



Financial and Economic Performance 3Q15



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 Commission and of Investor Relations of Lupatech S/A - In Judicial Recovery.

On August 24, 2015, the Company presented the judicial recovery plan with the description of the recovery means to be employed, as well the report with appraisals of property and assets of the Company. The Company also presented the list of creditors to be paid under the terms and conditions set forth in the plan.

The notice containing the list of creditors was published on October 16, 2015 and those interested presented to the judicial manager their qualifications or disagreements about the credits related.

On October 26, 2015, the Company published public note calling on creditors to be convened at the General Meeting of Creditors to vote on recovery plan, with performance in the first call on November 11, 2015, and in second call on November 18, 2015.

On November 11, 2015, the court-appointed administrator verified that the present creditors did not reach the minimum quorum required by the Law 11.101/2005 for the installation of General Meeting Creditors in first call and, thus, communicated to creditors its no installation, summoning them to appear on November 18, 2015, to carry out the General Meeting of Creditors in second call, opportunity that the meeting will be installed with any numbers of present creditors.

Management has been making efforts in negotiating with creditors, in the divestment 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 assets and operations, 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)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Products	17,996	1,646	-90.9%	9,684	1,646	-83.0%	85,050	25,030	-70.6%
Oil&Gas Valves	10,732	1,248	-88.4%	3,184	1,248	-60.8%	35,080	7,503	-78.6%
Industrial Valves	3,291	4,937	50.0%	2,797	4,937	76.5%	13,603	10,996	-19.2%
Anchoring Ropes	1,786	4,539	n/a	3,221	4,539	n/a	30,708	5,406	-82.4%
Others Products	2,187	-	n/a	482	-	n/a	5,659	1,125	-80.1%
Services	72,704	65,093	-10.5%	56,250	65,093	15.7%	205,259	190,856	-7.0%
Oilfield Services Brazil	40,659	33,072	-18.7%	32,356	33,072	2.2%	121,450	105,231	-13.4%
Oilfield Services Colombia	24,099	24,788	2.9%	19,979	24,788	24.1%	64,677	66,434	2.7%
Tubular Services & Coating	7,946	7,233	-9.0%	3,915	7,233	84.8%	19,132	19,191	0.3%
Total	90,700	66,739	-26.4%	65,934	66,739	1.2%	290,309	215,886	-25.6%

The Consolidated Net Revenue in the 3Q15 reached R\$ 66.7 million versus R\$ 65.9 million in the 2Q15 and R\$ 90.7 million in the 3Q14, increase of 1.2% and reduction of 26.4%, respectively. In the accumulated result for the year, the Consolidated Net Revenue reached in the 9M15 R\$ 215.9 million versus R\$ 290.3 million in the 9M14, decrease of 25.6%.

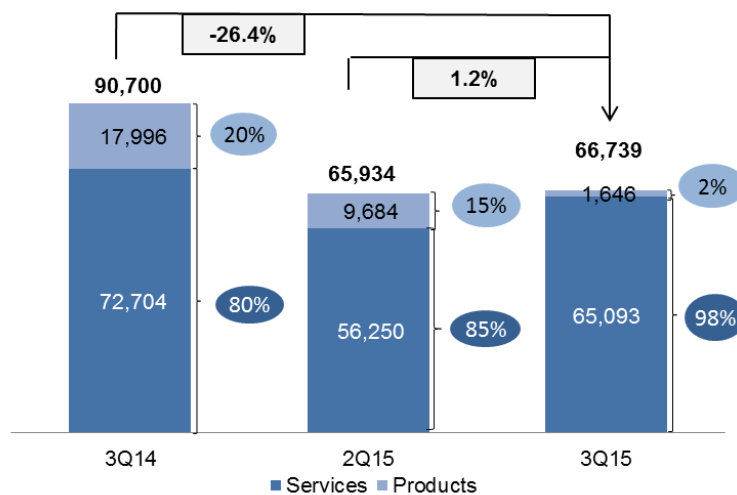
The Products Segment presented reduction on Consolidated Net Revenue in the three comparative periods mentioned above. The Oil&Gas Valves and Anchoring Ropes divisions were the most affected by cash constraints and by suspension of Petrobras CRCC (Certificate of Registration and Cadastral Classification), recently reinstated, staying well below their real potential and have been impacted by cancellation of orders in execution process that affected the Anchoring Ropes division.

Thus, the Net Revenue of Products Segment presented reduction in the 3Q15 of 90.9% and 83.0% compared to the 3Q14 and 2Q15, respectively, and reduction of 70.6% comparing the accumulated position of 9M15 versus the 9M14.

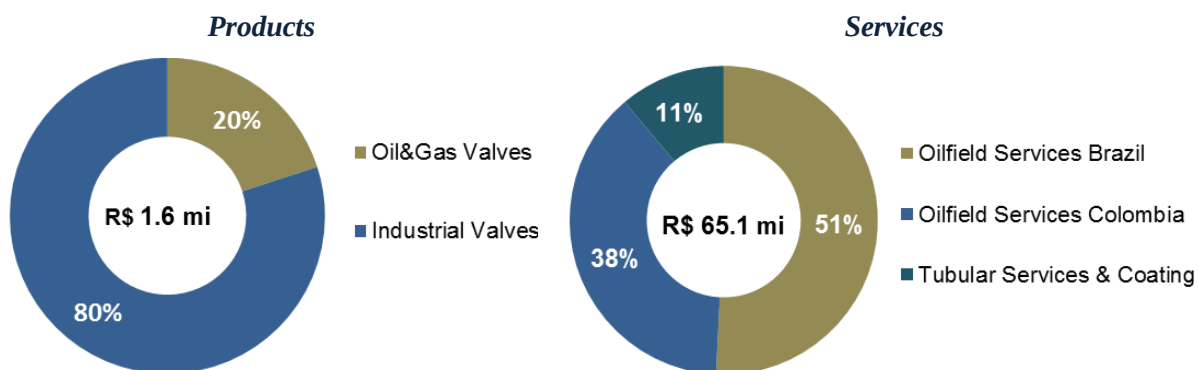
The Services Segment presented an increase of 15.7% on Net Revenue of 3Q15 compared to the 2Q15, from R\$ 56.2 million to R\$ 65.1 million, mainly due to the growth of activities in Colombia that presented nominal increase of R\$ 4.8 million in the Net Revenue of Services Segment, as well as due to the improvement in the performance of Tubular Services & Coating division, due to a better balance of cash flow, which increase in Net Revenue was 84.8%, R\$ 3.3 million, in the 3Q15 compared to the 2Q15.

Compared to the 3Q14, the Consolidated Net Revenue of Services Segment reduced 10.5% in the 3Q15 primarily due to the performance of Oilfield Services Brazil division by cash restriction. Thus, the Net Revenue of Services Segment reduced 7.0% in the accumulated of 9M15 compared to the 9M14, from R\$ 205.3 million in the 9M14 to R\$ 190.9 million in the 9M15.

