

Gafisa S.A.
Form 6-K
August 30, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of August, 2018

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

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

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

Gafisa S.A.

Quarterly information

June 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

	Number of Shares (in thousands)	CURRENT QUARTER 06/30/2018
Paid-in Capital		
Common		44,758
Preferred		-
Total		44,758
Treasury shares		
Common		933
Preferred		-
Total		933

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

CODE	DESCRIPTION	CURRENT QUARTER 06/30/2018	PRIOR YEAR 12/31/2017
1	Total assets	3,541,411	3,538,909
1.01	Current assets	1,369,572	1,369,512
1.01.01	Cash and cash equivalents	3,765	7,461
1.01.01.01	Cash and banks	3,765	7,461
1.01.02	Short term investments	197,199	110,945
1.01.02.01	Fair value of short term investments	197,199	110,945
1.01.03	Accounts receivable	458,056	371,228
1.01.03.01	Trade accounts receivable	458,056	371,228
1.01.03.01.01	Receivables from clients of developments	443,778	357,061
1.01.03.01.02	Receivables from clients of construction and services rendered	14,278	14,167
1.01.04	Inventory	616,566	753,748
1.01.04.01	Properties for sale	616,566	753,748
1.01.07	Prepaid expenses	3,633	5,030
1.01.07.01	Prepaid expenses and other	3,633	5,030
1.01.08	Other current assets	90,353	121,100
1.01.08.01	Non-current assets held for sale	30,912	44,997
1.01.08.03	Other	59,441	76,103
1.01.08.03.01	Other assets	33,389	47,640
1.01.08.03.02	Derivative financial instruments	250	404
1.01.08.03.03	Receivables from related parties	25,802	28,059
1.02	Non-current assets	2,171,839	2,169,397
1.02.01	Non-current assets	595,949	534,095

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1.02.01.04	Accounts receivable	171,869	160,602
1.02.01.04.01	Receivables from clients of developments	171,869	160,602
1.02.01.05	Inventory	311,615	289,162
1.02.01.05.01	Properties for sale	311,615	289,162
1.02.01.10	Other non-current assets	112,465	84,331
1.02.01.10.03	Other assets	88,336	62,152
1.02.01.10.04	Receivables from related parties	24,129	22,179
1.02.02	Investments	1,539,088	1,598,153
1.02.02.01	Investments	1,539,088	1,598,153
1.02.03	Property and equipment	20,739	19,719
1.02.03.01	Operating property and equipment	20,739	19,719
1.02.04	Intangible assets	16,063	17,430
1.02.04.01	Intangible assets	16,063	17,430

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

CODE	DESCRIPTION	CURRENT QUARTER 06/30/2018	PRIOR YEAR 12/31/2017
2	Total liabilities	3,541,411	3,538,909
2.01	Current liabilities	1,645,145	1,984,597
2.01.01	Social and labor obligations	28,771	25,997
2.01.01.02	Labor obligations	28,771	25,997
2.01.02	Suppliers	77,746	85,690
2.01.03	Tax obligations	42,411	32,114
2.01.03.01	Federal tax obligations	42,411	32,114
2.01.04	Loans and financing	262,155	513,782
2.01.04.01	Loans and financing	240,280	425,605
2.01.04.01.01	Loans and financing in local currency	240,280	425,605
2.01.04.02	Debentures	21,875	88,177
2.01.05	Other obligations	1,141,370	1,210,700
2.01.05.01	Payables to related parties	940,842	971,002
2.01.05.02	Other	200,528	239,698
2.01.05.02.04	Obligations related to purchases of properties and advances from customers	112,751	132,098
2.01.05.02.05	Other payables	66,309	83,647
2.01.05.02.07	Obligations assumed on the assignment of receivables	21,468	23,953
2.01.06	Provisions	92,692	116,314
2.01.06.01	Tax, labor and civil lawsuits	92,692	116,314
2.01.06.01.01	Tax lawsuits	696	194
2.01.06.01.02	Labor lawsuits	16,224	19,300
2.01.06.01.04	Civil lawsuits	75,772	96,820
2.02	Non-current liabilities	990,318	798,755
2.02.01	Loans and financing	623,558	456,061
2.02.01.01	Loans and financing	421,770	336,525
2.02.01.01.01	Loans and financing in local currency	421,770	336,525
2.02.01.02	Debentures	201,788	119,536
2.02.02	Other liabilities	203,992	189,092
2.02.02.02	Other	203,992	189,092
2.02.02.02.03	Obligations related to purchases of properties and advances from customers	146,683	137,192
2.02.02.02.04	Other liabilities	21,063	7,041
2.02.02.02.06	Obligations assumed on the assignment of receivables	36,246	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	88,295	79,129
2.02.04.01	Tax, labor and civil lawsuits	88,295	79,129
2.02.04.01.01	Tax lawsuits	-	565

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2.02.04.01.02	Tax and labor lawsuits	35,933	36,903
2.02.04.01.04	Civil lawsuits	52,362	41,661
2.03	Equity	905,948	755,557
2.03.01	Capital	2,521,319	2,521,152
2.03.02	Capital reserves	308,896	56,359
2.03.02.05	Treasury shares	-28,928	-29,089
2.03.02.07	Constitution of capital reserve	250,599	-
2.03.02.09	Reserve for granting of stock options	87,225	85,448
2.03.05	Retained earnings/accumulated losses	-1,924,267	-1,821,954

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

CODE	DESCRIPTION	CURRENT	YEAR TO	SAME	PREVIOUS
		QUARTER 04/01/2018 to 06/30/2018	DATE 01/01/2018 to 06/30/2018	QUARTER OF PREVIOUS YEAR 04/01/2017 to 06/30/2017	YEAR TO DATE 01/01/2017 to 06/30/2017
3.01	Gross sales and/or services	249,615	452,691	110,274	214,301
3.01.01	Revenue from real estate development	273,932	497,470	121,179	234,721
3.01.03	Taxes on real estate sales and services	-24,317	-44,779	-10,905	-20,420
3.02	Cost of sales and/or services	-181,753	-354,971	-125,972	-232,431
3.02.01	Cost of real estate development	-181,753	-354,971	-125,972	-232,431
3.03	Gross profit	67,862	97,720	-15,698	-18,130
3.04	Operating expenses/income	-77,133	-142,696	-120,276	-238,353
3.04.01	Selling expenses	-23,950	-44,862	-18,444	-34,649
3.04.02	General and administrative expenses	-16,139	-30,878	-15,573	-33,973
3.04.05	Other operating expenses	-18,207	-34,270	-40,235	-68,336
3.04.05.01	Depreciation and amortization	-4,825	-8,428	-8,679	-17,168
3.04.05.02	Other operating expenses	-13,382	-25,842	-31,556	-51,168
3.04.06	Income from equity method investments	-18,837	-32,686	-46,024	-101,395
3.05	Income (loss) before financial results and income taxes	-9,271	-44,976	-135,974	-256,483
3.06	Financial	-20,088	-40,308	-34,485	-71,093
3.06.01	Financial income	3,703	8,932	8,292	14,721
3.06.02	Financial expenses	-23,791	-49,240	-42,777	-85,814
3.07	Income before income taxes	-29,359	-85,284	-170,459	-327,576

3.09	Income (loss) from continuing operations	-29,359	-85,284	-170,459	-327,576
3.10	Income (loss) from discontinued operations	-	-	9,545	98,175
3.10.01	Net income (loss) from discontinued operations	-	-	-9,545	98,175
3.11	Income (loss) for the period	-29,359	-85,284	-180,004	-229,401
3.99	Earnings per share – (Reais/Share)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	-0.71913	-2.08896	-6.70490	-8.54490
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	ON	-0.71913	-2.08896	-6.70490	-8.54490

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

CODE	DESCRIPTION	SAME			
		CURRENT	YEAR TO	QUARTER OF	PREVIOUS
		QUARTER 04/01/2018	DATE 01/01/2018	04/01/2017	DATE 01/01/2017
		to 06/30/2018	to 06/30/2018	to 06/30/2017	to 06/30/2017
4.01	Income (loss) for the period	-29,359	-85,284	-180,004	-229,401
4.03	Comprehensive income (loss) for the period	-29,359	-85,284	-180,004	-229,401

