ULTRAPAR HOLDINGS INC
Form 6-K
March 28, 2011

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 March, 2011

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 20-F	X	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	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	X

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	X

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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Publicly Traded Company

CNPJ nº 33.256.439/0001- 39
NIRE 35.300.109.724

Dear Shareholders,

In compliance with the information required by Article 9, 10 and 12 of CVM Instruction n° 481/2009, Ultrapar Participações S.A. ("Ultrapar" or "Company") hereby presents to the Company's shareholders the following documents and information regarding the matters to be voted in the General Shareholders' Meeting, to be held on April 27th, 2011 ("GSM"):

1) Financial statements form referring to the fiscal year ended on December 31st, 2010, including (i) the Management's Report on the Company's businesses and the main administrative facts of the fiscal year ended on December 31st, 2010; (ii) Report from our Independent Auditors and (iii) Report from our Fiscal Council (Annex I);

2) Management discussion and analysis on the financial conditions of the Company, under the terms of item 10 of the Reference Form (Annex II);

3) Destination of net earnings proposal for the fiscal year, in accordance with Annex 9-1-II of CVM Instruction nº 481/2009 (Annex III);

4) Information about the candidates for members of the Board of Directors and of the Fiscal Council indicated or supported by the management or by the controlling shareholders, under the terms of items 12.6 to 12.10 of the Reference Form (Annex IV);

5) Management and Fiscal Council compensation proposal (Annex V);

6) Information about the management compensation, under the terms of item 13 of the Reference Form (Annex VI); and

7) Glossary of the terms used in items 10, 12.6 to 12.10 and 13 of the Reference Form which are part of this document (Annex VII).

São Paulo, March 25th, 2011.

ANNEX I – FINANCIAL STATEMENTS

ANNEX II - ITEM 10 OF THE REFERENCE FORM

10. Management discussion & analysis

Introduction

You should read this discussion together with our consolidated financial statements, filed with the CVM on February 24th, 2011, including the notes thereto, and other financial information included elsewhere in this document.

From the year ending December 31st, 2010 onwards, CVM made mandatory the adoption of the International Financial Reporting Standards (“IFRS”) in the presentation of financial statements of the Brazilian publicly-held companies. Accordingly, Ultrapar's consolidated financial statements for the year ended December 31st, 2010, as well as the information of 2009 included in such statements, were prepared in compliance with the IFRS, which differs in certain aspects from the previous Brazilian accounting standards. Likewise, the financial information referring to the fiscal years ended December 31st, 2009 and 2010, as well as the balance sheet information of January 1st, 2009, are presented in this document according to the IFRS, except when otherwise indicated.

As allowed by CVM, the financial information referring to the fiscal year ended December 31st, 2008 is presented without the changes introduced by the new legislation, but with the format of such financial statements compatible to the IFRS. In order to provide comparability of information, the analysis of the main changes in the results for the years 2009 and 2008 included in item 10.1.h is presented according to accounting policies previously adopted in Brazil.

See “Item 10.4.a. Significant changes in accounting principles” and “Item 10.4.b. Significant effects of the changes in accounting practices”. Our consolidated financial statements for the years ended December 31st, 2010, 2009 and 2008 were audited by the independent registered public accounting firm, KPMG Auditores Independentes.

10.1. Management discussion on:

a. General financial and equity conditions

Company overview

Ultrapar is a Brazilian business group with more than 70 years of history, with leading position in the markets in which it operates. Our four principal segments are:

- the LPG distribution business, conducted by Ultragaz;
- the fuels distribution business, conducted by Ipiranga;
- the chemical and petrochemical business, conducted by Oxiteno; and
- storage for liquid bulk, conducted by Ultracargo.

Ultragaz distributes LPG to residential, commercial and industrial market segments. Ipiranga distributes gasoline, ethanol, diesel, NGV (natural gas for vehicles), fuel oil, kerosene and lubricants through a network of 5.7 thousand service stations and directly to large customers. Oxiteno produces ethylene oxide and its principal derivatives, and is also a major producer of specialty chemicals, particularly surfactants. It manufactures approximately 700 products used in various industrial sectors such as cosmetics, detergents, crop protection chemicals, packaging, textiles, paints and varnishes. Ultracargo is the largest provider of storage for liquid bulk in Brazil.

In June 2008, Ultrapar signed a sale and purchase agreement with Unipar for the acquisition of 100% of the shares of União Terminais, a company engaged in the storage and handling of liquid bulk. In October 2008, Ultrapar closed the acquisition in relation to the port terminals in Santos and Rio de Janeiro. In November 2008, it closed the acquisition of the 50% stake in União/Vopak, which owns a port terminal in Paranaguá (in the state of Paraná). The results of the businesses acquired were consolidated into Ultrapar's financial statements after their respective closing dates. Ultrapar's financial statements in periods prior to fourth quarter 2008 do not include the results of the businesses acquired.

