ULTRAPAR HOLDINGS INC
Form 6-K
November 05, 2014

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, 2014

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.
(Translation of Registrant's Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar
São Paulo, SP, Brazil 01317-910
(Address of Principal Executive Offices)

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

Form 20-F X	Form 40-F

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

Yes No X

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

Yes No X

ULTRAPAR HOLDINGS INC.

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

Ultrapar Participações S.A.

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Individual and Consolidated Interim Financial Information
for the Nine-Month Period Ended September 30, 2014

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(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, 2014, which comprises the balance sheet as of September 30, 2014 and the related statements of income and of comprehensive income for the three and nine-month periods then ended and of changes in equity and of 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 interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Information and the consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and with 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 individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual 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), applicable to the preparation of the Interim Financial Information (ITR), and presented in accordance with the standards issued by the CVM.

Conclusion on consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 the 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, 2014, 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 - IFRS, which do not require the presentation of these statements. 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 5, 2014

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Edimar Facco
Engagement Partner

Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of September 30, 2014 and December 31, 2013

(In thousands of Brazilian Reais)

		Parent		Consolidated	
Assets	Note	09/30/2014	12/31/2013	09/30/2014	12/31/2013
Current assets					
Cash and cash equivalents	4	116,043	110,278	2,485,789	2,276,069
Financial investments	4	68,970	264	1,211,068	1,149,132
Trade receivables, net	5	-	-	2,542,733	2,321,537
Inventories, net	6	-	-	1,941,346	1,592,513
Recoverable taxes, net	7	23,360	27,067	558,640	479,975
Dividends receivable		-	296,918	-	177
Other receivables		1,294	1,349	52,943	19,361
Prepaid expenses, net	10	62	1,907	57,926	65,177
Total current assets		209,729	437,783	8,850,445	7,903,941
Non-current assets					
Financial investments	4	-	-	129,235	118,499
Trade receivables, net	5	-	-	137,687	124,478
Related parties	8.a	750,000	772,194	10,858	10,858
Deferred income and social contribution taxes	9.a	14	395	412,343	376,132
Recoverable taxes, net	7	40,174	21,464	81,195	37,365
Escrow deposits	23	148	148	683,955	614,912
Other receivables		-	-	8,143	6,634
Prepaid expenses, net	10	-	-	99,631	97,805
		790,336	794,201	1,563,047	1,386,683
Investments					
In subsidiaries	11.a	7,175,238	6,112,193	-	-
In joint-ventures	11.a;11.b	21,957	22,751	50,008	44,386
In associates	11.c	-	-	12,438	11,741
Other		-	-	2,814	2,814
Property, plant, and equipment, net	12	-	-	4,977,783	4,860,225
Intangible assets, net	13	246,163	246,163	3,013,935	2,168,755
		7,443,358	6,381,107	8,056,978	7,087,921
Total non-current assets		8,233,694	7,175,308	9,620,025	8,474,604
Total assets		8,443,423	7,613,091	18,470,470	16,378,545

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

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Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of September 30, 2014 and December 31, 2013

(In thousands of Brazilian Reais)

		Parent		Consolidated	
Liabilities	Note	09/30/2014	12/31/2013	09/30/2014	12/31/2013
Current liabilities					
Loans	14	-	-	1,668,291	1,767,824
Debentures	14.g	847,893	53,287	899,164	60,377
Finance leases	14.j	-	-	2,933	1,788
Trade payables	15	9	1,133	975,581	968,950
Salaries and related charges	16	158	141	287,655	297,654
Taxes payable	17	6	24	141,716	116,322
Dividends payable	20.g	13,132	237,938	15,757	242,207
Income and social contribution taxes payable		-	559	96,851	113,922
Post-employment benefits	24.b	-	-	11,922	11,922
Provision for asset retirement obligation	18	-	-	4,558	3,449
Provision for tax, civil, and labor risks	23.a	-	-	70,270	69,306
Other payables		292	320	46,888	93,040
Deferred revenue	19	-	-	20,297	17,731
Total current liabilities		861,490	293,402	4,241,883	3,764,492
Non-current liabilities					
Loans	14	-	-	4,178,635	3,697,999
Debentures	14.g	-	799,197	1,398,872	1,399,035
Finance leases	14.j	-	-	44,841	42,603
Related parties	8.a	-	-	3,872	3,872
Subscription warrants – indemnification	3.a	107,181	-	107,181	-
Deferred income and social contribution taxes	9.a	470	-	98,422	101,499
Provision for tax, civil, and labor risks	23.a	544	531	629,247	569,714
Post-employment benefits	24.b	-	-	110,829	99,374
Provision for asset retirement obligation	18	-	-	65,940	66,212
Other payables		-	-	79,370	77,725
Deferred revenue	19	-	-	8,822	9,134
Total non-current liabilities		108,195	799,728	6,726,031	6,067,167
Shareholders' equity					
Share capital	20.a	3,838,686	3,696,773	3,838,686	3,696,773
Capital reserve	20.c	526,087	20,246	526,087	20,246
Revaluation reserve	20.d	5,913	6,107	5,913	6,107
Profit reserves	20.e	2,706,632	2,706,632	2,706,632	2,706,632
Treasury shares	20.b	(111,521)	(114,885)	(111,521)	(114,885)
Additional dividends to the minimum mandatory dividends	20.g	-	161,584	-	161,584
Retained earnings		482,778	-	482,778	-
Valuation adjustments		5,438	5,428	5,438	5,428