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

CODE	DESCRIPTION	YEAR TO DATE	PREVIOUS YEAR TO
		01/01/2018 to 06/30/2018	DATE 01/01/2017 to 06/30/2017
6.01	Net cash from operating activities	-69,597	69,718
6.01.01	Cash generated from operations	-18,791	-127,224
6.01.01.01	Income (loss) before income and social contribution taxes	-85,284	-327,576
6.01.01.02	Income from equity method investments	32,686	101,395
6.01.01.03	Stock option expenses	1,278	1,703
6.01.01.04	Unrealized interest and finance charges, net	3,965	32,441
6.01.01.05	Financial instruments	-20	-646
6.01.01.06	Depreciation and amortization	8,428	17,168
6.01.01.07	Provision for legal claims	27,523	46,691
6.01.01.08	Provision for profit sharing	2,504	8,357
6.01.01.09	Warranty provision	-3,293	-3,315
6.01.01.11	Allowance for doubtful accounts	-11,153	7,699
6.01.01.12	Provision for realization of non-financial assets - properties for sale	4,113	-11,141
6.01.01.15	Payables for sale of shares	462	-
6.01.02	Variations in assets and liabilities	-50,806	196,942
6.01.02.01	Trade accounts receivable	-114,909	120,624
6.01.02.02	Properties for sale	154,051	109,983
6.01.02.03	Other accounts receivable	-16,701	364
6.01.02.04	Prepaid expenses	1,397	-3,135
6.01.02.05	Obligations for purchase of properties and advances from customers	-9,856	-14,101
6.01.02.06	Taxes and contributions	10,297	-1,511
6.01.02.07	Suppliers	-7,139	5,155
6.01.02.08	Salaries and charges payable	270	723
6.01.02.09	Transactions with related parties	-25,089	8,279
6.01.02.10	Other obligations	-43,127	-29,439
6.02	Net cash from investment activities	-96,615	215,950
6.02.01	Purchases of property and equipment and intangible assets	-8,081	-8,966
6.02.02	Increase in investments	-2,280	441
6.02.03	Redemption of short term investments	630,548	589,679
6.02.04	Purchase of short term investments	-716,802	-575,169
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	162,516	-292,074
6.03.01	Capital increase	167	-
6.03.02	Increase in loans, financing and debentures	179,854	151,888
6.03.03	Payment of loans, financing and debentures	-267,949	-470,786

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6.03.06	Loan transactions with related parties	-155	6,268
6.03.07	Payables to venture partners	-	-1,140
6.03.08	Disposal of treasury shares	-	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	-3,696	-6,406
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	3,765	13,405

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INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2018 TO 06/30/2018 (in thousands of Brazilian Reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Equity
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	252,537	-	-160	-	252,544
5.04.01	Capital increase	167	250,599	-	-	-	250,766
5.04.03	Stock option plan	-	1,777	-	-	-	1,777
5.04.05	Treasury shares sold	-	161	-	-160	-	1
5.05	Total comprehensive income (loss)	-	-	-	-85,284	-	-85,284
5.05.01	Net income (loss) for the period	-	-	-	-85,284	-	-85,284
5.07	Closing balance	2,521,319	308,896	-	-1,924,267	-	905,948

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 06/30/2017 (in thousands of Brazilian Reais)

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Other comprehensive income	Total Equity
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	2,653	-	-107,720	-	-324,577
5.04.03	Stock option plan	-	2,336	-	-	-	2,336
5.04.04	Treasury shares acquired	-	317	-	-	-	317
5.04.08	Capital reduction	-219,510	-	-	-107,720	-	-327,230
5.05	Total comprehensive income (loss)	-	-	-	-229,401	-	-229,401
5.05.01	Net income (loss) for the period	-	-	-	-229,401	-	-229,401
5.07	Closing balance	2,521,152	52,077	-	-1,198,882	-	1,374,347

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

CODE	DESCRIPTION	YEAR TO DATE	PREVIOUS YEAR TO DATE
		01/01/2018 to 06/30/2018	01/01/2017 to 06/30/2017
7.01	Revenue	497,470	234,721
7.01.01	Real estate development, sales and services	486,317	242,420
7.01.04	Allowance for doubtful accounts	11,153	-7,699
7.02	Inputs acquired from third parties	-324,932	-154,906
7.02.01	Cost of sales and/or services	-266,037	-188,751
7.02.02	Materials, energy, outsourced labor and other	-58,895	-64,330
7.02.04	Other	-	98,175
7.02.04.01	Results of discontinuing operations	-	98,175
7.03	Gross value added	172,538	79,815
7.04	Retentions	-8,428	-17,168
7.04.01	Depreciation and amortization	-8,428	-17,168
7.05	Net value added produced by the Company	164,110	62,647
7.06	Added value received through transfer	-53,104	-86,674
7.06.01	Income from equity method investments	-62,036	-101,395
7.06.02	Financial income	8,932	14,721
7.07	Total value added to be distributed	111,006	-24,027
7.08	Value added distribution	111,006	-24,027
7.08.01	Personnel and payroll charges	33,766	45,617
7.08.01.01	Direct remuneration	33,766	45,617
7.08.02	Taxes and contributions	51,389	28,446
7.08.02.01	Federal	51,389	28,446
7.08.03	Compensation – Interest	111,135	131,311
7.08.03.01	Interest	108,824	129,494
7.08.03.02	Rent	2,311	1,817
7.08.04	Compensation – Company capital	-85,284	-229,401
7.08.04.03	Net income (retained losses)	-85,284	-229,401

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

CODE	DESCRIPTION	CURRENT QUARTER 06/30/2018	PRIOR YEAR 12/31/2017
1	Total assets	2,882,842	2,878,138
1.01	Current assets	1,694,797	1,732,925
1.01.01	Cash and cash equivalents	14,161	28,527
1.01.01.01	Cash and banks	14,161	28,527
1.01.02	Short term investments	198,736	118,935
1.01.02.01	Fair value of short term investments	198,736	118,935
1.01.03	Accounts receivable	562,072	484,761
1.01.03.01	Trade accounts receivable	562,072	484,761
1.01.03.01.01	Receivables from clients of developments	519,136	469,843
1.01.03.01.02	Receivables from clients of construction and services rendered	42,936	14,918
1.01.04	Inventory	777,405	882,189
1.01.04.01	Properties for sale	777,405	882,189
1.01.07	Prepaid expenses	4,125	5,535
1.01.07.01	Prepaid expenses and other	4,125	5,535
1.01.08	Other current assets	138,298	212,978
1.01.08.01	Non-current assets for sale	34,212	102,352
1.01.08.03	Other	104,086	110,626
1.01.08.03.01	Other accounts receivable and other	42,026	58,332
1.01.08.03.02	Receivables from related parties	250	404
1.01.08.03.03	Derivative financial instruments	61,810	51,890
1.02	Non-current assets	1,188,045	1,145,213
1.02.01	Non-current assets	680,047	625,465
1.02.01.04	Accounts receivable	195,199	199,317
1.02.01.04.01	Receivables from clients of developments	195,199	199,317
1.02.01.05	Inventory	370,192	339,797
1.02.01.05.01	Properties for sale	370,192	339,797
1.02.01.10	Other non-current assets	114,656	86,351
1.02.01.10.03	Other assets	90,527	64,172
1.02.01.10.04	Receivables from related parties	24,129	22,179
1.02.02	Investments	466,987	479,126
1.02.02.01	Interest in associates and affiliates	466,987	479,126
1.02.03	Property and equipment	24,209	22,342
1.02.03.01	Operation property and equipment	24,209	22,342
1.02.04	Intangible assets	16,802	18,280
1.02.04.01	Intangible assets	16,802	18,280

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

CODE	DESCRIPTION	CURRENT QUARTER	
		06/30/2018	PRIOR YEAR 12/31/2017
2	Total liabilities	2,882,842	2,878,138
2.01	Current liabilities	873,954	1,213,686
	Social and labor		
2.01.01	obligations	30,858	27,989
2.01.01.02	Labor obligations	30,858	27,989
2.01.02	Suppliers	94,632	98,662
2.01.03	Tax obligations	55,554	46,430
2.01.03.01	Federal tax obligations	55,554	46,430
2.01.04	Loans and financing	277,019	569,250
2.01.04.01	Loans and financing	255,144	481,073
2.01.04.01.01	In local currency	255,144	481,073
2.01.04.02	Debentures	21,875	88,177
2.01.05	Other obligations	323,199	355,041
	Payables to related		
2.01.05.01	parties	61,822	63,197
2.01.05.02	Other	261,377	291,844
	Obligations for purchases		
	of properties and		
2.01.05.02.04	advances from customers	148,536	156,457
2.01.05.02.06	Other payables	85,121	104,386
	Obligations assumed on		
	the assignment of		
2.01.05.02.07	receivables	27,720	31,001
2.01.06	Provisions	92,692	116,314
	Tax, labor and civil		
2.01.06.01	lawsuits	92,692	116,314
2.01.06.01.01	Tax lawsuits	696	194
2.01.06.01.02	Labor lawsuits	16,224	19,300
2.01.06.01.04	Civil lawsuits	75,772	96,820
2.02	Non-current liabilities	1,100,318	905,048
2.02.01	Loans and financing	687,751	535,648
2.02.01.01	Loans and financing	485,963	416,112
	Loans and financing in		
2.02.01.01.01	local currency	485,963	416,112
2.02.01.02	Debentures	201,788	119,536
2.02.02	Other obligations	247,578	212,864
2.02.02.02	Other	247,578	212,864
	Obligations related to		
	purchases of properties		
	and advances from		
2.02.02.02.03	customers	182,723	152,377
2.02.02.02.04	Other payables	21,476	7,095
	Obligations assumed on		
	the assignment of		
2.02.02.02.06	receivables	43,379	53,392

