

ULTRAPAR HOLDINGS INC  
Form 6-K  
August 02, 2012

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Form 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

For the month of July, 2012

Commission File Number: 001-14950

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

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

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

Form 20-F  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

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

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

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



ULTRAPAR HOLDINGS INC.

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ITEM 1

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

Ultrapar Participações S.A.  
and Subsidiaries

Individual and Consolidated  
Interim Financial Information  
for the Six Months Ended  
June 30, 2012

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Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated Interim Financial  
Information for the Six Months Ended

June 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”), included in the Interim Financial Information Form (ITR), for the three months ended June 30, 2012, which comprises the balance sheet as of June 30, 2012 and the related statements of income and comprehensive income for the three and six months then ended and of changes in equity and of cash flows for the six months 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 - Interim Financial Information and the consolidated interim financial information in accordance with CPC 21 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, applicable to the preparation of the Interim Financial Information (ITR), and presented in accordance with the standards established by the CVM.

### Conclusion on consolidated interim financial information

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



Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added, for the six months ended June 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, that 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, in relation to the individual and consolidated interim financial information taken as a whole.

Review of individual and consolidated interim financial information for the three months ended June 30, 2011 and audit of individual and consolidated financial statements for the year ended December 31, 2011

The information and the amounts for the three and six months ended June 30, 2011, presented for comparison purposes, were previously reviewed by other independent auditors, whose report, without qualification, was issued and dated on August 10, 2011. The information and the 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, August 1, 2012

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

Edimar Facco  
Engagement Partner



## Ultrapar Participações S.A. and Subsidiaries

## Balance sheets

as of June 30, 2012 and December 31, 2011

(In thousands of Reais)

| Assets                                        | Note      | Parent           |                  | Consolidated      |                   |
|-----------------------------------------------|-----------|------------------|------------------|-------------------|-------------------|
|                                               |           | 06/30/2012       | 12/31/2011       | 06/30/2012        | 12/31/2011        |
| <b>Current assets</b>                         |           |                  |                  |                   |                   |
| Cash and cash equivalents                     | 4         | 175,159          | 178,672          | 1,508,319         | 1,790,954         |
| Financial investments                         | 4         | 83,273           | 52,902           | 836,464           | 916,936           |
| Trade receivables                             | 5         | -                | -                | 2,184,325         | 2,026,417         |
| Inventories                                   | 6         | -                | -                | 1,314,424         | 1,310,132         |
| Recoverable taxes                             | 7         | 41,309           | 48,706           | 406,457           | 470,511           |
| Dividends receivable                          |           | 112              | 73,526           | -                 | -                 |
| Other receivables                             |           | 919              | 1,971            | 21,673            | 20,323            |
| Prepaid expenses                              | 10        | -                | -                | 58,397            | 40,221            |
| <b>Total current assets</b>                   |           | <b>300,772</b>   | <b>355,777</b>   | <b>6,330,059</b>  | <b>6,575,494</b>  |
| <b>Non-current assets</b>                     |           |                  |                  |                   |                   |
| Financial investments                         | 4         | -                | -                | 125,232           | 74,437            |
| Trade receivables                             | 5         | -                | -                | 112,032           | 117,716           |
| Related parties                               | 8.a       | 770,083          | 779,531          | 10,858            | 10,144            |
| Deferred income and social contribution taxes | 9.a       | 68               | 690              | 501,766           | 510,135           |
| Recoverable taxes                             | 7         | 54,043           | 39,906           | 109,328           | 81,395            |
| Escrow deposits                               |           | 232              | 232              | 507,526           | 469,381           |
| Other receivables                             |           | -                | -                | 11,267            | 1,312             |
| Prepaid expenses                              | 10        | -                | -                | 66,298            | 69,198            |
|                                               |           | 824,426          | 820,359          | 1,444,307         | 1,333,718         |
| <b>Investments</b>                            |           |                  |                  |                   |                   |
| Subsidiaries                                  | 11.a      | 5,519,860        | 5,291,099        | -                 | -                 |
| Associates                                    | 11.b      | -                | -                | 12,654            | 12,626            |
| Other                                         |           | -                | -                | 2,843             | 2,793             |
| Property, plant and equipment                 | 12 ; 14.h | -                | -                | 4,416,119         | 4,278,931         |
| Intangible assets                             | 13        | 246,163          | 246,163          | 1,650,458         | 1,539,177         |
|                                               |           | 5,766,023        | 5,537,262        | 6,082,074         | 5,833,527         |
| <b>Total non-current assets</b>               |           | <b>6,590,449</b> | <b>6,357,621</b> | <b>7,526,381</b>  | <b>7,167,245</b>  |
| <b>Total assets</b>                           |           | <b>6,891,221</b> | <b>6,713,398</b> | <b>13,856,440</b> | <b>13,742,739</b> |

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

## Ultrapar Participações S.A. and Subsidiaries

## Balance sheets

as of June 30, 2012 and December 31, 2011

(In thousands of Reais)

|                                               | Note | Parent         |                  | Consolidated     |                  |
|-----------------------------------------------|------|----------------|------------------|------------------|------------------|
|                                               |      | 06/30/2012     | 12/31/2011       | 06/30/2012       | 12/31/2011       |
| <b>Liabilities</b>                            |      |                |                  |                  |                  |
| <b>Current liabilities</b>                    |      |                |                  |                  |                  |
| Loans                                         | 14   | -              | -                | 1,715,170        | 1,300,326        |
| Debentures                                    | 14.g | 229,335        | 1,002,451        | 237,034          | 1,002,451        |
| Finance leases                                | 14.h | -              | -                | 2,192            | 2,222            |
| Trade payables                                | 15   | 30             | 54               | 973,982          | 1,075,103        |
| Salaries and related charges                  | 16   | 139            | 128              | 191,070          | 268,345          |
| Taxes payable                                 | 17   | 24             | 2,361            | 107,426          | 109,653          |
| Dividends payable                             | 20.g | 5,996          | 156,076          | 12,450           | 163,802          |
| Income and social contribution taxes payable  |      | -              | -                | 53,016           | 38,620           |
| Post-employment benefits                      | 24.b | -              | -                | 13,282           | 13,282           |
| Provision for assets retirement obligation    | 18   | -              | -                | 6,249            | 7,251            |
| Provision for tax, civil and labor litigation | 23.a | -              | -                | 42,626           | 41,347           |
| Other payables                                |      | 1,413          | 214              | 32,739           | 55,643           |
| Deferred revenue                              | 19   | -              | -                | 18,988           | 19,731           |
| <b>Total current liabilities</b>              |      | <b>236,937</b> | <b>1,161,284</b> | <b>3,406,224</b> | <b>4,097,776</b> |
| <b>Non-current liabilities</b>                |      |                |                  |                  |                  |
| Loans                                         | 14   | -              | -                | 2,825,748        | 3,196,102        |
| Debentures                                    | 14.g | 793,712        | -                | 806,163          | 19,102           |
| Finance leases                                | 14.h | -              | -                | 41,772           | 41,431           |
| Related parties                               | 8.a  | -              | -                | 3,872            | 3,971            |
| Deferred income and social contribution taxes | 9.a  | -              | -                | 74,465           | 37,980           |
| Provision for tax, civil and labor litigation | 23.a | 1,066          | 1,047            | 534,569          | 512,788          |
| Post-employment benefits                      | 24.b | -              | -                | 106,215          | 96,751           |
| Provision for assets retirement obligation    | 18   | -              | -                | 63,404           | 60,253           |
| Other payables                                |      | -              | -                | 99,553           | 90,625           |
| Deferred revenue                              | 19   | -              | -                | 8,553            | 8,724            |
| <b>Total non-current liabilities</b>          |      | <b>794,778</b> | <b>1,047</b>     | <b>4,564,314</b> | <b>4,067,727</b> |
| <b>Shareholders' equity</b>                   |      |                |                  |                  |                  |
| 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 | 6,858          | 7,075            | 6,858            | 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 )       |

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|                                                         |            |           |           |            |            |
|---------------------------------------------------------|------------|-----------|-----------|------------|------------|
| Retained earnings                                       |            | 422,733   | -         | 422,733    | -          |
| Additional dividends to the minimum mandatory dividends | 20.g       | -         | 122,239   | -          | 122,239    |
| Valuation adjustments                                   | 2.c ; 20.f | 31        | 193       | 31         | 193        |
|                                                         | 2.q ;      |           |           |            |            |
| Cumulative translation adjustments                      | 20.f       | 5,097     | (4,426 )  | 5,097      | (4,426 )   |
| Shareholders' equity attributable to:                   |            |           |           |            |            |
| Shareholders of the Company                             |            | 5,859,506 | 5,551,067 | 5,859,506  | 5,551,067  |
| Non-controlling interests in subsidiaries               |            | -         | -         | 26,396     | 26,169     |
| Total shareholders' equity                              |            | 5,859,506 | 5,551,067 | 5,885,902  | 5,577,236  |
| Total liabilities and shareholders' equity              |            | 6,891,221 | 6,713,398 | 13,856,440 | 13,742,739 |

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

## Ultrapar Participações S.A. and Subsidiaries

## Income statements

Periods ended June 30, 2012 and 2011

(In thousands of Reais, except earnings per share)

|                                                    | Note           | Parent                         |                                |                                |                                |
|----------------------------------------------------|----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                                    |                | 04/01/2012<br>to<br>06/30/2012 | 01/01/2012<br>to<br>06/30/2012 | 04/01/2011<br>to<br>06/30/2011 | 01/01/2011<br>to<br>06/30/2011 |
| 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             | (1,895 )                       | (4,967 )                       | (2,976 )                       | (5,681 )                       |
| Income (loss) from disposal of assets              | 27             | -                              | -                              | -                              | -                              |
| Other operating income, net                        |                | 1,889                          | 4,967                          | 3,108                          | 5,832                          |
| Operating income                                   |                | (6 )                           | -                              | 132                            | 151                            |
| Financial income                                   | 28             | 28,480                         | 63,017                         | 37,643                         | 78,853                         |
| Financial expenses                                 | 28             | (22,550 )                      | (49,184 )                      | (34,660 )                      | (69,257 )                      |
| Share of profit of subsidiaries and associates     | 11.a ;<br>11.b | 228,624                        | 413,426                        | 210,522                        | 399,154                        |
| Income before income and social contribution taxes |                | 234,548                        | 427,259                        | 213,637                        | 408,901                        |
| Income and social contribution taxes               |                |                                |                                |                                |                                |
| Current                                            | 9.b            | (2,011 )                       | (4,069 )                       | (1,069 )                       | (3,334 )                       |
| Deferred                                           | 9.b            | 3                              | (622 )                         | 16                             | 32                             |
| Tax incentives                                     | 9.b ;<br>9.c   | -                              | -                              | -                              | -                              |
|                                                    |                | (2,008 )                       | (4,691 )                       | (1,053 )                       | (3,302 )                       |
| Net income                                         |                | 232,540                        | 422,568                        | 212,584                        | 405,599                        |
| Net income attributable to:                        |                |                                |                                |                                |                                |
| Shareholders of the Company                        |                | 232,540                        | 422,568                        | 212,584                        | 405,599                        |
| Non-controlling interests in subsidiaries          |                | -                              | -                              | -                              | -                              |

Earnings per common share (based  
on weighted average of shares  
outstanding) – R\$

|         |    |      |      |      |      |
|---------|----|------|------|------|------|
|         | 29 |      |      |      |      |
| Basic   |    | 0.43 | 0.79 | 0.40 | 0.76 |
| Diluted |    | 0.44 | 0.79 | 0.40 | 0.76 |

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

## Ultrapar Participações S.A. and Subsidiaries

## Income statements

Period ended June 30, 2012 and 2011

(In thousands of Reais, except earnings per share)

|                                                                               | Note           | Consolidated                   |                                |                                |                                |
|-------------------------------------------------------------------------------|----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                                                               |                | 04/01/2012<br>to<br>06/30/2012 | 01/01/2012<br>to<br>06/30/2012 | 04/01/2011<br>to<br>06/30/2011 | 01/01/2011<br>to<br>06/30/2011 |
| Net revenue from sales and services                                           | 2.a ; 25       | 13,048,231                     | 25,449,601                     | 12,187,491                     | 22,993,565                     |
| Cost of products and services sold                                            | 2.a ; 26       | (12,037,966)                   | (23,534,916)                   | (11,335,275)                   | (21,315,639)                   |
| Gross profit                                                                  |                | 1,010,265                      | 1,914,685                      | 852,216                        | 1,677,926                      |
| Operating income (expenses)                                                   |                |                                |                                |                                |                                |
| Selling and marketing                                                         | 26             | (393,404 )                     | (770,760 )                     | (314,705 )                     | (625,025 )                     |
| General and administrative                                                    | 26             | (218,882 )                     | (415,996 )                     | (189,478 )                     | (382,212 )                     |
| Income (loss) from disposal of assets                                         | 27             | (2,749 )                       | (4,249 )                       | 3,354                          | 6,093                          |
| Other operating income, net                                                   |                | 13,523                         | 23,060                         | 12,520                         | 21,101                         |
| Operating income                                                              |                | 408,753                        | 746,740                        | 363,907                        | 697,883                        |
| Financial income                                                              | 28             | 54,552                         | 120,861                        | 79,720                         | 165,354                        |
| Financial expenses                                                            | 28             | (139,451 )                     | (268,631 )                     | (149,850 )                     | (301,859 )                     |
| Share of profit of subsidiaries and associates                                | 11.a ;<br>11.b | 198                            | 174                            | (175 )                         | (49 )                          |
| Income before income and social contribution taxes                            |                | 324,052                        | 599,144                        | 293,602                        | 561,329                        |
| Income and social contribution taxes                                          |                |                                |                                |                                |                                |
| Current                                                                       | 9.b            | (68,372 )                      | (147,213 )                     | (69,452 )                      | (130,588 )                     |
| Deferred                                                                      | 9.b            | (29,726 )                      | (43,272 )                      | (15,918 )                      | (36,260 )                      |
| Tax incentives                                                                | 9.b ; 9.c      | 8,060                          | 16,776                         | 6,471                          | 14,404                         |
|                                                                               |                | (90,038 )                      | (173,709 )                     | (78,899 )                      | (152,444 )                     |
| Net income                                                                    |                | 234,014                        | 425,435                        | 214,703                        | 408,885                        |
| Net income attributable to:                                                   |                |                                |                                |                                |                                |
| Shareholders of the Company                                                   |                | 232,540                        | 422,568                        | 212,584                        | 405,599                        |
| Non-controlling interests in subsidiaries                                     |                | 1,474                          | 2,867                          | 2,119                          | 3,286                          |
| Earnings per common share (based on weighted average of shares outstanding) – | 29             |                                |                                |                                |                                |

|         |      |      |      |      |
|---------|------|------|------|------|
| R\$     |      |      |      |      |
| Basic   | 0.43 | 0.79 | 0.40 | 0.76 |
| Diluted | 0.44 | 0.79 | 0.40 | 0.76 |

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



## Ultrapar Participações S.A. and Subsidiaries

## Statements of comprehensive income

Periods ended June 30, 2012 and 2011

(In thousands of Reais)

|                                                                                      | Note       | Parent                         |                                |                                |                                |
|--------------------------------------------------------------------------------------|------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                                                                      |            | 04/01/2012<br>to<br>06/30/2012 | 01/01/2012<br>to<br>06/30/2012 | 04/01/2011<br>to<br>06/30/2011 | 01/01/2011<br>to<br>06/30/2011 |
| Net income attributable to shareholders of the Company                               |            | 232,540                        | 422,568                        | 212,584                        | 405,599                        |
| Net income attributable to non-controlling interests in subsidiaries                 |            | -                              | -                              | -                              | -                              |
| Net income                                                                           |            | 232,540                        | 422,568                        | 212,584                        | 405,599                        |
| Valuation adjustments                                                                | 2.c ; 20.f | 21                             | (162 )                         | 809                            | 3,137                          |
| Cumulative translation adjustments                                                   | 2.q ; 20.f | 9,706                          | 9,523                          | (1,701 )                       | (1,231 )                       |
| Total comprehensive income                                                           |            | 242,267                        | 431,929                        | 211,692                        | 407,505                        |
| Total comprehensive income attributable to shareholders of the Company               |            | 242,267                        | 431,929                        | 211,692                        | 407,505                        |
| Total comprehensive income attributable to non-controlling interests in subsidiaries |            | -                              | -                              | -                              | -                              |

|                                                                      | Note       | Consolidated                   |                                |                                |                                |
|----------------------------------------------------------------------|------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                                                                      |            | 04/01/2012<br>to<br>06/30/2012 | 01/01/2012<br>to<br>06/30/2012 | 04/01/2011<br>to<br>06/30/2011 | 01/01/2011<br>to<br>06/30/2011 |
| Net income attributable to shareholders of the Company               |            | 232,540                        | 422,568                        | 212,584                        | 405,599                        |
| Net income attributable to non-controlling interests in subsidiaries |            | 1,474                          | 2,867                          | 2,119                          | 3,286                          |
| Net income                                                           |            | 234,014                        | 425,435                        | 214,703                        | 408,885                        |
| Valuation adjustments                                                | 2.c ; 20.f | 21                             | (162 )                         | 809                            | 3,137                          |
| Cumulative translation adjustments                                   | 2.q ; 20.f | 9,706                          | 9,523                          | (1,701 )                       | (1,231 )                       |
| Total comprehensive income                                           |            | 243,741                        | 434,796                        | 213,811                        | 410,791                        |
|                                                                      |            | 242,267                        | 431,929                        | 211,692                        | 407,505                        |

Total comprehensive income attributable to  
shareholders of the Company

|                                                                                         |       |       |       |       |
|-----------------------------------------------------------------------------------------|-------|-------|-------|-------|
| Total comprehensive income attributable to<br>non-controlling interests in subsidiaries | 1,474 | 2,867 | 2,119 | 3,286 |
|-----------------------------------------------------------------------------------------|-------|-------|-------|-------|

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

## Ultrapar Participações S.A. and Subsidiaries

## Statements of changes in equity - parent and consolidated

Periods ended June 30, 2012 and 2011

(In thousands of Reais)

|                                                                                            |            | Profit reserves |                 |                     |                     | Comprehensive income |                       |                                    |                   |                 |                      |     |
|--------------------------------------------------------------------------------------------|------------|-----------------|-----------------|---------------------|---------------------|----------------------|-----------------------|------------------------------------|-------------------|-----------------|----------------------|-----|
|                                                                                            | Note       | Share capital   | Capital reserve | Revaluation reserve | Investments reserve | Retention of profits | Valuation adjustments | Cumulative translation adjustments | Retained earnings | Treasury shares | Additional dividends |     |
| Balance at December 31, 2010                                                               |            | 3,696,773       | 7,688           | 7,590               | 180,854             | -                    | 1,333,066             | (2,403)                            | (18,597)          | -               | (119,964)            | 68  |
| Realization of revaluation reserve                                                         | 20.d       | -               | -               | (280)               | -                   | -                    | -                     | -                                  | 280               | -               | -                    | -   |
| Income and social contribution taxes on realization of revaluation reserve of subsidiaries | 20.d       | -               | -               | -                   | -                   | -                    | -                     | -                                  | (74)              | -               | -                    | -   |
| Acquisition of non-controlling interest                                                    | -          | -               | -               | -                   | -                   | -                    | -                     | -                                  | -                 | -               | -                    | -   |
| Approval of additional dividends by the Shareholders' Meeting                              | -          | -               | -               | -                   | -                   | -                    | -                     | -                                  | -                 | -               | -                    | (6) |
| Net income                                                                                 | -          | -               | -               | -                   | -                   | -                    | -                     | -                                  | 405,599           | -               | -                    | -   |
| Comprehensive income:                                                                      |            |                 |                 |                     |                     |                      |                       |                                    |                   |                 |                      |     |
| Valuation adjustments for                                                                  | 2.c ; 20.f | -               | -               | -                   | -                   | -                    | 3,137                 | -                                  | -                 | -               | -                    | -   |

financial  
instruments

Currency  
translation of

foreign

subsidiaries

2.q ;

20.f

- - - - - - - - (1,231 ) - - -

Balance at June

30, 2011 3,696,773 7,688 7,310 180,854 - 1,333,066 734 (19,828) 405,805 (119,964) -

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

## Ultrapar Participações S.A. and Subsidiaries

## Statements of changes in equity - parent and consolidated

Periods ended June 30, 2012 and 2011

(In thousands of Reais)

|                                                                                            |            | Profit reserves |                 |                     |               |                     | Comprehensive income |                       |                         |                   |                 |
|--------------------------------------------------------------------------------------------|------------|-----------------|-----------------|---------------------|---------------|---------------------|----------------------|-----------------------|-------------------------|-------------------|-----------------|
|                                                                                            | Note       | Share capital   | Capital reserve | Revaluation reserve | Legal reserve | Investments reserve | Retention of profits | Valuation adjustments | 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       | -               | -               | (217 )              | -             | -                   | -                    | -                     | -                       | 217               | -               |
| Income and social contribution taxes on realization of revaluation reserve of subsidiaries | 20.d       | -               | -               | -                   | -             | -                   | -                    | -                     | -                       | (52 )             | -               |
| Deferred Stock Plan                                                                        |            | -               | 495             | -                   | -             | -                   | -                    | -                     | -                       | -                 | (1,694)         |
| Approval of additional dividends by the Shareholders' Meeting                              |            | -               | -               | -                   | -             | -                   | -                    | -                     | -                       | -                 | -               |
| Net income                                                                                 |            | -               | -               | -                   | -             | -                   | -                    | -                     | -                       | 422,568           | -               |
| Comprehensive income:                                                                      |            |                 |                 |                     |               |                     |                      |                       |                         |                   |                 |
| Valuation adjustments for financial instruments                                            | 2.c ; 20.f | -               | -               | -                   | -             | -                   | -                    | (162)                 | -                       | -                 | -               |
|                                                                                            |            | -               | -               | -                   | -             | -                   | -                    | -                     | 9,523                   | -                 | -               |

Currency translation of foreign subsidiaries

2.q ;  
20.f

Balance at June 30, 2012

|           |        |       |         |         |           |    |       |         |           |
|-----------|--------|-------|---------|---------|-----------|----|-------|---------|-----------|
| 3,696,773 | 10,275 | 6,858 | 223,292 | 281,309 | 1,333,066 | 31 | 5,097 | 422,733 | (119,928) |
|-----------|--------|-------|---------|---------|-----------|----|-------|---------|-----------|

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

## Ultrapar Participações S.A. and Subsidiaries

## Statements of cash flows - Indirect method

Periods ended June 30, 2012 and 2011

(In thousands of Reais)

|                                                                              | Note | Parent     |            | Consolidated |            |
|------------------------------------------------------------------------------|------|------------|------------|--------------|------------|
|                                                                              |      | 06/30/2012 | 06/30/2011 | 06/30/2012   | 06/30/2011 |
| <b>Cash flows from operating activities</b>                                  |      |            |            |              |            |
| Net income for the period                                                    |      | 422,568    | 405,599    | 425,435      | 408,885    |
| Adjustments to reconcile net income to cash provided by operating activities |      |            |            |              |            |
| Share of profit of subsidiaries and associates                               | 11   | (413,426)  | (399,154)  | (174 )       | 49         |
| Depreciation and amortization                                                |      | -          | -          | 329,627      | 278,220    |
| PIS and COFINS credits on depreciation                                       |      | -          | -          | 5,725        | 4,805      |
| Assets retirement expenses                                                   | 18   | -          | -          | (828 )       | (1,235 )   |
| Interest, monetary and exchange variations                                   |      | 7,515      | 17,693     | 334,307      | 255,641    |
| Deferred income and social contribution taxes                                | 9.b  | 622        | (32 )      | 43,272       | 36,260     |
| Income from disposal of assets                                               | 27   | -          | -          | 4,249        | (6,093 )   |
| Others                                                                       |      | -          | -          | 507          | 4,262      |
| Dividends received from subsidiaries                                         |      | 267,389    | 49,707     | -            | -          |
| <b>(Increase) decrease in current assets</b>                                 |      |            |            |              |            |
| Trade receivables                                                            | 5    | -          | -          | (157,479)    | (95,334 )  |
| Inventories                                                                  | 6    | -          | -          | (3,400 )     | (191,640)  |
| Recoverable taxes                                                            | 7    | 7,397      | 28,471     | 64,054       | (13,905 )  |
| Other receivables                                                            |      | 1,052      | (445 )     | (1,350 )     | 4,205      |
| Prepaid expenses                                                             | 10   | -          | -          | (18,176 )    | (13,492 )  |
| <b>Increase (decrease) in current liabilities</b>                            |      |            |            |              |            |
| Trade payables                                                               | 15   | (24 )      | 172        | (101,121)    | (129,775 ) |
| Salaries and related charges                                                 | 16   | 11         | 18         | (77,275 )    | (16,484 )  |
| Taxes payable                                                                | 17   | (2,337 )   | 8,047      | (2,227 )     | 30,712     |
| Income and social contribution taxes                                         |      | -          | -          | 69,069       | 8,236      |
| Post-employment benefits                                                     | 24.b | -          | -          | -            | 721        |
| Provision for tax, civil and labor litigation                                | 23.a | -          | -          | 1,279        | 2,738      |
| Other payables                                                               |      | -          | -          | (23,908 )    | (6,757 )   |
| Deferred revenue                                                             | 19   | -          | -          | (743 )       | 3,555      |
| <b>(Increase) decrease in non-current assets</b>                             |      |            |            |              |            |

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|                                                |      |           |           |           |           |
|------------------------------------------------|------|-----------|-----------|-----------|-----------|
| Trade receivables                              | 5    | -         | -         | 5,684     | (11,777 ) |
| Recoverable taxes                              | 7    | (14,137 ) | (40,094 ) | (27,933 ) | (42,361 ) |
| Escrow deposits                                |      | -         | -         | (38,145 ) | (36,458 ) |
| Other receivables                              |      | -         | -         | (9,955 )  | 51        |
| Prepaid expenses                               | 10   | -         | -         | 2,900     | (9,317 )  |
| Increase (decrease) in non-current liabilities |      |           |           |           |           |
| Post-employment benefits                       | 24.b | -         | -         | 9,464     | (721 )    |
| Provision for tax, civil and labor litigation  | 23.a | 19        | 95        | 21,781    | 46,501    |
| Other payables                                 |      | -         | -         | 10,959    | 16,333    |
| Deferred revenue                               | 19   | -         | -         | (171 )    | 569       |
| Income and social contribution taxes paid      |      |           |           |           |           |
|                                                |      | -         | (8,038 )  | (54,673 ) | (44,182 ) |
| Net cash provided by operating activities      |      |           |           |           |           |
|                                                |      | 276,649   | 62,039    | 810,754   | 482,212   |

