

ULTRAPAR HOLDINGS INC
Form 6-K
May 12, 2011

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

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

For the month of May, 2011

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	<input checked="" type="checkbox"/>	Form 40-F	<input type="checkbox"/>
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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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

ULTRAPAR HOLDINGS INC.

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Item 1

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

Ultrapar Participações S.A. and
Subsidiaries

Interim financial information
March 31, 2011

Ultrapar Participações S.A. and Subsidiaries

Interim financial information

as of March 31, 2011 and 2010

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Independent auditors' review report

To
The Board of Directors and Shareholders
Ultrapar Participações S.A.
São Paulo – SP

We have reviewed the individual and consolidated interim financial information of Ultrapar Participações S.A. (the Company), included in the Quarterly Financial Information - ITR of the Company for the quarter ended March 31, 2011, comprising the balance sheet, the statements of income, other comprehensive income, changes in shareholders equity and cash flows for the quarter then ended, including its explanatory information.

Management is responsible for the preparation and fair presentation of these individual interim financial information in accordance with technical pronouncement CPC n° 21 – Interim Financial Information and of these consolidated interim financial information in accordance with technical pronouncements CPC n° 21 and IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB), comprising the presentation of these information consistent with rules issued by the Brazilian Securities and Exchange Commission (CVM), which are applicable to the preparation of the Quarterly Financial Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion on the individual Quarterly Financial Information

Based on our review, we are not aware of any material modifications that should be made in the individual interim financial information included in the Quarterly Financial Information described above, for these to be in accordance with accounting practices adopted in Brazil, especially the Committee for Accounting Pronouncements – CPC n° 21 – Interim Financial Statements and the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Financial Information.

Conclusion on the consolidated Quarterly Financial Information

Based on our review, we are not aware of any material modifications that should be made in the consolidated interim financial information included in the Quarterly Financial Information described above, for these to be in accordance with accounting practices adopted in Brazil, especially the Committee for Accounting Pronouncements – CPC n° 21, IAS 34 – Interim Financial Statements and the rules issued by the Brazilian Securities and Exchange Commission (CVM) and International Accounting Standards Board (IASB), which are applicable to the preparation of the Quarterly Financial Information.

Other matters

Statement of value added

We also reviewed the individual and consolidated interim information included in the statement of value added (DVA), for the quarter ended on March 31, 2011, which disclosure in the Quarterly Financial Information is required in accordance with regulations issued by Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information and supplementary information considered by IFRS, which does not require the disclosure of statement of value added (DVA). This statement was submitted to the same review procedures previously described and, we are not aware of any material modifications that should be made in relation to the Quarterly Financial Information individual and consolidated taken as a whole.

São Paulo, May 11, 2011

KPMG Auditores Independentes
CRC 2SP014428/O-6

Anselmo Neves Macedo
Accountant CRC 1SP160482/O-6

Ultrapar Participações S.A. and Subsidiaries

Balance sheets

as of March 31, 2011 and December 31, 2010

(In thousands of Reais)

Assets	Note	Parent		Consolidated	
		03/31/2011	12/31/2010	03/31/2011	12/31/2010
Current assets					
Cash and cash equivalents	4	227,141	407,704	2,415,106	2,642,418
Financial investments	4	15	12,758	377,482	558,209
Trade accounts receivable	5	-	-	1,738,423	1,715,709
Inventories	6	-	-	1,258,473	1,133,537
Recoverable taxes	7	41,857	69,897	326,803	354,317
Dividends receivable		75,598	72,787	-	-
Other receivables		2,316	806	16,829	18,149
Prepaid expenses	10	-	-	57,301	35,148
Total current assets		346,927	563,952	6,190,417	6,457,487
Non-current assets					
Financial investments	4	-	-	7,868	19,750
Trade accounts receivable	5	-	-	99,196	96,668
Related companies	8.a)	756,962	780,869	10,174	10,144
Deferred income and social contribution taxes	9.a)	200	185	575,042	564,397
Recoverable taxes	7	42,438	9,013	99,558	54,770
Escrow deposits		232	232	394,183	380,749
Other receivables		-	-	564	694
Prepaid expenses	10	-	-	39,435	40,611
		799,832	790,299	1,226,020	1,167,783
Investments					
Subsidiaries	11.a)	5,127,748	4,939,167	-	-
Affiliates	11.b)	-	-	12,589	12,465
Others		-	-	2,925	2,793
Property, plant and equipment	12 and 14.g)	-	-	4,050,301	4,003,704
Intangible assets	13	246,163	246,163	1,315,600	1,345,611
		5,373,911	5,185,330	5,381,415	5,364,573
Total non-current assets		6,173,743	5,975,629	6,607,435	6,532,356
Total assets		6,520,670	6,539,581	12,797,852	12,989,843

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

Ultrapar Participações S.A. and Subsidiaries

Balance sheets

as of March 31, 2011 and December 31, 2010

(In thousands of Reais)

	Note	Parent		Consolidated	
		03/31/2011	12/31/2010	03/31/2011	12/31/2010
Liabilities					
Current liabilities					
Financing	14	-	-	1,297,949	813,516
Debtentures	14.f)	37,421	2,711	37,421	2,711
Finance leases	14.g)	-	-	2,675	4,257
Trade payables	15	3	110	876,779	941,177
Salaries and related charges		111	110	190,635	228,215
Taxes payable		15	7	138,470	157,922
Dividends payable	18.h)	3,883	186,432	9,982	192,493
Income tax and social contribution payable		5	5	79,608	76,781
Post-employment benefits	22.b)	-	-	12,060	11,339
Provision for assets retirement obligation	16	-	-	4,911	5,636
Provision for contingencies	21.a)	-	-	41,512	39,626
Other payables		214	214	20,287	29,684
Deferred revenue	17	-	-	15,656	14,572
Total current liabilities		41,652	189,589	2,727,945	2,517,929
Non-current liabilities					
Financing	14	-	-	2,802,602	3,380,856
Debtentures	14.f)	1,194,932	1,193,405	1,212,249	1,193,405
Finance leases	14.g)	-	-	1,086	1,288
Related companies	8.a)	-	-	4,051	4,021
Deferred income and social contribution taxes	9.a)	-	-	31,853	26,712
Provision for contingencies	21.a)	3,303	3,257	488,816	470,505
Post-employment benefits	22.b)	-	-	92,441	93,162
Provision for assets retirement obligation	16	-	-	60,090	58,255
Other payables		-	-	65,522	62,215
Deferred revenue	17	-	-	6,807	5,912
Total non-current liabilities		1,198,235	1,196,662	4,765,517	5,296,331
Shareholders' equity					
Share capital	18.a)	3,696,773	3,696,773	3,696,773	3,696,773
Capital reserve	18.c)	7,688	7,688	7,688	7,688

