
Current portion	17,840	20,474
Noncurrent portion	30,448	29,077

11. INVESTMENTS

a) Subsidiaries of the Company

	Investments		Equity method	
	09/30/2007	06/30/2007	09/30/2007	09/30/2006
Ultragaz Participações Ltda.	425,040	408,923	51,158	86,039
Ultracargo - Operações Logísticas e Participações Ltda.	216,538	213,403	10,245	2,770
Imaven Imóveis e Agropecuária Ltda.	49,560	48,394	3,487	3,420
Oxiten S.A. Indústria e Comércio	1,505,160	1,485,072	62,861	149,942
Distribuidora de Produtos de Petróleo Ipiranga S.A.	169,834	165,145	9,200	-
Companhia Brasileira de Petróleo Ipiranga	101,243	95,944	10,125	-
Refinaria de Petróleo Ipiranga S.A. (joint subsidiary)	191	509	191	-
	2,467,566	2,417,390	147,267	242,171

b) Affiliated Companies (consolidated)

	Investments		Equity method	
	09/30/2007	06/30/2007	09/30/2007	09/30/2006
Química da Bahia Indústria e Comércio S.A.	3,540	3,551	65	641
Oxicap Indústria de Gases Ltda.	1,627	1,573	(44)	55
Transportadora Sulbrasileira de Gás S.A.	6,990	7,118	(235)	-
	12,157	12,242	(214)	696

In the consolidated interim financial information, the investment of subsidiary Oxiten S.A. Indústria e Comércio in the affiliated company Oxicap Indústria de Gases Ltda. is carried under the equity method based on the affiliate's interim financial information as of August 31, 2007. Other subsidiaries are valued based on the interim financial information as of September 30, 2007.

12. PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)

	Annual depreciation average rates - %	Revalued cost	09/30/2007		06/30/2007	
			Accumulated depreciation	Allowance for realization	Net book value	Net book value
Land	-	180,415	-	(197)	180,218	177,464
Buildings	4	616,008	(286,705)	-	329,303	324,187
Leasehold improvements	4	188,884	(69,836)	-	119,048	114,971
Machinery and equipment	8	1,062,301	(538,805)	(655)	522,841	463,259
Equipment and fixtures for the distribution of fuels / lubricants	10	748,047	(447,983)	-	300,064	303,906
Gas tanks and cylinders for LPG	10	281,606	(174,729)	-	106,877	110,741
Vehicles	21	223,383	(167,052)	-	56,331	55,794
Furniture and fixtures	10	58,653	(33,472)	-	25,181	24,570
Construction in progress	-	343,017	-	-	343,017	302,236
Advances to suppliers	-	84,247	-	-	84,247	84,548
Imports in transit	-	13,253	-	-	13,253	5,140
IT equipment	20	141,887	(110,526)	-	31,361	31,490
Other		450	(106)	-	344	68
		3,942,151	(1,829,214)	(852)	2,112,085	1,998,374

The changes in the provision for losses on property, plant and equipment are shown below:

Balance at June 30, 2007	1,029
Write off	(177)
Balance at September 30, 2007	852

Construction in progress refers substantially to construction of the fatty alcohols plant of subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda. in the amount of R\$ 220,197, as well as expansions and renovations of the subsidiaries' plants, the construction and modernization of gas stations and terminals for distribution of fuel of subsidiaries Companhia Brasileira de Petróleo Ipiranga and Distribuidora de Petróleo Ipiranga S.A., in the amount of R\$ 42,898.

Advances to suppliers refer basically to purchase of equipment for the fatty alcohols plant of subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.

