ULTRAPAR HOLDINGS INC
Form 6-K
August 11, 2016

Form 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report Of Foreign Private Issuer

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

The Securities Exchange Act Of 1934

For the month of August, 2016

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.

(Translation of Registrant s Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

(Address of Principal Executive Offices)

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

Form 20-F _____X_____ Form 40-F ___________

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

Yes ___________ No _____X_____

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

(Convenience Translation into English from

the Original Previously Issued in Portuguese)

Ultrapar Participações S.A.

Individual and Consolidated

Interim Financial Information

for the Six-Month Period

Ended June 30, 2016 and

Report on Review of Interim

Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated Interim Financial Information

for the Six-Month Period Ended June 30, 2016

Table of Contents

Table of Contents

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of

Ultrapar Participações S.A.

São Paulo SP

Introduction

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

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

Scope of review

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

Conclusion on interim financial information

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

Other matters

Statements of value added

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

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

São Paulo, August 10, 2016

DELOITTE TOUCHE TOHMATSU	Edimar Facco
Auditores Independentes	Engagement Partner

Table of Contents

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of June 30, 2016 and December 31, 2015

(In thousands of Brazilian Reais)

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

Intangible assets, net	13	246,163	246,163	3,233,477	3,293,935
		8,414,664	7,897,118	8,827,081	8,836,558
Total non-current assets		9,224,377	8,692,387	10,783,265	11,054,700
Total assets		9,392,872	9,193,442	20,512,870	20,966,049

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

4

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of June 30, 2016 and December 31, 2015

(In thousands of Brazilian Reais)

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

Share capital	23.a	3,838,686	3,838,686	3,838,686	3,838,686
Capital reserve	23.c	552,038	546,607	552,038	546,607
Treasury shares	23.b	(483,879)	(490,881)	(483,879)	(490,881)
Revaluation reserve	23.d	5,464	5,590	5,464	5,590
Profit reserves	23.e	3,801,999	3,801,999	3,801,999	3,801,999
Additional dividends to the minimum mandatory dividends	23.g		157,162		157,162
Retained earnings		749,483		749,483	
Valuation adjustments	2.c; 2.o; 23.f	(75,888)	18,953	(75,888)	18,953
Cumulative translation adjustments	2.c; 2.r; 23.f	(9,250)	66,925	(9,250)	66,925
Shareholders equity attributable to:					
Shareholders of the Company		8,378,653	7,945,041	8,378,653	7,945,041
Non-controlling interests in subsidiaries				28,352	29,088
Total shareholders equity		8,378,653	7,945,041	8,407,005	7,974,129
Total liabilities and shareholders equity		9,392,872	9,193,442	20,512,870	20,966,049

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Income Statements

For the six-month period ended June 30, 2016 and 2015

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

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

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

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

6

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Income Statements

For the three-month period ended June 30, 2016 and 2015

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

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Comprehensive Income

For the six-month period ended June 30, 2016 and 2015

(In thousands of Brazilian Reais)

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Comprehensive Income

For the three-month period ended June 30, 2016 and 2015

(In thousands of Brazilian Reais)

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the six-month period ended June 30, 2016 and 2015

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

				Profit reserve			Cumulative other comprehensive income				Sh
Share capital	**Capital reserve**	**Treasury shares**	**Revaluation reserve on subsidiaries**	**Legal reserve**	**Investments statutory reserve**	**Retention of profits**	**Valuation adjustments**	**Cumulative translation adjustments**	**Retained earnings**	**Additional dividends to the minimum mandatory dividends**	**Sha C**
,838,686	**546,607**	**(490,881)**	**5,590**	**472,350**	**1,996,583**	**1,333,066**	**18,953**	**66,925**		**157,162**	**7**
									749,378		
							(97,697)				
							2,856				
								(76,175)			
							(94,841)	(76,175)	749,378		
	5,431	7,002									
			(126)						126		

									(21)		
										(157,162)	
,838,686	**552,038**	**(483,879)**	**5,464**	**472,350**	**1,996,583**	**1,333,066**	**(75,888)**	**(9,250)**	**749,483**		**8**

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the six-month period ended June 30, 2016 and 2015

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

				Profit reserve			Cumulative other comprehensive income				Share attr
hare apital	Capital reserve	Treasury shares	Revaluation reserve on subsidiaries	Legal reserve	Investments statutory reserve	Retention of profits	Valuation adjustments	Cumulative translation adjustments	Retained earnings	Additional dividends to the minimum mandatory dividends	Shareh of t Comp
838,686	**547,462**	**(103,018)**	**5,848**	**397,177**	**1,439,461**	**1,333,066**	**7,149**	**43,192**		**188,976**	**7,697**
									713,432		713
							(916)				
								26,011			26
							(916)	26,011	713,432		738
	(855)	(167,395)									(168

			(132)						132		
									(12)		
										(188,976)	(188
838,686	**546,607**	**(270,413)**	**5,716**	**397,177**	**1,439,461**	**1,333,066**	**6,233**	**69,203**	**713,552**		**8,079**

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Cash Flows Indirect Method

For the six-month period ended June 30, 2016 and 2015

(In thousands of Brazilian Reais)

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Cash Flows Indirect Method

For the six-month period ended June 30, 2016 and 2015

(In thousands of Brazilian Reais)

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Statements of Value Added

For the six-month period ended June 30, 2016 and 2015

(In thousands of Brazilian Reais, except percentages)

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

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

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

14

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

1. Operations

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

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

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

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

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

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

a. Recognition of Income

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

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

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

b. Cash and Cash Equivalents

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Financial Assets

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

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

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

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

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

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

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

d. Trade Receivables

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

e. Inventories

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

f. Investments

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

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

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

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Property, Plant, and Equipment

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

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

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

h. Leases

Finance Leases

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

Operating Leases

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

i. Intangible Assets

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

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

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

j. Other Assets

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

k. Financial Liabilities

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

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

l. Income and Social Contribution Taxes on Income

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

m. Provision for Asset Retirement Obligation Fuel Tanks

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

n. Provisions for Tax, Civil, and Labor Risks

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

o. Post-Employment Benefits

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

p. Other Liabilities

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

q. Foreign Currency Transactions

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

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

Assets and liabilities of the foreign subsidiaries, denominated in currencies other than that of the Company (functional currency: Brazilian Real), which have administrative autonomy, are translated using the exchange rate at the end of the reporting period. Revenues and expenses are translated using the average exchange rate of each year and shareholders equity is translated at the historic exchange rate of each transaction affecting shareholders equity. Gains and losses resulting from changes in these foreign investments are directly recognized in shareholders equity in cumulative other comprehensive income in the cumulative translation adjustments and will be recognized in profit or loss if these investments are disposed of. The balance in cumulative other comprehensive income and presented in the shareholders equity as cumulative translation adjustments as of June 30, 2016 was a loss of R$ 9,250 (gain of R$ 66,925 as of December 31, 2015).

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

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

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

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

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

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

b) DICOM *Tipo de Cambio Complementario Flotante de Mercado Supplemental* (Floating Market Exchange): Bolivar is traded at variable exchange rate of 628.3434 VEF/US$ for selling and reduced by 0.25% for purchase. This rate is applied to settlement currency of all unforeseen transactions in Foreign Exchange Regulation. This rate is channeled through alternative currency markets.

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

Assets and liabilities of the other foreign subsidiaries, which do not have administrative autonomy, are considered an extension of the activities of their parent company and are translated using the exchange rate at the end of the reporting period. Gains and losses resulting from changes in these foreign investments are directly recognized as financial income or loss. The gain recognized in income for the six-month period ended June 30, 2016 amounted to R$ 5,170 (R$ 1,750 gain for the six-month period ended June 30, 2015).

s. Use of Estimates, Assumptions and Judgments

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

t. Impairment of Assets

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

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

u. Adjustment to Present Value

Some of the Company s subsidiaries recognized a present value adjustment to Tax on Goods and Services (ICMS , the Brazilian VAT) credit balances related to property, plant, and equipment (CIAP). Because recovery of these credits occurs over a 48 month period, the present value adjustment reflects, in the interim financial information, the time value of the ICMS credits to be recovered. The balance of these adjustment to present value totaled R$ 801 as of June 30, 2016 (R$ 109 as of December 31, 2015).

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

v. Business Combination

A business combination is accounted applying the acquisition method. The cost of the acquisition is measured based on the consideration transferred and to be transferred, measured at fair value at the acquisition date. In a business combination, the assets acquired and liabilities assumed are measured in order to classify and allocate them accordingly to the contractual terms, economic circumstances and relevant conditions on the acquisition date. The non-controlling interest in the acquired is measured at fair value or based on its interest in identifiable net assets acquired. Goodwill is measured as the excess of the consideration transferred and to be transferred over the fair value of net assets acquired (identifiable assets and liabilities assumed, net). After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. For impairment testing purposes, goodwill is allocated to the Company s operating segments. When the cost of the acquisition is lower than the fair value of net assets acquired, a gain is recognized directly in the income statement. Costs related to the acquisition are recorded in the income statement when incurred.

w. Statements of Value Added

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

x. Statements of Cash Flows

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

y. Adoption of the Pronouncements Issued by CPC and IFRS

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

z. Authorization for Issuance of the Interim Financial Information

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

3. Principles of Consolidation and Investments in Subsidiaries

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

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

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

			% interest in the share			
			06/30/2016		12/31/2015	
			Control		Control	
	Location	**Segment**	**Direct control**	**Indirect control**	**Direct control**	**Indirect control**
Ipiranga Produtos de Petróleo S.A.	Brazil	Ipiranga	100		100	
am/pm Comestíveis Ltda.	Brazil	Ipiranga		100		100
Centro de Conveniências Millennium Ltda.	Brazil	Ipiranga		100		100
Icorban Correspondente Bancário Ltda.	Brazil	Ipiranga		100		100
Ipiranga Trading Limited	Virgin Islands	Ipiranga		100		100
Tropical Transportes Ipiranga Ltda.	Brazil	Ipiranga		100		100
Ipiranga Imobiliária Ltda.	Brazil	Ipiranga		100		100
Ipiranga Logística Ltda.	Brazil	Ipiranga		100		100
Oil Trading Importadora e Exportadora Ltda.	Brazil	Ipiranga		100		100
Companhia Ultragaz S.A.	Brazil	Ultragaz		99		99
Bahiana Distribuidora de Gás Ltda.	Brazil	Ultragaz		100		100
Utingás Armazenadora S.A.	Brazil	Ultragaz		57		57
LPG International Inc.	Cayman Islands	Ultragaz		100		100
Imaven Imóveis Ltda.	Brazil	Others		100		100
Imifarma Produtos Farmacêuticos e Cosméticos S.A.	Brazil	Extrafarma		100		100
Oxiteno S.A. Indústria e Comércio	Brazil	Oxiteno	100		100	
Oxiteno Nordeste S.A. Indústria e Comércio	Brazil	Oxiteno		99		99
Oxiteno Argentina Sociedad de Responsabilidad Ltda.	Argentina	Oxiteno		100		100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	Oxiteno		100		100
Oxiteno Uruguay S.A.	Uruguay	Oxiteno		100		100
Barrington S.L.	Spain	Oxiteno		100		100
Oxiteno México S.A. de C.V.	Mexico	Oxiteno		100		100
Oxiteno Servicios Corporativos S.A. de C.V.	Mexico	Oxiteno		100		100

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

The percentages in the table above are rounded.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

4. Cash and Cash Equivalents and Financial Investments

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

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

The balance of cash, cash equivalents and financial investments (consolidated) amounted to R$ 3,416,707 as of June 30, 2016 (R$ 3,973,162 as of December 31, 2015) and are distributed as follows:

Cash and Cash Equivalents

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

	Parent		Consolidated	
	06/30/2016	**12/31/2015**	**06/30/2016**	**12/31/2015**
Cash and bank deposits				

In local currency	115	120	66,214	92,160
In foreign currency			61,663	99,856
Financial investments considered cash equivalents				
In local currency				
Fixed-income securities	95,894	47,941	2,282,591	2,497,903
In foreign currency				
Fixed-income securities			92,688	12,974
Total cash and cash equivalents	96,009	48,061	2,503,156	2,702,893

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Financial Investments

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

	Parent		Consolidated	
	06/30/2016	**12/31/2015**	**06/30/2016**	**12/31/2015**
Financial investments				
In local currency				
Fixed-income securities and funds	21,342	6,708	686,089	801,587
In foreign currency				
Fixed-income securities and funds			33,287	35,013
Currency and interest rate hedging instruments (a)			194,175	433,669
Total financial investments	21,342	6,708	913,551	1,270,269
Current	21,342	6,708	789,620	803,304
Non-current			123,931	466,965

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

5. Trade Receivables (Consolidated)

The composition of trade receivables is as follows:

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

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

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

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

Movements in the allowance for doubtful accounts are as follows:

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

Balance as of June 30, 2016	221,565

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

27

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

6. Inventories (Consolidated)

The composition of inventories is as follows:

		06/30/2016			12/31/2015	
	Cost	Provision for losses	Net balance	Cost	Provision for losses	Net balance
Finished goods	369,096	(12,347)	356,749	400,994	(7,649)	393,345
Work in process	2,576		2,576	1,723		1,723
Raw materials	275,655	(1,148)	274,507	257,700	(1,026)	256,674
Liquefied petroleum gas (LPG)	46,335	(5,761)	40,574	58,875	(5,761)	53,114
Fuels, lubricants, and greases	1,162,234	(3,004)	1,159,230	1,205,598	(729)	1,204,869
Consumable materials and other items for resale	115,716	(7,118)	108,598	103,013	(9,259)	93,754
Pharmaceutical, hygiene, and beauty products	346,123	(12,545)	333,578	303,603	(9,568)	294,035
Advances to suppliers	130,205		130,205	171,726		171,726
Properties for resale	26,143	(207)	25,936	25,997		25,997
	2,474,083	(42,130)	2,431,953	2,529,229	(33,992)	2,495,237

Movements in the provision for losses are as follows:

Balance as of December 31, 2015	33,992
Additions to net realizable value adjustment	4,260
Additions of obsolescence and other losses	3,878
Balance as of June 30, 2016	42,130

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

	06/30/2016	12/31/2015
Net realizable value adjustment	18,397	14,137
Obsolescence and other losses	23,733	19,855
Total	42,130	33,992

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

7. Recoverable Taxes

Recoverable taxes are substantially represented by credits of State VAT (ICMS), Contribution for Social Security Financing (COFINS), Social Integration Program (PIS), Income Tax (IRPJ), and Social Contribution (CSLL).

	Parent		Consolidated	
	06/30/2016	**12/31/2015**	**06/30/2016**	**12/31/2015**
IRPJ and CSLL	61,874	52,055	165,209	197,890
ICMS			421,803	350,325
Provision for ICMS losses [1]			(66,662)	(64,891)
PIS and COFINS			100,811	248,254
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico, Oxiteno Andina and Oxiteno Uruguay			18,823	22,791
Excise tax IPI			2,427	4,542
Others		1	4,387	5,316
Total	61,874	52,056	646,798	764,227
Current	49,063	48,019	498,273	628,778
Non-current	12,811	4,037	148,525	135,449

[1] The provision for ICMS losses relates to tax credits that the subsidiaries believe will not be utilized or offset in the future, based on its estimative, and its movements are as follows:

Balance as of December 31, 2015	64,891
Write-offs, additions and reversals, net	1,771
Balance as of June 30, 2016	66,662

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

8. Related Parties

a. Related Parties

Parent Company

	Assets	Liabilities	
	Debentures [1]	Account payable	Financial income
Imifarma Produtos Farmacêuticos e Cosméticos S.A.		689	
Ipiranga Produtos de Petróleo S.A.	772,510		67,790
Total as of June 30, 2016	772,510	689	67,790

	Assets	Liabilities	
	Debentures [2]	Account payable	Financial income
Ipiranga Produtos de Petróleo S.A.	782,404		67,384
Imifarma Produtos Farmacêuticos e Cosméticos S.A.		5	
Total as of December 31, 2015	782,404	5	
Total as of June 30, 2015			67,384

(1) In March 2016, the subsidiary IPP made its third private offering in a single series of 75 debentures at face value of R$ 10,000,000.00 (ten million Brazilian Reais), nonconvertible into shares, unsecured debentures. The Company subscribed the total of debentures with maturity on March 31, 2021 and semiannual remuneration linked to CDI.

(2)

In March 2009, the subsidiary IPP 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. The debentures subscribed by Ultrapar were settled on the maturity date.

30

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Consolidated

Balances and transactions between the Company and its subsidiaries have been eliminated in 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.				1,612
Química da Bahia Indústria e Comércio S.A.		3,046		
ConectCar Soluções de Mobilidade Eletrônica S.A.			11,496	2,491
Refinaria de Petróleo Riograndense S.A.				4,375
Others	490	1,326		
Total as of June 30, 2016	490	4,372	11,496	8,478

	Loans		Commercial transactions	
	Assets	**Liabilities**	**Receivables[1]**	**Payables[1]**
Oxicap Indústria de Gases Ltda.				1,506
Química da Bahia Indústria e Comércio S.A.		3,046		
ConectCar Soluções de Mobilidade Eletrônica S.A.			12,553	6,562
Refinaria de Petróleo Riograndense S.A.				23,784
Others	490	1,326		
Total as of December 31, 2015	490	4,372	12,553	31,852

[1] Included in trade receivables and trade payables, respectively.

	Commercial transactions	
	Sales and services	Purchases
Oxicap Indústria de Gases Ltda.	3	8,922
Refinaria de Petróleo Riograndense S.A.		542,157
ConectCar Soluções de Mobilidade Eletrônica S.A.	5,757	
Total as of June 30, 2016	5,760	551,079

	Commercial transactions	
	Sales and services	Purchases
Oxicap Indústria de Gases Ltda.	3	7,226
Refinaria de Petróleo Riograndense S.A.		330,400
ConectCar Soluções de Mobilidade Eletrônica S.A.	4,432	
Total as of June 30, 2015	4,435	337,626

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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 Soluções de Mobilidade Eletrônica S.A. (ConectCar) refer to the adhesion 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.j). Intercompany loans are contracted in light of temporary cash surpluses or deficits of the Company, its subsidiaries, and its associates.

b. Key executives (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 18.b).

The Company and its subsidiaries recognized expenses for compensation of its key executives (Company s directors and executive officers) as shown below:

	06/30/2016	**06/30/2015**
Short-term compensation	21,053	15,477

Stock compensation	2,758	3,136
Post-employment benefits	1,674	1,336
Long-term compensation	1,220	1,109
Total	26,705	21,058

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. 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 grant date.

The table below summarizes shares granted 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 4, 2016	190,000	2021 to 2023	65.43	17,147	(971)	16,176
December 9, 2014	590,000	2019 to 2021	50.64	41,210	(11,082)	30,128
March 5, 2014	83,400	2019 to 2021	52.15	5,999	(2,377)	3,622
February 3, 2014	150,000	2018 to 2020	55.36	11,454	(5,690)	5,764
November 7, 2012	320,000	2017 to 2019	42.90	19,098	(11,955)	7,143
December 14, 2011	120,000	2016 to 2018	31.85	5,272	(4,104)	1,168
November 10, 2010	173,336	2015 to 2017	26.78	9,602	(8,815)	787
December 16, 2009	83,328	2014 to 2016	20.75	7,155	(7,013)	142
November 9, 2006	207,200	2016	11.62	3,322	(3,212)	110

	1,917,264	120,259	(55,219)	65,040

For the six-month period ended June 30, 2016, the amortization in the amount of R$ 9,045 (R$ 8,344 for the six-month period ended June 30, 2015) was recognized as a general and administrative expense.

The table below summarizes the changes of number of shares granted:

Balance as of December 31, 2015	1,727,264
Shares granted on March 4, 2016	190,000
Balance as of June 30, 2016	1,917,264

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

9. Income and Social Contribution Taxes

a. Deferred Income and Social Contribution Taxes

The Company and its subsidiaries recognize deferred tax assets and liabilities 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. Deferred tax assets are sustained by the continued profitability of their operations. Deferred IRPJ and CSLL are recognized under the following main categories:

	Parent		**Consolidated**	
	06/30/2016	**12/31/2015**	**06/30/2016**	**12/31/2015**
Assets Deferred income and social contribution taxes on:				
Provision for impairment of assets			46,010	41,428
Provisions for tax, civil, and labor risks	26	22	149,827	140,707
Provision for post-employment benefits			43,752	42,297
Provision for differences between cash and accrual basis			21,391	989
Goodwill			25,130	33,894
Business combination fiscal basis vs. accounting basis of goodwill			72,063	72,691
Provision for asset retirement obligation			23,298	22,418
Other provisions	24,218	8,658	107,963	145,336
Tax losses and negative basis for social contribution carryforwards (d)			74,750	59,233
Total	24,244	8,680	564,184	558,993
Liabilities Deferred income and social contribution taxes on:				
Revaluation of property, plant, and equipment			2,822	2,887
Lease			4,159	4,426
Provision for differences between cash and accrual basis			86,262	184,951
Provision for goodwill/negative goodwill			50,845	17,794
Business combination fair value of assets			46,644	47,110
Temporary differences of foreign subsidiaries			4,529	2,855
Other provisions			2,681	5,981

Total	197,942	266,004

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	06/30/2016	**06/30/2015**
Initial balance	292,989	309,726
Deferred IRPJ and CSLL recognized in income of the period	76,623	18,794
Others	(3,370)	1,948
Final balance	366,242	330,468

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

	Parent	**Consolidated**
Up to 1 year		177,152
From 1 to 2 years	4,719	83,583
From 2 to 3 years	4,745	45,598
From 3 to 5 years	9,439	71,097
From 5 to 7 years	4,968	126,312
From 7 to 10 years	373	60,442
	24,244	564,184

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Reconciliation of Income and Social Contribution Taxes

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

	Parent		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Income before taxes and share of profit (loss) of subsidiaries, joint ventures, and associates	(34,179)	24,380	1,078,032	1,045,832
Statutory tax rates %	34	34	34	34
Income and social contribution taxes at the statutory tax rates	11,621	(8,289)	(366,531)	(355,583)
Adjustments to the statutory income and social contribution taxes:				
Nondeductible expenses (i)	(109)	(28)	(23,944)	(21,121)
Nontaxable revenues (ii)			2,290	2,127
Adjustment to estimated income (iii)			7,271	6,555
Interest on equity (iv)	(364)		(364)	
Other adjustments	4		2,575	2,023
Income and social contribution taxes before tax incentives	11,152	(8,317)	(378,703)	(365,999)
Tax incentives SUDENE			52,600	37,322
Income and social contribution taxes in the income statement	11,152	(8,317)	(326,103)	(328,677)
Current	(4,412)	(21,230)	(455,326)	(384,793)
Deferred	15,564	12,913	76,623	18,794
Tax incentives SUDENE			52,600	37,322
Effective IRPJ and CSLL rates %	32.6	34.1	30.2	31.4

(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, negative effects of foreign subsidiaries 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; and

(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.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. *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.	Aracaju base	75	2017
	Suape base	75	2018
	Mataripe base (1)	75	2024
	Caucaia base (2)	75	2025
Terminal Químico de Aratu S.A. Tequimar	Suape terminal	75	2020
	Aratu terminal	75	2022
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Camaçari plant	75	2021

(1) Due to modernization realized in the Mataripe base, SUDENE approved the 75% income tax reduction until 2024 through an appraisal report issued on December 30, 2015. On January 19, 2016, the constitutive benefit appraisal report was forwarded to the Brazilian Federal Revenue Service for approval within a term of 120 days. As a result of Brazilian Federal Revenue Service of exceeding the deadline to approve the constitutive benefit appraisal, the income tax reduction was recognized by the subsidiary in the income statment in 2016, in the total amount of R$ 11,676 with retroactive effect to January 2015.

(2) Due to modernization realized in the Caucaia base, SUDENE approved the 75% income tax reduction until 2025 through an appraisal report issued on June 1, 2016. On June 15, 2016, the constitutive benefit appraisal report was forwarded to the Brazilian Federal Revenue Service for approval within a term of 120 days.

On December 30, 2014, the subsidiary Terminal Químico de Aratu S.A. Tequimar (Tequimar) filed a request at SUDENE requiring the income tax reduction incentive, due to the implementation of the Itaqui Terminal in São Luis Maranhão. The subsidiary is awaiting for SUDENE s pronouncement, which has no deadline to take place.

d. *Income and Social Contribution Taxes Carryforwards*

As of June 30, 2016, certain subsidiaries of the Company had tax loss carryforwards related to income tax (IRPJ) of R$ 233,124 (R$ 190,359 as of December 31, 2015) and negative basis of CSLL of R$ 182,988 (R$ 129,368 as of

December 31, 2015), whose compensations are limited to 30% of taxable income in a given tax year, 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$ 74,750 as of June 30, 2016 (R$ 59,233 as of December 31, 2015).

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

10. Prepaid Expenses (Consolidated)

	06/30/2016	12/31/2015
Rents	121,062	114,439
Deferred Stock Plan, net (see Note 8.c)	52,426	45,889
Advertising and publicity	45,648	25,195
Insurance premiums	25,142	24,644
Software maintenance	16,296	8,937
Purchases of meal and transportation tickets	1,747	1,757
Taxes and other prepaid expenses	10,823	7,279
	273,144	228,140
Current	115,573	81,476
Non-current	157,571	146,664

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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:

	06/30/2016			
	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.
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	5,078,888
Assets	1,133,710	3,418,811	12,800,382	429,716
Liabilities	4,245	440,394	8,769,873	339,212
Shareholders equity	1,129,465	2,978,476(*)	4,030,509	90,504
Net revenue from sales and services		605,353	33,377,445	745,845
Net income for the period	40,373	198,859(*)	520,428	38,384
% of capital held	100	100	100	33

	12/31/2015			
	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.
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	5,078,888
Assets	1,093,260	3,469,471	13,599,752	348,217
Liabilities	4,168	534,215	10,004,718	253,306
Shareholders equity	1,089,092	2,935,315(*)	3,595,034	94,911
% of capital held	100	100	100	33

	06/30/2015				
	Subsidiaries				Joint-venture
	Ultracargo Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Isa-Sul Administração e Participações Ltda.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	995,696,017	5,078,888
Net revenue from sales and services		552,708	31,054,920	8,429	492,731
Net income (loss) for the period	(6,085)	238,043(*)	452,452	4,440	25,706
% of capital held	100	100	100	99	33

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

The financial information from our business segments is detailed in Note 30.

