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Gafisa S.A.  
Form 6-K  
August 07, 2007

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of  
the Securities Exchange Act of 1934

For the month of August, 2007

Commission File Number: 001-33356

Gafisa S.A.  
(Translation of registrant's name into English)

Av. Nacoes Unidas No. 4777, 9th floor  
Sao Paulo, SP, 05477-000  
Federative Republic of Brazil  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of 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 to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes  No

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

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Gafisa S.A.

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- 1 Communication dated August 06, 2007, regarding the earnings release of the 2Q07.

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## Gafisa Reports Strong Second Quarter Results Net operating revenue increases 75% to R\$267 million Company posts 72% growth in launches and 50% growth in pre-sales

Sao Paulo, August 6, 2007 - Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported its financial results for the second quarter ended June 30, 2007 (2Q07). The following financial and operating information, unless otherwise indicated, was prepared and presented in accordance with Brazilian GAAP (BR GAAP) and in Brazilian Reais (R\$). Additionally, financial statements and operating information consolidate the numbers for Gafisa and its subsidiaries, and refer to Gafisa's stake (or participation) in its developments.

Commenting on second quarter results, Wilson Amaral, chief executive officer of Gafisa S.A. said, "I am pleased with the operating and financial results we delivered in the first half of 2007. Not only did we launch new developments valued close to R\$800 million, on a consolidated basis, but importantly, we also continued to show robust pre-sales results during the quarter, indicating increasing consumer demand for our products. We are committed to serving all levels of the homebuyer market through products tailored to their needs and to the introduction of new financing options for consumers. This commitment, coupled with positive industry trends, strong brand recognition and a well capitalized balance sheet, puts Gafisa in a sound position to continue to deliver rapid and sustainable growth." Additional management comments about the Company's results can be found on page 4 of this release.

### Operating & Financial Highlights for the 2Q07

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Conference Call  
Date:  
Tuesday, August 7, 2007  
> In English  
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Code: Gafisa

- o Project Launches for 2Q07 totaled R\$470.7 million, a 71.6% increase over 2Q06. Pre-sales for 2Q07 totaled R\$342.8 million, a 49.8% increase over 2Q06.
- o For the three months ended June 30, 2007, consolidated net operating revenues, recognized by the Percentage of Completion ("PoC") method, rose 75.2% to R\$266.5 million from R\$152.2 million for the 2Q06 period.
- o 2Q07 EBITDA reached R\$38.4 million (14.4% EBITDA margin), a 90.4% increase compared to the R\$20.2 million 2Q06 EBITDA (13.3% EBITDA margin).
- o Net Income for 2Q07 was R\$32.1 million (12.1% Net Income margin), an increase of 52.2% compared with the adjusted net income of R\$21.1 million in 2Q06 (13.9% Net income margin). 2Q07 Adjusted Earnings per Share was R\$.25, a 20.6% increase compared to the R\$.21 in 2Q06.
- o The Backlog of Results to be recognized under

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the PoC method reached R\$418.8 million in 2Q07 representing 75.4% growth over 2Q06. The Backlog Margin to be recognized reached 38.1%.

o In 2Q07 we continued consolidating our national presence, launching developments in Maceio (state of Alagoas), Manaus (state of Amazonas), Salvador (state of Bahia) and Belem (state of Para). Also, in June we launched our first development in Santos (state of Sao Paulo).

o During the quarter Gafisa launched an innovative mortgage product with a leading financial institution, "Blue Print Mortgage." This new product offers consumers favorable rates with a long-term repayment option while reducing working capital requirements for Gafisa. In three recent project launches offering the Blueprint mortgage option on average 69% of the units sold utilized the credit facility.

o Working capital requirements continue to improve as more homebuyers finance pre-sales through bank mortgages. During the first semester of 2007 60% of our pre-sales were financed with bank mortgages, compared with 35% during the year of 2006.

o Leveraging Gafisa's existing regional partnerships, Fit Residencial has expanded its national footprint. FIT is currently developing projects in Salvador (Bahia), Belem (Para), Goiania (Goias) and Porto Alegre (Rio Grande do Sul). Fit Residencial's Land Bank reached R\$233 million.

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### Recent Developments

During the second quarter of 2007, Fit Residencial, a wholly-owned subsidiary focused on urban developments for the mid-low income segment of the market, accelerated the ramp-up of its operations. Strong consumer acceptance of Fit's first project in Jacana, launched in March 2007, resulted in sales reservations of over 85% (Fit Residencial recognizes sales only after the client has received the final approval by Caixa Economica Federal). A dedicated team from CEF working closely with Fit on qualifying home-buying applicants has resulted in smooth and efficient credit processing procedures averaging less than 30 days to complete. Leveraging Gafisa's existing partnerships, Fit Residencial expanded its national footprint and increased its land bank to R\$233 million. Fit is currently developing projects in Salvador (Bahia), Belem (Para), Goiania (Goias) and Porto Alegre (Rio Grande do Sul).

In 1Q07, Gafisa created a joint venture, Bairro Novo, with Odebrecht Empreendimentos Imobiliarios, Ltda to exclusively develop, manage and build large scale Affordable Entry Level (AEL) projects in suburban areas, with over 1,000 units per development. Since that time, a management team has been named and plans are underway to launch the joint venture's first project during the first semester of 2008. Modeled after the Mexican affordable housing model, Bairro Novo will develop large standardized communities, complete with the

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necessary community and public infrastructure.

During the quarter Gafisa launched an innovative mortgage product with a leading financial institution, "Blue Print Mortgage." This new financial product allows buyers to finance a 10% initial down payment as well as lock-in a twenty-five year bank mortgage on the remaining 90% purchase price of a new home prior to construction. Home buyers without an established credit history are able to qualify by paying monthly installments on a timely basis. Additionally, home buyers receive their units 6 to 10 months ahead of the regular schedule, bringing important savings in rent and increased quality of life. This new product offers consumers a favorable rate with a long-term repayment option while reducing working capital requirements for Gafisa.

On March 16, 2007 Gafisa became the first Brazilian homebuilder publicly-traded on the New York Stock Exchange (NYSE). Since the follow-on offering on the Bovespa and the NYSE listing, the Company's trading volume has increased nearly fourfold, with an average daily trading volume of 700.000 common shares on the BOVESPA (approximately R\$20MM) and an average daily trading volume of 650.000 common shares on the NYSE (approximately US\$10MM).

During the quarter, the portion of Gafisa's outstanding shares held by public investors ("float") increased to 86%, reinforcing the Company's position as a truly public company with a strong commitment to the highest standards of corporate governance. Management believes that this provides Gafisa with an important competitive edge in today's marketplace.

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| Operating and Financial Highlights                          | 2Q07        | 2Q06        | Var. (%)  |
|---|-------------|-------------|-----------|
| -----   | ----        | ----        | -----     |
| Project Launches (R\$000) (% Gafisa)                        | 470,673     | 274,215     | 72%       |
| Project Launches (R\$000) (including partners stakes)       | 678,832     | 372,196     | 82%       |
| Project Launches (Units) (including partners stakes)        | 2,744       | 1,254       | 119%      |
| Average Project Launch Price (R\$/sq.m) (100% without lots) | 2,625       | 2,853       | -8%       |
| Pre-Sales (R\$000) (% Gafisa)                               | 342,778     | 228,870     | 50%       |
| Sales from projects launched in 2007 (R\$000) (% Gafisa)    | 224,361     | 143,699     | 56%       |
| Sales from inventory prior to 2007 (R\$000) (% Gafisa)      | 118,418     | 85,171      | 39%       |
| Pre-Sales (R\$000) (including partners stakes)              | 439,012     | 272,458     | 61%       |
| Pre-Sales (Units) (including partners stakes)               | 1,806       | 766         | 136%      |
| Average Sales Price (R\$/sq.m) (100% without lots)          | 2,705       | 2,805       | -4%       |
| -----   | -----       | -----       | -----     |
| Net Operating Revenues                                      | 266,548     | 152,151     | 75%       |
| Gross Profits   | 80,081      | 39,124      | 105%      |
| Gross Margin  | 30.0%       | 25.7%       | 4.33p.p.  |
| EBITDA  | 38,416      | 20,175      | 90%       |
| EBITDA Margin   | 14.4%       | 13.3%       | 1.15p.p.  |
| Extraordinary Expenses                                      | 0           | -1,840      | -100%     |
| Adjusted Net Income   | 32,140      | 21,122      | 52.2%     |
| Adjusted Net Margin   | 12.1%       | 13.9%       | -1.82p.p. |
| Adjusted Earnings per Share                                 | 0.25        | 0.21        | 20.6%     |
| Average number of shares, basic                             | 129,195,063 | 102,430,921 | 26%       |
| Backlog of Revenues   | 1,100       | 540         | 104%      |

