

ULTRAPAR HOLDINGS INC

Form 6-K

August 17, 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 August, 2007

Commission File Number: 001-14950

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

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

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

Form 20-F Form 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

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

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

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. English translation of Interim Financial Information for the three-month period Ended June 30, 2007 and Independent Accountants' Review Report
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Ultrapar Participações S.A.

Interim Financial Information for the three-month period
Ended June 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 June 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 June 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 June 30, 2006 was reviewed by other independent accountant's, who issued an unqualified review report dated July 28, 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.

August 3, 2007

KPMG Auditores Independentes
CRC 2SP014428/O-6

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

Alexandre Heinermann
Accountant CRC 1SP228175/O-0

ULTRAPAR PARTICIPAÇÕES S.A.

IDENTIFICATION

01.01 - CAPITAL COMPOSITION

Number of shares (Thousands)	Current quarter 06/30/2007	Prior quarter 03/31/2007	Same quarter in prior year 06/30/2006
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	516	206	182
6 - Total	523	213	189

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 JUNE 30, 2007 AND
MARCH 31, 2007
(In thousands of Brazilian
reais - R\$)

ASSETS	Notes	Parent Company		Consolidated		LIABILITIES	Notes	Parent Company	
		06/30/2007	03/31/2007	06/30/2007	03/31/2007			06/30/2007	03/31/2007
CURRENT ASSETS						CURRENT LIABILITIES			
Cash and banks	-	297	67	47,069	30,938	Loans and financing	15	-	-
Temporary cash investments	4	67,739	103,880	1,474,828	838,142	Debentures	15	1,004,752	30
Trade accounts receivable	5	-	-	1,260,910	383,714	Suppliers	-	970	-
Inventories	6	-	-	540,443	228,013	Salaries and related charges	-	78	-
Recoverable taxes	7	9,840	2,770	193,599	110,671	Taxes payable	-	52	-
Deferred income and social contribution taxes	9a.	122	264	74,504	37,880	Dividends payable	-	35,581	3
Dividends receivable	-	-	43,211	-	-	Income and social contribution taxes	-	-	-
Other	-	451	309	31,277	7,442	Post-retirement benefits	23b.	-	-
Prepaid expenses	10	1,908	560	20,474	11,113	Provision for contingencies	21a.	-	-
Total current assets		80,357	151,061	3,643,104	1,647,913	Deferred income and social contribution taxes	9a	-	-
						Other	-	2,949	-
						Total current liabilities		1,044,382	33
NONCURRENT ASSETS						NONCURRENT LIABILITIES			
Long-term investments	4	-	-	118,946	551,311	Long-term liabilities			
Trade accounts receivable	5	-	-	157,647	18,783	Loans and financing	15	-	-
Related companies	8	85,481	110,355	42,148	8,945	Debentures	15	-	-

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Deferred income and social contribution taxes	9a.	13,484	1,191	109,707	55,432	Related companies	8	456	3
Recoverable taxes	7	18,595	25,171	72,437	73,244	Deferred income and social contribution taxes	9a.	-	
Escrow deposits	-	193	193	25,100	17,164	Provision for contingencies	21a.	-	
Prepaid expenses	10	45	47	29,077	12,196	Post-retirement benefits	23b.	-	
Other	-	-	-	8,173	1,136	Other	-	-	
Total long-term assets		117,798	136,957	563,235	738,211	Total noncurrent liabilities		456	3
						MINORITY INTEREST	-	-	
Permanent assets									
Investments:						SHAREHOLDERS' EQUITY			
Subsidiary Goodwill	11a.	2,417,390	2,059,335	-	-	- Capital	16a.	946,034	94
Affiliated companies	11b.	-	-	12,242	5,185	Capital reserve	16c.	3,026	
Other	-	60	60	26,615	25,475	Revaluation reserve	16d.	12,310	1
Property, plant and equipment	12	-	-	1,998,374	1,178,536	Profit reserves	16e.,16f.	983,230	98
Intangible	13	-	-	67,967	59,917	Treasury shares	16b.	(25,530)	(
Deferred charges	14	11,644	377	543,840	116,219	Retained earnings		75,166	3
Total permanent assets		2,840,919	2,059,772	2,649,038	1,385,332	Total shareholders' equity		1,994,236	1,97
Total noncurrent assets		2,958,717	2,196,729	3,212,273	2,123,543	Total minority interest and shareholders' equity		1,994,236	1,97
TOTAL ASSETS		3,039,074	2,347,790	6,855,377	3,771,456	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,039,074	2,34

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 JUNE
30, 2007 AND 2006

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

	Notes	Parent Company		Consolidated	
		06/30/07	06/30/06	06/30/07	06/30/06
GROSS SALES AND SERVICES	2a.	-	-	6,432,960	1,300,713
Deductions	-	-	-	(251,838)	(103,375)
NET SALES AND SERVICES		-	-	6,181,122	1,197,338
Cost of sales and services	2a.	-	-	(5,704,234)	(960,708)
GROSS PROFIT		-	-	476,888	236,630
EQUITY IN SUBSIDIARIES AND AFFILIATED COMPANIES	11a.,11b.	63,138	91,775	(26)	588
OPERATING (EXPENSES) INCOME		(10,920)	(405)	(332,151)	(146,770)
Selling	-	-	-	(124,596)	(47,573)
General and administrative	-	(70)	(404)	(144,637)	(67,780)
Management compensation	-	-	-	(1,459)	(1,402)
Depreciation and amortization	-	(10,851)	-	(65,604)	(30,562)
Other operating income, net	-	1	(1)	4,145	547
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		52,218	91,370	144,711	90,448
Financial income (expenses), net		(27,034)	2,296	(27,291)	22,482
Financial income	19	2,193	13,606	37,098	40,143
Financial expenses	19	(29,227)	(11,310)	(64,389)	(17,661)
INCOME FROM OPERATIONS		25,184	93,666	117,420	112,930
Nonoperating (expenses) income, net	17	-	-	(1,127)	(11,143)
INCOME BEFORE TAXES ON INCOME AND MINORITY INTEREST	-	25,184	93,666	116,293	101,787
INCOME AND SOCIAL CONTRIBUTION TAXES		12,151	(5,561)	(28,689)	(12,532)
Current	9b.	-	(5,572)	(47,689)	(37,756)
Benefit of tax holidays - ADENE	9b.	-	-	3,282	19,384
Deferred	9b.,9c.	12,151	11	15,718	5,840

INCOME BEFORE MINORITY INTEREST		37,335	88,105	87,604	89,255
Employees statutory interest	-	-	-	(2,816)	-
Minority interest	-	-	-	(47,453)	(1,150)
NET INCOME		37,335	88,105	37,335	88,105
EARNINGS PER SHARE - R\$		0.46206	1.08589	0.46206	1.08589

