ULTRAPAR HOLDINGS INC
Form 6-K
November 08, 2012

Form 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For the month of November, 2012

Commission File Number: 001-14950

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

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

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

Form 20-F X   Form 40-F ____

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

Yes ____   No X

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

Yes ____   No X

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes ____   No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated Interim Financial Information for the Nine Months Ended

September 30, 2012

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Ultrapar Participações S.A. (the "Company"), identified as Parent and consolidated, respectively, included in the Interim Financial Information Form ("ITR"), for the three-month period ended September 30, 2012, which comprises the balance sheet as of September 30, 2012 and the related statements of income and comprehensive income for the three- and nine-month periods then ended and of changes in equity and cash flows for the nine- month period then ended, including the explanatory notes.

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

Conclusion on consolidated interim financial information

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

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added, for the nine-month period ended September 30, 2012, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and considered as supplemental information for International Financial Reporting Standards - IFRS, which do not require the presentation of these statements. These statements were subject to the same review procedures described above, and, based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the individual and consolidated interim financial information taken as a whole.

Review of individual and consolidated interim financial information for the three-month period ended September 30, 2011 and audit of individual and consolidated financial statements for the year ended December 31, 2011

The information and amounts for the three- and nine-month periods ended September 30, 2011, presented for comparison purposes, were previously reviewed by other independent auditors, whose report, without qualification, was issued and dated on November 9, 2011. The information and amounts for the year ended December 31, 2011, presented for comparison purposes, were previously audited by other independent auditors, whose report, without qualification, was issued and dated on February 15, 2012.

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

São Paulo, November 7, 2012

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Edimar Facco
Engagement Partner

Ultrapar Participações S.A. and Subsidiaries

Balance sheets

as of September 30, 2012 and December 31, 2011

(In thousands of Reais)

		Parent		Consolidated	
Assets	Note	09/30/2012	12/31/2011	09/30/2012	12/31/2011
Current assets					
Cash and cash equivalents	4	57,046	178,672	1,380,598	1,790,954
Financial investments	4	801	52,902	744,784	916,936
Trade receivables	5	-	-	2,388,618	2,026,417
Inventories	6	-	-	1,280,122	1,310,132
Recoverable taxes	7	42,384	48,706	398,397	470,511
Dividends receivable		27,284	73,526	-	-
Other receivables		1,077	1,971	19,761	20,323
Prepaid expenses	10	-	-	42,894	40,221
Total current assets		128,592	355,777	6,255,174	6,575,494
Non-current assets					
Financial investments	4	-	-	136,534	74,437
Trade receivables	5	-	-	116,100	117,716
Related parties	8.a	789,061	779,531	10,859	10,144
Deferred income and social contribution taxes	9.a	71	690	495,574	510,135
Recoverable taxes	7	51,702	39,906	96,602	81,395
Escrow deposits		232	232	517,344	469,381
Other receivables		-	-	11,331	1,312
Prepaid expenses	10	-	-	72,081	69,198
		841,066	820,359	1,456,425	1,333,718
Investments					
Subsidiaries	11.a	5,717,927	5,291,099	-	-
Associates	11.b	-	-	12,679	12,626
Other		-	-	2,843	2,793
Property, plant and equipment	12 ; 14.h	-	-	4,518,076	4,278,931
Intangible assets	13	246,163	246,163	1,787,010	1,539,177
		5,964,090	5,537,262	6,320,608	5,833,527
Total non-current assets		6,805,156	6,357,621	7,777,033	7,167,245
Total assets		6,933,748	6,713,398	14,032,207	13,742,739

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

Ultrapar Participações S.A. and Subsidiaries

Balance sheets

as of September 30, 2012 and December 31, 2011

(In thousands of Reais)

		Parent		Consolidated	
Liabilities	Note	09/30/2012	12/31/2011	09/30/2012	12/31/2011
Current liabilities					
Loans	14	-	-	1,676,905	1,300,326
Debentures	14.g	250,975	1,002,451	261,210	1,002,451
Finance leases	14.h	-	-	2,144	2,222
Trade payables	15	48	54	1,013,276	1,075,103
Salaries and related charges	16	138	128	227,757	268,345
Taxes payable	17	3,007	2,361	112,482	109,653
Dividends payable	20.g	7,171	156,076	13,770	163,802
Income and social contribution taxes payable		-	-	60,807	38,620
Post-employment benefits	24.b	-	-	13,282	13,282
Provision for assets retirement obligation	18	-	-	3,654	7,251
Provision for tax, civil and labor litigation	23.a	-	-	47,111	41,347
Other payables		214	214	25,940	55,643
Deferred revenue	19	-	-	19,663	19,731
Total current liabilities		261,553	1,161,284	3,478,001	4,097,776
Non-current liabilities					
Loans	14	-	-	2,878,546	3,196,102
Debentures	14.g	794,584	-	804,960	19,102
Finance leases	14.h	-	-	41,314	41,431
Related parties	8.a	-	-	3,871	3,971
Deferred income and social contribution taxes	9.a	-	-	77,860	37,980
Provision for tax, civil and labor litigation	23.a	1,074	1,047	550,647	512,788
Post-employment benefits	24.b	-	-	109,560	96,751
Provision for assets retirement obligation	18	-	-	65,855	60,253
Other payables		-	-	107,588	90,625
Deferred revenue	19	-	-	9,138	8,724
Total non-current liabilities		795,658	1,047	4,649,339	4,067,727
Shareholders’ equity					
Share capital	20.a	3,696,773	3,696,773	3,696,773	3,696,773
Capital reserve	20.c	10,275	9,780	10,275	9,780
Revaluation reserve	20.d	6,783	7,075	6,783	7,075
Profit reserves	20.e	1,837,667	1,837,667	1,837,667	1,837,667
Treasury shares	20.b	(119,928)	(118,234)	(119,928)	(118,234)
Retained earnings		438,074	-	438,074	-

Additional dividends to the minimum mandatory dividends	20.g	-	122,239	-	122,239
Valuation adjustments	2.c ; 20.f	4	193	4	193
Cumulative translation adjustments	2.q ; 20.f	6,889	(4,426)	6,889	(4,426)
Shareholders' equity attributable to:					
Shareholders of the Company		5,876,537	5,551,067	5,876,537	5,551,067
Non-controlling interests in subsidiaries		-	-	28,330	26,169
Total shareholders' equity		5,876,537	5,551,067	5,904,867	5,577,236
Total liabilities and shareholders' equity		6,933,748	6,713,398	14,032,207	13,742,739

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

Ultrapar Participações S.A. and Subsidiaries

Income statements

For the three and nine months ended September 30, 2012 and 2011

(In thousands of Reais, except earnings per share)

		Parent			
	Note	07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011
Net revenue from sales and services	2.a ; 25	-	-	-	-
Cost of products and services sold	2.a ; 26	-	-	-	-
Gross profit		-	-	-	-
Operating income (expenses)					
Selling and marketing	26	-	-	-	-
General and administrative	26	(2,563)	(7,530)	(4,977)	(10,658)
Income (loss) from disposal of assets	27	-	-	-	-
Other operating income, net		2,563	7,530	4,997	10,829
Operating income		-	-	20	171
Financial income	28	25,494	88,511	43,502	122,355
Financial expenses	28	(24,318)	(73,502)	(37,487)	(106,744)
Share of profit of subsidiaries and associates	11.a ; 11.b	298,802	712,228	229,298	628,452
Income before income and social contribution taxes		299,978	727,237	235,333	644,234
Income and social contribution taxes					
Current	9.b	(11,311)	(15,380)	(12,292)	(15,626)
Deferred	9.b	3	(619)	18	50
Tax incentives	9.b ; 9.c	-	-	-	-
		(11,308)	(15,999)	(12,274)	(15,576)
Net income		288,670	711,238	223,059	628,658
Net income attributable to:					
Shareholders of the Company		288,670	711,238	223,059	628,658
Non-controlling interests in subsidiaries		-	-	-	-

Earnings per common share (based on weighted average of shares outstanding) – R$				
Basic	0.54	1.33	0.42	1.18
Diluted	0.54	1.33	0.42	1.17

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

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Ultrapar Participações S.A. and Subsidiaries

Income statements

For the three and nine months ended September 30, 2012 and 2011

(In thousands of Reais, except earnings per share)

		Consolidated			
	Note	07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011
Net revenue from sales and services	2.a ; 25	14,122,942	39,572,543	12,909,294	35,902,859
Cost of products and services sold	2.a ; 26	(13,036,993)	(36,571,909)	(11,982,735)	(33,298,374)
Gross profit		1,085,949	3,000,634	926,559	2,604,485
Operating income (expenses)					
Selling and marketing	26	(406,113)	(1,176,873)	(356,047)	(981,072)
General and administrative	26	(232,956)	(648,952)	(187,765)	(569,977)
Income (loss) from disposal of assets	27	4,815	566	9,264	15,357
Other operating income, net		19,080	42,140	5,747	26,848
Operating income		470,775	1,217,515	397,758	1,095,641
Financial income	28	47,898	168,759	83,759	249,113
Financial expenses	28	(106,259)	(374,890)	(161,231)	(463,090)
Share of profit of subsidiaries and associates	11.a ; 11.b	26	200	164	115
Income before income and social contribution taxes		412,440	1,011,584	320,450	881,779
Income and social contribution taxes					
Current	9b	(116,448)	(263,661)	(86,802)	(217,390)
Deferred	9.b	(18,061)	(61,333)	(12,910)	(49,170)
Tax incentives	9.b ; 9.c	12,828	29,604	3,964	18,368
		(121,681)	(295,390)	(95,748)	(248,192)
Net income		290,759	716,194	224,702	633,587
Net income attributable to:					
Shareholders of the Company		288,670	711,238	223,059	628,658
Non-controlling interests in subsidiaries		2,089	4,956	1,643	4,929
Earnings per common share (based on weighted average of shares outstanding) – R$	29				
Basic		0.54	1.33	0.42	1.18

Diluted	0.54	1.33	0.42	1.17

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of comprehensive income

For the three and nine months ended September 30, 2012 and 2011

(In thousands of Reais)

		Parent			
	Note	07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011
Net income attributable to shareholders of the Company		288,670	711,238	223,059	628,658
Net income attributable to non-controlling interests in subsidiaries		-	-	-	-
Net income		288,670	711,238	223,059	628,658
Valuation adjustments	2.c ; 20.f	(27)	(189)	125	3,262
Cumulative translation adjustments	2.q ; 20.f	1,792	11,315	12,920	11,689
Total comprehensive income		290,435	722,364	236,104	643,609
Total comprehensive income attributable to shareholders of the Company		290,435	722,364	236,104	643,609
Total comprehensive income attributable to non-controlling interests in subsidiaries		-	-	-	-

		Consolidated			
	Note	07/01/2012 to 09/30/2012	01/01/2012 to 09/30/2012	07/01/2011 to 09/30/2011	01/01/2011 to 09/30/2011
Net income attributable to shareholders of the Company		288,670	711,238	223,059	628,658
Net income attributable to non-controlling interests in subsidiaries		2,089	4,956	1,643	4,929
Net income		290,759	716,194	224,702	633,587
Valuation adjustments	2.c ; 20.f	(27)	(189)	125	3,262
Cumulative translation adjustments	2.q ; 20.f	1,792	11,315	12,920	11,689
Total comprehensive income		292,524	727,320	237,747	648,538
Total comprehensive income attributable to shareholders of the Company		290,435	722,364	236,104	643,609

Total comprehensive income attributable to non-controlling interests in subsidiaries	2,089	4,956	1,643	4,929

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of changes in equity - parent and consolidated

For the nine months ended September 30, 2012 and 2011

(In thousands of Reais)

