

Gafisa S.A.
Form 6-K
May 23, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of May, 2016

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

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

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

Form 20-F Form 40-F

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

Yes No

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

Yes No

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

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

Yes _____ No ___X___

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

Gafisa S.A.

Quarterly information

March 31, 2016

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

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COMPANY DATA / CAPITAL COMPOSITION

| | Number of Shares (in thousands) | CURRENT QUARTER 3/31/2016 |
|------------------------|--|--------------------------------------|
| Paid-in Capital | | |
| Common | | 378,066 |
| Preferred | | 0 |
| Total | | 378,066 |
| Treasury shares | | |
| Common | | 10,584 |
| Preferred | | 0 |
| Total | | 10,584 |

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

| CODE | DESCRIPTION | ACTUAL QUARTER 3/31/2016 | PRIOR YEAR 12/31/2015 |
|---------------|--|---|--------------------------------------|
| 1 | Total Assets | 6,537,728 | 6,492,901 |
| 1.01 | Current Assets | 2,349,824 | 2,384,773 |
| 1.01.01 | Cash and cash equivalents | 26,601 | 44,044 |
| 1.01.01.01 | Cash and banks | 14,501 | 31,823 |
| 1.01.01.02 | Short-term investments | 12,100 | 12,221 |
| 1.01.02 | Short-term investments | 334,633 | 350,343 |
| 1.01.02.01 | Fair value of short-term investments | 334,633 | 350,343 |
| 1.01.03 | Accounts receivable | 678,656 | 723,950 |
| 1.01.03.01 | Trade accounts receivable | 678,656 | 723,950 |
| 1.01.03.01.01 | Receivables from clients of developments | 656,249 | 705,367 |
| 1.01.03.01.02 | Receivables from clients of construction and services rendered | 22,407 | 18,583 |
| 1.01.04 | Inventories | 1,172,707 | 1,135,137 |
| 1.01.04.01 | Properties for sale | 1,172,707 | 1,135,137 |
| 1.01.07 | Prepaid expenses | 1,390 | 1,901 |
| 1.01.07.01 | Prepaid expenses and others | 1,390 | 1,901 |
| 1.01.08 | Other current assets | 135,837 | 129,398 |
| 1.01.08.01 | Non current assets for sale | 6,631 | 4,367 |
| 1.01.08.03 | Other | 129,206 | 125,031 |
| 1.01.08.03.01 | Other accounts receivable and others | 48,544 | 46,621 |
| 1.01.08.03.03 | Receivables from related parties | 80,662 | 78,410 |
| 1.02 | Non current assets | 4,187,904 | 4,108,128 |
| 1.02.01 | Non current assets | 793,435 | 809,233 |
| 1.02.01.03 | Accounts receivable | 245,859 | 262,092 |
| 1.02.01.03.01 | Receivables from clients of developments | 245,859 | 262,092 |
| 1.02.01.04 | Inventories | 374,472 | 387,375 |
| 1.02.01.09 | Others non current assets | 173,104 | 159,766 |
| 1.02.01.09.03 | Others accounts receivable and others | 85,745 | 80,948 |
| 1.02.01.09.04 | Receivables from related parties | 82,628 | 78,818 |
| 1.02.01.09.05 | Derivative Financial Instruments | 4,731 | - |
| 1.02.02 | Investments | 3,341,333 | 3,242,765 |
| 1.02.02.01 | Interest in associates and affiliates | 3,253,514 | 3,154,946 |
| 1.02.02.02 | Interest in subsidiaries | 87,819 | 87,819 |
| 1.02.02.02.01 | Interest in subsidiaries - goodwill | 87,819 | 87,819 |
| 1.02.03 | Property and equipment | 21,240 | 22,819 |
| 1.02.03.01 | Operation property and equipment | 21,240 | 22,819 |
| 1.02.04 | Intangible assets | 31,896 | 33,311 |
| 1.02.04.01 | Intangible assets | 31,896 | 33,311 |

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

| CODE | DESCRIPTION | ACTUAL | PRIOR |
|---------------|--|----------------------|--------------------|
| | | QUARTER 3/31/2016 | YEAR 12/31/2015 |
| 2 | Total Liabilities | 6,537,728 | 6,492,901 |
| 2.01 | Current liabilities | 2,228,770 | 2,105,504 |
| 2.01.01 | Social and labor obligations | 35,137 | 26,758 |
| 2.01.01.02 | Labor obligations | 35,137 | 26,758 |
| 2.01.01.02.01 | Salaries, payroll charges and profit sharing | 35,137 | 26,758 |
| 2.01.02 | Suppliers | 40,176 | 32,115 |
| 2.01.02.01 | Local suppliers | 40,176 | 32,115 |
| 2.01.03 | Tax obligations | 39,987 | 40,902 |
| 2.01.03.01 | Federal tax obligations | 39,987 | 40,902 |
| 2.01.04 | Loans and financing | 748,991 | 783,561 |
| 2.01.04.01 | Loans and financing | 556,307 | 595,817 |
| 2.01.04.02 | Debentures | 192,684 | 187,744 |
| 2.01.05 | Other obligations | 1,261,404 | 1,121,856 |
| 2.01.05.01 | Payables to related parties | 923,290 | 801,375 |
| 2.01.05.02 | Other | 338,114 | 320,481 |
| 2.01.05.02.01 | Dividends and interest on capital payable | 17,689 | 17,682 |
| 2.01.05.02.04 | Obligations for purchase of properties and advances from customers | 173,102 | 148,989 |
| 2.01.05.02.05 | Other obligations | 117,789 | 127,123 |
| 2.01.05.02.07 | Obligations assumed on the assignment of receivables | 19,598 | 12,631 |
| 2.01.05.02.08 | Derivative financial instruments | 9,936 | 14,056 |
| 2.01.06 | Provisions | 103,075 | 100,312 |
| 2.01.06.01 | Tax, labor and civil lawsuits | 103,075 | 100,312 |
| 2.01.06.01.01 | Tax lawsuits | 220 | 220 |
| 2.01.06.01.02 | Labor lawsuits | 15,566 | 15,516 |
| 2.01.06.01.04 | Civil lawsuits | 87,289 | 84,576 |
| 2.02 | Non current liabilities | 1,265,287 | 1,291,906 |
| 2.02.01 | Loans and financing | 1,031,662 | 1,011,180 |
| 2.02.01.01 | Loans and financing | 572,318 | 542,843 |
| 2.02.01.01.01 | Loans and financing in local currency | 572,318 | 542,843 |
| 2.02.01.02 | Debentures | 459,344 | 468,337 |
| 2.02.02 | Other liabilities | 139,513 | 188,078 |
| 2.02.02.02 | Other | 139,513 | 188,078 |
| 2.02.02.02.03 | Obligations for purchase of properties and advances from customers | 92,257 | 143,216 |
| 2.02.02.02.04 | Other liabilities | 11,534 | 15,028 |
| 2.02.02.02.06 | Obligations assumed on the assignment of receivables | 35,722 | 22,216 |
| 2.02.02.02.07 | Derivative financial instruments | - | 7,618 |
| 2.02.03 | Deferred taxes | 10,085 | 10,085 |
| 2.02.03.01 | Deferred income tax and social contribution | 10,085 | 10,085 |
| 2.02.04 | Provisions | 84,027 | 82,563 |
| 2.02.04.01 | Tax, labor and civil lawsuits | 84,027 | 82,563 |
| 2.02.04.01.02 | Tax and labor lawsuits | 47,874 | 47,719 |
| 2.02.04.01.04 | Civil lawsuits | 36,153 | 34,844 |

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| | | | |
|------------|---|-----------|-----------|
| 2.03 | Equity | 3,043,671 | 3,095,491 |
| 2.03.01 | Capital | 2,740,662 | 2,740,662 |
| 2.03.02 | Capital Reserves | 78,241 | 76,834 |
| 2.03.02.04 | Granted options | 149,458 | 148,051 |
| 2.03.02.07 | Reserve for expenditures with public offering | -71,217 | -71,217 |
| 2.03.04 | Income Reserve | 277,995 | 277,995 |
| 2.03.04.01 | Legal Reserve | 35,316 | 35,316 |
| 2.03.04.02 | Statutory Reserve | 268,659 | 268,659 |
| 2.03.04.09 | Treasury shares | -25,980 | -25,980 |
| 2.03.05 | Retained earnings/accumulated losses | -53,227- | |

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

| CODE | DESCRIPTION | YEAR TO DATE | YEAR TO DATE |
|-------------|--|-------------------------------------|--|
| | | 01/01/2016 to 03/31/2016 | FROM PREVIOUS YEAR 01/01/2015 to 03/31/2015 |
| 3.01 | Gross Sales and/or Services | 126,973 | 270,401 |
| 3.01.01 | Revenue from real estate development | 138,013 | 297,181 |
| 3.01.03 | Taxes on real estate sales and services | -11,040 | -26,780 |
| 3.02 | Cost of sales and/or services | -124,866 | -203,174 |
| 3.02.01 | Cost of real estate development | -124,866 | -203,174 |
| 3.03 | Gross profit | 2,107 | 67,227 |
| 3.04 | Operating expenses/income | -53,132 | -19,313 |
| 3.04.01 | Selling expenses | -14,411 | -11,523 |
| 3.04.02 | General and administrative expenses | -27,002 | -28,884 |
| 3.04.05 | Other operating expenses | -21,796 | -35,082 |
| 3.04.05.01 | Depreciation and amortization | -8,072 | -7,889 |
| 3.04.05.02 | Other operating expenses | -13,724 | -27,193 |
| 3.04.06 | Equity pick-up | 10,077 | 56,176 |
| 3.05 | Income (loss) before financial results and income taxes | -51,025 | 47,914 |
| 3.06 | Financial | 26 | -12,807 |
| 3.06.01 | Financial income | 13,673 | 18,156 |
| 3.06.02 | Financial expenses | -13,647 | -30,963 |
| 3.07 | Income before income taxes | -50,999 | 35,107 |
| 3.08 | Income and social contribution taxes | -2,228 | -3,456 |
| 3.08.01 | Current | -2,228 | -3,456 |
| 3.09 | Income (loss) from continuing operation | -53,227 | 31,651 |
| 3.11 | Income (loss) for the period | -53,227 | 31,651 |
| 3.99 | Earnings per Share – (Reais / Share) | | |
| 3.99.01 | Basic Earnings per Share | | |
| 3.99.01.01 | ON | -0.1452 | 0.0862 |
| 3.99.02 | Diluted Earnings per Share | | |
| 3.99.02.01 | ON | -0.1452 | 0.0856 |

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

| CODE | DESCRIPTION | YEAR TO DATE | |
|-------------|--|-----------------------------------|----------------------|
| | | YEAR TO DATE FROM PREVIOUS | YEAR |
| | | 01/01/2016 to | 01/01/2015 |
| | | 03/31/2016 | to 03/31/2015 |
| 4.01 | Income (loss) for the period | -53,227 | 31,651 |
| 4.03 | Comprehensive income (loss) for the period | -53,227 | 31,651 |

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

| CODE | DESCRIPTION | YEAR TO DATE | YEAR TO DATE |
|------------|--|-----------------------------|---|
| | | 01/01/2016 to 03/31/2016 | FROM PREVIOUS YEAR 01/01/2015 to 03/31/2015 |
| 6.01 | Net cash from operating activities | -8,183 | -60,089 |
| 6.01.01 | Cash generated in the operations | -15,987 | 38,269 |
| 6.01.01.01 | Income (loss) before income and social contribution taxes | -50,999 | 35,107 |
| 6.01.01.02 | Equity pick-up | -10,077 | -56,176 |
| 6.01.01.03 | Stock options expenses | 1,891 | 2,091 |
| 6.01.01.04 | Unrealized interest and finance charges, net | 21,327 | 14,706 |
| 6.01.01.05 | Financial instruments | -10,184 | 2,756 |
| 6.01.01.06 | Depreciation and amortization | 8,072 | 7,889 |
| 6.01.01.07 | Provision for legal claims | 15,169 | 18,711 |
| 6.01.01.08 | Provision for profit sharing | 6,250 | 6,000 |
| 6.01.01.09 | Warranty provision | -4,102 | 7,244 |
| 6.01.01.10 | Write-off of property and equipment, net | 99 | 142 |
| 6.01.01.11 | Allowance for doubtful accounts | 6,572 | 626 |
| 6.01.01.14 | Provision for penalties due to delay in construction works | -5 | -827 |
| 6.01.02 | Variation in assets and liabilities | 7,804 | -98,358 |
| 6.01.02.01 | Trade accounts receivable | 51,252 | -15,747 |
| 6.01.02.02 | Properties for sale | -24,667 | -51,809 |
| 6.01.02.03 | Other accounts receivable | -10,039 | 150 |
| 6.01.02.04 | Prepaid expenses | 511 | 930 |
| 6.01.02.05 | Obligations for purchase of properties and adv. from customers | -26,846 | -17,686 |
| 6.01.02.06 | Taxes and contributions | -915 | 1,787 |
| 6.01.02.07 | Suppliers | 8,061 | 9,531 |
| 6.01.02.08 | Salaries and payable charges | 2,129 | 983 |
| 6.01.02.09 | Transactions with related parties | 36,194 | -14,627 |
| 6.01.02.10 | Other obligations | -25,648 | -8,414 |
| 6.01.02.11 | Income tax and social contribution payable | -2,228 | -3,456 |
| 6.02 | Net cash from investing activities | 8,439 | 25,921 |
| 6.02.01 | Purchase of property and equipment and intangible assets | -5,177 | -5,234 |
| 6.02.02 | Increase in investments | -2,094 | -503 |
| 6.02.03 | Redemption of short-term investments | 186,244 | 701,769 |
| 6.02.04 | Purchase of short-term investments | -170,534 | -670,111 |
| 6.03 | Net cash from financing activities | -17,699 | 34,912 |
| 6.03.02 | | 73,284 | 178,731 |

| | | | |
|---------|--|----------|----------|
| | Increase in loans, financing and debentures | | |
| 6.03.03 | Payment of loans, financing and debentures | -108,699 | -119,893 |
| 6.03.04 | Receivables credit assignment , net | 24,176 | - |
| 6.03.06 | Loan transactions with related parties | -6,460 | -1,791 |
| 6.03.08 | Repurchase of treasury shares | - | -22,135 |
| 6.05 | Net increase (decrease)x of cash and cash equivalents | -17,443 | 744 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 44,044 | 33,792 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 26,601 | 34,536 |

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 03/31/2016 (in thousands of Brazilian reais)

| CODE | DESCRIPTION | Capital | Capital reserves, stock options and treasury shares | Profit reserves | Retained earnings | comprehensive income | Others income | Total Equity |
|-------------|--|----------------|--|------------------------|--------------------------|-----------------------------|----------------------|---------------------|
| 5.01 | Opening balance | 2,740,662 | 50,854 | 303,975 | - | - | - | -3,095,491 |
| 5.03 | Opening adjusted balance | 2,740,662 | 50,854 | 303,975 | - | - | - | -3,095,491 |
| 5.04 | Capital transactions with shareholders | - | 1,407 | - | - | - | - | 1,407 |
| 5.04.03 | Realization of granted options | - | 1,407 | - | - | - | - | 1,407 |
| 5.05 | Total of comprehensive income (loss) | - | - | - | -53,227 | - | - | -53,227 |
| 5.05.01 | Net income (loss) for the period | - | - | - | -53,227 | - | - | -53,227 |
| 5.07 | Closing balance | 2,740,662 | 52,261 | 303,975 | -53,227 | - | - | -3,043,671 |

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2015 TO
03/31/2015 (in thousands of Brazilian reais)**

| CODE DESCRIPTION | Capital | Capital reserves, stock options and treasury shares | Profit reserves | Retained earnings | Others comprehensive income | Total Equity |
|---|----------------|--|----------------------------|------------------------------|--|-------------------------|
| 5.01 Opening balance | 2,740,662 | -19,824 | 334,507 | - | - | -3,055,345 |
| 5.03 Opening adjusted balance | 2,740,662 | -19,824 | 334,507 | - | - | -3,055,345 |
| 5.04 Capital transactions with shareholders | - | 54,170 | -74,214 | - | - | -20,044 |
| 5.04.03 Realization of granted options | - | 2,091 | - | - | - | 2,091 |
| 5.04.04 Repurchase of treasury shares | - | -22,135 | - | - | - | -22,135 |
| 5.04.08 Treasury shares canceled | - | 74,214 | -74,214 | - | - | - |
| 5.05 Total of comprehensive income (loss) | - | - | - | 31,651 | - | 31,651 |
| 5.05.01 Net income (loss) for the period | - | - | - | 31,651 | - | 31,651 |
| 5.07 Closing balance | 2,740,662 | 34,346 | 260,293 | 31,651 | - | -3,066,952 |

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

| CODE | DESCRIPTION | YEAR TO DATE | YEAR TO DATE |
|-------------|---|-------------------------------------|--|
| | | 01/01/2016 to 03/31/2016 | FROM PREVIOUS YEAR 01/01/2015 to 03/31/2015 |
| 7.01 | Revenues | 138,013 | 297,181 |
| 7.01.01 | Real estate development, sale and services | 144,585 | 297,807 |
| 7.01.04 | Allowance for doubtful accounts | -6,572 | -626 |
| 7.02 | Inputs acquired from third parties | -117,641 | -203,790 |
| 7.02.01 | Cost of Sales and/or Services | -98,818 | -178,212 |
| 7.02.02 | Materials, energy, outsourced labor and other | -18,823 | -25,578 |
| 7.03 | Gross added value | 20,372 | 93,391 |
| 7.04 | Retentions | -8,072 | -7,889 |
| 7.04.01 | Depreciation and amortization | -8,072 | -7,889 |
| 7.05 | Net added value produced by the Company | 12,300 | 85,502 |
| 7.06 | Added value received on transfer | 23,750 | 74,332 |
| 7.06.01 | Equity pick-up | 10,077 | 56,176 |
| 7.06.02 | Financial income | 13,673 | 18,156 |
| 7.07 | Total added value to be distributed | 36,050 | 159,834 |
| 7.08 | Added value distribution | 36,050 | 159,834 |
| 7.08.01 | Personnel and payroll charges | 29,358 | 33,635 |
| 7.08.02 | Taxes and contributions | 18,080 | 36,020 |
| 7.08.03 | Compensation – Interest | 41,839 | 58,528 |
| 7.08.04 | Compensation – Company capital | -53,227 | 31,651 |

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

| CODE | DESCRIPTION | ACTUAL QUARTER 3/31/2016 | PRIOR YEAR 12/31/2015 |
|---------------|--|---|--------------------------------------|
| 1 | Total Assets | 6,779,953 | 6,760,332 |
| 1.01 | Current Assets | 4,390,457 | 4,316,764 |
| 1.01.01 | Cash and cash equivalents | 143,717 | 82,640 |
| 1.01.01.01 | Cash and banks | 56,067 | 69,560 |
| 1.01.01.02 | Short-term investments | 50,499 | 13,080 |
| 1.01.01.03 | Resources custody of third parties | 37,151 | - |
| 1.01.02 | Short-term investments | 648,359 | 629,671 |
| 1.01.02.01 | Fair value of short-term investments | 648,359 | 629,671 |
| 1.01.02.01.02 | Short-term investments available for sale | 648,359 | 629,671 |
| 1.01.03 | Accounts receivable | 1,328,042 | 1,395,273 |
| 1.01.03.01 | Trade accounts receivable | 1,328,042 | 1,395,273 |
| 1.01.03.01.01 | Receivables from clients of developments | 1,271,881 | 1,357,122 |
| 1.01.03.01.02 | Receivables from clients of construction and services rendered | 56,161 | 38,151 |
| 1.01.04 | Inventories | 1,958,087 | 1,880,377 |
| 1.01.07 | Prepaid expenses | 6,474 | 7,171 |
| 1.01.07.01 | Prepaid expenses and others | 6,474 | 7,171 |
| 1.01.08 | Other current assets | 305,778 | 321,632 |
| 1.01.08.01 | Non current assets for sale | 100,529 | 105,857 |
| 1.01.08.03 | Other | 205,249 | 215,775 |
| 1.01.08.03.01 | Other accounts receivable and others | 118,196 | 120,657 |
| 1.01.08.03.02 | Receivables from related parties | 87,053 | 95,118 |
| 1.02 | Non Current assets | 2,389,496 | 2,443,568 |
| 1.02.01 | Non current assets | 1,289,134 | 1,349,404 |
| 1.02.01.03 | Accounts receivable | 374,614 | 407,091 |
| 1.02.01.03.01 | Receivables from clients of developments | 374,614 | 407,091 |
| 1.02.01.04 | Inventories | 706,965 | 750,240 |
| 1.02.01.09 | Others non current assets | 207,555 | 192,073 |
| 1.02.01.09.03 | Others accounts receivable and others | 89,696 | 82,880 |
| 1.02.01.09.04 | Receivables from related parties | 113,128 | 109,193 |
| 1.02.01.09.05 | Derivative financial instruments | 4,731- | |
| 1.02.02 | Investments | 979,712 | 967,646 |
| 1.02.02.01 | Interest in associates and affiliates | 979,712 | 967,646 |
| 1.02.03 | Property and equipment | 46,829 | 49,176 |
| 1.02.03.01 | Operation property and equipment | 46,829 | 49,176 |
| 1.02.04 | Intangible assets | 73,821 | 77,342 |
| 1.02.04.01 | Intangible assets | 48,345 | 51,866 |
| 1.02.04.02 | Goodwill | 25,476 | 25,476 |

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

| CODE | DESCRIPTION | ACTUAL | PRIOR |
|---------------|--|----------------------|--------------------|
| | | QUARTER 3/31/2016 | YEAR 12/31/2015 |
| 2 | Total Liabilities | 6,779,953 | 6,760,332 |
| 2.01 | Current liabilities | 2,075,628 | 2,048,969 |
| 2.01.01 | Social and labor obligations | 71,793 | 60,102 |
| 2.01.01.02 | Labor obligations | 71,793 | 60,102 |
| 2.01.01.02.01 | Salaries, payroll charges and profit sharing | 71,793 | 60,102 |
| 2.01.02 | Suppliers | 80,245 | 57,335 |
| 2.01.03 | Tax obligations | 97,074 | 102,057 |
| 2.01.03.01 | Federal tax obligations | 97,074 | 102,057 |
| 2.01.04 | Loans and financing | 1,029,252 | 1,061,986 |
| 2.01.04.01 | Loans and financing | 629,508 | 672,365 |
| 2.01.04.01.01 | In Local Currency | 629,508 | 672,365 |
| 2.01.04.02 | Debentures | 399,744 | 389,621 |
| 2.01.05 | Other obligations | 694,189 | 667,177 |
| 2.01.05.01 | Payables to related parties | 84,386 | 87,100 |
| 2.01.05.02 | Other | 609,803 | 580,077 |
| 2.01.05.02.01 | Dividends and interest on capital payable | 17,682 | 17,682 |
| 2.01.05.02.04 | Obligations for purchase of properties and advances from customers | 387,339 | 361,420 |
| 2.01.05.02.06 | Other obligations | 163,494 | 163,437 |
| 2.01.05.02.07 | Obligations assumed on the assignment of receivables | 31,352 | 23,482 |
| 2.01.05.02.08 | Derivative financial instruments | 9,936 | 14,056 |
| 2.01.06 | Provisions | 103,075 | 100,312 |
| 2.01.06.01 | Tax, labor and civil lawsuits | 103,075 | 100,312 |
| 2.01.06.01.01 | Tax lawsuits | 220 | 220 |
| 2.01.06.01.02 | Labor lawsuits | 15,566 | 15,516 |
| 2.01.06.01.04 | Civil lawsuits | 87,289 | 84,576 |
| 2.02 | Non current liabilities | 1,658,041 | 1,614,127 |
| 2.02.01 | Loans and financing | 1,171,380 | 1,088,807 |
| 2.02.01.01 | Loans and financing | 712,036 | 620,470 |
| 2.02.01.01.01 | Loans and financing in local currency | 712,036 | 620,470 |
| 2.02.01.02 | Debentures | 459,344 | 468,337 |
| 2.02.02 | Other obligations | 321,272 | 366,161 |
| 2.02.02.01 | Liabilities with related parties | 43,426 | 41,002 |
| 2.02.02.02 | Other | 277,846 | 325,159 |
| 2.02.02.02.03 | Obligations for purchase of properties and advances from customers | 196,441 | 248,514 |
| 2.02.02.02.04 | Other liabilities | 30,628 | 33,216 |
| 2.02.02.02.06 | Obligations assumed on the assignment of receivables | 50,777 | 35,811 |
| 2.02.02.02.07 | Derivative financial instruments | - | 7,618 |
| 2.02.03 | Deferred taxes | 20,175 | 16,489 |
| 2.02.03.01 | Deferred income tax and social contribution | 20,175 | 16,489 |
| 2.02.04 | Provisions | 145,214 | 142,670 |
| 2.02.04.01 | Tax, labor and civil lawsuits | 145,214 | 142,670 |
| 2.02.04.01.01 | Tax lawsuits | 178 | 180 |
| 2.02.04.01.02 | Labor lawsuits | 78,502 | 77,445 |

| | | | |
|---------------|---|-----------|-----------|
| 2.02.04.01.04 | Civil lawsuits | 66,534 | 65,045 |
| 2.03 | Equity | 3,046,284 | 3,097,236 |
| 2.03.01 | Capital | 2,740,662 | 2,740,662 |
| 2.03.01.01 | Capital | 2,740,662 | 2,740,662 |
| 2.03.02 | Capital Reserves | 78,241 | 76,834 |
| 2.03.02.04 | Granted options | 149,458 | 148,051 |
| 2.03.02.07 | Reserve for expenditures with public offering | -71,217 | -71,217 |
| 2.03.04 | Income Reserve | 277,995 | 277,995 |
| 2.03.04.01 | Legal Reserve | 35,316 | 35,316 |
| 2.03.04.02 | Statutory Reserve | 268,659 | 268,659 |
| 2.03.04.09 | Treasury shares | -25,980 | -25,980 |
| 2.03.05 | Retained earnings/accumulated losses | -53,227 | |
| 2.03.09 | Non-controlling interest | 2,613 | 1,745 |

