

ULTRAPAR HOLDINGS INC
Form 6-K
November 10, 2016
Table of Contents

Form 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report Of Foreign Private Issuer

Pursuant To Rule 13a-16 Or 15d-16 Of

The Securities Exchange Act Of 1934

For the month of November, 2016

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.

(Translation of Registrant's Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F X

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

No X

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes _____

No X

Table of Contents

ULTRAPAR HOLDINGS INC.

TABLE OF CONTENTS

ITEM

1. Individual and Consolidated Interim Financial Information for the Three-Month Period Ended September 30, 2016 Report on Review of Interim Financial Information
2. 3Q16 Earnings release
3. Board of Directors Minutes

Table of Contents

*(Convenience Translation into English from
the Original Previously Issued in Portuguese)*

Ultrapar Participações S.A.

Individual and Consolidated

Interim Financial Information

for the Nine-Month Period

Ended September 30, 2016 and

Report on Review of Interim

Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated Interim Financial Information

for the Nine-month Period Ended September 30, 2016

Table of Contents

<u>Report on Review of Interim Financial Information</u>	3
<u>Balance Sheets</u>	4 5
<u>Income Statements</u>	6 7
<u>Statements of Comprehensive Income</u>	8 9
<u>Statements of Changes in Equity</u>	10 11
<u>Statements of Cash Flows - Indirect Method</u>	12 13
<u>Statements of Value Added</u>	14
<u>Notes to the Interim Financial Information</u>	15 86

Table of Contents

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of

Ultrapar Participações S.A.

São Paulo SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Ultrapar Participações S.A. (the Company), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the three-month period ended September 30, 2016, which comprises the balance sheet as of September 30, 2016 and the related statements of income and comprehensive income for the three and nine-month periods then ended and changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) Interim Financial Information and international standard IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above was not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2016, prepared under the responsibility of the Company s Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards IFRSs, which do not require the presentation of the DVA. These statements were subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 9, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Délio Rocha Leite
Engagement Partner

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Balance Sheets****as of September 30, 2016 and December 31, 2015***(In thousands of Brazilian Reais)*

Assets	Note	Parent		Consolidated	
		09/30/2016	12/31/2015	09/30/2016	12/31/2015
Current assets					
Cash and cash equivalents	4	129,636	48,061	2,297,962	2,702,893
Financial investments	4	10,144	6,708	862,325	803,304
Trade receivables, net	5			3,273,903	3,167,164
Inventories, net	6			2,514,520	2,495,237
Recoverable taxes, net	7	54,735	48,019	529,298	628,778
Dividends receivable		2	392,127	364	2,710
Other receivables		1,005	6,051	72,981	29,787
Trade receivables insurer indemnification	33			200,251	
Prepaid expenses, net	10	134	89	92,371	81,476
Total current assets		195,656	501,055	9,843,975	9,911,349
Non-current assets					
Financial investments	4			9,760	466,965
Trade receivables, net	5			184,866	152,239
Related parties	8.a	750,000	782,404	490	490
Deferred income and social contribution taxes	9.a	24,697	8,680	577,332	558,993
Recoverable taxes, net	7	12,781	4,037	153,610	135,449
Escrow deposits	20.a	148	148	772,014	740,835
Other receivables				13,120	16,507
Prepaid expenses, net	10			168,185	146,664
		787,626	795,269	1,879,377	2,218,142
Investments					
In subsidiaries	11.a	8,107,554	7,619,441		
In joint-ventures	11.a; 11.b	45,341	31,514	106,033	79,377
In associates	11.c			22,979	21,537
Other				2,814	2,814
Property, plant, and equipment, net	12			5,572,014	5,438,895
Intangible assets, net	13	246,163	246,163	3,283,763	3,293,935
Total non-current assets		8,399,058	7,897,118	8,987,603	8,836,558
		9,186,684	8,692,387	10,866,980	11,054,700

Total assets	9,382,340	9,193,442	20,710,955	20,966,049
--------------	-----------	-----------	------------	------------

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Balance Sheets****as of September 30, 2016 and December 31, 2015***(In thousands of Brazilian Reais)*

Liabilities	Note	Parent		Consolidated	
		09/30/2016	12/31/2015	09/30/2016	12/31/2015
Current liabilities					
Loans	14			1,668,430	1,048,098
Debentures	14.f	4,216	33,560	95,495	47,372
Finance leases	14.h			2,643	2,385
Trade payables	15	205	2,636	1,098,477	1,460,532
Salaries and related charges	16	203	195	370,964	404,313
Taxes payable	17	580	877	158,775	168,804
Dividends payable	23.g	20,072	293,460	23,333	298,791
Income and social contribution taxes payable			301	54,565	216,883
Post-employment benefits	18.b			13,734	13,747
Provision for asset retirement obligation	19			4,540	5,232
Provision for tax, civil, and labor risks	20.a			58,449	45,322
Trade payables indemnification customers	33			27,399	
Other payables		171	1,359	81,453	97,492
Deferred revenue	21			21,595	24,420
Total current liabilities		25,447	332,388	3,679,852	3,833,391
Non-current liabilities					
Loans	14			4,500,528	5,561,401
Debentures	14.f	799,814	799,554	2,694,733	2,198,843
Finance leases	14.h			46,696	43,509
Related parties	8.a	506	5	4,272	4,372
Deferred income and social contribution taxes	9.a			214,935	266,004
Post-employment benefits	18.b			117,949	112,848
Provision for asset retirement obligation	19			72,983	69,484
Provision for tax, civil, and labor risks	20.a	4,237	4,221	703,014	684,660
Deferred revenue	21			11,240	11,036
Subscription warrants indemnification	22	158,125	112,233	158,125	112,233
Other payables				80,874	94,139
Total non-current liabilities		962,682	916,013	8,605,349	9,158,529
Shareholders equity					

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Share capital	23.a	3,838,686	3,838,686	3,838,686	3,838,686
Capital reserve	23.c	552,038	546,607	552,038	546,607
Treasury shares	23.b	(483,879)	(490,881)	(483,879)	(490,881)
Revaluation reserve	23.d	5,402	5,590	5,402	5,590
Profit reserves	23.e	3,801,999	3,801,999	3,801,999	3,801,999
Additional dividends to the minimum mandatory dividends	23.g		157,162		157,162
Retained earnings		691,733		691,733	
Valuation adjustments	2.c; 2.o; 23.f	(7,491)	18,953	(7,491)	18,953
Cumulative translation adjustments	2.c; 2.r; 23.f	(4,277)	66,925	(4,277)	66,925
Shareholders' equity attributable to:					
Shareholders of the Company		8,394,211	7,945,041	8,394,211	7,945,041
Non-controlling interests in subsidiaries				31,543	29,088
Total shareholders' equity		8,394,211	7,945,041	8,425,754	7,974,129
Total liabilities and shareholders' equity		9,382,340	9,193,442	20,710,955	20,966,049

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Income Statements****For the nine-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais, except earnings per share)*

