

Gafisa S.A.  
Form 6-K  
November 23, 2018

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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 November, 2018**

**(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

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

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

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

September 30, 2018

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

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**COMPANY DATA / CAPITAL COMPOSITION**

	<b>Number of Shares (in thousands)</b>		<b>CURRENT QUARTER 09/30/2018</b>
<b>Paid-in Capital</b>			
<b>Common</b>			44,758
<b>Preferred</b>		-	
<b>Total</b>			44,758
<b>Treasury shares</b>			
<b>Common</b>			872
<b>Preferred</b>		-	
<b>Total</b>			872

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

CODE	DESCRIPTION	CURRENT QUARTER PRIOR YEAR	
		09/30/2018	12/31/2017
1	Total assets	3,522,810	3,538,909
1.01	Current assets	1,442,091	1,369,512
1.01.01	Cash and cash equivalents	3,912	7,461
1.01.01.01	Cash and banks	3,912	7,461
1.01.02	Short-term investments	182,830	110,945
1.01.02.01	Fair value of short-term investments	182,830	110,945
1.01.03	Accounts receivable	477,078	371,228
1.01.03.01	Trade accounts receivable	477,078	371,228
1.01.03.01.01	Receivables from clients of developments	464,580	357,061
1.01.03.01.02	Receivables from clients of construction and services rendered	12,498	14,167
1.01.04	Inventory	686,848	753,748
1.01.04.01	Properties for sale	686,848	753,748
1.01.07	Prepaid expenses	2,728	5,030
1.01.07.01	Prepaid expenses and others	2,728	5,030
1.01.08	Other current assets	88,695	121,100
1.01.08.01	Non-current assets held for sale	30,912	44,997
1.01.08.03	Other	57,783	76,103
1.01.08.03.01	Other assets	31,553	47,640
1.01.08.03.02	Derivative financial instruments	-	404
1.01.08.03.03	Receivables from related parties	26,230	28,059
1.02	Non-current assets	2,080,719	2,169,397
1.02.01	Non-current assets	509,438	534,095
1.02.01.04	Accounts receivable	189,894	160,602
1.02.01.04.01	Receivables from clients of developments	189,894	160,602
1.02.01.05	Inventory	205,112	289,162
1.02.01.05.01	Properties for sale	205,112	289,162
1.02.01.10	Others non current assets	114,432	84,331
1.02.01.10.03	Other assets	87,811	62,152
1.02.01.10.04	Receivables from related parties	26,621	22,179
1.02.02	Investments	1,532,199	1,598,153
1.02.02.01	Investments	1,532,199	1,598,153
1.02.03	Property and equipment	21,707	19,719
1.02.03.01	Operating property and equipment	21,707	19,719
1.02.04	Intangible assets	17,375	17,430
1.02.04.01	Intangible assets	17,375	17,430

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 09/30/2018</b>	<b>PRIOR YEAR 12/31/2017</b>
2	Total liabilities	3,522,810	3,538,909
2.01	Current liabilities	1,578,334	1,984,597
2.01.01	Social and labor obligations	32,329	25,997
2.01.01.02	Labor obligations	32,329	25,997
2.01.02	Suppliers	91,494	85,690
2.01.03	Tax obligations	45,787	32,114
2.01.03.01	Federal tax obligations	45,787	32,114
2.01.04	Loans and financing	177,601	513,782
2.01.04.01	Loans and financing	146,405	425,605
2.01.04.01.01	Loans and financing in local currency	146,405	425,605
2.01.04.02	Debentures	31,196	88,177
2.01.05	Other obligations	1,152,956	1,210,700
2.01.05.01	Payables to related parties	952,042	971,002
2.01.05.02	Other	200,914	239,698
2.01.05.02.04	Obligations related to purchases of properties and advances from customers	99,409	132,098
2.01.05.02.06	Other payables	81,076	83,647
2.01.05.02.07	Obligations assumed on the assignment of receivables	20,429	23,953
2.01.06	Provisions	78,167	116,314
2.01.06.01	Tax, labor and civil lawsuits	78,167	116,314
2.01.06.01.01	Tax lawsuits	637	194
2.01.06.01.02	Labor lawsuits	21,711	19,300
2.01.06.01.04	Civil lawsuits	55,819	96,820
2.02	Non-current liabilities	1,074,224	798,755
2.02.01	Loans and financing	705,357	456,061
2.02.01.01	Loans and financing	455,228	336,525
2.02.01.01.01	Loans and financing in local currency	455,228	336,525
2.02.01.02	Debentures	250,129	119,536
2.02.02	Other liabilities	198,725	189,092
2.02.02.02	Other	198,725	189,092
2.02.02.02.03	Obligations related to purchase of properties and advances from customers	157,315	137,192
2.02.02.02.04	Other liabilities	10,764	7,041
2.02.02.02.06	Obligations assumed on the assignment of receivables	30,646	44,859
2.02.03	Deferred taxes	74,473	74,473
2.02.03.01	Deferred income tax and social contribution	74,473	74,473
2.02.04	Provisions	95,669	79,129
2.02.04.01	Tax, labor and civil lawsuits	95,669	79,129
2.02.04.01.01	Tax lawsuits	-	565
2.02.04.01.02	Tax and labor lawsuits	31,873	36,903



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2.02.04.01.04	Civil lawsuits	63,796	41,661
2.03	Equity	870,252	755,557
2.03.01	Capital	2,521,319	2,521,152
2.03.02	Capital reserves	311,583	56,359
2.03.02.05	Treasury shares	(27,057)	(29,089)
2.03.02.07	Constitution of capital reserve	250,599	-
2.03.02.09	Reserve for granting of stock options	88,041	85,448
2.03.05	Retained earnings/accumulated losses	(1,962,650)	(1,821,954)

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

CODE	DESCRIPTION	CURRENT	YEAR TO	SAME	PREVIOUS
		QUARTER	DATE	QUARTER	YEAR TO
		07/01/2018 to	01/01/2018	OF	DATE
		09/30/2018	09/30/2018	PREVIOUS	DATE
			to	YEAR	01/01/2017
			07/01/2017 to	09/30/2017	to
					09/30/2017
3.01	Gross sales and/or services	226,353	679,044	113,405	327,706
3.01.01	Revenue from real estate development	248,125	745,595	125,001	359,722
3.01.03	Taxes on real estate sales and services	(21,772)	(66,551)	(11,596)	(32,016)
3.02	Cost of sales and/or services	(202,961)	(528,582)	(125,556)	(357,987)
3.02.01	Cost of real estate development	(202,961)	(528,582)	(125,556)	(357,987)
3.03	Gross profit	23,392	150,462	(12,151)	(30,281)
3.04	Operating expenses/income	(40,865)	(212,911)	(121,796)	(360,149)
3.04.01	Selling expenses	(18,243)	(63,105)	(19,908)	(54,557)
3.04.02	General and administrative expenses	(19,828)	(50,706)	(16,373)	(50,346)
3.04.05	Other operating expenses	(22,885)	(57,155)	(11,050)	(79,386)
3.04.05.01	Depreciation and amortization	(6,122)	(14,550)	(8,169)	(25,337)
3.04.05.02	Other operating expenses	(16,763)	(42,605)	(2,881)	(54,049)
3.04.06	Income from equity method investments	20,091	(41,945)	(74,465)	(175,860)
3.05	Income (loss) before financial results and income taxes	(17,473)	(62,449)	(133,947)	(390,430)
3.06	Financial	(19,752)	(60,060)	(23,894)	(94,987)
3.06.01	Financial income	5,755	14,687	6,131	20,852
3.06.02	Financial expenses	(25,507)	(74,747)	(30,025)	(115,839)
3.07	Income before income taxes	(37,225)	(122,509)	(157,841)	(485,417)
3.09	Income (loss) from continuing operations	(37,225)	(122,509)	(157,841)	(485,417)
3.10	Income (loss) from discontinued operations	-	-	-	98,175
3.10.01	Net income (loss) from discontinued operations	-	-	-	98,175
3.11	Income (loss) for the period	(37,225)	(122,509)	(157,841)	(387,242)
3.99	Earnings per share – (Reais / Share)	-	-	-	-
3.99.01	Basic earnings per share	-	-	-	-
3.99.01.01	ON	(0.89247)	(2.93716)	(5.87343)	(14.40969)
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	ON	(0.89247)	(2.93716)	(5.87343)	(14.40969)



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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 07/01/2018 to 09/30/2018</b>	<b>YEAR TO DATE 01/01/2018 to 09/30/2018</b>	<b>SAME</b>	<b>PREVIOUS</b>
				<b>QUARTER OF PREVIOUS YEAR 07/01/2017 to 09/30/2017</b>	<b>YEAR TO DATE 01/01/2017 to 09/30/2017</b>
4.01	Income (loss) for the period	(37,225)	(122,509)	(157,841)	(387,242)
4.03	Comprehensive income (loss) for the period	(37,225)	(122,509)	(157,841)	(387,242)

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

CODE	DESCRIPTION	YEAR TO DATE	PREVIOUS YEAR
		01/01/2018 to 09/30/2018	TO DATE 01/01/2017 to 09/30/2017
6.01	Net cash from operating activities	(66,472)	118,278
6.01.01	Cash generated from operations	(72,655)	(176,844)
6.01.01.01	Income (loss) before income and social contribution taxes	(122,509)	(485,417)
6.01.01.02	Income from equity method investments	12,595	175,860
6.01.01.03	Stock option expenses	1,912	2,898
6.01.01.04	Unrealized interest and finance charges, net	5,474	35,102
6.01.01.05	Financial instruments	(763)	(790)
6.01.01.06	Depreciation and amortization	14,550	25,337
6.01.01.07	Provision for legal claims	44,641	61,584
6.01.01.08	Provision for profit sharing	3,795	9,395
6.01.01.09	Warranty provision	(3,656)	(7,439)
6.01.01.11	Allowance for doubtful accounts	(19,037)	17,767
6.01.01.12	Provision for realization of non-financial assets - properties for sale	(10,119)	(11,141)
6.01.01.15	Inventory write-off	462	-
6.01.02	Variations in assets and liabilities	6,183	295,122
6.01.02.01	Trade accounts receivable	(150,711)	121,494
6.01.02.02	Properties for sale	204,504	207,441
6.01.02.03	Other accounts receivable	(16,293)	(10,242)
6.01.02.04	Prepaid expenses	2,302	(2,805)
6.01.02.05	Obligations related to purchases of properties and advances from customers	(12,566)	(13,574)
6.01.02.06	Taxes and contributions	13,673	(3,028)
6.01.02.07	Suppliers	6,708	11,732
6.01.02.08	Salaries and charges payable	2,537	(10,577)
6.01.02.09	Transactions with related parties	(12,826)	31,263
6.01.02.10	Other obligations	(31,145)	(36,582)
6.02	Net cash from investment activities	(95,356)	249,250
6.02.01	Purchases of property and equipment and intangible assets	(16,483)	(16,216)
6.02.02	Increase in investments	(6,988)	1,295
6.02.03	Redemption of short-term investments	828,039	732,351
6.02.04	Purchase of short-term investments	(899,924)	(678,145)
6.02.07	Proceeds from the exercise of preemptive rights	-	219,510
6.02.08	Transaction costs	-	(9,545)
6.03	Net cash from financing activities	158,279	(383,015)
6.03.01	Capital increase	167	-
6.03.02	Increase in loans, financing and debentures	339,201	190,252
6.03.03		(431,560)	(599,448)

	Payment of loans, financing and debentures		
6.03.06	Loan transactions with related parties	(843)	5,625
6.03.07	Payables to venture partners	-	(1,140)
6.03.08	Disposal of treasury shares	715	317
6.03.10	Assignment of receivables	-	21,379
6.03.12	Subscription and payment of common shares	250,599	-
6.05	Net increase (decrease) of cash and cash equivalents	(3,549)	(15,487)
6.05.01	Cash and cash equivalents at the beginning of the period	7,461	19,811
6.05.02	Cash and cash equivalents at the end of the period	3,912	4,324

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2018 TO 09/30/2018 (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>Other comprehensive income</b>	<b>Total Equity</b>
5.01	Opening balance	2,521,152	56,359	-	(1,821,954)	-	755,557
5.02	Adjusted prior year	-	-	-	(16,869)	-	(16,869)
5.02.01	Adoption of CPC 48 (IFRS 9)	-	-	-	(16,869)	-	(16,869)
5.03	Opening adjusted balance	2,521,152	56,359	-	(1,838,823)	-	738,688
5.04	Capital transactions with shareholders	167	255,224	-	(1,318)	-	254,073
5.04.01	Capital increase	167	250,599	-	-	-	250,766
5.04.03	Stock option plan	-	2,592	-	-	-	2,592
5.04.05	Treasury shares sold	-	2,033	-	(1,318)	-	715
5.05	Total of comprehensive income (loss)	-	-	-	(122,509)	-	(122,509)
5.05.01	Net income (loss) for the period	-	-	-	(122,509)	-	(122,509)
5.07	Closing balance	2,521,319	311,583	-	(1,962,650)	-	870,252

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 09/30/2017 (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>Other comprehensive income</b>	<b>Total Equity</b>
5.01	Opening balance	2,740,662	49,424	-	(861,761)	-	1,928,325
5.03	Opening adjusted balance	2,740,662	49,424	-	(861,761)	-	1,928,325
5.04	Capital transactions with shareholders	(219,510)	3,233	-	(107,720)	-	(323,997)
5.04.03	Stock option plan	-	2,916	-	-	-	2,916
5.04.04	Treasury shares acquired	-	317	-	-	-	317
5.04.08	Capital reduction	(219,510)	-	-	(107,720)	-	(323,997)
	Total						
5.05	comprehensive income (loss)	-	-	-	(387,242)	-	(387,242)
5.05.01	Net income (loss) for the period	-	-	-	(387,242)	-	(387,242)
5.07	Closing balance	2,521,152	52,657	-	(1,356,723)	-	1,217,086



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

CODE	DESCRIPTION	YEAR TO DATE	PREVIOUS YEAR
		01/01/2018 to 09/30/2018	TO DATE 01/01/2017 to 09/30/2017
7.01	Revenue	745,595	359,722
7.01.01	Real estate development, sales and services	726,559	377,489
7.01.04	Allowance for doubtful accounts	19,036	(17,767)
7.02	Inputs acquired from third parties	(533,950)	(278,707)
7.02.01	Cost of sales and/or service	(442,945)	(295,990)
7.02.02	Materials, energy, outsourced labor and other	(91,005)	(80,892)
7.02.04	Other	-	98,175
7.02.04.01	Result of discontinued operations	-	98,175
7.03	Gross value added	211,645	81,015
7.04	Retentions	(14,550)	(25,337)
7.04.01	Depreciation and amortization	(14,550)	(25,337)
7.05	Net value added produced by the Company	197,095	55,678
7.06	Added value received through transfer	(27,258)	(155,008)
7.06.01	Income from equity method investments	(41,945)	(175,860)
7.06.02	Financial income	14,687	20,852
7.07	Total value added to be distributed	169,837	(99,330)
7.08	Value added distribution	169,837	(99,330)
7.08.01	Personnel and payroll charges	51,597	63,447
7.08.01.01	Direct remuneration	51,597	63,447
7.08.02	Taxes and contributions	76,694	43,653
7.08.02.01	Federal	76,694	43,653
7.08.03	Compensation – Interest	164,055	180,812
7.08.03.01	Interest	160,384	177,836
7.08.03.02	Rent	3,671	2,976
7.08.04	Compensation – Company capital	(122,509)	(387,242)
7.08.04.03	Net income (retained losses)	(122,509)	(387,242)

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 09/30/2018</b>	<b>PRIOR YEAR 12/31/2017</b>
1	Total assets	2,867,551	2,878,138
1.01	Current assets	1,763,850	1,732,925
1.01.01	Cash and cash equivalents	7,931	28,527
1.01.01.01	Cash and banks	7,931	28,527
1.01.02	Short-term investments	186,515	118,935
1.01.02.01	Fair value of short-term investments	186,515	118,935
1.01.03	Accounts receivable	569,166	484,761
1.01.03.01	Trade accounts receivable	569,166	484,761
1.01.03.01.01	Receivables from clients of developments	545,810	469,843
1.01.03.01.02	Receivables from clients of construction and services rendered	23,356	14,918
1.01.04	Inventory	858,726	882,189
1.01.04.01	Properties for sale	858,726	882,189
1.01.07	Prepaid expenses	3,184	5,535
1.01.07.01	Prepaid expenses and other	3,184	5,535
1.01.08	Other current assets	138,328	212,978
1.01.08.01	Non-current assets for sale	34,212	102,352
1.01.08.03	Other	104,116	110,626
1.01.08.03.01	Other accounts receivable and other	38,488	58,332
1.01.08.03.02	Receivables from related parties	-	404
1.01.08.03.03	Derivative financial instruments	65,628	51,890
1.02	Non-current assets	1,103,701	1,145,213
1.02.01	Non-current assets	595,216	625,465
1.02.01.04	Accounts receivable	214,405	199,317
1.02.01.04.01	Receivables from clients of developments	214,405	199,317
1.02.01.05	Inventory	263,937	339,797
1.02.01.05.01	Properties for sale	263,937	339,797
1.02.01.10	Other non-current assets	116,874	86,351
1.02.01.10.03	Other assets	90,253	64,172
1.02.01.10.04	Receivables from related parties	26,621	22,179
1.02.02	Investments	465,438	479,126
1.02.02.01	Interest in associates and affiliates	465,438	479,126
1.02.03	Property and equipment	24,827	22,342
1.02.03.01	Operation property and equipment	24,827	22,342
1.02.04	Intangible assets	18,220	18,280
1.02.04.01	Intangible assets	18,220	18,280

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT QUARTER 09/30/2018</b>	<b>PRIOR YEAR 12/31/2017</b>
2	Total liabilities	2,867,551	2,878,138
2.01	Current liabilities	807,523	1,213,686
2.01.01	Social and labor obligations	34,864	27,989
2.01.01.02	Labor obligations	34,864	27,989
2.01.02	Suppliers	106,363	98,662
2.01.03	Tax obligations	56,822	46,430
2.01.03.01	Federal tax obligations	56,822	46,430
2.01.04	Loans and financing	201,367	569,250
2.01.04.01	Loans and financing	170,171	481,073
2.01.04.01.01	In local currency	170,171	481,073
2.01.04.02	Debentures	31,196	88,177
2.01.05	Other obligations	329,940	355,041
2.01.05.01	Payables to related parties	60,456	63,197
2.01.05.02	Other	269,484	291,844
2.01.05.02.04	Obligations related to purchases of properties and advances from customers	145,468	156,457
2.01.05.02.06	Other payables	97,075	104,386
2.01.05.02.07	Obligations assumed on the assignment of receivables	26,941	31,001
2.01.06	Provisions	78,167	116,314
2.01.06.01	Tax, labor and civil lawsuits	78,167	116,314
2.01.06.01.01	Tax lawsuits	637	194
2.01.06.01.02	Labor lawsuits	21,711	19,300
2.01.06.01.04	Civil lawsuits	55,819	96,820
2.02	Non-current liabilities	1,188,073	905,048
2.02.01	Loans and financing	758,977	535,648
2.02.01.01	Loans and financing	508,848	416,112
2.02.01.01.01	Loans and financing in local currency	508,848	416,112
2.02.01.02	Debentures	250,129	119,536
2.02.02	Other obligations	256,066	212,864
2.02.02.02	Other	256,066	212,864
2.02.02.02.03	Obligations related of purchases of properties and advances from customers	207,765	152,377
2.02.02.02.04	Other payables	10,587	7,095
2.02.02.02.06	Obligations assumed on the assignment of receivables	37,714	53,392
2.02.03	Deferred taxes	74,473	74,473
2.02.03.01	Deferred income tax and social contribution	74,473	74,473
2.02.04	Provisions	98,557	82,063
2.02.04.01	Tax, labor and civil lawsuits	98,557	82,063
2.02.04.01.01	Tax lawsuits	0	565
2.02.04.01.02	Labor lawsuits	34,499	39,682
2.02.04.01.04	Civil lawsuits	64,058	41,816

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2.03	Equity	871,955	759,404
2.03.01	Capital	2,521,319	2,521,152
2.03.02	Capital reserves	311,583	56,359
2.03.02.05	Treasury shares	(27,057)	(29,089)
2.03.02.07	Constitution of capital reserve	250,599	-
2.03.02.09	Reserve for granting of stock options	88,041	85,448
2.03.05	Retained earnings/accumulated losses	(1,962,650)	(1,821,954)
2.03.09	Non-controlling interest	1,703	3,847

