

INTERIM FINANCIAL INFORMATION Q32015

**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 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%.

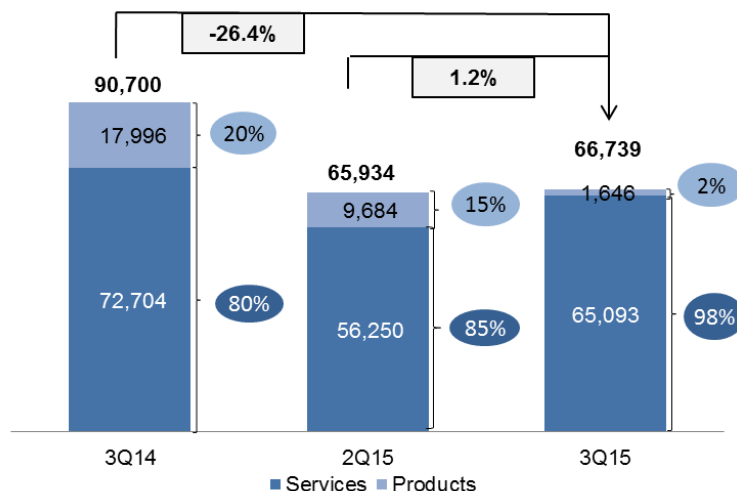
The Products Segment presented reduction on Consolidated Net Revenue in the three comparative periods mentioned above. The Oil&Gas Valves and Anchoring Ropes divisions were the most affected by cash constraints and by suspension of Petrobras CRCC (Certificate of Registration and Cadastral Classification), 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.

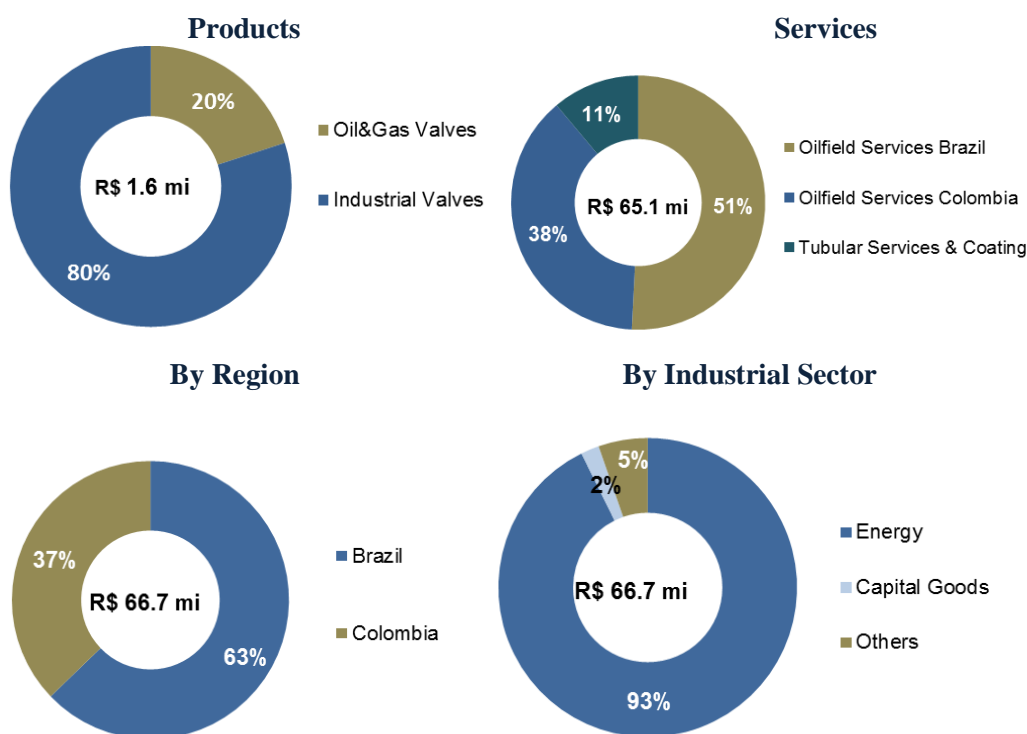
The Services Segment presented an increase of 15.7% on Net Revenue of 3Q15 compared to the 2Q15, from R\$ 56.2 million to R\$ 65.1 million, mainly due to the growth of activities in Colombia that presented nominal increase of R\$ 4.8 million in the Net Revenue of Services Segment, as well as due to the 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



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

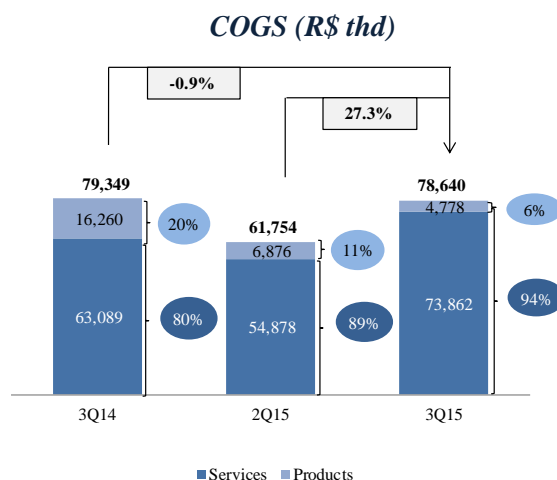
COGS (R\$ thd)	3Q14	3Q15	Chg. %	2Q15	3Q15	Chg. %	9M14	9M15	Chg. %
Products	16,260	4,778	-70.6%	6,876	4,778	-30.5%	75,185	23,187	-69.2%
Services	63,089	73,862	17.1%	54,878	73,862	34.6%	182,377	193,493	6.1%
Total	79,349	78,640	-0.9%	61,754	78,640	27.3%	257,562	216,680	-15.9%

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.



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.

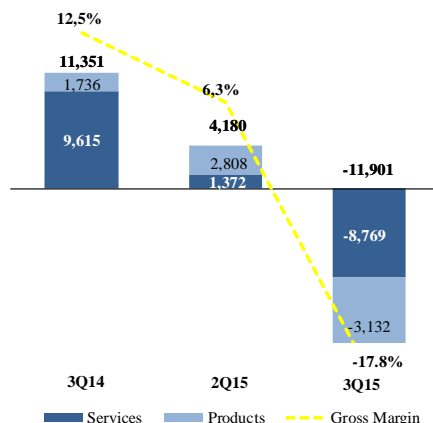
Due to the reduction on Consolidated Net Revenue in the Products Segment and the increase in storage costs in the Services Segment, the Total Gross Profit was negative in R\$ 11.9 million in the 3Q15 compared to the positive amounts of R\$ 11.3 million in the 3Q14 and R\$ 4.2 million in the 2Q15. The 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.

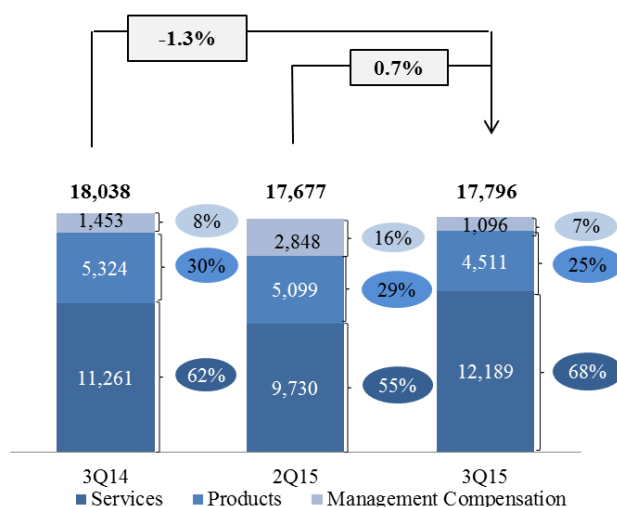
In the accumulated of 9M15, the Sales Expenses decreased 36.4% compared to the 9M14 (from R\$ 16.4 million in the 9M14 to R\$ 10.5 million in the 9M15) especially due to the reduction of salaries expenses and fines with customers in the Services Segment of R\$ 3.2 million, as well as due to reduction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

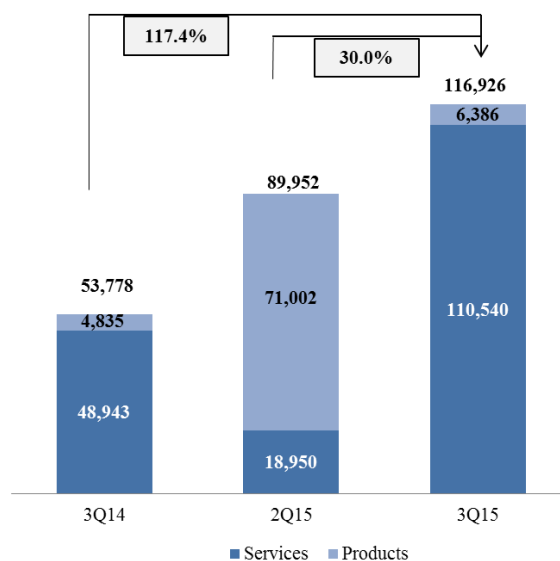
The Other Operating Expenses increased from R\$ 53.8 million in the 3Q14 to R\$ 116.9 million in the 3Q15 primarily due to the record of R\$ 84.4 million of impairment provision of fixed assets, according to the evaluation report prepared in accordance with the demand of Judicial Recovery process, by 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.

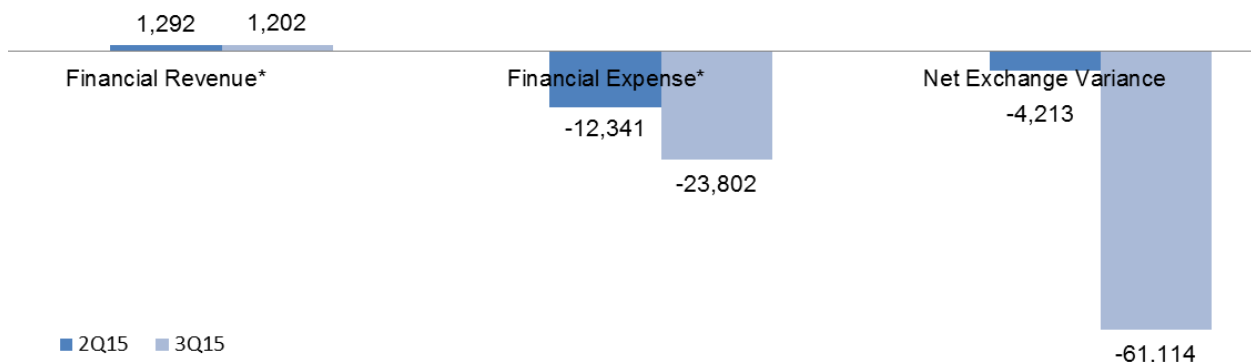
In the accumulated of 9M15, the Total Financial Expense (excluding Exchange Variance) reduced 85.3%, reaching R\$ 46.9 million versus R\$ 319.4 million in the 9M14 mainly due to the recognition of losses on share's fair value in the amount of R\$ 136.2 million recorded in the 3Q14, the reduction of interest 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 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%		

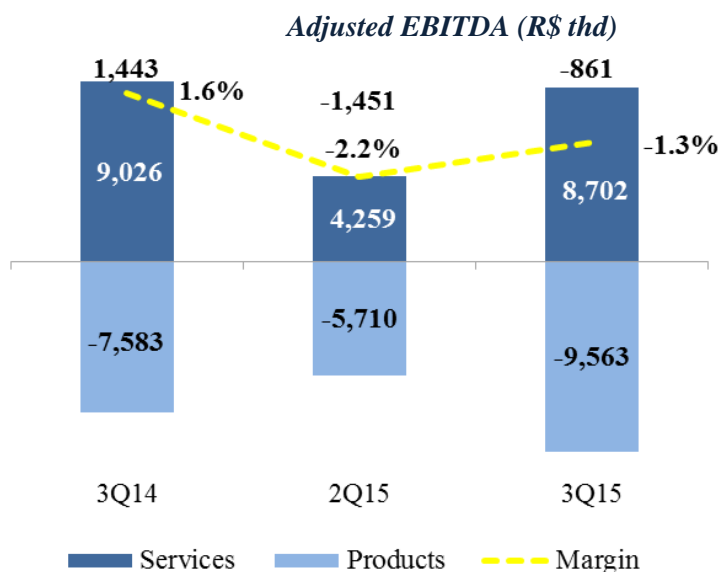
The growth of Consolidated Adjusted EBITDA in the 3Q15 compared to the 2Q15 was primarily consequence of costs of idle production that burden the 2Q15 in R\$ 4.5 million more than the occurred in the 3Q15. In the Products Segment, the Adjusted EBITDA was negative of R\$ 9.6 million versus negative R\$ 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

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.

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).



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	-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.