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

	Investments in subsidiaries				Joint-venture	
	Ultracargo Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Total	Refinaria de Petróleo Riograndense S.A.	Total
Balance as of December 31, 2015	**1,089,092**	**2,935,315**	**3,595,034**	**7,619,441**	**31,514**	**7,650,955**
Share of profit of subsidiaries and joint venture	40,373	198,859	520,428	759,660	12,745	772,405
Dividends and interest on equity (gross)		(79,523)		(79,523)	(4,299)	(83,822)
Tax liabilities on equity- method revaluation reserve			(21)	(21)		(21)
Valuation adjustment of subsidiaries			(84,932)	(84,932)	(9,909)	(94,841)
Translation adjustments of foreign-based subsidiaries		(76,175)		(76,175)		(76,175)
Balance as of June 30, 2016	**1,129,465**	**2,978,476**	**4,030,509**	**8,138,450**	**30,051**	**8,168,501**

Investments in subsidiaries					Joint-venture	
Ultracargo Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Isa-Sul Administração e Participações Ltda.	Total	Refinaria de Petróleo Riograndense S.A.	Total
1,084,893	**3,020,625**	**2,013,962**	**980,044**	**7,099,524**	**24,076**	**7,123,600**

Balance as of December 31, 2014							
Share of profit of subsidiaries and joint ventures	(6,085)	238,043	452,452	4,424	688,834	8,535	697,369
Dividends and interest on equity (gross)		(291,326)	(142,302)		(433,628)		(433,628)
Tax liabilities on equity- method revaluation reserve			(12)		(12)		(12)
Valuation adjustment of subsidiaries		(51)	(12)		(63)	(853)	(916)
Translation adjustments of foreign-based subsidiaries		26,011			26,011		26,011
Balance as of June 30, 2015	**1,078,808**	**2,993,302**	**2,324,088**	**984,468**	**7,380,666**	**31,758**	**7,412,424**

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Joint Ventures (Consolidated)

The Company holds an interest in Refinaria de Petróleo Riograndense (RPR), which is primarily engaged in oil refining.

The subsidiary Ultracargo Operações Logísticas e Participações Ltda. (Ultracargo Participações) holds an interest in União Vopak Armazéns Gerais Ltda. (União Vopak), which is primarily engaged in liquid bulk storage in the port of Paranaguá.

The subsidiary IPP holds an interest in ConectCar, formed in November 2012, which is primarily engaged in electronic payment of tolls and parking in the States of Alagoas, Bahia, Ceará, Espírito Santo, Goiás, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Paraná, Pernambuco, Rio de Janeiro, Rio Grande do Sul, Santa Catarina, São Paulo and Distrito Federal, and in the segment of electronic payment for fuel throughout all the Brazilian territory.

These investments are accounted for under the equity method of accounting based on their interim financial information as of June 30, 2016.

Balances and changes in joint ventures are as follows:

	Movements in investments			
	União Vopak	**RPR**	**ConectCar**	**Total**
Balance as of December 31, 2015	4,545	31,514	43,318	79,377
Capital increase			25,781	25,781
Valuation adjustments		(9,909)		(9,909)
Dividends and interest on equity (gross)		(4,299)		(4,299)
Share of profit (loss) of joint ventures	(262)	12,745	(10,643)	1,840
Balance as of June 30, 2016	4,283	30,051	58,456	92,790

	Movements in investments			
	União Vopak	**RPR**	**ConectCar**	**Total**

Balance as of December 31, 2014	4,960	24,076	25,472	54,508
Capital increase			20,100	20,100
Valuation adjustments		(853)		(853)
Share of profit (loss) of joint ventures	326	8,535	(10,980)	(2,119)
Balance as of June 30, 2015	5,286	31,758	34,592	71,636

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:

	06/30/2016		
	União Vopak	**RPR**	**ConectCar**
Current assets	4,520	317,022	74,850
Non-current assets	6,838	112,694	99,191
Current liabilities	1,466	277,721	56,583
Non-current liabilities	1,326	61,491	546
Shareholders equity	8,566	90,504	116,912
Net revenue from sales and services	6,098	745,845	18,811
Costs and operating expenses	(7,088)	(689,924)	(51,397)
Net financial income and income and social contribution taxes	466	(17,537)	11,300
Net income (loss)	(524)	38,384	(21,286)
Number of shares or units held	29,995	5,078,888	124,360,500
% of capital held	50	33	50

	12/31/2015		
	União Vopak	**RPR**	**ConectCar**
Current assets	3,360	234,094	59,599
Non-current assets	7,300	114,123	85,195
Current liabilities	1,570	176,134	62,158
Non-current liabilities		77,172	
Shareholders equity	9,090	94,911	82,636
Number of shares or units held	29,995	5,078,888	94,579,500
% of capital held	50	33	50

	06/30/2015		
	União Vopak	**RPR**	**ConectCar**
Net revenue from sales and services	5,752	492,731	7,872

Costs and operating expenses	(4,910)	(449,996)	(41,577)
Net financial income and income and social contribution taxes	(190)	(17,029)	11,745
Net income (loss)	652	25,706	(21,960)
Number of shares or units held	29,995	5,078,888	82,500,000
% of capital held	50	33	50

The percentages in the table above are rounded.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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. Indústria e Comércio (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 financial information as of May 31, 2016, while the other associates are valued based on the interim financial information as of June 30, 2016.

Balances and changes in associates are as follows:

	Movements in investments				
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Total
Balance as of December 31, 2015	5,743	12,000	3,684	110	21,537
Dividends received	(352)				(352)

Share of profit (loss) of associates	594	614	(6)	(1)	1,201
Balance as of June 30, 2016	5,985	12,614	3,678	109	22,386

	Movements in investments				
	Transportadora Sulbrasileira de Gás S.A.	**Oxicap Indústria de Gases Ltda.**	**Química da Bahia Indústria e Comércio S.A.**	**Metalúrgica Plus S.A.**	**Total**
Balance as of December 31, 2014	6,212	3,090	3,676	165	13,143
Capital increase		10,368[1]			10,368
Dividends received	(901)				(901)
Share of profit (loss) of associates	1,051	1,623	(1)	(26)	2,647
Balance as of June 30, 2015	6,362	15,081	3,675	139	25,257

[1] As mentioned in Note 8.a) Consolidated, in the 1st quarter 2015, Oxiteno realized a capital increase in Oxicap. Thus the interest in the associate has been changed from 25% to 15% approximately.

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:

			06/30/2016		
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Current assets	8,261	21,487	44	664	1,132
Non-current assets	18,173	74,788	10,420	1,681	2,821
Current liabilities	2,161	7,698		403	66
Non-current liabilities	332	4,967	3,109	1,616	1,750
Shareholders equity	23,941	83,610	7,355	326	2,137
Net revenue from sales and services	5,006	25,559			
Costs, operating expenses, and income	(2,637)	(19,669)	(35)	(89)	472
Net financial income and income and social contribution taxes	5	(2,202)	24	(6)	28
Net income (loss) for the period	2,374	3,688	(11)	(95)	500
Number of shares or units held	20,124,996	1,987	1,493,120	3,000	1,384,308
% of capital held	25	15	50	33	33

			12/31/2015		
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Current assets	5,175	13,390	73	759	691
Non-current assets	18,773	79,203	10,403	1,681	2,830

Current liabilities	644	8,682		403	101
Non-current liabilities	332	4,371	3,109	1,708	1,777
Shareholders equity	22,972	79,540	7,367	329	1,643
Number of shares or units held	20,124,996	1,987	1,493,120	3,000	1,384,308
% of capital held	25	15	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)

			06/30/2015		
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Net revenue from sales and services	6,761	18,375			
Costs, operating expenses, and income	(2,417)	(9,375)	(28)	(84)	486
Net financial income and income and social contribution taxes	(40)	448	26	6	(1)
Net income (loss) for the period	4,304	9,448	(2)	(78)	485
Number of shares or units held	20,124,996	1,987	1,493,120	3,000	1,384,308
% of capital held	25	15	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 (years)	Balance on 12/31/2015	Additions	Depreciation	Transfer	Write-offs and disposals	Effect of foreign currency exchange rate variation	Balance on 06/30/2016
Cost:								
Land		524,159			303	(17)	(4,454)	519,991
Buildings	30	1,382,603	1,929		37,098	(43)	(26,130)	1,395,457
Leasehold improvements	10	701,183	5,822		41,750	(935)	(5)	747,815
Machinery and equipment	13	3,991,839	53,072		62,547	(5,510)	(77,523)	4,024,425
Automotive fuel/lubricant distribution equipment and facilities	14	2,282,462	42,431		22,291	(14,833)		2,332,351
LPG tanks and bottles	11	541,351	79,454		772	(16,281)		605,296
Vehicles	7	258,776	8,780		811	(7,961)	(742)	259,664
Furniture and utensils	9	170,695	9,157		3,213	(720)	(2,515)	179,830
Construction in progress		437,533	176,068		(171,411)	(417)	(16,878)	424,895
Advances to suppliers		12,125	33,231		(3,967)		(4,924)	36,465
Imports in progress		1,201	4,464		(452)		(289)	4,924
IT equipment	5	260,685	6,699		2,003	(341)	(1,248)	267,798
		10,564,612	421,107		(5,042)	(47,058)	(134,708)	10,798,911
Accumulated depreciation:								
Buildings		(591,831)		(21,690)	13	20	6,875	(606,613)
Leasehold improvements		(359,117)		(26,397)	(13)	836	5	(384,686)
Machinery and equipment		(2,241,244)		(120,887)	2	6,134	37,383	(2,318,612)
		(1,270,797)		(64,251)		12,152		(1,322,896)

Automotive fuel/lubricant distribution equipment and facilities							
LPG tanks and bottles	(249,234)		(19,432)		7,277		(261,389)
Vehicles	(92,457)		(10,116)		4,703	390	(97,480)
Furniture and utensils	(110,259)		(5,335)		681	1,280	(113,633)
IT equipment	(203,793)		(9,491)	2	319	981	(211,982)
	(5,118,732)		(277,599)	4	32,122	46,914	(5,317,291)
Provision for losses:							
Advances to suppliers	(83)						(83)
Land	(197)						(197)
Leasehold improvements	(659)					111	(548)
Machinery and equipment	(4,739)	(143)			199	374	(4,309)
Automotive fuel/lubricant distribution equipment and facilities	(1,306)				438		(868)
Furniture and utensils	(1)						(1)
	(6,985)	(143)			637	485	(6,006)
Net amount	5,438,895	420,964	(277,599)	(5,038)	(14,299)	(87,309)	5,475,614

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

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

13. Intangible Assets (Consolidated)

Balances and changes in intangible assets are as follows:

	Weighted average useful life (years)	Balance on 12/31/2015	Additions	Amortization	Transfer	Write-offs and disposals	Effect of foreign currency exchange rate variation	Balance on 06/30/2016
Cost:								
Goodwill (i)		1,456,179						1,456,179
Software (ii)	5	539,522	23,672		6,541		(4,519)	565,216
Technology (iii)	5	32,617						32,617
Commercial property rights (iv)	10	36,588	4,205					40,793
Distribution rights (v)	5	3,278,487	197,746		(170,698)			3,305,535
Brands (vi)		120,944			354		(8,618)	112,680
Others (vii)	4	46,951	411		(6,314)		(1,279)	39,769
		5,511,288	226,034		(170,117)		(14,416)	5,552,789
Accumulated amortization:								
Software		(350,760)		(24,439)	(2)		3,111	(372,090)
Technology		(31,256)		(892)				(32,148)
Commercial property rights		(16,979)		(1,422)				(18,401)
Distribution rights		(1,802,989)		(243,291)	169,005			(1,877,275)
Others		(15,369)		(3,919)	(83)		(27)	(19,398)
		(2,217,353)		(273,963)	168,920		3,084	(2,319,312)

Net amount	3,293,935	226,034	(273,963)	(1,197)	(11,332)	3,233,477

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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.

The Company has the following balances of goodwill:

	Segment	06/30/2016	12/31/2015
Goodwill on the acquisition of:			
Extrafarma	Extrafarma	661,553	661,553
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
		1,456,179	1,456,179

On December 31, 2015, 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 of its operating segments, 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 (except the Extrafarma segment), after which we calculate the perpetuity, considering the possibility of carrying the business on indefinitely. For the Extrafarma segment, a period of 10 years was used due to its expansion plan and considering a three-years period to maturity of new stores.

On December 31, 2015, the discount and real growth rates used to extrapolate the projections ranged from 10.3% to 17.1% (except discount rate of Oxiteno Andina of 43.5%) and 0% to 1% p.a., respectively, depending on the CGU analyzed.

The goodwill impairment tests and net assets of the Company and its subsidiaries did not result in the recognition of losses for the year ended December 31, 2015. The Company assessed a sensitivity analysis of discount and growth rate of perpetuity, due to their significant impact on cash flows and value in use. An increase of 0.5 percentage points in the discount rate or a decrease of 0.5 percentage points in the growth rate of the perpetuity of the cash flow of each business segment would not result in the recognition of impairment.

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, ethanolamines, glycol ethers, ethoxylates, solvents, fatty acids from vegetable oils, fatty alcohols, and specialty chemicals, which are products that are supplied to various industries.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

iv) Commercial property rights include those described below:

Subsidiary Tequimar has 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 from August 2002 to July 2042.

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 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 written off.

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) Brands are represented by the acquisition cost of the am/pm brand in Brazil and of the Extrafarma brand.

vii) Other intangibles refer mainly to the loyalty program Clube Extrafarma .

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

	06/30/2016	06/30/2015
Inventories and cost of products and services sold	7,322	5,194
Selling and marketing	243,216	207,889
General and administrative	23,425	20,765
	273,963	233,848

49

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

14 Loans, Debentures, and Finance Leases (Consolidated)

a. *Composition*

Description	06/30/2016	12/31/2015	Index/Currency	Weighted average financial charges 06/30/2016 % p.a.	Maturity
Foreign currency denominated loans:					
Foreign loan (b.1) (*)	906,505	1,111,721	US$ + LIBOR (i)	+0.7	2017 to 2018
Foreign loan (b.1) (*)	472,210	576,645	US$	+2.1	2017 to 2018
Foreign loan (b.2) (b.3) (b.4)	327,184	397,586	US$ + LIBOR (i)	+1.4	2017 to 2018
Financial institutions (d)	192,943	77,800	US$ + LIBOR (i)	+2.7	2016 to 2021
Advances on foreign exchange contracts	150,750	222,478	US$	+2.6	< 329 days
Financial institutions (d)	114,701	142,779	US$	+2.7	2016 to 2017
Foreign currency advances delivered	47,893	50,132	US$	+1.7	< 117 days
Financial institutions (d)	20,965	27,110	MX$ + TIIE (ii)	+1.0	2016 to 2017
BNDES (c)	11,850	24,057	US$	+6.0	2016 to 2020
Subtotal	2,245,001	2,630,308			
Brazilian Reais denominated loans:					
Banco do Brasil floating rate (e)	2,874,471	3,115,752	CDI	107.5	2017 to 2022
Debentures IPP (f.1, f.2 and f.4)	1,914,331	1,413,101	CDI	107.1	2017 to 2021
Debentures 5th issuance (f.3)	833,248	833,114	CDI	108.3	2018
BNDES (c)	367,343	409,339	TJLP (iii)	+2.8	2016 to 2021
Export Credit Note floating rate (g)	158,647	158,648	CDI	101.5	2018

BNDES (c)	62,141	30,878	SELIC (vi)	+2.3	2016 to 2021
Banco do Nordeste do Brasil	56,597	66,096	R$ (iv)	+8.5	2016 to 2021
FINEP	55,189	61,724	R$	+4.0	2016 to 2021
Finance leases (h)	49,668	45,480	IGP-M (v)	+5.6	2016 to 2031
BNDES (c)	45,314	49,681	R$	+5.1	2016 to 2022
FINEP	10,644	11,174	TJLP (iii)	-1.4	2016 to 2023
Export Credit Note (g) (*)	10,061	27,039	R$	+8.0	2016
Working capital loans Extrafarma fixed rate	314	1,160	R$	+10.0	2016
Floating finance leases (h)	222	319	CDI	+2.8	2016 to 2017
FINAME	151	255	TJLP (iii)	+5.7	2016 to 2022
Fixed finance leases (h)	60	95	R$	+15.6	2016 to 2017
Subtotal	6,438,401	6,223,855			
Currency and interest rate hedging instruments	239,238	47,445			
Total	8,922,640	8,901,608			
Current	1,210,816	1,097,855			
Non-current	7,711,824	7,803,753			

(*) These transactions were designated for hedge accounting (see Note 31 Hedge Accounting).

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

(i) LIBOR = London Interbank Offered Rate.

(ii) MX$ = Mexican Peso; TIIE = 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 June 30, 2016, TJLP was fixed at 7.5% p.a.

(iv) 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 June, 30, 2016, the FNE interest rate was 10% p.a. FNE grants a discount of 15% over the interest rate for timely payments.

(v) IGP-M = General Market Price Index is a measure of Brazilian inflation, calculated by the Getúlio Vargas Foundation.

(vi) SELIC = basic interest rate set by the Brazilian Central Bank.

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

	06/30/2016	**12/31/2015**
From 1 to 2 years	2,736,417	3,393,586
From 2 to 3 years	3,341,218	3,165,603
From 3 to 4 years	650,804	1,155,809
From 4 to 5 years	602,163	38,585
More than 5 years	381,222	50,170
	7,711,824	7,803,753

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.i).

The Company s management entered into hedging instruments against foreign exchange and interest rate variations for a portion of its debt obligations (see Note 31).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Foreign Loans

1) The subsidiary IPP has foreign loans in the amount of US$ 440 million. IPP also contracted hedging instruments with floating interest rate in U.S. dollar and exchange rate variation, changing the foreign loans charges, on average, to 102.1% of CDI (see Note 31). IPP designated these hedging instruments as a fair value hedge; therefore, loans and hedging instruments are both measured at fair value from inception, with changes in fair value recognized through profit or loss. The foreign loans are secured by the Company.

The foreign loans have the maturity distributed as follows:

Maturity	US$ (million)	Cost in % of CDI
Mar/17	70.0	99.5
Sep/17	150.0	103.7
Jul/18	60.0	103.0
Sep/18	80.0	101.5
Nov/18	80.0	101.4
Total / average cost	440.0	102.1

2) The subsidiary Oxiteno Overseas Corp. (Oxiteno Overseas) has a foreign loan in the amount of US$ 60 million with maturity in January 2017 and 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 94.0% of CDI (see Note 31). The foreign loan is guaranteed by the Company and its subsidiary Oxiteno S.A.

3) The subsidiary LPG International Inc. (LPG Inc.) has a foreign loan in the amount of US$ 30 million with maturity in December 2018 and interest rate of LIBOR + 1.85% p.a, paid quarterly. The foreign loan is guaranteed by the Company and its subsidiary IPP.

4)

The subsidiary Global Petroleum Products Trading Corporation has a foreign loan in the amount of US$ 12 million with maturity in December 2018 and interest rate of LIBOR + 1.85% p.a, paid quarterly. The foreign loan is guaranteed by the Company and its subsidiary IPP.

During these contracts, the Company shall maintain the following financial ratios, calculated based on its audited consolidated interim financial information:

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.

52

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. 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.

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. Financial Institutions

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

In February 2016, subsidiary Oxiteno USA entered into a loan agreement in the amount of US$40 million, due in February 2021 and bearing interest of LIBOR + 3% p.a., paid quarterly. The loan is guaranteed by Ultrapar and the subsidiary Oxiteno Nordeste and the proceeds of this loan will be used to fund the construction of a new alcoxylation plant in the state of Texas.

e. Banco do Brasil

The subsidiary IPP has floating interest rate loans with Banco do Brasil to finance the marketing, processing, or manufacturing of agricultural goods (ethanol).

The subsidiary IPP renegotiated loans with Banco do Brasil in the notional amount of R$ 167 million, changing the maturity from February 2016 to February 2019, with floating interest rate of 114% of CDI.

The subsidiary IPP renegotiated loans with Banco do Brasil in the notional amount of R$ 100 million and R$ 909.5 million, changing the maturity from May 2016 and January 2017, respectively, to May 2020, May 2021 and May 2022, with floating interest rate of 110.9% of CDI.

These loans mature, as follows (including interest until June 30, 2016):

Maturity	
Jul/17	177,177
Nov/17	101,611
Jan/18	177,177
Apr/18	101,611
Feb/19	170,143
May/19	1,127,221
May/20	339,843
May/21	339,843
May/22	339,845
Total	2,874,471

53

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

f. Debentures

1) In December 2012, the subsidiary IPP made its first issuance of public debentures, in a single series of 60,000 simple, nominative, registered debentures, nonconvertible into shares and unsecured, which its main characteristics 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

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

3) In March 2015, the Company made its fifth issuance of debentures, in a single series of 80,000 simple, nonconvertible into shares, unsecured debentures, and its main characteristics are as follows:

Face value unit:	R$ 10,000.00
Final maturity:	March 16, 2018
Payment of the face value:	Lump sum at final maturity

Interest:	108.25% of CDI
Payment of interest:	Semiannually
Reprice:	Not applicable

4) In May 2016, the subsidiary IPP made its fourth issuance of public debentures, in a single series of 500 simple, nominative, registered debentures, nonconvertible into shares and unsecured, which its main characteristics as follows:

Face value unit:	R$ 1,000,000.00
Final maturity:	May 25, 2021
Payment of the face value:	Annual as from May 2019
Interest:	105.0% of CDI
Payment of interest:	Semiannually
Reprice:	Not applicable

The funds raised by the issue will be used in the purchase of ethanol by the subsidiary. The subsidiary has the obligation to prove the allocation of the resources within 12 months from subscription.

54

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Export Credit Note

The subsidiary Oxiteno Nordeste has export credit note contracts in the amounts of R$ 156.8 million and R$ 10.0 million, with maturities in May 2018 and August 2016, respectively, and fixed interest rate of floating rate of 101.5% of CDI and 8% p.a., paid quarterly.

For the fixed interest rate contracts, the subsidiary Oxiteno Nordeste contracted interest hedging instruments, thus converting the fixed rates for these loans into 79.9% of CDI (see Note 31). 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.

In March 2016, the subsidiary Oxiteno Nordeste settled the export credit note in the amount of R$ 17.5 million on the maturity date, with interest rate of 8% p.a. and also settled its respective hedging instrument.

h. Finance Leases

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

Subsidiary Extrafarma has finance lease contracts related to IT equipment and software, with terms between 48 to 60 months.

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

	06/30/2016			
	LPG bottling facilities	**IT equipment and software**	**Vehicles**	**Total**
Equipment and intangible assets, net of depreciation and amortization	17,980	331		18,311
Financing (present value)	49,668	282		49,950
Current	2,407	260		2,667
Non-current	47,261	22		47,283

	12/31/2015			
	LPG bottling facilities	**IT equipment and software**	**Vehicles**	**Total**
Equipment and intangible assets, net of depreciation and amortization	19,890	438	95	20,423
Financing (present value)	45,480	396	18	45,894
Current	2,107	260	18	2,385
Non-current	43,373	136		43,509

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	06/30/2016			
	LPG bottling facilities	IT equipment and software	Vehicles	Total
Up to 1 year	4,876	282		5,158
From 1 to 2 years	4,876	23		4,899
From 2 to 3 years	4,876			4,876
From 3 to 4 years	4,876			4,876
From 4 to 5 years	4,876			4,876
More than 5 years	47,954			47,954
Total	72,334	305		72,639

	12/31/2015			
	LPG bottling facilities	IT equipment and software	Vehicles	Total
Up to 1 year	4,371	287	18	4,676
From 1 to 2 years	4,371	155		4,526
From 2 to 3 years	4,371			4,371
From 3 to 4 years	4,371			4,371
From 4 to 5 years	4,371			4,371
More than 5 years	45,165			45,165
Total	67,020	442	18	67,480

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

i. 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 in 12/31/2015	Incurred cost	Amortization	Balance in 06/30/2016
Banco do Brasil (e)	0.2	11,883	3,529	(1,419)	13,993
Foreign Loans (b)	0.2	4,649		(1,304)	3,345
Debentures (f)	0.1	1,801	6,407	(409)	7,799
Other	0.2	545	997	(358)	1,184
Total		18,878	10,933	(3,490)	26,321

56

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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 (e)	3,785	4,372	4,380	695	496	265	13,993
Foreign Loans (b)	1,957	1,107	281				3,345
Debentures (f)	1,995	2,143	1,865	1,187	609		7,799
Other	297	329	250	211	97		1,184
Total	8,034	7,951	6,776	2,093	1,202	265	26,321

j. Guarantees

The financings are guaranteed by collateral in the amount of R$ 54,101 as of June 30, 2016 (R$ 52,312 as of December 31, 2015) and by guarantees and promissory notes in the amount of R$ 4,541,150 as of June 30, 2016 (R$ 4,369,977 as of December 31, 2015).

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$ 201,104 as of June 30, 2016 (R$ 187,551 as of December 31, 2015). As of June 30, 2016, there was no guarantees related to raw materials imported by the subsidiary IPP (R$ 133,154 as of December 31, 2015).

Some subsidiaries of Oxiteno issue 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$ 25,111 as of June 30, 2016 (R$ 27,106 as of December 31, 2015), with maturities of up to 211 days. As of June 30, 2016, the subsidiaries did not have losses in connection with these collaterals. The fair value of collaterals recognized in current liabilities as other payables is R$ 601 as of June 30, 2016 (R$ 656 as of December 31, 2015), which is recognized as profit or loss as customers settle their obligations with the financial institutions.

15 Trade Payables (Consolidated)

	06/30/2016	12/31/2015
Domestic suppliers	946,601	1,390,204
Foreign suppliers	72,191	70,328
	1,018,792	1,460,532

Some Company s subsidiaries acquire oil based fuels and LPG from Petróleo Brasileiro S.A. Petrobras and its subsidiaries and ethylene from Braskem S.A. These suppliers control almost all of the markets for these products in Brazil. The Company s 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.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

16 Salaries and Related Charges (Consolidated)

	06/30/2016	**12/31/2015**
Provisions on payroll	178,598	149,818
Profit sharing, bonus and premium	80,129	201,579
Social charges	36,213	43,782
Salaries and related payments	4,858	6,993
Benefits	1,855	1,558
Others	799	583
	302,452	404,313

17 Taxes Payable (Consolidated)

	06/30/2016	**12/31/2015**
ICMS	113,984	111,107
Income Tax Withholding (IRRF)	2,126	2,418
PIS and COFINS	14,722	11,165
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico, Oxiteno USA, Oxiteno Andina and Oxiteno Uruguay	12,679	26,342
IPI	7,758	4,949
ISS	6,060	6,976
National Institute of Social Security (INSS)	3,593	3,309
Others	1,778	2,538
	162,700	168,804

18 Employee Benefits and Private Pension Plan (Consolidated)

a. ULTRAPREV- Associação de Previdência Complementar

In February 2001, the Company s Board of Directors approved the adoption of a defined contribution pension plan to be sponsored by the Company and each of its subsidiaries. Participating employees have been contributing to this plan, managed by Ultraprev Associação de Previdência Complementar (Ultraprev), since August 2001. Under the terms of the plan, every year each participating employee chooses his or her basic contribution to the plan. Each sponsoring company provides a matching contribution in an amount equivalent to each basic contribution, up to a limit of 11% of the employee s reference salary, according to the rules of the plan. As participating employees retire, they may choose to receive either (i) a monthly sum ranging between 0.5% and 1.0% of their respective accumulated fund in Ultraprev or (ii) a fixed monthly amount which will exhaust their respective accumulated fund over a period of 5 to 25 years. The sponsoring company does not guarantee the amounts or the duration of the benefits received by each employee that retires. For the six-month period ended June 30, 2016, the Company and its subsidiaries contributed R$ 11,444 (R$ 10,761 for the six-month period ended June 30, 2015) to Ultraprev, which is recognized as expense in the income statement. The total number of participating employees as of June 30, 2016 was 8,975 active participants and 193 retired participants. In addition, Ultraprev had 28 former employees receiving benefits under the rules of a previous plan whose reserves are fully constituted.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Post-employment Benefits

The Company and its subsidiaries recognized a provision for post-employment benefits mainly related to seniority bonus, payment of Government Severance Indemnity Fund (FGTS), and health, dental care, and life insurance plan for eligible retirees.