	2.c;2.o; 20.f				
Cumulative translation adjustments	2.r;20.f	19,725	38,076	19,725	38,076
Shareholders’ equity attributable to:					
Shareholders of the Company		7,473,738	6,519,961	7,473,738	6,519,961
Non-controlling interests in subsidiaries		-	-	28,818	26,925
Total shareholders’ equity		7,473,738	6,519,961	7,502,556	6,546,886
Total liabilities and shareholders’ equity		8,443,423	7,613,091	18,470,470	16,378,545

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

Ultrapar Participações S.A. and Subsidiaries

Income Statements

For the three-month period ended September 30, 2014 and 2013

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

		Parent		Consolidated	
	Note	07/01/2014 to 09/30/2014	07/01/2013 to 09/30/2013	07/01/2014 to 09/30/2014	07/01/2013 to 09/30/2013
Net revenue from sales and services	25	-	-	17,299,930	15,909,670
Cost of products and services sold	26	-	-	(15,929,882)	(14,645,484)
Gross profit		-	-	1,370,048	1,264,186
Operating income (expenses)					
Selling and marketing	26	-	-	(556,706)	(461,347)
General and administrative	26	(2,470)	(2,743)	(268,861)	(264,978)
Income from disposal of assets	28	-	5	8,502	3,672
Other operating income, net	27	2,420	2,742	20,880	29,007
Operating income before financial income (expenses) and share of profit of subsidiaries and joint ventures		(50)	4	573,863	570,540
Financial income	29	35,580	35,201	92,742	66,206
Financial expenses	29	(22,828)	(19,225)	(200,142)	(155,110)
Share of profit of subsidiaries, joint ventures, and associates	11	317,694	314,762	(5,185)	(1,779)
Income before income and social contribution taxes		330,396	330,742	461,278	479,857
Income and social contribution taxes					
Current	9.b	(2,476)	(5,318)	(130,324)	(159,322)
Deferred	9.b	(1,739)	2	(16,662)	(11,376)
Tax incentives	9.b;9.c	-	-	14,486	18,638
		(4,215)	(5,316)	(132,500)	(152,060)
Net income for the period		326,181	325,426	328,778	327,797
Net income for the period attributable to:					
Shareholders of the Company		326,181	325,426	326,181	325,426
		-	-	2,597	2,371

Non-controlling interests in subsidiaries					
Earnings per share (based on weighted average of shares outstanding) – R$					
Basic	30	0.5971	0.6094	0.5971	0.6094
Diluted	30	0.5922	0.6066	0.5922	0.6066

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

Ultrapar Participações S.A. and Subsidiaries

Income Statements

For the nine-month period ended September 30, 2014 and 2013

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

		Parent		Consolidated	
	Note	01/01/2014 to 09/30/2014	01/01/2013 to 09/30/2013	01/01/2014 to 09/30/2014	01/01/2013 to 09/30/2013
Net revenue from sales and services	25	-	-	49,914,027	44,713,742
Cost of products and services sold	26	-	-	(45,972,139)	(41,225,605)
Gross profit		-	-	3,941,888	3,488,137
Operating income (expenses)					
Selling and marketing	26	-	-	(1,584,329)	(1,309,950)
General and administrative	26	(29,582)	(7,939)	(833,521)	(750,555)
Income from disposal of assets	28	-	5	15,194	18,394
Other operating income, net	27	10,173	7,988	62,448	64,252
Operating income before financial income (expenses) and share of profit of subsidiaries and joint ventures		(19,409)	54	1,601,680	1,510,278
Financial income	29	95,481	83,803	263,996	166,644
Financial expenses	29	(67,226)	(64,985)	(584,739)	(410,392)
Share of profit of subsidiaries, joint ventures and associates	11	866,650	899,718	(10,820)	(3,821)
Income before income and social contribution taxes		875,496	918,590	1,270,117	1,262,709
Income and social contribution taxes					
Current	9.b	(2,476)	(66,226)	(436,932)	(404,017)
Deferred	9.b	(851)	(34)	(1,163)	(41,427)
Tax incentives	9.b;9.c		-	47,441	40,738
		(3,327)	(66,260)	(390,654)	(404,706)
Net income for the period		872,169	852,330	879,463	858,003
Net income for the period attributable to:					
Shareholders of the Company		872,169	852,330	872,169	852,330
Non-controlling interests in subsidiaries		-	-	7,294	5,673

Earnings per share (based on weighted average of shares outstanding) – R$					
Basic	30	1.5996	1.5960	1.5996	1.5960
Diluted	30	1.5874	1.5889	1.5874	1.5889

