MINDSPEED TECHNOLOGIES, INC
Form DEF 14A
December 21, 2011
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SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE

SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO.__)

Filed by the Registrant þ

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

þ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

MINDSPEED TECHNOLOGIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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MINDSPEED TECHNOLOGIES, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD JANUARY 31, 2012

To our Stockholders:

Our 2012 annual meeting of stockholders will be held on January 31, 2012, beginning at 2:00 p.m. Pacific Time, at our headquarters, located at 4000 MacArthur Boulevard, East Tower, Newport Beach, California 92660. At the meeting, the holders of our outstanding common stock will act on the following matters:

1. election of two directors, each for a term of three years;

2. ratification of the appointment of our independent registered public accounting firm for fiscal year 2012; and

3. approval of an amended and restated employee stock purchase plan, which would increase the number of authorized shares from 500,000 to 1,300,000.

All holders of record of shares of our common stock (NASDAQ: MSPD) at the close of business on December 5, 2011 are entitled to vote at the meeting and any postponements or adjournments of the meeting. To ensure that your vote is recorded promptly, **please vote as soon as possible,** even if you plan to attend the meeting in person. We encourage you to vote via the Internet or by telephone. If you received a printed set of proxy materials, you also have the option of voting by completing, signing, dating and returning the proxy card that accompanied such printed materials. Submitting your vote via the Internet or by telephone or proxy card will not affect your right to vote in person if you decide to attend the annual meeting.

We are mailing to most of our stockholders a notice of Internet availability of proxy materials instead of a paper copy of this proxy statement and our 2011 annual report to stockholders. The notice contains instructions on how to access those documents via the Internet. The notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our 2011 annual report to stockholders and a form of proxy card or voting instruction card, as applicable. All stockholders who do not receive a notice of Internet availability of proxy materials will receive a paper copy of the proxy materials by mail. We believe that this process minimizes the costs of printing and distributing our proxy materials and also provides other benefits.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on January 31, 2012. The proxy statement and our 2011 annual report to stockholders are available at *http://investors.mindspeed.com/proxy.*

IF YOU PLAN TO ATTEND:

Registration will begin at 1:00 p.m. Pacific Time. Each stockholder will need to bring a proxy card, voting instruction card or notice of Internet availability of proxy materials and valid picture identification, such as a driver s license or passport, for admission to the meeting. Stockholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date (and, if such stockholders intend to vote at the meeting, a proxy from the broker). Cameras and recording devices will not be permitted at the meeting and all mobile phones must be silenced during the meeting. We realize that many mobile phones have built-in digital cameras, and while these phones may be brought into the meeting, the camera function may not be used at any time.

By Order of the Board of Directors,

BRANDI R. STEEGE
Vice President, General Counsel and Secretary

December 21, 2011

Newport Beach, California

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MINDSPEED TECHNOLOGIES, INC.

4000 MacArthur Boulevard, East Tower

Newport Beach, California 92660

PROXY STATEMENT

This proxy statement contains information related to our annual meeting of stockholders to be held on Tuesday, January 31, 2012, beginning at 2:00 p.m. Pacific Time, at our headquarters, located at 4000 MacArthur Boulevard, East Tower, Newport Beach, California 92660, and at any postponements or adjournments of the meeting. Your proxy for the meeting is being solicited by the board of directors. The proxy materials, which include this proxy statement, the proxy card and the 2011 annual report to stockholders, are first being made available to stockholders beginning on or about December 21, 2011.

We have elected to provide access to our proxy materials to our stockholders via the Internet. Accordingly, a notice of Internet availability of proxy materials has been mailed to the majority of our stockholders, while other stockholders have instead received paper copies of the proxy materials accessible via the Internet. Stockholders that received the notice of Internet availability of proxy materials have the ability to access the proxy materials at *www.proxyvote.com* or request that a printed set of the proxy materials be sent to them by following the instructions set forth on the notice of Internet availability of proxy materials.

Please visit *www.proxyvote.com* for details on how to instruct us to send future proxy materials to you electronically by e-mail or in printed form by mail. You may also visit *www.mindspeed.com* to instruct us to send future proxy materials to you electronically by e-mail. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials or a link to a special website to access our proxy materials. Your election to receive proxy materials by e-mail or printed form by mail will remain in effect until you terminate it.

Choosing to receive future proxy materials by e-mail will allow us to provide you with the proxy materials you need in a timelier manner and will save us the cost of printing and mailing documents to you.

ABOUT THE MEETING AND VOTING

What is the purpose of the annual meeting?

At our annual meeting, stockholders will act upon the matters outlined in the meeting notice provided with this proxy statement, including: (i) the election of directors; (ii) ratification of the appointment of our independent registered public accounting firm; and (iii) the approval of an amended and restated employee stock purchase plan. In addition, management will report on the performance of our company and respond to questions from stockholders.

Who can attend the meeting?

Subject to space availability, all stockholders as of the close of business on December 5, 2011, the record date, or their duly appointed proxies, may attend the meeting. Registration will begin at 1:00 p.m. Pacific Time. If you plan to attend the meeting, please note that you will need to bring your proxy card, voting instruction card or notice of Internet availability of proxy materials and valid picture identification, such as a driver s license or passport. Cameras and recording devices will not be permitted at the meeting and all mobile phones must be silenced during the meeting. We realize that many mobile phones have built-in digital cameras, and while these phones may be brought into the meeting, the camera function may not be used at any time.

Please also note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

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Who is entitled to vote at the meeting?

Only stockholders of record at the close of business on the record date for the meeting are entitled to receive notice of and to participate in the annual meeting. If you were a stockholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the meeting, or any postponements or adjournments of the meeting. There were 34,865,486 shares of our common stock outstanding on the record date.

What are the voting rights of the holders of the company s common stock?

Each share of our common stock outstanding on the record date will be entitled to one vote on each matter considered at the meeting.

What is a quorum?

A quorum is the minimum number of our shares of common stock that must be represented at a duly called meeting in person or by proxy in order to legally conduct business at the meeting. For the annual meeting, the presence, in person or by proxy, of the holders of at least 17,432,744 shares, which is a simple majority of the 34,865,486 shares outstanding as of the record date, will be considered a quorum allowing votes to be taken and counted for the matters before our stockholders.

If you are a registered stockholder, you must deliver your vote via the Internet or by telephone or mail or attend the annual meeting in person and vote in order to be counted in the determination of a quorum. If you are a street name stockholder, your broker will vote your shares pursuant to your instructions, and such shares will count in the determination of a quorum. If you do not vote via the Internet, by telephone or proxy card, or provide any instructions to your broker, your shares will still count for purposes of attaining a quorum and your broker may vote your shares in its discretion on proposal 2. If you are a member of a retirement savings plan or other similar plan, the trustee or administrator of the plan will vote according to your directions and the rules of the plan, which may result in your shares being counted in the determination of a quorum even if you do not provide voting directions.

How do I vote?

You may submit your vote via the Internet, by telephone or in person at the annual meeting. If you received printed proxy materials, you also have the option of submitting your proxy card by mail or attending the meeting and delivering the proxy card. The designated proxies will vote according to your instructions; however, if you are a registered stockholder and you return an executed proxy card without specific instructions on how to vote, the proxies will vote FOR the election of Messrs. Decker and Halim in proposal 1; FOR the ratification of our company s independent registered public accounting firm in proposal 2; and FOR the approval of an amended and restated employee stock purchase plan in proposal 3.

If you are a street name stockholder and you do not return instructions on how to vote, your shares will not be voted on proposals 1 or 3. The voting of shares held by street name stockholders is further discussed below under the caption About the Meeting and Voting What vote is required to approve each proposal? Street Name Shares and Broker Non-Votes. Additionally, in order to vote at the meeting, you will need to obtain a signed proxy from the broker or nominee that holds your shares, because the broker or nominee is the legal, registered owner of the shares. If you have the broker s proxy, you may vote by ballot or you may complete and deliver another proxy card in person at the meeting.

If you are a member of a retirement or savings plan or other similar plan, you may submit your vote via the Internet or by telephone. The trustee or administrator of the plan will vote according to your directions and the rules of the plan.

Can I vote via the Internet or by telephone?

You may submit your vote via the Internet or by telephone by following the instructions contained in the notice of Internet availability of proxy materials. If you received a printed set of proxy materials, you may submit your vote via the Internet or by telephone by following the instructions contained on the proxy card that accompanied the printed materials.

If you are a registered stockholder or you hold your shares in street name, the deadline for submitting your vote by telephone or via the Internet is 11:59 p.m. Eastern Time on January 30, 2012. If you are a member of a retirement or savings plan or other similar plan, the deadline for submitting your voting directions by telephone or via the Internet is 11:59 p.m. Eastern Time on January 27, 2012.

Can I change or revoke my vote?

Subject to the deadlines set forth in the paragraph above, you may change your vote at any time before the proxy is exercised by re-submitting your vote via the Internet or by telephone.

If you are a registered stockholder, you may revoke your vote at any time before the proxy is exercised by filing with our secretary a written notice of revocation. At the meeting, you may revoke or change your vote by submitting a proxy to the inspector of elections or voting by ballot. Your attendance at the meeting will not by itself revoke your vote.

If your shares are held in street name or you are a member of a retirement or savings plan or other similar plan, please contact your broker, nominee, trustee or administrator to determine whether you will be able to revoke or change your vote.

What are the board s recommendations?

The board recommends that you vote:

- ***for*** election of the nominated slated of directors (see proposal 1);
- ***for*** ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2012 (see proposal 2); and
- ***for*** approval of an amended and restated employee stock purchase plan, which would increase the number of authorized shares from 500,000 to 1,300,000 (see proposal 3).

What vote is required to approve each proposal?

Election of Directors

Directors are elected by a plurality of votes validly cast. This means that the two director nominees receiving the most votes cast at the meeting will be elected to serve for the next three years. Only votes cast for are counted in determining whether a plurality has been cast in favor of a director. A properly executed proxy marked withhold authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated. Abstentions and broker non-votes will have no effect on the vote on the election of directors.

All Other Proposals

For each other proposal to be approved, the number of affirmative votes validly cast in favor of the proposal must exceed the number of votes validly cast against the proposal. Abstentions and broker non-votes will have no effect on any of these proposals.

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Street Name Shares and Broker Non-Votes

If you hold your shares in street name through a broker or other nominee, your broker or nominee may not be permitted to exercise voting discretion with respect to some proposals. Broker non-votes are shares as to which a broker or nominee does not vote, or has indicated that it does not have discretionary authority to vote and has not received instructions on how to vote. If you do not give specific instructions, your broker or nominee may cast your vote in its discretion for proposal 2, the ratification of the appointment of our independent registered public accounting firm. If you do not give specific instructions on how to vote, your broker or nominee is not permitted to cast your vote in its discretion for proposal 1, election of the directors; and proposal 3, the approval of an amended and restated employee stock purchase plan. A broker non-vote is a vote not cast on a matter affirmatively or negatively and is also not counted for the purposes of determining a plurality, so it will have no effect on the outcome of any of the proposals; however, a broker non-vote will still be counted for purposes of attaining a quorum as it relates to proposal 2.

Why did I receive a notice of Internet availability of proxy materials instead of a full set of the proxy materials?

We are pleased to take advantage of the SEC rules that allow companies to furnish their proxy materials via the Internet. Accordingly, we sent to the majority of our stockholders a notice of Internet availability of proxy materials for this year s annual meeting of stockholders. Other stockholders were instead sent paper copies of the proxy materials accessible via the Internet. Instructions on how to access the proxy materials via the Internet or to request a paper copy can be found in the notice of Internet availability of proxy materials. In addition, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis by submitting a request to us at *www.proxyvote.com*. You may also visit *www.mindspeed.com* to instruct us to send future proxy materials to you electronically by e-mail. A stockholder s election to receive proxy materials by mail or e-mail will remain in effect until the stockholder terminates it.

Why didn t I receive a notice of Internet availability of proxy materials?

We are providing certain stockholders, including stockholders who have previously requested to receive paper copies of proxy materials, with paper copies of the proxy materials instead of, or in addition to, a notice of Internet availability of proxy materials. If you would like to assist us in reducing the cost of distributing our proxy materials in the future, you can consent to receiving future proxy materials and other stockholder communications electronically via e-mail or the Internet. To sign up for electronic delivery, please visit *www.mindspeed.com* to submit your request.

