

Gafisa S.A.  
Form 6-K  
August 26, 2016

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For the month of August, 2016**

**(Commission File No. 001-33356),**

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**Gafisa S.A.**

*(Translation of Registrant's name into English)*

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**Av. Nações Unidas No. 8501, 19th floor**  
**São Paulo, SP, 05425-070**  
**Federative Republic of Brazil**  
*(Address of principal executive office)*

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Indicate by check mark whether the registrant files or will file  
annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting  
the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes  No

Indicate by check mark if the registrant is submitting  
the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form,  
the Registrant is also thereby furnishing the information to the Commission pursuant

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to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes \_\_\_\_\_ No \_\_\_X\_\_\_

If "Yes" is marked, indicate below the file number assigned  
to the registrant in connection with Rule 12g3-2(b): N/A

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**Gafisa S.A.**

Quarterly information

June 30, 2016

(A free translation of the original report in Portuguese as published in Brazil containing Quarterly Information (ITR) prepared in accordance with accounting practices adopted in Brazil)

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**COMPANY DATA / CAPITAL COMPOSITION**

	<b>Number of Shares (in thousands)</b>		<b>CURRENT QUARTER 6/30/2016</b>
<b>Paid-in Capital</b>			
<b>Common</b>			378,066
<b>Preferred</b>		-	
<b>Total</b>			378,066
<b>Treasury shares</b>			
<b>Common</b>			14,440
<b>Preferred</b>		-	
<b>Total</b>			14,440

**INDIVIDUAL FINANCIAL STATEMENTS - BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>PRIOR</b>
		<b>QUARTER</b>	<b>YEAR</b>
		<b>6/30/2016</b>	<b>12/31/2015</b>
1	Total Assets	6,401,691	6,492,901
1.01	Current Assets	2,349,043	2,384,773
1.01.01	Cash and cash equivalents	19,166	44,044
1.01.01.01	Cash and banks	19,166	31,823
1.01.01.02	Short-term investments	-	12,221
1.01.02	Short-term investments	218,823	350,343
1.01.02.01	Fair value of short-term investments	218,823	350,343
1.01.03	Accounts receivable	700,909	723,950
1.01.03.01	Trade accounts receivable	700,909	723,950
1.01.03.01.01	Receivables from clients of developments	678,550	705,367
1.01.03.01.02	Receivables from clients of construction and services rendered	22,359	18,583
1.01.04	Inventories	1,277,427	1,135,137
1.01.04.01	Properties for sale	1,277,427	1,135,137
1.01.07	Prepaid expenses	1,198	1,901
1.01.07.01	Prepaid expenses and others	1,198	1,901
1.01.08	Other current assets	131,520	129,398
1.01.08.01	Non current assets for sale	3,443	4,367
1.01.08.03	Other	128,077	125,031
1.01.08.03.01	Other accounts receivable and others	58,848	46,621
1.01.08.03.03	Receivables from related parties	69,229	78,410
1.02	Non current assets	4,052,648	4,108,128
1.02.01	Non current assets	636,832	809,233
1.02.01.03	Accounts receivable	186,914	262,092
1.02.01.03.01	Receivables from clients of developments	186,914	262,092
1.02.01.04	Inventories	292,983	387,375
1.02.01.09	Others non current assets	156,935	159,766
1.02.01.09.03	Others accounts receivable and others	82,449	80,948
1.02.01.09.04	Receivables from related parties	66,717	78,818
1.02.01.09.05	Derivative Financial Instruments	7,769	-
1.02.02	Investments	3,361,576	3,242,765
1.02.02.01	Interest in associates and affiliates	3,273,296	3,154,946
1.02.02.02	Interest in subsidiaries	88,280	87,819
1.02.02.02.01	Interest in subsidiaries - goodwill	88,280	87,819
1.02.03	Property and equipment	23,632	22,819
1.02.03.01	Operation property and equipment	23,632	22,819
1.02.04	Intangible assets	30,608	33,311
1.02.04.01	Intangible assets	30,608	33,311



**INDIVIDUAL FINANCIAL STATEMENTS - BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL QUARTER</b>	<b>PRIOR YEAR</b>
		<b>6/30/2016</b>	<b>12/31/2015</b>
2	Total Liabilities	6,401,691	6,492,901
2.01	Current liabilities	2,311,476	2,105,504
2.01.01	Social and labor obligations	20,854	26,758
2.01.01.02	Labor obligations	20,854	26,758
2.01.01.02.01	Salaries, payroll charges and profit sharing	20,854	26,758
2.01.02	Suppliers	36,117	32,115
2.01.02.01	Local suppliers	36,117	32,115
2.01.03	Tax obligations	36,518	40,902
2.01.03.01	Federal tax obligations	36,518	40,902
2.01.04	Loans and financing	818,454	783,561
2.01.04.01	Loans and financing	562,684	595,817
2.01.04.02	Debentures	255,770	187,744
2.01.05	Other obligations	1,311,866	1,121,856
2.01.05.01	Payables to related parties	980,078	801,375
2.01.05.02	Other	331,788	320,481
2.01.05.02.01	Dividends and interest on capital payable	17,682	17,682
2.01.05.02.04	Obligations for purchase of properties and advances from customers	158,249	148,989
2.01.05.02.05	Other obligations	123,735	127,123
2.01.05.02.07	Obligations assumed on the assignment of receivables	23,111	12,631
2.01.05.02.08	Derivative financial instruments	9,011	14,056
2.01.06	Provisions	87,667	100,312
2.01.06.01	Tax, labor and civil lawsuits	87,667	100,312
2.01.06.01.01	Tax lawsuits	220	220
2.01.06.01.02	Labor lawsuits	7,975	15,516
2.01.06.01.04	Civil lawsuits	79,472	84,576
2.02	Non current liabilities	1,092,140	1,291,906
2.02.01	Loans and financing	845,207	1,011,180
2.02.01.01	Loans and financing	537,410	542,843
2.02.01.01.01	Loans and financing in local currency	537,410	542,843
2.02.01.02	Debentures	307,797	468,337
2.02.02	Other liabilities	134,308	188,078
2.02.02.02	Other	134,308	188,078
2.02.02.02.03	Obligations for purchase of properties and advances from customers	86,298	143,216
2.02.02.02.04	Other liabilities	9,369	15,028
2.02.02.02.06	Obligations assumed on the assignment of receivables	38,641	22,216
2.02.02.02.07	Derivative financial instruments	-	7,618
2.02.03	Deferred taxes	10,085	10,085
2.02.03.01	Deferred income tax and social contribution	10,085	10,085
2.02.04	Provisions	102,540	82,563
2.02.04.01	Tax, labor and civil lawsuits	102,540	82,563
2.02.04.01.02	Tax and labor lawsuits	53,374	47,719
2.02.04.01.04	Civil lawsuits	49,166	34,844



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2.03	Equity	2,998,075	3,095,491
2.03.01	Capital	2,740,662	2,740,662
2.03.02	Capital Reserves	46,328	50,854
2.03.02.04	Granted options	150,745	148,051
2.03.02.05	Treasury shares	-33,200	-25,980
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.04	Income Reserve	302,750	303,975
2.03.04.01	Legal Reserve	35,316	35,316
2.03.04.02	Statutory Reserve	267,434	268,659
2.03.05	Retained earnings/accumulated losses	-91,665	-

**INDIVIDUAL FINANCIAL STATEMENTS - INCOME - (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	ACTUAL QUARTER 04/01/2016 to 06/30/2016	YEAR TO DATE 01/01/2016 to 06/30/2016	SAME	YEAR TO
				QUARTER DATE FROM FROM PREVIOUS YEAR	PREVIOUS YEAR
				04/01/2015 to 06/30/2015	01/01/2015 to 06/30/2015
3.01	Gross Sales and/or Services	159,168	286,141	282,207	552,608
3.01.01	Revenue from real estate development	173,838	311,851	309,310	606,491
3.01.03	Taxes on real estate sales and services	-14,670	-25,710	-27,103	-53,883
3.02	Cost of sales and/or services	-140,052	-264,918	-206,149	-409,323
3.02.01	Cost of real estate development	-140,052	-264,918	-206,149	-409,323
3.03	Gross profit	19,116	21,223	76,058	143,285
3.04	Operating expenses/income	-53,171	-106,302	-41,039	-60,353
3.04.01	Selling expenses	-17,606	-32,017	-19,468	-30,991
3.04.02	General and administrative expenses	-19,523	-46,525	-27,466	-56,350
3.04.05	Other operating expenses	-24,888	-46,683	-28,098	-63,181
3.04.05.01	Depreciation and amortization	-6,028	-14,100	-7,508	-15,397
3.04.05.02	Other operating expenses	-18,860	-32,583	-20,590	-47,784
3.04.06	Income from equity method investments	8,846	18,923	33,993	90,169
3.05	Income (loss) before financial results and income taxes	-34,055	-85,079	35,019	82,932
3.06	Financial	-6,612	-6,586	-9,988	-22,795
3.06.01	Financial income	11,820	35,677	17,276	35,432
3.06.02	Financial expenses	-18,432	-42,263	-27,264	-58,227
3.07	Income before income taxes	-40,667	-91,665	25,031	60,137
3.08	Income and social contribution taxes	2,228	-	3,456	-
3.08.01	Current	2,228	-	3,456	-
3.09	Income (loss) from continuing operation	-38,439	-91,665	28,487	60,137
3.11	Income (loss) for the period	-38,439	-91,665	28,487	60,137
3.99	Earnings per Share – (Reais / Share)				

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3.99.01	Basic Earnings per Share				
3.99.01.01	ON	-0.10530	-0.25120	0.07750	0.16370
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	-0.10530	-0.25120	0.07697	0.16250

**INDIVIDUAL FINANCIAL STATEMENTS - COMPREHENSIVE INCOME (LOSS)**  
 - (in thousands of Brazilian Reais)

CODE	DESCRIPTION	ACTUAL	YEAR TO	SAME	YEAR TO
		QUARTER	DATE	QUARTER	DATE
		04/01/2016	01/01/2016	04/01/2015	01/01/2015
		to	to	to	to
		06/30/2016	06/30/2016	06/30/2015	06/30/2015
4.01	Income (loss) for the period	-38,439	-91,665	28,487	60,137
4.03	Comprehensive income (loss) for the period	-38,439	-91,665	28,487	60,137

**INDIVIDUAL FINANCIAL STATEMENTS - CASH FLOWS - INDIRECT METHOD - (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	YEAR TO DATE	
		FROM	
		YEAR TO DATE	PREVIOUS YEAR
		01/01/2016 to	01/01/2015 to
		06/30/2016	06/30/2015
6.01	Net cash from operating activities	12,245	-74,260
6.01.01	Cash generated in the operations	-35,596	89,918
6.01.01.01	Income (loss) before income and social contribution taxes	-91,665	60,137
6.01.01.02	Income from equity method investments	-18,923	-90,169
6.01.01.03	Stock options expenses	3,189	3,940
6.01.01.04	Unrealized interest and finance charges, net	41,752	31,077
6.01.01.05	Financial instruments	-12,216	4,346
6.01.01.06	Depreciation and amortization	14,100	15,397
6.01.01.07	Provision for legal claims	30,405	42,532
6.01.01.08	Provision for profit sharing	6,250	12,000
6.01.01.09	Warranty provision	-7,872	10,065
6.01.01.10	Write-off of property and equipment, net	99	142
6.01.01.11	Allowance for doubtful accounts	5,598	313
6.01.01.12	Provision for realization of non-financial assets - properties for sale	-6,302	-
6.01.01.14	Provision for penalties due to delay in construction works	-11	138
6.01.02	Variation in assets and liabilities	47,841	-164,178
6.01.02.01	Trade accounts receivable	84,856	-43,435
6.01.02.02	Properties for sale	-41,596	-74,111
6.01.02.03	Other accounts receivable	-17,744	-8,436
6.01.02.04	Prepaid expenses	703	4,338
6.01.02.05	Obligations for purchase of properties and adv. from customers	-47,658	-40,382
6.01.02.06	Taxes and contributions	-4,384	-790
6.01.02.07	Suppliers	4,002	780
6.01.02.08	Salaries and payable charges	-12,154	-18,171
6.01.02.09	Transactions with related parties	111,779	63,402
6.01.02.10	Other obligations	-29,963	-47,373
6.02	Net cash from investing activities	102,214	192,269
6.02.01	Purchase of property and equipment and intangible assets	-12,309	-12,703
6.02.02	Increase in investments	-16,997	-1,289
6.02.03	Redemption of short-term investments	581,255	1,202,776
6.02.04	Purchase of short-term investments	-449,735	-996,515
6.03	Net cash from financing activities	-139,337	-118,757
6.03.02	Increase in loans, financing and debentures	205,790	302,564

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6.03.03	Payment of loans, financing and debentures	-378,622	-392,644
6.03.04	Repurchase of treasury shares	-8,195	-22,135
6.03.06	Loan transactions with related parties	9,448	-3,487
6.03.07	Obligation with investors	-2,433	-3,649
6.03.08	Disposal of treasury shares	1,230	1,810
6.03.09	Result of the disposal of treasury shares	-1,225	-1,216
6.03.10	Assignment of receivables	34,670	-
6.05	Net increase (decrease) of cash and cash equivalents	-24,878	-748
6.05.01	Cash and cash equivalents at the beginning of the period	44,044	33,792
6.05.02	Cash and cash equivalents at the end of the period	19,166	33,044

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**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO  
06/30/2016 (in thousands of Brazilian reais)**

<b>CODE DESCRIPTION</b>	<b>Capital reserves,</b>	<b>stock options and treasury</b>	<b>Profit Retained reserves earnings</b>	<b>Other comprehensive income</b>	<b>Total Equity</b>
5.01 Opening balance	2,740,662	50,854	303,975	-	-3,095,491
5.03 Opening adjusted balance	2,740,662	50,854	303,975	-	-3,095,491
5.04 Capital transactions with shareholders	-	-4,526	-1,225	-	-5,751
5.04.03 Stock option plan	-	2,694	-	-	2,694
5.04.04 Treasury shares acquired	-	-8,450	-	-	-8,450
5.04.05 Treasury shares sold	-	1,230	-1,225	-	5
5.05 Total of comprehensive income (loss)	-	-	-	-91,665	-91,665
5.05.01 Net income (loss) for the period	-	-	-	-91,665	-91,665
5.07 Closing balance	2,740,662	46,328	302,750	-91,665	-2,998,075

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2015 TO 06/30/2015 (in thousands of Brazilian reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Capital</b>	<b>Capital reserves, stock options and treasury shares</b>	<b>Profit reserves</b>	<b>Retained earnings</b>	<b>comprehensive income</b>	<b>Other income</b>	<b>Total Equity</b>
5.01	Opening balance	2,740,662	-9,162	323,845	-	-	-	-3,055,345
5.03	Opening adjusted balance	2,740,662	-9,162	323,845	-	-	-	-3,055,345
5.04	Capital transactions with shareholders	-	57,829	-75,430	-	-	-	-17,601
5.04.03	Stock option plan	-	3,940	-	-	-	-	3,940
5.04.04	Treasury shares acquired	-	-22,135	-	-	-	-	-22,135
5.04.05	Treasury shares sold	-	1,810	-1,216	-	-	-	594
5.04.08	Treasury shares cancelled	-	74,214	-74,214	-	-	-	-
5.05	Total of comprehensive income (loss)	-	-	-	60,137	-	-	60,137
5.05.01	Net income (loss) for the period	-	-	-	60,137	-	-	60,137
5.07	Closing balance	2,740,662	48,667	248,415	60,137	-	-	-3,097,881



**INDIVIDUAL STATEMENT OF VALUE ADDED (in thousands of Brazilian Reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>YEAR TO DATE</b>	
		<b>YEAR TO DATE</b>	<b>PREVIOUS YEAR</b>
		<b>01/01/2016 to</b>	<b>01/01/2015 to</b>
		<b>06/30/2016</b>	<b>06/30/2015</b>
7.01	Revenues	311,851	606,490
7.01.01	Real estate development, sales and services	317,449	606,803
7.01.04	Allowance for doubtful accounts	-5,598	-313
7.02	Inputs acquired from third parties	-252,123	-406,994
7.02.01	Cost of Sales and/or Services	-208,028	-355,548
7.02.02	Materials, energy, outsourced labor and other	-44,095	-51,446
7.03	Gross value added	59,728	199,496
7.04	Retentions	-14,100	-15,397
7.04.01	Depreciation and amortization	-14,100	-15,397
7.05	Net value added produced by the Company	45,628	184,099
7.06	Total value added received on transfer	54,600	125,601
7.06.01	Income from equity method investments	18,923	90,169
7.06.02	Financial income	35,677	35,432
7.07	Value added total to be distributed	100,228	309,700
7.08	Value added distribution	100,228	309,700
7.08.01	Personnel and payroll charges	52,935	67,646
7.08.02	Taxes and contributions	35,406	65,426
7.08.03	Compensation – Interest	103,552	116,491
7.08.04	Compensation – Company capital	-91,665	60,137
7.08.04.03	Net income (Retained losses)	-91,665	60,137

**CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET - ASSETS (in thousands of Brazilian Reais)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	
		<b>QUARTER</b>	<b>PRIOR YEAR</b>
		<b>6/30/2016</b>	<b>12/31/2015</b>
1	Total Assets	6,548,124	6,760,332
1.01	Current Assets	4,267,421	4,316,764
1.01.01	Cash and cash equivalents	157,737	82,640
1.01.01.01	Cash and banks	64,695	69,560
1.01.01.02	Short-term investments	18,491	13,080
1.01.01.03	Funds deposited with third parties	74,551	-
1.01.02	Short-term investments	460,832	629,671
1.01.02.01	Fair value of short-term investments	460,832	629,671
1.01.02.01.02	Short-term investments available for sale	460,832	629,671
1.01.03	Accounts receivable	1,285,892	1,395,273
1.01.03.01	Trade accounts receivable	1,285,892	1,395,273
1.01.03.01.01	Receivables from clients of developments	1,244,142	1,357,122
1.01.03.01.02	Receivables from clients of construction and services rendered	41,750	38,151
1.01.04	Inventories	2,063,670	1,880,377
1.01.07	Prepaid expenses	5,255	7,171
1.01.07.01	Prepaid expenses and others	5,255	7,171
1.01.08	Other current assets	294,035	321,632
1.01.08.01	Non current assets for sale	87,503	105,857
1.01.08.03	Other	206,532	215,775
1.01.08.03.01	Other accounts receivable and others	131,391	120,657
1.01.08.03.02	Receivables from related parties	75,141	95,118
1.02	Non current assets	2,280,703	2,443,568
1.02.01	Non current assets	1,177,373	1,349,404
1.02.01.03	Accounts receivable	354,931	407,091
1.02.01.03.01	Receivables from clients of developments	354,931	407,091
1.02.01.04	Inventories	629,811	750,240
1.02.01.09	Others non current assets	192,631	192,073
1.02.01.09.03	Others accounts receivable and others	87,887	82,880
1.02.01.09.04	Receivables from related parties	96,975	109,193
1.02.01.09.05	Derivative financial instruments	7,769	-
1.02.02	Investments	978,100	967,646
1.02.02.01	Interest in associates and affiliates	978,100	967,646
1.02.03	Property and equipment	51,703	49,176
1.02.03.01	Operation property and equipment	51,703	49,176
1.02.04	Intangible assets	73,527	77,342
1.02.04.01	Intangible assets	48,051	51,866
1.02.04.02	Goodwill	25,476	25,476



**CONSOLIDATED FINANCIAL STATEMENTS - BALANCE SHEET - LIABILITIES AND EQUITY (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	ACTUAL	PRIOR
		QUARTER	YEAR
		6/30/2016	12/31/2015
2	Total Liabilities	6,548,124	6,760,332
2.01	Current liabilities	2,041,767	2,048,969
2.01.01	Social and labor obligations	51,241	60,102
2.01.01.02	Labor obligations	51,241	60,102
2.01.01.02.01	Salaries, payroll charges and profit sharing	51,241	60,102
2.01.02	Suppliers	77,721	57,335
2.01.03	Tax obligations	88,934	102,057
2.01.03.01	Federal tax obligations	88,934	102,057
2.01.04	Loans and financing	1,064,028	1,061,986
2.01.04.01	Loans and financing	633,782	672,365
2.01.04.01.01	In Local Currency	633,782	672,365
2.01.04.02	Debentures	430,246	389,621
2.01.05	Other obligations	672,176	667,177
2.01.05.01	Payables to related parties	77,192	87,100
2.01.05.02	Other	594,984	580,077
2.01.05.02.01	Dividends and interest on capital payable	17,682	17,682
2.01.05.02.04	Obligations for purchase of properties and advances from customers	360,382	361,420
2.01.05.02.06	Other obligations	172,407	163,437
2.01.05.02.07	Obligations assumed on the assignment of receivables	35,502	23,482
2.01.05.02.08	Derivative financial instruments	9,011	14,056
2.01.06	Provisions	87,667	100,312
2.01.06.01	Tax, labor and civil lawsuits	87,667	100,312
2.01.06.01.01	Tax lawsuits	220	220
2.01.06.01.02	Labor lawsuits	7,975	15,516
2.01.06.01.04	Civil lawsuits	79,472	84,576
2.02	Non current liabilities	1,505,067	1,614,127
2.02.01	Loans and financing	1,007,932	1,088,807
2.02.01.01	Loans and financing	700,135	620,470
2.02.01.01.01	Loans and financing in local currency	700,135	620,470
2.02.01.02	Debentures	307,797	468,337
2.02.02	Other obligations	316,482	366,161
2.02.02.01	Liabilities with related parties	47,347	41,002
2.02.02.02	Other	269,135	325,159
2.02.02.02.03	Obligations for purchase of properties and advances from customers	185,516	248,514
2.02.02.02.04	Other liabilities	28,585	33,216
2.02.02.02.06	Obligations assumed on the assignment of receivables	55,034	35,811
2.02.02.02.07	Derivative financial instruments	-	7,618
2.02.03	Deferred taxes	20,450	16,489
2.02.03.01	Deferred income tax and social contribution	20,450	16,489
2.02.04	Provisions	160,203	142,670
2.02.04.01	Tax, labor and civil lawsuits	160,203	142,670
2.02.04.01.01	Tax lawsuits	3	180

2.02.04.01.02	Labor lawsuits	75,749	77,445
2.02.04.01.04	Civil lawsuits	84,451	65,045
2.03	Equity	3,001,290	3,097,236
2.03.01	Capital	2,740,662	2,740,662
2.03.01.01	Capital	2,740,662	2,740,662
2.03.02	Capital Reserves	46,328	50,854
2.03.02.04	Granted options	150,745	148,051
2.03.02.05	Treasury shares	-33,200	-25,980
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.04	Income Reserve	302,750	303,975
2.03.04.01	Legal Reserve	35,316	35,316
2.03.04.02	Statutory Reserve	267,434	268,659
2.03.05	Retained earnings/accumulated losses	-91,665	-
2.03.09	Non-controlling interest	3,215	1,745

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**CONSOLIDATED FINANCIAL STATEMENTS - INCOME - (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	ACTUAL	SAME	YEAR TO	
		QUARTER	QUARTER	DATE	
		04/01/2016	FROM	FROM	
		to	PREVIOUS	PREVIOUS	
			YEAR	YEAR	
			04/01/2015	01/01/2015	
			to	to	
		06/30/2016	06/30/2015	06/30/2015	
3.01	Gross Sales and/or Services	473,371	878,905	591,529	1,111,030
3.01.01	Revenue from real estate development	513,191	949,735	642,927	1,207,781
3.01.03	Taxes on real estate sales and services	-39,820	-70,830	-51,398	-96,751
3.02	Cost of sales and/or services	-379,880	-713,213	-432,986	-803,287
3.02.01	Cost of real estate development	-379,880	-713,213	-432,986	-803,287
3.03	Gross profit	93,491	165,692	158,543	307,743
3.04	Operating expenses/income	-125,890	-235,756	-141,499	-238,722
3.04.01	Selling expenses	-41,515	-76,533	-40,635	-67,748
3.04.02	General and administrative expenses	-40,701	-86,723	-49,070	-92,738
3.04.05	Other operating expenses	-34,911	-77,402	-44,612	-89,836
3.04.05.01	Depreciation and amortization	-8,684	-21,382	-11,561	-23,230
3.04.05.02	Other operating expenses	-26,227	-56,020	-33,051	-66,606
3.04.06	Income from equity method investments	-8,763	4,902	-7,182	11,600
3.05	Income (loss) before financial results and income taxes	-32,399	-70,064	17,044	69,021
3.06	Financial	-2,489	-4,430	2,685	-5,531
3.06.01	Financial income	22,794	58,409	44,270	76,882
3.06.02	Financial expenses	-25,283	-62,839	-41,585	-82,413
3.07	Income before income taxes	-34,888	-74,494	19,729	63,490
3.08	Income and social contribution taxes	-2,973	-15,718	5,754	-6,406
3.08.01	Current	-2,803	-13,016	-372	-7,232
3.08.02	Deferred	-170	-2,702	6,126	826
3.09	Income (loss) from continuing operation	-37,861	-90,212	25,483	57,084
3.11	Income (loss) for the period	-37,861	-90,212	25,483	57,084
3.11.01	Income (loss) attributable to the Company	-38,439	-91,665	28,487	60,137
3.11.02	Net income attributable to non-controlling interests	578	1,453	-3,004	-3,053
3.99	Earnings per Share – (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	ON	-0.10530	-0.25120	0.07750	0.16370
3.99.02	Diluted Earnings per Share				
3.99.02.01	ON	-0.10530	-0.25120	0.07697	0.16250



**CONSOLIDATED FINANCIAL STATEMENTS - COMPREHENSIVE INCOME  
(LOSS) - (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	ACTUAL	YEAR TO DATE	SAME	YEAR TO
		QUARTER		QUARTER	DATE FROM
		04/01/2016 to		PREVIOUS	PREVIOUS
		06/30/2016	01/01/2016 to	YEAR	YEAR
			06/30/2016to	04/01/2015	01/01/2015
				06/30/2015to	06/30/2015
4.01	Consolidated Income (loss) for the period	-37,861	-90,212	25,483	57,084
4.03	Consolidated comprehensive income (loss) for the period	-37,861	-90,212	25,483	57,084
4.03.01	Income (loss) attributable to the Company	-38,439	-91,665	28,487	60,137
4.03.02	Net income attributable to the noncontrolling interests	578	1,453	-3,004	-3,053



**CONSOLIDATED FINANCIAL STATEMENTS - CASH FLOWS - INDIRECT METHOD - (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	YEAR TO DATE	
		YEAR TO DATE	PREVIOUS YEAR
		01/01/2016 to 06/30/2016	01/01/2015 to 06/30/2015
6.01	Net cash from operating activities	26,897	-45,845
6.01.01	Cash generated in the operations	50,151	199,853
6.01.01.01	Income (loss) before income and social contribution taxes	-74,494	63,490
6.01.01.02	Stock options expenses	3,751	5,001
6.01.01.03	Unrealized interest and finance charges, net	52,728	37,663
6.01.01.04	Depreciation and amortization	21,382	23,230
6.01.01.05	Write-off of property and equipment, net	3,353	1,058
6.01.01.06	Provision for legal claims	43,946	55,488
6.01.01.07	Warranty provision	-9,966	8,829
6.01.01.08	Provision for profit sharing	12,468	12,038
6.01.01.09	Allowance for doubtful accounts	30,591	-805
6.01.01.10	Provision for realization of non-financial assets - properties for sale	-17,221	4,375
6.01.01.11	Provision for penalties due to delay in construction works	731	-943
6.01.01.12	Financial instruments	-12,216	4,346
6.01.01.13	Income from equity method investments	-4,902	-11,600
6.01.01.15	Write-off of investments	-	-2,317
6.01.02	Variation in assets and liabilities	-23,254	-245,698
6.01.02.01	Trade accounts receivable	130,464	-78,034
6.01.02.02	Properties for sale	-37,369	-43,117
6.01.02.03	Other accounts receivable	-27,000	-11,403
6.01.02.04	Transactions with related parties	18,238	-10,022
6.01.02.05	Prepaid expenses	1,916	5,150
6.01.02.06	Suppliers	20,386	13,886
6.01.02.07	Obligations for purchase of properties and adv. from customers	-64,036	-29,902
6.01.02.08	Taxes and contributions	-13,123	-6,941
6.01.02.09	Salaries and payable charges	-21,329	-17,397
6.01.02.10	Other obligations	-15,683	-61,512
6.01.02.11	Income tax and social contribution paid	-15,718	-6,406
6.02	Net cash from investing activities	132,753	301,430
6.02.01	Purchase of property and equipment and intangible assets	-23,447	-22,383
6.02.02	Redemption of short-term investments	1,909,446	2,133,082
6.02.03	Purchase of short-term investments	-1,740,607	-1,808,307
6.02.04	Investments	-12,639	-962

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6.03	Net cash from financing activities	-84,553	-211,251
6.03.02	Increase in loans, financing and debentures	441,389	382,672
6.03.03	Payment of loans and financing	-572,950	-574,060
6.03.06	Payables to venture partners	-2,520	-3,734
6.03.07	Loan transactions with related parties	15,909	5,412
6.03.08	Repurchase of treasury shares	-8,195	-22,135
6.03.09	Disposal of treasury shares	1,230	1,810
6.03.10	Result of the disposal of treasury shares	-1,225	-1,216
6.03.11	Assignment of receivables	41,809	-
6.05	Net increase (decrease) of cash and cash equivalents	75,097	44,334
6.05.01	Cash and cash equivalents at the beginning of the period	82,640	109,895
6.05.02	Cash and cash equivalents at the end of the period	157,737	154,229

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**STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 06/30/2016 (in thousands of Brazilian reais)**

DESCRIPTION	Capital	Capital	Profit	Retained	comprehensive	Other	Total	Non
	reserves,	reserves,	Reserves	Earnings	income	Shareholders	equity	Controlling
	stock	and	earnings	earnings	income	equity	interest	interest
	options	treasury	reserves	earnings	income	equity	interest	interest
	and	shares	reserves	earnings	income	equity	interest	interest
	treasury	shares	reserves	earnings	income	equity	interest	interest
Beginning balance		2,740,662	50,854	303,975	-	-	3,095,491	1,745
Beginning adjusted balance		2,740,662	50,854	303,975	-	-	3,095,491	1,745
Capital transactions with shareholders		-	-4,526	-1,225	-	-	-5,751	17
Stock option plan		-	2,694	-	-	-	2,694	-
Treasury shares acquired		-	-8,450	-	-	-	-8,450	-
Treasury shares sold		-	1,230	-1,225	-	-	5	-
Disposition of non controlling interests		-	-	-	-	-	-	17
Change of comprehensive income (loss)		-	-	-	-91,665	-	-91,665	1,453
Change of comprehensive income (loss) for the period		-	-	-	-91,665	-	-91,665	1,453
Ending balance		2,740,662	46,328	302,750	-91,665	-	2,998,075	3,215

## STATEMENT OF CHANGES IN EQUITY FROM 01/01/2015 TO 06/30/2015 (in thousands of Brazilian reais)

DESCRIPTION	Capital	Capital	Profit	Retained	Other	Total	Non
	reserves,	reserves,	Reserves	Earnings	comprehensive	Shareholders	Controlling
	and	treasury	earnings	earnings	income	equity	interest
	stock	shares	reserves	earnings	income	equity	interest
	options	shares	reserves	earnings	income	equity	interest
	and	shares	reserves	earnings	income	equity	interest
		shares	reserves	earnings	income	equity	interest
Beginning balance		2,740,662	-9,162	323,845	-	3,055,345	3,058
Beginning adjusted balance		2,740,662	-9,162	323,845	-	3,055,345	3,058
Capital transactions with shareholders		-	57,829	-75,430	-	-17,601	1,606
Capital increase		-	-	-	-	-	1,606
Stock option plan		-	3,940	-	-	3,940	-
Treasury shares acquired		-	-22,135	-	-	-22,135	-
Treasury shares sold		-	1,810	-1,216	-	594	-
Treasury shares cancelled		-	74,214	-74,214	-	-	-
Loss of comprehensive income (loss)		-	-	-	60,137	60,137	-3,053
Income (loss) for the period		-	-	-	60,137	60,137	-3,053
Ending balance		2,740,662	48,667	248,415	60,137	3,097,881	1,611

**CONSOLIDATED STATEMENT OF VALUE ADDED (in thousands of Brazilian Reais)**

CODE	DESCRIPTION	YEAR TO DATE	
		YEAR TO DATE	PREVIOUS YEAR
		01/01/2016 to 06/30/2016	01/01/2015 to 06/30/2015
7.01	Revenues	949,735	1,210,097
7.01.01	Real estate development, sale and services	970,246	1,186,968
7.01.04	Allowance for doubtful accounts	-20,511	23,129
7.02	Inputs acquired from third parties	-712,189	-813,494
7.02.01	Cost of sales and/or services	-630,390	-731,342
7.02.02	Materials, energy, outsourced labor and other	-81,799	-82,152
7.03	Gross value added	237,546	396,603
7.04	Retentions	-21,382	-23,230
7.04.01	Depreciation and amortization	-21,382	-23,230
7.05	Net value added produced by the Company	216,164	373,373
7.06	Value added received on transfer	63,311	88,482
7.06.01	Income from equity method investments	4,902	11,600
7.06.02	Financial income	58,409	76,882
7.07	Total value added to be distributed	279,475	461,855
7.08	Value added distribution	279,475	461,855
7.08.01	Personnel and payroll charges	111,550	115,343
7.08.02	Taxes and contributions	106,974	125,420
7.08.03	Compensation – Interest	152,616	160,955
7.08.03.01	Interest	152,616	160,955
7.08.04	Compensation – Company capital	-91,665	60,137
7.08.04.03	Net income (Retained losses)	-91,665	60,137

**FOR IMMEDIATE RELEASE** - São Paulo,  
August 11, 2016 – Gafisa S.A. (Bovespa: GFSA3;  
NYSE: GFA), one of Brazil's leading  
homebuilders, today reported financial results for  
the second quarter ended June 30, 2016.

