INTERIM FINANCIAL STATEMENTS Q12015

LUPATECH S.A.
CNPJ/MF nº 89.463.822/0001-12
NIRE 43300028534

Management Report

Message from the Management

To Shareholders

As mentioned in the end of the year 2014, we successfully completed the process that converted into share over R$ 1.1 billion of Company's debt and we homologated the capital increase set by the Restructuring Plan.

The conclusion of this restructuring step was essential to the Plan could be continued, which currently follows with prioritizing the strengthening of the Company's cash position.
The first significant move to cash injection had sequence at the end of October 2014, with the signing of the sales contract of a relevant group of units in Argentina, as disclosed in the Relevant Fact on October 28, 2014, generating the entry of US$ 22.0 million in November 2014.

Continuing the process of non-core assets divestments, on January 2015 we completed the sale of remaining operations in Argentina, Jefferson's operations, in the total amount of US$ 5.7 million, generating the entry of US$ 4.3 million, of which US$ 1.3 million will be paid within 03 years, according to the conditions of contract.

Other actions are critical execution to complete the cash position in order to permit the full resumption of operations, especially to focus on implementing the necessary investments in Capex and normalization of working capital.

In the end of the year 2014 there was a significant change in the Oil&Gas scenario, as result of the drastic fall in oil barrel price and the crisis in which the main customer of Lupatech, Petrobras, go through. It's important to mention that the Company does not have any relationship with the currents complaints involving suppliers and Petrobras itself, but, still, the instability generated from this situation is having a negative effect on the entire supply chain. Such a change of scenario raise difficulties from demobilization of non-core assets, obtain credit facilities from financial institutions and achieve potential investors to the Company to be significantly more challenging.

We understand that Lupatech has a differentiated position that represents important basis to go through this troubled moment of both economy and the Oil&Gas Segment. This position mainly involves the following factors: i) has executed the restructuring of its financial debt, with significant reduction in the amount, having its financial debt balance reprofiled in large proportion in the long term, with financial costs very adequate, ii) has completed over 2013 and 2014 a strong restructuring process and operational suitability to reduce its costs and expenses, iii) be a Company not mustered the current crisis now facing its main customer and other several suppliers of the segment and iv) has the physical structure, with good positioning in terms of product and services offer, which keeps Lupatech in unique position to meet the demands of its customers.
Sparing no efforts, we remained committed to completing the restructuring of Lupatech, relentlessly pursuing financial stability, in particular with regard to the Company's working capital. The Company also has alternatives to conclude certain demobilizations of non-core assets, as well as the possibility to attracting new investors to its assets.

As for the results obtained for the period of three months ended in March 31,2015, the operations were seriously affected by the crisis scenario in the Oil&Gas segment and, consequently, by the Company's cash constraints, reaching adjusted EBITDA in the 1Q15 negative of R$ 4,1 million that consumed the positive EBITDA accumulated in previous quarters.

We thank all our shareholders, suppliers, creditors, customers and employees for their partnership and support given to the Company during these challenging times.

Nova Odessa, May 15, 2015

The Management

Financial and Economic Performance

Net Revenue

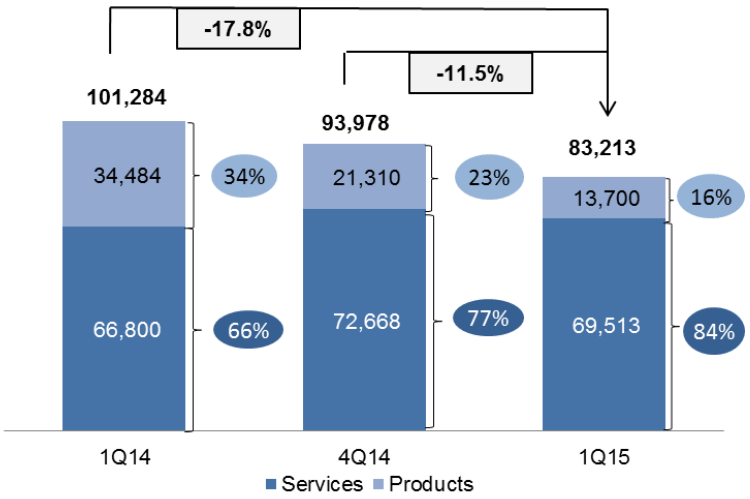
Net Revenue (R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Products	**34,484**	**13,700**	**-60.3%**	**21,310**	**13,700**	**-35.7%**
Oil&Gas Valves	10,530	3,072	-70.8%	6,081	3,072	-49.5%
Industrial Valves	6,193	3,261	-47.3%	4,715	3,261	-30.8%
Anchoring Ropes	15,994	6,724	-58.0%	8,347	6,724	-19.4%
Others Products	1,767	643	-63.6%	2,167	643	-70.3%
Services	**66,800**	**69,513**	**4.1%**	**72,668**	**69,513**	**-4.3%**
Oilfield Services Brazil	42,226	39,804	-5.7%	36,201	39,804	10.0%
Oilfield Services Colombia	19,240	21,666	12.6%	33,706	21,666	-35.7%
Tubular Services & Coating	5,334	8,043	50.8%	2,761	8,043	191.3%
Total	**101,284**	**83,213**	**-17.8%**	**93,978**	**83,213**	**-11.5%**

The Consolidated Net Revenue in the 1Q15 reached R$ 83.2 million, versus R$ 94.0 million in the 4Q14 and R$ 101.3 million in the 1Q14, a reduction of 11.5% and 17.8%, respectively.
The performance of Products Segment was primarily responsible for reduction in the Net Consolidated Revenue in both comparative periods mentioned above. The Oil&Gas Valves and Anchoring Ropes divisions were the most affected by cash constraints, staying well below their real potential and having part of their operations paralyzed during the quarter by lack of resources. Thus, these divisions showed net revenue reductions that, combined, represent 60.9% of total revenue decrease in the Products Segment in the 1Q15 compared to the 4Q14 and 80.5% of total revenue decrease in the 1TQ5 compared to the 1Q14 in the same Segment.

The Services Segment presented a reduction of 4.3% in net revenue in the 1Q15 compared to the 4Q14, from R$ 72.7 million in the 4Q14 to R$ 69.5 million in the 1Q15. Although the divisions Oilfield Services Brazil and Tubular Services & Coating have presented significant growth in the period due to the performance of Well Services projects and on Flexible Tubing and Hydraulic Key operations, they were not enough to compensate the reduction in net revenue of Colombia operations that were affected by the decrease of two production facilities due to the oil price.

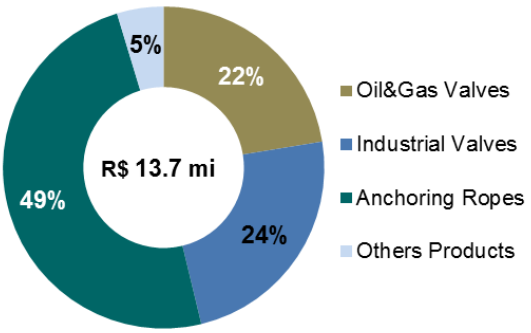
Compared to the 1Q14, the net revenue of the Services Segment increase 4.1%, from R$ 66.8 million in the 1Q14 to R$ 69.5 million in the 1Q15, primarily due to the performance of Tubular Services & Coating division.

Net Operating Revenue (R$ thd)

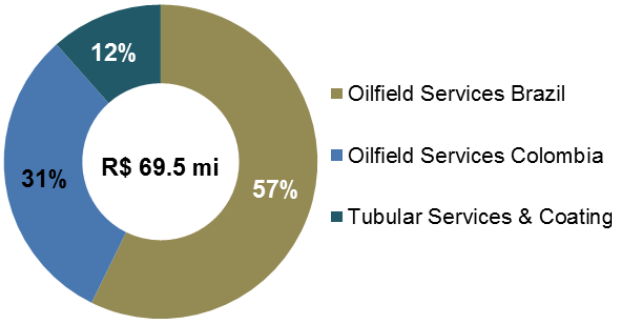


Revenue Distribution – 1Q15

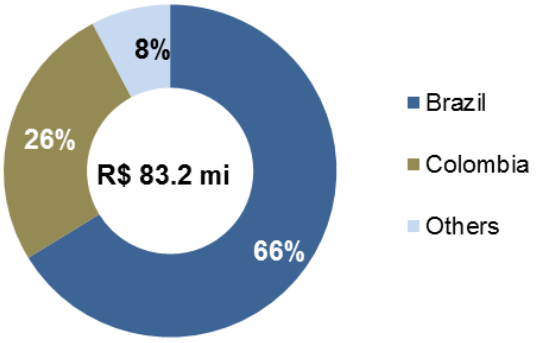
Products



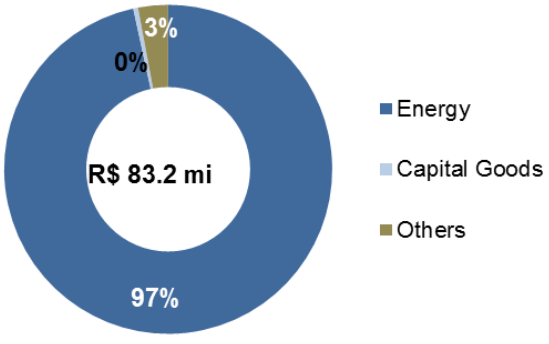
Services



By Region



By Industrial Sector



The difficulty in obtaining greater availability of resources for implementation in investments and acquisition of inputs significantly limited the potential for utilization of the plant's capacity and services provision, which generated longer delivery Backlog, with negative impacts on the generation of the Group Net Revenue.

As a result, our backlog of firm orders on March 31 amounted to R$ 0.6 billion. The conversion of this backlog is concentrated in the long term (over 1 year) and it depends of the realization of investments in Services Segment. This amount represents the balance provided in signed contracts, even without warranty of consumption, discounting the amounts already billed.

Costs on Goods Sold – COGS

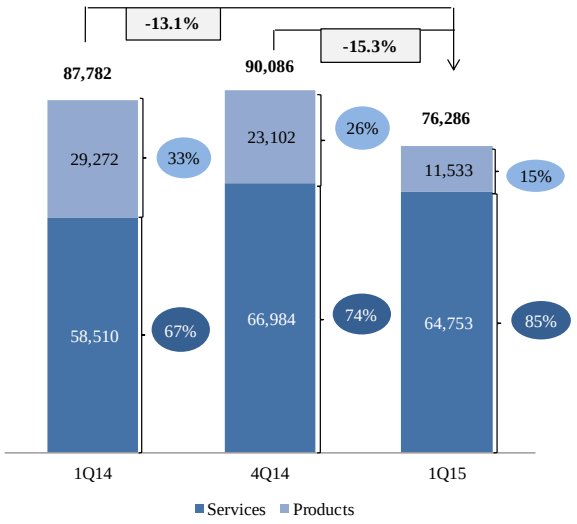
COGS (R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Products	29,272	11,533	-60.6%	23,102	11,533	-50.1%
Services	58,510	64,753	10.7%	66,984	64,753	-3.3%
Total	**87,782**	**76,286**	**-13.1%**	**90,086**	**76,286**	**-15.3%**

The Consolidated Costs on Goods Sold (COGS) in the 1Q15 decreased 15.3% compared to the 4Q14, reaching R$ 76.3 million versus R$ 90.1 million.

This reduction was higher than the decreased of 11.5% recorded on Consolidated Net Revenue especially due to reduction in costs with inventory adjustments in the amount of R$ 3.5 million that burdening COGS in Products Segment in the 4Q14.

Compared to the 1Q14, there was decrease of 13.1% in the Consolidated COGS in the 1Q15. This decreased was lower than reduction in Net Revenue of 17.8% in the same period primarily due to increase on import costs in the system of temporary admission of Services Segment in the 1Q15, in the amount of R$ 3.0 million.

COGS (R$ thd)



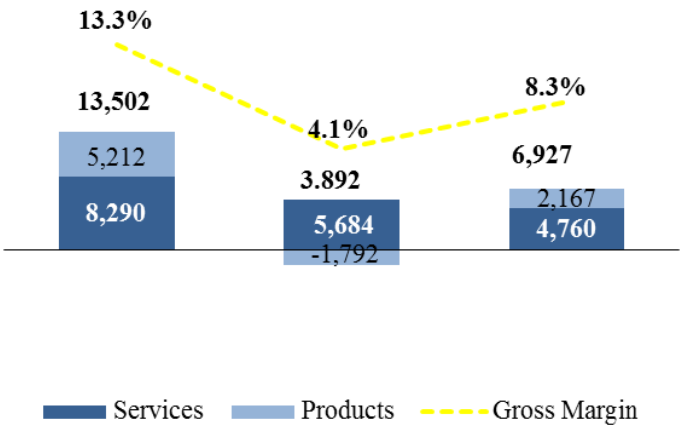
Gross Profit and Gross Margin

Gross Profit (R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Products	**5,212**	**2,167**	**-58.4%**	**-1,792**	**2,167**	**n/a**
Gross Margin - Products	15.1%	15.8%	0.7 p.p.	-8.4%	15.8%	24.2 p.p.
Services	**8,290**	**4,760**	**-42.6%**	**5,684**	**4,760**	**-16.3%**
Gross Margin - Services	12.4%	6.8%	-5.6 p.p.	7.8%	6.8%	-1.0 p.p.
Total	**13,502**	**6,927**	**-48.7%**	**3,892**	**6,927**	**78.0%**
Gross Margin - Total	13.3%	8.3%	-5.0 p.p.	4.1%	8.3%	4.2 p.p.

The Gross Profit in the 1Q15 reached R$ 6.9 million compared to R$ 3.9 million in the 4Q14, an increase of 78.0%, primarily due to costs with inventory adjustments occurred in the Products Segment in the 4Q14, as mentioned earlier. On the other hand, compared to the 1Q14, the Gross Profit reduced 48.7%, from R$ 13.5 million in the 1Q14 to R$ 6.9 million in the 1Q15, especially due to the reduction in Net Revenue of Products Segment by cash constraints and due to the increase on import costs in the Services Segment.

The Gross Margin of Products Segment increased from -8.4% in the 4Q14 to 15.8% in the 1Q15 as mainly consequence of improvement in the margin of Oil&Gas Valves and Anchoring Ropes divisions due to non-occurrence of significant inventory adjustments in the 1Q15, unlike what occurred in the 4Q14. Compared to the 1Q14, the Gross Margin of Products Segment increased 0.7 percentage points, from 15.1% in the 1Q14 to 15.8% in the 1Q15. This growth is especially due to reduction in personnel costs in the amount of R$ 1.1 million which mainly impacted the Oil&Gas Valves division.

Gross Profit (R$ thd) and Gross Margin (%)



The Gross Margin of Services Segment decreased 5.6 percentage points in the 1Q15 compared to the 1Q14, from 12.4% in the 1Q14 to 6.8% no 1Q15, mainly due to the increase in personnel costs impacted by termination in the Oilfield Services Brazil in the 1Q15 in the amount of R$ 0.6 million. Although the operations of Tubular Services&Coating had presented improvements of performance in the quarter, the Gross Margin of Services Segment reduced 1.0 percentage point in the 1Q15 compared to the 4Q14, primarily affected by decrease in Colombia operations, as mentioned before.

Expenses

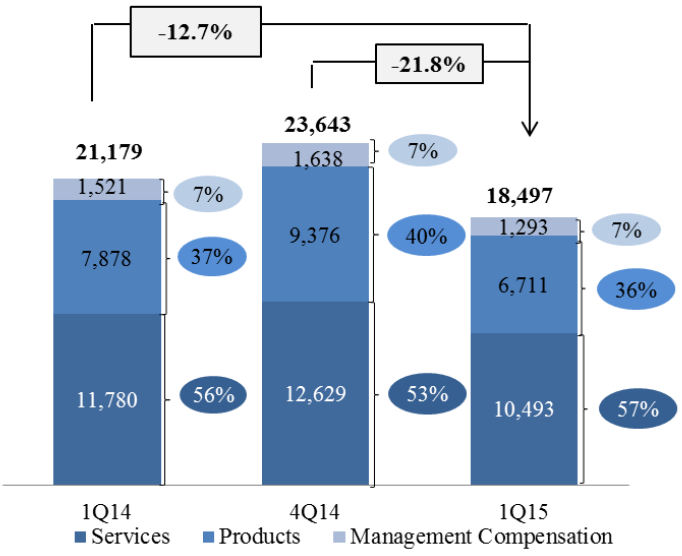
(R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Total Sales Expenses	5,605	4,458	-20.5%	8,040	4,458	-44.6%
Total Administrative Expenses	14,053	12,746	-9.3%	13,965	12,746	-8.7%
Products	**7,878**	**6,711**	**-14.8%**	**9,376**	**6,711**	**-28.4%**
Total Sales Expenses - Products	3,459	2,864	-17.2%	5,198	2,864	-44.9%
Total Administrative Expenses - Products	4,419	3,847	-12.9%	4,178	3,847	-7.9%
Services	**11,780**	**10,493**	**-10.9%**	**12,629**	**10,493**	**-16.9%**
Total Sales Expenses - Services	2,146	1,594	-25.7%	2,842	1,594	-43.9%
Total Administrative Expenses - Services	9,634	8,899	-7.6%	9,787	8,899	-9.1%
Total Sales and Administratives	**19,658**	**17,204**	**-12.5%**	**22,005**	**17,204**	**-21.8%**
Management Compensation	1,521	1,293	-15.0%	1,638	1,293	-21.1%
Total Sales, Administratives and Management Compensation	**21,179**	**18,497**	**-12.7%**	**23,643**	**18,497**	**-21.8%**

The Consolidated Sales and Administrative Expenses and the Management Salary presented reduction of 21.8% in the 1Q15 reaching R$ 18.5 million versus R$ 23.6 million in the 4Q14, and reduction of 12.7% compared to the 1Q14 that reached R$ 21.2 million.

The Sales Expenses decreased both compared to the 1Q14 as compared to the 4Q14, from R$ 5.6 million in the 1Q14 and from R$ 8.0 million in the 4Q14 to R$ 4.5 million in the 1Q15, a reduction of 20.5% and 44.6%, respectively. This reduction primarily occurred due to decrease in expenses of fines with customers in both segments, decrease of provision for doubtful accounts in the Services Segment and reduction of commissions in the Products Segment due to decrease in Net Revenue.

Similarly, there was reduction in Administrative Expenses in both comparative period, from R$ 14.1 million in the 1Q14 and R$ 14.0 million in the 4Q14 to R$ 12.7 million in the 1Q15, a decrease of 9.3% and 8.7%, respectively. The main factor of reduction in both periods was the decrease of personnel and charges expenses as part of Company's restructuring process.

Operating Expenses (R$ thd)



The Management Compensation presented reduction of 15.0% in the 1Q15 compared to the 1Q14, from R$ 1.5 million in the 1Q14 to R$ 1.3 million in the 1Q15. Also presented a decrease of 21.1% in the 1Q15 when compared to the 4Q14, from R$ 1.6 million in the 4Q14 to R$ 1.3 million in the 1Q15.

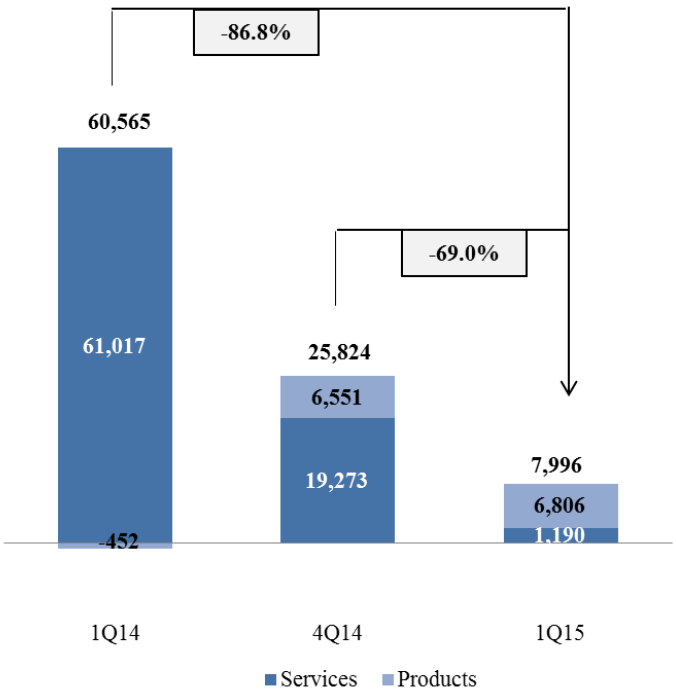
Other Operating (Revenues) and Expenses

Other Expenses (Income) (R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Products	-452	6,806	n/a	6,551	6,806	3.9%
Services	61,017	1,190	-98.0%	19,273	1,190	-93.8%
Total	**60,565**	**7,996**	**-86.8%**	**25,824**	**7,996**	**-69.0%**

The Other Operating Expenses reduced 69.0% in the 1Q15 compared to the 4Q14, totaling R$ 8.0 million against R$ 25.8 million in the 4Q14 and they are primarily related to the following factors: (i) revenue on the disposal and sale of fixed assets of R$ 0.3 million (R$ 10.5 million of expenses in the 4Q14); (ii) provision for loss of lawsuit of R$ 0.9 million (R$ 10.0 million of expenses in the 4Q14) and (iii) cost of idle production of R$ 7.3 million (R$ 6.0 million in the 4Q14).

Compared to the 1Q14, the Other Operating Expenses reduced 86.8%, from R$ 60.6 million in the 1Q14 to R$ 8.0 million in the 1Q15. The main factors that impacted this reduction are related to the recognition of provision for fines with customers in the amount of R$ 47.7 million in the 1Q14 not occurred in the 1Q15, as well as losses on disposal and sale of fixed assets in the amount of R$ 8.3 million in the 1Q14.

