

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

Edgar Filing: Gafisa S.A. - Form 6-K

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

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

| | |
|---|-----|
| Company data | |
| Capital Composition | 1 |
| Individual financial statements | |
| Balance sheet - Assets | 2 |
| Balance sheet Liabilities | 3 |
| Statement of income | 5 |
| Statement of comprehensive income (loss) | 6 |
| Statement of cash flows | 7 |
| Statements of changes in Equity | |
| 01/01/2014 to 06/30/2014 | 9 |
| 01/01/2013 to 06/30/2013 | 10 |
| Statement of value added | 11 |
| Consolidated Financial Statements | |
| Balance sheet - Assets | 12 |
| Balance sheet Liabilities | 13 |
| Statement of income | 15 |
| Statement of comprehensive income (loss) | 17 |
| Statement of cash flows | 18 |
| Statements of changes in Equity | |
| 01/01/2014 to 06/30/2014 | 20 |
| 01/01/2013 to 06/30/2013 | 21 |
| Statement of value added | 22 |
| Comments on performance | 23 |
| Notes to interim financial information | 60 |
| Comments on Company s Business Projections | 113 |
| Other information deemed relevant by the Company | 114 |
| Reports and statements | |
| Report on review of interim financial information | 117 |
| Management statement of interim financial information | 120 |
| Management statement on the report on review of interim financial information | 121 |

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 |

Edgar Filing: Gafisa S.A. - Form 6-K

| | | | |
|---------|---|----------|----------|
| 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 |

7

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 | - | -2,449,320 |

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 6/30/2014 | YEAR 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 |

Edgar Filing: Gafisa S.A. - Form 6-K

| | | | |
|---------|---|------------|------------|
| 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)

| | | YEAR TO DATE FROM | |
|-------------|--|---------------------------------|---------------------------------|
| | | YEAR TO DATE | PREVIOUS YEAR |
| CODE | DESCRIPTION | 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 €)

| 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, tax, legal and corporate aspects, among others.

Key Numbers for the Gafisa

Table 1 – Gafisa Segment - Operating and Financial Highlights – (R\$000, and % Gafisa)

| | | | | | |
|-------------------------------------|-----------|-----------|---------|-----------|---------|
| Launches | 314,733 | 353,934 | -11.1% | 215,910 | 45.8% |
| Net pre-sales | 251,290 | 187,555 | 34.0% | 216,911 | 15.8% |
| Net pre-sales of Launches | 116,334 | 37,915 | 206.8% | 109,909 | 5.8% |
| Sales over Supply (SoS) | 9.8% | 7.9% | 190 bps | 9.8% | 0 bps |
| Delivered projects (Units) | 1,504 | 524 | 187.0% | 1,642 | -8.4% |
| Net Revenue | 397,907 | 326,750 | 21.8% | 374,360 | 6.3% |
| Adjusted Gross Profit ¹ | 151,446 | 116,530 | 30.0% | 144,575 | 4.8% |
| Adjusted Gross Margin ¹ | 38.1% | 35.7% | 240 bps | 38.7% | -66 bps |
| Adjusted EBITDA ² | 83,353 | 54,810 | 52.1% | 57,271 | 59.5% |
| Adjusted EBITDA Margin ² | 20.9% | 16.8% | 417 bps | 15.3% | 560 bps |
| Net Income (Loss) | 17,132 | -2,331 | -835.0% | 11,867 | 44.4% |
| Backlog revenues | 1,298,089 | 1,429,230 | -9.2% | 1,832,247 | -29.2% |
| Backlog results ³ | 470,361 | 526,273 | -10.6% | 639,307 | -26.4% |
| Backlog margin ³ | 36.2% | 36.8% | -59 bps | 34.9% | 134 bps |

1) Adjusted by capitalized interests

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

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

Key Numbers for Tenda

Table 2 – Tenda Segment - Operating and Financial Highlights – (R\$000, and % Tenda)

| | | | | | |
|---------------------------|---------|---------|----------|---------|--------|
| Launches | 99,011 | 181,445 | -45.4% | 33,056 | 199.5% |
| Net pre-sales | 181,728 | 51,767 | 251.0% | 169,841 | 7.0% |
| Net pre-sales of Launches | 42,299 | 20,256 | 108.8% | 68,541 | -37.8% |
| Sales over Supply (SoS) | 20.8% | 6.4% | 1440 bps | 20.0% | 80 bps |

Edgar Filing: Gafisa S.A. - Form 6-K

| | | | | | |
|-------------------------------------|---------|---------|----------|---------|----------|
| Delivered projects (Units) | 2,185 | 1,272 | 71.8% | 1,731 | 26.2% |
| Net Revenue | 176,923 | 105,951 | 67.0% | 266,504 | -33.6% |
| Adjusted Gross Profit ¹ | 53,805 | 15,563 | 245.7% | 35,398 | 52.0% |
| Adjusted Gross Margin ¹ | 30.4% | 14.7% | 1572 bps | 13.3% | 1693 bps |
| Adjusted EBITDA ² | -1,907 | -24,913 | -92.3% | -5,824 | -67.3% |
| Adjusted EBITDA Margin ² | -1.1% | -23.5% | 2244 bps | -2.2% | 111 bps |
| Net Income (Loss) | -17,983 | -37,460 | -52.0% | -26,012 | -30.9% |
| Backlog revenues | 207,912 | 212,031 | -1.9% | 315,842 | -34.2% |
| Backlog results ³ | 61,563 | 67,482 | -8.8% | 69,326 | -11.2% |
| Backlog margin ³ | 29.6% | 31.8% | -222 bps | 21.9% | 766 bps |

