

Gafisa S.A.  
Form 6-K  
May 09, 2012

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

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**FORM 6-K**

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

**For the month of May, 2012**

**(Commission File No. 001-33356),**

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**Gafisa S.A.**

*(Translation of Registrant's name into English)*

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

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

Form 20-F  Form 40-F

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

Yes  No

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

Yes  No

Indicate by check mark whether by furnishing the information contained in this Form,  
the Registrant is also thereby furnishing the information to the Commission pursuant  
to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

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Yes \_\_\_\_\_ No \_\_\_X\_\_\_

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

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## **GAFISA REPORTS RESULTS FOR 1Q12**

--- Gafisa Group delivered 6.165 units in 1Q12, double the number delivered during 1Q11 ---

--- Launches totaled R\$463.7 million, with contracted sales of R\$408.2 million ---

--- Consolidated sales velocity of 10.4%, or 16.1% ex-Tenda ---

--- Cash burn was R\$76 million in the 1Q12 ---

--- 1/3 Tenda units returned to inventory in 4Q11 resold to qualified customers ---

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### **1Q12 Earnings Results Conference Call**

May 9, 2012

> 8am US EST

In English (simultaneous  
translation from Portuguese)

+ 1-516-3001066 US EST

Code: Gafisa

> 9am Brasilia Time

In Portuguese

Phones:

+55-11-3127-4971 (Brazil)

Code: Gafisa

### **FOR IMMEDIATE RELEASE - São Paulo, May 8, 2012 – Gafisa S.A.**

(Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported audited financial results for the ended March 31, 2012.

Duilio Calciolari, Chief Executive Officer, said: "During the first quarter of 2012 we **focused on implementing the new strategy** for the Company which: (i) established dedicated operating structures by brand; (ii) reducing risk at Tenda ; (iii) expanding the contribution of AlphaVille's developments in our product mix and; (iv) refocusing the Gafisa brand on its core markets of São Paulo and Rio de Janeiro. We are **making progress in achieving our operating cash flow guidance** of R\$500- R\$700 million for 2012 with strong unit deliveries of 6.165, sales of inventory and positive cash flow generation at Tenda for the month of March.

Gafisa continues to witness demand throughout Brazil for the middle and middle to high income products represented by the Gafisa and AlphaVille brands, which sold over R\$498.7 million during the quarter, with a consolidated sales velocity of launches of 48%. With the implementation of a **narrowed geographic focus**, Sao Paulo accounted for 100% of the R\$214.7 million launches for the Gafisa segment in the 1Q12 and all of the AlphaVille projects of R\$249.0 million launched in the same period were outside of Sao Paulo and Rio de Janeiro."

"Planning is being realigned to get 'back to the basics', which means focusing squarely on **obtaining and maintaining operational consistency.**"

### **FINANCIAL RESULTS**

Reply:

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Code: 10714688

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Webcast:

[www.gafisa.com.br/ir](http://www.gafisa.com.br/ir)

Shares

GFS3 – Bovespa

GFA – NYSE

Total Outstanding Shares:

432,699,559<sup>1</sup>

Average daily trading  
volume

(90 days<sup>2</sup>): R\$100.2  
million

1) Including 599,486  
treasury shares

2) Up to March 30,  
2011

Net revenue for the first quarter of 2012, recognized by the Percentage of Completion (“PoC”) method, increased 27% to R\$928 million on a year-over-year basis.

Gross profit gained 75% year-over-year to R\$201.6 million, as a result of lower level revenue reversal, without the impact of budget cost adjustments as compared to the same period of previous year. Gross margin reached 22%, as it is still impacted by a higher contribution of lower margin projects under construction, whose sale and delivery we expect to conclude within the next fifteen months.

EBITDA was R\$105 million, 267.8% above the R\$29 million posted during the first quarter of 2011. EBITDA for Gafisa and AlphaVille totaled R\$82 million and R\$40 million, respectively, while the EBITDA for Tenda was negative R\$17 million. Higher volume of EBITDA YoY was a result of improved sales performance of inventories. EBITDA Margin reached 11.3% and ex-Tenda 20%, well above the 4% and 14%, respectively posted in the previous year.

The 1Q12 net loss was R\$31.5 million compared with R\$13.7 million in 1Q11. The 1Q12 loss was a result of revenue reversals related to R\$340 million worth of contract dissolutions related to units at the low-income business, coupled with recognition of projects with lower margins as a result of the budget review announced in the previous quarter.

At the end of March 31, 2012, the Company had approximately R\$947 million in cash and cash equivalents compared to R\$984 million at the end of 4Q11. The net debt to equity ratio reached 122% in the first quarter of 2012, from 118% in the 4Q11.

## **OPERATING RESULTS**

Project launches totaled R\$464 million in 1Q12, a 10% decrease compared with 1Q11. The change reflects the restriction of Tenda launches to those that can be immediately transferred to financial institutions. The Gafisa and AlphaVille segments represented 46% and 54% of total launches, respectively.

Consolidated pre-sales totaled R\$408.2 million in the first quarter, a 50% decrease compared to 1Q11. Sales from inventory represented 45% of the 1Q12 total, while units launched during the same year accounted for the remaining 55%. First quarter sales velocity of launches reached 10.4%, or 16.1% ex-Tenda.

The Group delivered 34 projects encompassing 6,165 units with a potential sales value of R\$1.1 billion during 1Q12.

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## RECENT EVENTS

### Progress towards Operating Cash Flow Generation

Gafisa ended the first quarter with R\$947 million in cash, which is similar to the balance at the end of 2011 after paying all obligations. In the 1Q12, preliminary consolidated cash burn was R\$76 million. Excluding the accrual of Gafisa debt of R\$90 million in the 1T02, we should have a cash generation instead of a consumption. Our operational consolidated cash flow was neutral in the 1Q12 and in March, Tenda achieved positive operating cash flow.

#### Chart 1. Cash Consumption (3Q10 – 1Q12)

### Updated Status of the Results by Brand

#### Gafisa is delivering results reflected the new turnaround strategy:

**Gafisa:** (1) We are delivering our lower margin projects. Higher concentration projects launched in New Markets that should be finished this year. (2) Improved sales performance related to inventory.

**Tenda:** (1) Since June the number of units contracted by financial institutions has accelerated, which in part reflects the addition of a new CEF unit dedicated to major homebuilders. (2) In the first quarter, Tenda transferred 2793 units to financial institutions or 23% of the mid-range of guidance provided for the full year of 10.000–14.000 customers. (3) In March, Tenda achieved positive operating cash flow.

**AlphaVille:** (1) Continues to launch high demand developments - two projects (Juiz de Fora and Sergipe) were launched in March with sales of 62% in just the final month of the quarter. (2) The results underscore the growing share of AlphaVille in the product mix. The brand accounted for 54 percent share of first-quarter consolidated launches, up from a 35 percent a year ago.

### Record delivery units

In the first quarter of 2012, the Company also presented record delivery units. Gafisa delivered 34 projects encompassing 6,165 units, double the 3,060 delivered during 1Q11, with a potential sales value of R\$1.1 billion during the first quarter. In March, the Gafisa Group achieved record unit deliveries of 3,338 units.

#### Chart 2. Delivered units (2007 – 1Q12)



**KEY NUMBERS FOR THE GAFISA GROUP****Table 1 – Operating and Financial Highlights – (R\$000, unless otherwise specified)**

|  |            |            |         |            |          |
|--|------------|------------|---------|------------|----------|
| Launches (%Gafisa)                               | 463.740    | 582.247    | -20%    | 512.606    | -10%     |
| Launches (100%)                                  | 568.046    | 719.973    | -21%    | 594.214    | -4%      |
| Launches, units (%Gafisa)                        | 1.283      | 1.256      | 2%      | 2.254      | -43%     |
| Launches, units (100%)                           | 1.667      | 1.627      | 2%      | 2.736      | -39%     |
| Contracted sales (%Gafisa)                       | 408.237    | 338.415    | 21%     | 822.220    | -50%     |
| Contracted sales (100%)                          | 507.213    | 46.043     | 1002%   | 935.722    | -46%     |
| Contracted sales, units (% Gafisa)               | 501        | -605       | -183%   | 3.361      | -85%     |
| Contracted sales, units (100%)                   | 899        | -266       | -438%   | 3.945      | -77%     |
| Contracted sales from Launches (%co)             | 222.944    | 381.140    | -42%    | 296.317    | -25%     |
| Sales Velocity over launches (VSO) %             | 48,1%      | 49,0%      | -89bps  | 57,8%      | -973bps  |
| Completed Projects (%Gafisa)                     | 1.106.806  | 1.322.766  | -16%    | 524.942    | 111%     |
| Completed Projects, units (%Gafisa)              | 6.165      | 6.544      | -6%     | 3.060      | 101%     |
| Consolidated Land bank (R\$)                     | 16.759.355 | 17.605.092 | -5%     | 18.063.289 | -7%      |
| Potential Units                                  | 83.124     | 86.247     | -4%     | 90.712     | -8%      |
| Number of Projects / Phases                      | 154        | 156        | -1%     | 183        | -16%     |
| Net revenues                                     | 927.833    | 93.316     | 894,3%  | 730.748    | 27,0%    |
| Gross profit                                     | 201.579    | -438.396   | ns      | 115.160    | 75%      |
| Gross margin                                     | 21,7%      | -469,8%    | ns      | 15,8%      | 597bps   |
| Adjusted Gross Margin <sup>1</sup>               | 26,8%      | ns         | ns      | 20,9%      | 813 bps  |
| Adjusted EBITDA <sup>2</sup>                     | 105.187    | -798.184   | ns      | 28.597     | 268%     |
| Adjusted EBITDA margin <sup>2</sup>              | 11,3%      | ns         | ns      | 3,9%       | 742 bps  |
| Adjusted Net (loss) profit <sup>2</sup>          | -18.330    | -1.010.989 | ns      | -33.089    | ns       |
| Adjusted Net margin <sup>2</sup>                 | -3,4%      | ns         | ns      | 3,3%       | ns       |
| Net (loss) profit                                | -31.515    | -1.029.904 | ns      | -43.292    | ns       |
| EPS (loss) (R\$)                                 | -0,0729    | -2,3802    | ns      | -0,1003    | ns       |
| Number of shares ('000 final)                    | 432.699    | 432.699    | 0%      | 431.384    | 0%       |
| Revenues to be recognized                        | 4.238.385  | 4.515.112  | -6,1%   | 4.061.932  | -4%      |
| Results to be recognized <sup>3</sup>            | 1.514.940  | 1.558.830  | -2,8%   | 1.585.306  | 5%       |
| REF margin <sup>3</sup>                          | 35,7%      | 34,5%      | 122bps  | 39,0%      | -329bps  |
| Net debt and investor obligations                | 3.321.491  | 3.245.334  | 2%      | 2.741.682  | 21%      |
| Cash and cash equivalent                         | 947.138    | 983.660    | -4%     | 926.977    | 2%       |
| Equity   | 2.623.137  | 2.648.473  | -1%     | 3.532.135  | -26%     |
| Equity + Minority shareholders                   | 2.728.495  | 2.747.094  | -1%     | 3.600.691  | -24%     |
| Total assets                                     | 9.367.678  | 9.506.624  | -1%     | 9.093.244  | 3%       |
| (Net debt + Obligations) / (Equity + Minorities) | 122%       | 118%       | 360 bps | 76%        | 4559 bps |

