

ULTRAPAR HOLDINGS INC  
Form 6-K  
May 15, 2014

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Form 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report Of Foreign Private Issuer  
Pursuant To Rule 13a-16 Or 15d-16 Of  
The Securities Exchange Act Of 1934

For the month of May, 2014

Commission File Number: 001-14950

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

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

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

|        |      |
|--------|------|
| Form X | Form |
| 20-F   | 40-F |

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

|     |    |   |
|-----|----|---|
| Yes | No | X |
|-----|----|---|

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

|     |    |   |
|-----|----|---|
| Yes | No | X |
|-----|----|---|

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ULTRAPAR HOLDINGS INC.

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Item 1

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

Ultrapar Participações S.A.

Individual and Consolidated  
Interim Financial Information  
for the Three-Month Period Ended  
March 31, 2014 and  
Report on Review of Interim  
Financial Information

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Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated Interim Financial Information  
for the Three-Month Period Ended March 31, 2014

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

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Board of Directors and Management of  
Ultrapar Participações S.A.  
São Paulo - SP

### Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Ultrapar Participações S.A. (the “Company”), identified as Parent and Consolidated, respectively, included in the Interim Financial Information Form (ITR), for the three-month period ended March 31, 2014, which comprises the balance sheet as of March 31, 2014 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company’s Management is responsible for the preparation of the individual interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Information and the consolidated interim financial information in accordance with CPC 21 (R1) and the 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 individual interim financial information

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

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

#### Conclusion on consolidated interim financial information

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

#### Other matters

#### Statements of value added

We have also reviewed the individual and consolidated statements of value added, for the three-month period ended March 31, 2014, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards - IFRSs, which do not require the presentation of these statements. These statements were subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

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

São Paulo, May 14, 2014

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Edimar Facco  
Engagement Partner

## Ultrapar Participações S.A. and Subsidiaries

## Balance sheets

as of March 31, 2014 and December 31, 2013

(In thousands of Brazilian Reais)

| Assets  | Note      | Parent           |                  | Consolidated      |                   |
|---|-----------|------------------|------------------|-------------------|-------------------|
|   |           | 03/31/2014       | 12/31/2013       | 03/31/2014        | 12/31/2013        |
| <b>Current assets</b>                         |           |                  |                  |                   |                   |
| Cash and cash equivalents                     | 4         | 65,876           | 110,278          | 2,156,241         | 2,276,069         |
| Financial investments                         | 4         | 1,277            | 264              | 1,028,073         | 1,149,132         |
| Trade receivables, net                        | 5         | -                | -                | 2,450,437         | 2,321,537         |
| Inventories, net                              | 6         | -                | -                | 2,007,917         | 1,592,513         |
| Recoverable taxes, net                        | 7         | 19,926           | 27,067           | 494,666           | 479,975           |
| Dividends receivable                          |           | 51,412           | 296,918          | 177               | 177               |
| Other receivables                             |           | 1,720            | 1,349            | 41,443            | 19,361            |
| Prepaid expenses, net                         | 10        | -                | 1,907            | 96,775            | 65,177            |
| <b>Total current assets</b>                   |           | <b>140,211</b>   | <b>437,783</b>   | <b>8,275,729</b>  | <b>7,903,941</b>  |
| <b>Non-current assets</b>                     |           |                  |                  |                   |                   |
| Financial investments                         | 4         | -                | -                | 109,891           | 118,499           |
| Trade receivables, net                        | 5         | -                | -                | 125,241           | 124,478           |
| Related parties                               | 8.a       | 762,653          | 772,194          | 10,858            | 10,858            |
| Deferred income and social contribution taxes | 9.a       | 6,796            | 395              | 414,797           | 376,132           |
| Recoverable taxes, net                        | 7         | 33,927           | 21,464           | 47,031            | 37,365            |
| Escrow deposits                               | 23        | 149              | 148              | 639,459           | 614,912           |
| Other receivables                             |           | -                | -                | 7,294             | 6,634             |
| Prepaid expenses, net                         | 10        | -                | -                | 106,488           | 97,805            |
|   |           | <b>803,525</b>   | <b>794,201</b>   | <b>1,461,059</b>  | <b>1,386,683</b>  |
| <b>Investments</b>                            |           |                  |                  |                   |                   |
| In subsidiaries                               | 11.a      | 7,022,210        | 6,112,193        | -                 | -                 |
| In joint-ventures                             | 11.a;11.b | 23,100           | 22,751           | 50,630            | 44,386            |
| In associates                                 | 11.c      | -                | -                | 11,930            | 11,741            |
| Other   |           | -                | -                | 2,814             | 2,814             |
| Property, plant and equipment, net            | 12        | -                | -                | 4,876,392         | 4,860,225         |
| Intangible assets, net                        | 13        | 246,163          | 246,163          | 2,958,264         | 2,168,755         |
|   |           | <b>7,291,473</b> | <b>6,381,107</b> | <b>7,900,030</b>  | <b>7,087,921</b>  |
| <b>Total non-current assets</b>               |           | <b>8,094,998</b> | <b>7,175,308</b> | <b>9,361,089</b>  | <b>8,474,604</b>  |
| <b>Total assets</b>                           |           | <b>8,235,209</b> | <b>7,613,091</b> | <b>17,636,818</b> | <b>16,378,545</b> |

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





## Ultrapar Participações S.A. and Subsidiaries

## Balance sheets

as of March 31, 2014 and December 31, 2013

(In thousands of Brazilian Reais)

| Liabilities   | Note | Parent         |                | Consolidated     |                  |
|---|------|----------------|----------------|------------------|------------------|
|   |      | 03/31/2014     | 12/31/2013     | 03/31/2014       | 12/31/2013       |
| <b>Current liabilities</b>                              |      |                |                |                  |                  |
| Loans   | 14   | -              | -              | 934,698          | 1,767,824        |
| Debentures  | 14.g | 799,840        | 53,287         | 841,180          | 60,377           |
| Finance leases  | 14.j | -              | -              | 3,044            | 1,788            |
| Trade payables  | 15   | 655            | 1,133          | 975,493          | 968,950          |
| Salaries and related charges                            | 16   | 141            | 141            | 226,279          | 297,654          |
| Taxes payable   | 17   | 60             | 24             | 119,965          | 116,322          |
| Dividends payable                                       | 20.g | 11,594         | 237,938        | 15,897           | 242,207          |
| Income and social contribution taxes payable            |      | -              | 559            | 95,947           | 113,922          |
| Subscription warrants – working capital                 | 3.a  | 44,005         | -              | 44,005           | -                |
| Post-employment benefits                                | 24.b | -              | -              | 11,922           | 11,922           |
| Provision for assets retirement obligation              | 18   | -              | -              | 4,416            | 3,449            |
| Provision for tax, civil and labor risks                | 23.a | -              | -              | 68,061           | 69,306           |
| Other payables  |      | 604            | 320            | 53,706           | 93,040           |
| Deferred revenue  | 19   | -              | -              | 21,612           | 17,731           |
| <b>Total current liabilities</b>                        |      | <b>856,899</b> | <b>293,402</b> | <b>3,416,225</b> | <b>3,764,492</b> |
| <b>Non-current liabilities</b>                          |      |                |                |                  |                  |
| Loans   | 14   | -              | -              | 4,388,762        | 3,697,999        |
| Debentures  | 14.g | -              | 799,197        | 1,398,719        | 1,399,035        |
| Finance leases  | 14.j | -              | -              | 43,016           | 42,603           |
| Related parties   | 8.a  | -              | -              | 3,870            | 3,872            |
| Subscription warrants – indemnification                 | 3.a  | 115,099        | -              | 115,099          | -                |
| Deferred income and social contribution taxes           | 9.a  | -              | -              | 84,407           | 101,499          |
| Provision for tax, civil and labor risks                | 23.a | 535            | 531            | 633,820          | 569,714          |
| Post-employment benefits                                | 24.b | -              | -              | 103,173          | 99,374           |
| Provision for assets retirement obligation              | 18   | -              | -              | 65,031           | 66,212           |
| Other payables  |      | -              | -              | 83,390           | 77,725           |
| Deferred revenue  | 19   | -              | -              | 9,394            | 9,134            |
| <b>Total non-current liabilities</b>                    |      | <b>115,634</b> | <b>799,728</b> | <b>6,928,681</b> | <b>6,067,167</b> |
| <b>Shareholders' equity</b>                             |      |                |                |                  |                  |
| Share capital   | 20.a | 3,838,686      | 3,696,773      | 3,838,686        | 3,696,773        |
| Capital reserve   | 20.c | 526,087        | 20,246         | 526,087          | 20,246           |
| Revaluation reserve                                     | 20.d | 6,043          | 6,107          | 6,043            | 6,107            |
| Profit reserves   | 20.e | 2,706,632      | 2,706,632      | 2,706,632        | 2,706,632        |
| Treasury shares   | 20.b | (111,521)      | (114,885)      | (111,521)        | (114,885)        |
| Additional dividends to the minimum mandatory dividends | 20.g | -              | 161,584        | -                | 161,584          |
| <b>Retained earnings</b>                                |      | <b>246,977</b> | <b>-</b>       | <b>246,977</b>   | <b>-</b>         |

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|  |          |           |           |            |            |
|--|----------|-----------|-----------|------------|------------|
|  | 2.c;2.o; |           |           |            |            |
| Valuation adjustments                      | 20.f     | 5,476     | 5,428     | 5,476      | 5,428      |
| Cumulative translation adjustments         | 2.r;20.f | 44,296    | 38,076    | 44,296     | 38,076     |
| Shareholders' equity attributable to:      |          |           |           |            |            |
| Shareholders of the Company                |          | 7,262,676 | 6,519,961 | 7,262,676  | 6,519,961  |
| Non-controlling interests in subsidiaries  |          | -         | -         | 29,236     | 26,925     |
| Total shareholders' equity                 |          | 7,262,676 | 6,519,961 | 7,291,912  | 6,546,886  |
| Total liabilities and shareholders' equity |          | 8,235,209 | 7,613,091 | 17,636,818 | 16,378,545 |

