INTERIM FINANCIAL STATEMENTS Q22015

LUPATECH S/A – IN JUDICIAL RECOVERY
CNPJ/MF nº 89.463.822/0001-12
NIRE 43300028534

Management Report

Judicial Recovery

On May 25, 2015, as disclosed in the Relevant Fact, the Company filed, together with the other companies in the Lupatech Group, the request for court-supervised reorganization. The request has been approved by the Courts on June 23, 2015 and all information relating to the process are available on the website of Brazilian Securities Exchange Comission and of Investor Relations of Lupatech S/A - In Judicial Recovery.

Management has been making efforts in negotiating with creditors, in the demobilization of non-core assets and the search for potential investors. However, the scenario was aggravated by the adverse situation in the oil and gas sector created from the drastic reduction of the oil barrel price in the international market and the significant increase in risk perception in the chain of products and services for the segment in Brazil. These factors have brought negative effects on the whole industry supply chain, contributing to frustrate some expectations and cause us to submit the request for court-supervised reorganization

The decision to judge the request for court-supervised reorganization aims to preserve the Company's value, its social function and the stimulation of economic activity, serving in an organized manner to the interests of its creditors and shareholders and managing responsibly the Company's assets.

Financial and Economic Performance

Net Revenue

Net Revenue (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Products	**32,570**	**9,684**	**-70.3%**	**13,700**	**9,684**	**-29.3%**	**67,054**	**23,384**	**-65.1%**
Oil&Gas Valves	13,818	3,184	-77.0%	3,072	3,184	3.6%	24,348	6,256	-74.3%
Industrial Valves	4,119	2,797	-32.1%	3,261	2,797	-14.2%	10,312	6,058	-41.3%
Anchoring Ropes	12,928	3,221	-75.1%	6,724	3,221	-52.1%	28,922	9,945	-65.6%
Others Products	1,705	482	-71.7%	643	482	-25.0%	3,472	1,125	-67.6%
Services	**65,755**	**56,250**	**-14.5%**	**69,513**	**56,250**	**-19.1%**	**132,555**	**125,763**	**-5.1%**
Oilfield Services Brazil	38,565	32,356	-16.1%	39,804	32,356	-18.7%	80,792	72,160	-10.7%
Oilfield Services Colombia	21,339	19,979	-6.4%	21,666	19,979	-7.8%	40,579	41,645	2.6%
Tubular Services & Coating	5,851	3,915	-33.1%	8,043	3,915	-51.3%	11,184	11,958	6.9%
Total	**98,325**	**65,934**	**-32.9%**	**83,213**	**65,934**	**-20.8%**	**199,609**	**149,147**	**-25.3%**

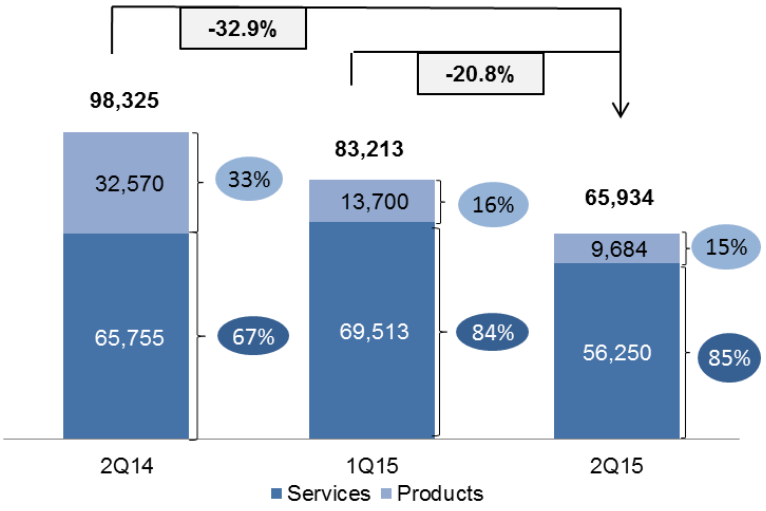
The Consolidated Net Revenue in the 2Q15 reached R$ 65.9 million, versus R$ 98.3 million in the 2Q14 and R$ 83.2 million in the 1Q15, a reduction of 32.9% and 20.8%, respectively. In the first semester of the year, the Consolidated Net Revenue reached R$ 149.1 million versus R$ 199.6 million in the 1S14, a decrease of 25.3%.

The Products Segment performance was the main responsible for reduction of Consolidated Net Revenue in the three 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 by lack of resources to purchase raw

materials. Thus, the Net Revenue of Products Segment presented reduction in the 2Q15 of 70.3% and 29.3% compared to 2Q14 and 1Q15, respectively, and decreased 65.1% comparing the cumulative position of the first half 2015 to 2014.
The Services Segment presented reduction of 14.5% and 19.1% in Net Revenue of 2Q15 compared to 2Q14 and 1Q15, respectively, from R$ 65.8 million in the 2Q14 and from R$ 69.5 million in the 1Q15 to R$ 56.2 million in the 2Q15. The Oilfield Services Brazil division was the main responsible for the nominal Net Revenue reduction in the Services Segment, R$ 32.4 million in the 2Q15 versus R$ 38.6 million in the 2Q14 and R$ 39.8 million in the 1Q15, primarily due to the standstill of some operations by cash constraints, as well as by the delay in Slickline operations. In addition, cash constraints also affected the Tubular Services & Coating division, that presented a reduction of 33.1% and 51.3% in Net Revenue of the 2Q15 compared to the 2Q14 and to the 1Q15, respectively.

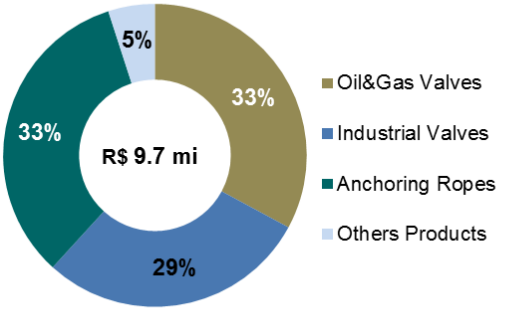
In the first semester of the year, the Net Revenue of Services Segment decreased 5.1%, from R$ 132.6 million in the 1S14 to R$ 125.8 million in 1S15, due to the factors mentioned above.

Net Operating Revenue (R$ thd)

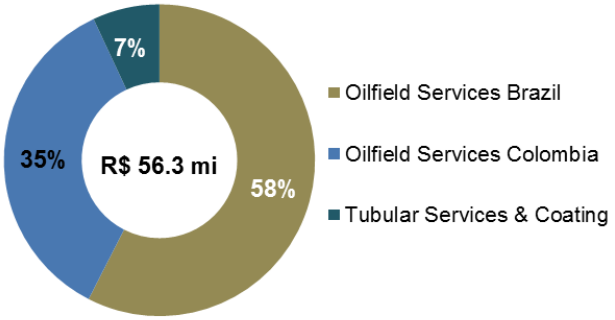


Revenue Distribution – 2Q15

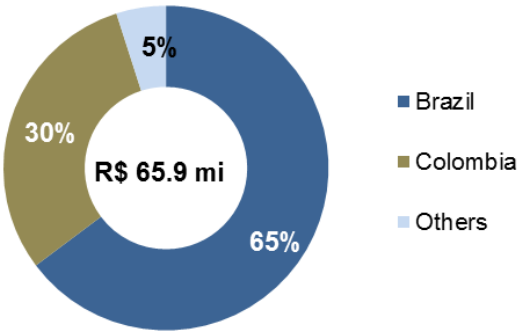
Products



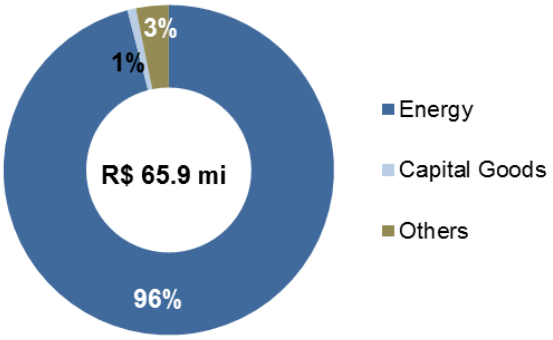
Services



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 June 30 amounted to R$ 0.5 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

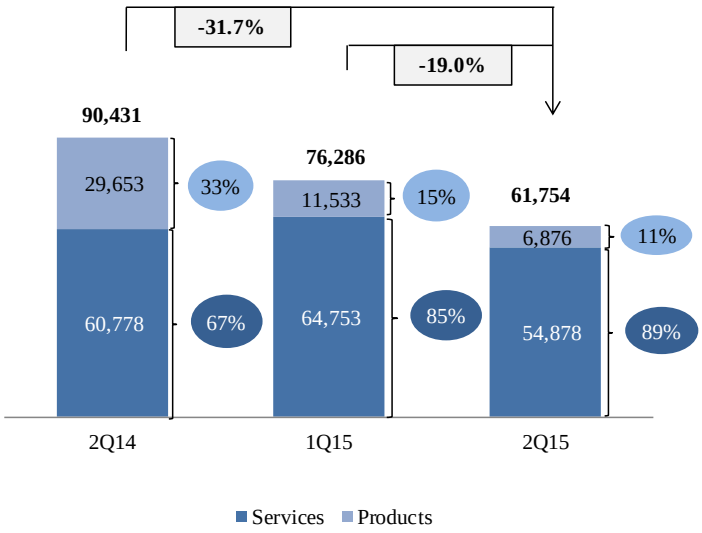
COGS (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Products	29,653	6,876	-76.8%	11,533	6,876	-40.4%	58,926	18,409	-68.8%
Services	60,778	54,878	-9.7%	64,753	54,878	-15.3%	119,287	119,631	0.3%
Total	**90,431**	**61,754**	**-31.7%**	**76,286**	**61,754**	**-19.0%**	**178,213**	**138,040**	**-22.5%**

The Consolidated Costs on Goods Sold (COGS) presented reduction in the three comparative periods: 31.7% in the 2Q15 compared to the 2Q14 (R$ 61.7 million in the 2Q15 versus R$ 90.4 million in the 2Q14), 19.0% in the 2Q15 compared to the 1Q15 (R$ 61.7 million in the 2Q15 versus R$ 76.3 million in the 1Q15) and 22.5% in the first semester of the year compared to the same period in 2014 (R$ 138.0 million in the 1S15 versus R$ 178.2 million in the 1S14).

The reduction in the Consolidated COGS in total amounts and in percentage terms remained in line with the reduction of Consolidated Net Revenue in the three comparative periods. In the Products Segment, the COGS reduction was higher than the Net Revenue reduction especially due to the decrease in personnel costs recorded in the 2Q15.

In the Services Segment, the COGS reduction was lower than the Net Revenue reduction especially due to the increase on import costs in the system of temporary admission, impacted by the valuation of 16.8% of U.S. dollar against Brazilian Real in the 1S15 vs. 1S14 (in the amount of R$ 3.0 million), and by the impact of dismissal costs (in the amount of R$ 4.7 million in the 1S15 versus R$ R$ 1.4 million in the 1S14).

COGS (R$ thd)



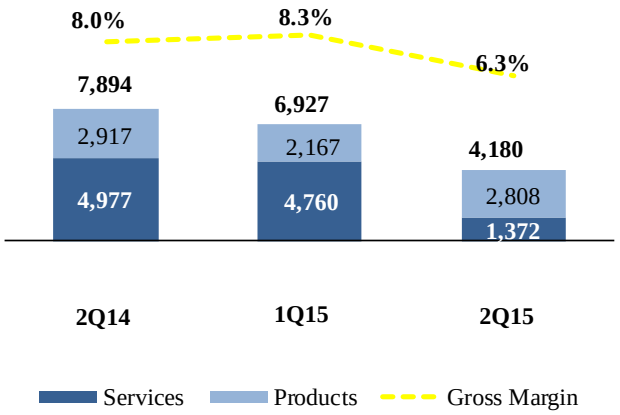
Gross Profit and Gross Margin

Gross Profit (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Products	**2,917**	**2,808**	**-3.7%**	**2,167**	**2,808**	**29.6%**	**8,128**	**4,975**	**-38.8%**
Gross Margin - Products	9.0%	29.0%	20.0 p.p.	15.8%	29.0%	13.2 p.p.	12.1%	21.3%	9.2 p.p.
Services	**4,977**	**1,372**	**-72.4%**	**4,760**	**1,372**	**-71.2%**	**13,268**	**6,132**	**-53.8%**
Gross Margin - Services	7.6%	2.4%	-5.2 p.p.	6.8%	2.4%	-4.4 p.p.	10.0%	4.9%	-5.1 p.p.
Total	**7,894**	**4,180**	**-47.0%**	**6,927**	**4,180**	**-39.7%**	**21,396**	**11,107**	**-48.1%**
Gross Margin - Total	8.0%	6.3%	-1.7 p.p.	8.3%	6.3%	-2.0 p.p.	10.7%	7.4%	-3.3 p.p.

Due to reduction in Consolidated Net Revenue by cash restrictions and dismissals recorded in the first semester of 2015, the Total Gross Profit presented a reduction in the 2Q15 both compared to the 2Q14 and with the 1Q15 (47.0% and 39.7% respectively), and reduction of 48.1% comparing the first semester of 2015 with the same period of the previous year. In the Products Segment, in the 2Q15 compared to the 1Q15, however, there was an increase in the Gross Profit in the amount of R$ 0.6 million (29.6%) primarily due to the Oil&Gas Valves performance.

The Gross Margin of the Products Segment increased 20.0 percentage points in the 2Q15 compared to the 2Q14 and 13.2 percentage points compared to the 1Q15 primarily due to the costs reduction process in the Industrial Valves and Oil&Gas Valves divisions. Due to this performance, the Gross Margin of Products Segment in the first semester of the year increased 9.2 percentage points, from 12.1% in the 1S14 to 21.3% in the 1S15.

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



The Gross Margin of the Services Segment, on the other hand, reduced 5.2 percentage points in the 2Q15 compared to the 2Q14, and 4.4 percentage points when compared to the 1Q15, especially due to the impact of dismissals in the personnel costs in the amount of R$ 4.1 million, largely occurred in the Oilfield Services Brazil division in the 2Q15, as well as by the revenue reductions, especially in the Oilfiel Services Brazil and Tubular Services & Coating divisions,

so that the Gross Margin of Services Segment reduced 5.1 percentage points in the 1S15 compared to the 1S14, from 10.0% in the 1S14 to 4.9% in the 1S15.

Expenses

Expenses (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Total Sales Expenses	8,115	3,161	-61.0%	4,458	3,161	-29.1%	13,720	7,619	-44.5%
Total Administrative Expenses	15,052	11,668	-22.5%	12,746	11,668	-8.5%	29,105	24,414	-16.1%
Products	**9,579**	**5,099**	**-46.8%**	**6,711**	**5,099**	**-24.0%**	**17,456**	**11,810**	**-32.3%**
Total Sales Expenses - Products	4,808	1,491	-69.0%	2,864	1,491	-47.9%	8,267	4,355	-47.3%
Total Administrative Expenses - Products	4,771	3,608	-24.4%	3,847	3,608	-6.2%	9,189	7,455	-18.9%
Services	**13,588**	**9,730**	**-28.4%**	**10,493**	**9,730**	**-7.3%**	**25,369**	**20,223**	**-20.3%**
Total Sales Expenses - Services	3,307	1,670	-49.5%	1,594	1,670	4.8%	5,453	3,264	-40.1%
Total Administrative Expenses - Services	10,281	8,060	-21.6%	8,899	8,060	-9.4%	19,916	16,959	-14.8%
Total Sales and Administratives	**23,167**	**14,829**	**-36.0%**	**17,204**	**14,829**	**-13.8%**	**42,825**	**32,033**	**-25.2%**
Management Compensation	1,469	2,848	93.9%	1,293	2,848	120.3%	2,990	4,141	38.5%
Total Sales, Administratives and Management Compensation	**24,636**	**17,677**	**-28.2%**	**18,497**	**17,677**	**-4.4%**	**45,815**	**36,174**	**-21.0%**

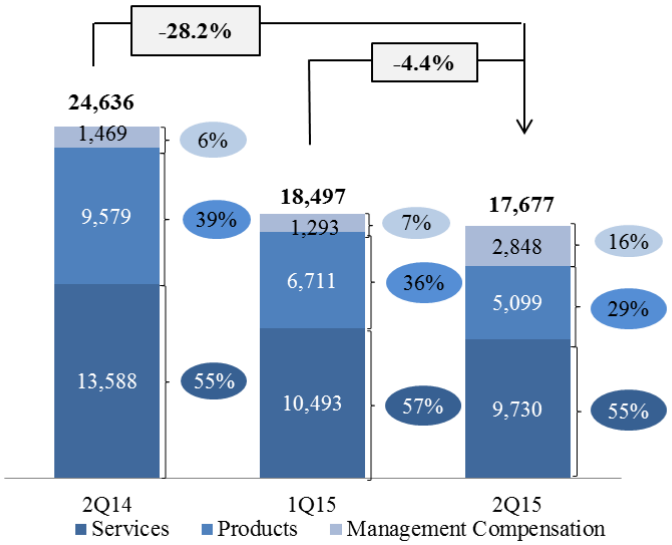
The Consolidated Sales and Administrative Expenses and the Management Salary presented reduction in the three comparative periods: 28.2% in the 2Q15 compared to the 2Q14 (R$ 17.7 million in the 2Q15 versus R$ 24.6 million in the 2Q14); 4.4% in the 2Q15 compared to the 1Q15 (R$ 17.7 million in the 2Q15 versus R$ 18.5 million in the 1Q15) and 21.0% compared to the first semester of 2015 that reached R$ 36.2 million versus R$ 45.8 million in the 1S14.

The Sales Expenses decreased 61.0% in the 2Q15 compared to the 2Q14, from R$ 8.1 million in the 2Q14 to R$ 3.2 million in the 2Q15 especially due to the reduction of variable commercial expenses such as freight and commissions due to lower Net Revenue in the period, as well as due to reduction of fines with customers, primarily in the Services Segment in the 2Q15 in the amount of R$ 2.3 million.

