Gafisa S.A.
Form 6-K
August 07, 2007

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of August, 2007

Commission File Number: 001-33356

Gafisa S.A.
(Translation of registrant's name into English)

Av. Nacoes Unidas No. 4777, 9th floor
Sao 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 of 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 S.A.

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1	Communication dated August 06, 2007, regarding the earnings release of the 2Q07.

Gafisa Reports Strong Second Quarter Results
Net operating revenue increases 75% to R$267 million
Company posts 72% growth in launches and 50% growth in pre-sales

Sao Paulo, August 6, 2007 - Gafisa S.A. (Bovespa: GFSA3; NYSE: GFA), Brazil's leading diversified national homebuilder, today reported its financial results for the second quarter ended June 30, 2007 (2Q07). The following financial and operating information, unless otherwise indicated, was prepared and presented in accordance with Brazilian GAAP (BR GAAP) and in Brazilian Reais (R$). 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.

Commenting on second quarter results, Wilson Amaral, chief executive officer of Gafisa S.A. said, "I am pleased with the operating and financial results we delivered in the first half of 2007. Not only did we launch new developments valued close to R$800 million, on a consolidated basis, but importantly, we also continued to show robust pre-sales results during the quarter, indicating increasing consumer demand for our products. We are committed to serving all levels of the homebuyer market through products tailored to their needs and to the introduction of new financing options for consumers. This commitment, coupled with positive industry trends, strong brand recognition and a well capitalized balance sheet, puts Gafisa in a sound position to continue to deliver rapid and sustainable growth." Additional management comments about the Company's results can be found on page 4 of this release.

Operating & Financial Highlights for the 2Q07

o Project Launches for 2Q07 totaled R$470.7 million, a 71.6% increase over 2Q06. Pre-sales for 2Q07 totaled R$342.8 million, a 49.8% increase over 2Q06.

o For the three months ended June 30, 2007, consolidated net operating revenues, recognized by the Percentage of Completion ("PoC") method, rose 75.2% to R$266.5 million from R$152.2 million for the 2Q06 period.

o 2Q07 EBITDA reached R$38.4 million (14.4% EBITDA margin), a 90.4% increase compared to the R$20.2 million 2Q06 EBITDA (13.3% EBITDA margin).

o Net Income for 2Q07 was R$32.1 million (12.1% Net Income margin), an increase of 52.2% compared with the adjusted net income of R$21.1 million in 2Q06 (13.9% Net income margin). 2Q07 Adjusted Earnings per Share was R$.25, a 20.6% increase compared to the R$.21 in 2Q06.

o The Backlog of Results to be recognized under

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2Q07 Earnings Results
Conference Call
Date:
Tuesday, August 7, 2007
> In English
11:00am EST
12:00pm Brasilia Time
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Code: 9046538
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Code: Gafisa

the PoC method reached R$418.8 million in 2Q07 representing 75.4% growth over 2Q06. The Backlog Margin to be recognized reached 38.1%.

o In 2Q07 we continued consolidating our national presence, launching developments in Maceio (state of Alagoas), Manaus (state of Amazonas), Salvador (state of Bahia) and Belem (state of Para). Also, in June we launched our first development in Santos (state of Sao Paulo).

o During the quarter Gafisa launched an innovative mortgage product with a leading financial institution, "Blue Print Mortgage." This new product offers consumers favorable rates with a long-term repayment option while reducing working capital requirements for Gafisa. In three recent project launches offering the Blueprint mortgage option on average 69% of the units sold utilized the credit facility.

o Working capital requirements continue to improve as more homebuyers finance pre-sales through bank mortgages. During the first semester of 2007 60% of our pre-sales were financed with bank mortgages, compared with 35% during the year of 2006.

o Leveraging Gafisa's existing regional partnerships, Fit Residencial has expanded its national footprint. FIT is currently developing projects in Salvador (Bahia), Belem (Para), Goiania (Goias) and Porto Alegre (Rio Grande do Sul). Fit Residencial's Land Bank reached R$233 million.