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

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## Ultrapar Participações S.A. and Subsidiaries

## Statements of cash flows - Indirect method

Periods ended June 30, 2012 and 2011

(In thousands of Reais)

|                                                                                  | Note | Parent<br>06/30/2012 | Parent<br>06/30/2011 | Consolidated<br>06/30/2012 | Consolidated<br>06/30/2011 |
|----------------------------------------------------------------------------------|------|----------------------|----------------------|----------------------------|----------------------------|
| <b>Cash flows from investing activities</b>                                      |      |                      |                      |                            |                            |
| Financial investments, net of redemptions                                        |      | (30,371 )            | 11,517               | 29,677                     | 199,589                    |
| Acquisition of subsidiaries, net                                                 |      | -                    | -                    | -                          | (25,511 )                  |
| Acquisition of property, plant and equipment                                     | 12   | -                    | -                    | (360,929 )                 | (324,717 )                 |
| Increase in intangible assets                                                    | 13   | -                    | -                    | (241,441 )                 | (148,730 )                 |
| Capital contributions to subsidiaries                                            |      | -                    | (320,000)            | -                          | -                          |
| Capital reduction to subsidiaries                                                |      | -                    | 500,000              | -                          | -                          |
| Proceeds from disposal of assets                                                 | 27   | -                    | -                    | 24,246                     | 38,693                     |
| <b>Net cash provided by (used in) investing activities</b>                       |      | <b>(30,371 )</b>     | <b>191,517</b>       | <b>(548,447 )</b>          | <b>(260,676 )</b>          |
| <b>Cash flows from financing activities</b>                                      |      |                      |                      |                            |                            |
| <b>Loans and debentures</b>                                                      |      |                      |                      |                            |                            |
| Borrowings                                                                       | 14   | 793,485              | -                    | 1,581,067                  | 621,797                    |
| Repayments                                                                       | 14   | (800,000)            | (200,000)            | (1,637,003)                | (766,486 )                 |
| Interest paid                                                                    | 14   | (25,108 )            | (8,038 )             | (209,701 )                 | (112,664 )                 |
| Payment of financial lease                                                       | 14.h | -                    | -                    | (2,309 )                   | (4,305 )                   |
| Dividends paid                                                                   |      | (272,319)            | (250,910)            | (276,424 )                 | (250,976 )                 |
| Acquisition of non-controlling interests                                         |      | -                    | -                    | -                          | (3 )                       |
| Related parties                                                                  |      | 54,151               | 51,033               | (813 )                     | -                          |
| <b>Net cash used in financing activities</b>                                     |      | <b>(249,791 )</b>    | <b>(407,915 )</b>    | <b>(545,183 )</b>          | <b>(512,637 )</b>          |
| Effect of exchange rate changes on cash and cash equivalents in foreign currency |      | -                    | -                    | 241                        | (393 )                     |
| <b>Decrease in cash and cash equivalents</b>                                     |      | <b>(3,513 )</b>      | <b>(154,359 )</b>    | <b>(282,635 )</b>          | <b>(291,494 )</b>          |
| <b>Cash and cash equivalents at the beginning of the period</b>                  | 4    | <b>178,672</b>       | <b>407,704</b>       | <b>1,790,954</b>           | <b>2,642,418</b>           |
|                                                                                  | 4    | <b>175,159</b>       | <b>253,345</b>       | <b>1,508,319</b>           | <b>2,350,924</b>           |

Cash and cash equivalents at the end  
of the period



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

## Ultrapar Participações S.A. and Subsidiaries

## Value added statements

Periods ended June 30, 2012 and 2011

(In thousands of Reais, except percentages)

|                                                                   | Note | 06/30/2012 | Parent<br>% | 06/30/2011 | % | 06/30/2012   | Consolidated<br>% | 06/30/2011   | % |
|-------------------------------------------------------------------|------|------------|-------------|------------|---|--------------|-------------------|--------------|---|
| <b>Revenue</b>                                                    |      |            |             |            |   |              |                   |              |   |
| Gross revenue from sales and services, except rents and royalties | 25   | -          | -           | -          |   | 26,157,986   |                   | 23,703,429   |   |
| Rebates, discounts and returns                                    | 25   | -          | -           | -          |   | (121,856 )   |                   | (93,463 )    |   |
| Allowance for doubtful accounts - Reversal (allowance)            |      | -          | -           | -          |   | (2,380 )     |                   | 3,383        |   |
| Income from disposal of assets                                    | 27   | -          | -           | -          |   | (4,249 )     |                   | 6,093        |   |
|                                                                   |      | -          | -           | -          |   | 26,029,501   |                   | 23,619,442   |   |
| <b>Materials purchased from third parties</b>                     |      |            |             |            |   |              |                   |              |   |
| Raw materials used                                                |      | -          | -           | -          |   | (1,320,172 ) |                   | (1,057,292 ) |   |
| Cost of goods, products and services sold                         |      | -          | -           | -          |   | (22,124,860) |                   | (20,223,973) |   |
| Third-party materials, energy, services and others                |      | (2,596 )   |             | (3,647 )   |   | (718,255 )   |                   | (620,657 )   |   |
| Reversal of impairment losses                                     |      | 4,987      |             | 5,832      |   | 2,615        |                   | 5,114        |   |
|                                                                   |      | 2,391      |             | 2,185      |   | (24,160,672) |                   | (21,896,808) |   |
| Gross value added                                                 |      | 2,391      |             | 2,185      |   | 1,868,829    |                   | 1,722,634    |   |
| Deductions                                                        |      |            |             |            |   |              |                   |              |   |

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|                                                |             |         |             |               |               |     |
|------------------------------------------------|-------------|---------|-------------|---------------|---------------|-----|
| Depreciation and amortization                  | -           | -       | (335,352 )  | (283,025 )    |               |     |
| Net value added by the Company                 | 2,391       | 2,185   | 1,533,477   | 1,439,609     |               |     |
| Value added received in transfer               |             |         |             |               |               |     |
| Share of profit of subsidiaries and associates | 11.a ; 11.b | 413,426 | 399,154     | 174           | (49 )         |     |
| Rents and royalties                            | 25          | -       | -           | 30,685        | 29,817        |     |
| Financial income                               | 28          | 63,017  | 78,853      | 120,861       | 165,354       |     |
|                                                |             | 476,443 | 478,007     | 151,720       | 195,122       |     |
| Total value added available for distribution   |             | 478,834 | 480,192     | 1,685,197     | 1,634,731     |     |
| Distribution of value added                    |             |         |             |               |               |     |
| Labor and benefits                             |             | 2,000   | 1 1,714     | 1 522,656     | 31 474,403    | 29  |
| Taxes, fees and contributions                  |             | 1,853   | - 255       | - 433,264     | 26 430,013    | 26  |
| Financial expenses and rents                   |             | 52,413  | 11 72,624   | 15 303,842    | 18 321,430    | 20  |
| Retained earnings                              |             | 422,568 | 88 405,599  | 84 425,435    | 25 408,885    | 25  |
| Value added distributed                        |             | 478,834 | 100 480,192 | 100 1,685,197 | 100 1,634,731 | 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. (“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 (“Oxitenó”), 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 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 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

In accordance with IAS 39 (CPC 38, 39 and 40), 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 interest earned is recorded as income, and balances are stated at acquisition cost plus the interest earned.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

**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. Such hedging instruments and the hedged items are measured at fair value.

**Hedge accounting:** derivative financial instrument used to hedge exposure to a specific risk associated with a recognized asset or liability, which may affect the entity's income. In the initial designation of the hedge, the relationship between the hedging instruments and the hedged items are documented, including the objectives of risk management, the strategy in the conduction of the transaction and the methods to be used to evaluate its effectiveness.

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).





Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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.

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.



Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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).

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 interim financial 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 June 30, 2012 was R\$ 5,097 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 June 30, 2012 amounted to R\$ 2,036 (R\$ 857 loss as of June 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, the 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 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) and estimates for the preparation of actuarial reports (Note 24). The actual result of the transactions and information may differ from estimates.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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 June 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 statements equivalent to the above IFRS pronouncement, 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. The Company and its subsidiaries have not estimated the impact of these new standards on their interim financial information.

w. Authorization for issuance of the interim financial information

On August 1st, 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:

|                                                             | Location       | % interest in the share |                  |                |                  |
|-------------------------------------------------------------|----------------|-------------------------|------------------|----------------|------------------|
|                                                             |                | 06/30/2012              |                  | 12/31/2011     |                  |
|                                                             |                | 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               |
| 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              |
| Global Petroleum Products Trading Corp.                     | Virgin Islands | -                       | 100              | -              | 100              |
| Oxiteno Overseas Corp.                                      | Virgin Islands | -                       | 100              | -              | 100              |
| Oxiteno Andina, C.A.                                        | Venezuela      | -                       | 100              | -              | 100              |



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|                                                            |                |     |     |     |     |
|------------------------------------------------------------|----------------|-----|-----|-----|-----|
| Oxitemo Europe SPRL                                        | Belgium        | -   | 100 | -   | 100 |
| Oxitemo Colombia S.A.S                                     | Colombia       | -   | 100 | -   | 100 |
| Oxitemo Shanghai Trading LTD.                              | China          | -   | 100 | -   | -   |
| Empresa Carioca de Produtos Químicos S.A.                  | Brazil         | -   | 100 | -   | 100 |
| T.T.S.S.P.E. Empreendimentos e Participações S.A.          | Brazil         | -   | 100 | -   | -   |
| Ipiranga Produtos de Petróleo S.A. 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 Ultragas 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 Participações S.A. is primarily engaged in the management of Ipiranga-branded credit cards, and União Vopak Armazéns Gerais Ltda. is primarily engaged in liquid bulk storage in the port of Paranaguá.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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

The T.T.S.S.P.E was formed in June 2012 to segregate part of the activity of production and sale of catalysts for disposal.

## a) 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                 |        | Non-current liabilities                       |        |
| Property, plant and equipment      | 22,026 | Provision for tax, civil and labor litigation | 1,140  |
| Intangible assets                  | 11,625 |                                               |        |
| Other                              | 265    |                                               |        |
| Goodwill                           | 13,403 |                                               |        |
|                                    | 47,319 | Total liabilities assumed                     | 6,566  |
| Total assets acquired and goodwill | 56,388 | Consolidation                                 | 49,822 |



Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

b) Acquisition in progress

As mentioned in the “market announcement” published on May, 28, 2012, the Company, through Oxiteno, signed a sale and purchase agreement for the acquisition of 100% of the shares of American Chemical I.C.S.A., a Uruguayan specialty chemicals company. The closing of this acquisition is subject to the compliance with certain conditions precedent which had not been met until the disclosure of this interim financial information.

## 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 investment funds, whose portfolio comprised exclusively of short-term 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 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 |            |
|----------------------------------------|------------|------------|--------------|------------|
|                                        | 06/30/2012 | 12/31/2011 | 06/30/2012   | 12/31/2011 |
| <b>Cash and bank deposits</b>          |            |            |              |            |
| In local currency                      | 86         | 71         | 23,953       | 78,077     |
| In foreign currency                    | -          | -          | 21,578       | 29,523     |
| <b>Financial investments</b>           |            |            |              |            |
| In local currency                      |            |            |              |            |
| Fixed-income securities and funds      | 175,073    | 178,601    | 1,462,788    | 1,668,178  |
| In foreign currency                    |            |            |              |            |
| Fixed-income securities and funds      | -          | -          | -            | 15,176     |
| <b>Total cash and cash equivalents</b> |            |            |              |            |
|                                        | 175,159    | 178,672    | 1,508,319    | 1,790,954  |

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   |                |
|----------------------------------------------------|---------------|---------------|----------------|----------------|
|                                                    | 06/30/2012    | 12/31/2011    | 06/30/2012     | 12/31/2011     |
| <b>Financial investments</b>                       |               |               |                |                |
| <b>In local currency</b>                           |               |               |                |                |
| Fixed-income securities and funds                  | 83,273        | 52,902        | 478,506        | 638,879        |
| <b>In foreign currency</b>                         |               |               |                |                |
| Fixed-income securities and funds                  | -             | -             | 324,913        | 259,091        |
| Currency and interest rate hedging instruments (a) | -             | -             | 158,277        | 93,403         |
| <b>Total financial investments</b>                 | <b>83,273</b> | <b>52,902</b> | <b>961,696</b> | <b>991,373</b> |
| <b>Current</b>                                     | <b>83,273</b> | <b>52,902</b> | <b>836,464</b> | <b>916,936</b> |
| <b>Non-current</b>                                 | <b>-</b>      | <b>-</b>      | <b>125,232</b> | <b>74,437</b>  |

(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) |                  |
|----------------------------------------|----------------------------------|------------------|
|                                        | 06/30/2012                       | 12/31/2011       |
| Domestic customers                     | 2,033,353                        | 1,885,901        |
| Reseller financing - Ipiranga          | 230,081                          | 239,588          |
| Foreign customers                      | 155,070                          | 135,098          |
| (-) Allowance for doubtful accounts    | (122,147 )                       | (116,454 )       |
| <b>Total cash and cash equivalents</b> | <b>2,296,357</b>                 | <b>2,144,133</b> |
| <b>Current</b>                         | <b>2,184,325</b>                 | <b>2,026,417</b> |
| <b>Non-current</b>                     | <b>112,032</b>                   | <b>117,716</b>   |

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

The breakdown of trade receivables, gross, is as follows:

|                   | Total     | Current   | Past due<br>less than<br>30 days | Past due<br>31-60<br>days | Past due<br>61-90<br>days | Past due<br>91-180<br>days | Past due<br>more than<br>180 days |
|-------------------|-----------|-----------|----------------------------------|---------------------------|---------------------------|----------------------------|-----------------------------------|
| June 30, 2012     | 2,418,504 | 2,158,919 | 61,146                           | 10,909                    | 10,995                    | 21,447                     | 155,088                           |
| 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                       | 9,028    |
| Write-offs                      | (3,335 ) |
| Balance as of June 30, 2012     | 122,147  |





Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

| 6.                                          | Inventories (Consolidated) |                         |                |            |                         |                |
|---------------------------------------------|----------------------------|-------------------------|----------------|------------|-------------------------|----------------|
|                                             | 06/30/2012                 |                         |                | 12/31/2011 |                         |                |
|                                             | Cost                       | Provision<br>for losses | Net<br>balance | Cost       | Provision<br>for losses | Net<br>balance |
| Finished goods                              | 259,892                    | (8,488 )                | 251,404        | 272,377    | (14,605 )               | 257,772        |
| Work in process                             | 1,695                      | -                       | 1,695          | 2,841      | -                       | 2,841          |
| Raw materials                               | 213,519                    | (452 )                  | 213,067        | 197,982    | (114 )                  | 197,868        |
| Liquefied petroleum gas (LPG)               | 32,713                     | -                       | 32,713         | 41,147     | -                       | 41,147         |
| Fuels, lubricants and greases               | 672,948                    | (645 )                  | 672,303        | 633,035    | (710 )                  | 632,325        |
| Consumable materials and bottles for resale | 59,517                     | (1,515 )                | 58,002         | 58,126     | (1,696 )                | 56,430         |
| Advances to suppliers                       | 57,480                     | -                       | 57,480         | 89,103     | -                       | 89,103         |
| Properties for resale                       | 27,760                     | -                       | 27,760         | 32,646     | -                       | 32,646         |
|                                             | 1,325,524                  | (11,100 )               | 1,314,424      | 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 | (6,117 ) |
| Additions of obsolescence and other losses    | 92       |
| Balance as of June 30, 2012                   | 11,100   |

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

|                                 | 06/30/2012 | 12/31/2011 |
|---------------------------------|------------|------------|
| Net realizable value adjustment | 7,434      | 13,551     |
| Obsolescence and other losses   | 3,666      | 3,574      |
| Total                           | 11,100     | 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 credit balances of ICMS, Taxes for Social Security Financing (COFINS), Employee's Profit Participation Program (PIS), IRPJ and CSLL.

|                                                                                            | Parent        |               | Consolidated   |                |
|--------------------------------------------------------------------------------------------|---------------|---------------|----------------|----------------|
|                                                                                            | 06/30/2012    | 12/31/2011    | 06/30/2012     | 12/31/2011     |
| IRPJ and CSLL                                                                              | 95,352        | 88,591        | 173,882        | 177,244        |
| ICMS                                                                                       | -             | -             | 176,409        | 178,202        |
| Provision for ICMS losses (*)                                                              | -             | -             | (58,660 )      | (41,146 )      |
| Adjustment to present value of ICMS on property, plant and equipment - CIAP (see Note 2.t) | -             | -             | (1,040 )       | (3,007 )       |
| PIS and COFINS                                                                             | -             | 21            | 185,849        | 211,332        |
| Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico and Oxiteno Andina                    | -             | -             | 25,951         | 19,513         |
| IPI                                                                                        | -             | -             | 4,458          | 3,552          |
| Other                                                                                      | -             | -             | 8,936          | 6,216          |
| <b>Total</b>                                                                               | <b>95,352</b> | <b>88,612</b> | <b>515,785</b> | <b>551,906</b> |
| <b>Current</b>                                                                             | <b>41,309</b> | <b>48,706</b> | <b>406,457</b> | <b>470,511</b> |
| <b>Non-current</b>                                                                         | <b>54,043</b> | <b>39,906</b> | <b>109,328</b> | <b>81,395</b>  |

(\*) 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                       | 18,328 |
| Write-offs                      | (814 ) |
| Balance as of June 30, 2012     | 58,660 |

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

|                                    | Loans | Parent               |         | Financial income |
|------------------------------------|-------|----------------------|---------|------------------|
|                                    |       | Assets<br>Debentures | Total   |                  |
| Ipiranga Produtos de Petróleo S.A. | -     | 770,083              | 770,083 | 52,591           |
| Total as of June 30, 2012          | -     | 770,083              | 770,083 | 52,591           |
| Total as of December 31, 2011      | 3,822 | 775,709              | 779,531 |                  |
| Total as of June 30, 2011          |       |                      |         | 62,783           |

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<br>Assets | Liabilities | Commercial transactions<br>Receivable <sup>1</sup> | Payable <sup>1</sup> |
| Braskem S.A. (*)                             | -               | -           | -                                                  | 6,459                |
| Copagaz Distribuidora de Gas Ltda.           | -               | -           | 513                                                | -                    |
| Liquigás Distribuidora S.A.                  | -               | -           | 556                                                | -                    |
| Oxicap Indústria de Gases Ltda.              | 10,368          | -           | -                                                  | 648                  |
| Petróleo Brasileiro S.A. – Petrobras (*)     | -               | -           | -                                                  | 408,322              |
| Química da Bahia Indústria e Comércio S.A.   | -               | 3,046       | -                                                  | -                    |
| Braskem Qpar S.A. (*)                        | -               | -           | -                                                  | 4,984                |
| Refinaria de Petróleo Riograndense S.A. (**) | -               | -           | -                                                  | 410                  |
| Other                                        | 490             | 826         | 324                                                | -                    |
| Total as of June 30, 2012                    | 10,858          | 3,872       | 1,393                                              | 420,823              |
| Total as of December 31, 2011                | 10,144          | 3,971       | 937                                                | 409,985              |

<sup>1</sup> 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<br>Commercial transactions |            |
|----------------------------------------------|-----------------------------------------|------------|
|                                              | Sales                                   | Purchases  |
| Braskem S.A. (*)                             | 13,772                                  | 444,097    |
| Copagaz Distribuidora de Gas Ltda.           | 2,200                                   | -          |
| Liquigás Distribuidora S.A.                  | 2,694                                   | -          |
| Oxicap Indústria de Gases Ltda.              | 3                                       | 6,420      |
| Petróleo Brasileiro S.A. – Petrobras (*)     | 9,594                                   | 17,650,932 |
| Braskem Qpar S.A. (*)                        | 1,849                                   | 90,703     |
| Refinaria de Petróleo Riograndense S.A. (**) | -                                       | 11,617     |
| Others                                       | 1,291                                   | -          |
| Total as of June 30, 2012                    | 31,403                                  | 18,203,769 |
| Total as of June 30, 2011                    | 27,232                                  | 14,502,402 |

(\*) 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 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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's 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 June 30, 2012, the Company and its subsidiaries recorded expenses for compensation of its management (Company's directors and executive officers) in the amount of R\$ 15,100 (R\$ 13,293 as of June 30, 2011). Out of this total, R\$ 12,886 relates to short-term compensation (R\$ 11,080 as of June 30, 2011), R\$ 1,616 to stock compensation (R\$ 1,616 as of June 30, 2011) and R\$ 598 (R\$ 597 as of June 30, 2011) to post-employment benefits. In addition to the above amounts, the Company accrued, as of June 30, 2011, R\$ 18,206 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 June 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 June 30, 2012 in the amount of R\$ 2,549 (R\$ 3,004 as of June 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                                     | (522 )                                    | 4,750                                       |
| November 10, 2010 | 260,000                  | 5 to 7 years   | 26.78                                                          | 9,602                                     | (2,719 )                                  | 6,883                                       |
| December 16, 2009 | 250,000                  | 5 to 7 years   | 20.75                                                          | 7,155                                     | (3,139 )                                  | 4,016                                       |
| October 8, 2008   | 576,000                  | 5 to 7 years   | 9.99                                                           | 8,090                                     | (5,208 )                                  | 2,882                                       |
| December 12, 2007 | 160,000                  | 5 to 7 years   | 16.17                                                          | 3,570                                     | (2,779 )                                  | 791                                         |
| November 9, 2006  | 207,200                  | 10 years       | 11.62                                                          | 3,322                                     | (1,883 )                                  | 1,439                                       |
| December 14, 2005 | 93,600                   | 10 years       | 8.21                                                           | 1,060                                     | (698 )                                    | 362                                         |
| October 4, 2004   | 167,900                  | 10 years       | 10.20                                                          | 2,361                                     | (1,830 )                                  | 531                                         |
| December 18, 2003 | 239,200                  | 10 years       | 7.58                                                           | 2,501                                     | (2,147 )                                  | 354                                         |
|                   | 2,073,900                |                |                                                                | 42,933                                    | (20,925 )                                 | 22,008                                      |





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   |                |
|------------------------------------------------------------------------|------------|------------|----------------|----------------|
|                                                                        | 06/30/2012 | 12/31/2011 | 06/30/2012     | 12/31/2011     |
| <b>Assets - Deferred income and social contribution taxes on:</b>      |            |            |                |                |
| Provision for loss of assets                                           | -          | -          | 26,292         | 22,645         |
| Provisions for tax, civil and labor litigation                         | 68         | 690        | 107,197        | 105,160        |
| Provision for post-employment benefit (see Note 24.b)                  | -          | -          | 34,396         | 31,594         |
| Provision for differences between cash and accrual basis               | -          | -          | 29,127         | 2,500          |
| Provision for goodwill paid on investments (see Note 13)               | -          | -          | 177,669        | 220,668        |
| Provision for assets retirement obligation                             | -          | -          | 13,596         | 13,067         |
| Other provisions                                                       | -          | -          | 59,570         | 61,494         |
| Tax losses and negative basis for social contribution to offset (d)    | -          | -          | 53,919         | 53,007         |
| <b>Total</b>                                                           | <b>68</b>  | <b>690</b> | <b>501,766</b> | <b>510,135</b> |
| <b>Liabilities - Deferred income and social contribution taxes on:</b> |            |            |                |                |
| Revaluation of property, plant and equipment                           | -          | -          | 3,272          | 3,379          |
| Lease                                                                  | -          | -          | 6,525          | 6,644          |
| Provision for adjustments between cash and accrual basis               | -          | -          | 56,644         | 22,071         |
| Provision for negative goodwill                                        | -          | -          | 810            | 810            |
| Temporary differences of foreign subsidiaries                          | -          | -          | 2,745          | 871            |
| Other provisions                                                       | -          | -          | 4,469          | 4,205          |
| <b>Total</b>                                                           | <b>-</b>   | <b>-</b>   | <b>74,465</b>  | <b>37,980</b>  |

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       | -      | 160,645      |
| From 1 to 2 years  | 33     | 121,816      |
| From 2 to 3 years  | -      | 52,880       |
| From 3 to 5 years  | 35     | 57,127       |
| From 5 to 7 years  | -      | 70,730       |
| From 7 to 10 years | -      | 38,568       |
|                    | 68     | 501,766      |

b. Reconciliation of income and social contribution taxes

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

|                                                                        | Parent     |            | Consolidated |            |
|------------------------------------------------------------------------|------------|------------|--------------|------------|
|                                                                        | 06/30/2012 | 06/30/2011 | 06/30/2012   | 06/30/2011 |
| Income before taxes and share of profit of subsidiaries and associates | 13,833     | 9,747      | 598,970      | 561,378    |
| Official tax rates - %                                                 | 34         | 34         | 34           | 34         |
| Income and social contribution taxes at the official tax rates         | (4,703 )   | (3,314 )   | (203,650 )   | (190,868 ) |
| Adjustments to the actual rate:                                        |            |            |              |            |
| Operating provisions and nondeductible expenses/nontaxable revenues    | -          | -          | (1,091 )     | 12,854     |
| Adjustment to estimated income                                         | -          | -          | 16,304       | 11,772     |
| Other adjustments                                                      | 12         | 12         | (2,048 )     | (606 )     |
| Income and social contribution taxes before tax incentives             | (4,691 )   | (3,302 )   | (190,485 )   | (166,848 ) |
| Tax incentives - SUDENE                                                | -          | -          | 16,776       | 14,404     |
| Income and social contribution taxes in the income statement           | (4,691 )   | (3,302 )   | (173,709 )   | (152,444 ) |
| Current                                                                | (4,069 )   | (3,334 )   | (147,213 )   | (130,588 ) |
| Deferred                                                               | (622 )     | 32         | (43,272 )    | (36,260 )  |
| Tax incentives - SUDENE                                                | -          | -          | 16,776       | 14,404     |



