

Gafisa S.A.
Form 6-K
August 22, 2014

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

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

For the month of August, 2014

(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

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

Yes _____ No

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

Gafisa S.A.

Quarterly information

June 30, 2014

(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)

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 June 30, 2014, which comprises the balance sheet as at June 30, 2014 and the respective statement of operations and statement of comprehensive income (loss) for the quarter and six-month period then ended, and the statement of changes in equity and statement of cash flows for the six-month period 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 Brazilian FASB (CPC) 21 – 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 Brazilian FASB (CPC) and approved by the Brazilian Securities 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.

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 the Brazilian FASB (CPC) and approved by the Brazilian Securities 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, which considers the Technical Orientation - OCPC 04 - Application of technical interpretation ICPC02 to the Brazilian Real Estate Development Entities, issued by the Brazilian FASB (CPC) and approved by the Brazilian Securities Commission (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 real estate development entities also considers the Technical Orientation OCPC04, edited by the Brazilian FASB (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

Statements of value added

We have also reviewed the individual and consolidated statement of value added for the six-month period ended June 30, 2014, 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 CVM applicable to Quarterly Information (ITR), and as supplementary information under 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, August 8, 2014

KPMG Auditores Independentes

CRC 2SP014428/O-6

Giuseppe Masi

Accountant CRC 1SP176273/O-7

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COMPANY DATA / CAPITAL COMPOSITION

Number of Shares		CURRENT QUARTER
(in thousands)		6/30/2014
Paid-in Capital		
Common		435,559
Preferred		0
Total		435,559
Treasury shares		
Common		30,813
Preferred		0
Total		30,813

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

CODE	DESCRIPTION	ACTUAL	PRIOR
		QUARTER	YEAR
		6/30/2014	31/12/2013
1	Total Assets	6,385,137	6,823,205
1.01	Current Assets	2,564,588	3,312,510
1.01.01	Cash and cash equivalents	19,659	39,032
1.01.01.01	Cash and banks	10,821	11,940
1.01.01.02	Short-term investments	8,838	27,092
1.01.02	Short-term investments	540,359	1,241,026
1.01.02.01	Fair value of short-term investments	540,359	1,241,026
1.01.03	Accounts receivable	880,141	1,034,833
1.01.03.01	Trade accounts receivable	880,141	1,034,833
1.01.03.01.01	Receivables from clients of developments	867,000	1,005,840
1.01.03.01.02	Receivables from clients of construction and services rendered	13,141	28,993
1.01.04	Inventories	870,901	780,867
1.01.04.01	Properties for sale	870,901	780,867
1.01.07	Prepaid expenses	15,053	21,440
1.01.07.01	Prepaid expenses and others	15,053	21,440
1.01.08	Other current assets	238,475	195,312
1.01.08.01	Non current assets for sale	7,728	7,064
1.01.08.03	Others	230,747	188,248
1.01.08.03.01	Others accounts receivable and others	7,547	15,749
1.01.08.03.02	Derivative financial instruments	475	183
1.01.08.03.03	Receivables from related parties	222,725	172,316
1.02	Non current assets	3,820,549	3,510,695
1.02.01	Non current assets	847,182	772,600
1.02.01.03	Accounts receivable	228,446	182,069
1.02.01.03.01	Receivables from clients of developments	228,446	182,069
1.02.01.04	Inventories	354,349	337,265
1.02.01.06	Deferred taxes	49,099	49,099
1.02.01.06.01	Deferred income tax and social contribution	49,099	49,099
1.02.01.09	Others non current assets	215,288	204,167
1.02.01.09.03	Others accounts receivable and others	112,342	105,895
1.02.01.09.04	Receivables from related parties	102,946	98,272
1.02.02	Investments	2,913,746	2,679,833
1.02.02.01	Interest in associates and affiliates	2,799,025	2,559,393
1.02.02.01.02	Interest in subsidiaries	2,799,025	2,468,337
1.02.02.01.04	Other investments	-	91,056
1.02.02.02	Interest in subsidiaries	114,721	120,440
1.02.02.02.01	Interest in subsidiaries - goodwill	114,721	120,440
1.02.03	Property and equipment	19,120	12,239
1.02.03.01	Operation property and equipment	19,120	12,239
1.02.04	Intangible assets	40,501	46,023
1.02.04.01	Intangible assets	40,501	46,023

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

CODE	DESCRIPTION	ACTUAL QUARTER 6/30/2014	PRIOR YEAR 31/12/2013
2	Total Liabilities	6,385,137	6,823,205
2.01	Current liabilities	1,895,246	1,925,787
2.01.01	Social and labor obligations	33,239	59,330
2.01.01.02	Labor obligations	33,239	59,330
2.01.01.02.01	Salaries, payroll charges and profit sharing	33,239	59,330
2.01.02	Suppliers	44,375	51,415
2.01.02.01	Local suppliers	44,375	51,415
2.01.03	Tax obligations	30,840	115,775
2.01.03.01	Federal tax obligations	30,840	115,775
2.01.04	Loans and financing	758,863	730,318
2.01.04.01	Loans and financing	504,397	376,047
2.01.04.02	Debentures	254,466	354,271
2.01.05	Others obligations	940,241	896,830
2.01.05.01	Payables to related parties	514,052	202,175
2.01.05.02	Others	426,189	694,655
2.01.05.02.01	Declared dividends	32,945	150,067
2.01.05.02.04	Obligations for purchase of real estate and advances from customers	248,633	284,366
2.01.05.02.05	Other obligations	109,353	101,296
2.01.05.02.06	Payables to venture partners	7,297	108,742
2.01.05.02.07	Obligations assumed on the assignment of receivables	27,961	50,184
2.01.06	Provisions	87,688	72,119
2.01.06.01	Tax, labor and civil lawsuits	87,688	72,119
2.01.06.01.01	Tax lawsuits	218	255
2.01.06.01.02	Labor lawsuits	36,406	23,876
2.01.06.01.04	Civil lawsuits	51,064	47,988
2.02	Non current liabilities	1,373,709	1,706,694
2.02.01	Loans and financing	1,208,021	1,530,523
2.02.01.01	Loans and financing	625,513	873,137
2.02.01.01.01	Loans and financing in local currency	625,513	873,137
2.02.01.02	Debentures	582,508	657,386
2.02.02	Others obligations	97,943	108,691
2.02.02.02	Others	97,943	108,691
2.02.02.02.03	Obligations for purchase of real estate and advances from customers	37,276	35,729
2.02.02.02.04	Other liabilities	35,961	38,151
2.02.02.02.05	Payables to venture partners	7,145	10,794
2.02.02.02.06	Obligations assumed on the assignment of receivables	17,561	24,017
2.02.04	Provisions	67,745	67,480
2.02.04.01	Tax, labor and civil lawsuits	67,745	67,480
2.02.04.01.04	Civil lawsuits	67,745	67,480
2.03	Equity	3,116,182	3,190,724
2.03.01	Capital	2,740,662	2,740,662
2.03.02	Capital Reserves	-52,589	-18,687

