SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the month of August, 2014

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

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

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

Form 20-F ___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 RELEASES 2Q14 RESULTS

FOR IMMEDIATE RELEASE

São Paulo, August 08, 2014

Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, today reported financial results for the quarter ended June 30, 2014.

MANAGEMENT COMMENTS AND HIGHLIGHTS

We are pleased to report continued improvement in Gafisa and Tenda's financial results during the second quarter of 2014. In spite of the uncertain economic environment and the impact, at the end of the quarter, of the World Cup in Brazil, the Company was able to report solid operating results, which positively impacted financial performance.

Gafisa's profitability continues to improve. In the quarter, margins were in line with our expectations and are consistent with the business plan for the year. Adjusted gross margin reached 38.1%, and adjusted EBITDA margin was 20.9%, as a result of our strategy of consolidating operations in the more profitable markets of São Paulo and Rio de Janeiro. In response to the consumer spending environment in Brazil, we are taking a selective approach to product development and closely monitoring the execution process. In the second quarter we launched PSV of R$314.7 million in the Gafisa segment, comprising three projects in São Paulo and Osasco. Pre-sales during the period totaled R$ 251.3 million, reflecting the continued sale of inventory. The speed of sales improved on a sequential basis and was stable year-over-year. In the second quarter, the number of deliveries increased almost three-fold to 1,504 units, compared with 524 units in the 1Q14. The high level of deliveries underpinned the volume of transfers, which reached R$ 442.8 million in the first-half. While the sequential increase in quarterly unit deliveries led to an associated rise in cancellations, the result was lower on a year-over-year basis. The Gafisa segment generated net income of R$ 17.1 million in 2Q14, ending the 1H14 with accumulated income of R$ 14.8 million.

The Tenda segment also performed well. Net pre-sales totaled R$181.7 million, the best quarterly result since the fourth quarter of 2011, which marked the early stage of the turnaround process. The volume of sales cancelations declined 25.5% on a year-over-year basis, reflecting the immediate transfer of sales and the gradual reduction in legacy projects in the portfolio. While the segment's performance improved in the quarter, sales were nonetheless impacted by the World Cup in Brazil, which reduced in store traffic. The performance of projects launched under the New Model was in line with expectations, due to good sales velocity, fast transfer to financial institutions and tight control over construction costs. In 2Q14, Tenda transferred 1,708 units, representing R$223.7 million in sales. This solid operating performance resulted in a significant improvement in financial results. Adjusted gross income reached R$69.4 million in the first-half, with a margin of 24.5%. The Company expects a sequential improvement in Tenda's profitability, due to the ongoing streamlining of the segment's cost and expense structure, the adherence to and strong performance of the New Business Model, and the contribution of a smaller number of underperforming legacy projects.

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Consolidated launch volumes for the quarter reached R$413.7 million and R$949.1 million in the first-half, while pre-sales were R$433.0 million and R$672.3 million respectively. Adjusted gross profit was R$205.2 million with a margin of 35.7% in the quarter, 7.5 percentage points above that of the previous year. The result underscores the improved operating and financial performance achieved by the two segments in 2Q14. During the first-half, adjusted gross profit was R$337.4 million, with a margin of 33.5%. Adjusted EBITDA was R$89.8 million in 2Q14 and R$116.3 million in 1H14, with an EBITDA margin of 15.6% and 11.5%, respectively.

The Company reported a loss of R$851.0 thousand in the second quarter, as a profit of R$17.1 million in the Gafisa segment was offset by a loss of R$18.0 million in the Tenda segment. In 1H14, the net loss was R$40.6 million.

We would also like to highlight the Company's operating cash generation in the first half of the year. We ended 2Q14 with operating cash flow of R$39.1 million, totaling R$ 146.1 million in 1H14, as a result of: (i) the Company's success in transferring units sold to financing agents, with nearly R$851 million transferred in the period; and (ii) greater control over the business cycle. Free cash flow generation in 2Q14 was negative at R$ 1.3 million, while in 1H14, free cash flow was positive at R$19.2 million.

The Net Debt/Equity ratio was 44.9% at the end of June and stable on a sequential basis. Excluding project finance, the Net Debt/Equity ratio was negative 16.9%.

During the second quarter we made further progress in separating the Gafisa and Tenda business units into two independent companies. During the quarter, a number of administrative functions, including Services, Personnel and People Management, among others, were split, and are currently operating independently from an administrative point of view. At the same time, we continue to evaluate the most appropriate capital structure for Gafisa and Tenda.

Looking ahead, we are confident in our business's prospects, and believe that the measures implemented to date mean we are well-positioned to face future challenges.

Sandro Gamba
Chief Executive Officer – Gafisa S.A.

