Gafisa S.A.
Form 6-K
November 09, 2015

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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, 2015**

**(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 ___X___ 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 ___X___

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 ___X___

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 ___X___

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

**FOR IMMEDIATE RELEASE** - São Paulo, November 6, 2015 – Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, today reported financial results for the third quarter ended September 30, 2015.

**3Q15 Conference Call**

November 9, 2015

**> 8:00 am US EST**
In English (simultaneous translation from Portuguese)
+ 1-516-3001066 US EST
Code: Gafisa

**> 11:00 am Brasília Time**
In Portuguese
Telephones:
+55-11-3728-5971 (Brazil)
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**Media Relations**

## GAFISA RELEASES 3Q15 RESULTS

## MANAGEMENT COMMENTS AND HIGHLIGHTS

Gafisa continued to show positive operational results in the second half of the year, despite the challenging economic environment on 2015.

We are pleased to report that Company's consolidated net income totaled R$73.6 million in the first nine months of the year, reversing a loss of R$50.6 million recorded in the same period last year. In the third quarter specifically, consolidated net income totaled R$13.5 million, compared to a loss of R$10.0 million in 3Q14. In this quarter, the Gafisa segment recorded net income of R$1.7 million in the quarter, maintaining the segment's positive momentum, and R$30.3 million in 9M15, while the Tenda segment accounted for R$11.8 million of the R$13.5 million total, in-line with Tenda's performance in the previous quarter. Tenda ended the first nine months of 2015 with total net income of R$43.3 million.

2015 has been characterized by an increasingly challenging economic environment in Brazil, including a deepening recession. Economic factors such as a more restrictive credit market, rising inflation and high unemployment have had a direct impact on the consumer decision-making process. Despite operating in such an environment, the Company has continued to produce improved operating and financial results in comparison with last year.

The Gafisa segment, while more affected by the deterioration in the macro-economic environment, continues to improve its operations and business management, and has successfully maintained the profitability levels of its projects.

Tenda completed its third consecutive profitable quarter, reflecting the segment's increased operational efficiency and the successful implementation of its new business model. In 3Q15, the Tenda segment delivered its last two legacy projects, and is now solely focused on the development of its portfolio of New Model projects.

In this regard, we would like to highlight the performance of both the Gafisa and Tenda projects in the quarter, which contributed to the Company's positive consolidated results. The 3Q15 consolidated adjusted gross margin reached 35.9%. The Gafisa segment maintained stable profitability levels, with an adjusted gross margin of 37.9% in the quarter. At the same time, the full integration of the New Model within Tenda led the segment to record an adjusted gross margin of 32.1%.

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**Shares**

**GFSA3** – Bovespa
**GFA** – NYSE
Total shares outstanding: : 378.066.162[1]
Average daily trading volume (90 days[2]):
R$9.2 million
(1) Including 10.584.757 treasury shares
(2) Until September 30, 2015

Throughout the quarter, the Gafisa segment launched four projects, reaching an average SoS of launches of around 24%. The segment remains focused on the sale of legacy units, accounting for 71% of net pre-sales in the quarter, which totaled R$247.6 million in the third quarter. This focus helped the Company accelerate the sales pace of the Gafisa segment, which reached 11.0% in 3Q15, higher than both the 2Q15 and 3Q14 levels.

As a result of the improved operational performance, 3Q15 adjusted gross profit for the Gafisa segment reached R$152.6 million, while the profitability level was maintained with an adjusted gross margin of 37.9%. Year to date, the adjusted gross margin of the Gafisa segment reached 37.1%.

The Company continues to assess the most efficient profile for the Gafisa segment's inventory level. In the third quarter, 44% of net sales were related to projects launched prior to 2013. During 9M15, this percentage accounted for about 50% of net sales, resulting in an inventory balance of R$2.0 billion at the end of the period. The Gafisa segment's inventory was in line with the previous quarter and achieved a reduction of approximately 20% compared to 3Q14.

The weak outlook for the  current economic environment has led the Company to take a conservative approach in regards to launch activity through the rest of the year. We will seek to balance the placement of new products in the market, prioritizing those with more liquidity, in order to achieve adequate sales and profitability.

In the lower income segment, Tenda was able to sustain positive results and reported net income for the third consecutive quarter. The 3Q15 and 9M15 results reflect the increased operational scale of the New Model, which has allowed for a greater level of efficiency and improved management of both the financial and operational cycles.

In regards to the expansion of Tenda's operating scale, the segment recorded its highest launch volumes since the beginning of the development of its new business model. In the 3Q15, launches of R$318.6 million comprised 9 new projects/phases located in the states of São Paulo, Rio de Janeiro, Minas Gerais, Rio Grande do Sul, Bahia and Pernambuco.

The highlight of the quarter, once again, was the strong speed of sales result, which reached 23.0%. This was a result of greater product availability after four consecutive quarters of increased launch volumes, strong demand in the low income segment and a significant reduction in the volume of dissolutions in 3Q15. As a result, net pre-sales remained at heathy levels, totaling R$245.2 million, which is well above the R$35.9 million recorded in the previous year.

The Tenda segment delivered 5 projects during the quarter, representing 1,304 units and accounting for R$197.5 million in PSV, of which 52% (664 units, or R$104.6 million) were under the New Model. In the 9M15, the segment delivered R$591.0 million, with 58% relating to its new business model.

Tenda's solid operating performance positively impacted its financial results, with adjusted gross income reaching R$71.1 million in 3Q15. The adjusted gross margin reached 32.1%, slightly higher than the 28-30% range that has been achieved since 2Q14, due to a one-off impact registered in the quarter.

Tenda has continued its efforts to achieve greater economies of scale by increasing launches and implementing strategies designed to ensure a strong speed of sales. Sustainable operating results over the last three quarters reinforces our confidence in the New Model.

On a consolidated basis, Gafisa and Tenda launches totaled R$606.8 million in 3Q15 and R$1.4 billion in 9M15, with net pre-sales of R$492.8 million and R$1.4 billion, respectively. The 3Q15 adjusted gross profit was R$223.8 million, with an adjusted gross margin of 35.9%; over the first nine months, adjusted gross profit was R$603.5 million, with an adjusted gross margin of 34.8%.

In keeping with the current economic scenario, Gafisa has taken steps to achieve greater stability in its cost and expense structure. Selling and administrative expenses were R$89.8 million in the third quarter, which is stable both on a y-o-y and q-o-q basis. Year-to-date, these expenses totaled R$250.3 million, a 7.2% decrease from 9M14, reflecting the Company's commitment to streamlining its cost structure. As a result of these initiatives, consolidated net income totaled R$13.5 million in the quarter and R$73.6 million in the 9M15, compared to losses of R$10.0 and R$50.6 million, respectively, in the prior year periods.

At the end of September, the Net Debt / Shareholder's Equity ratio was 50.5%, consistent with the previous quarter. Excluding financing for projects, the Net Debt / Shareholder's Equity ratio was negative 13.2%. Consolidated operating cash generation reached R$78.5 million in the quarter and R$95.3 million year to date. The Company ended the 3Q15 with net cash burn of R$6.5 million, resulting in total cash burn of R$104.3 million year to date.

The Company has entered into the fourth quarter focused on achieving superior operating performance and continues to be guided, at all times, by capital discipline, the achievement of higher profitability and the generation of value for its shareholders and other stakeholders.

| | |
|---|---|
| **Sandro Gamba** | **Rodrigo Osmo** |
| **Chief Executive Officer – Gafisa S.A.** | **Chief Executive Officer – Tenda S.A.** |

## MAIN CONSOLIDATED FIGURES

Table 1. Operating and Financial Highlights – (R$000 and % Company)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 606,819 | 481,951 | 26% | 510,428 | 19% | 1,402,352 | 1,394,761 | 1% |
| Launches, Units | 3,249 | 2,231 | 46% | 1,534 | 112% | 7,430 | 4,413 | 68% |
| | 492,803 | 532,131 | -7% | 230,784 | 114% | 1,448,278 | 903,125 | 60% |
| Pre-sales, Units | 2,333 | 2,395 | -3% | 682 | 242% | 6,636 | 3,079 | 116% |
| | 98,873 | 108,001 | -8% | 152,858 | -35% | 266,591 | 370,003 | -28% |
| Sales over Supply (SoS) | 14.8% | 15.9% | -110 bps | 6.7% | 810 bps | 33.8% | 21.8% | 1,200 bps |
| | 197,539 | 954,460 | -79% | 366,917 | -46% | 1,937,747 | 1,602,596 | 21% |
| Delivered projects, Units | 1,304 | 2,738 | -52% | 1,549 | -16% | 7,576 | 7,034 | 8% |
| | 624,043 | 591,529 | 5% | 494,191 | 26% | 1,735,073 | 1,501,722 | 16% |
| Adjusted Gross Profit[1] | 223,777 | 200,386 | 12% | 179,920 | 24% | 603,464 | 517,274 | 17% |
| | 35.9% | 33.9% | 200 bps | 36.4% | -60 bps | 34.8% | 34.4% | 40 bps |
| Adjusted EBITDA[2] | 92,417 | 72,831 | 27% | 73,457 | 26% | 261,613 | 189,767 | 38% |
| | 14.8% | 12.3% | 250 bps | 14.9% | -5 bps | 15.1% | 12.6% | 20 bps |
| Net Income (Loss) | 13,486 | 28,487 | -53% | (9,954) | 235% | 73,623 | (50,594) | 246% |
| | 808,851 | 901,383 | -10% | 1,296,708 | -38% | 808,851 | 1,296,708 | -38% |
| Backlog Results[3] | 324,850 | 364,238 | -11% | 488,973 | -34% | 324,850 | 488,973 | -34% |
| | 40.2% | 40.4% | -20 bps | 37.7% | 250 bps | 40.2% | 37.7% | 250 bps |
| Net Debt + Investor Obligations | 1,571,811 | 1,563,283 | 1% | 1,384,795 | 14% | 1,571,811 | 1,384,795 | 14% |
| | 921,828 | 876,813 | 5% | 1,463,454 | -37% | 921,828 | 1,463,454 | -37% |
| Shareholders’ Equity | 3,110,914 | 3,097,881 | 0% | 3,106,916 | 0% | 3,110,914 | 3,106,916 | 0% |
| | 3,112,609 | 3,099,492 | 0% | 3,129,137 | -1% | 3,112,609 | 3,129,137 | -1% |
| Total Assets | 7,059,524 | 7,072,546 | 0% | 7,578,854 | -7% | 7,059,524 | 7,635,296 | -7% |
| | 50.5% | 50.4% | 10 bps | 44.3% | 620 bps | 50.5% | 44.3% | 620 bps |

1) Adjusted by capitalized interests.

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

3) Backlog results net of PIS/COFINS taxes – 3.65%, and excluding the impact of PVA (Present Value Adjustment) method according to Law 11,638

## FINANCIAL RESULTS

- Net revenue recognized by the "PoC" method was R$402.5 million in the Gafisa segment and R$221.5 million in the Tenda segment. This resulted in consolidated revenue of R$624.0 million in the third quarter, a 26.3% increase year on year, and a 5.5% increase from the previous quarter. In 9M15, consolidated net revenue reached R$1.7 billion, an increase of 15.5% compared to 9M14.

- Adjusted gross profit for 3Q15 was R$223.8 million, up from R$200.4 million in 3Q15 and from R$179.9 million in the same period of last year. Adjusted gross margin reached 35.9%, compared to 36.4% in the prior-year period and 33.9% in the 2Q15. Gafisa accounted for an adjusted gross profit of R$152.6 million, with an adjusted gross margin of 37.9%, while Tenda accounted for an adjusted gross profit of R$71.2 million, with a margin of 32.1% in 3Q15. In the 9M15, adjusted gross profit totaled R$603.5 million with an adjusted gross margin of 34.8%, versus R$517.3 million in the previous year.

- Adjusted EBITDA was R$92.4 million in 3Q15, with a margin of 14.8%. The Gafisa segment reported adjusted EBITDA of R$66.8 million, while the Tenda segment's adjusted EBITDA was R$24.4 million. In 9M15 consolidated adjusted EBITDA was R$261.6 million, an increase of 37.8% from R$189.8 million in 9M14, with a 15.1% margin. Please note that consolidated adjusted EBITDA includes Alphaville equity income, while the Gafisa segment's adjusted EBITDA is net of this effect.

- The Company reported positive net income of R$13.5 million in the third quarter. Gafisa reported a net profit of R$1.7 million, while Tenda reported a profit of R$11.8 million. In the first nine months, net income totaled R$73.6 million.

- Operating cash generation totaled R$78.5 million in the 3Q15, closing the nine month period at R$95.3 million. Net cash consumption of R$6.5 million was recorded in 3Q15, with accumulated consumption of
R$104.3 million during 9M15.

## OPERATING RESULTS

- Launches totaled R$606.8 million in the 3Q15, comprising 13 projects in the states of São Paulo, Rio de Janeiro, Minas Gerais, Rio Grande do Sul, Bahia and Pernambuco. The result was an increase over the R$482.0 million launched in 2Q15. The Gafisa segment accounted for 47% of the quarter's launches, while the Tenda segment accounted for the remaining 53%. The volume launched in the 9M15 totaled R$1.4 billion.