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 SIX-MONTH PERIODS
ENDED JUNE 30, 2007 AND 2006
(In thousands of Brazilian reais - R\$,
except for earnings per share)

	Notes	Parent Company		Consolidated	
		06/30/07	06/30/06	06/30/07	06/30/06
GROSS SALES AND SERVICES	2a.	-	-	7,725,997	2,499,693
Deductions	-	-	-	(370,762)	(204,614)
NET SALES AND SERVICES		-	-	7,355,235	2,295,079
Cost of sales and services	2a.	-	-	(6,655,116)	(1,859,417)
GROSS PROFIT		-	-	700,119	435,662
EQUITY IN SUBSIDIARIES AND AFFILIATED COMPANIES	11a.,11b.	97,045	153,870	(129)	647
OPERATING (EXPENSES) INCOME		(10,931)	(406)	(488,051)	(286,605)
Selling	-	-	-	(177,781)	(93,556)
General and administrative	-	(81)	(405)	(214,317)	(130,339)
Management compensation	-	-	-	(2,612)	(2,646)
Depreciation and amortization	-	(10,851)	-	(97,418)	(61,140)
Other operating income, net	-	1	(1)	4,077	1,076
INCOME FROM OPERATIONS BEFORE FINANCIAL ITEMS		86,114	153,464	211,939	149,704
Financial income (expenses), net		(21,981)	3,806	(35,137)	34,896
Financial income	19	8,791	28,280	68,865	73,817
Financial expenses	19	(30,772)	(24,474)	(104,002)	(38,921)
INCOME FROM OPERATIONS		64,133	157,270	176,802	184,600
Nonoperating (expenses) income, net	17	-	-	(1,945)	(13,234)
INCOME BEFORE TAXES ON INCOME AND MINORITY INTEREST	-	64,133	157,270	174,857	171,366
INCOME AND SOCIAL CONTRIBUTION TAXES		10,437	(6,068)	(49,297)	(24,185)
Current	9b.	-	(6,150)	(77,347)	(66,186)
Benefit of tax holidays - ADENE	9b.	-	-	6,084	30,753

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Deferred	9b.,9c.	10,437	82	21,966	11,248
INCOME BEFORE MINORITY INTEREST		74,570	151,202	125,560	147,181
Employees statutory interest	-	-	-	(2,816)	-
Minority interest	-	-	-	(48,174)	(2,288)
NET INCOME		74,570	151,202	74,570	144,893
EARNINGS PER SHARE - R\$		0.92287	1.86356	0.92287	1.78580

The accompanying notes are integral part of these interim financial information

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(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 (Oxiten), 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 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 - %			
	06/30/2007		03/31/2007	
	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	-	-
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
Imaven Imóveis e Agropecuária Ltda.	100	-	100	-
Distribuidora de Produtos de Petróleo Ipiranga S.A.	32	-	-	-
Companhia Brasileira de Petróleo Ipiranga (*)	1	11	-	-
am/pm Comestíveis Ltda. (*)	-	11	-	-
Centro de Conveniências Millennium Ltda. (*)	-	11	-	-
Empresa Carioca de Produtos Químicos S.A.	-	11	-	-
Ipiranga Comercial Importadora e Exportadora Ltda.	-	11	-	-
Ipiranga Trading Limited	-	11	-	-
Tropical Transportes Ipiranga Ltda.	-	11	-	-
Ipiranga Imobiliária Ltda.	-	11	-	-

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Ipiranga Logística Ltda.	-	11	-	-
Maxfácil Participações S.A. (**)	-	9	-	-
Isa-Sul Administração e Participações Ltda.	-	32	-	-
Comercial Farroupilha Ltda.	-	32	-	-
Ipiranga Administração de Bens Móveis Ltda.	-	32	-	-
Refinaria de Petróleo Ipiranga S.A. (***)	10	-	-	-

(*) As informed in the “Relevant 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 “Relevant 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 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.

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	
	06/30/2007	03/31/2007	06/30/2007	03/31/2007
Austrian notes	-	-	439,197	430,326
Dual Currency Deposits (a)	-	-	248,613	540,247
Foreign investments (b) (c)	-	-	454,144	215,455
Securities and fixed-income funds in Brazil	67,739	103,880	519,190	265,404
Net expenses on hedge transaction (d)	-	-	(67,370)	(61,979)
Total	67,739	103,880	1,593,774	1,389,453
Current portion	67,739	103,880	1,474,828	838,142
Noncurrent portion	-	-	118,946	551,311

- (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 7.5% per year; otherwise, it will be in Brazilian reais plus average interest of 16.2% per year. The subsidiary records the investment at the lower of the two alternative yields, which until June 30, 2007 was represented by the US dollar. Up to June 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 Ultragaz 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)

	06/30/2007	03/31/2007
Domestic customers Ipiranga / Refinery	802,374	-
Other domestic customers	377,920	398,138
Financing to customers	263,197	-
Foreign customers	89,941	65,964
(-) Advances on foreign exchange contracts	(57,632)	(39,126)
(-) Allowance for doubtful accounts	(57,243)	(22,479)
	1,418,557	402,497
Current portion	1,260,910	383,714
Noncurrent portion	157,647	18,783

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 March 31, 2007	22,479
Initial balance of Ipiranga / Refinery	41,222
Addition recorded as selling expenses	5,549
Utilization	(12,007)
Balance at June 30, 2007	57,243

6. INVENTORIES (CONSOLIDATED)

	06/30/2007			03/31/2007		
	Cost	Provision for losses	Net	Cost	Provision for losses	Net
Finished products	147,247	(3,152)	144,095	114,302	(2,132)	112,170
Work in process	1,114	-	1,114	783	-	783
Raw materials	81,398	(37)	81,361	50,262	(40)	50,222
Liquefied petroleum gas (LPG)	20,491	-	20,491	24,093	-	24,093
Fuel, lubricants and grease	230,389	(375)	230,014	-	-	-
Supplies and cylinders for resale	44,512	(1,261)	43,251	28,294	(587)	27,707
Advances to suppliers	20,117	-	20,117	13,038	-	13,038
	545,268	(4,825)	540,443	230,772	(2,759)	228,013

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

Balance at March 31, 2007	2,759
Additions	2,071
Reversal	(5)
Balance at June 30, 2007	4,825

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	
	06/30/2007	03/31/2007	06/30/2007	03/31/2007
Income and social contribution taxes	28,373	27,879	107,571	73,706
ICMS	-	-	155,427	112,983
Provision for losses - ICMS (*)	-	-	(40,909)	(34,433)
PIS and COFINS	21	21	19,882	18,131
VAT of subsidiary Oxiteno				
México S.A. de C.V.	-	-	15,420	11,855
Excise Tax - IPI	-	-	7,439	645
Other	41	41	1,206	1,028
Total	28,435	27,941	266,036	183,915
Current portion	9,840	2,770	193,599	110,671
Noncurrent portion	18,595	25,171	72,437	73,244