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2.02.03	Deferred taxes	74,473	74,473
	Deferred income tax and		
2.02.03.01	social contribution	74,473	74,473
2.02.04	Provisions	90,516	82,063
	Tax, labor and civil		
2.02.04.01	lawsuits	90,516	82,063
2.02.04.01.01	Tax lawsuits	-	565
2.02.04.01.02	Labor lawsuits	37,998	39,682
2.02.04.01.04	Civil lawsuits	52,518	41,816
2.03	Equity	908,570	759,404
2.03.01	Capital	2,521,319	2,521,152
2.03.02	Capital reserves	308,896	56,357
2.03.02.05	Treasury shares	-28,928	-29,089
	Constitution of capital		
2.03.02.07	reserve	250,599	-
	Reserve for granting of		
2.03.02.09	stock options	87,225	85,446
	Retained		
	earnings/accumulated		
2.03.05	losses	-1,924,267	-1,821,952
2.03.09	Non-controlling interest	2,622	3,847

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

CODE	DESCRIPTION	CURRENT QUARTER 04/01/2018 to 06/30/2018	YEAR TO DATE 01/01/2018 to 06/30/2018	SAME QUARTER OF PREVIOUS YEAR 04/01/2017 to 06/30/2017	PREVIOUS YEAR TO DATE 01/01/2017 to 06/30/2017
3.01	Gross sales and/or services	302,271	515,668	147,253	283,792
3.01.01	Revenue from real estate development	329,257	563,741	159,357	306,878
3.01.03	Taxes on real estate sales and services	-26,986	-48,073	-12,104	-23,086
3.02	Cost of sales and/or services	-229,447	-419,982	-161,656	-315,362
3.02.01	Cost of real estate development	-229,447	-419,982	-161,656	-315,362
3.03	Gross profit	72,824	95,686	-14,403	-31,570
3.04	Operating expenses/income	-81,711	-141,495	-121,817	-231,811
3.04.01	Selling expenses	-28,110	-52,389	-21,184	-40,240
3.04.02	General and administrative expenses	-20,845	-39,541	-19,738	-47,107
3.04.05	Other operating expenses	-22,859	-39,049	-40,444	-68,854
3.04.05.01	Depreciation and amortization	-5,140	-9,125	-8,875	-17,583
3.04.05.02	Other operating expenses	-17,719	-29,924	-31,569	-51,271
3.04.06	Income from equity method investments	-9,897	-10,516	-40,451	-75,610
3.05	Income (loss) before financial results and income taxes	-8,887	-45,809	-136,220	-263,381
3.06	Financial	-19,082	-39,032	-33,390	-61,950
3.06.01	Financial income	3,737	9,081	9,206	17,076
3.06.02	Financial expenses	-22,819	-48,113	-42,596	-79,026
3.07	Income before income taxes	-27,969	-84,841	-169,610	-325,331
3.08	Income and social contribution taxes	-1,432	-1,664	-949	-2,295

3.08.01	Current	-1,432	-1,664	-949	-2,295
	Income (loss) from				
	continuing				
3.09	operations	-29,401	-86,505	-170,559	-327,626
	Income (loss) from				
	discontinued				
3.10	operations	-	-	-9,545	98,175
	Net income (loss)				
	from discontinued				
3.10.01	operations	-	-	-9,545	98,175
	Income (loss) for				
3.11	the period	-29,401	-86,505	-180,104	-229,451
	Income (loss)				
	attributable to the				
3.11.01	Company	-29,359	-85,284	-180,004	-229,401
	Net income				
	attributable to				
	non-controlling				
3.11.02	interests	-42	-1,221	-100	-50
	Earnings per share –				
3.99	(Reais/Share)	-	-	-	-
	Basic earnings per				
3.99.01	share	-	-	-	-
	ON				
3.99.01.01	Diluted earnings	-0.71913	-2.08896	-6.70490	-8.54490
	per share				
3.99.02		-	-	-	-
	ON				
3.99.02.01		-0.71913	-2.08896	-6.70490	-8.54490
14					

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

CODE	DESCRIPTION	CURRENT QUARTER 04/01/2018 to 06/30/2018	YEAR TO DATE 01/01/2018 to 06/30/2018	SAME QUARTER OF PREVIOUS YEAR 04/01/2017 to 06/30/2017	PREVIOUS YEAR TO DATE 01/01/2017 to 06/30/2017
4.01	Consolidated income (loss) for the period	-29,401	-86,505	-180,104	-229,451
4.03	Consolidated comprehensive income (loss) for the period	-29,401	-86,505	-180,104	-229,451
4.03.01	Income (loss) attributable to the Company	-29,359	-85,284	-180,004	-229,401
4.03.02	Net income attributable to the non-controlling interests	-42	-1,221	-100	-50

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

CODE	DESCRIPTION	YEAR TO DATE	PREVIOUS YEAR TO
		01/01/2018 to 06/30/2018	DATE 01/01/2017 to 06/30/2017
6.01	Net cash from operating activities	-25,910	140,108
6.01.01	Cash generated in the operations	-66,944	-139,969
6.01.01.01	Income (loss) before income and social contribution taxes	-84,841	-325,331
6.01.01.02	Income from equity method investments	10,516	75,610
6.01.01.03	Stock option expenses	1,278	1,703
6.01.01.04	Unrealized interest and finance charges, net	7,344	42,735
6.01.01.05	Financial instruments	-20	-646
6.01.01.06	Depreciation and amortization	9,125	17,583
6.01.01.07	Provision for legal claims	26,833	46,777
6.01.01.08	Provision for profit sharing	2,504	8,357
6.01.01.09	Warranty provision	-3,293	-3,315
6.01.01.11	Allowance for doubtful accounts	-11,153	7,699
6.01.01.12	Provision for realization of non-financial assets - properties for sale	-25,237	-11,141
6.01.02	Variations in assets and liabilities	41,034	228,118
6.01.02.01	Trade accounts receivable	-92,202	158,442
6.01.02.02	Properties for sale	167,766	147,467
6.01.02.03	Other accounts receivable	-11,626	401
6.01.02.04	Prepaid expenses	1,410	-3,355
6.01.02.05	Obligations for purchases of properties and advances from customers	22,425	-29,761
6.01.02.06	Taxes and contributions	9,124	-5,499
6.01.02.07	Suppliers	-3,340	-419
6.01.02.08	Salaries and charges payable	365	1,814
6.01.02.09	Transactions with related parties	-8,457	-9,703
6.01.02.10	Other obligations	-42,767	-28,974
6.01.02.11	Income tax and social contribution payable	-1,664	-2,295

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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	-91,595	295,425
6.02.01	Purchases of property, equipment and intangible assets	-9,514	-10,696
6.02.02	Increase in investments	-2,280	441
6.02.03	Redemption of short term investments	666,060	687,475
6.02.04	Purchase of short term investments	-745,861	-640,423
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
6.03	Net cash from financing activities	103,139	-302,377
6.03.01	Capital increase	167	-
6.03.02	Increase in loans, financing and debentures	210,330	186,282
6.03.03	Payment of loans, financing and debentures	-357,802	-539,609
6.03.06	Loan transactions with related parties	-155	6,268
6.03.07	Payables to venture partners	-	-1,237
6.03.09	Disposal of treasury shares	-	317
6.03.11	Assignment of receivables	-	21,513
6.03.12	Net cash from financing activities related to discontinued operations	-	24,089
6.03.136	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	-14,366	8,445
6.05.01	Cash and cash equivalents at the beginning of the period	28,527	29,534
6.05.02		14,161	37,979

Cash and cash
equivalents at the end of
the period

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2018 TO 06/30/2018 (in thousands of Brazilian reais)

DESCRIPTION	Capital reserves, stock options and treasury shares	Capital reserves	Profit reserves	Retained earnings	Other comprehensive income	Shareholders' equity	Total controlling interest	Non controlling interest	Total Consolidated
Opening balance	2,521,152	56,359	-	-1,821,954	-	755,557	3,847		7
Adjusted prior year	-	-	-	-16,869	-	-16,869	-		
Adoption of CPC 48 (IFRS 9)	-	-	-	-16,869	-	-16,869	-		
Opening adjusted balance	2,521,152	56,359	-	-1,838,823	-	738,688	3,847		7
Capital transactions with shareholders	167	252,537	-	-160	-	252,544	-		2
Capital increase	167	250,599	-	-	-	250,766	-		2
Stock option plan	-	1,777	-	-	-	1,777	-		
Treasury shares sold	-	161	-	-160	-	1	-		
Total comprehensive income (loss)	-	-	-	-85,284	-	-85,284	-1,225		
Net income (loss) for the period	-	-	-	-85,284	-	-85,284	-1,225		
Reserves	-	-	-	-	-	-	-		
Constitution of reserves	-	-	-	-	-	-	-		
Closing balance	2,521,319	308,896	-	-1,924,267	-	905,948	2,622		9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2017 TO 06/30/2017 (in thousands of U.S. dollars)

CODE	DESCRIPTION	Capital reserves, stock options and treasury shares	Capital	Profit reserves	Retained earnings	Other comprehensive income	Shareholders' equity	Total equity
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	2,653	-	-107,720	-	-324,577	
5.04.03	Stock option plan	-	2,336	-	-	-	2,336	
5.04.05	Treasury shares sold	-	317	-	-	-	317	
5.04.08	Capital reduction	-219,510	-	-	-107,720	-	-327,230	
5.04.10	Write-off discontinued operations	-	-	-	-	-	-	
5.05	Total of comprehensive income (loss)	-	-	-	-229,401	-	-229,401	
5.05.01	Net income (loss) for the period	-	-	-	-229,401	-	-229,401	
5.07	Closing balance	2,521,152	52,077	-	-1,198,882	-	1,374,347	