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

CODE	DESCRIPTION	ACTUAL QUARTER	PRIOR YEAR
		6/30/2014	31/12/2013
2.03.02.04	Granted options	136,143	125,600
2.03.02.05	Treasury shares	-110,945	-73,070
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.02.08	Income from treasury shares' transfer	-6,570	-
2.03.04	Income Reserve	468,749	468,749
2.03.04.01	Legal Reserve	31,593	31,593
2.03.04.02	Statutory Reserve	437,156	437,156
2.03.05	Accumulated losses/profit	-40,640	-

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

CODE	DESCRIPTION	ACTUAL QUARTER 04/01/2014 to 06/30/2014	YEAR TO DATE 01/01/2014 to 06/30/2014	SAME QUARTER FROM PREVIOUS YEAR 04/01/2014 to 06/30/2014	YEAR TO
					DATE 01/01/2013 to 06/30/2013
3.01	Gross Sales and/or Services	280,968	517,078	297,500	599,767
3.02	Cost of sales and/or services	-186,605	-352,012	-194,200	-428,712
3.02.01	Cost of real estate development	-186,605	-352,012	-194,200	-428,712
3.03	Gross profit	94,363	165,066	103,300	171,055
3.04	Operating expenses/income	-86,193	-186,646	-97,216	-196,541
3.04.01	Selling expenses	-22,348	-38,304	-33,006	-61,555
3.04.02	General and administrative expenses	-31,085	-62,586	-30,105	-60,479
3.04.05	Other operating expenses	-35,870	-57,492	-24,247	-34,470
3.04.05.01	Depreciation and amortization	-10,581	-20,717	-8,317	-14,526
3.04.05.02	Other operating expenses	-25,289	-36,775	-15,930	-19,944
3.04.06	Equity pick-up	3,110	-28,264	-9,858	-40,037
3.05	Income (loss) before financial results and income taxes	8,170	-21,580	6,084	-25,486
3.06	Financial	-6,662	-14,133	-35,537	-77,650
3.06.01	Financial income	22,002	51,637	7,998	15,204
3.06.02	Financial expenses	-28,664	-65,770	-43,535	-92,854
3.07	Income before income taxes	1,508	-35,713	-29,453	-103,136
3.08	Income and social contribution taxes	-2,359	-4,927	-	-
3.08.01	Current	-2,359	-4,927	-	-
3.09	Income (loss) from continuing operation	-851	-40,640	-29,453	-103,136
3.10	Income (loss) from discontinuing operation	-	-	15,309	33,519
3.10.01	Income (loss) from discontinuing operation	-	-	15,309	33,519
3.11	Income (loss) for the period	-851	-40,640	-14,144	-69,617
3.99.01.01	ON	-0.00210	-0.1002	-0.0329	-0.1622
3.99.02.01	ON	-0.00210	-0.1002	-0.0329	-0.1622

**INDIVIDUAL FINANCIAL STATEMENTS - COMPREHENSIVE INCOME (LOSS) - (in thousands of Brazilian Reals)
ACTUAL QUARTER**

04/01/2014 to YEAR TO DATE 01/01/2014 to EQUAL QUARTER FROM PREVIOUS YEAR

CODE DESCRIPTION	06/30/2014	06/30/2014	YEAR 04/01/2014 to 06/30/2014
4.01 Income (loss) for the period	-851	-40,640	-14,140
4.03 Comprehensive income (loss) for the period	-851	-40,640	-14,140