(*) 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 March 31, 2007	34,433
Initial balance of Ipiranga / Refinery	6,035
Addition	1,362
Reversal	(921)
Balance at June 30, 2007	40,909

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\$ 66,334 as of June 30, 2007 (R\$ 60,419 as of March 31, 2007), of which R\$ 27,562 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
Oxitemo S.A. Indústria e Comércio	76,901	-
Ultragas Participações Ltda.	8,580	-
Melamina Ultra S.A. Indústria Química	-	456
Total at June 30, 2007	85,481	456
Total at March 31, 2007	110,355	33,456

	Consolidated			
	Loans Asset	Liability	Trade accounts 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	9,883	-	-	-
Petroquímica União S.A.	-	-	-	431
Oxicap Indústria de Gases Ltda.	-	-	-	774
Liquigás Distribuidora S.A.	-	-	156	-
Petróleo Brasileiro S.A. Petrobras	-	-	7,624	194,210
Copagaz Distribuidora de Gás S.A.	-	-	93	-
Braskem S.A.	-	-	-	6,275
SHV Gás Brasil Ltda.	-	-	195	-
Plenogás - Distribuidora de Gás S.A.	-	871	-	-
Refinaria de Petróleo Ipiranga S.A. (*)	32,265	-	25	4,858
Other	-	211	24	-
Total at June 30, 2007	42,148	4,723	8,117	206,548
Total at March 31, 2007	8,945	4,687	8,974	8,199

(*)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 the loan amounts that were not eliminated on consolidation, given that RPI's consolidation is proportional and DPPI's is full.

With exception of the loans with Química da Bahia Indústria e Comércio S.A. and Refinaria de Petróleo Ipiranga S.A., loans are not subject to financial charges.

	Sales	Consolidated Operations Purchases	Financial expenses
Petroquímica União S.A.	95	61,697	-
Oxicap Indústria de Gases Ltda.	-	5,052	-
Liquigás Distribuidora S.A.	1,895	-	-
Química da Bahia Indústria e Comércio S.A.	-	-	(110)
Petróleo Brasileiro S.A. - Petrobras	22	4,743,962	-
Copagaz Distribuidora de Gás S.A.	547	-	-
Braskem S.A.	25,292	340,892	-
SHV Gás Brasil Ltda.	757	-	-
Refinaria de Petróleo Ipiranga S.A. (**)	191	149,418	697
Other	393	-	-
Total at June 30, 2007	29,192	5,301,021	587
Total at June 30, 2006	28,752	1,341,025	(76)

(**) 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	
	06/30/2007	03/31/2007	06/30/2007	03/31/2007
Assets:				
Deferred income and social contribution taxes on:				
Provision for loss of assets	-	-	42,023	22,124
Provision for contingencies	-	-	38,076	12,269
Provision for post-retirement benefits (see Note 23.b)	-	-	24,974	-
Other provisions	122	264	36,840	27,250
Income and social contribution tax loss carryforwards	13,484	1,191	42,298	31,669
Total	13,606	1,455	184,211	93,312
Current portion	122	264	74,504	37,880
Noncurrent portion	13,484	1,191	109,707	55,432
Liabilities:				
Deferred income and social contribution taxes on:				
Revaluation of property, plant and equipment	-	-	684	773
Accelerated depreciation	-	-	180	-
Income earned abroad	-	-	25,858	25,544
Total	-	-	26,722	26,317
Current portion	-	-	208	154
Noncurrent portion	-	-	26,514	26,163

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

	Parent Company	Consolidated
Until 1 year	122	74,504
From 1 to 2 years	6,368	38,050
From 2 to 3 years	3,770	30,385
From 3 to 4 years	3,346	24,635
From 5 to 7 years	-	9,103
From 8 to 10 years	-	7,534
	13,606	184,211

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	
	06/30/2007	06/30/2006	06/30/2007	06/30/2006
Income before taxes, equity in subsidiary and affiliated companies and minority interest	(32,912)	3,400	172,170	170,719
Official tax rates - %	34	34	34	34
Income and social contribution taxes at official rates	11,190	(1,156)	(58,538)	(58,044)
Adjustments to the effective tax rate:				
Operating provisions and nondeductible expenses/nontaxable income	9	(19)	(26)	1,715
Adjustments to estimated income	-	-	3,047	948
Interest on capital	(762)	(4,893)	-	-
Workers' meal program (PAT)	-	-	356	483
Other	-	-	(220)	(40)
Income and social contribution taxes before benefit of tax holidays	10,437	(6,068)	(55,381)	(54,938)
Benefit of tax holidays - ADENE	-	-	6,084	30,753
Income and social contribution taxes in the statements of income	10,437	(6,068)	(49,297)	(24,185)
Current	-	(6,150)	(77,347)	(66,186)
Deferred	10,437	82	21,966	11,248
Benefit of tax holidays - ADENE	-	-	6,084	30,753

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:

<u>Subsidiary</u>	<u>Plants</u>	<u>Incentive Expiration</u>	
		<u>- %</u>	<u>date</u>
Oxiteno Nordeste S.A. Indústria e Comércio (*)	Camaçari plant	100	2006
Bahiana Distribuidora de Gás Ltda.	Mataripe plant	75	2013
	Suape plant	100	2007
	Ihéus 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; after this period the subsidiary will record the reduction value in its results, with retroactive effect to January 1, 2007. Should this 75% reduction not be approved, the Subsidiary will file a new request with ADENE, for 25% income tax reduction until 2008 and 12.5% from 2009 to 2013, to which it is entitled for being located in a development region and exercising an economic activity that is considered as priority for the area.