Compared to the 1Q15, the Sales Expenses in the Products Segment decreased 47.9% in the 2Q15 (from R$ 2.9 million in the 1Q15 to R$ 1.5 million in the 2Q15) especially due to decrease in commissions expenses and fines with customers in the amount of R$ 1.2 million. In the Services Segment, the Sales Expenses increased 4.8% in the 2Q15 compared to the 1Q15 primarily due to the increase in fines with customers recorded in the period, in the amount of R$ 0.5 million. Thereby, in the first semester of the year, the Sales Expenses reduced 44.5%, from R$ 13.7 million in the 1S14 to R$ 7.6 million in the 1S15.

The Administrative Expenses decreased 22.5% in the 2Q15 compared to the 2Q14 and 8.5% to the 1Q15, from R$ 15.1 million in the 2Q14 and from R$ 12.7 million in the 1Q15 to R$ 11.7 million in the 2Q15, having as main reduction factors the decrease in payroll expenses and consulting and advisory services as part of Company's restructuring process. Thus, in the first semester of the year, the Administrative Expenses reduced in the amount of R$ 5.0 million, it means, 16.1%, from R$ 29.1 million in the 1S14 to R$ 24.4 million in the 1S15.

Operating Expenses (R$ thd)



Other Operating (Revenues) and Expenses

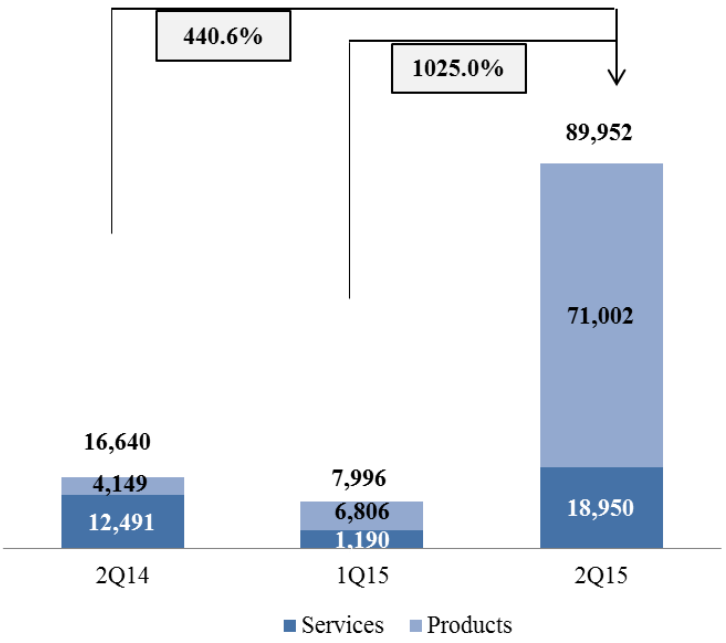
Other Expenses (Income) (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Products	4,149	71,002	1611.3%	6,806	71,002	943.2%	3,697	77,808	2004.6%
Services	12,491	18,950	51.7%	1,190	18,950	1492.4%	73,508	20,140	-72.6%
Total	**16,640**	**89,952**	**440.6%**	**7,996**	**89,952**	**1025.0%**	**77,205**	**97,948**	**26.9%**

The Other Operating Expenses increased from R$ 16.6 million in the 2Q14 to R$ 89.9 million in the 2Q15 especially due to the record of R$ 60.0 million of loss by the non-recoverability of goodwill of Cordoaria São Leopoldo unit, as well as the increase of R$ 20.5 million in provision for loss of lawsuit, R$ 1.4 million in provision for losses on inventory obsolescence and R$ 8.0 million in cost of idle production, reduced by non-occurrence in the 2Q15 of expenses for contractual fines (R$ 10.6 million in the 2Q14) and losses on disposal of fixed assets (R$ 2.9 million in the 2Q14).

Comparing the 2Q15 with the 1Q15, the Other Operating Expenses increased R$ 82.0 million that are primarily related to the record of R$ 60.0 million of loss by non-recoverability of goodwill in the 2Q15, the increase in provision for loss of lawsuit in the amount of R$ 17.4 million, provision for losses on inventory obsolescence of R$ 2.1 million and cost of idle production in the amount of R$ 2.4 million.

In the first semester of 2015, the Other Operating Expenses presented an increase of 26.9% and are especially related to the following factors: (i) loss by the non-recoverability of goodwill of R$ 60.0 million; (ii) provision for loss of lawsuit of R$ 19.3 million; (iii) provision for losses on inventory obsolescence of R$ 2.1 million; and (iv) cost of idle production of R$ 17.1 million.

Other Operating Expenses (R$ thd)



Financial Result

Financial Result (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Interest Income	179	207	15.6%	199	207	4.0%	371	406	9.4%
Monetary Variation	282	62	-78.0%	172	62	-64.0%	600	234	-61.0%
Interest on Receivables	294	564	91.8%	304	564	85.5%	592	868	46.6%
Others	256	459	79.3%	103	459	345.6%	1,146	562	-51.0%
Financial Revenue*	**1,011**	**1,292**	**27.8%**	**778**	**1,292**	**66.1%**	**2,709**	**2,070**	**-23.6%**
Interest Expense	-97,205	-9,265	-90.5%	-6,797	-9,265	36.3%	-141,102	-16,062	-88.6%
Embedded Derivatives - Debentures	-5,321	-	n/a	-	-	n/a	- 8,624	-	n/a
Provision for Interest on Suppliers	-	-944	n/a	-567	-944	66.5%	-	-1,511	n/a
Expenses Securities Brokerage (Shares and Bonus)	-853	-	n/a	-	-	n/a	- 853	-	n/a
Banking Expenses, Taxes and Others	-3,623	-2,132	-41.2%	-3,356	-2,132	-36.5%	-8,600	-5,488	-36.2%
Financial Expense*	**-107,002**	**-12,341**	**-88.5%**	**-10,720**	**-12,341**	**15.1%**	**-159,179**	**-23,061**	**-85.5%**
Net Financial Result*	**-105,991**	**-11,049**	**-89.6%**	**-9,942**	**-11,049**	**11.1%**	**-156,470**	**-20,991**	**-86.6%**
Exchange Variance Revenue	18,839	173,318	820.0%	151,904	173,318	14.1%	66,551	325,222	388.7%
Exchange Variance Expense	-341	-177,531	51961.9%	-179,194	-177,531	-0.9%	-23,957	-356,725	1389.0%
Net Exchange Variance	**18,498**	**-4,213**	**n/a**	**-27,290**	**-4,213**	**-84.6%**	**42,594**	**-31,503**	**n/a**
Net Financial Result - Total	**-87,493**	**-15,262**	**-82.6%**	**-37,232**	**-15,262**	**-59.0%**	**-113,876**	**-52,494**	**-53.9%**

* Excluding Exchange Variance

The Total Financial Income (excluding Exchange Variance) in the 2Q15 reached R$ 1.3 million versus R$ 1.0 million in the 2Q14 and R$ 0.8 million in the 1Q15, an increase of 27.8% and 66.1%, respectively, primarily due to the increase of interest on receivables. In the first semester of 2015, there was a reduction of 23.6% of Total Financial Income (excluding Exchange Variance) compared to the 1S14, from R$ 2.7 million in the 1S14 to R$ 2.1 million in the 1S15.

The Total Financial Expense (excluding Exchange Variance) decreased 88.5% in the 2Q15 compared to the 2Q14 reaching R$ 12.3 million versus R$ 107.0 million in the 2Q14 primarily

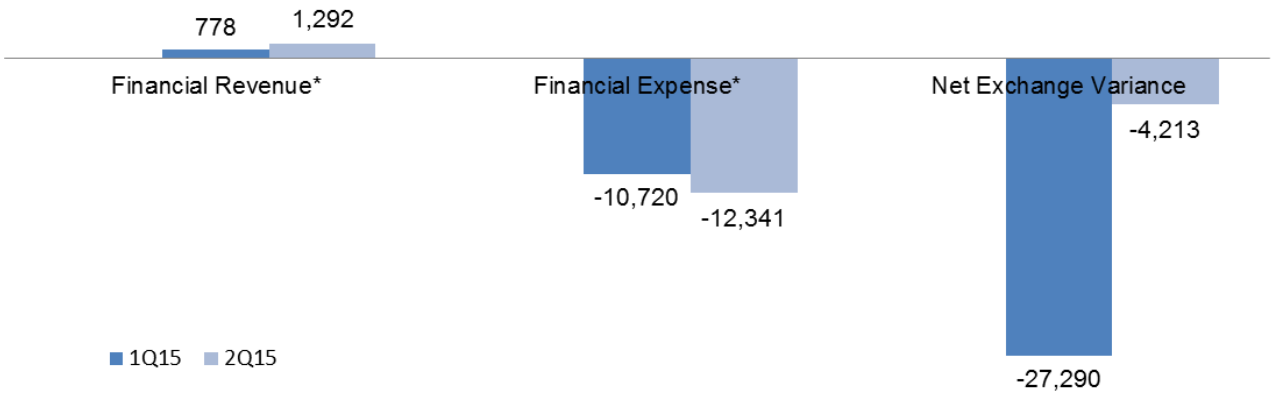
due to the reduction of expenses with interests on financial debts, bonds and debentures, as result of Company's debt decrease finalized in the third quarter 2014. However, compared to the 1Q15, the Total Financial Expense (excluding Exchange Variance) increased 15.1%, reaching R$ 12.3 million in the 2Q15 versus R$ 10.7 million in the 1Q15, especially as result of increase in expenses with interests on debentures and of provision of interest on late payment of securities suppliers.

In the first semester of 2015, the Total Financial Expense (excluding Exchange Variance) reduced 85.5%, reaching R$ 23.1 million versus R$ 159.2 million in the 1S14 primarily due to the reduction of expenses with interests on financial debts, bonds and debentures, as result of Company's debt decrease finalized in the third quarter 2014 and by non-occurrence of expenses with embedded derivative of debentures in the 1S15.

The Net Exchange Variance in the 2Q15 resulted in expense of R$ 4.2 million versus expense of R$ 27.3 million in the 1Q15 and an income of R$ 18.5 million in the 2Q14 affected by devaluation of 3.3% in U.S. dollar against Brazilian Real in the 2Q15 versus a valuation of 20.8% in U.S. dollar in the 1Q15 and a devaluation of 2.7% in the 2Q14. In the first semester of 2015, the Net Exchange Variance resulted in expense of R$ 31.5 million versus an income of R$ 42.6 million in the 1S14 affected by valuation of 16.8% in U.S. dollar against Brazilian Real in the 1S15 versus a devaluation of 6.0% in U.S. dollar in the 1S14.

The Total Net Financial Result in the 2Q15 resulted in expense and decreased 82.6% when compared to the 2Q14 due to reduction in expenses with interests and embedded derivative of debentures, and reduced 59.0% when compared to the 1Q15 due to decrease in expense of Net Exchange Variance, totaling R$ 15.3 million in the 2Q15 versus R$ 87.5 million in the 2Q14 and R$ 37.2 million in the 1Q15. Similarly, due to reduction in expenses with interests and embedded derivative of debentures, the Total Net Financial Result in the 1S15 resulted in expense of R$ 52.5 million versus R$ 113.9 million in expense in the 1S14, reduction of 53.9%.

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$ 1.5 million in the 2Q15, versus negative result of R$ 4.8 million in the 2Q14 and negative of R$ 4.1 million in the 1Q15. The EBITDA Margin in the 2Q15 was negative of 2.2% with positive variance of 2.7 and 2.8 percentage points compared to the presented in 2Q14 and in 1Q15, negatives of 4.9% and of 5.0%, respectively.

Adjusted EBITDA (R$ thd)	2Q14	2Q15	Chg. R$	Chg. %	1Q15	2Q15	Chg. R$	Chg. %	1S14	1S15	Chg. R$	Chg. %
Products	**- 3,152**	**- 5,710**	**- 2,558**	**81.2%**	**- 7,869**	**- 5,710**	**2,158**	**-27.4%**	**- 3,787**	**- 13,579**	**-9,792**	**258.6%**
Margin	-9.7%	-59.0%		-49.3 p.p.	-57.4%	-59.0%		-1.6 p.p.	-5.6%	-58.1%		-52.5 p.p.
Services	**- 1,693**	**4,260**	**5,953**	**n/a**	**3,749**	**4,260**	**510**	**13.6%**	**4,282**	**8,009**	**3,727**	**87.0%**
Margin	-2.6%	7.6%		10.2 p.p.	5.4%	7.6%		2.2 p.p.	3.2%	6.4%		3.2 p.p.
Total	**- 4,845**	**- 1,451**	**3,394**	**-70.1%**	**- 4,119**	**- 1,451**	**2,669**	**-64.8%**	**495**	**- 5,570**	**- 6,065**	**n/a**
Margin	-4.9%	-2.2%		2.7 p.p.	-5.0%	-2.2%		2.8 p.p.	0.2%	-3.7%		-3.9 p.p.
% Products	65%	394%			191%	394%			-765%	244%		
% Services	35%	-294%			-91%	-294%			865%	-144%		

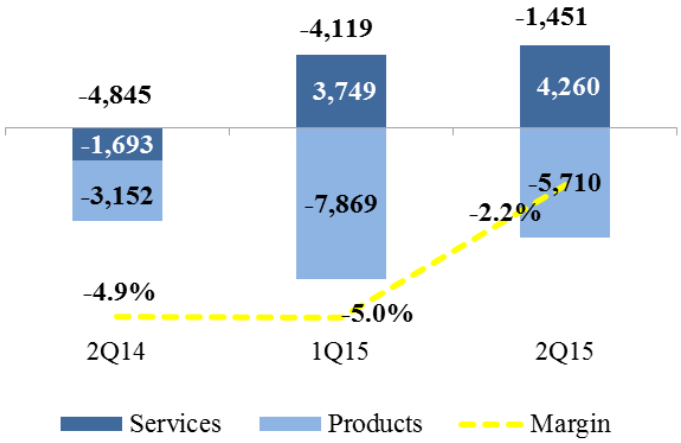
The decrease of loss of Consolidated Adjusted EBITDA in the 2Q15 was primarily consequence of reduction in sales and administrative expenses resulting from continuous improvements implemented by operational restructuring in the comparative periods 2Q15 versus 2Q14.

Adjusted Ebitda Reconciliation (R$ thd)	1Q15	2Q15
Gross Profit	6,927	4,180
SG&A	-17,204	-14,829
Management Compensation	-1,293	-2,848
Depreciation and Amortization	12,392	12,581
Operational Revenues/Expenses	-7,996	-89,952
Ebitda from Continuing Operations	**-7,174**	**-90,868**
Provision for Variable Compensation	-21	175
Provision for Losses, Impairment and Net Profit/Loss on Disposal of Assets	934	80,457
Fines with Customers	1,352	408
Restructuring Process	789	8,378
Adjusted EBITDA from Continuing Operations	**-4,119**	**-1,451**

The Consolidated Adjusted EBITDA from Continuing Operations in the 1S15 compared to the 1S14 decreased from positive R$ 0.5 million in the 1S14 to negative R$ 5.6 million in the 1S15. The Consolidated Adjusted EBITDA Margin reduced 3.9 percentage points, from 0.2% in the 1S14 to -3.7% in the 1S15. This reduction was primarily result of costs of idle production that significantly burdening the first semester of 2015 (R$ 17.1 million) compared to the 1S14 (R$ 1.9 million).

[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.*

Adjusted EBITDA (R$ thd)



The cash constraints continue impacting Company's EBITDA, as well as extraordinary expenses due to Company's restructuring process. Below, a reconciliation of Adjusted EBITDA from continuing operations of 2Q15, by Segment:

	2Q15		
Adjusted Ebitda Reconciliation (R$ thd)	**Products**	**Services**	**Total**
Gross Profit	2,808	1,372	4,180
SG&A	-5,099	-9,730	-14,829
Management Compensation	-312	-2,536	-2,848
Depreciation and Amortization	2,096	10,485	12,581
Operational Revenues/Expenses	-71,002	-18,950	-89,952
Ebitda from Continuing Operations	**-71,509**	**-19,359**	**-90,868**
Provision for Variable Compensation	0	175	175
Provision for Losses, Impairment and Net Profit/Loss on Disposal of Assets	63,323	17,133	80,457
Fines with Customers	- 21	428	408
Restructuring Process	2,496	5,882	8,378
Adjusted EBITDA from Continuing Operations	**-5,710**	**4,260**	**-1,451**

Non-recurring expenses that totaled R$ 80.5 million refers to the record of loss by non-recoverability of goodwill in the amount of R$ 60.0 million, provision for loss on lawsuit in the amount of R$ 18.4 million and provision for losses on inventory obsolescence in the amount of R$ 2.1 million.

Net Result

Net Result (R$ thd)	2Q14	2Q15	Chg. %	1Q15	2Q15	Chg. %	1S14	1S15	Chg. %
Result Before Income Tax and Social Contribution	-129,789	-119,082	-8.2%	-56,798	-119,082	109.7%	-232,025	-175,880	-24.2%
Income Tax and Social Contribution - Current	-144	-612	325.0%	-612	-612	0.0%	-512	-1,224	139.1%
Income Tax and Social Contribution - Deferred	-1,752	601	n/a	689	601	-12.8%	-862	1,290	n/a
Result of Discontinued Operation	9,853	91	-99.1%	-22,054	91	n/a	16,572	-21,963	n/a
Net Result	**-121,832**	**-119,002**	**-2.3%**	**-78,775**	**-119,002**	**51.1%**	**-216,827**	**-197,777**	**-8.8%**
Net Result per 1000 Shares	-0.77	-0.76	-2.3%	-0.50	-0.76	51.6%	-1.38	-1.26	-8.4%

The Net Result in the 2Q15 was a loss of R$ 119.0 million, compared to a loss of R$ 121.8 million in the 2Q14 and loss of R$ 78.8 million in the 1Q15. The main extraordinary events that

contributed for that performance in the 2Q15 were: (i) R$ 60.0 million of loss by non-recoverability of goodwill; (ii) R$ 26.8 million of provision for loss on lawsuit and restructuring expenses; (iii) R$ 9.7 million of costs of idle production; (iv) R$ 2.1 million of provision for losses on inventory obsolescence and (v) R$ 0.4 million of expenses with provision for fines with customers. Were it not for these extraordinary events, the accumulated result in the 2Q15 would be a loss of R$ 20.0 million.

