

ULTRAPAR HOLDINGS INC
Form 6-K
August 12, 2010

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, 2010

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 X	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 X

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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1. Earnings release 2Q10
 2. Minutes of the meeting of the Board of Directors held on August 11, 2010
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Item 1

São Paulo, August 11th, 2010 – Ultrapar Participações S.A. (BMF&BOVESPA: UGPA4 / NYSE: UGP), a company engaged in fuel distribution (Ultragas/Ipiranga), chemicals (Oxiten) and storage for liquid bulk (Ultracargo), hereby reports its results for the second quarter of 2010.

Results conference call

We completed in this 2Q10 our sixteenth consecutive quarter of growth in Ultrapar's EBITDA, which reached R\$ 433 million, up 35% over 2Q09, with growth in all of our businesses. We also reported in this quarter record net earnings of R\$ 196 million, up 110% over 2Q09.

Brazilian conference call

August 13th, 2010

10 a.m. (US EST)

São Paulo - SP

Telephone for connection: +55 11

2188 0155

Code: Ultrapar

Ø VOLUME GROWTH IN ALL BUSINESSES COMPARED WITH 2Q09 AND 1Q10, AS A RESULT OF THE BRAZILIAN ECONOMIC GROWTH, ACQUISITIONS AND EXPANSION PROJECTS

International conference call

August 13th, 2010

11:30 a.m. (US EST)

Participants in the USA: +1 800 418

6854

Participants in Brazil: 0800 891 9722

Participants International: +1 973 200

3114

Code: Ultrapar or 87948042

Ø ULTRAPAR'S EBITDA REACHES R\$ 433 MILLION, UP 35% ON 2Q09, WITH GROWTH IN ALL BUSINESSES

Ø ULTRAPAR REPORTS RECORD NET EARNINGS OF R\$ 196 MILLION, 110% GROWTH OVER 2Q09

Ø DIVIDEND DISTRIBUTION OF R\$ 177 MILLION APPROVED FOR 1H10, CORRESPONDING TO A 53% PAYOUT OF THE CONSOLIDATED NET EARNINGS

IR contact

E-mail: invest@ultra.com.br

Telephone: + 55 11 3177 7014

Website: www.ultra.com.br

Ø CONCLUDED THE SALE OF ULTRACARGO'S IN-HOUSE LOGISTICS, SOLID BULK STORAGE AND ROAD TRANSPORTATION BUSINESSES

Ultrapar Participações S.A.

UGPA4 = R\$ 86.39/share (06/30/10)

UGP = US\$ 47.29/ADR (06/30/10)

“We are pleased to report the sixteenth consecutive quarter of growth in Ultrapar's EBITDA. This growth was presented through different economic cycles, backed by the consistent planning and execution of strategy and by our focus on value creation, which drives all the company's decisions. Our businesses continue to reap the benefits from a more favorable economic environment, highlighting the improvements in Oxiten's earnings this quarter. Concurrently, we concluded the sale of Ultracargo's road transportation, in-house logistics and solid bulk storage businesses, reinforcing its focus on liquid bulk storage”

Pedro Wongtschowski – CEO

Considerations on the financial and operational information

Standards and criteria adopted in preparing the information

Ultrapar's financial statements for the year ended December 31st, 2009 were prepared in accordance with the accounting directives set out in the Brazilian Corporate Law, being adopted the alterations introduced by Laws 11,638/07 and 11,941/09 (former Provisional Measure 449/08), as well as the CVM standards, instructions and guidelines, which regulate them. In connection with the process of converging the accounting practices adopted in Brazil to the international financial reporting standards (IFRS), several guidelines, interpretations and orientations were issued during 2009 with mandatory application for the year ending December 31st, 2010. Ultrapar decided to rely on the option foreseen in Article 1 of CVM Resolution 603/2009, as amended by CVM Resolution 626/2010, an option that allows companies to report their quarterly information for the periods ended June 30th and March 31st, 2010 in accordance with the accounting standards valid on December 31st, 2009.

The financial information of Ultragas, Ipiranga, Oxiteno and Ultracargo is presented without elimination of transactions carried out between the companies. Therefore, the sum of such information may not correspond to Ultrapar's consolidated financial information. In addition, except when otherwise indicated, the amounts presented in this document are expressed in millions of R\$ and are subject to rounding off. Consequently, the total amounts presented in the tables may differ from the direct sum of the amounts that precede them.

Effect of the acquisition - Texaco

In August 2008, Ultrapar announced the signing of the sale and purchase agreement for the acquisition of Texaco's fuel distribution business in Brazil. The results of Texaco were consolidated in Ultrapar's financial statements from April 1st, 2009, after the closing of the acquisition on March 31st, 2009. Ultrapar's financial statements in periods prior to 2Q09 do not include Texaco's results.

In order to provide a better understanding of the progression of Ipiranga's recurring results, the table below summarizes Ipiranga's results for 2Q09, 3Q09, 4Q09, 1Q10 and 2Q10 ex-non-recurring expenses related to the conversion of Texaco service stations into the Ipiranga brand and to the integration of the acquired operations. The analysis and discussion of the progression in Ipiranga's results presented in this document exclude non-recurring items, in order to provide comparability of the information and a better understanding of the company's performance.