10. PREPAID EXPENSES (CONSOLIDATED)

	06/30/2007	03/31/2007
Rents	20,391	3,470
Marketing	5,453	-
Expenses with bond issuances	12,683	11,394
Insurance premium	3,373	4,105
Taxes, mainly Municipal Real Estate Tax - IPTU		
Vehicle Tax - IPVA	2,113	1,874
Other prepaid expenses	5,538	2,466
	49,551	23,309
Current portion	20,474	11,113
Noncurrent portion	29,077	12,196

11. INVESTMENTS

a) Subsidiaries of the Company

	Investments		Equity method	
	06/30/2007	03/31/2007	06/30/2007	06/30/2006
Ultragaz Participações Ltda.	408,923	382,864	34,994	46,686
Ultracargo - Operações Logísticas e Participações Ltda.	213,403	207,091	7,111	1,595
Imaven Imóveis e Agropecuária Ltda.	48,394	47,242	2,322	2,347
Oxiteno S.A. Indústria e Comércio	1,485,072	1,422,138	42,773	103,242
Distribuidora de Produtos de Petróleo Ipiranga S.A.	165,145	-	4,511	-
Companhia Brasileira de Petróleo Ipiranga	95,944	-	4,825	-
Refinaria de Petróleo Ipiranga S.A. (joint subsidiary)	509	-	509	-
	2,417,390	2,059,335	97,045	153,870

b) Affiliated Companies (consolidated)

	Investments		Equity method	
	06/30/2007	03/31/2007	06/30/2007	06/30/2006
Química da Bahia Indústria e Comércio S.A.	3,551	3,503	75	634
Oxicap Indústria de Gases Ltda.	1,573	1,682	(98)	13
Transportadora Sulbrasileira de Gás S.A.	7,118	-	(106)	-
	12,242	5,185	(129)	647

In the consolidated interim financial information, the investment of subsidiary Oxiteno 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 May 31, 2007. Other subsidiaries are valued based on the interim financial information as of June 30, 2007.

12. PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)

	Annual depreciation average rates - %	Revalued cost	06/30/2007		03/31/2007	
			Accumulated depreciation	Allowance for realization	Net book value	Net book value
Land	-	177,838	-	(374)	177,464	47,074
Buildings	4	591,118	(266,931)	-	324,187	202,134
Leasehold improvements	4	182,260	(67,289)	-	114,971	74,661
Machinery and equipment	8	1,007,585	(543,671)	(655)	463,259	447,589
Equipment and fixtures for the distribution of fuels / lubricants	10	740,082	(436,176)	-	303,906	-
Gas tanks and cylinders for LPG	10	281,726	(170,985)	-	110,741	112,415
Vehicles	21	213,683	(157,889)	-	55,794	32,247
Furniture and fixtures	10	57,471	(32,901)	-	24,570	15,063
Construction in progress	-	302,236	-	-	302,236	160,234
Advances to suppliers	-	84,548	-	-	84,548	74,532
Imports in transit	-	5,140	-	-	5,140	1,150
IT equipment	20	139,632	(108,142)	-	31,490	11,437
Other		174	(106)	-	68	-
		3,783,493	(1,784,090)	(1,029)	1,998,374	1,178,536

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

Balance at March 31, 2007	1,633
Write off	(604)
Balance at June 30, 2007	1,029

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\$ 141,525, and the new alkoxylation plant of subsidiary Oxiteno S.A. Indústria e Comércio in the amount of R\$ 40,084, 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\$ 38,884.

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:

	Revaluation	06/30/2007 Accumulated depreciation	Net book value	03/31/2007 Net book value
Land	16,088	-	16,088	15,469
Buildings	43,866	(34,920)	8,946	9,321
Machinery and equipment	31,738	(30,766)	972	1,026
Gas tanks and cylinders	48,910	(48,910)	-	-
Vehicles	661	(661)	-	-
	141,263	(115,257)	26,006	25,816

The depreciation of these revaluations in the amount of R\$ 867 as of June 30, 2007 (R\$ 964 as of June 30, 2006) was recorded in the statements of income. The amount of deferred taxes on revaluations totals R\$ 7,072 as of June 30, 2007 (R\$ 7,275 as of March 31, 2007), of which R\$ 684 as of June 30, 2007 (R\$ 773 as of March 31, 2007) is recorded as noncurrent liabilities, as shown in Note 9.a), and R\$ 6,388 as of June 30, 2007 (R\$ 6,502 as of March 31, 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	06/30/2007		03/31/2007	
			Accumulated amortization	Provision for losses	Net book value	Net book value
Software	20	105,183	(72,494)	-	32,689	23,864
Commercial property rights	3	16,334	(1,946)	-	14,388	14,525
Goodwill	20	15,466	(10,328)	-	5,138	5,646
Technology	20	20,493	(5,170)	-	15,323	15,448
Other	10	1,373	(108)	(836)	429	434
		158,849	(90,046)	(836)	67,967	59,917

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

Balance at March 31, 2007	836
Addition	-
Balance at June 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	06/30/2007 Accumulated amortization	Net book value	03/31/2007 Net book value
Expenses with studies and projects	20	67,580	(14,741)	52,839	44,991
Pre-operating expenses	12	6,730	(2,951)	3,779	3,950
Installation of Ultrasystem equipment at customers' facilities	33	175,042	(113,643)	61,399	61,675
Goodwill	10	439,631	(14,786)	424,845	4,725
Other	20	2,395	(1,417)	978	878
		691,378	(147,538)	543,840	116,219

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).

15. LOANS, FINANCING AND DEBENTURES (CONSOLIDATED)

a) Composition

<u>Description</u>	<u>06/30/2007</u>	<u>03/31/2007</u>	<u>Index/ currency</u>	<u>Annual Interest rate 2007 - %</u>	<u>Maturity</u>
Foreign currency:					
Syndicated loan	115,718	124,750	US\$	5.05	2008
Notes in the foreign market (b)	115,919	126,161	US\$	9.0	2020
Notes in the foreign market (c)	482,520	522,923	US\$	7.25	2015
Notes in the foreign market (d)	112,506	-	US\$	9.88	2008
Working capital loan	6,391	4,077	MX\$ + TIIE (i)	1.0	2008
Working capital loan	2,575	-	US\$	7.12 to 8.55	2007
Foreign financing			US\$ + LIBOR		
	23,561	24,625		2.0	2009
Inventories and property, plant and equipment financing	22,656	13,891	MX\$ + TIIE (i)	From 1.1 to 2.0	From 2009 to 2014
Inventories and property, plant and equipment financing	3,233	-	US\$ +LIBOR	From 1.50 to 1.75	2009
Import financing (REFINIMP)	1,946	-	US\$	From 6.8	2007
Import financing (FINIMP)			US\$		2007
	5,178	-	+LIBOR	0.23	
Advances on foreign exchange contracts			US\$	From 5.20 to 6.20	< 149 days
	36,824	4,043			
National Bank for Economic and Social Development (BNDES)	9,020	10,693	UMBNDDES (ii)	From 4.50 to 10.38	From 2007 to 2011
National Bank for Economic and Social Development (BNDES)	10,631	10,154	US\$	From 7.68 to 10.83	From 2010 to 2013
Export prepayments, net of linked operations	6,695	10,383	US\$	6.2	2008
Subtotal	955,373	851,700			
Local currency:					
National Bank for Economic and Social Development (BNDES)	199,712	196,726	TJLP (iii)	From 1.80 to 4.85	From 2007 to 2013
National Bank for Economic and Social Development (BNDES)	4,736	4,645	IGP-M (iv)	6.5	2008
Government Agency for Machinery and Equipment Financing (FINAME)	73,792	36,901	TJLP (iii)	From 2.5 to 5.10	From 2007 to 2011
Research and projects financing (FINEP)	67,300	55,398	TJLP (iii)	From (2.0) to 5.0	From 2009 to 2014
Debentures (e.1)	312,073	303,078	CDI	102.5	2008
Debentures (e.2)	692,679	-	CDI	102.5	2008
Debentures (e.3)	360,511	-	CDI	103.8	2011
Banco do Nordeste do Brasil	44,168	19,790		From 9.78 to 11.5	2018

