

MATERIAL SCIENCES CORP
Form 8-K
October 31, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 30, 2008

Material Sciences Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

01-8803
(Commission File Number)

95-2673173
(I.R.S. Employer
Identification No.)

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2200 East Pratt Boulevard

Elk Grove Village, Illinois
(Address of Principal Executive Offices)

60007
(Zip Code)

(847) 439-2210

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12(b))

- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2)

- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

As previously disclosed, Material Sciences Corporation (MSC) has been exploring strategic alternatives for its manufacturing facility in Morrisville, Pennsylvania, including, continuing operations, a possible joint venture, a strategic alliance or sale of the facility. As a result of these activities and as described below, on October 30, 2008, MSC entered into an agreement to sell the facility's real property, on which it currently operates a coil coating facility, and an agreement to sell certain plant and equipment and selected inventory and supplies at the facility. The relevant agreements are described in more detail below.

Real Estate Purchase Agreement with K. MATKEM of Morrisville, L.P.

On October 30, 2008, MSC, MSC Pre Finish Metals (MV) Inc., a Delaware corporation and an indirect wholly-owned subsidiary of MSC (Seller), K. MATKEM of Morrisville, LP, a Pennsylvania limited partnership (the Real Estate Buyer), and Theodorus A. Bus and James P. Bus (together, the Buyer Principals) entered into a Real Estate Purchase Agreement (the Real Estate Purchase Agreement), pursuant to which Seller agreed to sell to the Real Estate Buyer the real property in Morrisville, Pennsylvania on which Seller currently operates a coil coating facility (the Real Property). Pursuant to the Real Estate Purchase Agreement, the sale of the Real Property is currently scheduled to close on or after December 1, 2008.

The purchase price for the Real Property is \$4.6 million, subject to adjustment for the apportionment of real estate taxes, utility charges and assessments for municipal improvements. The entire purchase price was paid into escrow upon the signing of the Real Estate Purchase Agreement. The amount paid into escrow includes a \$1 million deposit previously paid by the Real Estate Buyer and the Buyer Principals to Seller, which amount was previously recorded in accrued expenses on MSC's balance sheet at August 31, 2008. At the closing of the transactions contemplated by the Real Estate Purchase Agreement, the escrow agent will release the entire purchase price to Seller. If the Real Estate Purchase Agreement is terminated prior to closing, the escrowed funds will be returned to the Real Estate Buyer unless the Real Estate Purchase Agreement was terminated by Seller as a result of the Real Estate Buyer's breach of the agreement, in which case the escrowed funds will be paid to Seller.

Seller has made customary representations, warranties and covenants in the Real Estate Purchase Agreement. MSC and Seller, jointly and severally, have agreed to indemnify the Real Estate Buyer and its affiliates for losses as a result of, among other things, the untruth or inaccuracy of any of Seller's representations and warranties in the Real Estate Purchase Agreement, in most cases only to the extent the losses exceed \$150,000. Generally, the indemnification obligations of MSC and Seller are subject to a cap of 25% of the purchase price.

Asset Purchase Agreement with Brightsmith, LLC

On October 30, 2008, MSC, Seller, Brightsmith, LLC, a Delaware limited liability company (the Equipment Buyer), and the Buyer Principals entered into an Asset Purchase Agreement (the Asset Purchase Agreement), pursuant to which Seller agreed to sell to the Equipment Buyer, subject to the terms and conditions set forth in the Asset Purchase Agreement, certain plant and equipment and selected inventory and supplies at Seller's coil coating facility in Morrisville, Pennsylvania.

The purchase price for the equipment subject to the Asset Purchase Agreement is \$4.5 million, plus the value of selected inventory and supplies, which the Equipment Buyer will identify after the closing (and which the parties estimate at \$1.5 million), minus the amount of employee paid-time-off liability assumed by the Equipment Buyer at the closing. Upon the signing of the Asset Purchase Agreement, the Equipment Buyer deposited \$400,000 into escrow. At the closing of the transactions contemplated by the Asset Purchase Agreement, the escrow agent will release this entire amount to Seller and the remainder of the purchase price will be paid with a note issued by the Equipment Buyer in favor of Seller in an original principal amount equal to such remaining amount. The note will be secured by a first priority lien on all of the assets of the Equipment Buyer and on the Real Property. Pursuant to the Asset Purchase Agreement, the sale of the Equipment is currently scheduled to close on or after December 1, 2008 and will close simultaneously with the sale of the Real Property pursuant to the Real Property Purchase Agreement. If the Asset Purchase Agreement is terminated prior to closing, the escrowed funds will be returned to the Equipment Buyer unless the Asset Purchase Agreement was terminated by Seller as a result of the Equipment Buyer's breach of the agreement, in which case the escrowed funds will be paid to Seller.