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Revaluation reserve	18.d)	7,448	7,590	7,448	7,590
Profit reserves	18.e)	1,513,920	1,513,920	1,513,920	1,513,920
Treasury shares	18.b)	(119,964)	(119,964)	(119,964)	(119,964)
Retained earnings		193,120	-	193,120	-
Additional dividends to the minimum mandatory dividends	18.h)	-	68,323	-	68,323
Valuation adjustment	2.c) and 18.f)	(75)	(2,403)	(75)	(2,403)
Cumulative translation adjustments	2.o) and 18.g)	(18,127)	(18,597)	(18,127)	(18,597)
Shareholders' equity attributable to owners of the parent		5,280,783	5,153,330	5,280,783	5,153,330
Non-controlling interest		-	-	23,607	22,253
Total shareholders' equity		5,280,783	5,153,330	5,304,390	5,175,583
Total liabilities and shareholders' equity		6,520,670	6,539,581	12,797,852	12,989,843

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

Ultrapar Participações S.A. and Subsidiaries

Income statements

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

		Parent		Consolidated	
		03/31/2011	03/31/2010	03/31/2011	03/31/2010
Net revenue from sales and services	2.a) and 23	-	-	10,806,074	9,933,392
Cost of products and services sold	2.a) and 24	-	-	(9,980,364)	(9,238,108)
Gross income		-	-	825,710	695,284
Operating revenues (expenses)					
Selling and marketing	24	-	-	(310,320)	(279,266)
General and administrative	24	(2,705)	(1,679)	(192,734)	(175,854)
Income on disposal of assets	25	-	-	2,739	394
Other net operating income		2,724	2,465	8,581	7,098
Operating income		19	786	333,976	247,656
Financial income	26	41,210	24,473	85,634	48,321
Financial expenses	26	(34,597)	(26,782)	(152,009)	(121,571)
Equity in income of subsidiaries and affiliates	11.a) and 11.b)	188,632	126,243	126	25
Income before social contribution and income taxes		195,264	124,720	267,727	174,431
Social contribution and income taxes					
Current	9.b)	(2,265)	(4)	(61,136)	(30,915)
Deferred charges	9.b)	16	519	(20,342)	(27,783)
Tax incentives	9.b) and 9.c)	-	-	7,933	7,119
		(2,249)	515	(73,545)	(51,579)
Net income for the period		193,015	125,235	194,182	122,852
Income attributable to:					
Shareholders' of the Company	28	193,015	125,235	193,015	126,045
Non-controlling interests in subsidiaries		-	-	1,167	(3,193)
Earnings per share – common and preferred share (based on weighted average of shares outstanding) – R\$	27	0.36	0.23	0.36	0.24

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

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Ultrapar Participações S.A. and Subsidiaries

Other comprehensive income

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Parent		Consolidated	
		03/31/2011	03/31/2010	03/31/2011	03/31/2010
Net income attributable to shareholders of the Company	28	193,015	125,235	193,015	126,045
Net income attributable to non-controlling interest in subsidiaries		-	-	1,167	(3,193)
Net income		193,015	125,235	194,182	122,852
Valuation adjustment	2.c) and 18.f)	2,328	2,031	2,328	2,031
Cumulative translation adjustments	2.o) and 18.g)	470	(13,745)	470	(13,745)
Total comprehensive income		195,813	113,521	196,980	111,138
Total comprehensive income attributable to shareholders of the Company		195,813	113,521	195,813	114,331
Total comprehensive income attributable to non-controlling interest in subsidiaries		-	-	1,167	(3,193)

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

Ultrapar Participações S.A. and Subsidiaries

Statements of changes in shareholders' equity in the parent company

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Share capital	Revaluation reserve in subsidiaries	Profit reserves			Cumulative translation adjustments	Retained earnings	Treasury shares	Additional dividends	
				Legal reserve	Retention of profits	Valuation adjustments					
Balance at December, 31, 2009		3,696,773	4,482	8,156	142,912	1,040,530	(4,075)	(5,302)	-	(123,720)	56
Realization of revaluation reserve	18.d)	-	-	(331)	-	-	-	-	331	-	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	18.d)	-	-	-	-	-	-	-	(46)	-	-
Net income for the period		-	-	-	-	-	-	-	125,235	-	-
Reversal of additional dividends of prior year		-	-	-	-	-	-	-	-	-	(56)
Other comprehensive income:											
Valuation adjustment for financial instruments	2.c) and 18.f)	-	-	-	-	-	2,031	-	-	-	-
Currency translation of foreign subsidiaries	2.o) and 18.g)	-	-	-	-	-	-	(13,745)	-	-	-
Balance at March 31, 2010		3,696,773	4,482	7,825	142,912	1,040,530	(2,044)	(19,047)	125,520	(123,720)	

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

Ultrapar Participações S.A. and Subsidiaries

Statements of changes in shareholders' equity in the parent company

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Share capital	Revaluation reserve		Profit reserves			Cumulative translation adjustments	Retained earnings	Treasury shares
			reserves	in subsidiaries	Legal reserve	Retention of profits	Valuation adjustments			
Balance at December 31, 2010		3,696,773	7,688	7,590	180,854	1,333,066	(2,403)	(18,597)	-	(119,964)
Realization of revaluation reserve	18.d)	-	-	(142)	-	-	-	-	142	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	18.d)	-	-	-	-	-	-	-	(37)	-
Net income for the period		-	-	-	-	-	-	-	193,015	-
Reversal of additional dividends of prior year		-	-	-	-	-	-	-	-	-
Other comprehensive income:										
Valuation adjustments for financial instruments	2.c) and 18.f)	-	-	-	-	-	2,328	-	-	-
Currency translation of foreign subsidiaries	2.o) and 18.g)	-	-	-	-	-	-	470	-	-
Balance at March 31, 2011		3,696,773	7,688	7,448	180,854	1,333,066	(75)	(18,127)	193,120	(119,964)

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

Ultrapar Participações S.A. and Subsidiaries

Statements of changes in shareholders' equity in the consolidated

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Share capital	Capital reserve	Revaluation reserve in subsidiaries	Profit reserves			Cumulative translation adjustments	Retained earnings	Treasury shares	Additional dividends
					Legal reserve	Retention of profits	Valuation adjustments				
Balance at December 31, 2010		3,696,773	4,482	8,156	142,912	1,034,050	(4,075)	(5,302)	-	(123,720)	56,8
Realization of revaluation reserve	18.d)	-	-	(331)	-	-	-	-	331	-	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	18.d)	-	-	-	-	-	-	-	(46)	-	-
Net income for the period		-	-	-	-	-	-	-	126,045	-	-
Reversal of additional dividends of prior year		-	-	-	-	-	-	-	-	-	(56,8
Capital reduction from Utingás Armazenadora Ltda.		-	-	-	-	-	-	-	-	-	-
Other comprehensive income:											
Valuation adjustments for financial instruments	2.c) and 18.f)	-	-	-	-	-	2,031	-	-	-	-
Currency translation of foreign	2.o) and 18.g)	-	-	-	-	-	-	(13,745)	-	-	-

subsidiaries

Balance at

March 31, 2010	3,696,773	4,482	7,825	142,912	1,034,050	(2,044)	(19,047)	126,330	(123,720)	-
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The accompanying notes are an integral part of these interim financial information.