	Note	Parent		Consolidated	
		01/01/2016 to 09/30/2016	01/01/2015 to 09/30/2015	01/01/2016 to 09/30/2016	01/01/2015 to 09/30/2015
Net revenue from sales and services	24			58,267,702	55,075,167
Cost of products and services sold	25			(53,073,251)	(50,299,900)
Gross profit				5,194,451	4,775,267
Operating income (expenses)					
Selling and marketing	25			(1,965,256)	(1,834,548)
General and administrative	25		(11)	(1,047,708)	(935,399)
Gain (loss) on disposal of property, plant and equipment and intangibles	26			(2,066)	29,231
Other operating income, net	27	33	29,784	90,073	15,664
Operating income before financial income (expenses) and share of profit of subsidiaries, joint ventures and associates		33	29,773	2,269,494	2,050,215
Financial income	28	108,688	135,677	341,098	309,467
Financial expenses	28	(141,567)	(125,792)	(982,264)	(851,012)
Share of profit (loss) of subsidiaries, joint ventures and associates	11	1,148,375	983,250	5,385	(5,232)
Income before income and social contribution taxes		1,115,529	1,022,908	1,633,713	1,503,438
Income and social contribution taxes					
Current	9.b	(5,349)	(27,856)	(634,497)	(495,147)
Deferred	9.b	16,017	14,264	63,842	(51,069)
Tax incentives	9.b; 9.c			71,998	59,002
		10,668	(13,592)	(498,657)	(487,214)
Net income for the period		1,126,197	1,009,316	1,135,056	1,016,224
Net income for the period attributable to:					
Shareholders of the Company		1,126,197	1,009,316	1,126,197	1,009,316
Non-controlling interests in subsidiaries				8,859	6,908

Earnings per share (based on weighted average number of shares outstanding)	R\$				
Basic	29	2.0803	1.8536	2.0803	1.8536
Diluted	29	2.0647	1.8388	2.0647	1.8388

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Income Statements****For the three-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais, except earnings per share)*

	Note	Parent		Consolidated	
		07/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015
Net revenue from sales and services	24			19,445,181	19,160,848
Cost of products and services sold	25			(17,662,284)	(17,510,348)
Gross profit				1,782,897	1,650,500
Operating income (expenses)					
Selling and marketing	25			(675,185)	(636,721)
General and administrative	25		(2)	(369,579)	(337,814)
Gain (loss) on disposal of property, plant and equipment and intangibles	26			(58)	4,600
Other operating income, net	27	31		14,471	15,408
Operating income before financial income (expenses) and share of profit of subsidiaries, joint ventures and associates		31	(2)	752,546	695,973
Financial income	28	35,301	51,698	120,171	106,307
Financial expenses	28	(33,999)	(36,418)	(322,421)	(339,442)
Share of profit (loss) of subsidiaries, joint ventures and associates	11	375,970	285,881	2,344	(5,760)
Income before income and social contribution taxes		377,303	301,159	552,640	457,078
Income and social contribution taxes					
Current	9.b	(937)	(6,626)	(179,171)	(110,354)
Deferred	9.b	453	1,351	(12,781)	(69,863)
Tax incentives	9.b; 9.c			19,398	21,680
		(484)	(5,275)	(172,554)	(158,537)
Net income for the period		376,819	295,884	380,086	298,541
Net income for the period attributable to:					
Shareholders of the Company		376,819	295,884	376,819	295,884

Non-controlling interests in subsidiaries				3,267	2,657
Earnings per share (based on weighted average number of shares outstanding)	R\$				
Basic	29	0.6960	0.5450	0.6960	0.5450
Diluted	29	0.6906	0.5406	0.6906	0.5406

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Statements of Comprehensive Income****For the nine-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais)*

		Parent		Consolidated	
	Note	01/01/2016 to 09/30/2016	01/01/2015 to 09/30/2015	01/01/2016 to 09/30/2016	01/01/2015 to 09/30/2015
Net income for the period attributable to shareholders of the Company		1,126,197	1,009,316	1,126,197	1,009,316
Net income for the period attributable to non-controlling interests in subsidiaries				8,859	6,908
Net income for the period		1,126,197	1,009,316	1,135,056	1,016,224
Items that are subsequently reclassified to profit or loss:					
Fair value adjustments of financial instruments	2.c; 23.f	(29,300)	38,028	(29,300)	38,028
Cumulative translation adjustments, net of hedge of net investments in foreign operations	2.c; 2.r; 23.f	(71,202)	122,523	(71,202)	122,523
Items that are not subsequently reclassified to profit or loss:					
Actuarial gains of post-employment benefits, net	2.o; 23.f	2,856		2,856	
Total comprehensive income for the period		1,028,551	1,169,867	1,037,410	1,176,775
Total comprehensive income for the period attributable to shareholders of the Company		1,028,551	1,169,867	1,028,551	1,169,867
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries				8,859	6,908

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Statements of Comprehensive Income****For the three-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais)*

		Parent		Consolidated	
	Note	07/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015	07/01/2016 to 09/30/2016	07/01/2015 to 09/30/2015
Net income for the period attributable to shareholders of the Company		376,819	295,884	376,819	295,884
Net income for the period attributable to non-controlling interests in subsidiaries				3,267	2,657
Net income for the period		376,819	295,884	380,086	298,541
Items that are subsequently reclassified to profit or loss:					
Fair value adjustments of financial instruments	2.c; 23.f	68,397	24,806	48,028	24,806
Cumulative translation adjustments, net of hedge of net investments in foreign operations	2.c; 2.r; 23.f	4,973	70,867	(34,214)	70,867
Items that are not subsequently reclassified to profit or loss:					
Actuarial gains of post-employment benefits, net	2.o; 23.f				
Total comprehensive income for the period		450,189	391,557	393,900	394,214
Total comprehensive income for the period attributable to shareholders of the Company		450,189	391,557	390,633	391,557
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries				3,267	2,657

The accompanying notes are an integral part of the interim financial information.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the nine-month period ended September 30, 2016 and 2015

(In thousands of Brazilian Reais, except dividends per share)

Share capital	Capital reserve	Treasury shares	Revaluation reserve on subsidiaries	Legal reserve	Profit reserve		Cumulative other comprehensive income		Retained earnings	Additional dividends to the minimum mandatory dividends	Share
					Investments statutory reserve	Retention of profits	Valuation adjustments	Cumulative adjustments			
3,838,686	546,607	(490,881)	5,590	472,350	1,996,583	1,333,066	18,953	66,925		157,162	7
									1,126,197		1
							(29,300)				
							2,856				
								(71,202)			
							(26,444)	(71,202)	1,126,197		1
	5,431	7,002	(188)						188		

(33)
(434,619)

(157,162)

3,838,686 552,038 (483,879) 5,402 472,350 1,996,583 1,333,066 (7,491) (4,277) 691,733

The accompanying notes are an integral part of the interim financial information.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the nine-month period ended September 30, 2016 and 2015

(In thousands of Brazilian Reais, except dividends per share)

