ULTRAPAR HOLDINGS INC
Form 6-K
August 10, 2017

Form 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report Of Foreign Private Issuer

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

The Securities Exchange Act Of 1934

For the month of August, 2017

Commission File Number: 001-14950

ULTRAPAR HOLDINGS INC.

(Translation of Registrant s Name into English)

Avenida Brigadeiro Luis Antonio, 1343, 9º Andar

São Paulo, SP, Brazil 01317-910

(Address of Principal Executive Offices)

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

Form 20-F ___X___ Form 40-F _______

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

Yes _______ No ___X___

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

Yes ______________ No ______X______

ULTRAPAR HOLDINGS INC.

TABLE OF CONTENTS

(Convenience Translation into English from

the Original Previously Issued in Portuguese)

Ultrapar Participações S.A.

Individual and Consolidated

Interim Financial Information

for the Six-Month Period

Ended June 30, 2017 and

Report on Review of Interim

Financial Information

KPMG Auditores Independentes

Ultrapar Participações S.A. and Subsidiaries

Individual and Consolidated

Interim Financial Information

for the Six-Month Period Ended June 30, 2017

Table of Contents

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

Report on the review of quarterly information ITR

To the Shareholders, 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. (Company), comprised in the Quarterly Financial Information ITR Form for the quarter ended June 30, 2017, which comprise the balance sheet as of June 30, 2017 and related statements of income, comprehensive income for the three and six-month period then ended and changes in shareholders equity and cash flows for the six-month period then ended, including the explanatory notes.

The Company s Management is responsible for the preparation of the interim financial information in accordance with Technical Pronouncement CPC 21(R1) Interim Financial Information and with International Standard IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board IASB, such as for the presentation of these information in a manner consistent with the standards issued by the Brazilian Securities Commission, applicable to the preparation of the Quarterly Financial Information ITR. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of the review

Our review was carried out in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 the auditing standards 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 the interim financial information

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

Other matters

Interim statements of value added

The individual and consolidated statements of value added for the six-month period ended June 30, 2017, prepared under the responsibility of the Company s management, and presented as supplementary information for the purposes of IAS 34, were submitted to the same review procedures followed together with the review of the Company s interim financial information. In order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added are not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Corresponding amounts

The corresponding amounts for the balance sheets, individual and consolidated, as of December 31, 2016 were previously audited by other auditors who issued an unqualified opinion dated February 22, 2017. The corresponding amounts for the individual and consolidated statements of income, comprehensive income for the three and six-month, changes in shareholders equity and cash flows for the six-month period ended June 30, 2016 were previously reviewed by other independent auditors who issued an unqualified conclusion dated August 10, 2016. The corresponding amounts for the statements of value added (DVA), both individual and consolidated, for the six-month period ended June 30, 2016, were submitted to the same review procedures by those independent auditors and, based on its review, those auditors issued an unqualified conclusion that nothing has come to their attention of any facts that would lead them to believe that the DVA was not prepared, in all material respects, consistently with the individual and consolidated Quarterly Financial Information taken as whole.

São Paulo, August 9, 2017

KPMG Auditores Independentes

CRC 2SP014428/O-6

Original report in Portuguese signed by

Wagner Bottino

Accountant CRC 1SP196907/O-7

Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of June 30, 2017 and December 31, 2016

(In thousands of Brazilian Reais)

		Parent		Consolidated	
Assets	**Note**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Current assets					
Cash and cash equivalents	4	52,550	127,944	4,589,358	4,274,158
Financial investments	4	66,356	1,052	1,535,026	1,412,587
Trade receivables, net	5			3,380,817	3,502,322
Inventories, net	6			2,588,119	2,761,207
Recoverable taxes, net	7	27,469	37,620	554,919	541,772
Dividends receivable		14,358	354,150	14,358	8,616
Other receivables		1,830	3,884	90,756	20,573
Trade receivables insurer s indemnification	33				366,678
Prepaid expenses, net	10	174	98	153,427	123,883
Total current assets		162,737	524,748	12,906,780	13,011,796
Non-current assets					
Financial investments	4			17,886	15,104
Trade receivables, net	5			252,295	227,085
Related parties	8.a	774,959	772,425	490	490
Deferred income and social contribution taxes	9.a	30,784	22,462	411,481	417,344
Recoverable taxes, net	7	50,859	35,010	258,405	182,617
Escrow deposits	20.a	148	148	801,893	778,770
Other receivables				1,405	2,678
Prepaid expenses, net	10			297,952	222,518
Total long term assets		856,750	830,045	2,041,807	1,846,606
Investments					
In subsidiaries	11.a	8,693,927	8,190,100		
In joint-ventures	11.a; 11.b	47,103	45,409	109,768	116,142
In associates	11.c			23,879	22,731
Other				2,792	2,814
Property, plant, and equipment, net	12			5,997,612	5,787,982
Intangible assets, net	13	246,163	246,163	3,456,046	3,371,599
		8,987,193	8,481,672	9,590,097	9,301,268
Total non-current assets		9,843,943	9,311,717	11,631,904	11,147,874
Total assets		10,006,680	9,836,465	24,538,684	24,159,670

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

Ultrapar Participações S.A. and Subsidiaries

Balance Sheets

as of June 30, 2017 and December 31, 2016

(In thousands of Brazilian Reais)

		Parent		Consolidated	
Liabilities	**Note**	**06/30/2017**	**12/31/2016**	**06/30/2017**	**12/31/2016**
Current liabilities					
Loans	14			1,641,172	1,821,398
Debentures	14.g	826,266	32,479	1,447,935	651,591
Finance leases	14.i			2,668	2,615
Trade payables	15	121	330	1,165,424	1,709,653
Salaries and related charges	16	243	204	325,261	362,718
Taxes payable	17	592	726	162,395	171,033
Dividends payable	23.g	11,562	316,848	13,223	320,883
Income and social contribution taxes payable				45,267	139,981
Post-employment benefits	18.b			23,211	24,940
Provision for asset retirement obligation	19			4,831	4,563
Provision for tax, civil, and labor risks	20.a			50,472	52,694
Trade payables customers indemnification	33			96,401	99,863
Other payables		2,359	2,359	140,808	102,714
Deferred revenue	21			21,277	22,300
Total current liabilities		841,143	352,946	5,140,345	5,486,946
Non-current liabilities					
Loans	14			6,928,146	6,800,135
Debentures	14.g		799,904	2,291,391	2,095,290
Finance leases	14.i			47,090	46,101
Related parties	8.a	1,137	679	4,264	4,272
Deferred income and social contribution taxes	9.a			3,676	7,645
Post-employment benefits	18.b			127,362	119,811
Provision for asset retirement obligation	19			73,575	73,001
Provision for tax, civil, and labor risks	20.a	1,295	1,884	648,170	727,088
Deferred revenue	21			12,855	12,510
Subscription warrants indemnification	22	177,479	153,429	177,479	153,429
Other payables				72,005	74,884
Total non-current liabilities		179,911	955,896	10,386,013	10,114,166
Shareholders equity					
Share capital	23.a; 23.e	5,171,752	3,838,686	5,171,752	3,838,686
Capital reserve	23.c	555,152	552,038	555,152	552,038

Treasury shares	23.b	(480,194)	(483,879)	(480,194)	(483,879)
Revaluation reserve on subsidiaries	23.d	5,054	5,339	5,054	5,339
Profit reserves	23.e	3,133,326	4,466,392	3,133,326	4,466,392
Additional dividends to the minimum mandatory dividends	23.g		165,515		165,515
Retained earnings		614,480		614,480	
Valuation adjustments	2.c; 2.o; 23.f	(25,407)	(23,987)	(25,407)	(23,987)
Cumulative translation adjustments	2.c; 2.r; 23.f	11,463	7,519	11,463	7,519
Shareholders equity attributable to:					
Shareholders of the Company		8,985,626	8,527,623	8,985,626	8,527,623
Non-controlling interests in subsidiaries				26,700	30,935
Total shareholders equity		8,985,626	8,527,623	9,012,326	8,558,558
Total liabilities and shareholders equity		10,006,680	9,836,465	24,538,684	24,159,670

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

Ultrapar Participações S.A. and Subsidiaries

Income Statements

For the six-month period ended June 30, 2017 and 2016

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

		Parent		Consolidated	
	Note	01/01/2017 to 06/30/2017	01/01/2016 to 06/30/2016	01/01/2017 to 06/30/2017	01/01/2016 to 06/30/2016
Net revenue from sales and services	24			37,900,928	38,822,521
Cost of products and services sold	25			(34,631,410)	(35,410,967)
Gross profit				3,269,518	3,411,554
Operating income (expenses)					
Selling and marketing	25			(1,424,447)	(1,290,071)
General and administrative	25			(751,820)	(678,129)
Gain (loss) on disposal of property, plant and equipment and intangibles	26			(150)	(2,008)
Other operating income, net	27		2	62,911	75,602
Operating income before financial income (expenses) and share of profit of subsidiaries, joint ventures and associates			2	1,156,012	1,516,948
Financial income	28	55,416	73,387	301,299	220,927
Financial expenses	28	(76,367)	(107,568)	(535,319)	(659,843)
Share of profit of subsidiaries, joint ventures and associates	11	629,086	772,405	12,087	3,041
Income before income and social contribution taxes		608,135	738,226	934,079	1,081,073
Income and social contribution taxes					
Current	9.b; 9c	(2,187)	(4,412)	(308,416)	(402,726)
Deferred	9.b	8,322	15,564	(8,149)	76,623
		6,135	11,152	(316,565)	(326,103)
Net income for the period		614,270	749,378	617,514	754,970
Net income for the period attributable to:					
Shareholders of the Company		614,270	749,378	614,270	749,378
Non-controlling interests in subsidiaries				3,244	5,592
Earnings per share (based on weighted average number of shares outstanding) R$					

Basic	29	1.1338	1.3843	1.1338	1.3843
Diluted	29	1.1255	1.3741	1.1255	1.3741

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

Ultrapar Participações S.A. and Subsidiaries

Income Statements

For the three-month period ended June 30, 2017 and 2016

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

		Parent		Consolidated	
	Note	04/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016	04/01/2017 to 06/30/2017	04/01/2016 to 06/30/2016
Net revenue from sales and services	24			19,173,040	19,298,198
Cost of products and services sold	25			(17,590,559)	(17,604,887)
Gross profit				1,582,481	1,693,311
Operating income (expenses)					
Selling and marketing	25			(721,108)	(648,869)
General and administrative	25			(389,242)	(356,309)
Gain (loss) on disposal of property, plant and equipment and intangibles	26			6,203	(2,083)
Other operating income, net	27	(1)	5	6,576	40,176
Operating income before financial income (expenses) and share of profit of subsidiaries, joint ventures and associates		(1)	5	484,910	726,226
Financial income	28	24,662	32,430	136,938	105,798
Financial expenses	28	(39,402)	(49,084)	(249,783)	(328,258)
Share of profit of subsidiaries, joint ventures and associates	11	256,797	375,567	5,659	6,308
Income before income and social contribution taxes		242,056	358,918	377,724	510,074
Income and social contribution taxes					
Current	9.b; 9c	(1,066)	(987)	(118,226)	(197,488)
Deferred	9.b	5,110	6,229	(12,322)	54,531
		4,044	5,242	(130,548)	(142,957)
Net income for the period		246,100	364,160	247,176	367,117
Net income for the period attributable to:					
Shareholders of the Company		246,100	364,160	246,100	364,160
Non-controlling interests in subsidiaries				1,076	2,957
Earnings per share (based on weighted average number of shares outstanding) R$					

Basic	29	0.4542	0.6727	0.4542	0.6727
Diluted	29	0.4509	0.6676	0.4509	0.6676

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Comprehensive Income

For the six-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	01/01/2017 to 06/30/2017	01/01/2016 to 06/30/2016	01/01/2017 to 06/30/2017	01/01/2016 to 06/30/2016
Net income for the period attributable to shareholders of the Company		614,270	749,378	614,270	749,378
Net income for the period attributable to non-controlling interests in subsidiaries				3,244	5,592
Net income for the period		614,270	749,378	617,514	754,970
Items that are subsequently reclassified to profit or loss:					
Fair value adjustments of financial instruments, net	2.c; 23.f	(1,396)	(97,697)	(1,396)	(97,697)
Cumulative translation adjustments, net of hedge of net investments in foreign operations and income and social contribution taxes	2.c; 2.r; 23.f	3,944	(76,175)	3,944	(76,175)
Items that are not subsequently reclassified to profit or loss:					
Actuarial gains (losses) of post-employment benefits, net	2.o; 23.f	(24)	2,856	(24)	2,856
Total comprehensive income for the period		616,794	578,362	620,038	583,954
Total comprehensive income for the period attributable to shareholders of the Company		616,794	578,362	616,794	578,362
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries				3,244	5,592

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Comprehensive Income

For the three-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais)

		Parent		**Consolidated**	
	Note	**04/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**	**04/01/2017 to 06/30/2017**	**04/01/2016 to 06/30/2016**
Net income for the period attributable to shareholders of the Company		246,100	364,160	246,100	364,160
Net income for the period attributable to non-controlling interests in subsidiaries				1,076	2,957
Net income for the period		246,100	364,160	247,176	367,117
Items that are subsequently reclassified to profit or loss:					
Fair value adjustments of financial instruments, net	2.c; 23.f	(50,352)	(20,369)	(50,352)	(20,369)
Cumulative translation adjustments, net of hedge of net investments in foreign operations and income and social contribution taxes	2.c; 2.r; 23.f	2,622	(39,187)	2,622	(39,187)
Items that are not subsequently reclassified to profit or loss:					
Actuarial gains (losses) of post-employment benefits, net	2.o; 23.f				
Total comprehensive income for the period		198,370	304,604	199,446	307,561
Total comprehensive income for the period attributable to shareholders of the Company		198,370	304,604	198,370	304,604
Total comprehensive income for the period attributable to non-controlling interest in subsidiaries				1,076	2,957

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the six-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais)

			Profit reserve			Cumulative other comprehensive income					Shar att
Share capital	**Capital reserve**	**Revaluation reserve on subsidiaries**	**Legal reserve**	**Investments statutory reserve**	**Retention of profits**	**Valuation adjustments**	**Cumulative translation adjustments**	**Retained earnings**	**Treasury shares**	**Additional dividends to the minimum mandatory dividends**	**Sharel of Com**
3,838,686	**552,038**	**5,339**	**550,428**	**2,582,898**	**1,333,066**	**(23,987)**	**7,519**		**(483,879)**	**165,515**	**8,52**
								614,270			61
						(1,396)					(
						(24)					
							3,944				
						(1,420)	3,944	614,270			61
1,333,066					(1,333,066)						

	3,114								3,685		
		(285)						285			
								(75)			
										(165,515)	(16
5,171,752	**555,152**	**5,054**	**550,428**	**2,582,898**		**(25,407)**	**11,463**	**614,480**	**(480,194)**		**8,98**

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Changes in Equity

For the six-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais)

			Profit reserve			Cumulative other comprehensive income					Share att
Share capital	**Capital reserve**	**Revaluation reserve on subsidiaries**	**Legal reserve**	**Investments statutory reserve**	**Retention of profits**	**Valuation adjustments**	**Cumulative translation adjustments**	**Retained earnings**	**Treasury shares**	**Additional dividends to the minimum mandatory dividends**	**Sharel of Com**
3,838,686	**546,607**	**5,590**	**472,350**	**1,996,583**	**1,333,066**	**18,953**	**66,925**		**(490,881)**	**157,162**	**7,94**
								749,378			74
						(97,697)					(9
						2,856					
							(76,175)				(7
						(94,841)	(76,175)	749,378			57
	5,431								7,002		1
		(126)						126			

								(21)			
										(157,162)	(15
3,838,686	**552,038**	**5,464**	**472,350**	**1,996,583**	**1,333,066**	**(75,888)**	**(9,250)**	**749,483**	**(483,879)**		**8,37**

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Cash Flows Indirect Method

For the six-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Cash flows from operating activities					
Net income for the period		614,270	749,378	617,514	754,970
Adjustments to reconcile net income to cash provided by operating activities					
Share of loss (profit) of subsidiaries, joint ventures and associates	11	(629,086)	(772,405)	(12,087)	(3,041)
Depreciation and amortization	12; 13			589,216	545,363
PIS and COFINS credits on depreciation	12; 13			6,510	6,215
Asset retirement obligation	19			(1,329)	(1,425)
Interest, monetary, and foreign exchange rate variations		73,511	103,400	397,423	159,770
Deferred income and social contribution taxes	9.b	(8,322)	(15,564)	8,149	(76,623)
(Gain) loss on disposal of property, plant and equipment and intangibles	26			150	2,008
Other provisions and adjustments		2		145	443
Dividends received from subsidiaries and joint-ventures		465,804	475,949	15,333	6,645
(Increase) decrease in current assets					
Trade receivables	5			126,254	19,841
Inventories	6			177,473	63,415
Recoverable taxes	7	10,151	(1,044)	(13,147)	130,505
Other receivables		2,054	3,994	296,486	(94,508)
Prepaid expenses	10	(76)	67	(26,430)	(31,670)
Increase (decrease) in current liabilities					
Trade payables	15	(209)	(2,577)	(544,229)	(441,739)
Salaries and related charges	16	39	1	(37,457)	(101,861)
Taxes payable	17	(134)	(250)	(8,638)	(6,104)
Income and social contribution taxes			66	271,360	216,520
Post-employment benefits	18.b			(1,729)	
Provision for tax, civil, and labor risks	20.a			(2,222)	6,903
Other payables			(1,261)	34,632	(88,032)
Deferred revenue	21			(1,023)	(2,500)
(Increase) decrease in non-current assets					
Trade receivables	5			(25,210)	(36,327)
Recoverable taxes	7	(15,849)	(8,774)	(75,788)	(13,076)
Escrow deposits				(23,123)	(17,757)
Other receivables				1,273	2,182

Prepaid expenses	10			(71,749)	(901)
Increase (decrease) in non-current liabilities					
Post-employment benefits	18.b			7,527	3,223
Provision for tax, civil, and labor risks	20.a	(589)	10	(78,918)	15,608
Other payables				(2,879)	(2,490)
Deferred revenue	21			345	(402)
Income and social contribution taxes paid			(301)	(366,074)	(322,274)
Net cash provided by operating activities		511,566	530,689	1,257,758	692,881

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Cash Flows Indirect Method

For the six-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais)

		Parent		Consolidated	
	Note	06/30/2017	06/30/2016	06/30/2017	06/30/2016
Cash flows from investing activities					
Financial investments, net of redemptions		(65,304)	(13,265)	(124,153)	350,060
Acquisition of property, plant, and equipment	12			(513,808)	(409,923)
Acquisition of intangible assets	13			(379,487)	(226,034)
Capital increase in joint ventures	11.b				(25,781)
Proceeds from disposal of property, plant and equipment and intangibles	26			32,899	13,346
Net cash used in investing activities		(65,304)	(13,265)	(984,549)	(298,332)
Cash flows from financing activities					
Loans and debentures					
Proceeds	14			1,697,757	948,388
Repayments	14			(796,114)	(411,219)
Interest paid	14	(55,578)	(58,369)	(410,442)	(669,901)
Payments of financial lease	14.i			(2,612)	(2,429)
Dividends paid		(470,801)	(432,750)	(480,477)	(441,085)
Sale of treasury shares	23.b	6,799	12,433		
Related parties	8.a	(2,076)	9,210		
Net cash provided by (used in) financing activities		(521,656)	(469,476)	8,112	(576,246)
Effect of exchange rate changes on cash and cash equivalents in foreign currency				33,879	(18,040)
Increase (decrease) in cash and cash equivalents		(75,394)	47,948	315,200	(199,737)
Cash and cash equivalents at the beginning of the period	4	127,944	48,061	4,274,158	2,702,893
Cash and cash equivalents at the end of the period	4	52,550	96,009	4,589,358	2,503,156

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

Ultrapar Participações S.A. and Subsidiaries

Statements of Value Added

For the six-month period ended June 30, 2017 and 2016

(In thousands of Brazilian Reais, except percentages)

		Parent				Consolidated			
	Note	**06/30/2017**	**%**	**06/30/2016**	**%**	**06/30/2017**	**%**	**06/30/2016**	**%**
Revenue									
Gross revenue from sales and services, except rents and royalties	24					39,159,509		39,980,384	
Rebates, discounts, and returns	24					(461,002)		(259,028)	
Allowance for doubtful accounts Allowance						(35,226)		(20,203)	
Gain (loss) on disposal of property, plant and equipment and intangibles and other operating income, net	26; 27					62,761		73,594	
						38,726,042		39,774,747	
Materials purchased from third parties									
Raw materials used						(2,421,112)		(2,163,186)	
Cost of goods, products, and services sold						(32,045,917)		(33,176,692)	
Third-party materials, energy, services, and others		(7,745)		(5,671)		(1,161,441)		(1,073,556)	
Reversal of impairment losses		11,291		8,773		(7,688)		(4,685)	
		3,546		3,102		(35,636,158)		(36,418,119)	
Gross value added		3,546		3,102		3,089,884		3,356,628	
Deductions									
Depreciation and amortization	12;13					(589,216)		(545,363)	
PIS and COFINS credits on depreciation	12;13					(6,510)		(6,215)	
						(595,726)		(551,578)	

Net value added by the Company		3,546		3,102		2,494,158		2,805,050	
Value added received in transfer									
Share of profit (loss) of subsidiaries, joint-ventures, and associates	11	629,086		772,405		12,087		3,041	
Rents and royalties	24					67,255		60,591	
Financial income	28	55,416		73,387		301,299		220,927	
		684,502		845,792		380,641		284,559	
Total value added available for distribution		688,048		848,894		2,874,799		3,089,609	
Distribution of value added									
Labor and benefits		2,968		2,583		936,860	33	859,603	28
Taxes, fees, and contributions		(4,971)	(1)	(7,555)	(1)	666,988	23	763,781	25
Financial expenses and rents		75,781	12	104,488	12	653,437	23	711,255	23
Retained earnings		614,270	89	749,378	89	617,514	21	754,970	24
Value added distributed		688,048	100	848,894	100	2,874,799	100	3,089,609	100

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

1. Operations

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

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

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

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

All relevant specific information of the interim financial information, and only this information, is being presented and correspond to that used by the Company s and its subsidiaries Management.

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

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

a. *Recognition of Income*

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

Revenue from sales of fuels and lubricants is recognized when the products are delivered to gas stations and to large consumers. Revenue from sales of LPG is recognized when the products are delivered to customers at home, to independent dealers and to industrial and commercial customers. Revenue from sales of pharmaceuticals is recognized when the products are delivered to end user customers in own drugstores and when the products are delivered to independent resellers. Revenue from sales of chemical products is recognized when the products are delivered to industrial customers, depending of the freight mode of delivery. The revenue provided from storage services is recognized as services are performed. Costs of products sold and services provided include goods (mainly fuels, lubricants, LPG, and pharmaceutical products), raw materials (chemicals and petrochemicals) and production, distribution, storage, and filling costs.

b. Cash and Cash Equivalents

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Financial Assets

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

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

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

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

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

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

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

d. Trade Receivables

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

e. Inventories

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

f. Investments

Investments in subsidiaries are accounted for under the equity method of accounting in the individual interim financial information of the parent company (see Notes 3.b and 11).

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

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

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Property, Plant, and Equipment

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

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

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

h. Leases

Finance Leases

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

Operating Leases

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

i. Intangible Assets

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

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

Bonus disbursements as provided in Ipiranga s agreements with reseller service stations and major consumers are recognized as distribution rights when paid and amortized using the straight-line method according to the term of the agreement (see Note 13.v).

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

j. Other Assets

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

k. Financial Liabilities

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

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

l. Income and Social Contribution Taxes on Income

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

For purposes of disclosure, deferred tax assets were offset against the deferred tax liability, income tax and social contribution, in the same taxable entity and the same taxation authority.

m. Provision for Asset Retirement Obligation Fuel Tanks

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

n. Provisions for Tax, Civil, and Labor Risks

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

o. Post-Employment Benefits

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

p. Other Liabilities

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

q. Foreign Currency Transactions

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

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

Assets and liabilities of the foreign subsidiaries, denominated in currencies other than that of the Company (functional currency: Brazilian Real), which have administrative autonomy, are translated using the exchange rate at the end of the reporting period. Revenues and expenses are translated using the average exchange rate of each period and shareholders equity is translated at the historic exchange rate of each transaction affecting shareholders equity. Gains and losses resulting from changes in these foreign investments are directly recognized in shareholders equity in cumulative other comprehensive income in the cumulative translation adjustments and will be recognized in profit or loss if these investments are disposed of. The balance in cumulative other comprehensive income and presented in the shareholders equity as cumulative translation adjustments as of June 30, 2017 was a gain of R$ 11,463 (gain of R$ 7,519 as of December 31, 2016) see Note 23.f Cumulative Translation Adjustments.

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

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

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

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

On May 19, 2017, the Venezuelan Central Bank issued Foreign Exchange Regulation No. 38, altering the Venezuelan foreign exchange markets and regulating the legally recognized types of exchange rates:

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

b) DICOM *Tipo de Cambio Complementario Flotante de Mercado Supplemental* (Floating Market Exchange): Bolivar is traded at the variable exchange rate of 2,640.00 VEF/US$ for sale and 2,633.40 VEF/US$ for purchase on June 30, 2017. This rate is applied to all unforeseen currency settlement transactions not expressly set forth in the Foreign Exchange Regulation, which transactions are processed through alternative currency markets.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Due to the political and economic situation in Venezuela, the Company s management uses the DICOM exchange rate in the translation.