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

| CODE | DESCRIPTION | YEAR TO DATE | |
|-------------|---|-------------------------------------|-------------------------------------|
| | | 01/01/2016 to 03/31/2016 | 01/01/2015 to 03/31/2015 |
| 3.01 | Gross Sales and/or Services | 405,534 | 519,501 |
| 3.01.01 | Revenue from real estate development | 436,544 | 564,854 |
| 3.01.03 | Taxes on real estate sales and services | -31,010 | -45,353 |
| 3.02 | Cost of sales and/or services | -333,333 | -370,301 |
| 3.02.01 | Cost of real estate development | -333,333 | -370,301 |
| 3.03 | Gross profit | 72,201 | 149,200 |
| 3.04 | Operating expenses/income | -109,866 | -97,223 |
| 3.04.01 | Selling expenses | -35,018 | -27,113 |
| 3.04.02 | General and administrative expenses | -46,022 | -43,668 |
| 3.04.05 | Other operating expenses | -42,491 | -45,224 |
| 3.04.05.01 | Depreciation and amortization | -12,698 | -11,669 |
| 3.04.05.02 | Other operating expenses | -29,793 | -33,555 |
| 3.04.06 | Equity pick-up | 13,665 | 18,782 |
| 3.05 | Income (loss) before financial results and income taxes | -37,665 | 51,977 |
| 3.06 | Financial | -1,941 | -8,216 |
| 3.06.01 | Financial income | 25,431 | 32,612 |
| 3.06.02 | Financial expenses | -27,372 | -40,828 |
| 3.07 | Income before income taxes | -39,606 | 43,761 |
| 3.08 | Income and social contribution taxes | -12,745 | -12,160 |
| 3.08.01 | Current | -10,213 | -6,860 |
| 3.08.02 | Deferred | -2,532 | -5,300 |
| 3.09 | Income (loss) from continuing operation | -52,351 | 31,601 |
| 3.11 | Income (loss) for the period | -52,351 | 31,601 |
| 3.11.01 | Income (loss) attributable to the Company | -53,227 | 31,651 |
| 3.11.02 | Net income attributable to non-controlling interests | 876 | -50 |
| 3.99 | Earnings per Share – (Reais / Share) | | |
| 3.99.01 | Basic Earnings per Share | | |
| 3.99.01.01 | ON | -0.1452 | 0.0862 |
| 3.99.02 | Diluted Earnings per Share | | |
| 3.99.02.01 | ON | -0.1452 | 0.0856 |

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

| CODE | DESCRIPTION | YEAR TO DATE | YEAR TO DATE |
|-------------|---|-------------------------------------|--|
| | | 01/01/2016 to 03/31/2016 | FROM PREVIOUS YEAR 01/01/2015 to 03/31/2015 |
| 4.01 | Consolidated Income (loss) for the period | -52,351 | 31,601 |
| 4.03 | Consolidated comprehensive income (loss) for the period | -52,351 | 31,601 |
| 4.03.01 | Income (loss) attributable to Gafisa | -53,227 | 31,651 |
| 4.03.02 | Net income attributable to the noncontrolling interests | 876 | -50 |

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

| CODE | DESCRIPTION | YEAR TO DATE | YEAR TO DATE |
|------------|--|-----------------------------|---|
| | | 01/01/2016 to 03/31/2016 | FROM PREVIOUS YEAR 01/01/2015 to 03/31/2015 |
| 6.01 | Net cash from operating activities | 41,952 | -51,127 |
| 6.01.01 | Cash generated in the operations | 20,262 | 88,294 |
| 6.01.01.01 | Income (loss) before income and social contribution taxes | -39,606 | 43,761 |
| 6.01.01.02 | Stock options expenses | 2,424 | 2,618 |
| 6.01.01.03 | Unrealized interest and finance charges, net | 26,507 | 16,414 |
| 6.01.01.04 | Depreciation and amortization | 12,698 | 11,669 |
| 6.01.01.05 | Write-off of property and equipment, net | 1,637 | 216 |
| 6.01.01.06 | Provision for legal claims | 22,888 | 26,070 |
| 6.01.01.07 | Warranty provision | -5,621 | 6,925 |
| 6.01.01.08 | Provision for profit sharing | 8,342 | 2,914 |
| 6.01.01.09 | Allowance for doubtful accounts | 15,357 | 317 |
| 6.01.01.11 | Provision for penalties due to delay in construction works | -513 | -2,079 |
| 6.01.01.12 | Financial instruments | -10,186 | 2,756 |
| 6.01.01.13 | Equity pick-up | -13,665 | -18,782 |
| 6.01.01.15 | Write-off of investments | - | -4,505 |
| 6.01.02 | Variation in Assets and Liabilities | 21,690 | -139,421 |
| 6.01.02.01 | Trade accounts receivable | 79,213 | -65,295 |
| 6.01.02.02 | Properties for sale | -29,313 | -57,683 |
| 6.01.02.03 | Other accounts receivable | -7,864 | 10,231 |
| 6.01.02.04 | Transactions with related parties | 9,376 | 1,514 |
| 6.01.02.05 | Prepaid expenses | 697 | 120 |
| 6.01.02.06 | Suppliers | 22,910 | 7,259 |
| 6.01.02.07 | Obligations for purchase of properties and adv. from customers | -26,154 | -16,820 |
| 6.01.02.08 | Taxes and contributions | -4,983 | -3,491 |
| 6.01.02.09 | Salaries and payable charges | 3,350 | 4,289 |
| 6.01.02.10 | Other obligations | -12,797 | -7,385 |
| 6.01.02.11 | Income tax and social contribution paid | -12,745 | -12,160 |
| 6.02 | Net cash from investing activities | -29,606 | 150,108 |
| 6.02.01 | Purchase of property and equipment and intangible assets | -8,467 | -5,651 |
| 6.02.02 | Redemption of short-term investments | -807,799 | 1,180,350 |
| 6.02.03 | Purchase of short-term investments | 789,111 | -1,024,416 |
| 6.02.04 | Investments | -1,451 | -175 |
| 6.02.05 | Dividends received | -1,000 | |
| 6.03 | Net cash from financing activities | 48,731 | 15,867 |
| 6.03.02 | | 200,289 | 200,321 |

| | | | |
|---------|--|----------|----------|
| | Increase in loans, financing and debentures | | |
| 6.03.03 | Payment of loans and financing | -176,957 | -165,306 |
| 6.03.06 | Payables to venture partners | 1,587 | 2,400 |
| 6.03.07 | Loan transactions with related parties | -4,162 | 587 |
| 6.03.08 | Repurchase of treasury shares | - | -22,135 |
| 6.03.09 | Selling of treasury shares | 27,974 | |
| 6.05 | Net increase (decrease) of cash and cash equivalents | 61,077 | 114,848 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 82,640 | 109,895 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 143,717 | 224,743 |

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STATEMENT OF CHANGES IN EQUITY FROM 01/01/2016 TO 03/31/2016 (in thousands of Brazilian reais)

| | Capital reserves, stock options and treasury | Capital shares | Profit reserves | Retained earnings | Others comprehensive income | Total Shareholders equity |
|--|---|-------------------|--------------------|----------------------|-----------------------------------|---------------------------------|
| Balance | 2,740,662 | 50,854 | 303,975 | - | - | 3,095,491 |
| Change with shareholders | - | 1,407 | - | - | - | 1,407 |
| Change in stock options | - | 1,407 | - | - | - | 1,407 |
| Change in transaction with minority shareholders | - | - | - | - | - | - |
| Change in net income (loss) | - | - | - | -53,227 | - | -53,227 |
| Change for the period | - | - | - | -53,227 | - | -53,227 |
| | 2,740,662 | 52,261 | 303,975 | -53,227 | - | 3,043,671 |

STATEMENT OF CHANGES IN EQUITY FROM 01/01/2015 TO 03/31/2015 (in thousands of Brazilian reais)

| DESCRIPTION | Capital reserves, stock options and treasury | | | Profit | Retained earnings | Others comprehensive income | Total Shareholders equity | Non Controlling interest |
|--|--|---------|----------|--------|-------------------|-----------------------------|---------------------------|--------------------------|
| | Capital | shares | reserves | | | | | |
| Beginning balance | 2,740,662 | -19,824 | 334,507 | - | - | - | 3,055,345 | 3,058 |
| Beginning adjusted balance | 2,740,662 | -19,824 | 334,507 | - | - | - | 3,055,345 | 3,058 |
| Capital transactions with shareholders | - | 54,170 | -74,214 | - | - | - | -20,044 | 931 |
| Capital increase | - | - | - | - | - | - | - | 931 |
| Exercization of granted options | - | 2,091 | - | - | - | - | 2,091 | - |
| Acquisition of treasury shares | - | -22,135 | - | - | - | - | -22,135 | - |
| Treasury shares canceled | - | 74,214 | -74,214 | - | - | - | - | - |
| Share of comprehensive income (loss) | - | - | - | 31,651 | - | - | 31,651 | -50 |
| Share of income (loss) for the period | - | - | - | 31,651 | - | - | 31,651 | -50 |
| Ending balance | 2,740,662 | 34,346 | 260,293 | 31,651 | - | - | 3,066,952 | 3,939 |

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

| CODE | DESCRIPTION | YEAR TO DATE | |
|-------------|---|---------------------------------|--|
| | | 01/01/2016 to 03/31/2016 | YEAR FROM PREVIOUS 01/01/2015 to 03/31/2015 |
| 7.01 | Revenues | 436,544 | 569,359 |
| 7.01.01 | Real estate development, sale and services | 451,901 | 560,333 |
| 7.01.04 | Allowance for doubtful accounts | -15,357 | 9,026 |
| 7.02 | Inputs acquired from third parties | -337,232 | -384,576 |
| 7.02.01 | Cost of sales and/or services | -295,295 | -340,199 |
| 7.02.02 | Materials, energy, outsourced labor and other | -41,937 | -44,377 |
| 7.03 | Gross added value | 99,312 | 184,783 |
| 7.04 | Retentions | -12,698 | -11,669 |
| 7.04.01 | Depreciation and amortization | -12,698 | -11,669 |
| 7.05 | Net added value produced by the Company | 86,614 | 173,114 |
| 7.06 | Added value received on transfer | 39,096 | 51,394 |
| 7.06.01 | Equity pick-up | 13,665 | 18,782 |
| 7.06.02 | Financial income | 25,431 | 32,612 |
| 7.07 | Total added value to be distributed | 125,710 | 224,508 |
| 7.08 | Added value distribution | 125,710 | 224,508 |
| 7.08.01 | Personnel and payroll charges | 56,193 | 50,376 |
| 7.08.02 | Taxes and contributions | 53,971 | 67,803 |
| 7.08.03 | Compensation – Interest | 68,773 | 74,678 |
| 7.08.04 | Compensation – Company capital | -53,227 | 31,651 |

EARNINGS

RELEASE

1Q16

FOR IMMEDIATE RELEASE - São Paulo, May 5, 2016 – Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), one of Brazil’s leading homebuilders, today reported financial results for the first quarter ended March 31, 2016.

GAFISA RELEASES 1Q16 RESULTS

MANAGEMENT COMMENTS AND HIGHLIGHTS

The first quarter of 2016 was characterized by continued economic deterioration and political uncertainty in Brazil. These market conditions came as a result of high interest rates and rising inflation and unemployment rates, which in turn, pressured the Brazilian real estate market. The Gafisa Group, due to its diversification in both the medium-high income and the low income segments, have been fairly resilient in this challenging period.

The Gafisa and Tenda segments each faced substantially different operating environments throughout the first quarter. The Gafisa segment was significantly impacted by the poor macroeconomic environment. It sought to maintain a conservative launch strategy, while also focusing on operational and project-level improvements. The Tenda segment, conversely, benefited from greater resilience in the low-income market, and was able to consistently expand the scale of its business model.

In 1Q16, the Gafisa segment recorded a reduction in the volume of launches from the previous quarter and also faced an increased level of dissolutions, which impacted the results of the period. The segment launched one project in the first quarter in São Paulo, representing

R\$80.1 million in PSV, with sales starting in the last week of March.

The Gafisa segment's operating performance reflected impacts from both a difficult macroeconomic environment and political instability. This was particularly notable in January and February. Gross pre-sales totaled R\$237.1 million in the first quarter, with dissolutions reaching R\$170.3 million, resulting in net pre-sales of R\$66.8 million. The result was down 72.7% compared to the previous quarter, and decreased 62.8% compared to 1Q15.

EARNINGS

RELEASE

1Q16

As a result of the market difficulties, Gafisa segment's SoS was 3.3% in 1Q16, compared to 10.8% in the previous quarter and 8.0% in 1Q15. Gafisa segment's SoS in the last twelve months reached 28.9%, compared to 27.9% in the same period last year. The volume of dissolutions in the Gafisa segment was higher than the last 12 month average, and a key driver of quarterly results. The increase came as a result of a high level of project deliveries in 4Q15, which accounted for R\$1.0 billion in PSV, approximately 43.3% of total delivered PSV last year.

One of the main operating guidelines which the Company has emphasized since the start of 2015 is its focus on the sale of inventory units. As a result, 87.8% of net sales during the 1Q16 were related to inventory. However, given the higher volume of dissolutions related to projects launched before 2015, net sales of 2015 launches inventory represented 82.0% of total net sales of remaining units, mainly reflected in Gafisa segment's capacity of generating revenues.

We ended 1Q16 with 24 projects under construction, all on schedule and within the delivery timeframe, reflecting our commitment to clients. In 1Q16, we delivered 2 projects accounting for 191 units, and representing R\$104.8 million in PSV. The transfer volume reached R\$110.0 million, showing our good level of operational controls and efficiency, which despite the current credit restrictions, still manages to partner with banks in the transfer process.

We expect the current market conditions to continue in the coming months, considering consumer confidence levels, decreases in household income and limited financing availability. It appears that the

Compared to 1Q15, the Tenda segment recorded launches of R\$228.5 million 1Q16, comprised of 9 new projects/phases in the states of São Paulo, Rio Grande do Sul, Minas Gerais, Bahia and Pernambuco. Launches represented 8.2% of the Tenda segment's total sales in the period, and the quarter's SoS reached 23.9%, up from the 23.3% recorded in 1Q15.

1Q16 gross sales reached R\$312.7 million and dissolutions remained at a moderate R\$46.2 million, resulting in net pre-sales of R\$266.5 million, an increase of 12.2% sequentially and 9.4% higher year on year.

In 1Q16, the volume of dissolutions decreased by 17.9% year on year, and increased 15.9% sequentially, in line with a higher gross sales volume. Percentage of dissolutions over gross sales reached 14.8%.

Since 2013, when the new model operations started, Tenda has launched 60 projects, representing a total of R\$2.2 billion in PSV. Of this total, Tenda has delivered R\$845.1 million, comprised of 22 projects/phases. Notably, all projects related to the first year of new model operations (2013) have been completed and delivered within the agreed time. In relation to the 2014 projects, only 3 of the 14 projects launched that year are still waiting delivery and are scheduled to be delivered within the next months. In 1Q16, the Tenda segment delivered 3 projects/phases corresponding to 464 units, and representing R\$61.7 million in PSV.

In the coming quarters, Tenda will continue to focus on increasing its scale by growing launches and implementing strategies designed to ensure a strong

country will take some time to exit the current downturn, which ultimately delays our expectation for a recovery in the real estate market. In light of this, we may see a more restrictive liquidity environment, which may impact pricing levels, margins and sales volumes. We maintain a conservative approach moving into the rest of 2016 in regards to the placement of new products in the market. We are prioritizing those projects with more liquidity, in order to reach adequate sales and profitability levels.

sales pace, guided by market behavior. The consistency of the segment's results from new model projects reaffirms management's confidence in the 2016 business plan.

Tenda's 1Q16 results reflect a more comfortable scenario in the low-income market, with relevant launches and decreasing dissolutions, specially due to the transfer policy, which occurs immediately after the sale, as well as from the reduction in its legacy portfolio. The Tenda segment continues to concentrate on increasing the scale of its new business model. The consolidation of Tenda's new model is based on four strategic pillars – aluminum mold, contracted launches, sales in own stores, and the transfer of sales to financial institutions. Another competitive advantage of the Tenda segment is its concentration in the six main metropolitan areas of the country - São Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre, Salvador and Recife. These factors enabled Tenda to achieve excellent operating and financial results, with resumption of net income, which reached R\$4.8 million in 1Q16.

EARNINGS

RELEASE

1Q16

On a consolidated basis, launches totaled R\$308.6 million in 1Q16, a decrease of 1.6% year over year and of 54.8% quarter over quarter. The Gafisa segment accounted for 26% of 1Q16 launches, while Tenda accounted for the remaining 74%. First quarter 2016 net pre-sales totaled R\$333.3 million, a decrease of 21.3% year over year and a 30.9% sequential reduction. In the quarter, sales from launches represented 9.0% of total sales, while the sale of inventory units represented 91.0%. The Gafisa segment accounted for 20% of net pre-sales while the Tenda segment represented 80%. 1Q16 consolidated adjusted gross profit was R\$110.2 million, at a margin of 27.2%.

In the current economic environment, the Company's focus on greater stability in its cost and expense structure is paramount. Selling and administrative expenses were R\$81.0 million in 1Q16, 14.2% lower compared to 4Q15, confirming the Company's efforts to respond to changes and movements in real estate market conditions, thus providing a cost structure more adequate to the current environment.

As a result of all this factors, Gafisa reported a consolidated net loss of R\$53.2 million in 1Q16, compared to the R\$31.6 million profit recorded in the previous year period.

At the end of the year, the Net Debt/Shareholders Equity ratio reached 46.5%, the lowest level since 3Q14. Excluding project finance, the Net Debt/Shareholder Equity ratio was negative 14.6%.

One of the positive highlights in the quarter was the consolidated operating cash generation, which reached R\$94.3 million, ending the quarter with net cash generation of R\$28.3 million.

Our positive cash flow performance and the maintenance of a low level of leverage reinforces the Company's conservative approach to capital discipline, which remains a priority during this period of macroeconomic uncertainty in Brazil.

We will maintain this conservative approach throughout the year, seeking to balance the placement of new products on the market, prioritizing those projects with more liquidity in order to reach adequate sales and profitability levels. The Gafisa segment, through its consistent and balanced performance, is focused on improving the return on invested capital. The Tenda segment is ready to expand the volume of new projects, backed by the positive results achieved from the new model and the resilience of the low-income market. The Company continues to advance guided by capital discipline, its profitability goals, and value creation for shareholders.

Sandro Gamba

Chief Executive Officer – Gafisa

Rodrigo Osmo

Chief Executive Officer – Tenda

1Q16

MAIN CONSOLIDATED FIGURES

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|--|-----------|-----------|------------|-----------|------------|
| Launches | 308,648 | 682,905 | -55% | 313,581 | -2% |
| Launches, Units | 1,860 | 2,660 | -30% | 1,950 | -5% |
| Net Pre-sales | 333,339 | 482,648 | -31% | 423,344 | -21% |
| Pre-sales, Units | 2,137 | 2,256 | -5% | 1,908 | 12% |
| Pre-sales of Launches | 30,116 | 321,502 | -91% | 59,716 | -50% |
| Sales over supply (SoS) | 10.6% | 14.1% | -350 bps | 12.8% | -220 bps |
| Delivered projects (PSV) | 166,500 | 1,239,270 | -87% | 785,748 | -79% |
| Delivered projects, Units | 655 | 3,121 | -79% | 3,534 | -81% |
| Net Revenue | 405,534 | 559,246 | -27% | 519,501 | -22% |
| Adjusted Gross Profit ¹ | 110,239 | 189,319 | -42% | 179,302 | -39% |
| Adjusted Gross Margin ¹ | 27.2% | 33.9% | -670 bps | 34.5% | -730 bps |
| Adjusted EBITDA ² | 15,495 | 78,026 | -80% | 96,366 | -84% |
| Adjusted EBITDA Margin ² | 3.8% | 14.0% | -1,020 bps | 18.5% | -1,470 bps |
| Net Income (Loss) | (53,227) | 827 | - | 31,651 | - |
| Backlog Revenues | 708,871 | 764,024 | -7% | 930,601 | -24% |
| Backlog Results ³ | 275,030 | 310,127 | -11% | 367,567 | -25% |
| Backlog Margin ³ | 38.8% | 40.6% | -180 bps | 39.5% | -70 bps |
| Net Debt + Investor Obligations | 1,415,038 | 1,443,377 | -2% | 1,535,215 | -8% |
| Cash and cash equivalents | 792,076 | 712,311 | 11% | 1,116,168 | -29% |
| Shareholders' Equity | 3,043,671 | 3,095,491 | -2% | 3,066,952 | -1% |
| Shareholders' Equity + Minority | 3,046,284 | 3,097,236 | -2% | 3,070,891 | -1% |
| Total Assets | 6,779,953 | 6,760,332 | 0% | 7,333,898 | -8% |
| (Net Debt + Obligations) / (SE + Minority) | 46.5% | 46.6% | -10 bps | 50.0% | -350 bps |

1) Adjusted by capitalized interest.

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

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

EARNINGS

RELEASE

1Q16

FINANCIAL RESULTS

§ 1Q16 net revenue recognized by the “PoC” method was R\$171.0 million in the Gafisa segment and R\$234.5 million in the Tenda segment. This resulted in consolidated revenue of R\$405.5 million, a decrease of 21.9% year-on-year and a decrease of 27.5% from the previous quarter.

§ Adjusted gross profit for 1Q16 was R\$110.2 million, lower than than R\$179.3 million recorded in 1Q15 and down from R\$189.3 million in 4Q15. Adjusted gross margin reached 27.2%, compared to 34.5% in 1Q15 and 33.9% in the 4Q15. The Gafisa segment accounted for an adjusted gross profit of R\$36.0 million, with an adjusted gross margin of 21.0%, while the Tenda segment accounted for an adjusted gross profit of R\$74.2 million, with a margin of 31.7%.

§ Consolidated Adjusted EBITDA was R\$15.5 million in 1Q16, with an adjusted EBITDA margin of 3.8%. The Gafisa segment reported negative adjusted EBITDA of R\$18.1 million, while the Tenda segment’s adjusted EBITDA was positive R\$22.8 million. 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 net loss of R\$53.2 million in 1Q16, compared with net income of R\$0.8 million in 4Q15 and the profit of R\$31.6 million in 1Q15. The Gafisa segment reported a net loss of R\$58.0 million, while the Tenda segment reported a profit of R\$4.8 million.

§ Operating cash generation totaled R\$94.3 million in 1Q16. Net cash generated in the quarter was R\$28.3 million.

OPERATING RESULTS

§ Launches totaled R\$308.6 million in 1Q16, comprising 10 projects in the states of São Paulo, Rio Grande do Sul, Minas Gerais, Bahia and Pernambuco, in line with the R\$313.6 million launch volumes in 1Q15. The Gafisa segment accounted for 26% of the quarter's launches, while the Tenda segment accounted for the remaining 74%.

§ Net pre-sales totaled R\$333.3 million, 21.3% lower than the R\$423.3 million recorded in 1Q15 and 30.9% lower q-o-q. The Gafisa segment reached R\$66.8 million and the Tenda segment reached R\$266.5 million in 1Q16. Consolidated sales from launches in the quarter represented 9.0% of the total, while sales from inventory comprised the remaining 91.0%.

§ Consolidated sales over supply (SoS) reached 10.6% in 1Q16 compared to 14.1% in 4Q15, and 12.8% in 1Q15. On a trailing 12-month basis, Gafisa's SoS was 28.9%, while Tenda's SoS was 55.0%.

§ Consolidated inventory at market value presented a reduction of 3.6% in 1Q16, and stood at R\$2.8 billion. Gafisa's inventory ended the quarter at R\$2.0 billion, while Tenda's inventory totaled R\$849.1 million.

§ Throughout the first quarter, the Company delivered 5 projects/phases, totaling 655 units, accounting for R\$166.5 million in PSV.

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ANALYSIS OF RESULTS

Gafisa Segment

Sales Volume, Revenue Level and Profitability Impacted by the Higher Volume of Dissolutions and Challenging Market Environment

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|---|-------------|-------------|---------------|-------------|---------------|
| Launches | 80,104 | 380,270 | -79% | 75,227 | 6% |
| Net pre-sales | 66,842 | 245,196 | -73% | 179,807 | -63% |
| Net pre-sales of launches | 8,187 | 129,227 | -94% | 14,436 | -43% |
| Sales over Supply (SoS) | 3.3% | 10.8% | -750 bps | 8.0% | -470 bps |
| Delivered projects (Units) | 191 | 1,641 | -88% | 1,847 | -90% |
| Net Revenue | 170,982 | 352,424 | -51% | 340,058 | -50% |
| Adjusted Gross Profit¹ | 35,979 | 127,392 | -72% | 125,502 | -71% |
| Adjusted Gross Margin¹ | 21.0% | 36.1% | -1,510 bps | 36.9% | -1,590 bps |
| Adjusted EBITDA² | (18,140) | 49,858 | - | 58,291 | - |
| Adjusted EBITDA Margin² | -10.6% | 14.1% | -2,470 bps | 17.1% | -2,770 bps |
| Net Income (Loss) | (58,021) | 13,818 | - | 20,205 | - |
| Backlog Revenues | 427,365 | 497,561 | -14% | 742,154 | -42% |
| Backlog Results³ | 159,970 | 192,355 | -17% | 294,093 | -46% |
| Backlog Margin³ | 37.4% | 38.7% | -130 bps | 39.6% | -220 bps |

1) Adjusted by capitalized interest.

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

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

The 1Q16 results were marked by a lower volume of net sales, resulting from the high volume of dissolutions related to uncertainty in the political and economic environment. Despite the higher share of projects launched before 2015 in the gross sales mix (74.7% of gross sales), the high volume of dissolutions in these projects (97.8% of dissolutions in the quarter) resulted in a concentration in net sales of inventory from more recent projects. Thus, revenues in the quarter were impacted not only by the lower volume of net sales, but also by the concentration of net sales in projects with slower evolution of work progress. These factors impacted the segment's profitability in the first quarter.

Gross margin in 1Q16 was mainly impacted by the following factors:

(i) R\$25.3 million net effect, due to the volume of dissolutions higher than average, mainly those related to corporate projects - 25.2% of total dissolved PSV during the period. Commercial units have a direct financing model, whose balance is adjusted only after the delivery (IGMP + 12.0% p.y. interest). Due to this adjustment, the reversed revenue is higher, generating a stronger impact when cost and revenue are reversed;

(ii) R\$6,6 million, related to the increase in provisions for doubtful accounts and dissolutions for customers who present significant evidence regarding the risk of dissolution of their contracts;

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(iii) R\$6,9 million, related to other effects, such as a difference in the pricing seen in the resale of dissolved units, especially in the case of corporate projects, in order to reach the liquidity needed in the current market conditions.

Thus, the Gafisa segment ended the 1Q16 with gross margin of 2.0%; excluding the abovementioned effects, the gross margin of the Gafisa segment would have reached 20.0%, more adherent to the 23.9% margin recorded in 4Q15. In turn, adjusted gross margin was 21.0% in 1Q16, or 35.5% excluding the effects above.