Seller has made customary representations, warranties and covenants in the Asset Purchase Agreement. MSC and Seller, jointly and severally, have agreed to indemnify the Buyer and its affiliates for losses as a result of, among other things, the untruth or inaccuracy of any of Seller's representations and warranties in the Asset Purchase Agreement, in most cases only to the extent the losses exceed \$150,000. Generally, the indemnification obligations of MSC and Seller are subject to a cap of 25% of the purchase price.

SIGNATURES

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

MATERIAL SCIENCES CORPORATION
(Registrant)

Date: October 30, 2008

By: /s/ James M. Froisland
Name: James M. Froisland
Title: Senior Vice President, Chief Financial Officer, Chief Information Officer and Corporate Secretary.

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Loans and debentures

0.0 53.3 136.7 190.0 1,751.4 (113.2) 1,828.2

Finance leases

1.8 1.8

Trade payables

1.1 75.4 76.5 934.0 (41.6) 969.0

Salaries and related charges

0.1 53.2 53.3 244.4 297.7

Taxes payable

0.0 2.4 2.4 113.9 116.3

Dividends payable

237.9 51.3 289.3 252.2 (299.3) 242.2

Income and social contribution taxes payable

0.6 0.6 113.4 113.9

Post-employment benefits

11.9 11.9

Provision for assets retirement obligation

3.4 3.4

Provision for tax, civil and labor risks

0.9 0.9 68.4 69.3

Other payables

0.3 6.0 6.3 109.6 (22.9) 93.0

Deferred revenue

17.7 17.7

Total current liabilities

0.0 293.4 325.9 619.3 3,622.1 (477.0) 3,764.5

NON-CURRENT LIABILITES

Loans and debentures

584.5	799.2	132.4	931.6	4,737.6	(1,156.7)	5,097.0
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Finance leases

			42.6		42.6	
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Related parties

			221.1	(217.2)	3.9	
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Deferred income and social contribution taxes

	11.1	11.1	90.4		101.5	
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Provision for tax, civil and labor risks

0.5	1.4	1.9	567.8		569.7	
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Post-employment benefits

	8.8	8.8	90.5		99.4	
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Provision for assets retirement obligation

			66.2		66.2	
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Other payables

	1.2	1.2	76.5		77.7	
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Deferred revenue

			9.1		9.1	
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Total non-current liabilities

584.5 799.7 154.9 954.6 5,901.9 (1,373.9) 6,067.2

SHAREHOLDERS EQUITY

Share capital

0.0 3,696.8 1,743.6 5,440.3 3,167.3 (4,910.9) 3,696.8

Capital reserve

20.2 20.2 71.6 (71.6) 20.2

Revaluation reserve

6.1 0.5 6.6 8.2 (8.7) 6.1

Profit reserves

2,706.6 1,108.5 3,815.2 1,432.6 (2,541.2) 2,706.6

Treasury shares

(114.9) (114.9) (114.9)

Retained earnings

(26.5) 0.0 26.5

Additional dividends to the minimum mandatory dividends

161.6 161.6 332.4 (332.4) 161.6

Valuation adjustments

0.0 5.4 1.6 1.6 3.8 5.4

Cumulative translation adjustments

38.1 38.1 38.1 31.7 (31.7) 38.1

Non-controlling interest in subsidiaries

24.4 2.5 26.9

TOTAL SHAREHOLDERS EQUITY

(26.5) 6,520.0 2,892.3 9,368.7 5,072.1 (7,867.4) 6,546.9

TOTAL LIABILITIES AND SHAREHOLDERS EQUITY

558.0 7,613.1 3,373.0 10,942.6 14,596.2 (9,718.3) 16,378.5

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Consolidated Financial Statements***(In thousands of Brazilian Reais, unless otherwise stated)***Income statements****for the year ended December 31, 2013**