## 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 | eCamaçari 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”) has requests under analysis relating to its Camaçari plant, which, once approved, would represent a reduction of 100% 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\$ 160,486 (R\$ 158,437 as of December 31, 2011) and negative basis of CSLL of R\$ 153,303 (R\$ 148,861 as of December 31, 2011), whose compensations are limited to 30% of taxable income, without expiration dates.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

| 10.                                          | Prepaid expenses (Consolidated) |            |
|----------------------------------------------|---------------------------------|------------|
|                                              | 06/30/2012                      | 12/31/2011 |
| Rents                                        | 53,217                          | 49,937     |
| Deferred Stock Plan, net (see Note 8.c)      | 17,804                          | 21,066     |
| Software maintenance                         | 13,835                          | 16,233     |
| Insurance premiums                           | 8,566                           | 10,149     |
| Advertising and publicity                    | 20,540                          | 3,589      |
| Purchases of meal and transportation tickets | 4,343                           | 4,670      |
| Taxes and other prepaid expenses             | 6,390                           | 3,775      |
|                                              | 124,695                         | 109,419    |
| Current                                      | 58,397                          | 40,221     |
| Non-current                                  | 66,298                          | 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)

June 30, 2012

|                                                                            | Ultracargo –<br>Operações<br>Logísticas<br>e<br>Participações<br>Ltda. | Oxiteno<br>S.A.<br>Indústria e<br>Comércio | Ipiranga Produtos<br>de Petróleo S.A. | Refinaria de<br>Petróleo<br>Riograndense<br>S.A. |
|----------------------------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------|---------------------------------------|--------------------------------------------------|
| Number of shares or units held                                             | 9,323,829                                                              | 35,102,127                                 | 224,467,228,244                       | 5,078,888                                        |
| Assets                                                                     | 824,171                                                                | 3,002,438                                  | 8,478,465                             | 202,759                                          |
| Liabilities                                                                | 3,741                                                                  | 715,906                                    | 6,084,120                             | 147,058                                          |
| Shareholders' equity adjusted for intercompany<br>unrealized profits - R\$ | 820,430                                                                | 2,286,590                                  | 2,394,345                             | 55,701                                           |
| Net revenue from sales and services                                        | -                                                                      | 445,233                                    | 21,987,271                            | 60,703                                           |
| Net income after adjustment for unrealized profits -<br>R\$                | 39,547                                                                 | 70,299                                     | 301,558                               | 6,089                                            |

December 31, 2011

|                                                                            | Ultracargo –<br>Operações<br>Logísticas<br>e<br>Participações<br>Ltda. | Oxiteno<br>S.A.<br>Indústria e<br>Comércio | Ipiranga Produtos<br>de Petróleo S.A. | Refinaria de<br>Petróleo<br>Riograndense<br>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<br>unrealized profits - R\$ | 780,883                                                                | 2,206,872                                  | 2,284,440                             | 56,933                                           |

June 30, 2011

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|                                                          | Ultracargo<br>– Operações<br>Logísticas<br>e<br>Participações<br>Ltda. | Oxiteno<br>S.A.<br>Indústria e<br>Comércio | Ipiranga<br>Produtos de<br>Petróleo<br>S.A. | Refinaria de<br>Petróleo<br>Riograndense<br>S.A. |
|----------------------------------------------------------|------------------------------------------------------------------------|--------------------------------------------|---------------------------------------------|--------------------------------------------------|
| Net revenue from sales and services                      | -                                                                      | 372,658                                    | 21,750,560                                  | 158,000                                          |
| Net income after adjustment for unrealized profits - R\$ | 34,479                                                                 | 73,627                                     | 290,130                                     | 2,436                                            |

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 |            |
|---------------------------------------------------------|-------------|------------|---------------------------------|------------|
|                                                         | 06/30/2012  | 12/31/2011 | 06/30/2012                      | 06/30/2011 |
| Ipiranga Produtos de Petróleo S.A.                      | 2,394,345   | 2,284,440  | 301,558                         | 290,130    |
| Oxiten S.A. Indústria e Comércio                        | 2,286,590   | 2,206,872  | 70,299                          | 73,627     |
| Ultracargo – Operações Logísticas e Participações Ltda. | 820,430     | 780,883    | 39,547                          | 34,479     |
| Refinaria de Petróleo Riograndense S.A.                 | 18,495      | 18,904     | 2,022                           | 918        |
|                                                         | 5,519,860   | 5,291,099  | 413,426                         | 399,154    |

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

|                         | 06/30/2012 | 12/31/2011 |
|-------------------------|------------|------------|
| Current assets          | 35,716     | 37,385     |
| Non-current assets      | 31,608     | 28,688     |
| Current liabilities     | 17,998     | 11,850     |
| Non-current liabilities | 30,831     | 35,319     |
| Shareholders' equity    | 18,495     | 18,904     |

|                                                               | 06/30/2012 | 06/30/2011 |
|---------------------------------------------------------------|------------|------------|
| Net revenue from sales and services                           | 20,156     | 52,462     |
| Costs and operating expenses                                  | (16,958)   | (50,762)   |
| Operating income                                              | 3,198      | 1,700      |
| Net financial income and income and social contribution taxes | (1,176 )   | (613 )     |
| Net income                                                    | 2,022      | 1,087      |



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                 |                                 |                                            | Total  |
|--------------------------------------|------------------------------------------|---------------------------------|--------------------------------------------|--------|
|                                      | Transportadora Sulbrasileira de Gás S.A. | Oxicap Indústria de Gases Ltda. | Química da Bahia Indústria e Comércio S.A. |        |
| Movements in investments:            |                                          |                                 |                                            |        |
| Balance as of December 31, 2011      | 6,828                                    | 2,105                           | 3,693                                      | 12,626 |
| Share of profit (loss) of associates | 139                                      | 96                              | (61 )                                      | 174    |
| Dividends received                   | (146 )                                   | -                               | -                                          | (146 ) |
| Balance as of June 30, 2012          | 6,821                                    | 2,201                           | 3,632                                      | 12,654 |

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

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

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

Subsidiary Cia. Ultragaz holds an interest in Metalúrgica Plus S.A. which is primarily engaged in the manufacture and marketing of LPG containers, and in Plenogás Distribuidora de Gás S.A., which is primarily engaged in the marketing of LPG. The operations of these two associates are 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 May 31, 2012, while the other associates are valued based on the interim financial information as of June 30, 2012.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

|                                                                  | Transportadora<br>Sulbrasileira<br>de<br>Gás S.A. | Oxicap<br>Indústria<br>de Gases<br>Ltda. | 06/30/2012<br>Química<br>da Bahia<br>Indústria e<br>Comércio<br>S.A. | Metalúrgica<br>Plus S.A. | Plenogás<br>Distribuidora<br>de Gás S.A. |
|------------------------------------------------------------------|---------------------------------------------------|------------------------------------------|----------------------------------------------------------------------|--------------------------|------------------------------------------|
| Current assets                                                   | 6,707                                             | 13,113                                   | 112                                                                  | 407                      | 23                                       |
| Non-current assets                                               | 21,463                                            | 90,422                                   | 9,377                                                                | 707                      | 3,133                                    |
| Current liabilities                                              | 556                                               | 6,646                                    | -                                                                    | 24                       | 104                                      |
| Non-current liabilities                                          | 332                                               | 88,086                                   | 2,226                                                                | 1,708                    | 4,057                                    |
| Shareholders' equity                                             | 27,282                                            | 8,803                                    | 7,263                                                                | (618 )                   | (965 )                                   |
| Net revenue from sales and services                              | 2,457                                             | 16,479                                   | -                                                                    | -                        | -                                        |
| Costs, operating expenses and income                             | (2,015 )                                          | (15,958 )                                | (72 )                                                                | (74 )                    | 254                                      |
| Net financial income and income and social<br>contribution taxes | 110                                               | (138 )                                   | (49 )                                                                | 3                        | (11 )                                    |
| Net income                                                       | 553                                               | 383                                      | (121 )                                                               | (71 )                    | 244                                      |
| 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                                       |
|                                                                  | Transportadora<br>Sulbrasileira<br>de<br>Gás S.A. | Oxicap<br>Indústria<br>de Gases<br>Ltda. | 12/31/2011<br>Química<br>da Bahia<br>Indústria e<br>Comércio<br>S.A. | Metalúrgica<br>Plus S.A. | Plenogás<br>Distribuidora<br>de Gás S.A. |
| Current assets                                                   | 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                                       |

|  | Transportadora<br>Sulbrasileira<br>de | Oxicap<br>Indústria<br>de Gases | 06/30/2011<br>Química<br>da Bahia | Metalúrgica<br>Plus S.A. | Plenogás<br>Distribuidora<br>de Gás S.A. |
|--|---------------------------------------|---------------------------------|-----------------------------------|--------------------------|------------------------------------------|
|  |                                       |                                 |                                   |                          |                                          |

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|                                                               | Gás S.A. | Ltda.     | Indústria<br>e<br>Comércio<br>S.A. |       |      |
|---------------------------------------------------------------|----------|-----------|------------------------------------|-------|------|
| Net revenue from sales and services                           | 1,926    | 13,538    | -                                  | -     | -    |
| Costs, operating expenses and income                          | (1,809 ) | (13,671 ) | (55 )                              | (63 ) | 4    |
| Net financial income and income and social contribution taxes | 149      | (413 )    | 24                                 | 30    | (1 ) |
| Net income                                                    | 266      | (546 )    | (31 )                              | (33 ) | 3    |

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<br>average<br>term of<br>depreciation<br>(years) | Balance<br>as of<br>December<br>31, 2011 | Additions | Depreciation | Transfer  | Write-offs | Exchange<br>rate<br>variation | Balance<br>as of June<br>30, 2012 |
|-----------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------|-----------|--------------|-----------|------------|-------------------------------|-----------------------------------|
| Cost:                                                                       |                                                           |                                          |           |              |           |            |                               |                                   |
| Land                                                                        | -                                                         | 356,012                                  | 11,771    | -            | 14,676    | (7,222 )   | 608                           | 375,845                           |
| Buildings                                                                   | 28                                                        | 1,098,278                                | 1,137     | -            | 31,187    | (13,003 )  | 3,355                         | 1,120,954                         |
| Leasehold<br>improvements                                                   | 12                                                        | 405,054                                  | 3,383     | -            | 14,250    | (289 )     | -                             | 422,398                           |
| Machinery and<br>equipment                                                  | 12                                                        | 3,178,694                                | 44,902    | -            | 50,437    | (7,215 )   | 24,321                        | 3,291,139                         |
| Automotive<br>fuel/lubricant<br>distribution<br>equipment and<br>facilities | 14                                                        | 1,639,532                                | 61,959    | -            | 42,049    | (4,796 )   | -                             | 1,738,744                         |
| LPG tanks and<br>bottles                                                    | 12                                                        | 415,905                                  | 41,802    | -            | -         | (15,413 )  | -                             | 442,294                           |
| Vehicles                                                                    | 8                                                         | 192,163                                  | 6,469     | -            | 4,099     | (8,819 )   | 270                           | 194,182                           |
| Furniture and<br>utensils                                                   | 8                                                         | 110,806                                  | 1,117     | -            | (53 )     | (99 )      | 903                           | 112,674                           |
| Construction in<br>progress                                                 | -                                                         | 232,054                                  | 181,693   | -            | (148,910) | (4 )       | 2,659                         | 267,492                           |
| Advances to<br>suppliers                                                    | -                                                         | 11,482                                   | 10,103    | -            | (8,089 )  | -          | -                             | 13,496                            |
| Imports in<br>progress                                                      | -                                                         | 166                                      | 18        | -            | (106 )    | -          | -                             | 78                                |
| IT equipment                                                                | 5                                                         | 187,070                                  | 2,575     | -            | 2,776     | (2,075 )   | 191                           | 190,537                           |
|                                                                             |                                                           | 7,827,216                                | 366,929   | -            | 2,316     | (58,935 )  | 32,307                        | 8,169,833                         |
| Accumulated<br>depreciation:                                                |                                                           |                                          |           |              |           |            |                               |                                   |
| Buildings                                                                   |                                                           | (465,608 )                               | -         | (17,543 )    | (1,120 )  | 5,570      | (2,597 )                      | (481,298 )                        |
| Leasehold<br>improvements                                                   |                                                           | (212,492 )                               | -         | (12,786 )    | 16        | 260        | -                             | (225,002 )                        |
| Machinery and<br>equipment                                                  |                                                           | (1,443,487)                              | -         | (102,064 )   | (1,347 )  | 5,819      | (24,879 )                     | (1,565,958)                       |

|                                                                 |              |         |            |          |           |           |             |
|-----------------------------------------------------------------|--------------|---------|------------|----------|-----------|-----------|-------------|
| Automotive fuel/lubricant distribution equipment and facilities | (892,860 )   | -       | (46,049 )  | 22       | 3,977     | -         | (934,910 )  |
| LPG tanks and bottles                                           | (205,213 )   | -       | (12,552 )  | -        | 5,840     | -         | (211,925 )  |
| Vehicles                                                        | (96,127 )    | -       | (3,929 )   | 366      | 6,773     | (185 )    | (93,102 )   |
| Furniture and utensils                                          | (74,338 )    | -       | (4,318 )   | 371      | 87        | (820 )    | (79,018 )   |
| IT equipment                                                    | (156,488 )   | -       | (6,098 )   | (16 )    | 1,908     | (135 )    | (160,829 )  |
|                                                                 | (3,546,613 ) | -       | (205,339 ) | (1,708 ) | 30,234    | (28,616 ) | (3,752,042) |
| Provision for loss:                                             |              |         |            |          |           |           |             |
| Land                                                            | (197 )       | -       | -          | -        | -         | -         | (197 )      |
| Machinery and equipment                                         | (1,475 )     | -       | -          | -        | -         | -         | (1,475 )    |
|                                                                 | (1,672 )     | -       | -          | -        | -         | -         | (1,672 )    |
| Net amount                                                      | 4,278,931    | 366,929 | (205,339)  | 608      | (28,701 ) | 3,691     | 4,416,119   |

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.

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                                     | -        | 14,574    | -          | -                          | 226,779       | 98     | 241,451    |
| Write-offs                                    | -        | -         | -          | -                          | -             | (3 )   | (3 )       |
| Transfer                                      | -        | (11 )     | -          | -                          | (360 )        | (19 )  | (390 )     |
| Amortization                                  | -        | (14,959 ) | (3,057 )   | (275 )                     | (112,406 )    | (38 )  | (130,735 ) |
| Exchange rate                                 | -        | 787       | -          | -                          | -             | 171    | 958        |
| Balance as of June 30, 2012                   | 705,989  | 85,181    | 12,543     | 11,642                     | 831,081       | 4,022  | 1,650,458  |
| 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:

|                                 | 06/30/2012 | 12/31/2011 |
|---------------------------------|------------|------------|
| Goodwill on the acquisition of: |            |            |
| Ipiranga                        | 276,724    | 276,724    |
| União Terminais                 | 211,089    | 211,089    |
| Texaco                          | 177,759    | 177,759    |
| DNP                             | 24,736     | 24,736     |
| Repsol                          | 13,403     | 13,403     |
| Other                           | 2,278      | 2,278      |
|                                 | 705,989    | 705,989    |



Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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 Terminal Químico de Aratu S.A. – Tequimar (“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:

|                                    | 06/30/2012 | 06/30/2011 |
|------------------------------------|------------|------------|
| Cost of products and services sold | 7,009      | 5,093      |
| Selling and marketing              | 110,220    | 85,218     |
| General and administrative         | 13,506     | 11,168     |
|                                    | 130,735    | 101,479    |

Research and development expenses are recorded in the income statements and amounted to R\$ 12,216 as of June 30, 2012 (R\$ 10,498 as of June 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                            | 06/30/2012 | 12/31/2011 | Index/Currency | Weighted average financial charges 06/30/2012 - % p.a. | Maturity     |
|----------------------------------------|------------|------------|----------------|--------------------------------------------------------|--------------|
| Foreign currency – denominated loans:  |            |            |                |                                                        |              |
| Notes in the foreign market            |            |            |                |                                                        |              |
| (b)                                    | 502,857    | 466,197    | US\$           | +7.2                                                   | 2015         |
| Advances on foreign exchange contracts | 121,369    | 125,813    | US\$           | +2.2                                                   | < 356 days   |
| US\$ + LIBOR                           |            |            |                |                                                        |              |
| Foreign loan (c)                       | 120,688    | 111,868    | (i)            | +1.0                                                   | 2014         |
| BNDES (d)                              | 70,797     | 72,869     | US\$           | +5.5                                                   | 2012 to 2018 |
| Foreign currency advances delivered    |            |            |                |                                                        |              |
| Financial institutions (e)             | 50,821     | 45,692     | US\$           | +1.6                                                   | < 111 days   |
| Financial institutions (e)             | 41,371     | -          | US\$           | +2.4                                                   | 2017         |
| Financial institutions (e)             | 36,933     | 21,784     | Bs (ii)        | +12.6                                                  | 2012 to 2014 |
| MX\$ + TIE                             |            |            |                |                                                        |              |
| Financial institutions (e)             | 34,676     | 28,454     | (iii)          | +1.4                                                   | 2014 to 2016 |
| FINIMP                                 | 980        | 878        | US\$           | +7.0                                                   | 2012         |
| UMBNDDES                               |            |            |                |                                                        |              |
| BNDES (d)                              | 297        | -          | (iv)           | +6.9                                                   | 2016         |
| Subtotal                               | 980,789    | 873,555    |                |                                                        |              |
| Reais– denominated loans:              |            |            |                |                                                        |              |
| Banco do Brasil – fixed rate (f)       | 1,857,464  | 2,208,109  | R\$            | +11.9                                                  | 2013 to 2015 |
| Debentures - 4th issuance (g)          | 811,895    | -          | CDI            | +108.2                                                 | 2015         |
| BNDES (d)                              | 779,515    | 890,865    | TJLP (v)       | +2.8                                                   | 2012 to 2019 |
| Banco do Brasil – floating rate        |            |            |                |                                                        |              |
| (f)                                    | 643,490    | 213,055    | CDI            | +101.4                                                 | 2014         |
| Debentures - 3th issuance (g)          | 211,152    | 1,002,451  | CDI            | +108.5                                                 | 2012         |
| Loan – MaxFácil                        | 90,338     | 86,364     | CDI            | +100.0                                                 | 2012         |
| Banco do Nordeste do Brasil            | 79,463     | 86,108     | R\$            | +8.5 (vii)                                             | 2018         |
| BNDES (d)                              | 52,700     | 57,626     | R\$            | +5.8                                                   | 2015 to 2021 |
| Finance leases (h)                     | 43,083     | 42,356     | IGP-M (vi)     | +5.6                                                   | 2031         |
| FINEP                                  | 34,074     | 45,647     | TJLP (v)       | +0.4                                                   | 2013 to 2014 |
| Debentures – RPR (g)                   | 20,150     | 19,102     | CDI            | +118.0                                                 | 2014         |

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|                                                   |           |           |          |       |              |
|---------------------------------------------------|-----------|-----------|----------|-------|--------------|
| FINEP                                             | 10,899    | 10,904    | R\$      | +4.0  | 2019 to 2021 |
| FINAME                                            | 1,260     | 2,106     | TJLP (v) | +2.8  | 2012 to 2013 |
| Fixed finance leases (h)                          | 881       | 1,297     | R\$      | +14.7 | 2012 to 2014 |
| Subtotal                                          | 4,636,364 | 4,665,990 |          |       |              |
| Currency and interest rate<br>hedging instruments | 10,926    | 22,089    |          |       |              |
| Total                                             | 5,628,079 | 5,561,634 |          |       |              |
| Current                                           | 1,954,396 | 2,304,999 |          |       |              |
| Non-current                                       | 3,673,683 | 3,256,635 |          |       |              |

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

- (i) LIBOR = London Interbank Offered Rate.
- (ii) Bs = Venezuelan Bolivares Fortes.
- (iii) MX\$ = Mexican Peso; TIE = 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 June 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 June 30, 2012, TJLP was fixed at 6% 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 June 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:

|                   | 06/30/2012 | 12/31/2011 |
|-------------------|------------|------------|
| From 1 to 2 years | 1,406,957  | 1,214,029  |
| From 2 to 3 years | 1,398,603  | 879,137    |
| From 3 to 4 years | 649,708    | 976,172    |
| From 4 to 5 years | 134,289    | 93,970     |
| More than 5 years | 84,126     | 93,327     |
|                   | 3,673,683  | 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 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 maintains 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.

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 | 06/30/2012 |
| Mar/13   | 655,607    |
| May/13   | 390,086    |
| Jan/14   | 362,979    |
| Mar/14   | 223,505    |
| Apr/14   | 57,005     |
| May/14   | 401,913    |
| May/15   | 409,859    |
|          | 2,500,954  |

## 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. Ultragas 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 June 30, 2012 and December 31, 2011 are shown below:

|                                                                       | 06/30/2012                    |                 |                                        |
|-----------------------------------------------------------------------|-------------------------------|-----------------|----------------------------------------|
|                                                                       | LPG<br>bottling<br>facilities | IT<br>equipment | Vehicles for<br>fuel<br>transportation |
| Equipment and intangible assets, net of depreciation and amortization | 37,147                        | 1,032           | 858                                    |
| Financing (present value)                                             | 43,083                        | 666             | 215                                    |
| Current                                                               | 1,498                         | 479             | 215                                    |
| Non-current                                                           | 41,585                        | 187             | -                                      |
|                                                                       | 12/31/2011                    |                 |                                        |
|                                                                       | LPG<br>bottling<br>facilities | IT<br>equipment | Vehicles for<br>fuel<br>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                                     |



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 total approximately:

|                   |                               | 06/30/2012      |                                        |
|-------------------|-------------------------------|-----------------|----------------------------------------|
|                   | LPG<br>bottling<br>facilities | IT<br>equipment | Vehicles for<br>fuel<br>transportation |
| Up to 1 year      | 3,655                         | 534             | 295                                    |
| From 1 to 2 years | 3,655                         | 188             | -                                      |
| From 2 to 3 years | 3,655                         | 9               | -                                      |
| From 3 to 4 years | 3,655                         | -               | -                                      |
| From 4 to 5 years | 3,655                         | -               | -                                      |
| More than 5 years | 50,558                        | -               | -                                      |
|                   | 68,833                        | 731             | 295                                    |

|                   |                               | 12/31/2011      |                                        |
|-------------------|-------------------------------|-----------------|----------------------------------------|
|                   | LPG<br>bottling<br>facilities | IT<br>equipment | Vehicles for<br>fuel<br>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<br>of<br>transaction<br>costs<br>(% p.a.) | Balance as<br>of December<br>31, 2011 | Incurred<br>cost | Amortization    | Balance as<br>of June 30,<br>2012 |
|---------------------------------|----------------------------------------------------------|---------------------------------------|------------------|-----------------|-----------------------------------|
| Banco do Brasil (f)             | 0.6%                                                     | 21,512                                | 2,926            | (5,095 )        | 19,343                            |
| Debentures (g)                  | 0.4%                                                     | 6,023                                 | 6,515            | (2,499 )        | 10,039                            |
| Notes in the foreign market (b) | 0.2%                                                     | 3,697                                 | -                | (211 )          | 3,486                             |
| Other                           | 0.3%                                                     | 810                                   | -                | (122 )          | 688                               |
| <b>Total</b>                    |                                                          | <b>32,042</b>                         | <b>9,441</b>     | <b>(7,927 )</b> | <b>33,556</b>                     |

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

|                                 | Up to 1<br>year | 1 to 2<br>years | 2 to 3<br>years | 3 to 4<br>years | 4 to 5<br>years | Total         |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| Banco do Brasil (f)             | 11,185          | 6,264           | 1,894           | -               | -               | 19,343        |
| Debentures (g)                  | 3,750           | 3,528           | 2,761           | -               | -               | 10,039        |
| Notes in the foreign market (b) | 996             | 996             | 996             | 498             | -               | 3,486         |
| Other                           | 313             | 298             | 77              | -               | -               | 688           |
| <b>Total</b>                    | <b>16,244</b>   | <b>11,086</b>   | <b>5,728</b>    | <b>498</b>      | <b>-</b>        | <b>33,556</b> |

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\$ 133,772 as of June 30, 2012 (R\$ 89,231 as of December 31, 2011) and by guarantees and promissory notes in the amount of R\$ 1,761,847 as of June 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\$ 184,349 as of June 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\$ 5,771 as of June 30, 2012 (R\$ 11,843 as of December 31, 2011), with maturities of less than 210 days. As of June 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\$ 141 as of June 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 June 30, 2012, there was no event of default of the debts of the Company and its subsidiaries.

15. Trade payables (Consolidated)

|                    | 06/30/2012 | 12/31/2011 |
|--------------------|------------|------------|
| Domestic suppliers | 905,796    | 1,024,697  |
| Foreign suppliers  | 68,186     | 50,406     |
|                    | 973,982    | 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.



## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## 16. Salaries and related charges (Consolidated)

|                                   | 06/30/2012 | 12/31/2011 |
|-----------------------------------|------------|------------|
| Salaries and related payments     | 6,020      | 5,207      |
| Social charges                    | 22,425     | 27,748     |
| Provisions on payroll             | 102,374    | 89,167     |
| Profit sharing, bonus and premium | 57,694     | 144,144    |
| Benefits                          | 1,122      | 1,121      |
| Others                            | 1,435      | 958        |
|                                   | 191,070    | 268,345    |

## 17. Taxes payable (Consolidated)

|                                                                         | 06/30/2012 | 12/31/2011 |
|-------------------------------------------------------------------------|------------|------------|
| ICMS                                                                    | 61,609     | 55,055     |
| PIS and COFINS                                                          | 7,756      | 16,818     |
| IPI                                                                     | 18,602     | 14,604     |
| Income Tax Withholding (IRRF)                                           | 1,275      | 5,180      |
| National Institute of Social Security (INSS)                            | 2,415      | 3,863      |
| ISS                                                                     | 4,614      | 4,763      |
| Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico and Oxiteno Andina | 10,123     | 8,340      |
| Others                                                                  | 1,032      | 1,030      |
|                                                                         | 107,426    | 109,653    |



## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## 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)           | 1,119  |
| Expense with tanks removed      | (828 ) |
| Accretion expense               | 1,858  |
| Balance as of June 30, 2012     | 69,653 |
| Current                         | 6,249  |
| Non-current                     | 63,404 |

## 19. Deferred revenue (Consolidated)

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

|                                    | 06/30/2012 | 12/31/2011 |
|------------------------------------|------------|------------|
| Loyalty program "Km de Vantagens"  | 15,069     | 15,983     |
| 'am/pm' franchising<br>upfront fee | 12,472     | 12,472     |
|                                    | 27,541     | 28,455     |
| Current                            | 18,988     | 19,731     |
| Non-current                        | 8,553      | 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 in the partner Multiplus Fidelidade 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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

20. Shareholders' equity

a. Share capital

The Company is a publicly traded company listed on BM&FBOVESPA in the Novo Mercado listing segment 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 June 30, 2012, there were 46,075,599 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 first semester of 2012, there were no stock repurchases.