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Comprehensive Income

For the three-month period ended September 30, 2014 and 2013

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	07/01/2014 to 09/30/2014	07/01/2013 to 09/30/2013	07/01/2014 to 09/30/2014	07/01/2013 to 09/30/2013
Net income for the period attributable to shareholders of the Company		326,181	325,426	326,181	325,426
Net income for the period attributable to non-controlling interests in subsidiaries		-	-	2,597	2,371
Net income for the period		326,181	325,426	328,778	327,797
Items that are subsequently reclassified to profit or loss:					
Valuation adjustments for financial instruments	2.c; 20.f	27	(26)	27	(26)
Cumulative translation adjustments, net of hedge of net investments in foreign operation	2.c; 2.r; 20.f	(32,207)	4,899	(32,207)	4,899
Total comprehensive income for the period		294,001	330,299	296,598	332,670
Total comprehensive income for the period attributable to shareholders of the Company		294,001	330,299	294,001	330,299
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries		-	-	2,597	2,371

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Comprehensive Income

For the nine-month period ended September 30, 2014 and 2013

(In thousands of Brazilian Reais)

	Note	Parent 01/01/2014 to 09/30/2014	Parent 01/01/2013 to 09/30/2013	Consolidated 01/01/2014 to 09/30/2014	Consolidated 01/01/2013 to 09/30/2013
Net income for the period attributable to shareholders of the Company		872,169	852,330	872,169	852,330
Net income for the period attributable to non-controlling interests in subsidiaries		-	-	7,294	5,673
Net income for the period		872,169	852,330	879,463	858,003
Items that are subsequently reclassified to profit or loss:					
Valuation adjustments for financial instruments	2.c;20.f	10	(13)	10	(13)
Cumulative translation adjustments, net of hedge of net investments in foreign operation	2.c; 2.r; 20.f	(18,351)	992	(18,351)	992
Total comprehensive income for the period		853,828	853,309	861,122	858,982
Total comprehensive income for the period attributable to shareholders of the Company		853,828	853,309	853,828	853,309
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries		-	-	7,294	5,673

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

Ultrapar Participações S.A. and Subsidiaries
Statements of Changes in Equity
For the nine-month period ended September 30, 2014 and 2013
(In thousands of Brazilian Reais, except dividends per share)

							Profit reserve	Cumulative other comprehensive income	
	Note	Share capital	Capital reserve	Revaluation reserve on subsidiaries	Legal reserve	Investments statutory reserve	Retention of profits	Valuation adjustments	Cumulativ translatio adjustment
Balance as of December 31, 2012		3,696,773	20,246	6,713	273,842	617,641	1,333,066	(12,615)	12,62
Net income for the period		-	-	-	-	-	-	-	
Other comprehensive income:									
Valuation adjustments for financial instruments	2.c; 20.f	-	-	-	-	-	-	(13)	
Currency translation of foreign subsidiaries	2.r; 20.f	-	-	-	-	-	-	-	99
Total comprehensive income for the period		-	-	-	-	-	-	(13)	99
Realization of revaluation reserve	20.d	-	-	(541)	-	-	-	-	
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	20.d	-	-	-	-	-	-	-	
Interim dividends		-	-	-	-	-	-	-	
Dividends attributable to non-controlling interests		-	-	-	-	-	-	-	
Approval of additional dividends by the Shareholders' Meeting		-	-	-	-	-	-	-	
Additional dividends attributable to non-controlling interests		-	-	-	-	-	-	-	
		3,696,773	20,246	6,172	273,842	617,641	1,333,066	(12,628)	13,61

Balance as of
September 30, 2013

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Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the nine-month period ended September 30, 2014 and 2013

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

					Profit reserve			Cumulative othe comprehensive incom	
	Note	Share capital	Capital reserve	Revaluation reserve on subsidiaries	Legal reserve	Investments statutory reserve	Retention of profits	Valuation adjustments	Cumulativ translatic adjustmen
Balance as of December 31, 2013		3,696,773	20,246	6,107	335,099	1,038,467	1,333,066	5,428	38,07
Net income for the period		-	-	-	-	-	-	-	
Other comprehensive income:									
Valuation adjustments for financial instruments	2.c; 20.f	-	-	-	-	-	-	10	
Currency translation of foreign subsidiaries hedge of net investments in foreign operation	2.c; 2.r; 20.f	-	-	-	-	-	-	-	(18,35
Total comprehensive income for the period		-	-	-	-	-	-	10	(18,35
Increase in share capital	3.a; 20.a	141,913	-	-	-	-	-	-	
Capital surplus on subscription of shares	3.a; 20.c	-	498,812	-	-	-	-	-	
Costs directly attributable to issuing new shares	3.a; 20.c	-	(2,260)	-	-	-	-	-	
Sale of treasury shares		-	9,289	-	-	-	-	-	
Realization of revaluation reserve	20.d	-	-	(194)	-	-	-	-	
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	20.d	-	-	-	-	-	-	-	