## **GAFISA RELEASES 2Q16 RESULTS**



# MANAGEMENT COMMENTS AND HIGHLIGHTS



The Company's results from the first half of 2016 reflect continued uncertainty in Brazil's political and economic prospects. This uncertainty stems from an economic slowdown and has greatly impacted the Brazilian real estate market. Gafisa was able to partially mitigate the negative effects of this period, as a result of its diversification in both the medium-high income and the low income segments.

The Gafisa and Tenda segments faced substantially different market environments throughout the quarter. The Gafisa segment has been affected by reduced demand levels in this weak macroeconomic environment. The segment is focused on its strategy of improving operational efficiency and business management, by maintaining a conservative approach in the development of new projects. The Tenda segment, conversely, took advantage of the low-income market's resilience and continued to expand the scale of its business model, despite macroeconomic conditions.

In 2Q16, the Gafisa segment launched two projects/phases in the city of São Paulo, accounting for R\$130.4 millions in PSV, ending the first six months with R\$210.5 millions in new projects launched.

Despite the political and economic headwinds, the segment posted improved results in 2Q16 relative to 1Q16. The recent sales performance in the quarter may signal a marginal rebound in the Brazilian consumer environment. In addition to increased sales, with gross sales totaling R\$262.0 millions, up 10.5% from 1Q16, dissolutions decreased in the quarter and returned to average levels seen in 2015.

This result reflected positive trends in both Gafisa's operations and consumer confidence. As a result of these factors, 2Q16 net pre-sales nearly doubled QoQ to R\$129.5 millions, representing 66% of total net pre-sales in 1S16.

Gafisa segment's SoS slightly recovered reaching 6.3% in 2Q16, compared to 3.3% in the previous

quarter and 10.5% in 2Q15. SoS in the last twelve months reached 26.5%.

The volume of dissolutions in 2Q16, despite a slight improvement, comes as a result of a high volume of deliveries since the end of 2015, approximately R\$1.5 billions in PSV, combined with decreased demand in the current economic scenario. In 2Q16, PSV of R\$412.3 millions was delivered, ending the first six months with R\$517.1 millions in delivered projects.

The Gafisa segment ended 2Q16 with 25 projects under construction, all on schedule and within the delivery timeframe, reflecting Gafisa's commitment to our clients. 2Q16 transfer volume reached R\$142.7 millions and R\$252.7 millions in 6M16, showing an appropriate level of operational control and efficiency. Despite the current credit restrictions, Gafisa maintains a strong relationship in partnering with banks for the transfer process.

The Company has maintained a focus on the sale of remaining units. As a result, 72.3% of net sales in 2Q16 and 77.6% in 1H16 were units from inventory. Considering the higher volume of dissolutions related to older projects, net sales in 1H16 were concentrated in more recent projects, impacting the Gafisa segment's first half revenues.

Despite the expectation of greater visibility into the Brazilian political and economic scenario, the Company is still missing higher visibility related to a recovery in the real estate market and will keep operating on a cautious manner.

In this regard, we will keep our conservative approach, seeking to balance the placement of new products on the market, prioritizing those with higher liquidity, so as to achieve an appropriate level of sales, profitability, and cash flow.

Tenda's 2Q16 results benefitted from the stable scenario in the low-income segment, with increased launches and fewer dissolutions. These factors were further improved by the policy of immediately transfer after sale, and a reduction in the legacy project portfolio. The Tenda segment continues concentrating its efforts in the new business model. The consolidation of the new model, based on four

In 2Q16, Tenda launches totaled R\$414.7 millions, the highest levels since 4Q10. The launches were comprised of 12 projects/phases, in the states of São Paulo, Rio de Janeiro, Rio Grande do Sul, Minas Gerais and Bahia.

2Q16 launches accounted for 39.8% of the Tenda segment's total sales and 25.6% of the segment's total in 6M16.

The Tenda segment's SoS reached an impressive level of 26.4%, among the highest in the sector.

2Q16 gross sales reached R\$382.9 millions and dissolutions remained under control at 15.1% of gross sales, resulting in net pre-sales of R\$325.0 millions. This marked an increase of 21.9% from the previous quarter and of 12.1% y-o-y. In 6M16, the net pre-sales totaled R\$591.5 millions.

Since 2013, when Tenda started its new model operations, the segment has launched 72 projects, representing a total of R\$2.7 billions in PSV. Of this total, Tenda has delivered R\$1.1 billions, comprised of 32 projects/phases. Notably, all projects related to the first year of new model operations (2013) have been completed and delivered on schedule. In relation to the 2014 projects, only one project/phase of 14 projects launched is still waiting delivery. In 2Q16, the Tenda segment delivered 10 projects/phases, corresponding to 1,895 units, and representing R\$275.4 millions in PSV. In 1H16, the Tenda segment delivered 13 projects/phases, comprising 2,359 units and R\$337.1 millions in PSV.

For the second half of the year, the Tenda segment will continue focusing on increasing its scale by growing launches and implementing strategies designed to ensure a strong sales pace. The segment will be guided by market behavior and focused on delivering profitability. The consistency of recent results from the new model projects reaffirms management's confidence in the 2016 business plan.

On a consolidated basis, Gafisa and Tenda

strategic pillars, has allowed Tenda to post consistent positive operational and financial performance.

launched R\$545.0 millions in 2Q16, ending the first six months with R\$853.7 millions in new projects. The Gafisa segment accounted for 24% of 2Q16 launches while Tenda accounted for the remaining 76%.

Second quarter 2016 net pre-sales totaled R\$454.5 millions, an increase of 36.4% quarter-over-quarter. In the quarter, sales from launches accounted for 36.4% of total sales, while the sale of inventory units accounted for the remaining 63.6%. The Gafisa segment accounted for 29% of net pre-sales while the Tenda segment represented the remaining 71%.

Consolidated adjusted gross profit totaled R\$138.3 millions with a gross margin of 29.2%, which resulted from a partial recovery in the Gafisa segment's operating profitability in the period. In 1H16, adjusted gross profit totaled R\$248.5 millions, with a gross margin of 28.3%.

In the current economic environment, the Company's main focus is on greater stability in its cost and expense structure. Selling, general and administrative expenses were R\$82.2 millions in 2Q16, stable y-o-y and down 8.3% q-o-q, reflecting the Company's efforts in efficiently answering to the adjustments and movements of the real estate market, so that to allow a structure of costs and expenses aligned to current scenario.

As a result of these factors, Gafisa reported a 2Q16 consolidated net loss of R\$38.5 millions, compared to a loss of R\$53.2 millions recorded in 1Q16 and net income of R\$28.5 millions in 2Q15.

**Sandro Gamba**

Chief Executive Officer – Gafisa

At the end of the first six months, the Net Debt/Shareholders' Equity ratio reached 48.5%, a slight increase compared to 1Q16, although in line with the Company's business plan. Excluding project finance, the Net Debt/Shareholders' Equity ratio was negative at 9.8%.

Consolidated operating cash generation reached R\$38.2 millions in the quarter, ending the period with a net cash burn of R\$32.5 millions. In 6M16, the net cash burn totaled R\$4.2 millions. It is worth noting that in 1H16, the Company's cash generation was impacted by the decreased volume of deliveries in the Gafisa segment, which we expect to improve on in the second semester of the year.

We will maintain this conservative approach in this second half of 2016, seeking to balance the placement of new products on the market, prioritizing those with higher liquidity, in order to reach adequate sales and profitability levels. The Gafisa segment, through its balanced performance, seeks to manage the effects of this period of economic weakness. The Tenda segment is ready to expand the volume of new projects, backed by the resilience of the low-income market, sustained demand, and the positive results from new model projects.

The Company continues to advance guided by capital discipline, its profitability goals, and value creation for shareholders.

**Rodrigo Osmo**

Chief Executive Officer – Tenda



## MAIN CONSOLIDATED FIGURES

Table 1- Operating and Financial Highlights (R\$ 000 and % Company)

	2Q16	1Q16	Q/Q(%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
Launches	545,038	308,648	77%	481,951	13%	853,686	795,532	7%
Launches, Units	3,166	1,860	70%	2,231	42%	5,026	4,181	20%
Net Pre-sales	454,511	333,339	36%	532,131	-15%	787,850	955,475	-18%
Pre-sales, Units	2,202	2,137	3%	2,395	-8%	4,339	4,303	20%
Pre-sales of Launches	165,273	30,116	449%	108,001	53%	195,389	167,717	16%
Sales over supply (SoS)	13.9%	10.6%	330 bps	15.9%	-200 bps	21.8%	25.4%	-360 bps
Delivered projects (PSV)	687,726	166,500	313%	954,460	-28%	854,226	1,740,208	-51%
Delivered projects, Units	3,136	655	379%	2,738	14%	3,791	6,272	-40%
Net Revenue	473,371	405,534	17%	591,529	-20%	878,905	1,111,030	-21%
Adjusted Gross Profit <sup>1</sup>	138,276	110,239	25%	200,386	-31%	248,515	379,688	-35%
Adjusted Gross Margin <sup>1</sup>	29.2%	27.2%	200 bps	33.9%	-470 bps	28.3%	34.2%	-590 bps
Adjusted EBITDA <sup>2</sup>	22,397	15,495	45%	72,831	-69%	37,892	169,196	-78%
Adjusted EBITDA Margin <sup>2</sup>	4.7%	3.8%	90 bps	12.3%	-760 bps	4.3%	15.2%	-1,090 bps
Net Income (Loss)	(38,439)	(53,227)	28%	28,487	-	(91,665)	60,137	-
Backlog Revenues	667,368	708,871	-6%	901,383	-26%	667,368	901,383	-26%
Backlog Results <sup>3</sup>	259,864	275,030	-6%	364,238	-29%	259,864	364,238	-29%
Backlog Margin <sup>3</sup>	38.9%	38.8%	10 bps	40.4%	-150 bps	38.9%	40.4%	-150 bps
Net Debt + Investor Obligations	1,455,766	1,415,038	3%	1,563,283	-7%	1,455,766	1,563,283	-7%
Cash and cash equivalents	618,569	792,076	-22%	876,813	-29%	618,569	876,813	-29%
Shareholders' Equity	2,998,075	3,043,671	-1%	3,097,881	-3%	2,998,075	3,097,881	-3%
Shareholders' Equity + Minority	3,001,290	3,046,284	-1%	3,099,492	-3%	3,001,290	3,099,492	-3%
Total Assets	6,548,124	6,779,953	-3%	7,072,546	-7%	6,548,124	7,072,546	-7%
(Net Debt + Obligations) / (SE + Minority)	48.5%	46.5%	200 bps	50.4%	-190 bps	48.5%	50.4%	-190 bps

1) Adjusted by capitalized interest.

2) Adjusted by expenses with stock option plans (non-cash), minority. Consolidated EBITDA considers the equity income from Alphaville.

3) Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638.

4) Cash and cash equivalents, and short-term investments.

5) Backlog results include ventures that are subject to restriction due to a suspensive clause.





## FINANCIAL RESULTS

§ 2Q16 net revenue recognized by the “PoC” method was R\$212.6 millions in the Gafisa segment and R\$260.7 millions in the Tenda segment. This resulted in 2Q16 consolidated revenue of R\$473.3 millions, a decrease of 20.0% year-on-year and an increase of 16.7% from the previous quarter. In 6M16, consolidated net revenue was R\$878.9 millions, a reduction of 20.9% compared with 6M15.

§ Adjusted gross profit for 2Q16 was R\$138.3 millions, higher than R\$110.2 millions in 1Q16 and lower than R\$200.4 millions recorded in the past year. Adjusted gross margin reached 29.2%, compared to 27.2% in 1Q16 and 33.9% in the 2Q15. The Gafisa segment accounted for an adjusted gross profit of R\$65.3 millions, with an adjusted gross margin of 30.7%, while the Tenda segment accounted for an adjusted gross profit of R\$73.0 millions, with a margin of 28.0%. In the first half of the year, adjusted gross profit was R\$248.5 millions with adjusted gross margin of 28.3%, compared to R\$379.7 millions in 1H15.

§ Consolidated Adjusted EBITDA was R\$22.4 millions in 2Q16, with an adjusted EBITDA margin of 4.7%. The Gafisa segment reported adjusted EBITDA of R\$12.5 millions, while the Tenda segment’s adjusted EBITDA was R\$21.8 millions. In 1H16, consolidated Adjusted EBITDA was R\$37.9 millions, 78% lower than R\$169.2 millions in 1H15. Please note that consolidated adjusted EBITDA includes Alphaville equity income, while the Gafisa segment’s adjusted EBITDA is net of this effect.

§ The Company reported a 2Q16 net loss of R\$38.5 millions compared to a net loss of R\$53.2 millions in 1Q16, and net profit of R\$28.5 millions in 2Q15. The Gafisa segment reported a net loss of R\$47.1 millions, while the Tenda segment reported a net profit of R\$8.6 millions. In the 1H16, the Company reported a consolidated net loss of R\$91.7 millions.

§ Operating cash generation totaled R\$38.2 millions in 2Q16, finishing the quarter with cash generation of R\$134.9 millions. Cash burn in the quarter was R\$32.5 millions, with an accumulated cash burn of R\$4.2 millions in 6M16.

## OPERATING RESULTS

§ Total Company launches were R\$545.0 millions in 2Q16, comprised of 14 projects in the states of São Paulo, Rio de Janeiro, Minas Gerais, Bahia and Rio Grande do Sul, up from R\$482.0 millions launched in 2Q15. The Gafisa segment accounted for 24% of the quarter’s launches, while the Tenda segment accounted for the remaining 76%. First half 2016 launches totaled R\$853.7 millions.

§ Net pre-sales totaled R\$454.5 millions in 2Q16, an increase of 36.4% from the R\$333.3 millions recorded in 1Q16 and 14.6% lower y-o-y. The Gafisa segment accounted for R\$129.5 millions and the Tenda segment for R\$325.0 millions in 1Q16. Consolidated sales from launches in the quarter represented 18.6%

of the total, while sales from inventory comprised the remaining 81.4%. The Company reached R\$787.9 millions in net pre-sales in the first six months of the year.

§ Consolidated sales over supply (SoS) reached 13.9% in 2Q16 compared to 10.6% in 1Q16 and 15.9% in 2Q15. On a trailing 12-month basis, Gafisa's SoS was 26.5%, while Tenda's SoS was 54.2%.

§ Consolidated inventory at market value remained stable in 2Q16, at R\$2.8 billions. Gafisa's inventory ended the quarter at R\$1.9 billions, while Tenda's inventory totaled R\$906.3 millions.

§ Throughout the second quarter, the Company delivered 14 projects/phases, totaling 3,136 units, accounting for R\$687.7 millions in PSV. In regards to the first six months, the company delivered 19 projects/phases and 3,791 units, accounting for R\$854.2 millions in PSV.

## **ANALYSIS OF RESULTS**

# Gafisa Segment

# **Sales Volume, Revenue Level and Profitability Impacted by the Challenging Market Environment**



Table 2 – Gafisa Segment – Operating and Financial Highlights (R\$ 000 and % Gafisa)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q(%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>Launches</b>	130,360	80,104	63%	252,585	-48%	210,464	327,812	-36%
<b>Net pre-sales</b>	129,519	66,842	94%	242,185	-47%	196,361	421,992	-53%
<b>Net pre-sales of launches</b>	35,867	8,187	338%	66,973	-46%	44,054	81,409	-46%
<b>Sales over Supply (SoS) Delivered projects (Units)</b>	6.3%	3.3%	300 bps	10.5%	-420 bps	9.3%	16.9%	-760 bps
<b>Net Revenue</b>	212,628	170,982	24%	348,392	-39%	383,610	688,450	-44%
<b>Adjusted Gross Profit<sup>1</sup></b>	65,325	35,979	82%	127,101	-49%	101,304	252,603	-60%
<b>Adjusted Gross Margin<sup>1</sup></b>	30.7%	21.0%	970 bps	36.5%	-580 bps	26.4%	36.7%	-1,030 bps
<b>Adjusted EBITDA<sup>2</sup></b>	12,491	(18,140)	-169%	52,400	-76%	(5,649)	110,690	-105%
<b>Adjusted EBITDA Margin<sup>2</sup></b>	5.9%	-10.6%	1,650 bps	15.0%	-910 bps	-1.5%	16.1%	-1,760 bps
<b>Net Income (Loss)</b>	(47,061)	(58,021)	-19%	8,452	-657%	(105,082)	28,656	-467%
<b>Backlog Revenues</b>	366,368	427,365	-14%	664,074	-45%	366,368	664,074	-45%
<b>Backlog Results<sup>3</sup></b>	133,975	159,970	-16%	265,190	-49%	133,975	265,190	-49%
<b>Backlog Margin<sup>3</sup></b>	36.6%	37.4%	-80 bps	39.9%	-330 bps	36.6%	39.9%	-330 bps

1) Adjusted by capitalized interest.

2) Adjusted by expenses with stock option plans (non-cash), minority. Consolidated EBITDA considers the equity income from Alphaville.

3) Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638.

4) Backlog results include ventures that are subject to restriction due to a suspensive clause.

The uncertainty in Brazil's economic and political environment negatively impacted demand in the mid-high income segment and continued to hurt the Gafisa segment's operational performance. Despite a greater share of projects launched before 2015 in the 2Q16 gross sales mix (68.7% of gross sales), the high volume of dissolutions related to these projects (95.2% of dissolutions in the quarter) ended up concentrating part of the net volume of sales from inventory of more recent projects. Thus, revenues in the quarter were impacted again for the following items: (i) lower volume of net sales in the period; and (ii) higher concentration of net sales in projects with slower evolution of work progress.

The Gafisa segment ended 2Q16 with a gross margin of 12.3% compared to 25.9% in 2Q15 and 2.0% in the past quarter, reflecting a modest rebound from 1Q16. 2Q16 was still impacted by dissolutions related to commercial projects (R\$28.4 millions – 21.4% of total PSV dissolutions) and due to the effects of pricing

pressure related to the resale of cancelled units. Adjusted Gross Margin reached 30.7% in the quarter and 26.4% in the first half of the year.

In 2Q16 the Gafisa segment maintained a level of SG&A expenses more in line with the current level of the business cycle and market demand, posting a y-o-y reduction of 21.2% and ending 1H16 down 10.6% from 1H15.



## Net Income

Net loss for the period was R\$47.1 millions compared to a loss of R\$58.0 millions in 1Q16 and a profit of R\$8.5 millions in 2Q15. Excluding the net loss from Alphaville equity income, which totaled R\$12.0 millions in the quarter, the Gafisa segment reported a 2Q16 net loss of R\$35.1 millions, compared to a net loss of R\$68.9 millions in 1Q16 and net profit of R\$3.3 millions in 2Q15. In 1H16, the Gafisa segment posted a net loss of R\$104.0 millions.

As previously stated, this was due to the following items: (i) volume and mix of net sales in the period, and (ii) the effect of the negative contribution of AUSA equity income, due to the lower operating volume (launches and sales), reflecting on the quarter's revenue level and also to AUSA's net financial result, impacted by the higher cost of debt, compared to the previous year. In 1H16, net loss including Alphaville reached R\$105.1 millions.

Table 3 – Gafisa Segment – Net Income (R\$ Millions)

	<b>2Q16</b>	<b>1Q16</b>	<b>2Q15</b>	<b>6M16</b>	<b>6M15</b>
<b>Adjusted Gross Profit</b>	65.3	36.0	127.1	101.3	252.6
<b>Adjusted Gross Margin</b>	30.7%	21.0%	36.5%	26.4%	36.7%
<b>Net Income</b>	<b>(47.1)</b>	<b>(58.0)</b>	<b>8.5</b>	<b>(105.1)</b>	<b>28.7</b>
<b>Equity Income from Alphaville</b>	(12.0)	10.9	5.2	(1.1)	22.2
<b>Net Profit Ex- Alphaville</b>	<b>(35.1)</b>	<b>(68.9)</b>	<b>3.3</b>	<b>(104.0)</b>	<b>6.5</b>

## **Tenda Segment**

Operating and Financial Profitability Supported  
by Increased Scale and the Improved Performance of the New Model

Table 4 – Tenda Segment – Operating and Financial Highlights (R\$ 000 and % Tenda)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q(%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>Launches</b>	414,678	228,544	81%	229,366	81%	643,222	467,720	38%
<b>Net pre-sales</b>	324,992	266,497	22%	289,946	12%	591,489	533,483	11%
<b>Net pre-sales of Launches</b>	129,406	21,930	490%	41,028	215%	151,336	86,308	75%
<b>Sales over Supply (SoS)</b>	26.4%	23.9%	250 bps	28.2%	-180 bps	39.5%	41.9%	-240 bps
<b>Delivered projects (Units)</b>	1,895	464	308%	1,240	53%	2,359	2,927	-19%
<b>Net Revenue</b>	260,743	234,552	11%	243,137	7%	495,295	422,580	17%
<b>Adjusted Gross Profit<sup>1</sup></b>	72,951	74,260	-2%	73,285	0%	147,211	127,085	16%
<b>Adjusted Gross Margin<sup>1</sup></b>	28.0%	31.7%	-370 bps	30.1%	-210 bps	29.7%	30.1%	-40 bps
<b>Adjusted EBITDA<sup>2</sup></b>	21,858	22,755	-4%	15,221	44%	44,613	36,335	23%
<b>Adjusted EBITDA Margin<sup>2</sup></b>	8.4%	9.7%	130 bps	6.3%	210 bps	9.0%	8.6%	40 bps
<b>Net Income ( Loss)</b>	8,622	4,794	80%	20,035	-57%	13,416	31,481	-57%
<b>Backlog Revenues</b>	301,000	281,506	7%	237,309	27%	301,000	237,309	27%
<b>Backlog Results<sup>3</sup></b>	125,889	115,060	9%	99,048	27%	125,889	99,048	27%
<b>Backlog Margin<sup>3</sup></b>	41.8%	40.9%	90 bps	41.7%	10 bps	41.8%	41.7%	10 bps

1) Adjusted by capitalized interest.

2) Adjusted by expenses with stock option plans (non-cash), minority. Consolidated EBITDA considers the equity income from Alphaville.

3) Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638.

4) Backlog results include ventures that are subject to restriction due to a suspensive clause.

During 2Q16, the Tenda segment continued to scale its operations, supported by positive demand levels, which stimulated sales and launches.

Adjusted gross margin went down to 28.0% in the second quarter, compared to 31.7% in the 1Q16 and 30.1% in the previous year, as a result of the completion of the receivables portfolio revision, started in 4Q15, which resulted in additional provisioning of R\$14.6 millions in 2Q16. In April, as a result of major credit constraints, Tenda chose to be more flexible in its discount policy as an initiative to recover sales volume. This initiative was a one-off situation that normalized in subsequent months.

Selling, general and administrative expenses ended the 1H16 at R\$79.7 millions, 18.9% higher than 1H15, but in line with the expansion of Tenda's operations; launch volume increased by 37.5% in 6M16, compared

to the same period last year.

Adjusted EBITDA totaled R\$21.9 millions, with adjusted EBITDA margin of 8.4% in 2Q16. Adjusted EBITDA increased from R\$15.2 millions in 2Q15 and decreased from R\$22.8 millions in 1Q16.

## Net Income

The Tenda segment's 2Q16 net income was R\$8.6 millions, up from net income of R\$4.8 millions recorded in 1Q16 and down from net income of R\$20.0 millions in 2Q15. In 6M16, net income was R\$13.4 millions.

The 2Q16 results are attributable to: (i) higher volume of revenues, mitigating the effect of the lower gross margin; and (ii) a lower impact from Other Operating Revenues/Expenses.

Table 5 –Tenda Segment – Net Income (R\$ Millions)

	<b>2Q16</b>	<b>1Q16</b>	<b>2Q15</b>	<b>6M16</b>	<b>6M15</b>
<b>Adjusted Gross Profit</b>	73.0	74.3	73.3	147.2	127.1
<b>Adjusted Gross Margin</b>	28.0%	31.7%	30.1%	29.7%	30.1%
<b>Net Income</b>	<b>8.6</b>	<b>4.8</b>	<b>20.0</b>	<b>13.4</b>	<b>31.4</b>

## **RECENT EVENTS**

### **UPDATE SHARE BUYBACK PROGRAM**

Referring to the current share buyback program, through July 11, 2016, the Company has acquired 4.5 millions shares or 55% of the total amount authorized, with a maximum amount of 8,198,565 shares. It is worth mentioning that the Company reaffirms its commitment to capital discipline. The execution of the program is conditional on the maintenance of Gafisa's Consolidated Net Debt to Equity ratio at a level equal or lower than 60%. The Company's Executive Officers are authorized to determine the opportunities in which operations will be performed, as well as the amount of shares to be traded.

### **UPDATE ON THE SEPARATION PROCESS OF THE GAFISA AND TENDA UNITS**

In 2016, the Company has continued working on the potential separation of the Gafisa and Tenda business units. Since studies began in February 2014, several activities have been undertaken to enable these two business units to become more independent, both from an operational viewpoint and in terms of capital structure. As previously informed via Material Fact, such procedures are still in progress, but are taking more time to complete than initially planned.

The Company will keep its shareholders and the market informed about the process and any developments pertaining to the issues mentioned above.

## **GAFISA SEGMENT**

Focuses on residential developments within the upper, upper-middle, and middle-income segments, with average unit prices above R\$250,000.

### **Operating Results | Launches and Pre-Sales**

Second quarter launches totaled R\$130.4 millions and consisted of 2 projects/phases in São Paulo. The sales speed of these launches reached 21.0%. In 6M16, the Gafisa segment reached R\$210.5 millions in launches or 23.9% of consolidated launches.

Second quarter gross pre-sales in the Gafisa segment totaled R\$262.0 millions. Dissolutions in 2Q16 were R\$132.5 millions, yielding total net pre-sales of R\$129.5 millions, up 93.8% q-o-q and down 46.5% y-o-y. Out of total dissolutions in the quarter, 21.5% were related to corporate projects, while residential dissolutions corresponded to the remaining 78.5%. In 1H16, net pre-sales totaled R\$196.4 millions.

Despite headwinds in Brazil's political and economic scenario, the segment was capable of achieving an improved performance in 2Q16 relative to the previous quarter. Gross sales totaled R\$262.0 millions, 10.5% higher than the previous quarter. The slight improvement in sales performance from 1Q16 signals a marginal improvement in the consumer environment and a potentially improving scenario in 2H16. Another positive trend in 2Q16 was the lower volume of dissolutions compared to 1Q16, which returned to average levels posted in 2015.

As a main operational guideline for the year, the Company continues to focus its efforts on the sale of remaining units. As a result, 77.6% of net sales for the period were related to projects with launches before 2016. The dissolutions, in turn, were concentrated in the units launched prior to 2014, impacting the level of revenue in the period.





Table 6 – Gafisa Segment – Launches and Pre-sales (R\$ 000)

	2Q16	1Q16	Q/Q(%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
<b>Launches</b>	130,360	80,104	63%	252,585	-48%	210,464	327,812	-36%
<b>Pre- Sales</b>	129,519	66,842	94%	242,185	-47%	196,361	421,992	-53%

## Sales over Supply (SoS)

The Gafisa segment's SoS for the last twelve months reached 26.5% compared to 27.7% in the same period last year. In the 2Q16, SoS was 6.3% compared to 3.3% in 1Q16 and 10.5% in 2Q15.

## Dissolutions

The weak economic conditions observed in 2016 and the strong recession have directly impacted consumer confidence and, accordingly, the level of gross sales and dissolutions. Due to the challenging operating environment, the level of dissolutions in the Gafisa segment reached R\$132.5 millions in 2Q16, down sequentially compared to R\$170.3 millions in 1Q16 and up from R\$115.6 millions in 2Q15. In 1H16, the total volume of dissolutions was R\$302.8 millions.

Over the last three years, the Company has been working on initiatives to strengthen the credit review component of its sale process. In doing so, the Company intends to reduce the level of dissolutions throughout the construction and delivery cycle. Given the current economic uncertainties and corresponding effects on the real estate market, the reduction in dissolutions has been slower than expected.

A comprehensive approach in the credit review process at the time of sale has generated a more efficient process of transferring Gafisa customers to financial institutions, even amid an unfavorable economic environment. As an example of the efficiency achieved in this process, only 9.2% of those who asked for transfers in 1H16 have been rejected by the bank's credit analysis. (i.e. out of the 656 units asking for transfers, only 60 were not accepted)

In recent quarters the Gafisa segment has been able to reduce the level of dissolutions by enabling customers facing financial pressure to swap their units for those that better match their financial position. This exchange process reflects the flexibility of Gafisa's product portfolio. In 1H16, R\$56.2 millions of new sales were made to clients who opted for swaps.