Recent Developments

During the second quarter of 2007, Fit Residencial, a wholly-owned subsidiary focused on urban developments for the mid-low income segment of the market, accelerated the ramp-up of its operations. Strong consumer acceptance of Fit's first project in Jacana, launched in March 2007, resulted in sales reservations of over 85% (Fit Residencial recognizes sales only after the client has received the final approval by Caixa Economica Federal). A dedicated team from CEF working closely with Fit on qualifying home-buying applicants has resulted in smooth and efficient credit processing procedures averaging less than 30 days to complete. Leveraging Gafisa's existing partnerships, Fit Residencial expanded its national footprint and increased its land bank to R$233 million. Fit is currently developing projects in Salvador (Bahia), Belem (Para), Goiania (Goias) and Porto Alegre (Rio Grande do Sul).

In 1Q07, Gafisa created a joint venture, Bairro Novo, with Odebrecht Empreendimentos Imobiliarios, Ltda to exclusively develop, manage and build large scale Affordable Entry Level (AEL) projects in suburban areas, with over 1,000 units per development. Since that time, a management team has been named and plans are underway to launch the joint venture's first project during the first semester of 2008. Modeled after the Mexican affordable housing model, Bairro Novo will develop large standardized communities, complete with the necessary community and public infrastructure.

During the quarter Gafisa launched an innovative mortgage product with a leading financial institution, "Blue Print Mortgage." This new financial product allows buyers to finance a 10% initial down payment as well as lock-in a twenty-five year bank mortgage on the remaining 90% purchase price of a new home prior to construction. Home buyers without an established credit history are able to qualify by paying monthly installments on a timely basis. Additionally, home buyers receive their units 6 to 10 months ahead of the regular schedule, bringing important savings in rent and increased quality of life. This new product offers consumers a favorable rate with a long-term repayment option while reducing working capital requirements for Gafisa.

On March 16, 2007 Gafisa became the first Brazilian homebuilder publicly-traded on the New York Stock Exchange (NYSE). Since the follow-on offering on the Bovespa and the NYSE listing, the Company's trading volume has increased nearly fourfold, with an average daily trading volume of 700.000 common shares on the BOVESPA (approximately R$20MM) and an average daily trading volume of 650.000 common shares on the NYSE (approximately US$10MM).

During the quarter, the portion of Gafisa's outstanding shares held by public investors ("float") increased to 86%, reinforcing the Company's position as a truly public company with a strong commitment to the highest standards of corporate governance. Management believes that this provides Gafisa with an important competitive edge in today's marketplace.

Operating and Financial Highlights	2Q07	2Q06	Var. (%)	
Project Launches (R$000) (% Gafisa)	470,673	274,215	72%	
Project Launches (R$000) (including partners stakes)	678,832	372,196	82%	1
Project Launches (Units) (including partners stakes)	2,744	1,254	119%	
Average Project Launch Price (R$/sq.m) (100% without lots)	2,625	2,853	-8%	
Pre-Sales (R$000) (% Gafisa)	342,778	228,870	50%	
Sales from projects launched in 2007 (R$000) (% Gafisa)	224,361	143,699	56%	
Sales from inventory prior to 2007 (R$000) (% Gafisa)	118,418	85,171	39%	
Pre-Sales (R$000) (including partners stakes)	439,012	272,458	61%	
Pre-Sales (Units) (including partners stakes)	1,806	766	136%	
Average Sales Price (R$/sq.m) (100% without lots)	2,705	2,805	-4%	
Net Operating Revenues	266,548	152,151	75%	
Gross Profits	80,081	39,124	105%	
Gross Margin	30.0%	25.7%	4.33p.p.	
EBITDA	38,416	20,175	90%	
EBITDA Margin	14.4%	13.3%	1.15p.p.	
Extraordinary Expenses	0	-1,840	-100%	
Adjusted Net Income	32,140	21,122	52.2%	
Adjusted Net Margin	12.1%	13.9%	-1.82p.p.	
Adjusted Earnings per Share	0.25	0.21	20.6%	
Average number of shares, basic	129,195,063	102,430,921	26%	12
Backlog of Revenues	1,100	540	104%	