In August 2008, Ultrapar announced the signing of an agreement for the acquisition of Texaco's fuel distribution business in Brazil. The acquisition was closed on March 31st, 2009. The results of Texaco started to be consolidated into Ultrapar's financial statements on April 1st, 2009 onwards, after the financial settlement of the transaction. Ultrapar's financial statements in periods prior to second quarter 2009 do not include Texaco's results.

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 shares of AGT – Armazéns Gerais e Transporte Ltda. and Petrolog Serviços e Armazéns Gerais Ltda. to Aqces Logística Internacional Ltda. The financial statements of Ultrapar and Ultracargo from the third quarter of 2010 onwards no longer include the businesses sold.

On October 26th, 2010, Ultrapar announced the signing of the sale and purchase agreement for the acquisition of 100% of the shares of DNP. Ultrapar's and Ipiranga's financial statements started to consolidate the results of the acquired business from the closing of the acquisition, occurred on November 1st, 2010.

2010

The year 2010 was marked by the strong growth of the Brazilian economy, with highlights to the low unemployment rates, expansion in income and total wages and higher credit availability, which reached in December a record level of 47% of the GDP. The gross domestic product grew by 7.5% in the year, driven by the good performance of the retail, automotive and civil construction sectors. The strong growth of the Brazilian economy, associated with larger scale of operations, derived from investments made in the last years, with the prudence in financial management and with results- and value creation oriented culture enabled Ultrapar to achieve record levels of results in 2010. In the year, Ultrapar's net sales and services amounted to R$ 42.5 billion, EBITDA amounted to R$ 1,776.3 million and net earnings amounted to R$ 765.2 million. The 2010 net debt to EBITDA ratio was 1.2

– lower than the 1.5 ratio of the end of 2009 – reflecting the increase in earnings and cash generation. Ultrapar ended 2009 with total assets of R$ 13.0 billion and shareholders' equity of R$ 5.2 billion.

2009
The year 2009 was marked by the effects of the global financial crisis, more intense during the first quarter of 2009, period when the Brazilian gross domestic product decreased by 2.1% compared with 2008. During the following quarters, measures adopted by the Brazilian government to minimize the impacts of the crisis started to reflect on the economy, leading to a gradual recovery of the GDP. Even in the instable economic environment seen particularly in the first half of 2009, the Company reported growth in its results quarter after quarter, while keeping a sound and prudent management of its cash generation and indebtedness levels. In 2009, Ultrapar's net sales and services amounted to R$ 36.1 billion, EBITDA amounted to R$ 1,430.4 million and net earnings amounted to R$ 440.7 million. The Company's net debt to EBITDA ratio was 1.5 times in December through the achievement of cash generation established goals. Ultrapar, which had already been assigned the investment grade rating by Moody's, was also assigned investment grade by Standard & Poor's in October 2009. Ultrapar ended 2009 with total assets of R$ 11.5 billion and shareholders' equity of R$ 4.8 billion.

2008
In 2008, Ultrapar concluded a cycle of major investments, continuing its strategy of expanding its scale and improving the competitiveness of its businesses. In the fuel distribution segment, Ultrapar continued its growth strategy initiated in 2007 with the acquisition of Ipiranga's distribution business in the South and Southeast regions of Brazil, and entered into an agreement in August 2008, to acquire Texaco's fuel distribution business in Brazil. In the logistic segment, Ultracargo concluded the acquisition of União Terminais in November, a milestone in its transformation process, with the objective to consolidate itself as the largest and most complete provider of integrated logistic solutions for special bulk cargo in Brazil. In Oxiteno, relevant investments were completed in 2008, significantly increasing the company's specialty chemical production capacity. With the acquisitions and investments in organic expansion, we ended 2008 with net sales of R$ 28.3 billion, EBITDA of R$ 1.1 billion and net earnings of R$ 390.3 million. Ultrapar ended 2008 with total assets of R$ 9.7 billion and shareholders' equity of R$ 4.7 billion.

See "Item 10.2.c. Effect of inflation, changes in prices of main feedstocks and products, foreign exchange and interest rates on operating and financial results" for trend information.

b. Capital structure and possibility of redemption of shares

Capital structure
Our paid up capital as of December 31st, 2010 amounted to R$ 3,696.8 million, composed by 544,383,996 shares, without par value, of which 197,719,588 are common shares and 346,664,408 are preferred shares. The number of shares is already adjusted to reflect the 1:4 stock split approved in the Special Shareholders' Meeting held on February 10th, 2011.

2010
Ultrapar ended the fiscal year 2010 with a gross debt of R$ 5.396,0 million and a gross cash position of R$ 3,220.4 million, resulting in a net debt of R$ 2,175.7 million, 2% higher than the Company's net debt position of 2009. On December 31st, 2009, shareholders' equity amounted to R$ 5,175.6 million, resulting in a net debt to shareholders' equity ratio of 42%.