Interim dividends	20.g	-	-	-	-	-	-	-	
Dividends attributable to non-controlling interests		-	-	-	-	-	-	-	
Acquisition of non-controlling interests		-	-	-	-	-	-	-	
Approval of additional dividends by the Shareholders' Meeting	20.g	-	-	-	-	-	-	-	
Balance as of September 30, 2014		3,838,686	526,087	5,913	335,099	1,038,467	1,333,066	5,438	19,72

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of Cash Flows - Indirect Method

For the nine-month period ended September 30, 2014 and 2013

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	09/30/2014	09/30/2013	09/30/2014	09/30/2013
Cash flows from operating activities					
Net income for the period		872,169	852,330	879,463	858,003
Adjustments to reconcile net income to cash provided by operating activities					
Share of profit of subsidiaries, joint ventures and associates	11	(866,650)	(899,718)	10,820	3,821
Depreciation and amortization	12;13	-	-	651,466	578,012
PIS and COFINS credits on depreciation	12;13	-	-	9,436	9,277
Asset retirement expenses	18	-	-	(3,080)	(2,753)
Interest, monetary, and exchange variations		69,514	51,456	655,589	390,294
Deferred income and social contribution taxes	9.b	851	34	1,163	41,427
Income from disposal of assets	28	-	(5)	(15,194)	(18,394)
Other		-	5	2,952	3,365
Dividends received from subsidiaries and joint-ventures		1,068,334	374,062	2,039	3,220
(Increase) decrease in current assets					
Trade receivables	5	-	-	(150,860)	40,094
Inventories	6	-	-	(194,502)	(249,863)
Recoverable taxes	7	3,707	16,698	(72,590)	39,637
Other receivables		55	(385)	(30,031)	91
Prepaid expenses	10	1,845	-	11,628	(26,103)
Increase (decrease) in current liabilities					
Trade payables	15	(1,124)	(159)	(110,571)	(415,594)
Salaries and related charges	16	17	3	(26,538)	15,372
Taxes payable	17	(18)	(3,043)	21,967	22,826
Income and social contribution taxes		-	-	303,445	233,368
Provision for tax, civil, and labor risks	23.a	-	-	964	14,570
Other payables		(28)	-	(53,020)	(35,201)
Deferred revenue	19	-	-	(2,586)	(1,821)

(Increase) decrease in non-current assets					
Trade receivables	5	-	-	(13,209)	14,144
Recoverable taxes	7	(18,710)	25,999	(43,830)	13,223
Escrow deposits		-	84	(67,760)	(50,183)
Other receivables		-	-	(1,509)	709
Prepaid expenses	10	-	-	8,009	(6,620)
Increase (decrease) in non-current liabilities					
Post-employment benefits	24.b	-	-	11,455	10,577
Provision for tax, civil, and labor risks	23.a	13	8	13,334	35,605
Other payables		-	-	(5,451)	(29,251)
Deferred revenue	19	-	-	(312)	(973)
Income and social contribution taxes paid		(559)	-	(320,519)	(193,340)
Net cash provided by operating activities		1,129,416	417,369	1,472,168	1,297,539

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of Cash Flows - Indirect Method

For the nine-month period ended September 30, 2014 and 2013

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	09/30/2014	09/30/2013	09/30/2014	09/30/2013
Cash flows from investing activities					
Financial investments, net of redemptions		(68,706)	(637)	(72,674)	27,182
Acquisition of subsidiaries, net		-	-	-	(6,168)
Cash and cash equivalents of acquired subsidiaries	3.a	-	-	9,123	-
Acquisition of property, plant, and equipment	12	-	-	(466,912)	(403,274)
Acquisition of intangible assets	13	-	-	(338,891)	(340,338)
Capital increase in subsidiaries	11.a	(236,100)	-	-	-
Capital increase in joint ventures	11.b	-	-	(19,000)	(17,580)
Capital reduction to associates	11.c	-	-	-	1,500
Capital reduction to subsidiaries	11.a	-	700,000	-	-
Proceeds from disposal of assets	28	-	-	58,343	55,164
Net cash provided by (used in) investing activities		(304,806)	699,363	(830,011)	(683,514)
Cash flows from financing activities					
Loans and debentures					
Borrowings	14	-	-	1,591,867	1,302,788
Repayments	14	-	-	(700,231)	(565,332)
Interest paid	14	(75,489)	(66,665)	(511,242)	(478,180)
Payment of financial lease	14.j	-	-	(4,141)	(3,335)
Dividends paid		(775,943)	(705,150)	(782,877)	(711,208)
Sale of treasury shares		12,653	-	-	-
Costs directly attributable to issuing new shares	20.c	(2,260)	-	(2,260)	-
Related parties		22,194	31,312	-	-
Net cash used in financing activities		(818,845)	(740,503)	(408,884)	(455,267)
Effect of exchange rate changes on cash and cash equivalents in foreign currency		-	-	(23,553)	959
Increase (decrease) in cash and cash equivalents		5,765	376,229	209,720	159,717