Assets and liabilities of the other foreign subsidiaries, which do not have administrative autonomy, are considered an extension of the activities of their parent company and are translated using the exchange rate at the end of the reporting period. Gains and losses resulting from changes in these foreign investments are directly recognized as financial income or loss. The gain recognized in income for the six-month period ended June 30, 2017 amounted to R$ 3,455 (R$ 5,170 gain for the six-month period ended June 30, 2016).

s. Use of Estimates, Assumptions and Judgments

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

t. Impairment of Assets

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

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

u. Adjustment to Present Value

The Company and its subsidiaries reviewed all items classified as non-current and, when relevant, current assets and liabilities. No recognition of present value adjustments that would have relevant effects were identified.

v. Business Combination

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

w. Statements of Value Added

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

x. Statements of Cash Flows

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

y. Adoption of the Pronouncements Issued by CPC and IFRS

The following standards, amendments, and interpretations to IFRS were issued by the IASB but are not yet effective and were not adopted as of June 30, 2017:

	Equivalent CPC	Effective date
IAS 7 Disclosure Initiative Amendments to IAS 7: clarifications made by the IASB related to liabilities arising from financing activities.	03 (R2)	2017
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses Amendments to IAS 12: clarifications made by the IASB on the recognition of deferred tax assets on unrealised losses.	32	2017
IFRS 9 Financial instrument classification and measurement: includes new requirements for the classification and measurement of financial assets and liabilities, derecognition requirements, new impairment methodology for financial instruments, and new hedge accounting guidance.	48	2018
IFRS 15 Revenue from contracts with customers: establish the principles of nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with a customer.	47	2018
IFRS 16 Lease: requires lessees record, in the financial statements, a liability reflecting future payments of a lease and the right to use an asset for the lease contracts, except for certain short-term leases and low asset value contracts. The criteria for recognition and measurement of leases in the financial statements of lessors are substantially maintained.	*	2019

(*) CPC has not yet issued pronouncements equivalent to this IFRS, but is expected to do so before the date it becomes effective. The adoption of IFRS is subject to prior approval by the CVM.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

The Company is assessing the potential effects of these standards.

z. Authorization for Issuance of the Interim Financial Information

These interim financial information were authorized for issue by the Board of Directors on August 9, 2017.

3. Principles of Consolidation, Investments in Subsidiaries and Acquisition Under Approval

a) Principles of Consolidation

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b) Investments in Subsidiaries

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

			% interest in the share			
			06/30/2017		12/31/2016	
			Control		Control	
	Location	Segment	Direct control	Indirect control	Direct control	Indirect control
Ipiranga Produtos de Petróleo S.A.	Brazil	Ipiranga	100		100	
am/pm Comestíveis Ltda.	Brazil	Ipiranga		100		100
Centro de Conveniências Millennium Ltda.	Brazil	Ipiranga		100		100
Icorban Correspondente Bancário Ltda.	Brazil	Ipiranga		100		100
Ipiranga Trading Limited	Virgin Islands	Ipiranga		100		100
Tropical Transportes Ipiranga Ltda.	Brazil	Ipiranga		100		100
Ipiranga Imobiliária Ltda.	Brazil	Ipiranga		100		100
Ipiranga Logística Ltda.	Brazil	Ipiranga		100		100
Oil Trading Importadora e Exportadora Ltda.	Brazil	Ipiranga		100		100
Ipiranga Lubrificantes S.A.	Brazil	Ipiranga		100		100
Companhia Ultragaz S.A.	Brazil	Ultragaz		99		99
Ultragaz Comercial Ltda. (1)	Brazil	Ultragaz		100		
Bahiana Distribuidora de Gás Ltda.	Brazil	Ultragaz		100		100
Utingás Armazenadora S.A.	Brazil	Ultragaz		57		57
LPG International Inc.	Cayman Islands	Ultragaz		100		100
Imaven Imóveis Ltda.	Brazil	Others		100		100
Imifarma Produtos Farmacêuticos e Cosméticos S.A.	Brazil	Extrafarma		100		100
Oxiteno S.A. Indústria e Comércio	Brazil	Oxiteno	100		100	
Oxiteno Nordeste S.A. Indústria e Comércio	Brazil	Oxiteno		99		99
Oxiteno Argentina Sociedad de Responsabilidad Ltda.	Argentina	Oxiteno		100		100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	Oxiteno		100		100
Oxiteno Uruguay S.A.	Uruguay	Oxiteno		100		100
Barrington S.L.	Spain	Oxiteno		100		100
Oxiteno México S.A. de C.V.	Mexico	Oxiteno		100		100

Oxiteno Servicios Corporativos S.A. de C.V.	Mexico	Oxiteno		100		100
Oxiteno Servicios Industriales S.A. de C.V.	Mexico	Oxiteno		100		100
Oxiteno USA LLC	United States	Oxiteno		100		100
Global Petroleum Products Trading Corp.	Virgin Islands	Oxiteno		100		100
Oxiteno Overseas Corp.(2)	Virgin Islands	Oxiteno				100
Oxiteno Andina, C.A.	Venezuela	Oxiteno		100		100
Oxiteno Europe SPRL	Belgium	Oxiteno		100		100
Oxiteno Colombia S.A.S	Colombia	Oxiteno		100		100
Oxiteno Shanghai LTD.	China	Oxiteno		100		100
Empresa Carioca de Produtos Químicos S.A.	Brazil	Oxiteno		100		100
Ultracargo Operações Logísticas e Participações Ltda.	Brazil	Ultracargo	100		100	
Terminal Químico de Aratu S.A. Tequimar	Brazil	Ultracargo		99		99
Ultrapar International S.A.	Luxembourg	Others	100		100	
SERMA Ass. dos usuários equip. proc. de dados	Brazil	Others		100		100

The percentages in the table above are rounded.

(1) In June 2017, Ultragaz Comercial Ltda. was formed, which may concentrate some activities currently executed by its quotaholders.

(2) In April 2017, in order to simplify the corporate structure, the Oxiteno Overseas Corp. was merged into Global Petroleum Products Trading Corporation (GPPTC).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c) Association in progress

On August 4, 2016, the Company through its subsidiary Ipiranga Produtos de Petróleo S.A. (IPP) entered into an association agreement with Chevron Brasil Lubrificantes Ltda. (Chevron) to create a new company in the lubricants market. Under this agreement, the association will be formed by Ipiranga s and Chevron s lubricants operations in Brazil. Ipiranga and Chevron will hold 56% and 44%, respectively, of the new company s capital. On February 9, 2017, this transaction was approved without restrictions through an opinion issued by the General Superintendence (SG) of the Brazilian Antitrust Authority (CADE). The decision of the SG was published in the Brazilian Federal Official Gazette on February 10, 2017. On March 2, 2017, CADE issued a certificate approving the decision published on February 10, 2017. The closing of the association is in progress and is subject to certain usual conditions precedent in transactions of similar nature.

d) Acquisitions Under Approval

On June 12, 2016, the Company through its subsidiary IPP entered into a sale and purchase agreement for the acquisition of 100% of Alesat Combustíveis S.A. (ALE) and the assets comprising its operations. The total transaction amount was R$ 2,168 million, which would be reduced by ALE s net debt as of December 31, 2015 and is subject to working capital and net debt adjustments on the closing date of the transaction. On August 3, 2016, the extraordinary general shareholders meeting of Ultrapar approved the transaction. The closing of the acquisition was subject to certain usual conditions precedent in transactions of similar nature, mainly the approval by CADE. On August 2, 2017, the Court of Appeals of CADE voted and decided to block the transaction (see Note 34.b).

On November 17, 2016, the Company through its subsidiary Companhia Ultragaz S.A. (Cia Ultragaz), entered into a sale and purchase agreement for the acquisition of 100% of the capital stock of Liquigás Distribuidora S.A (Liquigás). The total transaction amount is R$ 2,665 million and will be adjusted by the Interbank Certificate of Deposit (CDI), between the execution date and transaction closing date. The amount will still be subject to adjustments related to the variations in Liquigás working capital and net debt between December 31, 2015 and the closing date of the transaction. On January 23, 2017, the extraordinary general shareholders meeting of Ultrapar approved the transaction. The closing of the acquisition is subject to certain usual conditions precedent in transactions of similar nature, mainly the approval by CADE.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

4. Cash and Cash Equivalents and Financial Investments

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

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

The balance of cash, cash equivalents and financial investments (consolidated) amounted to R$ 6,142,270 as of June 30, 2017 (R$ 5,701,849 as of December 31, 2016) and are distributed as follows:

Cash and Cash Equivalents

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

	Parent		**Consolidated**	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Cash and bank deposits				
In local currency	146	84	46,526	47,177
In foreign currency			76,907	66,141
Financial investments considered cash equivalents				
In local currency				
Fixed-income securities	52,404	127,860	4,374,575	3,837,807
In foreign currency				
Fixed-income securities			91,350	323,033
Total cash and cash equivalents	52,550	127,944	4,589,358	4,274,158

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Financial Investments

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

	Parent		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Financial investments				
In local currency				
Fixed-income securities and funds	66,356	1,052	1,244,727	1,174,458
In foreign currency				
Fixed-income securities and funds			150,137	34,775
Currency and interest rate hedging instruments (a)			158,048	218,458
Total financial investments	66,356	1,052	1,552,912	1,427,691
Current	66,356	1,052	1,535,026	1,412,587
Non-current			17,886	15,104

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

5. Trade Receivables (Consolidated)

The composition of trade receivables is as follows:

	06/30/2017	12/31/2016
Domestic customers	3,150,414	3,315,783
Reseller financing Ipiranga	539,380	466,277
Foreign customers	210,534	180,679
(-) Allowance for doubtful accounts	(267,216)	(233,332)
Total	3,633,112	3,729,407
Current	3,380,817	3,502,322
Non-current	252,295	227,085

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

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

			Past due				
	Total	Current	less than 30 days	31-60 days	61-90 days	91-180 days	more than 180 days
06/30/2017	3,900,328	3,144,854	122,371	65,152	45,387	94,192	428,372
12/31/2016	3,962,739	3,326,934	167,790	44,152	23,738	60,150	339,975

Movements in the allowance for doubtful accounts are as follows:

Balance as of December 31, 2016	233,332
Additions	37,958
Write-offs	(4,074)
Balance as of June 30, 2017	267,216

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

6. Inventories (Consolidated)

The composition of inventories is as follows:

		06/30/2017			12/31/2016	
	Cost	Provision for losses	Net balance	Cost	Provision for losses	Net balance
Finished goods	416,728	(17,969)	398,759	425,335	(19,801)	405,534
Work in process	1,338		1,338	2,011		2,011
Raw materials	305,883	(1,801)	304,082	246,974	(1,147)	245,827
Liquefied petroleum gas (LPG)	65,823	(5,761)	60,062	71,466	(5,761)	65,705
Fuels, lubricants, and greases	1,244,302	(3,493)	1,240,809	1,317,042	(2,851)	1,314,191
Consumable materials and other items for resale	123,743	(7,468)	116,275	138,610	(7,619)	130,991
Pharmaceutical, hygiene, and beauty products	350,534	(9,574)	340,960	352,187	(9,985)	342,202
Advances to suppliers	99,959		99,959	228,871		228,871
Properties for resale	25,982	(107)	25,875	25,982	(107)	25,875
	2,634,292	(46,173)	2,588,119	2,808,478	(47,271)	2,761,207

Movements in the provision for losses are as follows:

Balance as of December 31, 2016	47,271
Reversal to net realizable value adjustment	(4,645)
Additions of obsolescence and other losses	3,547
Balance as of June 30, 2017	46,173

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

	06/30/2017	12/31/2016
Net realizable value adjustment	21,885	26,530

Obsolescence and other losses	24,288	20,741
Total	46,173	47,271

30

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

7. Recoverable Taxes

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

	Parent		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
IRPJ and CSLL	78,328	72,630	228,873	195,276
ICMS			505,387	459,255
Provision for ICMS losses (1)			(69,620)	(68,683)
PIS and COFINS			116,887	109,552
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico, Oxiteno Andina, Oxiteno Uruguay and Ultrapar International			21,716	22,121
Others			10,081	6,868
Total	78,328	72,630	813,324	724,389
Current	27,469	37,620	554,919	541,772
Non-current	50,859	35,010	258,405	182,617

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

Balance as of December 31, 2016	68,683
Write-offs, additions and reversals, net	937
Balance as of June 30, 2017	69,620

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

8. Related Parties

a. Related Parties

Parent Company

	Assets			Liabilities	
	Receivables[1]	Debentures[2]	Total	Account payable	Financial income[2]
Ipiranga Produtos de Petróleo S.A.		768,160	768,160		49,220
Companhia Ultragaz S.A.	6,799		6,799		
Imifarma Produtos Farmacêuticos e Cosméticos S.A.				1,137	
Total as of June 30, 2017	6,799	768,160	774,959	1,137	49,220

	Assets	Liabilities	
	Debentures[1]	Account payable	Financial income[2][3]
Ipiranga Produtos de Petróleo S.A.	772,425		67,790
Imifarma Produtos Farmacêuticos e Cosméticos S.A.		679	
Total as of December 31, 2016	772,425	679	
Total as of June 30, 2016			67,790

(1) Refers to the Deferred Stock Plan (see Note 8.c).

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Consolidated

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

	Loans		Commercial transactions	
	Assets	**Liabilities**	**Receivables[(1)]**	**Payables[(1)]**
Oxicap Indústria de Gases Ltda.				1,512
Química da Bahia Indústria e Comércio S.A.		2,946		
ConectCar Soluções de Mobilidade Eletrônica S.A.			4,112	874
Refinaria de Petróleo Riograndense S.A.				6,796
Others	490	1,318		
Total as of June 30, 2017	490	4,264	4,112	9,182

	Loans		Commercial transactions	
	Assets	**Liabilities**	**Receivables[(1)]**	**Payables[(1)]**
Oxicap Indústria de Gases Ltda.				1,534
Química da Bahia Indústria e Comércio S.A.		2,946		
ConectCar Soluções de Mobilidade Eletrônica S.A.			7,259	5,820
Refinaria de Petróleo Riograndense S.A.				18,186
Others	490	1,326		
Total as of December 31, 2016	490	4,272	7,259	25,540

(1) Included in trade receivables and trade payables, respectively.

Commercial transactions

	Sales and services	Purchases
Oxicap Indústria de Gases Ltda	3	8,681
Refinaria de Petróleo Riograndense S.A.		417,788
ConectCar Soluções de Mobilidade Eletrônica S.A.	1,099	771
Total as of June 30, 2017	1,102	427,240

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Purchase and sale transactions relate substantially to the purchase of raw materials, feedstock, transportation, and storage services based on similar market prices and terms with customers and suppliers with comparable operational performance. The above operations related to ConectCar Soluções de Mobilidade Eletrônica S.A. (ConectCar) refer to services provided. Borrowing agreements are for an indeterminate period and do not contain interest clauses. In the opinion of the Company and its subsidiaries management, transactions with related parties are not subject to credit risk, which is why no allowance for doubtful accounts or collateral is provided. Collateral provided by the Company in loans of subsidiaries and affiliates are mentioned in Note 14.k). Intercompany loans are contracted in light of temporary cash surpluses or deficits of the Company, its subsidiaries, and its associates.

b. Key executives (Consolidated)

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

Short-term compensation is comprised of: (a) fixed monthly compensation paid with the objective of rewarding the executive s experience, responsibility, and his/her position s complexity, and includes salary and benefits such as medical coverage, check-up, life insurance, and others; (b) variable compensation paid annually with the objective of aligning the executive s and the Company s objectives, which is linked to: (i) the business performance measured through its economic value creation and (ii) the fulfillment of individual annual goals that are based on the strategic plan and are focused on expansion and operational excellence projects, people development and market positioning, among others. In addition, the chief executive officer is entitled to additional long term variable compensation relating to the Company s shares performance between 2013 and 2018, reflecting the target of more than doubling the share value of the Company in 5 years. Further details about the Deferred Stock Plan are contained in Note 8.c) and about post-employment benefits in Note 18.b).

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

	06/30/2017	**06/30/2016**
Short-term compensation	22,695	21,053
Stock compensation	2,746	2,758
Post-employment benefits	1,690	1,674
Long-term compensation	1,770	1,220

Total	28,901	26,705

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Deferred Stock Plan (Consolidated)

On April 27, 2001, the General Shareholders Meeting approved a benefit plan to members of management and employees in executive positions in the Company and its subsidiaries. On November 26, 2003, the Extraordinary General Shareholders Meeting approved certain amendments to the original plan of 2001 (the Deferred Stock Plan). In the Deferred Stock Plan, certain members of management of the Company and its subsidiaries have the voting and economic rights of shares and the ownership of these shares is retained by the subsidiaries of the Company. The Deferred Stock Plan provides for the transfer of the ownership of the shares to those eligible members of management after five to seven years from the initial concession of the rights subject to uninterrupted employment of the participant during the period. The total number of shares to be used for the Deferred Stock Plan is subject to the availability in treasury of such shares. It is incumbent on Ultrapar s executive officers to select the members of management eligible for the plan and propose the number of shares in each case for approval by the Board of Directors. The fair value of the awards were determined on the grant date based on the market value of the shares on the B3 S.A. Brasil, Bolsa, Balcão (B3), the Brazilian Securities, Commodities and Futures Exchange and the amounts are amortized between five and seven years from the grant date.

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

Grant date	**Balance of number of shares granted**	**Vesting period**	**Market price of shares on the grant date (in R$ per share)**	**Total grant costs, including taxes**	**Accumulated recognized grant costs**	**Accumulated unrecognized grant costs**
March 13, 2017	100,000	2022 to 2024	67.99	9,378	(531)	8,847
March 4, 2016	190,000	2021 to 2023	65.43	17,147	(3,883)	13,264
December 9, 2014	590,000	2019 to 2021	50.64	41,210	(18,081)	23,129
March 5, 2014	83,400	2019 to 2021	52.15	5,999	(3,396)	2,603
February 3, 2014	150,000	2018 to 2020	55.36	11,454	(8,044)	3,410
November 7, 2012	320,000	2017 to 2019	42.90	19,098	(15,171)	3,927
December 14, 2011	80,000	2016 to 2018	31.85	5,272	(4,794)	478
November 10, 2010	86,672	2015 to 2017	26.78	9,602	(9,450)	152
	1,600,072			119,160	(63,350)	55,810

For the six-month period ended June 30, 2017, the amortization in the amount of R$ 9,281 (R$ 9,045 for the six-month period ended June 30, 2016) was recognized as a general and administrative expense.

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

Balance as of December 31, 2016	1,500,072
Shares granted on March 13, 2017	100,000
Balance as of June 30, 2017	1,600,072

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

9. Income and Social Contribution Taxes

a. *Deferred Income and Social Contribution Taxes*

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

	Parent		Consolidated	
	06/30/2017	**12/31/2016**	**06/30/2017**	**12/31/2016**
Assets Deferred income and social contribution taxes on:				
Provision for impairment of assets			58,077	46,254
Provisions for tax, civil, and labor risks		29	135,582	163,096
Provision for post-employment benefits			56,024	54,185
Provision for differences between cash and accrual basis			736	18,452
Goodwill			16,029	17,823
Business combination fiscal basis vs. accounting basis of goodwill			68,159	68,064
Provision for asset retirement obligation			23,713	23,419
Other provisions	31,235	22,433	136,306	136,463
Tax losses and negative basis for social contribution carryforwards (d)			128,985	78,682
Total	31,235	22,462	623,611	606,438
Offset the liabilities balance	(451)		(212,130)	(189,094)
Net balance of assets	30,784	22,462	411,481	417,344
Liabilities Deferred income and social contribution taxes on:				
Revaluation of property, plant, and equipment			2,578	2,640
Lease			3,646	3,899
Provision for differences between cash and accrual basis			48,430	59,264
Provision for goodwill/negative goodwill			103,353	74,895
Business combination fair value of assets			45,808	46,202
Temporary differences of foreign subsidiaries			4,125	2,290
Other provisions	451		7,866	7,549

Total	451	215,806	196,739
Offset the assets balance	(451)	(212,130)	(189,094)
Net balance of liabilities		3,676	7,645

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	06/30/2017	**06/30/2016**
Initial balance	409,699	292,989
Deferred IRPJ and CSLL recognized in income of the period	(8,149)	76,623
Deferred IRPJ and CSLL recognized in other comprehensive income	4,876	
Others	1,379	(3,370)
Final balance	407,805	366,242

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

	Parent	**Consolidated**
Up to 1 Year	20	138,966
From 1 to 2 Years	10,405	77,727
From 2 to 3 Years	10,405	64,325
From 3 to 5 Years	10,405	158,437
From 5 to 7 Years		127,722
From 7 to 10 Years		56,434
	31,235	623,611

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Reconciliation of Income and Social Contribution Taxes

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

	Parent		Consolidated	
	06/30/2017	**06/30/2016**	**06/30/2017**	**06/30/2016**
Income (loss) before taxes and share of profit (loss) of subsidiaries, joint ventures, and associates	(20,951)	(34,179)	921,992	1,078,032
Statutory tax rates %	34	34	34	34
Income and social contribution taxes at the statutory tax rates	7,123	11,621	(313,477)	(366,531)
Adjustments to the statutory income and social contribution taxes:				
Nondeductible expenses (i)	(451)	(109)	(27,021)	(23,944)
Nontaxable revenues (ii)			1,439	2,290
Adjustment to estimated income (iii)			6,117	7,271
Interest on equity (iv)	(550)	(364)	(550)	(364)
Other adjustments	13	4	2,712	2,575
Income and social contribution taxes before tax incentives	6,135	11,152	(330,780)	(378,703)
Tax incentives SUDENE			14,215	52,600
Income and social contribution taxes in the income statement	6,135	11,152	(316,565)	(326,103)
Current	(2,187)	(4,412)	(308,416)	(402,726)
Deferred	8,322	15,564	(8,149)	76,623
Effective IRPJ and CSLL rates %	29.3	32.6	34.3	30.2

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

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

(iii)

Brazilian tax law allows for an alternative method of taxation for companies that generated gross revenues of up to R$ 78 million in their previous fiscal year. Certain subsidiaries of the Company adopted this alternative form of taxation, whereby income and social contribution taxes are calculated on a basis equal to 32% of operating revenues, as opposed to being calculated based on the effective taxable income of these subsidiaries. The adjustment to estimated income represents the difference between the taxation under this alternative method and the income and social contribution taxes that would have been paid based on the effective statutory rate applied to the taxable income of these subsidiaries; and

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Tax Incentives SUDENE

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

Subsidiary	Units	Incentive %	Expiration
Bahiana Distribuidora de Gás Ltda.	Aracaju base	75	2017
	Suape base	75	2018
	Mataripe base	75	2024
	Caucaia base	75	2025
Terminal Químico de Aratu S.A. Tequimar	Suape terminal	75	2020
	Aratu terminal	75	2022
	Itaqui terminal(1)	75	2025
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Camaçari plant	75	2021
Oxiteno Nordeste S.A. Indústria e Comércio	Camaçari plant(2)	75	2016

(1) Due to the implementation of the Itaqui Terminal, in São Luis Maranhão, SUDENE approved the 75% income tax reduction until 2025 through an appraisal report issued on November 4, 2016. On November 28, 2016, the constitutive benefit appraisal report was forwarded to the Brazilian Federal Revenue Service for approval within a term of 120 days. As a result of the expiration of the statutes of limitation for the Brazilian Federal Revenue Service to approve the constitutive benefit appraisal report, the income tax reduction was recognized by the subsidiary in the income statement in 2017, in the total amount of R$ 1,620 with retroactive effect to January 2016.

(2) On April 10, 2017 the subsidiary requested to SUDENE the extension of recognition of the tax incentive for another 10 years, due to modernizations realized in Camaçari plant.

On June 12, 2017 the subsidiary Empresa Carioca de Produtos Químicos S.A. (EMCA) filed a request at SUDENE requiring the 75% income tax reduction incentive for its Camaçari plant Bahia.

On July 3, 2017, the subsidiary Bahiana Distribuidora de Gás Ltda. (Bahiana), filed a request at SUDENE requiring the 75% income tax reduction incentive for its Juazeiro plant Bahia.

d. Income and Social Contribution Taxes Carryforwards

As of June 30, 2017, certain subsidiaries of the Company had tax loss carryforwards related to income tax (IRPJ) of R$ 384,989 (R$ 236,956 as of December 31, 2016) and negative basis of CSLL of R$ 363,754 (R$ 216,036 as of December 31, 2016), whose compensations are limited to 30% of taxable income in a given tax year, which do not expire. Based on these values, the Company and its subsidiaries recognized deferred income and social contribution tax assets in the amount of R$ 128,985 as of June 30, 2017 (R$ 78,682 as of December 31, 2016).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

10. Prepaid expenses (Consolidated)

	06/30/2017	12/31/2016
Rents[1]	262,793	196,944
Deferred Stock Plan, net (see Note 8.c)	44,695	44,719
Advertising and publicity	61,492	37,833
Insurance premiums	59,318	46,896
Software maintenance	11,041	12,478
Purchases of meal and transportation tickets	1,749	1,526
Taxes and other prepaid expenses	10,291	6,005
	451,379	346,401
Current	153,427	123,883
Non-current	297,952	222,518

[1] Refers substantially to the rental advance of service stations of IPP, which are subsequently subleased and operated by the resellers.