The amounts related to such benefits were determined based on a valuation conducted by an independent actuary as of December 31, 2015 and are recognized in the interim financial information in accordance with IAS 19 R2011 (CPC 33 R2).

	06/30/2016	**12/31/2015**
Health and dental care plan	26,401	24,869
FGTS Penalty	60,722	59,517
Bonus	28,528	28,835
Life insurance	14,167	13,374
Total	129,818	126,595
Current	13,734	13,747
Non-current	116,084	112,848

19 Provision for Asset Retirement Obligation Fuel Tanks (Consolidated)

The 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).

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

	06/30/2016	**06/30/2015**
Initial balance	74,716	70,802
Additions (new tanks)	160	321
Expense with tanks removed	(1,425)	(1,973)
Accretion expense	3,739	4,303

Final balance	77,190	73,453
Current	4,481	5,104
Non-current	72,709	68,349

59

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

20 Provisions, Contingencies and Commitments (Consolidated)

a. Provisions for tax, civil, and labor risks

The Company and its subsidiaries are parties in tax, civil, environmental, regulatory, and labor disputes at the administrative and judiciary levels, which, when applicable, are backed by escrow deposits. Provisions for losses are estimated and updated by Management based on the opinion of the Company s legal department and its external legal advisors.

The table below demonstrates the breakdown of provisions by nature and its movement:

Provisions	Balance on 12/31/2015	Additions	Write-offs	Monetary restatement	Balance on 06/30/2016
IRPJ and CSLL (a.1.1)	439,923			17,471	457,394
PIS and COFINS (a.1.2)	135,818	427	(2,468)	5,044	138,821
ICMS	16,600	546	(804)	811	17,153
Social security	11,455	248		413	12,116
Civil, environmental and regulatory claims (a.2.1)	60,293	1,961	(2,645)	557	60,166
Labor litigation (a.3.1)	65,388	6,551	(6,281)	658	66,316
Other	505			22	527
Total	729,982	9,733	(12,198)	24,976	752,493
Current	45,322				52,225
Non-current	684,660				700,268

Some of the tax provisions above involve, in whole or in part, escrow deposits in the amount of R$ 569,540 as of June 30, 2016 (R$ 548,150 as of December 31, 2015).

a.1 Provisions for Tax Matters and Social Security

a.1.1) On October 7, 2005, the subsidiaries Cia. Ultragaz and Bahiana Distribuidora de Gás Ltda. (Bahiana) filed for and obtained a preliminary injunction to recognize and offset PIS and COFINS credits on LPG purchases, against other taxes levied by the Brazilian Federal Revenue Service, notably IRPJ and CSLL. The decision was confirmed by a trial court on May 16, 2008. Under the preliminary injunction, the subsidiaries made escrow deposits for these debits which amounted to R$ 439,992 as of June 30, 2016 (R$ 422,678 as of December 31, 2015). On July 18, 2014, a second instance unfavorable decision was published and the subsidiaries suspended the escrow deposits, and started to pay income taxes from that date. To revert the court decision, the subsidiaries presented a writ of prevention which was dismissed on December 30, 2014, and the Company appealed this decision on February 3, 2015. Appeals were also presented to the respective higher courts (STJ and STF) whose trials are pending.

a.1.2) The subsidiaries Oxiteno S.A., Oxiteno Nordeste, Cia. Ultragaz, Tequimar, Tropical Transportes Ipiranga Ltda., Empresa Carioca de Produtos Químicos S.A. (EMCA), IPP and Extrafarma filed for a preliminary injunction seeking the deduction of ICMS from their PIS and COFINS tax bases. Oxiteno Nordeste and IPP paid the amounts into escrow deposits, and recognized a corresponding provision in the amount of R$ 103,644 as of June 30, 2016 (R$ 99,874 as of December 31, 2015).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

a.2) Provisions for Civil, Environmental and Regulatory Claims

a.2.1) The Company and its subsidiaries maintained provisions for lawsuits and administrative proceedings, mainly derived from contracts entered into with customers and former services providers, as well as proceedings related to environmental and regulatory issues in the amount of R$ 60,166 as of June 30, 2016 (R$ 60,293 as of December 31, 2015).

a.3) Provisions for Labor Matters

a.3.1) The Company and its subsidiaries maintained provisions of R$ 66,316 as of June 30, 2016 (R$ 65,388 as of December 31, 2015) for labor litigation filed by former employees and by employees of our service providers mainly contesting the non-payment of labor rights.

b. **Contingent Liabilities (Possible)**

The Company and its subsidiaries have other pending administrative and legal proceedings of tax, civil, environmental, regulatory, and labor nature, which are individually less relevant, and were estimated by their legal counsel as having possible and/or remote risks (proceedings whose chance of loss is 50% or less). A such, the related potential losses were not provided for by the Company and its subsidiaries based on these opinions. The Company and its subsidiaries are also litigating for recovery of taxes and contributions, which were not recognized in the interim financial information due to their contingent nature. The estimated amount of this contingency is R$ 2,164,076 as of June 30, 2016 (R$ 2,069,516 as of December 31, 2015).

b.1) Contingent Liabilities for Tax Matters and Social Security

The Company and its subsidiaries have contingent liabilities for tax matters and social security in the amount of R$ 1,506,386 as of June 30, 2016 (R$ 1,261,396 as of December 31, 2015), mainly represented by:

b.1.1) The subsidiary IPP and its subsidiaries have assessments invalidating the offset of excise tax (IPI) credits in connection with the purchase of raw materials used in the manufacturing of products which sales are not subject to IPI under the protection of tax immunity. The amount of this contingency is R$ 109,467 as of June 30, 2016 (R$ 154,821 as of December 31, 2015).

b.1.2) The subsidiary IPP and its subsidiaries have legal proceedings related to ICMS. The total amount involved as of June 30, 2016 in these proceedings, was R$ 612,495 (R$ 509,604 as of December 31, 2015). Such proceedings arise mostly of the disregard of ICMS credits amounting to R$ 286,144 (R$ 294,454 as of December 31, 2015), of which R$ 108,997 (R$ 119,663 as of December 31, 2015) refer to proportional reversal requirement of ICMS credits related to the acquisition of hydrated alcohol; of alleged non-payment in the amount of R$ 112,842 (R$ 105,070 as of December 31, 2015); inventory differences in the amount of R$ 127,798 (R$ 103,428 as of December 31, 2015) related to the leftovers or faults due to temperature changes or product handling, and noncompliance of ancillary obligations in the amount of R$ 16,336 (R$ 6,652 as of December 31, 2015).

b.1.3) The Company and its subsidiaries are parties to administrative and judicial suits involving Income Tax, Social Security Contribution, PIS and COFINS, substantially about denials of offset claims and credits disallowance which total amount is R$ 459,365 as of June 30, 2016 (R$ 308,377 as of December 31, 2015).

b.2) Contingent Liabilities for Civil, Environmental and Regulatory Claims

The Company and its subsidiaries have contingent liabilities for civil, environmental and regulatory claims in the amount of R$ 443,458 as of June 30, 2016 (R$ 582,960 as of December 31, 2015), mainly represented by:

b.2.1) The subsidiary Cia. Ultragaz is party to an administrative proceeding before CADE (Brazilian antitrust authority) based on alleged anti-competitive practices in the State of Minas Gerais in 2001. The CADE entered a decision against Cia. Ultragaz and imposed a penalty of R$ 23,104. The imposition of such administrative decision was suspended by a court order and its merit is being judicially reviewed.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b.2.2) As a result of the fire on April 2nd, 2015 at the Santos Terminal of the subsidiary Tequimar, Environmental Company of the State of São Paulo (CETESB) charged a fine of R$ 22,500, due to the environmental and urban impacts allegedly caused by the incident. Tequimar filed before such Environmental Agency its refutation under the first administrative jurisdiction, in which, among other things, it claimed the inapplicability of federal legislation due to the existence of state legislation that not only regulate the issue but also may cause the fine reduction. It also denied the unlawful conduct by Tequimar. In March 2016, a decision in the administrative level denied the Company s appeal against the fine applied by CETESB. The decision set forth a 30% discount in the case of an immediate payment. In this scenario, the subsidiary s Management, supported by its legal counsel, decided to pay the fine in the amount of R$ 16,032 on March 16, 2016. For more information see Note 33.

b.3) Contingent Liabilities for Labor Matters

The Company and its subsidiaries have contingent liabilities for labor matters in the amount of R$ 214,232 as of June 30, 2016 (R$ 225,160 as of December 31, 2015), mainly represented by:

b.3.1) In 1990, the Petrochemical Industry Labor Union (Sindiquímica), of which the employees of Oxiteno Nordeste and EMCA, companies located in the Camaçari Petrochemical Complex, are members, filed separate lawsuits against the subsidiaries demanding the compliance with the fourth section of the collective labor agreement, which provided for a salary adjustment in lieu of the salary policies practiced. In the same year, a collective labor dispute was also filed by the Union of Employers (SINPEQ) against Sindiquímica, requiring the recognition of the loss of effectiveness of such fourth section. The decisions rendered on the individual claims which were favorable to the subsidiaries Oxiteno Nordeste and EMCA are final and unappealable. The collective labor dispute remains pending trial by STF. In 2010, some companies in the Camaçari Petrochemical Complex signed an agreement with Sindiquímica and reported the fact in the collective labor dispute. In October 2015, Sindiquímica filed enforcement lawsuits against all Camaçari Petrochemical Complex companies that have not yet made settlements, including Oxiteno Nordeste and EMCA.

21 Deferred Revenue (Consolidated)

The Company s subsidiaries have recognized the following deferred revenue:

	06/30/2016	12/31/2015

am/pm and Jet Oil franchising upfront fee	16,296	16,988
Loyalty program Km de Vantagens	11,425	10,569
Loyalty program Clube Extrafarma	4,833	7,899
	32,554	35,456
Current	21,920	24,420
Non-current	10,634	11,036

Loyalty Programs

Subsidiary 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) and discounted of sales revenue.

62

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Subsidiary Extrafarma has a loyalty program called Clube Extrafarma (www.clubeextrafarma.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 six months, for discounts in products at its drugstore chain, recharge credit on a mobile phone, and prizes offered by partners Multiplus Fidelidade and Ipiranga, through Km de Vantagens. Points received by Extrafarma s customers are discounted of sales revenue.

Deferred revenue is estimated 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

am/pm is the convenience stores chain of the Ipiranga service stations. Ipiranga ended June 30, 2016 with 1,950 stores (1,909 stores as of December 31, 2015). Jet Oil is Ipiranga s lubricant-changing and automotive service specialized network. Ipiranga ended June 30, 2016 with 1,485 stores (1,466 stores as of December 31, 2015). The franchising upfront fee received by Ipiranga is deferred and recognized in profit or loss on the straight-line accrual basis throughout the terms 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)

22 Subscription warrants indemnification

Because of the association between the Company and Extrafarma on January 31, 2014, 7 subscription warrants indemnification were issued, corresponding to up to 3,205,622 shares of the Company. The shares of the subscription warrants indemnification may be exercised from 2020 onwards by the former shareholders of Extrafarma and are adjusted according to the changes in the amounts of provisions for tax, civil, and labor risks and contingent liabilities related to the period prior to January 31, 2014. The subscription warrants indemnification s fair value is measured based on the share price of Ultrapar (UGPA3) and is reduced by the dividend yield until 2020, since the exercise is possible only from 2020, and they are not entitled to dividends until that date. As of June 30, 2016, the subscription warrants indemnification were represented by 2,377,710 shares and amounted R$ 157,133 (as of December 31, 2015 were represented by 2,011,766 and totaled R$ 112,233). Due to the final adverse decision of some of these lawsuits, on June 30, 2016, the maximum number of shares that could be issued related to the subscription warrants indemnification was up to 3,060,454 (3,070,106 shares as of December 31, 2015). For further information of the Extrafarma acquisition, see Note 3.a to the financial statements of the Company filed with the CVM on February 17, 2016.

23 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 June 30, 2016, the subscribed and paid-in capital stock consists of 556,405,096 common shares with no par value 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 June 30, 2016, on BM&FBOVESPA was R$ 71.11.

As of June 30, 2016, 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 June 30, 2016, there were 30,203,897 common shares outstanding abroad in the form of ADRs (29,385,497 shares as of December 31, 2015).

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.

As of June 30, 2016, 13,131,356 common shares (13,321,356 as of December 31, 2015) were held in the Company s treasury, acquired at an average cost of R$ 36.85 per share (R$ 36.85 as of December 31, 2015).

c. Capital Reserve

The capital reserve reflects the gain on the transfer of shares at market price to be held in treasury by the Company s subsidiaries, at an average price of R$ 26.09 per share. Such shares were used in the Deferred Stock Plan granted to executives of these subsidiaries, as mentioned in Note 8.c).

Because of the Extrafarma s association in 2014, the Company recognized an increase in the capital reserves in the amount of R$ 498,812, due to the difference between the value attributable to share capital and the market value of the Ultrapar shares on the date of issue. In addition, the Company incurred costs directly attributable to issuing new shares in the amount of R$ 2,260, reducing the capital reserve amount.

d. Revaluation Reserve

The revaluation reserve reflects the revaluation of assets of subsidiaries and is based on depreciation, write-off, or disposal of the revalued assets of the subsidiaries, as well as the tax effects recognized by these subsidiaries.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

e. Profit Reserves

Legal Reserve

Under Brazilian Corporate Law, the Company is required to appropriate 5% of net annual earnings to a legal reserve, until the balance reaches 20% of capital stock. This reserve may be used to increase capital or absorb losses, but may not be distributed as dividends.

Retention of Profits

Reserve recognized in previous fiscal years and used for investments contemplated in a capital budget, mainly for expansion, productivity, and quality, acquisitions and new investments, in accordance with Article 196 of Brazilian Corporate Law.

Investments Reserve

In compliance with Article 194 of the Brazilian Corporate Law and Article 55.c) of the Bylaws this reserve is aimed to protect the integrity of the Company s assets and to supplement its capital stock, in order to allow new investments to be made. As provided in its Bylaws, the Company may allocate up to 45% of net income to the investments reserve, up to the limit of 100% of the share capital.

The amounts of retention of profits and investments reserve are free of distribution restrictions and totaled R$ 3,329,649 as of June 30, 2016 and December 31, 2015.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

f. Other Comprehensive Income

Valuation Adjustments

The differences between the fair value and amortized cost of financial investments classified as available for sale are recognized directly in equity as valuation adjustments. The gains and losses recognized in the shareholders equity are reclassified to profit or loss in case the financial instruments are prepaid.

Actuarial gains and losses relating to post-employment benefits, calculated based on a valuation conducted by an independent actuary, are recognized in shareholders equity under the title valuation adjustments . Actuarial gains and losses recorded in equity are not reclassified to profit or loss in subsequent periods.

Gains and losses on the hedging instruments of firm commitment of exchange rate designated as cash flows hedges are recorded in shareholders equity as valuation adjustments . Gains and losses are reclassified to initial cost of non-financial assets.

Cumulative Translation Adjustments

The change in exchange rates on assets, liabilities, and income of foreign subsidiaries that have (i) functional currency other than the presentation currency of the Company and (ii) an independent administration, is directly recognized in the shareholders equity. This accumulated effect is reflected in profit or loss as a gain or loss only in case of disposal or write-off of the investment.

Balance and changes in other comprehensive income of the Company are as follows:

	Valuation adjustments				
	Fair value of cash flow hedging instruments	**Fair value of financial instruments classified as available for sale**	**Actuarial gains of post-employment benefits**	**Total**	**Cumulative translation adjustment**

Balance as of December 31, 2015	6,261	1,523	11,169	18,953	66,925
Translation of foreign subsidiaries, including the exchange rate effect of hedge of investments					(76,175)
Changes in fair value	(97,696)	(1)		(97,697)	
Actuarial gain of post-employment benefits			4,327	4,327	
Income and social contribution taxes on actuarial gains			(1,471)	(1,471)	
Balance as of June 30, 2016	(91,435)	1,522	14,025	(75,888)	(9,250)

	Valuation adjustments			
	Fair value of financial investment available for sale	**Actuarial gains of post-employment benefits**	**Total**	**Cumulative translation adjustment**
Balance as of December 31, 2014	51	7,098	7,149	43,192
Translation of foreign subsidiaries, including the exchange rate effect of hedge of investments				26,011
Changes in fair value	(916)		(916)	
Balance as of June 30, 2015	(865)	7,098	6,233	69,203

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Dividends

The shareholders are entitled, under the Bylaws, to a minimum annual dividend of 50% of adjusted net income calculated in accordance with Brazilian Corporate Law. The dividends and interest on equity in excess of the obligation established in the Bylaws are recognized in shareholders equity until they are approved by the Shareholders. The proposed dividends payable as of December 31, 2015 in the amount of R$ 434,467 (R$ 0.80 eighty cents of Brazilian Real per share), were approved by the Board of Directors on February 17, 2016, and paid as of March 4, 2016, having been ratified in the Annual General Shareholders Meeting on April 13, 2016.

24 Revenue from Sale and Services (Consolidated)

	06/30/2016	06/30/2015
Gross revenue from sale	39,742,444	36,736,484
Gross revenue from services	294,968	281,137
Sales taxes	(959,426)	(935,933)
Discounts and sales returns	(259,028)	(167,886)
Deferred revenue (see Note 21)	3,563	517
Net revenue from sales and services	38,822,521	35,914,319

25 Expenses by Nature (Consolidated)

The Company presents its expenses by function in the consolidated income statement and presents below its expenses by nature:

	06/30/2016	06/30/2015
Raw materials and materials for use and consumption	34,832,590	32,249,162
Personnel expenses	988,196	902,097
Freight and storage	525,374	524,502
Depreciation and amortization	545,363	477,573
Advertising and marketing	91,124	96,901

Services provided by third parties	138,239	100,238
Lease of real estate and equipment	79,699	68,070
Other expenses	178,582	166,421
Total	37,379,167	34,584,964
Classified as:		
Cost of products and services sold	35,410,967	32,789,552
Selling and marketing	1,290,071	1,197,827
General and administrative	678,129	597,585
Total	37,379,167	34,584,964

Research and development expenses are recognized in the income statements and amounted to R$ 23,055 for the six-month period ended June 30, 2016 (R$ 18,970 for the six-month period ended June 30, 2015).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

26 Gain (loss) on Disposal of Property, Plant and Equipment and Intangibles (Consolidated)

The gain or loss is determined as the difference between the selling price and residual book value of the investment, property, plant, and equipment, or intangible asset disposed of. For the six-month period ended June 30, 2016, the loss was R$ 2,008 (gain of R$ 24,631 for the six-month period ended June 30, 2015), represented primarily from disposal of property, plant, and equipment.

27 Other Operating Income, Net (Consolidated)

	06/30/2016	06/30/2015
Commercial partnerships [1]	19,316	17,493
Merchandising [2]	22,075	18,197
Loyalty program [3]	5,638	8,602
Adjustment of working capital and net debt Extrafarma acquisition (see Note 22)		13,784
Ultracargo fire accident in Santos (see Note 33)	23,671	(75,360)
Compensation of undue use of Ultratecno brand		16,000
Others	4,902	1,540
Other operating income, net	75,602	256

(1) Refers to contracts with service providers and suppliers which establish trade agreements for convenience stores and gas stations.

(2) Refers to contracts with suppliers of convenience stores, which establish, among other agreements, promotional campaigns.

(3) Refers to sales of Km de Vantagens to partners of the loyalty program. Revenue is recognized at the time that the partners transfer the points to their customers.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

28 Financial Income (Expense)

	Parent		Consolidated	
	06/30/2016	**06/30/2015**	**06/30/2016**	**06/30/2015**
Financial income:				
Interest on financial investments	73,387	83,971	167,872	163,333
Interest from customers			50,968	37,870
Other financial income		8	2,087	1,957
	73,387	83,979	220,927	203,160
Financial expenses:				
Interest on loans			(364,196)	(283,654)
Interest on debentures	(58,608)	(53,449)	(167,745)	(143,260)
Interest on finance leases			(6,485)	(2,737)
Bank charges, financial transactions tax, and other charges	(3,174)	2,053	(37,490)	(12,647)
Exchange variation, net of gains and losses with derivative instruments	(1)		(28,588)	(26,240)
Changes in subscription warranty indemnification (see Note 22)	(45,775)	(37,969)	(45,775)	(37,969)
Monetary restatement of provisions, net, and other financial expenses	(10)	(9)	(9,564)	(5,063)
	(107,568)	(89,374)	(659,843)	(511,570)
Financial income (expense)	(34,181)	(5,395)	(438,916)	(308,410)

69

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

29 Earnings per Share (Parent and Consolidated)

The table below presents a reconciliation of numerators and denominators used in computing earnings per share. The Company has a deferred stock plan and subscription warrants indemnification, as mentioned in Notes 8.c and 22, respectively.

Basic Earnings per Share	**06/30/2016**	**06/30/2015**
Net income for the period of the Company	749,378	713,432
Weighted average shares outstanding (in thousands)	541,356	545,190
Basic earnings per share R$	1.3843	1.3086

Diluted Earnings per Share	**06/30/2016**	**06/30/2015**
Net income for the period of the Company	749,378	713,432
Weighted average shares outstanding (in thousands), including deferred stock plan and subscription warrants indemnification	545,360	549,570
Diluted earnings per share R$	1.3741	1.2982

Weighted Average Shares Outstanding (in thousands)	**06/30/2016**	**06/30/2015**
Weighted average shares outstanding for basic per share calculation:	541,356	545,190
Dilution effect		
Subscription warrants indemnification	2,150	2,172
Deferred Stock Plan	1,854	2,208
Weighted average shares outstanding for diluted per share calculation:	545,360	549,570

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

30 Segment Information

The Company operates five main business segments: gas distribution, fuel distribution, chemicals, storage and drugstores. The gas distribution segment (Ultragaz) distributes LPG to residential, commercial, and industrial consumers, especially in the South, Southeast, and Northeast regions of Brazil. The fuel distribution segment (Ipiranga) operates the distribution and marketing of gasoline, ethanol, diesel, fuel oil, kerosene, natural gas for vehicles, and lubricants and related activities throughout all the Brazilian territory. The chemicals segment (Oxiteno) produces ethylene oxide and its main derivatives and fatty alcohols, which are raw materials used in the home and personal care, agrochemical, paints, varnishes, and other industries. The storage segment (Ultracargo) operates liquid bulk terminals, especially in the Southeast and Northeast regions of Brazil. The drugstores segment (Extrafarma) trades pharmaceutical, hygiene, and beauty products through its own drugstore chain in the states of Amapá, Ceará, Maranhão, Pará, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, and São Paulo. The segments shown in the interim financial information are strategic business units supplying different products and services. Intersegment sales are at prices similar to those that would be charged to third parties.

The main financial information of each of the Company s segments are stated as follows:

	06/30/2016	**06/30/2015**
Net revenue from sales and services:		
Ultragaz	2,575,608	2,159,878
Ipiranga	33,457,554	31,093,693
Oxiteno	1,912,980	1,864,425
Ultracargo	166,181	165,690
Extrafarma	737,113	657,073
Others [(1)]	19,792	20,883
Intersegment sales	(46,707)	(47,323)
Total	38,822,521	35,914,319
Intersegment sales:		
Ultragaz	1,587	1,680
Ipiranga		
Oxiteno	1,609	862
Ultracargo	23,838	23,898
Extrafarma		

Others [(1)]	19,673	20,883
Total	46,707	47,323
Net revenue from sales and services, excluding intersegment sales:		
Ultragaz	2,574,021	2,158,198
Ipiranga	33,457,673	31,093,693
Oxiteno	1,911,371	1,863,563
Ultracargo	142,343	141,792
Extrafarma	737,113	657,073
Others [(1)]		
Total	38,822,521	35,914,319

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	06/30/2016	06/30/2015
Operating income (expense):		
Ultragaz	138,429	76,177
Ipiranga	1,087,640	994,752
Oxiteno	238,075	275,085
Ultracargo	53,218	(22,175)
Extrafarma	(2,579)	3,555
Others (1)	2,165	26,848
Total	1,516,948	1,354,242
Share of profit of joint-ventures and associates:		
Ultragaz	(1)	(26)
Ipiranga	(10,049)	(9,929)
Oxiteno	608	1,622
Ultracargo	(262)	326
Others (1)	12,745	8,535
Total	3,041	528
Financial income	220,927	203,160
Financial expenses	(659,843)	(511,570)
Income before income and social contribution taxes	1,081,073	1,046,360
Additions to property, plant, and equipment and intangible assets:		
Ultragaz	155,145	131,617
Ipiranga	318,246	312,678
Oxiteno	103,126	49,364
Ultracargo	21,844	6,155
Extrafarma	44,601	31,419
Others (1)	4,179	12,122
Total additions to property, plant, and equipment and intangible assets (see Notes 12 and 13)	647,141	543,355
Asset retirement obligation fuel tanks (see Note 19)	(160)	(321)

Capitalized borrowing costs	(11,024)	(11,561)
Total investments in property, plant, and equipment and intangible assets (cash flow)	635,957	531,473
Depreciation and amortization charges (excluding intersegment account balances):		
Ultragaz	78,472	69,036
Ipiranga	341,986	294,366
Oxiteno	76,476	70,846
Ultracargo	21,460	20,751
Extrafarma	20,067	10,514
Others [(1)]	6,902	12,060
Total	545,363	477,573

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	06/30/2016	12/31/2015
Total assets (excluding intersegment account balances):		
Ultragaz	2,238,462	2,195,314
Ipiranga	10,394,306	11,292,350
Oxiteno	4,283,152	4,148,716
Ultracargo	1,350,433	1,283,613
Extrafarma	1,686,726	1,570,024
Others [1]	559,791	476,032
Total	20,512,870	20,966,049

[1] Composed of the parent company Ultrapar (including goodwill of certain acquisitions) and subsidiaries Serma Associação dos Usuários de Equipamentos de Processamento de Dados e Serviços Correlatos (Serma) and Imaven Imóveis Ltda.

Geographic Area Information

The fixed and intangible assets of the Company and its subsidiaries are located in Brazil, except those related to Oxiteno plants abroad, as shown below:

	06/30/2016 [1]	12/31/2015
United States of America	197,217	201,286
Mexico	109,569	140,759
Uruguay	66,282	79,408
Venezuela	2,494	4,364

[1] The decrease in fixed and intangible assets as of June 30, 2016, is substantially due to the valuation of the Real against the functional currencies of the foreign subsidiaries used in the translation of information.