IPIRANGA EX-NON-RECURRING EXPENSES
QUARTER ENDED IN

	JUNE 2010	MARCH 2010 ¹	DECEMBER 2009	SEPTEMBER 2009	JUNE 2009
Net sales	8,837.6	8,591.5	8,988.7	8,183.6	8,212.9
Cost of sales and services	(8,361.9)	(8,120.2)	(8,483.1)	(7,742.2)	(7,780.5)
Gross profit	475.7	471.2	505.6	441.4	432.4
Operating expenses	(274.6)	(267.5)	(285.4)	(266.4)	(269.2)

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Selling	(150.9)	(147.8)	(136.0)	(136.1)	(140.5)
General and administrative	(92.4)	(87.7)	(104.0)	(86.2)	(96.0)
Depreciation and amortization	(31.3)	(32.0)	(45.4)	(44.1)	(32.6)
Other operating results	5.5	6.4	10.1	3.4	2.2
EBIT	206.6	210.1	230.3	178.4	165.4
EBITDA	238.2	242.7	277.9	224.7	200.1
Depreciation and amortization	31.6	32.6	47.6	46.3	34.7
EBITDA margin (R\$/m3)	48	53	55	47	43

1 The information for 1Q10 also exclude the effects of adhering the Federal and Mato Grosso State's tax financing program, with an impact of R\$ 22 million on Ipiranga's EBITDA. Additional information is available in note 22.a. to the financial statements for the quarter ended March 31st, 2010, available on Ultrapar's website (www.ultra.com.br).

Effect of the divestment – Ultracargo's road transportation, in-house logistics and solid bulk storage

On July 1 st, 2010, Ultrapar concluded the sale of Ultracargo's in-house logistics, solid bulk storage and road transportation businesses, with the transfer of the shares of AGT – Armazéns Gerais e Transporte Ltda. and Petrolog Serviços e Armazéns Gerais Ltda. to Aqces Logística Internacional Ltda. and the receipt of R\$ 74 million, in addition to the R\$ 8 million deposit received upon the announcement of the transaction on March 31 st, 2010. Ultrapar and Ultracargo's financial statements from the 3Q10 onwards will no longer consolidate the results of the businesses sold.

Summary of the 2nd quarter 2010

Ultrapar – Consolidated data	2Q10	2Q09	1Q10	D (%) 2Q10v2Q09	D (%) 2Q10v1Q10	1H10	1H09	D (%) 1H10v1H09
Net sales and services	10,377	9,622	9,941	8%	4%	20,318	16,033	27%
Gross profit	823	694	724	19%	14%	1,547	1,221	27%
Operating profit	337	215	261	57%	29%	598	393	52%
EBITDA	433	321	362	35%	20%	796	595	34%
Net earnings	196	93	141	110%	39%	337	184	82%
Earnings per share ¹	1.46	0.70	1.05	110%	39%	2.51	1.38	82%

Amounts in R\$ million
(except for EPS)

¹Calculated based on the number of shares over the period, excluding shares held in treasury.

Ultragaz – Operational data	2Q10	2Q09	1Q10	D (%) 2Q10v2Q09	D (%) 2Q10v1Q10	1H10	1H09	D (%) 1H10v1H09
Total volume (000 tons)	407	401	371	2%	10%	778	765	2%
Bottled	282	281	257	0%	10%	539	538	0%
Bulk	125	119	114	4%	10%	238	227	5%

Ipiranga – Operational data	2Q10	2Q09	1Q10	D (%) 2Q10v2Q09	D (%) 2Q10v1Q10	1H10	1H09	D (%) 1H10v1H09
Total volume (000 m ³)	4,985	4,635	4,600	8%	8%	9,585	7,405	29%
Diesel	2,773	2,504	2,488	11%	11%	5,262	4,011	31%
Gasoline, ethanol and NGV	2,092	2,012	2,003	4%	4%	4,095	3,197	28%
Other ²	119	120	109	0%	9%	228	198	15%

²Fuel oils, kerosene, lubricants and greases.

Oxiteno – Operational data	2Q10	2Q09	1Q10	D (%) 2Q10v2Q09	D (%) 2Q10v1Q10	1H10	1H09	D (%) 1H10v1H09
Total volume (000 tons)	176	160	164	10%	7%	339	284	20%
Product mix								
Specialty chemicals	160	139	152	15%	6%	312	254	23%
Glycols	15	21	12	(26%)	28%	28	29	(6%)
Geographical mix								
Sales in Brazil	126	107	117	18%	8%	243	193	26%
Sales outside Brazil	49	53	47	(7%)	5%	96	90	6%

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Ultracargo – Operational data	2Q10	2Q09	1Q10	D (%) 2Q10v2Q09	D (%) 2Q10v1Q10	1H10	1H09	D (%) 1H10v1H09
Effective storage ³ (000 m3)	558	491	535	14%	4%	546	464	18%
Total kilometrage (million)	5.1	5.8	5.0	(13%)	2%	10.1	12.0	(16%)