Backlog of Results	419	239	75%
Backlog Margin(1)	38.1%	44.2%	-6.15p.p.
Net Debt (Cash)	-125,259	-147,045	-15%
Cash	496,016	422,779	17%
Shareholders' Equity	1,462,371	807,633	81%
Total Assets	2,295,381	1,406,612	63%

Note: (1) In order to increase transparency and visibility of future earnings, during the fourth quarter ended December 31st 2006, the Company changed the accounting practice adopted with respect to the costs and earnings to be recognized in our backlog.

CEO Commentary and Corporate Highlights for Fiscal 2Q07

Fueled by continued growth in the housing industry reflecting increased consumer demand and greater access to financing, Gafisa turned in strong results for the second quarter of 2007. With 20 launches representing almost R$800 million in potential sales value, and 57% growth in pre-sales during the first semester of 2007, Gafisa continued to show that its team is executing on plan and its products are meeting consumer demand.

The real estate market continues to benefit from rising consumer confidence, decreasing interest rates, expansion of loan terms and the strong inflow of commercial bank mortgages. Demand for housing has been fueled by increasing access to financing. The first semester of 2007 was marked by impressive mortgage financing growth in Brazil, with a 67% increase in the amount of mortgages granted over the first semester of 2006.

Competition, particularly in Sao Paulo, is increasing as additional well capitalized players enter the market. Although we haven't seen scarcity of available land, prices have been increasing and permitting is becoming more difficult. Over the years Gafisa has developed proprietary technology for permitting projects, which together with our well diversified land bank, has enabled the company to continue approving and launching developments on schedule.

Importantly, the Company's strong performance during the first half of 2007 reflects positively on our ability to execute on our long term strategy. We have been able to leverage our competitive advantages to the benefit of our customers, partners and shareholders:

Brand: Homebuyers trust the quality of the Gafisa product and have seen a track-record of on-time deliveries. Our high sales velocity speaks to the strength of our brand.

Land Bank: The Company has one of the most expansive and diversified land banks. Gafisa now owns approximately R$6.2 billion in its land bank, in 91 different sites, equaling almost 50.000 units. Importantly, this land bank is highly diversified, with almost 70% outside of the cities of Rio de Janeiro and Sao Paulo. As mentioned above, although permitting has become a bottleneck for some companies, Gafisa's proprietary technology for permitting projects together with our well-diversified land bank, has enabled us to continue launching on schedule.

Management: Gafisa's professional management team, as well as its distinguished training program, continues to attract an unprecedented number of candidates, ensuring a strong pool of management into the future. The 2007 trainee program has recently been launched and expanded to include recruiting in all 27 states of Brazil.

Transparency: Gafisa's reputation for transparency has made us the preferred partner for consumers who want consistent quality and on-time delivery, joint venture partners who expect fair and transparent relationships, to shareholders who demand the highest standards of corporate governance.

The second quarter of 2007 was highlighted by many significant accomplishments. I am excited about the opportunities and remain confident in the strength of our professional management team's ability to continue to execute on our long-term growth strategy.

Wilson Amaral
CEO - Gafisa S.A.

Project Launches and Pre-Sales

Gafisa's project launches rose by 71.6%, or R$196.5 million, from R$274.2 million in 2Q06 to R$470.7 million in 2Q07. Following our strategy of diversification into under-explored markets, during 2Q07 Gafisa launched in Maceio (in the state of Alagoas), Manaus (in the state of Amazonas), Salvador (in the state of Bahia) and Belem (in the state of Para). Also, 2Q07 marked Gafisa's debut in Santos (in the state of Sao Paulo). In 2Q07, 53.6% of the launches were in markets outside the cities of Sao Paulo and Rio de Janeiro.

The decrease in the average price per square meter for the developments launched during 2Q07 (R$2,625, compared to R$2,853 during the same period in 2006) is due to the fact that the mix of our launches in 2Q06 was more concentrated on the High and Mid-high Income segments (48% of launches in 2Q06), which are characterized by a higher price point.