					Profit reserves			Other comprehensive income				
	Note	Share capital	Capital reserve	Revaluation reserve	Legal reserve	Investments reserve	Retention of profits	Valuation adjustments	Cumulative translation adjustments	Retained earnings	Treasury shares	Add div mi man div
Balance at December 31, 2010		3,696,773	7,688	7,590	180,854	-	1,333,066	(2,403)	(18,597)	-	(119,964)	6
Realization of revaluation reserve	20. d	-	-	(399)	-	-	-	-	-	399	-	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	20. d	-	-	-	-	-	-	-	-	(104)	-	-
Acquisition of non-controlling interest		-	-	-	-	-	-	-	-	-	-	-
Approval of additional dividends by the Shareholders' Meeting		-	-	-	-	-	-	-	-	-	-	(6
Net income		-	-	-	-	-	-	-	-	628,658	-	-
Interim dividends		-	-	-	-	-	-	-	-	(251,949)	-	-
Comprehensive income:												

Valuation adjustments for financial instruments	2.c ; 20.f	-	-	-	-	-	-	3,262	-	-	-	-
Currency translation of foreign subsidiaries	2.q ; 20.f	-	-	-	-	-	-	-	11,689	-	-	-
Balance at September 30, 2011		3,696,773	7,688	7,191	180,854	-	1,333,066	859	(6,908)	377,004	(119,964)	-

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

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Ultrapar Participações S.A. and Subsidiaries

Statements of changes in equity - parent and consolidated

For the nine months ended September 30, 2012 and 2011

(In thousands of Reais)

					Profit reserves			Other comprehensive income			
	Note	Share capital	Capital reserve	Revaluation reserve	Legal reserve	Investments reserve	Retention of profits	Valuation adjustments	Cumulative translation adjustments	Retained earnings	Treasury shares
Balance at December 31, 2011		3,696,773	9,780	7,075	223,292	281,309	1,333,066	193	(4,426)	-	(118,234
Realization of revaluation reserve	20.d	-	-	(292)	-	-	-	-	-	292	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	20.d	-	-	-	-	-	-	-	-	(64)	-
Deferred Stock Plan		-	495	-	-	-	-	-	-	-	(1,694
Approval of additional dividends by the Shareholders' Meeting		-	-	-	-	-	-	-	-	-	-
Net income		-	-	-	-	-	-	-	-	711,238	-
Interim dividends		-	-	-	-	-	-	-	-	(273,392)	-
Comprehensive income:											
Valuation adjustments for financial	2.c ; 20.f	-	-	-	-	-	-	(189)	-	-	-

instruments												
Currency translation of foreign subsidiaries	2.q ; 20.f	-	-	-	-	-	-	-	11,315	-	-
Balance at September 30, 2012		3,696,773	10,275	6,783	223,292	281,309	1,333,066	4	6,889	438,074	(119,92

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

Ultrapar Participações S.A. and Subsidiaries

Statements of cash flows - Indirect method

For the nine months ended September 30, 2012 and 2011

(In thousands of Reais)

		Parent		Consolidated	
	Note	09/30/2012	09/30/2011	09/30/2012	09/30/2011
Cash flows from operating activities					
Net income for the period		711,238	628,658	716,194	633,587
Adjustments to reconcile net income to cash provided by operating activities					
Share of profit of subsidiaries and associates	11	(712,228)	(628,452)	(200)	(115)
Depreciation and amortization		-	-	510,613	425,424
PIS and COFINS credits on depreciation		-	-	8,651	7,313
Assets retirement expenses	18	-	-	(1,957)	(2,041)
Interest, monetary and exchange variations		11,051	23,834	413,220	592,215
Deferred income and social contribution taxes	9.b	619	(50)	61,333	49,170
Income from disposal of assets	27	-	-	(566)	(15,357)
Others		(1,200)	-	732	932
Dividends received from subsidiaries		342,704	331,626	-	-
(Increase) decrease in current assets					
Trade receivables	5	-	-	(358,329)	(276,307)
Inventories	6	-	-	29,575	(73,242)
Recoverable taxes	7	6,322	23,205	75,852	(96,687)
Other receivables		894	8	808	4,004
Prepaid expenses	10	-	-	(2,611)	(3,966)
Increase (decrease) in current liabilities					
Trade payables	15	(6)	(96)	(62,020)	(106,210)
Salaries and related charges	16	10	18	(40,889)	17,102
Taxes payable	17	646	2,795	2,459	(30,888)
Income and social contribution taxes		-	(3)	122,194	74,672
Post-employment benefits	24.b	-	-	-	721
Provision for tax, civil and labor litigation	23.a	-	-	5,764	3,095
Other payables		-	-	(33,301)	(4,571)
Deferred revenue	19	-	-	(68)	3,904
(Increase) decrease in non-current assets					
Trade receivables	5	-	-	1,616	(16,367)
Recoverable taxes	7	(11,796)	(35,514)	(15,207)	(43,978)
Escrow deposits		-	-	(47,963)	(67,962)
Other receivables		-	-	(10,019)	202
Prepaid expenses	10	-	-	(791)	(7,599)

Increase (decrease) in non-current liabilities					
Post-employment benefits	24.b	-	-	12,810	(721)
Provision for tax, civil and labor litigation	23.a	27	148	37,725	29,531
Other payables		-	-	9,095	14,243
Deferred revenue	19	-	-	414	1,342
Income and social contribution taxes paid		-	-	(100,006)	(76,993)
Net cash provided by operating activities		348,281	346,177	1,335,128	1,034,453

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

Ultrapar Participações S.A. and Subsidiaries

Statements of cash flows - Indirect method

For the nine months ended September 30, 2012 and 2011

(In thousands of Reais)

		Parent		Consolidated	
	Note	09/30/2012	09/30/2011	09/30/2012	09/30/2011
Cash flows from investing activities					
Financial investments, net of redemptions		52,101	(76,610)	110,055	(329,255)
Acquisition of subsidiaries, net		-	-	(59,108)	(26,608)
Cash and cash equivalents of acquired subsidiaries		-	-	1,768	-
Financial investments of acquired subsidiaries		-	-	3,426	-
Acquisition of property, plant and equipment	12	-	-	(499,019)	(504,248)
Increase in intangible assets	13	-	-	(392,149)	(239,781)
Capital reduction to subsidiaries		-	180,000	-	-
Proceeds from disposal of assets	27	-	-	43,604	64,326
Net cash provided by (used in) investing activities		52,101	103,390	(791,423)	(1,035,566)
Cash flows from financing activities					
Loans and debentures					
Borrowings	14	793,485	-	1,725,256	746,144
Repayments	14	(800,000)	(200,000)	(1,842,928)	(989,555)
Interest paid	14	(25,108)	(8,038)	(233,740)	(157,112)
Payment of financial lease	14.h	-	-	(3,445)	(5,827)
Dividends paid		(544,536)	(501,767)	(548,535)	(501,795)
Acquisition of non-controlling interests		-	-	-	(51)
Payment of loan with Noble Brasil		-	-	(49,982)	-
Related parties		54,151	115,175	(814)	(50)
Net cash used in financing activities		(522,008)	(594,630)	(954,188)	(908,246)
Effect of exchange rate changes on cash and cash equivalents in foreign currency		-	-	127	1,797
Decrease in cash and cash equivalents		(121,626)	(145,063)	(410,356)	(907,562)
Cash and cash equivalents at the beginning of the period	4	178,672	407,704	1,790,954	2,642,418
Cash and cash equivalents at the end of the period	4	57,046	262,641	1,380,598	1,734,856

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

Ultrapar Participações S.A. and Subsidiaries

Value added statements

For the nine months ended September 30, 2012 and 2011

(In thousands of Reais, except percentages)

		Parent				Consolidated			
	Note	09/30/2012	%	09/30/2011	%	09/30/2012	%	09/30/2011	%
Revenue									
Gross revenue from sales and services, except rents and royalties	25	-		-		40,677,765		36,985,930	
Rebates, discounts and returns	25	-		-		(185,558)		(154,176)	
Allowance for doubtful accounts - Reversal (allowance)		-		-		(3,378)		2,456	
Income from disposal of assets	27	-		-		566		15,357	
		-		-		40,489,395		36,849,567	
Materials purchased from third parties									
Raw materials used		-		-		(2,060,906)		(1,691,722)	
Cost of goods, products and services sold		-		-		(34,368,187)		(31,536,409)	
Third-party materials, energy, services and others		(4,016)		(7,452)		(1,112,346)		(983,573)	
Reversal of impairment losses		7,552		10,828		2,266		7,525	
		3,536		3,376		(37,539,173)		(34,204,179)	
Gross value added		3,536		3,376		2,950,222		2,645,388	
Deductions									
Depreciation and amortization		-		-		(519,264)		(432,737)	
Net value added by the Company		3,536		3,376		2,430,958		2,212,651	
Value added received in transfer									
Share of profit of subsidiaries and	11.a ;	712,228		628,452		200		115	

associates	11.b								
Rents and royalties	25	-		-		48,210		44,094	
Financial income	28	88,511		122,355		168,759		249,113	
		800,739		750,807		217,169		293,322	
Total value added available for distribution		804,275		754,183		2,648,127		2,505,973	
Distribution of value added									
Labor and benefits		2,960	1	2,714	1	788,900	30	712,631	28
Taxes, fees and contributions		15,038	2	13,747	2	718,877	27	655,539	27
Financial expenses and rents		75,039	9	109,064	14	424,156	16	504,216	20
Dividends paid		273,392	34	251,949	33	273,509	10	251,949	10
Retained earnings		437,846	54	376,709	50	442,685	17	381,638	15
Value added distributed		804,275	100	754,183	100	2,648,127	100	2,505,973	100

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

1. Operations

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

The Company invests its own capital in services, commercial and industrial activities, by the subscription or acquisition of shares of other companies. Through its subsidiaries, it operates in the segments of liquefied petroleum gas - LPG distribution ("Ultragaz"), fuel distribution and related businesses ("Ipiranga"), production and marketing of chemicals ("Oxiteno"), and storage services for liquid bulk ("Ultracargo"). The Company also operates in oil refining through its investment in Refinaria de Petróleo Riograndense S.A. ("RPR").

2. Summary of significant accounting policies

The accounting policies adopted by the Company and its subsidiaries are in accordance with the statements, interpretations and guidelines issued by the Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities and Exchange Commission ("CVM") in the process of convergence with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The Company's consolidated interim financial information was prepared in accordance with technical pronouncement CPC 21 (R1) and International Accounting Standards ("IAS") 34 - Interim Financial Reporting issued by the IASB, and presented in accordance with the standards issued by the CVM.

The Company's individual interim financial information was prepared in accordance with CPC 21 (R1) and presented in accordance with the standards issued by the CVM.

The Company's individual and consolidated interim financial information are presented in Brazilian Reais, 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

a. Recognition of income

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 and LPG), raw materials (chemicals and petrochemicals) and production, distribution, storage and filling costs.

b. Cash and cash equivalents

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

c. Financial instruments and hedge accounting

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

- Measured at fair value through profit or loss: financial assets and liabilities held for trading, that is, purchased or created primarily for the purpose of sale or repurchase in the short term, and derivatives. Changes in fair value are recorded as profit or loss, and the balances are stated at fair value.

- Held to maturity: non-derivative financial assets with fixed or determinable payments, with fixed maturities for which the entity has the positive intent and ability to hold to maturity. The interest earned is recorded in income, and balances are stated at acquisition cost plus the interest earned.

- Available for sale: non-derivative financial assets that are designated as available for sale or that are not classified into other categories. The interest earned is recorded as income, and the balances are stated at fair value. Differences between fair value and acquisition cost plus the interest earned are recorded in a specific account of the shareholders' equity. Gains and losses recorded in the shareholders' equity are included in income in case of prepayment.

- Loans and receivables: non-derivative financial assets with fixed or determinable payments or receipts, not quoted in active markets, except: (i) those which the entity intends to sell immediately or in the short 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 the holder of which cannot substantially recover its initial investment for reasons other than credit deterioration. The balances are stated at acquisition cost plus the interests which are recorded as income when earned. Loans and receivables include cash and banks, trade receivables, dividends receivable and oher trade receivables.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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 income.

- Hedge accounting: In the initial designation of the fair value hedge, the relationship between the hedging instruments and the hedged items 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 income. The hedge accounting must be discontinued when the hedge becomes ineffective.