Note: Unaudited Financial Operational data

1) Adjusted for capitalized interest

2) Adjusted for expenses on stock option plans (non-cash), minority shareholders

3) Results to be recognized net of PIS/Cofins - 3.65%; excludes the AVP method introduced by Law nº 11,638

Nm = not meaningful

## CONSOLIDATED DATA FOR THE GAFISA GROUP

### Consolidated Launches

First-quarter 2012 launches totaled R\$464 million, a 10% decrease compared to 1Q11, as the Group halted Tenda launches to focus on execution and delivery. The result represents 15% of the mid-range of full-year launch guidance of R\$2.7 to R\$3.3 billion and is in line with seasonally lower launches in the first quarter.

Four projects/phases were launched across 3 states in the first quarter, with AlphaVille accounting for 54% of launches and Gafisa the remaining 46%.

### Consolidated Pre-Sales

First-quarter 2012 consolidated pre-sales totaled R\$408.2 million, a 50% decrease compared to 1Q11. Sales from launches represented 55% of the total, while sales from inventory comprised the remaining 45%. Consolidated sales over supply reached 10.4%, compared to 21.4% in 1Q11, reflecting fewer launches to pursue remedial actions at Tenda. Excluding the Tenda brand, first-quarter sales over supply was 16.1%, compared to 17.7% in 4Q11 and 21.6% in 1Q11. The consolidated sales speed of launches reached 48.1%.

**Table 2. Consolidated Launches and Pre-Sales (R\$ million)**

|                    |                |                |             |                |             |
|--------------------|----------------|----------------|-------------|----------------|-------------|
| Gafisa Segment     | 214.690        | 340.645        | -37%        | 228.303        | -6%         |
| Alphaville Segment | 249.050        | 344.786        | -28%        | 181.915        | 37%         |
| Tenda Segment      | -              | (103.183)      | ns          | 102.389        | ns          |
| <b>Total</b>       | <b>463.740</b> | <b>582.248</b> | <b>-20%</b> | <b>512.607</b> | <b>-10%</b> |
| Gafisa Segment     | 316.702        | 312.867        | 1%          | 423.512        | -25%        |
| Alphaville Segment | 181.978        | 244.307        | -26%        | 170.919        | 6%          |
| Tenda Segment      | (90.443)       | (218.759)      | ns          | 227.789        | -140%       |
| <b>Total</b>       | <b>408.237</b> | <b>338.415</b> | <b>21%</b>  | <b>822.220</b> | <b>-50%</b> |

### Results by Brand

**Table 3. Main Operational & Financial Numbers - Contribution by Brand**

|                               |                |                |                |                |                  |
|-------------------------------|----------------|----------------|----------------|----------------|------------------|
| <b>Deliveries (PSV R\$mn)</b> | <b>699.715</b> | <b>121.993</b> | <b>821.708</b> | <b>285.099</b> | <b>1.106.807</b> |
| Deliveries (% contribution)   | 51%            | 9%             | ns             | 40%            | 100%             |
| <b>Deliveries (units)</b>     | <b>2.715</b>   | <b>994</b>     | <b>3.709</b>   | <b>2.456</b>   | <b>6.165</b>     |
| <b>Launches (R\$mn)</b>       | <b>214.690</b> | <b>249.050</b> | <b>463.740</b> | <b>-</b>       | <b>463.740</b>   |
| Launches (% contribution)     | 46%            | 54%            | 100%           | 0%             | 100%             |
| Launches (units)              | 410            | 873            | 1.283          | -              | 1.283            |
| <b>Pre-sales</b>              | <b>316.702</b> | <b>181.978</b> | <b>498.680</b> | <b>-90.443</b> | <b>408.237</b>   |
| Pre-Sales (% contribution)    | 78%            | 45%            | 122%           | -22%           | 100%             |
| <b>Revenues</b>               | <b>487.579</b> | <b>123.870</b> | <b>611.449</b> | <b>316.384</b> | <b>927.833</b>   |
| Revenues (% contribution)     | 58%            | 15%            | 73%            | 28%            | 100%             |
| <b>Gross Profit (R\$mn)</b>   | <b>113.010</b> | <b>59.980</b>  | <b>172.990</b> | <b>28.589</b>  | <b>201.579</b>   |
| Gross Margin (%)              | 23%            | 48%            | 28%            | 9%             | 22%              |
| <b>EBITDA (R\$mn)</b>         | <b>81.775</b>  | <b>40.270</b>  | <b>122.045</b> | <b>-16.858</b> | <b>105.187</b>   |
| <b>Margin EBITDA (%)</b>      | <b>17%</b>     | <b>33%</b>     | <b>20%</b>     | <b>-5%</b>     | <b>11%</b>       |
| EBITDA (% contribution)       | 78%            | 38%            | ns             | -16%           | 100%             |

## GAFISA SEGMENT

*Focuses on residential developments within the upper, upper-middle, and middle-income segments, with unit prices exceeding R\$250,000, located in 50 cities across 19 states.*

### Gafisa Segment Launches

First-quarter launches were stable at R\$214.7 million and included 2 projects/phases across 1 state. São Paulo accounted for 100% of launches. First quarter sales velocity of Gafisa's launches reached 13.9%, compared to 19.7% in 1Q11.

Note: Sales velocity refers to pre-sales over the corresponding period. Neste In this calculation, we consider the stock adjusted to reflect the correct price.

**Table 4. Launches by Market Region Gafisa Segment (R\$ million)**

|               |                |                |                |             |                |             |
|---------------|----------------|----------------|----------------|-------------|----------------|-------------|
| <b>Gafisa</b> | São Paulo      | 214.690        | 340.645        | -37%        | 157.779        | 36%         |
|               | Rio de Janeiro | -              | -              | 0%          | 70.523         | -100%       |
|               | Other          | -              | -              | 0%          | -              | 0%          |
|               | <b>Total</b>   | <b>214.690</b> | <b>340.645</b> | <b>-37%</b> | <b>228.302</b> | <b>-6%</b>  |
|               | <b>Units</b>   | <b>410</b>     | <b>1012</b>    | <b>-59%</b> | <b>755</b>     | <b>-46%</b> |

**Table 5. Launches by unit price Gafisa Segment (R\$ million)**

|               |              |                |                |             |                |            |
|---------------|--------------|----------------|----------------|-------------|----------------|------------|
| <b>Gafisa</b> | ≤R\$500K     | 62.099         | 297.711        | -79%        | 115.359        | -46%       |
|               | >R\$500K     | 152.591        | 42.933         | 255%        | 112.943        | 35%        |
|               | <b>Total</b> | <b>214.690</b> | <b>340.645</b> | <b>-37%</b> | <b>228.302</b> | <b>-6%</b> |

### Gafisa Segment Pre-Sales

First quarter sales totaled R\$316.7 billion, a 25% decrease compared to the previous year. Sales from inventory represented 21% of the 1Q12 total, while the remaining 79% came from units launched during the same year. The sales velocity of launches in 1Q12 decreased to 13.9%, as compared to a rate of 19.4% the previous year.

Note: Sales speed refers to contracted sales over the corresponding period of the offer. In this calculation, we consider the stock adjusted to reflect the correct price.

