



## 3Q17 EARNINGS RELEASE

São Paulo, November 8, 2017 – **Ultrapar Participações S.A.** (Brazil:UGPA3/USA:UGP), a multi-business company engaged in specialized distribution and retail (Ipiranga/Ultragaz/Extrafarma), specialty chemicals (Oxiten) and storage for liquid bulk (Ultracargo), hereby reports its results for the third quarter of 2017.

Net revenues	EBITDA	Net earnings
<b>R\$ 20.5 billion</b>	<b>R\$ 1.2 billion</b>	<b>R\$ 556 million</b>
6% YoY    7% QoQ	20% YoY    58% QoQ	46% YoY    125% QoQ

Investments	Operating cash flow <sup>1</sup>	Market cap
<b>R\$ 542 million</b>	<b>R\$ 1.8 billion</b>	<b>R\$ 42 billion</b>

<sup>1</sup> Sep 17 YTD

### Highlights:

- Ultrapar completes 80 years of history and reports growth in its quarterly results.
- Approval given for an additional budget of R\$ 355 million for investments in expansion and strengthening of the Ipiranga network plus the use of an additional R\$ 123 million originally allocated for the Ale acquisition.
- Oxiten sells 211 thousand tons in the quarter reaching a record for total sales volume and for specialty chemicals in Brazil.
- Extrafarma accelerates once more its expansion pace with the opening of 30 new drugstores in the quarter.
- Ultrapar issued R\$ 944 million debentures and Certificates of Agribusiness Receivables (CRA) at 95.5% of the CDI.

*After a challenging start to the year, in the quarter Ultra completes 80 years of history, we are pleased to report growing earnings, confirming the expected rebound from 2H17. In addition, our investments have been maintained at an accelerated pace despite the challenges imposed by the macroeconomic environment. We continue to generate jobs, to invest in our resellers, to expand our operations and our capacity better to serve our clients. We are confident in the direction taken to strengthen Ultra and we will work with clear objectives and responsible decisions to continue writing the next 80 years of history with the seriousness, creativity and competence that are characteristics of our organization.*



## 3Q17 Conference call

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Ultrapar will be holding a conference call for analysts on November 9, 2017 to comment on the company's performance in the third 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: 8h00 (US EST)**

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

**Code:** Ultrapar

**Replay:** 0800-7265606 (available for 7 days)

**Code:** Ultrapar

### **International: 9h30 (US EST)**

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

**Code:** Ultrapar

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

**Code:** 10097284

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

## Considerations on the financial and operational information

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The financial information presented in this document has been prepared according to International Financial Reporting Standards (IFRS). The financial information of Ultrapar corresponds to the company's consolidated information. The information on Ipiranga, Oxiten, Ultragas, 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 3Q17 to 3Q16.

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	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
Average exchange rate (R\$/US\$)	3.16	3.25	3.21	(3%)	(2%)	3.17	3.56	(11%)
Brazilian interbank interest rate (CDI)	2.3%	3.5%	2.5%			8.0%	10.4%	
Inflation in the period (IPCA)	0.6%	1.0%	0.2%			1.8%	5.5%	
IBC - Br <sup>1</sup>	135.3	133.5	134.0	1.4%	1.0%	134.7	134.1	0.4%
Average Brent crude oil (US\$/barrel)	52	46	50	13%	3%	52	42	24%

<sup>1</sup>Seasonally adjusted quarterly average. Considering the first two months of the quarter (Apr-May and Jul-Aug)

Ultrapar reported consolidated EBITDA of R\$ 1,239 million in 3Q17 (+20%). Net income was R\$ 556 million in 3Q17 (+46%).

### Ipiranga

After seven consecutive quarters of year-over-year decline, Ipiranga posted a 2% increase in sales volume in relation to 3Q16 with 2% growth in the Otto cycle segment and a 3% rise in diesel sales volume. This performance reflects investments in expanding and strengthening the network as well as the recovery in the economy and the improved activity in the wholesale segments. Ipiranga's EBITDA amounted to R\$ 954 million, an increase of 21% from 3Q16, mainly due to growth in sales volume, the effect of variations in fuel prices, including the positive one-off impact of the increase in PIS/Cofins taxes, and the strategy of constant innovation in services and convenience.

### Oxiteno

Oxiteno posted record sales volume for a quarter, totaling 211 thousand tons. The execution of the project and preparation for the new plant in Pasadena (US) continue according to plan with additional volumes of pre-marketing sales and the continued growth of specialty chemical sales to the domestic market for the fifth consecutive quarter. EBITDA was once more impacted by the same extraordinary factors reported in 2Q17, although it showed a significant improvement quarter on quarter (R\$ 34 million to R\$ 74 million).

### Ultragaz

Ultragaz reported year-over-year volume decline of 1%, despite the increase of 1% in the bottled segment. Performance was affected by the decline of 6% in the bulk segment due to a decline in the LPG market volume, increased sales volumes to industrial clients in 3Q16 and the loss of certain customers that switched from LPG to natural gas in 3Q17. Despite reduced sales volume, Ultragaz posted an EBITDA of R\$ 157 million, 46% higher than that in 3Q16, reflecting efforts to reduce costs and expenses, commercial initiatives to capture new clients and resellers, a strategy based on differentiation and innovation and higher marketing expenses in 3Q16.

### Ultracargo

Ultracargo continued to report a strong earnings recovery due to the partial resumption of activities in the Santos terminal in June and to business opportunities arising from greater fuel handling activities. As a result, average storage and EBITDA both recorded growth of 7% and 72%, respectively.

### Extrafarma

Extrafarma ended 3Q17 with 366 stores, opening 30 new units in the quarter and 88 over the last 12 months, the result of the gradual speed up of its expansion. EBITDA amounted to R\$ 7 million in the quarter, 10% growth over 3Q16. This was principally due to the large number of drugstores, to strategic and commercial initiatives implemented to raise management standards in the retail pharmacy, notably through actions taken to increase productivity and trade marketing, offset by a larger number of still maturing stores.



## Ipiranga

	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
<b>Total volume (000 m³)</b>	<b>6,059</b>	<b>5,935</b>	<b>5,938</b>	<b>2%</b>	<b>2%</b>	<b>17,551</b>	<b>17,817</b>	<b>(1%)</b>
Diesel	3,156	3,072	2,983	3%	6%	8,856	9,219	(4%)
Otto cycle	2,814	2,762	2,870	2%	(2%)	8,436	8,317	1%
Others <sup>1</sup>	90	101	85	(11%)	5%	258	280	(8%)
<b>EBITDA (R\$ million)</b>	<b>954</b>	<b>788</b>	<b>582</b>	<b>21%</b>	<b>64%</b>	<b>2,242</b>	<b>2,218</b>	<b>1%</b>

<sup>1</sup>Fuel oils, arla 32, kerosene, lubricants and greases

**Operational performance** – Sales volume totaled 6,059 thousand m³ in 3Q17, 2% higher compared with 3Q16. The Otto cycle segment increased by 2% compared to 3Q16 with an increased share of gasoline in the product mix, due to the acceleration in investments for expanding the service station network, which will continue to contribute positively to sales volume progression, and to the market share growth. Diesel volume grew by 3% in relation to 3Q16 after thirteen consecutive quarters of year-over-year decline, following the gradual recovery in the economy and the improvement in the wholesale segments. In relation to 2Q17, sales volume grew by 2%, largely due to seasonality effects between periods. Total volume in 9M17 amounted to 17,551 thousand m³, a decline of 1% compared with 9M16.

