

Gafisa S.A.  
Form 6-K  
November 24, 2017

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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, 2017**

**(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, 2017

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

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<b>Company data</b>	
Capital Composition	3
<b>Individual financial statements</b>	
Balance sheet - Assets	4
Balance sheet - Liabilities	5
Statement of income	6
Statement of comprehensive income (loss)	7
Statement of cash flows	8
<b>Statements of changes in Equity</b>	
01/01/2017 to 09/30/2017	9
01/01/2016 to 09/30/2016	10
Statement of value added	11
<b>Consolidated Financial Statements</b>	
Balance sheet - Assets	12
Balance sheet - Liabilities	13
Statement of income	14
Statement of comprehensive income (loss)	15
Statement of cash flows	16
<b>Statements of changes in Equity</b>	
01/01/2017 to 09/30/2017	17
01/01/2016 to 09/30/2016	18
Statement of value added	19
Comments on performance	20
Notes to interim financial information	39
Other information deemed relevant by the Company	74
<b>Reports and statements</b>	
Report on review of interim financial information	77
Management statement of interim financial information	79
Management statement on the report on review of interim financial information	80
2	

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**COMPANY DATA / CAPITAL COMPOSITION**

	<b>Number of Shares (in thousands)</b>	<b>CURRENT QUARTER 09/30/2017</b>
<b>Paid-in Capital</b>		
<b>Common</b>		28,040
<b>Preferred</b>		-
<b>Total</b>		28,040
<b>Treasury shares</b>		
<b>Common</b>		972
<b>Preferred</b>		-
<b>Total</b>		972

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL QUARTER</b>	<b>PRIOR YEAR</b>
		<b>09/30/2017</b>	<b>12/31/2016</b>
1	Total Assets	4,202,548	5,225,376
1.01	Current Assets	1,461,329	2,107,806
1.01.01	Cash and cash equivalents	4,324	19,811
1.01.01.01	Cash and banks	4,324	19,811
1.01.02	Short-term investments	109,356	163,562
1.01.02.01	Fair value of short-term investments	109,356	163,562
1.01.03	Accounts receivable	423,165	524,337
1.01.03.01	Trade accounts receivable	423,165	524,337
1.01.03.01.01	Receivables from clients of developments	407,637	503,923
1.01.03.01.02	Receivables from clients of construction and services rendered	15,528	20,414
1.01.04	Inventories	838,155	870,201
1.01.04.01	Properties for sale	838,155	870,201
1.01.07	Prepaid expenses	4,907	2,102
1.01.07.01	Prepaid expenses and others	4,907	2,102
1.01.08	Other current assets	81,422	527,793
1.01.08.01	Non current assets held for sale	3,270	3,306
1.01.08.02	Assets from discontinued operations	-	439,020
1.01.08.02.01	Disposal group held for sale	-	439,020
1.01.08.03	Others	78,152	85,467
1.01.08.03.01	Other assets	48,958	39,280
1.01.08.03.02	Derivative financial instruments	377	-
1.01.08.03.03	Receivables from related parties	28,817	46,187
1.02	Non current assets	2,741,219	3,117,570
1.02.01	Non current assets	726,263	951,563
1.02.01.03	Accounts receivable	164,946	225,270
1.02.01.03.01	Receivables from clients of developments	164,946	225,270
1.02.01.04	Inventories	371,158	535,376
1.02.01.04.01	Properties for sale	371,158	535,376
1.02.01.09	Others non current assets	190,159	190,917
1.02.01.09.03	Other assets	169,431	156,358
1.02.01.09.04	Receivables from related parties	20,728	25,529
1.02.01.09.05	Derivative Financial Instruments	-	9,030
1.02.02	Investments	1,974,579	2,116,509
1.02.03	Property and equipment	21,541	21,720
1.02.03.01	Operation property and equipment	21,541	21,720
1.02.04	Intangible assets	18,836	27,778
1.02.04.01	Intangible assets	18,836	27,778

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

CODE	DESCRIPTION	ACTUAL QUARTER	PRIOR YEAR
		09/30/2017	12/31/2016
2	Total Liabilities	4,202,548	5,225,376
2.01	Current liabilities	2,128,834	2,458,597
2.01.01	Social and labor obligations	26,865	28,041
2.01.01.02	Labor obligations	26,865	28,041
2.01.01.02.01	Salaries, payroll charges and profit sharing	26,865	28,041
2.01.02	Suppliers	72,421	61,177
2.01.02.01	Local suppliers	72,421	61,177
2.01.03	Tax obligations	32,791	35,819
2.01.03.01	Federal tax obligations	32,791	35,819
2.01.04	Loans and financing	535,833	953,872
2.01.04.01	Loans and financing	297,162	639,733
2.01.04.02	Debentures	238,671	314,139
2.01.05	Other obligations	1,358,094	1,300,634
2.01.05.01	Payables to related parties	1,120,263	1,073,255
2.01.05.02	Others	237,831	227,379
2.01.05.02.04	Obligations for purchase of properties and advances from customers	140,262	146,522
2.01.05.02.05	Other payables	71,446	50,660
2.01.05.02.07	Obligations assumed on the assignment of receivables	26,123	24,907
2.01.05.02.08	Derivative financial instruments	-	5,290
2.01.06	Provisions	102,830	79,054
2.01.06.01	Tax, labor and civil lawsuits	102,830	79,054
2.01.06.01.01	Tax lawsuits	675	1,369
2.01.06.01.02	Labor lawsuits	20,237	23,818
2.01.06.01.04	Civil lawsuits	81,918	53,867
2.02	Non current liabilities	856,628	838,454
2.02.01	Loans and financing	548,271	504,326
2.02.01.01	Loans and financing	504,688	367,197
2.02.01.01.01	Loans and financing in local currency	504,688	367,197
2.02.01.02	Debentures	43,583	137,129
2.02.02	Other liabilities	139,755	154,435
2.02.02.02	Others	139,755	154,435
2.02.02.02.03	Obligations for purchase of properties and advances from customers	82,997	90,311
2.02.02.02.04	Other liabilities	7,924	13,218
2.02.02.02.06	Obligations assumed on the assignment of receivables	48,834	50,906
2.02.03	Deferred taxes	100,405	100,405
2.02.03.01		100,405	100,405

	Deferred income tax and social contribution		
2.02.04	Provisions	68,197	79,288
2.02.04.01	Tax, labor and civil lawsuits	68,197	79,288
2.02.04.01.01	Tax lawsuits	1,880	1,755
2.02.04.01.02	Tax and labor lawsuits	38,609	33,350
2.02.04.01.04	Civil lawsuits	27,708	44,183
2.03	Equity	1,217,086	1,928,325
2.03.01	Capital	2,521,152	2,740,662
2.03.02	Capital Reserves	52,657	49,424
2.03.02.04	Granted options	156,081	153,165
2.03.02.05	Treasury shares	-30,139	-32,524
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.02.08	Result of transfers in treasury shares	-2,068	-
2.03.05	Retained earnings/accumulated losses	-1,356,723	-861,761



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

CODE	DESCRIPTION	ACTUAL		SAME	YEAR TO
		QUARTER	YEAR TO DATE	QUARTER	DATE FROM
		07/01/2017 to	01/01/2017 to	PREVIOUS	PREVIOUS
		09/30/2017	09/30/2017	YEAR	YEAR
				07/01/2016 to	01/01/2016 to
				09/30/2016	09/30/2016
3.01	Gross Sales and/or Services	113,405	327,706	186,131	472,272
3.01.01	Revenue from real estate development	125,001	359,722	203,711	515,562
3.01.03	Taxes on real estate sales and services	-11,596	-32,016	-17,580	-43,290
3.02	Cost of sales and/or services	-125,556	-357,987	-200,429	-465,347
3.02.01	Cost of real estate development	-125,556	-357,987	-200,429	-465,347
3.03	Gross profit	-12,151	-30,281	-14,298	6,925
3.04	Operating expenses/income	-121,796	-360,149	-73,283	-193,002
3.04.01	Selling expenses	-19,908	-54,557	-21,455	-53,472
3.04.02	General and administrative expenses	-16,373	-50,346	-12,254	-58,779
3.04.05	Other operating expenses	-11,050	-79,386	-21,610	-68,294
3.04.05.01	Depreciation and amortization	-8,169	-25,337	-8,025	-22,125
3.04.05.02	Other operating expenses	-2,881	-54,049	-13,585	-46,169
3.04.06	Income from equity method investments	-74,465	-175,860	-17,964	-12,457
3.05	Income (loss) before financial results and income taxes	-133,947	-390,430	-87,581	-186,077
3.06	Financial	-23,894	-94,987	-8,086	-14,672
3.06.01	Financial income	6,131	20,852	5,728	41,405
3.06.02	Financial expenses	-30,025	-115,839	-13,814	-56,077
3.07	Income before income taxes	-157,841	-485,417	-95,667	-200,749
3.09	Income (loss) from continuing operation	-157,841	-485,417	-95,667	-200,749
3.10	Income (loss) from discontinuing operation	-	98,175	23,045	36,461
3.10.01	Net income (loss) from discontinued operations	-	98,175	23,045	36,461
3.11	Income (loss) for the period	-157,841	-387,242	-72,622	-164,288

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3.99	Earnings per Share – (Reais / Share)	-	-	-	-
3.99.01	Basic Earnings per Share	-	-	-	-
3.99.01.01	ON	-5.87343	-14.40969	-2.69278	-6.09169
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	ON	-5.87343	-14.40969	-2.69278	-6.09169

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>YEAR TO</b>	<b>SAME</b>	<b>YEAR TO</b>
		<b>QUARTER</b>	<b>DATE</b>	<b>QUARTER</b>	<b>YEAR TO</b>
		<b>07/01/2017 to</b>	<b>01/01/2017 to</b>	<b>FROM DATE FROM</b>	<b>PREVIOUS</b>
		<b>09/30/2017</b>	<b>09/30/2017</b>	<b>PREVIOUS</b>	<b>PREVIOUS</b>
				<b>YEAR</b>	<b>YEAR</b>
				<b>07/01/2016 to</b>	<b>01/01/2016 to</b>
				<b>09/30/2016</b>	<b>09/30/2016</b>
4.01	Income (loss) for the period	-157,841	-387,242	-72,622	-164,288
4.03	Comprehensive income (loss) for the period	-157,841	-387,242	-72,622	-164,288