11. Investments

a. Subsidiaries and Joint Venture (Parent Company)

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

	06/30/2017				
	Subsidiaries				Joint-venture
	Ultracargo Operações Logísticas e Participações	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Ultrapar International S.A.	Refinaria de Petróleo Riograndense

	Ltda.				S.A.
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	49,995	5,078,888
Assets	1,118,373	5,383,173	14,776,165	2,468,080	457,737
Liabilities	2,490	2,719,565	9,872,257	2,457,552	315,875
Shareholders equity	1,115,883	2,663,608(*)	4,903,908	10,528	141,862
Net revenue from sales and services		560,357	32,067,934		726,145
Net income (loss) for the period	27,058	128,300(*)	455,716	(20)	54,319
% of capital held	100	100	100	100	33

	12/31/2016 Subsidiaries				Joint-venture
	Ultracargo Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Ultrapar International S.A.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	49,995	5,078,888
Assets	1,197,373	5,320,676	14,180,685	2,428,309	403,847
Liabilities	2,634	2,770,876	9,745,731	2,417,761	267,086
Shareholders equity	1,194,739	2,549,859(*)	4,434,954	10,548	136,761
% of capital held	100	100	100	100	33

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	06/30/2016			
	Subsidiaries			Joint-venture
	Ultracargo Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	11,839,764	35,102,127	224,467,228,244	5,078,888
Net revenue from sales and services		605,353	33,377,445	745,845
Net income for the period	40,373	198,859(*)	520,428	38,384
% of capital held	100	100	100	33

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

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

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

	Investments in subsidiaries					Joint-venture	
	Ultracargo Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Ultrapar International S.A.	Total	Refinaria de Petróleo Riograndense S.A.	Total
Balance as of December 31, 2016	**1,194,739**	**2,549,859**	**4,434,954**	**10,548**	**8,190,100**	**45,409**	**8,235,509**
Share of profit (loss) of subsidiaries and joint venture	27,058	128,300	455,716	(20)	611,054	18,032	629,086
	(105,914)				(105,914)	(20,100)	(126,014)

Dividends and interest on equity (gross)							
Tax liabilities on equity-method revaluation reserve			(75)		(75)		(75)
Valuation adjustment of subsidiaries		(18,495)	13,313		(5,182)	3,762	(1,420)
Translation adjustments of foreign-based subsidiaries		3,944			3,944		3,944
Balance as of June 30, 2017	**1,115,883**	**2,663,608**	**4,903,908**	**10,528**	**8,693,927**	**47,103**	**8,741,030**

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Joint Ventures (Consolidated)

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

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

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

These investments are accounted for under the equity method of accounting based on their interim financial information as of June 30, 2017.

Balances and changes in joint ventures are as follows:

	Movements in investments			
	União Vopak	**RPR**	**ConectCar**	**Total**
Balance as of December 31, 2016	4,518	45,409	66,215	116,142
Valuation adjustments		3,762		3,762
Dividends and interest on equity (gross)		(20,100)		(20,100)
Share of profit (loss) of joint ventures	852	18,032	(8,920)	9,964
Balance as of June 30, 2017	5,370	47,103	57,295	109,768

	Movements in investments			
	União Vopak	**RPR**	**ConectCar**	**Total**
Balance as of December 31, 2015	4,545	31,514	43,318	79,377
Capital increase			25,781	25,781
Valuation adjustments		(9,909)		(9,909)

Dividends and interest on equity (gross)		(4,299)		(4,299)
Share of profit (loss) of joint ventures	(262)	12,745	(10,643)	1,840
Balance as of June 30, 2016	4,283	30,051	58,456	92,790

42

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	06/30/2017		
	União Vopak	**RPR**	**ConectCar**
Current assets	6,512	339,394	69,809
Non-current assets	6,377	118,343	123,297
Current liabilities	1,376	252,840	78,516
Non-current liabilities	774	63,035	
Shareholders equity	10,739	141,862	114,590
Net revenue from sales and services	7,898	726,145	11,527
Costs, operating expenses and income	(5,436)	(652,203)	(40,198)
Net financial income and income and social contribution taxes	(758)	(19,623)	10,831
Net income (loss)	1,704	54,319	(17,840)
Number of shares or units held	29,995	5,078,888	145,860,500
% of capital held	50	33	50

	12/31/2016		
	União Vopak	**RPR**	**ConectCar**
Current assets	4,228	286,916	93,634
Non-current assets	6,383	116,931	116,243
Current liabilities	700	198,619	77,448
Non-current liabilities	876	68,467	
Shareholders equity	9,035	136,761	132,429
Number of shares or units held	29,995	5,078,888	145,860,500
% of capital held	50	33	50

	06/30/2016		
	União Vopak	**RPR**	**ConectCar**
Net revenue from sales and services	6,098	745,845	18,811
Costs and operating expenses	(7,088)	(689,924)	(51,397)
Net financial income and income and social contribution taxes	466	(17,537)	11,300

Net income (loss)	(524)	38,384	(21,286)
Number of shares or units held	29,995	5,078,888	124,360,500
% of capital held	50	33	50

The percentages in the table above are rounded.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Associates (Consolidated)

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

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

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

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

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

The investment of subsidiary Oxiteno S.A. in the associate Oxicap is accounted for under the equity method of accounting based on its financial information as of May 31, 2017, while the other associates are valued based on the interim financial information as of June 30, 2017.

Balances and changes in associates are as follows:

	Movements in investments					
	Transportadora Sulbrasileira de Gás S.A.	**Oxicap Indústria de Gases Ltda.**	**Química da Bahia Indústria e Comércio S.A.**	**Metalúrgica Plus S.A.**	**Plenogás Distribuidora de Gás S.A.**	**Total**
Balance as of December 31, 2016	6,001	12,981	3,678	71		22,731
Dividends received	(576)				(399)	(975)
Share of profit (loss) of associates	548	698	(14)	(55)	946	2,123
Balance as of June 30, 2017	5,973	13,679	3,664	16	547	23,879

	Movements in investments				
	Transportadora Sulbrasileira de Gás S.A.	Oxicap Indústria de Gases Ltda.	Química da Bahia Indústria e Comércio S.A.	Metalúrgica Plus S.A.	Total
Balance as of December 31, 2015	5,743	12,000	3,684	110	21,537
Dividends received	(352)				(352)
Share of profit (loss) of associates	594	614	(6)	(1)	1,201
Balance as of June 30, 2016	5,985	12,614	3,678	109	22,386

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	06/30/2017				
	Transportadora Sulbrasileira de Gás S.A.	**Oxicap Indústria de Gases Ltda.**	**Química da Bahia Indústria e Comércio S.A.**	**Metalúrgica Plus S.A.**	**Plenogás Distribuidora de Gás S.A.**
Current assets	7,949	37,792	179	84	477
Non-current assets	17,039	72,128	10,266	1,658	2,821
Current liabilities	762	8,211	8	35	74
Non-current liabilities	332	7,479	3,109	1,660	1,584
Shareholders equity	23,894	94,230	7,328	47	1,640
Net revenue from sales and services	5,211	25,651			
Costs, operating expenses and income	(3,019)	(21,680)	(54)	(102)	534
Net financial income and income and social contribution taxes	28	632	26	(21)	23
Net income (loss)	2,220	4,603	(28)	(123)	557
Number of shares or units held	20,124,996	1,987	1,493,120	3,000	1,384,308
% of capital held	25	15	50	33	33

	12/31/2016				
	Transportadora Sulbrasileira de Gás S.A.	**Oxicap Indústria de Gases Ltda.**	**Química da Bahia Indústria e Comércio S.A.**	**Metalúrgica Plus S.A.**	**Plenogás Distribuidora de Gás S.A.**
Current assets	7,524	28,358	220	169	1,178
Non-current assets	17,570	70,034	10,246	1,682	2,821
Current liabilities	759	7,125	1	21	53
Non-current liabilities	332	5,226	3,109	1,616	1,667
Shareholders equity	24,003	86,041	7,356	214	2,279
Number of shares or units held	20,124,996	1,987	1,493,120	3,000	1,384,308
% of capital held	25	15	50	33	33

	06/30/2016				
	Transportadora Sulbrasileira de Gás S.A.	**Oxicap Indústria de Gases Ltda.**	**Química da Bahia Indústria e Comércio S.A.**	**Metalúrgica Plus S.A.**	**Plenogás Distribuidora de Gás S.A.**
Net revenue from sales and services	5,006	25,559			
Costs, operating expenses and income	(2,637)	(19,669)	(35)	(89)	472
Net financial income and income and social contribution taxes	5	(2,202)	24	(6)	28
Net income (loss)	2,374	3,688	(11)	(95)	500
Number of shares or units held	20,124,996	1,987	1,493,120	3,000	1,384,308
% of capital held	25	15	50	33	33

The percentages in the table above are rounded.

45

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

12. Property, Plant, and Equipment (Consolidated)

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

	Weighted average useful life (years)	Balance on 12/31/2016	Additions	Depreciation	Transfer	Write-offs and disposals	Effect of foreign currency exchange rate variation	Balance on 06/30/2017
Cost:								
Land		520,575	2,688		6,179	(963)	348	528,827
Buildings	30	1,440,204	5,804		25,864	(11,562)	4,305	1,464,615
Leasehold improvements	8	796,521	6,192		69,066	(11,240)		860,539
Machinery and equipment	12	4,225,056	70,670		45,901	(13,038)	3,695	4,332,284
Automotive fuel/lubricant distribution equipment and facilities	13	2,429,079	66,929		30,413	(5,898)		2,520,523
LPG tanks and bottles	11	619,511	51,003		(594)	(19,247)		650,673
Vehicles	7	271,133	11,629		3,301	(9,144)	11	276,930
Furniture and utensils	9	204,550	10,365		5,588	(269)	288	220,522
Construction in progress		523,285	259,813		(179,260)		4,210	608,048
Advances to suppliers		96,423	24,469		(10,358)		2,434	112,968
Imports in progress		58	576		(314)		(3)	317
IT equipment	5	288,705	16,592		2,225	(296)	301	307,527
		11,415,100	526,730		(1,989)	(71,657)	15,589	11,883,773

Accumulated depreciation:							
Buildings	(632,908)		(22,672)	83	4,824	74	(650,599)
Leasehold improvements	(412,449)		(34,637)	(16)	6,706	1	(440,395)
Machinery and equipment	(2,474,504)		(125,188)	(156)	8,200	7,998	(2,583,650)
Automotive fuel/lubricant distribution equipment and facilities	(1,383,069)		(71,057)	(29)	5,115		(1,449,040)
LPG tanks and bottles	(276,414)		(22,643)	52	8,903		(290,102)
Vehicles	(101,082)		(11,068)	79	5,380	28	(106,663)
Furniture and utensils	(120,747)		(7,037)	(10)	233	363	(127,198)
IT equipment	(220,421)		(11,585)	(2)	255	(233)	(231,986)
	(5,621,594)		(305,887)	1	39,616	8,231	(5,879,633)
Provision for losses:							
Advances to suppliers	(83)						(83)
Land	(197)				197		
Leasehold improvements	(560)	(1,324)				(7)	(1,891)
Machinery and equipment	(4,347)				8	(27)	(4,366)
Automotive fuel/lubricant distribution equipment and facilities	(336)				149		(187)
Furniture and utensils	(1)						(1)
	(5,524)	(1,324)			354	(34)	(6,528)
Net amount	5,787,982	525,406	(305,887)	(1,988)	(31,687)	23,786	5,997,612

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

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

13. Intangible Assets (Consolidated)

Balances and changes in intangible assets are as follows:

	Weighted average useful life (years)	Balance on 12/31/2016	Additions	Amortization	Transfer	Write-offs and disposals	Effect of foreign currency exchange rate variation	Balance on 06/30/2017
Cost:								
Goodwill (i)		1,454,484						1,454,484
Software (ii)	5	641,691	70,176		1,747	(1,063)	1,903	714,454
Technology (iii)	5	32,617						32,617
Commercial property rights (iv)	10	43,258	6,611		255		10	50,134
Distribution rights (v)	6	3,651,316	302,414					3,953,730
Brands (vi)		112,936					609	113,545
Others (vii)	4	39,172	286				581	40,039
		5,975,474	379,487		2,002	(1,063)	3,103	6,359,003
Accumulated amortization:								
Software		(396,702)		(27,722)	(4)	1,061	(1,158)	(424,525)
Technology		(32,469)		(36)				(32,505)
Commercial property rights		(19,568)		(1,737)	(1)			(21,306)
Distribution rights		(2,131,826)		(260,795)	(4,749)			(2,397,370)

Others	(23,310)		(3,934)			(7)	(27,251)
	(2,603,875)		(294,224)	(4,754)	1,061	(1,165)	(2,902,957)
	3,371,599	379,487	(294,224)	(2,752)	(2)	1,938	3,456,046

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

i) The net remaining balance of the goodwill is tested annually for impairment and presents the following balances:

	Segment	06/30/2017	12/31/2016
Goodwill on the acquisition of:			
Extrafarma	Extrafarma	661,553	661,553
Ipiranga (1)	Ipiranga	276,724	276,724
União Terminais	Ultracargo	211,089	211,089
Texaco	Ipiranga	177,759	177,759
Oxiteno Uruguay	Oxiteno	44,856	44,856
Temmar	Ultracargo	43,781	43,781
DNP	Ipiranga	24,736	24,736
Repsol	Ultragaz	13,403	13,403
Others	Oxiteno	583	583
		1,454,484	1,454,484

(1) Including R$ 246,163 in the parent.

On December 31, 2016, the Company tested the balances of goodwill shown in the table above for impairment. The determination of value in use involves assumptions, judgments, and estimates of cash flows, such as growth rates of revenues, costs and expenses, estimates of investments and working capital, and discount rates. The assumptions about growth projections and future cash flows are based on the Company s business plan of its operating segments, as well as comparable market data, and represent management s best estimate of the economic conditions that will exist over the economic life of the various CGUs, to which goodwill is related. The main key-assumptions used by the Company to calculate the value in use are described below:

Period of evaluation: the evaluation of the value in use is calculated for a period of five years (except the Extrafarma segment), after which we calculate the perpetuity, considering the possibility of carrying the business on indefinitely. For the Extrafarma segment, a period of 10 years was used due to its expansion plan and considering a three-year period to maturity of new stores.

Discount and real growth rates: on December 31, 2016, the discount and real growth rates used to extrapolate the projections ranged from 10.4% to 16.6% and from 0% to 1% p.a., respectively, depending on the CGU analyzed. For the subsidiary Oxiteno Andina, due to the macroeconomic scenario in Venezuela, the discount rate used was 287.9%.

Revenue from sales and services, costs and expenses, and gross margin: for 2017, the budget prepared by management and approved by the Board of Directors was considered. In subsequent periods, the Company considers the forecast of the general inflation or price index predicted in the contracts.

Opening of new commercial points (investments): for 2017, the budget prepared by the management and approved by the Board of Directors was considered. In subsequent periods, the Company considers the expansion plans of each business unit, which also considers the commercial establishments closed in the previously years.

The Company assessed a sensitivity analysis of discount and growth rate of perpetuity, due to their significant impact on cash flows and value in use. An increase of 0.5 percentage points in the discount rate or a decrease of 0.5 percentage points in the growth rate of the perpetuity of the cash flow of each business segment would not result in the recognition of impairment.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

iv) Commercial property rights include those described below:

Subsidiary Terminal Químico de Aratu S.A. Tequimar (Tequimar) has an agreement with CODEBA Companhia das Docas do Estado da Bahia, which allows it to explore the area in which the Aratu Terminal is located for 20 years, renewable for a similar period. The price paid by Tequimar was R$ 12,000, which is being amortized from August 2002 to July 2042.

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

Subsidiary Extrafarma pays key money to obtain certain commercial establishments to open drugstores which is stated at the cost of acquisition, amortized using the straight-line method, considering the lease contract terms. In the case of the closedown of stores, the residual amount is written off.

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

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

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

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

	06/30/2017	**06/30/2016**
Inventories and cost of products and services sold	9,047	7,322

Selling and marketing	258,503	243,216
General and administrative	26,674	23,425
	294,224	273,963

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

14. Loans, Debentures, and Finance Leases (Consolidated)

a. Composition

Description	06/30/2017	12/31/2016	Index/Currency	Weighted average financial charges 06/30/2017 % p.a.	Maturity
Foreign currency denominated loans:					
Notes in the foreign market (b) (*)	2,451,808	2,412,112	US$	+5.3	2026
Foreign loan (c.1) (*)	1,282,532	942,456	US$ + LIBOR (i)	+0.8	2017 to 2022
Foreign loan (c.2, c.3 and c.4)	338,492	332,650	US$ + LIBOR (i)	+1.9	2018 to 2020
Foreign loan (c.1) (*)	260,447	486,451	US$	+2.2	2018
Financial institutions (e)	197,255	195,021	US$ + LIBOR (i)	+3.0	2019 to 2021
Financial institutions (e)	109,693	109,859	US$	+2.9	2017 to 2022
Financial institutions (e)	36,230	24,586	MX$ (ii)	+8.0	2017
Foreign currency advances delivered	23,984	32,582	US$	+2.7	< 59 days
Advances on foreign exchange contracts	15,185	111,066	US$	+2.4	< 102 days
BNDES (d)	5,754	7,137	US$	+6.2	2017 to 2020
Financial institutions (e)	3,679	9,569	MX$ + TIIE (ii)	+1.5	2017
Financial institutions (e)	125	435	Bs$ (vii)	+24.0	2017
Subtotal	4,725,184	4,663,924			
Brazilian Reais denominated loans:					
Banco do Brasil floating rate (f)	3,021,290	2,956,547	CDI	107.3	2017 to 2022
Debentures IPP (g.1, g.2 and g.4)	1,910,545	1,914,498	CDI	107.1	2017 to 2021
Debentures 5th issuance (g.3)	826,266	832,383	CDI	108.3	2018
Debentures CRA (g.5)	654,366		CDI	95.0	2022
Debentures CRA (g.5) (*)	332,852		IPCA	+4.7	2024
BNDES (d)	242,420	307,593	TJLP (iii)	+2.4	2017 to 2021

Export Credit Note floating rate (h)	158,159	158,753	CDI	101.5	2018
BNDES (d)	67,410	71,430	SELIC (vi)	+2.3	2017 to 2021
BNDES EXIM	62,422	62,084	TJLP (iii)	+3.5	2018
Finance leases (i)	49,737	48,566	IGP-M (v)	+5.6	2017 to 2031
FINEP	42,134	48,667	R$	+4.0	2017 to 2021
Banco do Nordeste do Brasil	37,618	47,120	R$ (iv)	+8.5	2017 to 2021
BNDES (d)	33,084	40,309	R$	+5.5	2017 to 2022
FINEP	33,665	34,613	TJLP (iii)	+0.9	2017 to 2023
BNDES EXIM	29,640	28,056	SELIC (vi)	+3.9	2018
FINAME	60	80	TJLP (iii)	+5.7	2017 to 2022
Fixed finance leases (i)	21	41	R$	+15.6	2017
Floating finance leases (i)		109			
Subtotal	7,501,689	6,550,849			
Currency and interest rate hedging instruments (**)	131,529	202,357			
Total	12,358,402	11,417,130			
Current	3,091,775	2,475,604			
Non-current	9,266,627	8,941,526			

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

(i) LIBOR = London Interbank Offered Rate.

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

(iii) TJLP (Long-term Interest Rate) = set by the National Monetary Council, TJLP is the basic financing cost of Banco Nacional de Desenvolvimento Econômico e Social (BNDES), the Brazilian Development Bank. On June 30, 2017, TJLP was fixed at 7.0% p.a.

(iv) Contract linked to the rate of FNE (Northeast Constitutional Financing Fund) fund whose purpose is to promote the development of the industrial sector, managed by Banco do Nordeste do Brasil. On June 30, 2017, the FNE interest rate was 10% p.a. FNE grants a discount of 15% on the interest rate for timely payments.

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

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

(vii) Bs$ = Bolívar.

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

	06/30/2017	12/31/2016
From 1 to 2 years	3,508,297	3,203,383
From 2 to 3 years	853,656	1,699,009
From 3 to 4 years	669,144	693,993
From 4 to 5 years	1,405,518	554,162
More than 5 years	2,830,012	2,790,979
	9,266,627	8,941,526

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

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

b. Notes in the Foreign Market

On October 6, 2016, the subsidiary Ultrapar International S.A. (Ultrapar International) issued US$ 750 million in notes in the foreign market, maturing in October 2026, with interest rate of 5.25% p. a., paid semiannually. The issue price was 98.097% of the face value of the note. The notes were guaranteed by the Company and its subsidiary IPP. The Company has designated hedge relationships for this transaction (see Note 31 Hedge accounting: cash flow hedge and net investment hedge in foreign entities).

As a result of the issuance of the notes in the foreign market, the Company and its subsidiaries are required to perform certain obligations, including:

- Restriction on sale of all or substantially all assets of the Company and subsidiaries Ultrapar International and IPP.

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Foreign Loans

1) The subsidiary IPP has foreign loans in the amount of US$ 470 million. IPP also contracted hedging instruments with floating interest rate in U.S. dollar and exchange rate variation, changing the foreign loans charges, on average, to 103.1% of CDI (see Note 31). IPP designated these hedging instruments as a fair value hedge; therefore, loans and hedging instruments are both measured at fair value from inception, with changes in fair value recognized through profit or loss. The foreign loans are secured by the Company.

The foreign loans have the maturity distributed as follows:

Maturity	US$ (million)	Cost in % of CDI
Sep/17	150.0	103.7
Jul/18	60.0	103.0
Sep/18	80.0	101.5
Nov/18	80.0	101.4
Jun/22	100.0	105.0
Total / average cost	470.0	103.1

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

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

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

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

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

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

4) The subsidiary GPPTC has a foreign loan in the amount of US$ 60 million with maturity on June 22, 2020 and interest of LIBOR + 2.0% p.a., paid quarterly. The Company, through the subsidiary Cia. Ultragaz, contracted hedging instruments subject to floating interest rates in dollar and exchange rate variation, changing the foreign loan charge to 105.9% of CDI. The foreign loan is guaranteed by the Company and its subsidiary Oxiteno Nordeste.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

d. BNDES

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

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

Capitalization level: shareholders equity / total assets equal to or above 0.3; and

Current liquidity level: current assets / current liabilities equal to or above 1.3.

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

e. Financial Institutions

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

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

The subsidiary Oxiteno USA has a loan in the notional amount of US$20 million, due in September 2021, with interest of LIBOR + 3% p.a., paid quarterly. The loan is guaranteed by Ultrapar and the subsidiary Oxiteno S.A.

f. Banco do Brasil

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

These loans mature, as follows (including interest until June 30, 2017):

Maturity	
2017-Jul	175,202
2017-Nov	101,103
2018-Jan	175,202
2018-Apr	101,103
2019-Feb	169,356
2019-May	1,282,747
2020-May	338,859
2021-May	338,859
2022-May	338,859
Total	3,021,290

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

g. Debentures

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

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

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

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

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

Face value unit:	R$ 10,000.00
Final maturity:	March 16, 2018
Payment of the face value:	Lump sum at final maturity
Interest:	108.25% of CDI
Payment of interest:	Semiannually

Reprice:	Not applicable

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

5) In April 2017, IPP carried out its fifth issuance of debentures, in two single series of 660,139 and 352,361, simple, nonconvertible into shares, nominative, book-entry and unsecured debentures. The debentures have been subscribed by Eco Consult Consultoria de Operações Financeiras Agropecuárias Ltda. IPP will use the net proceeds from this issuance for the purchase of ethanol.

The debentures were later assigned and transferred to Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. that acquired these agribusiness credit rights with the purpose to bind the issuance of Certificates of Agribusiness Receivables (CRA). The debentures have an additional guarantee from Ultrapar and the main characteristics of the debentures are as follows:

Face value unit:	R$ 1,000.00
Final maturity:	April 18, 2022
Payment of the face value:	Lump sum at final maturity
Interest:	95% of CDI
Payment of interest:	Semiannually
Reprice:	Not applicable

Face value unit:	R$ 1,000.00
Final maturity:	April 15, 2024
Payment of the face value:	Lump sum at final maturity
Interest:	IPCA + 4.7%
Payment of interest:	Annually
Reprice:	Not applicable

The subsidiary IPP contracted hedging instruments subjected to IPCA variation, changing the debentures charges linked to IPCA to 93.9% of CDI. IPP designated these hedging instruments as fair value hedges; therefore, debentures and hedging instruments are both measured at fair value from inception, with changes in fair value recognized through profit or loss.

h. Export Credit Note

The subsidiary Oxiteno Nordeste has export credit note contract in the amount of R$ 156.8 million, with maturity in May 2018, and floating rate of 101.5% of CDI, paid quarterly.

i. Finance Leases

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

Subsidiary Extrafarma has finance lease contracts related to software, with term of 48 months.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	06/30/2017		
	LPG bottling facilities	Software	Total
Equipment and intangible assets, net of depreciation and amortization	16,182	38	16,220
Financing (present value)	49,737	21	49,758
Current	2,647	21	2,668
Non-current	47,090		47,090

	12/31/2016		
	LPG bottling facilities	Software	Total
Equipment and intangible assets, net of depreciation and amortization	17,078	223	17,301
Financing (present value)	48,566	150	48,716
Current	2,465	150	2,615
Non-current	46,101		46,101

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

	06/30/2017		
	LPG bottling facilities	Software	Total
Up to 1 year	5,113	22	5,135
From 1 to 2 years	5,113		5,113
From 2 to 3 years	5,113		5,113
From 3 to 4 years	5,113		5,113
From 4 to 5 years	5,113		5,113
More than 5 years	45,167		45,167
Total	70,732	22	70,754

	12/31/2016		
	LPG bottling facilities	Software	Total
Up to 1 year	4,876	156	5,032
From 1 to 2 years	4,876		4,876
From 2 to 3 years	4,876		4,876
From 3 to 4 years	4,876		4,876
From 4 to 5 years	4,876		4,876
More than 5 years	45,516		45,516
Total	69,896	156	70,052

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

j. Transaction Costs

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

	Effective rate of transaction costs (% p.a.)	Balance on 12/31/2016	Incurred cost	Amortization	Balance on 06/30/2017
Notes in the foreign market (b)	0.0	16,612		(648)	15,964
Banco do Brasil (f)	0.2	12,182		(1,974)	10,208
Debentures (g)	0.1	6,835	22,643	(1,306)	28,172
Foreign Loans (c)	0.2	2,211	563	(857)	1,917
Other	0.2	1,952		(283)	1,669
Total		39,792	23,206	(5,068)	57,930

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

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Notes in the foreign market (b)	1,349	1,425	1,505	1,589	1,677	8,419	15,964
Banco do Brasil (f)	4,372	4,380	695	496	265		10,208
Debentures (g)	5,674	5,691	5,327	5,098	4,237	2,145	28,172
Foreign Loans (c)	1,271	449	174	23			1,917
Other	504	521	479	165			1,669
Total	13,170	12,466	8,180	7,371	6,179	10,564	57,930

k. Guarantees

The financings are guaranteed by collateral in the amount of R$ 64,315 as of June 30, 2017 (R$ 56,570 as of December 31, 2016) and by guarantees and promissory notes in the amount of R$ 8,155,437 as of June 30, 2017 (R$ 7,069,482 as of December 31, 2016).