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

## Ultrapar Participações S.A. and Subsidiaries

## Income statements

For the period ended March 31, 2014 and 2013

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

|  | Note    | Parent     |            | Consolidated |              |
|--|---------|------------|------------|--------------|--------------|
|  |         | 03/31/2014 | 03/31/2013 | 03/31/2014   | 03/31/2013   |
| Net revenue from sales and services  | 25      | -          | -          | 15,946,864   | 13,599,968   |
| Cost of products and services sold   | 26      | -          | -          | (14,674,871) | (12,536,382) |
| Gross profit   |         | -          | -          | 1,271,993    | 1,063,586    |
| Operating income (expenses)  |         |            |            |              |              |
| Selling and marketing  | 26      | -          | -          | (504,836)    | (414,646)    |
| General and administrative   | 26      | (19,276)   | (2,854)    | (303,900)    | (243,713)    |
| Income from disposal of assets   | 28      | -          | -          | 7,028        | 5,534        |
| Other operating income, net  | 27      | -          | 2,903      | 20,014       | 15,713       |
| Operating income before financial income (expenses) and share of profit of subsidiaries and joint ventures |         | (19,276)   | 49         | 490,299      | 426,474      |
| Financial income   | 29      | 29,996     | 20,541     | 90,426       | 52,937       |
| Financial expenses   | 29      | (30,683)   | (17,120)   | (205,195)    | (113,559)    |
| Share of profit of subsidiaries, joint ventures and associates   | 11      | 260,485    | 252,993    | (2,567)      | (1,959)      |
| Income before income and social contribution taxes   |         | 240,522    | 256,463    | 372,963      | 363,893      |
| Income and social contribution taxes   |         |            |            |              |              |
| Current  | 9.b     | -          | (11,591)   | (152,875)    | (119,643)    |
| Deferred   | 9.b     | 6,401      | (35)       | 15,815       | (7,802)      |
| Tax incentives   | 9.b;9.c | -          | -          | 13,372       | 10,077       |
|  |         | 6,401      | (11,626)   | (123,688)    | (117,368)    |
| Net income for the period  |         | 246,923    | 244,837    | 249,275      | 246,525      |
| Net income for the period attributable to:   |         |            |            |              |              |
| Shareholders of the Company  |         | 246,923    | 244,837    | 246,923      | 244,837      |
| Non-controlling interests in subsidiaries  |         | -          | -          | 2,352        | 1,688        |
| Earnings per share (based on weighted average of shares outstanding) – R\$                                 |         |            |            |              |              |
| Basic  | 30      | 0.4550     | 0.4585     | 0.4550       | 0.4585       |

|         |    |        |        |        |        |
|---------|----|--------|--------|--------|--------|
| Diluted | 30 | 0.4516 | 0.4564 | 0.4516 | 0.4564 |
|---------|----|--------|--------|--------|--------|

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

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## Ultrapar Participações S.A. and Subsidiaries

## Statements of comprehensive income

For the period ended March 31, 2014 and 2013

(In thousands of Brazilian Reais)

|  | Note             | Parent<br>03/31/2014 | Parent<br>03/31/2013 | Consolidated<br>03/31/2014 | Consolidated<br>03/31/2013 |
|--|------------------|----------------------|----------------------|----------------------------|----------------------------|
| Net income for the period attributable to shareholders of the Company                              |                  | 246,923              | 244,837              | 246,923                    | 244,837                    |
| Net income for the period attributable to non-controlling interests in subsidiaries                |                  | -                    | -                    | 2,352                      | 1,688                      |
| Net income for the period  |                  | 246,923              | 244,837              | 249,275                    | 246,525                    |
| Items that are subsequently reclassified to profit or loss:  |                  |                      |                      |                            |                            |
| Valuation adjustments for financial instruments  | 2.c;20.f         | 48                   | 19                   | 48                         | 19                         |
| Cumulative translation adjustments, net of hedge of net investments in foreign operation           | 2.c;<br>2.r;20.f | 6,220                | (24,009)             | 6,220                      | (24,009)                   |
| Total comprehensive income for the period  |                  | 253,191              | 220,847              | 255,543                    | 222,535                    |
| Total comprehensive income for the period attributable to shareholders of the Company              |                  | 253,191              | 220,847              | 253,191                    | 220,847                    |
| Total comprehensive income for the period attributable to non-controlling interest in subsidiaries |                  | -                    | -                    | 2,352                      | 1,688                      |

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

Ultrapar Participações S.A. and Subsidiaries  
 Statements of changes in equity  
 For the period ended March 31, 2014 and 2013  
 (In thousands of Brazilian Reais, except dividends per share)

|  | Note      | Share capital | Capital reserve | Revaluation reserve on subsidiaries | Legal reserve | Investments statutory reserve | Retention of profit | Valuation adjustments | Cumulative translation adjustments | Cumulative other comprehensive income | Retained earnings |
|--|-----------|---------------|-----------------|-------------------------------------|---------------|-------------------------------|---------------------|-----------------------|------------------------------------|---------------------------------------|-------------------|
| Balance as of December 31, 2012  |           | 3,696,773     | 20,246          | 6,713                               | 273,842       | 617,641                       | 1,333,066           | (12,615)              | 12,621                             | -                                     |                   |
| Net income for the period  |           | -             | -               | -                                   | -             | -                             | -                   | -                     | -                                  | -                                     | 244,837           |
| Other comprehensive income:  |           |               |                 |                                     |               |                               |                     |                       |                                    |                                       |                   |
| Valuation adjustments for financial instruments  | 2.c; 20.f | -             | -               | -                                   | -             | -                             | -                   | 19                    | -                                  | -                                     | -                 |
| Currency translation of foreign subsidiaries   | 2.r; 20.f | -             | -               | -                                   | -             | -                             | -                   | -                     | (24,009)                           | -                                     | -                 |
| Total comprehensive income for the period  |           | -             | -               | -                                   | -             | -                             | -                   | 19                    | (24,009)                           | -                                     | 244,837           |
| Realization of revaluation reserve   | 20.d      | -             | -               | (65 )                               | -             | -                             | -                   | -                     | -                                  | -                                     | 65                |
| Income and social contribution taxes on realization of revaluation reserve of subsidiaries | 20.d      | -             | -               | -                                   | -             | -                             | -                   | -                     | -                                  | -                                     | (11)              |
| Dividends attributable to non-controlling interests  |           | -             | -               | -                                   | -             | -                             | -                   | -                     | -                                  | -                                     | -                 |
| Approval of additional dividends by the Shareholders' Meeting                              |           | -             | -               | -                                   | -             | -                             | -                   | -                     | -                                  | -                                     | -                 |
| Balance as of March 31, 2013   |           | 3,696,773     | 20,246          | 6,648                               | 273,842       | 617,641                       | 1,333,066           | (12,596)              | (11,388)                           | 244,891                               |                   |



|  |                      | Profit reserve |                 |                                     |               | Cumulative other comprehensive income |                      |                       |                                    |    |
|--|----------------------|----------------|-----------------|-------------------------------------|---------------|---------------------------------------|----------------------|-----------------------|------------------------------------|----|
|  | Note                 | Share capital  | Capital reserve | Revaluation reserve on subsidiaries | Legal reserve | Investments statutory reserve         | Retention of profits | Valuation adjustments | Cumulative translation adjustments | Re |
| Balance as of December 31, 2013  |                      | 3,696,773      | 20,246          | 6,107                               | 335,099       | 1,038,467                             | 1,333,066            | 5,428                 | 38,076                             |    |
| Net income for the period  |                      | -              | -               | -                                   | -             | -                                     | -                    | -                     | -                                  | 2  |
| Other comprehensive income:  |                      |                |                 |                                     |               |                                       |                      |                       |                                    |    |
| Valuation adjustments for financial instruments  | 2.c;<br>20.f         | -              | -               | -                                   | -             | -                                     | -                    | 48                    | -                                  |    |
| Currency translation of foreign subsidiaries hedge of net investments in foreign operation | 2.c;<br>2.r;<br>20.f | -              | -               | -                                   | -             | -                                     | -                    | -                     | 6,220                              |    |
| Total comprehensive income for the period  |                      | -              | -               | -                                   | -             | -                                     | -                    | 48                    | 6,220                              | 2  |
| Increase in share capital  | 3.a;<br>20.a         | 141,913        | -               | -                                   | -             | -                                     | -                    | -                     | -                                  |    |
| Capital surplus on subscription of shares  | 3.a;<br>20.c         | -              | 498,812         | -                                   | -             | -                                     | -                    | -                     | -                                  |    |
| Costs directly attributable to issuing new shares  | 3.a;<br>20.c         | -              | (2,260)         | -                                   | -             | -                                     | -                    | -                     | -                                  |    |
| Sale of treasury shares  |                      | -              | 9,289           | -                                   | -             | -                                     | -                    | -                     | -                                  |    |
| Realization of revaluation reserve   | 20.d                 | -              | -               | (64)                                | -             | -                                     | -                    | -                     | -                                  |    |
| Income and social contribution taxes on realization of revaluation reserve of subsidiaries | 20.d                 | -              | -               | -                                   | -             | -                                     | -                    | -                     | -                                  |    |
| Dividends attributable to non-controlling interests  |                      | -              | -               | -                                   | -             | -                                     | -                    | -                     | -                                  |    |



|   |      |           |         |       |         |           |           |       |        |
|---|------|-----------|---------|-------|---------|-----------|-----------|-------|--------|
| Approval of additional dividends by the Shareholders' Meeting | 20.g | -         | -       | -     | -       | -         | -         | -     | -      |
| Balance as of March 31, 2014                                  |      | 3,838,686 | 526,087 | 6,043 | 335,099 | 1,038,467 | 1,333,066 | 5,476 | 44,296 |