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

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE
		01/01/2017 to 09/30/2017	FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016
6.01	Net cash from operating activities	118,278	58,155
6.01.01	Cash generated in the operations	-176,844	-54,238
6.01.01.01	Income (loss) before income and social contribution taxes	-485,417	-164,288
6.01.01.02	Income from equity method investments	175,860	-24,004
6.01.01.03	Stock options expenses	2,898	5,506
6.01.01.04	Unrealized interest and finance charges, net	35,102	72,727
6.01.01.05	Financial instruments	-790	-13,525
6.01.01.06	Depreciation and amortization	25,337	22,125
6.01.01.07	Provision for legal claims	61,584	43,511
6.01.01.08	Provision for profit sharing	9,395	12,500
6.01.01.09	Warranty provision	-7,439	-9,234
6.01.01.10	Write-off of property and equipment, net	-	279
6.01.01.11	Allowance for doubtful accounts	17,767	7,871
6.01.01.12	Provision for realization of non-financial assets - properties for sale	-11,141	-6,302
6.01.01.13	Provision for penalties due to delay in construction works	-	-1,404
6.01.02	Variation in assets and liabilities	295,122	112,393
6.01.02.01	Trade accounts receivable	121,494	155,261
6.01.02.02	Properties for sale	207,441	2,463
6.01.02.03	Other accounts receivable	-10,242	-5,556
6.01.02.04	Prepaid expenses	-2,805	-6
6.01.02.05	Obligations for purchase of properties and adv. from customers	-13,574	-77,891
6.01.02.06	Taxes and contributions	-3,028	-5,927
6.01.02.07	Suppliers	11,732	-2,694
6.01.02.08	Salaries and payroll charges	-10,577	-10,990
6.01.02.09	Transactions with related parties	31,263	169,196
6.01.02.10	Other obligations	-36,582	-111,463
6.02	Net cash from investing activities	249,250	125,435
6.02.01	Purchase of property and equipment and intangible assets	-16,216	-19,948
6.02.02	Increase in investments	1,295	-19,595
6.02.03	Redemption of short-term investments	732,351	867,144
6.02.04	Purchase of short-term investments	-678,145	-702,166
6.02.05	Receivable from exercise of preemptive rights Tenda	219,510	-
6.02.06	Transaction cost	-9,545	-
6.03	Net cash from financing activities	-383,015	-154,386

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6.03.02	Increase in loans, financing and debentures	190,252	348,800
6.03.03	Payment of loans, financing and debentures	-599,448	-546,294
6.03.04	Repurchase of treasury shares	-	-8,693
6.03.06	Loan transactions with related parties	5,625	7,530
6.03.07	Obligation with investors	-1,140	-2,433
6.03.08	Disposal of treasury shares	317	2,149
6.03.09	Result of the disposal of treasury shares	-	-2,140
6.03.10	Assignment of receivables	21,379	46,695
6.05	Net increase (decrease) of cash and cash equivalents	-15,487	29,204
6.05.01	Cash and cash equivalents at the beginning of the period	19,811	44,044
6.05.02	Cash and cash equivalents at the end of the period	4,324	73,248

8

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

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Equity
01	Opening balance	2,740,662	49,424	-	-861,761	-	1,928,325
03	Opening adjusted balance	2,740,662	49,424	-	-861,761	-	1,928,325
04	Capital transactions with shareholders	-219,510	3,233	-	-107,720	-	-327,242
04.03	Stock option plan	-	2,916	-	-	-	2,916
04.05	Treasury shares sold	-	317	-	-	-	317
04.08	Capital reduction	-219,510	-	-	-107,720	-	-327,242
05	Total of comprehensive income (loss)	-	-	-	-387,242	-	-387,242
05.01	Net income (loss) for the period	-	-	-	-387,242	-	-387,242
07	Closing balance	2,521,152	52,657	-	-1,356,723	-	1,217,086

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 07/01/2016 TO 09/30/2016 (in thousands of Brazilian reais)**

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Equity
01	Opening balance	2,740,662	50,854	303,975	-	-	3,095,496
03	Opening adjusted balance	2,740,662	50,854	303,975	-	-	3,095,496
04	Capital transactions with shareholders	-	-2,612	-2,140	-	-	-4,752
04.03	Stock option plan	-	3,932	-	-	-	3,932
04.04	Treasury shares acquired	-	-8,693	-	-	-	-8,693
04.05	Treasury shares sold	-	2,149	-2,140	-	-	-
05	Total of comprehensive income (loss)	-	-	-	-164,288	-	-164,288
05.01	Net income (loss) for the period	-	-	-	-164,288	-	-164,288
07	Closing balance	2,740,662	48,242	301,835	-164,288	-	2,926,451

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>YEAR TO DATE</b>	<b>YEAR TO DATE</b>
		<b>01/01/2017 to 09/30/2017</b>	<b>FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
7.01	Revenues	359,722	515,562
7.01.01	Real estate development, sales and services	377,489	523,433
7.01.04	Allowance for doubtful accounts	-17,767	-7,871
7.02	Inputs acquired from third parties	-278,707	-391,828
7.02.01	Cost of Sales and/or Services	-295,990	-371,342
7.02.02	Materials, energy, outsourced labor and other	-80,892	-56,947
7.02.04	Others	98,175	36,461
7.02.04.01	Result from discontinued operation	98,175	36,461
7.03	Gross value added	81,015	123,734
7.04	Retentions	-25,337	-22,125
7.04.01	Depreciation and amortization	-25,337	-22,125
7.05	Net value added produced by the Company	55,678	101,609
7.06	Added value received on transfer	-155,008	28,948
7.06.01	Income from equity method investments	-175,860	-12,457
7.06.02	Financial income	20,852	41,405
7.07	Value added total to be distributed	-99,330	130,557
7.08	Value added distribution	-99,330	130,557
7.08.01	Personnel and payroll charges	63,447	82,318
7.08.01.01	Direct remuneration	63,447	82,318
7.08.02	Taxes and contributions	43,653	57,704
7.08.02.01	Federal	43,653	57,704
7.08.03	Compensation – Interest	180,812	154,823
7.08.03.01	Interest	177,836	150,082
7.08.03.02	Rent	2,976	4,741
7.08.04	Compensation – Company capital	-387,242	-164,288
7.08.04.03	Net income (Retained losses)	-387,242	-164,288



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

CODE	DESCRIPTION	ACTUAL QUARTER	PRIOR YEAR
		09/30/2017	12/31/2016
1	Total Assets	3,422,331	5,210,089
1.01	Current Assets	1,845,722	3,400,200
1.01.01	Cash and cash equivalents	26,626	29,534
1.01.01.01	Cash and banks	26,626	29,534
1.01.02	Short-term investments	129,372	223,646
1.01.02.01	Fair value of short-term investments	129,372	223,646
1.01.02.01.02	Short-term investments available for sale	129,372	223,646
1.01.03	Accounts receivable	570,303	722,640
1.01.03.01	Trade accounts receivable	570,303	722,640
1.01.03.01.01	Receivables from clients of developments	554,023	701,906
1.01.03.01.02	Receivables from clients of construction and services rendered	16,280	20,734
1.01.04	Inventories	987,657	1,122,724
1.01.04.01	Properties for sale	987,657	1,122,724
1.01.07	Prepaid expenses	5,526	2,548
1.01.07.01	Prepaid expenses and others	5,526	2,548
1.01.08	Other current assets	126,238	1,299,108
1.01.08.01	Non current assets for sale	3,270	3,306
1.01.08.02	Assets from discontinued operations	-	1,189,011
1.01.08.02.01	Assets held for sale	-	1,189,011
1.01.08.03	Others	122,968	106,791
1.01.08.03.01	Other accounts receivable and others	57,120	49,336
1.01.08.03.02	Receivables from related parties	65,471	57,455
1.01.08.03.03	Derivative financial instruments	377	-
1.02	Non current assets	1,576,609	1,809,889
1.02.01	Non current assets	866,183	957,773
1.02.01.03	Accounts receivable	197,407	271,322
1.02.01.03.01	Receivables from clients of developments	197,407	271,322
1.02.01.04	Inventories	475,700	592,975
1.02.01.04.01	Properties for sale	475,700	592,975
1.02.01.09	Others non current assets	193,076	93,476
1.02.01.09.03	Other assets	172,348	58,917
1.02.01.09.04	Receivables from related parties	20,728	25,529
1.02.01.09.05	Derivative financial instruments	-	9,030
1.02.02	Investments	665,813	799,911
1.02.02.01	Interest in associates and affiliates	665,813	799,911
1.02.03	Property and equipment	24,871	23,977
1.02.03.01	Operation property and equipment	24,871	23,977
1.02.04	Intangible assets	19,742	28,228
1.02.04.01	Intangible assets	19,742	28,228



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

CODE	DESCRIPTION	ACTUAL QUARTER	PRIOR YEAR
		09/30/2017	12/31/2016
2	Total Liabilities	3,422,331	5,210,089
2.01	Current liabilities	1,239,683	2,275,550
2.01.01	Social and labor obligations	29,387	28,880
2.01.01.02	Labor obligations	29,387	28,880
2.01.01.02.01	Salaries, payroll charges and profit sharing	29,387	28,880
2.01.02	Suppliers	89,975	79,120
2.01.03	Tax obligations	50,412	51,842
2.01.03.01	Federal tax obligations	50,412	51,842
2.01.04	Loans and financing	593,263	983,934
2.01.04.01	Loans and financing	354,592	669,795
2.01.04.01.01	In Local Currency	354,592	669,795
2.01.04.02	Debentures	238,671	314,139
2.01.05	Other obligations	373,816	400,908
2.01.05.01	Payables to related parties	81,933	85,611
2.01.05.02	Others	291,883	315,297
2.01.05.02.04	Obligations for purchase of properties and advances from customers	170,680	205,388
2.01.05.02.06	Other payables	87,496	69,921
2.01.05.02.07	Obligations assumed on the assignment of receivables	33,707	34,698
2.01.05.02.08	Derivative financial instruments	-	5,290
2.01.06	Provisions	102,830	79,054
2.01.06.01	Tax, labor and civil lawsuits	102,830	79,054
2.01.06.01.01	Tax lawsuits	675	1,369
2.01.06.01.02	Labor lawsuits	20,237	23,818
2.01.06.01.04	Civil lawsuits	81,918	53,867
2.01.07	Liabilities related to assets from discontinued operations	-	651,812
2.01.07.01	Liabilities on Non-current Assets for Sale	-	651,812
2.01.07.01.01	Liabilities held for sale	-	651,812
2.02	Non current liabilities	961,555	1,004,086
2.02.01	Loans and financing	626,009	653,634
2.02.01.01	Loans and financing	582,426	516,505
2.02.01.01.01	Loans and financing in local currency	582,426	516,505
2.02.01.02	Debentures	43,583	137,129
2.02.02	Other obligations	162,760	166,143
2.02.02.02	Others	162,760	166,143
2.02.02.02.03	Obligations for purchase of properties and advances from customers	98,117	90,309
2.02.02.02.04	Other payables	5,764	11,502
2.02.02.02.06	Obligations assumed on the assignment of receivables	58,879	64,332
2.02.03	Deferred taxes	100,405	100,405

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2.02.03.01	Deferred income tax and social contribution	100,405	100,405
2.02.04	Provisions	72,381	83,904
2.02.04.01	Tax, labor and civil lawsuits	72,381	83,904
2.02.04.01.01	Tax lawsuits	1,880	1,755
2.02.04.01.02	Labor lawsuits	42,637	37,837
2.02.04.01.04	Civil lawsuits	27,864	44,312
2.03	Equity	1,221,093	1,930,453
2.03.01	Capital	2,521,152	2,740,662
2.03.01.01	Capital	2,521,152	2,740,662
2.03.02	Capital Reserves	52,657	49,424
2.03.02.04	Granted options	156,081	153,165
2.03.02.05	Treasury shares	-30,139	-32,524
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.02.08	Result of transfers in treasury shares	-2,068	-
2.03.05	Retained earnings/accumulated losses	-1,356,723	-861,761
2.03.09	Non-controlling interest	4,007	2,128

