

Gafisa S.A.  
Form 6-K  
November 06, 2008

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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 November, 2008**

**(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:

Yes  No

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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 Strong Third Quarter Results**

**Profitability Driven by Enhanced Scale and Improved Operating Leverage  
Project Launches Increase 79% to R\$762 million; Pre-Sales Grow 37% to R\$504 million  
Low-Income Segment Leadership through Merger of Fit Residencial with Construtora Tenda**

**São Paulo, November 5, 2008** Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported financial results for the third quarter ended September 30, 2008. The financial statements were prepared and presented in accordance with Brazilian GAAP and in Brazilian Reals (R\$). Only financial data derived from the Company's accounting system were subject to review by the Company's auditors. Operating and financial information not directly linked to the accounting system (i.e., launches, pre-sales, average sales price, land bank, PSV and others) or non-BR GAAP measures were not reviewed by the auditors. Additionally, financial statements and operating information consolidate the numbers for Gafisa and its subsidiaries, and refer to Gafisa's stake (or participation) in its developments.

Chief Executive Officer Wilson Amaral remarked, "In spite of recent economic turbulence, Gafisa is well-positioned to capitalize on future development opportunities in the growing Brazilian residential market. The company's strong reputation, record of execution and prudent credit practices has enabled us to access and maintain reliable credit lines. We have a total of R\$3.5 billion in construction finance lines of credit provided by all of the major banks in Brazil. At this time we have R\$1.6 billion in signed contracts and R\$1.2 billion in contracts in process, giving us additional availability of R\$682 million. Our access to credit coupled with over R\$790 million in cash and another R\$250 million in receivables of completed units available for securitization, puts us in an excellent position to reach our targeted launch and pre-sales guidance based on current consumer demand. Gafisa's presence in all major national markets and all market segments gives us the agility to move forward strategically in the regions where demand is greatest. Our recently strengthened position in the faster-growing low income segment as a result of the merger of Fit Residencial with Construtora Tenda is worth noting. Fit performed well in the third quarter and we expect even more from the newly consolidated company, which will focus exclusively on low income segment housing throughout the country."

### **Operating & Financial Highlights**

Consolidated launches totaled R\$762 million in the quarter, an increase of 79% compared to the third quarter of 2007. Launches in the first nine months of 2008 increased 91% to R\$2,293 million.

Pre-sales from current launches and inventory reached R\$504 million in the third quarter, a 37% increase over 3Q07. In the first nine months of 2008, pre-sales reached R\$1,560 million, a 62% increase as compared with the same period of 2007.

Net operating revenues, recognized by the Percentage of Completion (PoC) method, rose 19% to R\$374 million from R\$313 million in 3Q07.

3Q08 EBITDA reached R\$64 million (17.2% EBITDA margin), a 40% increase compared to 3Q07 adjusted EBITDA of R\$46 million (14.4% EBITDA margin).

Net income was R\$38 million for the quarter (10.2% net margin), a 5% increase when compared to net income of R\$36 million in 3Q07 (11.6%) adjusted for capitalized interest. 3Q08 EPS were R\$0.29, a 4% increase compared to EPS of

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#### **3Q08 Earnings Results**

##### **Conference Call**

Thursday, November 6, 2008

> **In English**

9AM EST

12PM Brasília Time

US: 1 800 860-2442

Other Countries: +1 412

858-4600

Code: Gafisa

> **In Portuguese**

7AM EST

10AM Brasília Time  
Phone: +55 11 2188-0188  
Code: Gafisa

R\$0.28 in Q307.

The backlog of results, net of sales tax, to be recognized under the PoC method reached R\$711 million, a 69% increase over 3Q07.

Gafisa's land bank totaled R\$13.1 billion at 3Q08, representing a 48% increase over 3Q07 and no material change over the previous quarter.

Cash and cash equivalents totaled R\$790 million at the end of the quarter, in addition to R\$250 million in receivables of completed units available for securitization.

98% of Tenda shareholders present at the general meeting approved the merger of Fit Residencial and Tenda. The transaction provides Gafisa with 60% of the shares of Tenda and consolidates its position as a leading lower income homebuilder.

Moody's assigned a Ba2 corporate rating and a As3.br local scale rating.

*Note: 2007 income statement numbers adjusted for capitalized interest. 1Q08, 2Q08 and 2007 adjusted to include land swaps.*

### **CEO Commentary and Corporate Highlights for 3Q 2008**

As we near the end of 2008, I am pleased to report that our efforts to establish strategic business units to serve the diverse and growing housing needs of the Brazilian population is resulting in strong operational and financial results for the Company. Our fundamentals are sound and at this time we continue to expect to deliver upon our previously announced guidance for launches and EBITDA margin for the full year of 2008. We have put in place the best organization, with the merger of Fit and Tenda, to drive our future growth in the lower income sector in Brazil. With all four of Gafisa's housing segments contributing to our financial performance, we are now seeing strong improvements across the board, especially in our operating margins.

Over the last two years Gafisa has made several strategic acquisitions. Alphaville provides a unique product offering for higher income consumers through a well-known and highly-respected brand throughout Brazil and Tenda positions Gafisa as a leading provider of lower-end housing with a company that has the strongest balance sheet in the segment to serve the unmet housing demands of this growing socioeconomic group in Brazil. AlphaVille and Tenda now form key parts of Gafisa's growth strategy and represent the kind of quality assets that we will continue to pursue in the future.

We have begun to see a more cautious approach to home purchase decision-making. This has been reflected in a slowing of our sales speeds during the third quarter, particularly in the higher-end segments. With our highly diversified range of products and geographies combined with our newly enhanced presence in the lower income segments, we have a distinct competitive advantage that will help us continue to grow even under challenging conditions. We will keep a close eye on this situation and, if needed, adjust our launch schedule to match prevailing consumer demand.

Brazil saw a dislocation in several of its markets over the last month, including in equities, credit and foreign exchange. However, it appears that the banking system is, on average, well-capitalized. Eight banks in Brazil concentrate 85% of total bank sector assets and 82% of bank credits in Brazil. And, with the implementation of MP 443, an Act with the force of law, swift action has been taken to provide flexibility to the central government to act quickly and provide stability to the financial system if and when it is needed. Yet, over the last few months some of the smaller banks have seen liquidity problems as the larger banks have cut back on their lending to those entities. As a result, access to corporate debt and working capital for many in our sector has dried up. Fortunately, Gafisa is not in this position as we have long-standing relationships with some of Brazil's largest banks with sufficient credit lines for our development projects already approved. We have a substantial portion of our financing needs underway in addition to R\$250 million in receivables of completed units available for securitization and more than \$790 million in cash and cash equivalents to assure our capacity to deliver, we are confident that we have the financial capacity to meet our goals.

In general, we expect that working capital financing for the real estate sector will loosen, as just last Thursday evening the government announced the availability of an additional R\$10 billion for financing of up to 20% of each development, at a rate of TR+10% to TR+11%. These funds come from the 65% lending requirement of savings deposits to the sector which were previously restricted to construction or mortgage financing.

On the mortgage availability side, savings as a source of funding still continues to grow, albeit at a slower pace. As of September savings accounts grew to R\$205 billion, an increase of 19% over the previous year's balance, while mortgages in the first nine months of 2008 grew by 89% to R\$22.8 billion as compared to 2007.

Finally, we were pleased to report at the end of October that our strategic investor, Equity International (EI) increased its stake in the Company to 18.7% through the purchase of 3.3 million ADRs (6.6 million common shares.) We enjoy a strong working relationship with the EI team and have benefited from their sage advice time after time. We believe their increased share holding is a strong vote of confidence in our performance to date as well as for the Company's prospects for the future.

Wilson Amaral  
CEO Gafisa S.A.

## **Recent Developments**

### **Leadership in Low Income Segment Enhanced:**

On October 21, the merger of Fit Residencial and Construtora Tenda S.A. ( Tenda , Bovespa: TEND3) was approved by 98% of Tenda shareholders present at a general meeting, strengthening Gafisa and Tenda's leadership in the low income homebuilding segment. Gafisa now holds 60% of the total capital and voting shares and HPJO Participações S.A. ( HPJO ), the former control group, now holds 20% of the shares, which will continue to trade as a separate company on the Novo Mercado of the São Paulo Stock Exchange (Bovespa).

Gafisa invested R\$438 million in Fit prior to its incorporation into Tenda. With the conclusion of the transaction, Tenda will have the strongest balance sheet among dedicated lower income homebuilders, with over R\$1 billion in equity.

Tenda now has an expanded coverage of the low income segment to focus on the population that earns 4 to 20 times the Brazilian minimum wage. The larger range of product offerings will include both high- and low-rise properties and will be offered on a broader geographic scale.

A new Board of Directors was elected for Tenda consisting of five members proposed by Gafisa and two members proposed by HPJO. On an interim basis, Wilson Amaral, CEO of Gafisa, shall serve as CEO of Tenda and Alceu Duilio Calciolari, CFO of Gafisa shall serve as CFO of Tenda. A new CEO and CFO are expected to be announced in the coming months.

### **Strategic Investor Increases Participation:**

On October 20, Gafisa announced that Equity International ( EI ), the privately held investment company focused on real estate-related businesses operating outside the United States and co-founded by Sam Zell and Gary Garrabrant, had acquired an additional 3.3 million Gafisa ADRs representing 6.6 million shares. The new stake brings EI ownership of Gafisa outstanding shares up to 18.7% from 13.7% . A long-standing strategic investor in Gafisa, EI hold two seats on the Board of the Company and is a member of the investment committee.

### **Strengthens Accounting Practices:**

In addition to land acquired through financial swaps, Gafisa now accounts for land acquired through product swaps, which previously did not flow through its financial statements. This has increased our revenue and cost recognition. In a financial swap, we pay the landowner a portion of the revenue stream of the project, while in a product swap, we only pay the landowner with completed units at the end of the project. Prior to this quarter, product swaps were off-balance sheet items. To increase transparency, Gafisa now will run the value of product swaps through the income statement which will impact both revenues and COGS, increasing gross profit.

### **SAP and SOX implementation:**

The implementation of the SAP management information system is on track and will serve as an important tool in managing the company's operations as it continues to grow and offer diversified housing products as well as fulfills its requirements under Sarbanes-Oxley ( SOX ). In October 2008 we began the SOX certification testing period.

### **Moody's Ba2/Aa3.br Rating:**

On August 13 Gafisa received a Ba2 corporate rating and an Aa3.br local scale corporate rating from Moody's. According to Moody's, the rating reflects Gafisa's strong market share position, diversification in terms of product portfolio and geographic location of operations, as well as strategic land bank to support continued future growth. This adds to a Fitch rating of A(bra) and Standard & Poor's rating of BrA.





| <b>Operating and Financial Highlights (R\$000)</b>       | <b>3Q08</b> | <b>3Q07<sup>(1)(2)</sup></b> | <b>Change</b> | <b>9M08<sup>(2)</sup></b> | <b>9M07<sup>(1)(2)</sup></b> | <b>Change</b> |
|--|-------------|------------------------------|---------------|---------------------------|------------------------------|---------------|
| Project Launches (% Gafisa)                              | 762,449     | 425,727                      | 79%           | 2,293,032                 | 1,199,546                    | 91%           |
| Project Launches (100%)                                  | 1,062,153   | 616,171                      | 72%           | 3,255,243                 | 1,640,278                    | 98%           |
| Project Launches (Units) (100%)                          | 4,376       | 2,918                        | 50%           | 13,914                    | 7,479                        | 86%           |
| Project Launches (Units) (% Gafisa)                      | 3,575       | 2,766                        | 29%           | 9,875                     | 6,240                        | 58%           |
| Pre-Sales (% Gafisa)                                     | 503,722     | 366,912                      | 37%           | 1,559,656                 | 964,193                      | 62%           |
| Pre-Sales from Current Year Launches (% Gafisa)          | 333,221     | 270,512                      | 23%           | 869,198                   | 570,033                      | 52%           |
| Pre-Sales from Inventory at End of Prior Year (% Gafisa) | 170,501     | 96,400                       | 77%           | 690,458                   | 394,150                      | 75%           |
| Pre-Sales (100%)   | 606,881     | 503,053                      | 21%           | 2,020,332                 | 1,248,577                    | 62%           |
| Pre-Sales (Units) (100%)                                 | 2,974       | 1,962                        | 52%           | 9,162                     | 4,954                        | 85%           |
| Pre-Sales (Units) (% Gafisa)                             | 2,704       | 1,870                        | 45%           | 7,166                     | 4,254                        | 68%           |
| Average Sales Price (R\$/sq m) (100% exc. lots)          | 2,477       | 3,028                        | (18%)         | 2,787                     | 2,876                        | (3%)          |
| Net Operating Revenues                                   | 373,632     | 313,219                      | 19%           | 1,149,879                 | 814,080                      | 41%           |
| Gross Profits  | 130,793     | 90,898                       | 44%           | 387,606                   | 239,960                      | 64%           |
| Gross Margin   | 35.0%       | 29.0%                        | 599 bps       | 33.7%                     | 29.1%                        | 460 bps       |
| EBITDA   | 64,343      | 46,016                       | 40%           | 195,154                   | 118,662                      | 64%           |
| EBITDA Margin  | 17.2%       | 14.7%                        | 253 bps       | 17.0%                     | 14.6%                        | 240 bps       |
| Extraordinary Expenses <sup>(3)</sup>                    | -           | -                            | -             | -                         | 30,174                       | -             |
| Net Income   | 37,970      | 36,336                       | 5%            | 139,781                   | 65,028                       | 115%          |
| Net Margin   | 10.2%       | 11.6%                        | (144 bps)     | 12.2%                     | 8.0%                         | 417 bps       |
| Earnings per Share                                       | 0.29        | 0.28                         | 4%            | 1.08                      | 0.53                         | 105%          |
| Average number of shares, basic                          | 129,849,047 | 129,258,353                  | 0%            | 129,591,117               | 123,713,380                  | 5%            |
| Backlog of Revenues                                      | 2,045       | 1,209                        | 69%           |                           |                              |               |
| Backlog of Results <sup>(4)</sup>                        | 711         | 421                          | 69%           |                           |                              |               |
| Backlog Margin <sup>(4)</sup>                            | 34.7%       | 34.8%                        | (23 bps)      |                           |                              |               |
| Net Debt and Obligation to Investors (Cash)              | 886,822     | 4,455                        | 19,806%       |                           |                              |               |
| Cash   | 790,325     | 372,092                      | 112%          |                           |                              |               |
| Shareholders Equity                                      | 1,688,596   | 1,497,862                    | 13%           |                           |                              |               |
| Total Assets   | 4,606,797   | 2,561,463                    | 80%           |                           |                              |               |

(1) 2007 financial results are adjusted for capitalized interest here, see Table 13. 9M07 also adjusted for Extraordinary Expenses.