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

CODE	DESCRIPTION	YEAR TO DATE	YEAR TO DATE
		01/01/2014 to 06/30/2014	FROM PREVIOUS YEAR 01/01/2013 to 06/30/2013
6.01	Net cash from operating activities	-144,334	70,964
6.01.01	Cash generated in the operations	114,027	5,556
6.01.01.01	Loss before income and social contribution taxes	-35,713	-103,136
6.01.01.02	Stock options expenses	24,379	9,480
6.01.01.03	Unrealized interest and finance charges, net	42,070	7,469
6.01.01.04	Depreciation and amortization	20,717	14,526
6.01.01.05	Decrease of permanent assets	246	1,761
6.01.01.06	Provision for legal claims	26,272	15,476
6.01.01.07	Warranty provision	-8,000	-2,380
6.01.01.08	Provision for profit sharing	7,142	9,799
6.01.01.09	Allowance for doubtful accounts	312	-9
6.01.01.10	Provision for realization of non-financial assets – properties for sale	-	-393
6.01.01.11	Provision for penalties due to delay in construction works	1,883	-1,876
6.01.01.12	Financial instruments	-245	5,689
6.01.01.13	Equity pick-up	28,264	40,037
6.01.01.14	Provision for realization of non-financial assets – intangible	-	2,413
6.01.01.15	Decrease of investing	6,700	6,700
6.01.02	Variation in Assets and Liabilities	-258,361	65,408
6.01.02.01	Trade accounts receivable	79,325	-117,873
6.01.02.02	Properties for sale	-107,782	-105,357
6.01.02.03	Other accounts receivable	-34,481	-7,751
6.01.02.04	Transactions with related parties	-5,849	235,056
6.01.02.05	Prepaid expenses	6,387	9,722
6.01.02.06	Suppliers	-5,796	16,228
6.01.02.07	Obligations for purchase of land and adv. from customers	-34,186	51,368
6.01.02.08	Taxes and contributions	-8,823	6,211
6.01.02.09	Salaries and payable charges	-33,234	-19,071
6.01.02.10	Other obligations	-32,883	-3,125
6.01.02.11	Income tax and social contribution payable	-81,039	-
6.02	Net cash from investing activities	709,593	65,938
6.02.01	Purchase of property and equipment and intangible assets	-22,322	-23,857
6.02.02	Redemption of short-term investments	2,030,197	932,211
6.02.03	Purchase of short-term investments	-1,329,530	-845,592
6.02.04	Increase in investments	-10,321	-3,999

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6.02.05	Received dividends	41,569	7,175
6.03	Net cash from financing activities	-584,632	-191,090
6.03.01	Capital increase	-	4,863
6.03.02	Increase in loans, financing and debentures	250,187	423,354
6.03.03	Payment of loans, financing and debentures	-586,212	-503,802

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

CODE	DESCRIPTION	YEAR TO DATE FROM	
		YEAR TO DATE 01/01/2014 to 06/30/2014	PREVIOUS YEAR 01/01/2013 to 06/30/2013
6.03.04	Obligation with investors	-105,094	-105,110
6.03.05	Loan transactions with related parties	-4,674	-10,395
6.03.06	Repurchase of treasury shares	-28,626	-
6.03.07	Alienation of treasury shares	13,480	-
6.03.08	Net result from treasury shares' alienation	-6,571	-
6.03.09	Dividends paid	-117,122	-
6.05	Net decrease of cash and cash equivalents	-19,373	-54,188
6.05.01	Cash and cash equivalents at the beginning of the period	39,032	95,836
6.05.02	Cash and cash equivalents at the end of the period	19,659	41,648

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2014
TO 06/30/2014 (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	-18,687	468,749	-	-	-3,190,722
5.03	Opening adjusted balance	2,740,662	-18,687	468,749	-	-	-3,190,722
5.04	Capital transactions with shareholders	-	-33,902	-	-	-	-33,902
5.04.03	Realization of granted options	-	10,542	-	-	-	10,542
5.04.04	Acquired treasury shares	-	-51,353	-	-	-	-51,353
5.04.05	Sold treasury shares	-	6,909	-	-	-	6,909
5.05	Total of comprehensive loss	-	-	-	-40,640	-	-40,640
5.05.01	Loss for the period	-	-	-	-40,640	-	-40,640
5.07	Closing balance	2,740,662	-52,589	468,749	-40,640	-	-3,116,182

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY FROM 01/01/2013 TO
06/30/2013 (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	2,735,794	35,233	-	-226,523	-	-2,544,500
5.03 Opening adjusted balance	2,735,794	35,233	-	-226,523	-	-2,544,500
5.04 Capital transactions with shareholders	4,863	-30,424	-	-	-	-25,561
5.04.01 Capital increase	4,863	-	-	-	-	4,863
5.04.03 Realization of granted options	-	9,546	-	-	-	9,546
5.04.04 Acquired treasury shares	-	-39,970	-	-	-	-39,970
5.05 Total of comprehensive loss	-	-	-	-69,617	-	-69,617
5.05.01 Loss for the period	-	-	-	-69,617	-	-69,617
5.07 Closing balance	2,740,657	4,809	-	-296,140	-	-2,449,324

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

CODE	DESCRIPTION	YEAR TO DATE	
		01/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013
7.01	Revenues	570,419	656,770
7.01.01	Real estate development, sale and services	570,731	656,761
7.01.04	Allowance for doubtful accounts	-312	9
7.02	Inputs acquired from third parties	-343,312	-418,095
7.02.01	Cost of Sales and/or Services	-308,721	-398,468
7.02.02	Materials, energy, outsourced labor and other	-34,591	-19,627
7.03	Gross added value	227,107	238,675
7.04	Retentions	-20,717	-14,526
7.04.01	Depreciation and amortization	-20,717	-14,526
7.05	Net added value produced by the Company	206,390	224,149
7.06	Added value received on transfer	23,373	-24,833
7.06.01	Equity pick-up	-28,264	-40,037
7.06.02	Financial income	51,637	15,204
7.07	Total added value to be distributed	229,763	199,316
7.08	Added value distribution	229,763	199,316
7.08.01	Personnel and payroll charges	85,771	76,887
7.08.02	Taxes and contributions	71,226	68,948
7.08.03	Compensation – Interest	113,406	123,098
7.08.04	Compensation – Company capital	-40,640	-69,617
7.08.04.03	Retained losses	-40,640	-69,617