**Table 6. Pre-Sales by Market Region Gafisa Segment (R\$ million)**

|               |                |                |                |             |                |             |
|---------------|----------------|----------------|----------------|-------------|----------------|-------------|
| <b>Gafisa</b> | São Paulo      | 243.782        | 231.516        | 5%          | 328.520        | -26%        |
|               | Rio de Janeiro | 54.431         | 76.320         | -29%        | 58.943         | -8%         |
|               | Other          | 18.489         | 5.031          | 268%        | 36.049         | -49%        |
|               | <b>Total</b>   | <b>316.702</b> | <b>312.867</b> | <b>1%</b>   | <b>423.512</b> | <b>-25%</b> |
|               | <b>Units</b>   | <b>647</b>     | <b>722</b>     | <b>-10%</b> | <b>910</b>     | <b>-29%</b> |

**Table 7. Pre-Sales by unit Price Gafisa Segment (R\$ million)**

|               |              |                |                |           |                |             |
|---------------|--------------|----------------|----------------|-----------|----------------|-------------|
| <b>Gafisa</b> | ≤ R\$500K    | 146.342        | 179.143        | -18%      | 187.426        | -22%        |
|               | > R\$500K    | 170.360        | 133.724        | 27%       | 236.087        | -28%        |
|               | <b>Total</b> | <b>316.702</b> | <b>312.867</b> | <b>1%</b> | <b>423.512</b> | <b>-25%</b> |

**Table 8. Pre-Sales by unit Price Gafisa Segment (# units)**

|               |              |            |            |             |            |             |
|---------------|--------------|------------|------------|-------------|------------|-------------|
| <b>Gafisa</b> | ≤ R\$500K    | 476        | 551        | -14%        | 608        | -22%        |
|               | > R\$500K    | 171        | 171        | 0%          | 301        | -43%        |
|               | <b>Total</b> | <b>647</b> | <b>722</b> | <b>-10%</b> | <b>910</b> | <b>-29%</b> |

### Gafisa Segment Delivered Projects

Gafisa delivered 18 projects with 2,715 units and an approximate PSV of R\$699.7 million during 1Q12. The tables below list the products delivered in 1Q12:

**Table 9- Delivered projects Gafisa Segment (1Q12)**

|               |                          |        |      |                            |      |     |                     |
|---------------|--------------------------|--------|------|----------------------------|------|-----|---------------------|
| Gafisa        | VNSJ Metropolitan        | Jan-12 | 2009 | São José - SP              | 100% | 96  | 30.028              |
| Gafisa        | VNSJ Vitoria e Lafayette | Jan-12 | 2008 | São José - SP              | 100% | 192 | 57.518              |
| Gafisa        | Mansão Imperial F2       | Jan-12 | 2010 | São Bernardo do Campo - SP | 100% | 100 | 62.655              |
| Gafisa        | Reserva das Laranjeiras  | Jan-12 | 2008 | Rio de Janeiro - RJ        | 100% | 108 | 61.818              |
| Gafisa        | Alegria F2 A             | Feb-12 | 2010 | Guarulhos - SP             | 100% | 139 | 43.750              |
| Gafisa        | Paulista Corporate       | Feb-12 | 2009 | São Paulo - SP             | 100% | 168 | 72.213              |
| Gafisa        | Neogarden                | Feb-12 | 2008 | Curitiba - PR              | 100% | 144 | 40.427              |
| Gafisa        | Reserva Santa Cecília    | Feb-12 | 2007 | Volta Redonda - RJ         | 100% | 122 | 23.835              |
| Gafisa        | JTR - Comercial          | Feb-12 | 2007 | Maceió - AL                | 50%  | 193 | 11.911              |
| Gafisa        | Parc Paradiso            | Feb-12 | 2007 | (Belém - PA)               | 90%  | 432 | 58.754              |
| Gafisa        | Supremo Ipiranga         | Mar-12 | 2009 | São Paulo - SP             | 100% | 104 | 54.860              |
| Gafisa        | GPARK Árvores            | Mar-12 | 2007 | São Luis - MA              | 50%  | 240 | 29.978              |
| Gafisa        | Parque Barueri Fase 1    | Mar-12 | 2008 | Barueri - SP               | 100% | 677 | 151.968             |
| <b>Gafisa</b> |                          |        |      |                            |      |     | <b>2.715699.715</b> |

### Projects launched Gafisa Segment

The following table displays Gafisa Segment projects launched during 1Q12:

**Table 10 - Projects launched during Gafisa Segment (1Q12)**

| Projects                     | Launch Date | Local        | % co | Units (%co) | PSV (%co)      | % sales 31/03/12 | Sales 31/03/12 |
|------------------------------|-------------|--------------|------|-------------|----------------|------------------|----------------|
| <b>1Q12</b>                  |             |              |      |             |                |                  |                |
| Duquesa - Lorian Qd2B        | March       | Osasco - SP  | 100% | 130         | 152.591        | 29%              | 44.288         |
| Maraville (Ana Maria Lote A) | March       | Jundiaí - SP | 100% | 280         | 62.099         | 38%              | 23.575         |
| <b>Gafisa Total</b>          |             |              |      | <b>410</b>  | <b>214.690</b> | <b>32%</b>       | <b>67.863</b>  |

Note: The VSO refers contracted sales over the corresponding period of the offer. In this calculation, we consider the stock adjusted to reflect the correct price.

**Table 11 –Land Bank Gafisa Segment – as of 1Q12**

|                |                  |               |               |              |              |               |
|----------------|------------------|---------------|---------------|--------------|--------------|---------------|
| São Paulo      | 3.773.500        | 33%           | 32%           | 1%           | 7.871        | 9.011         |
| Rio de Janeiro | 1.153.386        | 46,84%        | 46,84%        | 0,00%        | 1.821        | 1.839         |
| <b>Total</b>   | <b>4.926.886</b> | <b>36,23%</b> | <b>35,47%</b> | <b>0,76%</b> | <b>9.700</b> | <b>10.849</b> |

**Table 12 –Adjusted EBITDA (R\$000)**

|                                   |                |                 |                 |                |                 |
|-----------------------------------|----------------|-----------------|-----------------|----------------|-----------------|
| <b>Net profit</b>                 | <b>-22.411</b> | <b>-364.326</b> | <b>-94%</b>     | <b>-44.065</b> | <b>+49%</b>     |
| (+) Financial result              | 34.444         | 39.846          | -14%            | 26.035         | 32%             |
| (+) Income taxes                  | 13.370         | 66.522          | -80%            | -1.523         | nm              |
| (+) Depreciation and Amortization | 15.264         | 20.223          | -25%            | 8.381          | 82%             |
| (+) Capitalized interest          | 35.052         | 23.433          | 50%             | 32.406         | 8%              |
| (+) Stock option plan expenses    | 6.034          | 3.486           | 73%             | 2.536          | 138%            |
| (+) Minority shareholders         | 22             | -622            | -104%           | 100            | -78%            |
| <b>Adjusted EBITDA</b>            | <b>81.775</b>  | <b>-211.438</b> | <b>-139%</b>    | <b>23.869</b>  | <b>243%</b>     |
| <b>Net revenues</b>               | <b>487.579</b> | <b>367.551</b>  | <b>33%</b>      | <b>383.092</b> | <b>27%</b>      |
| <b>Adjusted EBITDA margin</b>     | <b>17%</b>     | <b>-58%</b>     | <b>7430 bps</b> | <b>6%</b>      | <b>1054 bps</b> |

## ALPHAVILLE SEGMENT

*Focuses on the sale of residential lots, with unit prices between R\$100,000 and R\$500,000, and is present in 68 cities across 23 states and in the Federal District*

### AlphaVille Segment Launches

First-quarter launches totaled R\$249.0 million, a 37% increase compared with 1Q11, and included 2 projects/phases across 2 states. The results reflect the growing share of AlphaVille in the product mix. The brand accounted for a 54 percent share of first-quarter consolidated launches, up from 35 percent a year ago.

**Table 13 - Launches by Market Region AlphaVille Segment (R\$ million)**

|                   |              |                |                |             |                |            |
|-------------------|--------------|----------------|----------------|-------------|----------------|------------|
| <b>AlphaVille</b> | <b>Total</b> | <b>249.050</b> | <b>344.786</b> | <b>-28%</b> | <b>181.914</b> | <b>37%</b> |
|                   | <b>Units</b> | <b>873</b>     | <b>1.061</b>   | <b>-18%</b> | <b>849</b>     | <b>3%</b>  |

**Table 14 - Launches by unit price AlphaVille Segment - (R\$ million)**

|                   |                      |                |                |             |                |            |
|-------------------|----------------------|----------------|----------------|-------------|----------------|------------|
| <b>Alphaville</b> | ≤ R\$200K;           | -              | 13.721         | -100%       | 62.260         | -100%      |
|                   | > R\$200K; ≤ R\$500K | 249.050        | 331.065        | -25%        | 119.654        | 108%       |
|                   | > R\$500K            | -              | -              | 0%          | -              | 0%         |
|                   | <b>Total</b>         | <b>249.050</b> | <b>344.786</b> | <b>-28%</b> | <b>181.914</b> | <b>37%</b> |

### AlphaVille Pre-Sales

First quarter pre-sales reached R\$181.9 million, a 6% increase compared to 1Q11. The residential lots segment's share of consolidated pre-sales increased to 45% from 25% in 1Q11. In 1Q12, sales velocity (sales over supply) was 22.2%, compared to 28.1% in 1Q11. First-quarter sales velocity from launches was

63.2%. Sales from launches represented 85% of total sales, while the remaining 15% came from inventory.

Projects demonstrating above average sales velocities include AlphaVille Sergipe, which was launched in March and achieved sales exceeding 65% in the first quarter, and AlphaVille Juiz de Fora, which was launched in February and achieved more than 55% sales in the same period.

Note: The VSO refers contracted sales over the corresponding period of the offer. In this calculation, we consider the stock adjusted to reflect the correct.