Share capital	Capital reserve	Treasury shares	Revaluation reserve on subsidiaries	Legal reserve	Profit reserve	Investments statutory reserve	Retention of profits	Cumulative other comprehensive income		Retained earnings	Additional dividends to the minimum mandatory dividends	Share
								Valuation adjustments	Cumulative translation adjustments			
3,838,686	547,462	(103,018)	5,848	397,177	1,439,461	1,333,066	7,149	43,192		1,009,316	188,976	7
								38,028				1
									122,523			
								38,028	122,523	1,009,316		1
	(855)	(291,862)		(195)						195		

(110)

(436,842)

(188,976)

3,838,686 546,607 (394,880) 5,653 397,177 1,439,461 1,333,066 45,177 165,715 572,559

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Statements of Cash Flows Indirect Method****For the nine-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais)*

	Note	Parent		Consolidated	
		09/30/2016	09/30/2015	09/30/2016	09/30/2015
Cash flows from operating activities					
Net income for the period		1,126,197	1,009,316	1,135,056	1,016,224
Adjustments to reconcile net income to cash provided by operating activities					
Share of loss (profit) of subsidiaries, joint ventures and associates	11	(1,148,375)	(983,250)	(5,385)	5,232
Depreciation and amortization	12; 13			819,821	731,447
PIS and COFINS credits on depreciation	12; 13			9,381	9,167
Asset retirement obligation	19			(2,191)	(3,429)
Interest, monetary, and foreign exchange rate variations		135,477	125,266	413,106	1,274,412
Deferred income and social contribution taxes	9.b	(16,017)	(14,264)	(63,842)	51,069
(Gain) loss on disposal of property, plant and equipment and intangibles	26			2,066	(29,231)
Others				518	3,393
Dividends received from subsidiaries and joint-ventures		941,052	931,860	6,997	6,127
(Increase) decrease in current assets					
Trade receivables	5			(98,763)	(481,984)
Inventories	6			(17,264)	(568,129)
Recoverable taxes	7	(6,716)	(11,183)	99,480	(165,622)
Other receivables		5,046	13,434	(211,654)	(27,124)
Prepaid expenses	10	(45)	(84)	(8,469)	(8,015)
Increase (decrease) in current liabilities					
Trade payables	15	(2,431)	(493)	(362,055)	(331,081)
Salaries and related charges	16	8	36	(33,349)	94,140
Taxes payable	17	(297)	715	(10,029)	46,107
Income and social contribution taxes				352,109	301,455
Provision for tax, civil, and labor risks	20.a			13,127	(8,668)
Other payables		(1,188)	11,890	(18,231)	(8,094)
Deferred revenue	21			(2,825)	(131)
(Increase) decrease in non-current assets					
Trade receivables	5			(32,308)	1,503
Recoverable taxes	7	(8,744)	14,938	(18,161)	25,743

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Escrow deposits				(31,179)	(40,915)
Other receivables				3,387	(2,719)
Prepaid expenses	10			(11,514)	(1,226)
Increase (decrease) in non-current liabilities					
Post-employment benefits	18.b			5,088	9,975
Provision for tax, civil, and labor risks	20.a	16	15	18,354	37,415
Other payables				(13,265)	2,029
Deferred revenue	21			204	1,134
Income and social contribution taxes paid		(301)		(514,428)	(368,432)
Net cash provided by operating activities				1,023,682	1,098,196
				1,423,782	1,571,772

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Statements of Cash Flows Indirect Method****For the nine-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais)*

	Note	Parent		Consolidated	
		09/30/2016	09/30/2015	09/30/2016	09/30/2015
Cash flows from investing activities					
Financial investments, net of redemptions		(3,436)	57,603	391,844	(20,065)
Acquisition of property, plant, and equipment	12			(652,030)	(486,267)
Acquisition of intangible assets	13			(416,414)	(422,555)
Capital increase in subsidiary	11.a	(170)			
Capital increase in joint ventures	11.b			(30,781)	(31,000)
Proceeds from disposal of property, plant and equipment and intangibles	26			21,555	67,564
Net cash provided by (used in) investing activities		(3,606)	57,603	(685,826)	(892,323)
Cash flows from financing activities					
Loans and debentures					
Proceeds	14		799,042	1,199,985	2,121,856
Repayments	14		(800,000)	(616,926)	(1,640,089)
Interest paid	14	(118,669)	(153,557)	(830,700)	(682,162)
Payments of financial lease				(3,721)	(3,985)
Dividends paid		(865,170)	(822,906)	(873,637)	(831,461)
Acquisition of non-controlling interests of subsidiaries					(9)
Acquisition of own shares to held in treasury			(292,717)		(292,717)
Sale of treasury shares	8.c	12,433			
Related parties		32,905	57,837	(100)	
Net cash used in financing activities		(938,501)	(1,212,301)	(1,125,099)	(1,328,567)
Effect of exchange rate changes on cash and cash equivalents in foreign currency					
				(17,788)	39,670
Increase (decrease) in cash and cash equivalents		81,575	(56,502)	(404,931)	(609,448)
Cash and cash equivalents at the beginning of the period					
	4	48,061	119,227	2,702,893	2,827,369
	4	129,636	62,725	2,297,962	2,217,921

Cash and cash equivalents at the end of the period

The accompanying notes are an integral part of the interim financial information.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Statements of Value Added****For the nine-month period ended September 30, 2016 and 2015***(In thousands of Brazilian Reais, except percentages)*

	Note	09/30/2016	Parent %	09/30/2015	%	09/30/2016	Consolidated %	09/30/2015	%
Revenue									
Gross revenue from sales and services, except rents and royalties	24					60,100,008		56,705,818	
Rebates, discounts, and returns	24					(464,085)		(256,692)	
Allowance for doubtful accounts Reversal (allowance)						(30,439)		(18,840)	
Gain (loss) on disposal of property, plant and equipment and intangibles and other operating income, net	26	33		29,784		88,007		59,015	
		33		29,784		59,693,491		56,489,301	
Materials purchased from third parties									
Raw materials used						(3,381,933)		(3,066,672)	
Cost of goods, products, and services sold						(49,591,740)		(47,190,103)	
Third-party materials, energy, services, and others		(10,587)		(13,710)		(1,668,955)		(1,569,400)	
Reversal of impairment losses		15,334		18,167		(9,243)		(3,736)	
		4,747		4,457		(54,651,871)		(51,829,911)	
Gross value added		4,780		34,241		5,041,620		4,659,390	

Deductions

Depreciation and amortization				(819,821)		(731,447)	
-------------------------------	--	--	--	-----------	--	-----------	--

PIS and COFINS credits on depreciation				(9,381)		(9,167)	
--	--	--	--	---------	--	---------	--

				(829,202)		(740,614)	
--	--	--	--	-----------	--	-----------	--

Net value added by the Company	4,780		34,241		4,212,418		3,918,776
---------------------------------------	-------	--	--------	--	-----------	--	-----------

Value added received in transfer

Share of profit (loss) of subsidiaries, joint-ventures, and associates	11	1,148,375		983,250		5,385		(5,232)
--	----	-----------	--	---------	--	-------	--	---------

Dividends at cost				3				3
-------------------	--	--	--	---	--	--	--	---

Rents and royalties	24					90,164		83,436
---------------------	----	--	--	--	--	--------	--	--------

