

ULTRAPAR HOLDINGS INC
Form 6-K
August 11, 2016
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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 August, 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

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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

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ULTRAPAR HOLDINGS INC.

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

Ultrapar Participações S.A.

Individual and Consolidated

Interim Financial Information

for the Six-Month Period

Ended June 30, 2016 and

Report on Review of Interim

Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

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Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated Interim Financial Information

for the Six-Month Period Ended June 30, 2016

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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 June 30, 2016, which comprises the balance sheet as of June 30, 2016 and the related statements of income and comprehensive income for the three and six-month periods then ended and changes in equity and cash flows for the six-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 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 six-month period ended June 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, August 10, 2016

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Edimar Facco
Engagement Partner

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**Ultrapar Participações S.A. and Subsidiaries****Balance Sheets****as of June 30, 2016 and December 31, 2015***(In thousands of Brazilian Reais)*

Assets	Note	Parent		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
Current assets					
Cash and cash equivalents	4	96,009	48,061	2,503,156	2,702,893
Financial investments	4	21,342	6,708	789,620	803,304
Trade receivables, net	5			3,153,093	3,167,164
Inventories, net	6			2,431,953	2,495,237
Recoverable taxes, net	7	49,063	48,019	498,273	628,778
Dividends receivable		2	392,127	716	2,710
Other receivables		2,057	6,051	72,891	29,787
Trade receivables insurer indemnification	33			164,330	
Prepaid expenses, net	10	22	89	115,573	81,476
Total current assets		168,495	501,055	9,729,605	9,911,349
Non-current assets					
Financial investments	4			123,931	466,965
Trade receivables, net	5			188,566	152,239
Related parties	8.a	772,510	782,404	490	490
Deferred income and social contribution taxes	9.a	24,244	8,680	564,184	558,993
Recoverable taxes, net	7	12,811	4,037	148,525	135,449
Escrow deposits	20.a	148	148	758,592	740,835
Other receivables				14,325	16,507
Prepaid expenses, net	10			157,571	146,664
		809,713	795,269	1,956,184	2,218,142
Investments					
In subsidiaries	11.a	8,138,450	7,619,441		
In joint-ventures	11.a; 11.b	30,051	31,514	92,790	79,377
In associates	11.c			22,386	21,537
Other				2,814	2,814
Property, plant, and equipment, net	12			5,475,614	5,438,895

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Intangible assets, net	13	246,163	246,163	3,233,477	3,293,935
		8,414,664	7,897,118	8,827,081	8,836,558
Total non-current assets		9,224,377	8,692,387	10,783,265	11,054,700
Total assets		9,392,872	9,193,442	20,512,870	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 June 30, 2016 and December 31, 2015***(In thousands of Brazilian Reais)*

Liabilities	Note	Parent		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
Current liabilities					
Loans	14			1,154,765	1,048,098
Debentures	14.f	33,524	33,560	53,834	47,372
Finance leases	14.h			2,667	2,385
Trade payables	15	59	2,636	1,018,792	1,460,532
Salaries and related charges	16	196	195	302,452	404,313
Taxes payable	17	627	877	162,700	168,804
Dividends payable	23.g	17,873	293,460	21,191	298,791
Income and social contribution taxes payable		66	301	111,129	216,883
Post-employment benefits	18.b			13,734	13,747
Provision for asset retirement obligation	19			4,481	5,232
Provision for tax, civil, and labor risks	20.a			52,225	45,322
Trade payables indemnification customers	33			41,184	
Other payables		98	1,359	82,626	97,492
Deferred revenue	21			21,920	24,420
Total current liabilities		52,443	332,388	3,043,250	3,833,391
Non-current liabilities					
Loans	14			4,970,346	5,561,401
Debentures	14.f	799,723	799,554	2,694,195	2,198,843
Finance leases	14.h			47,283	43,509
Related parties	8.a	689	5	4,372	4,372
Deferred income and social contribution taxes	9.a			197,942	266,004
Post-employment benefits	18.b			116,084	112,848
Provision for asset retirement obligation	19			72,709	69,484
Provision for tax, civil, and labor risks	20.a	4,231	4,221	700,268	684,660
Deferred revenue	21			10,634	11,036
Subscription warrants indemnification	22	157,133	112,233	157,133	112,233
Other payables				91,649	94,139
Total non-current liabilities		961,776	916,013	9,062,615	9,158,529
Shareholders equity					