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Financial institutions	91,429	-	CDI	100	2008
Debit balance				Free of	
	15,004	-		charge	2007
Other	346	483			
Subtotal	1,861,750	617,021			
Total financing and debentures	2,817,123	1,468,721			
Current liabilities	(1,317,991)	(428,469)			
Non current liabilities	1,499,132	1,040,252			

(i) MX\$ = Mexican peso; THIE = 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:

	06/30/2007	03/31/2007
From 1 to 2 years	433,009	220,163
From 2 to 3 years	219,069	92,872
From 3 to 4 years	164,239	36,996
From 4 to 5 years	36,197	24,288
Over 5 years	646,618	665,933
	1,499,132	1,040,252

b) Notes in the foreign market

In June 1997, the subsidiary Companhia Ultragaz 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 Ultragaz 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 (chirographary) 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:

	06/30/2007	03/31/2007
Amount of financing secured by:		
Property, plant and equipment	74,403	38,134
Shares of affiliated companies and minority stockholders' guarantees	4,736	4,645
	79,139	42,779

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\$ 979,182 as of June 30, 2007 (R\$ 1,041,278 as of March 31, 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\$ 20,043 as of June 30, 2007 (R\$ 29,936 as of March 31, 2007), with terms of up to 210 days. As of June 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 June 30, 2007, 10,701,954 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.

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 first semester of 2007, 354,900 preferred shares were acquired at the average cost of R\$ 59.01 per share regarding to the share repurchase program approved in the Board of Director's Meeting of August 02, 2006.

As of June 30, 2007, the Company's interim financial information record 516,597 preferred shares and 6,617 common shares in treasury, which were acquired at the average cost of R\$ 49.17 and R\$ 19.30 per share, respectively. The consolidated financial information record 763,547 preferred shares and 6,617 common shares in treasury, which were acquired at the average cost of R\$ 40.95 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\$ 64.39.

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.

g) Conciliation of shareholders' equity - Company and consolidated

	06/30/2007	03/31/2007
Shareholders' equity - Company	1,994,236	1,975,498
Treasury shares held by subsidiaries, net of realization	(4,430)	(4,577)
Capital reserve arising from sale of treasury shares to subsidiaries, net of realization	(2,324)	(2,400)
Shareholders' equity - consolidated	1,987,482	1,968,521

h) Reconciliation of net income - Parent Company and consolidated

The reconciliation of net income, Parent Company and consolidated, shows the effect of the reversal of the allowance for scheduled factory maintenance of some subsidiaries, net of income and social contribution taxes, recorded in retained earnings, in accordance with CVM Resolution No. 489/05 and Technical Interpretation No. 01/06 by IBRACON, as follows:

	06/30/2006
Net income - Parent Company	151,202
Reversal of allowance for factory maintenance by the subsidiary Oxiteno S.A. Indústria e Comércio	(796)
Reversal of allowance for factory maintenance by the subsidiary Oxiteno Nordeste S.A. Indústria e Comércio	(5,513)
Net income - consolidated	144,893

17. NONOPERATING EXPENSES, NET (CONSOLIDATED)

Composed mainly of R\$ 1,502 as of June 30, 2007 (R\$ 6,675 as of June 30, 2006) in write-off of deferred assets related to studies and projects, and R\$ 443 as of June 30, 2007 (R\$ 6,559 as of June 30, 2006) of result on the sale of property, plant and equipment, mainly gas cylinders and vehicles.

2. SEGMENT INFORMATION

The Company has four relevant segments: gas, chemicals, logistics and distribution. The gas segment distributes LPG to retail, commercial and industrial consumers mainly in the South, Southeast and Northeast Regions of Brazil. The chemicals segment primarily produces ethylene oxide and by products, which are raw materials for the textiles, foods, cosmetics, detergents, agricultural chemicals, paints and varnishes industries, among other. Operations in the logistics segment include storage and transportation, mainly in the Southeast and Northeast Regions of Brazil. The distribution segment operates in distribution of fuels, lubricants and related products in the South and Southeast Regions of Brazil. Reportable segments are strategic business units that offer different products and services. Intersegment sales are transacted at prices approximating those that could be obtained with third parties.

The main financial information about each of the Company's reportable segments is presented as follows:

	06/30/2007					06/30/2006	
	Ultragaz	Oxiteno	Ultracargo	Ipiranga	Other	Consolidated	Consolidated
Net sales, net of related-party transactions	1,532,392	783,894	88,365	4,947,410	3,174	7,355,235	2,295,079
Income from operations before financial income (expenses) and equity in subsidiary and affiliated companies	78,831	46,074	10,804	84,187	(7,828)	212,068	149,057
Total assets, net of related parties	895,507	2,472,633	353,292	2,570,744	570,820	6,862,996	3,717,502

In the table above, the column "other" is composed mainly by parent company Ultrapar Participações S.A., that recorded the goodwill on the acquisition of Ipiranga, and by the participation in the oil refining business.

19. FINANCIAL INCOME AND EXPENSES, NET (CONSOLIDATED)

	06/30/2007	06/30/2006
Financial income:		
Interest on temporary cash investments and noncurrent investments	72,461	83,736
Interest on trade accounts receivable	6,574	2,905
Monetary and exchange variation income	(11,120)	-(13,782)
Other income	950	958
	68,865	73,817
Financial expenses:		
Interest on loans and financing	(45,850)	(42,718)
Interest on debentures	(45,066)	(23,980)
Bank charges	(8,674)	(6,568)
Monetary and exchange variations expenses	23,659	15,058
Financial results from currency hedge transactions	(9,058)	(11,681)
CPMF/IOF/other financial expenses (see Note 21 a))	(12,052)	33,537
Other expenses	(6,961)	(2,569)
	(104,002)	(38,921)
Financial (expenses) income, net	(35,137)	34,896

20. RISKS AND FINANCIAL INSTRUMENTS (CONSOLIDATED)

The main risk factors to which the Company and its subsidiaries are exposed reflect strategic/operating and economic/financial aspects. Strategic/operating risks (such as behavior of demand, competition, technological innovation, and significant structural changes in industry, among others) are addressed by the Company's management model. Economic/financial risks mainly reflect customer default, macroeconomic variables, such as exchange and interest rates, as well as the characteristics of the financial instruments used by the Company. These risks are managed through control policies, specific strategies and the determination of limits, as follows:

- Customer default - These risks are managed by specific policies for accepting customers and analyzing credit, and are mitigated by diversification of sales. As of June 30, 2007, Oxiteno S.A. Indústria e Comércio and its subsidiaries maintained R\$ 1,374 (R\$ 1,547 as of March 31, 2007), the subsidiaries of Ultragas Participações Ltda. maintained R\$ 13,531 (R\$ 20,739 as of March 31, 2007), and Ipiranga / Refinery maintained R\$ 41,920 as an allowance for doubtful accounts.
- Interest rates - The Company and its subsidiaries adopt conservative policies to obtain and invest funds and to minimize the cost of capital. Temporary cash investments of the Company and its subsidiaries are comprised mainly of transactions linked to the CDI, as described in Note 4. A portion of the financial assets is intended for foreign currency hedges, as mentioned below. Borrowings are mainly originated from the BNDES, debentures and foreign currency financing, as mentioned in Note 15.