In addition, the Company and its subsidiaries offer collaterals in the form of letters of credit for commercial and legal proceedings in the amount of R$ 229,782 as of June 30, 2017 (R$ 215,988 as of December 31, 2016) and guarantees related to raw materials imported by the subsidiary IPP in the amount of R$ 112,793 as of June 30, 2017 (R$ 59,316 as of December 31, 2016).

Some subsidiaries of Oxiteno issue collateral to financial institutions in connection with the amounts owed by some of their customers to such institutions (vendor financing). If a subsidiary is required to make any payment under these collaterals, this subsidiary may recover the amount paid directly from its customers through commercial collection. The maximum amount of future payments related to these collaterals is R$ 24,030 as of June 30, 2017 (R$ 30,764 as of December 31, 2016), with maturities of up to 211 days. Until June 30, 2017, the subsidiaries did not have losses in connection with these collaterals. The fair value of collaterals recognized in current liabilities as other payables is R$ 586 as of June 30, 2017 (R$ 743 as of December 31, 2016), which is recognized as profit or loss as customers settle their obligations with the financial institutions.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

15. Trade Payables (Consolidated)

	06/30/2017	12/31/2016
Domestic suppliers	1,048,592	1,620,388
Foreign suppliers	116,832	89,265
	1,165,424	1,709,653

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

16. Salaries and Related Charges (Consolidated)

	06/30/2017	12/31/2016
Provisions on payroll	190,367	162,216
Profit sharing, bonus and premium	83,387	140,504
Social charges	41,961	49,812
Salaries and related payments	6,783	7,893
Benefits	1,837	1,938
Others	926	355
	325,261	362,718

17. Taxes Payable (Consolidated)

	06/30/2017	12/31/2016
ICMS	100,795	105,160

PIS and COFINS	19,286	25,287
Value-Added Tax (IVA) of subsidiaries Oxiteno Mexico, Oxiteno USA, Oxiteno Andina and Oxiteno Uruguay	21,713	16,148
Income Tax Withholding (IRRF)	2,754	3,620
ISS	7,018	8,074
IPI	6,259	5,965
National Institute of Social Security (INSS)	3,663	5,305
Others	907	1,474
	162,395	171,033

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

18. Employee Benefits and Private Pension Plan (Consolidated)

a. ULTRAPREV- Associação de Previdência Complementar

In February 2001, the Company s Board of Directors approved the adoption of a defined contribution pension plan to be sponsored by the Company and each of its subsidiaries. Participating employees have been contributing to this plan, managed by Ultraprev Associação de Previdência Complementar (Ultraprev), since August 2001. Under the terms of the plan, every year each participating employee chooses his or her basic contribution to the plan. Each sponsoring company provides a matching contribution in an amount equivalent to each basic contribution, up to a limit of 11% of the employee s reference salary, according to the rules of the plan. As participating employees retire, they may choose to receive either (i) a monthly sum ranging between 0.5% and 1.0% of their respective accumulated fund in Ultraprev or (ii) a fixed monthly amount which will exhaust their respective accumulated fund over a period of 5 to 25 years. The sponsoring company does not guarantee the amounts or the duration of the benefits received by each employee that retires. For the six-month period ended June 30, 2017, the Company and its subsidiaries contributed R$ 12,262 (R$ 11,444 for the six-month period ended June 30, 2016) to Ultraprev, which is recognized as expense in the income statement. The total number of participating employees as of June 30, 2017 was 8,751 active participants and 227 retired participants. In addition, Ultraprev had 27 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 as of December 31, 2016 and are recognized in the interim financial information in accordance with IAS 19 R2011 (CPC 33 R2).

	06/30/2017	**12/31/2016**
Health and dental care plan [1]	34,656	32,826
FGTS Penalty	66,944	64,654
Bonus	33,746	32,815
Life insurance [1]	15,227	14,456

Total	150,573	144,751
Current	23,211	24,940
Non-current	127,362	119,811

(1) Only Ipiranga.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

19. Provision for Asset Retirement Obligation Fuel Tanks (Consolidated)

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

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

	06/30/2017	06/30/2016
Initial balance	77,564	74,716
Additions (new tanks)	280	160
Expense with tanks removed	(767)	(1,425)
Accretion expense	1,329	3,739
Final balance	78,406	77,190
Current	4,831	4,481
Non-current	73,575	72,709

20. Provisions, Contingencies and Commitments (Consolidated)

a. Provisions for tax, civil, and labor risks

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

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

Provisions	Balance on 12/31/2016	Additions	Write-offs	Monetary restatement	Balance on 06/30/2017
IRPJ and CSLL (a.1.1)	473,490		(589)	14,720	487,621
PIS and COFINS (a.1.2)	141,112		(109,463)	2,643	34,292

ICMS	17,099	1,724	(918)	322	18,227
Social security	13,022	152	(270)	321	13,225
Civil, environmental and regulatory claims (a.2.1)	69,350	10,462	(1,242)	227	78,797
Labor litigation (a.3.1)	65,162	7,191	(7,011)	581	65,923
Other	547		(3)	13	557
Total	779,782	19,529	(119,496)	18,827	698,642
Current	52,694				50,472
Non-current	727,088				648,170

Some of the provisions above involve, in whole or in part, escrow deposits.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Balances of escrow deposits are as follows:

	06/30/2017	12/31/2016
Tax matters	663,137	643,423
Labor litigation	73,452	70,392
Civil and other	65,304	64,955
Total non-current assets	801,893	778,770

a.1) Provisions for Tax Matters and Social Security

a.1.1) On October 7, 2005, the subsidiaries Cia. Ultragaz and Bahiana filed for and obtained a preliminary injunction to recognize and offset PIS and COFINS credits on LPG purchases, against other taxes levied by the Brazilian Federal Revenue Service, notably IRPJ and CSLL. The decision was confirmed by a trial court on May 16, 2008. Under the preliminary injunction, the subsidiaries made escrow deposits for these debits which amounted to R$ 472,760 as of June 30, 2017 (R$ 457,868 as of December 31, 2016). On July 18, 2014, a second instance unfavorable decision was published and the subsidiaries suspended the escrow deposits, and started to pay income taxes from that date. To revert the court decision, the subsidiaries presented a writ of prevention which was dismissed on December 30, 2014, and the Company appealed this decision on February 3, 2015. Appeals were also presented to the respective higher courts (STJ and STF) whose trials are pending.

a.1.2) The subsidiaries Oxiteno S.A., Oxiteno Nordeste, Cia. Ultragaz, Tequimar, Tropical Transportes Ipiranga Ltda., EMCA, IPP and Extrafarma filed for a preliminary injunction seeking the deduction of ICMS from their PIS and COFINS tax bases. On March 15, 2017, in a decision with general repercussion, the Federal Supreme Court (STF) decided that the ICMS does not make up the calculation of PIS and COFINS tax bases. Therefore, supported by its legal advisors, on March 31, 2017, Oxiteno Nordeste and IPP reversed the provision in the amount of R$ 109,463.

The Company emphasizes that it is possible for the STF to restrict the effects of the judgment or to decide that the effectiveness will be reached after its final decision or other time that may be fixed. Despite the favorable context, until there is effective final decision, the causes may be reassessed, which could result in the recognition of new provisions in the future.

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

a.2.1) The Company and its subsidiaries maintained provisions for lawsuits and administrative proceedings, mainly derived from contracts entered into with customers and former services providers, as well as proceedings related to environmental and regulatory issues in the amount of R$ 78,797 as of June 30, 2017 (R$ 69,350 as of December 31, 2016).

a.3) Provisions for Labor Matters

a.3.1) The Company and its subsidiaries maintained provisions of R$ 65,923 as of June 30, 2017 (R$ 65,162 as of December 31, 2016) for labor litigation filed by former employees and by employees of our service providers mainly contesting the non-payment of labor rights.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Contingent Liabilities (Possible)

The Company and its subsidiaries have other pending administrative and legal proceedings of tax, civil, environmental, regulatory, and labor nature, which are individually less relevant, and were estimated by their legal counsel as having possible and/or remote risks (proceedings whose chance of loss is 50% or less). As such, the related potential losses were not provided for by the Company and its subsidiaries based on these opinions. The Company and its subsidiaries are also litigating for recovery of taxes and contributions, which were not recognized in the interim financial information due to their contingent nature. The estimated amount of this contingency is R$ 2,558,444 as of June 30, 2017 (R$ 2,252,637 as of December 31, 2016).

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

The Company and its subsidiaries have contingent liabilities for tax matters and social security in the amount of R$ 1,728,470 as of June 30, 2017 (R$ 1,519,658 as of December 31, 2016), mainly represented by:

b.1.1) The subsidiary IPP and its subsidiaries have assessments invalidating the offset of excise tax (IPI) credits in connection with the purchase of raw materials used in the manufacturing of products which sales are not subject to IPI under the protection of tax immunity. The amount of this contingency is R$ 175,826 as of June 30, 2017 (R$ 169,889 as of December 31, 2016).

b.1.2) The subsidiary IPP and its subsidiaries have legal proceedings related to ICMS. The total amount involved as of June 30, 2017 in these proceedings, was R$ 604,128 (R$ 626,393 as of December 31, 2016). Such proceedings arise mostly of the disregard of ICMS credits amounting to R$ 294,860 (R$ 283,367 as of December 31, 2016), of which R$ 118,365 (R$ 113,889 as of December 31, 2016) refer to proportional reversal requirement of ICMS credits related to the acquisition of hydrated alcohol; of alleged non-payment in the amount of R$ 110,364 (R$ 108,786 as of December 31, 2016); and inventory differences in the amount of R$ 151,086 (R$ 147,031 as of December 31, 2016) related to the leftovers or faults due to temperature changes or product handling.

b.1.3) The Company and its subsidiaries are parties to administrative and judicial suits involving Income Tax, Social Security Contribution, PIS and COFINS, substantially about denials of offset claims and credits disallowance which total amount is R$ 658,700 as of June 30, 2017 (R$ 450,120 as of December 31, 2016), mainly represented by:

b.1.3.1) In the first quarter of 2017, the subsidiary IPP received a tax assessment related to the IRPJ and CSLL resulting from the supposedly undue amortization of the goodwill paid on acquisition of a subsidiary, in the amount of R$ 183,084 as of June 30, 2017, which includes the amount of the income taxes, interest and penalty. Management assessed the likelihood of the tax assessment, supported by the opinion of its legal advisors, as possible , and therefore did not recognize a provision for this contingent liability.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

The Company and its subsidiaries have contingent liabilities for civil, environmental and regulatory claims in the amount of R$ 554,302 as of June 30, 2017 (R$ 480,065 as of December 31, 2016), mainly represented by:

b.2.1) The subsidiary Cia. Ultragaz is party to an administrative proceeding before CADE based on alleged anti-competitive practices in the State of Minas Gerais in 2001. The CADE entered a decision against Cia. Ultragaz and imposed a penalty of R$ 31,888 as of June 30, 2017 (R$ 31,281 as of December 31, 2016). The imposition of such administrative decision was suspended by a court order and its merit is being judicially reviewed.

b.2.2) On November 29, 2016, a technical opinion was issued by the Operational Support Center for Execution (Centro de Apoio Operacional à Execução CAEX), a technical body linked to the São Paulo State Public Prosecutor (MPE), presenting a proposal of compensation for the alleged environmental damages caused by the fire on April 2nd, 2015 at the Santos Terminal of the subsidiary Tequimar. This technical opinion is non-binding, with no condemnatory or sanctioning nature, and will still be evaluated by the authorities and parties. The subsidiary is negotiating an agreement with the MPE and the Brazilian Federal Public Prosecutor (MPF), and currently there is no lawsuit filed on the matter. The negotiations relate to *in natura* repair of the any damages. In case of satisfactory conclusion of the negotiations with the MPE and MPF, the payments related to the project costs may affect the future Company s financial statements. For more information see Note 33.

b.2.3) In 2016, the subsidiary Cia. Ultragaz became party to two administrative proceedings and the subsidiary Bahiana became party to one administrative proceeding filed by CADE based on allegations of anti-competitive practices in the State of Paraíba and in the Federal District. The subsidiaries Management, supported by its external legal counsel, are evaluating the facts and evidences to present a defense. According to Law 12,529/11 (Defense of Competition Law), the charged fine for violation of the economic order has a range from 0.1% to 20% of the gross revenue of the company, group or conglomerate obtained, in the last year prior to the initiation of the administrative proceeding, in the business activity in which the infraction occurred, and shall never be less than the advantage obtained, when the estimative is possible. As of June 30, 2017, as a result of these administrative proceedings, no fine had been imposed to the subsidiaries. Based on the above, and supported by the opinion of external legal counsel that classified the probability of loss as possible , Management did not recognize a provision for these contingencies as of June 30, 2017.

If the conclusion is that the subsidiaries have done such activities or anti-competitive behavior, the subsidiaries may incur fines, penalties and/or criminal sanctions against them and/or certain executives, directors or employees.

b.3) Contingent Liabilities for Labor Matters

The Company and its subsidiaries have contingent liabilities for labor matters in the amount of R$ 275,672 as of June 30, 2017 (R$ 252,914 as of December 31, 2016), mainly represented by:

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

21. Deferred Revenue (Consolidated)

The Company s subsidiaries have recognized the following deferred revenue:

	06/30/2017	12/31/2016
am/pm and Jet Oil franchising upfront fee	19,220	18,620
Loyalty program Km de Vantagens	12,535	13,062
Loyalty program Clube Extrafarma	2,377	3,128
	34,132	34,810
Current	21,277	22,300
Non-current	12,855	12,510

Loyalty Programs

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

Subsidiary Extrafarma has a loyalty program called Clube Extrafarma (www.clubeextrafarma.com.br) under which registered customers are rewarded with points when they buy products at its drugstore chain. The customers may exchange these points, during the period of six months, for discounts in products at its drugstore chain, recharge credit on a mobile phone, and prizes offered by partners Multiplus Fidelidade and Ipiranga, through Km de Vantagens. Points received by Extrafarma s customers are discounted from sales revenue.

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

Franchising Upfront Fee

am/pm is the convenience stores chain of the Ipiranga service stations. Ipiranga ended on June 30, 2017 with 2,260 stores (2,165 stores on December 31, 2016). Jet Oil is Ipiranga s lubricant-changing and automotive service specialized network. Ipiranga ended on June 30, 2017 with 1,649 stores (1,594 stores on December 31, 2016). The franchising upfront fee received by Ipiranga is deferred and recognized in profit or loss on the straight-line accrual basis throughout the terms of the agreements with the franchisees.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

22. Subscription warrants indemnification

Because of the association between the Company and Extrafarma on January 31, 2014, 7 subscription warrants indemnification were issued, corresponding to up to 3,205,622 shares of the Company. The subscription warrants indemnification may be exercised beginning 2020 by the former shareholders of Extrafarma and are adjusted according to the changes in the amounts of provisions for tax, civil, and labor risks and contingent liabilities related to the period prior to January 31, 2014. The subscription warrants indemnification s fair value is measured based on the share price of Ultrapar (UGPA3) and is reduced by the dividend yield until 2020, since the exercise is possible only from 2020, and they are not entitled to dividends until that date. As of June 30, 2017, the subscription warrants indemnification were represented by 2,434,514 shares and amounted to R$ 177,479 (as of December 31, 2016, they were represented by 2,394,825 and totaled R$ 153,429). Due to the final adverse decision of some of these lawsuits, on June 30, 2017, the maximum number of shares that could be issued related to the subscription warrants indemnification was up to 3,037,669 (3,059,579 shares as of December 31, 2016). For further information on Extrafarma s acquisition, see Note 3.a to the financial statements of the Company filed with the CVM on February 17, 2016.

23. Shareholders Equity

a. Share Capital

The Company is a publicly traded company listed on B3 in the Novo Mercado listing segment under the ticker UGPA3 and on the New York Stock Exchange (NYSE) in the form of level III American Depositary Receipts (ADRs) under the ticker UGP . On June 30, 2017, the subscribed and paid-in capital stock consists of 556,405,096 common shares with no par value and the issuance of preferred shares and participation certificates is prohibited. Each common share entitles its holder to one vote at Shareholders Meetings.

The price of the shares issued by the Company as of June 30, 2017, on B3 was R$ 77.52.

As of June 30, 2017, 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, 2017, there were 29,614,106 common shares outstanding abroad in the form of ADRs (28,944,097 shares as of December 31, 2016).

b. Treasury Shares

The Company acquired its own shares at market prices, without capital reduction, to be held in treasury and to be subsequently disposed of or cancelled, in accordance with CVM Instructions 10, of February 14, 1980 and 268, of November 13, 1997.

As of June 30, 2017, 13,031,356 common shares (13,131,356 as of December 31, 2016) were held in the Company s treasury, acquired at an average cost of R$ 36.85 per share (R$ 36.85 as of December 31, 2016).

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$ 30.37 per share. Such shares were used in the Deferred Stock Plan granted to executives of these subsidiaries, as mentioned in Note 8.c).

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

d. Revaluation Reserve

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

e. Profit Reserves

Legal Reserve

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

Retention of Profits

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

Investments Reserve

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

The amounts of retention of profits and investments reserve are free of distribution restrictions and totaled R$ 2,582,898 as of June 30, 2017 (R$ 3,915,964 as of December 31, 2016). In compliance with Article 199 of the Brazilian Corporate Law, on April 19, 2017 the Annual General Shareholders Meeting deliberated the excess of the profit reserves in relation to share capital, increasing the share capital in the amount of R$ 1,333,066, related to the retained earnings reserve.

f. Other Comprehensive Income

Valuation Adjustments

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

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

Cumulative Translation Adjustments

The change in exchange rates on assets, liabilities, and income of foreign subsidiaries that have (i) functional currency other than the presentation currency of the Company, (ii) an independent administration and (iii) notes in the foreign market (see Note 31 net investment hedge in foreign entities), is directly recognized in the shareholders equity. This accumulated effect is reflected in profit or loss as a gain or loss only in case of disposal or write-off of the investment.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

	Valuation adjustments			
	Fair value of cash flow hedging instruments	Actuarial gains of post-employment benefits	Total	Cumulative translation adjustment
Balance as of December 31, 2016	(26,883)	2,896	(23,987)	7,519
Translation of foreign subsidiaries, net of income tax				3,944
Changes in fair value	(4,052)		(4,052)	
Income and social contribution taxes on fair value	2,656		2,656	
Actuarial losses of post-employment benefits		(24)	(24)	
Balance as of June 30, 2017	(28,279)	2,872	(25,407)	11,463

	Valuation adjustments				
	Fair value of cash flow hedging instruments	Fair value of financial instruments classified as available for sale	Actuarial gains of post-employment benefits	Total	Cumulative translation adjustment
Balance as of December 31, 2015	6,261	1,523	11,169	18,953	66,925
Translation of foreign subsidiaries					(76,175)
Changes in fair value	(97,696)	(1)		(97,697)	
Actuarial gain of post-employment benefits			4,327	4,327	
Income and social contribution taxes on actuarial gains			(1,471)	(1,471)	

Balance as of June 30, 2016	(91,435)	1,522	14,025	(75,888)	(9,250)

g. Dividends and Allocation of Net Income

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 the Shareholders approve them. The proposed dividends payable as of December 31, 2016 in the amount of R$ 472,650 (R$ 0.87 eighty seven cents of Brazilian Real per share), were approved by the Board of Directors on February 22, 2017, and paid beginning March 10, 2017, being ratified at the Annual General Shareholders Meeting on April 19, 2017.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

24. Revenue from Sale and Services (Consolidated)

	06/30/2017	06/30/2016
Gross revenue from sale	38,881,490	39,742,444
Gross revenue from services	342,626	294,968
Sales taxes	(864,834)	(959,426)
Discounts and sales returns	(461,002)	(259,028)
Deferred revenue (see Note 21)	2,648	3,563
Net revenue from sales and services	37,900,928	38,822,521

25. Expenses by Nature (Consolidated)

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

	06/30/2017	06/30/2016
Raw materials and materials for use and consumption	34,024,906	34,832,590
Personnel expenses	1,083,740	988,196
Freight and storage	549,144	525,374
Depreciation and amortization	589,216	545,363
Advertising and marketing	104,190	91,124
Services provided by third parties	158,764	138,239
Lease of real estate and equipment	93,194	79,699
Other expenses	204,523	178,582
Total	36,807,677	37,379,167
Classified as:		
Cost of products and services sold	34,631,410	35,410,967
Selling and marketing	1,424,447	1,290,071
General and administrative	751,820	678,129
Total	36,807,677	37,379,167

Research and development expenses are recognized in the income statements and amounted to R$ 27,077 for the six-month period ended June 30, 2017 (R$ 23,055 for the six-month period ended June 30, 2016).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

The gain or loss is determined as the difference between the selling price and residual book value of the investment, property, plant, and equipment, or intangible asset disposed of. For the six-month period ended June 30, 2017, the loss was R$ 150 (loss of R$ 2,008 for the six-month period ended June 30, 2016), represented primarily from disposal of property, plant, and equipment.

27. Other Operating Income, Net (Consolidated)

	06/30/2017	**06/30/2016**
Commercial partnerships [1]	20,971	19,316
Merchandising [2]	9,254	22,075
Loyalty program [3]	14,096	5,638
Ultracargo fire accident in Santos (see Note 33)	(33,305)	23,671
Reversal of provision ICMS from PIS and COFINS tax bases (see Note 20.a.1.2)	49,152	
Others	2,743	4,902
Other operating income, net	62,911	75,602

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

28. Financial Income (Expense)

	Parent		Consolidated	
	06/30/2017	**06/30/2016**	**06/30/2017**	**06/30/2016**
Financial income:				
Interest on financial investments	55,416	73,387	251,023	167,872
Interest from customers			48,114	50,968
Other financial income			2,162	2,087
	55,416	73,387	301,299	220,927
Financial expenses:				
Interest on loans			(385,130)	(364,196)
Interest on debentures	(49,573)	(58,608)	(180,176)	(167,745)
Interest on finance leases			(3,654)	(6,485)
Bank charges, financial transactions tax, and other charges	(1,286)	(3,174)	(43,423)	(37,490)
Exchange variation, net of gains and losses with derivative instruments	(1)	(1)	58,899	(28,588)
Reversal of provision ICMS from PIS and COFINS tax bases (see Note 20.a.1.2)			43,411	
Changes in subscription warranty indemnification (see Note 22)	(26,095)	(45,775)	(26,095)	(45,775)
Monetary restatement of provisions, net, and other financial expenses	588	(10)	849	(9,564)
	(76,367)	(107,568)	(535,319)	(659,843)
Financial income (expense)	(20,951)	(34,181)	(234,020)	(438,916)

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

29. Earnings per Share (Parent and Consolidated)

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

Basic Earnings per Share	**06/30/2017**	**06/30/2016**
Net income for the period of the Company	614,270	749,378
Weighted average shares outstanding (in thousands)	541,774	541,356
Basic earnings per share R$	1.1338	1.3843

Diluted Earnings per Share	**06/30/2017**	**06/30/2016**
Net income for the period of the Company	614,270	749,378
Weighted average shares outstanding (in thousands), including deferred stock plan and subscription warrants indemnification	545,727	545,360
Diluted earnings per share R$	1.1255	1.3741

Weighted Average Shares Outstanding (in thousands)	**06/30/2017**	**06/30/2016**
Weighted average shares outstanding for basic per share calculation:	541,774	541,356
Dilution effect		
Subscription warrants indemnification	2,386	2,150
Deferred Stock Plan	1,567	1,854
Weighted average shares outstanding for diluted per share calculation:	545,727	545,360

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

30. Segment Information

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

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

	06/30/2017	06/30/2016
Net revenue from sales and services:		
Ultragaz	2,825,251	2,575,608
Ipiranga	32,198,215	33,457,554
Oxiteno	1,797,537	1,912,980
Ultracargo	207,050	166,181
Extrafarma	904,101	737,113
Others [(1)]	23,787	19,792
Intersegment sales	(55,013)	(46,707)
Total	37,900,928	38,822,521
Intersegment sales:		
Ultragaz	1,192	1,587
Ipiranga		
Oxiteno	1,267	1,609
Ultracargo	28,867	23,838
Extrafarma		
Others [(1)]	23,687	19,673

Total	55,013	46,707
Net revenue from sales and services, excluding intersegment sales:		
Ultragaz	2,824,059	2,574,021
Ipiranga	32,198,215	33,457,673
Oxiteno	1,796,270	1,911,371
Ultracargo	178,183	142,343
Extrafarma	904,101	737,113
Others [(1)]	100	
Total	37,900,928	38,822,521

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	06/30/2017	**06/30/2016**
Operating income (expense):		
Ultragaz	158,694	138,429
Ipiranga	914,970	1,087,640
Oxiteno	71,623	238,075
Ultracargo	23,505	53,218
Extrafarma	(14,753)	(2,579)
Others [(1)]	1,973	2,165
Total	1,156,012	1,516,948
Share of profit (loss) of joint-ventures and associates:		
Ultragaz	891	(1)
Ipiranga	(8,372)	(10,049)
Oxiteno	684	608
Ultracargo	852	(262)
Others [(1)]	18,032	12,745
Total	12,087	3,041
Financial income	301,299	220,927
Financial expenses	(535,319)	(659,843)
Income before income and social contribution taxes	934,079	1,081,073
Additions to property, plant, and equipment and intangible assets:		
Ultragaz	143,222	155,145
Ipiranga	474,186	318,246
Oxiteno	189,929	103,126
Ultracargo	30,244	21,844
Extrafarma	57,915	44,601
Others [(1)]	10,721	4,179
Total additions to property, plant, and equipment and intangible assets (see Notes 12 and 13)	906,217	647,141
Asset retirement obligation fuel tanks (see Note 19)	(280)	(160)
Capitalized borrowing costs	(12,642)	(11,024)