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

CODE	DESCRIPTION	YEAR TO DATE PREVIOUS YEAR TO	
		01/01/2018 to	DATE 01/01/2017 to
		06/30/2018	06/30/2017
7.01	Revenue	563,741	306,878
	Real estate development, sales and		
7.01.01	services	552,588	314,577
7.01.04	Allowance for doubtful accounts	11,153	-7,699
7.02	Inputs acquired from third parties	-422,499	-227,987
7.02.01	Cost of sales and/or services	-352,168	-250,562
	Materials, energy, outsourced labor		
7.02.02	and other	-70,331	-75,600
7.02.04	Other	-	98,175
7.02.04.01	Result from discontinuing operations	-	98,175
7.03	Gross value added	141,242	78,891
7.04	Retentions	-9,125	-17,583
7.04.01	Depreciation and amortization	-9,125	-17,583
	Net value added produced by the		
7.05	Company	132,117	61,308
	Value added received through		
7.06	transfers	-1,435	-58,534
	Income from equity method		
7.06.01	investments	-10,516	-75,610
7.06.02	Financial income	9,081	17,076
7.07	Total value added to be distributed	130,682	2,774
7.08	Value added distribution	130,682	2,774
7.08.01	Personnel and payroll charges	39,362	51,009
7.08.01.01	Direct remuneration	39,362	51,009
7.08.02	Taxes and contributions	57,626	34,525
7.08.02.01	Federal	57,626	34,525
7.08.03	Compensation – interest	118,978	146,641
7.08.03.01	Interest	115,927	143,826
7.08.03.02	Rent	3,051	2,815
7.08.04	Compensation – Company capital	-85,284	-229,401
7.08.04.03	Net income (retained losses)	-85,284	-229,401

FOR IMMEDIATE RELEASE - São Paulo, August 9, 2018 – Gafisa S.A. (B3: GFSA3; NYSE: GFA), one of Brazil’s leading homebuilders, today reported its financial results for the second quarter ended June 30, 2018.

GAFISA REPORTS RESULTS FOR 2Q18

MANAGEMENT COMMENTS AND HIGHLIGHTS

Conference Call August 10, 2018

**9:30 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)
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(USA)
Code: Gafisa**

**Webcast:
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**Replay:
+55 (11) 3127-4999
Portuguese: 24040588
English: 24040589**

Shares

**GFSA3 – B3 (formerly
BM&FBovespa)
GFA – NYSE
Total outstanding
shares: 44,757,914¹**

The second quarter of 2018 reaffirmed Gafisa’s positive financial and operational progress, further reinforcing our view that we reached a pivotal inflection point over the course of previous quarters.

We launched three successful projects in the quarter, two of them in the city of São Paulo/SP and one in the metropolitan region of Greater São Paulo. These projects’ PSV totaled R\$400 million with an SoS of 52.5%. This result is a reflexion of the Management’s commitment to efficiently execute its launches, the effect of which can be clearly seen in recent results. The sales performance of these launched projects, coupled with inventory sales, positively impacted gross sales in the quarter, which totaled R\$405.8 million, up 38.3% and 68.5% versus 1Q18 and 2Q17, respectively.

Cancellations totaled R\$59.9 million in 2Q18, a sharp drop of 47.3% year-over-year and 3.8% less quarter-over-quarter, marking a new low for cancellations, as reiterated by Management.

The sales mix and the positive trend in cancellations resulted in net presales of R\$345.9 million, an increase of 46.7% and 172.1% versus 1Q18 and 2Q17, respectively. In 1H18, net presales totaled R\$581.7 million, 137.9% higher than in 1H17. The efficiency of digital tools to leverage our sales channels with our clients was also a highlight: in 1H18, nearly 30% of total sales derived from these online tools.

Regarding financial performance, net revenue grew in all bases of comparison, driven by higher inventory sales and the Upside Pinheiros project (launched in 1Q18) contributing R\$68 million to revenues. Project sales with better margins bolstered adjusted gross profit in the first half of 2018, a four-fold increase against the same period last year. As a result, adjusted gross margin

**Average Daily Traded
Volume (2Q18):
R\$14.2 million
¹including 932,776
treasury shares**

reached 31.7% in 1H18, confirming the impact of higher revenue recognition share from more recent projects, the effect of which we had already indicated.

The successful launch of new projects can be seen in the Backlog Results (REF), which reached a balance of R\$262.8 million in 1H18, or a 63% increase against the same period last year. This performance resulted in gross margin of 37.5%, signaling a favorable outlook for revenue and margin over upcoming quarters, especially due to a higher share of revenue recognition from more recent projects in future results.

General and administrative expenses totaled R\$39.5 million in 1H18, 16.1% lower than in 1H17. This downward trend affirms the Company's ongoing diligence in finding opportunities to maximize the efficiency of its processes.

In 2Q18, selling expenses were 15.8% and 32.7% higher than in 1Q18 and 2Q17, respectively, due to a set of initiatives necessary to ensure good launches in the period. It is worth mentioning that these increases came in lower than the rate of higher gross sales in the period.

The gradual recovery of Gafisa's financial performance is also signaled by its adjusted EBITDA, which reached R\$29.2 million in 2Q18, sustaining the upward trend seen in the first quarter of 2018, boosted by revenue recognition of projects with higher margins.

The improved cash position positively impacted 1H18's net financial result of negative R\$39.0 million, a reduction of 37.0% against the same period last year, also driven by lower indebtedness. 1H18 net financial loss totaled a negative R\$85.3 million, a 62.8% evolution vs. 1H17.

Another highlight in 1H18 was the reduction of Gafisa's net debt. In 1H18, net debt reached R\$751.9 million, 32.4% lower than the R\$1.1 billion recorded in 1H17. Therefore, the Company's leverage, measured by net debt to shareholders' equity ratio, was 82.8% in the period, a sharp drop compared to the 126.1% recorded at the end of 2017, mainly due to capital increase and renegotiations in 1Q18, which both reduced debt and increased cash position in the period.

Finally, deliveries in the quarter positively impacted cash generation in the quarter, which totaled R\$26.7 million. Cash generation was negative R\$45.2 million in 1H18, reflecting the negative cash generation of the previous quarter.

Thus, the good launch performances, inventory deliveries with better margins, ongoing pursuit of increased operational and administrative efficiency and new levels in the areas of cancellations and net debt indicate that this positive trend should continue. Despite economic and political uncertainties that still impact our business environment and the country as a whole, we remain focused on sustaining our current trend of improved results over upcoming periods.

Sandro Gamba

CEO

MAIN CONSOLIDATED INDICATORS

Table 1 - Operational Performance (R\$ 000)

399,875	138,715	188.3%	-	-	538,590	-	-
405,858	293,460	38.3%	240,795	68.5%	699,318	476,406	46.8%
(59,912)	(57,702)	3.8%	(113,648)	-47.3%	(117,614)	(231,862)	-49.3%
345,946	235,757	46.7%	127,146	172.1%	581,704	244,544	137.9%
19.9%	14.4%	5.2 bps	7.9%	11.9 bps	17.2%	14.2%	0.2 bps
300,991	-	-	479,869	-37.3%	300,991	744,747	-59.6%
1,395,626	1,396,706	-0.1%	1,476,281	-5.5%	1,395,626	1,476,281	-5.5%

Table 2 - Financial Performance (R\$ 000)

302,271	213,397	41.6%	147,253	105.3%	515,668	283,792	81.7%
104,366	59,134	76.5%	12,421	740.2%	163,500	33,230	392.0%
34.5%	27.7%	680 bps	8.4%	2610 bps	31.7%	11.7%	2000 bps
29,164	3,245	798.7%	(65,054)	-144.8%	32,408	(112,380)	-128.8%
9.6%	1.5%	810 bps	-44.2%	5380 bps	6.3%	-39.6%	4590 bps
(29,359)	(55,924)	-47.5%	(170,459)	-82.8%	(85,284)	(327,576)	-74.0%
701,634	625,251	12.2%	450,923	55.6%	701,634	450,923	55.6%
262,828	231,253	13.7%	161,291	63.0%	262,828	161,291	63.0%
37.5%	37.0%	50 bps	35.8%	170 bps	37.5%	35.8%	170 bps
751,873	778,530	-3.4%	1,112,403	-32.4%	751,873	1,112,403	-32.4%
212,897	204,938	3.9%	214,573	-0.8%	212,897	214,573	-0.8%
908,570	936,904	-3.0%	1,378,424	-34.1%	908,570	1,378,424	-34.1%
17.3%	9.8%	750 bps	7.2%	1010 bps	17.3%	7.2%	1010 bps

¹ Adjusted by capitalized interests;

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

³ 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.

⁴ Cash and cash equivalents, and marketable securities.