Other Operating Expenses (R$ thd)



Financial Result

Financial Result (R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Interest Income	192	199	3.6%	337	199	-40.9%
Monetary Variation	318	172	-45.9%	510	172	-66.3%
Adjustment to Present Value	-	-	n/a	412	0	n/a
Interest on Receivables	537	303	-43.6%	303	303	0.0%
Others	651	104	-84.0%	1,134	104	-90.8%
Financial Revenue*	**1,698**	**778**	**-54.2%**	**2,696**	**778**	**-71.1%**
Interest Expense	-43,897	-6,796	-84.5%	-9,611	-6,796	-29.3%
Embedded Derivatives - Debentures	-3,303	-	n/a	-	-	n/a
Losses on Fair Value	-	-	n/a	-3,404	-	n/a
Provision for Interest on Suppliers	-	-567	n/a	-9,495	-567	-94.0%
Banking Expenses, Taxes and Others	-4,977	-3,357	-32.6%	-3,139	-3,357	6.9%
Financial Expense*	**-52,177**	**-10,720**	**-79.5%**	**-25,649**	**-10,720**	**-58.2%**
Net Financial Result*	**-50,479**	**-9,942**	**-80.3%**	**-22,953**	**-9,942**	**-56.7%**
Exchange Variance Revenue	47,712	151,904	218.4%	64,278	151,904	136.3%
Exchange Variance Expense	-23,616	-179,194	658.8%	-70,863	-179,194	152.9%
Net Exchange Variance	**24,096**	**-27,290**	**n/a**	**-6,585**	**-27,290**	**314.4%**
Net Financial Result - Total	**-26,383**	**-37,232**	**41.1%**	**-29,538**	**-37,232**	**26.0%**

* Excluding Exchange Variance

The Total Financial Income (excluding Exchange Variance) in the 1Q15 reached R$ 0.8 million versus R$ 2.7 million in the 4Q14 and R$ 1.7 million in the 1Q14, a reduction of 71.1% and 54.2%, respectively, primarily due to reduction of the following financial incomes: (i) interest on escrow deposits in both comparative periods; (ii) interest on receivables in comparison with 1Q14 and (iii) revenue of adjustment to present value in comparison with 4Q14.

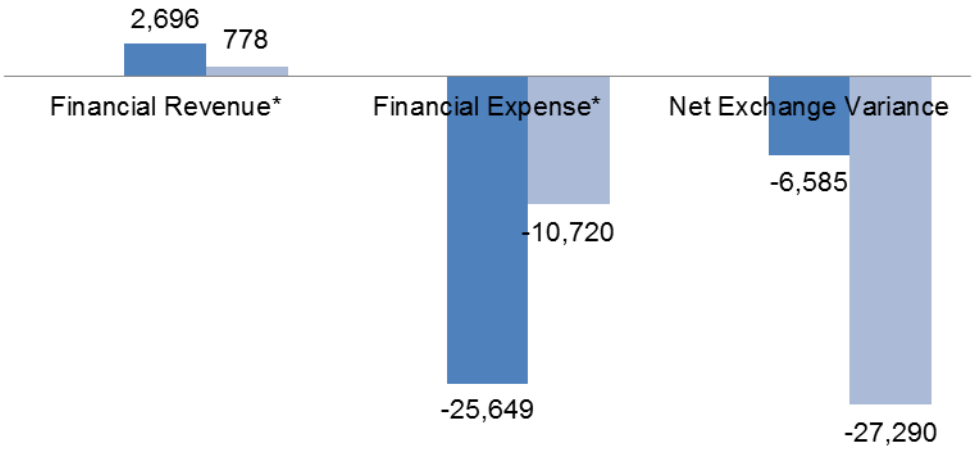
The Total Financial Expense (excluding Exchange Variance) reduced 58.2% in the 1Q15 compared to the 4Q14 reaching R$ 10.7 million versus R$ 25.6 million in the 4Q14 primarily due to reduction of expenses with losses on fair value and provision of interest on late payment of securities suppliers.

Compared to the 1Q14, the Total Financial Expense (excluding Exchange Variance) decreased 79.5%, reaching R$ 10.7 million versus R$ 52.2 million in the 1Q14 primarily due to the losses with embedded derivative of debentures recorded in the 1Q14 and non-recurring in the 1Q15, as well as by reduction of expenses with interests on financial debts, bonds and debentures, as result of Company's debt decrease finalized in the third quarter 2015.

The Net Exchange Variance in the 1Q15 resulted in expense of R$ 27.3 million versus an expense of R$ 6.6 million in the 4TQ4 and an income of R$ 24.1 million in the 1Q14 affected by valuation of 20.8% in U.S. dollar against Brazilian Real in the 1Q15 versus a valuation of 8.4% in U.S. dollar in the 4Q14 and a devaluation of 3.4% in the 1Q14.

Primarily due to the Net Exchange Variance effect, the Total Net Financial Result in the 1Q15 resulted in expense and increased 26.0% when compared to the 4Q14, totaling R$ 37.2 million versus R$ 29.5 million in the 4Q14. Compared to the 1Q14, the Net Financial Result also presented an increase in expense and totaled R$ 37.2 million versus R$ 26.4 million in the 1Q14, higher in 41.1%.

Financial Result Breakdown (R$ thd)



* Excluding Exchange Variance

Adjusted EBITDA from Continuing Operations[1]

The Consolidated Adjusted EBITDA from Continuing Operations was negative in R$ 4.1 million in the 1Q15, versus negative result of R$ 8.9 million in the 4Q14. The EBITDA Margin in the 1Q15 was negative of 5.0% with variation of 4.4 percentage points compared to the presented in the 4Q14, negative of 9.4%.

Adjusted EBITDA (R$ thd)	1Q14	1Q15	Chg. R$	Chg. %	4Q14	1Q15	Chg. R$	Chg. %
Products	**- 636**	**- 7,869**	**- 7,233**	**1137.2%**	**- 13,162**	**- 7,869**	**5,293**	**-40.2%**
Margin	-1.8%	-57.4%		-55.6 p.p.	-61.8%	-57.4%	-	4.4 p.p.
Services	**5,975**	**3,749**	**- 2,226**	**-37.2%**	**4,291**	**3,749**	**-542**	**-12.6%**
Margin	8.9%	5.4%		-3.5 p.p.	5.9%	5.4%	-	-0.5 p.p.
Total	**5,339**	**- 4,119**	**- 9,458**	**n/a**	**- 8,871**	**- 4,119**	**4,751**	**-53.6%**
Margin	5.3%	-5.0%		-10.3 p.p.	-9.4%	-5.0%	-	4.4 p.p.
% Products	-12%	191%			148%	191%		
% Services	112%	-91%			-48%	-91%		

The reduction of negative Consolidated Adjusted EBITDA in the 1Q15 was primarily consequence of recovery of Gross Margin in the Products Segment due to non-occurrence of inventory adjustments that burdened 4Q14 in the amount of R$ 3.5 million, besides the

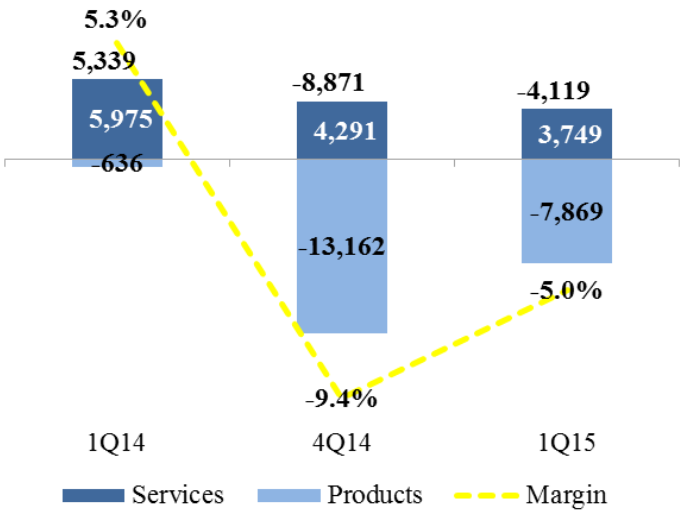
[1] *EBITDA from continuing operations is calculated as the net income (loss) before income tax and social contribution, financial income (expense), Equity Pick-up Result and depreciation and amortization. The Adjusted EBITDA from continuing operations reflects the EBITDA from continuing operations, adjusted to exclude the expenses with employees and management participation in the profits and results, provisions for inventory losses, net result on sold assets, provisions for lawsuits, provisions for fines with customers and expenses related to the Company's restructuring process. EBITDA is not a measure used in Brazilian accounting practices and does not represent cash flow for the periods under review. It should not be considered as an alternative for net income, as an indicator of operational performance or as an alternative for cash flow in the form of an indicator of liquidity. EBITDA does not have a standardized meaning and the Company's definition of EBITDA may not be comparable with the EBITDA or adjusted EBITDA of other companies. While in accordance with accounting practices used in Brazil EBITDA does not provide a measure of operational cash flow, management uses it to measure operational performance. In addition, the Company understands that certain investors and financial analysts use EBITDA as an indicator of the operational performance of a company and/or its cash flow. The EBITDA reconciliation as calculated by the Company can be found in Attachment II of this report.*

reduction in sales and administrative expenses resulting from improvements made by operational restructuring.

Adjusted Ebitda Reconciliation (R$ thd)	1Q14	4Q14	1Q15
Gross Profit	13,502	3,892	6,927
SG&A	-19,658	-22,005	-17,204
Management Compensation	-1,521	-1,638	-1,293
Depreciation and Amortization	12,629	12,535	12,392
Operational Revenues/Expenses	-60,565	-25,824	-7,996
Ebitda from Continuing Operations	**-55,613**	**-33,040**	**-7,174**
Provision for Variable Compensation	210	757	-21
Provision for Losses, Impairment and Net Profit/Loss on Disposal of Assets	11,171	19,018	934
Fines with Customers	47,685	3,436	1,352
Restructuring Process	1,886	958	789
Adjusted EBITDA from Continuing Operations	**5,339**	**-8,871**	**-4,119**

The Consolidated Adjusted EBITDA from Continuing Operations in the 1Q15 compared to the 1Q14 reduced from R$ 5.3 million positive in the 1Q14 to R$ 4.1 million negative in the 1Q14. The Consolidated Adjusted EBITDA Margin reduced 10.3 percentage points, from 5.3% in the 1Q14 to -5.0% in the 1Q15. This reduction was primarily result of decrease in net revenue of Products Segment by cash constraints, by increase in import costs in the Services Segment and by the costs of idle production in the amount of R$ 7.3 million that impacted 1Q15, but was not occurred in a relevant way in the 1Q14.

Adjusted EBITDA (R$ thd)



The cash constraints continue impacting Company's EBITDA, plus extraordinary expenses due to Company's restructuring process. Below, a reconciliation of Adjusted EBITDA from continuing operations of 1Q15, by Segment:

	1Q15		
Adjusted Ebitda Reconciliation (R$ thd)	**Products**	**Services**	**Total**
Gross Profit	2,167	4,760	6,927
SG&A	-6,711	-10,493	-17,204
Management Compensation	-219	-1,074	-1,293
Depreciation and Amortization	2,239	10,153	12,392
Operational Revenues/Expenses	-6,806	-1,190	-7,996
Ebitda from Continuing Operations	**-9,330**	**2,156**	**-7,174**
Provision for Variable Compensation	0	-21	-21
Provision for Losses, Impairment and Net Profit/Loss on Disposal of Assets	288	647	934
Fines with Customers	1,001	351	1,352
Restructuring Process	173	616	789
Adjusted EBITDA from Continuing Operations	**-7,869**	**3,749**	**-4,119**

Non-recurring expenses that totaled R$ 0.9 million are primarily related to the record of provisions for loss of lawsuits.

Net Result

Net Result (R$ thd)	1Q14	1Q15	Chg. %	4Q14	1Q15	Chg. %
Result Before Income Tax and Social Contribution	-102,236	-56,798	-44.4%	-76,540	-56,798	-25.8%
Income Tax and Social Contribution - Current	-368	-612	66.3%	-1,566	-612	-60.9%
Income Tax and Social Contribution - Deferred	890	689	-22.6%	534	689	29.0%
Result of Discontinued Operation	6,719	-22,054	-428.2%	-94,779	-22,054	-76.7%
Net Result	**-94,995**	**-78,775**	**-17.1%**	**-172,351**	**-78,775**	**-54.3%**
Net Result per 1000 Shares	-0.60	-0.50	-16.8%	-1.10	-0.50	-54.3%

The Net Result in the 1Q15 was a loss of R$ 78.8 million, compared to a loss of R$ 172.3 million in the 4Q14. The main extraordinary events that contributed for that performance in the 1Q15 were: (i) R$ 22.0 million of expenses with low of investment in Jefferson units; (ii) R$ 1.3 million of expenses with provisions for fines with customers; (iii) R$ 1.7 million of litigation and restructuring expenses and (iv) R$ 7.3 million in costs of idle production. Were it not for these extraordinary events, the accumulated result in the 1Q15 would be a loss of R$ 46.5 million. The 4Q14 was impacted by the recognition of R$ 23.3 million of loss by non-recoverability of goodwill on acquisition of Argentina's units; R$ 73.4 million of expenses with the loss of investment in Argentina and R$ 10.5 million of losses on the disposal and sale of fixed assets.

Compared to the 1Q14, the Consolidated Net Result presented reduction of 17.1% in the loss, from R$ 95.0 million in the 1Q14 to R$ 78.8 million in the 1Q15. The result of 1Q14 was primarily influenced by the recognition of fines with customers in the amount of R$ 47.7 million.

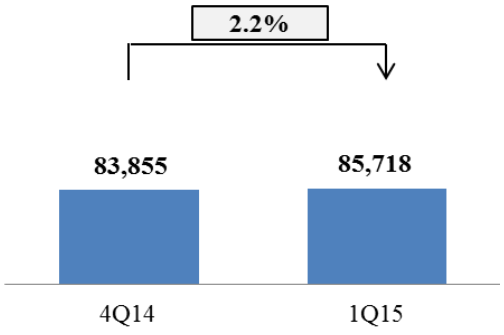
Working Capital

Working Capital (R$ thd)	4Q14	1Q15	Chg. %	Chg. R$
Accounts Receivable	115,483	119,012	3.1%	3,529
Inventories	69,644	66,795	-4.1%	-2,849
Accounts Payable	98,389	97,822	-0.6%	-567
Advances from Clients	2,883	2,267	-21.4%	-616
Employed Working Capital	**83,855**	**85,718**	**2.2%**	**1,863**
Employed Working Capital Variance	- 45,263	1,863		
% Working Capital/Net Revenues*	21.8%	23.4%		

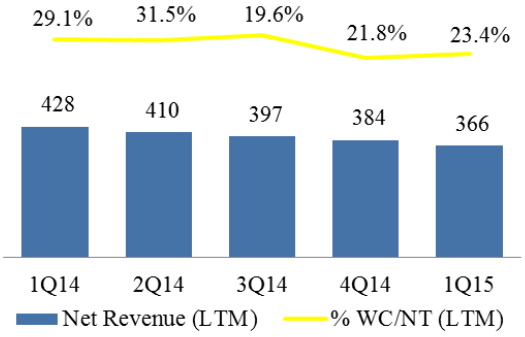
**LTM: last 12 months*

The rate of Working Capital Needs upon accumulated Net Revenue (12 months) in the 1Q15 reached 23.4%, an increase of 1.6 percentage points when compared to the rate of 4Q14.

Working Capital (R$ thd)



Net Revenue vs. Working Capital (R$ thd)

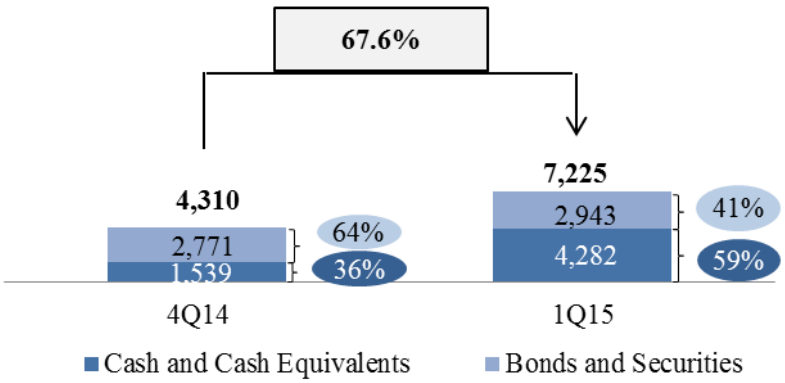


The increase of R$ 1.9 million in Employed Working Capital in the 1Q15 compared to the 4Q14 is primarily result of growth in receivables of Oilfield Services Brazil and Colombia divisions.

Cash and Cash Equivalents

The consolidated position in Company's Cash and Cash Equivalents in the 1Q15 reached R$ 7.2 million, an increase of R$ 2.9 million, or 67.6%, compared to the 4Q14.

Cash and Cash Equivalents Balances (R$ thd)



The difficulty in obtaining resources for investments and raw material acquisition limits of an important way the capability of operating cash flow of Lupatech, reflecting in a lower capacity of industrial units and lower capacity of provide services, having as consequence the higher delivery of Backlog.

Debt

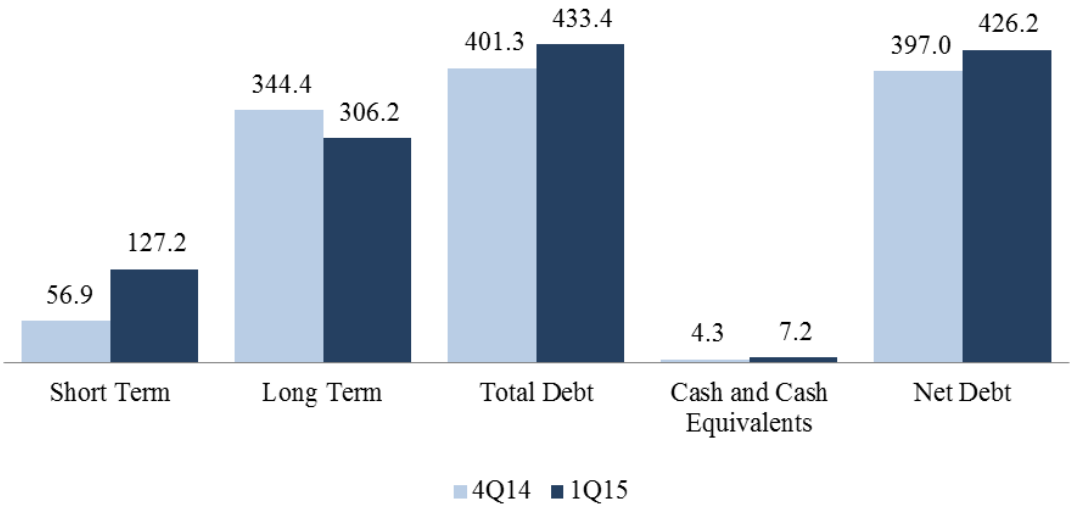
Lupatech's Gross Debt ended the quarter in R$ 433.4 million, 8.0% higher than reported in the 4Q14.

Debt (R$ thd)	4Q14	1Q15	Chg. %	Chg. R$
Short Term	**56,884**	**127,219**	**123.6%**	**70,335**
Financing Lines	56,884	127,219	123.6%	70,335
Long Term	**344,425**	**306,226**	**-11.1%**	**- 38,199**
Financing Lines	144,742	78,269	-45.9%	- 66,473
Debentures	71,715	72,254	0.8%	539
Bonds	127,968	155,703	21.7%	27,735
Total Debt	**401,309**	**433,445**	**8.0%**	**32,136**
Cash and Cash Equivalents	4,310	7,225	67.6%	2,915
Net Debt	**396,999**	**426,220**	**7.4%**	**29,221**

This increase is primarily consequence of exchange variance upon bonds due to the valuation of 20.8% in U.S. dollar against Brazilian Real in the 1Q15.

Combined Cash and Cash Equivalents, the Company's Net Debt ended the quarter in R$ 426.2 million, an increase of 7.4% against the amount in the 4Q14.

Debt Breakdown (R$ million)



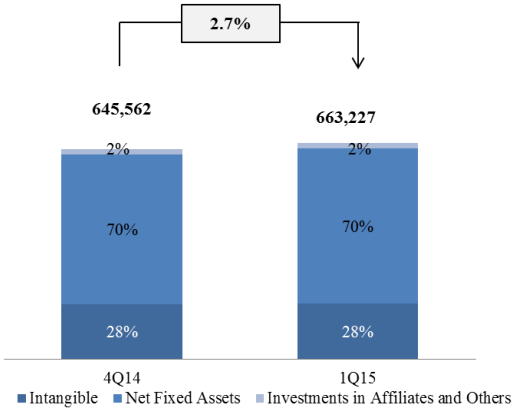
Investment Balances

Lupatech's Investment Balances in the quarter totaled R$ 663.2 million, a growth of 2.7% compared to the R$ 645.6 million presented in the 4Q14.

Investments (R$ thd)	4Q14	1Q15	Chg. %	Chg. R$
Investments in Affiliates and Others	15,960	15,960	0.0%	0
Net Fixed Assets	449,950	465,422	3.4%	15,472
Intangible	179,652	181,845	1.2%	2,193
Total	**645,562**	**663,227**	**2.7%**	**17,665**

The Fixed Assets, with a growth of R$ 15.5 million, is the main responsible for 87.6% of total Investments increase, especially due to the recognition of the conversion effect of the financial statements on the fixed assets registered in foreign subsidiaries, which reflect the valuation of 20.8% of U.S. dollar against Brazilian Real in the 1Q15.

Investment Balances (R$ thd)



Capex was R$ 2.9 million in the 1Q15 invested, in principal, in the Services Segment units. Capex has been applied in investments needed to improve production efficiency and execute Company's Backlog, however the amount applied is still significantly lower than that required.

