

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 X	Form
20-F	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.

TABLE OF CONTENTS

ITEM

1. Individual and Consolidated Interim Financial Information for the Nine-Month Period Ended September 30, 2014 and Report on Review of Interim Financial Information
 2. Earnings release 3Q14
 3. Board of Directors Minutes
-

Item 1

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

Ultrapar Participações S.A.

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

Ultrapar Participações S.A. and Subsidiaries

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

Table of Contents

Report on Review of Interim Financial Information	3 – 4
Balance Sheets	5 – 6
Income Statements	7 – 8
Statements of Comprehensive Income	9 – 10
Statements of Changes in Equity	11 – 12
Statements of Cash Flows - Indirect Method	13 – 14
Statements of Value Added	15
Notes to the Interim Financial Information	16 – 95

(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)

Assets	Note	Parent		Consolidated	
		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.

Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of September 30, 2014 and December 31, 2013

(In thousands of Brazilian Reais)

Liabilities	Note	Parent 09/30/2014	12/31/2013	Consolidated 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)

	Note	Parent		Consolidated	
		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)

	Note	Parent		Consolidated	
		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)

	Note	Parent		Consolidated	
		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		Consolidated	
		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 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)

								Cumulative other Profit reserve 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

11

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	Cumulative translation adjustments
Balance as of December 31, 2013		3,696,773	20,246	6,107	335,099	1,038,467	1,333,066	5,428	38,070
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	-	-	-	-	-	-	-	(18,350)
Total comprehensive income for the period		-	-	-	-	-	-	10	(18,350)
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	-	-	-	-	-	-	-	-

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

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.

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)

	Note	Parent 09/30/2014	Parent 09/30/2013	Consolidated 09/30/2014	Consolidated 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)

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

(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.

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)

	Note	09/30/2014	Parent 09/30/2013	Consolidated 09/30/2014	Consolidated 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

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

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.

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)

	Note	09/30/2014	Parent %	09/30/2013	%	09/30/2014	Consolidated %	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.

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 (“Oxitenó”), 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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).

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\$ 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:

	Location	% interest in the share			
		09/30/2014		12/31/2013	
		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
Oxiten S.A. Indústria e Comércio	Brazil	100	-	100	-
Oxiten Nordeste S.A. Indústria e Comércio	Brazil	-	99	-	99
Oxiten Argentina Sociedad de Responsabilidad Ltda.	Argentina	-	100	-	100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	-	100	-	100
Oxiten Uruguay S.A.	Uruguay	-	100	-	100
Barrington S.L.	Spain	-	100	-	100
Oxiten México S.A. de C.V.	Mexico	-	100	-	100
Oxiten Servicios Corporativos S.A. de C.V.	Mexico	-	100	-	100
Oxiten Servicios Industriales S.A. de C.V.	Mexico	-	100	-	100
Oxiten USA LLC	United States	-	100	-	100
Global Petroleum Products Trading Corp.	Virgin Islands	-	100	-	100
Oxiten Overseas Corp.	Virgin Islands	-	100	-	100
Oxiten Andina, C.A.	Venezuela	-	100	-	100
Oxiten Europe SPRL	Belgium	-	100	-	100
Oxiten Colombia S.A.S	Colombia	-	100	-	100
Oxiten Shanghai Trading LTD.	China	-	100	-	100

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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's 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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
		Income and social contribution taxes payable	3,150
Recoverable taxes	12,961	Deferred revenue	5,152
Other	5,110	Other	6,316
	260,182		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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Financial Investments

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

	Parent		Consolidated	
	09/30/2014	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

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:

	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:

	Total	Current	less than 30 days	31-60 days	Past due 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.

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:

	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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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	210,045
Provision for ICMS losses (1)	-	-	(67,757)	(65,180)
PIS and COFINS	-	-	201,405	156,707
Value-Added Tax (IVA) of subsidiaries				
Oxiteno Mexico, Oxiteno Andina and Oxiteno				
Uruguay	-	-	38,988	43,592
Excise tax - IPI	-	-	4,573	3,997
Other	-	-	3,079	7,589
Total	63,534	48,531	639,835	517,340
Current	23,360	27,067	558,640	479,975
Non-current	40,174	21,464	81,195	37,365

(1) The provision for ICMS losses relates to tax credits that the subsidiaries believe to be unable to offset in the future and its movements are as follows:

Balance at December 31, 2013	65,180
Initial balance of Extrafarma (January 31, 2014)	20,888
Write-offs and reversals	(18,311)
Balance at September 30, 2014	67,757

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

8. Related Parties

a. Related Parties

· Parent Company

	Assets Debentures	Financial income
Ipiranga Produtos de Petróleo S.A.	750,000	88,537
Total as of September 30, 2014	750,000	88,537

	Assets Debentures	Financial income
Ipiranga Produtos de Petróleo S.A.	772,194	63,430
Total as of December 31, 2013	772,194	
Total as of September 30, 2013		63,430

In March 2009, Ipiranga made its first private offering in a single series of 108 debentures at face value of R\$ 10,000,000.00 (ten million Brazilian Reais), nonconvertible into shares, unsecured debentures. The Company subscribed 75 debentures with maturity on March 31, 2016 and semiannual remuneration linked to CDI.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Consolidated

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The balances and transactions between the Company and its subsidiaries with other related parties are disclosed below:

	Loans		Commercial transactions	
	Assets	Liabilities	Receivables ¹	Payables ¹
Oxicap Indústria de Gases Ltda.	10,368	-	-	947
Química da Bahia Indústria e Comércio S.A.	-	3,046	-	-
ConectCar Soluções de Mobilidade Eletrônica S.A.	-	-	1,516	105
Others	490	826	-	-
Total as of September 30, 2014	10,858	3,872	1,516	1,052

	Loans		Commercial transactions	
	Assets	Liabilities	Receivables ¹	Payables ¹
Oxicap Indústria de Gases Ltda.	10,368	-	-	1,069
Química da Bahia Indústria e Comércio S.A.	-	3,046	-	-
Refinaria de Petróleo Riograndense S.A.	-	-	-	1,051
ConectCar Soluções de Mobilidade Eletrônica S.A.	-	-	7,952	1,210
Others	490	826	-	-
Total as of December 31, 2013	10,858	3,872	7,952	3,330

¹ Included in “trade receivables” and “trade payables,” respectively.

	Commercial transactions	
	Sales	Purchases
Oxicap Indústria de Gases Ltda.	5	9,728
Refinaria de Petróleo Riograndense S.A.	-	18,093
ConectCar Soluções de Mobilidade Eletrônica S.A.	6,077	-
Total as of September 30, 2014	6,082	27,821

	Commercial transactions	
	Sales	Purchases
Oxicap Indústria de Gases Ltda.	5	9,190
Refinaria de Petróleo Riograndense S.A.	-	23,091

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

ConectCar Soluções de Mobilidade Eletrônica S.A.	6,750	-
Total as of September 30, 2013	6,755	32,281

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Purchase and sale transactions relate substantially to the purchase of raw materials, feedstock, transportation, and storage services based on similar market prices and terms with customers and suppliers with comparable operational performance. The above operations related to ConectCar refer to the adherence to Ipiranga's marketing plan and services provided. Borrowing agreements are for an indeterminate period and do not contain interest clauses. In the opinion of the Company and its subsidiaries' management, transactions with related parties are not subject to credit risk, which is why no allowance for doubtful accounts or collateral is provided. Collateral provided by the Company in loans of subsidiaries and affiliates are mentioned in Note 14.1). Intercompany loans are contracted in light of temporary cash surpluses or deficits of the Company, its subsidiaries, and its associates.

b. Key executives - Compensation (Consolidated)

The Company's compensation strategy combines short and long-term elements, following the principles of alignment of interests and of maintaining a competitive compensation, and is aimed at retaining key officers and remunerating them adequately according to their attributed responsibilities and the value created to the Company and its shareholders.