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|                      |           |           |           |
|----------------------|-----------|-----------|-----------|
| Backlog of Results   | 419       | 239       | 75%       |
| Backlog Margin(1)    | 38.1%     | 44.2%     | -6.15p.p. |
| Net Debt (Cash)      | -125,259  | -147,045  | -15%      |
| Cash                 | 496,016   | 422,779   | 17%       |
| Shareholders' Equity | 1,462,371 | 807,633   | 81%       |
| Total Assets         | 2,295,381 | 1,406,612 | 63%       |

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 Note: (1) In order to increase transparency and visibility of future earnings, during the fourth quarter ended December 31st 2006, the Company changed the accounting practice adopted with respect to the costs and earnings to be recognized in our backlog.

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### CEO Commentary and Corporate Highlights for Fiscal 2Q07

Fueled by continued growth in the housing industry reflecting increased consumer demand and greater access to financing, Gafisa turned in strong results for the second quarter of 2007. With 20 launches representing almost R\$800 million in potential sales value, and 57% growth in pre-sales during the first semester of 2007, Gafisa continued to show that its team is executing on plan and its products are meeting consumer demand.

The real estate market continues to benefit from rising consumer confidence, decreasing interest rates, expansion of loan terms and the strong inflow of commercial bank mortgages. Demand for housing has been fueled by increasing access to financing. The first semester of 2007 was marked by impressive mortgage financing growth in Brazil, with a 67% increase in the amount of mortgages granted over the first semester of 2006.

Competition, particularly in Sao Paulo, is increasing as additional well capitalized players enter the market. Although we haven't seen scarcity of available land, prices have been increasing and permitting is becoming more difficult. Over the years Gafisa has developed proprietary technology for permitting projects, which together with our well diversified land bank, has enabled the company to continue approving and launching developments on schedule.

Importantly, the Company's strong performance during the first half of 2007 reflects positively on our ability to execute on our long term strategy. We have been able to leverage our competitive advantages to the benefit of our customers, partners and shareholders:

**Brand:** Homebuyers trust the quality of the Gafisa product and have seen a track-record of on-time deliveries. Our high sales velocity speaks to the strength of our brand.

**Land Bank:** The Company has one of the most expansive and diversified land banks. Gafisa now owns approximately R\$6.2 billion in its land bank, in 91 different sites, equaling almost 50.000 units. Importantly, this land bank is highly diversified, with almost 70% outside of the cities of Rio de Janeiro and Sao Paulo. As mentioned above, although permitting has become a bottleneck for some companies, Gafisa's proprietary technology for permitting projects together with our well-diversified land bank, has enabled us to continue launching on schedule.

**Management:** Gafisa's professional management team, as well as its distinguished

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training program, continues to attract an unprecedented number of candidates, ensuring a strong pool of management into the future. The 2007 trainee program has recently been launched and expanded to include recruiting in all 27 states of Brazil.

Transparency: Gafisa's reputation for transparency has made us the preferred partner for consumers who want consistent quality and on-time delivery, joint venture partners who expect fair and transparent relationships, to shareholders who demand the highest standards of corporate governance.

The second quarter of 2007 was highlighted by many significant accomplishments. I am excited about the opportunities and remain confident in the strength of our professional management team's ability to continue to execute on our long-term growth strategy.

Wilson Amaral  
CEO - Gafisa S.A.

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### Project Launches and Pre-Sales

Gafisa's project launches rose by 71.6%, or R\$196.5 million, from R\$274.2 million in 2Q06 to R\$470.7 million in 2Q07. Following our strategy of diversification into under-explored markets, during 2Q07 Gafisa launched in Maceio (in the state of Alagoas), Manaus (in the state of Amazonas), Salvador (in the state of Bahia) and Belem (in the state of Para). Also, 2Q07 marked Gafisa's debut in Santos (in the state of Sao Paulo). In 2Q07, 53.6% of the launches were in markets outside the cities of Sao Paulo and Rio de Janeiro.

The decrease in the average price per square meter for the developments launched during 2Q07 (R\$2,625, compared to R\$2,853 during the same period in 2006) is due to the fact that the mix of our launches in 2Q06 was more concentrated on the High and Mid-high Income segments (48% of launches in 2Q06), which are characterized by a higher price point.

The tables below detail new projects launched in the second quarter and the first 6 months of 2007:

Table 1 - 2Q07 Launches by Segment (1)

| Segments     | Launches (R\$000) (% Gafisa) |                |            | Launch price (R\$/sq.m) (100%) |              |            | La       |
|--------------|------------------------------|----------------|------------|--------------------------------|--------------|------------|----------|
|              | 2Q07                         | 2Q06           | Change (%) | 2Q07                           | 2Q06         | Change (%) |          |
| HIG          | -                            | 36,244         | -100%      | NA                             | 3,638        | NA         |          |
| MHI          | 176,789                      | 95,955         | 84%        | 3,178                          | 3,296        | -4%        |          |
| MID          | 290,796                      | 99,712         | 192%       | 2,392                          | 2,213        | 8%         | 1        |
| AEL          | 3,087                        | -              | NA         | 1,467                          | NA           | NA         |          |
| LOT          | -                            | 42,303         | -100%      | NA                             | 278          | NA         |          |
| COM          | -                            | -              | NA         | NA                             | NA           | NA         |          |
| <b>TOTAL</b> | <b>470,673</b>               | <b>274,215</b> | <b>72%</b> | <b>2,625</b>                   | <b>2,853</b> | <b>-8%</b> | <b>2</b> |

Table 2 - 2Q07 Launches by Region

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| Geog. Region   | 2Q07           | 2Q06           | Change (%) | 2Q07         | 2Q06         | Change (%) |
|----------------|----------------|----------------|------------|--------------|--------------|------------|
| Sao Paulo      | 128,545        | 73,266         | 75%        | 2,305        | 3,481        | -34%       |
| Rio de Janeiro | 89,767         | 58,933         | 52%        | 3,176        | 3,191        | 0%         |
| New Markets    | 252,360        | 142,016        | 78%        | 2,610        | 2,213        | 18%        |
| <b>TOTAL</b>   | <b>470,673</b> | <b>274,215</b> | <b>72%</b> | <b>2,625</b> | <b>2,853</b> | <b>-8%</b> |

Segment Breakdown(1): HIG = High Income / MHI = Mid-High / MID = Middle Income / AEL = Affordable Entry Level / LOT = Urbanized Lots /COM = Commercial (commercial buildings).