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

## Ultrapar Participações S.A. and Subsidiaries

### Statements of cash flows - Indirect method

For the period ended March 31, 2014 and 2013

(In thousands of Brazilian Reais)

|  | Note  | Parent     |            | Consolidated |            |
|--|-------|------------|------------|--------------|------------|
|  |       | 03/31/2014 | 03/31/2013 | 03/31/2014   | 03/31/2013 |
| Cash flows from operating activities   |       |            |            |              |            |
| Net income for the period  |       | 246,923    | 244,837    | 249,275      | 246,525    |
| Adjustments to reconcile net income to cash provided by operating activities |       |            |            |              |            |
| Share of profit of subsidiaries, joint ventures and associates               | 11    | (260,485)  | (252,993)  | 2,567        | 1,959      |
| Depreciation and amortization  | 12;13 | -          | -          | 214,283      | 189,442    |
| PIS and COFINS credits on depreciation                                       | 12;13 | -          | -          | 3,102        | 3,036      |
| Assets retirement expenses   | 18    | -          | -          | (998)        | (1,056)    |
| Interest, monetary and exchange variations                                   |       | 31,244     | 15,557     | 149,447      | 52,663     |
| Deferred income and social contribution taxes                                | 9.b   | (6,401)    | 35         | (15,815)     | 7,802      |
| Income from disposal of assets   | 28    | -          | -          | (7,028)      | (5,534)    |
| Others   |       | -          | -          | 982          | 2,956      |
| Dividends received from subsidiaries   |       | 516,910    | 4,455      | -            | -          |
| (Increase) decrease in current assets  |       |            |            |              |            |
| Trade receivables  | 5     | -          | -          | (59,564)     | (164,872)  |
| Inventories  | 6     | -          | -          | (249,601)    | (281,878)  |
| Recoverable taxes  | 7     | 7,141      | 10,220     | (1,730)      | 78,513     |
| Other receivables  |       | (370)      | (1,382)    | (18,531)     | (2,365)    |
| Prepaid expenses   | 10    | 1,907      | -          | (27,221)     | (30,835)   |
| Increase (decrease) in current liabilities                                   |       |            |            |              |            |
| Trade payables   | 15    | (478)      | (116)      | (110,659)    | (37,636)   |
| Salaries and related charges   | 16    | -          | (3)        | (87,914)     | (83,061)   |
| Taxes payable  | 17    | 36         | (304)      | 214          | (12,369)   |
| Income and social contribution taxes   |       | -          | -          | 90,852       | 74,013     |
| Provision for tax, civil and labor risks                                     | 23.a  | -          | -          | (1,245)      | 2,500      |
| Other payables   |       | 285        | -          | (46,647)     | (32,034)   |
| Deferred revenue   | 19    | -          | -          | 1,281        | 430        |
| (Increase) decrease in non-current assets                                    |       |            |            |              |            |

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|   |      |          |         |           |          |
|---|------|----------|---------|-----------|----------|
| Trade receivables                                     | 5    | -        | -       | (763)     | 4,011    |
| Recoverable taxes                                     | 7    | (12,463) | (4,374) | (9,666)   | (19,517) |
| Escrow deposits                                       |      | -        | 14      | (23,263)  | (9,420)  |
| Other receivables                                     |      | -        | -       | (661)     | (860)    |
| Prepaid expenses                                      | 10   | -        | -       | 1,153     | 3,614    |
| <b>Increase (decrease) in non-current liabilities</b> |      |          |         |           |          |
| Post-employment benefits                              | 24.b | -        | -       | 3,799     | 3,525    |
| Provision for tax, civil and labor risks              | 23.a | 4        | 2       | 17,907    | (2,498)  |
| Other payables  |      | -        | -       | (1,431)   | (4,771)  |
| Deferred revenue                                      | 19   | -        | -       | 260       | (401)    |
| Income and social contribution taxes paid             |      | (559)    | -       | (108,827) | (78,026) |
| Net cash provided by operating activities             |      | 523,694  | 15,948  | (36,442)  | (96,144) |

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

## Ultrapar Participações S.A. and Subsidiaries

## Statements of cash flows - Indirect method

For the period ended March 31, 2014 and 2013

(In thousands of Brazilian Reais)

|  | Note | 03/31/2014 | Parent<br>03/31/2013 | Consolidated<br>03/31/2014 | Consolidated<br>03/31/2013 |
|--|------|------------|----------------------|----------------------------|----------------------------|
| Cash flows from investing activities   |      |            |                      |                            |                            |
| Financial investments, net of redemptions  |      | (1,013)    | 149                  | 129,667                    | 254,679                    |
| Acquisition of subsidiaries, net   |      | -          | -                    | -                          | (6,168)                    |
| Cash and cash equivalents of acquired subsidiaries                               | 3.a  | -          | -                    | 9,123                      | -                          |
| Acquisition of property, plant and equipment                                     | 12   | -          | -                    | (106,414)                  | (100,343)                  |
| Acquisition of intangible assets   | 13   | -          | -                    | (41,837)                   | (39,039)                   |
| Capital increase in subsidiaries   | 11.a | (123,600)  | -                    | -                          | -                          |
| Capital increase in joint ventures   | 11.b | -          | -                    | (9,000)                    | (9,579)                    |
| Capital reduction to subsidiaries  | 11.a | -          | 700,000              | -                          | -                          |
| Proceeds from disposal of assets   | 28   | -          | -                    | 19,223                     | 17,040                     |
| Net cash provided by (used in) investing activities                              |      |            |                      |                            |                            |
|  |      | (124,613)  | 700,149              | 762                        | 116,590                    |
| Cash flows from financing activities   |      |            |                      |                            |                            |
| Loans and debentures   |      |            |                      |                            |                            |
| Borrowings   | 14   | -          | -                    | 935,978                    | 111,799                    |
| Repayments   | 14   | -          | -                    | (253,557)                  | (164,823)                  |
| Interest paid  | 14   | (75,489)   | (66,665)             | (374,935)                  | (277,064)                  |
| Payment of financial lease   | 14.j | -          | -                    | (1,270)                    | (1,134)                    |
| Dividends paid   |      | (387,928)  | (352,498)            | (387,933)                  | (352,714)                  |
| Sale of treasury shares  |      | 12,653     | -                    | -                          | -                          |
| Costs directly attributable to issuing new shares                                | 20.c | (2,260)    | -                    | (2,260)                    | -                          |
| Related parties  |      | 9,541      | (15,892)             | -                          | -                          |
| Net cash used in financing activities  |      |            |                      |                            |                            |
|  |      | (443,483)  | (435,055)            | (83,977)                   | (683,936)                  |
| Effect of exchange rate changes on cash and cash equivalents in foreign currency |      |            |                      |                            |                            |
|  |      | -          | -                    | (171)                      | 59                         |
|  |      | (44,402)   | 281,042              | (119,828)                  | (663,431)                  |

## Increase (decrease) in cash and cash equivalents

|  |     |         |         |           |           |
|--|-----|---------|---------|-----------|-----------|
| Cash and cash equivalents at the beginning of the period                         | 4   | 110,278 | 76,981  | 2,276,069 | 2,021,114 |
| Cash and cash equivalents at the end of the period                               | 4   | 65,876  | 358,023 | 2,156,241 | 1,357,683 |
| Additional information - transactions that not affect cash and cash equivalents: |     |         |         |           |           |
| Extrafarma acquisition – capital increase and subscription warrants              | 3.a | 791,427 | -       | 791,427   | -         |
| Extrafarma acquisition – gross debt assumed on close date                        | 3.a | 207,911 | -       | 207,911   | -         |

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

## Ultrapar Participações S.A. and Subsidiaries

### Statements of value added

For the period ended March 31, 2014 and 2013

(In thousands of Brazilian Reais, except percentages)

|   | Note | Parent     |   | Consolidated |   |              |   |              |   |
|---|------|------------|---|--------------|---|--------------|---|--------------|---|
|   |      | 03/31/2014 | % | 03/31/2013   | % | 03/31/2014   | % | 03/31/2013   | % |
| <b>Revenue</b>  |      |            |   |              |   |              |   |              |   |
| Gross revenue from sales and services, except rents and royalties | 25   | -          |   | -            |   | 16,400,277   |   | 13,996,250   |   |
| Rebates, discounts and returns                                    | 25   | -          |   | -            |   | (83,590 )    |   | (72,831 )    |   |
| Allowance for doubtful accounts - Reversal (allowance)            |      | -          |   | -            |   | (1,270 )     |   | (501 )       |   |
| Income from disposal of assets                                    | 28   | -          |   | -            |   | 7,028        |   | 5,534        |   |
|   |      | -          |   | -            |   | 16,322,445   |   | 13,928,452   |   |
| <b>Materials purchased from third parties</b>                     |      |            |   |              |   |              |   |              |   |
| Raw materials used  |      | -          |   | -            |   | (850,706 )   |   | (717,804 )   |   |
| Cost of goods, products and services sold                         |      | -          |   | -            |   | (13,768,141) |   | (11,794,341) |   |
| Third-party materials, energy, services and others                |      | (22,833 )  |   | (1,676 )     |   | (457,564 )   |   | (380,750 )   |   |
| Reversal of impairment losses                                     |      | 4,773      |   | 2,903        |   | (538 )       |   | 3,112        |   |
|   |      | (18,060 )  |   | 1,227        |   | (15,076,949) |   | (12,889,783) |   |
| Gross value added   |      | (18,060 )  |   | 1,227        |   | 1,245,496    |   | 1,038,669    |   |
| <b>Deductions</b>   |      |            |   |              |   |              |   |              |   |
| Depreciation and amortization                                     |      | -          |   | -            |   | (214,283 )   |   | (189,442 )   |   |
| PIS and COFINS credits on depreciation                            |      | -          |   | -            |   | (3,102 )     |   | (3,036 )     |   |