1) Adjusted by capitalized interests

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

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

Key Consolidated Numbers

Table 3 - Operating and Financial Highlights – (R\$000, and % Company)

| | | | | | |
|--|-----------|-----------|---------|-----------|-----------|
| Launches | 413,744 | 535,379 | -22.7% | 248,966 | 66.2% |
| Launches, units | 1,089 | 1,866 | -41.6% | 609 | 78.8% |
| Pre-sales | 433,018 | 239,323 | 80.9% | 386,752 | 12.0% |
| Pre-sales, units | 1,628 | 767 | 112.2% | 1,834 | -11.2% |
| Pre-sales of Launches | 158,633 | 58,171 | 172.7% | 153,099 | 3.6% |
| Sales over Supply (SoS) | 12.6% | 7.5% | 510 bps | 12.6% | 0 bps |
| Delivered projects (PSV) | 678,171 | 557,508 | 21.6% | 636,681 | 6.5% |
| Delivered projects, units | 3,689 | 1,796 | 105.4% | 3,373 | 9.4% |
| Net Revenue | 574,830 | 432,701 | 32.8% | 640,864 | -10.3% |
| Adjusted Gross Profit ¹ | 205,261 | 132,093 | 55.4% | 179,972 | 14.1% |
| Adjusted Gross Margin ¹ | 35.7% | 30.5% | 518 bps | 28.1% | 763 bps |
| Adjusted EBITDA ² | 89,838 | 26,470 | 239.4% | 93,921 | -4.3% |
| Adjusted EBITDA Margin ² | 15.6% | 6.1% | 951 bps | 14.7% | 97 bps |
| Net Income (Loss) | -851 | -39,789 | -97.9% | -14,144 | -94.0% |
| Backlog revenues | 1,506,001 | 1,641,262 | -8.2% | 2,148,090 | -29.9% |
| Backlog results ³ | 531,924 | 593,755 | -10.4% | 708,634 | -24.9% |
| Backlog margin ³ | 35.3% | 36.2% | -86 bps | 33.0% | 233 bps |
| Net Debt + Investor Obligations | 1,408,283 | 1,403,824 | 0.3% | 2,519,219 | -44.1% |
| Cash and cash equivalents | 1,279,568 | 1,563,226 | -18.1% | 1,101,160 | 16.2% |
| Shareholder's Equity | 3,116,182 | 3,106,356 | 0.3% | 2,449,326 | 27.2% |
| Shareholder's Equity+ Minority | 3,138,131 | 3,129,509 | 0.3% | 2,618,458 | 19.8% |
| Total Assets | 7,288,403 | 7,618,063 | -4.3% | 8,492,744 | -14.2% |
| (Net Debt + Obligations) / (SE + Minority) | 44.9% | 44.9% | 2 bps | 96.2% | -5133 bps |

1) Adjusted by capitalized interests

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

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

Update on the Separation Process

Administrative Split and Next Steps

Throughout this quarter, the Company continued to evaluate the potential separation of the Gafisa and Tenda business units.

As previously reported, a separation would be the next step in a comprehensive plan initiated by management to enhance value creation for both business units and its shareholders.

As announced in the first quarter, the Company made some initial progress in splitting Gafisa and Tenda's administrative structures, so that they can operate independently in the future.

In this quarter, the Company made the following progress:

- (1) Effective separation of the following areas: Services, Personnel and Management Center, among others;
- (2) Physical separation of business units, with the aforementioned teams established at their respective head offices: Gafisa and Tenda;
- (3) Appointment of Felipe Cohen as the new Chief Financial and Investor Relations Officer of Tenda. The appointment marks an additional step in establishing the Tenda business as a standalone entity.

At the same time, the Company continues to evaluate separation alternatives for the two companies.

Among the initiatives and studies being undertaken, we highlight:

- (1) Review of relationship with agents potentially linked to the separation process in order to align contractual and operational issues related to the possible separation.;
- (2) Amendment with the Brazilian Securities and Exchange Commission (CVM), related to the category of Tenda as an issuer. Since late July 2014, Tenda became registered under Category A.
- (3) Continuity of studies regarding the definition of a capital structure, which is appropriate to the business cycle of each company, as well as liquidity, and fiscal, tax, legal, corporate aspects, among others.

Over the coming months, the Company will continue the necessary studies for the separation of Gafisa and Tenda, and will keep its shareholders and the market informed as to the progress and developments of this process.

GAFISA SEGMENT

Operating Results

Launches and Pre-Sales

Second quarter launches totaled R\$314.7 million, representing 3 projects/phases located in the cities of São Paulo and Osasco. In the 2Q13, the segment registered R\$215.9 million in launches.

The Gafisa segment's 2Q14 gross pre-sales totaled R\$371.2 million. Taking into account a 12.9% y-o-y decline in the volume of dissolutions, 2Q14 net pre-sales increased 15.9% y-o-y to R\$251.3 million. The sale of units launched during the quarter represented 38.3% of the total, reaching R\$96.3 million. The segment accounted for 76% of consolidated launches.