The subsidiaries recorded, in previous years, revaluation of property, plant and equipment items. The revaluation balances are shown below:

		09/30/2007		06/30/2007
	Revaluation	Accumulated depreciation	Net book value	Net book value
Land	16,088	-	16,088	16,088
Buildings	43,866	(35,296)	8,570	8,946
Machinery and equipment	31,738	(30,815)	923	972
Gas tanks and cylinders	48,873	(48,873)	-	-
Vehicles	661	(661)	-	-
	141,226	(115,645)	25,581	26,006

The depreciation of these revaluations in the amount of R\$ 1,292 as of September 30, 2007 (R\$ 1,424 as of September 30, 2006) was recorded in the statements of income. The amount of deferred taxes on revaluations totals R\$ 6,909 as of September 30, 2007 (R\$ 7,072 as of June 30, 2007), of which R\$ 634 as of September 30, 2007 (R\$ 684 as of June 30, 2007) is recorded as noncurrent liabilities, as shown in Note 9.a), and R\$ 6,275 as of September 30, 2007 (R\$ 6,388 as of June 30, 2007) is accrued in the same period in which certain subsidiaries realize the revaluation reserve, since these revaluations occurred prior to the issuance of CVM Resolution No. 183/95.

13. INTANGIBLE ASSETS (CONSOLIDATED)

	Annual amortization average rate - %	Cost	09/30/2007		06/30/2007	
			Accumulated amortization	Provision for losses	Net book value	Net book value
Software	20	109,472	(76,125)	-	33,347	32,689
Commercial property rights	3	16,334	(2,083)	-	14,251	14,388
Goodwill	20	15,466	(10,817)	-	4,649	5,138
Technology	20	20,374	(5,198)	-	15,176	15,323
Other	10	1,431	(121)	(836)	474	429
		163,077	(94,344)	(836)	67,897	67,967

The changes in the provision for losses on intangibles are shown below:

Balance at June 30, 2007	836
Addition	-
Balance at September 30, 2007	836

Commercial property rights, mainly those described below:

- On July 11, 2002, subsidiary Terminal Químico de Aratu S.A. - Tequimar signed a contract with CODEBA - Companhia Docas do Estado da Bahia for use of the site where the Aratu Terminal is located for another 20 years, renewable for the same period. The price paid by Tequimar amounted to R\$ 12,000 and is being amortized from August 2002 to July 2042.
- Further, subsidiary Terminal Químico de Aratu S.A. - Tequimar has a lease agreement for an area adjacent to the Port of Santos for 20 years, effective December 2002 and renewable for another 20 years, for building and operating a terminal for receiving, tanking, handling and distribution of bulk liquids. The price paid by Tequimar was R\$ 4,334 and is being amortized from August 2005 until December 2022.

14.

DEFERRED CHARGES (CONSOLIDATED)

	Annual amortization average rates - %	Cost	09/30/2007 Accumulated amortization	06/30/2007 Net book value	Net book value
Expenses with studies and projects	20	72,885	(16,828)	56,057	52,839
Pre-operating expenses	12	6,728	(3,129)	3,599	3,779
Installation of Ultrasystem equipment at customers' facilities	33	188,428	(123,583)	64,845	61,399
Goodwill	10	439,795	(26,680)	413,115	424,845
Other	20	2,445	(1,442)	1,003	978
		710,281	(171,662)	538,619	543,840

Expenses on studies and projects include, mainly, the LPG distribution structure review project and expenses for the Rio de Janeiro Petrochemical Complex (COMPERJ) project.

Goodwill related to the share acquisitions of Petrolog Serviços e Armazéns Gerais Ltda. in the amount of R\$ 6,507, and for Ipiranga in the amount of R\$ 424,680 are being amortized in 120 months (see Note 3).

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15. LOANS, FINANCING AND DEBENTURES (CONSOLIDATED)