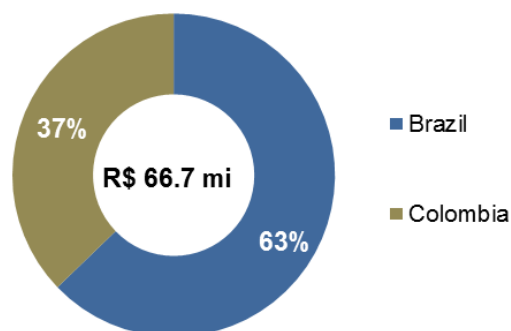
Net Operating Revenue (R\$ thd)



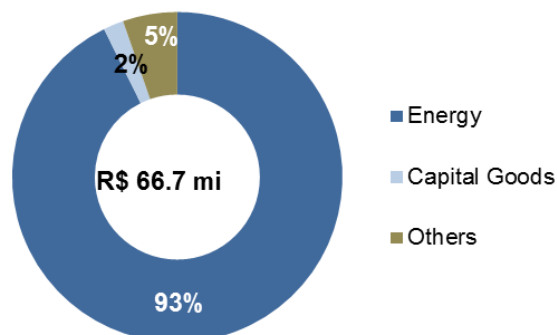
Revenue Distribution– 3Q15



By Region



By Industrial Sector



The suspension of Petrobras CRCC (Certificate of Registration and Cadastral Classification), recently reinstated, result of economic/financial scenario and 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 September 30, 2015, amounted 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)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Products	16,260	4,778	-70.6%	6,876	4,778	-30.5%	75,185	23,187	-69.2%
Services	63,089	73,862	17.1%	54,878	73,862	34.6%	182,377	193,493	6.1%
Total	79,349	78,640	-0.9%	61,754	78,640	27.3%	257,562	216,680	-15.9%

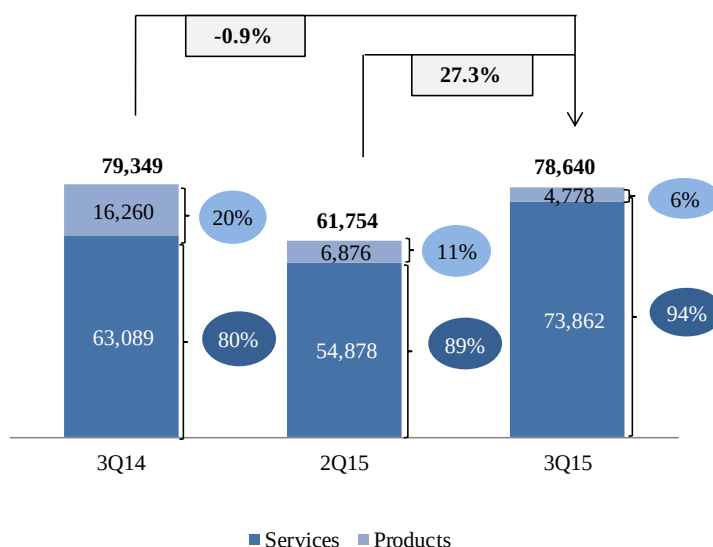
The Costs on Goods Sold (COGS) of Products Segment presented reduction in the three comparative periods: 70.6% in the 3Q15 compared to the 3Q14, 30.5% in the 3Q15 compared to the 2Q15 and 69.2% in the accumulated of 9M15 compared to the same period of 2014. While the reduction of COGS of that Segment in the 9M15 versus 9M14 is in line with the Net Revenue reduction, in the comparative periods of 3Q15 with the 3Q14 and 2Q15, the decrease of COGS was lower than the reduction of Net Revenue due to the costs with raw material and fixed costs, that primarily burden the Industrial Valves division in the 3Q15, and the cancellation of orders in execution process that affected the Anchoring Ropes division.

In the Services Segment, the COGS presented an increase of 17.1% in the 3Q15 compared to the 3Q14, of 34.6% in the 3Q15 versus 2Q15 and of 6.1% in the accumulated of 9M15 versus 9M14, mainly due to the storage costs that burden the Oilfield Services Brazil division in the 3Q15 in the nearly amount of R\$ 16.1 million.

Thus, the Consolidated Costs on Goods Sold decreased 0.9% in the 3Q15 compared to the 3Q14 (from R\$ 79.3 million in the 3Q14 to R\$ 78.6 million in the 3Q15) and 15.9% in the accumulated of 9M15 compared to the 9M14 (from R\$ 257.6 million in the 9M14 to R\$ 216.7 million in the 9M15).

Otherwise, in the comparative of 3Q15 with the 2Q15, the Consolidated COGS increased 27.3%, from R\$ 61.7 million in the 2Q15 to R\$ 78.6 million in the 3Q15, due to the events mentioned above.

COGS (R\$ thd)



Gross Profit and Gross Margin

Gross Profit (R\$ thd)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Products	1,736	-3,132	n/a	2,808	-3,132	n/a	9,865	1,843	-81.3%
Gross Margin - Products	9.6%	-190.3%	-199,9 p.p.	29.0%	-190.3%	-219,3 p.p.	11.6%	7.4%	-4,2 p.p.
Services	9,615	-8,769	n/a	1,372	-8,769	n/a	22,882	-2,637	n/a
Gross Margin - Services	13.2%	-13.5%	-26,7 p.p.	2.4%	-13.5%	-15,9 p.p.	11.1%	-1.4%	-12,5 p.p.
Total	11,351	-11,901	n/a	4,180	-11,901	n/a	32,747	-794	n/a
Gross Margin - Total	12.5%	-17.8%	-30,3 p.p.	6.3%	-17.8%	-24,1 p.p.	11.3%	-0.4%	-11,7 p.p.

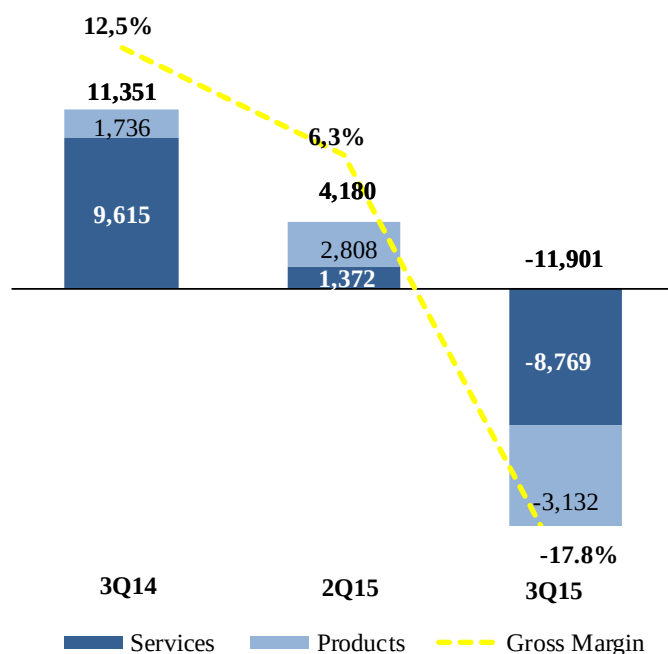
Due to the reduction on Consolidated Net Revenue in the Products Segment and the increase in storage costs in the Services Segment, the Total Gross Profit was negative in R\$ 11.9 million in the 3Q15 compared to the positive amounts of R\$ 11.3 million in the 3Q14 and R\$ 4.2 million in the 2Q15. The Total Gross Margin presented a decrease of 30.3 percentage points in the 3Q15 when compared to the 3Q14 and of 24.1 percentage points compared to the 2Q15. In the accumulated of 9M15, the Total Gross Profit reduced 102.4%, from R\$ 32.7 million in the 9M14 to negative R\$ 0.8 million in the 9M15, with a decrease of 11.7 percentage points in the Total Gross Margin.