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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	5,464	5,590	5,464	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		749,483		749,483	
Valuation adjustments	2.c; 2.o; 23.f	(75,888)	18,953	(75,888)	18,953
Cumulative translation adjustments	2.c; 2.r; 23.f	(9,250)	66,925	(9,250)	66,925
Shareholders' equity attributable to:					
Shareholders of the Company		8,378,653	7,945,041	8,378,653	7,945,041
Non-controlling interests in subsidiaries				28,352	29,088
Total shareholders' equity		8,378,653	7,945,041	8,407,005	7,974,129
Total liabilities and shareholders' equity		9,392,872	9,193,442	20,512,870	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 six-month period ended June 30, 2016 and 2015***(In thousands of Brazilian Reais, except earnings per share)*

	Note	Parent		Consolidated	
		01/01/2016 to 06/30/2016	01/01/2015 to 06/30/2015	01/01/2016 to 06/30/2016	01/01/2015 to 06/30/2015
Net revenue from sales and services	24			38,822,521	35,914,319
Cost of products and services sold	25			(35,410,967)	(32,789,552)
Gross profit				3,411,554	3,124,767
Operating income (expenses)					
Selling and marketing	25			(1,290,071)	(1,197,827)
General and administrative	25		(9)	(678,129)	(597,585)
Gain (loss) on disposal of property, plant and equipment and intangibles	26			(2,008)	24,631
Other operating income, net	27	2	29,784	75,602	256
Operating income before financial income (expenses) and share of profit of subsidiaries, joint ventures and associates		2	29,775	1,516,948	1,354,242
Financial income	28	73,387	83,979	220,927	203,160
Financial expenses	28	(107,568)	(89,374)	(659,843)	(511,570)
Share of profit (loss) of subsidiaries, joint ventures and associates	11	772,405	697,369	3,041	528
Income before income and social contribution taxes		738,226	721,749	1,081,073	1,046,360
Income and social contribution taxes					
Current	9.b	(4,412)	(21,230)	(455,326)	(384,793)
Deferred	9.b	15,564	12,913	76,623	18,794
Tax incentives	9.b; 9.c			52,600	37,322
		11,152	(8,317)	(326,103)	(328,677)
Net income for the period		749,378	713,432	754,970	717,683
Net income for the period attributable to:					
Shareholders of the Company		749,378	713,432	749,378	713,432

Non-controlling interests in subsidiaries				5,592	4,251
Earnings per share (based on weighted average number of shares outstanding)	R\$				
Basic	29	1.3843	1.3086	1.3843	1.3086
Diluted	29	1.3741	1.2982	1.3741	1.2982

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 June 30, 2016 and 2015***(In thousands of Brazilian Reais, except earnings per share)*

	Note	Parent		Consolidated	
		04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015
Net revenue from sales and services	24			19,298,198	18,510,679
Cost of products and services sold	25			(17,604,887)	(16,968,005)
Gross profit				1,693,311	1,542,674
Operating income (expenses)					
Selling and marketing	25			(648,869)	(613,623)
General and administrative	25		2	(356,309)	(309,593)
Gain (loss) on disposal of property, plant and equipment and intangibles	26			(2,083)	2,371
Other operating income, net	27	5	29,784	40,176	(21,202)
Operating income before financial income (expenses) and share of profit of subsidiaries, joint ventures and associates		5	29,786	726,226	600,627
Financial income	28	32,430	44,585	105,798	99,702
Financial expenses	28	(49,084)	(27,343)	(328,258)	(226,869)
Share of profit (loss) of subsidiaries, joint ventures and associates	11	375,567	297,549	6,308	3,444
Income before income and social contribution taxes		358,918	344,577	510,074	476,904
Income and social contribution taxes					
Current	9.b	(987)	(16,649)	(227,956)	(223,869)
Deferred	9.b	6,229	633	54,531	56,376
Tax incentives	9.b; 9.c			30,468	21,660
		5,242	(16,016)	(142,957)	(145,833)
Net income for the period		364,160	328,561	367,117	331,071
Net income for the period attributable to:					
Shareholders of the Company		364,160	328,561	364,160	328,561