In this quarter, we highlight the efforts of the Gafisa segment in maintaining a level of SG&A expenses more aligned to the current level of our business cycle and the challenges and outlook for the Gafisa segment market, with a slight increase in the annual comparison even considering a 9.4% inflation (IPCA) measured in the period.

Net Income

Net income for the period was a loss of R\$58.0 million compared to a profit of R\$13.8 million in 4Q15 and of R\$20.2 million in the 1Q15. As we previously stated, this was due to the higher volume of dissolutions in the period, mainly related to projects launched before 2015, reflecting on the volume and on the mix of net sales in the period, with a consequent effect in revenue and profitability levels of the quarter. Excluding the R\$10.9 million in equity income from Alphaville, the Gafisa segment had a net loss in 1Q16 of R\$68.9 million, compared to the loss of R\$12.9 million recorded in 4Q15 and a R\$3.2 million profit in 1Q15.

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

| | 1Q16 | 4Q15 | 1Q15 |
|-------------------------------|--------|--------|-------|
| Adjusted Gross Profit | 36.0 | 127.4 | 125.5 |
| Adjusted Gross Margin | 21.0% | 36.1% | 36.9% |
| Net Income | (58.0) | 13.8 | 20.2 |
| Equity Income from Alphaville | 10.9 | 26.7 | 17.0 |
| Net Profit Ex- Alphaville | (68.9) | (12.9) | 3.2 |

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Tenda Segment

Maintenance of Operational and Financial Profitability Supported
by the Performance of the New Model

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|-------------------------------------|---------|----------|----------|---------|----------|
| Launches | 228,544 | 302,635 | -24% | 238,354 | -4% |
| Net pre-sales | 266,497 | 237,452 | 12% | 243,537 | 9% |
| Net pre-sales of Launches | 21,930 | 192,275 | -89% | 45,280 | -52% |
| Sales over Supply (SoS) | 23.9% | 20.9% | 300 bps | 23.3% | 60 bps |
| Delivered projects (Units) | 464 | 1,480 | -69% | 1,687 | -72% |
| Net Revenue | 234,552 | 206,822 | 13% | 179,443 | 31% |
| Adjusted Gross Profit ¹ | 74,260 | 61,927 | 20% | 53,800 | 38% |
| Adjusted Gross Margin ¹ | 31.7% | 29.9% | 180 bps | 30.0% | 170 bps |
| Adjusted EBITDA ² | 22,755 | 1,464 | 1,454% | 21,114 | 8% |
| Adjusted EBITDA Margin ² | 9.7% | 0.7% | 900 bps | 11.8% | -210 bps |
| Net Income (Loss) | 4,794 | (12,991) | - | 11,446 | -58% |
| Backlog Revenues | 281,506 | 266,463 | 6% | 188,447 | 49% |
| Backlog Results ³ | 115,060 | 117,772 | -2% | 73,474 | 57% |
| Backlog Margin ³ | 40.9% | 44.2% | -330 bps | 39.0% | 190 bps |

1) Adjusted by capitalized interest.

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

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

The Tenda segment posted another profitable quarter in 1Q16, after the effects of the non-recurring items recorded at the end of 2015.

In this period, the Tenda segment maintained efficient operating performance, supported by positive sales performance. This resulted in an improved adjusted gross margin for Tenda, which reached 31.7% in the

period, slightly higher than the previous quarters.

Adjusted EBITDA totaled R\$22.8 million, with adjusted EBITDA margin reaching 9.7% in 1Q16, higher y-o-y, which was impacted by the non-recurring items recorded in 4Q15, and slightly lower than the 1Q15 margin, which in turn benefited from the reversal of provision for bonus of R\$5.6 million.

Net Income

The Tenda segment achieved net income of R\$4.8 million in 1Q16, a reversal from the net loss of R\$13.0 million recorded in 4Q15, which was impacted by the non-recurring items recorded. This was a decrease from the net income of R\$11.4 million of 1Q15, which benefited from the reversal of R\$5.6 million provision related to bonus provisioning.

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

| | 1Q16 | 4Q15 | 1Q15 |
|------------------------------|-------------|---------------|-------------|
| Adjusted Gross Profit | 74.3 | 61.9 | 53.8 |
| Adjusted Gross Margin | 31.7% | 29.9% | 30.0% |
| Net Income | 4.8 | (13.0) | 11.4 |

RECENT EVENTS

ALLOCATION OF THE 2015 FISCAL YEAR RESULTS

In accordance with Article 47, paragraph 2 (b) of the Bylaws, 25% of the balance of net income of the fiscal year will be allocated for the payment of the statutory dividend to all shareholders after the deductions provided for in the Bylaws and adjusted pursuant to article 202 of Brazilian Corporate Law.

Due to the R\$74.4 million income calculated in the year ended on December 31, 2015, the Company's management proposed, at the Annual General Meeting held on April 25, 2016, the distribution of approximately R\$17.7 million, about R\$0.048 per share. This distribution will allow shareholders to gauge a dividend yield of approximately 2.0%, based on the 2015 closing price.

UPDATE SHARE BUYBACK PROGRAM

Reaffirming its commitment to generating shareholder value, on March 3, 2016, the Company approved the creation of the fourth share buyback program, up to a maximum of 8.2 million common shares which, when added to the 10.6 million shares currently held in treasury, correspond to 5% of the total common shares issued by the Company. The goal of the Program is to efficiently use the Company's available funds, aiming at medium and long-term profitability. A portion of the shares to be acquired will be allocated for the exercise of the options and/or shares to be granted in the Stock Option Plan, as approved at the Company's Extraordinary General Meeting.

The Company also reaffirms its commitment to capital discipline. The execution of the program is conditioned to the maintenance of Gafisa's Consolidated Net Debt to Equity ratio in a level equal or lower than 60%. The Company's Executive Officers are authorized to determine the opportunities in which operations will be performed, as well as the amount of shares to be effectively traded.

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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

First quarter launches totaled R\$80.1 million and consisted of 1 project/phase in São Paulo, which started sales in the last week of March. The sales speed of this launch reached 10.2%.

Launches (R\$ million)

First quarter gross pre-sales in the Gafisa segment totaled R\$237.1 million. Dissolutions in 1Q16 were R\$170.3 million, yielding total net pre-sales of R\$66.8 million, down 72.7% q-o-q and down 62.8% y-o-y.

It is worth noting that in 1Q16 operating performance was impacted quite heavily, especially in January and February due to the continued deterioration of the macroeconomic environment and the troubled political scenario, also taking into account seasonal characteristics. Results in March reached R\$101.1 million in net pre-sales, closer to last year's result, signaling an improvement when compared to the first two months of the year.

As seen in 2015, and one of the main current operational guidelines for the year, the Company continues to focus its efforts on the sale of remaining units. As a result, 96.5% of gross sales for the period were related to units in inventory. However, due to the higher volume of dissolutions of projects launched before 2015,

which accounted for 97.8% of total volume, the breakdown of net sales of inventory in the quarter ended up concentrated in units launched in 2015, which accounted for 82.0% of total net sales of remaining units and for 72.0% of total net sales in the period.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|------------|--------|---------|--------|---------|--------|
| Launches | 80,104 | 380,270 | -79% | 75,227 | 6% |
| Pre- Sales | 66,842 | 245,196 | -73% | 179,807 | -63% |

Sales over Supply (SoS)

The Gafisa segment's SoS of the last twelve months reached 28.9% compared to 27.9% in the same period last year. In the 1Q16, SoS was 3.3%, compared to 10.8% in the previous quarter and to 8.0% in 1Q15.

Dissolutions

The weak economic conditions observed in 2016 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\$170.3 million in 4Q15, an increase compared to R\$125.3 million in 4Q14 and R\$124.8 million in 1Q15. Notably, the level of dissolutions was higher than the LTM average, especially due to the strong volume of projects delivered in 4Q15, totaling R\$1.0 billion in PSV, approximately 43% of the total PSV delivered in the FY2015.

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. However, given the current uncertainties in the economic environment and its effects on the real estate market, it has not been possible to reduce the volume of dissolutions in a more effective manner.

Notably, a comprehensive approach in the credit review process at the time of sale has generated a more efficient process of transferring Gafisa customers to financial institutions, even amid a unfavorable economic environment. As an example of the efficiency achieved in this process, of all customers who asked for transfers in 1Q16, only 3.5% have been rejected in the bank's credit analysis, i.e. out of the 318 units asking for transfers, only 11 were not accepted.

In recent quarters the Gafisa segment has been able to reduce the level of dissolutions by enabling customers facing financial pressure to swap their units for those that better match their financial position. This exchange process reflects the flexibility of Gafisa's product portfolio.

In the quarter, 257 Gafisa units were cancelled and 116 units, representing R\$61.9 million, were already resold within the period.

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Inventory

Gafisa is maintaining its focus on inventory reduction initiatives. Projects launched prior to the end of 2015 represented 87.8% of net sales in the period. The market value of the Gafisa segment's inventory presented a decreased by 2.7% q-o-q, and of 4.6% y.o.y, 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 several legacy projects. Finished units outside of core markets accounted for R\$56.3 million, or 2.8% of total inventory.

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

| | Inventories BoP 4Q15 | Launches | Dissolutions | Gross Sales | Adjustments¹ | Inventories EoP 1Q15 | Q/Q (%) |
|---------------------------|---------------------------------|-----------------|---------------------|------------------------|--------------------------------|---------------------------------|--------------------|
| São Paulo | 1,460,326 | 80,104 | 147,120 | (207,729) | (46,863) | 1,432,958 | -2% |
| Rio de Janeiro | 496,231 | - | 22,201 | (20,832) | (11,978) | 485,622 | -2% |
| Other Markets | 72,697 | - | 954 | (8,556) | (8,749) | 56,346 | -22% |
| Total | 2,029,254 | 80,104 | 170,275 | (237,117) | (67,590) | 1,974,926 | -3% |

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

During the same period, finished units represented R\$430.1million, or 21.8% of total inventory. Inventory from projects launched outside core markets, which is comprised exclusively of finished units, represented R\$56.3 million, a decrease of 51.0% when compared to the R\$115.0 million recorded last year and down 22.5% from 4Q15. The Company estimates that through the beginning of 2017, it will have monetized a large portion of its inventory in non-core markets, based on the sales rate observed in these markets over the past few quarters.

In regards to Gafisa's inventory, approximately 45%, or R\$890.6 million, is concentrated in projects to be delivered from 1Q17 on, not representing an immediate increase in the segment's volume of inventory of finished units.

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

| | Not Initiated | Up to 30% built | 30% a 70% built | More than 70% built | Finished Units | Total 1Q16 |
|------------------------|----------------------|------------------------|------------------------|----------------------------|-----------------------|-------------------|
| São Paulo | 73,948 | - | 729,798 | 511,500 | 117,712 | 1,432,958 |
| Rio de Janeiro | - | 4,700 | 89,295 | 135,603 | 256,024 | 485,622 |
| Outros Mercados | - | - | - | - | 56,346 | 56,346 |
| Total | 73,948 | 4,700 | 819,093 | 647,103 | 430,082 | 1,974,926 |

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.

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Inventory Delivery Schedule

Landbank

The Gafisa segment landbank, with a PSV of R\$5.7 billion, is comprised of 26 potential projects/ phases, amounting to nearly 11.5 units. 71% of potential projects/phases are located in São Paulo and 29% 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, totaling 59.3%.

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

| | PSV (% Gafisa) | % Swap Total | % Swap Units | % Swap Financial | Potential Units (% Gafisa) | Potential Units (100%) |
|----------------|------------------|--------------|--------------|------------------|----------------------------|------------------------|
| São Paulo | 4,048,411 | 50% | 50% | 0% | 8,388 | 9,218 |
| Rio de Janeiro | 1,661,840 | 75% | 75% | 0% | 2,271 | 2,271 |
| Total | 5,710,251 | 59% | 59% | 0% | 10,659 | 11,489 |

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

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

Table 10 - Gafisa Segment - Changes in the Landbank (4Q15 x 1Q16 - R\$ 000)

| | Inicial Landbank | Land Acquisition | Launches | Dissolutions | Adjustments | Final Landbank |
|----------------|------------------|------------------|-----------------|--------------|------------------|------------------|
| São Paulo | 4,286,656 | - | (80,104) | - | (158,141) | 4,048,411 |
| Rio de Janeiro | 1,666,187 | - | - | - | (4,347) | 1,661,840 |
| Total | 5,952,843 | - | (80,104) | - | (162,488) | 5,710,251 |

In 1Q16, the Company did not acquire new land plots.

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

Gafisa Sales

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

Gafisa Vendas currently has a team of 600 highly trained, dedicated consultants, in addition to an online sales force.

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Gafisa Segments Delivered Projects

During 1Q16, 2 projects/phases totaling 191 units were delivered, accounting for R\$104.8 million in PSV. Currently, Gafisa has 24 projects under construction, all of which are on schedule according to the Company's business plan.

Transfers

Over the past few years, the Company has been taking steps to improve the performance of its receivables/transfer process in an attempt to achieve higher rates of return on invested capital. Currently, the Company's strategy is to transfer 90% of eligible units up to 90 days after the delivery of the project. In accordance with this policy, transfers totaled R\$110.0 million in PSV in the first quarter.

Table 11 – Gafisa Segment – Delivered Projects

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|-------------------------------------|-------------|-------------|---------------|-------------|---------------|
| PSV Transferred ¹ | 110,023 | 241,800 | -54% | 198,014 | -44% |
| Delivered Projects | 2 | 8 | -75% | 9 | -78% |
| Delivered Units | 191 | 1,641 | -88% | 1,847 | -90% |
| Delivered PSV² | 104,842 | 1,027,824 | -90% | 569,459 | -82% |

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

2) PSV = Potential sales value of delivered units.

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Financial Results

Revenue

1Q16 net revenues for the Gafisa segment totaled R\$171.0 million, a decrease of 51.5% q-o-q and a decrease of 49.7% y-o-y, as a direct effect of the lower sales volume in the period, due to the high volume of dissolutions, and also due to higher net sales concentrated in projects launched since 2015, which accounted for 82.0% of total net sales in 1Q16.

As previously explained, the 1Q16 results were marked by a lower volume of net sales, resulting from the high volume of dissolutions related to uncertainty in the political and economic environment. Despite the higher share of projects launched before 2015 in the gross sales mix (74.7% of gross sales), the high volume of dissolutions in these projects (97.8% of dissolutions in the quarter) resulted in a concentration in net sales of inventory from more recent projects. Thus, revenues in the quarter were impacted not only by the lower volume of net sales, but also by the concentration of net sales in projects with slower evolution of work progress. These factors impacted the segment's profitability in the first quarter.

In 1Q16, 98.6% of Gafisa segment revenues were derived from projects located in Rio de Janeiro and São Paulo, while 1.4% were derived from projects in non-core markets. The table below provides additional details.

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

| Launches | 1Q16 | | | | 1Q15 | | | |
|---------------|---------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | Pre-Sales | % Sales | Revenue | % Revenue | Pre-Sales | % Sales | Revenue | % Revenue |
| 2016 | 8,187 | 12% | - | 0% | - | 0% | - | 0% |
| 2015 | 48,099 | 72% | 29,218 | 17% | 14,436 | 8% | - | 0% |
| 2014 | 19,578 | 29% | 70,682 | 41% | 59,353 | 33% | 41,343 | 12% |
| 2013 | 27,252 | 41% | 54,485 | 32% | 27,125 | 15% | 58,455 | 17% |
| ≤ 2012 | (36,274) | -54% | 16,598 | 10% | 78,893 | 44% | 240,260 | 71% |
| Total | 66,842 | 100% | 170,982 | 100% | 179,807 | 100% | 340,058 | 100% |
| SP + RJ | 59,240 | 89% | 168,668 | 99% | 163,980 | 91% | 337,414 | 99% |
| Other Markets | 7,602 | 11% | 2,314 | 1% | 15,827 | 9% | 2,643 | 1% |

Gross Profit & Margin

Gross profit for the Gafisa segment in 1Q16 was R\$3.5 million, a decrease from R\$84.2 million in 4Q15, and from R\$98.1 million in the prior year period, due to the lower top line result in the period.

Gross margin in 1Q16 was mainly impacted by the following factors:

- (i) R\$25.3 million net effect due to the volume of dissolutions higher than average, mainly those related to corporate projects - 25.2% of total dissolved PSV during the period. Commercial units have a direct financing model, whose balance is adjusted only after the delivery (IGMP + 12.0% p.y. interest). Due to this adjustment, the reversed revenue is higher, generating a stronger impact when cost and revenue are reversed;
- (ii) R\$6.6 million related to the increase in provisions for doubtful accounts and dissolutions;
- (iii) R\$6.9 million related to other effects, such as a difference in the pricing seen in the resale of dissolved units, especially in the case of corporate projects, in order to better reflect current market conditions.

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The Company constitutes provision for doubtful accounts and dissolutions for customers who present significant evidenc regarding the risk of dissolution of their contracts. In 1Q16, the additional impact related to the provision for doubtful accounts and dissolutions was R\$6.6 million, in order to better reflect current market conditions.

Excluding financial impacts, the adjusted gross margin reached 21.0% in 1Q16 compared to 36.1% in the 4Q15 and 36.9% no 1Q15, impacted by the factors previously explained. Excluding these factors, adjusted gross margin ended 1Q16 at 35.5%.

The table below contains more details on the breakdown of Gafisa's gross margin in 1Q16.

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

| | 1Q16 | 4Q15 | Q/Q (%) | 1Q15 | Y/Y(%) |
|------------------------------|---------------|----------------|-------------------|----------------|-------------------|
| Net Revenue | 170,982 | 352,424 | -51% | 340,058 | -50% |
| Gross Profit | 3,456 | 84,191 | -96% | 98,147 | -96% |
| Gross Margin | <i>2.0%</i> | <i>23.9%</i> | <i>-2,190 bps</i> | <i>28.9%</i> | <i>-2,690 bps</i> |
| (-) Financial Costs | 32,523 | 43,201 | -25% | 27,355 | 19% |
| Adjusted Gross Profit | 35,979 | 127,392 | -72% | 125,502 | -71% |
| Adjusted Gross Margin | <i>21.0%</i> | <i>36.1%</i> | <i>-1,510 bps</i> | <i>36.9%</i> | <i>-1,590 bps</i> |

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

| | SP + RJ | Other Markets | 1Q16 |
|------------------------------|----------------|----------------------|--------------|
| Net Revenue | 168,372 | 2,610 | 170,982 |
| Adjusted Gross Profit | 35,053 | 926 | 35,979 |
| Adjusted Gross Margin | 20.8% | 35.5% | 21.0% |

Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$43.7 million in the 1Q16, stable y-o-y and down 20.9% q-o-q, as a result of the smaller selling expense in the period.

Selling expenses decreased 56.3% compared to 4Q15 and up 18.8% from 1Q15, explained by the current Market environment and the consequent need for higher sales and marketing investments.

The segment's general and administrative expenses reached R\$27.0 million in 1Q16, a decrease of 6.5% compared to the previous year and an increase of 58.8% q-o-q. Explained by the partial reversal of provision for bonus, recorded in the last quarter, that had a net effect of R\$9.0 million between the quarters. It is worth noting that despite the inflation of 9.4% recorded in the last 12 months, the Gafisa segment has managed to reduce its nominal volume of general and administrative expenses.

The better balance in 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.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|--------------------------------|-----------------|-----------------|-------------|-----------------|-----------|
| Selling Expenses | (16,746) | (38,338) | -56% | (14,092) | 19% |
| G&A Expenses | (27,002) | (17,004) | 59% | (28,885) | -7% |
| Total SG&A Expenses | (43,748) | (55,342) | -21% | (42,977) | 2% |
| Launches | 80,104 | 380,270 | -79% | 75,227 | 6% |
| Net Pre-sales | 66,842 | 245,196 | -73% | 179,807 | -63% |
| Net revenue | 170,982 | 352,424 | -51% | 340,058 | -50% |

Other Operating Revenues/Expenses reached R\$14.6 million in 1Q16, a decrease of 46.3% compared to 4Q15, and 48.9% compared to 1Q15. This y-o-y increase reflects the smaller levels of litigation expenses in the first quarter, due to the seasonal effect.

The Company continues to be 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)

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|----------------------------|-----------------|-----------------|-------------|-----------------|-------------|
| Litigation expenses | (15,804) | (23,087) | -32% | (19,965) | -21% |
| Other | 1,228 | (4,042) | - | (8,556) | - |
| Total | (14,576) | (27,129) | -46% | (28,521) | -49% |

The strong 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 a negative result of R\$18.1 million in 1Q16, below when compared to the positive Adjusted EBITDA of R\$49.9 million in 4Q15 and R\$58.3 million compared to the same period last year. The 1Q16 Adjusted EBITDA was impacted by the following factors: (i) lower revenue in the quarter due to the volume and sales mix; and (ii) decreased gross margin in the period. Note that adjusted EBITDA for the Gafisa segment does not include equity income from Alphaville.

The adjusted EBITDA margin, using the same criteria, reached -10.6% compared to 14.1% in 4Q15 and 17.1% in 1Q15.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|---------------------------------|-----------------|---------------|-------------------|---------------|-------------------|
| Net Profit (Loss) | (58,021) | 13,818 | - | 20,205 | - |
| (+) Financial Results | 44 | 13,472 | -100% | 9,744 | -100% |
| (+) Income Taxes | 5,990 | (1,827) | - | 7,350 | -19% |
| (+) Depreciation & Amortization | 9,508 | 7,805 | 22% | 8,279 | 15% |
| (+) Capitalized interests | 32,523 | 43,201 | -25% | 27,355 | 19% |
| (+) Expense w stock Option Plan | 1,891 | 1,966 | -4% | 2,090 | -10% |
| (+) Minority Shareholders | 805 | (1,873) | - | 228 | 253% |
| (-) Alphaville Effect Result | (10,880) | (26,704) | -59% | (16,960) | -36% |
| Adjusted EBITDA | (18,140) | 49,858 | - | 58,291 | - |
| Net Revenue | 170,982 | 352,424 | -51% | 340,058 | -50% |
| Adjusted EBITDA Margin | -10.6% | 14.1% | -2,470 bps | 17.1% | -2,770 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\$160.0 million in 1Q16. The consolidated margin was 37.4% in the quarter, compared to 39.6% posted in last year's first quarter.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|-----------------------------------|----------------|----------------|-----------------|----------------|-----------------|
| Backlog Revenues | 427,365 | 497,561 | -14% | 742,154 | -42% |
| Backlog Costs (units sold) | (267,395) | (305,206) | -12% | (448,061) | -40% |
| Backlog Results | 159,970 | 192,355 | -17% | 294,093 | -46% |
| Backlog Margin | 37.4% | 38.7% | -130 bps | 39.6% | -220 bps |

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

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TENDA SEGMENT

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

Operating Results | Launches and Sales

First quarter launches totaled R\$228.5 million and included 9 projects/phases in the states of São Paulo, Rio Grande do Sul, Minas Gerais, Bahia and Pernambuco. The Tenda segment accounted for 74.0% of launches in the quarter.

During 1Q16, gross sales reached R\$312.7 million and dissolutions were R\$46.2 million, resulting in total net pre-sales of R\$266.5 million, 12,2% higher than the last quarter and 9.4% higher y-o-y.

In the quarter, 91.8% of total net sales were remaining units.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|------------|---------|---------|--------|---------|--------|
| Launches | 228,544 | 302,635 | -24% | 238,354 | -4% |
| Pre- Sales | 266,497 | 237,452 | 12% | 243,537 | 9% |

Sales Over Supply (SoS)

In 1Q16, sales velocity (sales over supply) was 23.9%, and on a trailing 12-month basis, Tenda's SoS was 55.0%.

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

| | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 1Q16 |
|-----------|-------|-------|-------|-------|-------|
| New Model | 30.9% | 35.2% | 27.1% | 24.9% | 26.9% |
| Legacy | 7.0% | 12.0% | 11.4% | 5.2% | 10.7% |
| Total | 23.3% | 28.2% | 23.0% | 20.9% | 23.9% |

Table 20. SoS Gross Revenue (Ex-Dissolutions)

Table 21. SoS Net Revenue

| | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 1Q16 |
|-----------|-------|-------|-------|-------|-------|
| New Model | 32.7% | 37.4% | 29.6% | 27.4% | 29.7% |
| Legacy | 20.1% | 24.3% | 19.4% | 13.3% | 20.7% |
| Total | 28.6% | 33.4% | 26.9% | 24.4% | 28.0% |

Dissolutions

The level of dissolutions in the Tenda segment totaled R\$46.2 million in 1Q16, a decrease of 17.9% compared to 1Q15 and an increase of 15.9% compared to 4Q15, in line with the higher volume of gross sales in this quarter.

Due to its transfer policy, which occurs immediately after the sale, and the reduction of the legacy portfolio, the Tenda segment continues to support a lower volume of dissolutions. The percentage of dissolutions over gross sales reached 14.8%, even with the significant participation of 55.7% of the old legacy projects in this quarter's total volume of dissolutions.

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

| | 1Q15 | % GS | 2Q15 | % GS | 3Q15 | % GS | 4Q15 | % GS | 1Q16 | % GS |
|------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| New Model | 12,594 | 4.2% | 15,648 | 4.5% | 19,576 | 6.8% | 22,201 | 8.0% | 20,490 | 6.6% |
| Legacy | 43,737 | 14.6% | 38,115 | 11.1% | 22,447 | 7.8% | 17,686 | 6.4% | 25,736 | 8.2% |
| Total | 56,332 | 18.8% | 53,763 | 15.6% | 42,023 | 14.6% | 39,887 | 14.4% | 46,226 | 14.8% |

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

In the quarter, 314 units were cancelled and returned to inventory, of which 180 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 completed.

Tenda Segment Transfers

In the 1Q16, 2,037 units were transferred to financial institutions, representing R\$266.8 million in net pre-sales.

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

| | 1Q14 | 2Q14 | 3Q14 | 4Q14 | 1Q15 | 2Q15 | 3Q15 | 4Q15 | 1Q16 |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| New Model | 49,776 | 69,563 | 59,736 | 67,621 | 114,939 | 199,423 | 194,719 | 165,691 | 236,120 |
| Legacy | 139,721 | 154,155 | 100,361 | 74,773 | 59,110 | 61,566 | 53,912 | 40,050 | 30,642 |
| Total | 189,497 | 223,717 | 160,097 | 142,393 | 174,049 | 260,989 | 248,631 | 205,741 | 266,762 |

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

2) PSV = Potential sales volume of the units.

Tenda Segment Delivered Projects

During 1Q16, Tenda delivered 3 projects/phases and 464 units, accounting for a PSV of R\$61.7 million.