Table 4. Gafisa Segment – Launches and Pre-sales (R\$000)

| | | | | | |
|-----------|---------|---------|--------|---------|-------|
| Launches | 314,733 | 353,934 | -11.1% | 215,910 | 45.8% |
| Pre-sales | 251,290 | 187,555 | 34.0% | 216,911 | 15.8% |

Sales over Supply (SoS)

2Q14 sales velocity increased to 9.8% from 7.9% in 1Q14 and was in line with the previous year. Considering the last 12 months, Gafisa's SoS ended the 2Q14 at 31.8%.

Dissolutions

The Company has achieved a consistent reduction in the level of dissolutions. Gafisa segment dissolutions decreased 12.9% y-o-y, in keeping with a decline in the level of dissolutions to a more stable level.

Of the 255 Gafisa segment units cancelled and returned to inventory, 57.6% were resold in the same period.

Inventory

In 2Q14, Gafisa maintained its focus on inventory reduction initiatives. Accordingly, inventory represented 62% of total sales in the period. The market value of Gafisa segment inventory reached R\$2.3 billion in the 2Q14, as compared to R\$2.2 billion in the previous quarter. Finished units outside of core markets accounted for R\$220.9 million, or 9.5% of total inventory.

Table 5. Gafisa Segment – Inventory at Market Value (R\$000)

| | | | | | |
|----------------|------------------|----------------|--------------------------|---------------|------------------|
| São Paulo | 1,381,135 | 314,733 | 94,078 (285,129) | 45,702 | 1,550,518 |
| Rio de Janeiro | 561,294 | - | 7,217 (32,505) | 14,626 | 550,633 |
| Other Markets | 256,867 | - | 18,622 (53,573) | (985) | 220,937 |
| Total | 2,199,296 | 314,733 | 119,917 (371,207) | 59,342 | 2,322,088 |

During the same period, finished units comprised R\$312.9 million, or 13.5% of total inventory. Of this amount, inventory from projects launched outside core markets represented R\$180.3 million, as compared to R\$196.7 million in 1Q14. The Company has seen an improvement in the sales velocity in these markets

over the past few quarters, and believes that between the end of 2015 and beginning of 2016 it will have monetized a relevant portion of its inventory in non-core markets.

Table 6. Gafisa Segment – Inventory at Market Value - Construction Status (R\$000)

| | | | | | | |
|----------------|----------------|----------------|------------------|----------------|----------------|------------------|
| São Paulo | 280,180 | 130,693 | 944,665 | 102,487 | 92,494 | 1,550,518 |
| Rio de Janeiro | 165,088 | - | 111,138 | 234,240 | 40,166 | 550,633 |
| Other Markets | - | - | - | 40,605 | 180,326 | 220,931 |
| Total | 445,268 | 130,693 | 1,055,803 | 377,332 | 312,986 | 2,322,081 |

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

Landbank

Gafisa segment landbank, with a PSV of approximately R\$6.1 billion, is comprised of 32 different projects/phases, amounting to nearly 10.8 thousand units, 77% located in São Paulo and 23% in Rio de Janeiro. The largest portion of land acquired through swap agreements is in Rio de Janeiro, thereby impacting the total amount of land acquired through swaps, which reached 59% in the second quarter.

Table 7. Gafisa Segment- Landbank (R\$000)

| | | | | | | |
|----------------|------------------|------------|------------|-----------|---------------|---------------|
| São Paulo | 4,736,453 | 43% | 42% | 1% | 9,045 | 9,945 |
| Rio de Janeiro | 1,413,300 | 90% | 90% | 0% | 1,725 | 1,728 |
| Total | 6,149,753 | 59% | 59% | 0% | 10,770 | 11,673 |

Table 8. Gafisa Segment - Changes in the Landbank (R\$000)

| | | | | | |
|----------------|------------------|----------------|------------------|-----------------|------------------|
| São Paulo | 4,944,213 | 118,375 | (314,733) | (11,402) | 4,736,453 |
| Rio de Janeiro | 1,414,269 | - | - | (969) | 1,413,300 |
| Total | 6,358,482 | 118,375 | (314,733) | (12,371) | 6,149,753 |

In 2Q14, the Company acquired new land with potential PSV of R\$118.4 million at a cost of R\$20.2 million, of which 46.5% was acquired with cash, and 53.5% through swap agreements. In regards to the land acquired in the quarter, about R\$2.3 million was disbursed in 2Q14 and approximately another R\$7.1 million will be disbursed by the end of the year.

Second quarter adjustments reflect updates related to project scope, expected launch date and inflationary adjustments to landbank during the period.

Gafisa Vendas

During the 2Q14, Gafisa Vendas – the Company's independent sales unit, with operations in São Paulo and Rio de Janeiro - accounted for 53.6% of gross sales. Gafisa Vendas currently has a team of 410 highly trained, dedicated consultants, combined with an online sales force.

Delivered Projects

During 2Q14, Gafisa delivered 8 projects/phases and 1,504 units.

Table 9. Gafisa Segment - Delivered Projects

| | | | | | |
|------------------------------|---------|---------|--------|---------|--------|
| PSV Transferred ¹ | 210,677 | 232,076 | -9.2% | 208,467 | 1.1% |
| Delivered Projects | 8 | 5 | 100.0% | 9 | -11.1% |
| Delivered Units | 1,504 | 524 | 187.0% | 1,642 | -8.4% |
| Delivered PSV ² | 454,880 | 458,420 | -0.8% | 436,038 | 4.3% |

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

2) PSV - Potential sales value of delivered units.

Financial Results

Revenues

Net revenues for the Gafisa segment in 2Q14 totaled R\$397.9 million, up 21.8% versus 1Q14 and 6.3% versus the prior year period.