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

CODE	DESCRIPTION	CURRENT	YEAR TO	SAME	PREVIOUS
		QUARTER	DATE	QUARTER	YEAR
		07/01/2018 to	01/01/2018 to	07/01/2017 to	01/01/2017 to
		09/30/2018	09/30/2018	09/30/2017	09/30/2017
3.01	Gross sales and/or services	252,306	767,974	160,325	444,117
3.01.01	Revenue from real estate development	275,231	838,972	173,520	480,398
3.01.03	Taxes on real estate sales and services	(22,925)	(70,998)	(13,195)	(36,281)
3.02	Cost of sales and/or services	(203,560)	(623,542)	(167,956)	(483,318)
3.02.01	Cost of real estate development	(203,560)	(623,542)	(167,956)	(483,318)
3.03	Gross profit	48,746	144,432	(7,631)	(39,201)
3.04	Operating expenses/income	(66,822)	(208,317)	(129,829)	(361,644)
3.04.01	Selling expenses	(20,653)	(73,042)	(22,929)	(63,169)
3.04.02	General and administrative expenses	(22,300)	(61,841)	(21,441)	(68,548)
3.04.05	Other operating expenses	(23,971)	(63,020)	(18,408)	(87,266)
3.04.05.01	Depreciation and amortization	(6,393)	(15,518)	(8,379)	(25,962)
3.04.05.02	Other operating expenses	(17,578)	(47,502)	(10,029)	(61,304)
3.04.06	Income from equity method investments	102	(10,414)	(67,051)	(142,661)
3.05	Income (loss) before financial results and income taxes	(18,076)	(63,885)	(137,460)	(400,845)
3.06	Financial	(19,179)	(58,211)	(21,069)	(83,019)
3.06.01	Financial income	6,130	15,211	6,604	23,680
3.06.02	Financial expenses	(25,309)	(73,422)	(27,673)	(106,699)
3.07	Income before income taxes	(37,255)	(122,096)	(158,529)	(483,864)
3.08	Income and social contribution taxes	(670)	(2,334)	622	(1,673)
3.08.01	Current	(670)	(2,334)	622	(1,673)
3.09	Income (loss) from continuing operations	(37,925)	(124,430)	(157,907)	(485,537)
3.10	Income (loss) from discontinued operations	-	-	-	98,175
3.10.01	Net income (loss) from discontinued operations	-	-	-	98,175
3.11	Income (loss) for the period	(37,925)	(124,430)	(157,907)	(387,362)
3.11.01	Income (loss) attributable to the Company	(37,225)	(122,509)	(157,841)	(387,242)
3.11.02		(700)	(1,921)	(66)	(120)

	Net income attributable to non-controlling interests				
3.99	Earnings per Share – (Reais / Share)	-	-	-	-
3.99.01	Basic earnings per share	-	-	-	-
3.99.01.01	ON	(0.89247)	(2.93716)	(5.87343)	(14.40969)
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	ON	(0.89247)	(2.93716)	(5.87343)	(14.40969)

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>CURRENT</b>	<b>YEAR TO</b>	<b>SAME</b>	<b>PREVIOUS</b>
		<b>QUARTER</b>	<b>DATE</b>	<b>QUARTER OF</b>	<b>YEAR TO</b>
		<b>07/01/2018 to</b>	<b>01/01/2018 to</b>	<b>PREVIOUS</b>	<b>DATE</b>
		<b>09/30/2018</b>	<b>09/30/2018</b>	<b>YEAR</b>	<b>09/30/2017</b>
				<b>07/01/2017 to</b>	<b>01/01/2017 to</b>
				<b>09/30/2017</b>	<b>09/30/2017</b>
4.01	Consolidated income (loss) for the period	(37,925)	(124,430)	(157,907)	(387,362)
4.03	Consolidated comprehensive income (loss) for the period	(37,925)	(124,430)	(157,907)	(387,362)
4.03.01	Income (loss) attributable to the Company	(37,225)	(122,509)	(157,841)	(387,242)
4.03.02	Net income attributable to the non-controlling interests	(700)	(1,921)	(66)	(120)

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

CODE	DESCRIPTION	YEAR TO DATE	PREVIOUS YEAR
		01/01/2018 to 09/30/2018	01/01/2017 to 09/30/2017
6.01	Net cash from operating activities	(26,940)	200,941
6.01.01	Cash generated in the operations	(98,389)	(196,146)
6.01.01.01	Income (loss) before income and social contribution taxes	(122,096)	(483,864)
6.01.01.02	Income from equity method investments	10,414	142,661
6.01.01.03	Stock option expenses	1,912	2,898
6.01.01.04	Unrealized interest and finance charges, net	10,229	46,975
6.01.01.05	Financial instruments	(763)	(790)
6.01.01.06	Depreciation and amortization	15,518	25,962
6.01.01.07	Provision for legal claims	44,764	61,431
6.01.01.08	Provision for profit sharing	3,795	9,394
6.01.01.09	Warranty provision	(3,656)	(7,439)
6.01.01.11	Allowance for doubtful accounts	(19,037)	17,767
6.01.01.12	Provision for realization of non-financial assets - properties for sale	(39,469)	(11,141)
6.01.02	Variations in assets and liabilities	71,449	345,128
6.01.02.01	Trade accounts receivable	(117,062)	180,528
6.01.02.02	Properties for sale	206,932	263,519
6.01.02.03	Other accounts receivable	(9,364)	(9,272)
6.01.02.04	Prepaid expenses	2,351	(2,978)
6.01.02.05	Obligations for purchases of properties and advance from customers	44,399	(26,900)
6.01.02.06	Taxes and contributions	10,392	(1,430)
6.01.02.07	Suppliers	8,530	10,520
6.01.02.08	Salaries and charges payable	3,080	(8,887)
6.01.02.09	Transactions with related parties	(12,442)	(22,906)
6.01.02.10	Other obligations	(63,033)	(35,393)
6.01.02.11	Income tax and social contribution payable	(2,334)	(1,673)
6.01.03	Other	-	51,959
6.01.03.01	Net cash from operating activities related to discontinued operations	-	51,959
6.02	Net cash from investment activities	(89,511)	335,826
6.02.01	Purchases of property, equipment and intangible assets	(17,943)	(18,370)
6.02.02	Increase in investments	(3,988)	1,294
6.02.03	Redemption of short-term investments	882,542	851,218
6.02.04	Purchase of short-term investments	(950,122)	(756,944)
6.02.07	Proceeds from the exercise of preemptive rights	-	219,510
6.02.08	Transaction costs	-	(9,545)
6.02.09	Net cash from investing activities related to discontinued operations	-	48,663



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6.03	Net cash from financing activities	95,855	(414,964)
6.03.01	Capital increase	167	-
6.03.02	Increase in loans, financing and debentures	377,841	255,805
6.03.03	Payment of loans, financing and debentures	(532,624)	(721,076)
6.03.06	Loan transactions with related parties	(843)	5,625
6.03.07	Payables to venture partners	-	(1,237)
6.03.08	Disposal of treasury shares	715	317
6.03.10	Assignment of receivables	-	21,513
6.03.11	Net cash from financing activities related to discontinued operations	-	24,089
6.03.12	Subscription and payment of common shares	250,599	-
6.04	Foreign exchange gains and losses on cash and cash equivalents	-	(124,711)
6.05	Net increase (decrease) in cash and cash equivalents	(20,596)	(2,908)
6.05.01	Cash and cash equivalents at the beginning of the period	28,527	29,534
6.05.02	Cash and cash equivalents at the end of the period	7,931	26,626

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2018 TO 09/30/2018 (in thousands of reais)**

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Shareholders' equity	Non controlling interest
5.01	Opening balance	2,521,152	56,359	-	(1,821,954)	-	755,557	3,847
5.02	Adjusted prior year	-	-	-	(16,869)	-	(16,869)	-
5.02.01	Adoption of CPC 48 (IFRS 9)	-	-	-	(16,869)	-	(16,869)	-
5.03	Opening adjusted balance	2,521,152	56,359	-	(1,838,823)	-	738,688	3,847
5.04	Capital transactions with shareholders	167	255,224	-	(1,318)	-	254,073	-
5.04.01	Capital increase	167	250,599	-	-	-	250,766	-
5.04.03	Stock option plan	-	2,592	-	-	-	2,592	-
5.04.05	Treasury shares sold	-	2,033	-	(1,318)	-	715	-
5.05	Total comprehensive income (loss)	-	-	-	(122,509)	-	(122,509)	(1,921)
5.05.01	Net income (loss) for the period	-	-	-	(122,509)	-	(122,509)	(1,921)
5.06	Reserves	-	-	-	-	-	-	(223)
5.06.01	Constitution of reserves	-	-	-	-	-	-	(223)
5.07	Closing balance	2,521,319	311,583	-	(1,962,650)	-	870,252	1,703

**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 09/30/2017 (in thousands of Brazilian Reals)**

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Shareholders' equity	Non controlling interest	Total equity
1	Opening balance	2,740,662	49,424	-	(861,761)	-	1,928,325	2,128	1,930,453
3	Opening adjusted balance	2,740,662	49,424	-	(861,761)	-	1,928,325	2,128	1,930,453
4	Capital transactions with shareholders	(219,510)	3,233	-	(107,720)	-	(323,997)	-	(323,997)
4.03	Stock option plan	-	2,916	-	-	-	2,916	-	2,916
4.05	Treasury shares sold	-	317	-	-	-	317	-	317
4.08	Capital reduction	(219,510)	-	-	(107,720)	-	(327,230)	-	(327,230)
5	Total of comprehensive income (loss)	-	-	-	(387,242)	-	(387,242)	(120)	(387,362)
5.01	Net income (loss) for the period	-	-	-	(387,242)	-	(387,242)	(120)	(387,362)
7	Closing balance	2,521,152	52,657	-	(1,356,723)	-	1,217,086	2,008	1,219,094

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>YEAR TO</b>	<b>PREVIOUS</b>
		<b>DATE</b>	<b>YEAR TO</b>
		<b>01/01/2018 to</b>	<b>01/01/2017 to</b>
		<b>09/30/2018</b>	<b>09/30/2017</b>
7.01	Revenue	838,972	480,398
7.01.01	Real estate development, sales and services	836,804	498,165
7.01.04	Allowance for doubtful accounts	2,168	(17,767)
7.02	Inputs acquired from third parties	(627,853)	(397,028)
7.02.01	Cost of sales and/or services	(524,145)	(392,201)
7.02.02	Materials, energy, outsourced labor and other	(103,708)	(103,002)
7.02.04	Other	-	98.175
7.02.04.01	Result of discontinued operation	-	98.175
7.03	Gross value added	211,119	83,370
7.04	Retentions	(15,518)	(25,962)
7.04.01	Depreciation and amortization	(15,518)	(25,962)
7.05	Net value added produced by the Company	195,601	57,408
7.06	Value added received through transfer	4,797	(118,981)
7.06.01	Income from equity method investments	(10,414)	(142,661)
7.06.02	Financial income	15,211	23,680
7.07	Total value added to be distributed	200,398	(61,573)
7.08	Value added distribution	200,398	(61,573)
7.08.01	Personnel and payroll charges	60,102	72,061
7.08.01.01	Direct remuneration	60,102	72,061
7.08.02	Taxes and contributions	85,378	51,393
7.08.02.01	Federal	85,378	51,393
7.08.03	Compensation – Interest	177,427	202,215
7.08.03.01	Interest	172,819	197,816
7.08.03.02	Rent	4,608	4,399
7.08.04	Compensation – Company capital	(122,509)	(387,242)
7.08.04.03	Net income (retained losses)	(122,509)	(387,242)



**FOR IMMEDIATE RELEASE** - São Paulo, November 8, 2018 – Gafisa S.A. (B3: GFSA3; NYSE: GFA), one of Brazil’s leading homebuilders, today reported its financial results for the third quarter ended September 30, 2018.

**GAFISA ANNOUNCES  
3Q18 RESULTS**

As management was elected on 09/28/18, it is therefore not liable for 3Q18 operations and results, and hereby releases its first report.

**Conference Call  
November 9, 2018**

**11:00 a.m. Brasília  
time**

**In Portuguese**

**+55 (11) 3127-4971 /  
3728-5971 (Brazil)**

**Code: Gafisa**

**8:30 a.m. US EST**

**In English**

**(simultaneous  
translation from  
Portuguese)**

**+1 516 300-1066  
(USA)**

**Code: Gafisa**

Firstly, over the past 40 days, our priority was to **cut costs**, processes and contracts, and optimize our structure. Specifically, we reduced our workforce by 50%, which will amount to **R\$36 million/year savings**, which includes the Rio de Janeiro branch shutdown. From now on, we will concentrate our efforts solely on the region of São Paulo, Brazil’s largest market.

In addition, we proposed to our shareholders to transfer the Company's headquarters from São Paulo to São Caetano do Sul, at Gafisa’s owned property, which, besides sheltering our operations, will save **R\$4.7 million/year** on office lease costs.

In addition to our focus on cost-cutting initiatives, the new management is pursuing **innovation to Gafisa’s business model**, highlighting as short-term actions: (i) the launch of *Gafisa Serviços* (Gafisa Services), which offers post-warranty services, house-up (customization of unit to be delivered according to customer’s needs) and rental of residential and commercial units, owned and third-party units, and (ii) the setup of an Innovation Committee, headed by Mr. Pedro Carvalho de Melo, one of our independent board members, and comprised of other four executives of the Company, representing the areas of building sites, new business, and sales. Mr. Melo is the academic coordinator of FGV/IDE's international programs and the chairman of Gafisa’s Audit Committee.

For the fourth quarter, we have already directed our efforts toward **selling existing inventory**. As to launches, new management will prioritize more profitable projects with higher market acceptance.

**Webcast:**  
**[www.gafisa.com.br/ri](http://www.gafisa.com.br/ri)**

To support the Company's recovery in the upcoming years, we are analyzing **funding** alternatives.

**Replay:**  
**+55 (11) 3127-4999**

Over the next few months, we will be working on the Business Plan for the next two years, which will be released to the market in due course. Our objective is to continue adjusting the Company's business model, driving solid performance which **creates value for shareholders and stakeholders.**

**Portuguese: 35492815**

**English: 40262218**

**Ana Recart**

**CEO, CFO and Investor Relations Officer**

## **Shares**

**GFSA3 – B<sup>3</sup>**

**GFA – NYSE**

**Total outstanding  
shares: 44,757,914<sup>1</sup>**

**Average Daily Traded  
Volume (3Q18):**

**R\$11.9 million**

**<sup>1</sup>including 871,664  
treasury shares**

## MAIN CONSOLIDATED INDICATORS

**Table 1 - Operational Performance (R\$ 000)**

71,144	399,875	-82.2%	463,841	-84.7%	609,734	463,841	31.5%
188,125	405,858	-53.6%	438,429	-57.1%	887,443	914,834	-3.0%
(51,661)	(59,912)	-13.8%	(84,390)	-47.3%	(169,276)	(316,251)	-46.5%
136,464	345,946	-60.6%	354,039	-61.5%	718,167	598,583	20.0%
9.4%	19.9%	-10.5 bps	18.3%	-8.9 bps	35.3%	27.5%	7.8 bps
346,009	300,991	15.0%	75,227	360.0%	647,001	820,153	-21.1%
1,318,698	1,395,626	-5.5%	1,581,402	-16.6%	1,318,698	1,581,402	-16.6%

**Table 2 - Financial Performance (R\$ 000)**

252,306	302,271	-16.5%	160,325	57.4%	767,974	444,117	72.9%
80,330	104,366	-23.0%	18,686	329.9%	243,829	51,916	369.7%
31.8%	34.5%	-2.7 bps	11.7%	20.1 bps	31.7%	11.7%	20.0 bps
20,535	29,164	-29.6%	(44,199)	-146.5%	52,942	(156,582)	-133.8%
8.1%	9.6%	-1.5 bps	-27.6%	35.7 bps	6.9%	-35.3%	42.2 bps
(37,225)	(29,359)	26.8%	(157,841)	-76.4%	(122,509)	(485,417)	-74.8%
587,344	701,634	-16.3%	630,168	-6.8%	587,344	630,168	-6.8%
215,778	262,828	-17.9%	220,174	-2.0%	215,778	220,174	-2.0%
36.7%	37.5%	-0.8 bps	34.9%	1.8 bps	36.7%	34.9%	1.8 bps
765,898	751,873	1.9%	1,063,274	-28.0%	765,898	1,063,274	-28.0%
194,446	212,897	-8.7%	155,998	24.6%	194,446	155,998	24.6%
871,955	908,570	-4.0%	1,221,093	-28.6%	871,955	1,221,093	-28.6%
22.7%	17.3%	5.4 bps	12.7%	10.0 bps	22.7%	12.7%	10.0 bps



<sup>1</sup> Adjusted by capitalized interests;

<sup>2</sup> Adjusted by stock option plan expenses (non-cash), minority shareholders;

<sup>3</sup> Backlog results net of PIS/COFINS taxes (3.65%) and excluding the impact of PVA (Present Value Adjustment) method according to Law No. 11.638.

<sup>4</sup> Cash and cash equivalents, and marketable securities.

**<sup>5</sup> Backlog results comprise the projects restricted by condition precedent**

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## OPERATIONAL RESULTS

**Table 3 - Operational Performance (R\$ 000)**

71,144	399,875	-82.2%	463,841	-84.7%	609,734	463,841	31.5%
188,125	405,858	-53.6%	438,429	-57.1%	887,443	914,834	-3.0%
(51,661)	(59,912)	-13.8%	(84,390)	-47.3%	(169,276)	(316,251)	-46.5%
136,464	345,946	-60.6%	354,039	-61.5%	718,167	598,583	20.0%
9.4%	19.9%	-10.5 bps	18.3%	-8.9 bps	35.3%	27.5%	7.8 bps
346,009	300,991	15.0%	75,227	360.0%	647,001	820,153	-21.1%

## Launches

The Company launched one project in the quarter, the Vision Pinheiros, in the city of São Paulo, with total PSV of R\$71.1 million. Launch volume in 9M18 reached R\$609.7 million, 31.5% higher than the same period last year.

\*It considers 9M18

**Table 4 - Launches (R\$ 000)**

São Paulo/SP	1Q18	138,715
São Paulo/SP	2Q18	147,949
Osasco/SP	2Q18	165,130
São Paulo/SP	2Q18	86,797
São Paulo/SP	3Q18	71,144
		<b>609,734</b>



## Sales

In 3Q18, gross sales totaled R\$188.1 million. Lower sales volume in the period, versus 2Q18 and 3Q17, is due to: (i) heightened political uncertainty, which resulted in an economic slowdown and drop in consumer confidence and (ii) lower volume of launches in the period. It is also worth mentioning that the Vision Pinheiros project was launched on September 29, last weekend of September, with many in-progress sales negotiations that will be included in fourth quarter results. In 9M18, gross sales totaled R\$887.4 million versus R\$914.5 million in 9M17.

Cancellations came to R\$51.7 million in 3Q18, 13.8% lower than in 2Q18, and a sharp drop of 47.3% compared to 3Q17, despite a significant volume of projects delivered in the quarter. Cancellations performance year to date also reflects this downward trend, reaching R\$169.3 million in 9M18. The average monthly Cancellations decreased from R\$35.1 million in 9M17 to R\$18.8 million in 9M18.

The net pre-sales totaled R\$136.5 million in 3Q18. In 9M18, net pre-sales came to R\$718.2 million, 20% higher than in 9M17.

## Sales Over Subpsly (SoS)

Quarterly SoS was 9.4%. The 10.5 bps reduction vs. 2Q18 and 8.9 bps compared to 3Q17 were due to the lower volume of launches in the period. SoS of launches in general is higher than inventories SoS. In the last 12 months, SoS was 39%, in line with 3Q17.

## Inventory (Property for Sale)

Inventory at market value was R\$1,318.7 million in 3Q18, down 5.5% quarter-over-quarter. Year-over-year the reduction was 16.6%.

**Table 5 – Inventory at Market Value 3Q18 x 2Q18 (R\$ 000)**

1,148,760	71,144	35,557	(160,909)	(2,739)	1,091,812	-5.0%
191,798	-	13,522	(19,677)	(9,047)	176,596	-7.9%
55,068	-	2,583	(7,539)	178	50,290	-8.7%
<b>1,395,626</b>	<b>71,144</b>	<b>51,661</b>	<b>(188,125)</b>	<b>(11,608)</b>	<b>1,318,698</b>	<b>-5.5%</b>

<sup>1</sup> Adjustments reflect the updates related to the project scope, launch date and pricing update in the period.

The inventory turnover at the end of 3Q18 was 19 months, in line with 3Q17.

The inventory of finished units fell from R\$499.8 million (35.8% of total inventory) in 2Q18 to R\$434.2 million in 3Q18 (32.9% of total).

From the total finished units, 47.6% are commercial projects. This percentage is due to lower sales speed in this segment, which has lower liquidity.

**Table 6 – Inventory at Market Value – Financial Progress – POC - (R\$ 000)**

196,458	80,553	364,214	219,628	230,959	1,091,812
-	-	-	5,188	171,408	176,596
-	-	18,478	-	31,812	50,290
<b>196,458</b>	<b>80,553</b>	<b>382,692</b>	<b>224,815</b>	<b>434,180</b>	<b>1,318,698</b>

## Delivered Projects and Transfer

The Company delivered three projects with total PSV of R\$346.0 million, 15.0% higher than in 3Q17. As of September 30, 2018, Gafisa was managing the construction of 19 projects, all of which are on schedule.

Over the past few years, the Company has been taking steps to improve the receivables/transfer process, aiming at maximizing the return rates on capital employed in the projects. Currently, the Company's guideline is to conclude the transfer process of 90% of eligible units within 90 days after project delivery.

PSV transferred in 3Q18 climbed 69.8% to R\$238.6 million quarter-over-quarter and 90.0% year-over-year, bolstered by an increase in PSV of projects delivered in the period. In 9M18, PSV transferred came to R\$438.1 million, 19.6% higher than in 9M17, due to a lower PSV volume of deliveries this year.

**Table 7 – Transfer**

238,644	140,505	69.8%	125,609	90.0%	438,147	366,392	19.6%
3	5	-40.0%	1	200.0%	8	8	0.0%
780	1,025	-23.9%	296	163.5%	1,805	1,890	-4.5%
346,009	300,991	15.0%	75,227	360.0%	647,001	820,153	-21.1%

<sup>1</sup> PSV transferred refers to the potential sales value of the units transferred to financial institutions;

<sup>2</sup> PSV = Potential sales value of delivered units.

## Landbank

The Company's landbank, with an estimated PSV of R\$3.9 billion, represents 33 potential projects/phases which have been revised by the new management.

Aproximately 58.3% of land was acquired through swaps in the quarter. In 3Q18, Gafisa acquired three new land areas in its strategic market (São Paulo), with potential PSV of R\$324.4 million. The physical swap of these land acquisitions accounted for 79% of total purchase.