Rodrigo Osmo
Chief Executive Officer – Tenda

FINANCIAL RESULTS

Net revenue recognized by the “PoC” method was R$397.9 million in the Gafisa segment and R$176.9 million in the Tenda segment. This resulted in consolidated revenue of R$574.8 million in the second quarter, a reduction of 10.3% compared with the 2Q13, and an increase of 32.8% from the 1Q14. In the 1H14, net revenue reached R$1,007.5 million.

Adjusted gross profit for 2Q14 was R$205.3 million, up from R$180.0 million in 2Q13 and R$132.1 million in the previous quarter. Adjusted gross margin rose to 35.7% versus 28.1% in the prior-year period and 30.5% in the 1Q14. Gafisa’s contribution was an adjusted gross profit of R$151.5 million, with an adjusted margin of 38.1%, while Tenda’s contribution was R$53.8 million, with a margin of 30.4% in 2Q14. In the first half, consolidated adjusted gross profit was R$337.4 million, and adjusted gross margin was 33.5%.

Adjusted EBITDA was R$89.8 million in the 2Q14. The Gafisa segment reported adjusted EBITDA of R$83.4 million, while the Tenda segment’s adjusted EBITDA was negative at R$1.9 million. Please note that consolidated adjusted EBITDA includes Alphaville equity income, while the Gafisa segment’s adjusted EBITDA is net of this effect. At the end of 1H14, consolidated adjusted EBITDA reached R$116.3 million. Consolidated EBITDA margin reached 15.6% in 2Q14 and 11.5% in 1H14.

The Company reported a consolidated net loss of R$851.0 thousand in the second quarter. Gafisa reported a profit of R$17.1 million, while Tenda reported a loss of R$18.0 million. In the 1H14, the net loss reached R$40.6 million.

Operating cash generation reached R$39.1 million in the 2Q14 and R$146.1 million in the 1H14. In the 2Q14, the Company recorded cash burn of R$1.3 million, while in the first half, cash generation was R$19.2 million.

OPERATING RESULTS

Launches totaled R$413.7 million in the 2Q14, compared to R$535.4 million in the 1Q14. In 1H14, R$949.1 million were launched. The Gafisa segment accounted for R$668.7 million across 6 projects, while the Tenda segment launched 6 projects with a total PSV of R$280.5 million.

Consolidated pre-sales totaled R$433.0 million in the 2Q14, compared to R$386.8 million in the 2Q13. In the 1H14, sales reached R$672.4 million, with R$438.9 million in the Gafisa segment and R$233.5 million in the Tenda segment. Consolidated sales from launches in the period (1H14) represented 32% of the total, while sales from inventory comprised the remaining 68%.

Consolidated sales over supply (SoS) reached 12.6% in 2Q14, compared to 7.5% in 1Q14. The result was stable on a year-over-year basis. In the Gafisa segment, SoS was 9.8%, while in the Tenda segment it was 20.8%.

Consolidated inventory at market value increased R$61.9 million on a sequential basis, reaching R$3.0 billion. Gafisa’s inventory reached R$2.3 billion and Tenda’s inventory totaled R$691.4 million.

Throughout the second quarter, the Company delivered 19 projects, totaling 3,689 units, representing R$678.2 million. The Gafisa segment delivered 1,504 units, while the Tenda segment delivered the remaining 2,185 units.

ANALYSIS OF RESULTS

Gafisa Segment

Gross Margin Expansion and Reduction in Expenses Benefit EBITDA Margin

The Gafisa segment's margin has been improving in recent quarters, due to the consolidation of operations in certain markets and the delivery of legacy projects. In the 2Q14, adjusted gross profit increased to R$ 151.5 million, compared to R$ 116.5 million in the previous quarter and R$ 144.6 million in the 2Q13. Accordingly, the adjusted gross margin reached 38.1%, up from 35.7% in the 1Q14. Another highlight is the 14.0% y-o-y reduction in the amount of expenses, despite higher launch volumes in the period. These factors contributed to an increase in EBITDA margin to 20.9% from 16.8% in 1Q14 and 15.3% in the previous year.

Net Income

Net income for the period was R$17.1 million, compared to a loss of R$2.3 million in 1Q14, and profit of R$11.9 million in the year-ago period. Excluding the equity from Alphaville, at R$8.4 million, the Gafisa segment's net income was positive at R$8.7 million, compared with net income of R$ 1.1 million in 1Q14 and a net loss of R$ 30.6 million in the previous year.

Note that currently Gafisa holds a 30% stake in Alphaville, while in 2Q13 this stake was 80%.