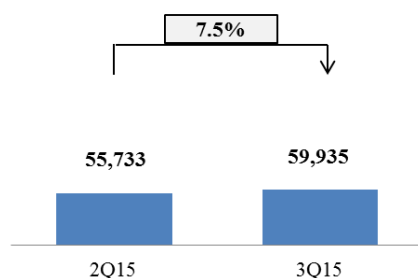
Working Capital

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%		

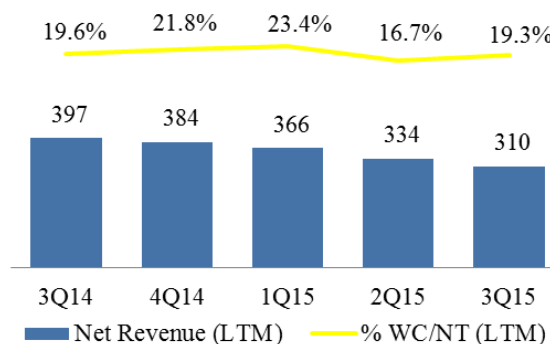
*LTM: last 12 months

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)

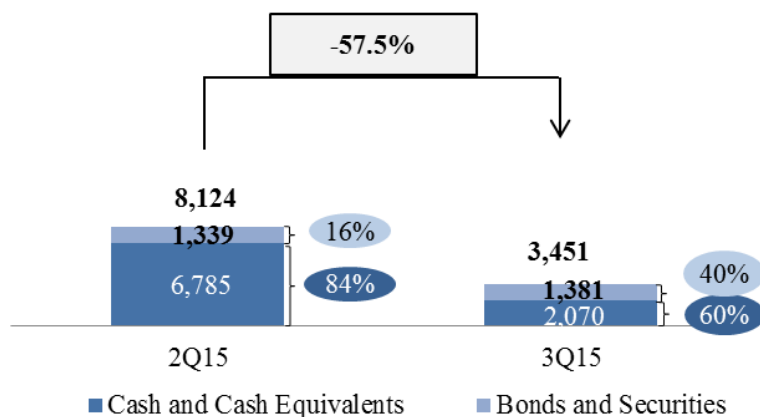


The effect of Exchange Variance in the quarter and the resumption of activities in Colombia and in the Tubular Services&Coating division were the main factors that resulted in the increase of 7.5% in the Applied Working Capital in the 3Q15 compared to the 2Q15.

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

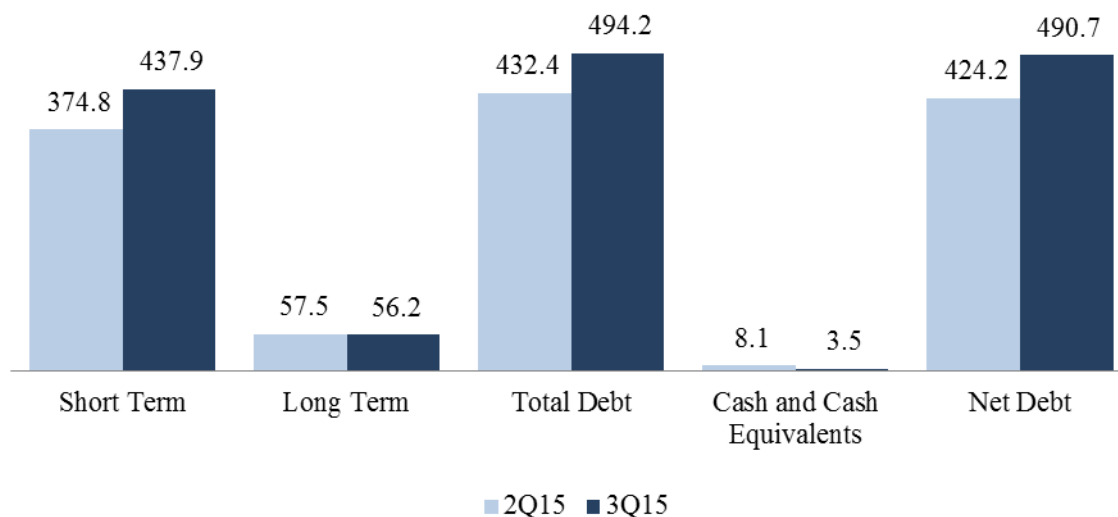
Company's Gross Debt ended the quarter in R\$ 494.2 million, 14.3% higher than reported in the 2Q15.

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)



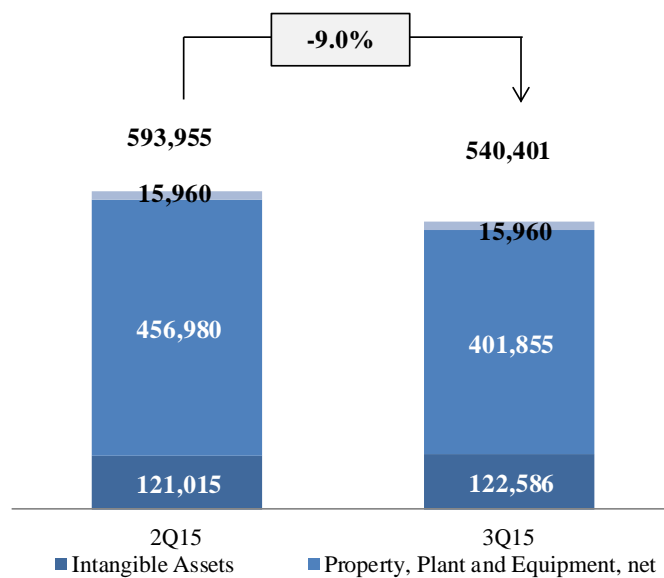
Investment Balances

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
<u>Adjusted EBITDA from Continuing Operations</u>	(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%
<u>EBITDA from Continuing Operations</u>	<u>(90,868)</u>	<u>(133,803)</u>	<u>47%</u>
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%
<u>Result from Discontinued Operations</u>	<u>91</u>	<u>-</u>	<u>n/a</u>
<u>Net Loss from Continuing and Discontinued Operations</u>	<u>(119,002)</u>	<u>(230,034)</u>	<u>93%</u>

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.

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IN CASE OF DIVERGENCE OF INTERPRETATION, THE PORTUGUESE TEXT
WILL PREVAIL**

ITR - INTERIM FINANCIAL INFORMATION - Q3 2014 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

1 - General Data

Date

Company name:	LUPATECH S/A - IN JUDICIAL RECOVERY		
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 redereing 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 5º andar - Jardim São Luis, São Pulo, SP, Brazil 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, Brazil
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 5º andar - Jardim São Luis - São Pulo, SP, Brazil
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 5º andar - Jardim São Luis - São Pulo, SP, Brazil
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) **09/30/2015**

The paid-up capital

Common 9,393,834
Preferref -
Total 9,393,834

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Balance Sheet Assets

(In Reais Thousands)

Code	Description	Current Quarter 09/30/2015	Last Year 12/31/2014
1	Total Assets	504,313	556,228
1.01	Current Assets	71,684	112,566
1.01.01	Cash and Cash Equivalents	200	137
1.01.03	Accounts Receivable	32,035	64,741
1.01.03.01	Trade Receivables	25,699	43,968
1.01.03.02	Other Accounts Receivable	6,336	20,773
1.01.03.02.02	Other Accounts Receivable - Related Parties	6,336	20,773
1.01.04	Inventories	28,280	31,925
1.01.06	Recoverable Taxes	6,069	6,728
1.01.06.01	Recoverable Current Taxes	6,069	6,728
1.01.07	Prepaid Expenses	306	1,549
1.01.08	Other Current Assets	4,794	7,486
1.01.08.02	Assets Classified as Held for Sale	-	1,393
1.01.08.03	Other	4,794	6,093
1.01.08.03.03	Other Accounts Receivable	1,479	616
1.01.08.03.04	Securities-Restricted	1,381	2,771
1.01.08.03.05	Advances to Suppliers	1,934	2,706
1.02	Non-Current Assets	432,629	443,662
1.02.01	Long-Term Assets	52,808	43,746
1.02.01.08	Credit with Related Parties	34,091	25,073
1.02.01.08.02	Credit with Subsidiaries	34,091	25,073
1.02.01.09	Other Non-Current Assents	18,717	18,673
1.02.01.09.03	Judicial Deposits	835	1,817
1.02.01.09.04	Recoverable Taxes	6,249	6,996
1.02.01.09.05	Other Accounts Receivable	5,864	5,360
1.02.01.09.06	Securities-Restricted	5,769	4,500
1.02.02	Investments	217,519	172,564
1.02.02.01	Investments	217,519	172,564
1.02.02.01.02	Investments in Subsidiaries	202,145	157,190
1.02.02.01.04	Other investments	15,374	15,374
1.02.03	Property, Plant and Equipment	90,126	95,253
1.02.03.01	In Operations	89,822	94,973
1.02.03.03	In Progress	304	280
1.02.04	Intangible Assets	72,176	132,099
1.02.04.01	Intangible Assets	72,176	132,099
1.02.04.01.02	Software and Other Licenses	3,047	3,527
1.02.04.01.03	New Products Development	13,715	13,158
1.02.04.01.04	Goodwill	55,414	115,414

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Balance Sheet Liabilities and Equity

(In Reais Thousands)

Code	Description	Current Quarter 09/30/2015	Last Year 12/31/2014
2	Total Liabilities	504,313	556,228
2.01	Current Liabilities	321,786	154,200
2.01.01	Social and Labor Obligations	14,664	10,896
2.01.01.02	Labor Obligations	14,664	10,896
2.01.02	Suppliers	44,517	39,147
2.01.02.01	Domestic Suppliers	43,134	38,712
2.01.02.02	Export Suppliers	1,383	435
2.01.03	Tax	30,245	31,461
2.01.03.01	Federal Tax	28,672	28,608
2.01.03.01.01	Income Tax and Social Contribution	-	41
2.01.03.01.02	Other Federal Tax	28,672	28,567
2.01.03.02	State Tax	1,391	2,688
2.01.03.03	Municipal Tax	182	165
2.01.04	Loans and Financing	134,384	9,644
2.01.04.01	Loans and Financing	57,393	9,644
2.01.04.01.01	Local Currency	47,995	9,236
2.01.04.01.02	Foreign Currency	9,398	408
2.01.04.02	Debentures	76,991	-
2.01.05	Other Liabilities	97,976	63,052
2.01.05.01	Liabilities with Related Parties	65,513	39,168
2.01.05.01.02	Debts with Subsidiaries	65,513	39,168
2.01.05.02	Other	32,463	23,884
2.01.05.02.05	Commissions Payable	3,722	3,152
2.01.05.02.06	Advances from Customers	9,588	1,937
2.01.05.02.09	Other Accounts Payable	15,857	11,989
2.01.05.02.11	Contratual Fines Provision	3,296	6,806
2.02	Non-Current Liabilities	410,578	306,670
2.02.01	Loans and Financing	19,684	129,857
2.02.01.01	Loans and Financing	19,684	58,142
2.02.01.01.01	Local Currency	19,684	53,122
2.02.01.01.02	Foreign Currency	-	5,020
2.02.01.02	Debentures	-	71,715
2.02.02	Other Liabilities	211,822	101,387
2.02.02.01	Liabilities with Related Parties	206,539	95,781
2.02.02.01.02	Debts with Subsidiaries	206,539	95,781
2.02.02.02	Other	5,283	5,606
2.02.02.02.03	Taxes Payable	4,203	4,526
2.02.02.02.05	Other Accounts Payable	1,080	1,080
2.02.04	Provisions	179,072	75,426
2.02.04.01	Social Security, Tax, Labor and Civil Provisions	6,917	5,239
2.02.04.01.01	Tax Provisions	506	506
2.02.04.01.02	Labor and Social Security Provisions	3,737	2,094
2.02.04.01.04	Civil Provisions	2,674	2,639
2.02.04.02	Other Provisions	172,155	70,187
2.02.04.02.04	Provision for Negative Equity in Subsidiaries	172,155	70,187
2.03	Shareholders' Equity	(228,051)	95,358
2.03.01	Share 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	(2,327,749)	(1,899,939)
2.03.06	Equity Valuation Adjustments	96,282	(8,119)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Statements of Income

(In Reais Thousands)