Table 3 - 1H07 Launches by Segment (1)

| Segments     | Launches (R\$000) (% Gafisa) |                |            | Launch price (R\$/sq.m) (100%) |              |             |
|--------------|------------------------------|----------------|------------|--------------------------------|--------------|-------------|
|              | 1H07                         | 1H06           | Change (%) | 1H07                           | 1H06         | Change (%)  |
| HIG          | -                            | 82,397         | -100%      | NA                             | 3,778        | NA          |
| MHI          | 176,789                      | 172,134        | 3%         | 3,178                          | 3,285        | -3%         |
| MID          | 541,951                      | 99,712         | 444%       | 2,452                          | 2,213        | 11%         |
| AEL          | 20,061                       | 6,983          | 187%       | 1,729                          | 1,808        | -4%         |
| LOT          | 35,018                       | 42,303         | -17%       | 232                            | 278          | -16%        |
| COM          | -                            | 32,709         | -100%      | NA                             | 5,169        | NA          |
| <b>TOTAL</b> | <b>773,819</b>               | <b>436,239</b> | <b>77%</b> | <b>2,584</b>                   | <b>3,062</b> | <b>-16%</b> |

Table 4 - 1H07 Launches by Region

| Geog. Region   | Launches (R\$000) (% Gafisa) |                |            | Launch price (R\$/sq.m) (100%) |              |             |
|----------------|------------------------------|----------------|------------|--------------------------------|--------------|-------------|
|                | 1H07                         | 1H06           | Change (%) | 1H07                           | 1H06         | Change (%)  |
| Sao Paulo      | 221,202                      | 156,428        | 41%        | 2,296                          | 3,292        | -30%        |
| Rio de Janeiro | 133,782                      | 137,795        | -3%        | 3,018                          | 3,646        | -17%        |
| New Markets    | 418,835                      | 142,016        | 195%       | 2,609                          | 2,213        | 18%         |
| <b>TOTAL</b>   | <b>773,819</b>               | <b>436,239</b> | <b>77%</b> | <b>2,584</b>                   | <b>3,062</b> | <b>-16%</b> |

(1) For information about segmentation, refer to glossary in the end of this report.

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million, a 50% increase over the same quarter in the previous year. As the strong sales figures confirm, the increased supply in the market has not decreased Gafisa's sales velocity.

In 2Q07, 83.0% of our pre-sales came from the mid (MID) and mid-high (MHI) segments. High income (HIG), lots and affordable entry level accounted for the remaining 17.0%. The large growth in the MID and MHI segments demonstrates that the fundamentals of the industry remain very compelling. The real estate market is benefiting from rising consumer confidence, decreasing interest rates, expansion of loan terms and the strong inflow of commercial bank mortgages.

Our diversification strategy is showing strong results, as we continue to launch and sell quickly in new markets. Our pre-sales in new markets increased 298%, and accounted for 47% of our total pre-sales in 2Q07.

The tables below set forth a detailed breakdown of our pre-sales for the second quarter and the first 6 months of 2007:

Table 5 - 2Q07 Pre-Sales by Segment (1)

| Segments     | Pre-Sales (R\$000) (%Gafisa) |                |            | Sales price (R\$/sq.m) (100%) |              |            | P         |
|--------------|------------------------------|----------------|------------|-------------------------------|--------------|------------|-----------|
|              | 2Q07                         | 2Q06           | Change (%) | 2Q07                          | 2Q06         | Change (%) |           |
| HIG          | 21,924                       | 49,451         | -56%       | 3,633                         | 4,018        | -10%       |           |
| MHI          | 69,889                       | 108,688        | -36%       | 3,060                         | 3,189        | -4%        |           |
| MID          | 214,787                      | 50,549         | 325%       | 2,619                         | 2,089        | 25%        | 1         |
| AEL(2)       | 13,027                       | 11,628         | 12%        | 1,984                         | 1,239        | 60%        |           |
| LOT          | 16,105                       | 6,976          | 131%       | 189                           | 738          | -74%       | 1         |
| COM          | 7,047                        | 1,578          | 347%       | 4,971                         | 3,151        | 58%        |           |
| <b>TOTAL</b> | <b>342,778</b>               | <b>228,870</b> | <b>50%</b> | <b>2,705</b>                  | <b>2,805</b> | <b>-4%</b> | <b>27</b> |

Table 6 - 2Q07 - Pre-Sales by Region

| Geog. Region   | 2Q07           | 2Q06           | Change (%) | 2Q07         | 2Q06         | Change (%) |           |
|----------------|----------------|----------------|------------|--------------|--------------|------------|-----------|
| Sao Paulo      | 129,945        | 129,908        | 0%         | 3,004        | 3,069        | -2%        | 6         |
| Rio de Janeiro | 50,958         | 58,270         | -13%       | 2,969        | 2,660        | 12%        | 2         |
| New Markets    | 161,876        | 40,693         | 298%       | 2,754        | 2,271        | 21%        | 19        |
| <b>TOTAL</b>   | <b>342,778</b> | <b>228,870</b> | <b>50%</b> | <b>2,705</b> | <b>2,805</b> | <b>-4%</b> | <b>27</b> |

Table 7 - 2Q07 Pre-Sales by Launch Year

| Launching year     | 2Q07    | 2Q06    | Change (%) | 2Q07  | 2Q06  | Change (%) |    |
|--------------------|---------|---------|------------|-------|-------|------------|----|
| Launches from 2007 | 224,361 | -       | NA         | 2,693 | -     | NA         | 13 |
| Launches from 2006 | 69,984  | 143,699 | -51%       | 3,029 | 3,320 | -9%        | 3  |



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|                    |         |         |      |       |       |       |    |
|--------------------|---------|---------|------|-------|-------|-------|----|
| Launches from 2005 | 48,433  | 85,171  | -43% | 3,059 | 251   | 1118% | 10 |
| TOTAL              | 342,778 | 228,870 | 50%  | 2,705 | 2,805 | -4%   | 27 |

Note: (1) For information about segmentation, refer to glossary in the end of this report. (2) Fit Residencial recognizes sales only after the client has received the final approval by Caixa Economica Federal.

Table 8 - 1H07 Pre-Sales by Segment

| Segments | Pre-Sales (R\$000) (%Gafisa) |         |            | Sales price (R\$/sq.m) (100%) |       |            | P |
|----------|------------------------------|---------|------------|-------------------------------|-------|------------|---|
|          | 1H07                         | 1H06    | Change (%) | 1H07                          | 1H06  | Change (%) |   |
| HIG      | 46,432                       | 65,028  | -29%       | 3,718                         | 3,854 | -4%        |   |
| MHI      | 128,544                      | 159,761 | -20%       | 3,160                         | 3,252 | -3%        |   |
| MID      | 336,713                      | 98,209  | 243%       | 2,574                         | 2,207 | 17%        | 1 |
| AEL2     | 15,796                       | 24,642  | -36%       | 1,934                         | 1,452 | 33%        |   |
| LOT      | 45,973                       | 8,978   | 412%       | 238                           | 691   | -66%       | 2 |
| COM      | 23,823                       | 24,588  | -3%        | 5,206                         | 4,791 | 9%         |   |
| TOTAL    | 597,281                      | 381,206 | 57%        | 2,799                         | 2,838 | -1%        |   |

Table 9 - 1H07 - Pre-Sales by Region

| Geog. Region   | 1H07    |         |            | 1H06  |       |            |
|----------------|---------|---------|------------|-------|-------|------------|
|                | 1H07    | 1H06    | Change (%) | 1H07  | 1H06  | Change (%) |
| Sao Paulo      | 229,950 | 226,338 | 2%         | 2,736 | 2,881 | -5%        |
| Rio de Janeiro | 90,830  | 95,366  | -5%        | 2,923 | 3,129 | -7%        |
| New Markets    | 276,501 | 59,502  | 365%       | 2,811 | 2,258 | 24%        |
| TOTAL          | 597,281 | 381,206 | 57%        | 2,799 | 2,838 | -1%        |

Table 10 - 1H07 Pre-Sales by Launch Year

| Launching year        | 1H07    |         |            | 1H06  |       |            |   |
|-----------------------|---------|---------|------------|-------|-------|------------|---|
|                       | 1H07    | 1H06    | Change (%) | 1H07  | 1H06  | Change (%) |   |
| Launches from 2007    | 299,521 | -       | NA         | 2,611 | -     | NA         | 2 |
| Launches from 2006    | 200,261 | 186,163 | 8%         | 3,011 | 3,442 | -13%       |   |
| Launches from 2005    | 57,765  | 128,594 | -55%       | 3,099 | 2,540 | 22%        |   |
| Up to 2004 launchings | 39,734  | 66,449  | -40%       | 3,228 | 2,230 | 45%        | 1 |
| TOTAL                 | 597,281 | 381,206 | 57%        | 2,799 | 2,838 | -1%        | 5 |

(1) For information about segmentation, refer to glossary in the end of this report. (2) Fit Residencial recognizes sales only after the client has received

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the final approval by Caixa Economica Federal.