The tables below detail new projects launched in the second quarter and the first 6 months of 2007:

Table 1 - 2Q07 Launches by Segment (1)

	Launches (R$000) (% Gafisa)			Launch price (R$/sq.m) (100%)			La
Segments	2Q07	2Q06	Change (%)	2Q07	2Q06	Change (%)	
HIG	-	36,244	-100%	NA	3,638	NA	
MHI	176,789	95,955	84%	3,178	3,296	-4%	
MID	290,796	99,712	192%	2,392	2,213	8%	1
AEL	3,087	-	NA	1,467	NA	NA	
LOT	-	42,303	-100%	NA	278	NA	
COM	-	-	NA	NA	NA	NA	
TOTAL	470,673	274,215	72%	2,625	2,853	-8%	2

Table 2 - 2Q07 Launches by Region

Goeg. Region	2Q07	2Q06	Change (%)	2Q07	2Q06	Change (%)	
Sao Paulo	128,545	73,266	75%	2,305	3,481	-34%	
Rio de Janeiro	89,767	58,933	52%	3,176	3,191	0%	
New Markets	252,360	142,016	78%	2,610	2,213	18%	1
TOTAL	470,673	274,215	72%	2,625	2,853	-8%	2

Segment Breakdown(1): HIG = High Income / MHI = Mid-High / MID = Middle Income / AEL = Affordable Entry Level / LOT = Urbanized Lots /COM = Commercial (commercial buildings).

Table 3 - 1H07 Launches by Segment (1)

	Launches (R$000) (% Gafisa)			Launch price (R$/sq.m) (100%)			L
Segments	1H07	1H06	Change (%)	1H07	1H06	Change (%)	
HIG	-	82,397	-100%	NA	3,778	NA	
MHI	176,789	172,134	3%	3,178	3,285	-3%	
MID	541,951	99,712	444%	2,452	2,213	11%	2
AEL	20,061	6,983	187%	1,729	1,808	-4%	
LOT	35,018	42,303	-17%	232	278	-16%	2
COM	-	32,709	-100%	NA	5,169	NA	
TOTAL	773,819	436,239	77%	2,584	3,062	-16%	6

Table 4 - 1H07 Launches by Region

	Launches (R$000) (% Gafisa)			Launch price (R$/sq.m) (100%)			L
Geog. Region	1H07	1H06	Change (%)	1H07	1H06	Change (%)	1H
Sao Paulo	221,202	156,428	41%	2,296	3,292	-30%	110
Rio de Janeiro	133,782	137,795	-3%	3,018	3,646	-17%	61
New Markets	418,835	142,016	195%	2,609	2,213	18%	429
TOTAL	773,819	436,239	77%	2,584	3,062	-16%	601

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(1) For information about segmentation, refer to glossary in the end of this report.

Pre-sales for the three-month period ended June 30, 2007 amounted to R$342.8

million, a 50% increase over the same quarter in the previous year. As the strong sales figures confirm, the increased supply in the market has not decreased Gafisa180>s sales velocity.

In 2Q07, 83.0% of our pre-sales came from the mid (MID) and mid-high (MHI) segments. High income (HIG), lots and affordable entry level accounted for the remaining 17.0%. The large growth in the MID and MHI segments demonstrates that the fundamentals of the industry remain very compelling. The real estate market is benefiting from rising consumer confidence, decreasing interest rates, expansion of loan terms and the strong inflow of commercial bank mortgages.

Our diversification strategy is showing strong results, as we continue to launch and sell quickly in new markets. Our pre-sales in new markets increased 298%, and accounted for 47% of our total pre-sales in 2Q07.