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|  |           |         |            |                               |
|--|-----------|---------|------------|-------------------------------|
|  | -         | -       | (217,385 ) | (192,478 )                    |
| Net value added by the Company                                 | (18,060 ) | 1,227   | 1,028,111  | 846,191                       |
| Value added received in transfer                               |           |         |            |                               |
| Share of profit of subsidiaries, joint-ventures and associates |           |         |            |                               |
|  | 11        | 260,485 | 252,993    | (2,567 ) (1,959 )             |
| Rents and royalties  | 25        | -       | -          | 26,126 20,115                 |
| Financial income   | 29        | 29,996  | 20,541     | 90,426 52,937                 |
|  |           | 290,481 | 273,534    | 113,985 71,093                |
| Total value added available for distribution                   |           |         |            |                               |
|  |           | 272,421 | 274,761    | 1,142,096 917,284             |
| Distribution of value added                                    |           |         |            |                               |
| Labor and benefits   | 1,024     | -       | 922        | - 345,737 30 279,793 31       |
| Taxes, fees and contributions                                  | (6,920 )  | (3)     | 13,244     | 5 314,314 28 259,710 28       |
| Financial expenses and rents                                   | 31,394    | 12      | 15,688     | 6 232,770 20 131,256 14       |
| Retained earnings  | 246,923   | 91      | 244,837    | 89 249,275 22 246,525 27      |
| Value added distributed  | 272,421   | 100     | 274,761    | 100 1,142,096 100 917,284 100 |

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

1. Operations

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

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

2. Summary of significant accounting policies

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

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

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

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

a. Recognition of income

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

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

Include 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 instruments

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

- Measured at fair value through profit or loss: financial assets and liabilities held for trading, that is, acquired or incurred principally for the purpose of selling or repurchasing in the near term, and derivatives. The balances are stated at fair value. The interest earned, the exchange variation and changes in fair value are recognized in profit or loss.
- Held to maturity: non-derivative financial assets with fixed or determinable payments, and fixed maturities for which the entity has the positive intention and ability to hold to maturity. The interest earned and the foreign currency exchange variation are recognized in profit or loss, and balances are stated at acquisition cost plus the interest earned, using the effective interest rate method.
- Available for sale: non-derivative financial assets that are designated as available for sale or that are not classified into other categories at initial recognition. The balances are stated at fair value and the interest earned and the foreign currency exchange variation are recognized in profit or loss. Differences between fair value and acquisition cost plus the interest earned are recognized in cumulative other comprehensive income in the shareholders' equity. Accumulated gains and losses recognized in the shareholders' equity are reclassified to profit or loss in case of prepayment.
- Loans and receivables: non-derivative financial assets with fixed or determinable payments or receipts, not quoted in an active market, except: (i) those which the entity intends to sell immediately or in the near term and which the entity classified as measured at fair value through profit or loss; (ii) those classified as available for sale; or (iii) those for which the Company may not recover substantially all of its initial investment for reasons other than credit deterioration. The interest earned and the foreign currency exchange variation are recognized in profit or loss. The balances are stated at acquisition cost plus the interests, using the effective interest rate method. Loans and receivables include cash and banks, trade receivables, dividends receivable and other trade receivables.

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

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

the hedge becomes ineffective.

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

For further detail on financial instruments of the Company and its subsidiaries, see Notes 4, 14, and 22.

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

d. Trade receivables

Trade receivables are recognized at the amount invoiced, adjusted to present value if applicable, including 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 Note 22 - Customer credit risk).

e. Inventories

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

f. Investments

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

Investments in associates in which management has a significant influence or in which it holds 20% or more of the voting stock, or that are under joint control are also accounted for under the equity method of accounting in the individual and consolidated interim financial information (see Note 11).

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

g. Property, plant and equipment

Property, plant and equipment is recognized at acquisition or construction cost, including financial charges incurred on property, plant and equipment under construction, as well as maintenance costs resulting from scheduled plant outages and estimated costs to remove, to decommission or to restore assets (see Note 18).

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

h. Leases

- Finance leases

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

- Operating leases

There are lease transactions where the risks and benefits associated with the ownership of the asset are not transferred and where there is no purchase option or the purchase option at the end of the contract is equivalent to the market value of the leased asset. Payments made under an operating lease contract are recognized as cost or expenses in the income statement on a straight-line basis over the term of the lease contract (see Note 23.g).

i. Intangible assets

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

- Goodwill is carried net of accumulated amortization as of December 31, 2008, when it ceased to be amortized. Goodwill generated since January 1, 2009 is shown as intangible asset corresponding to the positive difference between the amount paid or payable to the seller and the fair value of the identified assets and liabilities assumed of the acquired entity, and is tested annually for impairment. Goodwill is allocated to the respective cash generating units (“CGU”) for impairment testing purposes.
- Bonus disbursements as provided in Ipiranga’s agreements with reseller service stations and major consumers are recognized as distribution rights when paid and amortized using the straight-line method according to the term of the agreement.
- Other intangible assets acquired from third parties, such as software, technology and commercial property rights, are measured at the total acquisition cost and amortized using straight-line method, for the periods mentioned in Note 13, taking into account their useful life, which is reviewed annually.

The Company and its subsidiaries have not recognized intangible assets that were created internally. The Company and its subsidiaries have not recognized intangible assets that have an indefinite useful life, except for goodwill and

the “am/pm” brand.

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Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

j. Other assets

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

k. Financial liabilities

The Company and its subsidiaries' financial liabilities include trade payables and other payables, loans, debentures and hedging instruments. Financial liabilities are classified as "financial liabilities at fair value through profit or loss" or "financial liabilities at amortized cost". The financial liabilities at fair value through profit or loss refer to derivative financial instruments and financial liabilities designated as hedged items in a fair value hedge relationship upon initial recognition (see Note 2.c – fair value hedge). The financial liabilities at amortized cost are stated at the initial transaction amount plus related charges and transaction costs, net of amortization. The charges are recognized in profit or loss using the effective interest rate method (see Note 14.k).

Transaction costs incurred and directly attributable to the activities necessary for contracting loans or for issuing bonds, as well as premiums and discounts upon issuance of debentures and other debt or equity instruments, are allocated to the instrument and amortized to profit or loss over its term, using the effective interest rate method.

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 assets retirement obligation – fuel tanks

The Company and its subsidiaries have the legal obligation to remove Ipiranga's underground fuel tanks located at Ipiranga-branded service stations after a certain period. The estimated cost of the obligation to remove these fuel tanks is recognized as a liability when tanks are installed. The estimated cost is recognized in property, plant and equipment and depreciated over the respective useful life of the tanks. The amounts recognized as a liability are monetarily restated until the respective tank is removed (see Note 18). An increase in the estimated cost of the obligation to remove the tanks could result in negative impact in future results. The estimated removal cost is reviewed and updated annually or when there is significant change in its amount.



n. Provisions for tax, civil and labor risks

A provision for tax, civil and labor risks is recognized for quantifiable risks, when the chance of loss is more-likely-than-not in the opinion of management and internal and external legal counsel, and the amounts are recognized based on evaluation of the outcomes of the legal proceedings (see Note 23 items a,b,c,d).

o. Post-employment benefits

Post-employment benefits granted and to be granted to employees, retirees, and pensioners are based on an actuarial calculation prepared by an independent actuary, using the projected unit credit method (see Note 24.b). The actuarial gains and losses are recognized in other comprehensive income and presented in the shareholder's equity. Past service cost is recognized through the income statement.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## p. Other liabilities

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

## q. Foreign currency transactions

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

## r. Basis for translation of interim financial information of foreign subsidiaries

Assets and liabilities of the foreign subsidiaries, denominated in currencies other than that of the Company (functional currency: Brazilian Real), which have administrative autonomy, are translated using the exchange rate at the end of the reporting period. Revenues and expenses are translated using the average exchange rate of each period and shareholders' equity are translated at the historic exchange rate of each transaction affecting shareholders' equity. Gains and losses resulting from changes in these foreign investments are directly recognized in the shareholders' equity as cumulative translation adjustments and will be recognized in profit or loss if these investments are disposed of. The recognized balance in cumulative other comprehensive income and presented in the shareholders' equity as cumulative translation adjustments as of March 31, 2014 was a gain of R\$ 44,296 (gain of R\$ 38,076 as of December 31, 2013).

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

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

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

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

Assets and liabilities of the other foreign subsidiaries, which do not have administrative autonomy, are considered as 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 loss recognized in income for the three-month period ended March 31, 2014 amounted to R\$ 1,872 (R\$ 637 loss for the three-month period ended March 31, 2013).

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

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, Company and subsidiaries' management use the best information available at the time of preparation of the interim financial information, as well as the experience of past and current events, also considering assumptions regarding future events. The interim financial information therefore include estimates, assumptions and judgments related mainly to determining the fair value of financial instruments (Notes 4, 14 and 22), the determination of the allowance for doubtful accounts (Notes 5 and 22), the determination of provisions for losses of inventories (Note 6), the determination of deferred income taxes amounts (Note 9), the useful life of property, plant and equipment (Note 12), the useful life of intangible assets and the determination of the recoverable amount of goodwill (Note 13), provisions for assets retirement obligations (Note 18), tax, civil and labor provisions (Note 23 items a,b,c,d) and estimates for the preparation of actuarial reports (Note 24.b). 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 indication that an asset may be impaired. If there is an indication, the Company and its subsidiaries estimate the recoverable amount of the asset. Assets that cannot be evaluated individually are grouped in the smallest group of assets that generate cash flow from continuous use and that are largely independent of cash flows of other assets (CGU). The recoverable amount of assets or CGUs corresponds to the greater of their fair value net of applicable direct selling costs and their value in use.

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

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

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

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 months 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 totalized R\$ 459 as of March 31, 2014 (R\$ 354 as of December 31, 2013).

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

v. Statements of value added

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

w. Adoption of the pronouncements issued by CPC and IFRS

Certain standards, amendments and interpretations to IFRS issued by IASB that have been issued but are not yet effective were not applied as of March 31, 2014, as follows:

|   | Effective date |
|---|----------------|
| • Amendments to IAS 32 – Financial instruments: presentation: provides clarifications on the application of the offsetting rules.   | 2014           |
| • IFRS 9 (and corresponding 2010 and 2013 amendments): – Financial instruments’ classification and measurement: includes new requirements for the classification and measurement of financial assets and liabilities, derecognition requirements, new impairment methodology for financial instruments and new hedge accounting guidance (as issued in November, 2013). | 2015(*)        |

(\*) the amendments issued by the IASB in November, 2013 removed the January 1st, 2015 mandatory effective date.