- Exchange rate - The Company's subsidiaries use hedge instruments (mainly CDI and US\$) available in the financial market to cover assets and liabilities in foreign currency, so as to reduce the exchange variation effects on their results. Such hedges have amounts, periods and indexes substantially equivalent to the assets and liabilities in foreign currency to which they are linked. Shown below are the assets and liabilities in foreign currency, translated into Brazilian reais at June 30, 2007 and March 31, 2007:

	06/30/2007	03/31/2007
Assets:		
Investments abroad and hedges	63,339	80,395
Foreign cash and cash equivalents	1,150	830
Temporary cash and long-term investments in foreign currency	702,757	755,702
Receivables from foreign customers, net of advances on exchange contracts and allowance for loss	32,178	26,655
	799,424	863,582
Liabilities:		
Foreign currency financing	955,373	851,700
Import payables	14,646	19,322
	970,019	871,022
Net asset position	(170,595)	(7,440)

The exchange rate variation related to cash and banks, investments, temporary cash investments, and long-term cash investments of foreign subsidiaries was recorded as financial expense in the consolidated financial information of income for June 30, 2007, in the amount of R\$ 12,957 (financial expense of R\$ 14,280 as of June 30, 2006).

- Market value of financial instruments

Market value of financial instruments as of June 30, 2007 and March 31, 2007 are as follows:

	06/30/2007		03/31/2007	
	Book value	Market value	Book value	Market value
Financial assets:				
Cash and banks	47,069	47,069	30,938	30,938
Temporary cash investments	1,474,828	1,488,616	838,142	839,217
Noncurrent investments	118,946	120,286	551,311	566,791
	1,640,843	1,655,971	1,420,391	1,436,946
Financial liabilities:				
Current and long-term loans	1,451,860	1,477,397	1,165,643	1,201,088
Current and long-term debentures	1,365,263	1,365,234	303,078	303,063
	2,817,123	2,842,631	1,468,721	1,504,151
Investment-				
Investments in affiliated companies	26,615	33,036	25,475	28,002

The market value of financial instruments was obtained through the commonly used marking to market methodology, which consists of carrying the balances of the instruments until the maturity at the respective contracted rates, discounting them to present value at market rates as of June 30, 2007 and March 31, 2007. The market value of investment in affiliated company is based on the share price trading on the São Paulo Stock Exchange (BOVESPA).

21. CONTINGENCIES AND COMMITMENTS (CONSOLIDATED)

a) Labor, civil and tax lawsuits

The Petrochemical Industry Labor Union, of which the employees of Oxiteno Nordeste S.A. Indústria e Comércio are members, filed an action against the subsidiary in 1990, demanding compliance with the adjustments established in a collective labor agreement, in lieu of the salary policies effectively followed. At the same time, the employers' association proposed a collective bargaining for the interpretation and clarification of the fourth clause of the agreement. Based on the opinion of its legal counsel, who analyzed the last decision of the Federal Supreme Court (STF) on the collective bargaining, as well as the status of the individual lawsuit of the subsidiary, management believes that a reserve is not necessary as of June 30, 2007.

The subsidiaries Companhia Ultragaz S.A. and SPGás Distribuidora de Gás Ltda. are parties to an administrative proceeding at CADE (Administrative Council for Economic Defense), under the allegation of anticompetitive practice in municipalities of a region of the State of Minas Gerais in 2001. In September 2005, the SDE (Economic Law Department) issued a technical notice recommending to CADE a ruling against the companies involved in this proceeding. In their defense, the subsidiaries' arguments, among others, are that: (i) under the terms of the notice issued by the Company's chief executive officer on July 4, 2000, the subsidiaries' employees were forbidden to discuss with third parties matters related to prices; and (ii) no consistent evidence was attached to the proceeding's records. In view of the arguments presented, the fact that the technical notice has no binding effect on CADE's decision, and their legal counsel's opinion, the subsidiaries did not record a provision for this issue. Should CADE's decision be unfavorable, the subsidiaries can still discuss the issue at the judicial level.

The subsidiary Companhia Ultragas S.A. is a defendant in lawsuits relating to damages caused by an explosion in 1996 in a shopping mall in the city of Osasco, State of São Paulo. Such lawsuits involve: (i) individual suits filed by victims of the explosion claiming damages from Ultragas for the loss of economic benefit and for pain and suffering; (ii) lawsuit for reimbursement of expenses by the administration company of the shopping mall and its insurance company; and (iii) class action suit seeking indemnification for property damage and pain and suffering for all the victims injured and deceased. The subsidiary believes that it has presented evidence that defective gas pipes in the shopping mall caused the accident and that Ultragas's on-site LPG storage facilities did not contribute to the explosion. Of the 58 lawsuits judged thus far, a favorable judgment was obtained for 57, and of these 19 have already been dismissed; only 1 had an unfavorable decision, which is still subject to appeal, and whose amount, should the decision be upheld, is R\$ 17. Three lawsuits have not yet been judged. The subsidiary has insurance coverage for these lawsuits, and the uninsured contingent amount is R\$ 23,595. The Company has not recorded any provision for this amount, since it believes the probability of loss is remote.

The Company and its subsidiaries obtained injunctions to pay PIS and COFINS (taxes on revenues) without the changes introduced by Law No. 9718/98 in its original version. The ongoing questioning refers to the levy of these taxes on sources other than revenues. Recently the STF has decided the matter favorable to the taxpayer. Although it is a precedent, the effect of this decision does not automatically apply to all companies, since they must await judgment of their own lawsuits. In the first semester of 2007, final decisions were rendered for the company and its subsidiaries which reversed the accrual previously recorded, in the amount of R\$ 12,759 (in the first semester of 2006 - R\$ 17,217 of accrual reversal and R\$ 26,225 of recovery of amounts paid in previous periods), net of attorney's fees. The Company has other subsidiaries whose lawsuits have not yet been judged. Should there be final favorable outcomes for the subsidiaries in all lawsuits still not judged, the Company estimates that the total positive effect in income before income and social contribution taxes should reach R\$ 28,895, net of attorney's fees.