Adjusted Gross Profit	***151.5***	***116.5***	***144.6***
Adjusted Gross Margin	*38.1%*	*35.7%*	*38.7%*
Net Profit	***17.1***	***(2.3)***	***11.9***
Equity income from Alphaville	*8.4*	*(3.4)*	*42.5*
Net Profit Ex-Aphaville	***8.7***	***1.1***	***(30.6)***

Tenda Segment

Significant Gross Margin Expansion and Lower Expenses

The reduced contribution and complexity of Tenda legacy projects, coupled with the resumption of launches under a new business model, is resulting in a gradual improvement in the segment's margins. In the 2Q14, adjusted gross profit increased to R$53.8 million, compared to R$15.6 million in the previous quarter and R$35.4 million in 2Q13. Accordingly, the adjusted gross margin reached 30.4%, compared to a margin of 14.7% in the 1Q14 and 13.3% in 2Q13.

A streamlined cost structure, which better reflects the size of operations, also contributed to the segment's second quarter results. Selling, general and administrative expenses once again decreased from a year earlier, with a sharp 30.0% reduction in selling expenses, despite higher launch volumes in the period. This was mainly driven by the sale of units through Tenda's own stores, which is one of the pillars of the new Tenda business model.

Net Income

Second quarter net income was negative at R$18.0 million, compared to a net loss of R$37.5 million in 1Q14, and R$26.0 million in 2Q13.

Adjusted Gross Profit	***53.8***	***15.6***	***35.4***
Adjusted Gross Margin	*30.4%*	*14.7%*	*13.3%*
Net Profit	**(18.0)**	**(37.5)**	***(26.0)***

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RECENT EVENTS

Share Buyback Program

Regarding the share buyback program in place, on July 25, 2014, the Company had acquired 24 million shares, or around 74% of the total amount permitted, considering the maximum amount of 32,938,554 shares.

The approved program is conditional on the maintenance of consolidated net debt at a level equal to or less than 60% of net equity and does not oblige the Company to acquire any particular amount of shares in the market. The program may be suspended at any time.

On February 28, 2014, the Company canceled an open share buyback program in place in the Tenda subsidiary and opened a new program in Gafisa, containing the same previously defined conditions. The new program can repurchase the remaining balance of shares.

Change in Tenda Securities Issuer Category

In keeping with the process to separate the Gafisa and Tenda business units, on July 29, 2014 the Company informed the market that the Brazilian Securities and Exchange Commission (CVM) authorized Tenda to change its securities issuer category to Category “A”.

Such conversion is part of the first phase of the process to separate the two segments, which was announced in February. Both Gafisa and Tenda are still working on studies related to separation alternatives and assessing issues relating to capital structure, liquidity, fiscal, tax, legal and corporate aspects, among others.

Key Numbers for the Gafisa

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

Launches	314,733	353,934	-11.1%	215,910	45.8%
Net pre-sales	251,290	187,555	34.0%	216,911	15.8%
Net pre-sales of Launches	116,334	37,915	206.8%	109,909	5.8%
Sales over Supply (SoS)	9.8%	7.9%	190 bps	9.8%	0 bps
Delivered projects (Units)	1,504	524	187.0%	1,642	-8.4%
Net Revenue	397,907	326,750	21.8%	374,360	6.3%
Adjusted Gross Profit[1]	151,446	116,530	30.0%	144,575	4.8%
Adjusted Gross Margin[1]	38,1%	35.7%	240 bps	38.7%	-66 bps
Adjusted EBITDA[2]	83,353	54,810	52.1%	57,271	59.5%
Adjusted EBITDA Margin[2]	20.9%	16.8%	417 bps	15.3%	560 bps
Net Income (Loss)	17,132	-2,331	-835.0%	11,867	44.4%
Backlog revenues	1,298,089	1,429,230	-9.2%	1,832,247	-29.2%
Backlog results [3]	470,361	526,273	-10.6%	639,307	-26.4%
Backlog margin [3]	36.2%	36.8%	-59 bps	34.9%	134 bps

1) Adjusted by capitalized interests

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

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

Key Numbers for Tenda

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

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

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

1) Adjusted by capitalized interests

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

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

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Key Consolidated Numbers

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

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

1) Adjusted by capitalized interests

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

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

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Update on the Separation Process

Administrative Split and Next Steps

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

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

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

In this quarter, the Company made the following progress:

(1) Effective separation of the following areas: Services, Personnel and Management Center, among others;

(2) Physical separation of business units, with the aforementioned teams established at their respective head offices: Gafisa and Tenda;

(3) Appointment of Felipe Cohen as the new Chief Financial and Investor Relations Officer of Tenda. The appointment marks an additional step in establishing the Tenda business as a standalone entity.

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

Among the initiatives and studies being undertaken, we highlight:

(1) Review of relationship with agents potentially linked to the separation process in order to align contractual and operational issues related to the possible separation.;

(2) Amendment with the Brazilian Securities and Exchange Commission (CVM), related to the category of Tenda as an issuer. Since late July 2014, Tenda became registered under Category A.