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

x. Authorization for issuance of the interim financial information

These interim financial information were authorized for issue by the Board of Directors on May 14, 2014.

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

### 3. Principles of consolidation and investments in subsidiaries

The consolidated interim financial information 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 of a company and ceases when the parent company loses control of a company. Income and expenses of a subsidiary acquired are included in the consolidated income statement and other comprehensive income from the date the parent company gains the control. Income and expenses of a subsidiary, in which the parent company loses control, are included in the consolidated income statement and other comprehensive income until the date the parent company loses control.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

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

|   | Location       | % interest in the share |                  |                |                  |
|---|----------------|-------------------------|------------------|----------------|------------------|
|   |                | 03/31/2014              |                  | 12/31/2013     |                  |
|   |                | Direct control          | Indirect control | Direct control | Indirect control |
| Imifarma Produtos Farmacêuticos e Cosméticos S.A.           | Brazil         | 100                     | -                | -              | -                |
| Ipiranga Produtos de Petróleo S.A.                          | Brazil         | 100                     | -                | 100            | -                |
| am/pm Comestíveis Ltda.                                     | Brazil         | -                       | 100              | -              | 100              |
| Centro de Conveniências Millennium Ltda.                    | Brazil         | -                       | 100              | -              | 100              |
| Conveniência Ipiranga Norte Ltda.                           | Brazil         | -                       | 100              | -              | 100              |
| Ipiranga Trading Limited                                    | Virgin Islands | -                       | 100              | -              | 100              |
| Tropical Transportes Ipiranga Ltda.                         | Brazil         | -                       | 100              | -              | 100              |
| Ipiranga Imobiliária Ltda.                                  | Brazil         | -                       | 100              | -              | 100              |
| Ipiranga Logística Ltda.                                    | Brazil         | -                       | 100              | -              | 100              |
| Isa-Sul Administração e Participações Ltda.                 | Brazil         | -                       | 100              | -              | 100              |
| Companhia Ultragaz S.A.                                     | Brazil         | -                       | 99               | -              | 99               |
| Bahiana Distribuidora de Gás Ltda.                          | Brazil         | -                       | 100              | -              | 100              |
| Utingás Armazenadora S.A.                                   | Brazil         | -                       | 57               | -              | 57               |
| LPG International Inc.                                      | Cayman Islands | -                       | 100              | -              | 100              |
| Imaven Imóveis Ltda.  | Brazil         | -                       | 100              | -              | 100              |
| Oil Trading Importadora e Exportadora Ltda.                 | Brazil         | -                       | 100              | -              | 100              |
| Oxiten S.A. Indústria e Comércio                            | Brazil         | 100                     | -                | 100            | -                |
| Oxiten Nordeste S.A. Indústria e Comércio                   | Brazil         | -                       | 99               | -              | 99               |
| Oxiten Argentina Sociedad de Responsabilidad Ltda.          | Argentina      | -                       | 100              | -              | 100              |
| Oleoquímica Indústria e Comércio de Produtos Químicos Ltda. | Brazil         | -                       | 100              | -              | 100              |
| Oxiten Uruguay S.A.   | Uruguay        | -                       | 100              | -              | 100              |
| Barrington S.L.   | Spain          | -                       | 100              | -              | 100              |
| Oxiten México S.A. de C.V.                                  | Mexico         | -                       | 100              | -              | 100              |
| Oxiten Servicios Corporativos S.A. de C.V.                  | Mexico         | -                       | 100              | -              | 100              |
|   | Mexico         | -                       | 100              | -              | 100              |



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Oxiteno Servicios Industriales S.A. de C.V.

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

The percentages in the table above are rounded.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## a) Business combination – acquisition of Extrafarma

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

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

In addition, the Company issued subscription warrants that, if exercised, may lead to the issuance of up to 4,007,031 shares in the future, broken into 801,409 shares related to subscription warrants – working capital and 3,205,622 shares related to subscription warrants – indemnification. The number of shares of the subscription warrants – indemnification is adjusted according to the changes in the amounts of provision for tax, civil and labor risks and contingent liabilities related to the period previous to January 31, 2014. The subscription warrants – working capital and subscription warrants – indemnification are valued based on the share price of Ultrapar (UGPA3) on the reporting date. On March 31, 2014 the subscription warrants totaled:

|   | Number of shares | R\$            |
|---|------------------|----------------|
| Subscription warrants – working capital | 801,409          | 44,005         |
| Subscription warrants – indemnification | 2,360,361        | 115,099        |
| <b>Total</b>                            | <b>3,161,770</b> | <b>159,104</b> |

The temporary purchase price in the amount of R\$ 791,427, subject to the customary final adjustments of working capital, will be allocated among the identified assets acquired and liabilities assumed, measured at fair value. The Company is measuring the open balance, fair value of assets and liabilities and, consequently, the goodwill. The purchase price allocation is being determined and its conclusion is estimated for the second semester of 2014. During the process of identification of assets and liabilities, intangible assets which are not recognized in the acquired entity's books will also be taken into account. The temporary goodwill is R\$ 836,182.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

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

| Current assets                                |           | Current liabilities                          |         |
|---|-----------|--|---------|
| Cash and cash equivalents                     | 9,123     | Loans (1)                                    | 179,818 |
| Trade receivables                             | 68,398    | Trade payables                               | 117,202 |
| Inventories                                   | 164,590   | Salaries and related charges                 | 16,539  |
|   |           | Income and social contribution taxes payable | 3,429   |
| Recoverable taxes                             | 12,961    | Deferred revenue                             | 2,599   |
| Other   | 5,110     | Other  | 6,316   |
|   | 260,182   |  | 325,903 |
| Non-current assets                            |           | Non-current liabilities                      |         |
| Property, plant and equipment                 | 46,832    | Loans (1)                                    | 28,093  |
| Intangible assets                             | 13,723    | Provision for tax, civil and labor risks     | 46,199  |
| Deferred income and social contribution taxes | 40,516    | Other  | 7,096   |
| Escrow deposits                               | 1,283     |  | 81,388  |
| Temporary goodwill                            | 836,182   |  |         |
|   | 938,536   | Total liabilities assumed                    | 407,291 |
| Total assets acquired and temporary goodwill  | 1,198,718 | Consideration transferred                    | 791,427 |

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

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

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

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## 4. Cash and cash equivalents and financial investments

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

The financial assets were classified in Note 22, according to their characteristics and intention of the Company and its subsidiaries.

The balance of cash, cash equivalents and financial investments (consolidated) amounted to R\$ 3,294,205 at March 31, 2014 (R\$ 3,543,700 at December 31, 2013) and are distributed as follows:

## .. Cash and cash equivalents

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

|   | Parent     |            | Consolidated |            |
|---|------------|------------|--------------|------------|
|   | 03/31/2014 | 12/31/2013 | 03/31/2014   | 12/31/2013 |
| Cash and bank deposits                            |            |            |              |            |
| In local currency                                 | 136        | 153        | 189,576      | 136,532    |
| In foreign currency                               | -          | -          | 70,001       | 88,394     |
| Financial investments considered cash equivalents |            |            |              |            |
| In local currency                                 |            |            |              |            |
| Fixed-income securities                           | 65,740     | 110,125    | 1,893,942    | 2,051,143  |
| In foreign currency                               |            |            |              |            |
| Fixed-income securities                           | -          | -          | 2,722        | -          |
| Total cash and cash equivalents                   | 65,876     | 110,278    | 2,156,241    | 2,276,069  |

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## · Financial investments

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

|  | Parent     |            | Consolidated |            |
|--|------------|------------|--------------|------------|
|  | 03/31/2014 | 12/31/2013 | 03/31/2014   | 12/31/2013 |
| Financial investments                              |            |            |              |            |
| In local currency                                  |            |            |              |            |
| Fixed-income securities and funds                  | 1,277      | 264        | 668,936      | 747,256    |
| In foreign currency                                |            |            |              |            |
| Fixed-income securities and funds                  | -          | -          | 375,500      | 368,781    |
| Currency and interest rate hedging instruments (a) | -          | -          | 95,528       | 151,594    |
| Total financial investments                        | 1,277      | 264        | 1,137,964    | 1,267,631  |
| Current  | 1,277      | 264        | 1,028,073    | 1,149,132  |
| Non-current  | -          | -          | 109,891      | 118,499    |

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

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## 5. Trade receivables (Consolidated)

The composition of trade receivables is as follows:

|                                     | 03/31/2014       | 12/31/2013       |
|-------------------------------------|------------------|------------------|
| Domestic customers                  | 2,292,587        | 2,159,355        |
| Reseller financing - Ipiranga       | 270,145          | 276,044          |
| Foreign customers                   | 172,002          | 157,696          |
| (-) Allowance for doubtful accounts | (159,056)        | (147,080)        |
| <b>Total</b>                        | <b>2,575,678</b> | <b>2,446,015</b> |
| <b>Current</b>                      | <b>2,450,437</b> | <b>2,321,537</b> |
| <b>Non-current</b>                  | <b>125,241</b>   | <b>124,478</b>   |

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

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

|            | Total     | Current   | less than<br>30 days | 31-60<br>days | Past due<br>61-90<br>days | 91-180<br>days | more than<br>180 days |
|------------|-----------|-----------|----------------------|---------------|---------------------------|----------------|-----------------------|
| 03/31/2014 | 2,734,734 | 2,440,242 | 67,299               | 12,170        | 15,618                    | 15,180         | 184,225               |
| 12/31/2013 | 2,593,095 | 2,282,310 | 104,544              | 12,906        | 6,428                     | 7,786          | 179,121               |

Movements in the allowance for doubtful accounts are as follows:

|  |                |
|--|----------------|
| Balance at December 31, 2013                     | 147,080        |
| Initial balance of Extrafarma (January 31, 2014) | 5,499          |
| Additions  | 7,247          |
| Write-offs                                       | (770)          |
| <b>Balance at March 31, 2014</b>                 | <b>159,056</b> |