**Table 15 - Pre-Sales by Market Region AlphaVille Segment - (R\$ million)**

| <b>% co - R\$000</b> | <b>1Q12</b>    | <b>4Q11</b>    | <b>QoQ(%)</b> | <b>1Q11</b>    | <b>YoY (%)</b> |
|----------------------|----------------|----------------|---------------|----------------|----------------|
| <b>AlphaVille</b>    |                |                |               |                |                |
| <b>Total</b>         | <b>181.978</b> | <b>244.307</b> | <b>-26%</b>   | <b>170.919</b> | <b>6%</b>      |
| <b>Units</b>         | <b>761</b>     | <b>837</b>     | <b>-9%</b>    | <b>896</b>     | <b>-15%</b>    |

**Table 16. Pre-Sales by unit Price AlphaVille Segment (R\$ million)**

| <b>% Alphaville</b> |              | <b>1Q12</b>    | <b>4Q11</b>    | <b>QoQ (%)</b> | <b>1Q11</b>    | <b>YoY (%)</b> |
|---------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| <b>Alphaville</b>   | = R\$200K;   | 6.155          | 25.481         | -76%           | 92.297         | -93%           |
|                     | > R\$200K; = |                |                |                |                |                |
|                     | R\$500K      | 186.379        | 170.394        | 9%             | 78.622         | 137%           |
|                     | > R\$500K    | -10.556        | 48.432         | -122%          | -              | 0%             |
| <b>Total</b>        |              | <b>181.978</b> | <b>244.307</b> | <b>-26%</b>    | <b>170.919</b> | <b>6%</b>      |

**Table 17. Pre-Sales by unit Price AlphaVille Segment (# units)**

| <b>% Alphaville</b> |              | <b>1Q12</b> | <b>4Q11</b> | <b>QoQ (%)</b> | <b>1Q11</b> | <b>YoY (%)</b> |
|---------------------|--------------|-------------|-------------|----------------|-------------|----------------|
| <b>Alphaville</b>   | = R\$200K;   | 47          | 178         | -73%           | 570         | -92%           |
|                     | > R\$200K; = |             |             |                |             |                |
|                     | R\$500K      | 737         | 648         | 14%            | 236         | 126%           |
|                     | > R\$500K    | -23         | 10          | -332%          | -           | 0%             |
| <b>Total</b>        |              | <b>761</b>  | <b>837</b>  | <b>-9%</b>     | <b>896</b>  | <b>-15%</b>    |

**AlphaVille Segment Delivered Projects**

AlphaVille delivered 3 projects with 994 units and an approximate PSV of R\$122 million during 1Q12. The delivery date is based on the “delivery meeting” that takes place with customers, and not upon the physical completion, which is prior to the delivery meeting. The tables below list the products delivered in 1Q12:

**Table 18 - Delivered projects (1Q12) - AlphaVille Segment**

|                   |                              |        |        |                  |     |            |                |
|-------------------|------------------------------|--------|--------|------------------|-----|------------|----------------|
| Alphaville        | Terras Alpha Petrolina I     | jan/12 | Dec-10 | Petrolina/PE     | 75% | 366        | 47.424         |
| Alphaville        | Terras Alpha Petrolina II    | jan/12 | Sep-11 | Petrolina/PE     | 76% | 286        | 41.499         |
| Alphaville        | Terras Alpha Foz do Iguaçu 2 | mar/12 | Dec-10 | Foz do Iguaçu/PR | 74% | 342        | 33.069         |
| <b>Alphaville</b> |                              |        |        |                  |     | <b>994</b> | <b>121.993</b> |

**Table 19 —Projects Launched (1Q12) - AlphaVille Segment**

|                         |              |     |                   |     |            |                |            |                |
|-------------------------|--------------|-----|-------------------|-----|------------|----------------|------------|----------------|
| <b>1Q12</b>             |              |     |                   |     |            |                |            |                |
| Alphaville              | Juiz de Fora | Feb | Juiz de Fora - MG | 65% | 364        | 114.916        | 57%        | 65.142         |
| Alphaville              | Sergipe      | Mar | Sergipe - SE      | 74% | 509        | 134.134        | 67%        | 89.939         |
| <b>Alplaville Total</b> |              |     |                   |     | <b>873</b> | <b>249.050</b> | <b>62%</b> | <b>155.081</b> |

**Table 20 –Land Bank AlphaVille Segment as of 1Q12**

|                |                  |            |           |            |               |               |
|----------------|------------------|------------|-----------|------------|---------------|---------------|
| São Paulo      | 1.322.431        | 99%        | 0%        | 99%        | 6.282         | 13.127        |
| Rio de Janeiro | 723.324          | 100%       | 0%        | 100%       | 3.984         | 8.266         |
| Other          | 5.463.287        | 98%        | 0%        | 98%        | 25.693        | 40.601        |
| <b>Total</b>   | <b>7.509.042</b> | <b>99%</b> | <b>0%</b> | <b>99%</b> | <b>35.959</b> | <b>61.994</b> |

**Table 21 –Adjusted EBITDA AlphaVille Segment**

|                      |               |               |             |               |             |
|----------------------|---------------|---------------|-------------|---------------|-------------|
| <b>Net profit</b>    | <b>21.626</b> | <b>32.390</b> | <b>-33%</b> | <b>26.958</b> | <b>-20%</b> |
| (+) Financial result | 8.200         | 3.904         | 110%        | 7.206         | 14%         |

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|                                   |                |                |                |                |                 |
|-----------------------------------|----------------|----------------|----------------|----------------|-----------------|
| (+) Income taxes                  | 1.737          | 13.365         | -87%           | 2.828          | -39%            |
| (+) Depreciation and Amortization | 542            | 533            | 2%             | 288            | 88%             |
| (+) Capitalized interest          | 1.155          | 2.455          | -53%           | 1.584          | -27%            |
| (+) Stock option plan expenses    | 334            | 456            | -27%           | 274            | 22%             |
| (+) Minority shareholders         | 6.676          | 14.709         | -55%           | 6.740          | -1%             |
| <b>Adjusted EBITDA</b>            | <b>40.270</b>  | <b>67.812</b>  | <b>-41%</b>    | <b>45.878</b>  | <b>-12%</b>     |
| <b>Net revenues</b>               | <b>123.870</b> | <b>226.310</b> | <b>-45%</b>    | <b>113.624</b> | <b>9%</b>       |
| <b>Adjusted EBITDA margin</b>     | <b>33%</b>     | <b>30%</b>     | <b>255 bps</b> | <b>40%</b>     | <b>-787 bps</b> |

## TENDA SEGMENT

*Focuses on affordable residential developments, with unit prices between R\$80,000 and R\$200,000, has 20 regional store fronts, and projects developed in 105 cities across 15 states.*

### Tenda Segment Launches

Reflecting remedial actions at Tenda and a focus on execution and delivery, no projects were launched in the first quarter. Throughout 2012, Tenda is not expected to represent more than 10% of consolidated launch guidance of between R\$2.7 and R\$3.3 billion.

**Table 22. Launches by Market Region Tenda Segment (R\$ million)**

|              |                |   |                 |              |                |              |
|--------------|----------------|---|-----------------|--------------|----------------|--------------|
| <b>Tenda</b> | São Paulo      | - | -               | 0%           | 11.220         | -100%        |
|              | Rio de Janeiro | - | -               | 0%           | -              | 0%           |
|              | Minas Gerais   | - | -103.183        | -100%        | 19.926         | -100%        |
|              | Northeast      | - | -               | 0%           | -              | 0%           |
|              | Others         | - | -               | 0%           | 71.243         | -100%        |
|              | <b>Total</b>   | - | <b>-103.183</b> | <b>-100%</b> | <b>102.389</b> | <b>-100%</b> |
|              | <b>Units</b>   | - | <b>-817</b>     | <b>-100%</b> | <b>650</b>     | <b>-100%</b> |

**Table 23. Launches by Market Region Tenda Segment (R\$ million)**

|              |              |   |                 |              |                |              |
|--------------|--------------|---|-----------------|--------------|----------------|--------------|
| <b>Tenda</b> | ≤ MCMV       | - | -103183         | -100%        | 56.011         | -100%        |
|              | > MCMV       | - | -               | 0%           | 46.378         | -100%        |
|              | <b>Total</b> | - | <b>-103.183</b> | <b>-100%</b> | <b>102.389</b> | <b>-100%</b> |

### Tenda Segment Pre-Sales

In keeping with a necessary change in strategy, 1Q12 gross pre-sales were stable at R\$248.7 million. First quarter net pre-sales in the low income segment were negative R\$90.4 million, compared to negative R\$216 million in 4Q11. The difference reflects the dissolution of R\$339.6 million in contracts with potential

homeowners who no longer qualified for a bank mortgage due to a change in circumstance, such as lack of financial capacity, increased income, move to dual household income, cessation of employment etc. Consequently, units, which are on average more than 70% complete, will be returned to inventory and eligible for resale to qualified customers. We collected on average a down payment of 6% of the units that will be resold through financial institutions, where according to the PoC, the percentage of the incurred cost of a unit's value is received upfront. Going forward, pre-sales recognition and the remuneration of Tenda sales force will be based on the ability to pass mortgages on to banks.

Note: 1 PoC – Percentage of completion method. Negative numbers are related to dissolutions

**Table 24. Pre-Sales by Market Region Tenda Segment (R\$ million)**

|              |                |                |                 |             |                |              |
|--------------|----------------|----------------|-----------------|-------------|----------------|--------------|
| <b>Tenda</b> | São Paulo      | -47.561        | -18.585         | 156%        | 23.136         | -306%        |
|              | Rio de Janeiro | -190           | -90.517         | -100%       | -3.919         | -95%         |
|              | Minas Gerais   | -32.805        | -79.683         | -59%        | 65.291         | -150%        |
|              | Northeast      | -20.629        | -10.564         | 95%         | 40.850         | -151%        |
|              | Others         | 10.743         | -19.411         | -155%       | 102.431        | -90%         |
|              | <b>Total</b>   | <b>-90.443</b> | <b>-218.759</b> | <b>-59%</b> | <b>227.789</b> | <b>-140%</b> |
|              | <b>Units</b>   | <b>-907</b>    | <b>-2.163</b>   | <b>-58%</b> | <b>1.555</b>   | <b>-158%</b> |

**Table 25. Pre-Sales by unit Price Tenda Segment (R\$ million)**

|              |              |                |                 |             |                |              |
|--------------|--------------|----------------|-----------------|-------------|----------------|--------------|
| <b>Tenda</b> | ≤ MCMV       | -96.759        | -172.415        | -44%        | 73.296         | -232%        |
|              | > MCMV       | 6.316          | -46.344         | -114%       | 154.493        | -96%         |
|              | <b>Total</b> | <b>-90.443</b> | <b>-218.759</b> | <b>-59%</b> | <b>227.789</b> | <b>-140%</b> |