Inventory

The market value of Tenda inventory was R\$849.1 million at the end of the 1Q16, down 5.6% compared to R\$899.8 million at the end of 4Q15. Inventory related to the legacy units for the Tenda segment totaled R\$183.7 million or 21.6% of the total, down 18.8% versus 4Q15 and 41.1% as compared to 1Q15. During the quarter, inventory comprising units within the Minha Casa Minha Vida program totaled R\$815.3 million, or 96.0% of total inventory, while units outside the program totaled R\$33.8 million, a decrease of 66.0% q-o-q and of 80.6% y-o-y.

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

| | Inventory EP 4Q15 | Launches | Dissolutions | Pre- Sales | Price Adjustments + Others | Inventory EP 1Q16 | % Q/Q |
|--------------------|----------------------|----------------|---------------|------------------|----------------------------------|----------------------|------------|
| São Paulo | 251,501 | 27,675 | 6,218 | (92,297) | (1,772) | 191,325 | -24% |
| Rio Grande do Sul | 76,811 | 40,236 | 2,935 | (30,692) | (1,318) | 87,972 | 15% |
| Rio de Janeiro | 246,844 | 0 | 14,540 | (78,606) | (9,203) | 173,575 | -30% |
| Bahia | 133,795 | 56,008 | 7,962 | (50,453) | 7,180 | 154,492 | 15% |
| Pernambuco | 68,351 | 38,152 | 410 | (18,241) | 3,212 | 91,884 | 34% |
| Minas Gerais | 71,890 | 66,473 | 8,880 | (33,273) | (2,513) | 111,457 | 55% |
| Other | 50,621 | 0 | 5,281 | (9,162) | (8,363) | 38,377 | -24% |
| Total Tenda | 899,813 | 228,544 | 46,226 | (312,724) | (12,777) | 849,082 | -6% |
| MCMV | 800,486 | 228,544 | 37,882 | (296,691) | 45,077 | 815,298 | 2% |
| Out of MCMV | 99,327 | 0 | 8,344 | (16,033) | (57,854) | 33,784 | -66% |

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

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

| | Not Initiated | Up to 30% built | 30% to 70% built | More than 70% built | Finished Units ¹ | Total 1Q16 |
|----------------------|----------------|--------------------|---------------------|------------------------|--------------------------------|----------------|
| New Model – MCMV | 134,207 | 300,366 | 176,343 | 39,238 | 15,220 | 665,374 |
| Legacy – MCMV | - | - | 57,264 | - | 92,660 | 149,924 |
| Legacy – Out of MCMV | - | - | - | - | 33,784 | 33,784 |
| Total Tenda | 134,207 | 300,366 | 233,607 | 39,238 | 141,664 | 849,082 |

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 legal approval for a suspended project with a total PSV of R\$57.3 million to move forward with construction.

Tenda Segment Landbank

The Tenda segment landbank, with a PSV of approximately R\$4.6 billion, is comprised of 126 different projects/phases. Out of these projects/phases 24% are located in São Paulo, 13% in Rio Grande do Sul, 22% in Rio de Janeiro, 5% in Minas Gerais, 25% in Bahia, and 10% in Pernambuco. In total these projects/phases reflect more than 33,000 units.

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

| | PSV (% Tenda) | % Swap Total | % Swap Units | % Swap Financial | Potential Units (% Tenda) | Potential Units (100%) |
|--------------------------|--------------------------|-------------------------|-------------------------|-----------------------------|--|---------------------------------------|
| São Paulo | 1,090,401 | 0% | 0% | 0% | 7,021 | 7,021 |
| Rio Grande do Sul | 623,399 | 18% | 5% | 13% | 4,596 | 4,620 |
| Rio de Janeiro | 1,034,112 | 19% | 19% | 0% | 7,325 | 7,429 |
| Bahia | 1,177,331 | 8% | 8% | 0% | 9,350 | 9,392 |
| Pernambuco | 458,291 | 23% | 10% | 13% | 3,655 | 3,680 |
| Minas Gerais | 250,906 | 38% | 38% | 0% | 1,695 | 1,740 |
| Total | 4,634,440 | 13% | 9% | 4% | 33,642 | 33,882 |

¹ Swap percentage over the historical cost of land acquisition.

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

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Table 27 –Tenda Segment – Changes in the Landbank (4Q15 x 1Q16 - R\$ 000)

| | Initial Landbank | Land Acquisition | Launches | Adjustments | Final Landbank |
|--------------------------|-------------------------|-------------------------|------------------|--------------------|-----------------------|
| São Paulo | 1,088,294 | 138,376 | (27,675) | (108,594) | 1,090,401 |
| Rio Grande do Sul | 653,968 | 0 | (40,236) | 9,667 | 623,399 |
| Rio de Janeiro | 1,043,191 | 0 | 0 | (9,079) | 1,034,112 |
| Bahia | 1,209,478 | 72,877 | (56,008) | (49,016) | 1,177,331 |
| Pernambuco | 481,380 | 0 | (38,152) | 15,063 | 458,291 |
| Minas Gerais | 256,628 | 64,800 | (66,473) | (4,049) | 250,906 |
| Total | 4,732,938 | 276,053 | (228,544) | (146,008) | 4,634,440 |

In 1Q16, the Tenda segment acquired new land plots with a potential PSV of R\$276.0 million. In the first quarter, 8 land plots were acquired, representing an acquisition cost of R\$24.9 million, 100% to be paid in cash, with cash disbursement to occur over the next few quarters.

New Model Update and Turnaround

Tenda is in keeping with expanding its launches volume 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. Tenda has a total of 60 projects/phases and a launched PSV of R\$2,244.7 million since 2013. Below is a brief description of the average performance of these projects, per region.

Notably, the Tenda segment has delivered 22 projects/phases, totaling 6,147 units and R\$845.1 million in PSV, all of them attaining the performance and profitability drivers established for the New Model.

Table 28. Tenda – New Model Monitoring 2013 - 2016

| SP | RJ | BA | PE | MG | RS | 2013 |
|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| 4 | 1 | 2 | - | - | - | 7 |

| | | | | | | | |
|------------------------------|-------|------|------|---|---|---|-------|
| Number of Projects | | | | | | | |
| Units launched | 1,380 | 300 | 779 | - | - | - | 2,459 |
| Total PSV (R\$ 000) | 189.7 | 40.4 | 83.9 | - | - | - | 314 |
| Units Sold | 1,378 | 293 | 774 | - | - | - | 2,445 |
| % Sold | 100% | 98% | 99% | - | - | - | 99% |
| SoS Avg (Month) | 11% | 6% | 5% | - | - | - | 9% |
| Transfers | 1,378 | 267 | 761 | - | - | - | 2,406 |
| % Transferred (Sales) | 100% | 89% | 98% | - | - | - | 98% |
| Work Progress | 100% | 100% | 100% | - | - | - | 100% |

| | SP | RJ | BA | PE | MG | RS | 2014 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Number of Projects | 4 | 4 | 4 | 1 | 1 | - | 14 |
| Units launched | 720 | 1,511 | 1,220 | 432 | 432 | - | 4,315 |
| Total PSV (R\$ 000) | 117.8 | 224.8 | 151.5 | 58.8 | 60.4 | - | 613 |
| Units Sold | 720 | 1,418 | 1,193 | 427 | 428 | - | 4,186 |
| % Sold | 100% | 94% | 98% | 99% | 99% | - | 97% |
| SoS Avg (Month) | 13% | 6% | 7% | 7% | 4% | - | 7% |
| Transfers | 700 | 1,185 | 1,134 | 406 | 373 | - | 3,798 |
| % Transferred (Sales) | 98% | 80% | 95% | 94% | 86% | - | 88% |
| Work Progress | 100% | 95% | 97% | 100% | 76% | - | 95% |

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| | SP | RJ | BA | PE | MG | RS | 2015 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Number of Projects | 10 | 7 | 5 | 3 | 2 | 3 | 30 |
| Units launched | 2,180 | 1,751 | 1,584 | 944 | 372 | 880 | 7,711 |
| Total PSV (R\$ 000) | 338.2 | 252.6 | 198.5 | 122.3 | 53.2 | 123.6 | 1,088 |
| Units Sold | 1,720 | 780 | 905 | 551 | 290 | 691 | 4,937 |
| % Sold | 79% | 45% | 57% | 58% | 78% | 79% | 64% |
| SoS Avg (Month) | 15% | 6% | 8% | 6% | 12% | 13% | 10% |
| Transfers | 1,505 | 546 | 747 | 431 | 181 | 497 | 3,907 |
| % Transferred (Sales) | 72% | 32% | 51% | 46% | 48% | 56% | 51% |
| Work Progress | 56% | 32% | 44% | 46% | 40% | 41% | 44% |

| | SP | RJ | BA | PE | MG | RS | 2016 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|
| Number of Projects | 1 | - | 2 | 1 | 3 | 2 | 9 |
| Units launched | 180 | - | 440 | 304 | 520 | 280 | 1,724 |
| Total PSV (R\$ 000) | 27.7 | - | 56.0 | 38.2 | 66.5 | 40.2 | 229 |
| Units Sold | 44 | - | 57 | 34 | 10 | 8 | 153 |
| % Sold | 24% | - | 13% | 11% | 2% | 3% | 9% |
| SoS Avg (Month) | 12% | - | 13% | 4% | 13% | 1% | 9% |
| Transfers | 17 | - | 32 | 9 | - | - | 58 |
| % Transferred (Sales) | 9% | - | 7% | 3% | - | - | 3% |
| Work Progress | 1% | - | 4% | 0% | - | 7% | 2% |

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Financial Result

Revenues

Tenda's 1Q16 net revenues totaled R\$234.6 million, an increase of 30.7% compared with 1Q15, reflecting an increased volume of net sales as a result of lower levels of dissolutions compared to previous years. As shown in the table below, revenues from new projects accounted for 90.1% of Tenda's revenues in 1Q16, while revenues from legacy projects accounted for the remaining 9.9%.

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

| Launches | 1Q16 | | | | 1Q15 | | | |
|------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| | Pre-Sales | % Sales | Revenue | % Revenue | Pre-Sales | % Sales | Revenues | % Revenues |
| 2016 | 21,930 | 8% | 4,130 | 2% | - | 0% | - | 0% |
| 2015 | 205,603 | 77% | 175,411 | 75% | 45,280 | 19% | 7,864 | 5% |
| 2014 | 17,637 | 7% | 32,146 | 14% | 167,696 | 69% | 91,592 | 51% |
| 2013 | (662) | 0% | (293) | 0% | 7,033 | 3% | 29,471 | 16% |
| ≤ 2012 | 21,989 | 8% | 23,159 | 10% | 23,528 | 10% | 50,516 | 28% |
| Total | 266,497 | 100% | 234,552 | 100% | 243,537 | 100% | 179,443 | 100% |
| New Model | 244,508 | 92% | 211,393 | 90% | 220,009 | 90% | 128,927 | 72% |
| Legacy | 21,989 | 8% | 23,159 | 10% | 23,528 | 10% | 50,516 | 28% |

Gross Profit and Margin

1Q16 gross profit totaled R\$68.7 million, up significantly from R\$51.1 million in 1Q15, and R\$58.7 million in the 4Q15. Gross margin for the quarter reached 29.3%, compared to 28.5% in 1Q15 and 28.4% in 4Q15.

The maintenance of higher gross margins is due to the increased contribution of more profitable projects launched under the new model in Tenda's revenue generation, as has been observed over the last few quarters.

Tenda's adjusted gross margin ended 1Q16 at 31.7%, above the 30.0% recorded in the previous year period, and 29.9% when compared with 4Q15.

The table below shows Tenda's gross margin breakdown in 1Q16.

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

| | 1Q16 | 4Q15 | Q/Q (%) | 1Q15 | Y/Y (%) |
|------------------------------|---------------|---------------|----------------|---------------|----------------|
| Net Revenue | 234,552 | 206,822 | 13% | 179,443 | 31% |
| Gross Profit | 68,745 | 58,660 | 17% | 51,053 | 35% |
| Gross Margin | <i>29.3%</i> | <i>28.4%</i> | <i>90 bps</i> | <i>28.5%</i> | <i>80 bps</i> |
| (-) Financial Costs | 5,515 | 3,267 | 69% | 2,747 | 101% |
| Adjusted Gross Profit | 74,260 | 61,927 | 20% | 53,800 | 38% |
| Adjusted Gross Margin | <i>31.7%</i> | <i>29.9%</i> | <i>180 bps</i> | <i>30.0%</i> | <i>170 bps</i> |

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Selling, General and Administrative Expenses (SG&A)

During 1Q16, selling, general and administrative expenses totaled R\$37.3 million, a 4.6% decrease compared to 4Q15, and an increase of 34.1% compared to R\$27.8 million in 1Q15.

Selling expenses totaled R\$18.3 million in 1Q16, in line with the last quarter, and a 40.3% increase y-o-y, due to the ongoing expansion in launch volumes and increased gross sales in the Tenda segment in the last quarters.

In 1Q16, general and administrative expenses presented a decrease of 8.2% compared to 4Q15 and an increase of 28.7% in the annual comparison, explicado pela the reversal of expenses related to provision for bonus recorded in 1Q15.

Another step taken by the Tenda segment to improve a its operational and financial cycle since 2013 is a reduction in the cost structure to a level more compatible and balanceable with the current stage of the Company's business model, in order to achieve better profitability.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y (%) |
|-------------------------------------|-----------------|-----------------|------------|-----------------|------------|
| Selling Expenses | (18,272) | (18,348) | 0% | (13,021) | 40% |
| General & Admin Expenses | (19,020) | (20,723) | -8% | (14,783) | 29% |
| Total SG&A Expenses | (37,292) | (39,071) | -5% | (27,804) | 34% |
| Launches | 228,544 | 302,635 | -24% | 238,354 | -4% |
| Net Pre-Sales | 266,497 | 237,452 | 12% | 243,537 | 9% |
| Net Revenue | 234,552 | 206,822 | 13% | 179,443 | 31% |

The Other Operating Revenues/Expenses totaled an expense of R\$15.2 million, a decrease of 25.3% vs. 4Q15, due to the absence of the non-recurring effects recorded last quarter.

Below, we present a breakdown of this expense.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y (%) |
|----------------------------|-----------------|-----------------|---------------|----------------|----------------|
| Litigation Expenses | (7.084) | (8.356) | -15% | (6.105) | 16% |
| Other | (8.133) | (12.003) | -32% | 1.071 | -859% |
| Total | (15.217) | (20.359) | -25% | (5.034) | 202% |

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 in 3Q15 and the full contribution of New Model projects which are demonstrating strong operational performance.

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Adjusted EBITDA

Adjusted EBITDA was R\$22.8 million in 1Q16, compared to Adjusted EBITDA of R\$1.5 million in 4Q15 and R\$21.1 million in the last year.

The increased contribution 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 33. Tenda – Adjusted EBITDA (R\$ 000)

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y (%) |
|--|---------------|--------------|----------------|---------------|-----------------|
| Net (Loss) Profit | 4,794 | (12,991) | - | 11,446 | -58% |
| (+) Financial results | 1,897 | (565) | - | (1,528) | - |
| (+) Income taxes | 6,755 | 5,751 | 17% | 4,810 | 40% |
| (+) Depreciation & Amortization | 3,190 | 3,941 | -19% | 3,390 | -6% |
| (+) Capitalized interests | 5,515 | 3,267 | 69% | 2,747 | 101% |
| (+) Expenses with stock Option Plan | 533 | 533 | 0% | 527 | 1% |
| (+) Minority Shareholders | 71 | 1,528 | -95% | (278) | - |
| Adjusted EBITDA | 22,755 | 1,464 | 1454% | 21,114 | 8% |
| Net Revenue | 234,552 | 206,822 | 13% | 179,443 | 31% |
| Adjusted EBITDA Margin | 9.7% | 0.7% | 900 bps | 11.8% | -210 bps |

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

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

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$115.1 million in 1Q16. The consolidated margin for the quarter was 40.9%.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|-----------------------------------|----------------|----------------|---------------|---------------|---------------|
| Backlog Revenues | 281,506 | 266,463 | 6% | 188,447 | 49% |
| Backlog Costs (units sold) | (166,446) | (148,691) | 12% | (114,973) | 45% |
| Backlog Results | 115,060 | 117,772 | -2% | 73,474 | 57% |
| Backlog Margin | 40.9% | 44.2% | -330 bps | 39.0% | 190 bps |

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

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Balance Sheet and Consolidated Financial Results

Cash and Cash Equivalents

On March 31, 2016, cash and cash equivalents and securities totaled R\$792.1 million, up 11.2% from December 31, 2015.

Accounts Receivable

At the end of 1Q16, total consolidated accounts receivable decreased 15.1% y-o-y to R\$2.4 billion, and decreased by 6.4% compared to 4Q15.

The Gafisa and Tenda segments have approximately R\$553.0 million in accounts receivable from finished units.

Table 35. Total Receivables (R\$ 000)

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y(%) |
|--|------------------|------------------|---------------|------------------|---------------|
| Receivables from developments (off balance sheet) | 725,499 | 792,968 | -9% | 965,855 | -25% |
| Receivables from PoC- ST (on balance sheet) | 1,328,042 | 1,395,273 | -5% | 1,476,007 | -10% |
| Receivables from PoC- LT (on balance sheet) | 374,614 | 407,091 | -8% | 417,746 | -10% |
| Total | 2,428,155 | 2,595,332 | -6% | 2,859,608 | -15% |

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\$94.3 million in 1Q16. The Gafisa segment contributed cash generation of R\$41.0 million. This increase came as a result of the volume of delivered residential projects in the last quarter of the year. The volume of transferred/received units sold to financing agents reached R\$110.0 million during the period. The Tenda segment generated R\$53.3 million in cash, with R\$235.1 million transferred in 1Q16.

While consolidated operating cash generation reached R\$94.3 million, the Company ended 1Q16 with net operating cash generation of R\$28.3 million.

Table 36. Cash Generation (R\$ 000)

| | 4Q15* | 1Q16 |
|--|--------------|------------------|
| Availabilities | 712,311 | 792,076 |
| Change in Availabilities(1) | | 79,766 |
| Total Debt + Investor Obligations | 2,155,688 | 2,207,114 |
| Change in Total Debt + Investor Obligations (2) | | 51,425 |
| Cash Generation in the period (1) - (2) | | 28,340 |
| Cash Generation Final | | 28,340 |

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

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Liquidity

At the end of March 2016, the Company's Net Debt/Equity ratio reached 46.5%, in line with 46.6% in the previous quarter. Excluding project finance, the Net Debt/Equity ratio was negative 14.6%.

The Company's consolidated gross debt reached R\$2.2 billion at the end of 1Q16, in line with the last quarter, a decrease of 16.8% y-o-y. In the 1Q16, the Company amortized R\$175.9 million in debt, of which R\$146.5 million was project finance and R\$29.4 million was corporate debt. A total of R\$139.8 million, however, was disbursed, allowing for a net amortization of R\$36.1 million.

Table 37. Debt and Investor Obligations

| | 1Q16 | 4Q15 | Q/Q (%) | 1Q15 | Y/Y (%) |
|---|-----------|-----------|----------|-----------|----------|
| Debentures - FGTS (A) | 672,793 | 654,445 | 3% | 914,209 | -26% |
| Debentures – Working Capital (B) | 186,295 | 203,513 | -8% | 356,359 | -48% |
| Project Financing SFH – (C) | 1,187,049 | 1,161,707 | 2% | 1,103,283 | 8% |
| Working Capital (D) | 154,495 | 131,128 | 18% | 264,102 | -42% |
| Total (A)+(B)+(C)+(D) = (E) | 2,200,632 | 2,150,793 | 2% | 2,637,953 | -17% |
| Investor Obligations (F) | 6,482 | 4,895 | 32% | 13,430 | -52% |
| Total Debt (E)+(F) = (G) | 2,207,114 | 2,155,688 | 2% | 2,651,383 | -17% |
| Cash and Availabilities (H) | 792,076 | 712,311 | 11% | 1,116,168 | -29% |
| Net Debt (G)-(H) = (I) | 1,415,038 | 1,443,377 | -2% | 1,535,215 | -8% |
| Equity + Minority Shareholders (J) | 3,046,284 | 3,097,236 | -2% | 3,070,891 | -1% |
| (Net Debt) / (Equity) (I)/(J) = (K) | 46.5% | 46.6% | -10 bps | 50.0% | -350 bps |
| (Net Debt – Proj Fin) / Equity (I)-((A)+(C))/(J) = (L) | -14.6% | -12.0% | -260 bps | -15.7% | 110 bps |

The Company ended 1Q16 with R\$1.0 billion in total debt due maturing in the short term. It should be noted, however, that 86.5% of this volume relates to debt linked to the Company's projects. Currently, the average cost of consolidated debt is 14.12% p.y., or 99.94% of the CDI.

Table 38. Debt Maturity

| (R\$ 000I) | Average Cost (p.y.) | Total | Until Mar/17 | Until Mar/18 | Until Mar/19 | Until Mar/20 | After Mar/20 |
|-----------------------|------------------------|---------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Debentures - FGTS (A) | | 672,793 | 373,126 | 299,667 | - | - | - |

| | | | | | | | | |
|---|--|------------------|------------------|----------------|----------------|---------------|---------------|--|
| | TR + 9.02% - 10.19% | | | | | | | |
| Debtures – Working Capital (B) | CDI + 1.90% - 1.95% / IPCA + 7.96% - 8.22% | 186,295 | 26,618 | 60,866 | 78,154 | 20,657 | - | |
| Project Financing SFH (C) | TR + 8.37% - 11.56% / 120.0% - 129.0% CDI | 1,187,049 | 521,926 | 448,949 | 172,313 | 29,160 | 14.701 | |
| Working Capital (D) | CDI + 3.95% / 117.9% CDI / INCC | 154,495 | 107,582 | 44,248 | 2,116 | 549 | - | |
| Total (A)+(B)+(C)+(D) = (E) | | 2,200,632 | 1,029,252 | 853,730 | 252,583 | 50,366 | 14.701 | |
| Investor Obligations (F) | CDI + 0.59% | 6,482 | 5,342 | 1,140 | - | - | - | |
| Total Debt (E)+(F) = (G) | | 2,207,114 | 1,034,594 | 854,870 | 252,583 | 50,366 | 14.701 | |
| % of Total Maturity per period Project debt maturing as % of total debt ((A)+ (C))/(G) | | | 46.9% | 38.7% | 11.4% | 2.3% | 0.7% | |
| | | | 86.5% | 87.6% | 68.2% | 57.9% | 100.0% | |
| Corporate debt maturing as % of total debt ((B)+(D)+(F))/(G) | | | 13.5% | 12.4% | 31.8% | 42.1% | 0.0% | |
| Ratio Corporate Debt / Mortgage | | 15.7%/ | 84.3% | | | | | |

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Financial Result

Revenues

On a consolidated basis, net revenue in 1Q16 totaled R\$405.5 million, down 27.5% compared to 4Q15 and down 21.9% from 1Q15. In the quarter, the Gafisa segment represented 42.2% of consolidated revenues, while Tenda accounted for the remaining 57.8%.

Gross Profit & Margin

Gross profit in 1Q16 was R\$72.2 million, compared to R\$142.9 million in 4Q15, and R\$149.2 million in the prior year period. Such reduction is due to the lower level of revenues in the period. Gross margin for the quarter reached 17.8% compared to 25.5% in the 4Q15 and 28.7% in 1Q15.

Adjusted gross profit totaled R\$110.2 million, with a margin of 27.2%, compared to 33.9% in the 4Q15 and 34.5% in the previous year.

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

| | 1Q16 | 4Q15 | Q/Q(%) | 1Q15 | Y/Y (%) |
|------------------------------|----------------|----------------|---------------|----------------|----------------|
| Net Revenue | 405,534 | 559,246 | -27% | 519,501 | -22% |
| Gross Profit | 72,201 | 142,851 | -49% | 149,200 | -52% |
| Gross Margin | 17.8% | 25.5% | -770 bps | 28.7% | -1090 bps |
| (-) Financial Costs | 38,038 | 46,468 | -18% | 30,102 | 26% |
| Adjusted Gross Profit | 110,239 | 189,319 | -42% | 179,302 | -39% |
| Adjusted Gross Margin | 27.2% | 33.9% | -670 bps | 34.5% | -730 bps |

Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$81.0 million in 1Q16, up of 14.5% compared to 1Q15 and a decrease of 14.2% q.o.q.

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

| | 1Q16 | 4Q15 | Q/Q (%) | 1Q15 | Y/Y(%) |
|-------------------------|-------------|-------------|----------------|-------------|---------------|
| Selling Expenses | (35,018) | (56,686) | -38% | (27,113) | 29% |

| | | | | | |
|--------------------------------|-----------------|-----------------|-------------|-----------------|------------|
| G&A Expenses | (46,022) | (37,727) | 22% | (43,668) | 5% |
| Total SG&A Expenses | (81,040) | (94,413) | -14% | (70,781) | 14% |
| Launches | 308,648 | 682,905 | -55% | 313,581 | -2% |
| Net Pre- Sales | 333,339 | 482,648 | -31% | 423,344 | -21% |
| Net Revenue | 405,534 | 559,246 | -27% | 519,501 | -22% |

Given the 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 operational cycle.

The Other Operating Revenues/Expenses line totaled an expense of R\$29,8 million, a decrease of 37.3% vs. 4Q15 and of 11.2% vs 1Q15.

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

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

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|---------------------|-----------------|-----------------|---------------|-----------------|---------------|
| Litigation expenses | (22,888) | (31,443) | -27% | (26,070) | -12% |
| Other | (6,905) | (16,045) | -57% | (7,485) | -8% |
| Total | (29,793) | (47,488) | -37% | (33,555) | -11% |

Consolidated Adjusted EBITDA

Consolidated adjusted EBITDA, including Alphaville equity income, totaled R\$15.5 million in 1Q16, down from R\$96.4 million in the prior-year period e from the R\$78.0 million in 4Q15. 1Q16 Consolidated adjusted EBITDA was especially impacted by the lower gross result of the Gafisa segment, as a result of the major difficulties in the upper-middle income market in face of the current economic and political environment. Consolidated adjusted EBITDA margin using the same criteria was 3.8%, compared with 18.5% margin reported in the last year and 14.0% in 1Q15.