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

CODE	DESCRIPTION	ACTUAL	PRIOR
		QUARTER	YEAR
		6/30/2014	31/12/2013
1	Total Assets	7,288,403	8,183,030
1.01	Current Assets	4,916,988	5,679,907
1.01.01	Cash and cash equivalents	135,089	215,194
1.01.01.01	Cash and banks	113,726	121,222
1.01.01.02	Short-term investments	21,363	93,972
1.01.02	Short-term investments	1,144,479	1,808,969
1.01.02.01	Fair value of short-term investments	1,144,479	1,808,969
1.01.03	Accounts receivable	1,709,718	1,909,877
1.01.03.01	Trade accounts receivable	1,709,718	1,909,877
1.01.03.01.01	Receivables from clients of developments	1,675,185	1,849,329
1.01.03.01.02	Receivables from clients of construction and services rendered	34,533	60,548
1.01.04	Inventories	1,577,905	1,442,019
1.01.07	Prepaid expenses	26,223	35,188
1.01.07.01	Prepaid expenses and others	26,223	35,188
1.01.08	Other current assets	323,574	268,660
1.01.08.01	Non current assets for sale	106,311	114,847
1.01.08.03	Others	217,263	153,813
1.01.08.03.01	Others accounts receivable	62,135	71,083
1.01.08.03.02	Receivables from related parties	154,653	82,547
1.01.08.03.03	Derivative financial instruments	475	183
1.02	Non Current assets	2,371,415	2,503,123
1.02.01	Non current assets	1,193,096	1,240,322
1.02.01.03	Accounts receivable	322,356	313,791
1.02.01.03.01	Receivables from clients of developments	322,356	313,791
1.02.01.04	Inventories	578,480	652,395
1.02.01.09	Others non current assets	292,260	274,136
1.02.01.09.03	Others accounts receivable and others	149,154	137,628
1.02.01.09.04	Receivables from related parties	143,106	136,508
1.02.02	Investments	1,032,662	1,120,076
1.02.02.01	Interest in associates and affiliates	1,032,662	1,120,076
1.02.03	Property and equipment	47,453	36,385
1.02.03.01	Operation property and equipment	47,453	36,385
1.02.04	Intangible assets	98,204	106,340
1.02.04.01	Intangible assets	55,124	63,260
1.02.04.02	Goodwill	43,080	43,080
1.02.04.02.01	Goodwill	43,080	43,080

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

CODE	DESCRIPTION	ACTUAL QUARTER 6/30/2014	PRIOR YEAR 31/12/2013
2	Total Liabilities	7,288,403	8,183,030
2.01	Current liabilities	2,093,894	2,683,023
2.01.01	Social and labor obligations	66,785	96,187
2.01.01.02	Labor obligations	66,785	96,187
2.01.01.02.01	Salaries, payroll charges and profit sharing	66,785	96,187
2.01.02	Suppliers	76,619	79,342
2.01.02.01	Local suppliers	76,619	79,342
2.01.03	Tax obligations	117,728	216,625
2.01.03.01	Federal tax obligations	117,728	216,625
2.01.04	Loans and financing	976,336	1,154,218
2.01.04.01	Loans and financing	622,942	590,386
2.01.04.01.01	In Local Currency	622,942	590,386
2.01.04.02	Debentures	353,394	563,832
2.01.05	Others obligations	768,738	1,064,532
2.01.05.01	Payables to related parties	154,742	133,678
2.01.05.02	Others	613,996	930,854
2.01.05.02.01	Minimum mandatory dividends	32,945	150,067
2.01.05.02.04	Obligations for purchase of real estate and advances from customers	364,637	408,374
2.01.05.02.05	Payables to venture partners	7,517	112,886
2.01.05.02.06	Other obligations	161,760	176,740
2.01.05.02.07	Obligations assumed on assignment of receivables	47,137	82,787
2.01.06	Provisions	87,688	72,119
2.01.06.01	Tax, labor and civil lawsuits	87,688	72,119
2.01.06.01.01	Tax lawsuits	218	255
2.01.06.01.02	Labor lawsuits	36,406	23,876
2.01.06.01.04	Civil lawsuits	51,064	47,988
2.02	Non current liabilities	2,056,378	2,285,524
2.02.01	Loans and financing	1,696,853	1,905,310
2.02.01.01	Loans and financing	814,345	1,047,924
2.02.01.01.01	Loans and financing in local currency	814,345	1,047,924
2.02.01.02	Debentures	882,508	857,386
2.02.02	Other obligations	170,687	197,753
2.02.02.02	Others	170,687	197,753
2.02.02.02.03	Obligations for purchase of real estate and advances from customers	70,158	79,975
2.02.02.02.04	Other obligations	64,066	69,874
2.02.02.02.05	Payables to venture partners	7,145	10,794
2.02.02.02.06	Obligations assumed on assignment of receivables	29,318	37,110
2.02.03	Deferred taxes	55,310	56,652
2.02.03.01	Deferred income tax and social contribution	55,310	56,652
2.02.04	Provisions	133,528	125,809

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

CODE	DESCRIPTION	ACTUAL QUARTER	PRIOR YEAR
		6/30/2014	31/12/2013
2.02.04.01	Tax, labor and civil lawsuits	133,528	125,809
2.02.04.01.01	Tax lawsuits	1,419	1,336
2.02.04.01.02	Labor lawsuits	32,232	31,748
2.02.04.01.04	Civil lawsuits	99,877	92,725
2.03	Equity	3,138,131	3,214,483
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	-52,589	-18,687
2.03.02.04	Granted options	136,143	125,600
2.03.02.05	Treasury shares	-110,945	-73,070
2.03.02.07	Reserve for expenditures with public offering	-71,217	-71,217
2.03.02.08	Income from treasury shares' transfer	-6,570	-
2.03.04	Income Reserve	468,749	468,749
2.03.04.01	Legal Reserve	31,593	31,593
2.03.04.02	Statutory Reserve	437,156	437,156
2.03.05	Retained earnings/accumulated losses	-40,640	-
2.03.09	Non-controlling interest	21,949	23,759