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

d. Trade receivables

Trade receivables are recorded at the amount invoiced, adjusted to present value if applicable, including all direct taxes attributable to the Company and its subsidiaries. Allowance for doubtful accounts is calculated based on estimated losses and is set at an amount deemed by management to be sufficient to cover any 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 calculated using the weighted average cost and includes the cost 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 of the last month 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 made. Provisions are also made for obsolescence of products, materials or supplies that (i) do not meet the Company's 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

f. Investments

Investments in subsidiaries are accounted for under the equity method of accounting in the 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 part of a group under shared control are also accounted for the equity method of accounting (see Note 11).

In the consolidated interim financial information the investments in joint control entities are consolidated proportionally by the Company (see Note 3). The other investments are stated at acquisition cost less provision for losses, unless the loss is considered temporary.

g. Property, plant and equipment

Recorded 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 economic life of the assets, which is annually revised.

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

h. Leases

- Finance leases

Certain lease contracts transfer substantially all the risks and benefits associated with the ownership of an asset to the Company and its subsidiaries. These contracts are characterized as finance leases, and assets are stated at 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 Note 12 and 13. Financial charges under the finance lease contracts are allocated to income over the contract term, based on the amortized cost and the effective interest rate method (see Note 14.h).

- Operating leases

There are lease transactions where the risks and benefits associated with the ownership of the asset are not transferred and where 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).

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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 as of 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 to verify the existence of probable losses (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 recorded when incurred 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 economic life, which is annually revised.

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

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.t).

k. Current and non-current 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 amortised cost". The financial liabilities at fair value through profit or loss refer to derivative financial instrument and financial liabilities designated as hedged items of fair value hedge in the initial recognition (see Note 2.c). The financial liabilities at amortised cost are stated at the initial transaction amount plus related charges and transaction costs, net of amortization. The charges and transaction costs are recognized in income using the effective interest rate method.

Current and non-current liabilities are stated at known or measurable amounts plus, if applicable, related charges, monetary changes and changes in exchange rates incurred until the date of the interim financial information. When applicable, the current and non-current liabilities are recorded at present value based on interest rates that reflect the term, currency and risk of each transaction.

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

l. Income and social contribution taxes

Current and deferred income tax ("IRPJ") and social contribution on net income tax ("CSLL") are calculated based on the current rates of income and social contribution taxes, including the value of tax incentives. Taxes are recognized based on the rates of income tax and social contribution on net income provided for by the laws enacted on the last day of the interim financial information. For further details about recognition and realization of income and social contribution on net income taxes, see Note 9.

m. Provision for assets retirement obligation – fuel tanks

Corresponds to 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 recorded as a liability when tanks are installed. The estimated cost is also recorded 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). A rise in estimated cost of the obligation to remove the tanks could result in negative impact in future results. The estimated removal cost is revised periodically.

n. Tax, civil and labor provisions

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

o. Actuarial obligation for post-employment benefits

Actuarial liabilities for 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 income.

p. 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 on the date of each transaction. Outstanding monetary assets and liabilities of the Company and its subsidiaries are converted at the exchange rate prevailing on the balance sheet date. The effect of the difference between those exchange rates is recognized in income until the conclusion of each transaction.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

q. Basis for translation of accounting information of foreign subsidiaries

Assets and liabilities of the subsidiaries Oxiteno Mexico S.A. de C.V. (“Oxiteno Mexico”) and its subsidiaries, located in Mexico (functional currency: Mexican Peso), and Oxiteno Andina, C.A. (“Oxiteno Andina”), located in Venezuela (functional currency: Bolivares Fortes), denominated in currencies other than that of the Company (functional currency: Real), are translated at the exchange rate valid on the date of the interim financial information. 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 as income if these investments are disposed of. The recorded balance in comprehensive income and presented in the shareholders’ equity as cumulative translation adjustments as of September 30, 2012 was R$ 6,889 of exchange rate gain (R$ 4,426 loss as of December 31, 2011).

According to IAS 29, since 2010, Venezuela is regarded as a hyperinflationary economy. As a result, the interim financial information of Oxiteno Andina was adjusted by the Venezuelan Consumer Price Index (CPI).

Assets and liabilities of the other foreign subsidiaries, which do not have administrative autonomy, are considered extended activities of the parent company and are translated at the exchange rate in effect by the end of the respective period. Gains and losses resulting from changes in these foreign investments are directly recognized as financial income or loss. The gain recognized as income as of September 30, 2012 amounted to R$ 2,436 (R$ 1,516 gain as of September 30, 2011).

r. Use of estimates, assumptions and judgments

The preparation of interim financial information requires the use of estimates, assumptions and judgments for the accounting of certain assets, liabilities and income. Thereunto, 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 allowance for doubtful accounts (Note 5), the determination of provisions for income taxes (Note 9), the useful life of property, plants and equipment (Note 12), the economic life of intangible assets and impairment 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). The actual result of the transactions and information may differ from their estimates.

s. Impairment of assets

The Company reviews, at least annually, the existence of indication that an asset may be impaired. If there is an indication, the Company estimates 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.

To assess the value in use, the Company considers 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 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 income. 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 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 loss of value had not been recognized.

No impairment was recorded in the periods presented.

t. Adjustment to present value

The Company's subsidiaries booked an adjustment to present value of Tax on Goods and Services ("ICMS") credit balances related to property, plant and equipment (CIAP – see Note 7). 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 recovery of ICMS credits.

The Company and its subsidiaries reviewed all items classified as non-current and, where relevant, current assets and liabilities and did not identify a need to adjust other balances to present value.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

u. Value added statements

The Company and its subsidiaries prepare the individual and consolidated value added statements according to CPC 09 - Value Added Statement, as an integral part of interim financial information as applicable to public companies, and as supplemental information for IFRS, that do not require their presentation.

v. New pronouncements not yet adopted

Certain standards, amendments and interpretations to IFRS issued by IASB have not yet taken effect for the period ended September 30, 2012, which are:

- IFRS 9 – Financial Instruments' classification and measurement
- Amendments to IAS 32 – Financial Instruments: Presentation
- Amendments to IAS 19 – Employee Benefits
- Consolidated Financial Statements – IFRS 10 and transition guidance
- Joint Arrangements – IFRS 11 and transition guidance
- Disclosure of Interests in Other Entities– IFRS 12 and transition guidance
- Fair Value Measurement – IFRS 13
- Amendments to IAS 1 – Presentation of Financial Statements
- Amendments to IFRS 7 – Financial instruments: Disclosures
- Amendments to IAS 27 – Separate Financial Statements
- Amendments to IAS 28 – Investments in Associates and Joint Ventures

CPC has not yet issued pronouncements equivalent to the above IFRS, but is expected to do so before the date they become effective. The early adoption of IFRS pronouncements is subject to prior approval by the CVM.

For 2013 the Company and its subsidiaries estimate that the IFRS 11 – Joint Arrangements, will impact the interim financial information.The investments in RPR, Maxfácil Participações S.A. ("Maxfácil) and União Vopak Armazéns Gerais Ltda. ("União Vopak") will no longer be consolidated and will be accounted for using the equity method.

w. Authorization for issuance of the interim financial information

On November 7, 2012, the Company's Board of Directors authorized the issuance of this interim financial information.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

3. Principles of consolidation and investments in subsidiaries

The consolidated interim financial information was prepared following the basic principles of consolidation established by the CPC 36 (R2) and IAS 27. 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 as part of consolidated shareholders' equity and net income.

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

		% interest in the share			
		09/30/2012		12/31/2011	
		Control		Control	
	Location	Direct control	Indirect control	Direct control	Indirect control
Ultracargo - Operações Logísticas e Participações Ltda.	Brazil	100	-	100	-
Terminal Químico de Aratu S.A. – Tequimar	Brazil	-	99	-	99
União Vopak Armazéns Gerais Ltda. (*)	Brazil	-	50	-	50
TEMMAR - Terminal Marítimo do Maranhão S.A.	Brazil	-	100	-	-
Melamina Ultra S.A. Indústria Química	Brazil	-	99	-	99
Oxiteno S.A. Indústria e Comércio	Brazil	100	-	100	-
Oxiteno Nordeste S.A. Indústria e Comércio	Brazil	-	99	-	99
Oxiteno Argentina Sociedad de Responsabilidad Ltda.	Argentina	-	100	-	100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	-	100	-	100
Barrington S.L.	Spain	-	100	-	100
Oxiteno México S.A. de C.V.	Mexico	-	100	-	100
Oxiteno Servicios Corporativos S.A. de C.V.	Mexico	-	100	-	100
Oxiteno Servicios Industriales S.A. de C.V.	Mexico	-	100	-	100
Oxiteno USA LLC	United States	-	100	-	100
		-	100	-	100

Global Petroleum Products Trading Corp.	Virgin Islands				
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	-	-
Empresa Carioca de Produtos Químicos S.A.	Brazil	-	100	-	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
Maxfácil Participações S.A. (*)	Brazil	-	50	-	50
Isa-Sul Administração e Participações Ltda.	Brazil	-	100	-	100
Companhia Ultragaz S.A.	Brazil	-	99	-	99
Distribuidora de Gás LP Azul S.A.	Brazil	-	100	-	100
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
SERMA - Ass. dos usuários equip. proc. de dados	Brazil	-	100	-	100
Refinaria de Petróleo Riograndense S.A. (*)	Brazil	33	-	33	-

(*) The Company maintains a shared equity interest in these companies, whose bylaws establish a joint control. These joint ventures are recognized by the Company using proportionate consolidation, as allowed by CPC 19 (R1) and IAS 31. RPR is primarily engaged in oil refining, Maxfácil is primarily engaged in the management of Ipiranga-branded credit cards, and União Vopak is primarily engaged in liquid bulk storage in the port of Paranaguá.

The subsidiary Oxiteno Shanghai Trading LTD. was formed in May 2012 and is engaged in commercial representation.

a) Business combination – acquisition of Temmar - Terminal Marítimo do Maranhão S.A.

On July 31, 2012, the Company, through its subsidiary Terminal Químico de Aratu S.A. ("Tequimar') concluded the acquisition of Temmar - Terminal Marítimo do Maranhão S.A. ("Temmar"). Temmar is located in the port area of Itaqui, in the state of Maranhão, in the Northeast region of Brazil, with a capacity of 55 thousand cubic meters and used mainly for the handling of fuels and biofuels. Temmar has contracts with clients for the entire capacity of the terminal and a long-term lease contract, which includes a large area for future expansions.

The amount paid in the settlement of acquisition was R$ 66,070, subject to the customary working capital adjustments. Tequimar will disburse a minimum extra value of R$ 12,000, which may reach approximately R$ 30,000 as a result of possible future expansions in the storage capacity of the terminal, provided that such expansions are implemented within the next 7 years, restated by General Market Price Index ("IGP-M"). The total purchase price of the acquisition, in the amount of R$ 78,070 was allocated among the identified assets acquired and liabilities assumed, measured at fair value. During the process of identification of assets and liabilities, intangible assets and provision for tax, civil and labor litigation which were not recognized in the acquired entity's books were also taken into account. The provisional goodwill is R$ 41,655 and is based on expected future profitability. The value added for assets acquired, which was determined by an independent appraiser and has a value of R$ 30,857 based on its report, reflects the difference between the market value and the book value of such assets.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The table below summarizes the preliminary estimated fair values of the assets acquired and liabilities assumed as of the acquisition date:

Current assets		Current liabilities	
Cash and cash equivalents	1,768	Loans	755
Trade receivables	1,099	Trade payables	193
Recoverable taxes	3,738	Salaries and related charges	301
Other	307	Taxes payable	371
	6,912		1,620
Non-current assets		Non-current liabilities	
Financial investments	3,426	Loans	45,676
Deferred income and social contribution taxes	11,862	Provision for tax, civil and labor litigation	203
Property, plant and equipment	88,361	Related parties	49,982
Intangible assets	21,243	Contingent consideration	12,000
Other	2,092		107,861
Goodwill	41,655		
	168,639	Total liabilities assumed	109,481
Total assets acquired and goodwill	175,551	Consideration on the acquisition date	66,070

The amount of R$ 49,982 of "Related parties" refers to the loan of Temmar with Noble Brasil and was settled at the acquisition date.