(2) 1Q08, 2Q08 and 2007 adjusted to include land swaps.

(3) NYSE follow-on offering.

(4) Backlog of results net of sales tax of 3.65%.

**Launches**

The total number of units launched by Gafisa increased by 29%, to 3,575 in the third quarter as compared to 3Q07. Potential sales value grew by 79% to R\$762.4 million with 44% of launches in new markets outside of the states of São Paulo and Rio de Janeiro. The Gafisa segment accounted for 65% of launches. Fit launched R\$186 million to reach R\$470 million in 2008, including its first two launches in the state of Rio de Janeiro. Bairro Novo launched its second project in Camaçari, Bahia (Northeast region).

The tables below detail new projects launched in the third quarter and the first nine months of 2007 and 2008:

| <b>Table 1 Launches per Company</b> |                                  |                |                | <b>3Q08 x</b> |                  | <b>9M08 x</b>    |             |
|-------------------------------------|----------------------------------|----------------|----------------|---------------|------------------|------------------|-------------|
| <b>(Gafisa %)</b>                   |                                  | <b>3Q08</b>    | <b>3Q07</b>    | <b>3Q07</b>   | <b>9M08</b>      | <b>9M07</b>      | <b>9M07</b> |
| Gafisa                              | PSV (R\$ 000) (Company %)        | 499,616        | 298,554        | 67%           | 1,585,950        | 1,020,382        | 55%         |
|                                     | Units (Company %)                | 1,121          | 991            | 13%           | 4,234            | 3,955            | 7%          |
|                                     | R\$ 000/Unit                     | 446            | 301            | 48%           | 375              | 258              | 45%         |
|                                     | R\$/m <sup>2</sup>               | 3,459          | 2,839          | 22%           | 3,350            | 2,631            | 27%         |
|                                     | Area (m <sup>2</sup> )           | 144,442        | 105,167        | 37%           | 473,435          | 387,770          | 22%         |
| AlphaVille                          | PSV (R\$ 000) (Company %)        | 50,937         | 82,185         | (38%)         | 211,335          | 117,203          | 80%         |
|                                     | Units (Company %)                | 286            | 950            | (70%)         | 1,382            | 1,276            | 8%          |
|                                     | R\$ 000/Unit                     | 178            | 87             | 106%          | 153              | 92               | 66%         |
|                                     | R\$/m <sup>2</sup>               | 303            | 132            | 129%          | 227              | 152              | 49%         |
|                                     | Area (m <sup>2</sup> )           | 168,109        | 622,155        | (73%)         | 993,002          | 772,184          | 21%         |
| Fit                                 | PSV (R\$ 000) (Company %)        | 186,585        | 44,988         | 315%          | 470,435          | 61,962           | 659%        |
|                                     | Units (Company %)                | 1,518          | 475            | 220%          | 3,609            | 658              | 448%        |
|                                     | R\$ 000/Unit                     | 123            | 95             | 30%           | 130              | 94               | 38%         |
|                                     | R\$/m <sup>2</sup>               | 2,015          | 1,773          | 14%           | 2,140            | 1,803            | 19%         |
|                                     | Area (m <sup>2</sup> )           | 92,598         | 25,368         | 265%          | 219,822          | 34,367           | 540%        |
| Bairro Novo                         | PSV (R\$ 000) (Company %)        | 25,311         | -              | -             | 25,311           | -                | -           |
|                                     | Units (Company %)                | 325            | -              | -             | 325              | -                | -           |
|                                     | R\$ 000/Unit                     | 78             | -              | -             | 78               | -                | -           |
|                                     | R\$/m <sup>2</sup>               | -              | -              | -             | -                | -                | -           |
|                                     | Area (m <sup>2</sup> )           | 233,507        | -              | -             | 233,507          | -                | -           |
| <b>Total</b>                        | <b>PSV (R\$ 000) (Company %)</b> | <b>762,449</b> | <b>425,727</b> | <b>79%</b>    | <b>2,293,032</b> | <b>1,199,546</b> | <b>91%</b>  |
|                                     | <b>Units (Company %)</b>         | <b>3,575</b>   | <b>2,766</b>   | <b>29%</b>    | <b>9,550</b>     | <b>5,889</b>     | <b>62%</b>  |
|                                     | <b>Area (m<sup>2</sup>)</b>      | <b>599,035</b> | <b>752,690</b> | <b>(20%)</b>  | <b>1,859,766</b> | <b>1,194,321</b> | <b>56%</b>  |

**R\$ 000**

| <b>3Q08</b> | <b>3Q07</b> | <b>9M08</b> | <b>9M07</b> |
|-------------|-------------|-------------|-------------|
|-------------|-------------|-------------|-------------|

| <b>Table 2 Launches per Region (Gafisa %)</b> |                         | <b>3Q08 x 3Q07</b> |                |              | <b>9M08 x 9M07</b> |                  |             |
|---|-------------------------|--------------------|----------------|--------------|--------------------|------------------|-------------|
| Gafisa  | São Paulo               | 185,208            | 143,634        | 29%          | 637,489            | 473,583          | 35%         |
|   | Rio de Janeiro          | 137,016            | 35,576         | 285%         | 330,900            | 276,247          | 20%         |
|   | New Markets             | 177,392            | 119,345        | 49%          | 617,560            | 270,552          | 128%        |
|   | <b>Total Gafisa</b>     | <b>499,616</b>     | <b>298,554</b> | <b>67%</b>   | <b>1,585,950</b>   | <b>1,020,382</b> | <b>55%</b>  |
| AlphaVille                                    | São Paulo               | -                  | 7,312          | -            | -                  | 7,312            | -           |
|   | Rio de Janeiro          | -                  | 51,737         | -            | 29,343             | 51,737           | (43%)       |
|   | New Markets             | 50,937             | 23,136         | 120%         | 181,992            | 58,154           | 213%        |
|   | <b>Total AlphaVille</b> | <b>50,937</b>      | <b>82,185</b>  | <b>(38%)</b> | <b>211,335</b>     | <b>117,203</b>   | <b>80%</b>  |
| Fit   | São Paulo               | -                  | -              | -            | 69,464             | 16,974           | 309%        |
|   | Rio de Janeiro          | 106,265            | -              | -            | 106,265            | -                | -           |
|   | New Markets             | 80,321             | 44,988         | 79%          | 294,707            | 44,988           | 555%        |
|   | <b>Total Fit</b>        | <b>186,585</b>     | <b>44,988</b>  | <b>315%</b>  | <b>470,436</b>     | <b>61,962</b>    | <b>659%</b> |
| Bairro Novo                                   | New Markets             | 25,311             | -              | -            | 25,311             | -                | -           |
| <b>Total</b>                                  | <b>São Paulo</b>        | <b>185,208</b>     | <b>150,946</b> | <b>23%</b>   | <b>706,954</b>     | <b>497,869</b>   | <b>42%</b>  |
|   | <b>Rio de Janeiro</b>   | <b>243,281</b>     | <b>87,312</b>  | <b>179%</b>  | <b>466,508</b>     | <b>327,984</b>   | <b>42%</b>  |
|   | <b>New Markets</b>      | <b>333,960</b>     | <b>187,469</b> | <b>78%</b>   | <b>1,119,570</b>   | <b>373,693</b>   | <b>200%</b> |
| <b>Total</b>                                  |                         | <b>762,449</b>     | <b>425,727</b> | <b>79%</b>   | <b>2,293,032</b>   | <b>1,199,546</b> | <b>91%</b>  |

**Pre-Sales**

Pre-sales contracts in the quarter increased 37% to R\$504 million as compared to the third quarter of 2007 and reached 66% of new launches. Consistent with the company's strategy of geographic diversification, pre-sales in new markets more than doubled to R\$250 million as compared to the previous year's third quarter.

The tables below set forth a breakdown of sales for the third quarter and the first nine months of 2007 and 2008:

| <b>Table 3 Pre-Sales per Company (Gafisa %)</b> |                           | <b>3Q08</b>    | <b>3Q07</b>    | <b>3Q08 x<br/>3Q07</b> | <b>9M08</b>      | <b>9M07</b>      | <b>9M08<br/>x9M07</b> |
|---|---------------------------|----------------|----------------|------------------------|------------------|------------------|-----------------------|
| Gafisa  | PSV (R\$ 000)             | 310,480        | 285,401        | 9%                     | 1,045,228        | 829,301          | 26%                   |
|   | Units                     | 1,097          | 924            | 19%                    | 2,961            | 2,900            | 2%                    |
|   | R\$ 000/Unit              | 283            | 309            | (8%)                   | 353              | 286              | 23%                   |
|   | R\$/m <sup>2</sup>        | 2,739          | 2,996          | (9%)                   | 3,191            | 2,800            | 14%                   |
|   | Area m <sup>2</sup>       | 113,370        | 95,266         | 19%                    | 327,602          | 296,138          | 11%                   |
| AlphaVille                                      | PSV (R\$ 000)             | 52,587         | 76,442         | (31%)                  | 184,484          | 119,111          | 55%                   |
|   | Units                     | 364            | 908            | (60%)                  | 1,001            | 1,197            | (16%)                 |
|   | R\$ 000/Unit              | 144            | 84             | 72%                    | 184              | 100              | 85%                   |
|   | R\$/m <sup>2</sup>        | 265            | 95             | 181%                   | 322              | 123              | 162%                  |
|   | Area m <sup>2</sup>       | 198,299        | 808,608        | (75%)                  | 572,799          | 969,736          | (41%)                 |
| Fit   | PSV (R\$ 000)             | 123,554        | 5,069          | 2337%                  | 302,437          | 15,782           | 1816%                 |
|   | Units                     | 993            | 38             | 2514%                  | 2,818            | 157              | 1695%                 |
|   | R\$ 000/Unit              | 124            | 133            | (7%)                   | 107              | 101              | 7%                    |
|   | R\$/m <sup>2</sup>        | 2,200          | 2,727          | (19%)                  | 2,060            | 2,027            | 2%                    |
|   | Area m <sup>2</sup>       | 56,161         | 1,859          | 2922%                  | 146,814          | 7,786            | 1786%                 |
| Bairro Novo <sup>(1)</sup>                      | PSV (R\$ 000)             | 17,100         | -              | -                      | 27,507           | -                | -                     |
|   | Units                     | 249            | -              | -                      | 386              | -                | -                     |
|   | R\$ 000/Unit              | 69             | -              | -                      | 71               | -                | -                     |
|   | R\$/m <sup>2</sup>        | 1,355          | -              | -                      | 1,446            | -                | -                     |
|   | Area m <sup>2</sup>       | 12,616         | -              | -                      | 19,017           | -                | -                     |
| <b>Total</b>                                    | <b>PSV (R\$ 000)</b>      | <b>503,722</b> | <b>366,912</b> | <b>37%</b>             | <b>1,559,656</b> | <b>964,193</b>   | <b>62%</b>            |
|   | <b>Units</b>              | <b>2,704</b>   | <b>1,870</b>   | <b>45%</b>             | <b>7,166</b>     | <b>4,254</b>     | <b>68%</b>            |
|   | <b>Area m<sup>2</sup></b> | <b>380,447</b> | <b>905,733</b> | <b>(58%)</b>           | <b>1,066,232</b> | <b>1,273,660</b> | <b>(16%)</b>          |

**R\$ 000**

| <b>Table 4 Pre-Sales per Region (Gafisa %)</b> |                | <b>3Q08</b> | <b>3Q07</b> | <b>3Q08 x<br/>3Q07</b> | <b>9M08</b> | <b>9M07</b> | <b>9M08x<br/>9M07</b> |
|--|----------------|-------------|-------------|------------------------|-------------|-------------|-----------------------|
| Gafisa   | São Paulo      | 135,168     | 169,590     | (20%)                  | 455,207     | 443,043     | 3%                    |
|  | Rio de Janeiro | 57,618      | 42,526      | 35%                    | 250,909     | 211,009     | 19%                   |
|  | New Markets    | 117,694     | 73,284      | 61%                    | 339,112     | 175,248     | 94%                   |
|  | Total Gafisa   | 310,480     | 285,401     | 9%                     | 1,045,228   | 829,301     | 26%                   |

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|                            |                       |                |                |                  |                |                |             |
|----------------------------|-----------------------|----------------|----------------|------------------|----------------|----------------|-------------|
| AlphaVille                 | São Paulo             | 954            | 7,312          | (87%)            | 6,562          | 9,036          | (27%)       |
|                            | Rio de Janeiro        | 4,978          | 24,316         | (80%)            | 10,200         | 24,316         | (58%)       |
|                            | New Markets           | 46,655         | 44,814         | 4%               | 167,722        | 85,759         | 96%         |
|                            | Total AlphaVille      | 52,587         | 76,442         | (31%)            | 184,484        | 119,111        | 55%         |
| Fit                        | São Paulo             | 50,672         | 3,395          | 1,393%           | 136,391        | 12,900         | 957%        |
|                            | Rio de Janeiro        | 1,769          | -              | -                | 1,769          | -              | -           |
|                            | New Markets           | 71,113         | 1,674          | 4,148%           | 164,277        | 2,882          | 5,600%      |
|                            | Total Fit             | 123,554        | 5,069          | 2,337%           | 302,437        | 15,782         | 1,816%      |
| Bairro Novo <sup>(1)</sup> | São Paulo             | 2,194          | -              | -                | 12,600         | -              | -           |
|                            | New Markets           | 14,907         | -              | -                | 14,907         | -              | -           |
|                            | Total Bairro Novo     | 17,100         | -              | -                | 27,507         | -              | -           |
| <b>Total</b>               | <b>São Paulo</b>      | <b>188,988</b> | <b>180,297</b> | <b>5%</b>        | <b>610,761</b> | <b>464,979</b> | <b>31%</b>  |
|                            | <b>Rio de Janeiro</b> | <b>64,365</b>  | <b>66,843</b>  | <b>(4%)</b>      | <b>262,879</b> | <b>235,326</b> | <b>12%</b>  |
|                            | <b>New Markets</b>    | <b>250,369</b> | <b>119,772</b> | <b>109%</b>      | <b>686,017</b> | <b>263,889</b> | <b>160%</b> |
| <b>Total</b>               | <b>503,722</b>        | <b>366,912</b> | <b>37%</b>     | <b>1,559,657</b> | <b>964,194</b> | <b>62%</b>     |             |

<sup>(1)</sup> Bairro Novo figures presented in this report correspond to Gafisa stake of 50% in the company

**Sales Velocity**

Sales velocity during the third quarter of 2008 was a total of 18% for the Company. The low income segments showed the highest speeds at 24% for Fit and 42% for Bairro Novo. We have begun to see a more cautious approach to home purchase decision-making, which was reflected in a slowing of our sales speeds during the third quarter, particularly in the higher-end segments. We will keep a close eye on this situation and, if needed, adjust our launch schedule to match prevailing consumer demand.

