Gafisa S.A.
Form 6-K
August 15, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of August, 2008

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

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

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

Form 20-F ___X___ 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 ___X___

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 ___X___

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 ___X___

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

Gafisa Reports Strong Second Quarter Results

--- Posts 67% Gain in Net Income, 106% EBITDA Increase and Achieves 16.9% EBITDA Margin---
--- 2Q08 Launches Grew 102% to R$953 million; Pre-Sales Rose 62% to R$554 million from 2Q07---
--- 2008 Launch Guidance Raised to R$3.5 billion ---

São Paulo, August 14, 2008 Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil s leading diversified national homebuilder, today reported results for the second quarter ended June 30, 2008. *The financial statements were prepared and presented in accordance with Brazilian GAAP and in Brazilian Reais (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.*

Gafisa is benefiting from its expertise in launching and delivering products to meet the continued growing demand in the housing sector while delivering strong operational and financial results. Launches increased by 102% to R$953 million in the second quarter and pre-sales grew 62% to $554 million as compared to the prior year period noted Chief Executive Officer Wilson Amaral. In addition to launching and developing products for Fit and Bairro Novo, our two recently formed companies that broaden our appeal to all income groups, we are now recording pre-sales and recognizing revenues from all four segments within the Company.

Amaral continued, With over R$775 million in cash, approximately R$200 million in receivables available for securitization, ample access to financing including standby facilities totaling R$1 billion for both construction and general corporate purposes, and a land bank of R$13 billion representing over 65,000 units, we are well positioned to accelerate our rate of growth. For those reasons, as well as the continued strong demand for housing, we are raising our launch guidance for 2008 to R$3.5 billion. We are maintaining our EBITDA margin guidance for the full year 2008 of between 16-17%.

Operating & Financial Highlights

Consolidated launches totaled R$953 million in the quarter, an increase of 102% compared to the second quarter of 2007. Launches in the first half of 2008 increased 98% to R$1,531 million.

Pre-sales from current launches and inventory reached R$554 million in the second quarter, a 62% increase over 2Q07. In the first half of 2008, pre-sales reached R$1,056 million, a 77% increase over 1H07.

Net operating revenues, recognized by the Percentage of Completion (PoC)method, rose 63% to R$436 million from R$267 million in 2Q07, in 1H08 net operating revenues reached R$755 million, a 54% increase over the previous year.

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2Q08 Earnings Results Conference Call
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> In English
10AM EST

11AM Brasilia Time
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Code: Gafisa
> In Portuguese
8AM EST
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Code: Gafisa

2Q08 EBITDA reached R$74 million (16.9% EBITDA margin), a 106% increase compared to 2Q07 EBITDA of R$36 million (13.4% EBITDA margin).

Net Income was R$59 million for the quarter (13.5% net margin) an increase of 67% compared with R$35 million in 2Q07. EPS in 2Q08 was R$0.45, an increase of 67% compared to EPS of R$0.27 in 2Q07.

The Backlog of Results to be recognized under the PoC method reached R$667 million, a 76% increase over 2Q07.

Gafisa s land bank totaled R$13 billion at 2Q08, representing a 113% increase over 2Q07 and an 18% increase over the previous quarter.

Gafisa consolidated its presence in the low-income segment with Fit, which had R$255 million in launches and R$99 million in pre-sales in 2Q08.

In this quarter, Gafisa completed 5 new buildings and AlphaVille completed two developments with a total of 1,180 units and PSV of R$ 224 million.

Gafisa received a Ba2 international rating from Moody s.

Note: 2007 income statement numbers adjusted for capitalized interest.

CEO Commentary and Corporate Highlights for 2Q 2008

I am pleased to report that once again Gafisa is delivering strong operational and financial results. All four of Gafisa s housing segments are now contributing to the financial results of the organization and we see this impact in all measures of the Company s operating profitability. For example, EBITDA reached R$74 million, double that of the previous year s quarter. Importantly, our EBITDA margin grew to 16.9% this quarter from 13.4% in last year s second quarter as we are now seeing the impact of the investments we made in previous quarters to support the development of new housing segments to drive the future growth of the company. With this growth, we are achieving our goals of diversifying our product offering and thus our future revenue stream. In less than two years, with the acquisition of AlphaVille and launch of Fit and Bairro Novo, the original Gafisa segment has gone from providing 100% of launches and pre-sales to 62% of launches and 69% of pre-sales this quarter. As well, with the addition of these new companies we have achieved greater geographic diversity and today we have a presence in 20 states with 143 sites under development.