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

CODE	DESCRIPTION	ACTUAL		SAME	
		QUARTER	YEAR TO DATE	QUARTER	YEAR TO DATE
		07/01/2017 to	01/01/2017 to	07/01/2016	01/01/2016
		09/30/2017	09/30/2017	to 09/30/2016	to 09/30/2016
3.01	Gross Sales and/or Services	160,325	444,117	268,271	651,881
3.01.01	Revenue from real estate development	173,520	480,398	288,032	699,736
3.01.03	Taxes on real estate sales and services	-13,195	-36,281	-19,761	-47,855
3.02	Cost of sales and/or services	-167,956	-483,318	-267,308	-621,378
3.02.01	Cost of real estate development	-167,956	-483,318	-267,308	-621,378
3.03	Gross profit	-7,631	-39,201	963	30,503
3.04	Operating expenses/income	-129,829	-361,644	-82,568	-208,936
3.04.01	Selling expenses	-22,929	-63,169	-24,701	-61,692
3.04.02	General and administrative expenses	-21,441	-68,548	-27,544	-74,070
3.04.05	Other operating expenses	-18,408	-87,266	-22,701	-71,386
3.04.05.01	Depreciation and amortization	-8,379	-25,962	-8,180	-23,332
3.04.05.02	Other operating expenses	-10,029	-61,304	-14,521	-48,054
3.04.06	Income from equity method investments	-67,051	-142,661	-7,622	-1,788
3.05	Income (loss) before financial results and income taxes	-137,460	-400,845	-81,605	-178,433
3.06	Financial	-21,069	-83,019	-5,911	-10,098
3.06.01	Financial income	6,604	23,680	7,479	48,493
3.06.02	Financial expenses	-27,673	-106,699	-13,390	-58,591
3.07	Income before income taxes	-158,529	-483,864	-87,516	-188,531
3.08	Income and social contribution taxes	622	-1,673	-1,076	-6,645
3.08.01	Current	622	-1,673	-1,076	-7,608
3.08.02	Deferred	0	0	0	963
3.09	Income (loss) from continuing operation	-157,907	-485,537	-88,592	-195,176
3.10	Income (loss) from discontinued	0	98,175	16,555	32,927

	operation				
	Net income (loss)				
3.10.01	from discontinued operations	0	98,175	16,555	32,927
3.11	Income (loss) for the period	-157,907	-387,362	-72,037	-162,249
3.11.01	Income (loss) attributable to the Company	-157,841	-387,242	-72,622	-164,288
3.11.02	Net income attributable to non-controlling interests	-66	-120	585	2,039
3.99	Earnings per Share – (Reais / Share)	0	0	0	0
3.99.01	Basic Earnings per Share	0	0	0	0
3.99.01.01	ON	-5.87343	-14.40969	-2.69278	-6.09169
3.99.02	Diluted Earnings per Share	-	-	-	-
3.99.02.01	ON	-5.87343	-14.40969	-2.69278	-6.09169

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

CODE	DESCRIPTION	ACTUAL		SAME	YEAR TO
		QUARTER	YEAR TO DATE	QUARTER	DATE FROM
		07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	PREVIOUS YEAR	PREVIOUS YEAR
4.01	Consolidated Income (loss) for the period	-157,907	-387,362	-72,037	-162,249
4.03	Consolidated comprehensive income (loss) for the period	-157,907	-387,362	-72,037	-162,249
4.03.01	Income (loss) attributable to the Company	-157,841	-387,242	-72,622	-164,288
4.03.02	Net income attributable to the noncontrolling interests	-66	-120	585	2,039

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

CODE	DESCRIPTION	YEAR TO DATE	
		01/01/2017 to 09/30/2017	01/01/2016 to 09/30/2016
6.01	Net cash from operating activities	200,941	93,287
6.01.01	Cash generated in the operations	-196,146	-47,058
6.01.01.01	Income (loss) before income and social contribution taxes	-483,864	-188,531
6.01.01.02	Income from equity method investments	142,661	1,788
6.01.01.03	Stock options expenses	2,898	5,506
6.01.01.04	Unrealized interest and finance charges, net	46,975	74,899
6.01.01.05	Financial instruments	-790	-13,526
6.01.01.06	Depreciation and amortization	25,962	23,332
6.01.01.07	Provision for legal claims	61,431	44,542
6.01.01.08	Provision for profit sharing	9,394	12,500
6.01.01.09	Warranty provision	-7,439	-9,234
6.01.01.10	Write-off of property and equipment, net	0	1,501
6.01.01.11	Allowance for doubtful accounts	17,767	7,871
6.01.01.12	Provision for realization of non-financial assets - properties for sale	-11,141	-6,302
6.01.01.13	Provision for penalties due to delay in construction works	0	-1,404
6.01.02	Variation in assets and liabilities	345,128	45,952
6.01.02.01	Trade accounts receivable	180,528	199,882
6.01.02.02	Properties for sale	263,519	388
6.01.02.03	Other accounts receivable	-9,272	12,692
6.01.02.04	Prepaid expenses	-2,978	-233
6.01.02.05	Obligations for purchase of properties and adv. from customers	-26,900	-93,326
6.01.02.06	Taxes and contributions	-1,430	-13,454
6.01.02.07	Suppliers	10,520	-4,626
6.01.02.08	Salaries and payroll charges	-8,887	-10,607
6.01.02.09	Transactions with related parties	-22,906	84,337
6.01.02.10	Other obligations	-35,393	-122,456
6.01.02.11	Income tax and social contribution payable	-1,673	-6,645
6.01.03	Others	51,959	94,393
6.01.03.01	Net cash from operating activities related to disposal group held for sale	51,959	94,393
6.02	Net cash from investing activities	335,826	128,585
6.02.01	Purchase of property and equipment and intangible assets	-18,370	-30,449
6.02.02	Increase in investments	1,294	-15,267
6.02.03	Redemption of short-term investments	851,218	1,202,191
6.02.04	Purchase of short-term investments	-756,944	-1,039,966
6.02.05		219,510	0



	Receivable from exercise of preemptive rights Tenda		
6.02.06	Transaction cost	-9,545	0
6.02.07	Net cash from investing activities related to disposal group held for sale	48,663	12,076
6.03	Net cash from financing activities	-414,964	-143,172
6.03.02	Increase in loans, financing and debentures	255,805	515,891
6.03.03	Payment of loans, financing and debentures	-721,076	-642,640
6.03.04	Repurchase of treasury shares	0	-8,693
6.03.06	Loan transactions with related parties	5,625	7,530
6.03.07	Obligation with investors	-1,237	-1,752
6.03.08	Disposal of treasury shares	317	2,149
6.03.09	Result of the disposal of treasury shares	0	-2,140
6.03.10	Assignment of receivables	21,513	53,828
6.03.11	Net cash from financing activities related to disposal group held for sale	24,089	-67,345
6.04	Foreign Exchange Gains and Losses on Cash and Cash Equivalents	-124,711	0
6.05	Net increase (decrease) of cash and cash equivalents	-2,908	78,700
6.05.01	Cash and cash equivalents at the beginning of the period	29,534	82,640
6.05.02	Cash and cash equivalents at the end of the period	26,626	161,340

**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 Consolidated
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	1,999	-321,998
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
4.10	Low discontinued operation	-	-	-	-	-	-	1,999	1,999
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	4,007	1,221,093

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 09/30/2016 (in thousands of Brazilian real)**

DESCRIPTION	Capital reserves, stock options and treasury shares	Capital reserves	Profit Retained earnings	comprehensive income	Shareholders equity	Non Controlling interest	Total Consolidated
Opening balance	2,740,662	50,854	303,975	-	3,095,491	1,745	3,097,236
Opening adjusted balance	2,740,662	50,854	303,975	-	3,095,491	1,745	3,097,236
Capital transactions with shareholders	-	-2,612	-2,140	-	-4,752	-1,535	-6,287
01 Capital increase	-	-	-	-	-	1,383	1,383
03 Stock option plan	-	3,932	-	-	3,932	-	3,932
04 Treasury shares acquired	-	-8,693	-	-	-8,693	-	-8,693
05 Treasury shares sold	-	2,149	-2,140	-	9	-	9
06 Dividends	-	-	-	-	-	-2,918	-2,918
Total of comprehensive income (loss)	-	-	-	-164,288	-164,288	2,039	-162,249
Net income (loss) for the period	-	-	-	-164,288	-164,288	2,039	-162,249
Reserves	-	-	-	-	-	49	49
01 Constitution of reserves	-	-	-	-	-	49	49
Closing balance	2,740,662	48,242	301,835	-164,288	2,926,451	2,298	2,928,749

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>YEAR TO DATE</b>	<b>YEAR TO DATE</b>
		<b>01/01/2017 to 09/30/2017</b>	<b>FROM PREVIOUS YEAR 01/01/2016 to 09/30/2016</b>
7.01	Revenues	480,398	699,736
7.01.01	Real estate development, sales and services	498,165	707,607
7.01.04	Allowance for doubtful accounts	-17,767	-7,871
7.02	Inputs acquired from third parties	-397,028	-547,124
7.02.01	Cost of Sales and/or Services	-392,201	-503,359
7.02.02	Materials, energy, outsourced labor and other	-103,002	-76,692
7.02.04	Others	98,175	32,927
7.02.04.01	Result from discontinued operation	98,175	32,927
7.03	Gross value added	83,370	152,612
7.04	Retentions	-25,962	-23,332
7.04.01	Depreciation and amortization	-25,962	-23,332
7.05	Net value added produced by the Company	57,408	129,280
7.06	Value added received on transfer	-118,981	46,706
7.06.01	Income from equity method investments	-142,661	-1,788
7.06.02	Financial income	23,680	48,494
7.07	Total value added to be distributed	-61,573	175,986
7.08	Value added distribution	-61,573	175,986
7.08.01	Personnel and payroll charges	72,061	87,451
7.08.01.01	Direct remuneration	72,061	87,451
7.08.02	Taxes and contributions	51,393	70,055
7.08.02.01	Federal	51,393	70,055
7.08.03	Compensation – Interest	202,215	182,768
7.08.03.01	Interest	197,816	176,610
7.08.03.02	Rent	4,399	6,158
7.08.04	Compensation – Company capital	-387,242	-164,288
7.08.04.03	Net income (Retained losses)	-387,242	-164,288

**FOR IMMEDIATE RELEASE** - Gafisa S.A. (B3: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, today reports its financial results for the third quarter ended September 30, 2017

## **GAFISA REPORTS RESULTS FOR 3Q17**

### **MANAGEMENT COMMENTS AND HIGHLIGHTS**

#### **CONFERENCE CALL**

**August 11, 2017**

10:00 am Brasilia Time  
In Portuguese

Phones:

+55 (11) 3193-1001 /  
2820-4001 (Brazil)

Code: Gafisa

07:00 am US EST  
In English (simultaneous  
translation

from Portuguese)

+ 1-646828-8246 / + 1 786  
924-6977 (USA)

Code: Gafisa

Webcast:

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

Replay:

+55 (11) 3193-1012 /  
2820-4012 (Brazil)

Portuguese: 1099857#

English: 7920629#

#### **Shares**

GFSA3 – B3 (former  
BM&FBovespa)

The third quarter 2017 was characterized by the new project launches, after a semester where we prioritized the sales of units in inventory. The four projects launched in the quarter, which performed well, totaled R\$464 million in PSV, reflecting the Company's business planning and strategy, with a more precise launch profile to face the complexities of the macroeconomic scenario. Despite the gradual improvements in indicators such as inflation, employment and, particularly, interest rates, the still uncertain pace of the Brazilian economic recovery reinforces the cautious stance Gafisa is taking in real estate market.