The Company generates revenue from operations in Brazil, Mexico, United Stated of America, Uruguay and Venezuela, as well as from exports of products to foreign customers, as disclosed below:

	06/30/2016	06/30/2015
Net revenue:		
Brazil	38,261,863	35,332,097
Mexico	93,848	89,928
Uruguay	21,587	16,274
Venezuela	8,469	64,447
Other Latin American countries	228,609	180,987
United States of America and Canada	85,354	87,236
Far East	27,506	75,751
Europe	61,904	40,538
Others	33,381	27,061
Total	38,822,521	35,914,319

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

31 Risks and Financial Instruments (Consolidated)

Risk Management and Financial Instruments Governance

The main risks to which the Company and its subsidiaries are exposed reflect strategic/operational and economic/financial aspects. Operational/strategic risks (including, but not limited to, demand behavior, competition, technological innovation, and material changes in the industry structure) are addressed by the Company s management model. Economic/financial risks primarily reflect default of customers, behavior of macroeconomic variables, such as exchange and interest rates, as well as the characteristics of the financial instruments used by the Company and its subsidiaries and their counterparties. These risks are managed through control policies, specific strategies, and the establishment of limits.

The Company has a conservative policy for the management of resources, financial instruments, and risks approved by its Board of Directors (Policy). In accordance with the Policy, the main objectives of financial management are to preserve the value and liquidity of financial assets and ensure financial resources for the development of the business, including expansions. The main financial risks considered in the Policy are risks associated with currencies, interest rates, credit, and selection of financial instruments. Governance of the management of financial risks and financial instruments follows the segregation of duties below:

Implementation of the management of financial assets, instruments, and risks is the responsibility of the financial area, through its treasury department, with the assistance of the tax and accounting departments.

Supervision and monitoring of compliance with the principles, guidelines, and standards of the Policy is the responsibility of the Risk and Investment Committee, which is composed of members of the Company s Executive Board (Committee). The Committee holds regular meetings and is in charge, among other responsibilities, of discussing and monitoring the financial strategies, existing exposures, and significant transactions involving investment, fundraising, or risk mitigation. The Committee monitors the risk standards established by the Policy through a monitoring map on a monthly basis.

Changes in the Policy or revisions of its standards are subject to the approval of the Board of Directors of Ultrapar.

Continuous improvement of the Policy is the joint responsibility of the Board of Directors, the Committee, and the financial area.

The internal audit department audits the compliance with the requirements of the Policy.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Currency Risk

Most transactions of the Company and its subsidiaries are located in Brazil and, therefore, the reference currency for risk management is the Brazilian Real. Currency risk management is guided by neutrality of currency exposures and considers the transactional, accounting, and operational risks of the Company and its subsidiaries and their exposure to changes in exchange rates. The Company considers as its main currency exposures the assets and liabilities in foreign currency and the short-term flow of net sales in foreign currency of Oxiteno.

The Company and its subsidiaries use exchange rate hedging instruments (especially between the Brazilian Real and the U.S. dollar) available in the financial market to protect their assets, liabilities, receipts, and disbursements in foreign currency and net investments in foreign operations. Hedge is used in order to reduce the effects of changes in exchange rates on the Company´s income and cash flows in Brazilian Reais within the exposure limits under its Policy. Such foreign exchange hedging instruments have amounts, periods, and rates substantially equivalent to those of assets, liabilities, receipts, and disbursements in foreign currencies to which they are related. Assets and liabilities in foreign currencies are stated below, translated into Brazilian Reais as of June 30, 2016 and December 31, 2015:

Assets and Liabilities in Foreign Currencies

In millions of Brazilian Reais	**06/30/2016**	**12/31/2015**
Assets in foreign currency		
Cash, cash equivalents and financial investments in foreign currency (except hedging instruments)	187.6	147.8
Foreign trade receivables, net of allowance for doubtful accounts and advances to foreign customers	176.8	188.8
Net investments in foreign subsidiaries (except cash, cash equivalents, financial investments, trade receivables, financing, and payables)	536.1	611.4
	900.5	948.0
Liabilities in foreign currency		
Financing in foreign currency	(2,245.0)	(2,630.3)
Payables arising from imports, net of advances to foreign suppliers	(34.2)	(64.4)
	(2,279.2)	(2,694.7)

Foreign currency hedging instruments	2,262.1	2,667.2
Net asset position Total	883.4	920.5

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Sensitivity Analysis of Assets and Liabilities in Foreign Currency

The table below shows the effect of exchange rate changes in different scenarios, based on the net asset position of R$ 883,4 million in foreign currency:

In millions of Brazilian Reais	Risk	Scenario I 10%	Scenario II 25%	Scenario III 50%
(1) Income statement effect	Real devaluation	(2.5)	(6.2)	(12.4)
(2) Shareholders equity effect		90.8	227.0	454.1
(1) + (2)	**Net effect**	88.3	220.8	441.7
(3) Income statement effect	Real appreciation	2.5	6.2	12.4
(4) Shareholders equity effect		(90.8)	(227.0)	(454.1)
(3) + (4)	**Net effect**	(88.3)	(220.8)	(441.7)

Gains (losses) directly recognized in equity in cumulative translation adjustments are due to changes in the exchange rate on equity of foreign subsidiaries (see Notes 2.r and 23.f Cumulative Translation Adjustments).

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Interest Rate Risk

The Company and its subsidiaries adopt conservative policies for borrowing and investing financial resources and for capital cost minimization. The financial investments of the Company and its subsidiaries are primarily held in transactions linked to the CDI, as set forth in Note 4. Borrowings primarily relate to financing from Banco do Brasil, BNDES, and other development agencies, as well as debentures and borrowings in foreign currency, as shown in Note 14.

The Company does not actively manage risks associated with changes in the level of interest rates and attempts to maintain its financial interest assets and liabilities at floating rates. As of June 30, 2016, the Company and its subsidiaries had interest rate derivative financial instruments linked to domestic loans, in which the Company swapped the fixed interest rate of certain debts to floating interest rates (CDI).

The table below shows the financial assets and liabilities exposed to floating interest rates as of June 30, 2016 and December 31, 2015:

In millions of Brazilian Reais

	Note	06/30/2016	12/31/2015
CDI			
Cash equivalents	4	2,282.6	2,497.9
Financial investments	4	686.1	801.6
Asset position of foreign exchange hedging instruments CDI	31	33.9	30.6
Loans and debentures	14	(5,780.9)	(5,520.9)
Liability position of foreign exchange hedging instruments CDI	31	(2,302.2)	(2,225.1)
Liability position of hedging instruments from pre-fixed interest to CDI	31	(10.2)	(27.8)
Net liability position in CDI		(5,090.7)	(4,443.7)
TJLP			
Loans TJLP	14	(378.1)	(420.8)
Net liability position in TJLP		(378.1)	(420.8)
LIBOR			

Asset position of foreign exchange hedging instruments LIBOR	31	1,112.1	1,364.4
Loans LIBOR	14	(1,426.6)	(1,587.1)
Net liability position in LIBOR		(314.5)	(222.7)
TIIE			
Loans TIIE	14	(21.0)	(27.1)
Net liability position in TIIE		(21.0)	(27.1)
SELIC			
Loans SELIC	14	(62.1)	(30.9)
Net liability position in SELIC		(62.1)	(30.9)
Total net liability position exposed to floating interest		(5,866.4)	(5,145.2)

77

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Sensitivity Analysis of Floating Interest Rate Risk

The table below shows the incremental expenses and income that would be recognized in financial income as of June 30, 2016, due to the effect of floating interest rate changes in different scenarios:

In millions of Brazilian Reais

	Risk	Scenario I 10%	Scenario II 25%	Scenario III 50%
Exposure of interest rate risk				
Interest effect on cash equivalents and financial investments	Increase in CDI	16.7	41.7	83.6
Foreign exchange hedging instruments (assets in CDI) effect	Increase in CDI	0.2	0.4	0.8
Interest effect on debt in CDI	Increase in CDI	(39.2)	(98.0)	(196.1)
Interest rate hedging instruments (liabilities in CDI) effect	Increase in CDI	(14.4)	(36.1)	(72.3)
Incremental expenses		(36.7)	(92.0)	(184.0)
Interest effect on debt in TJLP	Increase in TJLP	(1.4)	(3.6)	(7.1)
Incremental expenses		(1.4)	(3.6)	(7.1)
Foreign exchange hedging instruments (assets in LIBOR) effect	Increase in LIBOR	0.4	1.0	2.0
Interest effect on debt in LIBOR	Increase in LIBOR	(0.5)	(1.3)	(2.5)
Incremental expenses		(0.1)	(0.3)	(0.5)
Interest effect on debt in TIIE	Increase in TIIE	(0.0)	(0.1)	(0.2)
Incremental expenses		(0.0)	(0.1)	(0.2)
Interest effect on debt in SELIC	Increase in SELIC	(0.2)	(0.6)	(1.2)

Incremental expenses	(0.2)	(0.6)	(1.2)

78

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Credit Risks

The financial instruments that would expose the Company and its subsidiaries to credit risks of the counterparty are basically represented by cash and bank deposits, financial investments, hedging instruments, and trade receivables.

Credit risk of financial institutions - Such risk results from the inability of financial institutions to comply with their financial obligations to the Company and its subsidiaries due to insolvency. The Company and its subsidiaries regularly conduct a credit review of the institutions with which they hold cash and cash equivalents, financial investments, and hedging instruments through various methodologies that assess liquidity, solvency, leverage, portfolio quality, etc. Cash and cash equivalents, financial investments, and hedging instruments are held only with institutions with a solid credit history, chosen for safety and soundness. The volume of cash and cash equivalents, financial investments, and hedging instruments are subject to maximum limits by each institution and, therefore, require diversification of counterparties.

Government credit risk - The Company s policy allows investments in government securities from countries classified as investment grade AAA or Aaa by specialized credit rating agencies and in Brazilian government bonds. The volume of such financial investments is subject to maximum limits by each country and, therefore, requires diversification of counterparties.

Customer credit risk - Such risks are managed by each business unit through specific criteria for acceptance of customers and their credit rating and are additionally mitigated by the diversification of sales. No single customer or group accounts for more than 10% of total revenue.

The Company maintained the following allowances for doubtful accounts on trade receivables:

	06/30/2016	**12/31/2015**
Ipiranga	168,049	151,921
Ultragaz	32,090	28,136
Oxiteno	12,260	12,412
Extrafarma	6,195	5,376
Ultracargo	2,971	2,971
Total	221,565	200,816

79

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Liquidity Risk

The Company and its subsidiaries main sources of liquidity derive from (i) cash, cash equivalents, and financial investments, (ii) cash generated from operations and (iii) financing. The Company and its subsidiaries believe that these sources are sufficient to satisfy their current funding requirements, which include, but are not limited to, working capital, capital expenditures, amortization of debt, and payment of dividends.

The Company and its subsidiaries periodically examine opportunities for acquisitions and investments. They consider different types of investments, either directly, through joint ventures, or through associated companies, and finance such investments using cash generated from operations, debt financing, through capital increases, or through a combination of these methods.

The Company and its subsidiaries believe to have enough working capital and sources of financing to satisfy their current needs. The gross indebtedness due over the next twelve months totals R$ 1,683.7 million, including estimated interests on loans (for quantitative information, see Note 14). Furthermore, the investment plan for 2016 totals R$ 1,809 million, and until June 30, 2016 the amount of R$ 659 million had been realized. As of June 30, 2016, the Company and its subsidiaries had R$ 3,292.8 million in cash, cash equivalents, and short-term financial investments (for quantitative information, see Note 4).

The table below presents a summary of financial liabilities as of June 30, 2016 to be settled by the Company and its subsidiaries, listed by maturity. The amounts disclosed in this table are the contractual undiscounted cash outflows, and, therefore, these amounts may be different from the amounts disclosed on the balance sheet as of June 30, 2016.

			In millions of Brazilian Reais		
Financial liabilities	**Total**	**Less than 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
Loans including future contractual interest(1)(2)	11,161.5	1,683.7	7,482.2	1,555.4	440.2
Currency and interest rate hedging instruments(3)	324.7	214.3	110.4		
Trade payables	1,018.8	1,018.8			

(1)

To calculate the estimated interest on loans some macroeconomic assumptions were used, including averaging for the period the following: (i) CDI of 13.0% p.a., (ii) exchange rate of the Real against the U.S. dollar of R$ 3.30 in 2016, R$ 3.54 in 2017, R$ 3.83 in 2018, R$ 4.11 in 2019 and R$ 4.39 in 2020, (iii) TJLP of 7.5% p.a. and (iv) IGP-M of 7.4% in 2016, 5.5% in 2017, 5.0% in 2018, 4.8% in 2019 and 4.8% in 2020 (source: BM&FBOVESPA, Bulletin Focus and financial institutions).

(2) Includes estimated interest payments on short-term and long-term loans until the payment date.

(3) The currency and interest rate hedging instruments were estimated based on projected U.S dollar futures contracts and the futures curve of DI x Pre contract quoted on BM&FBOVESPA on June 30, 2016 and on the futures curve of LIBOR (ICE IntercontinentalExchange) on June 30, 2016. In the table above, only the hedging instruments with negative results at the time of settlement were considered.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Capital Management

The Company manages its capital structure based on indicators and benchmarks. The key performance indicators related to the capital structure management are the weighted average cost of capital, net debt / EBITDA, interest coverage, and indebtedness / equity ratios. Net debt is composed of cash, cash equivalents, and financial investments (see Note 4) and loans, including debentures (see Note 14). The Company can change its capital structure depending on the economic and financial conditions, in order to optimize its financial leverage and capital management. The Company seeks to improve its return on invested capital by implementing efficient working capital management and a selective investment program.

Selection and Use of Financial Instruments

In selecting financial investments and hedging instruments, an analysis is conducted to estimate rates of return, risks involved, liquidity, calculation methodology for the carrying value and fair value, and a review is conducted of any documentation applicable to the financial instruments. The financial instruments used to manage the financial resources of the Company and its subsidiaries are intended to preserve value and liquidity.

The Policy contemplates the use of derivative financial instruments only to cover identified risks and in amounts consistent with the risk (limited to 100% of the identified risk). The risks identified in the Policy are described in the above sections, and are subject to risk management. In accordance with the Policy, the Company and its subsidiaries can use forward contracts, swaps, options, and futures contracts to manage identified risks. Leveraged derivative instruments are not permitted. Because the use of derivative financial instruments is limited to the coverage of identified risks, the Company and its subsidiaries use the term hedging instruments to refer to derivative financial instruments.

As mentioned in the section Risk Management and Financial Instruments Governance , the Committee monitors compliance with the risk standards established by the Policy through a risk map, including the use of hedging instruments, on a monthly basis. In addition, the internal audit department verifies the compliance with the requirements of the Policy.

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 position of hedging instruments entered into by the Company and its subsidiaries:

Hedging instruments	**Counterparty**	**Maturity**	**Notional amount[1]**		**Fair value**		**Amounts receivable**	**Amounts payable**
			06/30/2016	**12/31/2015**	**06/30/2016**	**12/31/2015**	**06/30/2016**	
					R$ million	**R$ million**	**R$ million**	**R$ million**
a Exchange rate swaps receivable in U.S. dollars								
Receivables in U.S. dollars (LIBOR)	Bradesco, BTMU, Citibank, Itaú, JP Morgan, Santander, Scotiabank		US$ 350.0	US$ 350.0	1,112.1	1,364.4	1,112.1	
Receivables in U.S. dollars (Fixed)			US$ 366.1	US$ 334.5	1,181.2	1,335.1	1,181.2	
Payables in CDI interest rate		Jul 2016 to Nov 2018	US$ (716.1)	US$ (684.5)	(2,302.2)	(2,225.1)		2,302.2
Total result					(8.9)	474.4	2,293.3	2,302.2
b Exchange rate swaps payable in U.S. dollars + COUPON								
Receivables in CDI interest rates	Bradesco, Citibank, Itaú, Santander		US$ 9.7	US$ 7.9	33.9	30.6	33.9	
Payables in U.S. dollars (Fixed)		Jul 2016 to Oct 2016	US$ (9.7)	US$ (7.9)	(31.2)	(32.3)		31.2
Total result					2.7	(1.7)	33.9	31.2
c Interest rate swaps in R$								
Receivables in fixed interest rate			R$ 10.0	R$ 27.5	10.1	27.4	10.1	
	Itaú	Aug 2016						

Payables in CDI interest rate	R$ (10.0)	R$ (27.5)	(10.2)	(27.8)		10.2
Total result			(0.1)	(0.4)	10.1	10.2
Total gross result			(6.3)	472.3	2,337.3	2,343.6
Income tax			(38.8)	(86.0)	(38.8)	
Total net result			(45.1)	386.3	2,298.5	2,343.6
Positive result (see Note 4)			194.1	433.7		
Negative result (see Note 14)			(239.2)	(47.4)		

(1) In million. Currency as indicated.

All transactions mentioned above were properly registered with CETIP S.A.

Hedging instruments existing as of June 30, 2016 are described below, according to their category, risk, and hedging strategy:

a - Hedging against foreign exchange exposure of liabilities in foreign currency The purpose of these contracts is (i) to offset the effect of the change in exchange rates of debts or firm commitments in U.S. dollars by converting them into debts or firm commitments in Brazilian Reais linked to CDI, (ii) firm commitments in U.S. dollars, changing them into debts or firm commitments in Reais indexed to the CDI and (iii) change a financial investment linked to the CDI and given as a guarantee to a loan in the U.S. dollar into a financial investment linked to the U.S. dollar. As of June 30, 2016, the Company and its subsidiaries had outstanding swap contracts totaling US$ 716.1 million in notional amount with a liability position, on average of 94.9% of CDI, of which US$ 366.1 million, on average, had an asset position at US$ + 1.29% p.a. and US$ 350.0 million had an asset position at US$ + LIBOR + 0.87% p.a. This amount includes US$ 440.0 million related to the fair value of hedging instruments of Ipiranga debt (see Notes 14.b and hedge accounting below) and US$ 173.2 million related to hedging instruments of cash flow of firm commitment (see hedge accounting below).

82

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b - Hedging against foreign exchange exposure of operations The purpose of these contracts is to make the exchange rate of the revenues of subsidiaries Oleoquímica, Oxiteno S.A. and Oxiteno Nordeste equal to the exchange rate of the cost of their main raw materials during their operating cycles. As of June 30, 2016, these swap contracts totaled US$ 9.7 million and, on average, had an asset position at 70.2% of CDI and a liability position at US$ + 0.0% p.a.

c - Hedging against the interest rate fixed in local financing The purpose of these contracts is to convert the interest rate on financing contracted in Brazilian Reais from fixed into floating. As of June 30, 2016 these swap contracts totaled R$ 10.0 million of notional amount corresponding to principal amount of related debt, and on average had an asset position at 8.0% p.a. and a liability position at 79.9% of CDI.

Hedge Accounting

The Company and its subsidiaries test, throughout the duration of the hedge, the effectiveness of their derivatives, as well as the changes in their fair value. The Company and its subsidiaries designate as fair value hedges certain derivative financial instruments used to offset the variations in interest and exchange rates, which are based on the market value of financing contracted in Brazilian Reais and U.S. dollars.

On June 30, 2016, the notional amount of foreign exchange hedging instruments designated as fair value hedge totaled US$ 440.0 million. In 2016, a loss of R$ 392.1 million related to the result of hedging instruments, a gain of R$ 9.8 million related to the fair value adjustment of debt, and a gain of R$ 291.9 million related to the financial expense of the debt were recognized in the income statements, transforming the average effective cost of the operation into 101.9% of CDI (see Note 14.b.1).

On June 30, 2016, the notional amount of exchange rate hedging instruments of firm commitments designated as cash flow hedges totaled US$ 173.2 million, and a loss of R$ 53.9 million was recognized through the income statement. On June 30, 2016, the unrealized loss of Other comprehensive income is R$ 78.7 million.

On June 30, 2016, the notional amount of interest rate hedging instruments totaled R$ 10.0 million, referring to the principal of the pre-fixed loans in Brazilian Reais. In 2016, a gain of R$ 0.1 million related to the result of hedging instruments, a loss of R$ 0.5 million related to the fair value adjustment of debt, and a loss of R$ 0.6 million related to the accrued interest rate of the debt were recognized in the income statement, transforming the average effective cost of the operations into 79.9% of CDI.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Gains (losses) on Hedging Instruments

The following tables summarize the value of gains (losses) recognized, which affected the shareholders equity as of June 30, 2016 and 2015 of the Company and its subsidiaries:

		R$ million 06/30/2016	
		Profit or loss	**Equity**
a	Exchange rate swaps receivable in U.S. dollars (i) (ii)	(88.0)	(78.7)
b	Exchange rate swaps payable in U.S. dollars (ii)	8.8	
c	Interest rate swaps in R$ (iii)	(0.4)	
Total		(79.6)	(78.7)

		R$ million 06/30/2015	
		Profit or loss	**Equity**
a	Exchange rate swaps receivable in U.S. dollars (i) (ii)	(46.9)	
b	Exchange rate swaps payable in U.S. dollars (ii)	1.7	(7.9)
c	Interest rate swaps in R$ (iii)	1.8	
Total		(43.4)	(7.9)

(i) Does not consider the effect of exchange rate variation of exchange swaps receivable in U.S. dollars when this effect is offset in the gain or loss of the hedged item (debt/firm commitments).
(ii) Considers the designation effect of foreign exchange hedging.
(iii) Considers the designation effect of interest rate hedging in Brazilian Reais.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Fair Value of Financial Instruments

The fair values and the carrying values of the financial instruments, including currency and interest rate hedging instruments, as of June 30, 2016 and December 31, 2015, are stated below:

			06/30/2016		12/31/2015	
	Category	**Note**	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Financial assets:						
Cash and cash equivalents						
Cash and bank deposits	Loans and receivables	4	127,877	127,877	192,016	192,016
Financial investments in local currency	Measured at fair value through profit or loss	4	2,282,591	2,282,591	2,497,903	2,497,903
Financial investments in foreign currency	Measured at fair value through profit or loss	4	92,688	92,688	12,974	12,974
Financial investments						
Fixed-income securities and funds in local currency	Available for sale	4	678,640	678,640	790,969	790,969
Fixed-income securities and funds in local currency	Held to maturity	4	7,449	7,449	10,618	10,618
Fixed-income securities and funds in foreign currency	Available for sale	4	33,287	33,287	35,013	35,013
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	4	194,175	194,175	433,669	433,669
Total			3,416,707	3,416,707	3,973,162	3,973,162
Financial liabilities:						
Financing	Measured at fair value through	14	1,388,776	1,388,776	1,715,405	1,715,405

	profit or loss					
Financing	Measured at amortized cost	14	4,497,097	4,439,660	4,846,649	4,686,178
Debentures	Measured at amortized cost	14	2,747,579	2,723,739	2,246,215	2,233,313
Finance leases	Measured at amortized cost	14	49,950	49,950	45,894	45,894
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	14	239,238	239,238	47,445	47,445
Subscription warrants indemnification	Measured at fair value through profit or loss	22	157,133	157,133	112,233	112,233
Total			9,079,773	8,998,496	9,013,841	8,840,468

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

The fair value of financial instruments, including currency and interest hedging instruments, was determined as follows:

The fair value of cash and bank deposit balances are identical to their carrying values.

Financial investments in investment funds are valued at the value of the fund unit as of the date of the reporting period, which corresponds to their fair value.

Financial investments in CDBs (Bank Certificates of Deposit) and similar investments offer daily liquidity through repurchase at the yield curve and, therefore, the Company believes their fair value corresponds to their carrying value.

The subscription warrants indemnification were measured based on the share price of Ultrapar (UGPA3) at the reporting date and are adjusted to the Company s dividend yield, since the exercise is only possible starting in 2020 onwards and they are not entitled to dividends until then. The number of shares of subscription warrants indemnification is also adjusted according to the changes in the amounts of provision for tax, civil, and labor risks and contingent liabilities related to the period prior to January 31, 2014.

The fair value of other financial investments and financing was determined using calculation methodologies commonly used for mark-to-market reporting, which consist of calculating future cash flows associated with each instrument adopted and adjusting them to present value at the market rates as of June 30, 2016 and December 31, 2015. For some cases where there is no active market for the financial instrument, the Company and its subsidiaries can use quotes provided by the transaction counterparties.

The interpretation of market information on the choice of calculation methodologies for the fair value requires considerable judgment and estimates to obtain a value deemed appropriate to each situation. Consequently, the estimates presented do not necessary indicate the amounts that may be realizable in the current market.

Financial instruments were classified as loans and receivables or financial liabilities measured at amortized cost, except (i) all exchange rate and interest rate hedging instruments, which are measured at fair value through profit or loss, (ii) financial investments classified as measured at fair value through profit or loss, (iii) financial investments that are classified as available for sale, which are measured at fair value through other comprehensive income (see Note 4),

(iv) loans and financing measured at fair value through profit or loss (see Note 14), (v) guarantees to customers that have vendor arrangements (see Note 14.j), which are measured at fair value through profit or loss, and (vi) subscription warrants indemnification, which are measured at fair value through profit or loss (see Note 22). The financial investments classified as held-to-maturity are measured at amortized cost. Cash, banks, and trade receivables are classified as loans and receivables. Trade payables and other payables are classified as financial liabilities measured at amortized cost.

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Fair Value Hierarchy of Financial Instruments

The financial instruments are classified in the following categories:

(a) Level 1 prices negotiated (without adjustment) in active markets for identical assets or liabilities;

(b) Level 2 inputs other than prices negotiated in active markets included in Level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(c) Level 3 inputs for the asset or liability which are not based on observable market variables (unobservable inputs).
The table below shows a summary of the financial assets and financial liabilities measured at fair value in the Company s and its subsidiaries as of June 30, 2016 and December 31, 2015:

	Category	Note	06/30/2016	Level 1	Level 2	Level 3
Financial assets:						
Cash equivalents						
Cash and banks	Loans and receivables	4	127,877	127,877		
Financial investments in local currency	Measured at fair value through profit or loss	4	2,282,591	2,282,591		
Financial investments in foreign currency	Measured at fair value through profit or loss	4	92,688	92,688		
Financial investments						
Fixed-income securities and funds in local currency	Available for sale	4	678,640	678,640		
Fixed-income securities and funds in local currency	Held to maturity	4	7,449	7,449		
Fixed-income securities and funds in foreign currency	Available for sale	4	33,287	26,031	7,256	
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	4	194,175		194,175	

Total			3,416,707	3,215,276	201,431
Financial liabilities:					
Financing	Measured at fair value through profit or loss	14	1,388,776		1,388,776
Financing	Measured at amortized cost	14	4,439,660		4,439,660
Debentures	Measured at amortized cost	14	2,723,739		2,723,739
Finance leases	Measured at amortized cost	14	49,950		49,950
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	14	239,238		239,238
Subscription warrants indemnification (1)	Measured at fair value through profit or loss	22	157,133		157,133
Total			8,998,496		8,998,496

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	Category	Note	12/31/2015	Level 1	Level 2	Level 3
Financial assets:						
Cash equivalents						
Cash and banks	Loans and receivables	4	192,016	192,016		
Financial investments in local currency	Measured at fair value through profit or loss	4	2,497,903	2,497,903		
Financial investments in foreign currency	Measured at fair value through profit or loss	4	12,974	12,974		
Financial investments						
Fixed-income securities and funds in local currency	Available for sale	4	790,969	790,969		
Fixed-income securities and funds in local currency	Held to maturity	4	10,618	10,618		
Fixed-income securities and funds in foreign currency	Available for sale	4	35,013	25,615	9,398	
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	4	433,669		433,669	
Total			3,973,162	3,530,095	443,067	
Financial liabilities:						
Financing	Measured at fair value through profit or loss	14	1,715,405		1,715,405	
Financing	Measured at amortized cost	14	4,686,178		4,686,178	
Debentures	Measured at amortized cost	14	2,233,313		2,233,313	
Finance leases	Measured at amortized cost	14	45,894		45,894	
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	14	47,445		47,445	
Subscription warrants indemnification [1]	Measured at fair value through profit or loss	22	112,233		112,233	
Total			8,840,468		8,840,468	

(1)

Refers to subscription warrants issued by the Company in the Extrafarma acquisition. For further information, see Note 22.