Our focus on delivering high quality, affordable housing to the lower income segments is proving to be a winning move. Fit Residencial is fully up and running with 18 developments throughout Brazil. From our vantage point, we continue to see strong demand for high quality housing products at the appropriate price points despite the impact of inflation on the purchasing power of this group. In July alone, Fit accounted for R$53 million in pre-sales, more than the total pre-sales amount recorded for the full year of 2007. Additionally, our first Bairro Novo development, Cotia, is advancing as planned and we are applying the valuable experience gained in the launch of a development of this scale to our second Bairro Novo project announced on July 4, Camaçari near Salvador in the State of Bahia.

We have not yet seen an impact on housing demand or access to mortgage financing in Brazil, despite talk of growing global volatility. On the contrary, our experience points to continued robust demand for housing, growing access to financing and improved mortgage terms with respect to repayment terms and loan-to-value offered consumers. This perspective is supported by the continued growth in savings accounts during the first half of 2008 reaching a level of R$196 billion, a 21% growth over June 2007. Regulation in Brazil requires that 65% of those balances be used toward financing home mortgages. As a result, we saw R$13 billion in new mortgages issued in Brazil during the first half of the year, 138% and 71% of total mortgages issued during all of 2006 and 2007, respectively. In June alone, while the Selic rate increased by 75 basis points, the value of new mortgages issued reached a record monthly high of R$3.2 billion, more than all of 2004. Finally, the overall macroeconomic picture for Brazil remains strong which should bode well for wages and employment going forward. Economic growth is fundamental to the continued expansion of Brazil s middle class, a group that still remains highly underserved by the housing sector.

For those reasons, we are raising our launch guidance for 2008 to R$3.5 billion. We are maintaining our EBITDA margin guidance for the full year 2008 of between 16-17%.

On a final note, as I look at the accomplishments that are achieved on a quarterly basis and the growth objectives of this Company across such diverse geographies, it is clear to me that the experience and execution capabilities to deliver on these results can only have been achieved through many years of honing our collective expertise. In June, Gafisa celebrated 54 years of building homes for Brazilians and will soon complete the construction of our 1000th development.

Happy Birthday Gafisa, and thanks to all of our team who are dedicated to delivering high quality residences to all income segments of the population in Brazil.

Wilson Amaral
CEO Gafisa S.A.

Recent Developments

Low Income Segment:

Fit Residencial is quickly becoming a financial contributor to the results of Gafisa as it expands its presence with 18 developments now underway in 13 cities throughout Brazil: São Paulo state, as well as the North, Northeast and Center-West regions and, with its June launch in Paraná, in the South of the country. During the second quarter Fit launched eight developments, six of which were launched in June. Demonstrating the strong appeal of these properties and expanding access to financing by this population segment, Fit recorded pre-sales of R$53 million in July alone, over 50% of the pre-sales recorded for the entire second quarter of 2008.

Bairro Novo is on track to deliver the first phase of 574 units of the Cotia project. On July 4 Bairro Novo launched the first phase of 642 units of its second large scale development which is expected to have 4,500 units when completed. Camaçari, located near Salvador in the state of Bahia is an ideal location for this type of development.

Diversified Geographies and Products:

In December 2006, the Gafisa higher income product represented 100% of the company s revenues, pre-sales and launches and the Company was present in 10 states and 16 cities with 70 developments. At the end of the second quarter 2008, the Gafisa product represents 63% of launches and 67% of pre-sales. The Company is now present in 20 states with 143 sites with Gafisa, AlphaVille, Fit and Bairro Novo now contributing to pre-sales and revenues.

SAP and SOX implementation:

The implementation of the SAP management information system is an important tool in managing the company s operations as it continues to grow and offer diversified housing products and to fulfill the requirements of Sarbanes-Oxley (SOX). The Company has targeted three phases of roll-out for the system company wide, on June 2[nd] the first phase was implemented and is under stabilization. Phases 2 and 3 will be rolled out in September and October 2008, respectively.

Moody s Ba2 International Rating:

Gafisa recently received Ba2 international and Aa3.br Brazil national scale ratings from Moody s, adding to Gafisa s Fitch rating of A(bra) and Standard & Poor s rating of BrA.