Another relevant achievement was the ongoing positive operating results, a direct consequence of the improvements on Gafisa's business model. The evolution of the model can be seen in the "Sales over Supply" (SoS) indicator, which grew for the fourth consecutive quarter and reached 37.6% in the 12 months up to the end of the 3Q17. In the quarter, the SoS was 18.3%, a considerable improvement over the 7.9% in the 2Q17, reflecting not only good performance of launches but also of sales of inventory in the period. The 3Q17 had the best quarterly performance in SoS of the last five years.

Our constant initiatives to increase the quality of credit analysis, combined with the improvements in the economy, reinforced the downward trend of dissolutions, which came to R\$84.4 million in 3Q17, down 25.7% over the 2Q17 and down 20.5% over 3Q16, the lowest level since 2014.

GFA – NYSE

Total shares outstanding:  
28.040.162

Average Daily Trading  
Volume (90 days<sup>2</sup>):

R\$4.2 million

(1) Including 972,347  
treasury shares;

(2) Until September 30,  
2017.

As a result of the factors mentioned above, net pre-sales came to R\$354.0 million in 3Q17, a substantial growth over R\$127.1 million recorded in 2Q17 and R\$258.3 million recorded in 3Q16. Launches sales came to 63.5% of total net sales in the quarter.

It is important to mention that Gafisa, in line with our decision-making process for new projects, will not have the same volume of launches in the fourth quarter. Therefore, we will concentrate our efforts on sales of inventories, thus, resulting in slower sales velocity.

Net revenue came to R\$160.3 million in 3Q17, up 8.9% q-o-q, but still 40.2% lower than 3Q16. Dissolutions, which were at a lower level during the quarter, are concentrated in units of the older legacy projects,

negatively impacting the Company's revenues. There is also a concentration of net sales on projects that are more recent and with slower work evolution, which impedes a faster recovery of revenues. In the accumulated during the first nine months of 2017, net revenues totaled R\$444.1 million.

Deferred income totaled R\$220.2 million, up 36.5% over the previous quarter and 53.6% over the previous year, a result of good operating performance and correct placement of projects, contributing to the build-up of revenues over the next quarters.

The initiatives to increase efficiency and productivity of our operations succeeded for another quarter. General and administrative expenses which totaled R\$21.4 million in 3Q17, remained in line sequentially but went down 22.2% the same quarter of last year. Selling expenses increased 8.2% over the previous quarter, reflecting the launches in the period, but decreased 7.2% in comparison to the 3Q16.

Thus, this quarter Gafisa recorded a net loss of R\$100.5 million, versus a net loss of R\$134.6 million in 2Q17 and R\$80.0 million in 3Q16, excluding Alphaville equity income and effects of the Tenda transaction.

Gafisa continues with a conservative cash management strategy. Operating cash generation came to R\$93.0 million in 3Q17, down 8.4% from the 2Q17 due to a reduced number of deliveries in the quarter and, consequently, a 9.7% drop in transfers. Net cash generation totaled R\$49.1 million, more than double the R\$20.5 million registered in 2Q17. In the first nine months of 2017, and excluding the inflow of funds from Tenda transaction, the operating cash flows came to R\$290.0 million, with a net cash generation of R102.8 million.

Gafisa's net debt came to R\$1.1 billion at the end of 3Q17, down 18% from the previous quarter and down 26% from last year. The balance of leverage, measured by the net debt to shareholders' equity ratio, reached 87.1% in 3Q17 and remains one of the Company's management main areas of focus. Excluding projects' financing, the net debt to shareholders' equity ratio stood at 12.7%. It is important to highlight the negotiations to increase debt maturity, which reflects in the lower proportion of short-term debt, from 62.4% of total debt in the 2Q17 to 48.7% in 3Q17. Gafisa will additionally receive R\$100.0 million relating to the Tenda transaction in the next periods, as contractually agreed.

Despite the short-term uncertainties, the evolution of the financial results during the third quarter, albeit mild, points to a slow and gradual inflection of our results. As we have mentioned previously, results are still impacted by the lower relevance of more recent projects. Over the future, we should start to recognize the positive impacts of these more recent projects, that command margins that are more adequate.

We are confident that the strategic actions adopted by Gafisa, focused on reducing inventories, a rigorous process to define project launches and higher operating efficiency, position us favorably for the recovery of the real estate markets over the coming years.

**Sandro Gamba**

**CEO**

21

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## 3Q QUARTERLY INFORMATION

### OPERATIONAL RESULTS

- § Decrease in dissolutions, which totaled R\$84.4 million in the quarter, a decrease of 25.7% over 2Q17 and 20.5% over 3Q16, to the lowest volume since 2014.
- § Consolidated sales over supply (SoS) reached 18.3% in 3Q17, compared to 7.9% in 2Q17 and 11.5% in 3Q16. In the last 12 months, SoS reached 37.6%, the highest level of the last five years.
- § Net pre-sales in 3Q17 totaled R\$354.0 million, up 37.0% compared to R\$258.3 million in 3Q16. In 9M17, net pre-sales totals R\$598.6 million, an increase of 32% vs. 9M16.
- § During the 3Q17, the Company delivered a 296 units project, representing total PSV of R\$75.2 million. In the 9M17 aggregate, the PSV delivered was R\$820.2 million.
- § Launches accounted for 63.5% of total net sales. Consolidated inventory at market value increased by 7.1% in relation to 2Q17, totaling R\$1.6 billion.

### FINANCIAL RESULTS

- § Operating cash generation reached R\$93.0 million in 3Q17, with a net generation of R\$49.1 million. In the year accumulated, operating cash generation was R\$290.0 million, and net generation reached r\$102.8 million.
- § The quarterly net income recognized by the “PoC” method totaled R\$160.3 million, 9% increase in comparison with the previous quarter. In 9M17, net revenue reached R\$444.1 million.
- § Adjusted gross income was R\$18.7 million, compared to adjusted gross income of R\$ 12.4 million in 2Q17 and R\$47.2 million in the previous year, closing 9M17 at R\$51.9 million. Adjusted gross margin reached 11.7% compared to adjusted gross margin of 8.4% in 2Q17, and 17.6% in the annual comparison. In 9M17, the adjusted gross margin reached the level of 11.7%.



## OPERATIONAL RESULTS

### Launches and Pre-sales

The launches of 3Q17 totaled R\$ 463.8 million, represented by four projects, three in São Paulo and one in Curitiba (the third phase of Ecoville Park). The sales speed of these launches reached 47.7%.

**Table1. Launches, Sales and Dissolutions (R\$ thousand)**

463,841	-	-	410,966	13%	463,841	621,429	-25%
438,429	240,795	82.1%	364,454	20.3%	914,834	863,553	5.6%
(84,390)	(113,648)	-25.7%	(106,122)	-20.5%	(316,251)	(408,860)	-22.7%
354,039	127,146	178%	258,332	37%	598,583	454,693	32%
18.3%	7.9%	1040 bps	11.5%	680 bps	27.5%	18.7%	880 bps
75,227	479,869	-84.3%	935,678	-92.0%	820,153	1,452,827	-43.5%

### Net Pre-Sales

In 3Q17, gross sales totaled R\$438.4 million, growing both in relation to 2Q17 (+82.1%) and to 3Q16 (+20.3%), reflecting the good sales performance of the launches combined with the continuation of sales of remaining units at the same level as in 2Q17. Dissolutions decreased and totaled R\$84.4 million, 25.7% and 20.5% lower than in 2Q17 and in 3Q16, respectively. As a result, net sales reached R\$354.0 million in 3Q17, compared to R\$127.1 million in 2Q17 and R\$258.3 million in 3Q16. In the year to date, net sales reached R\$598.6 million, 31.6% higher than in the same period of 2016.

The project launches accounted for 63.5% of total net sales in 3Q17. Regarding the sale of units in inventory, 78.9% refer to sales of projects launched until the end of 2015, improving the profile of our inventory. Dissolutions were higher in projects launched until 2014, where work has progressed further, with consequent impact on revenue recognition and margin composition.

## **Sales over Supply (SoS)**

Good business performance in the quarter drove sales speeds. Quarterly SoS increased to 18.3%, the best quarterly performance since 2012, and SoS accumulated in twelve months reached 37.6%, the highest level since 2013. These results reinforce that we were correct on our launch strategy and on the balance of selling the inventory of remaining units.

## **Dissolutions**

Dissolutions totaled R\$84.4 million in 3Q17, the lowest level since 2014 and a significant reduction both in relation to the R\$113.6 million in 2Q17 and to the R\$106.1 million in 3Q16. The accumulated volume of dissolutions in 2017 reached R\$316.3 million, a reduction of 22.7% compared to 9M16.

The reduction of the dissolutions is due to the successful initiatives to increase the quality of the credit analysis adopted over the last three years by Gafisa, as well as the slight improvement in the macroeconomic scenario after a strong recession.

## Inventory (Property for Sale)

The inventory at market value reached R\$1,581.4 million at the end of 3Q17, 7.1% higher than in 2Q17, due to the launches made in the period, although these have achieved good sales speed.

**Table 2. Inventory at Market Value 2Q17 x 3q17 (R\$ thousand)**

1,149,787	406,672	64,255	(379,398)	(3,991)	1,237,325	7.6%
280,397	-	18,151	(30,648)	(1,039)	266,861	-4.8%
46,097	57,168	1,983	(28,383)	351	77,216	67.5%
<b>1,476,281</b>	<b>463,840</b>	<b>84,389</b>	<b>(438,429)</b>	<b>(4,679)</b>	<b>1,581,402</b>	<b>7.1%</b>

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

In a quarter characterized by new launches and the delivery of a project, the Company was able to maintain a commercial balance between launches and complete units. The inventory of finished units fell from R\$565.4 million (38.3% of total inventory) in 2Q17 to R\$507.2 million in 3Q17 (32.1% of total).

The inventory of projects outside the strategic markets, of R\$ 77.2 million, represents 4.9% of the total inventory, of which 52% are completed units. The increase of R\$31.1 million compared to 2Q17 is explained by the launch of another phase of the Ecoville Park in Curitiba, as previously planned.

Of the total inventory completed, 60.0% are commercial projects. This proportion is due both to the high volume of deliveries over the last few years and to the lower sales speeds in this segment, where liquidity is still relatively lower.