The 2Q14 was primarily impacted by recognition of interest and late charges on debentures, perpetual bonds and other financial debts in the amount of R$ 97.2 million and contractual fines with customers in the amount of R$ 10.6 million.

In the first semester of 2015, the Consolidated Net Result presented a reduction of 8.8% in the loss, from R$ 216.8 million in the 1S14 to R$ 197.8 million in the 1S15.

The result of 1S14 was mainly influenced by the recognition of R$ 58.3 million of fines with customers and of R$ 141.1 million of interest and late charges on debentures, perpetual bonds and other financial debts, while the result of 1S15 was especially impacted by the recognition of R$ 60.0 million of loss by non-recoverability of goodwill, R$ 22.0 million of expenses with the loss of investment in Jefferson's units, R$ 19.3 million of expenses with litigation and R$ 17.1 million of costs of idle production.

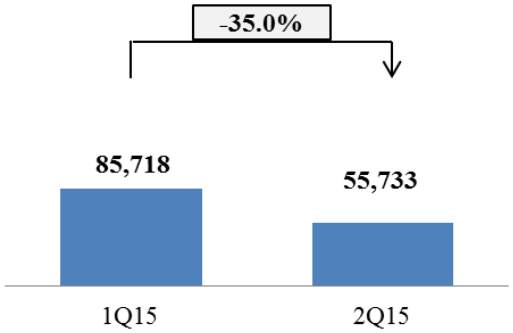
Working Capital

Working Capital (R$ thd)	1Q15	2Q15	Chg. %	Chg. R$
Accounts Receivable	119,012	110,755	-6.9%	-8,257
Inventories	66,795	62,317	-6.7%	-4,478
Accounts Payable	97,822	114,612	17.2%	16,790
Advances from Clients	2,267	2,727	20.3%	460
Employed Working Capital	**85,718**	**55,733**	**-35.0%**	**-29,985**
Employed Working Capital Variance	1,863	- 29,985		
% Working Capital/Net Revenues*	23.4%	16.7%		

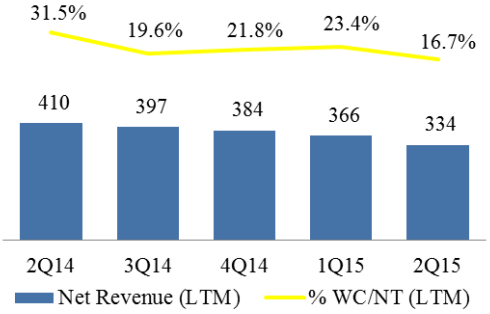
**LTM: last 12 months*

The rate of Working Capital Needs upon accumulated Net Revenue (12 months) in the 2Q15 reached 16.7%, a reduction of 6.7 percentage points when compared to the rate of 1Q15.

Working Capital (R$ thd)



Net Revenue vs. Working Capital (R$ thd)

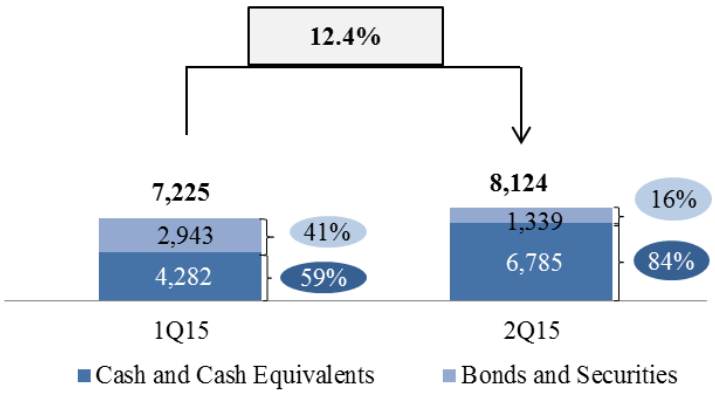


The decrease of R$ 30.0 million in Employed Working Capital in the 2Q15 compared to the 1Q15 is primarily result of the increase in amounts payable in foreign currency that were impacted by the effect of exchange variance in the Oilfield Services Brazil division.

Cash and Cash Equivalents

The consolidated position in Company's Cash and Cash Equivalents in the 2Q15 reached R$ 8.1 million, increase of R$ 0.9 million, or 12.4%, compared to the 1Q15.

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 S/A – In Judicial Recovery, reflecting in a lower capacity of industrial units and lower capacity of provide services, having as consequence the higher delivery of Backlog.

Debt

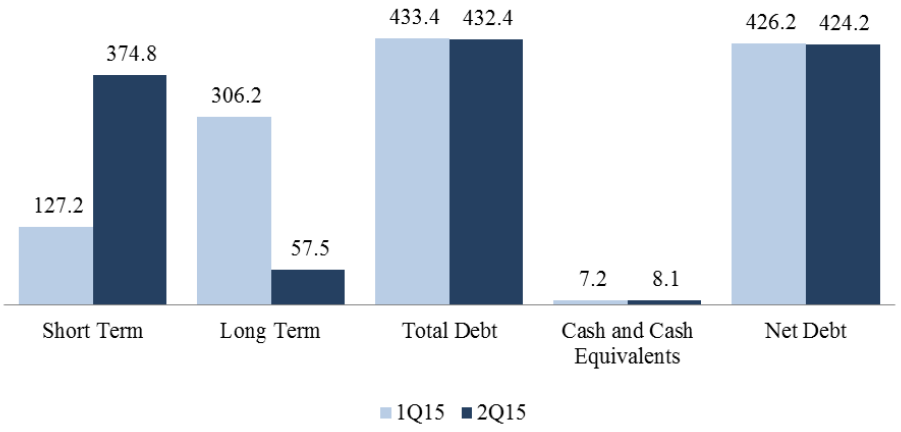
Company's Gross Debt ended the quarter in R$ 432.4 million, 0.2% lower than reported in the 1Q15.

Debt (R$ thd)	1Q15	2Q15	Chg. %	Chg. R$
Short Term	**127,219**	**374,834**	**194.6%**	**247,615**
Financing Lines	127,219	148,682	16.9%	21,463
Debentures	-	74,439	n/a	74,439
Bonds	-	151,713	n/a	151,713
Long Term	**306,226**	**57,539**	**-81.2%**	**- 248,687**
Financing Lines	78,269	57,539	-26.5%	- 20,730
Debentures	72,254	-	n/a	- 72,254
Bonds	155,703	-	n/a	- 155,703
Total Debt	**433,445**	**432,373**	**-0.2%**	**- 1,072**
Cash and Cash Equivalents	7,225	8,124	12.4%	899
Net Debt	**426,220**	**424,249**	**-0.5%**	**- 1,971**

This reduction is primarily consequence of Exchange Variance on the Bonds due to devaluation of 3.3% in U.S. dollar against Brazilian Real in the 2Q15.

Combined Cash and Cash Equivalents, the Company's Net Debt ended the quarter in R$ 424.2 million, a decrease of 0.5% against the amount in the 1Q15.

Debt Breakdown (R$ million)



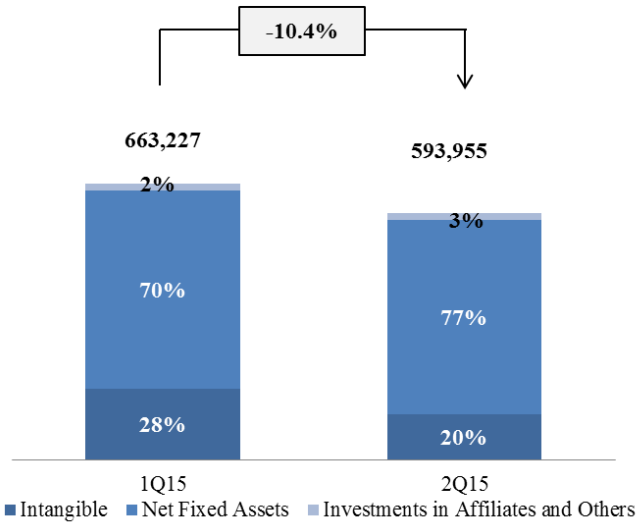
Investment Balances

Company's Investment Balances in the quarter totaled R$ 593.9 million, a decrease of 10.4% compared to the R$ 663.2 million presented in the 1Q15.

Investments (R$ thd)	1Q15	2Q15	Chg. %	Chg. R$
Investments in Affiliates and Others	15,960	15,960	0.0%	0
Net Fixed Assets	465,422	456,980	-1.8%	-8,442
Intangible	181,845	121,015	-33.5%	-60,830
Total	**663,227**	**593,955**	**-10.4%**	**-69,272**

The Intangible, with decrease of R$ 60.8 million, is the main responsible for 87.8% of total Investments reduction, especially due to the recognition of R$ 60.0 million of loss by non-recoverability of goodwill.

Investment Balances (R$ thd)



Capex was R$ 2.0 million in the 2Q15 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.

Subsequent Fact 2Q15 – Completion of the reverse split process

As approved by the Board of Directors meeting held on March 31, 2015 and ratified at the Extraordinary General Meeting on May 15, 2015, it was performed the reverse split of all the Company's common shares at the ratio of 500:1. The reverse stock split became effective from the trading day of June 18, 2015, after the lapse of 30 days for shareholders to adjust their shareholding positions in multiple lots of 500 shares through trading on BM&FBOVESPA, in order to remain integrating to the corporate structure of the Company with, at least, one share.

They were carried out successive auctions on the BM&FBOVESPA in order to dispose of all the leftovers formed by the set of fractional shares resulting from the reverse split, represented by 1,361 common shares. The total sale of lots took place on August 10 and the net proceeds from the sale of shares was credited proportionately to the holders of the fractions on August 11, 2015, as detailed in the Notice to Shareholders published by the Company on August 10, 2015.
The reverse stock split did not result in modification of the total amount of capital or rights conferred by the Company's common shares to their holders.

Attachments

Attachment I – Consolidated Income Statement (R$ thd)

	1Q15	2Q15	% Change
Net Sales of Goods and Services	83,213	65,934	-21%
Cost of Goods and Services Sold	(76,286)	(61,754)	-19%
Gross Profit	6,927	4,180	-40%
Operating Revenues/Expenses	(26,493)	(108,000)	308%
Sales	(4,458)	(3,161)	-29%
General and Administrative	(12,746)	(11,668)	-8%
Management Compensation	(1,293)	(2,848)	120%
Equity Pick-up	-	(371)	n/a
Other Operation Income (Expenses)	(7,996)	(89,952)	1025%
Net Financial Result	(37,232)	(15,262)	-59%
Financial Income	778	1,292	66%
Financial Expenses	(10,720)	(12,341)	15%
Net Exchange Variance	(27,290)	(4,213)	-85%
Earnings Before Income Tax and Social Contribution	(56,798)	(119,082)	110%
Income Tax and Social Contribution - Current	(612)	(612)	0%
Income Tax and Social Contribution - Deferred	689	601	-13%
Loss from Discontinued Operations	(22,054)	91	n/a
Net Loss for the Period	(78,775)	(119,002)	51%

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

	1Q15	2Q15	% Change
Adjusted EBITDA from Continuing Operations	(4,119)	(1,451)	-65%
Provision for Variable Remuneration	21	(175)	n/a
Reestructuring Process	(789)	(8,378)	961%
Provision for Losses, Impairment and Net Result on Disposal of Assets	(934)	(80,457)	8512%
Fines with Costumers	(1,352)	(408)	-70%
EBITDA from Continuing Operations	(7,174)	(90,868)	1167%
Depreciation and Amortization	(12,392)	(12,581)	2%
Equity Pick-up Result	-	(371)	n/a
Net Financial Result	(37,232)	(15,262)	-59%
Income Tax and Social Contribution - Current and Deferred	77	(11)	n/a
Result from Discontinued Operations	(22,054)	91	n/a
Net Loss from Continuing and Discontinued Operations	(78,775)	(119,002)	51%

Attachment III – Consolidated Balance Sheet (R$ thd)

	1Q15	2Q15	% Change
Total Asset	**1,025,222**	**938,013**	**-9%**
Current Assets	**256,388**	**244,418**	**-5%**
Cash and Cash Equivalents	4,282	6,785	58%
Securities-restricted	2,943	1,339	-55%
Accounts Receivable	119,012	110,755	-7%
Inventories	66,795	62,317	-7%
Recoverable Taxes	27,170	27,369	1%
Other Accounts Receivable	6,119	9,368	53%
Antecipated Expenses	7,784	5,976	-23%
Advances to Suppliers	22,283	20,509	-8%
Non-Current Assets	**768,834**	**693,595**	**-10%**
Securities	4,500	5,596	24%
Judicial Deposits	25,204	22,123	-12%
Recoverable Taxes	46,635	42,842	-8%
Deferred Income Tax and Social Contribution	1,062	1,023	-4%
Other Accounts Receivable	28,206	28,056	-1%
Investments	15,960	15,960	0%
Fixed Assets	465,422	456,980	-2%
Intangible	181,845	121,015	-33%
Total Liabilities and Shareholders´Equity	**1,025,222**	**938,013**	**-9%**
Current Liabilities	**370,280**	**647,065**	**75%**
Accounts Payable	97,822	114,612	17%
Loans and Financings	127,219	148,682	17%
Debentures	-	74,439	n/a
Bonds	-	151,713	n/a
Salaries, Provisions and Social Contribution	30,932	35,127	14%
Commissions Payable	3,319	3,568	8%
Taxes Payable	55,297	58,805	6%
Advances from Clients	2,267	2,727	20%
Participations in the Result	-	340	n/a
Other Obligations	25,490	27,801	9%
Provision Contractual Fines	27,934	29,251	5%
Non-Current Liabilities	**582,939**	**346,958**	**-40%**
Loans and Financings	78,269	57,539	-26%
Debentures	72,254	-	n/a
Bonds	155,703	-	-100%
Taxes Payable	5,629	5,419	-4%
Deferred Income Tax and Social Contribution	33,179	32,578	-2%
Povision for Taxes, Labor and Civil Risks	109,223	126,742	16%
Other Obligations	7,570	7,222	-5%
Provision Contractual Fines	101,320	96,446	-5%
Provision for Negative Equity in Subsidiaries	19,792	21,012	6%
Shareholders Equity	**72,003**	**(56,010)**	**-178%**
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	47,301	38,290	-19%
Accrued Losses	(1,978,714)	(2,097,716)	6%

Attachment IV – Consolidated Cash Flow (R$ thd)

	1Q15	2Q15	% Change
Cash Flow from Operating Activities			
Net Result for the Period	(78,775)	(119,002)	51%
Adjustment:			
Depreciation of Fixed Assets	12,418	12,582	1%
Provision for losses by non-recoverability of assets	-	60,000	n/a
Equity Pick-Up Result	-	371	n/a
Result on Sale of Fixed Assets	(331)	(65)	-80%
Loss (Gain) on Disposal of Investments	21,879	(91)	n/a
Financial Charges and Exchange Variation on Financing and Debentures	33,584	12,707	-62%
Income Tax and Social Contribution - Deferred	(531)	689	n/a
Losses on Inventory Obsolescence	2	2,105	105150%
Provision of Contractual Fines	1,352	408	-70%
Allowance for Doubtful Accounts	733	852	16%
Changes in Assets & Liabilities			
(Increase) Decrease in Accounts Receivable	5,657	2,099	n/a
(Increase) Decrease in Inventories	3,532	2,175	-38%
(Increase) Decrease in Recoverable Taxes	(882)	1,772	n/a
(Increase) Decrease in Other Assets	(4,914)	8,952	n/a
(Increase) Decrease in Accounts Payable	1,574	10,346	557%
(Increase) Decrease in Taxes Payable	(372)	3,004	n/a
(Increase) Decrease in Others Accounts Payable	(25)	9,055	n/a
Net Cash Generated (Invested) in Operating Activities	**(5,099)**	**7,959**	**n/a**
Cash Flow from Investment Activities			
Securities - Restricted Account	27	715	2548%
Disposal of Discontinued Operations	11,922	-	n/a
Proceeds from Sales of Fixed Assets	1,703	68	-96%
Aquisition of Fixed Assets	(2,257)	(812)	-64%
Aquisition of Intangible	(635)	(573)	-10%
Net Cash Generated (Invested) in Investment Activities	**10,760**	**(602)**	**n/a**
Cash Flow from Financing Activities			
Loans and Financings Contracted	54,094	46,322	-14%
Loans and Financings Paid	(56,458)	(49,761)	-12%
Interests on Loans and Financings Paid	(2,598)	(1,414)	-46%
Net Cash Generated (Invested) in Financing Activities	**(4,962)**	**(4,853)**	**-2%**
Effects of Exchange Variation over Cash and Cash Equivalents of Subsidiaries Abroad	2	(1)	n/a
Net Increase (Decrease) in Cash and Cash Equivalents	**701**	**2,503**	**257%**
At the Beginning of the Period	3,581	4,282	20%
At the End of the Period	4,282	6,785	58%

About Lupatech S/A – In Judicial Recovery

Lupatech S/A - In Judicial Recovery 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 and equipment for well completion, and significant participation in company of compressors segment for natural vehicular gas. 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 S/A – In Judicial Recovery' control or prediction capacity.