³Monthly average

Macroeconomic indicators	2Q10	2Q09	1Q10	D (%) 2Q10v2Q09	D (%) 2Q10v1Q10	1H10	1H09	D (%) 1H10v1H09
Average exchange rate (R\$/US\$)	1.79	2.07	1.80	(14%)	(1%)	1.80	2.19	(18%)
Brazilian interbank interest rate (CDI)	2.2%	2.4%	2.0%			4.3%	5.3%	
Inflation in the period (IPCA)	1.0%	1.3%	2.0%			3.1%	2.6%	

Highlights

- Ø Dividend distribution of R\$ 177 million approved – On this date, the Board of Directors of Ultrapar approved the dividend payment of R\$ 177 million, equivalent to R\$ 1.32 per share, as an advance of the dividends for the fiscal year 2010, to be paid from August 27, 2010. This amount corresponds to a 53% payout of the net earnings of the first half of 2010, representing an annualized dividend yield of 3% over Ultrapar's average share price in the same period.
- Ø Ultracargo concludes the sale of its in-house logistics, solid bulk storage and road transportation businesses and focus its activities on the storage for liquid bulk – On July 1st, 2010, Ultrapar concluded the sale of Ultracargo's in-house logistics, solid bulk storage and road transportation businesses with the transfer of the shares of AGT – Armazéns Gerais e Transporte Ltda. and Petrolog Serviços e Armazéns Gerais Ltda. to Aqces Logística Internacional Ltda. and the receipt of R\$ 74 million by Ultracargo, in addition to the R\$ 8 million deposit received upon the announcement of the transaction on March 31st, 2010. This transaction allows Ultracargo to focus exclusively on its liquid bulk storage business, a segment in which it has a leadership position and will pursue opportunities to maximize the benefits from the increasing demand for logistics infrastructure in Brazil.
- Ø Reduction in the cost of debt and extension in the debt maturity profile – In June 2010, Ultrapar's Board of Directors approved the hiring of a loan in the total amount of R\$ 900 million, with a four-year term and interest rate equivalent to 99% of CDI (interbank deposit rate). This loan reduces the average cost of debt of the company and provides higher financial flexibility.

Executive summary of the results

The economic indicators related to the second quarter of 2010 point to the continued expansion of the Brazilian economy, evidenced by the 9% growth of the Brazilian GDP in 1Q10 over the same period of 2009, notably the industrial segment that grew 15%. Such growth, boosted by the strong domestic market and credit expansion, has positively reflected in a robust labor market and real income increase. The number of light vehicles licensed in 1H10 accumulates a 7% increase compared with the same period of 2009. However, the effects of the greater dynamism of the economy in inflation led the Central Bank to raise the basic interest rate (SELIC) to 10.75%, the third increase in 2010. In the international environment, after the strong increase in 2009, commodities prices have been relatively stable, especially oil, which, in 2010, has been traded at around US\$ 75 to US\$ 85/barrel.

In 2Q10, Ultragaz's sales volume grew by 2% compared with 2Q09, boosted by the 4% growth in the bulk segment, as a result of the higher level of economic activity. Ultragaz's EBITDA reached R\$ 83 million in the quarter, up 13% from 2Q09, mainly as a result of a recovery in margins, to which the operational efficiency programs implemented

and the performance in the bulk segment contributed.

At Ipiranga, fuel sales volume grew by 8% in 2Q10 over 2Q09, as a consequence of greater economic dynamism and the continued growth of the Brazilian light vehicle fleet. Ipiranga's EBITDA in 2Q10 amounted to R\$ 238 million, up 19% over 2Q09, resulting in an EBITDA of R\$ 48/m3, higher than the R\$ 43/m3 margin for 2Q09.

In 2Q10, Oxiteno reported a 10% sales volume growth compared with 2Q09, on the back of the higher level of economic activity in the domestic market and expansions in production capacity. EBITDA amounted to R\$ 71 million in 2Q10, comparing with R\$ 29 million in 2Q09, despite the 14% stronger Real, due to (i) the increase in sales volume, (ii) the recovery in margins, to which the recent stability in raw materials prices and a enhanced product mix contributed, and (iii) the effect of historical costs higher than replacement costs in 2Q09.

Ultracargo reported average effective storage 14% higher than in 2Q09, mainly due to the consolidation of the acquired terminal in Suape in December 2009 and the higher volume of operations in Aratu terminal, as a result of the expansion completed in 2009. On the other hand, total kilometrage travelled in 2Q10 declined by 13% from 2Q09, especially due to Ultracargo's decision to reduce its presence in some segments during 2009. As a result, Ultracargo's EBITDA totaled R\$ 28 million in 2Q10, up 1% over 2Q09.

Ultrapar's consolidated EBITDA totaled R\$ 433 million in 2Q10, up 35% over 2Q09, due to the EBITDA growth in all businesses. Net earnings for 2Q10 reached R\$ 196 million, up 110% over 2Q09, mainly as a result of the growth in EBITDA.

Operational performance

Ultragaz – In 2Q10, Ultragaz's sales volume amounted to 407 thousand tons, up 2% over 2Q09. In the bottled segment, Ultragaz sales volume remained stable compared with 2Q09. In the bulk segment, sales volume grew 4% due to the higher level of economic activity and a recovery in the industrial activity. Compared with 1Q10, Ultragaz's sales volume increased by 10%, as a result of seasonality between periods. For the first half of 2010, Ultragaz's sales volume totals 778 thousand tons, 2% growth compared with 1H09.