Especially due to the growth in storage costs occurred in the 3Q15 and to the dismissal costs in the accumulated of 9M15, the Gross Profit of Services Segment was negative in the 3Q15 of R\$ 8.8 million compared to the positive amounts of R\$ 9.6 million in the 3Q14 and of R\$ 1.4 million in the 2Q15.

In the accumulated of 9M15, the Gross Profit of that Segment was negative of R\$ 2.6 million versus the positive amount of R\$ 22.9 million, with the decrease of 12.5 percentage points in the Gross Margin of Services Segment on that period.

Due to the Net Revenue reduction of Products Segment, especially by the stoppage of operations in the Anchoring Ropes division in the 3Q15, the Gross Profit of Products Segment reduced in all comparative periods: from positive R\$ 1.7 million in the 3Q14 and from positive R\$ 2.8 million in the 2Q15 to negative R\$ 3.1 million in the 3Q15 and from positive R\$ 9.9 million in the 9M14 to positive R\$ 1.8 million in the 9M15, reduction of 81.3%. In the Products Segment, there was a decrease of 4.2 percentage points in Gross Margin in the accumulated of 9M15 compared to the 9M14.

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



Expenses

Expenses (R\$ thd)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Total Sales Expenses	2,722	2,839	4.3%	3,161	2,839	-10.2%	16,442	10,458	-36.4%
Total Administrative Expenses	13,863	13,861	0.0%	11,668	13,861	18.8%	42,968	38,275	-10.9%
Products	5,324	4,511	-15.3%	5,099	4,511	-11.5%	22,779	16,321	-28.4%
Total Sales Expenses - Products	1,153	2,031	76.1%	1,491	2,031	36.2%	9,419	6,386	-32.2%
Total Administrative Expenses - Products	4,171	2,480	-40.5%	3,608	2,480	-31.3%	13,360	9,935	-25.6%
Services	11,261	12,189	8.2%	9,730	12,189	25.3%	36,631	32,412	-11.5%
Total Sales Expenses - Services	1,569	808	-48.5%	1,670	808	-51.6%	7,023	4,072	-42.0%
Total Administrative Expenses - Services	9,692	11,381	17.4%	8,060	11,381	41.2%	29,608	28,340	-4.3%
Total Sales and Administratives	16,585	16,700	0.7%	14,829	16,700	12.6%	59,410	48,733	-18.0%
Management Compensation	1,453	1,096	-24.6%	2,848	1,096	-61.5%	4,443	5,237	17.9%
Total Sales, Administratives and Management Compensation	18,038	17,796	-1.3%	17,677	17,796	0.7%	63,853	53,970	-15.5%

The Consolidated Sales and Administrative Expenses and the Management Salary presented decrease of 1.3% and increase of 0.7% in the comparative of 3Q15 with the 3Q14 and with the 2Q15, respectively, from R\$ 18.0 million in the 3Q14 and from R\$ 17.7 million in the 2Q15 to R\$ 17.8 million in the 3Q15. In the comparative accumulated of 9M15 with the 9M14, the Sales and Administrative Expenses and the Management Salary reduced 15.5%, reaching R\$ 53.9 million in the 9M15 versus R\$ 63.9 million in the 9M14.

The Sales Expenses increased 4.3% in the 3Q15 compared to the 3Q14 and decreased 10.2% compared to the 2Q15, from R\$ 2.7 million in the 3Q14 and from R\$ 3.2 million in the 2Q15 to R\$ 2.8 million in the 3Q15.

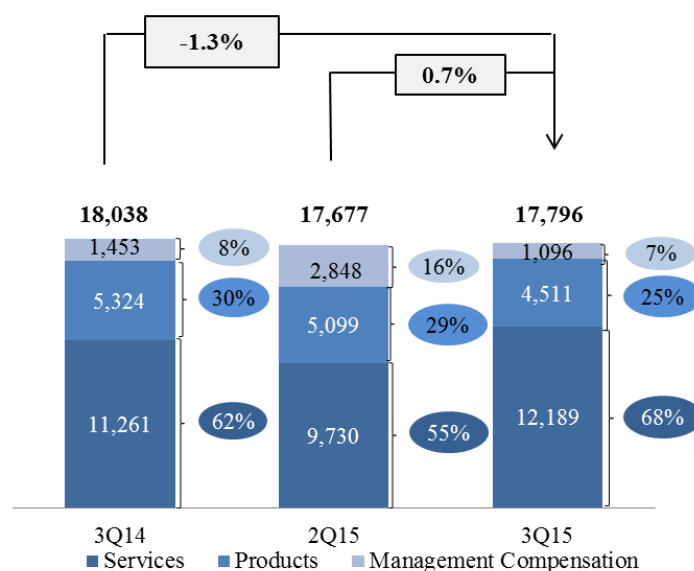
Although the Services Segment has presented reduction of Sales Expenses in all comparative periods due to the decrease on salaries expenses, fines with customers and losses on customer credit, the Products Segment was the main responsible by the increase in Sales Expenses.

In the accumulated of 9M15, the Sales Expenses decreased 36.4% compared to the 9M14 (from R\$ 16.4 million in the 9M14 to R\$ 10.5 million in the 9M15) especially due to the reduction of salaries expenses and fines with customers in the Services Segment of R\$ 3.2 million, as well as due to reduction in variable selling expenses as commissions and freight in the Products Segment, due to the decrease in Net Revenue.

The Administrative Expenses remained stable in the 3Q15 compared to the 3Q14, reaching the amount of R\$ 13.9 million in both quarters. Compared to the 2Q15, the Administrative Expenses increased 18.8% (from R\$ 11.7 million in the 2Q15 to R\$ 13.9 million in the 3Q15) mainly due to the recognition of extraordinary expenses, expenses with restructuring process and judicial recovery.

In the accumulated of 9M15 with the 9M14, the Administrative Expenses reduced 10.9%, from R\$ 43.0 million in the 9M14 to R\$ 38.3 million in the 9M15, having as main factor the decrease of salaries expenses as part of Company's restructuring process.