Sales velocity is calculated as follows:

$$\frac{3Q08 \text{ Pre-Sales}}{\text{Inventory End 2Q08} + 3Q08 \text{ Launches}}$$

**Table 5 3Q08 Sales Velocity**

|                     | 2Q08<br>Inventory<br>(a) | 3Q08<br>Launches<br>(b) | (a)+(b)          | 3Q08<br>Pre-Sales | VSO        |
|---------------------|--------------------------|-------------------------|------------------|-------------------|------------|
| Gafisa              | 1,520,990                | 499,616                 | 2,020,605        | 310,480           | 15%        |
| AlphaVille          | 227,070                  | 50,937                  | 278,007          | 52,587            | 19%        |
| Fit                 | 330,889                  | 186,585                 | 517,474          | 123,554           | 24%        |
| Bairro Novo         | 14,947                   | 25,311                  | 40,258           | 17,100            | 42%        |
| <b>Total Gafisa</b> | <b>2,093,895</b>         | <b>762,449</b>          | <b>2,856,344</b> | <b>503,722</b>    | <b>18%</b> |

**Table 6 Sales from 2007 Inventory and 2008 Launches**

|      | Launches<br>(Co %) | Sales     | Sales /<br>Launches | Sales<br>from 2008<br>Launches | Sales<br>from 2007<br>Inventory |
|------|--------------------|-----------|---------------------|--------------------------------|---------------------------------|
| 1Q08 | 577,888            | 502,260   | 87%                 | 203,621                        | 298,639                         |
| 2Q08 | 952,693            | 553,674   | 58%                 | 332,356                        | 221,318                         |
| 3Q08 | 762,449            | 503,722   | 66%                 | 333,221                        | 170,501                         |
| 9M08 | 2,293,032          | 1,559,656 | 68%                 | 869,198                        | 690,458                         |

**Completed Projects**

In this quarter, Gafisa completed five projects totaling 820 units. Fit completed its first development, Fit Jaçanã in São Paulo, 98% sold. The Gafisa segment completed four projects targeted at the mid to mid-high income segments in São Paulo and Rio de Janeiro.

The tables below list our products completed during the third quarter of 2008:

**Table 7 3Q08 Completed Projects**

| Development | Date              | Launch Date | Segment | Location       | Area<br>sq m | Units<br>Co % | Company<br>Stake | PSV<br>Co %<br>R\$ 000 |        |
|-------------|-------------------|-------------|---------|----------------|--------------|---------------|------------------|------------------------|--------|
|             |                   |             |         | Rio de Janeiro |              |               |                  |                        |        |
| Gafisa      | Blue Land Bloco 1 | Jul-08      | Jun-06  | MHI            | - RJ         | 9,169         | 120              | 100%                   | 29,528 |
| Gafisa      | Sunplaza          | Aug-08      | Mar-06  | MID            |              | 6,328         | 226              | 100%                   | 32,709 |

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|               |                   |               |               |             |                           | Rio de Janeiro<br>- RJ |            |             |                |
|---------------|-------------------|---------------|---------------|-------------|---------------------------|------------------------|------------|-------------|----------------|
| Gafisa        | Olimpic           | Jul-08        | Dec-05        | MHI         | São Paulo -<br>SP         | 21,851                 | 213        | 100%        | 51,638         |
| Gafisa        | Palm D Or         | Jul-08        | Dec-05        | MHI         | São Paulo -<br>SP         | 8,493                  | 77         | 100%        | 27,314         |
| <b>Gafisa</b> | <b>Total</b>      |               |               |             |                           | <b>45,840</b>          | <b>636</b> | <b>100%</b> | <b>141,189</b> |
|               |                   |               |               |             |                           |                        |            |             |                |
| <b>Fit</b>    | <b>Fit Jaçanã</b> | <b>Sep-08</b> | <b>Mar-07</b> | <b>MLOW</b> | <b>São Paulo -<br/>SP</b> | <b>11,157</b>          | <b>184</b> | <b>100%</b> | <b>16,974</b>  |
| <b>Total</b>  |                   |               |               |             |                           | <b>56,996</b>          | <b>820</b> | <b>100%</b> | <b>158,163</b> |



**Table 8 9M08 Completed Projects per Company**

|      |            | Area<br>sq m | Units<br>Co % | Company<br>Stake | PSV<br>Co %<br>R\$ 000 |
|------|------------|--------------|---------------|------------------|------------------------|
| 1Q08 | Gafisa     | 204,844      | 635           | 97%              | 104,495                |
| 2Q08 | Gafisa     | 49,163       | 271           | 100%             | 166,836                |
| 2Q08 | AlphaVille | 999,002      | 909           | 64%              | 57,394                 |
| 2Q08 | Total      | 1,048,165    | 1180          |                  | 224,230                |
| 3Q08 | Gafisa     | 45,840       | 636           | 100%             | 141,189                |
| 3Q08 | Fit        | 11,157       | 184           | 100%             | 16,974                 |
| 3Q08 | Total      | 56,996       | 820           |                  | 158,163                |
| 9M08 |            | 1,310,005    | 2,635         |                  | 486,888                |

**Gafisa, AlphaVille, Fit, Bairro Novo Revenue Contribution**

The lower income businesses, Fit, which launched its first development in March 2007 and Bairro Novo, which launched in December 2007 have continued to increase their share of contribution to pre-sales and revenues based on the Percentage of Completion ( PoC ) accounting method.

**Table 9 Revenues over Launches and Pre-Sales per Line**

| 9M08                | Gafisa    | AlphaVille | Fit     | Bairro<br>Novo | Total     |
|---------------------|-----------|------------|---------|----------------|-----------|
| Launches            | 1,585,950 | 211,335    | 470,435 | 25,311         | 2,293,032 |
| Pre-Sales           | 1,045,228 | 184,484    | 302,437 | 27,507         | 1,559,656 |
| Revenues            | 873,376   | 176,061    | 80,785  | 19,657         | 1,149,879 |
| Launches Share      | 69%       | 9%         | 21%     | 1%             | 100%      |
| Pre-Sales Share     | 67%       | 12%        | 19%     | 2%             | 100%      |
| Revenue Share       | 76%       | 15%        | 7%      | 2%             | 100%      |
| Revenues/ Launches  | 55%       | 83%        | 17%     | 78%            | 50%       |
| Revenues/ Pre-Sales | 84%       | 95%        | 27%     | 71%            | 74%       |

**Land Reserves**

Our land bank reached approximately R\$13.1 billion, composed of 220 different sites in 66 cities in 21 states, totaling 7.3 million square meters, equivalent to 68,506 units. This ensures our ability to continue to grow launches and sales over the near term.

Just under three quarters of our land bank were acquired through swaps, in those cases we do not pay any cash for the right to use the land in the future. In a financial swap, we pay the landowner a portion of the revenue stream of the project, in a product swap, we only pay the landowner with completed units at the end of the project.

In accordance with our land bank diversification strategy, at the end of the quarter 43% of the consolidated land bank was outside of the Rio de Janeiro and São Paulo states. This gives the company added flexibility in developing properties in areas that will generate the highest returns at different points in time. In the third quarter, Gafisa

launched projects in 13 different states.

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

| Table 10        | Land Bank per Region | Future Sales       | % Swap <sup>1</sup> | Usable Area         | Potential           | Potential       |
|-----------------|----------------------|--------------------|---------------------|---------------------|---------------------|-----------------|
|                 |                      | R\$000<br>% Gafisa |                     | sqm 000<br>% Gafisa | Units<br>(% Gafisa) | Units<br>(100%) |
| Gafisa          | São Paulo            | 3,764              | 32%                 | 1,391               | 9,397               | 9,875           |
|                 | Rio de Janeiro       | 1,148              | 19%                 | 544                 | 3,090               | 3,247           |
|                 | New Markets          | 2,841              | 76%                 | 1,663               | 9,695               | 13,301          |
|                 | Total Gafisa         | 7,754              | 47%                 | 3,598               | 22,182              | 26,422          |
| AlphaVille      | São Paulo            | 1,077              | 100%                | 841                 | 7,087               | 16,879          |
|                 | Rio de Janeiro       | 108                | 100%                | 66                  | 418                 | 755             |
|                 | New Markets          | 1,728              | 99%                 | 1,401               | 8,859               | 15,319          |
|                 | Total AlphaVille     | 2,914              | 99%                 | 2,308               | 16,365              | 32,953          |
| Fit Residencial | São Paulo            | 1,118              | 16%                 | 571                 | 12,638              | 10,330          |
|                 | New Markets          | 515                | 7%                  | 228                 | 5,158               | 3,557           |
|                 | Total Fit            | 1,633              | 16%                 | 799                 | 17,796              | 13,887          |
| Bairro Novo     | São Paulo            | 48                 | 0%                  | 31                  | 690                 | 1,380           |
|                 | Rio de Janeiro       | 230                | 81%                 | 197                 | 3,746               | 7,492           |
|                 | New Markets          | 524                | 92%                 | 376                 | 7,727               | 15,454          |
|                 | Total Bairro Novo    | 802                | 82%                 | 604                 | 12,163              | 24,326          |
| <b>Total</b>    |                      | <b>13,103</b>      | <b>73%</b>          | <b>7,309</b>        | <b>68,506</b>       | <b>97,588</b>   |

(1) % Swap refers to the swap portion over total land costs.

**Table 11 Financial Swaps and Product Swaps**

|                 | Swap | Financial Swap | Product Swap |
|-----------------|------|----------------|--------------|
| Gafisa          | 47%  | 6%             | 94%          |
| AlphaVille      | 99%  | 100%           | 0%           |
| Fit Residencial | 16%  | 12%            | 88%          |
| Bairro Novo     | 82%  | 100%           | 0%           |

### Land Swaps

This quarter we began to account for land acquired through product swaps in our income statement, targeting best accounting practices. Previously, product swaps did not flow through our income statements while we did account for financial swaps.

The table below shows the effect of land swap accounting since 2007:

**Table 12 Land for Product  
Swap Effect (R\$ 000)**

|                               | 9M08      | 3Q08    | 2Q08    | 1Q08    | 2007      | 4Q07    | 3Q07    | 2Q07    | 1Q07    |
|-------------------------------|-----------|---------|---------|---------|-----------|---------|---------|---------|---------|
| Swap Effect on Gross Revenues | 27,175    | 5,313   | 9,008   | 12,855  | 20,088    | 4,872   | 4,841   | 6,267   | 4,108   |
| Swap Effect on Net Revenues   | 26,184    | 5,119   | 8,679   | 12,386  | 19,354    | 4,694   | 4,664   | 6,038   | 3,958   |
| Swap Effect on COGS           | (18,538)  | (3,664) | (6,318) | (8,556) | (13,415)  | (3,255) | (3,214) | (4,152) | (2,794) |
| Swap Effect on Gross Profit   | 7,646     | 1,455   | 2,361   | 3,830   | 5,939     | 1,439   | 1,450   | 1,886   | 1,164   |
| Net Revenues inc. Land Swaps  | 1,149,879 | 373,632 | 444,380 | 331,868 | 1,191,529 | 377,449 | 313,219 | 272,586 | 228,275 |
| COGS inc. Land Swaps          | 762,273   | 242,839 | 298,392 | 221,042 | 810,329   | 241,524 | 219,038 | 190,619 | 159,148 |
| Gross Profit inc. Land Swaps  | 387,606   | 130,793 | 145,988 | 110,826 | 381,200   | 135,925 | 94,181  | 81,967  | 69,127  |

### Capitalized Interest

Targeting best accounting practices, in 4Q07 we began to capitalize interest cost from corporate debt (mostly raised in 2007) and to recognize it on a percentage of completion basis. Accordingly, since 4Q07 we account for interest expenses on the COGS line of our income statement, thus impacting our gross margin.

In our 4Q07 earnings statements, we adjusted capitalized interest for the whole year 2007 in the fourth quarter. In the table below, we show how 2007 capitalized interest allocated among the four quarters of 2007 would have affected each quarter's income statements, to help make the two first quarters of 2008 more comparable to 2007:

**Table 13 Capitalized Interest Effect  
(R\$000)**

|                                      | 3Q08    | 2Q08    | 1Q08    | 4Q07    | 3Q07    | 2Q07    | 1Q07    | 2007     |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|----------|
| COGS                                 | (6,746) | (4,357) | (2,749) | (3,220) | (3,283) | (2,600) | (2,433) | (11,535) |
| Financial Expenses                   | 24,138  | 17,074  | 16,626  | 9,087   | 9,264   | 7,339   | 6,865   | 32,554   |
| Income Taxes                         | (5,913) | (4,324) | (4,718) | (1,995) | (2,034) | (1,611) | (1,507) | (7,146)  |
| Net Income                           | 11,479  | 8,393   | 9,159   | 3,872   | 3,947   | 3,128   | 2,925   | 13,873   |
| Earnings per share (R\$)             | 0.09    | 0.06    | 0.07    | 0.03    | 0.03    | 0.02    | 0.02    | 0.11     |
| Properties for Sale (Current Assets) | 65,023  | 47,631  | 34,914  |         |         |         |         | 21,037   |

### 3Q08 Revenues

Net operating revenues for 3Q08 rose 19% to R\$373.6 million from R\$308.5 million in 3Q07, with revenues for the first nine months reaching R\$1.1 billion.

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

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

**Table 14 Pre-sales x Recognized Revenues**

| R\$ 000             | 3Q08           |             |                | 3Q07           |               |                |
|---------------------|----------------|-------------|----------------|----------------|---------------|----------------|
|                     | Pre-Sales      | % of Total  | Revenues       | Pre-Sales      | % of Total    | Revenues       |
| Launched in 2008    | 369,937        | 73%         | 54,921         | -              | -             | -              |
| Launched in 2007    | 102,002        | 20%         | 136,714        | 270,512        | 74%           | 73,466         |
| Launched up to 2006 | 31,783         | 6%          | 181,997        | 96,400         | 26%           | 239,753        |
| <b>Total</b>        | <b>503,722</b> | <b>100%</b> | <b>373,632</b> | <b>366,912</b> | <b>100.0%</b> | <b>313,219</b> |

| R\$ 000 | 9M08      |            |          | 9M07      |            |          |
|---------|-----------|------------|----------|-----------|------------|----------|
|         | Pre-Sales | % of Total | Revenues | Pre-Sales | % of Total | Revenues |
|         |           |            |          |           |            |          |

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|                     |                  |             |                  |             |                |             |                |             |
|---------------------|------------------|-------------|------------------|-------------|----------------|-------------|----------------|-------------|
| Launched in 2008    | 892,756          | 57%         | 165,692          | 14%         | -              | -           | -              | -           |
| Launched in 2007    | 516,656          | 33%         | 389,003          | 34%         | 570,033        | 59%         | 100,571        | 12%         |
| Launched up to 2006 | 150,244          | 10%         | 595,184          | 52%         | 394,159        | 41%         | 713,509        | 88%         |
| <b>Total</b>        | <b>1,559,656</b> | <b>100%</b> | <b>1,149,879</b> | <b>100%</b> | <b>964,193</b> | <b>100%</b> | <b>814,080</b> | <b>100%</b> |

(1) 2007 revenues not adjusted for land swap effect.