In the 2Q14, approximately 97.6% of Gafisa Segment revenues were derived from projects in Rio de Janeiro and São Paulo, while 2.4% were derived from projects in non-core markets. The table below provides additional details.

Table 10. Gafisa Segment - Revenue Recognition (R\$000)

| | | | | | | | | |
|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| 2014 | 116,334 | 46.3% | 5,711 | 1.4% | - | - | - | - |
| 2013 | 11,977 | 4.8% | 63,529 | 16.0% | 98,214 | 45.3% | 34,195 | 9.1% |
| 2012 | 42,528 | 16.9% | 125,655 | 31.6% | 72,592 | 33.5% | 52,261 | 14.0% |
| ≤ 2011 | 80,451 | 32.0% | 203,012 | 51.0% | 46,105 | 21.3% | 287,904 | 76.9% |
| Total | 251,290 | 100.0% | 397,907 | 100.0% | 216,911 | 100.0% | 374,360 | 100.0% |
| SP + RJ | 216,338 | 86.1% | 388,504 | 97.6% | 201,605 | 92.9% | 352,581 | 94.2% |
| Other Markets | 34,952 | 13.9% | 9,402 | 2.4% | 15,305 | 7.1% | 21,779 | 5.8% |

Gross Profit & Margin

Gross profit for the Gafisa segment in 2Q14 was R\$119.1 million, compared to R\$88.9 million in 1Q14, and R\$124.1 million in the prior year period. Gross margin for the quarter was 29.9%, up 274 bps over the previous quarter. Gafisa's margins and profitability have improved, in keeping with the delivery of legacy projects and the strategic geographic consolidation. At the same time, the increased contribution of newer, more profitable projects launched by the end of 2013 positively impacted results. Excluding financial impacts, the adjusted gross margin reached 38.1%.

The below table contains more details on the breakdown of Gafisa's gross margin in 2Q14.

Table 11. Gafisa Segment– Gross Margin (R\$000)

| | | | | | |
|------------------------------|----------------|----------------|--------------|----------------|-------------|
| Net Revenue | 397,907 | 326,750 | 21.8% | 374,360 | 6.3% |
| Gross Profit | 119,135 | 88,890 | 34.0% | 124,065 | -4.0% |
| <i>Gross Margin</i> | 29.9% | 27.2% | 274 bps | 33.1% | -320 bps |
| (-) Financial costs | -32,321 | -27,640 | 16.9% | -20,510 | 57.6% |
| Adjusted Gross Profit | 151,456 | 116,530 | 30.0% | 144,575 | 4.8% |
| <i>Adjusted Gross Margin</i> | 38.1% | 35.7% | 240 bps | 38.7% | -66 bps |

Table 12. Gafisa Segment – Gross Margin Composition (R\$000)

| | | | |
|------------------------------|----------------|--------------|----------------|
| Net Revenue | 388,504 | 9,403 | 397,907 |
| Adjusted Gross Profit | 149,742 | 1,715 | 151,457 |
| <i>Adjusted Gross Margin</i> | <i>38.5%</i> | <i>18.2%</i> | <i>38.1%</i> |

Selling, General and Administrative Expenses (SG&A)

SG&A expenses totaled R\$59.8 million in the 2Q14, a 14.0% decrease y-o-y. Selling expenses decreased by R\$11.1 million, or 27.9% y-o-y, despite the higher volume of launches, totaling R\$28.4 million, reflecting lower marketing expenses and sales commissions. To note, due to the concentration of first quarter launches in the last weeks of the period, a large proportion of sales expenses were accounted for in the 2Q14 results.

The segment's general and administrative expenses reached R\$ 31.4 million, remaining stable compared with previous quarters.

Table 13. Gafisa Segment– SG&A Expenses (R\$000)

| | | | | | |
|-----------------------------------|---------------|---------------|--------------|---------------|---------------|
| Selling Expenses | 28,425 | 18,995 | 49.6% | 39,438 | -27.9% |
| General & Administrative Expenses | 31,406 | 32,449 | -3.2% | 30,105 | 4.3% |
| Total SG&A Expenses | 59,831 | 51,444 | 16.3% | 69,543 | -14.0% |
| Launches | 314,733 | 353,934 | -11.1% | 215,910 | 45.8% |
| Net Pre-Sales | 251,290 | 187,555 | 34.0% | 216,911 | 15.8% |
| Net Revenue | 397,907 | 326,750 | 21.8% | 374,360 | 6.3% |

In the quarter, the Company recorded a R\$ 13.9 million provision for the stock option program of its former subsidiary Alphaville, with exercise scheduled for 2014. To note, this is a one-off expense, which impacts cash only in the next quarter. As a result, the Other Operating Income/Expenses line totaled an expense of R\$24.3 million, a 52.3% increase compared with 1Q14. Excluding the effect of the provision, this line was R\$ 10.5 million, a 34.4% decrease compared to the previous quarter.

Adjusted EBITDA

Adjusted EBITDA for the Gafisa segment totaled R\$83.4 million in the 2Q14, up 45.5%, as compared to R\$57.3 million in the previous year and above the R\$54.8 million recorded in 1Q14. Adjusted EBITDA does

not take into consideration the impact of Alphaville equity income. The adjusted EBITDA margin, using the same criteria, experienced a sharp increase, reaching 20.9%, compared with a margin of 15.3% in the year-ago period. In 1H14, the Gafisa segment's adjusted EBITDA reached R\$138.2 million, with a margin of 19.1%.