						(in millions of Brazilian Reais)	
	LPG Ultrapar Participações S.A.	Exiteno Guarantor	Wholly Owned Subsidiaries	Total Guarantors	Non-Guarantor Subsidiaries	Eliminations Consolidated	
NET REVENUE FROM SALES AND SERVICES			968.8	968.8	60,244.7	(273.2)	60,940.2
Cost of products and services sold			(732.2)	(732.2)	(55,685.7)	252.5	(56,165.4)
GROSS PROFIT			236.6	236.6	4,559.0	(20.7)	4,774.9
OPERATING INCOME (EXPENSES)	(0.0)	0.1	(217.0)	(216.9)	(2,434.9)	21.0	(2,630.8)
Selling and marketing			(72.2)	(72.2)	(1,693.4)	9.3	(1,756.4)
General and administrative	(0.0)	(1.2)	(145.3)	(146.4)	(876.4)	10.5	(1,012.3)
Income from disposal of assets		0.0	0.4	0.4	39.9		40.3
Other operating income		1.3	0.1	1.3	95.0	1.2	97.6
OPERATING INCOME BEFORE FINANCIAL INCOME (EXPENSE) AND SHARE OF PROFIT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES	(0.0)	0.1	19.5	19.6	2,124.1	0.3	2,144.0
Financial income	32.2	120.2	49.0	169.3	207.8	(168.6)	240.6

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Financial expenses	(43.7)	(86.3)	(35.4)	(121.7)	(580.8)	168.0	(578.2)
Share of profit of subsidiaries, joint ventures and associates		1,262.5	198.8	1,461.3	(9.9)	(1,456.3)	(5.0)
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	(11.5)	1,296.5	231.9	1,528.5	1,741.2	(1,456.7)	1,801.4
INCOME AND SOCIAL CONTRIBUTION TAXES		(71.4)	(16.2)	(87.6)	(485.1)		(572.7)
Current		(71.8)	(7.0)	(78.7)	(455.8)		(534.5)
Deferred		0.4	(9.3)	(8.9)	(82.1)		(91.0)
Tax incentives					52.8		52.8
NET INCOME (LOSS) FOR THE YEAR	(11.5)	1,225.1	215.7	1,440.9	1,256.1	(1,456.7)	1,228.7
Net income for the year attributable to:							
Shareholders of the Company	(11.5)	1,225.1	215.7	1,440.9	1,252.6	(1,456.8)	1,225.1
Non-controlling interests in subsidiaries					3.5	0.1	3.6

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Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Consolidated Financial Statements***(In thousands of Brazilian Reais, unless otherwise stated)*

Statements of cash flows
for the year ended December 31, 2013

	LPG Issuer	Ultrapar Company	Par Guarantor	Oxiteno Subsidiary	Wholly Guarantors	Total Subsidiaries	Non-Guarantor Eliminations	(in millions of Brazilian Reais) Consolidated
Cash flows from operating activities								
Net income for the year	(11.5)	1,225.1		215.7	1,440.9	1,256.1	(1,456.7)	1,228.7
Adjustments to reconcile net income to cash provided by operating activities								
Share profit of subsidiaries, joint-ventures and associates		(1,262.5)		(198.8)	(1,461.3)	9.9	1,456.3	5.0
Depreciation e amortization				45.9	45.9	733.0		778.9
PIS and COFINS credits on depreciation				2.2	2.2	10.2		12.4
Assets retirement expenses						(5.4)		(5.4)
Interest, monetary and exchange variations	71.5	(2.9)		49.4	46.6	649.6	(155.6)	612.1
Deferred income and social contribution taxes		(0.4)		9.3	8.9	82.1		91.0
Income from disposal of assets		(0.0)		(0.4)	(0.4)	(39.9)		(40.3)
Others				0.0	0.0	(0.2)		(0.2)
Dividends received from subsidiaries		374.1		217.4	591.5	4.3	(591.5)	4.3