Sensitivity Analysis

The Company and its subsidiaries use derivative financial instruments only to hedge against identified risks and in amounts consistent with the risk (limited to 100% of the identified risk). Thus, for purposes of sensitivity analysis of market risks associated with financial instruments, as required by CVM Instruction 475/08, the Company analyzes the hedging instrument and the hedged item together, as shown on the charts below.

For the sensitivity analysis of foreign exchange hedging instruments, management adopted as a likely scenario the Real/U.S. dollar exchange rates at maturity of each swap, projected by U.S dollar futures contracts quoted on BM&FBOVESPA as of June 30, 2016. As a reference, the exchange rate for the last maturity of foreign exchange hedging instruments is R$ 3.93 in the likely scenario. Scenarios II and III were estimated with a 25% and 50% additional appreciation or depreciation of the Brazilian Real against the likely scenario, according to the risk to which the hedged item is exposed.

88

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Based on the balances of the hedging instruments and hedged items as of June 30, 2016, the exchange rates were replaced, and the changes between the new balance in Brazilian Reais and the original balance in Brazilian Reais as of June 30, 2016 were calculated in each of the three scenarios. The table below shows the change in the values of the main derivative instruments and their hedged items, considering the changes in the exchange rate in the different scenarios:

	Risk	Scenario I (likely)	Scenario II	Scenario III
Currency swaps receivable in U.S. dollars				
(1) U.S. Dollar / Real swaps	Dollar	262,298	904,006	1,545,714
(2) Debts/firm commitments in dollars	appreciation	(262,299)	(904,037)	(1,545,775)
(1)+(2)	Net effect	(1)	(31)	(61)
Currency swaps payable in U.S. dollars				
(3) Real / U.S. Dollar swaps	Dollar	(418)	7,439	15,296
(4) Gross margin of Oxiteno	devaluation	418	(7,439)	(15,296)
(3)+(4)	Net effect			

For sensitivity analysis of hedging instruments for interest rates in Brazilian Reais, the Company used the futures curve of the DI x Pre contract on BM&FBOVESPA as of June 30, 2016 for each of the swap and debt (hedged item) maturities, to determine the likely scenarios. Scenarios II and III were estimated based on a 25% and 50% deterioration, respectively, of the likely scenario pre-fixed interest rate.

Based on the three scenarios of interest rates in Brazilian Reais, the Company estimated the values of its debt and hedging instruments according to the risk which is being hedged (variations in the pre-fixed interest rates in Brazilian Reais), by projecting them to future value at the contracted rates and bringing them to present value at the interest rates of the estimated scenarios. The results are shown in the table below:

	Risk	Scenario II	Scenario III

		Scenario I (likely)		
Interest rate swap (in R$)				
(1) Fixed rate swap CDI	Decrease in		24	53
(2) Fixed rate financing	Pre-fixed rate		(24)	(53)
(1)+(2)	Net effect			

89

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

32 Commitments (Consolidated)

a. Contracts

Subsidiary Tequimar has agreements with CODEBA and Complexo Industrial Portuário Governador Eraldo Gueiros, in connection with its port facilities in Aratu and Suape, respectively. Such agreements establish a minimum cargo movement of products, as shown below:

Port	Minimum movement in tons per year	Maturity
Aratu	100,000	2016
Aratu	900,000	2022
Suape	250,000	2027
Suape	400,000	2029

If the annual movement is less than the minimum contractual movement, the subsidiary is liable to pay the difference between the effective movement and the minimum contractual movement, based on the port tariff rates in effect on the date established for payment. As of June 30, 2016, these rates were R$ 6.99 per ton for Aratu and R$ 2.90 per ton for Suape. The subsidiary has met the minimum cargo movement required since the beginning of the contractual agreements.

Subsidiary Oxiteno Nordeste has a supply agreement with Braskem S.A. which establishes a minimum annually consumption level of ethylene, calculated quarterly, and conditions for the supply of ethylene until 2021. The minimum purchase commitment clause provided for a minimum annual consumption of 190 thousand tons in 2016. The minimum purchase commitment and the actual demand accumulated to June 30, 2016 and 2015, expressed in tons of ethylene, are shown below. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 40% of the current ethylene price for the quantity not purchased. The subsidiary met the minimum purchase required in the agreement, according to contractual conditions and tolerance.

	Minimum purchase commitment (*)		Accumulated demand (actual)	
In tons of ethylene	06/30/2016	06/30/2015	06/30/2016	06/30/2015
1st quarter	47,240	37,743	47,196	44,352
2nd quarter	47,240	46,596	53,530	51,112

(*) Adjusted for scheduled shutdowns in Braskem S.A. during the periods.

Subsidiary Oxiteno S.A. has a supply agreement with Braskem S.A., valid until 2023, which establishes and regulates the conditions for supply of ethylene to Oxiteno based on the international market for this product. The minimum purchase is 22,050 tons of ethylene semiannually. The minimum purchase commitment and the actual demand accumulated to June 30, 2016 and 2015, expressed in tons of ethylene, are shown below. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 30% of the current ethylene price for the quantity not purchased. The subsidiary met the minimum purchase required in the agreement, according to contractual conditions and tolerance.

	Minimum purchase commitment (*)		**Accumulated demand (actual)**	
In tons of ethylene	**06/30/2016**	**06/30/2015**	**06/30/2016**	**06/30/2015**
1st Semester	17,688	20,101	18,423	17,669

(*) Adjusted for scheduled shutdowns in Braskem S.A. during the periods.

90

Table of Contents

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Insurance Coverage in Subsidiaries

The Company maintains appropriate insurance policies with the objective of covering several risks to which it is exposed, including loss of profits, losses and damage from fire, lightning, explosion of any kind, gale, aircraft crash, electric damage, and other risks, covering the industrial plants and distribution bases and branches of all subsidiaries. The maximum compensation values based on the risk analysis of maximum possible losses of certain locations are shown below:

	Maximum compensation value (*)	
Oxiteno	US$	1,062
Ipiranga	R$	770
Ultracargo	R$	550
Ultragaz	R$	300
Extrafarma	R$	135

(*) In millions. In accordance with policy conditions.

The General Liability Insurance program covers the Company and its subsidiaries with a maximum aggregate coverage of US$ 400 million against losses caused to third parties as a result of accidents related to commercial and industrial operations and/or distribution and sale of products and services.

The Company maintains liability insurance policies for directors and executive officers (D&O) to indemnify the members of the Board of Directors, fiscal council and executive officers of Ultrapar and its subsidiaries (Insured) in the total amount of US$ 50 million, which cover any of the Insured liabilities resulting from wrongful acts, including any act or omission committed or attempted, except if the act, omission or the claim is consequence of gross negligence or willful misconduct.

In addition, group life and personal accident, health and national and international transportation and other insurance policies are also maintained.

The coverage and limit of the insurance policies are based on a careful study of risks and losses conducted by independent insurance advisors. The type of insurance is considered by management to be sufficient to cover potential losses based on the nature of the business conducted by the companies.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. *Operating Lease Contracts*

Subsidiaries Cia. Ultragaz, Bahiana, Tequimar, Serma, and Oxiteno S.A. have operating lease contracts for the use of IT equipment. These contracts have terms of 36 and 45 months. The subsidiaries have the option to purchase the assets at a price equal to the fair market price on the date of option, and management does not intend to exercise such option. Subsidiaries Cia. Ultragaz and Bahiana have operating lease contracts related to vehicles in their fleet. These contracts have terms of 24 to 60 months and there is no purchase option. The future disbursements (installments), assumed under these contracts, amount approximately to:

	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
06/30/2016	24,320	32,462		56,782

The subsidiaries IPP, Extrafarma, and Cia. Ultragaz have operating lease contracts related to land and building of service stations, drugstores, and stores, respectively. The future disbursements and receipts (installments), arising from these contracts, amount approximately to:

		Up to 1 year	Between 1 and 5 years	More than 5 years	Total
06/30/2016	payable	100,872	279,585	145,451	525,908
	receivable	(47,946)	(143,654)	(70,880)	(262,480)

The expense recognized for the six-month period ended June 30, 2016 for operating leases was R$ 47,967 (R$ 51,756 for the six-month period ended June 30, 2015), net of sublease income.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

33 Ultracargo Fire Accident in Santos

On April 2, 2015, part of the storage facilities operated by Ultracargo in Santos, in the State of São Paulo, endured a nine-day fire accident surrounding six ethanol and gasoline tanks. The six tanks represented 4% of Ultracargo s overall capacity in Brazil as of December 31, 2014. There were no casualties and the cause of such accident and its impacts are still being investigated, including the extent of operational losses, damage to assets, potential environmental damages (see Note 20.b.2.2) and other liabilities and reputational harm. The Company maintains insurance policies to cover certain risks to which the subsidiaries are exposed (see Note 32.b).

On April 9, 2015, the Santos municipal government suspended Ultracargo s activities in that city. Ultracargo s operations in Santos comprise two separate areas. On April 27, 2015, the municipal government granted Ultracargo the authorization to resume its operations in the area not affected by the accident as published in the Santos Official Gazette (Diário Oficial de Santos). The operations corresponding to 185 thousand cubic meters capacity, or 22.5% of Ultracargo s overall capacity in Brazil, are still suspended.

The decommissioning plan is in progress, which comprises the removal of equipment and structures of the terminal affected by the fire. This process will allow the conclusion of investigation, as well as allow the start of the work to restore the affected area.

According to its services contracts with clients, Ultracargo has the obligation to hire insurance coverage and any indemnification will be paid by the insurer, according to the respective insurer s analysis and processing terms for the insurance loss adjustment. In the six-month period ended June 30, 2016, Ultracargo signed an agreement with certain customers to advance the insurance indemnities and accrued the amount of R$ 140,246 in liabilities and recognized a receivables from the insurer in the same amount as an indemnification asset. Until June 30, 2016, Ultracargo paid advances to a customer in the amount of R$ 99,062, remaining a balance of R$ 41,184 in current liabilities.

The balance of R$ 164,330 of indemnification asset classified as current assets, includes R$ 24,083 of loss in inventories of Ipiranga.Such amounts are covered by insurance and were comunicated to the insurer for inclusion in the loss adjustment process, whose conclusion and corresponding indemnification to the clients depends on completion of the Criminalistics Institute assessment, and are not expected to materially affect the results of the Company.

In addition, the Company has lawsuits and extrajudicial claims, for third-party and customers indemnification, related to damages and losses, presented until the date of these interim financial statements. Such lawsuits and claims are entitled to insurance coverage and are being analyzed by the insurers. The amounts of contingent liabilities relating to lawsuits and extrajudicial claims is R$ 100,252 and R$ 57,597, respectively.

Finally, Ultracargo pleaded advances related to expenses with rescue and containment and loss of profit, which were included in the loss adjustment by the insurers, in the amounts of R$ 50,818 and R$ 40,453, respectively. In the first quarter of 2016, Ultracargo received R$ 29,751 from the insurer related to reimbursement of rescue and containment expenses and in the second quarter of 2016, Ultracargo received R$ 30,000 from the insurer related to loss of profit. Both receipts were recognized in the income statement. The balance of contingent assets will be recognized when received or approved by the insurer.

34 Subsequent Event

On August 4, 2016, the Company, through its subsidiary IPP entered into an association with Chevron Brasil Lubrificantes Ltda. (Chevron) to create a new company in the lubricants business. Under this agreement, the association will be formed by Ipiranga s and Chevron s lubricants operations in Brazil. Ipiranga and Chevron will own 56% and 44%, respectively, of the new company s capital. This transaction is subject to approval of the competent regulatory authorities, notably the Brazilian antitrust regulation agency CADE.

93

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A.

MD&A ANALYSIS OF CONSOLIDATED EARNINGS

Second Quarter 2016

(1) Selected financial information:

				Variation	Variation			Variação
(R$ million)	**2Q16**	**2Q15**	**1Q16**	**2Q16 X 2Q15**	**2Q16 X 1Q16**	**1H16**	**1H15**	**1H16 X 1H15**
Net revenue from sales and services	**19.298,2**	**18.510,7**	**19.524,3**	**4%**	**-1%**	**38.822,5**	**35.914,3**	**8%**
Cost of products and services sold	(17.604,9)	(16.968,0)	(17.806,1)	4%	-1%	(35.411,0)	(32.789,6)	8%
Gross profit	**1.693,3**	**1.542,7**	**1.718,2**	**10%**	**-1%**	**3.411,6**	**3.124,8**	**9%**
Selling, marketing, general and administrative expenses	(1.005,2)	(923,2)	(963,0)	9%	4%	(1.968,2)	(1.795,4)	10%
Other operating income, net	40,2	(21,2)	35,4	N/A	13%	75,6	0,3	N/A
Gain on disposal of property, plant and equipment and intangibles	(2,1)	2,4	0,1	N/A	N/A	(2,0)	24,6	N/A
Operating income	**726,2**	**600,6**	**790,7**	**21%**	**-8%**	**1.516,9**	**1.354,2**	**12%**
Financial expenses, net	(222,5)	(127,2)	(216,5)	75%	3%	(438,9)	(308,4)	42%
Share of profit of joint ventures and associates	6,3	3,4	(3,3)	83%	N/A	3,0	0,5	N/A
Income before income and social contribution taxes	**510,1**	**476,9**	**571,0**	**7%**	**-11%**	**1.081,1**	**1.046,4**	**3%**
Income and social contribution taxes current and deferred	(173,4)	(167,5)	(205,3)	4%	-16%	(378,7)	(366,0)	3%
Income and social contribution taxes	30,5	21,7	22,1	41%	38%	52,6	37,3	41%

tax incentives								
Net income	**367,1**	**331,1**	**387,9**	**11%**	**-5%**	**755,0**	**717,7**	**5%**
Net income attributable to Ultrapar	364,2	328,6	385,2	11%	-5%	749,4	713,4	5%
Net income attributable to non-controlling interests in subsidiaries	3,0	2,5	2,6	18%	12%	5,6	4,3	32%
EBITDA (*)	**1.007,8**	**845,8**	**1.057,6**	**19%**	**-5%**	**2.065,4**	**1.832,3**	**13%**
Volume LPG sales thousand tons	**446,7**	**430,1**	**407,0**	**4%**	**10%**	**853,6**	**833,3**	**2%**
Volume Fuels sales thousand of cubic meters	**5.948,0**	**6.432,7**	**5.934,2**	**-8%**	**0%**	**11.882,2**	**12.562,6**	**-5%**
Volume Chemicals sales thousand tons	**183,7**	**192,6**	**181,5**	**-5%**	**1%**	**365,2**	**367,7**	**-1%**

(*) For further information on EBITDA, see note (1) on page 99.

Table of Contents

Considerations on the financial and operational information

Standards and criteria adopted in preparing the information

The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultrapar corresponds to the company s consolidated information. The information of Ipiranga, Oxiteno, Ultragaz, Ultracargo and Extrafarma is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated information of Ultrapar. In addition, the financial and operational information presented in this document is subject to rounding off and, consequently, the total amounts presented in the tables and charts may differ from the direct sum of the amounts that precede them.

Table of Contents

(2) Performance Analysis:
Ultrapar

Net revenue from sales and services: Ultrapar s consolidated net sales and services in 2Q16 increased by 4% compared to 2Q15, reaching R$ 19,298 million, due to the revenues growth in Ipiranga, Ultragaz, Ultracargo and Extrafarma. Compared to 1Q16, Ultrapar s net sales and services decreased by 1%, mainly due to Ipiranga and Oxiteno, which reported lower net revenue in this comparison basis. In 1H16, Ultrapar s net sales and services increased by 8% compared with 1H15, totaling R$ 38,823 million.

Cost of products and services sold: In 2Q16, Ultrapar s cost of products and services sold increased by 4% compared to 2Q15, totaling R$ 17,605 million, due to the increased cost of products and services sold in all business units, except Oxiteno that remained stable. Compared with 1Q16, Ultrapar s cost of products and services sold decreased by 1%, as a result of the decrease in cost of products and services sold in Ipiranga and Oxiteno. In 1H16, Ultrapar s cost of products and services sold increased by 8% compared with 1H15, totaling R$ 35,411 million.

Gross profit: Ultrapar s gross profit amounted to R$ 1,693 million in 2Q16, up 10% over 2Q15, as a consequence of the growth in the gross profit in Ipiranga, Ultragaz and Extrafarma. Compared with 1Q16, Ultrapar s gross profit decreased by 1%, due to the decrease in Oxiteno. In 1H16, Ultrapar s gross profit increased by 9% compared with 1H15, totaling R$ 3,412 million.

Selling, marketing, general and administrative expenses: Ultrapar s selling, marketing, general and administrative expenses totaled R$ 1,005 million in 2Q16, an increase of 9% over 2Q15, due to the increase in expenses in all business unit, except Oxiteno and Ultracargo. Compared with 1Q16, Ultrapar s selling, marketing, general and administrative expenses increased by 4%. In 1H16, Ultrapar s selling, marketing, general and administrative expenses increased by 10% compared with 1H15, totaling R$ 1,968 million.

Other operating results, net: In 2Q16, Other operating results, net amounted to a net expense of R$ 40 million compared to a net income of R$ 21 million in 2Q15 and a net revenue of R$ 35 million in 1Q16. In 2Q16, the amount is explained by (i) a revenue of R$ 30 million gain from insurance advances related to lost profits in 2015 with the fire at Ultracargo s terminal in Santos and (ii) higher revenues from the strategy of constant innovation in services and convenience in Ipiranga, partially offset by R$ 12 million spending on fire in Santos. In 1H16, Other operating results, net totaled net revenue of R$ 76 million.

Depreciation and amortization: Total depreciation and amortization costs and expenses in 2Q16 amounted to R$ 275 million, a 14% increase over 2Q15, as a result of investments made during the last 12 months, especially in the expansion of Ipiranga s service station network. Compared to 1Q16, total depreciation and amortization costs and expenses increased 2%. In 1H16, total depreciation and amortization costs and expenses amounted to R$ 545 million, a 14% growth over the 1H15.

Operating income: Ultrapar s operating income amounted to R$ 726 million in 2Q16, up 21% over 2Q15, as a result of the increase in the operating income of Ipiranga and Ultragaz. Compared with 1Q16, Ultrapar s operating income decreased by 8%, as a result of the decrease in the operating income of Oxiteno. In 1H16, Ultrapar s operating income amounted to R$ 1,517 million, 12% higher than in 1H15.

Financial result: Ultrapar s net debt as of June 30, 2016 was R$ 5.5 billion (1.3 times LTM EBITDA), compared to R$ 5.0 billion as of June 2015 (1.4 times LTM EBITDA). Ultrapar reported net financial expenses of R$ 222 million in 2Q16, a R$ 95 million increase compared to 2Q15, due to (i) higher CDI, (ii) the higher net debt, due to the growth of the company, (iii) the effects of the exchange rate fluctuations in the period and (iv) PIS/COFINS taxes levied on financial revenues as from July 2015. Compared to 1Q16, net financial expense increased by R$ 6 million, mainly due to the higher average net debt in 2Q16. In 1H16, Ultrapar reported net financial expense of R$ 439 million, a 42% increase compared to 1H15.

Table of Contents

Income and social contribution taxes / Tax incentives: Ultrapar reported income tax and social contribution expenses, net of benefit of tax holidays of R$ 143 million in 2Q16, a 2% decrease compared to 2Q15, due to the increased tax incentives that Ultrapar has in its Northeastern operations. Compared to 1Q16, income tax and social contribution expenses, net of benefit of tax holidays decreased by 22%. In 1H16, Ultrapar reported income tax and social contribution expenses, net of benefit of tax holidays of R$ 326 million, 1% above that in 1H15.

Net income: Net income in 2Q16 amounted to R$ 367 million, an 11% increase compared to 2Q15, due to the EBITDA growth, partially offset by higher net financial expenses and depreciation and amortization, due to higher CDI and net debt and expansion investments. Compared to 1Q16, net income decreased by 5%, in line with the EBITDA decrease. In 1H16, Ultrapar reported net income of R$ 755 million, 5% higher over 1H15.

EBITDA: Ultrapar s consolidated EBITDA amounted to R$ 1,008 million in 2Q16, a 19% growth over 2Q15. Compared to 1Q16, Ultrapar s EBITDA decreased by 5%, mainly due to decrease in Oxiteno s EBITDA. In 1H16, Ultrapar s EBITDA totaled R$ 2,065 million, up 13% compared to 1H15.

R$ million	2Q16	2Q15	1Q16	Variation 2Q16 X 1H15	Variation 2Q16 X 1Q16	1H16	1H15	Variation 1H16 X 1H15
Ultrapar	1.007,8	845,8	1.057,6	19%	-5%	2.065,4	1.832,3	13%
Ipiranga	717,9	575,7	712,3	25%	1%	1.430,2	1.290,2	11%
Oxiteno	116,8	203,0	198,3	-42%	-41%	315,2	347,6	-9%
Ultragaz	108,4	72,8	108,5	49%	0%	216,9	145,1	49%
Ultracargo	41,8	(48,8)	32,6	N/A	28%	74,4	(1,1)	N/A
Extrafarma	12,3	8,9	5,2	37%	N/A	17,5	14,1	24%

(1) The EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) presented in this document represents the net income before (i) income and social contribution taxes, (ii) net financial expense (income) and (iii) depreciation and amortization, in accordance with ICVM 527/12. The purpose of including EBITDA information is to provide a measure used by the management for internal assessment of our operating results, and because a portion of our employee profit sharing plan is linked directly or indirectly to EBITDA performance. It is also a financial indicator widely used by investors and analysts to measure our ability to generate cash from operations and our operating performance. We also calculate EBITDA in connection with covenants related to some of our financing, as described in Note 14 to our consolidated financial statements. We believe EBITDA allows a better understanding not only of our financial performance but also of our capacity of meeting the payment of interest and principal from our debt and of obtaining resources for our investments and working capital. Our definition of EBITDA may differ from, and, therefore, may not be comparable with similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. Because EBITDA excludes net financial expense (income), income and social contribution taxes and depreciation and amortization, it provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or changes in income and social contribution taxes, depreciation and amortization. EBITDA is not a measure of financial performance under accounting practices adopted in Brazil or IFRS, and it should not be considered in isolation, or as a substitute for net income, as a measure of operating performance, as a substitute for cash flows from operations or as a measure of liquidity. EBITDA has material limitations that impair its value as a

measure of a company s overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expense (income), income and social contribution taxes and depreciation and amortization.

Table of Contents

The reconciliation of the EBITDA to the net income of the period is presented below:

R$ million	2Q16	2Q15	1Q16	1H16	1H15
Net income	**367,1**	**331,1**	**387,9**	**755,0**	**717,7**
(+) Income tax and social contribution	143,0	145,8	183,1	326,1	328,7
(+) Net financial expenses	222,5	127,2	216,5	438,9	308,4
(+) Depreciation and amortization	275,2	241,7	270,1	545,4	477,6
EBITDA	**1.007,8**	**845,8**	**1.057,6**	**2.065,4**	**1.832,3**

The performance analysis for each segment is presented below:

Ipiranga

Operational performance: Ipiranga s sales volume totaled 5,948 thousand cubic meters in 2Q16, 8% below 2Q15 volume. Fuel sales volume for light vehicles (Otto cycle) decreased by 11% compared to 2Q15, despite the estimated growth of 2% in the vehicle fleet, reflecting the deterioration of unemployment rates and the increase in the cost of fuels share of income. Diesel volume decreased by 5% year-over-year, due to the economy weak performance. Despite 2Q16 being seasonally stronger, it remained stable compared to 1Q16 due to the effects of the worsening economic situation. In 1H16, Ipiranga accumulated sales volume of 11,882 thousand cubic meters, down 5% from 1H15.

Net revenue from sales and services: Ipiranga s net sales and services reached R$ 16,588 million in 2Q16, up 4% over 2Q15, despite the lower volume, mainly as a result of (i) the rise in diesel and gasoline costs in September 2015 by Petrobras and, consequently, higher ethanol costs, (ii) lower ethanol sales volume in sales mix in 2Q16 and (iii) the strategy of constant innovation in services and convenience in the service station, generating greater customer satisfaction and loyalty. Compared to 1Q16, net sales and services decreased by 2%, mainly due to the reduction in unitary cost of ethanol in 2Q16. In 1H16, Ipiranga s net sales and services amounted to R$ 33,458 million, up 8% over 1H15.

Cost of products sold: Ipiranga s cost of goods sold totaled R$ 15,504 million in 2Q16, up 3% compared to 2Q15, mainly due to the rise in diesel and gasoline costs in September 2015 and, consequently, higher ethanol costs, partially offset by lower sales volume. The cost of goods sold decreased by 2% compared to 1Q16, mainly due to the reduction in unitary cost of ethanol. In 1H16, Ipiranga s cost of goods sold totaled R$ 31,317 million, up 7% over 1H15.

Selling, marketing, general and administrative expenses: Ipiranga s sales, general and administrative expenses amounted to R$ 558 million in 2Q16, a 11% increase over 2Q15, resulting from (i) the effects of inflation on expenses, (ii) innovation and expansion projects and studies and (iii) the expansion of Ipiranga s resellers network, partially offset by lower freight expenses, due to lower sales volume. Compared to 1Q16, sales, general and administrative expenses increased by 4%, mainly due to increased expenses with studies and projects in 2Q16, partially offset by lower marketing expenses, a typical reduction between first and second quarters due to the resellers annual convention in February. In 1H16, Ipiranga s sales, general and administrative expenses totaled R$ 1,098 million, up 10% over 1H15, consistent with the inflation.

EBITDA: Ipiranga s EBITDA reached R$ 718 million in 2Q16, a 25% growth compared to 2Q15, due to the strategy of constant innovation in services and convenience, generating greater customer satisfaction and loyalty and the movements in the domestic and foreign markets of fuels, despite lower sales volume. Compared to 1Q16, Ipiranga s EBITDA increased by 1% due to the seasonality between periods. In 1H16, Ipiranga s EBITDA totaled R$

1,430 million, up 11% over 1H15.