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

b) Business combination – acquisition of Repsol Gás Brasil S.A. ("Repsol")

On October 20, 2011, the Company, through its subsidiary Companhia Ultragaz S.A. ("Cia. Ultragaz"), acquired a 100% equity interest in Repsol. The total acquisition amount was R$ 49,822. This acquisition strengthens Ultragaz's bulk LPG business, providing economies of scale in logistics and management, and a better position for growth in the bulk segment in the Southeast. After the acquisition, its name was changed to Distribuidora de Gás LP Azul S.A.

The purchase price paid for the shares was allocated among the identified assets acquired and liabilities assumed, valued at fair value. During the process of identification of assets and liabilities, intangible assets which were not recognized in the acquired entity's books were also taken into account. The goodwill is R$ 13,403. The value added for assets acquired, which was determined by an independent appraiser and has a value of R$ 16,555 based on its report, reflects the difference between the market value and the book value of such assets. The table below summarizes the fair values of the assets acquired and liabilities assumed as of the acquisition date:

Current assets		Current liabilities	
Cash and cash equivalents	2,151	Trade payables	3,838
Trade receivables	2,875	Salaries and related charges	1,521
Inventories	995	Other	67
Prepaid expenses	1,596		5,426
Recoverable taxes	1,092		
Other	360		
	9,069		
Non-current assets			
Property, plant and equipment	22,026	Non-current liabilities	
Intangible assets	11,625	Provision for tax, civil and labor litigation	1,140
Other	265		
Goodwill	13,403		
	47,319	Total liabilities assumed	6,566
Total assets acquired and goodwill	56,388	Consideration	49,822

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

4. Financial assets

Financial assets, excluding cash and bank deposits, are substantially represented by money invested: (i) in Brazil, in certificates of deposit of first-rate financial institutions linked to the Interbank Certificate of Deposit (“CDI”), in debentures 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 in short-term investment funds with a portfolio composed exclusively of bonds issued by the U.S. Government; and (iii) in currency and interest rate hedging instruments.

· Cash and cash equivalents

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

	Parent		Consolidated	
	09/30/2012	12/31/2011	09/30/2012	12/31/2011
Cash and bank deposits				
In local currency	171	71	27,677	78,077
In foreign currency	-	-	37,673	29,523
Financial investments				
In local currency				
Fixed-income securities and funds	56,875	178,601	1,315,248	1,668,178
In foreign currency				
Fixed-income securities and funds	-	-	-	15,176
Total cash and cash equivalents	57,046	178,672	1,380,598	1,790,954

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

· Financial investments

Financial assets that are not cash or cash equivalents are considered financial investments.

	Parent		Consolidated	
	09/30/2012	12/31/2011	09/30/2012	12/31/2011
Financial investments				
In local currency				
Fixed-income securities and funds	801	52,902	392,305	638,879
In foreign currency				
Fixed-income securities and funds	-	-	325,099	259,091
Currency and interest rate hedging instruments (a)	-	-	163,914	93,403
Total financial investments	801	52,902	881,318	991,373
Current	801	52,902	744,784	916,936
Non-current	-	-	136,534	74,437

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

5. Trade receivables (Consolidated)

	09/30/2012	12/31/2011
Domestic customers	2,217,676	1,885,901
Reseller financing - Ipiranga	236,832	239,588
Foreign customers	176,564	135,098
(-) Allowance for doubtful accounts	(126,354)	(116,454)
Total cash and cash equivalents	2,504,718	2,144,133
Current	2,388,618	2,026,417
Non-current	116,100	117,716

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, is as follows:

	Total	Current	Past due less than 30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-180 days	Past due more than 180 days
September 30, 2012	2,631,072	2,343,200	79,944	18,573	9,022	15,101	165,232
December 31, 2011	2,260,587	1,994,399	80,635	18,088	5,788	14,944	146,733

Movements in the allowance for doubtful accounts are as follows:

Balance as of December 31, 2011	116,454
Additions	14,998
Write-offs	(5,098)
Balance as of September 30, 2012	126,354

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

6. Inventories (Consolidated)

	09/30/2012			12/31/2011		
	Cost	Provision for losses	Net balance	Cost	Provision for losses	Net balance
Finished goods	256,302	(9,285)	247,017	272,377	(14,605)	257,772
Work in process	2,799	-	2,799	2,841	-	2,841
Raw materials	194,773	(385)	194,388	197,982	(114)	197,868
Liquefied petroleum gas (LPG)	37,711	-	37,711	41,147	-	41,147
Fuels, lubricants and greases	645,210	(629)	644,581	633,035	(710)	632,325
Consumable materials and bottles for resale	59,934	(1,400)	58,534	58,126	(1,696)	56,430
Advances to suppliers	68,326	-	68,326	89,103	-	89,103
Properties for resale	26,766	-	26,766	32,646	-	32,646
	1,291,821	(11,699)	1,280,122	1,327,257	(17,125)	1,310,132

Movements in the provision for losses are as follows:

Balance as of December 31, 2011	17,125
Recoveries of net realizable value adjustment	(4,916)
Recoveries of obsolescence and other losses	(510)
Balance as of September 30, 2012	11,699

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

	09/30/2012	12/31/2011
Net realizable value adjustment	8,635	13,551
Obsolescence and other losses	3,064	3,574
Total	11,699	17,125

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

7. Recoverable taxes

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

	Parent		Consolidated	
	09/30/2012	12/31/2011	09/30/2012	12/31/2011
IRPJ and CSLL	94,086	88,591	167,329	177,244
ICMS	-	-	187,055	178,202
Provision for ICMS losses (*)	-	-	(62,284)	(41,146)
Adjustment to present value of ICMS on property, plant and equipment - CIAP (see Note 2.t)	-	-	(931)	(3,007)
PIS and COFINS	-	21	161,073	211,332
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico and Oxiteno Andina	-	-	29,981	19,513
IPI	-	-	3,987	3,552
Other	-	-	8,789	6,216
Total	94,086	88,612	494,999	551,906
Current	42,384	48,706	398,397	470,511
Non-current	51,702	39,906	96,602	81,395

(*) The provision for ICMS losses relates to credit balances that the subsidiaries believe to be unable to offset in the future.

Movements in the provision for ICMS losses are as follows:

Balance as of December 31, 2011	41,146
Additions	22,563
Write-offs	(1,425)
Balance as of September 30, 2012	62,284

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

8. Related parties

a. Related parties

	Parent			
	Assets			Financial income
	Loans	Debentures	Total	
Ipiranga Produtos de Petróleo S.A.	-	789,061	789,061	74,918
Total as of September 30, 2012	-	789,061	789,061	74,918
Total as of December 31, 2011	3,822	775,709	779,531	
Total as of September 30, 2011				98,331

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

	Consolidated			
	Loans		Commercial transactions	
	Assets	Liabilities	Receivables1	Payables1
Braskem S.A. (*)	-	-	-	9,823
Copagaz Distribuidora de Gas Ltda.	-	-	517	-
Liquigás Distribuidora S.A.	-	-	568	-
Oxicap Indústria de Gases Ltda.	10,368	-	-	963
Petróleo Brasileiro S.A. – Petrobras (*)	-	-	-	451,592
Química da Bahia Indústria e Comércio S.A.	-	3,045	-	-
Braskem Qpar S.A. (*)	-	-	-	5,073
Refinaria de Petróleo Riograndense S.A. (**)	-	-	-	154
Other	491	826	337	-
Total as of September 30, 2012	10,859	3,871	1,422	467,605
Total as of December 31, 2011	10,144	3,971	937	409,985

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

	Consolidated	
	Commercial transactions	
	Sales	Purchases
Braskem S.A. (*)	20,562	684,731
Copagaz Distribuidora de Gas Ltda.	3,463	-
Liquigás Distribuidora S.A.	4,273	-
Oxicap Indústria de Gases Ltda.	5	9,581
Petróleo Brasileiro S.A. – Petrobras (*)	14,902	28,048,323
Braskem Qpar S.A. (*)	4,006	171,643
Refinaria de Petróleo Riograndense S.A. (**)	-	14,126
Others	2,168	-
Total as of September 30, 2012	49,379	28,928,404
Total as of September 30, 2011	42,627	23,544,387

(*) See Note 15 for further information on the relationship of these suppliers with the Company and its subsidiaries.
(**) Relates to the non-eliminated portion of the transactions between RPR and Ipiranga Produtos de Petróleo S.A. (“IPP”), since RPR is proportionally consolidated and IPP is fully consolidated.

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. Borrowing agreements are for an indeterminate period and do not contain interest clauses. In the opinion of the Company’s management, transactions with related parties are not subject to settlement 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.j). Intercompany loans are contracted in light of temporary cash surpluses or deficits of the Company and its subsidiaries.

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 other similar benefits; (b) variable compensation paid annually with the objective of aligning the executive's and the Company's objectives, which is linked to: (i) the business performance measured through its economic value creation and (ii) the fulfillment of individual annual goals that are based on the strategic plan and are focused on expansion and operational excellence projects, people development and market positioning, among others. Further details about the Deferred Stock Plan are contained in Note 8.c) and about post employment benefits in Note 24.b). In addition, in 2011 the Company had a long-term variable compensation plan with the purpose of aligning the long-term interests of executive officers and shareholders, as well as the retention of these executives, which provided the payment in 2012 to Ultrapar'executive officers relating to the Company's shares' performance between 2006 and 2011, reflecting the goal of at least doubling the value of the Company's share within 5 years.

As of September 30, 2012, the Company and its subsidiaries recorded expenses for compensation of its key executives (Company's directors and executive officers) in the amount of R$ 21,823 (R$ 20,186 as of September 30, 2011). Out of this total, R$ 18,494 relates to short-term compensation (R$ 16,876 as of September 30, 2011), R$ 2,424 to stock compensation (R$ 2,424 as of September 30, 2011) and R$ 905 (R$ 886 as of September 30, 2011) to post-employment benefits. In addition to the above amounts, the Company accrued, as of September 30, 2011, R$ 25,078 related to the variable long-term remuneration plan.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

c. Deferred Stock Plan

On April 27, 2001, the General Shareholders' Meeting approved a plan for granting stock options 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 held as treasury stock and the ownership of these shares is retained by 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 Deferred Stock Plan participant by the company 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. As of September 30, 2012, the amount granted to the company's executives, including tax charges, totaled R$ 42,933 (R$ 44,436 as of December 31, 2011). This amount is amortized over the vesting period of Deferred Stock Plan. The amortization for the period ended on September 30, 2012 in the amount of R$ 4,204 (R$ 4,506 as of September 30, 2011) was recorded as a general and administrative expense. The values of the awards were determined on the granting date based on the market value of these shares on the BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA"), the Brazilian Securities, Commodities and Futures Exchange.