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Ultrapar Participações S.A. and Subsidiaries

Statements of changes in shareholders' equity in the consolidated

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Share capital	Revaluation reserve		Profit reserves			Cumulative translation adjustments	Retained earnings	Treasury shares
			reserves	in subsidiaries	Legal reserve	Retention of profits	Valuation adjustments			
Balance at December 31, 2010		3,696,773	7,688	7,590	180,854	1,333,066	(2,403)	(18,597)	-	(119,964)
Realization of revaluation reserve	18.d)	-	-	(142)	-	-	-	-	142	-
Income and social contribution taxes on realization of revaluation reserve of subsidiaries	18.d)	-	-	-	-	-	-	-	(37)	-
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-
Net income for the period		-	-	-	-	-	-	-	193,015	-
Reversal of additional dividends of prior year		-	-	-	-	-	-	-	-	-
Other comprehensive income:										
Valuation adjustments for financial instruments	2.c) and 18.f)	-	-	-	-	-	2,328	-	-	-
Currency translation of foreign subsidiaries	2.o) and 18.g)	-	-	-	-	-	-	470	-	-
Balance at March 31, 2011		3,696,773	7,688	7,448	180,854	1,333,066	(75)	(18,127)	193,120	(119,964)

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

Ultrapar Participações S.A. and Subsidiaries

Statements of cash flows - Indirect method

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Parent		Consolidated	
		03/31/2011	03/31/2010	03/31/2011	03/31/2010
Cash flows from operating activities					
Net income for the period		193,015	125,235	194,182	122,852
Adjustments to concile net income to cash provided by operating activities					
Equity in income of subsidiaries and affiliates	11	(188,632)	(126,243)	(126)	(25)
Depreciation and amortization		-	-	135,912	131,881
PIS and COFINS credits on depreciation		-	-	2,429	2,114
Expense with tanks removed	16	-	-	(783)	(1,061)
Interest, monetary and exchange rate changes		9,113	7,851	123,741	93,647
Deferred income and social contribution taxes	9.b)	(16)	(519)	20,342	27,783
Income on sale of property, plant and equipment	25	-	-	(2,739)	(394)
Others		-	-	(449)	611
Dividends received from subsidiaries		-	118,990	-	-
(Increase) decrease in current assets					
Trade accounts receivable	5	-	-	(22,714)	29,296
Inventories	6	-	-	(118,691)	(70,108)
Recoverable taxes	7	28,040	901	27,514	9,671
Other receivables		(1,510)	(2,375)	1,320	4,537
Prepaid expenses	10	-	-	(22,153)	(24,716)
Increase (decrease) in current liabilities					
Trade payables		(107)	(9,878)	(38,887)	(224,284)
Wages and employee benefits		1	-	(37,580)	(43,411)
Taxes payable		8	(1,369)	(19,452)	36,530
Income and social contribution taxes		-	5	2,827	19,250
Other payables		-	(198)	(5,706)	(18,481)
(Increase) decrease in long-term assets					
Trade accounts receivable	5	-	-	(2,528)	10,407
Recoverable taxes	7	(33,425)	(4,425)	(44,788)	(12,126)
Amounts in escrow		-	(15)	(13,434)	(15,271)
Other receivables		-	-	130	308
Prepaid expenses	10	-	-	1,176	339
Increase (decrease) in long-term liabilities					
Provision for contingencies		46	41	18,311	(13,027)
Other payables		-	-	3,481	12,171

Net cash provided by operating activities	6,533	108,001	201,335	78,493
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The accompanying notes are an integral part of these interim financial information.

Ultrapar Participações S.A. and Subsidiaries

Statements of cash flows - Indirect method

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais)

	Note	Parent		Consolidated	
		03/31/2011	03/31/2010	03/31/2011	03/31/2010
Cash flows from investing activities					
Financial investments, net of redemptions		12,743	(20,000)	192,609	28,743
Disposal (acquisition) of investments, net	11	-	-	(25,514)	-
Acquisition of property, plant and equipment	12	-	-	(157,444)	(173,916)
Acquisition of intangible assets	13	-	-	(45,145)	(38,730)
Proceed on sale of property, plant and equipment		-	-	20,084	4,459
Net cash provided by (used in) investing activities		12,743	(20,000)	(15,410)	(179,444)
Cash flows from financing activities					
Financing and debentures					
Fund raising	14	-	-	135,492	1,048,107
Amortization	14	-	-	(295,830)	(1,152,144)
Payment of financial lease	14	-	-	(1,968)	(3,297)
Dividends paid		(250,872)	(158,736)	(250,834)	(163,079)
Reduction of non-controlling interests		-	-	-	(11,369)
Related entities	8.a)	51,033	44,116	-	(1,770)
Net cash provided by (used in) financing activities		(199,839)	(114,620)	(413,140)	(283,552)
Effect of changes in exchange rates on cash and cash equivalents in foreign currency					
		-	-	(97)	(2,600)
Increase (decrease) in cash and cash equivalents		(180,563)	(26,619)	(227,312)	(387,103)
Cash and cash equivalents at the beginning of period	4	407,704	58,926	2,642,418	1,887,499

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Cash and cash equivalents at the end of period	4	227,141	32,307	2,415,106	1,500,396
Additional information					
Interest paid on financing		-	-	39,247	117,916
Income tax and social contribution paid for the period		-	-	17,556	15,174

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

Ultrapar Participações S.A. and Subsidiaries

Statements of value added

Fiscal period ended March 31, 2011 and 2010

(In thousands of Reais, except percentages)

	Note	03/31/2011	Parent % 03/31/2010	%	03/31/2011	Consolidated % 03/31/2010	%
Revenues							
Gross revenue from sales and services, except rents and royalties	23	-	-		11,181,886	10,314,016	
Rebates, discounts and returns	23	-	-		(43,961)	(41,294)	
Allowance for doubtful accounts - Release (creation)		-	-		(1,506)	(1,529)	
Income on disposal of assets	25	-	-		2,739	394	
		-	-		11,139,158	10,271,587	
Materials purchased from third parties							
Raw materials used		-	-		(516,073)	(466,994)	
Cost of goods, products and services sold	2.a)	-	-		(9,454,497)	(8,747,460)	
Third-party materials, energy, services and others		(2,705)	(1,679)		(294,351)	(264,906)	
Recovery (loss) of asset value		3,701	3,355		1,810	3,500	
		996	1,676		(10,263,111)	(9,475,860)	
Gross value added		996	1,676		876,047	795,727	
Deductions							
Depreciation and amortization		-	-		(138,341)	(133,995)	
Net value added by the company		996	1,676		737,706	661,732	

Value added
received in transfer

Equity in income of subsidiaries and affiliates	11.a) and 11.b)	188,632	126,243	126	25
Rents and royalties	23	-	-	15,991	11,174
Financial revenues	26	41,210	24,473	85,634	48,321
		229,842	150,716	101,751	59,520

Total value added
available for
distribution

230,838	152,392	839,457	721,252
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Distribution of
value added

Labor and benefits	822	-	733	1	247,506	30	217,943	30
Taxes, fees and contributions	632	-	(1,575)	(1)	235,585	28	263,103	37
Financial expenses and rents	36,369	16	27,999	18	162,184	19	117,354	16
Retained earnings	193,015	84	125,235	82	194,182	23	122,852	17
Value added distributed	230,838	100	152,392	100	839,457	100	721,252	100

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

1. Operations

Ultrapar Participações S.A. (“Company”), is a Company with headquarters at the Brigadeiro Luis Antônio Avenue, 1343 in São Paulo – SP, Brazil.