⁵ Backlog results comprise the projects restricted by condition precedent

OPERATIONAL RESULTS

Table 3 - Operational Performance (R\$ 000)

399,875	138,715	188.3%	-	-	538,590	-	-
405,858	293,460	38.3%	240,795	68.5%	699,318	476,406	46.7%
(59,912)	(57,702)	3.8%	(113,648)	-47.3%	(117,614)	(231,862)	-49.3%
345,946	235,757	46.7%	127,146	172.1%	581,704	244,544	137.9%
					17.2%	14.2%	3.0 bps
19.9%	14.4%	5.5 bps	12.9%	12.0 bps			
300,991	-	-	479,869	-37.3%	300,991	744,747	-59.6%

Launches

In 2Q18 Gafisa launched three projects with total PSV of R\$399.9 million, all in Greater São Paulo. Added to the R\$138.7 million in 1Q18, launches totaled R\$538.6 million in 1H18. It is worth highlighting that the launch volume in 1H18 has already nearly reached the total volume of 2017 (R\$539 million in 1H18 vs. R\$554 million in 2017).

Sales over supply (SoS) of these projects stood at 19.9%, validating Gafisa's efficient execution of launches and continued inventory sales.

*It considers 1H18

Table 4 - Launches (R\$ 000)

São Paulo/SP	1Q18	138,715	High
São Paulo/SP	2Q18	146,949	High
Osasco/SP	2Q18	165,130	High
São Paulo/SP	2Q18	86,797	Medium
		538,591	

Sales

In 2Q18, gross sales totaled R\$405.9 million, 38.3% and 68.5% higher than in 1Q18 and 2Q17, respectively, mainly driven by successful launches in the quarter, corresponding to 57.8% of volume sold. Gross sales reached R\$699.3 million in 1H18, up 46.7% vs. 1H17.

Cancellations totaled R\$59.9 million in 2Q18, a 3.8% drop from 1Q18, and a sharp drop of 47.3% compared to 2Q17, marking a new low for cancellations for the year. The first half of the year also reflects a clear year-over-year inflection point for cancellations, with a 49.3% reduction vs. 1H17.

The gross sales result and cancellations remaining close to the same level as the previous quarter contributed to a net presales increase of 46.7% and 172.1%, quarter-over-quarter and year-over-year, respectively, to R\$345.9 million in 2Q18. Such comparison is equally positive in the 1H18 year-over-year analysis: net presales totaled R\$581.7 million in 1H18, up 137.9% vs 1H17.

Internet sales were especially strong in the period, having an important influence over clients who search for real estate properties online. These online tools contributed to around 30% of total sales in the first semester of the year, or R\$229 million in sales in 1H18.

Sales Over Supply (SoS)

Positive launch performance boosted quarterly SoS, which increased from 14.4% in 1Q18 to 19.9% in 2Q18. SoS in 1H18 climbed from 37.5% in 1Q18 to 43.1% in 2Q18, atesting the efficiency of Gafisa's continued and efficient business strategy.

Inventory (Property for Sale)

Inventory at market value reached R\$1,395.6 million in 2Q18, in line with the previous quarter. Year-over-year, inventory fell 5.5% as the company focused on sales and reduced the number of launches in the period. The project inventory located outside of strategic markets of R\$55.1 million, accounts for 3.9% of the total inventory, of which 59.9% are finished units.

Table 5 – Inventory at Market Value 2Q18 x 1Q18 (R\$ 000)

1,105,642	399,875	43,497	(371,940)	(28,315)	1,148,760	3.9%
232,040	-	13,925	(29,646)	(24,522)	191,798	-17.3%
59,023	-	2,490	(4,273)	(2,173)	55,068	-6.7%
1,396,706	399,875	59,912	(405,858)	(55,009)	1,395,626	-0.1%

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

Gafisa continues to focus on gradually reducing inventories, seeking to maintain a balance between sales of more recent projects and of finished units. This strategy can be seen when we analyze Gafisa's inventory turnover for the last 12 months ended in 2Q18, which evidences a reduction in the number of months for theoretical inventory liquidation.

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

257,857	92,380	358,172	160,114	280,237	1,148,760
-	-	-	5,194	186,604	191,798
-	-	22,094	-	32,974	55,068
257,857	92,380	380,266	165,308	499,815	1,395,626

Delivered Projects and Transfer

In 2Q18, 5 projects were delivered with total PSV of R\$301.0 million. On June 30, 2018, Gafisa managed the construction of 21 projects, all of which are on schedule according to the Company's business plan.

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

Therefore, PSV transferred in 2Q18 jumped 138.2% to R\$140.5 million quarter-over-quarter, driven by a higher volume of projects delivered, and was down 41.6% year-over-year, due to the higher volume of deliveries in 2Q17. In 1H18, PSV transferred totaled R\$199.5 million, 41.8% lower than in 1H17, also due to a lower volume of deliveries in the period.

Table 7 – Transfer

140,505	58,998	138.2%	240,783	-41.6%	199,503	342,527	-41.8%
5	-	-	4	25.0%	5	7	-28.6%
1,025	-	-	1,389	-26.2%	1,025	1,999	-48.7%
300,991	-	-	479,869	-37.3%	300,991	744,927	-59.6%

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

² PSV = Potential sales value of delivered units.

Landbank

The Company's landbank, with an estimated PSV of R\$3.7 billion, represents 32 potential projects/phases or nearly 8,000 units. Approximately 57.3% of land was acquired through swaps. In 2Q18, the Company acquired three new land areas in São Paulo, with potential PSV of R\$326.2 million. The acquisition of these land areas was made with a combination of a physical swap of 39% and cash payment.

Table 8 - Landbank (R\$ 000)

2,386,018	52.7%	45.0%	7.7%	5,338	6,004
1,353,466	63.2%	63.2%	0.0%	1,956	1,956
3,739,484	57.3%	53.1%	4.3%	7,294	7,960

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' participation in the project.

Table 9 – Changes in the Landbank (2Q18 x 1Q18 - R\$ 000)

2,466,636	326,176	399,875	-	(6,919)	2,386,018
1,420,604	-	-	67,333	195	1,353,466
3,887,240	326,176	399,875	67,333	(6,723)	3,739,485

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FINANCIAL RESULTS

Revenue

Net revenues increased to R\$302.3 million in 2Q18, up 105.3% compared to 2Q17, mainly reflecting the revenue growth of projects launched from 2014 to 2016, which moved closer to completed construction, thereby increasing their share of revenue contribution, besides a higher volume of projects launched in 2017. The project launched in 1Q18, Upside Pinheiros, drove revenue increase in the quarter by R\$68.2 million.

Table 10 – Revenue Recognition (R\$ 000)

Pre-Sales	% Sales	Revenue	% Revenue	Pre-Sales	% Sales	Revenue	% Revenue
232,403	67.2%	68,242	22.6%	-	0.0%	-	0.0%
20,777	6.0%	9,918	3.3%	-	0.0%	-	0.0%
24,171	7.0%	25,034	8.3%	14,999	11.8%	18,546	12.6%
33,323	9.6%	148,275	49.1%	41,331	32.5%	57,085	38.8%
35,271	10.2%	50,801	16.8%	70,817	55.7%	71,623	48.6%
345,946	100%	302,270	100.0%	127,146	100%	147,254	100.0%
344,163	99.5%	276,766	91.6%	121,653	95.7%	146,430	99.4%
1,783	0.5%	25,504	8.4%	5,494	4.3%	824	0.6%

Gross Profit & Margin

Gafisa's adjusted gross profit totaled R\$104.4 million in 2Q18, substantial growth compared to 1Q18 (+76.5%) and 2Q17 (+740.2%), boosted by sales of projects with better margins. Positive sales performance also drove adjusted gross profit growth in 1H18, which totaled R\$163.5 million, 392.0% higher than in 1H17. It is worth mentioning the gradual inversion of the Company's financial performance curve, signaled by higher net revenue versus 1Q18 (+41.6%), and 2Q17 (+105.3%) and in 1H18 (+81.7%).

Adjusted gross margin in 2Q18 was 34.5%, 680 bps higher than 1Q18 and 2,610 bps vs. 2Q17. In 1H18, gross margin totaled 31.7%, 2,000 bps higher than in 1H17.

Table 11 – Gross Margin (R\$ 000)

302,271	213,397	41.6%	147,254	105.3%	515,668	283,792	81.7%
72,824	22,862	218.5%	(14,403)	-605.6%	95,686	(31,570)	-403.1%

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24.1%	10.7%	1340 bps	-9.8%	3390 bps	18.6%	-11.1%	2970 bps
31,542	36,272	-13.0%	26,824	17.6%	67,814	64,800	4.7%
104,366	59,134	76.5%	12,421	740.2%	163,500	33,230	392.0%
34.5%	27.7%	680 bps	8.4%	2610 bps	31.7%	11.7%	2000 bps

¹ Adjusted by capitalized interests.

Selling, General and Administrative Expenses (SG&A)

General and administrative expenses totaled R\$39.5 million in 1H18, 16.1% lower than in 1H17. This decrease reflects the Company's diligence in its continued efforts to cut costs.