Description	a)		Composition		
	09/30/2007	06/30/2007	Index/ currency	Annual Interest rate 2007 - %	Maturity
Foreign currency:					
Syndicated loan	111,897	115,718	US\$	5.05	2008
Notes in the foreign market (b)	113,148	115,919	US\$	9.0	2020
Notes in the foreign market (c)	468,983	482,520	US\$	7.25	2015
Notes in the foreign market (d)	105,543	112,506	US\$	9.88	2008
Working capital loan	6,442	6,391	MX\$ + TIIE (i)	1.0	2008
Working capital loan	-	2,575	US\$	7.12 to 8.55	2007
Foreign financing	22,080	23,561	US\$ + LIBOR	2.0	2009
Inventories and property, plant and equipment financing	20,765	22,656	MX\$ + TIIE (i)	From 1.1 to 2.0	From 2009 to 2014
Inventories and property, plant and equipment financing	10,077	3,233	US\$ + LIBOR	From 1.0 to 1.5	From 2009 to 2010
Import financing (REFINIMP)	6,673	1,946	US\$	7.4	2007
Import financing (FINIMP)	-	5,178	US\$ + LIBOR	0.23	2007
Advances on foreign exchange contracts	53,820	36,824	US\$	From 5.79 to 6.30	< 260 days
National Bank for Economic and Social Development (BNDES)	7,298	9,020	UMBNDDES (ii)	From 8.49 to 10.75	From 2007 to 2011
National Bank for Economic and Social Development (BNDES)	13,277	10,631	US\$	From 7.54 to 10.69	From 2010 to 2013
Export prepayments, net of linked operations	6,502	6,695	US\$	6.2	2008
Subtotal	946,505	955,373			
Local currency:					
National Bank for Economic and Social Development (BNDES)	233,700	199,712	TJLP (iii)	From 1.80 to 4.85	From 2007 to 2013
National Bank for Economic and Social Development (BNDES)	2,390	4,736	IGP-M (iv)	6.5	2008
	67,801	73,792	TJLP (iii)	From 2.7 to 5.1	From 2007 to 2011

Government Agency for Machinery and Equipment Financing (FINAME)					
Research and projects financing (FINEP)	64,448	67,300	TJLP (iii)	From (2.0) to 5.0	From 2009 to 2014
Debentures (e.1)	302,332	312,073	CDI	102.5	2008
Debentures (e.2)	712,457	692,679	CDI	102.5	2008
Debentures (e.3)	352,392	360,511	CDI	103.8	2011
				From 9.78 to	
Banco do Nordeste do Brasil	94,807	44,168		11.50	2018
Financial institutions	146,660	91,429	CDI	100	2008
Debit balance	186	15,004		Free of charge	2007
Other	1,930	346	CDI	107	2007
Subtotal	1,979,103	1,861,750			
Total financing and debentures	2,925,608	2,817,123			
Current liabilities	(1,582,067)	(1,317,991)			
Non current liabilities	1,343,541	1,499,132			

(i) MX\$ = Mexican peso; TIIE = Mexican break-even interbank interest rate.

(ii) UMBNDES = BNDES monetary unit. This is a “basket” of currencies representing the composition of the BNDES debt in foreign currency, 93%, of which is linked to the U.S. dollar.

(iii) TJLP = fixed by the CMN (National Monetary Council); TJLP is the basic cost of BNDES financing.

(iv) IGP-M = General Market Price Index, is a measure of Brazilian inflation calculated by the Getúlio Vargas Foundation.

The long-term portion matures as follows:

	09/30/2007	06/30/2007
From 1 to 2 years	238,496	433,009
From 2 to 3 years	222,508	219,069
From 3 to 4 years	179,230	164,239
From 4 to 5 years	50,817	36,197
Over 5 years	652,490	646,618
	1,343,541	1,499,132

b) Notes in the foreign market

In June 1997, the subsidiary Companhia Ultragas S.A. issued US\$ 60 million in notes, (Original Notes), maturing in 2005. In June 2005, maturity was extended to June 2020, with put/call options in June 2008.

In June 2005, the subsidiary Oxiteno Overseas Corp. acquired the full amount of Original Notes, with funds from a syndicated loan in the amount of US\$ 60 million with maturity in June 2008 and interest rate of 5.05% per year. The syndicated loan was guaranteed by the Company and the subsidiary Oxiteno S.A. Indústria e Comércio.

In April 2006, subsidiary Oxiteno Overseas Corp. sold the Original Notes to a financial institution. Concurrently, the subsidiary acquired from this financial institution a credit linked note backed by the Original Notes, as mentioned in Note 4, thus obtaining an additional return on this investment. The transaction matures in 2020, and the subsidiary as well as the financial institution may redeem it early, although the subsidiary has only an annual option of redemption (purchase) in or after June 2008. In the event of insolvency of the financial institution, Companhia Ultragas S.A. would be required to settle the Original Notes, although Oxiteno Overseas Corp. would continue to be the creditor of the credit linked note. Thus, the Company stopped eliminating the Original Notes in its interim financial information.

c) Notes in the foreign market

In December 2005, the subsidiary LPG International Inc. issued notes in the amount of US\$ 250 million, maturing in December 2015, with annual interest rate of 7.25% paid semiannually, with the first payment scheduled for June 2006. The issue price was 98.75% of the notes' face value, which represented a total yield for investors of 7.429% per year upon issuance. The notes were guaranteed by the Company and by Oxiteno S.A. Indústria e Comércio.