In the quarter, 243 Gafisa units were cancelled and 143 units, representing R\$73.4 millions, were already resold within the period. In 1H16, 500 units were cancelled, with the resale of 259 units in the same period, or R\$135.3 millions.



## Inventory

Gafisa is maintaining its focus on inventory reduction initiatives. Projects launched prior to 2016 represented 72.3% of net sales in the period. The market value of the Gafisa segment's inventory decreased by 3.1% q-o-q, and 7.8% y.o.y, totaling R\$1.9 billions. The reduction reflects current market conditions, the effect of sales income in the period, as well as pricing adjustments on some inventory projects. Finished units outside of core markets accounted for R\$51.2 millions, or 2.7% of total inventory.

Table 7 – Gafisa Segment – Inventory at Market Value (R\$ 000)

	Inventories BoP 1Q16	Launches	Dissolutions	Gross Sales	Adjustments <sup>1</sup>	Inventories EoP 2Q16	Q/Q (%)
São Paulo	1,432,958	130,360	108,139	(217,823)	(66,661)	1,386,973	-3.2%
Rio de Janeiro	485,622	-	20,520	(29,671)	(980)	475,491	-2.1%
Other Markets	56,346	-	3,804	(14,488)	5,498	51,160	-9.2%
<b>Total</b>	<b>1,974,926</b>	<b>130,360</b>	<b>132,463</b>	<b>(261,982)</b>	<b>(62,143)</b>	<b>1,913,624</b>	<b>-3.1%</b>

<sup>1</sup> The Period Adjustment reflect the updates related to the project scope, release date and pricing update in the period.

During the same period, finished units represented R\$451.2 millions, or 23.6% of total inventory. Inventory from projects launched outside core markets, which is comprised exclusively of finished units, represented R\$51.2 millions, a decrease of 51.5% when compared to R\$105.4 millions in 2Q15 and down 9.2% from 1Q16. The Company estimates that through the beginning of 2017, it will have monetized a large portion of its inventory in non-core markets, based on the sales rate observed in these markets over the past few quarters.

In regards to Gafisa's inventory, approximately 46% or R\$869.7 millions, is concentrated in projects to be delivered after 2Q17 and will not significantly increase the segment's inventory of finished units in the short term.

Table 8 – Gafisa Segment – Inventory at Market Value- Work Status (R\$ 000)

	Not Initiated	Up to 30% built	30% a 70% built	More than 70% built	Finished Units	Total 2Q16
São Paulo	77,501	-	679,702	501,811	127,959	1,386,973
	-	4,404	90,994	107,979	272,114	475,491

Rio de Janeiro						
Other Markets	-	-	-	-	51,160	51,160
<b>Total</b>	<b>77,501</b>	<b>4,404</b>	<b>770,696</b>	<b>609,790</b>	<b>451,233</b>	<b>1,913,624</b>

Inventory at market value includes projects in partnership. This index is not comparable to the accounting inventory, due to the implementation of new accounting practices on behalf of CPCs 18, 19 and 36.

#### Inventory Delivery Schedule

## Landbank

The Gafisa segment landbank, with a PSV of R\$5.6 billions, is comprised of 34 land parcels, representing 45 potential projects/phases, and corresponding to nearly 11.1 units. 69% of potential projects/phases are located in São Paulo and 31% are located in Rio de Janeiro. The largest portion of land acquired through swap agreements is located in Rio de Janeiro, impacting the total percentage of land acquired through swaps, to a total of 57.3%.

Table 9 – Gafisa Segment - Landbank (R\$ 000)

	<b>PSV (% Gafisa)</b>	<b>% Swap Total</b>	<b>% Swap Units</b>	<b>% Swap Financial</b>	<b>Potential Units (% Gafisa)</b>	<b>Potential Units (100%)</b>
<b>São Paulo</b>	3,838,867	51%	51%	0%	8,016	8,744
<b>Rio de Janeiro</b>	1,728,250	72%	72%	0%	2,328	2,382
<b>Total</b>	<b>5,567,117</b>	<b>57%</b>	<b>57%</b>	<b>0%</b>	<b>10,344</b>	<b>11,126</b>

<sup>1</sup> The swap percentage is measured compared to historical cost of land acquisition.

<sup>2</sup> Potential units are net of swaps and refer to the Gafisa's and/or its partners' stake in the project.

Table 10 - Gafisa Segment - Changes in the Landbank (1Q16 x 2Q16 - R\$ 000)

	<b>Inicial Landbank</b>	<b>Land Acquisition</b>	<b>Launches</b>	<b>Dissolutions</b>	<b>Adjustments</b>	<b>Final Landbank</b>
<b>São Paulo</b>	4,048,411	-	(130,360)	-	(79,184)	3,838,867
<b>Rio de Janeiro</b>	1,661,840	65,693	-	-	717	1,728,250
<b>Total</b>	<b>5,710,251</b>	<b>65,693</b>	<b>(130,360)</b>	<b>-</b>	<b>(78,467)</b>	<b>5,567,117</b>

In 2Q16, the Company acquired a new parcel with PSV potential of R\$66.7 millions and an acquisition cost of R\$15.7 millions. It was financed by 100% cash and an initial disbursement of R\$5.0 millions. The disbursement schedule is subject to the launch.

The quarterly adjustments reflect updates related to project scope, expected launch date and other adjustments to the landbank during the period.

## **Gafisa Sales**

Gafisa Vendas, the Company's independent sales unit, with operations in São Paulo and Rio de Janeiro, accounted for 63% of gross sales in the semester.

Gafisa Vendas currently has a team of 579 highly trained, dedicated consultants, in addition to an online sales force.

## **Gafisa Segment Delivered Projects**

During 2Q16, 4 projects/phases totaling 1,241 units were delivered, accounting for R\$412.3 millions in PSV. In 6M16, 6 projects/phases totaling 1,432 units were delivered, accounting for R\$517.1 millions in PSV. Currently, Gafisa has 25 projects under construction, all of which are on schedule according to the Company's business plan.

## **Transfers**

Over the past few years, the Company has been taking steps to improve the performance of its receivables/transfer process, in an attempt to achieve higher rates of return on invested capital. Currently, the Company's strategy is to transfer 90% of eligible units in a 90-day period after the delivery of the project. In accordance with this policy, transfers totaled R\$142.7 millions in PSV in the second quarter.

Table 11 – Gafisa Segment – Delivered Projects

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q(%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>PSV Transferred <sup>1</sup></b>	142,697	110,023	30%	169,829	-16%	252,720	367,843	-31%
<b>Delivered Projects</b>	4	2	100%	5	-20%	6	14	-57%
<b>Delivered Units</b>	1,241	191	550%	1,498	-17%	1,432	3,345	-57%
<b>Delivered PSV<sup>2</sup></b>	<b>412,307</b>	<b>104,842</b>	<b>293%</b>	<b>777,258</b>	<b>-47%</b>	<b>517,149</b>	<b>1,346,717</b>	<b>-62%</b>

1) PSV refers to potential sales value of the units transferred to financial institutions.

2) PSV = Potential sales value of delivered units.

## Financial Results

### Revenue

2Q16 net revenues for the Gafisa segment totaled R\$212.6 millions, up 24.4% q-o-q and down 39.0% y-o-y, as a result of higher sales volume compared to 1Q16 and the sales mix, with a higher concentration of projects launched from 2015. In 1H16, net revenue reached R\$383.6 millions.

In the quarter, 100% of Gafisa segment revenues were derived from projects located in Rio de Janeiro and São Paulo. The table below provides additional details.

Table 12 – Gafisa Segment – Revenue Recognition (R\$ 000)

Launches	2Q16				2Q15			
	Pre-Sales	% Sales	Revenue	% Revenue	Pre-Sales	% Sales	Revenue	% Revenue
2016	35,867	28%	5,713	3%	-	0%	-	0%
2015	39,924	31%	38,020	18%	66,973	28%	-	0%
2014	33,996	26%	93,970	44%	57,530	24%	54,173	16%
2013	9,655	7%	49,796	23%	39,878	16%	76,279	22%
≤ 2012	10,077	8%	25,129	12%	77,804	32%	217,940	62%
<b>Total</b>	<b>129,519</b>	<b>100%</b>	<b>212,628</b>	<b>100%</b>	<b>242,185</b>	<b>100%</b>	<b>348,392</b>	<b>100%</b>
SP + RJ	118,835	92%	212,543	100%	234,710	97%	346,949	100%
Other Markets	10,684	8%	85	0%	7,475	3%	1,443	0%

### Gross Profit & Margin

2Q16 gross profit for the Gafisa segment was R\$26.1 millions, up from R\$3.5 millions in 1Q16, and down from R\$90.3 millions in the prior year period, due to a lower top line result. Gross margin in the quarter reached 12.3%, higher q-o-q, but still negatively impacted by the higher volume of dissolutions, mainly those related to corporate projects (R\$28.4 millions – 21.4% of total PSV cancelled) and the effect of pricing differences. Excluding financial impacts, adjusted gross margin reached 30.7% in 2Q16 compared to 21.0% in 1Q16 and 36.5% in 2Q15.

The table below contains more details on the breakdown of 2Q16 Gafisa's gross margin.

Table 13 - Gafisa Segment – Gross Margin (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y (%)	6M16	6M15	Y/Y (%)
Net Revenue	212,628	170,982	24%	348,392	-39%	383,610	688,450	-44%



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<b>Gross Profit</b>	<b>26,084</b>	<b>3,456</b>	<b>655%</b>	<b>90,268</b>	<b>-71%</b>	<b>29,540</b>	<b>188,415</b>	<b>-84%</b>
<b>Gross Margin</b>	12.3%	2.0%	1,030 bps	25.9%	-1,360 bps	7.7%	27.4%	-1,970 bps
<b>(-) Financial Costs</b>	39,241	32,523	21%	(36,833)	-	71,764	(64,188)	-
<b>Adjusted Gross Profit</b>	<b>65,325</b>	<b>35,979</b>	<b>82%</b>	<b>127,101</b>	<b>-49%</b>	<b>101,304</b>	<b>252,603</b>	<b>-60%</b>
<b>Adjusted Gross Margin</b>	30.7%	21.0%	970 bps	36.5%	-580 bps	26.4%	36.7%	-1,030 bps

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Table 14 – Gafisa Segment – Gross Margin Breakdown (R\$ 000)

	<b>SP + RJ</b>	<b>Other Markets</b>	<b>2Q16</b>
<b>Net Revenue</b>	212,543	85	<b>212,628</b>
<b>Adjusted Gross Profit</b>	65,213	111	<b>65,324</b>
<b>Adjusted Gross Margin</b>	<b>30.7%</b>	<b>130.5%</b>	<b>30.7%</b>

## Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$39.8 millions in the 2Q16, down 21.2% y-o-y and 9.1% q-o-q. In the 6M16, these expenses totaled R\$83.5 millions, 10.6% down from the R\$93.4 millions in the past year.

While selling expenses decreased 11.9% compared to 2Q15, they increased 20.9% from 1Q16, due to an increased level of launch volumes and higher required sales and marketing investments to stimulate demand. Year-to-date, the sales expenses remained stable compared to 6M15.

The segment's general and administrative expenses reached R\$19.5 millions in 2Q16, a decrease of 28.9% compared to the previous year and 27.7% compared to 1Q16. In the quarter, and as an effect of the current market moment, the Company has not provisioned any amount related to profit sharing. In the 6M16, G&A expenses reached R\$46.5 millions compared to R\$56.4 millions in 6M15, a decrease of 17.4%.

The improved balance in the Gafisa segment's SG&A levels reflects the Company's commitment to improving operational efficiency and achieving a level of costs and expenses that is more in line with the current economic outlook.

Table 15 – Gafisa Segment – SG&amp;A Expenses (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>Selling Expenses</b>	(20,245)	(16,746)	21%	(22,976)	-12%	(36,991)	(37,068)	0%
<b>G&amp;A Expenses</b>	(19,524)	(27,002)	-28%	(27,466)	-29%	(46,526)	(56,351)	-17%
<b>Total SG&amp;A Expenses</b>	<b>(39,769)</b>	<b>(43,748)</b>	<b>-9%</b>	<b>(50,442)</b>	<b>-21%</b>	<b>(83,517)</b>	<b>(93,419)</b>	<b>-11%</b>
<b>Launches</b>	130,360	80,104	63%	252,585	-48%	210,464	327,812	-36%
<b>Net Pre-sales</b>	129,519	66,842	94%	242,185	-47%	196,361	421,992	-53%
<b>Net Revenue</b>	212,628	170,982	24%	348,392	-39%	383,610	688,450	-44%

Other Operating Revenues/Expenses reached R\$19.0 millions in 2Q16, a decrease of 11.3% compared to 2Q15, and an increase of 30.1% compared to 1Q16.

The Company continues to be proactive in mitigating risks associated with potential contingencies.

The table below contains more details on the breakdown of this expense.

Table 16 – Gafisa Segment – Other Operating Revenues/Expenses (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y (%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y (%)</b>
<b>Litigation Expenses</b>	(15,461)	(15,804)	-2%	(24,622)	-37%	(31,265)	(44,587)	-30%
<b>Other</b>	(3,496)	1,228	-	3,244	-	(2,268)	(5,312)	-57%
<b>Total</b>	<b>(18,957)</b>	<b>(14,576)</b>	<b>30%</b>	<b>(21,378)</b>	<b>-11%</b>	<b>(33,533)</b>	<b>(49,899)</b>	<b>-33%</b>

A higher volume of deliveries over the past three years, due to the delivery of delayed projects in legacy regions, led to an increase in the level of contingencies. The Gafisa segment has since concentrated its operations on the metropolitan regions of São Paulo and Rio de Janeiro. This strategic geographical positioning, combined with improved internal processes, is expected to result in fewer future legal claims and a subsequent decrease in the amount of expenses related to contingencies in the following years.

## Adjusted EBITDA

Adjusted EBITDA for the Gafisa segment was R\$12.5 millions in 2Q16, an improvement from the negative R\$18.1 millions in 1Q16 and lower than the R\$52.4 millions recorded in 2Q15. Year-to-date adjusted EBITDA was negative R\$5.6 millions compared to the positive result of R\$110.7 millions in 6M15. 2Q16 Adjusted EBITDA was impacted year-over-year by the following factors: (i) lower revenue in the quarter due to the volume and sales mix; and (ii) decreased gross margin level in 2Q16. As a reminder, adjusted EBITDA for the Gafisa segment does not include equity income from Alphaville.

The adjusted EBITDA margin reached 5.9% in 2Q16, compared to 15.0% in 2Q15, and a negative margin of 10.6% in 1Q16. The adjusted EBITDA margin for the 6M16 was negative 1.5%.

Table 17 – Gafisa Segment - Adjusted EBITDA (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>Net Profit (Loss)</b>	<b>(47,061)</b>	<b>(58,021)</b>	<b>-19%</b>	<b>8,452</b>	<b>-</b>	<b>(105,082)</b>	<b>28,656</b>	<b>-</b>
<b>(+) Financial Results</b>	2,039	44	4534%	2,966	-31%	2,083	12,710	-84%
<b>(+) Income Taxes</b>	(421)	5,990	-	278	-	5,569	7,628	-27%
<b>(+) Depreciation &amp; Amortization</b>	5,644	9,508	-41%	8,079	-30%	15,152	16,358	-7%
<b>(+) Capitalized interests</b>	39,241	32,523	21%	36,833	7%	71,764	64,187	12%
<b>(+) Expense stock Option Plan</b>	1,300	1,891	-31%	1,850	-30%	3,191	3,940	-19%
<b>(+) Minority Shareholders</b>	(203)	805	-	(848)	-76%	602	(619)	-
<b>(-) Alphaville Income Effect</b>	11,952	(10,880)	-	(5,210)	-	1,072	(22,170)	-
<b>Adjusted EBITDA</b>	<b>12,491</b>	<b>(18,140)</b>	<b>-</b>	<b>52,400</b>	<b>-76%</b>	<b>(5,649)</b>	<b>110,690</b>	<b>-105%</b>
<b>Net Revenue</b>	<b>212,628</b>	<b>170,982</b>	<b>24%</b>	<b>348,392</b>	<b>-39%</b>	<b>383,610</b>	<b>688,450</b>	<b>-44%</b>
<b>Adjusted EBITDA Margin</b>	<b>5.9%</b>	<b>-10.6%</b>	<b>1,650 bps</b>	<b>15.0%</b>	<b>-910 bps</b>	<b>-1.5%</b>	<b>16.1%</b>	<b>-1,760 bps</b>

1) EBITDA is adjusted by expenses associated with stock option plans, as this is a non-cash expense.

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method totaled R\$134.0 millions in 2Q16. The consolidated margin was 36.6% in the quarter, compared to 39.9% posted in last year's second quarter.

Table 18 – Gafisa Segment – Backlog Results (REF) (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q(%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>
<b>Backlog Revenues</b>	366,368	427,365	-14%	664,074	-45%
<b>Backlog Costs (units sold)</b>	(232,393)	(267,395)	-13%	(398,884)	-42%
<b>Backlog Results</b>	<b>133,975</b>	<b>159,970</b>	<b>-16%</b>	<b>265,190</b>	<b>-49%</b>
<b>Backlog Margin</b>	<b>36.6%</b>	<b>37.4%</b>	<b>-80 bps</b>	<b>39.9%</b>	<b>-330 bps</b>

<sup>1</sup> Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638

<sup>2</sup> Backlog results include ventures that are subject to restriction due to a suspensive clause.

## TENDA SEGMENT

Focuses on affordable residential developments, classified within the Range II of *Minha Casa Minha Vida* Program.

### Operating Results | Launches and Sales

Second quarter launches totaled R\$414.7 millions and included 12 projects/phases in the states of São Paulo, Rio de Janeiro, Minas Gerais, Bahia and Rio Grande do Sul. The Tenda segment accounted for 76.1% of launches in the quarter. In the first half of the year, the launch volume reached R\$643.2 millions.

During 2Q16, gross sales reached R\$382.9 millions and dissolutions were R\$57.9 millions, resulting in total net pre-sales of R\$325.0 millions, 21.9% higher than the last quarter and 12.1% higher y-o-y.

In the 6M16, the volume of dissolutions was R\$104.2 millions and net pre-sales totaled R\$591.5 millions. In 6M16, 74.4% of total net sales were related to remaining units.

Table 19 – Tenda Segment – Launches and Pre-sales (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
<b>Launches</b>	414,678	228,544	81%	229,366	81%	643,222	467,720	38%
<b>Pre-Sales</b>	324,992	266,497	22%	289,946	12%	591,489	533,483	11%



## Sales Over Supply (SoS)

In 2Q16, sales velocity (sales over supply) was 26.4%, and on a trailing 12-month basis, Tenda's SoS was 54.2%.

Below is a breakdown of Tenda's SoS, which includes both legacy and New Model projects.

	2Q15	3Q15	4Q15	1Q16	2Q16
<b>New Model</b>	35.2%	27.1%	24.9%	26.9%	28.9%
<b>Legacy</b>	12.0%	11.4%	5.2%	10.7%	11.9%
<b>Total</b>	28.2%	23.0%	20.9%	23.9%	26.4%

	2Q15	3Q15	4Q15	1Q16	2Q16
<b>New Model</b>	37.4%	29.6%	27.4%	29.7%	32.2%
<b>Legacy</b>	24.3%	19.4%	13.3%	20.7%	25.0%
<b>Total</b>	33.4%	26.9%	24.4%	28.0%	31.1%

## Dissolutions

The level of dissolutions in the Tenda segment totaled R\$57.9 millions in 2Q16, an increase of 7.8% compared to 2Q15 and 25.3% compared to 1Q16, in line with the increasing volume of gross sales in this quarter.

Due to its transfer policy, which occurs immediately after the sale, and the reduction of the legacy portfolio, the Tenda segment continues to support a lower volume of dissolutions. The percentage of dissolutions over gross sales reached 15.1%, despite the 58.5% of the legacy projects in this quarter's total volume of dissolutions.

Table 22. PSV Dissolutions Tenda Segment (R\$ 000 and % of total gross sales)



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	<b>2Q15</b>	<b>% GS</b>	<b>3Q15</b>	<b>% GS</b>	<b>4Q15</b>	<b>% GS</b>	<b>1Q16</b>	<b>% GS</b>	<b>2Q16</b>	<b>% GS</b>
<b>New Model</b>	15,648	4.5%	19,576	6.8%	22,201	8.0%	20,490	6.6%	24,030	6.3%
<b>Legacy</b>	38,115	11.1%	22,447	7.8%	17,686	6.4%	25,736	8.2%	33,904	8.9%
<b>Total</b>	<b>53,763</b>	<b>15.6%</b>	<b>42,023</b>	<b>14.6%</b>	<b>39,887</b>	<b>14.4%</b>	<b>46,226</b>	<b>14.8%</b>	<b>57,934</b>	<b>15.1%</b>

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Tenda remained focused on the completion and delivery of legacy projects. In addition, the Company is dissolving contracts with ineligible clients to sell the related units to new, qualified customers.

During the quarter, 392 units were cancelled and returned to inventory, of which 238 units were resold to qualified customers during the same period. The sale and transfer process plays an important role in Tenda's business model. It is expected that within a 90-day period, the effective sale and transfer process will be completed.

## Tenda Segment Transfers

In the 2Q16, 2,051 units were transferred to financial institutions, representing R\$261.6 millions in net pre-sales.

Table 23 – Tenda Segment - PSV Transferred- Tenda (R\$ 000)

	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
<b>New Model</b>	69,563	59,736	67,621	114,939	199,423	194,719	165,691	236,120	205,410
<b>Legacy</b>	154,155	100,361	74,773	59,110	61,566	53,912	40,050	30,642	56,184
<b>Total</b>	<b>223,717</b>	<b>160,097</b>	<b>142,393</b>	<b>174,049</b>	<b>260,989</b>	<b>248,631</b>	<b>205,741</b>	<b>266,762</b>	<b>261,594</b>

1) PSV transferred refers to the conclusion of the transfer operation.

2) PSV = Potential sales volume of the units.

## Tenda Segment Delivered Projects

During 2Q16, Tenda delivered 10 projects/phases and 1,895 units, accounting for a PSV of R\$275.4 millions. In 6M16, 13 projects/phases and 2,359 units were delivered, accounting for R\$337.1 millions in PSV.

## Inventory

The market value of Tenda's inventory was R\$906.3 millions at the end of the 2Q16, up 6.7% compared to R\$849.1 millions at the end of 1Q16. Inventory related to the legacy units totaled R\$160.6 millions or 17.7% of the total Tenda inventory, down 12.6% versus 1Q16 and 58.9% compared to 2Q15. During the quarter, inventory units within the Minha Casa Minha Vida program totaled R\$882.3 millions, or 97.3% of total inventory, while units outside the program totaled R\$24.0 millions, a decrease of 28.8% q-o-q and of 83.0% y-o-y.

Table 24 –Tenda Segment – Inventory at Market Value (R\$ 000) – by Region

	<b>Inventory EP 1Q16</b>	<b>Launches</b>	<b>Dissolutions</b>	<b>Pre- Sales</b>	<b>Adjustments</b>	<b>Price + Others</b>	<b>Inventory EP 2Q16</b>	<b>% Q/Q</b>
<b>São Paulo</b>	191,325	103,418	10,801	(89,816)	(7,254)	208,474	9%	
<b>Rio Grande do Sul</b>	87,972	43,350	10,218	(45,005)	(2,285)	94,250	7%	
<b>Rio de Janeiro</b>	173,575	148,806	16,534	(95,130)	(5,983)	237,802	37%	
<b>Bahia</b>	154,492	77,856	5,697	(66,110)	(6,215)	165,720	7%	
<b>Pernambuco</b>	91,884	0	2,948	(35,948)	(7,269)	51,615	-44%	
<b>Minas Gerais</b>	111,457	41,248	8,267	(38,231)	(3,507)	119,234	7%	
<b>Other</b>	38,377	0	3,469	(12,687)	69	29,228	-24%	
<b>Total Tenda</b>	<b>849,082</b>	<b>414,678</b>	<b>57,934</b>	<b>(382,927)</b>	<b>(32,444)</b>	<b>906,323</b>	<b>7%</b>	
<b>MCMV</b>	815,298	414,678	48,367	(364,225)	(31,845)	882,273	8%	
<b>Out of MCMV</b>	33,784	0	9,567	(18,702)	(599)	24,050	-29%	

1) The quarter adjustments reflect updates related to project scope, expected launch date and price adjustments during the period.

Table 25 – Tenda Segment – Inventory at Market Value – Work Status(R\$ 000)

	<b>Not Initiated</b>	<b>Up to 30% built</b>	<b>30% to 70% built</b>	<b>More than 70% built</b>	<b>Finished Units<sup>1</sup></b>	<b>Total 2Q16</b>
<b>New Model – MCMV</b>	225,797	319,898	88,675	96,243	15,078	745,691
<b>Legacy – MCMV</b>	-	-	59,755	-	76,827	136,582
<b>Legacy – Out of MCMV</b>	-	-	-	-	24,050	24,050
<b>Total Tenda</b>	<b>225,797</b>	<b>319,898</b>	<b>148,430</b>	<b>96,243</b>	<b>115,955</b>	<b>906,323</b>

1) Inventory at market value includes projects in partnership. This index is not comparable to the accounting inventory, due to the implementation of new accounting practices on behalf of CPC's 18, 19 and 36.

Regarding inventory projects, the Tenda segment is still awaiting legal approval for a suspended project with a total PSV of R\$59.8 millions to move forward with construction.

## Tenda Segment Landbank

The Tenda segment landbank, with a PSV of approximately R\$4.4 billions, is comprised of 130 different projects/phases. Out of these projects/phases, 26% are located in Bahia, 23% in São Paulo, 21% in Rio de Janeiro, 15% in Rio Grande do Sul, 10% in Pernambuco and 5% in Minas Gerais. In total, these projects/phases reflect more than 33,000 units.

Table 26 – Tenda Segment - Landbank (R\$ 000)

	<b>PSV (% Tenda)</b>	<b>% Swap Total</b>	<b>% Swap Units</b>	<b>% Swap Financial</b>	<b>Potential Units (% Tenda)</b>	<b>Potential Units (100%)</b>
<b>São Paulo</b>	1,022,884	0%	0%	0%	6,621	6,621
<b>Rio Grande do Sul</b>	685,383	30%	9%	21%	5,112	5,160
<b>Rio de Janeiro</b>	928,335	19%	19%	0%	6,782	6,871
<b>Bahia</b>	1,146,694	4%	4%	0%	9,133	9,152
<b>Pernambuco</b>	458,090	23%	10%	13%	3,655	3,680
<b>Minas Gerais</b>	209,148	39%	39%	0%	1,506	1,540
<b>Total</b>	<b>4,450,534</b>	<b>14%</b>	<b>9%</b>	<b>6%</b>	<b>32,809</b>	<b>33,024</b>

<sup>1</sup> Swap percentage over the historical cost of land acquisition.

<sup>2</sup> Potential Units are net of swaps and refer to Tenda's and/or its partners' stake in the projects.

Table 27 –Tenda Segment – Changes in the Landbank (1Q16 x 2Q16 - R\$ 000)

	<b>Initial Landbank</b>	<b>Land Acquisition</b>	<b>Launches</b>	<b>Adjustments</b>	<b>Final Landbank</b>
<b>São Paulo</b>	1,090,401	32,364	(103,418)	3,537	1,022,884
<b>Rio Grande do Sul</b>	623,399	113,740	(43,350)	(8,406)	685,383
<b>Rio de Janeiro</b>	1,034,112	65,626	(148,806)	(22,597)	928,335
<b>Bahia</b>	1,177,331	46,568	(77,856)	651	1,146,694
<b>Pernambuco</b>	458,291	0	0	(201)	458,090
<b>Minas Gerais</b>	250,906	0	(41,248)	(510)	209,148
<b>Total</b>	<b>4,634,440</b>	<b>258,298</b>	<b>(414,678)</b>	<b>(27,526)</b>	<b>4,450,534</b>

In 2Q16, the Tenda segment acquired 7 new land plots with a potential PSV of R\$258.3 millions. These had an acquisition cost of R\$21.9 millions, 56% to be paid in cash and 44% to be paid via swap. The Tenda segment also reinstated land parcels with potential PSV of approximately R\$65.5 millions, which were previously for sale; they were added to Tenda segment's landbank, due to positive results from new feasibility studies.

## New Model Update and Turnaround

Tenda is focused on expanding launch volumes under its New Business Model, which is based on three pillars: operational efficiency, risk management, and capital discipline.

The Company continues to operate in six macro regions: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife. Tenda has a total of 72 projects/phases and a launched PSV of R\$2.7 billions since 2013. Below is a brief description of the average performance of these projects, per region.

Notably, the Tenda segment has delivered 32 projects/phases since 2013, totaling 8,042 units and R\$1.1 billion in PSV, all of them maintaining the performance and profitability drivers established in the New Model.

Table 28. Tenda – New Model Monitoring 2013 – 2016

	SP	RJ	BA	PE	MG	RS	2013
<b>Number of Projects</b>	4	1	2	-	-	-	7
<b>Units launched</b>	1,380	300	779	-	-	-	2,459
<b>Total PSV (R\$ 000)</b>	189.7	40.4	83.9	-	-	-	314
<b>Units Sold</b>	1,378	284	774	-	-	-	2,436
<b>% Sold</b>	100%	95%	99%	-	-	-	99%
<b>SoS Avg (Month)</b>	11%	6%	5%	-	-	-	9%
<b>Transfers</b>	1,378	271	762	-	-	-	2,411
<b>% Transferred (Sales)</b>	100%	90%	98%	-	-	-	98%
<b>Work Progress</b>	100%	100%	100%	-	-	-	100%
	<b>SP</b>	<b>RJ</b>	<b>BA</b>	<b>PE</b>	<b>MG</b>	<b>RS</b>	<b>2014</b>
<b>Number of Projects</b>	4	4	4	1	1	-	14
<b>Units launched</b>	720	1,511	1,220	432	432	-	4,315
<b>Total PSV (R\$ 000)</b>	117.8	224.8	151.5	58.8	60.4	-	613
<b>Units Sold</b>	705	1,448	1,191	425	383	-	4,152
<b>% Sold</b>	98%	96%	98%	98%	89%	-	96%
<b>SoS Avg (Month)</b>	13%	6%	7%	7%	4%	-	7%
<b>Transfers</b>	704	1,283	1,166	411	376	-	3,940
<b>% Transferred (Sales)</b>	98%	86%	96%	95%	87%	-	91%
<b>Work Progress</b>	100%	100%	99%	100%	100%	-	100%
	<b>SP</b>	<b>RJ</b>	<b>BA</b>	<b>PE</b>	<b>MG</b>	<b>RS</b>	<b>2015</b>
	10	7	5	3	2	3	30

<b>Number of Projects</b>							
<b>Units launched</b>	2,180	1,751	1,584	944	372	880	7,711
<b>Total PSV (R\$ 000)</b>	338.2	252.6	198.5	122.3	53.2	123.6	1,088
<b>Units Sold</b>	2,013	1,115	1,181	713	325	796	6,143
<b>% Sold</b>	92%	64%	75%	76%	87%	90%	80%
<b>SoS Avg (Month)</b>	15%	7%	8%	6%	12%	13%	10%
<b>Transfers</b>	1,889	833	959	549	279	626	5,135
<b>% Transferred (Sales)</b>	87%	49%	63%	59%	75%	71%	67%
<b>Work Progress</b>	81%	65%	74%	77%	60%	74%	74%

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	<b>SP</b>	<b>RJ</b>	<b>BA</b>	<b>PE</b>	<b>MG</b>	<b>RS</b>	<b>2016</b>
<b>Number of Projects</b>	4	5	4	1	4	3	21
<b>Units launched</b>	820	1,018	1,060	304	780	580	4,562
<b>Total PSV (R\$ 000)</b>	131.1	148.8	133.9	38.2	107.7	83.6	643
<b>Units Sold</b>	224	230	266	105	156	110	1,091
<b>% Sold</b>	27%	23%	25%	35%	20%	19%	24%
<b>SoS Avg (Month)</b>	11%	18%	11%	8%	12%	7%	12%
<b>Transfers</b>	132	49	152	57	29	40	459
<b>% Transferred (Sales)</b>	18%	6%	16%	19%	9%	7%	10%
<b>Work Progress</b>	20%	16%	18%	16%	20%	31%	20%



## Financial Result

### Revenues

Tenda's 2Q16 net revenues totaled R\$260.7 millions, an increase of 7.2% y-o-y, reflecting an increased volume of net sales in the period. As shown in the table below, revenues from new projects represented the majority of total revenues in 2Q16. Tenda's net revenues totaled R\$495.3 millions in 6M16, an increase of 17.2% y-o-y, due to the increased level of operations in the period.