Table of Contents

Oxiteno

Operational performance: Oxiteno s sales volume totaled 184 thousand tons, a 5% (9 thousand tons) decrease compared to 2Q15. Sales volume of specialty chemicals was 7% lower, mainly as a result of the strong slowdown of the Brazilian economy. Commodities sales, on the other hand, increased by 5%, partially offsetting lower sales volume in specialty chemicals. Compared with 1Q16, sales volume grew by 1% (2 thousand tons), due to increased sales of commodities. Oxiteno s sales volume in 1H16 totaled 365 thousand tons, down 1% from 1H15.

Net revenue from sales and services: Oxiteno s net sales and services totaled R$ 909 million in 2Q16, a 10% decrease compared to 2Q15, due to (i) lower sales volume, (ii) larger share of commodities in sales mix and (iii) lower average prices in US Dollars, as a result of a decrease in raw materials costs throughout 2015. These effects were partially offset by the 14% weaker Real against the US Dollar. Compared to 1Q16, net sales and services decreased by 9%, despite the slightly higher sales volume, mainly due to a 10% stronger Real against the US Dollar. In 1H16, accumulated net sales and services totaled R$ 1,913 million, up 3% over 1H15.

Cost of products sold: Oxiteno s cost of goods sold in 2Q16 totaled R$ 683 million, remaining stable compared to 2Q15, despite the lower sales volume and unitary variable costs in US dollar, due to (i) maintenance costs resulting from scheduled stoppages at the Mauá and Camaçari plants and (ii) a 14% weaker Real against the US Dollar. Compared to 1Q16, cost of goods sold decreased by 2% due to a 10% stronger Real against the US Dollar, partially offset by higher sales volume and the increase in prices of the main raw materials. In 1H16, Ipiranga s cost of goods sold totaled R$ 1,379 million, up 7% over 1H15.

Selling, marketing, general and administrative expenses: Oxiteno s sales, general and administrative expenses amounted to R$ 149 million in 2Q16, down 8% from 2Q15, due to lower variable compensation and domestic freight expenses, as a result of lower sales volume. Compared to 1Q16, sales, general and administrative expenses increased by 1% mainly due to higher sales volume. In 1H16, sales, general and administrative expenses totaled R$ 297 million, down 2% from 1H15.

EBITDA: EBITDA totaled R$ 117 million in 2Q16, down 42% from 2Q15, mainly due to lower volume of specialties and exchange rates and costs of raw materials moving in opposite directions, which were favorable in 1H15 and unfavorable in 1H16, despite R$ 0.44/US$ weaker average exchange rate in 2Q16 compared to 2Q15. Compared to 1Q16, EBITDA decreased by 41% due to a 10% (or R$ 0.40/US$) stronger Real against the US Dollar, despite higher sales volume. In 1H16, Oxiteno s EBITDA totaled R$ 315 million, down 9% from 1H15.

Ultragaz

Operational performance: Ultragaz reached sales volume of 447 thousand tons in 2Q16, a 4% increase over 2Q15, despite the slowdown of the economy. The bottled segment showed a 1% growth compared to 2Q15, due to commercial initiatives to add new resellers. In the bulk segment, sales volume grew by 10% compared to 2Q15, as a result of investments made to capture new industrial customers and small- and medium-sized companies, despite the effects of the slowdown of the economy. Compared with 1Q16, sales volume increased by 10%, mainly driven by seasonality between periods and higher consumption by new customers. In the six-month period, Ultragaz accumulated sales volume of 854 thousand tons, up 2% over 1H15.

Net revenue from sales and services: Ultragaz s net sales and services was R$ 1,343 million in 2Q16, a 20% increase compared to 2Q15, due to (i) higher sales volume, (ii) the increase in the cost of LPG by Petrobras in September and December 2015, (iii) increased share of the bulk segment in sales mix and (iv) the differentiation strategy based on innovation. As compared to 1Q16, net sales and services increased by 9%, mainly due to the sales volume growth. In 1H16, Ultragaz s net sales and services amounted to R$ 2,576 million, up 19% over 1H15.

Cost of products sold: Ultragaz s cost of goods sold amounted to R$ 1,124 million in 2Q16, a 18% increase compared to 2Q15, as a result of (i) the increase in the cost of LPG, (ii) higher sales volume, (iii) higher unitary freight, due to the increased costs with more distant routes, and (iv) higher personnel expenses, due to the inflation. Compared with 1Q16, the cost of goods sold increased by 10%, mainly due to higher sales volume and unitary freight costs. In 1H16, Ultragaz s cost of goods sold totaled R$ 2,149 million, up 17% over 1H15.

Selling, marketing, general and administrative expenses: Ultragaz s sales, general and administrative expenses totaled R$ 149 million in 2Q16, up 14% over 2Q15, as a result of the effects of inflation on expenses and studies and projects, partially offset by lower marketing expenses, due to the Ultragaz brand relaunch campaign in 2Q15. Compared to 1Q16, sales, general and administrative expenses increased by 6% mainly due to higher expenses with studies and projects. In 1H16, Ultragaz s sales, general and administrative expenses totaled R$ 290 million, up 18% over 1H15.

EBITDA: Ultragaz s EBITDA reached R$ 108 million in 2Q16, up 49% over 2Q15, mainly due to higher sales volume, as a result of commercial initiatives to capture new customers and resellers, and the differentiation strategy based on innovation. Compared to 1Q16, EBITDA remained stable, due to higher sales volume offset by increased costs and expenses in 2Q16. In 1H16, Ultragaz s EBITDA totaled R$ 217 million, 49% growth over that in 1H15.

Ultracargo

Operational performance: In 2Q16, Ultracargo s total average storage increased by 9% compared to 2Q15, due to the total suspension of Santos terminal in April 2015, which remained partially suspended in 2Q16, and to increased fuel handling. Excluding Santos operations, other Ultracargo s terminals reported a 5% increase compared to 2Q15, due to increased fuel handling, despite the lower handling of chemicals. Compared to 1Q16, the average storage of Ultracargo s terminals increased by 1% due to increased fuel handling. In the first semester of 2016, Ultracargo s average storage decreased by 3% compared with 1H15.

Net revenue from sales and services: Ultracargo s net sales and services totaled R$ 85 million in 2Q16, a 16% increase compared to 2Q15, due to the growth in average storage and tariff adjustments. Compared to 1Q16, net sales and services increased by 5%, mainly due to the higher handling of fuels. Excluding Santos operations, other Ultracargo s terminals increased net sales and services by 11% and 7% compared to 2Q15 and 1Q16, respectively. In 1H16, Ultracargo s net sales and services totaled R$ 166 million, remaining stable compared to 1H15.

Cost of services provided: Ultracargo s cost of services provided in 2Q16 amounted to R$ 50 million, a 40% increase compared to 2Q15, due to the effects of inflation on personnel expenses, higher maintenance costs in terminals and to labor and clients indemnification expenses. In addition, as from January 2016, some expenses were considered as costs, representing R$ 3 million in 2Q16. Compared to 1Q16, cost of services provided increased by 4%, due to higher expenses with labor and clients indemnification. In 1H16, Ultracargo s cost of services provided totaled R$ 97 million, up 38% over 1H15.

Selling, marketing, general and administrative expenses: Ultracargo s sales, general and administrative expenses totaled R$ 23 million in 2Q16, a 3% decrease compared to 2Q15, mainly due to expenses that were considered as costs since January 2016, as mentioned in costs explanation, despite higher maintenance expenses. Compared to

1Q16, sales, general and administrative expenses increased by 15%, mainly due to higher personnel expenses and maintenance. In 1H16, sales, general and administrative expenses totaled R$ 42 million, down 7% from 1H15.

Other operating results: In 2Q16, Other operating results reported net revenue of R$ 18 million compared to net expense of R$ 74 million in 2Q15 and net revenue of R$ 8 million in 1Q16. In 2Q16, the amount includes basically a R$ 30 million gain resulting from insurance advances due to the accident, partially offset by R$ 12 million fire-related expenses.

Table of Contents

EBITDA: Ultracargo s total EBITDA reached R$ 42 million in 2Q16, a R$ 91 million increase compared to 2Q15, which was negative by R$ 49 million, due to lower fire-related expenses, since a significant part of these expenses occurred in 2Q15, and insurance advances amounting to R$ 30 million in 2Q16. In the same comparison basis, ex-Santos EBITDA remained stable. Compared to 1Q16, there was an increase of 28% due to lower fire-related expenses. Excluding Santos operations, other Ultracargo s terminals EBITDA remained stable. In 1H16, Ultracargo s EBITDA was R$ 74 million, a R$ 76 million increase compared to 1H15.

Extrafarma

Operational performance: Extrafarma ended 2Q16 with 280 drugstores, an increase of 46 drugstores (20%) compared to 2Q15. During 2Q16, 20 new drugstores were opened, and one was closed. By the end of 2Q16, 40% of the drugstores were under 3 years of operation, compared to 32% in 2Q15.

Gross revenues: Extrafarma s gross revenues totaled R$ 409 million in 2Q16, a 14% increase compared to 2Q15, due to 24% higher retail sales, excluding mobile phone sales, as a result of the increased average number of stores and the 18% growth in same store sales ex-mobile phones, to which contributed the initiatives to raise the management standards in the retail pharmacy network and the annual adjustment in the prices of medicines, set by the Chamber for the Regulation of the Medical Pharmaceuticals Market (CMED). Retail revenues growth excluding mobile phones was partially offset by the worsening economic scenario, resulting in a 38% decrease in mobile phone sales. Compared to 1Q16, Extrafarma s gross revenues increased by 10%, mainly derived from the seasonality between periods and to the annual adjustment in the prices of medicines, set by the CMED on April 1, 2016. In 1H16, Extrafarma s gross revenues totaled R$ 781 million, up 12% over 1H15.

Cost of products sold and gross profit: Extrafarma s cost of goods sold totaled R$ 258 million in 2Q16, up 11% over 2Q15, mainly as a result of increased sales and the annual adjustment in the prices of medicines. Extrafarma s gross profit reached R$ 129 million, up 23% over 2Q15, due to the growth in retail revenues, ex-mobile phones sales, as well as procurement strategies to anticipate above mentioned medicine prices adjustments. Compared to 1Q16, the cost of goods sold increased by 8% in 2Q16 and gross profit increased by 15%, due to the same factors mentioned above. In 1H16, Extrafarma s cost of goods sold totaled R$ 496 million, up 9% over 1H15, while gross profit increased by 19%, amounting R$ 241 million.

Selling, marketing, general and administrative expenses: Extrafarma s sales, general and administrative expenses totaled R$ 127 million in 2Q16, a 23% increase compared to 2Q15, or 20% excluding depreciation and amortization expenses. This growth results from a 20% increase in the average number of drugstores and the effects of inflation on personnel and rent expenses, partially offset by the initiatives to raise the management standards in the retail pharmacy network. Compared to 1Q16, Extrafarma s sales, general and administrative expenses increased by 9%, due to the higher number of stores and seasonally higher revenues. In 1H16, Extrafarma s sales, general and administrative expenses totaled R$ 243 million, up 22% over 1H15.

EBITDA: Extrafarma s EBITDA totaled R$ 12 million in 2Q16, a 37% growth compared to 2Q15, mainly due to 24% higher retail sales, excluding mobile phone sales, and to initiatives to raise the management standards in the retail pharmacy network, partially offset by the higher share of maturing stores and the deterioration in the economy, which lead to a 38% drop in mobile phone sales. Compared to 1Q16, Extrafarma s EBITDA increased by R$ 7 million, due to the higher gross revenue, as a result of seasonality and the annual adjustment in the prices of medicines, set by the CMED. In 1H16, Extrafarma s EBITDA totaled R$ 17 million, a 24% growth over 1H15.

We hereby inform that in accordance with the requirements of CVM Resolution 381/03, our independent auditors Deloitte Touche Tohmatsu Auditores Independentes have not performed during these six months of 2016 any service *other than the external audit of the financial statements for the year ended on December 31, 20154 and the review of interim financial information of Ultrapar and subsidiaries for the quarter ended on June 30, 2016.*

Table of Contents

São Paulo, August 10, 2016 **Ultrapar Participações S.A.** (BM&FBOVESPA: UGPA3 / NYSE: UGP), a multi-business company engaged in specialized distribution and retail (Ipiranga / Ultragaz / Extrafarma), specialty chemicals (Oxiteno) and storage for liquid bulk (Ultracargo), hereby reports its results for the second quarter of 2016.

Results conference call	***Main highlights in 2Q16***
Brazilian conference call August 12, 2016 10:00 a.m. (US EST) São Paulo SP Telephone for connection: +55 11 2188 0155 Code: Ultrapar	ü ULTRAPAR S NET REVENUES TOTAL R$ 19 BILLION IN 2Q16, A 4% GROWTH OVER 2Q15. ü ULTRAPAR S EBITDA REACHES R$ 1 BILLION IN 2Q16, A 19% GROWTH OVER 2Q15. ü ULTRAPAR S NET EARNINGS REACH R$ 367 MILLION IN 2Q16, AN 11% GROWTH OVER 2Q15.
International conference call August 12, 2016 11:30 a.m. (US EST) Participants in Brazil: 0800 891 0015 Participants in the USA: +1 844 836 8738 International participants: +1 412 317 5430 Code: Ultrapar	ü DIVIDEND DISTRIBUTION OF R$ 435 MILLION FOR 1H16 APPROVED, WITH A 58% PAYOUT RATIO. ü ULTRAPAR ANNOUNCES ACQUISITION OF THE FUEL DISTRIBUTOR ALE, WITH INVESTMENTS OF R$ 2,168 MILLION, CONTINUING ITS EXPANSION STRATEGY. ü ULTRAPAR ENTERS INTO A JOINT VENTURE AGREEMENT WITH CHEVRON TO CREATE A NEW COMPANY IN THE LUBRICANTS BUSINESS.

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Ultrapar Participações S.A.

UGPA3 = R$ 71.11/share (06/30/16)

UGP = US$ 22.01/ADR (06/30/16)

2Q16 marks an important achievement for Ultra. We reached our 40th consecutive quarter of year-over-year growth in EBITDA. This 10-year period of growth is a proof of the resilience of our businesses and our teams promptness to overcome challenges and take advantage of opportunities, both during years of economic expansion and deceleration in Brazil. Our confidence in our business model was reaffirmed in two strategic moves we recently announced. In June we entered into an agreement to acquire Ale s network, and last week we announced the partnership with Chevron in the lubricants market. Ultra has always invested in its businesses, in its people, in the relationship with its stakeholders and in the country. We have built a differentiated position in our markets to reap the benefits of the economic recovery, and we will continue to pursue ways to grow in a responsible and sustainable manner.

Thilo Mannhardt CEO

Table of Contents

Considerations on the financial and operational information

The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultrapar corresponds to the company s consolidated information. The information of Ipiranga, Oxiteno, Ultragaz, Ultracargo and Extrafarma is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated information of Ultrapar. In addition, the financial and operational information presented in this document is subject to rounding off and, consequently, the total amounts presented in the tables and charts may differ from the direct sum of the amounts that precede them.

EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization, and EBIT Earnings Before Interest and Taxes, are presented in accordance with CVM Instruction No. 527, issued by CVM on October 4, 2012. The calculation of EBITDA starting from net earnings is presented below:

R$ million	2Q16	2Q15	1Q16	D *(%)* *2Q16v2Q15*	D *(%)* *2Q16v1Q16*	1H16	1H15	D *(%)* *1H16v1H15*
Net earnings	**367.1**	**331.1**	**387.9**	**11%**	**(5%)**	**755.0**	**717.7**	**5%**
(+) Income and social contribution taxes	143.0	145.8	183.1			326.1	328.7	
(+) Financial expenses (income), net	222.5	127.2	216.5			438.9	308.4	
(+) Depreciation and amortization	275.2	241.7	270.1			545.4	477.6	
EBITDA	**1,007.8**	**845.8**	**1,057.6**	**19%**	**(5%)**	**2,065.4**	**1,832.3**	**13%**

2

Table of Contents

Summary of 2nd quarter 2016

Ultrapar Consolidated data	2Q16	2Q15	1Q16	D (%) *2Q16v2Q15*	D (%) *2Q16v1Q16*	1H16	1H15	D (%) *1H16v1H15*
Net sales and services	19,298	18,511	19,524	4%	(1%)	38,823	35,914	8%
Gross profit	1,693	1,543	1,718	10%	(1%)	3,412	3,125	9%
Operating profit	726	601	791	21%	(8%)	1,517	1,354	12%
EBITDA	1,008	846	1,058	19%	(5%)	2,065	1,832	13%
Net earnings[1]	367	331	388	11%	(5%)	755	718	5%
Earnings attributable to Ultrapar per share[2]	0.67	0.60	0.71	12%	(5%)	1.38	1.31	6%

Amounts in R$ million (except for EPS)

[1] *Under IFRS, consolidated net earnings include net earnings attributable to non-controlling shareholders of the controlled companies.*

[2] *Calculated based on the weighted average number of shares over the period, net of shares held in treasury.*

Ipiranga Operational data	2Q16	2Q15	1Q16	D (%) *2Q16v2Q15*	D (%) *2Q16v1Q16*	1H16	1H15	D (%) *1H16v1H15*
Total volume (000 m³)	**5,948**	**6,433**	**5,934**	**(8%)**	**0%**	**11,882**	**12,563**	**(5%)**
Diesel	3,144	3,300	3,004	(5%)	5%	6,147	6,343	(3%)
Gasoline, ethanol and NGV	2,710	3,035	2,846	(11%)	(5%)	5,555	6,028	(8%)
Other[3]	95	98	85	(3%)	12%	180	191	(6%)

[3] *Fuel oils, arla 32, kerosene, lubricants and greases.*

Oxiteno Operational data	2Q16	2Q15	1Q16	D (%) *2Q16v2Q15*	D (%) *2Q16v1Q16*	1H16	1H15	D (%) *1H16v1H15*
Total volume (000 tons)	**184**	**193**	**182**	**(5%)**	**1%**	**365**	**368**	**(1%)**
<u>Product mix</u>								
Specialty chemicals	147	157	147	(7%)	(0%)	293	312	(6%)
Glycols	37	35	35	5%	6%	72	55	30%
<u>Geographical mix</u>								
Sales in Brazil	133	138	128	(3%)	4%	261	265	(2%)
Sales outside Brazil	51	55	54	(7%)	(6%)	105	102	2%

Ultragaz Operational data	**2Q16**	**2Q15**	**1Q16**	D *(%)* ***2Q16v2Q15***	D *(%)* ***2Q16v1Q16***	**1H16**	**1H15**	D *(%)* ***1H16v1H15***
Total volume (000 tons)	**447**	**430**	**407**	**4%**	**10%**	**854**	**833**	**2%**
Bottled	301	297	277	1%	9%	578	570	1%
Bulk	146	133	130	10%	12%	275	263	5%

Ultracargo Operational data	**2Q16**	**2Q15**	**1Q16**	D *(%)* ***2Q16v2Q15***	D *(%)* ***2Q16v1Q16***	**1H16**	**1H15**	D *(%)* ***1H16v1H15***
Effective storage[4] (000 m^3)	662	609	658	9%	1%	660	684	(3%)

[4] *Monthly average.*

Extrafarma Operational data	**2Q16**	**2Q15**	**1Q16**	D *(%)* ***2Q16v2Q15***	D *(%)* ***2Q16v1Q16***	**1H16**	**1H15**	D *(%)* ***1H16v1H15***
Gross revenues (R$ million)	409	359	372	14%	10%	781	697	12%
Number of drugstores (end of period)	280	234	261	20%	7%	280	234	20%

Macroeconomic indicators	**2Q16**	**2Q15**	**1Q16**	D *(%)* ***2Q16v2Q15***	D *(%)* ***2Q16v1Q16***	**1H16**	**1H15**	D *(%)* ***1H16v1H15***
Average exchange rate (R$/US$)	3.51	3.07	3.91	14%	(10%)	3.71	2.97	25%
Brazilian interbank interest rate (CDI)	3.4%	3.0%	3.3%			6.8%	5.9%	
Inflation in the period (IPCA)	1.7%	2.3%	2.6%			4.4%	6.2%	

Table of Contents

Highlights

ü **Ultrapar announces acquisition of ALE network** On June 12, 2016, Ultrapar announced the acquisition, through its subsidiary Ipiranga, of 100% of the fuel distributor ALE and the assets integrating its operations. The acquisition was approved by Ultrapar s Extraordinary General Meeting on August 3 and is subject to approval by the Brazilian Antitrust Authority (*Conselho Administrativo de Defesa Econômica* CADE). ALE markets fuels through a network of approximately 2 thousand service stations, supported by a logistics infrastructure with 10 logistics facilities. The acquisition will provide greater efficiency and competitiveness in the market, benefiting consumers and resellers, increasing the offer of convenience and differentiation in the service stations, and geographic complementarity with Ipiranga, particularly in the Northeastern region, where Ipiranga has smaller market share and is focusing its investments. For further information, see Material Notice at www.ultra.com.br.

ü **Ultrapar announces agreement with Chevron** On August 4, 2016, Ultrapar Participações S.A. entered into an agreement with Chevron to create a new company in the lubricants market in Brazil.

ü **Dividend distribution of R$ 435 million approved** The Board of Directors of Ultrapar approved today a dividend payment of R$ 435 million, equivalent to R$ 0.80 per share, to be paid from August 26, 2016 onwards. This amount represents an annualized dividend yield of 2% over Ultrapar s average share price during the first half of 2016 and a 58% payout ratio.

ü **Ultrapar and its business received important awards** The 43[rd] edition of *Maiores e Melhores* annual publication of Exame magazine recognized two of Ultrapar s businesses as the best in their industries. Ipiranga was elected for the sixth time as the best company in the Wholesale segment and Oxiteno won the top place in the Chemical and Petrochemical sector. Ultragaz, which ranked fourth in 2014, achieved the third place in the Retail sector. In another award, Ultrapar ranked third in the *Prêmio Broadcast Empresas* , held by Agência Estado, which selected ten companies that delivered positive returns to their investors and reported higher profitability among publicly held companies in 2015.

ü **Update about the fire in a terminal operated by Ultracargo in Santos** The second stage of the decommissioning plan is underway, which consists in removing the equipment and structures from the part of the terminal affected by the fire in April 2015 in Santos. With regard to the items that affected results in 2Q16, the company received insurance advances amounting to R$ 30 million. For information about the effects on balance sheet, see Note 33 of the quarterly financial statements (ITR) for June 30, 2016.

ü

Extrafarma launches its new brand The official launch of Extrafarma s new brand, with the new logo, colors and the *Pra você viver melhor* (For a better living) brand campaign, took place in June. Extrafarma raised its management standards in the retail pharmacy network and its store model, with a new architecture and more attractive visual communication, providing greater satisfaction, convenience and a better shopping experience to its customers. The new brand, which refers to two people hugging each other, strengthens the attributes trust and proximity in the relationship with customers, completing the new proposed model. New drugstores are already being opened in this concept and the existing ones will be refurbished over time, adapting to the new model.

4

Table of Contents

Executive summary of the results

During 2Q16, the Brazilian macroeconomic environment continued its downward trend, with the worsening of unemployment rates, income and consumption levels and unstable political environment. The unemployment rate increased from 8.3% in 2Q15 to 11.3% in 2Q16, while household income decreased by 3.9% in real terms in the same period. Despite the additional worsening in the scenario, inflation rates are gradually decreasing and consumer confidence indexes improved slightly. Base interest rate in Brazil has been maintained at 14.25% since July 2015. The average exchange rate R$/US$ increased from R$ 3.07/US$ in 2Q15 to R$ 3.51/US$ in 2Q16, a 14% increase. However, the foreign exchange rates moved in opposite directions, showing Real depreciation in 1H15 and appreciation in 1H16. Compared to 1Q16, the average R$/US$ rate decreased by R$ 0.40/US$, from R$ 3.91/US$ to R$ 3.51/US$. The average oil price (Brent) in 2Q16 was US$ 46/barrel, a drop when compared to the average of US$ 62/barrel in the 2Q15 and an increase compared to the average price of US$ 34/barrel in 1Q16. The economic activity index, measured by the Central Bank of Brazil, fell by 5.3% compared to the previous year, reflecting the recession of the Brazilian economy. In the retail pharmacy sector in the Northern and Northeastern regions, according to data from members of Abrafarma, sales increased by 7%.

At Ipiranga, sales volume decreased by 8% compared to 2Q15. Fuel sales volume for light vehicles (Otto cycle) decreased by 11% compared to 2Q15, despite the estimated growth of 2% in the vehicle fleet, reflecting the deterioration of unemployment rates, and the increase in the cost of fuels share of income. Diesel volume decreased by 5% year-over-year, following the weak performance of the economy. Ipiranga s EBITDA reached R$ 718 million in 2Q16, a 25% growth compared to 2Q15, due to the strategy of constant innovation in services and convenience and the movements in the domestic and foreign markets of fuels, despite lower sales volume.

Oxiteno s sales volume totaled 184 thousand tons, a 5% (9 thousand tons) decrease compared to 2Q15. Sales volume of specialty chemicals was 7% lower as a result of the strong slowdown of the Brazilian economy and lower volumes in the international markets. Growth in commodities sales partially offset the reduction in sales volume in specialty chemicals. EBITDA totaled R$ 117 million in 2Q16, down 42% from 2Q15, mainly due to lower volume of specialties and the effects of exchange rates and costs of raw materials moving in opposite directions, which were favorable in 1H15 and unfavorable in 1H16, despite the R$ 0.44/US$ weaker Real in 2Q16 versus 2Q15.

Ultragaz reached sales volume of 447 thousand tons in 2Q16, a 4% increase over 2Q15, despite the slowdown of the economy. The bottled segment showed a 1% growth compared to 2Q15, due to commercial initiatives to add new resellers. In the bulk segment, sales volume grew by 10% compared to 2Q15, as a result of investments made to capture new customers. Ultragaz s EBITDA reached R$ 108 million in 2Q16, up 49% over 2Q15, mainly due to higher sales volume, as a result of commercial initiatives to capture new customers and resellers, and the strategy of differentiation and innovation.

In 2Q16, Ultracargo s total average storage increased by 9% compared to 2Q15, due to the total suspension of Santos terminal in April 2015, which remained partially suspended in 2Q16, and increased fuel handling. Excluding Santos operations, other Ultracargo s terminals reported a 5% increase compared to 2Q15, due to increased fuel handling, despite the lower handling of chemicals. Ultracargo s total EBITDA reached R$ 42 million in 2Q16, a R$ 91 million increase compared to 2Q15, which was negative by R$ 49 million, due to lower fire-related expenses, since a significant part of these expenses occurred in 2Q15, and insurance advances amounting to R$ 30 million in 2Q16. In the same comparison, ex-Santos EBITDA remained stable.