**3Q08 Gross Profits**

Gross profits for 3Q08 totaled R\$130.8 million (R\$90.9 million for 3Q07, adjusted for capitalized interest), an increase of 44%, reflecting continued robust demand for Gafisa properties in all market segments and geographies. Gross margin for 3Q08 was 35.0%, 599 basis points higher than 3Q07 and in the first nine months of 2008, gross profits totaled R\$387.6 million (R\$240.0 million for 3Q07, adjusted for capitalized interest), an increase of 64% and gross margin increased 460 basis points to 33.7%, due to a positive inflation impact over account receivables.

**3Q08 Selling, General, and Administrative Expenses (SG&A)**

Given Gafisa's growth strategy, the company built dedicated management teams and the requisite infrastructure to support the diverse segments within our portfolio. Additionally, we enhanced our sales capacity during 2007. The second quarter of 2008 marked a turning point as we were able to leverage our business, with G&A as a percentage of launches, sales, and revenues declining. This trend continued in the third quarter. In addition, in 3Q08 we adjusted our provision for variable compensation to better reflect year to date performance, which had a positive impact on G&A. An increased sales effort caused a 111% growth in selling expenses in Q308 over Q307.

| <b>Table 15 SG&amp;A Expenses</b>  | <b>3Q08</b>   | <b>3Q07</b>   | <b>9M08</b>    | <b>9M07</b>    |
|------------------------------------|---------------|---------------|----------------|----------------|
| Selling Expenses (R\$ 000)         | 40,055        | 18,941        | 98,913         | 48,277         |
| G&A Expenses (R\$ 000)             | 23,680        | 28,173        | 88,618         | 74,453         |
| <b>SG&amp;A Expenses (R \$000)</b> | <b>63,735</b> | <b>47,114</b> | <b>187,531</b> | <b>122,730</b> |
| Selling Expenses / Launches        | 5.3%          | 4.4%          | 4.3%           | 4.0%           |
| G&A Expenses / Launches            | 3.1%          | 6.6%          | 3.9%           | 6.2%           |
| <b>SG&amp;A / Launches</b>         | <b>8.4%</b>   | <b>11.1%</b>  | <b>8.2%</b>    | <b>10.2%</b>   |
| Selling Expenses / Sales           | 8.0%          | 5.2%          | 6.3%           | 5.0%           |
| G&A Expenses / Sales               | 4.7%          | 7.7%          | 5.7%           | 7.7%           |
| <b>SG&amp;A / Sales</b>            | <b>12.6%</b>  | <b>12.8%</b>  | <b>12.0%</b>   | <b>12.7%</b>   |
| Selling Expenses / Revenues        | 10.7%         | 6.0%          | 8.6%           | 5.9%           |
| G&A Expenses / Revenues            | 6.3%          | 9.0%          | 7.7%           | 9.1%           |
| <b>SG&amp;A / Revenues</b>         | <b>17.1%</b>  | <b>15.0%</b>  | <b>16.3%</b>   | <b>15.1%</b>   |

Gafisa has adopted conservative accounting standards, especially with regards to the recognition of selling expenses. The only selling expenses that we defer are those associated with the showrooms, and this, as previously noted, negatively impacts our EBITDA margin. As can be seen on the table below, our deferred selling expenses are low and will be amortized on a PoC basis:

| <b>Table 16 Deferred Selling Expenses</b> | <b>3Q08</b> | <b>3Q07</b> | <b>2Q08</b> |
|---|-------------|-------------|-------------|
| Deferred Selling Expenses (R\$ 000)       | 56,992      | 29,136      | 35,664      |
| Deferred Selling Expenses / LTM Launches  | 1.7%        | 1.9%        | 1.2%        |
| Deferred Selling Expenses / LTM Sales     | 2.6%        | 2.2%        | 1.7%        |
| Deferred Selling Expenses / LTM Revenues  | 3.7%        | 2.4%        | 2.4%        |

**2Q08 EBITDA**

EBITDA for the third quarter totaled R\$64.3 million, 40% higher than the R\$46.0 million EBITDA adjusted for capitalized interest in 3Q07. As a percentage of net revenues, EBITDA increased from 14.7% in 3Q07 to 17.2% in 3Q08, a margin increase of 405 basis points. The EBITDA margin of 17.2% was achieved despite the increase in

launches and associated selling expenses. In the first nine months of 2008 EBITDA totaled R\$195.2 million with a margin of 17.0% . 9M08 EBITDA was 64% higher than the R\$118.7 million EBITDA adjusted for capitalized interest of 9M07. Gafisa expects to sustain EBITDA margins of 16-17% for the remainder of the 2008.



### 3Q08 Depreciation and Amortization

Depreciation and amortization in 3Q08 amounted to R\$5.3 million, compared to the R\$2.0 million in 3Q07.

With regards to the amortization of the goodwill generated from the AlphaVille acquisition, we used a linear calculation for the 1Q07 and 2Q07 results, and, due to a change in amortization method, in 3Q07 and 4Q07 amortization was equal to zero. From 2008, we will amortize this goodwill through a progressive exponential calculation following the EBIT, in the percentages described below:

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 4.49%  | 6.28%  | 7.22%  | 10.11% | 11.52% | 14.02% | 11.78% | 11.67% | 11.45% | 11.46%  |

Amortization of the acquisition of AlphaVille amounted to R\$3.2 million in 3Q08 and R\$2.2 million in 2Q08.

### 3Q08 Financial Results

Net financial results totaled a positive R\$14.7 million in 3Q08 compared to a negative R\$3.4 million in 3Q07 adjusted for capitalized interest, mainly due to interest received on the increased cash balances and the capitalization of interest.

### 3Q08 Minority Interest

Minority interest in 3Q08 was R\$19.9 million versus R\$2.8 million in 3Q07, a 616% increase mainly due to a provision for payment of the Obligation to Investors (R\$10 million) and Alphaville results (R\$10 million).

### 3Q08 Income Taxes

Net income taxes and social contribution for 3Q08 amounted to R\$15.9 million versus R\$8.7 million total contribution adjusted for capitalized interest in 3Q07, an 83% increase due in part to the growth of the company and in part due to the introduction of accounting of land for product swaps.

### 3Q08 Net Income and Earnings per Share

Net income in 3Q08 was R\$38.0 million (10.2% of net revenues), compared to R\$36.3 million in 3Q07 adjusted for capitalized interest (11.6% margin), an increase of 5%.

Earnings per share were R\$0.29 in 3Q08 compared to R\$0.28 in 3Q07 adjusted for capitalized interest. The average number of shares outstanding were 129,849,047 million during 3Q08 compared to 129,258,353 during 3Q07. Shares outstanding were 129,962,546 on September 30, 2008.

### Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R\$785.2 million in 3Q08, R\$320.1 million higher than 3Q07 and R\$47.8 million more than 2Q08. The introduction of accounting for product swaps in land acquisitions increases sales and costs, please see table 12 for additional information. The table below shows our revenues, costs and results to be recognized, as well as the amount of the corresponding costs and the expected margin:

**Table 17 Revenues and results to be recognized (R\$ million)**

|  | 3Q08    | 2Q08    | 3Q07    | 3Q08 x<br>2Q08 | 3Q08 x<br>3Q07 |
|--|---------|---------|---------|----------------|----------------|
| Gross sales to be recognized end of period   | 2,045.1 | 1,927.5 | 1,208.6 | 6%             | 69%            |
| Net sales to be recognized (3.65% sales tax) | 1,970.5 | 1,857.2 | 1,164.5 | 6%             | 69%            |

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|   |           |           |         |        |          |
|---|-----------|-----------|---------|--------|----------|
| Cost of units sold to be recognized - end of period | (1,259.9) | (1,190.1) | (743,5) | 6%     | 69%      |
| Backlog of Results to be recognized                 | 710.6     | 667.1     | 421.0   | 6%     | 69%      |
| Backlog Margin - yet to be recognized               | 34.7%     | 34.6%     | 34.8%   | 14 bps | (13 bps) |

**Balance Sheet****Cash and Cash Equivalents**

On September 30, 2008, cash and cash equivalents increased to R\$790.3 million, 2.0% higher than R\$775.0 million on June 30, 2008, and 112.4% higher than 3Q07's R\$372.1 million.

At the end of the quarter, Gafisa's debt and obligations to investors totaled R\$1,677.1 million, bringing a net debt and obligation to investors position of R\$886.8 million. The detail of the debt breakdown is located on tables 23 and 24. Net debt and obligation to investors to equity ratio is 52.5%.

**Accounts Receivable**

Accounts receivable increased 4% to R\$3.6 billion in September 2008, compared to R\$3.4 billion in 2Q08, and 71% compared to R\$2.1 billion in September 2007.

**Table 18 Revenues and Results to be Recognized (R\$000)**

| <b>Real Estate Development Receivables</b> |                  |                |                  |                        |                        |
|--|------------------|----------------|------------------|------------------------|------------------------|
|  | <b>3Q08</b>      | <b>3Q07</b>    | <b>2Q08</b>      | <b>3Q08 x<br/>2Q08</b> | <b>3Q08 x<br/>3Q07</b> |
| Current                                    | 861,283          | 501,205        | 827,556          | 4.1%                   | 71.8%                  |
| Long-term                                  | 745,464          | 384,934        | 732,753          | 1.7%                   | 93.7%                  |
| <b>Total</b>                               | <b>1,606,747</b> | <b>886,139</b> | <b>1,560,309</b> | <b>3.0%</b>            | <b>81.3%</b>           |

**Receivables to be recognized on our balance sheet according to PoC method and Brazilian GAAP**

|                                   | <b>3Q08</b>      | <b>3Q07</b>      | <b>2Q08</b>      | <b>3Q08 x<br/>2Q08</b> | <b>3Q08 x<br/>3Q07</b> |
|-----------------------------------|------------------|------------------|------------------|------------------------|------------------------|
| Current                           | 632,058          | 397,491          | 579,774          | 9.0%                   | 59.0%                  |
| Long-term                         | 1,311,768        | 793,972          | 1,280,628        | 2.4%                   | 65.2%                  |
| <b>Total</b>                      | <b>1,943,826</b> | <b>1,191,463</b> | <b>1,860,402</b> | <b>4.5%</b>            | <b>63.1%</b>           |
| <b>Total Accounts Receivables</b> | <b>3,550,573</b> | <b>2,077,602</b> | <b>3,420,711</b> | <b>3.8%</b>            | <b>70.9%</b>           |

**Table 19 Aging of Account Receivables Portfolio**

| <b>Total</b>     | <b>Up to Sep<br/>2009</b> | <b>Oct 2009<br/>to<br/>Sep 2010</b> | <b>Oct 2010<br/>to<br/>Sep 2011</b> | <b>Oct 2011<br/>to<br/>Sep 2012</b> | <b>Oct 2012<br/>Onwards</b> |
|------------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>3,550,573</b> | 1,493,341                 | 615,415                             | 756,924                             | 368,615                             | 316,278                     |

**Inventory (Properties for Sale)**

Our inventory includes land paid in cash and swap transactions, construction in progress, and finished units. Our inventory reached R\$1,612 million in 3Q08, an increase of 92% as compared to R\$838 million registered in 3Q07 due to land acquisitions in cash (more details in the Land Reserves section of this report) and developments under construction.

| <b>Table 20 Inventory (R\$ 000)</b> | <b>3Q08</b>      | <b>2Q08</b>      | <b>3Q07</b>    | <b>3Q08 x<br/>2Q08</b> | <b>3Q08 x<br/>3Q07</b> |
|-------------------------------------|------------------|------------------|----------------|------------------------|------------------------|
| Land                                | 708,715          | 659,362          | 290,129        | 7.5%                   | 144.3%                 |
| Properties under construction       | 826,443          | 660,070          | 509,336        | 25.2%                  | 62.3%                  |
| Units completed                     | 76,514           | 77,646           | 38,624         | -1.5%                  | 98.1%                  |
| <b>Total</b>                        | <b>1,611,672</b> | <b>1,397,078</b> | <b>838,089</b> | <b>15.4%</b>           | <b>92.3%</b>           |
| Current                             | 1,443,812        | 1,310,114        | 752,445        | 10.2%                  | 91.9%                  |
| Long-term                           | 167,860          | 86,964           | 85,644         | 93.0%                  | 96.0%                  |
| <b>Total</b>                        | <b>1,611,672</b> | <b>1,397,078</b> | <b>838,089</b> | <b>15.4%</b>           | <b>92.3%</b>           |

**Table 21 Inventory at Market Value per Year (Gafisa %)**

|                    | 3Q08             | 2Q08             | 3Q07             | 3Q08 x<br>2Q08 | 3Q08 x<br>3Q07 |
|--------------------|------------------|------------------|------------------|----------------|----------------|
| Launches from 2008 | 1,538,664        | 1,001,569        | -                | -              | 54%            |
| Launches from 2007 | 658,116          | 744,143          | 642,934          | 2%             | (112%)         |
| Launches from 2006 | 146,531          | 152,284          | 221,270          | (34%)          | (4%)           |
| Prior to 2005      | 192,065          | 195,899          | 263,936          | (27%)          | (2%)           |
| <b>PSV</b>         | <b>2,535,376</b> | <b>2,093,895</b> | <b>1,128,140</b> | <b>125%</b>    | <b>21%</b>     |
| Launches from 2008 | 6,575            | 4,968            | -                | -              | 32%            |
| Launches from 2007 | 2,811            | 3,554            | 3,724            | (25%)          | (21%)          |
| Launches from 2006 | 447              | 621              | 971              | (54%)          | (28%)          |
| Prior to 2005      | 808              | 1,247            | 1,168            | (31%)          | (35%)          |
| <b>Units</b>       | <b>10,640</b>    | <b>10,390</b>    | <b>5,863</b>     | <b>81%</b>     | <b>2%</b>      |

**Table 22 Inventory at Market Value per Company**

|                 | 3Q08             | 2Q08             | 3Q07             | 3Q08 x<br>2Q08 | 3Q08 x<br>3Q07 |
|-----------------|------------------|------------------|------------------|----------------|----------------|
| Gafisa          | 1,811,578        | 1,520,990        | 897,078          | 19%            | 102%           |
| AlphaVille      | 227,019          | 227,070          | 184,881          | 0%             | 23%            |
| Fit Residencial | 471,179          | 330,889          | 46,180           | 42%            | 920%           |
| Bairro Novo     | 25,600           | 14,947           | -                | 71%            | -              |
| <b>Total</b>    | <b>2,535,376</b> | <b>2,093,895</b> | <b>1,128,140</b> | <b>21%</b>     | <b>125%</b>    |

## Liquidity

The following table sets forth information on our indebtedness. In the third quarter of 2008, Gafisa raised R\$200 million in working capital, reflecting our strong credit rating and cash position. In addition, we have R\$250 million of receivables of completed units available to securitize.