## 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:

|   | Cost      | 03/31/2014<br>Provision<br>for losses | Net<br>balance | Cost      | 12/31/2013<br>Provision<br>for losses | Net<br>balance |
|---|-----------|---------------------------------------|----------------|-----------|---------------------------------------|----------------|
| Finished goods                              | 358,783   | (7,178)                               | 351,605        | 318,451   | (7,100)                               | 311,351        |
| Work in process                             | 1,929     | -                                     | 1,929          | 2,626     | -                                     | 2,626          |
| Raw materials                               | 184,571   | (171)                                 | 184,400        | 209,735   | (169)                                 | 209,566        |
| Liquefied petroleum gas (LPG)               | 35,761    | (5,761)                               | 30,000         | 41,678    | (5,761)                               | 35,917         |
| Fuels, lubricants and greases               | 1,018,515 | (865)                                 | 1,017,650      | 817,016   | (758)                                 | 816,258        |
| Consumable materials and bottles for resale | 71,173    | (1,634)                               | 69,539         | 64,465    | (1,450)                               | 63,015         |
| Pharmaceutical, hygiene and beauty products | 216,635   | (3,938)                               | 212,697        | -         | -                                     | -              |
| Advances to suppliers                       | 114,935   | -                                     | 114,935        | 128,618   | -                                     | 128,618        |
| Properties for resale                       | 25,162    | -                                     | 25,162         | 25,162    | -                                     | 25,162         |
|   | 2,027,464 | (19,547)                              | 2,007,917      | 1,607,751 | (15,238)                              | 1,592,513      |

Movements in the provision for losses are as follows:

|  |        |
|--|--------|
| Balance at December 31, 2013                     | 15,238 |
| Initial balance of Extrafarma (January 31, 2014) | 3,164  |
| Recoveries of realizable value adjustment        | 1,184  |
| Reversals of obsolescence and other losses       | (39)   |
| Balance at March 31, 2014                        | 19,547 |

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

|                               | 03/31/2014 | 12/31/2013 |
|-------------------------------|------------|------------|
| Realizable value adjustment   | 10,681     | 9,497      |
| Obsolescence and other losses | 8,866      | 5,741      |
| Total                         | 19,547     | 15,238     |





## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## 7. Recoverable taxes

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

|  | Parent        |               | Consolidated   |                |
|--|---------------|---------------|----------------|----------------|
|  | 03/31/2014    | 12/31/2013    | 03/31/2014     | 12/31/2013     |
| IRPJ and CSLL  | 53,853        | 48,531        | 155,134        | 160,590        |
| ICMS   | -             | -             | 235,665        | 210,045        |
| Provision for ICMS losses (1)  | -             | -             | (85,358)       | (65,180)       |
| PIS and COFINS   | -             | -             | 181,561        | 156,707        |
| Value-Added Tax (IVA) of subsidiaries<br>Oxiteno Mexico, Oxiteno Andina and<br>Oxiteno Uruguay | -             | -             | 44,015         | 43,592         |
| Excise tax - IPI   | -             | -             | 4,630          | 3,997          |
| Other  | -             | -             | 6,050          | 7,589          |
| <b>Total</b>   | <b>53,853</b> | <b>48,531</b> | <b>541,697</b> | <b>517,340</b> |
| <b>Current</b>   | <b>19,926</b> | <b>27,067</b> | <b>494,666</b> | <b>479,975</b> |
| <b>Non-current</b>   | <b>33,927</b> | <b>21,464</b> | <b>47,031</b>  | <b>37,365</b>  |

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

|  |         |
|--|---------|
| Balance at December 31, 2013                     | 65,180  |
| Initial balance of Extrafarma (January 31, 2014) | 20,888  |
| Additions  | 3,669   |
| Write-offs                                       | (4,379) |
| Balance at March 31, 2014                        | 85,358  |

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

|                                    | Trade<br>receivables | Assets<br>Debentures | Total   | Financial<br>income |
|------------------------------------|----------------------|----------------------|---------|---------------------|
| Companhia Ultragaz S.A.            | 5,716                | -                    | 5,716   | -                   |
| Oxiteno S.A. Indústria e Comércio  | 6,937                | -                    | 6,937   | -                   |
| Ipiranga Produtos de Petróleo S.A. | -                    | 750,000              | 750,000 | 28,086              |
| Total as of March 31, 2014         | 12,653               | 750,000              | 762,653 | 28,086              |

|                                    | Assets<br>Debentures | Financial<br>income |
|------------------------------------|----------------------|---------------------|
| Ipiranga Produtos de Petróleo S.A. | 772,194              | 18,696              |
| Total as of December 31, 2013      | 772,194              |                     |
| Total as of March 31, 2013         |                      | 18,696              |

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

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## .. Consolidated

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

|  | Loans  |             | Commercial transactions  |                       |
|--|--------|-------------|--------------------------|-----------------------|
|  | Assets | Liabilities | Receivables <sup>1</sup> | Payables <sup>1</sup> |
| Oxicap Indústria de Gases Ltda.                  | 10,368 | -           | -                        | 1,089                 |
| Química da Bahia Indústria e Comércio S.A.       | -      | 3,044       | -                        | -                     |
| Refinaria de Petróleo Riograndense S.A.          | -      | -           | -                        | 484                   |
| ConectCar Soluções de Mobilidade Eletrônica S.A. | -      | -           | 765                      | 236                   |
| Others   | 490    | 826         | -                        | -                     |
| Total as of March 31, 2014                       | 10,858 | 3,870       | 765                      | 1,809                 |

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

<sup>1</sup> Included in “trade receivables” and “trade payables”, respectively.

|  | Commercial transactions |           |
|--|-------------------------|-----------|
|  | Sales                   | Purchases |
| Oxicap Indústria de Gases Ltda.                  | 2                       | 3,154     |
| Refinaria de Petróleo Riograndense S.A.          | -                       | 7,500     |
| ConectCar Soluções de Mobilidade Eletrônica S.A. | 2,359                   | -         |
| Total as of March 31, 2014                       | 2,361                   | 10,654    |

|  | Commercial transactions |           |
|--|-------------------------|-----------|
|  | Sales                   | Purchases |
| Oxicap Indústria de Gases Ltda.                  | 2                       | 3,205     |
| Refinaria de Petróleo Riograndense S.A.          | -                       | 7,680     |
| ConectCar Soluções de Mobilidade Eletrônica S.A. | 2,327                   | -         |
| Total as of March 31, 2013                       | 2,329                   | 10,885    |

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 an arm's-length market prices and terms with customers and suppliers with comparable operational performance. The above operations related to 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 collaterals are provided. Collaterals provided by the Company in loans of subsidiaries and affiliates are mentioned in Note 14.l). Intercompany loans are contracted in light of temporary cash surpluses or deficits of the Company, its subsidiaries and its associates.

b. Key executives - Compensation (Consolidated)

The Company's compensation strategy combines short and long-term elements, following the principles of alignment of interests and of maintenance of 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 EVA<sup>®</sup> and (ii) the fulfillment of individual annual goals that are based on the strategic plan and are focused on expansion and operational excellence projects, people development and market positioning, among others. In addition, the chief executive officer is entitled to additional long term variable compensation relating to the Company's shares' performance between 2013 and 2018, reflecting the target of more than doubling the share value of the Company in 5 years. Further details about the Deferred Stock Plan are contained in Note 8.c) and about post-employment benefits in Note 24.b).

As of March 31, 2014, the Company and its subsidiaries recognized expenses for compensation of its key executives (Company's directors and executive officers) in the amount of R\$ 9,820 (R\$ 7,768 as of March 31, 2013). Out of this total, R\$ 7,490 relates to short-term compensation (R\$ 6,452 as of March 31, 2013), R\$ 1,631 to stock compensation (R\$ 947 as of March 31, 2013), R\$ 416 to post-employment benefits (R\$ 369 as of March 31, 2013) and R\$ 283 to long-term compensation.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## c. Deferred Stock Plan

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

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

| Grant date        | Balance of number of shares granted | Vesting period | Market price of shares on the grant date (in R\$ per share) | Total compensation costs, including taxes | Accumulated recognized compensation costs | Accumulated unrecognized compensation costs |
|-------------------|-------------------------------------|----------------|---|---|---|---|
| March 5, 2014     | 83,400                              | 2019 to 2021   | 52.15   | 5,999                                     | (85)                                      | 5,914                                       |
| February 3, 2014  | 150,000                             | 2018 to 2020   | 55.36   | 11,454                                    | (392)                                     | 11,062                                      |
| November 7, 2012  | 350,000                             | 2017 to 2019   | 42.90   | 20,710                                    | (4,983)                                   | 15,727                                      |
| December 14, 2011 | 120,000                             | 2016 to 2018   | 31.85   | 5,272                                     | (2,089)                                   | 3,183                                       |
| November 10, 2010 | 260,000                             | 2015 to 2017   | 26.78   | 9,602                                     | (5,572)                                   | 4,030                                       |
| December 16, 2009 | 250,000                             | 2014 to 2016   | 20.75   | 7,155                                     | (5,266)                                   | 1,889                                       |
| October 8, 2008   | 384,008                             | 2013 to 2015   | 9.99  | 8,090                                     | (7,303)                                   | 787   |
|                   | 53,320                              | 2012 to 2014   | 16.17   | 3,570                                     | (3,456)                                   | 114   |

|                      |           |      |       |        |          |        |
|----------------------|-----------|------|-------|--------|----------|--------|
| December 12,<br>2007 |           |      |       |        |          |        |
| November 9,<br>2006  | 207,200   | 2016 | 11.62 | 3,322  | (2,464)  | 858    |
| December 14,<br>2005 | 93,600    | 2015 | 8.21  | 1,060  | (883)    | 177    |
| October 4, 2004      | 167,900   | 2014 | 10.20 | 2,361  | (2,243)  | 118    |
|                      | 2,119,428 |      |       | 78,595 | (34,736) | 43,859 |

The amortization as of March 31, 2014 in the amount of R\$ 2,707 (R\$ 2,474 as of December 31, 2013) was recognized as a general and administrative expense.