It engages in the investment of its own capital in commercial and industrial activities, provision of services, and related businesses, including the subscription or acquisition of shares of other companies. Through its subsidiaries, it operates in the segments of liquefied petroleum gas - LPG distribution (“Ultragaz”), light fuel & lubricant distribution, and related business (“Ipiranga”), production and marketing of chemicals (“Oxiteno”), and provision of storage services for liquid bulk (“Ultracargo”). The Company also operates a petroleum refining business through its investment in Refinaria de Petróleo Riograndense S.A. (“RPR”).

2. Summary of significant accounting policies

Aiming at the convergence of the Brazilian accounting practices to the IFRS, during the years 2009 and 2010 the Brazilian Securities and Exchange Commission (“CVM”) issued several resolutions approving the Accounting Pronouncements Committee (“CPC”) pronouncements and established new accounting standards applicable to Brazil, effective in 2010 (“New BR GAAP”). These statements are in accordance with the international accounting standards issued by the International Accounting Standards Board (“IASB”).

The interim financial information as of March 31, 2011 was prepared in accordance with Resolution CVM 581/09 (CPC 21) and International Accounting Standards (“IAS”) 34 Interim Financial Reporting issued by IASB.

The Company’s individual interim financial information are stated according to the New BR GAAP, which differs from IFRS in two respects. IFRS does not require the equity method of accounting for the individual interim financial information of the parent company. Besides equity accounting, the parent company’s interim financial information in New BR GAAP contain another difference to IFRS, as expressly permitted by CPC 43 (R1), relating to the deferred charges written off as of December 31, 2010, when such difference was eliminated.

The Company’s consolidated interim financial information are stated according to the IFRS, issued by IASB. The consolidated interim financial information as of 2010, previously reported in New BRGAAP (in accordance with CPC 43), is being presented considering the deferred charges written off in the IFRS initial adoption (in accordance with CPC 43(R1)). See Note 28 for further detail of deferred charges amortization effects in the income statements as of the first quarter of 2010.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

a. Recognition of income

Revenue from sales and costs are recognized when all risks and benefits associated with the products are transferred to the purchaser. Revenue from services provided and their costs are recognized when the services are provided. Costs of products sold and services provided include goods (mainly fuels/lubricants and LPG), raw materials (chemicals and petrochemicals) and production, distribution, storage and filling costs.

b. Cash equivalents

Include 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 detail on cash equivalents of the Company and its subsidiaries.

c. Financial instruments

In accordance with IAS 39 (CPC 38, 39 and 40), the financial instruments of the Company and its subsidiaries were classified into the following categories:

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

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

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

Loans and receivables: non-derivative financial instruments with fixed or determinable payments or receipts, not quoted in active markets, except: (i) those which the entity intends to sell immediately or in the short term and which the entity classified as measured at fair value through income; (ii) those classified as available for sale; or (iii) those the holder of which cannot substantially recover its initial investment for reasons other than credit deterioration. The interest earned is recorded as income, and balances are stated at acquisition cost plus the interest earned.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The Company and its subsidiaries designate certain derivative financial instruments used to hedge against changes in interest rates and variations in the exchange rate as cash flow hedge. In the case of derivatives designed to hedge cash flows against changes caused by the variation in interest rates, the difference between the fair value of the financial instrument and its updated cost is recognized as a valuation adjustment in the shareholders' equity, not affecting the income statement of the Company and its subsidiaries. In the case of foreign exchange derivatives designated by subsidiary RPR for hedge of future cash flows, the effect of variation in the derivative is posted to the valuation adjustment in shareholders' equity until the time when the hedged item affects the income statement. The difference between the fair value of the derivative and updated cost is recognized directly in income of the subsidiary.

The Company and its subsidiaries designate derivative financial instruments used to compensate variations due to changes in interest rates in the market value of contracted debt in Reais as fair value hedge. Such variations, as well as the difference between the derivative financial instrument fair value and its updated cost, are recognized in the income.

For further detail on financial instruments of the Company and its subsidiaries, see Notes 4, 14, and 20.

d. Current and non-current assets

The trade accounts receivable are recorded at the amount billed, adjusted to the present value if applicable, including all direct taxes of the Company and its subsidiaries.

Allowance for doubtful accounts is calculated based on estimated losses and is set at an amount deemed by management to be sufficient to cover any loss on realization of accounts receivable.

Inventories are stated at the lower of average acquisition or production cost, and replacement cost or net realizable value.

The other assets are stated at the lower of cost and realizable value, including, if applicable, the 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.r).

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

e. Investments

Investments in subsidiaries are valued by the equity method of accounting in the interim financial information of the parent company.

Investments in companies in which management has a significant influence or in which it holds 20% or more of the voting stock, or that are part of a group under shared control are also accounted for the equity method of accounting (see Note 11). In the consolidated interim financial information the investments under shared control are consolidated proportionally by the Company (See Note 3).

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

f. Property, plant and equipment

Recorded at acquisition or construction cost, including financial charges incurred on property, plant and equipment under construction, as well as significant maintenance costs resulting from scheduled plant outages and estimated costs to remove, to decommission or to restore assets. Property, plant and equipment acquired before December 31, 1997 are adjusted for inflation as of that date.

Depreciation is calculated using the straight-line method, for the periods mentioned in Note 12, taking into account the economic life of the assets, and are periodically revised.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

g. Financial leases

- Finance leases

Certain financial 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 stated at fair value or, if lower, present value of the minimum payments under the relevant contracts. The items recognized as assets are depreciated at the depreciation rates applicable to each group of assets in accordance with Note 12. Financial charges under the finance lease contracts are allocated to income over the contract term, based on the amortized cost and actual interest rate method (see Note 14.g).

- Operating leases

Are lease transactions where the risks and benefits associated with the ownership of the asset are not transferred and where the purchase option at the end of the contract is equivalent to the market value of the leased asset. Payments made under an operating lease contract are recognized as expenses in the income statement on a straight-line basis over the term of the lease contract, in accordance with Note 21.d).

h. Intangible assets

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

- Goodwill is carried net of accumulated amortization as of December 31, 2008, when it ceased to be amortized. Goodwill generated as from January 1, 2009 is shown as intangible asset corresponding to the positive difference between the amount paid or payable to the seller and the fair value of the assets and liabilities of the acquired entity, and tested annually to verify the existence of probable losses (impairment). In accordance with IFRS 3(R), goodwill is allocated to the respective cash generating units for impairment testing purposes.

- Bonus expenses as provided in Ipiranga's agreements with reseller gas stations and major consumers are recorded when incurred and amortized according to the term of the agreement.

- Other intangible assets acquired from third parties, such as software, technology and commercial property rights, are measured at the total acquisition cost less accumulated amortization expenses.