(Increase) decrease in current assets							
Trade receivables		0.4	0.4	(388.8)	380.1	(8.4)	
Inventories		(51.2)	(51.2)	(249.6)	1.9	(298.9)	
Recoverable taxes	36.2	(13.5)	22.7	(33.6)	8.9	(2.0)	
Other receivables	(1.0)	(0.3)	(1.3)	(6.0)	8.4	1.1	
Prepaid expenses	(1.9)	2.0	0.1	(11.4)	0.0	(11.4)	
Increase (decrease) in current liabilities							
Trade payables	1.0	(251.0)	(250.0)	275.6	(354.4)	(328.8)	
Salaries and related charges	0.0	15.3	15.3	29.8		45.1	
Taxes payable	(3.0)	(0.9)	(3.9)	12.5		8.6	
Income and social contribution taxes	0.9		0.9	349.9		350.8	
Post-employment benefits				1.9		1.9	
Provision for tax, civil and labor risks		0.4	0.4	19.4		19.8	
Other payables	0.1	0.5	0.6	58.9	(22.9)	36.6	
Deferred revenue				(0.3)		(0.3)	
(Increase) decrease in non-current assets							
Trade receivables				13.0		13.0	
Recoverable taxes	4.5	10.2	14.8	(3.1)		11.7	
Escrow deposits	0.1	(0.3)	(0.2)	(81.0)		(81.2)	
Other receivables				2.2		2.2	
Prepaid expenses		2.2	2.2	(20.3)		(18.2)	
Increase (decrease) in non-current liabilities							
Post-employment benefits		2.1	2.1	6.2		8.3	
Provision for tax, civil and labor risks	0.0	(14.9)	(14.9)	33.7		18.8	
Other payables		0.3	0.3	(22.1)		(21.8)	
Deferred revenue				(0.7)		(0.7)	
Income and social contribution taxes paid	(0.4)		(0.4)	(311.7)		(312.1)	
Net cash provided by operating activities	60.0	370.0	42.2	412.1	2,374.1	(725.6)	2,120.7

Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Consolidated Financial Statements***(In thousands of Brazilian Reais, unless otherwise stated)***Statements of cash flows****for the year ended December 31, 2013**

	LPG Issuer	Ultrapar Company	Paro Guarantor	Oxiteno Guarantor	Wholly Subsidiary	Total Guarantors	Non-Guarantor Subsidiaries	Eliminations	(in millions of Brazilian Reais) Consolidated
Cash flows from investing activities									
Financial investments, net of redemptions	(34.4)		(0.0)		(93.4)	(93.4)	(29.1)		(156.9)
Acquisition of subsidiaries, net					(6.2)	(6.2)	0.1		(6.0)
Acquisition of property, plant and equipment					(27.6)	(27.6)	(633.6)		(661.2)
Acquisition of intangible assets					(3.7)	(3.7)	(539.3)		(542.9)
Capital increase in subsidiaries			(350.0)			(350.0)		350.0	
Capital increase in joint ventures							(24.9)		(24.9)
Capital reduction in associates							1.5		1.5
Capital reduction to subsidiaries			700.0		169.2	869.2	(869.2)		
Proceeds from disposal of assets			0.0		1.3	1.3	101.4		102.6
Net cash provided by (used in) investing activities	(34.4)		350.0		39.6	389.6	(1,993.0)	350.0	(1,287.9)

**Cash flows from
financing activities**

Loand and debentures							
Borrowings			103.0	103.0	1,343.0		1,446.0
Repayments			(205.0)	(205.0)	(626.8)	71.2	(760.6)
Interest paid	(41.3)	(66.7)	(23.4)	(90.1)	(563.2)	146.1	(548.5)
Payment of financial lease					(4.3)		(4.3)
Dividends paid		(705.2)	(40.1)	(745.3)	(557.6)	591.5	(711.4)
Capital increase			350.0	350.0		(350.0)	
Related parties	15.7	85.2	(8.2)	77.0	(9.6)	(83.1)	

**Net cash provided by
(used in) financing
activities**

	(25.6)	(686.6)	176.2	(510.4)	(418.4)	375.6	(578.9)
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**Effect of exchange rate
changes on cash and
cash equivalents in
foreign currency**

					1.0		1.0
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**Increase (decrease) in
cash and cash
equivalents**

	0.0	33.3	258.0	291.3	(36.3)	0.0	255.0
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**Cash and cash
equivalents at the
beginning of the year**

	0.2	77.0	45.6	122.6	1,898.3		2,021.1
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**Cash and cash
equivalents at the end of
the year**