- Net pre-sales totaled R$492.8 million in 3Q15, of which R$247.6 million related to Gafisa and R$245.2 million related to Tenda. The consolidated result was a significant increase from the 3Q14 net pre-sales result of R$230.8 million. Consolidated sales from launches in the quarter represented 16.8% of the total, while sales from inventory comprised the remaining 83.2%. During the 9M15, the two segments combined reported R$1.4 billion in net pre- sales.

- Consolidated sales over supply (SoS) reached 14.8% in 3Q15, compared to 15.9% in 2Q15 and 6.7% in 3Q14. On a trailing 12-month basis, Gafisa's SoS was 29.6%, while Tenda's SoS was 52.4%.

- Consolidated inventory at market value remained stable q-o-q at R$2.8 billion. Gafisa's inventory totaled R$2.0 billion, while Tenda's inventory totaled R$820.7 million.

- Throughout the third quarter, the Company delivered 5 projects/phases, totaling 1,304 units, accounting for R$197.5 million in PSV. The 3Q15 launches were exclusively from the Tenda segment. Over the past nine months, 30 projects / phases and 7,576 units were delivered, accounting for 1.9 billion in PSV.

## ANALYSIS OF RESULTS

## GAFISA SEGMENT

**Consistent Gross Margin and Reduction in General and Administrative Expenses**

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 288,234 | 252,585 | 14% | 419,134 | -31% | 616,046 | 1,023,012 | -40% |
| Net pre-sales | 247,608 | 242,185 | 2% | 194,892 | 27% | 669,599 | 633,738 | 6% |
| | 71,433 | 66,973 | 7% | 130,368 | -45% | 152,842 | 284,617 | -46% |
| Sales over Supply (SoS) | 11.0% | 10.5% | 50 bps | 7.2% | 380 bps | 25.0% | 20.2% | 480 bps |
| | - | 1,498 | -100% | 366 | -100% | 3,345 | 2,394 | 40% |
| Net Revenue | 402,483 | 348,392 | 16% | 365,256 | 10% | 1,090,933 | 1,089,913 | 0% |
| | 152,627 | 127,101 | 20% | 141,462 | 8% | 405,229 | 409,448 | -1% |
| Adjusted Gross Margin[1] | 37.9% | 36.5% | 140 bps | 38.7% | -80 bps | 37.1% | 37.6% | -50 bps |
| | 66,846 | 52,400 | 28% | 76,690 | -13% | 177,535 | 214,855 | -14% |
| Adjusted EBITDA Margin[2] | 16.6% | 15.0% | 160 bps | 21.0% | -440 bps | 16.3% | 19.7% | -280 bps |
| | 1,656 | 8,452 | -80% | 15,263 | -89% | 30,312 | 30,068 | 1% |
| Backlog Revenues | 557,508 | 664,074 | -16% | 1,157,390 | -52% | 557,508 | 1,157,390 | -52% |
| | 215,810 | 265,190 | -19% | 448,963 | -52% | 215,810 | 448,963 | -52% |
| Backlog Margin[3] | 38.7% | 39.9% | -120 bps | 38.8% | -10 bps | 38.7% | 38.8% | -10 bps |

1) Adjusted by capitalized interests.

2) Adjusted by expenses with stock option plans (non-cash), minority. EBITDA from Gafisa segment does not consider the equity income from Alphaville.

3) Backlog results net of PIS/COFINS taxes – 3.65%, and excluding the impact of PVA (Present Value Adjustment) method according to Law 11,638.

The Company maintenaned its level of net sales in 3Q15, despite more difficult market conditions. In addition, these results reflect Gafisa's commitment to improved operational efficiency and attaining a suitable cost structure given the current business cycle and the market outlook.

The 3Q15 adjusted gross margin was 37.9%, in line with the average levels reported in previous quarters and marginally lower y-o-y, due to a higher recognition of swaps in the period. These profitability levels support the stability of the gross margin in the Gafisa segment, and also highlight the solid performance of the Gafisa segment projects, resulting from the evolution of the Company's business cycle.

It is worth noting the continued downward trend in selling, general and administrative expenses, which were 13.2% lower year-over-year and down 7.6% compared to 2Q15. For the first nine months of the year, the reduction reached 15.1% compared with 9M14.

## Net Income

Net income for the period was R$1.7 million, compared to R$8.5 million in the 2Q15 and R$15.3 million in the 3Q14. This decrease is due to a higher volume of other operating expenses, the lower contribution of AUSA equity income, and the higher volume of financial expenses in the period. 9M15 net income totaled R$30.3 million, compared to R$30.1 million in 9M14. Excluding the R$1.2 million in equity income from Alphaville, the Gafisa segment's net income in 3Q15 was R$0.5 million, compared to R$8.7 million recorded in 3Q14 and R$3.3 million in 2Q15. In the 9M15, net income was R$7.0 million, compared to R$18.5 million in the same period last year.

Table 3 – Gafisa Segment – Net Income (R$ Million)

| | | | | | |
|---|---|---|---|---|---|
| | 152.6 | 127.1 | 141.5 | 405.2 | 409.4 |
| Adjusted Gross Margin | 37.9% | 36.5% | 38.7% | 37.1% | 37.6% |
| | **1.7** | **8.5** | **15.3** | **30.3** | **30.1** |
| Equity Income from Alphaville[1] | 1.2 | 5.2 | 6.6 | 23.3 | 11.6 |
| | **0.5** | **3.3** | **8.7** | **7.0** | **18.5** |

## TENDA SEGMENT

**Profitability Anchored in Operational Consolidation of the New Model**

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 318,585 | 229,366 | 39% | 91,294 | 249% | 786,306 | 371,749 | 112% |
| Net pre-sales | 245,195 | 289,946 | -15% | 35,892 | 583% | 778,679 | 269,387 | 189% |
| | 27,440 | 41,028 | -33% | 22,490 | 22% | 113,749 | 85,387 | 33% |
| Sales over Supply (SoS) | 23.0% | 28.2% | -520 bps | 4.6% | 1,840 bps | 48.7% | 26.7% | 2,200 bps |
| | 1,304 | 1,240 | 5% | 1,183 | 10% | 4,231 | 4,640 | -9% |
| Net Revenue | 221,560 | 243,137 | -9% | 128,935 | 72% | 644,140 | 411,809 | 56% |
| | 71,150 | 73,285 | -3% | 38,458 | 85% | 198,235 | 107,826 | 84% |
| Adjusted Gross Margin[1] | 32.1% | 30.1% | 200 bps | 29.8% | 230 bps | 30.8% | 26.2% | 460 bps |
| | 24,403 | 15,221 | 60% | (9,828) | 348% | 60,739 | (36,648) | 266% |
| Adjusted EBITDA Margin[2] | 11.0% | 6.3% | 470 bps | -7.6% | 1,860 bps | 9.4% | -8.9% | 1,830 bps |
| | 11,830 | 20,035 | -41% | (25,219) | 147% | 43,311 | (80,662) | 154% |
| Backlog Revenues | 251,343 | 237,309 | 6% | 139,318 | 80% | 251,343 | 139,318 | 80% |
| | 109,040 | 99,048 | 10% | 40,010 | 173% | 109,040 | 40,010 | 173% |
| Backlog Margin[3] | 43.4% | 41.7% | 170 bps | 28.7% | 1,470 bps | 43.4% | 28.7% | 1,470 bps |

1) Adjusted by capitalized interests.

2) Adjusted by expenses with stock option plans (non-cash), minority. Tenda does not hold equity in Alphaville.

3) Backlog results net of PIS/COFINS taxes – 3.65%, and excluding the impact of PVA (Present Value Adjustment) method according to Law 11,638.

The Tenda segment delivered its last two legacy projects in 3Q15. The segment continues to advance with the New Model operations, recording consistent margins and greater profitability.

In the 3Q15, Tenda recorded adjusted gross income of R$71.2 million, in line with the previous quarter, despite the lower revenue volume. The 3Q15 adjusted gross margin reached 32.1%. Notably, a portion of the accumulated Profit Sharing provision, totaling R$5.2 million, was reallocated to general and administrative expenses, representing a one-off, one-time positive impact of 2.3 p.p. on the adjusted gross margin for 3Q15.

Additionally, adjusted EBITDA totaled R$24.4 million in the quarter, compared to R$15.2 million in 2Q15 and a 3Q14 loss of R$9.8 million. The adjusted EBITDA margin reached 11.0%, reflecting higher net revenues and better gross margins over the past few quarters. In addition, the operational consolidation of Tenda's New Model helped produce a strong expansion in the segment's EBITDA during this period.

## Net Income

In 3Q15, the Tenda segment achieved net income of R$11.8 million, lower than 2Q15 net income of R$20.0 million, but a substantial improvement from the net loss of R$25.2 million in 3Q14. In 9M15, net income was R$43.3 million, compared to a net loss of R$80.7 million in the previous year, reflecting the improved operating and financial performance of the Tenda segment.

Table 5 – Tenda Segment – Net Income (R$ Million)

| | | | | | |
|---|---|---|---|---|---|
| | 71.2 | 73.3 | 38.5 | 198.2 | 107.8 |
| Adjusted Gross Margin | 32.1% | 30.1% | 29.8% | 30.8% | 26.2% |
| | **11.8** | **20.0** | **(25.2)** | **43.3** | **(80.7)** |

## RECENT EVENTS

### UPDATED STATUS OF THE SPIN-OFF PROCESS AND RECENT DEVELOPMENTS

In the 3Q15, the Company progressed with the evaluation of the potential separation of the Gafisa and Tenda business units. Since commencing the spin-off process in February 2014, the Company has executed multiple initiatives in order to make the two business units independent of one another from both an operational perspective, as well as a capital structure perspective.

The Company's analysis of an appropriate capital structure is one of the main processes that is still ongoing. The Company continues to work in order to achieve the conditions deemed necessary for the desired capital structure model, which takes into consideration the business cycles of each of the business units.

As previously communicated in a Material Fact released to the market on April 29, 2015, these actions are ongoing and are taking longer than had been initially expected. As a result of this, and the on-going assessment of an appropriate capital structure, it is not yet possible to determine when the potential separation will be concluded.

The Company will keep its shareholders and the market informed of any developments related to the subjects mentioned above.

### UPDATE TO SHARE REPURCHASE PROGRAM

On February 2, 2015, the Company approved the creation of a new share buyback program of up to a maximum of 27 million common shares which, when added up to the 10.6 million shares held in treasury at the record date, represent about 10% of the total common shares issued by the Company. To date, it has acquired 1,000,000 shares, totaling R$2.0 million, as part of the program. In 2015, through the various buyback programs, 11.9 million shares were acquired, with a total disbursement of R$24.2 million.

## GAFISA SEGMENT

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

### Operating Results

#### Launches and Pre-Sales

Third quarter 2015 launches totaled R$288.2 million, representing 4 projects/phases located in the cities of São Paulo and Rio de Janeiro. The sales speed of these launches reached 19.2%. In the first 9M15, the Gafisa segment totaled R$616.0 million in launches, representing 43.9% of consolidated launches.

The Gafisa segment's 3Q15 gross pre-sales totaled R$394.8 million. Dissolutions reached R$147.2 million and net pre-sales reached R$247.6 million, an increase of 27.0% compared to 3Q14 and an increase of 2.2% compared to the previous quarter. In the 9M15, the volume of dissolutions was R$387.7 million and net sales totaled R$669.6 million. In the quarter, the sales over supply (SoS) of the Gafisa segment was 11.0%, higher than that of 3Q14 and 2Q15.

The Company continues to concentrate its efforts on the sale of remaining units. As a result, approximately 77% of net sales during the period related to projects launched through 2013, resulting in an improvement in the inventory profile of the Gafisa segment. Taking into consideration only 3Q15 launches, they representend 22.4% of the total sold in the quarter.

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 288,234 | 252,585 | 14% | 419,134 | -31% | 616,046 | 1,023,012 | -40% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Pre-Sales** | 247,608 | 242,185 | 2% | 194,892 | 27% | 669,599 | 633,738 | 6% |

## Sales over Supply (SoS)

The Gafisa segment's sales velocity was 11.0% in 3Q15, above the 7.2% recorded in 3Q14 and the 10.5% 2Q15. On a trailing 12 month basis, Gafisa's SoS reached 29.6%.

Notably in 3Q15, the sales speed of launches at the Gafisa segment was impacted by the launch in Sao Paulo of a project framed as HIS (Social Housing), with PSV of R$92.3 million. This project had a slower sales dinamic, characteristic of projects focused on the economic (low-income) segment.

## Dissolutions

The weak economic conditions have directly impacted consumer confidence and, accordingly, the level of dissolutions. Due to the challenging operating environment, the level of dissolutions in the Gafisa segment reached R$147.2 million in 3Q15, a decrease compared to R$150.7 million in 3Q14 and an increase from the R$115.6 million in the previous quarter. It is also worth noting that the level of dissolutions in 9M15 has been impacted by the increased volume of deliveries in the quarter. During the 9M15, 3,345 units were delivered, corresponding to R$1.3 billion in PSV.