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

CODE	DESCRIPTION	ACTUAL QUARTER 04/01/2014 to 06/30/2014	YEAR TO DATE 01/01/2014 to 06/30/2014	SAME QUARTER FROM PREVIOUS YEAR 04/01/2014 to 06/30/2014	YEAR TO DATE
					FROM PREVIOUS YEAR 01/01/2013 to 06/30/2013
3.01	Net Sales and/or Services	574,830	1,007,531	640,864	1,148,414
3.02	Cost of sales and/or services	-409,926	-745,279	-497,066	-926,471
3.02.01	Cost of real estate development	-409,926	-745,279	-497,066	-926,471
3.03	Gross profit	164,904	262,252	143,798	221,943
3.04	Operating expenses/income	-152,215	-275,447	-144,430	-250,762
3.04.01	Selling expenses	-43,093	-73,875	-60,407	-115,627
3.04.02	General and administrative expenses	-56,418	-107,837	-49,599	-102,604
3.04.05	Other operating expenses	-55,296	-95,310	-19,936	-36,162
3.04.05.01	Depreciation and amortization	-15,977	-29,999	-11,022	-20,431
3.04.05.02	Other operating expenses	-39,319	-65,311	-8,914	-15,731
3.04.06	Equity pick-up	2,592	1,575	-14,488	3,631
3.05	Income (loss) before financial results and income taxes	12,689	-13,195	-632	-28,819
3.06	Financial	-3,072	-10,986	-33,662	-82,827
3.06.01	Financial income	37,965	82,161	16,757	35,688
3.06.02	Financial expenses	-41,037	-93,147	-50,419	-118,515
3.07	Income before income taxes	9,617	-24,181	-34,294	-111,646
3.08	Income and social contribution taxes	-11,672	-18,269	-6,992	-13,429
3.08.01	Current	-9,810	-16,874	-5,202	-9,165
3.08.02	Deferred	-1,862	-1,395	-1,790	-4,264
3.09	Income (loss) from continuing operation	-2,055	-42,450	-41,286	-125,075
3.10	Income (loss) from discontinuing operation	-	-	42,473	80,765
3.10.01	Income (loss) from discontinuing operation	-	-	42,473	80,765
3.11	Income (loss) for the period	-2,055	-42,450	1,187	-44,310
3.11.01	Income (loss) attributable to the Company	-851	-40,640	-14,144	-69,617

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

CODE	DESCRIPTION	YEAR TO DATE		SAME QUARTER FROM		YEAR TO DATE
		ACTUAL QUARTER	01/01/2014 to	PREVIOUS YEAR	FROM PREVIOUS	YEAR 01/01/2014 to
		04/01/2014 to 06/30/2014	06/30/2014	04/01/2014 to 06/30/2014	06/30/2014	06/30/2014
3.11.02	Net income attributable to non-controlling interests	-1,204	-1,810	15,331	2	
3.99.01.01 ON		-0.00210	-0.1002	-0.0329	-0	
3.99.02.01 ON		-0.00210	-0.1002	-0.0329	-0	

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

CODE	DESCRIPTION	ACTUAL QUARTER 04/01/2014 to 06/30/2014	YEAR TO DATE 01/01/2014 to 06/30/2014	SAME QUARTER FROM PREVIOUS YEAR 04/01/2014 to 06/30/2014	YEAR TO
					DATE FROM PREVIOUS YEAR 01/01/2013 to 06/30/2013
4.01	Income (loss) for the period	-2,055	-42,450	1,187	-44,310
4.03	Consolidated comprehensive income (loss) for the period	-2,055	-42,450	1,187	-44,310
4.03.01	Income (loss) attributable to Gafisa	-851	-40,640	-14,144	-69,617
4.03.02	Net income attributable to the noncontrolling interests	-1,204	-1,810	15,331	25,307

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

CODE	DESCRIPTION	YEAR TO DATE	
		YEAR TO DATE	PREVIOUS YEAR
		01/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013
6.01	Net cash from operating activities	-40,042	-41,174
6.01.01	Cash generated in the operations	154,886	-40,247
6.01.01.01	Loss before income and social contribution taxes	-24,181	-111,646
6.01.01.02	Stock options expenses	24,405	9,545
6.01.01.03	Unrealized interest and finance charges, net	70,624	19,424
6.01.01.04	Depreciation and amortization	29,999	20,431
6.01.01.05	Write-off of property and equipment, net	2,197	5,186
6.01.01.06	Provision for legal claims	51,796	15,238
6.01.01.07	Warranty provision	-10,957	-2,440
6.01.01.08	Provision for profit sharing	16,425	17,427
6.01.01.09	Allowance for doubtful accounts	-3,306	-2,965
6.01.01.10	Provision for realization of non-financial assets – properties for sale	379	-924
6.01.01.11	Provision for penalties due to delay in construction works	-675	-12,098
6.01.01.12	Financial instruments	-245	5,700
6.01.01.13	Equity pick-up	-1,575	-3,631
6.01.01.14	Provision for realization of non-financial assets – intangible	-	506
6.01.02	Variation in Assets and Liabilities	-194,928	-927
6.01.02.01	Trade accounts receivable	179,022	96,826
6.01.02.02	Properties for sale	-81,378	-127,903
6.01.02.03	Other accounts receivable	-2,398	-23,073
6.01.02.04	Transactions with related parties	-51,270	-13,697
6.01.02.05	Prepaid expenses	8,964	13,890
6.01.02.06	Suppliers	-1,479	13,537
6.01.02.07	Obligations for purchase of land and adv. from customers	-53,554	24,620
6.01.02.08	Taxes and contributions	-31,088	-17,103
6.01.02.09	Salaries and payable charges	-45,826	-39,326
6.01.02.10	Other obligations	-31,239	75,236
6.01.02.11	Income tax and social contribution paid	-84,682	-3,934
6.02	Net cash from investing activities	694,084	155,486
6.02.01	Purchase of property and equipment and intangible assets	-35,128	-37,522
6.02.02	Redemption of short-term investments	2,544,749	2,641,860