In 2Q14, Gafisa's operating performance benefited from by a R\$ 9.7 million, or 14.0%, y-o-y reduction in the level of selling, general and administrative expenses.

Table 14. Gafisa Segment - Adjusted EBITDA (R\$000)

| | | | | | |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Net (Loss) Profit | 17,132 | -2,331 | -835.0% | 11,867 | 44.4% |
| (+) Financial results | 4,405 | 7,824 | -43.7% | 35,563 | -87.6% |
| (+) Income taxes | 7,208 | 4,022 | 79.2% | 3,461 | 108.3% |
| (+) Depreciation & Amortization | 11,311 | 11,206 | 0.9% | 8,558 | 32.2% |
| (+) Capitalized interests | 32,321 | 27,640 | 16.9% | 20,510 | 57.6% |
| (+) Expenses w/ stock options | 20,809 | 3,570 | 482.9% | 4,851 | 329.0% |
| (+) Minority shareholders | -1,441 | -548 | 163.0% | 14,935 | -109.6% |
| (-) Alphaville Effect Result | -8,392 | 3,427 | -344.9% | -42,473 | -80.2% |
| Adjusted EBITDA | 83,353 | 54,810 | 52.1% | 57,272 | 45.5% |
| Net revenue | 397,907 | 326,750 | 21.8% | 374,360 | 6.3% |
| Adjusted EBITDA Margin | 20.9% | 16.8% | 417 bps | 15.3% | 565 bps |

- 1) EBITDA is adjusted by expenses associated with stock option plans, as this is a non-cash expense.
- 2) Gafisa segment EBITDA does not consider the impact of Alphaville equity income.

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$470.4 million in the 2Q14. The consolidated margin for the quarter was 36.2%, an increase of 134 bps compared to the result posted last year. The table below shows the backlog margin:

Table 15. Gafisa Segment - Results to be recognized (REF) (R\$000)

| | | | | | |
|-------------------------------------|------------------|------------------|----------------|------------------|----------------|
| Revenues to be recognized | 1,298,089 | 1,429,230 | -9.2% | 1,832,247 | -29.2% |
| Costs to be recognized (units sold) | -827,728 | -902,957 | -8.3% | -1,192,940 | -30.6% |
| Results to be Recognized | 470,361 | 526,273 | -10.6% | 639,307 | -26.4% |
| Backlog Margin | 36.2% | 36.8% | -59 bps | 34.9% | 134 bps |

TENDA SEGMENT

Operating Results

Tenda Segment Launches

Second quarter launches totaled R\$99.0 million and included 2 projects/phases in the states of Rio de Janeiro and Minas Gerais. The brand accounted for 24% of 2Q14 consolidated launches.

During 2Q14, gross sales reached R\$299.3 million, while net pre-sales totaled R\$181.7 million. Sales from inventory accounted for 94.4% of the total, while sales from units launched during 2Q14 accounted for the remaining 5.6%.

All new projects under the Tenda brand are being developed in phases, in which all pre-sales are contingent on the ability to pass mortgages onto financial institutions.

Table 16. Tenda Segment – Launches and Pre-sales (R\$000)

| | | | | | |
|-----------|---------|---------|--------|---------|--------|
| Lauches | 99,011 | 181,445 | -45.4% | 33,056 | 199.5% |
| Pre-sales | 181,728 | 51,767 | 251.0% | 169,841 | 7.0% |

Sales over Supply (SoS)

In 2Q14, sales velocity (sales over supply) continued to improve, reaching 20.8%, which is in line with the same period last year. Considering the last 12 months, Tenda's SoS ended the 2Q14 at 44.2%.

Dissolutions

The level of dissolutions in the Tenda segment has decreased since the end of 2011, declining 25.5% to R\$117.6 million in 2Q14 compared with 2Q13.

A high volume of recent deliveries, combined with changes to Caixa's credit criteria in the last 2 quarters of 2013, impacted the ability of some customers to secure financing and resulted in an increase in first quarter 2014 cancellations. As expected, the impact of these factors has diminished and the level of cancellations in Tenda resumed its downward trend in this quarter. Approximately 80% of 2Q14 dissolutions in the Tenda segment related to old projects.

Table 17. Tenda Segment – Net Pre-sales by Market (R\$000)

| | | | | | | | | | | |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|----------|
| New Model | | | | | | | | | | |
| Gross Sales | - | - | - | - | 13,656 | 57,011 | 59,713 | 84,491 | 94,365 | 116,302 |
| Dissolutions | - | - | - | - | - | (2,126) | (7,433) | (6,293) | (34,195) | (25,135) |
| Net Sales | - | - | - | - | 13,656 | 54,885 | 52,279 | 78,197 | 60,170 | 91,167 |
| Legacy Projects | | | | | | | | | | |
| Gross Sales | 249,142 | 344,855 | 293,801 | 287,935 | 225,646 | 270,677 | 223,909 | 154,197 | 150,566 | 183,040 |
| Dissolutions | (339,585) | (329,127) | (263,751) | (317,589) | (232,517) | (155,722) | (126,038) | (68,769) | (158,969) | (92,479) |
| Net Sales | (90,443) | 15,728 | 30,050 | (29,653) | (6,871) | 114,956 | 97,872 | 85,429 | (8,402) | 90,561 |
| Total | | | | | | | | | | |
| Dissolutions | 3,157 | 2,984 | 2,202 | 2,509 | 1,700 | 1,172 | 924 | 491 | 1,259 | 810 |