Table 29. Tenda - Pre-Sales and Recognized Revenues (R\$ 000)

Launches	2Q16				2Q15			
	Pre-Sales	% Sales	Revenue	% Revenue	Pre-Sales	% Sales	Revenue	% Revenue
<b>2016</b>	129,406	40%	38,427	15%	-	0%	-	0%
<b>2015</b>	173,434	53%	220,694	84%	107,472	37%	24,904	10%
<b>2014</b>	1,380	0%	11,205	4%	144,079	50%	145,771	60%
<b>2013</b>	(993)	0%	(884)	0%	1,294	0%	7,566	3%
<b>≤ 2012</b>	21,765	7%	(8,699)	-3%	37,101	13%	64,894	27%
<b>Total</b>	<b>324,992</b>	<b>100%</b>	<b>260,743</b>	<b>100%</b>	<b>289,946</b>	<b>100%</b>	<b>243,137</b>	<b>100%</b>
<b>New Model</b>	303,003	93%	269,441	103%	252,845	87%	178,242	73%
<b>Legacy</b>	21,989	7%	(8,698)	-3%	37,101	13%	64,894	27%

### Gross Profit and Margin

2Q16 gross profit totaled R\$67.4 millions, in line with R\$68.3 millions in 2Q15, and R\$68.7 millions in the 1Q16. Gross margin for the quarter reached 25.9%, compared to 28.1% in 2Q15 and 29.3% in 1Q16. The reduction in gross margin is a result of the completion of the receivables portfolio review, started in 4Q15, resulting in additional provisioning of R\$14.6 millions in the 2Q16. In April, as a result of major credit constraints, Tenda chose to be more flexible in its discount policy as an initiative to recover sales volume. This initiative was a one-off situation that normalized in subsequent months.

It is worth mentioning that the adjusted gross margin remained in the level between 28 and 30%, as it has been since 2Q14, as a result of the consolidation of New Model projects, improved performance and profitability and decreased contribution from legacy projects in the breakdown of Tenda's revenues. 2Q16 adjusted gross margin was 28.0%, lower than the 30.1% seen in 2015 and the 31.7% in 1Q16. In 6M16, Tenda's adjusted gross margin reached 29.7%.

The table below shows Tenda's gross margin breakdown in 2Q16.

Table 30. Tenda – Gross Margin (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>Net Revenue</b>	260,743	234,552	11%	243,137	7%	495,295	422,580	17%
<b>Gross Profit</b>	67,407	<b>68,745</b>	-2%	68,275	-1%	136,152	119,328	14%
<b>Gross Margin</b>	25.9%	29.3%	-340 bps	28.1%	-220 bps	27.5%	28.2%	-70 bps
<b>(-) Financial Costs</b>	5,544	5,515	1%	5,010	11%	11,059	7,757	43%
<b>Adjusted Gross Profit</b>	<b>72,951</b>	<b>74,260</b>	-2%	<b>73,285</b>	<b>0%</b>	<b>147,211</b>	<b>127,085</b>	<b>16%</b>
<b>Adjusted Gross Margin</b>	28.0%	31.7%	-370 bps	30.1%	-210 bps	29.7%	30.1%	-40 bps

## Selling, General and Administrative Expenses (SG&A)

During 2Q16, selling, general and administrative expenses totaled R\$42.4 millions, an increase of 8.1% compared to R\$39.3 millions in 2Q15 and 13.8% compared to R\$37.3 millions in 1Q16. In 1H16, SG&A increased by 18.9%, totaling R\$79.7 millions, as a result of a higher volume of Tenda segment operations.

Selling expenses reached R\$21.3 millions in 2Q16, an increase of 16.4% from 1Q16 and 20.4% from 2Q15, due to a higher launch volume and increased gross sales in the Tenda segment. It is worth noting that despite the 16.4% increase in selling expenses, gross sales volume outpaced the SG&A expense, increasing 22.4% in the quarter. In 6M16, selling expenses increased 28.9%, totaling R\$39.5 millions.

In 2Q16, general and administrative expenses decreased 2.0% compared to 2Q15 and increased 11.3% in the sequential comparison. The difference is a result of the partial reversal of expenses related to the provision for profit sharing recorded in 1Q16, which had a net effect of R\$2.0 millions between the quarters. Year-to-date, general and administrative expenses totaled R\$40.2 millions, 10.5% above the R\$36.4 millions recorded in 2015 and in line with the level of operations of the Tenda segment.

Another step taken by the Tenda segment to improve its operational and financial cycle since 2013 is the reduction in the cost structure to match the Company's new business model and achieve better profitability.

Table 31. Tenda – SG&A Expenses (R\$ 000)

	2Q16	1Q16	Q/Q(%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
<b>Selling Expenses</b>	(21,270)	(18,272)	16%	(17,659)	20%	(39,542)	(30,680)	29%
<b>General &amp; Admin Expenses</b>	(21,177)	(19,020)	11%	(21,604)	-2%	(40,197)	(36,387)	10%
<b>Total SG&amp;A Expenses</b>	<b>(42,447)</b>	<b>(37,292)</b>	<b>14%</b>	<b>(39,263)</b>	<b>8%</b>	<b>(79,739)</b>	<b>(67,067)</b>	<b>19%</b>
<b>Launches</b>	414,678	228,544	81%	229,366	81%	643,222	467,720	38%
<b>Net Pre-Sales</b>	324,992	266,497	22%	289,946	12%	591,489	533,483	11%
<b>Net Revenue</b>	260,743	234,552	11%	243,137	7%	495,295	422,580	17%

The Other Operating Revenues/Expenses totaled an expense of R\$7.3 millions, a decrease of 52.2% compared to 1Q16, due to the lower impact of the non-recurring effects recorded last quarter.

Below, we present a breakdown of this expense.

Table 32 – Tenda Segment– Other Revenues/Operating Expenses (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
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<b>Litigation Expenses</b>	(5,597)	(7,084)	-21%	(4,796)	17%	(12,682)	(10,901)	16%
<b>Other</b>	(1,673)	(8,133)	-79%	(6,877)	-76%	(9,805)	(5,806)	69%
<b>Total</b>	<b>(7,270)</b>	<b>(15,217)</b>	<b>-52%</b>	<b>(11,673)</b>	<b>-38%</b>	<b>(22,487)</b>	<b>(16,707)</b>	<b>35%</b>

## Adjusted EBITDA

Adjusted EBITDA was R\$21.9 millions in 2Q16, compared to adjusted EBITDA of R\$22.8 millions in 1Q16 and R\$15.2 millions in 2Q15. In 1H16, adjusted EBITDA was R\$44.6 millions compared to R\$36.3 millions in the last year.

Adjusted EBITDA margin was 8.4% in 2Q16 compared to an adjusted EBITDA margin of 6.3% in 2Q15 and 9.7% in the previous quarter. The y-o-y increase is attributable to: (i) higher volume of net sales in the period, contributing to a higher level of revenue; and (ii) better performance from Other Operating Revenues/Expenses due to a lower impact from non-recurring effects compared to the previous quarter.

In 1H16, adjusted EBITDA margin reached 9.0%.

Table 33. Tenda – Adjusted EBITDA (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
<b>Net (Loss) Profit</b>	<b>8,622</b>	<b>4,794</b>	<b>80%</b>	<b>20,035</b>	<b>-57%</b>	<b>13,416</b>	<b>31,481</b>	<b>-57%</b>
(+) <b>Financial results</b>	450	1,897	-76%	(5,651)	-	2,347	(7,179)	-
(+) <b>Income taxes</b>	3,394	6,755	-50%	(6,032)	-	10,149	(1,222)	-
(+) <b>Depreciation &amp; Amortization</b>	3,040	3,190	-5%	3,482	-13%	6,230	6,872	-9%
(+) <b>Capitalized interests</b>	5,544	5,515	1%	5,010	11%	11,059	7,757	43%
(+) <b>Expenses with stock Option Plan</b>	27	533	-95%	533	-95%	560	1,060	-47%
(+) <b>Minority Shareholders</b>	781	71	1000%	(2,156)	-	852	(2,434)	-
<b>Adjusted EBITDA</b>	<b>21,858</b>	<b>22,755</b>	<b>-4%</b>	<b>15,221</b>	<b>44%</b>	<b>44,613</b>	<b>36,335</b>	<b>23%</b>
<b>Net Revenue</b>	<b>260,743</b>	<b>234,552</b>	<b>11%</b>	<b>243,137</b>	<b>7%</b>	<b>495,295</b>	<b>422,580</b>	<b>17%</b>
<b>Adjusted EBITDA Margin</b>	<b>8.4%</b>	<b>9.7%</b>	<b>-130 bps</b>	<b>6.3%</b>	<b>210 bps</b>	<b>9.0%</b>	<b>8.6%</b>	<b>40 bps</b>

1) EBITDA is adjusted by expenses associated with stock option plans, as this is a non-cash expense.

2) Tenda does not hold equity interest in Alphaville. In 4Q13, the result of the sale of the participation in Alphaville, which was allocated to Tenda, was excluded.

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$125.9 millions in 2Q16. The consolidated margin for the quarter was 41.8%.

Table 34. Tenda – Backlog Results (REF) (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q(%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>
<b>Backlog Revenues</b>	301,000	281,506	7%	237,309	27%

<b>Backlog Costs (units sold)</b>	(175,111)	(166,446)	5%	(138,261)	27%
<b>Backlog Results</b>	<b>125,889</b>	<b>115,060</b>	<b>9%</b>	<b>99,048</b>	<b>27%</b>
<b>Backlog Margin</b>	41.8%	40.9%	90 bps	41.7%	10 bps

<sup>1</sup> Backlog results net of PIS/COFINS taxes and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638

<sup>2</sup> Backlog results include ventures that are subject to restriction due to a suspensive clause.

# Balance Sheet and Consolidated Financial Results

## Cash and Cash Equivalents

On June 30, 2016, cash and cash equivalents and securities totaled R\$618.6 millions, down 21.9% from March 31, 2016.

## Accounts Receivable

At the end of 2Q16, total consolidated accounts receivable reached R\$2.3 billions, a decrease of 18.1% y-o-y and a decrease of 4.3% q-o-q.

The Gafisa and Tenda segments have approximately R\$561.2. millions in accounts receivable from finished units.

Table 35. Total Receivables (R\$ 000)

	2Q16	1Q16	Q/Q(%)	2Q15	Y/Y(%)
<b>Receivables from developments (off balance sheet)</b>	692,650	735,725	-6%	935,530	-26%
<b>Receivables from PoC- ST (on balance sheet)</b>	1,285,892	1,328,042	-3%	1,464,279	-12%
<b>Receivables from PoC- LT (on balance sheet)</b>	354,931	374,614	-5%	450,243	-21%
<b>Total</b>	<b>2,333,473</b>	<b>2,438,381</b>	<b>-4%</b>	<b>2,850,052</b>	<b>-18%</b>

Notes: ST – Short term | LT- Long term | PoC – Percentage of Completion Method.

Receivables from developments: accounts receivable not yet recognized according to PoC and BRGAAP.

Receivables from PoC: accounts receivable already recognized according to PoC and BRGAAP.

## Cash Generation

The Company's operating cash generation reached R\$38.2 millions in 2Q16. The Gafisa segment contributed cash generation of R\$19.3 millions. The volume of transferred/received units sold to financing agents reached R\$142.7 millions. The Tenda segment generated R\$18.9 millions in cash, with R\$247.2 millions transferred in 2Q16. In the year, the Company presented operating cash generation of R\$134.9

millions.

While consolidated operating cash generation reached R\$38.2 millions, the Company ended 2Q16 with net cash consumption of R\$32.5 millions, totaling R\$4.2 millions in 1H16. This result does not include the disbursement related to the share buyback program carried out in the period.

**Table 36. Cash Generation (R\$ 000)**

	<b>4Q15*</b>	<b>1Q16</b>	<b>2Q16</b>
<b>Availabilities</b>	<b>712,311</b>	<b>792,076</b>	<b>618,569</b>
<b>Change in Availabilities (1)</b>		79,766	(173,507)
<b>Total Debt + Investor Obligations</b>	<b>2,155,688</b>	<b>2,207,114</b>	<b>2,074,335</b>
<b>Change in Total Debt + Investor Obligations (2)</b>		51,425	(132,779)
<b>Other Investments</b>	<b>210,761</b>	<b>210,761</b>	<b>218,956</b>
<b>Change in Other Investments (3)</b>		-	8,195
<b>Cash Generation in the period (1) - (2) + (3)</b>		<b>28,340</b>	<b>(32,534)</b>
<b>Cash Generation Final</b>		<b>28,340</b>	<b>(4,193)</b>

\* The 4Q15 data refers only to the final balance of the period in order to help in the reconciliation of the balance changes in 2015.

\*\*Cash and cash equivalents and short-term investments.



## Liquidity

At the end of June 2016, the Company's Net Debt/Equity ratio reached 48.5% compared to 46.5% in the previous quarter. Excluding project finance, the Net Debt/Equity ratio was negative 9.8%.

The Company's consolidated gross debt reached R\$2.1 billions at the end of 2Q16, a decrease of 6.0% q-o-q, and 15.0% y-o-y. In the 2Q16, the Company amortized R\$364.5 millions in debt, of which R\$215.1 millions was project finance and R\$149.4 millions was corporate debt. A total of R\$199.3 millions was disbursed, allowing for a net amortization of R\$165.2 millions. R\$541.4 millions was amortized in 1H16, corresponding to 50.8% of total gross maturities in 2016. New releases of R\$357.6 millions took place in the first six months, R\$325.9 millions related to project debts and R\$31.7 millions related to corporate debt, thus allowing a net amortization in the first six months of R\$183.8 millions.

Table 37. Debt and Investor Obligations

	2Q16	1Q16	Q/Q(%)	2Q15	Y/Y(%)
Debentures - FGTS (A)	551,968	672,793	-18%	784,992	-30%
Debentures – Working Capital (B)	186,075	186,295	0%	360,025	-48%
Project Financing SFH – (C)	1,196,948	1,187,049	1%	1,142,459	5%
Working Capital (D)	136,969	154,495	-11%	145,324	-6%
Total (A)+(B)+(C)+(D) = (E)	2,071,960	2,200,632	-6%	2,432,800	-15%
Investor Obligations (F)	2,375	6,482	-63%	7,296	-67%
Total Debt (E)+(F) = (G)	2,074,335	2,207,114	-6%	2,440,096	-15%
Cash and Availabilities (H)	618,569	792,076	-22%	876,813	-29%
Net Debt (G)-(H) = (I)	1,455,766	1,415,038	3%	1,563,283	-7%
Equity + Minority Shareholders (J)	3,001,290	3,046,284	-1%	3,099,492	-3%
(Net Debt) / (Equity) (I)/(J) = (K)	48.5%	46.5%	200 bps	50.4%	-190 bps
(Net Debt – Proj Fin) / Equity (I)-((A)+(C))/(J) = (L)	-9.8%	-14.6%	480 bps	-11.7%	190 bps

\*Cash and cash equivalents and short-term investments.

The Company ended 1H16 with R\$1.1 billions in total debt due maturing in the short term. It should be noted, however, that 93.1% of this volume relates to debt linked to the Company's projects. Currently, the average cost of consolidated debt is 14.34% p.y., or 101.50% of the CDI.

Table 38. Debt Maturity

(R\$ 000)	Average Cost (p.y.)	Total	Until Jun/17	Until Jun/18	Until Jun/19	Until Jun/20	After Jun/20
Debentures - FGTS (A)	TR + 9.00% - 10.38%	551,968	402,190	149,778	-	-	-
Debentures – Working Capital (B)	CDI + 1.90% / IPCA + 7.96% - 8.22%	186,075	28,056	39,051	76,925	21,019	21,024

<b>Project Financing SFH (C)</b>	TR + 8.35% - 11.71% / 120.0% - 129.0% CDI	1,196,948	590,563	435,873	122,683	34,656	13,173
<b>Working Capital (D)</b>	CDI + 3.95% / CDI + 4.25% / 125.0% CDI / INCC	136,969	43,219	62,811	30,939	-	-
<b>Total (A)+(B)+(C)+(D) = (E)</b>		<b>2,071,960</b>	<b>1,064,028</b>	<b>687,513</b>	<b>230,547</b>	<b>55,675</b>	<b>34,197</b>
<b>Investor Obligations (F)</b>	CDI + 0.59%	2,375	2,375	-	-	-	-
<b>Total Debt (E)+(F) = (G)</b>		<b>2,074,335</b>	<b>1,066,403</b>	<b>687,513</b>	<b>230,547</b>	<b>55,675</b>	<b>34,197</b>
<b>% of Total Maturity per period</b>			51.4%	33.1%	11.1%	2.7%	1.6%
<b>Project debt maturing as % of total debt ((A)+ (C))/(G)</b>			93.1%	85.2%	53.2%	62.2%	38.5%
<b>Corporate debt maturing as % of total debt ((B)+(D)+(F))/(G)</b>			6.9%	14.8%	46.8%	37.8%	61.5%
<b>Ratio Corporate Debt / Mortgage</b>		15.7% / 84.3%					

## Consolidated Financial Result

### Revenue

On a consolidated basis, 2Q16 net revenue totaled R\$473.3 millions, up 16.7% compared to 1Q16 and down 20.0% from 2Q15. In the quarter, the Gafisa segment represented 44.9% of consolidated revenues, while Tenda accounted for the remaining 55.1%. In the first half of the year, net consolidated revenue reached R\$878.9 millions.

### Gross Profit & Margin

Gross profit in 2Q16 was R\$93.5 millions, compared to R\$72.2 millions in 1Q16, and R\$158.5 millions in the prior year period. Gross margin for the quarter reached 19.8% compared to 17.8% in 1Q16 and 26.8% in 2Q15. In the first half of the year, gross profit was R\$165.7 millions, with a gross margin of 18.9%.

Adjusted gross profit totaled R\$138.3 millions, with a margin of 29.2%, compared to 27.2% in the 1Q16 and 33.9% in the previous year. In 1H16, adjusted gross profit totaled R\$248.5 millions with an adjusted gross margin of 28.3%.

Table 39. Gafisa Group– Gross Margin (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
<b>Net Revenue</b>	473,371	405,534	17%	591,529	-20%	878,905	1,111,030	-21%
<b>Gross Profit</b>	<b>93,491</b>	<b>72,201</b>	<b>29%</b>	<b>158,543</b>	<b>-41%</b>	<b>165,692</b>	<b>307,743</b>	<b>-46%</b>
<b>Gross Margin</b>	19.8%	17.8%	200 bps	26.8%	-700 bps	18.9%	27.7%	-880 bps
<b>( - ) Financial Costs</b>	44,785	38,038	18%	41,843	7%	82,823	71,945	15%
<b>Adjusted Gross Profit</b>	<b>138,276</b>	<b>110,239</b>	<b>25%</b>	<b>200,386</b>	<b>-31%</b>	<b>248,515</b>	<b>379,688</b>	<b>-35%</b>
<b>Adjusted Gross Margin</b>	29.2%	27.2%	200 bps	33.9%	-470 bps	28.3%	34.2%	-590 bps

### Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$82.2 millions in 2Q16, down 8.3% compared to 2Q15 and up 1.5% q.o.q. In 1H16, SG&A totaled R\$163.3 millions, up 1.7% from 1H15.

Table 40. Gafisa Group – SG&A Expenses (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
<b>Selling Expenses</b>	(41,515)	(35,018)	19%	(40,635)	2%	(76,533)	(67,748)	13%

<b>G&amp;A Expenses</b>	(40,701)	(46,022)	-12%	(49,070)	-17%	(86,723)	(92,738)	-6%
<b>Total SG&amp;A Expenses</b>	<b>(82,216)</b>	<b>(81,040)</b>	<b>1%</b>	<b>(89,705)</b>	<b>-8%</b>	<b>(163,256)</b>	<b>(160,486)</b>	<b>2%</b>
<b>Launches</b>	545,038	308,648	77%	481,951	13%	853,686	795,532	7%
<b>Net Pre- Sales</b>	454,511	333,339	36%	532,131	-15%	787,850	955,475	-18%
<b>Net Revenue</b>	473,371	405,534	17%	591,529	-20%	878,905	1,111,030	-21%

The Other Operating Revenues/Expenses totaled an expense of R\$26.2 millions, a decrease of 12.0% from 1Q16 and 20.6% lower y-o-y. In 1H16, Other Operating Revenues/Expenses totaled an expense of R\$56.0 millions, 15.9% down from 1H15.

The table below has more details on the breakdown of this expense.

Table 41 –Gafisa Group – Other Operating Revenues/Expenses (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
Litigation expenses	(21,058)	(22,888)	-8%	(29,418)	-28%	(43,946)	(55,488)	-21%
Other	(5,169)	(6,905)	-25%	(3,633)	42%	(12,074)	(11,118)	9%
<b>Total</b>	<b>(26,227)</b>	<b>(29,793)</b>	<b>-12%</b>	<b>(33,051)</b>	<b>-21%</b>	<b>(56,020)</b>	<b>(66,606)</b>	<b>-16%</b>

## Consolidated Adjusted EBITDA

Consolidated adjusted EBITDA, including Alphaville equity income, totaled R\$22.4 millions in 2Q16, down from R\$72.8 millions in the prior-year period and up from R\$15.5 millions in 1Q16. 2Q16 consolidated adjusted EBITDA was impacted by the following factors: (i) a lower level of revenue in the quarter due to a lower volume of consolidated sales; and (ii) a lower gross margin in the period due to current market pricing. Consolidated adjusted EBITDA margin was 4.7%, compared with the 12.3% margin reported in 2Q15 and 3.8% in 1Q16. In 6M16, consolidated EBITDA reached R\$37.9 millions, with a margin of R\$4.3%.

Table 42. Gafisa Group – Consolidated Adjusted EBITDA (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
Net Profit (Loss)	(38,439)	(53,227)	-28%	28,487	-	(91,665)	60,137	-
(+) Financial results	2,489	1,941	28%	(2,685)	-	4,430	5,531	-20%
(+) Income taxes	2,973	12,745	-77%	(5,754)	-	15,718	6,406	145%
(+) Depreciation & Amortization	8,684	12,698	-32%	11,561	-25%	21,382	23,230	-8%
(+) Capitalized interests	44,785	38,038	18%	41,843	7%	82,823	71,945	15%
(+) Expenses with stock Option Plan	1,327	2,424	-45%	2,383	-44%	3,751	5,001	-25%
(+) Minority Shareholders	578	876	-34%	(3,004)	-	1,453	(3,053)	-
<b>Adjusted EBITDA</b>	<b>22,397</b>	<b>15,495</b>	<b>45%</b>	<b>72,831</b>	<b>-69%</b>	<b>37,892</b>	<b>169,197</b>	<b>-78%</b>
Net Revenue	473,371	405,534	17%	591,529	-20%	878,905	1,111,030	-21%
<b>Adjusted EBITDA Margin</b>	<b>4.7%</b>	<b>3.8%</b>	<b>90 bps</b>	<b>12.3%</b>	<b>-760 bps</b>	<b>4.3%</b>	<b>15.2%</b>	<b>-1,090 bps</b>

1) We adjust our EBITDA for expenses associated with stock options plans, as it is a non-cash expense;

2) Consolidated EBITDA includes the effect of Alphaville equity income.

## Depreciation and Amortization

Depreciation and amortization in 2Q16 reached R\$8.7 millions, down 31.6% compared to 1Q16 and down 24.9% compared to R\$11.6 millions in 2Q15. D&A is now in line with Company's current level of operations.

## Financial Results

2Q16 net financial result was negative R\$2.5 millions, down from negative R\$1.9 millions in 1Q16 and from the positive R\$2.7 millions in 2Q15. Financial revenues were down 48.5% y-o-y, totaling R\$22.8 millions, due to the lower balance of funds available in the period. Financial expenses reached R\$25.3 millions, compared to R\$41.6 millions in 2Q15, due to lower gross debt and a higher share of project-related debt compared to corporate debt, resulting in lower cost of funding. Year-to-date, the net financial result was negative R\$4.4 millions, compared to a net loss of R\$5.5 millions in 2Q15. It is worth mentioning that in 1H16, there was a positive result of the mark-to-market of hedging operations against IPCA and CDI-indexed debts.

## Taxes

Income taxes, social contribution and deferred taxes for 2Q16 amounted to an expense of R\$3.0 millions, due to subsidiaries' adhesion, especially in Tenda segment related to the Tax Special Regime (RET). In 1H16, the IR & CSLL expense totaled R\$15.7 millions.

## Net Income

The Company ended the 2Q16 with a net loss of R\$38.5 millions. Excluding the equity income from AUSA, the Company recorded a net loss of R\$26.5 millions, compared to a net loss of R\$64.1 millions in 1Q16 and net income of R\$23.3 millions in the same period last year. The Company ended the 1H16 with a net loss of R\$91.7 millions, including equity income from Alphaville, compared to net income of R\$60.1 millions in the same period last year.

Table 43 - Consolidated - Net Income - (R\$ 000)

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
<b>Net Revenue</b>	473,371	405,534	17%	591,529	-20%	878,905	1,111,030	-21%
<b>Gross Profit</b>	<b>93,491</b>	<b>72,201</b>	<b>29%</b>	<b>158,543</b>	<b>-41%</b>	<b>165,692</b>	<b>307,743</b>	<b>-46%</b>
<b>Gross Margin</b>	19.8%	17.8%	200 bps	26.8%	-700 bps	18.9%	27.7%	-880 bps
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>138,276</b>	<b>110,239</b>	<b>25%</b>	<b>200,386</b>	<b>-31%</b>	<b>248,515</b>	<b>379,688</b>	<b>-35%</b>
<b>Adjusted Gross Margin<sup>1</sup></b>	29.2%	27.2%	200 bps	33.9%	-470 bps	28.3%	34.2%	-590 bps
<b>Adjusted EBITDA<sup>2</sup></b>	<b>22,397</b>	<b>15,495</b>	<b>45%</b>	<b>72,831</b>	<b>-69%</b>	<b>37,892</b>	<b>169,197</b>	<b>-78%</b>
<b>Adjusted EBITDA Margin</b>	4.7%	3.8%	90 bps	12.3%	-760 bps	4.3%	15.2%	-1,090 bps
<b>Net Income</b>	<b>(38,439)</b>	<b>(53,227)</b>	<b>-28%</b>	<b>28,487</b>	-	<b>(91,665)</b>	<b>60,137</b>	-
<b>( - ) Alphaville Equity Income</b>	(11,952)	10,880	-	5,210	-	(1,072)	22,170	-
<b>Net income ( ex-AUSA equity income)</b>	<b>(26,487)</b>	<b>(64,107)</b>	<b>-59%</b>	<b>23,277</b>	-	<b>(90,594)</b>	<b>37,967</b>	-

1) Adjusted by capitalized interests.

2) EBITDA adjusted by expenses associated with stock option plans, as this is a non-cash expense.

3) Consolidated EBITDA includes the impact of Alphaville equity income.

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R\$259.9 millions in 2Q16. The consolidated margin for the quarter was 38.9%.

Table 44. Gafisa Group – Backlog Results (REF) (R\$ 000)

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y (%)</b>
<b>Backlog Revenues</b>	667,368	708,871	-6%	901,383	-26%
<b>Backlog Costs (units sold)</b>	(407,504)	(433,841)	-6%	(537,145)	-24%
<b>Backlog Results</b>	<b>259,864</b>	<b>275,030</b>	<b>-6%</b>	<b>364,238</b>	<b>-29%</b>
<b>Backlog Margin</b>	38.9%	38.8%	10 bps	40.4%	-150 bps

<sup>1</sup> Backlog results net of PIS/COFINS taxes (3.65%), and excluding the impact of PVA (Present Value Adjustment) method according to Law 11.638

<sup>2</sup> Backlog results include ventures that are subject to restriction due to a suspensive clause.



São Paulo, August 11, 2016 – Alphaville Urbanismo SA releases its results for the 1st semester of 2016.

## Financial Results

In the first six months of 2016, net revenues totaled R\$391 millions, 23% below the previous year, and net profit was -R\$3.6 millions.