**Table 26. Pre-Sales by unit Price Tenda Segment (# units)**

|              |              |             |               |             |              |              |
|--------------|--------------|-------------|---------------|-------------|--------------|--------------|
| <b>Tenda</b> | ≤ MCMV       | -941        | -1.800        | -48%        | 619          | -252%        |
|              | > MCMV       | 35          | -364          | -110%       | 937          | -96%         |
|              | <b>Total</b> | <b>-907</b> | <b>-2.163</b> | <b>-58%</b> | <b>1.555</b> | <b>-158%</b> |

## Tenda Segment Delivered Projects

During 1Q12, consolidated Tenda delivered 18 projects/phases, 2,456 units and an approximate PSV of R\$285.1 million. The tables below list the products delivered in 1Q12:

**Table 27 - Delivered projects Tenda Segment (1Q12)**

|              |   |        |      |                  |      |              |                |
|--------------|---|--------|------|------------------|------|--------------|----------------|
| Tenda        | Ferrara - F1                                | Feb-12 | 2007 | Poá              | 100% | 36           | 8.439          |
| Tenda        | Ferrara - F2                                | Feb-12 | 2007 | Poá              | 100% | 76           | 8.439          |
| Tenda        | Portal do Sol Life III (BI 24 e 25)         | Feb-12 | 2009 | Belford Roxo     | 100% | 64           | 5.950          |
| Tenda        | Portal do Sol Life IV (BI 22 e 23)          | Feb-12 | 2010 | Belford Roxo     | 100% | 64           | 5.971          |
| Tenda        | Alta Vista (Antigo Renata)                  | Mar-12 | 2008 | São Paulo        | 100% | 160          | 12.935         |
| Tenda        | Jardim São Luiz Life - F2 (Bloco 12)        | Mar-12 | 2007 | São Paulo        | 100% | 20           | 2.149          |
| Tenda        | Reserva dos Pássaros - F1 (BI 5)            | Mar-12 | 2006 | São Paulo        | 100% | 66           | 37.084         |
| Tenda        | Parque Baviera Life - F1 (BI 1 a 9)         | Mar-12 | 2008 | São Leopoldo     | 100% | 180          | 37.763         |
| Tenda        | Vivendas do Sol I                           | Mar-12 | 2009 | Porto Alegre     | 100% | 200          | 14.000         |
| Tenda        | Portal do Sol Life V (BI 19 a 21)           | Mar-12 | 2010 | Belford Roxo     | 100% | 96           | 9.431          |
| Tenda        | Portal do Sol Life VI (BI 17 e 18)          | Mar-12 | 2010 | Belford Roxo     | 100% | 64           | 6.146          |
| Tenda        | Quintas do Sol Ville II - F1 (Qd 1 e 3 a 5) | Mar-12 | 2007 | Feira de Santana | 100% | 241          | 22.725         |
| Tenda        | Quintas do Sol Ville II - F2 (Qd 2)         | Mar-12 | 2008 | Feira de Santana | 100% | 90           | 22.353         |
| Tenda        | Salvador Life II                            | Mar-12 | 2008 | Salvador         | 100% | 180          | 12.780         |
| Tenda        | Boa Vista                                   | Mar-12 | 2008 | Belo Horizonte   | 100% | 38           | 3.838          |
| Tenda        | Maratá                                      | Mar-12 | 2008 | Goiânia          | 100% | 400          | 27.200         |
| Tenda        | Reserva Campo Belo (Antigo Terra Nova II)   | Mar-12 | 2007 | Goiânia          | 100% | 241          | 16.320         |
| Tenda        | GPARK Pássaros                              | Mar-12 | 2008 | São Luis         | 50%  | 240          | 31.576         |
| <b>Total</b> |   |        |      |                  |      | <b>2.456</b> | <b>285.099</b> |

## Tenda Segment Operations

Since June, 2011 we have witnessed an acceleration in the number of units contracted by financial institutions, which is in part likely due to the addition of a new CEF unit dedicated to major homebuilders. This improvement resulted in the delivery of 2,336 units in 1Q12. Transferred units totaled 2,500 units during the first quarter. We expect the number of units transferred to increase throughout 2012.

**Table 28 –Land Bank Tenda Segment (1Q12)**

|                |           |       |       |       |        |        |
|----------------|-----------|-------|-------|-------|--------|--------|
| São Paulo      | 2.134.723 | 31,0% | 30,1% | 0,96% | 15.851 | 17.027 |
| Rio de Janeiro | 1.101.918 | 0,0%  | 0,0%  | 0,0%  | 12.764 | 12.764 |
| Nordeste       | 417.868   | 21,0% | 21,0% | 0,0%  | 3.700  | 3.700  |
| Minas Gerais   | 668.918   | 46,7% | 21,9% | 24,8% | 5.151  | 5.303  |

|       |           |       |       |      |        |        |
|-------|-----------|-------|-------|------|--------|--------|
| Total | 4.323.427 | 30,4% | 24,2% | 6,2% | 37.466 | 38.793 |
|-------|-----------|-------|-------|------|--------|--------|

**Table 29 –Adjusted EBITDA Tenda**

|                                   |                 |                  |                  |                 |                 |
|-----------------------------------|-----------------|------------------|------------------|-----------------|-----------------|
| <b>Net profit</b>                 | <b>(30.730)</b> | <b>(697.968)</b> | <b>-96%</b>      | <b>(26.185)</b> | <b>17%</b>      |
| (+) Financial result              | (469)           | (1.832)          | -74%             | (2.243)         | -79%            |
| (+) Income taxes                  | 5.032           | 35.368           | -86%             | (20.162)        | -125%           |
| (+) Depreciation and Amortization | 2.527           | 5.699            | -56%             | 3.697           | -32%            |
| (+) Capitalized interest          | 6.663           | 3.289            | 103%             | 3.191           | 109%            |
| (+) Stock option plan expenses    | 145             | 553              | -74%             | 553             | -74%            |
| (+) Non recurring expenses        | -               | -                | 0%               | -               | 0%              |
| (+) Minority shareholders         | (26)            | 333              | -108%            | -               | 0%              |
| <b>Adjusted EBITDA</b>            | <b>(16.858)</b> | <b>(654.558)</b> | <b>-97%</b>      | <b>(41.150)</b> | <b>-59%</b>     |
| <b>Net revenues</b>               | <b>316.384</b>  | <b>-500.545</b>  | <b>-146%</b>     | <b>234.032</b>  | <b>-1%</b>      |
| <b>Adjusted EBITDA margin</b>     | <b>-5,3%</b>    | <b>131%</b>      | <b>-13803bps</b> | <b>-18%</b>     | <b>1032 bps</b> |

## INCOME STATEMENT

### Revenues

On a consolidated basis, 1Q12 net revenues totaled R\$928 million, a 27% increase from 1Q11. During 1Q12, the Gafisa brand accounted for 58% of net revenues, AlphaVille comprised 15% and Tenda the remaining 27%. The below table presents detailed information about pre-sales and recognized revenues by launch year:

**Tabela 30 – Pre-sales and recognized revenues by launch year**

|                    |                         |                |                |                |                |                |                |                |             |
|--------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Gafisa</b>      | 2012 Launches           | 67.863         | 21%            | 0              | 0%             | -              | 0%             | 0              | 0%          |
|                    | 2011 Launches           | 81.243         | 26%            | 114.983        | 24%            | 108.360        | 26%            | 5.005          | 1%          |
|                    | 2010 Launches           | 56.423         | 18%            | 164.613        | 34%            | 220.891        | 52,157%        | 111.274        | 29%         |
|                    | ≤ 2009 Launches         | 111.174        | 35%            | 207.984        | 43%            | 94.262         | 22,257%        | 266.814        | 70%         |
|                    | <b>Total Gafisa</b>     | <b>316.702</b> | <b>100%</b>    | <b>487.579</b> | <b>100%</b>    | <b>423.512</b> | <b>100%</b>    | <b>383.092</b> | <b>100%</b> |
| <b>Alphaville</b>  | 2012 Launches           | 155.081        | 85%            | 3.510          | 3%             | -              | 0%             | -              | 0%          |
|                    | 2011 Launches           | 16.062         | 9%             | 35.563         | 29%            | 114.108        | 67%            | 10.560         |             |
|                    | 2010 Launches           | 3.213          | 2%             | 50.697         | 41%            | 44.104         | 26%            | 40.339         |             |
|                    | ≤ 2009 Launches         | 7.622          | 4%             | 34.100         | 28%            | 12.706         | 7%             | 62.724         | 55%         |
|                    | <b>Total Alphaville</b> | <b>181.978</b> | <b>100%</b>    | <b>123.870</b> | <b>100%</b>    | <b>170.919</b> | <b>100%</b>    | <b>113.624</b> | <b>55%</b>  |
| <b>Total Tenda</b> | <b>(90.443)</b>         | <b>100%</b>    | <b>316.384</b> | <b>0%</b>      | <b>227.789</b> | <b>100%</b>    | <b>234.032</b> | <b>100%</b>    |             |
| <b>Total</b>       | <b>408.237</b>          |                | <b>927.833</b> |                | <b>822.220</b> |                | <b>730.748</b> |                |             |

### Gross Profit

On a consolidated basis, 1Q12 gross profit totaled R\$202 million, a increase of 75% over 1Q11, on the back of lower level revenue reversal and lower impact of budget cost adjustments, as compared to the same period of previous year. Gross margin reached 23.9%, still below normalized levels, as it is still impacted by a higher contribution of lower margin projects under construction, whose sale and delivery we expect to conclude within the next fifteen months.