Financial income	28	108,688		135,677		341,098		309,467
------------------	----	---------	--	---------	--	---------	--	---------

		1,257,063		1,118,930		436,647		387,674
--	--	-----------	--	-----------	--	---------	--	---------

Total value added available for distribution

		1,261,843		1,153,171		4,649,065		4,306,450
--	--	-----------	--	-----------	--	-----------	--	-----------

Distribution of value added

Labor and benefits		3,968		3,768		1,305,450	28	1,228,394	29
--------------------	--	-------	--	-------	--	-----------	----	-----------	----

Taxes, fees, and contributions		(5,434)		13,817	1	1,141,585	25	1,116,373	26
--------------------------------	--	---------	--	--------	---	-----------	----	-----------	----

Financial expenses and rents		137,112	11	126,270	11	1,066,974	23	945,459	22
------------------------------	--	---------	----	---------	----	-----------	----	---------	----

Dividends paid		434,619	34	436,842	38	434,619	9	443,372	10
----------------	--	---------	----	---------	----	---------	---	---------	----

Retained earnings		691,578	55	572,474	50	700,437	15	572,852	13
-------------------	--	---------	----	---------	----	---------	----	---------	----

Value added distributed

		1,261,843	100	1,153,171	100	4,649,065	100	4,306,450	100
--	--	-----------	-----	-----------	-----	-----------	-----	-----------	-----

The accompanying notes are an integral part of the interim financial information.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

1. Operations

Ultrapar Participações S.A. (Ultrapar or Company), is a publicly-traded company headquartered at the Brigadeiro Luis Antônio Avenue, 1343 in the city of São Paulo SP, Brazil.

The Company engages in the investment of its own capital in services, commercial, and industrial activities, through the subscription or acquisition of shares of other companies. Through its subsidiaries, it operates in the segments of liquefied petroleum gas LPG distribution (Ultragas), fuel distribution and related businesses (Ipiranga), production and marketing of chemicals (Oxiteno), and storage services for liquid bulk (Ultracargo) and retail distribution of pharmaceutical, hygiene, beauty, and skincare products, through Imifarma Produtos Farmacêuticos e Cosméticos S.A. (Extrafarma). For further information about segments see Note 30.

2. Presentation of Interim Financial Information and Summary of Significant Accounting Policies

The Company s individual and consolidated interim financial information were prepared in accordance with the International Accounting Standards (IAS) 34 as issued by the International Accounting Standards Board (IASB), and in accordance with CPC 21 (R1) Interim Financial Reporting issued by the Accounting Pronouncements Committee (CPC) and presented in accordance with standards established by the Brazilian Securities and Exchange Commission (CVM).

All relevant information from its own interim financial information, and only this information, are being presented and correspond to those used by the Company s and subsidiaries Management.

The presentation currency of the Company s individual and consolidated interim financial information is the Brazilian Real (R\$), which is the Company s functional currency.

The accounting policies described below were applied by the Company and its subsidiaries in a consistent manner for all periods presented in the individual and consolidated interim financial information.

a. Recognition of Income

Revenue is measured at the fair value of the consideration received or receivable, net of sales returns, discounts, and other deductions, if applicable.

Revenue from sales of fuels and lubricants is recognized when the products are delivered to gas stations and to large consumers. Revenue from sales of LPG is recognized when the products are delivered to customers at home, to independent dealers and to industrial and commercial customers. Revenue from sales of pharmaceuticals is recognized when the products are delivered to end user customers in own drugstores and when the products are delivered to independent resellers. Revenue from sales of chemical products is recognized when the products are delivered to industrial customers, depending of the freight mode of delivery. The revenue provided from storage services is recognized as services are performed.

Costs of products sold and services provided include goods (mainly fuels, lubricants, LPG, and pharmaceutical products), raw materials (chemicals and petrochemicals) and production, distribution, storage, and filling costs.

b. Cash and Cash Equivalents

Includes cash, banks deposits, and short-term, highly-liquid investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value. See Note 4 for further details on cash and cash equivalents of the Company and its subsidiaries.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Financial Assets

In accordance with IAS 32, IAS 39, and International Financial Reporting Standards (IFRS) 7 (CPC 38, 39 and 40 (R1)), the financial assets of the Company and its subsidiaries are classified in accordance with the following categories:

Measured at fair value through profit or loss: financial assets held for trading, that is, acquired or incurred principally for the purpose of selling or repurchasing in the near term, and derivatives. The balances are stated at fair value. The interest earned, the exchange variation, and changes in fair value are recognized in profit or loss.

Held to maturity: non-derivative financial assets with fixed or determinable payments, and fixed maturities for which the entity has the positive intention and ability to hold to maturity. The interest earned and the foreign currency exchange variation are recognized in profit or loss, and balances are stated at acquisition cost plus the interest earned, using the effective interest rate method.

Available for sale: non-derivative financial assets that are designated as available for sale or that are not classified into other categories at initial recognition. The balances are stated at fair value, and the interest earned and the foreign currency exchange variation are recognized in profit or loss. Differences between fair value and acquisition cost plus the interest earned are recognized in other comprehensive income in the Valuation adjustments . Accumulated gains and losses recognized in shareholders equity are reclassified to profit or loss in case of prepayment.

Loans and receivables: non-derivative financial assets with fixed or determinable payments or receipts, not quoted in an active market, except: (i) those which the entity intends to sell immediately or in the near term and which the entity classified as measured at fair value through profit or loss; (ii) those classified as available for sale; or (iii) those for which the Company may not recover substantially all of its initial investment for reasons other than credit deterioration. The interest earned and the foreign currency exchange variation are recognized in profit or loss. The balances are stated at acquisition cost plus interest, using the effective interest rate method. Loans and receivables include cash and banks, trade receivables, dividends receivable, and other trade receivables.

The Company and its subsidiaries use derivative financial instruments for hedging purposes, applying the concepts described below:

Hedge accounting fair value hedge: derivative financial instruments used to hedge exposure to changes in the fair value of an item, attributable to a particular risk, which can affect the entity's profit or loss. In the initial designation of the fair value hedge, the relationship between the hedging instrument and the hedged item is documented, including the objectives of risk management, the strategy in conducting the transaction, and the methods to be used to evaluate its effectiveness. Once the fair value hedge has been qualified as effective, the hedge item is also measured at fair value. Gains and losses from hedge instruments and hedge items are recognized in profit or loss. The hedge accounting must be discontinued when the hedge becomes ineffective.