Attachments

Attachment I – Consolidated Income Statement (R$ thd)

	1Q14	1Q15	% Change
Net Sales of Goods and Services	101,284	83,213	-18%
Cost of Goods and Services Sold	(87,782)	(76,286)	-13%
Gross Profit	13,502	6,927	-49%
Operating Revenues/Expenses	(89,355)	(26,493)	-70%
Sales	(5,605)	(4,458)	-20%
General and Administrative	(14,053)	(12,746)	-9%
Management Compensation	(1,521)	(1,293)	-15%
Equity Pick-up	(7,611)	-	n/a
Other Operation Income (Expenses)	(60,565)	(7,996)	-87%
Net Financial Result	(26,383)	(37,232)	41%
Financial Income	1,698	778	-54%
Financial Expenses	(52,177)	(10,720)	-79%
Net Exchange Variance	24,096	(27,290)	n/a
Earnings Before Income Tax and Social Contribution	(102,236)	(56,798)	-44%
Income Tax and Social Contribution - Current	(368)	(612)	66%
Income Tax and Social Contribution - Deferred	890	689	-23%
Loss from Discontinued Operations	6,719	(22,054)	n/a
Net Loss for the Period	(94,995)	(78,775)	-17%

Attachment II – Reconciliation of Adjusted EBITDA from Continuing Operations (R$ thd)

	1Q14	1Q15	
Adjusted EBITDA from Continuing Operations	5,339	(4,119)	n/a
Provision for Variable Remuneration	(210)	21	n/a
Reestructuring Process	(1,886)	(789)	-58%
Provision for Losses, Impairment and Net Result on Disposal of Assets	(11,171)	(934)	-92%
Fines with Costumers	(47,685)	(1,352)	-97%
EBITDA from Continuing Operations	(55,613)	(7,174)	-87%
Depreciation and Amortization	(12,629)	(12,392)	-2%
Equity Pick-up Result	(7,611)	-	n/a
Net Financial Result	(26,383)	(37,232)	41%
Income Tax and Social Contribution - Current and Deferred	522	77	-85%
Result from Discontinued Operations	6,719	(22,054)	n/a
Net Loss from Continuing and Discontinued Operations	(94,995)	(78,775)	-17%

Attachment III – Consolidated Balance Sheet (R$ thd)

	4Q14	1Q15	% Change
Total Asset	**1,022,629**	**1,025,222**	**0%**
Current Assets	**277,799**	**256,388**	**-8%**
Cash and Cash Equivalents	1,539	4,282	178%
Securities-restricted	2,771	2,943	6%
Accounts Receivable	115,483	119,012	3%
Inventories	69,644	66,795	-4%
Recoverable Taxes	24,686	27,170	10%
Other Accounts Receivable	5,145	6,119	19%
Antecipated Expenses	10,970	7,784	-29%
Advances to Suppliers	25,139	22,283	-11%
Assets held for sale	22,422	-	-100%
Non-Current Assets	**744,830**	**768,834**	**3%**
Securities	4,500	4,500	0%
Judicial Deposits	25,295	25,204	0%
Recoverable Taxes	47,452	46,635	-2%
Deferred Income Tax and Social Contribution	489	1,062	117%
Other Accounts Receivable	21,532	28,206	31%
Investments	15,960	15,960	0%
Fixed Assets	449,950	465,422	3%
Intangible	179,652	181,845	1%
Total Liabilities and Shareholders´Equity	**1,022,629**	**1,025,222**	**0%**
Current Liabilities	**296,031**	**370,280**	**25%**
Accounts Payable	98,389	97,822	-1%
Loans and Financings	56,884	127,219	124%
Salaries, Provisions and Social Contribution	29,479	30,932	5%
Commissions Payable	3,182	3,319	4%
Taxes Payable	57,652	55,297	-4%
Advances from Clients	2,883	2,267	-21%
Participations in the Result	655	-	n/a
Other Obligations	20,101	25,490	27%
Provision Contractual Fines	20,721	27,934	35%
Liabilities held for sale	6,085	-	-100%
Non-Current Liabilities	**631,240**	**582,939**	**-8%**
Loans and Financings	144,742	78,269	-46%
Debentures	71,715	72,254	1%
Bonds	127,968	155,703	22%
Taxes Payable	6,443	5,629	-13%
Deferred Income Tax and Social Contribution	33,780	33,179	-2%
Povision for Taxes, Labor and Civil Risks	107,948	109,223	1%
Other Obligations	6,453	7,570	17%
Provision Contractual Fines	112,399	101,320	-10%
Provision for Negative Equity in Subsidiaries	19,792	19,792	0%
Shareholders Equity	**95,358**	**72,003**	**-24%**
Capital Stock	1,853,684	1,853,684	0%
Capital Transaction Reserve	136,183	136,183	0%
Stock Options	13,549	13,549	0%
Equity Evaluation Adjustment	(8,119)	47,301	n/a
Accrued Losses	(1,899,939)	(1,978,714)	4%

Attachment IV – Consolidated Cash Flow (R$ thd)

	1Q14	1Q15	% Change
Cash Flow from Operating Activities			
Net Result for the Period	(94,995)	(78,775)	-17%
Adjustment:			
Depreciation of Fixed Assets	12,989	12,418	-4%
Equity Pick-Up Result	7,611	-	n/a
Result on Sale of Fixed Assets	12,995	(331)	n/a
Loss (Gain) on Disposal of Investments	-	21,879	n/a
Financial Charges and Exchange Variation on Financing and Debentures	20,674	33,584	62%
Income Tax and Social Contribution - Deferred	(878)	(531)	-40%
Losses on Inventory Obsolescence	1,734	2	-100%
Provision of Contractual Fines	49,550	1,352	-97%
Allowance for Doubtful Accounts	526	733	39%
Changes in Assets & Liabilities			
(Increase) Decrease in Accounts Receivable	(7,598)	5,657	n/a
(Increase) Decrease in Inventories	(3,894)	3,532	n/a
(Increase) Decrease in Recoverable Taxes	11,257	(882)	n/a
(Increase) Decrease in Other Assets	16,074	(4,914)	n/a
(Increase) Decrease in Accounts Payable	(7,493)	1,574	n/a
(Increase) Decrease in Taxes Payable	(9,986)	(372)	-96%
(Increase) Decrease in Others Accounts Payable	(8,559)	(25)	n/a
Net Cash Generated (Invested) in Operating Activities	**7**	**(5,099)**	**n/a**
Cash Flow from Investment Activities			
Payment for Acquisition of Investment	(200)	-	n/a
Securities - Restricted Account	324	27	-92%
Disposal of Discontinued Operations	-	11,922	n/a
Proceeds from Sales of Fixed Assets	3,000	1,703	-43%
Aquisition of Fixed Assets	(3,424)	(2,257)	-34%
Aquisition of Intangible	(720)	(635)	-12%
Net Cash Generated (Invested) in Investment Activities	**(1,020)**	**10,760**	**n/a**
Cash Flow from Financing Activities			
Loans and Financings Contracted	27,226	54,094	99%
Loans and Financings Paid	(32,508)	(56,458)	74%
Interests on Loans and Financings Paid	(2,120)	(2,598)	23%
Net Cash Generated (Invested) in Financing Activities	**(7,402)**	**(4,962)**	**-33%**
Effects of Exchange Variation over Cash and Cash Equivalents of Subsidiaries Abroad	(4)	2	n/a
Net Increase (Decrease) in Cash and Cash Equivalents	**(8,419)**	**701**	**n/a**
At the Beginning of the Period	20,676	3,581	-83%
At the End of the Period	12,257	4,282	-65%

About Lupatech

Lupatech S.A. is one of the main Brazilian suppliers of products and services with high value added with focus in the oil and gas sector. Our businesses are organized in two Segments: Products and Services. The Products Segment offers mainly to the oil and gas sector, anchoring ropes for production platforms, valves, completion tools and gas compressors. The Services Segment offers services as workover, well intervention, coating and inspection of pipes.

This release contains forward-looking statements subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions and information currently available to the Company. Forward-looking statements include information on our intentions, beliefs or current expectations, as well as on those of the Company's Board of Directors and Officers. The reservations as to forward-looking statements and information also include information on possible or presumed operating results, as well as any statements preceded, followed or including words such as "believes", "may", "will", "expects", "intends", "plans", "estimates" or similar expressions. Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur. Future results may differ materially from those expressed or suggested by forward-looking statements. Many of the factors which will determine these results and figures are beyond Lupatech' control or prediction capacity.

THIS IS A FREE TRANSLATION OF THE ORIGINAL TEXT IN PORTUGUESE IN CASE OF DIVERGENCE OF INTERPRETATION, THE PORTUGUESE TEXT WILL PREVAIL

1 - General Date

Date

Company name:	LUPATECH S.A.		
Last change of company name	03/30/1993	**Previous company name:**	Valmicro Indústria e Comércio de Válvulas S.A.
Date of establishment:	08/08/1980	**CNPJ:**	89.463.822/0001-12
CVM Code:	02006-0	**Date of CVM registration:**	05/08/2006
Status of CVM registry:	Active	**Beginning date of status of CVM registration:**	05/08/2006
Country of origin:	Brazil	**Country where securities are held in custody:**	Brazil
Internet page:	www.lupatech.com.br		

Registry

Category of CVM registry:	A	**Registry date of the current category:**	01/01/2010
Emitter situation:	Operational phase	**Date of beginning of situation**	05/08/2006
Type of stocks control:	Private	**Date of last change of stocks control:**	05/15/2006
Date of last change of fiscal year:	08/08/1980	**Fiscal year end:**	31/12

Sector

Activity Sector:	Oil and Gas
Description of activity:	Production of equipment and redering of services for the oil and gas industrial valves and microcasting parts

Newspapers of Disclose

Diario Oficial de São Paulo - SP
Valor Econômico - SP

Foreign Countries

Country:	**Admission date:**
United States	11/16/2009
Luxembourg	07/10/2007

2 - Address

Headquarters:	Rodovia Anhanguera, sentido interior/capital, KM 119 prédio C, Distrito Industrial, Nova Odessa, SP, Brazil, CEP 13.460-000 Telephone: (11) 2134-7000 Fax: (11) 2134-7095 E-mail: ri@lupatech.com.br
Company Mailing Address:	Avenida Maria Coelho Aguiar, 215 Bloco B 5ª andar - Jardim São Luis - São Pulo - SP CEP 05.840-900 Telephone: (11) 2134-7000 / 2134-7088 Fax: (11) 2134-7095 E-mail: ri@lupatech.com.br

3 - Securities

Market:	Stock Exchange
Entity:	BM&FBOVESPA
Negotiation - beginning:	05/15/2006
Segment:	New Market

4 - Auditors Information

Name:	KPMG Auditores Independentes
CVM Code	418-9
Auditor Type:	National
CPF/CNPJ:	57.755.217/0005-52
Technician in Charge:	Cristiano Jardim Seguecio
CPF:	929.772-190-72
Beginning:	01/04/2013

5 - Custodian Agent

Name:	Banco Bradesco S.A.
CPF/CNPJ:	60.746.948/0001-11
Beginning:	04/25/2006
Address:	Cidade de Deus - Prédio Amarelo, Subsolo, Vila Yara, Osasco, SP, Brasil CEP: 06029-900 Telephone: (11) 36849441 Fax: (11) 36843811 E-mail: 4010.acoes@bradesco.com.br

6 - Investor Relations Officer

Contact:	Ricardo Doebelli Diretor de Relações com Investidores
CPF/CNPJ:	612.727.019-72
Beginning:	01/08/2015
Address:	Avenida Maria Coelho Aguiar, 215 Bloco B 5ª andar - Jardim São Luis - São Pulo - SP CEP 05.840-900 Telephone: (11) 2134-7000 Fax: (11) 2134-7095 E-mail: ri@lupatech.com.br

7 - Investor Relations Department

Contact:	Ricardo Doebelli
Beginning:	01/08/2015
Address:	Avenida Maria Coelho Aguiar, 215 Bloco B 5ª andar - Jardim São Luis - São Pulo - SP CEP 05.840-900 Telephone: (11) 2134-7000 Fax: (11) 2134-7095 E-mail: ri@lupatech.com.br

8 - Composição de capital

Numero de ações (unidade)	**03/31/2015**
Do capital integralizado	
Ordinárias	4,696,917,000
Preferenciais	-
Total	4,696,917,000

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Balance Sheet Assets

(In Reais Thousands)

Code	Description	Current Quarter 03/31/2015	Last Year 12/31/2014
1	Total Assets	557,258	556,228
1.01	Current Assets	96,275	112,566
1.01.01	Cash and Cash Equivalents	107	137
1.01.03	Accounts Receivable	51,750	64,741
1.01.03.01	Clients	30,650	43,968
1.01.03.02	Other Accounts Receivable	21,100	20,773
1.01.03.02.02	Other Accounts Receivable - Related Parties	21,100	20,773
1.01.04	Inventories	30,907	31,925
1.01.06	Recoverable Taxes	6,745	6,728
1.01.06.01	Recoverable Current Taxes	6,745	6,728
1.01.07	Prepaid Expenses	1,767	1,549
1.01.08	Other Current Assets	4,999	7,486
1.01.08.02	Assets classified as held for sale	-	1,393
1.01.08.03	Other	4,999	6,093
1.01.08.03.03	Other Accounts Receivable	410	616
1.01.08.03.04	Securities-restricted	2,943	2,771
1.01.08.03.05	Advances to suppliers	1,646	2,706
1.02	Non-Current Assets	460,983	443,662
1.02.01	Long-Term Assets	47,168	43,746
1.02.01.08	Credit with Related Parties	29,755	25,073
1.02.01.08.02	Credit with Subsidiaries	29,755	25,073
1.02.01.09	Other Non-Current Assents	17,413	18,673
1.02.01.09.03	Judicial Deposits	864	1,817
1.02.01.09.04	Recoverable Taxes	6,511	6,996
1.02.01.09.05	Other Accounts Receivable	5,538	5,360
1.02.01.09.06	Securities-restricted	4,500	4,500
1.02.02	Investments	188,121	172,564
1.02.02.01	Investments	188,121	172,564
1.02.02.01.02	Investments in Subsidiaries	172,747	157,190
1.02.02.01.04	Other investments	15,374	15,374
1.02.03	Fixed Assets	93,472	95,253
1.02.03.01	Fixed Assets in Operations	93,219	94,973
1.02.03.03	Fixed Assets in Progress	253	280
1.02.04	Intangible	132,222	132,099
1.02.04.01	Intangible	132,222	132,099
1.02.04.01.02	Software and Other Licenses	3,363	3,527
1.02.04.01.03	New Products Development	13,445	13,158
1.02.04.01.04	Goodwill	115,414	115,414

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Balance Sheet Liabilities

(In Reais Thousands)

Code	Description	Current Quarter 03/31/2015	Last Year 12/31/2014
2	Total Liabilities	557,258	556,228
2.01	Current Liabilities	200,060	154,200
2.01.01	Social and Labor Obligations	10,219	10,896
2.01.01.02	Labor Obligations	10,219	10,896
2.01.02	Suppliers	40,224	39,147
2.01.02.01	Domestic Suppliers	38,021	38,712
2.01.02.02	Export Suppliers	2,203	435
2.01.03	Tax	28,295	31,461
2.01.03.01	Federal Tax	25,949	28,608
2.01.03.01.01	Income Tax and Social Contribution	46	41
2.01.03.01.02	Other Federal Tax	25,903	28,567
2.01.03.02	State Tax	2,181	2,688
2.01.03.03	Municipality Tax	165	165
2.01.04	Loans and Financing	47,843	9,644
2.01.04.01	Loans and Financing	47,843	9,644
2.01.04.01.01	Local Currency	41,131	9,236
2.01.04.01.02	Foreign Currency	6,712	408
2.01.05	Other Liabilities	73,479	63,052
2.01.05.01	Liabilities with Related Parties	50,788	39,168
2.01.05.01.02	Debts with Subsidiaries	50,788	39,168
2.01.05.02	Other	22,691	23,884
2.01.05.02.05	Commissions Payable	3,302	3,152
2.01.05.02.06	Advances from Customers	1,283	1,937
2.01.05.02.09	Other Accounts Payable	12,882	11,989
2.01.05.02.11	Provision Contratual fines	5,224	6,806
2.02	Non-Current Liabilities	285,195	306,670
2.02.01	Loans and Financing	91,472	129,857
2.02.01.01	Loans and Financing	19,218	58,142
2.02.01.01.01	Local Currency	19,218	53,122
2.02.01.01.02	Foreign Currency	-	5,020
2.02.01.02	Debentures	72,254	71,715
2.02.02	Other Liabilities	137,013	101,387
2.02.02.01	Liabilities with Related Parties	132,388	95,781
2.02.02.01.02	Debts with Subsidiaries	132,388	95,781
2.02.02.02	Other	4,625	5,606
2.02.02.02.03	Taxes Payable	3,545	4,526
2.02.02.02.05	Other Accounts Payable	1,080	1,080
2.02.04	Provisions	56,710	75,426
2.02.04.01	Social Security, Tax, Labor and Civil Provisions	5,550	5,239
2.02.04.01.01	Tax Provisions	506	506
2.02.04.01.02	Labor and Social Security Provisions	2,577	2,094
2.02.04.01.04	Civil Provisions	2,467	2,639
2.02.04.02	Other Provisions	51,160	70,187
2.02.04.02.04	Provision for Negative Equity in Subsidiaries	51,160	70,187
2.03	Shareholder's Equity	72,003	95,358
2.03.01	Paid-up Capital	1,853,684	1,853,684
2.03.02	Capital Reserves	149,732	149,732
2.03.02.04	Stock Options	13,549	13,549
2.03.02.07	Capital Transaction Reserve	136,183	136,183
2.03.05	Accumulated Earnings / Losses	(1,978,714)	(1,899,939)
2.03.06	Equity Evaluation Adjustments	47,301	(8,119)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Income

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
3.01	Gross Revenue from Sales and/or Services	12,497	31,732
3.02	Cost of Goods Sold	(10,050)	(27,767)
3.03	Gross Profit	2,447	3,965
3.04	Operating Income/Expenses	(38,453)	(84,536)
3.04.01	Selling	(2,486)	(3,116)
3.04.02	General and Administrative	(4,818)	(5,684)
3.04.04	Other Operating Income	617	3,961
3.04.05	Other Operating Expenses	(6,354)	(4,644)
3.04.06	Equity Pick-up	(25,412)	(75,053)
3.05	Operating Income/Expenses Before Financial Results and Income Tax	(36,006)	(80,571)
3.06	Financial Results	(42,919)	(14,424)
3.06.01	Financial Income	148,521	48,063
3.06.01.01	Financial Income	473	724
3.06.01.02	Gain on Exchange Variance	148,048	47,339
3.06.02	Financial Expenses	(191,440)	(62,487)
3.06.02.01	Financial Expenses	(21,398)	(38,267)
3.06.02.02	Loss on Exchange Variance	(170,042)	(24,220)
3.07	Income Before IncomeTax	(78,925)	(94,995)
3.09	Net Income from Continuing Operations	(78,925)	(94,995)
3.10	Net income from Discontinued Operations	150	-
3.10.01	Income (Loss) from discontinued operations	150	-
3.11	Income/Loss for the Period	(78,775)	(94,995)
3.99.01.01	ON	(0.02)	(0.60)
3.99.02	Diluted Earnings per Share	-	-
3.99.02.01	ON	(0.02)	(0.60)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
4.01	Income/Loss for the Period	(78,775)	(94,995)
4.02	Other Comprehensive Income	55,420	(29,904)
4.02.01	Exchange Variation on Investments Abroad	55,420	(29,904)
4.03	Comprehensive Income of the Period	(23,355)	(124,899)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2015 to 03/31/2015

(In Reais Thousands)

Code	Description	Capital Stock	Capital Reserves, Stock Options and Treasury Shares	Accumulated Profit/Loss	Other Comprehensive Income	Shareholders' Equity
5.01	**Opening Balance**	**1,853,684**	**149,732**	**(1,899,939)**	**(8,119)**	**95,358**
5.03	**Adjusted Balance**	**1,853,684**	**149,732**	**(1,899,939)**	**(8,119)**	**95,358**
5.05	**Comprehensive Income**	**-**	**-**	**(78,775)**	**55,420**	**(23,355)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(78,775)**	**-**	**(78,775)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**55,420**	**55,420**
5.05.02.04	Cumulative Translation Effects	-	-	-	55,420	55,420
5.07	**Ending Balance**	**1,853,684**	**149,732**	**(1,978,714)**	**47,301**	**72,003**

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2014 to 03/31/2014

(In Reais Thousands)

Code	Description	Capital Stock	Capital Reserves, Stock Options and Treasury Shares	Accumulated Profit/Loss	Other Comprehensive Income	Shareholders' Equity
5.01	**Opening Balance**	**742,438**	**13,549**	**(1,268,931)**	**(50,547)**	**(563,491)**
5.03	**Adjusted Balance**	**742,438**	**13,549**	**(1,268,931)**	**(50,547)**	**(563,491)**
5.05	**Comprehensive Income**	**-**	**-**	**(94,995)**	**(29,904)**	**(124,899)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(94,995)**	**-**	**(94,995)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**(29,904)**	**(29,904)**
5.05.02.04	Cumulative Translation Effects	-	-	-	(29,904)	(29,904)
5.07	**Ending Balance**	**742,438**	**13,549**	**(1,363,926)**	**(80,451)**	**(688,390)**

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Finar Individual Financial Statements / Statements of Cash Flow - Indirect Method