In 1H18, selling expenses totaled R\$52.4 million, 30.2% higher than in 1H17. This increase reflects the initiatives which resulted in successful launches in the period, reminding that no launch took place in 1H17. At the same way, quarter-over-year, expenses came to R\$28.1 million, 15.8% higher than in 1Q18. It is worth mentioning that these rates were lower than higher gross sales rates during the same periods, i.e., up 38.3% and 68.5% in 2Q18 and 1H18, respectively.

Thus, selling, general and administrative expenses came to R\$49.0 million in 2Q18, 13.9% and 19.6% higher than in 1Q18 and 2Q17, respectively. In 1H18, expenses totaled R\$91.9 million, 5.2% higher than in 1H17.

Table 12 – SG&A Expenses (R\$ 000)

(28,110)	(24,279)	15.8%	(21,184)	32.7%	(52,389)	(40,240)	30.2%
(20,845)	(18,696)	11.5%	(19,738)	5.6%	(39,541)	(47,107)	-16.1%
(48,955)	(42,975)	13.9%	(40,922)	19.6%	(91,930)	(87,347)	5.2%

In 1H18, other operating revenues/expenses totaled R\$29.9 million, 41.6% lower than in 1H17. In 2Q18, other operating revenues/expenses totaled R\$17.7 million, up 45.2% from 1Q18, and down 43.9% from 2Q17, driven by litigation expenses. The table below breaks down these expenses.

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

(15,747)	(11,776)	33.7%	(30,041)	-47.6%	(27,523)	(46,777)	-41.2%
(1,972)	(429)	359.7%	(1,528)	29.1%	(2,401)	(4,494)	-46.6%
(17,719)	(12,205)	45.2%	(31,569)	-43.9%	(29,924)	(51,271)	-41.6%

Adjusted EBITDA

Adjusted EBITDA totaled R\$29.2 million in 2Q18, in line with the positive trend seen in the first quarter of the year. This result reflects on the improved margins already explained.

Table 14 – Adjusted EBITDA (R\$ 000)

(29,359)	(55,924)	-47.5%	(180,004)	-83.7%	(85,284)	(229,401)	-62.8%
-	-	-	(9,545)	-100.0%	-	98,175	-100.0%
(29,359)	(55,924)	-47.5%	(170,459)	-82.8%	(85,284)	(327,576)	-74.0%
19,082	19,950	-4.4%	33,390	-42.9%	39,032	61,950	-37.0%
1,432	232	517.2%	949	50.9%	1,664	2,295	-27.5%
5,140	3,985	29.0%	8,875	-42.1%	9,125	17,583	-48.1%
31,542	36,272	-13.0%	26,824	17.6%	67,814	64,800	4.7%
1,369	(91)	-1604.3%	(424)	-422.9%	1,278	1,703	-25.0%
(42)	(1,179)	-96.4%	(100)	-58.0%	(1,221)	(50)	2342.0%
-	-	-	35,891	-100.0%	-	66,915	-100.0%
29,164	3,245	798.7%	(65,054)	-144.8%	32,408	(112,380)	-128.8%

¹ Sale of Tenda shares.

Financial Result

In 2Q18, financial result totaled R\$3.7 million, 30.1% lower than in 1Q18 and 59.4% lower than in 2Q17. In 1H18, financial results of R\$9.1 million came 46.8% lower than the same period last year. These decreases mainly reflect the interest rate drop incurred on cash and cash equivalents in the period.

Financial expenses totaled R\$22.8 million in 2Q18, 9.8% and 46.4% lower than in 1Q18 and 2Q17. In 1H18, financial expenses came to R\$48.1 million, down 39.1% from 1H17, mainly due to the capital increase in 1H18 and debt reduction. Therefore, net financial result was negative R\$39.0 million in 1H18, a reduction of 37.0% versus 1H17, an effect of the higher cash position.

Net Income

In 2Q18, the Company posted a net loss of R\$29.4 million, compared to a net loss of R\$55.9 million in 1Q18 and R\$170.6 million in 2Q17. In 1H18, net loss totaled R\$85.3 million, down 74.0% versus 1H17.

Table 15 – Net Income (R\$ 000)

302,271	213,397	41.6%	147,253	105.3%	515,668	283,792	81.7%
72,824	22,862	218.5%	(14,403)	-605.6%	95,686	(31,570)	-403.1%
24.1%	10.7%	1340 bps	-9.8%	3390 bps	18.6%	-11.1%	2970 bps
104,366	59,134	76.5%	12,421	740.2%	163,500	33,230	392.0%
34.5%	27.7%	680 bps	8.4%	2610 bps	31.7%	11.7%	2000 bps
29,164	3,245	798.7%	(65,054)	-144.8%	32,408	(112,380)	-128.8%
9.6%	1.5%	810 bps	-44.2%	5380 bps	6.3%	-39.6%	4590 bps
-	-	-	(9,545)	-100.0%	-	98,175	-100.0%
(29,359)	(55,924)	-47.5%	(170,459)	-82.8%	(85,284)	(327,576)	-74.0%
-	-	-	(35,891)	-100.0%	-	(66,915)	-100.0%
(29,359)	(55,924)	-47.5%	(134,568)	-78.2%	(85,284)	(260,661)	-67.3%

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\$262.8 million in 2Q18, with margin to be recognized of 37.5%, up 50 bps from 1Q18 and 170 bps higher than in 2Q17. The backlog performance is a reflexion of the effective execution of launches in the period, signaling a positive outlook for revenue volume and backlog results over coming quarters.

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

701,634	625,251	12.2%	450,923	55.6%
(438,806)	(393,999)	11.4%	(289,632)	51.5%
262,828	231,253	13.7%	161,291	63.0%
37.5%	37.0%	50 bps	35.8%	170 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 June 30, 2018, cash and cash equivalents and marketable securities totaled R\$212.9 million, 3.9% higher than on March 31, 2018.

Receivables

At the end of 2Q18, total accounts receivables totaled R\$1.5 billion, a 10.5% increase compared to 1Q18. It is worth mentioning that out of this total, R\$367.3 million or 49% are expected to be received this year.

Table 17 – Total Receivables (R\$ 000)

728,214	648,938	12.2%	468,005	55.6%
562,072	508,421	10.6%	602,295	-6.7%
195,199	186,897	4.4%	208,230	-6.3%
1,485,485	1,344,256	10.5%	1,278,530	16.2%

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)

757,271	367,304	238,097	92,724	54,179	4,967
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Cash Generation

Operating cash generation was R\$26.7 million in 2Q18, due to the higher volume of projects delivered in the quarter and the positive performance of launches. In 1H18, operating cash generation was negative R\$45.2 million, mainly impacted by a negative result in the previous quarter.

Table 19 –Cash Generation (R\$ 000)

	204,938	212,897
	57,476	7,959
	983,468	964,770
	-121,430	-18,698
	250,766	-
	-71,860	26,657
	-71,860	-45,203

¹ Cash and cash equivalents. and marketable securities.

Liquidity

In 2Q18, gross debt reached R\$964.8 million, down 1.9% vs. 1Q18 and 27.3% vs 2Q17. Net debt totaled R\$751.9 million, down 3.4% and 32.4% vs. 1Q18 and 2Q17, respectively.

The Company's Net Debt/Shareholders' Equity ratio at the end of 2Q18 was 82.8%, compared to 83.1% in 1Q18, and much lower compared to the 126.1% recorded in 2Q17, mainly due to the Company's capital increase and renegotiations made in 1Q18, which reduced debt and increased the cash position in the period.

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

-	-	0.0%	150,890	-100.0%
223,663	168,041	33.1%	130,817	71.0%
594,917	686,728	-13.4%	861,930	-31.0%
146,190	128,699	13.6%	183,339	-20.3%
964,770	983,468	-1.9%	1,326,976	-27.3%
964,770	983,468	-1.9%	1,326,976	-27.3%
212,897	204,938	3.9%	214,573	-0.8%
751,873	778,530	-3.4%	1,112,403	-32.4%
908,570	936,904	-3.0%	1,378,424	-34.1%
82.8%	83.1%	-30 bps	80.7%	210 bps
17.3%	9.8%	750 bps	7.2%	1010 bps

¹ Cash and cash equivalents and marketable securities.

Out of total debt, 28.7%, or R\$277.0 million, referred to total debt maturing in the short term, compared to 34.1% at the end of 1Q18. On June 30, 2018, the consolidated debt average cost stood at 11.55% p.a. The debt renegotiation and the capital increase allowed the Company to restructure its debt profile, resulting in gradual deleverage and a lower average rate, the benefits of which should be seen over the coming quarters.

Table 21 – Debt Maturity

223,663 21,875 156,852 44,936

CDI +					
3% /					
IPCA +					
8.37% /					
CDI +					
5.25% /					
CDI +					
3.75%					
TR +					
8.30%					
to					
14.20%	594,917	185,286	253,631	147,301	8,699
/					
12.87%					
/ 143%					
CDI					
135%					
CDI /					
CDI +					
2.5% /	146,190	69,858	21,215	55,174	(57)
CDI +					
3% /					
CDI +					
4.25%					
	964,770	277,019	431,698	247,411	8,642
		28.7%	44.7%	25,6%	0.9%
		66.9%	58.8%	59,5%	100.7%
		33.1%	41.2%	40,5%	-0.7%
		38.3% /	61.7%		

The Company is committed to deleveraging, which can be seen in the gradual reduction of net debt.