Cash and cash equivalents at the beginning of the period	4	110,278	76,981	2,276,069	2,021,114
Cash and cash equivalents at the end of the period	4	116,043	453,210	2,485,789	2,180,831
Additional information - transactions that do not affect cash and cash equivalents:					
Extrafarma acquisition – capital increase and subscription warrants	3.a	749,289	-	749,289	-
Extrafarma acquisition – gross debt assumed on close date	3.a	-	-	207,911	-

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of Value Added

For the nine-months period ended September 30, 2014 and 2013

(In thousands of Brazilian Reais, except percentages)

		Parent				Consolidated			
	Note	09/30/2014	%	09/30/2013	%	09/30/2014	%	09/30/2013	%
Revenue									
Gross revenue from sales and services, except rents and royalties	25	-		-		51,254,554		45,876,044	
Rebates, discounts, and returns	25	-		-		(227,636)		(192,205)	
Allowance for doubtful accounts - Reversal (allowance)		-		-		(14,056)		(6,864)	
Income from disposal of assets	28	-		5		15,194		18,394	
		-		5		51,028,056		45,695,369	
Materials purchased from third parties									
Raw materials used		-		-		(2,806,815)		(2,190,286)	
Cost of goods, products, and services sold		-		-		(42,981,969)		(38,886,264)	
Third-party materials, energy, services, and others		(25,799)		(4,365)		(1,355,645)		(1,200,171)	
Reversal of impairment losses		10,180		7,989		(4,351)		9,999	
		(15,619)		3,624		(47,148,780)		(42,266,722)	
Gross value added		(15,619)		3,629		3,879,276		3,428,647	
Deductions									
Depreciation and amortization		-		-		(651,466)		(578,012)	
PIS and COFINS credits on depreciation		-		-		(9,440)		(9,277)	
		-		-		(660,906)		(587,289)	
		(15,619)		3,629		3,218,370		2,841,358	

Net value added by the Company									
Value added received in transfer									
Share of profit of subsidiaries, joint-ventures, and associates	11	866,650		899,718		(10,820)		(3,821)	
Rents and royalties	25	-		-		72,022		60,146	
Financial income	29	95,481		83,803		263,996		166,644	
		962,131		983,521		325,198		222,969	
Total value added available for distribution		946,512		987,150		3,543,568		3,064,327	
Distribution of value added									
Labor and benefits		3,180	-	3,018	-	1,025,816	29	896,465	29
Taxes, fees, and contributions		1,319	-	80,051	8	959,241	27	868,607	28
Financial expenses and rents		69,844	7	51,751	5	679,048	19	441,252	14
Dividends paid		389,554	41	354,032	36	394,826	11	354,148	12
Retained earnings		482,615	52	498,298	51	484,637	14	503,855	17
Value added distributed		946,512	100	987,150	100	3,543,568	100	3,064,327	100

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

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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, by the subscription or acquisition of shares of other companies. Through its subsidiaries, it operates in the segments of liquefied petroleum gas - LPG distribution ("Ultragaz"), fuel distribution and related businesses ("Ipiranga"), production and marketing of chemicals ("Oxiteno"), and storage services for liquid bulk ("Ultracargo"), and, as from January 31, 2014, trading of pharmaceutical, hygiene, beauty, and skincare products, through Imifarma Produtos Farmacêuticos e Cosméticos S.A. ("Extrafarma") – see Note 3.a).

2. Summary of Significant Accounting Policies

The Company's consolidated interim financial information was prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), 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").

The Company's individual interim financial information was prepared in accordance with CPC 21 (R1) and presented in accordance with standards established by the CVM. The investments in subsidiaries, associates, and joint ventures are measured through the equity method of accounting, which, for purposes of the International Financial Reporting Standards ("IFRS"), would be measured at cost or fair value.

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 and cost of sales are recognized when all risks and benefits associated with the products are transferred to the purchaser. Revenue from services provided and their costs are recognized when the services are provided. 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.

c. Financial Instruments

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

- Measured at fair value through profit or loss: financial assets and liabilities 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 cumulative other comprehensive income in the shareholders' equity portion of the balance sheet. Accumulated gains and losses recognized in the 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:

- 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.
- Hedge accounting - fair value hedge: 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 - 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 22.

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 22 - 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 team.

f. Investments

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

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 without 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.

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 Note 18).

Depreciation is calculated using the straight-line method, for the periods mentioned in Note 12, taking into account the useful life 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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 straight-line method based on the useful lives applicable to each group of assets 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.j).

- 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 23.g).

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 respective cash generating units ("CGU") 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, for 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 created internally. The Company and its subsidiaries have not recognized intangible assets that have an indefinite useful life, except for goodwill and the "am/pm" brand.

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, and hedging 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 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 transaction costs, net of amortization. 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 or equity instruments, are allocated to the instrument and amortized to profit or loss over its term, using the effective interest rate method (see Note 14.k).

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 tanks are installed. The estimated cost is recognized in property, plant, and equipment and depreciated over the respective useful life of the tanks. The amounts recognized as a liability are monetarily restated until the respective tank is removed (see Note 18). 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.