2009
Ultrapar ended the fiscal year 2009 with a gross debt of R$ 4,466.7 million and a gross cash position of R$ 2,334.9 million, resulting in a net debt of R$ 2,131.8 million, 18% lower than the net debt on March 31st, 2009, the date of the payment for the acquisition of Texaco. On December 31st, 2009, shareholders' equity amounted to R$ 4,845.3 million,

resulting in a net debt to shareholders' equity ratio of 44%.

2008

Ultrapar ended the fiscal year 2008 with gross debt of R$ 3,671.9 million and gross cash position of R$ 2,133.6 million, resulting in a net debt of R$ 1,538.3 million, 7% higher than the Company's net debt position at the end of 2007. On December 31st, 2008, shareholders' equity amounted to R$ 4,650.1 million, resulting in a net debt to shareholders' equity ratio of 33%.

	Year ended December 31st					
(R$ million)	2010	% of shareholders' equity	2009	% of shareholders' equity	2008	% of shareholders' equity
Gross debt	5,396.0	104 %	4,466.7	92 %	3,671.9	79 %
Cash and cash equivalents	3,220.4	62 %	2,334.9	48 %	2,133.6	46 %
Net debt	2,175.7	42 %	2,131.8	44 %	1,538.3	33 %

i. Hypothesis for the redemption of shares

There is no hypothesis for the redemption of shares issued by the Company, in addition to those legally provided.

ii. Calculation for redemption value

Not applicable.

c. Capacity to meet our financial commitments

Our principal sources of liquidity derive from (i) cash and cash equivalents, (ii) cash generated from operations and (iii) loans. We believe that these sources will continue to be sufficient to satisfy our current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt and payment of dividends.

From time to time, we assess opportunities for acquisitions and investments. We consider different types of investments, either direct or through our subsidiaries, joint ventures, or affiliated companies. We finance such investments through cash generated from our operations, through new loans and financings, through capital increases or through a combination of these methods.

We believe we have sufficient working capital for our present requirements. We have R$ 820.5 million in debt maturing from January 2011 to December 2011. Additionally we have a R$ 1,044 million capital expenditures budgeted for 2011. As of December 31st, 2010, we had R$ 3,220.4 million in cash, cash equivalents, short- and long-term investments.

We anticipate that we will spend approximately R$ 9.3 billion in the next five years to meet long-term contractual obligations, including the amortization and payment of interests, as well as the capital expenditures budgeted for 2011.

(R$ million)	2011-2015
Contractual obligations	1,572.2
Investment plan for 2011	1,044.0
Financing	5,308.4
Estimated interest payments on financing1	1,388.2

Total	9,313.1

1 Includes estimated interest payments on our short- and long-term debt. Information of our derivative instruments is not included. The fair value information of such derivatives is available in note 20 of our financial statements, filed with the CVM on February 24th, 2011. The estimated interest payment amount was calculated based on macro-economic assumptions including, on average for the period, (i) 11% CDI interest rate, (ii) 4.0% weaker real in relation to the U.S. dollar and (iii) 6.0% TJLP rate.

See “Item 10.1.f. Indebtedness level and debt profile”, “Item 10.8.b. Other off-balance sheet arrangements” and “Item 10.10.a.i. Quantitative and qualitative description of the investments in progress and the estimated investments” for further information.

We expect to meet these cash requirements through a combination of cash flows generated from operating and financing activities, including new debt financing and the refinancing of some of our indebtedness as it becomes due.

d. Sources for financing working capital and investments in non-current assets

We generated cash flow from operations of R$ 1,508.2 million, R$ 1,742.1 million and R$ 623.4 million for 2010, 2009 and 2008, respectively. In 2010, our cash flow from operations decreased R$ 233.9 million from 2009, despite the growth of R$ 674.5 million in the cash flow from operating activities, due to the higher investment in working capital in 2010, resulting from the growth in all businesses, and from the decrease of working capital in 2009. Our cash flow from operations increased by R$ 1,118.7 million in 2009 compared to 2008, mainly reflecting (i) a decrease in working capital due to the inventory realization process at Oxiteno and the decrease in the diesel cost at Ipiranga from June 2009 on, (ii) a higher depreciation resulting from the investments made and (iii) an increase in net earnings, as a result of the increase in EBITDA.

Cash flow of investing activities used an amount of R$ 1,903.6 million, R$ 1,609.0 million and R$ 1,276.4 million in the years ended December 31st, 2010, 2009 and 2008, respectively. In 2010, 2009 and 2008, we invested R$ 840.8 million, R$ 603.8 million and R$ 889.4 million in additions to fixed and intangible assets, net of disposals. In 2010, Ultrapar concluded the sale of the in-house logistics, solid bulk storage, and road transportation businesses of Ultracargo with a net receipt of R$ 80 million, that was partially offset by the initial disbursement of R$ 47 million settled in November 2010 for the acquisition of DNP. In 2009 and 2008, we invested R$ 1,355.5 million and R$ 432.4 million in equity investments, net of disposals, mainly due to the acquisitions of Texaco in 2009 and of União Terminais in 2008.