Subsidiary Oxiteno S.A. Indústria e Comércio accrued R\$ 9,212 as of June 30, 2007 (R\$ 9,045 as of March 31, 2007) for ICMS tax assessments being judged at a lower-level administrative court. The subsidiary is currently awaiting decision on the appeal.

Subsidiary Utingás Armazenadora S.A. has challenged in court ISS (Service Tax) tax assessments issued by the municipal government of Santo André. Legal counsel of the subsidiary classifies the risk as low, since a significant portion of the lower-court decisions was favorable to the subsidiary. The thesis defended by the subsidiary is supported by the opinion of a renowned tax specialist. The unprovisioned updated amount of the contingency as of June 30, 2007 is R\$ 39,028 (R\$ 38,263 as of March 31, 2007).

On October 7, 2005, the subsidiaries of Ultragaz Participações Ltda. filed for and obtained an injunction to support the offset of PIS and COFINS credits against other federal taxes administered by the Federal Revenue Service (SRF), notably corporate income tax and social contribution taxes. According to the injunction obtained, the subsidiaries have been making judicial deposits for these debits in the amount of R\$ 55,858 as of June 30, 2007 (R\$ 41,814 as of March 31, 2007) and recognizing the corresponding liability for this purpose.

Subsidiaries Ultragaz Participações Ltda, Cia. Ultragaz S.A., Utingás Armazenadora S.A., Terminal Químico de Aratu S.A. - Tequimar, Transultra - Armazenamento e Transporte Especializado Ltda. and Ultracargo Operações Logísticas e Participações Ltda., hold judicial measures petitioning the full and immediate utilization of supplementary monetary adjustment based on the Consumer Price Index (IPC) / National Treasury Bonds (BTN) for 1990 (Law No. 8.200/91), and hold accruals in the amount of R\$ 13,098 (R\$ 12,530 as of March 31, 2007) as a possible contingency, in case of unfavorable outcome of such lawsuits.

On December 29, 2006, the subsidiaries Oxiteno S.A Indústria e Comércio, Oxiteno Nordeste S.A Indústria e Comércio, Companhia Ultragaz S.A. and Transultra Armazenamento e Transporte Especializado Ltda filed for an injunction seeking the deduction of ICMS from the PIS and COFINS tax basis. Oxiteno Nordeste S.A Indústria e Comércio received an injunction and is paying the amounts into judicial deposits, as well as recording the respective accrual in the amount of R\$ 4,933 (R\$ 930 as of March 31, 2007); the others subsidiaries did not receive similar injunction and are waiting the judgment of an appeal to Regional Federal Court – TRF of the 9th Region.

The Company and some subsidiaries filed a request for an injunction seeking not to be subject to the legislation that restricted the offset of corporate income tax (IRPJ) and social contribution (CSLL) tax loss carryforwards computed through December 31, 1994 to 30% of income for the year. There are good precedents for these discussions when it is proven that there was only a postponement of payment of IRPJ and CSLL to the following years, as is the case of the Company's subsidiaries, and legal counsel understands that the chances of success of the challenge in the judicial sphere is possible. The contingency is estimated at R\$ 6,493.

Regarding Ipiranga / Refinery, the main provisions for contingencies refer to: (a) requirements for the reversal of ICMS credits on transportation services taken during the freight reimbursement system established by DNC (currently National Agency for Petroleum - ANP), in the amount of R\$ 6,862; (b) requirements for the reversal of ICMS credits in the State of Minas Gerais, on interstate outflows carried under Article 33 of ICMS Agreement 66/88, which allowed the maintenance of credits and which was suspended by an injunction conceded by the Supreme Court - STF, in the amount of R\$ 26,948; (c) reversal of the deduction of unconditional discounts from the ICMS calculation basis, in the State of Minas Gerais, as a result of tax substitution, in the amount of R\$ 15,395; (d) litigation based on clauses of contracts with clients; (e) claims made by former employees and outsourced personnel regarding salary related amounts.

The main tax contingencies of Ipiranga / Refinery which present risks evaluated as possible, and which, based in this evaluation, have not been accrued for in the interim financial information, refer to ICMS, in the total amount of R\$ 107,743 and relate, mainly to: (a) requirements for the reversal of credits on interstate outflows; (b) requirements of ICMS on the purchases of basic oils; (c) demands to reverse credits related with interstate transport services operations; (d) demands to reverse credits derived from excess taxation generated on the purchase of products in the petroleum refinery under the tax substitution system; (e) demands to reverse credits in operations with alcohol (anhydrous fuel alcohol) in the State of São Paulo; (f) tax assessment resulting from operations of alcohol loan devolutions (anhydrous fuel alcohol). In addition, subsidiary Distribuidora de Produtos de Petróleo Ipiranga S.A.- DPPI and its subsidiaries have tax assessments concerning non-homologation of IPI credits originated in acquisitions of products whose subsequent sales had no taxation. The non-accrued contingent amount as of June 30, 2007, is R\$ 15,240.

The Company and its subsidiaries have other ongoing administrative and judicial proceedings; legal counsel classified the risks on these proceedings as possible and/or remote and, therefore, no reserves for potential losses on these proceedings have been recorded. The Company and its subsidiaries also have litigations that aims at recovery of taxes and contributions, that have not been registered in the interim financial information due to their contingent nature.

Judicial deposits and provisions are summarized below:

Provisions	Balance in 03/31/2007	Initial balance of Ipiranga / Refinery	Additions	Write-off	Interest	Balance in 06/30/2007
Income and social contribution taxes	59,500	63	16,033	-	1,964	77,560
PIS and COFINS on other revenues	1,866	-	-	-	30	1,896
PIS on rendering of services	286	-	-	-	5	291
ICMS	10,257	50,229	3,941	-	695	65,122
INSS	2,172	50	-	-	153	2,375
Other	-	847	774	(251)	406	1,776
Civil lawsuits	-	5,224	455	(404)	(290)	4,985
Labor claims	-	13,364	435	(345)	(22)	13,432
(-) Judicial deposits	(42,744)	(7,093)	(16,532)	-	(1,317)	(67,686)
Total	31,337	62,684	5,106	(1,000)	1,624	99,751

b) Contracts

Subsidiary Terminal Químico de Aratu S.A. - Tequimar has contracts with CODEBA and Complexo Industrial Portuário Governador Eraldo Gueiros, in connection with their port facilities in Aratu and Suape, respectively. Such contracts establish minimum cargo movement of 1,000,000 tons per year for Aratu, effective through 2022, and 250,000 tons per year for Suape, effective through 2027. If annual movement is less than the minimum required, the subsidiary is required to pay the difference between the actual movement and the minimum contractual movement, using the port rates in effect at the date established for payment. As of June 30, 2007, such rates were R\$ 4.59 and R\$ 3.97 per ton for Aratu and Suape, respectively. The subsidiary has met the minimum cargo movement limits since inception of the contracts.