Ultragaz – Sales volume (000 tons)

Ipiranga – Ipiranga's sales volume totaled 4,985 thousand cubic meters in 2Q10, 8% higher than that in 2Q09. Sales volume of fuels for light vehicles grew by 4%, mainly as a consequence of the increase in the light vehicle fleet during the last 12 months. Diesel volume grew by 11% due to the higher level of economic activity in 2Q10. Compared with 1Q10, sales volume increased by 8% as a result of seasonality between quarters. In 1H10, Ipiranga's sales volume totals 9,585 thousand cubic meters, up 29% over 1H09, mainly due to the consolidation of Texaco's volume from 2Q09 onwards.

Ipiranga – Sales volume (000 m3)

Oxiteno – Oxiteno’s sales volume totaled 176 thousand tons, up 10% (16 thousand tons) over 2Q09, highlighting the 15% increase in sales volume of specialty chemicals, on the back of higher level of economic activity compared with 2Q09 and enabled by the expansions in the production capacity. In the Brazilian market, sales volume increased by 18% (19 thousand tons), with positive progression in all markets, notably in specialty chemicals sold to the cosmetics, agrochemicals and coatings industries. Sales volume outside Brazil decreased by 7% (4 thousand tons) due to higher spot sales of glycols in 2Q09. Compared with 1Q10, sales volume increased by 7% (12 thousand tons) as a result of seasonality between quarters. Oxiteno’s sales volume for 1H10 totals 339 thousand tons, up 20% over 1H09.

Oxiteno – Sales volume (000 tons)

Ultracargo – In 2Q10, Ultracargo reported a 14% increase in average effective storage compared with 2Q09, due to the consolidation of the terminal acquired in Suape in December 2009 and higher volume of operations in Aratu terminal, on the back of the capacity expansion completed, partially offset by a reduction in the handling of ethanol. In the transportation segment, total kilometrage travelled in 2Q10 declined by 13% compared with 2Q09, especially due to Ultracargo’s decision to reduce its presence in certain segments during 2009. Compared with 1Q10, Ultracargo’s average effective storage was 4% higher and the total kilometrage travelled increased by 2%. In 1H10, Ultracargo accumulates an 18% increase in the average effective storage of its terminals and a 16% decrease in the total kilometrage travelled.

Ultracargo - Average storage
(000 m3)

Ultracargo - Kilometrage travelled
(million)

Economic-financial performance

Net sales and services – Ultrapar’s consolidated net sales and services amounted to R\$ 10,377 million in 2Q10, up 8% over 2Q09, as a consequence of the growth in sales in Ipiranga, Ultragaz and Oxiteno. Compared with 1Q10, Ultrapar’s net sales and services increased by 4% due to seasonality between the periods. In the first half of 2010, Ultrapar's net sales and services amounted to R\$ 20,318 million, up 27% compared with the first half of 2009, mainly as a consequence of the consolidation of Texaco's net sales and services from 2Q09 onwards.

Net sales and services (R\$ million)

1 Reported values, including non-recurring items

Ultragaz – Ultragaz’s net sales and services amounted to R\$ 922 million in 2Q10, up 7% over 2Q09, as a result of higher sales volume, an increase in the cost of LPG used in the bulk segment from January 2010 onwards and commercial initiatives and operational efficiency programs implemented. Compared with 1Q10, net sales and services increased by 10%, in line with the sales volume progression. For 1H10, Ultragaz’s net sales and services totaled R\$ 1,764 million, up 8% from 1H09.

Ipiranga – Ipiranga’s net sales and services amounted to R\$ 8,838 million in 2Q10, up 8% over 2Q09, in line with sales volume variation. Compared with 1Q10, Ipiranga’s net sales and services revenues grew by 3% as a consequence of the increase in sales volume, partially offset by the lower average price derived from (i) a decrease in the share of gasoline in the product mix in 2Q10 and (ii) the reduction in ethanol cost in 2Q10, due to the increased availability of the product compared with 1Q10. In 1H10, Ipiranga's net sales and services amounted to R\$ 17,429 million, a 31% increase compared with 1H09, mainly as a consequence of the consolidation of Texaco's net sales and services from 2Q09 onwards.

Ipiranga – Net sales breakdown by product

Oxiteno – Oxiteno’s net sales and services totaled R\$ 549 million in 2Q10, up 16% over 2Q09, despite the 14% stronger Real, as a consequence of the recovery in average dollar prices and a 10% growth in sales volume. Compared with 1Q10, Oxiteno’s net sales and services increased by 16%, as a consequence of the recovery in average dollar prices and the seasonally higher volume. Net sales and services in 1H10 totaled R\$ 1,021 million, up 9% from 1H09.

Ultracargo – Ultracargo’s net sales and services amounted to R\$ 86 million in 2Q10, down 2% from 2Q09, despite the 14% increase in average storage, due to a reduction in kilometrage travelled. Compared with 1Q10, Ultracargo’s net sales and services grew by 5%, mainly due to the progression in average storage. For 1H10, Ultracargo’s net sales and services totaled R\$ 169 million, down 1% from 1H09.