The chart below summarizes shares provided to Ultrapar's and its subsidiaries management:

Granting date	Number of shares granted	Vesting period	Market price of shares on the granting date (in R$ per share)	Total compensation costs, including taxes	Accumulated recognized compensation costs	Accumulated unrecognized compensation costs
December 14, 2011	120,000	5 to 7 years	31.85	5,272	(746)	4,526
November 10, 2010	260,000	5 to 7 years	26.78	9,602	(3,127)	6,475
December 16, 2009	250,000	5 to 7 years	20.75	7,155	(3,443)	3,712
October 8, 2008	576,000	5 to 7 years	9.99	8,090	(5,545)	2,545
December 12, 2007	160,000	5 to 7 years	16.17	3,570	(2,930)	640
November 9, 2006	207,200	10 years	11.62	3,322	(1,966)	1,356
December 14, 2005	93,600	10 years	8.21	1,060	(724)	336

October 4, 2004	167,900	10 years	10.20	2,361	(1,889)	472
December 18, 2003	239,200	10 years	7.58	2,501	(2,209)	292
	2,073,900			42,933	(22,579)	20,354

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of 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 losses, temporary additions, negative tax bases and revaluation of property, plant and equipment, among others. Credits are sustained by the continued profitability of their operations. Deferred income and social contribution taxes are recorded under the following main categories:

	Parent		Consolidated	
	09/30/2012	12/31/2011	09/30/2012	12/31/2011
Assets - Deferred income and social contribution taxes on:				
Provision for loss of assets	-	-	28,027	22,645
Provisions for tax, civil and labor litigation	71	690	109,715	105,160
Provision for post-employment benefit (see Note 24.b)	-	-	35,517	31,594
Provision for differences between cash and accrual basis	-	-	25,653	2,500
Provision for goodwill paid on investments (see Note 13)	-	-	156,229	220,668
Provision for assets retirement obligation	-	-	13,524	13,067
Other provisions	-	-	69,125	61,494
Tax losses and negative basis for social contribution to offset (d)	-	-	57,784	53,007
Total	71	690	495,574	510,135
Liabilities - Deferred income and social contribution taxes on:				
Revaluation of property, plant and equipment	-	-	3,223	3,379
Lease	-	-	6,387	6,644
Provision for adjustments between cash and accrual basis	-	-	59,577	22,071
Provision for negative goodwill	-	-	810	810
Temporary differences of foreign subsidiaries	-	-	2,875	871
Other provisions	-	-	4,988	4,205
Total	-	-	77,860	37,980

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The estimated recovery of deferred tax assets relating to income and social contribution taxes is stated as follows:

	Parent	Consolidated
Up to 1 year	-	177,324
From 1 to 2 years	34	111,149
From 2 to 3 years	-	55,136
From 3 to 5 years	37	57,798
From 5 to 7 years	-	62,932
From 7 to 10 years	-	31,235
	71	495,574

b. Reconciliation of income and social contribution taxes

Income and social contribution taxes are reconciled to the full tax rates as follows:

	Parent		Consolidated	
	09/30/2012	09/30/2011	09/30/2012	09/30/2011
Income before taxes and share of profit of subsidiaries and associates	15,009	15,782	1,011,384	881,664
Official tax rates - %	34	34	34	34
Income and social contribution taxes at the official tax rates	(5,103)	(5,366)	(343,871)	(299,766)
Adjustments to the effective rate:				
Operating provisions and nondeductible expenses/nontaxable revenues	-	-	184	16,443
Adjustment to estimated income	-	-	21,431	16,828
Interest on equity	(10,914)	(10,227)	-	-
Other adjustments	18	17	(2,738)	(65)
Income and social contribution taxes before tax incentives	(15,999)	(15,576)	(324,994)	(266,560)
Tax incentives - SUDENE	-	-	29,604	18,368
Income and social contribution taxes in the income statement	(15,999)	(15,576)	(295,390)	(248,192)
Current	(15,380)	(15,626)	(263,661)	(217,390)
Deferred	(619)	50	(61,333)	(49,170)
Tax incentives - SUDENE	-	-	29,604	18,368

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

c.Tax incentives - SUDENE

The following subsidiaries are entitled to federal tax benefits providing for income tax 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	75	2012
	Mataripe base	75	2013
	Aracaju base	75	2017
	Suape base	75	2018
Terminal Químico de Aratu S.A. – Tequimar	Aratu terminal	75	2012
	Suape terminal	75	2020

The subsidiary Oleoquímica Indústria e Comércio de Produtos Químicos Ltda. (“Oleoquímica”) filed a request of income tax reduction relating to its Camaçari plant, which was approved on July 18, 2012. On August 14, 2012 the appraisal was filed with the Federal Revenue Service (SRF), which has the period of 120 days to ratify this request. If accepted, Oleoquímica would record a reduction of its income tax retroactively to January 1, 2012.

d. Income and social contribution taxes carryforwards

The Company and its subsidiaries have net operating loss carryforwards (income tax) amounting to R$ 171,897 (R$ 158,437 as of December 31, 2011) and negative basis of CSLL of R$ 164,557 (R$ 148,861 as of December 31, 2011), whose compensations are limited to 30% of taxable income, whithout expiration dates. Based on these values the Company and its subsidiaries recorded deferred income and social contribution taxes in the amount of R$ 57,784 (R$ 53,007 as of December 31, 2011).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

10. Prepaid expenses (Consolidated)

	09/30/2012	12/31/2011
Rents	61,341	49,937
Deferred Stock Plan, net (see Note 8.c)	16,369	21,066
Software maintenance	11,917	16,233
Insurance premiums	4,771	10,149
Advertising and publicity	11,204	3,589
Purchases of meal and transportation tickets	4,320	4,670
Taxes and other prepaid expenses	5,053	3,775
	114,975	109,419
Current	42,894	40,221
Non-current	72,081	69,198

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

11. Investments

a. Subsidiaries (Parent company)

	September 30, 2012			
	Ultracargo – Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	9,323,829	35,102,127	224,467,228,244	5,078,888
Assets	843,830	3,095,990	8,775,830	218,970
Liabilities	3,762	737,211	6,277,118	157,806
Shareholders’ equity adjusted for intercompany unrealized profits - R$	840,068	2,358,837	2,498,712	61,164
Net revenue from sales and services	-	687,671	34,219,887	100,274
Net income after adjustment for unrealized profits - R$	59,185	140,766	508,551	11,556

	December 31, 2011			
	Ultracargo – Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	9,323,829	35,102,127	224,467,228,244	5,078,888
Assets	810,547	2,927,945	7,773,605	198,991
Liabilities	29,664	721,148	5,489,165	142,058
Shareholders’ equity adjusted for intercompany unrealized profits - R$	780,883	2,206,872	2,284,440	56,933

	September 30, 2011			
	Ultracargo – Operações	Oxiteno S.A.	Ipiranga Produtos de	Refinaria de Petróleo

	Logísticas e Participações Ltda.	Indústria e Comércio	Petróleo S.A.	Riograndense S.A.
Net revenue from sales and services	-	577,888	31,071,966	183,686
Net income after adjustment for unrealized profits - R$	52,943	71,745	501,926	6,374

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

	Investments		Share of profit of subsidiaries	
	09/30/2012	12/31/2011	09/30/2012	09/30/2011
Ipiranga Produtos de Petróleo S.A.	2,498,712	2,284,440	508,551	501,926
Oxiteno S.A. Indústria e Comércio	2,358,837	2,206,872	140,766	71,745
Ultracargo – Operações Logísticas e Participações Ltda.	840,068	780,883	59,185	52,943
Refinaria de Petróleo Riograndense S.A.	20,310	18,904	3,726	1,838
	5,717,927	5,291,099	712,228	628,452

The table below summarizes the 33% interest in RPR attributed to the Company:

	09/30/2012	12/31/2011
Current assets	40,975	37,385
Non-current assets	31,732	28,688
Current liabilities	23,747	11,850
Non-current liabilities	28,650	35,319
Shareholders’ equity	20,310	18,904

	09/30/2012	09/30/2011
Net revenue from sales and services	33,295	60,991
Costs and operating expenses	(27,355)	(57,698)
Operating income	5,940	3,293
Net financial income and income and social contribution taxes	(2,103)	(1,176)
Net income	3,837	2,117

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

b. Associates (Consolidated)

	Movements in investments			
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Total
Movements in investments:				
Balance as of December 31, 2011	6,828	2,105	3,693	12,626
Share of profit (loss) of associates	238	19	(57)	200
Dividends received	(147)	-	-	(147)
Balance as of September 30, 2012	6,919	2,124	3,636	12,679

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 Cia. Ultragaz holds an interest in Metalúrgica Plus S.A. which is primarily engaged in the manufacture and marketing of LPG containers. The operations of this associate is 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 is currently suspended.

In the consolidated interim financial information, the investment of subsidiary Oxiteno S.A. in the associate Oxicap is valued by the equity method of accounting based on its information as of August 31, 2012, while the other associates are valued based on the interim financial information as of September 30, 2012.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

	09/30/2012				
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Current assets	7,436	14,490	109	376	23
Non-current assets	21,172	92,436	9,386	701	3,174
Current liabilities	596	10,042	-	15	99
Non-current liabilities	332	88,388	2,226	1,708	4,022
Shareholders' equity	27,680	8,496	7,269	(646)	(924)
Net revenue from sales and services	3,797	24,344	-	-	-
Costs, operating expenses and income	(2,953)	(23,981)	(76)	(101)	306
Net financial income and income and social contribution taxes	108	(287)	(38)	3	(21)
Net income	952	76	(114)	(98)	285
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

	12/31/2011				
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Plenogás Distribuidora de Gás S.A.
Current assets	6,282	11,049	774	332	25
Non-current assets	22,032	93,310	8,836	842	3,132
Current liabilities	668	6,638	-	13	61
Non-current liabilities	332	89,301	2,226	1,708	4,304
Shareholders'equity	27,314	8,420	7,384	(547)	(1,208)
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

	09/30/2011				
	Transportadora	Oxicap	Química da Bahia	Metalúrgica Plus S.A.	Plenogás Distribuidora de

	Sulbrasileira de Gás S.A.	Indústria de Gases Ltda.	Indústria e Comércio S.A.		Gás S.A.
Net revenue from sales and services	2,892	19,885	-	-	-
Costs, operating expenses and income	(2,679)	(20,019)	(68)	(85)	(275)
Net financial income and income and social contribution taxes	238	56	38	35	(2)
Net income	451	(78)	(30)	(50)	(277)

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

12. Property, plant and equipment (Consolidated)

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

	Weighted average term of depreciation (years)	Balance as of December 31, 2011	Additions	Deprecia-tion	Transfer	Write-offs	Temmar acquisiton	Exchange rate variation	Balance as of September 30, 2012
Cost:									
Land	-	356,012	12,074	-	15,216	(9,497)	-		6775,480
Buildings	28	1,098,278	3,413	-	37,526	(19,658)	-		4,286,845
Leasehold improvements	13	405,054	5,490	-	56,130	(725)	31,749		4(2)7,696
Machinery and equipment	13	3,178,694	61,017	-	108,624	(10,370)	60,257		31,840,062
Automotive fuel/lubricant distribution equipment and facilities	14	1,639,532	97,166	-	44,620	(11,281)	-		1,770,037
LPG tanks and bottles	12	415,905	59,212	-	-	(29,304)	-		445,813
Vehicles	9	192,163	10,736	-	7,643	(13,593)	77		3592,378
Furniture and utensils	8	110,806	2,103	-	255	(129)	238		1,144,417
Construction in progress	-	232,054	245,035	-	(261,555)	(546)	-		2,9237,920
Advances to suppliers	-	11,482	6,677	-	(9,351)	-	-		8,808
Imports in progress	-	166	34	-	(105)	-	-	-	95
IT equipment	5	187,070	5,043	-	3,107	(2,688)	306		2693,100
		7,827,216	508,000	-	2,110	(97,791)	92,627		41,8,4373,651
Accumulated depreciation:									
Buildings		(465,608)	-	(26,635)	(1,123)	8,328	-		(3,(484),402)
Leasehold improvements		(212,492)	-	(19,918)	20	656	(1,051)		(232-,785)

Machinery and equipment	(1,443,487)	-	(154,203)	(1,347)	6,169	(3,060)	(3(1,5029),437)
Automotive fuel/lubricant distribution equipment and facilities	(892,860)	-	(70,199)	22	8,396	-	(954-,641)
LPG tanks and bottles	(205,213)	-	(19,318)	-	10,534	-	(213-,997)
Vehicles	(96,127)	-	(5,936)	366	10,547	(29)	(2(491),422)
Furniture and utensils	(74,338)	-	(6,412)	371	107	(29)	(1,0(81),346)
IT equipment	(156,488)	-	(9,134)	(16)	2,049	(97)	((1867),873)
	(3,546,613)	-	(311,755)	(1,707)	46,786	(4,266)	(3(6,3458),903)
Provision for loss:							
Land	(197)	-	-	-	-	-	-(197)
Machinery and equipment	(1,475)	-	-	-	-	-	(1-,475)
	(1,672)	-	-	-	-	-	(1-,672)
Net amount	4,278,931	508,000	(311,755)	403	(51,005)	88,361	54,,5418,076

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

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

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

13. Intangible assets (Consolidated)

Balances and changes in intangible assets are as follows:

	Goodwill	Software	Technology	Commercial property rights	Market rights	Others	Total
Balance as of December 31, 2011	705,989	84,790	15,600	11,917	717,068	3,813	1,539,177
Additions	-	21,519	-	-	370,532	98	392,149
Write-offs	-	-	-	-	-	(3)	(3)
Transfer	-	234	-	-	(1,214)	(19)	(999)
Amortization	-	(22,603)	(4,572)	(412)	(179,988)	(59)	(207,634)
Exchange rate	-	1,191	-	-	-	231	1,422
Temmar acquisition	41,655	-	-	-	21,243	-	62,898
Balance as of September 30, 2012	747,644	85,131	11,028	11,505	927,641	4,061	1,787,010
Weighted average term of amortization (years)	-	5	5	30	5	7	

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

The Company has the following balances of goodwill:

	09/30/2012	12/31/2011
Goodwill on the acquisition of:		
Ipiranga	276,724	276,724
União Terminais	211,089	211,089
Texaco	177,759	177,759
Temmar	41,655	-
DNP	24,736	24,736
Repsol	13,403	13,403
Other	2,278	2,278
	747,644	705,989

On December 31, 2011 the Company tested the balances of goodwill shown in the table above for impairment. The determination of value in use involves assumptions, judgments and estimates of cash flows, such as growth rates of revenues, costs and expenses, estimates of investments and working capital and discount rates. The assumptions about growth projections and future cash flows are based on the Company's business plan, as well as comparable market data, and represent management's best estimate of the economic conditions that will exist over the economic life of the various CGUs.