**Table 8 - Landbank (R\$ 000)**

2,645,527	55.5%	51.2%	4.3%	5,804	6,470
1,273,603	62.5%	62.5%	0.0%	1,712	1,712
<b>3,919,130</b>	<b>58.3%</b>	<b>55.7%</b>	<b>2.6%</b>	<b>7,516</b>	<b>8,182</b>

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

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

**Table 9 – Changes in the Landbank (3Q18 x 2Q18 - R\$ 000)**

2,386,018	324,439	71,144	-	6,214	2,645,527
1,353,466	-	-	79,863	-	1,273,603
<b>3,739,484</b>	<b>324,439</b>	<b>71,144</b>	<b>79,863</b>	<b>6,214</b>	<b>3,919,130</b>

## FINANCIAL RESULTS

### Revenue

Net revenues increased to R\$252.3 million in 3Q18, up by 57.4% from 3Q17. The revenue contribution from projects launched from 2016 to 2017 were boosted by higher work evolution in the period. The MOOV Belém and Upside Pinheiros projects launched in 2Q18 contributed R\$78 million revenue in the quarter.

**Table 10 – Revenue Recognition (R\$ 000)**

Pre-Sales	Revenue	%	Pre-Sales	Revenue	%
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	% Sales	Revenue		% Sales	Revenue		% Sales	Revenue
26,109	19.1%	81,694	32.4%	-	0.0%	-	0.0%	
27,290	20.0%	52,958	21.0%	224,814	63.5%	-	0.0%	
29,067	21.3%	83,723	33.2%	27,258	7.7%	19,555	12.2%	
35,017	25.7%	44,362	17.6%	40,346	11.4%	73,627	45.9%	
18,981	13.9%	(10,431)	-4.1%	61,620	17.4%	67,143	41.9%	
<b>136,464</b>	<b>100%</b>	<b>252,307</b>	<b>100.0%</b>	<b>354,039</b>	<b>100%</b>	<b>160,324</b>	<b>100.0%</b>	
131,507	96.4%	253,513	100.5%	349,248	98.6%	160,757	100.3%	
4,956	3.6%	(23,735)	-9.4%	4,791	1.4%	(433)	-0.3%	

## Gross Profit & Margin

Gafisa's adjusted gross profit totaled R\$80.3 million in 3Q18, 329.9% higher than in 3Q17, due to sales of projects with better margins. In 9M18, such growth was 369.7% higher than in 9M17, totaling R\$243.8 million.

Adjusted gross margin in 3Q18 was 31.8%, 2,018 bps higher than in 3Q17. This margin gain is also reflected in the year-over-year comparison, 31.7% in 9M18.

**Table 11 – Gross Margin (R\$ 000)**

252,306	302,271	-16.5%	160,325	57.4%	767,974	444,117	72.9%
48,746	72,824	-33.1%	(7,631)	738.8%	144,432	(39,201)	468.4%
19.3%	24.1%	-4.8 bps	-4.8%	24.1 bps	18.8%	-8.8%	27.6 bps
31,584	31,542	0.1%	26,317	20.0%	99,397	91,117	9.1%
80,330	104,366	-23.0%	18,686	329.9%	243,829	51,916	369.7%
31.8%	34.5%	-2.7 bps	11.7%	20.1 bps	31.7%	11.7%	20.0 bps

<sup>1</sup> Adjusted by capitalized interests.

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

General and administrative expenses totaled R\$22.3 million in 3Q18, 7.0% higher than in 2Q18. This increase

is mainly due to a provision for severance pay to the former executive board in September 2018. However, in 9M18, we saw a 9.8% decrease, in line with cost-saving measures.

In 3Q18, selling expenses were 26.5% and 9.9% lower than in 2Q18 and 3Q17, respectively, due to lower commission and launch expenses in the period. By contrast, in the 9M18 vs 9M17 comparison, higher volume of launches increased selling expenses by 15.6% to R\$73.0 million.

Therefore, selling, general and administrative expenses came to R\$43.0 million in 3Q18 and R\$134.9 million in 9M18.

**Table 12 – SG&A Expenses (R\$ 000)**

(20,653)	(28,110)	-26.5%	(22,929)	-9.9%	(73,042)	(63,169)	15.6%
(22,300)	(20,845)	7.0%	(21,441)	4.0%	(61,841)	(68,548)	-9.8%
<b>(42,953)</b>	<b>(48,955)</b>	<b>-12.3%</b>	<b>(44,370)</b>	<b>-3.2%</b>	<b>(134,883)</b>	<b>(131,717)</b>	<b>2.4%</b>

In 3Q18, other operating revenues/expenses totaled R\$17.6 million, in line with 2Q18. The year-over-increase is mainly due to higher litigation expenses. In 9M18, however, other operating revenues/expenses came in 22.5% lower than in 9M17.

**Table 13 – Other Operating Revenues/Expenses (R\$ 000)**

(17,241)	(15,747)	9.5%	(14,654)	17.7%	(44,764)	(61,431)	-27.1%
(337)	(1,972)	-82.9%	4,625	-107.3%	(2,738)	127	-2255.9%
<b>(17,578)</b>	<b>(17,719)</b>	<b>-0.8%</b>	<b>(10,029)</b>	<b>75.3%</b>	<b>(47,502)</b>	<b>(61,304)</b>	<b>-22.5%</b>

## Adjusted EBITDA

Adjusted EBITDA totaled R\$20.5 million in 3Q18 and R\$52.9 million in 9M18, 133.8% higher than in 9M17.

**Table 14 – Adjusted EBITDA (R\$ 000)**

(37,225)	(29,359)	26.8%	(157,841)	76.4%	(122,509)	(387,242)	-68.4%
-	-	0.0%	-	0.0%	-	98,175	-100.0%
(37,225)	(29,359)	26.8%	(157,841)	76.4%	(122,509)	(485,417)	74.8%
19,179	19,082	0.5%	21,069	-9.0%	58,211	83,019	-29.9%
670	1,432	-53.2%	(622)	207.6%	2,333	1,673	39.5%
6,393	5,140	24.4%	8,379	-23.7%	15,518	25,962	-40.2%
31,584	31,542	0.1%	26,317	20.0%	99,397	91,117	9.1%
634	1,369	-53.7%	1,194	-46.9%	1,912	2,898	-34.0%
(700)	(42)	1566.7%	(66)	959.1%	(1,920)	(120)	1500.0%
-	-	0.0%	57,371	-100.0%	-	124,286	-100.0%
20,535	29,164	-29.6%	(44,199)	146.5%	52,942	(156,582)	133.8%

<sup>1</sup> Sale of Tenda shares.

## Financial Result

In 3Q18, financial result totaled a R\$19.2 million expense, in line with 2Q18. When compared to 3Q17, financial result dropped 9% due to debt reduction. In 9M18, financial result was an expense of R\$58.2 million, 29.9% lower than the same period last year.

## Net Income

In 3Q18, the Company posted a net loss of R\$37.2 million, compared to a net loss of R\$29.4 million in 2Q18 and R\$100.5 million in 3Q17. For 9M18, net loss totaled R\$122.5 million versus a net loss of R\$361.1 million in 9M17.

**Table 15 – Net Result (R\$ 000)**

252,306	302,271	-16.5%	160,325	57.4%	767,974	444,117	72.9%
48,746	72,824	-33.1%	(7,631)	-738.8%	144,432	(39,201)	-468.4%
19.3%	24.1%	-4.8 bps	-4.8%	24.1 bps	18.8%	-8.8%	27.6 bps
80,330	104,366	-23.0%	18,686	329.9%	243,829	51,916	369.7%
31.8%	34.5%	-2.7 bps	11.7%	20.1 bps	31.7%	11.7%	20.0 bps
20,535	29,164	-29.6%	(44,199)	-146.5%	52,942	(156,582)	-133.8%
8.1%	9.6%	-1.5 bps	-27.6%	35.7 bps	6.9%	-35.3%	42.2 bps
-	-	0.0%	-	0.0%	-	98,175	-100.0%
(37,225)	(29,359)	26.8%	(157,841)	-76.4%	(122,509)	(485,417)	-74.8%
-	-	0.0%	(57,371)	-100.0%	-	(124,286)	-100.0%
(37,225)	(29,359)	26.8%	(100,470)	-62.9%	(122,509)	(361,131)	-66.1%

<sup>1</sup> Adjusted by capitalized interests;

<sup>2</sup> Adjusted by note 1, by expense with stock option plan (non-cash) and minority shareholders. EBITDA does not consider Alphaville's equity income;

<sup>3</sup> Sale of Tenda shares;

<sup>4</sup> Adjusted by item 3.

## Backlog of Revenues and Results

The balance of backlog revenues totaled R\$215.8 million in 3Q18, 17.9% lower than in 2Q18 and 2.0% lower year-over-year, both mainly due to revenue recognition of MOOV Belém and Upside Paraíso projects in the quarter.

**Table 16 – Backlog Results (REF) (R\$ 000)**

587,344	701,634	-16.3%	630,168	-6.8%
(371,566)	(438,806)	-15.3%	(409,994)	-9.4%
215,778	262,828	-17.9%	220,174	-2.0%
36.7%	37.5%	-0.8 bps	34.9%	1.8 bps

Note: Backlog results net of PIS/COFINS taxes (3.65%) and excluding the impact of PVA (Present Value Adjustment) method according to Law No. 11.638.

Backlog results comprise the projects restricted by condition precedent.

## BALANCE SHEET

### Cash and Cash Equivalents and Marketable Securities

On September 30, 2018, cash and cash equivalents and marketable securities totaled R\$194.4 million.

### Receivables

At the end of 3Q18, total accounts receivables totaled R\$1.4 billion, down 6.2% and 2.0% versus 2Q18 and 3Q17, respectively. Of this amount, R\$783.5 million was already recognized on the balance sheet and \$285.6 million is expected to be received in 2018.

**Table 17 – Total Receivables (R\$ 000)**

609,594	728,214	-16.3%	654,040	-6.8%
569,166	562,072	1.3%	570,303	-0.2%
214,405	195,199	9.8%	197,407	8.6%
<b>1,393,165</b>	<b>1,485,485</b>	<b>-6.2%</b>	<b>1,421,750</b>	<b>-2.0%</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.

**Table 18 – Receivables Schedule (R\$ 000)**

783,571	285,602	312,306	114,576	65,019	6,068
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**Cash Generation**

Cash generation was negative R\$14.0 million in 3Q18. Excluding land payment expenses in the period of R\$26.1 million, cash generation would have totaled R\$12.1 million.

**Table 19 –Cash Generation (R\$ 000)**

	212,897	194,445
	7,959	-18,452
	964,770	960,344
	-18,698	-4,426
	-	-
	26,657	-14,026
	-45,203	-59,229

<sup>1</sup> Cash and cash equivalents. and marketable securities.



## Liquidity

In 3Q18, net debt reached R\$765.9 million, down 28.0% year-over-year. The Company's Net Debt/Shareholders' Equity ratio at the end of 3Q18 was 87.8%.

**Table 20 – Debt and Investor Obligations (R\$ 000)**

-	-	0.0%	154,830	-100.0%
281,325	223,663	25.8%	127,424	120.8%
567,696	594,917	-4.6%	753,639	-24.7%
111,323	146,190	-23.9%	183,379	-39.3%
<b>960,344</b>	<b>964,770</b>	<b>-0.5%</b>	<b>1,219,272</b>	<b>-21.2%</b>
194,446	212,897	-8.7%	155,998	24.6%
<b>765,898</b>	<b>751,873</b>	<b>1.9%</b>	<b>1,063,274</b>	<b>-28.0%</b>
871,955	908,570	-4.0%	1,221,093	-28.6%
87.8%	82.8%	4.9 bps	87.1%	0.7 bps
22.7%	17.3%	5.4 bps	12.7%	10.0 bps

<sup>1</sup> Cash and cash equivalents and marketable securities.

The Company ended 3Q18 with R\$201.4 million of total short-term indebtedness, 21.0% of total debt versus 51.5% at the end of 3Q17. On September 30, 2018, the consolidated average cost of debt stood at 11.46% p.a. or 175.2% of CDI.

**Table 21 – Debt Maturity**

CDI +	281,325	31,196	182,211	57,977	9,941
3% /					
IPCA +					

8.37% /					
CDI +					
5.25% /					
CDI +					
3.75%					
TR +					
8.30% a					
14.19% /	567,696	169,987	285,261	112,448	-
12.87% /					
143%					
CDI					
135%					
CDI /					
CDI +					
2.5% /					
CDI +	111,323	184	37,364	73,775	-
3% / CDI					
+ 3.70%					
/ CDI +					
4.25%					
	960,344	201,367	504,836	244,200	9,941
		21.0%	52.6%	25.4%	1.0%
		84.4%	56.5%	46.0%	0.0%
		15.6%	43.5%	54.0%	100.0%
		40.9% / 59.1%			

## **SUBSEQUENT EVENTS**

### **Extraordinary Shareholders' Meeting Call Notice**

#### **Headquarters relocation**

On October 04, 2018, Gafisa called for an Extraordinary Shareholders' Meeting (ESM) to resolve on the headquarters relocation from Avenida das Nações Unidas, 8,501, 19o andar, in the City and State of São Paulo, CEP: 05425-070, to Alameda Caulim, 115, in the city of São Caetano do Sul, State of São Paulo, CEP: 09531-195, and accordingly, amend Article 2 of the Company's Bylaws.

#### **Election of Fiscal Council's Members**

On October 30, 2018, Gafisa called for an Extraordinary Shareholders' Meeting (ESM) to resolve on the election of new members to the Company's Fiscal Council.

### **Ratings Review**

S&P Global Ratings downgraded Gafisa's rating from 'brBBB' to 'brBB-' with Gafisa under negative CreditWatch after suspending payment to its subpsliers. The downgrade was due to the Company's announcement of temporary suspension of payments to subpsliers, aiming at reassessing its strategies; the ratings agency believes this impacts the Company's reputation, as it reflects a weakened status of is liquidity and intensifies risks of refinancing.

The Company's management clarifies that this suspension was temporary and to reassess internal strategies, and informs that payment to its subpsliers and contractors have resumed and remain on schedule as previously indicated.

### **Share Buyback Program**

On September 28, the Company absproved the commencement of its Share Buyback Program. Shares acquired will be held in treasury, and may be subsequently cancelled, sold and/or used, observing the limit of up to 3,516,970 common shares. The maximum term to acquire the Company's shares shall be twelve (12) months, beginning on October 1<sup>st</sup>, 2018 and ending on October 1<sup>st</sup>, 2019.

From October 01 to 24, 2018, considering the blackout period starting on October 25, 2018, the Company acquired 3,161,300 shares within the Share Buyback Program.

São Paulo, November 8, 2018.

Alphaville Urbanismo SA released its results for the third quarter of 2018.

### Financial Results

In 3Q18, net revenue came in at negative R\$4 million and net loss totaled R\$243 million.

<b>Net revenue</b>	-4	41	101	153	-111%	-34%
<b>Net income</b>	-243	-191	-533	-414	n.a	n.a

It is worth mentioning that Gafisa discontinued the recognition of its share in future losses after reducing the accounting balance of its 30% stake in Alphaville's share capital to zero.

For further information, please contact our Investor Relations team at [ri@alphaville.com.br](mailto:ri@alphaville.com.br) or +55 11 3038-7131.

## Consolidated Income Statement

	3Q18	2Q18	Q/Q (%)	3Q17	Y/Y (%)	9M18	9M17	Y/Y (%)
<b>Net Revenue</b>	252,306	302,271	-16.5%	160,325	57.4%	767,974	444,117	72.9%
<b>Operating Costs</b>	(203,560)	(229,447)	-11.3%	(167,956)	21.2%	(623,542)	(483,318)	29.0%
<b>Gross Profit</b>	48,746	72,824	-33.1%	(7,631)	-738.8%	144,432	(39,201)	-468.4%
<b>Gross Margin</b>	19.3%	24.1%	-4.8 bps	-4.8%	24.1	18.8%	-8.8%	27.6 bps
<b>Operating Expenses</b>	(66,822)	(81,711)	-18.2%	(129,829)	-48.5%	(208,317)	(361,644)	42.4%
<b>Selling Expenses</b>	(20,653)	(28,110)	-26.5%	(22,929)	-9.9%	(73,042)	(63,169)	15.6%
<b>General and Administrative Expenses</b>	(22,300)	(20,845)	7.0%	(21,441)	4.0%	(61,841)	(68,548)	-9.8%
<b>Other Operating Revenue/Expenses</b>	(17,578)	(17,719)	-0.8%	(10,029)	75.3%	(47,502)	(61,304)	22.5%
<b>Depreciation and Amortization</b>	(6,393)	(5,140)	24.4%	(8,379)	-23.7%	(15,518)	(25,962)	40.2%
<b>Equity Income</b>	102	(9,897)	-101.0%	(67,051)	-100.2%	(10,414)	(142,661)	92.7%
<b>Operational Result</b>	(18,076)	(8,887)	103.4%	(137,460)	-86.8%	(63,885)	(400,845)	-84.1%
<b>Financial Income</b>	6,130	3,737	64.0%	6,604	-7.2%	15,211	23,680	-35.8%
<b>Financial Expenses</b>	(25,309)	(22,819)	10.9%	(27,673)	-8.5%	(73,422)	(106,699)	-31.2%
<b>Income Tax and Social Contribution</b>	(37,255)	(27,969)	33.2%	(158,529)	-76.5%	(122,096)	(483,864)	-74.8%
<b>Income Tax and Social Contribution</b>	(670)	(1,432)	-53.2%	622	-207.7%	(2,334)	(1,673)	39.5%
<b>Net Income After Taxes on Income</b>	(37,925)	(29,401)	29.0%	(157,907)	-76.0%	(124,430)	(485,537)	-74.4%
<b>Continued Op, Net Income</b>	(37,925)	(29,401)	29.0%	(157,907)	-76.0%	(124,430)	(485,537)	-74.4%
<b>Discontinued Op, Net Income</b>	-	-	0.0%	-	0.0%	-	98,175	-100.0%
<b>Minority Shareholders</b>	(700)	(42)	1566.7%	(66)	960.6%	(1,921)	(120)	1500.8%
<b>Net Income</b>	(37,225)	(29,359)	26.8%	(157,841)	-76.4%	(122,509)	(387,242)	-68.4%

## Consolidated Balance Sheet

	3Q18	2Q18	Q/Q(%)	3Q17	Y/Y(%)
<b>Current Assets</b>					
<b>Cash and Cash equivalents</b>	7,931	14,161	-44%	26,626	-70.2%
<b>Securities</b>	186,515	198,736	-6%	129,372	44.2%
<b>Receivables from clients</b>	569,166	562,072	1%	570,303	-0.2%
<b>Properties for sale</b>	858,726	777,405	10%	987,657	-13.1%
<b>Other accounts receivable</b>	104,116	104,086	0%	122,968	-15.3%
<b>Prepaid expenses and other</b>	3,184	4,125	-22.8%	5,526	-42.4%
<b>Land for sale</b>	34,212	34,212	0.0%	3,270	946.2%
<b>Subtotal</b>	1,763,850	1,694,797	4.1%	1,845,722	-4.4%
<b>Long-term Assets</b>					
<b>Receivables from clients</b>	214,405	195,199	9.8%	197,407	8.6%
<b>Properties for sale</b>	263,937	370,192	-28.7%	475,700	-44.5%
<b>Other</b>	116,874	114,656	1.9%	193,076	-39.5%
<b>Subtotal</b>	595,216	680,047	-12.5%	866,183	-31.3%
<b>Intangible. Property and Equipment</b>	43,047	41,011	5.0%	44,613	-3.5%
<b>Investments</b>	465,438	466,987	-0.3%	665,813	-30.1%
<b>Total Assets</b>	2,867,551	2,882,842	-0.5%	3,422,331	-16.2%
<b>Current Liabilities</b>					
<b>Loans and financing</b>	170,171	255,144	-33.3%	354,592	-52.0%
<b>Debentures</b>	31,196	21,875	42.6%	238,671	-86.9%
<b>Obligations for purchase of land advances</b>	145,468	148,536	-2.1%	170,680	-14.8%
<b>from customers</b>					
<b>Material and service suppliers</b>	106,363	94,632	12.4%	89,975	18.2%
<b>Taxes and contributions</b>	56,822	55,554	2.3%	50,412	12.7%
<b>Other</b>	297,503	298,213	-0.2%	335,353	-11.3%
<b>Subtotal</b>	807,523	873,954	-7.6%	1,239,683	-34.9%
<b>Long-term liabilities</b>					
<b>Loans and financings</b>	508,848	485,963	4.7%	582,426	-12.6%
<b>Debentures</b>	250,129	201,788	24.0%	43,583	473.9%
	207,765	182,723	13.7%	98,117	111.8%

**Obligations for Purchase  
of Land and****advances from  
customers**

<b>Deferred taxes</b>	74,473	74,473	0.0%	100,405	-25.8%
<b>Provision for Contingencies</b>	98,557	90,516	8.9%	72,381	36.2%
<b>Other</b>	48,301	64,855	-25.5%	64,643	-25.3%
<b>Subtotal</b>	1,188,073	1,100,318	8.0%	961,555	23.6%

**Shareholders' Equity**

<b>Shareholders' Equity</b>	870,252	905,948	-3.9%	1,217,086	-28.5%
<b>Minority Interest</b>	1,703	2,622	-35.0%	4,007	-57.5%
<b>Subtotal</b>	871,955	908,570	-4.0%	1,221,093	-28.6%
<b>Total liabilities and Shareholders' Equity</b>	2,867,551	2,882,842	-0.5%	3,422,331	-16.2%