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ITR - INTERIM FINANCIAL INFORMATION - Q2 2014 - 06/30/2015 - LUPATECH S/A

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:	In judicial recovery	**Date of beginning of situation**	05/22/2015
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 Chief Executive Officer
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 - Composition of capital

Number of shares (unit)	**06/30/2015**
The paid-up capital	
Common	9,393,834
Preferref	-
Total	9,393,834

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Balance Sheet Assets

(In Reais Thousands)

Code	Description	Current Quarter 06/30/2015	Last Year 12/31/2014
1	Total Assets	491,433	556,228
1.01	Current Assets	81,438	112,566
1.01.01	Cash and Cash Equivalents	118	137
1.01.03	Accounts Receivable	40,990	64,741
1.01.03.01	Clients	29,123	43,968
1.01.03.02	Other Accounts Receivable	11,867	20,773
1.01.03.02.02	Other Accounts Receivable - Related Parties	11,867	20,773
1.01.04	Inventories	28,372	31,925
1.01.06	Recoverable Taxes	6,085	6,728
1.01.06.01	Recoverable Current Taxes	6,085	6,728
1.01.07	Prepaid Expenses	1,289	1,549
1.01.08	Other Current Assets	4,584	7,486
1.01.08.02	Assets classified as held for sale	-	1,393
1.01.08.03	Other	4,584	6,093
1.01.08.03.03	Other Accounts Receivable	1,484	616
1.01.08.03.04	Securities-restricted	1,339	2,771
1.01.08.03.05	Advances to suppliers	1,761	2,706
1.02	Non-Current Assets	409,995	443,662
1.02.01	Long-Term Assets	46,993	43,746
1.02.01.08	Credit with Related Parties	28,392	25,073
1.02.01.08.02	Credit with Subsidiaries	28,392	25,073
1.02.01.09	Other Non-Current Assents	18,601	18,673
1.02.01.09.03	Judicial Deposits	809	1,817
1.02.01.09.04	Recoverable Taxes	6,504	6,996
1.02.01.09.05	Other Accounts Receivable	5,692	5,360
1.02.01.09.06	Securities-restricted	5,596	4,500
1.02.02	Investments	198,935	172,564
1.02.02.01	Investments	198,935	172,564
1.02.02.01.02	Investments in Subsidiaries	183,561	157,190
1.02.02.01.04	Other investments	15,374	15,374
1.02.03	Fixed Assets	91,760	95,253
1.02.03.01	Fixed Assets in Operations	91,507	94,973
1.02.03.03	Fixed Assets in Progress	253	280
1.02.04	Intangible	72,307	132,099
1.02.04.01	Intangible	72,307	132,099
1.02.04.01.02	Software and Other Licenses	3,107	3,527
1.02.04.01.03	New Products Development	13,786	13,158
1.02.04.01.04	Goodwill	55,414	115,414

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Balance Sheet Liabilities

(In Reais Thousands)

Code	Description	Current Quarter 06/30/2015	Last Year 12/31/2014
2	Total Liabilities	491,433	556,228
2.01	Current Liabilities	282,703	154,200
2.01.01	Social and Labor Obligations	14,061	10,896
2.01.01.02	Labor Obligations	14,061	10,896
2.01.02	Suppliers	41,770	39,147
2.01.02.01	Domestic Suppliers	40,843	38,712
2.01.02.02	Export Suppliers	927	435
2.01.03	Tax	29,895	31,461
2.01.03.01	Federal Tax	27,557	28,608
2.01.03.01.01	Income Tax and Social Contribution	52	41
2.01.03.01.02	Other Federal Tax	27,505	28,567
2.01.03.02	State Tax	2,161	2,688
2.01.03.03	Municipality Tax	177	165
2.01.04	Loans and Financing	123,388	9,644
2.01.04.01	Loans and Financing	48,949	9,644
2.01.04.01.01	Local Currency	42,314	9,236
2.01.04.01.02	Foreign Currency	6,635	408
2.01.04.02	Debentures	74,439	-
2.01.05	Other Liabilities	73,589	63,052
2.01.05.01	Liabilities with Related Parties	48,876	39,168
2.01.05.01.02	Debts with Subsidiaries	48,876	39,168
2.01.05.02	Other	24,713	23,884
2.01.05.02.05	Commissions Payable	3,555	3,152
2.01.05.02.06	Advances from Customers	1,409	1,937
2.01.05.02.09	Other Accounts Payable	14,797	11,989
2.01.05.02.11	Provision Contratual fines	4,952	6,806
2.02	Non-Current Liabilities	264,740	306,670
2.02.01	Loans and Financing	19,422	129,857
2.02.01.01	Loans and Financing	19,422	58,142
2.02.01.01.01	Local Currency	19,422	53,122
2.02.01.01.02	Foreign Currency	-	5,020
2.02.01.02	Debentures	-	71,715
2.02.02	Other Liabilities	149,310	101,387
2.02.02.01	Liabilities with Related Parties	144,520	95,781
2.02.02.01.02	Debts with Subsidiaries	144,520	95,781
2.02.02.02	Other	4,790	5,606
2.02.02.02.03	Taxes Payable	3,710	4,526
2.02.02.02.05	Other Accounts Payable	1,080	1,080
2.02.04	Provisions	96,008	75,426
2.02.04.01	Social Security, Tax, Labor and Civil Provisions	7,497	5,239
2.02.04.01.01	Tax Provisions	506	506
2.02.04.01.02	Labor and Social Security Provisions	4,518	2,094
2.02.04.01.04	Civil Provisions	2,473	2,639
2.02.04.02	Other Provisions	88,511	70,187
2.02.04.02.04	Provision for Negative Equity in Subsidiaries	88,511	70,187
2.03	Shareholder's Equity	(56,010)	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	(2,097,716)	(1,899,939)
2.03.06	Equity Evaluation Adjustments	38,290	(8,119)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Income

(In Reais Thousands)

Code	Description	Q2 2015 04/01/2015 to 06/30/2015	YTD 2015 01/01/2015 to 06/30/2015	Q2 2014 04/01/2014 to 06/30/2014	YTD 2014 01/01/2014 to 06/30/2014
3.01	Gross Revenue from Sales and/or Services	8,579	21,076	31,314	63,046
3.02	Cost of Goods Sold	(6,161)	(16,211)	(28,486)	(56,253)
3.03	Gross Profit	2,418	4,865	2,828	6,793
3.04	Operating Income/Expenses	(102,325)	(140,778)	(47,844)	(132,380)
3.04.01	Selling	(1,258)	(3,744)	(4,361)	(7,477)
3.04.02	General and Administrative	(6,533)	(11,351)	(6,010)	(11,694)
3.04.04	Other Operating Income	5	622	342	4,303
3.04.05	Other Operating Expenses	(69,948)	(76,302)	(8,488)	(13,132)
3.04.06	Equity Pick-up	(24,591)	(50,003)	(29,327)	(104,380)
3.05	Operating Income/Expenses Before Financial Results and Income Tax	(99,907)	(135,913)	(45,016)	(125,587)
3.06	Financial Results	(19,095)	(62,014)	(76,816)	(91,240)
3.06.01	Financial Income	138,007	286,528	18,908	66,971
3.06.01.01	Financial Income	759	1,232	472	1,196
3.06.01.02	Gain on Exchange Variance	137,248	285,296	18,436	65,775
3.06.02	Financial Expenses	(157,102)	(348,542)	(95,724)	(158,211)
3.06.02.01	Financial Expenses	(24,191)	(45,589)	(94,932)	(133,199)
3.06.02.02	Loss on Exchange Variance	(132,911)	(302,953)	(792)	(25,012)
3.07	Income Before IncomeTax	(119,002)	(197,927)	(121,832)	(216,827)
3.09	Net Income from Continuing Operations	(119,002)	(197,927)	(121,832)	(216,827)
3.10	Net income from Discontinued Operations	-	150	-	-
3.10.01	Income (Loss) from discontinued operations	-	150	-	-
3.11	Income/Loss for the Period	(119,002)	(197,777)	(121,832)	(216,827)
3.99	Earnings per Share (R$/Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	ON	(0.05)	(0.06)	(0.77)	(1.38)
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	ON	(0.05)	(0.06)	(0.77)	(1.38)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	Q2 2015 04/01/2015 to 06/30/2015	YTD 2015 01/01/2015 to 06/30/2015	Q2 2014 04/01/2014 to 06/30/2014	YTD 2014 01/01/2014 to 06/30/2014
4.01	Income/Loss for the Period	(119,002)	(197,777)	(121,832)	(216,827)
4.02	Other Comprehensive Income	(9,011)	46,409	5,062	(24,842)
4.02.01	Exchange Variation on Investments Abroad	(9,011)	46,409	5,062	(24,842)
4.03	Comprehensive Income of the Period	(128,013)	(151,368)	(116,770)	(241,669)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2015 to 06/30/2015

(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**	**-**	**-**	**(197,777)**	**46,409**	**(151,368)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(197,777)**	**-**	**(197,777)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**46,409**	**46,409**
5.05.02.04	Cumulative Translation Effects	**-**	**-**	**-**	**46,409**	**46,409**
5.07	**Ending Balance**	**1,853,684**	**149,732**	**(2,097,716)**	**38,290**	**(56,010)**

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2014 to 06/30/2014

(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**	**-**	**-**	**(216,827)**	**(24,842)**	**(241,669)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(216,827)**	**-**	**(216,827)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**(24,842)**	**(24,842)**
5.05.02.04	Cumulative Translation Effects	-	-	-	(24,842)	(24,842)
5.07	**Ending Balance**	**742,438**	**13,549**	**(1,485,758)**	**(75,389)**	**(805,160)**

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2014 - LUPATECH S/A

Individual Financial Statements / Statement of Cash Flow - Indirect Method

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 06/30/2015	YTD 2014 01/01/2014 to 06/30/2014
6.01	**Cash Flow from Operation**	**3,028**	**(1,288)**
6.01.01	**Cash Flow from Operation**	**(22,331)**	**(13,621)**
6.01.01.01	Net Loss for the Period	(197,777)	(216,827)
6.01.01.02	Depreciation and Amortization	4,509	4,862
6.01.01.03	Loss (Gain) on Sale of Investment	(149)	-
6.01.01.04	Equity Pick-up	50,003	104,380
6.01.01.05	Result on sale of fixed assets	4	335
6.01.01.06	Financial expenses, net	59,143	86,847
6.01.01.09	Provision for Losses by Non-Recoverability of Assets	60,000	-
6.01.01.11	Losses on inventory obsolescence	1,648	2,215
6.01.01.12	Provision of contractual fines	-	4,293
6.01.01.13	Allowance for doubtful accounts	288	274
6.01.02	**Change in Assets and Liabilities**	**25,359**	**12,333**
6.01.02.01	Accounts Receivable	14,264	(11,290)
6.01.02.02	Inventories	1,905	12,404
6.01.02.03	Recoverable Taxes	1,135	4,900
6.01.02.04	Other Assets	1,002	(1,146)
6.01.02.05	Suppliers	2,623	(1,411)
6.01.02.06	Taxes Payable	(1,534)	2,862
6.01.02.07	Others	5,964	6,014
6.02	**Cash Flow from Investing Activities**	**(10,646)**	**(37,375)**
6.02.01	Paid-in Capital and Subsidiaries Payments for purchase of investments	(9,336)	(39,835)
6.02.02	Acquisition of Fixed Assets	(37)	(108)
6.02.03	Acquisition to Intangibles	(1,214)	(680)
6.02.04	Proceeds from the sale of fixed assets	8	3,000
6.02.05	Payment for acquisition of investment	-	(200)
6.02.06	Securities-restricted	697	448
6.02.07	Disposal of discontinued operations net of cash	(764)	-
6.03	**Cash Flow from Financing Activities**	**7,599**	**37,906**
6.03.01	Proceeds from Loans and Financing	28	11,312
6.03.02	Proceeds (Payments) from Loans and Financing - Related Parties	11,151	29,567
6.03.06	Payments of Loans and Financing - Principal	(3,169)	(2,767)
6.05	**Increase/Decrease in Cash and Cash Equivalents**	**(19)**	**(757)**
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**	**118**	**153**

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Individual Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 06/30/2015	YTD 2014 01/01/2014 to 06/30/2014
7.01	**Revenue**	**23,956**	**76,543**
7.01.01	Sales of Goods, Products and Services	23,468	72,516
7.01.02	Other Revenues	622	4,303
7.01.03	Revenue from sale of investments	150	-
7.01.04	Allowance for Doubtful Accounts	(284)	(276)
7.02	**Input Acquired from Third Parties**	**(80,642)**	**(59,023)**
7.02.01	Cost of Products, Goods and Services Sold	(679)	(30,276)
7.02.02	Materials, Energy, and Other Outsourced Services	(3,661)	(15,615)
7.02.03	Loss / Recovery of Assets	(60,000)	(7,931)
7.02.04	Other Expenses	(16,302)	(5,201)
7.03	**Gross Added Value**	**(56,686)**	**17,520**
7.04	Retentions	(4,509)	(4,862)
7.04.01	Depreciation and Amortization	(4,509)	(4,862)
7.05	**Net Added Value Generated by the Company**	**(61,195)**	**12,658**
7.06	**Added Value Received by Transfer**	**236,525**	**(37,409)**
7.06.01	Equity pick-up	(50,003)	(104,380)
7.06.02	Financial Income	286,528	66,971
7.07	**Total Added Value to be Distributed**	**175,330**	**(24,751)**
7.08	**Distribution of Added Value**	**175,330**	**(24,751)**
7.08.01	**Personal**	**20,042**	**21,849**
7.08.01.01	Direct Compensation	14,008	16,889
7.08.01.02	Benefits	2,923	3,311
7.08.01.03	FGTS	3,111	1,649
7.08.02	**Taxes and Contributions**	**4,111**	**11,458**
7.08.02.01	Federal	2,876	6,454
7.08.02.02	States	1,181	4,943
7.08.02.03	Municipal	54	61
7.08.03	**Payment of Debt**	**348,954**	**158,769**
7.08.03.01	Interest	348,542	158,211
7.08.03.02	Rentals	412	558
7.08.04	**Capital Compensation**	**(197,777)**	**(216,827)**
7.08.04.03	Income/Loss for the Period	(197,777)	(216,827)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Balance Sheet Assets

(In Reais Thousands)

Code	Description	Current Quarter 06/30/2015	Last Year 12/31/2014
1	Total Assets	938,013	1,022,629
1.01	Current Assets	244,418	277,799
1.01.01	Cash and Cash Equivalents	6,785	1,539
1.01.03	Accounts Receivable	110,755	115,483
1.01.03.01	Clients	110,755	115,483
1.01.04	Inventories	62,317	69,644
1.01.06	Recoverable Taxes	27,369	24,686
1.01.06.01	Recoverable Current Taxes	27,369	24,686
1.01.07	Prepaid Expenses	5,976	10,970
1.01.08	Other Current Assets	31,216	55,477
1.01.08.02	Assets Classified as Held for Sale	-	22,422
1.01.08.03	Other	31,216	33,055
1.01.08.03.02	Securities	1,339	2,771
1.01.08.03.03	Other Accounts Receivable	9,368	5,145
1.01.08.03.04	Advances to suppliers	20,509	25,139
1.02	Non-Current Assets	693,595	744,830
1.02.01	Long-term Assets	99,640	99,268
1.02.01.06	Deferred Tax	1,023	489
1.02.01.06.01	Deferred Income Tax and Social Contribution	1,023	489
1.02.01.09	Other Non-Current Assents	98,617	98,779
1.02.01.09.03	Judicial Deposits	22,123	25,295
1.02.01.09.04	Securities	5,596	4,500
1.02.01.09.05	Recoverable Taxes	42,842	47,452
1.02.01.09.06	Other Accounts Receivable	28,056	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	456,980	449,950
1.02.03.01	Fixed Assets in Operations	389,498	388,034
1.02.03.03	Fixed Assets in Progress	67,482	61,916
1.02.04	Intangible	121,015	179,652
1.02.04.01	Intangible	18,230	18,267
1.02.04.01.02	Software and Other Licenses	3,056	3,695
1.02.04.01.03	New Products Development	15,174	14,572
1.02.04.02	Goodwill	102,785	161,385

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Balance Sheet Liabilities

(In Reais Thousands)

Code	Description	Current Quarter 06/30/2015	Last Year 12/31/2014
2	Total Liabilities	938,013	1,022,629
2.01	Current Liabilities	647,065	305,378
2.01.01	Social and Labor Obligations	35,127	29,479
2.01.01.02	Labor Obligations	35,127	29,479
2.01.02	Suppliers	114,612	98,389
2.01.02.01	Domestic Suppliers	103,796	87,242
2.01.02.02	Export Suppliers	10,816	11,147
2.01.03	Tax	58,805	57,652
2.01.03.01	Federal Taxes	46,684	49,344
2.01.03.01.01	Income Tax and Social Contribution	1,348	2,109
2.01.03.01.02	Others Federal Taxes	45,336	47,235
2.01.03.02	State Taxes	11,212	6,967
2.01.03.03	Municipality Tax	909	1,341
2.01.04	Loans and Financing	223,121	56,884
2.01.04.01	Loans and Financing	148,682	56,884
2.01.04.01.01	Local Currency	124,322	47,577
2.01.04.01.02	Foreign Currency	24,360	9,307
2.01.04.02	Debentures	74,439	-
2.01.05	Other Obligations	215,400	56,889
2.01.05.02	Other	215,400	56,889
2.01.05.02.06	Commissions Payable	3,568	3,182
2.01.05.02.07	Advances from Customers	2,727	2,883
2.01.05.02.08	Profit Sharing	340	655
2.01.05.02.10	Other Accounts Payable	27,801	20,101
2.01.05.02.12	Provision Contratual fines	29,251	30,068
2.01.05.02.13	Bonds	151,713	-
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	346,958	621,893
2.02.01	Loans and Financing	57,539	216,457
2.02.01.01	Loans and Financing	57,539	144,742
2.02.01.01.01	Local Currency	45,009	121,626
2.02.01.01.02	Foreign Currency	12,530	23,116
2.02.01.02	Debentures	-	71,715
2.02.02	Other Obligations	109,087	243,916
2.02.02.02	Other	109,087	243,916
2.02.02.02.04	Taxes Payable	5,419	6,443
2.02.02.02.06	Other Accounts Payable	7,222	6,453
2.02.02.02.08	Provision Contratual fines	96,446	103,052
2.02.02.02.09	Bonds	-	127,968
2.02.03	Deferred Tax	32,578	33,780
2.02.03.01	Deferred Income Tax and Social Contribution	32,578	33,780
2.02.04	Provisions	147,754	127,740
2.02.04.01	Social Security, Tax, Labor and Civil Provisions	126,742	107,948
2.02.04.01.01	Tax Provisions	36,252	36,285
2.02.04.01.02	Labor and Social Security Provisions	80,497	61,563
2.02.04.01.04	Civil Provisions	9,993	10,100
2.02.04.02	Other Provisions	21,012	19,792
2.02.04.02.04	Provision for unfunded liabilities in subsidiaries	21,012	19,792
2.03	Shareholder's Equity	(56,010)	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	(2,097,716)	(1,899,939)
2.03.06	Equity Evaluation Adjustments	38,290	(8,119)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Income

(In Reais Thousands)