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

The growth and discount rates used to extrapolate the projections as of December 31, 2011, over the five year period ranged from 0% to 8% and 10.5% to 28.2%, respectively, depending on the CGU analyzed.

The Company's goodwill impairment tests did not result in the recognition of losses for the year ended December 31, 2011.

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

The Company records as technology certain rights held by the subsidiaries Oxiteno S.A., Oxiteno Nordeste and Oleoquímica. Such licenses include the production of ethylene oxide, ethylene glycols, ethanolamines, glycol ethers, ethoxylates, solvents, fatty acids from vegetable oils, fatty alcohols, and specialty chemicals, which are products that are supplied to various industries.

Commercial property rights include those described below:

- On July 11, 2002, subsidiary Tequimar executed an agreement with CODEBA – Companhia das Docas do Estado da Bahia, which allows it to explore the area in which the Aratu Terminal is located for 20 years, renewable for a similar period. The price paid by Tequimar was R$ 12,000, which is being amortized over the period from August 2002 to July 2042.

- In addition, subsidiary Tequimar has a lease contract for an area adjacent to the Port of Santos for 20 years from December 2002, renewable for another 20 years, which allows the construction, operation, and use of a terminal for liquid bulk unloading, tank storage, handling, and distribution. The price paid by Tequimar was R$ 4,334, which is being amortized over the period from August 2005 to December 2022.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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

The amortization expenses were recognized in the income statements as shown below:

	09/30/2012	09/30/2011
Cost of products and services sold	10,436	8,341
Selling and marketing	176,760	130,717
General and administrative	20,438	17,076
	207,634	156,134

Research and development expenses are recorded in the income statements and amounted to R$ 17,510 as of September 30, 2012 (R$ 15,694 as of September 30, 2011).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

14. Loans, debentures and finance leases (Consolidated)

a. Composition

Description	09/30/2012	12/31/2011	Index/Currency	Weighted average financial charges 09/30/2012 - % p.a.	Maturity
Foreign currency – denominated loans:					
Notes in the foreign market (b)	514,621	466,197	US$	+7.2	2015
Foreign loan (c)	121,850	111,868	US$ + LIBOR (i)	+1.0	2014
Advances on foreign exchange contracts	98,931	125,813	US$	+2.2	< 319 days
Foreign currency advances delivered	74,951	45,692	US$	+1.4	< 116 days
BNDES (d)	63,393	72,869	US$	+5.5	2012 to 2018
Financial institutions (e)	41,024	-	US$	+2.4	2017
Financial institutions (e)	39,472	21,784	Bs (ii)	+12.1	2012 to 2014
Financial institutions (e)	38,222	28,454	MX$ + TIIE (iii)	+1.3	2014 to 2016
FINIMP	1,002	878	US$	+7.0	2012
BNDES (d)	298	-	UMBNDES (iv)	+6.9	2016
Subtotal	993,764	873,555			
Reais– denominated loans:					
Banco do Brasil – fixed rate (f)	1,901,259	2,208,109	R$	+11.9	2013 to 2015
Debentures - 4th issuance (g)	829,696	-	CDI	+108.2	2015
BNDES (d)	686,890	890,865	TJLP (v)	+2.6	2012 to 2019
Banco do Brasil – floating rate (f)	656,794	213,055	CDI	+101.4	2014
Debentures - 3th issuance (g)	215,863	1,002,451	CDI	+108.5	2012
Banco do Nordeste do Brasil	122,034	86,108	R$	+8.5 (vii)	2018 to 2021
Loan – MaxFácil	92,068	86,364	CDI	+100.0	2012
BNDES (d)	49,439	57,626	R$	+5.8	2015 to 2021
Finance leases (h)	42,753	42,356	IGP-M (vi)	+5.6	2031
FINEP	29,266	45,647	TJLP (v)	+0.3	2013 to 2014

Debentures – RPR (g)	20,611	19,102	CDI	+118.0	2014
FINEP	16,559	10,904	R$	+4.0	2019 to 2021
FINAME	837	2,106	TJLP (v)	+2.8	2012 to 2013
Fixed finance leases (h)	705	1,297	R$	+14.7	2013 to 2014
Subtotal	4,664,774	4,665,990			
Currency and interest rate hedging instruments	6,541	22,089			
Total	5,665,079	5,561,634			
Current	1,940,259	2,304,999			
Non-current	3,724,820	3,256,635			

(In thousands of Reais, unless otherwise stated)

(i) LIBOR = London Interbank Offered Rate.

(ii) Bs = Venezuelan Bolivares Fortes.

(iii) MX$ = Mexican Peso; TIIE = the Mexican interbank balance interest rate.

(iv) UMBNDES = monetary unit of Banco Nacional de Desenvolvimento Econômico e Social ("BNDES") is a "basket of currencies" representing the composition of foreign currency debt obligations of BNDES. As of September 2012, 97% of this composition reflected the U.S. dollar.

(v) TJLP (Long-term Interest Rate) = set by the National Monetary Council, TJLP is the basic financing cost of BNDES. On September 30, 2012, TJLP was fixed at 5.5% p.a.

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

(vii) Contract linked to the rate of FNE (Northeast Constitutional Financing Fund) fund whose purpose is to foster the development of the industrial sector, administered by Banco do Nordeste do Brasil. On September 30, 2012, the FNE interest rate was 10% p.a. FNE grants a discount of 15% over the interest rate for timely payments.

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

	09/30/2012	12/31/2011
From 1 to 2 years	1,429,084	1,214,029
From 2 to 3 years	1,413,698	879,137
From 3 to 4 years	659,581	976,172
From 4 to 5 years	125,353	93,970
More than 5 years	97,104	93,327
	3,724,820	3,256,635

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

b. Notes in the foreign market

In December 2005, the subsidiary LPG International Inc. (“LPG Inc.”) issued US$ 250 million in notes in the foreign market, maturing in December 2015, with annual interest rate of 7.2% p.a., paid semiannually, with the first payment due in June 2006. The issuance price was 98.7% of the note’s face value, which represented a total yield for investors of 7.4% p.a. upon issuance. The notes were secured by the Company and Oxiteno S.A.

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

- Limitation on transactions with shareholders that hold 5% or more of any class of stock of the Company, except upon fair and reasonable terms no less favorable to the Company than could be obtained in a comparable arm’s-length transaction with a third party.

- Required board approval for transactions with related parties totaling more than US$ 15 million (except transactions of the Company with its subsidiaries and between its subsidiaries).

- Restriction on transfer of all or substantially all assets of the Company and its subsidiaries.

- Restriction on encumbrance of assets exceeding US$ 150 million or 15% of the value of the consolidated tangible assets.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

c. Foreign loan

The subsidiary Oxiteno Overseas Corp. has a foreign loan in the amount of US$ 60 million with maturity in June 2014 and interest of LIBOR + 1.0% p.a. The Company, through its subsidiary Cia. Ultragaz, contracted hedging instruments with floating interest rate in dollar and exchange rate variation, changing the foreign loan charge to 86.9% of CDI (see Note 22). The foreign loan is secured by the Company and subsidiary Oxiteno S.A.

As a result of the issuance of the foreign loan, some obligations other than those in Note 14.b) must be maintained by the Company and its subsidiaries. Additionally the following restrictions are imposed on the Company:

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

- Maintenance of a financial index determined by the ratio between consolidated EBITDA and consolidated net financial expenses, higher than or equal to 1.5.

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

d. BNDES

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

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

e. Financial institutions

The subsidiaries Oxiteno Mexico and Oxiteno Andina have loans to finance investments and working capital.

f. Banco do Brasil

The subsidiary IPP has fixed and floating interest rate loans with Banco do Brasil to finance the marketing, processing or manufacturing of agricultural goods (ethanol). IPP contracted interest hedging instruments, thus converting the fixed rates for these loans into an average 98.8% of CDI (see Note 22). IPP designates these hedging instruments as a fair value hedge; therefore, loans and hedging instruments are both stated at fair value from inception. Changes in fair value are recorded as profit or loss.

During the first and second quarters of 2012 IPP renegotiated loans with original maturities in those periods, in the amounts of R$ 353.0 million and R$ 56.5 million respectively, changing the maturity to January 2014 and April 2014 with floating charges of 103% of CDI.

These loans mature between 2013 and 2015, as follows:

Maturity	09/30/2012
Mar/13	669,605
May/13	398,693
Jan/14	370,479
Mar/14	228,134
Apr/14	58,181
May/14	411,405
May/15	421,556
	2,558,053

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

g. Debentures

- In March 2012, the Company made its fourth issuance of debentures, in a single series of 800 simple, nonconvertible into shares, unsecured debentures, and the following characteristics:

Face value unit:	R$ 1,000,000.00
Final maturity:	March 16, 2015
Payment of the face value:	Lump sum at final maturity
Interest:	108.2% of CDI
Payment of interest:	Annually
Reprice:	Not applicable

The proceeds of the issuance were used for the partial redemption of the third issuance of the debentures of the Company, with maturity in December 2012 and remuneration of 108.5% of CDI.

- In December 2009, the Company concluded the review of certain terms and conditions of its third issuance of debentures, in a single series of 1,200 simple, nonconvertible into shares, unsecured debentures, after which the interest of the debentures was reduced to 108.5% of CDI and its maturity date was extended to December 4, 2012. In April 2011 and March 2012, the Company made early partial redemptions of 200 debentures and 800 debentures, respectively. The debentures have annual interest payments and amortization in one single tranche at the maturity date, according to the following characteristics:

Face value unit:	R$ 1,000,000.00
Final maturity:	December 4, 2012
Payment of the face value:	Lump sum at final maturity
Interest:	108.5% of CDI
Payment of interest:	Annually
Reprice:	Not applicable

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

- In November 2010, RPR made its first issuance of debentures, in a single series of 50 simple debentures, nonconvertible into shares, with floating guarantees, and the following characteristics:

Face value unit:	R$ 1,000,000.00
Final maturity:	November 30, 2014
Payment of the face value:	Eight equal quarterly installments, starting on March 1, 2013 and ending on November 30, 2014
Interest:	118.0% of CDI
Payment of interest:	Eight equal quarterly installments, starting on March 1, 2013 and ending on November 30, 2014
Reprice:	Not applicable

The proceeds were received in January 2011. The RPR debentures were consolidated proportionally to the Company's investment in RPR.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

h. Finance leases

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

The subsidiaries Serma – Associação dos Usuários de Equipamentos de Processamento de Dados e Serviços Correlatos (“Serma”) and Tropical Transportes Ipiranga Ltda. (“Tropical”) have finance lease contracts primarily related to IT equipment and vehicles for fuel transportation. These contracts have terms between 36 and 60 months.