Cost of goods sold – Ultrapar’s cost of goods sold amounted to R\$ 9,554 million in 2Q10, up 7% from 2Q09, as a result of the higher volume of operations in all the businesses. Compared with 1Q10, Ultrapar’s cost of goods sold increased by 4%, especially due to seasonality between quarters. In the first half of 2010, Ultrapar’s cost of goods sold amounted to R\$ 18,771 million, a 27% increase compared with the first half of 2009, mainly as a consequence of the consolidation of Texaco’s cost of goods sold from 2Q09 onwards.

Ultragaz – Ultragaz’s cost of goods sold amounted to R\$ 760 million in 2Q10, up 5% over 2Q09, as a consequence of a 6% increase in ex-refinery cost of LPG used in the bulk segment from January 2010 onwards and higher sales volume. Compared with 1Q10, the cost of products sold increased by 9%, mostly in line with the sales volume variation. For 1H10, Ultragaz’s cost of goods sold totaled R\$ 1,456 million, 6% higher than that in 1H09.

Ipiranga – Ipiranga’s cost of goods sold amounted to R\$ 8,362 million in 2Q10, up 7% over 2Q09, mainly as a result of the 8% growth in sales volume. Compared with 1Q10, the cost of goods sold grew by 3%, lower than the growth of 8% in the volume, as a consequence of (i) a decrease in the share of gasoline in the product mix in 2Q10 and (ii) the decrease in ethanol cost in 2Q10, due to the increased availability of the product compared with 1Q10. In 1H10, Ipiranga’s cost of goods sold totaled R\$ 16,482 million, 31% higher than that reported in 1H09, mainly as a consequence of the consolidation of Texaco’s cost of goods sold from 2Q09 onwards.

Oxiteno – Oxiteno’s cost of goods sold in 2Q10 amounted to R\$ 422 million, up 5% over 2Q09, as a result of the 10% increase in sales volume and higher costs of raw material in dollars, partially offset by the 14% stronger Real. Compared with 1Q10, Oxiteno’s cost of goods sold increased by 8%, in line with sales volume variation, while raw material prices in dollars and the exchange rate remained stable in the period. For 1H10, Oxiteno’s cost of goods sold totaled R\$ 814 million, up 5% from 1H09.

Ultracargo – Ultracargo’s cost of services provided amounted to R\$ 43 million in 2Q10, down 16% over 2Q09, mainly due to its reduced presence in the transportation segment and a R\$ 6 million reduction in depreciation resulting from the revision in the useful life of assets. Compared with 1Q10, Ultracargo’s cost of services provided grew by 5%, due to the progression in the volume of operations. For 1H10, Ultracargo’s cost of services provided totaled R\$ 83 million, down 16% from 1H09.

Sales, general and administrative expenses – Sales, general and administrative expenses at Ultrapar reached R\$ 487 million in 2Q10, up 2% and 4% on 2Q09 and 1Q10, respectively. In the first half of 2010, Ultrapar’s sales, general and administrative expenses totaled R\$ 957 million, up 15% compared with the first half of 2009, basically as a consequence of the consolidation of Texaco’s sales, general and administrative expenses from 2Q09 onwards.

Ultragaz – Ultragaz’s sales, general and administrative expenses amounted to R\$ 106 million in 2Q10, up 13% over 2Q09 as a consequence of (i) an increase in personnel expenses, due to the effects of inflation and higher variable

compensation, in line with the earnings progression, and (ii) an increase in expenses related to promotional and sales campaigns. Compared with 1Q10, sales, general and administrative expenses decreased by 1%, with the increase in sales volume offset by higher expenses related to promotional and sales campaigns in 1Q10. For 1H10, Ultragas's sales, general and administrative expenses totaled R\$ 212 million, up 17% compared with 1H09.

Ipiranga – Ipiranga's sales, general and administrative expenses totaled R\$ 275 million in 2Q10, up 2% compared with 2Q09, despite the 8% increase in sales volume, due to the implementation of the operational and administrative synergy plan. Compared with 1Q10, sales, general and administrative expenses increased by 3%, despite the 8% increase in sales volume, due to higher expenses related to advertising and marketing in 1Q10. Excluding depreciation, Ipiranga's

sales, general and administrative expenses represented R\$ 49/m³ of product sold, lower than the R\$ 51/m³ in 2Q09 and in 1Q10. For 1H10, Ipiranga's sales, general and administrative expenses totaled R\$ 542 million, up 21% from 1H09, mainly due to the consolidation of Texaco's sales, general and administrative expenses from 2Q09 onwards.

Oxitenó – Oxitenó's sales, general and administrative expenses totaled R\$ 81 million in 2Q10, up 19% and 22% compared with 2Q09 and 1Q10 respectively, as a consequence of (i) higher freight expenses resulting from increased sales volume and (ii) higher variable compensation, in line with the strong earnings progression. For 1H10, sales, general and administrative expenses totaled R\$ 147 million, up 12% compared with 1H09.

Ultracargo – Ultracargo's sales, general and administrative expenses totaled R\$ 23 million in 2Q10, up 3% from 2Q09, despite the 14% growth in stored volume and the effects of inflation in the period, mainly as a result of the reduced presence in the transportation segment and operational synergies resulting from União Terminais' integration during 2009. Compared with 1Q10, Ultracargo's sales, general and administrative expenses increased by 16%, especially due to higher indemnification expenses related to the transportation segment in 2Q10. For 1H10, sales, general and administrative expenses totaled R\$ 43 million, down 5% compared with 1H09.