**Table 31 – Gross Margin (R\$)**

|              |                |                |            |
|--------------|----------------|----------------|------------|
| Gross Profit | <b>201.579</b> | <b>115.160</b> | <b>75%</b> |
| Gross Margin | 22%            | 16%            | 38%        |

|  |                |                |                |
|--|----------------|----------------|----------------|
| Gross Margin (ex-Tenda)                | <b>28%</b>     | <b>21%</b>     | <b>700bps</b>  |
| <b>Table 32 – Capitalized Interest</b> |                |                |                |
| Opening balance                        | 221.816        | 177.494        | 146.544        |
| Capitalized interest                   | 20.789         | 73.499         | 41.454         |
| Interest capitalized to COGS           | (42.870)       | (29.177)       | (37.181)       |
| <b>Closing balance</b>                 | <b>199.735</b> | <b>221.816</b> | <b>150.817</b> |

### **Selling, General, And Administrative Expenses (SG&A)**

SG&A expenses totaled R\$137 million in 1Q12, a 18% increase on the R\$117 million in expenses posted in 1Q11. Selling expenses decreased 2% to R\$58 million. Administrative expenses reached R\$79 million, a 40% increase over the R\$56 million posted in 1Q11. The main reasons for SG&A expenses increase were: 1)provision related to the distribution of variable compensation, 2)Administrative expenses related to the expansion of Alphaville operations and 3)new structure in smaller cost scale with the new strategy to segregate and give focus on each brand.

### **Table 33 – SG&A Expenses (R\$)**

|                  |                |                |             |                |            |
|------------------|----------------|----------------|-------------|----------------|------------|
| Selling expenses | 58.486         | 211.408        | -72%        | 59.807         | -2%        |
| G&A expenses     | 78.984         | 75.051         | 5%          | 56.307         | 40%        |
| <b>SG&amp;A</b>  | <b>137.470</b> | <b>286.459</b> | <b>-52%</b> | <b>116.765</b> | <b>18%</b> |

## Consolidated Adjusted EBITDA

EBITDA was R\$105 million, 267.8% above the R\$29 million posted during the first quarter of 2011. EBITDA for Gafisa and AlphaVille totaled R\$82 million and R\$40 million, respectively, while the EBITDA for Tenda was negative R\$17 million. Higher volume of EBITDA YoY was a result of improved sales performance of inventories and a lower dissolutions compared to the previous period. EBITDA Margin reached 11.3% and ex-Tenda 20%, well above the 4% and 14%, respectively posted in the previous year.

**Table 34 - Adjusted EBITDA**

|                                      |                 |                    |              |                 |               |
|--------------------------------------|-----------------|--------------------|--------------|-----------------|---------------|
| <b>Net Profit (Loss)</b>             | <b>(31.515)</b> | <b>(1.029.904)</b> | <b>-97%</b>  | <b>(43.292)</b> | <b>-27%</b>   |
| (+) Financial result                 | 42.175          | 41.919             | 1%           | 30.999          | 36%           |
| (+) Income taxes                     | 20.139          | 115.255            | -83%         | (18.858)        | -207%         |
| (+) Depreciation and Amortization    | 18.333          | 26.455             | -31%         | 12.365          | 48%           |
| (+) Capitalized Interest Expenses    | 42.870          | 29.177             | 47%          | 37.181          | 15%           |
| (+) Stock option plan expenses       | 6.513           | 4.495              | 45%          | 3.363           | 94%           |
| (+) Non recurring expenses           | 0               | 0                  | 0%           | 0               | 0%            |
| (+) Minority shareholders            | 6.672           | 14.420             | -54%         | 6.839           | -2%           |
| <b>Adjusted EBITDA</b>               | <b>105.187</b>  | <b>(798.184)</b>   | <b>-113%</b> | <b>28.597</b>   | <b>268%</b>   |
| <b>Net Revenue</b>                   | <b>927.833</b>  | <b>93.316</b>      | <b>894%</b>  | <b>730.748</b>  | <b>27%</b>    |
| <b>Adjusted EBITDA margin</b>        | <b>13%</b>      | <b>nm</b>          | <b>nm</b>    | <b>4%</b>       | <b>856bps</b> |
| <b>Adjusted EBITDA (ex Tenda)</b>    | <b>122.045</b>  | <b>-143.626</b>    | <b>nm</b>    | <b>69.747</b>   | <b>75%</b>    |
| <b>Adjusted EBITDA Mg (ex Tenda)</b> | <b>11%</b>      | <b>nm</b>          | <b>nm</b>    | <b>14%</b>      | <b>592bps</b> |

Note: We adjust our EBITDA for expenses associated with stock option plans, as this is a non-cash expense .

## Depreciation And Amortization

Depreciation and amortization in 1Q12 was R\$18 million, an increase of R\$6 million when compared to the R\$12 million recorded in 1Q11, mainly due to higher showroom depreciation.

## Financial Results

Net financial expenses totaled R\$42 million in 1Q12, compared to net financial result of R\$31 million in 1Q11 as a result of a higher level of leverage.

## Taxes

Income taxes, social contribution and deferred taxes for 1Q12 amounted to R\$20 million, compared to R\$19 million in 1Q11

## Adjusted Net Income

The adjustments mentioned related to costs and expenses, as well as financial expenses, had a direct impact on the company's profitability, resulting in a net loss in 1Q12 of R\$18.3 million compared to a net loss of R\$33 million in the same period of 2011.

## Backlog Of Revenues And Results

The backlog of results to be recognized under the PoC method reached R\$4.2 billion in 1Q12, 4.3% higher than the R\$4.06 billion posted in 1Q11 and 6.2% lower than the R\$4.5 billion posted in 4Q11. The consolidated margin for the quarter was 35,7%, higher than the 39% in 1Q11 and 123 bps higher than the 34.5% posted in the 4Q11, mainly as a result of budget cost revisions and lower results to be recognized. The table below shows the backlog margin by segment:

**Table 35 - Results to be recognized (REF)**

|                                   |              |              |            |              |              |
|-----------------------------------|--------------|--------------|------------|--------------|--------------|
| <b>Results to be recognized</b>   | <b>2.456</b> | <b>1.056</b> | <b>726</b> | <b>4.238</b> | <b>3.182</b> |
| Costs to be incurred (units sold) | -1.590       | -788         | -345       | -2.723       | -1.935       |
| <b>Results to be Recognized</b>   | <b>865</b>   | <b>268</b>   | <b>381</b> | <b>1.515</b> | <b>1.247</b> |
| Backlog Margin                    | 35,2%        | 25,4%        | 52,5%      | 35,7%        | 39,2%        |

Note: Revenues to be recognized are net of PIS/Cofins (3.65%); excludes the AVP method introduced by Law nº 11,638

**Tabela 36 – Results to be recognized (REF) Gafisa Group**

|                                   |                  |                  |              |                  |            |
|-----------------------------------|------------------|------------------|--------------|------------------|------------|
| <b>Results to be recognized</b>   | <b>4.238.385</b> | <b>4.515.112</b> | <b>-6,1%</b> | <b>4.061.932</b> | <b>4%</b>  |
| Costs to be incurred (units sold) | (2.723.445)      | -2.956.282       | -7,9%        | -2.476.626       | -9%        |
| <b>Results to be Recognized</b>   | <b>1.514.940</b> | <b>1.558.830</b> | <b>-2,8%</b> | <b>1.585.306</b> | <b>-5%</b> |
| Backlog Margin                    | 35,7%            | 34,5%            | 122bps       | 39,0%            | -329bps    |

## BALANCE SHEET

### Cash and Cash Equivalents

On March 31, 2012, cash and cash equivalents reached R\$947 million. We believe our cash position is sufficient to execute our development plans, and we see no need to increase this current level.

### Accounts Receivable

At the end of 1Q12, total accounts receivable decreased 4% to R\$9.1 billion, from R\$9.5 billion in 4Q11.

#### Table 37 - Total receivables

|  |                  |                  |            |                  |           |
|--|------------------|------------------|------------|------------------|-----------|
| Receivables from developments – LT (off balance sheet) | 4.398.947        | 4.686.158        | -6%        | 4.215.809        | 4%        |
| Receivables from PoC – ST (on balance sheet)           | 3.638.581        | 3.962.574        | -8%        | 3.775.914        | -4%       |
| Receivables from PoC – LT (on balance sheet)           | 1.101.138        | 863.874          | 27%        | 1.087.285        | 1%        |
| <b>Total</b>   | <b>9.138.666</b> | <b>9.512.606</b> | <b>-4%</b> | <b>9.079.008</b> | <b>1%</b> |

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

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

Receivables from PoC: accounts receivable already recognized according to PoC and BRGAP

### Inventory

#### Table 38 – Inventory (Balance Sheet at cost)

|                          |                  |                  |            |                  |            |
|--------------------------|------------------|------------------|------------|------------------|------------|
| Land                     | 1.226.418        | 1.244.358        | -1%        | 1.014.629        | 21%        |
| Units under construction | 1.438.026        | 1.576.780        | -9%        | 1.157.146        | 24%        |
| Completed units          | 196.700          | 119.340          | 65%        | 333.168          | -41%       |
| <b>Total</b>             | <b>2.861.144</b> | <b>2.940.478</b> | <b>-3%</b> | <b>2.504.943</b> | <b>14%</b> |

Inventory at market value totaled R\$3.5 billion in 1Q12, which is in line with the R\$3.5 billion registered in 4Q11. On a consolidated basis, our inventory is at a level of 10 months of sales based on LTM sales figures.

At the end of 1Q12, finished units accounted for 9% of total inventory. We continue to focus on reducing finished inventory primarily concentrated under the Gafisa brand, which represents 3% of total finished inventory of R\$3.5 billion and 1/3 of finished units of R\$322 million.

#### Table 39 - Inventories per completion status

|              |                |                  |                |                |                |                  |
|--------------|----------------|------------------|----------------|----------------|----------------|------------------|
| Gafisa       | 409.334        | 589.555          | 472.611        | 401.594        | 84.757         | 1.957.850        |
| AlphaVille   | 0              | 263.816          | 134.627        | 72.551         | 165.263        | 636.258          |
| Tenda        | 86.492         | 209.688          | 225.118        | 321.334        | 72.404         | 915.036          |
| <b>Total</b> | <b>495.826</b> | <b>1.063.059</b> | <b>832.356</b> | <b>795.479</b> | <b>322.424</b> | <b>3.509.143</b> |

Note: Adjusted by cancellations and dissolutions. <sup>1</sup>Completed units (at market value): value adjusted according to incurred costs, but already delivered to customers (general meeting with customers). Given the same accounting criteria, the value would be R\$186.4 million.