The subsidiaries Serma and Tropical have the option to purchase the assets at a price substantially lower than the fair market price on the date of option, and management intends to exercise such option.

The amounts of equipments and intangible assets, net of depreciation and amortization, and of the liabilities corresponding to such equipments, recorded as of September 30, 2012 and December 31, 2011 are shown below:

	09/30/2012		
	LPG bottling facilities	IT equipment	Vehicles for fuel transportation
Equipment and intangible assets, net of depreciation and amortization	35,898	899	853
Financing (present value)	42,753	545	160
Current	1,516	468	160
Non-current	41,237	77	-

	12/31/2011		
	LPG bottling facilities	IT equipment	Vehicles for fuel transportation
Equipment and intangible assets, net of depreciation and amortization	39,645	1,541	865
Financing (present value)	42,356	952	345
Current	1,419	542	261
Non-current	40,937	410	84

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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

	09/30/2012		
	LPG bottling facilities	IT equipment	Vehicles for fuel transportation
Up to 1 year	3,655	510	215
From 1 to 2 years	3,655	81	-
From 2 to 3 years	3,655	-	-
From 3 to 4 years	3,655	-	-
From 4 to 5 years	3,655	-	-
More than 5 years	49,644	-	-
	67,919	591	215

	12/31/2011		
	LPG bottling facilities	IT equipment	Vehicles for fuel transportation
Up to 1 year	3,540	622	365
From 1 to 2 years	3,540	385	113
From 2 to 3 years	3,540	55	-
From 3 to 4 years	3,540	-	-
From 4 to 5 years	3,540	-	-
More than 5 years	50,740	-	-
	68,440	1,062	478

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

i. Transaction costs

Transaction costs incurred in issuing debt were deducted from the value of the related financial instrument and are recorded as expense according to the effective rate, as follows:

	Effective rate of transaction costs (% p.a.)	Balance as of December 31, 2011	Incurred cost	Amortization	Balance as of September 30, 2012
Banco do Brasil (f)	0.6%	21,512	2,927	(8,027)	16,412
Debentures (g)	0.4%	6,023	6,514	(3,570)	8,967
Notes in the foreign market (b)	0.2%	3,697	-	(445)	3,252
Other	0.3%	810	-	(200)	610
Total		32,042	9,441	(12,242)	29,241

The amount to be appropriated to income in the future is as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Total
Banco do Brasil (f)	10,089	4,924	1,399	-	-	16,412
Debentures (g)	3,552	3,615	1,800	-	-	8,967
Notes in the foreign market (b)	1,000	1,001	1,001	250	-	3,252
Other	310	238	62	-	-	610
Total	14,951	9,778	4,262	250	-	29,241

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

j. Guarantees

The financings are guaranteed by collateral in the amount of R$ 126,685 as of September 30, 2012 (R$ 89,231 as of December 31, 2011) and by guarantees and promissory notes in the amount of R$ 1,696,592 as of September 30, 2012 (R$ 1,841,760 as of December 31, 2011).

In addition, the Company and its subsidiaries offer collateral in the form of letters of credit for commercial and legal proceedings in the amount of R$ 178,471 as of September 30, 2012 (R$ 135,051 as of December 31, 2011).

Some subsidiaries issued collateral to financial institutions in connection with the amounts owed by some of their customers to such institutions (vendor financing). If a subsidiary is required to make any payment under these collaterals, this subsidiary may recover the amount paid directly from its customers through commercial collection. The maximum amount of future payments related to these collaterals is R$ 8,079 as of September 30, 2012 (R$ 11,843 as of December 31, 2011), with maturities of less than 210 days. As of September 30, 2012, the Company and its subsidiaries did not have losses in connection with these collaterals. The fair value of collaterals recognized in current liabilities is R$ 198 as of September 30, 2012 (R$ 286 as of December 31, 2011), which is recognized as income as customers settle their obligations with the financial institutions.

Some financing agreements of the Company and its subsidiaries have cross default clauses that require them to pay the debt assumed in case of default of other debts equal to or greater than US$ 15 million. As of September 30, 2012, there was no event of default of the debts of the Company and its subsidiaries.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

15. Trade payables (Consolidated)

	09/30/2012	12/31/2011
Domestic suppliers	961,197	1,024,697
Foreign suppliers	52,079	50,406
	1,013,276	1,075,103

The Company and its subsidiaries acquire oil based fuels and LPG from Petrobras and ethylene from Braskem and Braskem Qpar S.A. (see Note 8.a). These suppliers control almost all the markets for these products in Brazil. The Company and its subsidiaries depend on the ability of those suppliers to deliver products in a timely manner and at acceptable prices and terms. The loss of any major supplier or a significant reduction in product availability from these suppliers could have a significant adverse effect on the Company. The Company believes that its relationship with suppliers is satisfactory.

16. Salaries and related charges (Consolidated)

	09/30/2012	12/31/2011
Salaries and related payments	7,544	5,207
Social charges	21,089	27,748
Provisions on payroll	121,068	89,167
Profit sharing, bonus and premium	76,058	144,144
Benefits	1,387	1,121
Others	611	958
	227,757	268,345

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

17. Taxes payable (Consolidated)

	09/30/2012	12/31/2011
ICMS	73,141	55,055
PIS and COFINS	10,624	16,818
IPI	5,720	14,604
Income Tax Withholding (IRRF)	6,019	5,180
National Institute of Social Security (INSS)	2,226	3,863
ISS	4,875	4,763
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico and Oxiteno Andina	8,718	8,340
Others	1,159	1,030
	112,482	109,653

18. Provision for assets retirement obligation (Consolidated)

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

Movements in the provision for assets retirement obligations are as follows:

Balance as of December 31, 2011	67,504
Additions (new tanks)	1,469
Expense with tanks removed	(1,957)
Accretion expense	2,493
Balance as of September 30, 2012	69,509
Current	3,654
Non-current	65,855

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

19. Deferred revenue (Consolidated)

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

	09/30/2012	12/31/2011
Loyalty program “Km de Vantagens”	15,453	15,983
‘am/pm’ franchising upfront fee	13,348	12,472
	28,801	28,455
Current	19,663	19,731
Non-current	9,138	8,724

Ipiranga has a loyalty program called Km de Vantagens under which registered customers are rewarded with points when they buy products at Ipiranga service stations. The customers may exchange these points for discounts on products and services offered by Ipiranga’s partners. Points received by Ipiranga’s customers that may be used with the partner Multiplus Fidelidade and for discounts of fuel in Ipiranga’s website (www.postoipiranganaweb.com.br) are considered part of the sales revenue based on the fair value of the points granted. Revenue is deferred based on the expected redemption of points, and is recognized in income when the points are redeemed, on which occasion the costs incurred are also recognized. Deferred revenue of unredeemed points is also recognized in income when the points expire.

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

20. Shareholders' equity

a. Share capital

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

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

As of September 30, 2012, there were 42,869,399 common shares outstanding abroad in the form of ADRs.

b. Treasury shares

The Company acquired its own shares at market prices without capital reduction, to be held in treasury and to be subsequently disposed of or cancelled, in accordance with CVM Instructions 10 of February 14, 1980 and 268 of November 13, 1997. In the nine months of 2012, there were no stock repurchases.

As of September 30, 2012, 8,321,556 common shares were held in the Company's treasury, acquired at an average cost of R$ 14.42 per share.

The price of shares issued by the Company as of September 30, 2012 on BM&FBOVESPA was R$ 45.61.

c. Capital reserve

The capital reserve reflects the gain on the transfer of shares at market price to be held in treasury by the Company's subsidiaries, at an average price of R$ 13.14 per share. The usufruct of such shares was granted to executives of these subsidiaries, as mentioned in Note 8.c).

d. Revaluation reserve

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

e. Profit reserve

Legal reserve

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

Retention of profits

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

Investments reserve

In compliance with Article 194 of the Brazilian Corporate Law and Article 55.c) of the Bylaws this reserve is aimed to protect the integrity of the Company's assets and to supplement its capital stock, in order to allow new investments to be made.

f. Comprehensive income

Valuation adjustments

Valuation adjustments record the differences between the fair value and amortized cost of financial investments classified as available for sale and interest rate derivatives designated as cash flow hedge. In all cases, the gains and losses recorded in the shareholders' equity are included in income in case the financial instruments are prepaid.

Cumulative translation adjustments

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

g. Dividends payable in excess of the statutory minimum mandatory dividends and dividends of 2012 paid in advance

The shareholders are entitled, under the Bylaws, to a minimum annual dividend of 50% of adjusted net income calculated in accordance with Brazilian Corporate Law. The dividends and interest on equity in excess of the obligation established in the Bylaws are recognized in shareholders' equity until they are approved by the Shareholders' Meeting. The proposed dividends payable as of December 31, 2011 in the amount of R$ 273,453 (R$ 0.51 – fifty one cents of Reais per share), were approved by Board of Directors on February 15, 2012, having been ratified in the Annual General Shareholders' Meeting on April 11, 2012 and paid on March 2, 2012. From August 17, 2012, the Company has anticipated dividends of 2012, in the amount of R$ 273,392 (R$ 0.51– fifty one cents of Reais per share).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

21. Segment information

The Company operates four main business segments: gas distribution, fuel distribution, chemicals, and storage. The gas distribution segment (Ultragaz) distributes LPG to residential, commercial, and industrial consumers, especially in the South, Southeast, and Northeast regions of Brazil. The fuel distribution segment (Ipiranga) operates the distribution and marketing of gasoline, ethanol, diesel, fuel oil, kerosene, natural gas for vehicles and lubricants and related activities throughout all the Brazilian territory. The chemicals segment (Oxiteno) produces ethylene oxide and its main derivatives and fatty alcohols, which are the raw materials for the home and personal care, agrochemical, paints, varnishes, and other industries. The storage segment (Ultracargo) operates liquid bulk terminals, especially in the Southeast, and Northeast regions of Brazil. The segments shown in the interim financial information are strategic business units supplying different products and services. Inter-segment sales are at prices similar to those that would be charged to third parties.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The main financial information of each of the Company’s segments can be stated as follows:

	09/30/2012	09/30/2011
Net revenue:		
Ultragaz	2,890,231	2,810,358
Ipiranga	34,288,166	31,153,476
Oxiteno	2,167,008	1,746,698
Ultracargo	222,043	198,072
Others (1)	68,933	97,293
Intersegment sales	(63,838)	(103,038)
Total	39,572,543	35,902,859
Intersegment sales:		
Ultragaz	771	1,266
Ipiranga	952	5,726
Oxiteno	-	-
Ultracargo	20,483	20,091
Others (1)	41,632	75,955
Total	63,838	103,038
Net revenue, excluding intersegment sales:		
Ultragaz	2,889,460	2,809,092
Ipiranga	34,287,214	31,147,750
Oxiteno	2,167,008	1,746,698
Ultracargo	201,560	177,981
Others (1)	27,301	21,338
Total	39,572,543	35,902,859
Operating income:		
Ultragaz	92,574	144,710
Ipiranga	846,295	772,512
Oxiteno	186,827	102,886
Ultracargo	82,167	67,452
Others (1)	9,652	8,081
Total	1,217,515	1,095,641
Financial income	168,759	249,113
Financial expenses	(374,890)	(463,090)
Share in profit of associates	200	115
Income before taxes	1,011,584	881,779

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Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

	09/30/2012	09/30/2011
Additions to property, plant and equipment and intangible assets:		
Ultragaz	143,113	210,315
Ipiranga	571,207	402,404
Oxiteno	90,497	84,256
Ultracargo	82,439	78,852
Others (1)	12,893	16,309
Total additions to property, plant and equipment and intangible assets (see Notes 12 and 13)	900,149	792,136
Finance leases	-	(43,009)
Assets retirement obligation (see Note 18)	(1,469)	(1,786)
Capitalized borrowing costs	(7,512)	(3,312)
Total investments in property, plant and equipment and intangible assets (cash flow)	891,168	744,029

	09/30/2012	09/30/2011
Depreciation and amortization charges:		
Ultragaz	98,607	85,732
Ipiranga	284,473	231,540
Oxiteno	91,661	78,735
Ultracargo	27,005	21,566
Others (1)	8,867	7,851
Total	510,613	425,424

	09/30/2012	12/31/2011
Total assets:		
Ultragaz	2,619,746	1,868,270
Ipiranga	6,259,860	6,633,132
Oxiteno	3,452,009	3,454,518
Ultracargo	1,170,814	1,068,780
Others (1)	529,778	718,039
Total	14,032,207	13,742,739

(1) Composed primarily of the parent company Ultrapar and the investment in RPR.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Geographic area information

Fixed and intangible assets are located in Brazil, except those located in Mexico, in the amount of R$ 43,847 as of September 30, 2012 (R$ 30,853 as of December 31, 2011), and in Venezuela, in the amount of R$ 20,090 as of September 30, 2012 (R$ 17,021 as of December 31, 2011). From April 2012 with the acquisition of a specialty chemicals plant, the Company also started to have fixed assets in the United States of America, in the amount of R$ 36,870 as of September 30, 2012, with operational start-up expected in 2013.