EBITDA – Ultrapar's EBITDA amounted to R\$ 433 million in 2Q10, 35% and 20% growth over 2Q09 and 1Q10, respectively. In the first half of 2010, Ultrapar's EBITDA amounted to R\$ 796 million, up 34% compared with the first half of 2009 as a result of the EBITDA growth in all businesses and the consolidation of Texaco's EBITDA from 2Q09 onwards.

EBITDA (R\$ million)

1 Reported values, including non-recurring items

Ultragaz – Ultragaz's EBITDA amounted to R\$ 83 million in 2Q10, up 13% over 2Q09, especially due to a recovery in margins, to which the operational efficiency programs implemented contributed, and an improvement in the bulk segment performance, partially offset by an increase in expenses related to promotional and sales campaigns and higher variable compensation. Compared with 1Q10, Ultragaz's EBITDA increased by 18%, mainly as a consequence of a seasonally higher volume. For 1H10, Ultragaz's EBITDA reached R\$ 154 million, up 22% from 1H09.

Ipiranga – Ipiranga's EBITDA amounted to R\$ 238 million in 2Q10, up 19% over 2Q09, mainly on the back of higher sales volume and the implementation of the operational and administrative synergy plan. Compared with 1Q10, Ipiranga's EBITDA declined by 2% due to a better product mix in 1Q10. For 1H10, Ipiranga's EBITDA reached R\$ 481 million, up 40% from 1H09.

In 2Q10, Ipiranga's unit EBITDA margin amounted to R\$ 48/m³, a R\$ 5/m³ or 11% growth compared to the EBITDA margin of R\$ 43/m³ in 2Q09. Compared with 1Q10, Ipiranga's EBITDA declined by R\$ 5/m³ or 9%, mainly due to the variation in the product mix between quarters, derived from the strong fluctuation in the ethanol availability in the market during 1H10.

In 2Q10, Ipiranga's reported EBITDA, which considers non-recurring items, amounted to R\$ 236 million, up 37% over 2Q09 and up 12% over 1Q10. For 1H10, Ipiranga's EBITDA reached R\$ 446 million, up 41% from 1H09.

Oxiteno – Oxiteno's EBITDA totaled R\$ 71 million in 2Q10, up 142% over 2Q09, despite the 14% stronger Real, as a consequence of the 10% increase in sales volume and the recovery in margins. Compared with 1Q10, Oxiteno's EBITDA increased by 79%, as a consequence of seasonally higher volume and the recovery in margins. Oxiteno's unit EBITDA reached US\$ 224/ton in 2Q10, up 155% and 68% over 2Q09 and 1Q10, respectively. For 1H10, Oxiteno's EBITDA reached R\$ 110 million, up 46% from 1H09.

Excluding the effect derived from the process of realization of inventories with historical costs higher than replacement costs of R\$ 35 million in 2Q09, Oxiteno's EBITDA would have increased by 10% compared with 2Q09, despite the 14% stronger Real in this 2Q10.

Ultracargo – Ultracargo's EBITDA amounted to R\$ 28 million in 2Q10, a 1% increase over 2Q09, having the higher volume of operations in its terminals been partially offset by the lower kilometrage travelled in the transportation segment. In relation to 1Q10, the company's EBITDA decreased by 7%, mainly as a result of higher administrative expenses in 2Q10. For 1H10, Ultracargo's EBITDA reached R\$ 59 million, up 13% from 1H09.

Depreciation and amortization – Total depreciation and amortization costs and expenses in 2Q10 amounted to R\$ 96 million, down R\$ 9 million and R\$ 5 million from 2Q09 and 1Q10, respectively, mainly as a result of the revision in the economic useful life of assets in accordance with Technical Standard ICPC (Brazilian Accounting Pronouncements Committee) 10, in effect from January 1st, 2010 onwards. In 1H10, Ultrapar's total depreciation costs and expenses amounted to R\$ 197 million, down R\$ 4 million from 1H09.

Financial result – Ultrapar reported net financial expense of R\$ 68 million in 2Q10, R\$ 19 million lower than that in 2Q09, mainly as a result of the reduction in the cost of debt and the lower average net debt. The net debt to last 12 months EBITDA ratio decreased from 2.0 times at the end of 2Q09, right after the disbursement for the acquisition of Texaco, to 1.5 time at the end of 2Q10. Compared with 1Q10, net financial expense was R\$ 7 million lower. In 1H10, Ultrapar reported net financial expense of R\$ 143 million, R\$ 3 million lower than that in 1H09.

Net earnings – Ultrapar's consolidated net earnings in 2Q10 amounted to R\$ 196 million, a growth of 110% and 39% over 2Q09 and 1Q10, respectively, mainly due to the EBITDA growth and lower financial expenses in 2Q10. In 1H10, Ultrapar reported net earnings of R\$ 337 million, a growth of 82% over 1H09.