We have a total of R\$3.5 billion in construction finance lines of credit provided by all of the major banks in Brazil. At this time we have R\$1.6 billion in signed contracts and R\$1.2 billion in contracts in process, giving us additional availability of R\$682 million.

We do not have exposure to foreign currency through financial instruments. We have R\$200 million of debt raised by banks in foreign currency, those were swapped into CDI.

As of September 30, 2008, our net debt and obligation to investors to equity ratio was 52.5% compared to 37.3% in 2Q08.

**Table 23 Debt and Obligation to Investors Breakdown (R\$ 000)**

| Type of Transaction | Rates           | 3Q08    | 2Q08    | 3Q07    |
|---------------------|-----------------|---------|---------|---------|
| Debentures          | 1.3% p.a. + CDI | 242,775 | 249,570 | 242,043 |

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|  |                          |                  |                  |                |
|--|--------------------------|------------------|------------------|----------------|
| 2008 Debenture   | 107.2% of CDI            | 263,415          | 254,659          | -              |
| Construction Financing (SFH)                           | 6.2-11.4% p.a. + TR      | 276,031          | 229,049          | 42,134         |
| Downstream Merger obligation                           | 10-12%p.a. + TR          | 9,961            | 11,187           | 14,569         |
| Funding for developments                               | 6.2% p.a. + TR           | 2,090            | 2,296            | -              |
| Working Capital  | 104-112% of CDI          | 437,887          | 214,432          | 77,801         |
| Other (AlphaVille)                                     | 0.66-3.29% p.a. +<br>CDI | 144,988          | 122,962          | -              |
| <b>Total Debt</b>                                      |                          | <b>1,377,147</b> | <b>1,084,155</b> | <b>376,547</b> |
| <br>   |                          |                  |                  |                |
| <b>Total Cash</b>                                      |                          | <b>790,325</b>   | <b>775,009</b>   | <b>372,092</b> |
| <br>   |                          |                  |                  |                |
| <b>Obligation to Investors</b>                         |                          | <b>300,000</b>   | <b>300,000</b>   |                |
| <br>   |                          |                  |                  |                |
| <b>Net Debt and Obligation to Investors<br/>(Cash)</b> |                          | <b>886,822</b>   | <b>609,146</b>   | <b>4,455</b>   |

Debt and obligation to investors payment schedule as of September 30, 2008:

**Table 24 Debt and Obligation to Investors Maturity (R\$ 000)**

|                              | <b>Total</b>     | <b>2008</b>   | <b>2009</b>    | <b>2010</b>    | <b>2011</b>    | <b>2012<br/>and<br/>later</b> |
|------------------------------|------------------|---------------|----------------|----------------|----------------|-------------------------------|
| Debentures                   | 506,190          | 16,190        | 48,000         | 96,000         | 96,000         | 250,000                       |
| Construction Financing (SFH) | 276,031          | 36,411        | 139,395        | 83,217         | 17,008         | -                             |
| Downstream Merger obligation | 9,961            | 3,242         | 4,743          | 1,976          | -              | -                             |
| Funding for developments     | 2,090            | 251           | 961            | 878            | -              | -                             |
| Working Capital              | 437,887          | -             | 237,887        | 100,000        | 100,000        | -                             |
| Other (AlphaVille)           | 144,988          | 6,221         | 3,542          | 31,297         | 36,256         | 67,672                        |
| Obligation to Investors      | 300,000          | -             | -              | -              | -              | 300,000                       |
| <b>Total</b>                 | <b>1,677,147</b> | <b>62,315</b> | <b>434,528</b> | <b>313,368</b> | <b>249,264</b> | <b>617,672</b>                |

Gafisa's corporate ratings are as follows:

| <b>Rating Agency</b> |               | <b>Rating</b> | <b>Outlook</b> | <b>Updated</b>  |
|----------------------|---------------|---------------|----------------|-----------------|
| Moody's              | International | Ba2           | Stable         | August 13, 2008 |
| Moody's              | Local         | Aa3.br        | Stable         | August 13, 2008 |
| Fitch Ratings        | Local         | A (bra)       | Stable         | May 2, 2008     |
| Standard & Poor's    | Local         | Br A          | Stable         | June 19, 2007   |

### **Outlook**

As of October 21<sup>st</sup>, Gafisa's financial statements will consolidate 100% of Construtora Tenda S.A, while the stake we do not own will flow out through the Minority Shareholder's line.

Gafisa has a robust pipeline of developments and the necessary financing to continue to launch developments in accordance with its announced guidance for the full year of 2008 as long as demand remains in place. Therefore, the company is maintaining its launch guidance for 2008 of R\$3.5 billion, which is equivalent to R\$3.3 billion excluding R\$200 million of Fit launches in the fourth quarter that will be consolidated into Tenda. EBITDA margin guidance for the full year 2008 remains in the range of 16 to 17%.

## Glossary

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

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

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

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

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

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

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

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

**MID (Middle Income)** segment with residential units sold at prices ranging from R\$2,300 to 2,800 per square meter.

**MLOW (Mid-Low)** segment with residential units sold at prices ranging from R\$1,800 to 2,300 per square meter.

**AEL (Affordable Entry Level)** residential units targeted to the mid-low and low income segments with prices below R\$1,800 per square meter.

**LOT (Urbanized Lots)** land subdivisions, or lots, with prices ranging from R\$150 to R\$600 per square meter.

**COM (Commercial buildings)** Commercial and corporate units developed only for sale with prices ranging from R\$3,000 to R\$7,000 per square meter.

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

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

**PSV** Potential Sales Value.





### **About Gafisa**

We are one of Brazil's leading diversified national homebuilders. Over the last 50 years, we have been recognized as one of the foremost professionally-managed homebuilders, having completed and sold more than 950 developments and constructed almost 40 million square meters of housing, which we believe is more than any other residential development company in Brazil. We believe Gafisa is one of the best-known brands in the real estate development market, enjoying a reputation among potential homebuyers, brokers, lenders, landowners and competitors for quality, consistency and professionalism.

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*This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of Gafisa. These are merely projections and, as such, are based exclusively on the expectations of management concerning the future of the business and its continued access to capital to fund the 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.*

## 2008 Launches by Quarter

| Company     | Project                          | Launch Date | Segment | Location               | Area (sqm)     | Units (Co%)  | Company Stake | PSV (Company%) | % sold up to Sep/08 |
|-------------|----------------------------------|-------------|---------|------------------------|----------------|--------------|---------------|----------------|---------------------|
| Fit         | Citta Vila Allegro               | March       | AEL     | Salvador - BA          | 11,099         | 149          | 50%           | 28,585         | 77%                 |
| <b>1Q08</b> | <b>Total Fit</b>                 |             |         |                        | <b>11,099</b>  | <b>149</b>   | <b>50%</b>    | <b>28,585</b>  | <b>77%</b>          |
| Fit         | Fit Terra Bonita                 | April       | MID     | Londrina - PR          | 11,357         | 155          | 51%           | 23,455         | 14%                 |
| Fit         | Città Lauro de Freitas           | May         | MID     | Salvador - BA          | 8,826          | 152          | 50%           | 16,813         | 80%                 |
| Fit         | Fit Coqueiro - Stake Acquisition | June        | AEL     | Belém - PA             | -              | 114          | 70%           | 10,609         | 100%                |
| Fit         | Fit Mirante do Parque            | June        | MID     | Belém - PA             | 18,618         | 252          | 60%           | 41,015         | 51%                 |
| Fit         | Fit Parque da Lagoinha           | June        | AEL     | Riberão Preto - SP     | 10,225         | 159          | 75%           | 17,123         | 41%                 |
| Fit         | Fit Palladium                    | June        | MID     | Curitiba - PR          | 10,345         | 160          | 70%           | 24,132         | 78%                 |
| Fit         | Fit Planalto                     | June        | MID     | São Bernardo - SP      | 25,023         | 472          | 100%          | 52,341         | 48%                 |
| Fit         | Fit Mirante do Lago Fase 1       | June        | MID     | Ananindeua - PA        | 21,734         | 323          | 70%           | 50,493         | 21%                 |
| Fit         | Jardim Botânico (Paraíba)        | June        | MID     | João Pessoa - AL       | 9,998          | 155          | 50%           | 19,284         | 7%                  |
| <b>2Q08</b> | <b>Total Fit</b>                 |             |         |                        | <b>116,125</b> | <b>1,942</b> | <b>66%</b>    | <b>255,265</b> | <b>44%</b>          |
| Fit         | Fit Vida Nova                    | July        | MID     | São Gonçalo - RJ       | 15,184         | 281          | 90%           | 35,422         | 2%                  |
| Fit         | Fit Araguaia Phase 1             | August      | MID     | Goiania - GO           | 20,125         | 318          | 60%           | 40,417         | 4%                  |
| Fit         | Fit Parque Maceió                | August      | MID     | Maceió - AL            | 13,494         | 235          | 50%           | 23,707         | 17%                 |
| Fit         | Fit Vivai                        | September   | MID     | Campos Goytacazes - RJ | 37,376         | 576          | 90%           | 70,842         | 2%                  |
| Fit         | Fit Cristal                      | September   | MID     | Porto Alegre - RS      | 6,419          | 108          | 70%           | 16,197         | 17%                 |
| <b>3Q08</b> | <b>Total Fit</b>                 |             |         |                        | <b>92,598</b>  | <b>1,518</b> | <b>72%</b>    | <b>186,585</b> | <b>5%</b>           |
| <b>9M08</b> | <b>Total Fit</b>                 |             |         |                        | <b>219,822</b> | <b>3,609</b> | <b>73%</b>    | <b>470,435</b> | <b>30%</b>          |

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|   |                   |     |                           |                |              |            |                |            |
|---|-------------------|-----|---------------------------|----------------|--------------|------------|----------------|------------|
| AlphaVille Londrina Phase 2             | January           | LOT | Londrina -<br>PR          | 67,060         | 173          | 63%        | 17,230         | 40%        |
| AlphaVille Jacuhy Phase 2               | March             | LOT | Serra - ES                | 115,688        | 215          | 65%        | 41,291         | 48%        |
| <b>1Q08</b>                             | <b>Total AUSA</b> |     |                           | <b>182,748</b> | <b>388</b>   | <b>64%</b> | <b>58,521</b>  | <b>45%</b> |
| AlphaVille Cuiabá II                    | May               | LOT | Cuiabá -<br>MT            | 150,896        | 227          | 60%        | 24,112         | 32%        |
| AlphaVille João Pessoa                  | June              | LOT | João Pessoa<br>- PB       | 61,782         | 60           | 50%        | 13,580         | 100%       |
| AlphaVille Manaus II                    | June              | LOT | Manaus -<br>AM            | 166,938        | 209          | 63%        | 34,841         | 78%        |
| AlphaVille Costa do Sol<br>Phase 2      | June              | LOT | Rio das<br>Ostras - RJ    | 202,528        | 212          | 58%        | 29,343         | 13%        |
| <b>2Q08</b>                             | <b>Total AUSA</b> |     |                           | <b>582,145</b> | <b>708</b>   | <b>58%</b> | <b>101,877</b> | <b>51%</b> |
| AlphaVille Litoral Norte II<br>Manaus   | September         | LOT | Camaçari -<br>BA          | 99,537         | 244          | 63%        | 26,737         | 23%        |
| AlphaVille Comercial                    | September         | LOT | Manaus -<br>AM            | 28,951         | 42           | 60%        | 10,600         | 23%        |
| AlphaVille João Pessoa<br>(acquisition) | September         | LOT | João Pessoa<br>- PB       | -              | -            | 100%       | 13,600         | 100%       |
| <b>3Q08</b>                             | <b>Total AUSA</b> |     |                           | <b>128,488</b> | <b>286</b>   | <b>74%</b> | <b>50,937</b>  | <b>44%</b> |
| <b>9M08</b>                             | <b>Total AUSA</b> |     |                           | <b>893,381</b> | <b>1,382</b> | <b>65%</b> | <b>211,335</b> | <b>48%</b> |
| Gafisa Costa Maggiore                   | January           | HIG | Cabo Frio -<br>RJ         | 4,693          | 30           | 50%        | 24,052         | 87%        |
| Gafisa VP Horto Fase 2                  | January           | HIG | Salvador -<br>BA          | 22,298         | 92           | 50%        | 87,807         | 99%        |
| Gafisa Pablo Picasso                    | January           | HIG | João Pessoa<br>- PB       | 4,188          | 12           | 50%        | 12,632         | 26%        |
| Gafisa Nova Petrópolis                  | March             | MHI | São<br>Bernardo -<br>SP   | 36,789         | 268          | 100%       | 108,479        | 35%        |
| Gafisa Terraças - Alto da<br>Lapa       | March             | MHI | São Paulo -<br>SP         | 23,248         | 182          | 100%       | 72,701         | 67%        |
| Gafisa Raízes Granja<br>Viana           | March             | MHI | Cotia - SP                | 8,641          | 35           | 50%        | 25,994         | 32%        |
| Gafisa Verdemar                         | March             | MHI | Guarujá -<br>SP           | 13,084         | 80           | 100%       | 44,479         | 52%        |
| Gafisa London Green<br>Fase 2           | March             | HIG | Niterói -<br>RJ           | 15,009         | 140          | 100%       | 54,719         | 72%        |
| Gafisa Carpe Diem                       | March             | MHI | Rio de<br>Janeiro -<br>RJ | 10,012         | 91           | 80%        | 29,461         | 46%        |
| Gafisa Magnific                         | March             | HIG |                           | 9,225          | 27           | 100%       | 30,458         | 61%        |