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6.02.03	Short-term investments obtained	-1,880,258	-2,450,241
6.02.04	Investments increase	4,420	-3,876
6.02.05	Received dividends	60,301	5,265
6.03	Net cash from financing activities	-734,147	-69,765
6.03.01	Capital increase	-	4,863
6.03.02	Loans and financing obtained	378,913	948,313
6.03.03	Payment of loans and financing	-835,878	-857,622
6.03.04	Purchase of treasury shares	-51,353	-39,970
6.03.05	Proceeds from subscription of redeemable equity interest in securitization fund	-	-5,089

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

CODE	DESCRIPTION	YEAR TO DATE FROM	
		YEAR TO DATE	PREVIOUS YEAR
		01/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013
6.03.06	Payables to venture partners	-109,018	-108,583
6.03.07	Loans with related parties	-6,598	-11,677
6.03.08	Treasury shares	13,480	-
6.03.09	Net result from treasury shares' alienation	-6,571	-
6.03.10	Dividends paid	-117,122	-
6.05	Net increase of cash and cash equivalents	-80,105	44,547
6.05.01	Cash and cash equivalents at the beginning of the period	215,194	432,202
6.05.02	Cash and cash equivalents at the end of the period	135,089	476,749

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2014 TO 06/30/2014 (in thousands of E

CODE DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Others comprehensive income	Total Shareholders' equity
5.01 Opening balance	2,740,662	-18,687	468,749	-	-	3,190,724
5.03 Opening adjusted balance	2,740,662	-18,687	468,749	-	-	3,190,724
5.04 Capital transactions with shareholders	-	-33,902	-	-	-	-33,902
5.04.03 Realization of granted options	-	10,542	-	-	-	10,542
5.04.04 Acquired treasury shares	-	-51,353	-	-	-	-51,353
5.04.05 Sold treasury shares	-	6,909	-	-	-	6,909
5.05 Total of comprehensive income (loss)	-	-	-	-40,640	-	-40,640
5.05.01 Income (loss) for the period	-	-	-	-40,640	-	-40,640
5.07 Closing balance	2,740,662	-52,589	468,749	-40,640	-	3,116,182

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 01/01/2013 TO 06/30/2013 (in thousands of E

CODE	DESCRIPTION	Capital	Capital reserves, stock options and treasury shares	Profit reserves	Retained earnings	Others comprehensive income	Total Shareholders' equity
5.01	Opening balance	2,735,794	35,233	-	-226,523	-	2,544,504
5.03	Opening adjusted balance	2,735,794	35,233	-	-226,523	-	2,544,504
5.04	Capital transactions with shareholders	4,863	-30,424	-	-	-	-25,561
5.04.01	Capital increase	-	-	-	-	-	-
5.04.03	Realization of granted options	-	9,546	-	-	-	9,546
5.04.04	Acquired treasury shares	-	-39,970	-	-	-	-39,970
5.04.06	Dividends	-	-	-	-	-	-
5.05	Total of comprehensive income (loss)	-	-	-	-69,617	-	-69,617
5.05.01	Income (loss) for the period	-	-	-	-69,617	-	-69,617
5.07	Closing balance	2,740,657	4,809	-	-296,140	-	2,449,326

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

CODE	DESCRIPTION	YEAR TO DATE	
		01/01/2014 to 06/30/2014	01/01/2013 to 06/30/2013
7.01	Revenues	1,092,671	1,253,023
7.01.01	Real estate development, sale and services	1,061,801	1,172,116
7.01.04	Allowance for doubtful accounts	30,870	80,907
7.02	Inputs acquired from third parties	-773,089	-828,843
7.02.01	Cost of sales and/or services	-670,178	-856,704
7.02.02	Materials, energy, outsourced labor and other	-102,911	27,861
7.03	Gross added value	319,582	424,180
7.04	Retentions	-29,999	-20,431
7.04.01	Depreciation and amortization	-29,999	-20,431
7.05	Net added value produced by the Company	289,583	403,749
7.06	Added value received on transfer	83,736	39,319
7.06.01	Equity pick-up	1,575	3,631
7.06.02	Financial income	82,161	35,688
7.07	Total added value to be distributed	373,319	443,068
7.08	Added value distribution	373,319	443,068
7.08.01	Personnel and payroll charges	116,138	156,633
7.08.02	Taxes and contributions	122,220	167,770
7.08.03	Compensation – Interest	175,601	188,282
7.08.03.01	Interest	175,601	188,282
7.08.04	Compensation – Company capital	-40,640	-69,617
7.08.04.03	Retained losses	-40,640	-69,617

GAFISA RELEASES 2Q14 RESULTS

FOR IMMEDIATE RELEASE

São Paulo, August 08, 2014

Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, today reported financial results for the quarter ended June 30, 2014.

MANAGEMENT COMMENTS AND HIGHLIGHTS

We are pleased to report continued improvement in Gafisa and Tenda's financial results during the second quarter of 2014. In spite of the uncertain economic environment and the impact, at the end of the quarter, of the World Cup in Brazil, the Company was able to report solid operating results, which positively impacted financial performance.