Hedge accounting cash flow hedge: derivative financial instruments used to hedge the exposure to variability in cash flows that is attributable to a risk associated with an asset or liability or highly probable transaction that may affect the income statements. The portion of the gain or loss on the hedging instrument that is determined to be effective relating to the effects of exchange rate effect, is recognized directly in equity in accumulated other comprehensive income as Valuation adjustments while the ineffective portion is recognized in profit or loss. Gains or losses on the hedging instrument relating to the effective portion of this hedge that had been recognized directly in accumulated other comprehensive income shall be recognized in profit or loss in the period in which the hedged item is recognized in profit or loss or as initial cost of non-financial assets, in the same line of the statement that the hedged item is recognized. The hedge accounting shall be discontinued when (i) the Company cancels the hedging relationship; (ii) the hedging instrument expires; and (iii) the hedging instrument no longer qualifies for hedge accounting. When hedge accounting is discontinued, gains and losses recognized in other comprehensive income in equity are reclassified to profit or loss in the period which the hedged item is recognized in profit or loss. If the transaction hedged is canceled or is not expected to occur, the cumulative gains and losses in other comprehensive income in equity shall be recognized immediately in profit or loss.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Hedge accounting hedge of net investments in foreign operation: derivative financial instruments used to hedge exposure on net investments in foreign subsidiaries due to the fact that the local functional currency is different from the functional currency of the Company. The portion of the gain or loss on the hedging instrument that is determined to be effective, referring to the exchange rate effect, is recognized directly in equity in accumulated other comprehensive income as cumulative translation adjustments, while the ineffective portion and the operating costs are recognized in profit or loss. The gain or loss on the hedging instrument that has been recognized directly in accumulated other comprehensive income shall be recognized in income upon disposal of the foreign operation.

For further detail on financial instruments of the Company and its subsidiaries, see Notes 4, 14, and 31.

d. Trade Receivables

Trade receivables are recognized at the amount invoiced, adjusted to present value if applicable, and includes all direct taxes attributable to the Company and its subsidiaries. An allowance for doubtful accounts is recorded based on estimated losses and is set at an amount deemed by management to be sufficient to cover any probable loss on realization of trade receivables (see Notes 5 and 31 Customer Credit Risk).

e. Inventories

Inventories are stated at the lower of acquisition cost or net realizable value (see Note 6). The cost value of inventory is measured using the weighted average cost and includes the costs of acquisition and processing directly related to the units produced based on the normal capacity of production. Estimates of net realizable value are based on the average selling prices at the end of the reporting period, net of applicable direct selling expenses. Subsequent events related to the fluctuation of prices and costs are also considered, if relevant. If net realizable values are below inventory costs, a provision corresponding to this difference is recognized. Provisions are also made for obsolescence of products, materials, or supplies that (i) do not meet the Company and its subsidiaries specifications, (ii) have exceeded their expiration date, or (iii) are considered slow-moving inventory. This classification is made by management with the support of its industrial and operations teams.

f. Investments

Investments in subsidiaries are accounted for under the equity method of accounting in the individual interim financial information of the parent company.

A subsidiary is an investee in which the investor is entitled to variable returns on investment and has the ability to interfere in its financial and operational activities. Usually the equity interest in a subsidiary is more than 50%.

Investments in associates and joint ventures are accounted for under the equity method of accounting in the individual and consolidated interim financial information (see Note 11).

An associate is an investment, in which an investor has significant influence, that is, has the power to participate in the financial and operating decisions of the investee but does not exercise control.

A joint venture is an investment in which the shareholders have the right to net assets on behalf of a joint control. Joint control is the agreement which establish that decisions about the relevant activities of the investee require the consent from the parties that share control.

Other investments are stated at acquisition cost less provision for losses, unless the loss is considered temporary.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Property, Plant, and Equipment

Property, plant, and equipment is recognized at acquisition or construction cost, including financial charges incurred on property, plant, and equipment under construction, as well as maintenance costs resulting from scheduled plant outages and estimated costs to remove, to decommission, or to restore assets (see Notes 2.m and 19).

Depreciation is calculated using the straight-line method, over the periods mentioned in Note 12, taking into account the estimated useful lives of the assets, which are reviewed annually.

Leasehold improvements are depreciated over the shorter of the lease contract term and useful life of the property.

h. Leases

Finance Leases

Certain lease contracts transfer substantially all the risks and benefits associated with the ownership of an asset to the Company and its subsidiaries. These contracts are characterized as finance leases, and assets thereunder are capitalized at lease commencement at their fair value or, if lower, present value of the minimum lease payments under the contracts. The items recognized as assets are depreciated and amortized using the lower of the straight-line method over the lower of the useful lives applicable to each group of assets or the contract terms, as mentioned in Notes 12 and 13. Financial charges under the finance lease contracts are allocated to profit or loss over the lease contract term, based on the amortized cost and the effective interest rate method of the related lease obligation (see Note 14.h).

Operating Leases

There are lease transactions where the risks and benefits associated with the ownership of the asset are not transferred and where there is no purchase option, or the purchase option at the end of the contract is equivalent to the market value of the leased asset. Payments made under an operating lease contract are recognized as cost or expense in the income statement on a straight-line basis over the term of the lease contract (see Note 32.c).

i. Intangible Assets

Intangible assets include assets acquired by the Company and its subsidiaries from third parties, according to the criteria below (see Note 13):

Goodwill is carried net of accumulated amortization as of December 31, 2008, when it ceased to be amortized. Goodwill generated since January 1, 2009 is shown as intangible assets corresponding to the positive difference between the amount paid or payable to the seller and the fair value of the identified assets and liabilities assumed of the acquired entity, and is tested annually for impairment. Goodwill is allocated to the business segments, which represent the lowest level that goodwill is monitored by the Company for impairment testing purposes.

Bonus disbursements as provided in Ipiranga's agreements with reseller service stations and major consumers are recognized as distribution rights when paid and amortized using the straight-line method according to the term of the agreement.

Other intangible assets acquired from third parties, such as software, technology, and commercial property rights, are measured at the total acquisition cost and amortized using straight-line method, over the periods mentioned in Note 13, taking into account their useful life, which is reviewed annually.

The Company and its subsidiaries have not recognized intangible assets that were generated internally. The Company and its subsidiaries have goodwill and brands acquired in business combinations, which are evaluated as intangible assets with indefinite useful life (see Note 13 items i and vi).

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

j. Other Assets

Other assets are stated at the lower of cost and realizable value, including, if applicable, interest earned, monetary changes and changes in exchange rates incurred or less a provision for loss and, if applicable, adjustment to present value (see Note 2.u).

k. Financial Liabilities

The Company and its subsidiaries' financial liabilities include trade payables and other payables, loans, debentures, finance leases and derivative financial instruments. Financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortized cost. The financial liabilities at fair value through profit or loss refer to derivative financial instruments, subscription warrants, and financial liabilities designated as hedged items in a fair value hedge relationship upon initial recognition (see Note 2.c Fair Value Hedge). The financial liabilities at amortized cost are stated at the initial transaction amount plus related charges and net of amortization and transaction costs. The charges are recognized in profit or loss using the effective interest rate method.