Over the last three years, the Company has been working on initiatives to strengthen the credit review component of its sale process. In doing so, the Company intends to reduce the level of dissolutions throughout the construction and delivery cycle. A comprehensive approach in the credit review process at the time of sale has generated a more efficient process of transferring Gafisa customers to financial institutions. This progress has occurred despite deteriorating macroeconomic conditions, especially since the second half of 2014.

In recent quarters the Gafisa segment has been able to reduce the level of dissolutions by enabling customers facing financial pressure to swap their units for those that better match their financial position. Year to date, such unit reversions have accounted for approximately 36.2% of total dissolved PSV, resulting in the reversal of R$ 102.2 million into new sales in 9M15. This achievement further reflects the flexibility of Gafisa's product portfolio.

In addition, in the 9M15, 749 Gafisa units were cancelled and 487 units, representing R$274.1 million, were already resold in the period.

## Inventory

Gafisa is maintaining its focus on inventory reduction initiatives. Projects launched prior to 2014 represented 71.2% of net sales in the period. In the 9M15, inventory as a percentage of sales reached 77.2%. The market value of the Gafisa segment inventory decreased by 3.1% q-o-q, totaling R$2.0 billion. The reduction reflects current market conditions and the effect of the sales income in the period, as well as pricing adjustments on a few legacy projects.Finished units outside of core markets accounted for R$96.6 million, or 4.8% of total inventory.

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

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1,482,644 | 176,187 | 113,540 | (311,271) | (108,573) | 1,352,527 | -9% |
| Rio de Janeiro | 486,958 | 112,047 | 29,178 | (72,122) | 4,950 | 561,011 | 15% |
| | 105,435 | - | 4,487 | (11,420) | (1,854) | 96,648 | -8% |
| **Total** | 2,075,036 | 288,234 | 147,205 | (394,813) | (105,477) | 2,010,186 | -3% |

* The period adjustments are a reflection of updates related to the project scope, release date and inflationary update in the period.

During the same period, finished units represented R$374.2 million, or 18.6% of total inventory. Inventory from projects launched outside core markets, which is comprised exclusively of finished units, represented R$96.6 million, a decrease of 49.4% when compared to the R$191.1 million recorded last year and down 8.3% from 2Q15. The Company estimates that by 2016, it will have monetized a large portion of its inventory in non-core markets, based on the sales rate observed in these markets over the past few quarters.

In regards to Gafisa's inventory, approximately 54%, or R$1.1 billion, is concentrated in projects that are to be delivered in the third quarter of 2016. This will be reflected in the sale of inventory in the coming quarters, rather than finished units.

Table 8. Gafisa Segment – Inventory at Market Value – Construction Status (R$000)

| | | | | | | |
|---|---|---|---|---|---|---|
| | 162,044 | 52,537 | 533,690 | 551,114 | 53,143 | 1,352,527 |
| Rio de Janeiro | 12,396 | - | 95,027 | 229,158 | 224,431 | 561,011 |
| | - | - | - | - | 96,648 | 96,648 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total** | **174,439** | **52,537** | **628,716** | **780,271** | **374,222** | **2,010,186** |

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

## Landbank

The Gafisa segment land bank, with a PSV of approximately R$5.7 billion, is comprised of 28 potential projects/ phases, amounting to nearly 10.8 thousand units.79% of potential projects/phases are located in São Paulo and 21% in Rio de Janeiro. The largest portion of land acquired through swap agreements is in Rio de Janeiro, impacting the total percentage of land acquired, which was 59%.

Table 9. Gafisa Segment – Landbank (R$000)

| | | | | | | |
|---|---|---|---|---|---|---|
| | 4,492,656 | 46.1% | 46.1% | 0.0% | 589 | 9,386 |
| Rio de Janeiro | 1,203,000 | 88.9% | 88.9% | 0.0% | 361 | 1,421 |
| | **5,695,656** | **59.5%** | **59.5%** | **0.0%** | **950** | **10,807** |

Table 10. Gafisa Segment – Changes in the Landbank (2Q15 x 3Q15 - R$000)

| | | | | | | |
|---|---|---|---|---|---|---|
| | 4,532,063 | 115,873 | (176,187) | - | 20,907 | 4,492,656 |
| Rio de Janeiro | 1,339,778 | - | (112,047) | - | (24,732) | 1,203,000 |
| | **5,871,842** | **115,873** | **(288,234)** | **-** | **(3,825)** | **5,695,656** |

In 3Q15, the Company acquired one new land plot with a PSV of R$115.9 million, representing an acquisition cost of R$29.4 million. The acquisition was 46% financed by cash and 54% financed by swap agreements. It is important to note that the cash disbursement will occur when the project is launched, which is originally scheduled for 2017.

The quarterly adjustments reflect updates related to project scope, expected launch date, and inflationary adjustments to the land bank during the period.

## Gafisa Vendas

During 9M15, Gafisa Vendas, the Company's independent sales unit, with operations in São Paulo and Rio de Janeiro, accounted for 61% of gross sales. Gafisa Vendas currently has a team of 700 highly trained, dedicated consultants, in addition to an online sales force.

## Delivered Projects

During 3Q15, there were no deliveries by the Gafisa segment. In the 9M15, 14 projects/phases totaling 3,345 units were delivered, accounting for R$1.3 billion in PSV, compared to 15 projects/ phases delivered in 9M14, representing 2,394 units.Currently, Gafisa has 31 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 plan is to transfer 90% of eligible units up to 90 days after the delivery of the project. In accordance with this policy, transfers totaled R$153.6 million in PSV in the third quarter.

Of the year to date deliveries totaling R$1.3 billion, corporate projects comprised 61.1%. Financing arrangements for corporate projects differ from that of residential projects, resulting in a smaller contribution to transfer volumes, which impacted cash generation in the quarter.

Table 11. Gafisa Segment – Delivered Project

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 153,646 | 169,829 | -10% | 180,857 | -15% | 521,489 | 623,610 | -16% |
| Delivered Projects | - | 5 | -100% | 3 | -100% | 14 | 15 | -7% |
| | - | 1,498 | -100% | 366 | -100% | 3,345 | 2,394 | 40% |
| **Delivered PSV²** | **-** | **777,258** | **-100%** | **214,826** | **-100%** | **1,346,716** | **1,128,126** | **19%** |

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

2) PSV = Potential sales value of delivered units.

## Financial Results

### Revenues

3Q15 net revenues for the Gafisa segment totaled R$402.5 million, an increase of 15.5% q-o-q and 10.2% y-o-y. This reflects the partial revenue recognition from projects launched in previous quarters.

In 3Q15, 99.8% of Gafisa segment revenues were derived from projects located in Rio de Janeiro/São Paulo, while 0.2% were derived from projects in non-core markets. The table below provides additional details.

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 71,433 | 29% | 43,229 | 11% | - | - | - | - |
| 2014 | 68,354 | 28% | 73,763 | 18% | 130,368 | 67% | 10,583 | 3% |
| | 79,054 | 32% | 124,134 | 31% | 15,349 | 8% | 30,555 | 8% |
| ≤ 2012 | 28,767 | 11% | 161,357 | 40% | 49,176 | 25% | 324,117 | 89% |
| | **247,608** | **100%** | **402,483** | **100%** | **194,892** | **100%** | **365,255** | **100%** |
| SP + RJ | 240,675 | 97% | 401,550 | 100% | 171,603 | 88% | 354,210 | 97% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 6,933 | 3% | 934 | 0% | 23,289 | 12% | 11,045 | 3% |

## Gross Profit & Margin

Gross profit for the Gafisa segment in 3Q15 was R$108.8 million, compared to R$90.3 million in 2Q15, and R$106.7 million in the prior year period. Third quarter gross margin of 27.0% was impacted by a R$7.3 million increase in revenue compared to the previous year, as projects comprised a higher number of swapped units. In keeping with accounting rules, the gross margin on these projects is lower initially, before normalizing over time.

Excluding financial impacts, the adjusted gross margin reached 37.9% in 3Q15 compared to 36.5% in the 2Q15 and 38.7% in the prior year period, reaffirming broadly stable levels of profitability in the Gafisa segment. This is a result of the strategic consolidation in the metropolitan regions of São Paulo and Rio de Janeiro and the completion of older projects in other non-core markets.

The table below contains more details on the breakdown of Gafisa’s gross margin in 3Q15.

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **402,483** | **348,392** | **16%** | **365,256** | **10%** | **1,090,933** | **1,089,913** | **0%** |
| Gross Profit | **108,830** | **90,268** | **21%** | **106,723** | **2%** | **297,245** | **314,748** | **-6%** |
| | 27.0% | 25.9% | 110 bps | 29.2% | -220 bps | 27.2% | 28.9% | -170 bps |
| (-) Financial Costs | (43,797) | (36,833) | 19% | (34,739) | 26% | (107,984) | (94,700) | 14% |
| | **152,627** | **127,101** | **20%** | **141,462** | **8%** | **405,229** | **409,448** | **-1%** |
| Adjusted Gross Margin | **37.9%** | **36.5%** | **140 bps** | **38.7%** | **-80 bps** | **37.1%** | **37.6%** | **-50 bps** |

Table 14. Gafisa Segment – Gross Margin Composition (R$000)

| | | | |
|---|---|---|---|
| | 401,550 | 935 | 402,483 |
| Adjusted Gross Profit | 154,025 | (1,398) | 152,627 |
| | **38.4%** | **-149.6%** | **37.9%** |

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

SG&A expenses totaled R$46.6 million in the 3Q15, a decrease of 13.2% y-o-y and 7.6% q-o-q. In the first nine months of the year, these expenses totaled R$140.0 million, 15.1% below the R$165.0 million the previous year.

Selling expenses decreased 1.9% compared to 2Q15 and increased by 3.8% from 3Q14. For the 9M15, selling expenses decreased by 13.8% compared to the same period last year.

The segment's general and administrative expenses reached R$24.1 million in 3Q15, a decrease of 24.8% compared to the previous year and a 12.3% decline q-o-q. In 9M15, general and administrative expenses reached R$80.4 million, representing a decrease of 16.1% compared to R$95.9 million in 9M14.

The reduction in the level of SG&A expenses in the Gafisa segment reflects the Company's commitment to improve operational efficiency and achieve a level of costs and expenses that are appropriate for the current stage of the business cycle and economic outlook.

Table 15. Gafisa Segment – SG&A Expenses (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 22,543 | 22,976 | -2% | 21,713 | 4% | 59,611 | 69,133 | -14% |
| G&A Expenses | 24,087 | 27,466 | -12% | 32,031 | -25% | 80,438 | 95,886 | -16% |
| | **46,630** | **50,442** | **-8%** | **53,744** | **-13%** | **140,049** | **165,019** | **-15%** |
| Launches | 288,234 | 252,585 | 14% | 419,134 | -31% | 616,046 | 1,023,012 | -40% |
| | 247,608 | 242,185 | 2% | 194,892 | 27% | 669,599 | 633,738 | 6% |
| Net Revenue | 402,483 | 348,392 | 16% | 365,256 | 10% | 1,090,933 | 1,089,913 | 0% |

Other Operating Revenues/Expenses reached R$30.6 million in 3Q15, an increase of 43.2% compared to the 2Q15, and of 96.4% compared to the previous year period. In the 9M15, Other Operating Revenues/Expenses totaled R$80.5 million. This increase reflects the higher levels of litigation expenses related to increased deliveries of older projects held in 2012, 2013 and 2014.

The Company continues to be more proactive and to mitigate risks associated with potential contingencies. Among a few initiatives that have been implemented during the year, we highlight: (i) agreements policy; (ii) new remuneration model of attorney fees; (iii) legal committee for ongoing litigation monitoring.

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

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | (23,519) | (24,622) | -4% | (13,750) | 71% | (68,106) | (40,419) | 68% |
| Expenses w/ updating the balance of the stock options program for AUSA shares | - | - | - | - | - | - | (13,863) | -100% |
| | (7,087) | 3,244 | 318% | (1,829) | 287% | (12,399) | (1,637) | 657% |
| **Total** | **(30,606)** | **(21,378)** | **43%** | **(15,579)** | **96%** | **(80,505)** | **(55,919)** | **44%** |

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

## Adjusted EBITDA

Adjusted EBITDA for the Gafisa segment totaled R$66.8 million in 3Q15, representing growth of 27.6% compared to R$52.4 million in the prior quarter and a decrease of 12.8% compared to R$76.7 million in 3Q14. Adjusted EBITDA for the 9M15 was R$177.5 million, compared to R$214.9 million in the 9M14.

Compared with the prior-year period, 3Q15 EBITDA was impacted by the following factors: (i) a slightly lower level of gross margin; and (ii) addition of R$24.6 million in expenses related to contingencies, recognized as Other Revenues/Expenses. Note that adjusted EBITDA for the Gafisa segment does not include equity income from Alphaville.

The adjusted EBITDA margin, using the same criteria, increased to 16.6% when compared to 15.0% from 2Q15, and 21.0% in 3Q14. In the 9M15, the EBITDA margin reached 16.3%, versus 19.7% in the previous year period.