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 evaluation of the outcomes of the legal proceedings (see Note 23 items a,b,c,d).

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 24.b). The actuarial gains and losses are recognized in other comprehensive income and presented in the statement of shareholders' equity. Past service cost is recognized in the income statement.

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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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 period 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 the statement of shareholders' equity as cumulative translation adjustments and will be recognized in profit or loss if these investments are disposed of. The recognized balance in cumulative other comprehensive income and presented in the shareholders' equity as cumulative translation adjustments as of September 30, 2014 was a gain of R$ 19,725 (gain of R$ 38,076 as of December 31, 2013).

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 statements of Oxiteno Andina, C.A. ("Oxiteno Andina") were adjusted by the Venezuelan Consumer Price Index.

Currently Venezuela has three spot exchange rates:

a) CENCOEX - Centro Nacional de Comercio Exterior en Venezuela: Bolivar (“VEF”) is traded at a fixed exchange rate of 6.30 VEF/US$. The applicant makes the request for authorization of payment and receipt of priority transactions. There is no deadline for approval by CENCOEX;
b) SICAD-I - Sistema Cambiario Alternativo de Divisas I: Bolivar is traded at variable exchange rate of approximately 12.00 VEF/US$. There are a number of requirements for the approval of the transactions traded using this rate, which is the most likely exchange rate for the payment of dividends and repatriation of capital; and
c) SICAD-II - Sistema Cambiario Alternativo de Divisas II: Bolivar is traded at variable exchange rate of approximately 50.00 VEF/US$. Other transactions may be realized by SICAD-II.

For the consolidation of the Oxiteno Andina in the Company, the amounts in Bolivar have been translated to the U.S. dollar at the exchange rate of SICAD-I and subsequently translated into Brazilian Reais using the official exchange rate published by the Central Bank of Brazil. In management's judgment, the use of SICAD-I is the most suitable for conversion, since the exchange rate is the most likely rate for the payment of dividends and repatriation of capital.

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, 2014 amounted to R$ 716 (R$ 3,574 gain for the nine-month period ended September 30, 2013).

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 4, 14 and 22), the determination of the allowance for doubtful accounts (Notes 5 and 22), the determination of provisions for losses of inventories (Note 6), the determination of deferred income taxes amounts (Note 9), the useful life of property, plant, and equipment (Note 12), the useful life of intangible assets, and the determination of the recoverable amount of goodwill (Note 13), provisions for assets retirement obligations (Note 18), tax, civil, and labor provisions (Note 23 items a,b,c,d), estimates for the preparation of actuarial reports (Note 24.b) and the determination of fair value of subscription warrants – indemnification (Notes 3.a and 22). 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 (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.

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, the 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 periods presented (see Note 13.i).

(In thousands of Brazilian Reais, unless otherwise stated)

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$ 340 as of September 30, 2014 (R$ 354 as of December 31, 2013).

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. 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.

w. Adoption of the Pronouncements Issued by CPC and IFRS

Certain standards, amendments, and interpretations that were applied to IFRS and were issued by IASB but are not yet effective and were not applied as of September 30, 2014, are as follows:

	Effective date
• Amendments to IAS 32 – Financial instruments: presentation: provides clarifications on the application of the offsetting rules.	2014
• IFRS 9 (and corresponding 2010 and 2013 amendments): 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 (as issued in November, 2013).	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.	2017

(*) On July 24, 2014, the IASB issued the final version of IFRS 9, with the mandatory effective date set for January 1, 2018.

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

x. Authorization for Issuance of the Interim Financial Information

The interim financial information was authorized for issue by the Board of Directors on November 5, 2014.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

3. Principles of Consolidation and Investments in Subsidiaries

The consolidated interim financial information was 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.

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:

		% interest in the share			
		09/30/2014		12/31/2013	
			Control		Control
	Location	Direct control	Indirect control	Direct control	Indirect control
Imifarma Produtos Farmacêuticos e Cosméticos S.A.	Brazil	100	-	-	-
Ipiranga Produtos de Petróleo S.A.	Brazil	100	-	100	-
am/pm Comestíveis Ltda.	Brazil	-	100	-	100
Centro de Conveniências Millennium Ltda.	Brazil	-	100	-	100
Conveniência Ipiranga Norte Ltda.	Brazil	-	100	-	100
Ipiranga Trading Limited	Virgin Islands	-	100	-	100
Tropical Transportes Ipiranga Ltda.	Brazil	-	100	-	100
Ipiranga Imobiliária Ltda.	Brazil	-	100	-	100
Ipiranga Logística Ltda.	Brazil	-	100	-	100
Isa-Sul Administração e Participações Ltda.	Brazil	-	100	-	100
Companhia Ultragaz S.A.	Brazil	-	99	-	99
Bahiana Distribuidora de Gás Ltda.	Brazil	-	100	-	100
Utingás Armazenadora S.A.	Brazil	-	57	-	57
LPG International Inc.	Cayman Islands	-	100	-	100
Imaven Imóveis Ltda.	Brazil	-	100	-	100
Oil Trading Importadora e Exportadora Ltda.	Brazil	-	100	-	100
Oxiteno S.A. Indústria e Comércio	Brazil	100	-	100	-
Oxiteno Nordeste S.A. Indústria e Comércio	Brazil	-	99	-	99
Oxiteno Argentina Sociedad de Responsabilidad Ltda.	Argentina	-	100	-	100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	-	100	-	100
Oxiteno Uruguay S.A.	Uruguay	-	100	-	100
Barrington S.L.	Spain	-	100	-	100
Oxiteno México S.A. de C.V.	Mexico	-	100	-	100
Oxiteno Servicios Corporativos S.A. de C.V.	Mexico	-	100	-	100
Oxiteno Servicios Industriales S.A. de C.V.	Mexico	-	100	-	100
Oxiteno USA LLC	United States	-	100	-	100
Global Petroleum Products Trading Corp.	Virgin Islands	-	100	-	100
Oxiteno Overseas Corp.	Virgin Islands	-	100	-	100
Oxiteno Andina, C.A.	Venezuela	-	100	-	100
Oxiteno Europe SPRL	Belgium	-	100	-	100
Oxiteno Colombia S.A.S	Colombia	-	100	-	100
Oxiteno Shanghai Trading LTD.	China	-	100	-	100