Code	Description	Q2 2015 04/01/2015 to 06/30/2015	YTD 2015 01/01/2015 to 06/30/2015	Q2 2014 04/01/2014 to 06/30/2014	YTD 2014 01/01/2014 to 06/30/2014
3.01	Gross Revenue from Sales and/or Services	65,934	149,147	98,325	199,609
3.02	Cost of Goods Sold	(61,754)	(138,040)	(90,431)	(178,213)
3.03	Gross Profit	4,180	11,107	7,894	21,396
3.04	Operating Income/Expenses	(108,000)	(134,493)	(50,190)	(139,545)
3.04.01	Selling	(3,161)	(7,619)	(8,115)	(13,720)
3.04.02	General and Administrative	(14,516)	(28,555)	(16,521)	(32,095)
3.04.04	Other Operating Income	595	3,069	1,604	7,932
3.04.04.02	Other Operating Income	595	3,069	1,604	7,932
3.04.05	Other Operating Expenses	(90,547)	(101,017)	(18,244)	(85,137)
3.04.06	Equity Pick-up	(371)	(371)	(8,914)	(16,525)
3.05	Operating Income/Expenses Before Financial Results and Inco	(103,820)	(123,386)	(42,296)	(118,149)
3.06	Financial Results	(15,262)	(52,494)	(87,493)	(113,876)
3.06.01	Financial Income	174,610	327,292	19,850	69,260
3.06.01.01	Financial Income	1,292	2,070	1,011	2,709
3.06.01.02	Gain on Exchange Variance	173,318	325,222	18,839	66,551
3.06.02	Financial Expenses	(189,872)	(379,786)	(107,343)	(183,136)
3.06.02.01	Financial Expenses	(12,341)	(23,061)	(107,002)	(159,179)
3.06.02.02	Loss on Exchange Variance	(177,531)	(356,725)	(341)	(23,957)
3.07	Income Before IncomeTax	(119,082)	(175,880)	(129,789)	(232,025)
3.08	Provision for Income Tax and Social Contribution	(11)	66	(1,896)	(1,374)
3.08.01	Current	(612)	(1,224)	(144)	(512)
3.08.02	Deferred	601	1,290	(1,752)	(862)
3.09	Net Income from Continuing Operations	(119,093)	(175,814)	(131,685)	(233,399)
3.10	Net income from Discontinued Operations	91	(21,963)	9,853	16,572
3.10.01	Income (Loss) from discontinued operations	91	(21,963)	9,853	16,572
3.11	Income/Loss for the Period	(119,002)	(197,777)	(121,832)	(216,827)
3.11.01	Parent Company's Interest	(119,002)	(197,777)	(121,832)	(216,827)
3.99	Earnings per Share (R$/Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	ON	(0.05)	(0.06)	(0.77)	(1.38)
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	ON	(0.05)	(0.06)	(0.77)	(1.38)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	Q2 2015 04/01/2015 to 06/30/2015	YTD 2015 01/01/2015 to 06/30/2015	Q2 2014 04/01/2014 to 06/30/2014	YTD 2014 01/01/2014 to 06/30/2014
4.01	Income/Loss for the Period	(119,002)	(197,777)	(121,832)	(216,827)
4.02	Other Comprehensive Income	(9,011)	46,409	5,062	(24,842)
4.02.01	Exchange Variation on Investments Abroad	(9,011)	46,409	5,062	(24,842)
4.03	Comprehensive Income of the Period	(128,013)	(151,368)	(116,770)	(241,669)
4.03.01	Participação dos Acionistas Controladores	(128,013)	(151,368)	(116,770)	(241,669)

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2015 to 06/30/2015

(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**	**-**	**-**	**(197,777)**	**46,409**	**(151,368)**
5.05.01	**Income / Loss for the Period**	**-**	**-**	**(197,777)**	**-**	**(197,777)**
5.05.02	**Other Comprehensive Income**	**-**	**-**	**-**	**46,409**	**46,409**
5.05.02.04	Cumulative Translation Effects	-	-	-	46,409	46,409
5.07	**Ending Balance**	**1,853,684**	**149,732**	**(2,097,716)**	**38,290**	**(56,010)**

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Changes in Shareholder's Equity - 01/01/2014 to 06/30/2014

(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**	**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**	**-**	**-**	**(216,827)**	**(24,842)**	**(241,669)**
5.05.01	Income / Loss for the Period	-	-	(216,827)	-	(216,827)
5.05.02	Other Comprehensive Income	-	-	-	(24,842)	(24,842)
5.05.02.04	Cumulative Translation Effects	-	-	-	(24,842)	(24,842)
5.07	**Ending Balance**	**742,438**	**13,549**	**(1,485,758)**	**(75,389)**	**(805,160)**

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Cash Flow - Indirect Method

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 06/30/2015	YTD 2014 01/01/2014 to 06/30/2014
6.01	**Cash Flow from Operating Activities**	**2,860**	**(8,853)**
6.01.01	Cash Flow from Operation	(39,113)	9,606
6.01.01.01	Net Loss for the Period	(197,777)	(216,827)
6.01.01.02	Depreciation and Amortization	25,000	25,756
6.01.01.04	Equity Pick-up	371	16,525
6.01.01.05	Result on Sale of Fixed Assets	(396)	10,686
6.01.01.06	Financial expenses, net	46,291	104,166
6.01.01.08	Deferred income Tax and Social Contribution	158	1,237
6.01.01.09	Provision for Losses by Non-Recoverability of Assets	60,000	-
6.01.01.10	Loss (Gain) on Sale of Investment	21,788	-
6.01.01.11	Losses on Inventory Obsolescence	2,107	2,452
6.01.01.12	Provision of Contractual Fines	1,760	64,637
6.01.01.13	Allowance for Doubtful Accounts	1,585	974
6.01.02	**Change in Assets and Liabilities**	41,973	(18,459)
6.01.02.01	Accounts Receivable	7,756	(26,251)
6.01.02.02	Inventories	5,707	2,768
6.01.02.03	Recoverable Taxes	890	15,730
6.01.02.04	Other Assets	4,038	17,496
6.01.02.05	Suppliers	11,920	(2,387)
6.01.02.06	Taxes Payable	2,632	(4,665)
6.01.02.07	Others	9,030	(21,150)
6.02	**Cash Flow from Investing Activities**	**10,158**	**3,976**
6.02.03	Acquisition of Fixed Assets	(3,069)	(6,472)
6.02.04	Acquisition to Intangibles	(1,208)	(916)
6.02.05	Securities-Restricted	742	855
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	1,771	10,709
6.03	**Cash Flow from Financing Activities**	**(9,815)**	**(10,129)**
6.03.01	Proceeds from Loans and Financing	100,416	62,840
6.03.07	Payments of Loans and Financing - Principal	(106,219)	(68,697)
6.03.08	Payments of Loans and Financing - Interest	(4,012)	(4,272)
6.04	Exchange Variation on Cash Equivalents	1	(1)
6.05	**Increase/Decrease in Cash and Cash Equivalents**	**3,204**	**(15,007)**
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**	**6,785**	**5,669**

ITR - INTERIM FINANCIAL INFORMATION - Q2 2015 - 06/30/2015 - LUPATECH S/A

Consolidated Financial Statements / Statements of Added Value

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 06/30/2015	YTD 2014 01/01/2014 to 06/30/2014
7.01	**Revenue**	**182,962**	**301,660**
7.01.01	Sales of Goods, Products and Services	165,645	286,195
7.01.02	Other Revenues	3,065	16,641
7.01.03	Revenue from sale of investments	15,477	-
7.01.04	Allowance for Doubtful Accounts	(1,225)	(1,176)
7.02	**Input Acquired from Third Parties**	**(188,033)**	**(208,477)**
7.02.01	Cost of Products, Goods and Services Sold	(20,626)	(105,633)
7.02.02	Materials, Energy, and Other Outsourced Services	(29,130)	(14,027)
7.02.03	Loss / Recovery of Assets	(60,000)	(24,742)
7.02.04	Other Expenses	(41,017)	(64,075)
7.02.05	Low investment for sale	(37,260)	-
7.03	**Gross Added Value**	**(5,071)**	**93,183**
7.04	Retentions	(25,000)	(25,756)
7.04.01	Depreciation and Amortization	(25,000)	(25,756)
7.05	**Net Added Value Generated by the Company**	**(30,071)**	**67,427**
7.06	**Added Value Received by Transfer**	**326,996**	**57,469**
7.06.01	Equity pick-up	(371)	(16,525)
7.06.02	Financial Income	327,367	73,994
7.07	**Total Added Value to be Distributed**	**296,925**	**124,896**
7.08	**Distribution of Added Value**	**296,925**	**124,896**
7.08.01	**Personal**	**93,862**	**114,489**
7.08.01.01	Direct Compensation	71,035	90,079
7.08.01.02	Benefits	13,343	15,918
7.08.01.03	FGTS	9,484	8,492
7.08.02	**Taxes and Contributions**	**19,546**	**39,271**
7.08.02.01	Federal	14,739	28,442
7.08.02.02	States	2,945	8,413
7.08.02.03	Municipal	1,862	2,416
7.08.03	**Payment of Debt**	**381,294**	**187,963**
7.08.03.01	Interest	379,975	186,205
7.08.03.02	Rentals	1,319	1,758
7.08.04	**Capital Compensation**	**(197,777)**	**(216,827)**
7.08.04.03	Income/Loss for the Period	**(197,777)**	**(216,827)**

Explanatory notes to interim financial statements as of June 30, 2015.

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

1 Operating context

Lupatech S/A – In Judicial Recovery (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 1,775 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 57.7% of the Company's net revenues for the period of six months ended in June 30, 2015 (71% for the period of six months ended in June 30, 2014). Both segments of the Company (Products and Services) are affected by revenue originating from Petrobras.

1.1 Judicial Recovery

On May 25, 2015, Lupatech S/A - In Judicial Recovery, due to the adverse conditions in the oil and gas field created from the drastic reduction of the oil barrel price in the international market, combined with the crisis in Petrobras, the Company's main client, with negative effects on the whole supply chain sector, and despite all efforts from the Management in negotiating with creditors and searching for potential investors in order to balance the working capital demands and the Company's CAPEX to resume its operations, the Board of Directors decided to approve on an urgent basis the request for court-supervised reorganization, based on Article 122, sole paragraph, of Law 6,404/76.

On the same date, May 25, 2015, Lupatech S/A - In Judicial Recovery, together with its subsidiaries, directly or indirectly: Lupatech Finance Limited – In Judicial Recovery; Amper Amazonas Perfurações Ltda – In Judicial Recovery; Itacau Agenciamentos Marítimos Ltda - In Judicial Recovery; Lochness Participações S/A - In Judicial Recovery; Lupatech - Equipamentos e Serviços para Petróleo Ltda - In Judicial Recovery; Lupatech – Perfuração e Completação Ltda - In Judicial Recovery; Matep S/A Máquinas e Equipamentos - In Judicial Recovery; Mipel Indústria e Comércio de Válvulas Ltda - In Judicial Recovery; Prest Perfurações Ltda - In Judicial Recovery; Sotep Sociedade Técnica de Perfuração S/A - In Judicial Recovery, filed in the District of São Paulo, the request for court-supervised reorganization before the 1st Court of Bankruptcy and Judicial Recovery of São Paulo.

As decided by the Justice of the 1st Court of Bankruptcy and Judicial Recovery of São Paulo the processing of the request for court-supervised reorganization by Lupatech S/A together with other subsidiaries of the Lupatech Group, mentioned above, has been approved on June 22, 2015, appointed Alta Administração Judicial Ltda. as judicial administrator.

The Company should submit the reorganization plan within 60 days from the date of approval of the request for court-supervised reorganization.

The request for court-supervised reorganization aims to protect the value of the Company's assets, its social function, and stimulation of economic activity and to meet the interests of the collectivity of creditors and shareholders in a rational and organized manner to preserve the Company's assets.

The Company is working on improving the efficiency of working capital, the cost reduction process and the restructuring of operations in order to improve the performance in order to maximize operating cash flow. These efforts, together with other potential opportunities for sales of non-core assets and attract investors, aims to reinforce the cash flow structure and support to the operational requirements planned for 2015.

1.2 Going concern

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 has developed and monitors projections of operations and short- and long-term cash flows 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, which may include capital transactions and/or divestiture of assets, among others, in order to obtain the necessary financial resources. During the first semester of 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.

2 Basis of presentation

2.1 Declaration of conformity (with respect ace CPC standards)

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 six months ended in June 30, 2015, are not included in full form in these interim financial statements:

Explanatory notes not included for the half-year of 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 August 14, 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 six months ended in June 30, 2014.

Given the existence of discontinued operations in the six months ended June 30, 2015, the Company is restating the income statement for the six months ended June 30, 2014 to separately classify income from discontinued operations, as shown below:

	Consolidated		
	Original balances presented in 06/30/2014	Balances Companies in Argentina * in 06/30/2014	Balances adjusted in 06/30/2014
NET REVENUE FROM SALES	261,104	61,495	199,609
COST OF GOODS SOLD	(212,759)	(34,546)	(178,213)
GROSS PROFIT	48,345	26,949	21,396
OPERATING INCOME/EXPENSES			
Selling	(20,720)	(7,000)	(13,720)
General and administrative	(32,897)	(3,792)	(29,105)
Management compensation	(2,990)	-	(2,990)
Equity pick-up	(16,525)	-	(16,525)
Other operating expenses (income), net	(77,363)	(158)	(77,205)
OPERATING INCOME/EXPENSES BEFORE FINANCIAL RESULTS	(102,150)	15,999	(118,149)
FINANCIAL RESULTS			
Financial income	3,138	429	2,709
Financial expenses	(160,451)	(1,272)	(159,179)
Exchange variation, net	45,102	2,508	42,594
LOSS BEFORE TAX / HOLDING	(214,361)	17,664	(232,025)
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION			
Current	(6,415)	(5,903)	(512)
Deferred	(1,237)	(375)	(862)
LOSS OF CONTINUED OPERATIONS	(222,013)	11,386	(233,399)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS	5,186	(11,386)	16,572
INCOME (LOSS) FOR THE PERIOD OF CONTINUED AND DISCONTINUED OPERATIONS	(216,827)	-	(216,827)
Attributed to:			
Parent company's interest	(216,827)	-	(216,827)

* Company in Argentina: Jefferson Sudamericana S/A and its units; Válvulas Worcester de Argentina S/A; Esferomatic S/A; Norpatagonica S/A and Industria Y Teconologia em Aceros S/A.

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 – In Judicial Recovery and its subsidiaries.

2.2.1.1 Subsidiaries

The Company did not have changes of participation in subsidiaries during the period of six months ended in June 30, 2015.

2.2.1.2 Jointly-owned subsidiaries

The Company did not have changes of participation Jointly-owned subsidiaries during the period of six months ended in June 30, 2015.

2.2.1.3 Companies comprising the consolidated statements

The consolidated interim financial statements include the accounting information of Lupatech S/A – In Judicial Recovery and its direct and indirect subsidiaries, as shown below:

	Direct and indirect participation (%)	
Direct and indirect subsidiaries	**06/30/2015**	**12/31/2014**
Direct participation		
Mipel Ind. e Com. de Válvulas Ltda. - In Judicial Recovery - (Brazil)	100.00	100.00
Lupatech Equipamentos de Serviços para Petróleo Ltda.- In Judicial Recovery - (Brazil)	100.00	100.00
Lupatech Finance Limited - In Judicial Recovery - (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 - In Judicial Recovery - (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. - (Brazil) (*)	-	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.- In Judicial Recovery - (Brazil)	100.00	100.00
Sotep Sociedade Técnica de Perfurações S/A - In Judicial Recovery - (Brazil)	100.00	100.00
Prest Perfurações Ltda. - In Judicial Recovery - (Brazil)	100.00	100.00
Itacau Agenciamentos Marítimos Ltda. - In Judicial Recovery - (Brazil)	100.00	100.00
Matep S.A. Máquinas e Equipamentos - In Judicial Recovery - (Brazil)	100.00	100.00
Amper Amazonas Perfurações Ltda. - In Judicial Recovery - (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, including a new model of expected credit loss for the calculation of the impairment of financial assets, and new requirements for hedge accounting.

The standard retains the existing guidance on the recognition and derecognition of financial instruments IAS 39.

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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Cash and banks				
Brazil	59	80	3,746	323
Abroad	-	-	2,852	1,030
	59	80	6,598	1,353
Financial Investments				
Bank deposit certificate	59	57	75	74
Investiment fund	-	-	112	112
	59	57	187	186
Cash and cash equivalents	118	137	6,785	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 June 30, 2015 the Company owned a balance of R$1,339, registered as "Marketable securities - restricted" in current assets, and R$5,596 in the non-current assets (R$2,771 in current assets, and R$4,500 in the non-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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Local market	27,956	38,092	78,370	86,770
Export	4,739	9,160	38,699	33,442
	32,695	47,252	117,069	120,212
Less: allowance for doubtful accounts	(3,572)	(3,284)	(6,314)	(4,729)
	29,123	43,968	110,755	115,483

6 Inventories

	Parent		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Finished goods	6,390	5,729	13,265	11,345
Goods for resale	276	298	2,882	4,743
Work in progress	9,603	12,008	15,544	18,455
Raw material	18,972	19,111	50,892	53,260
Losses on inventory obsolescence	(6,869)	(5,221)	(20,266)	(18,159)
Total	28,372	31,925	62,317	69,644

In the six months ended June 30, 2015 were recognized in the income losses on inventory obsolescence amounting to R$1,648 (R$2,215 in the six months ended June 30, 2014) in parent, and loss of R$2,107 (R$2,452 in the six months ended June 30, 2014) in consolidated.