Operating and Financial Highlights (R$000)	2Q08	2Q07(1)	Change	1H08	1H07(1)	Change
Project Launches (% Gafisa)	952,693	470,673	102%	1,530,582	773,819	98%
Project Launches (100%)	1,396,194	678,832	106%	2,193,090	1,024,107	114%
Project Launches (Units) (100%)	7,433	2,744	171%	9,538	4,561	109%
Project Launches (Units) (% Gafisa)	4,807	1,912	151%	6,300	3,474	81%
Pre-Sales (% Gafisa)	553,674	342,778	62%	1,055,934	597,281	77%
Sales from current projects launches (% Gafisa)	332,356	224,361	48%	535,977	299,522	79%
Sales from inventory (% Gafisa)	221,318	118,418	87%	519,957	297,760	75%
Pre-Sales (100%)	697,340	439,012	59%	1,413,451	745,525	90%
Pre-Sales (Units) (100%)	3,399	1,806	88%	6,188	2,992	107%
Pre-Sales (Units) (% Gafisa)	2,495	1,390	79%	4,535	2,349	93%
Average Sales Price (R$/sq m) (100% exc. lots)	2,800	2,705	3%	2,680	2,741	(2%)
Net Operating Revenues	435,701	266,548	63%	755,183	490,864	54%
Gross Profits	143,625	77,481	85%	250,621	143,008	75%
Gross Margin	33.0%	29.1%	390 bps	33.2%	29.1%	405 bps
EBITDA	73,848	35,816	106%	124,618	69,594	79%
EBITDA Margin	16.9%	13.4%	351 bps	16.5%	14.2%	232 bps
Extraordinary Expenses (2)	0	0	-	0	(30,174)	-
Net Income	58,749	35,268	67%	100,395	55,815	80%
Net Margin	13.5%	13.2%	25 bps	13.3%	11.4%	192 bps
Earnings per Share	0.45	0.27	67%	0.78	0.44	77%
Average number of shares, basic	129,462,921	129,195,063	0%	129,459,162	127,098,840	2%
Backlog of Revenues	1,928	1,100	75%			
Backlog of Results (3)	667	379	76%			
Backlog Margin (3)	34.6%	34.4%	20 bps			
Net Debt and Obligation to Investors (Cash)	609,146	(125,259)	-			
Cash	775,009	496,016	56%			
Shareholders Equity	1,631,283	1,462,371	12%			
Total Assets	4,095,628	2,295,382	78%			

(1) 2007 financial results are adjusted for capitalized interest here, see Table 9. 1H07 also adjusted for Extraordinary Expenses.
(2) NYSE follow-on offering.
(3) Backlog of results net of sales tax of 3.65%.

Launches

The total number of units launched by Gafisa increased by 151%, to 4,807, in the second quarter as compared to 2Q07, with launches increasing across all segments, and potential sales value more than doubling to R$952.7 million In addition to posting strong gains in launches and pre-sales, Gafisa made significant strides in further diversifying its portfolio geographically, with 60% of launches being made in new markets outside of the states of São Paulo and Rio de Janeiro. Appetite for higher-end properties remained strong while the price per square meter also increased; the Gafisa segment recorded an increase of 27% on a quarter over quarter basis to R$3,276 m². The Company s commitment to expanding the affordable entry level segment increased during the quarter, as exemplified by launches of R$255 million at Fit, and the launch of a second Bairro Novo project in Camaçari, Bahia (Northeast region) in July 2008.