**Net sales and services** – Total of R\$ 17,356 million in 3Q17 (+5%) mainly due to variations in fuel costs – including the increase in PIS/Cofins taxes levied on fuel in July –, to increased sales volume with a larger share of gasoline in the product mix and the strategy of constant innovation in services and convenience at the station, generating greater customer satisfaction and loyalty. Compared to 2Q17, net sales and services increased by 7% due to volume growth and variation in fuel costs. In 9M17, net sales and services amounted to R\$ 49,554 million, 1% below 9M16.

**Cost of goods sold** – Total of R\$ 15,961 million in 3Q17 (+3%) principally due to the variations in the cost of fuels, including the increase in PIS/Cofins taxes, and higher volumes. In relation to 2Q17, the cost of goods sold increased by 4%, also reflecting the factors previously mentioned. In 9M17, the cost of goods sold amounted to R\$ 46,077 million, 1% lower than that in 9M16.

**Sales, general and administrative expenses** – Total of R\$ 619 million in 3Q17 (+8%) due to: (i) higher freight expenses in line with volume growth and the increase in freight unitary expenses; (ii) expenses related with strategic initiatives, mainly those related to the joint venture with Chevron in lubricants; and (iii) the company's option to sign up to the Special Tax Renegotiation Program (*Programa Especial de Regularização Tributária - PERT*). In relation to 2Q17, sales, general and administrative expenses increased by 1%, largely due to expenses related to PERT program and strategic initiatives. In 9M17, sales, general and administrative expenses were R\$ 1,828 million, a rise of 9% when compared with the same period in 2016 due to projects linked to Ipiranga's growth plan.

**EBITDA** – Total of R\$ 954 million (+21%) influenced mainly by a growth in volumes in the period, by the inventory effects derived from variations in fuel costs, including the increase in PIS/Cofins taxes, together with the strategy of constant innovation in services and convenience at the station, generating greater customer satisfaction and loyalty. In 2Q17, EBITDA increased by 64% due mainly to the factors already mentioned together with the negative inventory effects reported in 2Q17. In 9M17, EBITDA totaled R\$ 2,242 million, year-over-year increase of 1%.

**Investments** – A total of R\$ 291 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% year-over-year with net addition of 71 service stations in the quarter and 420 in the last 12 months. Out of the amount invested, R\$ 249 million were related to additions to property, plant, equipment and intangible assets and R\$ 42 million to the financing to clients, net of repayments. In 9M17, Ipiranga invested R\$ 863 million, of which R\$ 151 million were financing to clients, net of repayments, with a net addition of 251 new service stations during the nine months ended September 2017, compared with 164 in the same period for 2016.



## Oxitenno

	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
<b>Total volume (000 tons)</b>	<b>211</b>	<b>200</b>	<b>183</b>	<b>5%</b>	<b>15%</b>	<b>589</b>	<b>565</b>	<b>4%</b>
Specialty chemicals	173	169	151	2%	15%	482	463	4%
Commodities	37	31	31	21%	18%	107	103	4%
Sales in Brazil	154	145	131	6%	18%	425	406	5%
Sales outside Brazil	56	55	52	3%	8%	164	159	3%
<b>EBITDA (R\$ million)</b>	<b>74</b>	<b>99</b>	<b>34</b>	<b>(25%)</b>	<b>119%</b>	<b>219</b>	<b>414</b>	<b>(47%)</b>

**Operational performance** – Oxitenno reported a record sales volume for a quarter, totaling 211 thousand tons (+5% or 11 thousand tons). Sales volumes of specialty chemicals increased by 2% compared with 3Q16, with a 3% increase in sales to the domestic market, notably to the distribution, automotive fluids and home & personal care segments. Specialty chemical volumes sold outside Brazil grew by 1%, with focus on the USA due to pre-marketing activities of the new Pasadena plant, which will start operations in 2018. Commodity volumes grew by 21%, a reflection of favorable prices and product demand conditions. Compared with 2Q17, total sales volume was 15% (28 thousand tons) higher due to seasonal factors between the periods. In 9M17, Oxitenno registered a total sales volume of 589 thousand tons, 4% higher than in 9M16.

**Net sales and services** – Total of R\$ 1,030 million (+8%) due to sales volume growth and the 5% higher average price in US Dollars, mainly due to the year-over-year rise in the costs of Oxitenno's principal raw materials. These factors were partially offset by the 3% (R\$ 0.08/US\$) stronger Real against the US Dollar and by the increased share of commodities in the product mix. Quarter-on-quarter, Oxitenno reported an increase of 16% in net sales and services due to the same factors mentioned above. In 9M17, net sales and services amounted to R\$ 2,828 million, 1% lower than in 9M16.

**Cost of goods sold** – Total of R\$ 825 million (+12%) due to (i) volume growth; (ii) increased costs of the main raw materials compared with 3Q16; and (iii) costs related to the extended stoppage of the Oleoquímica plant in 2Q17, offset by a 3% stronger Real against the US Dollar. Compared to 2Q17, the cost of goods sold increased by 13%, largely in line with the volume growth. In 9M17, costs of goods sold amounted to R\$ 2,286 million, an increase of 8% relative to the same period in 2016.

**Sales, general and administrative expenses** – Total of R\$ 173 million (+11%) principally due to higher freight expenses in line with the volume growth and increased unit expenses with freight. Compared to 2Q17, sales, general and administrative expenses increased by 10% as a result of the same factors already mentioned. In 9M17, sales, general and administrative expenses totaled R\$ 485 million, a 7% growth when compared to 9M16.

**EBITDA** – Total of R\$ 74 million (-25%) principally a function of the 3% stronger Real against the US Dollar and non-recurring effects of (i) the significant decline in palm kernel oil prices from the first quarter, with a negative effect on inventories, but rendering Oxitenno's products competitiveness over the following months; and (ii) technical problems restarting the Oleoquímica plant in 2Q17, both factors representing a negative impact of R\$ 26 million combined in 3Q17. These effects were softened by the growth in volumes during the period. Excluding non-recurring effects, Oxitenno's EBITDA would have shown growth of 1% compared with 3Q16. In relation to 2Q17, EBITDA posted an increase of 119%, principally due to higher sales volume and the greater competitiveness of Oxitenno's products in 3Q17. In 9M17, EBITDA amounted to R\$ 219 million, 47% lower than for 9M16.

**Investments** – A total of R\$ 107 million was invested during the quarter, largely related to the investments in the new ethoxylation plant in the US, expected to start operations in 2018, to maintenance of its production units and investments in IT systems. In 9M17, investments totaled R\$ 295 million.