Empresa Carioca de Produtos Químicos S.A.	Brazil	-	100	-	100
Ultracargo - Operações Logísticas e Participações Ltda.	Brazil	100	-	100	-
Terminal Químico de Aratu S.A. – Tequimar	Brazil	-	99	-	99
SERMA - Ass. dos usuários equip. proc. de dados	Brazil	-	100	-	100

The percentages in the table above are rounded.

a) Business Combination – Acquisition of Extrafarma

On January 31, 2014 the merger of all shares issued by Extrafarma into Ultrapar was approved at the Extraordinary Shareholders' Meeting of Ultrapar and Extrafarma. After the merger of shares, Extrafarma became a wholly-owned subsidiary of Ultrapar and the shareholders of Extrafarma became long-term shareholders of Ultrapar. The association with Extrafarma marks Ultrapar's entry into Brazil's retail pharmacy sector, making it the third distribution and specialty retail business of the Company.

As a result, 12,021,100 new ordinary, nominative, book-entry shares with no par value of the Company were issued on January 31, 2014, increasing capital share by R$ 141,913. These resulted in total capital share of R$ 3,838,686, represented by 556,405,096 shares and increasing capital reserves by R$ 498,812, totaling an increase in equity in the amount of R$ 640,725. This transaction did not affect the Company' cash flow.

In addition, the Company issued subscription warrants that, if exercised, would lead to the issuance of up to 4,007,031 shares in the future, broken down into 801,409 shares related to subscription warrants – working capital and 3,205,622 shares related to subscription warrants – indemnification. On June 30, 2014, in a preliminary assessment of the working capital and indebtedness adjustments the Company identified that the subscription warrants – working capital shall not be exercised by the former shareholders of Extrafarma. Accordingly, the Company reversed full provision for the issuance of 801,409 shares related to subscription warrants – working capital, which at the acquisition date amounted to R$ 42,138. The shares of the subscription warrants – indemnification may be exercised as early as 2020 and are adjusted according to the changes in the amounts of provision for tax, civil, and labor risks and contingent liabilities related to the period previous to January 31, 2014. The subscription warrants – indemnification are valued based on the share price of Ultrapar (UGPA3), and on the reporting date were represented by 2,309,786 shares and totaled R$ 107,181.

The temporary purchase price in the amount of R$ 749,289, subject to the customary final adjustments of working capital, will be allocated among the identified assets acquired and liabilities assumed, measured at fair value. The Company is measuring the open balance, fair value of assets and liabilities, and, consequently, the goodwill. The purchase price allocation is being determined and its conclusion is estimated for the fourth quarter of 2014. During the process of identification of assets and liabilities, intangible assets, which are not recognized in the acquired entity's books, will also be taken into account. The temporary goodwill is R$ 795,729.

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The table below summarizes the temporary assets acquired and liabilities assumed as of the acquisition date, subject to the customary final adjustments of working capital and purchase price allocation:

Current assets		Current liabilities	
Cash and cash equivalents	9,123	Loans (1)	179,818
Trade receivables	68,398	Trade payables	117,481
Inventories	164,590	Salaries and related charges	16,539
Recoverable taxes	12,961	Income and social contribution taxes payable	3,150
Other	5,110	Deferred revenue	5,152
	260,182	Other	6,316
			328,456
Non-current assets		Non-current liabilities	
Property, plant, and equipment	48,547	Loans (1)	28,093
Intangible assets	12,008	Provision for tax, civil and labor risks	46,199
Deferred income and social contribution taxes	41,384	Other	7,096
Escrow deposits	1,283		81,388
Temporary goodwill	795,729		
	898,951	Total liabilities assumed	409,844
Total assets acquired and temporary goodwill	1,159,133	Consideration transferred	749,289

(1) The gross debt assumed on closing date amounted to R$ 207,911.