7 Recoverable taxes

	Parent		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Value-added Tax on Sales and Services (ICMS) recoverable	13,862	14,581	15,071	16,245
Excise Tax (IPI) recoverable	1,806	1,822	2,265	2,158
Social Integration Program (PIS) recoverable	683	703	1,400	2,060
Social Contribution on Revenues (COFINS) recoverable	3,370	3,316	6,506	9,151
Corporate Income Tax (IRPJ) advances	-	-	15,432	11,619
Social Contribution on Net Income (CSSL) advances	-	-	176	10
Withholding tax (IRRF) recoverable	901	1,216	28,456	29,577
CSLL recoverable	273	392	7,415	7,066
National Institute of Social Security (INSS) Contribution recoverable	41	41	1,258	1,405
Service tax (ISS) recoverable	2	2	252	717
Other	-	-	329	479
Provision for non-recovery of taxes	(8,349)	(8,349)	(8,349)	(8,349)
Total	12,589	13,724	70,211	72,138
Current	6,085	6,728	27,369	24,686
Non-Current	6,504	6,996	42,842	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 June 30, 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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
In affiliates	177,496	151,125	-	-
Goodwill on acquisition of investments (Note 10)	6,065	6,065	-	-
Total	183,561	157,190	-	-

On June 30, 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$21,012 (R$19,792 on December 31, 2014).

	Mipel	Recu	LESP	Finance	Finance II	LNC	LOFS	Lochness	Parent 06/30/2015	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)	**16,804**	**1,634**	**79,947**	**22,985**	**3**	**24,642**	**55,888**	**(67,500)**		
Income (Loss) for the year	(3,175)	(44)	(27,652)	33,442	-	17	2,220	(54,472)		
Unrealized profits	(245)	-	-	-	-	-	-	-		
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	-	-	-	-	-	-	-	9,302	9,302	-
Equity pick-up result	(3,143)	(44)	(27,652)	33,442	-	17	2,220	(54,472)	(49,632)	(150,037)
Reclassification of unfunded liabilities	-	-	-	(10,236)	-	-	-	27,341	17,105	(15,045)
Equity evaluation adjustments	-	201	25,667	(221)	1	79	4,614	17,829	48,170	(3,662)
Dividends and interest on equity reserve	-	-	-	-	-	-	-	-	-	(5,577)
Changes from disinvestment	-	1,393	-	-	-	-	-	-	1,393	(64,338)
Assets held for sales	-	-	-	-	-	-	-	-	-	(1,394)
Final balance	16,559	1,550	79,947	22,985	3	564	55,888	-	177,496	151,125

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

The participation in the negative equity in the subsidiaries Lochness Participações S/A – In Judicial Recovery amonting to R$67,500 on June 30, 2015 (Lupatech Finance Limited – In Judicial Recovery, amounting to R$10,236 and Lochness Participações S/A – In Judicial recovery amounting to R$40,159 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			
	For the three months ended		For the six months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
In affiliates	(24,220)	(20,413)	(49,632)	(87,855)
In joint venture	(371)	(8,914)	(371)	(16,525)
	(24,591)	(29,327)	(50,003)	(104,380)

	Consolidated			
	For the three months ended		For the six months ended	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014
In joint venture	(371)	(8,914)	(371)	(16,525)
	(371)	(8,914)	(371)	(16,525)

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 six months ended June 30, 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

	Weighted avarage rate of depreciation % p.a.	Parent		Consolidated	
		06/30/2015	12/31/2014	06/30/2015	12/31/2014
		Net	Net	Net	Net
Land	-	12,336	12,336	13,694	14,758
Building and construction	2%	32,498	32,942	51,345	53,159
Machinery and equipment	9%	34,908	37,095	292,322	290,326
Molds and matrixes	15%	1,325	1,567	1,502	1,764
Industrial facilities	5%	8,016	8,314	9,948	10,293
Furniture and fixtures	9%	1,539	1,672	3,182	3,557
Data processing equipments	14%	416	546	1,084	1,216
Improvements	2%	282	314	2,442	2,717
Vehicles	19%	166	185	4,384	4,917
Casks	-	2	2	11	13
Advances for fixed assets acquisitions	-	19	-	9,584	5,314
Construction in progress	-	253	280	67,482	61,916
Total		91,760	95,253	456,980	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	-	-	10	-	1	6	-	20	37
Transfers	-	-	-	-	-	(10)	-	-	(10)
Disposal	-	-	(9)	-	(8)	(1)	-	-	(18)
Effect of exchange variance	-	-	-	-	-	-	(27)	-	(27)
Balance at June 30, 2015	**12,336**	**39,228**	**90,416**	**11,712**	**3,897**	**3,864**	**253**	**492**	**162,198**

	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	-	(444)	(2,439)	(330)	(134)	(136)	-	(20)	(3,503)
Transfers	-	-	4	-	-	11	-	-	15
Disposal	-	-	5	-	8	-	-	-	13
Balance at June 30, 2015	**-**	**(6,730)**	**(54,183)**	**(3,414)**	**(2,358)**	**(3,448)**	**-**	**(305)**	**(70,438)**

	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 June 30, 2015	12,336	32,498	36,233	8,298	1,539	416	253	187	91,760

	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	-	-	2,791	-	11	192	7	68	3,069
Disposal	(1,126)	(1,211)	(2,055)	-	(14)	(20)	-	148	(4,278)
Transfers	-	-	18	(13)	(5)	(10)	7,861	(6)	7,845
Effect of exchange variance	60	109	31,886	-	32	86	5,559	4,755	42,487
Balance at June 30, 2015	**13,694**	**64,436**	**527,651**	**19,509**	**10,011**	**10,668**	**75,333**	**34,690**	**755,992**

	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	-	(978)	(20,520)	(617)	(400)	(353)	-	(854)	(23,722)
Disposal	-	330	438	-	12	19	-	(148)	651
Transfers	-	-	(9)	10	1	12	(7,861)	-	(7,847)
Effect of exchange variance	2	(64)	(10,815)	-	(12)	(58)	-	(228)	(11,175)
Balance at June 30, 2015	**-**	**(13,091)**	**(233,827)**	**(7,119)**	**(6,829)**	**(9,584)**	**(7,851)**	**(20,711)**	**(299,012)**

	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 June 30, 2015	13,694	51,345	293,824	12,390	3,182	1,084	67,482	13,979	456,980

The value attributed to fixed assets in guarantee of liabilities on June 30, 2015 is as follows:

	Fixed Assets	
Garanteed liabilities	**Parent**	**Consolidated**
Taxation (Tax executions)	11,498	11,498
Borrowing and financing (Note 11)	1,397	97,951
Total	12,895	109,449

Commercial Lease

On June 30, 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$14,607 (R$16,022 at December 31, 2014).

Impairment tests

The Company prepared impairment analysis and testing to all material fixed assets on June 30, 2015, based on discounted cash flow projections and sales values less costs to sell when available. When the projections of cash flows were used, the following assumptions were used:

Discount rate (WACC): 12.21% p.a.
Growth in perpetuity: 0
Maximum projection horizon: 13 years
Projected inflation: 5.5% p.a.
Projected GDP: 0.9% p.a.

Based on our tests, we were not identified additional impairment losses amounts to be recognized.

10 Intangibles

	Weighted rates of amortization	Parent		Consolidated	
		06/30/2015	12/31/2014	06/30/2015	12/31/2014
	% p.a.	Net	Net	Net	Net
Goodwill (*)	-	55,414	115,414	102,785	161,385
Software and other licenses	20%	3,107	3,527	3,056	3,695
New projects developments	20%	13,786	13,158	15,174	14,572
Total		72,307	132,099	121,015	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	-	-	1,214	1,214
Transfers	-	125	(125)	-
Loss by goodwill impairment	(60,000)	-	-	(60,000)
Balance at June 30, 2015	**55,414**	**10,885**	**19,722**	**86,021**

	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	-	(545)	(461)	(1,006)
Balance at June 30, 2015	**-**	**(7,778)**	**(5,936)**	**(13,714)**

	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 June 30, 2015	**55,414**	**3,107**	**13,786**	**72,307**

	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	-	-	1,215	1,215
Transfers	-	125	(125)	-
Effect of exchange variance	1,400	-	-	1,400
Loss by goodwill impairment	(60,000)	-	-	(60,000)
Balance at June 30, 2015	**102,785**	**11,664**	**21,812**	**139,497**

	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	-	(764)	(488)	(1,252)
Balance at June 30, 2015	**-**	**(8,608)**	**(6,638)**	**(18,482)**

	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 June 30, 2015	**102,785**	**3,056**	**15,174**	**121,015**

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	**06/30/2015**	**12/31/2014**	**06/30/2015**	**12/31/2014**
Products Segment				
Carbonox and Valmicro (Group of units)	6,065	6,065	6,065	6,065
Lupatech S/A - CSL unit	55,414	115,414	55,414	115,414
Services Segment				
Fiberware Unit	-	-	20,687	20,687
Lupatech OFS Coöperatief U.A. Unit	-	-	20,619	19,219
Total	61,479	121,479	102,785	161,385
Investment	6,065	6,065	-	-
Intangible	55,414	115,414	102,785	161,385

Goodwill is allocated to cash-generating units for which can be identified in the cash flows of cash-generating units - CGU.

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.

The goodwill balance is not amortized and is subject to test impairment annually or whenever there are indications of loss of value. On June 30, 2015, the tests for all segments showed loss by non-recoverability of the goodwill of the unit Cordoaria São Leopoldo, recognized in the financial statements for the parent company and consolidated in the amount of R$60,000.

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	(70,000)	55,414
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	20,619	-	20,619
Total	306,725	(203,940)	102,785

11 Loans and financing

			Parent					
			06/30/2015			12/31/2014		
Description	Index	Weighted interest rates	Current	Non Current	Total	Current	Non Current	Total
Local currency								
Working capital / expansion	CDI	6.80% p.a.	1,319	-	1,319	4,135	-	4,135
Working capital / expansion	TJLP	4.76% p.a.	31,681	-	31,681	2,194	27,796	29,990
Financing of property, plant and equipment	TJLP	-	-	2,967	2,967	-	2,801	2,801
Financing of property, plant and equipment	FIX	8.52% p.a.	115	-	115	191	22	213
Financing of research and development	TJLP	4.50% p.a.	-	-	-	39	-	39
Guarantee provided - Guaranteed by a letter of guarantee	FIX	5.17% p.a.	9,173	-	9,173	2,464	6,291	8,755
Working capital / expansion	CDI	3.00% p.a.	-	16,455	16,455	-	16,212	16,212
Discounted titles	FIX	13.95% p.a.	-	-	-	213	-	213
Credit limit	FIX	330.26% p.a.	26	-	26	-	-	-
			42,314	**19,422**	**61,736**	**9,236**	**53,122**	**62,358**
Foreign currency								
Working capital / expansion	US DOLAR	7.48% p.a.	6,635	-	6,635	408	5,020	5,428
			6,635	**-**	**6,635**	**408**	**5,020**	**5,428**
			48,949	**19,422**	**68,371**	**9,644**	**58,142**	**67,786**

			Consolidated					
			06/30/2015			12/31/2014		
Description	Index	Weighted interest rates	Current	Non Current	Total	Current	Non Current	Total
Local currency								
Working capital / expansion	CDI	4.62% p.a.	32,923	-	32,923	37,615	716	38,331
Working capital / expansion	TJLP	4.82% p.a.	57,440	-	57,440	3,991	50,387	54,378
Working capital / expansion	FIX	3.00% p.a.	21,698	-	21,698	-	-	-
Working capital / expansion	CDI	3.00% p.a.	-	25,587	25,587	-	25,210	25,210
Working capital / expansion	CDI	-	-	2,967	2,967	-	2,801	2,801
Financing of property, plant and equipment	TJLP	8.52% p.a.	115	-	115	191	22	213
Financing of property, plant and equipment	FIX	4.50% p.a.	-	-	-	113	-	113
Financing of research and development	TJLP	5.17% p.a.	9,172	-	9,172	2,464	6,291	8,755
Guarantee provided - Guaranteed by a letter of guarantee	FIX	3.00% p.a.	-	16,455	16,455	-	16,212	16,212
Discounted titles	FIX	33.12% p.a.	2,947	-	2,947	3,203	19,987	23,190
Credit limit	FIX	318.98% p.a.	27	-	27	-	-	-
			124,322	**45,009**	**169,331**	**47,577**	**121,626**	**169,203**
Foreign currency								
Working capital / expansion	US DOLAR	7.48% p.a.	11,030	-	11,030	775	8,363	9,138
Working capital / expansion	PESO COP	9.83% p.a.	13,220	12,530	25,750	7,952	14,753	22,705
Working capital / expansion	UMBNDES 590	8.86% p.a.	110	-	110	580	-	580
			24,360	**12,530**	**36,890**	**9,307**	**23,116**	**32,423**
			148,682	**57,539**	**206,221**	**56,884**	**144,742**	**201,626**

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

	Parent		Consolidated	
Maturity	**06/30/2015**	**12/31/2014**	**06/30/2015**	**12/31/2014**
2016	534	1,155	3,405	27,089
2017	534	6,530	6,488	19,096
2018	2,483	8,219	9,147	18,392
2019	2,483	11,480	5,692	22,478
2020 to 2025	13,388	30,758	32,807	57,687
	19,422	58,142	57,539	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	-	32,341
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	122,468
Foreign currency			
Working capital / expansion	Own financed asset	-	23,430
		-	23,430
		17,003	145,898

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 June 30, 2015 the indirect subsidiary Lupatech OFS SAS attended to the condition of financial covenants.The total amount of this loan is R$7,099, recorded in current liabilities in the amount of R$2,206 and R$4,893 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 June 30, 2015 the Company has a balance of R$16,455 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 Judicial Recovery, in accordance with the terms and conditions set forth in the extrajudicial recovery plan of the Company.

According to the contratuias clauses, the Bonds on Judicial Recovery processing situation have early maturity status.

Regardless of acceleration, the credit coming from the Bonds is subject to judicial recovery of Lupatech Group, having been included in the list of creditors presented by the Company in the records of Judicial Recovery proceedings before the 1st Court of Bankruptcies and Judicial Recoveries of the Central District Forum from Sao Paulo.

On Junho 30, 2015 the balance of Bonds of R$151,713 was reclassified from non-current liabilities to current liabilities (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 June 30, 2015 the Company had a balance of R$74,439 recorded in current liabilities (R$71,715 on December 31, 2014 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	
	06/30/2015	**12/31/2014**
Debt instrument - Debentures	66,960	66,960
Interest on debentures	7,479	4,755
Total	74,439	71,715
Current	74,439	-
Non-Current	-	71,715
Total	74,439	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.

According to the relevant fact released on July 16, 2015, it was declared the accelerated maturity of the debentures outstanding.

Regardless of acceleration, the credit arising from the Debentures is subject to Judicial Recovery of Lupatech Group, having been included in the list of creditors presented by the Company in the records of Judicial Recovery proceedings before the 1st Court of Bankruptcies and Judicial Recoveries of the Central District Forum from Sao Paulo.

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	06/30/2015	12/31/2014
Assets						
Accounts receivable	23	225	-	130	378	1,372
Other accounts receivable	6,727	3,472	-	1,290	11,489	19,401
Mutual and loans	24,679	3,712	787,271	-	815,662	699,072
Total	31,429	7,409	787,271	1,420	827,529	719,845
Liabilities						
Accounts payable	6	11,530	-	3	11,539	12,030
Other accounts payable	1,355	2,846	-	4,276	8,477	7,843
Mutual and loans	-	-	958,799	1,851	960,650	789,075
Total	1,361	14,376	958,799	6,130	980,666	808,948

	Parent					
	SABR	Mipel Sul	Lupatech Finance	LESP	06/30/2015	06/30/2014
Income						
Sales	-	70	-	1,252	1,322	1,085
Purchases	-	651	-	-	651	1,813
Financial income	8	240	-	1	249	305
Financial expenses	-	-	35,959	200	36,159	25,812
Exchange variance	-	-	(17,840)	-	(17,840)	39,010

	Parent							
	Transaction date	Time	Interest rate	Garantee and insurance	Amount R$	Balance US$	06/30/2015	12/31/2014
Assets mutual								
Local currency								
Contract 1	July-14	Indeterminated	105% do DI-Cetip		27,970	-	3,712	4,057
Contract 2	November-14	Indeterminated	105% do DI-Cetip	N/A	8,139	-	-	25
					36,109	-	3,712	4,082
Foreign currency								
Contract 1	July-14	Indeterminated	105% do DI-Cetip	N/A	627,226	253,745	787,271	673,998
Contract 2	July-14	Indeterminated	105% do DI-Cetip	N/A	20,992	16,926	24,519	20,992
Contract 3	December-14	Indeterminated	12,000% a.a.	N/A	288	52	160	-
					648,506	270,723	811,950	694,990
Liabilities mutual					**684,615**	**270,723**	**815,662**	**699,072**
Local currency								
Contract 1	February-15	Indeterminated	105% do DI-Cetip	N/A	13,772	-	1,851	-
					13,772	-	1,851	-
Foreign currency								
Contract 1	July-07	13 Years	9,875% a.a.	N/A	28,025	14,750	45,765	38,674
Contract 2	July-07	13 Years	9,875% a.a.	N/A	65,391	35,366	109,727	92,643
Contract 3	May-09	11 years	12,000% a.a.	N/A	40,736	25,376	78,732	64,279
Contract 4	May-09	11 years	12,000% a.a.	N/A	117,249	73,088	226,762	185,081
Contract 5	July-09	11 years	12,000% a.a.	N/A	50,618	33,835	104,975	85,705
Contract 6	September-09	11 years	10,100% a.a.	N/A	134,378	94,022	291,711	239,623
Contract 7	October-09	11 years	10,000% a.a.	N/A	46,231	32,594	101,127	83,070
					482,628	309,031	958,799	789,075
					496,400	**309,031**	**960,650**	**789,075**

Loan agreements and foreign currency loans between Lupatech Finance Company and are presented net amount of R$171,528 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 June 30, 2015, the Company has a loan agreement with the Unifit – Unidade de fios Industriais de Timbaúba S/A in the amount of R$5,676 (R$5,319 on December 31, 2014). This amount is recorded in other receivables as non-current assets.

The Company has, on June 30, 2015, a loan agreement with the jointly Luxxon Participações S/A amounting to R$4,876 (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 June 30, 2015, the Company has a balance of R$16,455, 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$16,455 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 – In Judicial recovery paid its managers, fixed between wages and fixed compensation, a total amount of R$2,382 for the period of six months ended in June 30, 2015 (R$2,990 for the period of six months ended in June 30, 2014), it was approved at the Annual and Extraordinary General Meeting held on April 30, 2015, the fixed remuneration and annual global variable of the Company's management for the year in the amount up to R$13,398, and so divided: up to R$5,349 for the global fixed remuneration; up to R$8,049 to the overall variable remuneration.