Non-controlling interests in subsidiaries				2,957	2,510
Earnings per share (based on weighted average number of shares outstanding)					
R\$					
Basic	29	0.6727	0.6037	0.6727	0.6037
Diluted	29	0.6676	0.5987	0.6676	0.5987

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 six-month period ended June 30, 2016 and 2015***(In thousands of Brazilian Reais)*

	Note	Parent 01/01/2016 to 06/30/2016	Parent 01/01/2015 to 06/30/2015	Consolidated 01/01/2016 to 06/30/2016	Consolidated 01/01/2015 to 06/30/2015
Net income for the period attributable to shareholders of the Company		749,378	713,432	749,378	713,432
Net income for the period attributable to non-controlling interests in subsidiaries				5,592	4,251
Net income for the period		749,378	713,432	754,970	717,683
Items that are subsequently reclassified to profit or loss:					
Fair value adjustments of available for sale financial instruments	2.c; 23.f	(97,697)	(916)	(97,697)	(916)
Cumulative translation adjustments, net of hedge of net investments in foreign operations	2.c; 2.r; 23.f	(76,175)	26,011	(76,175)	26,011
Items that are not subsequently reclassified to profit or loss:					
Actuarial gains of post-employment benefits	2.o; 23.f	2,856		2,856	
Total comprehensive income for the period		578,362	738,527	583,954	742,778
Total comprehensive income for the period attributable to shareholders of the Company		578,362	738,527	578,362	738,527
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries				5,592	4,251

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 June 30, 2016 and 2015***(In thousands of Brazilian Reais)*

	Note	Parent 04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015	Consolidated 04/01/2016 to 06/30/2016	04/01/2015 to 06/30/2015
Net income for the period attributable to shareholders of the Company		364,160	328,561	364,160	328,561
Net income for the period attributable to non-controlling interests in subsidiaries				2,957	2,510
Net income for the period		364,160	328,561	367,117	331,071
Items that are subsequently reclassified to profit or loss:					
Fair value adjustments of available for sale financial instruments	2.c; 23.f	(20,369)	(14,138)	(20,369)	(14,138)
Cumulative translation adjustments, net of hedge of net investments in foreign operations	2.c; 2.r; 23.f	(39,187)	(25,645)	(39,187)	(25,645)
Total comprehensive income for the period		304,604	288,778	307,561	291,288
Total comprehensive income for the period attributable to shareholders of the Company		304,604	288,778	304,604	288,778
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries				2,957	2,510

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the six-month period ended June 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 adjustments			
3,838,686	546,607	(490,881)	5,590	472,350	1,996,583	1,333,066	18,953	66,925		749,378	157,162	7
							(97,697)					
							2,856					
								(76,175)				
							(94,841)	(76,175)	749,378			
	5,431	7,002										
			(126)							126		

(21)

(157,162)

,838,686 552,038 (483,879) 5,464 472,350 1,996,583 1,333,066 (75,888) (9,250) 749,483 8

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the six-month period ended June 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 of total Comprehensive Income
					Investments statutory reserve	Retention of profits	Valuation adjustments	Cumulative translation adjustments			
838,686	547,462	(103,018)	5,848	397,177	1,439,461	1,333,066	7,149	43,192		188,976	7,697
									713,432		713
								(916)			
								26,011			26
								(916)	26,011	713,432	738
	(855)	(167,395)									(168)

(132)

132

(12)

(188,976) (188

838,686 546,607 (270,413) 5,716 397,177 1,439,461 1,333,066 6,233 69,203 713,552 8,079

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 six-month period ended June 30, 2016 and 2015***(In thousands of Brazilian Reais)*