Can I vote my shares by filling out and returning the notice of Internet availability of proxy materials?

No. The notice of Internet availability of proxy materials does, however, provide instructions on how to vote your shares.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

How many shares of the company s common stock do the directors, executive officers and certain beneficial owners own?

To our knowledge, the following table sets forth information regarding the beneficial ownership of the 34,515,446 shares of our common stock outstanding on September 30, 2011, by each person who is known to us, based upon filings with the SEC or other information, to beneficially own more than 5% of our common stock, each of our directors, each executive officer named in the Summary Compensation Table (2011) below and all current directors and executive officers as a group. Except as otherwise indicated below and subject to applicable community property laws, each owner has sole voting and sole investment power with respect to the stock listed.

	Common Stock(1)	
Name	**Shares**	**Percent of Class**
5% Stockholders		
Federated Investors, Inc.(2) Federated Investors Tower Pittsburgh, PA 15222	2,982,000	8.64%
AQR Capital Management, LLC(3) Two Greenwich Plaza, 3rd Floor Greenwich, CT 06830	2,531,640	7.33
Artis Capital Management, L.P.(4) One Market Plaza, Steuart Street Tower, Suite 2700 San Francisco, CA 94105	2,083,626	6.04
BlackRock, Inc.(5) 40 East 52nd Street New York, NY 10022	1,826,729	5.29
Kopp Investment Advisors, LLC and affiliated persons(6) 8400 Normandale Lake Boulevard, Suite 1450 Bloomington, MN 55437	1,757,920	5.09
Conexant Systems, Inc.(7) 4000 MacArthur Boulevard, West Tower Newport Beach, CA 92660	6,109,113	15.04
Directors		
Dwight W. Decker(8)	450,961	1.30
Raouf Y. Halim(8)	1,185,818	3.39
Robert J. Conrad(8)	7,000	*
Michael T. Hayashi(8)	41,600	*
Ming Louie(8)	49,000	*
Thomas A. Madden(8)	49,000	*
Jerre L. Stead(8)	63,541	*
Named Executive Officers		
Kristen M. Schmidt(8)(9)	69,024	*
Thomas J. Medrek(8)	312,062	*
Gerald J. Hamilton(8)	216,698	*
Najabat H. Bajwa(8)	133,771	*
Bret W. Johnsen(10)		*
All directors and executive officers as of September 30, 2011 as a group (14 persons)(8)	**2,802,409**	**8.07%**

* Represents less than 1% of our outstanding common stock.

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(1) Unless otherwise indicated, each person s address is c/o Mindspeed Technologies, Inc., 4000 MacArthur Boulevard, East Tower, Newport Beach, California 92660. If a stockholder holds options or other securities that are exercisable or otherwise convertible into our common stock within 60 days of September 30, 2011, we treat the common stock underlying those securities as owned by that stockholder, and as outstanding shares when we calculate that stockholder s percentage ownership of our common stock. However, we do not consider that common stock to be outstanding when we calculate the percentage ownership of any other stockholder.

(2) This information is based on a Schedule 13G filed on February 10, 2010 by Federated Investors, Inc. The Schedule 13G was filed by Federated Investors because it is the parent holding company of Federated Equity Management Company of Pennsylvania and Federated Global Investment Management Corp., each of which acts as an investment advisor to registered investment companies and separate accounts that own shares of our common stock. Federated Equity Management Company of Pennsylvania and Federated Global Investment Management Corp. are wholly-owned subsidiaries of FII Holdings, Inc., which is a wholly-owned subsidiary of Federated Investors, Inc. All of Federated Investors s outstanding voting stock is held in an irrevocable voting trust for which John F. Donahue, Rhodora J. Donahue and J. Christopher Donahue act as trustees. The trustees have collective voting control over Federated Investors. Federated Investors, the trust and each of the trustees expressly disclaim beneficial ownership of the reported shares.

(3) Represents shares of our common stock issuable upon conversion of our convertible notes. This information is based on a Schedule 13G/A filed on February 11, 2011, by AQR Capital Management, LLC and AQR Absolute Return Master Account L.P. Each of AQR Capital Management and AQR Absolute Return Master Account shares voting and dispositive power over the reported shares.

(4) This information is based on a Schedule 13G filed on February 14, 2011 by Artis Capital Management, L.P. Each of Artis Capital Management, L.P., Artis Capital Management, Inc. and Stuart L. Peterson shares voting and dispositive power over the reported shares.

(5) This information is based on a Schedule 13G filed on February 7, 2011 by BlackRock, Inc. Blackrock has sole voting and dispositive power over the reported shares.

(6) This information is based on a Schedule 13D filed on October 21, 2011 by Kopp Investment Advisors, LLC. Kopp Investment Advisors is the beneficial owner of 1,685,460 shares of our common stock held by Kopp Investment Advisors clients and held in discretionary accounts managed by Kopp Investment Advisors. Kopp Holding Company, LLC is the parent of Kopp Investment Advisors and indirect beneficial owner of the shares beneficially owned by Kopp Investment Advisors. LeRoy C. Kopp is deemed to beneficially own a total of 1,757,920 shares, including the shares indirectly beneficially owned by Kopp Holding Company (by virtue of his position as the control person of Kopp Holding Company), shares held in the Kopp Family Foundation, a 501(c)(3) corporation for which he serves as a director, and shares held in his wife s individual retirement account. Kopp Investment Advisors, Kopp Holding Company and Mr. Kopp each are deemed to have shared voting power and shared dispositive power with respect to 1,685,460 and 1,147,920 shares of our common stock, respectively. Mr. Kopp has the sole power to dispose of 610,000 shares.

(7) In connection with the spin-off of our company from Conexant in June 2003 and the distribution of our common stock by Conexant to its stockholders, we issued Conexant a warrant to purchase 6 million shares of our common stock at a price of $17.04 per share (subject to adjustment in certain circumstances), exercisable through June 27, 2013. The warrants may not be exercised to the extent that such exercise would result in the holder of the warrants owning at any one time more than 10% of our outstanding common stock. In accordance with the anti-dilution provisions of the warrant, the number of shares of our common stock subject to the warrant has been subsequently increased to 6,109,113, and the exercise price was decreased to $16.74 per share.

(8) Includes shares that could be purchased by the exercise of options on September 30, 2011, or within 60 days thereafter, as follows: 132,870 for Mr. Decker; 423,182 for Mr. Halim; 2,000 for Mr. Conrad; 22,000 for Mr. Hayashi; 30,000 for Mr. Louie; 30,000 for Mr. Madden; 40,009 for Mr. Stead; 5,584 for Ms. Schmidt; 125,496 for Mr. Medrek; 63,360 for Mr. Hamilton; 19,794 for Mr. Bajwa; and 923,475 for all of the directors and executive officers as of September 30, 2011 as a group.

(9) Ms. Schmidt served as our vice president, finance, and interim chief financial officer from May 2011 to October 2011.

(10) Mr. Johnsen resigned as our senior vice president and chief financial officer effective in May 2011.

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BOARD OF DIRECTORS

Election of Directors

How is the board made up?

Our certificate of incorporation provides for a board consisting of three classes of directors with overlapping three-year terms. One class of directors is elected each year with a term extending to the third succeeding annual meeting after election. Our board currently consists of two Class I directors, three Class II directors and two Class III directors.

How are vacancies filled?

Our certificate of incorporation provides that any newly created directorships resulting from an increase in the authorized number of directors or any vacancies on the board resulting from death, resignation, retirement, disqualification, removal from office or other cause may be filled only by a majority vote of the directors then in office. Our bylaws permit any of our directors to resign at any time. Our guidelines on corporate governance provide that any director whose personal circumstances or job responsibilities change meaningfully should offer to not stand for reelection as a director.

Which directors are up for election?

Our Class III directors, Messrs. Decker and Halim, are up for election at the 2012 annual meeting to serve for a term expiring at the 2015 annual meeting.

What are their backgrounds and qualifications?

Mr. Decker, 61, has been a director of our company since January 2002 and non-executive chairman of the board since June 2003. Mr. Decker is the retired chairman of the board, member of the board and chief executive officer of Conexant Systems, Inc. (semiconductors communications), having served as the chief executive officer from January 1999 to February 2004 and again from November 2004 to July 2007, as the chairman of the board from January 1999 to July 2008, and as a member of the board of directors from August 2008 to May 2010. Mr. Decker is also a member of the boards of directors of International Rectifier (semiconductors analog), Newport Media, Inc. (semiconductors broadcast media) and Pacific Mutual Holding Company (life insurance products). We believe Mr. Decker s qualifications to serve on our board include his experience in the senior management of public semiconductor companies and on the boards of directors of public and private companies, including service as the chairman and chief executive officer and as the non-executive chairman of the board of two other public companies, his technical expertise and his experience in management of technology companies.

Mr. Halim, 51, has been a director of our company since January 2002 and our chief executive officer since June 2003. He was the senior vice president and chief executive officer of the Internet infrastructure business of Conexant from February 2002 to June 2003 and the senior vice president and general manager, network access division, of Conexant from January 1999 to February 2002. Mr. Halim currently serves as a trustee of the University of California, Irvine Foundation. We believe Mr. Halim s qualifications to serve on our board include his many years of experience in the semiconductor industry, including eight years as our chief executive officer, and his technical expertise.

Who are the remaining directors?

Class I Directors continuing directors with terms expiring at the 2013 annual meeting

Mr. Conrad, 51, has been a director of our company since August 2010. Mr. Conrad has been the senior vice president of strategy at Fairchild Semiconductor Corporation (semiconductors power) since September 2011. He previously served as executive vice president and general manager of Fairchild s mobile, computing, consumer and communications product group from December 2007 to September 2011, executive vice president and general manager of Fairchild s analog products group from May 2006 to December 2007, and as the senior vice president and general manager of Fairchild s analog products/integrated circuits group from September 2003 to May 2006. Prior to that, Mr. Conrad served as the chief executive officer, president and a member of the board of directors of Trebia Networks, Inc. (semiconductors storage networking) from April 2001 to March 2003 and as director and then vice president of the digital signal processor division at Analog Devices, Inc. (semiconductors analog) from April 1995 to March 2001. Mr. Conrad also served in a series of engineering and product management positions at Texas Instruments Incorporated (semiconductors) from September 1979 to March 1995. We believe Mr. Conrad s qualifications to serve on our board include his more than 30 years of experience in the high-technology and semiconductor industries and, particularly, in the high-performance analog semiconductor market.

Mr. Stead, 68, has been a director of our company since June 2003. He has been the executive chairman of the board of IHS, Inc. (insight and information) since December 2000 and has been the chief executive officer of IHS since September 2006. Prior to that, he was the chairman of the board and chief executive officer of Ingram Micro from August 1996 to May 2000. Mr. Stead is a member of the board of directors of Brightpoint, Inc. (wireless industry supply chain solutions). He is also the chairman of the board of the Garrett Seminary on the Northwestern University campus. We believe Mr. Stead s qualifications to serve on our board include his many years of experience as a corporate leader for information technology and communications companies, which result from his service on numerous boards of directors and as chief executive officer of Fortune 500 companies.

Class II Directors continuing directors with terms expiring at the 2014 annual meeting

Mr. Hayashi, 55, has been a director of our company since August 2005. Mr. Hayashi has been the executive vice president, architecture, development and engineering, of Time Warner Cable, Inc. (cable television service provider) since January 2008. He had previously served as the senior vice president, advanced engineering and technologies, of Time Warner from May 2002 to January 2008, and as the vice president, advanced technologies, of Time Warner from July 1993 to May 2002. We believe Mr. Hayashi s qualifications to serve on our board include his many years of experience in a service provider end market our products address.