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| 1Q08   | Total Gafisa                    |       |     |                     | 147,188 | 956 | 78%  | 490,782 | 61% |
|--------|---------------------------------|-------|-----|---------------------|---------|-----|------|---------|-----|
| Gafisa | Reserva Laranjeiras             | April | HIG | Rio de Janeiro - RJ | 11,740  | 108 | 100% | 61,818  | 97% |
| Gafisa | Carpe Diem - Belém              | May   | MHI | Belém -PA           | 9,766   | 63  | 70%  | 32,457  | 47% |
| Gafisa | Grand Park Águas Fase 2         | May   | MID | São Luis - MA       | 6,480   | 75  | 50%  | 15,051  | 36% |
| Gafisa | Fontes do Atlântico             | May   | HIG | Maceió - AL         | 10,371  | 18  | 100% | 47,387  | 21% |
| Gafisa | Parque Barueri                  | May   | MID | Barueri - SP        | 58,437  | 677 | 100% | 151,968 | 44% |
| Gafisa | Manhattan Square (Walll Street) | June  | COM | Salvador - BA       | 12,902  | 358 | 50%  | 56,376  | 35% |
| Gafisa | Manhattan Square (Soho)         | June  | MHI | Salvador - BA       | 14,463  | 135 | 50%  | 48,403  | 14% |

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## 2008 Launches by Quarter Cont.

| Company     | Project                      | Launch Date | Segment | Location            | Area (sqm)     | Units (Co %) | Company Stake | PSV (Co %)       | % Sold upto Sep/08 |
|-------------|------------------------------|-------------|---------|---------------------|----------------|--------------|---------------|------------------|--------------------|
| Gafisa      | Manhattan Square (Tribeca)   | June        | MHI     | Salvador - BA Volta | 18,940         | 311          | 50%           | 63,528           | 18%                |
| Gafisa      | Reserva Santa Cecília Fase 2 | June        | MHI     | Redonda - RJ Belém  | 8,350          | 92           | 100%          | 23,835           | 3%                 |
| Gafisa      | Mistral                      | June        | MHI     | -PA São Paulo       | 10,394         | 140          | 70%           | 33,987           | 30%                |
| Gafisa      | Terraças Tatuapé             | June        | MHI     | - SP São Luis -     | 14,386         | 105          | 100%          | 48,660           | 20%                |
| Gafisa      | Grand Park Árvores Fase 2    | June        | MID     | MA                  | 5,576          | 75           | 50%           | 12,083           | 57%                |
| <b>2Q08</b> | <b>Total Gafisa</b>          |             |         |                     | <b>181,805</b> | <b>2,157</b> | <b>74%</b>    | <b>595,551</b>   | <b>38%</b>         |
| Gafisa      | MontBlanc                    | July        | HIG     | São Paulo - SP      | 24,383         | 90           | 80%           | 106,353          | 18%                |
| Gafisa      | Mandala                      | July        | HIG     | Fortaleza - CE      | 13,156         | 107          | 79%           | 41,776           | 10%                |
| Gafisa      | Ecolive                      | August      | HIG     | Curitiba - PR       | 12,255         | 122          | 100%          | 40,427           | 44%                |
| Gafisa      | Parque Maceió                | August      | AEL     | Maceió - AL         | 6,242          | 118          | 50%           | 11,626           | 34%                |
| Gafisa      | Alegria                      | September   | MID     | Guarulhos - SP      | 29,199         | 278          | 100%          | 78,855           | 37%                |
| Gafisa      | Quintas do Pontal            | September   | HIG     | Rio de Janeiro - RJ | 21,915         | 91           | 100%          | 79,505           | 17%                |
| Gafisa      | Laguna di Mare               | September   | HIG     | Rio de Janeiro - RJ | 13,963         | 117          | 80%           | 57,511           | 10%                |
| Gafisa      | Dubai                        | September   | MHI     | São Luis - MA       | 9,658          | 120          | 50%           | 31,888           | 12%                |
| Gafisa      | Reserva do Bosque            | September   | HIG     | Porto Velho - RO    | 8,303          | 67           | 50%           | 24,485           | 73%                |
| Gafisa      | Nouvelle                     | September   | HIG     | Aracaju - SE        | 5,367          | 12           | 100%          | 27,190           | 7%                 |
| <b>3Q08</b> | <b>Total Gafisa</b>          |             |         |                     | <b>144,442</b> | <b>1,121</b> | <b>79%</b>    | <b>499,616</b>   | <b>23%</b>         |
| <b>9M08</b> | <b>Total Gafisa</b>          |             |         |                     | <b>473,435</b> | <b>4,234</b> | <b>77%</b>    | <b>1,585,950</b> | <b>40%</b>         |
| BN          | Camaçari                     | July        | AEL     | Camaçari - BA       | 233,507        | 650          | 50%           | 25,311           | <b>45%</b>         |

|             |                          |                  |              |            |                  |            |
|-------------|--------------------------|------------------|--------------|------------|------------------|------------|
| <b>3Q08</b> | <b>Total Bairro Novo</b> | <b>233,507</b>   | <b>650</b>   | <b>50%</b> | <b>25,311</b>    | <b>45%</b> |
| <b>9M08</b> | <b>Total Bairro Novo</b> | <b>233,507</b>   | <b>650</b>   | <b>50%</b> | <b>25,311</b>    | <b>45%</b> |
| <b>1Q08</b> | <b>TOTAL</b>             | <b>341,035</b>   | <b>1,493</b> |            | <b>577,888</b>   |            |
| <b>2Q08</b> | <b>TOTAL</b>             | <b>880,075</b>   | <b>4,806</b> |            | <b>952,693</b>   |            |
| <b>3Q08</b> | <b>TOTAL</b>             | <b>599,035</b>   | <b>3,576</b> |            | <b>762,450</b>   |            |
| <b>9M08</b> | <b>TOTAL</b>             | <b>1,820,145</b> | <b>9,875</b> |            | <b>2,293,032</b> |            |

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The following table sets forth the financial completion of the construction in progress and the related revenue recognized during the quarter ended on September 30, 2008:

| Company   | Development      | Launch Date | Area (sqm) | % Sold           |      |             |      | Revenues Recognized R\$000 |          | Company Stake |
|-----------|------------------|-------------|------------|------------------|------|-------------|------|----------------------------|----------|---------------|
|           |                  |             |            | Final Completion |      | Accumulated |      | 3Q08                       | 3Q07     |               |
|           |                  |             |            | 3Q08             | 3Q07 | 3Q08        | 3Q07 |                            |          |               |
| BN        | Cotia Phase 1    | dec-07      | 14,144     | 79%              | -    | 70%         | -    | 1,827                      | -        | 50%           |
| BN        | Cotia Phase 2    | dec-07      | 9,473      | 43%              | -    | 59%         | -    | 2,718                      | -        | 50%           |
| BN        | Camaçari Phase 1 | jul-08      | 13,301     | 35%              | -    | 60%         | -    | 2,209                      | -        | 50%           |
| BN        | Camaçari Phase 2 | jul-08      | 19,979     | 15%              | -    | 61%         | -    | 1,319                      | -        | 50%           |
| <b>BN</b> | <b>Total</b>     |             |            |                  |      |             |      | <b>8,072</b>               | <b>-</b> | <b>50%</b>    |

|                   |              |        |           |      |     |      |      |               |               |     |
|-------------------|--------------|--------|-----------|------|-----|------|------|---------------|---------------|-----|
| AlphaVille        | Jacuhy       | dec-07 | 1,082,050 | 28%  | -   | 96%  | -    | 13,417        | -             | 65% |
| AlphaVille        | Recife       | aug-06 | 395,224   | 94%  | 38% | 94%  | 94%  | 2,687         | 1,354         | 65% |
| AlphaVille        | RiodasOstras | sep-07 | 690,448   | 34%  | -   | 96%  | -    | 7,142         | -             | 58% |
| AlphaVille        | CampoGrande  | mar-07 | 517,869   | 90%  | 39% | 75%  | 48%  | 4,998         | 2,382         | 67% |
| AlphaVille        | Gravataí     | jun-06 | 1,309,397 | 96%  | 41% | 98%  | 40%  | 2,589         | 2,100         | 64% |
| AlphaVille        | Eusébio      | sep-05 | 534,314   | 99%  | 74% | 81%  | 60%  | 1,384         | 4,992         | 65% |
| AlphaVille        | Salvador2    | feb-06 | 853,344   | 97%  | 46% | 97%  | 88%  | 6,099         | 5,022         | 55% |
| AlphaVille        | BurleMarx    | mar-05 | 1,305,022 | 97%  | 69% | 33%  | 21%  | 1,272         | 2,601         | 50% |
| AlphaVille        | Londrina2    | dec-07 | 377,650   | 34%  | -   | 49%  | -    | 2,944         | -             | 63% |
| AlphaVille        | Cuiabá2      | may-08 | 256,813   | 24%  | -   | 33%  | -    | 1,976         | -             | 60% |
| AlphaVille        | Araçagy      | aug-07 | 236,118   | 52%  | 25% | 90%  | 85%  | 1,854         | 4,922         | 50% |
| AlphaVille        | Natal        | feb-05 | 1,028,722 | 100% | 97% | 100% | 100% | 3,134         | (2,056)       | 63% |
| AlphaVille        | Others       |        |           |      |     |      |      | 12,875        | 25,740        |     |
| <b>AlphaVille</b> | <b>Total</b> |        |           |      |     |      |      | <b>62,368</b> | <b>47,058</b> |     |

|     |                       |        |        |     |     |     |     |       |       |      |
|-----|-----------------------|--------|--------|-----|-----|-----|-----|-------|-------|------|
| Fit | JAÇANÃ                | mar-07 | 11,157 | 96% | 18% | 98% | 85% | 2,392 | 1,796 | 100% |
| Fit | COQUEIROI             | sep-07 | 16,603 | 37% | -   | 96% | -   | 3,898 | -     | 100% |
| Fit | CITTÁIMBUI            | sep-07 | 13,389 | 29% | -   | 96% | -   | 1,955 | -     | 50%  |
| Fit | COQUEIROII            | sep-07 | 14,520 | 19% | -   | 97% | -   | 2,150 | -     | 80%  |
| Fit | VILAAUGUSTA           | out-07 | 16,223 | 25% | -   | 91% | -   | 1,836 | -     | 100% |
| Fit | JARAGUÁ               | out-07 | 11,582 | 58% | -   | 95% | -   | 4,934 | -     | 100% |
| Fit | MARIAINÊS             | dec-07 | 14,535 | 40% | -   | 57% | -   | 1,164 | -     | 60%  |
| Fit | TABOÃO                | dec-07 | 16,298 | 42% | -   | 97% | -   | 4,572 | -     | 100% |
| Fit | MIRANTEDOSOL          | dec-07 | 19,224 | 19% | -   | 47% | -   | 894   | -     | 100% |
| Fit | JARDIMBOTÂNICO        | dec-07 | 11,083 | 48% | -   | 90% | -   | 1,738 | -     | 55%  |
| Fit | JDBOTÂNICOFASE2       | dec-07 | 11,083 | 28% | -   | 95% | -   | 1,988 | -     | 55%  |
| Fit | GrandPark             | dec-07 | 28,447 | 0%  | -   | 41% | -   | (43)  | -     | 50%  |
| Fit | VilaAllelgro          | feb-08 | 22,422 | 10% | -   | 68% | -   | -     | -     | 50%  |
| Fit | TERRABONITA           | apr-08 | 22,269 | 10% | -   | 13% | -   | 305   | -     | 51%  |
| Fit | CITTÁLAURODEFREITAS   | may-08 | 17,652 | 17% | -   | 78% | -   | 1,347 | -     | 50%  |
| Fit | PARQUEDALAGOINHA      | jun-08 | 13,633 | 15% | -   | 24% | -   | 979   | -     | 75%  |
| Fit | MIRANTEDOPARQUE       | jun-08 | 31,030 | 7%  | -   | 50% | -   | 1,485 | -     | 60%  |
| Fit | PALLADIUM             | jun-08 | 14,778 | 24% | -   | 82% | -   | 4,427 | -     | 70%  |
| Fit | JDBOTHÂNICOJOÃOPESSOA | jun-08 | 20,937 | 3%  | -   | 7%  | -   | 47    | -     | 50%  |
| Fit | PLANALTO              | jun-08 | 25,023 | 22% | -   | 49% | -   | 5,385 | -     | 100% |
| Fit | MIRANTEDOLAGO         | jun-08 | 31,049 | 1%  | -   | 10% | -   | -     | -     | 70%  |



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|            |              |        |        |     |   |     |   |               |              |     |
|------------|--------------|--------|--------|-----|---|-----|---|---------------|--------------|-----|
| Fit        | VIDANOVA     | jul-08 | 16,872 | 1%  | - | 2%  | - | -             | -            | 90% |
| Fit        | BARCELONA    | aug-08 | 33,541 | 1%  | - | 5%  | - | (1)           | -            | 60% |
| Fit        | CRISTAL      | set-08 | 9,170  | 22% | - | 19% | - | 586           | -            | 70% |
| Fit        | VIVAI        | set-08 | 41,529 | 4%  | - | 2%  | - | -             | -            | 90% |
| Fit        | OTHERS       |        |        |     |   |     |   |               |              |     |
| <b>Fit</b> | <b>Total</b> |        |        |     |   |     |   | <b>42,038</b> | <b>1,796</b> |     |

