

Q3 2003 Earnings Call

Company Participants

- Fabio Schvartsman, CFO and Investor Relations Director
- Unidentified Speaker, Unknown

Presentation

Operator

Ladies and gentleman, thank you for standing by. (Operator Instructions). As the reminder, today's call is being recorded as well as being made been available for replay and with that now being said, here now is our opening remarks is Mr. Akelis Koutou [ph] with Thompson Financial Investor Relations. Please go head sir.

Unidentified Speaker

Good morning, ladies and gentleman. Welcome to Ultrapar's conference call to discuss Third Quarter 2003 Results in perspective. I would like to mention that information relative to the Third Quarter 2003 results is available on Ultrapar's Web site www.ultra.com.br.

Before proceeding let me mention that forward-looking statements are being made under the Safe Harbor of the Securities and Litigation Reform Act of 1996. Actual performance could differ materially from those anticipated in any forward-looking comments as a result of macro economic conditions, market risks and other factors.

With us today's on this call this morning is. Mr. Fabio Schvartsman CFO and Investor Relations Director. Mr. Schvartsman will comment on the company's performance during the Third Quarter of 2003, afterwards you will be available for questions-and-answer session. It is now my pleasure to turn the call over to him. Mr. Schvartsman, you may now begin.

Fabio Schvartsman {BIO 2067677 <GO>}

Thank you. Good morning. It is a pleasure to have you all listen to our conference call regarding Third Quarter results of Ultrapar and we are pleased to say that as we have anticipated during the quarter we could believe our performance, which was very close for our expectations. In fact Ultragas as expected as; performances that was in terms of EBITDA that was below; same quarter of last year but more than 20% above the Second Quarter of this year. The reason for this performance is mainly concentrated in Oxiten because Oxiteno phase during this Third Quarter, our stronger Real; our strong Brazilian currency plus incremental prices like 22% above the same periods of last year in dollars. Therefore the performance of Oxiteno even being lower of the same quarter of last year

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can be considered very good in this conditions. Ultragas has consolidated their recovery in its performance as it was -- had been during that Second Quarter of this year from our very low First Quarter. Therefore we had a Third Quarter, the Ultragas that was basically in line with the same quarter of last year.

Ultracargo kept on delivering a very strong EBITDA growth year-over-year of approximately 30%, as the result of the investments that we are doing in this company during the last quarters. Well looking of our investments, we achieved like a 150 million Real of investments accumulated incurred investments of Ultrapar during the Third Quarter of this year. Therefore our expectation is to complete a \$200 million investment program in this year in our own business.

Our acquisition that we already made of Shogas [ph] at the cost of 170 million Real and Canamact [ph] that is to be paid, the payments of Canamact is expected for the next few days and if we would be of proper relatively \$11 million. Talking about Shogas, as we anticipated to you during the conference call Shogas. The consolidation of Shogas -- in Ultragas is going very well and very fast. So far we consolidated completely at initiative area of Shogas to Ultragas and now we are consolidating the operation over there. Therefore (inaudible) during 2003, only a minority plans in the results will be seen. The total affect will be shown during the full year of 2004, regarding this acquisition.

Some quick remarks about our expectations for the next quarter of Ultrapar. We will have very different situations for our business that seem to cover in the First Quarter of 2003. The gas businesses, we will keep the same strength that were -- has shown during this last quarters, I think it is recovered and therefore our expectations is a strong growth in EBITDA in the Fourth Quarter of this year of Ultragas in comparison to the Fourth Quarter of last year.

Product (inaudible), the situations is completely different, because in the Fourth Quarter of last year we had the weakest Real of all time together we have been -- anticipation of sales for inventory purposes of our customers given the proximity of this Iraqi war that was to happen very soon after the First Quarter of last year. Therefore, the results of our Oxiteno (inaudible) in the Fourth Quarter of (inaudible) completely are typical. Therefore, our results of this year will be normal, good results but obviously a very fast from the EBITDA of the Fourth Quarter of last year of the company.

Cargo business, we will keep on delivering the same kind of growth of approximately 30% year-over-year. Therefore we will consolidate any design of the Fourth Quarter of this year until unless in the Fourth Quarter of last year. But if you consider the EBITDA of Ultrapar of the year as a whole, it will fall short the above EBITDA of Ultrapar of 2002, that was what I have to present to you in my opening speech and now I thankful to answer your question.

Questions And Answers

Operator

Ladies and gentleman, we will now began the question-and-answer session. (Operator Instructions).

Mr. Schvartsman at this time you may proceed with your closing statements.

A - Fabio Schvartsman {BIO 2067677 <GO>}

Okay , thank you for listening to my conference call. It was a pleasure having you with us and we will be back with the results of Ultrapar for the Fourth Quarter of this year soon. Thank you.

Operator

That thus concludes our Ultrapar conference for today. Thank you very much for your participation. You may now disconnect.

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