	Note	Parent		Consolidated	
		06/30/2016	06/30/2015	06/30/2016	06/30/2015
Cash flows from operating activities					
Net income for the period		749,378	713,432	754,970	717,683
Adjustments to reconcile net income to cash provided by operating activities					
Share of loss (profit) of subsidiaries, joint ventures and associates	11	(772,405)	(697,369)	(3,041)	(528)
Depreciation and amortization	12; 13			545,363	477,573
PIS and COFINS credits on depreciation	12; 13			6,215	6,546
Asset retirement obligation	19			(1,425)	(1,973)
Interest, monetary, and foreign exchange rate variations		103,400	91,218	159,770	626,903
Deferred income and social contribution taxes	9.b	(15,564)	(12,913)	(76,623)	(18,794)
(Gain) loss on disposal of property, plant and equipment and intangibles	26			2,008	(24,631)
Others				443	2,028
Dividends received from subsidiaries and joint-ventures		475,949	881,860	6,645	903
(Increase) decrease in current assets					
Trade receivables	5			19,841	(259,486)
Inventories	6			63,415	(440,537)
Recoverable taxes	7	(1,044)	1,996	130,505	(42,410)
Other receivables		3,994	(29,036)	(94,508)	(44,305)
Prepaid expenses	10	67	39	(31,670)	(37,294)
Increase (decrease) in current liabilities					
Trade payables	15	(2,577)	(425)	(441,739)	(321,231)
Salaries and related charges	16	1	36	(101,861)	3,366
Taxes payable	17	(250)	18	(6,104)	14,169
Income and social contribution taxes		66		216,520	245,838
Provision for tax, civil, and labor risks	20.a			6,903	524
Other payables		(1,261)	(23)	(88,032)	(10,981)
Deferred revenue	21			(2,500)	(1,368)
(Increase) decrease in non-current assets					
Trade receivables	5			(36,327)	(1,475)
Recoverable taxes	7	(8,774)	3,493	(13,076)	19,430

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Escrow deposits				(17,757)	(22,934)
Other receivables				2,182	(2,316)
Prepaid expenses	10			(901)	6,104
Increase (decrease) in non-current liabilities					
Post-employment benefits	18.b			3,223	7,864
Provision for tax, civil, and labor risks	20.a	10	10	15,608	21,693
Other payables				(2,490)	(129)
Deferred revenue	21			(402)	852
Income and social contribution taxes paid		(301)		(322,274)	(244,169)
Net cash provided by operating activities		530,689	952,336	692,881	676,915

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 six-month period ended June 30, 2016 and 2015***(In thousands of Brazilian Reais)*

	Note	Parent 06/30/2016	Parent 06/30/2015	Consolidated 06/30/2016	Consolidated 06/30/2015
Cash flows from investing activities					
Financial investments, net of redemptions		(13,265)	25,535	350,060	230,195
Acquisition of property, plant, and equipment	12			(409,923)	(295,278)
Acquisition of intangible assets	13			(226,034)	(236,195)
Capital increase in joint ventures	11.b			(25,781)	(20,100)
Proceeds from disposal of property, plant and equipment and intangibles	26			13,346	51,334
Net cash provided by (used in) investing activities		(13,265)	25,535	(298,332)	(270,044)
Cash flows from financing activities					
Loans and debentures					
Proceeds	14		799,042	948,388	1,445,207
Repayments	14		(800,000)	(411,219)	(1,482,267)
Interest paid	14	(58,369)	(96,683)	(669,901)	(585,912)
Payments of financial lease				(2,429)	(2,734)
Dividends paid		(432,750)	(387,796)	(441,085)	(396,347)
Acquisition of non-controlling interests of subsidiaries					(9)
Acquisition of own shares to held in treasury			(168,250)		(168,250)
Sale of treasury shares	8.c	12,433			
Related parties		9,210	(25,978)		
Net cash used in financing activities		(469,476)	(679,665)	(576,246)	(1,190,312)
Effect of exchange rate changes on cash and cash equivalents in foreign currency				(18,040)	11,083
Increase (decrease) in cash and cash equivalents		47,948	298,206	(199,377)	(772,358)
Cash and cash equivalents at the beginning of the period	4	48,061	119,227	2,702,893	2,827,369
Cash and cash equivalents at the end of the period	4	96,009	417,433	2,503,156	2,055,011

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 six-month period ended June 30, 2016 and 2015***(In thousands of Brazilian Reais, except percentages)*

	Note	06/30/2016	Parent %	06/30/2015	%	06/30/2016	Consolidated %	06/30/2015	%
Revenue									
Gross revenue from sales and services, except rents and royalties	24					39,980,384		36,962,021	
Rebates, discounts, and returns	24					(259,028)		(167,886)	
Allowance for doubtful accounts Reversal (allowance)						(20,203)		(13,718)	
Gain (loss) on disposal of property, plant and equipment and intangibles and other operating income, net	26			29,784		73,594		24,887	
				29,784		39,774,747		36,805,304	
Materials purchased from third parties									
Raw materials used						(2,163,186)		(1,936,887)	
Cost of goods, products, and services sold						(33,176,692)		(30,834,900)	
Third-party materials, energy, services, and others		(5,671)		(9,562)		(1,073,556)		(999,251)	
Reversal of impairment losses		8,773		12,381		(4,685)		(3,379)	
		3,102		2,819		(36,418,119)		(33,774,417)	
Gross value added		3,102		32,603		3,356,628		3,030,887	
Deductions									
Depreciation and amortization						(545,363)		(477,573)	
						(6,215)		(6,546)	