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

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



## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## 9. Income and social contribution taxes

## a. Deferred income and social contribution taxes

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

|   | Parent       |            | Consolidated   |                |
|---|--------------|------------|----------------|----------------|
|   | 03/31/2014   | 12/31/2013 | 03/31/2014     | 12/31/2013     |
| Assets - Deferred income and social contribution taxes on:              |              |            |                |                |
| Provision for impairment of assets                                      | -            | -          | 50,302         | 32,130         |
| Provisions for tax, civil and labor risks                               | 11           | 10         | 127,351        | 111,395        |
| Provision for post-employment benefit                                   | -            | -          | 45,035         | 43,753         |
| Provision for differences between cash and accrual basis                | -            | -          | 2,427          | -              |
| Goodwill  | -            | -          | 46,973         | 57,334         |
| Provision for assets retirement obligation                              | -            | -          | 13,733         | 13,760         |
| Other provisions  | 3,149        | 385        | 83,462         | 72,153         |
| Tax losses and negative basis for social contribution carryforwards (d) | 3,636        | -          | 45,514         | 45,607         |
| <b>Total</b>  | <b>6,796</b> | <b>395</b> | <b>414,797</b> | <b>376,132</b> |
| Liabilities - Deferred income and social contribution taxes on:         |              |            |                |                |
| Revaluation of property, plant and equipment                            | -            | -          | 3,099          | 3,130          |
| Lease   | -            | -          | 5,500          | 5,640          |
| Provision for differences between cash and accrual basis                | -            | -          | 42,491         | 61,864         |
| Provision for goodwill/negative goodwill                                | -            | -          | 8,094          | 6,709          |
| Temporary differences of foreign subsidiaries                           | -            | -          | 6,117          | 4,088          |
| Provision for post-employment benefit                                   | -            | -          | 5,913          | 5,911          |
| Other provisions  | -            | -          | 13,193         | 14,157         |
| <b>Total</b>  | <b>-</b>     | <b>-</b>   | <b>84,407</b>  | <b>101,499</b> |



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:

|  | 03/31/2014 | 03/31/2013 |
|--|------------|------------|
| Initial balance  | 274,633    | 384,407    |
| Deferred IRPJ and CSLL recognized in income of the period  | 15,815     | (7,802 )   |
| Initial balance of Extrafarma (January 31, 2014)           | 40,516     | -          |
| Deferred IRPJ and CSLL recognized in business combinations | -          | (9,068 )   |
| Other  | (574 )     | (2,110 )   |
| Final balance  | 330,390    | 365,427    |

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

|                    | Parent | Consolidated |
|--------------------|--------|--------------|
| Up to 1 year       | 3,636  | 144,082      |
| From 1 to 2 years  | -      | 78,333       |
| From 2 to 3 years  | 11     | 36,702       |
| From 3 to 5 years  | -      | 31,942       |
| From 5 to 7 years  | 3,149  | 88,964       |
| From 7 to 10 years | -      | 34,774       |
|                    | 6,796  | 414,797      |

## 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 |            |
|--|------------|------------|--------------|------------|
|  | 03/31/2014 | 03/31/2013 | 03/31/2014   | 03/31/2013 |
| Income before taxes and share of profit of subsidiaries, joint ventures and associates | (19,963)   | 3,470      | 375,530      | 365,852    |
| Statutory tax rates - %  | 34         | 34         | 34           | 34         |
| Income and social contribution taxes at the statutory tax rates                        | 6,788      | (1,180)    | (127,680)    | (124,390)  |
| Adjustments to the statutory income and social contribution taxes:                     |            |            |              |            |
| Nondeductible expenses (i)   | (387)      | (340)      | (13,876)     | (7,676)    |
| Nontaxable revenues (ii)   | -          | (15)       | 628          | 1,294      |
| Adjustment to estimated income (iii)   | -          | -          | 3,260        | 2,430      |
| Interest on equity (iv)  | -          | (10,097)   | -            | -          |
| Other adjustments  | -          | 6          | 608          | 897        |
| Income and social contribution taxes before tax incentives                             | 6,401      | (11,626)   | (137,060)    | (127,445)  |
| Tax incentives - SUDENE  | -          | -          | 13,372       | 10,077     |
| Income and social contribution taxes in the income statement                           | 6,401      | (11,626)   | (123,688)    | (117,368)  |
| Current  | -          | (11,591)   | (152,875)    | (119,643)  |
| Deferred   | 6,401      | (35)       | 15,815       | (7,802)    |
| Tax incentives - SUDENE  | -          | -          | 13,372       | 10,077     |
| Effective IRPJ and CSLL rates - %  |            |            | 32.9         | 32.1       |

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

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

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

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

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

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## c. Tax incentives - SUDENE

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

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

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

(2) On December 26, 2013, the petition requesting the extension of the tax incentive for another 10 years was granted by SUDENE, due the modernization in the Aratu terminal. On January 16, 2014 the report was filed with the Federal Revenue Service, which has a period of 120 days for approval before Tequimar can use the incentive retrospectively.

## d. Income and social contribution taxes carryforwards

As of March 31, 2014, the Company and certain subsidiaries have loss carryforwards (income tax) amounting to R\$ 142,109 (R\$ 142,952 as of December 31, 2013) and negative basis of CSLL of R\$ 110,958 (R\$ 109,652 as of December 31, 2013), whose compensations are limited to 30% of taxable income, which do not expire. Based on these values the Company and its subsidiaries recognized deferred income and social contribution tax assets in the amount of R\$ 45,514 as of March 31, 2014 (R\$ 45,607 as of December 31, 2013).

## e. Provisional Measure No. 627

On November 11, 2013 Provisional Measure No. 627 (MP 627/13) was issued, which, among other matters: (i) revokes the Transition Tax Regime (RTT) and regulates the incidence of taxes on the adjustments arising from the convergence of accounting practices adopted in Brazil and international financial reporting standards (IFRS) and (ii) provides for the taxation of residents in Brazil related to profits of overseas subsidiaries and associates.

The Company has assessed the potential effects of MP 627/13 and awaits its conversion into law for completion of the assessment of impacts, however the expected effects are not material based on a preliminary analysis.

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)

|  | 03/31/2014 | 12/31/2013 |
|--|------------|------------|
| Rents  | 92,106     | 92,375     |
| Advertising and publicity (1)                | 47,849     | 25,864     |
| Deferred Stock Plan, net (see Note 8.c)      | 35,434     | 23,408     |
| Insurance premiums                           | 13,465     | 10,319     |
| Software maintenance                         | 5,921      | 3,900      |
| Purchases of meal and transportation tickets | 1,507      | 1,541      |
| Taxes and other prepaid expenses             | 6,981      | 5,575      |
|  | 203,263    | 162,982    |
| Current                                      | 96,775     | 65,177     |
| Non-current                                  | 106,488    | 97,805     |

(1) On March 31, 2014, R\$ 35,679 (R\$ 19,194 on December 31, 2013) refer to marketing campaigns that will happen due to the Soccer World Cup 2014 in Brazil.



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:

|                                     | 03/31/2014  |  |  |   |   |
|-------------------------------------|---|--|--|---|---|
|                                     | Subsidiaries  |  |  | Joint-venture   |   |
|                                     | Ultracargo -<br>Operações<br>Logísticas e<br>Participações<br>Ltda. | Oxitenó<br>S.A.<br>Indústria e<br>Comércio | Ipiranga<br>Produtos de<br>Petróleo S.A. | Imifarma<br>Produtos<br>Farmacêuticos<br>e Cosméticos<br>S.A. | Refinaria<br>de Petróleo<br>de Riograndense<br>S.A. |
| Number of shares or units held      | 11,839,764  | 35,102,127                                 | 224,467,228,244                          | 152,240,000   | 5,078,888   |
| Assets                              | 1,089,861   | 3,433,126                                  | 9,457,625                                | 439,392   | 215,672   |
| Liabilities                         | 3,915   | 480,134                                    | 7,392,507                                | 357,479   | 146,101   |
| Shareholders' equity                | 1,085,946   | 2,953,051 (*)                              | 2,065,118                                | 81,913  | 69,571  |
| Net revenue from sales and services | -   | 247,508                                    | 13,907,700                               | 180,907   | 52,778  |
| Net income for the period           | 20,987  | 54,482 (*)                                 | 181,599                                  | 3,068   | 1,052   |
| % of capital held                   | 100   | 100  | 100                                      | 100   | 33  |

(\*) adjusted for intercompany unrealized profits

The percentages in the table above are rounded.

|                                     | 12/31/2013  |  |  |   |  |
|-------------------------------------|---|--|--|---|--|
|                                     | Subsidiaries  |  |  | Joint-venture                                       |  |
|                                     | Ultracargo -<br>Operações<br>Logísticas e<br>Participações<br>Ltda. | Oxitenó<br>S.A.<br>Indústria e<br>Comércio | Ipiranga<br>Produtos de<br>Petróleo S.A. | Refinaria<br>de Petróleo<br>de Riograndense<br>S.A. |  |
| Number of shares or units held      | 11,839,764  | 35,102,127                                 | 224,467,228,244                          | 5,078,888   |  |
| Assets                              | 1,068,847   | 3,373,026                                  | 9,389,351                                | 214,375   |  |
| Liabilities                         | 3,888   | 480,755                                    | 7,234,447                                | 145,856   |  |
| Shareholders' equity                | 1,064,959   | 2,892,330 (*)                              | 2,154,904                                | 68,519  |  |
|                                     | 03/31/2013  |  |  |   |  |
| Net revenue from sales and services | -   | 222,290                                    | 11,847,169                               | 50,270  |  |
| Net income (loss) for the period    | 16,265  | 34,761 (*)                                 | 202,143                                  | (530 )  |  |

|  |     |     |     |    |
|--|-----|-----|-----|----|
| % of capital held                                | 100 | 100 | 100 | 33 |
| (*) adjusted for intercompany unrealized profits |     |     |     |    |