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
6.01	**Cash Flow from Operation**	**2,507**	**4,995**
6.01.01	**Cash Flow from Operation**	**(9,782)**	**(4,299)**
6.01.01.01	Net Loss for the Period	(78,775)	(94,995)
6.01.01.02	Depreciation and Amortization	2,285	2,437
6.01.01.03	Loss (Gain) on Sale of Investment	(149)	-
6.01.01.04	Equity Pick-up	25,412	75,053
6.01.01.05	Result on sale of fixed assets	1	(3,095)
6.01.01.06	Financial expenses, net	41,298	13,400
6.01.01.11	Losses on inventory obsolescence	(142)	1,809
6.01.01.12	Provision of contractual fines	-	1,083
6.01.01.13	Allowance for doubtful accounts	288	9
6.01.02	**Change in Assets and Liabilities**	**12,289**	**9,294**
6.01.02.01	Accounts Receivable	12,789	5,304
6.01.02.02	Inventories	1,160	659
6.01.02.03	Recoverable Taxes	468	44
6.01.02.04	Other Assets	1,818	(1,576)
6.01.02.05	Suppliers	1,077	2,512
6.01.02.06	Taxes Payable	(3,139)	1,185
6.01.02.07	Others	(1,884)	1,166
6.02	**Cash Flow from Investing Activities**	**(3,685)**	**(38,522)**
6.02.01	Paid-in Capital and Subsidiaries Payments for purchase of investments	(2,273)	(40,800)
6.02.02	Acquisition of Fixed Assets	(9)	(48)
6.02.03	Acquisition to Intangibles	(642)	(484)
6.02.04	Proceeds from the sale of fixed assets	2	3,000
6.02.05	Payment for acquisition of investment	-	(200)
6.02.06	Securities-restricted	1	10
6.02.07	Disposal of discontinued operations net of cash	(764)	-
6.03	**Cash Flow from Financing Activities**	**1,148**	**32,772**
6.03.02	Proceeds (Payments) from Loans and Financing - Related Parties	4,698	34,487
6.03.06	Payments of Loans and Financing - Principal	(3,118)	(1,566)
6.03.07	Payments of Loans and Financing - Interest	(432)	(149)
6.04	**Exchange Variation on Cash Equivalents**	-	-
6.05	**Increase/Decrease in Cash and Cash Equivalents**	(30)	(755)
6.05.01	**Cash and Cash Equivalents at the Beginning of Period**	137	910
6.05.02	**Cash and Cash Equivalents at the End of Period**	107	155

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
7.01	**Revenue**	**14,199**	**40,271**
7.01.01	Sales of Goods, Products and Services	13,862	36,319
7.01.02	Other Revenues	617	3,961
7.01.04	Allowance for Doubtful Accounts	(280)	(9)
7.02	**Input Acquired from Third Parties**	**(10,103)**	**(26,863)**
7.02.01	Cost of Products, Goods and Services Sold	(1,912)	(17,438)
7.02.02	Materials, Energy, and Other Outsourced Services	(1,987)	(4,781)
7.02.03	Loss / Recovery of Assets	-	(3,398)
7.02.04	Other Expenses	(6,354)	(1,246)
7.02.05	Low investment for sale	150	-
7.03	**Gross Added Value**	**4,096**	**13,408**
7.04	Retentions	(2,285)	(2,437)
7.04.01	Depreciation and Amortization	(2,285)	(2,437)
7.05	**Net Added Value Generated by the Company**	**1,811**	**10,971**
7.06	**Added Value Received by Transfer**	**123,109**	**(26,990)**
7.06.01	Equity pick-up	(25,412)	(75,053)
7.06.02	Financial Income	148,521	48,063
7.07	**Total Added Value to be Distributed**	**124,920**	**(16,019)**
7.08	**Distribution of Added Value**	**124,920**	**(16,019)**
7.08.01	**Personal**	**9,679**	**10,591**
7.08.01.01	Direct Compensation	7,250	8,132
7.08.01.02	Benefits	1,607	1,685
7.08.01.03	FGTS	822	774
7.08.02	**Taxes and Contributions**	**2,358**	**5,602**
7.08.02.01	Federal	1,656	3,080
7.08.02.02	States	682	2,476
7.08.02.03	Municipal	20	46
7.08.03	**Payment of Debt**	**191,658**	**62,783**
7.08.03.01	Interest	191,440	62,487
7.08.03.02	Rentals	218	296
7.08.04	**Capital Compensation**	**(78,775)**	**(94,995)**
7.08.04.03	Income/Loss for the Period	(78,775)	(94,995)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Balance Sheet Assets

(In Reais Thousands)

Code	Description	Current Quarter 03/31/2015	Last Year 12/31/2014
1	Total Assets	1,025,222	1,022,629
1.01	Current Assets	256,388	277,799
1.01.01	Cash and Cash Equivalents	4,282	1,539
1.01.03	Accounts Receivable	119,012	115,483
1.01.03.01	Clients	119,012	115,483
1.01.04	Inventories	66,795	69,644
1.01.06	Recoverable Taxes	27,170	24,686
1.01.06.01	Recoverable Current Taxes	27,170	24,686
1.01.07	Prepaid Expenses	7,784	10,970
1.01.08	Other Current Assets	31,345	55,477
1.01.08.02	Assets Classified as Held for Sale	-	22,422
1.01.08.03	Other	31,345	33,055
1.01.08.03.02	Securities	2,943	2,771
1.01.08.03.03	Other Accounts Receivable	6,119	5,145
1.01.08.03.04	Advances to suppliers	22,283	25,139
1.02	Non-Current Assets	768,834	744,830
1.02.01	Long-term Assets	105,607	99,268
1.02.01.06	Deferred Tax	1,062	489
1.02.01.06.01	Deferred Income Tax and Social Contribution	1,062	489
1.02.01.09	Other Non-Current Assents	104,545	98,779
1.02.01.09.03	Judicial Deposits	25,204	25,295
1.02.01.09.04	Securities	4,500	4,500
1.02.01.09.05	Recoverable Taxes	46,635	47,452
1.02.01.09.06	Other Accounts Receivable	28,206	21,532
1.02.02	Investments	15,960	15,960
1.02.02.01	Investments in Affiliates	15,960	15,960
1.02.02.01.04	Other Investments	15,960	15,960
1.02.03	Fixed Assets	465,422	449,950
1.02.03.01	Fixed Assets in Operations	398,365	388,034
1.02.03.03	Fixed Assets in Progress	67,057	61,916
1.02.04	Intangible	181,845	179,652
1.02.04.01	Intangible	18,265	18,267
1.02.04.01.02	Software and Other Licenses	3,419	3,695
1.02.04.01.03	New Products Development	14,846	14,572
1.02.04.02	Goodwill	163,580	161,385

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Balance Sheet Liabilities

(In Reais Thousands)

Code	Description	Current Quarter 03/31/2015	Last Year 12/31/2014
2	Total Liabilities	1,025,222	1,022,629
2.01	Current Liabilities	370,280	296,031
2.01.01	Social and Labor Obligations	30,932	29,479
2.01.01.02	Labor Obligations	30,932	29,479
2.01.02	Suppliers	97,822	98,389
2.01.02.01	Domestic Suppliers	79,515	87,242
2.01.02.02	Export Suppliers	18,307	11,147
2.01.03	Tax	55,297	57,652
2.01.03.01	Federal Taxes	44,292	49,344
2.01.03.01.01	Income Tax and Social Contribution	1,647	2,109
2.01.03.01.02	Others Federal Taxes	42,645	47,235
2.01.03.02	State Taxes	8,659	6,967
2.01.03.03	Municipality Tax	2,346	1,341
2.01.04	Loans and Financing	127,219	56,884
2.01.04.01	Loans and Financing	127,219	56,884
2.01.04.01.01	Local Currency	102,010	47,577
2.01.04.01.02	Foreign Currency	25,209	9,307
2.01.05	Other Obligations	59,010	47,542
2.01.05.02	Other	59,010	47,542
2.01.05.02.06	Commissions Payable	3,319	3,182
2.01.05.02.07	Advances from Customers	2,267	2,883
2.01.05.02.08	Profit Sharing	-	655
2.01.05.02.10	Other Accounts Payable	25,490	20,101
2.01.05.02.12	Provision Contratual fines	27,934	20,721
2.01.07	Liabilities Held for Sale	-	6,085
2.01.07.02	Liabilities Directly Associated with Assets Held for Sale	-	6,085
2.02	Non-Current Liabilities	582,939	631,240
2.02.01	Loans and Financing	150,523	216,457
2.02.01.01	Loans and Financing	78,269	144,742
2.02.01.01.01	Local Currency	63,328	121,626
2.02.01.01.02	Foreign Currency	14,941	23,116
2.02.01.02	Debentures	72,254	71,715
2.02.02	Other Obligations	270,222	253,263
2.02.02.02	Other	270,222	253,263
2.02.02.02.04	Taxes Payable	5,629	6,443
2.02.02.02.06	Other Accounts Payable	7,570	6,453
2.02.02.02.08	Bonds	155,703	127,968
2.02.02.02.09	Provision Contratual fines	101,320	112,399
2.02.03	Deferred Tax	33,179	33,780
2.02.03.01	Deferred Income Tax and Social Contribution	33,179	33,780
2.02.04	Provisions	129,015	127,740
2.02.04.01	Social Security, Tax, Labor and Civil Provisions	109,223	107,948
2.02.04.01.01	Tax Provisions	36,328	36,285
2.02.04.01.02	Labor and Social Security Provisions	62,861	61,563
2.02.04.01.04	Civil Provisions	10,034	10,100
2.02.04.02	Other Provisions	19,792	19,792
2.02.04.02.04	Provision for unfunded liabilities in subsidiaries	19,792	19,792
2.03	Shareholder's Equity	72,003	95,358
2.03.01	Paid-up Capital	1,853,684	1,853,684
2.03.01.01	Paid-up Capital	1,853,684	1,853,684
2.03.02	Capital Reserves	149,732	149,732
2.03.02.04	Stock Options	13,549	13,549
2.03.02.07	Capital Transaction Reserve	136,183	136,183
2.03.05	Accumulated Earnings / Losses	(1,978,714)	(1,899,939)
2.03.06	Equity Evaluation Adjustments	47,301	(8,119)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Income

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
3.01	Gross Revenue from Sales and/or Services	83,213	101,284
3.02	Cost of Goods Sold	(76,286)	(87,782)
3.03	Gross Profit	6,927	13,502
3.04	Operating Income/Expenses	(26,493)	(89,355)
3.04.01	Selling	(4,458)	(5,605)
3.04.02	General and Administrative	(14,039)	(15,574)
3.04.04	Other Operating Income	2,474	6,328
3.04.04.02	Other Operating Income	2,474	6,328
3.04.05	Other Operating Expenses	(10,470)	(66,893)
3.04.06	Equity Pick-up	-	(7,611)
3.05	Operating Income/Expenses Before Financial Results and Inco	(19,566)	(75,853)
3.06	Financial Results	(37,232)	(26,383)
3.06.01	Financial Income	152,682	49,410
3.06.01.01	Financial Income	778	1,698
3.06.01.02	Gain on Exchange Variance	151,904	47,712
3.06.02	Financial Expenses	(189,914)	(75,793)
3.06.02.01	Financial Expenses	(10,720)	(52,177)
3.06.02.02	Loss on Exchange Variance	(179,194)	(23,616)
3.07	Income Before IncomeTax	(56,798)	(102,236)
3.08	Provision for Income Tax and Social Contribution	77	522
3.08.01	Current	(612)	(368)
3.08.02	Deferred	689	890
3.09	Net Income from Continuing Operations	(56,721)	(101,714)
3.10	Net income from Discontinued Operations	(22,054)	6,719
3.10.01	Income (Loss) from discontinued operations	(22,054)	6,719
3.11	Income/Loss for the Period	(78,775)	(94,995)
3.11.01	Parent Company's Interest	(78,775)	(94,995)
3.99	Earnings per Share (R$/Share)	-	-
3.99.01	Basic Earnings per Share	-	-
3.99.01.01	ON	(0.02)	(0.60)
3.99.02	Diluted Earnings per Share	-	-
3.99.02.01	ON	(0.02)	(0.60)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
4.01	Income/Loss for the Period	(78,775)	(631,008)
4.02	Other Comprehensive Income	55,420	42,428
4.02.01	Exchange Variation on Investments Abroad	55,420	42,428
4.03	Comprehensive Income of the Period	(23,355)	(588,580)
4.03.01	Participação dos Acionistas Controladores	(23,355)	(588,580)

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2015 to 03/31/2015

(In Reais Thousands)

Code	Description	Capital Stock	Capital Reserves, Stock Options and Treasury Shares	Accumulated Profit/Loss	Other Comprehensive Income	Consolidated Shareholders' Equity
5.01	**Opening Balance**	**1,853,684**	**149,732**	**(1,899,939)**	**(8,119)**	**95,358**
5.03	**Adjusted Balance**	**1,853,684**	**149,732**	**(1,899,939)**	**(8,119)**	**95,358**
5.05	**Comprehensive Income**	**-**	**-**	**(78,775)**	**55,420**	**(23,355)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(78,775)**	**-**	**(78,775)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**55,420**	**55,420**
5.05.02.04	Cumulative Translation Effects	-	-	-	55,420	55,420
5.07	**Ending Balance**	**1,853,684**	**149,732**	**(1,978,714)**	**47,301**	**72,003**

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2014 to 03/31/2014

(In Reais Thousands)

Code	Description	Capital Stock	Capital Reserves, Stock Options and Treasury Shares	Accumulated Profit/Loss	Other Comprehensive Income	Shareholders' Equity	Consolidated Shareholders' Equity
5.01	**Opening Balance**	**742,438**	**13,549**	**(1,268,931)**	**(50,547)**	**(563,491)**	**(563,491)**
5.03	**Adjusted Balance**	**742,438**	**13,549**	**(1,268,931)**	**(50,547)**	**(563,491)**	**(563,491)**
5.05	**Comprehensive Income**	**-**	**-**	**(94,995)**	**(29,904)**	**(124,899)**	**(124,899)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(94,995)**	**-**	**(94,995)**	**(94,995)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**(29,904)**	**(29,904)**	**(29,904)**
5.05.02.04	Cumulative Translation Effects	-	-	-	(29,904)	(29,904)	(29,904)
5.07	**Ending Balance**	**742,438**	**13,549**	**(1,363,926)**	**(80,451)**	**(688,390)**	**(688,390)**

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Cash Flow - Indirect Method

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 03/31/2015	YTD 2014 01/01/2014 to 03/31/2014
6.01	**Cash Flow from Operating Activities**	**(3,396)**	**7**
6.01.01	Cash Flow from Operation	(9,669)	10,206
6.01.01.01	Net Loss for the Period	(78,775)	(94,995)
6.01.01.02	Depreciation and Amortization	12,418	12,989
6.01.01.04	Equity Pick-up	-	7,611
6.01.01.05	Result on Sale of Fixed Assets	(331)	12,995
6.01.01.06	Financial expenses, net	33,584	20,674
6.01.01.08	Deferred income Tax and Social Contribution	(531)	(878)
6.01.01.10	Loss (Gain) on Sale of Investment	21,879	-
6.01.01.11	Losses on Inventory Obsolescence	2	1,734
6.01.01.12	Provision of Contractual Fines	1,352	49,550
6.01.01.13	Allowance for Doubtful Accounts	733	526
6.01.02	**Change in Assets and Liabilities**	**6,273**	**(10,199)**
6.01.02.01	Accounts Receivable	5,657	(7,598)
6.01.02.02	Inventories	3,532	(3,894)
6.01.02.03	Recoverable Taxes	(882)	11,257
6.01.02.04	Other Assets	(4,913)	16,074
6.01.02.05	Suppliers	1,574	(7,493)
6.01.02.06	Taxes Payable	(372)	(9,986)
6.01.02.07	Others	1,677	(8,559)
6.02	**Cash Flow from Investing Activities**	**9,057**	**(1,020)**
6.02.03	Acquisition of Fixed Assets	(2,257)	(3,424)
6.02.04	Acquisition to Intangibles	(635)	(720)
6.02.05	Securities-Restricted	27	324
6.02.06	Disposal of Discontinued Operations Net of Cash	11,922	-
6.02.09	Payment for Acquisition of Investment	-	(200)
6.02.11	Proceeds from the sale of fixed assets	-	3,000
6.03	**Cash Flow from Financing Activities**	**(4,962)**	**(7,402)**
6.03.01	Proceeds from Loans and Financing	54,094	27,226
6.03.07	Payments of Loans and Financing - Principal	(56,458)	(32,508)
6.03.08	Payments of Loans and Financing - Interest	(2,598)	(2,120)
6.04	Exchange Variation on Cash Equivalents	**2**	**(4)**
6.05	**Increase/Decrease in Cash and Cash Equivalents**	**701**	**(8,419)**
6.05.01	**Cash and Cash Equivalents at the Beginning of Period**	**3,581**	**20,676**
6.05.02	**Cash and Cash Equivalents at the End of Period**	**4,282**	**12,257**

ITR - INTERIM FINANCIAL INFORMATION - Q1 2015 - 03/31/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Added Value

(In Reais Thousands)

Code	Description	Acumulado do Atual Exercício 01/01/2015 à 31/03/2015	Acumulado do Exercício Anterior 01/01/2014 à 31/03/2014
7.01	**Revenue**	**111,350**	**148,571**
7.01.01	Sales of Goods, Products and Services	94,224	142,885
7.01.02	Other Revenues	2,474	6,337
7.01.03	Revenue from sale of investments	15,327	-
7.01.04	Allowance for Doubtful Accounts	(675)	(651)
7.02	**Input Acquired from Third Parties**	**(81,652)**	**(119,157)**
7.02.01	Cost of Products, Goods and Services Sold	(35,022)	(56,204)
7.02.02	Materials, Energy, and Other Outsourced Services	1,045	3,952
7.02.03	Loss / Recovery of Assets	-	(17,708)
7.02.04	Other Expenses	(10,475)	(49,197)
7.02.05	Low investment for sale	(37,200)	-
7.03	**Gross Added Value**	**29,698**	**29,414**
7.04	Retentions	**(12,418)**	**(12,989)**
7.04.01	Depreciation and Amortization	(12,418)	(12,989)
7.05	**Net Added Value Generated by the Company**	**17,280**	**16,425**
7.06	**Added Value Received by Transfer**	**152,757**	**45,278**
7.06.01	Equity pick-up	-	(7,611)
7.06.02	Financial Income	152,757	52,889
7.07	**Total Added Value to be Distributed**	**170,037**	**61,703**
7.08	**Distribution of Added Value**	**170,037**	**61,703**
7.08.01	**Personal**	**46,933**	**59,961**
7.08.01.01	Direct Compensation	36,199	47,198
7.08.01.02	Benefits	7,148	8,473
7.08.01.03	FGTS	3,586	4,290
7.08.02	**Taxes and Contributions**	**10,923**	**18,074**
7.08.02.01	Federal	7,865	12,788
7.08.02.02	States	1,872	4,141
7.08.02.03	Municipal	1,186	1,145
7.08.03	**Payment of Debt**	**190,956**	**78,663**
7.08.03.01	Interest	190,103	77,512
7.08.03.02	Rentals	853	1,151
7.08.04	**Capital Compensation**	**(78,775)**	**(94,995)**
7.08.04.03	Income/Loss for the Period	(78,775)	(94,995)

Explanatory notes to interim financial statements as of March 31, 2015.

(In thousands of Reais except net Income (Loss) per share, or otherwise indicated)

1 Operating context

Lupatech S.A. (the "Company") and its subsidiaries and associate companies (jointly, the "Group"), is a group comprised of 18 units and has two business segments: **Products** and **Services** and has 2,319 employees.

The Company is a corporation with headquarters in Nova Odessa, State of São Paulo, and is listed in the Sao Paulo Stock Exchange ("BOVESPA").

The **Products segment** offers mainly to the oil and gas sector, anchoring ropes for production platforms, valves, completion tools, fiber optic sensors and vehicular natural gas compressors.

The **Services segment** offers services as workover, well intervention, drilling, coating and inspection of pipes.

Petrobras is the Company's main client and represents approximately 58.4% of the Company's net revenues for the period of three months ended in March 31, 2015 (71.1% for the period of three months ended in March 31, 2014). Both segments of the Company (Products and Services) are affected by revenue originating from Petrobras.

1.1 Process of divestment of assets non core and financial balance

Continuing the processo f divestment of assets non core, with the goal of enhancing cash, on January 29, 2015, were sold to indirect subsidiary Jefferson Sudamericana S.A., and its related entities Jefferson Solenoid Valves U.S.A., Inc., Valjeff S.A. de C.V. and Jefferson Solenoidbras Ltda. to the Argentinean business men Ricardo and Felipe Menendez through its operational entities Jikur S.A. and Jatdery S.A., based in Uruguay. The final acquisition price was fixed in US$5,7million, considering that,US$4,2 million were paid at the present date and US$1,2 million will be paid in up to 3 (three) years as of the Closing through the non-materialization of eventual contingencies claimed by the Buyer, as well as the recovery of retained exports credits.

Additionally, the Company is working hard on improving the efficiency of working capital, the cost reduction process and the restructuring of operations with a view to improving performance in order to maximize operating cash flow. These efforts, combined with other potential opportunities for asset divestitures non-core and attract investors, aims to reinforce the box structure and support to operational demands planned for the year 2015.

1.2 Business continuity

Management constantly monitors the short-term funding needs of the Company to evaluate risks to continuity of normal business and actions to be taken in this context. Thus, the Administration developed at the close of the year ended December 31, 2014, projections of operations and cash flows for the twelve months following the end of the year, considering scenarios and assumptions based on their judgment, including the effects of the following actions already put in place by the Company:

- Renegotiation of financial debt
- Divestment of non-core units with cash contributions
- Operational Restructuring
- Programs for efficient use of working capital to ensure the implementation of the 2015 business plan

However, in any scenario developed by Management, estimates indicate the need to obtain additional financial resources to maintain the required levels of working capital and investments to support operations. Certain business units have been affected its operations and its limited operational performance due to the constraints of working capital currently observed and at the Company's evaluation, will again operate as expected as the resources necessary for their working capital are obtained. Management has conducted some actions and negotiations, with the support of its financial advisors Bank of America Meryll Lynch, which may include capital transactions and/or divestiture of assets, among others, in order to obtain the necessary financial resources. During the quarter ended March 31, 2015, management continued the negotiations that were already under way and considering the progress and current status of these actions, Management expects that further resources will be made until the next quarter. If this expectation is not fulfilled within this period, Management will assess and understand that has other alternatives available that will allow the Company to maintain its continuing operations.