Operating Expenses (R\$ thd)



Other Operating (Revenues) and Expenses

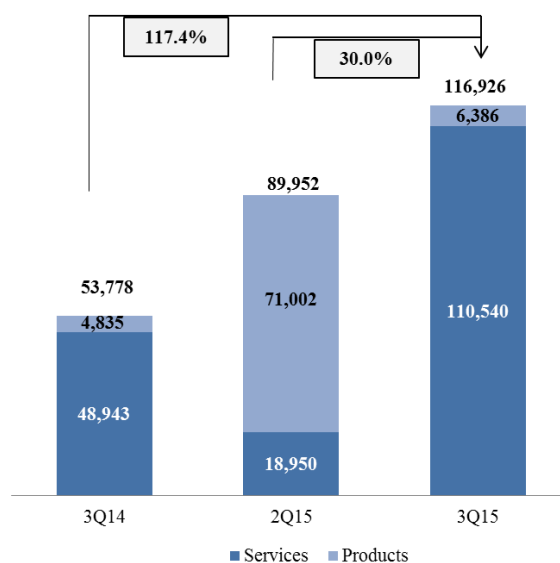
Other Expenses (Income) (R\$ thd)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Products	4,835	6,386	32.1%	71,002	6,386	-91.0%	8,532	84,194	886.8%
Services	48,943	110,540	125.9%	18,950	110,540	483.3%	122,451	130,680	6.7%
Total	53,778	116,926	117.4%	89,952	116,926	30.0%	130,983	214,874	64.0%

The Other Operating Expenses increased from R\$ 53.8 million in the 3Q14 to R\$ 116.9 million in the 3Q15 primarily due to the record of R\$ 84.4 million of impairment provision of fixed assets, according to the evaluation report prepared in accordance with the demand of Judicial Recovery process, by the increase of R\$ 21.1 million in provision for loss of lawsuit and of R\$ 3.0 million in provision for losses on inventory obsolescence, reduced by non-occurrence in the 3Q15 of expenses for contractual fines (R\$ 37.4 million in the 3Q14) and losses on disposal of fixed assets (R\$ 10.1 million in the 3Q14).

In the comparative of 3Q15 with the 2Q15, the Other Operating Expenses increased R\$ 27.0 million which corresponds mainly to the registration of R\$ 84.4 million of impairment provision of fixed assets in the 3Q15, according to the evaluation report prepared in accordance with the demand of Judicial Recovery process, increase of R\$ 7.7 million of provision for loss of lawsuit, reduction of R\$ 4.5 million in cost of idle production and non-occurrence in the 3Q15 of R\$ 60.0 million of loss by the non-recoverability of goodwill recorded in the 2Q15.

In the accumulated of 9M15, the Other Operating Expenses presented a growth of 64.0% and are primarily related to the following factors: (i) impairment provision of fixed assets of R\$ 84.4 million, according to the evaluation report prepared in accordance with the demand of Judicial Recovery process; (ii) loss by the non-recoverability of goodwill of R\$ 60.0 million; (iii) provision for loss of lawsuit of R\$ 45.3 million; (iv) provision for losses on inventory obsolescence of R\$ 4.5 million; (v) cost of idle production of R\$ 22.3 million and (vi) gain on fixed assets sold of R\$ 1.5 million.

Other Operating Expenses (R\$ thd)



Financial Result

Financial Result (R\$ thd)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Interest Income	200	247	23.5%	207	247	19.3%	571	653	14.4%
Embedded Derivatives - Debentures	9,442	-	n/a	-	-	n/a	9,442	-	n/a
Reversal of Premium on Non-Conversion of Debentures	41,540	-	n/a	-	-	n/a	41,540	-	n/a
Gain for Non-Conversion of Part of the Bonds	36,244	-	n/a	-	-	n/a	36,244	-	n/a
Monetary Variation	243	493	102.9%	62	493	695.2%	843	991	17.6%
Interest on Receivables	353	309	-12.5%	564	309	-45.2%	1,189	1,177	-1.0%
Others	160	153	-4.4%	459	153	-66.7%	1,062	451	-57.5%
Financial Revenue*	88,182	1,202	-98.6%	1,292	1,202	-7.0%	90,891	3,272	-96.4%
Interest Expense and Fines on Loans and Financing	-20,216	-18,830	-6.9%	-9,265	-18,830	103.2%	-161,318	-34,891	-78.4%
Losses on Fair Value	-136,183	-	n/a	-	-	n/a	-136,183	-	n/a
Embedded Derivatives - Debentures	-	-	n/a	-	-	n/a	-8,623	-	n/a
Provision for Interest on Suppliers	-8	-2,051	25537.5%	-944	-2,051	117.3%	-1,721	-3,562	107.0%
Expenses Securities Brokerage (Shares and Bonus)	-	-	n/a	-	-	n/a	-853	-	n/a
Banking Expenses, Taxes and Others	-3,776	-2,921	-22.6%	-2,132	-2,921	37.0%	-10,664	-8,410	-21.1%
Financial Expense*	-160,183	-23,802	-85.1%	-12,341	-23,802	92.9%	-319,362	-46,863	-85.3%
Net Financial Result*	-72,001	-22,600	-68.6%	-11,049	-22,600	104.5%	-228,471	-43,591	-80.9%
Exchange Variance Revenue	66,492	261,858	293.8%	173,318	261,858	51.1%	133,043	587,080	341.3%
Exchange Variance Expense	-83,882	-322,972	285.0%	-177,531	-322,972	81.9%	-107,839	-679,697	530.3%
Net Exchange Variance	-17,390	-61,114	251.4%	-4,213	-61,114	1350.6%	25,204	-92,617	n/a
Net Financial Result - Total	-89,391	-83,714	-6.4%	-15,262	-83,714	448.5%	-203,267	-136,208	-33.0%

* Excluding Exchange Variance

The Total Financial Income (excluding Exchange Variance) in the 3Q15 reached R\$ 1.2 million versus R\$ 1.3 million in the 2Q15 remaining stable. Compared to the 3Q14 and the accumulated of 9M15 with the 9M14, the Total Financial Income (excluding Exchange Variance) decreased 98.6% in the comparative of 3Q14 with the 3Q15 (from R\$ 88.2 million in the 3Q14 to R\$ 1.2 million in the 3Q15) and 96.4% in the comparative of 9M15 with the 9M14 (from R\$ 90.9 million in the 9M14 to R\$ 3.3 million in the 9M15), primarily due to the gain with embedded derivative of Debentures in the amount of R\$ 9.4 million, reversion of premium on non-conversion of Debentures in the amount of R\$ 41.5 million and gain for non-conversion of part of the Bonds in Capital Stock in the amount of R\$ 36.2 million, non-occurred revenues in the 2015.

The Total Financial Expense (excluding Exchange Variance) decreased 85.1% in the 3Q15 compared to the 3Q14 reaching R\$ 23.8 million versus R\$ 160.2 million in the 3Q14 mainly due to the recognition of losses on share's fair value in the amount of R\$ 136.2 million recorded in the 3Q14. Compared to the 2Q15, the Total Financial Expense (excluding Exchange Variance) increased 92.9%, reaching R\$ 23.8 million in the 3Q15 versus R\$ 12.3 million in the 2Q15, especially as result of growth in expenses with provisions of interests on suppliers, interests and contractual fines on loans and financial debts.

In the accumulated of 9M15, the Total Financial Expense (excluding Exchange Variance) reduced 85.3%, reaching R\$ 46.9 million versus R\$ 319.4 million in the 9M14 mainly due to the recognition of losses on share's fair value in the amount of R\$ 136.2 million recorded in the 3Q14, the reduction of interest expenses on loans and financial debts, Bonds and on Debentures, as result of Company's Debt reduction ended in the third quarter of 2014 and by non-occurrence of expenses with embedded derivatives of Debentures in the 9M15.