Net cash flow from financing activities totaled R$ 153.6 million, R$ 484.5 million and R$ 1,057.9 million in the years ended December 31st, 2010, 2009 and 2008, respectively, mainly from financing obtained with Banco Bradesco S.A., Banco do Brasil, Banco Nacional de Desenvolvimento Econômico e Social – BNDES and Caixa Econômica Federal. Net cash flow from financing activities reflected the increase in Ultrapar’s gross debt due to the investments in organic growth, acquisitions and payment of dividends. As a consequence, cash and cash equivalents increased from R$ 1,887.5 million as of December 31st, 2009, to R$ 2,642.4 million as of December 31st, 2010, and from R$ 1,275.1 million as of December 31st, 2008 to R$ 1,887.5 million as of December 31st, 2009.

e. Sources for financing working capital and investments in non-current assets to be used to in case of deficiencies in liquidity

In 2010, 2009 and 2008, we did not present deficiencies in liquidity. We believe that Ultrapar has own resources and operational cash generation sufficient to finance its needs for working capital and investments estimated for 2011.

f. Indebtedness level and debt profile

Our gross debt increased by 21% during the year ended on December 31st, 2010, from R$ 4,466.7 million as of December 31st, 2009 to R$ 5,396.0 million as of December 31st, 2010. As of December 31st, 2008, our gross debt was R$ 3,671.9 million, 18% lower that the gross debt at the end of 2009. Our short term debt as of December 31st, 2010, 2009 and 2008 2007 was equivalent to 15%, 26% and 45% of our gross debt, respectively.

The table below shows our indebtedness for each period:

Loans	Currency	Weighted average financial charges as of December 31st, 2010	Principal amount of outstanding and accrued interest through December 31st		
			2010	2009 (R$ million)	2008
Foreign currency-denominated loans:					
Notes due in 2015	US$	7.2%	413.3	431.0	577.4
Syndicated loan	US$	US$ + LIBOR(1) + 1.2%	99.7	104.1	140.0
BNDES	US$	6.1%	67.2	46.9	46.5
Foreign currency advances delivered	US$	1.3%	64.1	72.1	—
Advances on foreign exchange contracts	US$	1.6%	41.6	118.6	184.2
Financial institutions	MX$(2)	MX$(2) + TIIE(2) + 2.6%	16.7	12.2	19.8
Financial institutions	US$	US$ + LIBOR(1) + 2.1%	6.7	9.6	48.9
Financial institutions — RPR	US$	0.9%	1.6	—	—
FINIMP	US$	7.0%	0.8	0.8	4.8
Financial institutions	Bs(3)	28.0%	0.02	1.0	6.0
BNDES	UMBNDES(4)	7.6%	—	0.5	3.5
FINIMP — RPR	US$	3.5%	—	16.6	—
Notes due in 2020			—	—	140.3
Reais-denominated loans:					
Banco do Brasil	R$	11.8%	1,916.3	532.2	516.7
Debentures/Promissory notes	R$	108.5% of CDI	1,196.1	1,187.9	1,203.8
BNDES	R$	TJLP(5) + 3.7%	1,178.1	1,027.4	401.8
Banco do Nordeste do Brasil	R$	8.5%(6)	99.4	112.6	103.5
Loan — MaxFácil	R$	100.0% of CDI	77.4	110.8	108.4
BNDES	R$	5.8%	65.1	12.3	—
FINEP	R$	TJLP(5)+ 0.6%	61.7	68.1	60.4
Working capital loan — União Vopak/RPR	R$	116.2% of CDI	23.8	18.5	37.2
FINAME	R$	TJLP(5) + 2.9%	5.9	16.7	39.1
Floating finance leases	R$	CDI + 1.7%	3.4	13.2	24.5
Fixed finance leases	R$	14.9%	2.2	2.1	1.0
Others	R$	CDI + 1.8%	0.6	4.3	4.1
Bank Credit Bill..	R$	120% of CDI	—	495.3	—
Total loans			5,341.7	4,415.0	3,671.9
Income from currency and interest rate hedging instruments			54.4	51.7	—
Total			5,396.0	4,466.7	3,671.9

(1) LIBOR – London Interbank Offered Rate.
(2) MX$ - Mexican peso; TIIE - Mexican interbank balance interest rate.
(3) Bs – Venezuelan Bolívar Forte.

(4) UMBNDES - monetary unit of BNDES (Banco Nacional de Desenvolvimento Econômico e Social), is a "basket of currencies" representing the composition of foreign currency debt obligations of BNDES. As of December 2010, 96% of this composition reflected the U.S. dollar.
(5) TJLP - set by the National Monetary Council, TJLP is the basic financing cost of BNDES. On December 31st, 2010, TJLP was fixed at 6% p.a..
(6) Contract linked to the rate of FNE (Northeast Constitutional Financing Fund) fund whose purpose is to foster the development of the industrial sector, managed by Banco do Nordeste. On December 31st, 2010, the FNE interest rate was 10% p.a. Over the interest, there is a compliance bonus of 15%.