Code	Description	Q3 2015	YTD 2015	Q3 2014	YTD 2014
		07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2014 to 09/30/2014	01/01/2014 to 09/30/2014
3.01	Net Revenue from Goods Sold and/or Services	1,098	22,174	16,301	79,347
3.02	Cost of Goods and/or services sold	(4,282)	(20,493)	(15,399)	(71,652)
3.03	Gross Profit	(3,184)	1,681	902	7,695
3.04	Operating Income/Expenses	(149,398)	(290,176)	(20,506)	(152,886)
3.04.01	Selling Expenses	(1,930)	(5,674)	(812)	(8,289)
3.04.02	General and Administrative Expenses	(6,855)	(18,206)	(5,767)	(17,461)
3.04.04	Other Operating Income	455	1,077	2,856	7,159
3.04.05	Other Operating Expenses	(6,270)	(82,572)	(4,222)	(17,354)
3.04.06	Equity Pick-up	(134,798)	(184,801)	(12,561)	(116,941)
3.05	Operating Income/Expenses Before Financial Results and Income Tax	(152,582)	(288,495)	(19,604)	(145,191)
3.06	Financial Results	(77,650)	(139,664)	(126,435)	(217,675)
3.06.01	Financial Income	229,092	515,620	118,168	185,139
3.06.01.01	Financial Income	487	1,719	51,409	52,605
3.06.01.02	Gain on Exchange Variance	228,605	513,901	66,759	132,534
3.06.02	Financial Expenses	(306,742)	(655,284)	(244,603)	(402,814)
3.06.02.01	Financial Expenses	(33,665)	(79,254)	(162,122)	(295,321)
3.06.02.02	Loss on Exchange Variance	(273,077)	(576,030)	(82,481)	(107,493)
3.07	Income Before Income Tax	(230,232)	(428,159)	(146,039)	(362,866)
3.08	Provision for Income Tax and Social Contribution	198	198	(1,736)	(1,736)
3.08.02	Deferred	198	198	(1,736)	(1,736)
3.09	Net Income from Continuing Operations	(230,034)	(427,961)	(147,775)	(364,602)
3.10	Net Income from Discontinued Operations	-	150	(94,055)	(94,055)
3.10.01	Income (Loss) from Discontinued Operations	-	150	(94,055)	(94,055)
3.11	Income/Loss for the Period	(230,034)	(427,811)	(241,830)	(458,657)
3.99.01.01	ON	(24,49)	(0.18)	(1.16)	(2.63)
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	(24,49)	(0.18)	(1.16)	(2.63)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	Q3 2015	YTD 2015	Q3 2014	YTD 2014
		07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2014 to 09/30/2014	01/01/2014 to 09/30/2014
4.01	Net Income/Loss for the Period	(230,034)	(427,811)	(241,830)	(458,657)
4.02	Other Comprehensive Income	57,993	104,402	11,621	(13,221)
4.02.01	Exchange Variance Foreign Investments	57,993	104,402	11,621	(13,221)
4.03	Comprehensive Income of the Period	(172,041)	(323,409)	(230,209)	(471,878)
	TOTAL COMPREHENSIVE INCOME ALLOCATED TO:				
	Participation of Controlling Shareholders	(172,041)	(323,409)	(230,209)	(471,878)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Statements of Changes in Shareholders' Equity - 01/01/2015 to 09/30/2015

(In Reais Thousands)

Code	Description	Share Capital	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	-	-	(427,811)	104,402	(323,409)
5.05.01	Net Income / Loss for the Period	-	-	(427,811)	-	(427,811)
5.05.02	Other Comprehensive Income	-	-	-	104,402	104,402
5.05.02.04	Cumulative Translation Effects	-	-	-	104,402	104,402
5.07	Ending Balance	1,853,684	149,732	(2,327,750)	96,283	(228,051)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Statements of Changes in Shareholders' Equity - 01/01/2014 to 09/30/2014

(In Reais Thousands)

Code	Description	Share Capital	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)
5.04	Capital Transactions	1,113,171	-	-	-	1,113,171
5.04.01	Capital Increase / Decrease	1,113,171	-	-	-	1,113,171
5.05	Comprehensive Income	-	-	(458,657)	(13,221)	(471,878)
5.05.01	Net Income / Loss for the Period	-	-	(458,657)	-	(458,657)
5.05.02	Other Comprehensive Income	-	-	-	(13,221)	(13,221)
5.05.02.04	Cumulative Translation Effects	-	-	-	(13,221)	(13,221)
5.06	Internal Equity Variation	-	136,183	-	-	136,183
5.06.04	Capital Transaction Reserve	-	136,183	-	-	136,183
5.07	Ending Balance	1,855,609	149,732	(1,727,588)	(63,768)	213,985

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Statement of Cash Flow - Indirect Method

(In Reais Thousands)

Code	Description	YTD 2015	YTD 2014
		01/01/2015 to 09/30/2015	01/01/2014 to 09/30/2014
6.01	Cash Flow from Operating Activities	2,190	(653)
6.01.01	Cash Flow from Operating	(41,137)	(20,036)
6.01.01.01	Net Loss for the Period	(427,811)	(458,657)
6.01.01.02	Depreciation and Amortization	6,742	7,175
6.01.01.03	(Gain) Loss on Sale of Investment	(149)	-
6.01.01.04	Equity Pick-up	184,801	116,941
6.01.01.05	Result on Sale of Fixed Assets	12	341
6.01.01.06	Financial Expenses, Net	135,109	213,630
6.01.01.08	Deferred Income Tax and Social Contribution	-	1,736
6.01.01.09	Impairment of Assets	60,000	94,055
6.01.01.11	Inventory Obsolescence	(12)	1,305
6.01.01.12	Contratual Fines Provision	-	4,309
6.01.01.13	Allowance for Doubtful Accounts	171	(871)
6.01.02	Change in Assets and Liabilities	43,327	19,383
6.01.02.01	Accounts Receivable	26,363	(15,059)
6.01.02.02	Inventories	3,657	24,926
6.01.02.03	Recoverable Taxes	1,406	6,194
6.01.02.04	Other Assets	1,626	(2,736)
6.01.02.05	Suppliers	5,370	864
6.01.02.06	Taxes Payable	(1,146)	3,687
6.01.02.07	Others	6,051	1,507
6.02	Cash Flow from Investing Activities	(22,845)	(42,975)
6.02.01	Paid-in Capital and Subsidiaries Payments for Purchase of Investments	(21,081)	(44,460)
6.02.02	Acquisition of Property, Plants and Equipments	(121)	(129)
6.02.03	Acquisition to Intangibles	(1,599)	(1,636)
6.02.04	Proceeds from disposals of Property, Plants and Equipments	22	3,000
6.02.05	Payment for Acquisition of Investment	-	(200)
6.02.06	Securities-Restricted	698	450
6.02.07	Disposal of Discontinued Operations Net of Cash	(764)	-
6.03	Cash Flow from Financing Activities	20,718	42,814
6.03.01	Proceeds from Loans and Financing	1,047	16,101
6.03.02	Proceeds (Payments) from Loans and Financing - Related Parties	23,932	31,289
6.03.06	Payments of Loans and Financing - Principal	(3,873)	(4,370)
6.03.07	Payments of Loans and Financing - Interest	(388)	(206)
6.05	Increase/Decrease in Cash and Cash Equivalents	63	(814)
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	200	96

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Parent Financial Statements / Statements of Value Added

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 09/30/2015	YTD 2014 01/01/2014 to 09/30/2014
7.01	Revenue	25,608	99,774
7.01.01	Sales of Goods, Products and Services	24,548	91,715
7.01.02	Other Revenues	1,077	7,159
7.01.03	Revenue from Sale of Investments	150	-
7.01.04	Allowance for Doubtful Accounts	(167)	900
7.02	Consumables Acquired from Third Parties	(89,645)	(166,165)
7.02.01	Cost of Products, Goods and Services Sold	(340)	(30,217)
7.02.02	Materials, Energy, and Other Outsourced Services	(6,733)	(24,539)
7.02.03	Loss / Recovery of Assets	(60,000)	(94,055)
7.02.05	Low investment for Sale	(22,572)	(17,354)
7.03	Gross Value Added	(64,037)	(66,391)
7.04	Retentions	(6,742)	(7,175)
7.04.01	Depreciation and Amortization	(6,742)	(7,175)
7.05	Net Value Added Generated by the Company	(70,779)	(73,566)
7.06	Value Added Received by Transfer	330,819	68,198
7.06.01	Equity pick-up	(184,801)	(116,941)
7.06.02	Financial Income	515,620	185,139
7.07	Total Value Added to be Distributed	260,040	(5,368)
7.08	Distribution of Value Added	260,040	(5,368)
7.08.01	Employees	27,345	32,292
7.08.01.01	Direct Remuneration	19,460	24,888
7.08.01.02	Benefits	3,947	4,777
7.08.01.03	FGTS	3,938	2,627
7.08.02	Taxes and Contributions	4,621	17,372
7.08.02.01	Federal	3,431	10,866
7.08.02.02	States	1,108	6,424
7.08.02.03	Municipal	82	82
7.08.03	Interest Expenses	655,885	403,625
7.08.03.01	Interest	655,284	402,814
7.08.03.02	Rentals	601	811
7.08.04	Own Capital Remuneration	(427,811)	(458,657)
7.08.04.03	Net Income/Loss for the Period	(427,811)	(458,657)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Balance Sheet Assets

(In Reais Thousands)

Code	Description	Current Quarter 09/30/2015	Last Year 12/31/2014
1	Total Assets	907,723	1,022,629
1.01	Current Assets	263,999	277,799
1.01.01	Cash and Cash Equivalents	2,070	1,539
1.01.03	Accounts Receivable	131,065	115,483
1.01.03.01	Trade Receivables	131,065	115,483
1.01.04	Inventories	61,814	69,644
1.01.06	Recoverable Taxes	31,513	24,686
1.01.06.01	Recoverable Current Taxes	31,513	24,686
1.01.07	Prepaid Expenses	4,283	10,970
1.01.08	Other Current Assets	33,254	55,477
1.01.08.02	Assets Classified as Held for Sale	-	22,422
1.01.08.03	Other	33,254	33,055
1.01.08.03.02	Securities	1,381	2,771
1.01.08.03.03	Other Accounts Receivable	10,116	5,145
1.01.08.03.04	Advances to suppliers	21,757	25,139
1.02	Non-Current Assets	643,724	744,830
1.02.01	Long-term Assets	103,323	99,268
1.02.01.06	Deferred Tax	-	489
1.02.01.06.01	Deferred Income Tax and Social Contribution	-	489
1.02.01.09	Other Non-Current Assets	103,323	98,779
1.02.01.09.03	Judicial Deposits	22,144	25,295
1.02.01.09.04	Securities	5,769	4,500
1.02.01.09.05	Recoverable Taxes	42,356	47,452
1.02.01.09.06	Other Accounts Receivable	33,054	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	Property, Plant and Equipment	401,855	449,950
1.02.03.01	In Operations	320,398	388,034
1.02.03.03	In Progress	81,457	61,916
1.02.04	Intangible Assets	122,586	179,652
1.02.04.01	Intangible Assets	18,107	18,267
1.02.04.01.02	Software and Other Licenses	3,019	3,695
1.02.04.01.03	New Products Development	15,088	14,572
1.02.04.02	Goodwill	104,479	161,385

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Balance Sheet Liabilities and Equity

(In Reais Thousands)

Code	Description	Current Quarter 09/30/2015	Last Year 12/31/2014
2	Total Liabilities	907,723	1,022,629
2.01	Current Liabilities	760,549	305,378
2.01.01	Social and Labor Obligations	38,898	29,479
2.01.01.02	Labor Obligations	38,898	29,479
2.01.02	Suppliers	121,749	98,389
2.01.02.01	Domestic Suppliers	107,986	87,242
2.01.02.02	Export Suppliers	13,763	11,147
2.01.03	Tax	63,279	57,652
2.01.03.01	Federal Taxes	51,158	49,344
2.01.03.01.01	Income Tax and Social Contribution	2,867	2,109
2.01.03.01.02	Others Federal Taxes	48,291	47,235
2.01.03.02	State Taxes	11,212	6,967
2.01.03.03	Municipal Tax	909	1,341
2.01.04	Loans and Financing	242,203	56,884
2.01.04.01	Loans and Financing	165,212	56,884
2.01.04.01.01	Local Currency	132,551	47,577
2.01.04.01.02	Foreign Currency	32,661	9,307
2.01.04.02	Debentures	76,991	-
2.01.05	Other Obligations	294,420	56,889
2.01.05.02	Other	294,420	56,889
2.01.05.02.06	Commissions Payable	3,738	3,182
2.01.05.02.07	Advances from Customers	11,195	2,883
2.01.05.02.08	Profit Sharing	603	655
2.01.05.02.10	Other Accounts Payable	49,756	20,101
2.01.05.02.12	Contratual Fines Provision	33,387	30,068
2.01.05.02.13	Bonds	195,741	-
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	375,225	621,893
2.02.01	Loans and Financing	56,227	216,457
2.02.01.01	Loans and Financing	56,227	144,742
2.02.01.01.01	Local Currency	45,465	121,626
2.02.01.01.02	Foreign Currency	10,762	23,116
2.02.01.02	Debentures	-	71,715
2.02.02	Other Obligations	110,395	243,916
2.02.02.02	Other	110,395	243,916
2.02.02.02.04	Taxes Payable	5,938	6,443
2.02.02.02.06	Other Accounts Payable	8,945	6,453
2.02.02.02.08	Contratual Fines Provision	95,512	103,052
2.02.02.02.09	Bonds	-	127,968
2.02.03	Deferred Tax	37,631	33,780
2.02.03.01	Deferred Income Tax and Social Contribution	37,631	33,780
2.02.04	Provisions	170,972	127,740
2.02.04.01	Social Security, Tax, Labor and Civil Provisions	152,519	107,948
2.02.04.01.01	Tax Provisions	49,109	36,285
2.02.04.01.02	Labor and Social Security Provisions	92,588	61,563
2.02.04.01.04	Civil Provisions	10,822	10,100
2.02.04.02	Other Provisions	18,453	19,792
2.02.04.02.04	Provision for Unfunded Liabilities in Subsidiaries	18,453	19,792
2.03	Shareholders' Equity	(228,051)	95,358
2.03.01	Share Capital	1,853,684	1,853,684
2.03.01.01	Share 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	(2,327,750)	(1,899,939)
2.03.06	Equity Valuation Adjustments	96,283	(8,119)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Statements of Income