## Consolidated Cash Flow

	<b>3Q18</b>	<b>3Q17</b>	<b>9M18</b>	<b>9M17</b>
<b>Net Income (Loss) before taxes</b>	(37,255)	(158,533)	(122,096)	(483,864)
<b>Expenses/revenues that does not impact working capital</b>	(5,810)	102,356	(23,707)	287,718
<b>Depreciation and amortization</b>	6,393	8,379	15,518	25,962
<b>Impairment</b>	(14,232)	-	(39,469)	(11,141)
<b>Expense with stock option plan</b>	634	1,195	1,912	2,898
<b>Unrealized interest and fees. net</b>	2,885	4,240	10,229	46,975
<b>Equity Income</b>	(102)	67,051	10,414	142,661
<b>Provision for guarantee</b>	(363)	(4,124)	(3,656)	(7,439)
<b>Provision for contingencies</b>	(17,931)	14,654	44,764	61,431
<b>Profit Sharing provision</b>	1,291	1,037	3,795	9,394
<b>Provision (reversal) for doubtful accounts</b>	(7,884)	10,068	(19,037)	17,767
<b>Gain / Loss of financial instruments</b>	(743)	(144)	(763)	(790)
<b>Clients</b>	(24,860)	22,086	(117,062)	180,528
<b>Properties held for sale</b>	39,166	116,052	206,932	263,519
<b>Other accounts receivable</b>	2,262	(9,673)	(9,364)	(9,272)
<b>Prepaid expenses and differed sales expenses</b>	941	377	2,351	(2,978)
<b>Obligations on land purchase and advances from clients</b>	21,974	2,861	44,399	(26,900)
<b>Taxes and contributions</b>	1,268	4,069	10,392	(1,430)
<b>Subpsliers</b>	11,870	10,939	8,530	10,520
<b>Payroll. charges and provision for bonuses</b>	2,715	(10,701)	3,080	(8,887)
<b>Other liabilities</b>	(20,266)	(6,419)	(63,033)	(35,393)
<b>Related party operations</b>	(3,985)	(13,203)	(12,442)	(22,906)
<b>Taxes paid</b>	(670)	622	(2,334)	(1,673)
<b>Cash provided by/used in operating activities /discontinued operation</b>	-	-	-	51,959
<b>Net cash from operating activities</b>	(1,030)	60,833	(26,940)	200,941
<b>Investment Activities</b>	-	-	-	-
<b>Purchase of fixed and intangible asset</b>	(8,429)	(7,674)	(17,943)	(18,370)
<b>Capital contribution in subsidiaries</b>	(1,708)	853	(3,988)	1,294
<b>Redemption of securities. collaterals and credits</b>	216,482	163,743	882,542	851,218
<b>Securities abpslication and restricted lending</b>	(204,261)	(116,521)	(950,122)	(756,944)
<b>Cash provided by/used in investment activities / discontinued operation</b>	-	-	-	48,663
<b>Transaction costs from discontinued operation</b>	-	-	-	(9,545)
<b>Receivable of preemptive right exercise ref. Tenda</b>	-	-	-	219,510

<b>Net cash from investment activities</b>	2,084	40,401	(89,511)	335,826
<b>Funding Activities</b>	-	-	-	-
<b>Related party contributions</b>	-	-	-	(1,237)
<b>Addition of loans and financing</b>	167,511	69,523	377,841	255,805
<b>Amortization of loans and financing</b>	(174,822)	(181,467)	(532,624)	(721,076)
<b>Assignment of credit receivables. net</b>	-	-	-	21,513
<b>Related Parties Operations</b>	(688)	(643)	(843)	5,625
<b>Sale of treasury shares</b>	715	-	715	317
<b>Cash provided by/used in financing activities/ discontinued operation</b>	-	-	-	24,089
<b>Capital Increase</b>	-	-	167	-
<b>Subscription and payment of common shares</b>	-	-	250,599	-
<b>Net cash from financing activities</b>	(7,284)	(112,587)	95,855	(414,964)
<b>Net cash variation for sales operations</b>	-	-	-	(124,711)
<b>Increase (decrease) in cash and cash equivalents</b>	(6,230)	(11,353)	(20,596)	(2,908)
<b>Beginning of the period</b>	14,161	37,979	28,527	29,534
<b>End of the Period</b>	7,931	26,626	7,931	26,626
<b>Increase (decrease) in cash and cash equivalents</b>	(6,230)	(11,353)	(20,596)	(2,908)

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 million 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 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 B3 - Brasil, Bolsa, Balcão (B3:GFS3) 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.*

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## **Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

### **1. Operations**

Gafisa S.A. ("Gafisa" or "Company") is a publicly traded company with a registered office at Avenida das Nações Unidas, 8.501, 19<sup>th</sup> floor, in the city and state of São Paulo, Brazil, it 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 a construction company or 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 with similar objectives.

The Company has stocks traded at B3 S.A. – Brasil, Bolsa, Balcão (former BM&FBovespa) 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. Such companies share management and operating structures, and corporate, management and operating costs with the Company. The SPEs, condominiums and consortia operate solely in the real estate industry and are linked to specific ventures.

On February 28, 2018, the Board of Directors partially ratified the capital increase approved at an ESM held on December 20, 2017, in view of the subscription and full payment of 16,717,752 new common shares, at a price per share of R\$15.00, of which R\$0.01 was allocated to capital, and R\$14.99 was

allocated to the capital reserve, totaling R\$167 and R\$250,599, respectively. The capital increase is part of the Company's plans for reinforcing the availability of cash, and strengthening its capital structure in view of the current level of indebtedness, as well as making viable the Company's strategic and operational positioning for a new cycle of the real estate market.

On September 25, 2018, an ESM was held, called at the request of its shareholder GWI Asset Management S.A., in which the following main resolutions were taken: (i) the removal from office, by a majority of votes, of all members of the Board of Directors, and (ii) the election, through multiple votes of new members. Immediately thereafter, at the Board of Directors' meeting on September 28, 2018, the following items were resolved as part of the turnaround process and streamlining of the corporate structure of the Company: (i) the removals from office of the Chief Executive Officer, Chief Financial and Investor Relations Officer, and Chief Operating Officer, and the election of new statutory officers; (ii) adoption of new measures for approving the change of the Company's registered office; (iii) shutdown of the branch located in Rio de Janeiro, and (iv) approval of the Company's share repurchase program (Note 18.1).

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**Gafisa S.A.**

Notes to the quarterly information

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(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 November 7, 2018, the Company's Board of Directors approved this individual and consolidated quarterly information of the Company and authorized its disclosure.

The Individual Quarterly Information (ITR) was prepared in accordance with Technical Pronouncement (CPC) 21 (R1) – “Interim Financial Reporting”, and the consolidated interim financial information was prepared in accordance with Technical Pronouncement (CPC) 21 (R1) – “Interim Financial Reporting” as well as with International Accounting Standard (IAS) 34 – “Interim Financial Reporting”, considering the guidance provided in Circular Letter/CVM/SNC/SEP 01/2018 related to the application of Technical Guidance - OCPC 04, issued by the CPC and approved by the Brazilian Securities and Exchange Commission (CVM) and the Federal Accounting Council (CFC), regarding the recognition of revenue over time, as well as being presented consistently with the rules issued by the CVM applicable to the preparation of ITR.

Except for the changes described in Note 3, the quarterly information was prepared using the same accounting practices, judgments, estimates and assumptions adopted for the presentation and preparation of the financial statements for the year ended December 31, 2017. Therefore, the corresponding quarterly information should be read together with the financial statements as at December 31, 2017.

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

The quarterly information was prepared on a going-concern basis. Management periodically assesses 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 Brazilian Reais, except where otherwise stated.

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 2.1 to the individual and consolidated financial statements as at December 31, 2017.

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

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

--Continued

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

--Continued

2.1.1. Consolidated quarterly information

The accounting practices were consistently adopted for all of the subsidiaries included in the consolidated quarterly information, and the fiscal year of these companies is the same as that of the Company. See further details in Note 9.

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 2.1.1 to the individual and consolidated financial statements as of December 31, 2017.

2.1.2. Statement of Cash Flows

In view of the disclosure of the discontinued operations related to Construtora Tenda S.A. in 2017, and in line with CPC 03 – Statement of Cash Flows and CPC 31 - Non-current Assets Held for Sale and Discontinued Operations, the information on operating, financing and investment activities related to discontinued operations are presented in separated lines in the Statement of Cash Flows of the Company



for the period ended September 30, 2017. Accordingly, the line item "Foreign Exchange Gains and Losses on Cash and Cash Equivalents", shown in the Statement of Cash Flows for the period ended September 30, 2017, refers to the net increase (decrease) in cash and cash equivalents related to discontinued operations and is being presented in this line item as it is impossible to change the line item's name in this Quarterly Information Form.

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## **Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

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

The following standards are in effect beginning on January 1, 2018:

(i) The IFRS 15 – “Revenue from Contracts with Customers” (CPC 47) introduces new requirements for measurement and timing of revenue recognition. For the specific case of the real estate development sector, maintaining the POC revenue recognition method or adopting the method of keys, for example, depends on the contractual analyses made by Management. In view of Letter CVM/SNC/SEP/ 01/2018, issued by CVM’s technical area, which instructed entities to keep following the provisions of OCPC 04 – Application of the Technical Interpretation 02 to the Brazilian Real Estate Development Entities, currently in effect, the Company continued to recognize revenue using the POC method for the period ended September 30, 2018, until the regulatory bodies formally express an opinion on the issue.

(ii) IFRS 9 – “Financial Instruments” (CPC 48) includes, among other things, new models for classification and measurement of financial instruments, and measurement of prospective expected credit losses for financial and contractual assets.

Based on its evaluation, the Company concluded that the new classification requirements did not have a significant impact on the recognition of financial assets measured at fair value.

Additionally, according to CPC 48, expected losses are measured using one of the following bases: 12-month expected credit losses, and lifetime expected credit losses. Therefore, the Company measured the measurement of the allowance of the expected credit losses on contracts sold, which is recorded

together with the recognition of the respective revenue.

The impact from the first-time adoption on the opening statement of financial position as of January 1, 2018 is as follows:

	Company			Consolidated		
Originally reported balances	Impact from application of CPC 48 (Note 5)	Balances after application of the CPC 48 as of 01/01/2018	Originally reported balances	Impact from application of CPC 48 (Note 5)	Balances after application of CPC 48 as of 01/01/2018	
<b>Statement of financial position</b>						
<b>Assets</b>						
Trade accounts receivable of development and services	371,228	(16,869)	354,359	484,761	(16,869)	467,892
Other current assets	998,284	-	998,284	1,248,164	-	1,248,164
Total current assets	1,369,512	(16,869)	1,352,643	1,732,925	(16,869)	1,716,056
Total non-current assets	2,169,397	-	2,169,397	1,145,213	-	1,145,213
<b>Total Assets</b>	<b>3,538,909</b>	<b>(16,869)</b>	<b>3,522,040</b>	<b>2,878,138</b>	<b>(16,869)</b>	<b>2,861,269</b>
<b>Liabilities</b>						
Total current liabilities	1,984,597	-	1,984,597	1,213,686	-	1,213,686
Total non-current liabilities	798,755	-	798,755	905,048	-	905,048
Total equity	755,557	(16,869)	738,688	759,404	(16,869)	742,535
<b>Total liabilities and equity</b>	<b>3,538,909</b>	<b>(16,869)</b>	<b>3,522,040</b>	<b>2,878,138</b>	<b>(16,869)</b>	<b>2,861,269</b>

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

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## **Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

#### **4.1. Cash and cash equivalents**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Cash and banks	<b>3,912</b>	7,461	<b>7,931</b>	28,527
<b>Total cash and cash equivalents</b>				
<b>(Note 20.i.d, 20.ii.a and 20.iii)</b>	<b>3,912</b>	7,461	<b>7,931</b>	28,527

#### **4.2. Short-term investments**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Fixed-income funds (a)	<b>165,539</b>	62,676	<b>168,285</b>	66,885
Government bonds (LFT) (b)	-	1,164	-	1,207
Securities purchased under resale agreements (b)	<b>85</b>	2,913	<b>85</b>	3,019
Bank certificates of deposit (c)	<b>11,586</b>	36,847	<b>11,605</b>	37,025

Consolidated Cash Flow

Restricted cash in guarantee to loans	<b>353</b>	366	<b>353</b>	366
Restricted credits	<b>5,267</b>	6,979	<b>6,187</b>	10,433

**Total short-term investments**

<b>(Note 20.i.d, 20.ii.a and 20.iii)</b>	<b>182,830</b>	110,945	<b>186,515</b>	118,935
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(a) Exclusive and open-end funds whose purpose is to invest in financial assets and/or fixed-income investment modalities that follow the fluctuations in interest rates in the interbank deposit market (CDI), by investing its funds mostly in investment fund quotas and/or investment funds comprising investment fund quotas.

(b) On January 12, 2018 the Company discontinued Fundo Square, settling the LFT transactions and the securities linked to Fundo Like. As of September 30, 2018, the IOF-exempt securities purchased under resale agreement include earned interests of 73% of Interbank Deposit Certificates (CDI).

(c) As of September 30, 2018, Bank Certificates of Deposit (CDBs) include interest earned through the statement of financial position's reporting date, ranging from 90% to 101.2% (from 90% to 100.8% as of December 31, 2017) of Interbank Deposit Certificates (CDI).

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 4.2 to the financial statements as of December 31, 2017.

**5. Trade accounts receivable of development and services**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	12/31/2017	<b>09/30/2018</b>	12/31/2017
Real estate development and sales	<b>705,383</b>	563,070	<b>812,671</b>	717,006
( - ) Allowance for doubtful accounts	<b>(30,792)</b>	(32,959)	<b>(30,792)</b>	(32,959)
( - ) Present value adjustments	<b>(20,117)</b>	(12,448)	<b>(21,664)</b>	(14,887)
Services and construction and other receivables	<b>12,498</b>	14,167	<b>23,356</b>	14,918

**Total trade accounts receivable of development and services**

<b>(Note 20.i.d and 20.ii.a)</b>	<b>666,972</b>	531,830	<b>783,571</b>	684,078
Current	<b>477,078</b>	371,228	<b>569,166</b>	484,761
Non-current	<b>189,894</b>	160,602	<b>214,405</b>	199,317



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Notes to the quarterly information

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**5. Trade accounts receivable of development and services --Continued**

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

<b>Maturity</b>	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Past due:				
Up to 90 days	<b>54,097</b>	33,935	<b>58,864</b>	70,403
From 91 to 180 days	<b>11,554</b>	9,338	<b>16,604</b>	17,861
Over 180 days	<b>68,768</b>	80,708	<b>88,685</b>	100,581
	<b>134,419</b>	123,981	<b>164,153</b>	188,845
Falling due:				
2018	<b>121,249</b>	280,801	<b>146,770</b>	329,821
2019	<b>290,321</b>	90,498	<b>332,012</b>	114,718
2020	<b>108,515</b>	74,821	<b>119,670</b>	89,099
2021	<b>57,216</b>	3,527	<b>66,590</b>	4,414
2022 onwards	<b>6,161</b>	3,609	<b>6,832</b>	5,027
	<b>583,462</b>	453,256	<b>671,874</b>	543,079
( - ) Present value adjustment	<b>(20,117)</b>	(12,448)	<b>(21,664)</b>	(14,887)
( - ) Allowance for doubtful accounts	<b>(30,792)</b>	(32,959)	<b>(30,792)</b>	(32,959)
	<b>666,972</b>	531,830	<b>783,571</b>	684,078

The change in the allowance for doubtful items for the period ended September 30, 2018 is as follows:

	<b>Company and Consolidated</b>
Balance as at December 31, 2017	<b>(32,959)</b>
CPC 48 first-time adoption at 01/01/2018 (Note 3)	(16,869)
Additions (Note 22)	(362)
Write-offs / Reversals (Note 22)	19,398
<b>Balance as at September 30, 2018</b>	<b>(30,792)</b>

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 5 to the financial statements as at December 31, 2017.



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## Gafisa S.A.

Notes to the quarterly information

September 30, 2018

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

### 6. Properties for sale

	Company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Land	<b>491,452</b>	493,422	<b>575,450</b>	544,057
( - ) Provision for loss on realization of land	<b>(83,742)</b>	(98,752)	<b>(83,742)</b>	(98,752)
( - ) Present value adjustment	<b>(15,661)</b>	(9,689)	<b>(15,869)</b>	(9,829)
Property under construction (Note 29)	<b>256,678</b>	410,797	<b>360,062</b>	507,619
Completed units	<b>307,555</b>	327,842	<b>351,084</b>	359,601
( - ) Provision for loss on realization of properties under construction and completed units	<b>(64,322)</b>	(80,710)	<b>(64,322)</b>	(80,710)
<b>Total properties for sale</b>	<b>891,960</b>	1,042,910	<b>1,122,663</b>	1,221,986
Current portion	<b>686,848</b>	753,748	<b>858,726</b>	882,189
Non-current portion	<b>205,112</b>	289,162	<b>263,937</b>	339,797

In the period ended September 30, 2018, the change in the provision for loss on realization is summarized as follows:

	Company and Consolidated
Balance as at December 31, 2017	(179,462)

Consolidated Cash Flow

Reclassification of land available for sale (Note 8.1)	(3,497)
Write-offs (a)	34,895
<b>Balance as at September 30, 2018</b>	<b>(148,064)</b>

(a) The amount of write-offs refers to the respective units sold over the period.

The amount of properties for sale offered as guarantee for financial liabilities is described in Note 12.

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 6 to the financial statements as of December 31, 2017.

## 7. Other assets

	Company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Advances to suppliers	7,012	2,081	7,680	5,358
Recoverable taxes (IRRF, PIS, COFINS, among other)	20,534	26,808	26,243	33,623
Judicial deposits (Note 16.a)	91,818	80,903	94,818	83,523
<b>Total other assets</b>	<b>119,364</b>	<b>109,792</b>	<b>128,741</b>	<b>122,504</b>
Current portion	31,553	47,640	38,488	58,332
Non-current portion	87,811	62,152	90,253	64,172

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## **Gafisa S.A.**

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### **8. Non-current assets held for sale**

#### **8.1 Land available for sale**

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

	<b>Cost</b>	<b>Company Provision for impairment</b>	<b>Net balance</b>	<b>Cost</b>	<b>Consolidated Provision for impairment</b>	<b>Net balance</b>
Balance as at December 31, 2017	<b>113,824</b>	<b>(68,827)</b>	<b>44,997</b>	<b>233,522</b>	<b>(131,170)</b>	<b>102,352</b>
Reclassification to Properties for Sale (Note 6)	(40,262)	3,497	(36,765)	(40,262)	3,497	(36,765)
Additions (Note 23)	237	-	237	274	-	274
Reversals/ Write-offs (a)	(11,481)	33,924	22,443	(127,916)	96,267	(31,649)
<b>Balance as at September 30, 2018</b>	<b>62,318</b>	<b>(31,406)</b>	<b>30,912</b>	<b>65,618</b>	<b>(31,406)</b>	<b>34,212</b>

(a) The amount of write-offs over the period mainly refers to the sale of land in June 2018, located in the city of Salvador, Bahia, through the SPEs Manhattan Residencial 02 and Manhattan Comercial 02, for the amount of R\$28,500, of which R\$12,060 receivable in 24 months, and the remaining balance of R\$16,440 was settled on July 24, 2018.

**8.2 Non-current assets held for sale and profit or loss of discontinued operations**

	Company		Consolidated	
	09/30/2018	09/30/2017	09/30/2018	09/30/2017
Reversal of impairment loss (i)	-	215,440	-	215,440
Portion related to payable for sale of shares (iii)	-	(107,720)	-	(107,720)
Transaction costs	-	(9,545)	-	(9,545)
Impairment loss on Tenda's profit or loss	-	(22,780)	-	(22,780)
Tenda's profit or loss for the period ended September 30, 2017 (ii)	-	22,780	-	22,780
<b>Profit or loss of discontinued operations</b>	-	98,175	-	98,175

(i) The measurement of non-current assets held for sale at the lower of the carrying value and the fair value less cost to sell. For the period ended May 4, 2017, the fair value of discontinued operations was adjusted, considering the weighted average price per share for exercising preemptive rights at R\$12.12.

(ii) Amount of the profit or loss from discontinued operations, net of the eliminations related to intercompany transactions.

(iii) Amount of R\$107,720 related to the obligation to sell 50% of Construtora Tenda S.A.'s shares for the price of R\$8.13 per share, settled on May 4, 2017, reflected in the profit or loss of discontinued operations, in order to reflect the difference between the fair value of the group of assets held for sale and the effective selling price.

For the period ended May 4, 2017, the Company carried out the remeasurement of the fair value of the disposal group held for sale, related to Construtora Tenda S.A., considering the weighted average value per share for exercising preemptive rights traded over the period between March 17 and 31, 2017, as measurement basis, leading to the price of R\$12.12 per share, and, accordingly, valuing Construtora Tenda S.A. at R\$754,460.

The main lines of the statements of profit or loss and cash flows of the subsidiary Tenda are as follows:

<b><u>Statement of profit or loss</u></b>	<b>Period ended 05/04/2017</b>	<b><u>Cash flow</u></b>	<b>Period ended 05/04/2017</b>
Net operating revenue	<b>404,737</b>	Operating activities	<b>51,959</b>
Operating costs	<b>(269,144)</b>	Investment activities	<b>48,663</b>

Consolidated Cash Flow

Operating expenses, net	<b>(104,310)</b>	Financing activities	<b>24,089</b>
Depreciation and amortization	<b>(5,723)</b>		
Income from equity method investments	<b>269</b>		
Financial income (expenses)	<b>101</b>		
Income tax and social contribution	<b>(4,519)</b>		
	<b>21,411</b>		
Non-controlling interests	<b>(1,369)</b>		
<b>Net income for the year</b>	<b>22,780</b>		

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## Gafisa S.A.