The table below shows the maturity profile of our indebtedness as of December 31st, 2010:

Year	Maturities (R$ million)
2011	820.5
2012	2,197.8
2013	1,024.9
2014	440.5
2015	824.7
2016 thereafter	87.6
Total	5,396.0

See “Item 10.1.c. Capacity to meet our financial commitments”.

i. Relevant loan and financing contracts

Notes due in 2015
In December 2005, our subsidiary LPG International 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 made in June 2006. The issuance price was 98.75% of the notes’ face value, representing a total yield for investors of 7.429% per year upon issuance. The notes were guaranteed by Ultrapar and Oxiteno S.A.

Syndicated loan and notes due in 2020
In June 1997, the subsidiary Cia. Ultragaz issued US$ 60 million in notes in the foreign market (“Original Notes”). In June 2005, the subsidiary Oxiteno Overseas acquired all the Original Notes issued by subsidiary Cia. Ultragaz with funds from a syndicated loan in the amount of US$ 60 million with maturity in June 2008 and financial charge of 5.05% p.a. In June 2008, the subsidiary Oxiteno Overseas renewed the syndicated loan contracted in June 2005 in the amount of US$ 60 million. The syndicated loan has maturity in June 2011 and financial charge of LIBOR + 1.25% p.a. Cia Ultragaz contracted hedging instruments for floating interest rate in dollar and for exchange rate variation, swapping the syndicated loan rate to 99.5% of CDI (see note 20). The syndicated loan is secured by the Company and subsidiary Oxiteno S.A.

In April 2006, the subsidiary Oxiteno Overseas sold the Original Notes issued by Cia. Ultragaz to a financial institution. Simultaneously, the subsidiary acquired from that financial institution notes linked to the Original Notes (the Linked Notes), as described in note 4 of our financial statements, thus obtaining an additional return on this investment. On December 23rd, 2009 the subsidiary Oxiteno Overseas sold the Linked Notes to the financial institution and repurchased the Original Notes.

Debentures and Promissory Notes
In June 2009, Ultrapar made its third issuance of debentures, in a single series of 1,200 simple, non-convertible into shares and unsecured with the following characteristics:

Face value unit:	R$ 1,000,000.00
Final maturity:	May 19th, 2012
Payment of the face value:	Lump sum at final maturity
Interest:	100% CDI + 3.0% p.a.
Payment of interest:	Annually
Reprice:	Not applicable

The proceeds obtained with this issuance were used for the prepayment, in June 2009, of 120 Promissory Notes in the total amount of R$ 1,200,000,000.00 issued by the Company in December 2008.

In December 2009, we concluded the review of certain terms and conditions of our third issuance of debentures. Thus, the interest of the debentures was reduced to 108.5% of CDI and its maturity date was extended to December 4th, 2012. The debentures have annual interest payments and amortization in one single tranche at the maturity date, with the following characteristics:

Face value unit:	R$ 1,000,000.00
Final maturity:	December 4th, 2012
Payment of the face value:	Lump sum at final maturity
Interest:	108.5% of CDI
Payment of interest:	Annually
Reprice:	Not applicable

Financing contracts with BNDES
In August 2006, our subsidiaries signed a revolving line of credit agreement with BNDES in the total amount of R$ 728 million to finance investments over the next 5 years, starting in 2006. In December 2008, an additional credit limit was hired with BNDES, including new beneficiaries (IPP and its subsidiaries), and the credit limit was extended to R$ 1,622 million. On December 31st, 2010, the amount being used by the subsidiaries was R$ 645 million.

Additionally, through its subsidiaries, Ultrapar contracted a working capital loan (not included in the revolving line described above) with BNDES in the total amount of R$ 612 million. As of December 31st, 2010, the total amount outstanding of this debt was R$ 624 million.

Bank Credit Bill
In March 2009, subsidiary IPP contracted a Bank Credit Bill with Caixa Econômica Federal in the amount of R$ 500 million maturing in March 2012. In March 2010, subsidiary IPP settled this loan in advance and substituted it for a loan with Banco do Brasil.