Short-term compensation is comprised of: (a) fixed monthly compensation paid with the objective of rewarding the executive's experience, responsibility, and his/her position's complexity, and includes salary and benefits such as medical coverage, check-up, life insurance, and others; (b) variable compensation paid annually with the objective of aligning the executive's and the Company's objectives, which is linked to: (i) the business performance measured through its economic value creation and (ii) the fulfillment of individual annual goals that are based on the strategic plan and are focused on expansion and operational excellence projects, people development and market positioning, among others. In addition, the chief executive officer is entitled to additional long term variable compensation relating to the Company's shares' performance between 2013 and 2018, reflecting the target of more than doubling the share value of the Company in 5 years. Further details about the Deferred Stock Plan are contained in Note 8.c) and about post-employment benefits in Note 24.b).

As of September 30, 2014, the Company and its subsidiaries recognized expenses for compensation of its key executives (Company's directors and executive officers) in the amount of R\$ 27,930 (R\$ 23,529 as of September 30, 2013). Out of this total, R\$ 21,352 relates to short-term compensation (R\$ 19,567 as of September 30, 2013), R\$ 4,061 to stock compensation (R\$ 2,840 as of September 30, 2013), R\$ 1,285 to post-employment benefits (R\$ 1,122 as of September 30, 2013), and R\$ 1,232 to long-term compensation.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Deferred Stock Plan

On April 27, 2001, the General Shareholders' Meeting approved a benefit plan to members of management and employees in executive positions in the Company and its subsidiaries. On November 26, 2003, the Extraordinary General Shareholders' Meeting approved certain amendments to the original plan of 2001 (the "Deferred Stock Plan"). In the Deferred Stock Plan, certain members of management of the Company and its subsidiaries have the voting and economic rights of shares and the ownership of these shares is retained by the subsidiaries of the Company. The Deferred Stock Plan provides for the transfer of the ownership of the shares to those eligible members of management after five to ten years from the initial concession of the rights subject to uninterrupted employment of the participant during the period. The total number of shares to be used for the Deferred Stock Plan is subject to the availability in treasury of such shares. It is incumbent on Ultrapar's executive officers to select the members of management eligible for the plan and propose the number of shares in each case for approval by the Board of Directors. The fair value of the awards were determined on the grant date based on the market value of the shares on the BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA"), the Brazilian Securities, Commodities and Futures Exchange and the amounts are amortized between five and ten years from the initial concession.

The table below summarizes shares provided to the Company and its subsidiaries' management:

Grant date	Balance of number of shares granted	Vesting period	Market price of shares on the grant date (in R\$ per share)	Total grant costs, including taxes	Accumulated recognized grant costs	Accumulated unrecognized grant costs
March 5, 2014	83,400	2019 to 2021	52.15	5,999	(594)	5,405
February 3, 2014	150,000	2018 to 2020	55.36	11,454	(1,570)	9,884
November 7, 2012	350,000	2017 to 2019	42.90	20,710	(6,742)	13,968
December 14, 2011	120,000	2016 to 2018	31.85	5,272	(2,537)	2,735
November 10, 2010	260,000	2015 to 2017	26.78	9,602	(6,387)	3,215
December 16, 2009	250,000	2014 to 2016	20.75	7,155	(5,874)	1,281
October 8, 2008	384,008	2013 to 2015	9.99	8,090	(7,712)	378
December 12, 2007	53,320	2012 to 2014	16.17	3,570	(3,541)	29
November 9, 2006	207,200	2016	11.62	3,322	(2,630)	692

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

December 14, 2005	93,600	2015	8.21	1,060	(936)	124
October 4, 2004	167,900	2014	10.20	2,361	(2,361)	-
	2,119,428			78,595	(40,884)	37,711

The amortization for the nine-month period ended September 30, 2014 in the amount of R\$ 8,855 (R\$ 7,423 for the nine-month period ended September 30, 2013) was recognized as a general and administrative expense.

The table below shows the movement in the number of granted shares:

Balance as of December 31, 2013	1,886,028
Shares granted on February 3, 2014	150,000
Shares granted on March 5, 2014	83,400
Balance as of September 30, 2014	2,119,428

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

9. Income and Social Contribution Taxes

a. Deferred Income and Social Contribution Taxes

The Company and its subsidiaries recognize tax credits and debits, which are not subject to the statute of limitations, resulting from tax loss carryforwards, temporary differences, negative tax bases and revaluation of property, plant, and equipment, among others. Credits are sustained by the continued profitability of their operations. Deferred IRPJ and CSLL are recognized under the following main categories:

	Parent		Consolidated	
	09/30/2014	12/31/2013	09/30/2014	12/31/2013
Assets - Deferred income and social contribution taxes on:				
Provision for impairment of assets	-	-	43,653	32,130
Provisions for tax, civil, and labor risks	14	10	125,931	111,395
Provision for post-employment benefit	-	-	47,648	43,753
Provision for differences between cash and accrual basis	-	-	845	-
Goodwill	-	-	30,610	57,334
Provision for asset retirement obligation	-	-	20,976	13,760
Other provisions	-	385	107,009	72,153
Tax losses and negative basis for social contribution carryforwards (d)	-	-	35,671	45,607
Total	14	395	412,343	376,132
Liabilities - Deferred income and social contribution taxes on:				
Revaluation of property, plant, and equipment	-	-	3,039	3,130
Lease	-	-	5,102	5,640
Provision for differences between cash and accrual basis	-	-	52,886	61,864
Provision for goodwill/negative goodwill	-	-	10,866	6,709
Temporary differences of foreign subsidiaries	-	-	6,665	4,088
Provision for post-employment benefit	-	-	5,911	5,911
Other provisions	470	-	13,953	14,157
Total	470	-	98,422	101,499

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Changes in the net balance of deferred IRPJ and CSLL are as follows:

	09/30/2014	09/30/2013
Initial balance	274,633	384,407
Deferred IRPJ and CSLL recognized in income of the period	(1,163)	(41,427)
Initial balance of Extrafarma (January 31, 2014)	41,384	-
Deferred IRPJ and CSLL recognized in business combinations	-	(8,365)
Other	(933)	(1,187)
Final balance	313,921	333,428

The estimated recovery of deferred tax assets relating to IRPJ and CSLL is stated as follows:

	Parent	Consolidated
Up to 1 year	-	146,103
From 1 to 2 years	-	80,936
From 2 to 3 years	14	31,013
From 3 to 5 years	-	38,332
From 5 to 7 years	-	77,017
From 7 to 10 years	-	38,942
	14	412,343

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Reconciliation of Income and Social Contribution Taxes

IRPJ and CSLL are reconciled to the statutory tax rates as follows:

	Parent		Consolidated	
	09/30/2014	09/30/2013	09/30/2014	09/30/2013
Income before taxes and share of profit of subsidiaries, joint ventures, and associates	8,846	18,872	1,280,937	1,266,530
Statutory tax rates - %	34	34	34	34
Income and social contribution taxes at the statutory tax rates	(3,008)	(6,416)	(435,519)	(430,620)
Adjustments to the statutory income and social contribution taxes:				
Nondeductible expenses (i)	(340)	(340)	(23,346)	(21,880)
Nontaxable revenues (ii)	-	95	1,948	2,498
Adjustment to estimated income (iii)	-	-	10,733	4,573
Interest on equity (iv)	-	(59,617)	-	(218)
Other adjustments	21	18	8,089	203
Income and social contribution taxes before tax incentives	(3,327)	(66,260)	(438,095)	(445,444)
Tax incentives - SUDENE	-	-	47,441	40,738
Income and social contribution taxes in the income statement	(3,327)	(66,260)	(390,654)	(404,706)
Current	(2,476)	(66,226)	(436,932)	(404,017)
Deferred	(851)	(34)	(1,163)	(41,427)
Tax incentives - SUDENE	-	-	47,441	40,738
Effective IRPJ and CSLL rates - %			30.5	32.0