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **1,656** | **8,452** | **-80%** | **15,263** | **-89%** | **30,312** | **30,068** | **1%** |
| (+) Financial Results | 17,719 | 2,966 | 497% | 13,086 | 35% | 30,429 | 25,315 | 20% |
| | (5,143) | 278 | -1950% | 8,789 | -159% | 2,485 | 20,019 | -88% |
| | 8,422 | 8,079 | 4% | 7,744 | 9% | 24,780 | 30,261 | -18% |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| (+) Depreciation & Amortization | | | | | | | | |
| | 43,797 | 36,833 | 19% | 34,739 | 26% | 107,984 | 94,700 | 14% |
| (+) Expense w Stock Option Plan | 1,919 | 1,850 | 4% | 2,886 | -34% | 5,859 | 27,265 | -79% |
| | (356) | (848) | -58% | 778 | -146% | (975) | (1,213) | -19% |
| (-) Alphaville Effect Result | (1,168) | (5,210) | -78% | (6,595) | -82% | (23,339) | (11,560) | 102% |
| | **66,846** | **52,400** | **28%** | **76,690** | **-13%** | **177,535** | **214,855** | **-17%** |
| **Net Revenue** | **402,483** | **348,392** | **16%** | **365,256** | **10%** | **1,090,933** | **1,089,913** | **0%** |
| | **16.6%** | **15.0%** | **160 bps** | **21.0%** | **-440 bps** | **16.3%** | **19.7%** | **-340 bps** |

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

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method totaled R$215.8 million in 3Q15. The consolidated margin for the quarter was 38.7%, in line with 38.8% posted in last year's third quarter.

Table 18. Gafisa Segment – Results to be recognized (REF) (R$000)

| | | | | | |
|---|---|---|---|---|---|
| | **557,508** | **664,074** | **-16%** | **1,157,390** | **-52%** |
| Costs to be recognized (units sold) | (341,698) | (398,884) | -39% | (708,427) | -52% |
| | **215,810** | **265,190** | **-19%** | **448,963** | **-52%** |
| **Backlog Margin** | **38.7%** | **39.9%** | **-120 bps** | **38.8%** | **-10 bps** |

## TENDA SEGMENT

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

### Operating Results

#### Launches and Sales

Third quarter launches totaled R$318.6 million and included 9 projects/phases in the states of São Paulo, Rio de Janeiro, Minas Gerais, Rio Grande do Sul, Bahia and Pernambuco. The Tenda segment accounted for 52.5% of launches in the quarter. In the first six months of the year, launch volumes reached R$786.3 million.

During 3Q15, gross sales reached R$287.2 million and dissolutions were R$42.0 million, resulting in total net pre-sales of R$245.2 million, a decrease of 15.4% compared to the previous quarter, in which sales benefited from the *Feirões da Caixa* (Caixa Econômica Property Fair). Compared with the prior-year period, there was an increase of 583.1%. In the 9M15, the volume of dissolutions was R$152.1 million and net pre-sales totaled R$778.7 million, a 189.1% increase in comparison to 9M14.

Sales from units launched during 9M15 accounted for 40.5% of total sales, while sales from units launched during 3Q15 accounted for 11.2% of total sales.

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

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 318,585 | 229,366 | 39% | 91,294 | 249% | 786,306 | 371,749 | 112% |
| **Pre-Sales** | 245,195 | 289,946 | -15% | 35,892 | 583% | 778,679 | 269,387 | 189% |

## Sales over Supply (SoS)

In 3Q15, sales velocity (sales over supply) was 23.0%, and on a trailing 12 month basis, Tenda's SoS ended 3Q15 at 52.4%.

Below is a breakdown of Tenda's SoS, which includes both legacy and New Model projects throughout 3Q15.

Table 20. SoS Gross Revenue (Ex-Dissolutions)

| | | | | | |
|---|---|---|---|---|---|
| | 20.3% | 22.0% | 32.7% | 37.4% | 29.6% |
| Legacy Projects | 28.3% | 17.5% | 20.1% | 24.3% | 19.4% |
| | **24.4%** | **20.2%** | **28.6%** | **33.4%** | **26.9%** |

Table 21. SoS Net Revenue

| | | | | | |
|---|---|---|---|---|---|
| | 11.8% | 18.8% | 30.9% | 35.2% | 27.1% |
| Legacy Projects | -2.0% | 5.0% | 7.0% | 12.0% | 11.4% |
| | **4.8%** | **13.3%** | **23.3%** | **28.2%** | **23.0%** |

## Dissolutions

The level of dissolutions in the Tenda segment totaled R$42.0 million in 3Q15, a decrease of 21.8% from 2Q15 and a decrease of 71.3% compared to 3Q14.

As expected, the amendment to sales processing established in August 2014 reduced the level of dissolutions during the period. Approximately 53% of the dissolutions in the period were related to old projects.

Table 22. PSV Dissolutions – Tenda Segment (R$ thousand and % of gross sales by model)

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31,640 | 42.1% | 18,003 | 14.3% | 12,594 | 4.2% | 15,648 | 4.5% | 19,576 | 6.8% |
| Legacy Projects | 114,697 | 107.1% | 48,281 | 71.7% | 43,737 | 14.6% | 38,115 | 11.1% | 22,447 | 7.8% |
| | **146,337** | **80.3%** | **66,285** | **34.4%** | **56,332** | **18.8%** | **53,763** | **15.6%** | **42,023** | **14.6%** |

Table 23. Tenda Segment – Net Pre-sales by Market (R$ million)

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Gross Sales | - | - | - | - | 13.6 | 57.0 | 59.7 | 84.5 | 94.3 | 116.3 | 75.2 | 125.6 | 232.6 | 268.5 | 233 |
| | - | - | - | - | - | (2.1) | (7.4) | (6.3) | (34.2) | (25.1) | (31.6) | (18.0) | (12.6) | (15.7) | (19. |
| Net Sales | - | - | - | - | 13.6 | 54.9 | 52.3 | 78.2 | 60.2 | 91.2 | 43.5 | 107.6 | 220.0 | 252.8 | 213 |
| Gross Sales | 249.1 | 344.9 | 293.8 | 287.9 | 225.6 | 270.7 | 223.9 | 154.2 | 150.6 | 183.0 | 107.1 | 67.3 | 67.3 | 75.2 | 54 |
| | (339.6) | (329.1) | (263.7) | (317.6) | (232.5) | (155.7) | (126.0) | (68.8) | (159.0) | (92.5) | (114.7) | (48.3) | (43.7) | (38.1) | (22. |
| Net Sales | (90.4) | 15.7 | 30.0 | (29.7) | (6.9) | 115.0 | 97.9 | 85.4 | (8.4) | 90.6 | (7.6) | 19.0 | 23.5 | 37.1 | 31 |
| Dissolutions (Units) | 3.157 | 2.984 | 2.202 | 2.509 | 1.700 | 1.172 | 924 | 491 | 1.270 | 820 | 948 | 428 | 367 | 373 | 28 |
| | 249.1 | 344.9 | 293.8 | 287.9 | 239.3 | 327.7 | 283.6 | 238.7 | 244.9 | 299.3 | 182.2 | 192.9 | 299.9 | 343.7 | 287 |
| Dissolutions | (339.6) | (329.1) | (263.7) | (317.6) | (232.5) | (157.8) | (133.5) | (75.1) | (193.2) | (117.6) | (146.3) | (66.3) | (56.3) | (53.8) | (42. |
| | (90.4) | 15.7 | 30.0 | (29.7) | 6.8 | 169.8 | 150.1 | 163.6 | 51.8 | 181.7 | 35.9 | 126.6 | 243.5 | 289.9 | 245 |
| **Total (R$)** | **(90.4)** | **15.7** | **30.0** | **(29.7)** | **6.8** | **169.8** | **150.1** | **163.6** | **51.8** | **181.7** | **35.9** | **126.6** | **243.5** | **289.9** | **245** |
| | **(95.7)** | **21.5** | **8.0** | **(3.6)** | **36.2** | **142.6** | **119.2** | **122.4** | **57.2** | **151.4** | **39.0** | **116.7** | **217.7** | **260.0** | **216** |
| **Out of MCMV** | **6.3** | **(5.7)** | **22.1** | **(26.0)** | **(29.4)** | **29.2** | **30.9** | **41.2** | **(5.4)** | **30.3** | **(3.1)** | **9.9** | **25.8** | **29.9** | **28** |

Tenda remains focused on the completion and delivery of legacy projects. As such, the Company is dissolving contracts with ineligible clients, so as to sell the units to new, qualified customers.

Tenda had 1,026 units cancelled and returned to inventory in the 9M15, of which 602 units were already resold to qualified customers during the same period. The sale and transfer process plays an important role in the New Tenda Business Model. It is expected that within a period of up to 90 days, the effective sale and transfer process will be complete.

## Tenda Segment Transfers

In the 3Q15, 1,869 units were transferred to financial institutions, representing R$248.6 million in net pre-sales.

Table 24. Tenda Segment – PSV Transferred – Tenda (R$000)

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | - | 26,609 | 52,466 | 42,921 | 49,776 | 69,563 | 59,736 | 67,621 | 114,939 | 200,902 | 194,719 |
| Legacy Projects | 274,358 | 249,699 | 230,613 | 145,038 | 139,721 | 154,155 | 100,361 | 74,773 | 59,110 | 53,112 | 53,912 |
| | 274,358 | 276,308 | 283,079 | 187,959 | 189,497 | 223,717 | 160,097 | 142,393 | 174,049 | 254,014 | 248,631 |

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

2) PSV = Potential sales volume of the units.

## Tenda Segment Delivered Projects

During 3Q15, Tenda delivered 5 projects/phases and 1,304 units, reaching a PSV of R$197.5 million. Of this total amount, 640 units, representing R$93.0 million in PSV, were related to the remaining Legacy units. In 9M15, 16 projects/phases and 4,231 units were delivered, reaching a PSV of R$591.0 million. The New Model accounting for 2,383 units and R$344.1 million of the PSV in 9M15. Notably, following the delivery of the last two legacy projects, Tenda has now fully integrated the New Model operations.

## Inventory

The market value of Tenda inventory was R$820.7 million at the end of the 3Q15, up 11.2% when compared to R$738.4 million at the end of 2Q15, due to the large volume of launches in the quarter. Inventory related to the remaining units for the Tenda segment totaled R$246.9 million or 30.1% of the total, down 9.5% versus 2Q15 and 36.1% as compared to 3Q14. During the quarter, inventory comprising units within the Minha Casa Minha Vida program totaled R$707.3 million, or 86.2% of total inventory, while units outside the program totaled R$113.4 million, a decrease of 20.0% q-o-q and 36.6% y-o-y.

Table 25. Tenda Segment – Inventory at Market Value (R$000) – by Region

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 178,284 | 37,776 | 10,198 | (72,186) | 2,554 | 156,627 | -12% |
| Rio Grande do Sul | 43,401 | 39,214 | 1,336 | (28,486) | 2,035 | 57,500 | 32% |
| | 163,732 | 114,575 | 11,697 | (64,438) | 764 | 226,330 | 38% |
| Bahia | 149,507 | 37,295 | 3,715 | (56,090) | 433 | 134,860 | -10% |
| | 74,068 | 36,533 | 2,926 | (24,945) | 745 | 89,326 | 21% |
| Minas Gerais | 64,718 | 53,192 | 7,151 | (29,979) | 2,696 | 97,778 | 51% |
| | 64,648 | - | 5,000 | (11,095) | (229) | 58,324 | -10% |
| **Total Tenda** | **738,358** | **318,585** | **42,023** | **(287,218)** | **8,997** | **820,745** | **11%** |
| | 596,533 | 318,585 | 26,845 | (243,202) | 8,578 | 707,339 | 19% |
| Out of MCMV | 141,825 | - | 15,177 | (44,016) | 418 | 113,405 | -20% |

[1] The quarter adjustments reflect updates related to project scope, expected launch date and inflationary adjustments to landbank during the period.

Table 26. Tenda Segment – Inventory at Market Value (R$000) – Construction Status

| | | | | | | |
|---|---|---|---|---|---|---|
| | 116,681 | 335,585 | 79,228 | 35,878 | 6,478 | 573,850 |
| Legacy – MCMV | - | - | 61,061 | - | 72,429 | 133,489 |
| | - | - | - | - | 113,405 | 113,405 |
| **Total Tenda** | 116,681 | **335,585** | **140,288** | **35,878** | **192,312** | **820,745** |

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

Regarding legacy projects, the Tenda segment is still awaiting for the legalization of a project with a total PSV of R$61.1 million to move forward with construction.

## Tenda Segment Landbank

The Tenda segment land bank, with a PSV of approximately R$4.0 billion, is comprised of 112 different projects/phases. Out of these projects/phases 18% are located in São Paulo, 13% in Rio Grande do Sul, 26% in Rio de Janeiro, 5% in Minas Gerais, 29% in Bahia, and 8% in Pernambuco. In total this reflects more than 29,000 units.