As of June 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 June 30, 2012 on BM&FBOVESPA was R\$ 45.20.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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

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 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.

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 (Ultragas) 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 (Oxiten) 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:

|                                            | 06/30/2012 | 06/30/2011 |
|--------------------------------------------|------------|------------|
| Net revenue:                               |            |            |
| Ultragaz                                   | 1,893,162  | 1,811,893  |
| Ipiranga                                   | 22,039,490 | 19,935,338 |
| Oxiteno                                    | 1,371,058  | 1,122,309  |
| Ultracargo                                 | 143,291    | 129,861    |
| Others (1)                                 | 46,396     | 75,840     |
| Intersegment sales                         | (43,796 )  | (81,676 )  |
| Total                                      | 25,449,601 | 22,993,565 |
| Intersegment sales:                        |            |            |
| Ultragaz                                   | 460        | 745        |
| Ipiranga                                   | 615        | 5,511      |
| Oxiteno                                    | -          | -          |
| Ultracargo                                 | 13,091     | 13,563     |
| Others (1)                                 | 29,630     | 61,857     |
| Total                                      | 43,796     | 81,676     |
| Net revenue, excluding intersegment sales: |            |            |
| Ultragaz                                   | 1,892,702  | 1,811,148  |
| Ipiranga                                   | 22,038,875 | 19,929,827 |
| Oxiteno                                    | 1,371,058  | 1,122,309  |
| Ultracargo                                 | 130,200    | 116,298    |
| Others (1)                                 | 16,766     | 13,983     |
| Total                                      | 25,449,601 | 22,993,565 |
| Operating income:                          |            |            |
| Ultragaz                                   | 57,251     | 94,731     |
| Ipiranga                                   | 526,311    | 449,981    |
| Oxiteno                                    | 104,713    | 103,461    |
| Ultracargo                                 | 52,841     | 44,712     |
| Others (1)                                 | 5,624      | 4,998      |
| Total                                      | 746,740    | 697,883    |
| Financial income                           | 120,861    | 165,354    |
| Financial expenses                         | (268,631 ) | (301,859 ) |
| Share in profit of associates              | 174        | (49 )      |
| Income before taxes                        | 599,144    | 561,329    |





## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

|                                                                                              | 06/30/2012 | 06/30/2011 |
|----------------------------------------------------------------------------------------------|------------|------------|
| Additions to property, plant and equipment and intangible assets:                            |            |            |
| Ultragaz                                                                                     | 98,270     | 160,328    |
| Ipiranga                                                                                     | 357,658    | 262,959    |
| Oxitenó                                                                                      | 74,488     | 47,147     |
| Ultracargo                                                                                   | 69,598     | 38,108     |
| Others (1)                                                                                   | 8,366      | 10,513     |
| Total additions to property, plant and equipment and intangible assets (see Notes 12 and 13) | 608,380    | 519,055    |
| Finance leases                                                                               | -          | (43,009 )  |
| Assets retirement obligation (see Note 18)                                                   | (1,119 )   | (1,044 )   |
| Capitalized borrowing costs                                                                  | (4,891 )   | (1,555 )   |
| Total investments in property, plant and equipment and intangible assets (cash flow)         | 602,370    | 473,447    |

|                                        | 06/30/2012 | 06/30/2011 |
|----------------------------------------|------------|------------|
| Depreciation and amortization charges: |            |            |
| Ultragaz                               | 65,449     | 56,040     |
| Ipiranga                               | 182,202    | 151,486    |
| Oxitenó                                | 59,908     | 51,355     |
| Ultracargo                             | 16,290     | 14,214     |
| Others (1)                             | 5,778      | 5,125      |
| Total                                  | 329,627    | 278,220    |

|               | 06/30/2012 | 12/31/2011 |
|---------------|------------|------------|
| Total assets: |            |            |
| Ultragaz      | 2,559,358  | 1,868,270  |
| Ipiranga      | 6,017,191  | 6,633,132  |
| Oxitenó       | 3,453,751  | 3,454,518  |
| Ultracargo    | 1,095,101  | 1,068,780  |
| Others (1)    | 731,039    | 718,039    |
| Total         | 13,856,440 | 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\$ 39,578 as of June 30, 2012 (R\$ 30,853 as of December 31, 2011), and in Venezuela, in the amount of R\$ 18,934 as of June 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\$ 32,293 as of June 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:

|                                     | 06/30/2012 | 06/30/2011 |
|-------------------------------------|------------|------------|
| Net revenue:                        |            |            |
| Brazil                              | 25,043,651 | 22,638,951 |
| Mexico                              | 59,949     | 49,281     |
| Venezuela                           | 62,594     | 60,407     |
| Other Latin American countries      | 160,715    | 135,211    |
| United States of America and Canada | 54,436     | 52,091     |
| Far East                            | 17,865     | 17,377     |
| Europe                              | 24,363     | 25,018     |
| Other                               | 26,028     | 15,229     |
| Total                               | 25,449,601 | 22,993,565 |

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 June 30, 2012 and December 31, 2011:

## Assets and liabilities in foreign currencies

| Amounts in millions of Reais                                        | 06/30/2012 | 12/31/2011 |
|---------------------------------------------------------------------|------------|------------|
| <b>Assets in foreign currency</b>                                   |            |            |
| Financial assets in foreign currency (except hedging instruments)   | 346.5      | 303.8      |
| Foreign trade receivables, net of allowance for doubtful accounts   | 154.5      | 134.9      |
| Investments in foreign subsidiaries                                 | 194.4      | 115.3      |
|                                                                     | 695.4      | 554.0      |
| <b>Liabilities in foreign currency</b>                              |            |            |
| Financing in foreign currency                                       | (980.5 )   | (873.6 )   |
| Payables arising from imports, net of advances to foreign suppliers | (33.9 )    | (2.8 )     |
|                                                                     | (1,014.4 ) | (876.4 )   |
| Foreign currency hedging instruments                                | 351.8      | 348.5      |
| Net asset position                                                  | 32.8       | 26.1       |
| Net liability position – RPR1                                       | (0.3 )     | (8.3 )     |
| Net asset position – Total                                          | 32.5       | 17.8       |

(1) Amount disclosed due to its magnitude and to RPR having independent financial management. The net liability position as of June 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\$ 32.8 million in foreign currency:

| Amounts in millions of Reais | Risk              | Scenario I<br>10% | Scenario II<br>25% | Scenario III<br>50% |
|------------------------------|-------------------|-------------------|--------------------|---------------------|
| (1) Income effect            |                   | (6.6 )            | (16.5 )            | (33.1 )             |
| (2) Equity effect            | Real devaluation  | 9.9               | 24.7               | 49.5                |
| (1) + (2)                    | Net effect        | 3.3               | 8.2                | 16.4                |
| <hr/>                        |                   |                   |                    |                     |
| (3) Income effect            |                   | 6.6               | 16.5               | 33.1                |
| (4) Equity effect            | Real appreciation | (9.9 )            | (24.7 )            | (49.5 )             |
| (3) + (4)                    | Net effect        | (3.3 )            | (8.2 )             | (16.4 )             |

The gain/loss directly recognized in the equity in cumulative translation adjustments mainly 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 June 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 cash equivalents, 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:

|            | 06/30/2012 | 12/31/2011 |
|------------|------------|------------|
| Ipiranga   | 104,665    | 101,318    |
| Ultragaz   | 15,034     | 13,107     |
| Oxiteno    | 1,834      | 1,415      |
| Ultracargo | 614        | 614        |
| Total      | 122,147    | 116,454    |

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Liquidity risk

The Company and its subsidiaries' main sources of liquidity derive from (i) cash, cash equivalents and financial investments, (ii) cash generated from operations and (iii) 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\$ 1,954 million. Furthermore, the investment plan for 2012 totals R\$ 1,088 million. On June 30, 2012, the Company and its subsidiaries had R\$ 2,345 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 (06/30/2012) |                |
|---------------------------------------|---------------------|-------------|------------------|---------------|-------------|-------------|--------------------------------------------|----------------|
|                                       |                     |             | 06/30/2012       | 12/31/2011    | 06/30/2012  | 12/31/2011  | Amount receivable                          | Amount payable |
|                                       |                     |             |                  |               | R\$ million | R\$ million | R\$ million                                | R\$ million    |
| <b>a – Exchange rate swaps</b>        |                     |             |                  |               |             |             |                                            |                |
| receivable in U.S. dollars            | Bradesco, Citibank, | Jul 2012    |                  |               |             |             |                                            |                |
| Receivables in U.S. dollars           | Itaú, JP Morgan,    | to Apr 2017 | US\$ 185.9       | US\$ 198.9    | 375.2       | 373.3       | 375.2                                      | -              |
| Payables in CDI interest rate         | Santander           |             | US\$ (185.9 )    | US\$ (198.9 ) | (354.7 )    | (367.9 )    | -                                          | 354.7          |
| Total result                          |                     |             | -                | -             | 20.5        | 5.4         | 375.2                                      | 354.7          |
| <b>b – Exchange rate swaps</b>        |                     |             |                  |               |             |             |                                            |                |
| payable in U.S. dollars               |                     |             |                  |               |             |             |                                            |                |
| Receivables in CDI interest rates     | Bradesco, Citibank, | Jul 2012    | US\$ 11,9        | US\$ 13.3     | 24.1        | 24.5        | 24.1                                       | -              |
| Payables in U.S. dollars              | Itaú, Santander     | to Oct 2012 | US\$ (11,9 )     | US\$ (13.3 )  | (23.4 )     | (24.8 )     | -                                          | 23.4           |
| Total result                          |                     |             | -                | -             | 0.7         | (0.3 )      | 24.1                                       | 23.4           |
| <b>c – Interest rate swaps in R\$</b> |                     |             |                  |               |             |             |                                            |                |
| Receivables in fixed interest rate    | Banco do Brasil     | Mar 2013 to | R\$ 1,400.0      | R\$ 1,809.5   | 1,873.2     | 2,229.4     | 1,873.2                                    | -              |
| Payables in CDI interest rate         |                     | May 2015    | R\$ (1,400.0)    | R\$ (1,809.5) | (1,734.3)   | (2,152.5)   | -                                          | 1,734.3        |
| Total result                          |                     |             | -                | -             | 138.9       | 76.9        | 1,873.2                                    | 1,734.3        |

|                               |         |         |         |         |
|-------------------------------|---------|---------|---------|---------|
| Total gross result            | 160.1   | 82.0    | 2,272.5 | 2,112.4 |
| Income tax                    | (12.7 ) | (10.7 ) | (12.7 ) | -       |
| Total net result              | 147.4   | 71.3    | 2,259.8 | 2,112.4 |
| Positive result (see Note 4)  | 158.3   | 93.4    |         |         |
| Negative result (see Note 14) | (10.9 ) | (22.1 ) |         |         |

1 In million. Currency as indicated.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Hedging instruments existing as of June 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 June 30, 2012, the Company and its subsidiaries had outstanding swap contracts totaling US\$ 185.9 million in notional amount, of which (i) US\$ 125.9 million, on average, had asset position at US\$ + 4.7 p.a. and liability position at 118.8 % 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 June 30, 2012, these swap contracts totaled US\$ 11.9 million and, on average, had an asset position at 76% 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 June 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 June 30, 2012 the notional amount of such hedging instruments totaled R\$ 1,400 million. The Company and its subsidiaries recognized a gain of R\$ 22.3 million as of June 30, 2012, of which R\$ 68 million refer to the result of hedging instruments and R\$ (45.7) million refer to the fair value adjustment of the debt.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## Gains (losses) on hedging instruments

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

|                                                    | June 30, 2012 |          |
|----------------------------------------------------|---------------|----------|
|                                                    | R\$ million   |          |
|                                                    | Income        | Equity   |
| a – Exchange rate swaps receivable in U.S. dollars | (9.7 )        | -        |
| b – Exchange rate swaps payable in U.S. dollars    | (0.2 )        | -        |
| c – Interest rate swaps in R\$                     | 22.3          | -        |
| <b>Total</b>                                       | <b>12.4</b>   | <b>-</b> |

|                                                       | June 30, 2011 |            |
|-------------------------------------------------------|---------------|------------|
|                                                       | R\$ million   |            |
|                                                       | Income        | Equity     |
| a – Exchange rate swaps receivable in U.S. dollars    | (12.5 )       | -          |
| b – Exchange rate swaps payable in U.S. dollars       | 16.9          | -          |
| c – Interest rate swaps in R\$                        | 5.6           | -          |
| d – Interest rate swaps in U.S. dollars               | (1.4 )        | 1.5        |
| e – NDFs (non-deliverable forwards) - RPR             | (0.9 )        | 0.9        |
| f - Exchange rate swaps payable in U.S. dollars - RPR | 0.0           | -          |
| <b>Total</b>                                          | <b>7.7</b>    | <b>2.4</b> |

The table above 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 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 June 30, 2012 and December 31, 2011, are stated below:

| Category                                              | 06/30/2012                            |                  | 12/31/2011       |                  |                  |
|-------------------------------------------------------|---------------------------------------|------------------|------------------|------------------|------------------|
|                                                       | Carrying value                        | Fair value       | Carrying value   | Fair value       |                  |
| <b>Financial assets:</b>                              |                                       |                  |                  |                  |                  |
| <b>Cash and cash equivalents</b>                      |                                       |                  |                  |                  |                  |
| Cash and bank deposits                                | Measured at fair value through income | 45,531           | 45,531           | 107,600          | 107,600          |
| Financial investments in local currency               | Measured at fair value through income | 1,462,788        | 1,462,788        | 1,668,178        | 1,668,178        |
| Financial investments in foreign currency             | Measured at fair value through income | -                | -                | 15,176           | 15,176           |
| <b>Financial investments</b>                          |                                       |                  |                  |                  |                  |
| Fixed-income securities and funds in local currency   | Available for sale                    | 471,313          | 471,313          | 631,686          | 631,686          |
| Fixed-income securities and funds in local currency   | Held to maturity                      | 7,193            | 7,193            | 7,193            | 7,193            |
| Fixed-income securities and funds in foreign currency | Available for sale                    | 324,913          | 324,913          | 259,091          | 259,091          |
| Currency and interest rate hedging instruments        | Measured at fair value through income | 158,277          | 158,277          | 93,403           | 93,403           |
| <b>Total</b>                                          |                                       | <b>2,470,015</b> | <b>2,470,015</b> | <b>2,782,327</b> | <b>2,782,327</b> |
| <b>Financial liabilities:</b>                         |                                       |                  |                  |                  |                  |
| Financing – Banco do Brasil fixed                     | Measured at fair value through income | 1,857,464        | 1,857,464        | 2,208,109        | 2,208,109        |
| Financing                                             | Measured at amortized cost            | 2,672,528        | 2,726,481        | 2,266,230        | 2,305,088        |
| Debentures                                            | Measured at amortized cost            | 1,043,197        | 1,034,129        | 1,021,553        | 1,019,727        |
| Finance leases                                        | Measured at amortized cost            | 43,964           | 43,964           | 43,653           | 43,653           |
| Currency and interest rate hedging instruments        | Measured at fair value through income | 10,926           | 10,926           | 22,089           | 22,089           |
| <b>Total</b>                                          |                                       | <b>5,628,079</b> | <b>5,672,964</b> | <b>5,561,634</b> | <b>5,598,666</b> |

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

- The fair values of cash and bank deposits balances are identical to their carrying values.
- Financial investments in investment funds are valued at the value of the fund unit as of the date of the interim financial information, which corresponds to their fair value.
- Financial investments in CDBs (Bank Certificates of Deposit) and similar investments offer daily liquidity through repurchase at the yield curve and, therefore, the Company believes their fair value corresponds to their carrying value.
- The fair value calculation of LPG Inc.'s notes in the foreign market (see Note 14.b), is based on the quoted prices in an active market.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The fair value of other financial investments and financings was determined using calculation methodologies commonly used for marking-to-market, which consist of calculating future cash flows associated with each instrument adopted and adjusting them to present value at the market rates as of June 30, 2012 and December 31, 2011. For some cases where there is no active market for the financial instrument, the Company and its subsidiaries can use quotes provided by the transaction counterparties.

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

Financial instruments were classified as loans and receivables or financial liabilities measured at amortized cost, except (i) all exchange rate and interest rate hedging instruments, which are measured at fair value through profit or loss, (ii) financial investments (see Note 4), (iii) funding from Banco do Brasil that is measured at fair value through profit or loss (see Note 14.f) and (iv) guarantees to customers that have vendor arrangements (see Note 14.j), which are measured at fair value through profit or loss. Thus, trade receivables are classified as loans and receivables and trade payables and other payables are classified as financial liabilities measured at amortized cost.

Fair value hierarchy of financial instruments on the balance sheet

The financial instruments recognized at fair value on the balance sheet are classified in the following categories:

- (a) Level 1 - prices negotiated (without adjustment) in active markets for identical assets or liabilities;
- (b) Level 2 - inputs other than prices negotiated in active markets included in Level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- (c) Level 3 - inputs for the asset or liability which are not based on observable market variables (unobservable inputs).

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The table below shows a summary of the financial assets and financial liabilities measured at fair value in the Company's and its subsidiaries' balance sheet as of June 30, 2012 and December 31, 2011:

|                                                       | Category                              | 06/30/2012       | Level 1          | Level 2          | Level 3  |
|-------------------------------------------------------|---------------------------------------|------------------|------------------|------------------|----------|
| <b>Financial assets:</b>                              |                                       |                  |                  |                  |          |
| Cash and cash equivalents                             |                                       |                  |                  |                  |          |
| Cash and bank deposits                                | Measured at fair value through income | 45,531           | 45,531           | -                | -        |
| Financial investments in local currency               | Measured at fair value through income | 1,462,788        | 1,462,788        | -                | -        |
| <b>Financial investments</b>                          |                                       |                  |                  |                  |          |
| Fixed-income securities and funds in local currency   | Available for sale                    | 471,313          | 471,313          | -                | -        |
| Fixed-income securities and funds in foreign currency | Available for sale                    | 324,913          | 5,154            | 319,759          | -        |
| Currency and interest rate hedging instruments        | Measured at fair value through income | 158,277          | -                | 158,277          | -        |
| <b>Total</b>                                          |                                       | <b>2,462,822</b> | <b>1,984,786</b> | <b>478,036</b>   | <b>-</b> |
| <b>Financial liabilities:</b>                         |                                       |                  |                  |                  |          |
| Financing – Banco do Brasil fixed                     | Measured at fair value through income | 1,857,464        | -                | 1,857,464        | -        |
| Currency and interest rate hedging instruments        | Measured at fair value through income | 10,926           | -                | 10,926           | -        |
| <b>Total</b>                                          |                                       | <b>1,868,390</b> | <b>-</b>         | <b>1,868,390</b> | <b>-</b> |



## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

|                                                       | Category                              | 12/31/2011       | Level 1          | Level 2          | Level 3  |
|-------------------------------------------------------|---------------------------------------|------------------|------------------|------------------|----------|
| <b>Financial assets:</b>                              |                                       |                  |                  |                  |          |
| Cash and cash equivalents                             |                                       |                  |                  |                  |          |
| Cash and bank deposits                                | Measured at fair value through income | 107,600          | 107,600          | -                | -        |
| Financial investments in local currency               | Measured at fair value through income | 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                    | 631,686          | 631,686          | -                | -        |
| Fixed-income securities and funds in foreign currency | Available for sale                    | 259,091          | -                | 259,091          | -        |
| Currency and interest rate hedging instruments        | Measured at fair value through income | 93,403           | -                | 93,403           | -        |
| <b>Total</b>                                          |                                       | <b>2,775,134</b> | <b>2,422,640</b> | <b>352,494</b>   | <b>-</b> |
| <b>Financial liabilities:</b>                         |                                       |                  |                  |                  |          |
| Financing – Banco do Brasil fixed                     | Measured at fair value through income | 2,208,109        | -                | 2,208,109        | -        |
| Currency and interest rate hedging instruments        | Measured at fair value through income | 22,089           | -                | 22,089           | -        |
| <b>Total</b>                                          |                                       | <b>2,230,198</b> | <b>-</b>         | <b>2,230,198</b> | <b>-</b> |

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## Sensitivity analysis

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

For the sensitivity analysis of foreign exchange hedging instruments, management adopted as a likely scenario the Real/U.S. dollar exchange rates at maturity of each swap, projected by U.S dollar futures contracts quoted on BM&FBOVESPA as of June 29, 2012. As a reference, the exchange rate for the last maturity of foreign exchange hedging instruments is R\$ 2.61 in the likely scenario. Scenarios II and III were estimated with a 25% and 50% additional appreciation or depreciation of the Real against the likely scenario, according to the risk to which the hedged item is exposed.

Based on the balances of the hedging instruments and hedged items as of June 30, 2012, the exchange rates were replaced, and the changes between the new balance in Reais and the balance in Reais as of June 30, 2012 were calculated in each of the three scenarios. The table below shows the change in the values of the main derivative instruments and their hedged items, considering the changes in the exchange rate in the different scenarios:

|                                           | Risk         | Scenario I<br>(likely) | Scenario<br>II | Scenario<br>III |
|-------------------------------------------|--------------|------------------------|----------------|-----------------|
| Currency swaps receivable in U.S. dollars |              |                        |                |                 |
| (1) U.S. Dollar / Real swaps              | Dollar       | 46,680                 | 152,604        | 258,527         |
| (2) Debts in dollars                      | appreciation | (46,672 )              | (152,588 )     | (258,503 )      |
| (1)+(2)                                   | Net effect   | 8                      | 16             | 24              |
| Currency swaps payable in U.S. dollars    |              |                        |                |                 |
| (3) Real / U.S. Dollar swaps              | Dollar       | (45 )                  | 5,976          | 11,996          |
| (4) Gross margin of Oxiteno               | devaluation  | 45                     | (5,976 )       | (11,996 )       |
| (3)+(4)                                   | Net effect   | -                      | -              | -               |

For sensitivity analysis of hedging instruments for interest rates in Reais, the Company used the futures curve of DI x Pre contract on BM&FBOVESPA as of June 29, 2012 for each of the swap and debt (hedged item) maturities, to determine the likely scenarios. Scenarios II and III were estimated based on a 25% and 50% deterioration, respectively, of the likely scenario pre-fixed interest rate.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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

|                                    | Risk            | Scenario I<br>(likely) | Scenario II | Scenario III |
|------------------------------------|-----------------|------------------------|-------------|--------------|
| <b>Interest rate swap (in R\$)</b> |                 |                        |             |              |
| (1) Fixed rate swap - CDI          | Decrease in -   |                        | 54,052      | 111,470      |
| (2) Fixed rate financing           | prefixed rate - |                        | (54,062)    | (111,483)    |
| (1)+(2)                            | Net effect -    |                        | (10)        | (13)         |

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## 23. Provision, contingencies and commitments (Consolidated)

## a. Provision for tax, civil and labor litigation

The Company and its subsidiaries are involved in tax, civil and labor disputes and are discussing these issues both at the administrative and judiciary levels, which, when applicable, are backed by escrow deposits. Provisions for losses are estimated and updated by management, supported by the opinion of the legal departments of the Company and its outside legal counsel.

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

| Provisions         | Balance as<br>of<br>12/31/2011 | Additions     | Write-offs       | Monetary<br>adjustments | Balance as<br>of<br>06/30/2012 |
|--------------------|--------------------------------|---------------|------------------|-------------------------|--------------------------------|
| IRPJ and CSLL      | 256,165                        | 15,731        | -                | 8,709                   | 280,605                        |
| PIS and COFINS     | 82,612                         | 1,176         | -                | 2,843                   | 86,631                         |
| ICMS               | 73,389                         | 711           | (8,745 )         | 2,934                   | 68,289                         |
| INSS               | 14,305                         | 161           | (127 )           | 499                     | 14,838                         |
| Civil litigation   | 81,541                         | 3,417         | (3,612 )         | 85                      | 81,431                         |
| Labor litigation   | 45,145                         | 4,407         | (5,560 )         | 393                     | 44,385                         |
| Other              | 978                            | 29            | (24 )            | 33                      | 1,016                          |
| <b>Total</b>       | <b>554,135</b>                 | <b>25,632</b> | <b>(18,068 )</b> | <b>15,496</b>           | <b>577,195</b>                 |
| <b>Current</b>     | <b>41,347</b>                  |               |                  |                         | <b>42,626</b>                  |
| <b>Non current</b> | <b>512,788</b>                 |               |                  |                         | <b>534,569</b>                 |

Some of the provisions above involve escrow deposits in the amount of R\$ 359,456 as of June 30, 2012 (R\$ 328,865 as of December 31, 2011).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

b. Tax matters

More-likely-than-not contingencies – assets and liabilities

The Company and some of its subsidiaries filed a request for preliminary injunction seeking not to be subject to the legislation that restricts the offset of tax losses (IRPJ) and negative tax bases (CSLL) derived from tax loss carryforwards assessed until 1994 to 30% of the income for the year. As a result of the Federal Supreme Court (STF)'s view and based on the opinion of legal counsel, the Company and its subsidiaries maintained a total provision of R\$ 6,801 as of June 30, 2012 (R\$ 6,707 as of December 31, 2011) in connection with this contingency.

Subsidiary IPP filed a declaratory action questioning the constitutionality of Law No. 9,316/1996, that denied the deduction of IRPJ from the CSLL tax basis. This action was denied at lower court levels and the extraordinary appeal filed has been postponed until the trial of the leading case by the STF is completed. The subsidiary made escrow deposits of the amounts disputed and maintained a provision of R\$ 18,807 as of June 30, 2012 (R\$ 18,413 as of December 31, 2011) in connection with this contingency.

The subsidiaries Oxiteno S.A., Oxiteno Nordeste, Cia Ultragaz, Tequimar, RPR, Tropical, Empresa Carioca de Produtos Químicos S.A. ("EMCA") and IPP filed for a preliminary injunction seeking the deduction of ICMS from their PIS and COFINS tax bases. Oxiteno Nordeste and IPP obtained the right to pay the amounts into escrow deposits through an injunction, and recorded a corresponding provision in the amount of R\$ 79,481 as of June 30, 2012 (R\$ 75,636 as of December 31, 2011). The subsidiaries EMCA, Tropical, Oxiteno S.A., Cia. Ultragaz and Tequimar did not obtain an injunction. The trial of these and all claims involving this issue are suspended pending the outcome of a leading case. On May 2, 2007, a court decision granted the injunction to the subsidiary Oxiteno Nordeste; a mandatory appeal of this decision is currently pending trial. The lawsuits involving subsidiaries IPP and RPR are still pending a court decision.