The tables below set forth a detailed breakdown of our pre-sales for the second quarter and the first 6 months of 2007:

Table 5 - 2Q07 Pre-Sales by Segment (1)

	Pre-Sales (R$000) (%Gafisa)			Sales price (R$/sq.m) (100%)			P
Segments	2Q07	2Q06	Change (%)	2Q07	2Q06	Change (%)	
HIG	21,924	49,451	-56%	3,633	4,018	-10%	
MHI	69,889	108,688	-36%	3,060	3,189	-4%	
MID	214,787	50,549	325%	2,619	2,089	25%	1
AEL(2)	13,027	11,628	12%	1,984	1,239	60%	
LOT	16,105	6,976	131%	189	738	-74%	1
COM	7,047	1,578	347%	4,971	3,151	58%	
TOTAL	342,778	228,870	50%	2,705	2,805	-4%	27

Table 6 - 2Q07 - Pre-Sales by Region

Geog. Region	2Q07	2Q06	Change (%)	2Q07	2Q06	Change (%)	
Sao Paulo	129,945	129,908	0%	3,004	3,069	-2%	6
Rio de Janeiro	50,958	58,270	-13%	2,969	2,660	12%	2
New Markets	161,876	40,693	298%	2,754	2,271	21%	19
TOTAL	342,778	228,870	50%	2,705	2,805	-4%	27

Table 7 - 2Q07 Pre-Sales by Launch Year

Launching year	2Q07	2Q06	Change (%)	2Q07	2Q06	Change (%)	
Launches from 2007	224,361	-	NA	2,693	-	NA	13
Launches from 2006	69,984	143,699	-51%	3,029	3,320	-9%	3

Launches from 2005	48,433	85,171	-43%	3,059	251	1118%	10
TOTAL	342,778	228,870	50%	2,705	2,805	-4%	27

Note: (1) For information about segmentation, refer to glossary in the end of this report. (2) Fit Residencial recognizes sales only after the client has received the final approval by Caixa Economica Federal.

Table 8 - 1H07 Pre-Sales by Segment

	Pre-Sales (R$000) (%Gafisa)			Sales price (R$/sq.m) (100%)			P
Segments	1H07	1H06	Change (%)	1H07	1H06	Change (%)	
HIG	46,432	65,028	-29%	3,718	3,854	-4%	
MHI	128,544	159,761	-20%	3,160	3,252	-3%	
MID	336,713	98,209	243%	2,574	2,207	17%	1
AEL2	15,796	24,642	-36%	1,934	1,452	33%	
LOT	45,973	8,978	412%	238	691	-66%	2
COM	23,823	24,588	-3%	5,206	4,791	9%	
TOTAL	597,281	381,206	57%	2,799	2,838	-1%	

Table 9 - 1H07 - Pre-Sales by Region

Geog. Region	1H07	1H06	Change (%)	1H07	1H06	Change (%)
Sao Paulo	229,950	226,338	2%	2,736	2,881	-5%
Rio de Janeiro	90,830	95,366	-5%	2,923	3,129	-7%
New Markets	276,501	59,502	365%	2,811	2,258	24%
TOTAL	597,281	381,206	57%	2,799	2,838	-1%

Table 10 - 1H07 Pre-Sales by Launch Year

Launching year	1H07	1H06	Change (%)	1H07	1H06	Change (%)	
Launches from 2007	299,521	-	NA	2,611	-	NA	2
Launches from 2006	200,261	186,163	8%	3,011	3,442	-13%	
Launches from 2005	57,765	128,594	-55%	3,099	2,540	22%	
Up to 2004 launchings	39,734	66,449	-40%	3,228	2,230	45%	1
TOTAL	597,281	381,206	57%	2,799	2,838	-1%	5

(1) For information about segmentation, refer to glossary in the end of this report. (2) Fit Residencial recognizes sales only after the client has received

the final approval by Caixa Economica Federal.

Operations

Gafisa now has 89 projects under construction in 14 different states, totaling approximately 5.1 million square meters. With a strong record of managing multiple construction sites spread over a wide geographical area, we believe Gafisa has the expertise to deliver on our aggressive launch strategy.

We have delivered 12 projects this year and expect to deliver another 19 by the end of the year.