Mr. Louie, 65, has been a director of our company since June 2003. Mr. Louie co-founded and has served as the managing director and a member of the board of directors of Mobile Radius, Inc. (mobile Internet data services) since March 2002. Mr. Louie served as the China president of the GSM Association (global trade association wireless technology) from October 2003 to May 2005. He also has been the managing director of Dynasty Capital Services LLC (consulting) since January 2002. Mr. Louie served as the president, Qualcomm Greater China (wireless communications), from May 2000 to October 2001 and as the vice president, business development, of Globalstar Communications Limited (satellite telecommunications) from January 1989 to May 2000. Since December 2007, Mr. Louie has been a member of the board of directors of Pacific Online (Internet hosting services), a publicly-traded company listed on the Hong Kong Stock Exchange. We believe Mr. Louie s qualifications to serve on our board include his more than 20 years of experience with global technology companies and, particularly, companies serving technology markets in China.

Mr. Madden, 58, has been a director of our company since June 2003. He was the executive vice president and chief financial officer of Ingram Micro, Inc. (computer technology services) from July 2001 through April 2005. He served as the senior vice president and chief financial officer of ArvinMeritor, Inc. (automotive components) from October 1997 to July 2001. He currently serves as a member of the boards of directors of FreightCar America, Inc. (manufacturing and rebuilding railroad freight cars) and Intcomex, Inc. (computer part distribution). He previously served as a member of the board of directors of Champion Enterprises, Inc. (manufacturing factory built houses) from March 2006 to March 2010. We believe Mr. Madden s qualifications to serve on our board include his extensive financial expertise and skills, as well as the insights and experience he has gained as a member of the boards of directors and audit committees of three other public companies and as the chief financial officer of two other public companies.

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Board Governance Matters

Who is the chairman of the board?

Mr. Decker has served as chairman of the board since June 2003.

What is the board s leadership structure, and who serves as the presiding director?

We separate the roles of chief executive officer and chairman of the board in recognition of the differences between the two roles. Our chief executive officer is responsible for setting the strategic direction for our company and the day-to-day leadership and performance of our company, while the chairman of the board provides guidance to our chief executive officer and sets the agenda for board meetings and presides over meetings of the full board. Mr. Decker, our chairman, has been determined to be independent, and has been appointed the chairman of our governance and board composition committee, as well as presiding director over all executive sessions of independent directors, as defined under the applicable rules of the SEC and NASDAQ. The board generally holds executive sessions four times per year.

How often did the board meet during fiscal year 2011?

The board met eight times during fiscal year 2011. Each director is expected to attend each meeting of the board and of those committees on which he serves. All of our directors attended at least 75% of all applicable board and committee meetings during fiscal year 2011. We usually schedule meetings of the board on the same day as our annual meetings, and when this schedule is followed, it is the policy of the board that directors are expected to attend our annual meetings. All directors attended the annual meeting of stockholders in April 2011, other than Mr. Stead, who was unable to attend.

How does the board determine which directors are considered independent?

Each year prior to the annual meeting, the board reviews and determines the independence of its directors. During this review, the board considers transactions and relationships between each director or any member of his or her immediate family and our company and its subsidiaries and affiliates. The board measures these transactions and relationships against the independence requirements of the SEC and The NASDAQ Stock Market, LLC. As a result of this review, the board affirmatively determined that the following continuing directors are independent in accordance with the applicable rules of the SEC and NASDAQ: Messrs. Decker, Conrad, Hayashi, Louie, Madden and Stead.

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What is the role of the primary board committees?

The board has standing audit, governance and board composition and compensation and management development committees. The table below provides membership information for fiscal year 2011 and meeting information for each of the committees during fiscal year 2011.

Name	Audit	Governance and Board Composition	Compensation and Management Development
Dwight W. Decker		Chair	
Robert J. Conrad		X	X
Michael T. Hayashi	X	X	X
Ming Louie	X	X	
Thomas A. Madden	Chair	X	
Jerre L. Stead		X	Chair
Number of meetings during fiscal year 2011	10	4	8

Audit Committee

The audit committee, established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, assists the board in overseeing our accounting and financial reporting processes and audits of our financial statements. It is directly responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accounting firms we engage. It reviews the independent registered public accounting firm s audit of the financial statements and its report thereof; our system of internal control over financial reporting and management s evaluation and the independent registered public accounting firm s audit thereof; the independent registered public accounting firm s annual management letter; various other accounting and auditing matters; and the independence of the registered public accounting firm. The committee reviews and pre-approves all audit and non-audit services performed by our independent registered public accounting firm, other than as may be allowed by applicable law.

The audit committee also reviews and approves the appointment or change of our internal auditor. The committee reviews and approves any proposed related party transactions (unless such transactions are approved by another independent body of the board). It has established procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting and auditing matters. The committee meets with management to review any issues related to matters within the scope of its duties. The committee has the power to conduct or authorize investigations into any matter within its scope of responsibilities and may engage independent legal, accounting and other advisers as it determines necessary.

The charter of the committee is available on our website at *www.mindspeed.com*. The board has determined that all of the members of the audit committee are independent in accordance with Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended, the applicable rules of NASDAQ and our board membership criteria. The audit committee also meets the audit committee composition requirements of NASDAQ. The board has determined that Mr. Madden, the chairman of the audit committee, is qualified as an audit committee financial expert within the meaning of SEC regulations and that he has accounting and related financial management expertise within the meaning of the applicable rules of NASDAQ. Mr. Madden s experience is discussed above under the caption Board of Directors Election of Directors Who are the remaining directors?

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Governance and Board Composition Committee

The governance committee reviews with the board, on an annual basis or more frequently as needed, our guidelines on corporate governance and the board s committee structure and membership. The committee annually establishes a framework for the evaluation of our chief executive officer. The committee recommends nominees for election at each annual meeting and nominees to fill any board vacancies. The committee recommended to the board Messrs. Decker and Halim for re-election at the 2012 annual meeting. When needed, the committee leads the search for qualified director candidates by defining the experiential background and qualifications for individual director searches and may engage third-party search firms to source potential candidates and coordinate the logistics of each search. The committee also has the power to engage outside advisors and counsel to assist the committee.

The committee prepares, not less frequently than every three years, and submits to the board, for adoption by the board, a list of selection criteria to be used by the committee. The committee will consider director candidates recommended by our stockholders pursuant to our procedures described below under the caption Other Matters Stockholder Proposals. The selection criteria for director candidates include the following:

- Each director should be an individual of the highest character and integrity, have experience at or demonstrated understanding of strategy/policy-setting and reputation for working constructively with others.

- Each director should have sufficient time available to devote to the affairs of our company in order to carry out the responsibilities of a director.

- Each director should be free of any conflict of interest which would interfere with the proper performance of the responsibilities of a director. This excludes from consideration officers of companies in direct or substantial competition with our company and major or potential major customers, suppliers or contractors.

In considering whether to recommend any candidate for inclusion in the board s slate of recommended director nominees, including candidates recommended by stockholders, the committee s policy is to apply certain criteria, including the candidate s character and integrity, diversity, age, financial literacy, international background, experience, commitment, specialized expertise, independence, conflicts of interest and the ability to act in the best interests of our stockholders. The committee seeks nominees with a diversity of experience and backgrounds. The committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of our directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the board to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law. The committee assesses the diversity of the board s composition annually.

The committee s charter is available on our website at *www.mindpseed.com*. The board has determined that all of the members of the committee are independent in accordance with applicable rules of NASDAQ and our board membership criteria.

Compensation and Management Development Committee

The compensation committee recommends to the board compensation and benefits for non-employee directors; reviews and approves, on an annual basis, the corporate goals and objectives with respect to compensation of our chief executive officer pursuant to the framework developed by the governance committee; determines salaries for all executive officers and reviews annually the salary plan for other executives in general management positions; reviews standard base pay, incentive compensation, deferred compensation and all equity-based plans and recommends changes in such plans as needed; reviews annually the performance of our chief executive officer and other senior executives; assists the board in developing and evaluating potential candidates for executive positions;

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1 The information for 1Q10 also exclude the effects of adhering to the Federal and Mato Grosso State's tax amnesty programs, 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).

2 Before income from sale of assets.

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

On July 1st, 2010, Ultrapar sold 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. and the receipt of R$ 74 million, in addition to the R$ 8 million deposit received upon announcement of the transaction on March 31st, 2010. In October 2010, Ultrapar disbursed R$ 2 million in connection with the expected working capital adjustment. The financial statements of Ultrapar and Ultracargo from 3Q10 onwards no longer include the businesses sold.

Effect of the acquisition – DNP

On October 26th, 2010, Ultrapar announced the signing of the sale and purchase agreement for the acquisition of 100% of the shares of Distribuidora Nacional de Petróleo Ltda. ("DNP"). The total value of the acquisition is R$ 85 million, with the initial disbursement of R$ 47 million settled in November 2010. 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.

Summary of the 4th quarter of 2010

Ultrapar – Consolidated data	4Q10	4Q09	3Q10	D (%) 4Q10v4Q09	D (%) 4Q10v3Q10	2010	2009	D (%) 2010v2009
Net sales and services	11,255	10,417	10,911	8%	3%	42,482	36,097	18%
Gross profit	850	746	805	14%	6%	3,159	2,653	19%
Operating profit	400	269	343	49%	17%	1,324	920	44%
EBITDA	465	408	465	14%	0%	1,776	1,430	24%
Net earnings[1]	247	136	204	81%	21%	765	441	74%
Earnings per share2	0.46	0.25	0.38	81%	22%	1.43	0.82	75%
Amounts in R$ million (except for EPS)								

[1]Under IFRS, net earnings include net earnings attributable to non-controlling shareholders.
2Calculated based on the number of shares over the period, excluding shares held in treasury. Retroactively adjusted to reflect the 1:4 stock split approved in the Special Shareholders' Meeting held on February 10th, 2011.

Ultragaz – Operational data	4Q10	4Q09	3Q10	D (%) 4Q10v4Q09	D (%) 4Q10v3Q10	2010	2009	D (%) 2010v2009
Total volume (000 tons)	403	400	427	1%	(6%)	1,608	1,589	1%
Bottled	280	278	295	1%	(5%)	1,115	1,114	0%
Bulk	123	121	132	2%	(7%)	493	475	4%

Ipiranga – Operational data	4Q10	4Q09	3Q10	D (%) 4Q10v4Q09	D (%) 4Q10v3Q10	2010	2009	D (%) 2010v2009

Total volume (000 m³)	5,324	5,022	5,245	6%	2%	20,150	17,214	17%
Diesel	2,846	2,691	2,924	6%	(3%)	11,032	9,277	19%
Gasoline, ethanol and NGV	2,362	2,209	2,200	7%	7%	8,653	7,485	16%
Other3	116	122	121	(6%)	(4%)	465	453	3%

3Fuel oils, kerosene, lubricants and greases.

Oxiteno – Operational data	4Q10	4Q09	3Q10	D (%) 4Q10v4Q09	D (%) 4Q10v3Q10	2010	2009	D (%) 2010v2009
Total volume (000 tons)	170	182	175	(6%)	(3%)	684	634	8%
Product mix								
Specialty chemicals	158	172	164	(8%)	(4%)	634	582	9%
Glycols	12	9	11	32%	13%	50	53	(4%)
Geographical mix								
Sales in Brazil	117	123	123	(5%)	(5%)	483	430	12%
Sales outside Brazil	53	59	52	(9%)	3%	201	205	(2%)

Ultracargo – Operational data	4Q10	4Q09	3Q10	D (%) 4Q10v4Q09	D (%) 4Q10v3Q10	2010	2009	D (%) 2010v2009
Effective storage[3] (000 m3)	528	427	587	24%	(10%)	552	461	20%

[3] Média mensal

Macroeconomic indicators	4Q10	4Q09	3Q10	D (%) 4Q10v4Q09	D (%) 4Q10v3Q10	2010	2009	D (%) 2010v2009
Average exchange rate (R$/US$)	1.70	1.74	1.75	(2%)	(3%)	1.76	2.00	(12%)
Brazilian interbank interest rate (CDI)	2.6%	2.1%	2.6%			9.8%	9.9%	
Inflation in the period (IPCA)	2.2%	1.1%	0.5%			5.9%	4.3%	

Highlights

- Ø Dividend distribution of R$ 252 million approved – On this date, the Board of Directors of Ultrapar approved a dividend payment of R$ 252 million, equivalent to R$ 0.47 per share, to be paid from March 17th, 2011 onwards. This amount, 42% higher than the anticipated dividends paid in August 2010, reflects the strong progression in Ultrapar's results and cash generation and corresponds to a 56% payout over 2H10 net earnings, representing an annualized dividend yield of 4% on Ultrapar's average share price in 2H10. This distribution, added to the anticipated dividends distributed in August 2010, totals R$ 429 million in the year and corresponds to a 56% payout 2010, representing a dividend yield of 4% on Ultrapar's average share price in 2010.