## Ultraz

	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
<b>Total volume (000 tons)</b>	<b>460</b>	<b>467</b>	<b>445</b>	<b>(1%)</b>	<b>3%</b>	<b>1,320</b>	<b>1,320</b>	<b>0%</b>
Bottled	317	315	307	1%	4%	906	893	1%
Bulk	143	152	139	(6%)	3%	414	427	(3%)
<b>EBITDA (R\$ million)</b>	<b>157</b>	<b>108</b>	<b>124</b>	<b>46%</b>	<b>27%</b>	<b>401</b>	<b>324</b>	<b>24%</b>

**Operational performance** – Total sales volume was 460 thousand tons, 1% lower than that in 3Q16, with a decline of 6% in the bulk segment due to declining volumes in the LPG market, increased sales volume to industrial clients in 3Q16 and the loss of some costumers that switched from LPG to natural gas in 3Q17. In the bottled segment, Ultraz reported growth of 1%, a reflection of investments in new resellers. Compared to 2Q17, sales volume increased by 3%, mainly due to seasonal effects between periods. In 9M17, Ultraz reported volumes of 1,320 thousand tons and stable compared with the same period in 2016.

**Net sales and services** – Total of R\$ 1,576 million (+12%) due to (i) adjustments in the cost of LPG purchased from Petrobras; and (ii) the strategy of differentiation and innovation, offset by lower sales volume. In relation to 2Q17, net sales and services rose by 7% due to adjustments in the costs of LPG purchased from Petrobras and higher sales volume. In 9M17, net sales and services amounted to R\$ 4,401 million, an increase of 10% compared to 9M16.

**Cost of goods sold** – Total of R\$ 1,304 million (+10%), principally due to adjustments in the costs of LPG purchased from Petrobras, partially offset by lower costs with requalification of LPG bottles, maintenance and freight, due to lower volume sold and shorter routes for sourcing products. In relation to 2Q17, cost of goods sold rose by 6% due to adjustments in the cost of LPG and higher sales volume, partially offset by lower unitary freight costs, lower costs with requalification of LPG bottles and with maintenance. In 9M17, the cost of goods sold amounted to R\$ 3,674 million, 10% higher than in 9M16.

**Sales, general and administrative expenses** – Total of R\$ 163 million (-2%) due to lower marketing expenses with strengthening of the brand in 3Q17, expenses that amounted to R\$ 15 million in 3Q16, partially offset by higher expenses with studies and projects and the effects of inflation on expenses. In relation to 2Q17, sales, general and administrative expenses reported an increase of 1% due to higher volume and higher expenses with legal counseling and studies and projects, attenuated by lower unitary freight expenses. In 9M17, sales, general and administrative expenses amounted to R\$ 465 million, 2% higher than in 9M16.

**EBITDA** – Total of R\$ 157 million (+46%), reflecting: (i) initiatives for reducing costs and expenses, (ii) commercial initiatives for capturing new clients and resellers and the strategy based on differentiation and innovation; and (iii) expenses with marketing and advertising, exceptionally higher in 3Q16, partially offset by lower sales volume. Compared to 2Q17, EBITDA grew by 27%, principally due to higher sales volume and initiatives for reducing costs previously mentioned. In 9M17, Ultraz posted an EBITDA of R\$ 401 million, 24% higher than in 9M16.

**Investments** – Ultraz invested R\$ 49 million, mainly allocated to new clients in the bulk segment and the purchase of LPG bottles. The company invested R\$ 177 million year to date.



## Ultracargo

	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
Effective Storage <sup>1</sup> (000 m <sup>3</sup> )	729	683	727	7%	0%	717	668	7%
<b>EBITDA (R\$ million)</b>	<b>40</b>	<b>23</b>	<b>26</b>	<b>72%</b>	<b>52%</b>	<b>88</b>	<b>97</b>	<b>(10%)</b>

<sup>1</sup> Monthly average

**Operational performance** – Ultracargo's average storage increased by 7% compared to 3Q16. This result was due to greater fuel handling activity at the Suape, Itaquí and Santos port terminals, reflecting the partial resumption of activities in the latter terminal in June 2017, when 67.5 thousand m<sup>3</sup> of the 151.5 thousand m<sup>3</sup> suspended since the April 2015 fire restarted operations. Compared with 2Q17, average storage at Ultracargo's terminals remained flat with greater fuel handling at the terminals partially offset by a reduction in operations at the Aratu terminal. In 9M17, Ultracargo's average storage increased 7%.

**Net sales and services** – Total of R\$ 112 million in 3Q17 (+21%), due to (i) the increase in average storage with larger capacity being taken up by fuel handling activities, (ii) the increase in Ultracargo's productivity, and (iii) partial resumption of operations in Santos. Compared with 2Q17, net sales and services were 6% higher, principally reflecting greater fuel handling and the partial resumption of activities in Santos. In 9M17, net sales and services amounted to R\$ 319 million, 23% greater than in 9M16.

**Cost of services provided** – Total of R\$ 55 million (+15%) due to higher labor-related expenditures, reflecting partial resumption of activities in Santos, with materials in line with growth in fuel handling operations at the terminals and with maintenance in Aratu. In relation to 2Q17, cost of services increased by 3%, reflecting higher maintenance costs in Aratu. In 9M17, cost of services provided amounted to R\$ 159 million, a growth of 10% in relation to the 9M16.

**Sales, general and administrative expenses** – Total of R\$ 27 million (+4%) principally due to higher labor-related expenses. In relation to 2Q17, sales, general and administrative expenses posted a reduction of 4%, principally due to lower expenses with legal advisory services. In 9M17, sales, general and administrative expenses totaled R\$ 80 million, 18% higher than 9M16.

**Other operating results** – The "Other operating results" line reported total net expenses in 3Q17 of R\$ 3 million, compared with a net expenses of R\$ 6 million in 3Q16 and net expenses of R\$ 15 million in 2Q17. In all three quarters, the amount consists of expenses related to commissioning and licensing of the Santos terminal.

**EBITDA** – Total of R\$ 40 million (+72%) and mainly a reflection of (i) greater fuel handling activities, (ii) the increase in Ultracargo's productivity, and (iii) partial resumption of operations in Santos. In relation to 2Q17, EBITDA increased by 52% due to the same factors mentioned above combined with lower commissioning and licensing expenses for the Santos terminal. In 9M17, EBITDA reached R\$ 88 million, a year-over-year decline of 10%.

**Investments** – Ultracargo invested R\$ 31 million, allocated to maintenance and modernization of safety systems and processes at the port terminals. In 9M17, investments totaled R\$ 45 million.