The Company and its subsidiaries obtained preliminary injunctions to pay contributions to PIS and COFINS without the changes introduced by Law 9,718/1998 in its original version. The ongoing questioning refers to the levy of these contributions on sources of income other than gross revenue. In 2005, the STF decided the question in favor of the taxpayers. Although this has set a favorable precedent, the effect of this decision does not automatically apply to all companies, since they must await the formal decision in their own lawsuits. Certain lawsuits of the Company's other subsidiaries are currently pending trial and, in the event all such lawsuits are decided in favor of the subsidiaries, the Company estimates that the total positive effect on income before income and social contribution taxes, may reach R\$ 37,049, net of attorney's fees.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The Company and its subsidiaries maintain provision for PIS and COFINS, calculated on the basis of interest on equity. The total amount accrued as of June 30, 2012 was R\$ 4,351 (R\$ 4,236 as of December 31, 2011).

On October 7, 2005, the subsidiaries Cia. Ultragaz and Bahiana Distribuidora de Gás Ltda. (“Bahiana”) filed for and obtained a preliminary injunction to recognize and offset PIS and COFINS credits on LPG purchases, against other taxes levied by the Brazilian Federal Revenue Service, notably IRPJ and CSLL. The decision was confirmed by a trial court on May 16, 2008. Under the preliminary injunction, the subsidiaries were required to make escrow deposits for these debits in the accumulated amount of R\$ 266,774 as of June 30, 2012 (R\$ 242,058 as of December 31, 2011) and have recorded a corresponding liability.

The subsidiary Oxiteno S.A. maintained a provision of R\$ 14,965 as of June 30, 2012 (R\$ 14,285 as of December 31, 2011) related to a tax assessment based on alleged undue ICMS credits taken on invoices issued for the symbolic return of raw materials that had previously been delivered to the subsidiary Oxiteno Nordeste for industrialization.

IPP has provisions for contingencies related to ICMS, mainly with respect to: (a) ICMS credits taken for the difference between the value that was the basis for the retention of ICMS and the ICMS amount in sales to final consumers, which resulted in an excessive retention of ICMS by the refineries: R\$ 3,254, (b) tax notices filed in connection with interstate sales of fuel to industrial customers without the payment of ICMS in accordance with the interpretation of Article 2 of Supplementary Law No. 87/1996: R\$ 11,726, (c) requirement of ICMS-ST (State VAT Substitution) on interstate sales from distributors to final consumers due to the exemption under ICMS Conventions No. 105/1992 and No. 112/1993: R\$ 5,390, and (d) payment of ICMS for several reasons that resulted in tax assessments for which the proof of payment is not so evident: R\$ 16,872.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Possible contingencies

The main tax claims of subsidiary IPP classified as having a possible risk of loss, and that have not been recorded in the interim financial information due to this assessment, are related to: (a) the required proportional reversal of ICMS credits recorded on the purchase of ethanol that was later resold at lower prices as a result of PROÁLCOOL, a Federal Government program to encourage alcohol production, determining the anticipation of financial subsidy by the distributors to the mill owners and their subsequent reimbursement by the DNC (current National Oil Agency), R\$ 99,150, (b) alleged undue ICMS credits for which the tax authorities understand that there was no proof of origin, R\$ 21,496, (c) assessments for alleged non-payment of ICMS, R\$ 24,448, (d) assessment issued in Ourinhos/SP in connection with the return of ethanol loans made with deferred tax, R\$ 34,048, (e) assessments in the State of Rio de Janeiro demanding the reversal of ICMS credits on interstate sales made under Article 33 of ICMS Convention 66/88, which allowed the use of the ICMS credit but was suspended by an injunction granted by STF, R\$ 15,770, (f) ICMS credits taken in relation to bills considered invalid, though the understanding of the STJ is that it is possible to take credit, even if there is defect in the document of the seller, as long as it is confirmed that the transaction occurred, R\$ 27,419; (g) assessments arising from surplus or shortage of inventory, generated by differences in temperature or handling of the product, without the corresponding issuance of invoices, R\$ 20,573, (h) infraction relating to ICMS credits due to alleged non-compliance with legal formalities, R\$ 27,812 and; (i) assessments arising from ICMS credits related to inputs of ethanol from certain States that had granted tax benefits to producers of alcohol in alleged disagreement with the law, R\$ 21,641.

Subsidiary IPP has assessments invalidating the set-off of IPI credits in connection with the purchase of raw materials used in the manufacturing of products which sales are not subject to IPI under the protection of tax immunity. The non-provisioned amount of this contingency, updated as of June 30, 2012, is R\$ 78,663 (R\$ 78,508 as of December 31, 2011).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

c. Civil claims

More-likely-than-not contingencies

Certain subsidiaries are defendants in lawsuits and administrative proceedings, mainly derived from contracts entered into with customers and former services providers, as well as proceedings related to environmental issues. The Company and its subsidiaries maintained total provisions of R\$ 81,431 as of June 30, 2012 (R\$ 81,541 as of December 31, 2011) for such contingencies.

Possible and remote contingencies

Subsidiary Cia. Ultragaz is party to an administrative proceeding before CADE (Brazilian antitrust authority) based on alleged anti-competitive practices in the State of Minas Gerais in 2001. The CADE entered a decision against Cia. Ultragaz imposing a penalty of R\$ 23,104. The imposition of such administrative decision was suspended by a court order and its merit is being judicially reviewed. Based on the above elements and on the opinion of legal counsel, the subsidiary did not record a provision for this contingency.

Subsidiary Cia. Ultragaz is the defendant in lawsuits relating to damages caused by an explosion in 1996 in a shopping mall in the city of Osasco, State of São Paulo. These lawsuits involve: (i) individual claims filed by victims of the explosion claiming damages for the loss of economic benefit and for pain and suffering, (ii) indemnification of management of the shopping mall and its insurance company, and (iii) a lawsuit seeking indemnification for material damages and pain and suffering for all the victims injured and deceased. The subsidiary believes that it has presented evidence that the defective gas pipes in the shopping mall caused the accident and that Ultragaz's on-site LPG storage facilities did not contribute to the explosion. From the 65 lawsuits currently adjudicated, 64 judgments were rendered in the subsidiary favor, of which 45 have already been dismissed. The one unfavorable decision, which the subsidiary may appeal, was for damages in the amount of R\$ 17. The subsidiary has not recorded a provision for these lawsuits as it believes that the probability of loss is remote and its insurance policy covers the full amount in dispute.



Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

d. Labor matters

More-likely-than-not contingencies

The Company and its subsidiaries maintained provisions of R\$ 44,385 as of June 30, 2012 (R\$ 45,145 as of December 31, 2011) for labor litigation filed by former employees and by employees of our service providers mainly contesting the alleged non-payment of labor rights (dismissal cost, overtime, hazardous activities additional remuneration and additional payment for insalubrity).

Possible contingencies

In 1990, the Petrochemical Industry Labor Union (Sindicatúmica), of which the employees of Oxiteno Nordeste and EMCA, companies located in the Camaçari Petrochemical Complex, are members, filed separate lawsuits against the subsidiaries demanding the compliance with the fourth section of the collective labor agreement, which provided for a salary adjustment in lieu of the salary policies practiced. In the same year, a collective labor dispute was also filed by the Union of Employers (SINPEQ) against Sindicatúmica, requiring the recognition of the loss of effectiveness of such fourth section. Individual claims were rejected. The collective bargain agreement is currently pending trial by STF. In the second half of 2010, some companies in the Camaçari Petrochemical Complex signed an agreement with Sindicatúmica and reported the fact in the collective bargain agreement dispute. Based on the opinion of their legal advisors, that reviewed the latest STF decision in the collective bargain agreement dispute as well as the status of the individual claims involving the subsidiaries Oxiteno Nordeste and EMCA, the management of such subsidiaries believed that it was not necessary to record a provision as of June 30, 2012.

The Company and its subsidiaries have other pending administrative and legal proceedings of tax, civil and labor nature, which were estimated by their legal counsel as possible and/or remote risk (less-likely-than-50%), and the related potential losses were not provided for by the Company and its subsidiaries based on these opinions. The Company and its subsidiaries also have litigations for recovery of taxes and contributions, which were not recorded in the interim financial information due to their contingent nature.

## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## e. Contracts

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

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

If the annual movement is less than the minimum contractual movement, the subsidiary is liable to pay the difference between the effective movement and the minimum contractual movement, based on the port tariff rates in effect on the date established for payment. As of June 30, 2012, these rates were R\$ 5.79 per ton for Aratu and R\$ 1.38 per ton for Suape. The subsidiary has met the minimum cargo movement required since the beginning of the agreements.

Subsidiary Oxiteno Nordeste has a supply agreement with Braskem S.A. which establishes a minimum quarterly consumption level of ethylene and conditions for the supply of ethylene until 2021. The minimum purchase commitment and the actual demand accumulated to June 30, 2012 and June 30, 2011, expressed in tons of ethylene, are shown below. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 40% of the current ethylene price for the quantity not purchased. The minimum purchase commitment clause is in renegotiation with Braskem.

|                     | Minimum purchase commitment |            | Accumulated demand (actual) |            |
|---------------------|-----------------------------|------------|-----------------------------|------------|
|                     | 06/30/2012                  | 06/30/2011 | 06/30/2012                  | 06/30/2011 |
| In tons of ethylene | 103,445                     | 83,789 (*) | 105,006                     | 84,041     |

(\*) Adjusted for schedule shutdowns in Braskem during the period.

Subsidiary Oxiteno S.A has a supply agreement with Braskem Qpar S.A., valid until 2023, which establishes and regulates the conditions for supply of ethylene to Oxiteno based on the international market for this product. The minimum purchase is 22,050 tons of ethylene semiannually. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine of 30% of the current ethylene price for the quantity not purchased. The subsidiary has met the minimum purchase required since the beginning of the agreement.



Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

f. Insurance coverage in subsidiaries

The Company maintains appropriate insurance policies with the objective of covering several risks to which it is exposed, including property insurance against losses caused by fire, lightning, explosion of any kind, gale, aircraft crash, electric damage, and other risks, covering the facilities and other branches of all subsidiaries, except RPR, which maintains its own insurance. The maximum compensation value, including loss of profits, based on the risk analysis of maximum loss possible at a certain site is US\$ 1,509 million.

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

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

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

g. Operating lease contracts

Subsidiaries Cia. Ultragaz, Tequimar, Serma and Oxiteno S.A. have operating lease contracts for the use of IT equipment.

These contracts have terms of 36 months. The subsidiaries have the option to purchase the assets at a price equal to the fair market price on the date of option, and management does not intend to exercise such option.

The future disbursements (installments), assumed under these contracts, total approximately:

|                  | 06/30/2012 | 12/31/2011 |
|------------------|------------|------------|
| Up to 1 year     | 3,234      | 989        |
| More than 1 year | 5,802      | 1,005      |
|                  | 9,036      | 1,994      |

The total operating lease recognized as expense as of June 30, 2012 was R\$ 1,159 (R\$ 457 as of June 30, 2011).



## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## 24. Employee benefits and private pension plan (Consolidated)

## a. ULTRAPREV- Associação de Previdência Complementar

In February 2001, the Company's Board of Directors approved the adoption of a defined contribution pension plan to be sponsored by Company and each of its subsidiaries. Participating employees have been contributing to this plan, managed by Ultraprev — Associação de Previdência Complementar ("Ultraprev"), since August 2001. Under the terms of the plan, every year each participating employee chooses his or her basic contribution to the plan. Each sponsoring company provides a matching contribution in an amount equivalent to each basic contribution, up to a limit of 11% of the employee's reference salary, according to the rules of the plan. As participating employees retire, they may choose to receive either (i) a monthly sum ranging between 0.5% and 1.0% of their respective accumulated fund in Ultraprev or (ii) a fixed monthly amount which will exhaust their respective accumulated fund over a period of 5 to 25 years. The sponsoring company does not guarantee the amounts or the duration of the benefits received by each employee that retires. As of June 30, 2012, the Company and its subsidiaries contributed R\$ 7,647 (R\$ 7,063 as of June 30, 2011) to Ultraprev, which amount is recorded as expense in the income statement. The total number of participating employees as of June 30, 2012 was 6,939 active participants and 67 retired participants. In addition, Ultraprev had 29 former employees receiving benefits under the rules of a previous plan whose reserves are fully constituted.

## b. Post-employment benefits

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

The amounts related to such benefits were determined based on a valuation conducted by an independent actuary and are recorded in the interim financial information in accordance with Resolution CVM 600/2009.

|                             | 06/30/2012     | 12/31/2011     |
|-----------------------------|----------------|----------------|
| Health and dental care plan | 45,207         | 43,069         |
| FGTS Penalty                | 37,415         | 33,346         |
| Bonus                       | 15,226         | 12,966         |
| Life insurance              | 21,649         | 20,652         |
| <b>Total</b>                | <b>119,497</b> | <b>110,033</b> |
| Current                     | 13,282         | 13,282         |
| Non-current                 | 106,215        | 96,751         |



Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

25. Revenue from sale and services (Consolidated)

|                                     | 06/30/2012 | 06/30/2011 |
|-------------------------------------|------------|------------|
| Gross revenue from sale             | 25,910,431 | 23,535,210 |
| Gross revenue from services         | 277,326    | 202,577    |
| Sales tax                           | (617,214 ) | (646,218 ) |
| Discounts and sales return          | (121,856 ) | (93,463 )  |
| Deferred revenue (see Note 19)      | 914        | (4,541 )   |
| Net revenue from sales and services | 25,449,601 | 22,993,565 |

26. Expenses by nature (Consolidated)

The Company discloses its consolidated income statement by function and is presenting below its breakdown by nature:

|                                                     | 06/30/2012 | 06/30/2011 |
|-----------------------------------------------------|------------|------------|
| Raw materials and materials for use and consumption | 23,118,094 | 20,870,503 |
| Freight and storage                                 | 396,489    | 372,127    |
| Depreciation and amortization                       | 329,627    | 278,220    |
| Personnel expenses                                  | 599,391    | 543,128    |
| Advertising and marketing                           | 82,906     | 67,275     |
| Services provided by third parties                  | 58,843     | 68,317     |
| Lease of real estate and equipment                  | 36,717     | 28,896     |
| Other expenses                                      | 99,605     | 94,410     |
| Total                                               | 24,721,672 | 22,322,876 |
| Classified as:                                      |            |            |
| Cost of products and services sold                  | 23,534,916 | 21,315,639 |
| Selling and marketing                               | 770,760    | 625,025    |
| General and administrative                          | 415,996    | 382,212    |
| Total                                               | 24,721,672 | 22,322,876 |





## Ultrapar Participações S.A. and Subsidiaries

## Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

## 27. Income (loss) from disposal of assets (Consolidated)

Income (loss) from disposal of assets is determined as the difference between the selling price and residual book value of the investment, property, plant and equipment or intangible asset disposed of. As of June 30, 2012, the loss was of R\$ 4,249 (gain of R\$ 6,093 as of June 30, 2011), primarily from disposal of property, plant and equipment.

## 28. Financial income (loss)

|                                                                         | Parent        |              | Consolidated      |                   |
|-------------------------------------------------------------------------|---------------|--------------|-------------------|-------------------|
|                                                                         | 06/30/2012    | 06/30/2011   | 06/30/2012        | 06/30/2011        |
| <b>Financial income:</b>                                                |               |              |                   |                   |
| Interest on financial investments                                       | 63,017        | 78,853       | 90,808            | 140,853           |
| Interest from customers                                                 | -             | -            | 28,360            | 22,763            |
| Other revenues                                                          | -             | -            | 1,693             | 1,738             |
|                                                                         | 63,017        | 78,853       | 120,861           | 165,354           |
| <b>Financial expenses:</b>                                              |               |              |                   |                   |
| Interest on loans                                                       | -             | -            | (180,120 )        | (194,053 )        |
| Interest on debentures                                                  | (52,349 )     | (71,928 )    | (53,396 )         | (72,962 )         |
| Interest on finance leases                                              | -             | -            | (2,621 )          | (852 )            |
| Bank charges, IOF, and other charges                                    | 3,185         | 2,766        | (7,027 )          | (7,450 )          |
| Exchange variation, net of gains and losses with derivative instruments | -             | -            | (18,050 )         | (12,592 )         |
| Provisions' monetary adjustments and other expenses                     | (20 )         | (95 )        | (7,417 )          | (13,950 )         |
|                                                                         | (49,184 )     | (69,257 )    | (268,631 )        | (301,859 )        |
| <b>Financial income (loss)</b>                                          | <b>13,833</b> | <b>9,596</b> | <b>(147,770 )</b> | <b>(136,505 )</b> |

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

29. Earnings per share (Parent and Consolidated)

The table below presents a conciliation of numerators and denominators used in computing earnings per share. As disclosed in Note 8.c), the Company sponsors a Deferred Stock Plan.

| Basic earnings per share                           | 06/30/2012 | 06/30/2011 |
|----------------------------------------------------|------------|------------|
| Net income of the Company                          | 422,568    | 405,599    |
| Weighted average shares outstanding (in thousands) | 533,989    | 533,989    |
| Basic earnings per share –R\$                      | 0.79       | 0.76       |

| Diluted earnings per share                                                        | 06/30/2012 | 06/30/2011 |
|-----------------------------------------------------------------------------------|------------|------------|
| Net income of the Company                                                         | 422,568    | 405,599    |
| Weighted average shares outstanding (in thousands), including Deferred Stock Plan | 536,162    | 536,062    |
| Diluted earnings per share –R\$                                                   | 0.79       | 0.76       |

| Weighted average shares outstanding (in thousands)                     | 06/30/2012 | 06/30/2011 |
|------------------------------------------------------------------------|------------|------------|
| Weighted average shares outstanding for basic per share calculation:   | 533,989    | 533,989    |
| Dilution effect                                                        |            |            |
| Deferred Stock Plan                                                    | 2,173      | 2,073      |
| Weighted average shares outstanding for diluted per share calculation: | 536,162    | 536,062    |

30. Subsequent event

On July 31, 2012, the subsidiary Tequimar acquired TEMMAR - Terminal Marítimo do Maranhão S.A. The acquisition amount is R\$160 million, including debt assumed in the amount of R\$ 91 million. Additionally, Tequimar will disburse a minimum extra value of R\$12 million, which may reach approximately R\$30 million 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. The fair values of assets acquired and liabilities assumed are being determined.

## ULTRAPAR PARTICIPAÇÕES S.A.

## MD&amp;A - ANALYSIS OF CONSOLIDATED EARNINGS

Second Quarter of 2012

(1) Selected operational and financial information:

| (R\$ million)                                                         | 2Q12       | 2Q11       | 1Q12       | Variation<br>2Q12 X<br>2Q11 | Variation<br>2Q12 x<br>1Q12 | 1H12       | 1H11       | Variation<br>1H12 X<br>1H11 |
|-----------------------------------------------------------------------|------------|------------|------------|-----------------------------|-----------------------------|------------|------------|-----------------------------|
| Net sales and services                                                | 13,048.2   | 12,187.5   | 12,401.4   | 7%                          | 5%                          | 25,449.6   | 22,993.6   | 11%                         |
| Cost of goods sold                                                    | (12,038.0) | (11,335.3) | (11,497.0) | 6%                          | 5%                          | (23,534.9) | (21,315.6) | 10%                         |
| Gross profit                                                          | 1,010.3    | 852.2      | 904.4      | 19%                         | 12%                         | 1,914.7    | 1,677.9    | 14%                         |
| Sales, general and administrative expenses                            | (612.3)    | (504.2)    | (574.5)    | 21%                         | 7%                          | (1,186.8)  | (1,007.2)  | 18%                         |
| Other operating income, net                                           | 13.5       | 12.5       | 9.5        | 8%                          | 42%                         | 23.1       | 21.1       | 9%                          |
| Income (loss) from sale of assets                                     | (2.7)      | 3.4        | (1.5)      | -182%                       | -83%                        | (4.2)      | 6.1        | -170%                       |
| Operating income                                                      | 408.8      | 363.9      | 338.0      | 12%                         | 21%                         | 746.7      | 697.9      | 7%                          |
| Financial income (expense), net                                       | (84.9)     | (70.1)     | (62.9)     | 21%                         | 35%                         | (147.8)    | (136.5)    | 8%                          |
| Shares of profit of associates                                        | 0.2        | (0.2)      | (0.0)      | 213%                        | 927%                        | 0.2        | (0.0)      | 456%                        |
| Income before current and deferred income tax and social contribution | 324.1      | 293.6      | 275.1      | 10%                         | 18%                         | 599.1      | 561.3      | 7%                          |
| Income tax and social contribution                                    | (98.1)     | (85.4)     | (92.4)     | 15%                         | 6%                          | (190.5)    | (166.8)    | 14%                         |
| Tax incentives                                                        | 8.1        | 6.5        | 8.7        | 25%                         | -8%                         | 16.8       | 14.4       | 16%                         |
| Net income                                                            | 234.0      | 214.7      | 191.4      | 9%                          | 22%                         | 425.4      | 408.9      | 4%                          |
| Net income attributable to Ultrapar                                   | 232.5      | 212.6      | 190.0      | 9%                          | 22%                         | 422.6      | 405.6      | 4%                          |
| Net income attributable to non-controlling interests in subsidiaries  | 1.5        | 2.1        | 1.4        | -30%                        | 6%                          | 2.9        | 3.3        | -13%                        |
| EBITDA (*)                                                            | 579.0      | 502.9      | 501.6      | 15%                         | 15%                         | 1,080.6    | 970.0      | 11%                         |
| Volume – LPG sales – thousand tons                                    | 425.8      | 416.7      | 403.6      | 2%                          | 5%                          | 829.4      | 798.1      | 4%                          |
|                                                                       | 5,708.7    | 5,396.0    | 5,447.1    | 6%                          | 5%                          | 11,155.8   | 10,294.3   | 8%                          |

|                                                    |       |       |       |     |     |       |       |     |
|----------------------------------------------------|-------|-------|-------|-----|-----|-------|-------|-----|
| Volume – Fuels sales –<br>thousand of cubic meters |       |       |       |     |     |       |       |     |
| Volume – Chemicals sales –<br>thousand tons        | 185.3 | 152.7 | 186.4 | 21% | -1% | 371.7 | 309.0 | 20% |

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

Considerations on the financial and operational information

Standards and criteria adopted in preparing the interim financial information

The selected financial information included in this analysis were extracted from Ultrapar's interim financial information.

The accounting policies adopted by the Company and its subsidiaries are in accordance with the statements, interpretations and guidelines issued by the CPC and approved by the CVM in the process of convergence with the IFRS issued by the IASB.

The Company's consolidated interim financial information was prepared in accordance with technical pronouncement CPC 21 and IAS 34 - Interim Financial Reporting issued by the IASB, and presented in a consistent manner with the standards issued by the CVM.

The financial information of Ultragas, Ipiranga, Oxiteno, and Ultracargo included in this analysis is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated financial information of Ultrapar. In addition, except when otherwise indicated, the amounts presented in this document are expressed in millions of Reais and, therefore, are subject to rounding off. Consequently, the total amounts presented in the tables may differ from the direct sum of the amounts that precede them.

## (2) Performance Analysis:

Net sales and services: Ultrapar's consolidated net sales and services reached R\$ 13,048 million in 2Q12, up 7% over 2Q11, as a result of the revenues growth in all businesses. Compared with 1Q12, Ultrapar's net sales and services increased by 5%, due to the seasonality between periods. In the first half of 2012, Ultrapar's net sales and services totaled R\$ 25,450 million, up 11% over 1H11.

Ultragaz: In 2Q12, Ultragaz's sales volume reached 426 thousand tons, up 2% over 2Q11, driven by the 7% growth in the bulk segment, as a consequence of higher consumption by large customers and the acquisition of Repsol's LPG business, which exclusively operated in this segment, and the process of capturing new clients. Compared with 1Q12, sales volume increased by 5%, mainly as a result of seasonality between periods. In the semester, Ultragaz sales volume totaled 829 thousand tons, up 4% over 1H11. Ultragaz's net sales and services totaled R\$ 973 million in 2Q12, a 3% increase over 2Q11, mainly due to the growth in sales volume. Compared with 1Q12, Ultragaz's net sales and services increased by 6%, mainly due to higher seasonal volume. In 1H12, Ultragaz's net sales and services totaled R\$ 1,893 million, 4% growth over 1H11.

Ipiranga: Ipiranga' sales volume totaled 5,709 thousand cubic meters in 2Q12, up 6% over 2Q11. In 2Q12, sales volume of fuels for light vehicles increased by 8%, due to the growth in the vehicle fleet and investments made network expansion. The volume of diesel increased by 5% compared to 2Q11, due to investments to capture new clients and, to a lesser extent, the growth of the Brazilian economy. Compared with 1Q12, total sales increased by 5%, mainly due to seasonality between periods. In 1H12, Ipiranga's sales volume totaled 11,156 thousand cubic meters, a growth of 8% over the volume of 1H11. Ipiranga's net sales and services totaled R\$ 11,276 million in 2Q12, up 6% over 2Q11, mainly due to higher sales volume. Compared with 1Q12, Ipiranga's net sales and services increased by 5%, in line with the seasonally higher volume. In 1H12, Ipiranga's net sales and services totaled R\$ 22,039 million, up 11% over 1H11.

Oxiteno: Oxiteno's sales volume in 2Q12 totaled 185 thousand tons, up 21% over 2Q11. In the Brazilian market, sales volume grew by 28% (30 thousand tons), mainly as a consequence of higher sales of glycols and inventory adjustments to the lower level of the Brazilian economic growth by Oxiteno's clients in that period. As a result of the weaker volume level in 2Q11 and of the growth in the main segments served by Oxiteno, sales of specialty chemicals in the domestic market increased by 6%. In the international market, sales volume increased by 6% (3 thousand tons), mainly due to higher sales of specialty chemicals. Compared with 1Q12, the sales volume was 1% lower (1 thousand ton), a reduction concentrated on the volume of glycols. The volume sold by Oxiteno in 1H12 totaled 372 thousand tons, a 20% growth over 1H11. Oxiteno's net sales and services totaled R\$ 724 million in 2Q12, a 26% increase over 2Q11, due to the 21% growth in sales volume and a 23% weaker Real, partially offset by 15% lower average dollar prices, mainly due to the extraordinarily favorable sales mix in 2Q11 and the increased share of glycols in 2Q12, with lower prices. Compared with 1Q12, net sales and services increased by 12%, mainly due to an 11% weaker Real. In 1H12, net sales and services totaled R\$ 1,371 million, up 22% over 1H11.