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

Table 1 Launches per Company (Gafisa %)		**2Q08**	**2Q07**	**2Q08 x 2Q07**	**1H08**	**1H07**	**1H08 x 1H07**
Gafisa	PSV (R$ 000)	595,551	470,673	27%	1,086,334	721,827	50%
	Units	2,157	1,912	13%	3,113	2,964	5%
	R$ 000/Unit	276	246	12%	349	244	43%
	R$/m²	3,276	2,573	27%	3,302	2,554	29%
	Area m²	181,805	182,898	(1%)	328,993	282,603	16%
AlphaVille	PSV (R$ 000)	101,877	-	-	160,398	35,018	358%
	Units	708	-	-	1,096	326	236%
	R$ 000/Unit	144	-	-	146	107	36%
	R$/m²	297	-	-	305	233	31%
	Area m²	582,145	-	-	764,893	150,029	410%
Fit	PSV (R$ 000)	255,265	-	-	283,850	16,974	1,572%
	Units	1,942	-	-	2,091	184	1,036%
	R$ 000/Unit	131	-	-	136	92	47%
	R$/m²	2,198	-	-	2,231	1,850	21%
	Area m²	116,125	-	-	127,224	9,173	1,287%
Total	**PSV (R$ 000)**	**952,693**	**470,673**	**102%**	**1,530,582**	**773,819**	**98%**
	Units	**4,807**	**1,912**	**151%**	**6,300**	**3,474**	**81%**
	Area m²	**880,075**	**182,898**	**381%**	**1,221,110**	**441,805**	**176%**

R$ 000

Table 2 Launches per Region (Gafisa %)		**2Q08**	**2Q07**	**2Q08 x 2Q07**	**1H08**	**1H07**	**1H08 x 1H07**
Gafisa	São Paulo	200,627	254,266	(21%)	452,280	329,949	37%
	Rio de Janeiro	85,653	89,767	(5%)	193,884	240,671	(19%)
	New Markets	309,271	126,640	144%	440,169	151,207	191%
	Total Gafisa	595,551	470,673	27%	1,086,334	721,827	50%

AlphaVille	Rio de Janeiro	29,343	-	-	29,343	-	-
	New Markets	72,534	-	-	131,055	35,018	274%
	Total AlphaVille	101,877	-	-	160,398	35,018	358%
Fit	São Paulo	69,464	-	-	69,464	16,974	309%
	New Markets	185,801	-	-	214,386	-	-
	Total Fit	255,265	-	-	283,850	16,974	1,572%
Total	**São Paulo**	**270,092**	**254,266**	**6%**	**521,745**	**346,923**	**50%**
	Rio de Janeiro	**114,996**	**89,767**	**28%**	**223,227**	**240,671**	**(7%)**
	New Markets	**567,605**	**126,640**	**348%**	**785,609**	**186,225**	**322%**
Total		**952,693**	**470,673**	**102%**	**1,530,582**	**773,819**	**98%**

Pre-Sales and Sales Velocity

Pre-sales contracts in the quarter increased 62% to R$554 million as compared to the second quarter of 2007 and reached 58% of new launches. Consistent with the company s strategy of geographic diversification, pre-sales in new markets more than doubled to R$205 million on a quarterly basis, comprising more than a third of total pre-sales for the second consecutive quarter. The second quarter also saw increases in both pre-sales from current project launches, up 48% to R$332 million, as well as from inventory, up 88% to R$222 million. The more recently launched AlphaVille and Fit contributed nearly a third of pre-sales, adding diversification across business segments.

The tables below set forth a breakdown of our pre-sales for the second quarter and the first half of 2007 and 2008:

Table 3 Pre-Sales per Company (Gafisa %)		**2Q08**	**2Q07**	**2Q08 x 2Q07**	**1H08**	**1H07**	**1H08 x 1H07**
Gafisa	PSV (R$ 000)	372,376	316,584	18%	734,749	543,900	35%
	Units	1,061	1,191	(11%)	1,864	1,976	(6%)
	R$ 000/Unit	351	266	32%	394	275	43%
	R$/m²	3,444	2,728	26%	3,430	2,708	27%
	Area m²	108,123	116,056	(7%)	214,232	200,872	7%
AlphaVille	PSV (R$ 000)	74,946	18,363	308%	131,897	42,669	209%
	Units	400	115	248%	637	289	120%
	R$ 000/Unit	187	160	17%	207	148	40%
	R$/m²	358	246	46%	352	265	33%
	Area m²	209,335	74,655	180%	374,500	161,128	132%
Fit	PSV (R$ 000)	98,786	7,831	1,162%	178,883	10,712	1,570%
	Units	936	87	975%	1,825	119	1,433%
	R$ 000/Unit	106	90	17%	98	90	9%
	R$/m²	2,193	1,705	29%	1,973	1,807	9%
	Area m²	45,050	4,592	881%	90,653	5,927	1,429%
Bairro Novo[1]	PSV (R$ 000)	7,566	-	-	10,406	-	-
	Units	98	-	-	137	-	-
	R$ 000/Unit	77	-	-	76	-	-
	R$/m²	1,659	-	-	1,626	-	-
	Area m²	4,560	-	-	6,401	-	-
Total	**PSV (R$ 000)**	**553,674**	**342,778**	**62%**	**1,055,935**	**597,281**	**77%**
	Units	**2,495**	**1,393**	**79%**	**4,462**	**2,384**	**87%**
	Area m²	**367,068**	**195,303**	**88%**	**685,786**	**367,927**	**86%**