Table 27. Tenda Segment – Landbank (R$000)

| | | | | | | |
|---|---|---|---|---|---|---|
| | 739,158 | 0.0% | 0.0% | 0.0% | 4,752 | 4,752 |
| Rio Grande do Sul | 539,346 | 15.1% | 0.0% | 15.1% | 3,920 | 3,920 |
| | 1,053,161 | 19.9% | 19.9% | 0.0% | 7,464 | 7,464 |
| Bahia | 1,164,363 | 12.2% | 12.2% | 0.0% | 9,280 | 9,280 |
| | 316,268 | 15.1% | 15.1% | 0.0% | 2,512 | 2,512 |
| Minas Gerais | 208,388 | 51.5% | 51.5% | 0.0% | 1,420 | 1,420 |
| | **4,020,685** | **15.1%** | **12.3%** | **2.8%** | **29,348** | **29,348** |

Table 28. Tenda Segment – Changes in the Landbank (2Q15 x 3Q15 - R$000)

| | | | | | |
|---|---|---|---|---|---|
| | 714,679 | 58,191 | (37,776) | 4,064 | 739,158 |
| Rio Grande do Sul | 471,559 | 108,695 | (39,214) | (1,694) | 539,346 |
| | 1,176,586 | - | (114,575) | (8,850) | 1,053,161 |
| Bahia | 1,199,945 | - | (37,295) | 1,713 | 1,164,363 |
| | 242,818 | 96,472 | (36,533) | 13,511 | 316,268 |
| Minas Gerais | 191,035 | 69,790 | (53,192) | 756 | 208,388 |
| | **3,996,623** | **333,148** | **(318,585)** | **9,500** | **4,020,685** |

In 3Q15, the Tenda segment acquired new land plots with a potential PSV of R$243.3 million, representing an acquisition cost of R$17.8 million, all in cash, with disbursement over the next few quarters. Outside of these acquisitions, the Tenda segment reinstated three more land plots with a PSV of approximately R$89.8 million, which were previously for sale, however, with the positive results of the latest feasibility studies, they were re-added to the Tenda segment's landbank.

## New Model Update and Turnaround

During 2015, Tenda launched projects under its New Business Model, which is based on three pillars: operational efficiency, risk management, and capital discipline.

Currently, the Company continues to operate in six macro regions: São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife, with a total of 42 projects and a launched PSV of R$1,713.5 million to date. Below is a brief description of the average performance of these projects, per region.

Notably, the Tenda segment has delivered 14 projects, totaling 4,203 units and R$572.0 million in PSV, all of them attaining the performance and profitability drivers established for the New Model.

Table 29. Tenda – New Model Monitoring 2013, 2014 and 2015

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Projects | 4 | 1 | 2 | - | - | - | 7 |
| | 1,380 | 300 | 779 | - | - | - | 2,459 |
| Total PSV (R$000) | 189.7 | 40.4 | 83.9 | - | - | - | 313.9 |
| | 1,376 | 290 | 770 | - | - | - | 2,436 |
| % Sold | 100% | 97% | 99% | - | - | - | 99% |
| | 11% | 6% | 5% | - | - | - | 9% |
| Repasses | 1,378 | 206 | 756 | - | - | - | 2,340 |
| | 100% | 69% | 97% | - | - | - | 95% |
| Work Progress | 100% | 100% | 100% | - | - | - | 100% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Projects | 4 | 4 | 4 | 1 | 1 | - | 14 |
| | 720 | 1,511 | 1,220 | 432 | 432 | - | 4,315 |
| Total PSV (R$000) | 117.8 | 224.8 | 151.5 | 58.8 | 60.4 | - | 613.3 |
| | 713 | 1,210 | 1,106 | 429 | 412 | - | 3,870 |
| % Sold | 99% | 80% | 91% | 99% | 95% | - | 90% |
| | 13% | 6% | 8% | 7% | 5% | - | 9% |
| Repasses | 677 | 813 | 974 | 397 | 324 | - | 3,185 |
| | 95% | 55% | 79% | 92% | 75% | - | 74% |
| Work Progress | 98% | 79% | 79% | 91% | 50% | - | 83% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Projects | 5 | 5 | 4 | 3 | 2 | 2 | 21 |
| | 1,120 | 1,258 | 1,280 | 944 | 372 | 600 | 5,574 |
| Total PSV (R$000) | 178.5 | 188.5 | 158.1 | 122.3 | 53.2 | 85.6 | 786.3 |
| | 839 | 211 | 447 | 266 | 34 | 280 | 2,078 |
| % Sold | 75% | 17% | 35% | 28% | 9% | 47% | 37% |
| | 13% | 4% | 10% | 5% | 5% | 7% | 8% |
| Repasses | 706 | 82 | 281 | 192 | - | 153 | 1,414 |
| | 63% | 7% | 24% | 21% | - | 24% | 25% |
| Work Progress | 38% | 4% | 23% | 14% | 25% | 14% | 20% |

## Financial Result

### Revenues

Tenda's 3Q15 net revenues totaled R$221.5 million, an increase of 71.8% compared with 3Q14, reflecting an increased volume of net sales as a result of the lower level of dissolutions compared to previous periods. As shown in the table below, revenues from new projects accounted for 83.5% of Tenda's revenues in 3Q15, while revenues from older projects accounted for the remaining 16.5%.

Table 30. Tenda – Pre-Sales and Recognized Revenues (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 162,543 | 66% | 81,907 | 37% | - | - | - | - |
| 2014 | 51,146 | 21% | 98,808 | 45% | 22,490 | 63% | 9,535 | 8% |
| | (152) | 0% | 4,316 | 2% | 21,043 | 58% | 69,192 | 56% |
| ≤ 2012 | 31,658 | 13% | 36,529 | 16% | (7,641) | -21% | 50,208 | 36% |
| | - | **0%** | - | **0%** | - | 0% | - | 0% |
| **Total** | **245,195** | **100%** | **221,560** | **100%** | **35,891** | **100%** | **128,935** | **100%** |
| | 31,658 | 13% | 36,529 | 16% | (7,641) | -21% | 50,208 | 36% |
| New Model | 213,537 | 87% | 185,031 | 84% | 43,532 | 121% | 78,727 | 64% |

### Gross Profit & Margin

3Q15 gross profit totaled R$67.4 million, up significantly from R$22.1 million in 3Q14, and slightly down from R$68.3 million in the 2Q15. Gross margin for the quarter reached 30.4%, compared to 17.2% in 3Q14 and 28.1% in 2Q15. The improvement in gross margin is due to the increased participation of projects launched under the New Business Model, which are more profitable. Reductions in the volume of older projects and the increase in the number of projects launched under the New Model have contributed to the improved results.

Tenda's adjusted gross margin ended 3Q15 at 32.1%, above the 30.1% recorded in 2Q15, and the 29.8% in 3Q14. Notably, a portion of the accumulated employee Profit Sharing provision totaling R$5.2 million, previously recorded at cost, was reallocated to general and administrative expenses, representing a one-time positive impact of 2.3 p.p. in the adjusted gross margin of 3Q15. During the 9M15, Tenda's adjusted gross margin was 30.8%, above 26.2% in 9M14.

The table below shows Tenda's gross margin breakdown in 3Q15. It is worth noting that the gross margin for the first projects under Tenda's New Business Model also benefits from the use of older land bank, resulting in increased profitability.

Table 31. Tenda – Gross Margin (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **221,560** | **243,137** | **-9%** | **128,935** | **72%** | **644,140** | **411,809** | **56%** |
| **Gross Profit** | 67,390 | 68,275 | -1% | 22,130 | 205% | 186,718 | 76,357 | 145% |
| | 30.4% | 28.1% | 230 bps | 17.2% | 1,320 bps | 29.0% | 18.5% | 1,050 bps |
| (-) Financial Costs | (3,760) | (5,010) | -25% | (16,328) | -77% | (11,517) | (31,469) | -63% |
| | **71,150** | **73,285** | **-3%** | **38,458** | **85%** | **198,235** | **107,826** | **84%** |
| *Adjusted Gross Margin* | **32.1%** | **30.1%** | **200 bps** | **29.8%** | **230 bps** | **30.8%** | **26.2%** | **460 bps** |

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

During 3Q15, selling, general and administrative expenses totaled R$43.1 million, a 9.9% increase compared to R$39.3 million in 2Q15, and an increase of 26.3% y-o-y. In the 9M15, SG&A totaled R$110.2 million, up 5.4% from 9M14.

Selling expenses totaled R$16.3 million in 3Q15, a 7.8% decrease q-o-q and a 6.3% increase y-o-y, due to the ongoing expansion in launch volume and increased gross sales of the Tenda segment in the last quarters. In the 9M15, selling expenses increased 12.4% year-over-year to R$47.0 million.

In regards to G&A expenses, there was an increase of 24.3% q-o-q and of 42.5% y-o-y, due to an adjustment in the allocation of the Profit Sharing provision of R$5.5 million,previously registered as cost (R$5.2 million) and selling expenses (R$0.3 million), as previously explained. Excluding this one-off effect and considering the same base of comparison, general and administrative expenses would be R$21.4 million, similar to 2Q15 levels. YTD, general and administrative expenses totaled R$63.2 million, in line with the R$62.8 million recorded in 9M14.

Another step taken by the Tenda segment to improve its operational and financial cycle is a reduction in the cost structure to a level more compatible with the current stage of the Company’s business model, in order to achieve better profitability.

Table 32. Tenda – SG&A Expenses (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 16,283 | 17,659 | -8% | 15,311 | 6% | 46,963 | 41,766 | 12% |
| General & Admin Expenses | 26,861 | 21,604 | 24% | 18,856 | 42% | 63,248 | 62,838 | 1% |
| | **43,144** | **39,263** | **10%** | **34,167** | **26%** | **110,211** | **104,604** | 5% |
| Launches | 318,585 | 229,366 | 39% | 91,294 | 249% | 786,306 | 371,749 | 112% |
| | 245,195 | 289,946 | -15% | 35,892 | 583% | 778,679 | 269,387 | 189% |
| **Net Revenue** | 221,560 | 243,137 | -9% | 128,935 | 72% | 644,140 | 411,809 | 56% |

Other Operating Revenues/ Expenses totaled R$15.5 million, which is an increase of 32.1% compared to the 3Q14 and 32.8% compared to 2Q15. This was mainly due to the write-off of assets related to the conclusion of the revision work of Tenda's legal deposits. The table below contains details on the breakdown of this expense.

Table 33. Tenda Segment – Other Revenues/Operating Expenses (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | (7,999) | (4,796) | 67% | (11,737) | -32% | (18,900) | (36,864) | -49% |
| Other | (7,502) | (6,877) | 9% | 2 | -375200% | (13,308) | 158 | -8523% |
| | **(15,501)** | **(11,673)** | **33%** | **(11,735)** | **32%** | **(32,208)** | **(36,706)** | **-12%** |

Over the past two years, the strong volume of deliveries related to delayed projects resulted in increased contingencies in the Tenda segment. The Company expects to see a reduction in the volume of such expenses over the coming years as a result of the delivery of the final legacy projects and the full contribution of New Model projects which are demonstrating strong operational performance.

## Adjusted EBITDA

Adjusted EBITDA was positive R$24.4 million in 3Q15, a favorable comparison to the R$15.2 million in 2Q15 and the R$9.8 million EBITDA loss in the same period last year. The result reflects the consolidation of the new business model's improved operating performance in the Tenda segment. In the 9M15, adjusted EBITDA was positive R$60.7 million against a R$36.6 million adjusted EBITDA loss in the previous year. Adjusted EBITDA margin reached 11.0% in 3Q15, compared to 6.3% in 2Q15. YTD, adjusted EBITDA margin reached 9.4%

The increased percentage of projects under the New Model in Tenda's revenue mix and the related delivery of legacy projects since 2013, has resulted in improved gross margins in recent quarters. In addition to the improved performance, Tenda's efficiencies in its cost structure have resulted in a significant increase in EBITDA in the Tenda segment during the period.

Table 34. Tenda – Adjusted EBITDA (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **11,830** | **20,035** | **-41%** | **(25,219)** | **147%** | **43,311** | **(80,662)** | **154%** |
| (+) Financial Results | 1,970 | (5,651) | -135% | (5,058) | -139% | (5,209) | (6,301) | -17% |
| | 1,993 | (6,032) | -133% | 374 | 433% | 771 | 7,413 | -90% |
| (+) Depreciation & Amortization | 4,022 | 3,482 | 16% | 3,971 | 1% | 10,894 | 11,453 | -5% |
| | 3,760 | 5,010 | -25% | 16,328 | -77% | 11,517 | 31,469 | -63% |
| (+) Expenses with Stock Option Plan | 545 | 533 | 2% | 286 | 91% | 1,606 | 311 | 416% |
| | 283 | (2,156) | -113% | (510) | -155% | (2,151) | (331) | 552% |
| **Adjusted EBITDA** | **24,403** | **15,221** | **60%** | **(9,828)** | **-348%** | **60,739** | **(36,648)** | **-266%** |
| | **221,560** | **243,137** | **-9%** | **128,935** | **72%** | **644,140** | **411,809** | **56%** |
| ***Adjusted EBITDA Margin*** | **11.0%** | **6.3%** | **470 bps** | **-7.6%** | **1,860 bps** | **9.4%** | **-8.9%** | **1,830 bps** |

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

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

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R$109.0 million in 3Q15. The consolidated margin for the quarter was 43.4%.