Consolidated inventory at market value remained stable on a sequential basis. The market value of Gafisa inventory of R\$1.96 billion, 56% of total inventory, was stable at the end of 1Q12. The market value of AlphaVille inventory totaled R\$636 million at the end of 1Q12, a 11% increase compared to the end of 4Q11. Tenda inventory was valued at R\$915 million at the end of 1Q12, a 2% decrease compared to the end of 4Q11.

**Table 40. Inventory at Market Value 1Q12 x 4Q11**

|                       |                  |                |                  |                |                 |                  |
|-----------------------|------------------|----------------|------------------|----------------|-----------------|------------------|
| Gafisa                | 2.018.627        | 214.690        |                  | 316.702        | 41.235          | 1.957.850        |
| Alphaville            | 567.285          | 249.050        |                  | 181.978        | 1.901           | 636.258          |
| <b>Total ex-Tenda</b> | <b>2.585.912</b> | <b>463.740</b> | -                | <b>498.680</b> | <b>43.136</b>   | <b>2.594.108</b> |
| Tenda                 | 932.503          | -              | (339.585)        | 249.142        | (107.910)*      | 915.035          |
| <b>Total</b>          | <b>3.518.415</b> | <b>463.740</b> | <b>(339.585)</b> | <b>747.822</b> | <b>(64.774)</b> | <b>3.509.143</b> |

Note: \*R\$108 million refers to dissolution related to cancellation of project launched under the Tenda, that may be re-launched in the future. 1) BoP beginning of the period – 4Q11. 2) EoP end of the period – 1Q12. 3) % Change 1Q12 versus 4Q11. 4) 1Q12 sales velocity.

## Liquidity

As of March 31, 2012, Gafisa had a cash position of R\$947 million. On the same date, Gafisa's debt and obligations to investors totaled R\$4.3 billion, resulting in net debt and obligations of R\$3.3 billion. The net debt and investor obligations to equity and minorities ratio was 122% compared to 118% in 4Q11, due to R\$76 million cash burn in the first quarter. Our operational consolidated cash flow was neutral in the 1Q12 and in March, Tenda achieved positive operating cash flow. Excluding project finance, this net debt/equity ratio reached 48.3%.

Gafisa's cash position and liquidity are sufficient to execute our development plans. Gafisa's current debt maturity structure includes 32% of the total debt due within one year. We expect positive operating cash flow of between R\$500 – R\$700 million in 2012. Gafisa has additional receivables (from units already delivered) of more than R\$500 million available for securitization and R\$370 million of finished units in inventory. We also highlight our current debt covenants ratios, as shown below in the table 45.

Currently we have access to a total of R\$1.6 billion in construction finance lines contracted with banks and R\$0.9 billion in lines in the process of approval. Also, Gafisa has R\$2.4 billion available in construction finance lines of credit for future developments. The following tables provide information on our debt position:

**Table 41 - Indebtedness and Investor obligations**

|   |                  |                  |                |                  |                |
|---|------------------|------------------|----------------|------------------|----------------|
| Debentures - FGTS (project finance)                                   | 1.244.225        | 1.214.258        | 2%             | 1.239.816        | 0%             |
| Debentures - Working Capital  | 704.420          | 684.942          | 3%             | 688.800          | 2%             |
| Project financing (SFH)   | 817.457          | 684.642          | 19%            | 755.652          | 8%             |
| Working capital   | 1.135.615        | 1.168.085        | -3%            | 604.391          | 88%            |
| <b>Total consolidated debt</b>  | <b>3.904.356</b> | <b>3.755.808</b> | <b>4%</b>      | <b>3.288.659</b> | <b>18%</b>     |
| Consolidated cash and availabilities                                  | 947.138          | 983.660          | -4%            | 926.977          | 2%             |
| Investor Obligations  | 364.274          | 473.186          | -23%           | 380.000          | -4%            |
| <b>Net debt and investor obligations</b>                              | <b>3.321.492</b> | <b>3.245.334</b> | <b>2%</b>      | <b>2.741.682</b> | <b>21%</b>     |
| <b>Equity + Minority Shareholders</b>                                 | <b>2.728.495</b> | <b>2.747.094</b> | <b>-1%</b>     | <b>3.751.958</b> | <b>-24%</b>    |
| <b>(Net debt + Obligations) / (Equity + Noncontrolling interests)</b> | <b>122%</b>      | <b>118%</b>      | <b>360bps</b>  | <b>73%</b>       | <b>4559bps</b> |
| <b>(Net debt + Ob.) / (Eq + Min.) - Exc. Proj Fin (SFH + FGTS)</b>    | <b>46%</b>       | <b>49%</b>       | <b>-284bps</b> | <b>20%</b>       | <b>2628bps</b> |

**Table 42 - Debt maturity**

|                                   |                                      |                  |                  |                  |               |
|-----------------------------------|--------------------------------------|------------------|------------------|------------------|---------------|
| Debentures - FGTS (proj. finance) | TR + (8.22% - 10.20%)                | 1.244.225        | 196.791          | 598.404          | 449.03        |
| Debentures - Working Capital      | CDI + (0.72% - 1.95%)                | 704.420          | 151.786          | 123.895          | 272.64        |
| Project Financing (SFH)           | TR + (8.30% - 12.68%)                | 817.457          | 469.331          | 260.022          | 70.69         |
| Working Capital                   | CDI + (1.30% - 2.55%)                | 1.135.615        | 394.947          | 290.496          | 190.27        |
| <b>Total consolidated debt</b>    | <b>11.82%</b>                        | <b>3.904.356</b> | <b>1.215.116</b> | <b>1.273.195</b> | <b>982.65</b> |
| <b>Investors Obligations</b>      | CDI + (0.235% - 1.00%) / IGPM +7.25% | <b>364.274</b>   | <b>160.981</b>   | <b>171.737</b>   | <b>15.13</b>  |

|                                |                  |                  |                  |               |
|--------------------------------|------------------|------------------|------------------|---------------|
| <b>Total consolidated debt</b> | <b>4.268.630</b> | <b>1.376.097</b> | <b>1.444.932</b> | <b>997.78</b> |
| <b>% Total</b>                 | <b>100%</b>      | <b>32%</b>       | <b>34%</b>       | <b>23%</b>    |

## Debt Covenants

Following the modification of certain debt covenants, per the agreement with debt holders, Gafisa avoided triggering covenants and remained in compliance with all debt covenants.

## Covenant Ratios

### Table 43 - Debenture covenants - 7<sup>th</sup> emission

$(\text{Total receivables} + \text{Finished units}) / (\text{Total debt} - \text{Cash} - \text{project debt}) > 2$  or  $< 0$

$(\text{Total debt} - \text{Project Finance debt} - \text{Cash}) / (\text{Equity} + \text{Min.}) \leq 75\%$

$(\text{Total receivables} + \text{Revenues to be recognized} + \text{Inventory of finished units}) / (\text{Total debt} - \text{SFH} + \text{Obligations relate})$

### Table 44 - Debenture covenants - 5<sup>th</sup> emission (R\$250 million)

$(\text{Total debt} - \text{Project Finance debt} - \text{Cash}) / \text{Equity} \leq 75\%$

$(\text{Total receivables} + \text{Finished units}) / (\text{Total debt}) \geq 2.2x$

Note: Covenant status on March 31, 2012

## OUTLOOK

With the introduction of a new strategy and organizational structure, Gafisa is already making progress toward achieving its 2012 guidance. Launches for 2012 are expected to be between R\$2.7 and R\$3.3 billion, reflecting a new, more targeted regional focus and the deliberate slowdown of the Tenda business. Gafisa should represent 50%, Tenda 10% and AlphaVille 40% of launches. For the first quarter of 2012, the Gafisa Group launched R\$464 million.

The Gafisa Group plans to deliver between 22,000 and 26,000 units in 2012 of which 30% will be delivered by Gafisa, 50% by Tenda and the remaining 20% by AlphaVille. During the first quarter of 2012, the Company delivered 6,165 units and transferred 2,793 Tenda units to financial institutions.

Finally, the Company expects to generate between R\$500 million and R\$700 million in operating cash flow for the full year of 2012. At March 31, 2012, the Company had R\$947 million in cash and cash equivalents. The key drivers of cash flow generation include: (i) our ability to deliver units at Gafisa; (ii) the transfer of Tenda units to financial institutions; (iii) the sale of inventory; (iv) the securitization of receivables; (v) the sale of non-strategic land.

**CONSOLIDATED INCOME STATEMENT**

|                                      |                  |                    |                |                  |              |
|--------------------------------------|------------------|--------------------|----------------|------------------|--------------|
| <b>Net Operating Revenue</b>         | <b>927.833</b>   | <b>93.316</b>      | <b>894,3%</b>  | <b>730.748</b>   | <b>27,0%</b> |
| <b>Operating Costs</b>               | <b>(726.254)</b> | <b>(531.712)</b>   | <b>36,6%</b>   | <b>(615.588)</b> | <b>18,0%</b> |
| <b>Gross profit</b>                  | <b>201.579</b>   | <b>(438.396)</b>   | <b>-146,0%</b> | <b>115.160</b>   | <b>75,0%</b> |
| <b>Operating Expenses</b>            |                  |                    |                |                  |              |
| Selling Expenses                     | -58.486          | -211.408           | -72%           | -59.807          | -2%          |
| General and Administrative Expenses  | -78.984          | -75.051            | 5%             | -56.307          | 40%          |
| Other Operating Revenues / Expenses  | -8.305           | -107.002           | -92%           | -10.993          | -24%         |
| Depreciation and Amortization        | -18.333          | -26.454            | -30%           | -12.365          | 48%          |
| <b>Operating results</b>             | <b>37.471</b>    | <b>-858.311</b>    | <b>-104%</b>   | <b>-24.312</b>   | <b>-254%</b> |
| Financial Income                     | 19.689           | 20.784             | -5%            | 24.664           | -20%         |
| Financial Expenses                   | -61.864          | -62.702            | -1%            | -55.662          | 11%          |
| <b>Income Before Taxes on Income</b> | <b>-4.704</b>    | <b>-900.229</b>    | <b>-99%</b>    | <b>-55.310</b>   | <b>-91%</b>  |
| Deferred Taxes                       | 6.319            | -79.747            | 108%           | 27.008           | -77%         |
| Income Tax and Social Contribution   | -13.820          | -35.508            | 61%            | -8.150           | -70%         |
| <b>Income After Taxes on Income</b>  | <b>(24.843)</b>  | <b>(1.015.484)</b> | <b>-97%</b>    | <b>(36.452)</b>  | <b>-32%</b>  |
| Minority Shareholders                | -6.672           | -14.420            | -54%           | -6.840           | -2%          |
| <b>Net Income</b>                    | <b>(31.515)</b>  | <b>(1.029.904)</b> | <b>-97%</b>    | <b>(43.292)</b>  | <b>-27%</b>  |

Note: The Income Statement reflects the impact of IFRS adoption, also for 2010.