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

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|-------------------------------------|---------------|---------------|-------------------|---------------|-------------------|
| Net Profit (Loss) | (53,227) | 827 | - | 31,651 | - |
| (+) Financial results | 1,941 | 12,907 | -85% | 8,216 | -76% |
| (+) Income taxes | 12,745 | 3,924 | 225% | 12,160 | 5% |
| (+) Depreciation & Amortization | 12,698 | 11,746 | 8% | 11,669 | 9% |
| (+) Capitalized interests | 38,038 | 46,468 | -18% | 30,102 | 26% |
| (+) Expenses with stock Option Plan | 2,424 | 2,499 | -3% | 2,618 | -7% |
| (+) Minority Shareholders | 876 | (345) | - | (50) | - |
| Adjusted EBITDA | 15,495 | 78,026 | -80% | 96,366 | -84% |
| Net Revenue | 405,534 | 559,246 | -27% | 519,501 | -22% |
| Adjusted EBITDA Margin | 3.8% | 14.0% | -1,020 bps | 18.5% | -1,470 bps |

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

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

Depreciation and Amortization

Depreciation and amortization in the 1Q16 reached R\$12.7 million, up 8.1% compared to 4Q15 and 8.8% compared to the R\$11.7 million recorded in 1Q15. D&A is now in line with Company's current level of operations.

Financial Results

1Q16 Net financial result was negative R\$1.9 million, better than the negative result of R\$8.2 million in 1Q15 and R\$12.9 million in 4Q15. Financial revenues were down 22.0% y-o-y, totaling R\$25.4 million, due to the lower balance of funds available in the period. Financial expenses reached R\$27.4 million, compared to R\$40.8 million in 1Q15, due to the lower amount of total debt, higher share of project-related debt compared to corporate debt, resulting in lower cost of funding, as well as the positive result of mark-to-market of swaps.

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Taxes

Income taxes, social contribution and deferred taxes for 1Q16 amounted to an expense of R\$12.7 million, due to temporary differences in the period.

Net Income

The Company ended the 1Q16 with a net loss of R\$53.2 million. Excluding the equity income from AUSA, the Company recorded a net loss of R\$64.1 million, compared to a net loss of R\$25.9 million in 4Q15 and net income of R\$14.7 million in the same period last year.

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

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|-------------------------------------|-----------------|-----------------|---------------|----------------|---------------|
| Net Revenue | 405,534 | 559,246 | -27% | 519,501 | -22% |
| Gross Profit | 72,201 | 142,851 | -49% | 149,200 | -52% |
| Gross Margin | 17.8% | 25.5% | -770 bps | 28.7% | -1,090 bps |
| Adjusted Gross Profit ¹ | 110,239 | 189,319 | -42% | 179,302 | -39% |
| Adjusted Gross Margin ¹ | 27.2% | 33.9% | -670 bps | 34.5% | -730 bps |
| Adjusted EBITDA ² | 15,495 | 78,026 | -80% | 96,366 | -84% |
| Adjusted EBITDA Margin | 3.8% | 14.0% | -1,020 bps | 18.5% | -1,480 bps |
| Net Income (ex-AUSA equity income) | (53,227) | 827 | - | 31,651 | - |
| (-) Alphaville Equity Income | 10,880 | 26,704 | -59% | 16,960 | -36% |
| Net income (ex-AUSA equity income) | (64,107) | (25,877) | 148% | 14,691 | -536% |

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\$275.0 million in the 1Q16. The consolidated margin for the quarter was 38.8%.

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

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|-----------------------------------|----------------|----------------|---------------|----------------|---------------|
| Backlog Revenues | 708,871 | 764,024 | -7% | 930,601 | -24% |
| Backlog Costs(units sold) | (433,841) | (453,897) | -4% | (563,034) | -23% |
| Backlog Results | 275,030 | 310,127 | -11% | 367,567 | -25% |
| Backlog Margin | 38.8% | 40.6% | -180 bps | 39.5% | -70 bps |

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

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Net Profit reaches R\$36.0 million in 1Q16

São Paulo, May 5, 2016 – Alphaville Urbanismo SA releases its results for the 1st quarter of 2016.

Financial Results

In the first quarter of 2016, net revenues were R\$234 million, 2.8% below the same period of 2015. Net income was R\$36 million, 2.9% above 1Q15.

| | | | |
|--------------------|-----|-----|-------|
| Net Revenue | 234 | 240 | -2,8% |
| Net Income | 36 | 35 | 2,9% |
| Margin | 16% | 15% | |

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Financial Statements Gafisa Segment

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|-------------------------------------|-----------------|-----------------|-------------|-----------------|-------------|
| Net Revenue | 170,982 | 352,424 | -51% | 340,058 | -50% |
| Operating Costs | (167,526) | (268,233) | -38% | (241,911) | -31% |
| Gross Profit | 3,456 | 84,191 | -96% | 98,147 | -96% |
| Gross Margin | 2.0% | 23.9% | -2,190 bps | 28.9% | -2,690 bps |
| Operating Expenses | (54,638) | (60,601) | -10% | (60,620) | -10% |
| Selling Expenses | (16,746) | (38,338) | -56% | (14,092) | 19% |
| General and Administrative Expenses | (27,002) | (17,004) | 59% | (28,885) | -7% |
| Other Operating Revenue/Expenses | (14,576) | (27,129) | -46% | (28,521) | -49% |
| Depreciation and Amortization | (9,508) | (7,805) | 22% | (8,279) | 15% |
| Equity Income | 13,194 | 29,675 | -56% | 19,157 | -31% |
| Operational Result | (51,182) | 23,590 | - | 37,527 | - |
| Financial Income | 16,622 | 17,076 | -3% | 19,277 | -14% |
| Financial Expenses | (16,666) | (30,548) | -45% | (29,021) | -43% |
| Net Income Before taxes on Income | (51,226) | 10,118 | - | 27,783 | - |
| Deferred Taxes | 964 | 8,011 | -88% | (2,012) | - |
| Income Tax and Social Contribution | (6,954) | (6,184) | 12% | (5,338) | 30% |
| Net Income After Taxes on Income | (57,216) | 11,945 | - | 20,433 | - |
| Minority Shareholders | 805 | (1,873) | - | 228 | 253% |
| Net Income | (58,021) | 13,818 | - | 20,205 | - |

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Financial Statements Tenda Segment

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|-------------------------------------|-----------------|-----------------|-------------|-----------------|-------------|
| Net Revenue | 234,552 | 206,822 | 13% | 179,443 | 31% |
| Operating Costs | (165,807) | (148,162) | 12% | (128,390) | 29% |
| Gross Profit | 68,745 | 58,660 | 17% | 51,053 | 35% |
| Gross Margin | 29.3% | 28.4% | 90 bps | 28.5% | 80 bps |
| Operating Expenses | (55,228) | (64,937) | -15% | (36,603) | 51% |
| Selling Expenses | (18,272) | (18,348) | 0% | (13,021) | 40% |
| General and Administrative Expenses | (19,020) | (20,723) | -8% | (14,783) | 29% |
| Other Operating Revenue/Expenses | (15,217) | (20,359) | -25% | (5,034) | 202% |
| Depreciation and Amortization | (3,190) | (3,941) | -19% | (3,390) | -6% |
| Equity Income | 471 | (1,566) | - | (375) | - |
| Operational Result | 13,517 | (6,277) | - | 14,450 | -6% |
| Financial Income | 8,809 | 7,051 | 25% | 13,335 | -34% |
| Financial Expenses | (10,706) | (6,486) | 65% | (11,807) | -9% |
| Net Income Before taxes on Income | 11,620 | (5,712) | - | 15,978 | -27% |
| Deferred Taxes | (3,496) | (2,321) | 51% | (3,288) | 6% |
| Income Tax and Social Contribution | (3,259) | (3,430) | -5% | (1,522) | 114% |
| Net Income After Taxes on Income | 4,865 | (11,463) | - | 11,168 | -56% |
| Minority Shareholders | 71 | 1,528 | -95% | (278) | - |
| Net Income | 4,794 | (12,991) | - | 11,446 | -58% |

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Consolidated Financial Statements

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|-------------------------------------|------------------|------------------|-------------|-----------------|-------------|
| Net Revenue | 405,534 | 559,246 | -27% | 519,501 | -22% |
| Operating Costs | (333,333) | (416,395) | -20% | (370,301) | -10% |
| Gross Profit | 72,201 | 142,851 | -49% | 149,200 | -52% |
| Gross Margin | 17.8% | 25.5% | -770 bps | 28.7% | -1,090 bps |
| Operating Expenses | (109,866) | (125,538) | -12% | (97,223) | 13% |
| Selling Expenses | (35,018) | (56,686) | -38% | (27,113) | 29% |
| General and Administrative Expenses | (46,022) | (37,727) | 22% | (43,668) | 5% |
| Other Operating Revenue/Expenses | (29,793) | (47,488) | -37% | (33,555) | -11% |
| Depreciation and Amortization | (12,698) | (11,746) | 8% | (11,669) | 9% |
| Equity Income | 13,665 | 28,109 | -51% | 18,782 | -27% |
| Operational Result | (37,665) | 17,313 | - | 51,977 | - |
| Financial Income | 25,431 | 24,127 | 5% | 32,612 | -22% |
| Financial Expenses | (27,372) | (37,034) | -26% | (40,828) | -33% |
| Net Income Before taxes on Income | (39,606) | 4,406 | - | 43,761 | - |
| Deferred Taxes | (2,532) | 5,690 | - | (5,300) | -52% |
| Income Tax and Social Contribution | (10,213) | (9,614) | 6% | (6,860) | 49% |
| Net Income After Taxes on Income | (52,351) | 482 | - | 31,601 | - |
| Minority Shareholders | 876 | (345) | - | (50) | - |
| Net Income | (53,227) | 827 | - | 31,651 | - |

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Balance Sheet Gafisa Segment

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|---|------------------|------------------|------------|------------------|-------------|
| Current Assets | | | | | |
| Cash and cash equivalents | 457,154 | 478,037 | -4% | 680,412 | -33% |
| Receivables from clients | 899,525 | 957,047 | -6% | 1,074,721 | -16% |
| Properties for sale | 1,444,672 | 1,389,893 | 4% | 1,225,675 | 18% |
| Other accounts receivable | 135,939 | 140,610 | -3% | 199,545 | -32% |
| Deferred selling expenses | 1,656 | 2,088 | -21% | 8,584 | -81% |
| Land for sale | 6,631 | 4,367 | 52% | 6,074 | 9% |
| | 2,945,577 | 2,972,042 | -1% | 3,195,011 | -8% |
| Long-term Assets | | | | | |
| Receivables from clients | 328,097 | 365,902 | -10% | 384,928 | -15% |
| Properties for sale | 494,122 | 506,719 | -2% | 572,410 | -14% |
| Other | 175,099 | 161,683 | 8% | 163,184 | 7% |
| | 997,318 | 1,034,304 | -4% | 1,120,522 | -11% |
| Intangible, Property and Equipment | 53,671 | 57,926 | -7% | 59,949 | -10% |
| Investments | 1,979,277 | 1,962,153 | 1% | 1,947,616 | 2% |
| Total Assets | 5,975,843 | 6,026,425 | -1% | 6,323,098 | -5% |
| Current Liabilities | | | | | |
| Loans and financing | 621,921 | 663,466 | -6% | 537,032 | 16% |
| Debentures | 192,684 | 187,744 | 3% | 329,876 | -42% |
| Obligations for Purchase of Land and | | | | | |
| advances from customers | 251,101 | 223,197 | 13% | 274,886 | -9% |
| Material and service suppliers | 50,439 | 43,666 | 16% | 81,459 | -38% |
| Taxes and Contribution | 59,331 | 61,716 | -4% | 65,117 | -9% |
| Investor Obligations | 5,342 | 5,016 | 6% | 8,717 | -39% |
| Other | 397,516 | 385,623 | 3% | 395,180 | 1% |
| | 1,578,334 | 1,570,428 | 1% | 1,692,267 | -7% |
| Long-term liabilities | | | | | |
| Loans and financings | 633,699 | 582,916 | 9% | 796,607 | -20% |
| Debentures | 459,344 | 468,337 | -2% | 541,712 | -15% |
| Obligations for Purchase of Land and | | | | | |
| advances from customers | 93,572 | 146,102 | -36% | 61,234 | 53% |
| Deferred taxes | 10,085 | 11,444 | -12% | 27,560 | -63% |
| Provision for contingencies | 81,542 | 81,542 | 0% | 75,190 | 8% |
| Investor Obligations | 1,140 | 1,322 | -14% | 4,713 | -76% |
| Other | 70,186 | 65,501 | 7% | 53,912 | 30% |

| | | | | | |
|---|------------------|------------------|------------|------------------|-------------|
| | 1,349,568 | 1,357,164 | -1% | 1,560,928 | -14% |
| Shareholders' Equity | | | | | |
| Shareholders' Equity | 3,043,669 | 3,095,490 | -2% | 3,066,949 | -1% |
| Minority Shareholders | 4,272 | 3,343 | 28% | 2,954 | 45% |
| | 3,047,941 | 3,098,833 | -2% | 3,069,903 | -1% |
| Total Liabilities and Shareholders' Equity | 5,975,843 | 6,026,425 | -1% | 6,323,098 | -5% |

EARNINGS

RELEASE

1Q16

Balance Sheet Tenda Segment

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|---|------------------|------------------|------------|------------------|-------------|
| Current Assets | | | | | |
| Cash and cash equivalents | 334,922 | 234,274 | 43% | 435,756 | -23% |
| Receivables from clients | 428,517 | 438,226 | -2% | 401,285 | 7% |
| Properties for sale | 513,414 | 490,484 | 5% | 563,291 | -9% |
| Other accounts receivable | 103,485 | 104,656 | -1% | 117,337 | -12% |
| Land for sale | 93,898 | 101,490 | -7% | 107,415 | -13% |
| | 1,474,236 | 1,369,130 | 8% | 1,625,084 | -9% |
| Long-term Assets | | | | | |
| Receivables from clients | 46,517 | 41,189 | 13% | 32,818 | 42% |
| Properties for sale | 212,843 | 243,520 | -13% | 196,378 | 8% |
| Other | 47,423 | 45,356 | 5% | 72,751 | -35% |
| | 306,783 | 330,065 | -7% | 301,947 | 2% |
| Intangible, Property and Equipment | 41,503 | 43,116 | -4% | 33,935 | 22% |
| Investments | 163,820 | 163,349 | 0% | 188,315 | -13% |
| Total Assets | 1,986,342 | 1,905,660 | 4% | 2,149,281 | -8% |
| Current Liabilities | | | | | |
| Loans and financing | 7,586 | 8,899 | -15% | 9,084 | -16% |
| Debentures | 207,060 | 201,877 | 3% | 198,979 | 4% |
| Obligations for Purchase of Land and | | | | | |
| | 136,238 | 138,223 | -1% | 223,977 | -39% |
| Advances from customers | | | | | |
| Material and service suppliers | 29,806 | 13,669 | 118% | 20,932 | 42% |
| Taxes and Contributions | 73,531 | 72,606 | 1% | 71,763 | 2% |
| Other | 72,434 | 67,675 | 7% | 168,783 | -57% |
| | 526,655 | 502,949 | 5% | 693,518 | -24% |
| Long-term liabilities | | | | | |
| Loans and financings | 78,337 | 37,554 | 109% | 24,663 | 218% |
| Debentures | - | - | 0% | 200,000 | -100% |
| Obligations for Purchase of Land and | | | | | |
| | 102,869 | 102,412 | 0% | 14,824 | 594% |
| Advances from customers | | | | | |
| Deferred taxes | 10,090 | 5,045 | 100% | 11,603 | -13% |
| Provision for contingencies | 56,237 | 55,716 | 1% | 68,154 | -17% |
| Other | 79,942 | 75,170 | 6% | 29,935 | 167% |
| | 327,475 | 275,897 | 19% | 349,179 | -6% |
| Shareholders' Equity | | | | | |
| Shareholders' Equity | 1,096,263 | 1,090,936 | 0% | 1,070,450 | 2% |
| Minority Shareholders | 35,949 | 35,878 | 0% | 36,134 | -1% |

Balance Sheet Gafisa Segment

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| | | | | | |
|---|------------------|------------------|-----------|------------------|------------|
| | 1,132,212 | 1,126,814 | 0% | 1,106,584 | 2% |
| Total liabilities and Shareholders' Equity | 1,986,342 | 1,905,660 | 4% | 2,149,281 | -8% |

EARNINGS

RELEASE

1Q16

Consolidated Balance Sheets

| | 1Q16 | 4Q15 | Q/Q %) | 1Q15 | Y/Y(%) |
|---|------------------|------------------|------------|------------------|-------------|
| Current Assets | | | | | |
| Cash and cash Equivalents | 792,076 | 712,311 | 11% | 1,116,168 | -29% |
| Receivables from clients | 1,328,042 | 1,395,273 | -5% | 1,476,007 | -10% |
| Proprieties for Sale | 1,958,087 | 1,880,377 | 4% | 1,788,967 | 9% |
| Other accounts receivable | 205,249 | 215,775 | -5% | 295,846 | -31% |
| Prepaid expenses and others | 6,474 | 7,171 | -10% | 15,322 | -58% |
| Land for Sale | 100,529 | 105,857 | -5% | 113,489 | -11% |
| | 4,390,457 | 4,316,764 | 2% | 4,805,799 | -9% |
| Long-term Assets | | | | | |
| Receivable from clients | 374,614 | 407,091 | -8% | 417,746 | -10% |
| Properties for sale | 706,965 | 750,240 | -6% | 768,789 | -8% |
| Other | 207,555 | 192,073 | 8% | 220,969 | -6% |
| | 1,289,134 | 1,349,404 | -4% | 1,407,504 | -8% |
| Intangible anda Property and Equipment | | | | | |
| Investments | 120,650 | 126,518 | -5% | 119,360 | 1% |
| | 979,712 | 967,646 | 1% | 1,001,235 | -2% |
| Total Assets | 6,779,953 | 6,760,332 | 0% | 7,333,898 | -8% |
| Current Liabilities | | | | | |
| Loans and Financing | 629,508 | 672,365 | -6% | 546,115 | 15% |
| Debentures | 399,744 | 389,621 | 3% | 528,856 | -24% |
| Obligations for purchase of land and | | | | | |
| | 387,339 | 361,420 | 7% | 498,857 | -22% |
| Advances from customers | | | | | |
| Materials and service suppliers | 80,245 | 57,335 | 40% | 102,391 | -22% |
| Taxes and contributions | 97,074 | 102,057 | -5% | 110,933 | -12% |
| Other | 481,718 | 466,171 | 3% | 584,332 | -18% |
| | 2,075,628 | 2,048,969 | 1% | 2,371,484 | -12% |
| Long-term Liabilities | | | | | |
| Loans and Financing | 712,036 | 620,470 | 15% | 821,270 | -13% |
| Debentures | 459,344 | 468,337 | -2% | 741,712 | -38% |
| Obligations for purchase of land and | | | | | |
| | 196,441 | 248,514 | -21% | 76,059 | 158% |
| Advances from customers | | | | | |
| Deferred taxes | 20,175 | 16,489 | 22% | 39,164 | -48% |
| Provision for contingencies | 145,214 | 142,670 | 2% | 143,990 | 1% |
| Other | 124,831 | 117,647 | 6% | 69,328 | 80% |
| | 1,658,041 | 1,614,127 | 3% | 1,891,523 | -12% |
| Shareholders' Equity | | | | | |
| Shareholders' Equity | 3,043,671 | 3,095,491 | -2% | 3,066,952 | -1% |

| | | | | | |
|---|------------------|------------------|------------|------------------|------------|
| Minority Shareholders | 2,613 | 1,745 | 50% | 3,939 | -34% |
| | 3,046,284 | 3,097,236 | -2% | 3,070,891 | -1% |
| Total liabilities and Shareholders' Equity | 6,779,953 | 6,760,332 | 0% | 7,333,898 | -8% |

EARNINGS

RELEASE

1Q16

Cash Flow

| | 1Q16 | 1Q15 |
|---|-----------------|-----------------|
| Net Income (Loss) Before Taxes on Income | (39,606) | 43,761 |
| Expenses/income not affecting working capital | 59,868 | 44,533 |
| Depreciation and amortization | 12,698 | 11,669 |
| Expense with stock option plan | 2,424 | 2,618 |
| Penalty fee over delayed projects | (513) | (2,079) |
| Unrealized interest and charges,net | 26,507 | 16,414 |
| Equity income | (13,665) | (18,782) |
| Disposal of fixed asset | 1,637 | 216 |
| Warranty provision | (5,621) | 6,925 |
| Provision for contingencies | 22,888 | 26,070 |
| Profit Sharing provision | 8,342 | 2,914 |
| Allowance (reversal) for doubtful accounts | 15,357 | 317 |
| Writeoff of Investments | - | (4,505) |
| Profit / Loss from financial instruments | (10,186) | 2,756 |
| Clients | 79,213 | (65,295) |
| Properties for sale | (29,313) | (57,683) |
| Other receivables | (7,864) | 10,231 |
| Deferred selling expenses and pre-paid expenses | 697 | 120 |
| Obligations on land purchase | (26,154) | (16,820) |
| Taxes and contribution | (4,983) | (3,491) |
| Accounts payable | 22,910 | 7,259 |
| Salaries, payroll charges and bonus provision | 3,350 | 4,289 |
| Other accounts payable | (12,797) | (7,385) |
| Current account operations | 9,376 | 1,514 |
| Paid taxes | (12,745) | (12,160) |
| Cash used in Operating Activities | 41,952 | (51,127) |
| Investments Activities | | |
| Purchase of property and equipment | (8,467) | (5,651) |
| Redemption of securities, restricted securities and loans | (807,799) | 1,180,350 |
| Investments in marketable securities, restricted securities | 789,111 | (1,024,416) |
| Investments increase | (1,451) | (175) |
| Dividends receivables | (1,000) | - |
| Cash used in investing activities | (29,606) | 150,108 |
| Financing activities | | |
| Contributions from related partners | 1,587 | 2,400 |
| Increase in loans and financing | 200,289 | 200,321 |
| Amortization of loans and financing | (176,957) | (165,306) |
| Stock buyback | - | (22,135) |

| | | |
|---|---------------|----------------|
| Assignment of credit receivables, net | 27,974 | - |
| Mutual Operations | (4,162) | 587 |
| Net cash provided by financing activities | 48,731 | 15,867 |
| Net increase (decrease) in cash and cash equivalents | 61,077 | 114,848 |
| At the beginning of the period | 82,640 | 109,895 |
| At the end of the period | 143,717 | 224,743 |
| Net increase (decrease) in cash and cash equivalents | 61,077 | 114,848 |

1Q16

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.

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

1. Operations

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

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

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

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

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

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

On March 5, 2016, the Company's Board of Directors approved these individual and consolidated quarterly information of the Company and authorized their disclosure.

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

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

The consolidated quarterly information of the Company have been prepared and are being presented according to the accounting practices adopted in Brazil, including the pronouncements issued by the CPC,

approved by the Brazilian Securities and Exchange Commission (CVM), and according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

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

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

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

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

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

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

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

2.1.1. Consolidated quarterly information

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

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

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

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

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

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

4. Cash and cash equivalents and short-term investments

4.1. Cash and cash equivalents

| | Company | | Consolidated | |
|---|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Cash and banks | 14,501 | 31,823 | 56,067 | 69,560 |
| Securities purchased under resale agreements (a) | 12,100 | 12,221 | 50,499 | 13,080 |
| Funds deposited with third parties (b) | - | - | 37,151 | - |
| Total cash and cash equivalents (Note 20.ii.a and 20.iii) | 26,601 | 44,044 | 143,717 | 82,640 |

(a) As of March 31, 2016, the securities purchased under resale agreement include interest earned through the balance sheet date, ranging from 75% to 101.5% of Interbank Deposit Certificates (CDI) (from 75% to 100.5% of CDI in 2015). All investments are carried out with what management considers being top tier financial institutions.

(b) Amount deposited with Itaú Corretora de Valores S.A., for settling, on April 1, 2016, the 15th interest installment and the 9th amortization installment related to the first debenture placement of the subsidiary Tenda (Note 31 (i)).

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

4.2. Short-term investments

| | Company | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Fixed-income funds | 169,381 | 192,409 | 261,412 | 279,486 |
| Government bonds (LFT) | 9,420 | 10,081 | 19,203 | 18,631 |
| Corporate securities (LF/DPGE) | 45,942 | 51,835 | 93,657 | 95,801 |
| Securities purchased under resale agreements | 9,607 | 11,890 | 19,974 | 25,548 |
| Bank certificates of deposit (a) | 49,806 | 54,491 | 131,987 | 101,733 |
| Restricted cash in guarantee to loans | 40,954 | 20,515 | 41,113 | 31,633 |
| Restricted credits | 9,523 | 9,122 | 81,013 | 76,839 |
| Total short-term investments (Note 20.i.d, 20.ii.a and 20.iii) | 334,633 | 350,343 | 648,359 | 629,671 |

(a) As of March 31, 2016, Bank Certificates of Deposit (CDBs) include interest earned through the balance sheet date, varying from 85% to 104.5% (from 90% to 107% in 2015) of Interbank Deposit Certificates (CDI) rate. The CDBs earn an average income in excess of those from securities purchased under resale agreements; however, the Company invests in short term (up to 20 working days) through securities purchased under resale agreements taking into account the exemption of IOF, which is not granted in the case of CDBs.