Ultracargo: In 2Q12, Ultracargo's average storage increased 1% compared to 2Q11, mainly due to higher exports of ethanol in the Santos terminal. Compared with 1Q12, the average storage increased by 9%, mainly due to higher product handling in the Suape terminal. In 1S12, Ultracargo's terminals average storage increased by 3% compared with 1H11. Ultracargo's net sales and services totaled R\$ 74 million in 2Q12, up 9% over 2Q11, mainly due to the mix of handled products and contracts and tariff adjustments. Compared with 1Q12, net sales and services increased by 7%, due to the increase in average storage. In 1H12, Ultracargo's net sales and services totaled R\$ 143 million, up 10% over 1H11.

Cost of goods sold: Ultrapar's cost of goods sold amounted to R\$ 12,038 million in 2Q12, a 6% increase over 2Q11, due to the higher cost of products sold in all businesses. Compared with 1Q12, Ultrapar's costs of goods sold increased

by 5%, mainly due to seasonality between periods. In 1H12, Ultrapar's costs of goods sold totaled R\$ 23,535 million, up 10% over 1H11.

Ultragaz: Ultragaz's cost of goods sold totaled R\$ 835 million in 2Q12, up 4% over 2Q11, mainly as a result of higher sales volume, the effects of inflation and higher maintenance costs of plants. Compared with 1Q12,



Ultragaz's cost of goods sold increased by 5%, due to seasonally higher volume. In 1H12, Ultragaz's cost of goods sold totaled R\$ 1,629 million, up 6% over 1H11.

Ipiranga: Ipiranga's cost of goods sold amounted to R\$ 10,614 million in 2Q12, up 5% over 2Q11, due to higher sales volume, partially offset by lower costs of ethanol. Compared with 1Q12, Ipiranga's cost of goods sold increased by 5%, mainly due to seasonally higher volume. In 1H12, Ipiranga's cost of goods sold totaled R\$ 20,765 million, up 10% over 1H11.

Oxitenó: Oxitenó's cost of goods sold in 2Q12 totaled R\$ 560 million, up 27% over 2Q11, mainly due to 21% higher sales volume and a 23% weaker Real, partially offset by a reduction in unit variable costs in dollar. Compared with 1Q12, Oxitenó's cost of goods sold increased by 6%, mainly due to the 11% weaker Real, partially offset by a 4% reduction in the unit variable costs in dollar. In 1H12, Oxitenó's cost of goods sold totaled R\$ 1,087 million, up 26% over 1H11.

Ultracargo: Ultracargo's cost of services provided in 2Q12 amounted to R\$ 30 million, a 3% increase over 2Q11, mainly due to higher depreciation resulting from recent capacity expansions. Compared with 1Q12, Ultracargo's cost of services provided increased by 5%, mainly due to the increased volume of products handled. In 1H12, Ultracargo's cost of services provided totaled R\$ 58 million, up 5% over 1H11.

Gross profit: The gross profit of Ultrapar amounted to R\$ 1,010 million in 2Q12, up 19% over 2Q11, as a consequence of the growth in the gross profit of Ipiranga, Oxitenó and Ultracargo. Compared with 1Q12, Ultrapar's gross profit increased by 12%, as a result of seasonality between periods. In 1H12, the gross profit of Ultrapar totaled R\$ 1,915 million, up 14% over 1H11.

Sales, general and administrative expenses: Ultrapar's sales, general and administrative expenses totaled R\$ 612 million in 2Q12, up 21% over 2Q11. Compared with 1Q12, Ultrapar's sales, general and administrative expenses increased by 7%. In 1H12, Ultrapar's sales, general and administrative expenses totaled R\$ 1,187 million, up 18% over 1H11.

Ultragaz: Ultragaz's sales, general and administrative expenses totaled R\$ 106 million in 2Q12, up 14% over 2Q11, mainly due to (i) higher sales volume, (ii) the effects of inflation on personnel and freight expenses and (iii) higher expenses with marketing and sales campaigns, partially offset by lower variable compensation. Compared with 1Q12, Ultragaz's sales, general and administrative expenses increased by 9%, mainly due to seasonally higher volume and higher expenses with marketing and sales campaigns. In 1H12, Ultragaz's sales, general and administrative expenses totaled R\$ 204 million, up 14% over 1H11.

Ipiranga: Ipiranga's sales, general and administrative expenses totaled R\$ 396 million in 2Q12, up 25% over 2Q11, mainly as a result of (i) increased sales volume, (ii) R\$ 13 million expenses related to the return of the Ipiranga brand to the Midwest, Northeast and North of Brazil, (iii) the effects of inflation on expenses, (iv) the expansion of the distribution network, (v) higher expenses with advertising and marketing and (vi) higher environmental expenses. Compared with 1Q12, Ipiranga's sales, general and administrative expenses increased by 4%, mainly due to seasonally higher volume. In 1H12, Ipiranga's sales, general and administrative expenses totaled R\$ 776 million, up 21% over 1H11.

Oxitenó: Oxitenó's sales, general and administrative expenses totaled R\$ 97 million in 2Q12, a 25% increase over 2Q11, mainly due to (i) increased sales volume, (ii) the effects of inflation, (iii) higher variable compensation, in line with earnings progression, and (iv) expenses related to projects to expand the business. Compared with 1Q12, Oxitenó's sales, general and administrative expenses increased by 14%, mainly as a result of higher expenses related to

expansion projects and higher variable compensation. In 1H12, Oxiteno's sales, general and administrative expenses totaled R\$ 181 million, up 15% over 1H11.

Ultracargo: Ultracargo's sales, general and administrative expenses totaled R\$ 17 million in 2Q12, up 2% over 2Q11, mainly due to higher expenses related to the company's expansion projects. Compared with 1Q12, Ultracargo's sales, general and administrative expenses increased by 1%, with the above-mentioned higher expenses related to projects offset by lower personnel costs. In 1H12, Ultracargo's sales, general and administrative expenses totaled R\$ 34 million, up 6% over 1H11.

Depreciation and amortization: Total depreciation and amortization costs and expenses in 2Q12 amounted to R\$ 168 million, an 18% increase from 2Q11, as a result of higher investments made mainly in Ipiranga. Compared with 1Q12, Ultrapar's depreciation and amortization costs and expenses increased by 3%. In 1H12, total depreciation and amortization costs and expenses amounted to R\$ 330 million, up 18% over 1H11.

Operating income: Ultrapar's operating income amounted to R\$ 409 million in 2Q12, up 12% over 2Q11, as a consequence of the increase seen in the operating income of Ipiranga, Oxiteno and Ultracargo. Compared with 1Q12, Ultrapar's operating income increased by 21%, mainly as a result of seasonality between periods. In 1H12, Ultrapar's operating income totaled R\$ 747 million, up 7% over 1H11.

Financial income (expense): Ultrapar reported R\$ 85 million of net financial expense in 2Q12, R\$ 15 million and R\$ 22 million increase over the net financial expense in 2Q11 and 1Q12, respectively, mainly due to the effects of exchange rate fluctuations in the periods. At the end of 2Q12, net debt totaled R\$ 3,158 million, corresponding to 1.5 times EBITDA for the last 12 months, compared with a ratio of 1.4 times in 2Q11 and 1.6 times in 1Q12. In 1H12, Ultrapar reported R\$ 148 million of net financial expense, an R\$ 11 million increase over the net financial expense in 1H11.

Income tax and social contribution / Tax incentives: Ultrapar reported income tax and social contribution expenses, net of benefit of tax holidays of R\$ 90 million, compared with expenses of R\$ 79 million in 2Q11 and R\$ 84 million in 1Q12, an increase of 14% and 8%, respectively, mainly as a result of a higher pre-tax profit. In 1H12, Ultrapar reported income tax and social contribution expenses, net of benefit of tax holidays of R\$ 174 million, up 14% over 1H11.

Net income: Ultrapar's consolidated net income in 2Q12 amounted to R\$ 234 million, up 9% and 22% over 2Q11 and 1Q12, respectively, mainly due to the EBITDA growth between the periods. In 1H12, Ultrapar's reported net income totaled R\$ 425 million, up 4% over 1H11.

EBITDA: Ultrapar's consolidated EBITDA totaled R\$ 579 million in 2Q12, up 15% over 2Q11, as a result of the EBITDA growth in Ipiranga, Oxiteno and Ultracargo. Compared with 1Q12, Ultrapar's EBITDA increased by 15%, due to the EBITDA growth in all businesses. In 1H12, Ultrapar's EBITDA totaled R\$ 1,081 million, up 11% over 1H11.

Ultragas: Ultragas's EBITDA amounted to R\$ 65 million in 2Q12, an 18% reduction from 2Q11, mainly due to the effects of inflation on costs and expenses and higher expenses related to marketing and sales campaigns. Compared with 1Q12, the Ultragas's EBITDA increased by 5%, mainly due to the seasonally higher volume. In 1H12, Ultragas's EBITDA totaled R\$ 126 million, a 17% reduction compared with 1H11.

Ipiranga: Ipiranga's EBITDA amounted to R\$ 375 million in 2Q12, up 22% over 2Q11, amount that includes the positive non-recurring effect of R\$ 22 million from a material sale of land and R\$ 13 million expenses related to the return of the Ipiranga brand to the Midwest, Northeast, and North regions of Brazil. Excluding these effects, Ipiranga's EBITDA would have totaled R\$ 365 million in 2Q12, up 19% over 2Q11, equivalent to a unit EBITDA margin of R\$ 64/m<sup>3</sup>, mainly due to the increased sales volume and the evolution of prices and costs of ethanol. Compared with 1Q12, Ipiranga's EBITDA, excluding non-recurring items, increased by 4%, mainly due to the seasonally higher volume. In 1H12, Ipiranga's EBITDA totaled R\$ 711 million, up 20% over 1H11.

Oxiteno: Oxiteno's EBITDA totaled R\$ 98 million in 2Q12, or US\$ 270/ton, up 22% over 2Q11, mainly due to higher sales volume and a 23% weaker Real, partially offset by the extraordinarily favorable sales mix in 2Q11 and lower prices of glycol in the international market in 2Q12. Compared with 1Q12, Oxiteno's EBITDA increased by 53%, mainly due to the 11% weaker Real and a reduction in unit variable costs in dollar. In 1H12, the Oxiteno's EBITDA

totaled R\$ 162 million, up 5% over 1H11.

Ultracargo: Ultracargo's EBITDA totaled R\$ 36 million in 2Q12, a 19% increase over 2Q11, mainly due to contractual tariff adjustments and an improved mix of products. Compared with 1Q12, Ultracargo's EBITDA increased by 12%, due to increased average storage at its terminals. In 1H12, Ultracargo's EBITDA totaled R\$ 69 million, up 17% over 1H11.

## EBITDA

| R\$ million | 2Q12  | 2Q11  | 1Q12  | Variation      | Variation      | 1H12    | 1H11  | Variation      |
|-------------|-------|-------|-------|----------------|----------------|---------|-------|----------------|
|             |       |       |       | 2Q12 X<br>2Q11 | 2Q12 x<br>1Q12 |         |       | 1H12 x<br>1H11 |
| Ultrapar    | 579.0 | 502.9 | 501.6 | 15%            | 15%            | 1,080.6 | 970.0 | 11%            |
| Ultragaz    | 64.6  | 79.0  | 61.7  | -18%           | 5%             | 126.3   | 151.5 | -17%           |
| Ipiranga    | 374.5 | 308.2 | 336.8 | 22%            | 11%            | 711.3   | 594.7 | 20%            |
| Oxiteno     | 98.2  | 80.2  | 64.3  | 22%            | 53%            | 162.5   | 154.7 | 5%             |
| Ultracargo  | 36.5  | 30.6  | 32.7  | 19%            | 12%            | 69.1    | 59.0  | 17%            |

(1) The purpose of including EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) information is to provide a measure used by the management for internal assessment of our operating results. It is also a financial indicator widely used by investors and analysts to measure our ability to generate cash from operations and our operating performance. The table presented below shows the reconciliation between Ultrapar's operating income and EBITDA.

| R\$ million                        | 2Q12  | 2Q11  | 1Q12  | 1H12    | 1H11  |
|------------------------------------|-------|-------|-------|---------|-------|
| Operating income                   | 408.8 | 363.9 | 338.0 | 746.7   | 697.9 |
| Depreciation and amortization      | 167.5 | 142.3 | 162.1 | 329.6   | 278.2 |
| Income (loss) from sales of assets | 2.7   | (3.4) | 1.5   | 4.2     | (6.1) |
| EBITDA                             | 579.0 | 502.9 | 501.6 | 1,080.6 | 970.0 |

Our definition of EBITDA may differ from, and, therefore, may not be comparable with similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. In managing our business we rely on EBITDA as a means for assessing our operating performance and a portion of our employee profit sharing plan is linked to EBITDA performance. Because EBITDA excludes income from sale of assets, net financial expense (income), equity in earnings of affiliates, income tax and social contribution, depreciation and amortization, it provides an indicator of general economic performance that is not affected by debt restructurings, fluctuations in interest rates or changes in income tax and social contribution, or levels of income from sale of assets, depreciation and amortization. Accordingly, we believe that this type of measurement is useful for comparing general operating performance from period to period and making certain related management decisions. We also calculate EBITDA in connection with covenants related to some of our financing. We believe that EBITDA enhances the understanding of our financial performance and our ability to satisfy principal and interest obligations with respect to our indebtedness as well as to fund capital expenditures and working capital requirements. EBITDA is not a measure of financial performance under accounting practices adopted in Brazil or IFRS. EBITDA should not be considered in isolation, or as a substitute for net income, as a measure of operating performance, as a substitute for cash flows from operations or as a measure of liquidity. EBITDA has material limitations that impair its value as a measure of a company's overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses and income taxes, depreciation or capital expenditures and associated charges.

We hereby inform that in accordance with the requirements of CVM Resolution 381/03, our independent auditors Deloitte Touche Tohmatsu Auditores Independentes have not performed during these six months of 2012 any service other than the audit of the financial statements and the review of interim financial information of Ultrapar and

subsidiaries.

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Item 2

São Paulo, August 1st, 2012 – Ultrapar Participações S.A. (BM&FBOVESPA: UGPA3 / NYSE: UGP), a company engaged in fuel distribution (Ultragaz/Ipiranga), chemicals (Oxiten) and storage for liquid bulk (Ultracargo), hereby reports its results for the second quarter of 2012.

Results conference call

In 2Q12, we completed another quarter of positive earnings progression, with 15% and 9% growth in EBITDA and net income. In addition, we continued our expansion plan, with the announcement of the acquisitions of a liquid bulk terminal in Maranhão and a specialty chemicals company in Uruguay.

Brazilian conference call

August 3rd, 2012

10:00 a.m. (US EST) / 11:00 a.m. (Brazil)

São Paulo – SP

Telephone for connection: +55 11 2188 0155

Code: Ultrapar

Ø VOLUMES AND REVENUES GROW IN ALL BUSINESSES

Ø ULTRAPAR'S EBITDA REACHES R\$ 579 MILLION IN 2Q12, GROWTH OF 15% OVER 2Q11

International conference call

August 3rd, 2012

11:30 a.m. (US EST) / 12:30 p.m. (Brazil)

Participants in the USA: 1 877 317 6776

Participants in Brazil: 0800 891 0015

Participants International: +1 412 317 6776

Code: Ultrapar

Ø NET EARNINGS REACH R\$ 234 MILLION IN 2Q12, UP 9% OVER 2Q11

Ø ULTRACARGO ACQUIRES A BULK LIQUID TERMINAL IN MARANHÃO

IR contact

E-mail: invest@ultra.com.br

Telephone: +55 11 3177 7014

Website: www.ultra.com.br

Ø OXITENO ACQUIRES A SPECIALTY CHEMICALS COMPANY IN URUGUAY

Ø DIVIDEND DISTRIBUTION OF R\$ 273 MILLION APPROVED, CORRESPONDING TO A 64% PAYOUT ON 1H12 NET EARNINGS

Ultrapar Participações S.A.

UGPA3 = R\$ 45.20/share (06/30/12)

UGP = US\$ 22.68/ADR (06/30/12)

“Over the last months, we took important steps towards our strategy of sustained growth with the announcement of two acquisitions in May. We acquired, through Ultracargo, a terminal for liquids at the port of Itaqui, in Maranhão, where we did not yet have operations.

We also acquired a specialty chemicals company in Uruguay, strengthening Oxiten's scale and positioning in the Southern Cone.

In addition, we closed another quarter of growth in volumes and results, despite facing less favorable macroeconomic environment.”

Pedro Wongtschowski – CEO

Considerations on the financial and operational information





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The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultragaz, Ipiranga, Oxiteno and Ultracargo is reported without elimination of intercompany transactions. Therefore, the sum of such information may not correspond to the consolidated financial information of Ultrapar. In addition, except when otherwise indicated, the amounts presented in this document are expressed in millions of Reais and, therefore, are subject to rounding off. Consequently, the total amounts presented in the tables may differ from the direct sum of the amounts that precede them.

Summary of the 2nd quarter of 2012

| Ultrapar – Consolidated data                             | 2Q12   | 2Q11   | 1Q12   | D (%)<br>2Q12v2Q11 | D (%)<br>2Q12v1Q12 | 1H12   | 1H11   | D (%)<br>1H12v1H11 |
|----------------------------------------------------------|--------|--------|--------|--------------------|--------------------|--------|--------|--------------------|
| Net sales and services                                   | 13,048 | 12,187 | 12,401 | 7%                 | 5%                 | 25,450 | 22,994 | 11%                |
| Gross profit                                             | 1,010  | 852    | 904    | 19%                | 12%                | 1,915  | 1,678  | 14%                |
| Operating profit                                         | 409    | 364    | 338    | 12%                | 21%                | 747    | 698    | 7%                 |
| EBITDA                                                   | 579    | 503    | 502    | 15%                | 15%                | 1,081  | 970    | 11%                |
| Net earnings <sup>1</sup>                                | 234    | 215    | 191    | 9%                 | 22%                | 425    | 409    | 4%                 |
| Earnings attributable to Ultrapar per share <sup>2</sup> | 0.43   | 0.40   | 0.35   | 9%                 | 21%                | 0.79   | 0.76   | 4%                 |

Amounts in R\$ million  
(except for EPS)

1 Under IFRS, net earnings include net earnings attributable to non-controlling shareholders.

2 Calculated based on the weighted average number of shares over the period, excluding shares held in treasury. Retroactively adjusted to reflect the 1:4 stock split approved in the Special Shareholders' Meeting held on February 10th, 2011.

| Ultragaz – Operational data | 2Q12 | 2Q11 | 1Q12 | D (%)<br>2Q12v2Q11 | D (%)<br>2Q12v1Q12 | 1H12 | 1H11 | D (%)<br>1H12v1H11 |
|-----------------------------|------|------|------|--------------------|--------------------|------|------|--------------------|
| Total volume (000 tons)     | 426  | 417  | 404  | 2%                 | 5%                 | 829  | 798  | 4%                 |
| Bottled                     | 289  | 289  | 266  | 0%                 | 9%                 | 555  | 549  | 1%                 |
| Bulk                        | 137  | 128  | 137  | 7%                 | 0%                 | 274  | 249  | 10%                |

| Ipiranga – Operational data        | 2Q12  | 2Q11  | 1Q12  | D (%)<br>2Q12v2Q11 | D (%)<br>2Q12v1Q12 | 1H12   | 1H11   | D (%)<br>1H12v1H11 |
|------------------------------------|-------|-------|-------|--------------------|--------------------|--------|--------|--------------------|
| Total volume (000 m <sup>3</sup> ) | 5,709 | 5,396 | 5,447 | 6%                 | 5%                 | 11,156 | 10,294 | 8%                 |
| Diesel                             | 3,188 | 3,041 | 2,977 | 5%                 | 7%                 | 6,164  | 5,628  | 10%                |
| Gasoline, ethanol and NGV          | 2,417 | 2,243 | 2,371 | 8%                 | 2%                 | 4,788  | 4,453  | 8%                 |
| Other <sup>3</sup>                 | 104   | 112   | 99    | (7%)               | 5%                 | 204    | 213    | (4%)               |

3 Fuel oils, kerosene, lubricants and greases.

| Oxiteno – Operational data | 2Q12 | 2Q11 | 1Q12 | D (%)<br>2Q12v2Q11 | D (%)<br>2Q12v1Q12 | 1H12 | 1H11 | D (%)<br>1H12v1H11 |
|----------------------------|------|------|------|--------------------|--------------------|------|------|--------------------|
| Total volume (000 tons)    | 185  | 153  | 186  | 21%                | (1%)               | 372  | 309  | 20%                |

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|                      |     |     |     |      |       |     |     |      |
|----------------------|-----|-----|-----|------|-------|-----|-----|------|
| Product mix          |     |     |     |      |       |     |     |      |
| Specialty chemicals  | 155 | 146 | 151 | 6%   | 3%    | 306 | 296 | 3%   |
| Glycols              | 30  | 7   | 36  | 362% | (14%) | 66  | 13  | 398% |
| Geographical mix     |     |     |     |      |       |     |     |      |
| Sales in Brazil      | 136 | 106 | 134 | 28%  | 1%    | 270 | 214 | 26%  |
| Sales outside Brazil | 50  | 47  | 52  | 6%   | (5%)  | 102 | 95  | 7%   |

| Ultracargo – Operational data                        | 2Q12 | 2Q11 | 1Q12 | D (%)<br>2Q12v2Q11 | D (%)<br>2Q12v1Q12 | 1H12 | 1H11 | D (%)<br>1H12v1H11 |
|------------------------------------------------------|------|------|------|--------------------|--------------------|------|------|--------------------|
| Effective storage <sup>4</sup> (000 m <sup>3</sup> ) | 609  | 605  | 560  | 1%                 | 9%                 | 585  | 570  | 3%                 |

4 Monthly average

| Macroeconomic indicators                | 2Q12 | 2Q11 | 1Q12 | D (%)<br>2Q12v2Q11 | D (%)<br>2Q12v1Q12 | 1H12 | 1H11 | D (%)<br>1H12v1H11 |
|-----------------------------------------|------|------|------|--------------------|--------------------|------|------|--------------------|
| Average exchange rate (R\$/US\$)        | 1.96 | 1.60 | 1.77 | 23%                | 11%                | 1.87 | 1.63 | 14%                |
| Brazilian interbank interest rate (CDI) | 2.1% | 2.8% | 2.5% |                    |                    | 4.6% | 5.5% |                    |
| Inflation in the period (IPCA)          | 1.1% | 1.4% | 1.2% |                    |                    | 2.3% | 3.9% |                    |

## Highlights

Ø Acquisition of liquid bulk terminal at the port of Itaqui – On May 27th, 2012, Ultrapar announced the acquisition, through Ultracargo, of TEMMAR - Terminal Marítimo do Maranhão S.A., a modern and well-designed terminal in the port area of Itaqui, Maranhão. The financial settlement of the acquisition occurred on July 31st, 2012, in the amount of R\$ 160 million, yet including the assumption of net debt in the amount of R\$ 91 million. In addition, Ultrapar will disburse extra amount of at least R\$ 12 million, amount that may reach approximately R\$ 30 million, 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. The port of Itaqui has a privileged location and efficient logistics, which includes access to railway and is responsible for supplying the fuel market in the states of Maranhão, Piauí and Tocantins, where fuel consumption has grown above the national average. This acquisition marks the entry of Ultracargo in this important market and enhances its operational scale, strengthening its position as a provider of storage for liquid bulk in Brazil and adding 8% to the company's current capacity.

Ø Acquisition of specialty chemicals company in Uruguay – On May 28th, 2012, Ultrapar signed, through Oxiteno, a sale and purchase agreement for the acquisition of 100% of the shares of American Chemical I.C.S.A., a Uruguayan specialty chemicals company. The total value of the acquisition is US\$ 79 million, subject to the customary working capital and net debt adjustments on the closing date. American Chemical owns a plant in Montevideo, Uruguay, with production capacity of 81 thousand tons of specialty chemicals, particularly sulfonates and sulfates surfactants for the home and personal care industries, as well as products for the leather industry. The plant is located close to the Montevideo port, providing efficient logistics to exports and to serve the Southern Cone countries, where home and personal care markets have presented significant growth. Oxiteno currently supplies the demand of the Southern Cone with products made in Brazil. This acquisition will strengthen its position in the region as a producer of surfactants and specialty chemicals and allow commercial, operational and administrative gains, which will enable the acquired business to obtain profitability similar to that of Oxiteno. Through the acquisition of American Chemical, Oxiteno continues the international expansion of its activities, started in 2003 and based on its deep knowledge of the technology for production and application of surfactants and specialty chemicals and on its strong relationship with its clients. The closing is subject to the compliance with certain conditions precedent, notably the favorable result of the due diligence. This transaction was submitted to the competent regulatory authorities.

Ø

Payment of R\$ 273 million in dividends – The Board of Directors of Ultrapar approved today a dividend payment of R\$ 273 million, equivalent to R\$ 0.51 per share, as an advance of the dividends for the fiscal year 2012, to be paid from August 17th, 2012 onwards. This amount represents a 64% payout on the net earnings of the first half of 2012 and an annualized dividend yield of 3% on Ultrapar’s average share price during the period.

Ø Ultrapar receives important awards – Ultrapar was awarded the best-performing company in the special category Sustainability by Agência Estado in 2011. Ultrapar was also ranked 4th in the “Prêmio Destaque Agência Estado 2012”, a listed companies ranking developed in partnership with Economática, in which each company is evaluated on several aspects such as the appreciation of the shares, returns, dividends, volatility, among others. Additionally, Ipiranga was awarded the best company in the wholesale segment in Revista Exame’s Maiores e Melhores publication.

## Executive summary of the results

Throughout the first half of 2012, the Brazilian economy presented a trend of gradual deceleration in its growth, leading market participants to significantly reduce their growth forecasts for the year, which contributed to the adoption of countercyclical measures by the Brazilian government. One of these measures was the reduction, in May, of federal taxes charged in the automotive sector, which resulted in a 19% increase in the number of light vehicles licensed in June 2012 compared to June 2011. The number of light vehicles licensed in 2Q12 was approximately 860 thousand, totaling 1.6 million light vehicles licensed in 2012, which corresponds to 5% of the light vehicle fleet at the end of 2011. The economic instability also resulted in a strong depreciation of the Real against the dollar during the 2Q12, ending the period quoted at R\$ 2.02/US\$, 11% above the closing rate of 1Q12. The continued less favorable outlook in the global economy, the deceleration of the economic activity in Brazil and the declining inflation rates in Brazil contributed to the successive reductions in interest rate (SELIC) by the Central Bank, which reached 8.0% in July 2012.