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

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

i. Current and non-current liabilities

Current and noncurrent liabilities are stated at known or calculable amounts plus, if applicable, related charges, monetary changes and changes in exchange rates incurred until the date of the interim financial information. When applicable the current and noncurrent liabilities are recorded in present value based on interest rates that reflect the term, currency and risk of each transaction. Transaction costs incurred and directly attributable to the activities necessary only to accomplish the transactions in order to raise funds through contracting debt or loans or by issuing debt bonds, as well as premiums in the issuance of debentures and other debt or equity instruments, are appropriated to their instrument and amortized to income over their term.

j. Income and social contribution taxes on profit

Current and deferred income tax (IRPJ) and social contribution (CSLL) are calculated based on the current rates of income tax and social contribution on profit, including the value of tax incentives, as stated in Note 9.b).

k. Assets retirement obligation – fuel tanks

This provision corresponds to the legal obligation to remove Ipiranga's underground fuel tanks located at Ipiranga-branded gas stations after a certain period. The estimated amount of the obligation to remove this fuel tank is recorded as a liability when tanks are installed. The amount is recorded in property, plant and equipment and depreciated over the respective useful life of the tanks. The amounts recognized as a liability are adjusted until the respective tank is removed (see Note 16). The estimated removal cost is revised periodically.

l. Provision for contingencies

The provision for contingencies is created for contingent risks with a probable chance of loss (more-likely-than-not) in the opinion of management and internal and external legal counsel, and the amounts are recorded based on evaluation of the outcomes of the legal proceedings (see Note 21.a).

m. Actuarial obligation for post-employment benefits

Reserves for actuarial liabilities for post-employment benefits granted and to be granted to employees, retirees, and pensioners are based on an actuarial calculation prepared by an independent actuary, using the projected unit credit method, as described in Note 22.b).

n. Transactions in foreign currency

Transactions in foreign currency carried out by the Company or its subsidiaries are translated into their functional currency at the exchange rate prevailing on the date of each transaction. Outstanding monetary assets and liabilities of the Company and its subsidiaries are translated at the exchange rate prevailing on the balance sheet date. The effect of the difference between those exchange rates is recognized in income until their realization.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

o. Basis for translation of interim financial information of foreign-based subsidiaries

Assets and liabilities of the subsidiaries Oxiteno México S.A. de C.V. and its subsidiaries, located in Mexico (functional currency: Mexican Peso), and Oxiteno Andina, C.A., located in Venezuela (functional currency: Bolivares Fortes), denominated in currencies other than that of the Company (functional currency: Real), are translated at the exchange rate in effect on the date of the interim financial information. Gains and losses resulting from changes in these foreign investments are directly recognized in the shareholders' equity as cumulative translation adjustments and will be recognized as income if these investments are disposed of. The recorded balance in other comprehensive income and presented in the shareholders' equity as cumulative translation adjustments as of March 31, 2011 was R\$ 18,127 of exchange rate loss (R\$ 18,597 loss as of December 31, 2010).

For IFRS purposes, based on IAS 29, from 2010, Venezuela is regarded as a hyperinflationary economy. As a result, the interim financial information of Oxiteno Andina C.A. were adjusted by the Venezuelan Consumer Price Index (CPI).

Assets and liabilities of the other foreign subsidiaries, which do not have autonomy, are considered activities of their investor and are translated at the exchange rate in effect by the end of the respective period. Gains and losses resulting from changes in these foreign investments are directly recognized as financial income. The gain recognized as income as of March 31, 2011 amounted to R\$ 243 (R\$ 609 gain as of March 31, 2010).

p. Use of judgment

The interim financial information require the use of judgment and estimates for the accounting of certain assets, liabilities and results. In these estimates, the Company and subsidiaries's 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 related mainly to determining the fair value of financial instruments (Notes 4, 14 and 20), the determination of provisions for income taxes (Note 9), the useful life of property, plants and equipments (Note 12), recovery value of long-lived assets (Note 13), provisions for tax, civil and labor liabilities (Note 21.a) and estimates for the preparation of actuarial reports (Note 22). The actual result of the transactions and information may differ from estimates.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

q. Impairment of assets

The Company reviews, at least annually, the carrying value of assets for their possible impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use or disposal. In cases where future expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of these assets. The factors considered by the Company in performing this assessment include current operating results, trends, and prospects, as well as the effects of obsolescence, demand, competition, and other economic factors. No impairment was recorded in the abovementioned periods.

r. Adjustment to present value

The subsidiaries booked the adjustment to present value of ICMS credit balances on property, plant and equipment (CIAP – see Note 7). The Company and its subsidiaries reviewed all items classified as long-term and, where relevant, short-term assets and liabilities and did not identify the need to adjust other balances to present value.

s. Statements of value added

The Company and its subsidiaries prepare the statements of value added, individual and consolidated, according to CPC 09 - Statement of Value Added, as an integral part of the New BR GAAP interim financial information as applicable to public companies, while for IFRS purposes they represent additional financial information.

t. New pronouncements not yet adopted

Some standards, amendments and interpretations to IFRS issued by IASB have not yet taken effect for the period ended March 31, 2011:

- Limited exemption from Comparative IFRS 7 Disclosures for First-time Adopters.
- Improvements to IFRS 2010.
- IFRS 9 Financial Instruments
- Prepayment of a minimum fund requirement (Amendment to IFRIC 14)
- Amendments to IAS 32 Classification of rights issues

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

The Company and its subsidiaries have not estimated the impact of these new standards on their interim financial information.

On May 11, 2011 the Company's Board of Directors authorized the conclusion of these interim financial information.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

3. Principles of consolidation and investments in affiliates

The consolidated interim financial information were prepared following the basic principles of consolidation established by IFRS. Investments of one company in the other, balances of asset and liability accounts and revenues and expenses were eliminated, as well as the effects of transactions conducted between the companies. The non-controlling interest in subsidiaries is presented as part of consolidated shareholders' equity and net income.

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

	Location	% interest in the share			
		03/31/2011		12/31/2010	
		Control Direct control	Indirect control	Control Direct control	Indirect control
Ultracargo - Operações Logísticas Participações Ltda.	Brazil	100	-	100	-
Terminal Químico de Aratu S.A. - Tequimar	Brazil	-	99	-	99
União Vopak Armazéns Gerais Ltda. (*)	Brazil	-	50	-	50
Ultracargo Argentina S.A.	Argentina	-	100	-	100
Melamina Ultra S.A. Indústria Química	Brazil	-	99	-	99
Oxiten S.A. Indústria e Comércio	Brazil	100	-	100	-
Oxiten Nordeste S.A. Indústria e Comércio	Brazil	-	99	-	99
Oxiten Argentina Sociedad de Responsabilidad Ltda.	Argentina	-	100	-	100
Oleoquímica Indústria e Comércio de Produtos Químicos Ltda.	Brazil	-	100	-	100
Barrington S.L.	Spain	-	100	-	100
Oxiten México S.A. de C.V.	Mexico	-	100	-	100
Oxiten Servicios Corporativos S.A. de C.V.	Mexico	-	100	-	100
Oxiten Servicios Industriales S.A. de C.V.	Mexico	-	100	-	100
Oxiten USA LLC	United States	-	100	-	100
Global Petroleum Products Trading Corp.	Virgin Islands	-	100	-	100
Oxiten Overseas Corp.	Virgin Islands	-	100	-	100
Oxiten Andina, C.A.	Venezuela	-	100	-	100
Oxiten Europe SPRL	Belgium	-	100	-	100
Empresa Carioca de Produtos Químicos S.A.	Brazil	-	100	-	100
Ipiranga Produtos de Petróleo S.a.	Brazil	100	-	100	-
Distribuidora Nacional de Petróleo Ltda.	Brazil	-	-	-	100
am/pm Comestíveis Ltda.	Brazil	-	100	-	100
Centro de Conveniências Millennium Ltda.	Brazil	-	100	-	100
Conveniências Ipiranga Norte Ltda.	Brazil	-	100	-	100
Ipiranga Trading Limited	Virgin Islands	-	100	-	100
Tropical Transportes Ipiranga Ltda.	Brazil	-	100	-	100