Edgar Filing: Gafisa S.A. - Form 6-K

| | | | | | | | | | | |
|--------------------|-----------------|----------------|---------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
| Gross Sales | 249,142 | 344,855 | 293,801 | 287,935 | 239,302 | 327,689 | 283,622 | 238,688 | 244,931 | 299,342 |
| Dissolutions | (339,585) | (329,127) | (263,751) | (317,589) | (232,517) | (157,848) | (133,471) | (75,062) | (193,164) | (117,614) |
| Net Sales | (90,443) | 15,728 | 30,050 | (29,653) | 6,785 | 169,841 | 150,151 | 163,626 | 51,767 | 181,728 |
| Total (R\$) | (90,443) | 15,728 | 30,050 | (29,653) | 6,785 | 169,841 | 150,151 | 163,626 | 51,767 | 181,728 |
| MCMV | (95,759) | 21,461 | 7,977 | (3,630) | 36,191 | 142,602 | 119,215 | 122,428 | 57,157 | 151,434 |
| Out of MCMV | 6,316 | (5,733) | 22,074 | (26,023) | (29,406) | 29,239 | 30,936 | 41,198 | (5,390) | 30,294 |

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

Of the 788 Tenda units cancelled and returned to inventory in the quarter, 55% were resold to qualified customers during the same period. In 1H14, nearly 79% of dissolutions related to the new Tenda model were resold in the same period. The sale and transfer process plays an important role in the New Tenda Business Model, in which we expect that, within a period of up to 90 days, the effective sale and transfer process is complete.

Tenda Segment Transfers

In the 2Q14, Tenda transferred 1,708 units to financial institutions, representing R\$223.7 million. In the 1H14, Tenda transferred 3,176 units, representing R\$413.2 million.

Table 18. Tenda Segment - PSV Transferred - Tenda (R\$000)

| | | | | | | |
|------------------------------|---------|---------|---------|---------|---------|---------|
| New Projects | - | 26,608 | 26,608 | 42,921 | 49,776 | 69,563 |
| Legacy | 274,358 | 249,699 | 230,613 | 145,038 | 139,721 | 154,155 |
| PSV Transferred ¹ | 274,358 | 276,308 | 257,222 | 187,959 | 189,497 | 223,717 |

1) PSV transferred refers to actual effective cash inflow of the units transferred to financial institutions.

Tenda Segment Delivered Projects

During 2Q14, Tenda delivered 11 projects/phases and 2,185 units. Regarding Tenda's legacy projects, there are around 4,400 remaining units to be delivered.

Inventory

Tenda has achieved satisfactory results in its inventory reduction initiatives, with inventory representing 94.4% of total sales. The market value of Tenda inventory was R\$691.4 million at the end of the second quarter, down 9.1% when compared to R\$752.3 million at the end of 1Q14. Inventory related to the remaining units for the Tenda segment totaled R\$421.6 million or 60.9% of the total, down 14.3% over 1Q14. During the period, inventory comprising units within the Minha Casa, Minha Vida program totaled

R\$487.9 million, or 70.6% of total inventory, while units outside the program totaled R\$203.6 million in the 2Q14, down 21.8% q-o-q.

Table 19. Tenda Segment - Inventory at Market Value (R\$000) – by Region

| | | | | | |
|--------------------|----------------|---------------|----------------|------------------|---------------|
| São Paulo | 189.051 | - | 31.043 | (74.970) | 15.239 |
| Rio de Janeiro | 145.119 | 38.592 | 11.683 | (60.278) | 9.475 |
| Minas Gerais | 52.069 | 60.419 | 18.374 | (29.231) | (3.151) |
| Bahia & Pernambuco | 129.016 | - | 13.894 | (45.975) | 4.830 |
| Others | 237.047 | - | 42.620 | (88.888) | (4.549) |
| Total Tenda | 752.302 | 99.011 | 117.614 | (299.342) | 21.844 |
| MCMV | 491.992 | 99.011 | 83.694 | (235.127) | 48.288 |
| Out of MCMV | 260.309 | - | 33.921 | (64.215) | (26.444) |

Table 19. Tenda Segment - Inventory at Market Value (R\$000) – Construction Status

| | | | | | | |
|----------------------|---|----------------|---------------|---------------|----------------|----------------|
| New Model - MCMV | - | 184,193 | 76,161 | 8,644 | 875 | 269,874 |
| Legacy - MCMV | - | - | - | 36,369 | 181,615 | 217,983 |
| Legacy – Out of MCMV | - | - | - | 35,875 | 167,696 | 203,571 |
| Total Tenda | - | 184,193 | 76,161 | 80,887 | 350,186 | 691,428 |

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

Second quarter adjustments reflect updates related to project scope, expected launch date and inflationary adjustments to landbank during the period.

Tenda Segment Landbank

Tenda segment landbank, with a PSV of approximately R\$2.7 billion, is comprised of 32 different projects/phases, of which 18.4% are located in São Paulo, 19.2% in Rio de Janeiro, 9.9% in Minas Gerais and 52.5% in the Northeast region, specifically in the states of Bahia and Pernambuco. Altogether these amount to more than 21.0 thousand units.