(i) Nondeductible expenses consist of certain expenses that cannot be deducted for tax purposes under applicable tax legislation, such as expenses with fines, donations, gifts, losses of assets, and certain provisions;

(ii) Nontaxable revenues consist of certain gains and income that are not taxable under applicable tax legislation, such as the reimbursement of taxes and the reversal of certain provisions;

(iii) Brazilian tax law allows for an alternative method of taxation for companies that generated gross revenues of up to R\$ 78 million in their previous fiscal year. Certain subsidiaries of the Company adopted this alternative form of taxation, whereby income and social contribution taxes are calculated on a basis equal to 32% of operating revenues, as opposed to being calculated based on the effective taxable income of these subsidiaries. The

adjustment to estimated income represents the difference between the taxation under this alternative method and the income and social contribution taxes that would have been paid based on the effective statutory rate applied to the taxable income of these subsidiaries;

- (iv) Interest on equity is an option foreseen in Brazilian corporate law to distribute profits to shareholders, calculated based on the long-term interest rate (“TJLP”), which does not affect the income statement, but is deductible for purposes of IRPJ and CSLL.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Tax Incentives - SUDENE

The following subsidiaries are entitled to federal tax benefits providing for IRPJ reduction under the program for development of northeastern Brazil operated by the Superintendency for the Development of the Northeast (“SUDENE”):

Subsidiary	Units	Incentive - %	Expiration
Oxiteno Nordeste S.A. Indústria e Comércio	Camaçari plant	75	2016
Bahiana Distribuidora de Gás Ltda.	Caucaia base (1)	75	2012
	Mataripe base (1)	75	2013
	Aracaju base	75	2017
	Suape base	75	2018
Terminal Químico de Aratu S.A. – Tequimar	Suape terminal	75	2020
	Aratu terminal	75	2022
	(2)		
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Camaçari plant	75	2022

(1) In 2014, the subsidiary will request the extension of the recognition of tax incentive for another 10 years, due to the production increase in the Caucaia base and modernization in the Mataripe base.

(2) On December 26, 2013, the petition requesting the extension of the tax incentive for another 10 years was granted by SUDENE, due to the modernization in the Aratu terminal. Due to the expiration of the period for approval by the Federal Revenue Service on the petition, Tequimar recognized the tax benefit in income for the second quarter of 2014, retroactive to January 2013 in the amount of R\$ 4,356.

d. Income and Social Contribution Taxes Carryforwards

As of September 30, 2014, the Company and certain subsidiaries have loss carryforwards (income tax) amounting to R\$ 113,316 (R\$ 142,952 as of December 31, 2013) and negative basis of CSLL of R\$ 81,581 (R\$ 109,652 as of December 31, 2013), whose compensations are limited to 30% of taxable income, which do not expire. Based on these values, the Company and its subsidiaries recognized deferred income and social contribution tax assets in the amount of R\$ 35,671 as of September 30, 2014 (R\$ 45,607 as of December 31, 2013).

e. Law N° 12973/14 (conversion of Provisional Measure No. 627/13)

On May 14, 2014, Law No. 12973, a conversion of Provisional Measure No. 627 (MP 627/13), was published which, among other matters: (i) revoked the Transition Tax Regime (RTT) and regulates the incidence of taxes on the adjustments arising from the convergence of accounting practices adopted in Brazil and IFRS and (ii) provided for the taxation of residents in Brazil related to profits of overseas subsidiaries and associates.

The Company and its subsidiaries decided not to anticipate the effects of the application of this law for the calendar year 2014.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

10. Prepaid Expenses (Consolidated)

	09/30/2014	12/31/2013
Rents	91,945	92,375
Deferred Stock Plan, net (see Note 8.c)	30,368	23,408
Advertising and publicity	12,579	25,864
Software maintenance	9,709	3,900
Insurance premiums	8,320	10,319
Purchases of meal and transportation tickets	1,575	1,541
Taxes and other prepaid expenses	3,061	5,575
	157,557	162,982
Current	57,926	65,177
Non-current	99,631	97,805

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

11. Investments

a. Subsidiaries and Joint-Venture (Parent Company)

The table below presents the full amounts of balance sheets and income statements of subsidiaries and joint venture:

	09/30/2014				Joint-venture
	Ultracargo - Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Imifarma Produtos Farmacêuticos e Cosméticos S.A.	
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	302,240,000	5,078,888
Assets	1,146,587	3,499,490	9,986,633	487,198	208,151
Liabilities	3,972	440,611	8,002,700	293,157	142,023
		3,058,920			
Shareholders' equity	1,142,615	(*)	1,983,933	194,041	66,128
Net revenue from sales and services	-	752,507	43,300,101	782,841	145,254
Net income (loss) for the period	77,656	184,939 (*)	600,468	4,381	(2,391)
% of capital held	100	100	100	100	33

(*) adjusted for intercompany unrealized profits
The percentages in the table above are rounded.

12/31/2013

	Subsidiaries		Joint-venture
Ultracargo - Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Refinaria de Petróleo Riograndense S.A.

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Number of shares or units held	11,839,764	35,102,127	224,467,228,244	5,078,888
Assets	1,068,847	3,373,026	9,389,351	214,375
Liabilities	3,888	480,755	7,234,447	145,856
Shareholders' equity	1,064,959	2,892,330(*)	2,154,904	68,519

09/30/2013

Net revenue from sales and services	-	700,513	39,031,537	146,998
Net income for the period	57,896	160,450 (*)	679,090	9,766
% of capital held	100	100	100	33

(*) adjusted for intercompany unrealized profits

The percentages in the table above are rounded.

Operating financial information of the subsidiaries is detailed in Note 21.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Balances and changes in subsidiaries and joint venture are as follows:

	Investments in subsidiaries				Total	Joint-venture	
	Ultracargo - Operações Logísticas e Participações Ltda.	Oxitenó S.A. - Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Imifarma Produtos Farmacêuticos e Cosméticos S.A.		Refinaria de Petróleo Riograndense S.A.	Total
Balance as of December 31, 2013	1,064,959	2,892,330	2,154,904	-	6,112,193	22,751	6,134,944
Share of profit of subsidiaries and joint venture	77,656	184,939	600,468	4,381	867,444	(794)	866,650
Dividends and interest on equity (gross)	-	-	(771,416)	-	(771,416)	-	(771,416)
Capital increase in cash	-	-	-	236,100	236,100	-	236,100
Acquisition of shares	-	-	-	(46,440)	(46,440)	-	(46,440)
Goodwill	-	-	-	795,729	795,729	-	795,729
Tax liabilities on equity- method revaluation reserve	-	-	(31)	-	(31)	-	(31)
Valuation adjustment of subsidiaries	-	2	8	-	10	-	10
Translation adjustments of foreign-based subsidiaries	-	(18,351)	-	-	(18,351)	-	(18,351)
Balance as of September 30, 2014	1,142,615	3,058,920	1,983,933	989,770	7,175,238	21,957	7,197,195

Investments in subsidiaries	Joint-venture	Total
Ipiranga		

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

	Ultracargo - Operações Logísticas e Participações Ltda.	Oxiten S.A. - Indústria e Comércio	Produtos de Petróleo S.A.	Total	Refinaria de Petróleo Riograndense S.A.	
Balance as of December 31, 2012	988,511	2,349,275	2,435,502	5,773,288	19,759	5,793,047
Share of profit of subsidiaries and joint venture	57,896	160,450	679,090	897,436	2,282	899,718
Dividends and interest on equity (gross)	-	-	(315,436)	(315,436)	(1,612)	(317,048)
Capital decrease	-	-	(700,000)	(700,000)	-	(700,000)
Tax liabilities on equity- method revaluation reserve	-	-	(149)	(149)	-	(149)
Valuation adjustment of subsidiaries	-	(10)	(3)	(13)	-	(13)
Translation adjustments of foreign-based subsidiaries	-	992	-	992	-	992
Balance as of September 30, 2013	1,046,407	2,510,707	2,099,004	5,656,118	20,429	5,676,547

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Joint Ventures (Consolidated)

The Company holds an interest in RPR, which is primarily engaged in oil refining.