Table 35. Results to be recognized (REF) (R$000)

| | | | | | |
|---|---|---|---|---|---|
| | **251,343** | **237,309** | **6%** | **139,318** | **80%** |
| Costs to be recognized (units sold) | (142,303) | (138,261) | 3% | (99,308) | 43% |
| | **109,040** | **99,048** | **10%** | **40,010** | **173%** |
| **Backlog Margin** | **43.4%** | **41.7%** | **170 bps** | **28.7%** | **1,470 bps** |

## Balance Sheet and Consolidated Financial Results

### Cash and Cash Equivalents

On September 30, 2015, cash and cash equivalents, and securities, totaled R$921.8 million, up 5.1% from June 30, 2015.

### Accounts Receivable

At the end of the 3Q15, total consolidated accounts receivable decreased 14.1% y-o-y to R$2.8 billion, and by 1.2% compared to 2Q15.

The Gafisa and Tenda segments have approximately R$690.1 million in accounts receivable from finished units, out of which R$429.9 million is currently being transferred to financial institutions.

Table 36. Total Receivables (R$000)

| | | | | | |
|---|---|---|---|---|---|
| | 839,492 | 935,530 | -10% | 1,345,831 | -38% |
| Receivables from PoC – ST (on balance sheet) | 1,488,988 | 1,464,279 | 2% | 1,575,922 | -6% |
| | 487,007 | 450,243 | 8% | 355,292 | 37% |
| **Total** | **2,815,487** | **2,850,052** | **-1%** | **3,277,045** | **-14%** |

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

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

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

### Cash Generation

The Company's operating cash generation reached R$78.5 million in 3Q15. The Gafisa segment contributed cash generation of R$58.5 million, in line with the R$52.1 million reported last quarter. The volume of transferring/receiving process of units sold to financing agents reached R$153.4 million during the period, and R$521.5 million YTD. The Tenda segment generated R$20.0 million in cash, with R$207.9 million transferred in 3Q15 and R$491.8 transferred million in 9M15. YTD, the Company generated operating cash of R$95.3 million.

While consolidated operating cash generation reached R$78.5 million, the Company ended 3Q15 with operating cash consumption of R$6.5 million, and consumption of R$104.3 million in the year. It is worth noting that this result does not include the R$24.2 million used in the share buyback program during the 9M15.

Table 37. Cash Generation (R$000)

| | | | | |
|---|---|---|---|---|
| | **1,157,254** | **1,116,169** | **876,813** | **921,828** |
| *Change in Availabilities(1)* | | (41,085) | (239,356) | 45,015 |
| | **2,597,554** | **2,651,383** | **2,440,095** | **2,493,639** |
| *Change in Total Debt + Inventor Obligations (2)* | | 53,829 | (211,288) | 53,544 |
| | **426,509** | **208,740** | **208,740** | **210,761** |
| *Change in Other Investments (3)* | | 25,162 | - | 2,021 |
| | | **(69,753)** | **(28,068)** | **(6,508)** |
| **Cash Generation Final** | | **(69,753)** | **(97,821)** | **(104,329)** |

*The 4Q14 data refers only to the final balance of the period in order to help in the reconciliation of the balance changes in 2015.

**Liquidity**

At the end of September 2015, the Company's Net Debt/Equity ratio reached 50.5%, which is stable compared to 50.4% in the previous quarter. Excluding project finance, the Net Debt/Equity ratio was negative 13.2%.

The Company's consolidated gross debt reached R$2.5 billion at the end of 3Q15, an increase of 2.1% compared to 2Q15 and a decrease of 12.2% y-o-y. In the 3Q15, the Company amortized R$226.2 million in debt, of which R$203.7 million was project finance and R$22.5 million was corporate debt. A total of R$201.4 million, however, was disbursed, allowing for a net amortization of R$24.8 million. For the 9M15, approximately R$813.1 million of gross debt, representing 76.6% of debt maturing in 2015, was amortized. Throughout the year, new releases of R$477.2 million and payments of R$813.1 million were held, of which R$626.4 million reflected project debt and R$186.7 million reflected corporate debt, thus allowing for a net amortization in the first nine months of R$ 335.8 million.

Table 38. Debt and Investor Obligations (R$000)

| | | | | | |
|---|---|---|---|---|---|
| | 808,532 | 784,992 | 3% | 950,914 | -15% |
| Debentures – Working Capital (B) | 364,900 | 360,025 | 1% | 450,336 | -19% |
| | 1,173,382 | 1,142,459 | 3% | 1,146,570 | 2% |
| Working Capital (D) | 137,891 | 145,324 | -5% | 283,349 | -51% |
| | **2,484,705** | **2,432,800** | **2%** | **2,831,169** | **-12%** |
| Investor Obligations (F) | 8,934 | 7,296 | 22% | 17,080 | -48% |
| | **2,493,639** | **2,440,096** | **2%** | **2,848,249** | **-12%** |
| **Cash and Availabilities** (H) | **921,828** | **876,813** | **5%** | **1,463,425** | **-37%** |
| | **1,571,811** | **1,563,283** | **1%** | **1,384,824** | **14%** |
| **Equity + Minority Shareholders** (J) | **3,112,609** | **3,099,492** | **0%** | **3,129,137** | **-1%** |
| | **50.5%** | **50.4%** | **10 bps** | **44.3%** | **620 bps** |
| **(Net Debt – Proj Fin) / Equity** (I)-((A)+(C))/(J) = (L) | **-13.2%** | **-11.7%** | **150 bps** | **-22.8%** | **-960 bps** |

The Company ended the third quarter of 2015 with R$1.1 billion in total debt due in the short term. It should be noted, however, that 72.5% of this volume relates to debt linked to the Company's projects. Currently, the average cost of consolidated debt is 13.34% p.y., or 94.42% of the CDI.

Table 39. Debt Maturity (R$000)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | TR + 9.08% - 9.8247% | 808,532 | 334,087 | 324,556 | 149,889 | - | - |
| Debentures – Working Capital (B) | CDI + 1.90% - 1.95% / IPCA + 7.96% - 8.22% | 364,900 | 188,967 | 53,197 | 83,615 | 19,558 | 19,563 |
| | TR + 8.30% - 11.00% / 117.0% CDI / 12.87% | 1,173,382 | 487,990 | 502,361 | 164,361 | 17,358 | 1,312 |
| Working Capital (D) | CDI + 2.20% / 117.9% CDI | 137,891 | 115,930 | 21,961 | - | - | - |
| | | **2,484,705** | **1,126,974** | **902,075** | **397,865** | **36,916** | **20,875** |
| Investor Obligations (F) | CDI + 0.59% | 8,934 | 6,654 | 2,280 | - | - | - |
| | | **2,493,639** | **1,133,628** | **904,355** | **397,865** | **36,916** | **20,875** |
| % Total Maturity per period | | - | 45.5% | 36.3% | 16.0% | 1.5% | 0.8% |
| | | **-** | 72.5% | 91.4% | 79.0% | 47.0% | 6.3% |
| Volume of maturity of Corporate debt as % of total debt ((B)+(D) + (F))/ (G) | | **-** | 27.5% | 8.6% | 21.0% | 53.0% | 93.7% |
| | | **20.5%/79.5%** | | | | | |

## Financial Result

### Revenue

On a consolidated basis, net revenue in the 3Q15 totaled R$624.0 million, up 5.5% over the 2Q15 and up 26.3% from 3Q14. In the quarter, the Gafisa segment represented 64.5% of consolidated revenues, while Tenda accounted for the remaining 35.5%. In 9M15, consolidated net revenue reached R$1.7 billion, above the R$1.5 billion recorded in the previous year.

### Gross Profit & Margin

Gross profit in 3Q15 was R$176.2 million, compared to R$158.5 million in 2Q15, and R$128.9 million in the prior year. Gross margin for the quarter reached 28.2%, an increase compared to prior periods.

Adjusted gross profit reached R$223.8 million, with a margin of 35.9%, compared to 33.9% in the 2Q15 and 36.4% in the previous year. Supported by stable results in the Gafisa segment and the higher volume and consolidation of Tenda's New Business Model operations, the Company has been able to maintain its adjusted gross margin at a healthy level throughout the past few quarters.

The gross margin has improved since 2013 as Gafisa and Tenda legacy projects have been concluded, reducing their impact on the Company's results. At the same time, the contribution of more profitable projects launched in core markets and under the Tenda segment's New Model has increased during recent quarters.

Table 40. Gafisa Group – Gross Margin (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **624,043** | **591,529** | **5%** | **494,191** | **26%** | **1,735,073** | **1,501,722** | **16%** |
| **Gross Profit** | 176,220 | 158,543 | 11% | 128,853 | 37% | 483,963 | 391,105 | 24% |
| | 28.2% | 26.8% | 140 bps | 26.1% | 210 bps | 27.9% | 26.0% | 190 bps |
| (-) Financial Costs | (47,557) | (41,843) | 14% | (51,067) | -7% | (119,502) | (126,169) | -5% |
| | **223,777** | **200,386** | **12%** | **179,920** | **24%** | **603,465** | **517,274** | **17%** |
| *Adjusted Gross Margin* | **35.9%** | **33.9%** | **200 bps** | **36.4%** | **-60 bps** | **34.8%** | **34.4%** | **40 bps** |

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

SG&A expenses totaled R$89.8 million in 3Q15, and were stable q-o-q. Compared to the 3Q14, there was a 2.1% increase. In the 9M15, selling, general and administrative expenses totaled R$250.3 million, which is 7.2% lower than 9M14.

Table 41. Gafisa Group – SG&A Expenses (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 38,826 | 40,635 | -4% | 37,024 | 5% | 106,574 | 110,899 | -4% |
| **General and Admin Expenses** | 50,948 | 49,070 | 4% | 50,887 | 0% | 143,686 | 158,724 | -9% |
| | **89,774** | **89,705** | **0%** | **87,911** | **2%** | **250,260** | **269,623** | **-7%** |
| Launches | 606,819 | 481,951 | 26% | 510,428 | 19% | 1,402,352 | 1,394,761 | 1% |
| | 492,803 | 532,131 | -7% | 230,784 | 114% | 1,448,278 | 903,125 | 60% |
| *Net Revenue* | 624,043 | 591,529 | 5% | 494,191 | 26% | 1,735,073 | 1,501,722 | 16% |

Given the substantial decrease in the volume of legacy projects and current market conditions, the Company is seeking to streamline its cost and expense structure and SG&A. In the coming quarters, the Company is looking to improve productivity and increase the efficiency of its operations.

The Other Operating Revenues/ Expenses line totaled an expense of R$46.1 million, up 39.5% compared to the 2Q15, and up 68.8% compared to the previous year. In 9M15, this line reached R$112.7 million.The table below contains more details on the breakdown of this expense.

Table 42. Gafisa Group – Other Operating Revenues/ Expenses (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | (31,518) | (29,418) | 7% | (25,487) | 24% | (87,006) | (77,283) | 13% |
| Expenses w/ upgrading the balance of the stock options program for AUSA shares | - | - | - | - | - | - | (13,863) | -100% |
| | (14,589) | (3,633) | 302% | (1,827) | 699% | (25,707) | (1,479) | 1638% |
| **Total** | **(46,107)** | **(33,051)** | **40%** | **(27,314)** | **69%** | **(112,713)** | **(92,625)** | **22%** |

## Consolidated Adjusted EBITDA

Consolidated adjusted EBITDA, including Alphaville equity income, totaled R$92.4 million in 3Q15, up from R$72.8 million in 2Q15 and R$73.5 million in the prior-year period. Consolidated adjusted EBITDA margin using the same criteria was 14.8%, in-line with a 14.9% margin reported in the previous year and an increase from 12.3% reported in 2Q15. In 9M15, consolidated EBITDA reached R$261.6 million, with a 15.1% margin.

Table 43. Gafisa Group – Consolidated Adjusted EBITDA (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **13,486** | **28,487** | **-53%** | **(9,954)** | **235%** | **73,623** | **(50,594)** | **246%** |
| (+) Financial Results | 19,689 | (2,685) | 833% | 8,028 | 145% | 25,220 | 19,014 | 33% |
| | (3,150) | (5,754) | -45% | 9,163 | -134% | 3,256 | 27,432 | -88% |
| (+) Depreciation & Amortization | 12,444 | 11,561 | 8% | 11,715 | 6% | 35,674 | 41,714 | -14% |
| | 47,557 | 41,843 | 14% | 51,061 | -7% | 119,501 | 126,169 | -5% |
| (+) Expenses with Stock Option Plan | 2,464 | 2,383 | 3% | 3,172 | -22% | 7,465 | 27,576 | -73% |
| | (73) | (3,004) | -98% | 272 | -127% | (3,126) | (1,544) | 103% |
| **Adjusted EBITDA** | **92,417** | **72,831** | **27%** | **73,457** | **26%** | **261,613** | **189,767** | **38%** |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **624,043** | **591,529** | **5%** | **494,191** | **26%** | **1,735,073** | **1,501,722** | **16%** |
| ***Adjusted EBITDA Margin*** | **14.8%** | **12.3%** | **250 bps** | **14.9%** | **-10 bps** | **15.1%** | **12.6%** | **250 bps** |

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

2) Consolidated EBITDA considers the equity income from Alphaville.