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### Operations

Gafisa now has 89 projects under construction in 14 different states, totaling approximately 5.1 million square meters. With a strong record of managing multiple construction sites spread over a wide geographical area, we believe Gafisa has the expertise to deliver on our aggressive launch strategy.

We have delivered 12 projects this year and expect to deliver another 19 by the end of the year.

### Land Reserves

Consistent with our established land bank policies, the Company owns approximately R\$6.2 billion in its land bank distributed in 91 different sites. Gafisa's current land reserve totals R\$3.3 billion as we continue aligned with our policy of maintaining land reserves of two to three years of future project launches. The land bank totals 1.5 million square meters, which is equivalent to 13,425 units, of which 9,541 units are in the middle and mid-high income segments. AlphaVille's current land reserves totals R\$2.6 billion, which is equivalent to 12.3 million square meters, and 33,388 units. Fit's current land reserves totals R\$233.1 million, which is equivalent to 137 thousand square meters, and 2,965 units.

We continue with our land bank diversification strategy and at the end of the quarter 68% of Gafisa's land bank was outside the cities of Rio de Janeiro and Sao Paulo. Our land bank reflects our strategy of servicing all levels of the homebuyer market. One of our goals going forward is to continue increasing the land bank for Fit Residencial, aimed at the Affordable Entry Level segment.

As of June 30, 2007, the proportion of land acquired through swap agreements in Gafisa dropped to 70.3% compared to 72.4% in March 31, 2007. In 2Q07, the percentage of swap agreements in our land reserve in the city of Sao Paulo decreased to 39.4% from 46.6% in 1Q07. The stock of land acquired through swap agreements in the city of Rio de Janeiro and in new markets was 88.6% and 72.4%, respectively.

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The table below shows a detailed breakdown of our current land bank:

Table 11a - Land Bank Gafisa

|                | HIGH | MID & MHI | AEL | COM&LOTS | Future Sale |
|----------------|------|-----------|-----|----------|-------------|
| Sao Paulo      | 636  | 2,074     | -   | 102      | 1,19        |
| Rio de Janeiro | 776  | 750       | -   | 418      | 50          |
| New Markets    | 764  | 6,717     | -   | 1,188    | 1,62        |

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|            |       |       |    |       |      |
|------------|-------|-------|----|-------|------|
| Total      | 2,176 | 9,541 | -  | 1,708 | 3,32 |
| % of Total | 16%   | 71%   | 0% | 13%   |      |

Table 11b - Land Bank AlphaVille

|                | Potential Units<br>LOTS | Future Sales<br>(R\$000) | % acquired<br>Swap |
|----------------|-------------------------|--------------------------|--------------------|
| Sao Paulo      | 15,739                  | 1,033                    | 85.1%              |
| Rio de Janeiro | 1,736                   | 178                      | 100.0%             |
| New markets    | 15,913                  | 1,396                    | 82.3%              |
| Total          | 33,388                  | 2,607                    | 84.6%              |
| % of Total     | 100%                    |                          |                    |

Table 11c - Land Bank Fit Residencial

|                | Potential Units<br>AEL | Future Sales<br>(R\$000) | % acquired<br>Swap |
|----------------|------------------------|--------------------------|--------------------|
| Sao Paulo      | 1,199                  | 87                       | 0.0%               |
| Rio de Janeiro | -                      | -                        | 0.0%               |
| New markets    | 1,766                  | 145                      | 16.0%              |
| Total          | 2,965                  | 233                      | 10.6%              |
| % of Total     | 100%                   |                          |                    |

2Q07 - Revenues

Total net operating revenues for the three months ending June 30, 2007 rose 75% to R\$266.5 million from R\$152.2 million over the same period of the previous year. This growth was primarily due to the recognition of higher pre-sales from previous periods.

Revenues for the industry are recognized based on actual cost versus total budgeted costs of land and construction (Percentage of Completion method or PoC method) and the pre-sales portfolio is recognized in future periods even if the company has already completely pre-sold developments.

The table below presents detailed information of pre-sales and recognized revenues by launch year:

Table 12 - Pre-sales x Recognized revenues - 2Q07

| Launching year | 2Q07      |                     |               |                      |
|----------------|-----------|---------------------|---------------|----------------------|
|                | Pre-Sales | % of Total Revenues | % of Revenues | Pre-Sales % of Total |
|                |           |                     |               |                      |

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| Developments        |                |               |                |               |                |               |
|---------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| Launched in 2007    | 224,361        | 65.5%         | 16,038         | 6.0%          |                |               |
| Launched in 2006    | 69,984         | 20.4%         | 73,398         | 27.5%         | 143,699        | 62.8%         |
| Launched in 2005    | 40,665         | 11.9%         | 128,083        | 48.1%         | 48,347         | 21.1%         |
| Launched up to 2004 | 7,768          | 2.3%          | 49,029         | 18.4%         | 36,824         | 16.1%         |
| <b>TOTAL</b>        | <b>342,778</b> | <b>100.0%</b> | <b>266,548</b> | <b>100.0%</b> | <b>228,870</b> | <b>100.0%</b> |

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2Q07 - Gross Profits

Gross profits for 2Q07 totaled R\$80.1 million, an increase of 105% compared to the second quarter of 2006. The gross margin for 2Q07 was 30.0%, 430 basis points (bps) higher than the same period of 2006. This result has been influenced by the increase in sales at higher margins as we have been recognizing revenue from projects launched in 2005 and 2006.

2Q07 - Selling, General, and Administrative Expenses (SG&A)

Our aggressive growth strategy leads to higher SG&A expenses. As seen below, the main effect comes from the growth in G&A expenses. This growth is due to the consolidation of AlphaVille (R\$5.5 million), and the ramp-up of Fit Residencial and Bairro Novo (R\$2.8 million). Additionally, bonus provisions (R\$4.9 million), which were previously accrued at year end are now accrued quarterly.

In the current scenario, it is more appropriate to compare SG&A expenses with the company's launches due to the lag in revenue recognition.

| Table 13 - SG&A expenses    | 2Q07          | 2Q06          |                             |
|-----------------------------|---------------|---------------|-----------------------------|
| Selling Expenses            | 17,330        | 9,422         | Selling Expenses            |
| G&A Expenses                | 27,146        | 10,021        | G&A Expenses                |
| <b>SG&amp;A</b>             | <b>44,476</b> | <b>19,443</b> | <b>SG&amp;A</b>             |
|                             | 2Q07          | 2Q06          |                             |
| Selling Expenses / Launches | 3.7%          | 3.4%          | Selling Expenses / Launches |
| G&A Expenses / Launches     | 5.8%          | 3.7%          | G&A Expenses / Launches     |
| <b>SG&amp;A / Launches</b>  | <b>9.4%</b>   | <b>7.1%</b>   | <b>SG&amp;A / Launches</b>  |

2Q07 - EBITDA

EBITDA for 2Q07 totaled R\$38.4 million, 90% higher than the R\$20.2 million in 2Q06. As a percentage of net revenues, EBITDA increased 115 bps from 13.3% in 2Q06 to 14.4% in the 2Q07.