SUBSEQUENT EVENTS

Extraordinary Shareholders' Meeting Call Notice

On July 31, 2018, Gafisa received a correspondence from shareholder GWI Asset Management S.A. (GWI) requesting a call notice for an Extraordinary Shareholders' Meeting (ESM) within eight days from that date to resolve on the removal of all members of the Board of Directors and the election of new members.

On August 2, the Company informed GWI that said Call Notice Request should be supplemented by additional material required by applicable law, including the names of candidates appointed or supported by GWI, so as to include them in the mandatory remote voting list. This information shall be released to the market until the date of publication of the first announcement of ESM call notice.

Both correspondences were filed at the Brazilian Securities and Exchange Commission (CVM) and released to the market on August 2 by means of a Material Fact, and on August 7, GWI replied to the Company.

The Board of Directors' Meeting was called to be held on August 14th, 2018, the agenda will be the call notice of Extraordinary General Meeting. Gafisa will keep the market informed on the development of this matter.

Rule Changes for Housing Loans

The Brazilian National Monetary Council (CMN) approved several changes in housing loan rules, including, but not limiting, the increase of value of properties which can be acquired by means of the Housing Financial System (SFH) and the Government Severance Indemnity Fund for Employees (FGTS) to R\$1.5 million. These changes will take effect in January 2019 for a six-year duration.

The implementation of all these rules that unlock the business environment may benefit the real estate sector and contribute to a turnover effect on the market. However, it is worth mentioning that these rules will be gradually implemented and their effect will not be seen immediately. Despite the implementation schedule of these measures adopted by CMN, the ceiling increase, which will take place on the beginning of next year, may increase the liquidity of projects at this price level, as consumers will have access to additional housing financing instruments.

São Paulo, August 9, 2018.

Alphaville Urbanismo SA releases its results for the second quarter of 2018.

Financial Results

In 2Q18, net revenues were R\$20 million and net loss was R\$-198 million.

Net revenues	20	106	50	112	-60%	-5%
Net income	-198	-290	-120	-223	n.a	n.a

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

Consolidated Income Statement

	2Q18	1Q18	Q/Q (%)	2Q17	Y/Y (%)	1H18	1H17	Y/Y (%)
Net Revenue	302,271	213,397	41.6%	147,253	105.3%	515,668	283,792	81.7%
Operating Costs	(229,447)	(190,535)	20.4%	(161,656)	41.9%	(419,982)	(315,362)	33.2%
Gross Profit	72,824	22,862	218.5%	(14,403)	-605.6%	95,686	(31,570)	-403.1%
Gross Margin	24.1%	10.7%	1338 bps	-9.8%	3387 bps	18.6%	-11.1%	2968 bps
Operating Expenses	(81,711)	(59,783)	36.7%	(121,817)	-32.9%	(141,495)	(231,811)	-39.0%
Selling Expenses	(28,110)	(24,279)	15.8%	(21,184)	32.7%	(52,389)	(40,240)	30.2%
General and Administrative Expenses	(20,845)	(18,696)	11.5%	(19,738)	5.6%	(39,541)	(47,107)	-16.1%
Other Operating Revenue/Expenses	(17,719)	(12,205)	45.2%	(31,569)	-43.9%	(29,924)	(51,271)	-41.6%
Depreciation and Amortization	(5,140)	(3,985)	29.0%	(8,875)	-42.1%	(9,125)	(17,583)	-48.1%
Equity Income	(9,897)	(618)	1501.5%	(40,451)	-75.5%	(10,516)	(75,610)	-86.1%
Operational Result	(8,887)	(36,921)	-75.9%	(136,220)	-93.5%	(45,809)	(263,381)	-82.6%
Financial Income	3,737	5,344	-30.1%	9,206	-59.4%	9,081	17,076	-46.8%
Financial Expenses	(22,819)	(25,294)	-9.8%	(42,596)	-46.4%	(48,113)	(79,026)	-39.1%
Net Income Before Taxes on Income	(27,969)	(56,871)	-50.8%	(169,610)	-83.5%	(84,841)	(325,331)	-73.9%
Income Tax and Social Contribution	(1,432)	(232)	517.2%	(949)	50.9%	(1,664)	(2,295)	-27.5%
Net Income After Taxes on Income	(29,401)	(57,103)	-48.5%	(170,559)	-82.8%	(86,505)	(327,626)	-73.6%
Continued Op. Net Income	(29,401)	(57,103)	-48.5%	(170,559)	-82.8%	(86,505)	(327,626)	-73.6%
Discontinued Op. Net Income	-	-	-	(9,545)	-100.0%	-	98,175	-100.0%
Minority Shareholders	(42)	(1,179)	-96.4%	(100)	-58.0%	(1,221)	(50)	2342.0%
Net Income	(29,359)	(55,924)	-47.5%	(180,004)	-83.7%	(85,284)	(229,401)	-62.8%

Consolidated Balance Sheet

	2Q18	1Q18	Q/Q(%)	2Q17	Y/Y(%)
Current Assets					
Cash and Cash equivalents	14,161	23,654	-40.1%	37,979	-62.7%
Securities	198,736	181,284	9.6%	176,594	12.5%
Receivables from clients	562,072	508,421	10.6%	602,295	-6.7%
Properties for sale	777,405	849,737	-8.5%	996,928	-22.0%
Other accounts receivable	104,086	115,928	-10.2%	105,812	-1.6%
Prepaid expenses and other	4,125	5,136	-19.7%	5,903	-30.1%
Land for sale	34,212	65,798	-48.0%	3,270	946.2%
Subtotal	1,694,797	1,749,958	-3.2%	1,928,781	-12.1%
Long-term Assets					
Receivables from clients	195,199	186,897	4.4%	208,230	-6.3%
Properties for sale	370,192	336,511	10.0%	582,445	-36.4%
Other	114,656	91,568	25.2%	194,880	-41.2%
Subtotal	680,047	614,976	10.6%	985,555	-31.0%
Intangible. Property and Equipment	41,011	41,005	0.0%	45,318	-9.5%
Investments	466,987	479,445	-2.6%	731,405	-36.2%
Total Assets	2,882,842	2,885,384	-0.1%	3,691,059	-21.9%
Current Liabilities					
Loans and financing	255,144	324,376	-21.3%	654,200	-61.0%
Debentures	21,875	11,408	91.8%	174,242	-87.4%
Obligations for purchase of land advances	148,536	142,766	4.0%	194,787	23.7%
from customers					
Material and service suppliers	94,632	99,165	-4.6%	73,249	29.2%
Taxes and contributions	55,554	52,016	6.8%	46,343	19.9%
Other	298,213	325,760	-8.5%	337,235	-11.6%
Subtotal	873,954	955,491	-9.0%	1,480,056	-46.0%
Long-term liabilities					
Loans and financings	485,963	491,051	-1.0%	391,069	24.3%
Debentures	201,788	156,633	28.8%	107,465	87.8%
Obligations for Purchase of Land and	182,723	134,924	35.4%	71,149	156.8%

advances from customers					
Deferred taxes	74,473	74,473	0.0%	100,405	-25.8%
Provision for Contingencies	90,516	78,293	15.6%	81,515	11.0%
Other	64,855	57,615	12.6%	80,976	-19.9%
Subtotal	1,100,318	992,989	10.8%	832,579	32.2%
Shareholders' Equity					
Shareholders' Equity	905,948	934,236	-3.0%	1,374,347	-34.1%
Minority Shareholders	2,622	2,668	-1.7%	4,077	-35.7%
Subtotal	908,570	936,904	-3.0%	1,378,424	-34.1%
Total Liabilities and Shareholders' Equity	2,882,842	2,885,384	-0.1%	3,691,059	-21.9%