On June 30, 2015, it was recognized variable compensation in the amount of R$6,196 as part of the restructuring plan of indebtedness of the Company, (R$5,700 on December 31, 2014).

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 June 30, 2015 is R$68,469 (R$63,409 at December 31,2014). Additionally, a representative portion of convertible debentures, as presented in note 13, were acquired by the BNDES.

On June 30, 2015 the Company owned the balance of accounts payable to GP Investments Ltd. recorded in non-current liabilities in the amount of R$28,554, as disclosed in note 11 (R$28,011 on December 31, 2014).

On June 30, 2015 the Company has the balance of loans with Banco Votorantim S/A of R$101, recorded in current liabilities (R$96 on December 31, 2014, R$74 in current liabilities and R$22 in non-current liabilities).

On June 30, 2015 the Company has the balance of loans with Itaú Unibanco Holding S/A of R$14 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	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Provision for tax, labor and civil risks	2,549	1,781	21,855	16,003
Tax loss	11,881	11,379	27,753	25,120
Provision for losses on inventories	2,530	2,141	7,055	6,543
Negative base of social contribution (CSLL)	4,174	3,998	9,750	8,826
Amortization of goodwill for tax purposes	(53,517)	(51,255)	(82,549)	(77,231)
Impairment of goodwill	22,331	22,331	53,710	53,710
Other provisions	10,052	9,625	(37,574)	(32,971)
Deferred income tax about liabilities of SABR of deemed cost	-	-	(32,578)	(33,780)
Deferred income tax and social contribution - Non-current	-	-	(32,578)	(33,780)

On June 30, 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 June 30, 2015 the balance of deferred income and social contribution liability is R$32,578 in the consolidated (R$33,780 on December 31, 2014), and the balance of deferred income and contribution assets is R$1,023 in the consolidated (R$489 on December 31, 2014).

b. Conciliation of income tax and social contribution

	Parent			
	For the three months ended		For the six months ended	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss before tax from continuing operations	(119,002)	(121,832)	(197,927)	(216,827)
Loss before tax from discontinued operation	-	-	150	-
	(119,002)	(121,832)	(197,777)	(216,827)
Additions and exclusions				
Equity pick-up	24,591	29,327	50,003	104,380
Allowance for doubtful accounts	-	265	(288)	274
Non-deductible interest	17,083	13,444	32,735	25,754
Provision for loss contingencies	2,131	375	3,019	851
Provision Award for non-conversion of debentures	-	2,167	-	4,291
Change in fair value of embedded derivative of debentures	-	5,320	-	8,623
Other	60,179	(7,453)	55,580	(5,000)
Calculation basis	(15,018)	(78,387)	(56,728)	(77,654)
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution by the combined tax rate	-	-	-	-
Current Income tax and social contribution of subsidiaries with taxable income	-	-	-	-
Deferred tax and social contribution	-	-	-	-

	Consolidated			
	For the three months ended		For the six months ended	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss before tax from continuing operations	(119,082)	(129,789)	(175,880)	(232,025)
Loss before tax from discontinued operation	91	9,853	(21,963)	16,572
	(118,991)	(119,936)	(197,843)	(215,453)
Additions and exclusions				
Equity pick-up	371	8,914	371	16,525
Allowance for doubtful accounts	(852)	448	(1,585)	974
Non-deductible interest	17,083	13,444	32,735	25,754
Provision for loss contingencies	18,536	(1,893)	19,929	(676)
Provision Award for non-conversion of debentures	-	2,167	-	4,291
Change in fair value of embedded derivative of debentures	-	5,320	-	8,623
Other	101,605	(5,295)	113,233	(94,777)
Calculation basis	17,752	(96,831)	(33,160)	(254,739)
Combined tax rate	34%	34%	34%	34%
Income tax and social contribution by the combined tax rate	-	-	-	-
Current Income tax and social contribution of subsidiaries with taxable income	**(612)**	**(144)**	**(1,224)**	**(512)**
Deferred tax and social contribution	**601**	**(1,752)**	**1,290**	**(862)**

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)	49,480	-	54,673	1,616
CSLL - Social Contribution on Net Income	(i.2)	-	-	7,441	263
IRPJ - Corporate Income Tax	(i.3)	22,639	-	67,339	1,974
INSS - National Institute of Social Security	(i.4)	-	-	92,781	15,436
IPI - Excise Tax	(i.5)	2,898	-	2,898	-
PIS - Employees' Profit Participation Program	(i.6)	-	403	-	612
COFINS - Tax for Social Security Financing	(i.7)	-	-	-	1,730
ISS - Services Tax	(i.8)	107	-	294	5,590
CIDE - Contribution for Intervention in the Economic Domain	(i.9)	-	-	1,586	-
Other	(i.10)	157	103	24	9,031
		75,281	506	227,036	36,252
Labor (ii)		2,599	4,518	17,545	80,497
Civil (iii)		7,382	2,473	12,186	9,993
Total at June 30, 2015		85,262	7,497	256,767	126,742
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$7,497 in parent and R$126,497 in consolidated as of June 30, 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$47,239.

Assessment Notice issued against the VAT Lupatech – Equipamentos e Serviços para Petróleo Ltda. – In Judicial Recovery, Aiming to charge a fine of R$5,027, 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 Judicial Recovery in the amount of R$1,559. 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 Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, referring to federal taxes, classified as possible loss in the total of R$3,385, where they are awaiting continuation.

Assessment notice from the Federal Revenue of Brazil against Sotep – Sociedade Técnica de Perfuração S/A – In Judicial Recovery, 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$1,382.

(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$9,532.

Tax enforcement of the Federal Union against Lupatech S/A – In Judicial Recovery 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$8,435. 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 – In Judicial Recovery, concerning the collection of tax debts. Process is subject to possible loss of R$4,280, 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. – In Judicial Recovery, 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$20,074. On

September 09, 2013, the case was remitted to Team Collection Collection DRF-MACAÉ-RJ latter being progress.

Assessment notice issued due to the arbitration of the company's profit Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, In calendar year 2010. The arbitration was due to deficiencies in the transmission of Digital Bookkeeping (ECD). Proceedings on possible loss of R$12,047. On 29/01/2015, the case was referred to the collection of staff and collection of DRF Macae, this being your last update.

Tax Foreclosure charging income tax for 1998, against the Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, R$3,274, subject to possible loss. On December 03, 2014, appeal sent to the judge's office called Roberto Carvalho Veloso, to vote, this being the last update.

Customs Administrative action against Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, of R$3,015, subject to possible loss. Of final appeal decision on February 05, 2015, favorable, we await the process of returning to DRF/Niterói/RJ.

The Secretariat of the Federal Revenue of Brazil tax administrative proceedings against the company Sotep – Sociedade Técnica de Perfuração S/A – In Judicial Recovery, concerning the collection of amounts related to IRPJ and CSLL. Process subject to possible loss of R$2,909. On March 31, 2015, file forwarded to control and tax monitoring section, this being your last update.

Tax Foreclosure in order to charge CDA`s, coming from administrative procesos against the company Prest Perfurações Ltda. – In Judicial Recovery. Proceedings on possible loss of R$1,029. On October 17, 2014, he was given an order determined the suspension of made because of the realization of installment debt required by the company.

(i.4) Administrative process for collection of contributions allegedly due to the INSS, against the Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, in R$38,850, 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 Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, 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$32,415.

Debts allegedly confessed in GFIP but not collected by the company's Lupatech Perfuração e Completação Ltda. – In Judicial Recovery. Processes of possible loss totaling R$16,052.

Infraction notices for alleged charges due contributions to the INSS totaling R$3,067 against the Lupatech Perfuração e Completação Ltda. – In Judicial Recovery. The collection of such debt is suspended. Process subject to possible loss.

Tax delinquency notice served for collection of DEBCAD nº. 37142030-0 on the conversion of accessory obligations in primary obligation, consistent lack of statement GFIP the contributions due in the period between January 1999 and June 2007 in Sotep Sociedade Técnica de Perfurações S/A – In Judicial Recovery. Proceedings on possible loss of R$1,652. On April 29, 2011, the process was received CARF for trial of the action voluntary appeal.

(i.5) Tax Enforcement against Lupatech S/A - In Judicial Recovery 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$2,898. 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.9) Fiscal Administrative Procedure of the Federal Revenue Secretariat of Brazil against Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, for charging debits of CIDE resulting from remittances outside Brazil. Process subject to possible loss of R$1,586.

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 – In Judicial Recovery, 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$8,794.

(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 by Title Yancheng Sunt Valve CO. Process stage of knowledge, subject to possible loss of R$2,229.

(iii.2) Extrajudicial execution of the Grupo Engenharia Ltda., Subject to possible loss of R$1,264

(iii.3) Compensation for damage material to Maurina dos Santos. Proceedings on possible loss of R$1,031.

(iii.4) Indemnity action of company Aeróleo Taxi Aereo S/A. Proceedings on possible loss of R$907.

(iii.5) Collection action of Rioflux Representações Ltda, Subject to probable loss of R$2,107

(iii.6) 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.7) Compensation action of Meio Dia Refeições Industria Ltda, against Lupatech Perfuração e Completação Ltda. – In judicial Recovery. Proceedings on probable loss of R$3,182.

(iii.8) 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 June 30, 2015 are as follows:

	Parent				Consolidated			
Balance at December 31, 2014	**506**	**2,094**	**2,639**	**5,239**	**36,285**	**61,563**	**10,100**	**107,948**
Net additions	-	2,800	106	2,906	250	29,009	244	29,503
Net write-offs	-	(376)	(272)	(648)	(283)	(10,075)	(351)	(10,709)
Balance at June 30, 2015	**506**	**4,518**	**2,473**	**7,497**	**36,252**	**80,497**	**9,993**	**126,742**

16.2 Contingent assets

	Probability of probable gain	
	Parent	**Consolidated**
Tax (i)	3,015	10,179
Civil (ii)	441	5,124
Balance at June 30, 2015	**3,456**	**15,303**
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 S.A.S. of R$5,461.

(i.2) Lawsuit filed against the Federal Government for recognition and declaration of the right of Lupatech S/A – In Judicial Recovery the use and ownership of IPI credits in the amount of R$1,774.

(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$1,239.

(i.4) Ordinary action of Cancellation of the tax debts of administrative processes, CDA's object paragraphs 07169.50575.200611.1.3.03-6683 and 13038.34034.220611.1.3.030932, the company Lupatech Equipamentos e Serviços para Petróleo Ltda. Probable value gain of R$1,182.

(ii) **Civil provision**
Main processes contingent civil assets with probable gain:

(ii.1) Sentencing process Prest Perfurações Ltda. – In Judicial Recovery 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.

(ii.2) Action about reintegration of possession against ETX Drilling Serviços de Perfuração e Sondagem de Petróleo Ltda. Amount of probable gain of R$1,440.

16.3 Judicial deposits

The Company has the following balances of judicial deposits at June 30, 2015, which are inked to contingent liabilities:

	Judicial deposits	
	Parent	**Consolidated**
Tax contingencies	15	3,025
Labor contingencies	620	17,937
Civil contingencies	174	1,161
Balance at June 30, 2015	**809**	**22,123**
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)	-
	4,696,917	**1,853,684**
Reverse split 500:1	9,394	-
Balance at June 30, 2015	**9,394**	**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.

On May 15, 2015, the Extraordinary General Meeting approved the reverse split of all common shares issued by the Company pursuant to article 12 of Law nº 6404/76, in the ratio of 500:1, so that each batch of 500 common shares is Grouped into one common share. Aside from changing the amount of the Company's common shares, the approval of the reverse stock split did not result in the modification of the total amount of capital or rights conferred by the Company's common shares to their holders.

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. On June 30, 2015, the balance of equity evaluation adjustment is R$39,139 (R$ 8,119 negative on December 31, 2014).

d. Options granted

On June 30, 2015 the balance of reserves of options granted is R$13,549 (R$13.549 at December 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 June 30, 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	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Cash and cash equivalents	-	-	15	44
Accounts receivable	1,676	3,142	12,466	11,139
Other assets	253,796	263,185	300,140	45,319
Loans and financing	(2,139)	(2,044)	(3,555)	(3,440)
Bonds	-	-	(48,899)	(48,177)
Related parties - Mutual liabilities	(309,031)	(297,070)	-	-
Other obligations	(766)	(2,491)	(3,838)	(8,816)
Net exposure in Dollar	(56,464)	(35,278)	256,329	(3,931)

On June 30, 2015 the US dollar rate in relation to the Brazilian Real was US$1.00 = R$3.1026 (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$11,562 in the parent and a gain of R$52.489 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	-	-	-	(5,901)	44,282	94,465
Loans, financing and bonds	Interest rate hike	261	327	392	789	986	1,183
Mutual contracts	US$ hike	(30,656)	230,060	490,777	-	-	-
Total (gain) loss		(30,395)	230,387	491,169	(5,112)	45,268	95,648

(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 of R$164 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 six months ended in June 30, 2015 approximately 57.7% (71.0% for the period of six months ended in June 30, 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	118	118	6,785	6,785
Marketable securities	6,935	6,935	6,935	6,935

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	68,371	40,235	206,221	145,900
Debentures	74,439	69,313	74,439	69,313
Bonds	-	-	-	62,569

18.3 Financial instruments by category

Summary of financial instruments by category:

	Parent 06/30/2015				Parent 06/30/2015	
	Loans and receivables	Held to maturity	Total		Financial liabilities at amortized cost	Total
Assets, according to balance sheet				**Liabilities, according to balance sheet**		
Securities-restricted	-	6,935	6,935	Loans and financing	68,371	68,371
Accounts receivable	29,123	-	29,123	Debentures (Idebt instruments)	74,439	74,439
Cash and cash equivalents	118	-	118	Suppliers	41,770	41,770
Related Parties	40,259	-	40,259	Related parties	193,396	193,396
Total	69,500	6,935	76,435	Total	377,976	377,976

	Parent 12/31/2014				Parent 12/31/2014	
	Loans and receivables	Held to maturity	Total		Financial liabilities at amortized cost	Total
Assets, according to balance sheet				**Liabilities, according to balance sheet**		
Securities-restricted	-	7,271	7,271	Loans and financing	67,786	67,786
Accounts receivable	43,968	-	43,968	Debentures (Idebt instruments)	71,715	71,715
Cash and cash equivalents	137	-	137	Suppliers	39,147	39,147
Related Parties	45,846	-	45,846	Related parties	134,949	134,949
Total	89,951	7,271	97,222	Total	313,597	313,597

	Consolidated 06/30/2015				Consolidated 06/30/2015	
	Loans and receivables	Held to maturity	Total		Financial liabilities at amortized cost	Total
Assets, according to balance sheet				**Liabilities, according to balance sheet**		
				Loans and financing	206,221	206,221
Securities-restricted	-	6,935	6,935	Bonds	151,713	151,713
Accounts receivable	110,755	-	110,755	Debentures	74,439	74,439
Cash and cash equivalents	6,785	-	6,785	Suppliers	114,612	114,612
Total	117,540	6,935	124,475	Total	546,985	546,985

	Consolidated 12/31/2014				Consolidated 12/31/2014	
	Loans and receivables	Held to maturity	Total		Financial liabilities at amortized cost	Total
Assets, according to balance sheet				**Liabilities, according to balance sheet**		
				Loans and financing	201,626	201,626
Securities-restricted	-	7,271	7,271	Bonds	127,968	127,968
Accounts receivable	115,483	-	115,483	Debentures	71,715	71,715
Cash and cash equivalents	1,539	-	1,539	Suppliers	98,389	98,389
Total	117,022	7,271	124,293	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 six months ended in June 30, 2015, recognized in the income of the parent is zero and R$154 in consolidated (zero in parent and R$434 in consolidated for the period of six months ended in June 30, 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 June 30, 2015, the balance of participations of employees and administrators in the results, recorded in current liabilities is zero in parent and R$340 in consolidated (zero and R$655, parent and consolidated, respectively, at December 31, 2014).