PIS and COFINS credits
on depreciation

					(551,578)		(484,119)		
Net value added by the Company		3,102		32,603		2,805,050		2,546,768	
Value added received in transfer									
Share of profit (loss) of subsidiaries, joint-ventures, and associates	11	772,405		697,369		3,041		528	
Dividends at cost				5					
Rents and royalties	24					60,591		56,117	
Financial income	28	73,387		83,979		220,927		203,160	
		845,792		781,353		284,559		259,805	
Total value added available for distribution		848,894		813,956		3,089,609		2,806,573	
Distribution of value added									
Labor and benefits		2,583		2,386		859,603	28	786,634	27
Taxes, fees, and contributions		(7,555)	(1)	6,632	1	763,781	25	721,043	26
Financial expenses and rents		104,488	12	91,506	11	711,255	23	581,213	21
Retained earnings		749,378	89	713,432	88	754,970	24	717,683	26
Value added distributed		848,894	100	813,956	100	3,089,609	100	2,806,573	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, 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).

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.

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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)

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.

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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)

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.

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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)

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).

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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)

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.

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.

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)***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 June 30, 2016 was a loss of R\$ 9,250 (gain of R\$ 66,925 as of December 31, 2015).

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 628.3434 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 six-month period ended June 30, 2016 amounted to R\$ 5,170 (R\$ 1,750 gain for the six-month period ended June 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.

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).

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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)

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\$ 801 as of June 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.

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 June 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.

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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)

z. Authorization for Issuance of the Interim Financial Information

These interim financial information were authorized for issue by the Board of Directors on August 10, 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			
			06/30/2016		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
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

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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
SERMA Ass. dos usuários equip. proc. de dados	Brazil	Others	100	100

The percentages in the table above are rounded.

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 Ipiranga Produtos de Petróleo S.A. (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 the Brazilian Antitrust Authority - 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\$ 3,416,707 as of June 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	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Cash and bank deposits				

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In local currency	115	120	66,214	92,160
In foreign currency			61,663	99,856
Financial investments considered cash equivalents				
In local currency				
Fixed-income securities	95,894	47,941	2,282,591	2,497,903
In foreign currency				
Fixed-income securities			92,688	12,974
Total cash and cash equivalents	96,009	48,061	2,503,156	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	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Financial investments				
In local currency				
Fixed-income securities and funds	21,342	6,708	686,089	801,587
In foreign currency				
Fixed-income securities and funds			33,287	35,013
Currency and interest rate hedging instruments (a)			194,175	433,669
Total financial investments	21,342	6,708	913,551	1,270,269
Current	21,342	6,708	789,620	803,304
Non-current			123,931	466,965

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

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)***5. Trade Receivables (Consolidated)**

The composition of trade receivables is as follows:

	06/30/2016	12/31/2015
Domestic customers	2,983,481	2,971,019
Reseller financing Ipiranga	390,602	350,119
Foreign customers	189,141	199,081
(-) Allowance for doubtful accounts	(221,565)	(200,816)
Total	3,341,659	3,319,403
Current	3,153,093	3,167,164
Non-current	188,566	152,239

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:

	Total	Current	less than 30 days	Past due			more than 180 days
				31-60 days	61-90 days	91-180 days	
06/30/2016	3,563,224	3,064,726	102,607	34,660	18,510	49,533	293,188
12/31/2015	3,520,219	3,080,681	113,136	22,834	13,473	30,411	259,684

Movements in the allowance for doubtful accounts are as follows:

Balance as of December 31, 2015	200,816
Additions	24,591
Write-offs	(3,842)

Balance as of June 30, 2016

221,565

For further information about allowance for doubtful accounts see Note 31 Customer credit risk.

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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)

6. Inventories (Consolidated)

The composition of inventories is as follows:

	06/30/2016	12/31/2015
Cost		