**Table 3 – Inventory at Market Value – Work Status- POC - (R\$ 000)**

208,808	28,121	544,580	214,363	241,453	1,237,325
-	7,971	-	33,045	225,845	266,861
37,348	-	-	-	39,868	77,216
<b>246,156</b>	<b>36,092</b>	<b>544,580</b>	<b>247,408</b>	<b>507,166</b>	<b>1,581,402</b>

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

## Delivered Projects

The Company delivered 286 units in 3Q17, all in project Go Maraville, located in Jundiaí, São Paulo state, with PSV of R\$75.2 million. In the 9M17, deliveries totaled 1,890 units and R\$820.2 million. Currently, Gafisa has 18 projects under construction, all of which are on schedule according to the Company's business plan

## Transfers

Over the past few years, the Company has been taking steps to improve the performance of its receivables/transfer process, in an attempt to achieve higher rates of return on invested capital. Currently, the Company's strategy is to transfer 90% of eligible units in a 90-day period after the delivery of the project. In accordance with this policy, transfers in 3Q17 totaled R\$125.6 million, explained by the lower number of deliveries. In the 9M17, transfers reached R\$366.4 million, 3.3% lower than the same period in 2016.

**Table 4 – Delivered Projects (R\$000 and %)**

125,609	139,038	-9.7%	126,013	-0.3%	366,392	378,733	-3.3%
1	4	-75.0%	7	-85.7%	8	13	-38.5%
296	1,241	-76.1%	1,899	-84.4%	1,890	3,331	-43.3%
<b>75,227</b>	<b>412,307</b>	<b>-81.8%</b>	<b>935,678</b>	<b>-92.0%</b>	<b>820,153</b>	<b>1,452,827</b>	<b>-43.5%</b>

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

2) PSV = Potential sales value of delivered units.

## Landbank

The Company's landbank, with a PSV of R\$ 4.3 billion, represents 35 potential projects/phases or nearly 8 thousand units, 72% of potential projects/phases are in São Paulo and the rest in Rio de Janeiro. About 60% of the land was acquired through swap agreements, being the largest portion located in Rio de Janeiro. In 3Q17, the Company did not acquire new land for its landbank.

The quarterly adjustments reflect mainly updates related to project scope and expected launch dates.

**Table 5 - Landbank (R\$ 000)**

2,518,279	51.7%	51.7%	0.0%	5,802	6,473
1,774,833	73.0%	73.0%	0.0%	2,246	2,300
<b>4,293,112</b>	<b>60.0%</b>	<b>60.0%</b>	<b>0.0%</b>	<b>8,048</b>	<b>8,773</b>

1) The swap percentage is measured compared to the historical cost of land acquisition.



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

**Table 6 – Changes in the Landbank (2Q17 x 3Q17 - R\$ 000)**

3,018,977	-	(463,841)	-	(36,857)	2,518,279
1,778,752	-	-	-	(3,919)	1,774,833
<b>4,797,729</b>	<b>-</b>	<b>(463,841)</b>	<b>-</b>	<b>(40,776)</b>	<b>4,293,112</b>

## FINANCIAL RESULTS

### Revenue

3Q17 net revenues totaled R\$160.3 million, up 8.9% from 2Q17, and down 40.2% from 3Q16. In the year to date, net revenues reached R\$444.1 million. Revenue recognition is affected by the mix of net sales in the period, with sales concentrated in the most recent launches and, consequently, lower revenue recognition. Dissolutions were down in the quarter but continued to have a material impact on the Company's revenue.

**Table 7 – Revenue Recognition (R\$ 000)**

Pre-Sales	% Sales	Revenue	% Revenue	Pre-Sales	% Sales	Revenue	% Revenue
224,814	63.5%	-	0.0%	-	0.0%	-	0.0%
27,258	7.7%	19,555	12.2%	146,728	56.8%	57,865	21.6%
40,346	11.4%	73,627	45.9%	38,110	14.8%	46,046	17.2%
34,399	9.7%	42,920	26.8%	32,649	12.6%	92,382	34.4%
27,222	7.7%	24,223	15.1%	40,844	15.8%	71,976	26.8%
354,039	100.0%	160,324	100.0%	258,332	100.0%	268,270	100.0%
349,248	98.6%	160,757	100.3%	227,963	88.2%	264,897	98.7%
4,791	1.4%	(433)	-0.3%	30,369	11.8%	3,373	1.3%

### Gross Profit & Margin

Adjusted gross income in the 3Q17 was R\$18.7 million, up 50.4% from 2Q17, but down 60.4% from 3Q16. In 9M17, the adjusted gross income was R\$51.9 million, down 65.0% from the 9M16. Even with a low level of dissolutions in the 3Q17, the impact of the sales mix in the revenue prevented a quicker margin recovery. Even so, the gross margin of -4.8% showed an evolution to the -9.8% of the previous quarter. Excluding the financial effects, the adjusted gross margin was 11.7% in the 3Q17, which compares to 8.4% in the 2Q17 and to 17.6% in the 3Q16.

Details of Gafisa's gross margin breakdown in 3Q17 are presented below.

**Table 8 – Gross Margin (R\$ 000)**

160,325	147,253	9%	268,271	40%	444,117	651,881	-32%
(7,631)	(14,403)	-47%	963	-892%	(39,201)	30,503	-229%
-4.8%	-9.8%	500 bps	0.4%	-520 bps	-8.8%	4.7%	-1350 bps
26,317	26,824	-2%	46,258	-43%	91,117	118,019	-23%
18,686	12,421	50%	47,221	-60%	51,916	148,522	-65%
11.7%	8.4%	330 bps	17.6%	-590 bps	11.7%	22.8%	-1110 bps

1) Adjusted by capitalized interests

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

In the 3Q17, the selling, general and administrative expenses (SG&A) totaled R\$44.4 million, 8.4% up from 2Q17 and 15.1% down from 3Q16. In the year to date, the SG&A totaled R\$131.7 million, 3.0% down from the same period in 2016.

The sales expenses totaled R\$22.9 million, with a growth of 8.2% from the 2Q17 as a result of the launches in the period, which resulted in higher sales volume. In comparison to 3Q16, there was a 7.2% reduction.

The efforts improve operational efficiency continue to show positive results. The general and administrative expenses totaled R\$21.4 million, 9% higher in comparison to last quarter, but with 22.2% reduction in comparison to 3Q16. Year to date, the reduction was 7.5%.

We keep pursuing a balanced operational structure. The recent structural redesign allowed us to reduce costs and expenses and, with more efficiency and agility, put us in a competitive position for the new development cycle of the Brazilian real estate market.

**Table 9 – SG&A Expenses (R\$ 000)**

(22,929)	(21,184)	8%	(24,701)	-7%	(63,169)	(61,692)	2%
(21,441)	(19,738)	9%	(27,544)	-22%	(68,548)	(74,070)	-7%
(44,370)	(40,922)	8%	(52,245)	-15%	(131,717)	(135,762)	-3%
160,325	147,253	9%	268,271	-40%	444,117	651,881	32%

The Other Operating Revenues/Expenses totaled R\$10.0 million, 68% below the R\$31.6 million of the previous quarter, which was negatively impacted due to early conclusion of an arbitration proceeding, with a net effect of R\$18.2 million.

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

**Table 10 – Other Operating Revenues/Expenses (R\$ 000)**

(14,654)	(30,041)	51%	(13,278)	10%	(61,431)	(44,543)	38%
4,625	(1,528)	-403%	(1,243)	-472%	127	(3,511)	-104%
<b>(10,029)</b>	<b>(31,569)</b>	<b>-68%</b>	<b>(14,521)</b>	<b>-31%</b>	<b>(61,304)</b>	<b>(48,054)</b>	<b>28%</b>

## **Adjusted EBITDA**

Adjusted EBITDA was negative R\$44.2 million in the quarter, compared with R\$-65.1 million in 2Q17 and R\$-15.7 million in 3Q16.

It is worth noting that Gafisa's adjusted EBITDA does not consider the impact of the income from discontinued operations (Tenda) and the effect of Alphaville's equity income.

**Table 11 - Adjusted EBITDA (R\$ 000)**

(157,841)	(180,004)	-12%	(72,622)	117%	(387,242)	(164,288)	136%
-	(9,545)	-100%	16,555	-100%	98,175	32,927	198%
(157,841)	(170,459)	88%	(89,177)	77%	(485,417)	(197,215)	146%
21,069	33,390	-37%	5,911	256%	83,019	10,098	722%
(622)	949	-166%	1,076	-158%	1,673	6,645	-75%
8,379	8,875	-6%	8,180	2%	25,962	23,332	11%
26,317	26,824	-2%	46,258	-43%	91,117	118,019	-23%
1,194	(424)	-382%	2,316	-48%	2,898	5,506	-47%
(66)	(100)	-34%	585	-111%	(120)	2,039	-106%
57,371	35,891	60%	9,158	526%	124,286	10,230	1115%
(44,199)	(65,054)	-32%	(15,693)	182%	(156,582)	(21,346)	634%
160,325	147,253	9%	268,271	-40%	444,117	651,881	-32%
-27.6%	-44.2%	1660 bps	-5.8%	-2180 bps	-35.3%	-3.3%	-3200 bps

1) Sale of Tenda shares;

2) Adjusted by expense with stock option plan (non-cash) and minority shareholders. EBITDA does not consider Alphaville's equity income.

## Financial Results

In the 3Q17, financial results were 28.3% smaller when compared to the 2Q17, and 11.7% smaller than the 3Q16, reflecting the reduction of the basic interest rate and the lower cash balance in the period. Financial expenses reached R\$27.7 million, compared to the R\$42.6 million of the 2Q17 and the R\$13.4 million of the 3Q16.

Therefore, the net financial result was negative R\$21.1 million in the 3Q17, compared to the negative net financial results of R\$33.4 million in the 2Q17, and R\$5.9 million in the 3Q16. The accumulated net financial result was R\$83.0 negative in the 9M17.

## **Taxes**

In the 3Q17, the income tax and social contribution line were positive at R\$0.6 million. In the 9M17, income tax and social contribution expenses totaled R\$1.7 million.

## **Net Income**

As results of the previously discussed effects, the net income of the 3Q17, excluding the results of the Alphaville's equity income, was negative in R\$100.5 million, which compares with the net loss of R\$134.6 million in the 2Q17 and of R\$80.0 million in the 3Q16.

**Table 12 – Net Income (R\$ 000)**

160,325	147,253	9%	268,271	40%	444,117	651,881	-32%
(7,631)	(14,403)	-47%	963	-892%	(39,201)	30,503	-229%
-4.8%	-9.8%	500 bps	0.4%	-520 bps	-8.8%	4.7%	-1350 bps
18,686	12,421	50%	47,221	-60%	51,916	148,522	-65%
11.7%	8.4%	330 bps	17.6%	-590 bps	11.7%	22.8%	-1110 bps
(44,199)	(65,054)	-32%	(15,693)	182%	(156,582)	(21,346)	634%
-27.6%	-44.2%	1660 bps	-5.8%	-2180 bps	-35.3%	-3.3%	-3200 bps
-	(9,545)	-100%	-	0%	98,175	32,927	198%
(157,841)	(170,459)	-7%	(89,177)	77%	(485,417)	(197,215)	146%
(57,371)	(35,891)	60%	(9,158)	526%	(124,286)	(10,230)	1115%
(100,470)	(134,568)	-25%	(80,019)	26%	(361,131)	(186,985)	93%

1) Adjusted by capitalized interests;

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

3) Sale of Tenda shares;

4) Adjusted by item 3.