The subsidiary Ultracargo Participações holds an interest in União Vopak, which is primarily engaged in liquid bulk storage in the port of Paranaguá.

The subsidiary Ipiranga Produtos de Petróleo S.A. (“IPP”) holds an interest in ConectCar, which is primarily engaged in electronic payment of tolls, parking and fuel. ConectCar, formed in November 2012, started its operation on April 23, 2013 in the State of São Paulo and currently also operates in the States of Rio Grande do Sul, Paraná, Rio de Janeiro, Pernambuco, Bahia, Minas Gerais, Espírito Santo and Distrito Federal.

These investments are accounted for under the equity method of accounting based on their information as of September 30, 2014.

Balances and changes in joint ventures are as follows:

	União Vopak	Movements in investments		Total
		RPR	ConectCar	
Balance as of December 31, 2013	5,916	22,751	15,719	44,386
Capital increase	-	-	19,000	19,000
Share of profit (loss) of joint ventures	478	(794)	(11,926)	(12,242)
Dividends received	(1,136)	-	-	(1,136)
Balance as of September 30, 2014	5,258	21,957	22,793	50,008

	União Vopak	Movements in investments		Total
		RPR	ConectCar	
Balance as of December 31, 2012	5,714	19,759	2,736	28,209
Capital increase	-	-	17,580	17,580
Share of profit (loss) of joint ventures	969	2,282 (*)	(7,650)	(4,399)
Dividends received	-	(1,612)	-	(1,612)
Balance as of September 30, 2013	6,683	20,429	12,666	39,778

*Includes adjustments related to the conclusion of the audit of 2012.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

The table below presents the full amounts of balance sheets and income statements of joint ventures:

	09/30/2014		
	União Vopak	RPR	ConectCar
Current assets	3,522	99,218	23,374
Non-current assets	8,160	108,933	42,234
Current liabilities	1,168	50,518	20,023
Non-current liabilities	-	91,505	-
Shareholders' equity	10,514	66,128	45,585
Net revenue from sales and services	8,942	145,254	5,493
Costs and operating expenses	(7,618)	(145,901)	(41,593)
Net financial income and income and social contribution taxes	(368)	(1,744)	12,248
Net income (loss)	956	(2,391)	(23,852)
Number of shares or units held	29,995	5,078,888	50,000,000
% of capital held	50	33	50

The percentages in the table above are rounded.

	12/31/2013		
	União Vopak	RPR	ConectCar
Current assets	3,814	115,968	26,585
Non-current assets	9,358	98,407	25,301
Current liabilities	1,340	46,973	20,448
Non-current liabilities	-	98,883	-
Shareholders' equity	11,832	68,519	31,438
Number of shares or units held	29,995	5,078,888	50,000,000
% of capital held	50	33	50

	09/30/2013		
	União Vopak	RPR	ConectCar
Net revenue from sales and services	9,321	146,998	2,762
Costs and operating expenses	(6,556)	(131,455)	(25,906)
Net financial income and income and social contribution taxes	(826)	(5,777)	7,844
Net income (loss)	1,939	9,766	(15,300)
Number of shares or units held	29,995	5,078,888	25,000,000

% of capital held	50	33	50
-------------------	----	----	----

The percentages in the table above are rounded.

45

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Associates (Consolidated)

Subsidiary IPP holds an interest in Transportadora Sulbrasileira de Gás S.A., which is primarily engaged in natural gas transportation services.

Subsidiary Oxiteno S.A. holds an interest in Oxicap Indústria de Gases Ltda. (“Oxicap”), which is primarily engaged in the supply of nitrogen and oxygen for its shareholders in the Mauá petrochemical complex.

Subsidiary Oxiteno Nordeste S.A. Indústria e Comércio (“Oxiteno Nordeste”) holds an interest in Química da Bahia Indústria e Comércio S.A., which is primarily engaged in manufacturing, marketing, and processing of chemicals. The operations of this associate are currently suspended.

Subsidiary Companhia Ultragaz S.A. (“Cia. Ultragaz”) holds an interest in Metalúrgica Plus S.A., which is primarily engaged in the manufacture and trading of LPG containers. The operations of this associate are currently suspended.

Subsidiary IPP holds an interest in Plenogás Distribuidora de Gás S.A., which is primarily engaged in the marketing of LPG. The operations of this associate are currently suspended.

The investment of subsidiary Oxiteno S.A. in the associate Oxicap is accounted for under the equity method of accounting based on its interim financial information as of August 31, 2014, while the other associates are valued based on the interim financial information as of September 30, 2014.

Balances and changes in associates are as follows:

	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Total
Balance as of December 31, 2013	5,962	2,144	3,635	11,741
Share of profit of associates	809	570	43	1,422
Dividends received	(725)	-	-	(725)
Balance as of September 30, 2014	6,046	2,714	3,678	12,438

Movements in investments

Transportadora	Oxicap	Química da Bahia	Total
----------------	--------	------------------	-------

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

	Sulbrasileira de Gás S.A.	Indústria de Gases Ltda.	Indústria e Comércio S.A.	
Balance as of December 31, 2012	7,014	2,020	3,636	12,670
Capital reduction	(1,500)	-	-	(1,500)
Share of profit of associates	598	(20)	-	578
Dividends received	(316)	-	-	(316)
Balance as of September 30, 2013	5,796	2,000	3,636	11,432

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

The table below presents the full amounts of balance sheets and income statements of associates:

	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	09/30/2014 Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Current assets	5,578	15,369	117	2,457	206
Non-current assets	19,660	77,668	10,348	182	2,829
Current liabilities	721	7,855	-	417	83
Non-current liabilities	332	74,329	3,109	1,708	3,171
Shareholders' equity	24,185	10,853	7,356	514	(219)
Net revenue from sales and services	6,745	25,150	-	-	-
Costs, operating expenses, and income	(3,422)	(21,726)	(30)	388	379
Net financial income and income and social contribution taxes	(86)	(1,146)	116	965	(6)
Net income for the period	3,237	2,278	86	1,353	373
Number of shares or units held	20,124,996	156	1,493,120	3,000	1,384,308
% of capital held	25	25	50	33	33

The percentages in the table above are rounded.

	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	12/31/2013 Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Current assets	4,482	19,507	85	555	3
Non-current assets	20,449	73,767	10,085	331	2,926
Current liabilities	749	11,019	-	17	62

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Non-current liabilities	332	73,681	2,901	1,708	3,459
Shareholders' equity	23,850	8,574	7,269	(839)	(592)

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	09/30/2013 Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Net revenue from sales and services	5,388	23,380	-	-	-
Costs, operating expenses, and income	(3,094)	(23,460)	(27)	(111)	223
Net financial income and income and social contribution taxes	94	(1)	29	(4)	17
Net income (loss) for the period	2,388	(81)	2	(115)	240
Number of shares or units held	20,124,996	156	1,493,120	3,000	1,384,308
% of capital held	25	25	50	33	33

The percentages in the table above are rounded.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

12. Property, Plant, and Equipment (Consolidated)

Balances and changes in property, plant, and equipment are as follows:

	Weighted average useful life	Balance in 12/31/2013	Additions	Depreciation	Transfer	Write-offs and disposals	Extrafarma acquisiton (1)	Effect of foreign currency exchange rate variation	Balance in 09/30/2014
Cost:									
Land	-	458,619	4,921	-	73	(5,192)	-	(200)	458,221
Buildings	30	1,219,746	3,969	-	37,412	(5,311)	-	(5,000)	1,250,816
Leasehold improvements	11	549,841	6,787	-	32,542	(1,357)	23,059	(3)	610,869
Machinery and equipment	13	3,745,901	62,155	-	32,164	(2,987)	6,366	(55,699)	3,787,900
Automotive fuel/lubricant distribution equipment and facilities	14	1,939,720	59,625	-	67,632	(14,097)	-	-	2,052,880
LPG tanks and bottles	12	460,596	75,545	-	-	(41,451)	-	-	494,690
Vehicles	8	213,635	19,019	-	13,102	(14,707)	5,695	(273)	236,471
Furniture and utensils	9	126,758	6,631	-	1,170	(227)	14,926	(1,598)	147,660
Construction in progress	-	302,076	214,426	-	(172,832)	(294)	6,751	8,460	358,587
Advances to suppliers	-	27,558	5,419	-	(13,778)	(2,250)	-	-	16,949
Imports in progress	-	130	1,606	-	(1,589)	-	-	(33)	114
IT equipment	5	206,286	12,438	-	785	(1,035)	8,680	(211)	226,943
		9,250,866	472,541	-	(3,319)	(88,908)	65,477	(54,557)	9,642,100
Accumulated depreciation:									
Buildings		(533,776)	-	(27,896)	(44)	2,716	-	5,208	(553,792)
		(269,598)	-	(29,669)	(263)	911	(4,602)	3	(303,218)

Leasehold improvements								
Machinery and equipment	(1,939,238)	-	(169,478)	315	2,220	(1,756)	50,911	(2,057,026)
Automotive fuel/lubricant distribution equipment and facilities	(1,066,425)	-	(85,754)	1	11,731	-	-	(1,140,447)
LPG tanks and bottles	(221,321)	-	(21,829)	(1)	16,086	-	-	(227,065)
Vehicles	(87,860)	-	(9,056)	(1)	10,529	(2,954)	245	(89,097)
Furniture and utensils	(93,246)	-	(7,069)	(4)	155	(3,624)	1,583	(102,205)
IT equipment	(173,942)	-	(9,687)	(34)	986	(3,994)	25	(186,646)
	(4,385,406)	-	(360,438)	(31)	45,334	(16,930)	57,975	(4,659,496)
Provision for losses:								
Land	(197)	-	-	-	-	-	-	(197)
Machinery and equipment	(5,027)	-	-	-	412	-	-	(4,615)
IT equipment	(6)	-	-	-	-	-	-	(6)
Furniture and utensils	(5)	-	-	-	2	-	-	(3)
	(5,235)	-	-	-	414	-	-	(4,821)
Net amount	4,860,225	472,541	(360,438)	(3,350)	(43,160)	48,547	3,418	4,977,783

(1) For further information on the Extrafarma acquisition, see Note 3.a).

Construction in progress relates substantially to expansions and renovations of industrial facilities and terminals and construction and upgrade of service stations and fuel distribution bases.

Advances to suppliers of property, plant, and equipment relate basically to manufacturing of equipment for expansion of plants, terminals and bases, modernization of service stations, and acquisition of real estate.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

13. Intangible Assets (Consolidated)

Balances and changes in intangible assets are as follows:

	Weighted average useful life (years)	Balance in 12/31/2013	Additions	Amortization	Transfer	Write-offs and disposals	Extrafarma Aquisition (1)	Effect of foreign currency exchange rate variation	Balance in 09/30/2014
Cost:									
Goodwill (i)	-	896,609	-	-	-	-	795,729	-	1,692,338
Software (ii)	5	353,637	47,624	-	15,658	(191)	7,817	438	424,983
Technology (iii)	5	32,436	181	-	-	-	-	-	32,617
Commercial property rights (iv)	12	16,334	1,424	-	-	-	11,904	-	29,662
Distribution rights (v)	5	2,213,573	289,383	-	(190)	-	-	-	2,502,766
Others (vi)	9	45,523	279	-	(8,044)	-	-	(1,093)	36,665
		3,558,112	338,891	-	7,424	(191)	815,450	(655)	4,719,031
Accumulated amortization:									
Goodwill		(101,983)	-	-	-	-	-	-	(101,983)
Software		(261,693)	-	(26,415)	(5,531)	189	(1,417)	628	(294,239)
Technology		(27,690)	-	(1,336)	-	-	-	-	(29,026)
Commercial property rights		(5,515)	-	(2,090)	8	-	(6,296)	-	(13,893)
Distribution rights		(992,022)	-	(269,499)	(3,965)	-	-	-	(1,265,486)
Others		(454)	-	(648)	(640)	-	-	1,273	(469)
		(1,389,357)	-	(299,988)	(10,128)	189	(7,713)	1,901	(1,705,096)
Net amount		2,168,755	338,891	(299,988)	(2,704)	(2)	807,737	1,246	3,013,935

(1) For further information on the Extrafarma acquisition, see Note 3.a).

i) Goodwill from acquisition of companies was amortized until December 31, 2008, when its amortization ceased. The net remaining balance is tested annually for impairment analysis purposes.

The Company has the following balances of goodwill:

	Segment	09/30/2014	12/31/2013
Goodwill on the acquisition of:			
Extrafarma (*)	Extrafarma	795,729	-
Ipiranga	Ipiranga	276,724	276,724
União Terminais	Ultracargo	211,089	211,089
Texaco	Ipiranga	177,759	177,759
Oxiteno Uruguay	Oxiteno	44,856	44,856
Temmar	Ultracargo	43,781	43,781
DNP	Ipiranga	24,736	24,736
Repsol	Ultragaz	13,403	13,403
Others		2,278	2,278
		1,590,355	794,626

(*) For further information about the goodwill of Extrafarma, see Note 3.a).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

On December 31, 2013, the Company tested the balances of goodwill shown in the table above for impairment. The determination of value in use involves assumptions, judgments, and estimates of cash flows, such as growth rates of revenues, costs and expenses, estimates of investments and working capital, and discount rates. The assumptions about growth projections and future cash flows are based on the Company's business plan, as well as comparable market data, and represent management's best estimate of the economic conditions that will exist over the economic life of the various CGUs, to which goodwill is related.

The evaluation of the value in use is calculated for a period of five years, after which we calculate the perpetuity, considering the possibility of carrying the business on indefinitely.

On December 31, 2013, the discount and real growth rates used to extrapolate the projections ranged from 11.3% to 24.9% and 0% to 5.0% p.a., respectively, depending on the CGU analyzed.

The Company's goodwill impairment tests did not result in the recognition of losses for the year ended December 31, 2013.

ii) Software includes user licenses and costs for the implementation of the various systems used by the Company and its subsidiaries, such as: integrated management and control, financial management, foreign trade, industrial automation, operational and storage management, accounting information, and other systems.

iii) The subsidiaries Oxiteno S.A., Oxiteno Nordeste and Oleoquímica Indústria e Comércio de Produtos Químicos Ltda. ("Oleoquímica") recognize as technology certain rights of use held by them. Such licenses include the production of ethylene oxide, ethylene glycols, ethanalamines, glycol ethers, ethoxylates, solvents, fatty acids from vegetable oils, fatty alcohols, and specialty chemicals, which are products that are supplied to various industries.

iv) Commercial property rights include those described below:

- On July 11, 2002, subsidiary Tequimar executed an agreement with CODEBA – Companhia das Docas do Estado da Bahia, which allows it to explore the area in which the Aratu Terminal is located for 20 years, renewable for a similar period. The price paid by Tequimar was R\$ 12,000, which is being amortized over the period from August 2002 to July 2042.
- In addition, subsidiary Tequimar has a lease contract for an area adjacent to the Port of Santos for 20 years from December 2002, renewable for a similar period, which allows the construction, operation, and use of a terminal for liquid bulk unloading, tank storage, handling, and distribution. The price paid by Tequimar was R\$ 4,334, which is being amortized over the period from August 2005 to December 2022.
- Subsidiary Extrafarma pays key money to obtain certain commercial establishments to open drugstores which is stated at the cost of acquisition, amortized using the straight line method, considering the lease contract terms. In the case of the closedown of stores, the residual amount is recorded in income.

v) Distribution rights refer mainly to bonus disbursements as provided in Ipiranga's agreements with resellers and large customers. Bonus disbursements are recognized when paid and recognized as an expense in the income statement over the term of the agreement (typically 5 years), which is reviewed as per the changes occurred in the agreements.

vi) Others are represented substantially by the acquisition cost of the 'am/pm' brand in Brazil.