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| Company | Development                | Launch Area |        | % Sold     |      |             |      | Revenues   |        | Gafisa Stake |
|---------|----------------------------|-------------|--------|------------|------|-------------|------|------------|--------|--------------|
|         |                            | Date        | (sqm)  | Final      |      | Accumulated |      | Recognized |        |              |
|         |                            |             |        | Completion | 3Q08 | 3Q07        | 3Q08 | 3Q07       | 3Q08   |              |
| Gafisa  | LONDONGREEN                | jul-07      | 44,007 | 44%        |      |             | 67%  |            | 17,450 | 100%         |
| Gafisa  | VPAGRIAS                   | nov-06      | 21,390 | 74%        | 39%  | 100%        | 72%  | 12,317     | 6,663  | 100%         |
| Gafisa  | CSFACACIA                  | jun-07      | 23,461 | 44%        | 3%   | 95%         |      | 9,801      | 1,160  | 100%         |
| Gafisa  | PENÍNSULAFIT               | mar-06      | 24,080 | 91%        | 48%  | 77%         | 57%  | 9,361      | 7,132  | 100%         |
| Gafisa  | ESPAÇOJARDINS              | may-06      | 28,926 | 80%        | 32%  | 100%        | 99%  | 8,923      | 6,479  | 100%         |
| Gafisa  | VP-MIRABILIS               | mar-06      | 23,355 | 91%        | 59%  | 99%         | 88%  | 8,346      | 10,594 | 100%         |
| Gafisa  | OLIMPICCHAC.SANTOANTONIO   | aug-06      | 24,988 | 71%        | 37%  | 99%         | 95%  | 8,331      | 6,928  | 100%         |
| Gafisa  | ISLARESIDENCECLUBE         | mar-07      | 31,423 | 44%        | 16%  | 85%         |      | 7,273      | 6,449  | 100%         |
| Gafisa  | RCBPAÇODASÁGUAS            | may-06      | 10,836 | 96%        | 53%  | 97%         | 75%  | 7,175      | 4,043  | 45%          |
| Gafisa  | NOVAPETRÓPOLIS             | mar-08      | 36,789 | 15%        |      | 37%         |      | 6,963      |        | 100%         |
| Gafisa  | VPPARIDES                  | nov-06      | 13,093 | 89%        | 58%  | 100%        | 100% | 6,662      | 4,557  | 100%         |
| Gafisa  | PARCPARADISO               | aug-07      | 21,592 | 21%        | 8%   | 93%         |      | 6,276      | 3,955  | 90%          |
| Gafisa  | COLLORI                    | nov-06      | 19,731 | 43%        | 42%  | 93%         | 48%  | 5,596      | 2,098  | 50%          |
| Gafisa  | TERRAÇASALTODALAPA         | mar-08      | 23,248 | 24%        |      | 72%         |      | 5,558      |        | 100%         |
| Gafisa  | CSFPARADISO                | nov-06      | 16,286 | 58%        | 12%  | 89%         | 75%  | 5,506      | 1,356  | 100%         |
| Gafisa  | VILLEDUSOLEIL              | oct-06      | 8,920  | 99%        | 46%  | 67%         | 29%  | 5,406      | 2,134  | 100%         |
| Gafisa  | ARENA                      | dec-05      | 29,256 | 98%        | 76%  | 100%        | 100% | 5,210      | 11,287 | 100%         |
| Gafisa  | DELLAGOURBANIZAÇÃO         | may-05      | 62,022 | 99%        | 60%  | 99%         | 96%  | 5,094      | 7,848  | 100%         |
| Gafisa  | SKYRESIDENCESERVICE        | jun-06      | 9,257  | 100%       | 74%  | 86%         | 84%  | 5,049      | 3,992  | 50%          |
| Gafisa  | BEACHPARKLIVING            | jun-06      | 11,931 | 89%        | 23%  | 88%         | 69%  | 4,860      | 3,358  | 80%          |
| Gafisa  | ENSEADADASORQUÍDEAS        | jun-07      | 42,071 | 29%        | 20%  | 66%         |      | 4,718      | 9,324  | 80%          |
| Gafisa  | ESPACIOLAGUNA              | aug-06      | 13,091 | 68%        | 38%  | 76%         | 32%  | 4,411      | 5,076  | 100%         |
| Gafisa  | VERDEMAR                   | mar-08      | 13,084 | 22%        |      | 54%         |      | 4,326      |        | 100%         |
| Gafisa  | BLUELANDSPE36              | jun-06      | 18,252 | 98%        |      | 65%         |      | 4,137      |        | 100%         |
| Gafisa  | OLIMPICBOSQUEDASAÚDE       | oct-07      | 19,150 | 44%        |      | 80%         |      | 4,042      |        | 100%         |
| Gafisa  | CSFPRÍMULA                 | jun-07      | 13,897 | 42%        |      | 82%         |      | 3,983      |        | 100%         |
| Gafisa  | ACQUARESIDENCE             | dec-07      | 35,536 | 34%        |      | 39%         |      | 3,857      |        | 100%         |
| Gafisa  | RESERVADOLAGO              | feb-07      | 8,449  | 47%        | 8%   | 75%         | 74%  | 3,852      | 707    | 50%          |
| Gafisa  | FELICITA                   | dec-06      | 11,323 | 61%        | 20%  | 91%         | 74%  | 3,737      | 1,972  | 100%         |
| Gafisa  | CSFSANTTORINO              | aug-06      | 14,979 | 67%        | 19%  | 100%        | 100% | 3,551      | 2,249  | 100%         |
| Gafisa  | TOWNHOME                   | nov-05      | 8,319  | 97%        | 60%  | 98%         | 60%  | 3,346      | 3,904  | 100%         |
| Gafisa  | SUPREMO                    | aug-07      | 34,864 | 42%        |      | 84%         |      | 3,132      |        | 100%         |
| Gafisa  | VISION                     | dec-07      | 19,712 | 41%        |      | 75%         |      | 2,982      |        | 100%         |
| Gafisa  | LUMIAR                     | feb-05      | 7,193  | 99%        | 94%  | 94%         | 100% | 2,938      | 1,489  | 100%         |
| Gafisa  | SECRETGARDEN               | may-07      | 15,344 | 36%        | 15%  | 66%         |      | 2,920      | 3,200  | 100%         |
| Gafisa  | Magnific                   | mar-08      | 9,225  | 7%         |      | 63%         |      | 2,834      |        | 100%         |
| Gafisa  | MAGIC                      | oct-07      | 31,487 | 33%        |      | 42%         |      | 2,505      |        | 100%         |
| Gafisa  | VIVANCERES.SERVICE         | nov-06      | 14,717 | 37%        |      | 76%         |      | 2,341      |        | 100%         |
| Gafisa  | OLIMPICCONDOMINIUMRESORT   | oct-05      | 21,851 | 100%       | 81%  | 100%        | 100% | 2,143      | 8,886  | 100%         |
| Gafisa  | VISTTAIBIRAPUERA           | may-06      | 9,963  | 95%        | 59%  | 100%        | 100% | 2,087      | 4,287  | 100%         |
| Gafisa  | CSFDALIA                   | jun-07      | 9,000  | 37%        |      | 81%         |      | 2,085      |        | 100%         |
| Gafisa  | VPJAZZDUET                 | set-05      | 13,400 | 100%       | 87%  | 96%         | 88%  | 1,997      | 7,635  | 100%         |
| Gafisa  | FITRESIDENCESERVICENITERÓI | aug-06      | 8,523  | 62%        | 34%  | 86%         | 84%  | 1,954      | 1,054  | 100%         |
| Gafisa  | GRANDVALLEY                | mar-07      | 16,754 | 42%        |      | 62%         |      | 1,951      |        | 100%         |
| Gafisa  | ORBIT                      | aug-07      | 11,332 | 17%        |      | 30%         |      | 1,927      |        | 100%         |
| Gafisa  | VPHORTO-FASE1(OAS)         | oct-07      | 22,281 | 38%        |      | 100%        |      | 1,903      |        | 50%          |
| Gafisa  | ICARAÍCORPORATE            | dec-06      | 5,683  | 50%        | 33%  | 94%         | 85%  | 1,793      | 1,486  | 100%         |

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|               |                            |        |        |      |     |      |      |                |                |      |
|---------------|----------------------------|--------|--------|------|-----|------|------|----------------|----------------|------|
| Gafisa        | CARPEDIEMBELÉM             | may-08 | 9,766  | 12%  |     | 47%  |      | 1,741          |                | 70%  |
| Gafisa        | THEHOUSE                   | oct-05 | 5,313  | 100% | 38% | 96%  | 96%  | 1,666          | 1,507          | 100% |
| Gafisa        | SUNSPECIALRESIDENCESERVICE | mar-05 | 21,189 | 100% | 87% | 99%  | 83%  | 1,665          | 6,130          | 100% |
| Gafisa        | GRANDVALLEYNITERÓI-FASE1   | oct-07 | 17,905 | 20%  |     | 91%  |      | 1,605          |                | 100% |
| Gafisa        | PRIVILEGERESIDENCIAISPE    | set-07 | 12,938 | 20%  |     | 81%  |      | 1,568          |                | 80%  |
| Gafisa        | RUADASLARANJEIRAS29        | apr-08 | 11,740 | 47%  |     | 98%  |      | 1,534          |                | 100% |
| Gafisa        | MIRANTEDORIO               | oct-06 | 4,875  | 65%  | 21% | 100% | 100% | 1,510          | 2,210          | 60%  |
| Gafisa        | PALMD'OR                   | set-05 | 8,493  | 99%  | 75% | 100% | 100% | 1,475          | 4,055          | 100% |
| Gafisa        | GRANDVALLEYNITERÓI-FASE2   | nov-07 | 7,031  | 18%  |     | 46%  |      | 1,467          |                | 100% |
| Gafisa        | COSTAPARADISO              | apr-05 | 63,041 | 100% |     | 79%  |      | 1,444          |                | 100% |
| Gafisa        | JATIUCA                    | jun-07 | 20,585 | 9%   |     | 31%  |      | 1,390          |                | 50%  |
| Gafisa        | SOLARES DAVILAMARIA        | dec-07 | 13,376 | 19%  |     | 100% |      | 1,361          |                | 100% |
| Gafisa        | Others                     |        |        |      |     |      |      | 10,122         | 109,161        |      |
| <b>Gafisa</b> | <b>Total</b>               |        |        |      |     |      |      | <b>261,155</b> | <b>264,365</b> |      |
|               | <b>TOTAL</b>               |        |        |      |     |      |      | <b>373,632</b> | <b>313,219</b> |      |

**Consolidated Statement of Income**

| <b>R\$ 000</b>                       | <b>3Q08</b>      | <b>2Q08<sup>(1)</sup></b> | <b>1Q08<sup>(1)</sup></b> | <b>3Q07<sup>(1)</sup></b> | <b>3Q08 x<br/>2Q08</b> | <b>3Q08 x<br/>3Q07</b> |
|--------------------------------------|------------------|---------------------------|---------------------------|---------------------------|------------------------|------------------------|
| <b>Gross Operating Revenue</b>       | <b>388,769</b>   | <b>461,971</b>            | <b>343,911</b>            | <b>325,628</b>            | <b>(15.8%)</b>         | <b>19.4%</b>           |
| Real Estate Development and Sales    | 385,562          | 452,346                   | 343,543                   | 314,214                   | (14.8%)                | 22.7%                  |
| Construction and Services Rendered   | 3,207            | 9,625                     | 368                       | 11,414                    | (66.7%)                | (71.9%)                |
| Deductions                           | (15,137)         | (17,591)                  | (12,043)                  | (12,409)                  | (13.9%)                | 22.0%                  |
| <b>Net Operating Revenue</b>         | <b>373,632</b>   | <b>444,380</b>            | <b>331,868</b>            | <b>313,219</b>            | <b>(15.9%)</b>         | <b>19.3%</b>           |
| <b>Operating Costs</b>               | <b>(242,839)</b> | <b>(298,392)</b>          | <b>(221,042)</b>          | <b>(219,038)</b>          | <b>(18.6%)</b>         | <b>10.9%</b>           |
| <b>Gross profit</b>                  | <b>130,793</b>   | <b>145,988</b>            | <b>110,826</b>            | <b>94,181</b>             | <b>(10.4%)</b>         | <b>38.9%</b>           |
| <b>Operating Expenses</b>            | <b>(66,450)</b>  | <b>(69,797)</b>           | <b>(56,206)</b>           | <b>(44,882)</b>           | <b>(4.8%)</b>          | <b>48.1%</b>           |
| Selling Expenses                     | (40,055)         | (34,811)                  | (24,047)                  | (18,941)                  | 15.1%                  | 111.5%                 |
| General and Administrative Expenses  | (23,680)         | (33,209)                  | (31,729)                  | (28,173)                  | (28.7%)                | (15.9%)                |
| Equity Income                        | -                | -                         | -                         | 33                        | -                      | (100%)                 |
| Other Operating Revenues             | (2,715)          | (1,777)                   | (430)                     | 2,199                     | 52.8%                  | (223.5%)               |
| <b>EBITDA</b>                        | <b>64,343</b>    | <b>76,191</b>             | <b>54,620</b>             | <b>49,299</b>             | <b>(15.6%)</b>         | <b>30.5%</b>           |
| Depreciation and Amortization        | (5,346)          | (1,622)                   | (1,750)                   | (1,986)                   | 229.6%                 | 169.2%                 |
| <b>EBIT</b>                          | <b>58,997</b>    | <b>74,569</b>             | <b>52,870</b>             | <b>47,313</b>             | <b>(20.9%)</b>         | <b>24.7%</b>           |
| Financial Income                     | 20,928           | 29,117                    | 14,343                    | 11,543                    | (28.1%)                | 81.3%                  |
| Financial Expenses                   | (6,185)          | (8,727)                   | (8,105)                   | (14,959)                  | (29.1%)                | (58.7%)                |
| <b>Income Before Taxes on Income</b> | <b>73,740</b>    | <b>94,959</b>             | <b>59,108</b>             | <b>43,897</b>             | <b>(22.3%)</b>         | <b>68.0%</b>           |
| Deferred Taxes                       | (10,071)         | (14,787)                  | (8,703)                   | (6,744)                   | (31.9%)                | 49,3%                  |
| Income Tax and Social Contribution   | (5,814)          | (4,877)                   | (3,762)                   | (1,987)                   | 19.2%                  | (192,6%)               |
| <b>Income After Taxes on Income</b>  | <b>57,855</b>    | <b>75,295</b>             | <b>46,643</b>             | <b>35,166</b>             | <b>(23.2%)</b>         | <b>64.5%</b>           |

|                             |               |               |               |               |                |              |
|-----------------------------|---------------|---------------|---------------|---------------|----------------|--------------|
| Minority Shareholders       | (19,885)      | (16,346)      | (3,781)       | (2,777)       | 21.7%          | 616.1%       |
| <b>Net Income</b>           | <b>37,970</b> | <b>58,949</b> | <b>42,862</b> | <b>32,389</b> | <b>(35.6%)</b> | <b>17.2%</b> |
| <b>Net Income Per Share</b> | <b>0.29</b>   | <b>0.46</b>   | <b>0.32</b>   | <b>0.25</b>   |                |              |

<sup>(1)</sup> 1Q08, 2Q08 and 2007 adjusted to include land swaps.