### **Backlog of Revenues and Results**

The backlog of results to be recognized under the PoC method totaled R\$220.2 million in the 3Q17. The consolidated margin was 34.9% this quarter, compared to 35.8% in the 2Q17. The growth of the backlog in this quarter reflects the resumption of the launches in the period, combined with the good sales performance of projects launched in 2014 and 2015, signaling a positive outlook for revenues and gross profit in the next periods.

**Table 13 – Backlog Results (REF) (R\$ 000)**



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630,168	450,923	40%	394,475	60%
(409,994)	(289,632)	42%	(251,151)	63%
220,174	161,291	37%	143,324	54%
34.9%	35.8%	-90 bps	36.3%	-140 bps

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

2) Backlog results comprise the projects restricted by condition precedent.

30

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## BALANCE SHEET

### Cash and Cash Equivalents and Securities

On September 30, 2017, cash and cash equivalents and marketable securities totaled R\$156.0 million, down 27.3% from June 30, 2017.

### Receivables

At the end of 3Q17, total accounts receivable totaled R\$1.5 billion, an increase of 11.0% compared to R\$1.3 billion in 2Q17.

Currently, the Company has approximately R\$ 365.7 million in accounts receivable from finished units.

**Table 14. Total Receivables (R\$ 000)**

654,040	468,005	40%	409,419	60%
570,303	602,295	-5%	780,968	-27%
197,407	208,230	-5%	313,802	-37%
1,421,750	1,278,530	11%	1,504,189	-5%

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

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

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

### Cash Generation

The operational cash generation totaled R\$93.0 million in the 3Q17, lower than the R\$101.5 million generated in the 2Q17, due mainly to the lower number of delivered projects and consequent reduction in transfers, and the concentration of launches in the second half of the quarter, which dilutes cash inflows between 3Q17 and 4Q17. The good operating cash performance resulted in net cash generation of R\$49.1 million in the 3Q17. Year to date,

excluding inflows from the Tenda transaction, operational cash flow totaled R\$290.0 million, with net cash generation reaching R\$102.8 million.

**Table 15. Cash Generation (R\$ 000)**

	236,934	214,572	155,997
	(16,246)	(22,362)	(58,575)
	1,589,312	1,326,977	1,219,273
	(49,492)	(262,335)	(107,704)
	237,109	237,109	237,109
	-	-	-
	-	219,510	-
	33,246	20,463	49,130
	33,246	53,710	102,840
1) Cash and cash equivalents, and marketable securities.			

## Liquidity

At the end of the 3Q17, the Company's Net Debt/Shareholders' Equity ratio was 87.1%, compared to 80.7% in the previous quarter, as a reflection of accumulation of losses from the previous periods faster than the reduction of debt. Excluding project finance, the Net Debt/Shareholders' Equity ratio was 12.7%.

In the 3Q17, the gross debt reached R\$1.2 billion, down 8% q-o-q, and 41.0% y-o-y. The net debt amounted to R\$1.1 billion, 4% smaller than the 2Q17. It is importante to mention that the Company will receive, over the few quarters, R\$100.0 million from the Tenda transaction, as contractually established.

**Table 16. Debt and Investor Obligations (R\$ 000)**

154,830	150,890	3%	492,498	-69%
127,424	130,817	-3%	167,448	-24%
753,639	861,930	-13%	1,188,494	-37%
183,379	183,339	0%	201,571	-9%
1,219,272	1,326,976	-8%	2,050,011	-41%
-	-	0%	3,143	-100%
1,219,272	1,326,976	-8%	2,053,154	-41%
155,998	214,573	-27%	609,898	-74%
1,063,274	1,112,403	-4%	1,443,256	-26%
1,221,093	1,378,424	-11%	2,928,749	-58%
87.1%	80.7%	640 bps	49.3%	3780 bps
<b>12.7%</b>	<b>7.2%</b>	<b>550 bps</b>	<b>-8.1%</b>	<b>2080 bps</b>

\* Considers Gafisa only.

### 1) Cash and cash equivalents and marketable securities

The Company ended 3Q17 with R\$593.3 million in total debt maturing in the short term, or 48.7% of the total debt, compared to 62.4% in the conclusion of 2Q17. The longer debt maturity profile, which was again obtained during the quarter, is in line with gafisa's conservative cash strategy. It should be noted, however, that 74.5% of this volume relates to debt linked to the Company's projects. Currently, the average cost of consolidated debt is 13.23% per year, or 158.59% of the CDI.

**Table 17 – Debt Maturity**

TR + 10.38%	154,830	154,830	-	-	-
CDI + 1.90% / IPCA + 8.22 %	127,424	83,841	21,789	21,794	-
TR + 8.30% a 14% / 120%CDI / 129%CDI	753,639	247,416	333,047	165,422	7,754
130%CDI / CDI + 2.5% / CDI + 3% / CDI + 5%	183,379	107,176	47,911	19,043	9,249
	1,219,272	593,263	402,747	206,259	17,003
		48.7%	33.0%	16.9%	1.4%
		67.8%	82.7%	80.2%	45.6%
		32.2%	17.3%	19.8%	54.4%
		25.5% / 74.5%			

**SUBSEQUENT EVENT**

On November 09, 2017, the Board of Directors approved to call an Extraordinary Shareholders' Meeting (the "Meeting") to be held on December 11, 2017, to resolve on the Company's capital increase up to the total amount of three hundred million Reais (R\$300,000,000.00), with the possibility of partial ratification in the case of subscription of at least, two hundred million and ten Reais (R\$200,000,010.00), by means of the issue for private subscription of at least 13,333,334 and at most 20,000,000 non-par, registered, book-entry new common shares of the Company, at a price per share of R\$ 15.00, based on Article 170, Paragraph 1, item III of Law No. 6.404/76 ("**Capital Increase**").

The Capital Increase is part of the Company's plans to strengthen cash and cash equivalents, reinforce its capital structure in view of its current level of indebtedness, and make viable the Company's strategic and operational positioning within this new cycle of the Brazilian real estate market.

Wishbone Management, LP, shareholder of the company, jointly with Conifer Capital Management, LLC, and investment funds under management of their affiliates ("**Investors**"),

undertake to subscribe the shares and eventual unsold shares in the context of this Capital Increase, by exercising their preemptive rights in share subscription, so to guarantee that will subscribe, at least, two hundred million Reais R\$200,000,000.00, being the total amount to be effectively subscribed contingent on the result of preemptive right exercise and the subscription of unsold shares by other shareholders of the Company. Investors' subscription commitment is subject to (i) the postponement of the Company's debts maturity in the amount of, at least, three hundred million Reais R\$300,000,000.00, until 2020 and 2021, and (ii) the lack of adverse material effects.

More details on the Capital Increase are available on the call notice and management proposals published today on the Company's investor relations website ([www.gafisa.com.br/ri/](http://www.gafisa.com.br/ri/)) and on the websites of B3 S.A. – Brasil, Bolsa e Balcão ([www.b3.com.br](http://www.b3.com.br)) and of the Comissão de Valores Mobiliários ( [www.cvm.gov.br](http://www.cvm.gov.br)).

São Paulo, August 09, 2017.

Alphaville Urbanismo SA releases its results for the 3<sup>rd</sup> quarter of 2017

### Financial results

In the 3<sup>rd</sup> quarter of 2017, net revenues were R\$ 41 million and the net loss was R\$ -191 million.

<b>Net Revenue</b>	41	165	-75%
<b>Net Profit/Loss</b>	-191	-31	n/a

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 Financial Statements

	<b>3Q17</b>	<b>2Q17</b>	<b>Q/Q (%)</b>	<b>3Q16</b>	<b>Y/Y (%)</b>	<b>9M17</b>	<b>9M16</b>	<b>Y/Y (%)</b>
<b>Net Revenue</b>	160,325	147,253	9%	268,271	-40%	444,117	651,881	-32%
<b>Operating Costs</b>	(167,956)	(161,656)	4%	(267,308)	-37%	(483,318)	(621,378)	-22%
<b>Gross Profit</b>	<b>(7,631)</b>	<b>(14,403)</b>	<b>-47%</b>	<b>963</b>	<b>-892%</b>	<b>(39,201)</b>	<b>30,503</b>	<b>-229%</b>
<b>Gross Margin</b>	-4.8%	-9.8%	502 bps	0.4%	-512 bps	-8.8%	4.7%	-1351 bps
<b>Operating Expenses</b>	<b>(129,829)</b>	<b>(121,817)</b>	<b>7%</b>	<b>(82,568)</b>	<b>57%</b>	<b>(361,644)</b>	<b>(208,936)</b>	<b>73%</b>
<b>Selling Expenses</b>	(22,929)	(21,184)	8%	(24,701)	-7%	(63,169)	(61,692)	2%
<b>General and Administrative Expenses</b>	(21,441)	(19,738)	9%	(27,544)	-22%	(68,548)	(74,070)	-7%
<b>Other Operating Revenue/Expenses</b>	(10,029)	(31,569)	-68%	(14,521)	-31%	(61,304)	(48,054)	28%
<b>Depreciation and Amortization</b>	(8,379)	(8,875)	-6%	(8,180)	2%	(25,962)	(23,332)	11%
<b>Equity Income</b>	(67,051)	(40,451)	66%	(7,622)	780%	(142,661)	(1,788)	7879%
<b>Operational Result</b>	<b>(137,460)</b>	<b>(136,220)</b>	<b>1%</b>	<b>(81,605)</b>	<b>68%</b>	<b>(400,845)</b>	<b>(178,433)</b>	<b>125%</b>
<b>Financial Income</b>	6,604	9,206	-28%	7,479	-12%	23,680	48,493	-51%
<b>Financial Expenses</b>	(27,673)	(42,596)	-35%	(13,390)	107%	(106,699)	(58,591)	82%
<b>Net Income Before taxes on Income</b>	<b>(158,529)</b>	<b>(169,610)</b>	<b>-7%</b>	<b>(87,516)</b>	<b>81%</b>	<b>(483,864)</b>	<b>(188,531)</b>	<b>157%</b>
<b>Deferred Taxes</b>	-	-	0%	-	0%	-	963	-100%
<b>Income Tax and Social Contribution</b>	622	(949)	-166%	(1,076)	-158%	(1,673)	(7,608)	-78%
<b>Net Income After Taxes on Income</b>	<b>(157,907)</b>	<b>(170,559)</b>	<b>-7%</b>	<b>(88,592)</b>	<b>78%</b>	<b>(485,537)</b>	<b>(195,176)</b>	<b>149%</b>
<b>Continued Op. Net Income</b>	<b>(157,907)</b>	<b>(170,559)</b>	<b>-7%</b>	<b>(88,592)</b>	<b>78%</b>	<b>(485,537)</b>	<b>(195,176)</b>	<b>149%</b>
<b>Discontinued Op. Net Income</b>	-	(9,545)	-100%	16,555	-100%	98,175	32,927	198%
<b>Minority Shareholders Net Income</b>	(66)	(100)	-34%	585	-111%	(120)	2,039	-106%
<b>Net Income</b>	<b>(157,841)</b>	<b>(180,004)</b>	<b>-12%</b>	<b>(72,622)</b>	<b>117%</b>	<b>(387,242)</b>	<b>(164,288)</b>	<b>136%</b>