## Depreciation and Amortization

Depreciation and amortization in the 3Q15 reached R$12.4 million, up 7.6% compared to 2Q15 and 6.2% compared to the R$11.7 million recorded in 3Q14. In 9M15, depreciation and amortization totaled R$35.7 million compared to R$41.7 million reported in the previous year.

## Financial Results

Net financial result was negative R$19.7 million in the 3Q15, compared with a negative result of R$8.0 million in 3Q14 and a positive result of R$2.7 million in 2Q15. Financial revenues totaled R$23.1 million, down 42.0% y-o-y due to the lower balance of funds available in the period. Financial expenses reached R$42.8 million, compared to R$44.5 million in 3Q14. Notably in the quarter, the Gafisa segment posted an increase of 9.1% in financial expenses compared to the same period last year, mainly impacted by the marking effect of the swap operations market. This result reflected the rising behavior seen in the future yield curve. YTD, the net financial result was negative R$25.2 million, compared to a net loss of R$19.0 million in the same period last year.

## Taxes

Income taxes, social contribution and deferred taxes for 3Q15 amounted to a credit of R$3.2 million, due to the constitution of deferred income tax asset in the Gafisa segment over credits of temporary nature in the period. In the year, income tax and social contribution totaled R$3.3 million.

## Net Income

Gafisa Group ended the 3Q15 with a net profit of R$13.5 million. Excluding the equity income from AUSA, the Company recorded net income of R$12.3 million in the quarter, compared to a net loss of R$16.6 million recorded in 3Q14 and net income of R$23.3 million in 2Q15. In 9M15, net income was positive R$73.6 million, including Alphaville's equity income, compared to a net loss of R$50.6 million in the same period last year.

Table 44. Consolidated – Net Income (R$000)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **624,043** | **591,529** | **5%** | **494,191** | **26%** | **1,735,073** | **1,501,722** | **16%** |
| **Gross Profit** | 176,220 | 158,543 | 11% | 128,853 | 37% | 483,963 | 391,105 | 24% |
| | 28.2% | 26.8% | 140 bps | 26.1% | 210 bps | 27.9% | 26.0% | 190 bps |
| **Adjusted Gross Profit**[1] | **223,777** | **200,386** | **12%** | **179,920** | **24%** | **603,464** | **517,274** | **17%** |
| | 35.9% | 33.9% | 200 bps | 36.4% | -60 bps | 34.8% | 34.4% | 40 bps |
| | **92,417** | **72,831** | **27%** | **73,457** | **26%** | **261,613** | **189,767** | **38%** |
| | 14.8% | 12.3% | 250 bps | 14.9% | -10 bps | 15.1% | 12.6% | 250 bps |
| **Net Income (ex- the sale of AUSA)** | **13,486** | **28,487** | **-53%** | **(9,954)** | **235%** | **73,623** | **(50,594)** | **246%** |
| | (1,168) | (5,210) | -78% | (6,595) | -82% | (23,339) | (11,560) | 102% |
| **Net Income (ex- AUSA Sale and Equity Income)** | **12,318** | **23,277** | **-47%** | **(16,551)** | **174%** | **50,284** | **(62,154)** | **181%** |

1) Adjusted by capitalized interests.

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

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

## Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R$324.9 million in the 3Q15. The consolidated margin for the quarter was 40.2%.

Table 45. Gafisa Group – Results to be recognized (REF) (R$000)

| | | | | | |
|---|---|---|---|---|---|
| | **808,851** | **901,383** | **-10%** | **1,296,708** | **-38%** |
| Costs to be recognized (units sold) | (484,001) | (537,145) | -10% | (807,735) | -40% |
| | **324,850** | **364,238** | **-11%** | **488,973** | **-34%** |
| **Backlog Margin** | **40.2%** | **40.4%** | **-20 bps** | **37.7%** | **250 bps** |

**Alphaville Urbanismo net revenues reach R$ 762 million in 9M15**

São Paulo, November 6th, 2015 – Alphaville Urbanismo SA releases its results for the 3nd quarter of 2015 (3Q and 9M).

**Financial Results**

In the third quarter of 2015, net revenues were R$ 255 million, 21.8% above the same period of 2014 and 4.8% lower than 2Q15. Net income was R$ 5 million, 76.7% lower than 3Q14 and 70.5% lower than the previous quarter.

| | | | | | |
|---|---|---|---|---|---|
| **Net Revenue** | 255 | 209 | 21.8% | 267 | -4.8% |
| **Net Income** | 5 | 22 | -76.7% | 17 | -70.5% |
| Margin | 2% | 11% | | 6% | |

In the first nine months of the year, net revenues totaled R$ 762 million, 31.3% higher than 9M14. Net profit on 9M15 was R$ 58 million, representing an increase of 49.8% million considering the same period in 2014.

| | | | |
|---|---|---|---|
| **Net Revenue** | 762 | 580 | 31.3% |
| **Net Income** | 58 | 39 | 49.8% |
| Margin | 8% | 7% | |

For further information, please contact our Investor Relations team at ri@alphaville.com.br or +55 11 3038-7164

## Financial Statements Gafisa Segment

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **402,483** | 348,392 | **16%** | **365,256** | **10%** | **1,090,933** | **1,089,913** | 0% |
| Operating Costs | (293,653) | (258,124) | 14% | (258,533) | 14% | (793,688) | (775,165) | 2% |
| | **108,830** | **90,268** | **21%** | **106,723** | **2%** | **297,245** | **314,748** | -6% |
| *Gross Margin* | *27.0%* | *25.9%* | *110 bps* | *29.2%* | *-220 bps* | *27.2%* | *28.9%* | *-170 bps* |
| | **(94,954)** | **(79,420)** | **20%** | **(68,807)** | **38%** | **(234,994)** | **(240,559)** | **-2%** |
| Selling Expenses | (22,543) | (22,976) | -2% | (21,713) | 4% | (59,611) | (69,133) | -14% |
| | (24,087) | (27,466) | -12% | (32,031) | -25% | (80,438) | (95,886) | -16% |
| Other Operating Revenues/Expenses | (30,606) | (21,378) | 43% | (15,585) | 96% | (80,505) | (55,925) | 44% |
| | (8,422) | (8,079) | 4% | (7,744) | 9% | (24,780) | (30,261) | -18% |
| Equity income | (9,296) | 479 | -2041% | 8,266 | -212% | 10,340 | 10,646 | -3% |
| | **13,876** | **10,848** | **28%** | **37,916** | **-63%** | **62,251** | **74,189** | **-16%** |
| Financial Income | 20,975 | 19,978 | 5% | 20,583 | 2% | 60,230 | 75,903 | -21% |
| | (38,694) | (22,944) | 69% | (33,669) | 15% | (90,659) | (101,218) | -10% |
| Net Income Before Taxes on Income | **(3,843)** | **7,882** | **-149%** | **24,830** | **-115%** | **31,822** | **48,874** | **-35%** |
| | 9,134 | (1,028) | 989% | (1) | 913500% | 6,094 | (384) | -1687% |
| Income Tax and Social Contribution | (3,991) | 750 | -632% | (8,788) | 55% | (8,579) | (19,635) | -56% |
| | **1,300** | **7,604** | **-83%** | **16,041** | **-92%** | **29,337** | **28,855** | 2% |
| Minority Shareholders | (356) | (848) | -58% | 778 | -146% | (975) | (1,213) | -20% |
| | **1,656** | **8,452** | **-80%** | **15,263** | **-89%** | **30,312** | **30,068** | 1% |

## Financial Statements Tenda Segment

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **221,560** | **243,137** | **-9%** | **128,935** | **72%** | **644,140** | **411,809** | **56%** |
| Operating Costs | (154,170) | (174,862) | -12% | (106,805) | 44% | (457,422) | (335,452) | 36% |
| | **67,390** | **68,275** | **-1%** | **22,130** | **205%** | **186,718** | **76,357** | 145% |
| *Gross Margin* | *30.4%* | *28.1%* | *230 bps* | *17.2%* | *1.320 bps* | *29.0%* | *18.5%* | *1,050 bps* |
| | **(51,314)** | **(62,079)** | **-17%** | **(52,543)** | **-2%** | **(149,996)** | **(156,238)** | **-4%** |
| Selling Expenses | (16,283) | (17,659) | -8% | (15,311) | 6% | (46,963) | (41,766) | 12% |
| | (26,861) | (21,604) | 24% | (18,856) | 42% | (63,248) | (62,838) | 1% |
| Other Operating Revenues/Expenses | (15,501) | (11,673) | 33% | (11,735) | 32% | (32,208) | (36,706) | -12% |
| | (4,022) | (3,482) | 16% | (3,971) | 1% | (10,894) | (11,453) | -5% |
| Equity income | 11,353 | (7,661) | -248% | (2,670) | -525% | 3,317 | (3,475) | -195% |
| | **16,076** | **6,196** | **159%** | **(30,413)** | **-153%** | **36,722** | **(79,881)** | **-146%** |
| Financial Income | 2,147 | 24,292 | -91% | 15,890 | -86% | 39,774 | 42,731 | -7% |
| | (4,117) | (18,641) | -78% | (10,832) | -62% | (34,565) | (36,430) | -5% |
| Net Income Before Taxes on Income | **14,106** | **11,847** | **19%** | **(25,355)** | **-156%** | **41,931** | **(73,580)** | **-157%** |
| | 1,768 | 7,154 | -75% | 860 | 106% | 5,634 | (152) | -3807% |
| Income Tax and Social Contribution | (3,761) | (1,122) | 235% | (1,234) | 205% | (6,405) | (7,261) | -12% |
| | **12,113** | **17,879** | **-32%** | **(25,729)** | **-147%** | **41,160** | **(80,993)** | **-151%** |
| Minority Shareholders | 283 | (2,156) | -113% | (510) | -155% | (2,151) | (331) | 550% |
| | **11,830** | **20,035** | **-41%** | **(25,219)** | **-147%** | **43,311** | **(80,662)** | **-154%** |

## Consolidated Financial Statements

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **624,043** | **591,529** | **5%** | **494,191** | **26%** | **1,735,073** | **1,501,722** | **16%** |
| Operating Costs | (447,823) | (432,986) | 3% | (365,338) | 23% | (1,251,110) | (1,110,617) | 13% |
| | **176,220** | **158,543** | **11%** | **128,853** | **37%** | **483,963** | **391,105** | **24%** |
| *Gross Margin* | *28.2%* | *26.8%* | *140 bps* | *26.1%* | *210 bps* | *27.9%* | *26.0%* | *190 bps* |
| | **(146,268)** | **(141,499)** | **3%** | **(121,344)** | **21%** | **(384,990)** | **(396,791)** | **-3%** |
| Selling Expenses | (38,826) | (40,635) | -4% | (37,024) | 5% | (106,574) | (110,899) | -4% |
| | (50,948) | (49,070) | 4% | (50,887) | 0% | (143,686) | (158,724) | -9% |
| Other Operating Revenues/Expenses | (46,107) | (33,051) | 40% | (27,314) | 69% | (112,713) | (92,625) | 22% |
| | (12,444) | (11,561) | 8% | (11,715) | 6% | (35,674) | (41,714) | -14% |
| Equity pickup | 2,057 | (7,182) | -129% | 5,596 | -63% | 13,657 | 7,171 | 90% |
| Operational Result | **29,952** | **17,044** | **76%** | **7,509** | **299%** | **98,973** | **(5,686)** | **1841%** |
| | 23,122 | 44,270 | -48% | 36,473 | -37% | 100,004 | 118,634 | -16% |
| Financial Expenses | (42,811) | (41,585) | 3% | (44,501) | -4% | (125,224) | (137,648) | -9% |
| | **10,263** | **19,729** | **-48%** | **(519)** | **-2055%** | **73,753** | **(24,700)** | **-399%** |
| Deferred Taxes | 10,902 | 6,126 | 78% | 859 | 1169% | 11,728 | (536) | 2288% |
| | (7,752) | (372) | 1984% | (10,022) | -23% | (14,984) | (26,896) | -44% |
| Net Income After Taxes on Income | **13,413** | **25,483** | **-47%** | **(9,682)** | **-238%** | **70,497** | **(52,132)** | **-235%** |
| Minority Shareholders | (73) | (3,004) | **-98%** | 268 | **-127%** | (3,126) | (1,538) | 103% |
| | **13,486** | **28,487** | **-53%** | **(9,954)** | **-235%** | **73,623** | **(50,594)** | **-246%** |