2 Basis of presentation

2.1 Declaração de conformidade (com relação ás normas do CPC)

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices generally accepted in Brazil (BR GAAP).

The individual financial statements of the parent company have been prepared in accordance with accounting practices generally accepted in Brazil (BR GAAP).

The review of Technical Pronouncement 7 (approved in December 2014) resulted in amendments to CPC 35, CPC 37 and CPC 18 and authorized the use of the equity income method in separate financial statements in IFRS, thereby eliminating this difference between BR GAAP and IFRS.

In compliance with CVM Circular Letter No. 003/2011, of April 28, 2011, below are presented the explanatory notes included in the most recent annual financial statements (fiscal year ended December 31, 2014), which, in view of the absence of significant changes for the period of three months ended in March 31, 2015, are not included in full form in these interim financial statements:

Explanatory notes not included in the quarter ended March 31, 2015	**Location of the note in full annual financial statments for the fiscal year 2014**
Other receivable	Note nº 8
Accounts payable related to investment acquisition	Note nº 17
Other accounts payable	Note nº 18
Taxes payable - Non-current	Note nº 20

The issue of individual and consolidated financial statements was authorized by the Board of Directors on May 15, 2015.

2.2.1 Re-presentation of the Interim financial information previously disclosed

a. Re-presentation of the consolidated financial statements for the period of three months ended in March 31, 2014.

Given the existence of discontinued operations in the three months ended March 31, 2015, the Company is restating the income statement for the three months ended March 31, 2014 to separately classify income from discontinued operations, as shown below:

	Consolidated		
	Original balances presented in 03/31/2014	**Balances Company of Argentinas in 03/31/2014**	**Balances adjusted in 03/31/2014**
NET REVENUE FROM SALES	130,339	29,055	101,284
COST OF GOODS SOLD	(103,272)	(15,490)	(87,782)
GROSS PROFIT	27,067	13,565	13,502
OPERATING INCOME/EXPENSES			
Selling	(9,471)	(3,866)	(5,605)
General and administrative	(16,060)	(2,007)	(14,053)
Management compensation	(1,521)	-	(1,521)
Equity pick-up	(7,611)	-	(7,611)
Other operating expenses (income), net	(60,568)	(3)	(60,565)
OPERATING INCOME/EXPENSES BEFORE FINANCIAL RESULTS	(68,164)	7,689	(75,853)
FINANCIAL RESULTS			
Financial income	2,025	327	1,698
Financial expenses	(52,837)	(660)	(52,177)
Exchange variation, net	26,189	2,093	24,096
LOSS BEFORE TAX / HOLDING	(92,787)	9,449	(102,236)
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION			
Current	(3,086)	(2,718)	(368)
Deferred	878	(12)	890
LOSS OF CONTINUED OPERATIONS	(94,995)	6,719	(101,714)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS	-	(6,719)	6,719
INCOME (LOSS) FOR THE PERIOD OF CONTINUED AND DISCONTINUED OPERATIONS	(94,995)	-	(94,995)
Attributed to:			
Parent company's interest	(94,995)	-	(94,995)

2.2 Basis of preparation

The financial statements were elaborated on the basis of historical cost, except for determined financial instruments measured by their fair values, as it is described in the accounting practices to be followed. The historical cost is generally based on the fair value of the counter installments paid in exchange of assets.

2.2.1 Basis of consolidation and investments in subsidiaries

The consolidated interim financial statements include the interim financial statements of Lupatech S.A. and its subsidiaries.

2.2.1.1 Subsidiaries

The Company did not have changes of participation in subsidiaries during the period of three months ended in March 31, 2015.

2.2.1.2 Jointly-owned subsidiaries

The Company did not have changes of participation Jointly-owned subsidiaries during the period of three months ended in March 31, 2015.

2.2.1.3 Companies comprising the consolidated statements

The consolidated interim financial statements include the accounting information of Lupatech S.A. and its direct and indirect subsidiaries and the jointly-owned subsidiaries, as shown below:

	Direct and indirect participation (%)	
Direct and indirect subsidiaries	**03/31/2015**	**12/31/2014**
Direct participation		
Mipel Ind. e Com. de Válvulas Ltda. - (Brazil)	100.00	100.00
Lupatech Equipamentos de Serviços para Petróleo Ltda. - (Brazil)	100.00	100.00
Lupatech Finance Limited - (Cayman)	100.00	100.00
Lupatech II Finance Limited - (Cayman)	100.00	100.00
Recu S.A. - (Argentina)	95.00	95.00
Lupatech OFS Coöperatief U.A. - (Netherlands)	100.00	100.00
Lupatech Netherlands Coöperatief U.A. - (Netherlands)	2.29	2.29
Lochness Participações S.A. - (Brazil)	100.00	100.00
Indirect participation		
Recu S.A. - (Argentina)	5.00	5.00
Jefferson Sudamericana S.A. - (Argentina) (*)	-	100.00
Jefferson Solenoid Valves U.S.A., Inc. - (USA) (*)	-	100.00
Valjeff, S.A. de C.V. - (Mexico) (*)	-	100.00
Jefferson Solenoidbras Ltda. - (Brasil) (*)	-	100.00
Lupatech Netherlands Coöperatief U.A. - (Netherlands)	97.71	97.71
Lupatech OFS S.A.S. - (Colombia)	100.00	100.00
Lupatech Perfuração e Completação Ltda. - (Brazil)	100.00	100.00
Sotep Sociedade Técnica de Perfurações S.A. - (Brazil)	100.00	100.00
Prest Perfurações Ltda. - (Brazil)	100.00	100.00
Itacau Agenciamentos Marítimos Ltda. - (Brazil)	100.00	100.00
Matep S.A. Máquinas e Equipamentos - (Brazil)	100.00	100.00
Amper Amazonas Perfurações Ltda. - (Brazil)	100.00	100.00
UNAP International Ltd. - (Cayman)	100.00	100.00

(*) Company sold in 2015.

3 Standards, interpretations and amendments to Standards issued by International Accounting Standards Board - IASB and CPC

- ***Standards, amendments and interpretations to existing standards that are not yet effective***

New standards, amendments to standards and interpretations it will be effective for the annual periods commencing January 01, 2015, and were not used in the preparation of these financial statements. Those that could be relevant to the Company are mentioned below. The Company is not planning to implement these standards in advance.

IFRS 9 Financial Instruments

Published in July 2014, IFRS 9 replaced the guidelines in IAS 39 Financial Instruments: Recognition and Measurement: IFRS 9 includes a logical model for classification and measurement of financial instruments, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard carries over from IAS 39 the requirements for recognition and derecognition of financial assets and financial liabilities.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires an entity to recognize the amount of revenue reflecting the consideration they expect to receive in exchange for control of those goods or services. The new standard will replace most of the detailed guidance on revenue recognition that currently exists in IFRS as adopted. The new standard is applicable from or after January 1, 2017 with earlier application permitted by IFRS. The standard may be adopted retrospectively using an approach of cumulative effects

The Company is evaluating the effects that IFRS 15 will have on the financial statements and its disclosures. The Company has not yet chosen the method of transition to the new standard not determined the effects of the new standard in today's financial reports.

Additionally, it is not expected that the following new standards or modifications can have a significant impact on the Company's consolidated financial statements.

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or amended existing pronouncements related to these standards. Early adoption is not permitted.

4 Cash and cash equivalents and Securities

Cash and cash equivalents

Cash and cash equivalents are broken down as follows:

	Parent		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Cash and banks				
Brazil	48	80	3,090	323
Abroad	-	-	1,005	1,030
	48	80	4,095	1,353
Financial Investments				
Bank deposit certificate	59	57	75	74
Investiment fund	-	-	112	112
	59	57	187	186
Cash and cash equivalents	107	137	4,282	1,539

The financial investments are highly liquid and with insignificant risk of change in the value and relate to funds invested in fixed income fund and bank certificates of deposit. The yield rates of financial investments in bank deposit certificate are in accordance with the characteristics of the financial application with CDI's, parameter.

Securities – restricted account

On March 31, 2015 the Company owned a balance of R$2,943, registered as "Marketable securities - restricted" in current assets, and R$4,500 in the current No-current assets (R$2,771 in current assets, and R$4,500 in the current No-current assets at December 31, 2014), relating to security deposit the payment of any liabilities compensable as clause contract of sale of the unit Metallurgical Ipe for Duratex, called "Escrow Account", applied to the CBD.

5 Accounts receivables from customers

	Parent		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Local market	28,768	38,092	84,175	86,770
Export	5,454	9,160	40,299	33,442
	34,222	47,252	124,474	120,212
Less: allowance for doubtful accounts	(3,572)	(3,284)	(5,462)	(4,729)
	30,650	43,968	119,012	115,483

The amounts to be received from clients originated from sales without interest and on which the effect of the discount according to market interest rates is estimated to be relevant, were set object to present value recognized in income in return for the account of customers. The realization of this value adjustment occurs in the financial result, as competence for appropriation.

6 Inventories

	Parent		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Finished goods	6,398	5,729	13,443	11,345
Goods for resale	282	298	3,287	4,743
Work in progress	10,009	12,008	16,179	18,455
Raw material	19,297	19,111	52,047	53,260
Losses on inventory obsolescence	(5,079)	(5,221)	(18,161)	(18,159)
Total	30,907	31,925	66,795	69,644

In the three months ended March 31, 2015 were recognized in the income reversal of losses on inventory obsolescence amounting to R$142 in parent, and loss of R$2 in consolidated.

In the three months ended March 31, 2014 were recognized in the income losses on inventory obsolescence amounting to R$1,809 in parent and loss of R$1,734 in consolidated.

7 Recoverable taxes

	Parent		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Value-added Tax on Sales and Services (ICMS) recoverable	13,955	14,581	15,321	16,245
Excise Tax (IPI) recoverable	1,797	1,822	2,165	2,158
Social Integration Program (PIS) recoverable	708	703	2,015	2,060
Social Contribution on Revenues (COFINS) recoverable	3,484	3,316	9,217	9,151
Corporate Income Tax (IRPJ) advances	-	-	14,115	11,619
Social Contribution on Net Income (CSSL) advances	-	-	16	10
Withholding tax (IRRF) recoverable	1,365	1,216	28,810	29,577
CSLL recoverable	253	392	7,114	7,066
National Institute of Social Security (INSS) Contribution recoverable	41	41	1,399	1,405
Service tax (ISS) recoverable	2	2	1,653	717
Other	-	-	329	479
Provision for non-recovery of taxes	(8,349)	(8,349)	(8,349)	(8,349)
Total	13,256	13,724	73,805	72,138
Current	6,745	6,728	27,170	24,686
Non-Current	6,511	6,996	46,635	47,452

The source of the aforementioned credits is the following:

- **recoverable COFINS, PIS and IPI** – these are basically a result of credits on purchase of inputs used in exported products and sale of products taxed at zero rate. The realization of these credits has been conducted by offsetting other federal taxes.
- **recoverable income tax and social contribution** – these result from taxes on income overpaid throughout previous years or in the form of advance payment during the current year, and from taxes on financial operations withheld at source.
- **ICMS** – refers to credits on acquisitions of inputs used in the manufacture of products whose sale is subject to ICMS reduced calculation basis, as well as credits on acquisitions of inputs used in the manufacture of products to be exported. Measures have been taken to allow the use of accumulated tax credits, the main of which are:
  - operation corporate restructuring through mergers and transformation into branches;
  - input acquisition strategy and logistics;

- use of drawback program;
- specific investment studies that may include the use of part of the credits.
- on March 31, 2015 the Company recognized an expense of R$8,349 related to ICMS low loan without expectation of realization. This value represents in this date, the management's best estimate regarding the amount of ICMS recoverable difficult to perform.

8 Investments

8.1 Investments in subsidiaries and associated companies

	Parent		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
In affiliates	166,682	151,125	-	-
Goodwill on acquisition of investments (Note 10)	6,065	6,065	-	-
Total	172,747	157,190	-	-

On March 31, 2015, the Company recognized investments in joint ventures related to Luxxon Participações S/A, as a provision for unfunded liabilities in the amount of R$19,792.

	Mipel	Recu	LESP	Finance	Finance II	LNC	LOFS	Lochness	Parent 03/31/2015	Parent 12/31/2014
Investment data										
Amount of share or quotas										
Ordinary shares (thd)	-	3,000	-	-	-	-	-	441,405		
Capital stock quotas (thd)	18,717	-	357,432	50	1	-	-	-		
Participation %	100	95	100	100	100	2.29	100	100		
Shareholders' equity (Unfunded liabilities)	**18,172**	**1,634**	**84,228**	**5,545**	**3**	**25,048**	**56,866**	**20,929**		
Income (Loss) for the year	(1,807)	(44)	(25,135)	15,994	-	8	1,029	(15,477)		
Unrealized profits	(257)	-	-	-	-	-	-	-		
Changes in investments										
Beginning balance	19,702	-	81,932	-	2	468	49,021	-	151,125	322,285
Increase / Subscription of capital	-	-	-	-	-	-	33	-	33	68,893
Future capital increase	-	-	-	-	-	-	-	2,240	2,240	-
Equity pick-up result	(1,787)	(44)	(25,135)	15,994	-	8	1,029	(15,477)	(25,412)	(150,037)
Reclassification of unfunded liabilities	-	-	-	(10,236)	-	-	-	(8,791)	(19,027)	(15,045)
Equity evaluation adjustments	-	203	27,431	(213)	1	98	6,783	22,028	56,331	(3,662)
Dividends and interest on equity reserve	-	-	-	-	-	-	-	-	-	(5,577)
Changes from disinvestment	-	1,392	-	-	-	-	-	-	1,392	(64,338)
Assets held for sales	-	-	-	-	-	-	-	-	-	(1,394)
Final balance	17,915	1,551	84,228	5,545	3	574	56,866	-	166,682	151,125

The corporate names of the subsidiaries and associated companies are the following: Mipel - Mipel Ind. Com. Válvulas Ltda.; LESP – Lupatech – Equipamentos e Serviços para Petróleo Ltda; Lupatech Finance Limited; Lupatech II Finance Limited; LNC – Lupatech Netherlands Coöperatief U.A; LOFS – Lupatech OFS Coöperatief U.A. and Lochness Participações S.A.

The participation in the negative equity in the subsidiaries Lochness Participações S/A amonting to R$31,368 on March 31, 2015 (Lupatech Finance Limited amounting to R$10,236 and Lochness Participações SA amounting to R$19,861 on December 31, 2014), are presented in the non-current liabilities as provision for negative equity in subsidiaries.

The equity pick-up result is composed as follow:

	Parent		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Em controladas	(25,412)	(67,442)	-	-
Em controladas em conjunto (joint venture)	-	(7,611)	-	(7,611)
	(25,412)	(75,053)	-	(7,611)

8.2 Investments in jointly controlled entities (joint venture)

Luxxon Participações S.A. is a jointly controlled entity of the Lupatech Group with Axxon Group. The Company shares with the other members of the joint administration of relevant activities of that entity.

Investments in jointly controlled are measured by the equity method.

8.3 Other investments

- ***Investment in company Vicinay Marine S.L.***

In the period of three months ended March 31, 2015, there was no change of minority interest in Vicinay Marine S/L. In the year 2014 there was change to 4.28%, compared to 6.77% held in the year 2013. Such reduction participation took place in contrast to the cancellation of the Company's obligation to settle accounts payable for acquisition of investment in Vicinay Marine S/L.

9 Imobilizado

	rate of depreciation % p.a.	Parent		Consolidated	
		03/31/2015	12/31/2014	03/31/2015	12/31/2014
		Net	Net	Net	Net
Land	-	12,336	12,336	13,729	14,758
Building and construction	2%	32,720	32,942	51,857	53,159
Machinery and equipment	9%	35,996	37,095	299,804	290,326
Molds and matrixes	15%	1,441	1,567	1,627	1,764
Industrial facilities	5%	8,165	8,314	10,121	10,293
Furniture and fixtures	9%	1,605	1,672	3,381	3,557
Data processing equipments	14%	480	546	1,162	1,216
Improvements	2%	298	314	2,577	2,717
Vehicles	19%	176	185	4,843	4,917
Casks	-	2	2	12	13
Advances for fixed assets acquisitions	-	-	-	9,252	5,314
Construction in progress	-	253	280	67,057	61,916
Total		93,472	95,253	465,422	449,950

Bellow is the breakdown of fixed assets:

	Parent								
Gross Cost	**Land**	**Building and construction**	**Machinery and equipment, Molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Data processing equipments**	**Construction in progress**	**Others**	**Total**
Balance at December 31, 2014	**12,336**	**39,228**	**90,415**	**11,712**	**3,904**	**3,869**	**280**	**472**	**162,216**
Additions	-	-	2	-	1	6	-	-	9
Transfers	-	-	-	-	-	(5)	-	-	(5)
Disposal	-	-	-	-	(8)	(3)	-	-	(11)
Effect of exchange variance	-	-	-	-	-	-	(27)	-	(27)
Balance at Mach 31, 2015	**12,336**	**39,228**	**90,417**	**11,712**	**3,897**	**3,867**	**253**	**472**	**162,182**

	Parent								
Acculated depreciation	**Land**	**Building and construction**	**Machinery and equipment, Molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Data processing equipments**	**Construction in progress**	**Others**	**Total**
Balance at December 31, 2014	**-**	**(6,286)**	**(51,753)**	**(3,084)**	**(2,232)**	**(3,323)**	**-**	**(285)**	**(66,963)**
Additions	-	(222)	(1,231)	(165)	(68)	(71)	-	(9)	(1,766)
Transfers	-	-	4	-	-	5	-	-	9
Disposal	-	-	-	-	8	2	-	-	10
Balance at Mach 31, 2015	**-**	**(6,508)**	**(52,980)**	**(3,249)**	**(2,292)**	**(3,387)**	**-**	**(294)**	**(68,710)**

	Parent								
Net property	**Land**	**Building and construction**	**Machinery and equipment, Molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Data processing equipments**	**Construction in progress**	**Others**	**Total**
Balance at December 31, 2014	12,336	32,942	38,662	8,628	1,672	546	280	187	95,253
Balance at Mach 31, 2015	12,336	32,720	37,437	8,463	1,605	480	253	178	93,472

	Consolidated								
Gross Cost	**Land**	**Building and construction**	**Machinery and equipment, Molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Data processing equipments**	**Construction in progress**	**Others**	**Total**
Balance at December 31, 2014	**14,760**	**65,538**	**495,011**	**19,522**	**9,987**	**10,420**	**61,906**	**29,725**	**706,869**
Additions	-	-	1,888	-	5	77	285	2	2,257
Transfers	(1,126)	(1,211)	(1,905)	-	(12)	(12)	-	217	(4,049)
Disposal	-	-	18	(13)	(5)	(5)	6	-	1
Effect of conversion of subsidiaries abroad	95	171	28,137	-	50	143	4,850	4,642	38,088
Balance at Mach 31, 2015	**13,729**	**64,498**	**523,149**	**19,509**	**10,025**	**10,623**	**67,047**	**34,586**	**743,166**

	Consolidated								
Acculated depreciation	**Land**	**Building and construction**	**Machinery and equipment, Molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Data processing equipments**	**Construction in progress**	**Others**	**Total**
Balance at December 31, 2014	**(2)**	**(12,379)**	**(202,921)**	**(6,512)**	**(6,430)**	**(9,204)**	**10**	**(19,481)**	**(256,919)**
Additions	-	(486)	(10,168)	(310)	(203)	(177)	-	(404)	(11,748)
Disposal	-	331	414	-	10	10	-	(217)	548
Transfers	-	-	(7)	11	1	7	-	-	12
Effect of conversion of subsidiaries abroad	2	(107)	(9,036)	-	(22)	(97)	-	(377)	(9,637)
Balance at Mach 31, 2015	**-**	**(12,641)**	**(221,718)**	**(6,811)**	**(6,644)**	**(9,461)**	**10**	**(20,479)**	**(277,744)**

	Consolidated								
Net property	**Land**	**Building and construction**	**Machinery and equipment, Molds and matrixes**	**Industrial facilities and improvements**	**Furniture and fixtures**	**Data processing equipments**	**Construction in progress**	**Others**	**Total**
Balance at December 31, 2014	14,758	53,159	292,090	13,010	3,557	1,216	61,916	10,244	449,950
Balance at Mach 31, 2015	13,729	51,857	301,431	12,698	3,381	1,162	67,057	14,107	465,422

The value attributed to fixed assets in guarantee of liabilities on March 31, 2015 is as follows:

	Fixed Assets	
Garanteed liabilities	**Parent**	**Consolidated**
Taxation (Tax executions)	11,498	11,498
Borrowing and financing (Note 11)	1,397	93,463
Total	12,895	104,961

Commercial Lease

On March 31, 2015, the Company has through its subsidiary Lupatech OFS S.A.S. commitment of fixed assets acquisition that are in the phase of production through financial leasing in the amount of R$16,448 (R$16,022 at December 31, 2014).