- Ø Investment plan approved for 2011 – Ultrapar's Board of Directors approved the investment plan for 2011 of R$ 1,044 million. The plan includes R$ 548 million of investments at Ipiranga, R$ 153 million at Oxiteno, R$ 171 million at Ultragaz and R$ 146 million at Ultracargo. These investments aim at growth through increased scale, technological differentiation and productivity gains, as well as modernizing existing operations. This amount does not include acquisitions. The increase in investments over 2010 reflects opportunities arising from the continued dynamism of the Brazilian economy and the implementation of the strategic initiatives specific to each business unit.

- Ø Ultrapar's stock split approved – On February 10th, 2011, the Shareholders' Meeting approved a stock split of the shares issued by Ultrapar, so that each share will be represented by 4 shares of the same class and type, with no modification in the financial amount and in the interest held by the shareholder in the Company. The shares resulting from the stock split will grant its holders - including holders of American Depositary Receipts ("ADRs"), traded at the New York Stock Exchange - the same rights inherent to the shares previously held, including dividends, interest on capital and any payments on capital eventually approved by the company. After the stock split, the 1:1 ratio between preferred shares and ADRs will be maintained, and each ADR will consequently continue to be represented by one preferred share. The stock split aims at repositioning the price of the standard trading round lot of shares issued by Ultrapar, in order to make the shares more accessible to investors and potentially enable an increase in the trading volume of the company's shares.

- Ø Ultrapar returns to the portfolio of BM&FBOVESPA's Corporate Sustainability Index (ISE) – In November 2010, BM&FBOVESPA announced the new composition of ISE's portfolio, to which Ultrapar was selected once more. The ISE is comprised of companies with recognized commitment to social and environmental responsibility, corporate governance and corporate sustainability. The ISE evaluates those aspects, in an integrated manner, both in quantitative and qualitative terms.

Executive summary of the results

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 8% as of September year-to-date , according to the latest published data, driven by the good performance of the retail, automotive and civil construction sectors. In 2010, the automotive industry reached a new sales record, with an 11% increase in the number of light vehicles licensed. In the financial market, the effects of the strong economic growth in Brazil, together with the public offering of Petrobras in the third quarter, resulted in a record of foreign investments inflow of US$ 48 billion to Brazil during 2010, contributing to a 12% appreciation of the Real against the US dollar, which ended the year at R$ 1.67/US$. In the international environment, the slower recovery of the economy of certain countries, particularly developed countries, led to a relative stability in oil prices during the first nine months of 2010. From the 4Q10 onwards, the higher demand as a result of more severe winter in the northern hemisphere and the progression in the global economic growth resulted in soaring oil prices, which accumulated an 18% growth during the period and ended the year quoted at US$ 92/barrel, up 23% from 2009.

In 4Q10, Ultragaz's sales volume grew by 1% compared with 4Q09, mainly as a result of the growth in the bulk segment, on the back of the higher level of economic activity. Ultragaz's EBITDA reached R$ 57 million in the quarter, down 8% from 4Q09, mainly as a result of R$ 12 million in non-recurring expenses related to studies and projects for expansion. Excluding such expenses, Ultragaz's EBITDA grew by 12%, mainly as a result of a recovery in margins, to which the operational efficiency programs contributed, and the performance in the bulk segment. In 2010, Ultragaz's EBITDA reached R$ 307 million, up 9% over the previous year.

At Ipiranga, the expansion of the Brazilian economy combined with the growth in the light vehicle fleet resulted in a 6% growth in the fuel sales volume in 4Q10 over 4Q09, contributing to an 11% growth in Ipiranga's EBITDA, which reached

R$ 323 million in 4Q10. In 2010, Ipiranga's EBITDA reached R$ 1,113 million, up 24% over 2009.

Oxiteno's EBITDA was R$ 54 million in 4Q10, up 44% over 4Q09, as a result of the margin recovery during 2010, which offset the 6% decrease in sales volume as a result of the maintenance stoppage of the Camaçari plant and of spot sales done in 4Q09. In 2010, Oxiteno's EBITDA reached R$ 241 million, a strong 41% growth over 2009.

Ultracargo recorded a 24% increase in average storage compared with 4Q09, mainly due to the consolidation of the terminal acquired in Suape in December 2009 and the higher utilization level in the Santos and Aratu terminals. Ultracargo's EBITDA totaled R$ 25 million in 4Q10, up 13% from 4Q09, as a result of the growth in average storage in liquid bulk terminals, partially offset by the sale of in-house logistics, solid bulk storage and road transportation businesses on July 1st, 2010. In 2010, Ultracargo's EBITDA reached R$ 111 million, up 7% over 2009.

Ultrapar's consolidated EBITDA totaled R$ 465 million in 4Q10, up 14% over 4Q09, due to the EBITDA growth in Ipiranga, Oxiteno and Ultracargo. Net earnings for 4Q10 reached R$ 247 million, up 81% over 4Q09. In 2010, Ultrapar's EBITDA reached R$ 1,776 million, up 24% over 2009, and net earnings reached R$ 765 million, a growth of 74% over 2009.

Operational performance

Ultragaz – In 4Q10, Ultragaz's sales volume reached 403 thousand tons, up 1% over 4Q09. In the bottled segment, Ultragaz's sales volume increased by 1% over 4Q09. In the bulk segment, sales volume grew by 2%, due to the increased economic activity. Compared with 3Q10, sales volume decreased by 6% as a result of seasonality between periods. In 2010, Ultragaz's sales volume totaled 1,608 thousand tons, up 1% over 2009.

Ultragaz – Sales volume (000 tons)

Ipiranga – Ipiranga's sales volume totaled 5,324 thousand cubic meters in 4Q10, up 6% over 4Q09. The sales volume of fuels for light vehicles grew by 7%, mainly as a consequence of the increase in the light vehicle fleet during the last 12 months, with a highlight to the 14% growth in gasoline volumes. The diesel volume grew by 6% due to the higher level of economic activity in 4Q10. Compared with 3Q10, sales volume increased by 2%, mainly as a result of the acquisition of DNP. In 2010, Ipiranga accumulated sales volume of 20,150 thousand cubic meters, up 17% over 2009, mainly as a result of the consolidation of Texaco's volume from 2Q09 onwards, the increase in the light vehicle fleet and the economic growth.

Ipiranga – Sales volume (000 m³)

Oxiteno – Oxiteno's sales volume totaled 170 thousand tons, down 6% (12 thousand tons) from 4Q09, mainly as a result of the maintenance stoppage of the Camaçari plant, concomitant with the stoppage of Braskem, supplier of ethylene, with a 5% (6 thousand tons) decrease in the volume sold in Brazil. Sales outside Brazil decreased by 9% (5 thousand tons), mainly due to higher spot sales in 4Q09. Compared with 3Q10, sales volume decreased by 3% (5 thousand tons) as a result of the maintenance stoppage of the Camaçari plant and of seasonality between quarters. Oxiteno's sales volume in 2010 totaled 684 thousand tons, up 8% over 2009.

Oxiteno – Sales volume (000 tons)

Ultracargo – In 4Q10, Ultracargo recorded a 24% increase in average storage compared with 4Q09, mainly due to the terminal acquired in Suape in December 2009 and the higher volume of operations in Santos and Aratu terminals. Compared with 3Q10, Ultracargo's average storage was 10% lower as a result of seasonality between periods. In 2010, Ultracargo accumulated a 20% growth in the average storage of its terminals.

Ultracargo – Average storage (000 m³)

Economic-financial performance

Net sales and services – Ultrapar's consolidated net sales and services amounted to R$ 11,255 million in 4Q10, up 8% over 4Q09, as a consequence of the sales growth in Ultragaz, Ipiranga, and Oxiteno. Compared with 3Q10, Ultrapar's net sales and services increased by 3%. In 2010, Ultrapar's net sales and services amounted to R$ 42,482 million, up 18% over 2009, mainly as a consequence of the increased volume of operations in all the businesses and the consolidation of Texaco's net sales and services from 2Q09 onwards.

Net sales and services (R$ million)

Ultragaz – Ultragaz's net sales and services amounted to R$ 922 million in 4Q10, up 4% over 4Q09, as a result of higher sales volume in the bulk segment, 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 3Q10, net sales and services decreased by 5%, as a result of a seasonally lower volume. In 2010, Ultragaz's net sales and services amounted to R$ 3,661 million, up 6% over 2009.

Ipiranga – Ipiranga's net sales and services amounted to R$ 9,755 million in 4Q10, up 9% from net sales and services for 4Q09, mainly as a consequence of the increased sales volume and ethanol costs. Compared with 3Q10, Ipiranga's net sales and services grew by 5% as a result of the same factors described above. In 2010, Ipiranga's net sales and services amounted to R$ 36,483 million, up 20% over 2009, mainly as a consequence of a 17% growth in the volume sold.

Ipiranga – Net sales breakdown by product

Oxiteno – Oxiteno's net sales and services totaled R$ 524 million in 4Q10, up 4% over 4Q09, despite the 2% stronger Real and the 6% lower volume, as a consequence of the recovery in the average dollar prices. Compared with 3Q10, Oxiteno's net sales and services decreased by 3%, as a consequence of the 3% decrease in sales volume and the 3% stronger Real, partially offset by a 3% higher average dollar price. In 2010, net sales and services totaled R$ 2,083 million, up 9% over 2009.

Ultracargo – Ultracargo's net sales and services totaled R$ 59 million in 4Q10, down 26% from 4Q09, with the growth in average storage in liquid bulk terminals offset by the sale of in-house logistics, solid bulk storage and road transportation businesses. Compared with 3Q10, net sales and services decreased by 9%, in line with the seasonally lower average storage. In 2010, Ultracargo's net sales and services totaled R$ 293 million, down 13% from 2009, as a result of the sale of in-house logistics, solid bulk storage and road transportation businesses.

Cost of goods sold – Ultrapar's cost of goods sold amounted to R$ 10,405 million in 4Q10, up 8% over 4Q09, as a result of the higher cost of goods sold in Ultragaz and Ipiranga. Compared with 3Q10, Ultrapar's cost of goods sold increased by 3%. In 2010, Ultrapar's cost of goods sold amounted to R$ 39,323 million, up 18% over 2009, mainly as a consequence of the increased volume of operations in all businesses and the consolidation of Texaco's cost of goods sold from 2Q09 onwards.

Ultragaz – Ultragaz's cost of goods sold amounted to R$ 780 million in 4Q10, up 4% over 4Q09, as a consequence of a 6% increase in the ex-refinery cost of LPG used in the bulk segment from January 2010 onwards and of the higher sales volume. Compared with 3Q10, the cost of goods sold decreased by 4%, mainly as a result of the variation in volumes sold. In 2010, Ultragaz's cost of goods sold totaled R$ 3,076 million, up 4% over 2009.

Ipiranga – Ipiranga's cost of goods sold amounted to R$ 9,195 million in 4Q10, up 8% over 4Q09, mainly as a result of the growth in sales volume and the increase in ethanol costs. Compared with 3Q10, the cost of goods sold increased by 4%, as a result of the same factors described above. In 2010, Ipiranga's cost of goods sold totaled R$ 34,521 million, up 20% over 2009, mainly due to a 17% increase in volumes sold.

Oxiteno – Oxiteno's cost of goods sold in 3Q10 amounted to R$ 419 million, down 2% from 4Q09, as a result of the 6% decrease in sales volume and of a 2% stronger Real, partially offset by a higher unit variable cost in dollars and by non-recurring costs resulting from the maintenance stoppage of the Camaçari plant. Compared with 3Q10, the cost of goods sold remained practically stable, with a 7% increase in variable costs in dollars offset by a 3% stronger Real and by a 3% lower volume sold. In 2010, Oxiteno's cost of goods sold totaled R$ 1,655 million, up 4% over 2009.