## Extrafarma

	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
<b>Gross revenues (R\$ million)</b>	<b>501</b>	<b>433</b>	<b>482</b>	<b>16%</b>	<b>4%</b>	<b>1,459</b>	<b>1,214</b>	<b>20%</b>
<b>Drugstores (end of period)</b>	<b>366</b>	<b>293</b>	<b>341</b>	<b>25%</b>	<b>7%</b>	<b>366</b>	<b>293</b>	<b>25%</b>
% of mature stores (+3 years)	49%	57%	53%	(7.8 p.p.)	(3.6 p.p.)	49%	57%	(7.8 p.p.)
<b>EBITDA (R\$ million)</b>	<b>7</b>	<b>6</b>	<b>10</b>	<b>10%</b>	<b>(28%)</b>	<b>21</b>	<b>24</b>	<b>(13%)</b>

**Operational performance** – Extrafarma ended 3Q17 with 366 stores (+25% with 88 openings and 15 closures in the last 12 months). At the end of 3Q17, 51% of the stores had been operating for less than three years compared with 43% in 3Q16, a result of the accelerated expansion of the drugstore network. In relation to 2Q17, Extrafarma opened 30 new stores (5 closures), seven of which in the state of São Paulo.

**Gross revenue** – Total of R\$ 501 million (+16%) resulting from the growth of 18% in retail sales due to the increased average number of stores and 7% growth in same store sales (4% in mature stores and 6% in mature stores excluding mobile phones). Compared with 2Q17, gross revenue rose 4% reflecting increased average number of stores. In 9M17, gross revenue amounted to R\$ 1,459 million, a growth of 20% in relation to 9M16.

**Cost of goods sold and gross profit** – Cost of goods sold amounted to R\$ 324 million (+14%), principally due to higher sales and the annual readjustment in prices of medicines, offset by a growth in trade marketing funds from the pharmaceutical industry, as a result of Extrafarma's commercial initiatives. Gross profit was R\$ 149 million (+21%), principally due to stronger sales and increased funds from trade marketing. In relation to 2Q17, the cost of goods sold rose by 5% and gross profit by 2% due to the increase in sales and in trade marketing funds in the period, partially compensated by inventory gains in 2Q17. In 9M17, cost of goods sold totaled R\$ 936 million and gross profit, R\$ 441 million, 20% and 21%, respectively above 9M16.

**Sales, general and administrative expenses** – Total of R\$ 157 million (+24%). The increase reflects a 23% higher average number of stores. Excluding the impact of new store openings, sales, general and administrative expenses increased in line with inflation, principally in the light of collective wage agreements closed in 1Q17, compensated by productivity initiatives in the period. In relation to 2Q17, sales, general and administrative expenses increased by 4%, principally due to higher expenses with logistics and store supplying as well as the growth of the network into new regions during the period. In 9M17, sales, general and administrative expenses amounted to R\$ 458 million, 24% increase compared to 9M16.

**EBITDA** – Total of R\$ 7 million (+10%). The increase is largely a function of greater sales volume, a reflection of the accelerated expansion of the drugstore network and strategic initiatives taken to raise management standards in the retail pharmacy, notably actions to gain productivity and of trade marketing. These effects were partially attenuated by the higher number of still maturing stores. In relation to 2Q17, EBITDA reported a decline of 28% due largely to inventory gains in 2Q17 and the accelerated expansion pace in 3Q17. In 9M17, EBITDA totaled R\$ 21 million, a decline of 13% in relation to 9M16.

**Investments** – Extrafarma invested R\$ 43 million in 3Q17, mainly for opening 30 new stores, the refurbishment of stores and for information technology focused on improving the purchase experience and operational excellence. Out of the amount invested, R\$ 34 million were related to the expansion of the drugstore network. Investments over the 9M17 period totaled R\$ 101 million, of which R\$ 76 million were destined to new stores.





## Ultrapar

	3Q17	3Q16	2Q17	Δ (%) 3Q17 v 3Q16	Δ (%) 3Q17 v 2Q17	9M17	9M16	Δ (%) 9M17 v 9M16
Net sales and services	20,533	19,445	19,173	6%	7%	58,434	58,268	0%
Net earnings <sup>1</sup>	556	380	247	46%	125%	1,173	1,135	3%
Earnings per share attributable to Ultrapar shareholders <sup>2</sup>	1.02	0.70	0.45	47%	126%	2.16	2.08	4%
EBITDA	1,239	1,029	784	20%	58%	2,996	3,095	(3%)
Investments	542	439	484	24%	12%	1,511	1,123	35%

Amounts in R\$ million (except for EPS)

<sup>1</sup> Under IFRS, consolidated net earnings include net earnings attributable to non-controlling shareholders of the controlled companies

<sup>2</sup> 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\$ 20,533 million (+6%) reflecting growth in revenue at all the businesses. In relation to 2Q17, net sales and services were 7% higher, again due to growth in revenue at all the businesses. In 9M17, net sales and services amounted to R\$ 58,434 million, flat in relation to the same period in the preceding year.

**EBITDA** – Total of R\$ 1,239 million (+20%) due to the growth in EBITDA at all the businesses with the exception of Oxiteno, the latter affected by specific industry-related events in the quarter. In relation to 2Q17, EBITDA recorded an increase of 58%, with growth in all the businesses with the exception of Extrafarma. In 9M17, Ultrapar's EBITDA amounted to R\$ 2,996 million, a fall of 3% compared with 9M16.

**Depreciation and amortization** – Total of R\$ 280 million (+2%) reflecting investments over the past 12 months, particularly the expansion of Ipiranga service station network. Compared with 2Q17, total costs and expenses with depreciation and amortization registered a reduction of 5%. In 9M17, costs and expenses with depreciation and amortization amounted to R\$ 870 million, 6% greater than 9M16.

**Financial result** – Ultrapar's net debt on September 30, 2017 was R\$ 6.8 billion (1.6x LTM EBITDA) compared to R\$ 5.8 billion on September 30, 2016 (1.4x LTM EBITDA). Ultrapar reported net financial expenses of R\$ 121 million, R\$ 81 million lower than in 3Q16 due to a year-over-year decline in the CDI - Interbank Rate despite higher net debt and exchange rate effects between periods. In relation to 2Q17, net financial expenses recorded an increase of R\$ 8 million, again due to exchange rate factors between periods and a decrease in CDI. In 9M17, net financial expenses totaled R\$ 355 million, a decline of 45% compared with 9M16.

**Net earnings** – Total of R\$ 556 million (+46%) due to the growth in EBITDA and lower financial expenses, although attenuated by higher depreciation and amortization. In relation to 2Q17, net income was 125% higher, also a function of the growth in EBITDA. In 9M17, net earnings were R\$ 1,173 million, an increase of 3% compared with the same period in 2016.

**Operating cash flow** – Total of R\$ 1,786 million (+R\$ 386 million) in 9M17, due to a reduction in the investment in working capital in 9M17 compared with the same period in 2016.