Loans with Banco do Brasil
The subsidiary IPP contracted loans with Banco do Brasil to finance the marketing, processing or manufacture of agricultural-derived goods (ethanol). During 2010, IPP raised an additional R$ 1,400 million and renegotiated certain loans that would mature during this period in an amount of R$ 410 million. IPP contracted interest rate hedging instruments, thus converting the charges for those loans into an average 98.75% of CDI (see note 20 of our financial statements). Subsidiary IPP designates its hedging instruments as a fair value hedge. Therefore, loans and hedging instruments are both stated at fair value since their hiring date.

ii. Other long term relations with financial institutions

In addition to the relationships mentioned in items 10.1.f.i. Relevant loan and financing contracts and 10.1.g. Limits of use of contracted loans and financing, Ultrapar maintains long term relationships with financial institutions (i) in connection with the ordinary course of the business, such as the payroll of its employees, credit and collection, payments and currency and interest rate hedging instruments and (ii) through a joint venture (50%/50%) between Ipiranga and Itaú Unibanco for the provision of financial services and management of the Ipiranga-branded credit cards, due in 2016.

iii. Subordination of debt

Our secured debt as of December 31st, 2010, amounted to R$ 83.7 million. Except for the secured debt, there is no subordination among our existing debt.

iv. Any restrictions imposed on the issuer, especially related to indebtedness limits and the hiring of new debt, to dividend distribution, to the sale of assets, to the issuing of new securities and to change of control

The restrictions imposed on Ultrapar and its subsidiaries are those usual for transactions of this nature and have not limited their ability to conduct their business to date.

As a result of the issuance of notes due in 2015, certain obligations must be maintained by Ultrapar:

- Limit on transactions with shareholders that hold 5% or more of any class of capital of the Company, except upon fair and reasonable terms no less favorable to the Company than what could be obtained in a comparable arm's-length transaction with a third-party;
- board approval requirement for transactions with related parties totaling more than US$ 15 million (except transactions with or between subsidiaries);
- restriction on the sale of all or substantially all assets of the Company and its subsidiaries;
- restriction on encumbrances on assets in excess of US$ 150 million or 15% of the value of consolidated tangible assets.

As a result of the issuance of the syndicated loan, some obligations additional to the ones mentioned above must be maintained by Ultrapar:

- maintain a ratio of consolidated net debt to consolidated EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of no more than 3.5; and
- maintain a ratio of consolidated EBITDA to consolidated net financial expenses of at least 1.5.
- As a result of BNDES financing contracts, during the effectiveness of these agreements, Ultrapar must keep the following capitalization and current liquidity levels, as verified in annual audited balance sheet
  - Ÿ capitalization level: shareholders' equity / total assets equal to or above 0.30; and
  - Ÿ current liquidity level: current assets / current liabilities equal to or above 1.3.

g. Limits of use of contracted loans and financings

The BNDES credit lines described under "Item 10.1.f.i. Relevant loan and financing contracts – BNDES" must be used exclusively to partially finance the Company's investments projects. The proceeds are available upon approval of each project and according to the project's disbursement schedule.

h. Main changes in each item of the financial statements

(R$ million)	Information as of			Percent change	
	12/31/2010	12/31/2009	01/01/2009	12/31/2010 vs. 12/31/2009	12/31/2009 vs. 01/01/2009
ASSETS					
Cash and financial investments	3,200.6	2,327.8	2,140.7	37 %	9 %
Trade accounts receivable	1,715.7	1,618.3	1,449.1	6 %	12 %
Inventories	1,133.5	942.2	1,033.8	20 %	-9 %
Taxes	354.3	320.2	311.9	11 %	3 %
Other	53.3	61.3	124.6	-13 %	-51 %
Total Current Assets	6,457.5	5,269.7	5,060.0	23 %	4 %
Investments	15.3	14.7	15.4	3 %	-4 %
Property, plant and equipment and intangibles	5,349.3	4,988.2	3,893.2	7 %	28 %
Financial investments	19.8	7.2	7.2	175 %	0 %
Trade accounts receivable	96.7	86.4	71.9	12 %	20 %
Deferred income tax	564.4	697.9	552.6	-19 %	26 %
Escrow deposits	380.7	308.5	204.2	23 %	51 %
Other	106.2	109.9	82.0	-3 %	34 %
Total Non-Current Assets	6,532.4	6,212.9	4,826.4	5 %	29 %
TOTAL ASSETS	12,989.8	11,482.6	9,886.3	13 %	16 %
LIABILITIES					
Loans, financing and debentures	820.5	1,144.2	1,720.4	-28 %	-33 %
Suppliers	941.2	891.9	614.2	6 %	45 %
Payroll and related charges	228.2	176.5	164.6	29 %	7 %
Taxes	234.7	140.5	103.2	67 %	36 %
Other	293.4	213.2	142.0	38 %	50 %
Total Current Liabilities	2,517.9	2,566.2	2,744.4	-2 %	-6 %
Loans, financing and debentures	4,575.5	3,322.5	2,013.8	38 %	65 %
Provision for contingencies	470.5	540.2	258.8	-13 %	109 %
Post-retirement benefits	93.2	90.1	77.7	3 %	16 %
Other	157.1	118.3	99.5	33 %	19 %
Total Non-Current Liabilities	5,296.3	4,071.1	2,449.9	30 %	66 %
TOTAL LIABILITIES	7,814.3	6,637.4	5,194.3	18 %	28 %
STOCKHOLDERS' EQUITY					
Capital	3,696.8	3,696.8	3,696.8	0 %	0 %
Reserves	1,529.2	1,189.6	1,092.1	29 %	9 %
Treasury shares	(120.0)	(123.7)	(127.3)	-3 %	-3 %
Others	47.3	47.5	(7.7)	0 %	-715 %