Ultracargo – Ultracargo's cost of services provided amounted to R$ 26 million in 4Q10, down 48% from 4Q09, mainly due to the effect of the sale of the in-house logistics, solid bulk storage and road transportation businesses. Compared with 3Q10, Ultracargo's cost of services provided decreased by 7% as a result of lower average storage in liquid bulk terminals. In 2010, Ultracargo's cost of services provided totaled R$ 138 million, down 31% from 2009, as a result of the sale of the in-house logistics, solid bulk storage and road transportation businesses.

Sales, general and administrative expenses – Sales, general and administrative expenses of Ultrapar reached R$ 518 million in 4Q10, up 6% and 9% over 4Q09 and 3Q10, respectively. In 2010, Ultrapar's sales, general and administrative expenses totaled R$ 1,924 million, up 9% over 2009, mainly as a consequence of the consolidation of Texaco from 2Q09 onwards.

Ultragaz – Ultragaz's sales, general and administrative expenses amounted to R$ 98 million in 4Q10, up 4% and 3% over 4Q09 and 3Q10, respectively, mainly as a consequence of the variation in volumes sold, effects of inflation on expenses, and higher variable compensation. In 2010, Ultragaz's sales, general and administrative expenses totaled R$ 375 million, up 15% over 2009. During 4Q10, in addition to sales, general and administrative expenses, Ultragaz also incurred in other operating expenses in the amount of R$ 12 million related to expansion studies and projects.

Ipiranga – Ipiranga's sales, general and administrative expenses totaled R$ 318 million in 4Q10, up 9% over 4Q09, due to the higher volume sold, a higher variable compensation, in line with the earnings progression, and expenses related to expansion projects. Compared with 3Q10, sales, general and administrative expenses grew by 8%, as a result of the same items described above. In 2010, Ipiranga's sales, general and administrative totaled R$ 1,167 million, up 14% over 2009, in spite of the 17% increase in volumes sold and the consolidation of Texaco' sales, general and administrative expenses from 2Q09 onwards, as a result of the implementation of the operational and administrative synergy plan.

Oxiteno – Oxiteno's sales, general and administrative expenses totaled R$ 81 million in 4Q10, up 20% over 4Q09 and 12% over 3Q10, mainly due to higher variable compensation, the effects of inflation on expenses and a concentration of expenses with specialized consultancy services during 4Q10. In 2010, sales, general and administrative expenses totaled R$ 291 million, up 12% over 2009.

Ultracargo – Ultracargo's sales, general and administrative expenses totaled R$ 16 million in 4Q10, down 25% from 4Q09, due to the effect of the sale of the in-house logistics, solid bulk storage and road transportation businesses. Compared with 3Q10, sales, general and administrative expenses decreased by 3%. In 2010, sales, general and administrative expenses totaled R$ 76 million, down 13% from 2009.

EBITDA – Ultrapar's EBITDA amounted to R$ 465 million in 4Q10, up 14% over 4Q09 and in line with 3Q10. In 2010, Ultrapar's EBITDA totaled R$ 1,776 million, up 24% over 2009, as a result of the EBITDA growth in all businesses and the consolidation of Texaco's EBITDA from 2Q09 onwards.

EBITDA (R$ million)

Ultragaz – Excluding R$ 12 million in non-recurring expenses with studies and projects, Ultragaz's EBITDA amounted to R$ 69 million in 4Q10, up 12% over 4Q09, due to a recovery in margins, to which the operational efficiency programs contributed, and an improvement in the bulk segment performance, partially offset by higher variable compensation, in line with the earnings progression. Compared with 3Q10, Ultragaz's EBITDA decreased by 41%, mainly as a result of non-recurring expenses with studies and projects and of seasonally lower volume. In 2010, Ultragaz's EBITDA totaled R$ 307 million, up 9% over 2009.

Ipiranga – Ipiranga's EBITDA amounted to R$ 323 million in 4Q10, up 11% and 25% over 4Q09 and 3Q10, respectively, mainly on the back of higher sales volume, improved sales mix and margin recovery. In 2010, Ipiranga's EBITDA reached R$ 1,113 million, up 24% over 2009.

Oxiteno – Oxiteno's EBITDA totaled R$ 54 million in 4Q10, up 44% over 4Q09, as a result of the recovery in margins throughout 2010. Compared with 3Q10, Oxiteno's EBITDA decreased by 31%, mainly due to seasonally lower volume, the increase in variable cost per ton in dollars and higher expenses during in this quarter. In 2010, Oxiteno's EBITDA totaled R$ 241 million, up 41% over 2009. In 2010, unit EBITDA reached US$ 200/ton, up 49% over 2009.

Ultracargo – Ultracargo's EBITDA amounted to R$ 25 million in 4Q10, up 13% over 4Q09, as a result of the growth in average storage in liquid bulk terminals, partially offset by the effect of the sale of the in-house logistics, solid bulk storage and road transportation businesses. Compared with 3Q10, Ultracargo's EBITDA decreased by 10%, as a result of seasonality between quarters. In 2010, Ultracargo's EBITDA reached R$ 111 million, up 7% over 2009.

Depreciation and amortization – Total depreciation and amortization costs and expenses in 4Q10 amounted to R$ 134 million, down R$ 8 million from 4Q09, mainly as a result of a revision in the economic useful life of assets, in accordance with Technical Standard ICPC 10 (from the Brazilian Accounting Pronouncements Committee), in effect from January 1st, 2010 onwards. Compared with 3Q10, depreciation and amortization costs and expenses grew by 1%. In 2010, Ultrapar's depreciation and amortization costs and expenses totaled R$ 531 million, stable in relation to 2009.

Income from sale of assets – In 4Q10, Ultrapar recorded an income from sale of assets in the total amount of R$ 70 million, mainly from the sale of fixed assets and the receipt related to MaxFácil, on the back of the increase in Ipiranga's distribution network in the last years.

Financial result – Ultrapar reported R$ 64 million of net financial expense in 4Q10, down R$ 13 million compared to net financial expense in 4Q09, mainly as a result of a decrease in average net debt and lower cost of debt. Compared with 3Q10, net financial expense increased by R$ 4 million. In 2010, Ultrapar's reported net financial expense of R$ 264 million, a R$ 27 million decrease from 2009. The net debt to EBITDA ratio decreased from 1.5 times at the end of 2009 to 1.2 times at the end of 2010.

Net earnings – Ultrapar's consolidated net earnings in 4Q10 amounted to R$ 247 million, up 81% over 4Q09, mainly due to the EBITDA growth, lower net financial expense, lower depreciation and amortization costs and expenses and income from sale of assets. Compared with 3Q10, net earnings grew by 21%. In 2010, Ultrapar's reported net earnings of R$ 765 million, up 74% over 2009.

Investments – Total investment, net of disposals and repayments, amounted to R$ 270 million in 4Q10, allocated as follows:

- At Ultragaz, R$ 34 million were invested, mainly in new clients in the bulk segment and in expansion and modernization projects at Ultragaz's bottling facilities.

- At Ipiranga, R$ 114 million were invested, mainly in the conversion of unbranded service stations, new service stations, and renewal and improvement of the distribution network. Of the total amounted invested, R$ 93 million were related to additions to property, plant and equipment and intangible assets and R$ 21 million were related to financing to clients, net of repayments.

- At Oxiteno, R$ 37 million were invested, mainly concentrated on the project to expand the ethylene oxide production capacity in Camaçari.

- Ultracargo invested R$ 28 million, mainly in the expansion of the Suape terminal (30 thousand m3) and in the maintenance of its terminals.

R$ million	4Q10	2010
Additions to fixed and intangible assets1		
Ultragaz	34	157
Ipiranga	93	376
Oxiteno	37	227
Ultracargo	28	62
Total – additions to fixed and intangible assets1	200	841
Financing to clients2 – Ipiranga	21	7
Acquisition (disposal) of equity interest	49	(33)
Total investments, net of disposals and repayments	270	815

Total investments, net of disposals and repayments
(R$ million)

[1] Includes the consolidation of Serma
[2] Financing to clients is included as working capital in the Cash Flow Statement

The more dynamic economic environment in 2010 was reflected in more attractive opportunities for all Ultrapar's businesses. Ultrapar's investments in 2010, net of disposals, totaled R$ 815 million, of which R$ 848 million were related to organic investments and R$ 33 million were related to the sale of the road transportation, solid bulk storage and in-house logistics businesses, partially offset by the initial disbursement for the acquisition of DNP.

Regarding organic investments, Ipiranga invested R$ 383 million in 2010, mainly in the conversion of unbranded service stations, new service stations, and renewal and improvement of the distribution network, in order to strengthen its strategic positioning and to increase its operating scale. Of the total amount invested, R$ 376 million were related to additions to property, plant and equipment and intangible assets and R$ 7 million were related to financing to clients, net of repayments. Oxiteno invested in 2010 R$ 227 million, mainly in the expansion of the ethylene oxide unit in Camaçari, which will be completed in 2011, and in the conclusion of the expansion of the ethoxylation production capacity at the Camaçari plant, which started operations in late 2010, increasing Oxiteno's ethoxylates capacity by 70 thousand tons per year. At Ultragaz, R$ 157 million were invested in 2010, mainly in new clients in the bulk segment, which is linked to the economic performance, and in the renewal of LPG bottles. Ultracargo invested R$ 62 million in 2010, mainly to expand the Suape terminal, which will add 30 thousand cubic meters to Ultracargo's capacity and is expected to start up in 2Q11, and the modernization of its terminals.

In 2010, Ultracargo completed the sale of its road transportation, solid bulk storage and in-house logistics businesses, with a net receipt of R$ 80 million, focusing on its liquid bulk storage business. Ipiranga completed in November 2010 the acquisition of DNP, the fourth largest fuel distributor in the North region of Brazil, thus reinforcing its strategy of expansion to the North, Northeast and Midwest regions of Brazil, where the consumption growth rate has been above the national average and the market share of Ipiranga is lower than that in the South and Southeast regions. An amount of R$ 47 million was paid in November 2010 in connection with the acquisition of DNP. The remaining portion will be paid after the completion of the calculation of the working capital and indebtedness existing at the closing date, which is expected to occur in 1Q11.

Ultrapar's 2011 investment plan, excluding acquisitions, amounts to R$ 1,044 million and aims at growth through increased scale, technological differentiation and productivity gains, as well as modernizing existing operations. The increase in investments over 2010 reflects the opportunities arising from the continued dynamism in the Brazilian economy and the implementation of strategic initiatives specific to each business unit.

Organic investment plan for 2011[1]	R$ million
Ultragaz	171
Ipiranga	548
Oxiteno	153
Ultracargo	146
Others[2]	26
Total	1,044

1 Net of disposals
2 Includes mainly RPR and corporate IT services

At Ultragaz, investments will be mainly dedicated to the expansion of UltraSystem (small bulk), as a result of the higher level of economic activity and the prospects for capturing new clients, to the expansion and modernization of bottling facilities and to the replacement of LPG bottles and tanks. At Ipiranga, investments will be directed to the expansion and renewal of its service stations and franchises network and of its facilities, focusing the expansion in the Midwest, Northeast and North regions of Brazil. Out of Ipiranga's total investment budget, R$ 520 million refer to additions to property, plant and equipment and intangible assets and R$ 29 million refer to financing to clients, net of repayments. At Oxiteno, the significant reduction in investments reflects the conclusion of an expansion cycle, with R$ 87 million directed to expansion projects, mainly the conclusion of the ethylene oxide plant in Camaçari, adding 90 thousand tons/year to the current capacity. Ultracargo's investments will be directed to expansions in Santos, Suape and Aratu terminals, adding 98 thousand m³ to Ultracargo's storage capacity, an addition equivalent to 15% of its current capacity, with start-ups scheduled for 2011 and 2012.

Ultrapar in the capital markets

Ultrapar's average daily trading volume in 4Q10 was R$ 30 million, 3% lower than the average of R$ 32 million in 4Q09, considering the combined trading on the BM&FBOVESPA and the NYSE. Ultrapar's share price closed 4Q10 quoted at R$ 105.10/share on the BM&FBOVESPA, with an accumulated appreciation of 3% in the quarter, while the Ibovespa index remained stable during the same period. At the NYSE, Ultrapar's shares appreciated by 6% in 4Q10, while the Dow Jones index appreciated by 7% in the same period.