## Capital markets

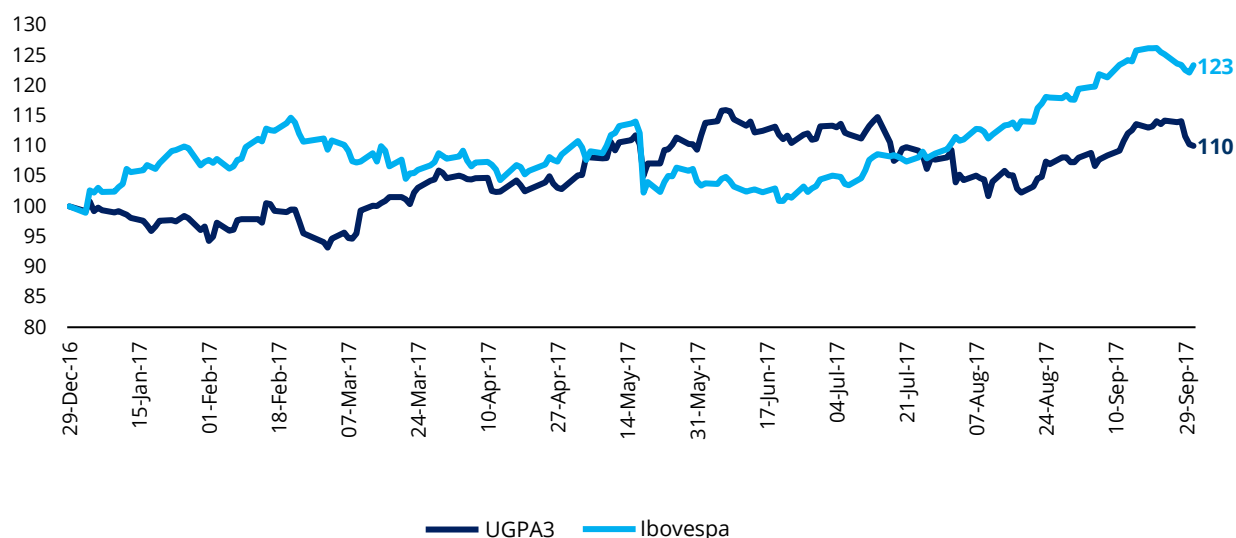
Ultrapar's financial trading volume in 3Q17 was R\$ 140 million/day (+7%) considering trading on both B3 and the NYSE. Ultrapar's share price closed 3Q17 at R\$ 75.31 on B3, a depreciation of 3% in the quarter. During the same period, the Ibovespa posted an appreciation of 18%. Ultrapar's shares on the NYSE reported an appreciation of 1% in 3Q17, while the Dow Jones Industrial Average was up 5% in the period. Ultrapar closed 3Q17 with a market capitalization of R\$ 42 billion (+6%).

Capital markets	3Q17	3Q16	2Q17	9M17	9M16
<b>Number of shares (000)</b>	<b>556,405</b>	<b>556,405</b>	<b>556,405</b>	<b>556,405</b>	<b>556,405</b>
<b>Market capitalization<sup>1</sup> - R\$ million</b>	<b>41,903</b>	<b>39,538</b>	<b>43,133</b>	<b>41,903</b>	<b>39,538</b>
<b>B3</b>					
Average daily volume (shares)	1,379,750	1,188,995	1,280,059	1,300,357	1,347,418
Average daily volume (R\$ 000)	101,662	86,178	94,841	93,470	91,440
Average share price (R\$/share)	73.68	72.48	74.09	71.88	67.86
<b>NYSE</b>					
Quantity of ADRs <sup>2</sup> (000 ADRs)	28,791	29,759	29,614	28,791	29,759
Average daily volume (ADRs)	520,579	617,573	585,802	541,059	576,754
Average daily volume (US\$ 000)	12,186	13,766	13,416	12,235	11,248
Average share price (US\$/ADR)	23.41	22.29	22.90	22.61	19.50
<b>Total</b>					
Average daily volume (shares)	1,900,329	1,806,568	1,865,861	1,841,416	1,924,172
Average daily volume (R\$ 000)	140,112	130,869	138,126	132,337	130,734

<sup>1</sup>Calculated based on the closing price of the period.

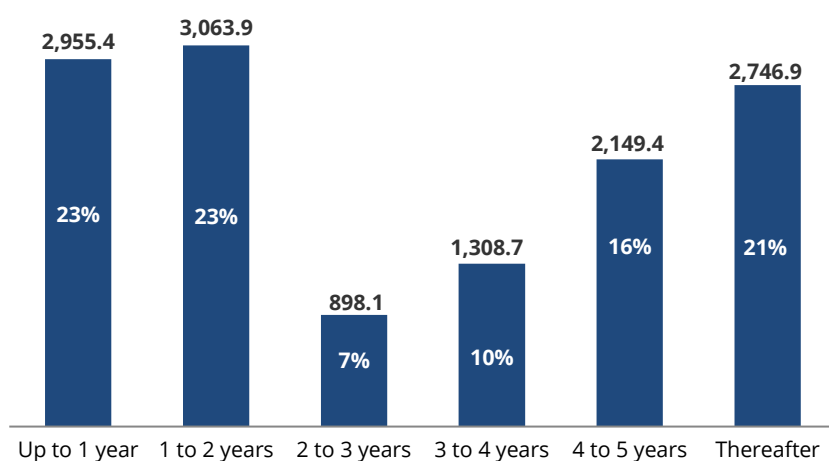
<sup>2</sup>1 ADR = 1 common share

Performance of UGPA3 x Ibovespa - 9M17

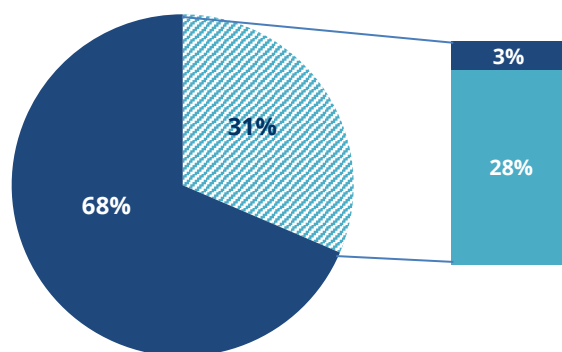


**Indebtedness (R\$ million)**

Ultrapar consolidated	3Q17	3Q16	2Q17
Debt	(13,122.4)	(9,008.5)	(12,358.4)
Cash and long term investments	6,355.8	3,170.0	6,142.3
Net debt	(6,766.6)	(5,838.5)	(6,216.1)
Net debt/EBITDA LTM	1.64	1.37	1.59
Average cost of debt (% CDI)	96.4%	97.0%	94.9%
Average cash yield (% CDI)	96.2%	95.3%	93.9%

**Debt amortization profile:****Debt breakdown:**

Local currency	8,884.1
Foreign currency	4,073.0
Unrealized losses on swaps transactions	165.3
<b>Total</b>	<b>13,122.4</b>