The amortization expenses were recognized in the interim financial information as shown below:

	09/30/2014	09/30/2013
Inventories and cost of products and services sold	6,427	9,528
Selling and marketing	266,565	218,779
General and administrative	26,996	22,854
	299,988	251,161

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

14 Loans, Debentures, and Finance Leases (Consolidated)

a. Composition

Description	09/30/2014	12/31/2013	Index/Currency	Weighted average financial charges 09/30/2014 - % p.a.	Maturity
Foreign currency – denominated loans:					
Notes in the foreign market (b)	623,580	584,521	US\$	+7.3	2015
Foreign loan (c.1 and c.3) (*)	562,286	187,340	US\$ + LIBOR (i)	+0.6	2015 to 2017
Advances on foreign exchange contracts	156,238	136,753	US\$	+1.2	< 358 days
Foreign loan (c.2)	146,167	140,341	US\$ + LIBOR (i)	+1.0	2017
Financial institutions (e)	106,558	95,792	US\$	+2.1	2014 to 2017
Financial institutions (e)	49,269	46,740	US\$ + LIBOR (i)	+2.0	2017
BNDES (d)	35,261	46,623	US\$	+6.1	2014 to 2020
Financial institutions (e)	32,677	31,241	MX\$ + TIE (ii)	+1.0	2015 to 2016
Foreign currency advances delivered	5,026	25,511	US\$	+0.7	< 88 days
Subtotal	1,717,062	1,294,862			
Brazilian Reais – denominated loans:					
Banco do Brasil – floating rate (f)	2,792,030	2,402,553	CDI	104.6	2015 to 2019
Debentures - 1st public issuance IPP (g.2 and g.3)	1,450,143	606,929	CDI	107.9	2017 to 2018
Debentures - 4th issuance (g.1)	847,893	852,483	CDI	108.3	2015
BNDES (d)	561,495	633,829	TJLP (iii)	+2.6	2014 to 2020
Banco do Brasil – fixed rate (f) (*)	491,275	905,947	R\$	+12.1	2015
Banco do Nordeste do Brasil	89,789	104,072	R\$	+8.5 (v)	

					2018 to 2021
FINEP	59,750	38,845	R\$	+4.0	2019 to 2021
BNDES (d)	56,371	47,428	R\$	+4.6	2015 to 2022
Finance leases (j)	46,315	44,338	IGP-M (iv)	+5.6	2031
Working capital loans Extrafarma – floating rate (i)	28,164	-	CDI	+2.5	2014 to 2017
Export Credit Note (h) (*)	25,699	24,994	R\$	+8.0	2016
FINEP	8,214	6,718	TJLP (iii)	-1.2	2023
Working capital loans Extrafarma – fixed rate (i)	4,278	-	R\$	+10.9	2014 to 2016
Fixed finance leases (j)	951	53	R\$	+15.6	2014 to 2017
FINAME	543	-	TJLP	+5.6%	2016 to 2022
Floating finance leases (j)	508	-	CDI	+2.8%	2017
Subtotal	6,463,418	5,668,189			
Currency and interest rate hedging instruments	12,256	6,575			
Total	8,192,736	6,969,626			
Current	2,570,388	1,829,989			
Non-current	5,622,348	5,139,637			

(*) These transactions were designated for hedge accounting (see Note 22 – Hedge Accounting).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

- (i) LIBOR = London Interbank Offered Rate.
- (ii) MX\$ = Mexican Peso; THIE = the Mexican interbank balance interest rate.
- (iii) TJLP (Long-term Interest Rate) = set by the National Monetary Council, TJLP is the basic financing cost of Banco Nacional de Desenvolvimento Econômico e Social (“BNDES”), the Brazilian Development Bank. On September 30, 2014, TJLP was fixed at 5.0% p.a.
- (iv) IGP-M = General Market Price Index is a measure of Brazilian inflation, calculated by the Getúlio Vargas Foundation.
- (v) Contract linked to the rate of FNE (Northeast Constitutional Financing Fund) fund whose purpose is to foster the development of the industrial sector, administered by Banco do Nordeste do Brasil. On September 30, 2014, the FNE interest rate was 10% p.a. FNE grants a discount of 15% over the interest rate for timely payments.

The long-term consolidated debt had the following maturity schedule:

	09/30/2014	12/31/2013
From 1 to 2 years	1,327,272	2,831,799
From 2 to 3 years	1,724,983	493,356
From 3 to 4 years	715,349	797,605
From 4 to 5 years	1,779,375	68,640
More than 5 years	75,369	948,237
	5,622,348	5,139,637

As provided in IAS 39 (CPC 8 (R1)), the transaction costs and issuance premiums associated with debt issuance by the Company and its subsidiaries were added to their financial liabilities, as shown in Note 14.k).

The Company’s management entered into hedging instruments against foreign exchange and interest rate variations for a portion of its debt obligations (see Note 22).

b. Notes in the Foreign Market

In December 2005, the subsidiary LPG International Inc. (“LPG Inc.”) issued US\$ 250 million in notes in the foreign market, maturing in December 2015, with interest rate of 7.3% p.a., paid semiannually. The notes were guaranteed by the Company and its subsidiary Oxiteno S.A.

As a result of the issuance of these notes, the Company and its subsidiaries are required to undertake certain obligations, including:

- Limitation on transactions with shareholders that hold 5% or more of any class of stock of the Company, except upon fair and reasonable terms no less favorable than could be obtained in a comparable transaction with a third party.
- Required board approval for transactions with shareholders that hold 5% or more of any class of stock of the Company, or with their subsidiaries, in an amount higher than US\$ 15 million (except transactions of the

Company with its subsidiaries and between its subsidiaries).

- Restriction on sale of all or substantially all assets of the Company and subsidiaries LPG and Oxiteno S.A.
- Restriction on encumbrance of assets exceeding US\$ 150 million or 15% of the value of the consolidated tangible assets.

The Company and its subsidiaries are in compliance with the levels of covenants required by these loans. The restrictions imposed on the Company and its subsidiaries are customary in transactions of this kind and have not limited their ability to conduct their business to date.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Foreign Loans

1) The subsidiary IPP has a foreign loan in the amount of US\$ 80 million, due in November 2015 and bearing interest of LIBOR + 0.8% p.a., paid quarterly. IPP also contracted hedging instruments with floating interest rate in U.S. dollar and exchange rate variation, changing the foreign loan charge to 104.1% of CDI (see Note 22). IPP designated these hedging instruments as a fair value hedge; therefore, loan and hedging instruments are both measured at fair value from inception, with changes in fair value recognized through profit or loss. The foreign loan is secured by the Company.

2) The subsidiary Oxiteno Overseas Corp. (“Oxiteno Overseas”) has a foreign loan in the amount of US\$ 60 million with interest of LIBOR + 1.0% p.a., paid semiannually. The Company, through its subsidiary Cia. Ultragaz, contracted hedging instruments with floating interest rates in dollar and exchange rate variation, changing the foreign loan charge to 86.9% of CDI with maturity in June 2014 and 94.0% of CDI for the remaining term (see Note 22). The foreign loan is guaranteed by the Company and its subsidiary Oxiteno S.A. In January 2014, the subsidiary renegotiated the loan changing the maturity from June 2014 to January 2017.