(In Reais Thousands)

Code	Description	Q3 2015	YTD 2015	Q3 2014	YTD 2014
		07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	07/01/2014 to 09/30/2014	01/01/2014 to 09/30/2014
3.01	Net Revenue from Goods Sold and/or Services	66,739	215,886	90,700	290,309
3.02	Cost of Goods and/or services sold	(78,640)	(216,680)	(79,349)	(257,562)
3.03	Gross Profit	(11,901)	(794)	11,351	32,747
3.04	Operating Income/Expenses	(132,141)	(266,634)	(70,982)	(210,527)
3.04.01	Selling Expenses	(2,839)	(10,458)	(2,722)	(16,442)
3.04.02	General and Administrative Expenses	(14,957)	(43,512)	(15,316)	(47,411)
3.04.04	Other Operating Income	8,727	11,796	19,231	27,163
3.04.04.02	Other Operating Income	8,727	11,796	19,231	27,163
3.04.05	Other Operating Expenses	(125,653)	(226,670)	(73,009)	(158,146)
3.04.06	Equity Pick-up	2,581	2,210	834	(15,691)
3.05	Operating Income/Expenses Before Financial Results and Income Tax	(144,042)	(267,428)	(59,631)	(177,780)
3.06	Financial Results	(83,714)	(136,208)	(89,391)	(203,267)
3.06.01	Financial Income	263,060	590,352	154,674	223,934
3.06.01.01	Financial Income	1,202	3,272	88,182	90,891
3.06.01.02	Gain on Exchange Variance	261,858	587,080	66,492	133,043
3.06.02	Financial Expenses	(346,774)	(726,560)	(244,065)	(427,201)
3.06.02.01	Financial Expenses	(23,802)	(46,863)	(160,183)	(319,362)
3.06.02.02	Loss on Exchange Variance	(322,972)	(679,697)	(83,882)	(107,839)
3.07	Income Before IncomeTax	(227,756)	(403,636)	(149,022)	(381,047)
3.08	Provision for Income Tax and Social Contribution	(2,278)	(2,212)	(902)	(2,276)
3.08.01	Current	(1,623)	(2,847)	(186)	(698)
3.08.02	Deferred	(655)	635	(716)	(1,578)
3.09	Net Income from Continuing Operations	(230,034)	(405,848)	(149,924)	(383,323)
3.10	Net income from Discontinued Operations	-	(21,963)	(91,906)	(75,334)
3.10.01	Income (Loss) from discontinued operations	-	(21,963)	(91,906)	(75,334)
3.11	Income/Loss for the Period	(230,034)	(427,811)	(241,830)	(458,657)
3.11.01	Parent Company's Interest	(230,034)	(427,811)	(241,830)	(458,657)
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	(24.49)	(0.18)	(1.16)	(2.63)
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	(24.49)	(0.18)	(1.16)	(2.63)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Statements of Comprehensive Income

(In Reais Thousands)

Code	Description	Q3 2015	YTD 2015	Q3 2014	YTD 2014
		07/01/2015 to 09/30/2015	01/01/2015 to 09/30/2015	04/01/2014 to 09/30/2014	01/01/2014 to 09/30/2014
4.01	Net Income/Loss for the Period	(230,034)	(427,811)	(241,830)	(458,657)
4.02	Other Comprehensive Income	57,993	104,402	11,621	(13,221)
4.02.01	Exchange Variance Foreign Investments	57,993	104,402	11,621	(13,221)
4.03	Comprehensive Income of the Period	(172,041)	(323,409)	(230,209)	(471,878)
4.03.01	Participation of Controlling Shareholders	(172,041)	(323,409)	(230,209)	(471,878)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Statements of Changes in Shareholders' Equity - 01/01/2015 to 09/30/2015

(In Reais Thousands)

Code	Description	Share Capital	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	-	-	(427,811)	104,402	(323,409)
5.05.01	Net Income / Loss for the Period	-	-	(427,811)	-	(427,811)
5.05.02	Other Comprehensive Income	-	-	-	104,402	104,402
5.05.02.04	Cumulative Translation Effects	-	-	-	104,402	104,402
5.07	Ending Balance	1,853,684	149,732	(2,327,750)	96,283	(228,051)

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Statements of Changes in Shareholders' Equity - 01/01/2014 to 09/30/2014

(In Reais Thousands)

Code	Description	Share Capital	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)
5.04	Capital Transactions	1,113,171	-	-	-	1,113,171
5.04.01	Capital Increase / Decrease	1,113,171	-	-	-	1,113,171
5.05	Comprehensive Income	-	-	(458,657)	(13,221)	(471,878)
5.05.01	Net Income / Loss for the Period	-	-	(458,657)	-	(458,657)
5.05.02	Other Comprehensive Income	-	-	-	(13,221)	(13,221)
5.05.02.04	Cumulative Translation Effects	-	-	-	(13,221)	(13,221)
5.06	Internal Equity Variation	-	136,183	-	-	136,183
5.06.05	Capital Transaction Reserve	-	136,183	-	-	136,183
5.07	Ending Balance	1,855,609	149,732	(1,727,588)	(63,768)	213,985

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Statements of Cash Flow - Indirect Method

(In Reais Thousands)

Code	Description	YTD 2015	YTD 2014
		01/01/2015 to 09/30/2015	01/01/2014 to 09/30/2014
6.01	Cash Flow from Operating Activities	3,234	(11,201)
6.01.01	Cash Flow from Operating	(95,553)	13,113
6.01.01.01	Net Loss for the Period	(427,811)	(458,657)
6.01.01.02	Depreciation and Amortization	37,817	38,598
6.01.01.04	Equity Pick-up	(2,210)	15,691
6.01.01.05	Result on Sale of Fixed Assets	(1,465)	21,928
6.01.01.06	Financial Expenses, Net	125,678	192,290
6.01.01.08	Deferred Income Tax and Social Contribution	(477)	1,870
6.01.01.09	Impairment of Assets	144,360	98,043
6.01.01.10	Loss (Gain) on Sale of Investment	21,788	-
6.01.01.11	Inventory Obsolescence	4,481	1,838
6.01.01.12	Contractual Fines Provision	1,742	102,002
6.01.01.13	Allowance for Doubtful Accounts	544	(490)
6.01.02	Change in Assets and Liabilities	98,787	(24,314)
6.01.02.01	Accounts Receivable	9,040	(36,645)
6.01.02.02	Inventories	4,266	14,659
6.01.02.03	Recoverable Taxes	5,404	19,930
6.01.02.04	Other Assets	2,820	22,886
6.01.02.05	Suppliers	20,314	(9,628)
6.01.02.06	Taxes Payable	3,433	(4,900)
6.01.02.07	Others	53,510	(30,616)
6.02	Cash Flow from Investing Activities	9,934	10,222
6.02.03	Acquisition of Property, Plants and Equipments	(3,942)	(9,439)
6.02.04	Acquisition to Intangibles	(1,732)	(1,667)
6.02.05	Securities-Restricted	774	869
6.02.06	Disposal of Discontinued Operations Net of Cash	11,922	-
6.02.09	Payment for Acquisition of Investment	-	(200)
6.02.10	Cash from Discontinued Operations	-	(4,050)
6.02.11	Proceeds from disposals of Property, Plants and Equipments	2,912	24,709
6.03	Cash Flow from Financing Activities	(14,700)	(18,107)
6.03.01	Proceeds from Loans and Financing	146,816	113,519
6.03.07	Payments of Loans and Financing - Principal	(155,959)	(125,180)
6.03.08	Payments of Loans and Financing - Interest	(5,557)	(6,446)
6.04	Exchange Variation on Cash Equivalents	21	6
6.05	Increase/Decrease in Cash and Cash Equivalents	(1,511)	(19,080)
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	2,070	1,596

ITR - INTERIM FINANCIAL INFORMATION - Q3 2015 - 09/30/2015 - LUPATECH S/A - IN JUDICIAL RECOVERY

Consolidated Financial Statements / Statements of Value Added

(In Reais Thousands)

Code	Description	YTD 2015 01/01/2015 to 09/30/2015	YTD 2014 01/01/2014 to 09/30/2014
7.01	Revenue	263,419	461,784
7.01.01	Sales of Goods, Products and Services	237,520	426,379
7.01.02	Other Revenues	11,792	35,901
7.01.03	Revenue from Sale of Investments	15,477	-
7.01.04	Allowance for Doubtful Accounts	(1,370)	(496)
7.02	Consumables Acquired from Third Parties	(357,525)	(434,678)
7.02.01	Cost of Products, Goods and Services Sold	(34,057)	(147,408)
7.02.02	Materials, Energy, and Other Outsourced Services	(59,538)	(26,921)
7.02.03	Loss / Recovery of Assets	(144,250)	(98,042)
7.02.04	Other Expenses	(82,420)	(162,307)
7.02.05	Low investment for Sale	(37,260)	-
7.03	Gross Value Added	(94,106)	27,106
7.04	Retentions	(37,817)	(38,598)
7.04.01	Depreciation and Amortization	(37,817)	(38,598)
7.05	Net Value Added Generated by the Company	(131,923)	(11,492)
7.06	Value Added Received by Transfer	592,637	214,048
7.06.01	Equity pick-up	2,210	(15,691)
7.06.02	Financial Income	590,427	229,739
7.07	Total Value Added to be Distributed	460,714	202,556
7.08	Distribution of Value Added	460,714	202,556
7.08.01	Employees	130,523	168,205
7.08.01.01	Direct Remuneration	99,207	132,057
7.08.01.02	Benefits	18,883	23,268
7.08.01.03	FGTS	12,433	12,880
7.08.02	Taxes and Contributions	29,217	58,812
7.08.02.01	Federal	22,885	43,174
7.08.02.02	States	3,722	11,970
7.08.02.03	Municipal	2,610	3,668
7.08.03	Interest Expenses	728,785	434,196
7.08.03.01	Interest	726,749	431,653
7.08.03.02	Rentals	2,036	2,543
7.08.04	Own Capital Remuneration	(427,811)	(458,657)
7.08.04.03	Net Income/Loss for the Period	(427,811)	(458,657)

Explanatory notes to interim financial statements as of September 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 1,663 employees.

The Company is a corporation with headquarters in Nova Odessa, State of São Paulo, and is listed in the São 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 56.9% of the Company’s net revenues for the period of nine months ended on September 30, 2015 (68.5% for the period of nine months ended on September 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.

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

As shown in the Judicial Recovery Plan, 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

The announcement containing the list of creditors was published on October 16, 2015 and the interested parties submitted to the court-appointed administrator their qualifications or disagreement as regards the credits listed.

On October 26, 2015, the Company published public notice calling on creditors to attend the General Meeting of Creditors to vote on recovery plan, in the 1st call, on November 11, 2015, and 2nd 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.

The General Meeting of Creditors will deliberate on the following order:

- a) Approval, rejection or modification of the Judicial Recovery Plan presented by companies in Judicial Recovery process;
- b) Establishment of the Creditors Committee and election of its members and its replacement;
- c) Other matters of competence of the General Meeting, in accordance with Article 35 of Law 11.101/05.

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 and 2016.

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.

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 nine months 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 over the coming months.

2 Basis of presentation

2.1 Declaration of conformity (with respect to 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 on 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 on December 31, 2014), which, in view of the absence of significant changes for the period of nine months ended on September 30, 2015, are not included in full form in these interim financial statements:

Explanatory notes not included for the period of nine months ended September 30, 2015	Location of the note in full annual financial statements for the fiscal year 2014
Main accounting practices	Note nº 3
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 November 13, 2015.

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 nine months ended on September 30, 2015.

2.2.1.2 Jointly-owned subsidiaries

The Company did not have changes of participation Jointly-owned subsidiaries during the period of nine months ended on September 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 subsidiaries	Direct and indirect participation (%)	
	09/30/2015	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 on 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 on 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 January 1, 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	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
<u>Cash and banks</u>				
Brazil	139	80	981	323
Abroad	-	-	1,012	1,030
	139	80	1,993	1,353
<u>Financial Investments</u>				
Bank deposit certificate	61	57	77	74
Investment fund	-	-	-	112
	61	57	77	186
Cash and cash equivalents	200	137	2,070	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 September 30, 2015 the Company owned a balance of R\$1,381, registered as "Marketable securities - restricted" in current assets, and R\$5,769 in the non-current assets (R\$2,771 in current assets, and R\$4,500 in the non-current assets on 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 Trade receivables

	Parent		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Local market	23,511	38,092	80,938	86,770
Export	5,643	9,160	55,400	33,442
	29,154	47,252	136,338	120,212
Less: allowance for doubtful accounts	(3,455)	(3,284)	(5,273)	(4,729)
	25,699	43,968	131,065	115,483

6 Inventories

	Parent		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Finished goods	8,310	5,729	15,922	11,345
Goods for resale	425	298	2,902	4,743
Work in progress	9,258	12,008	15,511	18,455
Raw material	18,849	19,111	50,119	53,260
Losses on inventory obsolescence	(8,562)	(5,221)	(22,640)	(18,159)
Total	28,280	31,925	61,814	69,644

In the nine months ended on September 30, 2015 were recognized in the income losses on inventory obsolescence amounting to R\$3,341 in parent (R\$1,305 in the nine months ended on September 30, 2014), and R\$4,481 in consolidated (R\$1,838 in the nine months ended on September 30, 2014).