Extrafarma ended 2Q16 with 280 drugstores, an increase of 46 drugstores (20%) compared to 2Q15. During 2Q16, 20 new drugstores were opened. By the end of 2Q16, 40% of the drugstores were under three years of operation, compared to 32% in 2Q15. Extrafarma s EBITDA totaled R$ 12 million in 2Q16, 37% growth compared to 2Q15, mainly due to the increase in ex-mobile phones gross revenues (24%) and to initiatives to raise management standards in the retail pharmacy network, partially offset by the economy slowdown effects , which led to 38% decrease in mobile phone sales, and higher share of new stores still maturing.

The performance of Ultrapar s businesses resulted in a consolidated EBITDA of R$ 1,008 million in 2Q16, up 19% over 2Q15. Ultrapar s net earnings was R$ 367 million in 2Q16, 11% growth over 2Q15, impacted by higher net financial expenses, resulting from higher interest rates and net debt, and higher depreciation and amortization, resulting from investments made in expansions.

Table of Contents

Ipiranga

Operational performance Ipiranga s sales volume totaled 5,948 thousand cubic meters in 2Q16, 8% below 2Q15 volume. Fuel sales volume for light vehicles (Otto cycle) decreased by 11% compared to 2Q15, despite the estimated growth of 2% in the vehicle fleet, reflecting the deterioration of unemployment rates and the increase in the cost of fuels share of income. Diesel volume decreased by 5% year-over-year, due to the economy weak performance. Despite 2Q16 being seasonally stronger, it remained stable compared to 1Q16 due to the effects of the worsening economic situation. In 1H16, Ipiranga accumulated sales volume of 11,882 thousand cubic meters, down 5% from 1H15.

Ipiranga Sales volume (000 m³)

Net sales and services Ipiranga s net sales and services reached R$ 16,588 million in 2Q16, up 4% over 2Q15, despite the lower volume, mainly as a result of (i) the rise in diesel and gasoline costs in September 2015 by Petrobras and, consequently, higher ethanol costs, (ii) lower ethanol sales volume in sales mix in 2Q16 and (iii) the strategy of constant innovation in services and convenience in the service station, generating greater customer satisfaction and loyalty. Compared to 1Q16, net sales and services decreased by 2%, mainly due to the reduction in unitary cost of ethanol in 2Q16. In 1H16, Ipiranga s net sales and services amounted to R$ 33,458 million, up 8% over 1H15.

Cost of goods sold Ipiranga s cost of goods sold totaled R$ 15,504 million in 2Q16, up 3% compared to 2Q15, mainly due to the rise in diesel and gasoline costs in September 2015 and, consequently, higher ethanol costs, partially offset by lower sales volume. The cost of goods sold decreased by 2% compared to 1Q16, mainly due to the reduction in unitary cost of ethanol. In 1H16, Ipiranga s cost of goods sold totaled R$ 31,317 million, up 7% over 1H15.

Sales, general and administrative expenses Ipiranga s sales, general and administrative expenses amounted to R$ 558 million in 2Q16, a 11% increase over 2Q15, resulting from (i) the effects of inflation on expenses, (ii) innovation and expansion projects and studies and (iii) the expansion of Ipiranga s resellers network, partially offset by lower freight expenses, due to lower sales volume. Compared to 1Q16, sales, general and administrative expenses increased by 4%, mainly due to increased expenses with studies and projects in 2Q16, partially offset by lower marketing expenses, a typical reduction between first and second quarters due to the resellers annual convention in February. In 1H16, Ipiranga s sales, general and administrative expenses totaled R$ 1,098 million, up 10% over 1H15, consistent with the inflation.

EBITDA Ipiranga s EBITDA reached R$ 718 million in 2Q16, a 25% growth compared to 2Q15, due to the strategy of constant innovation in services and convenience, generating greater customer satisfaction and loyalty and the movements in the domestic and foreign markets of fuels, despite lower sales volume. Compared to 1Q16, Ipiranga s EBITDA increased by 1% due to the seasonality between periods. In 1H16, Ipiranga s EBITDA totaled R$ 1,430 million, up 11% over 1H15.

6

Table of Contents

Oxiteno

Operational performance Oxiteno s sales volume totaled 184 thousand tons, a 5% (9 thousand tons) decrease compared to 2Q15. Sales volume of specialty chemicals was 7% lower, mainly as a result of the strong slowdown of the Brazilian economy. Commodities sales, on the other hand, increased by 5%, partially offsetting lower sales volume in specialty chemicals. Compared with 1Q16, sales volume grew by 1% (2 thousand tons), due to increased sales of commodities. Oxiteno s sales volume in 1H16 totaled 365 thousand tons, down 1% from 1H15.

Oxiteno Sales volume (000 tons)

Net sales and services Oxiteno s net sales and services totaled R$ 909 million in 2Q16, a 10% decrease compared to 2Q15, due to (i) lower sales volume, (ii) larger share of commodities in sales mix and (iii) lower average prices in US Dollars, as a result of a decrease in raw materials costs throughout 2015. These effects were partially offset by the 14% weaker Real against the US Dollar. Compared to 1Q16, net sales and services decreased by 9%, despite the slightly higher sales volume, mainly due to a 10% stronger Real against the US Dollar. In 1H16, accumulated net sales and services totaled R$ 1,913 million, up 3% over 1H15.

Cost of goods sold Oxiteno s cost of goods sold in 2Q16 totaled R$ 683 million, remaining stable compared to 2Q15, despite the lower sales volume and unitary variable costs in US dollar, due to (i) maintenance costs resulting from scheduled stoppages at the Mauá and Camaçari plants and (ii) a 14% weaker Real against the US Dollar. Compared to 1Q16, cost of goods sold decreased by 2% due to a 10% stronger Real against the US Dollar, partially offset by higher sales volume and the increase in prices of the main raw materials. In 1H16, Ipiranga s cost of goods sold totaled R$ 1,379 million, up 7% over 1H15.

Sales, general and administrative expenses Oxiteno s sales, general and administrative expenses amounted to R$ 149 million in 2Q16, down 8% from 2Q15, due to lower variable compensation and domestic freight expenses, as a result of lower sales volume. Compared to 1Q16, sales, general and administrative expenses increased by 1% mainly due to higher sales volume. In 1H16, sales, general and administrative expenses totaled R$ 297 million, down 2% from 1H15.

EBITDA EBITDA totaled R$ 117 million in 2Q16, down 42% from 2Q15, mainly due to lower volume of specialties and exchange rates and costs of raw materials moving in opposite directions, which were favorable in 1H15 and unfavorable in 1H16, despite R$ 0.44/US$ weaker average exchange rate in 2Q16 compared to 2Q15. Compared to 1Q16, EBITDA decreased by 41% due to a 10% (or R$ 0.40/US$) stronger Real against the US Dollar, despite higher sales volume. In 1H16, Oxiteno s EBITDA totaled R$ 315 million, down 9% from 1H15.

Table of Contents

Ultragaz

Operational performance Ultragaz reached sales volume of 447 thousand tons in 2Q16, a 4% increase over 2Q15, despite the slowdown of the economy. The bottled segment showed a 1% growth compared to 2Q15, due to commercial initiatives to add new resellers. In the bulk segment, sales volume grew by 10% compared to 2Q15, as a result of investments made to capture new industrial customers and small- and medium-sized companies, despite the effects of the slowdown of the economy. Compared with 1Q16, sales volume increased by 10%, mainly driven by seasonality between periods and higher consumption by new customers. In the six-month period, Ultragaz accumulated sales volume of 854 thousand tons, up 2% over 1H15.

Ultragaz Sales volume (000 tons)

Net sales and services Ultragaz s net sales and services was R$ 1,343 million in 2Q16, a 20% increase compared to 2Q15, due to (i) higher sales volume, (ii) the increase in the cost of LPG by Petrobras in September and December 2015, (iii) increased share of the bulk segment in sales mix and (iv) the differentiation strategy based on innovation. As compared to 1Q16, net sales and services increased by 9%, mainly due to the sales volume growth. In 1H16, Ultragaz s net sales and services amounted to R$ 2,576 million, up 19% over 1H15.

Cost of goods sold Ultragaz s cost of goods sold amounted to R$ 1,124 million in 2Q16, a 18% increase compared to 2Q15, as a result of (i) the increase in the cost of LPG, (ii) higher sales volume, (iii) higher unitary freight, due to the increased costs with more distant routes, and (iv) higher personnel expenses, due to the inflation. Compared with 1Q16, the cost of goods sold increased by 10%, mainly due to higher sales volume and unitary freight costs. In 1H16, Ultragaz s cost of goods sold totaled R$ 2,149 million, up 17% over 1H15.

Sales, general and administrative expenses Ultragaz s sales, general and administrative expenses totaled R$ 149 million in 2Q16, up 14% over 2Q15, as a result of the effects of inflation on expenses and studies and projects, partially offset by lower marketing expenses, due to the Ultragaz brand relaunch campaign in 2Q15. Compared to 1Q16, sales, general and administrative expenses increased by 6% mainly due to higher expenses with studies and projects. In 1H16, Ultragaz s sales, general and administrative expenses totaled R$ 290 million, up 18% over 1H15.

EBITDA Ultragaz s EBITDA reached R$ 108 million in 2Q16, up 49% over 2Q15, mainly due to higher sales volume, as a result of commercial initiatives to capture new customers and resellers, and the differentiation strategy based on innovation. Compared to 1Q16, EBITDA remained stable, due to higher sales volume offset by increased costs and expenses in 2Q16. In 1H16, Ultragaz s EBITDA totaled R$ 217 million, 49% growth over that in 1H15.

Table of Contents

Ultracargo

Operational performance In 2Q16, Ultracargo s total average storage increased by 9% compared to 2Q15, due to the total suspension of Santos terminal in April 2015, which remained partially suspended in 2Q16, and to increased fuel handling. Excluding Santos operations, other Ultracargo s terminals reported a 5% increase compared to 2Q15, due to increased fuel handling, despite the lower handling of chemicals. Compared to 1Q16, the average storage of Ultracargo s terminals increased by 1% due to increased fuel handling. In the first semester of 2016, Ultracargo s average storage decreased by 3% compared with 1H15.

Ultracargo Average storage (000 m³)

Net sales and services Ultracargo s net sales and services totaled R$ 85 million in 2Q16, a 16% increase compared to 2Q15, due to the growth in average storage and tariff adjustments. Compared to 1Q16, net sales and services increased by 5%, mainly due to the higher handling of fuels. Excluding Santos operations, other Ultracargo s terminals increased net sales and services by 11% and 7% compared to 2Q15 and 1Q16, respectively. In 1H16, Ultracargo s net sales and services totaled R$ 166 million, remaining stable compared to 1H15.

Cost of services provided Ultracargo s cost of services provided in 2Q16 amounted to R$ 50 million, a 40% increase compared to 2Q15, due to the effects of inflation on personnel expenses, higher maintenance costs in terminals and to labor and clients indemnification expenses. In addition, as from January 2016, some expenses were considered as costs, representing R$ 3 million in 2Q16. Compared to 1Q16, cost of services provided increased by 4%, due to higher expenses with labor and clients indemnification. In 1H16, Ultracargo s cost of services provided totaled R$ 97 million, up 38% over 1H15.

Sales, general and administrative expenses Ultracargo s sales, general and administrative expenses totaled R$ 23 million in 2Q16, a 3% decrease compared to 2Q15, mainly due to expenses that were considered as costs since January 2016, as mentioned in costs explanation, despite higher maintenance expenses. Compared to 1Q16, sales, general and administrative expenses increased by 15%, mainly due to higher personnel expenses and maintenance. In 1H16, sales, general and administrative expenses totaled R$ 42 million, down 7% from 1H15.

Other operating results In 2Q16, Other operating results reported net revenue of R$ 18 million compared to net expense of R$ 74 million in 2Q15 and net revenue of R$ 8 million in 1Q16. In 2Q16, the amount includes basically a R$ 30 million gain resulting from insurance advances due to the accident, partially offset by R$ 12 million fire-related expenses.

EBITDA Ultracargo s total EBITDA reached R$ 42 million in 2Q16, a R$ 91 million increase compared to 2Q15, which was negative by R$ 49 million, due to lower fire-related expenses, since a significant part of these expenses occurred in 2Q15, and insurance advances amounting to R$ 30 million in 2Q16. In the same comparison basis, ex-Santos EBITDA remained stable. Compared to 1Q16, there was an increase of 28% due to lower fire-related expenses. Excluding Santos operations, other Ultracargo s terminals EBITDA remained stable. In 1H16, Ultracargo s EBITDA was R$ 74 million, a R$ 76 million increase compared to 1H15.

Table of Contents

Extrafarma

Operational Performance Extrafarma ended 2Q16 with 280 drugstores, an increase of 46 drugstores (20%) compared to 2Q15. During 2Q16, 20 new drugstores were opened, and one was closed. By the end of 2Q16, 40% of the drugstores were under 3 years of operation, compared to 32% in 2Q15.

Extrafarma Number and maturation profile of drugstores

Gross revenues Extrafarma s gross revenues totaled R$ 409 million in 2Q16, a 14% increase compared to 2Q15, due to 24% higher retail sales, excluding mobile phone sales, as a result of the increased average number of stores and the 18% growth in same store sales ex-mobile phones, to which contributed the initiatives to raise the management standards in the retail pharmacy network and the annual adjustment in the prices of medicines, set by the Chamber for the Regulation of the Medical Pharmaceuticals Market (CMED). Retail revenues growth excluding mobile phones was partially offset by the worsening economic scenario, resulting in a 38% decrease in mobile phone sales. Compared to 1Q16, Extrafarma s gross revenues increased by 10%, mainly derived from the seasonality between periods and to the annual adjustment in the prices of medicines, set by the CMED on April 1, 2016. In 1H16, Extrafarma s gross revenues totaled R$ 781 million, up 12% over 1H15.

Cost of goods sold and gross profit Extrafarma s cost of goods sold totaled R$ 258 million in 2Q16, up 11% over 2Q15, mainly as a result of increased sales and the annual adjustment in the prices of medicines. Extrafarma s gross profit reached R$ 129 million, up 23% over 2Q15, due to the growth in retail revenues, ex-mobile phones sales, as well as procurement strategies to anticipate above mentioned medicine prices adjustments. Compared to 1Q16, the cost of goods sold increased by 8% in 2Q16 and gross profit increased by 15%, due to the same factors mentioned above. In 1H16, Extrafarma s cost of goods sold totaled R$ 496 million, up 9% over 1H15, while gross profit increased by 19%, amounting R$ 241 million.

Sales, general and administrative expenses Extrafarma s sales, general and administrative expenses totaled R$ 127 million in 2Q16, a 23% increase compared to 2Q15, or 20% excluding depreciation and amortization expenses. This growth results from a 20% increase in the average number of drugstores and the effects of inflation on personnel and rent expenses, partially offset by the initiatives to raise the management standards in the retail pharmacy network. Compared to 1Q16, Extrafarma s sales, general and administrative expenses increased by 9%, due to the higher number of stores and seasonally higher revenues. In 1H16, Extrafarma s sales, general and administrative expenses totaled R$ 243 million, up 22% over 1H15.

EBITDA Extrafarma s EBITDA totaled R$ 12 million in 2Q16, a 37% growth compared to 2Q15, mainly due to 24% higher retail sales, excluding mobile phone sales, and to initiatives to raise the management standards in the retail pharmacy network, partially offset by the higher share of maturing stores and the deterioration in the economy, which lead to a 38% drop in mobile phone sales. Compared to 1Q16, Extrafarma s EBITDA increased by R$ 7 million, due to the higher gross revenue, as a result of seasonality and the annual adjustment in the prices of medicines, set by the

CMED. In 1H16, Extrafarma s EBITDA totaled R$ 17 million, a 24% growth over 1H15.

10

Table of Contents

Ultrapar

Net sales and services Ultrapar s consolidated net sales and services in 2Q16 increased by 4% compared to 2Q15, reaching R$ 19,298 million, due to the revenues growth in Ipiranga, Ultragaz, Ultracargo and Extrafarma. Compared to 1Q16, Ultrapar s net sales and services decreased by 1%, mainly due to Ipiranga and Oxiteno, which reported lower net revenue in this comparison. In 1H16, Ultrapar s net sales and services increased by 8% compared with 1H15, totaling R$ 38,823 million.

EBITDA Ultrapar s consolidated EBITDA amounted to R$ 1,008 million in 2Q16, 19% growth over 2Q15. Compared to 1Q16, Ultrapar s EBITDA decreased by 5%, mainly due to decrease in Oxiteno s EBITDA. In 1H16, Ultrapar s EBITDA totaled R$ 2,065 million, up 13% compared to 1H15.

EBITDA (R$ million)

Depreciation and amortization Total depreciation and amortization costs and expenses in 2Q16 amounted to R$ 275 million, a 14% increase over 2Q15, as a result of investments made during the last 12 months, especially in the expansion of Ipiranga s service station network. Compared to 1Q16, total depreciation and amortization costs and expenses increased 2%. In 1H16, total depreciation and amortization costs and expenses amounted to R$ 545 million, a 14% growth over the 1H15.

Financial results Ultrapar s net debt as of June 30, 2016 was R$ 5.5 billion (1.3 times LTM EBITDA), compared to R$ 5.0 billion as of June 2015 (1.4 times LTM EBITDA). Ultrapar reported net financial expenses of R$ 222 million in 2Q16, a R$ 95 million increase compared to 2Q15 due to (i) higher interest rates, (ii) the higher net debt, due to the growth of the company, (iii) the effects of the exchange rate fluctuations in the period and (iv) PIS/COFINS taxes levied on financial revenues as from July 2015. Compared to 1Q16, net financial expense increased by R$ 6 million, mainly due to the higher average net debt during 2Q16. In 1H16, Ultrapar reported net financial expense of R$ 439 million, a 42% increase compared to 1H15.

Net earnings Net earnings in 2Q16 amounted to R$ 367 million, an 11% increase compared to 2Q15, due to the EBITDA growth, despite higher net financial expenses and depreciation and amortization, due to higher interest income, net debt and expansion investments. Compared to 1Q16, net earnings decreased by 5%, in line with the EBITDA decrease. In 1H16, Ultrapar reported net earnings of R$ 755 million, 5% higher over 1H15.

Table of Contents

Investments

Investments Total investments, net of disposals and repayments, amounted to R$ 366 million in 2Q16, allocated as follows:

At Ipiranga, R$ 201 million were invested mainly in the expansion and maintenance of the service stations network and franchises.

At Oxiteno, R$ 55 million were invested mainly in the maintenance of its production units and investments in the ethoxylation plant in the United States.

At Ultragaz, R$ 64 million were invested mainly in new clients in the bulk segment and acquisition of LPG bottles.

Ultracargo invested R$ 15 million mainly towards maintenance of terminals and in the modernization of safety systems of its terminals.

At Extrafarma, R$ 29 million were invested mainly in the opening of new drugstores and renovation of existing drugstores.

R$ million	*2Q16*	*2016*
Additions to fixed and intangible assets		
Ipiranga	173	311
Oxiteno	55	102
Ultragaz	64	144
Ultracargo	15	21
Extrafarma	29	47
Total additions to fixed and intangible assets[1]	**338**	**623**
Financing to clients[2] Ipiranga	28	36
Acquisition (disposal) of equity interest	20	26
Total investments, net of disposals and repayments	**386**	**684**

Total investments, net of disposals and repayments

(R$ million)

[1] Includes the consolidation of corporate IT services
[2] Financing to clients is included as working capital in the Cash Flow Statement

Table of Contents

Ultrapar in capital markets

Ultrapar s average daily trading volume in 2Q16 was R$ 130 million, 3% lower than the daily average of R$ 134 million in 2Q15, considering the combined trading volumes on the BM&FBOVESPA and the ADRs market. Ultrapar s share price ended the quarter quoted at R$ 71.11/share on the BM&FBOVESPA, with an appreciation of 2% in the quarter, while the Ibovespa index rose by 3% in the same period. In the ADRs market, Ultrapar s shares appreciated by 5% in 2Q16, while the Dow Jones index appreciated 2% in the same period. Ultrapar ended 2Q16 with a market value of R$ 40 billion, up 8% over 2Q15.

Performance of UGPA3 vs. Ibovespa 2Q16

(Base 100)

Average daily trading volume

(R$ million)

Market value

(R$ billion)

13

Table of Contents

Outlook

In a political and economic unstable scenario, once again Ultrapar brings positive quarterly results, resultant from its resilient multi-business model, based on differentiation initiatives and convenience to its customers. The acquisition of the ALE fuel distribution network and the strategic partnership with Chevron sign the investment strategy and continuous improvement in order to generate long-term benefits. At Ipiranga, consistent investments to expand its service stations network and its related logistics infrastructure, focused on North, Northeast and Midwest regions of Brazil will continue to leverage the benefits from the growth of the vehicle fleet in Brazil, although at a slower pace, and the reduction of gray market. Additionally, the company will continue implementing differentiation initiatives, based on the increasing offer of products, services and convenience, to further increase customer loyalty and expand the number of clients, who are offered higher value-added products and services, while the reseller is provided with an additional source of revenue and differentiated positioning, thus maximizing the profitability of the whole value chain. Oxiteno will continue investing on innovation, with the development of new products and in partnership with its clients, also continuing the international expansion with investments in the ethoxylation plant in the United States. Ultragaz will continue to reap the benefits from the investments in capturing new customers, the constant search for differentiation and on managing costs and expenses constantly, which will contribute to the earnings progression. Ultracargo, on its turn, will continue focused on the management of the impacts from the accident in Santos, without ceasing to assess new business opportunities from the growing demand for liquid bulk storage in Brazil. At Extrafarma, we will continue a more accelerated expansion of the company and focused on raising the management standards in the retail market. Our strategy and investments places us differently for the future recovery of the Brazilian economy.

Table of Contents

Forthcoming events

Conference call / Webcast: August 12, 2016

Ultrapar will be holding a conference call for analysts on August 12, 2016 to comment on the company s performance in the second quarter of 2016 and outlook. The presentation will be available for download on the company s website 30 minutes prior to the conference call.

Brazilian: 10:00 a.m. (US EST)

Telephone for connection: +55 11 2188 0155

Code: Ultrapar

International: 11:30 a.m. (US EST)

Participants in the US: 1 844 836-8738

Participants in Brazil: 0800 891 0015

Participants in other countries: +1 412 317-5430

Code: Ultrapar

WEBCAST live via Internet at www.ultra.com.br**. Please connect 15 minutes in advance.**

This document may contain forecasts of future events. Such predictions merely reflect the expectations of the Company s management. Words such as: believe , expect , plan , strategy , prospects , envisage , estimate , f anticipate , may and other words with similar meaning are intended as preliminary declarations regarding expectations and future forecasts. Such declarations are subject to risks and uncertainties, anticipated by the Company or otherwise, which could mean that the reported results turn out to be significantly different from those forecasts. Therefore, the reader should not base investment decisions solely on these estimates.

Table of Contents

Operational and market information

Financial focus	2Q16	2Q15	1Q16	1H16	1H15
EBITDA margin Ultrapar	5.2%	4.6%	5.4%	5.3%	5.1%
Net margin Ultrapar	1.9%	1.8%	2.0%	1.9%	2.0%
Focus on human resources	**2Q16**	**2Q15**	**1Q16**	**1H16**	**1H15**
Number of employees Ultrapar	14,933	14,307	14,735	14,933	14,307
Number of employees Ultragaz	3,621	3,628	3,616	3,621	3,628
Number of employees Ipiranga	2,920	2,789	2,890	2,920	2,789
Number of employees Oxiteno	1,864	1,799	1,840	1,864	1,799
Number of employees Ultracargo	614	605	614	614	605
Number of employees Extrafarma	5,451	5,032	5,314	5,451	5,032
Focus on capital markets	**2Q16**	**2Q15**	**1Q16**	**1H16**	**1H15**
Number of shares (000)	556,405	556,405	556,405	556,405	556,405
Market capitalization[1] R$ million	39,312	38,206	34,184	36,613	34,706
BM&FBOVESPA	**2Q16**	**2Q15**	**1Q16**	**1H16**	**1H15**
Average daily volume (shares)	1,305,471	1,503,695	1,563,085	1,431,137	1,594,057
Average daily volume (R$ 000)	92,258	103,328	96,282	94,221	99,483
Average share price (R$/share)	70.7	68.7	61.6	65.8	62.4
ADRs	**2Q16**	**2Q15**	**1Q16**	**1H16**	**1H15**
Quantity of ADRs[2] (000 ADRs)	30,204	30,604	30,234	30,204	30,604
Average daily volume (ADRs)	532,337	441,078	580,529	555,855	445,445
Average daily volume (US$ 000)	10,758	9,829	9,121	9,960	9,295
Average share price (US$/ADR)	20.2	22.3	15.7	17.9	20.9
Total	**2Q16**	**2Q15**	**1Q16**	**1H16**	**1H15**
Average daily volume (shares)	1,837,808	1,944,773	2,143,614	1,986,991	2,039,501
Average daily volume (R$ 000)	129,848	133,541	131,701	130,751	127,215

1 *Calculated based on the weighted average price in the period.*

2 *1 ADR = 1 common share.*

All financial information is presented according to the accounting principles laid down in the Brazilian Corporate Law. All figures are expressed in Brazilian Reais, except for Oxiteno s margins on page 21, which are expressed in US Dollars and were obtained using the average exchange rate (commercial US Dollar rate) for the corresponding periods.