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Ipiranga Imobiliária Ltda.	Brazil	-	100	-	100
Ipiranga Logística Ltda.	Brazil	-	100	-	100
Maxfácil Participações S.A. (*)	Brazil	-	50	-	50
Isa-Sul Administração e Participações Ltda.	Brazil	-	100	-	100
Companhia Ultragaz S.A.	Brazil	-	99	-	99
Bahiana Distribuidora de Gás Ltda.	Brazil	-	100	-	100
Utingás Armazenadora S.A.	Brazil	-	56	-	56
LPG International Inc.	Cayman Islands	-	100	-	100
Imaven Imóveis Ltda.	Brazil	-	100	-	100
Oil Trading Importadora e Exportadora Ltda.	Brazil	-	100	-	100
SERMA - Ass. dos usuários equip. proc. de dados	Brazil	-	100	-	100
Refinaria de Petróleo Riograndense S.A. (*)	Brazil	33	-	33	-

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

(*)The Company maintains a shared equity interest in these companies, whose articles of organization establish a joint control. These joint ventures are recognized by the Company using proportionate consolidation, as allowed by IAS 31.

RPR is primarily engaged in oil refining, Maxfácil Participações S.A. is primarily engaged in the management of Ipiranga-branded credit cards, and União Vopak Armazéns Gerais Ltda. is primarily engaged in liquid bulk storage in the port of Paranaguá.

Business combination – Acquisition of Distribuidora Nacional de Petróleo Ltda. (“DNP”)

On November 1, 2010, the Company, through its subsidiary Ipiranga Produtos de Petróleo S.A. (“IPP”), acquired a 100% equity interest in DNP for an amount of R\$ 72,330, subject to final working capital adjustment. This acquisition reinforces the strategy of expansion, initiated with the acquisition of Texaco, to the Midwest, Northeast and North of Brazil where the consumption growth has been above the national average and the market share of Ipiranga is lower than that in the South and Southeast.

The acquisition cost was allocated among the identified assets acquired and liabilities assumed, valued at fair value. During the process of identification of assets and liabilities, intangible assets which were not recognized in the acquired entity’s books were also taken into account. The provisional goodwill based on expected future earnings is R\$ 15,602. The estimated value added for assets acquired, which is being determined based on a report prepared by an independent appraiser, has a provisional value of R\$ 54,349, which reflects the difference between the market value and the book value of the assets.

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

	R\$
Current assets	
Cash and cash equivalents	2,322
Trade accounts receivable	15,295
Inventories	18,003
Other	9,672
	45,292
Non-current assets	
Property, plant and equipment	15,977
Intangible	46,650
Other	8,254
Goodwill	15,602
	86,483
Total assets acquired and goodwill	131,775

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Current liabilities	
Trade payables	7,784
Income tax and social contribution	5,130
Income tax and social contribution payable	1,210
Salaries and related charges	754
Other	6,345
	21,223
Non-current liabilities	
Provision for contingencies	14,812
Income tax and social contribution	18,587
Other	4,823
	38,222
Net assets	72,330

In February 2011, in order to simplify the corporate structure, the subsidiary DNP was merged into IPP.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

4. Financial assets

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

Cash and cash equivalents

Cash and cash equivalents are considered: (i) the balances of cash and banks, and (ii) short-term investments, highly liquid, readily convertibles to a known amount of cash and which are subject to an insignificant risk of value change.

	Parent		Consolidated	
	03/31/2011	12/31/2010	03/31/2011	12/31/2010
Cash and banks				
In local currency	147	23	77,522	59,980
In foreign currency	-	-	13,291	12,813
Financial investments				
In local currency				
Fixed-income securities and funds	226,994	407,681	2,324,293	2,569,625
Total cash and cash equivalents	227,141	407,704	2,415,106	2,642,418

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

Financial investments

Financial assets that are not considered cash and cash equivalents are considered as financial investments.

	Parent		Consolidated	
	03/31/2011	12/31/2010	03/31/2011	12/31/2010
Financial investments				
In local currency				
Fixed-income securities and funds	15	12,758	191,960	360,032
In foreign currency				
Fixed-income securities and funds	-	-	184,436	198,149
Income from currency and interest rate hedging instruments (a)	-	-	8,954	19,778
Total of financial investments	15	12,758	385,350	577,959
Current	15	12,758	377,482	558,209
Non-current	-	-	7,868	19,750

(a) Accumulated gains, net of income tax (see Note 20).

The financial assets of the Company and its subsidiaries, except cash and banks, were classified, according to their characteristics and the Company's intention, into: (i) measured at fair value through income; (ii) held to maturity; and (iii) available for sale, as shown on the table below.

	Consolidated	
	03/31/2011	12/31/2010
Measured at fair value through income	2,333,247	2,589,403
Held to maturity	7,193	7,193
Available for sale	369,203	550,988
Financial assets, except cash and banks	2,709,643	3,147,584

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

5. Trade accounts receivable (Consolidated)	03/31/2011	12/31/2010
Domestic customers	1,620,203	1,605,767
Customer financing - Ipiranga	214,578	202,719
Foreign customers	126,325	123,823
(-) Allowance for doubtful accounts	(123,487)	(119,932)
	1,837,619	1,812,377
Current	1,738,423	1,715,709
Non-current	99,196	96,668

Customer financing is provided for renovation and upgrading of service stations, purchase of products, and development of the fuel and lubricant distribution market.

The breakdown of trade accounts receivable, gross, is as follows:

	Total	Not yet due	Less than 30 days	31-60 days	61-90 days	91-180 days	More than 180 days
March 31, 2011	1,961,106	1,658,055	72,016	34,324	13,384	22,925	160,402
December 31, 2010	1,932,309	1,692,151	60,321	16,415	5,067	9,442	148,913

Movements in the allowance for doubtful accounts are as follows:

Balance as of December 31, 2010	119,932
Additions	5,868
Write-offs	(2,313)
Balance as of March 31, 2011	123,487

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

6.	Inventories (Consolidated)					
	03/31/2011		Net balance	12/31/2010		Net balance
	Cost	Provision for loss		Cost	Provision for loss	
Finished goods	216,437	(10,262)	206,175	181,419	(9,905)	171,514
Work in process	3,020	-	3,020	7,907	-	7,907
Raw materials	181,422	(854)	180,568	177,123	(2,059)	175,064
Liquefied petroleum gas (LPG)	25,451	-	25,451	26,648	-	26,648
Fuels, lubricants and greases	617,557	(521)	617,036	553,491	(1,032)	552,459
Consumable materials and bottles for resale	50,041	(863)	49,178	49,688	(1,028)	48,660
Advances to suppliers	137,116	-	137,116	111,578	-	111,578
Properties for resale	39,929	-	39,929	39,707	-	39,707
	1,270,973	(12,500)	1,258,473	1,147,561	(14,024)	1,133,537

Movements in the provision for loss are as follows:

Balance as of December 31, 2010	14,024
Reversals	(1,524)
Balance as of March 31, 2011	12,500

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

7. Recoverable taxes

Are substantially represented by credit balances of Tax on Goods and Services (ICMS), Taxes for Social Security Financing (COFINS), Employee's Profit Participation Program (PIS), and Income and Social Contribution Taxes (IRPJ and CSLL).