<b>Net Revenue</b>	391	507	-23%
<b>Net Profit</b>	- 3.6	52.6	N/A
<b>Net Margin</b>	-1%	10%	

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## Financial Statements Gafisa Segment

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y (%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y (%)</b>
<b>Net Revenue</b>	212,628	170,982	24%	348,392	-39%	383,610	688,450	-44%
<b>Operating Costs</b>	(186,544)	(167,526)	11%	(258,124)	-28%	(354,070)	(500,035)	-29%
<b>Gross Profit</b>	<b>26,084</b>	<b>3,456</b>	<b>655%</b>	<b>90,268</b>	<b>-71%</b>	<b>29,540</b>	<b>188,415</b>	<b>-84%</b>
<b>Gross Margin</b>	12.3%	2.0%	1,030 bps	25.9%	-1,360 bps	7.7%	27.4%	-1,970 bps
<b>Operating Expenses</b>	<b>(71,730)</b>	<b>(54,638)</b>	<b>31%</b>	<b>(79,420)</b>	<b>-10%</b>	<b>(126,368)</b>	<b>(140,040)</b>	<b>-10%</b>
<b>Selling Expenses</b>	(20,245)	(16,746)	21%	(22,976)	-12%	(36,991)	(37,068)	0%
<b>General and Administrative Expenses</b>	(19,524)	(27,002)	-28%	(27,466)	-29%	(46,526)	(56,351)	-17%
<b>Other Operating Revenue/Expenses</b>	(18,957)	(14,576)	30%	(21,378)	-11%	(33,533)	(49,899)	-33%
<b>Depreciation and Amortization</b>	(5,644)	(9,508)	-41%	(8,079)	-30%	(15,152)	(16,358)	-7%
<b>Equity Income</b>	(7,360)	13,194	-	479	-	5,834	19,636	-70%
<b>Operational Result</b>	<b>(45,646)</b>	<b>(51,182)</b>	<b>-11%</b>	<b>10,848</b>	<b>-</b>	<b>(96,828)</b>	<b>48,375</b>	<b>-</b>
<b>Financial Income</b>	14,208	26,806	-27%	19,978	-39%	41,014	39,255	-27%
<b>Financial Expenses</b>	(16,247)	(26,850)	-39%	(22,944)	-29%	(43,097)	(51,965)	-17%
<b>Net Income Before taxes on Income</b>	<b>(47,685)</b>	<b>(51,226)</b>	<b>-7%</b>	<b>7,882</b>	<b>-</b>	<b>(98,911)</b>	<b>35,665</b>	<b>-</b>
<b>Deferred Taxes</b>	(1)	964	-	(1,028)	-100%	963	(3,866)	-125%
<b>Income Tax and Social Contribution</b>	422	(6,954)	-	750	-44%	(6,532)	(3,762)	74%
<b>Net Income After Taxes on Income</b>	<b>(47,264)</b>	<b>(57,216)</b>	<b>-17%</b>	<b>7,604</b>	<b>-</b>	<b>(104,480)</b>	<b>28,037</b>	<b>-</b>
<b>Non controlling interests</b>	(203)	805	-125%	(848)	-76%	602	(619)	-
<b>Net Income</b>	<b>(47,061)</b>	<b>(58,021)</b>	<b>-19%</b>	<b>8,452</b>	<b>-</b>	<b>(105,082)</b>	<b>28,656</b>	<b>-</b>

## Financial Statements Tenda Segment

	<b>2Q16</b>	<b>1Q16</b>	<b>Q/Q (%)</b>	<b>2Q15</b>	<b>Y/Y(%)</b>	<b>6M16</b>	<b>6M15</b>	<b>Y/Y(%)</b>
Net Revenue	260,743	234,552	11%	243,137	7%	495,295	422,580	17%
Operating Costs	(193,336)	(165,807)	17%	(174,862)	11%	(359,143)	(303,252)	18%
Gross Profit	<b>67,407</b>	<b>68,745</b>	<b>-2%</b>	<b>68,275</b>	<b>-1%</b>	<b>136,152</b>	<b>119,328</b>	<b>14%</b>
Gross Margin	25.9%	29.3%	-340 bps	28.1%	-220 bps	27.5%	28.2%	-70 bps
Operating Expenses	<b>(54,160)</b>	<b>(55,228)</b>	<b>-2%</b>	<b>(62,079)</b>	<b>-13%</b>	<b>(109,388)</b>	<b>(98,682)</b>	<b>11%</b>
Selling Expenses	(21,270)	(18,272)	16%	(17,659)	20%	(39,542)	(30,680)	29%
General and Administrative Expenses	(21,177)		11%	(21,604)	-2%	(40,197)	(36,387)	10%
Other Operating Revenue/Expenses	(7,270)	(19,020)	-52%	(11,673)	-38%	(22,487)	(16,707)	35%
Depreciation and Amortization	(3,040)	(3,190)	-5%	(3,482)	-13%	(6,230)	(6,872)	-9%
Equity Income	(1,403)	471	-	(7,661)	-82%	(932)	(8,036)	-88%
Operational Result	<b>13,247</b>	<b>13,517</b>	<b>-2%</b>	<b>6,196</b>	<b>114%</b>	<b>26,764</b>	<b>20,646</b>	<b>30%</b>
Financial Income	8,586	8,809	-3%	24,292	-65%	17,395	37,627	-54%
Financial Expenses	(9,036)	(10,706)	-16%	(18,641)	-52%	(19,742)	(30,448)	-35%
Net Income Before taxes on Income	<b>12,797</b>	<b>11,620</b>	<b>10%</b>	<b>11,847</b>	<b>8%</b>	<b>24,417</b>	<b>27,825</b>	<b>-12%</b>
Deferred Taxes	(169)	(3,496)	-95%	7,154	-	(3,665)	3,866	-
Income Tax and Social Contribution	(3,225)	(3,259)	-1%	(1,122)	187%	(6,484)	(2,644)	145%
Net Income After Taxes on Income	<b>9,403</b>	<b>4,865</b>	<b>93%</b>	<b>17,879</b>	<b>-47%</b>	<b>14,268</b>	<b>29,047</b>	<b>-51%</b>
Non controlling interests	781	71	1000%	(2,156)	-	852	(2,434)	-
Net Income	<b>8,622</b>	<b>4,794</b>	<b>80%</b>	<b>20,035</b>	<b>-57%</b>	<b>13,416</b>	<b>31,481</b>	<b>-57%</b>

## Consolidated Financial Statements

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)	6M16	6M15	Y/Y(%)
Net Revenue	473,371	405,534	17%	591,529	-20%	878,905	1,111,030	-21%
Operating Costs	(379,880)	(333,333)	14%	(432,986)	-12%	(713,213)	(803,287)	-11%
Gross Profit	93,491	72,201	29%	158,543	-41%	165,692	307,743	-46%
Gross Margin	19.8%	17.8%	200 bps	26.8%	-700 bps	18.9%	27.7%	-880 bps
Operating Expenses	(125,890)	(109,866)	15%	(141,499)	-11%	(235,756)	(238,722)	-1%
Selling Expenses	(41,515)	(35,018)	19%	(40,635)	2%	(76,533)	(67,748)	13%
General and Administrative Expenses	(40,701)	(46,022)	-12%	(49,070)	-17%	(86,723)	(92,738)	-6%
Other Operating Revenue/Expenses	(26,227)	(29,793)	-12%	(33,051)	-21%	(56,020)	(66,606)	-16%
Depreciation and Amortization	(8,684)	(12,698)	-32%	(11,561)	-25%	(21,382)	(23,230)	-8%
Equity Income	(8,763)	13,665	-	(7,182)	22%	4,902	11,600	-58%
Operational Result	(32,399)	(37,665)	-14%	17,044	-	(70,064)	69,021	-
Financial Income	22,794	35,615	-18%	44,270	-53%	58,409	76,882	-40%
Financial Expenses	(25,283)	(37,556)	-33%	(41,585)	-39%	(62,839)	(82,413)	-24%
Net Income Before taxes on Income	(34,888)	(39,606)	-12%	19,729	-	(74,494)	63,490	-
Deferred Taxes	(170)	(2,532)	-93%	6,126	-	(2,702)	826	-427%
Income Tax and Social Contribution	(2,803)	(10,213)	-73%	(372)	653%	(13,016)	(7,232)	80%
Net Income After Taxes on Income	(37,861)	(52,351)	-28%	25,483	-	(90,212)	57,084	-
Non controlling interests	578	876	-34%	(3,004)	-	1,453	(3,053)	-
Net Income	(38,439)	(53,227)	-28%	28,487	-	(91,665)	60,137	-



## Balance Sheet Gafisa Segment

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)
<b>Current Assets</b>					
Cash and cash equivalents	41,190	41,146	0%	66,592	-38%
Short term investments	263,161	416,008	-37%	475,092	-45%
Receivables from clients	873,183	899,525	-3%	1,030,823	-15%
Properties for sale	1,560,318	1,444,672	8%	1,133,046	38%
Other accounts receivable	106,207	135,939	-22%	225,848	-53%
Deferred selling expenses	1,489	1,656	-10%	4,406	-66%
Land for sale	3,443	6,631	-48%	6,074	-43%
	<b>2,848,991</b>	<b>2,945,577</b>	<b>-3%</b>	<b>2,941,881</b>	<b>-3%</b>
<b>Non-current</b>					
Receivables from clients	287,401	328,097	-12%	410,855	-30%
Properties for sale	412,917	494,122	-16%	715,740	-42%
Other	143,984	175,099	-18%	171,972	-16%
	<b>844,302</b>	<b>997,318</b>	<b>-15%</b>	<b>1,298,567</b>	<b>-35%</b>
Intangible. Property and Equipment	55,238	53,671	3%	60,195	-8%
Investments	1,986,262	1,979,277	0%	1,963,775	1%
<b>Total Assets</b>	<b>5,734,793</b>	<b>5,975,843</b>	<b>-4%</b>	<b>6,264,418</b>	<b>-8%</b>
<b>Current Liabilities</b>					
Loans and financing	622,546	621,921	0%	582,668	7%
Debentures	255,771	192,684	33%	268,943	-5%
Obligations for Purchase of Land and advances from customers	221,710	251,101	-12%	228,010	-3%
Material and service suppliers	42,903	50,439	-15%	76,943	-44%
Taxes and Contribution	23,370	59,331	-61%	60,640	-61%
Investor Obligations	-	5,342	-100%	5,016	-100%
Other	385,503	397,516	-3%	433,116	-11%
	<b>1,551,803</b>	<b>1,578,334</b>	<b>-2%</b>	<b>1,655,336</b>	<b>-6%</b>
<b>Non-current liabilities</b>					
Loans and financings	619,501	633,699	-2%	668,119	-7%
Debentures	307,797	459,344	-33%	568,589	-46%
Obligations for Purchase of Land and advances from customers	87,646	93,572	-6%	117,839	-26%
Deferred taxes	10,226	10,085	1%	28,589	-64%
Provision for legal claims and commitments	107,443	81,542	32%	75,190	43%

<b>Investor Obligations</b>	2,375	1,140	108%	4,713	-50%
<b>Other</b>	45,375	70,186	-35%	45,109	1%
	<b>1,180,363</b>	<b>1,349,568</b>	<b>-13%</b>	<b>1,508,148</b>	<b>-22%</b>
<b>Equity</b>					
<b>Equity attributable to Shareholders of the Company</b>	2,998,074	3,043,669	-1%	3,097,879	-3%
<b>Equity attributable to non-controlling interest</b>	4,553	4,272	7%	3,055	49%
	<b>3,002,627</b>	<b>3,047,941</b>	<b>-1%</b>	<b>3,100,934</b>	<b>-3%</b>
<b>Total Liabilities and Equity</b>	<b>5,734,793</b>	<b>5,975,843</b>	<b>-4%</b>	<b>6,264,418</b>	<b>-8%</b>



## Balance Sheet Tenda Segment

	2Q16	1Q16	Q/Q (%)	2Q15	Y/Y(%)
<b>Current Assets</b>					
Cash and cash equivalents	116,547	102,571	14%	87,637	33%
Short term investments	197,671	232,351	-15%	247,492	-20%
Receivables from clients	412,709	428,517	-4%	433,456	-5%
Properties for sale	503,352	513,414	-2%	487,252	3%
Other accounts receivable	104,090	103,485	1%	132,872	-22%
Land for sale	84,060	93,898	-10%	117,452	-28%
	<b>1,418,429</b>	<b>1,474,236</b>	<b>-4%</b>	<b>1,506,161</b>	<b>-6%</b>
<b>Non-current Assets</b>					
Receivables from clients	67,530	46,517	45%	39,388	71%
Properties for sale	216,894	212,843	2%	179,759	21%
Other	48,649	47,423	3%	64,441	-25%
	<b>333,073</b>	<b>306,783</b>	<b>9%</b>	<b>283,588</b>	<b>17%</b>
Intangible, Property and Equipment	44,516	41,503	7%	38,018	17%
Investments	160,295	163,820	-2%	155,891	3%
<b>Total Assets</b>	<b>1,956,313</b>	<b>1,986,342</b>	<b>-2%</b>	<b>1,983,658</b>	<b>-1%</b>
<b>Current Liabilities</b>					
Loans and financing	11,236	7,586	48%	7,655	47%
Debentures	174,475	207,060	-16%	207,485	-16%
Obligations for Purchase of Land and Advances from customers	138,672	136,238	2%	158,181	-12%
Material and service suppliers	34,818	29,806	17%	32,074	9%
Taxes and Contributions	65,564	73,531	-11%	73,227	-10%
Other	65,201	72,434	-10%	94,995	-31%
	<b>489,966</b>	<b>526,655</b>	<b>-7%</b>	<b>573,617</b>	<b>-15%</b>
<b>Non-current liabilities</b>					
Loans and financings	80,634	78,337	3%	29,341	175%
Debentures	-	-	0%	100,000	-100%
Obligations for Purchase of Land and Advances from customers	97,870	102,869	-5%	57,809	69%
Deferred taxes	10,224	10,090	1%	4,493	128%
Provision for legal claims and commitments	52,760	56,237	-6%	57,707	-9%
Other	83,217	79,942	4%	35,695	133%
	<b>324,705</b>	<b>327,475</b>	<b>-1%</b>	<b>285,045</b>	<b>14%</b>

<b>Equity</b>					
<b>Equity attributable to Shareholders of the Company</b>	1,104,912	1,096,263	1%	1,091,018	1%
<b>Equity attributable to non-controlling interest</b>	36,730	35,949	2%	33,978	8%
	<b>1,141,642</b>	<b>1,132,212</b>	<b>1%</b>	<b>1,124,996</b>	<b>1%</b>
<b>Total Liabilities and Equity</b>	<b>1,956,313</b>	<b>1,986,342</b>	<b>-2%</b>	<b>1,983,658</b>	<b>-1%</b>

## Consolidated Balance Sheets

	2Q16	1Q16	Q/Q %	2Q15	Y/Y(%)
<b>Current Assets</b>					
Cash and cash Equivalents	157,737	143,717	10%	154,229	2%
Short term investments	460,832	648,359	-29%	722,584	-36%
Receivables from clients	1,285,892	1,328,042	-3%	1,464,279	-12%
Proprieties for Sale	2,063,670	1,958,087	5%	1,620,297	27%
Other accounts receivable	206,532	205,249	1%	322,469	-36%
Prepaid expenses and others	5,255	6,474	-19%	10,293	-49%
Land for Sale	87,503	100,529	-13%	123,526	-29%
	<b>4,267,421</b>	<b>4,390,457</b>	<b>-3%</b>	<b>4,417,677</b>	<b>-3%</b>
<b>Non-current Assets</b>					
Receivable from clients	354,931	374,614	-5%	450,243	-21%
Properties for sale	629,811	706,965	-11%	895,500	-30%
Other	192,631	207,555	-7%	221,448	-13%
	<b>1,177,373</b>	<b>1,289,134</b>	<b>-9%</b>	<b>1,567,191</b>	<b>-25%</b>
Intangible and Property and Equipment	125,230	120,650	4%	123,689	1%
Investments	978,100	979,712	0%	963,989	1%
<b>Total Assets</b>	<b>6,548,124</b>	<b>6,779,953</b>	<b>-3%</b>	<b>7,072,546</b>	<b>-7%</b>
<b>Current Liabilities</b>					
Loans and Financing	633,782	629,508	1%	590,323	7%
Debentures	430,246	399,744	8%	476,428	-10%
Obligations for purchase of land and Advances from customers	360,382	387,339	-7%	386,192	-7%
Materials and service suppliers	77,721	80,245	-3%	109,017	-29%
Taxes and contributions	88,934	97,074	-8%	107,483	-17%
Other	450,702	481,718	-6%	529,144	-15%
	<b>2,041,767</b>	<b>2,075,628</b>	<b>-2%</b>	<b>2,198,587</b>	<b>-7%</b>
<b>Non-current Liabilities</b>					
Loans and Financing	700,135	712,036	-2%	697,460	0%
Debentures	307,797	459,344	-33%	668,589	-54%
Obligations for purchase of land and Advances from customers	185,516	196,441	-6%	175,649	6%
Deferred taxes	20,450	20,175	1%	33,081	-38%
Provision for legal claims and commitments	160,203	145,214	10%	139,208	15%
Other	130,966	124,831	5%	60,480	117%
	<b>1,505,067</b>	<b>1,658,041</b>	<b>-9%</b>	<b>1,774,467</b>	<b>-15%</b>

<b>Equity</b>					
<b>Equity attributable to Shareholders of the Company</b>	2,998,075	3,043,671	-1%	3,097,881	-3%
<b>Equity attributable to non-controlling interest</b>	3,215	2,613	23%	1,611	100%
	<b>3,001,290</b>	<b>3,046,284</b>	<b>-1%</b>	<b>3,099,492</b>	<b>-3%</b>
<b>Total Liabilities and Equity</b>	<b>6,548,124</b>	<b>6,779,953</b>	<b>-3%</b>	<b>7,072,546</b>	<b>-7%</b>

## Cash Flow

	<b>2Q16</b>	<b>2Q15</b>	<b>6M16</b>	<b>6M15</b>
Income Before Taxes on Income and Social Contribution	(34,888)	19,729	(74,494)	63,490
Expenses/income not affecting cash and cash equivalents	64,777	91,830	124,645	136,363
Depreciation and amortization	8,684	11,561	21,382	23,230
Provision for realization of non - financial assets - Properties and land for sale	(17,221)	4,375	(17,221)	4,375
Expense with stock option plan and shares	1,327	2,383	3,751	5,001
Provision for penalty for over delayed projects	1,244	1,136	731	(943)
Unrealized interest and financial charges	26,221	21,249	52,728	37,663
Equity income	8,763	7,182	(4,902)	(11,600)
Disposal of fixed asset	1,716	842	3,353	1,058
Provision for warranty	(4,345)	1,904	(9,966)	8,829
Provision for legal claims and commitments	21,058	29,418	43,946	55,488
Provision for profit share	4,126	9,124	12,468	12,038
Allowance for doubtful accounts and dissolutions	15,234	(1,122)	30,591	(805)
Write-off of Investment	-	2,188	-	(2,317)
Income from financial instruments	(2,030)	1,590	(12,216)	4,346
Clients	51,251	(12,739)	130,464	(78,034)
Properties for sale	(8,056)	14,566	(37,369)	(43,117)
Other accounts receiveable	(19,136)	(26,134)	(27,000)	(11,403)
Pre-paid expenses	1,219	5,030	1,916	5,150
Obligations on land purchase and advances from clients	(37,882)	(13,082)	(64,036)	(29,902)
Taxes and contribution	(8,140)	(3,450)	(13,123)	(6,941)
Providers	(2,524)	6,627	20,386	13,886
Salaries and payroll charges	(24,679)	(21,686)	(21,329)	(17,397)
Other obligations	(2,886)	(49,627)	(15,683)	(61,512)
Related parts operations	8,862	(11,536)	18,238	(10,022)
Paid taxes	(2,973)	5,754	(15,718)	(6,406)
<b>Net cash Operating Activities</b>	<b>(15,055)</b>	<b>5,282</b>	<b>26,897</b>	<b>(45,845)</b>
<b>Investments Activities</b>				
Purchase of property and equipment and intangible assets	(14,980)	(16,732)	(23,447)	(22,383)
Investments in subsidiaries	(10,188)	(787)	(12,639)	(962)
Redemption of short-term investments	1,120,335	952,732	1,909,446	2,133,082
Purchase of short-term investments	(932,808)	(783,891)	(1,740,607)	(1,808,307)

<b>Net cash of investing activities</b>	<b>162,359</b>	<b>151,322</b>	<b>132,753</b>	<b>301,430</b>
<b>Financing activities</b>				
<b>Investors obligations</b>	(4,107)	(6,134)	(2,520)	(3,734)
<b>Increase in loans and financing</b>	241,100	182,351	441,389	382,672
<b>Amortization of loans and financing</b>	(395,993)	(408,754)	(572,950)	(574,060)
<b>Repurchase os treasury shares</b>	(8,195)	-	(8,195)	(22,135)
<b>Assignment of credit receivables, net</b>	13,835	-	41,809	-
<b>Loan Operations with related parts</b>	20,071	4,825	15,909	5,412
<b>Sale of treasury shares</b>	1,230	1,811	1,230	1,810
<b>Result from the sale of treasury shares</b>	(1,225)	(1,217)	(1,225)	(1,216)
<b>Net cash of financing activities</b>	<b>(133,284)</b>	<b>(227,118)</b>	<b>(84,553)</b>	<b>(211,251)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>14,020</b>	<b>(70,514)</b>	<b>75,097</b>	<b>44,334</b>
<b>Initial balance of cash and cash equivalents</b>	82,640	224,743	82,640	109,895
<b>Final balance of cash and cash equivalents</b>	157,737	154,229	157,737	154,229
<b>Increase (decrease) of cash and cash equivalents</b>	<b>14,020</b>	<b>(70,514)</b>	<b>75,097</b>	<b>44,334</b>

## About Gafisa

Gafisa is one Brazil's leading residential and commercial properties development and construction companies. Founded over 60 years ago, the Company is dedicated to growth and innovation oriented to enhancing the well-being, comfort and safety of an increasing number of households. More than 15 millions square meters have been built, and approximately 1,100 projects delivered under the Gafisa brand - more than any other company in Brazil. Recognized as one of the foremost professionally managed homebuilders, Gafisa's brand is also one of the most respected, signifying both quality and consistency. In addition to serving the upper-middle and upper class segments through the Gafisa brand, the Company also focuses on low income developments through its Tenda brand. And, it participates through its 30% interest in Alphaville, a leading urban developer, in the national development and sale of residential lots. Gafisa S.A. is a Corporation traded on the Novo Mercado of the BM&FBOVESPA (BOVESPA:GFSA3) and is the only Brazilian homebuilder listed on the New York Stock Exchange (NYSE:GFA) with an ADR Level III, which ensures best practices in terms of transparency and corporate governance.

*This release contains forward-looking statements about the business prospects, estimates for operating and financial results and Gafisa's growth prospects. These are merely projections and, as such, are based exclusively on the expectations of management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors; therefore, they are subject to change without prior notice.*

*(A free translation from the original in Portuguese into English)*

## **Gafisa S.A.**

Notes to the individual and consolidated quarterly information

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

### **1. Operations**

Gafisa S.A. ("Gafisa" or "Company") is a publicly traded company with registered office at Avenida das Nações Unidas, 8.501, 19<sup>th</sup> floor, in the city and state of São Paulo, Brazil and commenced its operations in 1997 with the objectives of: (i) promoting and managing all forms of real estate ventures on its own behalf or for third parties (in the latter case, as construction company and proxy); (ii) selling and purchasing real estate properties; (iii) providing civil construction and civil engineering services; (iv) developing and implementing marketing strategies related to its own and third party real estate ventures; and (v) investing in other companies that share similar objectives.

The Company has stocks traded at BM&FBovespa S.A. – Bolsa de Valores, Mercadorias e Futuros and the New York Stock Exchange (NYSE), reporting its information to the Brazilian Securities and Exchange Commission (CVM) and the U.S. Securities and Exchange Commission (SEC).

The Company enters into real estate development projects with third parties through specific purpose partnerships ("Sociedades de Propósito Específico" or "SPEs") or through the formation of consortia and condominiums. Controlled entities substantially share managerial and operating structures, and corporate, managerial and operating costs with the Company. SPEs, condominiums and consortia operate solely in the real estate industry and are linked to specific ventures.



**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**2. Presentation of quarterly information and summary of significant accounting policies**

**2.1. Basis of presentation and preparation of individual and consolidated quarterly information**

On August 11, 2016, the Company's Board of Directors approved these individual and consolidated quarterly information of the Company and authorized their disclosure.

The individual quarterly information (Company) and consolidated quarterly information have been prepared and are being presented based on the technical pronouncement CPC 21(R1) – Interim Financial Reporting, using the same accounting practices, judgments, estimates and assumptions adopted in the presentation and preparation of the financial statements for the year ended December 31, 2015. Therefore, the corresponding quarterly information shall be read together with the financial statements as of December 31, 2015.

The individual quarterly information, identified as "Company", have been prepared and are being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the Committee for Accounting Pronouncements (CPC), approved by the Brazilian Securities and Exchange Commission (CVM) and are disclosed together with the consolidated quarterly information.

The consolidated quarterly information of the Company has been prepared and is being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the CPC, approved by the Brazilian Securities and Exchange Commission (CVM), and according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The individual quarterly information of the Company is not considered in compliance with the International Financial Reporting Standards (IFRS), once it considers the capitalization of interest on qualifying assets of

investees in the separate quarterly information of the Company. In view of the fact that there is no difference between the Company's and the consolidated equity and profit or loss, the Company opted for presenting the accompanying individual and consolidated information in only one set.

The consolidated quarterly information is specifically in compliance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, including the Guideline OCPC 04 - Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, in relation to the treatment of the recognition of revenue from this sector and involves certain matters related to application of the continuous transfer of the risks, benefits and control over the real estate units sales.

**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**2. Presentation of financial statements and summary of significant accounting policies--Continued**

**2.1. Basis of presentation and preparation of individual and consolidated quarterly information--Continued**

The quarterly information has been prepared on a going concern basis. Management makes an assessment of the Company's ability to continue as going concern when preparing the quarterly information.

All amounts reported in the accompanying quarterly information are in thousands of Reais, except as otherwise stated.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 2.1 to the individual and consolidated financial statements as of December 31, 2015.

**2.1.1. Consolidated quarterly information**

The accounting practices have been applied consistently by all subsidiaries included in the consolidated quarterly information and the subsidiaries have the same fiscal year as the Company. See further details in Note 9.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 2.1.1 to the individual and consolidated financial statements as of December 31, 2015.

**3. New standards, changes and interpretation of standards issued and not yet adopted**

There is no other standard, change to standards or interpretation issued and not yet adopted that could, on the Management's opinion, have significant impact arising from its adoption on its quarterly information.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 3 to the individual and consolidated financial statements as of December 31, 2015.

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**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

#### 4. Cash and cash equivalents and short-term investments

##### 4.1. Cash and cash equivalents

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	12/31/2015	<b>06/30/2016</b>	12/31/2015
Cash and banks	<b>19,166</b>	31,823	<b>64,695</b>	69,560
Securities purchased under resale agreements (a)	-	12,221	<b>18,491</b>	13,080
Funds deposited with third parties (b)	-	-	<b>74,551</b>	-
Total cash and cash equivalents (Note 20.ii.a and 20.iii)	<b>19,166</b>	44,044	<b>157,737</b>	82,640

(a) As of June 30, 2016, the securities purchased under resale agreement include interest earned through the balance sheet date, ranging from 75% to 101.5% of Interbank Deposit Certificates (CDI) (from 75% to 100.5% of CDI in 2015). All investments are carried out with what management considers

being top tier financial institutions.

(b) Amount deposited with Itaú Corretora de Valores S.A., for settling, on July 01, 2016, the 16<sup>th</sup> interest installment and the 10th amortization installment related to the first debenture placement of the subsidiary Tenda (Note 31 (i)).

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 4.1 to the financial statements as of December 31 2015.

#### 4.2. Short-term investments

	Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Fixed-income funds	<b>129,828</b>	192,409	<b>177,088</b>	279,486
Government bonds (LFT)	<b>5,150</b>	10,081	<b>14,995</b>	18,631
Corporate securities (LF/DPGE)	<b>31,124</b>	51,835	<b>90,628</b>	95,801
Securities purchased under resale agreements	<b>11,714</b>	11,890	<b>16,882</b>	25,548
Bank certificates of deposit (a)	<b>26,419</b>	54,491	<b>85,681</b>	101,733
Restricted cash in guarantee to loans	<b>7,497</b>	20,515	<b>7,528</b>	31,633
Restricted credits	<b>7,091</b>	9,122	<b>68,030</b>	76,839
Total short-term investments (Note 20.i.d, 20.ii.a and 20.iii)	<b>218,823</b>	350,343	<b>460,832</b>	629,671

(a) As of June 30, 2016, Bank Certificates of Deposit (CDBs) include interest earned through the balance sheet date, varying from 72% to 104.5% (from 90% to 107% in 2015) of Interbank Deposit Certificates (CDI) rate. The CDBs earn an average income in excess of those from securities purchased under resale agreements; however, the Company invests in short term (up

to 20 working days) through securities purchased under resale agreements taking into account the exemption of IOF, which is not granted in the case of CDBs.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 4.2 to the financial statements as of December 31, 2015.

**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**5. Trade accounts receivable from real estate development and services**

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Real estate development and sales	<b>898,092</b>	1,001,351	<b>1,746,709</b>	1,800,000
( - ) Allowance for doubtful accounts and cancelled contracts	<b>(17,963)</b>	(12,365)	<b>(121,041)</b>	(118,650)
( - ) Present value adjustments	<b>(14,665)</b>	(21,527)	<b>(26,595)</b>	(21,527)
Services and construction and other receivables	<b>22,359</b>	18,583	<b>41,750</b>	41,750
Total trade accounts receivable of development and services (Note 20.ii.a)	<b>887,823</b>	986,042	<b>1,640,823</b>	1,702,373
Current portion	<b>700,909</b>	723,950	<b>1,285,892</b>	1,300,000
Non-current portion	<b>186,914</b>	262,092	<b>354,931</b>	402,373

The current and non-current portions have the following maturities:

<b>Maturity</b>	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Overdue:				
Up to 90 days	<b>36,150</b>	116,229	<b>60,574</b>	207,838
From 91 to 180 days	<b>16,718</b>	14,568	<b>25,801</b>	50,985
Over 180 days	<b>84,548</b>	74,727	<b>323,048</b>	290,247
	<b>137,416</b>	205,524	<b>409,423</b>	549,070
Maturity:				
2016	<b>348,904</b>	543,781	<b>646,848</b>	925,543
2017	<b>252,186</b>	148,568	<b>461,644</b>	286,138

2018	<b>102,496</b>	62,256	<b>144,565</b>	83,266
2019	<b>37,420</b>	20,254	<b>63,061</b>	34,518
2020 onwards	<b>42,029</b>	39,551	<b>62,918</b>	55,411
	<b>783,035</b>	814,410	<b>1,379,036</b>	1,384,876
( - ) Adjustment to present value	<b>(14,665)</b>	(21,527)	<b>(26,595)</b>	(31,052)
( - ) Allowance for doubtful account and cancelled contracts	<b>(17,963)</b>	(12,365)	<b>(121,041)</b>	(100,530)
	<b>887,823</b>	986,042	<b>1,640,823</b>	1,802,364

The change in the allowance for doubtful accounts and cancelled contracts for the period ended June 30, 2016 is summarized as follows:

	<b>Company 06/30/2016</b>
Balance at December 31, 2015	<b>(12,365)</b>
Additions (Note 22)	<b>(5,997)</b>
Write-offs (Note 22)	<b>399</b>
Balance at June 30, 2016	<b>(17,963)</b>

		<b>Consolidated Properties for</b>	
	<b>Receivables</b>	<b>sale (Note 6)</b>	<b>Net</b>
Balance at December 31, 2015	(100,530)	21,764	<b>(78,766)</b>
Additions (Notes 22 and 23)	(20,910)	-	<b>(20,910)</b>
Write-offs (Notes 22 and 23)	399	(10,080)	<b>(9,681)</b>
Balance at June 30, 2016	<b>(121,041)</b>	<b>11,684</b>	<b>(109,357)</b>

**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**5. Trade accounts receivable from real estate development and services--Continued**

In the period ended June 30, 2016, the Company entered into the following Real Estate Receivables Agreement (CCI) transaction, which is aimed at the assignment by the assignor to the assignee of a portfolio comprising select business real estate receivables performed and to be performed arising out of Gafisa and its subsidiaries. The assigned portfolio, discounted to present value, is recorded under the heading "obligations assumed on the assignment of receivables".

Transaction date	Assigned accounting portfolio	Portfolio discounted to present value	Transaction balance at June 30, 2016 (Note 14)	
			Company	Consolidated
03/04/2016	27,954	27,334	21,452	25,256
05/09/2016	17,827	17,504	13,218	16,553

In the transactions above, the Company and its subsidiaries are jointly responsible until the time of the transfer of the collateral to the securitization company.



The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 5 to the financial statements as of December 31, 2015.