Total investments in property, plant, and equipment and intangible assets (cash flow)	893,295	635,957
Depreciation and amortization charges (excluding intersegment account balances):		
Ultragaz	84,859	78,472
Ipiranga	372,082	341,986
Oxiteno	73,042	76,476
Ultracargo	23,472	21,460
Extrafarma	28,607	20,067
Others [(1)]	7,154	6,902
Total	589,216	545,363

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	06/30/2017	**12/31/2016**
Total assets (excluding intersegment account balances):		
Ultragaz	2,342,325	2,308,686
Ipiranga	12,158,714	11,663,289
Oxiteno	6,285,667	6,354,788
Ultracargo	1,415,459	1,535,815
Extrafarma	1,749,108	1,719,524
Others [1]	587,411	577,568
Total	24,538,684	24,159,670

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

Geographic Area Information

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

	06/30/2017	**12/31/2016**
United States of America	375,195	264,478
Mexico	115,732	103,051
Uruguay	66,712	67,251
Venezuela	4,443	5,989
	562,082	440,769

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

	06/30/2017	**06/30/2016**
Net revenue:		

Brazil	37,368,913	38,261,863
Mexico	92,948	93,848
Uruguay	23,313	21,587
Venezuela	15,484	8,469
Other Latin American countries	196,671	228,609
United States of America and Canada	91,130	85,354
Far East	35,000	27,506
Europe	50,949	61,904
Others	26,520	33,381
Total	37,900,928	38,822,521

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

31. Risks and Financial Instruments (Consolidated)
Risk Management and Financial Instruments Governance

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

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

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

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

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Currency Risk

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

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

Assets and Liabilities in Foreign Currencies

In millions of Brazilian Reais	**06/30/2017**	**12/31/2016**
Assets in foreign currency		
Cash, cash equivalents and financial investments in foreign currency (except hedging instruments)	318.4	423.9
Foreign trade receivables, net of allowance for doubtful accounts and advances to foreign customers	186.0	323.4
Net investments in foreign subsidiaries (except cash, cash equivalents, financial investments, trade receivables, financing, and payables)	723.3	600.9
	1,227.7	1,348.2
Liabilities in foreign currency		
Financing in foreign currency, gross of transaction costs and negative goodwill	(4,800.9)	(4,736.3)
Payables arising from imports, net of advances to foreign suppliers	(114.2)	(57.1)
	(4,915.1)	(4,793.4)
Foreign currency hedging instruments	2,267.1	2,206.4

Net asset (liability) position	Total	(1,420.3)	(1,238.8)
Net asset (liability) position	Income statement effect	(0.3)	24.8
Net asset (liability) position	Shareholders equity effect	(1,420.0)	(1,263.6)

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Sensitivity Analysis of Assets and Liabilities in Foreign Currency

The table below shows the effect of exchange rate changes in different scenarios, based on the net liability position of R$ 1,420.3 million in foreign currency:

In millions of Brazilian Reais	**Risk**	**Scenario I 10%**	**Scenario II 25%**	**Scenario III 50%**
(1) Income statement effect	Real devaluation	(0.0)	(0.1)	(0.2)
(2) Shareholders equity effect		(142.0)	(355.0)	(710.0)
(1) + (2)	**Net effect**	(142.0)	(355.1)	(710.2)
(3) Income statement effect	Real appreciation	0.0	0.1	0.2
(4) Shareholders equity effect		142.0	355.0	710.0
(3) + (4)	**Net effect**	142.0	355.1	710.2

The shareholders equity effect refers to cumulative translation adjustments of changes in the exchange rate on equity of foreign subsidiaries (see Notes 2.r and 23.f Cumulative Translation Adjustments), net investments hedge in foreign entities, cash flow hedge of firm commitment and highly probable transaction (see Note 2.c and Hedge Accounting below).

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Interest Rate Risk

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

The Company attempts to maintain its financial interest assets and liabilities at floating rates.

The table below shows the financial assets and liabilities exposed to floating interest rates:

In millions of Brazilian Reais

	Note	06/30/2017	12/31/2016
CDI			
Cash equivalents	4	4,374.6	3,837.8
Financial investments	4	1,244.7	1,174.5
Asset position of foreign exchange hedging instruments CDI	31	26.5	28.3
Loans and debentures	14	(6,570.6)	(5,862.3)
Liability position of foreign exchange hedging instruments CDI	31	(2,236.4)	(2,181.6)
Liability position of fixed interest instruments CDI	31	(357.0)	
Net liability position in CDI		(3,518.2)	(3,003.3)
TJLP			
Loans TJLP	14	(338.5)	(404.4)
Net liability position in TJLP		(338.5)	(404.4)
LIBOR			
Asset position of foreign exchange hedging instruments LIBOR	31	1,480.2	1,149.7
Loans LIBOR	14	(1,818.3)	(1,470.1)
Net liability position in LIBOR		(338.1)	(320.4)

TIIE			
Loans TIIE	14	(3.7)	(9.6)
Net liability position in TIIE		(3.7)	(9.6)
SELIC			
Loans SELIC	14	(97.1)	(99.5)
Net liability position in SELIC		(97.1)	(99.5)
Total net liability position exposed to floating interest		(4,295.6)	(3,837.2)

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Sensitivity Analysis of Floating Interest Rate Risk

The table below shows the incremental expenses and income that would be recognized in financial income as of June 30, 2017, due to the effect of floating interest rate changes in different scenarios:

In millions of Brazilian Reais

	Risk	Scenario I 10%	Scenario II 25%	Scenario III 50%
Exposure of interest rate risk				
Interest effect on cash equivalents and financial investments	Increase in CDI	24.9	62.1	124.4
Foreign exchange hedging instruments (assets in CDI) effect	Increase in CDI	0.1	0.3	0.6
Interest effect on debt in CDI	Increase in CDI	(36.0)	(89.9)	(179.9)
Interest rate hedging instruments (liabilities in CDI) effect	Increase in CDI	(25.7)	(57.2)	(109.7)
Incremental expenses		(36.7)	(84.7)	(164.6)
Interest effect on debt in TJLP	Increase in TJLP	(1.3)	(3.2)	(6.3)
Incremental expenses		(1.3)	(3.2)	(6.3)
Foreign exchange hedging instruments (assets in LIBOR) effect	Increase in LIBOR	0.6	1.6	3.1
Interest effect on debt in LIBOR	Increase in LIBOR	(0.8)	(1.9)	(3.8)
Incremental expenses		(0.2)	(0.3)	(0.7)
Interest effect on debt in TIIE	Increase in TIIE			(0.1)
Incremental expenses				(0.1)
Interest effect on debt in SELIC	Increase in SELIC	(0.6)	(1.4)	(2.8)
Incremental expenses		(0.6)	(1.4)	(2.8)

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Credit Risks

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

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

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

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

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

	06/30/2017	**12/31/2016**
Ipiranga	211,207	182,252
Ultragaz	38,962	33,804
Oxiteno	10,422	10,856
Extrafarma	4,420	3,449
Ultracargo	2,205	2,971
Total	267,216	233,332

80

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Liquidity Risk

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

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

The Company and its subsidiaries believe to have enough working capital and sources of financing to satisfy their current needs. The gross indebtedness due over the next twelve months totals R$ 3,676.5 million, including estimated interests on loans (for quantitative information, see Note 14). Furthermore, the investment plan for 2017 totals R$ 2,174 million, and until June 30, 2017 the amount of R$ 969 million had been realized. As of June 30, 2017, the Company and its subsidiaries had R$ 6,124.4 million in cash, cash equivalents, and short-term financial investments (for quantitative information, see Note 4).

The table below presents a summary of financial liabilities as of June 30, 2017 to be settled by the Company and its subsidiaries, listed by maturity. The amounts disclosed in this table are the contractual undiscounted cash outflows, and, therefore, these amounts may be different from the amounts disclosed on the balance sheet as of June 30, 2017.

In millions of Brazilian Reais

Financial liabilities	**Total**	**Less than 1 year**	**Between 1 and 3 years**	**Between 3 and 5 years**	**More than 5 years**
Loans including future contractual interest [(1)] [(2)]	15,738.4	3,676.5	5,432.8	2,776.1	3,853.0
Currency and interest rate hedging instruments [(3)]	434.6	105.1	213.2	100.7	15.6
Trade payables	1,165.4	1,165.4			

(1) To calculate the estimated interest on loans some macroeconomic assumptions were used, including averaging for the period the following: (i) CDI of 9.6%, (ii) exchange rate of the Real against the U.S. dollar of R$ 3.36 in 2017, R$ 3.51 in 2018, R$ 3.74 in 2019, R$ 4.00 in 2020 and R$ 4.28 in 2021, R$ 4.54 in 2022, R$ 4.78 in 2023, R$

5.05 in 2024, R$ 5.33 in 2025 and R$ 5.62 in 2026 (iii) TJLP of 7.0% p.a. and (iv) IGP-M of 4.4% in 2017, 4.4% in 2018, 4.5% from 2019 to 2031 (v) IPCA of 4.5% (source:B3, Bulletin Focus and financial institutions).

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

(3) The currency and interest rate hedging instruments were estimated based on projected U.S dollar futures contracts and the futures curves of DI x Pre and Pre x IPCA contracts quoted on B3 on June 30, 2017 and on the futures curve of LIBOR (ICE IntercontinentalExchange) on June 30, 2017. In the table above, only the hedging instruments with negative results at the time of settlement were considered.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Capital Management

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

Selection and Use of Financial Instruments

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

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

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

Hedging instruments	Maturity	Notional amount[1] 06/30/2017	Notional amount[1] 12/31/2016	Fair value 06/30/2017 R$ million	Fair value 12/31/2016 R$ million	Amounts receivable 06/30/2017 R$ million	Amounts payable 06/30/2017 R$ million
a Exchange rate swaps receivable in U.S. dollars							
Receivables in U.S. dollars (LIBOR)	Jul 2017 to Oct 2026	US$ 450.0	US$ 350.0	1,480.2	1,149.7	1,480.2	
Receivables in U.S. dollars (Fixed)		US$ 961.8	US$ 1,062.4	813,7	1,084.6	813.7	
Payables in CDI interest rate		(US$ 1,411.8)	US$ (1,412.4)	(2,236.4)	(2,181.6)		2,236.4
Total result				57.5	52.7	2,293.9	2,236.4
b Exchange rate swaps payable in U.S. dollars + COUPON							
Receivables in CDI interest rates	Jul 2017 to Sep 2017	US$ 8.1	US$ 8.5	26.5	28.3	26.5	
Payables in U.S. dollars (Fixed)		(US$ 8.1)	US$ (8.5)	(26.8)	(27.9)		26.8
Total result				(0.3)	0.4	26.5	26.8
c Interest rate swaps in Brazilian Reais							
Receivables in fixed interest rates + IPCA	Apr 2024	R$352.4		352.8		352.8	
Payables in CDI interest rates		(R$352.4)		(357.0)			357.0
Total result				(4.2)		352.8	357.0

Total gross result	53.0	53.1	2,673.2	2,620.2
Income tax	(26.5)	(36.9)	(26.5)	
Total net result	26.5	16.2	2,646.7	2,620.2
Positive result (see Note 4)	158.0	218.5		
Negative result (see Note 14)	(131.5)	(202.3)		

(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 Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Hedging instruments existing as of June 30, 2017 are described below, according to their category, risk, and hedging strategy:

a - Hedging against foreign exchange exposure of liabilities in foreign currency The purpose of these contracts is (i) to offset the effect of the change in exchange rates of debts or firm commitments in U.S. dollars by converting them into debts or firm commitments in Brazilian Reais linked to CDI, (ii) firm commitments in U.S. dollars, changing them into debts or firm commitments in Reais indexed to the CDI and (iii) change a financial investment linked to the CDI and given as a guarantee to a loan in the U.S. dollar into a financial investment linked to the U.S. dollar. As of June 30, 2017, the Company and its subsidiaries had outstanding swap contracts totaling US$ 1,411.8 million in notional amount with a liability position, on average of 85.1% of CDI, of which US$ 228.8 million, had an asset position at US$ + 1.14% p.a., US$ 450.0 million had an asset position at US$ + LIBOR + 1.06% p.a. and US$ 733.0 million in interest rate swap with an asset position at US$ + 5.65% p.a. This amount includes US$ 470.0 million related to the fair value of hedging instruments of Ipiranga s debt (see Notes 14.c and hedge accounting below) and US$ 119.5 million related to hedging instruments of cash flow of firm commitment (see hedge accounting below).

b - Hedging against foreign exchange exposure of operations The purpose of these contracts is to make the exchange rate of the revenues of subsidiaries Oleoquímica, Oxiteno S.A. and Oxiteno Nordeste equal to the exchange rate of the cost of their main raw materials during their operating cycles. As of June 30, 2017, these swap contracts totaled US$ 8.1 million and, on average, had an asset position at 70.9% of CDI and a liability position at US$ + 0.0% p.a.

c - Hedging against fixed interest rate + IPCA in Brazilian Reais The purpose of this contract is to change fixed interest rate + IPCA of debentures issued in Brazilian Reais to floating interest. As of June 30, 2017 this swap contract totaled R$ 352.4 million of notional amount, corresponding to the principal amount of the debt and had an asset position at 4.68% p.a. + IPCA and a liability position at 93.9% of CDI.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Hedge Accounting

The Company and its subsidiaries use derivative and non-derivative financial instruments for hedging purposes and test, throughout the duration of the hedge, their effectiveness, as well as the changes in their fair value.

Fair value hedge

The Company and its subsidiaries designate as fair value hedges certain financial instruments used to offset the variations in interest and exchange rates, which are based on the market value of financing contracted in Brazilian Reais and U.S. dollars.

On June 30, 2017, the notional amount of foreign exchange hedging instruments designated as fair value hedge totaled US$ 470.0 million. As of June 30, 2017, a loss of R$ 68.8 million related to the result of hedging instruments, a gain of R$ 12.2 million related to the fair value adjustment of debt, and a loss of R$ 21.3 million related to the financial expense of the debt were recognized in the income statements, transforming the average effective cost of the operation into 103.0% of CDI (see Note 14.c.1).

On June 30, 2017, the notional amount of interest rate hedging instruments designated as fair value hedges totaled R$ 352.4 million. As of June 30, 2017, a loss of R$ 4.2 million related to the result of hedging instruments, a gain of R$ 15.3 million related to the fair value adjustment of debt, and a loss of R$ 3.6 million related to the financial expense of the debt were recognized in the income statements, transforming the average effective cost of the operations into 93.9% of CDI.

Cash flow hedge

The Company and its subsidiaries designate, as cash flow hedge of firm commitment and highly probable transactions, derivative financial instruments to hedge firm commitments and non-derivative financial instruments to hedge highly probable future transactions , to hedge against fluctuations arising from changes in exchange rate.

On June 30, 2017, the notional amount of exchange rate hedging instruments of firm commitments designated as cash flow hedges totaled US$ 119.5 million, and a loss of R$ 32.2 million was recognized in the income statement. On June 30, 2017, the unrealized gain of Other comprehensive income is R$ 4.2 million (loss of R$ 13.8 million on December 31, 2016), net of deferred income and social contribution taxes.

On June 30, 2017, the notional amount of foreign exchange hedging instruments for highly probable future transactions designated as fair value hedge, related to notes in the foreign market totaled US$ 570.0 million. On June 30, 2017, the unrealized loss of Other comprehensive income is R$ 30.5 million (loss of R$ 12.1 million on December 31, 2016), net of deferred income and social contribution taxes.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Net investment hedge in foreign entities

The Company and its subsidiaries designate, as net investment hedge in foreign entities, notes in the foreign market, for hedging net investment in foreign entities, to offset changes in exchange rates.

On June 30, 2017, the balance of foreign exchange hedging instruments designated as net investments hedge in foreign entities, related to part of the investments made in entities which functional currency is other than the Brazilian Real, totaled US$ 133.0 million. On June 30, 2017, the unrealized loss of Other comprehensive income is R$ 7.1 million (loss of R$ 2.8 million on December 31, 2016), net of deferred income and social contribution taxes. The effects of exchange rate changes on investments and hedging instruments were offset in shareholders equity.

Gains (losses) on Hedging Instruments

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

		R$ million	
		06/30/2017	
		Profit or loss	**Equity**
a	Exchange rate swaps receivable in U.S. dollars (i) (ii)	(40.7)	4.2
b	Exchange rate swaps payable in U.S. dollars (ii)	2.2	
c	Interest rate swaps in R$ (iii)	11.1	
d	Non-derivative financial instruments (iv)	(41.1)	(37.6)
Total		(68.5)	(33.4)

		R$ million	
		06/30/2017	**12/31/2016**
		Profit or loss	**Equity**
a	Exchange rate swaps receivable in U.S. dollars (i) (ii)	(88.0)	(13.8)
b	Exchange rate swaps payable in U.S. dollars (ii)	8.8	
c	Interest rate swaps in R$ (iii)	(0.4)	
d	Non-derivative financial instruments (iv)		(14.9)

Total	(79.6)	(28.7)

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Fair Value of Financial Instruments

The fair values and the carrying values of the financial instruments, including currency and interest rate hedging instruments, are stated below:

			06/30/2017		12/31/2016	
	Category	**Note**	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Financial assets:						
Cash and cash equivalents						
Cash and bank deposits	Loans and receivables	4	123,433	123,433	113,318	113,318
Financial investments in local currency	Measured at fair value through profit or loss	4	4,374,575	4,374,575	3,837,807	3,837,807
Financial investments in foreign currency	Measured at fair value through profit or loss	4	91,350	91,350	323,033	323,033
Financial investments						
Fixed-income securities and funds in local currency	Available for sale	4	66,261	66,261	113,640	113,640
Fixed-income securities and funds in local currency	Measured at fair value through profit or loss	4	1,171,017	1,171,017	1,053,369	1,053,369
Fixed-income securities and funds in local currency	Held to maturity	4	7,449	7,449	7,449	7,449
Fixed-income securities and funds in foreign currency	Available for sale	4	150,137	150,137	34,775	34,775
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	4	158,048	158,048	218,458	218,458
Total			6,142,270	6,142,270	5,701,849	5,701,849
Financial liabilities:						
Financing	Measured at fair value through profit or loss	14	1,542,979	1,542,979	1,428,907	1,428,907
Financing		14	6,910,107	6,890,367	6,990,269	6,881,085

	Measured at amortized cost					
Debentures	Measured at amortized cost	14	3,391,177	3,396,042	2,746,881	2,746,915
Debentures	Measured at fair value through profit or loss	14	332,852	332,852		
Finance leases	Measured at amortized cost	14	49,758	49,758	48,716	48,716
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	14	131,529	131,529	202,357	202,357
Subscription warrants indemnification	Measured at fair value through profit or loss	22	177,479	177,479	153,429	153,429
Total			12,535,881	12,521,006	11,570,559	11,461,409

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

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

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

Financial investments in investment funds are valued at the value of the fund unit as of the date of the 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 subscription warrants indemnification were measured based on the share price of Ultrapar (UGPA3) at the interim financial information date and are adjusted to the Company s dividend yield, since the exercise is only possible starting in 2020 onwards and they are not entitled to dividends until then. The number of shares of subscription warrants indemnification is also adjusted according to the changes in the amounts of provision for tax, civil, and labor risks and contingent liabilities related to the period prior to January 31, 2014. (See Note 22).

The fair value calculation of notes in the foreign market (see Note 14.b) is based on the quoted price in an active market.

The fair value of other financial investments and financing was determined using calculation methodologies commonly used for mark-to-market reporting, which consist of calculating future cash flows associated with each instrument adopted and adjusting them to present value at the market rates as of June 30, 2017 and December 31,2016. For some cases where there is no active market for the financial instrument, the Company and its subsidiaries can use quotes provided by the transaction counterparties.

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

Financial instruments were classified as loans and receivables or financial liabilities measured at amortized cost, except (i) all exchange rate and interest rate hedging instruments, which are measured at fair value through profit or loss, (ii) financial investments classified as measured at fair value through profit or loss, (iii) financial investments that are classified as available for sale, which are measured at fair value through other comprehensive income (see Note 4), (iv) loans and financing measured at fair value through profit or loss (see Note 14), (v) guarantees to customers that have vendor arrangements (see Note 14.k), which are measured at fair value through profit or loss, and (vi) subscription warrants indemnification, which are measured at fair value through profit or loss (see Note 22). The financial investments classified as held-to-maturity are measured at amortized cost. Cash, banks, and trade receivables are classified as loans and receivables. Trade payables and other payables are classified as financial liabilities measured at amortized cost.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Fair Value Hierarchy of Financial Instruments

The financial instruments are classified in the following categories:

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

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

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

	Category	Note	06/30/2017	Level 1	Level 2	Level 3
Financial assets:						
Cash equivalents						
Cash and banks	Loans and receivables	4	123,433	123,433		
Financial investments in local currency	Measured at fair value through profit or loss	4	4,374,575	4,374,575		
Financial investments in foreign currency	Measured at fair value through profit or loss	4	91,350	91,350		
Financial investments						
Fixed-income securities and funds in local currency	Available for sale	4	66,261	66,261		
Fixed-income securities and funds in local currency	Measured at fair value through profit or loss	4	1,171,017	1,171,017		
Fixed-income securities and funds in local currency	Held to maturity	4	7,449	7,449		
Fixed-income securities and funds in foreign currency	Available for sale	4	150,137	36,787	113,350	
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	4	158,048		158,048	

Total			6,142,270	5,870,872	271,398
Financial liabilities:					
Financing	Measured at fair value through profit or loss	14	1,542,979		1,542,979
Financing	Measured at amortized cost	14	6,890,367	2,451,808	4,438,559
Debentures	Measured at amortized cost	14	3,396,042		3,396,042
Debentures	Measured at fair value through profit or loss	14	332,852		332,852
Finance leases	Measured at amortized cost	14	49,758		49,758
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	14	131,529		131,529
Subscription warrants indemnification (1)	Measured at fair value through profit or loss	22	177,479		177,479
Total			12,521,006	2,451,808	10,069,198

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

	Category	Note	12/31/2016	Level 1	Level 2	Level 3
Financial assets:						
Cash equivalents						
Cash and banks	Loans and receivables	4	113,318	113,318		
Financial investments in local currency	Measured at fair value through profit or loss	4	3,837,807	3,837,807		
Financial investments in foreign currency	Measured at fair value through profit or loss	4	323,033	323,033		
Financial investments						
Fixed-income securities and funds in local currency	Available for sale	4	113,640	113,640		
Fixed-income securities and funds in local currency	Measured at fair value through profit or loss	4	1,053,369	1,053,369		
Fixed-income securities and funds in local currency	Held to maturity	4	7,449	7,449		
Fixed-income securities and funds in foreign currency	Available for sale	4	34,775	32,167	2,608	
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	4	218,458		218,458	
Total			5,701,849	5,480,783	221,066	
Financial liabilities:						
Financing	Measured at fair value through profit or loss	14	1,428,907		1,428,907	
Financing	Measured at amortized cost	14	6,881,085	2,338,920	4,542,165	
Debentures	Measured at amortized cost	14	2,746,915		2,746,915	
Finance leases	Measured at amortized cost	14	48,716		48,716	
Currency and interest rate hedging instruments	Measured at fair value through profit or loss	14	202,357		202,357	
Subscription warrants indemnification (1)	Measured at fair value through profit or loss	22	153,429		153,429	
Total			11,461,409	2,338,920	9,122,489	

(1) Refers to subscription warrants issued by the Company in the Extrafarma acquisition.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

Sensitivity Analysis

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

For the sensitivity analysis of foreign exchange hedging instruments, management adopted as a likely scenario the Real/U.S. dollar exchange rates at maturity of each swap, projected by U.S dollar futures contracts quoted on B3 as of June 30, 2017. As a reference, the exchange rate for the last maturity of foreign exchange hedging instruments is R$ 5.69 in the likely scenario. Scenarios II and III were estimated with a 25% and 50% additional appreciation or depreciation of the Brazilian Real against the likely scenario, according to the risk to which the hedged item is exposed.

Based on the balances of the hedging instruments and hedged items as of June 30, 2017, the exchange rates were replaced, and the changes between the new balance in Brazilian Reais and the original balance in Brazilian Reais as of June 30, 2017 were calculated in each of the three scenarios. The table below shows the change in the values of the main derivative instruments and their hedged items, considering the changes in the exchange rate in the different scenarios:

	Risk	**Scenario I (likely)**	**Scenario II**	**Scenario III**
Currency swaps receivable in U.S. dollars				
(1) U.S. Dollar / Real swaps	Dollar	274,764	914,250	1,553,736
(2) Debts/firm commitments in dollars	appreciation	(274,722)	(914,164)	(1,553,606)
(1)+(2)	**Net effect**	42	86	130
Currency swaps payable in U.S. dollars				
(3) Real / U.S. Dollar swaps	Dollar	(219)	6,552	13,322
(4) Gross margin of Oxiteno	devaluation	219	(6,552)	(13,322)
(3)+(4)	**Net effect**			

For sensitivity analysis of hedging instruments for interest rates in Brazilian Reais, the Company used the futures curve of the DI x Pre contract quoted on B3 as of June 30, 2017 for each of the swap and debt (hedged item) maturities, to determine the likely scenarios. Scenarios II and III were estimated based on a 25% and 50% deterioration, respectively, of the likely scenario pre-fixed interest rate.