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Table of Contents

ULTRAPAR

CONSOLIDATED BALANCE SHEET

In millions of Reais

	QUARTERS ENDED IN		
	JUN 2016	**JUN 2015**	**MAR 2016**
ASSETS			
Cash, cash equivalents and financial investments	3,292.8	3,258.7	2,672.6
Trade accounts receivable	3,153.1	2,863.6	3,124.0
Inventories	2,432.0	2,367.9	2,710.8
Taxes	498.3	635.9	517.9
Other	353.5	192.2	361.8
Total Current Assets	**9,729.6**	**9,318.2**	**9,387.0**
Investments	118.0	99.7	98.7
Property, plant and equipment and intangibles	8,709.1	8,328.3	8,704.4
Financial investments	123.9	226.0	254.7
Trade accounts receivable	188.6	145.3	161.9
Deferred income tax	564.2	514.7	505.2
Escrow deposits	758.6	719.8	751.0
Other	320.9	189.7	305.4
Total Non-Current Assets	**10,783.3**	**10,223.4**	**10,781.4**
TOTAL ASSETS	**20,512.9**	**19,541.7**	**20,168.4**
LIABILITIES			
Loans, financing and debentures	1,210.8	2,002.8	2,495.8
Suppliers	1,018.8	958.3	1,088.9
Payroll and related charges	302.5	297.9	277.9
Taxes	273.8	289.1	269.9
Other	237.4	191.7	284.7
Total Current Liabilities	**3,043.3**	**3,739.8**	**4,417.2**
Loans, financing and debentures	7,711.8	6,465.5	6,333.6
Judicial provisions	700.3	645.0	686.5
Post-retirement benefits	116.1	116.7	114.1
Other	534.4	469.1	511.3

Total Non-Current Liabilities	**9,062.6**	**7,696.2**	**7,645.5**
TOTAL LIABILITIES	**12,105.9**	**11,436.0**	**12,062.7**
STOCKHOLDERS EQUITY			
Capital	3,838.7	3,838.7	3,838.7
Reserves	4,359.5	3,722.0	4,359.6
Treasury shares	(483.9)	(270.4)	(483.9)
Others	664.3	789.0	359.7
Non-controlling interest	28.4	26.4	31.7
Total shareholders equity	**8,407.0**	**8,105.7**	**8,105.7**
TOTAL LIAB. AND STOCKHOLDERS EQUITY	**20,512.9**	**19,541.7**	**20,168.4**
Cash and financial investments	3,416.7	3,484.7	2,927.3
Debt	(8,922.6)	(8,468.3)	(8,829.4)
Net cash (debt)	(5,505.9)	(4,983.6)	(5,902.1)

17

Table of Contents

ULTRAPAR

CONSOLIDATED INCOME STATEMENT

In millions of Reais (except per share data)

	QUARTERS ENDED IN			**ACCUMULATED**	
	JUN 2016	**JUN 2015**	**MAR 2016**	**JUN 2016**	**JUN 2015**
Net sales and services	**19,298.2**	**18,510.7**	**19,524.3**	**38,822.5**	**35,914.3**
Cost of sales and services	(17,604.9)	(16,968.0)	(17,806.1)	(35,411.0)	(32,789.6)
Gross profit	**1,693.3**	**1,542.7**	**1,718.2**	**3,411.6**	**3,124.8**
Operating expenses					
Selling	(648.9)	(613.6)	(641.2)	(1,290.1)	(1,197.8)
General and administrative	(356.3)	(309.6)	(321.8)	(678.1)	(597.6)
Other operating income (expenses), net	40.2	(21.2)	35.4	75.6	0.3
Income from sale of assets	(2.1)	2.4	0.1	(2.0)	24.6
Operating income	**726.2**	**600.6**	**790.7**	**1,516.9**	**1,354.2**
Financial results					
Financial income	105.8	99.7	115.1	220.9	203.2
Financial expenses	(328.3)	(226.9)	(331.6)	(659.8)	(511.6)
Equity in earnings (losses) of affiliates	6.3	3.4	(3.3)	3.0	0.5
Income before income and social contribution taxes	**510.1**	**476.9**	**571.0**	**1,081.1**	**1,046.4**
Provision for income and social contribution taxes					
Current	(228.0)	(223.9)	(227.4)	(455.3)	(384.8)
Deferred	54.5	56.4	22.1	76.6	18.8
Benefit of tax holidays	30.5	21.7	22.1	52.6	37.3
Net Income	**367.1**	**331.1**	**387.9**	**755.0**	**717.7**
Net income attributable to:					
Shareholders of Ultrapar	364.2	328.6	385.2	749.4	713.4
Non-controlling shareholders of the subsidiaries	3.0	2.5	2.6	5.6	4.3
EBITDA	**1,007.8**	**845.8**	**1,057.6**	**2,065.4**	**1,832.3**
Depreciation and amortization	275.2	241.7	270.1	545.4	477.6
Total investments, net of disposals and repayments	386.2	328.5	298.1	684.3	486.9

RATIOS

Earnings per share - R$	0.67	0.60	0.71	1.38	1.31
Net debt / Stockholders equity	0.65	0.61	0.73	0.65	0.61
Net debt / LTM EBITDA	1.32	1.41	1.47	1.32	1.41
Net interest expense / EBITDA	0.22	0.15	0.20	0.21	0.17
Gross margin	8.8%	8.3%	8.8%	8.8%	8.7%
Operating margin	3.8%	3.2%	4.0%	3.9%	3.8%
EBITDA margin	5.2%	4.6%	5.4%	5.3%	5.1%

Table of Contents

ULTRAPAR

CONSOLIDATED CASH FLOW STATEMENT

In millions of Reais

	JAN - JUN	
	2016	**2015**
Cash Flow s from (used in) operating activities	**668.2**	**775.1**
Net income	755.0	717.7
Depreciation and amortization	545.4	477.6
Working capital	(329.2)	(893.7)
Financial expenses (A)	135.1	725.1
Deferred income and social contribution taxes	(76.6)	(18.8)
Income from sale of assets	2.0	(24.6)
Cash paid for income and social contribution taxes	(322.3)	(244.2)
Other (B)	(41.1)	36.1
Cash Flow s from (used in) investing activities	**(648.4)**	**(500.2)**
Additions to fixed and intangible assets, net of disposals	(622.6)	(480.1)
Acquisition and sale of equity investments	(25.8)	(20.1)
Cash Flow s from (used in) financing activities	**(576.2)**	**(1,190.3)**
Debt raising	948.4	1,445.2
Amortization of debt / Payment of financial lease	(413.6)	(1,485.0)
Interest paid	(669.9)	(585.9)
Shares acquired by the Company kept in treasury		(168.2)
Dividends paid (C)	(441.1)	(396.3)
Net increase (decrease) in cash and cash equivalents	**(556.5)**	**(915.5)**
Cash and cash equivalents at the beginning of the period (D)	**3,973.2**	**4,400.1**
Cash and cash equivalents at the end of the pe riod (D)	**3,416.7**	**3,484.7**

(A) Comprised of interest and exchange rate and inflationary variation expenses on loans and financing. Does not include revenues from interest and exchange rate and inflationary variation on cash equivalents.
(B) Comprised mainly of noncurrent assets and liabilities variations net.
(C) Includes dividends paid by Ultrapar and its subsidiaries to third parties.
(D) Includes long term financial investments.

Table of Contents

IPIRANGA

CONSOLIDATED INVESTED CAPITAL

In millions of Reais

	QUARTERS ENDED IN		
	JUN 2016	**JUN 2015**	**MAR 2016**
OPERATING ASSETS			
Trade accounts receivable	2,232.6	2,036.6	2,206.2
Trade accounts receivable - noncurrent portion	154.1	117.2	135.5
Inventories	1,377.1	1,498.3	1,684.7
Taxes	253.4	296.4	245.1
Other	364.7	288.9	371.0
Property, plant and equipment, intangibles and investments	3,959.7	3,705.1	3,963.0
TOTAL OPERATING ASSETS	**8,341.6**	**7,942.4**	**8,605.5**
OPERATING LIABILITIES			
Suppliers	686.6	647.7	707.4
Payroll and related charges	89.3	79.3	76.3
Post-retirement benefits	98.5	103.0	96.8
Taxes	99.0	90.1	96.6
Judicial provisions	103.4	111.2	96.8
Other accounts payable	204.4	176.7	181.1
TOTAL OPERATING LIABILITIES	**1,281.2**	**1,208.0**	**1,255.0**

IPIRANGA

CONSOLIDATED INCOME STATEMENT

In millions of Reais

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2016	**JUN 2015**	**MAR 2016**	**JUN 2016**	**JUN 2015**
Net sales	16,588.2	15,975.4	16,869.3	33,457.6	31,093.7
Cost of sales and services	(15,504.3)	(15,072.9)	(15,812.4)	(31,316.7)	(29,169.7)
Gross profit	1,084.0	902.5	1,056.9	2,140.9	1,924.0
Operating expenses					
Selling	(378.0)	(349.8)	(382.0)	(760.1)	(702.5)

General and administrative	(180.4)	(152.0)	(157.4)	(337.8)	(295.7)
Other operating income (expenses), net	20.7	22.2	26.1	46.9	42.4
Income from sale of assets	(1.4)	2.7	(0.8)	(2.2)	26.5
Operating income	544.8	425.6	542.8	1,087.6	994.8
Equity in earnings (losses) of affiliates	0.3	0.8	0.3	0.6	1.1
EBITDA	717.9	575.7	712.3	1,430.2	1,290.2
Depreciation and amortization	172.7	149.2	169.3	342.0	294.4
RATIOS					
Gross margin (R$/m3)	182	140	178	180	153
Operating margin (R$/m3)	92	66	91	92	79
EBITDA margin (R$/m3)	121	89	120	120	103
EBITDA margin (%)	4.3%	3.6%	4.2%	4.3%	4.1%

Table of Contents

OXITENO

CONSOLIDATED INVESTED CAPITAL

In millions of Reais

	QUARTERS ENDED IN		
	JUN 2016	**JUN 2015**	**MAR 2016**
OPERATING ASSETS			
Trade accounts receivable	497.5	479.1	535.3
Inventories	637.9	579.8	596.6
Taxes	83.5	106.1	83.9
Other	134.2	120.3	139.3
Property, plant and equipment, intangibles and investments	1,677.2	1,695.6	1,713.6
TOTAL OPERATING ASSETS	**3,030.3**	**2,980.9**	**3,068.6**
OPERATING LIABILITIES			
Suppliers	140.5	156.0	164.5
Payroll and related charges	65.8	85.1	72.2
Taxes	39.5	39.0	41.1
Judicial provisions	107.5	98.0	106.0
Other accounts payable	33.9	25.3	33.4
TOTAL OPERATING LIABILITIES	**387.1**	**403.3**	**417.2**

OXITENO

CONSOLIDATED INCOME STATEMENT

In millions of Reais

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2016	**JUN 2015**	**MAR 2016**	**JUN 2016**	**JUN 2015**
Net sales	908.9	1,011.7	1,004.0	1,913.0	1,864.4
Cost of goods sold					
Variable	(560.2)	(564.3)	(580.4)	(1,140.6)	(1,050.9)
Fixed	(87.4)	(86.7)	(81.8)	(169.3)	(170.9)
Depreciation and amortization	(35.3)	(32.4)	(34.0)	(69.3)	(63.8)
Gross profit	226.0	328.3	307.7	533.8	578.8
Operating expenses					

Selling	(67.6)	(84.2)	(69.6)	(137.2)	(155.8)
General and administrative	(81.9)	(78.4)	(78.4)	(160.2)	(147.0)
Other operating income (expenses), net	1.2	(1.2)	0.3	1.4	(1.3)
Income from sale of assets	0.2	0.1	0.2	0.3	0.3
Operating income	77.9	164.5	160.2	238.1	275.1
Equity in earnings (losses) of affiliates	0.2	2.6	0.4	0.6	1.6
EBITDA	116.8	203.0	198.3	315.2	347.6
Depreciation and amortization	38.8	35.9	37.7	76.5	70.8
RATIOS					
Gross margin (R$/ton)	1,230	1,705	1,695	1,462	1,574
Gross margin (US$/ton)	351	555	434	394	530
Operating margin (R$/ton)	424	854	883	652	748
Operating margin (US$/ton)	121	278	226	176	252
EBITDA margin (R$/ton)	636	1,054	1,092	863	945
EBITDA margin (US$/ton)	181	343	279	233	319

21

Table of Contents

ULTRAGAZ

CONSOLIDATED INVESTED CAPITAL

In millions of Reais

	QUARTERS ENDED IN		
	JUN 2016	JUN 2015	MAR 2016
OPERATING ASSETS			
Trade accounts receivable	258.5	204.2	234.0
Trade accounts receivable - noncurrent portion	34.1	27.8	26.1
Inventories	75.7	61.7	82.9
Taxes	61.4	49.1	55.8
Escrow deposits	201.9	193.0	202.3
Other	53.8	51.0	51.0
Property, plant and equipment, intangibles and investments	925.7	832.0	902.2
TOTAL OPERATING ASSETS	**1,611.2**	**1,418.6**	**1,554.3**
OPERATING LIABILITIES			
Suppliers	52.3	37.6	49.0
Payroll and related charges	95.1	84.8	78.5
Taxes	8.4	6.8	7.0
Judicial provisions	102.2	93.7	101.4
Other accounts payable	34.4	30.1	33.0
TOTAL OPERATING LIABILITIES	**292.4**	**252.9**	**269.0**

ULTRAGAZ

CONSOLIDATED INCOME STATEMENT

In millions of Reais

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2016	JUN 2015	MAR 2016	JUN 2016	JUN 2015
Net sales	1,343.0	1,122.0	1,232.6	2,575.6	2,159.9
Cost of sales and services	(1,124.4)	(953.4)	(1,024.5)	(2,148.9)	(1,836.0)
Gross profit	218.6	168.6	208.1	426.7	323.9
Operating expenses					
Selling	(97.4)	(91.7)	(92.9)	(190.3)	(168.0)

General and administrative	(51.6)	(39.4)	(47.6)	(99.3)	(78.2)
Other operating income (expenses), net	0.3	0.9	1.0	1.3	0.8
Income from sale of assets	(0.7)	(0.5)	0.7	(0.0)	(2.3)
Operating income	69.1	38.0	69.3	138.4	76.2
Equity in earnings (losses) of affiliates	(0.0)	(0.1)	0.0	(0.0)	(0.1)
EBITDA	108.4	72.8	108.5	216.9	145.1
Depreciation and amortization	39.3	34.9	39.2	78.5	69.0
RATIOS					
Gross margin (R$/ton)	489	392	511	500	389
Operating margin (R$/ton)	155	88	170	162	91
EBITDA margin (R$/ton)	243	169	267	254	174

Table of Contents

ULTRACARGO

CONSOLIDATED INVESTED CAPITAL

In millions of Reais

	QUARTERS ENDED IN		
	JUN 2016	JUN 2015	MAR 2016
OPERATING ASSETS			
Trade accounts receivable	37.8	25.6	27.5
Inventories	6.8	2.6	6.6
Taxes	0.4	9.9	2.8
Other[1]	159.5	32.2	163.5
Property, plant and equipment, intangibles and investments	899.0	905.6	895.2
TOTAL OPERATING ASSETS	**1,103.5**	**976.0**	**1,095.6**
OPERATING LIABILITIES			
Suppliers	16.6	17.5	12.7
Payroll and related charges	15.4	14.5	17.9
Taxes	5.1	5.9	3.5
Judicial provisions	13.9	12.7	13.7
Other accounts payable[2]	83.5	41.1	157.3
TOTAL OPERATING LIABILITIES	**134.5**	**91.7**	**205.2**

[1] Trade receivables - indemnification insurance company

[2] Includes the long term obligations with clients account and the extra amount related to the acquisition of Temmar, in the port of Itaqui and payables - indemnification clients

ULTRACARGO

CONSOLIDATED INCOME STATEMENT

In millions of Reais

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2016	JUN 2015	MAR 2016	JUN 2016	JUN 2015
Net sales	85.2	73.4	81.0	166.2	165.7
Cost of sales and services	(49.5)	(35.4)	(47.4)	(97.0)	(70.0)

Gross profit	35.7	38.0	33.5	69.2	95.7
Operating expenses					
Selling	(1.4)	(1.4)	(1.9)	(3.3)	(3.4)
General and administrative	(21.1)	(21.9)	(17.7)	(38.8)	(41.8)
Other operating income (expenses), net	18.1	(74.1)	8.0	26.1	(72.6)
Income from sale of assets	0.0	(0.0)	0.0	0.0	(0.0)
Operating income	31.2	(59.4)	22.0	53.2	(22.2)
Equity in earnings (losses) of affiliates	(0.2)	0.2	(0.0)	(0.3)	0.3
EBITDA	41.8	(48.8)	32.6	74.4	(1.1)
Depreciation and amortization	10.8	10.4	10.7	21.5	20.8
RATIOS					
Gross margin	42%	52%	41%	42%	58%
Operating margin	37%	-81%	27%	32%	-13%
EBITDA margin	49%	-67%	40%	45%	-1%

Table of Contents

EXTRAFARMA

CONSOLIDATED INVESTED CAPITAL

In millions of Reais

	QUARTERS ENDED IN		
	JUN 2016	**JUN 2015**	**MAR 2016**
OPERATING ASSETS			
Trade accounts receivable	129.5	123.6	124.0
Inventories	334.5	225.4	340.0
Taxes	82.3	63.9	81.8
Other	16.1	12.1	15.2
Property, plant and equipment, intangibles and investments[1]	955.3	125.9	936.9
TOTAL OPERATING ASSETS	**1,517.6**	**550.9**	**1,497.9**
OPERATING LIABILITIES			
Suppliers	124.1	102.4	157.2
Payroll and related charges	36.7	34.1	32.8
Taxes	9.2	10.7	9.1
Judicial provisions	59.2	55.5	60.4
Other accounts payable	13.5	16.1	13.5
TOTAL OPERATING LIABILITIES	**242.8**	**218.8**	**273.0**

[1] Includes the Goodwill as a result of the association with Extrafarma amounted to R$ 661.6 million. See note 3.b to financial statements as from December 31, 2015

EXTRAFARMA

CONSOLIDATED INCOME STATEMENT

In millions of Reais

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2016	**JUN 2015**	**MAR 2016**	**JUN 2016**	**JUN 2015**
Gross revenues	409.0	358.9	372.1	781.1	696.6
Sales returns, discounts and taxes	(22.1)	(20.4)	(21.8)	(43.9)	(39.5)
Net sales	386.9	338.6	350.2	737.1	657.1

Cost of sales and services	(257.9)	(233.3)	(238.4)	(496.3)	(454.8)
Gross profit	129.0	105.3	111.9	240.8	202.3
Operating expenses	(126.7)	(102.8)	(116.5)	(243.1)	(199.9)
Other operating income (expenses), net	(0.1)	1.1	(0.0)	(0.1)	1.1
Income from sale of assets	(0.1)	(0.0)	0.0	(0.1)	0.1
Operating income	2.0	3.5	(4.6)	(2.6)	3.6
EBITDA	12.3	8.9	5.2	17.5	14.1
Depreciation and amortization	10.2	5.4	9.8	20.1	10.5
RATIOS[1]					
Gross margin (%)	32%	29%	30%	31%	29%
Operating margin (%)	0%	1%	-1%	0%	1%
EBITDA margin (%)	3%	2%	1%	2%	2%

[2] Calculated based on gross revenues

Table of Contents

ULTRAPAR

PARTICIPAÇÕES S/A LOANS

In millions of Reais - IFRS

LOANS			**Balance in June/2016[1]**							
Foreign Currency	**Ipiranga**	**Oxiteno**	**Ultragaz**	**Ultracargo**	**Extrafarma**	**Ultrapar Parent Company / Others**	**Ultrapar Consolidated**	**Index/ Currency**	**Weighted average interest rate (% p.y.)[2]**	**Maturity**
Foreign loan[3]	906.5						906.5	US$+LIBOR	+0.7	2017 to 2018
Foreign loan[5]	472.2						472.2	US$	+2.1	2017 to 2018
Foreign loan		230.7	96.5				327.2	US$+LIBOR	+1.4	2017 to 2018
Financial institutions		192.9					192.9	US$+LIBOR	+2.7	2016 to 2021
Advances on foreign exchange contracts		150.8					150.8	US$	+2.6	< 329 days
Financial institutions		114.7					114.7	US$	+2.7	2016 to 2017
Foreign currency advances delivered		47.9					47.9	US$	+1.7	< 117 days
Financial institutions		21.0					21.0	MX$+ TIIE	+1.0	2016 to 2017
BNDES	1.4	8.8	1.6				11.9	US$	+6.0	2016 to 2020
Subtotal	**1,380.1**	**766.8**	**98.1**				**2,245.0**			
Local Currency										
Banco do Brasil floating rate	2,874.5						2,874.5	CDI	107.5	2017 to 2022
Debentures IPP	1,914.3						1,914.3	CDI	107.1	2017 to 2021
Debentures 5th issuance						833.2	833.2	CDI	108.3	2018
BNDES	145.9	51.3	123.7	46.5			367.3	TJLP	+2.8	2016 to 2021
Export Credit Note floating rate		158.6					158.6	CDI	101.5	2018
BNDES	31.4	6.3	24.5				62.1	SELIC	+2.3	2016 to 2021
Banco do Nordeste do Brasil		26.5		30.1			56.6	R$	+8.5	2016 to 2021
Research and projects financing (FINEP)	19.9	35.2					55.2	R$	+4.0	2016 to 2021
Financial leasing			49.7				49.7	IGPM	+5.6	2016 to 2031
BNDES	32.5	2.4	9.0	0.6	0.8		45.3	R$	+5.1	2016 to 2022
	2.2	5.7	2.7				10.6	TJLP	-1.4	2016 to 2023

Research and projects financing (FINEP)										
Export Credit Note[4]		10.1					10.1	R$	+8.0	2016
Working capital loan fixed rate					0.3		0.3	R$	+10.0	2016
Financial leasing floating rate					0.2		0.2	CDI	+2.8	2016 to 2017
Agency for Financing Machinery and Equipment (FINAME)					0.2		0.2	TJLP	+5.7	2016 to 2022
Financial leasing fixed rate					0.1		0.1	R$	+15.6	2016 to 2017
Subtotal	**5,020.8**	**296.1**	**209.5**	**77.2**	**1.5**	**833.2**	**6,438.4**			
Unrealized losses on swaps transactions	222.9	16.1	0.2	0.0			239.2			
Total	**6,623.8**	**1,079.1**	**307.8**	**77.2**	**1.5**	**833.2**	**8,922.6**			
Composition per maturity										
Up to 1 year	449.0	640.8	55.9	30.5	1.1	33.5	1,210.8			
From 1 to 2 years	1,655.8	219.3	41.5	19.8	0.2	799.7	2,736.4			
From 2 to 3 years	3,134.2	61.6	136.5	8.8	0.2		3,341.2			
From 3 to 4 years	538.0	77.9	26.1	8.8	0.0		650.8			
From 4 to 5 years	510.1	74.0	10.7	7.4	0.0		602.2			
Thereafter	336.7	5.5	37.0	2.0	0.0		381.2			
Total	**6,623.8**	**1,079.1**	**307.8**	**77.2**	**1.5**	**833.2**	**8,922.6**			

Libor = London Interbank Offered Rate / MX$ = Mexican Peso / TIIE = Mexican Interbank Interest Rate Even / CDI = interbank certificate of deposit rate / TJLP = basic financing cost of BNDES (set by National Monetary Council). On June 30, 2016, TJLP was fixed at 7.5% p.a. / IGPM = General Index of Market Prices / SELIC = base interest rate set by Brazilian Central Bank

	Balance in June/2016[1]						
	Ipiranga	**Oxiteno**	**Ultragaz**	**Ultracargo**	**Extrafarma**	**Ultrapar Parent Company / Other**	**Ultrapar Consolidated**
CASH AND LONG TERM INVESTMENTS	1,768.9	1,126.5	173.9	194.2	25.7	127.6	3,416.7

[1] As provided in IAS 39, transaction costs incurred in obtaining financial resources were deducted from the value of the financial instrument.

[2] Certain loans are hedged against foreign currency and interest rate exposure (see note 30 to financial statements).

[3] For this loan, a hedging instrument was hired with the objective of swapping the fixed to floating rate, equivalent to 102.66% of CDI on average.

[4] For this loan, a hedging instrument was hired with the objective of swapping the fixed to floating rate, equivalent to 79.90% of CDI on average.

[5] For this loan, a hedging instrument was hired with the objective of swapping the fixed to floating rate, equivalent to 100.63% of CDI on average.

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly Traded Company

CNPJ nr 33.256.439/0001- 39 NIRE 35.300.109.724

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS (07/2016)

Date, Time and Location:

August 10, 2016, at 2:30 p.m., at the Company s headquarters, located at Av. Brigadeiro Luís Antônio, nº 1,343, 9th floor, in the City and State of São Paulo.

Attendance:

(i) Members of the Board of Directors; and (ii) member of the Fiscal Council, pursuant to the terms of paragraph 3 of article 163 of the Brazilian Corporate Law.

Decisions:

1. After having analyzed and discussed the performance of the Company in the second quarter of the current fiscal year, the respective financial statements were approved.

2. Ad referendum of the Annual General Shareholders Meeting that will analyze the balance sheet and financial statements of the current fiscal year, to approve the distribution of dividends, to be payable from the net earnings account of the current year, in the total amount of R$ 434,618,992.00 (four hundred and thirty-four million, six hundred and eighteen thousand, nine hundred and ninety-two Reais). Holders of common shares are entitled to receive R$ 0.80 (eighty cents of Real) per share, excluding the shares held in treasury at this date.

Table of Contents

(Minutes of the Meeting of the Board of Directors Ultrapar Participações S.A., held on August 10, 2016)

3. It has also been determined that dividends declared herein will be paid from August 26, 2016 onwards, without remuneration or monetary adjustment. The record date to establish the right to receive the approved dividends will be August 17, 2016 in Brazil and August 22, 2016, in the United States of America.

4. The members of the Board of Directors were updated on strategic and expansion projects of the Company.

5. The members of the Board of Directors were updated on financing alternatives for the Company.

6. The members of the Board of Directors approved the hiring of Deloitte Touche Tohmatsu Brasil to provide audit services for the financial statements of the current fiscal year, according to the proposal presented by the Executive Officers and the Fiscal Council of the Company.

7. The members of the Board of Directors approved, in accordance with Ultrapar s Investment Approval Policy, the investment proposal to add new service stations to Ipiranga network, the Company s business in the fuel distribution.

Observations: The deliberations were approved, with no amendments or qualifications, by all the Board Members present.

As there were no further matters to be discussed, the meeting was closed, the minutes of this meeting were written, read and approved by all the undersigned members present, as well as by the members of the Fiscal Council.

Paulo Guilherme Aguiar Cunha Chairman

Lucio de Castro Andrade Filho Vice Chairman

Alexandre Gonçalves Silva

Carlos Tadeu da Costa Fraga

Jorge Marques de Toledo Camargo

José Maurício Pereira Coelho

Nildemar Secches

Olavo Egydio Monteiro de Carvalho

Pedro Wongtschowski

Member of the Fiscal Council:

Mario Probst

Table of Contents

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly-Traded Company

CNPJ nr 33.256.439/0001- 39

NIRE 35.300.109.724

NOTICE TO SHAREHOLDERS

Distribution of dividends

We hereby inform that the Board of Directors of Ultrapar Participações S.A. (Ultrapar), at the meeting held on this date, approved the distribution of dividends, payable from the net earnings account for the fiscal year of 2016, in the amount of R$ 434,618,992.00 (four hundred and thirty-four million, six hundred and eighteen thousand, nine hundred and ninety-two Reais), to be paid from August 26, 2016 onwards, without remuneration or monetary adjustment.

Holders of common shares issued by Ultrapar as of the record dates informed below will receive the dividend of R$ 0.80 per share.

The record date to establish the right to receive the dividend will be August 17, 2016 in Brazil, and August 22, 2016 in the United States of America. Therefore, from August 18, 2016 onwards, the shares will be traded ex-dividend on both the São Paulo Stock Exchange (BM&FBOVESPA) and the New York Stock Exchange (NYSE).

São Paulo, August 10, 2016.

André Pires de Oliveira Dias

Chief Financial and Investor Relations Officer

ULTRAPAR PARTICIPAÇÕES S.A.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 10, 2016

ULTRAPAR HOLDINGS INC.

By: /s/ Andre Pires de Oliveira Dias
Name: Andre Pires de Oliveira Dias

Title: Chief Financial and Investor Relations Officer

(Individual and Consolidated Interim Financial Information for the Three-Month Period Ended June 30, 2016 Report on Review of Interim Financial Information, 2Q16 Earnings release, Board of Directors Minutes and notice to shareholders)