## 6. Properties for sale

	Company		Co
	06/30/2016	12/31/2015	06/30/2015
Land	781,815	775,814	1,461,814
( - ) Adjustment to present value	(8,400)	(9,639)	(20,039)
Property under construction	537,110	545,701	881,811
Real estate cost in the recognition of the provision for cancelled contracts (Note 5)	-	-	11,811
Completed units	265,322	216,073	368,811
( - ) Provision for realization of properties for sale	(5,437)	(5,437)	(8,811)
Total properties for sale	1,570,410	1,522,512	2,693,811
Current portion	1,277,427	1,135,137	2,063,811
Non-current portion	292,983	387,375	629,811

In the period ended June 30, 2016, there was no change in the provision for impairment of properties for sale.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 6 to the individual and consolidated financial statements as of December 31, 2015.

## 7. Other accounts receivable and others

	Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Advances to suppliers	1,654	1,578	6,851	7,102
Recoverable taxes (IRRF, PIS, COFINS, among other)	22,637	20,712	66,996	66,289
Judicial deposit (Note 16)	117,004	105,275	140,539	125,358
Other	2	4	4,892	4,788
Total other accounts receivable and others	141,297	127,569	219,278	203,537
Current portion	58,848	46,621	131,391	120,657
Non-current portion	82,449	80,948	87,887	82,880



**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**8. Assets held for sale****8.1 Land available for sale**

The changes in land available for sale are summarized as follows:

	Company Provision for Net			Consolidated Provision for Net		
	Cost	impairment	balance	Cost	impairment	balance
Balance at December 31, 2015	<b>19,457</b>	<b>(15,090)</b>	<b>4,367</b>	<b>147,673</b>	<b>(41,816)</b>	<b>105,857</b>
Additions	2,264	-	2,264	4,058	-	4,058
Transfer from (to) properties for sale, net	-	-	-	(26,483)	-	(26,483)
Reversal/Write-offs	(9,490)	6,302	(3,188)	(13,150)	17,221	4,071
Balance at June 30, 2016	<b>12,231</b>	<b>(8,788)</b>	<b>3,443</b>	<b>112,098</b>	<b>(24,595)</b>	<b>87,503</b>
Gafisa segment				12,231	(8,788)	<b>3,443</b>
Tenda segment				99,867	(15,807)	<b>84,060</b>

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 8.1 to the financial statements as of December 31, 2015.

**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**9. Investments in subsidiaries and jointly controlled investees**(i) Ownership interest(a) *Information on subsidiaries and jointly-controlled investees*

Direct investees	Interest in capital - %		Total assets	Total liabilities	Equity and advance for future capital increase		Profit (loss) for the period		
	06/30/2016	12/31/2015	06/30/2016	06/30/2016	06/30/2016	12/31/2015	06/30/2016	06/30/2015	
Construtora Tenda S/A Alphaville Urbanismo S.A	-	100%	100%	1,956,314	851,401	1,104,913	1,090,935	13,416	31,481
Gafisa SPE 26 Ltda.	-	30%	30%	2,669,630	1,944,684	724,946	728,519	(3,572)	52,605
Gafisa SPE-130 Emp. Imob. Ltda.	-	100%	100%	176,911	9,750	167,161	167,361	(200)	(958)
Gafisa SPE-111 Emp. Imob. Ltda.	-	100%	100%	125,822	48,049	77,773	53,323	2,776	2,412
Gafisa SPE-116 Emp. Imob. Ltda.	-	100%	100%	116,270	51,260	65,010	79,764	(14,754)	9,939
(a)	50%	50%	178,408	59,242	119,166	103,372	15,794	8,571	

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Gafisa SPE-89 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>81,297</b>	<b>26,944</b>	<b>54,353</b>	60,362	<b>(2,809)</b>	1,780
Maraville Gafsa SPE Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>77,837</b>	<b>24,322</b>	<b>53,515</b>	48,883	<b>4,632</b>	(263)
Gafisa SPE - 127 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>95,260</b>	<b>46,125</b>	<b>49,135</b>	35,718	<b>3,017</b>	3,465
Gafisa SPE-51 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>53,607</b>	<b>6,957</b>	<b>46,650</b>	46,825	<b>(176)</b>	281
Gafisa SPE - 121 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>91,790</b>	<b>45,883</b>	<b>45,907</b>	46,897	<b>(990)</b>	14,066
Gafisa SPE 72 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>55,533</b>	<b>11,300</b>	<b>44,233</b>	44,275	<b>(42)</b>	(165)
Gafisa SPE-110 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>44,680</b>	<b>4,158</b>	<b>40,522</b>	40,879	<b>(357)</b>	(3,281)
Gafisa SPE - 122 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>117,308</b>	<b>78,578</b>	<b>38,730</b>	31,624	<b>4,150</b>	4,724
Gafisa SPE - 120 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>41,670</b>	<b>3,861</b>	<b>37,809</b>	36,621	<b>1,189</b>	2,369
Manhattan Square Emp. Im. Res. 02 Ltda	-	<b>100%</b>	100%	<b>36,037</b>	<b>613</b>	<b>35,424</b>	35,424	-	-
SPE Parque Ecoville Emp. Imob. Ltda	-	<b>100%</b>	100%	<b>90,043</b>	<b>55,149</b>	<b>34,894</b>	34,984	<b>(91)</b>	(1,661)
Gafisa SPE-104 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>82,645</b>	<b>51,886</b>	<b>30,759</b>	3,428	<b>1,078</b>	(306)
Gafisa SPE-107 Emp. Im. Ltda.	-	<b>100%</b>	100%	<b>32,551</b>	<b>3,025</b>	<b>29,526</b>	29,442	<b>84</b>	(259)
Gafisa SPE- 129 Emp. Im. Ltda.	-	<b>100%</b>	100%	<b>63,441</b>	<b>35,023</b>	<b>28,418</b>	24,012	<b>4,406</b>	1,952
Gafisa SPE - 126 Emp. Im. Ltda.	-	<b>100%</b>	100%	<b>91,708</b>	<b>64,305</b>	<b>27,403</b>	22,834	<b>4,569</b>	2,813
	-	<b>100%</b>	100%	<b>28,059</b>	<b>1,580</b>	<b>26,479</b>	26,469	<b>9</b>	103

Gafisa SPE-41 Emp. Im, Ltda. Verdes Pracas Inc. Imob SPE Ltda.	-	<b>100%</b>	100%	<b>26,304</b>	<b>69</b>	<b>26,235</b>	26,225	<b>10</b>	13
Gafisa e Ivo Rizzo SPE-47 Em. Im. Ltda.	(a)	<b>80%</b>	80%	<b>32,545</b>	<b>422</b>	<b>32,123</b>	31,749	<b>3</b>	(28)
Varandas Grand Park Em. Im. Ltda	(a)(c)	<b>50%</b>	50%	<b>112,971</b>	<b>64,839</b>	<b>48,132</b>	43,587	<b>1,684</b>	(1,193)
Gafisa SPE-112 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>29,646</b>	<b>7,941</b>	<b>21,705</b>	21,736	<b>(31)</b>	3
Sitio Jatiuca Emp. Imob. SPE Ltda	(a)	<b>50%</b>	50%	<b>46,736</b>	<b>4,172</b>	<b>42,564</b>	41,470	<b>1,096</b>	1,417
Gafisa SPE-134 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>37,152</b>	<b>18,115</b>	<b>19,037</b>	2,083	<b>(388)</b>	-
Edsp 88 Participações S.A.	-	<b>100%</b>	100%	<b>33,082</b>	<b>14,816</b>	<b>18,266</b>	17,454	<b>812</b>	(907)
Manhattan Square Em. Im. Com. 02 Ltda	-	<b>100%</b>	100%	<b>18,019</b>	<b>61</b>	<b>17,958</b>	17,955	-	-
Gafisa SPE 46 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>30,883</b>	<b>12,986</b>	<b>17,897</b>	17,740	<b>157</b>	182
Parque Arvores Empr. Imob. Ltda.	(a)(c)	<b>50%</b>	50%	<b>39,898</b>	<b>6,114</b>	<b>33,784</b>	33,378	<b>395</b>	96
Fit 13 Spe Empr. Imob. Ltda.	(b)	<b>50%</b>	50%	<b>34,370</b>	<b>653</b>	<b>33,717</b>	34,487	<b>(770)</b>	132
Gafisa SPE 30 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>63,729</b>	<b>47,398</b>	<b>16,331</b>	16,196	<b>135</b>	89
Gafisa SPE-106 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>16,663</b>	<b>1,056</b>	<b>15,607</b>	15,623	<b>(16)</b>	(9)
Gafisa SPE-92 Emp. Imob. Ltda.	-	<b>100%</b>	100%	<b>16,705</b>	<b>1,102</b>	<b>15,603</b>	15,474	<b>129</b>	127

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Diodon Participações Ltda	-	<b>100%</b>	100%	<b>17,919</b>	<b>2,911</b>	<b>15,008</b>	14,962	<b>46</b>	314
Gafisa SPE 71 Emp.	-	<b>100%</b>	100%	<b>16,250</b>	<b>2,319</b>	<b>13,931</b>	14,060	<b>(129)</b>	(122)
Imob. Ltda. Gafisa SPE - 123 Emp.	-	<b>100%</b>	100%	<b>93,098</b>	<b>79,811</b>	<b>13,287</b>	15,683	<b>(2,395)</b>	(2,914)
Imob. Ltda. Gafisa SPE 33 Emp.	-	<b>100%</b>	100%	<b>14,673</b>	<b>1,535</b>	<b>13,138</b>	13,385	<b>(247)</b>	(23)
Alto da Barra de Sao Miguel Em. Im. Ltda	(a)	<b>50%</b>	50%	<b>24,834</b>	<b>1,372</b>	<b>23,462</b>	23,504	<b>(44)</b>	655
Gafisa SPE 65 Emp.	-	<b>100%</b>	100%	<b>19,993</b>	<b>8,317</b>	<b>11,676</b>	11,602	<b>74</b>	122
Blue I SPE Plan., Prom., Inc. Venda Ltda.	-	<b>100%</b>	100%	<b>11,592</b>	<b>541</b>	<b>11,051</b>	11,051	-	212
Città Ville SPE Emp.	(b)	<b>50%</b>	50%	<b>22,453</b>	<b>535</b>	<b>21,918</b>	22,195	<b>(278)</b>	131
Imob. Ltda. Gafisa SPE- 132 Emp.	-	<b>100%</b>	100%	<b>53,430</b>	<b>42,737</b>	<b>10,693</b>	-	<b>(111)</b>	(1)

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**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**9. Investments in subsidiaries and jointly controlled investees--Continued**(i) Ownership interest --Continued(a) *Information on subsidiaries and jointly-controlled investees* --Continued

Direct investees	Interest in capital - %		Total assets	Total liabilities	Equity and advance for future capital increase		Profit (loss) for the period		
	06/30/2016	12/31/2015	06/30/2016	06/30/2016	06/30/2016	12/31/2015	06/30/2016	06/30/2015	
Gafisa SPE 36 Emp. Imob. Ltda.	-	100%	100%	26,087	17,184	8,903	8,857	46	833
Gafisa SPE-81 Emp. Imob. Ltda.	-	100%	100%	85,733	76,897	8,836	8,978	(142)	2,023
Atins Emp. Imob.s Ltda.	(a)	50%	50%	30,697	13,403	17,294	15,777	(534)	(38)
Gafisa SPE-77 Emp. Imob. Ltda.	-	65%	65%	26,057	13,048	13,009	9,552	3,868	578
Parque Aguas Empr. Imob. Ltda.	(a)(c)	50%	50%	17,271	1,305	15,966	15,264	1,091	182
Gafisa SPE-38 Emp. Imob. Ltda.	-	100%	100%	8,020	58	7,962	7,967	(5)	(2)
	-	100%	100%	9,010	1,827	7,183	7,189	(6)	(75)



Gafisa SPE-109 Emp. Imob. Ltda.									
Gafisa SPE-37 Emp. Imob. Ltda.	-	100%	100%	7,642	885	6,757	6,727	30	5
Gafisa SPE-90 Emp. Imob. Ltda.	-	100%	100%	11,507	5,031	6,476	6,477	-	(47)
Dubai Residencial Empr. Imob. Ltda.	(a)(c)	50%	50%	11,573	593	10,980	10,562	190	18
Gafisa SPE-87 Emp. Imob. Ltda.	-	100%	100%	23,593	18,268	5,325	5,393	(68)	2,108
Gafisa SPE-113 Emp. Imob. Ltda.	-	60%	60%	59,562	50,849	8,713	7,521	(6,850)	(2,788)
Prime Grand Park Emp. Imob. Spe Ltda.	(a)(c)	50%	50%	14,860	4,597	10,263	9,846	(44)	(995)
Performance Gafisa General Severiano Ltda	(a)	50%	0%	25,828	15,579	10,249	-	-	-
OCPC01 Adjustment – capitalized interests	(d)			-	-	-	-	-	-
Other (*)				255,051	169,180	85,871	90,051	(195)	(5,174)
<b>Subtotal</b>				<b>7,732,257</b>	<b>4,132,621</b>	<b>3,599,636</b>	<b>3,463,711</b>	<b>29,642</b>	<b>124,810</b>
<b><u>Indirect investees -</u></b>									
<b><u>Gafisa:</u></b>									
Saí Amarela S.A.	(a)	50%	50%	2,407	121	2,286	2,314	34	(115)
Gafisa SPE-51 Emp. Imob. Ltda.	(a)	60%	60%	1,241	325	916	1,662	(127)	79
Other (*)				806	109	697	466	368	33
Indirect jointly-controlled investees Gafisa				4,454	555	3,899	4,442	275	71
<b><u>Indirect investees -</u></b>									
<b><u>Tenda:</u></b>									
Acedio SPE Emp. Imob. Ltda.	-	55%	55%	4,677	3,999	678	676	2	(1,320)

Maria Inês SPE Emp. Imob. Ltda.	-	<b>60%</b>	60%	<b>21,236</b>	<b>152</b>	<b>21,084</b>	21,050	<b>57</b>	69
Fit 02 SPE Emp. Imob. Ltda.	-	<b>60%</b>	60%	<b>10,098</b>	<b>94</b>	<b>10,004</b>	9,882	<b>420</b>	99
Fit Jardim Botânico SPE Emp. Imob. Ltda.	-	<b>55%</b>	55%	<b>10,588</b>	<b>188</b>	<b>10,400</b>	9,999	<b>301</b>	(5,641)
Fit 11 SPE Emp. Imob. Ltda.	-	<b>70%</b>	70%	<b>35,629</b>	<b>6,200</b>	<b>29,429</b>	32,062	<b>(53)</b>	(98)
Fit 31 SPE Emp. Imob. Ltda.	-	<b>70%</b>	70%	<b>15,966</b>	<b>934</b>	<b>15,032</b>	16,455	<b>(1,258)</b>	(1,713)
Fit 34 SPE Emp. Imob. Ltda.	-	<b>70%</b>	70%	<b>34,500</b>	<b>500</b>	<b>34,000</b>	33,634	<b>380</b>	982
Fit 03 SPE Emp. Imob. Ltda.	-	<b>80%</b>	80%	<b>11,473</b>	<b>1,067</b>	<b>10,406</b>	11,404	<b>(998)</b>	253
Imbuí I SPE Emp. Imob. Ltda.	-	<b>50%</b>	50%	<b>9,024</b>	<b>268</b>	<b>8,756</b>	8,723	<b>32</b>	(15)
Città Ipitanga SPE Emp. Imob. Ltda.	-	<b>50%</b>	50%	<b>12,656</b>	<b>594</b>	<b>12,062</b>	11,761	<b>302</b>	(200)
Grand Park - Pq. dos Pássaros SPE Em. Im.	-	<b>50%</b>	50%	<b>27,209</b>	<b>2,937</b>	<b>24,272</b>	22,466	<b>1,806</b>	3,19
Citta Itapua Emp. Imob. SPE Ltda.	-	<b>50%</b>	50%	<b>18,755</b>	<b>1,483</b>	<b>17,272</b>	18,015	<b>(742)</b>	(96)
SPE Franere Gafisa 08 Emp. Imob. LTDA.	-	<b>50%</b>	50%	<b>54,628</b>	<b>6,526</b>	<b>48,102</b>	47,831	<b>274</b>	(2,910)
Fit 13 SPE Emp. Imob. Ltda.	(b)	<b>50%</b>	50%	<b>34,370</b>	<b>653</b>	<b>33,717</b>	34,487	<b>(771)</b>	132
Other (*) Indirect jointly-controlled investees - Tenda	-			<b>99,055</b>	<b>2,571</b>	<b>96,485</b>	69,986	<b>26,495</b>	(284)
				<b>399,864</b>	<b>28,166</b>	<b>371,699</b>	348,431	<b>26,247</b>	(7,551)
<b>Subtotal</b>				<b>8,136,575</b>	<b>4,161,342</b>	<b>3,975,234</b>	3,816,584	<b>56,164</b>	117,970

**Gafisa S.A.**

Notes to the individual and consolidated quarterly information--Continued

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**9. Investments in subsidiaries and jointly controlled investees--Continued**

(i) Ownership interest --Continued

(a) *Information on subsidiaries and jointly-controlled investees* —Continued

Direct investees	Interest in capital - %		Total assets	Total liabilities	Equity and advance for future capital increase		Profit (loss) for the period	
	06/30/2016	12/31/2015	06/30/2016	06/30/2016	06/30/2016	12/31/2015	06/30/2016	06/30/2015
Goodwill on acquisition of subsidiaries	(e)							
Goodwill based on inventory surplus	-							
Addition to remeasurement of investment in associate	(f)							
Total investments								

(\*)Includes companies with investment balances below R\$ 5,000.

Direct investees	Interest in capital - %		Total assets	Total liabilities	Equity and advance for future capital increase		Profit (loss) for the period		Inv
	06/30/2016	12/31/2015	06/30/2016	06/30/2016	06/30/2016	12/31/2015	06/30/2016	06/30/2015	
Provision for net capital deficiency (g):									
Manhattan Residencial 01 Spe Ltda Gafisa Vendas Interm. Imobiliaria Ltda	50%	50%	30,847	118,211	(87,364)	(89,319)	(534)	(5,544)	(43,6
Manhattan Comercial 01 Spe Ltda	100%	100%	24,148	34,735	(10,587)	(8,239)	(5,947)	(2,643)	(10,5
Other (*)	50%	50%	12,765	21,531	(8,766)	(7,887)	92	(1,128)	(4,3
<b>Total provision for net capital deficiency</b>			<b>28,043</b>	<b>28,990</b>	<b>(947)</b>	<b>(2,557)</b>	<b>(197)</b>	<b>(2,825)</b>	<b>(9</b>
<b>Total Income from equity method investments</b>			<b>95,803</b>	<b>203,467</b>	<b>(107,664)</b>	<b>(108,002)</b>	<b>(6,586)</b>	<b>(12,140)</b>	<b>(59,5</b>

(a) Joint venture.

(b) Joint venture with Tenda associates.

(c) The Company recorded expense of R\$354 in Income from equity method investments for the period ended June 30, 2016, in accordance with the ICPC09 (R2) – Individual, Separate and Consolidated Financial Statements a

(d) Charges of the Company not appropriated to the profit or loss of subsidiaries, as required by paragraph 6 of O

(e) See breakdown in Note 11.

(f) Amount related to the addition to the remeasurement of the portion of the remaining investment of 30% in the a the entity.

(g) The provision for net capital deficiency is recorded in the heading “Other payables” (Note 15).

(b) *Change in investments*

	<b>Company Consolidated</b>	
<b>Balance at December 31, 2015</b>	<b>3,242,765</b>	<b>967,646</b>
Income from equity method investments	24,156	4,533
Capital contribution (decrease)	99,720	4,870
Acquisition of interests	5,586	5,124
Dividends receivable	(7,425)	(4,871)
Usufruct of shares	(3,200)	-
Other investments	(26)	798
<b>Balance at June 30, 2016</b>	<b>3,361,576</b>	<b>978,100</b>

(A free translation from the original in Portuguese into English)

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### 10. Property and equipment

Type	Company				06/30/2016	C		
	12/31/2015	Addition	Write-off	100% depreciated items		12/31/2015	Addition	Write-off
<b>Cost</b>								
Hardware	14,018	1,445	-	(3,970)	11,493	28,143	5,503	(2,284)
Leasehold improvements and installations	9,367	223	-	(3,432)	6,158	17,449	(1,354)	(878)
Furniture and fixtures	675	-	-	-	675	5,503	(316)	(34)
Machinery and equipment	2,640	-	-	-	2,640	4,039	(1,476)	(132)
Molds	-	-	-	-	-	13,067	(3,379)	-
Sales stands	12,041	4,141	(99)	(795)	15,288	15,724	(4,416)	99
	<b>38,741</b>	<b>5,809</b>	<b>(99)</b>	<b>(8,197)</b>	<b>36,254</b>	<b>83,925</b>	<b>(10,922)</b>	<b>99</b>
<b>Accumulated depreciation</b>								
Hardware	(7,191)	(1,354)	-	3,970	(4,575)	(13,474)	(2,284)	-
Leasehold improvements and installations	(4,838)	(878)	-	3,432	(2,284)	(7,918)	(1,354)	-
Furniture and fixtures	(282)	(34)	-	-	(316)	(3,664)	(34)	-
Machinery and equipment	(1,344)	(132)	-	-	(1,476)	(1,898)	(132)	-
Molds	-	-	-	-	-	(3,379)	(3,379)	-
Sales stands	(2,267)	(2,598)	99	795	(3,971)	(4,416)	(4,416)	99
	<b>(15,922)</b>	<b>(4,996)</b>	<b>99</b>	<b>8,197</b>	<b>(12,622)</b>	<b>(34,749)</b>	<b>(10,922)</b>	<b>99</b>
Total property and equipment	<b>22,819</b>	<b>813</b>	<b>-</b>	<b>-</b>	<b>23,632</b>	<b>49,176</b>	<b>23,003</b>	<b>99</b>

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 10 to the financial statements as of December 31, 2015.

## 11. Intangible assets

	12/31/2015		Company		06/30/2016
	Balance	Addition	Write-down / amortization	100% amortized items	Balance
Software – Cost	75,409	3,448	-	(17,148)	<b>61,709</b>
Software – Depreciation	(47,187)	-	(6,624)	17,148	<b>(36,663)</b>
Other	5,089	2,953	(2,480)	-	<b>5,562</b>
Total intangible assets	<b>33,311</b>	<b>6,401</b>	<b>(9,104)</b>	-	<b>30,608</b>
	12/31/2015		Consolidated		06/30/2016
	Balance	Addition	Write-down / amortization	100% amortized items	Balance
Goodwill AUSA	25,476	-	-	-	<b>25,476</b>
Software – Cost	110,559	7,909	(1,716)	(29,384)	<b>87,368</b>
Software – Depreciation	(65,408)	-	(12,430)	29,384	<b>(48,454)</b>
Other	6,715	2,953	(531)	-	<b>9,137</b>
	<b>51,866</b>	<b>10,862</b>	<b>(14,677)</b>	-	<b>48,051</b>
Total intangible assets	<b>77,342</b>	<b>10,862</b>	<b>(14,677)</b>	-	<b>73,527</b>

In the end of each fiscal year, the Company evaluates the recovery of the carrying value of goodwill and the addition to the remeasurement of the portion of the remaining investment of 30% in the associate AUSA, as disclosed in Note 9. In the period ended June 30, 2016, the Company did not find the existence of any indication of loss on the carrying value of goodwill.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 11 to the financial statements as of December 31, 2015.





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### 12. Loans and financing

Type	Maturity	Annual interest rate	Company		Consolidate	
			06/30/2016	12/31/2015	06/30/2016	12/31/2015
National Housing System - SFH /SFI	July 2016 to	8.30% to 14.00% + TR	<b>1,001,621</b>	1,014,092	<b>1,196,948</b>	1,160,000
	April 2021	120% to 129% of CDI				
Certificate of Bank Credit - CCB	July 2016 to	125% of CDI 0.59%/3.95%/4.25% + CDI	<b>98,473</b>	124,568	<b>136,969</b>	136,969
	June 2019	INCC				
Total loans and financing (Notes 20.i.d, 20.ii.a and 20.iii)			<b>1,100,094</b>	1,138,660	<b>1,333,917</b>	1,296,969
Current portion			<b>562,684</b>	595,817	<b>633,782</b>	670,000
Non-current portion			<b>537,410</b>	542,843	<b>700,135</b>	626,969

(i) In the period ended June 30, 2016, the Company made payments in the total amount of R\$33,977, of which R\$15,122 related to principal and R\$18,855 to interest.

The maturities of the current and non-current installments are as follows:

Maturity	Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
2016	<b>183,114</b>	595,817	<b>206,419</b>	672,365
2017	<b>610,461</b>	385,555	<b>689,462</b>	440,418
2018	<b>301,545</b>	153,288	<b>357,902</b>	166,996
2019	<b>4,974</b>	4,000	<b>55,186</b>	12,049
2020 onwards	-	-	<b>24,948</b>	1,007
	<b>1,100,094</b>	1,138,660	<b>1,333,917</b>	1,292,835

The Company and its subsidiaries have restrictive covenants under certain loans and financing that limit their ability to perform certain actions, such as the issuance of debt, and that could require the early redemption or refinancing of loans if the Company does not fulfill such covenants. The ratio and minimum and maximum amounts required under such restrictive covenants as of June 30, and December 31, 2015 are disclosed in Note 13.

The following table shows the summary of financial expenses and charges and the capitalized rate in the account "properties for sale".

	Company		Consolidated	
	06/30/2016	06/30/2015	06/30/2016	06/30/2015
Total financial charges for the period	<b>112,858</b>	126,608	<b>148,627</b>	155,526
Capitalized financial charges	<b>(91,934)</b>	(89,772)	<b>(117,133)</b>	(111,059)
Financial expenses (Note 24)	<b>20,924</b>	36,836	<b>31,494</b>	44,467
<b>Financial charges included in "Properties for sale":</b>				
Opening balance	<b>287,806</b>	220,959	<b>354,551</b>	276,613
Capitalized financial charges	<b>91,934</b>	89,772	<b>117,133</b>	111,059
Charges recognized in profit or loss (Note 23)	<b>(56,890)</b>	(53,775)	<b>(82,823)</b>	(71,945)
Closing balance	<b>322,850</b>	256,956	<b>388,861</b>	315,727

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 12 to the financial statements as of December 31, 2015.

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### 13. Debentures

Program/placement	Principal - R\$	Annual interest	Final maturity	Company		Consolidated
				06/30/2016	12/31/2015	06/30/2016
Seventh placement (i)	375,000	TR + 10.384%	December 2017	<b>377,492</b>	452,568	<b>377,492</b>
Eighth placement / second series	5,787	IPCA + 7.96%	October 2016	<b>9,140</b>	8,395	<b>9,140</b>
Ninth placement (ii)	112,596	CDI + 1.90%	July 2018	<b>111,641</b>	130,394	<b>111,641</b>
Tenth placement (iii)	55,000	IPCA + 8.22%	January 2020	<b>65,294</b>	64,724	<b>65,294</b>
First placement (Tenda) (iv)	170,000	TR + 9.00%	October 2016	-	-	<b>174,400</b>
Total debentures (Note 20.i.d, 20.ii.a and 20.iii)				<b>563,567</b>	656,081	<b>738,000</b>
Current portion				<b>255,770</b>	187,744	<b>430,200</b>
Non-Current portion				<b>307,797</b>	468,337	<b>307,797</b>

In the period ended June 30, 2016, the Company made the following payments:

Principal	Interest	Total amortization
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(i)	75,000	26,459	<b>101,459</b>
(ii)	19,430	8,502	<b>27,932</b>
(iii)	-	4,775	<b>4,775</b>
(iv)	30,000	7,151	<b>37,151</b>

The maturities of current and non-current portions are as follows:

Maturity	Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
2016	<b>103,567</b>	187,744	<b>278,043</b>	389,621
2017	<b>341,032</b>	344,690	<b>341,032</b>	344,690
2018	<b>76,925</b>	83,485	<b>76,925</b>	83,485
2019	<b>21,019</b>	20,078	<b>21,019</b>	20,078
2020	<b>21,024</b>	20,084	<b>21,024</b>	20,084
	<b>563,567</b>	656,081	<b>738,043</b>	857,958

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**13. Debentures--Continued**

The Company is in compliance with the financial debt covenants at the reporting date of this quarterly information. The ratios and minimum and maximum amounts required under such restrictive covenants as of June 30, 2016 and December 31, 2015 are as follows:

	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Seventh placement</b>		
Total account receivable plus inventory required to be below zero or 2.0 times over net debt less venture debt <sup>(3)</sup>	-17.31 times	-14.12 times
Total debt less venture debt <sup>(3)</sup> , less cash and cash equivalents and short-term investments <sup>(1)</sup> , cannot exceed 75% of equity plus noncontrolling interests	-9.85%	-12.19%
Total receivables plus unappropriated income plus total inventory of finished units required to be 1.5 time over the net debt plus payable for purchase of properties plus unappropriated cost	2.28 times	2.25 times
<b>Eighth placement - first and second series and Loans and Financing</b>		
Total account receivable plus inventory of finished units required to be below zero or 2.0 times over net debt less venture debt	-9.12 times	-7.73 times
Total debt less venture debt, less cash and cash equivalents and short-term investments <sup>(1)</sup> , cannot exceed 75% of equity plus noncontrolling interests	-9.85%	-12.19%
<b>Ninth placement</b>		
	3.52 times	3.71 times

Total account receivable plus inventory required to be below zero or 2.0 times over net debt

Net debt cannot exceed 100% of equity plus noncontrolling interests 48.43% 46.44%

### Tenth placement

Total account receivable plus inventory required to be below zero or 2.0 times over net debt less venture debt <sup>(3)</sup>

-17.31 times -14.12 times

Total debt less venture debt <sup>(3)</sup>, less cash and cash equivalents and short-term investments <sup>(1)</sup>, cannot exceed 75% of equity plus noncontrolling interests

-9.85% -12.19%

### First placement – Tenda

Total accounts receivable plus inventory required to be equal to or 2.0 times over net debt less debt with secured guarantee <sup>(3)</sup> or below zero, considering that TR<sup>(4)</sup> plus TE <sup>(4)</sup> is always above zero.

-5.09 times -6.79 times

Net debt less debt with secured guarantee <sup>(3)</sup> required to be not in excess of 50% of equity.

-28.44% -21.47%

Total receivables plus unappropriated income plus total inventory of finished units required to be over 1.5 time the net debt plus payable for purchase of properties plus unappropriated cost or below zero

2.80 times 2.47 times

(1) Cash and cash equivalents and short-term investments refer to cash and cash equivalents and marketable securities.

(2) Total receivables, whenever mentioned, refers to the amount reflected in the Balance Sheet plus the amount not shown in the Balance Sheet

(3) Venture debt and secured guarantee debt refer to SFH debts, defined as the sum of all disbursed borrowing contracts which funds were provided by SFH, as well as the debt related to the seventh placement.

(4) Total inventory.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 13 to the financial statements as of December 31, 2015.

