



**Ultrapar Participações S.A.**  
Governance and financial risk management  
**Companies Circle** of the Latin American Corporate Governance Roundtable  
1st December 2008 - Mexico City, Mexico





## Forward-looking statements

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*This document may include "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Investors are cautioned that such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the business of Ultrapar Participações S.A. ("Ultrapar") are based on current expectations that are subject to risks and uncertainties that could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. Ultrapar is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise. For this reason, readers should not place undue emphasis on these forward-looking statements.*



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# Ultrapar – Leading market positions in Brazil



Second largest fuels distributor

EBITDA  
R\$ 562 million



Largest LPG distributor

EBITDA  
R\$ 214 million

**Retail 80%**



Largest producer of ethylene oxide derivatives in Latin America

EBITDA  
R\$ 156 million

**Chemicals 16%**



Leader in integrated logistics solutions for special bulk cargo

EBITDA  
R\$ 40 million

**Logistics 4%**

## ▶ Superior corporate governance standards

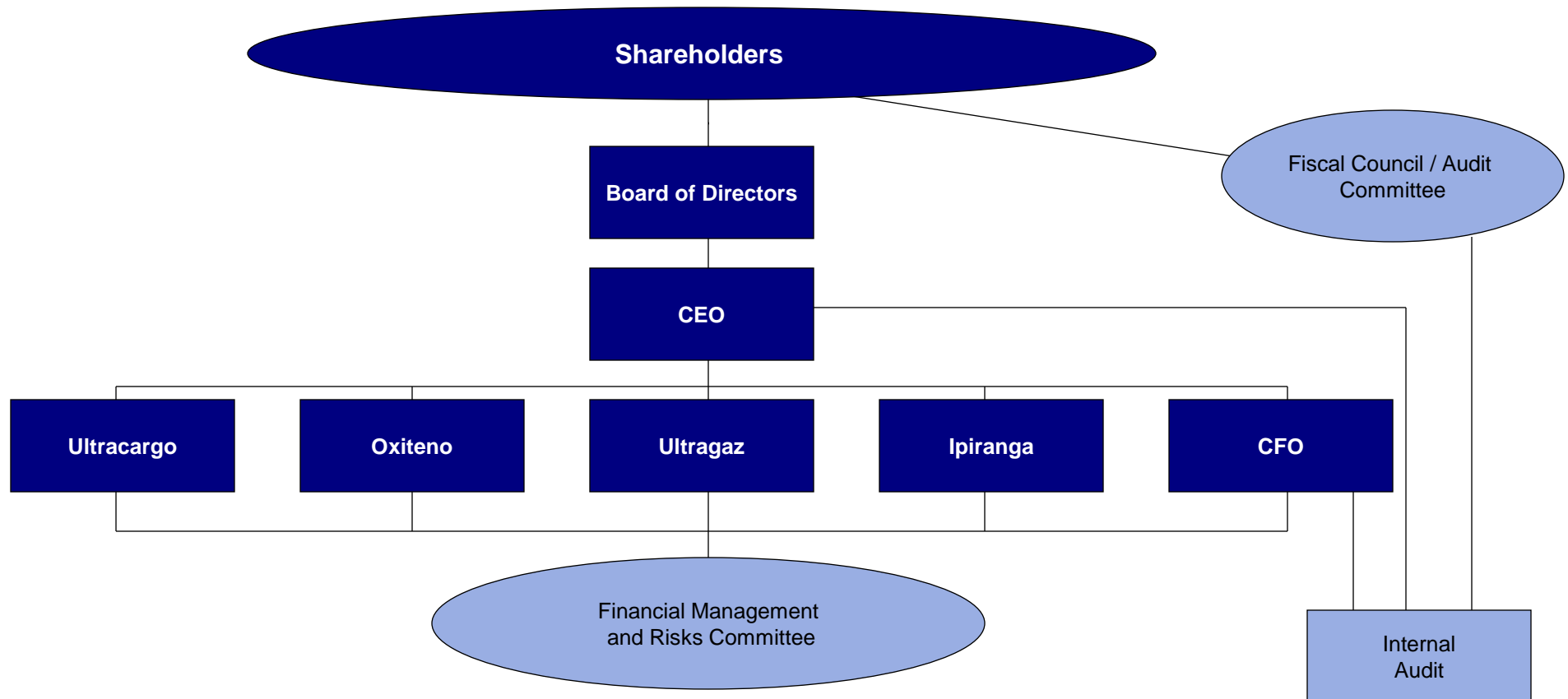
- ✓ Alignment of interests – NYSE-listed with ADR level III, 100% tag-along rights for all shareholders
- ✓ Key executives with significant stake in the company
- ✓ Professional management with variable remuneration linked to EVA® growth targets

## ▶ Strong financial position

- ✓ Moody's: Baa3 (investment grade)
- ✓ S&P: BB+, positive outlook (one notch below investment grade)



# Ultrapar – Oversight structure and controls



- ▶ Board of Directors – Approves and revises financial policies
- ▶ Financial Management and Risks Committee – Supervises financial management
- ▶ Financial Department – Executes financial management



## Ultrapar – Financial management and risks committee

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- ▶ **Meets every two weeks**
- ▶ **Discusses and analyses macroeconomic trends and impacts on financial markets**
- ▶ **Analyses the risks maps, checking risks exposures**
- ▶ **Decides to adjust financial exposures, in accordance with financial guidelines**
- ▶ **Makes recommendations on relevant decisions involving financial investments, liabilities and risks management**
- ▶ **Is responsible for the continuing improvement of Ultrapar's financial management and risks policy**



# Ultrapar – Major guidelines on financial management

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## ▶ **Exchange rate risks :**

- ❑ Neutrality of exposures
- ❑ Transaction, translation and economic exposures

## ▶ **Derivatives instruments :**

- ❑ Exchange rate hedging instruments only to protect its assets, liabilities, receipts and disbursements,
- ❑ Reducing the effects of exchange rate movements in its earnings or cash flows.
- ❑ Exchange rate hedging instruments : amounts, terms and indexes compatible with their respective underlying liabilities, receipts or disbursements in foreign currency;

## ▶ **Counterpart risks :**

- ❑ Credit rating systems : financial institutions
- ❑ Use of external advisors since 2002;

## ▶ **Liquidity:**

- ❑ Liquidity : one of the basic principles of Ultrapar's financial management



# Ultrapar – Fiscal Council / Audit Committee

- ▶ Reports to the Shareholders and Board of Directors
- ▶ Independent:
  - ❑ From our management
  - ❑ From our external auditors
  - ❑ May hire outside advisors - expenses are covered by the company.
- ▶ Responsible for:
  - ❑ **Reviewing accuracy and integrity - quarterly and annual financial statements**
    - ✓ applicable accounting, internal control and auditing requirements;
    - ✓ provisions of Brazilian corporate law;
    - ✓ forms of the CVM and requirements for listing on Bovespa;
    - ✓ rules of the SEC and the requirements for listing on the N Y S E;
  - ❑ Recommendations to our board of directors - **appointment, retention and oversight of our independent auditors**: qualification and autonomy;
  - ❑ Reviewing performance of **internal auditing** with management and independent auditors - internal controls effectiveness .
  - ❑ Supporting improved procedures for receiving, retaining and addressing **complaints regarding accounting, internal control and auditing matters**: submission of confidential, anonymous complaints - questionable accounting or auditing matters.
- ▶ Supported by internal audit





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