R$ 000

Table 4 Pre-Sales per Region (Gafisa %)	**2Q08**	**2Q07**	**2Q08 x 2Q07**	**1H08**	**1H07**	**1H08 x 1H07**

Gafisa	São Paulo	181,807	147,968	23%	320,039	276,334	16%
	Rio de Janeiro	118,185	95,043	24%	193,291	168,483	15%
	New Markets	72,384	73,572	(2%)	221,418	101,964	117%
	Total Gafisa	372,376	316,584	18%	734,749	546,782	34%
AlphaVille	São Paulo	3,511	1,487	136%	5,608	1,723	225%
	Rio de Janeiro	2,801	-	-	5,222	-	-
	New Markets	68,634	16,876	307%	121,067	40,945	196%
	Total AlphaVille	74,946	18,363	308%	131,897	42,669	209%
Fit	São Paulo	34,246	7,831	337%	85,719	7,831	995%
	New Markets	64,540	-	-	93,164	-	-
	Total Fit	98,786	7,831	1,162%	178,883	7,831	2,184%
Bairro Novo [1]	São Paulo	7,566	-	-	10,406	-	-
Total	**São Paulo**	**227,130**	**157,286**	**44%**	**421,772**	**285,888**	**48%**
	Rio de Janeiro	**120,986**	**95,043**	**27%**	**198,513**	**168,483**	**18%**
	New Markets	**205,558**	**90,449**	**127%**	**435,649**	**142,909**	**205%**
Total		**553,674**	**342,778**	**62%**	**1,055,935**	**597,281**	**77%**

Note: [1] Bairro Novo figures presented in this report correspond to Gafisa stake of 50% in the company

Sales Velocity

Sales velocity during the second quarter 2008 was 21% for Gafisa. While Gafisa has several examples of sell-outs and near sell-outs within the first month of opening projects for sale during the second quarter, the pre-sales velocity for each segment during the quarter was heavily impacted by the disproportionately high number of launches across the Company during June. Gafisa launched seven of 12 projects, AlphaVille, three of four and FIT, seven of nine during the final month of the quarter providing no time to record sales against those properties. Sales velocity is calculated as follows:

$$\frac{\text{2Q08 Pre-Sales}}{\text{Inventory End 1Q08 + 2Q08 Launches}}$$

Table 5 Sales Velocity

VSO 2Q08	1Q08 Inventory (a)	2Q08 Launches (b)	(a)+(b)	2Q08 Pre-Sales	VSO
Gafisa	1,236,748	595,551	1,832,299	372,376	20%
AlphaVille	205,317	101,877	307,194	74,946	24%
Fit	164,704	255,265	419,969	98,786	24%
Bairro Novo	22,032	-	22,032	7,566	34%
Total Gafisa	**1,628,801**	**952,693**	**2,581,494**	**553,674**	**21%**

Completed Projects

In this quarter, Gafisa completed seven projects totaling 1,180 units in three regions. The Gafisa segment completed five projects targeted at the mid to mid-high income segments in São Paulo, while AlphaVille completed two large projects with an area of approximately 1 million square meters made up of lots in Ceará and Amazonas.

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

Table 6 2Q08 Completed Projects

	Development	Date	Launch Date	Segment	Location	Area sq m	Units Co %	Company Stake	PSV Co %
Gafisa	Weber Art	Apr-08	Jun-05	MHI	São Paulo - SP	5,812	57	100%	16,641
Gafisa	CSF Sant'Etyene	Apr-08	Jun-05	MID	São Paulo - SP	11,261	111	100%	27,625
Gafisa	Domain Du Soleil VII Panamby	May-08	Sep-05	HIG	São Paulo - SP	8,225	25	100%	34,499
Gafisa	Jazz Duet Villagio Panamby	May-08	Sep-05	HIG	São Paulo - SP	13,400	50	100%	51,152
Gafisa	The Gold	Jun-08	Dec-05	MHI	São Paulo - SP	10,465	28	100%	36,919
Gafisa	**Total**					**49,163**	**271**	**100%**	**166,836**