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

	Risk	Scenario I (likely)	Scenario II	Scenario III
Interest rate swap (in Brazilian Reais) Debentures CRA				
(1) Fixed rate swap CDI	Decrease in		52,527	115,634
(2) Fixed rate debt	Pre-fixed rate		(52,527)	(115,634)
(1) + (2)	Net effect			

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

32. Commitments (Consolidated)

a. Contracts

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

Port	Minimum movement in tons per year	Maturity
Aratu	900,000	2022
Aratu	397,000	2031
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, 2017, these rates were R$ 6.99 per ton for Aratu and R$ 2.90 per ton for Suape. The subsidiary has met the minimum cargo movement required since the beginning of the contractual agreements.

Subsidiary Oxiteno Nordeste has a supply agreement with Braskem S.A. which establishes a minimum annually consumption level of ethylene, and conditions for the supply of ethylene until 2021. The minimum purchase commitment clause provided for a minimum annual consumption of 205 thousand tons in 2017. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine based on the current ethylene price for the quantity not purchased. According to contractual conditions and tolerances, there are no material issues regarding the minimum purchase commitment.

Subsidiary Oxiteno S.A. has a supply agreement with Braskem S.A., valid until 2023, which establishes and regulates the conditions for supply of ethylene to Oxiteno based on the international market for this product. The minimum purchase is 22,050 tons of ethylene semiannually. Should the minimum purchase commitment not be met, the subsidiary would be liable for a fine based on the current ethylene price for the quantity not purchased. According to contractual conditions and tolerances, there are no material issues regarding the minimum purchase commitment.

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

b. Insurance Coverage in Subsidiaries

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

	Maximum compensation value (*)	
Oxiteno	US$	1,142
Ipiranga	R$	924
Ultracargo	R$	740
Ultragaz	R$	150
Extrafarma	R$	160

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

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

The Company maintains liability insurance policies for directors and executive officers (D&O) to indemnify the members of the Board of Directors, fiscal council and executive officers of Ultrapar and its subsidiaries (Insured) in the total amount of US$ 80 million, which cover any of the Insured liabilities resulting from wrongful acts, including any act or omission committed or attempted, except if the act, omission or the claim is consequence of gross negligence or willful misconduct.

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

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

93

Ultrapar Participações S.A. and Subsidiaries

Notes to the Individual and Consolidated Interim Financial Information

(In thousands of Brazilian Reais, unless otherwise stated)

c. Operating Lease Contracts

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

	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
06/30/2017	40,369	72,786		113,155

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

		Up to 1 year	Between 1 and 5 years	More than 5 years	Total
06/30/2017	payable	132,114	395,777	280,023	807,914
	receivable	(49,712)	(144,596)	(71,991)	(266,299)

The expense recognized for the six-month period ended June 30, 2017 for operating leases was R$ 69,278 (R$ 47,967 for the six-month period ended June 30, 2016), net of sublease income.

33. Ultracargo Fire Accident in Santos

In April 2015, a fire occurred in six ethanol and gasoline tanks operated by Ultracargo in Santos, which represented 4% of the subsidiary s overall capacity as of December 31, 2014. The Civil and Federal Police investigated the accident and its impacts, and concluded that it is not possible to determine the cause of the accident and neither to individualize active or passive conduct related to the cause, and there was no criminal charge against either individual or the subsidiary, by both authorities.

The decommissioning stage of the affected area were completed. In June 2017, the licensing required for the return to operation of 67.5 thousands cubic meters from the total of 150 thousands cubic meters affected by the fire was obtained. The remaining tanks continue to be paralyzed and in the process of recovery for subsequent licensing and start of operation.

As of December 31, 2016, the insurance receivable in the amount of R$ 366,678 and indemnities to customers and third parties in the amount of R$ 99,863 were recorded. In the first quarter of 2017, Ultracargo received the full amount from the insurers. In addition, there are contingent liabilities related to lawsuits and extrajudicial lawsuits in the amount of R$ 93,486 and R$ 20,866 (R$ 96,408 e R$ 16,637 as of December 31, 2016), respectively.

34. Subsequent Event

a. Issuance of Debentures

On July 24, 2017 the Board of Directors of Ultrapar approved the issuance of 1,500,000, simple, nonconvertible into shares, unsecured debentures, at face value of R$ 1,000.00, by the subsidiary IPP, and guaranteed by Ultrapar. The interest of these debentures correspond to 105% of CDI, and maturity of 5 years, with annual payment of interest.

b. ALE Acquisition

On August 2, 2017, the Court of Appeals of CADE voted the transaction and despite all the efforts endeavored by the applicants throughout the analysis of the Concentration Act and the negotiations conducted with the Court of Appeals, the Court blocked the transaction. The contract is automatically resolved without any penalty from either party.

MD&A ANALYSIS OF CONSOLIDATED EARNINGS

Second Quarter of 2017

(R$ million)	2Q17	2Q16	1Q17	D 2Q17 X 2Q16	D 2Q17 X 2Q16	1H17	1H16	D 1H17 x 1H16
Net revenue from sales and services	19,173.0	19,298.2	18,727.9	(1%)	2%	37,900.9	38,822.5	(2%)
Cost of products and services sold	(17,590.6)	(17,604.9)	(17,040.9)	0%	3%	(34,631.4)	(35,411.0)	(2%)
Gross profit	1,582.5	1,693.3	1,687.0	(7%)	(6%)	3,269.5	3,411.6	(4%)
Selling, marketing, general and administrative expenses	(1,110.4)	(1,005.2)	(1,065.9)	10%	4%	(2,176.3)	(1,968.2)	11%
Other operating income, net	6.6	40.2	56.3	(84%)	(88%)	62.9	75.6	(17%)
Gain on disposal of property, plant and equipment and intangibles	6.2	(2.1)	(6.4)	(398%)	(198%)	(0.2)	(2.0)	(93%)
Operating income	484.9	726.2	671.1	(33%)	(28%)	1,156.0	1,516.9	(24%)
Financial expenses, net	(112.8)	(222.5)	(121.2)	(49%)	(7%)	(234.0)	(438.9)	(47%)
Share of profit of joint ventures and associates	5.7	6.3	6.4	(10%)	(12%)	12.1	3.0	297%
Income before income and social contribution taxes	377.7	510.1	556.4	(26%)	(32%)	934.1	1,081.1	(14%)
Income and social contribution taxes current and deferred	(137.2)	(173.4)	(193.5)	(21%)	(29%)	(330.8)	(378.7)	(13%)
Income and social contribution taxes tax incentives	6.7	30.5	7.5	(78%)	(11%)	14.2	52.6	(73%)
Net income	247.2	367.1	370.3	(33%)	(33%)	617.5	755.0	(18%)
Net income attributable to Ultrapar	246.1	364.2	368.2	(32%)	(33%)	614.3	749.4	(18%)
Net income attributable to non-controlling interests in subsidiaries	1.1	3.0	2.2	(64%)	(50%)	3.2	5.6	(42%)
EBITDA	**784.2**	**1,007.8**	**973.1**	**(22%)**	**(19%)**	**1,757.3**	**2,065.4**	**(15%)**
	445.3	446.7	414.5	0%	7%	859.7	853.6	1%

Volume LPG sales (000 tons)								
Volume Fuels sales (000 m³)	5,937.9	5,948.0	5,554.1	0%	7%	11,492.1	11,882.2	(3%)
Volume Chemicals sales (000 tons)	182.7	183.7	195.9	(1%)	(7%)	378.5	365.2	4%

Considerations on the financial and operational information

Standards and criteria adopted in preparing the information

The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultrapar corresponds to the company s consolidated information. The information on Ipiranga, Oxiteno, Ultragaz, Ultracargo and Extrafarma is reported without the elimination of intercompany transactions. Therefore, the sum of such information may not correspond to Ultrapar s consolidated information. Additionally, the financial and operational information presented in this document is subject to rounding and consequently the total amounts presented in the tables and charts may differ from the direct sum of the amounts that precede them. Except when otherwise indicated, the information presented in this document compares 2Q17 to 2Q16.

EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization and EBIT Earnings Before Interest and Taxes are presented in accordance with CVM Instruction 527 of October 4, 2012.

Ultrapar

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Net sales and services	19,173	19,298	18,728	(1%)	2%	37,901	38,823	(2%)
Net earnings[1]	247	367	370	(33%)	(33%)	618	755	(18%)
Earnings per share attributable to Ultrapar shareholders[2]	0.45	0.67	0.68	(32%)	(33%)	1.13	1.38	(67%)
EBITDA	784	1,008	973	(22%)	(19%)	1,757	2,065	(15%)
Investments	484	386	485	25%	0%	969	684	42%

Amounts in R$ million (except for EPS)

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

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

Net sales and services Total of R$ 19,173 million (-1%) reflecting reductions at Ipiranga and Oxiteno, attenuated by growth at Ultragaz, Ultracargo and Extrafarma. In relation to 1Q17, net sales and services were 2% higher reflecting growth in revenue at all the businesses with the exception of Oxiteno. In the first six months of the year, net sales and services amounted to R$ 37,901 million, a decline of 2% in relation to 1H16.

EBITDA Total of R$ 784 million (-22%) due to decreases in EBITDA of all the businesses with the exception of Ultragaz. In relation to 1Q17, EBITDA reported a reduction of 19% due to a decline in EBITDA at Ipiranga and Oxiteno, both affected by specific effects. In the first six months of the year, Ultrapar s EBITDA totaled R$ 1,757 million, a decline of 15% compared with 1H16.

Depreciation and amortization Total of R$ 294 million (+7%) reflecting investments over the last 12 months, particularly in the expansion of the Ipiranga service station network. Compared with 1Q17, total costs and expenses with depreciation and amortization posted a reduction of 1%. In the first six months of the year, costs and expenses with depreciation and amortization totaled R$ 589 million, 8% more than in 1H16.

Financial result Ultrapar s net debt on June 30 was R$ 6.2 billion (1.59x LTM EBITDA), compared with R$ 5.5 billion on June 30, 2016 (1.32x LTM EBITDA). Ultrapar reported net financial expenses of R$ 113 million, R$ 110 million lower than 2Q16, due to the decrease in the CDI Interbank Rate year-over-year despite the growth in net debt and to the exchange rate effects between periods. In relation to 1Q17, net financial expenses fell by R$ 8 million, again due to the exchange rate effects between periods and the decline in CDI, the impact of which offset by the reversal of the provision of R$ 43 million with respect to the exclusion of the ICMS sales tax from the PIS and Cofins calculation base in 1Q17. In the first six months of the year, the net financial expense was R$ 234 million, a decline of 47% relative to 1H16.

Net earnings Total of R$ 247 million (-33%) due to the reduction of EBITDA and higher depreciation and amortization, partially mitigated by lower net financial expenses. Compared with 1Q17, net earnings were 33% lower, also due to a reduction of EBITDA. In 1H17, net earnings were R$ 618 million, a reduction of 18% compared with the same period in 2016.

Operating cash flow Total of R$ 1,293 million (+R$ 625 million) due to lower investment in working capital which fell from an investment of R$ 329 million in 1H16 to divestment of R$ 271 million in 1H17.

Ipiranga

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Total volume (000 m³)	**5,938**	**5,948**	**5,554**	**0%**	**7%**	**11,492**	**11,882**	**(3%)**
Diesel	2,983	3,144	2,718	(5%)	10%	5,701	6,147	(7%)
Otto cycle	2,870	2,710	2,753	6%	4%	5,623	5,555	1%
Others[1]	85	95	84	(10%)	2%	169	180	(6%)
EBITDA (R$ million)	**582**	**718**	**705**	**(19%)**	**(17%)**	**1,288**	**1,430**	**(10%)**

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

Operational performance - Sales volume totaled 5,938 thousand m³ in 2Q17, flat compared to 2Q16, reinforcing the gradual recovery trend since 4Q16 when total volume presented a 14% year-over-year decline. The Otto cycle segment grew 6% in relation to 2Q16 due to the acceleration in investments to add new service stations, which will contribute progressively to a recovery in sales volumes, and also the market-share recovery. Diesel volume decreased by 5% compared to 2Q16, following the weak economic activity and in spite of an improvement in the wholesale segments. Sales volume showed an increase of 7% in relation to 1Q17 due to seasonality effects between periods. Total volume in 1H17 amounted to 11,492 thousand m³, a decline of 3% compared with 1H16.

Net sales and services Total of R$ 16,279 million in 2Q17 (-2%) mainly due to variations in the cost of gasoline and diesel from Petrobras, but offset by the strategy of constant innovation in convenience and services, generating greater customer satisfaction and loyalty. In relation to 1Q17, net sales and services increased by 2% due to the growth in sales volume but attenuated by the aforementioned variations. In the first half, net sales and services amounted to R$ 32,198 million, a 4% decrease in relation to 1H16.

Cost of goods sold Total of R$ 15,287 million in 2Q17 (-1%), principally due to the variations in the cost of gasoline and diesel from Petrobras. Cost of goods sold quarter-over-quarter increased by 3% due to the same reasons already mentioned in the net sales variation. In the first half 2017, costs of goods sold amounted to R$ 30,116 million, 4% lower than in 1H16.

Sales, general and administrative expenses Total of R$ 614 million in 2Q17 (+10%) due to (i) variations in provisions for doubtful debts; (ii) concentration of expenses with marketing programs and expansion; and (iii) higher expenses with studies and projects for innovation initiatives. In relation to 1Q17, sales, general and administrative expenses increased by 3%, explained mainly to higher freight expenses, due to higher sales volume, partially offset by lower marketing expenses, which typically decreases in this comparison basis considering the annual resellers convention held in February. In the first six months of the year, sales, general and administrative expenses were R$ 1,208 million, a rise of 10% when compared to the same period in 2016.

EBITDA Total of R$ 582 million (-19%) mainly due to inventory effects influenced by cost reductions in gasoline, ethanol and diesel and concentration of expenses. In relation to 1Q17, EBITDA decreased by 17%, again a reflection of the factor already mentioned. In the first six months of the year, Ipiranga s EBITDA totaled R$ 1,288 million, 10% lower in relation to 1H16.

Investments A total of R$ 277 million was invested during the quarter and allocated mainly to expansion and maintenance of the service stations and franchises. The service station network grew by 6% with net addition of 95 service stations in the quarter and 464 in the last 12 months. Out of the amount invested, R$ 236 million were related to additions to property, plant, equipment and intangible assets and R$ 40 million to the financing to clients, net of repayments. In 1H17, Ipiranga invested R$ 571 million, of which R$ 109 million were financing to clients, net of repayments, with a net addition of 180 new service stations in the first six months of the year, compared with 49 in the same period for 2016.

Oxiteno

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Total volume (000 tons)	**183**	**184**	**196**	**(1%)**	**(7%)**	**379**	**365**	**4%**
Specialty chemicals	151	147	157	3%	(4%)	309	293	5%
Commodities	31	37	38	(15%)	(18%)	70	72	(3%)
Sales in Brazil	131	133	140	(2%)	(6%)	270	261	4%
Sales outside Brazil	52	51	56	3%	(8%)	108	105	4%
EBITDA (R$ million)	**34**	**117**	**112**	**(71%)**	**(70%)**	**145**	**315**	**(54%)**

Operational performance Total volume of 183 thousand tons (-1% or 1 thousand ton). Sales volumes of specialty chemicals increased by 3%, the fourth consecutive quarter of growth, with a 3% increase in the domestic market based on development of new products and solutions to the clients, notably in the oil and gas and automotive fluids segments. Specialty chemicals sales outside Brazil increased by 4%, reflecting stronger sales to the USA due to pre-marketing activities of the Pasadena facility. Commodity volumes in the quarter decreased by 15% due to the product s volatility in price and demand. Compared with 1Q17, sales volume was 7% (13 thousand tons) lower following weaker sales performance for commodities. In the first six months of the year, Oxiteno recorded total volumes of 379 thousand tons, a 4% improvement on the first half of 2016.

Net sales and services Total of R$ 885 million (-3%) due to an 8% stronger Real against the US Dollar, partially offset by 7% higher average price in US Dollar resulting from more favorable commodities prices and increased share of specialty chemicals in sales mix. Quarter-on-quarter, net sales and services also reported a decline of 3% due to a reduction in sales volume, partially compensated by a 2% weaker Real against the US Dollar and a better sales mix. In the first six months of the year, net sales and services amounted to R$ 1,798 million, 6% lower than 1H16.

Cost of goods sold Total of R$ 731 million (+7%) due to: (i) the 20% increase in unit variable costs in US Dollars, due to the increase observed throughout 2016 and in the beginning of 2017 in certain raw materials; (ii) the higher pre-operational costs of the new plant in the US; and (iii) costs related to the extended stoppage at the Oleoquímica plant, offset by an 8% stronger Real in relation to the US Dollar. In relation to 1Q17, cost of goods sold remained stable while the 2% weaker Real against the US Dollar was offset by lower sales volume. In the first six months of the year, costs of goods sold amounted to R$ 1,461 million, an increase of 6% in relation to 1H16.

Sales, general and administrative expenses Total of R$ 157 million (+5%) mainly due to (i) pre-operational expenses at the new US plant, (ii) the effects of the stoppage at the Oleoquímica plant, partially compensated by the effects of a stronger Real against the US Dollar in logistics and international units expenses. Compared to 1Q17, sales, general and administrative expenses increased by 1%, due to higher consultancy and legal advisory expenses. In 1H17, SG&A totaled R$ 313 million, 5% higher than the same period in 2016.

EBITDA Total of R$ 34 million (-71%), principally a function of the appreciation of Real against the US Dollar and non-recurring effects (i) the significant decline in raw material prices as from March 2017, which had a negative effect on inventories, but will also improve Oxiteno s products competitiveness over the following months and (ii) technical problems in the restarting of the Oleoquímica plant, both representing a negative impact of R$ 37 million in 2Q17. Compared with 1Q17, EBITDA decreased by 70%, principally due to the reversion of the provision of R$ 49 million reported in 1Q17, relating to the exclusion of the ICMS tax from the PIS and Cofins base, inventory losses and technical problems with the restarting of the Oleoquímica plant, attenuated by the depreciation of the Real in relation to the US Dollar. In 1H17, EBITDA amounted to R$ 145 million, 54% lower than in 1H16.

Investments A total of R$ 114 million was invested during the quarter, largely related to investments in the new ethoxylation plant the United States, expected to start operations in 2018, and to its production units maintenance. In the first six months of the year, total investments were R$ 188 million.

Ultragaz

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Total volume (000 tons)	**445**	**447**	**414**	**0%**	**7%**	**860**	**854**	**1%**
Bottled	307	301	282	2%	9%	589	578	2%
Bulk	139	146	132	(5%)	5%	271	275	(2%)
EBITDA (R$ million)	**124**	**108**	**120**	**14%**	**3%**	**244**	**217**	**13%**

Operational performance Total volume of 445 thousand tons, stable year-over-year, in spite of the fewer business days, with a 2% growth of in the bottled segment, a reflection of investments in new resellers. This growth was offset by a 5% decline in the bulk segment due to increased sales volume to industrial clients in 2Q16 and higher loss of certain costumers that switched to natural gas. Compared to 1Q17, sales volumes increased by 7%, mainly due to seasonality effects between periods and higher new clients consumption, with growth in all segments, in spite of the fewer number of business days. In the first six months of the year, Ultragaz reported volumes of 860 thousand tons, 1% higher than that in 1H16.

Net sales and services Total of R$ 1.473 million (+10%) due to: (i) variations in the costs of LPG supplied by Petrobras; and (ii) the strategy of differentiation and innovation, offset by the reduced participation of the bulk segment in the sales mix. Relative to 1Q17, net sales and services increased by 9% due to higher sales volume and variations in the cost of LPG supplied by Petrobras. In the first six months of the year, net sales and services amounted to R$ 2,825 million, an increase of 10% in relation to 1H16.

Cost of goods sold Total of R$ 1,236 million (+10%) principally due to: (i) increases in costs of LPG supplied by Petrobras; and (ii) higher logistics costs with longer routes for sourcing products. In relation to 1Q17, cost of goods sold rose by 9%, a reflection of higher sales volumes and variations in the costs of LPG supplied by Petrobras. In the first six months of the year, Ultragaz s cost of goods sold amounted to R$ 2,370 million, 10% higher than that in 1H16.

Sales, general and administrative expenses Total of R$ 161 million (+8%) mainly due to increased marketing expenses and the effects of inflation on personnel expenses. Compared with 1Q17, sales, general and administrative expenses increased by 13% due to increased costs with marketing and projects. In the first six months of the year, sales, general and administrative expenses totaled R$ 303 million, 4% compared to 1H16.

Result from the disposal of assets The result from the disposal of assets amounted to an income of R$ 2 million in 2Q17 compared with neutral results in 1Q17 and 2Q16. In 2Q17 and 1H17, the result principally reflected the disposal of an increased number of LPG bottles.

EBITDA Total of R$ 124 million (+14%), the result of commercial initiatives to capture new customers and resellers as well as the differentiation strategy based on innovation. In relation to 1Q17, EBITDA increased by 3%, due to higher sales volume. In 1H17, Ultragaz posted an EBITDA of R$ 244 million, 13% higher than that in 1H16.

Investments Ultragaz invested R$ 48 million, mainly allocated to new customers in the bulk segment and the purchase of LPG bottles. In the first six months of the year, the business invested R$ 128 million.

Ultracargo

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Effective Storage[1] (000 m³)	727	662	695	10%	5%	711	660	8%
EBITDA (R$ million)	**26**	**42**	**22**	**(38%)**	**20%**	**48**	**74**	**(36%)**

[1] *Monthly average*

Operational performance Ultracargo s total average storage increased by 10% relative to 2Q16 due to greater fuel handling activity at the Aratu, Suape and Santos port terminals. This was largely the result of the partial resumption in operations at the Santos terminal, with the return in June of a capacity of 67.5 thousand m³ of the 151.5 thousand m³ suspended since the fire in April 2015. Compared with 1Q17, average storage at Ultracargo s terminals increased by 5% due to greater fuel handling activities, spot ethanol operations and the partial resumption of activities in Santos. In the first six months of the year, Ultracargo s average storage increased by 8%.

Net sales and services Total of R$ 106 million in 2Q17 (+25%), due to: (i) the increase in average storage, with larger capacity being taken up by fuel handling activities; (ii) higher average prices at all terminals; and (iii) the partial resumption of operations in Santos. Compared with 1Q17, net sales and services were 6% higher, principally the result of greater fuel handling activities and partial resumption of activities in Santos. In 1H17, net sales and services amounted to R$ 207 million, 25% greater than 1H16.

Cost of services provided Total of R$ 54 million (+8%) due to higher labor-related expenditures and with materials, in line with the growth in fuel handling activities at the terminals. Quarter-on-quarter, the cost of services provided increased 7% due to higher personnel and maintenance expenditures at the terminals. In the first six months of the year, the cost of services provided amounted to R$ 104 million, a growth of 7% in relation to 1H16.

Sales, general and administrative expenses Total of R$ 28 million (+26%) principally a function of higher expenses with personnel and legal advisory services. In relation to 1Q17, sales, general and administrative expenses increased by 13%, principally due to greater expenses with personnel and with consultancy and legal advisory fees. In the first six months of the year, sales, general and administrative expenses amounted to R$ 53 million, a 27% growth over 1H16

Other operating results The Other operating results item totaled a net expense of R$ 15 million in 2Q17, compared with net sales and services of R$ 18 million in 2Q16 and a net expense of R$ 16 million in 1Q17. Both in 1Q17 and in 2Q17, the amount consists of expenses related to commissioning and licensing of the Santos terminal while in 2Q16, in addition to the expenses, Ultracargo also recorded revenue from insurance recoveries of R$ 30 million.

Results from the disposal of assets The results from the disposal of assets was an income of R$ 5 million in 2Q17 compared with neutral results in 1Q17 and 2Q16. In 2Q17 and 1H17, results are principally due to the sale of non-operating assets in Paulínia and Camaçari.

EBITDA Total of R$ 26 million (-38%) reflecting mainly insurance recoveries on claims for the Santos fire amounting to R$ 30 million in 2Q16. On the same comparative basis and excluding non-recurring items with respect to fire-related expenses and revenues from asset disposals, EBITDA, ex-non-recurring items, increased 63% due to greater average storage and to higher average prices, reflecting also the resumption of operations at the Santos port terminal. In relation to 1Q17, EBITDA grew 20% due to greater average storage and better prices, notably in fuel handling activities. If non-recurring effects were excluded, 1Q17 EBITDA would have shown an increase of 3%. In the first half of 2017, EBITDA was R$ 48 million, a 36% drop in relation to 1H16, the comparison being affected by insurance recoveries in the same period in 2016.

Investments Ultracargo invested R$ 3 million, allocated to maintenance and modernization of safety systems at the port terminals. In the first six months of the year, the business invested R$ 13 million.

Extrafarma

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Gross revenues (R$ million)	**482**	**409**	**476**	**18%**	**1%**	**958**	**781**	**23%**
Drugstores (end of period)	**341**	**280**	**321**	**22%**	**6%**	**341**	**280**	**22%**
% of mature stores (+3 years)	53%	60%	55%	(6.9 p.p.)	(2.7 p.p.)	53%	60%	(6.9 p.p.)
EBITDA (R$ million)	**10**	**12**	**4**	**(20%)**	**142%**	**14**	**17**	**(21%)**

Operational performance Extrafarma ended 2Q17 with 341 stores (+22% with 78 openings and 17 closures). At the end of 2Q17, 47% of the stores were under 3 years of operation, compared with 40% in 2Q16. In relation to 1Q17, Extrafarma opened 22 new stores and closed 2, being two of the newly opened stores in a new state (Bahia the 1th state with presence of Extrafarma).