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

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

5. Trade accounts receivable from real estate development and services

| | Company | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Real estate development and sales | 940,009 | 1,001,351 | 1,792,847 | 1,800,000 |
| (-) Allowance for doubtful accounts and cancelled contracts | (18,429) | (12,365) | (115,379) | (115,379) |
| (-) Present value adjustments | (19,472) | (21,527) | (30,973) | (30,973) |
| Services and construction and other receivables | 22,407 | 18,583 | 56,161 | 56,161 |
| Total trade accounts receivable of development and services (Note 20.ii.a) | 924,515 | 986,042 | 1,702,656 | 1,702,656 |
| Current | 678,656 | 723,950 | 1,328,042 | 1,328,042 |
| Non-current | 245,859 | 262,092 | 374,614 | 374,614 |

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

| Maturity | Company | | Consolidated | |
|-----------------|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Overdue | 171,100 | 205,524 | 452,335 | 492,721 |
| 2016 | 455,027 | 543,781 | 734,846 | 948,998 |
| 2017 | 185,897 | 148,568 | 433,668 | 324,513 |

| | | | | |
|--|-----------------|-----------|------------------|-----------|
| 2018 | 82,659 | 62,256 | 120,715 | 80,850 |
| 2019 | 26,061 | 20,254 | 48,696 | 33,335 |
| 2020 onwards | 41,672 | 39,551 | 58,748 | 53,529 |
| | 962,416 | 1,019,934 | 1,849,008 | 1,933,946 |
| (-) Adjustment to present value | (19,472) | (21,527) | (30,973) | (31,052) |
| (-) Allowance for doubtful account and cancelled contracts | (18,429) | (12,365) | (115,379) | (100,530) |
| | 924,515 | 986,042 | 1,702,656 | 1,802,364 |

During the periods ended March 31, 2016, the changes in the allowance for doubtful accounts and cancelled contracts are summarized as follows:

| | |
|------------------------------|-------------------|
| | Company |
| | 03/31/2016 |
| Balance at December 31, 2015 | (12,365) |
| Shares (Note 22) | (6,064) |
| Balance at March 31, 2016 | (18,429) |

| | | | |
|--|---------------------|---------------|-----------------|
| | Consolidated | | |
| | Properties for | | |
| | Receivables | sale (Note 6) | Net |
| Balance at December 31, 2015 | (100,530) | 21,764 | (78,766) |
| Additions and Write-offs (Notes 22 and 23) | (14,849) | (3,412) | (18,261) |
| Balance at March 31, 2016 | (115,379) | 18,352 | (97,027) |

On March 4, 2016, Company entered into the following Real Estate Receivables Agreement (CCI) transaction, which is aimed at the assignment by the assignor to the assignee of a portfolio comprising select business real estate receivables performed and to be performed arising out of Gafisa and its subsidiaries. The assigned portfolio, discounted to present value, is recorded under the heading "obligations assumed on the assignment of receivables".

| Transaction date | Assigned portfolio accounting | Portfolio discounted to present value | Transaction balance at March 31, 2016 (Note 14) | |
|------------------|-------------------------------|---------------------------------------|---|---------------|
| | | | Company | Consolidated |
| 03/04/2016 | 27,954 | 27,334 | 24,176 | 27,974 |

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

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

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

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

6. Properties for sale

| | Company | | Co |
|---|-------------------|-------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2015 |
| Land | 790,801 | 775,814 | 1,465 |
| (-) Adjustment to present value | (8,397) | (9,639) | (20, |
| Property under construction | 496,281 | 545,701 | 836 |
| Real estate cost in the recognition of the provision for cancelled contracts (Note 5) | - | - | 18 |
| Completed units | 273,931 | 216,073 | 374 |
| (-) Provision for realization of properties for sale | (5,437) | (5,437) | (8, |
| Total properties for sale | 1,547,179 | 1,522,512 | 2,665 |

| | | | |
|---------------------|------------------|-----------|--------------|
| Current portion | 1,172,707 | 1,135,137 | 1,958 |
| Non-current portion | 374,472 | 387,375 | 706 |

In the period ended March 31, 2016, there was no change in the provision for impairment of properties for sale.

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

7. Other accounts receivable and others

| | Company | | Consolidated | |
|--|----------------|------------|----------------|------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Advances to suppliers | 1,421 | 1,578 | 5,390 | 7,102 |
| Recoverable taxes (IRRF, PIS, COFINS, among other) | 18,762 | 20,712 | 61,777 | 66,289 |
| Judicial deposit (Note 16) | 114,103 | 105,275 | 136,094 | 125,358 |
| Other | 3 | 4 | 4,631 | 4,788 |
| Total other accounts receivable and others | 134,289 | 127,569 | 207,892 | 203,537 |
| Current portion | 48,544 | 46,621 | 118,196 | 120,657 |
| Non-current portion | 85,745 | 80,948 | 89,696 | 82,880 |

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

8. Assets held for sale

8.1 Land available for sale

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

| | Company | | | Consolidated | | |
|---|---------------|--------------------------------|----------------|----------------|--------------------------------|----------------|
| | Cost | Provision for impairment | Net balance | Cost | Provision for impairment | Net balance |
| Balance at December 31, 2015 | 19,457 | (15,090) | 4,367 | 147,673 | (41,816) | 105,857 |
| Additions | 2,264 | - | 2,264 | 3,601 | - | 3,601 |
| Transfer from (to) properties for sale, net | - | - | - | (6,696) | - | (6,696) |
| Reversal/Write-offs | - | - | - | (2,233) | - | (2,233) |
| Balance at March 31, 2016 | 21,721 | (15,090) | 6,631 | 142,345 | (41,816) | 100,529 |
| Gafisa segment | | | | 21,721 | (15,090) | 6,631 |
| Tenda segment | | | | 120,624 | (26,726) | 93,898 |

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

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Gafisa S.A.

Notes to the financial statements

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

9. Investments in subsidiaries and jointly controlled investees

(i) Ownership interest

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

| Direct investees | Interest in capital - % | | Total assets | Total liabilities | Equity and advance for future capital increase | | Profit (loss) for the period | | |
|--|-------------------------|------------|--------------|-------------------|--|------------|------------------------------|------------|--------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2016 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2015 | |
| Construtora Tenda S/A Alphaville Urbanismo S.A | - | 100% | 100% | 1,986,343 | 890,079 | 1,096,263 | 1,090,935 | 4,794 | 11,446 |
| Gafisa SPE 26 Emp. Imob. Ltda. | - | 30% | 30% | 2,628,292 | 1,863,506 | 764,786 | 728,519 | 36,268 | 35,242 |
| Gafisa SPE-130 Emp. Imob. Ltda. | - | 100% | 100% | 176,647 | 9,479 | 167,168 | 167,361 | (193) | 327 |
| Gafisa SPE-111 Emp. Imob. Ltda. | - | 100% | 100% | 90,393 | 13,478 | 76,915 | 53,323 | 1,918 | 1,082 |
| | - | 100% | 100% | 119,722 | 49,168 | 70,554 | 79,764 | (9,211) | 3,559 |
| | - | 100% | 100% | 81,248 | 23,666 | 57,582 | 60,362 | (2,780) | 1,629 |

| | | | | | | | | | |
|--|-----|-------------|------|----------------|---------------|----------------|---------|----------------|---------|
| Gafisa SPE-89 Emp. Imob. Ltda. | (a) | 50% | 50% | 166,211 | 56,561 | 109,650 | 103,372 | 6,278 | 3,068 |
| Gafisa SPE-116 Emp. Imob. Ltda. | - | 100% | 100% | 68,160 | 17,559 | 50,601 | 48,883 | 1,718 | 20 |
| Gafisa SPE-51 Emp. Imob. Ltda. | - | 100% | 100% | 53,039 | 6,628 | 46,411 | 46,825 | (414) | 309 |
| Gafisa SPE - 127 Emp. Imob. Ltda. | - | 100% | 100% | 87,448 | 41,038 | 46,410 | 35,718 | 292 | 1,639 |
| Gafisa SPE - 121 Emp. Imob. Ltda. | - | 100% | 100% | 93,616 | 47,868 | 45,748 | 46,897 | (1,149) | 9,420 |
| Gafisa SPE 72 Emp. Imob. Ltda. | - | 100% | 100% | 55,523 | 11,257 | 44,266 | 44,275 | (9) | (83) |
| Gafisa SPE-110 Emp. Imob. Ltda. | - | 100% | 100% | 44,851 | 4,158 | 40,693 | 40,879 | (186) | (1,547) |
| Gafisa SPE - 122 Emp. Imob. Ltda. | - | 100% | 100% | 101,276 | 62,588 | 38,688 | 31,624 | 4,108 | 2,530 |
| Gafisa SPE - 120 Emp. Imob. Ltda. | - | 100% | 100% | 41,679 | 3,779 | 37,900 | 36,621 | 1,280 | 1,844 |
| Manhattan Square Emp. Im. Res. 02 SPE Parque Ecoville Emp. Imob. Ltda | - | 100% | 100% | 89,329 | 54,335 | 34,994 | 34,984 | 10 | (1,753) |
| Gafisa SPE-107 Emp. Imob. Ltda. | - | 100% | 100% | 32,532 | 3,002 | 29,530 | 29,442 | 88 | (4) |
| Gafisa SPE-104 Emp. Imob. Ltda. | - | 100% | 100% | 70,881 | 42,494 | 28,387 | 3,428 | (429) | (20) |
| Gafisa SPE-41 Emp. Imob. Ltda. | - | 100% | 100% | 28,171 | 1,668 | 26,503 | 26,469 | 34 | 63 |
| | - | 100% | 100% | 26,304 | 74 | 26,230 | 26,225 | 5 | 7 |

| | | | | | | | | | |
|---|--------|-------------|------|----------------|---------------|---------------|--------|--------------|-------|
| Verdes Pracas Incorp. Imob. SPE Ltda. Gafisa E Ivo Rizzo SPE-47 Emp. Im. Ltda | (a) | 80% | 80% | 32,172 | 293 | 31,879 | 31,749 | 1 | (28) |
| Gafisa SPE- 129 Emp. Imob. Ltda. Varandas Grand Park Emp. Imob. Spe | - | 100% | 100% | 57,306 | 31,919 | 25,387 | 24,012 | 1,375 | 1,806 |
| Gafisa SPE - 126 Emp. Imob. Ltda. | (a)(c) | 50% | 50% | 113,629 | 67,949 | 45,680 | 43,588 | (769) | 1,175 |
| Gafisa SPE-112 Emp. Imob. Ltda. | - | 100% | 100% | 96,105 | 73,479 | 22,626 | 22,834 | (208) | 1,166 |
| Sitio Jatiuca Emp. Imob. SPE Ltda. | - | 100% | 100% | 29,671 | 7,935 | 21,736 | 21,736 | - | (3) |
| Gafisa SPE-134 Emp. Imob. Ltda. | (a) | 50% | 50% | 46,213 | 4,123 | 42,090 | 41,470 | 621 | 554 |
| Manhattan Square Emp. Im. Com. 02 Gafisa SPE 46 Emp. Imob. Ltda. | - | 100% | 100% | 34,427 | 15,674 | 18,753 | 2,083 | (672) | - |
| Edsp 88 Participações S.A. Fit 13 Spe Empr. Imob. Ltda. | - | 100% | 100% | 18,019 | 61 | 17,958 | 17,955 | - | - |
| Parque Arvores Empr. Imob. Ltda. | (b) | 50% | 50% | 30,785 | 13,014 | 17,771 | 17,740 | 31 | 109 |
| Gafisa SPE 30 Emp. Imob. Ltda. | (a)(c) | 50% | 50% | 32,242 | 14,816 | 17,426 | 17,454 | (28) | (46) |
| Gafisa SPE-106 Emp. Imob. Ltda. | - | 100% | 100% | 43,376 | 8,758 | 34,618 | 34,487 | 130 | (984) |
| | (a)(c) | 50% | 50% | 39,131 | 6,081 | 33,050 | 33,378 | (340) | 271 |
| | - | 100% | 100% | 63,774 | 47,545 | 16,229 | 16,196 | 33 | 40 |
| | - | 100% | 100% | 16,665 | 1,053 | 15,612 | 15,623 | (11) | (4) |

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| | | | | | | | | | |
|---|-----|-------------|------|---------------|---------------|---------------|--------|----------------|---------|
| Gafisa SPE-92 Emp. Imob. Ltda. | - | 100% | 100% | 16,682 | 1,091 | 15,591 | 15,474 | 117 | 78 |
| Diodon Participações Ltda | - | 100% | 100% | 17,923 | 2,912 | 15,011 | 14,962 | 49 | 295 |
| Gafisa SPE 71 Emp. Imob. Ltda. | - | 100% | 100% | 16,438 | 2,318 | 14,120 | 14,060 | 61 | (177) |
| Gafisa SPE - 123 Emp. Imob. Ltda. | - | 100% | 100% | 96,477 | 82,450 | 14,027 | 15,683 | (1,655) | (1,053) |
| Gafisa SPE 33 Emp. Imob. Ltda. | - | 100% | 100% | 14,166 | 1,198 | 12,968 | 13,385 | (417) | 66 |
| Gafisa SPE 65 Emp. Imob. Ltda. | - | 100% | 100% | 19,936 | 8,299 | 11,637 | 11,602 | 36 | 83 |
| Alto Da Barra De Sao Miguel Em. Im. | (a) | 50% | 50% | 24,386 | 1,296 | 23,090 | 23,504 | (414) | 505 |
| Blue I SPE - Plan., Prom., Inc. E Venda | - | 100% | 100% | 11,607 | 554 | 11,053 | 11,051 | 2 | (16) |
| Città Ville SPE Emp. Imob. Ltda. | (b) | 50% | 50% | 23,144 | 1,054 | 22,090 | 22,195 | (106) | (2) |
| Gafisa SPE-132 Emp. Imob. Ltda. | - | 100% | 100% | 51,621 | 40,882 | 10,739 | - | (65) | (1) |

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

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

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

(i) Ownership interests--Continued

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

| Direct investees | | Interest in capital - % | | Total assets | Total liabilities | Equity and advance for future capital increase | | Profit (loss) for the period | |
|--------------------------------------|--------|-------------------------|------------|---------------|-------------------|--|------------|------------------------------|------------|
| | | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2016 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2015 |
| Gafisa SPE-81 Emp. Imob. Ltda. | - | 100% | 100% | 85,698 | 76,784 | 8,914 | 8,978 | (64) | 1,980 |
| Gafisa SPE 36 Emp. Imob. Ltda. | - | 100% | 100% | 26,076 | 17,190 | 8,886 | 8,857 | 29 | 29 |
| Atins Emp. Imob.s Ltda. | (a) | 50% | 50% | 29,663 | 13,487 | 16,176 | 15,777 | (174) | 2 |
| Gafisa SPE-38 Emp. Imob. Ltda. | - | 100% | 100% | 8,020 | 54 | 7,966 | 7,967 | (1) | (1) |
| Gafisa SPE-77 Emp. Imob. Ltda. | - | 65% | 65% | 25,346 | 13,141 | 12,205 | 9,552 | 3,063 | 189 |
| Parque Aguas Empr. Imob. | (a)(c) | 50% | 50% | 16,758 | 1,402 | 15,356 | 15,264 | 482 | (98) |

| | | | | | | | | | |
|---|--------|------|------|------------------|------------------|------------------|------------------|---------------|---------------|
| Ltda. Gafisa SPE-109 Emp. Imob. Ltda. | - | 100% | 100% | 8,968 | 1,780 | 7,188 | 7,189 | (1) | (7) |
| Gafisa SPE-37 Emp. Imob. Ltda. | - | 100% | 100% | 7,635 | 885 | 6,750 | 6,727 | 23 | 16 |
| Gafisa SPE-90 Emp. Imob. Ltda. | - | 100% | 100% | 11,577 | 5,101 | 6,476 | 6,477 | - | (32) |
| Dubai Residencial Empr. Imob. Ltda. | (a)(c) | 50% | 50% | 11,843 | 545 | 11,298 | 10,562 | 508 | (46) |
| Costa Maggiore Empr. Imob. Ltda. | (a)(c) | 50% | 50% | 13,934 | 2,934 | 11,000 | 10,149 | 889 | 163 |
| Gafisa SPE-87 Emp. Imob. Ltda. | - | 100% | 100% | 23,602 | 18,229 | 5,373 | 5,393 | (20) | 1,862 |
| OCPC01 adjustments – capitalized interests | (d) | | | - | - | - | - | - | |
| Other (*) | | | | 318,186 | 226,428 | 91,759 | 97,269 | (4,609) | (6,730) |
| Subtotal | | | | 7,611,087 | 4,015,896 | 3,595,191 | 3,463,712 | 40,318 | 69,933 |
| Saí Amarela S.A. | (a) | 50% | 50% | 2,410 | 126 | 2,284 | 2,314 | 32 | (102) |
| Gafisa SPE-51 Emp. Imob. Ltda. | (a) | 60% | 60% | 2,547 | 1,020 | 1,528 | 1,662 | (134) | 76 |
| Other (*) | | | | 446 | 114 | 331 | 466 | 2 | 113 |
| Indirect jointly-controlled investees - Gafisa | | | | 5,403 | 1,260 | 4,143 | 4,442 | (100) | 779 |
| Acedio SPE Emp. Imob. Ltda. | - | 55% | 55% | 4,596 | 3,918 | 678 | 676 | 2 | |
| Maria Inês SPE Emp. Imob. Ltda. | - | 60% | 60% | 21,342 | 168 | 21,174 | 21,050 | 124 | 34 |
| Fit 02 SPE Emp. Imob. Ltda. | - | 60% | 60% | 10,013 | 71 | 9,942 | 9,882 | 60 | 47 |
| Fit Jardim Botânico SPE Emp. Imob. Ltda. | - | 55% | 55% | 9,980 | 140 | 9,840 | 9,999 | (259) | 58 |
| Fit 11 SPE Emp. Imob. Ltda. | - | 70% | 70% | 36,677 | 3,683 | 32,994 | 32,062 | 931 | (47) |
| | - | 70% | 70% | 16,417 | 1,199 | 15,218 | 16,455 | (1,236) | (678) |

| | | | | | | | | | |
|--|-------------|------------|-----|------------------|------------------|------------------|-----------|---------------|--------|
| Fit 31 SPE Emp. Imob. Ltda. | | | | | | | | | |
| Fit 34 SPE Emp. Imob. Ltda. | - | 70% | 70% | 34,795 | 1,075 | 33,720 | 33,634 | 86 | 438 |
| Fit 03 SPE Emp. Imob. Ltda. | - | 80% | 80% | 11,701 | 547 | 11,154 | 11,404 | (250) | 98 |
| Imbuí I SPE Emp. Imob. Ltda. | - | 50% | 50% | 8,900 | 206 | 8,694 | 8,723 | (29) | (112) |
| Città Ipitanga SPE Emp. Imob. Ltda. | - | 50% | 50% | 12,434 | 652 | 11,782 | 11,761 | 22 | (104) |
| Grand Park - Pq. dos Pássaros Emp. Im. | - | 50% | 50% | 26,183 | 2,947 | 23,236 | 22,466 | 771 | 1,644 |
| Citta Itapua Emp. Imob. SPE Ltda. | - | 50% | 50% | 19,242 | 1,189 | 18,053 | 18,015 | 38 | 8 |
| SPE Franere Gafisa 08 Emp. Imob. LTDA. | - | 50% | 50% | 55,268 | 6,795 | 48,473 | 47,831 | 641 | (145) |
| Fit 13 SPE Emp. Imob. Ltda. | (b) | 50% | 50% | 37,095 | 2,478 | 34,617 | 34,487 | 130 | (984) |
| Other (*) Indirect jointly-controlled investees Tenda | - - - | | | 92,234 | 4,492 | 87,742 | 69,986 | 17,754 | |
| | | | | 396,877 | 29,560 | 367,317 | 348,431 | 18,785 | 25 |
| Subtotal | | | | 8,013,367 | 4,046,716 | 3,966,651 | 3,816,585 | 59,003 | 70,975 |

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

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

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

(i) Ownership interests--Continued

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

| Direct investees | Interest in capital - % | | Total assets | Total liabilities | Equity and advance for future capital increase | | Profit (loss) for the period | |
|--|-------------------------|------------|--------------|-------------------|--|------------|------------------------------|------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2016 | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2015 |
| Goodwill on acquisition of subsidiaries | | (e) | | | | | | |
| Goodwill based on inventory surplus | | - | | | | | | |
| Addition to remeasurement of investment in associate | | (f) | | | | | | |
| Total investments | | | | | | | | |

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

| Direct investees | Interest in capital - % | | Total assets | Total liabilities | Equity and advance for future capital increase | | Profit (loss) for the period | | Provi capital |
|--|-------------------------|------------|---------------|-------------------|--|------------------|------------------------------|----------------|---------------|
| | 03/31/2016 | 12/31/2015 | | | 03/31/2016 | 12/31/2015 | 03/31/2016 | 03/31/2015 | |
| Provision for net capital deficiency (g): | | | | | | | | | |
| Manhattan Residencial 01 Spe Ltda Gafisa Vendas Interm. Imobiliaria Ltda | 50% | 50% | 30,847 | 120,166 | (89,319) | (89,319) | 60 | (2,097) | (43,3 |
| Manhattan Comercial 01 Spe Ltda | 50% | 50% | 12,765 | 20,651 | (7,887) | (7,887) | 115 | (564) | (4,3 |
| Other (*) | | | 27,848 | 28,837 | (989) | (2,557) | (151) | (2,083) | (9 |
| Total provision for net capital deficiency | | | 94,740 | 199,946 | (105,206) | (108,002) | (2,348) | (6,064) | (55,7 |
| Total Income from equity method investments | | | | | | | | | |

(a) Joint venture.

(b) Joint venture with Tenda associates.

(c) The Company recorded expense of R\$354 in Income from equity method investments for the period ended March 31, 2016 related to the recognition, by joint ventures, of adjustments in prior years, in accordance with the ICPC09 (R2) – Individual, Separate and Consolidated Financial Statements and the Equity Method of Accounting.

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

(e) See breakdown in Note 11.

(f) Amount related to the addition to the remeasurement of the portion of the remaining investment of 30% in the associate AUSA, in the amount of R\$375,853, arising from the sale of control over the entity.

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

(b) *Change in investments*

| | Company Consolidated | |
|---------------------------------------|-----------------------------|----------------|
| Balance at December 31, 2015 | 3,242,765 | 967,646 |
| Income from equity method investments | 11,380 | 12,988 |
| Capital contribution (decrease) | 92,789 | 1,725 |
| Dividends receivable | (5,575) | (2,650) |
| Other investments | (26) | 3 |
| Balance at March 31, 2016 | 3,341,333 | 979,712 |

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Notes to the financial statements

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

10. Property and equipment

| Type | Company | | | | 03/31/2016 | 12/31/2015 | Additions | C |
|--|-----------------|----------------|-------------|------------------------|-----------------|-----------------|------------|---|
| | 12/31/2015 | Additions | Write-off | 100% depreciated items | | | | |
| Cost | | | | | | | | |
| Hardware | 14,018 | 577 | - | (1,191) | 13,404 | 28,143 | 2 | |
| Leasehold improvements and installations | 9,367 | 1 | - | (3,432) | 5,936 | 17,449 | | |
| Furniture and fixtures | 675 | - | - | - | 675 | 5,503 | | |
| Machinery and equipment | 2,640 | - | - | - | 2,640 | 4,039 | | |
| Molds | - | - | - | - | - | 13,067 | 1 | |
| Sales stands | 12,041 | 1,237 | (99) | (795) | 12,384 | 15,724 | 1 | |
| | 38,741 | 1,815 | (99) | (5,418) | 35,039 | 83,925 | 4 | |
| Accumulated depreciation | | | | | | | | |
| Hardware | (7,191) | (673) | - | 1,191 | (6,673) | (13,474) | (1, | |
| Leasehold improvements and installations | (4,838) | (524) | - | 3,432 | (1,930) | (7,918) | (| |
| Furniture and fixtures | (282) | (17) | - | - | (299) | (3,664) | (| |
| Machinery and equipment | (1,344) | (66) | - | - | (1,410) | (1,898) | (| |
| Molds | - | - | - | - | - | (3,379) | (| |
| Sales stands | (2,267) | (2,114) | 99 | 795 | (3,487) | (4,416) | (3, | |
| | (15,922) | (3,394) | 99 | 5,418 | (13,799) | (34,749) | (6, | |
| Total property and equipment | 22,819 | (1,579) | - | - | 21,240 | 49,176 | (1, | |

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

11. Intangible assets

| | Company | | | | 03/31/2016 |
|-------------------------|---------------|--------------|---------------------------|-----------------|---------------|
| | 12/31/2015 | | | 100% | |
| | Balance | Addition | Write-down / amortization | amortized items | Balance |
| Software – Cost | 75,409 | 1,745 | - | (15,457) | 61,697 |
| Software – Depreciation | (47,187) | - | (3,592) | 15,457 | (35,322) |
| Other | 5,089 | 1,518 | (1,086) | - | 5,521 |
| Total intangible assets | 33,311 | 3,263 | (4,678) | - | 31,896 |

| | Consolidated | | | | 03/31/2016 |
|-------------------------|---------------|--------------|---------------------------|-----------------|---------------|
| | 12/31/2015 | | | 100% | |
| | Balance | Addition | Write-down / amortization | amortized items | Balance |
| Goodwill AUSA | 25,476 | - | - | - | 25,476 |
| Software – Cost | 110,559 | 3,308 | (1,655) | (15,457) | 96,755 |
| Software – Depreciation | (65,408) | - | (5,341) | 15,457 | (55,292) |
| Other | 6,715 | 1,604 | (1,437) | - | 6,882 |
| Total intangible assets | 51,866 | 4,912 | (8,433) | - | 48,345 |
| Total intangible assets | 77,342 | 4,912 | (8,433) | - | 73,821 |

In the end of each fiscal year, the Company evaluates the recovery of the carrying value of goodwill and the addition to the remeasurement of the portion of the remaining investment of 30% in the associate AUSA, as disclosed in Note 9. In the period ended March 31, 2016, the Company did not find the existence of any indication of loss on the carrying value of goodwill.

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

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Notes to the financial statements

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

12. Loans and financing

| Type | Maturity | Annual interest rate | Company | | Consolidated | |
|---|-----------------|-------------------------------|------------------|------------|------------------|------------|
| | | | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| National Housing System - SFH /SFI | June 2016 to | 8.30% to 14.00% + TR | 999,294 | 1,014,092 | 1,187,049 | 1,161,700 |
| | August 2020 | 120% to 129% of CDI | | | | |
| Certificate of Bank Credit - CCB | May 2016 to | 117.90% of CDI 3.95% + CDI | 129,331 | 124,568 | 154,495 | 131,120 |
| | June 2019 | 13.20% Fixed | | | | |
| Total loans and financing (Note 20.i.d, 20.ii.a and 20.iii) | | | 1,128,625 | 1,138,660 | 1,341,544 | 1,292,830 |
| Current portion | | | 556,307 | 595,817 | 629,508 | 672,360 |
| Non-current portion | | | 572,318 | 542,843 | 712,036 | 620,470 |

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

| Maturity | Company | | Consolidated | |
|--------------|------------------|------------|------------------|------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| 2016 | 349,405 | 595,817 | 398,645 | 672,365 |
| 2017 | 555,382 | 385,555 | 628,719 | 440,418 |
| 2018 | 219,037 | 153,288 | 257,588 | 166,996 |
| 2019 | 4,801 | 4,000 | 38,151 | 12,049 |
| 2020 onwards | - | - | 18,441 | 1,007 |
| | 1,128,625 | 1,138,660 | 1,341,544 | 1,292,835 |

The Company and its subsidiaries have restrictive covenants under certain loans and financing that limit their ability to perform certain actions, such as the issuance of debt, and that could require the early redemption or refinancing of loans if the Company does not fulfill such covenants. The ratio and minimum and maximum amounts required under such restrictive covenants as of March 31, 2016 and December 31, 2015 are disclosed in Note 13.