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### 9. Investments in subsidiaries and jointly controlled investees

(i) *Information on subsidiaries, jointly-controlled investees and associates*

Subsidiaries:	Interest in capital - %		Total	Total	Equity and advance		Profit (loss) for the	
	09/30/2018	12/31/2017	assets	liabilities	for future capital	increase	year	
Gafisa SPE-130 Emp. Imob. Ltda.	100%	100%	77,857	10,558	67,299	69,956	(2,656)	(9,998)
Gafisa SPE-111 Emp. Imob. Ltda.	100%	100%	66,407	4,754	61,653	62,073	(420)	(174)
Maraville Gafisa SPE Emp. Imob. Ltda.	100%	100%	64,259	7,431	56,828	56,743	85	3,367
Gafisa SPE-89 Emp. Imob. Ltda.	100%	100%	57,841	6,820	51,021	51,214	(193)	2
Gafisa SPE - 51 Emp. Imob. Ltda.	100%	100%	48,463	2,484	45,979	45,968	11	137
Gafisa SPE-127 Emp. Imob. Ltda.	100%	100%	46,303	399	45,904	46,135	(230)	(274)

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Gafisa SPE - 104 Emp. Imob. Ltda.	-		<b>128,390</b>	<b>83,183</b>	<b>45,207</b>	40,744	<b>4,463</b>	5,701
	<b>100%</b>	100%						
Gafisa SPE - 72 Emp. Imob. Ltda.	-		<b>44,157</b>	<b>463</b>	<b>43,694</b>	43,809	<b>(115)</b>	29
	<b>100%</b>	100%						
Gafisa SPE 121 Emp. Imob. Ltda.	-		<b>45,505</b>	<b>1,920</b>	<b>43,586</b>	44,372	<b>(786)</b>	(617)
	<b>100%</b>	100%						
Gafisa SPE-122 Emp. Imob. Ltda.	-		<b>46,629</b>	<b>3,722</b>	<b>42,907</b>	49,255	<b>(6,348)</b>	1,872
	<b>100%</b>	100%						
Gafisa SPE-110 Emp. Imob. Ltda.	-		<b>40,716</b>	<b>772</b>	<b>39,943</b>	40,084	<b>(141)</b>	40
	<b>100%</b>	100%						
Gafisa SPE - 120 Emp. Imob. Ltda.	-		<b>37,978</b>	<b>536</b>	<b>37,442</b>	37,469	<b>(27)</b>	(48)
	<b>100%</b>	100%						
Gafisa SPE-107 Emp. Imob. Ltda.	-		<b>29,526</b>	<b>5</b>	<b>29,520</b>	29,522	<b>(2)</b>	(6)
	<b>100%</b>	100%						
SPE Parque Ecoville Emp. Imob. Ltda.	-		<b>39,399</b>	<b>9,914</b>	<b>29,485</b>	30,909	<b>(1,424)</b>	(1,610)
	<b>100%</b>	100%						
Gafisa SPE-134 Emp. Imob. Ltda.	-		<b>29,373</b>	<b>2,342</b>	<b>27,031</b>	29,635	<b>(2,604)</b>	3,170
	<b>100%</b>	100%						
Gafisa SPE- 129 Emp. Imob. Ltda.	-		<b>27,686</b>	<b>828</b>	<b>26,858</b>	26,913	<b>(55)</b>	(2,054)
	<b>100%</b>	100%						
Gafisa SPE-41 Emp. Imob. Ltda.	-		<b>26,594</b>	<b>(6)</b>	<b>26,600</b>	26,581	<b>20</b>	-
	<b>100%</b>	100%						
Gafisa SPE- 132 Emp. Imob. Ltda.	-		<b>38,757</b>	<b>14,662</b>	<b>24,095</b>	24,142	<b>(48)</b>	(1,283)
	<b>100%</b>	100%						
Verdes Pracas Incorp. Imobi. SPE Ltda.	-		<b>25,896</b>	<b>3,062</b>	<b>22,834</b>	22,565	<b>270</b>	(3,511)
	<b>100%</b>	100%						
Gafisa SPE-112 Emp. Imob. Ltda.	-		<b>21,923</b>	<b>94</b>	<b>21,828</b>	21,831	<b>(2)</b>	(3)
	<b>100%</b>	100%						
Gafisa SPE - 126 Emp. Imob. Ltda.	-		<b>19,507</b>	<b>2</b>	<b>19,505</b>	19,548	<b>(44)</b>	(820)
	<b>100%</b>	100%						

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Gafisa SPE 46 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>17,809</b>	<b>161</b>	<b>17,648</b>	17,557	<b>91</b>	(392)
Edsp 88 Participações S.A.	- <b>100%</b>	100%	<b>29,222</b>	<b>12,667</b>	<b>16,554</b>	16,466	<b>89</b>	676
Manhattan Square Em. Im. Res. 02 Ltda	- <b>100%</b>	100%	<b>17,778</b>	<b>1,266</b>	<b>16,512</b>	36,026	<b>102</b>	-
Gafisa SPE 30 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>16,415</b>	<b>195</b>	<b>16,220</b>	16,276	<b>(57)</b>	(77)
Gafisa SPE-92 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>15,793</b>	<b>120</b>	<b>15,673</b>	15,663	<b>10</b>	17
Gafisa SPE-106 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>15,596</b>	<b>5</b>	<b>15,591</b>	15,596	<b>(5)</b>	(1)
Gafisa SPE 33 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>196,401</b>	<b>182,593</b>	<b>13,807</b>	13,480	<b>328</b>	4
Gafisa SPE 71 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>12,659</b>	<b>174</b>	<b>12,485</b>	12,505	<b>(21)</b>	(1,238)
Gafisa SPE 65 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>11,351</b>	<b>285</b>	<b>11,066</b>	11,014	<b>52</b>	(688)
Gafisa Vendas Interm. Imobiliaria Ltda	- <b>100%</b>	100%	<b>17,063</b>	<b>6,361</b>	<b>10,702</b>	17,727	<b>(7,026)</b>	-
Gafisa SPE 36 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>9,169</b>	<b>324</b>	<b>8,845</b>	8,872	<b>(27)</b>	(56)
Gafisa SPE-81 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>9,296</b>	<b>880</b>	<b>8,416</b>	8,440	<b>(24)</b>	(329)
Manhattan Square Em. Im. Com. 02 Ltda	- <b>100%</b>	100%	<b>8,854</b>	<b>601</b>	<b>8,254</b>	17,958	<b>30</b>	-
Gafisa SPE-38 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>7,946</b>	<b>-</b>	<b>7,946</b>	7,948	<b>(2)</b>	1
Gafisa SPE-109 Emp. Imob. Ltda.	- <b>100%</b>	100%	<b>7,205</b>	<b>43</b>	<b>7,162</b>	7,181	<b>(19)</b>	(35)



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Gafisa SPE-37 Emp. Imob. Ltda.	-								
		<b>100%</b>	100%	<b>7,096</b>	<b>633</b>	<b>6,463</b>	6,663	<b>(200)</b>	(85)
Gafisa SPE-90 Emp. Imob. Ltda.	-								
		<b>100%</b>	100%	<b>8,398</b>	<b>1,972</b>	<b>6,426</b>	6,470	<b>(44)</b>	(1)
Gafisa SPE - 123 Emp. Imob. Ltda.	-								
		<b>100%</b>	100%	<b>15,064</b>	<b>9,707</b>	<b>5,357</b>	6,101	<b>(744)</b>	(6,373)
OCPC01 Adjustment – capitalized	(a)			-	-	-	-	-	-
Other (*)				<b>78,523</b>	<b>32,887</b>	<b>45,639</b>	53,073	<b>(5,338)</b>	(4,414)
<b>Subtotal Subsidiaries</b>				<b>1,464,804</b>	<b>404,819</b>	<b>1,059,985</b>	1,114,484	<b>(23,051)</b>	(19,071) <b>1,0</b>

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

(i) Information on subsidiaries, jointly-controlled investees and associates --Continued

Jointly-controlled investees:	Interest in capital - %		Total assets	Total liabilities	Equity and advance for future capital increase		Profit (loss) for the year	
	09/30/2018	12/31/2017	09/30/2018	09/30/2018	09/30/2018	12/31/2017	09/30/2018	09/30/2017
Gafisa SPE-116 - Emp. Imob. Ltda.	50%	50%	88,355	9,538	78,817	116,085	(21,266)	(8,058)
Gafisa E Ivo Rizzo - SPE-47 Emp. Imob. Ltda.	80%	80%	33,191	788	32,403	32,393	10	3
Parque Arvores (b) Empr. Imob. Ltda.	50%	50%	34,900	3,861	31,039	30,616	640	2,229
Sítio Jatiuca Emp. - Imob. SPE Ltda	50%	50%	32,112	2,994	29,118	28,143	973	(9,980)
Varandas Grand (b) Park Emp. Im. Spe Ltda	50%	50%	58,564	32,930	25,634	19,858	3,330	(3,938)
FIT 13 SPE Emp. - Imobiliários Ltda.	50%	50%	23,152	2,245	20,907	20,885	22	(2)
Atins Emp. Imob.s - Ltda.	50%	50%	27,159	6,830	20,329	18,998	1,332	229
Performance - Gafisa General Severiano Ltda	50%	50%	11,634	45	11,589	11,371	173	(17)
Other (*) (b)	50%	50%	134,541	70,607	63,934	84,740	(4,654)	(10,335)

Consolidated Cash Flow

<b>Subtotal Jointly-controlled investees</b>				<b>443,608</b>	<b>129,838</b>	<b>313,770</b>	363,089	<b>(19,440)</b>	(29,877)
<b>Associates:</b>									
Alphaville									
Urbanismo S.A. (e)	<b>30%</b>	30%	<b>2,001,244</b>	<b>2,676,088</b>	<b>(674,845)</b>	(141,290)	<b>(533,555)</b>	(414,288)	
Citta Ville SPE									
Emp. Imob. Ltda. -	<b>50%</b>	50%	<b>17,520</b>	<b>3,508</b>	<b>14,012</b>	12,555	<b>1,473</b>	(2,615)	
Other (*)			<b>1,146</b>	<b>16</b>	<b>1,130</b>	1,119	<b>11</b>	7	
<b>Subtotal Associates</b>			<b>2,019,910</b>	<b>2,679,612</b>	<b>(659,703)</b>	(127,616)	<b>(532,071)</b>	(416,896)	
<b>Subtotal subsidiaries, jointly-controlled investees and associates</b>			<b>3.928.322</b>	<b>3.214.269</b>	<b>714.052</b>	1,349,957	<b>(574,562)</b>	(465,844)	
Goodwill based on inventory surplus (Note 9.iii)- Goodwill from remeasurement of investment in associate(c)									

**Total investments**

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

	Interest in capital - %		Total assets	Total liabilities	Equity and advance for future capital increase		Profit (loss) for the year		Inv
	09/30/2018	12/31/2017			09/30/2018	12/31/2017	09/30/2018	09/30/2017	
<b>Provision for net capital deficiency (d):</b>									
Reserva das Palmeiras Incorp. SPE Ltda.	100%	100%	<b>115</b>	<b>3,664</b>	<b>(3,549)</b>	1,597	<b>(5,146)</b>	-	<b>(3,5</b>
Gafisa SPE 128 Emp. Imob. Ltda.	100%	100%	<b>50,653</b>	<b>52,896</b>	<b>(2,242)</b>	(1)	<b>(2,242)</b>	(1)	<b>(2,2</b>
Manhattan Square Em. Im. Res. 01 Ltda	50%	50%	<b>3,986</b>	<b>7,411</b>	<b>(3,425)</b>	(2,481)	<b>(595)</b>	-	<b>(1,7</b>

Gafisa SPE 69 Emp. Imob. Ltda. Manhattan Square Em. Im. Com. 01 Ltda	100%	100%	-	968	(968)	(519)	(449)	(344)	(9
Other (*)	50%	50%	4,840	6,368	(1,528)	(1,573)	487	(1,894)	(7
<b>Total provision for net capital deficiency</b>			<b>126</b>	<b>238</b>	<b>(113)</b>	<b>(1,733)</b>	<b>(57)</b>	<b>(9,573)</b>	<b>(1</b>
			<b>59,720</b>	<b>71,545</b>	<b>(11,825)</b>	<b>(4,710)</b>	<b>(8,002)</b>	<b>(11,812)</b>	<b>(9,3</b>

**Total Income  
from equity  
method  
investments**

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

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

(a) Financial charges of the Company not appropriated to the profit or loss of subsidiaries, as required by paragraph 6 of OCPC01.

(b) The Company recorded an expense of R\$791 in Income arising from equity method investments for the period ended September 30, 2018 related to the recognition, by jointly-controlled entities, of prior year adjustments, in accordance with the ICPC09 (R2) – Individual, Separate and Consolidated Financial Statements and the Equity Method of Accounting.

(c) Amount related to the goodwill arising from the remeasurement of the portion of the remaining investment of 30% in the associate AUSA, in the amount of R\$273,900.

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

(e) In view of the net capital deficiency of AUSA, and in line with CPC 18 (R2) – Investment in Associates, Subsidiaries and Joint Ventures, the Company discontinued the recognition of its interest in future losses after reducing to zero the carrying amount of the 30% interest.

(ii) *Information on significant investees*

Significant investee: Alphaville Urbanismo S.A.	Other investees: Subsidiaries		Jointly-controlled investees		Associates		
	09/30/2018	12/31/2017	09/30/2018	12/31/2017	09/30/2018	12/31/2017	
	43,478	1,759	10,645	37,665	49,912	1,116	773

Cash and cash equivalents	<b>Not available</b>								
Current assets	<b>Not available</b>	1,049,221	<b>1,184,269</b>	1,499,490	<b>397,320</b>	499,438	<b>18,651</b>	18,826	
Non-current assets	<b>Not available</b>	1,195,723	<b>280,535</b>	294,787	<b>46,288</b>	47,030	<b>15</b>	4	
Current liabilities	<b>Not available</b>	413,469	<b>343,118</b>	590,836	<b>109,308</b>	149,100	<b>2,164</b>	2,923	
Non-current liabilities	<b>Not available</b>	1,947,452	<b>61,701</b>	88,956	<b>20,530</b>	34,280	<b>1,360</b>	2,233	
		<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
Net revenue		<b>101,497</b>	153,051	<b>106,509</b>	127,099	<b>53,039</b>	16,003	<b>1,086</b>	(2,784)
Operating costs	<b>Not available</b>		n/a	<b>(115,182)</b>	(105,370)	<b>(59,561)</b>	(28,767)	<b>(1,055)</b>	1,307
Depreciation and Amortization	<b>Not available</b>		n/a	<b>(963)</b>	(390)	<b>(4)</b>	(621)	-	-
Financial income (expenses)	<b>Not available</b>		n/a	<b>(4,163)</b>	(4,131)	<b>(3,773)</b>	(6,209)	<b>4</b>	6
Income tax and social contribution	<b>Not available</b>		n/a	<b>(2,331)</b>	(3,413)	<b>(1,507)</b>	(520)	<b>(43)</b>	(21)
Profit (loss) from Continued Operations		<b>(533,555)</b>	(414,288)	<b>(23,051)</b>	(19,071)	<b>(19,440)</b>	(29,877)	<b>1,484</b>	(2,608)

(iii) *Change in investments***Company Consolidated**

<b>Balance as at December 31, 2017</b>	<b>1,598,153</b>	<b>479,126</b>
Income from equity method investments	<b>(38,752)</b>	<b>(9,972)</b>
Capital contribution (decrease)	<b>4,498</b>	<b>4,376</b>
Transfer of investment with net capital deficiency	<b>3,549</b>	-
Dividends receivable	<b>(8,411)</b>	<b>(8,023)</b>
Write-off of goodwill based on inventory surplus (Note 9.i)	<b>(462)</b>	-
Recognition of goodwill (a)	<b>3,000</b>	-
Reversal of impairment of subsidiary's property	<b>(29,350)</b>	-
Other investments	<b>(26)</b>	<b>(69)</b>
<b>Balance as at September 30, 2018</b>	<b>1,532,199</b>	<b>465,438</b>

**(a) On September 2018, the Company recognized goodwill related to the acquisition of 100% of the shares in SPE Pavão Arlequim Empreendimentos Imobiliários Ltda.**

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 9 to the financial statements as of December 31, 2017.

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## Gafisa S.A.

Notes to the quarterly information

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

### 10. Property and equipment

During the period ended September 30, 2018, the changes in property and equipment items are summarized below.

Type	Company				Consolidated				
	12/31/2017	Addition	Write-off	100% depreciated items	09/30/2018	12/31/2017	Addition	Write-off	100% depreciated items
<b>Cost</b>									
Hardware	9,567	2,436	(124)	(2,471)	9,408	9,729	2,486	(124)	(2,497)
Leasehold improvements and installations (i)	5,166	29	(1,701)	-	3,494	5,272	29	(1,701)	-
Furniture and fixtures	675	-	-	(35)	640	907	-	-	(121)
Machinery and equipment	2,640	-	-	-	2,640	2,640	-	-	-
Sales stands	9,547	7,632	(4,483)	(172)	12,524	13,881	8,857	(4,483)	(1,579)
	<b>27,595</b>	<b>10,097</b>	<b>(6,308)</b>	<b>(2,678)</b>	<b>28,706</b>	<b>32,429</b>	<b>11,372</b>	<b>(6,308)</b>	<b>(4,197)</b>
<b>Accumulated depreciation</b>									
Hardware	(1,283)	(2,405)	132	2,471	(1,085)	(1,291)	(2,438)	132	2,497

Consolidated Cash Flow



Leasehold improvements and installations (i)	(1,631)	(389)	870	-	(1,150)	(1,677)	(404)	870	-
Furniture and fixtures	(419)	(50)	-	35	(434)	(632)	(56)	-	121
Machinery and equipment	(1,872)	(198)	-	-	(2,070)	(1,872)	(198)	-	-
Sales stands	(2,671)	(4,244)	4,483	172	(2,260)	(4,615)	(4,983)	4,498	1,579
	(7,876)	(7,286)	5,485	2,678	(6,999)	(10,087)	(8,079)	5,500	4,197
Total property and equipment	19,719	2,811	(823)	-	21,707	22,342	3,293	(808)	-

(i) Of this amount, R\$1,641 and R\$831 refer to the write-off of cost and depreciation, respectively, from leasehold improvements in the branch of Rio de Janeiro, due to its shutdown (Note 1).

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 10 to the financial statements as of December 31, 2017.

## 11. Intangible assets

During the period ended September 30, 2018, the changes in intangible asset items are summarized below.

	Company					09/30/2018	
	12/31/2017					100% amortized items	Balance
	Balance	Addition	Write-down	Amortization			
Software – Cost	31,931	4,416	-	-	(24)		36,323
Software – Depreciation	(14,501)	-	-	(5,415)	24		(19,892)
Other	-	1,500	-	(556)	-		944
<b>Total intangible assets</b>	<b>17,430</b>	<b>5,916</b>	<b>-</b>	<b>(5,971)</b>	<b>-</b>		<b>17,375</b>

## Consolidated

	12/31/2017				09/30/2018	
	Balance	Addition	Write-down	Amortization	100% amortized items	Balance
Software – Cost	<b>32,658</b>	4,586	-	-	(24)	<b>37,220</b>
Software – Depreciation	<b>(14,965)</b>	-	-	(5,590)	24	<b>(20,531)</b>
Other	<b>587</b>	1,500	-	(556)	-	<b>1,531</b>
<b>Total intangible assets</b>	<b>18,280</b>	<b>6,086</b>	-	<b>(6,146)</b>	-	<b>18,220</b>

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 11 to the financial statements as at December 31, 2017.

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### 12. Loans and financing

Type	Maturity	Annual interest rate	Company		Consolidated	
			09/30/2018	12/31/2017	09/30/2018	12/31/2017
		8.30% to 14.19% + TR				
National Housing System - SFH /SFI	October /2018 to July/2021	12.87% and 143% of CDI	<b>490,310</b>	598,047	<b>567,696</b>	733,103
Certificate of Bank Credit - CCB (i)	January/2021 to August/2021	135% of CDI 2.5%/ 3%/ 3.70%/ 4.25%+CDI	<b>111,323</b>	164,083	<b>111,323</b>	164,082
<b>Total loans and financing (Note 20.i.d, 20.ii.a, 20.iii and 30.ii)</b>			<b>601.663</b>	762.130	<b>679,019</b>	897,185
Current portion			<b>146,405</b>	386,605	<b>170,171</b>	442,073
Current portion – reclassification for non-fulfillment of covenant			-	39,000	-	39,000
Current portion			<b>146,405</b>	425,605	<b>170,171</b>	481,073
Non-current portion			<b>455,228</b>	336,525	<b>508,848</b>	416,112

Consolidated Cash Flow

(i) In the period ended September 30, 2018, the Company made payments in the amount of R\$93,355, of which R\$84,001 related to the principal and R\$9,354 related to the interest due. Additionally, it entered into a CCB transaction in the amount of R\$ 40,000, with final maturity in August 2021.

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

Maturity	Company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
2018	<b>23,711</b>	425,605	<b>25,163</b>	481,073
2019	<b>171,789</b>	235,076	<b>218,394</b>	287,227
2020	<b>259,435</b>	92,118	<b>288,765</b>	116,799
2021	<b>146,698</b>	9,331	<b>146,697</b>	12,086
	<b>601,633</b>	762,130	<b>679,019</b>	897,185

In line with the conditions of the investor's subscription commitment, the Company renegotiated with creditors the postponement of maturing debt in the amount of R\$456,316 from 2018 and 2019 to 2020 and 2021. This was ratified through the Board of Directors' approval of the capital increase on February 28, 2018 (Note 18.1).