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**14. Obligations assumed on assignment of receivables**

The Company's transactions of assignment of receivables portfolio are as follows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Assignment of receivables:				
Obligation CCI Jun/11	<b>2,144</b>	3,164	<b>3,441</b>	4,777
Obligation CCI Dec/11	<b>1,952</b>	2,071	<b>2,081</b>	2,233
Obligation CCI Jul/12	<b>229</b>	368	<b>229</b>	368
Obligation CCI Nov/12	-	-	<b>3,931</b>	4,353
Obligation CCI Dec/12	<b>5,456</b>	7,541	<b>5,456</b>	7,541
Obligation CCI Nov/13	<b>2,002</b>	2,858	<b>5,105</b>	6,363
Obligation CCI Nov/14	<b>3,178</b>	4,646	<b>5,189</b>	6,693
Obligation CCI Dec/15	<b>11,292</b>	13,053	<b>21,634</b>	24,553
Obligation CCI Mar/16 (Note 5)	<b>21,452</b>	-	<b>25,256</b>	
Obligation CCI May/16 (Note 5)	<b>13,218</b>	-	<b>16,553</b>	
FIDC obligation	<b>829</b>	1,146	<b>1,661</b>	2,403
Total obligations assumed on assignment of receivables (Note 20.iii)	<b>61,752</b>	34,847	<b>90,536</b>	59,293
Current portion	<b>23,111</b>	12,631	<b>35,502</b>	23,483
Non-current portion	<b>38,641</b>	22,216	<b>55,034</b>	35,810



The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 14 to the financial statements as of December 31, 2015.

## 15. Other payables

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Provision for penalties for delay in				
construction works	<b>1,393</b>	1,404	<b>3,944</b>	3,213
Cancelled contract payable	<b>18,740</b>	11,014	<b>34,850</b>	24,053
Warranty provision	<b>34,086</b>	41,958	<b>49,681</b>	59,647
Deferred sales taxes (PIS and COFINS) in long term	<b>4,579</b>	8,368	<b>11,822</b>	13,129
Provision for net capital deficiency (Note 9)	<b>59,559</b>	59,727	<b>53,488</b>	54,401
Long-term suppliers (Note 20.i.d)	<b>3,406</b>	5,652	<b>6,370</b>	7,508
Payables to venture partners (Note 20.i.d, 20.ii and 20.iii)	<b>2,280</b>	4,713	<b>2,375</b>	4,895
Share-based payment - Phantom Shares (Note 18.3)	<b>1,385</b>	889	<b>1,385</b>	889
Other liabilities	<b>7,676</b>	8,426	<b>37,077</b>	28,918
<b>Total other payables</b>	<b>133,104</b>	142,151	<b>200,992</b>	196,653
Current portion	<b>123,735</b>	127,123	<b>172,407</b>	163,437
Non-current portion	<b>9,369</b>	15,028	<b>28,585</b>	33,216

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 15 to the financial statements as of December 31, 2015.



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**16. Provisions for legal claims and commitments**

In the period ended June 30, 2016, the changes in the provision are summarized as follows:

Company	Civil lawsuits	Tax proceedings	Labor claims	Total
<b>Balance at December 31, 2015</b>	<b>119,420</b>	<b>220</b>	<b>63,235</b>	<b>182,875</b>
Additional provision (Note 23)	23,628	3	6,774	<b>30,405</b>
Payment and reversal of provision not used	(14,410)	(3)	(8,660)	<b>(23,073)</b>
<b>Balance at June 30, 2016</b>	<b>128,638</b>	<b>220</b>	<b>61,349</b>	<b>190,207</b>
Current portion	<b>79,472</b>	<b>220</b>	<b>7,975</b>	<b>87,667</b>
Non-current portion	<b>49,166</b>	-	<b>53,374</b>	<b>102,540</b>

Consolidated	Civil lawsuits	Tax proceedings	Labor claims	Total
<b>Balance at December 31, 2015</b>	<b>149,621</b>	<b>400</b>	<b>92,961</b>	<b>242,982</b>
Additional provision (Note 23)	31,181	13	12,752	<b>43,946</b>
Payment and reversal of provision not used	(16,879)	(190)	(21,989)	<b>(39,058)</b>
<b>Balance at June 30, 2016</b>	<b>163,923</b>	<b>223</b>	<b>83,724</b>	<b>247,870</b>

Current portion	<b>79,472</b>	<b>220</b>	<b>7,975</b>	<b>87,667</b>
Non-current portion	<b>84,451</b>	<b>3</b>	<b>75,749</b>	<b>160,203</b>

(a) Civil lawsuits, tax proceedings and labor claims

As of June 30, 2016, the Company and its subsidiaries have deposited in court the amount of R\$117,004 (R\$105,275 in 2015) in the Company's statement, and R\$140,539 (R\$125,358 in 2015) in the consolidated statement (Note 7).

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Civil lawsuits	<b>74,047</b>	71,327	<b>89,825</b>	81,919
Tax proceedings	<b>19,805</b>	13,744	<b>21,970</b>	14,222
Labor claims	<b>23,152</b>	20,204	<b>28,744</b>	29,217
Total	<b>117,004</b>	105,275	<b>140,539</b>	125,358

(i) Lawsuits in which likelihood of loss is rated as possible

As of June 30, 2016, the Company and its subsidiaries are aware of other claims and civil, labor and tax risks. Based on the history of probable processes and the specific analysis of main claims, the measurement of the claims with likelihood of loss considered possible amounted to R\$784,072 (R\$810,163 in 2015), based on average past outcomes adjusted to current estimates, for which the Company's Management believes it is not necessary to recognize a provision for occasional losses. The change in the period was caused by the variation in the volume of lawsuits with smaller amounts and review of the involved amounts.

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Civil lawsuits	<b>239,640</b>	235,975	<b>472,733</b>	469,841
Tax proceedings	<b>33,528</b>	32,543	<b>241,940</b>	263,540
Labor claims	<b>40,035</b>	38,967	<b>69,399</b>	76,782
Total	<b>313,203</b>	307,485	<b>784,072</b>	810,163



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**16. Provisions for legal claims and commitments--Continued**

(b) Payables related to the completion of real estate ventures

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 16(i)(b) to the financial statements as of December 31, 2015.

(c) Other commitments

In addition to the commitments mentioned in Notes 6, 12 and 13, the Company has commitments related to the rental of 33 real estate where its facilities are located, at a monthly cost of R\$1,128 adjusted by the IGP-M/FGV variation. The rental term is from 1 to 10 years and there is a fine in case of cancelled contracts corresponding to three-month rent or in proportion to the contract expiration time.

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 15 to the financial statements as of December 31, 2015.

**17. Payables for purchase of properties and advances from customers**

	Maturity	Company		Consolidated	
		06/30/2016	12/31/2015	06/30/2016	12/31/2015
Payables for purchase of properties	July 2016 to August 2020	<b>117,778</b>	139,320	<b>345,831</b>	362,800
Adjustment to present value		<b>(8,484)</b>	(9,723)	<b>(21,599)</b>	(17,039)
Advances from customers					
Development and sales		<b>18,524</b>	19,337	<b>30,093</b>	39,743
Barter transaction - Land		<b>116,729</b>	143,271	<b>191,573</b>	224,430
Total payables for purchase of properties and advances from customers		<b>244,547</b>	292,205	<b>545,898</b>	609,934
Current portion		<b>158,249</b>	148,989	<b>360,382</b>	361,420
Non-current portion		<b>86,298</b>	143,216	<b>185,516</b>	248,514

**18. Equity****18.1. Capital**

As of June 30, 2016 and December 31, 2015, the Company's authorized and paid-in capital amounts to R\$2,740,662, in both periods represented by 378,066,162 registered common shares, without par value, of which 14,440,416 (10,584,756 as of December 31, 2015) were held in treasury.

According to the Company's articles of incorporation, capital may be increased without need of making amendment to it, upon resolution of the Board of Directors, which shall set the conditions for issuance up to the limit of 600,000,000 (six hundred millions) common shares.

On March 31, 2016, the Company approved the creation of a new program to repurchase its common shares aimed at holding them in treasury and later selling or cancelling them, over a period of 18 months, up to the limit of 8,198,565 shares. In the period ended June 30, 2016, 4,378,600 shares in the total amount of R\$8,450 were acquired. Additionally, the Company transferred 522,941 (1,221,860 in 2015) shares in the total amount of R\$1,230 (R\$3,022 in 2015) related to the exercise of options of the stock

option plan comprising common shares by the beneficiaries, for which it received the total amount of R\$5 (R\$599 in 2015).



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**18. Equity--Continued****18.1. Capital --Continued**

Type	GFSA3 Number	Treasury shares		Market value (*) R\$ thousand		Carrying value R\$ thousand	
		R\$ Weighted average price	% - on shares outstanding	06/30/2016	12/31/2015	06/30/2016	12/31/2015
Acquisition date							
11/20/2001	599,486	2.8875	0.17%	1,229	1,457	1,731	1,731
<b>Changes in 2013:</b>							
Acquisition	18,500,000	3.8561	5.12%	37,925	44,955	71,339	71,339
<b>Changes in 2014:</b>							
Acquisition	43,738,235	2.6353	12.12%	89,663	106,284	115,265	115,265
Transfer	(5,463,395)	3.2183	-1.51%	(11,200)	(13,276)	(17,583)	(17,583)
Cancellations	(27,493,039)	3.3351	-7.62%	(56,361)	(66,808)	(91,693)	(91,693)
<b>Changes in 2015:</b>							
Acquisition	11,925,330	2.0257	3.30%	24,447	28,979	24,157	24,157
Transfer	(1,221,860)	2.4733	-0.34%	(2,504)	(2,970)	(3,022)	(3,022)
Cancellations	(30,000,000)	2.4738	-8.31%	(61,500)	(72,900)	(74,214)	(74,214)
<b>Changes in 2016:</b>							
Acquisition	4,378,600	1.9298	1.21%	8,976	-	8,450	-

Transfer	(522,941)	2.3521	-0.14%	(1,072)	-	(1,230)	-
	<b>14,440,416</b>	<b>2.2991</b>	<b>4.00%</b>	<b>29,603</b>	<b>25,721</b>	<b>33,200</b>	<b>25,980</b>

(\*)Market value calculated based on the closing share price on June 30, 2016 at R\$2.05 (R\$2.43 in 2015), not considering the effect of occasional volatilities.

The Company holds shares in treasury acquired in 2001 in order to guarantee the performance of lawsuits (Note 16(a)(i)).

The change in the number of outstanding shares is as follows:

	<b>Common shares - In thousands</b>
Outstanding shares as of December 31, 2015	<b>367,481</b>
Repurchase of treasury shares	(4,379)
Transfer related to the stock option plan	523
Shares held by the management members of the Company	(2,606)
Outstanding shares as of June 30, 2016	<b>361,019</b>
Weighted average shares outstanding	<b>364,977</b>

## 18.2. Stock option plan

Expenses for granting stocks recorded under the account "General and administrative expenses" (Note 23) in the periods ended June 30, 2016 and 2015, are as follows:

	<b>06/30/2016</b>	06/30/2015
Gafisa	<b>3,189</b>	3,940
Tenda	<b>562</b>	1,061
	<b>3,751</b>	5,001

### (i) Gafisa

The Company has a total of five stock option plans comprising common shares, launched in 2012, 2013, 2014, 2015 and 2016 which follows the rules established in the Stock Option Plan of the Company.



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**Gafisa S.A.**

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(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**18. Equity--Continued**

**18.2. Stock option plan -- Continued**

(i) Gafisa--Continued

The granted options entitle their holders (beneficiaries) to purchase common shares of the Company's capital, after periods that vary from one to five years of employment in the Company (essential condition to exercise the option), and expire six to ten years after the grant date.

The fair value of options is set on the grant date, and it is recognized as expense in profit or loss (as contra-entry to equity) during the vesting period of the plan, to the extent the services are provided by employees and management members.

The changes in options outstanding in the period ended June 30, 2016 and year ended December 31, 2015, which include their respective weighted average exercise prices, are as follows:

2016		2015	
Number of options	Weighted average exercise	Number of options	Weighted average exercise

		<b>price (Reais)</b>		<b>price (Reais)</b>
Options outstanding at the beginning of the year	<b>11,743,379</b>	<b>1.83</b>	9,542,643	1.49
Options granted	<b>2,209,869</b>	<b>2.62</b>	3,567,201	2.24
Options exercised (i)	<b>(530,816)</b>	<b>0.01</b>	(1,221,860)	(0.49)
Options expired	-	-	(32,000)	(3.05)
Options forfeited	-	-	(112,605)	(0.01)
Options outstanding at the end of the period	<b>13,422,432</b>	<b>2.03</b>	11,743,379	1.83

(i) In the period ended June 30, 2016, the amount received for exercised options was R\$5 (R\$599 in the year ended December 31, 2015).

Options outstanding and exercisable as of June 30, 2016, are as follows:

<b>Number of options</b>	<b>Options outstanding</b>		<b>Options exercisable</b>	
	<b>Weighted average remaining contractual life (years)</b>	<b>Weighted average exercise price (Reais)</b>	<b>Number of options</b>	<b>Weighted average exercise price (Reais)</b>
<b>13,422,432</b>	<b>4.32</b>	<b>2.03</b>	<b>1,927,083</b>	<b>2.68</b>

During the period ended June 30, 2016, the Company granted 2,209,869 options in connection with its stock option plans comprising common shares (3,567,201 options granted in 2015).

The fair value of the new granted options totaled R\$1,265 (R\$3,232 in 2015), which was determined based on the following assumptions:

	<b>2016</b>	<b>2015</b>
Pricing model	Binomial	Binomial
Exercise price of options (R\$)	R\$2.62	R\$2.24
Weighted average price of options (R\$)	R\$2.62	R\$2.24
Expected volatility (%) – (*)	53%	52%
Expected option life (years)	5.78 years	5.58 years
Dividend income (%)	1.98%	2.24%
Risk-free interest rate (%)	14.13%	13.64%

(\*) The volatility was determined based on the regression analyses of the relation of the volatility of the Gafisa S.A.'s shares with the Ibovespa index.



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**18. Equity--Continued**

**18.2. Stock option plan --Continued**

(ii) Tenda

The subsidiary Tenda has a total of three stock options comprising common shares for its employees and management members, launched in 2014 and 2016, that follows the rules established in its Stock Option Plan.

The changes in options outstanding in the period ended June 30, 2016 and year ended December 31, 2015, which include their respective weighted average exercise prices, are as follows:

	2016		2015	
	Number of options	Weighted average exercise price (Reais)	Number of options	Weighted average exercise price (Reais)
Options outstanding at the beginning of the year	42,259,687	0.84	42,259,687	0.76
Options granted	1,637,067	0.88	-	-
Options forfeited	(1,100,400)	0.84	-	-
Options outstanding at the end of the period	42,796,354	0.84	42,259,687	0.76

The options outstanding and exercisable as of June 30, 2016 are as follows:

Number of options	Options outstanding		Options exercisable	
	Weighted average remaining contractual life (years)	Weighted average exercise price (Reais)	Number of options	Weighted average exercise price (Reais)
42,796,354	2.61	0.84	-	-

The fair value of the options granted in 2014 and 2016 totaled R\$8,927, which was determined based on the following assumptions:

	2016	2014
Pricing model	Black-Scholes	Black-Scholes
Exercise price of options (R\$)	R\$0.88	R\$0.85
Weighted average price of options (R\$)	R\$0.88	R\$0.84
Expected volatility (%) – (*)	26.70%	31.30%
Expected life of options (years)	4.51 years	2.55 years
Risk-free interest rate (%) – (**)	12.67% to 12.77%	12.77% to 12.84%

(\*) The volatility was determined based on the history of the BM&FBOVESPA Real Estate Index (IMOBX).

(\*\*)The market risk-free interest rate for the option term in the grant moment varied between 11.66% and 12.84%.

### 18.3. Share-based payment – Phantom Shares

In the period ended June 30, 2015, a cash-settled share-based payment program was approved, with fixed terms and conditions. The beneficiaries were granted the right to receive an amount equivalent to 1,143,145 phantom shares, together with the stock option plan for the year 2016. The phantom shares have the same grace and expiration period of the options, and can be partially or fully exercised during the established period.

As of June 30, 2016, the amount of R\$1,385 (R\$889 in 2015), related to the fair value of the phantom shares granted, is recognized in the heading “Other payables” (Note 15).



The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 18 to the individual and consolidated financial statements as of December 31, 2015.

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### **19. Income tax and social contribution**

#### **(i) Current income tax and social contribution**

The reconciliation of the effective tax rate for the periods ended June 30, 2016 and 2015 is as follows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Profit (loss) before income tax and social contribution, and statutory interest	<b>(91,665)</b>	60,137	<b>(74,494)</b>	63,490
Income tax calculated at the applicable rate - 34%	<b>31,166</b>	(20,447)	<b>25,328</b>	(21,586)
Net effect of subsidiaries and ventures taxed by presumed profit and Special Taxation Regime (RET)	-	-	<b>8,885</b>	16,613
Tax losses (tax loss carryforwards used)	-	-	<b>(2,208)</b>	(184)
Income from equity method investments	<b>6,434</b>	30,273	<b>1,667</b>	3,560
Stock option plan	<b>(2,072)</b>	(1,393)	<b>(2,263)</b>	(1,754)
Other permanent differences	<b>(5,020)</b>	(1,218)	<b>(8,908)</b>	(2,120)
Charges on payables to venture partners	<b>(338)</b>	910	<b>(41)</b>	1,009
Tax credits recognized (not recognized)	<b>(30,170)</b>	(8,125)	<b>(38,178)</b>	(1,944)
	-	-	<b>(15,718)</b>	(6,406)
Tax expenses - current	-	-	<b>(13,016)</b>	(7,232)
Tax income - deferred	-	-	<b>(2,702)</b>	826

#### **(ii) Deferred income tax and social contribution**

As of June 30, 2016 and December 31, 2015, deferred income tax and social contribution are from the following sources:

	Company		Consolidated	
	06/30/2016	12/31/2015	06/30/2016	12/31/2015
<b>Assets</b>				
Provisions for legal claims	<b>64,670</b>	62,178	<b>82,609</b>	82,614
Temporary differences – PIS and COFINS deferred	<b>7,358</b>	10,636	<b>13,202</b>	16,404
Provisions for realization of non-financial assets	<b>1,849</b>	1,849	<b>7,419</b>	11,776
Temporary differences – CPC adjustment	<b>22,195</b>	40,089	<b>26,722</b>	44,748
Other provisions	<b>71,129</b>	60,745	<b>116,465</b>	85,912
Income tax and social contribution loss carryforwards	<b>80,829</b>	75,768	<b>314,946</b>	317,282
Tax benefits of subsidiaries	<b>28,165</b>	28,165	<b>28,165</b>	28,165
Tax credits not recognized	<b>(30,170)</b>	-	<b>(311,175)</b>	(272,997)
	<b>246,025</b>	279,430	<b>278,353</b>	313,904
<b>Liabilities</b>				
Negative goodwill	<b>(92,385)</b>	(92,385)	<b>(92,385)</b>	(92,385)
Temporary differences –CPC adjustment	<b>(130,675)</b>	(131,096)	<b>(132,246)</b>	(130,929)
Differences between income taxed on cash basis			<b>(74,172)</b>	
and recorded on an accrual basis	<b>(33,050)</b>	(66,034)		(107,079)
	<b>(256,110)</b>	(289,515)	<b>(298,803)</b>	(330,393)
Total net	<b>(10,085)</b>	(10,085)	<b>(20,450)</b>	(16,489)

The Company has income tax and social contribution loss carryforwards for offset in the following amounts:

	Company					
	06/30/2016		Total	12/31/2015		Total
Income tax	Social contribution	Income tax		Social contribution		
Balance of income tax and social contribution loss carryforwards	<b>237,731</b>	<b>237,731</b>		222,849	222,849	
<b>Deferred tax asset (25%/9%)</b>	<b>59,433</b>	<b>21,396</b>	<b>80,829</b>	55,712	20,056	75,768
<b>Recognized deferred tax asset</b>	<b>59,433</b>	<b>21,396</b>	<b>80,829</b>	55,712	20,056	75,768
<b>Unrecognized deferred tax asset</b>	-	-	-	-	-	-



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**19. Income tax and social contribution--Continued**

(ii) Deferred income tax and social contribution --Continued

	<b>Consolidated</b>					
	<b>Income tax</b>	<b>06/30/2016 Social contribution</b>	<b>Total</b>	<b>Income tax</b>	<b>12/31/2015 Social contribution</b>	<b>Total</b>
Balance of income tax and social contribution loss carryforwards	<b>926,310</b>	<b>926,310</b>		933,182	933,182	
<b>Deferred tax asset (25%/9%)</b>	<b>231,578</b>	<b>83,368</b>	<b>314,946</b>	233,296	83,986	317,282
<b>Recognized deferred tax asset</b>	<b>59,433</b>	<b>21,396</b>	<b>80,829</b>	55,712	20,056	75,768
<b>Unrecognized deferred tax asset</b>	<b>172,145</b>	<b>61,972</b>	<b>234,117</b>	177,584	63,930	241,514

Based on the estimate of projections for generation of future taxable profit of Gafisa, the estimated recovery of the Company's balance of deferred income tax and social contribution is as follows:

**Company and Consolidated**

	<b>Income tax and social contribution loss</b>	<b>Income tax and social contribution loss</b>
2016	31,366	10,665
2017	8,282	2,816
2018	3,056	1,039
2019	27,174	9,239
2020 to 2026	167,853	57,070
	<b>237,731</b>	<b>80,829</b>

The other explanations related to this note were not subject to significant changes in relation to the disclosures in Note 19 to the financial statements as of December 31, 2015.

## 20. Financial instruments

The Company and its subsidiaries engage in operations involving financial instruments. These instruments are managed through operational strategies and internal controls aimed at providing liquidity, return and safety. The use of financial instruments with the objective of hedging is achieved through a periodical analysis of exposure to the risk that the management intends to cover (exchange, interest rate, etc.) which is submitted to the corresponding Management bodies for approval and performance of the proposed strategy. The control policy consists of continuously monitoring the contracted conditions in relation to the prevailing market conditions. The Company and its subsidiaries do not use derivatives or any other risky assets for speculative purposes. The result from these operations is consistent with the policies and strategies devised by Company management. The Company and its subsidiaries operations are subject to the following risk factors:

(i) Risk considerations

a) *Credit risk*

There was no significant change in relation to the credit risks disclosed in Note 20(i)(a) to the financial statements as of December 31, 2015.



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**20. Financial instruments--Continued**

(i) Risk considerations --Continued

b) *Derivative financial instruments*

The Company holds derivative instruments to mitigate the risk arising from its exposure to index and interest volatility recognized at their fair value in profit or loss for the year. Pursuant to its treasury policies, the Company does not own or issue derivative financial instruments other than for hedging purposes.

As of June 30, 2016, the Company had derivative contracts for hedging purposes in relation to interest fluctuations, with final maturity between June 2016 and January 2020. The derivative contracts are as follows:

	Reais	Consolidated Percentage	
<b>Companies Swap agreements (Fixed for CDI)</b>	<b>Face value</b>	<b>Original Index</b>	<b>Swap – liability position</b>
Gafisa S/A Banco Votorantim S.A.	55,000	Fixed 14.2672%	CDI + 1.634
Gafisa S/A Banco Votorantim S.A.	27,500	Fixed 11.1136%	CDI + 0.280
Gafisa S/A Banco Votorantim S.A.	27,500	Fixed 15.1177%	CDI + 1.634



Gafisa S/A Banco Votorantim S.A.	130,000	CDI + 1.90%	118%
Gafisa S/A Banco HSBC	194,000	Fixed 12.8727%	120%
Gafisa S/A Banco Votorantim S.A.	55,000	IPCA + 8.22%	120%

During the period ended June 30, 2016, the amount of R\$12,216 (R\$(4,346) in 2015) in the Company's and consolidated statements, which refers to net result of the interest swap transaction, arising from the payment in the amount of R\$8,216, and the positive value change based on the market of R\$20,432, was recognized in the "financial income (expenses)" line in the statement of profit or loss for the year, allowing correlation between the impact of such transactions and interest rate fluctuation in the Company's balance sheet (Note 24).

The estimated fair value of derivative financial instruments contracted by the Company was determined based on information available in the market and specific valuation methodologies. However, considerable judgment was necessary for interpreting market data to produce the estimated fair value of each transaction, which may vary upon the financial settlement of transactions.

c) *Interest rate risk*

There was no significant change in relation to the interest rate risks disclosed in Note 20(i)(c) to the financial statements as of December 31, 2015.



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**20. Financial instruments--Continued**

(i) Risk considerations --Continued

d) *Liquidity risk*

There was no significant change in relation to the liquidity risks disclosed in Note 20(i)(d) to the financial statements as of December 31, 2015.

The maturities of financial instruments, loans, financing, suppliers, payables to venture partners and debentures are as follows:

Period ended June 30, 2016	Company				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Loans and financing (Note 12)	562,684	537,410	-	-	1,100,094
Debentures (Note 13)	255,770	286,773	21,024	-	563,567
Payables to venture partners (Note 15)	2,280	-	-	-	2,280
Suppliers (Note 15 and Note 20.ii.a)	36,117	3,406	-	-	39,523
	856,851	827,589	21,024	-	1,705,464

Period ended June 30, 2016	Consolidated				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
Loans and financing (Note 12)	633,782	652,305	47,830	-	1,333,917
Debentures (Note 13)	430,246	286,773	21,024	-	738,043
Payables to venture partners (Note 15)	2,375	-	-	-	2,375
Suppliers (Note 15 and Note 20.ii.a)	77,721	6,370	-	-	84,091
	1,144,124	945,448	68,854	-	2,158,426

Fair value classification

The Company uses the same classification disclosed in Note 21(i)(d) to the financial statements as of December 31, 2015 to determine and disclose the fair value of financial instruments by the valuation technique.

The classification level of fair value for financial instruments measured at fair value through profit or loss of the Company as of June 30, 2016 and December 31, 2015 is as follows:

As of June 30, 2016	Company			Consolidated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Short-term investments (Note 4.2)	-	218,823	-	-	460,823	-

As of December 31, 2015	Company			Consolidated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Short-term investments (Note 4.2)	-	350,343	-	-	629,671	-



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**20. Financial instruments--Continued**

(i) Risk considerations --Continued

d) Liquidity risk --Continued

Fair value classification --Continued

In addition, the fair value classification of financial instruments liabilities measured at fair value through profit or loss is as follow:

As of June 30, 2016	Company			Consolidated		
	Fair value classification					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Derivative financial instruments (Note 20.i.b)	-	1,242	-	-	1,242	-

As of December 31, 2015	Company			Consolidated		
	Fair value classification					
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						

Derivative financial instruments (Note 20.i.b)	-	21,674	-	-	21,674	-
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In the period ended June 30, 2016, there were no transfers between the Levels 1 and 2 fair value classifications, nor were transfers between Levels 3 and 2 fair value classifications.

(ii) Fair value of financial instruments

a) *Fair value measurement*

The Company uses the same methods and assumptions disclosed in Note 20(ii)(a) to the financial statements as of December 31, 2015 to estimate the fair value for each financial instrument type for which the estimate of values is practicable.

The most significant carrying values and fair values of financial assets and liabilities as of June 30, 2016 and December 31, 2015, classified into Level 2 of the fair value classification, are as follows:

	Company			
	06/30/2016		12/31/2015	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents (Note 4.1)	19,166	19,166	44,044	44,044
Short-term investments (Note 4.2)	218,823	218,823	350,343	350,343
Trade accounts receivable (Note 5)	887,823	887,823	986,042	986,042
Financial liabilities				
Loans and financing (Note 12)	1,100,094	1,097,080	1,138,660	1,095,844
Debentures (Note 13)	563,567	578,463	656,081	633,238
Payables to venture partners (Note 15)	2,280	2,729	4,713	5,472
Derivative financial instruments (Note 20(i)(b))	1,242	1,242	21,674	21,674
Suppliers (Note 20(i)(d))	39,523	39,523	32,115	32,115





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**20. Financial instruments--Continued**

(ii) Fair value of financial instruments -- Continued

a) *Fair value measurement* --Continued

	<b>Consolidated</b>			
	<b>06/30/2016</b>		<b>12/31/2015</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
<b>Financial assets</b>				
Cash and cash equivalents (Note 4.1)	<b>157,737</b>	<b>157,737</b>	82,640	82,640
Short-term investments (Note 4.2)	<b>460,832</b>	<b>460,832</b>	629,671	629,671
Trade accounts receivable (Note 5)	<b>1,640,823</b>	<b>1,640,823</b>	1,802,364	1,802,364
<b>Financial liabilities</b>				
Loans and financing (Note 12)	<b>1,333,917</b>	<b>1,315,687</b>	1,292,835	1,237,222
Debentures (Note 13)	<b>738,043</b>	<b>750,350</b>	857,958	828,387
Payables to venture partners (Note 15)	<b>2,375</b>	<b>2,729</b>	4,895	5,472
Derivative financial instruments (Note 20(i)(b))	<b>1,242</b>	<b>1,242</b>	21,674	21,674
Suppliers (Note 20(i)(d))	<b>84,091</b>	<b>84,091</b>	57,335	57,335

There was no significant change in relation to the other information disclosed in Note 20(ii)(a) to the financial statements as of December 31, 2015.

b) *Risk of debt acceleration*

There was no significant change in relation to the risks of debt acceleration disclosed in Note 20(ii)(b) to the financial statements as of December 31, 2015.

c) *Market risk*

There was no significant change in relation to the market risks disclosed in Note 20(ii)(c) to the financial statements as of December 31, 2015.

(iii) Capital stock management

The explanations related to this note were not subject to significant changes in relation to the disclosures in Note 20(iii) to the financial statements as of December 31, 2015.

The Company included in its net debt structure: loans and financing, debentures, obligations assumed on assignment of receivables and payables to venture partners less cash and cash equivalents and short-term investments (cash and cash equivalents and short-term investments):

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
Loans and financing (Note 12)	<b>1,100,094</b>	1,138,660	<b>1,333,917</b>	1,292,835
Debentures (Note 13)	<b>563,567</b>	656,081	<b>738,043</b>	857,958
Obligations assumed on assignment of receivables (Note 14)	<b>61,752</b>	34,847	<b>90,536</b>	59,293
Payables to venture partners (Note 15)	<b>2,280</b>	4,713	<b>2,375</b>	4,895
( - ) Cash and cash equivalents and				
short-term investments (Notes 4.1 and 4.2)	<b>(237,989)</b>	(394,387)	<b>(618,569)</b>	(712,311)
Net debt	<b>1,489,704</b>	1,439,914	<b>1,546,302</b>	1,502,670
Equity	<b>2,998,075</b>	3,095,491	<b>3,001,290</b>	3,097,236
Equity and net debt	<b>4,487,779</b>	4,535,405	<b>4,547,592</b>	4,599,906



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**20. Financial instruments--Continued**

(iv) Sensitivity analysis

The sensitivity analysis of financial instruments for the period ended March 31, 2016, except swap contracts, which are analyzed through their due dates, describing the risks that may incur material losses on the Company's profit or loss, as provided for by CVM, through Rule No. 475/08, in order to show a 10%, 25% and 50% increase/decrease in the risk variable considered.

As of June 30, 2016, as well as derivative instruments, the Company has the following financial instruments:

- a) Short-term investments, loans and financing, and debentures linked to Interbank Deposit Certificates (CDI);
- b) Loans and financing linked to the Referential Rate (TR) and CDI, and debentures indexed to the CDI, National Consumer Price Index – Extended (IPCA) and TR;
- c) Accounts receivable, linked to the National Civil Construction Index (INCC).