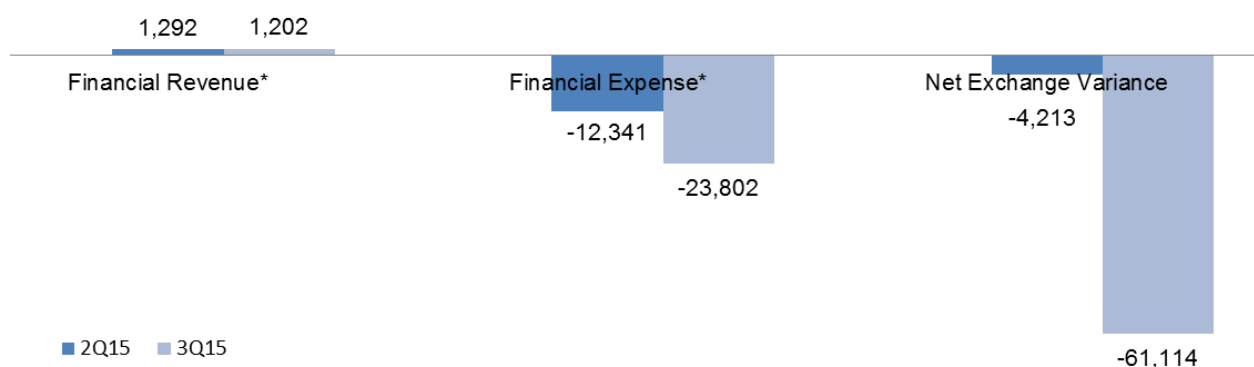
The Net Exchange Variance in the 3Q15 resulted in expense of R\$ 61.1 million versus an expense of R\$ 4.2 million in the 2Q15 and an expense of R\$ 17.4 million in the 3Q14 affected by the valuation of 28.0% in U.S. dollar against Brazilian Real in the 3Q15 versus a devaluation of 3.3% in U.S. dollar in the 2Q15 and a

valuation of 11.3% in the 3Q14. In the 9M15, the Net Exchange Variance resulted in expense of R\$ 92.6 million versus an income of R\$ 25.2 million in the 9M14 affected by the valuation of 49.6% in U.S. dollar against Brazilian Real in the 9M15 versus a valuation of 4.6% in U.S. dollar in the 9M14.

The Total Net Financial Result in the 3Q15 resulted in expense of R\$ 83.7 million versus an expense of R\$ 15.3 million in the 2Q15 primarily due to the increase in net exchange variance expenses and the provisions of interests and fines on suppliers, loans and financial debts.

The Total Net Financial Result reduced from an expense of R\$ 89.4 million in the 3Q14 to R\$ 83.7 million in the 3Q15 and from R\$ 203.4 million in the 9M14 to R\$ 136.2 million in the 9M15, expense reduction in 6.4% and in 33.0% respectively, especially due to the recognition of losses on share's fair value in the 3Q14, non-occurred in 2015.

Financial Result Breakdown (R\$ thd)



* Excluding Exchange Variance

Adjusted EBITDA from Continuing Operations¹

The Consolidated Adjusted EBITDA from Continuing Operations was negative in R\$ 0.9 million in the 3Q15, versus positive result of R\$ 1.4 million in the 3Q14 and negative of R\$ 1.5 million in the 2Q15. The

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

EBITDA Margin of 3Q15 was negative of 1.3%, with positive variance of 0.9 percentage points and negative of 2.9 percentage points compared to those presented in the 2Q15 and 3Q14, respectively.

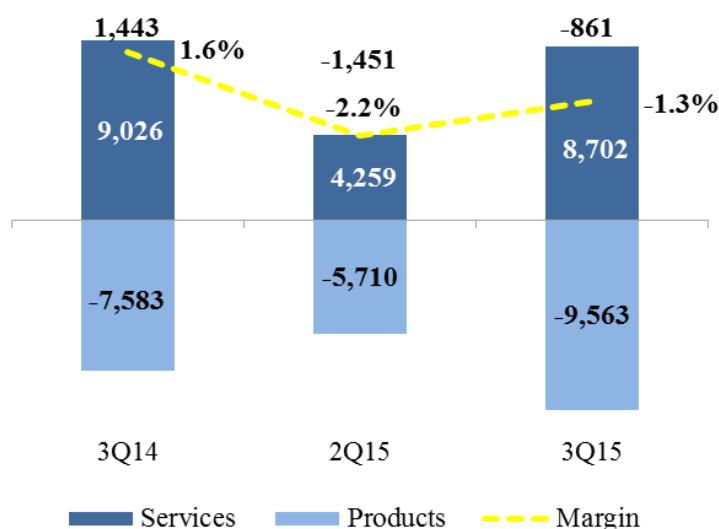
Adjusted EBITDA (R\$ thd)	3Q14	3Q15	Chg. R\$	Chg. %	2Q15	3Q15	Chg. R\$	Chg. %	9M14	9M15	Chg. R\$	Chg. %
Products	- 7,583	- 9,563	- 1,980	26.1%	- 5,710	- 9,563	- 3,853	67.5%	- 11,370	- 23,142	-11,772	103.5%
Margin	-42.1%	-581.0%	-538,9 p.p.		-59.0%	-581.0%	-522,0 p.p.		-13.4%	-92.5%	-79,1 p.p.	
Services	9,026	8,702	- 324	-3.6%	4,259	8,702	4,443	104.3%	13,308	16,710	3,403	25.6%
Margin	12.4%	13.4%	1,0 p.p.		7.6%	13.4%	5,8 p.p.		6.5%	8.8%	2,3 p.p.	
Total	1,443	- 861	- 2,304	n/a	- 1,451	- 861	590	-40.7%	1,938	- 6,431	- 8,369	n/a
Margin	1.6%	-1.3%	-2,9 p.p.		-2.2%	-1.3%	0,9 p.p.		0.7%	-3.0%	-3,7 p.p.	
% Products	-526%	1111%			394%	1111%			-587%	360%		
% Services	626%	-1011%			-294%	-1011%			687%	-260%		

The growth of Consolidated Adjusted EBITDA in the 3Q15 compared to the 2Q15 was primarily consequence of costs of idle production that burden the 2Q15 in R\$ 4.5 million more than the occurred in the 3Q15. In the Products Segment, the Adjusted EBITDA was negative of R\$ 9.6 million versus negative R\$ 5.7 million in the 2Q15 mainly due to the reduction of Net Revenue by Company's cash constraints and the cancellation of orders in execution process that affected the Anchoring Ropes division in the 3Q15. In the Services Segment, with the resumption of operations in Colombia and in the Tubular Services&Coating division, the Consolidated EBITDA increased from R\$ 4.3 million in the 2Q15 to R\$ 8.7 million in the 3Q15, so that the EBITDA Margin of this Segment resulted in 13.4% in the 3Q15 versus 7.6% in the 2Q15, increase of 5.8 percentage points.

Adjusted Ebitda Reconciliation (R\$ thd)	1Q15	2Q15	3Q15
Gross Profit	6,927	4,180	-11,901
SG&A	-17,204	-14,829	-16,700
Management Compensation	-1,293	-2,848	-1,096
Depreciation and Amortization	12,392	12,581	12,820
Operational Revenues/Expenses	-7,996	-89,952	-116,926
Ebitda from Continuing Operations	-7,174	-90,868	-133,803
Provision for Variable Compensation	-21	175	218
Provision for Losses, Impairment and Net Profit/Loss on Disposal of Assets	934	80,456	112,749
Fines (Reversion of Fines) with Customers	1,352	408	-17
Restructuring Process and Other Extraordinary Expenses	790	8,378	19,992
Adjusted EBITDA from Continuing Operations	-4,119	-1,451	-861

The Consolidated Adjusted EBITDA from Continuing Operations in the 9M15 compared to the 9M14 reduced from positive R\$ 1.9 million in the 9M14 to negative R\$ 6.4 million in the 9M15. The Consolidated Adjusted EBITDA Margin decreased 3.7 percentage points, from positive 0.7% in the 9M14 to negative 3.0% in the 9M15. This reduction was primarily result of costs of idle production that significantly burden the 9M15 (R\$ 22.3 million) compared to the 9M14 (R\$ 7.3 million).