The Company and its subsidiaries have restrictive covenants applicable to certain loans and financing that limit their ability to perform certain actions, such as issuing debts, and may require the acceleration or refinancing of loans if the Company does not fulfill such covenants.

The ratios and minimum and maximum amounts required under restrictive covenants for loan and financing transactions are as follows:

**09/30/2018      12/31/2017**

**Loans and financing**

Net debt cannot exceed 100% of equity plus noncontrolling interests (a)	87.84%	126.08%
Total accounts receivable <sup>(1)</sup> plus inventory required to be below zero or 2.0 times over venture debt <sup>(2)</sup>	4.49 times	3.62 times
Total accounts receivable <sup>(1)</sup> plus inventory of completed units required to be below zero or 2.0 times over net debt less venture debt <sup>(2)</sup>	8.76 times	7.51 times
Total debt, less venture debt, less cash and cash equivalents and short-term investments <sup>(3)</sup> , cannot exceed 75% of equity plus non-controlling interests	22.73%	29.54%
Total receivables <sup>(1)</sup> plus unappropriated income plus total inventories of completed units required to be 1.5 time over the net debt plus payable for purchase of properties plus unappropriated cost	1.96 time	1.93 time
Total accounts receivable <sup>(1)</sup> plus total inventories required to be below zero or 2.0 times over net debt	3.33 times	2.77 times

(1) Total receivables, whenever mentioned, refers to the amount reflected in the Statement of Financial Position plus the amount not shown in the Statement of Financial Position.

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

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

(a) For the periods ended September 30, 2018 to March 31, 2019, and year ended December 31, 2017, the covenant limit is 100%, according to the waiver obtained from the creditor.

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### **12. Loans and financing --Continued**

The following table shows the summary of financial expenses and charges and the capitalized portion within the line item "Properties for sale".

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
Total financial charges for the year	<b>68,683</b>	117,416	<b>81,284</b>	135,698
Capitalized financial charges (Note 30)	<b>(11,365)</b>	(29,071)	<b>(27,908)</b>	(56,225)
<b>Subtotal (Note 24)</b>	<b>57,318</b>	88,345	<b>53,376</b>	79,473
<b>Financial charges included in "Properties for sale":</b>				
Opening balance	<b>290,631</b>	329,651	<b>301,025</b>	343,231
Capitalized financial charges	<b>11,365</b>	29,071	<b>27,908</b>	56,225
Charges recognized in profit or loss (Note 23)	<b>(85,637)</b>	(61,997)	<b>(99,397)</b>	(91,117)
<b>Closing balance (Note 6)</b>	<b>216,359</b>	296,725	<b>229,536</b>	308,339

The recorded amount of properties for sale offered as guarantee for loans, financing and debentures was R\$557,796 (R\$796,800 as at December 31, 2017).

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 12 to the financial statements as at December 31, 2017.

### 13. Debentures

Program/placement	Principal - R\$	Annual interest	Final maturity	Company and	
				Consolidated	09/30/2018 12/31/2017
Ninth placement (i)	-	CDI + 3.00%	January 2021	-	49,877
Tenth placement (ii)	36,667	IPCA + 8.37%	January 2021	<b>48,053</b>	71,011
Eleventh placement – ₣ series A (iii)	74,805	CDI + 5.25%	February 2020	<b>74,201</b>	86,825
Twelfth placement (iv) (a)	70,502	CDI + 3.75%	July 2020	<b>69,381</b>	-
Thirteenth placement (v) (b)	89,657	CDI + 3.00%	June 2022	<b>89,690</b>	-
<b>Total debentures (Note 20.i.d, 20.ii.a, 20.iii and 30.ii)</b>				<b>281,325</b>	207,713
Current portion				<b>31,196</b>	88,177
Non-current portion				<b>250,129</b>	119,536

(a) On May 21, 2018, the Company approved the 12th Private Placement of Non-convertible Debentures, with a general guarantee, in sole series in the total amount of R\$76,000, with final maturity in July 2020. The proceeds from the placement will be used in the development of select real-estate ventures and their guarantees are represented by the conditional sale of real estate receivables and the purchase of a completion bond related to a specific venture. The face value of the placement will accrue interest corresponding to the cumulative variation of Interbank Deposit (DI) plus a surcharge equivalent to 3.75% p.a..

(b) On July 3, 2018, the Company approved the 13th Private Placement of Non-convertible Debentures, with a general guarantee, in sole series in the total amount of R\$90,000, with final maturity in June 2022. The proceeds from the placement will be used in the development of select real estate ventures and their guarantees are represented by the conditional sale of real estate receivables. The face value of the placement will accrue interest corresponding to the cumulative variation of Interbank Deposit (DI) plus a surcharge equivalent to 3% p.a..

In the period ended September 30, 2018, the Company made the following payments:

	<b>Face Value placement</b>	<b>Interest payable</b>	<b>Total amortization</b>
(i)	50,195	2,054	<b>52,249</b>
(ii)	18,333	9,129	<b>27,462</b>
(iii)	13,005	7,058	<b>20,063</b>
(iv)	5,498	2,052	<b>7,550</b>
(v)	343	1,568	<b>1,911</b>
	<b>87,374</b>	<b>21,861</b>	<b>109,235</b>



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**13. Debentures--Continued**

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

<b>Maturity</b>	<b>Company and Consolidated 09/30/2018</b>	<b>31/122017</b>
2018	7,776	88,177
2019	63,927	51,530
2020	162,039	68,006
2021	45,596	-
2022	1,987	-
	<b>281,325</b>	<b>207,713</b>

In line with the conditions to the investor's subscription commitment, the Company renegotiated with creditors the postponement of debt maturities from 2018 and 2019 to 2020 and 2021. This was ratified through the Board of Directors' approval of the capital increase on February 28, 2018 (Note 18.1).

The Company has complied with the restrictive covenants of debentures at the reporting date of this quarterly information. The ratios and minimum and maximum amounts required under such restrictive covenants are as follows:

	09/30/2018	12/31/2017
<b>Ninth placement</b>		
Total account receivable <sup>(1)</sup> plus inventory required to be below zero or 2.0 times over net debt	-	2.77 times
Net debt cannot exceed 100% of equity plus noncontrolling interests	-	126.08%
<b>Tenth placement</b>		
Total account receivable <sup>(1)</sup> plus inventory required to be below zero or 2.0 times over net debt less venture debt <sup>(2)</sup>	12.87 times	11.83 times
Total debt less venture debt <sup>(2)</sup> , less cash and cash equivalents and short-term investments <sup>(3)</sup> , cannot exceed 75% of equity plus noncontrolling interests	22.73%	29.54%

(1) Total receivables, whenever mentioned, refers to the amount reflected in the Statement of Financial Position plus the amount not shown in the Statement of Financial Position.

(2) 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.

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

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 13 to the financial statements as at December 31, 2017.

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

The transactions related to the assignment of the receivable portfolio are as follows:

<b>Company</b>		<b>Consolidated</b>	
09/30/2018	12/31/2017	09/30/2018	12/31/2017

Obligation CCI June/2011	<b>419</b>	769	<b>957</b>	1,502
Obligation CCI December/2011	<b>687</b>	1,729	<b>708</b>	1,827
Obligation CCI July/2012	<b>13</b>	29	<b>13</b>	29
Obligation CCI November/2012	-	-	<b>2,467</b>	2,491
Obligation CCI December/2012	<b>3,354</b>	3,796	<b>3,365</b>	3,796
Obligation CCI November/2013	<b>913</b>	876	<b>2,600</b>	2,850
Obligation CCI November/2014	<b>1,367</b>	1,772	<b>2,020</b>	3,191
Obligation CCI December/2015	<b>3,759</b>	5,126	<b>8,362</b>	10,523
Obligation CCI March/2016	<b>8,882</b>	10,463	<b>9,649</b>	11,287
Obligation CCI May/2016	<b>5,667</b>	7,623	<b>7,671</b>	9,548
Obligation CCI August/2016	<b>4,287</b>	7,525	<b>4,521</b>	7,574
Obligation CCI December/2016	<b>9,673</b>	13,710	<b>9,990</b>	14,158
Obligation CCI March/2017	<b>12,044</b>	15,357	<b>12,281</b>	15,487
Obligation FIDC	<b>10</b>	37	<b>51</b>	130
<b>Total obligations assumed on assignment of receivables</b>	<b>51,075</b>		<b>64,655</b>	
<b>(Note 20.i.d and 20.ii.a)</b>		68,812		84,393
Current portion	<b>20,429</b>	23,953	<b>26,941</b>	31,001
Non-current portion	<b>30,646</b>	44,859	<b>37,714</b>	53,392

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### **14. Obligations assumed on assignment of receivables --Continued**

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

<b>Maturity</b>	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
2018	<b>5,400</b>	23,953	<b>9,132</b>	31,001
2019	<b>16,042</b>	16,588	<b>19,513</b>	20,042
2020	<b>11,343</b>	11,645	<b>14,065</b>	14,068
2021	<b>6,967</b>	7,299	<b>8,862</b>	8,967
2022 onwards	<b>11,323</b>	9,327	<b>13,083</b>	10,315
	<b>51,075</b>	68,812	<b>64,655</b>	84,393

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 14 to the financial statements as at December 31, 2017.

### **15. Other payables**

	<b>Company</b>	<b>Consolidated</b>
<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>

Cancelled contract payable	<b>43,124</b>	42,976	<b>61,666</b>	61,367
Warranty provision	<b>22,414</b>	26,070	<b>22,414</b>	26,070
Long term PIS and COFINS (deferred and payable)	<b>9,692</b>	3,627	<b>11,192</b>	5,446
Provision for net capital deficiency (Note 9.i.d)	<b>9,345</b>	2,630	<b>2,479</b>	2,063
Long-term suppliers (Note 20.i.d)	<b>3,229</b>	2,324	<b>4,017</b>	3,187
Share-based payment - Phantom Shares (Note 18.3)	<b>3,380</b>	4,060	<b>3,380</b>	4,060
Other liabilities	<b>656</b>	9,001	<b>2,514</b>	9,288
<b>Total other payables</b>	<b>91,840</b>	90,688	<b>107,662</b>	111,481
Current portion	<b>81,076</b>	83,647	<b>97,075</b>	104,386
Non-current portion	<b>10,764</b>	7,041	<b>10,587</b>	7,095

## 16. Provisions for legal claims and commitments

In the period ended September 30, 2018, the changes in the provision were as follows:

<b>Company</b>	<b>Civil lawsuits</b>	<b>Tax proceedings</b>	<b>Labor claims</b>	<b>Total</b>
<b>Balance at December 31, 2017</b>	<b>138,481</b>	<b>759</b>	<b>56,203</b>	<b>195,443</b>
Additional provision (Note 23)	27,831	8	16,802	<b>44,641</b>
Payment and reversal of unused provision (i)	(46,697)	(130)	(19,421)	<b>(66,248)</b>
<b>Balance at September 30, 2018</b>	<b>119,615</b>	<b>637</b>	<b>53,584</b>	<b>173,836</b>
Current portion	<b>55,819</b>	<b>637</b>	<b>21,711</b>	<b>78,167</b>
Non-current portion	<b>63,796</b>	-	<b>31,873</b>	<b>95,669</b>

<b>Consolidated</b>	<b>Civil lawsuits</b>	<b>Tax proceedings</b>	<b>Labor claims</b>	<b>Total</b>
<b>Balance at December 31, 2017</b>	<b>138,636</b>	<b>759</b>	<b>58,982</b>	<b>198,377</b>
Additional provision (Note 23)	27,938	8	16,818	<b>44,764</b>
Payment and reversal of unused provision (i)	(46,697)	(130)	(19,590)	<b>(66,417)</b>
<b>Balance at September 30, 2018</b>	<b>119,877</b>	<b>637</b>	<b>56,210</b>	<b>176,724</b>
Current portion	<b>55,819</b>	<b>637</b>	<b>21,711</b>	<b>78,167</b>
Non-current portion	<b>64,058</b>	-	<b>34,499</b>	<b>98,557</b>

(i) Of this amount, R\$15,000 refers to the payment of two arbitration cases and R\$5,700 refers to the payment of a lawsuit related to construction defect in a venture which initial liability rests with a former

shareholder of the Company.

(a) Civil lawsuits, tax proceedings and labor claims

As at September 30, 2018, the Company and its subsidiaries deposited in court the amount of R\$91,818 (R\$80,903 in 2017) in the Company's balance, and R\$94,818 (R\$83,523 in 2017) in the consolidated balance (Note 7).

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

(b) Civil lawsuits, tax proceedings and labor claims --Continued

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Civil lawsuits	<b>47,689</b>	40,837	<b>48,736</b>	42,147
Tax proceedings	<b>29,668</b>	24,679	<b>30,442</b>	25,500
Labor claims	<b>14,461</b>	15,387	<b>15,640</b>	15,876
<b>Total (Note 7)</b>	<b>91,818</b>	80,903	<b>94,818</b>	83,523

(i) Lawsuits with a likelihood of loss considered possible

As at September 30, 2018, the Company and its subsidiaries are aware of other civil, labor and tax lawsuits and risks. Based on the history of probable lawsuits and a specific analysis of main claims, the measurement of the claims with a likelihood of loss considered possible amounted to R\$295,771 (R\$350,843 in 2017) in the Company's financial statement and R\$298,109 (R\$357,089 in 2017) in the consolidated financial statement, based on the average past outcomes adjusted to reflect current estimates, for which the Company's Management believes it is not necessary to recognize a provision for any eventual losses.

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Civil lawsuits	<b>169,540</b>	251,341	<b>169,596</b>	251,402
Tax proceedings	<b>93,735</b>	45,150	<b>93,935</b>	45,240
Labor claims	<b>32,496</b>	54,352	<b>34,578</b>	60,447
<b>Total</b>	<b>295,771</b>	350,843	<b>298,109</b>	357,089

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

There was no material change relative to the information disclosed in Note 16(i)(b) to the financial statements as at December 31, 2017.

(c) Other commitments

In addition to the commitments mentioned in Notes 6, 12 and 13, the Company had commitments related to the rental of a commercial property where its facilities are located, at a monthly cost of R\$383 (rent + condominium fees + IPTU), indexed to the IGP-M/FGV variation and the contract expiration is in March 2024.

The estimated minimum future payments for commercial property rental totals R\$28,644, considering the above-mentioned period through contract expiration, as follows.

<b>Payment estimate</b>	<b>Consolidated</b>
	<b>09/30/2018</b>
2018	<b>1,150</b>
2019	<b>4,806</b>
2020	<b>4,998</b>
2021	<b>5,198</b>
2022 onwards	<b>12,492</b>
	<b>28,644</b>

According to Note 31, on October 4, 2018, the Company called an ESM to be held on November 21, 2018 at first call, to take resolutions on the move of the registered office to the municipality of São Caetano, in the Company's own property, which is currently in inventory.

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 16 to the financial statements as at December 31, 2017.





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

	<b>Maturity</b>	<b>Company</b>		<b>Consolidated</b>	
		<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Payables for purchase of properties	October 2018 to November 2022	<b>125,606</b>	104,361	<b>141,008</b>	118,201
Adjustment to present value		<b>(15,688)</b>	(9,718)	<b>(16,349)</b>	(10,352)
Advances from customers					
Development and sales		<b>24,741</b>	61,039	<b>39,279</b>	63,748
Barter transaction - Land (Note 30)		<b>122,065</b>	113,608	<b>189,295</b>	137,237
<b>Total payables for purchase of properties and advances from customers (Notes 20.i.d and 20.ii.a)</b>		<b>256,724</b>	269,290	<b>353,233</b>	308,834
Current portion		<b>99,409</b>	132,098	<b>145,468</b>	156,457
Non-current portion		<b>157,315</b>	137,192	<b>207,765</b>	152,377

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

<b>Maturity</b>	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>

2018	<b>47,603</b>	132,098	<b>77,276</b>	156,457
2019	<b>65,608</b>	61,212	<b>88,457</b>	67,632
2020	<b>56,179</b>	40,771	<b>81,282</b>	40,987
2021	<b>38,412</b>	19,553	<b>51,488</b>	19,553
2022 onwards	<b>48,922</b>	15,656	<b>54,730</b>	24,205
	<b>256,724</b>	269,290	<b>353,233</b>	308,834

## 18. Equity

### 18.1. Capital

On February 28, 2018, the Board of Directors partially ratified the capital increase approved at the ESM held on December 20, 2017, in view of the subscription and full payment of 16,717,752 new common shares at a price per share of R\$15.00, of which R\$0.01 per share was allocated to capital, and R\$14.99 per share was allocated to capital reserve, totaling R\$167 and R\$250,599, respectively.

Therefore, as at September 30, 2018, the Company's authorized and paid-in capital amounts to R\$2,521,319 (R\$2,521,152 in 2017), represented by 44,757,914 (28,040,162 in 2017) registered common shares, with no par value, of which 871,664 (938,044 in 2017) were held in treasury in both periods.

According to the Company's articles of incorporation, the capital may be increased without the need to make amendments to it, upon a resolution by the Board of Directors, which shall set the conditions for issuance within the limit of 71,031,876 (seventy one million thirty one thousand eight hundred and seventy six) common shares.

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### **18. Equity --Continued**

#### **18.1. Capital --Continued**

On September 28, 2018, the Company approved the creation of a new program to repurchase its common shares of the Share Repurchase Program. The acquired shares will be held in treasury, and may be cancelled, disposed of and/or used later on, up to the limit of 3,516,970 common shares. The maximum period for share acquisition will be 12 months, beginning on October 1, 2018 and ending on October 1, 2019.

In the period ended September 30, 2018 and year ended December 31, 2017 no treasury shares were purchased. Additionally, in the period ended September 30, 2018, the Company transferred 6,900 shares (112,203 in 2017) related to the exercise of options under the stock option plan of common shares by the beneficiaries, for which it received the total amount of R\$1 (R\$818 in 2017), and disposed of 59,480 shares, for which it received the total amount of R\$714.

Type	GFS3	Treasury shares		Market value (*) R\$		Carrying value R\$	
		R\$ Weighted average price	% % - on shares outstanding	thousand	thousand	thousand	thousand
Acquisition date	Amount (i)			09/30/2018	12/31/2017	09/30/2018	12/31/2017
11/20/2001	44,462	38.9319	0.10%	498	910	1,731	1,731

<b>Changes in 2013:</b>							
Acquisitions	1,372,096	51.9927	3.14%	<b>15,354</b>	28,073	71,339	71,339
<b>Changes in 2014:</b>							
Acquisitions	3,243,947	35.5323	7.43%	<b>36,300</b>	66,371	115,265	115,265
Transfers	(405,205)	43.3928	-0.93%	<b>(4,534)</b>	(8,290)	(17,583)	(17,583)
Cancellations	(2,039,086)	44.9677	-4.67%	<b>(22,817)</b>	(41,720)	(91,693)	(91,693)
<b>Changes in 2015:</b>							
Acquisitions	884,470	27.3124	2.03%	<b>9,897</b>	18,096	24,157	24,157
Transfers	(90,622)	33.3473	-0.21%	<b>(1,014)</b>	(1,854)	(3,022)	(3,022)
Cancellations	(2,225,020)	33.3543	-5.10%	<b>(24,898)</b>	(45,524)	(74,214)	(74,214)
<b>Changes in 2016:</b>							
Acquisitions	334,020	26.0254	0.77%	<b>3,738</b>	6,834	8,693	8,693
Transfers	(68,814)	31.2290	-0.16%	<b>(770)</b>	(1,408)	(2,149)	(2,149)
<b>Changes in 2017:</b>							
Transfers	(112,203)	30.6142	-0.26%	<b>(1,256)</b>	(2,296)	(3,435)	(3,435)
<b>Changes in 2018:</b>							
Transfers	(6,900)	30.5797	-0.02%	<b>(77)</b>	-	(211)	-
Disposal	(59,480)	30.6153	-0.14%	<b>(666)</b>	-	(1,821)	-
<b>Total</b>	<b>871,664</b>	<b>31.0406</b>	<b>2.03%</b>	<b>9,754</b>	19,192	<b>27,057</b>	29,089

(\*) Market value calculated based on the closing share price on September 30, 2018 at R\$11.19 (R\$20.46 in 2017) not considering the effect of occasional volatilities.

(i) Amount shown adjusted by the reverse split of shares at the ratio of 13.483023074 to 1, performed on March 23, 2017.

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

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

	<b>Common shares - In thousands</b>
<b>Outstanding shares as of December 31, 2017</b>	<b>26,972</b>
Disposal of shares	59
Subscription of shares	16,718
Change in shares held by the management members of the Company	(787)
<b>Outstanding shares as of September 30, 2018</b>	<b>42,962</b>

**Weighted average shares outstanding (Note 27)**

**41,710**

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### **18. Equity --Continued**

#### **18.2. Stock option plan**

Expenses incurred in relation to the granting of stock options are recorded in the line item “General and administrative expenses” (Note 23) and presented the following effects on profit or loss in the periods ended September 30, 2018 and 2017:

	<b>Company and Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>
Equity-settled stock option plan	<b>2,592</b>	2,918
Phantom Shares	<b>(680)</b>	(20)
<b>Total option grant expenses (Note 23)</b>	<b>1,912</b>	2,898

The Company has a total of six stock option plans comprising common shares, launched in 2012, 2013, 2014, 2015, 2016 and 2018 which follows the rules established in the Stock Option Plan of the Company.