Investments – Total investments, net of disposals and repayments, amounted to R\$ 211 million in 2Q10, allocated as follows:

- At Ultragas, R\$ 41 million were invested mainly in new clients in the bulk segment and renewal of LPG bottles.
- At Ipiranga, R\$ 104 million were invested in the conversion of unbranded service stations, new service stations, renewal and improvements of the distribution network. Of the total amount invested, R\$ 51 million were related to additions to fixed assets, and R\$ 53 million were related to financing and bonuses to clients, net of repayments.
- At Oxiteno, R\$ 49 million were invested, concentrated on projects to expand ethylene oxide and ethoxylates production capacity in Camaçari.
- Ultracargo invested R\$ 14 million, mainly in the expansion of the Suape terminal (30 thousand m3).

R\$ million	2Q10	1H10	Total investments, net of disposals and repayments (R\$ million)
Additions to fixed assets ¹			
Ultragaz	41	79	
Ipiranga	51	79	
Oxiteno	49	147	
Ultracargo	14	20	
Total – additions to fixed assets	158	331	
Financing and bonuses to clients ² - Ipiranga	53	84	
Total investments, net of disposals and repayments	211	415	

¹ Includes the consolidation of Serma

² Financing and bonuses to clients are included as working capital in the Cash Flow Statement

Ultrapar in the capital markets

Ultrapar's average daily trading volume in 2Q10 was R\$ 38 million/day, 47% higher than the average of R\$ 26 million/day in 2Q09, considering the combined trading on the BMF&Bovespa and the NYSE. Ultrapar's shares closed 2Q10 quoted at R\$ 86.39/share at the BM&FBovespa, with an accumulated appreciation of 1% in the quarter and 39% over the last 12 months. In the same periods, the Ibovespa index depreciated by 13% and appreciated by 18%, respectively. At the NYSE, Ultrapar's shares depreciated by 2% in 2Q10 and appreciated by 50% over the last 12 months, while the Dow Jones index depreciated by 10% in 2Q10 and appreciated by 16% over the last 12 months. Ultrapar closed 2Q10 with a market value of R\$ 12 billion, up 39% from 2Q09.

Performance of UGPA4 vs. Ibovespa – 2Q10
(Base 100)

Average daily trading volume
(R\$ million)

Outlook

The dynamism of the Brazilian economy is expected to continue to drive the results of our businesses in the next quarters. At Ipiranga, in addition to the positive impacts of the stronger economic activity in diesel sales, we also have visibility for the continued growth in the vehicle fleet, as evidenced by the announcements of expansion projects by car manufacturers, higher credit availability for car purchasing and low car penetration rates in Brazil. Furthermore, we will continue to implement our network expansion plan, mainly in the North, Northeast and Mid-West regions of Brazil, through the conversion of unbranded stations and acquisitions. Ultragas, which over the last quarters reported substantial growth in its earnings with the realization of gains of the operational efficiency programs, is expected to benefit from the economic growth effects in the bulk segment volumes. At Oxiteno, the recent stability in raw materials prices combined with the benefits from the increased scale and operational leverage pave the way for the company to realize its earnings potential. Ultracargo, now exclusively focused on liquid bulk storage, will continue to benefit from the maturing process of its recent investments and to work on the expansions underway in its terminals. Finally, we will seek new investment opportunities in all our businesses, that reinforce our strategy of sustained growth and value creation.

Forthcoming events

Conference call / Webcast: August 13th, 2010

Ultrapar will be holding a conference call for analysts on August 13th, 2010 to comment on the company's performance in the second quarter of 2010 and outlook. The presentation will be available for download on the company's website 30 minutes prior to the conference call.

Brazilian: 10:00 a.m. (US EST)

Phone: +55 11 2188 0155

Code: Ultrapar

International: 11:30 a.m. (US EST)

Participants in the USA: +1 800 418 6854

Participants in Brazil: 0800 891 9722

Participants International: +1 973 200 3114

Code: Ultrapar or 87948042

WEBCAST live via Internet at www.ultra.com.br. Please connect 15 minutes in advance.

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

Operational and market Information

Financial focus	2Q10	2Q09	1Q10	1H10	1H09
EBITDA margin Ultrapar	4.2%	3.3%	3.6%	3.9%	3.7%
Net margin Ultrapar	1.9%	1.0%	1.4%	1.7%	1.2%
Focus on human resources	2Q10	2Q09	1Q10	1H10	1H09
Number of employees – Ultrapar	9,331	9,622	9,397	9,331	9,622
Number of employees – Ultragas	4,021	4,024	4,010	4,021	4,024
Number of employees – Ipiranga	2,289	2,416	2,293	2,289	2,416
Number of employees – Oxiteno	1,529	1,581	1,524	1,529	1,581
Number of employees – Ultracargo	1,168	1,271	1,245	1,168	1,271
Focus on capital markets	2Q10	2Q09	1Q10	1H10	1H09
Number of shares (000)	136,096	136,096	136,096	136,096	136,096
Market capitalization1 – R\$ million	11,292	8,330	11,303	11,297	7,902
BM&FBovespa	2Q10	2Q09	1Q10	1H10	1H09
Average daily volume (shares)	371,356	343,928	301,060	336,784	326,954
Average daily volume (R\$ 000)	30,776	21,050	24,975	27,923	19,065
Average share price (R\$/share)	82.9	61.2	83.0	82.9	58.3
NYSE	2Q10	2Q09	1Q10	1H10	1H09
Quantity of ADRs2 (000 ADRs)	13,029	12,642	13,027	13,029	12,642
Average daily volume (ADRs)	82,315	75,148	86,500	84,357	99,640
Average daily volume (US\$ 000)	3,918	2,222	3,992	3,954	2,586
Average share price (US\$/ADR)	47.6	29.6	46.2	46.9	26.0
Total	2Q10	2Q09	1Q10	1H10	1H09
Average daily volume (shares)	453,672	419,076	387,560	421,141	426,594
Average daily volume (R\$ 000)	37,640	25,651	32,188	34,958	24,769