Land Reserves

Consistent with our established land bank policies, the Company owns approximately R$6.2 billion in its land bank distributed in 91 different sites. Gafisa's current land reserve totals R$3.3 billion as we continue aligned with our policy of maintaining land reserves of two to three years of future project launches. The land bank totals 1.5 million square meters, which is equivalent to 13,425 units, of which 9,541 units are in the middle and mid-high income segments. AlphaVille's current land reserves totals R$2.6 billion, which is equivalent to 12.3 million square meters, and 33,388 units. Fit's current land reserves totals R$233.1 million, which is equivalent to 137 thousand square meters, and 2,965 units.

We continue with our land bank diversification strategy and at the end of the quarter 68% of Gafisa's land bank was outside the cities of Rio de Janeiro and Sao Paulo. Our land bank reflects our strategy of servicing all levels of the homebuyer market. One of our goals going forward is to continue increasing the land bank for Fit Residencial, aimed at the Affordable Entry Level segment.

As of June 30, 2007, the proportion of land acquired through swap agreements in Gafisa dropped to 70.3% compared to 72.4% in March 31, 2007. In 2Q07, the percentage of swap agreements in our land reserve in the city of Sao Paulo decreased to 39.4% from 46.6% in 1Q07. The stock of land acquired through swap agreements in the city of Rio de Janeiro and in new markets was 88.6% and 72.4%, respectively.

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

Table 11a - Land Bank Gafisa

	Potential Units				Future Sale
	HIGH	MID & MHI	AEL	COM&LOTS	
Sao Paulo	636	2,074	-	102	1,19
Rio de Janeiro	776	750	-	418	50
New Markets	764	6,717	-	1,188	1,62

Total	2,176	9,541	-	1,708	3,32
% of Total	16%	71%	0%	13%	

Table 11b - Land Bank AlphaVille

	Potential Units LOTS	Future Sales (R$000)	% acquired Swap
Sao Paulo	15,739	1,033	85.1%
Rio de Janeiro	1,736	178	100.0%
New markets	15,913	1,396	82.3%
Total	33,388	2,607	84.6%
% of Total	100%		

Table 11c - Land Bank Fit Residencial

	Potential Units AEL	Future Sales (R$000)	% acquired Swap
Sao Paulo	1,199	87	0.0%
Rio de Janeiro	-	-	0.0%
New markets	1,766	145	16.0%
Total	2,965	233	10.6%
% of Total	100%		

2Q07 - Revenues

Total net operating revenues for the three months ending June 30, 2007 rose 75% to R$266.5 million from R$152.2 million over the same period of the previous year. This growth was primarily due to the recognition of higher pre-sales from previous periods.

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 12 - Pre-sales x Recognized revenues - 2Q07

	2Q07					
Launching year	Pre-Sales	% of Total	Revenues	% of Revenues	Pre-Sales	% of Total

Developments						
Launched in 2007	224,361	65.5%	16,038	6.0%		
Launched in 2006	69,984	20.4%	73,398	27.5%	143,699	62.8%
Launched in 2005	40,665	11.9%	128,083	48.1%	48,347	21.1%
Launched up to 2004	7,768	2.3%	49,029	18.4%	36,824	16.1%
TOTAL	342,778	100.0%	266,548	100.0%	228,870	100.0%

2Q07 - Gross Profits

Gross profits for 2Q07 totaled R$80.1 million, an increase of 105% compared to the second quarter of 2006. The gross margin for 2Q07 was 30.0%, 430 basis points (bps) higher than the same period of 2006. This result has been influenced by the increase in sales at higher margins as we have been recognizing revenue from projects launched in 2005 and 2006.

2Q07 - Selling, General, and Administrative Expenses (SG&A)

Our aggressive growth strategy leads to higher SG&A expenses. As seen below, the main effect comes from the growth in G&A expenses. This growth is due to the consolidation of AlphaVille (R$5.5 million), and the ramp-up of Fit Residencial and Bairro Novo (R$2.8 million). Additionally, bonus provisions (R$4.9 million), which were previously accrued at year end are now accrued quarterly.

In the current scenario, it is more appropriate to compare SG&A expenses with the company's launches due to the lag in revenue recognition.