## Consolidated Balance Sheet

	3Q17	2Q17	Q/Q(%)	3Q16	Y/Y(%)
<b>Current Assets</b>					
<b>Cash and cash equivalents</b>	26,626	37,979	-30%	161,340	-83%
<b>Securities</b>	129,372	176,594	-27%	448,558	-71%
<b>Receivables from clients</b>	570,303	602,295	-5%	1,129,351	-50%
<b>Properties for sale</b>	987,657	996,928	-1%	2,118,652	-53%
<b>Other accounts receivable</b>	122,968	105,812	16%	200,529	-39%
<b>Prepaid expenses and other</b>	5,526	5,903	-6%	5,811	-5%
<b>Land for sale</b>	3,270	3,270	0%	74,753	-96%
<b>Subtotal</b>	1,845,722	1,928,781	-4%	4,138,994	-55%
<b>Long-term Assets</b>					
<b>Receivables from clients</b>	197,407	208,230	-5%	440,056	-55%
<b>Properties for sale</b>	475,700	582,445	-18%	523,895	-9%
<b>Other</b>	193,076	194,880	-1%	158,146	22%
<b>Subtotal</b>	866,183	985,555	-12%	1,122,097	-23%
<b>Intangible. Property and Equipment</b>	44,613	45,318	-2%	127,527	-65%
<b>Investments</b>	665,813	731,405	-9%	964,700	-31%
<b>Total Assets</b>	3,422,331	3,691,059	-7%	6,353,318	-46%
<b>Current Liabilities</b>					
<b>Loans and financing</b>	354,592	654,200	-46%	650,973	-46%
<b>Debentures</b>	238,671	174,242	37%	373,449	-36%
<b>Obligations for purchase of land and advances from customers</b>	170,680	194,787	-12%	369,029	-54%
<b>Material and service suppliers</b>	89,975	73,249	23%	66,018	36%
<b>Taxes and contributions</b>	50,412	46,343	9%	81,677	-38%
<b>Other</b>	335,353	337,235	-1%	423,298	-21%
<b>Subtotal</b>	1,239,683	1,480,056	-16%	1,964,444	-37%

<b>Long-term liabilities</b>					
<b>Loans and financings</b>	582,426	391,069	49%	739,092	-21%
<b>Debentures</b>	43,583	107,465	-59%	286,497	-85%
<b>Obligations for Purchase of Land and advances from customers</b>	98,117	71,149	38%	131,149	-25%
<b>Deferred taxes</b>	100,405	100,405	0%	22,173	353%
<b>Provision for Contingencies</b>	72,381	81,515	-11%	139,026	-48%
<b>Other</b>	64,643	80,976	-20%	142,188	-55%
<b>Subtotal</b>	961,555	832,579	15%	1,460,125	-34%
<b>Shareholders' Equity</b>					
<b>Shareholders' Equity</b>	1,217,086	1,374,347	-11%	2,926,451	-58%
<b>Minority Shareholders</b>	4,007	4,077	-2%	2,298	74%
<b>Subtotal</b>	1,221,093	1,378,424	-11%	2,928,749	-58%
<b>Total Liabilities and Shareholders' Equity</b>	3,422,331	3,691,059	-7%	6,353,318	-46%

## Cash Flow

	<b>3Q17</b>	<b>3Q16</b>	<b>9M17</b>	<b>9M16</b>
<b>Income Before Taxes on Income and Social Contribution</b>	(158,533)	(111,933)	(483,864)	(188,531)
<b>Expenses/Income not affecting working capital</b>	102,356	72,285	287,718	141,473
<b>Depreciation and amortization</b>	8,379	8,180	25,962	23,332
<b>Impairment</b>	-	-	(11,141)	(6,302)
<b>Expense with stock option plan and shares</b>	1,195	2,317	2,898	5,506
<b>Project delay fines</b>	-	(1,393)	-	(1,404)
<b>Unrealized interest and financial</b>	4,240	36,111	46,975	74,899
<b>Equity income</b>	67,051	7,622	142,661	1,788
<b>Disposal of fixed asset</b>	-	319	-	1,501
<b>Provision for guarantee</b>	(4,124)	(1,362)	(7,439)	(9,234)
<b>Provision for lawsuits</b>	14,654	13,278	61,431	44,542
<b>Profit Sharing provision</b>	1,037	6,250	9,394	12,500
<b>Allowance for doubtful accounts and dissolutions</b>	10,068	2,273	17,767	7,871
<b>Income from financial instruments</b>	(144)	(1,310)	(790)	(13,526)
<b>Clients</b>	22,086	53,681	180,528	199,882
<b>Properties held for sale</b>	116,052	69,784	263,519	388
<b>Other accounts receivable</b>	(9,673)	10,285	(9,272)	12,693
<b>Prepaid expenses</b>	377	(832)	(2,978)	(233)
<b>Obligations on land purchase and advances from clients</b>	2,861	(33,384)	(26,900)	(93,326)
<b>Taxes and contributions</b>	4,069	(4,263)	(1,430)	(13,454)
<b>Providers</b>	10,939	(3,862)	10,520	(4,626)
<b>Salaries and payroll charges</b>	(10,701)	1,393	(8,887)	(10,607)
<b>Other liabilities</b>	(6,419)	(84,524)	(35,393)	(122,457)
<b>Related party transactions</b>	(13,203)	58,512	(22,906)	84,337
<b>Taxes paid</b>	622	(1,076)	(1,673)	(6,645)
<b>Cash provided by/used in operating activities /discontinued operation</b>	-	40,324	51,959	94,393
<b>Net cash from operating activities</b>	60,833	66,390	200,941	93,287
<b>Investment activities</b>				
<b>Purchase of fixed and intangible asset</b>	(7,674)	(16,080)	(18,370)	(30,449)
<b>Capital contribution in subsidiaries</b>	853	(2,628)	1,294	(15,267)
<b>Redemption of financial investment</b>	163,743	352,339	851,218	1,202,191
<b>Funding financial investments</b>	(116,521)	(344,004)	(756,944)	(1,039,966)
	-	6,205	48,663	12,076

<b>Cash provided by/used in investment activities / discontinued operation</b>				
<b>Discontinued operation transaction costs</b>	-	-	(9,545)	-
<b>Receivable from exercise of preemptive rights Tenda</b>	-	-	219,510	-
<b>Net cash from investment activities</b>	40,401	(4,168)	335,826	128,585
<b>Financing activities</b>				
<b>Related party contributions</b>	-	768	(1,237)	(1,752)
<b>Addition of loans and financing</b>	69,523	207,009	255,805	515,891
<b>Amortization of loans and financing</b>	(181,467)	(198,121)	(721,076)	(642,640)
<b>Share buyback</b>	-	(498)	-	(8,693)
<b>Result from the sale of treasury shares</b>	-	(2,140)	-	(2,140)
<b>Assignment of credit receivables, net</b>	-	12,019	21,513	53,828
<b>Loan operations with related parties</b>	(643)	(1,918)	5,625	7,530
<b>Sale of treasury shares</b>	-	2,144	317	2,149
<b>Cash provided by/used in financing activities/ discontinued operation</b>	-	(77,882)	24,089	(67,345)
<b>Net cash from financing activities</b>	(112,587)	(58,619)	(414,964)	(143,172)
<b>Net cash variation/discontinued operation</b>	-	-	(124,711)	-
<b>Increase (decrease) in cash and cash equivalents</b>	(11,353)	3,603	(2,908)	78,700
<b>Opening balance of cash and cash equivalents</b>	37,979	157,737	29,534	82,640
<b>Closing balance of cash and cash equivalents</b>	26,626	161,340	26,626	161,340
<b>Increase (decrease) in cash and cash equivalents</b>	(11,353)	3,603	(2,908)	78,700

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:GFSA3) and is the only Brazilian homebuilder listed on the New York Stock Exchange (NYSE:GFA) with an ADR Level III, which ensures best practices in terms of transparency and corporate governance.

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

IR Contacts  
Carlos Calheiros  
Fernando Campos  
Luiz Felipe R. Murat  
Telephone: +55 11  
3025-9242/9651  
Email: [ri@gafisa.com.br](mailto:ri@gafisa.com.br)  
IR Website:  
[www.gafisa.com.br/ri](http://www.gafisa.com.br/ri)

Media Relations  
Máquina Cohn & Wolfe  
Lívia Hormigo / Guilherme  
Justo  
Telephone: +55 11  
3147-7414 /  
3147-7438  
E-mail:  
[gafisa@grupomaquina.com](mailto:gafisa@grupomaquina.com)



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## **Gafisa S.A.**

Notes to the quarterly information

September 30, 2017

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

### **1. Operations**

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

The Company has stocks traded at 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. Controlled entities substantially share managerial and operating structures, and corporate, managerial and operating costs with the Company. SPEs, condominiums and consortia operate solely in the real estate industry and are linked to specific ventures.

On December 14, 2016, the Company disclosed a material fact informing about the signature of the stock sale and purchase agreement with Jaguar Real Estate Partners LP ("Jaguar") for disposal of up to 30% of the shares issued by Tenda, for the price of R\$ 8.13 per share, with a total estimate of R\$539,020 for



paying-in Tenda's capital. The completion of the transaction was subject to the verification of certain conditions precedent, of which the following are worth noting: (i) decrease in the capital stock of the Company, by refunding its shareholders for the shares corresponding to 50% of the capital stock of Tenda; and (ii) the completion of the procedure related to the exercise by Gafisa's shareholders of the preemptive right to acquire 50% of Tenda's shares.

The deadline for creditors objecting the capital decrease was April 22, 2017, and no objection was made, so the decrease was made by delivering to the Company's shareholders, as refund for the decreased capital, one common share of Tenda to each common share of Gafisa they owned, not including treasury shares. In relation to the preemptive right, the shareholders acquired the totality of shares made available, no share remaining for Jaguar. Accordingly, the shares representing 50% of Tenda's capital were delivered to the shareholders who exercised the preemptive right, and the agreement that had been entered into with Jaguar was terminated.

The Company also obtained, during this period, all contractual authorizations required for carrying out the transaction. With this, the spin-off between Gafisa and Tenda was completed on May 4, 2017, with the effective delivery of the totality of the shares representing Tenda's capital in the respective capital reduction and preemptive right processes. The inflow of funds from the Preemptive Rights, as well as the amount receivable from the refund of Tenda's capital will contribute to improve the liquidity condition and capital structure of the Company.

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2017

(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 09, 2017, the Company's Board of Directors approved these individual and consolidated quarterly information of the Company and authorized their disclosure.

The individual quarterly information (Company) and consolidated quarterly information were prepared and are being presented based on the technical pronouncement CPC 21(R1) – Interim Financial Reporting, using the same accounting practices, judgments, estimates and assumptions adopted in the presentation and preparation of the financial statements for the year ended December 31, 2016. Therefore, the corresponding quarterly information shall be read together with the financial statements as of December 31, 2016.

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

The consolidated quarterly information of the Company has been prepared and is being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the CPC, approved by the CVM, and according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in

Brazil, including the Guideline OCPC 04 - Application of the Technical Interpretation ICPC 02 to the Brazilian Real Estate Development Entities, in relation to the treatment of the recognition of revenue from this sector and involves certain matters related to application of the continuous transfer of the risks, rewards and control over the real estate units sold.