7 Recoverable taxes

	Parent		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Value-added Tax on Sales and Services (ICMS) recoverable	13,839	14,581	14,911	16,245
Excise Tax (IPI) recoverable	1,594	1,822	2,136	2,158
Social Integration Program (PIS) recoverable	666	703	1,358	2,060
Social Contribution on Revenues (COFINS) recoverable	3,289	3,316	6,264	9,151
Corporate Income Tax (IRPJ) advances	-	-	19,776	11,619
Social Contribution on Net Income (CSSL) advances	-	-	176	10
Withholding tax (IRRF) recoverable	955	1,216	28,837	29,577
IRPJ recoverable	-	-	-	-
CSLL recoverable	283	392	6,997	7,066
National Institute of Social Security (INSS) Contribution recoverable	41	41	1,282	1,405
Service tax (ISS) recoverable	-	2	39	717
Other	-	-	442	479
Provision for non-recovery of taxes	(8,349)	(8,349)	(8,349)	(8,349)
Total	12,318	13,724	73,869	72,138
Current	6,069	6,728	31,513	24,686
Non-Current	6,249	6,996	42,356	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 September 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	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
In affiliates	196,080	151,125	-	-
Goodwill on acquisition of investments (Note 10)	6,065	6,065	-	-
Total	202,145	157,190	-	-

On September 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\$18,452 (R\$19,792 on December 31, 2014).

	Mipel	Recu	LESP	Finance	Finance II	LNC	LOFS	Lochness	Parent	
									09/30/2015	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)	15,778	1,634	69,333	52,392	3	32,095	56,554	(153,703)		
Income (Loss) for the year	(4,201)	(44)	(55,471)	53,924	-	28	4,417	(185,675)		
Unrealized profits	(267)	-	-	-	-	-	-	-		
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	-	-	-	-	-	-	-	21,047	21,047	-
Equity pick-up result	(4,191)	(43)	(55,471)	53,924	-	28	4,417	(185,675)	(187,011)	(150,037)
Reclassification of unfunded liabilities	-	-	-	(10,236)	-	-	-	113,544	103,308	(15,045)
Equity evaluation adjustments	-	202	42,872	8,704	1	239	3,083	51,084	106,185	(3,662)
Dividends and interest on equity reserve	-	-	-	-	-	-	-	-	-	(5,577)
Changes from divestment	-	1,393	-	-	-	-	-	-	1,393	(64,338)
Assets held for sales	-	-	-	-	-	-	-	-	-	(1,394)
Final balance	15,511	1,552	69,333	52,392	3	735	56,554	-	196,080	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 amounting to R\$153,703 on September 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 nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
In affiliates	(137,379)	(13,395)	(187,011)	(101,250)
In joint venture	2,581	834	2,210	(15,691)
	<u>(134,798)</u>	<u>(12,561)</u>	<u>(184,801)</u>	<u>(116,941)</u>

	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
In joint venture	2,581	834	2,210	(15,691)
	<u>2,581</u>	<u>834</u>	<u>2,210</u>	<u>(15,691)</u>

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.

The following summary of financial information used recognition of equivalence sheet:

	Jointly controlled entities	
	09/30/2015	12/31/2014
ASSETS		
CURRENT ASSETS	134,467	100,381
Cash and cash equivalents	11,914	9,125
Clients	38,563	24,328
Inventories	37,458	24,807
Recoverable taxes	39,892	31,432
Other assets	6,640	10,689
NON-CURRENT ASSETS	89,278	83,460
Fixed assets	28,984	31,903
Other assets	60,294	51,557
TOTAL ASSETS	223,745	183,841
LIABILITIES		
CURRENT LIABILITIES	152,923	105,316
Suppliers	38,777	23,142
Loans and financing	38,309	27,363
Advances from customers	31,460	26,179
Taxes payable	4,660	3,163
Other obligations	39,717	25,469
NON-CURRENT LIABILITIES	70,598	72,497
Loans and financing	49,729	54,143
Deferred income tax and social contribution	7,686	6,104
Provision for contingencies	9,663	8,104
Other obligations	3,520	4,146
SHAREHOLDER'S EQUITY	224	6,028
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	223,745	183,841

8.3 Other investments

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

In the period of nine months ended on September 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 Property, plant and equipment

	Weighted average rate of depreciation % p.a.	Parent		Consolidated	
		09/30/2015	12/31/2014	09/30/2015	12/31/2014
		Net	Net	Net	Net
Land	-	12,336	12,336	13,732	14,758
Building and construction	2%	32,304	32,942	44,149	53,159
Machinery and equipment	9%	33,967	37,095	232,351	290,326
Molds and matrixes	15%	1,078	1,567	1,248	1,764
Industrial facilities	5%	7,867	8,314	9,775	10,293
Furniture and fixtures	9%	1,475	1,672	3,014	3,557
Data processing equipments	14%	359	546	853	1,216
Improvements	2%	266	314	2,212	2,717
Vehicles	19%	157	185	2,953	4,917
Casks	-	2	2	10	13
Advances for fixed assets acquisitions	-	11	-	10,101	5,314
Construction in progress	-	304	280	81,457	61,916
Total		90,126	95,253	401,855	449,950

Bellow is the breakdown of property, plants and equipments:

Parent									
	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
Gross Cost									
Balance on December 31, 2014	12,336	39,228	90,415	11,712	3,904	3,869	280	472	162,216
Additions	-	-	20	-	1	8	80	12	121
Transfers	-	29	(54)	-	-	(10)	(29)	-	(64)
Disposal	-	-	(70)	-	(8)	(1)	(27)	-	(106)
Balance on September 30, 2015	12,336	39,257	90,311	11,712	3,897	3,866	304	484	162,167
Parent									
	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
Accumulated depreciation									
Balance on December 31, 2014	-	(6,286)	(51,753)	(3,084)	(2,232)	(3,323)	-	(285)	(66,963)
Additions	-	(667)	(3,636)	(495)	(198)	(195)	-	(29)	(5,220)
Transfers	-	-	53	-	-	11	-	-	64
Disposal	-	-	70	-	8	-	-	-	78
Balance on September 30, 2015	-	(6,953)	(55,266)	(3,579)	(2,422)	(3,507)	-	(314)	(72,041)
Parent									
	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
Net property, plant and equipment									
Balance on December 31, 2014	12,336	32,942	38,662	8,628	1,672	546	280	187	95,253
Balance on September 30, 2015	12,336	32,304	35,045	8,133	1,475	359	304	170	90,126
Consolidated									
	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
Gross Cost									
Balance on December 31, 2014	14,760	65,538	495,011	19,522	9,987	10,420	61,906	29,725	706,869
Additions	-	-	3,449	-	16	264	86	127	3,942
Disposal	(1,163)	(1,211)	(2,140)	(34)	(20)	(88)	-	118	(4,538)
Transfers	-	28	39	(88)	71	(46)	7,833	6	7,843
Effect of exchange variance	135	241	74,736	-	71	206	19,483	5,823	100,695
Impairment	-	(6,770)	(76,121)	(95)	-	(109)	-	(1,265)	(84,360)
Balance on September 30, 2015	13,732	57,826	494,974	19,305	10,125	10,647	89,308	34,534	730,451
Consolidated									
	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
Accumulated depreciation									
Balance on December 31, 2014	(2)	(12,379)	(202,921)	(6,512)	(6,430)	(9,204)	10	(19,481)	(256,919)
Additions	-	(1,467)	(31,080)	(918)	(582)	(540)	-	(1,305)	(35,892)
Disposal	-	331	465	26	16	78	-	(118)	798
Transfers	-	-	(5)	86	(79)	16	(7,861)	-	(7,843)
Effect of exchange variance	2	(162)	(27,834)	-	(36)	(144)	-	(566)	(28,740)
Balance on September 30, 2015	-	(13,677)	(261,375)	(7,318)	(7,111)	(9,794)	(7,851)	(21,470)	(328,596)
Consolidated									
	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
Net property, plant and equipment									
Balance on December 31, 2014	14,758	53,159	292,090	13,010	3,557	1,216	61,916	10,244	449,950
Balance on September 30, 2015	13,732	44,149	233,599	11,987	3,014	853	81,457	13,064	401,855

The value attributed to property, plants and equipments in guarantee of liabilities on September 30, 2015 is as follows:

Guaranteed liabilities	Fixed Assets	
	Parent	Consolidated
Taxation (Tax executions)	11,498	11,498
Borrowing and financing (Note 11)	1,397	94,770
Total	12,895	106,268

Commercial Lease

On September 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\$15,063 (R\$16,022 on December 31, 2014).

Impairment tests

The Company prepared impairment analysis and testing to all material fixed assets on September 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 reports made to property assessment have been identified and recorded values of impairment losses of R\$84,359 in consolidated.

10 Intangible Assets

	Weighted rates of amortization % p.a.	Parent		Consolidated	
		09/30/2015	12/31/2014	09/30/2015	12/31/2014
		Net	Net	Net	Net
Goodwill (*)	-	55,414	115,414	104,479	161,385
Software and other licenses	20%	3,047	3,527	3,019	3,695
New projects developments	20%	13,715	13,158	15,088	14,572
Total		72,176	132,099	122,586	179,652

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

Bellow is the breakdown of intangible Assets:

Parent				
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Gross cost				
Balance on December 31, 2014	115,414	10,760	18,633	144,807
Additions	-	210	1,389	1,599
Transfers	-	125	(125)	-
Loss by goodwill impairment	(60,000)	-	-	(60,000)
Balance on September 30, 2015	55,414	11,095	19,897	86,406
Parent				
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Accumulated amortization				
Balance on December 31, 2014	-	(7,233)	(5,475)	(12,708)
Additions	-	(815)	(707)	(1,522)
Balance on September 30, 2015	-	(8,048)	(6,182)	(14,230)
Parent				
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Net Intangible Assets				
Balance on December 31, 2014	115,414	3,527	13,158	132,099
Balance on September 30, 2015	55,414	3,047	13,715	72,176
Consolidated				
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Gross cost				
Balance on December 31, 2014	161,385	11,539	20,722	193,646
Additions	-	350	1,389	1,739
Transfers	-	125	(125)	-
Effect of exchange variance	3,094	-	-	3,094
Loss by goodwill impairment	(60,000)	-	-	(60,000)
Balance on September 30, 2015	104,479	12,014	21,986	138,479
Consolidated				
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Accumulated amortization				
Balance on December 31, 2014	-	(7,844)	(6,150)	(13,994)
Additions	-	(1,151)	(748)	(1,899)
Balance on September 30, 2015	-	(8,995)	(6,898)	(15,893)
Consolidated				
	Goodwill on acquisition of investments	Softwares and other licenses	Development of new products	Total
Net Intangible Assets				
Balance on December 31, 2014	161,385	3,695	14,572	179,652
Balance on September 30, 2015	104,479	3,019	15,088	122,586

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

UGCs	Goodwill on acquisition of investments			
	Investments (Note 8)		Intangible	
	Parent		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	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	-	-	22,313	19,219
Total	61,479	121,479	104,479	161,385
Investment	6,065	6,065	-	-
Intangible Assets	55,414	115,414	104,479	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 September 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	22,313	-	22,313
Total	308,419	(203,940)	104,479

11 Loans and financing

			Parent					
			09/30/2015			31/12/2014		
			Non			Non		
Description	Index	Weighted interest rates	Current	Current	Total	Current	Current	Total
Local currency								
Working capital / expansion	CDI	6.80% p.a.	1,387	-	1,387	4,135	-	4,135
Working capital / expansion	TJLP	4.76% p.a.	35,402	-	35,402	2,194	27,796	29,990
Working capital / expansion	CDI	-	-	3,069	3,069	-	2,801	2,801
Financing of property, plant and equipment	TJLP	9.1% p.a.	103	-	103	191	22	213
Financing of property, plant and equipment	FIX	4.50% p.a.	-	-	-	39	-	39
Financing of research and development	TJLP	5.13% p.a.	10,684	-	10,684	2,464	6,291	8,755
Guarantee provided - Guaranteed by a letter of guarantee	FIX	3.00% p.a.	-	16,615	16,615	-	16,212	16,212
Discounted titles	FIX	31.86% p.a.	419	-	419	213	-	213
			47,995	19,684	67,679	9,236	53,122	62,358
Foreign currency								
Working capital / expansion	US DOLAR	7.48% p.a.	9,398	-	9,398	408	5,020	5,428
			9,398	-	9,398	408	5,020	5,428
			57,393	19,684	77,077	9,644	58,142	67,786