For further details on property, plant, and equipment and intangibles acquired, see Notes 12 and 13 respectively.

For further details, see Material Notice released on September 30, 2013, Material Notice, Protocol and Justification of Merger of Shares and Management's Proposal to Extraordinary Shareholders´ Meeting and its Annex released on December 19, 2013 and Market Announcement released on January 31, 2014.

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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 22, 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$ 3,826,092 at September 30, 2014 (R$ 3,543,700 at December 31, 2013) 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	
	09/30/2014	12/31/2013	09/30/2014	12/31/2013
Cash and bank deposits				
In local currency	138	153	40,959	136,532
In foreign currency	-	-	43,096	88,394
Financial investments considered cash equivalents				
In local currency				
Fixed-income securities	115,905	110,125	2,397,256	2,051,143
In foreign currency				
Fixed-income securities	-	-	4,478	-
Total cash and cash equivalents	116,043	110,278	2,485,789	2,276,069

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Ultrapar Participações S.A. and Subsidiaries

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· 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	
	09/30/2014	12/31/2013	09/30/2014	12/31/2013
Financial investments				
In local currency				
Fixed-income securities and funds	68,970	264	758,416	747,256
In foreign currency				
Fixed-income securities and funds	-	-	459,733	368,781
Currency and interest rate hedging instruments (a)	-	-	122,154	151,594
Total financial investments	68,970	264	1,340,303	1,267,631
Current	68,970	264	1,211,068	1,149,132
Non-current	-	-	129,235	118,499

(a) Accumulated gains, net of income tax (see Note 22).

Ultrapar Participações S.A. and Subsidiaries

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5. Trade Receivables (Consolidated)

The composition of trade receivables is as follows:

	09/30/2014	12/31/2013
Domestic customers	2,354,705	2,159,355
Reseller financing - Ipiranga	295,343	276,044
Foreign customers	196,529	157,696
(-) Allowance for doubtful accounts	(166,157)	(147,080)
Total	2,680,420	2,446,015
Current	2,542,733	2,321,537
Non-current	137,687	124,478

Reseller financing is provided for renovation and upgrading of service stations, purchase of products, and development of the automotive fuels and lubricants distribution market.

The breakdown of trade receivables, gross of allowance for doubtful accounts, is as follows:

			Past due				
	Total	Current	less than 30 days	31-60 days	61-90 days	91-180 days	more than 180 days
09/30/2014	2,846,577	2,514,086	73,260	19,204	12,885	23,760	203,382
12/31/2013	2,593,095	2,282,310	104,544	12,906	6,428	7,786	179,121

Movements in the allowance for doubtful accounts are as follows:

Balance at December 31, 2013	147,080
Initial balance of Extrafarma (January 31, 2014)	5,499
Additions	15,313
Write-offs	(1,735)
Balance at September 30, 2014	166,157

For further information about allowance for doubtful accounts see Note 22 – Customer credit risk.

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Ultrapar Participações S.A. and Subsidiaries

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6. Inventories (Consolidated)

The composition of inventories is as follows:

	09/30/2014			12/31/2013		
	Cost	Provision for losses	Net balance	Cost	Provision for losses	Net balance
Finished goods	324,407	(8,384)	316,023	318,451	(7,100)	311,351
Work in process	3,002	-	3,002	2,626	-	2,626
Raw materials	226,022	(111)	225,911	209,735	(169)	209,566
Liquefied petroleum gas (LPG)	38,136	(5,761)	32,375	41,678	(5,761)	35,917
Fuels, lubricants, and greases	972,209	(737)	971,472	817,016	(758)	816,258
Consumable materials and bottles for resale	77,202	(1,978)	75,224	64,465	(1,450)	63,015
Pharmaceutical, hygiene, and beauty products	202,244	(3,938)	198,306	-	-	-
Advances to suppliers	94,405	-	94,405	128,618	-	128,618
Properties for resale	24,628	-	24,628	25,162	-	25,162
	1,962,255	(20,909)	1,941,346	1,607,751	(15,238)	1,592,513

Movements in the provision for losses are as follows:

Balance at December 31, 2013	15,238
Initial balance of Extrafarma (January 31, 2014)	3,164
Recoveries of realizable value adjustment	3,140
Reversals of obsolescence and other losses	(633)
Balance at September 30, 2014	20,909

The breakdown of provisions for losses related to inventories is shown in the table below:

	09/30/2014	12/31/2013
Realizable value adjustment	12,637	9,497
Obsolescence and other losses	8,272	5,741
Total	20,909	15,238

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Ultrapar Participações S.A. and Subsidiaries

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7. Recoverable Taxes

Recoverable taxes are substantially represented by credits of ICMS, Taxes for Social Security Financing (COFINS), Employee's Profit Participation Program (PIS), IRPJ, and CSLL.

	Parent		Consolidated	
	09/30/2014	12/31/2013	09/30/2014	12/31/2013
IRPJ and CSLL	63,534	48,531	182,062	160,590
ICMS	-	-	277,485	