	Parent		Consolidated	
	03/31/2011	12/31/2010	03/31/2011	12/31/2010
IRPJ and CSLL	84,273	78,868	160,075	145,554
ICMS	-	-	199,084	202,584
Provision for ICMS losses (*)	-	-	(55,951)	(56,130)
Adjustment to present value of ICMS on property, plant and equipment - CIAP (see Note 2.r)	-	-	(3,149)	(3,273)
PIS and COFINS	21	21	100,352	97,568
Value-Added Tax (IVA) on the subsidiaries Oxiteno Mexico S.A. de C.V. and Oxiteno Andina, C.A.	-	-	13,002	10,507
IPI	-	-	5,595	4,342
Others	1	21	7,353	7,935
Total	84,295	78,910	426,361	409,087
Current	41,857	69,897	326,803	354,317
Non-current	42,438	9,013	99,558	54,770

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

Movements in the provision for ICMS losses are as follows:

Balance as of December 31, 2010	56,130
Additions	578
Write-offs	(757)
Balance as of March 31, 2011	55,951

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

8. Related parties

a. Related companies

	Parent		Financial income
	Loans Assets	Liabilities Assets	
Companhia Ultragas S.A.	4,017	-	-
Oxitemo S.A Indústria e Comércio	1,874	-	-
Terminal Químico de Aratu S.A. - Tequimar	1,071	-	-
Ipiranga Produtos de Petróleo S.A.	-	-	750,000
Total as of March 31, 2011	6,962	-	750,000
Total as of December 31, 2010	6,962	-	773,907
Total as of March 31, 2010			23,566

	Consolidated			
	Loans		Commercial transactions	
	Assets	Liabilities	Receivable	Payable
Braskem S.A.	-	-	-	3,797
Copagaz Distribuidora de Gas Ltda.	-	-	358	-
Liquigás Distribuidora S.A.	-	-	148	-
Oxicap Indústria de Gases Ltda.	9,654	-	-	950
Petróleo Brasileiro S.A. – Petrobras	-	-	-	278,698
Quattor Participações S.A.	-	-	539	-
Química da Bahia Indústria e Comércio S.A.	-	3,195	-	-
Refinaria de Petróleo Riograndense S.A.(*)	-	-	-	256
SHV Gás Brasil Ltda.	-	-	112	-
Other	520	856	84	-
Total as of March 31, 2011	10,174	4,051	1,241	283,701
Total as of December 31, 2010	10,144	4,021	2,324	261,035

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

	Consolidated Transactions	
	Sales	Purchases
Braskem S.A.	5,153	149,579
Copagaz Distribuidora de Gas Ltda.	1,176	-
Liquigás Distribuidora S.A.	1,234	-
Oxicap Indústria de Gases Ltda.	2	2,862
Petróleo Brasileiro S.A. – Petrobras	22,675	6,355,714
Quattor Participações S.A.	3,834	50,785
Refinaria de Petróleo Riograndense S.A. (*)	-	110,527
Serygás Distribuidora de Gas S.A.	350	-
SHV Gás Brasil Ltda.	412	-
Total as of March 31, 2011	34,836	6,669,467
Total as of March 31, 2010	38,850	6,265,932

(*)Relates to the non-eliminated portion of the transactions between RPR and IPP, since RPR is proportionally consolidated and IPP is fully consolidated.

Purchase and sale transactions relate substantially to the purchase of raw materials, inputs, transportation and storage services based on arm's length market prices and terms with customers and suppliers with comparable operational performance. Borrowing agreements are for an indeterminate period and do not contain interest clauses. In the opinion of the Company's management, transactions with related parties are not subject to settlement risk, which is why no allowance for doubtful accounts or collaterals are provided. Collaterals provided by the Company in borrowings and financing of subsidiaries and affiliates are mentioned in Note 14.i). Borrowing arrangements are contracted in light of temporary cash surpluses or deficits of the Company and its subsidiaries.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

b. Key management personnel - Compensation (Consolidated)

The Company's compensation strategy combines short and long-term elements, following the principles of alignment of interests and of the maintenance of a competitive compensation, and is aimed at retaining key officers and compensating 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 position's complexity, and includes salary and benefits such as medical coverage, check-up, life insurance and other similar benefit; (b) variable compensation paid annually with a view towards aligning the executive's and the Company's objectives, and is linked to: (i) the business performance measured through its economic value creation and (ii) the fulfillment of individual annual goals that are based on the strategic plan and are focused on expansion and operational excellence projects, people development and market positioning, among others. Further details about stock compensation are contained in Note 8.c) and about post employment benefits in Note 22. In addition, the Company has a plan for variable long-term remuneration with the purpose of aligning the long-term interests of executive officers and shareholders, as well as the retention of these executives. The Ultrapar executive officers may receive additional variable compensation depending on the Company's shares' performance between 2006 and 2011, reflecting the target of more than doubling the share value of the Company in 5 years.

As of March 31, 2011, the Company and its subsidiaries recorded expenses for compensation of its key personnel (Company's directors and designated officers) in the amount of R\$ 6,667 (R\$ 5,938 as of March 31, 2010). Out of this total, R\$ 5,537 relates to short-term compensation (R\$ 5,189 as of March 31, 2010), R\$ 808 to compensation in stock (R\$ 588 as of March 31, 2010) and R\$ 322 (R\$ 161 as of March 31, 2010) to post-employment benefits. In addition to the above amounts, the Company accrued, in the first quarter of 2011, R\$ 15,600 related to the variable long-term remuneration plan.

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

c. Stock compensation plan

At a Special General Meeting held on November 26, 2003, a benefit plan was approved for managers of the Company and its subsidiaries, which provides: (i) initial award of beneficial ownership of shares issued by the Company held in treasury by the subsidiaries at which the beneficiary managers are employed; and (ii) transfer of title to the shares within five to ten years after the initial award, subject to continuation of employment of the beneficiary manager with the Company and its subsidiaries. The total amount awarded to executives as of March 31, 2011, including tax charges, was R\$ 39,164 (R\$ 39,164 as of December 31, 2010). Such amount is being amortized over a period of five to ten years after the award, and amortization for the period ended on March 31, 2011 in the amount of R\$ 1,501 (R\$ 1,095 as of December 31, 2010) was recorded as operating expense for the period. The values of the awards were determined on the date of award based on the market value of these shares on the BM&FBovespa.