			Consolidated					
			09/30/2015			31/12/2014		
			Non			Non		
Description	Index	Weighted interest rates	Current	Current	Total	Current	Current	Total
Local currency								
Working capital / expansion	CDI	4.22% p.a.	33,195	-	33,195	37,615	716	38,331
Working capital / expansion	TJLP	4.82% p.a.	64,184	-	64,184	3,991	50,387	54,378
Working capital / expansion	FIXO	3.00% p.a.	22,545	-	22,545	-	-	-
Working capital / expansion	FIX/CDI	2.68% p.a.	-	25,781	25,781	-	25,210	25,210
Working capital / expansion	CDI	-	-	3,069	3,069	-	2,801	2,801
Financing of property, plant and equipment	TJLP	9.10% p.a.	103	-	103	191	22	213
Financing of property, plant and equipment	FIX	4.50% p.a.	-	-	-	113	-	113
Financing of research and development	TJLP	5.13% p.a.	10,684	-	10,684	2,464	6,291	8,755
Guarantee provided - Guaranteed by a letter of guarantee	FIX	3.00% p.a.	-	16,615	16,615	-	16,212	16,212
Discounted titles	FIX	8.33% p.a.	1,838	-	1,838	3,203	19,987	23,190
Credit limit	FIX	39.19% p.a.	2	-	2	-	-	-
			132,551	45,465	178,016	47,577	121,626	169,203
Foreign currency								
Working capital / expansion	US DOLAR	7.48% p.a.	15,633	-	15,633	775	8,363	9,138
Working capital / expansion	PESO COP	9.70% p.a.	17,016	10,762	27,778	7,952	14,753	22,705
Working capital / expansion	UMBNDSE 590	8.86% p.a.	12	-	12	580	-	580
			32,661	10,762	43,423	9,307	23,116	32,423
			165,212	56,227	221,439	56,884	144,742	201,626

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

Maturity	Parent		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
2016	934	1,155	3,121	27,089
2017	534	6,530	6,316	19,096
2018	2,483	8,219	8,235	18,392
2019	2,483	11,480	5,692	22,478
2020 to 2025	13,250	30,758	32,863	57,687
	19,684	58,142	56,227	144,742

The guarantees for loans and financings were granted as follows:

Local currency	Garantee	Parent	Consolidated
		Amount	Amount
Working capital / expansion	Mortage / Buildings	-	73,124
Working capital / expansion	Contracts signed	-	34,296
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	124,423
Foreign currency			
Working capital / expansion	Own financed asset	-	20,249
		-	20,249
		17,003	144,672

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 September 30, 2015 the indirect subsidiary Lupatech OFS SAS attended to the condition of financial covenants. The total amount of this loan is R\$7,044, recorded in current liabilities in the amount of R\$3,350 and R\$3,694 in non-current (total amount of R\$7,678 on December 31, 2014 recorded R\$2,158 in current liabilities and R\$5,520 in non-current liabilities).

On September 30, 2015 the Company has a balance of R\$16,615 (R\$16,612 on December 31, 2014) 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, under the restructuring plan of the financial debt and addressing the Company's capital structure, 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 contratuais 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 São Paulo.

On September 30, 2015 the balance of Bonds of R\$195,741 was recorded in 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 September 30, 2015 the Company had a balance of R\$76,991 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	
	09/30/2015	12/31/2014
Debt instrument - Debentures	66,960	66,960
Interest on debentures	10,031	4,755
Total	76,991	71,715
Current	76,991	-
Non-Current	-	71,715
Total	76,991	71,715

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

- 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;
- 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 São 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	09/30/2015	12/31/2014
Assets						
Accounts receivable	-	203	-	90	293	1,372
Other accounts receivable	1,511	3,718	-	814	6,043	19,401
Mutual and loans	31,608	2,483	1,008,105	-	1,042,196	699,072
Total	33,119	6,404	1,008,105	904	1,048,532	719,845
Liabilities						
Accounts payable	6	8,896	-	41	8,943	12,030
Other accounts payable	1,486	3,091	-	4,286	8,863	7,843
Mutual and loans	-	-	1,252,092	10,259	1,262,351	789,075
Total	1,492	11,987	1,252,092	14,586	1,280,157	808,948

Parent						
	SABR	Mipel Sul	Lupatech Finance	LESP	09/30/2015	09/30/2014
Income						
Sales	-	149	-	2,150	2,299	1,657
Purchases	-	1,574	-	-	1,574	2,216
Financial income	14	322	-	1	337	323
Financial expenses	-	-	58,535	381	58,916	39,332
Exchange variance	-	-	(62,670)	-	(62,670)	17,929

Parent								
	Transaction date	Time	Interest rate	Guarantee and insurance	Amount R\$	Balance US\$	09/30/2015	12/31/2014
Assets mutual								
Local currency								
Contract 1	July-14	Indetermined	105% do DI-Cetip	N/A	28,454	-	2,483	4,057
Contract 2	November-14	Indetermined	105% do DI-Cetip	N/A	8,139	-	-	25
					36,593	-	2,483	4,082
Foreign currency								
Contract 1	July-14	Indetermined	105% do DI-Cetip	N/A	627,226	253,745	1,008,105	673,998
Contract 2	July-14	Indetermined	105% do DI-Cetip	N/A	20,992	16,937	31,397	20,992
Contract 3	December-14	Indetermined	12.000% p.a.	N/A	288	53	211	-
					648,506	270,735	1,039,713	694,990
					685,099	270,735	1,042,196	699,072
Liabilities mutual								
Local currency								
Contract 1	February-15	Indetermined	105% do DI-Cetip	N/A	27,515	-	10,259	-
					27,515	-	10,259	-
Foreign currency								
Contract 1	July-07	13 Years	9.875% p.a.	N/A	28,025	14,865	59,055	38,674
Contract 2	July-07	13 Years	9.875% p.a.	N/A	65,391	35,655	141,652	92,643
Contract 3	May-09	11 years	12.000% p.a.	N/A	40,736	25,974	103,192	64,279
Contract 4	May-09	11 years	12.000% p.a.	N/A	117,249	74,810	297,214	185,081
Contract 5	July-09	11 years	12.000% p.a.	N/A	50,618	34,632	137,589	85,705
Contract 6	September-09	11 years	10.100% p.a.	N/A	134,378	95,958	381,230	239,623
Contract 7	October-09	11 years	10.000% p.a.	N/A	46,231	33,265	132,160	83,070
					482,628	315,159	1,252,092	789,075
					510,143	315,159	1,262,351	789,075

Loan agreements and foreign currency loans between Lupatech Finance Company and are presented net amount of R\$243,987 (R\$115,077 on December 31, 2014) 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 September 30, 2015, the Company has a loan agreement with the Unifit – Unidade de fios Industriais de Timbaúba S/A in the amount of R\$5,848 (R\$5,319 on December 31, 2014). This amount is recorded in other receivables as non-current assets.

The Company has, on September 30, 2015, a loan agreement with the jointly Luxxon Participações S/A amounting to R\$5,010 (R\$4,615 on 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 September 30, 2015, the Company has a balance of R\$16,615, 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\$16,615 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, under the restructuring plan of the financial debt and addressing the Company's capital structure, 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\$5,237 for the period of nine months ended on September 30, 2015 (R\$4,443 for the period of nine months ended on September 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 September 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\$4,437 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 Shareholders

As disclosed in note 11, the Company has credit lines FINEM of BNDES, in direct mode, which balance on September 30, 2015 is R\$79,817 (R\$63,409 on December 31, 2014). Additionally, a representative portion of convertible debentures, as presented in note 13, with a balance of R\$76,991 on September 30, 2015, were acquired by the BNDES.

On September 30, 2015 the Company owned the balance of accounts payable to GP Investments Ltd. recorded in non-current liabilities in the amount of R\$28,850, as disclosed in note 11 (R\$28,011 on December 31, 2014).

On September 30, 2015 the Company has the balance of loans with Banco Votorantim S/A of R\$103, recorded in current liabilities (R\$96 on December 31, 2014, R\$74 in current liabilities and R\$22 in non-current liabilities).

On September 30, 2015 the Company has no outstanding loans with Itaú Unibanco Holding S/A (R\$230 on December 31, 2014 in current liabilities).

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	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Provision for tax, labor and civil risks	2,352	1,781	30,677	16,003
Tax loss	12,132	11,379	28,652	25,120
Provision for losses on inventories	2,974	2,141	7,730	6,543
Negative base of social contribution (CSLL)	4,263	3,998	10,068	8,826
Amortization of goodwill for tax purposes	(54,648)	(51,255)	(84,745)	(77,231)
Impairment of goodwill	42,731	22,331	74,110	53,710
Impairment of fixed assets	-	-	30,589	7,181
Other provisions	49,634	9,625	53,046	(40,152)
Provision for non-recoverability of deferred income tax and social contribution assets	(59,438)	-	(155,781)	-
Deferred income tax about liabilities of SABR of deemed cost	-	-	(31,977)	(33,780)
Deferred income tax and social contribution - Non-current	-	-	(37,631)	(33,780)

On September 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 September 30, 2015 the balance of deferred income and social contribution liability is R\$37,631 in the consolidated and zero in the parent (R\$33,780 on December 31, 2014 in the

consolidated and zero in the parent), and the balance of deferred income and contribution assets is zero in the parent and consolidated (R\$489 on December 31, 2014 in the consolidated and zero in the parent).

b. Conciliation of income tax and social contribution

	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss before tax from continuing operations	(230,232)	(146,039)	(428,159)	(362,866)
Loss before tax from discontinued operation	-	(94,055)	150	(94,055)
	(230,232)	(240,094)	(428,009)	(456,921)
Additions and exclusions				
Equity pick-up	134,798	12,561	184,801	116,941
Allowance for doubtful accounts	117	(1,145)	(171)	(871)
Non-deductible interest	21,035	12,627	53,770	25,754
Provision for loss contingencies	(140)	75	2,879	926
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	(4,553)	(31,387)	51,027	(154,566)
Calculation basis	(78,975)	(239,876)	(135,703)	(455,823)
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	198	(1,736)	198	(1,736)

	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss before tax from continuing operations	(227,756)	(149,022)	(403,636)	(381,047)
Loss before tax from discontinued operation	-	(91,906)	(21,963)	(75,334)
	(227,756)	(240,928)	(425,599)	(456,381)
Additions and exclusions				
Equity pick-up	(2,581)	(834)	(2,210)	15,691
Allowance for doubtful accounts	189	(1,464)	(544)	(490)
Non-deductible interest	21,035	12,627	53,770	25,754
Provision for loss contingencies	33,327	5,892	53,256	5,215
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	190,241	(28,085)	201,869	(254,214)
Calculation basis	14,455	(245,305)	(119,458)	(651,511)
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	(1,623)	(186)	(2,847)	(698)
Deferred tax and social contribution	(655)	(716)	635	(1,578)

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)	49,542	-	54,654	1,616
CSLL - Social Contribution on Net Income	(i.2)	-	-	10,031	652
IRPJ - Corporate Income Tax	(i.3)	22,639	-	69,879	14,489
INSS - National Institute of Social Security	(i.4)	-	-	92,527	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	-	380	5,595
CIDE - Contribution for Intervention in the Economic Domain	(i.9)	-	-	1,445	-
Other	(i.10)	157	103	-	8,979
		75,343	506	231,814	49,109
Labor (ii)		7,847	3,737	44,529	92,588
Civil (iii)		5,804	2,674	22,519	10,822
Total on September 30, 2015		88,994	6,917	298,862	152,519
Total on 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\$6,917 in parent and R\$152,519 in consolidated as on September 30, 2015 and R\$5,239 in parent and R\$107,948 in consolidated on 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\$1,482. 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.

Administrative process of the Federal Revenue of Brazil against Prest Perfurações Ltda - In Judicial Recovery, for the object probe Sai 426 which was filed on March 2015 petition pursuant to subpoena stating the location of the goods and the date from which it may be carried out the destruction of property. Petition also reported in analysis and in-CAC. Process with possible loss of R\$3,333.

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\$1,265.

- (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.

Assessment notice from the Federal Revenue of Brazil against Lupatech Equipamentos e Serviços para Petróleo Ltda - In Judicial Recovery, referring to the negative balance of income

tax. On August 19, 2015 was presented manifestation of nonconformity, this being his last movement. Process on possible loss of R\$ 4,393.

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. The process is awaiting spontaneous appeal trial of Lupatech since October 17, 2013.

Tax Foreclosure charging income tax for 1998, against the Lupatech Perfuração e Completação Ltda. – In Judicial Recovery, R\$4,817, 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\$1,340, 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\$2,665. On March 31, 2015, file forwarded to control and tax monitoring section, this being your last update.

- (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 on 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\$3,207 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\$1,445.