In 2Q12, Ultragas presented a 2% growth in sales volume compared to 2Q11, driven by a 7% growth in the bulk segment, resulting from the acquisition of Repsol's LPG business in October 2011, the increased consumption by large customers and the capture of new clients. In 2Q12, Ultragas's EBITDA decreased by 18% compared to 2Q11, mainly due to the effects of inflation on costs and expenses and higher expenses related to marketing and sales campaigns.

At Ipiranga, the continued growth of the light vehicle fleet and of the Brazilian economy, in addition to investments for the network expansion, resulted in a 6% increase in fuel sales volume over 2Q11, which contributed to a 22% growth in EBITDA over 2Q11, reaching R\$ 375 million in 2Q12. Excluding non-recurring items, Ipiranga's EBITDA totaled R\$ 365 million in 2Q12, 19% higher than 2Q11, equivalent to a unit EBITDA margin of R\$ 64/m<sup>3</sup>.

At Oxiteno, sales volume totaled 185 thousand tons, up 21% over 2Q11, with a 28% growth in the domestic market, due to increased sales of glycols and specialty chemicals. Oxiteno's EBITDA in 2Q12 was R\$ 98 million, a 22% growth over 2Q11, mainly due to the effect of a 23% weaker Real during 2Q12 and the increased sales volume, partially offset by the exceptionally attractive sales mix in 2Q11 and lower glycol prices in the international market in 2Q12, resulting in an EBITDA margin of US\$ 270/ton.

In 2Q12, Ultracargo's average storage increased by 1% compared to 2Q11. Ultracargo's EBITDA totaled R\$ 36 million in 2Q12, up 19% over 2Q11, mainly due to contractual tariff adjustments and improved mix of products handled and contracts.

Ultrapar's consolidated EBITDA totaled R\$ 579 million in 2Q12, up 15% over 2Q11, due to the growth in the EBITDA of Ipiranga, Oxiteno and Ultracargo. Net income for 2Q12 totaled R\$ 234 million, 9% higher than that of 2Q11, due to the EBITDA growth.

## Operational performance

Ultragaz – In 2Q12, Ultragaz’s sales volume reached 426 thousand tons, up 2% over 2Q11, driven by the 7% growth in the bulk segment, as a consequence of higher consumption by large customers and the acquisition of Repsol’s LPG business, which exclusively operated in this segment, and the process of capturing new clients. Compared with 1Q12, sales volume increased by 5%, mainly as a result of seasonality between periods. In the semester, Ultragaz sales volume totaled 829 thousand tons, up 4% over 1H11.

## Ultragaz – Sales Volume (000 tons)

Ipiranga – Ipiranga’ sales volume totaled 5,709 thousand cubic meters in 2Q12, up 6% over 2Q11. In 2Q12, sales volume of fuels for light vehicles increased by 8%, due to the growth in the vehicle fleet and investments made in network expansion. The volume of diesel increased by 5% compared to 2Q11, due to investments to capture new clients and, to a lesser extent, the growth of the Brazilian economy. Compared with 1Q12, total sales increased by 5%, mainly due to seasonality between periods. In 1H12, Ipiranga’s sales volume totaled 11,156 thousand cubic meters, a growth of 8% over the volume of 1H11.

Ipiranga – Sales volume (000 m<sup>3</sup>)

Oxitenó – Oxitenó’s sales volume in 2Q12 totaled 185 thousand tons, up 21% over 2Q11. In the Brazilian market, sales volume grew by 28% (30 thousand tons), mainly as a consequence of higher sales of glycols and inventory adjustments to the lower level of the Brazilian economic growth by Oxitenó’s clients in that period. As a result of the weaker volume level in 2Q11 and of the growth in the main segments served by Oxitenó, sales of specialty chemicals in the domestic market increased by 6%. In the international market, sales volume increased by 6% (3 thousand tons), mainly due to higher sales of specialty chemicals. Compared with 1Q12, the sales volume was 1% lower (1 thousand ton), a reduction concentrated on the volume of glycols. The volume sold by Oxitenó in 1H12 totaled 372 thousand tons, a 20% growth over 1H11.

Oxitenó – Sales volume (000 tons)

Ultracargo – In 2Q12, Ultracargo’s average storage increased 1% compared to 2Q11, mainly due to higher exports of ethanol in the Santos terminal. Compared with 1Q12, the average storage increased by 9%, mainly due to higher product handling in the Suape terminal. In 1H12, Ultracargo’s terminals average storage increased by 3% compared with 1H11.

Ultracargo – Average storage (000 m<sup>3</sup>)

Economic-financial performance

Net sales and services – Ultrapar’s consolidated net sales and services reached R\$ 13,048 million in 2Q12, up 7% over 2Q11, as a result of the revenues growth in all businesses. Compared with 1Q12, Ultrapar’s net sales and services increased by 5%, due to the seasonality between periods. In the first half of 2012, Ultrapar’s net sales and services totaled R\$ 25,450 million, up 11% over 1H11.

Net sales and services (R\$ million)

Ultragaz – Ultragaz's net sales and services totaled R\$ 973 million in 2Q12, a 3% increase over 2Q11, mainly due to the growth in sales volume. Compared with 1Q12, Ultragaz's net sales and services increased by 6%, mainly due to higher seasonal volume. In 1H12, Ultragaz's net sales and services totaled R\$ 1,893 million, 4% growth over 1H11.

Ipiranga – Ipiranga's net sales and services totaled R\$ 11,276 million in 2Q12, up 6% over 2Q11, mainly due to higher sales volume. Compared with 1Q12, Ipiranga's net sales and services increased by 5%, in line with the seasonally higher volume. In 1H12, Ipiranga's net sales and services totaled R\$ 22,039 million, up 11% over 1H11.

Oxitenó – Oxitenó's net sales and services totaled R\$ 724 million in 2Q12, a 26% increase over 2Q11, due to the 21% growth in sales volume and a 23% weaker Real, partially offset by 15% lower average dollar prices, mainly due to the extraordinarily favorable sales mix in 2Q11 and the increased share of glycols in 2Q12, with lower prices. Compared with 1Q12, net sales and services increased by 12%, mainly due to an 11% weaker Real. In 1H12, net sales and services totaled R\$ 1,371 million, up 22% over 1H11.

Ultracargo – Ultracargo's net sales and services totaled R\$ 74 million in 2Q12, up 9% over 2Q11, mainly due to the mix of handled products and contracts and tariff adjustments. Compared with 1Q12, net sales and services increased by 7%, due to the increase in average storage. In 1H12, Ultracargo's net sales and services totaled R\$ 143 million, up 10% over 1H11.

Cost of goods sold – Ultrapar's cost of goods sold amounted to R\$ 12,038 million in 2Q12, a 6% increase over 2Q11, due to the higher cost of products sold in all businesses. Compared with 1Q12, Ultrapar's costs of goods sold increased by 5%, mainly due to seasonality between periods. In 1H12, Ultrapar's costs of goods sold totaled R\$ 23,535 million, up 10% over 1H11.

Ultragaz – Ultragaz's cost of goods sold totaled R\$ 835 million in 2Q12, up 4% over 2Q11, mainly as a result of higher sales volume, the effects of inflation and higher maintenance costs of plants. Compared with 1Q12, Ultragaz's cost of goods sold increased by 5%, due to seasonally higher volume. In 1H12, Ultragaz's cost of goods sold totaled R\$ 1,629 million, up 6% over 1H11.

Ipiranga – Ipiranga's cost of goods sold amounted to R\$ 10,614 million in 2Q12, up 5% over 2Q11, due to higher sales volume, partially offset by lower costs of ethanol. Compared with 1Q12, Ipiranga's cost of goods sold increased by 5%, mainly due to seasonally higher volume. In 1H12, Ipiranga's cost of goods sold totaled R\$ 20,765 million, up 10% over 1H11.

Oxitenó – Oxitenó's cost of goods sold in 2Q12 totaled R\$ 560 million, up 27% over 2Q11, mainly due to 21% higher sales volume and a 23% weaker Real, partially offset by a reduction in unit variable costs in dollar. Compared with 1Q12, Oxitenó's cost of goods sold increased by 6%, mainly due to the 11% weaker Real, partially offset by a 4% reduction in the unit variable costs in dollar. In 1H12, Oxitenó's cost of goods sold totaled R\$ 1,087 million, up 26% over 1H11.

Ultracargo – Ultracargo's cost of services provided in 2Q12 amounted to R\$ 30 million, a 3% increase over 2Q11, mainly due to higher depreciation resulting from recent capacity expansions. Compared with 1Q12, Ultracargo's cost of services provided increased by 5%, mainly due to the increased volume of products handled. In 1H12, Ultracargo's cost of services provided totaled R\$ 58 million, up 5% over 1H11.

Sales, general and administrative expenses – Ultrapar's sales, general and administrative expenses totaled R\$ 612 million in 2Q12, up 21% over 2Q11. Compared with 1Q12, Ultrapar's sales, general and administrative expenses increased by 7%. In 1H12, Ultrapar's sales, general and administrative expenses totaled R\$ 1,187 million, up 18% over



1H11.

Ultragaz – Ultragaz’s sales, general and administrative expenses totaled R\$ 106 million in 2Q12, up 14% over 2Q11, mainly due to (i) higher sales volume, (ii) the effects of inflation on personnel and freight expenses and (iii) higher expenses with marketing and sales campaigns, partially offset by lower variable compensation. Compared with 1Q12, Ultragaz’s sales, general and administrative expenses increased by 9%, mainly due to seasonally higher volume and higher expenses with marketing and sales campaigns. In 1H12, Ultragaz’s sales, general and administrative expenses totaled R\$ 204 million, up 14% over 1H11.

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Ipiranga – Ipiranga’s sales, general and administrative expenses totaled R\$ 396 million in 2Q12, up 25% over 2Q11, mainly as a result of (i) increased sales volume, (ii) R\$ 13 million expenses related to the return of the Ipiranga brand to the Midwest, Northeast and North of Brazil, (iii) the effects of inflation on expenses, (iv) the expansion of the distribution network, (v) higher expenses with advertising and marketing and (vi) higher environmental expenses. Compared with 1Q12, Ipiranga’s sales, general and administrative expenses increased by 4%, mainly due to seasonally higher volume. In 1H12, Ipiranga’s sales, general and administrative expenses totaled R\$ 776 million, up 21% over 1H11.

Oxiteno – Oxiteno’s sales, general and administrative expenses totaled R\$ 97 million in 2Q12, a 25% increase over 2Q11, mainly due to (i) increased sales volume, (ii) the effects of inflation, (iii) higher variable compensation, in line with earnings progression, and (iv) expenses related to projects to expand the business. Compared with 1Q12, Oxiteno’s sales, general and administrative expenses increased by 14%, mainly as a result of higher expenses related to expansion projects and higher variable compensation. In 1H12, Oxiteno’s sales, general and administrative expenses totaled R\$ 181 million, up 15% over 1H11.

Ultracargo – Ultracargo’s sales, general and administrative expenses totaled R\$ 17 million in 2Q12, up 2% over 2Q11, mainly due to higher expenses related to the company’s expansion projects. Compared with 1Q12, Ultracargo’s sales, general and administrative expenses increased by 1%, with the above-mentioned higher expenses related to projects offset by lower personnel costs. In 1H12, Ultracargo’s sales, general and administrative expenses totaled R\$ 34 million, up 6% over 1H11.

EBITDA – Ultrapar’s consolidated EBITDA totaled R\$ 579 million in 2Q12, up 15% over 2Q11, as a result of the EBITDA growth in Ipiranga, Oxiteno and Ultracargo. Compared with 1Q12, Ultrapar’s EBITDA increased by 15%, due to the EBITDA growth in all businesses. In 1H12, Ultrapar’s EBITDA totaled R\$ 1,081 million, up 11% over 1H11.

EBITDA (R\$ million)

Ultragas - Ultragas’s EBITDA amounted to R\$ 65 million in 2Q12, an 18% reduction from 2Q11, mainly due to the effects of inflation on costs and expenses and higher expenses related to marketing and sales campaigns. Compared with 1Q12, the Ultragas’s EBITDA increased by 5%, mainly due to the seasonally higher volume. In 1H12, Ultragas’s EBITDA totaled R\$ 126 million, a 17% reduction compared with 1H11.

Ipiranga - Ipiranga’s EBITDA amounted to R\$ 375 million in 2Q12, up 22% over 2Q11, amount that includes the positive non-recurring effect of R\$ 22 million from a material sale of land and R\$ 13 million expenses related to the return of the Ipiranga brand to the Midwest, Northeast, and North regions of Brazil. Excluding these effects, Ipiranga’s EBITDA would have totaled R\$ 365 million in 2Q12, up 19% over 2Q11, equivalent to a unit EBITDA margin of R\$ 64/m<sup>3</sup>, mainly due to the increased sales volume and the evolution of prices and costs of ethanol. Compared with 1Q12, Ipiranga’s EBITDA, excluding non-recurring items, increased by 4%, mainly due to the seasonally higher volume. In 1H12, Ipiranga’s EBITDA totaled R\$ 711 million, up 20% over 1H11.

Oxiteno – Oxiteno’s EBITDA totaled R\$ 98 million in 2Q12, or US\$ 270/ton, up 22% over 2Q11, mainly due to higher sales volume and a 23% weaker Real, partially offset by the extraordinarily favorable sales mix in 2Q11 and lower prices of glycol in the international market in 2Q12. Compared with 1Q12, Oxiteno’s EBITDA increased by 53%, mainly due to the 11% weaker Real and a reduction in unit variable costs in dollar. In 1H12, the Oxiteno’s EBITDA totaled R\$ 162 million, up 5% over 1H11.

Ultracargo – Ultracargo’s EBITDA totaled R\$ 36 million in 2Q12, a 19% increase over 2Q11, mainly due to contractual tariff adjustments and an improved mix of products. Compared with 1Q12, Ultracargo’s EBITDA increased by 12%, due to increased average storage at its terminals. In 1H12, Ultracargo's EBITDA totaled R\$ 69 million, up 17% over 1H11.

Depreciation and amortization – Total depreciation and amortization costs and expenses in 2Q12 amounted to R\$ 168 million, an 18% increase from 2Q11, as a result of higher investments made mainly in Ipiranga. Compared with 1Q12, Ultrapar’s depreciation and amortization costs and expenses increased by 3%. In 1H12, total depreciation and amortization costs and expenses amounted to R\$ 330 million, up 18% over 1H11.

Financial results – Ultrapar reported R\$ 85 million of net financial expense in 2Q12, R\$ 15 million and R\$ 22 million increase over the net financial expense in 2Q11 and 1Q12, respectively, mainly due to the effects of exchange rate fluctuations in the periods. At the end of 2Q12, net debt totaled R\$ 3,158 million, corresponding to 1.5 times EBITDA for the last 12 months, compared with a ratio of 1.4 times in 2Q11 and 1.6 times in 1Q12. In 1H12, Ultrapar reported R\$ 148 million of net financial expense, an R\$ 11 million increase over the net financial expense in 1H11.

Net earnings – Ultrapar’s consolidated net earnings in 2Q12 amounted to R\$ 234 million, up 9% and 22% over 2Q11 and 1Q12, respectively, mainly due to the EBITDA growth between the periods. In 1H12, Ultrapar’s reported net earnings totaled R\$ 425 million, up 4% over 1H11.

Investments – Total investments, net of disposals and repayments, amounted to R\$ 355 million in 2Q12, allocated as follows:

- At Ultragaz, R\$ 51 million were invested, directed mainly to new clients in the bulk segment and the replacement of LPG bottles.
- At Ipiranga, R\$ 211 million were invested, directed mainly to the expansion and maintenance of the service stations network and logistics infrastructure.
- At Oxiteno, R\$ 53 million were invested, directed mainly to the acquisition of assets for the production of specialty chemicals in the United States and the maintenance of its production facilities.
- Ultracargo invested R\$ 36 million, directed mainly to the expansion of 72 thousand m<sup>3</sup> in the Santos and Aratu terminals, of which 12 thousand m<sup>3</sup> were concluded in 1Q12 and 60 thousand m<sup>3</sup> will start operations throughout 2012. The Board of Directors of Ultrapar approved today an additional investment budget of R\$ 32 million for Ultracargo in 2012, mainly due to a revised scope of expansion projects.

| R\$ million                                                   | 2Q12 | 1H12 | Total investments, net of disposals and repayments<br>(R\$ million) |
|---------------------------------------------------------------|------|------|---------------------------------------------------------------------|
| Additions to fixed and intangible assets <sup>1</sup>         |      |      |                                                                     |
| Ultragaz                                                      | 51   | 91   |                                                                     |
| Ipiranga                                                      | 212  | 342  |                                                                     |
| Oxiteno                                                       | 53   | 70   |                                                                     |
| Ultracargo                                                    | 36   | 66   |                                                                     |
| Total – additions to fixed and intangible assets <sup>1</sup> | 356  | 578  |                                                                     |
| Financing to clients <sup>2</sup> – Ipiranga                  | (0)  | (19) |                                                                     |
| Acquisition (disposal) of equity interest                     | -    | -    |                                                                     |
| Total investments, net of disposals and repayments            | 355  | 559  |                                                                     |

1 Includes the consolidation of Serma

2 Financing to clients is included as working capital in the Cash Flow Statement

#### Ultrapar in the capital markets

Ultrapar's average daily trading volume in 2Q12 was R\$ 56 million, 69% higher than the daily average of R\$ 33 million in 2Q11, considering the combined trading on the BM&FBOVESPA and the NYSE. Ultrapar's share price closed 2Q12 quoted at R\$ 45.20/share on the BM&F&BOVESPA, with an accumulated appreciation of 13% in the quarter and 63% over the last 12 months. During the same periods, the Ibovespa index depreciated by 16% and 13% respectively. At the NYSE, Ultrapar's shares appreciated by 5% in 2Q12 and 25% over the last 12 months, while the Dow Jones index depreciated by 3% in 2Q12 and appreciated by 4% over the last 12 months. Ultrapar closed 2Q12 with a market value of R\$ 25 billion, up 63% over 2Q11.

Performance of UGPA<sup>3</sup> vs. Ibovespa – 2Q12  
(Base 100)

Average daily trading volume  
(R\$ million)

Outlook

Despite facing a more challenging economic environment, we expect to continue the growth trajectory of our results, based on the resilience of our businesses, leverage on the economic growth and consistent planning and execution of our strategy. Ipiranga will continue its investment plan for 2012, benefiting from the growth of the vehicle fleet in Brazil and its expansion in the Midwest, Northeast and North regions of Brazil. Oxiteno will keep capturing benefits from the conclusion and maturation process of the investments in capacity expansion in Brazil in a more favorable exchange rate environment, in addition to focusing on the integration and implementation of its business plan in the United States and Uruguay. Ultracargo will complete in the second half of 2012 the expansions of the terminals in Santos and Aratu, aiming to meet the growing demand for liquid bulk storage in Brazil, and the acquisition of the liquid bulk terminal in Maranhão, strengthening its operating scale. At Ultragas, the economic growth and investments made will continue to contribute to the increase in bulk LPG segment volume, together with the company's focus on managing costs and expenses. We will continue to be alert to acquisition opportunities in all our businesses, aiming at further growth and value creation of Ultrapar.

Forthcoming events

Conference call / Webcast: August 3rd, 2012

Ultrapar will be holding a conference call for analysts on August 3rd, 2012 to comment on the company's performance in the second quarter of 2012 and outlook. The presentation will be available for download on the company's website 30 minutes prior to the conference call.

Brazilian: 10:00 a.m. (US EST) / 11:00 a.m. (Brazil)  
Telephone for connection: +55 11 2188 0155  
Code: Ultrapar

International: 11:30 a.m. (US EST) / 12:30 p.m. (Brazil)  
Participants in the US: 1 877 317 6776  
Participants in Brazil: 0800 891 0015  
Participants in other countries: +1 412 317 6776  
Code: Ultrapar

WEBCAST live via Internet at [www.ultra.com.br](http://www.ultra.com.br). Please connect 15 minutes in advance.

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



## Operational and market information

|                                                  |           |           |           |           |           |
|--------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Financial focus                                  | 2Q12      | 2Q11      | 1Q12      | 1H12      | 1H11      |
| EBITDA margin Ultrapar                           | 4.4%      | 4.1%      | 4.0%      | 4.2%      | 4.2%      |
| Net margin Ultrapar                              | 1.8%      | 1.8%      | 1.5%      | 1.7%      | 1.8%      |
| Focus on human resources                         | 2Q12      | 2Q11      | 1Q12      | 1H12      | 1H11      |
| Number of employees – Ultrapar                   | 9,071     | 8,991     | 9,099     | 9,071     | 8,991     |
| Number of employees – Ultragas                   | 4,022     | 4,091     | 4,089     | 4,022     | 4,091     |
| Number of employees – Ipiranga                   | 2,526     | 2,385     | 2,491     | 2,526     | 2,385     |
| Number of employees – Oxiteno                    | 1,582     | 1,612     | 1,590     | 1,582     | 1,612     |
| Number of employees – Ultracargo                 | 542       | 568       | 565       | 542       | 568       |
| Focus on capital markets <sup>1</sup>            | 2Q12      | 2Q11      | 1Q12      | 1H12      | 1H11      |
| Number of shares (000)                           | 544,384   | 544,384   | 544,384   | 544,384   | 544,384   |
| Market capitalization <sup>2</sup> – R\$ million | 22,860    | 15,058    | 20,297    | 21,635    | 14,706    |
| BM&FBOVESPA1                                     | 2Q12      | 2Q11      | 1Q12      | 1H12      | 1H11      |
| Average daily volume (shares)                    | 778,758   | 906,779   | 744,089   | 761,423   | 913,232   |
| Average daily volume (R\$ 000)                   | 32,703    | 25,064    | 27,699    | 30,201    | 24,651    |
| Average share price (R\$/share)                  | 42.0      | 27.6      | 37.2      | 39.7      | 27.0      |
| NYSE1                                            | 2Q12      | 2Q11      | 1Q12      | 1H12      | 1H11      |
| Quantity of ADRs <sup>3</sup> (000 ADRs)         | 46,076    | 55,487    | 51,208    | 46,076    | 55,487    |
| Average daily volume (ADRs)                      | 549,929   | 289,999   | 464,978   | 507,108   | 306,813   |
| Average daily volume (US\$ 000)                  | 11,826    | 5,090     | 9,795     | 10,802    | 5,119     |
| Average share price (US\$/ADR)                   | 21.5      | 17.6      | 21.1      | 21.3      | 16.7      |
| Total <sup>1</sup>                               | 2Q12      | 2Q11      | 1Q12      | 1H12      | 1H11      |
| Average daily volume (shares)                    | 1,328,687 | 1,196,778 | 1,209,067 | 1,268,532 | 1,220,045 |
| Average daily volume (R\$ 000)                   | 55,795    | 33,104    | 45,079    | 50,413    | 32,957    |

All financial information is presented according to the accounting principles laid down in the Brazilian Corporate Law. All figures are expressed in Brazilian Reais, except for the amounts on page 20, which are expressed in US dollars and were obtained using the average exchange rate (commercial dollar rate) for the corresponding periods.

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www.ultra.com.br

<sup>1</sup> Information retroactively adjusted to reflect the 1:4 stock split approved in the Special Shareholders' Meeting held on February 10th, 2011.

<sup>2</sup> Calculated based on the weighted average price in the period.