The granted options entitle their holders (beneficiaries) to purchase common shares of the Company's capital, after periods that vary from one to four years of employment (the essential condition for the exercise of 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 an expense in profit or loss (as counter-entry to equity) during the grace 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 September 30, 2018 and year ended December 31, 2017, which include their respective weighted average exercise prices, were as follows:

	09/30/2018		2017	
	Number of options	Weighted average exercise price (Reais)	Number of options	Weighted average exercise price (Reais)
Options outstanding at the beginning of the year	841,172	16.99	957,358	28.50
Options granted	2,685,474	15.00	-	-
Options exercised (i)	(21,079)	(16.25)	(112,203)	(14.65)
Options forfeited and amount adjustment due to the discontinued operations of Tenda, net	(13,934)	(0.09)	(3,983)	(21.07)
Options outstanding at the end of the period	3,491,633	15.58	841,172	16.99

(i) In the period ended September 30, 2018, the amount received through exercised options was R\$1 (R\$818 in 2017).

Options outstanding and exercisable as of September 30, 2018, were 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)
3,491,633	2.92	15.58	629,938	16.99





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**18. Equity** --Continued

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

During the period ended September 30, 2018, the Company granted 2,685,474 options in connection with its stock option plans made up of common shares (no options were granted in 2017).

The models used by the Company for pricing granted options are the Binomial model for traditional options and the MonteCarlo model for options in the Restricted Stock Options format.

For the period ended September 30, 2018 the fair value of the options granted totaled R\$12,807, determined based on the following assumptions:

	<b>2018</b>
Pricing model	Binomial
Exercise price of options (R\$)	R\$15.00
Weighted average price of options ( (R\$)	R\$15.00
Expected volatility (%) – (*)	52%
Expected option life (years)	4.6 years
Dividend income (%)	1.98%
Risk-free interest rate (%)	6.64%

(\*)The volatility was determined based on regression analysis of the ratio of the share volatility of Gafisa S.A. to the Ibovespa index.

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

The Company has a total of two cash-settled share-based payment plans with fixed terms and conditions, according to the plans approved by the Company, launched in 2015 and 2016.

As at September 30, 2018, the amount of R\$3,380 (R\$4,060 in 2017), related to the fair value of the phantom shares granted, is recognized in the line item “Other payables” (Note 15).

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 18 to the financial statements as at December 31, 2017.

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## Gafisa S.A.

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### 19. Income tax and social contribution

The reconciliation of the effective tax rate for the periods ended September 30, 2018 and 2017 was as follows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
Profit (loss) before income tax and social contribution, and statutory interest	<b>(122,509)</b>	(485,417)	<b>(122,096)</b>	(483,864)
Income tax calculated at the applicable rate - 34 %	<b>41,653</b>	165,041	<b>41,513</b>	164,514
Net effect of subsidiaries and ventures taxed based on the presumed profit and RET	-	-	<b>(10,866)</b>	(12,672)
Income from equity method investments	<b>(23,421)</b>	(59,793)	<b>(12,701)</b>	(48,505)
Stock option plan	<b>(881)</b>	(992)	<b>(881)</b>	(992)
Other permanent differences	<b>(829)</b>	467	<b>(829)</b>	468
Charges on payables to venture partners	<b>(136)</b>	(334)	<b>207</b>	(335)
Net effect on discontinued operations (a)	-	(25,413)	-	(25,413)
Unrecognized tax credits	<b>(16,386)</b>	(78,976)	<b>(18,777)</b>	(78,738)
	-	-	<b>(2,334)</b>	(1,673)
<b>Tax expenses - current</b>	-	-	<b>(2,334)</b>	(1,673)
<b>Tax income (expenses) - deferred</b>	-	-	-	-

(a) Effect attributable to discontinued operations not reflected in the base of profit before taxes, but with the effect of reducing the entity's tax base.

(i) Deferred income tax and social contribution

As at September 30, 2018 and December 31, 2017, deferred income tax and social contribution are from the following sources:

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
<b>Assets</b>				
Provisions for legal claims	<b>59,104</b>	66,451	<b>60,086</b>	67,448
Temporary differences – Deferred PIS and COFINS	<b>15,981</b>	10,117	<b>15,981</b>	10,117
Provisions for realization of non-financial assets	<b>240,458</b>	225,234	<b>240,458</b>	225,234
Temporary differences – CPC adjustment	<b>23,927</b>	20,613	<b>23,927</b>	20,613
Other provisions	<b>21,444</b>	23,397	<b>21,443</b>	23,479
Income tax and social contribution loss carryforwards	<b>347,288</b>	295,860	<b>364,848</b>	310,933
	<b>708,202</b>	641,672	<b>726,743</b>	657,824
Unrecognized tax credits of continued operations (a)	<b>(601,312)</b>	(579,192)	<b>(619,853)</b>	(595,344)
	<b>(601,312)</b>	(579,192)	<b>(619,853)</b>	(595,344)
<b>Liabilities</b>				
Negative goodwill	<b>(2,069)</b>	(2,069)	<b>(2,069)</b>	(2,069)
Temporary differences –CPC adjustment	<b>(105,395)</b>	(104,321)	<b>(105,395)</b>	(104,321)
Differences between income taxed on cash basis and recorded on an accrual basis	<b>(73,899)</b>	(30,563)	<b>(73,899)</b>	(30,563)
	<b>(181,363)</b>	(136,953)	<b>(181,363)</b>	(136,953)
<b>Total net</b>	<b>(74,473)</b>	(74,473)	<b>(74,473)</b>	(74,473)

(a) Of this amount. R\$5,735 refers to the impact from the first-time adoption of CPC 48 as of January 1, 2018 (Note 3).

The balances of income tax and social contribution loss carryforwards for offsetting were as follows:

	Company					
	09/30/2018			12/31/2017		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Balance of income tax and social contribution loss carryforwards	1,021,435	1,021,435	-	870,176	870,176	-
<b>Deferred tax asset (25%/9%)</b>	<b>255,359</b>	<b>91,929</b>	<b>347,288</b>	217,544	78,316	295,860
<b>Recognized deferred tax asset</b>	<b>23,468</b>	<b>8,449</b>	<b>31,917</b>	23,468	8,449	31,917
<b>Unrecognized deferred tax asset</b>	<b>231,891</b>	<b>83,480</b>	<b>315,371</b>	194,076	69,867	263,943

  

	Consolidated					
	09/30/2018			12/31/2017		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Balance of income tax and social contribution loss carryforwards	1,073,083	1,073,083	-	914,509	914,509	-
<b>Deferred tax asset (25%/9%)</b>	<b>268,271</b>	<b>96,577</b>	<b>364,848</b>	228,627	82,306	310,933
<b>Recognized deferred tax asset</b>	<b>23,468</b>	<b>8,449</b>	<b>31,917</b>	23,468	8,449	31,917
<b>Unrecognized deferred tax asset</b>	<b>244,803</b>	<b>88,128</b>	<b>332,931</b>	205,159	78,357	279,016

The other explanations related to this note were not subject to material changes relative to the disclosures in Note 19 to the financial statements as at December 31, 2017.



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**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 for hedging purposes 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 results from these operations are consistent with the policies and strategies devised by the Company's management. The Company and its subsidiaries operations are subject to the risk factors described below:

(i) Risk considerations

a) *Credit risk*

There was no significant change relative to the credit risks disclosed in Note 20(i)(a) to the financial statements as at December 31, 2017.

b) *Derivative financial instruments*



As at September 30, 2018, the Company did not have any derivative instrument 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.

In the period ended September 30, 2018, the Company settled the following derivative contract aimed at hedging against interest rate fluctuations.

Swap agreements (Fixed for CDI)	Reais	Percentage		Validity		Gain (loss) on derivative instruments - net	
	Face value	Original Index – asset position	Swap – liability position	Beginning	End	09/30/2018	12/31/2017
Banco Votorantim S.A.	130,000	CDI + 1.90%	118% CDI	07/22/2014	07/26/2018	-	404
	Total derivative financial instruments (Note 20.i.d and Note 20.ii.a)					-	404
					Current	-	404
					Non-current	-	-

During period ended September 30, 2018, the income amount of R\$763 (R\$790 in 2017) in the individual and consolidated financial statements, which refers to the net result of an the interest swap transaction, arising from the a payment in the amount of R\$404 and an upward market change of R\$1,168. was recognized in the “financial income (expenses)” line in the statement of profit or loss for the year, allowing a correlation between the effect of such transactions and the interest rate fluctuations in the Company’s statement of financial position (Note 24).

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**20. Financial instruments** --Continued

(i) Risk considerations --Continued

b) *Derivative financial instruments* --Continued

The estimated fair value of derivative financial instruments purchased 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 relative to the interest rate risks disclosed in Note 20(i)(c) to the financial statements as at December 31, 2017.

d) *Liquidity risk*

There was no significant change relative to the liquidity risks disclosed in Note 20(i)(d) to the financial statements as at December 31, 2017.

The maturities of financial instruments in the form of loans, financing, suppliers, payables to venture partners and debentures were as follows:

Period ended September 30, 2018	Company				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
<b>Liabilities</b>					
Loans and financing (Note 12)	146,405	455,228	-	-	601,633
Debentures (Note 13)	31,196	250,129	-	-	281,325
Obligations assumed on assignment of receivables (Note 14)	20,429	18,275	5,513	6,858	51,075
Suppliers (Note 15 and Note 20.ii.a)	91,494	3,229	-	-	94,723
Payables for purchase of properties and advance from customers (Note 17)	99,409	97,981	59,334	-	256,724
	<b>388,933</b>	<b>824,842</b>	<b>64,847</b>	<b>6,858</b>	<b>1,285,480</b>
<b>Assets</b>					
Cash and cash equivalents and short-term investments (Notes 4.1 and 4.2)	186,742	-	-	-	186,742
Trade accounts receivable (Note 5)	477,078	132,108	57,786	-	666,972
	<b>663,820</b>	<b>132,108</b>	<b>57,786</b>	<b>-</b>	<b>853,714</b>

Period ended September 30, 2018	Consolidated				Total
	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years	
<b>Liabilities</b>					
Loans and financing (Note 12)	170,171	508,848	-	-	679,019
Debentures (Note 13)	31,196	250,129	-	-	281,325
Obligations assumed on assignment of receivables (Note 14)	26,941	25,089	6,993	5,632	64,655
Suppliers (Note 15 and Note 20.ii.a)	106,363	4,017	-	-	110,380
Payables for purchase of properties and advance from customers (Note 17)	145,468	140,709	67,056	-	353,233
	<b>480,139</b>	<b>928,792</b>	<b>74,049</b>	<b>5,632</b>	<b>1,488,612</b>
<b>Assets</b>					
Cash and cash equivalents and short-term investments (Notes 4.1 and 4.2)	194,446	-	-	-	194,446
Trade accounts receivable (Note 5)	569,166	143,318	71,087	-	783,571
	<b>763,612</b>	<b>143,318</b>	<b>71,087</b>	<b>-</b>	<b>978,017</b>



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**20. Financial instruments** --Continued

(i) Risk considerations --Continued

d) *Liquidity risk* --Continued

Fair value classification

The Company uses the same classification disclosed in Note 20(i)(d) to the financial statements as at December 31, 2017 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 at September 30, 2018 and December 31, 2017 was as follows:

As of September 30, 2018	Company			Consolidated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3

Financial assets						
Short-term investments (Note 4.2)	-	182,830	-	-	186,515	-

As of December 31. 2017	Company			Consolidated		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Short-term investments (Note 4.2)	-	110,945	-	-	118,935	-
Derivative financial instruments (Note 20.i.b)	-	404	-	-	404	-

In the period ended September 30, 2018, 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 at December 31, 2017 to estimate the fair value of each financial instrument class for which the estimate of value is practicable.

The most significant carrying values and fair values of financial assets and liabilities as at September 30, 2018 and December 31, 2017, classified into Level 2 of the fair value classification, are as follows:

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**20. Financial instruments** —Continued

(ii) Fair value of financial instruments --Continued

a) *Fair value measurement*--Continued

	Company				Classification
	09/30/2018		12/31/2017		
	Carrying value	Fair value	Carrying value	Fair value	
Financial assets					
Cash and cash equivalents (Note 4.1)	3,912	3,912	7,461	7,461	(*)
Short-term investments (Note 4.2)	182,830	182,830	110,945	110,945	(*)
Derivative financial instruments (Note 20(i)(b))	-	-	404	404	(**)
Trade accounts receivable (Note 5)	666,972	666,972	531,830	531,830	(**)
Loan receivable (Note 21.1)	26,621	26,621	22,179	22,179	(**)
Financial liabilities					
Loans and financing (Note 12)	601,633	632,663	762,130	806,977	(**)
Debentures (Note 13)	281,325	310,598	207,713	227,655	(**)
Suppliers	94,723	94,723	88,014	88,014	(**)
Obligations assumed on assignment of receivables (Note 14)	51,075	51,075	68,812	68,812	(**)

Consolidated Cash Flow

Payables for purchase of properties and advances from customers (Note 17)	<b>256,724</b>	<b>256,724</b>	269,290	269,290	(**)
Loan payable (Note 21.1)	<b>14,109</b>	<b>14,109</b>	10,511	10,511	(**)

	Consolidated				Classification
	09/30/2018		12/31/2017		
	Carrying value	Fair value	Carrying value	Fair value	
Financial assets					
Cash and cash equivalents (Note 4.1)	<b>7,931</b>	<b>7,931</b>	28,527	28,527	(*)
Short-term investments (Note 4.2)	<b>186,515</b>	<b>186,515</b>	118,935	118,935	(*)
Derivative financial instruments (Note 20(i)(b))	-	-	404	404	(**)
Trade accounts receivable (Note 5)	<b>783,571</b>	<b>783,571</b>	684,078	684,078	(**)
Loan receivable (Note 21.1)	<b>26,621</b>	<b>26,621</b>	22,179	22,179	(**)
Financial liabilities					
Loans and financing (Note 12)	<b>679,019</b>	<b>711,277</b>	897,185	944,821	(**)
Debentures (Note 13)	<b>281,325</b>	<b>310,598</b>	207,713	227,655	(**)
Suppliers	<b>110,380</b>	<b>110,380</b>	101,849	101,849	(**)
Obligations assumed on assignment of receivables (Note 14)	<b>64,655</b>	<b>64,655</b>	84,393	84,393	(**)
Payables for purchase of properties and advances from customers (Note 17)	<b>353,233</b>	<b>353,233</b>	308,834	308,834	(**)
Loan payable (Note 21.1)	<b>14,109</b>	<b>14,109</b>	10,511	10,511	(**)

(\*) Fair value through profit or loss

(\*\*) Amortized cost

There was no significant change relative to the other information disclosed in Note 20(ii)(a) to the financial statements as at December 31, 2017.

(b) *Risk of debt acceleration*

As at September 30, 2018, the Company has loan and financing agreements in effect, with restrictive covenants related to cash generation, debt ratios, and other. These restrictive covenants have been observed by the Company and do not restrict its ability to continue a going concern.





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**20. Financial instruments --Continued**

(iii) Capital stock management

The explanations related to this note were not subject to material changes relative to the disclosures in Note 20(iii) to the financial statements as at December 31, 2017.

The Company includes in its net debt structure: loans and financing, debentures, less cash and cash equivalents and short-term investments (cash and cash equivalents and marketable securities):

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Loans and financing (Note 12)	<b>601,633</b>	762,130	<b>679,019</b>	897,185
Debentures (Note 13)	<b>281,325</b>	207,713	<b>281,325</b>	207,713
( - ) Cash and cash equivalents and short-term investments (Notes 4.1 and 4.2)	<b>(186,742)</b>	(118,406)	<b>(194,446)</b>	(147,462)
Consolidated Cash Flow				130

Net debt	<b>696,216</b>	851,437	<b>765,898</b>	957,436
Equity	<b>870,252</b>	755,557	<b>871,955</b>	759,404

(iv) Sensitivity analysis

The sensitivity analysis of financial instruments for the period ended September 30, 2018, except swap contracts, which are analyzed through their due dates, describes the risks that may cause material changes in 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 at September 30, 2018, 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 linked to the CDI and National Consumer Price Index – Extended (IPCA);
- c) Accounts receivable and payables for purchase of properties linked to the National Civil Construction Index (INCC) and General Market Price Index (IGP-M).

For the sensitivity analysis in the period ended September 30, 2018, the Company considered the interest rates of investments, loans and accounts receivables, the CDI rate at 6.39%, TR at 0%, INCC at 3.92%, IPCA at 4.53% and IGP-M at 10.05%. 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



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### 20. Financial instruments --Continued

#### (iv) Sensitivity analysis --Continued

The following chart shows the sensitivity to risks to which the Company is exposed, considering that the possible effects would impact the future results, based on the exposure shown as of September 30, 2018. The effects on equity are basically the same as those on profit or loss.

Instrument	Risk	Scenario					
		I Increase 10%	II Increase 25%	III Increase 50%	III Decrease 50%	II Decrease 25%	I Decrease 10%
Short-term investments	Increase/Decrease of CDI	1,083	2,708	5,415	(5,415)	(2,708)	(1,083)
Loans and financing	Increase/Decrease of CDI	(1,978)	(4,946)	(9,892)	9,892	4,946	1,978
Debentures	Increase/Decrease of CDI	(1,401)	(3,503)	(7,005)	7,005	3,503	1,401
Net effect of CDI variation		(2,296)	(5,741)	(11,482)	11,482	5,741	2,296
Loans and financing	Increase/Decrease of TR	-	-	-	-	-	-
Consolidated Cash Flow							133

Net effect of TR variation		-	-	-	-	-	-
Debentures	Increase/Decrease of IPCA	(208)	(520)	(1,040)	1,040	520	208
Net effect of IPCA variation		(208)	(520)	(1,040)	1,040	520	208
Accounts receivable	Increase/Decrease of INCC	1,925	4,811	9,623	(9,623)	(4,811)	(1,925)
Obligations for purchase of property	Increase/Decrease of INCC	(1,332)	(3,331)	(6,662)	6,662	3,331	1,332
Net effect of INCC variation		593	1,480	2,961	(2,961)	(1,480)	(593)
Accounts receivable	Increase/Decrease of IGP-M	2,496	6,241	12,482	(12,482)	(6,241)	(2,496)
Net effect of IGP-M variation		2,496	6,241	12,482	(12,482)	(6,241)	(2,496)

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### **21. Related parties**

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

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

<b>Current accounts</b>	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>12/31/2017</b>	<b>09/30/2018</b>	<b>12/31/2017</b>
Assets				
Current account:				
Total SPEs	<b>613</b>	1,785	<b>52,973</b>	39,491
Subsidiaries	-	-	<b>44,347</b>	29,697
Jointly-controlled investees	<b>580</b>	1,752	<b>8,593</b>	9,761
Associates	<b>33</b>	33	<b>33</b>	33
Condominium and consortia and thirty party's works	<b>12,655</b>	12,398	<b>12,655</b>	12,399
Loan receivable (Note 20.ii.a and 30.ii)	<b>26,621</b>	22,179	<b>26,621</b>	22,179
Dividends receivable	<b>12,962</b>	13,876	-	-
	<b>52,851</b>	50,238	<b>92,249</b>	74,069
Current	<b>26,230</b>	28,059	<b>65,628</b>	51,890
Non-current	<b>26,621</b>	22,179	<b>26,621</b>	22,179

Liabilities				
Current account:				
Total SPEs	<b>(937,933)</b>	(960,491)	<b>(46,347)</b>	(52,686)
Subsidiaries	<b>(909,758)</b>	(926,418)	<b>(18,172)</b>	(18,613)
Jointly-controlled investees	<b>(19,620)</b>	(25,471)	<b>(19,620)</b>	(25,471)
Associates	<b>(8,555)</b>	(8,602)	<b>(8,555)</b>	(8,602)
Loan payable (Note 20.ii.a and 30.ii)	<b>(14,109)</b>	(10,511)	<b>(14,109)</b>	(10,511)
	<b>(952,042)</b>	(971,002)	<b>(60,456)</b>	(63,197)
Current	<b>(952,042)</b>	(971,002)	<b>(60,456)</b>	(63,197)
Non-current	-	-	-	-

The composition, nature and condition of loans receivable and payable by the Company are thus far as shown below. Loan maturities are from October 2018 and tied to the cash flows of related ventures.

	Company and Consolidated		Nature	Interest rate
	09/30/2018	12/31/2017		
Lagunas - Tembok Planej. E Desenv. Imob. Ltda.	<b>5,333</b>	4,778	Construction	12% p.a. + IGPM
Manhattan Residencial I	<b>667</b>	1,791	Construction	10% p.a. + TR
Target Offices & Mall	<b>20,621</b>	15,610	Construction	12% p.a. + IGPM
<b>Total receivable</b>	<b>26,621</b>	22,179		
Dubai Residencial	<b>4,461</b>	3,887	Construction	6% p.a.
Parque Árvores	<b>7,270</b>	4,673	Construction	6% p.a.
Parque Águas	<b>2,378</b>	1,951	Construction	6% p.a.
<b>Total payable</b>	<b>14,109</b>	10,511		

In the period ended September 30, 2018 the recognized financial income from interest on loans amounted to R\$3,611 (R\$1,444 in 2017) in the individual and consolidated statements (Note 24).

The information regarding management transactions and compensation is described in Note 25.

The other explanation related to this note was not subject to significant changes relative to those disclosed in Note 21 to the financial statements as at December 31, 2017.





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### **21. Related parties --Continued**

#### **21.2. Endorsements, guarantees and sureties**

The financial transactions of subsidiaries are guaranteed by endorsement or sureties in proportion to the Company's interest in the capital stock of such companies, in the amount of R\$237,865 as at September 30, 2018 (R\$317,716 as of December 31, 2017).