For the sensitivity analysis in the period ended June 30, 2016, the Company considered the interest rates of investments, loans and accounts receivables, the CDI rate at 14.13%, the Referential Rate (TR) at 1.88%, the National Civil Construction Index (INCC) rate at 6.46%, and the National Consumer Price Index –

Extended (IPCA) at 8.84% . The scenarios considered were as follows:

*Scenario I – Probable:* 10% increase/decrease in the risk variables used for pricing

*Scenario II – Possible:* 25% increase/decrease in the risk variables used for pricing

*Scenario III – Remote:* 50% increase/decrease in the risk variables used for pricing

The Company shows in the following chart the sensitivity to risks to which the Company is exposed, based on the above scenarios, as of June 30, 2016. The effects on equity are basically the same ones on profit or loss.

Instrument	Risk	Scenario				
		I Increase 10%	II 25%	III 50%	III Decrease 50%	II Decrease 25%
Short-term investments	Increase/Decrease of CDI	5,118	12,795	25,591	(25,591)	(12,795)
Loans and financing	Increase/Decrease of CDI	(5,563)	(13,909)	(27,816)	27,816	13,909
Debentures	Increase/Decrease of CDI	(1,382)	(3,455)	(6,911)	6,911	3,455
Derivative financial instruments	Increase/Decrease of CDI	(3,730)	(8,811)	(16,860)	18,744	8,811
Net effect of CDI variation		(5,557)	(13,380)	(25,996)	27,880	13,380
Loans and financing	Increase/Decrease of TR	(1,650)	(4,126)	(8,252)	8,252	4,126
Debentures	Increase/Decrease of TR	(1,119)	(2,797)	(5,595)	5,595	2,797
Net effect of TR variation		(2,769)	(6,923)	(13,847)	13,847	6,923
Debentures	Increase/Decrease of IPCA	(605)	(1,512)	(3,024)	3,024	1,512
Net effect of IPCA variation		(605)	(1,512)	(3,024)	3,024	1,512
Accounts receivable	Increase/Decrease of INCC	9,914	24,785	49,570	(49,570)	(24,785)
Loans and financing	Increase/Decrease of INCC	(40)	(100)	(201)	201	100
Net effect of INCC variation		9,874	24,685	49,369	(49,369)	(24,685)



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### **21. Related parties**

#### **21.1. Balances with related parties**

The transactions between the Company and related companies are made under conditions and prices established between the parties.

<b>Current accounts</b>	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>	<b>06/30/2016</b>	<b>12/31/2015</b>
<b>Assets</b>				
Current account:				
Total SPEs	<b>44,764</b>	55,023	<b>67,680</b>	86,010
Condominium and consortia and third party's works	<b>7,461</b>	9,108	<b>7,461</b>	9,108
Loan receivable	<b>66,717</b>	78,818	<b>96,975</b>	109,193
Dividends receivable	<b>17,004</b>	14,279	-	-
	<b>135,946</b>	157,228	<b>172,116</b>	204,311
Current portion	<b>69,229</b>	78,410	<b>75,141</b>	95,118
Non-current	<b>66,717</b>	78,818	<b>96,975</b>	109,193
<b>Liabilities</b>				
Current account:				
Total SPEs and Tenda	<b>(972,252)</b>	(790,895)	<b>(69,366)</b>	(76,620)
Loan payable	<b>(7,826)</b>	(10,480)	<b>(55,173)</b>	(51,482)
	<b>(980,078)</b>	(801,375)	<b>(124,539)</b>	(128,102)
Current portion	<b>(980,078)</b>	(801,375)	<b>(77,192)</b>	(87,100)

Non-current	-	-	(47,347)	(41,002)
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The composition, nature and condition of loan receivable and payable by the Company are shown below. Loan maturities range from July 2016 to the duration of the respective ventures.

	Company		Nature	Interest rate
	06/30/2016	12/31/2015		
Tembok Planej. E Desenv. Imob. Ltda. (Vistta Laguna)	-	11,044	Construction	12% p.a. + IGPM
Acquarelle Civilcorp Incorporações Ltda.	180	287	Construction	12% p.a. + IGPM
Manhattan Residencial I	52,985	53,862	Construction	10% p.a. + TR
Target Offices & Mall	9,584	3,105	Construction	12% p.a. + IGPM
Scena Laguna - Tembok Planej. e Desenv. Imob. Ltda.	3,968	10,520	Construction	12% p.a. + IGPM
<b>Total receivable - Company</b>	<b>66,717</b>	<b>78,818</b>		
Gafisa Spe-113 Empr Imob	-	3,788	Construction	100% of CDI
Dubai Residencial	3,150	2,650	Construction	6% p.a.
Parque Arvores	2,563	2,270	Construction	6% p.a.
Parque Aguas	2,113	1,772	Construction	6% p.a.
<b>Total payable - Company</b>	<b>7,826</b>	<b>10,480</b>	Construction	6% p.a.
	Consolidated		Nature	Interest rate
	06/30/2016	12/31/2015		
Tembok Planej. E Desenv. Imob. Ltda. (Vistta Laguna)	-	11,044	Construction	12% p.a. + IGPM
Acquarelle Civilcorp Incorporações Ltda.	180	287	Construction	12% p.a. + IGPM
Manhattan Residencial I	52,986	53,862	Construction	10% p.a. + TR
Target Offices & Mall	9,584	3,105	Construction	12% p.a. + IGPM
Scena Laguna - Tembok Planej. e Desenv. Imob. Ltda.	3,968	10,520	Construction	12% p.a. + IGPM
Fit Campolim SPE Emp. Imob. Ltda.	14,223	14,097	Construction	113.5% of 126.5% of
Acedio SPE Emp. Imob. Ltda.	3,394	3,260	Construction	113.5% of 126.5% of
Atua Construtora e Incorporadora S.A.	12,167	12,168	Construction	113.50% to 112% of C
Other	473	850	Construction	Several
<b>Total receivable - Consolidated</b>	<b>96,975</b>	<b>109,193</b>		
Fit 34 SPE Empreendimentos Imobiliários Ltda.	22,754	21,925	Construction	6% p.a.
Fit 03 SPE Empreendimentos Imobiliários Ltda.	8,210	7,912	Construction	6% p.a.
Fit 11 SPE Empreendimentos Imobiliários Ltda.	6,133	5,910	Construction	6% p.a.
Gafisa Spe-113 Empr Imob	-	3,788	Construction	100% of CDI
Parque dos Pássaros	5,255	2,725	Construction	6% p.a.
Dubai Residencial	3,150	2,650	Construction	6% p.a.
Parque Arvores	2,563	2,270	Construction	6% p.a.
Parque Aguas	2,113	1,772	Construction	6% p.a.
Fit 31 SPE Empreendimentos Imobiliários Ltda.	1,347	1,298	Construction	6% p.a.
Araçagy	3,648	1,232	Construction	6% p.a.
<b>Total payable - Consolidated</b>	<b>55,173</b>	<b>51,482</b>		



In the period ended June 30, 2016 the recognized financial income from interest on loans amounted to R\$2,617 (R\$4,594 in 2015) in the Company's statement and R\$2,617 (R\$20,051 in 2015) in the consolidated statement (Note 24).

*(A free translation from the original in Portuguese into English)*

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**21. Related parties** --Continued

**21.1. Balances with related parties** --Continued

Information regarding management transactions and compensation is described in Note 25.

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 21 to the financial statements as of December 31, 2015.

**21.2. Endorsements, guarantees and sureties**

The financial transactions of the subsidiaries are guaranteed by the endorsement or surety in proportion to the interest of the Company in the capital stock of such companies, in the amount of R\$1,409,530 as of June 30, 2016 (R\$1,067,950 as of December 31, 2015).

**22. Net operating revenue**

	C 06/30/2016
Gross operating revenue	
Real estate development, sale, barter transactions and construction services	317,4
(Recognition) Reversal of allowance for doubtful accounts and provision for cancelled contracts (Note 5)	(5,5
Taxes on sale of real estate and services	(25,7
Net operating revenue	286,

### 23. Costs and expenses by nature

These are represented by the following:

	Company 06/30/2016	Company 06/30/2015	Conso 06/30/2016
<b>Cost of real estate development and sale:</b>			
Construction cost	(126,735)	(224,430)	(417,163)
Land cost	(59,650)	(81,906)	(138,571)
Development cost	(16,905)	(21,370)	(56,336)
Capitalized financial charges (Note 12)	(56,890)	(53,775)	(82,823)
Maintenance / warranty	(4,738)	(27,842)	(8,240)
Provision for cancelled contracts (Note 5)	-	-	(10,080)
Total cost of real estate development and sale	(264,918)	(409,323)	(713,213)
<b>Commercial expenses:</b>			
Product marketing expenses	(14,519)	(12,774)	(38,584)
Brokerage and sale commission	(8,086)	(8,451)	(18,606)
Customer Relationship Management (CRM) and corporate marketing expenses	(8,801)	(7,922)	(18,012)
Other	(611)	(1,844)	(1,331)
Total commercial expenses	(32,017)	(30,991)	(76,533)
<b>General and administrative expenses:</b>			
Salaries and payroll charges	(16,890)	(19,780)	(35,884)
Employee benefits	(2,171)	(2,349)	(3,982)
Travel and utilities	(356)	(473)	(1,111)
Services	(5,093)	(5,821)	(11,764)
Rents and condominium fees	(4,399)	(4,489)	(6,954)
IT	(7,836)	(6,609)	(8,322)
Stock option plan (Note 18.3)	(3,189)	(3,940)	(3,751)
Reserve for profit sharing (Note 25.iii)	(6,250)	(12,000)	(12,468)
Other	(341)	(889)	(2,487)

Total general and administrative expenses	<b>(46,525)</b>	(56,350)	<b>(86,723)</b>
<b>Other income (expenses), net:</b>			
Expenses with lawsuits (Note 16)	<b>(30,405)</b>	(42,532)	<b>(43,946)</b>
Expenses with the adjustment to the stock option plan balance of AUSA	<b>(3,401)</b>	-	<b>(3,401)</b>
Other	<b>1,223</b>	(5,252)	<b>(8,673)</b>
Total other income/(expenses), net	<b>(32,583)</b>	(47,784)	<b>(56,020)</b>

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(A free translation from the original in Portuguese into English)

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**24. Financial income (expenses)**

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Financial income				
Income from financial investments	<b>19,592</b>	30,162	<b>38,331</b>	52,699
Derivative transactions (Note 20 (i) (b))	<b>12,216</b>	-	<b>12,216</b>	-
Financial income on loans (Note 21)	<b>2,617</b>	4,594	<b>2,617</b>	20,051
Other financial income	<b>1,252</b>	676	<b>5,245</b>	4,132
Total financial income	<b>35,677</b>	35,432	<b>58,409</b>	76,882
Financial expenses				
Interest on funding, net of capitalization (Note 12)	<b>(20,924)</b>	(36,836)	<b>(31,494)</b>	(44,467)
Amortization of debenture cost	<b>(1,366)</b>	(1,966)	<b>(1,366)</b>	(1,966)
Payables to venture partners	<b>(761)</b>	(1,131)	<b>(761)</b>	(1,131)
Banking expenses	<b>(2,513)</b>	(1,822)	<b>(4,444)</b>	(2,805)
Derivative transactions (Note 20 (i) (b))	-	(4,346)	-	(4,346)
Discount in securitization transaction	<b>(16,699)</b>	(12,126)	<b>(24,774)</b>	(27,698)
Total financial expenses	<b>(42,263)</b>	(58,227)	<b>(62,839)</b>	(82,413)

**25. Transactions with management and employees**

(i) Management compensation

The amounts recorded in the account “general and administrative expenses” for the periods ended June 30, 2016 and 2015, related to the compensation of the Company’s key management personnel are as follows:

Period ended June 30, 2016	Management compensation		
	Board of Directors	Statutory Board	Fiscal Council
Number of members	7	5	3
Fixed compensation for the period (in R\$)			
Salary / Fees	847	1,650	98
Direct and indirect benefits	-	173	-
Monthly compensation (in R\$)	141	304	16
Total compensation	<b>847</b>	<b>1,823</b>	<b>98</b>
Profit sharing (Note 25 (iii))	-	<b>1,138</b>	-
<b>Total compensation and profit sharing</b>	<b>847</b>	<b>2,961</b>	<b>98</b>

Period ended June 30, 2015	Management compensation		
	Board of Directors	Statutory Board	Fiscal Council
Number of members	7	5	3
Fixed compensation for the period (in R\$)			
Salary / Fees	847	1,650	99
Direct and indirect benefits	-	192	-
Monthly compensation (in R\$)	141	307	17
Total compensation	<b>847</b>	<b>1,842</b>	<b>99</b>
Profit sharing (Note 25 (iii))	-	<b>2,276</b>	-
<b>Total compensation and profit sharing</b>	<b>847</b>	<b>4,118</b>	<b>99</b>

The amount related to the stock compensation of the Company’s management members was R\$1,825 for the period ended June 30, 2016 (R\$2,653 in 2015).

The maximum aggregate compensation of the Company’s management members for the year 2016 was established at R\$19,823, as approved at the Annual Shareholders’ Meeting held on April 25, 2016.

On the same occasion the compensation limit of the members of the Company’s Fiscal Council for their next term of office that ends in the Annual Shareholders’ Meeting to be held in 2017, was approved at R\$245.



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**25. Transactions with management and employees --Continued**

(i) Management compensation --Continued

The subsidiary Tenda has an administrative structure segregated from the Company, therefore, the amounts recorded in the heading "General and Administrative Expenses" in the consolidated balance are added by the compensation of its Management members and are as follows:

Period ended June 30, 2016	Management compensation		
	Board of Directors	Statutory Board	Fiscal Council
Number of members	10	11	3
Fixed compensation for the period (in R\$)			
Salary / Fees	161	2,576	30
Direct and indirect benefits	-	362	-
Monthly compensation (in R\$)	27	490	5
Total compensation	<b>161</b>	<b>2,938</b>	<b>30</b>
Profit sharing (Note 25 (iii))	-	<b>2,832</b>	-
<b>Total compensation and profit sharing</b>	<b>161</b>	<b>5,770</b>	<b>30</b>

Period ended June 30, 2015	Management compensation		
	Board of Directors	Statutory Board	Fiscal Council



Number of members	10	10	3
Fixed compensation for the period (in R\$)			
Salary / Fees	156	2,427	29
Direct and indirect benefits	-	346	-
Monthly compensation (in R\$)	26	462	5
Total compensation	<b>156</b>	<b>2,773</b>	<b>29</b>
Profit sharing (Note 25 (iii))	-	<b>2,938</b>	-
<b>Total compensation and profit sharing</b>	<b>156</b>	<b>5,711</b>	<b>29</b>

The amount related to the stock compensation of the subsidiary Tenda's management members was R\$515 for the period ended June 30, 2016 (R\$980 in 2015).

The maximum aggregate compensation of the subsidiary Tenda's management members for the year 2016 was established at R\$14,696, for fixed and share-based compensation, as approved at the Annual Shareholders' Meeting held on April 22, 2016.

On the same occasion the compensation limit of the Fiscal Council members for their next term of office that ends in the Annual Shareholders' meeting to be held in 2017 was approved at R\$149.

(ii) Sales

In the period ended June 30, 2016, there were no with units sold to the Management and the total receivables is R\$1,292 (R\$1,610 in 2015).



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**25. Transactions with management and employees --Continued**

(iii) Profit sharing

In the period ended June 30, 2016, the Company recorded a provision for profit sharing amounting to R\$6,250 in the Company's statement (R\$12,000 in 2015) and R\$12,468 in the consolidated statement (R\$12,038 in 2015) in the account "General and Administrative Expenses" (Note 23).

	<b>Company</b>		<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>06/30/2015</b>	<b>06/30/2016</b>	<b>06/30/2015</b>
Executive officers	<b>1,138</b>	2,276	<b>3,970</b>	5,214
Other employees	<b>5,112</b>	9,724	<b>10,526</b>	16,038
Reclassification in subsidiary Tenda	-	-	-	(3,550)
Reversal in subsidiary Tenda	-	-	<b>(2,028)</b>	(5,664)
	<b>6,250</b>	12,000	<b>12,468</b>	12,038

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 25 to the financial statements as of December 31, 2015.

**26. Insurance**

For the period ended June 30, 2016 insurance contracts were not subject to significant changes in relation to those disclosed in Note 26 to the financial statements as of December 31, 2015.

**27. Earning (loss) per share**

The following table shows the calculation of basic and diluted earnings and loss per share. In view of the loss for the period ended June 30, 2016, shares with dilutive potential are not considered, because the impact would be antidilutive.

	<b>06/30/2016</b>	<b>06/30/2015</b>
Basic numerator		
Proposed dividends and interest on equity	-	-
Undistributed profit (loss)	<b>(91,665)</b>	60,137
Undistributed profit (loss), available for the holders of common shares	<b>(91,665)</b>	60,137
Basic denominator (in thousands of shares)		
Weighted average number of shares	<b>364,977</b>	367,420
Basic earning (loss) per share in Reais	<b>(0.2512)</b>	0.1637
Diluted numerator		
Proposed dividends and interest on equity	-	-
Undistributed earning (loss)	<b>(91,665)</b>	60,137
Undistributed earning (loss), available for the holders of common shares	<b>(91,665)</b>	60,137
Diluted denominator (in thousands of shares)		
Weighted average number of shares	<b>364,977</b>	367,420
Stock options	<b>2,114</b>	2,697
Anti-dilutive effect	<b>(2,114)</b>	-
Diluted weighted average number of shares	<b>364,977</b>	370,117
Diluted earning (loss) per share in Reais	<b>(0.2512)</b>	0.1625

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 27 to the financial statements as of December 31, 2015.

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### **28. Segment information**

The quarterly information of the business segments of the Company is as follows:

	<b>Gafisa</b>	<b>Tenda</b>	<b>Consolidated 06/30/2016</b>
Net operating revenue	383,610	495,295	<b>878,905</b>
Operating costs	(354,070)	(359,143)	<b>(713,213)</b>
Gross profit	29,540	136,152	<b>165,692</b>
Selling expenses	(36,991)	(39,542)	<b>(76,533)</b>
General and administrative expenses	(46,526)	(40,197)	<b>(86,723)</b>
Other income / (expenses), net	(33,533)	(22,487)	<b>(56,020)</b>
Depreciation and amortization	(15,152)	(6,230)	<b>(21,382)</b>
Financial expenses	(43,097)	(19,742)	<b>(62,839)</b>
Financial income	41,014	17,395	<b>58,409</b>
Tax expenses	(5,569)	(10,149)	<b>(15,718)</b>
Profit / (loss) for the period attributed to the shareholders of the Company	(105,081)	13,416	<b>(91,665)</b>
Customers (short and long terms)	1,160,584	480,239	<b>1,640,823</b>
Inventories (short and long terms)	1,973,235	720,246	<b>2,693,481</b>
Other assets	1,457,992	755,828	<b>2,213,820</b>
Total assets	<b>4,591,811</b>	<b>1,956,313</b>	<b>6,548,124</b>
Total liabilities	<b>2,732,163</b>	<b>814,671</b>	<b>3,546,834</b>

	<b>Gafisa</b>	<b>Tenda</b>	<b>Consolidated 06/30/2015</b>
Net operating revenue	688,450	422,580	1,111,030
Operating costs	(500,035)	(303,252)	(803,287)
Gross profit	188,415	119,328	307,743
Selling expenses	(37,068)	(30,680)	(67,748)
General and administrative expenses	(56,351)	(36,387)	(92,738)
Other income / (expenses), net	(49,899)	(16,707)	(66,606)
Depreciation and amortization	(16,358)	(6,872)	(23,230)
Financial expenses	(51,965)	(30,448)	(82,413)
Financial income	39,255	37,627	76,882
Tax expenses	(7,628)	1,222	(6,406)
Profit/(loss) for the period attributed to the shareholders of the Company	28,656	31,481	60,137
Customers (short and long term)	1,441,678	472,844	1,914,522
Inventories (short and long term)	1,848,786	667,011	2,515,797
Other assets	1,798,424	843,803	2,642,227
Total assets	5,088,888	1,983,658	7,072,546
Total liabilities	3,114,392	858,662	3,973,054

The other explanations related to this note did not suffer significant changes in relation to the disclosures made in Note 28 to the financial statements as of December 31, 2015.





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### 29. Real estate ventures under construction – information and commitments

In order to meet the provisions of paragraphs 20 and 21 of ICPC 02, the recognized revenue amounts and incurred costs are shown in the statement of profit or loss, and the advances received are shown in the account “Payables for purchase of property and advances from customer”. The Company presents the following information on the ventures under construction as of June 30, 2016 and December 31, 2015:

	<b>Consolidated</b>	
	<b>06/30/2016</b>	<b>12/31/2015</b>
Unappropriated sales revenue of units sold	<b>669,206</b>	777,679
Unappropriated estimated cost of units sold	<b>(393,736)</b>	(445,265)
Unappropriated estimated cost of units in inventory	<b>(681,280)</b>	(795,995)
<b>(i) Unappropriated sales revenue of units sold</b>		
Ventures under construction:		
Contracted sales revenue	<b>2,483,106</b>	2,761,219
Appropriated sales revenue	<b>(1,813,900)</b>	(1,983,540)
<b>Unappropriated sales revenue (a)</b>	<b>669,206</b>	777,679
<b>(ii) Unappropriated estimated cost of units sold</b>		
Ventures under construction:		
Estimated cost of units	<b>(1,487,721)</b>	(1,626,339)
Incurred cost of units	<b>1,093,985</b>	1,181,074
<b>Unappropriated estimated cost (b)</b>	<b>(393,736)</b>	(445,265)
<b>(iii) Unappropriated estimated costs of units in inventory</b>		
Ventures under construction:		
Estimated cost of units	<b>(1,562,540)</b>	(1,724,372)

Incurring cost of units	<b>881,260</b>	928,377
<b>Unappropriated estimated cost</b>	<b>(681,280)</b>	(795,995)

(a) The unappropriated sales revenue of units sold are measured by the face value of contracts, plus the contract adjustments and deducted from cancellations, not considering related taxes and adjustment to present value, and do not include ventures that are subject to restriction due to a suspensive clause (legal period of 180 days in which the Company can cancel a development) and therefore is not appropriated to profit or loss.

(b) The unappropriated estimated cost of units sold does not include financial charges, which are appropriated to properties for sale and profit or loss (cost of real estate sold) in proportion to the real estate units sold to the extent they are incurred.

As of June 30, 2016, the percentage of assets consolidated in the quarterly information related to ventures included in the equity segregation structure of the development stood at 39.4% (33.1% in 2015).

*(A free translation from the original in Portuguese into English)*

**Gafisa S.A.**

Notes to the individual and consolidated quarterly information

June 30, 2016

(Amounts in thousands of Brazilian Reais, except as otherwise stated)

**30. Communication with regulatory bodies**

The explanations related to this note were not subject to significant changes in relation to those reported in Note 30 to the financial statements as of December 31, 2015.

**31. Subsequent events**

(i) Funds deposited with third parties

On July 1, 2016, the subsidiary Tenda made the payment of the 16th interest installment and the 10th amortization installment related to its first debenture placement, in the total amount of R\$74,551, of which R\$70,000 of principal and R\$4,551 of interests (Notes 4.1(b)).

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*(A free translation from the original in Portuguese into English)*

**Gafisa S.A.**

**Other information deemed relevant by the Company**

**1. SHAREHOLDERS HOLDING MORE THAN 5% OF THE VOTING CAPITAL AND TOTAL NUMBER OF OUTSTANDING SHARES**

<b>Shareholder</b>	<b>6/30/2016</b>	
	<b>Common shares</b>	
	<b>Shares</b>	<b>%</b>
Treasury shares	14,440,416	3.82%
FUNCEF – Fundação dos Economiários Federais	23,835,800	6.30%
Polo	69,108,486	18.28%
Pátria Investimentos	21,171,700	5.60%
Outstanding shares	249,509,760	66.00%
<b>Total shares</b>	<b>378,066,162</b>	<b>100.00%</b>

<b>Shareholder</b>	<b>6/30/2015</b>	
	<b>Common shares</b>	
	<b>Shares</b>	<b>%</b>
Treasury shares	10,074,707	2.66%
FUNCEF – Fundação dos Economiários Federais	23,835,800	6.30%
Polo	52,547,486	13.90%
Outstanding shares	291,608,169	77.13%
<b>Total shares</b>	<b>378,066,162</b>	<b>100.00%</b>



(A free translation from the original in Portuguese into English)

**Gafisa S.A.**

**Other information deemed relevant by the Company**

**2. SHARES HELD BY PARENT COMPANIES, MANAGEMENT AND BOARD**

	<b>6/30/2016</b>	
	<b>Common shares</b>	
	<b>Shares</b>	<b>%</b>
Shareholders holding effective control of the Company	114,115,986	30.18%
Board of Directors	592,609	0.16%
Executive directors	2,012,962	0.53%
Fiscal council	-	-
<b>Executive control, board members, officers and fiscal council</b>	<b>116,721,557</b>	<b>30.87%</b>
Treasury shares	14,440,416	3.82%
Outstanding shares in the market (*)	246,904,189	65.31%
<b>Total shares</b>	<b>378,066,162</b>	<b>100.00%</b>
	<b>6/30/2015</b>	
	<b>Common shares</b>	
	<b>Shares</b>	<b>%</b>
Shareholders holding effective control of the Company	76,383,286	20.20%
Board of Directors	592,609	0.16%
Executive directors	1,734,945	0.46%
Fiscal council	-	-
<b>Executive control, board members, officers and fiscal council</b>	<b>78,710,840</b>	<b>20.82%</b>
Treasury shares	10,074,707	2.66%
Outstanding shares in the market (*)	289,280,615	76.52%
<b>Total shares</b>	<b>378,066,162</b>	<b>100.00%</b>

(\*) Excludes shares of effective control, management, board and in treasury.





*(A free translation from the original in Portuguese into English)*

**Gafisa S.A.**

**Other relevant information**

### **3 – COMMITMENT CLAUSE**

The Company, its shareholders, directors and board members undertake to settle, through arbitration, any and all disputes or controversies that may arise between them, related to or originating from, particularly, the application, validity, effectiveness, interpretation, breach and the effects thereof, of the provisions of Law No. 6404/76, the Company's By-Laws, rules determined by the Brazilian Monetary Council (CMN), by the Central Bank of Brazil and by the Brazilian Securities Commission (CVM), as well as the other rules that apply to the operation of the capital market in general, in addition to those established in the New Market Listing Regulation, Participation in the New Market Contract and in the Arbitration Regulation of the Chamber of Market Arbitration.

*(A free translation from the original in Portuguese into English)*

**Gafisa S.A.**

**Report on the review of quarterly information - ITR**

To the shareholders, Board of Directors and Officers

Gafisa S.A.

São Paulo - SP

We have reviewed the accompanying individual and consolidated interim financial information of Gafisa S.A. (“Company”), identified as Company and Consolidated, respectively, contained in the Quarterly Information (ITR) for the quarter ended June 30, 2016, which comprises the balance sheet as at June 30, 2016 and the respective statement of operations, statement of comprehensive income (loss) for the quarter and six-month period then ended, and the statement of changes in equity and statement of cash flows for the six-month period then ended, including explanatory notes.

The Company’s management is responsible for the preparation of individual interim financial information in accordance with the Technical Pronouncement of the Accounting Pronouncements Committee (CPC) 21 (R1) – Interim Financial Reporting and the consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) which considers the Technical Orientation - OCPC 04 - Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, edited by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Federal Accounting Council (CFC), as well as for the presentation of these information in compliance with the rules issued by the CVM, applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

We conducted our review according to the Brazilian and international review standards of interim financial information (NBC TR 2410 – Review of Interim Financial Information Performed by the 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 inquiries, mainly of the people responsible for the financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is significantly narrower than that of an audit conducted in accordance with audit standards and, accordingly, it did not permit us to obtain assurance that we took notice of all significant matters that could have been raised in an audit. Therefore, we did not express an audit opinion.

**Conclusion from the individual and consolidated interim financial information prepared in accordance with CPC 21(R1)**

Based on our review, we are not aware of any fact that makes us believe that the individual and consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the rules issued by the CVM.

*(A free translation from the original in Portuguese into English)*

## **Gafisa S.A.**

**Conclusion from the consolidated interim information prepared in accordance with IAS 34, which considers the Technical Orientation - OCPC 04 – Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, edited by Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian Federal Accounting Council (CFC)**

Based on our review, we are not aware of any fact that makes us believe that the consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material respects, in accordance with IAS 34, issued by the IASB, which considers the Technical Orientation - OCPC 04 - Application of technical interpretation ICPC02 to the Brazilian Real Estate Development Entities, issued by the Accounting Pronouncements Committee (CPC), and approved by the CVM and the Brazilian Federal Accounting Council (CFC) applicable to the preparation of Quarterly Information (ITR), and presented in compliance with the rules issued by the CVM.

## **Emphasis of matter**

As described in Note 2, the individual (Company) and consolidated interim financial information was prepared in accordance with accounting practices adopted in Brazil (CPC21 (R1)). The consolidated interim financial information prepared in accordance with the IFRS applicable to the Brazilian Real Estate development entities IAS34 for interim financial information also considers the Technical Orientation OCPC04, edited by the Accounting Pronouncements Committee (CPC). This Technical Orientation refers to the revenue recognition of this sector and comprises other matters related to the meaning and adoption of the concept of continuous transfer of the risks, benefits and control over real estate unit sales, as further described in Note 2. Our conclusion is not modified in view of this matter.

## **Other matters**

### ***Statement of value added***

We have also reviewed the individual and consolidated statements of value added for the six-month period ended June 30, 2016, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to Quarterly Information (ITR), and as supplementary information under International Financial Reporting Standards (IFRS), whereby no statement of value added presentation is required. These statements have been subject to the same review procedures previously described and, based on our review, we are not aware of any fact that makes us believe that they were not prepared, in all material respects, according to the individual and consolidated interim financial

information taken as a whole.

São Paulo, August 11, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Giuseppe Masi

Accountant CRC 1SP176273/O-7

*(A free translation from the original in Portuguese into English)*

**Gafisa S.A.**

**Reports and statements \ Management statement of interim financial information**

Management statement of interim financial information

STATEMENT

Gafisa S.A. management, CNPJ 01.545.826/0001-07, located at Av. Nações Unidas, 8501, 19<sup>th</sup> floor, Pinheiros, São Paulo, states as per article 25 of CVM Instruction 480 issued in December 07, 2009:

- i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial Information for the period ended June 30, 2016; and
  
- ii) Management has reviewed and agreed with the interim information for the period ended June 30, 2016.

São Paulo, August 11, 2016

GAFISA S.A.

Management



*(A free translation from the original in Portuguese into English)*

**Gafisa S.A.**

**Reports and Statements \**

**Management statement on the report on review of interim financial information**

Management Statement on the Review Report

STATEMENT

Gafisa S.A. management, CNPJ 01.545.826/0001-07, located at Av. Nações Unidas, 8501, 19<sup>th</sup> floor, Pinheiros, São Paulo, states as per article 25 of CVM Instruction 480 issued in December 07, 2009:

i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial Information for the period ended June 30, 2016; and

ii) Management has reviewed and agreed with the interim information for the period ended June 30, 2016.

São Paulo, August 11, 2016

GAFISA S.A.

Management





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**SIGNATURE**

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

Date: August 26, 2016

**Gafisa S.A.**

By:

/s/ Sandro Gamba

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Name: Sandro Gamba  
Title: Chief Executive Officer