Gafisa's profitability continues to improve. In the quarter, margins were in line with our expectations and are consistent with the business plan for the year. Adjusted gross margin reached 38.1%, and adjusted EBITDA margin was 20.9%, as a result of our strategy of consolidating operations in the more profitable markets of São Paulo and Rio de Janeiro. In response to the consumer spending environment in Brazil, we are taking a selective approach to product development and closely monitoring the execution process. In the second quarter we launched PSV of R\$314.7 million in the Gafisa segment, comprising three projects in São Paulo and Osasco. Pre-sales during the period totaled R\$ 251.3 million, reflecting the continued sale of inventory. The speed of sales improved on a sequential basis and was stable year-over-year. In the second quarter, the number of deliveries increased almost three-fold to 1,504 units, compared with 524 units in the 1Q14. The high level of deliveries underpinned the volume of transfers, which reached R\$ 442.8 million in the first-half. While the sequential increase in quarterly unit deliveries led to an associated rise in cancellations, the result was lower on a year-over-year basis. The Gafisa segment generated net income of R\$ 17.1 million in 2Q14, ending the 1H14 with accumulated income of R\$ 14.8 million.

The Tenda segment also performed well. Net pre-sales totaled R\$181.7 million, the best quarterly result since the fourth quarter of 2011, which marked the early stage of the turnaround process. The volume of sales cancellations declined 25.5% on a year-over-year basis, reflecting the immediate transfer of sales and the gradual reduction in legacy projects in the portfolio. While the segment's performance improved in the quarter, sales were nonetheless impacted by the World Cup in Brazil, which reduced in store traffic. The performance of projects launched under the New Model was in line with expectations, due to good sales velocity, fast transfer to financial institutions and tight control over construction costs. In 2Q14, Tenda transferred 1,708 units, representing R\$223.7 million in sales. This solid operating performance resulted in a significant improvement in financial results. Adjusted gross income reached R\$69.4 million in the first-half, with a margin of 24.5%. The Company expects a sequential improvement in Tenda's profitability, due to the ongoing streamlining of the segment's cost and expense structure, the adherence to and strong

performance of the New Business Model, and the contribution of a smaller number of underperforming legacy projects.

Consolidated launch volumes for the quarter reached R\$413.7 million and R\$949.1 million in the first-half, while pre-sales were R\$433.0 million and R\$672.3 million respectively. Adjusted gross profit was R\$205.2 million with a margin of 35.7% in the quarter, 7.5 percentage points above that of the previous year. The result underscores the improved operating and financial performance achieved by the two segments in 2Q14. During the first-half, adjusted gross profit was R\$337.4 million, with a margin of 33.5%. Adjusted EBITDA was R\$89.8 million in 2Q14 and R\$116.3 million in 1H14, with an EBITDA margin of 15.6% and 11.5%, respectively.

The Company reported a loss of R\$851.0 thousand in the second quarter, as a profit of R\$17.1 million in the Gafisa segment was offset by a loss of R\$18.0 million in the Tenda segment. In 1H14, the net loss was R\$40.6 million.

We would also like to highlight the Company's operating cash generation in the first half of the year. We ended 2Q14 with operating cash flow of R\$39.1 million, totaling R\$ 146.1 million in 1H14, as a result of: (i) the Company's success in transferring units sold to financing agents, with nearly R\$851 million transferred in the period; and (ii) greater control over the business cycle. Free cash flow generation in 2Q14 was negative at R\$ 1.3 million, while in 1H14, free cash flow was positive at R\$19.2 million.

The Net Debt/Equity ratio was 44.9% at the end of June and stable on a sequential basis. Excluding project finance, the Net Debt/Equity ratio was negative 16.9%.

During the second quarter we made further progress in separating the Gafisa and Tenda business units into two independent companies. During the quarter, a number of administrative functions, including Services, Personnel and People Management, among others, were split, and are currently operating independently from an administrative point of view. At the same time, we continue to evaluate the most appropriate capital structure for Gafisa and Tenda.

Looking ahead, we are confident in our business's prospects, and believe that the measures implemented to date mean we are well-positioned to face future challenges.

Sandro Gamba
Chief Executive Officer – Gafisa S.A.

Rodrigo Osmo
Chief Executive Officer – Tenda

FINANCIAL RESULTS

Net revenue recognized by the “PoC” method was R\$397.9 million in the Gafisa segment and R\$176.9 million in the Tenda segment. This resulted in consolidated revenue of R\$574.8 million in the second quarter, a reduction of 10.3% compared with the 2Q13, and an increase of 32.8% from the 1Q14. In the 1H14, net revenue reached R\$1,007.5 million.

Adjusted gross profit for 2Q14 was R\$205.3 million, up from R\$180.0 million in 2Q13 and R\$132.1 million in the previous quarter. Adjusted gross margin rose to 35.7% versus 28.1% in the prior-year period and 30.5% in the 1Q14. Gafisa’s contribution was an adjusted gross profit of R\$151.5 million, with an adjusted margin of 38.1%, while Tenda’s contribution was R\$53.8 million, with a margin of 30.4% in 2Q14. In the first half, consolidated adjusted gross profit was R\$337.4 million, and adjusted gross margin was 33.5%.

Adjusted EBITDA was R\$89.8 million in the 2Q14. The Gafisa segment reported adjusted EBITDA of R\$83.4 million, while the Tenda segment’s adjusted EBITDA was negative at R\$1.9 million. Please note that consolidated adjusted EBITDA includes Alphaville equity income, while the Gafisa segment’s adjusted EBITDA is net of this effect. At the end of 1H14, consolidated adjusted EBITDA reached R\$116.3 million. Consolidated EBITDA margin reached 15.6% in 2Q14 and 11.5% in 1H14.