■ Local currency 
 ▨ Foreign currency 
 ■ Hedged 
 ■ Non-hedged



**ULTRAPAR**  
In million Reais  
**CONSOLIDATED BALANCE SHEET**

	QUARTERS ENDED IN		
	SEP 17	SEP 16	JUN 17
<b>ASSETS</b>			
Cash, cash equivalents and financial investments	6,259.7	3,160.3	6,124.4
Trade accounts receivable	3,893.9	3,273.9	3,380.8
Inventories	2,967.9	2,514.5	2,588.1
Taxes	667.6	529.3	554.9
Other	211.3	366.0	258.5
<b>Total Current Assets</b>	<b>14,000.5</b>	<b>9,844.0</b>	<b>12,906.8</b>
Investments	153.6	131.8	136.4
Property, plant and equipment and intangibles	9,630.0	8,855.8	9,453.7
Financial investments	96.1	9.8	17.9
Trade accounts receivable	269.4	184.9	252.3
Deferred income tax	474.4	577.3	411.5
Escrow deposits	817.4	772.0	801.9
Other	594.2	335.4	558.3
<b>Total Non-Current Assets</b>	<b>12,035.1</b>	<b>10,867.0</b>	<b>11,631.9</b>
<b>TOTAL ASSETS</b>	<b>26,035.6</b>	<b>20,711.0</b>	<b>24,538.7</b>
<b>LIABILITIES</b>			
Loans, financing and debentures	2,955.4	1,766.6	3,091.8
Suppliers	1,578.9	1,098.5	1,165.4
Payroll and related charges	391.2	371.0	325.3
Taxes	349.0	213.3	207.7
Other	305.8	230.5	350.2
<b>Total Current Liabilities</b>	<b>5,580.2</b>	<b>3,679.9</b>	<b>5,140.3</b>
Loans, financing and debentures	10,167.0	7,242.0	9,266.6
Judicial provisions	653.6	703.0	648.2
Post-retirement benefits	129.1	117.9	127.4
Other	349.8	542.4	343.9
<b>Total Non-Current Liabilities</b>	<b>11,299.6</b>	<b>8,605.3</b>	<b>10,386.0</b>
<b>TOTAL LIABILITIES</b>	<b>16,879.8</b>	<b>12,285.2</b>	<b>15,526.4</b>
<b>STOCKHOLDERS' EQUITY</b>			
Capital	5,171.8	3,838.7	5,171.8
Reserves	3,693.5	4,359.4	3,693.5
Treasury shares	(480.2)	(483.9)	(480.2)
Others	743.6	680.0	600.5
Non-controlling interest	27.2	31.5	26.7
<b>Total shareholders' equity</b>	<b>9,155.8</b>	<b>8,425.8</b>	<b>9,012.3</b>
<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>26,035.6</b>	<b>20,711.0</b>	<b>24,538.7</b>
Cash and financial investments	6,355.8	3,170.0	6,142.3
Debt	(13,122.4)	(9,008.5)	(12,358.4)
<b>Net cash (debt)</b>	<b>(6,766.6)</b>	<b>(5,838.5)</b>	<b>(6,216.1)</b>



**ULTRAPAR**  
In million Reais (except in per share data)  
**CONSOLIDATED INCOME STATEMENT**

	3Q17	3Q16	2Q17	9M17	9M16
<b>Net sales and services</b>	<b>20,532.6</b>	<b>19,445.2</b>	<b>19,173.0</b>	<b>58,433.5</b>	<b>58,267.7</b>
Cost of products and services sold	(18,454.9)	(17,662.3)	(17,590.6)	(53,086.3)	(53,073.3)
<b>Gross profit</b>	<b>2,077.7</b>	<b>1,782.9</b>	<b>1,582.5</b>	<b>5,347.2</b>	<b>5,194.5</b>
<b>Operating expenses</b>					
Selling	(729.3)	(675.2)	(721.1)	(2,153.7)	(1,965.3)
General and administrative	(408.7)	(369.6)	(389.2)	(1,160.6)	(1,047.7)
Other operating income (expenses), net	15.7	14.5	6.6	78.7	90.1
Income from sale of assets	(0.6)	(0.1)	6.2	(0.8)	(2.1)
<b>Operating income</b>	<b>954.8</b>	<b>752.5</b>	<b>484.9</b>	<b>2,110.8</b>	<b>2,269.5</b>
Financial results					
Financial income	150.0	120.2	136.9	451.3	341.1
Financial expenses	(270.8)	(322.4)	(249.8)	(806.1)	(982.3)
Equity in earnings (losses) of affiliates	4.0	2.3	5.7	16.1	5.4
<b>Income before income and social contribution taxes</b>	<b>838.0</b>	<b>552.6</b>	<b>377.7</b>	<b>1,772.1</b>	<b>1,633.7</b>
Provision for income and social contribution taxes					
Current	(392.9)	(179.2)	(124.9)	(715.5)	(634.5)
Deferred	97.7	(12.8)	(12.3)	89.5	63.8
Benefit of tax holidays	12.8	19.4	6.7	27.0	72.0
<b>Net Income</b>	<b>555.6</b>	<b>380.1</b>	<b>247.2</b>	<b>1,173.1</b>	<b>1,135.1</b>
Net income attributable to:					
Shareholders of Ultrapar	555.1	376.8	246.1	1,169.4	1,126.2
Non-controlling shareholders of the subsidiaries	0.5	3.3	1.1	3.7	8.9
<b>EBITDA</b>	<b>1,239.1</b>	<b>1,029.3</b>	<b>784.2</b>	<b>2,996.4</b>	<b>3,094.7</b>
Depreciation and amortization	280.3	274.5	293.6	869.5	819.8
Total investments, net of disposals and repayments	542.1	438.6	483.8	1,511.2	1,122.9
<b>RATIOS</b>					
Earnings per share - R\$	1.02	0.70	0.45	2.16	2.08
Net debt / Stockholders' equity	0.74	0.69	0.69	0.74	0.69
Net debt / LTM EBITDA	1.64	1.37	1.59	1.64	1.37
Net interest expense / EBITDA	0.10	0.20	0.14	0.12	0.21
Gross margin	10.1%	9.2%	8.3%	9.2%	8.9%
Operating margin	4.7%	3.9%	2.5%	3.6%	3.9%
EBITDA margin	6.0%	5.3%	4.1%	5.1%	5.3%
<b>Number of employees</b>	<b>15,985</b>	<b>15,034</b>	<b>15,613</b>	<b>15,985</b>	<b>15,034</b>



**ULTRAPAR**  
In million Reais  
**CONSOLIDATED CASH FLOW STATEMENT**

	JAN - SEP	
	2017	2016
<b>Cash Flows from (used in) operating activities</b>	<b>1,785.7</b>	<b>1,399.7</b>
Net income	1,173.1	1,135.1
Depreciation and amortization	869.5	819.8
Working capital	122.5	(297.9)
Financial expenses (A)	611.6	389.0
Deferred income and social contribution taxes	(89.5)	(63.8)
Income from sale of assets	0.8	2.1
Cash paid for income and social contribution taxes	(606.1)	(514.4)
Other (B)	(296.3)	(70.1)
<b>Cash Flows from (used in) investing activities</b>	<b>(1,360.3)</b>	<b>(1,077.7)</b>
Additions to fixed and intangible assets, net of disposals	(1,344.3)	(1,046.9)
Acquisition and sale of equity investments	-	(30.8)
Cash of joint-ventures merged	(16.0)	-
<b>Cash Flows from (used in) financing activities</b>	<b>228.6</b>	<b>(1,125.1)</b>
Debt raising	3,292.2	1,200.0
Amortization of debt / Payment of financial lease	(1,588.2)	(620.6)
Interest paid	(535.3)	(830.7)
Dividends paid (C)	(940.2)	(873.6)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>654.0</b>	<b>(803.1)</b>
<b>Cash and cash equivalents at the beginning of the period (D)</b>	<b>5,701.8</b>	<b>3,973.2</b>
<b>Cash and cash equivalents at the end of the period (D)</b>	<b>6,355.8</b>	<b>3,170.0</b>