Adjusted EBITDA (R\$ thd)



The suspension of Petrobras CRCC (Certificate of Registration and Cadastral Classification), recently reinstated, result of economic/financial scenario and the cash constraints continue impacting Company's EBITDA in the 3Q15, as well as extraordinary expenses due to Company's restructuring process and others non-recurring expenses. Below, the reconciliation of Adjusted EBITDA from continuing operations of 3Q15, by Segment:

	3Q15		
Adjusted Ebitda Reconciliation (R\$ thd)	Products	Services	Total
Gross Profit	-3,132	-8,769	-11,901
SG&A	-4,511	-12,189	-16,700
Management Compensation	-4	-1,092	-1,096
Depreciation and Amortization	1,921	10,899	12,820
Operational Revenues/Expenses	-6,386	-110,540	-116,926
Ebitda from Continuing Operations	-12,112	-121,691	-133,803
Provision for Variable Compensation	0	218	218
Provision for Losses, Impairment and Net Profit/Loss on Disposal of Assets	1,712	111,037	112,749
Fines (Reversion of Fines) with Customers	-	-	-17
Restructuring Process and Other Extraordinary Expenses	854	19,138	19,992
Adjusted EBITDA from Continuing Operations	-9,563	8,702	-861

Non-recurring expenses that totaled R\$ 122.8 million refers to the record of impairment provision of fixed assets in the amount of R\$ 84.4 million, provision for loss of lawsuit in the amount of R\$ 26.0 million and provision for losses on inventory obsolescence in the amount of R\$ 2.4 million.

Net Result

Net Result (R\$ thd)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Result Before Income Tax and Social Contribution	-149,022	-227,756	52.8%	-119,082	-227,756	91.3%	-381,047	-403,636	5.9%
Income Tax and Social Contribution - Current	-186	-1,623	772.6%	-612	-1,623	165.2%	-698	-2,847	307.9%
Income Tax and Social Contribution - Deferred	-716	-655	-8.5%	601	-655	n/a	-1,578	635	n/a
Result of Discontinued Operation	-91,906	0	n/a	91	0	n/a	-75,334	-21,963	-70.8%
Net Result	-241,830	-230,034	-4.9%	-119,002	-230,034	93.3%	-458,657	-427,811	-6.7%
Net Result per 1000 Shares	-1.54	-1.47	-4.9%	-0.76	-1.47	93.3%	-2.92	-2.72	-6.7%

The Net Result in the 3Q15 was a loss of R\$ 230.0 million, compared to a loss of R\$ 241.8 million in the 3Q14 and loss of R\$ 119.0 million in the 2Q15. The main extraordinary events that contributed for that performance in the 3Q15 were: (i) R\$ 84.4 million of impairment provision of fixed assets; (ii) R\$ 26.0 million of provision for loss of lawsuit; (iii) R\$ 16.1 million of storage costs; (iv) R\$ 5.2 million of costs of idle production and (v) R\$ 2.4 million of provision for losses on inventory obsolescence. Were it not for these extraordinary events, the accumulated result in the 3Q15 would be a loss of R\$ 95.9 million.

The 3Q14 was primarily impacted by the result of Discontinued Operations, which emphasizes the record of loss by non-recoverability of goodwill on the acquisition of units in Argentina in the amount of R\$ 98.1 million.

In the accumulated of 9M15, the Consolidated Net Result presented reduction of 6.7% in the loss, from R\$ 458.7 million in the 9M14 to R\$ 427.8 million in the 9M15.

The result of 9M15 was especially impacted by the recognition of R\$ 60.0 million of loss by non-recoverability of goodwill, R\$ 84.4 million of impairment provision of fixed assets, R\$ 22.0 million of expenses with the loss of investment in discontinued operations - Jefferson's units, R\$ 45.3 million of provision for loss of lawsuit and R\$ 22.3 million of costs of idle production; while the result of 9M14 was primarily influenced by the record of loss by non-recoverability of goodwill on the acquisition of units in Argentina in the amount of R\$ 98.1 million and by the loss with new share's fair value in the amount of R\$ 136.2 million.

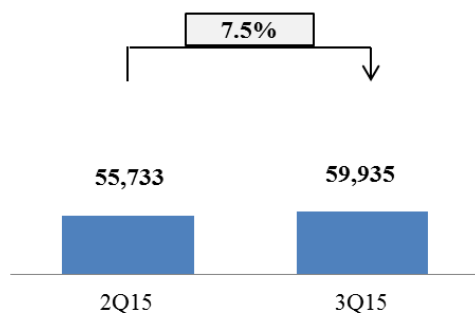
Working Capital

Working Capital (R\$ thd)	2Q15	3Q15	Chg. %	Chg. R\$
Accounts Receivable	110,755	131,065	18.3%	20,310
Inventories	62,317	61,814	-0.8%	-503
Accounts Payable	114,612	121,749	6.2%	7,137
Advances from Clients	2,727	11,195	310.5%	8,468
Employed Working Capital	55,733	59,935	7.5%	4,202
Employed Working Capital Variance	- 29,985	4,202		
% Working Capital/Net Revenues*	16.7%	19.3%		

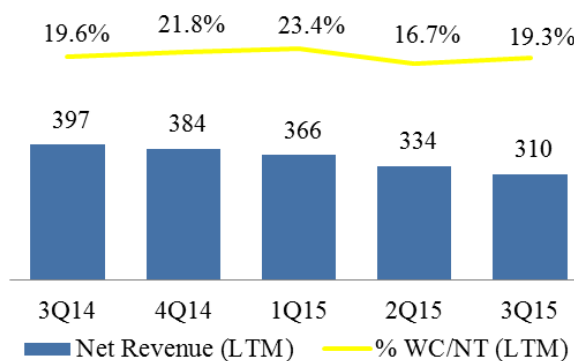
*LTM: last 12 months

The rate of Working Capital Needs upon accumulated Net Revenue (12 months) in the 3Q15 reached 19.3%, growth of 2.6 percentage points when compared to the rate of 2Q15.

Working Capital (R\$ thd)



Net Revenue vs. Working Capital (R\$ thd)

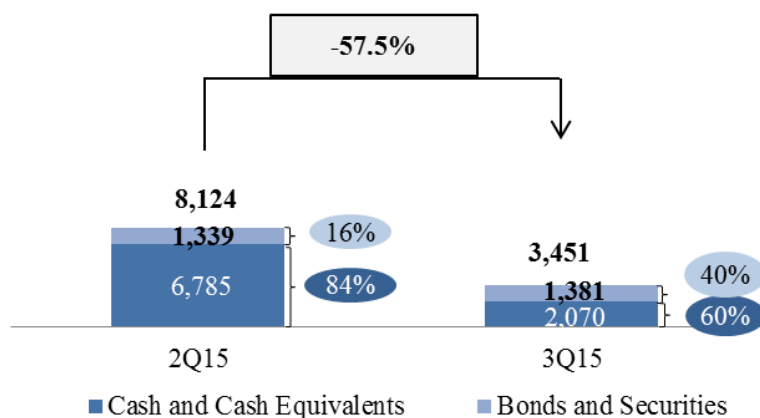


The effect of Exchange Variance in the quarter and the resumption of activities in Colombia and in the Tubular Services&Coating division were the main factors that resulted in the increase of 7.5% in the Applied Working Capital in the 3Q15 compared to the 2Q15.