**Balance Sheet Gafisa Segment**

| | | | | | |
|---|---|---|---|---|---|
| Cash and cash equivalents | 596,589 | 541,684 | 10% | 903,901 | -34% |
| | 1,024,269 | 1,030,823 | -1% | 1,212,289 | -16% |
| Properties for sale | 1,312,099 | 1,133,046 | 16% | 1,298,367 | 1% |
| | 162,934 | 225,848 | -28% | 191,596 | -15% |
| Deferred selling expenses | 2,637 | 4,406 | -40% | 13,517 | 0% |
| | 6,075 | 6,074 | 0% | 8,175 | -26% |
| | **3,104,603** | **2,941,881** | **6%** | **3,627,845** | **-14%** |
| Receivables from clients | 440,826 | 410,855 | 7% | 332,124 | 33% |
| | 539,175 | 715,740 | -25% | 451,383 | 19% |
| | 156,427 | 171,972 | -9% | 198,545 | -21% |
| | **1,136,428** | **1,298,567** | **-12%** | **982,052** | **16%** |
| | 62,211 | 60,195 | **3%** | 63,755 | **-2%** |
| Investments | 1,975,988 | 1,963,775 | **1%** | 1,898,323 | **4%** |
| **Total Assets** | **6,279,230** | **6,264,418** | **0%** | **6,571,975** | **-4%** |
| Loans and financing | 598,530 | 582,668 | 3% | 440,892 | 36% |
| | 306,680 | 268,943 | 14% | 281,104 | 9% |
| Obligations for purchase of land and advances from customers | 253,741 | 228,010 | 11% | 348,970 | -27% |
| | 55,790 | 76,943 | -27% | 62,865 | -11% |
| Taxes and contributions | 59,703 | 60,640 | -2% | 57,399 | 4% |
| | 5,016 | 5,016 | 0% | 9,935 | -50% |
| Other | 404,532 | 433,116 | -7% | 352,048 | 15% |
| | **1,683,992** | **1,655,336** | **2%** | **1,553,213** | **8%** |
| Loans and financings | 684,593 | 668,119 | 2% | 932,132 | -27% |
| | 550,378 | 568,589 | -3% | 710,811 | -23% |
| Obligations for purchase of land and advances from customers | 88,183 | 117,839 | -25% | 55,072 | 60% |
| | 19,454 | 28,589 | -32% | 44,515 | -56% |
| Provision for contingencies | 79,342 | 75,190 | 6% | 60,718 | 31% |
| | 2,280 | 4,713 | -52% | 7,145 | -68% |
| Other | 56,823 | 45,109 | 26% | 80,129 | -29% |

| | | | | | |
|---|---|---|---|---|---|
| | **1,481,053** | **1,508,148** | **-2%** | **1,890,522** | **-22%** |
| Shareholders' Equity | 3,110,912 | 3,097,879 | 0% | 3,106,915 | 0% |
| | 3,273 | 3,055 | 7% | 21,325 | -85% |
| | **3,114,185** | **3,100,934** | **0%** | **3,128,240** | **0%** |
| | **6,279,230** | **6,264,418** | **0%** | **6,571,975** | **-4%** |

## Balance Sheet Tenda Segment

| | | | | | |
|---|---|---|---|---|---|
| Cash and cash equivalents | 325,239 | 335,129 | -3% | 559,524 | -42% |
| | 464,720 | 433,456 | 7% | 363,633 | 28% |
| Properties for sale | 459,852 | 487,252 | -6% | 570,304 | -19% |
| | 94,677 | 132,872 | -29% | 131,971 | -28% |
| Land for sale | 127,242 | 117,452 | 8% | 73,996 | 72% |
| | **1,471,730** | **1,506,161** | **-2%** | **1,699,428** | **-13%** |
| Receivables from clients | 46,181 | 39,388 | 17% | 23,168 | 99% |
| | 176,261 | 179,759 | -2% | 181,754 | -3% |
| | 63,286 | 64,441 | -2% | 89,770 | -30% |
| | **285,728** | **283,588** | **1%** | **294,692** | **-3%** |
| | 38,810 | 38,018 | 2% | 39,596 | **-2%** |
| Investments | 168,137 | 155,891 | 8% | 203,766 | **-17%** |
| **Total Assets** | **1,964,405** | **1,983,658** | **-1%** | **2,237,482** | **-12%** |
| Loans and financing | 5,390 | 7,655 | -30% | 33,469 | -84% |
| | 216,374 | 207,485 | 4% | 109,335 | 98% |
| Obligations for purchase of land and advances from customers | 129,169 | 158,181 | -18% | 143,323 | -10% |
| | 23,006 | 32,074 | -28% | 20,602 | 12% |
| Taxes and contributions | 86,645 | 73,227 | 18% | 79,485 | 9% |
| | 70,412 | 94,995 | -26% | 314,136 | -78% |
| | **530,996** | **573,617** | **-7%** | **700,350** | **-24%** |
| Loans and financings | 22,760 | 29,341 | -22% | 23,426 | -3% |
| | 100,000 | 100,000 | 0% | 300,000 | -67% |
| Obligations for purchase of land and advances from customers | 71,044 | 57,809 | 23% | 21,087 | 237% |
| | 2,725 | 4,493 | -39% | 9,783 | -72% |
| Provision for contingencies | 56,528 | 57,707 | -2% | 65,062 | -13% |
| | 42,610 | 35,695 | 19% | 68,629 | -38% |
| | **295,667** | **285,045** | **4%** | **487,987** | **-39%** |
| Shareholders' Equity | 1,103,393 | 1,091,018 | 1% | 1,024,864 | 8% |

| | | | | |
|---|---|---|---|---|
| 34,349 | 33,978 | 1% | 24,281 | 41% |
| **1,137,742** | **1,124,996** | **1%** | **1,049,145** | **8%** |
| **1,964,405** | **1,983,658** | **-1%** | **2,237,482** | **-12%** |

## Consolidated Balance Sheets

| | | | | | |
|---|---|---|---|---|---|
| Cash and cash equivalents | 921,828 | 876,813 | 5% | 1,463,425 | -37% |
| | 1,488,988 | 1,464,279 | 2% | 1,575,922 | -6% |
| Properties for sale | 1,771,950 | 1,620,297 | 9% | 1,868,671 | -5% |
| | 226,417 | 322,469 | -30% | 184,842 | 22% |
| Prepaid expenses and others | 7,876 | 10,293 | -23% | 20,015 | -61% |
| | 133,317 | 123,526 | 8% | 82,171 | 62% |
| | **4,550,376** | **4,417,677** | **3%** | **5,195,046** | **-12%** |
| Receivables from clients | 487,007 | 450,243 | 8% | 355,292 | 37% |
| | 715,436 | 895,500 | -20% | 633,137 | 13% |
| Other | 204,748 | 221,448 | -8% | 273,351 | -25% |
| | **1,407,191** | **1,567,191** | **-10%** | **1,261,780** | **12%** |
| Intangible anda Property and Equipment | 126,498 | 123,689 | 2% | 146,431 | -14% |
| | 975,459 | 963,989 | 1% | 975,597 | 0% |
| **Total Assets** | **7,059,524** | **7,072,546** | **0%** | **7,578,854** | **-7%** |
| Loans and financing | 603,920 | 590,323 | 2% | 474,361 | 27% |
| | 523,054 | 476,428 | 10% | 390,439 | 34% |
| Obligations for purchase of land and advances from customers | 382,910 | 386,192 | -1% | 492,293 | -22% |
| | 78,796 | 109,017 | -28% | 83,467 | -6% |
| Taxes and contributions | 114,613 | 107,483 | 7% | 108,722 | 5% |
| | 6,654 | 5,016 | 33% | 9,935 | -33% |
| Other | 479,084 | 524,128 | -9% | 562,118 | -15% |
| | **2,189,031** | **2,198,587** | **0%** | **2,121,335** | **3%** |
| Loans and financings | 707,353 | 697,460 | 1% | 955,558 | -26% |
| | 650,378 | 668,589 | -3% | 1,010,811 | -36% |
| Obligations for purchase of land and advances from customers | 159,228 | 175,649 | -9% | 76,159 | 109% |
| | 22,179 | 33,081 | -33% | 54,299 | -59% |
| Provision for contingencies | 139,879 | 139,208 | 0% | 125,780 | 11% |
| | 2,280 | 2,280 | 0% | 7,145 | -68% |
| Other | 76,587 | 58,200 | 32% | 98,630 | -22% |
| | **1,757,884** | **1,774,467** | **-1%** | **2,328,382** | **-25%** |

| | | | | | |
|---|---|---|---|---|---|
| Shareholders' Equity | 3,110,914 | 3,097,881 | 0% | 3,106,916 | 0% |
| | 1,695 | 1,611 | 5% | 22,221 | -92% |
| | **3,112,609** | **3,099,492** | **0%** | **3,129,137** | **-1%** |
| | **7,059,524** | **7,072,546** | **0%** | **7,578,854** | **-7%** |

## Cash Flow

| | | | | |
|---|---|---|---|---|
| | **10,263** | **(519)** | **73,753** | **(24,700)** |
| Expenses (income) not affecting working capital | **90,095** | **63,715** | **226,458** | **192,470** |
| | 12,444 | 11,715 | 35,674 | 41,714 |
| Impairment allowance | (6,828) | (10,063) | (2,453) | (9,684) |
| | 2,464 | 3,172 | 7,465 | 27,577 |
| Penalty fee over delayed projects | 337 | (4,647) | (606) | (5,322) |
| | 22,091 | 27,102 | 59,754 | 47,414 |
| Equity pickup | (2,057) | (5,596) | (13,657) | (7,171) |
| | (112) | 4,639 | 946 | 6,836 |
| Warranty provision | (288) | 3,937 | 8,541 | (7,020) |
| | 31,518 | 25,487 | 87,006 | 77,283 |
| Profit sharing provision | 13,411 | 9,726 | 25,449 | 26,151 |
| | 3,955 | (6,356) | 3,150 | (9,662) |
| Writeoff of Investments | (104) | - | (2,421) | - |
| | 13,264 | 4,599 | 17,610 | 4,354 |
| Clients | (64,381) | 113,865 | (142,415) | 292,887 |
| | 19,664 | (328,569) | (23,453) | (409,947) |
| Other receivables | 17,181 | 13,237 | 1,278 | 10,839 |
| | 2,418 | 6,206 | 7,568 | 15,170 |
| Obligations on land purchases | (19,702) | 133,657 | (49,604) | 80,103 |
| | 7,130 | (703) | 189 | (31,791) |
| Accounts payable | (30,221) | 6,848 | (16,335) | 4,125 |
| | (805) | 2,803 | (18,202) | (43,023) |
| Other accounts payable | (28,344) | 49,968 | (85,356) | 19,976 |
| | 26,487 | 47,232 | 16,465 | (4,038) |
| Paid taxes | 3,150 | (18,326) | (3,256) | (103,008) |
| | **32,935** | **89,414** | **(12,910)** | **(937)** |
| **Investments activities** | | | | |
| | (15,140) | (17,128) | (37,523) | (52,256) |
| Redemption of securities. restricted securities and loans | 1,964,858 | (157,180) | 4,097,940 | 2,387,569 |
| | (2,096,220) | - | (3,904,527) | (1,880,258) |
| Investments increase | (192) | (15,954) | (1,154) | (11,534) |
| | - | (1,990) | - | 58,311 |
| **Cash used in investing activities** | **(146,694)** | **(192,252)** | **154,736** | **501,832** |
| Contributions from venture partners | 1,638 | 2,418 | (2,096) | (106,600) |
| | 261,265 | 430,491 | 643,937 | 666,692 |
| Repayment of loans and financing | (231,450) | (298,994) | (805,510) | (941,844) |

| | | | | |
|---|---|---|---|---|
| | (2,022) | (2,207) | (24,157) | (53,561) |
| Dividend payments | - | - | - | (117,129) |
| | (2,024) | (2,201) | 3,388 | (8,799) |
| Sale of treasury shares | 1,212 | 4,103 | 3,023 | 17,583 |
| | (1,207) | (4,094) | (2,424) | (10,664) |
| **Net cash provided by financing activities** | **27,412** | **129,516** | **(183,839)** | **(554,322)** |
| | **(86,347)** | **26,678** | **(42,013)** | **(53,427)** |
| At the beginning of the period | 154,229 | 135,089 | 109,895 | 215,194 |
| | 67,882 | 161,767 | 67,882 | 161,767 |
| **Net increase (decrease) in cash and cash equivalents** | **(86,347)** | **26,678** | **(42,013)** | **(53,427)** |

**About Gafisa**

Gafisa is one Brazil's leading residential and commercial properties development and construction companies. Founded over 60 years ago, the Company is dedicated to growth and innovation oriented to enhancing the well-being, comfort and safety of an increasing number of households. More than 15 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 focuses on low income developments through its Tenda brand. And,, it participates through its 30% interest in Alphaville, a leading urban developer, in the national development and sale of residential lots. Gafisa S.A. is a Corporation traded on the Novo Mercado of the BM&FBOVESPA (BOVESPA:GFSA3) and is the only Brazilian homebuilder listed on the New York Stock Exchange (NYSE:GFA) with an ADR Level III, which ensures best practices in terms of transparency and corporate governance.

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

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.
Date: November 6, 2015

**Gafisa S.A.**

By: /s/ Sandro Gamba

Name: Sandro Gamba
Title: Chief Executive Officer