As a result of the issuance of notes and the syndicated loan, the Company and its subsidiaries mentioned above are subject to covenants that limit, among other things:

- Limitation of transactions with shareholders that hold amounts of 5% or more of any class of Capital Stock of the Company, except upon fair and reasonable terms no less favorable to the Company than could be obtained in a comparable arm's-length transaction with a third party;
- Obligation of having Board of Directors resolution for transactions with related parties higher than US\$ 15 million (excepting transactions by the Company with subsidiaries and between subsidiaries);
- Restriction of disposal of the totality or near totality of the assets of Company and subsidiaries;
- Restriction of encumbrances on assets in excess of US\$ 150 million or 15% of the value of consolidated tangible assets;
- Maintenance of financial ratio, between consolidated net debt and consolidated EBITDA (Earning Before Interest, Taxes, Depreciation and Amortization), less than or equal to 3.5; and
- Maintenance of financial ratio, between consolidated EBITDA and consolidated net financial expenses higher than or equal to 1.5.

The restrictions imposed on the Company and its subsidiaries are usual in transactions of this nature and have not limited their ability to conduct their businesses to date.

d) Notes in the foreign market

On August 1, 2003, subsidiary Companhia de Petróleo Ipiranga issued US\$ 135 millions in notes in the international market. On August 1, 2005, when the interest levied increased from 7.875% per year to 9.875% per year, these securities were partly redeemed in the amount of US\$ 1.3 million or R\$ 3.1 millions. In 2006, partial redemption was performed in the amount of US\$ 79.6 millions or R\$ 164.9 millions, which represented the acceptance of CBPI's repurchase offer to the note holders.

e) Debentures

e.1) On March 1, 2005, the Company issued a single series of 30,000 nonconvertible debentures, whose main features are:

Nominal unit value:	R\$ 10,000.00
Final maturity:	March 1, 2008
Nominal value payment:	Lump sum at final maturity
Yield:	102.5% of CDI
Yield payment:	Semiannually, beginning March 1, 2005
Repricing:	None

The debentures are subject to commitments that restrict, among other things, certain operations of merger or spin-off, as well as the disposal of operating assets that would result in a reduction of more than 25% of consolidated net sales, and also included the obligation to maintain a consolidated net debt to consolidated EBITDA ratio less than or equal to 3.5. Thus far, none of these commitments have restricted the ability of the Company and its subsidiaries to conduct business.

e.2) On April 11, 2007, the Company issued debentures in the amount of R\$ 889,000, of which a first series was received on April 18, 2007, in the total amount of R\$ 675,000 with maturity on April 11, 2008 and semiannual yield of 102.5% of CDI, and the second series in the amount of R\$ 214,000 to be issued.

Nominal unit value:	R\$ 675,000,000.00
Final maturity:	April 11, 2008
Nominal value payment:	Lump sum at final maturity
Yield:	102.5% of CDI
Yield payment:	Semiannually, beginning October 11, 2007
Repricing:	None

e.3) On April 18, 2006, subsidiary Companhia Brasileira de Petróleo Ipiranga registered in the Brazilian Securities and Exchange Commission - CVM, the public distribution of 35,000 debentures, single series, non-convertible into shares and non-preferred (chirography) whose main features are:

Nominal unit value:	R\$ 10,000.00
Final maturity:	April 1, 2011
Nominal value payment:	three quotas in 2009, 2010 and 2011
Yield:	103.8% of CDI
Yield payment:	Semiannually, beginning April 1, 2006

f) Collateral

A portion of the financing is collateralized by liens on property, plant and equipment, shares, promissory notes and guarantees provided by the Company and its subsidiaries, as shown below:

	09/30/2007	06/30/2007
Amount of financing secured by:		
Property, plant and equipment	67,897	74,403
Shares of affiliated companies and minority stockholders' guarantees	2,390	4,736
	70,287	79,139

Other loans are collateralized by guarantees issued by the Company and by the future flow of exports. The Company is responsible for sureties and guarantees offered on behalf of its subsidiaries, amounting to R\$ 1,001,629 as of September 30, 2007 (R\$ 979,182 as of June 30, 2007).