(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		
	SEP 17	SEP 16	JUN 17
<b>OPERATING ASSETS</b>			
Trade accounts receivable	2,804.3	2,317.2	2,365.9
Trade accounts receivable - noncurrent portion	233.8	151.4	215.4
Inventories	1,821.4	1,452.1	1,462.1
Taxes	360.6	259.7	281.0
Other	510.5	365.2	540.6
Property, plant and equipment, intangibles and investments	4,372.6	4,035.0	4,291.2
<b>TOTAL OPERATING ASSETS</b>	<b>10,103.2</b>	<b>8,580.6</b>	<b>9,156.2</b>
<b>OPERATING LIABILITIES</b>			
Suppliers	1,108.3	727.3	774.1
Payroll and related charges	105.8	112.2	87.1
Post-retirement benefits	109.3	99.5	108.4
Taxes	132.9	108.7	98.2
Judicial provisions	106.5	102.5	103.4
Other accounts payable	209.3	200.2	206.6
<b>TOTAL OPERATING LIABILITIES</b>	<b>1,772.1</b>	<b>1,350.4</b>	<b>1,377.9</b>

**CONSOLIDATED INCOME STATEMENT**

	3Q17	3Q16	2Q17	9M17	9M16
Net sales	17,355.9	16,591.3	16,279.3	49,554.2	50,048.8
Cost of products and services sold	(15,961.0)	(15,423.7)	(15,287.0)	(46,077.3)	(46,740.3)
Gross profit	1,394.9	1,167.6	992.3	3,476.8	3,308.5
Operating expenses					
Selling	(406.5)	(385.8)	(420.0)	(1,241.6)	(1,145.9)
General and administrative	(212.8)	(185.6)	(194.2)	(586.1)	(523.4)
Other operating income (expenses), net	15.0	18.4	21.4	56.9	65.3
Income from sale of assets	0.1	(0.3)	(0.1)	(0.3)	(2.5)
Operating income	790.7	614.4	399.4	1,705.7	1,702.1
Equity in earnings (losses) of affiliates	0.3	0.3	0.3	0.9	0.9
EBITDA	954.0	787.7	582.4	2,241.6	2,218.0
Depreciation and amortization	162.9	173.0	182.7	535.0	515.0
<b>RATIOS</b>					
Gross margin (R\$/m3)	230	197	167	198	186
Operating margin (R\$/m3)	131	104	67	97	96
EBITDA margin (R\$/m3)	157	133	98	128	124
EBITDA margin (%)	5.5%	4.7%	3.6%	4.5%	4.4%
<b>Number of service stations</b>	<b>7,814</b>	<b>7,394</b>	<b>7,743</b>	<b>7,814</b>	<b>7,394</b>
<b>Number of employees</b>	<b>3,008</b>	<b>2,883</b>	<b>2,986</b>	<b>3,008</b>	<b>2,883</b>





3<sup>rd</sup> QUARTER 2017

**OXITENO**  
In million Reais  
**CONSOLIDATED BALANCE SHEET**

	QUARTERS ENDED IN		
	SEP 17	SEP 16	JUN 17
<b>OPERATING ASSETS</b>			
Trade accounts receivable	574.3	510.4	523.3
Inventories	681.3	661.7	685.8
Taxes	149.1	101.3	133.0
Other	146.3	130.6	152.0
Property, plant and equipment, intangibles and investments	1,956.8	1,697.2	1,909.3
<b>TOTAL OPERATING ASSETS</b>	<b>3,507.8</b>	<b>3,101.1</b>	<b>3,403.3</b>
<b>OPERATING LIABILITIES</b>			
Suppliers	214.4	178.9	189.3
Payroll and related charges	86.2	76.7	71.1
Taxes	38.6	33.2	33.8
Judicial provisions	15.7	112.0	13.9
Other accounts payable	50.5	33.2	64.6
<b>TOTAL OPERATING LIABILITIES</b>	<b>405.4</b>	<b>434.0</b>	<b>372.7</b>

**CONSOLIDATED INCOME STATEMENT**

	3Q17	3Q16	2Q17	9M17	9M16
Net sales	1,030.0	956.1	885.1	2,827.5	2,869.1
Cost of goods sold					
Variable	(696.8)	(616.8)	(610.2)	(1,915.5)	(1,757.4)
Fixed	(93.5)	(88.8)	(87.5)	(270.3)	(258.1)
Depreciation and amortization	(34.4)	(33.0)	(33.2)	(99.9)	(102.4)
Gross profit	205.3	217.5	154.1	541.8	751.3
Operating expenses					
Selling	(83.7)	(70.4)	(70.1)	(224.8)	(207.6)
General and administrative	(89.2)	(85.8)	(87.0)	(260.7)	(246.0)
Other operating income (expenses), net	2.6	0.7	0.1	52.1	2.2
Income from sale of assets	0.1	(0.2)	(0.8)	(1.7)	0.2
Operating income	35.1	61.9	(3.8)	106.7	300.0
Equity in earnings (losses) of affiliates	0.4	0.3	0.4	1.1	0.9
EBITDA	73.9	98.6	33.8	219.2	413.8
Depreciation and amortization	38.4	36.4	37.1	111.4	112.9
<b>RATIOS</b>					
Gross margin (R\$/ton)	975	1,088	844	920	1,330
Gross margin (US\$/ton)	308	335	263	290	374
Operating margin (R\$/ton)	167	310	(21)	181	531
Operating margin (US\$/ton)	53	95	(6)	57	149
EBITDA margin (R\$/ton)	351	493	185	372	732
EBITDA margin (US\$/ton)	111	152	58	117	206
<b>Number of employees</b>	<b>1,896</b>	<b>1,899</b>	<b>1,877</b>	<b>1,896</b>	<b>1,899</b>



3<sup>rd</sup> QUARTER 2017

**ULTRAGAZ**  
In million Reais  
**CONSOLIDATED BALANCE SHEET**

	QUARTERS ENDED IN		
	SEP 17	SEP 16	JUN 17
<b>OPERATING ASSETS</b>			
Trade accounts receivable	343.1	276.3	322.5
Trade accounts receivable - noncurrent portion	35.3	33.1	36.5
Inventories	120.4	86.0	90.6
Taxes	83.8	64.4	70.1
Escrow deposits	209.1	202.4	208.6
Other	65.7	47.9	55.4
Property, plant and equipment, intangibles and investments	975.8	944.4	975.0
<b>TOTAL OPERATING ASSETS</b>	<b>1,833.2</b>	<b>1,654.3</b>	<b>1,758.7</b>
<b>OPERATING LIABILITIES</b>			
Suppliers	64.4	50.9	52.6
Payroll and related charges	126.0	119.9	102.5
Taxes	9.3	7.5	9.2
Judicial provisions	108.8	103.5	107.6
Other accounts payable	47.2	32.1	43.1
<b>TOTAL OPERATING LIABILITIES</b>	<b>355.7</b>	<b>313.8</b>	<b>315.0</b>