Non-controlling interest	22.3	35.1	38.2	-37	%	-8	%
TOTAL STOCKHOLDERS' EQUITY	5,175.6	4,845.3	4,692.0	7	%	3	%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	12,989.8	11,482.6	9,886.3	13	%	16	%

Main changes in the consolidated balance sheet accounts on December 31st, 2010 compared with December 31st, 2009

Assets

Current assets
Current assets amounted to R$ 6,457.5 million on December 31st, 2010, a R$ 1,187.8 million increase over the current assets on December 31st, 2009, as a result of the increases in cash and financial investments, trade accounts receivable and inventories.

Cash and financial investments
Cash and financial investments amounted to R$ 3,200.6 million on December 31st, 2010, an R$ 872.9 million increase over December 31st, 2009, as a result of the cash flow generated from our operations in the period and the raising of new debt.

Trade accounts receivable
Trade accounts receivable amounted to R$ 1,715.7 million on December 31st, 2010, a R$ 97.4 million increase compared with December 31st, 2009, as a result of increased sales in the period.

Inventories
Inventories amounted to R$ 1,133.5 million on December 31st, 2010, a R$ 191.4 million increase compared with December 31st, 2009, mainly as a result of an increase of R$ 132.9 million and
R$ 58.6 million in Ipiranga's and Oxiteno's inventories, respectively, as a consequence of the growth of operations.

Non-current assets
Non-current assets amounted to R$ 6,532.4 million on December 31st, 2010, a R$ 319.5 million increase compared with December 31st, 2009.

Property, plant and equipment and intangibles
Property, plant and equipment and intangibles amounted to R$ 5,349.3 million on December 31st, 2010, a R$ 361.1 million increase compared with December 31st, 2009, mainly as a consequence of the organic investments made in 2010.

Deferred income tax and social contribution
Deferred income tax and social contribution amounted to R$ 564.4 million on December 31st, 2010, a R$ 133.5 million decrease compared with December 31st, 2009, due to the increased utilization of these assets to offset tax payments in 2010.

Liabilities

Current liabilities
Current liabilities amounted to R$ 2,517.9 million on December 31st, 2010, a R$ 48.3 million decrease compared with December 31st, 2009, as a result of a reduction in loans, financing and debentures.

Loans, financing and debentures
Loans, financing and debentures amounted to R$ 820.5 million on December 31st, 2010, a R$ 323.7 million decrease compared with December 31st, 2009, as result of a lengthening in the debt amortization profile. See "Non-current liabilities – Loans, financing and debentures".

Taxes
Taxes amounted to R$ 234.7 million on December 31st, 2010, a R$ 94.2 million increase over December 31st, 2009, mainly as result of increased revenues in the period.

Other current liabilities
Other current liabilities amounted to R$ 293.4 million on December 31st, 2010, a R$ 80.2 million increase compared with December 31st, 2009, mainly as result of the consolidation of DNP from November 2010 onwards.

Non-current liabilities
Non-current liabilities amounted to R$ 5,296.3 million on December 31st, 2010, a R$ 1,225.2 million increase over December 31st, 2009, mainly as result of the increase in loans, financing and debentures.

Loans, financing and debentures
Loans, financing and debentures amounted to R$ 4,575.5 million on December 31st, 2010, a R$ 1,253.0 million increase compared with December 31st, 2009, as result of new long-term financings raised in 2010.

Stockholders' Equity
Ultrapar's stockholders' equity amounted to R$ 5,175.6 million on December 31st, 2010, a R$ 330.3 million increase compared with December 31st, 2009, as result of an increase in profit reserves, due to net earnings growth in 2010.

Main changes in the consolidated balance sheet accounts on December 31st, 2009 compared with January 1st, 2009 (According to the IFRS, see "Item 10. Management discussion & analysis – Introduction")

Assets

Current assets
Current assets amounted to R$ 5,269.7 million on December 31st, 2009, a R$ 209.8 million increase compared with current assets of R$ 5,060.0 million on January 1st, 2009, as a result of the increase in cash and financial investments and trade accounts receivable, partially offset by a reduction in inventories.

Cash and financial investments
Cash and financial investments amounted to R$ 2,327.8 million on December 31st, 2009, a R$ 187.1 million increase compared with January 1st, 2009, as a result of the cash flow generated from our operations in the period and the hiring of new debt, partially offset by the payment related to the acquisition of Texaco.