Gross revenue Total of R$ 482 million (+18%) due to a growth of 22% in retail sales, as a result of the increased average number of stores and the 10% increase in same store sales (6% in mature stores). Compared with 1Q17, gross revenue increased 1% due to the annual price adjustment for pharmaceutical drugs announced by the Chamber for the Regulation of the Medical Pharmaceuticals Market (CMED) in April 2017 and the increased average number of stores. In the first six months of the year, gross revenues amounted to R$ 958 million, a growth of 23% in relation to 1H16.

Cost of goods sold and gross profit Total of R$ 308 million (+19%) mainly reflecting higher sales volume. Gross profit was R$ 146 million (+13%), largely due to the sales growth, partially offset by lower year-over-year inventory gains due to the annual readjustment in prices of pharmaceutical drugs authorized by the CMED of 3% against 12% in 2016. In relation to 1Q17, cost of goods sold was 1% greater while gross profit remained stable and in line with retail performance in the period. In the first six months of the year, cost of goods sold amounted to R$ 612 million and gross profit, R$ 292 million, 23% and 21% above 1H16, respectively.

Sales, general and administrative expenses Total of R$ 151 million (+19%). The increase in SG&A was largely due to the 22% rise in the average number of stores. Excluding the effects of the new stores, Extrafarma posted below-inflation increase in expenses, as a result of the productivity initiatives in the period. In relation to 1Q17, sales, general and administrative expenses increased by 1% due to the same factors as mentioned above, offset by non-recurring expenses in 1Q17 with the transfer of the DC in the amount of R$ 6 million. In the first six months of the year, sales, general and administrative expenses totaled R$ 301 million, 24% higher than 1H16.

Result from the disposal of assets The result from the disposal of assets at Extrafarma was neutral in 2Q17 and 2Q16 while totaling a net expense of R$ 6 million in 1Q17. In 1Q17 and in 1H17, the result is explained by the write-off of non-depreciated assets following the transfer of the DC.

EBITDA Total of R$ 10 million (-20%). The decline is principally due to the increased number of still maturing stores and higher inventory gains in 2Q16 due to the higher annual readjustment in prices authorized by the CMED in the period. These effects were partially offset by the growth in retail sales and initiatives taken to raise management standards in the retail pharmacy network, notably reducing expenses initiatives. In relation to 1Q17, EBITDA grew by R$ 4 million to R$ 10 million, principally due to non-recurring expenses of R$ 11 million with the transfer of the DC from Belém to Benevides in 1Q17. In the first six months of the year, EBITDA totaled R$ 14 million, a decline of 21% compared with 1H16.

Investments Extrafarma invested R$ 36 million in 2Q17 principally in the opening of new stores and the renewal of existing ones. In this quarter, we finalized the exchange for the new brand, incorporating the attributes of the new visual identity in all of our stores. In the first six months of the year, a total of R$ 58 million was invested in Extrafarma.

São Paulo, August 09, 2017 **Ultrapar Participações S.A.** (Brazil:UGPA3/USA:UGP), a multi-business company engaged in specialized distribution and retail (Ipiranga/Ultragaz/Extrafarma), specialty chemicals (Oxiteno) and storage for liquid bulk (Ultracargo), hereby reports its results for the second quarter of 2017.

Net revenues	EBITDA	Net earnings
R$ 19,173 million	**R$ 784 million**	**R$ 247 million**
-1% YoY 2%QoQ	**-22% YoY -19%QoQ**	**-33% YoY -33%QoQ**

Investments	Operating cash flow	Market cap	Dividends
R$ 484 million	**R$ 1,293 million**	**R$ 43 billion**	**R$ 462 million**

Highlights:

Dividend distribution of R$ 462 million for 1H17 approved, with a 75% payout ratio and 6.2% growth over dividends declared in 1H16

Partial resumption of 67.5 thousand m³ in Ultracargo s terminal in Santos

Ultrapar announces changes in the Executive Board and Frederico Curado takes office as CEO in October 2017

In June 2016, we announced the acquisition of Alesat, thereafter working intensively with the Brazilian Anti-Trust Authority CADE in order to demonstrate the benefits of the transaction to the market as well as to the society. However, in the light of a ruling on August 2, CADE s Administrative Court decided to block the deal. We reiterate that we will continue to invest in our businesses with a view to strengthening them and to advance further along Ultra s path of sustained growth. Ipiranga s expansion will proceed as planned for 2017. We have started to see initial results from both the investments to add service stations to our network and from our business model: the recovery in fuel volumes for light vehicles (Otto cycle) following six quarters of yoy decline. During the second quarter we resumed operations of 67.5 thousand m³ at Ultracargo s Santos Terminal that contributed positively to Ultracargo s results. We also moved on with Oxiteno s international expansion through investments to build a plant in the United States, the expansion in Ultragaz s resellers and the opening of Extrafarma drugstores.

In June, we announced a change in our Executive Board. After 5 years leading Ultrapar as CEO, Thilo Mannhardt is concluding his cycle of strengthening Ultra to make it a global reference as a multi-business company and leaving a legacy for the longevity of the Company. We welcome the new CEO, Frederico Curado, who will take office in October and will continue the permanent quest for renewal and success at Ultra.

2Q17 Conference call

Ultrapar will be holding a conference call for analysts on August 10, 2017 to comment on the company s performance in the second quarter of 2017 and outlook. The presentation will be available for download on the company s website 30 minutes prior to the conference call.

Brazilian: 10h00 (US EST)

Telephone for connection: +55 (11) 2188-0155

Code: Ultrapar

Replay: +1 (866) 890-2584 (available for 7 days)

Code: Ultrapar

International: 11h30 (US EST)

Participants in other countries: +1 (412) 317-5430

Code: Ultrapar

Replay: +1 (412) 317-0088 (available for 7 days)

Code: 10097279

WEBCAST live via internet at ri.ultra.com.br. Please connect 15 minutes in advance.

Considerations on the financial and operational information

The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultrapar corresponds to the company s consolidated information. The information on Ipiranga, Oxiteno, Ultragaz, Ultracargo and Extrafarma is reported without the elimination of intercompany transactions. Therefore, the sum of such information may not correspond to Ultrapar s consolidated information. Additionally, the financial and operational information presented in this document is subject to rounding and consequently the total amounts presented in the tables and charts may differ from the direct sum of the amounts that precede them. Except when otherwise indicated, the information presented in this document compares 2Q17 to 2Q16.

EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization and EBIT Earnings Before Interest and Taxes are presented in accordance with CVM Instruction 527 of October 4, 2012.

Executive summary

Indicators	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Average exchange rate (R$/US$)	3.21	3.51	3.14	(8%)	2%	3.18	3.71	(14%)
Brazilian interbank interest rate (CDI)	2.5%	3.4%	3.0%			5.6%	6.7%	
Inflation in the period (IPCA)	0.2%	1.7%	1.0%			1.2%	4.4%	
IBC Br[1]	134.1	133.8	134.0	0.3%	0.1%	134.1	134.2	(0.1%)
Average Brent crude oil (US$/barrel)	50	46	54	9%	(7%)	52	40	30%

[1] *Seasonally adjusted quarterly average. Considering the first two months of the quarter (Jan-Feb and Apr-May.)*

Ultrapar reported consolidated EBITDA of R$ 784 million in 2Q17 (-22%). Net income was R$ 247 million in 2Q17 (-33%).

Ipiranga

Ipiranga recorded stable sales volume compared to 2Q16, with a 6% growth in the Otto cycle segment and a 5% decline in diesel. This performance reinforces the gradual improvement trend since 4Q16 when total volume presented a 14% year-over-year decline, and reflects the recovery in volumes due to the acceleration in investments to add new service stations and better performance in the wholesale segment (retail wholesale resellers TRR and large consumer segments). In turn, EBITDA amounted to R$ 582 million, down 19% from 2Q16, mainly due to inventory effects from the cost reductions in gasoline, ethanol and diesel and concentration of expenses.

Oxiteno

Oxiteno registered, once again, growth in sales volume of specialty chemicals in the domestic market, a continuation of the trend seen over the last four quarters, based on development of new products and solutions to the clients. EBITDA was impacted by the appreciation of the Real against US Dollar and two important effects: (i) the sharp drop in certain raw materials prices with negative impact on inventory but rendering Oxiteno s products competitiveness over the following months; and (ii) technical problems with the restarting of the Oleoquímica plant, in Camaçari, after a scheduled stoppage. Both factors combined contributed to a negative effect of R$ 37 million in 2Q17.

Ultragaz

As a result of the strategy of growing and improving the resellers network, Ultragaz reported volumes flat year-over-year, despite fewer business days during the quarter. The result was due to a growth of 2% in the bottled segment and a decline of 5% in the bulk segment, the latter due to increased sales volumes to industrial clients in 2Q16 and the loss of certain costumers that switched to natural gas. The commercial initiatives to capture new clients and resellers as well as the strategy based on differentiation and innovation led Ultragaz to post a year-over-year increase of 14% in EBITDA, to R$ 124 million.

Ultracargo

From the operational point of view, Ultracargo has presented a significant improvement and seized the business opportunities from greater fuel handling activity, resulting an increase of 10% in average storage and 63% in EBITDA, excluding non-recurrent effects of fire-related expenses, insurance advances and result from the disposal of assets.

Extrafarma

Extrafarma ended 2Q17 with 341 drugstores, opened 22 new drugstores (2 closures) in the quarter and 78 stores in the last 12 months. In 2Q17, Extrafarma started its activities in Bahia and is now present in 11 Brazilian states. Despite the 10% same store sales growth and the initiatives to raise the management standards in the retail pharmacy network, notably cost reduction initiatives, Extrafarma s EBITDA amounted to R$ 10 million in 2Q17, a drop of R$ 2 million year-over-year, mainly due to the higher share of maturing stores and lower levels of inventory gains.

Ipiranga

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Total volume (000 m³)	**5,938**	**5,948**	**5,554**	**0%**	**7%**	**11,492**	**11,882**	**(3%)**
Diesel	2,983	3,144	2,718	(5%)	10%	5,701	6,147	(7%)
Otto cycle	2,870	2,710	2,753	6%	4%	5,623	5,555	1%
Others[1]	85	95	84	(10%)	2%	169	180	(6%)
EBITDA (R$ million)	**582**	**718**	**705**	**(19%)**	**(17%)**	**1,288**	**1,430**	**(10%)**

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Oxiteno

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Specialty chemicals	151	147	157	3%	(4%)	309	293	5%
Commodities	31	37	38	(15%)	(18%)	70	72	(3%)
Sales in Brazil	131	133	140	(2%)	(6%)	270	261	4%
Sales outside Brazil	52	51	56	3%	(8%)	108	105	4%
EBITDA (R$ million)	**34**	**117**	**112**	**(71%)**	**(70%)**	**145**	**315**	**(54%)**

Operational performance Total volume of 183 thousand tons (-1% or 1 thousand ton). Sales volumes of specialty chemicals increased by 3%, the fourth consecutive quarter of growth, with a 3% increase in the domestic market based on development of new products and solutions to the clients, notably in the oil and gas and automotive fluids segments. Specialty chemicals sales outside Brazil increased by 4%, reflecting stronger sales to the USA due to pre-marketing activities of the Pasadena facility. Commodity volumes in the quarter decreased by 15% due to the product s volatility in price and demand. Compared with 1Q17, sales volume was 7% (13 thousand tons) lower following weaker sales performance for commodities. In the first six months of the year, Oxiteno recorded total volumes of 379 thousand tons, a 4% improvement on the first half of 2016.

Net sales and services Total of R$ 885 million (-3%) due to an 8% stronger Real against the US Dollar, partially offset by 7% higher average price in US Dollar resulting from more favorable commodities prices and increased share of specialty chemicals in sales mix. Quarter-on-quarter, net sales and services also reported a decline of 3% due to a reduction in sales volume, partially compensated by a 2% weaker Real against the US Dollar and a better sales mix. In the first six months of the year, net sales and services amounted to R$ 1,798 million, 6% lower than 1H16.

Cost of goods sold Total of R$ 731 million (+7%) due to: (i) the 20% increase in unit variable costs in US Dollars, due to the increase observed throughout 2016 and in the beginning of 2017 in certain raw materials; (ii) the higher pre-operational costs of the new plant in the US; and (iii) costs related to the extended stoppage at the Oleoquímica plant, offset by an 8% stronger Real in relation to the US Dollar. In relation to 1Q17, cost of goods sold remained stable while the 2% weaker Real against the US Dollar was offset by lower sales volume. In the first six months of the year, costs of goods sold amounted to R$ 1,461 million, an increase of 6% in relation to 1H16.

Sales, general and administrative expenses Total of R$ 157 million (+5%) mainly due to (i) pre-operational expenses at the new US plant, (ii) the effects of the stoppage at the Oleoquímica plant, partially compensated by the effects of a stronger Real against the US Dollar in logistics and international units expenses. Compared to 1Q17, sales, general and administrative expenses increased by 1%, due to higher consultancy and legal advisory expenses. In 1H17, SG&A totaled R$ 313 million, 5% higher than the same period in 2016.

EBITDA Total of R$ 34 million (-71%), principally a function of the appreciation on the Real against the US Dollar and non-recurring effects (i) the significant decline in raw material prices as from March 2017, which had a negative effect on inventories, but will also improve Oxiteno s products competitiveness over the following months and (ii) technical problems in the restarting of the Oleoquímica plant, both representing a negative impact of R$ 37 million in 2Q17. Compared with 1Q17, EBITDA decreased by 70%, principally due to the reversion of the provision of

R$ 49 million reported in 1Q17, relating to the exclusion of the ICMS tax from the PIS and Cofins base, inventory losses and technical problems with the restarting of the Oleoquímica plant, attenuated by the depreciation of the Real in relation to the US Dollar. In 1H17, EBITDA amounted to R$ 145 million, 54% lower than in 1H16.

Investments A total of R$ 114 million was invested during the quarter, largely related to investments in the new ethoxylation plant the United States, expected to start operations in 2018, and to its production units maintenance. In the first six months of the year, total investments were R$ 188 million.

Ultragaz

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Total volume (000 tons)	**445**	**447**	**414**	**0%**	**7%**	**860**	**854**	**1%**
Bottled	307	301	282	2%	9%	589	578	2%
Bulk	139	146	132	(5%)	5%	271	275	(2%)
EBITDA (R$ million)	**124**	**108**	**120**	**14%**	**3%**	**244**	**217**	**13%**

Operational performance Total volume of 445 thousand tons, stable year-over-year, in spite of the fewer business days, with a 2% growth of in the bottled segment, a reflection of investments in new resellers. This growth was offset by a 5% decline in the bulk segment due to increased sales volume to industrial clients in 2Q16 and higher loss of certain costumers that switched to natural gas. Compared to 1Q17, sales volumes increased by 7%, mainly due to seasonality effects between periods and higher new clients consumption, with growth in all segments, in spite of the fewer number of business days. In the first six months of the year, Ultragaz reported volumes of 860 thousand tons, 1% higher than that in 1H16.

Net sales and services Total of R$ 1.473 million (+10%) due to: (i) variations in the costs of LPG supplied by Petrobras; and (ii) the strategy of differentiation and innovation, offset by the reduced participation of the bulk segment in the sales mix. Relative to 1Q17, net sales and services increased by 9% due to higher sales volume and variations in the cost of LPG supplied by Petrobras. In the first six months of the year, net sales and services amounted to R$ 2,825 million, an increase of 10% in relation to 1H16.

Cost of goods sold Total of R$ 1,236 million (+10%) principally due to: (i) increases in costs of LPG supplied by Petrobras; and (ii) higher logistics costs with longer routes for sourcing products. In relation to 1Q17, cost of goods sold rose by 9%, a reflection of higher sales volumes and variations in the costs of LPG supplied by Petrobras. In the first six months of the year, Ultragaz s cost of goods sold amounted to R$ 2,370 million, 10% higher than that in 1H16.

Sales, general and administrative expenses Total of R$ 161 million (+8%) mainly due to increased marketing expenses and the effects of inflation on personnel expenses. Compared with 1Q17, sales, general and administrative expenses increased by 13% due to increased costs with marketing and projects. In the first six months of the year, sales, general and administrative expenses totaled R$ 303 million, 4% compared to 1H16.

Result from the disposal of assets The result from the disposal of assets amounted to an income of R$ 2 million in 2Q17 compared with neutral results in 1Q17 and 2Q16. In 2Q17 and 1H17, the result principally reflected the disposal of an increased number of LPG bottles.

EBITDA Total of R$ 124 million (+14%), the result of commercial initiatives to capture new customers and resellers as well as the differentiation strategy based on innovation. In relation to 1Q17, EBITDA increased by 3%, due to higher sales volume. In 1H17, Ultragaz posted an EBITDA of R$ 244 million, 13% higher than that in 1H16.

Investments Ultragaz invested R$ 48 million, mainly allocated to new customers in the bulk segment and the purchase of LPG bottles. In the first six months of the year, the business invested R$ 128 million.

Ultracargo

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Effective Storage[1] (000 m³)	727	662	695	10%	5%	711	660	8%
EBITDA (R$ million)	**26**	**42**	**22**	**(38%)**	**20%**	**48**	**74**	**(36%)**

[1] *Monthly average*

Operational performance Ultracargo s total average storage increased by 10% relative to 2Q16 due to greater fuel handling activity at the Aratu, Suape and Santos port terminals. This was largely the result of the partial resumption in operations at the Santos terminal, with the return in June of a capacity of 67.5 thousand m³ of the 151.5 thousand m³ suspended since the fire in April 2015. Compared with 1Q17, average storage at Ultracargo s terminals increased by 5% due to greater fuel handling activities, spot ethanol operations and the partial resumption of activities in Santos. In the first six months of the year, Ultracargo s average storage increased by 8%.

Net sales and services Total of R$ 106 million in 2Q17 (+25%), due to: (i) the increase in average storage, with larger capacity being taken up by fuel handling activities; (ii) higher average prices at all terminals; and (iii) the partial resumption of operations in Santos. Compared with 1Q17, net sales and services were 6% higher, principally the result of greater fuel handling activities and partial resumption of activities in Santos. In 1H17, net sales and services amounted to R$ 207 million, 25% greater than 1H16.

Cost of services provided Total of R$ 54 million (+8%) due to higher labor-related expenditures and with materials, in line with the growth in fuel handling activities at the terminals. Quarter-on-quarter, the cost of services provided increased 7% due to higher personnel and maintenance expenditures at the terminals. In the first six months of the year, the cost of services provided amounted to R$ 104 million, a growth of 7% in relation to 1H16.

Sales, general and administrative expenses Total of R$ 28 million (+26%) principally a function of higher expenses with personnel and legal advisory services. In relation to 1Q17, sales, general and administrative expenses increased by 13%, principally due to greater expenses with personnel and with consultancy and legal advisory fees. In the first six months of the year, sales, general and administrative expenses amounted to R$ 53 million, a 27% growth over 1H16

Other operating results The Other operating results item totaled a net expense of R$ 15 million in 2Q17, compared with net sales and services of R$ 18 million in 2Q16 and a net expense of R$ 16 million in 1Q17. Both in 1Q17 and in 2Q17, the amount consists of expenses related to commissioning and licensing of the Santos terminal while in 2Q16, in addition to the expenses, Ultracargo also recorded revenue from insurance recoveries of R$ 30 million.

Results from the disposal of assets The results from the disposal of assets was an income of R$ 5 million in 2Q17 compared with neutral results in 1Q17 and 2Q16. In 2Q17 and 1H17, results are principally due to the sale of non-operating assets in Paulínia and Camaçari.

EBITDA Total of R$ 26 million (-38%) reflecting mainly insurance recoveries on claims for the Santos fire amounting to R$ 30 million in 2Q16. On the same comparative basis and excluding non-recurring items with respect to fire-related expenses and revenues from asset disposals, EBITDA, ex-non-recurring items, increased 63% due to greater average storage and to higher average prices, reflecting also the resumption of operations at the Santos port terminal. In relation to 1Q17, EBITDA grew 20% due to greater average storage and better prices, notably in fuel handling activities. If non-recurring effects were excluded, 1Q17 EBITDA would have shown an increase of 3%. In the first half of 2017, EBITDA was R$ 48 million, a 36% drop in relation to 1H16, the comparison being affected by insurance recoveries in the same period in 2016.

Investments Ultracargo invested R$ 3 million, allocated to maintenance and modernization of safety systems at the port terminals. In the first six months of the year, the business invested R$ 13 million.

Extrafarma

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Gross revenues (R$ million)	**482**	**409**	**476**	**18%**	**1%**	**958**	**781**	**23%**
Drugstores (end of period)	**341**	**280**	**321**	**22%**	**6%**	**341**	**280**	**22%**
% of mature stores (+3 years)	53%	60%	55%	(6.9 p.p.)	(2.7 p.p.)	53%	60%	(6.9 p.p.)
EBITDA (R$ million)	**10**	**12**	**4**	**(20%)**	**142%**	**14**	**17**	**(21%)**

Operational performance Extrafarma ended 2Q17 with 341 stores (+22% with 78 openings and 17 closures). At the end of 2Q17, 47% of the stores were under 3 years of operation, compared with 40% in 2Q16. In relation to 1Q17, Extrafarma opened 22 new stores and closed 2, being two of the newly opened stores in a new state (Bahia the 1th state with presence of Extrafarma).

Gross revenue Total of R$ 482 million (+18%) due to a growth of 22% in retail sales, as a result of the increased average number of stores and the 10% increase in same store sales (6% in mature stores). Compared with 1Q17, gross revenue increased 1% due to the annual price adjustment for pharmaceutical drugs announced by the Chamber for the Regulation of the Medical Pharmaceuticals Market (CMED) in April 2017 and the increased average number of stores. In the first six months of the year, gross revenues amounted to R$ 958 million, a growth of 23% in relation to 1H16.

Cost of goods sold and gross profit Total of R$ 308 million (+19%) mainly reflecting higher sales volume. Gross profit was R$ 146 million (+13%), largely due to the sales growth, partially offset by lower year-over-year inventory gains due to the annual readjustment in prices of pharmaceutical drugs authorized by the CMED of 3% against 12% in 2016. In relation to 1Q17, cost of goods sold was 1% greater while gross profit remained stable and in line with retail performance in the period. In the first six months of the year, cost of goods sold amounted to R$ 612 million and gross profit, R$ 292 million, 23% and 21% above 1H16, respectively.

Sales, general and administrative expenses Total of R$ 151 million (+19%). The increase in SG&A was largely due to the 22% rise in the average number of stores. Excluding the effects of the new stores, Extrafarma posted below-inflation increase in expenses, as a result of the productivity initiatives in the period. In relation to 1Q17, sales, general and administrative expenses increased by 1% due to the same factors as mentioned above, offset by non-recurring expenses in 1Q17 with the transfer of the DC in the amount of R$ 6 million. In the first six months of the year, sales, general and administrative expenses totaled R$ 301 million, 24% higher than 1H16.

Result from the disposal of assets The result from the disposal of assets at Extrafarma was neutral in 2Q17 and 2Q16 while totaling a net expense of R$ 6 million in 1Q17. In 1Q17 and in 1H17, the result is explained by the write-off of non-depreciated assets following the transfer of the DC.

EBITDA Total of R$ 10 million (-20%). The decline is principally due to the increased number of still maturing stores and higher inventory gains in 2Q16 due to the higher annual readjustment in prices authorized by the CMED in the period. These effects were partially offset by the growth in retail sales and initiatives taken to raise management standards in the retail pharmacy network, notably reducing expenses initiatives. In relation to 1Q17, EBITDA grew by

R$ 4 million to R$ 10 million, principally due to non-recurring expenses of R$ 11 million with the transfer of the DC from Belém to Benevides in 1Q17. In the first six months of the year, EBITDA totaled R$ 14 million, a decline of 21% compared with 1H16.

Investments Extrafarma invested R$ 36 million in 2Q17 principally in the opening of new stores and the renewal of existing ones. In this quarter, we finalized the exchange for the new brand, incorporating the attributes of the new visual identity in all of our stores. In the first six months of the year, a total of R$ 58 million was invested in Extrafarma.

Ultrapar

	2Q17	2Q16	1Q17	D (%) 2Q17 v 2Q16	D (%) 2Q17 v 1Q17	1H17	1H16	D (%) 1H17 v 1H16
Net sales and services	19,173	19,298	18,728	(1%)	2%	37,901	38,823	(2%)
Net earnings[1]	247	367	370	(33%)	(33%)	618	755	(18%)
Earnings per share attributable to Ultrapar shareholders[2]	0.45	0.67	0.68	(32%)	(33%)	1.13	1.38	(67%)
EBITDA	784	1,008	973	(22%)	(19%)	1,757	2,065	(15%)
Investments	484	386	485	25%	0%	969	684	42%

Amounts in R$ million (except for EPS)

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

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

Net sales and services Total of R$ 19,173 million (-1%) reflecting reductions at Ipiranga and Oxiteno, attenuated by growth at Ultragaz, Ultracargo and Extrafarma. In relation to 1Q17, net sales and services were 2% higher reflecting growth in revenue at all the businesses with the exception of Oxiteno. In the first six months of the year, net sales and services amounted to R$ 37,901 million, a decline of 2% in relation to 1H16.

EBITDA Total of R$ 784 million (-22%) due to decreases in EBITDA of all the businesses with the exception of Ultragaz. In relation to 1Q17, EBITDA reported a reduction of 19% due to a decline in EBITDA at Ipiranga and Oxiteno, both affected by specific effects. In the first six months of the year, Ultrapar s EBITDA totaled R$ 1,757 million, a decline of 15% compared with 1H16.

Depreciation and amortization Total of R$ 294 million (+7%) reflecting investments over the last 12 months, particularly in the expansion of the Ipiranga service station network. Compared with 1Q17, total costs and expenses with depreciation and amortization posted a reduction of 1%. In the first six months of the year, costs and expenses with depreciation and amortization totaled R$ 589 million, 8% more than in 1H16.