**CONSOLIDATED INCOME STATEMENT**

	3Q17	3Q16	2Q17	9M17	9M16
Net sales	1,576.0	1,411.1	1,472.9	4,401.2	3,986.7
Cost of sales and services	(1,304.2)	(1,180.4)	(1,235.9)	(3,673.8)	(3,329.3)
Gross profit	271.7	230.6	237.0	727.4	657.4
Operating expenses					
Selling	(102.0)	(110.6)	(101.5)	(294.6)	(300.9)
General and administrative	(60.6)	(54.7)	(59.1)	(170.6)	(154.0)
Other operating income (expenses), net	1.0	1.5	0.7	3.8	2.8
Income from sale of assets	(0.8)	0.8	2.2	2.0	0.8
Operating income	109.4	67.6	79.5	268.1	206.1
Equity in earnings (losses) of affiliates	(0.0)	(0.0)	0.9	0.9	(0.0)
EBITDA	157.0	107.5	124.1	401.4	324.4
Depreciation and amortization	47.6	39.9	43.7	132.5	118.4
<b>RATIOS</b>					
Gross margin (R\$/ton)	590	494	532	551	498
Operating margin (R\$/ton)	238	145	178	203	156
EBITDA margin (R\$/ton)	341	230	279	304	246
<b>Number of employees</b>	<b>3,638</b>	<b>3,640</b>	<b>3,639</b>	<b>3,638</b>	<b>3,640</b>



**ULTRACARGO**  
In million Reais  
**CONSOLIDATED BALANCE SHEET**

	QUARTERS ENDED IN		
	SEP 17	SEP 16	JUN 17
<b>OPERATING ASSETS</b>			
Trade accounts receivable	35.3	38.9	36.0
Inventories	6.8	6.9	6.6
Taxes	0.5	4.1	0.7
Other <sup>1</sup>	17.8	194.6	27.0
Property, plant and equipment, intangibles and investments	947.1	902.9	927.3
<b>TOTAL OPERATING ASSETS</b>	<b>1,007.5</b>	<b>1,147.3</b>	<b>997.7</b>
<b>OPERATING LIABILITIES</b>			
Suppliers	26.4	16.6	16.2
Payroll and related charges	23.0	20.4	18.5
Taxes	5.7	5.5	6.1
Judicial provisions	26.0	10.7	26.3
Other accounts payable <sup>2</sup>	129.0	68.1	185.7
<b>TOTAL OPERATING LIABILITIES</b>	<b>210.2</b>	<b>121.4</b>	<b>252.7</b>

<sup>1</sup> Trade receivables - indemnification insurance company

<sup>2</sup> 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**

	3Q17	3Q16	2Q17	9M17	9M16
Net sales	112.3	92.7	106.4	319.4	258.9
Cost of sales and services	(55.2)	(48.2)	(53.7)	(159.2)	(145.2)
Gross profit	57.1	44.5	52.6	160.2	113.7
Operating expenses					
Selling	(2.2)	(1.5)	(1.9)	(5.8)	(4.8)
General and administrative	(24.8)	(24.5)	(26.4)	(74.6)	(63.3)
Other operating income (expenses), net	(2.7)	(6.2)	(15.5)	(34.0)	19.8
Income from sale of assets	(0.0)	(0.4)	4.8	4.9	(0.3)
Operating income	27.3	11.9	13.7	50.8	65.1
Equity in earnings (losses) of affiliates	0.5	0.2	0.6	1.3	(0.0)
EBITDA	39.7	23.0	26.1	87.5	97.5
Depreciation and amortization	11.9	10.9	11.8	35.4	32.4
<b>RATIOS</b>					
Gross margin	51%	48%	49%	50%	44%
Operating margin	24%	13%	13%	16%	25%
EBITDA margin	35%	25%	25%	27%	38%
<b>Number of employees</b>	<b>710</b>	<b>627</b>	<b>672</b>	<b>710</b>	<b>627</b>



3<sup>rd</sup> QUARTER 2017

**EXTRAFARMA**  
In million Reais  
**CONSOLIDATED BALANCE SHEET**

	QUARTERS ENDED IN		
	SEP 17	SEP 16	JUN 17
<b>OPERATING ASSETS</b>			
Trade accounts receivable	146.3	133.7	142.4
Inventories	338.0	307.9	343.0
Taxes	104.3	79.7	99.0
Other	17.5	16.2	17.8
Property, plant and equipment, intangibles and investments	1,078.6	983.6	1,051.0
<b>TOTAL OPERATING ASSETS</b>	<b>1,684.7</b>	<b>1,521.1</b>	<b>1,653.3</b>
<b>OPERATING LIABILITIES</b>			
Suppliers	170.2	123.6	136.3
Payroll and related charges	50.0	41.7	45.8
Taxes	14.3	2.9	13.9
Judicial provisions	61.1	59.3	60.2
Other accounts payable	11.2	11.4	12.9
<b>TOTAL OPERATING LIABILITIES</b>	<b>306.7</b>	<b>238.8</b>	<b>269.1</b>

**CONSOLIDATED INCOME STATEMENT**

	3Q17	3Q16	2Q17	9M17	9M16
Gross Revenues	500.8	432.8	481.7	1,458.5	1,213.9
Sales returns, discounts and taxes	(28.1)	(25.1)	(27.4)	(81.7)	(69.0)
Net sales	472.7	407.7	454.3	1,376.8	1,144.9
Cost of products and services sold	(324.1)	(285.2)	(308.0)	(936.0)	(781.5)
Gross profit	148.5	122.5	146.3	440.8	363.4
Operating expenses	(157.1)	(126.9)	(151.1)	(458.3)	(370.0)
Other operating income (expenses), net	(0.1)	0.0	(0.1)	(0.2)	(0.1)
Income from sale of assets	(0.0)	(0.1)	(0.0)	(5.7)	(0.2)
Operating income	(8.6)	(4.4)	(4.9)	(23.4)	(7.0)
EBITDA	7.0	6.4	9.8	20.9	23.8
Depreciation and amortization	15.6	10.8	14.7	44.2	30.9
<b>RATIOS<sup>1</sup></b>					
Gross margin (%)	30%	28%	30%	30%	30%
Operating margin (%)	-2%	-1%	-1%	-2%	-1%
EBITDA margin (%)	1%	1%	2%	1%	2%
<b>Number of employees</b>	<b>6,280</b>	<b>5,541</b>	<b>5,989</b>	<b>6,280</b>	<b>5,541</b>