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

	09/30/2012	09/30/2011
Net revenue:		
Brazil	38,928,255	35,381,637
Mexico	93,748	77,667
Venezuela	100,317	93,525
Other Latin American countries	261,156	190,828
United States of America and Canada	83,091	74,085
Far East	29,145	31,900
Europe	41,042	38,136
Other	35,789	15,081
Total	39,572,543	35,902,859

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

22. Risks and financial instruments (Consolidated)

Risk management and financial instruments - Governance

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

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

- Implementation of the management of financial assets, instruments and risks is the responsibility of the financial area, through its treasury department, with the assistance of the tax and accounting departments.
- Supervision and monitoring of compliance with the principles, guidelines and standards of the Policy is the responsibility of the Risk and Investment Committee composed of members of the Company's Executive Board ("Committee"). The Committee holds regular meetings and is in charge, among other responsibilities, of discussing and monitoring the financial strategies, existing exposures, and significant transactions involving investment, fund raising, or risk mitigation. The Committee monitors the risk standards established by the Policy through a monitoring map on a monthly basis.
- Changes in the Policy or revisions of its standards are subject to the approval of the Board of Directors of Ultrapar.
- Continuous improvement of the Policy is the joint responsibility of the Board of Directors, the Committee, and the financial area.
- The internal audit department audits the compliance with the requirements of the Policy.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Currency risk

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

The Company and its subsidiaries use exchange rate hedging instruments (especially between the Real and the U.S. dollar) available in the financial market to protect their assets, liabilities, receipts and disbursements in foreign currency, in order to reduce the effects of changes in exchange rates on its results and cash flows in Reais within the exposure limits under its Policy. Such foreign exchange hedging instruments have amounts, periods, and rates substantially equivalent to those of assets, liabilities, receipts and disbursements in foreign currency to which they are related. Assets and liabilities in foreign currencies are stated below, translated into Reais as of September 30, 2012 and December 31, 2011:

Assets and liabilities in foreign currencies

Amounts in millions of Reais	09/30/2012	12/31/2011
Assets in foreign currency		
Financial assets in foreign currency (except hedging instruments)	362.8	303.8
Foreign trade receivables, net of allowance for doubtful accounts	175.4	134.9
Investments in foreign subsidiaries	205.2	115.3
	734.4	554.0
Liabilities in foreign currency		
Financing in foreign currency	(993.5)	(873.6)
Payables arising from imports, net of advances to foreign suppliers	(36.0)	(2.8)
	(1,029.5)	(876.4)
Foreign currency hedging instruments	310.5	348.5
Net asset position	24.4	26.1
Net liability position – RPR1	(0.3)	(8.3)
Net asset position – Total	24.1	17.8

(1) Amount disclosed due to its magnitude and to RPR having independent financial management. The net liability position as of September 30, 2012 of RPR reflects the amount of R$ 0.3 million of loans in foreign currencies from BNDES.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Sensitivity analysis of assets and liabilities in foreign currency

The table below shows the effect of exchange rate changes in different scenarios, based on the net asset position of R$ 24.4 million in foreign currency:

Amounts in millions of Reais	Risk	Scenario I 10 %	Scenario II 25 %	Scenario III 50 %
(1) Income effect		(8.0)	(19.9)	(39.8)
(2) Equity effect	Real devaluation	10.4	26.0	52.0
(1) + (2)	Net effect	2.4	6.1	12.2
(3) Income effect	Real	8.0	19.9	39.8
(4) Equity effect	appreciation	(10.4)	(26.0)	(52.0)
(3) + (4)	Net effect	(2.4)	(6.1)	(12.2)

Gains and losses directly recognized in equity in cumulative translation adjustments are due to changes in the exchange rate on equity of foreign subsidiaries (see Note 2.q).

Interest rate risk

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

The Company does not actively manage risks associated with changes in the level of interest rates and attempts to maintain its financial interest assets and liabilities at floating rates. As of September 30, 2012, the Company and its subsidiaries had interest rate derivative financial instruments linked to domestic loans, swapping the pre-fixed interest of certain debts to floating rate (CDI).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Credit risks

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

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

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

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

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

	09/30/2012	12/31/2011
Ipiranga	107,953	101,318
Ultragaz	15,721	13,107
Oxiteno	2,066	1,415
Ultracargo	614	614
Total	126,354	116,454

Liquidity risk

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

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

The Company and its subsidiaries believe to have enough working capital to satisfy their current needs. The gross indebtedness due over the next twelve months totals R$ 1,940 million. Furthermore, the investment plan for 2012 totals R$ 1,277 million. On September 30, 2012, the Company and its subsidiaries had R$ 2,125 million in cash, cash equivalents and short-term financial investments (for quantitative information, see Notes 4 and 14).

Selection and use of financial instruments

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The table below summarizes the position of hedging instruments adopted by the Company and its subsidiaries:

Hedging instruments	Counterparty	Maturity	Notional amount1		Fair value		Amounts payable or receivable (09/30/2012)	
			09/30/2012	12/31/2011	09/30/2012	12/31/2011	Amount receivable	Amount payable
					R$ million	R$ million	R$ million	R$ million
a –Exchange rate swaps receivable in U.S. dollars	Bradesco, Citibank,	Oct 2012						
Receivables in U.S. dollars	Itaú, JP Morgan,	to Apr 2017	US$ 160.5	US$ 198.9	332.8	373.3	332.8	-
Payables in CDI interest rate	Santander		US$ (160.5)	US$ (198.9)	(308.1)	(367.9)	-	308.1
Total result			-	-	24.7	5.4	332.8	308.1
b – Exchange rate swaps payable in U.S. dollars								
Receivables in CDI interest rates	Bradesco, Citibank,	Oct 2012	US$ 11,0	US$ 13.3	22.5	24.5	22.5	-
Payables in U.S. dollars	Itaú	to Nov 2012	US$ (11,0)	US$ (13.3)	(22.3)	(24.8)	-	22.3
Total result			-	-	0.2	(0.3)	22.5	22.3
c – Interest rate swaps in R$								
Receivables in fixed interest rate	Banco do Brasil	Mar 2013 to	R$ 1,400.0	R$ 1,809.5	1,914.4	2,229.4	1,914.4	-
Payables in CDI interest rate		May 2015	R$ (1,400.0)	R$ (1,809.5)	(1,767.1)	(2,152.5)	-	1,767.1
Total result			-	-	147.3	76.9	1,914.4	1,767.1

Total gross result	172.2	82.0	2,269.7	2,097.5
Income tax	(14.8)	(10.7)	(14.8)	-
Total net result	157.4	71.3	2,254.9	2,097.5
Positive result (see Note 4)	163.9	93.4		
Negative result (see Note 14)	(6.5)	(22.1)		

1 In million. Currency as indicated.

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

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Hedging instruments existing as of September 30, 2012 are described below, according to their category, risk, and protection strategy:

Hedging against foreign exchange exposure of liabilities in foreign currency - The purpose of these contracts is (i) to offset the effect of the change in exchange rates of debts or firm commitments in U.S. dollars by converting them into debts or firm commitments in Reais linked to CDI and (ii) change a financial investment of R$ 36.4 million, linked to the CDI and given as guarantee to loan in U.S. dollar, into a financial investment linked to U.S. dollar. As of September 30, 2012, the Company and its subsidiaries had outstanding swap contracts totaling US$ 160.5 million in notional amount, of which (i) US$ 100.5 million, on average, had asset position at US$ + 5.3 p.a. and liability position at 123.3 % of CDI and (ii) US$ 60 million had asset position at US$ + LIBOR + 1.0% a.a. and liability position at 86.9% of CDI.

Hedging against foreign exchange exposure of operations - The purpose of these contracts is to make the exchange rate of the revenues of subsidiaries Oleoquímica, Oxiteno S.A. and Oxiteno Nordeste equal to the exchange rate of the cost of their main raw materials. As of September 30, 2012, these swap contracts totaled US$ 11.0 million and, on average, had an asset position at 75.6% of CDI and liability position at US$ + 0.0% p.a.

Hedging against the interest rate fixed in local financing - The purpose of these contracts is to convert the interest rate on financing contracted in Reais from fixed into floating. On September 30, 2012 these swap contracts totaled R$ 1,400 million of notional amount, and on average had an asset position at 11.9% p.a. and liability position at 98.8% of CDI.

Hedge accounting

The Company and its subsidiaries test, throughout the duration of the hedge, the effectiveness of their derivatives, as well as the changes in their fair value. The Company and its subsidiaries designate derivative financial instruments used to offset the variations due to changes in interest rates in the market value of financing contracted in Reais as fair value hedge. As mentioned on item (c) of the table above, as of September 30, 2012 the notional amount of such hedging instruments totaled R$ 1,400 million. The Company and its subsidiaries recognized a gain of R$ 40.7 million as of September 30, 2012, of which R$ 76.3 million refer to the result of hedging instruments and R$ (35.6) million refer to the fair value adjustment of the debt.

(In thousands of Reais, unless otherwise stated)

Gains (losses) on hedging instruments

The following tables summarize the values of gains (losses) recorded as of September 30, 2012 and 2011 which affected the income statement and shareholders' equity of the Company and its subsidiaries:

	September 30, 2012 R$ million	
	Income	Equity
a – Exchange rate swaps receivable in U.S. dollars (i)	(5.4)	-
b – Exchange rate swaps payable in U.S. dollars	(0.4)	-
c – Interest rate swaps in R$ (ii)	40.7	-
Total	34.9	-

	September 30, 2011 R$ million	
	Income	Equity
a – Exchange rate swaps receivable in U.S. dollars (i)	(11.4)	-
b – Exchange rate swaps payable in U.S. dollars	(16.8)	-
c – Interest rate swaps in R$ (ii)	2.9	-
d – Interest rate swaps in U.S. dollars	(1.6)	1.5
e – NDFs (non-deliverable forwards) - RPR	(0.9)	0.9
Total	(27.8)	2.4

The table above; (i) does not consider the effect of exchange rate variation of exchange swaps receivable in U.S. dollars, when this effect is offset in the gain or loss of the hedged item (debt), and (ii) considers the designation effect of interest rate hedging in Reais.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Fair value of financial instruments

The fair values and the carrying values of the financial instruments, including currency and interest rate hedging instruments, as of September 30, 2012 and December 31, 2011, are stated below:

		09/30/2012		12/31/2011	
	Category	Carrying value	Fair value	Carrying value	Fair value
Financial assets:					
Cash and cash equivalents					
Cash and bank deposits	Loans and receivables	65,350	65,350	107,600	107,600
Financial investments in local currency	Measured at fair value through income	1,315,248	1,315,248	1,668,178	1,668,178
Financial investments in foreign currency	Measured at fair value through income	-	-	15,176	15,176
Financial investments					
Fixed-income securities and funds in local currency	Available for sale	381,686	381,686	631,686	