Cash and Cash Equivalents

The consolidated position in Company's Cash and Cash Equivalents in the 3Q15 reached R\$ 3.5 million, decrease of R\$ 4.7 million, or 57.5%, compared to the 2Q15, due to consumption of cash by the Company's operating activities.

Cash and Cash Equivalents Balances (R\$ thd)



The difficulty in obtaining greater availability of resources for investments and raw material acquisition limits of an important way the Company's capability of operating cash flow, reflecting in a lower capacity of

industrial units and lower capacity of provide services, having as consequence the higher delivery of Backlog.

Debt

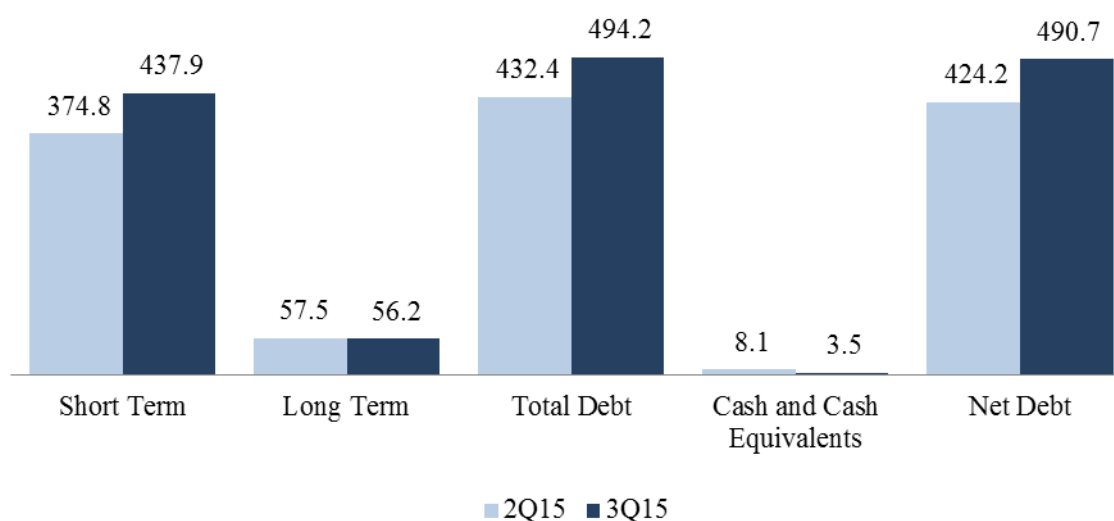
Company's Gross Debt ended the quarter in R\$ 494.2 million, 14.3% higher than reported in the 2Q15.

Debt (R\$ thd)	2Q15	3Q15	Chg. %	Chg. R\$
Short Term	374,834	437,944	16.8%	63,110
Financing Lines	148,682	165,212	11.1%	16,530
Debentures	74,439	76,991	3.4%	2,552
Bonds	151,713	195,741	29.0%	44,028
Long Term	57,539	56,227	-2.3%	-1,312
Financing Lines	57,539	56,227	-2.3%	-1,312
Total Debt	432,373	494,171	14.3%	61,798
Cash and Cash Equivalents	8,124	3,451	-57.5%	-4,673
Net Debt	424,249	490,720	15.7%	66,471

This growth is primarily consequence of Exchange Variance upon Bonds due to the valuation of 28.0% in U.S. dollar against the Brazilian Real in the 3Q15, which resulted in expense of R\$ 61.1 million in the 3Q15, as well as due to the increased expenses with loans and financing for the recognition of interests and contractual fines.

Combined Cash and Cash Equivalents, the Company's Net Debt ended the quarter in R\$ 490.7 million, an increase of 15.7% against the amount in the 2Q15.

Debt Breakdown (R\$ million)



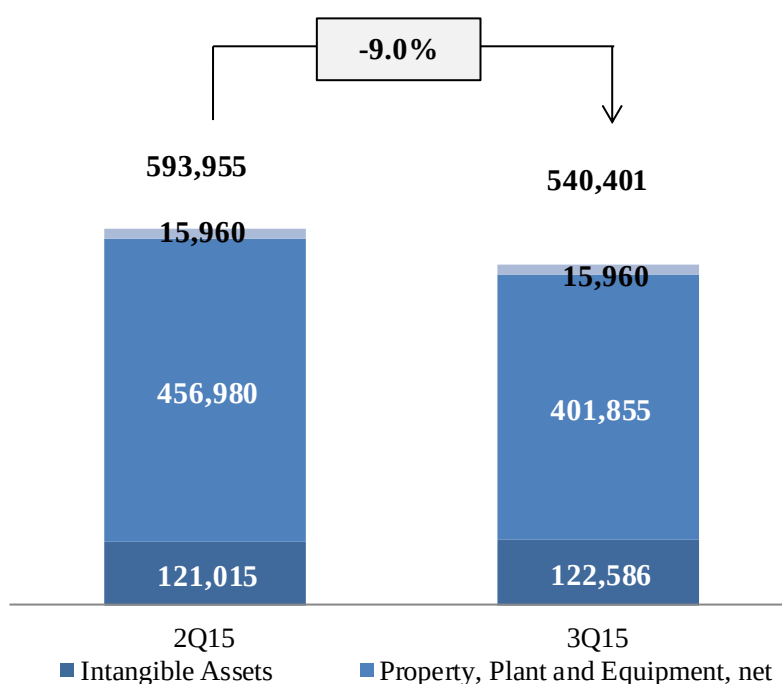
Investment Balances

Company's Investment Balances in the quarter totaled R\$ 540.4 million, reduction of 9.0% compared to the R\$ 593.9 million presented in the 2Q15.

Investments (R\$ thd)	2Q15	3Q15	Chg. %	Chg. R\$
Investments in Affiliates and Others	15,960	15,960	0.0%	0
Property, Plant and Equipment, net	456,980	401,855	-12.1%	-55,125
Intangible Assets	121,015	122,586	1.3%	1,571
Total	593,955	540,401	-9.0%	-53,554

The Property, plant and equipment, with decrease of R\$ 55.1 million, is the main responsible by the total reduction of Investments, especially due to the recognition of R\$ 84.4 million of impairment provision of fixed assets deducted from the conversion effect of fixed assets on foreign subsidiaries affected by the valuation of 28.0% in U.S. dollar against the Brazilian Real in the 3Q15.

Investment Balances (R\$ thd)



Capex was R\$ 1.4 million in the 3Q15 invested, in principal, in the Services Segment units. Capex has been applied in investments needed to improve production efficiency and execute Company's Backlog, however the amount applied is still significantly lower than that required.