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\$1,616, this being in discussion in the administrative scope.
- (i.3) Assessment notice from the Federal Revenue of Brazil, issued due to the arbitration of the company's profit Lupatech Perfuração e Completação Ltda - In Judicial Recovery in the 2010 calendar year due to shortcomings in the transmission of Digital Bookkeeping (ECD). His last update was on March 6, 2015, when the case was referred to Delagacia Internal Revenue Service of Ribeirão Preto Brazil. Process with probable loss of R\$12,527.
- (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) Contract review action with Petrobras. Proceedings on possible loss of R\$8,587.
- (iii.2) Extrajudicial execution by Title Yancheng Sunt Valve CO. Process stage of knowledge, subject to possible loss of R\$2,163.
- (iii.3) Collection action of Smith International Brazil Ltda. Process subjecting the possible loss of R\$1,523.
- (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\$2,076.
- (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 September 30, 2015 are as follows:

	Parent				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance on December 31, 2014	506	2,094	2,639	5,239	36,285	61,563	10,100	107,948
Net additions	-	3,213	415	3,628	12,983	40,268	1,233	54,484
Net write-offs	-	(1,570)	(380)	(1,950)	(159)	(9,243)	(511)	(9,913)
Balance on September 30, 2015	506	3,737	2,674	6,917	49,109	92,588	10,822	152,519

16.2 Contingent assets

	Probability of probable gain	
	Parent	Consolidated
Tax (i)	2,954	10,266
Civil (ii)	276	6,296
Balance on September 30, 2015	3,230	16,562
Balance on 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\$5,909.
- (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\$1,178.
- (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) Compensation action for moral damages against SEPE – Serviços Especializados e Perfurações Ltda. Amount of probable gain of R\$4,459.
 - (ii.2) Action about reintegration of possession against ETX Drilling Serviços de Perfuração e Sondagem de Petróleo Ltda. Amount of probable gain of R\$1,418.

16.3 Judicial deposits

The Company has the following balances of judicial deposits on September 30, 2015, which are linked to contingent liabilities:

	Judicial deposits	
	Parent	Consolidated
Tax contingencies	15	3,025
Labor contingencies	645	17,953
Civil contingencies	175	1,166
Balance on September 30, 2015	835	22,144
Balance on 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 Thousand	Capital stock R\$
Balance on 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 on September 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 September 30, 2015, the balance of equity evaluation adjustment is R\$96,283 (R\$8,119 negative on December 31, 2014).

d. Options granted

There was no balance of R\$13,549 to change without notice options granted in the period of nine month ended on September 30, 2015.

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 September 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:

Items	Amounts in US dollar thousands			
	Parent		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Cash and cash equivalents	-	-	13	44
Accounts receivable	1,569	3,142	13,885	11,139
Other assets	253,745	263,185	45,434	45,319
Loans and financing	(2,366)	(2,044)	(3,935)	(3,440)
Bonds	-	-	(49,269)	(48,177)
Related parties - Mutual liabilities	(315,159)	(297,070)	-	-
Other obligations	(775)	(2,491)	(3,808)	(8,816)
Net exposure in Dollar	(62,986)	(35,278)	2,320	(3,931)

On September 30, 2015 the US dollar rate in relation to the Brazilian Real was US\$1.00 = R\$3.9729 (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\$16,515 in the parent and a gain of R\$608 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 risks 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\$: 3.90

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\$: 4.88

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 2015: Increase of 15%

US\$: 5.85

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

Operating	Risk	Scenario as per description above					
		Parent			Consolidated		
		Probable	Possible	Remote	Probable	Possible	Remote
Loans, financing and bonds	US\$ hike	-	-	-	(4,808)	59,492	123,792
Loans, financing and bonds	Interest rate hike	318	397	476	905	1,131	1,357
Mutual contracts	US\$ hike	(25,738)	318,500	662,738	-	-	-
Total (gain) loss		(25,420)	318,897	663,214	(3,903)	60,623	125,149

(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 September 30, 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\$178 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 nine months ended on September 30, 2015 approximately 56.9% (68.5% for the period of nine months ended on September 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:

Items	Parent		Consolidated	
	Book value	Fair Value	Book value	Fair Value
Cash and cash equivalents	200	200	2,070	2,070
Marketable securities	7,150	7,150	7,150	7,150

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:

Items	Parent		Consolidated	
	Book value	Fair Value	Book value	Fair Value
Loans and financing	77,077	46,772	221,439	147,830
Debentures	76,991	72,987	76,991	72,987
Bonds	-	-	195,741	83,695

18.3 Financial instruments by category

Summary of financial instruments by category:

	Parent 09/30/2015				Parent 09/30/2015	
	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	-	7,150	7,150	Loans and financing	77,077	77,077
Accounts receivable	25,699	-	25,699	Debentures (debt instruments)	76,991	76,991
Cash and cash equivalents	200	-	200	Suppliers	44,517	44,517
Related Parties	40,427	-	40,427	Related parties	272,052	272,052
Total	66,326	7,150	73,476	Total	470,637	470,637

Parent 12/31/2014				Parent 12/31/2014			
Assets, according to balance sheet			Liabilities, according to balance sheet			Financial liabilities at amortized cost	
Loans and receivables	Held to maturity	Total	Loans and financing				Total
Securities-restricted	-	7,271	7,271	Loans and financing		67,786	67,786
Accounts receivable	43,968	-	43,968	Debentures (debt 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 09/30/2015				Consolidated 09/30/2015			
Assets, according to balance sheet			Liabilities, according to balance sheet			Financial liabilities at amortized cost	
Loans and receivables	Held to maturity	Total	Loans and financing				Total
Securities-restricted	-	7,150	7,150	Loans and financing		221,439	221,439
Accounts receivable	131,065	-	131,065	Bonds		195,741	195,741
Cash and cash equivalents	2,070	-	2,070	Debentures		76,991	76,991
Total	133,135	7,150	140,285	Suppliers		121,749	121,749
			Total			615,920	615,920

Consolidated 12/31/2014				Consolidated 12/31/2014			
Assets, according to balance sheet			Liabilities, according to balance sheet			Financial liabilities at amortized cost	
Loans and receivables	Held to maturity	Total	Loans and financing				Total
Securities-restricted	-	7,271	7,271	Loans and financing		201,626	201,626
Accounts receivable	115,483	-	115,483	Bonds		127,968	127,968
Cash and cash equivalents	1,539	-	1,539	Debentures		71,715	71,715
Total	117,022	7,271	124,293	Suppliers		98,389	98,389
			Total			499,698	499,698

19 Insurance coverage (unaudited independent auditors)

It is the Company's policy to maintain insurance coverage for fixed assets and inventories subject to risks, under the type "Comprehensive Corporate Insurance", where the insured amount is R\$45,000.

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 nine months ended on September 30, 2015, recognized in the income of the parent is zero and R\$373 in consolidated (zero in parent and R\$518 in consolidated for the period of nine months ended on September 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 September 30, 2015, the balance of participations of employees and administrators in the results, recorded in current liabilities is zero in parent and R\$603 in consolidated (zero and R\$655, parent and consolidated, respectively, on December 31, 2014).

21 Statement of net Sales

	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Gross sales and/or services				
In Brazil	976	17,290	14,764	70,278
Export	104	1,909	9,784	21,437
	1,080	19,199	24,548	91,715
Deductions for gross sales				
Taxes on sales	18	(2,898)	(2,374)	(12,368)
Net sales and/or services	1,098	16,301	22,174	79,347

	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Gross sales and/or services				
In Brazil	66,148	82,378	208,881	285,824
Export	5,727	18,786	25,889	38,342
	71,875	101,164	234,770	324,166
Deductions for gross sales				
Taxes on sales	(5,136)	(10,464)	(18,884)	(33,857)
Net sales and/or services	66,739	90,700	215,886	290,309

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.

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing operations	(230,034)	(147,775)	(427,961)	(364,602)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share - R\$	(24.49)	(0.71)	(0.18)	(2.09)

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(230,034)	(241,830)	(427,811)	(458,657)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share from continuing and discontinued operations - R\$	(24.49)	(1.16)	(0.18)	(2.63)

Items	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing operations	(230,034)	(149,924)	(405,848)	(383,323)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share - R\$	(24.49)	(0.72)	(0.18)	(2.20)

Items	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(230,034)	(241,830)	(427,811)	(458,657)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share from continuing and discontinued operations - R\$	(24.49)	(1.16)	(0.18)	(2.63)

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.

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing operations	(230,034)	(147,775)	(427,961)	(364,602)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share - R\$	(24.49)	(0.71)	(0.18)	(2.09)

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(230,034)	(241,830)	(427,811)	(458,657)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share from continuing and discontinued operations - R\$	(24.49)	(1.16)	(0.18)	(2.63)

Items	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing operations	(230,034)	(149,924)	(405,848)	(383,323)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share - R\$	(24.49)	(0.72)	(0.18)	(2.20)

Items	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Loss attributable to shareholders of the company from continuing and discontinued operations	(230,034)	(241,830)	(427,811)	(458,657)
Weighted average quantity of common shares outstanding (thousands)	9,394	208,043	2,318,733	174,294
Basic loss per share from continuing and discontinued operations - R\$	(24.49)	(1.16)	(0.18)	(2.63)

23 Financial result

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Financial Income				
Income from financial investments	216	199	577	562
Related-party interest income (mutual contract)	88	18	337	323
Embedded derivative instrument - Debentures	-	9,442	-	9,442
Reversal of premium on non-conversion of debentures	-	41,540	-	41,540
Monetary variance	-	8	28	115
Interest on receivables	160	155	736	464
Other financial income	23	47	41	159
Total financial Income	487	51,409	1,719	52,605
Financial Expenses				
Interest on loans and financing	(6,489)	(4,913)	(9,702)	(25,506)
Interest and charges on debentures	(2,553)	(4,961)	(5,276)	(78,390)
Embedded derivative - debentures	-	-	-	(8,623)
Interest of mutual contract	(22,757)	(13,520)	(58,916)	(39,332)
Loss on fair value	-	(136,183)	-	(136,183)
Provision of interest on suppliers	(570)	-	(1,205)	(1,358)
Expenses securities brokerage	-	-	-	(853)
IOF, banking expenses and others	(1,296)	(2,545)	(4,155)	(5,076)
Total financial expenses	(33,665)	(162,122)	(79,254)	(295,321)
Gain on exchange variance	228,605	66,759	513,901	132,534
Loss on exchange variance	(273,077)	(82,481)	(576,030)	(107,493)
Exchange variance, net	(44,472)	(15,722)	(62,129)	25,041
Consolidated				
Items	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Financial Income				
Income from financial investments	247	200	653	571
Embedded derivative instrument - Debentures	-	9,442	-	9,442
Reversal of premium on non-conversion of debentures	-	41,540	-	41,540
Gain by part of non-converting of perpetual bonds in capital	-	36,244	-	36,244
Monetary variance	493	243	991	843
Interest on receivables	309	353	1,177	1,189
Other financial income	153	160	451	1,062
Total financial Income	1,202	88,182	3,272	90,891
Financial Expenses				
Interest on loans and financing	(14,964)	(11,867)	(26,159)	(44,645)
Interest on perpetual bond	(1,313)	(3,388)	(3,456)	(38,283)
Interest and charges on debentures	(2,553)	(4,961)	(5,276)	(78,390)
Loss on fair value	-	(136,183)	-	(136,183)
Embedded derivative instrument - Debentures	-	-	-	(8,623)
Provision of interest on suppliers	(2,051)	(8)	(3,562)	(1,721)
Expenses securities brokerage	-	-	-	(853)
IOF, banking expenses and others	(2,921)	(3,776)	(8,410)	(10,664)
Total financial expenses	(23,802)	(160,183)	(46,863)	(319,362)
Gain on exchange variance	261,858	66,492	587,080	133,043
Loss on exchange variance	(322,972)	(83,882)	(679,697)	(107,839)
Exchange variance, net	(61,114)	(17,390)	(92,617)	25,204

24 Other operating expenses (income)

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Reversal (Provision) for loss of lawsuit	564	1,363	(1,970)	763
Loss by goodwill impairment	-	-	(60,000)	-
(Provision) Reversal of losses on inventory obsolescence	(1,693)	910	(3,341)	(1,305)
Gain (Loss) on disposal of fixed assets	7	(8)	12	(315)
Cost of idle production	(4,582)	(5,365)	(16,089)	(7,257)
(Expenses) Reversal of expenses on corporate restructuring	(107)	2,357	(107)	(110)
Other	(4)	(623)	-	(1,971)
Total	(5,815)	(1,366)	(81,495)	(10,195)

Items	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Reversal (Provision) for loss of lawsuit	(26,015)	(4,936)	(45,299)	(3,966)
Loss by goodwill impairment	(84,360)	-	(144,360)	-
(Provision) Reversal of losses on inventory obsolescence	(2,374)	614	(4,481)	(1,838)
Gain (Loss) on disposal of fixed assets	1,069	(10,046)	1,465	(21,195)
Contratual fines	-	(37,372)	-	(95,649)
Cost of idle production	(5,219)	(5,365)	(22,274)	(7,257)
(Expenses) Reversal of expenses on corporate restructuring	(107)	2,427	(107)	(110)
Other	80	900	182	(968)
Total	(116,926)	(53,778)	(214,874)	(130,983)