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Our aggressive growth strategy leads to higher SG&A expenses, as Gafisa expenses selling on a cash basis and increases the G&A to support growth. As we recognize 100% of the expenses as they are incurred, but use the PoC method to recognize the revenues, SG&A expenses increase in advance of the higher revenues. Please refer to the 4Q06 Earnings Release for a detailed description of the SG&A accounting.

It is also important to mention that, starting in 2007, we are accruing our bonus provision on a quarterly basis. During 2006 we provisioned the yearly bonus fully in the last quarter, strongly impacting the quarter's EBITDA. Impact in 2007 will be distributed in all four quarters, with an R\$4.9 million provision in 2Q07, which represents 1.9% of net revenues.

### 2Q07 - Depreciation and Amortization

Depreciation and amortization in 2Q07 amounted to R\$5.5 million, an increase of 440% compared to the R\$1.0 million in 2Q06. This is a result primarily of the R\$3.8 million amortization of goodwill from the AlphaVille acquisition. The goodwill from the AlphaVille acquisition will be amortized over 10 years.

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### 2Q07 - Financial Results

Net financial results totaled a negative R\$3.0 million in 2Q07 compared to a positive R\$4.0 million in 2Q06. Financial expenses in 2Q07 totaled R\$18.3 million, an increase of 45% over 2Q06 R\$12.6 million as we consolidated AlphaVille's debt. Financial income decreased from R\$16.6 million to R\$15.4 million, primarily due to the effect in cash and cash equivalents of the lower interest rates.

### 2Q07 - Income Taxes

Income taxes and social contribution for 2Q07 amounted to a positive R\$3.9 million versus a negative R\$2.0 million in same period of last year, mainly because of tax credits in 2Q07.

### 2Q07 - Net Income and Earnings per Share

Net income for 2Q07 was R\$32.1 million (12.1% of net revenues), R\$11.0 million or 52.2% higher than the adjusted Net income of R\$21.1 million (13.9% of net revenues) or 67% higher than the unadjusted net income of \$19.3 million registered in the same period of 2006. 2006 results were adjusted by a one off charge of R\$1.8 million.

Net earnings per share was R\$0.25 in 2Q07 compared to pro-forma adjusted and unadjusted net earnings per share of R\$0.21 in 2Q06. Basic weighted average shares outstanding were 129 million in 2Q07 and 102 million in 2Q06.

### Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R\$418.8 million in 2Q07, R\$180.0 million higher than the 2Q06 and R\$46.9 million more than 1Q07.

The table below shows our revenues, costs and results to be recognized, as well

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as the amount of the corresponding costs and the expected margin:

-----  
 Table 14 - Revenues and results to be recognized (R\$000)  
 -----

| (eop)   | 2Q07    | 1Q07   | 2Q06   |
|---|---------|--------|--------|
| Sales to be recognized--end of period               | 1,100.2 | 985.7  | 540.1  |
| Cost of units sold to be recognized - end of period | -681.4  | -613.8 | -301.3 |
| Backlog of Results to be recognized                 | 418.8   | 371.9  | 238.8  |
| Backlog Margin - yet to be recognized               | 38.1%   | 37.7%  | 44.2%  |

-----

### Balance Sheet

#### Cash and Cash Equivalents

On June 30 2007, cash and cash equivalents increased to R\$496.0 million, 20% lower than March 31, 2007 (R\$621.3 million), and 17% higher than 2Q06's (R\$422.8 million).

#### Accounts Receivables

Accounts receivables increased 96.5% to R\$1.8 billion in June 2007 when compared to the R\$0.9 billion figure of 2Q06, and 16.0% compared to the R\$1.5 billion that was registered in March 2007. In 2Q07, receivables of completed units (post-completion receivables) reached R\$239 million or 13% of the total accounts receivables.

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 Table 15 - Accounts Receivables from Clients  
 -----

| Real estate development receivables: | 2Q07           | 2Q06           | 1Q07           |
|--------------------------------------|----------------|----------------|----------------|
| Current                              | 411,256        | 311,648        | 365,848        |
| Long-term                            | 316,057        | 72,763         | 236,576        |
| <b>Total</b>                         | <b>727,313</b> | <b>384,411</b> | <b>602,424</b> |

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Receivables to be recognized on our balance sheet according to PoC method and BRGAAP (for more details, see note 5 on our Financial Statements):

|           | 2Q07    | 2Q06    | 1Q07    |
|-----------|---------|---------|---------|
| Current   | 270.288 | 116.048 | 220.894 |
| Long-term | 793.470 | 411.171 | 720.555 |

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|                            |           |         |           |
|----------------------------|-----------|---------|-----------|
| Total                      | 1.063.758 | 527.219 | 941.449   |
| -----                      |           |         |           |
| Total Accounts Receivables | 1.791.071 | 911.630 | 1.543.873 |
| -----                      |           |         |           |

Inventory (Properties for Sale)

Our inventory includes land paid in cash, construction in progress, and finished units. Our inventory increased to R\$594.0 million in 2Q07, an increase of 82.1% as compared to the R\$326.2 million registered in 2Q06 due to recent land acquisitions in cash (more details in the "Land Reserves" section of this report) and developments under construction. It is important to note that the increase in units completed is due to the consolidation of AlphaVille.

The tables below details inventory for the 2Q07:

Table 16 - Inventory

|                               | 2Q07    | 1Q07    | 2Q06    |
|-------------------------------|---------|---------|---------|
| Land                          | 187,257 | 214,235 | 84,899  |
| Properties under construction | 351,753 | 295,704 | 204,394 |
| Units completed               | 55,003  | 49,520  | 36,881  |
| Total                         | 594,013 | 559,459 | 326,174 |

The table below details inventory units at market value for the 2Q07:

Table 17 - Inventory at Market Value

| Segments | 2Q07      | 1Q07    | 2Q06    |
|----------|-----------|---------|---------|
| HIG      | 69,856    | 91,930  | 106,389 |
| MHI      | 375,429   | 242,285 | 297,609 |
| MID      | 385,465   | 312,472 | 123,059 |
| AEL      | 10,549    | 20,253  | 13,685  |
| LOT      | 157,182   | 195,903 | 69,630  |
| COM      | 15,760    | 22,346  | 130,755 |
| TOTAL    | 1,014,242 | 885,189 | 741,127 |

| Geog. Region   | 2Q07      | 1Q07    | 2Q06    |
|----------------|-----------|---------|---------|
| Sao Paulo      | 269,476   | 265,407 | 326,395 |
| Rio de Janeiro | 248,971   | 206,893 | 234,251 |
| New Markets    | 495,794   | 412,889 | 180,481 |
| TOTAL          | 1,014,242 | 885,189 | 741,127 |

| Launching year | 2Q07 | 1Q07 | 2Q06 |
|----------------|------|------|------|
|                |      |      |      |

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|                    |           |         |         |
|--------------------|-----------|---------|---------|
| Launches from 2007 | 487,986   | 226,942 | -       |
| Launches from 2006 | 263,959   | 331,795 | 252,997 |
| Launches from 2005 | 161,553   | 203,340 | 242,449 |
| Launches from 2004 | 100,744   | 123,111 | 245,681 |
| TOTAL              | 1,014,242 | 885,189 | 741,127 |

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Liquidity

The following table sets forth information on our indebtedness as of June 30, 2007:

Table 18 - Debt Breakdown

| Type of transaction          | Rates              | 2007    |
|------------------------------|--------------------|---------|
| Debentures                   | 1.3%p.a. + CDI     | 250,481 |
| Construction Financing (SFH) | 6.2-11%p.a. + TR   | 38,295  |
| Downstream Merger obligation | 10-12%p.a. + TR    | 16,237  |
| Funding for developments     | 3-6.3%p.a. + CDI   | 22,359  |
| Working Capital              | 3.5-6.2%p.a. + CDI | 41,387  |
| Others (Alphaville)          | 19.6-25.7%p.a      | 1,998   |
| Total                        |                    | 370,757 |