All financial information is presented according to the accounting principles laid down in the Brazilian Corporate Law. All figures are expressed in Brazilian Reais, except for the amounts on page 21, which are expressed in US dollars and were obtained using the average exchange rate (commercial dollar rate) for the corresponding periods.

For additional information, please contact:

Investor Relations - Ultrapar Participações S.A.

+55 11 3177 7014
invest@ultra.com.br
www.ultra.com.br

- 1 Calculated based on the weighted average price in the period.
- 2 1 ADR = 1 preferred share.

ULTRAPAR
CONSOLIDATED BALANCE SHEET
 In millions of Reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	JUN 2010	JUN 2009	MAR 2010
ASSETS			
Cash and financial investments	2,978.1	1,556.8	1,865.9
Trade accounts receivable	1,643.0	1,707.9	1,597.1
Inventories	1,024.7	979.6	1,012.0
Deferred income tax and social contribution	204.8	157.6	203.8
Other	366.8	422.7	388.9
Total Current Assets	6,217.3	4,824.6	5,067.7
Investments	23.2	39.1	23.4
Property, plant and equipment and intangibles	4,745.3	4,570.7	4,727.7
Deferred charges	7.3	12.7	8.6
Financial investments	5.8	7.2	3.0
Deferred income tax and social contribution LT	395.5	378.1	417.3
Trade accounts receivable LT	353.4	209.6	329.3
Other long term assets	232.2	158.5	222.0
Total Long Term Assets	5,762.6	5,375.8	5,731.4
TOTAL ASSETS	11,980.0	10,200.4	10,799.0
LIABILITIES			
Loans and financing	737.2	880.2	616.0
Debentures	56.7	5.4	27.0
Suppliers	687.4	646.9	667.6
Payroll and related charges	167.2	141.6	133.1
Taxes	194.5	148.6	201.8
Other accounts payable	69.4	62.4	65.6
Total Current Liabilities	1,912.3	1,885.1	1,711.0
Loans and financing	3,315.2	1,839.1	2,512.9
Debentures	1,190.3	1,191.7	1,188.8
Deferred income tax and social contribution	26.4	15.8	17.5
Other long term liabilities	361.0	400.8	389.4
Total Long Term Liabilities	4,892.9	3,447.4	4,108.6
TOTAL LIABILITIES	6,805.1	5,332.5	5,819.7
STOCKHOLDERS' EQUITY			
Capital	3,696.8	3,696.8	3,696.8
Capital reserve	1.6	1.1	1.4
Revaluation reserves	7.9	9.2	7.8

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Profit reserves	1,133.7	941.3	1,133.1
Mark to market adjustments	(3.8)	(4.5)	(2.0)
Cumulative translation adjustment	(19.7)	0.6	(19.0)
Retained earnings	336.7	185.4	140.8
Total Stockholders' Equity	5,153.1	4,829.8	4,958.8
Minority Interests	21.7	38.1	20.5
TOTAL STOCKHOLDERS' EQUITY & M.I.	5,174.9	4,867.9	4,979.4
TOTAL LIAB. AND STOCKHOLDERS' EQUITY	11,980.0	10,200.4	10,799.0
Cash and financial investments	2,983.8	1,564.0	1,868.9
Debt	5,299.3	3,916.4	4,344.7
Net cash (debt)	(2,315.5)	(2,352.3)	(2,475.7)

ULTRAPAR
CONSOLIDATED INCOME STATEMENT

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

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2010	JUN 2009	MAR 2010	JUN 2010	JUN 2009
Net sales and services	10,377.4	9,621.8	9,940.8	20,318.2	16,033.2
Cost of sales and services	(9,554.5)	(8,927.5)	(9,216.4)	(18,770.9)	(14,812.7)
Gross profit	822.9	694.3	724.4	1,547.3	1,220.5
Operating expenses					
Selling	(232.4)	(230.9)	(224.9)	(457.3)	(382.1)
General and administrative	(189.1)	(182.6)	(176.3)	(365.3)	(327.2)
Depreciation and amortization	(65.9)	(66.4)	(68.8)	(134.7)	(123.7)
Other operating income (expenses)	1.8	0.7	6.6	8.4	5.5
EBIT	337.3	215.1	261.1	598.4	393.0
Financial results					
Financial income	50.6	31.4	46.2	96.9	89.8
Financial expenses	(118.5)	(118.2)	(121.5)	(240.0)	(235.7)
Equity in earnings (losses) of affiliates	(0.2)	0.1	0.0	(0.1)	0.0