	0.2	110.3	303.6	413.8	1,862.0		2,276.1
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Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Consolidated Financial Statements***(In thousands of Brazilian Reais, unless otherwise stated)***Income statements****for the year ended December 31, 2012**

	LPG Issuer	Ultrapar Company	Parafin Guarantor	Exito Subsidiary	Wholly Owned Subsidiaries	Total Non-Guarantor Subsidiaries	Eliminations	(in millions of Brazilian Reais) Consolidated
NET REVENUE FROM SALES AND SERVICES				926.2	926.2	53,185.7	(243.0)	53,868.9
Cost of products and services sold				(718.6)	(718.6)	(49,303.3)	253.8	(49,768.1)
GROSS PROFIT				207.6	207.6	3,882.4	10.8	4,100.8
OPERATING INCOME (EXPENSES)				(183.7)	(183.6)	(2,194.0)	(15.3)	(2,392.9)
Selling and marketing				(61.2)	(61.2)	(1,492.8)	(25.6)	(1,579.6)
General and administrative			(0.9)	(121.8)	(122.6)	(777.5)	9.0	(891.1)
Income from disposal of assets				(0.8)	(0.8)	4.5		3.7
Other operating income			0.9	0.1	1.0	71.8	1.3	74.1
OPERATING INCOME BEFORE FINANCIAL INCOME (EXPENSE) AND SHARE OF PROFIT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES				23.9	24.0	1,688.4	(4.5)	1,707.9
Financial income	33.4	109.2		47.7	156.9	186.5	(168.6)	208.2

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Financial expenses	(38.2)	(94.7)	(38.4)	(133.1)	(475.2)	168.0	(478.5)
Share of profit of subsidiaries, joint ventures and associates		1,032.1	146.4	1,178.5	6.7	(1,174.7)	10.5
INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	(4.8)	1,046.6	179.6	1,226.3	1,406.4	(1,179.8)	1,448.1
INCOME AND SOCIAL CONTRIBUTION TAXES		(26.7)	(8.8)	(35.5)	(385.8)		(421.3)
Current		(26.1)	0.8	(25.3)	(331.0)		(356.3)
Deferred		(0.6)	(9.6)	(10.2)	(98.2)		(108.4)
Tax incentives					43.4		43.4
NET INCOME (LOSS) FOR THE YEAR	(4.8)	1,019.9	170.8	1,190.8	1,020.6	(1,179.8)	1,026.8
Net income for the year attributable to:							
Shareholders of the Company	(4.8)	1,019.9	170.8	1,190.8	1,013.7	(1,179.8)	1,019.9
Non-controlling interests in subsidiaries					6.9		6.9

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Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Consolidated Financial Statements***(In thousands of Brazilian Reais, unless otherwise stated)*

Statements of cash flows
for the year ended December 31, 2012

	LPG Issuer	Ultrapar Company	Parati Guarantor	Oxiteno Guarantor	Wholly Subsidiary	Total Guarantors	Non-Guarantor Subsidiaries	Eliminations	(in millions of Brazilian Reais) Consolidated
Cash flows from operating activities									
Net income (loss) for the year	(4.8)	1,019.9		170.8	1,190.7	1,020.6	(1,179.8)		1,026.8
Adjustments to reconcile net income to cash provided by operating activities									
Share profit of subsidiaries and associates		(1,032.1)		(146.4)	(1,178.5)	(6.7)	1,174.7		(10.5)
Depreciation e amortization				47.0	47.0	646.1			693.1
PIS and COFINS credits on depreciation				2.1	2.1	9.6			11.7
Assets retirement expenses						(2.5)			(2.5)
Interest, monetary and exchange variations	35.5	14.1		43.4	57.5	717.1	(194.6)		615.5
Deferred income and social contribution taxes		0.6		9.6	10.2	98.2			108.4
Income from disposal of assets				0.8	0.8	(4.5)			(3.7)
Others						0.4			0.4
Dividends received from subsidiaries and joint		695.0		16.4	711.4	10.8	(711.4)		10.8

ventures**(Increase) decrease in current assets**

Trade receivables		15.2	15.2	(687.0)	424.0	(247.8)
Inventories		3.3	3.3	38.1	7.1	48.5
Recoverable taxes	(14.6)	(13.7)	(28.3)	12.0	11.8	(4.5)
Other receivables	1.7	0.3	2.0	(10.5)	9.8	1.3
Prepaid expenses		(0.5)	(0.5)	(10.1)		(10.6)