10 Intangibles

	Weighted rates of amortization	Parent		Consolidated	
	03/31/2015		12/31/2014	03/31/2015	12/31/2014
	% p.a.	Net	Net	Net	Net
Goodwill (*)	-	115,414	115,414	163,580	161,385
Software and other licenses	20%	3,363	3,527	3,419	3,695
New projects developments	20%	13,445	13,158	14,846	14,572
Total		132,222	132,099	181,845	179,652

(*) In Parent represents the balance of goodwill of subsidiaries incorporated

Bellow is the breakdown of intangibles:

	Parent			
Gross cost	**Goodwill on acquisition of investments**	**Softwares and other licenses**	**Development of new products**	**Total**
Balance at December 31, 2014	**115,414**	**10,760**	**18,633**	**144,807**
Additions	-	-	642	642
Transfers	-	125	(125)	-
Balance at March 31, 2015	**115,414**	**10,885**	**19,150**	**145,449**

	Parent			
Acculated amortization	**Goodwill on acquisition of investments**	**Softwares and other licenses**	**Development of new products**	**Total**
Balance at December 31, 2014	-	**(7,233)**	**(5,475)**	**(12,708)**
Additions	-	(289)	(230)	(519)
Balance at March 31, 2015	-	**(7,522)**	**(5,705)**	**(13,227)**

	Parent			
Net Intangible	**Goodwill on acquisition of investments**	**Softwares and other licenses**	**Development of new products**	**Total**
Balance at December 31, 2014	**115,414**	**3,527**	**13,158**	**132,099**
Balance at March 31, 2015	**115,414**	**3,363**	**13,445**	**132,222**

	Consolidated			
Gross cost	**Goodwill on acquisition of investments**	**Softwares and other licenses**	**Development of new products**	**Total**
Balance at December 31, 2014	**161,385**	**11,539**	**20,722**	**196,882**
Additions	-	-	642	642
Transfers	-	125	(125)	-
Effect of conversion of subsidiaries abroad	2,437	-	-	2,437
Balance at March 31, 2015	**163,822**	**11,664**	**21,239**	**199,961**

	Consolidated			
Acculated amortization	**Goodwill on acquisition of investments**	**Softwares and other licenses**	**Development of new products**	**Total**
Balance at December 31, 2014	**-**	**(7,844)**	**(6,150)**	**(17,230)**
Additions	-	(401)	(243)	(644)
Effect of conversion of subsidiaries abroad	(242)	-	-	(242)
Balance at March 31, 2015	**(242)**	**(8,245)**	**(6,393)**	**(18,116)**

	Consolidated			
Net Intangible	**Goodwill on acquisition of investments**	**Softwares and other licenses**	**Development of new products**	**Total**
Balance at December 31, 2014	**161,385**	**3,695**	**14,572**	**179,652**
Balance at March 31, 2015	**163,580**	**3,419**	**14,846**	**181,845**

Below is a summary of the allocation of goodwill by level of Cash Generating Unit:

	Goodwill on acquisition of investments			
	Investments (Note 8)		Intangible	
	Parent		Consolidated	
UGCs	**03/31/2015**	**12/31/2014**	**03/31/2015**	**12/31/2014**
Products Segment				
Carbonox and Valmicro (Group of units)	6,065	6,065	6,065	6,065
Lupatech S/A - CSL unit	115,414	115,414	115,414	115,414
Services Segment				
Fiberware Unit	-	-	20,687	20,687
Lupatech OFS Coöperatief U.A. Unit	-	-	21,414	19,219
Total	121,479	121,479	163,580	161,385
Investment	6,065	6,065	-	-
Intangible	115,414	115,414	163,580	161,385

The goodwill allocated to the group of Carbonox and Valmicro units is not relevant in the comparison with the goodwill's total book value, why not individual information of these CGUs are presented.

Below is a summary of amounts recorded as a loss for the non-recoverability of goodwill by level Cash Generating Unit:

UGCs	Goodwill on acquisition of investments	Impairment	Net Goodwill
Products Segment			
Carbonox and Valmicro (Group of units)	6,065	-	6,065
Lupatech S/A - CSL unit	125,414	(10,000)	115,414
Lupatech – Equipamentos de serviços para Petróleo – Oil Tools Unit	9,149	(9,149)	-
Tecval Unit	55,680	(55,680)	-
Lupatech - Equipamentos de serviços para petróleo - Monitoring Systems Unit	9,884	(9,884)	-
Services Segment			
Lupatech – Equipamentos de serviços para petróleo Unit	59,227	(59,227)	-
Fiberware Unit	20,687	-	20,687
Lupatech OFS Coöperatief U.A. Unit	21,414	-	21,414
Total	307,520	(143,940)	163,580

11 Loans and financing

			Parent					
			03/31/2015			12/31/2014		
Description	Index	Weighted interest rates	Current	Non Current	Total	Current	Non Current	Total
Local currency								
Working capital / expansion	CDI	6.8% p.a.	1,259	-	1,259	4,135	-	4,135
Working capital / expansion	TJLP	4.76% p.a.	30,781	-	30,781	2,194	27,796	29,990
Financing of property, plant and equipment	TJLP	7.28% p.a.	157	6	163	191	22	213
Financing of property, plant and equipment	FIX	4.5% p.a.	-	-	-	39	-	39
Financing of research and development	TJLP	5.18% p.a.	8,934	-	8,934	2,464	6,291	8,755
Guarantee provided - Guaranteed by a letter of guarantee	FIX	3% p.a.	-	16,332	16,332	-	16,212	16,212
Working capital / expansion	CDI	-	-	2,880	2,880	-	2,801	2,801
Discounted titles	-	13.95% p.a.	-	-	-	213	-	213
			41,131	**19,218**	**60,349**	**9,236**	**53,122**	**62,358**
Foreign currency								
Working capital / expansion	US DOLAR	7.48% p.a.	6,712	-	6,712	408	5,020	5,428
			6,712	**-**	**6,712**	**408**	**5,020**	**5,428**
			47,843	**19,218**	**67,061**	**9,644**	**58,142**	**67,786**

			Consolidated					
			03/31/2015			12/31/2014		
Description	Index	Weighted interest rates	Current	Non Current	Total	Current	Non Current	Total
Local currency								
Working capital / expansion	CDI	4.97% p.a.	33,675	-	33,675	37,615	716	38,331
Working capital / expansion	TJLP	4.82% p.a.	55,814	-	55,814	3,991	50,387	54,378
Working capital / expansion	FIX	3% p.a.	2,221	18,713	20,934	-	-	-
Financing of property, plant and equipment	TJLP	7.28% p.a.	157	6	163	191	22	213
Financing of property, plant and equipment	FIX	4.5% p.a.	-	-	-	113	-	113
Financing of research and development	TJLP	5.18% p.a.	8,934	-	8,934	2,464	6,291	8,755
Guarantee provided - Guaranteed by a letter of guarantee	FIX	3% p.a.	-	16,332	16,332	-	16,212	16,212
Working capital / expansion	FIX / CDI	2.69% p.a.	-	28,277	28,277	-	28,011	28,011
Discounted titles	-	13.95% p.a.	1,209	-	1,209	3,203	19,987	23,190
			102,010	**63,328**	**165,338**	**47,577**	**121,626**	**169,203**
Foreign currency								
Working capital / expansion	US DOLAR	7.48% p.a.	11,158	-	11,158	775	8,363	9,138
Working capital / expansion	PESO COP	9.9% p.a.	13,632	14,941	28,573	7,952	14,753	22,705
Working capital / expansion	UMBNDES 590	8.86% p.a.	419	-	419	580	-	580
			25,209	**14,941**	**40,150**	**9,307**	**23,116**	**32,423**
			127,219	**78,269**	**205,488**	**56,884**	**144,742**	**201,626**

Maturities for non-current financing installments are distributed as follow:

	Parent		Consolidated	
Maturity	03/31/2015	12/31/2014	03/31/2015	12/31/2014
2016	532	1,155	8,983	27,089
2017	541	6,530	12,049	19,096
2018	2,483	8,219	14,435	18,392
2019	2,483	11,480	10,388	22,478
2020 to 2025	13,179	30,758	32,414	57,687
	19,218	58,142	78,269	144,742

The guarantees for loans and financings were granted as follows:

		Parent	Consolidated
Local currency	**Garantee**	**Amount**	**Amount**
Working capital / expansion	Mortage / Buildings	-	73,124
Working capital / expansion	Contracts signed	-	33,584
Financing of property, plant and equipment	Own financed asset	1,397	1,397
Financing of research and development	Bank guarantee	15,606	15,606
		17,003	123,711
Foreign currency			
Working capital / expansion	Own financed asset	-	18,942
		-	18,942
		17,003	142,653

The indirect subsidiary, OFS SAS, has covenants related to financial leasing agreement with Bancolombia which require the maintenance of (a) EBITDA 2x more than interest expense paid (b) Debt / EBITDA until 3x. On March 31, 2015 the indirect subsidiary Lupatech OFS SAS attended to the condition of financial covenants.The total amount of this loan is R$7,974, recorded in current liabilities in the amount of R$2,348 and R$5,626 in non-current (total amount of R$7,678 at December 31, 2014 recorded R$2,158 in current liabilities and R$ 5,520 in non-current liabilities).

On March 31, 2015 the Company has a balance of R$16,332 of billing notification by Votorantim S/A bank relating to the Guarantee provided - Guaranteed by a letter of guarantee requested by Nordeste do Brasil S/A bank for repayment of loan from Unifit – Unidade de Fios Industriais de Timbaúba S.A. and BNB, totaling R$31,180 of which the Company was a guarantor on 50%.

Nevertheless, the Votorantim S/A bank issued communications in order to express their agreement with the reprofiling of that debt guaranteed by surety in the event of failure from receiving the amounts directly by Unifit – Unidade de Fios Industriais de Timbaúba S/A.

12 Bonds

On September 30, 2014 the Board approved the issuance of New Notes - Bonds amounting to US$47,850,000, representing debt denominated in US dollars with a value equivalent to 15% of face upgraded till July 18, 2014 (including principal and accrued interest and unpaid) Perpetual Bonds, Lupatech Finance Limited, in accordance with the terms and conditions set forth in the extrajudicial recovery plan of the Company.

On March 31, 2015 the Company had a balance of Bonds of R$155,703 (R$127,968 on December 31, 2014), recorded in non-current liabilities. Bonds focus on the remuneration interest of 3% per year, with two years grace period and amortization in the other five.

13 Debentures

On March 31, 2015 the Company had a balance of R$72,254(R$71,715 on December 31,2014) debentures recorded in non-current liabilities. On the Debentures focus corresponding to the accumulated variation of 100% of the average daily remuneration interest of DI - Interbank Deposit a day, with two-year grace period and amortization in the other five.

	Parent and Consolidated	
	03/31/2015	**12/31/2014**
Debt instrument - Debentures	66,960	66,960
Interest on debentures	5,294	4,755
Total	72,254	71,715

The debentures are subject to the fulfillment of certain financial covenants financial "covenants", which are related to the maintenance of indexes:

a) Net Debt / (Net Debt + Equity) less than or equal to 0.95 in the year 2014 and 2015 and less than or equal to 0.90 and in subsequent years;

b) Current liabilities / (Current liabilities + Non-current liabilities) less than or equal to 0.70 in the year 2014 and 2015, less than or equal to 0.65 in the year 2016 and 2017 and less than or equal to 0.60 in the year 2018 and 2019; less than or equal to 0.55 until the date of maturity of the debentures.

On March 31, 2015 the Company has met the terms financial "covenants" as mentioned above.

14 Related parties

14.1 Subsidiary

The balances and transactions between the Company and its subsidiaries, which are its related parties, were eliminated in the consolidation. The details related to the transactions between the parent company and its subsidiaries are presented below:

	Parent					
	SABR	**Mipel Sul**	**Lupatech Finance**	**LESP**	**03/31/2015**	**12/31/2014**
Assets						
Accounts receivable	23	160	-	99	282	1,372
Other accounts receivable	16,149	3,214	-	1,455	20,818	19,401
Mutual and loans	25,514	4,241	814,015	-	843,770	699,072
Total	41,686	7,615	814,015	1,554	864,870	719,845
Liabilities						
Accounts payable	6	12,191	-	3	12,200	12,030
Other accounts payable	1,294	2,596	-	4,275	8,165	7,843
Mutual and loans	-	-	972,018	4,808	976,826	789,075
Total	1,300	14,787	972,018	9,086	997,191	808,948
					03/31/2015	**03/31/2014**
Income						
Sales	-	23	-	717	740	284
Purchases	-	269	-	-	269	1,203
Financial income	3	128	-	1	132	305
Financial expenses	-	-	17,298	90	17,388	13,170
Exchange variance	-	-	(6,330)	-	(6,330)	22,470

	Transaction date	Time	Interest rate	Parent Garantee and insurance	Amount R$	Balance US$	03/31/2015	12/31/2014
Assets mutual								
Local currency								
Contract 1	July-14	Indeterminated	105% DI-Cetip		27,694	-	4,242	4,057
Contract 2	November-14	Indeterminated	105% DI-Cetip	N/A	8,139	-	-	25
					35,833	-	4,242	4,082
Foreign currency								
Contract 1	July-14	Indeterminated	105% DI-Cetip	N/A	627,226	253,745	814,015	673,998
Contract 2	July-14	Indeterminated	105% DI-Cetip	N/A	20,992	18,383	25,352	20,992
Contract 3	December-14	Indeterminated	12.000% p.a.	N/A	288	50	161	-
					648,506	272,178	839,528	694,990
Liabilities mutual					**684,339**	**272,178**	**843,770**	**699,072**
Local currency								
Contract 1	February-15	Indeterminated	105% do DI-Cetip	N/A	12,006	-	4,808	-
					12,006	-	4,808	-
Foreign currency								
Contract 1	July-07	13 Years	9.875% a.a.	N/A	28,025	14,649	46,994	38,674
Contract 2	July-07	13 Years	9.875% a.a.	N/A	65,391	35,108	112,625	92,643
Contract 3	May-09	11 years	12.000% p.a.	N/A	40,736	24,785	79,509	64,279
Contract 4	May-09	11 years	12.000% p.a.	N/A	117,249	71,374	228,967	185,081
Contract 5	July-09	11 years	12.000% p.a.	N/A	50,618	33,046	106,012	85,705
Contract 6	September-09	11 years	10.100% p.a.	N/A	134,378	92,107	295,478	239,623
Contract 7	October-09	11 years	10.100% p.a.	N/A	46,231	31,930	102,433	83,070
					482,628	302,999	972,018	789,075
					494,634	**302,999**	**976,826**	**789,075**

Loan agreements and foreign currency loans between Lupatech Finance Company and are presented net amount of R$158,003 in liabilities of the Company, due to come from the same transaction related to perpetual bonds.

The transactions are made according to the conditions agreed among the parts.

On March 31, 2015, the Company has a loan agreement with the Unifit – Unidade de fios Industriais de Timbaúba S/A in the amount of R$5,515 (R$5,319 on December 31, 2014). This amount is recorded in other receivables as non-current assets.

The Company has, on March 31, 2015, a loan agreement with the jointly Luxxon Participações S/A amounting to R$4,745 (R$4,615 at December 31, 2014). This amount is recorded in other receivables in non-current assets.

a. Garanties granted

The operations with related parts do not have guarantees included in the operation, and are summed up in commercial ordinary transactions (purchase and sale of inputs) which are not grounded in guarantees, as well as operations of mutuals with companies of the Group which also do not present guarantees in its composition.

On March 31, 2015, the Company has a balance of R$16,332, of billing notification by Votorantim S/A bank relating to the Guarantee provided - Guaranteed by a letter of guarantee requested by Nordeste do Brasil S/A bank for repayment of loan from Unifit – Unidade de Fios Industriais de Timbaúba S.A. and BNB, totaling R$31,180 of which the Company was a guarantor on 50%.

The amount of R$16,332 is recorded as loans and financing in non-current liabilities (R$16,212 on December 31, 2014), as mentioned in note 11.

Nevertheless, the Votorantim S/A bank issued communications in order to express their agreement with the reprofiling of that debt guaranteed by surety in the event of failure from receiving the amounts directly by Unifit – Unidade de Fios Industriais de Timbaúba S/A.

b. Conditions of price and duties

Loan contracts among companies in Brazil are monetarily restated according to the DI-Cetip monthly rate for funds obtained in the market.

The sales and purchases of products are made in market conditions and deadlines, with price discounts that vary on an average of 10%.

14.2 Key management staff

a. Manegement compensation

Lupatech S.A. paid its managers, fixed between wages and fixed compensation, a total amount of R$1,293 for the period of three months ended in March 31, 2015 (R$1,1521 for the period of three months ended in March 31, 2014), the limit amount of R$5,216 having been approved for the period between April 2014 and March 2015 in the Annual General Meeting held on Abril 30, 2014. This limit the amount of R$5,852 corresponds to the amount paid for the period from April 2014 to March 2015.

Additionally, on March 31, 2015, it was recognized variable compensation in the amount of R$5,068 as part of the restructuring plan of indebtedness of the Company, (R$5,700 on December 31, 2015).

The benefits of Directors and participation of employees and managers in profits and results are disclosed in the note 20.

14.3 Loans e debentures with Shareholdes

As disclosed in note 11, the Company has credit lines FINEM of BNDES, in direct mode, which balance on March 31, 2015 is R$66,972 (R$63,409 at December 31,2014). Additionally, a representative portion of convertible debentures issued in 2009, as presented in note 13, were acquired by the BNDES.

On March 31, 2015 the Company owned the balance of accounts payable to GP Investments Ltd. recorded in non-current liabilities in the amount of R$28,277, as disclosed in note 12 (R$28,011 on December 31, 2014).

On March 31, 2015 the Company has the balance of loans with Banco Votorantim S/A of R$98, R$93 in current liabilities, and R$5 in non-current liabilities (R$96 on December 31, 2014, R$74 in current liabilities and R$22 in non-current liabilities).

On March 31, 2015 the Company has the balance of loans with Itaú Unibanco Holding S/A of R$64 recorded in current liabilities (R$230 on December 31, 2014).

15 Income taxes and social contribution

For companies with headquarters in Brazil, depending on the situation of each company, if levied by taxable profit, the provision for income tax is calculated and accounted at the 15% rate over the taxable income, plus an additional 10%, and the social contribution at the 9% rate,

calculated and accounted over the income before income tax, adjusted pursuant to tax laws. The companies levied based on presumed profit calculate their income tax at the rate of 15%, plus an additional 10%, and social contribution at the rate of 9%, over presumed profits from 8% to 32% for income tax and 12% for social contribution on subsidiaries' gross income from selling and services, pursuant to the fiscal rules in force.

The operations of subsidiaries located in Argentina are taxed at a 35% rate on adjusted profit for tax purposes. Operation of subsidiary located in Colombia is taxed at a 33% rate on adjusted profit for tax purposes.

a. Deferred income tax and social contribution

	Parent		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Provision for tax, labor and civil risks	1,887	1,781	16,003	16,003
Tax loss	11,630	11,379	25,189	25,120
Provision for losses on inventories	2,094	2,141	6,543	6,543
Negative base of social contribution (CSLL)	4,086	3,998	8,850	8,826
Amortization of goodwill for tax purposes	(52,386)	(51,255)	(79,983)	(77,231)
Impairment of goodwill	22,331	22,331	53,710	53,710
Other provisions	10,358	9,625	(30,312)	(32,971)
Deferred income tax about liabilities of SABR of deemed cost	-	-	(33,179)	(33,780)
Deferred income tax and social contribution - Non-current	-	-	(33,179)	(33,780)

On March 31, 2015, the parent and consolidated possessed tax losses and temporary differences, which can be offset against future taxable income for which no deferred tax asset has been recognized due to the fact that there is at the moment, sufficient security for their recovery.

On March 31, 2015 the balance of deferred income and social contribution liability is R$33,179 in the consolidated (On December 31, 2014 the balance of deferred income tax and social contribution tax liability was R$33,780 in the consolidated), and the balance of deferred income and contribution assets is R$1,062 in the consolidated (R$489 on December 31, 2014).

b. Conciliation of income tax and social contribution

	Parent		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Loss before tax from continuing operations	(78,925)	(94,995)	(56,798)	(102,236)
Loss before tax from discontinued operation	150	-	(22,054)	6,719
	(78,775)	(94,995)	(78,852)	(95,517)
Additions and exclusions				
Equity pick-up	25,412	75,053	-	7,611
Allowance for doubtful accounts	(288)	9	(733)	526
Non-deductible interest	15,652	12,310	15,652	12,310
Provision for loss contingencies	888	476	1,393	1,217
Provision Award for non-conversion of debentures	-	2,124	-	2,124
Change in fair value of embedded derivative of debentures	-	3,303	-	3,303
Other	(4,599)	2,453	11,628	1,585
Calculation basis	(41,710)	733	(50,912)	(66,841)
Combined tax rate	34%	34%	34%	34%
Current Income tax and social contribution of subsidiaries with taxable income	-	-	**(612)**	**(368)**
Deferred tax and social contribution	-	-	**689**	**890**

16 Contingencies Processes

16.1 Provision for tax, labor and civil risks

The Company, through its attorneys, has been discussing some tax, labor and civil issues in courts. The provision for tax, labor and civil risks was determined by the Management based on available information and supported by the opinion of the Company's attorneys as to the expected decision, in an amount deemed sufficient to cover losses considered likely to occur, which may occur in view of unfavorable court decisions.

		Parent		Consolidated	
		Expectation of loss		Expectation of loss	
		Possible	Probable	Possible	Probable
Tax (i)					
VAT	(i.1)	47,470	-	52,825	1,568
CSLL - Social Contribution on Net Income	(i.2)	-	-	6,630	400
IRPJ - Corporate Income Tax	(i.3)	21,966	-	50,671	1,970
INSS - National Institute of Social Security	(i.4)	-	-	87,965	15,436
IPI - Excise Tax	(i.5)	2,812	-	2,812	-
PIS - Employees' Profit Participation Program	(i.6)	-	403	485	612
COFINS - Tax for Social Security Financing	(i.7)	-	-	1,405	1,730
ISS - Services Tax	(i.8)	104	-	104	5,586
CIDE - Contribution for Intervention in the Economic Domain	(i.9)	-	-	1,539	-
Other	(i.10)	152	103	15	9,026
		72,504	506	204,451	36,328
Labor (ii)		2,483	2,577	7,414	62,861
Civil (iii)		4,872	2,467	10,596	10,034
Total at March 31, 2015		79,859	5,550	222,461	109,223
Total at December 31, 2014		75,671	5,239	232,118	107,948

These figures cover the whole of the Group companies to include figures under litigation and administrative as well as situations where incurred even without the existence of release or formal questioning by the authorities, give rise to risks of future losses.