Financial result Ultrapar s net debt on June 30 was R$ 6.2 billion (1.59x LTM EBITDA), compared with R$ 5.5 billion on June 30, 2016 (1.32x LTM EBITDA). Ultrapar reported net financial expenses of R$ 113 million, R$ 110 million lower than 2Q16, due to the decrease in the CDI Interbank Rate year-over-year despite the growth in net debt and to the exchange rate effects between periods. In relation to 1Q17, net financial expenses fell by R$ 8 million, again due to the exchange rate effects between periods and the decline in CDI, the impact of which offset by the reversal of the provision of R$ 43 million with respect to the exclusion of the ICMS sales tax from the PIS and Cofins calculation base in 1Q17. In the first six months of the year, the net financial expense was R$ 234 million, a decline of 47% relative to 1H16.

Net earnings Total of R$ 247 million (-33%) due to the reduction of EBITDA and higher depreciation and amortization, partially mitigated by lower net financial expenses. Compared with 1Q17, net earnings were 33% lower, also due to a reduction of EBITDA. In 1H17, net earnings were R$ 618 million, a reduction of 18% compared with the same period in 2016.

Operating cash flow Total of R$ 1,293 million (+R$ 625 million) due to lower investment in working capital which fell from an investment of R$ 329 million in 1H16 to divestment of R$ 271 million in 1H17.

Capital markets

Ultrapar s financial trading volume in 2Q17 was R$ 138 million/day (+6%) considering trading on both B3 and the NYSE. Ultrapar s share price closed 2Q17 at R$ 77.52 on B3, an appreciation of 8% in the quarter. During the same period, the Ibovespa posted a depreciation of 3%. Ultrapar s shares on the NYSE reported an appreciation of 4% in 2Q17, while the Dow Jones Industrial Average was up 3% in the period. Ultrapar closed 2Q17 with a market capitalization of R$ 43 billion (+9%).

Capital markets	**2Q17**	**2Q16**	**1Q17**	**1H17**	**1H16**
Number of shares (000)	**556,405**	**556,405**	**556,405**	**556,405**	**556,405**
Market capitalization[1] R$ million	**43,133**	**39,566**	**39,850**	**43,133**	**39,566**
B3					
Average daily volume (shares)	1,280,059	1,305,471	1,238,374	1,259,047	1,431,137
Average daily volume (R$ 000)	94,841	92,258	83,665	89,208	94,221
Average share price (R$/share)	74.09	70.67	67.56	70.85	65.84
NYSE					
Quantity of ADRs[2] (000 ADRs)	29,614	30,204	29,619	29,614	30,204
Average daily volume (ADRs)	585,802	532,337	516,404	551,381	555,855
Average daily volume (US$ 000)	13,416	10,758	11,084	12,259	9,960
Average share price (US$/ADR)	22.90	20.21	21.46	22.23	17.92
Total					
Average daily volume (shares)	1,865,861	1,837,808	1,754,778	1,810,428	1,986,991
Average daily volume (R$ 000)	138,126	129,848	118,467	128,285	130,751

[1] *Calculated based on the closing price of the period.*

[2] *1 ADR = 1 common share*

Performance of UGPA3 x Ibovespa 2Q17

(Base 100)

Indebtedness (R$ million)

Ultrapar consolidated	2Q17	2Q16	1Q17
Debt	(12,358.4)	(8,922.6)	(11,038.9)
Cash and long term investments	6,142.3	3,416.7	4,753.1
Net debt	(6,216.1)	(5,505.9)	(6,285.8)
Net debt/EBITDA LTM	1.59	1.32	1.52
Average cost of debt (% CDI)	94.9%	96.1%	93.5%
Average cash yield (% CDI)	93.9%	95.1%	92.7%

Debt amortization profile:

Debt breakdown:

Local currency	**7,501.7**
Foreign currency	**4,725.2**
Unrealized losses on swaps transactions	131.5
Total	**12,358.4**

ULTRAPAR

In million Reais

CONSOLIDATED BALANCE SHEET

	QUARTERS ENDED IN		
	JUN 17	**JUN 16**	**MAR 17**
ASSETS			
Cash, cash equivalents and financial investments	6,124.4	3,292.8	4,745.6
Trade accounts receivable	3,380.8	3,153.1	3,524.2
Inventories	2,588.1	2,432.0	2,606.5
Taxes	554.9	498.3	562.4
Other	258.5	353.5	247.2
Total Current Assets	**12,906.8**	**9,729.6**	**11,686.0**
Investments	136.4	118.0	148.4
Property, plant and equipment and intangibles	9,453.7	8,709.1	9,272.6
Financial investments	17.9	123.9	7.4
Trade accounts receivable	252.3	188.6	242.9
Deferred income tax	411.5	564.2	392.4
Escrow deposits	801.9	758.6	788.9
Other	558.3	320.9	488.5
Total Non-Current Assets	**11,631.9**	**10,783.3**	**11,341.1**
TOTAL ASSETS	**24,538.7**	**20,512.9**	**23,027.1**
LIABILITIES			
Loans, financing and debentures	3,091.8	1,210.8	2,944.2
Suppliers	1,165.4	1,018.8	1,195.3
Payroll and related charges	325.3	302.5	286.9
Taxes	207.7	273.8	211.0
Other	350.2	237.4	385.3
Total Current Liabilities	**5,140.3**	**3,043.3**	**5,022.8**
Loans, financing and debentures	9,266.6	7,711.8	8,094.7
Judicial provisions	648.2	700.3	637.7
Post-retirement benefits	127.4	116.1	123.2
Other	343.9	534.4	328.4
Total Non-Current Liabilities	**10,386.0**	**9,062.6**	**9,184.0**
TOTAL LIABILITIES	**15,526.4**	**12,105.9**	**14,206.8**
STOCKHOLDERS EQUITY			

Capital	5,171.8	3,838.7	3,838.7
Reserves	3,693.5	4,359.5	5,026.8
Treasury shares	(480.2)	(483.9)	(480.2)
Others	600.5	664.3	402.0
Non-controlling interest	26.7	28.4	33.0
Total shareholders equity	**9,012.3**	**8,407.0**	**8,820.3**
TOTAL LIAB. AND STOCKHOLDERS EQUITY	**24,538.7**	**20,512.9**	**23,027.1**
Cash and financial investments	6,142.3	3,416.7	4,753.1
Debt	(12,358.4)	(8,922.6)	(11,038.9)
Net cash (debt)	**(6,216.1)**	**(5,505.9)**	**(6,285.8)**

ULTRAPAR

In million Reais (except in per share data)

CONSOLIDATED INCOME STATEMENT

	2Q17	2Q16	1Q17	1H17	1H16
Net sales and services	**19,173.0**	**19,298.2**	**18,727.9**	**37,900.9**	**38,822.5**
Cost of products and services sold	(17,590.6)	(17,604.9)	(17,040.9)	(34,631.4)	(35,411.0)
Gross profit	**1,582.5**	**1,693.3**	**1,687.0**	**3,269.5**	**3,411.6**
Operating expenses					
Selling	(721.1)	(648.9)	(703.3)	(1,424.4)	(1,290.1)
General and administrative	(389.2)	(356.3)	(362.6)	(751.8)	(678.1)
Other operating income (expenses), net	6.6	40.2	56.3	62.9	75.6
Income from sale of assets	6.2	(2.1)	(6.4)	(0.2)	(2.0)
Operating income	**484.9**	**726.2**	**671.1**	**1,156.0**	**1,516.9**
Financial results					
Financial income	136.9	105.8	164.4	301.3	220.9
Financial expenses	(249.8)	(328.3)	(285.5)	(535.3)	(659.8)
Equity in earnings (losses) of affiliates	5.7	6.3	6.4	12.1	3.0
Income before income and social contribution taxes	**377.7**	**510.1**	**556.4**	**934.1**	**1,081.1**
Provision for income and social contribution taxes					
Current	(124.9)	(228.0)	(197.7)	(322.6)	(455.3)
Deferred	(12.3)	54.5	4.2	(8.1)	76.6
Benefit of tax holidays	6.7	30.5	7.5	14.2	52.6
Net Income	**247.2**	**367.1**	**370.3**	**617.5**	**755.0**
Net income attributable to:					
Shareholders of Ultrapar	246.1	364.2	368.2	614.3	749.4
Non-controlling shareholders of the subsidiaries	1.1	3.0	2.2	3.2	5.6
EBITDA	**784.2**	**1,007.8**	**973.1**	**1,757.3**	**2,065.4**
Depreciation and amortization	293.6	275.2	295.6	589.2	545.4
Total investments, net of disposals and repayments	483.8	386.2	485.3	969.1	684.3
RATIOS					
Earnings per share R$	0.45	0.67	0.68	1.13	1.38
Net debt / Stockholders equity	0.69	0.65	0.71	0.69	0.65

Net debt / LTM EBITDA	1.59	1.32	1.52	1.59	1.32
Net interest expense / EBITDA	0.14	0.22	0.12	0.13	0.21
Gross margin	8.3%	8.8%	9.0%	8.6%	8.8%
Operating margin	2.5%	3.8%	3.6%	3.1%	3.9%
EBITDA margin	4.1%	5.2%	5.2%	4.6%	5.3%
Number of employees	**15,613**	**14,933**	**15,388**	**15,613**	**14,933**

ULTRAPAR

In million Reais

CONSOLIDATED CASH FLOW STATEMENT

	JAN - JUN	
	2017	**2016**
Cash Flows from (used in) operating activities	**1,292.7**	**668.2**
Net income	617.5	755.0
Depreciation and amortization	589.2	545.4
Working capital	271.3	(329.2)
Financial expenses (A)	432.4	135.1
Deferred income and social contribution taxes	8.1	(76.6)
Income from sale of assets	0.2	2.0
Cash paid for income and social contribution taxes	(366.1)	(322.3)
Other (B)	(260.0)	(41.1)
Cash Flows from (used in) investing activities	**(860.4)**	**(648.4)**
Additions to fixed and intangible assets, net of disposals	(860.4)	(622.6)
Acquisition and sale of equity investments	(0.0)	(25.8)
Cash Flows from (used in) financing activities	**8.1**	**(576.2)**
Debt raising	1,697.8	948.4
Amortization of debt / Payment of financial lease	(798.7)	(413.6)
Interest paid	(410.4)	(669.9)
Dividends paid (C)	(480.5)	(441.1)
Net increase (decrease) in cash and cash equivalents	**440.4**	**(556.5)**
Cash and cash equivalents at the beginning of the period (D)	**5,701.8**	**3,973.2**
Cash and cash equivalents at the end of the period (D)	**6,142.3**	**3,416.7**

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

IPIRANGA

In million Reais

CONSOLIDATED BALANCE SHEET

	QUARTERS ENDED IN		
	JUN 17	**JUN 16**	**MAR 17**
OPERATING ASSETS			
Trade accounts receivable	2,365.9	2,232.6	2,522.0
Trade accounts receivable - noncurrent portion	215.4	154.1	208.4
Inventories	1,462.1	1,377.1	1,447.1
Taxes	281.0	253.4	269.6
Other	540.6	364.7	523.5
Property, plant and equipment, intangibles and investments	4,291.2	3,959.7	4,234.2
TOTAL OPERATING ASSETS	**9,156.2**	**8,341.6**	**9,204.8**
OPERATING LIABILITIES			
Suppliers	774.1	686.6	737.0
Payroll and related charges	87.1	89.3	73.7
Post -retirement benefits	108.4	98.5	106.0
Taxes	98.2	99.0	109.2
Judicial provisions	103.4	103.4	102.5
Other accounts payable	206.6	204.4	259.4
TOTAL OPERATING LIABILITIES	**1,377.9**	**1,281.2**	**1,387.8**

CONSOLIDATED INCOME STATEMENT

	2Q17	**2Q16**	**1Q17**	**1H17**	**1H16**
Net sales	16,279.3	16,588.2	15,918.9	32,198.2	33,457.6
Cost of products and services sold	(15,287.0)	(15,504.3)	(14,829.3)	(30,116.3)	(31,316.7)
Gross profit	992.3	1,084.0	1,089.6	2,081.9	2,140.9
Operating expenses					
Selling	(420.0)	(378.0)	(415.1)	(835.1)	(760.1)
General and administrative	(194.2)	(180.4)	(179.1)	(373.3)	(337.8)
Other operating income (expenses), net	21.4	20.7	20.5	41.9	46.9
Income from sale of assets	(0.1)	(1.4)	(0.4)	(0.5)	(2.2)
Operating income	399.4	544.8	515.6	915.0	1,087.6
Equity in earnings (losses) of affiliates	0.3	0.3	0.3	0.5	0.6
EBITDA	582.4	717.9	705.2	1,287.6	1,430.2

Depreciation and amortization	182.7	172.7	189.4	372.1	342.0
RATIOS					
Gross margin (R$/m3)	167	182	196	181	180
Operating margin (R$/m3)	67	92	93	80	92
EBITDA margin (R$/m3)	98	121	127	112	120
EBITDA margin (%)	3.6%	4.3%	4.4%	4.0%	4.3%
Number of employees	**2,986**	**2,920**	**2,953**	**2,986**	**2,920**

OXITENO

In million Reais

CONSOLIDATED BALANCE SHEET

	QUARTERS ENDED IN		
	JUN 17	**JUN 16**	**MAR 17**
OPERATING ASSETS			
Trade accounts receivable	523.3	497.5	531.1
Inventories	685.8	637.9	671.2
Taxes	133.0	83.5	125.3
Other	152.0	134.2	136.3
Property, plant and equipment, intangibles and investments	1,909.3	1,677.2	1,811.1
TOTAL OPERATING ASSETS	**3,403.3**	**3,030.3**	**3,275.1**
OPERATING LIABILITIES			
Suppliers	189.3	140.5	182.9
Payroll and related charges	71.1	65.8	60.4
Taxes	33.8	39.5	38.1
Judicial provisions	13.9	107.5	13.5
Other accounts payable	64.6	33.9	44.1
TOTAL OPERATING LIABILITIES	**372.7**	**387.1**	**339.0**

CONSOLIDATED INCOME STATEMENT

	2Q17	**2Q16**	**1Q17**	**1H17**	**1H16**
Net sales	885.1	908.9	912.4	1,797.5	1,913.0
Cost of goods sold					
Variable	(610.2)	(560.2)	(608.5)	(1,218.8)	(1,140.6)
Fixed	(87.5)	(87.4)	(89.3)	(176.8)	(169.3)
Depreciation and amortization	(33.2)	(35.3)	(32.3)	(65.5)	(69.3)
Gross profit	154.1	226.0	182.4	336.5	533.8
Operating expenses					
Selling	(70.1)	(67.6)	(71.0)	(141.1)	(137.2)
General and administrative	(87.0)	(81.9)	(84.4)	(171.4)	(160.2)
Other operating income (expenses), net	0.1	1.2	49.4	49.5	1.4
Income from sale of assets	(0.8)	0.2	(0.9)	(1.7)	0.3
Operating income	(3.8)	77.9	75.4	71.6	238.1
Equity in earnings (losses) of affiliates	0.4	0.2	0.2	0.7	0.6

EBITDA	33.8	116.8	111.5	145.3	315.2
Depreciation and amortization	37.1	38.8	35.9	73.0	76.5
RATIOS					
Gross margin (R$/ton)	844	1,230	931	889	1,462
Gross margin (US$/ton)	263	351	296	280	394
Operating margin (R$/ton)	(21)	424	385	189	652
Operating margin (US$/ton)	(6)	121	123	60	176
EBITDA margin (R$/ton)	185	636	570	384	863
EBITDA margin (US$/ton)	58	181	181	121	233
Number of employees	**1,877**	**1,864**	**1,906**	**1,877**	**1,864**

ULTRAGAZ

In million Reais

CONSOLIDATED BALANCE SHEET

	QUARTERS ENDED IN		
	JUN 17	**JUN 16**	**MAR 17**
OPERATING ASSETS			
Trade accounts receivable	322.5	258.5	302.0
Trade accounts receivable - noncurrent portion	36.5	34.1	34.1
Inventories	90.6	75.7	99.3
Taxes	70.1	61.4	68.1
Escrow deposits	208.6	201.9	204.9
Other	55.4	53.8	57.7
Property, plant and equipment, intangibles and investments	975.0	925.7	968.7
TOTAL OPERATING ASSETS	**1,758.7**	**1,611.2**	**1,734.8**
OPERATING LIABILITIES			
Suppliers	52.6	52.3	53.0
Payroll and related charges	102.5	95.1	89.1
Taxes	9.2	8.4	9.4
Judicial provisions	107.6	102.2	106.2
Other accounts payable	43.1	34.4	44.0
TOTAL OPERATING LIABILITIES	**315.0**	**292.4**	**301.7**

CONSOLIDATED INCOME STATEMENT

	2Q17	**2Q16**	**1Q17**	**1H17**	**1H16**
Net sales	1,472.9	1,343.0	1,352.3	2,825.3	2,575.6
Cost of sales and services	(1,235.9)	(1,124.4)	(1,133.7)	(2,369.6)	(2,148.9)
Gross profit	237.0	218.6	218.6	455.7	426.7
Operating expenses					
Selling	(101.5)	(97.4)	(91.1)	(192.6)	(190.3)
General and administrative	(59.1)	(51.6)	(51.0)	(110.0)	(99.3)
Other operating income (expenses), net	0.7	0.3	2.2	2.9	1.3
Income from sale of assets	2.2	(0.7)	0.5	2.7	(0.0)
Operating income	79.5	69.1	79.2	158.7	138.4
Equity in earnings (losses) of affiliates	0.9	(0.0)	(0.0)	0.9	(0.0)
EBITDA	124.1	108.4	120.4	244.4	216.9

Depreciation and amortization	43.7	39.3	41.2	84.9	78.5
RATIOS					
Gross margin (R$/ton)	532	489	528	530	500
Operating margin (R$/ton)	178	155	191	185	162
EBITDA margin (R$/ton)	279	243	290	284	254
Number of employees	**3,639**	**3,621**	**3,631**	**3,639**	**3,621**

ULTRACARGO

In million Reais

CONSOLIDATED BALANCE SHEET

	QUARTERS ENDED IN		
	JUN 17	**JUN 16**	**MAR 17**
OPERATING ASSETS			
Trade accounts receivable	36.0	37.8	37.2
Inventories	6.6	6.8	6.4
Taxes	0.7	0.4	0.7
Other[1]	27.0	159.5	23.1
Property, plant and equipment, intangibles and investments	927.3	899.0	930.5
TOTAL OPERATING ASSETS	**997.7**	**1,103.5**	**997.9**
OPERATING LIABILITIES			
Suppliers	16.2	16.6	15.2
Payroll and related charges	18.5	15.4	23.0
Taxes	6.1	5.1	5.9
Judicial provisions	26.3	13.9	25.6
Other accounts payable[2]	185.7	83.5	178.1
TOTAL OPERATING LIABILITIES	**252.7**	**134.5**	**247.7**

[1] Trade receivables   indemnification insurance company

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

CONSOLIDATED INCOME STATEMENT

	2Q17	**2Q16**	**1Q17**	**1H17**	**1H16**
Net sales	106.4	85.2	100.7	207.1	166.2
Cost of sales and services	(53.7)	(49.5)	(50.2)	(104.0)	(97.0)
Gross profit	52.6	35.7	50.5	103.1	69.2
Operating expenses					
Selling	(1.9)	(1.4)	(1.7)	(3.6)	(3.3)
General and administrative	(26.4)	(21.1)	(23.4)	(49.8)	(38.8)
Other operating income (expenses), net	(15.5)	18.1	(15.7)	(31.2)	26.1
Income from sale of assets	4.8	0.0	0.1	5.0	0.0
Operating income	13.7	31.2	9.8	23.5	53.2

Equity in earnings (losses) of affiliates	0.6	(0.2)	0.3	0.9	(0.3)
EBITDA	26.1	41.8	21.7	47.8	74.4
Depreciation and amortization	11.8	10.8	11.7	23.5	21.5
RATIOS					
Gross margin	49%	42%	50%	50%	42%
Operating margin	13%	37%	10%	11%	32%
EBITDA margin	25%	49%	22%	23%	45%
Number of employees	**668**	**614**	**650**	**668**	**614**

EXTRAFARMA

In million Reais

CONSOLIDATED BALANCE SHEET

	QUARTERS ENDED IN		
	JUN 17	**JUN 16**	**MAR 17**
OPERATING ASSETS			
Trade accounts receivable	142.4	129.5	141.1
Inventories	343.0	334.5	382.6
Taxes	99.0	82.3	101.8
Other[1]	17.8	16.1	19.5
Property, plant and equipment, intangibles and investments	1,051.0	955.3	1,029.6
TOTAL OPERATING ASSETS	**1,653.3**	**1,517.6**	**1,674.5**
OPERATING LIABILITIES			
Suppliers	136.3	124.1	212.2
Payroll and related charges	45.8	36.7	40.5
Taxes	13.9	9.2	23.1
Judicial provisions	60.2	59.2	59.6
Other accounts payable	12.9	13.5	11.5
TOTAL OPERATING LIABILITIES	**269.1**	**242.8**	**346.8**

CONSOLIDATED INCOME STATEMENT

	2Q17	**2Q16**	**1Q17**	**1H17**	**1H16**
Gross Revenues	481.7	409.0	476.0	957.7	781.1
Sales returns, discounts and taxes	(27.4)	(22.1)	(26.2)	(53.6)	(43.9)
Net sales	454.3	386.9	449.8	904.1	737.1
Cost of products and services sold	(308.0)	(257.9)	(303.9)	(611.9)	(496.3)
Gross profit	146.3	129.0	145.9	292.2	240.8
Operating expenses	(151.1)	(126.7)	(150.1)	(301.2)	(243.1)
Other operating income (expenses), net	(0.1)	(0.1)	0.0	(0.1)	(0.1)
Income from sale of assets	(0.0)	(0.1)	(5.6)	(5.6)	(0.1)
Operating income	(4.9)	2.0	(9.8)	(14.8)	(2.6)
EBITDA	9.8	12.3	4.1	13.9	17.5
Depreciation and amortization	14.7	10.2	13.9	28.6	20.1
RATIOS[1]					
Gross margin (%)	30%	32%	31%	31%	31%

Operating margin (%)	-1%	0%	-2%	-2%	0%
EBITDA margin (%)	2%	3%	1%	1%	2%
Number of employees	**5,989**	**5,451**	**5,798**	**5,989**	**5,451**

(1) Calculated based on gross revenues.

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly Traded Company

CNPJ nº 33.256.439/0001- 39 NIRE 35.300.109.724

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS (07/2017)

Date, Time and Location:

August 9, 2017, at 2:30 p.m., at the Company s headquarters, located at Av. Brigadeiro Luís Antônio, nº 1343, 9th floor, in the City and State of São Paulo.

Attendance:

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

Decisions:

1. As part of the ongoing monitoring of the business strategy, the members of the Board of Directors analyzed the strategic positioning proposal of Ultragaz, Company s LPG distribution business.

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

3. Ad referendum of the Annual General Shareholders Meeting that will analyze the balance sheet and financial statements of the current fiscal year, to approve the distribution of dividends, to be payable from the net earnings account of the current year, in the total amount of R$ 461,867,679.00 (four hundred and sixty-one million, eight hundred and sixty-seven thousand, six hundred and seventy-nine Reais). Holders of common shares are entitled to receive R$ 0.85 (eighty-five cents of Real) per share, excluding the shares held in treasury at this date.

4. It has also been determined that dividends declared herein will be paid from August 25, 2017 onwards, without remuneration or monetary adjustment. The record date to establish the right to receive the approved dividends will be August 16, 2016 in Brazil and August 21, 2016, in the United States of America.

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

6. The members of the Board of Directors approved, based on the item 4.2(ii) of the Stock-based incentive plan of the Company approved at the shareholders meeting on April 19, 2017, Company s performance goal to which the transfer of ownership of 50% (fifty percent) of the shares subject to the first program of restricted

shares and performance shares to be approved in the future by this Board.

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

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

Paulo Guilherme Aguiar Cunha Chairman

Pedro Wongtschowski Vice-Chairman

Carlos Tadeu da Costa Fraga

Jorge Marques de Toledo Camargo

José Maurício Pereira Coelho

Lucio de Castro Andrade Filho

Nildemar Secches

Olavo Egydio Monteiro de Carvalho

Member of the Fiscal Council:

Flavio Cesar Maia Luz

ULTRAPAR PARTICIPAÇÕES S.A.

Publicly-Traded Company

CNPJ nº 33.256.439/0001- 39

NIRE 35.300.109.724

NOTICE TO SHAREHOLDERS

Distribution of dividends

We hereby inform that the Board of Directors of Ultrapar Participações S.A. (Ultrapar), at the meeting held today, approved the distribution of dividends, payable from the net earnings account for the fiscal year of 2017, in the amount of R$ 461,867,679.00 (four hundred and sixty-one million, eight hundred and sixty-seven thousand, six hundred and seventy-nine Reais), to be paid from August 25, 2017 onwards, without remuneration or monetary adjustment.

Holders of common shares issued by Ultrapar as of the record dates informed below will receive the dividend of R$ 0.85 per share.

The record date to establish the right to receive the dividend will be August 16, 2017 in Brazil, and August 21, 2017 in the United States of America. Therefore, from August 17, 2017 onwards, the shares will be traded ex-dividend on both the São Paulo Stock Exchange (B3 S.A. Brasil, Bolsa, Balcão) and the New York Stock Exchange (NYSE).

São Paulo, August 9, 2017.

André Pires de Oliveira Dias

Chief Financial and Investor Relations Officer

ULTRAPAR PARTICIPAÇÕES S.A.

SIGNATURES

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

Date: August 9, 2017

ULTRAPAR HOLDINGS INC.

By: /s/Andre Pires De Oliveira Dias
Name: Andre Pires de Oliveira Dias
Title: Chief Financial and Investor Relations Officer

(Individual and Consolidated Interim Financial Information for the Three-Month Period Ended June 30, 2017 Report on Review of Interim Financial Information, 2Q17 Earnings release, Board of Directors Minutes and Notice to shareholders)