The Company reported a consolidated net loss of R\$851.0 thousand in the second quarter. Gafisa reported a profit of R\$17.1 million, while Tenda reported a loss of R\$18.0 million. In the 1H14, the net loss reached R\$40.6 million.

Operating cash generation reached R\$39.1 million in the 2Q14 and R\$146.1 million in the 1H14. In the 2Q14, the Company recorded cash burn of R\$1.3 million, while in the first half, cash generation was R\$19.2 million.

OPERATING RESULTS

Launches totaled R\$413.7 million in the 2Q14, compared to R\$535.4 million in the 1Q14. In 1H14, R\$949.1 million were launched. The Gafisa segment accounted for R\$668.7 million across 6 projects, while the Tenda segment launched 6 projects with a total PSV of R\$280.5 million.

Consolidated pre-sales totaled R\$433.0 million in the 2Q14, compared to R\$386.8 million in the 2Q13. In the 1H14, sales reached R\$672.4 million, with R\$438.9 million in the Gafisa segment and R\$233.5 million in the Tenda segment. Consolidated sales from launches in the period (1H14) represented 32% of the total, while sales from inventory comprised the remaining 68%.

Consolidated sales over supply (SoS) reached 12.6% in 2Q14, compared to 7.5% in 1Q14. The result was stable on a year-over-year basis. In the Gafisa segment, SoS was 9.8%, while in the Tenda segment it was 20.8%.

Consolidated inventory at market value increased R\$61.9 million on a sequential basis, reaching R\$3.0 billion. Gafisa's inventory reached R\$2.3 billion and Tenda's inventory totaled R\$691.4 million.

Throughout the second quarter, the Company delivered 19 projects, totaling 3,689 units, representing R\$678.2 million. The Gafisa segment delivered 1,504 units, while the Tenda segment delivered the remaining 2,185 units.

ANALYSIS OF RESULTS

Gafisa Segment

Gross Margin Expansion and Reduction in Expenses Benefit EBITDA Margin

The Gafisa segment's margin has been improving in recent quarters, due to the consolidation of operations in certain markets and the delivery of legacy projects. In the 2Q14, adjusted gross profit increased to R\$ 151.5 million, compared to R\$ 116.5 million in the previous quarter and R\$ 144.6 million in the 2Q13. Accordingly, the adjusted gross margin reached 38.1%, up from 35.7% in the 1Q14. Another highlight is the 14.0% y-o-y reduction in the amount of expenses, despite higher launch volumes in the period. These factors contributed to an increase in EBITDA margin to 20.9% from 16.8% in 1Q14 and 15.3% in the previous year.

Net Income

Net income for the period was R\$17.1 million, compared to a loss of R\$2.3 million in 1Q14, and profit of R\$11.9 million in the year-ago period. Excluding the equity from Alphaville, at R\$8.4 million, the Gafisa segment's net income was positive at R\$8.7 million, compared with net income of R\$ 1.1 million in 1Q14 and a net loss of R\$ 30.6 million in the previous year.

Note that currently Gafisa holds a 30% stake in Alphaville, while in 2Q13 this stake was 80%.

Adjusted Gross Profit	151.5	116.5	144.6
<i>Adjusted Gross Margin</i>	38.1%	35.7%	38.7%
Net Profit	17.1	(2.3)	11.9
<i>Equity income from Alphaville</i>	8.4	(3.4)	42.5
Net Profit Ex-Alphaville	8.7	1.1	(30.6)

Tenda Segment

Significant Gross Margin Expansion and Lower Expenses

The reduced contribution and complexity of Tenda legacy projects, coupled with the resumption of launches under a new business model, is resulting in a gradual improvement in the segment's margins. In the 2Q14, adjusted gross profit increased to R\$53.8 million, compared to R\$15.6 million in the previous quarter and R\$35.4 million in 2Q13. Accordingly, the adjusted gross margin reached 30.4%, compared to a margin of 14.7% in the 1Q14 and 13.3% in 2Q13.

A streamlined cost structure, which better reflects the size of operations, also contributed to the segment's second quarter results. Selling, general and administrative expenses once again decreased from a year earlier, with a sharp 30.0% reduction in selling expenses, despite higher launch volumes in the period. This was mainly driven by the sale of units through Tenda's own stores, which is one of the pillars of the new Tenda business model.

Net Income

Second quarter net income was negative at R\$18.0 million, compared to a net loss of R\$37.5 million in 1Q14, and R\$26.0 million in 2Q13.

Adjusted Gross Profit	53.8	15.6	35.4
<i>Adjusted Gross Margin</i>	30.4%	14.7%	13.3%
Net Profit	(18.0)	(37.5)	(26.0)

RECENT EVENTS

Share Buyback Program

Regarding the share buyback program in place, on July 25, 2014, the Company had acquired 24 million shares, or around 74% of the total amount permitted, considering the maximum amount of 32,938,554 shares.

The approved program is conditional on the maintenance of consolidated net debt at a level equal to or less than 60% of net equity and does not oblige the Company to acquire any particular amount of shares in the market. The program may be suspended at any time.

On February 28, 2014, the Company canceled an open share buyback program in place in the Tenda subsidiary and opened a new program in Gafisa, containing the same previously defined conditions. The new program can repurchase the remaining balance of shares.

Change in Tenda Securities Issuer Category

In keeping with the process to separate the Gafisa and Tenda business units, on July 29, 2014 the Company informed the market that the Brazilian Securities and Exchange Commission (CVM) authorized Tenda to change its securities issuer category to Category "A".

Such conversion is part of the first phase of the process to separate the two segments, which was announced in February. Both Gafisa and Tenda are still working on studies related to separation alternatives and assessing issues relating to capital structure, liquidity, fiscal,