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

| | Company | | Consolidated | |
|---|-----------------|------------|-----------------|------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Total financial charges for the period | 59,851 | 61,678 | 80,786 | 70,237 |
| Capitalized financial charges | (49,129) | (42,621) | (63,019) | (46,405) |
| Financial expenses (Note 24) | 10,722 | 19,057 | 17,767 | 23,832 |
| Financial charges included in “Properties for sale”: | | | | |
| Opening balance | 287,806 | 220,959 | 354,551 | 276,613 |
| Capitalized financial charges | 49,129 | 42,621 | 63,019 | 46,405 |
| Charges recognized in profit or loss (Note 23) | (26,048) | (24,962) | (38,038) | (30,102) |
| Closing balance | 310,887 | 238,618 | 379,532 | 292,916 |

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

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Gafisa S.A.

Notes to the financial statements

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

13. Debentures

| Program/placement | Principal - R\$ | Annual interest | Final maturity | Company | | Consolidated |
|--|-----------------|-----------------|----------------|----------------|------------|----------------|
| | | | | 03/31/2016 | 12/31/2015 | |
| Seventh placement | 450,000 | TR + 10.1992% | December 2017 | 465,733 | 452,568 | 465,733 |
| Eighth placement / second series | 5,787 | IPCA + 7.96% | October 2016 | 8,808 | 8,395 | 8,808 |
| Ninth placement (i) | 116,061 | CDI + 1.90% | July 2018 | 114,587 | 130,394 | 114,587 |
| Tenth placement (ii) | 55,000 | IPCA + 8.22 | January 2020 | 62,900 | 64,724 | 62,900 |
| First placement (Tenda) (iii) | 200,000 | TR + 9.02% | October 2016 | - | - | 207,000 |
| Total debentures (Note 20.i.d, 20.ii.a and 20.iii) | | | | 652,028 | 656,081 | 859,000 |
| Current portion | | | | 192,684 | 187,744 | 399,700 |
| Non-Current portion | | | | 459,344 | 468,337 | 459,300 |

(i) In the period ended March 31, 2016, the Company made the payment in the total amount of R\$20,464, of which R\$15,965 related to amortization of the Face Value of the Placement and R\$4,499 related to the interest payable.

(ii) In the period ended March 31, 2016, the Company made the payment in the total amount of R\$4,775 related to the interest payable.

(iii) On March 31, 2016, at the Board of Directors of the Company it was approved the partial deferral of the 9th amortization installment payable on April 01, 2016, in the amount of R\$70,000, to July 01, 2016, becoming the 10th amortization installment.

Current and non-current portions have the following maturities:

| Maturity | Company | | Consolidated | |
|----------|----------------|------------|----------------|------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| 2016 | 191,744 | 187,744 | 398,804 | 389,621 |
| 2017 | 340,821 | 344,690 | 340,821 | 344,690 |
| 2018 | 78,154 | 83,485 | 78,154 | 83,485 |
| 2019 | 20,652 | 20,078 | 20,652 | 20,078 |
| 2020 | 20,657 | 20,084 | 20,657 | 20,084 |
| | 652,028 | 656,081 | 859,088 | 857,958 |

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13. Debentures--Continued

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

| | 03/31/2016 | 12/31/2015 |
|--|-------------------|-------------------|
| Seventh placement | | |
| Total account receivable plus inventory required to be below zero or 2.0 times over net debt less venture debt (3) | -11.53 times | -14.12 times |
| Total debt less venture debt (3), less cash and cash equivalents and short-term investments (1), cannot exceed 75% of equity plus noncontrolling interests | -14.81% | -12.19% |
| Total receivables plus unappropriated income plus total inventory of finished units required to be 1.5 time over the net debt plus payable for purchase of properties plus unappropriated cost | 2.33 times | 2.25 times |
| Eighth placement - first and second series and Loans and Financing | | |
| Total account receivable plus inventory of finished units required to be below zero or 2.0 times over net debt less venture debt | -6.22 times | -7.73 times |
| Total debt less venture debt, less cash and cash equivalents and short-term investments (1), cannot exceed 75% of equity plus noncontrolling interests | -14.81% | -12.19% |
| Ninth placement | | |
| Total account receivable plus inventory required to be below zero or 2.0 times over net debt | 3.70 times | 3.71 times |
| Net debt cannot exceed 100% of equity plus noncontrolling interests | 46.24% | 46.44% |

Tenth placement

| | | |
|--|--------------|--------------|
| Total account receivable plus inventory required to be below zero or 2.0 times over net debt less venture debt (3) | -11.53 times | -14.12 times |
| Total debt less venture debt (3), less cash and cash equivalents and short-term investments (1), cannot exceed 75% of equity plus noncontrolling interests | -14.81% | -12.19% |

First placement – Tenda

| | | |
|--|-------------|-------------|
| Total accounts receivable plus inventory required to be equal to or 2.0 times over net debt less debt with secured guarantee (3) or below zero, considering that TR(4) plus TE (4) is always above zero. | -4.75 times | -6.79 times |
| Net debt less debt with secured guarantee (3) required to be in excess of 50% of equity. | -30.55% | -21.47% |
| Total receivables plus unappropriated income plus total inventory of finished units required to be over 1.5 time the net debt plus payable for purchase of properties plus unappropriated cost or below zero | 3.14 times | 2.47 times |

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

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

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

(4) Total inventory.

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

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14. Obligations assumed on assignment of receivables

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

| | Company | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Assignment of receivables: | | | | |
| Obligation CCI Jun/11 | 2,801 | 3,164 | 4,325 | 4,777 |
| Obligation CCI Dec/11 | 1,982 | 2,071 | 2,118 | 2,233 |
| Obligation CCI Jul/12 | 279 | 368 | 279 | 368 |
| Obligation CCI Nov/12 | - | - | 4,007 | 4,353 |
| Obligation CCI Dec/12 | 5,690 | 7,541 | 5,690 | 7,541 |
| Obligation CCI Nov/13 | 2,441 | 2,858 | 5,649 | 6,366 |
| Obligation CCI Nov/14 | 4,241 | 4,646 | 6,276 | 6,691 |
| Obligation CCI Dec/15 | 12,770 | 13,053 | 23,781 | 24,553 |
| Obligation CCI Mar/16 (Note 5) | 24,176 | - | 27,974 | - |
| FIDC obligation | 940 | 1,146 | 2,030 | 2,400 |
| Total obligations assumed on assignment of receivables (Note 20.iii) | 55,320 | 34,847 | 82,129 | 59,291 |
| Current portion | 19,598 | 12,631 | 31,352 | 23,481 |
| Non-current portion | 35,722 | 22,216 | 50,777 | 35,810 |

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

15. Other payables

| | Company | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Provision for penalties for delay in construction works | 1,399 | 1,404 | 2,700 | 3,213 |
| Cancelled contract payable | 13,095 | 11,014 | 29,331 | 24,053 |
| Warranty provision | 37,856 | 41,958 | 54,026 | 59,647 |
| Deferred sales taxes (PIS and COFINS) | 6,519 | 8,368 | 11,799 | 13,129 |
| Provision for net capital deficiency (Note 9) | 55,714 | 59,727 | 53,182 | 54,401 |
| Long-term suppliers (Note 20.i.d) | 2,796 | 5,652 | 5,790 | 7,508 |
| Payables to venture partners (Note 20.i.d, 20.ii and 20.iii) | 4,713 | 4,713 | 6,482 | 4,895 |
| Share-based payment - Phantom Shares (Note 18.3) | 1,373 | 889 | 1,373 | 889 |
| Other liabilities | 5,858 | 8,426 | 29,439 | 28,918 |
| | | | | |
| Total other payables | 129,323 | 142,151 | 194,122 | 196,653 |
| | | | | |
| Current portion | 117,789 | 127,123 | 163,494 | 163,437 |
| Non-current portion | 11,534 | 15,028 | 30,628 | 33,216 |

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

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16. Provisions for legal claims and commitments

In the period ended March 31, 2016, the changes in the provision are summarized as follows:

| Company | Civil lawsuits(i) | Tax proceedings(ii) | Labor claims | Total |
|--|------------------------------|--------------------------------|---------------------|----------------|
| Balance at December 31, 2015 | 119,420 | 220 | 63,235 | 182,875 |
| Additional provision (Note 23) | 11,073 | - | 4,096 | 15,169 |
| Payment and reversal of provision not used | (7,051) | - | (3,891) | (10,942) |
| Balance at March 31, 2016 | 123,442 | 220 | 63,440 | 187,102 |
| Current portion | 87,289 | 220 | 15,566 | 103,075 |
| Non-current portion | 36,153 | - | 47,874 | 84,027 |

| Consolidated | Civil lawsuits(i) | Tax proceedings(ii) | Labor claims | Total |
|--|------------------------------|--------------------------------|---------------------|----------------|
| Balance at December 31, 2015 | 149,621 | 400 | 92,961 | 242,982 |
| Additional provision (Note 23) | 14,876 | 10 | 8,002 | 22,888 |
| Payment and reversal of provision not used | (10,674) | (12) | (6,895) | (17,581) |
| Balance at March 31, 2016 | 153,823 | 398 | 94,068 | 248,289 |
| Current portion | 87,289 | 220 | 15,566 | 103,075 |
| Non-current portion | 66,534 | 178 | 78,502 | 145,214 |

(a) Civil lawsuits, tax proceedings and labor claims

As of March 31, 2016, the Company and its subsidiaries have deposited in court the amount of R\$114,103 (R\$105,275 in 2015) in the Company's statement, and R\$136,094 (R\$125,358 in 2015) in the consolidated statement (Note 7).

| | Company | | Consolidated | |
|-----------------|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Civil lawsuits | 75,402 | 71,327 | 88,184 | 81,919 |
| Tax proceedings | 17,612 | 13,744 | 20,804 | 14,222 |
| Labor claims | 21,088 | 20,204 | 27,106 | 29,217 |
| Total | 114,103 | 105,275 | 136,094 | 125,358 |

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

As of March 31, 2016 the Company and its subsidiaries are aware of other claims and civil, labor and tax risks. Based on the history of probable processes and the specific analysis of main claims, the measurement of the claims with likelihood of loss considered possible amounted to R\$860,313 (R\$810,163 in 2015), based on average past outcomes adjusted to current estimates, for which the Company's Management believes it is not necessary to recognize a provision for losses. The change in the period was caused by the higher volume of lawsuits with smaller amounts and review of the involved amounts and tax proceedings.

| | Company | | Consolidated | |
|-----------------|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Civil lawsuits | 240,685 | 235,975 | 510,342 | 469,841 |
| Tax proceedings | 32,887 | 32,543 | 264,276 | 263,540 |
| Labor claims | 41,602 | 38,967 | 85,695 | 76,782 |
| | 315,174 | 307,485 | 860,313 | 810,163 |

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16. Provisions for legal claims and commitments --Continued

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

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

(c) Other commitments

In addition to the commitments mentioned in Notes 6, 12 and 13, the Company has commitments related to the rental of 33 real estate where its facilities are located, at a monthly cost of R\$1,114 adjusted by the IGP-M/FGV variation. The rental term is from 1 to 10 years and there is a fine in case of cancelled contracts corresponding to three-months rent or in proportion to the contract expiration time.

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

17. Payables for purchase of properties and advances from customers

| | Maturity | Company | | Consolidated | |
|---|---------------|----------------|------------|-----------------|------------|
| | | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| | April 2016 to | | | | |
| | July 2020 | | | | |
| Payables for purchase of properties | | 129,380 | 139,320 | 364,364 | 362,800 |
| Adjustment to present value | | (8,483) | (9,723) | (21,315) | (17,039) |
| Advances from customers | | | | | |
| Development and sales (Note 5) | | 17,012 | 19,337 | 34,397 | 39,743 |
| Barter transaction - Land | | 127,450 | 143,271 | 206,334 | 224,430 |
| Total payables for purchase of properties and advances from customers | | 265,359 | 292,205 | 583,780 | 609,934 |
| Current portion | | 173,102 | 148,989 | 387,339 | 361,420 |
| Non-current portion | | 92,257 | 143,216 | 196,441 | 248,514 |

18. Equity

18.1. Capital

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

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

As of March 31, 2016, the Company approved the creation of a new program to repurchase its common shares aimed at holding them in treasury and later selling or cancelling them, over a period of 18 months, up to the limit of 8,198,565 shares. During the period ended March 31, 2016, there was no change in the treasury shares.

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18. Equity --Continued

18.1. Capital --Continued

| Type | GFSA3 Number | Treasury shares | | Market value (*) R\$ thousand | | Carrying value R\$ thousand | |
|-------------------------|-------------------|-------------------------------------|------------------------------------|----------------------------------|---------------|--------------------------------|---------------|
| | | R\$ Weighted average price | % - on shares outstanding | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Acquisition date | | | | | | | |
| 11/20/2001 | 599,486 | 2,8875 | 0.16% | 1,613 | 1,457 | 1,731 | 1,731 |
| Changes in 2013: | | | | | | | |
| Acquisition | 18,500,000 | 3,8561 | 5.03% | 49,765 | 44,955 | 71,339 | 71,339 |
| Changes in 2014: | | | | | | | |
| Acquisition | 43,738,234 | 2,6353 | 11.90% | 117,656 | 106,284 | 115,265 | 115,265 |
| Transfer | (5,463,395) | 3,2183 | -1.49% | (14,697) | (13,276) | (17,583) | (17,583) |
| Cancellations | (27,493,039) | 3,3351 | -7.48% | (73,956) | (66,808) | (91,693) | (91,693) |
| Changes in 2015: | | | | | | | |
| Acquisition | 11,925,330 | 2,0257 | 3.25% | 32,079 | 28,979 | 24,157 | 24,157 |
| Transfer | (1,221,860) | 2,4733 | -0.33% | (3,287) | (2,970) | (3,022) | (3,022) |
| Cancellations | (30,000,000) | 2,4738 | -8.16% | (80,700) | (72,900) | (74,214) | (74,214) |
| | 10,584,756 | 2,4545 | 2.88% | 28,473 | 25,721 | 25,980 | 25,980 |

(*) Market value calculated based on the closing share price at March 31, 2016 at R\$2.69 (R\$2.43 in 2015), not considering the effect of occasional volatilities.

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

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

| | Common shares - In thousands |
|--|-------------------------------------|
| Outstanding shares as of December 31, 2015 | 367,481 |
| Shares held by the management members of the Company | (2,350) |
| Outstanding shares as of March 31, 2016 | 365,131 |
| Weighted average shares outstanding | 366,681 |

18.2. Stock option plan

Expenses for granting stocks recorded under the account "General and administrative expenses" (Note 23) in the periods ended March 31, 2016 and 2015, are as follows:

| | 03/31/2016 | 03/31/2015 |
|--------|-------------------|------------|
| Gafisa | 1,891 | 2,091 |
| Tenda | 533 | 527 |
| | 2,424 | 2,618 |

(i) Gafisa

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

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

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18. Equity --Continued

18.2. Stock option plan -- Continued

(i) Gafisa-- Continued

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

In the period ended March 31, 2016, there was no change in the options outstanding.

As of March 31, 2016, stock options outstanding and exercisable are as follows:

| Options outstanding | | | Options exercisable | |
|---------------------|---|---|---------------------|---|
| Number of options | Weighted average remaining contractual life | Weighted average exercise price (Reais) | Number of options | Weighted average exercise price (Reais) |
| | | | | |

| | (years) | | | |
|------------|---------|------|-----------|------|
| | | | | |
| 11,743,379 | 4.07 | 1.83 | 1,757,598 | 2.59 |

During the period ended March 31, 2016, the Company did not grant options in connection with its stock option plan comprising common shares (3,567,201 options granted in the year ended December 31, 2015).

(ii) Tenda

Tenda has a stock option plan for common shares, created in 2014, by which a total of 42,259,687 stock options were granted to employees and management members of the subsidiary, with exercise dates between March 31, 2017 and March 31, 2020.

In the period ended March 31, 2016, the subsidiary Tenda did not grant options in connection with its stock option plan for common shares.

18.3. Share-based payment *-Phantom Shares*

As of March 31, 2016, the amount of R\$1,373 (R\$889 in 2015), related to the fair value of the phantom shares granted, is recognized in the heading "Other payables" (Note 15).

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

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19. Income tax and social contribution

(i) Current income tax and social contribution

The reconciliation of the effective tax rate for the periods ended March 31, 2016 and 2015 is as follows:

| | Company | | Consolidated | |
|---|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Profit (loss) before income tax and social contribution, and statutory interest | (50,999) | 35,107 | (39,606) | 43,761 |
| Income tax calculated at the applicable rate - 34 % | 17,340 | (11,936) | 13,448 | (14,878) |
| Net effect of subsidiaries taxed by presumed profit | - | - | (2,630) | (3,343) |
| Tax losses (tax loss carryforwards used) | (971) | (1,484) | (1,015) | (1,744) |
| Income from equity method investments | 3,426 | 18,904 | 4,646 | 6,191 |
| Stock option plan | (478) | (711) | (659) | (890) |
| Other permanent differences | (6,036) | (2,711) | (10,033) | (5,119) |
| Charges on payables to venture partners | (279) | 277 | (111) | 355 |
| Tax benefits recognized (not recognized) | (15,230) | (5,795) | (16,391) | 7,268 |
| | (2,228) | (3,456) | (12,745) | (12,160) |
| Tax expenses - current | (2,228) | (3,456) | (10,213) | (6,860) |
| Tax income - deferred | - | - | (2,532) | (5,300) |

(ii) Deferred income tax and social contribution

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

| | Company | | C |
|---|------------------|------------------|--------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 |
| Assets | | | |
| Provisions for legal claims | 63,615 | 62,178 | 8 |
| Temporary differences – PIS and COFINS deferred | 8,299 | 10,636 | 1 |
| Provisions for realization of non-financial assets | 1,849 | 1,849 | 1 |
| Temporary differences – CPC adjustment | 32,357 | 40,089 | 3 |
| Other provisions | 71,181 | 60,745 | 10 |
| Income tax and social contribution loss carryforwards | 74,593 | 75,768 | 31 |
| Tax benefits of subsidiaries | 28,165 | 28,165 | 2 |
| Tax credits not recognized | (15,230) | - | (289) |
| | 264,829 | 279,430 | 29 |
| Liabilities | | | |
| Negative goodwill | (92,385) | (92,385) | (92) |
| Temporary differences –CPC adjustment | (130,674) | (131,096) | (131) |
| Differences between income taxed on cash basis and recorded on an accrual basis | (51,855) | (66,034) | (93) |
| | (274,914) | (289,515) | (317) |
| Total net | (10,085) | (10,085) | (20) |

The balances of income tax and social contribution loss carryforwards for offset are as follows:

| | Company | | | | | |
|--|---------------|---------------------|---------------|------------|---------------------|--------|
| | 03/31/2016 | | 12/31/2015 | | | |
| | Income tax | Social contribution | Total | Income tax | Social contribution | Total |
| Balance of income tax and social contribution loss carryforwards | 219,393 | 219,393 | | 222,849 | 222,849 | |
| Deferred tax asset (25%/9%) | 54,848 | 19,745 | 74,593 | 55,712 | 20,056 | 75,768 |
| Recognized deferred tax asset | 54,848 | 19,745 | 74,593 | 55,712 | 20,056 | 75,768 |
| Unrecognized deferred tax asset | - | - | - | - | - | - |

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19. Income tax and social contribution --Continued

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

| | Consolidated | | | | | |
|--|----------------|-----------------------------------|----------------|------------|-----------------------------------|---------|
| | Income tax | 03/31/2016 Social contribution | Total | Income tax | 12/31/2015 Social contribution | Total |
| Balance of income tax and social contribution loss carryforwards | 918,061 | 918,061 | | 933,182 | 933,182 | |
| Deferred tax asset (25%/9%) | 229,515 | 82,626 | 312,140 | 233,296 | 83,986 | 317,282 |
| Recognized deferred tax asset | 54,848 | 19,745 | 74,593 | 55,712 | 20,056 | 75,768 |
| Unrecognized deferred tax asset | 174,667 | 62,881 | 237,547 | 177,584 | 63,930 | 241,514 |

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

| Company and Consolidated Income tax and social | Income tax and social |
|--|--------------------------|
|--|--------------------------|

| | contribution loss | contribution loss |
|--------------|------------------------------|------------------------------|
| 2016 | 13,027 | 4,429 |
| 2017 | 8,282 | 2,816 |
| 2018 | 3,056 | 1,039 |
| 2019 | 27,174 | 9,239 |
| 2020 to 2026 | 167,854 | 57,070 |
| | 219,393 | 74,593 |

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

20. Financial instruments

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

(i) Risk considerations

a) *Credit risk*

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

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20. Financial instruments --Continued

(i) Risk considerations --Continued

b) *Derivative financial instruments*

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

As of March 31, 2016, the Company had derivative contracts for hedging purposes in relation to interest fluctuations, with final maturity between June 2016 and January 2020. The derivative contracts are as follows:

| | Reais | Consolidated Percentage | |
|--|-------------------|----------------------------|----------------------------------|
| Companies Swap agreements (Fixed for CDI) | Face value | Original Index | Swap – liability position |
| Gafisa S/A Banco Votorantim S.A. | 55,000 | Fixed 14.2672% | CDI + 1.6344% |
| Gafisa S/A Banco Votorantim S.A. | 27,500 | Fixed 11.1136% | CDI + 0.2801% |
| Gafisa S/A Banco Votorantim S.A. | 27,500 | Fixed 15.1177% | CDI + 1.6344% |

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

During the period ended March 31, 2016, the amount of R\$10,184 (R\$(2,756) in 2015) in the Company's and consolidated statements, which refers to net result of the interest swap transaction, was recognized in the "financial income (expenses)" line in the statement of profit or loss for the year, allowing correlation between the impact of such transactions and interest rate fluctuation in the Company's balance sheet (Note 24).

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

c) *Interest rate risk*

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

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20. Financial instruments --Continued

(i) Risk considerations --Continued

d) *Liquidity risk*

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

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

| Period ended March 31, 2016 | Company | | | | Total |
|--|------------------|--------------|--------------|-------------------|-----------|
| | Less than 1 year | 1 to 3 years | 4 to 5 years | More than 5 years | |
| Loans and financing (Note 12) | 556,724 | 571,901 | - | - | 1,128,625 |
| Debentures (Note 13) | 192,684 | 459,344 | - | - | 652,028 |
| Payables to venture partners (Note 15) | 3,573 | 1,140 | - | - | 4,713 |
| Suppliers (Note 15 and Note 20.ii.a) | 40,176 | 2,796 | - | - | 42,972 |
| | 793,157 | 1,035,181 | - | - | 1,828,338 |

| Period ended March 31, 2016 | Consolidated | | | | Total |
|--|------------------|--------------|--------------|-------------------|-----------|
| | Less than 1 year | 1 to 3 years | 4 to 5 years | More than 5 years | |
| Loans and financing (Note 12) | 627,962 | 698,427 | 15,155 | - | 1,341,544 |
| Debentures (Note 13) | 399,744 | 459,344 | - | - | 859,088 |
| Payables to venture partners (Note 15) | 5,342 | 1,140 | - | - | 6,482 |
| Suppliers (Note 15 and Note 20.ii.a) | 80,245 | 5,790 | - | - | 86,035 |
| | 1,113,293 | 1,164,701 | 15,155 | - | 2,293,149 |

Fair value classification

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

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

| As of March 31, 2016 | Company | | | Consolidated | | |
|-----------------------------------|---------|---------|---------|--------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | |
| Short-term investments (Note 4.2) | - | 334,633 | - | - | 648,359 | - |

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

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20. Financial instruments --Continued

(i) Risk considerations --Continued

d) *Liquidity risk* --Continued

Fair value classification --Continued

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

| As of March 31, 2016 | Company | | | Consolidated | | |
|--|---------------------------|---------|---------|--------------|---------|---------|
| | Fair value classification | | | | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial liabilities | | | | | | |
| Payables to venture partners (Note 20.i.b) | - | 5,205 | - | - | 5,205 | - |

| As of December 31, 2015 | Company | | | Consolidated | | |
|-------------------------|---------------------------|---------|---------|--------------|---------|---------|
| | Fair value classification | | | | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| | | | | | | |

Financial liabilities

| | | | | | | |
|--|---|--------|---|---|--------|---|
| Payables to venture partners (Note 20.i.b) | - | 21,674 | - | - | 21,674 | - |
|--|---|--------|---|---|--------|---|

In the period ended March 31, 2016, there were no transfers between the Levels 1 and 2 fair value classifications, nor were transfers between Levels 3 and 2 fair value classifications.