Table 13 - SG&A expenses	2Q07	2Q06	
Selling Expenses	17,330	9,422	Selling Expenses
G&A Expenses	27,146	10,021	G&A Expenses
SG&A	44,476	19,443	SG&A

	2Q07	2Q06	
Selling Expenses / Launches	3.7%	3.4%	Selling Expenses / Launches
G&A Expenses / Launches	5.8%	3.7%	G&A Expenses / Launches
SG&A / Launches	9.4%	7.1%	SG&A / Launches

2Q07 - EBITDA

EBITDA for 2Q07 totaled R$38.4 million, 90% higher than the R$20.2 million in 2Q06. As a percentage of net revenues, EBITDA increased 115 bps from 13.3% in 2Q06 to 14.4% in the 2Q07.

Our aggressive growth strategy leads to higher SG&A expenses, as Gafisa expenses selling on a cash basis and increases the G&A to support growth. As we recognize 100% of the expenses as they are incurred, but use the PoC method to recognize the revenues, SG&A expenses increase in advance of the higher revenues. Please refer to the 4Q06 Earnings Release for a detailed description of the SG&A accounting.

It is also important to mention that, starting in 2007, we are accruing our bonus provision on a quarterly basis. During 2006 we provisioned the yearly bonus fully in the last quarter, strongly impacting the quarter's EBITDA. Impact in 2007 will be distributed in all four quarters, with an R$4.9 million provision in 2Q07, which represents 1.9% of net revenues.

2Q07 - Depreciation and Amortization

Depreciation and amortization in 2Q07 amounted to R$5.5 million, an increase of 440% compared to the R$1.0 million in 2Q06. This is a result primarily of the R$3.8 million amortization of goodwill from the AlphaVille acquisition. The goodwill from the AlphaVille acquisition will be amortized over 10 years.

2Q07 - Financial Results

Net financial results totaled a negative R$3.0 million in 2Q07 compared to a positive R$4.0 million in 2Q06. Financial expenses in 2Q07 totaled R$18.3 million, an increase of 45% over 2Q06 R$12.6 million as we consolidated AlphaVille's debt. Financial income decreased from R$16.6 million to R$15.4 million, primarily due to the effect in cash and cash equivalents of the lower interest rates.

2Q07 - Income Taxes

Income taxes and social contribution for 2Q07 amounted to a positive R$3.9 million versus a negative R$2.0 million in same period of last year, mainly because of tax credits in 2Q07.

2Q07 - Net Income and Earnings per Share

Net income for 2Q07 was R$32.1 million (12.1% of net revenues), R$11.0 million or 52.2% higher than the adjusted Net income of R$21.1 million (13.9% of net revenues) or 67% higher than the unadjusted net income of $19.3 million registered in the same period of 2006. 2006 results were adjusted by a one off charge of R$1.8 million.

Net earnings per share was R$0.25 in 2Q07 compared to pro-forma adjusted and unadjusted net earnings per share of R$0.21 in 2Q06. Basic weighted average shares outstanding were 129 million in 2Q07 and 102 million in 2Q06.

Backlog of Revenues and Results

The backlog of results to be recognized under the PoC method reached R$418.8 million in 2Q07, R$180.0 million higher than the 2Q06 and R$46.9 million more than 1Q07.

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 14 - Revenues and results to be recognized (R$000)

(eop)	2Q07	1Q07	2Q06
Sales to be recognized--end of period	1,100.2	985.7	540.1
Cost of units sold to be recognized - end of period	-681.4	-613.8	-301.3
Backlog of Results to be recognized	418.8	371.9	238.8
Backlog Margin - yet to be recognized	38.1%	37.7%	44.2%

Balance Sheet

Cash and Cash Equivalents
On June 30 2007, cash and cash equivalents increased to R$496.0 million, 20% lower than March 31, 2007 (R$621.3 million), and 17% higher than 2Q06's (R$422.8 million).