Consolidated Cash Flow

	2Q18	2Q17	1H18	1H17
Net Income (Loss) before taxes	(27,970)	(277,330)	(84,841)	(325,331)
Expenses/revenues that do not impact working capital	9,829	205,663	17,897	185,362
Depreciation and amortization	5,140	8,875	9,125	17,583
Impairment	(16,061)	(4,097)	(25,237)	(11,141)
Expense with stock option plan	1,369	(425)	1,278	1,703
Unrealized interest and fees. Net	3,563	16,974	7,344	42,735
Equity Income	9,898	40,451	10,516	75,610
Provision for guarantee	(2,459)	(1,714)	(3,293)	(3,315)
Provision for contingencies	15,306	30,041	26,833	46,777
Profit Sharing provision	1,273	4,120	2,504	8,357
Provision (reversal) for doubtful accounts	(8,200)	3,558	(11,153)	7,699
Gain / Loss of financial instruments	-	160	(20)	(646)
Provision for impairment of discontinued operation	-	215,440	-	-
Stock sale update	-	(107,720)	-	-
Clients	(61,143)	82,890	(92,202)	158,442
Properties held for sale	86,298	82,512	167,766	147,467
Other accounts receivable	(7,118)	(5,985)	(11,626)	401
Prepaid expenses and differed sales expenses	1,011	936	1,410	(3,355)
Obligations on land purchase	53,569	(22,239)	22,425	(29,761)
Taxes and contributions	3,538	(789)	9,124	(5,499)
Suppliers	(3,450)	9,455	(3,340)	(419)
Payroll, charges and provision for bonuses	(129)	1,517	365	1,814
Other liabilities	(12,964)	(19,945)	(42,767)	(28,974)
Related party operations	(3,188)	(4,130)	(8,457)	(9,703)
Taxes paid	(1,432)	(949)	(1,664)	(2,295)
Cash provided by/used in operating activities /discontinued operation	-	18,504	-	51,959
Net cash from operating activities	36,851	70,110	(25,910)	140,108
Investment Activities	-	-	-	-
Purchase of fixed and intangible asset	(5,146)	(7,080)	(9,514)	(10,696)
Capital contribution in subsidiaries	(1,781)	518	(2,280)	441
Redemption of securities. collaterals and credits	196,157	471,458	666,060	687,475
Securities application and restricted lending	(213,609)	(434,932)	(745,861)	(640,423)
Cash provided by/used in investment activities / discontinued operation	-	99,707	-	48,663
Discontinued operation transaction costs	-	(9,545)	-	(9,545)
Receivable from exercise of preemptive rights Tenda	-	219,510	-	219,510

Net cash from investment activities	(24,379)	339,636	(91,595)	295,425
Funding Activities	-	-	-	-
Related party contributions	-	(1,999)	-	(1,237)
Addition of loans and financing	158,392	110,687	210,330	186,282
Amortization of loans and financing	(180,653)	(387,998)	(357,802)	(539,609)
Assignment of credit receivables. net	-	-	-	21,513
Related Parties Operations	296	1,933	(155)	6,268
Sale of treasury shares	-	7	-	317
Cash provided by/used in financing activities/ discontinued operation	-	(10,601)	-	24,089
Capital Increase	-	-	167	-
Subscription and integralization of ordinary shares	-	-	250,599	-
Net cash from financing activities	(21,965)	(287,971)	103,139	(302,377)
Net cash variation for sales operations	-	(107,610)	-	(124,711)
Increase (decrease) in cash and cash equivalents	(9,493)	14,165	(14,366)	8,445
Beginning of the period	23,654	23,814	28,527	29,534
End of the Period	14,161	37,979	14,161	37,979
Increase (decrease) in cash and cash equivalents	(9,493)	14,165	(14,366)	8,445

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.

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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

June 30, 2018

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

1. Operations

Gafisa S.A. ("Gafisa" or "the Company") is a publicly traded company with its registered office at Avenida das Nações Unidas, 8.501, 19th 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 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 financial 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 Special 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. These 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 the Extraordinary Shareholders' Meeting held on December 20, 2017, in view of the subscription full payment of 16,717,752 new common shares, at a price per share of R\$15.00, of which R\$0.01 is allocated to capital,

and R\$14.99 is allocated to the capital reserve, totaling R\$167 and R\$250,599, respectively. This 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.

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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 August 9, 2018, the Company's Board of Directors approved this individual and consolidated quarterly information of the Company and authorized their 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 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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Notes to the quarterly information

June 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 relative to the disclosures in Note 2.1.1 to the individual and consolidated financial statements as at December 31, 2017.

2.1.2. Statement of Cash Flow

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 Flow 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 separate lines in the Statement of Cash Flow of the Company for the periods ended June 30, 2017. Accordingly, the line item "Foreign Exchange Gains and Losses on Cash and Cash Equivalents", shown in the Statement of Cash Flow for the period ended June 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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Notes to the quarterly information

June 30, 2018

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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) 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 continue 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 June 30, 2018.

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

Based on management’s 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 allowance of the expected credit losses on contracts sold, which is recorded together with the recognition of

the respective revenue.

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

	Company			Consolidated		
	Originally reported balances	Impact of application of CPC 48 (Note 5)	Balances after application of CPC 48 as of 01/01/2018	Originally reported balances	Impact of application of CPC 48 (Note 5)	Balances after application of CPC 48 as of 01/01/2018
<u>Statement of financial position</u>						
Assets						
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
Total Assets	3,538,909	(16,869)	3,522,040	2,878,138	(16,869)	2,861,269
Liabilities						
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
Total liabilities and equity	3,538,909	(16,869)	3,522,040	2,878,138	(16,869)	2,861,269

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 at December 31, 2017.

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4. Cash and cash equivalents and short term investments

4.1. Cash and cash equivalents

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Cash and banks	3,765	7,461	14,161	28,527
Total cash and cash equivalents				
(Note 20.i.d, 20.ii.a and 20.iii)	3,765	7,461	14,161	28,527

4.2. Short term investments

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Fixed-income funds	158,977	62,676	159,219	66,885
Government bonds (LFT) (a)	-	1,164	-	1,207
Securities purchased under resale agreements (a)	2,493	2,913	2,493	3,019
Bank certificates of deposit (b)	26,786	36,847	26,839	37,025
Restricted cash in guarantee for loans	351	366	351	366
Restricted credits	8,592	6,979	9,834	10,433

Total short term investments

(Note 20.i.d, 20.ii.a and 20.iii)	197,199	110,945	198,736	118,935
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(a) On January 12, 2018 the Company discontinued Fundo Square, settling the LFT transactions and the securities linked to Fundo Like. As at June 30, 2018, the IOF-exempt securities purchased under resale agreement include earned interests ranging from 50% to 73% of Interbank Deposit Certificates (CDI).

(b) As at June 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 at December 31, 2017) of Interbank Deposit Certificates (CDI) rate.

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 at December 31, 2017.

5. Trade accounts receivable of development and services

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Real estate development and sales	673,141	563,070	773,792	717,006
(-) Allowance for doubtful accounts	(38,675)	(32,959)	(38,675)	(32,959)
(-) Present value adjustments	(18,819)	(12,448)	(20,782)	(14,887)
Services, construction and other receivables	14,278	14,167	42,936	14,918
Total trade accounts receivable of development and services	629,925	531,830	757,271	684,078
(Note 20.i.d and 20.ii.a)				
Current	458,056	371,228	562,072	484,761
Non-current	171,869	160,602	195,199	199,317

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

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

Maturity	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Past due:				
Up to 90 days	41,463	33,935	55,829	70,403
From 91 to 180 days	8,398	9,338	9,796	17,861
Over 180 days	76,150	80,708	97,340	100,581
	126,011	123,981	162,965	188,845
Falling due:				
2018	207,263	280,801	239,197	329,821
2019	214,065	90,498	254,886	114,718
2020	87,461	74,821	98,447	89,099
2021	47,652	3,527	55,561	4,414
2022 onwards	4,967	3,609	5,672	5,027
	561,408	453,256	653,763	543,079
(-) Present value adjustment	(18,819)	(12,448)	(20,782)	(14,887)
(-) Allowance for doubtful accounts	(38,675)	(32,959)	(38,675)	(32,959)
	629,925	531,830	757,271	684,078

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

**Company
and
Consolidated**

Balance as at December 31, 2017	(32,959)
CPC 48 first-time adoption at 01/01/2018 (Note 3)	(16,869)
Additions (Note 22)	(362)
Write-offs / Reversals (Note 22)	11,515
Balance as at June 30, 2018	(38,675)

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

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Notes to the quarterly information

June 30, 2018

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

6. Properties for sale

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Land	466,969	493,422	525,548	544,057
(-) Provision for loss on realization of land	(94,998)	(98,752)	(94,998)	(98,752)
(-) Present value adjustments	(17,584)	(9,689)	(17,684)	(9,829)
Property under construction (Note 29)	374,643	410,797	481,605	507,619
Completed units	266,449	327,842	320,424	359,601
(-) Provision for loss on realization of properties under construction and completed units	(67,298)	(80,710)	(67,298)	(80,710)
Total properties for sale	928,181	1,042,910	1,147,597	1,221,986
Current portion	616,566	753,748	777,405	882,189
Non-current portion	311,615	289,162	370,192	339,797

In the period ended June 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

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Reclassification of land available for sale (Note 8.1)	(3,497)
Write-offs (a)	20,663
Balance as at June 30, 2018	(162,296)

(a) The value 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 at December 31, 2017.

7. Other assets

	Company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Advances to suppliers	5,235	2,081	6,435	5,358
Recoverable taxes (IRRF, PIS, COFINS, among others)	23,924	26,808	30,761	33,623
Judicial deposits (Note 16)	92,566	80,903	95,357	83,523
Total other assets	121,725	109,792	132,553	122,504
Current portion	33,389	47,640	42,026	58,332
Non-current portion	88,336	62,152	90,527	64,172

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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 follow:

	Cost	Company Provision for impairment	Net balance	Cost	Consolidated Provision for impairment	Net balance
Balance as at December 31, 2017	113,824	(68,827)	44,997	233,522	(131,170)	102,352
Reclassification to Properties for Sale (Note 6)	(40,262)	3,497	(36,765)	(40,262)	3,497	(36,765)
Additions (Note 23)	237	-	237			