Transaction costs incurred and directly attributable to the activities necessary for contracting loans or for issuing bonds, as well as premiums and discounts upon issuance of debentures and other debt, are allocated to the instrument and amortized to profit or loss over its term, using the effective interest rate method (see Note 14.i). Transaction costs incurred and directly attributable to the issue of shares or other equity instruments are recognized in equity and are not amortized.

l. Income and Social Contribution Taxes on Income

Current and deferred income tax (IRPJ) and social contribution on net income tax (CSLL) are calculated based on their current rates, considering the value of tax incentives. Taxes are recognized based on the rates of IRPJ and CSLL provided for by the laws enacted on the last day of the reporting period. The current rates in Brazil are 25% for income tax and 9% for social contribution on net income tax. For further details about recognition and realization of IRPJ and CSLL, see Note 9.

m. Provision for Asset Retirement Obligation Fuel Tanks

The Company and its subsidiaries have the legal obligation to remove Ipiranga's underground fuel tanks located at Ipiranga-branded service stations after a certain period. The estimated cost of the obligation to remove these fuel tanks

is recognized as a liability when the tanks are installed. The estimated cost is recognized in property, plant, and equipment and depreciated over the respective useful lives of the tanks. The amounts recognized as a liability are monetarily restated using the National Consumer Price Index - IPCA until the respective tank is removed (see Note 19). An increase in the estimated cost of the obligation to remove the tanks could result in negative impact in future results. The estimated removal cost is reviewed and updated annually or when there is significant change in its amount and change in the estimated costs are recognized in income when they become known.

n. Provisions for Tax, Civil, and Labor Risks

A provision for tax, civil and labor risks is recognized for quantifiable risks, when the chance of loss is more-likely-than-not in the opinion of management and internal and external legal counsel, and the amounts are recognized based on the evaluation of the outcomes of the legal proceedings (see Note 20).

o. Post-Employment Benefits

Post-employment benefits granted and to be granted to employees, retirees, and pensioners are based on an actuarial calculation prepared by an independent actuary, using the projected unit credit method (see Note 18.b). The actuarial gains and losses are recognized in cumulative other comprehensive income in the Valuation adjustments and presented in the statement of shareholders' equity. Past service cost is recognized in the income statement.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information***(In thousands of Brazilian Reais, unless otherwise stated)****p. Other Liabilities***

Other liabilities are stated at known or measurable amounts plus, if applicable, related charges, monetary restatement, and changes in exchange rates incurred. When applicable, other liabilities are recognized at present value, based on interest rates that reflect the term, currency, and risk of each transaction.

q. Foreign Currency Transactions

Foreign currency transactions carried out by the Company or its subsidiaries are remeasured into their functional currency at the exchange rate prevailing at the date of each transaction. Outstanding monetary assets and liabilities of the Company and its subsidiaries are translated using the exchange rate at the end of the reporting period. The effect of the difference between those exchange rates is recognized in profit or loss until the conclusion of each transaction.

r. Basis for Translation of Interim Financial Information of Foreign Subsidiaries

Assets and liabilities of the foreign subsidiaries, denominated in currencies other than that of the Company (functional currency: Brazilian Real), which have administrative autonomy, are translated using the exchange rate at the end of the reporting period. Revenues and expenses are translated using the average exchange rate of each year and shareholders' equity is translated at the historic exchange rate of each transaction affecting shareholders' equity. Gains and losses resulting from changes in these foreign investments are directly recognized in shareholders' equity in cumulative other comprehensive income in the cumulative translation adjustments and will be recognized in profit or loss if these investments are disposed of. The balance in cumulative other comprehensive income and presented in the shareholders' equity as cumulative translation adjustments as of September 30, 2016 was a loss of R\$ 4,277 (gain of R\$ 66,925 as of December 31, 2015), see Note 23.f.

The foreign subsidiaries with functional currency different from the Company and which have administrative autonomy are listed below:

Subsidiary	Functional currency	Location
Oxiteno México S.A. de C.V.	Mexican Peso	Mexico
Oxiteno Servicios Corporativos S.A. de C.V.	Mexican Peso	Mexico
Oxiteno Servicios Industriales de C.V.	Mexican Peso	Mexico
Oxiteno USA LLC	U.S. Dollar	United States

Oxiteno Andina, C.A.	Bolivar	Venezuela
Oxiteno Uruguay S.A.	U.S. Dollar	Uruguay

The subsidiary Oxiteno Uruguay S.A. (Oxiteno Uruguay) determined its functional currency as the U.S. dollar (US\$), as its sales, purchases of goods, and financing activities are performed substantially in this currency.

According to IAS 29, Venezuela is classified as a hyperinflationary economy. As a result, the financial information of Oxiteno Andina, C.A. (Oxiteno Andina) was adjusted by the Venezuelan Consumer Price Index.

On March 9, 2016, the Venezuelan Central Bank issued Foreign Exchange Regulation No. 35, effective from March 10, 2016, altering the Venezuelan foreign exchange markets and regulating the legally recognized types of exchange rates:

a) DIPRO *Tipo de Cambio Protegido* (Exchange Protected): Bolivar (VEF) is traded at an exchange rate of 9.975 VEF/US\$ to buy and 10.00 VEF/US\$ for purchase. This rate is applied to importation of essential goods (medicines and food) and raw materials and inputs related to the production of these sectors. This rate is channeled through CENCOEX *Centro Nacional de Comercio Exterior en Venezuela*;

b) DICOM *Tipo de Cambio Complementario Flotante de Mercado Supplemental* (Floating Market Exchange): Bolivar is traded at variable exchange rate of 658.8853 VEF/US\$ for selling and reduced by 0.25% for purchase. This rate is applied to settlement currency of all unforeseen transactions in Foreign Exchange Regulation. This rate is channeled through alternative currency markets.

The types of exchange rates previously regulated by the Foreign Exchange Regulation No. 33 were extinct.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information**

(In thousands of Brazilian Reais, unless otherwise stated)

Due to the political and economic situation in Venezuela, the Company's management reassessed the exchange rate used in the translation of financial statements and changed, on December 31, 2015, the rate from SICAD *Sistema Complementario de Administración de Divisas* to SIMADI *Sistema Marginal de Divisas*, due to the fact that currently this exchange rate is the one that most closely matches the best expression of the Venezuelan economy. Thus, from December 31, 2015, the amounts in Bolivar have been translated to the U.S. dollar at the exchange rate of SIMAD and subsequently translated into Brazilian Reais using the official exchange rate published by the Central Bank of Brazil. Due to the Foreign Exchange Regulation No. 35, from March 10, 2016, the Company began to use the DICOM exchange rate in the translation.