Total Cash 496.016

Net Debt (Cash) -125.259

Debt payment schedule as of June 30, 2007:

Table 19 - Debt Maturity

| Type                         | Total   | 2007   | 2008  | 2009   |
|------------------------------|---------|--------|-------|--------|
| Debentures                   | 250,481 | 10,481 | -     | 48,000 |
| Construction Financing (SFH) | 38,295  | 22,588 | 7,494 | 6,451  |
| Downstream Merger obligation | 16,237  | 4,894  | 3,865 | 5,257  |
| Funding for developments     | 22,359  | 13,204 | 4,367 | 2,957  |
| Working Capital              | 41,387  | 19,467 | 6,850 | 7,759  |
| Others                       | 1,998   | 654    | 741   | 603    |



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|       |         |        |        |        |
|-------|---------|--------|--------|--------|
| Total | 370,757 | 71,288 | 23,317 | 71,027 |
|-------|---------|--------|--------|--------|

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As of June 30 2007, our net debt to equity ratio was negative 8.6% compared to negative 18.2% in 2Q06 and negative 18.6% in 1Q07.

### Outlook

We reiterate our outlook for the full year of 2007. We expect an increase of 60% to 65% in consolidated project launches over 2006. Approximately 25% (R\$250 million) should come from Gafisa's core business, 20% (R\$200 million) from Fit Residencial, and another 20% (R\$ 200 million) from AlphaVille.

Gafisa expects to deliver a consolidated 2007 EBITDA margin of 15% to 16%. Gafisa's core business continues to increase its EBITDA margin, but the consolidated figure will be impacted by the costs associated with ramping up Fit Residencial, Bairro Novo, and AlphaVille.

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### Glossary

**Backlog of Results** - As a result of the Percentage of Completion Method of recognizing revenues, we recognize revenues and expenses over a multi-year period for each residential unit we sell. Our backlog of results represents revenues minus costs that will be incurred in future periods from past sales.

**Backlog of Revenues** - As a result of the Percentage of Completion Method of recognizing revenues, we recognize revenues over a multi-year period for each residential unit we sell. Our backlog represents revenues that will be incurred in future periods from past sales.

**Backlog Margin** - Equals to "Backlog of results" divided "Backlog of Revenues" to be recognized in future periods.

**Land Bank** - Land that Gafisa holds for future development paid either in Cash or through swap agreements. Each decision to acquire land is analyzed by our investment committee and approved by our board of directors.

**PoC Method** - Under Brazilian GAAP, real estate development revenues, costs and related expenses are recognized using percentage-of-completion ("PoC") method of accounting by measuring progress towards completion in terms of actual costs incurred versus total budgeted expenditures for each stage of a development.

**Pre-sales** - Contracted pre-sales are the aggregate amount of sales resulting from all agreements for the sale of units entered into during a certain period, including new units and units in inventory. Contracted pre-sales will be recorded as revenue as construction progresses (PoC method). There is no definition of "contracted pre-sales" under Brazilian GAAP.

**HIG (High Income)** - segment with residential units sold at minimum price of R\$3,600 per square meter.

**MHI (Mid-High)** - segment with residential units sold at prices ranging from R\$2,800 to 3,600 per square meter.

**MID (Middle Income)** - segment with residential units sold at prices ranging from R\$2,000 to 2,800 per square meter.

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AEL (Affordable Entry Level) - residential units targeted to the mid-low and low income segments with prices ranging from R\$1,500 to 2,000 per square meter.

LOT (Urbanized Lots) - land subdivisions, or lots, with prices ranging from R\$150 to R\$800 per square meter

COM (Commercial buildings) - Commercial and corporate units developed only for sale with prices ranging from R\$4,000 to R\$7,000 per square meter.

SFH Funds - Funds from SFH are originated from the Governance Severance Indemnity Fund for Employees (FGTS) and from savings accounts deposits. Banks are required to invest 65% of the total savings accounts balance in the housing sector, either to final customers or developers, at lower interest rates than the private market.

Swap Agreements - A system in which we grant the land-owner a certain number of units to be built on the land or a percentage of the proceeds from the sale of units in such development in exchange for the land. By acquiring land through this system, we intend to reduce our cash requirements and increase our returns.

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### About Gafisa

We are one of Brazil's leading diversified national homebuilders. Over the last 50 years, we have been recognized as one of the foremost professionally-managed homebuilders, having completed and sold more than 900 developments and constructed over 37 million square meters of housing, which we believe is more than any other residential development company in Brazil. We believe "Gafisa" is one of the best-known brands in the real estate development market, enjoying a reputation among potential homebuyers, brokers, lenders, landowners and competitors for quality, consistency and professionalism.

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This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Gafisa. 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

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Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors, therefore, they are subject to change without prior notice.

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### Appendix

The following table sets forth detailed information of projects launched in 2007 by quarter:

| Projects launched in 1Q07 | Month of<br>Launch | Segment  | Location            | Usable Area<br>(s.q.m)<br>(100%) | # of Units<br>(100%) | Gafis<br>Sta |
|---------------------------|--------------------|----------|---------------------|----------------------------------|----------------------|--------------|
| Fit Jacanal               | March              | AEL      | Sao Paulo - SP      | 9,181                            | 184                  | 10           |
| Isla                      | March              | Mid      | Sao Caetano - SP    | 31,423                           | 240                  | 10           |
| Grand Valley              | March              | Mid      | Rio de Janeiro - RJ | 16,908                           | 240                  | 10           |
| Acqua Residence (Fase 1)  | March              | Mid      | Nova Iguacu - RJ    | 28,400                           | 380                  | 10           |
| Celebrare                 | March              | Mid      | Caxias - RJ         | 14,679                           | 188                  | 10           |
| Reserva do Lago           | March              | Mid      | Goiania - GO        | 16,800                           | 96                   | 5            |
| Campo Grande I            | March              | Lot      | Campo Grande - MS   | 225,269                          | 489                  | 6            |
| <b>Total</b>              |                    |          |                     | <b>342,660</b>                   | <b>1,817</b>         |              |
| Projects launched in 2Q07 | Month of<br>Launch | Segment  | Location            | Usable Area<br>(s.q.m)<br>(100%) | # of Units<br>(100%) | Gafi<br>Stak |
| CSF - Primula             | June               | Mid      | Sao Paulo - SP      | 13,897                           | 96                   | 10           |
| CSF - Dalia               | June               | Mid      | Sao Paulo - SP      | 9,000                            | 68                   | 10           |
| CSF - Acacia              | June               | Mid      | Sao Paulo - SP      | 23,461                           | 192                  | 10           |
| Jatiuca Trade Residence   | June               | Mid      | Maceio - AL         | 32,651                           | 500                  | 5            |
| Enseada das Orquideas     | June               | Mid-High | Santos - SP         | 52,589                           | 475                  | 8            |
| London Green              | June               | Mid-High | Rio de Janeiro - RJ | 28,998                           | 300                  | 5            |
| Horizonte                 | May                | Mid      | Belem -PA           | 7,505                            | 29                   | 6            |
| Secret Garden             | May                | Mid      | Rio de Janeiro - RJ | 15,344                           | 252                  | 10           |
| Evidence                  | April              | Mid      | Sao Paulo - SP      | 23,487                           | 144                  | 5            |
| Fit Maceio                | April              | AEL      | Maceio - AL         | 4,207                            | 54                   | 5            |
| Acquarelle                | April              | Mid      | Manaus - AM         | 17,742                           | 259                  | 8            |
| Palm Ville                | April              | Mid      | Salvador - BA       | 13,582                           | 112                  | 5            |
| Art Ville                 | April              | Mid      | Salvador - BA       | 16,157                           | 263                  | 5            |
| <b>Total</b>              |                    |          |                     | <b>258,621</b>                   | <b>2,744</b>         |              |
| <b>Total YTD 2007</b>     |                    |          |                     | <b>601,280</b>                   | <b>4,561</b>         |              |

Note: (1) As mentioned above, Fit Residencial recognizes sales only after the client has received the final approval by Caixa Economica Federal.