Increase (decrease) in current liabilities

Trade payables	0.1	223.8	223.9	357.6	(383.2)	198.3
Salaries and related charges		(3.0)	(3.0)	(15.4)		(18.4)
Taxes payable	0.7	0.5	1.2	(3.7)		(2.5)
Income and social contribution taxes				208.2		208.2
Post-employment benefits				(1.7)		(1.7)
Provision for tax, civil and labor risks		0.5	0.5	8.0		8.5
Other payables		3.5	3.5	60.7	(64.4)	(0.2)
Deferred revenue				(1.7)		(1.7)

(Increase) decrease in non-current assets

Trade receivables				(19.6)		(19.6)
Recoverable taxes	13.9	14.4	28.3	4.0		32.3
Escrow deposits		(0.2)	(0.2)	(64.3)		(64.5)
Other receivables				(9.7)		(9.7)
Prepaid expenses		2.3	2.3	(0.8)		1.5

Increase (decrease) in non-current liabilities

Post-employment benefits		0.1	0.1	8.7		8.8
Provision for tax, civil and labor risks	(0.5)	(3.3)	(3.8)	42.4		38.6
Other payables		0.2	0.2	(3.3)		(3.1)
Deferred revenue				1.1		1.1
Income and social contribution taxes paid				(169.1)		(169.1)

Net cash provided by operating activities	30.7	698.8	387.1	1,085.9	2,233.0	(906.0)	2,443.7
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Table of Contents**Ultrapar Participações S.A. and Subsidiaries****Notes to the Consolidated Financial Statements***(In thousands of Brazilian Reais, unless otherwise stated)***Statements of cash flows****for the year ended December 31, 2012 restated**

							(in millions of Brazilian Reais)	
	LPG Issues	Ultrapar Company	Parent Guarantor	Okiteño Wholly Subsidiary	Total Guarantors	Non-Guarantor Subsidiaries	Elimination	Consolidated
Cash flows from investing activities								
Financial investments, net of redemptions	(67.5)	52.7		6.6	59.3	(208.7)		(216.9)
Acquisition of subsidiaries, net				(100.5)	(100.5)	(68.2)		(168.7)
Cash and cash equivalents of acquired subsidiaries						8.9		8.9
Financial investments of acquired subsidiaries						3.4		3.4
Acquisition of property, plant and equipment				(16.3)	(16.3)	(737.7)		(754.0)
Increase in intangible assets				(4.5)	(4.5)	(590.3)		(594.8)
Capital increase in subsidiaries		(150.0)		(21.9)	(171.9)		171.9	
Capital increase in joint ventures						(4.1)		(4.1)
Cash of joint ventures merged						95.0		95.0
Proceeds from disposal of assets				0.6	0.6	65.5		66.1
Net cash used in investing activities	(67.5)	(97.3)		(136.0)	(233.3)	(1,436.2)	171.9	(1,565.1)

Cash flows from financing activities						
Loand and debentures						
Borrowings		793.5	115.3	908.8	1,845.0	2,753.8
Repayments		(1,000.0)	(286.7)	(1,286.7)	(1,215.2)	(2,437.8)
Interest paid	(36.9)	(44.1)	(41.5)	(85.6)	(389.7)	180.4
Payment of financial lease					(4.6)	(4.6)
Dividends paid		(544.6)	(25.9)	(570.5)	(689.4)	711.4
Capital increase (decrease)					169.0	(171.9)
Payment of loan with Noble Brasil S.A.					(50.0)	(50.0)
Sale of treasury shares		13.8		13.8	(13.8)	
Related parties	72.9	78.2	1.0	79.2	(103.0)	(49.9)
Net cash provided by (used in) financing activities	36.0	(703.2)	(237.8)	(941.0)	(451.7)	734.1
Effect of exchange rate changes on cash and cash equivalents in foreign currency						
					(0.4)	(0.4)
Increase (decrease) in cash and cash equivalents	(0.8)	(101.7)	13.3	(88.4)	344.8	255.6
Cash and cash equivalents at the beginning of the year	1.0	178.7	32.3	211.0	1,553.6	1,765.5
Cash and cash equivalents at the end of the year	0.2	77.0	45.6	122.6	1,898.3	2,021.1