**Consolidated Statement of Income**

| <b>R\$ 000</b>                       | <b>9M08<sup>(1)</sup></b> | <b>9M07<sup>(1)</sup></b> | <b>9M08 x 9M07</b> |
|--------------------------------------|---------------------------|---------------------------|--------------------|
| <b>Gross Operating Revenue</b>       | <b>1,194,651</b>          | <b>851,464</b>            | <b>40.3%</b>       |
| Real Estate Development and Sales    | 1,181,450                 | 831,109                   | 42.2%              |
| Construction and Services Rendered   | 13,201                    | 20,355                    | (35.1%)            |
| Deductions                           | (44,772)                  | (37,384)                  | 19.8%              |
| <b>Net Operating Revenue</b>         | <b>1,149,879</b>          | <b>814,080</b>            | <b>41.2%</b>       |
| <b>Operating Costs</b>               | <b>(762,273)</b>          | <b>(568,804)</b>          | <b>34.0%</b>       |
| <b>Gross profit</b>                  | <b>387,606</b>            | <b>245,276</b>            | <b>58.0%</b>       |
| <b>Operating Expenses</b>            | <b>(192,452)</b>          | <b>(118,298)</b>          | <b>62.7%</b>       |
| Selling Expenses                     | (98,913)                  | (48,277)                  | 104.9%             |
| General and Administrative Expenses  | (88,618)                  | (74,453)                  | 19.0%              |
| Equity Income                        | -                         | (263)                     | (100%)             |
| Other Operating Revenues             | (4,921)                   | 4,695                     | (204.8%)           |
| <b>EBITDA</b>                        | <b>195,154</b>            | <b>126,978</b>            | <b>53.7%</b>       |
| Depreciation and Amortization        | (8,719)                   | (12,564)                  | (30.6%)            |
| Extraordinary Expenses               | -                         | (30,174)                  | (100%)             |
| <b>EBIT</b>                          | <b>186,435</b>            | <b>84,240</b>             | <b>121.3%</b>      |
| Financial Income                     | 64,389                    | 35,260                    | 82.6%              |
| Financial Expenses                   | (23,017)                  | (50,307)                  | (54.2%)            |
| <b>Income Before Taxes on Income</b> | <b>227,807</b>            | <b>69,193</b>             | <b>229.2%</b>      |
| Deferred Taxes                       | (33,561)                  | (2,592)                   | 1,194.8%           |
| Income Tax and Social Contribution   | (14,453)                  | (5,352)                   | 170.0%             |
| <b>Income After Taxes on Income</b>  | <b>179,793</b>            | <b>61,249</b>             | <b>193.5%</b>      |

|                             |                |               |               |
|-----------------------------|----------------|---------------|---------------|
| Minority Shareholders       | (40,012)       | (6,221)       | 543.2%        |
| <b>Net Income</b>           | <b>139,781</b> | <b>55,028</b> | <b>154.0%</b> |
| <b>Net Income Per Share</b> | <b>1.08</b>    | <b>0.43</b>   |               |

<sup>(1)</sup> 1Q08, 2Q08 and 2007 adjusted to include land swaps.

**Consolidated Balance Sheet**

| <b>R\$ 000</b>   | <b>3Q08</b>      | <b>2Q08<sup>(1)</sup></b> | <b>1Q08<sup>(1)</sup></b> | <b>3Q07<sup>(1)</sup></b> | <b>3Q08 x<br/>2Q08</b> | <b>3Q08 x<br/>3Q07</b> |
|--|------------------|---------------------------|---------------------------|---------------------------|------------------------|------------------------|
| <b>ASSETS</b>  |                  |                           |                           |                           |                        |                        |
| <b>Current Assets</b>  |                  |                           |                           |                           |                        |                        |
| Cash and banks   | 36,478           | 22,896                    | 47,614                    | 30,454                    | 59.3%                  | 19.8%                  |
| Financial investments  | 753,847          | 752,113                   | 674,771                   | 341,638                   | 0.2%                   | 120.7%                 |
| Receivables from clients   | 861,283          | 827,556                   | 662,307                   | 501,205                   | 4.1%                   | 71.8%                  |
| Properties for sale  | 1,443,812        | 1,310,114                 | 1,146,282                 | 752,445                   | 10.2%                  | 91.9%                  |
| Other accounts receivable  | 167,242          | 153,245                   | 133,205                   | 119,062                   | 9.1%                   | 40.5%                  |
| Deferred selling expenses  | 46,079           | 29,764                    | 40,012                    | 24,757                    | 54.8%                  | 86.1%                  |
| Prepaid expenses   | 17,892           | 12,912                    | 11,021                    | 7,921                     | 38.6%                  | 125.9%                 |
|  | <b>3,326,633</b> | <b>3,108,600</b>          | <b>2,715,212</b>          | <b>1,777,482</b>          | <b>7.0%</b>            | <b>87.2%</b>           |
| <b>Long-term Assets</b>  |                  |                           |                           |                           |                        |                        |
| Receivables from clients   | 745,464          | 732,753                   | 578,475                   | 384,934                   | 1.7%                   | 93.7%                  |
| Properties for sale  | 167,860          | 86,964                    | 141,232                   | 85,644                    | 93.0%                  | 96.0%                  |
| Deferred selling expenses  | 10,913           | 5,900                     | 4,621                     | 4,379                     | 85.0%                  | 149.2%                 |
| Deferred taxes   | 55,080           | 61,670                    | 69,938                    | 77,316                    | (10.7%)                | (28.8%)                |
| Other  | 65,960           | 48,026                    | 49,770                    | 42,738                    | 37.3%                  | 54.3%                  |
|  | <b>1,045,277</b> | <b>935,313</b>            | <b>844,036</b>            | <b>595,011</b>            | <b>11.8%</b>           | <b>75.7%</b>           |
| <b>Permanent Assets</b>  |                  |                           |                           |                           |                        |                        |
| Investments  | 202,674          | 206,232                   | 209,450                   | 167,574                   | (1.7%)                 | 20.9%                  |
| Properties and equipment   | 32,213           | 32,891                    | 28,967                    | 21,396                    | (2.1%)                 | 50.6%                  |
|  | <b>234,887</b>   | <b>239,123</b>            | <b>238,417</b>            | <b>188,970</b>            | <b>(1.8%)</b>          | <b>24.3%</b>           |
| <b>Total Assets</b>  | <b>4,606,797</b> | <b>4,283,036</b>          | <b>3,797,665</b>          | <b>2,561,463</b>          | <b>7.6%</b>            | <b>79.9%</b>           |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                            |                  |                           |                           |                           |                        |                        |
| <b>Current Liabilities</b>   |                  |                           |                           |                           |                        |                        |
| Loans and financings   | 280,728          | 122,555                   | 82,964                    | 31,731                    | 129.1%                 | 784.7%                 |
| Debentures   | 16,190           | 14,229                    | 2,312                     | 2,043                     | 13.8%                  | 692.5%                 |
| Real estate development obligations                                    | -                | -                         | -                         | -                         | -                      | -                      |
| Obligations for purchase of land                                       | 243,372          | 283,945                   | 200,497                   | 166,286                   | (14.3%)                | 46.4%                  |
| Materials and service suppliers  | 107,668          | 122,452                   | 115,794                   | 78,655                    | (12.1%)                | 36.9%                  |
| Taxes and contributions  | 102,115          | 90,989                    | 79,870                    | 68,415                    | 12.3%                  | 49.3%                  |
| Taxes, payroll charges and profit sharing                              | 24,277           | 34,496                    | 36,292                    | 29,929                    | (29.6%)                | (18.9%)                |
| Advances from clients - real estate,<br>services and swap transactions | 260,021          | 241,783                   | 228,070                   | 168,637                   | 7.5%                   | 54.2%                  |
| Dividends  | -                | 10                        | 26,981                    | -                         | (100%)                 | -                      |
| Other  | 75,131           | 101,930                   | 114,995                   | 21,205                    | (26.3%)                | 254.3%                 |



|  |                  |                  |                  |                  |              |               |
|--|------------------|------------------|------------------|------------------|--------------|---------------|
|  | <b>1,109,502</b> | <b>1,012,389</b> | <b>887,775</b>   | <b>566,901</b>   | <b>9.6%</b>  | <b>95.7%</b>  |
| <b>Long-term Liabilities</b>                 |                  |                  |                  |                  |              |               |
| Loans and financings                         | 590,229          | 457,371          | 465,691          | 102,773          | 29.0%        | 474.3%        |
| Debentures                                   | 490,000          | 490,000          | 240,000          | 240,000          | 0.0%         | 104.2%        |
| Obligations for purchase of land             | 200,794          | 179,088          | 156,393          | 28,600           | 12.1%        | 602.1%        |
| Deferred taxes                               | 90,618           | 87,140           | 80,583           | 62,407           | 4.0%         | 45.2%         |
| Unearned income from property sales          | -                | -                | -                | 637              | -            | -             |
| Other  | 358,147          | 342,983          | 332,597          | 48,129           | 4.4%         | 644.1%        |
|  | <b>1,729,788</b> | <b>1,556,582</b> | <b>1,275,264</b> | <b>482,546</b>   | <b>11.1%</b> | <b>258.5%</b> |
| <b>Deferred Income</b>                       |                  |                  |                  |                  |              |               |
| Deferred income on acquisition of subsidiary | 24,800           | 26,589           | 29,406           | -                | (6.7%)       | -             |
| <b>Minority Shareholders</b>                 | 54,111           | 44,397           | 21,090           | 14,154           | 21.9%        | 282.3%        |
| <b>Shareholders' Equity</b>                  |                  |                  |                  |                  |              |               |
| Capital                                      | 1,229,518        | 1,221,971        | 1,221,971        | 1,220,542        | 0.6%         | 0.7%          |
| Treasury shares                              | (18,050)         | (18,050)         | (18,050)         | (18,050)         | 0.0%         | 0.0%          |
| Capital reserves                             | 167,276          | 167,276          | 167,276          | 167,276          | 0.0%         | 0.0%          |
| Revenue reserves                             | 309,852          | 271,882          | 212,933          | 128,094          | 14.0%        | 141.9%        |
|  | <b>1,688,596</b> | <b>1,643,079</b> | <b>1,584,130</b> | <b>1,497,862</b> | <b>2.8%</b>  | <b>12.7%</b>  |
| <b>Liabilities and Shareholders' Equity</b>  | <b>4,606,797</b> | <b>4,283,036</b> | <b>3,797,665</b> | <b>2,561,463</b> | <b>7.6%</b>  | <b>79.9%</b>  |

(1) 1Q08, 2Q08 and 2007 adjusted to include land swaps.

**Statement of Cash Flows**

|   | <b>3Q08</b>      | <b>2Q08<sup>(1)</sup></b> | <b>1Q08<sup>(1)</sup></b> | <b>9M08<sup>(1)</sup></b> | <b>3Q07<sup>(1)</sup></b> |
|---|------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Net income (loss)                                       | 37,970           | 58,949                    | 42,862                    | 139,781                   | 32,389                    |
| Expenses (income) not affecting working capital         |                  |                           |                           |                           |                           |
| Depreciation and amortization                           | 3,577            | 1,221                     | 42,568                    | 9,366                     | 1,986                     |
| Amortization of negative goodwill                       | 1,769            | 401                       | (2,817)                   | (647)                     | (345)                     |
| Unrealized interest and charges, net                    | 51,278           | 17,117                    | 27,088                    | 95,483                    | (2)                       |
| Deferred taxes  | 10,071           | 14,787                    | 8,703                     | 33,561                    | 6,744                     |
| Minority interest                                       | 9,714            | 23,308                    | 3,867                     | 36,889                    | 10,538                    |
| Decrease (increase) in assets                           |                  |                           |                           |                           |                           |
| Trade accounts receivable                               | (46,438)         | (319,528)                 | (176,245)                 | (542,211)                 | (123,821)                 |
| Properties for sale                                     | (214,594)        | (109,432)                 | (223,385)                 | (547,411)                 | (111,888)                 |
| Other receivables                                       | (39,639)         | (19,828)                  | (40,691)                  | (100,158)                 | (4,347)                   |
| Deferred selling expenses                               | (10,416)         | 8,969                     | (7,611)                   | (9,058)                   | (3,877)                   |
| Prepaid expenses  | (4,979)          | (1,892)                   | (2,197)                   | (9,068)                   | 5,317                     |
| Decrease (increase) in liabilities                      |                  |                           |                           |                           |                           |
| Obligations for purchase of land                        | -                | -                         | -                         | -                         | (1,543)                   |
| Obligations for purchase of real estate                 | (18,867)         | 106,142                   | 120,650                   | 207,295                   | 72,472                    |
| Taxes and contributions                                 | 11,147           | 10,952                    | 8,009                     | 30,108                    | 7,688                     |
| Tax, labor and other contingencies                      | 1,888            | 522                       | -                         | 2,410                     | (44)                      |
| Trade accounts payable                                  | (14,785)         | 6,659                     | 29,085                    | 20,959                    | 3,018                     |
| Advances from customers                                 | 18,236           | 13,714                    | 10,750                    | 42,700                    | (20,677)                  |
| Payroll, charges and provision for bonuses payable      | (10,219)         | (1,796)                   | (2,221)                   | (14,236)                  | 8,788                     |
| Other accounts payable                                  | (17,355)         | 2,568                     | (7,258)                   | (22,045)                  | (3,121)                   |
| Credit assignments payable                              | 53               | (4,394)                   | 46,094                    | 41,753                    | (520)                     |
| Income (expenses) from sales to appropriate             | -                | -                         | (64)                      | (64)                      | (416)                     |
| Cash used in operating activities                       | <b>(231,589)</b> | <b>(191,561)</b>          | <b>(160,813)</b>          | <b>(583,963)</b>          | <b>(121,661)</b>          |
| <b>Investing activities</b>                             |                  |                           |                           |                           |                           |
| Purchase of property and equipment and deferred charges | (2,900)          | (5,145)                   | (6,125)                   | (14,170)                  | (8,213)                   |
| Acquisition of investments                              | -                | -                         | 238                       | 238                       | 136                       |
| Cash used in investing activities                       | <b>(2,900)</b>   | <b>(5,145)</b>            | <b>(5,887)</b>            | <b>(13,932)</b>           | <b>(8,077)</b>            |
| <b>Financing activities</b>                             |                  |                           |                           |                           |                           |

|  |                |                |                |                |                  |
|--|----------------|----------------|----------------|----------------|------------------|
| Capital increase                                     | 7,547          | -              | 125            | 7,672          | 52               |
| Increase in loans and financing                      | 303,037        | 293,475        | 398,490        | 995,002        | 23,458           |
| Repayment of loans and financing                     | (61,322)       | (17,404)       | (23,969)       | (102,695)      | (18,104)         |
| Assignment of credits receivable, net                | 552            | 229            | (8)            | 773            | 408              |
| 2007 Dividends                                       | (10)           | (26,970)       | -              | (26,980)       | -                |
| <b>Net cash provided by financing activities</b>     | <b>249,804</b> | <b>249,330</b> | <b>374,638</b> | <b>873,772</b> | <b>5,814</b>     |
| <b>Net increase (decrease) in cash and banks and</b> | <b>15,315</b>  | <b>52,624</b>  | <b>207,938</b> | <b>275,887</b> | <b>(123,924)</b> |
| <b>Cash and banks</b>                                |                |                |                |                |                  |
| At the beginning of the period                       | 775,009        | 722,385        | 514,447        | 514,447        | 496,016          |
| At the end of the period                             | 790,324        | 775,009        | 722,385        | 790,324        | 372,092          |
| <b>Net increase (decrease) in cash and banks and</b> | <b>15,315</b>  | <b>52,624</b>  | <b>207,398</b> | <b>275,877</b> | <b>(123,924)</b> |

(1) 1Q08, 2Q08 and 2007 adjusted to include land swaps.