### **22. Net operating revenue**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
<b>Gross operating revenue</b>				
Real estate development, sale, barter transactions and construction services	<b>726,559</b>	377,489	<b>819,937</b>	498,165
(Recognition) Reversal of allowance for doubtful accounts (Note 5)	<b>19,036</b>	(17,767)	<b>19,036</b>	(17,767)
Taxes on sale of real estate and services	<b>(66,551)</b>	(32,016)	<b>(70,999)</b>	(36,281)
<b>Net operating revenue</b>	<b>679,044</b>	327,706	<b>767,974</b>	444,117

**23. Costs and expenses by nature**

These are represented by the following:

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
<b>Cost of real estate development and sale:</b>				
Construction cost	<b>(308,304)</b>	(184,458)	<b>(317,387)</b>	(252,272)
Land cost	<b>(100,134)</b>	(74,075)	<b>(168,517)</b>	(96,910)
Development cost	<b>(20,129)</b>	(19,756)	<b>(23,863)</b>	(25,320)
Capitalized financial charges (Note 12)	<b>(85,637)</b>	(61,997)	<b>(99,397)</b>	(91,117)
Maintenance / warranty	<b>(14,378)</b>	(17,701)	<b>(14,378)</b>	(17,699)
<b>Total cost of real estate development and sale</b>	<b>(528,582)</b>	(357,987)	<b>(623,542)</b>	(483,318)
<b>Commercial expenses:</b>				
Product marketing expenses	<b>(31,543)</b>	(22,501)	<b>(34,938)</b>	(26,381)
Brokerage and sale commission	<b>(20,928)</b>	(18,852)	<b>(26,113)</b>	(21,870)
Customer Relationship Management (CRM) and corporate marketing expenses	<b>(10,543)</b>	(12,924)	<b>(11,812)</b>	(14,673)
Other	<b>(91)</b>	(280)	<b>(179)</b>	(245)
<b>Total commercial expenses</b>	<b>(63,105)</b>	(54,557)	<b>(73,042)</b>	(63,169)
<b>General and administrative expenses:</b>				
Salaries and payroll charges	<b>(21,189)</b>	(17,504)	<b>(26,261)</b>	(25,877)
Employee benefits	<b>(2,295)</b>	(1,678)	<b>(2,880)</b>	(2,480)
Travel and utilities	<b>(607)</b>	(166)	<b>(762)</b>	(245)
Services	<b>(10,038)</b>	(8,827)	<b>(12,599)</b>	(13,049)
Rents and condominium fees	<b>(3,671)</b>	(2,976)	<b>(4,608)</b>	(4,399)
IT	<b>(6,703)</b>	(6,508)	<b>(8,413)</b>	(9,621)
Stock option plan (Note 18.2)	<b>(1,912)</b>	(2,898)	<b>(1,912)</b>	(2,898)
Reserve for profit sharing (Note 25.iii)	<b>(3,795)</b>	(9,395)	<b>(3,795)</b>	(9,395)
Other	<b>(496)</b>	(394)	<b>(611)</b>	(584)
<b>Total general and administrative expenses</b>	<b>(50,706)</b>	(50,346)	<b>(61,841)</b>	(68,548)
<b>Other income (expenses), net:</b>				
Expenses related to lawsuits (Note 16)	<b>(44,641)</b>	(61,584)	<b>(44,764)</b>	(61,431)
Other	<b>2,036</b>	7,535	<b>(2,738)</b>	127
<b>Total other income/(expenses), net</b>	<b>(42,605)</b>	(54,049)	<b>(47,502)</b>	(61,304)



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**24. Financial income (expenses)**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
<b>Financial income</b>				
Income from financial investments	<b>9,530</b>	14,156	<b>9,622</b>	16,735
Derivative transactions (Note 20.i.b)	<b>763</b>	790	<b>763</b>	790
Financial income from loans (Note 21.i)	<b>3,611</b>	1,444	<b>3,611</b>	1,444
Other financial income	<b>783</b>	4,462	<b>1,215</b>	4,711
<b>Total financial income</b>	<b>14,687</b>	20,852	<b>15,211</b>	23,680
<b>Financial expenses</b>				
Interest on funding, net of capitalization (Note 12)	<b>(57,318)</b>	(88,345)	<b>(53,376)</b>	(79,473)
Amortization of transactions cost	<b>(3,350)</b>	(4,126)	<b>(3,350)</b>	(4,126)
Payables to venture partners	-	(314)	-	(314)
Banking expenses	<b>(5,098)</b>	(13,179)	<b>(5,690)</b>	(14,077)
Discount granted and other financial expenses	<b>(8,981)</b>	(9,875)	<b>(11,006)</b>	(8,709)
<b>Total financial expenses</b>	<b>(74,747)</b>	(115,839)	<b>(73,422)</b>	(106,699)

**25. Transactions with management and employees**

(i) Management compensation

In the periods ended September 30, 2018 and 2017, the amounts recorded in the line item “General and administrative expenses”, related to the compensation of the Company’s Management and Fiscal Council were as follows:

Year ended September 30, 2018	Management compensation		
	Board of Directors	Statutory Board	Fiscal Council
Number of members	7	6	3
Fixed compensation for the year (in R\$)			
Salary / Fees	1,216	3,196	165
Direct and indirect benefits	-	151	-
Other (INSS)	243	639	33
Monthly compensation (in R\$)	162	443	22
Total compensation	<b>1,459</b>	<b>3,986</b>	<b>198</b>
Profit sharing (Note 25.iii)	-	-	-
<b>Total compensation and profit sharing</b>	<b>1,459</b>	<b>3,986</b>	<b>198</b>

Year ended September 30, 2017	Management compensation		Fiscal Council
	Board of Directors	Statutory Board	
Number of members	7	5	3
Fixed compensation for the year (in R\$)			
Salary / Fees	1,270	2,317	149
Direct and indirect benefits	-	148	-
Other (INSS)	254	463	30
Monthly compensation (in R\$)	141	257	17
Total compensation	<b>1,524</b>	<b>2,928</b>	<b>179</b>
Profit sharing (Note 25.iii)	-	<b>2,196</b>	-
<b>Total compensation and profit sharing</b>	<b>1,524</b>	<b>5,124</b>	<b>179</b>

(a) Information on compensation related to Management members in office up to September 28, 2018 (Note 1).

In the period ended September 30, 2018, the amount related to the granting of options to the Company’s management in office up to September 28, 2018 was R\$1,555 (R\$1,898 in 2017).



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

(i) Management compensation --Continued

The maximum aggregate compensation of the Company's management members for the year 2018, was established at R\$23,599 (R\$18,739 in 2017), as fixed and variable compensation, as approved at the Annual Shareholders' Meeting held on April 27, 2018.

On the same occasion the compensation limit of the Company's Fiscal Council members for their next term of office, which ends at the Annual Shareholders' Meeting to be held in 2019, was set at 10% of the compensation that, on average, was allocated to each officer of the Company, excluding the benefits, representation allowances and profit sharing (R\$261 in 2017).

(ii) Sales transactions

In the period ended September 30, 2018 and year ended December 31, 2017, no sales transaction of units to the current Management was made, and the total balance receivable of sales transactions made was R\$156 (R\$172 in 2017).



(iii) Profit sharing

In the period ended September 30, 2018, the Company recorded a profit sharing expense amounting to R\$3,795 in the Company and consolidated balance (R\$9,395 in 2017) in the line item "General and Administrative Expenses" (Note 23).

	<b>Company and Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>
Executive officers (Note 25.i)	-	2,196
Other employees	<b>3,795</b>	7,199
<b>Total profit sharing</b>	<b>3,795</b>	<b>9,395</b>

(i) In the period ended September 30, 2018, the Company did not allocate profit sharing in the profit or loss to the current executive board that took office on September 28, 2018.

The other explanation related to this note was not subject to significant changes relative to those disclosed in Note 25 to the financial statements as at December 31, 2017.

**26. Insurance**

The liabilities covered by insurance and the respective amounts as at September 30, 2018 are as follows:

<b>Insurance type</b>	<b>Coverage – R\$</b>
Engineering risks and completion bond	761,341
Civil liability (Directors and Officers – D&O)	200,195
	<b>961,536</b>

The other explanation related to this note was not subject to significant changes relative to those disclosed in Note 26 to the financial statements as at December 31, 2017.



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### **27. Earnings (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 periods ended September 30, 2018 and 2017, shares with dilutive potential are not considered, because the impact would be antidilutive.

	<b>09/30/2018</b>	<b>09/30/2017</b>
Basic numerator		
Undistributed loss from continuing operations	<b>(122,509)</b>	(485,417)
Undistributed profit (loss) from discontinued operations	-	98,175
Undistributed loss, available to the holders of common shares	<b>(122,509)</b>	(387,242)
Basic denominator (in thousands of shares)		
Weighted average number of shares (Note 18.1)	<b>41,710</b>	26,874
Basic earnings (loss) per share in Reais	<b>(2.937)</b>	(14.410)
From continuing operations	<b>(2.937)</b>	(18.063)
From discontinued operations	-	3.653
Diluted numerator		
Undistributed loss from continuing operations	<b>(122,509)</b>	(485,417)
Undistributed profit (loss) from discontinued operations	-	98,175
Undistributed loss, available to the holders of common shares	<b>(122,509)</b>	(387,242)

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Diluted denominator (in thousands of shares)		
Weighted average number of shares (Note 18.1)	<b>41,710</b>	26,874
Stock options	<b>572</b>	14
Anti-dilutive effect	<b>(572)</b>	(14)
Diluted weighted average number of shares	<b>41,710</b>	26,874
Diluted earnings (loss) per share in Reais	<b>(2.937)</b>	(14.410)
From continuing operations	<b>(2.937)</b>	(18.063)
From discontinued operations	-	3.653

The other explanation related to this note was not subject to significant changes relative to those disclosed in Note 27 to the financial statements as at December 31, 2017.

## 28. Segment information

With the completion of the discontinuation of Tenda's operations (Note 8.2), the Company operates in only one segment, according to the nature of its products.

Accordingly, the reports used for making decisions are the consolidated quarterly information and no longer the analysis by operating segments. Therefore, in line with CPC 22 – Operating Segments, the Company understands that there is no reportable segment to be disclosed in the periods ended September 30, 2018 and 2017.

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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”. Information on the ventures under construction as at September 30, 2018:

	<b>Consolidated 09/30/2018</b>
Unappropriated sales revenue of units sold	543,760
Unappropriated estimated cost of units sold	(328,414)
Unappropriated estimated cost of units in inventory	(137,671)
<b>(i) Unappropriated sales revenue of units sold</b>	
Ventures under construction:	
Contracted sales revenue	1,466,656
Appropriated sales revenue	(922,896)
<b>Unappropriated sales revenue (a)</b>	<b>543,760</b>
<b>(ii) Unappropriated estimated cost of units sold</b>	
Ventures under construction:	
Estimated cost of units	(894,307)
Incurred cost of units	565,893
<b>Unappropriated estimated cost (b)</b>	<b>(328,414)</b>

**(iii) Unappropriated estimated costs of units in inventory**

Ventures under construction:	
Estimated cost of units	<b>(497,733)</b>
Incurred cost of units (Note 6)	<b>360,062</b>
<b>Unappropriated estimated cost</b>	<b>(137,671)</b>

(a) The unappropriated sales revenue of units sold is measured based on the face value of contracts, plus the contract adjustments less cancellations, net of the levied taxes and adjusted to present value, and does not include ventures that are subject to restrictions 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 estimated cost of units sold and in inventory to be incurred 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 as they are incurred.

As at September 30, 2018, the percentage of assets consolidated in the quarterly information related to ventures included in the equity segregation structure of the development stood at 23.6% (18.0% in 2017).

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**30. Additional Information on the Statement of Cash Flows**

(i) Transactions that did not affect Cash and Cash Equivalents

The Company and its subsidiaries performed the following investment and financing activities that did not affect cash and cash equivalents and, were not included in the statements of cash flows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2018</b>	<b>09/30/2017</b>	<b>09/30/2018</b>	<b>09/30/2017</b>
Capital contribution (reduction)	<b>388</b>	(12,281)	<b>388</b>	(12,404)
Capitalized financial charges (Note 12)	<b>(11,365)</b>	(29,071)	<b>(27,908)</b>	(56,225)
Barter transaction– Land (Note 17)	<b>8,457</b>	(9,161)	<b>52,058</b>	(13,292)
Refund of capital receivable from Tenda	-	103,907	-	103,907
	<b>(2,520)</b>	53,394	<b>24,538</b>	21,986

(ii) Reconciliation of the asset and liability changes with the cash flows from financing activities

<b>Company</b>	<b>Transactions affecting cash</b>	<b>Transactions not affecting cash</b>
	<b>Funding/ Interest Principal</b>	

Consolidated Cash Flow

	<b>Opening balance</b>	<b>Receipt</b>	<b>Payment</b>	<b>Payment</b>	<b>Interests and inflation adjustment</b>	<b>Closing balance 09/30/2018</b>
	<b>12/31/2017</b>					
Loans, financing and debentures (Notes 12 and 13)	(969,843)	(266,103)	5,765	352,697	(5,474)	<b>(882,958)</b>
Loans (Note 21.1)	11,668	-	-	(2,190)	3,034	<b>12,512</b>
Paid-in capital (Note 18.1)	(2,521,152)	(167)	-	-	-	<b>(2,521,319)</b>
Capital reserve (Note 18.1)	-	(250,599)	-	-	-	<b>(250,599)</b>
	<b>(3,479,327)</b>	<b>(516,869)</b>	<b>5,765</b>	<b>350,507</b>	<b>(2,440)</b>	<b>(3,642,364)</b>

	<b>Opening balance</b>	<b>Transactions affecting cash</b>			<b>Transactions not affecting cash</b>	<b>Closing balance</b>
	<b>12/31/2017</b>	<b>Funding/ Receipt</b>	<b>Interest Payment</b>	<b>Principal Payment</b>	<b>Interests and inflation adjustment</b>	<b>09/30/2018</b>
<b>Consolidated</b>						
Loans, financing and debentures (Notes 12 and 13)	(1,104,897)	(302,001)	11,025	445,758	(10,229)	<b>(960,344)</b>
Loans (Note 21.1)	11,668	-	-	(2,190)	3,034	<b>12,512</b>
Paid-in capital (Note 18.1)	(2,521,152)	(167)	-	-	-	<b>(2,521,319)</b>
Capital reserve (Note 18.1)	-	(250,599)	-	-	-	<b>(250,599)</b>
	<b>(3,614,381)</b>	<b>(552,767)</b>	<b>11,025</b>	<b>443,568</b>	<b>(7,195)</b>	<b>(3,719,750)</b>

### 31. Subsequent events

#### (i) Restructuring

As mentioned in Note 1, in view of the changes in the Company's management and reassessment of internal strategies, the Company is in a restructuring process with the purpose of performing its turnaround and adjusting its structure. As part of this process, the following measures have been announced and/or are in progress:

#### (a) Change in the Company's registered office

On October 4, 2018, the Company called an ESM to be held on November 21, 2018, to take resolution on the move of its registered office to the city of São Caetano do Sul, São Paulo, to a property owned by the Company, currently in inventory, which will represent annual savings in the order of R\$5,000.





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**Gafisa S.A.**

Notes to the quarterly information

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

**31. Subsequent events** --Continued

(i) Restructuring--Continued

(b) Readjustment of the organizational and administrative structure

In line with the process of readjusting its structure, the Company's Management is implementing measures for reducing the number of personnel during the fourth quarter of 2018. Accordingly, by the month ended October 31, 2018, the estimated amount related to severance pay totals R\$8,700.

(ii) Share repurchase program

In the period from October 1 to 24, 2018, considering the beginning of the blackout period on October 25, 2018, the Company acquired 3,161,300 shares within the share repurchase program (Note 18.1).

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**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>09/30/2018 Common shares</b>	
	<b>Shares</b>	<b>%</b>
Outstanding shares	22,939,259	51.25%
GWI Asset Management S.A.	14,038,674	31.37%
River and Mercantille Management, LLP	4,553,345	10.17%
Wishbone Management, LP	2,354,972	5.26%
Treasury shares	871,664	1.95%
<b>Total shares</b>	<b>44,757,914</b>	<b>100.00%</b>

<b>Shareholder</b>	<b>09/30/2017 Common shares</b>	
	<b>Shares</b>	<b>%</b>
Outstanding shares	19,204,136	68.49%
Wishbone Management, LP	4,825,000	17.21%
River and Mercantille Management, LLP	3,038,679	10.84%
Treasury shares	972,347	3.47%

<b>Total shares</b>	<b>28,040,162</b>	<b>100.00%</b>
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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

**Other information deemed relevant by the Company**

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

<b>Shareholder</b>	<b>09/30/2018</b>	
	<b>Shares</b>	<b>%</b>
	<b>Common shares</b>	
Shareholders holding effective control of the Company	20,946,991	46.80%
Board of Directors	911,000	2.04%
Executive directors	13,153	0.03%
Executive control, board members, officers and fiscal council	21,871,144	48.87%
Treasury shares	871,664	1.95%
Outstanding shares in the market (*)	22,015,106	49.19%
<b>Total shares</b>	<b>44,757,914</b>	<b>100.00%</b>

<b>Shareholder</b>	<b>09/30/2017</b>	
	<b>Shares</b>	<b>%</b>
	<b>Common shares</b>	

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Shareholders holding effective control of the Company	7,863,679	28.04%
Board of Directors	18,067	0.06%
Executive directors	122,219	0.44%
Executive control, board members, officers and fiscal council	8,003,965	28.54%
Treasury shares	972,347	3.47%
Outstanding shares in the market (*)	19,063,850	67.99%
<b>Total shares</b>	<b>28,040,162</b>	<b>100.00%</b>

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

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

**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, the rules determined by the Brazilian Monetary Council (CMN), by the Central Bank of Brazil and by The Brazilian Securities and Exchange Commission (CVM) as well as the other rules that apply to the operations 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 Regulations of the Chamber of Market Arbitration.



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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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**Report on Review of Quarterly Information**

To the Board of Directors and Shareholders

Gafisa S.A.

**Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Gafisa S.A. (the “Company”), included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2018, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and nine month period then ended, and the statements of changes in equity and cash flow for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 (R1) – Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 (R1) – Interim Financial Reporting and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), including the guidance contained in Ofício Circular/CVM/SNC/SEP 01/2018 related to the application of Orientação OCPC 04, on revenue recognition over time (POC – Percentage of completion), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our

review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the parent company interim information prepared in accordance with CPC 21 (R1), including the guidance contained in Ofício Circular/CVM/SNC/SEP 01/2018**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1), including the guidance contained in Ofício Circular/CVM/SNC/SEP 01/2018 related to the application of Orientação OCPC 04, on revenue recognition over time, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

**Conclusion on the consolidated interim information prepared in accordance with CPC 21 (R1) and International Accounting Standard IAS 34, including the guidance contained in Ofício Circular/CVM/SNC/SEP 01/2018**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, including the guidance contained in Ofício Circular/CVM/SNC/SEP 01/2018 related to the application of Orientação OCPC 04, on revenue recognition over time, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information (ITR).

**Emphasis of matter**

As described in Note 2.1, the accompanying parent company interim accounting information was prepared in accordance with the accounting standard CPC 21 (R1) and the consolidated interim accounting information was prepared in accordance with the accounting standard CPC 21 (R1) and IAS 34, including the guidance contained in Ofício Circular/CVM/SNC/SEP 01/2018 related to the application of Orientação OCPC 04, on revenue recognition over time (POC – Percentage of completion), whilst the process of discussion of OCPC 04 is not concluded. Our conclusion is not qualified in respect of this matter.

**Other matters**

## Statements of value added

The quarterly information (ITR) referred to above include the parent company and consolidated statements of value added for the nine month period ended September 30, 2018, prepared under the responsibility of the Company's management and presented as supplementary information under IAS 34. These statements have been submitted to review procedures performed in connection with the review of the quarterly information, in order to verify whether they are reconciled with the interim accounting information and accounting records, as applicable, and whether their form and content are presented in accordance with the criteria defined in Pronunciamento Técnico CPC 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in accordance with the criteria defined in this Pronunciamento Técnico and in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

## Audit and review of prior-year information

The quarterly information (ITR) referred to above includes accounting information corresponding to the statement of income and comprehensive income for the quarter and nine month periods ended September 30, 2017, and changes in equity, cash flow and value added for the nine month period ended September 30, 2017, obtained from the Quarterly Information (ITR) from that quarter and as well as it includes accounting information corresponding to the balance sheets as of December 31, 2017, obtained from the individual and consolidated financial statements for the year ended December 31, 2017, presented for comparison purposes. The review of the Quarterly Information (ITR) for the quarter ended September 30, 2017 and the examination of the parent company and consolidated financial statements for the year ended December 31, 2017 were conducted under the responsibility of other independent auditors, who have issued review report and audit opinion dated November 9, 2017 and March 8, 2018, respectively, unqualified.

São Paulo, November 8, 2018.

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5

Adriano Formosinho Correia

Contador CRC 1BA029904/O-5

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

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

Management statement of interim financial information

STATEMENT

The management of Gafisa S.A., CNPJ 01.545.826/0001-07, located at Av. Nações Unidas, 8501, 19th floor, Pinheiros, São Paulo, states as per Article 25 of CVM Instruction 480 issued on December 7, 2009 that:

- 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 September 30, 2018; and
  
- ii) Management has reviewed and agreed with the interim information for the period ended September 30, 2018.

São Paulo, November 08, 2018.

GAFISA S.A.

Management

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2018

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

**Reports and Statements / Management statement on the report on review of interim financial information**

Management Statement on the Review Report

STATEMENT

The management of Gafisa S.A., CNPJ 01.545.826/0001-07, located at Av. Nações Unidas, 8501, 19th floor, Pinheiros, São Paulo, states as per Article 25 of CVM Instruction 480 issued in December 7, 2009 that:

- 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 September 30, 2018; and
  
- ii) Management has reviewed and agreed with the interim information for the period ended September 30, 2018.

São Paulo, November 08, 2018.

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: November 23, 2018

**Gafisa S.A.**

By:

*/s/ Ana Maria Loureiro Recart*

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Name: Ana Maria Loureiro Recart  
Title: Chief Executive Officer

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