AlphaVille	AlphaVille Manaus	Apr-08	Aug-05	LOT	Manaus - AM	464,688	404	63%	27,622
AlphaVille	AlphaVille Eusébio	May-08	Sep-05	LOT	Eusébio - CE	534,314	505	65%	29,771
AlphaVille	**Total**					**999,002**	**909**	**64%**	**57,393**
Total						**1,048,165**	**1,180**	**91%**	**224,229**

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 are beginning to contribute to pre-sales and revenues based on the Percentage of Completion or PoC accounting method. The increased launches through Fit and Bairro Novo during the first half of 2008 are expected to increase the pre-sales and revenue contribution of each in future periods.

Table 7 Revenues over Launches and Pre-Sales per Line

1H08	Gafisa	AlphaVille	Fit	Bairro Novo	Total
Launches	1,086,334	160,398	283,850	-	1,530,582
Pre-Sales	734,749	131,897	178,883	10,406	1,055,935
Revenues	593,871	113,693	38,621	8,998	755,183
Launches Share	71%	10%	19%	-	100%
Pre-Sales Share	70%	12%	17%	1%	100%
Revenue Share	79%	15%	5%	1%	100%
Revenues/ Launches	55%	71%	14%	-	49%
Revenues/ Pre-Sales	81%	86%	22%	86%	72%

Land Reserves

Our land bank reached approximately R$13.2 billion, composed of 225 different sites in 66 cities in 21 states, totaling 8,4 million square meters, equivalent to 65,273 units. This ensures our ability to continue to grow launches and sales over the near term. In accordance with our land bank diversification strategy, at the end of the quarter 42% of the consolidated land bank was outside of the Rio de Janeiro and São Paulo states. This gives company added flexibility in developing properties in areas that will generate the highest returns at different points in time. In the second quarter, Gafisa launched projects in 10 different states.

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

Table 8	Land Bank per Region	Future Sales R$000 %Gafisa	% Swap[1]	Usable Area sqm 000 % Gafisa	Potential Units (% Gafisa)	Potential Units (100%)
Gafisa	São Paulo	3,606	27%	1,350	10,162	10,692
	Rio de Janeiro	1,213	24%	526	3,121	3,182
	New Markets	3,041	73%	1,742	10,449	14,578
	Total Gafisa	7,860	47%	3,617	23,732	28,452
AlphaVille	São Paulo	1,111	99%	1,111	7,096	16,827
	Rio de Janeiro	138	100%	138	418	1,144
	New Markets	1,677	95%	1,677	8,678	15,008
	Total AlphaVille	2,926	97%	2,926	16,192	32,979
Fit Residencial	São Paulo	1,175	15%	597	10,892	13,250

	Rio de Janeiro	95	0%	34	576	640
	New Markets	431	7%	229	3,648	5,585
	Total Fit	1,702	12%	860	15,116	19,475
Bairro Novo	São Paulo	48	0%	61	690	1,380
	Rio de Janeiro	230	81%	395	3,746	7,492
	New Markets	391	91%	564	5,797	11,594
	Total Bairro Novo	670	81%	1,020	10,233	20,466
Total		**13,156**	**75%**	**8,423**	**65,273**	**101,372**

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

2008 and 2007 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 9 Capitalized Interest Effect (R$000)

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

2Q08 Revenues

Net operating revenues for 2Q08 rose 63% to R$435.7 million from R$266.6 million in 2Q07, with revenues for the first half reaching R$755.2 million.

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 10 Pre-sales x Recognized Revenues

	2Q08				2Q07			
R$ 000	Pre-Sales	% of Total	Revenues	% of Revenues	Pre-Sales	% of Total	Revenues	% of Revenues
Launched in 2008	331,554	60%	71,153	15%	-	-	-	-
Launched in 2007	165,549	30%	162,108	37%	224,361	65.5%	16,038	6%
Launched in 2006	35,754	6%	141,700	33%	69,984	20.4%	73,398	28%
Launched in 2005	10,536	2%	52,598	12%	40,665	11.9%	128,083	48%
Launched up to 2004	10,280	2%	8,142	3%				