The following table sets forth the financial completion of the construction in progress in 2007 and 2006 and the related revenue recognized during those years:

| Development                    | Month/Year<br>launched | Total area<br>(m(2)) | Final      |       | Percentage sold- |        |
|--------------------------------|------------------------|----------------------|------------|-------|------------------|--------|
|                                |                        |                      | Completion |       | accumulated      |        |
|                                |                        |                      | 2Q07       | 2Q06  | 2Q07             | 2Q06   |
| Empresarial Pinheiros          | nov-04                 | 17,149               | 99.5%      | 49.4% | 100.0%           | 11.0%  |
| Arena                          | dez-05                 | 29,256               | 59.7%      | 16.1% | 100.0%           | 98.1%  |
| Villagio Panamby - Jazz Duet   | set-05                 | 13,400               | 78.1%      | 22.2% | 80.2%            | 38.1%  |
| Sunspecial Resid. Service      | mar-05                 | 21,189               | 75.7%      | 21.2% | 86.2%            | 73.3%  |
| Sunplaza Personal Office       | mar-06                 | 6,328                | 60.6%      | 8.9%  | 87.4%            | 69.2%  |
| Peninsula Fit                  | mar-06                 | 24,080               | 34.5%      | 2.3%  | 55.5%            | 49.8%  |
| Bem Querer                     | nov-05                 | 11,136               | 70.0%      | 2.0%  | 100.0%           | 95.3%  |
| Olimpic Resort                 | out-05                 | 21,851               | 65.2%      | 12.7% | 100.0%           | 99.2%  |
| CSF - Saint Etienne            | mai-05                 | 11,261               | 66.0%      | 12.1% | 96.3%            | 89.4%  |
| Villagio Panamby - Agrias      | nov-06                 | 21,390               | 32.0%      | 0.0%  | 60.0%            | 0.0%   |
| Palm D'Or                      | set-05                 | 8,493                | 63.0%      | 25.5% | 96.1%            | 36.4%  |
| Beach Park Acqua               | nov-05                 | 9,770                | 55.7%      | 11.3% | 86.2%            | 80.6%  |
| Blue Land                      | ago-03                 | 18,252               | 56.3%      | 36.4% | 67.2%            | 22.4%  |
| Lumiar                         | fev-05                 | 7,193                | 89.6%      | 18.8% | 96.8%            | 57.4%  |
| Del Lago                       | mai-05                 | 62,022               | 57.4%      | 19.2% | 90.9%            | 48.6%  |
| Olimpic - Chacara Sto Antonio  | ago-06                 | 24,988               | 27.1%      | 0.0%  | 91.9%            | 0.0%   |
| Villagio Panamby - Domaine Du  |                        |                      |            |       |                  |        |
| Soleil                         | set-05                 | 8,225                | 82.2%      | 26.5% | 84.0%            | 49.1%  |
| Montenegro Boulevard           | jun-05                 | 174,862              | 92.7%      | 65.3% | 100.0%           | 99.7%  |
| Villagio Panamby- Mirabilis    | mar-06                 | 23,355               | 48.4%      | 0.0%  | 80.5%            | 58.0%  |
| The Gold                       | dez-05                 | 10,465               | 69.3%      | 0.0%  | 68.3%            | 38.7%  |
| Icarai Corporate               | dez-06                 | 5,683                | 29.5%      | 0.0%  | 85.2%            | 0.0%   |
| Celebrare                      | mar-07                 | 14,679               | 15.3%      | 0.0%  | 67.0%            | 0.0%   |
| Blue Vision - Sky e Infinity   | jun-06                 | 18,514               | 58.1%      | 37.4% | 84.4%            | 42.0%  |
| Grand Valley                   | mar-07                 | 16,908               | 15.4%      | 0.0%  | 47.0%            | 0.0%   |
| Riviera Ponta Negra - Cannes e |                        |                      |            |       |                  |        |
| Marseille                      | jan-04                 | 22,332               | 100.0%     | 79.9% | 73.3%            | 67.9%  |
| Espaco Jardins                 | mai-06                 | 28,926               | 22.1%      | 0.0%  | 95.3%            | 30.9%  |
| Paco das Aguas                 | mai-06                 | 24,080               | 45.2%      | 0.0%  | 69.6%            | 47.8%  |
| Sundeck                        | nov-03                 | 13,043               | 100.0%     | 65.9% | 86.5%            | 72.8%  |
| Villagio Panamby - Parides     | nov-06                 | 13,093               | 49.4%      | 0.0%  | 100.0%           | 0.0%   |
| Weber Art                      | jun-05                 | 5,812                | 69.8%      | 11.2% | 91.2%            | 77.2%  |
| Vistta Ibirapuera              | mai-06                 | 9,963                | 48.0%      | 32.3% | 100.0%           | 100.0% |
| Isla                           | mar-07                 | 31,423               | 12.6%      | 0.0%  | 68.1%            | 0.0%   |
| Felicita - Evangelina 2        | dez-06                 | 11,323               | 14.5%      | 0.0%  | 55.1%            | 0.0%   |
| Terras de Sao Francisco        | jul-04                 | 114,160              | 100.0%     | 97.1% | 93.5%            | 85.7%  |
| Collori                        | nov-06                 | 39,462               | 24.0%      | 0.0%  | 38.4%            | 0.0%   |
| Espacio Laguna                 | ago-06                 | 16,364               | 24.4%      | 0.0%  | 28.9%            | 0.0%   |
| Town Home                      | nov-05                 | 8,319                | 41.9%      | 13.2% | 55.0%            | 20.0%  |
| Side Park - Ed. Style          | jul-04                 | 10,911               | 90.5%      | 37.5% | 100.0%           | 96.5%  |
| New Point                      | abr-03                 | 12,034               | 100.0%     | 59.6% | 98.5%            | 97.1%  |
| CSF - Paradiso                 | mai-07                 | 16,286               | 7.4%       | 0.0%  | 72.1%            | 0.0%   |
| Sunprime                       | nov-03                 | 11,802               | 100.0%     | 92.2% | 100.0%           | 93.4%  |
| La Place                       | mai-04                 | 8,416                | 100.0%     | 68.0% | 91.2%            | 69.0%  |

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|                       |        |        |        |       |        |        |
|-----------------------|--------|--------|--------|-------|--------|--------|
| CSF - Santtorino      | ago-06 | 14,979 | 11.9%  | 0.0%  | 100.0% | 0.0%   |
| Ville Du Soleil       | out-06 | 8,920  | 29.4%  | 0.0%  | 29.4%  | 0.0%   |
| Cuiaba                | dez-05 | 11,775 | 44.6%  | 0.0%  | 27.9%  | 9.2%   |
| Art Ville             | abr-07 | 16,157 | 5.3%   | 0.0%  | 68.3%  | 0.0%   |
| Quinta Imperial       | jul-06 | 8,422  | 12.3%  | 0.0%  | 76.5%  | 0.0%   |
| Reserva das Palmeiras | fev-03 | 16,912 | 100.0% | 96.1% | 100.0% | 100.0% |
| Alphaville            |        |        |        |       |        |        |
| Others                |        |        |        |       |        |        |