The chart below summarizes the information on the shares awarded to executives of the Company:

Date of award	Restricted shares awarded	Market value of shares (in R\$)	Total compensation costs, including taxes	Accumulated compensation costs recorded	Accumulated compensation costs not recorded
November 10, 2010	260,000	26.78	9,602	(680)	8,922
December 16, 2009	250,000	20.75	7,155	(1,621)	5,534
October 8, 2008	696,000	9.99	9,593	(4,073)	5,520
December 12, 2007	160,000	16.17	3,570	(2,021)	1,549
November 9, 2006	207,200	11.62	3,322	(1,467)	1,855
December 14, 2005	93,600	8.21	1,060	(565)	495
October 4, 2004	167,900	10.20	2,361	(1,535)	826
December 18, 2003	239,200	7.58	2,501	(1,834)	667
	2,073,900		39,164	(13,796)	25,368

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

9. Income and social contribution taxes

a. Deferred income and social contribution taxes

The Company and its subsidiaries recognize tax credits and debits, which are not subject to limitation periods, resulting from tax losses, temporary additions, negative tax bases and revaluation of property, plant and equipment, among others. Credits are sustained by the continued profitability of their operations. Deferred income tax and social contribution are recorded under the following categories:

	Parent		Consolidated	
	03/31/2011	12/31/2010	03/31/2011	12/31/2010
Assets - Deferred income and social contribution taxes on:				
Provision for loss of assets	-	-	24,193	27,646
Provisions for contingencies	200	185	78,136	66,898
Provision for post-employment benefit (see Note 22.b)	-	-	30,843	30,843
Provision for differences between cash and accrual basis	-	-	21,987	16,414
Provision for goodwill paid on investments (see Note 13)	-	-	292,810	306,086
Other provisions	-	-	39,225	20,715
Tax losses and negative basis for social contribution to offset (d)	-	-	67,190	59,978
Adoption of IFRS effect	-	-	20,658	35,817
Total	200	185	575,042	564,397
Liabilities - Deferred income and social contribution taxes on:				
Revaluation of property, plant and equipment	-	-	604	364
Accelerated depreciation	-	-	108	109
Provision for adjustments between cash and accrual basis	-	-	2,850	7,931
Temporary differences of foreign subsidiaries	-	-	878	842
Transition Tax Regime effect	-	-	27,413	17,466
Total	-	-	31,853	26,712

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

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

	Parent	Consolidated
Up to 1 year	-	195,098
From 1 to 2 years	-	112,997
From 2 to 3 years	-	94,233
From 3 to 5 years	200	109,378
From 5 to 7 years	-	33,204
From 7 to 10 years	-	30,132
	200	575,042

b. Conciliation of income and social contribution taxes on income

Income and social contribution taxes are conciled to the official tax rates as follows:

	Parent		Consolidated	
	03/31/2011	03/31/2010	03/31/2011	03/31/2010
Income (loss) before taxes and equity in income of affiliates	6,632	(1,523)	267,601	174,406
Official tax rates - %	34	34	34	34
Income and social contribution taxes at the official tax rates	(2,255)	518	(90,984)	(59,297)
Adjustments to the actual rate:				
Operating provisions and nondeductible expenses/nontaxable revenues	-	(4)	5,977	(5,429)
Adjustment to estimated income	-	-	5,962	6,151
Workers Meal Program (PAT)	-	-	131	41
Other adjustments	6	1	(2,564)	(164)
Income and social contribution taxes before tax incentives	(2,249)	515	(81,478)	(58,698)
Tax incentives - ADENE	-	-	7,933	7,119
Income and social contribution taxes in the income statement	(2,249)	515	(73,545)	(51,579)
Current	(2,265)	(4)	(61,136)	(30,915)
Deferred	16	519	(20,342)	(27,783)
Tax incentives - ADENE	-	-	7,933	7,119

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

c. Tax exemption

The following subsidiaries are entitled to partial or total exemption from IRPJ under the government's program for development of Northeastern Brazil:

Subsidiary	Units	Incentive - %	Expiration
Oxiteno Nordeste S.A. Indústria e Comércio	Camaçari plant	75	2016
Bahiana Distribuidora de Gás Ltda.	Mataripe base	75	2013
	Suape base	75	2018
	Aracaju base	75	2017
	Caucaia base	75	2012
Terminal Químico de Aratu S.A. – Tequimar	Aratu terminal	75	2012
	Suape terminal	75	2015

d. IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) tax loss carryforwards to be offset

The Company and certain subsidiaries have a total of R\$ 197,618 relating to IRPJ and CSLL tax loss carryforwards, which use is limited to 30% of taxable income of future periods, and that do not expire.

10. Prepaid expenses (Consolidated)

	03/31/2011	12/31/2010
Rents	28,106	28,926
Stock compensation plan, net (see Note 8.c)	20,538	21,822
Advertising and publicity	22,357	3,769
Insurance premiums	10,277	8,457
Purchases of meal and transportation tickets	3,797	3,902
Taxes and other prepaid expenses	11,661	8,883
	96,736	75,759
Current	57,301	35,148
Non-current	39,435	40,611

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

11. Investments

a. Subsidiaries (Parent company)

March 31, 2011

	Ultracargo – Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	9,323,829	35,102,127	224,467,228,244	5,078,888
Shareholders' equity adjusted for intercompany unrealized profits - R\$	728,114	1,818,074	2,566,331	45,865
Net income for the period after adjustment for unrealized profits - R\$	16,165	28,998	142,820	1,954

December 31, 2010

	Ultracargo – Operações Logísticas e Participações Ltda.	Oxiteno S.A. Indústria e Comércio	Ipiranga Produtos de Petróleo S.A.	Refinaria de Petróleo Riograndense S.A.
Number of shares or units held	9,323,829	35,102,127	224,467,228,244	5,078,888
Shareholders' equity adjusted for intercompany unrealized profits - R\$	711,949	1,788,180	2,423,056	48,135

March 31, 2010

Net income for the period after adjustment for unrealized profits - R\$	18,735	358	103,919	9,730
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Operating financial information of the subsidiaries is detailed in Note 19.

Investments		Equity in income	
03/31/2011	12/31/2010	03/31/2011	03/31/2010

Ipiranga Produtos de Petróleo S.A.	2,566,331	2,423,056	142,820	103,919
Oxiteno S.A. Indústria e Comércio	1,818,074	1,788,180	28,998	358
Ultracargo – Operações Logísticas e Participações Ltda.	728,114	711,949	16,165	18,735
Refinaria de Petróleo Riograndense S.A.	15,229	15,982	649	3,231
	5,127,748	4,939,167	188,632	126,243

Ultrapar Participações S.A. and Subsidiaries

Notes to the interim financial information

(In thousands of Reais, unless otherwise stated)

The table below summarizes the 33% interest in RPR attributed to the Company as of March 31, 2011:

	RPR
Current assets	41,189
Non-current assets	19,910
Current liabilities	15,005
Non-current liabilities and shareholders' equity	46,094
Net revenue from sales and services	45,550
Costs and operating expenses	(44,385)
Operating income	1,165
Net financial expenses and social contribution and income taxes	(516)
Net income	649

b. Affiliated companies (Consolidated)

	Investments		Equity in income	
	03/31/2011	12/31/2010	03/31/2011	03/31/2010
Transportadora Sulbrasileira de Gás S.A.	6,720	6,668	52	15
Química da Bahia Indústria e Comércio S.A.	3,720	3,722	(1)	(2)
Oxicap Indústria de Gases Ltda.	2,149			