21 Statement of net Sales

	Parent			
	For the three months ended		For the six months ended	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Gross sales and/or services				
In Brazil	6,350	26,618	13,788	52,988
Export	3,256	9,579	9,680	19,528
	9,606	36,197	23,468	72,516
Deductions for gross sales				
Taxes on sales	(1,027)	(4,883)	(2,392)	(9,470)
Net sales and/or services	8,579	31,314	21,076	63,046

	Consolidated			
	For the three months ended		For the six months ended	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Gross sales and/or services				
In Brazil	62,999	100,339	142,733	203,446
Export	8,422	9,611	20,162	19,556
	71,421	109,950	162,895	223,002
Deductions for gross sales				
Taxes on sales	(5,487)	(11,625)	(13,748)	(23,393)
Net sales and/or services	65,934	98,325	149,147	199,609

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			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing operations	(119,002)	(121,832)	(197,927)	(216,827)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share - R$	**(0.05)**	**(0.77)**	**(0.06)**	**(1.38)**

	Parent			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(119,002)	(121,832)	(197,777)	(216,827)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share from continuing and discontinued operations - R$	**(0.05)**	**(0.77)**	**(0.06)**	**(1.38)**

	Consolidated			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing operations	(119,093)	(131,685)	(175,814)	(233,399)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share - R$	**(0.05)**	**(0.84)**	**(0.05)**	**(1.48)**

	Consolidated			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(119,002)	(121,832)	(197,777)	(216,827)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share from continuing and discontinued operations - R$	**(0.05)**	**(0.77)**	**(0.06)**	**(1.38)**

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			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing operations	(119,002)	(121,832)	(197,927)	(216,827)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share - R$	**(0.05)**	**(0.77)**	**(0.06)**	**(1.38)**

	Parent			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(119,002)	(121,832)	(197,777)	(216,827)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share from continuing and discontinued operations - R$	**(0.05)**	**(0.77)**	**(0.06)**	**(1.38)**

	Consolidated			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing operations	(119,093)	(131,685)	(175,814)	(233,399)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share - R$	**(0.05)**	**(0.84)**	**(0.05)**	**(1.48)**

	Consolidated			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(119,002)	(121,832)	(197,777)	(216,827)
Weighted average quantity of common shares outstanding (thousands)	2,301,072	157,605	3,499,062	157,605
Basic loss per share from continuing and discontinued operations - R$	**(0.05)**	**(0.77)**	**(0.06)**	**(1.38)**

23 Financial result

	Parent			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Financial Income				
Income from financial investments	188	178	361	363
Related-party interest income (mutual contract)	117	-	249	305
Monetary variance	22	46	28	107
Interest on receivables	417	148	576	301
Other financial income	15	100	18	120
Total financial Income	759	472	1,232	1,196
Financial Expenses				
Interest on loans and financing	(1,530)	(13,681)	(3,213)	(20,593)
Interest and charges on debentures	(2,185)	(59,953)	(2,724)	(73,429)
Embedded derivative - debentures	-	(5,321)	-	(8,624)
Interest of mutual contract	(18,771)	(12,642)	(36,159)	(25,812)
Provision of interest on suppliers	(374)	-	(635)	-
Expenses securities brokerage	-	(853)	-	(853)
IOF, banking expenses and others	(1,331)	(2,482)	(2,858)	(3,888)
Total financial expenses	(24,191)	(94,932)	(45,589)	(133,199)
Gain on exchange variance	137,248	18,436	285,296	65,775
Loss on exchange variance	(132,911)	(792)	(302,953)	(25,012)
Exchange variance, net	4,337	17,644	(17,657)	40,763

	Consolidated			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Financial Income				
Income from financial investments	207	179	406	371
Monetary variance	62	282	234	600
Interest on receivables	564	294	868	592
Other financial income	459	256	562	1,146
Total financial Income	1,292	1,011	2,070	2,709
Financial Expenses				
Interest on loans and financing	(5,965)	(19,928)	(11,195)	(32,778)
Interest on perpetual bond	(1,115)	(17,324)	(2,143)	(34,895)
Interest and charges on debentures	(2,185)	(59,953)	(2,724)	(73,429)
Embedded derivative - debentures	-	(5,321)	-	(8,624)
Provision of interest on suppliers	(944)	-	(1,511)	-
Expenses securities brokerage	-	(853)	-	(853)
IOF, banking expenses and others	(2,132)	(3,623)	(5,488)	(8,600)
Total financial expenses	(12,341)	(107,002)	(23,061)	(159,179)
Gain on exchange variance	173,318	18,839	325,222	66,551
Loss on exchange variance	(177,531)	(341)	(356,725)	(23,957)
Exchange variance, net	(4,213)	18,498	(31,503)	42,594

24 Other operating expenses (income)

	Parent			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
(Provision) Reversal for loss of lawsuit	(2,107)	(158)	(2,534)	(600)
Loss by goodwill impairment	(60,000)	-	(60,000)	-
(Provision) Reversal of losses on inventory obsolescence	(1,790)	(406)	(1,648)	(2,215)
Residual value on disposal of fixed assets	4	(3,401)	5	(307)
Cost of idle production	(6,096)	(1,731)	(11,507)	(1,892)
Expenses on corporate restructuring	-	(1,392)	-	(2,467)
Other	46	(1,058)	4	(1,348)
Total	(69,943)	(8,146)	(75,680)	(8,829)

	Consolidated			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
(Provision) Reversal for loss of lawsuit	(18,352)	2,130	(19,284)	970
Loss by goodwill impairment	(60,000)	-	(60,000)	-
(Provision) Reversal of losses on inventory obsolescence	(2,105)	(718)	(2,107)	(2,452)
Residual value on disposal of fixed assets	65	(2,885)	396	(11,149)
Contratual fines	-	(10,591)	-	(58,277)
Cost of idle production	(9,733)	(1,731)	(17,055)	(1,892)
Expenses on corporate restructuring	-	(1,392)	-	(2,537)
Other	173	(1,453)	102	(1,868)
Total	(89,952)	(16,640)	(97,948)	(77,205)

25 Expenses by type

	Parent			
	For the three months ended		For the six months ended	
Items	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Depreciation and amortization	(2,224)	(2,425)	(4,509)	(4,862)
Salaries, social charges and benefits	(10,117)	(13,415)	(17,665)	(26,344)
Raw material	1,668	(19,430)	(662)	(38,710)
Commissions	(340)	(950)	(657)	(1,794)
Freights	(51)	(273)	(121)	(441)
Legal advice and tax	(1,508)	(1,102)	(3,306)	(1,968)
Travel expenses	(85)	(273)	(218)	(564)
Provision for loss of lawsuit	(2,131)	(375)	(3,019)	(851)
Loss by not goodwill impairment	(60,000)	-	(60,000)	-
Residual value on disposal of fixed assets	(2)	(3,471)	(3)	(4,293)
Provision (reversal) of contractual fines	56	(1,850)	(800)	(2,933)
Losses on inventory obsolescence	(1,796)	(408)	(1,654)	(2,215)
Cost of idle production	(6,096)	(1,731)	(11,507)	(1,892)
Inventory adjustment	-	-	-	-
Other expenses	(1,274)	(1,642)	(3,487)	(1,689)
	(83,900)	(47,345)	(107,608)	(88,556)
Classified as:				
Costs of sales	(6,161)	(28,486)	(16,211)	(56,253)
Selling expenses	(1,258)	(4,361)	(3,744)	(7,477)
General and administrative	(3,685)	(4,541)	(7,210)	(8,704)
Management compensation	(2,848)	(1,469)	(4,141)	(2,990)
Other operating expenses	(69,948)	(8,488)	(76,302)	(13,132)
	(83,900)	(47,345)	(107,608)	(88,556)

	Consolidated			
	For the three months ended		For the six months ended	
Itens	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Depreciation and amortization	(12,582)	(12,427)	(24,974)	(25,056)
Salaries, social charges and benefits	(52,962)	(52,685)	(103,237)	(103,206)
Raw material	(7,864)	(39,011)	(30,320)	(77,135)
Commissions	(366)	(993)	(704)	(1,912)
Freights	(81)	(346)	(224)	(578)
Legal advice and tax	(2,233)	(1,924)	(5,200)	(3,362)
Travel expenses	(169)	(398)	(379)	(815)
Provision for loss of lawsuit	(18,536)	1,894	(19,929)	676
Loss by not goodwill impairment	(60,000)	-	(60,000)	-
Residual value on disposal of fixed assets	(103)	(4,038)	(1,475)	(18,418)
Provision of contractual fines	(408)	(15,087)	(1,760)	(64,637)
Losses on inventory obsolescence	(2,226)	(701)	(2,228)	(2,574)
Cost of idle production	(9,733)	(1,731)	(17,055)	(1,892)
Inventory adjustment	(125)	-	(1,134)	-
Other expenses	(2,590)	(5,864)	(6,612)	(10,256)
	(169,978)	(133,311)	(275,231)	(309,165)
Classified as:				
Costs of sales	(61,754)	(90,431)	(138,040)	(178,213)
Selling expenses	(3,161)	(8,115)	(7,619)	(13,720)
General and administrative	(11,668)	(15,052)	(24,414)	(29,105)
Management compensation	(2,848)	(1,469)	(4,141)	(2,990)
Other operating expenses	(90,547)	(18,244)	(101,017)	(85,137)
	(169,978)	(133,311)	(275,231)	(309,165)

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 six months ended in June 30, 2015 by approximately 57.7% (71.0% for the period of three months ended in June 30, 2014) of the total revenue of the Company and its subsidiaries.

The information by segment is as follows:

	For the three months ended					
	Products		Services		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Net sales	**9,684**	**32,570**	**56,250**	**65,755**	**65,934**	**98,325**
Cost of goods sold	(6,876)	(29,653)	(54,878)	(60,778)	(61,754)	(90,431)
Gross profit	**2,808**	**2,917**	**1,372**	**4,977**	**4,180**	**7,894**
Selling expenses	(1,491)	(4,808)	(1,670)	(3,307)	(3,161)	(8,115)
General and administrative	(3,608)	(4,771)	(8,060)	(10,281)	(11,668)	(15,052)
Management fees	(312)	(706)	(2,536)	(763)	(2,848)	(1,469)
Equity pick-up	(371)	(8,914)	-	-	(371)	(8,914)
Other operating income (expenses), net	(71,002)	(4,149)	(18,950)	(12,491)	(89,952)	(16,640)
Income before financial results	**(73,976)**	**(20,431)**	**(29,844)**	**(21,865)**	**(103,820)**	**(42,296)**
Financial income (*)	-	-	-	-	1,292	1,011
Financial expense (*)	-	-	-	-	(12,341)	(107,002)
Exchange variance, net (*)	-	-	-	-	(4,213)	18,498
Income (loss) before income tax and social contribution	**-**	**-**	**-**	**-**	**(119,082)**	**(129,789)**
Current income tax and social contribution (*)	-	-	-	-	(612)	(144)
Deferred income tax and social contribution (*)	-	-	-	-	601	(1,752)
Net income (loss) of discontinued operations for the period	-	-	-	-	91	9,853
Net income (loss) of continued and discontinued operations for the period	**-**	**-**	**-**	**-**	**(119,002)**	**(121,832)**

	Products		Services		Consolidated	
	06/30/2015	31/12/2014	06/30/2015	31/12/2014	06/30/2015	31/12/2014
Identifiable assets (1)	**241,503**	**327,150**	**568,480**	**548,721**	**809,983**	**875,871**
Identifiable liabilities (2)	**38,288**	**53,163**	**282,545**	**246,852**	**320,833**	**300,015**

	For the three months ended					
	Products		Services		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Depreciation and amortization	**(2,096)**	**(2,364)**	**(10,486)**	**(10,063)**	**(12,582)**	**(12,427)**
Fixed assets acquisition	**27**	**1,350**	**788**	**1,887**	**815**	**3,237**

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

	For the six months ended					
	Products		Services		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Net sales	**23,384**	**67,054**	**125,763**	**132,555**	**149,147**	**199,609**
Cost of goods sold	(18,409)	(58,926)	(119,631)	(119,287)	(138,040)	(178,213)
Gross profit	**4,975**	**8,128**	**6,132**	**13,268**	**11,107**	**21,396**
Selling expenses	(4,355)	(8,267)	(3,264)	(5,453)	(7,619)	(13,720)
General and administrative	(7,455)	(9,189)	(16,959)	(19,916)	(24,414)	(29,105)
Management fees	(531)	(1,431)	(3,610)	(1,559)	(4,141)	(2,990)
Equity pick-up	(371)	(16,525)	-	-	(371)	(16,525)
Other operating income (expenses), net	(77,808)	(3,697)	(20,140)	(73,508)	(97,948)	(77,205)
Income before financial results	**(85,545)**	**(30,981)**	**(37,841)**	**(87,168)**	**(123,386)**	**(118,149)**
Financial income (*)	-	-	-	-	2,070	2,709
Financial expense (*)	-	-	-	-	(23,061)	(159,179)
Exchange variance, net (*)	-	-	-	-	(31,503)	42,594
Income (loss) before income tax and social contribution	**-**	**-**	**-**	**-**	**(175,880)**	**(232,025)**
Current income tax and social contribution (*)	-	-	-	-	(1,224)	(512)
Deferred income tax and social contribution (*)	-	-	-	-	1,290	(862)
Net income (loss) of discontinued operations for the period	-	-	-	-	(21,963)	16,572
Net income (loss) of continued and discontinued operations for the period	**-**	**-**	**-**	**-**	**(197,777)**	**(216,827)**

	Products		Services		Consolidated	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Identifiable assets (1)	**241,503**	**327,150**	**568,480**	**548,721**	**809,983**	**875,871**
Identifiable liabilities (2)	**38,288**	**53,163**	**282,545**	**246,852**	**320,833**	**300,015**

	For the six months ended					
	Products		Services		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Depreciation and amortization	**(4,335)**	**(4,757)**	**(20,639)**	**(20,299)**	**(24,974)**	**(25,056)**
Fixed assets acquisition	**30**	**1,419**	**3,035**	**5,053**	**3,065**	**6,472**

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:

	For the three months ended					
	Brazil		South America		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Net sales	**45,954**	**76,986**	**19,980**	**21,339**	**65,934**	**98,325**

	Brazil		South America		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Identifiable assets (1)	739,861	803,015	70,122	72,856	809,983	875,871
Identifiable liabilities (2)	285,816	261,047	35,017	38,968	320,833	300,015

	For the three months ended					
	Brazil		South America		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Depreciation and amortization	(9,949)	(10,133)	(2,633)	(2,294)	(12,582)	(12,427)
Fixed assets acquisition	(24)	1,933	839	1,304	815	3,237

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

	For the six months ended					
	Brazil		South America		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Net sales	**107,501**	**159,030**	**41,646**	**40,579**	**149,147**	**199,609**

	Brazil		South America		Consolidated	
	06/30/2015	12/31/2014	06/30/2015	12/31/2014	06/30/2015	12/31/2014
Identifiable assets (1)	**739,861**	**803,015**	**70,122**	**72,856**	**809,983**	**875,871**
Identifiable liabilities (2)	**285,816**	**261,047**	**35,017**	**38,968**	**320,833**	**300,015**

	For the six months ended					
	Brazil		South America		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014	06/30/2015	06/30/2014
Depreciation and amortization	**(19,859)**	**(20,501)**	**(5,115)**	**(4,555)**	**(24,974)**	**(25,056)**
Fixed assets acquisition	**1,115**	**2,022**	**1,950**	**4,450**	**3,065**	**6,472**

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

27 Assets and liabilities held for sale

27.1 Assets and liabilities held for Sale

Continuing the non core asset divestiture process, 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 purchase price was US$5,700 million, of which US$ 4,281 million was paid at closing and US$1,275 million will be paid within 3 years from the date of completion of the sale, not to materializing any contingencies identified by the purchaser, as well as if checking the recovery of retained export credits.

On June 30, 2015 the Company has no assets and liabilities held for sale.

On the date of December 31, 2014, the Company considered its subsidiaries Jefferson Sudamericana SA, and units Jefferson Solenoid Valves U.S.A., Inc., Valjeff S/A de C.V. and Jefferson Solenoidbras Ltda. as operations available for sale.

27.2 Income from discontinued operations

In the six months ended June 30, 2015 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.

In the six months ended June 30, 2014 the Company presents as a result of operations resulting discontinuity, the result of the unit: Tubular Services - Rio das Ostras, 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, Válvulas Worcester de Argentina S/A, Esferomatic S/A, Norpatagonica S/A and Industria Y Teconologia in Aceros S/A, as follows is being presented:

	Parent		Consolidated	
	06/30/2015	06/30/2014	06/30/2015	06/30/2014
NET REVENUE FROM SALES	-	-	2,642	61,495
COST OF GOODS SOLD	-	-	(1,724)	(34,546)
GROSS PROFIT	-	-	918	26,949
OPERATING INCOME/EXPENSES				
Selling	-	-	(449)	(7,000)
General and administrative	-	-	(505)	(3,792)
Management compensation	-	-	-	-
Equity pick-up	-	-	-	-
Other operating expenses (income), net	150	-	(21,788)	5,028
OPERATING INCOME/EXPENSES BEFORE FINANCIAL RESULTS	150	-	(21,824)	21,185
FINANCIAL RESULTS				
Financial income	-	-	-	429
Financial expenses	-	-	(128)	(1,272)
Exchange variation, net	-	-	14	2,508
LOSS BEFORE TAX / HOLDING	150	-	(21,938)	22,850
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION				
Current	-	-	(25)	(5,903)
Deferred	-	-	-	(375)
LOSS OF DISCONTINUED OPERATIONS	150	-	(21,963)	16,572

27.3 Cash flow of discontinued operations

On the date of June 30, 2015 the Company presents as cash flow from assets held for sale, the flow of the indirect Jefferson Sudamericana S/A, and its units.

On the date of June 30, 2014 the Company presented as assets held for sale cash flow, the flow of the following units: Tubular Services - Rio das Ostras, Jefferson Sudamericana S/A, and units, Válvulas Worcester de Argentina S/A, Esferomatic S/A, Norpatagonica S/A and Industria Y Teconologia in Aceros S/A, as follows:

	Consolidated	
	06/30/2015	**06/30/2014**
Cash flow from operating activities	(807)	111
Cash flow from investing activities	(4)	(511)
Cash flow from financing activities	521	(74)
Increase in cash and cash equivalents	290	474

Independet Auditor's Report

To the Management and Shareholders of
Lupatech S/A – In judicial Recovery
Nova Odessa – SP

Introduction
We examined the interim financial, individual and consolidated, of Lupatech S/A – In Judicial Recovery ("Company"), included in the Interim Financial Information – ITR for the quarter ended June 30, 2015, which comprise the balance sheet as at June 30, 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

Going Concern

As mentioned in explanatory note 1.1 to the financial statements, on May 25, 2015, Lupatech SA - In Judicial Recovery, together with its direct and indirect subsidiaries, filed, in the Judicial District of São Paulo, a request for a court-supervised reorganization before the 1st Court of Bankruptcy and Judicial Recovery of São Paulo. On June 22, 2015, it has been approved the court-supervised reorganization filed jointly with other subsidiaries of the Lupatech Group.

The Company should submit the reorganization plan during next 60 days from the approval date of a request for a court-supervised reorganization, including its reorganization plans with the breakdown of the recovery means to be employed and demonstrating its economic viability and evaluation of its property and assets. Additionally, the Company and its subsidiaries have generated recurring losses and presents failure in the cash flow necessary for the maintenance of its operating activities. As mentioned in note 1.2, the Company's management has implemented restructuring of operations aimed at maximizing operating cash flow, and has worked to realize the sales of assets and attracting investors divestitures opportunities to support its short-term operational demands. Consequently, the maintenance of the Company's operating activities depends on the approval of the court-supervised reorganization plan by creditors, its approval by the judiciary and the administration's success in its implementation as well as the cash flow management and obtaining the additional resources needed to short term. These conditions indicate the existence of significant uncertainty regarding the ability of the Company to continue operating. The financial statements do not include any adjustments relating to the uncertainties involved. Our conclusion does not contain any modification with respect to this subject.

Other matters

Interim statements of value added

We also reviewed the individual and consolidated interim statements of value added (DVA), for the six months ended June 30,2015, 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, August 14, 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 six months ended in June 30, 2015.

Nova Odessa, August 14, 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 six months ended in June 30, 2015.

Nova Odessa, August 14, 2015.

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