25 Expenses by type

Items	Parent			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Depreciation and amortization	(2,233)	(2,313)	(6,742)	(7,175)
Salaries, social charges and benefits	(3,040)	(9,755)	(12,687)	(30,161)
Raw material	(2,928)	(3,285)	(14,008)	(40,651)
Commissions	(241)	(636)	(898)	(2,430)
Freights	(163)	(401)	(284)	(842)
Legal advice and tax	(4,286)	(1,234)	(7,592)	(3,202)
Traveling expenses	(146)	(332)	(364)	(896)
Provision for loss of lawsuit	140	(75)	(2,879)	(926)
Impairment of assets	-	-	(60,000)	-
Residual value on disposal of fixed assets	(6)	(16)	(9)	(4,309)
Provision (Reversal) of contractual fines	17	174	(783)	(2,760)
Losses on inventory obsolescence	(1,693)	(740)	(3,347)	(2,954)
Cost of idle production	(4,582)	(5,365)	(16,089)	(7,257)
Customs expenses	(152)	-	(260)	(47)
Other expenses	(24)	(2,222)	(1,003)	(11,146)
	(19,337)	(26,200)	(126,945)	(114,756)
Classified as:				
Cost of sales	(4,282)	(15,399)	(20,493)	(71,652)
Selling expenses	(1,930)	(812)	(5,674)	(8,289)
General and administrative expenses	(5,759)	(4,314)	(12,969)	(13,018)
Management fees	(1,096)	(1,453)	(5,237)	(4,443)
Other operating expenses	(6,270)	(4,222)	(82,572)	(17,354)
	(19,337)	(26,200)	(126,945)	(114,756)

Items	Consolidated			
	For the three months ended		For the nine months ended	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Depreciation and amortization	(12,817)	(12,470)	(37,791)	(37,526)
Salaries, social charges and benefits	(31,770)	(49,851)	(146,069)	(156,058)
Raw material	(7,190)	(29,466)	(26,491)	(80,329)
Commissions	(271)	(652)	(975)	(2,564)
Freights	(205)	(460)	(429)	(1,038)
Legal advice and tax	(5,765)	(1,882)	(10,965)	(5,244)
Traveling expenses	(206)	(481)	(585)	(1,296)
Provision for loss of lawsuit	(33,327)	(4,238)	(53,256)	(5,215)
Impairment of assets	(84,359)	-	(144,359)	-
Residual value on disposal of fixed assets	(72)	(24,952)	(1,547)	(43,370)
Provision (Reversal) of contractual fines	18	(37,365)	(1,742)	(102,002)
Losses on inventory obsolescence	(2,429)	(1,250)	(4,657)	(3,823)
Cost of idle production	(5,219)	(5,365)	(22,274)	(7,257)
Inventory adjustment	(1,288)	-	(2,422)	-
Customs expenses	(35,883)	(1,808)	(41,868)	(4,138)
Other expenses	(1,306)	(156)	(1,890)	(29,701)
	<u>(222,089)</u>	<u>(170,396)</u>	<u>(497,320)</u>	<u>(479,561)</u>
Classified as:				
Cost of sales	(78,640)	(79,349)	(216,680)	(257,562)
Selling expenses	(2,839)	(2,722)	(10,458)	(16,442)
General and administrative expenses	(13,861)	(13,863)	(38,275)	(42,968)
Management fees	(1,096)	(1,453)	(5,237)	(4,443)
Other operating expenses	<u>(125,653)</u>	<u>(73,009)</u>	<u>(226,670)</u>	<u>(158,146)</u>
	<u>(222,089)</u>	<u>(170,396)</u>	<u>(497,320)</u>	<u>(479,561)</u>

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:

- 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.
- 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 nine months ended on September 30, 2015 by approximately 56.9% (68.5% for the period of nine months ended on September 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	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Net sales	1,646	17,996	65,093	72,704	66,739	90,700
Cost of sales	(4,778)	(16,260)	(73,862)	(63,089)	(78,640)	(79,349)
Gross profit	(3,132)	1,736	(8,769)	9,615	(11,901)	11,351
Selling expenses	(2,031)	(1,153)	(808)	(1,569)	(2,839)	(2,722)
General and administrative expenses	(2,480)	(4,171)	(11,381)	(9,692)	(13,861)	(13,863)
Management fees	(5)	(269)	(1,091)	(1,184)	(1,096)	(1,453)
Equity pick-up	2,581	834	-	-	2,581	834
Other operating income (expenses), net	(6,386)	(4,835)	(110,540)	(48,943)	(116,926)	(53,778)
Income before financial results	(11,453)	(7,858)	(132,589)	(51,773)	(144,042)	(59,631)
Financial income (*)	-	-	-	-	1,202	88,182
Financial expense (*)	-	-	-	-	(23,802)	(160,183)
Exchange variance, net (*)	-	-	-	-	(61,114)	(17,390)
Income (loss) before income tax and social contribution	-	-	-	-	(227,756)	(149,022)
Current income tax and social contribution (*)	-	-	-	-	(1,623)	(186)
Deferred income tax and social contribution (*)	-	-	-	-	(655)	(716)
Net income (loss) of discontinued operations for the period	-	-	-	-	-	(91,906)
Net income (loss) of continued and discontinued operations for the period	-	-	-	-	(230,034)	(241,830)

	Products		Services		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014	09/30/2015	12/31/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Identifiable assets (1)	236,792	327,150	543,440	548,721	780,232	875,871
Identifiable liabilities (2)	31,478	53,163	311,710	246,852	343,188	300,015

	Products		Services		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Depreciation and amortization	(1,919)	(2,231)	(10,898)	(10,239)	(12,817)	(12,470)
Acquisition of Property, plants and equipment	103	(1,280)	766	4,247	869	2,967

1 - Identifiable assets: accounts payable; inventories; property, plants and equipments, and goodwill; recoverable income taxes; marketable securities

2 - Identifiable 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 nine months ended					
	Products		Services		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Net sales	25,030	85,050	190,856	205,259	215,886	290,309
Cost of sales	(23,187)	(75,185)	(193,493)	(182,377)	(216,680)	(257,562)
Gross profit	1,843	9,865	(2,637)	22,882	(794)	32,747
Selling expenses	(6,386)	(9,419)	(4,072)	(7,023)	(10,458)	(16,442)
General and administrative expenses	(9,935)	(13,360)	(28,340)	(29,608)	(38,275)	(42,968)
Management fees	(536)	(1,274)	(4,701)	(3,169)	(5,237)	(4,443)
Equity pick-up	2,210	(15,691)	-	-	2,210	(15,691)
Other operating income (expenses), net	(84,194)	(8,532)	(130,680)	(122,451)	(214,874)	(130,983)
Income before financial results	(96,998)	(38,411)	(170,430)	(139,369)	(267,428)	(177,780)
Financial income (*)	-	-	-	-	3,272	90,891
Financial expense (*)	-	-	-	-	(46,863)	(319,362)
Exchange variance, net (*)	-	-	-	-	(92,617)	25,204
Income (loss) before income tax and social contribution	-	-	-	-	(403,636)	(381,047)
Current income tax and social contribution (*)	-	-	-	-	(2,847)	(698)
Deferred income tax and social contribution (*)	-	-	-	-	635	(1,578)
Net income (loss) of discontinued operations for the period	-	-	-	-	(21,963)	(75,334)
Net income (loss) of continued and discontinued operations for the period	-	-	-	-	(427,811)	(458,657)
	Products		Services		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014	09/30/2015	12/31/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Identifiable assets (1)	236,792	327,150	543,440	548,721	780,232	875,871
Identifiable liabilities (2)	31,478	53,163	311,710	246,852	343,188	300,015
	Products		Services		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Depreciation and amortization	(6,254)	(6,988)	(31,537)	(30,538)	(37,791)	(37,526)
Acquisition of Property, plants and equipment	133	139	3,801	9,300	3,934	9,439

1 - Identifiable assets: accounts payable; inventories; property, plants and equipments, and goodwill; recoverable income taxes; marketable securities

2 - Identifiable 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	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Net sales	41,951	66,601	24,788	24,099	66,739	90,700
	Brazil		South America		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014	09/30/2015	12/31/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Identifiable assets (1)	654,100	803,015	126,132	72,856	780,232	875,871
Identifiable liabilities (2)	307,386	261,047	35,802	38,968	343,188	300,015
	Brazil		South America		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Depreciation and amortization	(10,481)	(9,958)	(2,336)	(2,512)	(12,817)	(12,470)
Acquisition of Property, plants and equipment	319	(1,331)	550	4,298	869	2,967

1 - Identifiable assets: accounts payable; inventories; property, plants and equipments, and goodwill; recoverable income taxes; marketable securities

2 - Identifiable liabilities: accounts payable and loans and financing

	For the nine months ended					
	Brazil		South America		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Net sales	149,452	225,632	66,434	64,677	215,886	290,309
	Brazil		South America		Consolidated	
	09/30/2015	12/31/2014	09/30/2015	12/31/2014	09/30/2015	12/31/2014
	09/30/2015	12/31/2014	09/30/2015	12/31/2014	09/30/2015	12/31/2014
Identifiable assets (1)	654,100	803,015	126,132	72,856	780,232	875,871
Identifiable liabilities (2)	307,386	261,047	35,802	38,968	343,188	300,015
	Brazil		South America		Consolidated	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
	09/30/2015	09/30/2014	09/30/2015	09/30/2014	09/30/2015	09/30/2014
Depreciation and amortization	(30,340)	(30,459)	(7,451)	(7,067)	(37,791)	(37,526)
Acquisition of Property, plants and equipment	1,434	691	2,500	8,748	3,934	9,439

1 - Identifiable assets: accounts payable; inventories; property, plants and equipments, and goodwill; recoverable income taxes; marketable securities

2 - Identifiable 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 three 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 September 30, 2015 the Company has no assets and liabilities held for sale.

On 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.

In the context of actions for restructuring of operations, management has conducted actions and negotiations that may result in the disposal of certain assets. The sale of these assets will only be considered highly likely as there is a prior agreement between the parties and, above all, there is a court order for the deal, since such authorization is an essential requirement in the process of Judicial Recovery.

27.2 Income from discontinued operations

In the nine months ended on September 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 nine months ended on September 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	
	09/30/2015	09/30/2014	09/30/2015	09/30/2014
NET REVENUE FROM SALES	-	-	2,642	99,401
COST OF SALES	-	-	(1,724)	(56,649)
GROSS PROFIT	-	-	918	42,752
OPERATING INCOME/EXPENSES				
Selling expenses	-	-	(449)	(10,541)
General and administrative expenses	-	-	(505)	(5,662)
Other operating expenses (income), net	150	(94,055)	(21,788)	(93,464)
OPERATING INCOME/EXPENSES BEFORE FINANCIAL RESULTS	150	(94,055)	(21,824)	(66,915)
FINANCIAL RESULTS				
Financial income	-	-	-	442
Financial expenses	-	-	(128)	(2,047)
Exchange variation, net	-	-	14	2,958
GAIN (LOSS) BEFORE TAX / HOLDING	150	(94,055)	(21,938)	(65,562)
PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION				
Current	-	-	(25)	(9,480)
Deferred	-	-	-	(292)
GAIN (LOSS) OF DISCONTINUED OPERATIONS	150	(94,055)	(21,963)	(75,334)

27.3 Cash flow of discontinued operations

On September 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 September 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 Tecnologia in Aceros S/A, as follows:

	Consolidated	
	09/30/2015	09/30/2014
Cash flow from operating activities	(807)	2,388
Cash flow from investing activities	(4)	(125)
Cash flow from financing activities	521	281
Increase in cash and cash equivalents	290	(2,544)

28 Subsequent event

On October 26, 2015, the Company published public notice calling on creditors to attend the General Meeting of Creditors to vote on recovery plan, in the 1st call, on November 11, 2015, and 2nd 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.

The General Meeting of Creditors will deliberate on the following order:

- a) Approval, rejection or modification of the Judicial Recovery Plan presented by companies in Judicial Recovery process;
- b) Establishment of the Creditors Committee and election of its members and its replacement;
- c) Other matters of competence of the General Meeting, in accordance with Article 35 of Law 11.101/05.

Independent Auditor's Review Report on Interim Financial Information - ITR

To the Board of Directors and Supervisory Board of
Lupatech S/A – In Judicial Recovery
Nova Odessa – SP

Introduction

We have reviewed the interim individual and consolidated financial statements, of Lupatech S/A – In Judicial Recovery ("Company"), contained in the Quarterly Information Form – ITR for the quarter ended on September 30, 2015, which comprises the balance sheet as of September 30, 2015 and the income statement, statement of comprehensive income for the period of three and nine months ended on that date, and statement of changes in equity and cash flow for the period of nine 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 standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form – ITR. Our responsibility is to express our conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (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 and consolidated 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 Quarterly Information Form - 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 presented the judicial recovery plan on August 24, 2015, with the breakdown of the recovery means to be employed, as well as the report of appraisal of the property and assets. The Company also presented the list of creditors to be paid under the terms and conditions set forth in the plan. Additionally, the Company and its subsidiaries have generated recurring losses and present failure in cash flow necessary for the maintenance of its operating activities. As described in Note 1.2, the Company's management has implemented restructuring of operations aimed at maximizing operating cash flow, and has worked to realize 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 judicial reorganization plan by creditors, on the approval of the judicial reorganization plan by the judiciary and the administration's success in its implementation as well as the shares for cash flow management and obtaining the additional resources needed to short term. These conditions indicate the existence of significant uncertainty that can generate significant doubt about 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 caveat related to this issue.

Other matters

Interim statements of value added

We also reviewed the individual and consolidated interim statements of value added (DVA), for the nine months ended on September 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 Quarterly Information Form - 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, November 13, 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 nine months ended on September 30, 2015.

Nova Odessa, November 13, 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 nine months ended on September 30, 2015.

Nova Odessa, November 13, 2015.

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