(ii) Fair value of financial instrumentsa) *Fair value measurement*

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

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

| | Company | | | |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | | 12/31/2015 | |
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents (Note 4.1) | 26,601 | 26,601 | 44,044 | 44,044 |
| Short-term investments (Note 4.2) | 334,633 | 334,633 | 350,343 | 350,343 |
| Trade accounts receivable (Note 5) | 924,515 | 924,515 | 986,042 | 986,042 |
| Financial liabilities | | | | |
| Loans and financing (Note 12) | 1,128,625 | 1,235,365 | 1,138,660 | 1,095,844 |
| Debentures (Note 13) | 652,028 | 660,546 | 656,081 | 633,238 |
| Payables to venture partners (Note 15) | 4,713 | 5,733 | 4,713 | 5,472 |
| Derivative financial instruments (Note 20(i)(b)) | 5,205 | 5,205 | 21,674 | 21,674 |
| Suppliers (Note 20(i)(d)) | 42,972 | 42,972 | 32,115 | 32,115 |

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20. Financial instruments --Continued

(ii) Fair value of financial instruments --Continued

a) *Fair value measurement --Continued*

| | Consolidated | | | |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | 03/31/2016 | | 12/31/2015 | |
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Cash and cash equivalents (Note 4.1) | 143,717 | 143,717 | 82,640 | 82,640 |
| Short-term investments (Note 4.2) | 648,359 | 648,359 | 629,671 | 629,671 |
| Trade accounts receivable (Note 5) | 1,702,656 | 1,702,656 | 1,802,364 | 1,802,364 |
| Financial liabilities | | | | |
| Loans and financing (Note 12) | 1,341,544 | 1,311,596 | 1,292,835 | 1,237,222 |
| Debentures (Note 13) | 859,088 | 863,357 | 857,958 | 828,387 |
| Payables to venture partners (Note 15) | 6,482 | 5,733 | 4,895 | 5,472 |
| Derivative financial instruments (Note 20(i)(b)) | 5,205 | 5,205 | 21,674 | 21,674 |
| Suppliers (Note 20(i)(d)) | 86,035 | 86,035 | 57,335 | 57,335 |

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

b) *Risk of debt acceleration*

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

c) *Market risk*

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

(iii) Capital stock management

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

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

| | Company | | Consolidated |
|---|-------------------|-------------------|---------------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 |
| Loans and financing (Note 12) | 1,128,625 | 1,138,660 | 1,341,540 |
| Debentures (Note 13) | 652,028 | 656,081 | 859,080 |
| Obligations assumed on assignment of receivables (Note 14) | 55,320 | 34,847 | 82,120 |
| Payables to venture partners (Note 15) | 4,713 | 4,713 | 6,480 |
| (-) Cash and cash equivalents and short-term investments (Note 4.1 and 4.2) | (361,234) | (394,387) | (792,076) |
| Net debt | 1,479,452 | 1,439,914 | 1,497,164 |
| Equity | 3,043,671 | 3,095,491 | 3,046,280 |
| Equity and net debt | 4,523,123 | 4,535,405 | 4,543,444 |

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20. Financial instruments --Continued

(iv) Sensitivity analysis

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

As of March 31, 2016, as well as derivative instruments, the Company has the following financial instruments:

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

For the sensitivity analysis in the period ended March 31, 2016, the Company considered the interest rates of investments, loans and accounts receivables, the CDI rate at 14.13%, TR rate at 1.97%, INCC rate at 7.18%, and the National Consumer Price Index – Extended (IPCA) at 9.39% . The scenarios considered

were as follows:

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

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

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

The Company shows in the following chart the sensitivity to risks to which the Company is exposed, based on the above scenarios, as of March 31, 2016. The effects on equity are basically the same ones on profit or loss.

| Instrument | Risk | Scenario | | | | |
|----------------------------------|---------------------------|-------------------|-----------|------------|---------------------|--------------------|
| | | I Increase 10% | II 25% | III 50% | III Decrease 50% | II Decrease 25% |
| Short-term investments | Increase/Decrease of CDI | 7,688 | 19,222 | 38,443 | (38,443) | (19,222) |
| Loans and financing | Increase/Decrease of CDI | (5,567) | (13,917) | (27,834) | 27,834 | 13,917 |
| Debentures | Increase/Decrease of CDI | (1,419) | (3,547) | (7,093) | 7,093 | 3,547 |
| Derivative financial instruments | Increase/Decrease of CDI | (6,455) | (15,821) | (30,826) | 34,151 | 16,471 |
| Net effect of CDI variation | | (5,753) | (14,063) | (27,310) | 30,635 | 14,063 |
| Loans and financing | Increase/Decrease of TR | (1,715) | (4,287) | (8,573) | 8,573 | 4,287 |
| Debentures | Increase/Decrease of TR | (1,432) | (3,581) | (7,163) | 7,163 | 3,581 |
| Net effect of TR variation | | (3,147) | (7,868) | (15,736) | 15,736 | 7,868 |
| Debentures | Increase/Decrease of IPCA | (616) | (1,539) | (3,078) | 3,078 | 1,539 |
| Net effect of IPCA variation | | (616) | (1,539) | (3,078) | 3,078 | 1,539 |
| Accounts receivable | Increase/Decrease of INCC | 11,411 | 28,527 | 57,052 | (57,052) | (28,527) |
| Net effect of INCC variation | | 11,411 | 28,527 | 57,052 | (57,052) | (28,527) |

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21. Related parties

21.1. Balances with related parties

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

| Current accounts | Company | | Consolidated | |
|--|------------------|------------|------------------|------------|
| | 03/31/2016 | 12/31/2015 | 03/31/2016 | 12/31/2015 |
| Assets | | | | |
| Current account: | | | | |
| Total SPEs | 56,204 | 55,023 | 78,798 | 86,010 |
| Condominium and consortia and thirty party's works | 8,254 | 9,108 | 8,255 | 9,108 |
| Loan receivable | 82,628 | 78,818 | 113,128 | 109,193 |
| Dividends receivable | 16,204 | 14,279 | - | - |
| | 163,290 | 157,228 | 200,181 | 204,311 |
| Current portion | 80,662 | 78,410 | 87,053 | 95,118 |
| Non-current | 82,628 | 78,818 | 113,128 | 109,193 |
| Liabilities | | | | |
| Current account: | | | | |
| Total SPEs and Tenda | (915,460) | (790,895) | (76,556) | (76,620) |
| Loan payable | (7,830) | (10,480) | (51,256) | (51,482) |
| | (923,290) | (801,375) | (127,812) | (128,102) |

| | | | | |
|-----------------|-----------|-----------|----------|----------|
| Current portion | (923,290) | (801,375) | (84,386) | (87,100) |
| Non-current | - | - | (43,426) | (41,002) |

The composition, nature and condition of loan receivable and payable by the Company are shown below. Loan maturities range from June 2016 to the duration of the respective ventures.

| | Company | | | |
|--|----------------|----------------|--------------|---------------------|
| | 03/31/2016 | 12/31/2015 | Nature | Interest rate |
| Tembok Planej. E Desenv. Imob. Ltda. (Vistta Laguna) | 11,044 | 11,044 | Construction | 12% p.a. + IGPM |
| Acquarelle Civilcorp Incorporações Ltda. | 232 | 287 | Construction | 12% p.a. + IGPM |
| Manhattan Residencial I | 55,402 | 53,862 | Construction | 10% p.a. + TR |
| Target Offices & Mall | 5,430 | 3,105 | Construction | 12% p.a. + IGPM |
| Scena Laguna - Tembok Planej. e Desenv. Imob. Ltda. | 10,520 | 10,520 | Construction | 12% p.a. + IGPM |
| Total receivable - Company | 82,628 | 78,818 | | |
| Gafisa Spe-113 Empr Imob | 776 | 3,788 | Construction | 100% of CDI |
| Dubai Residencial | 2,943 | 2,650 | Construction | 6% p.a. |
| Parque Arvores | 2,270 | 2,270 | Construction | 6% p.a. |
| Parque Aguas | 1,841 | 1,772 | Construction | 6% p.a. |
| Total payable - Company | 7,830 | 10,480 | Construction | 6% p.a. |
| | | | | |
| | Consolidated | | | |
| | 03/31/2016 | 12/31/2015 | Nature | Interest rate |
| Tembok Planej. E Desenv. Imob. Ltda. (Vistta Laguna) | 11,044 | 11,044 | Construction | 12% p.a. + IGPM |
| Acquarelle Civilcorp Incorporações Ltda. | 232 | 287 | Construction | 12% p.a. + IGPM |
| Manhattan Residencial I | 55,402 | 53,862 | Construction | 10% p.a. + TR |
| Target Offices & Mall | 5,430 | 3,105 | Construction | 12% p.a. + IGPM |
| Scena Laguna - Tembok Planej. e Desenv. Imob. Ltda. | 10,520 | 10,520 | Construction | 12% p.a. + IGPM |
| Fit Campolim SPE Emp. Imob. Ltda. | 14,171 | 14,097 | Construction | 113.5% of 126.5% of |
| Acedio SPE Emp. Imob. Ltda. | 3,312 | 3,260 | Construction | 113.5% of 126.5% of |
| Atua Construtora e Incorporadora S.A. | 12,168 | 12,168 | Construction | 113.50% to 112% of |
| Other | 849 | 850 | Construction | Several |
| Total receivable - Consolidated | 113,128 | 109,193 | | |
| Fit 34 SPE Empreendimentos Imobiliários Ltda. | 22,343 | 21,925 | Construction | 6% p.a. |
| Fit 03 SPE Empreendimentos Imobiliários Ltda. | 8,061 | 7,912 | Construction | 6% p.a. |
| Fit 11 SPE Empreendimentos Imobiliários Ltda. | 6,022 | 5,910 | Construction | 6% p.a. |
| Gafisa Spe-113 Empr Imob | 776 | 3,788 | Construction | 100% of CDI |
| Parque dos Pássaros | 3,874 | 2,725 | Construction | 6% p.a. |
| Dubai Residencial | 2,943 | 2,650 | Construction | 6% p.a. |
| Parque Arvores | 2,270 | 2,270 | Construction | 6% p.a. |
| Parque Aguas | 1,841 | 1,772 | Construction | 6% p.a. |
| Fit 31 SPE Empreendimentos Imobiliários Ltda. | 1,323 | 1,298 | Construction | 6% p.a. |
| Araçagy | 1,803 | 1,232 | Construction | 6% p.a. |
| Total payable - Consolidated | 51,256 | 51,482 | | |

In the period ended March 31, 2016 the recognized financial income from interest on loans amounted to R\$1,596 (R\$2,133 in 2015) in the Company's statement and R\$1,625 (R\$2,174 in 2015) in the consolidated statement (Note 24).

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21. Related parties --Continued

21.1. Balances with related parties --Continued

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

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

21.2. Endorsements, guarantees and sureties

The financial transactions of the subsidiaries are guaranteed by the endorsement or surety in proportion to the interest of the Company in the capital stock of such companies, in the amount of R\$1,358,938 as of March 31, 2016 (R\$1,067,950 as of December 31, 2015).

22. Net operating revenue

| | |
|--|-------|
| Gross operating revenue | |
| Real estate development, sale, barter transactions and construction services | 144,0 |
| (Recognition) Reversal of allowance for doubtful accounts and provision for cancelled contracts (Note 5) | (6,0 |
| Taxes on sale of real estate and services | (11,0 |
| Net operating revenue | 126,9 |

23. Costs and expenses by nature

These are represented by the following:

| | Company | | Conso |
|---|------------|------------|------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 |
| Cost of real estate development and sale: | | | |
| Construction cost | (63,357) | (116,316) | (194,122) |
| Land cost | (26,012) | (35,952) | (71,946) |
| Development cost | (8,226) | (10,999) | (23,559) |
| Capitalized financial charges (Note 12) | (26,048) | (24,962) | (38,038) |
| Maintenance / warranty | (1,223) | (14,945) | (2,256) |
| Provision for cancelled contracts (Note 5) | - | - | (3,412) |
| Total cost of real estate development and sale | (124,866) | (203,174) | (333,333) |
| Commercial expenses: | | | |
| Product marketing expenses | (4,325) | (5,927) | (15,556) |
| Brokerage and sale commission | (5,004) | (3,406) | (12,929) |
| Customer Relationship Management (CRM) and corporate marketing expenses | (2,997) | (1,929) | (3,698) |
| Other | (2,085) | (261) | (2,835) |
| Total commercial expenses | (14,411) | (11,523) | (35,018) |
| General and administrative expenses: | | | |
| Salaries and payroll charges | (8,401) | (9,523) | (17,725) |
| Employee benefits | (1,046) | (1,195) | (1,947) |
| Travel and utilities | (188) | (299) | (565) |
| Services | (2,540) | (3,147) | (5,402) |
| Rents and condominium fees | (2,144) | (2,603) | (3,363) |
| IT | (4,442) | (4,170) | (4,260) |
| Stock option plan (Note 18.3) | (1,891) | (2,091) | (2,424) |
| Reserve for profit sharing (Note 25.iii) | (6,250) | (6,000) | (8,342) |
| Other | (100) | 144 | (1,994) |
| Total general and administrative expenses | (27,002) | (28,884) | (46,022) |
| Other income (expenses), net: | | | |
| Expenses with lawsuits (Note 16) | (15,169) | (18,711) | (22,888) |
| Other | 1,445 | (8,482) | (6,905) |
| Total other income/(expenses), net | (13,724) | (27,193) | (29,793) |

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24. Financial income (expenses)

| | Company | | Consolidated | |
|--|-----------------|------------|-----------------|------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Financial income | | | | |
| Income from financial investments | 10,942 | 15,504 | 19,763 | 28,320 |
| Financial income on loans (Note 21) | 1,596 | 2,133 | 1,596 | 2,174 |
| Other financial income | 1,135 | 519 | 4,072 | 2,118 |
| Total financial income | 13,673 | 18,156 | 25,431 | 32,612 |
| Financial expenses | | | | |
| Interest on funding, net of capitalization (Note 12) | (10,722) | (19,057) | (17,767) | (23,832) |
| Amortization of debenture cost | (618) | (983) | (618) | (983) |
| Payables to venture partners | (396) | (576) | (396) | (576) |
| Banking expenses | (1,687) | (862) | (2,389) | (1,207) |
| Derivative transactions (Note 20 (i) (b)) | 10,184 | (2,756) | 10,184 | (2,756) |
| Discount in securitization transaction | (10,408) | (6,729) | (16,386) | (11,474) |
| Total financial expenses | (13,647) | (30,963) | (27,372) | (40,828) |

25. Transactions with management and employees

(i) Management compensation

The amounts recorded in the account “general and administrative expenses” for the periods ended March 31, 2016 and 2015, related to the compensation of the Company’s key management personnel are as follows:

| Period ended March 31, 2016 | Management compensation | | Fiscal |
|--|-------------------------|-----------------|-----------|
| | Board of Directors | Statutory Board | Council |
| Number of members | 7 | 5 | 3 |
| Annual fixed compensation (in R\$) | 423 | 911 | 48 |
| Salary / Fees | 423 | 825 | 48 |
| Direct and indirect benefits | - | 86 | - |
| Monthly compensation (in R\$) | 141 | 304 | 16 |
| Total compensation | 423 | 911 | 48 |
| Profit sharing (Note 25 (iii)) | - | 1.138 | - |
| Total compensation and profit sharing | 423 | 2.049 | 48 |

| Period ended March 31, 2015 | Management compensation | | Fiscal |
|--|-------------------------|-----------------|-----------|
| | Board of Directors | Statutory Board | Council |
| Number of members | 7 | 5 | 3 |
| Annual fixed compensation (in R\$) | 423 | 921 | 50 |
| Salary / Fees | 423 | 825 | 50 |
| Direct and indirect benefits | - | 96 | - |
| Monthly compensation (in R\$) | 141 | 307 | 17 |
| Total compensation | 423 | 921 | 50 |
| Profit sharing (Note 25 (iii)) | - | 1.138 | - |
| Total compensation and profit sharing | 423 | 2.059 | 50 |

The amount related to the stock compensation of the Company's management members was R\$893 for the period ended March 31, 2016 (R\$1,391 in 2015).

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

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

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25. Transactions with management and employees --Continued

(ii) Sales

In the period ended March 31, 2016, there were no units sold to the Management and the total receivables is R\$1,284 (R\$1,610 in 2015).

(iii) Profit sharing

In the period ended March 31, 2016, the Company recorded a provision for profit sharing amounting to R\$6,250 in the Company's statement (R\$6,000 in 2015) and R\$8,342 in the consolidated statement (R\$2,914 in 2015) in the account "General and Administrative Expenses" (Note 23).

| | Company | | Consolidated | |
|--------------------------------------|-------------------|-------------------|---------------------|-------------------|
| | 03/31/2016 | 03/31/2015 | 03/31/2016 | 03/31/2015 |
| Executive officers | 1,138 | 1,138 | 2,951 | 2,607 |
| Other employees | 5,112 | 4,862 | 7,422 | 7,607 |
| Reclassification in subsidiary Tenda | - | - | - | (1,636) |
| Reversal in subsidiary Tenda | - | - | (2,031) | (5,664) |
| | 6,250 | 6,000 | 8,342 | 2,914 |

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

26. Insurance

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

27. Earning (loss) per share

The following table shows the calculation of basic and diluted profit and loss per share. In view of the loss for the period ended March 31, 2016, shares with dilutive potential are not considered, because the impact would be antidilutive.

| | 03/31/2016 | 03/31/2015 |
|--|-------------------|-------------------|
| Basic numerator | | |
| Proposed dividends and interest on equity | - | - |
| Undistributed profit (loss) | (53,227) | 31,651 |
| Undistributed profit (loss), available for the holders of common shares | (53,227) | 31,651 |
| Basic denominator (in thousands of shares) | | |
| Weighted average number of shares | 366,681 | 367,259 |
| Basic earning (loss) per share in Reais | (0.1452) | 0.0862 |
| Diluted numerator | | |
| Proposed dividends and interest on equity | - | - |
| Undistributed earning (loss) | (53,227) | 31,651 |
| Undistributed earning (loss), available for the holders of common shares | (53,227) | 31,651 |
| Diluted denominator (in thousands of shares) | | |
| Weighted average number of shares | 366,681 | 367,259 |
| Stock options | 2,966 | 2,491 |
| Anti-dilutive effect | (2,966) | - |
| Diluted weighted average number of shares | 366,681 | 369,750 |
| Diluted earning (loss) per share in Reais | (0.1452) | 0.0856 |

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

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Notes to the financial statements

March 31, 2016

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

27. Earning (loss) per share --Continued

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

28. Segment information

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

| | Gafisa | Tenda | Consolidated 03/31/2016 |
|-------------------------------------|------------------|------------------|------------------------------------|
| Net operating revenue | 170,982 | 234,552 | 405,534 |
| Operating costs | (167,526) | (165,807) | (333,333) |
| Gross profit | 3,456 | 68,745 | 72,201 |
| Selling expenses | (16,746) | (18,272) | (35,018) |
| General and administrative expenses | (27,002) | (19,020) | (46,022) |
| Other income / (expenses), net | (14,576) | (15,217) | (29,793) |
| Depreciation and amortization | (9,508) | (3,190) | (12,698) |
| Financial expenses | (16,666) | (10,706) | (27,372) |
| Financial income | 16,622 | 8,809 | 25,431 |
| Tax expenses | (5,990) | (6,755) | (12,745) |
| | (58,021) | 4,794 | (53,227) |

Profit (loss) for the period attributed to the shareholders of the Company

| | | | |
|-----------------------------------|------------------|------------------|------------------|
| Customers (short and long term) | 1,227,622 | 475,034 | 1,702,656 |
| Inventories (short and long term) | 1,938,795 | 726,257 | 2,665,052 |
| Other assets | 1,627,194 | 785,051 | 2,412,245 |
| Total assets | 4,793,611 | 1,986,342 | 6,779,953 |
| Total liabilities | 2,879,539 | 854,130 | 3,733,669 |

| | Gafisa | Tenda | Consolidated 03/31/2015 |
|--|---------------|--------------|------------------------------------|
| Net operating revenue | 340,058 | 179,443 | 519,501 |
| Operating costs | (241,911) | (128,390) | (370,301) |
| Gross profit | 98,147 | 51,053 | 149,200 |
| Selling expenses | (14,092) | (13,021) | (27,113) |
| General and administrative expenses | (28,885) | (14,783) | (43,668) |
| Other income / (expenses), net | (28,051) | (5,504) | (33,555) |
| Depreciation and amortization | (8,279) | (3,390) | (11,669) |
| Financial expenses | (29,021) | (11,807) | (40,828) |
| Financial income | 19,277 | 13,335 | 32,612 |
| Tax expenses | (7,350) | (4,810) | (12,160) |
| Profit (loss) for the period attributed to the shareholders of the Company | 20,205 | 11,446 | 31,651 |
| Customers (short and long term) | 1,459,650 | 434,103 | 1,893,753 |
| Inventories (short and long term) | 1,798,087 | 759,669 | 2,557,756 |
| Other assets | 1,926,880 | 955,509 | 2,882,389 |
| Total assets | 5,184,617 | 2,149,281 | 7,333,898 |
| Total liabilities | 3,220,310 | 1,042,697 | 4,263,007 |

The other explanation related to this note was not subject to significant changes in relation to those reported in Note 28 to the financial statements as of December 31, 2015.

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

29. Real estate ventures under construction – information and commitments

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

| | Consolidated | |
|---|----------------|----------------|
| | 03/31/2016 | 12/31/2015 |
| Unappropriated sales revenue of units sold | 720,393 | 777,679 |
| Unappropriated estimated cost of units sold | (423,427) | (445,265) |
| Unappropriated estimated cost of units in inventory | (715,115) | (795,995) |
| (i) Unappropriated sales revenue of units sold | | |
| Ventures under construction: | | |
| Contracted sales revenue | 2,665,483 | 2,761,219 |
| Appropriated sales revenue | (1,945,090) | (1,983,540) |
| Unappropriated sales revenue (a) | 720,393 | 777,679 |

| | | |
|---|------------------|------------------|
| (ii) Unappropriated estimated cost of units sold | | |
| Ventures under construction: | | |
| Estimated cost of units | (1,574,355) | (1,626,339) |
| Incurred cost of units | 1,150,928 | 1,181,074 |
| Unappropriated estimated cost (b) | (423,427) | (445,265) |

| | | | |
|---|--|--------------------|-------------|
| (iii) Unappropriated estimated costs of units in inventory | | | |
| Ventures under construction: | | | |
| Estimated cost of units | | (1,599,379) | (1,724,372) |
| Incurred cost of units | | 884,264 | 928,377 |
| Unappropriated estimated cost | | (715,115) | (795,995) |

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

(b) The unappropriated estimated cost of units sold do not include financial charges, which are appropriated to properties for sale and profit or loss (cost of real estate sold) in proportion to the real estate units sold to the extent they are incurred, and also the warranty provision, which is appropriated to real estate units as the construction work progresses.

As of March 31, 2016, the percentage of assets consolidated in the quarterly information related to ventures included in the equity segregation structure of the development stood at 31.7% (33.1% in 2015).

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

Gafisa S.A.

Notes to the financial statements

March 31, 2016

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

30. Communication with regulatory bodies

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

31. Subsequent events

(i) Funds deposited with third parties

On April 1, 2016, the Company made the payment of the 15th interest installment and the 9th amortization installment related to the first debenture placement of the subsidiary Tenda, in the total amount of R\$37,151, of which R\$30,000 of principal and R\$7,151 of interests.

(ii) Annual Shareholders' Meeting

On April 25, 2016, the Annual Shareholders' Meeting of the Company was held, and main resolutions were as follows: (i) approval of the financial statements for the year ended December 31, 2015; (ii) approval of the allocation of profit for the year ended December 31, 2015, and dividend distribution; (iii) setting of the number of members of the Board of Directors of the Company; (iv) election of members to the Board of Directors of the Company; (v) setting of the maximum aggregate compensation to be distributed to the Company's management for the year 2016; (vi) setting of the number of members of the Fiscal Council of

the Company; (vii) election of the members to the Fiscal Council of the Company; and (viii) setting of the maximum aggregate compensation to be distributed to the members of the Fiscal Council of the Company for the year 2016.

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

Gafisa S.A.

Other information deemed relevant by the Company

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

| | 3/31/2016 | |
|---|----------------------|----------------|
| | Common shares | |
| Shareholder | Shares | % |
| Treasury shares | 10,584,757 | 2.80% |
| FUNCEF – Fundação dos Economiários Federais | 23,835,800 | 6.30% |
| Polo | 69,108,486 | 18.28% |
| Pátria Investimentos | 21,171,100 | 5.60% |
| Outstanding shares | 253,366,019 | 67.02% |
| Total shares | 378,066,162 | 100.00% |

| | 3/31/2015 | |
|---|----------------------|----------------|
| | Common shares | |
| Shareholder | Shares | % |
| Treasury shares | 10,806,616 | 2.86% |
| FUNCEF – Fundação dos Economiários Federais | 23,835,800 | 6.30% |
| Polo | 52,547,486 | 13.90% |
| Outstanding shares | 290,876,260 | 76.94% |
| Total shares | 378,066,162 | 100.00% |

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

Gafisa S.A.

Other information deemed relevant by the Company

2. SHARES HELD BY PARENT COMPANIES, MANAGEMENT AND BOARD

| | 3/31/2016 | |
|--|----------------------|----------------|
| | Common shares | |
| | Shares | % |
| Shareholders holding effective control of the Company | 114,115,386 | 30.18% |
| Board of Directors | 592,609 | 0.16% |
| Executive directors | 1,757,120 | 0.46% |
| Fiscal council | 0 | 0.00% |
| Executive control, board members, officers and fiscal council | 116,465,115 | 30.81% |
| Treasury shares | 10,584,757 | 2.80% |
| Outstanding shares in the market (*) | 251,016,290 | 66.39% |
| Total shares | 378,066,162 | 100.00% |
| | 3/31/2015 | |
| | Common shares | |
| | Shares | % |
| Shareholders holding effective control of the Company | 76,383,286 | 20.20% |
| Board of Directors | 592,609 | 0.16% |
| Executive directors | 1,534,445 | 0.41% |
| Fiscal council | - | - |
| Executive control, board members, officers and fiscal council | 78,510,340 | 20.77% |
| Treasury shares | 10,806,616 | 2.86% |
| Outstanding shares in the market (*) | 288,749,206 | 74.38% |
| Total shares | 378,066,162 | 100.00% |

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

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

Gafisa S.A.

Other relevant information

3 – COMMITMENT CLAUSE

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

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

Gafisa S.A.

Report on the review of quarterly information - ITR

To the shareholders, Board of Directors and Officers

Gafisa S.A.

São Paulo - SP

We have reviewed the accompanying individual and consolidated interim financial information of Gafisa S.A. (“Company”), identified as Company and Consolidated, respectively, contained in the Quarterly Information (ITR) for the quarter ended March 31, 2016, which comprises the balance sheet as of March 31, 2016 and the respective statement of operations, statement of comprehensive income (loss), statement of changes in equity and statement of cash flows for the quarter then ended, including explanatory notes.

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

Scope of review

We conducted our review according to the Brazilian and international review standards of interim financial information (NBC TR 2410 – Review of Interim Financial Information Performed by the Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of inquiries, mainly of the people responsible for the financial and accounting matters, and the application of analytical and other review procedures. The scope of a review is significantly narrower than that of an audit conducted in accordance with audit standards and, accordingly, it did not

permit us to obtain assurance that we took notice of all significant matters that could have been raised in an audit. Therefore, we did not express an audit opinion.

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

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

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

Gafisa S.A.

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

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

Emphasis of matter

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

Other matters

Statement of value added

We have also reviewed the individual and consolidated statements of value added for the quarter ended March 31, 2016, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the rules of the Brazilian Securities and Exchange Commission (CVM) applicable to Quarterly Information (ITR), and as supplementary information under International Financial Reporting Standards (IFRS), whereby no statement of value added presentation is required. These statements have been subject to the same

review procedures previously described and, based on our review, we are not aware of any fact that makes us believe that they were not prepared, in all material respects, according to the individual and consolidated interim financial information taken as a whole.

São Paulo, May 5, 2016

KPMG Auditores Independentes

CRC 2SP014428/O-6

Giuseppe Masi

Accountant CRC 1SP176273/O-7

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

Gafisa S.A.

Reports and statements \ Management statement of interim financial information

Management statement of interim financial information

STATEMENT

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

- i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial Information for the period ended March 31, 2016; and

- ii) Management has reviewed and agreed with the interim information for the period ended March 31, 2016.

Sao Paulo, May 5, 2016

GAFISA S.A.

Management

About Gafisa

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

Gafisa S.A.

**Reports and Statements **

Management statement on the report on review of interim financial information

Management Statement on the Review Report

STATEMENT

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

- i) Management has reviewed, discussed and agreed with the auditor's conclusion expressed on the report on review interim financial Information for the period ended March 31, 2016; and

- ii) Management has reviewed and agreed with the interim information for the period ended March 31, 2016.

Sao Paulo, May 5, 2016

GAFISA S.A.

Management

About Gafisa