Ultrapar's shares presented one of the highest appreciation in 2010 among the companies that are part of the Ibovespa, accumulating a 31% appreciation on the BM&FBOVESPA in the year, while the Ibovespa index appreciated by 1% in the same period. At the NYSE, Ultrapar's shares appreciated 38% over the last 12 months, while the Dow Jones index appreciated by 11% in the same period. Ultrapar closed the year with a market value of R$ 14 billion, up 31% over 2009.

Performance of UGPA4 vs. Ibovespa – 4Q10
(Base 100)

Performance of UGPA4 vs. Ibovespa – 2010
(Base 100)

Average daily trading volume
(R$ million

Market value
(R$ billion)

Outlook

Ultrapar enters into the new decade well-positioned to capture the benefits from the economic growth and the larger scale of operations derived from the investments made, which strengthened its leading position in its markets and significantly expanded its exposure to the Brazilian domestic consumption. Ultragaz, which had a significant growth in its results in 2010, will continue to reap the benefits from the good prospects for the bulk segment, in which it is a prominent leader, and from its strategy of expanding in niche markets. At Ipiranga, the perspectives of the continued growth in the light vehicle fleet derived from the increase in total wages and the credit availability, combined with the higher level of economic activity, will continue to boost sales volume growth. In addition, Ipiranga will continue to focus on the expansion plan of its service stations network in the Midwest, Northeast and North regions. Concurrently, Ipiranga will continue to benefit from its differentiation and innovation strategy, expanding and diversifying its products and services portfolio. At Oxiteno, with an important investment cycle to be concluded in 2011, the expansion of specialty chemicals production capacity focused on segments with a strong growth potential and the expansion of its ethylene oxide capacity to meet the growing demand for its products, will allow for the continuity of volume growth, with lower share of commodities in the sales mix and higher operating leverage. Ultracargo, now focused on liquid bulk storage, will benefit from the expansions underway at its terminals, with significant growth in its storage capacity, from the increased specialization of services provided, and from the growing demand for logistics infrastructure in Brazil.

With higher investments expected for 2011 and potential acquisitions, Ultrapar enters into the new decade taking important steps to grow, with a constant focus on value creation and working adhered to the company’s strategy, alignment of interests and financial prudence. In addition to those basic pillars, the new decade is being planned based on a strategy with increasingly strong presence of innovation and sustainability, which are key elements in the pioneering initiatives that Ultrapar adopts in its business segments.

Forthcoming events

Conference call/Webcast: February 25th, 2011

Ultrapar will be holding a conference call for analysts on February 25 th, 2011 to comment on the company's performance in the fourth 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: 9:00 a.m. (US EST)
Telephone for connection: +55 11 2188 0155
Code: Ultrapar

International: 10:30 p.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 36935516

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	4Q10	4Q09	3Q10	2010	2009
EBITDA margin Ultrapar	4.10%	3.90%	4.30%	4.20%	4.00%
Net margin Ultrapar	2.20%	1.30%	1.90%	1.80%	1.20%
Focus on human resources	4Q10	4Q09	3Q10	2010	2009
Number of employees – Ultrapar	8,883	9,429	8,76	8,883	9,429
Number of employees – Ultragaz	4,104	4,075	4,043	4,104	4,075
Number of employees – Ipiranga	2,326	2,326	2,304	2,326	2,326
Number of employees – Oxiteno	1,565	1,481	1,561	1,565	1,481
Number of employees – Ultracargo	546	1,232	524	546	1,232
Focus on capital markets1	4Q10	4Q09	3Q10	2010	2009
Number of shares (000)	136,096	136,096	136,096	136,096	136,096
Market capitalization2 – R$ million	14,184	10,898	12,706	12,200	8,875
BM&FBOVESPA1	4Q10	4Q09	3Q10	2010	2009
Average daily volume (shares)	198,992	294,400	256,919	282,061	321,048
Average daily volume (R$ 000)	20,694	23,414	23,888	25,092	20,913
Average share price (R$/share)	104.0	79.5	93.0	89.0	65.1
NYSE1	4Q10	4Q09	3Q10	2010	2009
Quantity of ADRs3 (000 ADRs)	13,876	13,024	13,104	13,876	13,024
Average daily volume (ADRs)	93,152	99,553	80,484	85,551	92,412
Average daily volume (US$ 000)	5,750	4,688	4,362	4,506	3,088
Average share price (US$/ADR)	61.7	47.1	54.2	52.7	33.4
Total1	4Q10	4Q09	3Q10	2010	2009
Average daily volume (shares)	292,144	393,953	337,403	367,612	413,460
Average daily volume (R$ 000)	30,447	31,545	31,500	32,953	26,961

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 25, which are expressed in US dollars and were obtained using the average exchange rate (commercial dollar rate) for the corresponding periods.

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1 Information not adjusted to the stock split of 1:4 shares approved in the Shareholders´ Meeting on February 10th, 2011.

2 Calculated based on the weighted average price in the period.

3 1 ADR = 1 preferred share

ULTRAPAR
CONSOLIDATED BALANCE SHEET
In millions of Reais - IFRS

	QUARTERS ENDED IN		
	DEC 2010	DEC 2009	SEP 2010
ASSETS			
Cash and financial investments	3,200.6	2,327.8	2,993.7
Trade accounts receivable	1,715.7	1,618.3	1,662.3
Inventories	1,133.5	942.2	1,092.4
Taxes	354.3	320.2	343.9
Other	53.3	61.3	46.3
Total Current Assets	6,457.5	5,269.7	6,138.6
Investments	15.3	14.7	14.6
Property, plant and equipment and intangibles	5,349.3	4,988.2	5,148.4
Financial investments	19.8	7.2	29.2
Trade accounts receivable	96.7	86.4	68.6
Defered income tax	564.4	697.9	604.3
Escrow deposits	380.7	308.5	362.4
Other	106.2	109.9	128.1
Total Non-Current Assets	6,532.4	6,212.9	6,355.6
TOTAL ASSETS	12,989.8	11,482.6	12,494.1
LIABILITIES			
Loans, financing and debenturers	820.5	1,144.2	882.3
Suppliers	941.2	891.9	768.7
Payroll and related charges	228.2	176.5	200.9
Taxes	234.7	140.5	208.7
Other	293.4	213.2	84.4
Total Current Liabilities	2,517.9	2,566.2	2,145.0
Loans, financing and debenturers	4,575.5	3,322.5	4,538.8
Provision for contingencies	470.5	540.2	470.6
Post-retirement benefits	93.2	90.1	90.1
Other	157.1	118.3	144.6
Total Non-Current Liabilities	5,296.3	4,071.1	5,244.1
TOTAL LIABILITIES	7,814.3	6,637.4	7,389.1
STOCKHOLDERS' EQUITY			
Capital	3,696.8	3,696.8	3,696.8
Reserves	1,529.2	1,189.6	1,281.1
Treasury shares	(120.0)	(123.7)	(123.7)
Others	47.3	47.5	227.7
Non-controlling interest	22.3	35.1	23.2

TOTAL STOCKHOLDERS' EQUITY	5,175.6	4,845.3	5,105.1
TOTAL LIAB. AND STOCKHOLDERS' EQUITY	12,989.8	11,482.6	12,494.1
Cash and financial investments	3,220.4	2,334.9	3,022.9
Debt	5,396.0	4,466.7	5,421.1
Net cash (debt)	(2,175.7)	(2,131.8)	(2,398.3)

ULTRAPAR
CONSOLIDATED INCOME STATEMENT
In millions of Reais (except per share data) - IFRS

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2010	DEC 2009	SEP 2010	DEC 2010	DEC 2009
Net sales and services	11,255.1	10,417.0	10,910.6	42,481.7	36,097.1
Cost of sales and services	(10,404.9)	(9,670.9)	(10,105.8)	(39,322.9)	(33,443.6)
Gross profit	850.2	746.1	804.8	3,158.8	2,653.5
Operating expenses					
Selling	(302.9)	(292.9)	(294.5)	(1,164.4)	(1,020.3)
General and administrative	(215.5)	(197.4)	(180.7)	(759.7)	(751.4)
Other operating income (expenses), net	(1.0)	10.0	2.7	10.8	19.3
Income and disposal of assets	69.7	3.1	11.1	79.0	18.9
Operating income	400.4	268.8	343.5	1,324.5	920.0
Financial results					
Financial income	81.8	38.7	84.2	267.0	176.2
Financial expenses	(146.2)	(115.7)	(144.9)	(531.1)	(467.7)
Equity in earnings (losses) of affiliates	0.2	0.1	(0.0)	0.0	0.2
Income before income and social contribution taxes	336.2	192.0	282.8	1,060.4	628.8
Provision for income and social contribution taxes					
Current	(59.2)	(50.9)	(52.4)	(191.2)	(182.2)
Deferred	(35.9)	(10.0)	(35.1)	(134.7)	(26.4)
Benefit of tax holidays	6.3	5.4	8.8	30.7	20.6
Net income	247.4	136.5	204.1	765.2	440.7
Net Income attributable to:					
Shareholders of Ultrapar	246.9	136.6	202.6	765.3	437.1

Non-controlling shareholders of the subsidiaries	0.5		(0.1	)	1.5		(0.1	)	3.6	
EBITDA	464.9		408.0		465.3		1,776.3		1,430.4	
Depreciation and amortization	134.2		142.4		132.9		530.8		529.3	
Total investments, net of disposals and repayments	270.3		220.0		129.2		815.1		1,940.6	
RATIOS										
Earnings per share - R$	0.46		0.25		0.38		1.43		0.82	
Net debt / Stockholders' equity	0.42		0.44		0.47		0.42		0.44	
Net debt / LTM EBITDA	1.22		1.49		1.39		1.22		1.49	
Net interest expense / EBITDA	0.14		0.19		0.13		0.15		0.20	
Gross margin	7.6	%	7.2	%	7.4	%	7.4	%	7.4	%
Operating margin	3.6	%	2.6	%	3.1	%	3.1	%	2.5	%
EBITDA margin	4.1	%	3.9	%	4.3	%	4.2	%	4.0	%

ULTRAPAR
CONSOLIDATED CASH FLOW STATEMENT
In millions of Reais - IFRS

	JAN - DEC 2010	JAN - DEC 2009
Cash Flows from operating activities	1,504.9	1,737.0
Net income	765.2	440.7
Depreciation and amortization	530.8	529.3
Working capital	(106.3)	665.2
Financial expenses (A)	411.3	105.6
Deferred income and social contribution taxes	134.7	26.4
Income from sale of assets	(79.0)	(18.9)
Other (B)	(151.8)	(11.3)
Cash Flows from investing activities	(773.0)	(1,959.3)
Additions to fixed and intangible assets, net of disposals	(840.8)	(603.8)
Acquisition and sale of equity investments	32.8	(1,355.5)
MaxFácil	35.0	-
Cash Flows from (used in) financing activities	153.6	380.0
Debt raising	2,475.2	2,889.8
Amortization of debt	(1,968.3)	(2,264.6)
Related parties	(2.6)	(2.3)
Dividends paid (C)	(339.3)	(242.9)
Other (D)	(11.4)	-
Net increase (decrease) in cash and cash equivalents	885.5	157.7
Cash from subsidiaries acquired	(0.1)	29.4
Cash and cash equivalents at the beginning of the period (E)	2,334.9	2,147.8
Cash and cash equivalents at the end of the period (E)	3,220.4	2,334.9
Supplemental disclosure of cash flow information		
Cash paid for interest (F)	233.1	243.9
Cash paid for income and social contribution taxes (G)	60.5	41.3

(A) Comprised of interest and exchange rate and inflationary variation expenses on loans and financing. Does not include revenues from interest and exchange rate and inflationary variation on cash equivalents.
(B) Comprised mainly of noncurrent assets and liabilities variations net.
(C) Includes dividends paid by Ultrapar and its subsidiaries to third parties.

(D) Non-controlling interest portion in the capital reduction of Utingás, in which Ultragaz holds a 56% stake.
(E) Includes long term financial investments.
(F) Included in cash flow from (used in) financing activities.
(G) Included in cash flow from (used in) operating activities.