The provision for resources involved in legal disputes in the amounts above (R$5,550 in parent and R$109,223 in consolidated as of March 31, 2014 and R$5,239 in parent and R$107,948 in consolidated as of December 31, 2014) and referring to the spheres listed below takes into account the probable loss, and this set when an outflow of economic benefits is presumed on the matter discussed, the trials accruing in each demand and the jurisprudential understanding of each case.

In turn, the demands with probability of possible loss is excluded from the provision.

Indemnity assets

The Company has the right to be compensated to the limit of R$50.000 referring to losses that may occur in San Antonio Brasil S.A. from eventual not known contingencies according to the article of guarantee foreseen in the Investment Agreement. Contingencies not known at the moment of transaction can result in this guarantee being activated in the future.

The lawsuits are divided into three levels, namely:

(i) Tax provision

Issues regarding state and federal taxes, among these IRPJ (corporate income tax), PIS (social integration program), COFINS (contribution for social security financing), INSS (Brazilian Social Security Institute), ICMS (value-added tax) and IPI (tax on manufactured products). There are legal proceedings in all phases, from lower courts to higher courts, STJ (Higher Court of Justice) and STF (Higher Federal Court). The main processes and values are as follows:

Contingent lawsuits classified as possible loss:

(i.1) Infraction notices by the Finance Department of the State of Rio Grande do Sul (SEFAZ/RS) due to lack of payment - fictitious export of VAT. On January 13, 2014 was presented Impeachment in the face of Infraction, with this last update. Process subject to possible loss of R$45,837.

Assessment Notice issued against the VAT Lupatech – Equipamentos e Serviços para Petróleo Ltda., Aiming to charge a fine of R$4,877, for failing to submit the statutory deadline, the file on the magnetic records of transactions and tax benefits made at certain times. Currently, awaiting trial for Voluntary Action.

Tax enforcement of São Paulo State Treasury regarding the collection of VAT and fine debt, the notice of violation with a fine of imposition nº 3149008 against Lupatech S/A in the amount of R$1,513. The process is subject to possible loss and is awaiting decision of the court on the request of the current account garnishment FESP since April 14, 2014.

(i.2) Administrative process of the Federal Revenue of Brazil against San Antonio International do Brasil Serviços de Petróleo Ltda., referring to federal taxes, classified as possible loss in the total of R$3,284, where they are awaiting continuation.

Assessment notice from the Federal Revenue of Brazil against Sotep – Sociedade Técnica de Perfuração S/A, regarding the collection of social contributions on the payroll typified in the art. 22 of Law 8,212/91, as well as incidents on the remuneration paid, due or credited to their services to individual taxpayers. Process subject to possible loss of R$1,341.

(i.3) Tax assessment and enforcement and fines, by the Federal Revenue of Brazil against Lupatech S/A with the purpose of collecting debts in respect of income tax and social calculated in calendar years 2009 and 2010, alleging that the deduction made Tecval improper tax of goodwill paid by TCV, when the acquisition of Tecval. Currently the case is awaiting decision of 1st administrative level. Value subject to possible loss tending to remote, of R$9,249.

Tax enforcement of the Federal Union against Lupatech S.A. resulting from the administrative process which refers to the allegation of revenue omission, having as basis documents obtained in an illicit and incorrect way by the Federal Revenue. The act of violation originally recorded was decided on first administrative instance where it achieved success; the tax requirement as well as the allegation of omission were excluded. Such decision was confirmed by the Taxpayers Council. The process is subject to classification of possible loss by the legal consultants and totals the updated amount of R$8,185. Currently, the process is awaiting trial judgment of embargo presented to restore the decision that denied continuation to the Extraordinary Remedy lodged from the Union for recognizing the unconstitutionality of the break of bank secrecy.

Tax enforcement of the Federal Fiscal Union against Lupatech S/A, concerning the collection of tax debts. Process is subject to possible loss of R$4,153, and is waiting for the manifestation of the Treasury on goods donated.
Tax assessment of the Federal Revenue of Brazil against Lupatech Perfuração e Completação Ltda., coming from administrative procedure, drawn up in view of (i) the non-submission of financial documents related to calendar year 2008 and (ii) the arbitration of income for the 2009 calendar year, a procedure adopted for supervision due to the period of Digital Bookkeeping be "in demand". Process subject to possible loss of R$19,478. On September 09, 2013, the case was remitted to Team Collection Collection DRF-MACAÉ-RJ latter being progress.

Tax Foreclosure charging income tax for 1998, against the San Antonio International do Brasil Serviços de Petróleo Ltda., R$3,131, subject to possible loss. On June 26, 2012 the case was received at the 8th Chamber of the Federal Court of the 1st Region, this being the last update.

The Secretariat of the Federal Revenue of Brazil tax administrative proceedings against the company Sotep – Sociedade Técnica de Perfuração S/A, concerning the collection of amounts related to IRPJ and CSLL. Process subject to possible loss of R$2,823, and waiting subpoena the company as the judgment dismissing the Appeal Volunteer handled by it.

(i.4) Administrative process for collection of contributions allegedly due to the INSS, against the San Antonio International do Brasil Serviços de Petróleo Ltda., in R$37,514, subject to possible loss. Payment of this debt was suspended on account of the decision in Writ of Mandamus n. 2004.33.00.016130-1, which was later reformed in August 2007. Because of this, the INSS probably return to collect this debt.

Infraction notices against the San Antonio International do Brasil Serviços de Petróleo Ltda., for the collection of contributions allegedly owed to the INSS. On February 05, 2010 the case was remitted to the Board of Tax Appeals-MF/DF. Process subject to possible loss of R$31,447.

Debts allegedly confessed in GFIP but not collected by the company's San Antonio International do Brasil Serviços de Petróleo Ltda. Processes of possible loss totaling R$15,351.

Infraction notices for alleged charges due contributions to the INSS totaling R$3,067 against the San Antonio International do Brasil Serviços de Petróleo Ltda. The collection of such debt is suspended. Process subject to possible loss.

(i.5) Tax Enforcement against Lupatech S.A. resulting from the administrative process which is about the allegation of revenue omission, having as ground documents obtained in an illicit and incorrect way by the Federal Revenue Service. The act of violation originally recorded was decided on first administrative authority where it achieved success; the tax requirement as well as the allegation of omission were excluded. Such decision was confirmed by the Taxpayers Council. The process is subject to classification of possible loss by the legal consultants and totals the updated amount of R$2,812. Currently, the process is awaiting Amendment of Judgment with infringing effects for modifying Decision, taking into consideration the material error existing in the embargoed Decision and as a consequence, restore the Decision that denied continuation to the Extraordinary Remedy filed by the Union for recognizing the unconstitutionality of the breach of bank secrecy.

(i.7) Filed tax Enforcement in order to charge the values as COFINS and PIS, embodied in CDAs, originating from administrative processes. The last updates of the process took place on

September 07, 2012, where the Prest Perfurações Ltda. opposed Amendment of Judgment against the judgment that denied provident to the previously filed Bill of Review. Process subject to possible loss of R$1,036.

(i.9) Fiscal Administrative Procedure of the Federal Revenue Secretariat of Brazil against San Antonio International do Brasil Serviços de Petróleo Ltda., for charging debits of CIDE resulting from remittances outside Brazil. Process subject to possible loss of R$1,539.

Contingent processes classified as probable loss

(i.1) It refers to the fine for not fulfilling ancillary obligations to the state of Rio de Janeiro, in the total amount of R$1,568, this being in discussion in the administrative scope.

(i.7) It refers to the credits of PIS and COFINS resulting from specific expenses occurring until the fiscal year of 2008, in the unit of Sotep Sociedade Técnica de Perfurações S.A., that did not fully reach, from the tributary point of view, the condition of input in the provision of services. Value updated, classified as probable loss of R$1,058.

(i.8) ISS over the provision of services performed on the Brazilian continental shelf, which may be subject to challenge by the tax authorities. Process without lawsuit subject to probable loss if challenged in R$4,223.

(i.10) Possible contingent liabilities at fair value assumed in the business combination of San Antonio Brazil S/A pursuant to CPC 15, in the amount of R$28,000.

(ii) Labor provision

The Company and its subsidiaries are part of labour lawsuits referring to discussions that are mainly complaints about overtime, insalubrities and dangerousness, among others. None of the lawsuits refers to individually significant values.

(iii) Civil provision

The main discussions in this are related to:

(iii.1) Extrajudicial execution of the Grupo Engenharia Ltda., Subject to possible loss of R$1,264

(iii.2) Compensation for damage material to Maurina dos Santos. Proceedings on possible loss of R$1,031.

(iii.3) Indemnity action of company Aeróleo Taxi Aereo S/A. Proceedings on possible loss of R$907.

(iii.4) Collection action of Rioflux Representações Ltda, Subject to probable loss of R$2,107

(iii.5) Common share obligation moved by Weatherford Indústria e Comércio Ltda. Weus Holding Inc. and is alleged misappropriation of confidential blueprints of your property. The process has a risk classification as probable loss and causes the value of approximately R$1,401, and is in the phase of appeal in the court of justice of the State of Rio de Janeiro;

(iii.6) Compensation action of Meio Dia Refeições Industria Ltda, against Lupatech Perfuração e Completação Ltda. Proceedings on probable loss of R$3,182.

(iii.7) Return action for damages where the plaintiff requested reimbursement of amounts blocked in the records of the grievance filed by Bergson Rosa against the San Antonio International do Brasil Serviços de Petróleo Ltda., the plaintiff, UNAP International Ltda., Delba Marítima Navegações Ltda, and Cia Batsco Ltda. Process with probable loss of R$1,183.

The changes in provision balance on March 31, 2015 are as follows:

	Parent				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance at December 31, 2014	**506**	**2,094**	**2,639**	**5,239**	**36,285**	**61,563**	**10,100**	**107,948**
Net additions	-	719	96	815	77	5,065	266	5,408
Net write-offs	-	(236)	(268)	(504)	(34)	(3,767)	(332)	(4,133)
Balance at March 31, 2015	**506**	**2,577**	**2,467**	**5,550**	**36,328**	**62,861**	**10,034**	**109,223**

16.2 Contingent assets

	Probability of probable gain	
	Parent	**Consolidated**
Tax (i)	3,687	13,109
Civil (ii)	414	3,631
Balance at March 31, 2015	**4,101**	**16,740**
Balance at December 31, 2014	**3,966**	**15,879**

The Company did not record contingent gains, for it only records them after the claims are final and unappeasable or upon the effective inflow of funds.

(i) **Tax provision**
Tax – discussions related to city, state and federal tax rights.

Main processes contingent tax assets with probable gain:

(i.1) Process of VAT, in Lupatech OFS SAS of R$5,671.

(i.2) Lawsuit filed against the Federal Government for recognition and declaration of the right of Lupatech the use and ownership of IPI credits in the amount of R$1,722.

(i.3) Challenge to the Tax Enforcement Collection of IVA due to the transfer of goods between the company's own stores, in reliance on the Certificate of Debt No. 1092569630 (AIIM nº3158871). Probable gain of R$1,202.

(i.4) Statement of the legal obligation requiring the Sotep - Sociedade Técnica de Perfurações S/A to VAT on transfer transactions of goods between stores the Plaintiffs, pursuant to art. 151 V, the National Tax Code, given the Defendant to refrain from engaging in any act related to its recovery. On 09/12/2013, was joined to petition, and this last update process. Probable gain of R$1,185.

(ii) **Civil provision**

Main processes contingent Civil assets with probable gain:

(ii.1) Sentencing process Prest Perfurações Ltdag against the Potássio about payment of penalty provided under the early termination of the contract and reimbursement of expenses incurred for the implementation of Potássio Project in the amount of R$3,026.

16.3 Judicial deposits

The Company has the following balances of judicial deposits at March 31, 2015, which are inked to contingent liabilities:

	Judicial deposits	
	Parent	**Consolidated**
Tax contingencies	15	2,810
Labor contingencies	678	21,264
Civil contingencies	171	1,130
Balance at March 31, 2015	**864**	**25,204**
Balance at December 31, 2014	**1,817**	**25,295**

17 Shareholders' equity

a. Capital stock

Current integrated capital stock only comprises common shares with 100% tag-along right, as follows:

	Parent and Consolidated	
	Quantity of share	**Capital stock**
	Thousand	**R$**
Balance at December 31, 2014	**4,697,054**	**1,853,684**
*Correction of a capital increase of 09/30/2014	(137)	-
Balance at March 31, 2015	**4,696,917**	**1,853,684**

At the Board of Directors held on March 31, 2015, was approved the rectification of the number of common shares issued as a result of the capital increase approved by the Board of Directors held on September 30, 2014, considering that, because of the individual calculation of capitalized loans and therefore necessary to rounding, the correct number of issued shares, excluding the shares issued as a result of mandatory conversion of debentures series B, was 4,432,528,832 common shares at instead of 4,432,666,217 common shares consisted in the minutes of that meeting. Thus, considering this rectification, 137,385 shares are disregarded and the amount of the Company's common shares after the capital increase and the mandatory conversion of debentures series B, increased to 4,696,917,000.

b. Dividends

Annually, is ensured to the shareholders, the distribution of a minimum mandatory dividend of 25% of net income adjusted as per corporate law.

c. Equity Evaluation Adjustment

The Company recognizes in this rubric the effects of exchange rate variations on the investments in subsidiaries abroad and on the goodwill originating from acquisitions of investments abroad whose functional currency follows the one that the operation abroad is subject to. The accumulated effect will be reverted for the income statement of the fiscal year as gain or loss only in case of sale or decrease of the investment.

d. Options granted

On March 31, 2015 the balance of reserves of options granted is R$13,549 (R$13.549 at December 31, 2014). The effect on net income in the three months ended March 31, 2015 is zero (zero in the three months ended March 31, 2014).

18 Financial instruments

18.1 Financial risk management

Financial risk factor

The Group's activities expose it to several financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's program for global risk management is focused on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance through the use of derivative financial instruments to protect certain exposures.

Risk management is carried out by the Group's treasury according to approved policies, except for jointly-owned subsidiaries, which are shared with the other controlling shareholders. The Group's treasury identifies, evaluates and protects the Company against possible financial risks in cooperation with the Group's operating units. The Board of Directors sets forth principles for global risk management, as well as for specific areas such as foreign exchange risk, interest rate risk, use of derivative and non-derivative financial instruments.

(i) Exchange risk

The Company operates internationally and is exposed to foreign exchange risk resulting from exposure to some currencies, mainly the US dollar and the Colombian Peso.

Foreign exchange risk results from trade and financial operations, recorded assets and liabilities and net investments in overseas operations.

The Management has established a policy that requires that the Company manage their foreign exchange risk related to their functional currency. In order to manage their foreign exchange risk resulting from trade operations, the Company seeks to balance their balance of trade between purchases and sales in currencies different from their functional currency.

The Company has certain investments in overseas operations whose net assets are exposed to foreign exchange risk.

On March 31, 2015 and December 31,2014, the Company and its subsidiaries had assets and liabilities denominated in US dollars, as shown in the table below:

	Amounts in US dollar thousands			
	Parent		Consolidated	
Items	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Cash and cash equivalents	-	-	50	44
Accounts receivable	2,954	3,142	12,670	11,139
Other assets	-	-	44,513	45,319
Loans and financing	(2,092)	(2,044)	(3,478)	(3,440)
Bonds	-	-	-	(48,177)
Related parties - Mutual liabilities	(302,999)	(297,070)	-	-
Other obligations	(1,244)	(2,491)	(5,970)	(8,816)
Net exposure in Dollar	(303,381)	(298,463)	47,785	(3,931)

On March 31, 2015 the US dollar rate in relation to the Brazilian Real was US$1.00 = R$3.2080 (on December 31, 2014 US$1.00 = R$2,6562). If the Real depreciates 10% in relation to the official dollar rate at the end of the year and all the other variables remain equal is a loss of approximately R$64,234 in the parent and a gain of R$10.117 in consolidated.

Operations with derivative financial instruments

The purpose of derivative instruments transactions contracted by the Company is always related to the elimination of market risks and also the management of the volatility of financial flows of the Group. In accordance with the standards of the Group, the Company's financial results should be derived from the cash flow of its business and not from gains in financial markets. The use of derivative contracts by the Company should only be to protect eventual exposures that the Company may have arising from the risks to which it is exposed, without the consideration for speculative purposes. The monitoring of the impact of derivative transactions is analyzed monthly and all gains or losses from derivative financial instruments are recognized at fair value in the Consolidated Financial Statements of the Company. The criterion for determining the fair value of derivative financial instruments is based on the use of the market curves of each derivative (MTM) at to present value on the balance sheet date.

Analysis of the sensitivity of foreign currency, variation of interest rate and riscks involving derivative transactions

As presented in the note 18.1, the Company is exposed to risks of fluctuation of interest rates and foreign currencies (other than its functional currency, the "Real"), mainly the U.S. dollar on their loans, financing and perpetual bond. The sensitivity analysis considers 3 scenarios of interest rate fluctuation and exchange rate fluctuation. To define the scenarios used, the Company’s Management believes that the following assumptions may be fulfilled, with their respective likelihoods; however, it is worth pointing out that these assumptions are based on judgments of the Company’s Management and that they may vary significantly in relation to the actual results due to market conditions, which cannot be estimated with certainty on this date for the full estimation profile.

As established by CVM Instruction 475 by the Directors of the Company presents the sensitivity analysis, considering:

Scenario involving a probable interest rate parity of US Dollar in comparison with Brazilian Real estimated by the Management:

Interest rate for the year 2015: Increase of 10%
US$: 3.01

Scenario involving a possible interest rate parity of US Dollar in comparison with Brazilian Real and a twenty-five percent (25%) impairment in the risk variable considered likely:

Interest rate for the year 2015: Increase of 12.5%
US$: 3.77

Scenario involving a remote interest rate parity of US Dollar in comparison with Brazilian Real and a fifty percent (50%) impairment in the risk variable considered likely:

Interest rate for the year 2014: Increase of 15%
US$: 4.52

The impact shown in the table below refers to the period of 1 year of projection:

		Scenario as per description above					
		Parent			Consolidated		
Operating	Risk	Probable	Possible	Remote	Probable	Possible	Remote
Loans, financing and bonds	US$ hike	-	-	-	(11,170)	32,216	75,601
Loans, financing and bonds	Interest rate hike	233	292	350	736	920	1,104
Mutual contracts	US$ hike	(64,656)	186,470	437,595	-	-	-
Total (ganho) perda		(64,423)	186,762	437,945	(10,434)	33,136	76,705

(ii) Cash flow or fair value associated with interest rate

The Group's interest rate risk arises from long-term loans. The loans funded at variable rates expose the Group to cash flow interest rate risk. The Group's loans at variable rates were mainly denominated in "Reais". To reduce the possible impacts resulting from these fluctuations, the Company adopts a policy of diversification, alternating the contract of its debts, adjusted to the market.

The Group analyzes its interest rate exposure dynamically. Several scenarios are simulated taking into consideration refinancing, renewal of existing positions, and alternative financing and hedge. Based on these scenarios, the Group determines a reasonable change in the interest rate and calculates the impact on income. For each simulation, the same change in interest rate is used for all currencies. The scenarios are prepared only for liabilities representing the main interest-bearing positions.

Based on the simulations and considering the Group's indebtedness profile on March 31, 2015, the impact on income, after the calculation of income tax and social contribution, with a variation of around 0.25 percentage points in variable interest rates and with all the other variables remaining constant, would correspond to an approximate increase/decrease of R$163 in interest expenses for the year. The simulation is conducted quarterly to ascertain whether the maximum loss potential is within the limits set forth by the Management.

(iii) Credit risk

Credit risk is managed within the company. It arises from cash and cash equivalents, derivative financial instruments, deposits in banks and financial institutions and exposure to client credit. For banks and financial institutions, securities from entities classified by the Company's Management as prime are accepted. Individual risk limits are determined based on internal or external classifications, according to limits set forth by the Management. The use of credit limits is monitored regularly and recorded when applicable the allowance for doubtful accounts.

Client selection and the monitoring of the periods for financing sales by business segments and individual position limits are procedures adopted in order to minimize potential default in its accounts receivable. Our revenues are more concentrated, directly and indirectly, on the client Petrobras, which amounted for the period of three months ended in March 31, 2015 approximately 58.4% (71.1% for the period of three months ended in March 31, 2014) of the Company's and its subsidiaries' total revenues.

(iv) Liquidity risk

The cautious management of liquidity risk implies keeping enough cash and securities, availability of funding through conditional credit lines and the ability to settle market positions. Due to the dynamic nature of the Group's businesses, the treasury keeps funding flexible by maintaining conditional credit lines.

The Management monitors the level of the Group's liquidity, considering the expected cash flow, which comprises the unused credit lines, cash and cash equivalents. This is generally conducted locally within the Group's operating subsidiaries, according to the practice and the limits set forth by the Group. These limits vary according to the region in order to take into account the liquidity of the market where the organization operates. Additionally, the Group's liquidity management policy involves the projection of cash flows in the main currencies and the consideration of the level of net assets required to achieve these projections, the monitoring of the balance sheet's liquidity index in relation to the internal and external regulatory requirements and the maintenance of debt financing plans.

18.2 Fair value estimate

The fair value of financial assets and liabilities that have terms and conditions and traded in active markets is determined on the basis of observed prices in these markets.

The fair value of other assets and liabilities (excluding derivative instruments) is determined by pricing models that use as a base the estimated discounted cash flows from the prices of similar instruments applied to transactions in a current market observable.

The fair value of derivative instruments is calculated using quoted prices. When those prices are not available, is used the analysis of discounted cash flows using the yield curve, apply according to the duration of the derivative instruments to no options. For derivatives containing options models are used models for pricing options.