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Total  
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Consolidated Statements of Income

| R\$ 000                             | 2Q07     | 2Q06     | 1Q07     |
|-------------------------------------|----------|----------|----------|
| Gross Operating Revenue             | 280,121  | 158,701  | 246,053  |
| Real State development and sales    | 264,319  | 139,602  | 242,727  |
| Construction and services rendered  | 15,802   | 19,099   | 3,326    |
| Deductions                          | -13,573  | -6,550   | -21,737  |
| Net Operating Revenue               | 266,548  | 152,151  | 224,316  |
| Operating Costs                     | -186,467 | -113,027 | -156,356 |
| Gross profit                        | 80,081   | 39,124   | 67,960   |
| Operating Expenses                  | -41,665  | -18,949  | -31,749  |
| Selling expenses                    | -17,330  | -9,422   | -12,006  |
| General and administrative expenses | -27,146  | -10,021  | -19,134  |
| Equity Income                       | -37      | 1,185    | -259     |
| Other Operating Revenues            | 2,848    | -691     | -350     |
| EBITDA                              | 38,416   | 20,175   | 36,211   |
| Depreciation and Amortization       | -5,517   | -1,022   | -5,061   |
| Extraordinary expenses              | 0        | -1,840   | -30,174  |
| EBIT                                | 32,899   | 17,313   | 976      |
| Financial Income                    | 15,395   | 16,621   | 8,080    |
| Financial Expenses                  | -18,340  | -12,631  | -16,765  |

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|  |        |        |         |
|--|--------|--------|---------|
| Income before taxes on income                          | 29,954 | 21,303 | -7,710  |
|  | -----  | -----  | -----   |
| Deffered Taxes   | 5,703  | -881   | -1,551  |
| Income tax and social contribution                     | -1,774 | -1,140 | -1,591  |
|  | -----  | -----  | -----   |
| Income after taxes on income                           | 33,883 | 19,282 | -10,852 |
|  | -----  | -----  | -----   |
| Minority Shareholders                                  | -1,743 | 0      | -1,701  |
|  | -----  | -----  | -----   |
| Net income   | 32,140 | 19,282 | -12,553 |
|  | =====  | =====  | =====   |
| Adjusted net income per thousand shares<br>outstanding | 0.25   | 0.21   | 0.18    |

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Consolidated Statements of Income

| R\$ 000                             | 1H07     | 1H06     |
|-------------------------------------|----------|----------|
| -----                               | -----    | -----    |
| Gross Operating Revenue             | 526,174  | 296,174  |
| Real State development and sales    | 507,046  | 262,500  |
| Construction and services rendered  | 19,128   | 33,600   |
|                                     | -----    | -----    |
| Deductions                          | -35,310  | -12,200  |
|                                     | -----    | -----    |
| Net Operating Revenue               | 490,864  | 283,900  |
|                                     | -----    | -----    |
| Operating Costs                     | -342,823 | -209,900 |
|                                     | -----    | -----    |
| Gross profit                        | 148,041  | 74,000   |
|                                     | -----    | -----    |
| Operating Expenses                  | -73,414  | -33,400  |
| Selling expenses                    | -29,336  | -18,500  |
| General and administrative expenses | -46,280  | -16,600  |
| Equity Income                       | -296     | 2,300    |
| Other Operating Revenues            | 2,498    | -600     |
|                                     | -----    | -----    |
| EBITDA                              | 74,627   | 40,500   |
|                                     | -----    | -----    |
| Depreciation and Amortization       | -10,578  | -1,700   |
| Extraordinary expenses              | -30,174  | -29,100  |
|                                     | -----    | -----    |
| EBIT                                | 33,875   | 9,600    |

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|   |         |       |
|---|---------|-------|
| Financial Income                                    | 23,475  | 27,3  |
| Financial Expenses                                  | -35,105 | -30,2 |
| Income before taxes on income                       | 22,245  | 6,7   |
| Deffered Taxes                                      | 4,152   | -2    |
| Income tax and social contribution                  | -3,365  | -1,9  |
| Income after taxes on income                        | 23,032  | 4,5   |
| Minority Shareholders                               | -3,444  |       |
| Net income  | 19,588  | 4,5   |
| Adjusted net income per thousand shares outstanding | 0.39    | 0.    |

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Consolidated Balance Sheet

| R\$ 000                   | 2Q07             | 2Q06             | 1Q07             |
|---------------------------|------------------|------------------|------------------|
| <b>ASSETS</b>             |                  |                  |                  |
| <b>Current assets</b>     |                  |                  |                  |
| Cash and banks            | 21,328           | 13,090           | 34,049           |
| Financial investments     | 474,688          | 409,689          | 587,203          |
| Receivables from clients  | 435,887          | 311,648          | 392,634          |
| Properties for sale       | 594,013          | 326,174          | 559,459          |
| Other accounts receivable | 119,417          | 103,680          | 117,856          |
| Deferred selling expenses | 25,259           | 48,054           | 18,972           |
| Prepaid expenses          | 13,238           | 43,367           | 7,691            |
|                           | 1,683,830        | 1,255,702        | 1,717,864        |
| <b>Long-term assets</b>   |                  |                  |                  |
| Receivables from clients  | 316,057          | 72,763           | 236,576          |
| Deferred taxes            | 73,913           | 41,446           | 59,921           |
| Other                     | 38,704           | 29,133           | 44,287           |
|                           | 428,674          | 143,342          | 340,784          |
| <b>Permanent assets</b>   |                  |                  |                  |
| Investments               | 167,709          | 554              | 171,602          |
| Properties and equipment  | 15,169           | 7,014            | 11,507           |
|                           | 182,878          | 7,568            | 183,109          |
| <b>Total assets</b>       | <b>2,295,382</b> | <b>1,406,612</b> | <b>2,241,757</b> |

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|   | =====     | =====     | =====     |
|---|-----------|-----------|-----------|
| LIABILITIES AND SHAREHOLDERS' EQUITY            |           |           |           |
| Current liabilities                             |           |           |           |
| Loans and financings                            | 51,710    | 56,213    | 53,716    |
| Debentures                                      | 10,481    | 28,691    | 2,663     |
| Real estate development obligations             | 5,710     | 27,757    | 5,088     |
| Obligations for purchase of land                | 108,913   | 61,282    | 127,846   |
| Materials and service suppliers                 | 75,638    | 25,209    | 62,144    |
| Taxes and contributions                         | 60,349    | 42,912    | 49,045    |
| Taxes, payroll charges and profit sharing       | 21,141    | 6,830     | 19,587    |
| Advances from clients - real state and services | 50,181    | 45,828    | 62,833    |
| Dividends                                       | 2,823     | 114       | 11,163    |
| Other   | 15,359    | 14,499    | 22,558    |
|   | -----     | -----     | -----     |
|   | 402,305   | 309,335   | 416,643   |
| Long-term liabilities                           |           |           |           |
| Loans and financings                            | 68,566    | 37,950    | 59,469    |
| Debentures                                      | 240,000   | 152,880   | 240,000   |
| Obligations for purchase of land                | 13,501    | 14,711    | 14,055    |
| Deferred taxes                                  | 52,260    | 29,387    | 43,848    |
| Unearned income from property sales             | 1,053     | 4,032     | 95        |
| Other   | 51,365    | 36,457    | 51,535    |
|   | -----     | -----     | -----     |
|   | 426,745   | 275,417   | 409,002   |
| Deferred income                                 |           |           |           |
| Deferred income on acquisition of subsidiary    | 345       | 14,227    | 1,281     |
| Minority Shareholders                           | 3,616     | 0         | -9,489    |
| Shareholders' equity                            |           |           |           |
| Capital   | 1,220,490 | 585,930   | 1,214,580 |
| Treasury shares                                 | -18,050   | -47,026   | -18,050   |
| Capital reserves                                | 167,276   | 167,276   | 167,276   |
| Revenue reserves                                | 92,655    | 101,453   | 60,516    |
|   | -----     | -----     | -----     |
|   | 1,462,371 | 807,633   | 1,424,322 |
|   | -----     | -----     | -----     |
| Total liabilities and shareholders' equity      | 2,295,382 | 1,406,612 | 2,241,757 |
|   | =====     | =====     | =====     |