Trade accounts receivable
Trade accounts receivable amounted to R$ 1,618.3 million on December 31st, 2009, a R$ 169.2 million increase compared with January 1st, 2009, as a result of a R$ 177.6 million increase in Ipiranga, as a consequence of the consolidation of Texaco from second quarter of 2009 onwards, partially offset by a reduction in trade accounts receivable in the other businesses.

Inventories
Inventories amounted to R$ 942.2 million on December 31st, 2009, a R$ 91.6 million decrease compared with January 1st, 2009, as a result of a R$ 225.5 million reduction in Oxiteno's inventories in 2009, which were in a higher level on January 1st, 2009, due to a reduced demand as a

consequence of the worsening of the global financial crisis in the fourth quarter of 2008. The increase in Oxiteno's inventories was partially offset by an R$ 132.6 million increase in Ipiranga, as a consequence of the consolidation of Texaco from the second quarter of 2009 onwards.

Non-current assets

Non-current assets amounted to R$ 6,212.9 million on December 31st, 2009, an R$ 1,386.5 million increase compared with January 1st, 2009.

Property, plant and equipment and intangibles

Property, plant and equipment and intangibles amounted to R$ 4,988.2 million on December 31st, 2009, a R$ 1,095.0 million increase compared with January 1st, 2009, as a consequence of the consolidation of Texaco's assets from the second quarter of 2009 onwards and the organic investments made in 2009.

Trade accounts receivable (long-term)

Ultrapar's trade accounts receivable (long-term) amounted to R$ 86.4 million on December 31st, 2009, a R$ 14.5 million increase over January 1st, 2009, as result of the increased level of financing and bonuses to Ipiranga's resellers and clients.

Liabilities

Current liabilities

Current liabilities amounted to R$ 2,566.2 million on December 31st, 2009, a R$ 178.2 million decrease compared with January 1st, 2009, mainly as a result of a reduction in loans and financing, partially offset by an increase in suppliers.

Loans, financing and debentures

Loans, financing and debentures amounted to R$ 1,144.2 million on December 31st, 2009, a R$ 576.2 million decrease compared with January 1st, 2009, as result of the replacement of R$ 1,200.0 million promissory notes by long-term debentures in the same amount, partially offset by increased funding from BNDES (see "Non-current liabilities – Loans, financing and debentures" and "Item 10.1.f. Indebtedness level and debt profile").

Suppliers

Suppliers amounted to R$ 891.9 million on December 31st, 2009, a R$ 277.7 million increase compared with January 1st, 2009, mainly as result of a R$ 275.9 million increase in Ipiranga as a consequence of the consolidation of Texaco from the second quarter of 2009 onwards.

Non-current liabilities

Non-current liabilities amounted to R$ 4,071.1 million on December 31st, 2009, a R$ 1,651.2 million increase over January 1st, 2009, mainly as result of the issuance of debentures.

Loans, financing and debentures

In June 2009, Ultrapar carried out its third issuance of debentures in the amount of R$ 1,200.0 million with maturity in 2012. The proceeds of the issuance were used for the anticipated payment, in June 2009, of the promissory notes of the same amount issued in December 2008 (see "Item 10.1.f. Indebtedness level and debt profile").

Stockholders' Equity

Ultrapar's stockholders' equity amounted to R$ 4,845.3 million on December 31st, 2009, a R$ 153.2 million increase over January 1st, 2009, as result of an increase in profit reserves, due to higher net earnings in 2009.

Main changes in the consolidated income statement

Main changes in the consolidated income statement for the year ended December 31st, 2010 compared with the year ended December 31st, 2009

(R$ million)	Year ending December 31st 2010	% of net sales and services	Year ending December 31st 2009	% of net sales and services	Percent change 2010-2009
Net sales and services	42,481.7	100 %	36,097.1	100 %	18 %
Cost of sales and services	(39,322.9)	93 %	(33,443.6)	93 %	18 %
Gross profit	3,158.8	7 %	2,653.5	7 %	19 %
Selling, general and administrative expenses	(1,924.1)	5 %	(1,771.7)	5 %	9 %
Other operating income (expenses)	10.8	0 %	19.3	0 %	-44 %
Income from sale of assets	79.0	0 %	18.9	0 %	317 %
Operating income	1,324.5	3 %	920.0	3 %	44 %
Financial results	(264.1)	1 %	(291.5)	1 %	-9 %
Income and social contribution taxes	(295.2)	1 %	(188.0)	1 %	57 %
Equity in earnings (losses) of affiliates	0.0	0 %	0.2	0 %	-98 %
Net income	765.2	2 %	440.7	1 %	74 %
Net income attributable to:					
Shareholders of Ultrapar	765.3	2 %	437.1	1 %	75 %
Non-controlling shareholders of the subsidiaries	(0.1)	0 %	3.6	0 %	-103 %
EBITDA	1,776.3	4 %	1,430.4	4 %	24 %
Depreciation and amortization	530.8	1 %	529.3	1 %	0 %