The individual quarterly information of the Company is not considered in compliance with the International Financial Reporting Standards (IFRS), once it considers the capitalization of interest on qualifying assets of investees in the individual quarterly information of the Company. In view of the fact that there is no difference between the Company's and the Consolidated equity and profit or loss, the Company opted for presenting the accompanying individual and consolidated information in only one set.

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2017

(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

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

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

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 2.1 to the individual and consolidated financial statements as of December 31, 2016.

2.1.1. Consolidated quarterly information

The accounting practices were uniformly adopted in all subsidiaries included in the consolidated quarterly information and the fiscal year of these companies is the same 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, 2016.

#### 2.1.2. Statement of Cash Flows

In view of the disclosure of the discontinued operations related to Tenda, and in line with CPCs 03 – Statement of Cash Flows and CPC 31 - Non-current Assets Held for Sale and Discontinued Operations, the information on operating, financing and investing activities related to discontinued operations are presented in separated lines in the Statement of Cash Flows of the Company for the periods ended September 30, 2017 and 2016 (restated). 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 of asset held for sale and is being presented in this line item as it is impossible to change the line item's name in this Quarterly Information Form.

*(A free translation of the original report in Portuguese as published in Brazil)***Gafisa S.A.**

Notes to the quarterly information

September 30, 2017

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

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

--Continued

**2.2. Restatement of Quarterly Information as of September 30, 2016**

As required by the CPC 31 – Non-current Assets Held for Sale and Discontinued Operations, for comparability purposes, the information of the statements of profit or loss and value added as of September 30, 2016 is being presented on the same basis of the current period, and its retrospective effects are shown below. The statements of cash flow were restated to segregate into continued and discontinued operations (Note 2.1.2), without showing, however, the changes in the total amounts of operating, investing and financing activities.

	Company			Consolidated		
	Balances originally reported as of 09/30/2016	Impact of the adoption of CPC 31	Balances after the adoption of CPC 31	Balances originally reported as of 09/30/2016	Impact of the adoption of CPC 31 (a)	Balances after the adoption of CPC 31
<b>Statement of profit or loss</b>						
Net operating revenue	472,272	-	472,272	1,417,685	(765,804)	651,881
Operating costs	(465,347)	-	(465,347)	(1,160,100)	538,722	(621,378)
Operating (expenses) income	(180,545)	-	(180,545)	(376,484)	169,336	(207,148)
Income from equity method investments	24,004	(36,461)	(12,457)	(1,776)	(12)	(1,788)
Financial income (expenses)	(14,672)	-	(14,672)	(21,895)	11,797	(10,098)
	-	-	-	(19,679)	13,034	(6,645)

Cash Flow

70

Income tax and social contribution						
Non-controlling interests	-	-	-	2,039	-	2,039
Profit or loss of discontinued operations (Note 8.2)	-	36,461	36,461	-	32,927	32,927
<b>Net (loss) income for the period</b>	<b>(164,288)</b>	<b>-</b>	<b>(164,288)</b>	<b>(164,288)</b>	<b>-</b>	<b>(164,288)</b>

**Statement of value added**

Net value added produced by the entity	65,148	36,461	101,609	335,089	(205,809)	129,280
Value added received on transfer	65,409	(36,461)	28,948	70,583	(23,877)	46,706
Total value added to be distributed	130,557	-	130,557	405,672	(229,686)	175,986

(a) Amounts after elimination of consolidation items.

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

There is no standard, change to standard or interpretation issued and not yet adopted that could, on the Management's opinion, have significant impact arising from its adoption on its quarterly information, besides those already disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2016.

Accordingly, the other explanations related to this note were not subject to material changes in relation to the disclosures in Note 3 to the individual and consolidated financial statements as of December 31, 2016.

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**Gafisa S.A.**

Notes to the quarterly information

September 30, 2017

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

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

**4.1. Cash and cash equivalents**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2017</b>	<b>12/31/2016</b>	<b>09/30/2017</b>	<b>12/31/2016</b>
Cash and banks	<b>4,324</b>	19,811	<b>26,626</b>	29,534
Total cash and cash equivalents				
(Note 20.i.d, 20.ii.a and 20.iii)	<b>4,324</b>	19,811	<b>26,626</b>	29,534

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 4.1 to the financial statements as of December 31, 2016.

**4.2. Short-term investments**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2017</b>	<b>12/31/2016</b>	<b>09/30/2017</b>	<b>12/31/2016</b>



Fixed-income funds	<b>20,657</b>	95,672	<b>28,750</b>	123,868
Government bonds (LFT)	<b>630</b>	3,762	<b>1,368</b>	6,018
Corporate securities (LF/DPGE)	-	19,845	-	31,742
Securities purchased under resale agreements (a)	<b>966</b>	11,600	<b>1,416</b>	11,935
Bank certificates of deposit (b)	<b>28,430</b>	17,332	<b>31,009</b>	27,834
Restricted cash in guarantee to loans	<b>45,721</b>	10,669	<b>45,721</b>	10,669
Restricted credits	<b>12,952</b>	4,682	<b>21,108</b>	11,580
Total short-term investments				
(Note 20.i.d, 20.ii.a and 20.iii)	<b>109,356</b>	163,562	<b>129,372</b>	223,646

(a) As of September 30, 2017, the securities purchased under resale agreement include interest earned from 100.5% of Interbank Deposit Certificates (CDI) (from 75% to 101.5% of CDI in 2016). All investments are carried out with what management considers to be top tier financial institutions.

(b) As of September 30, 2017, the Bank Certificates of Deposit (CDBs) include interest earned ranging from 90% to 100% of Interbank Deposit Certificates (CDI) (from 90% to 100.8% of CDI in 2016).

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 4.2 to the financial statements as of December 31, 2016.

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## Gafisa S.A.

Notes to the quarterly information

September 30, 2017

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

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

	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Real estate development and sales	<b>625,950</b>	769,743	<b>806,767</b>	1,019,359
( - ) Allowance for doubtful accounts	<b>(37,082)</b>	(19,315)	<b>(37,082)</b>	(19,315)
( - ) Present value adjustments	<b>(16,285)</b>	(21,235)	<b>(18,255)</b>	(26,816)
Services and construction and other receivables	<b>15,528</b>	20,414	<b>16,280</b>	20,734
Total trade accounts receivable of development and services				
(Note 20.i.d and 20.ii.a)	<b>588,111</b>	749,607	<b>767,710</b>	993,962
Current	<b>423,165</b>	524,337	<b>570,303</b>	722,640
Non-current	<b>164,946</b>	225,270	<b>197,407</b>	271,322

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

Maturity	Company		Consolidated	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Past due:				
Up to 90 days	<b>47,396</b>	46,235	<b>61,000</b>	64,830
From 91 to 180 days	<b>26,133</b>	41,705	<b>28,968</b>	45,442
Over 180 days	<b>94,698</b>	73,652	<b>118,303</b>	93,265
	<b>168,227</b>	161,592	<b>208,271</b>	203,537

Maturities:				
2017	<b>97,088</b>	383,477	<b>173,701</b>	544,292
2018	<b>210,186</b>	94,231	<b>242,664</b>	111,007
2019	<b>90,179</b>	97,079	<b>110,686</b>	120,367
2020	<b>68,721</b>	41,775	<b>78,906</b>	45,552
2021 onwards	<b>7,077</b>	12,003	<b>8,819</b>	15,338
	<b>473,251</b>	628,565	<b>614,776</b>	836,556
( - ) Present value adjustment	<b>(16,285)</b>	(21,235)	<b>(18,255)</b>	(26,816)
( - ) Allowance for doubtful accounts	<b>(37,082)</b>	(19,315)	<b>(37,082)</b>	(19,315)
	<b>588,111</b>	749,607	<b>767,710</b>	993,962

The change in the allowance for doubtful accounts for the period ended September 30, 2017, is as follows:

	<b>Company and Consolidated 09/30/2017</b>
Balance at December 31, 2016	(19,315)
Additions (Note 22)	(18,107)
Write-offs / Reversals (Note 22)	340
Balance at September 30, 2017	<b>(37,082)</b>

*(A free translation of the original report in Portuguese as published in Brazil)*

**Gafisa S.A.**

Notes to the quarterly information

September 30, 2017

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

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

In the period ended September 30, 2017, the Company entered into the following Real Estate Receivables Agreement (CCI) transactions, which are aimed at the assignment by the assignor to the assignee of a portfolio comprising select business real estate receivables performed and to be performed arising out of Gafisa and its subsidiaries. The assigned portfolio, discounted to its present value, is classified into the line item "Obligations assumed on assignment of receivables" (Note 14).

Transaction date	Assigned accounting portfolio	Portfolio discounted to present value	Transaction balance at	
			September 30, 2017 (Note 14) Company	Consolidated
03/29/2017	23,748	22,993	16,684	16,819

In the transaction above, the Company and its subsidiaries are jointly responsible until the time of the transfer of the conditional sale to the securitization company.

The other explanations related to this note were not subject to material changes in relation to the disclosures in Note 5 to the financial statements as of December 31, 2016.

**6. Properties for sale**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2017</b>	<b>12/31/2016</b>	<b>09/30/2017</b>	<b>12/31/2016</b>
Land	<b>590,571</b>	667,805	<b>760,740</b>	823,516
( - ) Provision for loss on realization of land	<b>(43,505)</b>	(43,505)	<b>(43,505)</b>	(43,505)
( - ) Provision for loss on realization of inventory surplus	-	-	<b>(62,343)</b>	(62,343)
( - ) Present value adjustment	<b>(8,010)</b>	(8,089)	<b>(8,267)</b>	(8,781)
Property under construction (Note 29)	<b>348,059</b>	328,783	<b>454,767</b>	509,049
Completed units	<b>370,720</b>	520,246	<b>410,487</b>	557,426
( - ) Provision for loss on realization of properties under construction and completed units	<b>(48,522)</b>	(59,663)	<b>(48,522)</b>	(59,663)
Total properties for sale	<b>1,209,313</b>	1,405,577	<b>1,463,357</b>	1,715,699
Current portion	<b>838,155</b>	870,201	<b>987,657</b>	1,122,724
Non-current portion	<b>371,158</b>	535,376	<b>475,700</b>	592,975

In the period ended September 30, 2017, the change in the provision for loss on realization of properties for sale is summarized as follows:

	<b>Company</b>	<b>Consolidated</b>
Balance at December 31, 2016	(103,168)	(165,511)
Write-offs / Reversals	<b>11,141</b>	<b>11,141</b>
Balance at September 30, 2017	<b>(92,027)</b>	<b>(154,370)</b>

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 in relation to the disclosures in Note 6 to the financial statements as of December 31, 2016.

**7. Other assets**

	<b>Company</b>		<b>Consolidated</b>	
	<b>09/30/2017</b>	<b>12/31/2016</b>	<b>09/30/2017</b>	<b>12/31/2016</b>
Advances to suppliers	<b>2,415</b>	1,758	<b>3,079</b>	2,567
Recoverable taxes (IRRF, PIS, COFINS, among other)	<b>29,643</b>	15,708	<b>37,362</b>	25,901
Judicial deposit (Note 16)	<b>82,424</b>	78,172	<b>85,120</b>	79,785