The percentages in the table above are rounded.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

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

|  | Investments in subsidiaries  |  |  |  | Joint-venture |  | Total      |
|--|--|--|--|--|---------------|--|------------|
|  | Ultrapar<br>Operações<br>Logísticas<br>e<br>Participações<br>Ltda. | Oxiteno<br>S.A. -<br>Indústria e<br>Comércio | Ipiranga<br>Produtos<br>de<br>Petróleo<br>S.A. | Imifarma<br>Produtos<br>Farmacêuticos<br>e<br>Cosméticos<br>S.A. | Total         | Refinaria<br>de Petróleo<br>Riograndense<br>S.A. |            |
| Balance as of<br>December 31, 2013                             | 1,064,959  | 2,892,330                                    | 2,154,904                                      | -  | 6,112,193     | 22,751   | 6,134,944  |
| Share of profit of<br>subsidiaries and joint<br>ventures       | 20,987   | 54,482                                       | 181,599  | 3,068  | 260,136       | 349  | 260,485    |
| Dividends and<br>interest on equity<br>(gross)                 | -  | -  | (271,404 )                                     | -  | (271,404 )    | -  | (271,404 ) |
| Capital increase in<br>cash                                    | -  | -  | -  | 123,600  | 123,600       | -  | 123,600    |
| Acquisition of shares  | -  | -  | -  | (44,755 )  | (44,755 )     | -  | (44,755 )  |
| Goodwill   | -  | -  | -  | 836,182  | 836,182       | -  | 836,182    |
| Tax liabilities on<br>equity- method<br>revaluation reserve    | -  | -  | (10 )  | -  | (10 )         | -  | (10 )      |
| Valuation adjustment<br>of subsidiaries                        | -  | 19   | 29   | -  | 48            | -  | 48         |
| Translation<br>adjustments of<br>foreign-based<br>subsidiaries | -  | 6,220  | -  | -  | 6,220         | -  | 6,220      |
| Balance as of March<br>31, 2014                                | 1,085,946  | 2,953,051                                    | 2,065,118                                      | 918,095  | 7,022,210     | 23,100   | 7,045,310  |

|  | Investments in subsidiaries              |  |   | Total | Joint-venture                                    | Total |
|--|--|--|---|-------|--|-------|
|  | Ultrapar<br>Operações<br>Logísticas<br>e | Oxiteno<br>S.A. -<br>Indústria e<br>Comércio | Ipiranga<br>Produtos<br>de Petróleo<br>S.A. | Total | Refinaria de<br>Petróleo<br>Riograndense<br>S.A. | Total |

Participações  
Ltda.

|   |           |           |            |            |        |            |
|---|-----------|-----------|------------|------------|--------|------------|
| Balance as of December 31, 2012                       | 988,511   | 2,349,275 | 2,435,502  | 5,773,288  | 19,759 | 5,793,047  |
| Share of profit of subsidiaries and joint ventures    | 16,265    | 34,761    | 202,143    | 253,169    | (176 ) | 252,993    |
| Dividends and interest on equity (gross)              | -         | -         | (29,697 )  | (29,697 )  | -      | (29,697 )  |
| Capital decrease                                      | -         | -         | (700,000 ) | (700,000 ) | -      | (700,000 ) |
| Tax liabilities on equity- method revaluation reserve | -         | -         | (11 )      | (11 )      | -      | (11 )      |
| Valuation adjustment of subsidiaries                  | -         | 10        | 9          | 19         | -      | 19         |
| Translation adjustments of foreign-based subsidiaries | -         | (24,009 ) | -          | (24,009 )  | -      | (24,009 )  |
| Balance as of March 31, 2013                          | 1,004,776 | 2,360,037 | 1,907,946  | 5,272,759  | 19,583 | 5,292,342  |

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

## b. Joint ventures (Consolidated)

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

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

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

These investments are accounted for under the equity method of accounting based on their information as of March 31, 2014.

Balances and changes in joint ventures are as follows:

|  | Movements in investments |        |           |         |
|--|--------------------------|--------|-----------|---------|
|  | União<br>Vopak           | RPR    | ConectCar | Total   |
| Balance as of December 31, 2013          | 5,916                    | 22,751 | 15,719    | 44,386  |
| Capital increase                         | -                        | -      | 9,000     | 9,000   |
| Share of profit (loss) of joint ventures | 268                      | 349    | (3,373)   | (2,756) |
| Balance as of March 31, 2014             | 6,184                    | 23,100 | 21,346    | 50,630  |

|  | Movements in investments |        |           |         |
|--|--------------------------|--------|-----------|---------|
|  | União<br>Vopak           | RPR    | ConectCar | Total   |
| Balance as of December 31, 2012          | 5,714                    | 19,759 | 2,736     | 28,209  |
| Capital increase                         | -                        | -      | 9,579     | 9,579   |
| Share of profit (loss) of joint ventures | 188                      | (176)* | (2,257)   | (2,245) |
| Balance as of March 31, 2013             | 5,902                    | 19,583 | 10,058    | 35,543  |

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



## Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

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

|   | 03/31/2014     |           |            |
|---|----------------|-----------|------------|
|   | União<br>Vopak | RPR       | ConectCar  |
| Current assets  | 4,714          | 109,707   | 26,775     |
| Non-current assets  | 9,120          | 105,965   | 29,527     |
| Current liabilities   | 1,468          | 46,858    | 13,610     |
| Non-current liabilities                                       | -              | 99,243    | -          |
| Shareholders' equity  | 12,366         | 69,571    | 42,692     |
| Net revenue from sales and services                           | 3,058          | 52,778    | 1,452      |
| Costs and operating expenses                                  | (2,326)        | (50,834)  | (11,688)   |
| Net financial income and income and social contribution taxes | (196)          | (892)     | 3,490      |
| Net income (loss)   | 536            | 1,052     | (6,746)    |
| Number of shares or units held                                | 29,995         | 5,078,888 | 50,000,000 |
| % of capital held   | 50             | 33        | 50         |

The percentages in the table above are rounded.

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

|   | 03/31/2013     |           |            |
|---|----------------|-----------|------------|
|   | União<br>Vopak | RPR       | ConectCar  |
| Net revenue from sales and services                           | 2,752          | 50,270    | 13         |
| Costs and operating expenses                                  | (2,234)        | (46,588)  | (6,834)    |
| Net financial income and income and social contribution taxes | (142)          | (1,319)   | 2,307      |
| Net income (loss)   | 376            | 2,363     | (4,514)    |
| Number of shares or units held                                | 29,995         | 5,078,888 | 25,000,000 |

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

The percentages in the table above are rounded.

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## Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

### c. Associates (Consolidated)

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

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

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

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

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

The investment of subsidiary Oxiteno S.A. in the associate Oxicap is accounted for under the equity method of accounting based on its interim financial information as of February 28, 2014, while the other associates are valued based on the interim financial information as of March 31, 2014.

Balances and changes in associates are as follows:

|                                 | Movements in investments                          |  |  |        |
|---------------------------------|---|--|--|--------|
|                                 | Transportadora<br>Sulbrasileira<br>de Gás<br>S.A. | Oxicap<br>Indústria<br>de Gases<br>Ltda. | Química<br>da Bahia<br>Indústria e<br>Comércio<br>S.A. | Total  |
| Balance as of December 31, 2013 | 5,962   | 2,144                                    | 3,635  | 11,741 |
| Share of profit of associates   | 121   | 64                                       | 4  | 189    |
| Balance as of March 31, 2014    | 6,083   | 2,208                                    | 3,639  | 11,930 |

|  | Movements in investments                  |                                 |                                    |       |
|--|---|---------------------------------|------------------------------------|-------|
|  | Transportadora<br>Sulbrasileira<br>de Gás | Oxicap<br>Indústria<br>de Gases | Química<br>da Bahia<br>Indústria e | Total |

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|                                 | S.A.  | Ltda. | Comércio<br>S.A. |        |
|---------------------------------|-------|-------|------------------|--------|
| Balance as of December 31, 2012 | 7,014 | 2,020 | 3,636            | 12,670 |
| Share of profit of associates   | 223   | 61    | 2                | 286    |
| Balance as of March 31, 2013    | 7,237 | 2,081 | 3,638            | 12,956 |

## Ultrapar Participações S.A. and Subsidiaries

Notes to the individual and consolidated interim financial information

(In thousands of Brazilian Reais, unless otherwise stated)

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

|  | Transportadora<br>Sulbrasileira<br>de<br>Gás S.A. | Oxicap<br>Indústria<br>de Gases<br>Ltda. | 03/31/2014<br>Química<br>da Bahia<br>Indústria e<br>Comércio<br>S.A. | Metalúrgica<br>Plus S.A. | Plenogás<br>Distribuidora<br>de Gás S.A. |
|--|---|--|--|--------------------------|--|
| Current assets   | 5,124   | 11,441                                   | 87   | 2,314                    | 20                                       |
| Non-current assets   | 20,156  | 74,607                                   | 10,089   | 341                      | 2,829                                    |
| Current liabilities  | 613   | 3,374                                    | -  | 444                      | 104                                      |
| Non-current liabilities  | 332   | 73,844                                   | 2,900  | 1,708                    | 3,386                                    |
| Shareholders' equity   | 24,335  | 8,830                                    | 7,276  | 503                      | (641 )                                   |
| Net revenue from sales and services                              | 1,739   | 7,786                                    | -  | -                        | -  |
| Costs, operating expenses and income                             | (1,241 )  | (7,368 )                                 | (2 )   | 455                      | (48 )                                    |
| Net financial income and income and social<br>contribution taxes | (13 )   | (163 )                                   | 9  | 888                      | (1 )                                     |
| Net income (loss) for the period                                 | 485   | 255                                      | 7  | 1,343                    | (49 )                                    |
| Number of shares or units held                                   | 20,124,996  | 156                                      | 1,493,120  | 3,000                    | 1,384,308                                |
| % of capital held  | 25  | 25                                       | 50   | 33                       | 33                                       |

The percentages in the table above are rounded.

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