ULTRAGAZ
CONSOLIDATED INVESTED CAPITAL
In millions of Reais - IFRS

	QUARTERS ENDED IN		
	DEC 2010	DEC 2010	SEP 2009
OPERATING ASSETS			
Trade accounts receivable	160.3	160.3	169.9
Trade accounts receivable - noncurrent portion	24.3	31.0	26.1
Inventories	46.7	39.9	51.6
Taxes	12.2	5.6	20.0
Escrow deposits	95.8	82.3	95.3
Other	22.7	23.2	19.2
Property, plant and equipment and intangibles	557.0	525.3	554.9
TOTAL OPERATING ASSETS	919.0	867.6	937.0
OPERATING LIABILITIES			
Suppliers	36.8	29.9	31.0
Payroll and related charges	79.7	58.5	70.8
Taxes	6.8	3.8	6.3
Provision for contingencies	42.8	50.4	56.0
Other accounts payable	6.4	21.1	6.2
TOTAL OPERATING LIABILITIES	172.5	163.7	170.3

ULTRAGAZ
CONSOLIDATED INCOME STATEMENT
In millions of Reais - IFRS

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2010	DEC 2009	SEP 2010	DEC 2010	DEC 2009
Net sales	921.8	883.9	975.4	3,661.3	3,441.0
Cost of sales and services	(779.9)	(752.8)	(808.7)	(3,075.7)	(2,946.6)
Gross profit	141.9	131.1	166.7	585.6	494.3
Operating expenses					
Selling	(67.7)	(68.0)	(61.0)	(250.1)	(225.2)
General and administrative	(30.6)	(26.2)	(34.6)	(125.2)	(99.8)
Other operating income (expenses), net	(12.3)	0.3	(4.7)	(21.6)	(1.7)
Operating income1	31.2	37.3	66.4	188.6	167.6
EBITDA	56.6	61.3	96.6	307.4	281.2
Depreciation and amortization	25.4	24.0	30.2	118.8	113.6
RATIOS					
Gross margin (R$/ton)	352	328	390	364	311
Operating margin (R$/ton)	77	93	155	117	105
EBITDA margin (R$/ton)	140	153	226	191	177

1Before income from sale of assets

IPIRANGA
CONSOLIDATED BALANCE SHEET
In millions of Reais - IFRS

	QUARTERS ENDED IN		
	DEC 2010	DEC 2009	SEP 2010
OPERATING ASSETS			
Trade accounts receivable	1,203.6	1,135.2	1,123.7
Trade accounts receivable - noncurrent portion	72.0	55.0	42.1
Inventories	717.4	584.5	688.7
Taxes	128.7	126.9	134.5
Other	120.2	124.4	122.5
Property, plant and equipment and intangibles	2,244.6	2,030.6	2,076.4
TOTAL OPERATING ASSETS	4,486.5	4,056.6	4,187.9
OPERATING LIABILITIES			
Suppliers	775.0	712.2	612.9
Payroll and related charges	71.6	66.1	58.8
Post-retirement benefits	86.0	86.6	86.6
Taxes	120.7	92.2	126.5
Provision for contingencies	204.5	290.1	179.6
Other accounts payable	135.4	126.4	118.2
TOTAL OPERATING LIABILITIES	1,393.2	1,373.6	1,182.5

IPIRANGA
CONSOLIDATED INCOME STATEMENT
In millions of Reais - IFRS

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2010	DEC 2009	SEP 2010	DEC 2010	DEC 2009
Net sales	9,754.6	8,983.8	9,320.5	36,483.5	30,485.8
Cost of sales and services	(9,194.8)	(8,485.1)	(8,842.2)	(34,524.3)	(28,831.3)
Gross profit	559.8	498.7	478.2	1,959.1	1,654.5
Operating expenses					
Selling	(196.8)	(183.6)	(194.4)	(765.5)	(658.4)
General and administrative	(122.2)	(123.4)	(101.9)	(418.2)	(436.6)

Other operating income (expenses), net	10.0	8.6	6.8	28.9	19.0
Operating income1	250.9	200.3	188.8	804.3	578.5
EBITDA	321.4	276.7	256.0	1,073.4	829.9
Depreciation and amortization	70.5	76.4	67.2	269.1	251.4
RATIOS					
Gross margin (R$/m3)	105	99	91	97	96
Operating margin (R$/m3)	47	40	36	40	34
EBITDA margin (R$/m3)	60	55	49	53	48

1Before income from sale of assets

OXITENO
CONSOLIDATED BALANCE SHEET
In millions of Reais - IFRS

	QUARTERS ENDED IN		
	DEC 2010	DEC 2009	SEP 2010
OPERATING ASSETS			
Trade accounts receivable	328.8	289.9	340.5
Inventories	345.6	287.0	329.1
Taxes	111.0	120.7	101.0
Other	71.9	51.4	61.5
Property, plant and equipment and intangibles	1,564.3	1,450.0	1,553.6
TOTAL OPERATING ASSETS	2,421.6	2,199.0	2,385.7
OPERATING LIABILITIES			
Suppliers	108.9	97.5	96.1
Payroll and related charges	58.5	33.1	54.9
Taxes	19.8	14.9	23.1
Provision for contingencies	63.5	48.2	59.2
Other accounts payable	8.7	4.8	6.0
TOTAL OPERATING LIABILITIES	259.3	198.5	239.3

OXITENO
CONSOLIDATED INCOME STATEMENT
In millions of Reais - IFRS

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2010	DEC 2009	SEP 2010	DEC 2010	DEC 2009
Net sales	524.1	504.9	538.1	2,083.0	1,915.8
Cost of goods sold					
Variable	(341.1)	(356.4)	(338.6)	(1,363.8)	(1,303.5)
Fixed	(50.4)	(45.5)	(50.6)	(193.2)	(186.8)
Depreciation and amortization	(27.0)	(24.7)	(24.6)	(98.3)	(96.9)
Gross profit	105.6	78.4	124.2	427.7	328.6
Operating expenses					
Selling	(36.8)	(35.9)	(34.5)	(142.1)	(131.5)
General and administrative	(43.7)	(31.2)	(37.3)	(148.9)	(128.5)

Other operating income (expenses), net	0.2	(0.1)	0.1	0.4	(0.6)
Operating income1	25.2	11.2	52.4	137.1	68.1
EBITDA	53.9	37.5	78.5	241.2	170.7
Depreciation and amortization	28.7	26.3	26.0	104.1	102.6
RATIOS					
Gross margin (R$/ton)	621	431	710	625	518
Operating margin (R$/ton)	149	62	300	200	107
EBITDA margin (R$/ton)	317	206	449	353	269

1Before income from sale of assets

ULTRACARGO
CONSOLIDATED BALANCE SHEET
In millions of Reais - IFRS

	QUARTERS ENDED IN		
	DEC 2010	DEC 2009	SEP 2010
OPERATING ASSETS			
Trade accounts receivable	15.4	24.4	16.5
Inventories	1.4	2.5	1.3
Taxes	6.8	6.2	7.0
Other	10.2	17.9	9.1
Property, plant and equipment and intangibles	678.1	685.8	656.7
TOTAL OPERATING ASSETS	711.8	736.7	690.5
OPERATING LIABILITIES			
Suppliers	15.2	19.0	9.7
Payroll and related charges	14.5	16.0	12.7
Taxes	3.8	2.7	3.1
Provision for contingencies	12.6	3.8	13.8
Other accounts payable[1]	35.3	11.7	31.2
TOTAL OPERATING LIABILITIES	81.5	53.2	70.4

[1] Includes the long term obligations with clients account

ULTRACARGO
CONSOLIDATED INCOME STATEMENT
In millions of Reais - IFRS

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2010	DEC 2009	SEP 2010	DEC 2010	DEC 2009
Net sales	59.2	79.6	65.2	293.3	336.6
Cost of sales and services	(25.9)	(49.9)	(27.9)	(138.2)	(200.0)
Gross profit	33.3	29.7	37.3	155.1	136.6
Operating expenses					
Selling	(1.4)	(1.5)	(1.1)	(5.0)	(6.7)
General and administrative	(15.0)	(20.4)	(15.8)	(70.7)	(80.8)

Other operating income (expenses), net	1.1	1.1	0.5	3.2	2.6
Operating income1	18.0	8.9	20.8	82.6	51.7
EBITDA	25.0	22.1	27.7	111.5	104.5
Depreciation and amortization	6.9	13.2	6.8	28.9	52.8
RATIOS					
Gross margin	56 %	37 %	57 %	53 %	41 %
Operating margin	30 %	11 %	32 %	28 %	15 %
EBITDA margin	42 %	28 %	43 %	38 %	31 %

1Before income from sale of assets

ULTRAPAR
CONSOLIDATED INCOME STATEMENT
In millions of US dollars except where otherwise mentioned - IFRS

	QUARTERS ENDED IN			ACCUMULATED	
	DEC 2010	DEC 2009	SEP 2010	DEC 2010	DEC 2009
Net sales					
Ultrapar	6,633.4	5,993.1	6,237.1	24,135.4	18,070.8
Ultragaz	543.3	508.5	557.6	2,080.1	1,722.6
Ipiranga	5,749.0	5,168.5	5,328.1	20,727.5	15,261.7
Oxiteno	308.9	290.5	307.6	1,183.4	959.1
Ultracargo	34.9	45.8	37.3	166.6	168.5
EBITDA					
Ultrapar	274.0	234.7	266.0	1,009.2	716.1
Ultragaz	33.4	35.3	55.2	174.7	140.8
Ipiranga	189.4	159.2	146.3	609.8	415.5
Oxiteno	31.8	21.6	44.9	137.0	85.5
Ultracargo	14.7	12.7	15.8	63.3	52.3
Operating income					
Ultrapar	236.0	154.7	196.3	752.5	460.6
Ultragaz1	18.4	21.4	38.0	107.2	83.9
Ipiranga1	147.9	115.3	107.9	457.0	289.6
Oxiteno1	14.9	6.4	30.0	77.9	34.1
Ultracargo1	10.6	5.1	11.9	46.9	25.9
EBITDA margin					
Ultrapar	4 %	4 %	4 %	4 %	4 %
Ultragaz	6 %	7 %	10 %	8 %	8 %
Ipiranga	3 %	3 %	3 %	3 %	3 %
Oxiteno	10 %	7 %	15 %	12 %	9 %
Ultracargo	42 %	28 %	43 %	38 %	31 %
EBITDA margin / volume					
Ultragaz (US$/ton)	83	88	129	109	89
Ipiranga (US$/m3)	36	32	28	30	24
Oxiteno (US$/ton)	187	119	257	200	135
Net income					
Ultrapar	145.8	78.5	116.7	434.7	220.6
Net income / share (US$)	0.27	0.15	0.22	0.81	0.40

1Before income from sale of assets

ULTRAPAR PARTICIPAÇÕES S/A
LOANS
In millions of Reais - Accounting practices adopted in Brazil

LOANS	Balance in December/2010								
	Ultragaz	Oxiteno	Ultracargo	Ipiranga	Ultrapar Parent Company / Other	Ultrapar Consolidated	Index/ Currency	Weighted average Interest rate (% P.Y.)	Maturity
Foreign Currency									
Notes	413.3	-	-	-	-	413.3	US$	7.2	2015
Syndicated loan	-	99.7	-	-	-	99.7	US$ + LIBOR	1.2	2011
BNDES	20.3	38.7	0.4	7.8	-	67.2	US$	6.1	2011 to 2017
Advances on Foreign Exchange Contracts (ACE)	-	64.1	-	-	-	64.1	US$	1.3	196 days
Advances on Foreign Exchange Contracts (ACC)	-	41.6	-	-	-	41.6	US$	1.6	196 days
Financial institutions	-	16.7	-	-	-	16.7	MX$ + TIIE	2.6	2011 to 2014
Financial institutions	-	6.7	-	-	-	6.7	US$ + LIBOR	2.1	2011
Financial institutions - RPR	-	-	-	-	1.6	1.6	US$	0.9	2011
Import Financing (FINIMP)	-	-	0.8	-	-	0.8	US$	7.0	2012
Financial institutions	-	0.02	-	-	-	0.02	BS	28.0	2013
BNDES	0.01	-	-	-	-	0.01	UMBNDES	7.6	2011
Subtotal	433.6	267.5	1.1	7.8	1.6	711.7			
Check	-	-	-	-	-	-			
Local Currency									
Banco do Brasil1	-	-	-	1,916.3	-	1,916.3	R$	11.8	2012 to 2015
Debentures	-	-	-	-	1,196.1	1,196.1	CDI	108.5	2012
BNDES	336.7	492.4	120.9	228.1	-	1,178.1	TJLP	3.7	2011 to 2019
Banco do Nordeste do Brasil	-	99.4	-	-	-	99.4	R$	8.5	2018
Loan - MaxFácil	-	-	-	77.4	-	77.4	CDI	100.0	2012