Table 21. - Tenda Segment - Landbank (R\$000)

| | | | | | | |
|----------------|------------------|------------|------------|-----------|---------------|---------------|
| São Paulo | 498,607 | 10% | 10% | 0% | 3,571 | 3,600 |
| Rio de Janeiro | 519,128 | 19% | 19% | 0% | 4,011 | 4,063 |
| Nordeste | 1,423,527 | 14% | 14% | 0% | 11,563 | 11,660 |
| Minas Gerais | 268,930 | 62% | 62% | 0% | 1,876 | 1,988 |
| Total | 2,710,192 | 21% | 21% | 0% | 21,021 | 21,311 |

Table 22. Tenda Segment– Changes in the Landbank

| | | | | | | |
|-----------------|------------------|---------------|------------------|-----------------|-----------------|------------------|
| São Paulo/South | 832,139 | - | - | - | (333,532) | 498,607 |
| Rio de Janeiro | 471,885 | - | - | (38,592) | 83,835 | 519,128 |
| Nordeste | 1,263,732 | 27,085 | - | - | 132,710 | 1,423,527 |
| Minas Gerais | 392,871 | - | (144,976) | (60,419) | 81,453 | 268,930 |
| Total | 2,960,627 | 27,085 | (144,976) | (99,011) | (33,534) | 2,710,192 |

In 2Q14, the Company acquired new land with potential PSV of R\$27.1 million, representing an acquisition cost of R\$2.9 million. This land was acquired in full through swap agreements.

New Model Update and Turnaround

During the first half of the year, Tenda launched projects under its New Business Model, which is based on three pillars: operational efficiency, risk management and capital discipline. Currently, the Company continues to operate in four regions: São Paulo, Rio de Janeiro, Minas Gerais and Northeast (Bahia and Pernambuco states), with a launched PSV of R\$594.4 million to date. Below is a brief description of the performance of these projects:

Table 23. Tenda – New Model Monitoring

| Launch | mar/13 | mar/13 | may/13 | jul/13 | aug/13 | nov/13 | dec/13 | jan/14 | mar/14 | mar/14 | mar/14 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Local | SP | BA | SP | BA | SP | RJ | SP | BA | RJ | PE | SP |
| Units | 580 | 440 | 240 | 340 | 260 | 300 | 300 | 340 | 440 | 432 | 160 |
| Total PSV (R\$000) | 67.8 | 45.9 | 33.1 | 37.9 | 40.9 | 40.4 | 48.0 | 42.4 | 63.8 | 58.8 | 160 |
| Sales | 578 | 402 | 236 | 296 | 254 | 169 | 210 | 87 | 150 | 123 | 160 |
| % Sales | 99% | 91% | 98% | 87% | 98% | 56% | 70% | 26% | 34% | 28% | 28% |
| SoS avg (Month) | 7% | 6% | 7% | 7% | 9% | 7% | 10% | 4% | 9% | 7% | 14% |
| Transferred (Sales) | 578 | 344 | 226 | 255 | 248 | 116 | 185 | 55 | 68 | 42 | 160 |
| % Transferred | 100% | 86% | 96% | 86% | 98% | 68% | 88% | 63% | 45% | 34% | 43% |
| Work progress | 100% | 95% | 100% | 40% | 61% | 60% | 13% | 9% | 8% | 0% | 0% |

The run-off of legacy projects is on schedule and expected to be mostly concluded in 2014, with approximately 95% of the remaining units to be delivered by the end of the year.

Financial Result

Revenues

Tenda's net revenue in 2Q14 totaled R\$176.9 million, a reduction of 33.6% compared with the previous year. The decline reflects the low level of revenues related to the resumption of Tenda launches in the 1Q13. As shown in the table below, revenues from new projects accounted for 38.9% of Tenda's revenues in 2Q14, while revenues from older projects accounted for the remaining 61.1%. In 1H14, Tenda recorded net income of R\$282.9 million, of which R\$127.0 million, or 44.9%, is related to the New Business Model.

Table 24. Tenda - Pre-Sales and Recognized Revenues (R\$000)

| | | | | | | | | |
|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| 2014 | 42,641 | 23.5% | 5,252 | 3.0% | - | - | - | - |
| 2013 | 48,527 | 26.7% | 63,510 | 35.9% | 54,885 | 32.3% | 21,514 | 8.1% |
| 2012 | - | 0.0% | - | - | - | - | (3) | - |
| ≤ 2011 | 90,561 | 49.8% | 111,652 | 63.1% | 114,956 | 67.7% | 240,089 | 90.1% |
| Landbank Sale | - | - | (3,491) | -2.0% | - | - | 4,903 | 1.8% |
| Total | 181,728 | 100.0% | 176,923 | 100.0% | 169,841 | 100.0% | 266,504 | 100.0% |
| Legacy | 90,561 | 49.8% | 108,161 | 61.1% | 114,956 | 67.7% | 244,990 | 91.9% |
| New Model | 91,167 | 50.2% | 68,762 | 38.9% | 54,885 | 32.3% | 21,514 | 8.1% |

Gross Profit & Margin

Gross profit in 2Q14 reached R\$45.8 million, a sharp increase compared to R\$8.5 million in 1Q14, and R\$19.7 million in the previous year. Gross margin for the quarter also increased significantly, reaching 25.9% compared to 8.0% in 1Q14 and 7.4% in the prior-year period. The improvement in gross margin is due to the following factors: (i) increased average margin of legacy projects in 2Q14, due to the resale, at higher prices, of previously canceled projects; (ii) increased participation of projects launched under the New Business Model, which have higher margins and profitability, as has been observed in recent quarters and more prominently in 2014.