Certain subsidiaries have issued guarantees to financial institutions related to amounts owed to those institutions by some of their customers (vendor financing). In the event any subsidiary is required to make a payment under the guarantees, the subsidiary may recover such amounts paid directly from its customers through commercial collection. Maximum future payments related to these guarantees amount to R\$ 23,537 as of September 30, 2007 (R\$ 20,043 as of June 30, 2007), with terms of up to 210 days. As of September 30, 2007, the Company and its subsidiaries have not incurred any loss nor recorded any liability related to these guarantees.

16.

SHAREHOLDERS' EQUITY

a)

Capital

The Company is a listed corporation with shares traded on the São Paulo and New York Stock Exchanges. Subscribed and paid-up capital is represented by 81,325,409 shares without par value, comprised of 49,429,897 common and 31,895,512 preferred shares.

As of September 30, 2007, 9,992,004 preferred shares were outstanding abroad, in the form of American Depositary Receipts - ADRs.

Preferred shares are not convertible into common shares, do not entail voting rights, and have priority in capital redemption, without premium, in the event of liquidation of the Company.

At the beginning of 2000, the Company granted, through a shareholders agreement, tag-along rights, which assure to minority stockholders identical conditions to those negotiated by the controlling shareholders in case of disposal of shareholding control of the Company.

The Company is authorized to increase its capital, regardless of amendment to the bylaws, through a resolution of the Board of Directors, until it reaches

R\$ 1,500,000, by means of issuance of common or preferred shares, without keeping the existing ratio, observed the limit of 2/3 of preferred shares to the total shares issued.

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b) Treasury shares

The Company acquired its own shares at market prices, without capital reduction, for holding in treasury and subsequent disposal or cancellation, in accordance with the provisions of Brazilian Securities Commission (CVM) Instructions No. 10, of February 14, 1980, and No. 268, of November 13, 1997.

During the period of 2007, 418,500 preferred shares were acquired at the average cost of R\$ 59.37 per share regarding to the share repurchase program approved in the Board of Director's Meeting of August 02, 2006.

As of September 30, 2007, the Company's interim financial information record 580,197 preferred shares and 6,617 common shares in treasury, which were acquired at the average cost of R\$ 50.51 and R\$ 19.30 per share, respectively. The consolidated financial information record 827,147 preferred shares and 6,617 common shares in treasury, which were acquired at the average cost of R\$ 42.52 and R\$ 19.30 per share, respectively.

The market price of preferred shares issued by the Company as of June 30, 2007 on the São Paulo Stock Exchange (BOVESPA) was R\$ 71.05.

c) Capital reserve

The capital reserve in the amount of R\$ 3,026 reflects the goodwill on the disposal of shares at market price to be held in treasury in the Company's subsidiaries, at the average price of R\$ 36.00 per share. Executives of these subsidiaries were given the usufruct opportunity to have such shares, as described in Note 22.

d) Revaluation reserve

This reserve reflects the revaluation write-up of assets of subsidiaries and is realized based upon depreciation, write-off or disposal of revalued assets, including the related tax effects.

In some cases, taxes on the revaluation reserve of certain subsidiaries are recognized only upon the realization of this reserve, since the revaluations occurred prior to the publication of CVM Resolution No. 183/95, as mentioned in Note 12.

e) Retention of profits reserve

This reserve is supported by the investment program, in conformity with article 196 of Brazilian corporate law, and includes both a portion of net income and the realization of the revaluation reserve.

f) Realizable profits reserve

This reserve is established in conformity with article 197 of Brazilian corporate law, based on the equity in subsidiaries and affiliated companies. Realization of the reserve usually occurs upon receipt of dividends, disposal and write-off of investments.