<sup>3</sup> 1 ADR = 1 common share





ULTRAPAR  
CONSOLIDATED BALANCE SHEET  
In millions of Reais - IFRS

|                                               | QUARTERS ENDED IN |                 |                 |
|-----------------------------------------------|-------------------|-----------------|-----------------|
|                                               | JUN<br>2012       | JUN<br>2011     | MAR<br>2012     |
| <b>ASSETS</b>                                 |                   |                 |                 |
| Cash and financial investments                | 2,344.8           | 2,721.5         | 2,233.1         |
| Trade accounts receivable                     | 2,184.3           | 1,811.0         | 2,068.3         |
| Inventories                                   | 1,314.4           | 1,330.9         | 1,319.0         |
| Taxes                                         | 406.5             | 368.2           | 438.4           |
| Other                                         | 80.1              | 62.6            | 84.8            |
| Total Current Assets                          | 6,330.1           | 6,294.3         | 6,143.6         |
| Investments                                   | 15.5              | 15.3            | 15.4            |
| Property, plant and equipment and intangibles | 6,066.6           | 5,518.0         | 5,876.1         |
| Financial investments                         | 125.2             | 7.8             | 73.8            |
| Trade accounts receivable                     | 112.0             | 108.4           | 116.0           |
| Deferred income tax                           | 501.8             | 554.9           | 512.5           |
| Escrow deposits                               | 507.5             | 417.2           | 484.8           |
| Other                                         | 197.8             | 157.8           | 180.4           |
| Total Non-Current Assets                      | 7,526.4           | 6,779.5         | 7,259.0         |
| <b>TOTAL ASSETS</b>                           | <b>13,856.4</b>   | <b>13,073.8</b> | <b>13,402.7</b> |
| <b>LIABILITIES</b>                            |                   |                 |                 |
| Loans, financing and debenturers              | 1,954.4           | 1,388.6         | 1,662.7         |
| Suppliers                                     | 974.0             | 787.0           | 885.7           |
| Payroll and related charges                   | 191.1             | 211.7           | 213.3           |
| Taxes                                         | 160.4             | 229.5           | 170.6           |
| Other                                         | 126.3             | 109.8           | 124.1           |
| Total Current Liabilities                     | 3,406.2           | 2,726.5         | 3,056.4         |
| Loans, financing and debenturers              | 3,673.7           | 4,038.4         | 3,832.9         |
| Provision for contingencies                   | 534.6             | 517.0           | 528.2           |
| Post-retirement benefits                      | 106.2             | 92.4            | 102.0           |
| Other                                         | 249.8             | 181.5           | 235.8           |
| Total Non-Current Liabilities                 | 4,564.3           | 4,829.4         | 4,698.9         |
| <b>TOTAL LIABILITIES</b>                      | <b>7,970.5</b>    | <b>7,555.9</b>  | <b>7,755.3</b>  |
| <b>STOCKHOLDERS' EQUITY</b>                   |                   |                 |                 |
| Capital                                       | 3,696.8           | 3,696.8         | 3,696.8         |
| Reserves                                      | 1,854.8           | 1,528.9         | 1,854.4         |
| Treasury shares                               | (119.9 )          | (120.0 )        | (118.2 )        |
| Others                                        | 427.9             | 386.7           | 186.8           |
| Non-controlling interest                      | 26.4              | 25.4            | 27.6            |
| Total shareholders' equity                    | 5,885.9           | 5,517.9         | 5,647.4         |
| <b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>   | <b>13,856.4</b>   | <b>13,073.8</b> | <b>13,402.7</b> |
| Cash and financial investments                | 2,470.0           | 2,729.3         | 2,306.9         |
| Debt                                          | (5,628.1 )        | (5,427.0 )      | (5,495.6 )      |
| Net cash (debt)                               | (3,158.1 )        | (2,697.7 )      | (3,188.7 )      |



ULTRAPAR  
CONSOLIDATED INCOME STATEMENT  
In millions of Reais (except per share data) - IFRS

|                                                    | QUARTERS ENDED IN |            |            | ACCUMULATED |            |
|----------------------------------------------------|-------------------|------------|------------|-------------|------------|
|                                                    | JUN               | JUN        | MAR        | JUN         | JUN        |
|                                                    | 2012              | 2011       | 2012       | 2012        | 2011       |
| Net sales and services                             | 13,048.2          | 12,187.5   | 12,401.4   | 25,449.6    | 22,993.6   |
| Cost of sales and services                         | (12,038.0)        | (11,335.3) | (11,497.0) | (23,534.9)  | (21,315.6) |
| Gross profit                                       | 1,010.3           | 852.2      | 904.4      | 1,914.7     | 1,677.9    |
| Operating expenses                                 |                   |            |            |             |            |
| Selling                                            | (393.4 )          | (314.7 )   | (377.4 )   | (770.8 )    | (625.0 )   |
| General and administrative                         | (218.9 )          | (189.5 )   | (197.1 )   | (416.0 )    | (382.2 )   |
| Other operating income (expenses), net             | 13.5              | 12.5       | 9.5        | 23.1        | 21.1       |
| Income from sale of assets                         | (2.7 )            | 3.4        | (1.5 )     | (4.2 )      | 6.1        |
| Operating income                                   | 408.8             | 363.9      | 338.0      | 746.7       | 697.9      |
| Financial results                                  |                   |            |            |             |            |
| Financial income                                   | 54.6              | 79.7       | 66.3       | 120.9       | 165.4      |
| Financial expenses                                 | (139.5 )          | (149.8 )   | (129.2 )   | (268.6 )    | (301.9 )   |
| Equity in earnings (losses) of affiliates          | 0.2               | (0.2 )     | (0.0 )     | 0.2         | (0.0 )     |
| Income before income and social contribution taxes | 324.1             | 293.6      | 275.1      | 599.1       | 561.3      |
| Provision for income and social contribution taxes |                   |            |            |             |            |
| Current                                            | (68.4 )           | (69.5 )    | (78.8 )    | (147.2 )    | (130.6 )   |
| Deferred                                           | (29.7 )           | (15.9 )    | (13.5 )    | (43.3 )     | (36.3 )    |
| Benefit of tax holidays                            | 8.1               | 6.5        | 8.7        | 16.8        | 14.4       |
| Net Income                                         | 234.0             | 214.7      | 191.4      | 425.4       | 408.9      |
| Net income attributable to:                        |                   |            |            |             |            |
| Shareholders of Ultrapar                           | 232.5             | 212.6      | 190.0      | 422.6       | 405.6      |
| Non-controlling shareholders of the subsidiaries   | 1.5               | 2.1        | 1.4        | 2.9         | 3.3        |
| EBITDA                                             | 579.0             | 502.9      | 501.6      | 1,080.6     | 970.0      |
| Depreciation and amortization                      | 167.5             | 142.3      | 162.1      | 329.6       | 278.2      |
| Total investments, net of disposals and repayments | 355.4             | 256.8      | 203.8      | 559.3       | 470.7      |
| RATIOS                                             |                   |            |            |             |            |
| Earnings per share - R\$                           | 0.43              | 0.40       | 0.35       | 0.79        | 0.76       |
| Net debt / Stockholders' equity                    | 0.54              | 0.49       | 0.56       | 0.54        | 0.49       |
| Net debt / LTM EBITDA                              | 1.49              | 1.42       | 1.56       | 1.49        | 1.42       |
| Net interest expense / EBITDA                      | 0.15              | 0.14       | 0.13       | 0.14        | 0.14       |
| Gross margin                                       | 7.7               | % 7.0      | % 7.3      | % 7.5       | % 7.3      |
| Operating margin                                   | 3.1               | % 3.0      | % 2.7      | % 2.9       | % 3.0      |
| EBITDA margin                                      | 4.4               | % 4.1      | % 4.0      | % 4.2       | % 4.2      |



ULTRAPAR  
CONSOLIDATED CASH FLOW STATEMENT  
In millions of Reais - IFRS

|                                                              | JAN - JUN  |          |
|--------------------------------------------------------------|------------|----------|
|                                                              | 2012       | 2011     |
| Cash Flows from operating activities                         | 811.0      | 481.8    |
| Net income                                                   | 425.4      | 408.9    |
| Depreciation and amortization                                | 329.6      | 278.2    |
| Working capital                                              | (251.3 )   | (417.2 ) |
| Financial expenses (A)                                       | 334.5      | 255.2    |
| Deferred income and social contribution taxes                | 43.3       | 36.3     |
| Income from sale of assets                                   | 4.2        | (6.1 )   |
| Cash paid for income and social contribution taxes (B)       | (54.7 )    | (44.2 )  |
| Other (B)                                                    | (20.2 )    | (29.3 )  |
| Cash Flows from investing activities                         | (578.1 )   | (460.3 ) |
| Additions to fixed and intangible assets, net of disposals   | (578.1 )   | (434.8 ) |
| Acquisition and sale of equity investments                   | -          | (25.5 )  |
| Cash Flows from (used in) financing activities               | (545.2 )   | (512.6 ) |
| Debt raising                                                 | 1,581.1    | 621.8    |
| Amortization of debt                                         | (1,637.0 ) | (766.5 ) |
| Interest paid                                                | (209.7 )   | (112.7 ) |
| Payment of financial lease                                   | (2.3 )     | (4.3 )   |
| Related parties                                              | (0.8 )     | -        |
| Dividends paid (C)                                           | (276.4 )   | (251.0 ) |
| Net increase (decrease) in cash and cash equivalents         | (312.3 )   | (491.1 ) |
| Cash and cash equivalents at the beginning of the period (D) | 2,782.3    | 3,220.4  |
| Cash and cash equivalents at the end of the period (D)       | 2,470.0    | 2,729.3  |

(A) Comprised of interest and exchange rate and inflationary variation expenses on loans and financing. Does not include revenues from interest and exchange rate and inflationary variation on cash equivalents.

(B) Comprised mainly of noncurrent assets and liabilities variations net.

(C) Includes dividends paid by Ultrapar and its subsidiaries to third parties.

(D) Includes long term financial investments.

ULTRAGAZ  
CONSOLIDATED  
INVESTED CAPITAL  
In millions of Reais - IFRS

|                                                | QUARTERS ENDED IN |                |                |
|------------------------------------------------|-------------------|----------------|----------------|
|                                                | JUN<br>2012       | JUN<br>2011    | MAR<br>2012    |
| <b>OPERATING ASSETS</b>                        |                   |                |                |
| Trade accounts receivable                      | 204.3             | 171.9          | 194.3          |
| Trade accounts receivable - noncurrent portion | 26.3              | 28.0           | 26.8           |
| Inventories                                    | 44.9              | 52.6           | 47.9           |
| Taxes                                          | 26.2              | 15.8           | 24.4           |
| Escrow deposits                                | 121.4             | 105.0          | 116.4          |
| Other                                          | 32.9              | 27.0           | 27.0           |
| Property, plant and equipment and intangibles  | 731.7             | 652.5          | 715.8          |
| <b>TOTAL OPERATING ASSETS</b>                  | <b>1,187.8</b>    | <b>1,052.8</b> | <b>1,152.6</b> |
| <b>OPERATING LIABILITIES</b>                   |                   |                |                |
| Suppliers                                      | 51.4              | 39.4           | 30.8           |
| Payroll and related charges                    | 66.7              | 70.3           | 64.1           |
| Taxes                                          | 5.0               | 7.0            | 4.3            |
| Provision for contingencies                    | 67.9              | 48.0           | 66.3           |
| Other accounts payable                         | 11.7              | 8.6            | 11.2           |
| <b>TOTAL OPERATING LIABILITIES</b>             | <b>202.7</b>      | <b>173.4</b>   | <b>176.8</b>   |

ULTRAGAZ  
CONSOLIDATED INCOME  
STATEMENT  
In millions of Reais - IFRS

|                                        | QUARTERS ENDED IN |             |             | ACCUMULATED |             |
|----------------------------------------|-------------------|-------------|-------------|-------------|-------------|
|                                        | JUN<br>2012       | JUN<br>2011 | MAR<br>2012 | JUN<br>2012 | JUN<br>2011 |
| Net sales                              | 972.7             | 945.5       | 920.4       | 1,893.2     | 1,811.9     |
| Cost of sales and services             | (835.3 )          | (801.9 )    | (793.7 )    | (1,629.0 )  | (1,537.9 )  |
| Gross profit                           | 137.4             | 143.5       | 126.8       | 264.2       | 274.0       |
| Operating expenses                     |                   |             |             |             |             |
| Selling                                | (77.4 )           | (63.4 )     | (67.7 )     | (145.1 )    | (122.8 )    |
| General and administrative             | (28.6 )           | (29.8 )     | (29.9 )     | (58.5 )     | (55.3 )     |
| Other operating income (expenses), net | 0.2               | (0.1 )      | 0.1         | 0.3         | (0.4 )      |
| Operating income <sup>1</sup>          | 31.6              | 50.3        | 29.3        | 60.9        | 95.5        |
| EBITDA                                 | 64.6              | 79.0        | 61.7        | 126.3       | 151.5       |
| Depreciation and amortization          | 33.0              | 28.7        | 32.5        | 65.4        | 56.0        |
| <b>RATIOS</b>                          |                   |             |             |             |             |

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|                                         |     |     |     |     |     |
|-----------------------------------------|-----|-----|-----|-----|-----|
| Gross margin (R\$/ton)                  | 323 | 345 | 314 | 319 | 343 |
| Operating margin <sup>1</sup> (R\$/ton) | 74  | 121 | 72  | 73  | 120 |
| EBITDA margin (R\$/ton)                 | 152 | 190 | 153 | 152 | 190 |

<sup>1</sup> Before income from sale of assets

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IPIRANGA  
CONSOLIDATED  
INVESTED CAPITAL  
In millions of Reais - IFRS

|                                                | QUARTERS ENDED<br>IN |                |                |
|------------------------------------------------|----------------------|----------------|----------------|
|                                                | JUN<br>2012          | JUN<br>2011    | MAR<br>2012    |
| <b>OPERATING ASSETS</b>                        |                      |                |                |
| Trade accounts receivable                      | 1,535.6              | 1,244.7        | 1,476.6        |
| Trade accounts receivable - noncurrent portion | 85.4                 | 80.1           | 88.9           |
| Inventories                                    | 811.4                | 794.4          | 813.0          |
| Taxes                                          | 158.5                | 143.6          | 187.5          |
| Other                                          | 186.9                | 134.4          | 184.1          |
| Property, plant and equipment and intangibles  | 2,634.1              | 2,302.9        | 2,515.9        |
| <b>TOTAL OPERATING ASSETS</b>                  | <b>5,412.0</b>       | <b>4,700.0</b> | <b>5,266.0</b> |
| <b>OPERATING LIABILITIES</b>                   |                      |                |                |
| Suppliers                                      | 776.2                | 643.1          | 732.1          |
| Payroll and related charges                    | 59.8                 | 68.5           | 74.4           |
| Post-retirement benefits                       | 92.5                 | 86.0           | 90.6           |
| Taxes                                          | 68.5                 | 107.5          | 85.7           |
| Provision for contingencies                    | 168.6                | 209.4          | 164.2          |
| Other accounts payable                         | 169.5                | 133.6          | 163.1          |
| <b>TOTAL OPERATING LIABILITIES</b>             | <b>1,335.0</b>       | <b>1,248.0</b> | <b>1,310.2</b> |

IPIRANGA  
CONSOLIDATED INCOME STATEMENT  
In millions of Reais - IFRS

|                                        | QUARTERS ENDED IN |             |             | ACCUMULATED |             |
|----------------------------------------|-------------------|-------------|-------------|-------------|-------------|
|                                        | JUN<br>2012       | JUN<br>2011 | MAR<br>2012 | JUN<br>2012 | JUN<br>2011 |
| Net sales                              | 11,275.7          | 10,602.0    | 10,763.8    | 22,039.5    | 19,935.3    |
| Cost of sales and services             | (10,614.1)        | (10,065.3)  | (10,151.2)  | (20,765.3)  | (18,873.9)  |
| Gross profit                           | 661.6             | 536.6       | 612.6       | 1,274.2     | 1,061.4     |
| <b>Operating expenses</b>              |                   |             |             |             |             |
| Selling                                | (268.3 )          | (212.7 )    | (263.6 )    | (531.9 )    | (425.7 )    |
| General and administrative             | (127.7 )          | (105.2 )    | (116.2 )    | (243.9 )    | (213.2 )    |
| Other operating income (expenses), net | 15.8              | 12.3        | 14.9        | 30.8        | 20.6        |
| Operating income <sup>1</sup>          | 281.4             | 231.1       | 247.7       | 529.1       | 443.2       |
| EBITDA                                 | 374.5             | 308.2       | 336.8       | 711.3       | 594.7       |
| Depreciation and amortization          | 93.1              | 77.1        | 89.1        | 182.2       | 151.5       |
| <b>RATIOS</b>                          |                   |             |             |             |             |
| Gross margin (R\$/m3)                  | 116               | 99          | 112         | 114         | 103         |



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|                                                     |    |    |    |    |    |
|-----------------------------------------------------|----|----|----|----|----|
| Operating margin <sup>1</sup> (R\$/m <sup>3</sup> ) | 49 | 43 | 45 | 47 | 43 |
| EBITDA margin (R\$/m <sup>3</sup> )                 | 66 | 57 | 62 | 64 | 58 |

<sup>1</sup>Includes a positive effect of R\$ 22 million related to the sale of a material land in 2Q12, with R\$ 26 million recorded as revenue and R\$ 4 million as cost

<sup>2</sup>Before income from sale of assets

OXITENO  
CONSOLIDATED INVESTED CAPITAL  
In millions of Reais - IFRS

|                                               | QUARTERS ENDED<br>IN |                |                |
|-----------------------------------------------|----------------------|----------------|----------------|
|                                               | JUN<br>2012          | JUN<br>2011    | MAR<br>2012    |
| <b>OPERATING ASSETS</b>                       |                      |                |                |
| Trade accounts receivable                     | 423.0                | 372.8          | 379.2          |
| Inventories                                   | 450.5                | 475.8          | 449.8          |
| Taxes                                         | 145.8                | 124.6          | 138.1          |
| Other                                         | 93.9                 | 76.9           | 97.6           |
| Property, plant and equipment and intangibles | 1,568.7              | 1,551.9        | 1,544.1        |
| <b>TOTAL OPERATING ASSETS</b>                 | <b>2,682.0</b>       | <b>2,602.1</b> | <b>2,608.7</b> |
| <b>OPERATING LIABILITIES</b>                  |                      |                |                |
| Suppliers                                     | 132.1                | 95.1           | 105.1          |
| Payroll and related charges                   | 50.6                 | 55.4           | 51.0           |
| Taxes                                         | 28.9                 | 25.1           | 23.9           |
| Provision for contingencies                   | 88.7                 | 72.7           | 87.5           |
| Other accounts payable                        | 12.6                 | 6.6            | 12.2           |
| <b>TOTAL OPERATING LIABILITIES</b>            | <b>312.9</b>         | <b>254.9</b>   | <b>279.7</b>   |

OXITENO  
CONSOLIDATED INCOME STATEMENT  
In millions of Reais - IFRS

|                                        | QUARTERS ENDED IN |             |             | ACCUMULATED |             |
|----------------------------------------|-------------------|-------------|-------------|-------------|-------------|
|                                        | JUN<br>2012       | JUN<br>2011 | MAR<br>2012 | JUN<br>2012 | JUN<br>2011 |
| Net sales                              | 724.4             | 574.0       | 646.7       | 1,371.1     | 1,122.3     |
| Cost of goods sold                     |                   |             |             |             |             |
| Variable                               | (472.9 )          | (364.3 )    | (444.8 )    | (917.6 )    | (707.4 )    |
| Fixed                                  | (59.2 )           | (54.0 )     | (54.7 )     | (113.9 )    | (106.3 )    |
| Depreciation and amortization          | (28.1 )           | (24.4 )     | (27.2 )     | (55.3 )     | (46.7 )     |
| Gross profit                           | 164.2             | 131.4       | 120.0       | 284.3       | 261.9       |
| Operating expenses                     |                   |             |             |             |             |
| Selling                                | (45.5 )           | (37.3 )     | (44.0 )     | (89.5 )     | (73.0 )     |
| General and administrative             | (51.3 )           | (39.9 )     | (40.5 )     | (91.9 )     | (84.1 )     |
| Other operating income (expenses), net | 0.2               | (0.6 )      | (0.5 )      | (0.3 )      | (1.4 )      |
| Operating income <sup>1</sup>          | 67.7              | 53.5        | 34.9        | 102.6       | 103.3       |
| EBITDA                                 | 98.2              | 80.2        | 64.3        | 162.5       | 154.7       |
| Depreciation and amortization          | 30.5              | 26.7        | 29.4        | 59.9        | 51.4        |
| <b>RATIOS</b>                          |                   |             |             |             |             |
| Gross margin (R\$/ton)                 | 887               | 860         | 644         | 765         | 847         |

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|                                         |     |     |     |     |     |
|-----------------------------------------|-----|-----|-----|-----|-----|
| Operating margin <sup>1</sup> (R\$/ton) | 365 | 350 | 187 | 276 | 334 |
| EBITDA margin (R\$/ton)                 | 530 | 525 | 345 | 437 | 501 |

<sup>1</sup> Before income from sale of assets

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ULTRACARGO  
CONSOLIDATED INVESTED CAPITAL  
In millions of Reais - IFRS

|                                               | QUARTERS ENDED<br>IN |              |              |
|-----------------------------------------------|----------------------|--------------|--------------|
|                                               | JUN<br>2012          | JUN<br>2011  | MAR<br>2012  |
| <b>OPERATING ASSETS</b>                       |                      |              |              |
| Trade accounts receivable                     | 20.9                 | 20.7         | 17.5         |
| Inventories                                   | 2.0                  | 1.4          | 1.8          |
| Taxes                                         | 7.3                  | 6.9          | 7.0          |
| Other                                         | 11.2                 | 14.4         | 12.2         |
| Property, plant and equipment and intangibles | 810.6                | 700.8        | 781.7        |
| <b>TOTAL OPERATING ASSETS</b>                 | <b>852.0</b>         | <b>744.3</b> | <b>820.2</b> |
| <b>OPERATING LIABILITIES</b>                  |                      |              |              |
| Suppliers                                     | 11.6                 | 14.0         | 14.5         |
| Payroll and related charges                   | 12.9                 | 14.2         | 20.2         |
| Taxes                                         | 4.5                  | 4.2          | 3.8          |
| Provision for contingencies                   | 10.0                 | 13.1         | 12.8         |
| Other accounts payable <sup>1</sup>           | 42.2                 | 39.8         | 45.6         |
| <b>TOTAL OPERATING LIABILITIES</b>            | <b>81.3</b>          | <b>85.3</b>  | <b>97.1</b>  |

<sup>1</sup> Includes the long term obligations with clients account

ULTRACARGO  
CONSOLIDATED INCOME STATEMENT  
In millions of Reais - IFRS

|                                        | QUARTERS ENDED IN |             |             | ACCUMULATED |             |   |
|----------------------------------------|-------------------|-------------|-------------|-------------|-------------|---|
|                                        | JUN<br>2012       | JUN<br>2011 | MAR<br>2012 | JUN<br>2012 | JUN<br>2011 |   |
| Net sales                              | 74.0              | 67.9        | 69.3        | 143.3       | 129.9       |   |
| Cost of sales and services             | (29.7 )           | (28.7 )     | (28.3 )     | (58.0 )     | (55.1 )     |   |
| Gross profit                           | 44.3              | 39.2        | 41.1        | 85.3        | 74.8        |   |
| <b>Operating expenses</b>              |                   |             |             |             |             |   |
| Selling                                | (2.0 )            | (1.1 )      | (1.8 )      | (3.8 )      | (2.9 )      |   |
| General and administrative             | (15.1 )           | (15.7 )     | (15.2 )     | (30.3 )     | (29.3 )     |   |
| Other operating income (expenses), net | 1.1               | 1.0         | 0.6         | 1.6         | 2.3         |   |
| Operating income <sup>1</sup>          | 28.2              | 23.4        | 24.6        | 52.8        | 44.8        |   |
| EBITDA                                 | 36.5              | 30.6        | 32.7        | 69.1        | 59.0        |   |
| Depreciation and amortization          | 8.3               | 7.1         | 8.0         | 16.3        | 14.2        |   |
| <b>RATIOS</b>                          |                   |             |             |             |             |   |
| Gross margin                           | 60                | % 58        | % 59        | % 60        | % 58        | % |

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|                               |    |   |    |   |    |   |    |   |    |   |
|-------------------------------|----|---|----|---|----|---|----|---|----|---|
| Operating margin <sup>1</sup> | 38 | % | 34 | % | 36 | % | 37 | % | 35 | % |
| EBITDA margin                 | 49 | % | 45 | % | 47 | % | 48 | % | 45 | % |

<sup>1</sup> Before income from sale of assets

## ULTRAPAR

## CONSOLIDATED INCOME STATEMENT

In millions of US dollars except where otherwise mentioned - IFRS

|                                 | QUARTERS ENDED IN |             |             | ACCUMULATED |             |
|---------------------------------|-------------------|-------------|-------------|-------------|-------------|
|                                 | JUN<br>2012       | JUN<br>2011 | MAR<br>2012 | JUN<br>2012 | JUN<br>2011 |
| Net sales                       |                   |             |             |             |             |
| Ultrapar                        | 6,645.9           | 7,637.9     | 7,015.2     | 13,641.7    | 14,093.5    |
| Ultragaz                        | 495.4             | 592.5       | 520.7       | 1,014.8     | 1,110.6     |
| Ipiranga                        | 5,743.1           | 6,644.2     | 6,088.8     | 11,813.8    | 12,219.0    |
| Oxiteno                         | 368.9             | 359.7       | 365.8       | 734.9       | 687.9       |
| Ultracargo                      | 37.7              | 42.6        | 39.2        | 76.8        | 79.6        |
| EBITDA                          |                   |             |             |             |             |
| Ultrapar                        | 294.9             | 315.1       | 283.7       | 579.2       | 594.6       |
| Ultragaz                        | 32.9              | 49.5        | 34.9        | 67.7        | 92.9        |
| Ipiranga                        | 190.8             | 193.1       | 190.5       | 381.3       | 364.5       |
| Oxiteno                         | 50.0              | 50.3        | 36.4        | 87.1        | 94.8        |
| Ultracargo                      | 18.6              | 19.1        | 18.5        | 37.0        | 36.2        |
| Operating income                |                   |             |             |             |             |
| Ultrapar                        | 208.2             | 228.1       | 191.2       | 400.3       | 427.8       |
| Ultragaz <sup>1</sup>           | 16.1              | 31.5        | 16.5        | 32.6        | 58.5        |
| Ipiranga <sup>1</sup>           | 143.3             | 144.8       | 140.1       | 283.6       | 271.6       |
| Oxiteno <sup>1</sup>            | 34.5              | 33.5        | 19.8        | 55.0        | 63.3        |
| Ultracargo <sup>1</sup>         | 14.4              | 14.7        | 13.9        | 28.3        | 27.5        |
| EBITDA margin                   |                   |             |             |             |             |
| Ultrapar                        | 4                 | % 4         | % 4         | % 4         | % 4         |
| Ultragaz                        | 7                 | % 8         | % 7         | % 7         | % 8         |
| Ipiranga                        | 3                 | % 3         | % 3         | % 3         | % 3         |
| Oxiteno                         | 14                | % 14        | % 10        | % 12        | % 14        |
| Ultracargo                      | 49                | % 45        | % 47        | % 48        | % 45        |
| EBITDA margin / volume          |                   |             |             |             |             |
| Ultragaz (US\$/ton)             | 77                | 119         | 86          | 82          | 116         |
| Ipiranga (US\$/m <sup>3</sup> ) | 33                | 36          | 35          | 34          | 35          |
| Oxiteno (US\$/ton)              | 270               | 329         | 195         | 234         | 307         |
| Net income                      |                   |             |             |             |             |
| Ultrapar                        | 119.2             | 134.6       | 108.3       | 228.0       | 250.6       |
| Net income / share (US\$)       | 0.22              | 0.25        | 0.20        | 0.42        | 0.46        |

1 Before income from sale of assets

ULTRAPAR PARTICIPAÇÕES S/A  
LOANS

In millions of Reais - Accounting practices adopted in Brazil

| LOANS                                        | Balance in June/2012 |         |            |          |       | Ultrapar<br>Parent<br>Company<br>/ Ultrapar<br>Consolidated | Index/<br>Currency | Weighted<br>average<br>interest<br>rate (%<br>p.y.) <sup>1</sup> | Maturity      |
|----------------------------------------------|----------------------|---------|------------|----------|-------|-------------------------------------------------------------|--------------------|------------------------------------------------------------------|---------------|
|                                              | Ultragaz             | Oxiteno | Ultracargo | Ipiranga | Other |                                                             |                    |                                                                  |               |
| Foreign Currency                             |                      |         |            |          |       |                                                             |                    |                                                                  |               |
| Notes                                        | 502.9                | -       | -          | -        | -     | 502.9                                                       | US\$               | 7.2                                                              | 2015          |
| Advances on<br>foreign exchange<br>contracts | -                    | 121.4   | -          | -        | -     | 121.4                                                       | US\$               | 2.2                                                              | < 356<br>days |
| Foreign loan                                 | -                    | 120.7   | -          | -        | -     | 120.7                                                       | US\$ + LIBOR       | 1.0                                                              | 2014          |
| BNDES                                        | 24.1                 | 36.5    | 0.1        | 10.2     |       |                                                             |                    |                                                                  |               |