(3) Continuity of studies regarding the definition of a capital structure, which is appropriate to the business cycle of each company, as well as liquidity, and fiscal, tax, legal, corporate aspects, among others.

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

GAFISA SEGMENT

Operating Results

Launches and Pre-Sales

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

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

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

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

Sales over Supply (SoS)

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

Dissolutions

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

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

Inventory

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

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

São Paulo	1,381,135	314,733	94,078	(285,129)	45,702	1,550,518
Rio de Janeiro	561,294	-	7,217	(32,505)	14,626	550,633
Other Markets	256,867	-	18,622	(53,573)	(985)	220,931
Total	**2,199,296**	**314,733**	**119,917**	**(371,207)**	**59,342**	**2,322,081**

During the same period, finished units comprised R$312.9 million, or 13.5% of total inventory. Of this amount, inventory from projects launched outside core markets represented R$180.3 million, as compared to R$196.7 million in 1Q14. The Company has seen an improvement in the sales velocity in these markets over the past few quarters, and believes that between the end of 2015 and beginning of 2016 it will have monetized a relevant portion of its inventory in non-core markets.

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

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

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

Landbank

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

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

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

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

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

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

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

Gafisa Vendas

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

Delivered Projects

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

Table 9. Gafisa Segment - Delivered Projects

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

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

2) PSV - Potential sales value of delivered units.

Financial Results

Revenues

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

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

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

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

Gross Profit & Margin

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

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

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

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

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

Net Revenue	**388,504**	**9,403**	**397,907**
Adjusted Gross Profit	**149,742**	**1,715**	**151,457**
Adjusted Gross Margin	*38.5%*	*18.2%*	*38.1%*

Selling, General and Administrative Expenses (SG&A)

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

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

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

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

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

Adjusted EBITDA

Adjusted EBITDA for the Gafisa segment totaled R$83.4 million in the 2Q14, up 45.5%, as compared to R$57.3 million in the previous year and above the R$54.8 million recorded in 1Q14. Adjusted EBITDA does not take into consideration the impact of Alphaville equity income. The adjusted EBITDA margin, using the same criteria, experienced a sharp increase, reaching 20.9%, compared with a margin of 15.3% in the year-ago period. In 1H14, the Gafisa segment’s adjusted EBITDA reached R$138.2 million, with a margin of 19.1%.

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

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

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

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

2) Gafisa segment EBITDA does not consider the impact of Alphaville equity income.

Backlog of Revenues and Results

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

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

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

TENDA SEGMENT

Operating Results

Tenda Segment Launches

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

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

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

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

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

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Sales over Supply (SoS)

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

Dissolutions

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

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

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

New Model										
Gross Sales	-	-	-	-	13,656	57,011	59,713	84,491	94,365	116,302
Dissolutions	-	-	-	-	-	(2,126)	(7,433)	(6,293)	(34,195)	(25,135)
Net Sales	-	-	-	-	13,656	54,885	52,279	78,197	60,170	91,167
Legacy Projects										
Gross Sales	249,142	344,855	293,801	287,935	225,646	270,677	223,909	154,197	150,566	183,040
Dissolutions	(339,585)	(329,127)	(263,751)	(317,589)	(232,517)	(155,722)	(126,038)	(68,769)	(158,969)	(92,479)
Net Sales	(90,443)	15,728	30,050	(29,653)	(6,871)	114,956	97,872	85,429	(8,402)	90,561
Total										
Dissolutions	3,157	2,984	2,202	2,509	1,700	1,172	924	491	1,259	810
Gross Sales	249,142	344,855	293,801	287,935	239,302	327,689	283,622	238,688	244,931	299,342
Dissolutions	(339,585)	(329,127)	(263,751)	(317,589)	(232,517)	(157,848)	(133,471)	(75,062)	(193,164)	(117,614)
Net Sales	(90,443)	15,728	30,050	(29,653)	6,785	169,841	150,151	163,626	51,767	181,728

Total (R$)	**(90,443)**	**15,728**	**30,050**	**(29,653)**	**6,785**	**169,841**	**150,151**	**163,626**	**51,767**	**181,728**
MCMV	**(95,759)**	**21,461**	**7,977**	**(3,630)**	**36,191**	**142,602**	**119,215**	**122,428**	**57,157**	151,434
Out of MCMV	**6,316**	**(5,733)**	**22,074**	**(26,023)**	**(29,406)**	**29,239**	**30,936**	**41,198**	**(5,390)**	30,294

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

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

Tenda Segment Transfers

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

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

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

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

Tenda Segment Delivered Projects

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

Inventory

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

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

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

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

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

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

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

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

Tenda Segment Landbank

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

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

São Paulo	498,607	10%	10%	0%	3,571	3,600