The Company's main financial assets and liabilities are described below, as well as the criteria for their valuation/assessment:

a. Cash, cash equivalents and securities held to maturity

Balances in cash and cash equivalents and securities have a similar value to the accounting balances, considering their turnover and liquidity. The table below shows this comparison:

	Parent		Consolidated	
Items	Book value	Fair Value	Book value	Fair Value
Cash and cash equivalents	107	107	4,282	4,282
Marketable securities	7,443	7,443	7,443	7,443

b. Loans and financing

The estimated market value was calculated based on the present value of future cash disbursement, using interest rates available to the Company, and the evaluation indicates that the market values, in relation to the accounting balances, are as follows:

	Parent		Consolidated	
Items	Book value	Fair Value	Book value	Fair Value
Loans and financing	67,061	38,592	205,488	142,606
Debentures	72,254	45,318	72,254	45,318
Bonds	-	-	155,703	59,803

18.3 Financial instruments by category

Summary of financial instruments by category:

	Parent		
	03/31/2015		
	Loans and receivables	Held to maturity	Total
Assets, according to balance sheet			
Securities-restricted	-	7,443	7,443
Accounts receivable	30,650	-	30,650
Cash and cash equivalents	107	-	107
Related Parties	21,100	-	21,100
Total	51,857	7,443	59,300

	Parent		
	03/31/2015		
	Liabilities at fair value with gains and losses recognized in income	Financial liabilities at amortized cost	Total
Liabilities, according to balance sheet			
Loans and financing	-	67,061	67,061
Debentures (Idebt instruments)	-	72,254	72,254
Suppliers	-	40,224	40,224
Related parties	-	183,176	183,176
Total	-	362,715	362,715

	Parent		
	12/31/2014		
	Loans and receivables	Held to maturity	Total
Assets, according to balance sheet			
Securities-restricted	-	7,271	7,271
Accounts receivable	43,968	-	43,968
Cash and cash equivalents	137	-	137
Related Parties	20,773	-	20,773
Total	64,878	7,271	72,149

	Parent		
	12/31/2014		
	Liabilities at fair value with gains and losses recognized in income	Financial liabilities at amortized cost	Total
Liabilities, according to balance sheet			
Loans and financing	-	67,786	67,786
Debentures (Idebt instruments)	-	71,715	71,715
Suppliers	-	39,147	39,147
Related parties	-	134,949	134,949
Total	-	313,597	313,597

	Consolidated 03/31/2015		
	Loans and receivables	**Held to maturity**	**Total**
Assets, according to balance sheet			
Securities-restricted	-	7,443	7,443
Accounts receivable	119,012	-	119,012
Cash and cash equivalents	4,282	-	4,282
Total	123,294	7,443	130,737

	Consolidated 03/31/2015		
	Liabilities at fair value with gains and losses recognized in income	**Financial liabilities at amortized cost**	**Total**
Liabilities, according to balance sheet			
Loans and financing	-	205,488	205,488
Bonds	-	155,703	155,703
Debentures	-	72,254	72,254
Suppliers	-	97,822	97,822
Total	-	531,267	531,267

	Consolidated 12/31/2014		
	Loans and receivables	**Held to maturity**	**Total**
Assets, according to balance sheet			
Securities-restricted	-	7,271	7,271
Accounts receivable	115,483	-	115,483
Cash and cash equivalents	1,539	-	1,539
Total	117,022	7,271	124,293

	Consolidated 12/31/2014		
	Liabilities at fair value with gains and losses recognized in income	**Financial liabilities at amortized cost**	**Total**
Liabilities, according to balance sheet			
Loans and financing	-	201,626	201,626
Bonds	-	127,968	127,968
Debentures	-	71,715	71,715
Suppliers	-	98,389	98,389
Total	-	499,698	499,698

19 Insurance coverage (unaudited independent auditors)

It is the Company's policy to maintain insurance coverage for fixed assets and inventories subject to risks, under the type "Comprehensive Corporate Insurance", and for amounts deemed as sufficient to cover the risks involved. The company also has general Civil Liability Insurance, as well as Directors and Officers Liability Insurance. In the oil segment, it covers the national transportation and risks involving oil equipment.

Insurance purpose	Amout Secured	
- Corporative understanding insurance	R$	45,525
- General civil responsability insurance	R$	10,000
- Management D&O responsability insurance	R$	63,000
- Oil risk insurance	US$	11,757

20 Profit sharing program

In compliance with the profit sharing program duly ratified by the workers' union, the amounts related to employee and management profit sharing for the period of three months ended in March 31, 2015, recognized in the income of the parent and consolidated is zero (zero in parent and R$210 in consolidated for the period of three months ended in March 31, 2014). The profit sharing program for employees and managers is based on individual and corporate operating and financial targets previously established, which are determined at the end of the year to ascertain how far they have been met and the consequent distribution of the amounts due.

On March 31, 2015, the balance of participations of employees and administrators in the results, recorded in current liabilities is zero in parent and consolidated (zero and R$655, parent and consolidated, respectively, at December 31, 2014).

21 Statement of net Sales

	Parent		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Gross sales and/or services				
In Brazil	7,438	26,370	79,734	103,107
Export	6,424	9,949	11,740	9,945
	13,862	36,319	91,474	113,052
Deductions for gross sales				
Taxes on sales	(1,365)	(4,587)	(8,261)	(11,768)
Net sales and/or services	12,497	31,732	83,213	101,284

22 Gain (Loss) per Share

a. Basic

The basic gain per share is calculated by dividing the gain (loss) attributable to the Company's shareholders by the weighted average number of common shares issued during the year.

	Parent		Consolidated	
Items	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Loss attributable to shareholders of the company from continuing operations	(78,925)	(94,995)	(56,721)	(101,714)
Weighted average quantity of common shares outstanding (thousands)	4,697,053	157,605	4,697,053	157,605
Basic loss per share - R$	**(0.02)**	**(0.60)**	**(0.01)**	**(0.65)**

	Parent		Consolidated	
Items	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(78,775)	(94,995)	(78,775)	(94,995)
Weighted average quantity of common shares outstanding (thousands)	4,697,053	157,605	4,697,053	157,605
Basic loss per share from continuing and discontinued operations - R$	**(0.02)**	**(0.60)**	**(0.02)**	**(0.60)**

b. Diluted

The diluted gain (loss) per share is calculated by adjusting the weighted average number of outstanding common shares to presume the conversion of all potential diluted common shares. Concerning stock options, a calculation is made to determine the number of shares that could have been acquired by fair value (determined as annual market average price of Company share), based on the monetary value of subscription rights linked to outstanding stock options. The options under share-based payments are dilutive when they result in the issuance of shares at a value below the average market price of shares during the period less the adjusted issue price at the fair value of the services to be provided to the Company in the future according with the option of purchase of the stock.

	Parent		Consolidated	
Items	**03/31/2015**	**03/31/2014**	**03/31/2015**	**03/31/2014**
Loss attributable to shareholders of the company from continuing operations	(78,925)	(94,995)	(56,721)	(101,714)
Weighted average quantity of common shares outstanding (thousands)	4,697,053	157,605	4,697,053	157,605
Diluted loss per share - R$	**(0.02)**	**(0.60)**	**(0.01)**	**(0.65)**

	Parent		Consolidated	
Items	**03/31/2015**	**03/31/2014**	**03/31/2015**	**03/31/2014**
Loss attributable to shareholders of the company from continuing and discontinued operations	(78,775)	(94,995)	(78,775)	(94,995)
Weighted average quantity of common shares outstanding (thousands)	4,697,053	157,605	4,697,053	157,605
Diluted loss per share from continuing and discontinued operations - R$	**(0.02)**	**(0.60)**	**(0.02)**	**(0.60)**

The convertible debentures (Note 13) are not included in the calculation of diluted earnings per share in 2014 and 2015 because they are antidilutive for the period(s) presented.

23 Financial result

	Parent		Consolidated	
Items	**03/31/2015**	**03/31/2014**	**03/31/2015**	**03/31/2014**
Financial Income				
Income from financial investments	173	185	199	192
Related-party interest income (mutual contract)	132	305	-	-
Monetary variance	7	61	172	318
Interest on receivables	158	156	303	537
Other financial income	3	17	104	651
Total financial Income	473	724	778	1,698
Financial Expenses				
Interest on loans and financing	(1,683)	(6,912)	(5,230)	(12,850)
Interest on perpetual bond	-	-	(1,028)	(17,571)
Interest + IPCA on debentures	(538)	(13,476)	(538)	(13,476)
Embedded derivative - debentures	-	(3,303)	-	(3,303)
Interest of mutual contract	(17,388)	(13,170)	-	-
Provision of interest on suppliers	(261)	-	(567)	-
IOF, banking expenses and others	(1,528)	(1,406)	(3,357)	(4,977)
Total financial expenses	(21,398)	(38,267)	(10,720)	(52,177)
Gain on exchange variance	148,048	47,339	151,904	47,712
Loss on exchange variance	(170,042)	(24,220)	(179,194)	(23,616)
Exchange variance, net	(21,994)	23,119	(27,290)	24,096

24 Other operating expenses (income)

Items	Parent		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
(Provision) Reversal for loss of lawsuit	(427)	(442)	(932)	(1,160)
(Provision) Reversal of losses on inventory obsolescence	142	(1,809)	(2)	(1,734)
Residual value on disposal of fixed assets	1	3,094	331	(8,264)
Contratual fines	-	-	-	(47,686)
Cost of idle production	(5,411)	(161)	(7,322)	(161)
(Expenses) Reversal of expenses of expenditure on corporate restructuring	(18)	(1,075)	(18)	(1,145)
Other	(24)	(290)	(53)	(415)
Total	(5,737)	(683)	(7,996)	(60,565)

On March 31, 2014 the Company recorded R$47,686 as expenses in the consolidated from contractual fines for non-compliance of terms of contracts with customers.

25 Expenses by type

Items	Parent		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Depreciation and amortization	(2,285)	(2,437)	(12,392)	(12,629)
Salaries, social charges and benefits	(11,428)	(12,929)	(50,275)	(50,522)
Raw material	(2,330)	(19,280)	(22,456)	(38,124)
Commissions	(317)	(844)	(338)	(919)
Freights	(70)	(168)	(143)	(232)
Legal advice and tax	(1,798)	(866)	(2,967)	(1,438)
Travel expenses	(133)	(291)	(210)	(417)
Provision for loss of lawsuit	(888)	(476)	(1,393)	(1,217)
Residual value on disposal of fixed assets	(1)	(822)	(1,372)	(14,380)
Contratual fines	-	(1,083)	(1,352)	(49,550)
Losses on inventory obsolescence	142	(1,807)	(2)	(1,872)
Cost of idle production	(5,411)	(161)	(7,322)	(161)
Inventory adjustment	-	-	(1,009)	-
Other expenses	811	(47)	(4,022)	(4,393)
	(23,708)	(41,211)	(105,253)	(175,854)
Classified as:				
Costs of sales	(10,050)	(27,767)	(76,286)	(87,782)
Selling expenses	(2,486)	(3,116)	(4,458)	(5,605)
General and administrative	(3,525)	(4,163)	(12,746)	(14,053)
Management compensation	(1,293)	(1,521)	(1,293)	(1,521)
Other operating expenses	(6,354)	(4,644)	(10,470)	(66,893)
	(23,708)	(41,211)	(105,253)	(175,854)

26 Information by business segment

The Company established the Group's operating segments based on the reports used to make strategic decisions, reviewed by the Board of Directors considers that the target markets are segmented lines of **products** and **services**, same composition presented in note 1.

Geographically, the Management considers the performance of Brazilian and South America markets. The distribution by region takes into account the location of Group’s companies and not client’s location.

Revenues generated by operating segments mainly derive from:

a. **Products:** platforms mooring cables in deep waters, manual and automated valves for use in the exploitation, production, transportation and oil refining and hydrocarbon chain, oil well completion equipment, drill pipe coatings and production.

b. **Services:** services as workover, well intervention, drilling, coating and inspection of pipes.

Inter-segments sales were made as arm's length transactions. Revenues from external parties informed to the Board of Executive Officers were measured consistently with those revenues reported in the statement of income.

The amounts provided to the Board of Executive Officers in relation to total assets are compatible with balances recorded in the financial statements. These assets are allocated based on the segment operations and physical place of assets.

The amounts provided to the Board of Executive Officers in relation total liabilities are compatible with balances recorded in the financial statements. These liabilities are allocated based on the segment operations.

The Company's revenues have higher concentrations involving the customer Petrobras, directly and indirectly, which responded for the period of three months ended in March 31, 2015 by approximately 58.4% (71.1% for the period of three months ended in March 31, 2014) of the total revenue of the Company and its subsidiaries.

The information by segment is as follows:

	Products		Services		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Net sales	**13,700**	**34,484**	**69,513**	**66,800**	**83,213**	**101,284**
Cost of goods sold	(11,533)	(29,272)	(64,753)	(58,510)	**(76,286)**	**(87,782)**
Gross profit	**2,167**	**5,212**	**4,760**	**8,290**	**6,927**	**13,502**
Selling expenses	(2,864)	(3,459)	(1,594)	(2,146)	**(4,458)**	**(5,605)**
General and administrative	(3,847)	(4,419)	(8,899)	(9,634)	**(12,746)**	**(14,053)**
Management fees	(219)	(725)	(1,074)	(796)	**(1,293)**	**(1,521)**
Equity pick-up	-	(7,611)	-	-	-	**(7,611)**
Other operating income (expenses), net	(6,806)	452	(1,190)	(61,017)	**(7,996)**	**(60,565)**
Income before financial results	**(11,569)**	**(10,550)**	**(7,997)**	**(65,303)**	**(19,566)**	**(75,853)**
Financial income (*)	-	-	-	-	**778**	**1,698**
Financial expense (*)	-	-	-	-	**(10,720)**	**(52,177)**
Exchange variance, net (*)	-	-	-	-	**(27,290)**	**24,096**
Income (loss) before income tax and social contribution	-	-	-	-	**(56,798)**	**(102,236)**
Current income tax and social contribution (*)	-	-	-	-	**(612)**	**(368)**
Deferred income tax and social contribution (*)	-	-	-	-	**689**	**890**
Net income (loss) of discontinued operations for the period	-	-	-	-	**(22,054)**	**6,719**
Net income (loss) of continued and discontinued operations for the period	-	-	-	-	**(78,775)**	**(94,995)**

	Products		Services		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Identifiable assets (1)	**308,073**	**327,150**	**587,984**	**548,721**	**896,057**	**875,871**
Identifiable liabilities (2)	**48,640**	**53,163**	**254,670**	**246,852**	**303,310**	**300,015**

	Products		Services		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Depreciation and amortization	**(2,239)**	**(2,393)**	**(10,153)**	**(10,236)**	**(12,392)**	**(12,629)**
Fixed assets acquisition	**3**	**69**	**2,247**	**3,166**	**2,250**	**3,235**

1 - Identificable assets: accounts payable; inventories; fixed assets and goodwill; recoverable income taxes; marketable securities
2 - Identificable liabilities: accounts payable and loans and financing

(*) Information not included in the amount of profit (loss) for the segment reviewed by the principal manager of operations

Information by geographic region is as follows:

	Brazil		South America		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Net sales	61,547	82,044	21,666	19,240	83,213	101,284

	Brazil		South America		Consolidated	
	03/31/2015	12/31/2014	03/31/2015	12/31/2014	03/31/2015	12/31/2014
Identifiable assets (1)	774,735	803,015	121,322	72,856	896,057	875,871
Identifiable liabilities (2)	260,011	261,047	43,299	38,968	303,310	300,015

	Brazil		South America		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014	03/31/2015	03/31/2014
Depreciation and amortization	(9,910)	(10,368)	(2,482)	(2,261)	(12,392)	(12,629)
Fixed assets acquisition	1,139	89	1,111	3,146	2,250	3,235

1 - Identificable assets: accounts payable; inventories; fixed assets and goodwill; recoverable income taxes; marketable securities
2 - Identificable liabilities: accounts payable and loans and financing

(*) Information not included in the amount of profit (loss) for the segment reviewed by the principal manager of operations

27 Assets and liabilities held for sale

27.1 Assets and liabilities held for Sale

On March 31, 2015 the Company not presented assets and liabilities held for sale. On the date of December 31, 2014, the Company considered its subsidiaries Jefferson Sudamericana S/A and units as operations available for sale.

On January 29, 2015, were sold to indirect subsidiary Jefferson Sudamericana S.A., and its related entities Jefferson Solenoid Valves U.S.A., Inc., Valjeff S.A. de C.V. and Jefferson Solenoidbras Ltda. to the Argentinean business men Ricardo and Felipe Menendez through its operational entities Jikur S.A. and Jatdery S.A., based in Uruguay, as mentioned in note 1.1.

27.2 Income from discontinued operations

In the three months ended March 31, 2015 and 2014 the Company presents as a result of operations resulting in discontinuity of the divestment plan, the result of the indirect subsidiary Jefferson Sudamericana S.A., and its related entities Jefferson Solenoid Valves U.S.A., Inc., Valjeff S.A. de C.V. and Jefferson Solenoidbras Ltda. and Argentine companies, as follows is being presented:

	Parent		Consolidated	
	03/31/2015	03/31/2014	03/31/2015	03/31/2014
NET REVENUE FROM SALES	-	-	2,642	29,055
COST OF GOODS SOLD	-	-	(1,724)	(15,490)
GROSS PROFIT	-	-	918	13,565
OPERATING INCOME/EXPENSES				
Selling	-	-	(449)	(3,866)
General and administrative	-	-	(505)	(2,007)
Other operating expenses (income), net	150	-	(21,879)	(3)
OPERATING INCOME/EXPENSES BEFORE FINANCIAL RESULTS	150	-	(21,915)	7,689
FINANCIAL RESULTS				
Financial income	-	-	-	327
Financial expenses	-	-	(128)	(660)
Exchange variation, net	-	-	14	2,093
LOSS BEFORE TAX / HOLDING	150	-	(22,029)	9,449
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION				
Current	-	-	(25)	(2,718)
Deferred	-	-	-	(12)
LOSS OF DISCONTINUED OPERATIONS	150	-	(22,054)	6,719

27.3 Cash flow of discontinued operations

Cash flow from assets held for sale is presented below:

	Consolidated	
	03/31/2015	03/31/2014
Cash flow from operating activities	(807)	(3,158)
Cash flow from investing activities	(4)	(305)
Cash flow from financing activities	521	(70)
Increase in cash and cash equivalents	290	3,533

Independet Auditor's Report

To the Management and Shareholders of
Lupatech S.A.
Nova Odessa – SP

Introduction
We examined the interim financial, individual and consolidated, of Lupatech S/A ("Company"), included in the Interim Financial Information – ITR for the quarter ended March 31, 2015, which comprise the balance sheet as at March 31, 2015 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period of three months ended that date, including the explanatory notes.

Management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 (R1) - Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and with IAS 34 - Interim Financial Reporting issued by the International Accounting standards Board - IASB, as well as the presentation of information in accordance with the rules issued by the Securities and Exchange Commission applicable to the preparation of Interim Financial Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review
We conducted our review in accordance with Brazilian and International Standards on Review of ínterim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than an audit conducted in accordance with International 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. Therefore, we do not express an audit opinion.

Conclusion on the individual interim financial information
Based on our review, we are not aware of any facts that would lead us to believe that the individual interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Interim Financial Information - ITR and presented in accordance with the standards issued by the Brazilian Securities Commission.

Conclusion on the consolidated interim financial information
Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim financial statements included in the ITR referred to above is not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Interim Financial Information - ITR and presented in accordance with the Standards issued by the Securities Commission.

Emphasis

No caveat our opinion, we draw attention to the fact that the Company has generated recurring losses and presents failure in the cash flow necessary for the maintenance of its operating activities. As described in Note 1.2, the Company's Management has implemented restructuring of operations and has prepared an analysis of the ability of the Company to continue operating. In this analysis, Management used assumptions about the entry of additional financial resources at the Company that depend on the success of certain ongoing actions taken by Management and are subject to negotiations and decisions involving other parties, thereby generating significant uncertainty as to its capacity to obtain such resources to continue operating. During the quarter ended on March 31, 2015, Management continued the negotiations and expects to obtain the necessary resources to the end of the next quarter. Thus, the continuity of the Company's business depends on Management's success in achieving such actions in the expected time and so equates its cash position, allowing them to be normalized capital levels of turnover and investments required to maintain operations, including recovery of assets and payment of liabilities under the terms and conditions presently agreed.

Other matters

Interim statements of value added

We also reviewed the individual and consolidated interim statements of value added (DVA), for the three months ended March 31,2015, prepared under the responsibility of the Company's management, the presentation of which information is required in accordance with the Standards issued by CVM - Brazilian Securities Commission applicable to the preparation of Interim Financial Information - ITR and is considered as supplemental information for IFRS, which do not require disclosure. These statements were submitted to the same review procedures described above and, based on our review, we are not aware of any facts that would lead us to believe that they were not prepared, in all material respects, in accordance with the individual interim financial information and consolidated together.

Porto Alegre, May 15, 2015..

KPMG Auditores Independentes
CRC SP-014428/F-7

Cristiano Jardim Seguecio
Accountant CRC SP-244525/O-9 T-RS

Management's Declaration of the Financial Statements

In accordance with section VI of article 25 of CVM Instruction 480, of December 7, 2009, Management declares that reviewed, discussed and agreed with the Company's Financial Statements for the period of three months ended in March 31, 2015.

Nova Odessa, May 15, 2015.

Ricardo Doebeli – Chief Executive Officer
Carlos Mario Calad Serrano – Chief Service Officer
Edson Antônio Foltran - Chief Supply Chain Officer

Management's declaration of the Independent Auditor's Report

In accordance with section VI of article 25 of CVM Instruction 480, of December 7, 2009, Management states that reviewed, discussed and agreed with independent auditors' report relating to Company's Financial Statements for the period of three months ended in March 31, 2015.

Nova Odessa, May 15, 2015.

Ricardo Doebeli – Chief Executive Officer
Carlos Mario Calad Serrano – Chief Service Officer
Edson Antônio Foltran - Chief Supply Chain Officer