Below is Tenda's gross margin breakdown in 2Q14. To note, the gross margin of the first projects under Tenda's new business model benefit from the use of landbank acquired in the past, resulting in increased profitability.

Table 25. Tenda – Gross Margin (R\$000)

| | | | | | |
|------------------------------|----------------|----------------|---------------|----------------|---------------|
| Net Revenue | 176,923 | 105,951 | 67.0% | 266,504 | -33.6% |
| Gross Profit | 45,769 | 8,458 | 441.1% | 19,734 | 131.9% |
| Gross Margin | 25.9% | 8.0% | 1789 bps | 7.4% | 1846 bps |
| (-) Financial Costs | -8,036 | -7,105 | 13.1% | -15,664 | -48.7% |
| Adjusted Gross Profit | 53,805 | 15,563 | 245.7% | 35,398 | 52.0% |
| <i>Adjusted Gross Margin</i> | 30.4% | 14.7% | 1572 bps | 13.3% | 1713 bps |

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

During 2Q14, selling, general and administrative expenses totaled R\$39.7 million, a 1.9% decrease compared to R\$40.5 million in 2Q13.

Selling expenses totaled R\$14.7 million in 2Q14, a 30.0% decrease y-o-y, due to the sale of units through the segment's own stores, which started with the implementation of the New Business Model in early 2013. The increase compared to 1Q14 relates to higher sales in the second quarter.

Regarding general and administrative expenses, the sequential decrease is the result of a higher bonus provision of R\$8.0 million in 2Q14. Excluding the effect of this provision, in both periods, general and administrative expenses reached R\$17.0 million, up 7.7%, due to the higher level of IT expenses.

Table 26. Tenda – SG&A Expenses (R\$000)

| | | | | | |
|--------------------------------|----------------|----------------|--------------|----------------|---------------|
| Selling Expenses | 14,668 | 11,787 | 24.4% | 20,969 | -30.0% |
| General & Administ. Expenses | 25,012 | 18,970 | 31.9% | 19,494 | 28.3% |
| Total SG&A Expenses | 39,680 | 30,757 | 29.0% | 40,463 | -1.9% |
| Launches | 99,011 | 181,445 | -45.4% | 33,056 | 199.5% |
| Net Pre-Sales | 181,728 | 51,767 | 251.0% | 169,841 | 7.0% |
| Net Revenue | 176,923 | 105,951 | 67.0% | 266,504 | -33.6% |
| Adjusted EBITDA | | | | | |

Adjusted EBITDA was negative R\$1.9 million in 2Q14, compared to negative adjusted EBITDA of R\$5.8 million last year and negative R\$24.9 million in 1Q13.

Despite the lower level of revenue, the Company was able to improve its operating performance due to the expansion of its gross margin and efforts to streamline its cost and expense structure.

Table 27. Tenda - Adjusted EBITDA (R\$000)

| | | | | | |
|---------------------------------|----------------|----------------|-----------------|----------------|----------------|
| Net (Loss) Profit | -17,983 | -37,460 | -52.0% | -26,012 | -30.9% |
| (+) Financial results | -1,333 | 90 | -1581.1% | -1,901 | -29.9% |
| (+) Income taxes | 4,464 | 2,575 | 73.4% | 3,532 | 26.4% |
| (+) Depreciation & Amortization | 4,666 | 2,816 | 65.7% | 2,464 | 89.4% |
| (+) Capitalized interests | 8,036 | 7,105 | 13.1% | 15,664 | -48.7% |
| (+) Expenses w/ stock options | 6 | 19 | -68.4% | 33 | -81.8% |
| (+) Minority shareholders | 237 | -58 | -508.6% | 396 | -40.2% |
| Adjusted EBITDA | -1,907 | -24,913 | -92.3% | -5,824 | -67.3% |
| Net revenue | 176,923 | 105,951 | 67.0% | 266,504 | -33.6% |
| Adjusted EBITDA Margin | -1.1% | -23.5% | 2244 bps | -2.2% | 111 bps |

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

2) Tenda does not hold equity interest in Alphaville.

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method was R\$61.6 million in 2Q14. The consolidated margin for the quarter was 29.6%.

Table 28. Results to be recognized (REF) (R\$000)

| | | | | | |
|-------------------------------------|----------------|----------------|--------------|----------------|---------------|
| Revenues to be recognized | 207,912 | 212,031 | -1.9% | 315,842 | -34.2% |
| Costs to be recognized (units sold) | -146,349 | -144,550 | 1.2% | -246,516 | -40.6% |
| Results to be Recognized | 61,563 | 67,481 | -8.8% | 69,326 | -11.2% |
| Backlog Margin | 29.6% | 31.8% | -7.0% | 21.9% | 34.9% |

Balance Sheet and Consolidated Financial Results

Cash and Cash Equivalents

On June 30, 2014, cash and cash equivalents, and securities, totaled R\$1.3 billion.

Accounts Receivable

At the end of the 2Q14, total consolidated accounts receivable decreased 23.5% y-o-y to R\$3.6 billion, and was 4.3% below the R\$3.8 billion recorded in the 1Q14.

Currently, the Gafisa and Tenda segments have approximately R\$664.8 million in accounts receivable from finished units.

Table 29. Total Receivables (R\$000)

| | | | |
|---|-----------|-----------|-------|
| Receivables from developments (off balance sheet) | 1,563,052 | 1,703,437 | -8.2% |
|---|-----------|-----------|-------|