Subsidiary Oxiteno Nordeste S.A. Indústria e Comércio has a supply contract with Braskem S.A, that establishes a minimum consumption level of ethylene per year. The minimum purchase commitment and the actual demand for the period ended June 30, 2007 and 2006, expressed in tons of ethylene, are summarized below. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 40% of the current ethylene price for the quantity not purchased.

	Minimum purchase commitment		Actual demand	
	2007	2006	2007	2006
In tons of ethylene	180.000	137.900	96,221	90,968

On August 16, 2006, the subsidiary signed a memorandum of understanding, altering the ethylene supply contract with Braskem S.A. described above. The memorandum of understanding regulates new conditions of ethylene supply through 2021, and in 2007 and 2008 the subsidiary is having access to an additional volume of ethylene, with the minimum quantity in tons increasing to 180 thousand and 190 thousand, respectively.

c) Insurance coverage for subsidiaries

The Company has insurance policies to cover various risks, including loss and damage from fire, lightning, explosion of any nature, windstorm, plane crash and electrical damage, among others, protecting the plants and other branches of all subsidiaries except Ipiranga / Refinery, with coverage amounting to US\$ 404 million.

For the plants of Oxiteno S.A. Indústria e Comércio, Oxiteno Nordeste S.A. Indústria e Comércio and Oxiteno México S.A. de C.V., there is also loss of income insurance against losses from potential accidents related to their assets, with coverage amounting to US\$ 242 million.

A civil liability insurance program covers the Company and its subsidiaries, with global coverage of US\$ 200 million, for losses and damage from accidents caused to third parties, related to the commercial and industrial operations and/or distribution and sale of products and services.

Group life insurance, personal accident insurance, health insurance, and domestic and international transportation insurance are also contracted.

Ipiranga / Refinery have an insurance and risk management program which provides coverage for all their insurable assets, as well as coverage against risks resulting from the interruption of production, by means of an operating risk policy negotiated with the national and international insurance market, through the Brazilian Reinsurance Institute.

The coverage and limits insured by the policies are based on a detailed study of risks and losses, prepared by local insurance consultants. Management considers the type of insurance contracted sufficient to cover possible claims, in view of the nature of the activities of the companies.

The main coverages are related to operating risks, loss of profits, multiple industrial perils, multiple office risks, named perils - pools and civil liability.

22. SHARE COMPENSATION PLAN (CONSOLIDATED)

The Extraordinary Shareholders' Meeting held on November 26, 2003 approved a compensation plan for management of the Company and its subsidiaries, which provides for: (i) the initial grant of usufruct of shares issued by the Company and held in treasury by the subsidiaries in which the beneficiaries are employed; and (ii) the transfer of the beneficial ownership of the shares after ten years from the initial grant, provided that the professional relationship between the beneficiary and the Company and its subsidiaries is not interrupted. The total amount granted to executives until June 30, 2007, including taxes, was R\$ 12,263 (R\$ 12,263 as of March 31, 2007). This amount is being amortized over a period of ten years and the amortization related as of June 30, 2007 in the amount of R\$ 614 (R\$ 446 as of June 30, 2006), was recorded as an operating expense for the period.

23. EMPLOYEE BENEFITS AND PRIVATE PENSION PLAN (CONSOLIDATED)

a) ULTRAPREV – Associação de Previdência Complementar

In August 2001, the Company and its subsidiaries (except subsidiaries recently acquired from the Ipiranga Group) began to provide a defined contribution pension plan to their employees. This plan is managed by Ultraprev - Associação de Previdência Complementar. Under the terms of the plan, the basic contribution of each participating employee is defined annually by the participant between 0% and 11%, of his/her salary. The sponsoring companies provide a matching contribution in an identical amount as the basic contribution. As participants retire, they have the option to receive monthly: (i) a percentage varying between 0.5% and 1.0% of the fund accumulated in their name in Ultraprev; or (ii) a fixed-monthly amount that will deplete the fund accumulated in the participant's name in a period of 5 to 25 years. Accordingly, neither the Company nor its subsidiaries assume responsibility for guaranteeing the levels of amounts or periods of receipt of the retirement benefit. As of June 30, 2007, the Company and its subsidiaries contributed R\$ 1,722 (R\$ 1,713 as of June 30, 2006) to Ultraprev, which was charged to income for the period. The total number of participating employees as of June 30, 2007 was 5,606, with 12 participants retired to date. Additionally, Ultraprev has 1 active participant and 31 former employees receiving defined benefits according to the policies of a previous plan.

b) Fundação Francisco Martins Bastos

The subsidiaries Distribuidora de Produtos de Petróleo Ipiranga S.A., Companhia Brasileira de Petróleo Ipiranga and Refinaria de Petróleo Ipiranga S.A., together with other companies which formed the Ipiranga Group, are sponsors of Fundação Francisco Martins Bastos, which provides a defined benefit plan to their employees.

The accumulated amount of contribution to the plan by Ipiranga / Refinery in the quarter ended as of June 30, 2007 was R\$ 1,347.

The recorded net liabilities of Ipiranga / Refinery as of June 30, 2007 were R\$ 78,931, of which R\$ 7,240 in current liabilities and R\$ 71,691 in noncurrent liabilities.

The actuarial liability as of June 30, 2007 reflects the report elaborated by the independent actuary Towers Perrin Forster & Crosby Ltda on May 31, 2007, which has kept the biometric premises and the rates used in the subsidiaries' financial statements of December 31, 2006.

24. SUPPLEMENTARY STATEMENT OF CASH FLOW - INDIRECT METHOD

Prepared in accordance with Accounting Standard and Procedure (NPC) No. 20 issued by IBRACON (Brazilian Institute of Independent Auditors).

	PARENT COMPANY	
	06/30/2007	06/30/2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	74,570	151,202
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and Amortization	10,851	-
Equity in subsidiaries and affiliated companies	(97,045)	(153,870)
Foreign exchange and indexation gains	36,190	23,981
Deferred income and social contribution taxes	(10,437)	(82)
Dividends received by direct subsidiaries	12,872	75,461
(Increase) decrease in current assets:		
Recoverable taxes	(1,881)	(7,841)
Other	(110)	399
Prepaid expenses	(1,348)	-
Increase (decrease) in current liabilities:		
Suppliers	606	44
Salaries and related charges	19	4
Taxes	18	-
Other		