3) In September 2014, the subsidiary IPP contracted a foreign loan in the amount of US\$ 150 million, due in September 2017 and bearing interest of LIBOR + 0.53% p.a., paid quarterly. IPP also contracted hedging instruments with floating interest rate in U.S. dollar and exchange rate variation, changing the foreign loan charge to 103.7% of CDI (see Note 22). IPP designated these hedging instruments as a fair value hedge; therefore, loan and hedging instruments are both measured at fair value from inception, with changes in fair value recognized through profit or loss. The foreign loan is secured by the Company.

As a result of these foreign loans, some obligations mentioned in Note 14.b) must also be maintained by the Company and its subsidiaries. Additionally, during these contracts, the Company shall maintain the following financial ratios, calculated based on its audited consolidated financial statements:

- Maintenance of a financial ratio, determined by the ratio between consolidated net debt and consolidated Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA), at less than or equal to 3.5.
- Maintenance of a financial ratio, determined by the ratio between consolidated EBITDA and consolidated net financial expenses, higher than or equal to 1.5.

The Company is in compliance with the levels of covenants required by these loans. The restrictions imposed on the Company and its subsidiaries are usual for this type of transaction and have not limited their ability to conduct their business to date.

d. BNDES

The Company and its subsidiaries have financing from BNDES for some of their investments and for working capital.

During the term of these agreements, the Company must maintain the following capitalization and current liquidity levels, as determined in the annual consolidated audited balance sheet:

- Capitalization level: shareholders' equity / total assets equal to or above 0.3; and
- Current liquidity level: current assets / current liabilities equal to or above 1.3.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

The Company is in compliance with the levels of covenants required by these loans. The restrictions imposed on the Company and its subsidiaries are usual for this type of transaction and have not limited their ability to conduct their business to date.

e. Financial Institutions

The subsidiaries Oxiteno Mexico S.A. de C.V., Oxiteno USA LLC and Oxiteno Uruguay have loans to finance investments and working capital.

f. Banco do Brasil

The subsidiary IPP has fixed and floating interest rate loans with Banco do Brasil to finance the marketing, processing, or manufacturing of agricultural goods (ethanol). IPP contracted interest hedging instruments, thus converting the fixed rate for this loan into 99.5% of CDI (see Note 22). IPP designates this hedging instrument as a fair value hedge; therefore, loan and hedging instrument are both stated at fair value from inception. Changes in fair value are recognized in profit or loss.

In January 2014, the subsidiary IPP renegotiated loans, that would mature in 2014, in the notional amount of R\$ 909.5 million, changing the maturities from April and May 2014 to January 2017, with floating interest rate of 105.5% of CDI.

These loans mature, as follows (include interest until September 30, 2014):

Maturity	09/30/2014
Feb/15	412,293
May/15	733,063
Feb/16	166,667
May/16	100,000
Jan/17	977,355
May/19	893,927
Total	3,283,305

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Debentures

1) In March 2012, the Company made its fourth issuance of debentures, in a single series of 800 simple, nonconvertible into shares, unsecured debentures, and its main characteristics are as follows:

Face value unit:	R\$ 1,000,000.00
Final maturity:	March 16, 2015
Payment of the face value:	Lump sum at final maturity
Interest:	108.3% of CDI
Payment of interest:	Annually
Reprice:	Not applicable

2) In December 2012, the subsidiary IPP made its first issuance of public debentures in single series of 60,000 simple, nonconvertible into shares, unsecured, nominative and registered debentures, and its main characteristics are as follows:

Face value unit:	R\$ 10,000.00
Final maturity:	November 16, 2017
Payment of the face value:	Lump sum at final maturity
Interest:	107.9% of CDI
Payment of interest:	Semiannually
Reprice:	Not applicable

3) In January 2014, the subsidiary IPP made its second issuance of public debentures in single series of 80,000 simple nonconvertible into shares, unsecured, nominative and registered debentures, which main characteristics are as follows:

Face value unit:	R\$ 10,000.00
Final maturity:	December 20, 2018
Payment of the face value:	Lump sum at final maturity
Interest:	107.9% of CDI
Payment of interest:	Semiannually
Reprice:	Not applicable

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

h. Export Credit Note

In March 2013, the subsidiary Oxiteno Nordeste contracted an export credit note in the amount of R\$ 17.5 million, with maturity in March 2016 and fixed interest rate of 8% p.a., paid quarterly.

In August 2013, the subsidiary Oxiteno Nordeste contracted an export credit note in the amount of R\$ 10.0 million, with maturity in August 2016 and fixed interest rate of 8% p.a., paid quarterly.

Oxiteno Nordeste contracted interest hedging instruments, thus converting the fixed rates for these loans into 88.8% of CDI (see Note 22). Oxiteno Nordeste designated these hedging instruments as a fair value hedge; therefore, loans and hedging instruments are both measured at fair value from inception. Changes in fair value are recognized in profit or loss.

i. Working Capital

The subsidiary Extrafarma has loans for financing its working capital, with maturities substantially in 2014 and containing fixed and floating rates.

j. Finance Leases

The subsidiary Cia. Ultragaz has a finance lease contract related to LPG bottling facilities, maturing in April 2031.

The subsidiary Serma – Associação dos Usuários de Equipamentos de Processamento de Dados e Serviços Correlatos (“Serma”) had finance lease contracts related to IT equipment with terms of 36 months. The subsidiary had the option to purchase the assets at a price substantially lower than the fair market price on the date of option. In the second quarter of 2014, the term of the contracts ended and Serma exercised its option to purchase the equipment.

The subsidiary Extrafarma has finance lease contracts related to IT equipment, vehicles, furniture, and utensils, with terms between 24 to 60 months.

The amount of equipment and intangible assets, net of depreciation and amortization, and of the liabilities corresponding to such equipment, are shown below:

	09/30/2014				
	LPG	IT	Vehicles	Furniture	Total
	bottling	equipment		and	
	facilities			utensils	
Equipment and intangible assets, net of depreciation and amortization	25,945	1,070	1,705	753	29,473

Edgar Filing: ULTRAPAR HOLDINGS INC - Form 6-K

Financing (present value)	46,315	1,032	225	202	47,774
Current	1,926	610	195	202	2,933
Non-current	44,389	422	30	-	44,841

57

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	12/31/2013		
	LPG bottling facilities	IT equipment	Total
Equipment and intangible assets, net of depreciation and amortization	29,653	292	29,945
Financing (present value)	44,338	53	44,391
Current	1,735	53	1,788
Non-current	42,603	-	42,603

The future disbursements (installments) assumed under these contracts are presented below:

	09/30/2014				
	LPG bottling facilities	IT equipment	Vehicles	Furniture and utensils	Total
Up to 1 year	4,238	675	211	208	5,332
From 1 to 2 years	4,238	297	32	-	4,567
From 2 to 3 years	4,238	219	-	-	4,457
From 3 to 4 years	4,238	11	-	-	4,249
From 4 to 5 years	4,238	-	-	-	4,238
More than 5 years	49,085	-	-	-	49,085
Total	70,275	1,202	243	208	71,928

	12/31/2013		
	LPG bottling facilities	IT equipment	Total
Up to 1 year	3,949	55	4,004
From 1 to 2 years	3,949	-	3,949
From 2 to 3 years	3,949	-	3,949
From 3 to 4 years	3,949	-	3,949
From 4 to 5 years	3,949	-	3,949
More than 5 years	48,704	-	48,704
	68,449	55	68,504

The above amounts include Services Tax (“ISS”) payable on the monthly installments, except for disbursements for the LPG bottling facilities.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

k. Transaction Costs

Transaction costs incurred in issuing debt were deducted from the value of the related financial instruments and are recognized as an expense according to the effective interest rate method, as follows:

	Effective rate of transaction costs (% p.a.)	Balance as of December 31, 2013	Incurred cost	Amortization	Balance as of September 30, 2014
Banco do Brasil (f)	0.4	19,797	-	(4,305)	15,492
Debentures (g)	0.3	4,730	1,422	(2,925)	3,227
Notes in the foreign market (b)	0.2	2,309	-	(799)	1,510
Other	0.3	916	3,140	(503)	3,553
Total		27,752	4,562	(8,532)	23,782

The amount to be appropriated to profit or loss in the future is as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Banco do Brasil (f)	3,502	2,575	3,078	3,668	2,669	-	15,492
Debentures (g)	2,099	329	362	346	91	-	3,227
Notes in the foreign market (b)	1,208	302	-	-	-	-	1,510
Other	1,416	1,273	856	8	-	-	3,553
Total	8,225	4,479	4,296	4,022	2,760	-	23,782

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

1. Guarantees

The financings are guaranteed by collateral in the amount of R\$ 77,602 as of September 30, 2014 (R\$ 40,675 as of December 31, 2013) and by guarantees and promissory notes in the amount of R\$ 3,730,946 as of September 30, 2014 (R\$ 2,528,511 as of December 31, 2013).