Attachments

Attachment I – Consolidated Income Statement (R\$ thd)

	2Q15	3Q15	% Change
Net Sales of Goods and Services	65,934	66,739	1%
Cost of Goods and Services Sold	(61,754)	(78,640)	27%
Gross Profit	4,180	(11,901)	n/a
Operating Revenues/Expenses	(108,000)	(132,141)	22%
Sales	(3,161)	(2,839)	-10%
General and Administrative	(11,668)	(13,861)	19%
Management Compensation	(2,848)	(1,096)	-62%
Equity Pick-up	(371)	2,581	n/a
Other Operation Income (Expenses)	(89,952)	(116,926)	30%
Net Financial Result	(15,262)	(83,714)	449%
Financial Income	1,292	1,202	-7%
Financial Expenses	(12,341)	(23,802)	93%
Net Exchange Variance	(4,213)	(61,114)	1351%
Earnings Before Income Tax and Social Contribution	(119,082)	(227,756)	91%
Income Tax and Social Contribution - Current	(612)	(1,623)	165%
Income Tax and Social Contribution - Deferred	601	(655)	n/a
Loss from Discontinued Operations	91	-	n/a
Net Loss for the Period	(119,002)	(230,034)	93%

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

	2Q15	3Q15	% Change
Adjusted EBITDA from Continuing Operations	(1,451)	(861)	-41%
Provision for Variable Remuneration	(175)	(218)	25%
Provision for Losses, Impairment and Net Result on Disposal of Assets	(80,456)	(112,749)	40%
Fines (Reversion of Fines) with Costumers	(408)	17	n/a
Reestructuring Process and Other Extraordinary Expenses	(8,378)	(19,992)	139%
EBITDA from Continuing Operations	(90,868)	(133,803)	47%
Depreciation and Amortization	(12,581)	(12,820)	2%
Equity Pick-up Result	(371)	2,581	n/a
Net Financial Result	(15,262)	(83,714)	449%
Income Tax and Social Contribution - Current and Deferred	(11)	(2,278)	20609%
Result from Discontinued Operations	91	-	n/a
Net Loss from Continuing and Discontinued Operations	(119,002)	(230,034)	93%

Attachment III – Consolidated Balance Sheet (R\$ thd)

	2Q15	3Q15	% Change
Total Asset	938,013	907,723	-3%
Current Assets	244,418	263,999	8%
Cash and Cash Equivalents	6,785	2,070	-69%
Securities-restricted	1,339	1,381	3%
Accounts Receivable	110,755	131,065	18%
Inventories	62,317	61,814	-1%
Recoverable Taxes	27,369	31,513	15%
Other Accounts Receivable	9,368	10,116	8%
Anticipated Expenses	5,976	4,283	-28%
Advances to Suppliers	20,509	21,757	6%
Non-Current Assets	693,595	643,724	-7%
Securities	5,596	5,769	3%
Judicial Deposits	22,123	22,144	0%
Recoverable Taxes	42,842	42,356	-1%
Deferred Income Tax and Social Contribution	1,023	-	n/a
Other Accounts Receivable	28,056	33,054	18%
Investments	15,960	15,960	0%
Property, Plant and Equipment	456,980	401,855	-12%
Intangible Assets	121,015	122,586	1%
Total Liabilities and Shareholders' Equity	938,013	907,723	-3%
Current Liabilities	647,065	760,549	18%
Accounts Payable	114,612	121,749	6%
Loans and Financings	148,682	165,212	11%
Debentures	74,439	76,991	3%
Bonds	151,713	195,741	29%
Salaries, Provisions and Social Contribution	35,127	38,898	11%
Commissions Payable	3,568	3,738	5%
Taxes Payable	58,805	63,279	8%
Advances from Clients	2,727	11,195	311%
Participations in the Result	340	603	77%
Other Obligations	27,801	49,756	79%
Provision Contractual Fines	29,251	33,387	14%
Non-Current Liabilities	346,958	375,225	8%
Loans and Financings	57,539	56,227	-2%
Taxes Payable	5,419	5,938	10%
Deferred Income Tax and Social Contribution	32,578	37,631	16%
Provision for Taxes, Labor and Civil Risks	126,742	152,519	20%
Other Obligations	7,222	8,945	24%
Provision Contractual Fines	96,446	95,512	-1%
Provision for Negative Equity in Subsidiaries	21,012	18,453	-12%
Shareholders' Equity	(56,010)	(228,051)	307%
Share Capital	1,853,684	1,853,684	0%
Capital Transaction Reserve	136,183	136,183	0%
Stock Options	13,549	13,549	0%
Equity Valuation Adjustment	38,290	96,283	151%
Accumulated Losses	(2,097,716)	(2,327,750)	11%

Attachment IV – Consolidated Cash Flow (R\$ thd)

	2Q15	3Q15	% Change
CASH FLOW FROM OPERATING ACTIVITIES			
Net Result for the Period	(119,002)	(230,034)	93%
Depreciation and Amortization	12,582	12,817	2%
Impairment of Assets	60,000	84,360	41%
Equity Pick-Up Result	371	(2,581)	n/a
Result on Sale of Fixed Assets	(65)	(1,069)	1545%
Loss (Gain) on Disposal of Investments	(91)	-	n/a
Financial Charges and Exchange Variance on Financing, Bonds and Debentures	12,707	79,387	525%
Income Tax and Social Contribution - Deferred	689	(635)	n/a
Losses on Inventory Obsolescence	2,105	2,374	13%
Provision of Contractual Fines	408	(18)	n/a
Allowance for Doubtful Accounts	852	(1,041)	n/a
Changes in Assets & Liabilities			
(Increase) Decrease in Accounts Receivable	2,099	1,284	-39%
(Increase) Decrease in Inventories	2,175	(1,441)	n/a
(Increase) Decrease in Recoverable Taxes	1,772	4,514	155%
(Increase) Decrease in Other Assets	8,952	(1,218)	n/a
(Increase) Decrease in Accounts Payable	10,346	8,394	-19%
(Increase) Decrease in Taxes Payable	3,004	801	-73%
(Increase) Decrease in Others Accounts Payable	9,055	44,480	391%
Net Cash Generated (Invested) in Operating Activities	7,959	374	-95%
CASH FLOW FROM INVESTMENT ACTIVITIES			
Securities - Restricted Account	715	32	-96%
Proceeds from Sales of Property, Plant and Equipment	68	1,141	1578%
Aquisition of Property, Plant and Equipment	(812)	(873)	8%
Aquisition of Intangible Assets	(573)	(524)	-9%
Net Cash Generated (Invested) in Investment Activities	(602)	(224)	-63%
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Loans and Financings	46,322	46,400	0%
Payment of Loans and Financings	(49,761)	(49,740)	0%
Payment of Interests on Loans and Financings	(1,414)	(1,545)	9%
Net Cash Generated (Invested) in Financing Activities	(4,853)	(4,885)	1%
Effects of Exchange Variation over Cash and Cash Equivalents of Subsidiaries Abroad	(1)	20	n/a
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,503	(4,715)	n/a
At the Beginning of the Period	4,282	6,785	58%
At the End of the Period	6,785	2,070	-69%

About Lupatech S/A – In Judicial Recovery

Lupatech S/A - In Judicial Recovery is one of 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.