BNDES	10.5	41.8	0.3	12.3	0.2	65.1	R$	5.8	2011 to 2020
Research and projects financing (FINEP)	-	61.7	-	-	-	61.7	TJLP	0.6	2013 to 2014
Working capital loan - RPR	-	-	-	-	23.8	23.8	CDI	116.2	2012 to 2014
Agency for Financing Machinery and Equipment (FINAME)	-	0.1	-	5.8	-	5.9	TJLP	2.9	2011 to 2013
Financial leasing floating rate	-	-	-	3.4	-	3.4	CDI	1.7	2011
Financial leasing fixed rate	-	-	-	0.7	1.5	2.2	R$	14.9	2011 to 2014
Others	-	-	-	0.6	-	0.6	CDI	1.8	2011
Subtotal	347.2	695.4	121.2	2,244.5	1,221.6	4,629.9			
Check	-	-	-	-	-	-			
Income from currency and interest rate hedging instructions	0.1	52.6	-	0.1	1.6	54.4			
Total	780.9	1,015.5	122.4	2,252.5	1,224.7	5,396.0			
Check	-	-	-	-	-	-			
Composition per annum									
Up to 1 year	149.3	506.5	34.4	112.1	18.2	820.5			
From 1 to 2 years	143.7	211.0	38.0	602.6	1,202.5	2,197.8			
From 2 to 3 years	29.9	107.3	18.3	866.4	3.0	1,024.9			
From 3 to 4 years	20.5	72.7	15.4	331.1	0.9	440.5			
From 4 to 5 years	430.3	51.9	9.3	333.2	0.0	824.7			
Thereafter	7.3	66.2	7.0	7.1	0.1	87.6			
Total	780.9	1,015.5	122.4	2,252.5	1,224.7	5,396.0			
	-	-	-	-	-	-			

TIIE - Interbank Interest Rate Even / UMBNDES - BNDES Basket of Currencies / CDI - interbank deposit rate / BS = Bolivar Forte from Venezuela

Balance in December/2010

	Ultragaz	Oxiteno	Ultracargo	Ipiranga	Ultrapar Parent Company / Other	Ultrapar Consolidated
CASH AND LONG TERM INVESTMENTS	365.6	513.3	189.3	1,720.0	432.1	3,220.4

1For this loan, a hedging instrument was hired with the objective of swapping the fixed to floating to rate, equivalent to 99% of CDI on average.

Item 2

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly Traded Company

CNPJ nº 33.256.439/0001- 39 NIRE 35.300.109.724

MINUTES OF THE BOARD OF DIRECTORS' MEETING (02/2011)

Date, Time and Location:
February 23rd, 2011, at 2:30 p.m., at the Company's headquarters, located at Av. Brigadeiro Luiz Antônio, nr 1343 – 9th floor, in the City and State of São Paulo.

Attendance:
Members of the Board of Directors, members of the Fiscal Council, pursuant to the terms of paragraph 3 of article 163 of the Brazilian Corporate Law, all of whom undersigned these minutes, and Mr. Anselmo Neves Macedo, representative of KPMG Auditores Independentes ("KPMG").

Discussed and approved matters:

1. After discussed and analyzed, to approve the financial statements of the Company, including the balance sheet and the management report for the fiscal year ended December 31st, 2010, as well as the destination of earnings for the year and the distribution of dividends, supported by the report from the Company's independent auditors.

(Minutes of the Meeting of the Board of Directors of Ultrapar Participações S.A., held on February 23nd, 2011)

2. To approve the capital budget proposed for the fiscal year 2011, according to Annex A to the present document, to be submitted to deliberation in the annual general shareholders' meeting, pursuant to article 196 of Law nr 6,404/76.

3. To approve, subject to the annual general shareholders' meeting's approval, the following proposal by the Executive Board for the destination of net earnings for the year ending December 31st, 2010, in the amount of R$ 758,822,713.46 (seven hundred fifty eight million, eight hundred twenty two thousand, seven hundred thirteen Reais and forty six cents), as described below:

a) R$ 37,941,135.67 (thirty seven million, nine hundred forty one thousand, one hundred thirty five Reais and sixty seven cents) will be directed to the legal reserve;

b) R$ 292,117,425.79 (two hundred ninety two million, one hundred seventeen thousand, four hundred twenty five Reais and seventy nine cents) will be directed to the reserve for retention of profits, based on the approved capital budget; and

c) R$ 428,764,152.00 (four hundred and twenty eight million, seven hundred and sixty four thousand, one hundred and fifty two Reais) will be directed to the payment of dividends to holders of common and preferred shares, of which R$ 176,814,805.20 (one hundred and seventy six million, eight hundred and fourteen thousand, eight hundred and five Reais and twenty cents) were paid as intermediary dividends as approved by the

(Minutes of the Meeting of the Board of Directors of Ultrapar Participações S.A., held on February 23nd, 2011)

Board of Directors on August 11th, 2010. The remaining balance of the dividends approved today, equivalent to R$ 251,949,346.80 (two hundred and fifty one million, nine hundred and forty nine thousand, three hundred and forty six Reais and eighty cents) will be paid to shareholders from March 17th, 2011 onwards, with no remuneration or monetary adjustment. Holders of common and preferred shares will receive dividends per share of R$ 0.47 (forty seven cents of Real), already considering the stock split of the shares approved in the special shareholders' meeting held on February 10th, 2011.

The record date to establish the right to receive the dividend approved today will be March 2nd, 2011 in Brazil and March 7th, 2011 in the United States of America. The shares will be traded "ex-dividend" on both the São Paulo Stock Exchange (BM&FBovespa) and the New York Stock Exchange (NYSE) from March 3rd, 2011 onwards.

Observation: The deliberations were approved, with no amendments or qualifications, by all members of the Board of Directors present, except for Board Member Renato Ochman, who abstained from voting.

As there were no further matters to be discussed, the meeting was closed and the minutes of this meeting were written, read and approved by all the undersigned members present, as well as the members of the Fiscal Council.

(Minutes of the Meeting of the Board of Directors of Ultrapar Participações S.A., held on February 23nd, 2011)

Members of the Board of Directors:

Paulo Guilherme Aguiar Cunha – Chairman

Lucio de Castro Andrade Filho - Vice-Chairman

Ana Maria Levy Villela Igel

Paulo Vieira Belotti

Olavo Egydio Monteiro de Carvalho

Nildemar Secches

Renato Ochman

Luiz Carlos Teixeira

(Minutes of the Meeting of the Board of Directors of Ultrapar Participações S.A., held on February 23nd, 2011)

Members of the Fiscal Council:

Flavio César Maia Luz

Mario Probst

Raul Murgel Braga

Wolfgang Eberhard Rohrbach

Antonio Carlos Ramos Pereira

(Minutes of the Meeting of the Board of Directors of Ultrapar Participações S.A., held on February 23nd, 2011)

ANNEX A
CAPITAL BUDGET

CAPITAL BUDGET FOR 2011
(amounts in thousands of R$)

1 . Sources of funds	1,391,140
- Own resources (profits retained in previous fiscal years)	1,040,530
- Own resources (retention for the fiscal year 2010)	292,536
- Increase in net debt	58,074
2 . Uses of funds	1,391,140
- Investments in expansion, productivity (including working capital)	911,163
- Funds for acquisitions in 2011	479,977

Item 3

ULTRAPAR PARTICIPAÇÕES S.A.
Publicly Traded Company

CNPJ nº 33.256.439/0001- 39 NIRE 35.300.109.724

MINUTES OF THE FISCAL COUNCIL'S MEETING (03/2011)

Date, Time and Location:
February 23rd, 2011, at 2 p.m., at the Company's headquarters, located at Av. Brigadeiro Luiz Antônio, nr 1343, 9th floor, in the City and State of São Paulo.

Attendance:
Members of the Fiscal Council, duly signed.

Discussed and approved matters:

1. The members of the Fiscal Council unanimously expressed a favorable opinion about the Company's financial statements and management report for the year 2010, as well as the proposal for the Company's capital budget (Annex A), destination of net earnings and distribution of dividends to shareholders under the terms presented by the Company's management.

2. In accordance with legal requirements and with the Charter of the Fiscal Council, having examined the matters in the meeting held on February 22nd, 2011 and based in the unqualified opinion by the independent auditors, the Fiscal Council issued its report, as attached (Annex B).

(Minutes of the Fiscal Council ' s meeting of Ultrapar Participações S .A. , held on February 23rd , 2011)

As there were no further matters to be discussed, the meeting was closed and the minutes of this meeting were read and approved by all the undersigned members present.

Flavio César Maia Luz	Mario Probst
Raul Murgel Braga	Wolfgang Eberhard Rohrbach

Antonio Carlos Ramos Pereira

(Minutes of the Fiscal Council ’ s meeting of Ultrapar Participações S .A. , held on February 23rd , 2011)

ANNEX A
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(Minutes of the Fiscal Council ' s meeting of Ultrapar Participações S .A. , held on February 23rd , 2011)

ANNEX B
REPORT OF THE FISCAL COUNCIL

The Fiscal Council of Ultrapar Participações S.A., pursuant to legal and statutory provisions, analyzed the Management Report and the Financial Statements (parent company and consolidated) for the year ended December 31st, 2010. Based on the assessment made and considering the report with an unqualified opinion by the independent auditors, dated February 23rd, 2011, the Fiscal Council attests that the mentioned documents, as well as the capital budget for 2011 and the proposal for destination of net earnings for the period, including dividend distribution, are ready to be presented in the Annual General Shareholders' Meeting.

Item 4.

NOTICE TO SHAREHOLDERS

Distribution of dividends

We hereby announce that the Board of Directors of Ultrapar Participações S.A., at a meeting held on February 23rd, 2011, approved the distribution of dividends, payable from the net earnings account for the fiscal year 2010, in the amount of R$ 251,949,346.80 (two hundred fifty one million, nine hundred forty nine thousand, three hundred forty six Reais and eighty cents), to be paid from March 17th, 2011 onwards, without remuneration or monetary adjustment. This distribution, in addition to the intermediary distribution of R$ 176,814,805.20 (one hundred seventy six million, eight hundred fourteen thousand, eight hundred five reais and twenty cents) paid in August 2010, totals R$ 428,764,152.00 (four hundred twenty eight million, seven hundred sixty four thousand, one hundred fifty two Reais) in dividends for the fiscal year ended December 31, 2010. The proposal of the 2010 net earnings destination will still be subject to approval in the Company's annual shareholders' meeting.

The holders of common and preferred shares will receive on the dates informed below the dividend of R$ 0.47 per share, amount already adjusted to reflect the stock split of the shares issued by Ultrapar at a ratio of 1 (one) existing share to 4 (four) shares of same class and type, approved in the Special Shareholders' Meeting held on February 10th, 2011.

The record date to establish the right to receive the dividend will be March 2nd, 2011 in Brazil, and March 7th, 2011 in the United States of America. Therefore, from March 3rd, 2011 onwards the shares will be traded "ex-dividend" on both the São Paulo Stock Exchange (BM&FBovespa) and the New York Stock Exchange (NYSE).

São Paulo, February 23rd, 2011.

André Covre

Chief Financial and Investor Relations Officer
ULTRAPAR PARTICIPAÇÕES S.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 24, 2011

ULTRAPAR HOLDINGS INC.

By: /s/ André Covre
Name: André Covre
Title: Chief Financial and Investor Relations Officer

(Earnings Release, Board of Director Minutes, Fiscal Council Minutes, Notice to Shareholders)