In addition, the Company and its subsidiaries offer collateral in the form of letters of credit for commercial and legal proceedings in the amount of R\$ 167,722 as of September 30, 2014 (R\$ 155,221 as of December 31, 2013).

Some subsidiaries issued collateral to financial institutions in connection with the amounts owed by some of their customers to such institutions (vendor financing). If a subsidiary is required to make any payment under these collaterals, this subsidiary may recover the amount paid directly from its customers through commercial collection. The maximum amount of future payments related to these collaterals is R\$ 17,104 as of September 30, 2014 (R\$ 14,315 as of December 31, 2013), with maturities of less than 213 days. As of September 30, 2014, the Company and its subsidiaries did not have losses in connection with these collaterals. The fair value of collaterals recognized in current liabilities as other payables is R\$ 414 as of September 30, 2014 (R\$ 350 as of December 31, 2013), which is recognized as profit or loss as customers settle their obligations with the financial institutions.

Some financing agreements of the Company and its subsidiaries have cross default clauses that require them to pay the debt assumed in case of default of other debts equal to or greater than US\$ 15 million. As of September 30, 2014, there was no event of default of the debts of the Company and its subsidiaries.

15 Trade Payables (Consolidated)

	09/30/2014	12/31/2013
Domestic suppliers	903,595	907,138
Foreign suppliers	71,986	61,812
	975,581	968,950

The Company and its subsidiaries acquire oil based fuels and LPG from Petróleo Brasileiro S.A. - Petrobras and its subsidiaries and ethylene from Braskem S.A. and Braskem Qpar S.A. These suppliers control almost all of the markets for these products in Brazil. The Company and its subsidiaries depend on the ability of those suppliers to deliver products in a timely manner and at acceptable prices and terms. The loss of any major supplier or a significant reduction in product availability from these suppliers could have a significant adverse effect on the Company and its subsidiaries. The Company and its subsidiaries believe that their relationship with suppliers is satisfactory.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

16 Salaries and Related Charges (Consolidated)

	09/30/2014	12/31/2013
Provisions on payroll	166,656	111,831
Profit sharing, bonus and premium	79,742	142,120
Social charges	29,332	31,059
Salaries and related payments	9,844	11,000
Benefits	1,542	1,303
Others	539	341
	287,655	297,654

17 Taxes Payable (Consolidated)

	09/30/2014	12/31/2013
ICMS	104,296	75,883
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico, Oxiteno Andina and Oxiteno Uruguay	11,160	11,445
PIS and COFINS	7,874	9,128
ISS	5,469	5,656
IPI	5,341	4,304
National Institute of Social Security (INSS)	2,384	3,998
Income Tax Withholding (IRRF)	1,717	1,659
Others	3,475	4,249
	141,716	116,322

18 Provision for Asset Retirement Obligation – Fuel Tanks (Consolidated)

This provision corresponds to the legal obligation to remove Ipiranga's underground fuel tanks located at Ipiranga-branded service stations after a certain use period (see Note 2.m).

Movements in the provision for asset retirement obligation are as follows:

Balance at December 31, 2013	69,661
Additions (new tanks)	512
Expense with tanks removed	(3,080)
Accretion expense	3,405

Balance at September 30, 2014	70,498
Current	4,558
Non-current	65,940

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

19 Deferred Revenue (Consolidated)

The Company and its subsidiaries have recognized the following deferred revenue:

	09/30/2014	12/31/2013
'am/pm' franchising upfront fee	14,066	14,049
Loyalty program "Km de Vantagens"	8,977	12,816
Loyalty program "Club Extra"	6,076	-
	29,119	26,865
Current	20,297	17,731
Non-current	8,822	9,134

Loyalty Programs

Ipiranga has a loyalty program called Km de Vantagens (www.kmdevantagens.com.br) under which registered customers are rewarded with points when they buy products at Ipiranga service stations or at its partners. The customers may exchange these points, during the period of one year, for discounts on products and services offered by Ipiranga and its partners. Points received by Ipiranga's customers that may be used with the partner Multiplus Fidelidade and for discounts of fuel in Ipiranga's website (www.postoipiranganaweb.com.br) are considered part of sales revenue.

Extrafarma has a loyalty program called Club Extra (www.clubextra.com.br) under which registered customers are rewarded with points when they buy products at its drugstore chain. The customers may exchange these points, during the period of one year, for prizes offered by its partners. Points received by Extrafarma's customers that may be used with the partner Multiplus Fidelidade and as recharge credit on a mobile phone are considered part of sales revenue.

Deferred revenue is based on the fair value of the points granted, considering the value of the prizes and the expected redemption of points. Deferred revenue is recognized in profit or loss when the points are redeemed, on which occasion the costs incurred are also recognized. Deferred revenue of unredeemed points is also recognized in profit or loss when the points expire.

Franchising Upfront Fee

The franchising upfront fee related to the 'am/pm' convenience store chain received by Ipiranga is deferred and recognized in profit or loss on an accrual basis, based on the substance of the agreements with the franchisees.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated
Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

20 Shareholders' Equity

a. Share Capital

The Company is a publicly traded company listed on BM&FBOVESPA in the Novo Mercado listing segment under the ticker "UGPA3" and on the New York Stock Exchange (NYSE) in the form of level III American Depositary Receipts ("ADRs") under the ticker "UGP". As of September 30, 2014, the subscribed and paid-in capital stock consists of 556,405,096 common shares with no par value, (544,383,996 as of December 31, 2013) and the issuance of preferred shares and participation certificates is prohibited. Each common share entitles its holder to one vote at Shareholders' Meetings.

The price of the shares issued by the Company as of September 30, 2014, on BM&FBOVESPA was R\$ 51.81.

On January 31, 2014, the Extraordinary Shareholders' Meetings of Ultrapar and Extrafarma approved the issuance of 12,021,100 new ordinary, nominative, book-entry shares with no par value of the Company, increasing its capital stock by R\$ 141,913, resulting in a total capital stock of R\$ 3,838,686 represented by 556,405,096 shares. For further information, see Note 3.a).

As of September 30, 2014, the Company is authorized to increase capital up to the limit of 800,000,000 common shares, without amendment to the Bylaws, by resolution of the Board of Directors.

As of September 30, 2014, there were 32,769,297 common shares outstanding abroad in the form of ADRs (34,314,797 shares as of December 31, 2013).

b. Treasury Shares

The Company acquired its own shares at market prices, without capital reduction, to be held in treasury and to be subsequently disposed of or cancelled, in accordance with CVM Instructions 10, of February 14, 1980 and 268, of November 13, 1997. In 2014, there were no stock repurchases.

As of September 30, 2014, 7,738,156 common shares (7,971,556 as of December 31, 2013) were held in the Company's treasury, acquired at an average cost of R\$ 14.42 per share.

c. Capital Reserve