Assets and liabilities of the other foreign subsidiaries, which do not have administrative autonomy, are considered an extension of the activities of their parent company and are translated using the exchange rate at the end of the reporting period. Gains and losses resulting from changes in these foreign investments are directly recognized as financial income or loss. The gain recognized in income for the nine-month period ended September 30, 2016 amounted to R\$ 5,574 (R\$ 7,349 gain for the nine-month period ended September 30, 2015).

s. Use of Estimates, Assumptions and Judgments

The preparation of the interim financial information requires the use of estimates, assumptions, and judgments for the accounting of certain assets, liabilities, and income. Therefore, the Company's and subsidiaries' management use the best information available at the time of preparation of the interim financial information, as well as the experience of past and current events, also considering assumptions regarding future events. The interim financial information therefore include estimates, assumptions, and judgments related mainly to determining the fair value of financial instruments (Notes 2.c, 2.k, 4, 14 and 31), the determination of the allowance for doubtful accounts (Notes 2.d, 5 and 31), the determination of provisions for losses of inventories (Notes 2.e and 6), the determination of deferred income taxes amounts (Notes 2.l and 9), the determination of control in subsidiaries (Notes 2.f, 2.r, 3 and 11.a), the determination of joint control in joint venture (Notes 2.f, 11.a and 11.b), the determination of significant influence in associates (Notes 2.f and 11.c), the determination of exchange rate used to translation of Oxiteno Andina information (Note 2.r), the useful lives of property, plant, and equipment (Notes 2.g and 12), the useful lives of intangible assets, and the determination of the recoverable amount of goodwill (Notes 2.i and 13), provisions for assets retirement obligations (Notes 2.m and 19), provisions for tax, civil, and labor risks (Notes 2.n and 20), estimates for the preparation of actuarial reports (Notes 2.o and 18.b) and the determination of fair value of subscription warrants indemnification (Notes 22 and 31). The actual result of the transactions and information may differ from their estimates.

t. Impairment of Assets

The Company and its subsidiaries review, at least annually, the existence of any indication that an asset may be impaired. If there is an indication, the Company and its subsidiaries estimate the recoverable amount of the asset. Assets that cannot be evaluated individually are grouped in the smallest group of assets that generate cash flow from continuous use and that are largely independent of cash flows of other assets (cash generating units - CGU). The recoverable amount of assets or CGUs corresponds to the greater of their fair value net of applicable direct selling costs and their value in use.

The fair value less costs of disposal is determined by the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, net of costs of removing the asset, and direct incremental costs to bring an asset into condition for its sale, legal costs, and taxes.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information**

(In thousands of Brazilian Reais, unless otherwise stated)

To assess the value in use, the Company and its subsidiaries consider the projections of future cash flows, trends, and outlooks, as well as the effects of obsolescence, demand, competition, and other economic factors. Such cash flows are discounted to their present values using the discount rate before tax that reflects market conditions for the period of impairment testing and the specific risks of the asset or CGU being evaluated. In cases where the expected discounted future cash flows are less than their carrying amount, an impairment loss is recognized for the amount by which the carrying value exceeds the fair value of these assets. Losses for impairment of assets are recognized in profit or loss. In case goodwill has been allocated to a CGU, the recognized losses are first allocated to reduce the corresponding goodwill. If the goodwill is not enough to absorb such losses, the surplus is allocated to the assets on a pro-rata basis. An impairment of goodwill cannot be reversed. For other assets, impairment losses may be reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if the impairment had not been recognized.

No impairment was recognized in the years presented (see Note 13.i).

u. Adjustment to Present Value

Some of the Company's subsidiaries recognized a present value adjustment to Tax on Goods and Services (ICMS , the Brazilian VAT) credit balances related to property, plant, and equipment (CIAP). Because recovery of these credits occurs over a 48 month period, the present value adjustment reflects, in the interim financial information, the time value of the ICMS credits to be recovered. The balance of these adjustment to present value totaled R\$ 919 as of September 30, 2016 (R\$ 109 as of December 31, 2015).

The Company and its subsidiaries reviewed all items classified as non-current and, when relevant, current assets and liabilities, and did not identify the need to recognize other present value adjustments.

v. Business Combination

A business combination is accounted applying the acquisition method. The cost of the acquisition is measured based on the consideration transferred and to be transferred, measured at fair value at the acquisition date. In a business combination, the assets acquired and liabilities assumed are measured in order to classify and allocate them accordingly to the contractual terms, economic circumstances and relevant conditions on the acquisition date. The non-controlling interest in the acquired is measured at fair value or based on its interest in identifiable net assets acquired. Goodwill is measured as the excess of the consideration transferred and to be transferred over the fair value of net assets acquired (identifiable assets and liabilities assumed, net). After the initial recognition, goodwill is

measured at cost less any accumulated impairment losses. For impairment testing purposes, goodwill is allocated to the Company's operating segments. When the cost of the acquisition is lower than the fair value of net assets acquired, a gain is recognized directly in the income statement. Costs related to the acquisition are recorded in the income statement when incurred.

w. *Statements of Value Added*

As required by Brazilian Corporate Law, the Company and its subsidiaries prepare the individual and consolidated statements of value added (DVA) according to CPC 09 Statement of Value Added, as an integral part of the interim financial information as applicable to publicly-traded companies, and as supplemental information for IFRS, which does not require the presentation of DVA.

x. *Statements of Cash Flows*

The Company and its subsidiaries prepared its individual and consolidated statements of cash flows in accordance with IAS 7 (CPC 03) Cash Flow Statement. The Company and its subsidiaries present the interest paid on loans and debentures in financing activities.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information***(In thousands of Brazilian Reais, unless otherwise stated)***y. Adoption of the Pronouncements Issued by CPC and IFRS**

The following standards, amendments, and interpretations to IFRS were issued by the IASB but are not yet effective and were not adopted as of September 30, 2016:

	Effective date
IFRS 9: Financial instrument classification and measurement: includes new requirements for the classification and measurement of financial assets and liabilities, derecognition requirements, new impairment methodology for financial instruments, and new hedge accounting guidance.	2018
IFRS 15 Revenue from contracts with customers: establish the principles of nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with a customer.	2018
IFRS 16 Lease: requires lessees record, in the financial statements, a liability reflecting future payments of a lease and the right to use an asset for the lease contracts, except for certain short-term leases and low asset value contracts. The criteria for recognition and measurement of leases in the financial statements of lessors are substantially maintained.	2019

CPC has not yet issued pronouncements equivalent to these IFRS, but is expected to do so before the date they become effective. The adoption of IFRS is subject to prior approval by the CVM. The Company is assessing the potential effects of these standards.

z. Authorization for Issuance of the Interim Financial Information

These interim financial information were authorized for issue by the Board of Directors on November 9, 2016.

3. Principles of Consolidation and Investments in Subsidiaries

The consolidated interim financial information were prepared following the basic principles of consolidation established by IFRS 10 (CPC 36 (R3)). Investments of one company in another, balances of asset and liability accounts, and revenues and expenses were eliminated, as well as the effects of transactions conducted between the companies. Non-controlling interests in subsidiaries are presented within consolidated shareholders equity and net income.

Consolidation of a subsidiary begins when the parent company obtains direct or indirect control over a company and ceases when the parent company loses control of a company. Income and expenses of a subsidiary acquired are included in the consolidated income statement and other comprehensive income from the date the parent company gains the control. Income and expenses of a subsidiary, in which the parent company loses control, are included in the consolidated income statement and other comprehensive income until the date the parent company loses control.