**CONSOLIDATED BALANCE SHEET****Current Assets**

|                           |                  |                  |            |                  |             |
|---------------------------|------------------|------------------|------------|------------------|-------------|
| Cash and cash equivalents | 947.138          | 983.660          | -4%        | 926.977          | 2%          |
| Receivables from clients  | 3.638.581        | 3.962.574        | -8%        | 3.775.914        | -4%         |
| Properties for sale       | 2.088.930        | 2.049.084        | 2%         | 2.043.382        | 2%          |
| Other accounts receivable | 157.900          | 144.585          | 9%         | 210.993          | -25%        |
| Deferred selling expenses | 58.989           | 56.903           | 4%         | 10.375           | 469%        |
| Prepaid expenses          | 15.723           | 16.629           | -5%        | 11.918           | 32%         |
| Properties for sale       | 93.188           | 93.188           | 0%         | 0                | 0%          |
| Financial Instruments     | 10.391           | 7.735            | 34%        | 0                | 0%          |
|                           | <b>7.010.840</b> | <b>7.314.358</b> | <b>-4%</b> | <b>6.979.559</b> | <b>0.4%</b> |

**Long-term Assets**

|                          |                  |                  |           |                  |               |
|--------------------------|------------------|------------------|-----------|------------------|---------------|
| Receivables from clients | 1.101.138        | 863.874          | 28%       | 1.087.285        | 1%            |
| Properties for sale      | 679.026          | 798.206          | -15%      | 461.561          | 47%           |
| Deferred taxes           | 0                | 0                | 0%        | 70.259           | -100%         |
| Other                    | 290.849          | 247.909          | 17%       | 158.510          | 84%           |
|                          | <b>2.071.013</b> | <b>1.909.989</b> | <b>8%</b> | <b>1.777.615</b> | <b>16,33%</b> |
| Investments              | <b>285.825</b>   | <b>282.277</b>   | <b>1%</b> | <b>336.070</b>   | <b>-15 %</b>  |

**Total Assets**

|  |                  |                  |            |                  |            |
|--|------------------|------------------|------------|------------------|------------|
|  | <b>9.367.678</b> | <b>9.506.624</b> | <b>-2%</b> | <b>9.093.244</b> | <b>3 %</b> |
|--|------------------|------------------|------------|------------------|------------|

**Current Liabilities**

|  |                  |                  |             |                  |            |
|--|------------------|------------------|-------------|------------------|------------|
| Loans and financing  | 866.539          | 1.135.543        | -24%        | 838.334          | 3%         |
| Debentures   | 348.577          | 1.899.200        | -82%        | 71.562           | 387%       |
| Obligations for purchase of land and advances from clients | 498.193          | 610.555          | -18%        | 438.462          | 14%        |
| Materials and service suppliers                            | 148.965          | 135.720          | 10%         | 178.443          | -17%       |
| Taxes and contributions                                    | 278.678          | 250.578          | 11%         | 237.419          | 17%        |
| Obligation for investors                                   | 160.981          | 219.796          | -27%        | 0                | 0%         |
| Other  | 558.805          | 564.547          | -1%         | 411.153          | 36%        |
|  | <b>2.860.738</b> | <b>4.815.939</b> | <b>-41%</b> | <b>2.175.373</b> | <b>32%</b> |

**Long-term Liabilities**

|                                  |                  |                  |             |                  |            |
|----------------------------------|------------------|------------------|-------------|------------------|------------|
| Loans and financings             | 1.089.172        | 721.067          | 51%         | 521.708          | 109%       |
| Debentures                       | 1.600.068        | 0                |             | 1.857.055        | -14%       |
| Obligations for purchase of land | 127.667          | 177.135          | -28%        | 187.920          | -32%       |
| Deferred taxes                   | 89.321           | 83.002           | 8%          | 0                | 0%         |
| Provision for contingencies      | 134.309          | 134.914          | 0%          | 126.841          | 6%         |
| Obligation for investors         | 203.293          | 253.390          | -20%        | 380.000          | -47%       |
| Other                            | 534.615          | 574.083          | -7%         | 243.885          | 119%       |
|                                  | <b>3.778.445</b> | <b>1.943.591</b> | <b>94 %</b> | <b>3.317.409</b> | <b>14%</b> |

**Shareholders' Equity**

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|   |                  |                  |            |                  |             |
|---|------------------|------------------|------------|------------------|-------------|
| Capital                                     | 2.734.157        | 2.734.157        | 0%         | 2.730.787        | 0%          |
| Treasury shares                             | -1.731           | -1.731           | 0%         | -1.731           | 0%          |
| Capital reserves                            | 24.244           | 18.066           | 34%        | 256.645          | -91%        |
| Revenue reserves                            | -                | -                |            | 589.726          | 100%        |
| Retained earnings                           | -31.515          | -102.019         | -69%       | -43.292          | -27%        |
| Acumulated losses                           | -102.019         | 0                |            | 0                |             |
| Non controlling interests                   | 105.359          | 98.621           | 7%         | 68.327           | 54%         |
|   | <b>2.728.495</b> | <b>2.747.094</b> | <b>-1%</b> | <b>3.600.462</b> | <b>-24%</b> |
| <b>Liabilities and Shareholders' Equity</b> | <b>9.367.678</b> | <b>9.506.624</b> | <b>-1%</b> | <b>9.093.244</b> | <b>3%</b>   |

Note: <sup>1</sup> Following the modification of certain debt covenants, per the agreement with debt holders, Gafisa' short-term debt and long-term debt classification will be reclassified to the LongTerm in the 1Q12, in compliance with all debt covenants.

## **CASH FLOW**

### **Income Before Taxes on Income**

Expenses (income) not affecting working capital  
Depreciation and amortization  
Impairment allowance  
Expense on stock option plan  
Penalty fee over delayed projects  
Unrealized interest and charges, net  
Deferred Taxes  
Disposal of fixed asset  
Warranty provision  
Provision for contingencies  
Profit sharing provision  
Allowance (reversal) for doubtful debts  
Profit / Loss from financial instruments  
Clients  
Properties for sale  
Other receivables  
Deferred selling expenses and prepaid expenses  
Obligations on land purchases and advances from customers  
Taxes and contributions  
Trade accounts payable  
Salaries, payroll charges  
Other accounts payable  
Current account operations  
Paid taxes

### **Cash used in operating activities**

#### **Investing activities**

Purchase of property and equipment and deferred charges  
Redemption of securities, restricted securities and loans  
Investments in marketable securities, restricted securities and loans and securities, restricted securities and loans

### **Cash used in investing activities**

#### **Financing activities**

Capital increase  
Contributions from venture partners  
Increase in loans and financing  
Repayment of loans and financing  
Assignment of credit receivables, net  
Proceeds from subscription of redeemable equity interest in securitization fund  
Operations of mutual

### **Net cash provided by financing activities**

### **Net increase (decrease) in cash and cash equivalents**

Cash and cash equivalents

At the beginning of the period

At the end of the period

**Net increase (decrease) in cash and cash equivalents**

## **GLOSSARY**

### **Affordable Entry Level**

Residential units targeted to the mid-low and low income segments with prices below R\$200 thousand per unit.

### **Backlog of Results**

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

### **Backlog of Revenues**

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

### **Backlog Margin**

Equals to "Backlog of Results" divided "Backlog of Revenues" to be recognized in future periods.

### **Land Bank**

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

### **LOT (Urbanized Lots)**

Land subdivisions, or lots, with prices ranging from R\$150 to R\$600 per square meter

### **PoC Method**

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

### **Pre-sales**

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

### **PSV**

Potential Sales Value.

### **SFH Funds**

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

### **Swap Agreements**

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

returns.

## **ABOUT GAFISA**

Gafisa is a leading diversified national homebuilder serving all demographic segments of the Brazilian market. Established over 57 years ago, we have completed and sold more than 1,000 developments and built more than 12 million square meters of housing only under Gafisa's brand, more than any other residential development company in Brazil. Recognized as one of the foremost professionally managed homebuilders, "Gafisa" is also one of the most respected and best-known brands in the real estate market, recognized among potential homebuyers, brers, lenders, landowners, competitors, and investors for its quality, consistency, and professionalism. Our pre-eminent brands include Tenda, serving the affordable/entry level housing segment, and Gafisa and AlphaVille, which offer a variety of residential options to the mid to higher-income segments. Gafisa S.A. is traded on the Novo Mercado of the BM&FBOVESPA (BOVESPA:GFSA3) and on the New York Stock Exchange (NYSE:GFA).

### **Investor Relations**

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

**SIGNATURE**

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

Date: May 09, 2012

**Gafisa S.A.**

By:

/s/ Alceu Duílio Calciolari

Name: Alceu Duílio Calciolari

Title: Chief Executive Officer and Investor Relations Officer

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