When necessary, adjustments are made to the interim financial information of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information***(In thousands of Brazilian Reais, unless otherwise stated)*

The consolidated interim financial information includes the following direct and indirect subsidiaries:

	Location	Segment	% interest in the share			
			09/30/2016		12/31/2015	
			Control	Indirect control	Control	Indirect control
Ipiranga Produtos de Petróleo S.A.	Brazil	Ipiranga	100		100	
am/pm Comestíveis Ltda.	Brazil	Ipiranga		100		100
Centro de Conveniências Millennium Ltda.	Brazil	Ipiranga		100		100
Icorban Correspondente Bancário Ltda.	Brazil	Ipiranga		100		100
Ipiranga Trading Limited	Virgin Islands	Ipiranga		100		100
Tropical Transportes Ipiranga Ltda.	Brazil	Ipiranga		100		100
Ipiranga Imobiliária Ltda.	Brazil	Ipiranga		100		100
Ipiranga Logística Ltda.	Brazil	Ipiranga		100		100
Oil Trading Importadora e Exportadora Ltda.	Brazil	Ipiranga		100		100
Ipiranga Lubrificantes S.A. ⁽¹⁾	Brazil	Ipiranga		100		
Companhia Ultragaz S.A.	Brazil	Ultragaz		99		99
Bahiana Distribuidora de Gás Ltda.	Brazil	Ultragaz		100		100
Utingás Armazenadora S.A.	Brazil	Ultragaz		57		57
LPG International Inc.	Cayman Islands	Ultragaz		100		100
Imaven Imóveis Ltda.	Brazil	Others		100		100
Imifarma Produtos Farmacêuticos e Cosméticos S.A.	Brazil	Extrafarma		100		100
Oxiten S.A. Indústria e Comércio	Brazil	Oxiten	100		100	
Oxiten Nordeste S.A. Indústria e Comércio	Brazil	Oxiten		99		99
Oxiten Argentina Sociedad de Responsabilidad Ltda.	Argentina	Oxiten		100		100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	Oxiten		100		100
Oxiten Uruguay S.A.	Uruguay	Oxiten		100		100
Barrington S.L.	Spain	Oxiten		100		100
Oxiten México S.A. de C.V.	Mexico	Oxiten		100		100
Oxiten Servicios Corporativos S.A. de C.V.	Mexico	Oxiten		100		100

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Oxiteno Servicios Industriales S.A. de C.V.	Mexico	Oxiteno	100	100
Oxiteno USA LLC	United States	Oxiteno	100	100
Global Petroleum Products Trading Corp.	Virgin Islands	Oxiteno	100	100
Oxiteno Overseas Corp.	Virgin Islands	Oxiteno	100	100
Oxiteno Andina, C.A.	Venezuela	Oxiteno	100	100
Oxiteno Europe SPRL	Belgium	Oxiteno	100	100
Oxiteno Colombia S.A.S	Colombia	Oxiteno	100	100
Oxiteno Shanghai LTD.	China	Oxiteno	100	100
Empresa Carioca de Produtos Químicos S.A.	Brazil	Oxiteno	100	100
Ultracargo Operações Logísticas e Participações Ltda.	Brazil	Ultracargo	100	100
Terminal Químico de Aratu S.A. Tequimar	Brazil	Ultracargo	99	99
Ultrapar International S.A. ⁽²⁾	Luxembourg	Others	100	
SERMA Ass. dos usuários equip. proc. de dados	Brazil	Others	100	100

The percentages in the table above are rounded.

- (1) On August 4, 2016, the Company through its subsidiary Ipiranga Produtos de Petróleo S.A. (IPP) entered into an association agreement with Chevron Brasil Lubrificantes Ltda. (Chevron) to create a new company in the lubricants business. Under this agreement, the association will be formed by Ipiranga s and Chevron s lubricants operations in Brazil. Ipiranga and Chevron will own 56% and 44%, respectively, of the new company s capital. This transaction is subject to approval of the competent regulatory authorities, notably the Brazilian Antitrust Authority (CADE). On September 2016, Ipiranga Lubrificantes S.A was formed in order to segregate Ipiranga s lubricants operations from IPP.
- (2) In September 2016, in view of the international expansion of the Company, subsidiary Ultrapar International S.A. was formed.

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information***(In thousands of Brazilian Reais, unless otherwise stated)*

On June 12, 2016, the Company through its subsidiary IPP signed a sale and purchase agreement for the acquisition of 100% of Alesat Combustíveis S.A. (ALE) and the assets integrating its operations. The total value of the acquisition is R\$ 2,168 million, which will be reduced by ALE's net debt as of December 31, 2015 and is subject to working capital and net debt adjustments as of the closing date of the transaction. The value will be paid in domestic currency reduced by ALE's net debt, by an escrow account in the amount of R\$ 300 million in order to indemnify for the outcome arising from liabilities or contingencies, and by additional amount for net debt and working capital adjustments. On August 3, 2016 the extraordinary general shareholders' meeting of Ultrapar approved the transaction. The closing of the acquisition is subject to certain usual precedent conditions in transactions of similar nature, mainly the approval by CADE.

4. Cash and Cash Equivalents and Financial Investments

Cash equivalents and financial investments, excluding cash and bank deposits, are substantially represented by investments: (i) in Brazil, in certificates of deposit of first-rate financial institutions linked to the Interbank Certificate of Deposit (CDI), in repurchase agreement and in short term investments funds, whose portfolio comprised exclusively of Brazilian Federal Government bonds; (ii) outside Brazil, in certificates of deposit of first-rate financial institutions; and (iii) in currency and interest rate hedging instruments.

The financial assets were classified in Note 31, according to their characteristics and intention of the Company and its subsidiaries.

The balance of cash, cash equivalents and financial investments (consolidated) amounted to R\$ 3,170,047 as of September 30, 2016 (R\$ 3,973,162 as of December 31, 2015) and are distributed as follows:

Cash and Cash Equivalents

Cash and cash equivalents are considered: (i) cash and bank deposits, and (ii) highly-liquid short-term investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

	Parent		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015

Cash and bank deposits				
------------------------	--	--	--	--

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

In local currency	117	120	59,244	92,160
In foreign currency			70,049	99,856
Financial investments considered cash equivalents				
In local currency				
Fixed-income securities	129,519	47,941	2,112,170	2,497,903
In foreign currency				
Fixed-income securities			56,499	12,974
Total cash and cash equivalents	129,636	48,061	2,297,962	2,702,893

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Individual and Consolidated Interim Financial Information***(In thousands of Brazilian Reais, unless otherwise stated)***Financial Investments**

The financial investments of the Company and its subsidiaries, which are not classified as cash and cash equivalents, are distributed as follows:

	Parent		Consolidated	
	09/30/2016	12/31/2015	09/30/2016	12/31/2015
Financial investments				
In local currency				
Fixed-income securities and funds	10,144	6,708	648,887	801,587
In foreign currency				
Fixed-income securities and funds			28,274	35,013
Currency and interest rate hedging instruments (a)			194,924	433,669
Total financial investments	10,144	6,708	872,085	1,270,269
Current	10,144	6,708	862,325	803,304
Non-current			9,760	466,965

(a) Accumulated gains, net of income tax (see Note 31).

5. Trade Receivables (Consolidated)

The composition of trade receivables is as follows:

	09/30/2016	12/31/2015
Domestic customers	3,100,261	2,971,019
Reseller financing Ipiranga	395,198	350,119
Foreign customers	194,742	199,081
(-) Allowance for doubtful accounts	(231,432)	(200,816)