Accounts Receivables
Accounts receivables increased 96.5% to R$1.8 billion in June 2007 when compared to the R$0.9 billion figure of 2Q06, and 16.0% compared to the R$1.5 billion that was registered in March 2007. In 2Q07, receivables of completed units (post-completion receivables) reached R$239 million or 13% of the total accounts receivables.

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Table 15 - Accounts Receivables from Clients

Real estate development receivables:	2Q07	2Q06	1Q07
Current	411,256	311,648	365,848
Long-term	316,057	72,763	236,576
Total	727,313	384,411	602,424

Receivables to be recognized on our balance sheet according to PoC method and BRGAAP(for more details, see note 5 on our Financial Statements:

	2Q07	2Q06	1Q07
Current	270.288	116.048	220.894
Long-term	793.470	411.171	720.555

Total	1.063.758	527.219	941.449
Total Accounts Receivables	1.791.071	911.630	1.543.873

Inventory (Properties for Sale)
Our inventory includes land paid in cash, construction in progress, and finished units. Our inventory increased to R$594.0 million in 2Q07, an increase of 82.1% as compared to the R$326.2 million registered in 2Q06 due to recent land acquisitions in cash (more details in the "Land Reserves" section of this report) and developments under construction. It is important to note that the increase in units completed is due to the consolidation of AlphaVille.

The tables below details inventory for the 2Q07:

Table 16 - Inventory

	2Q07	1Q07	2Q06
Land	187,257	214,235	84,899
Properties under construction	351,753	295,704	204,394
Units completed	55,003	49,520	36,881
Total	594,013	559,459	326,174

The table below details inventory units at market value for the 2Q07:

Table 17 - Inventory at Market Value

Segments	2Q07	1Q07	2Q06
HIG	69,856	91,930	106,389
MHI	375,429	242,285	297,609
MID	385,465	312,472	123,059
AEL	10,549	20,253	13,685
LOT	157,182	195,903	69,630
COM	15,760	22,346	130,755
TOTAL	1,014,242	885,189	741,127

Geog. Region	2Q07	1Q07	2Q06
Sao Paulo	269,476	265,407	326,395
Rio de Janeiro	248,971	206,893	234,251
New Markets	495,794	412,889	180,481
TOTAL	1,014,242	885,189	741,127

Launching year	2Q07	1Q07	2Q06

Launches from 2007	487,986	226,942	-
Launches from 2006	263,959	331,795	252,997
Launches from 2005	161,553	203,340	242,449
Launches from 2004	100,744	123,111	245,681
TOTAL	1,014,242	885,189	741,127

Liquidity

The following table sets forth information on our indebtedness as of June 30, 2007:

Table 18 - Debt Breakdown

Type of transaction	Rates	2Q07
Debentures	1.3%p.a. + CDI	250,481
Construction Financing (SFH)	6.2-11%p.a. + TR	38,295
Downstream Merger obligation	10-12%p.a. + TR	16,237
Funding for developments	3-6.3%p.a. + CDI	22,359
Working Capital	3.5-6.2%p.a. + CDI	41,387
Others (Alphaville)	19.6-25.7%p.a	1,998
Total		370,757
Total Cash		496.016
Net Debt (Cash)		-125.259

Debt payment schedule as of June 30, 2007:

Table 19 - Debt Maturity

Type	Total	2007	2008	2009
Debentures	250,481	10,481	-	48,000
Construction Financing (SFH)	38,295	22,588	7,494	6,451
Downstream Merger obligation	16,237	4,894	3,865	5,257
Funding for developments	22,359	13,204	4,367	2,957
Working Capital	41,387	19,467	6,850	7,759
Others	1,998	654	741	603

Total	370,757	71,288	23,317	71,027

As of June 30 2007, our net debt to equity ratio was negative 8.6% compared to negative 18.2% in 2Q06 and negative 18.6% in 1Q07.

Outlook

We reiterate our outlook for the full year of 2007. We expect an increase of 60% to 65% in consolidated project launches over 2006. Approximately 25% (R$250 million) should come from Gafisa's core business, 20% (R$200 million) from Fit Residencial, and another 20% (R$ 200 million) from AlphaVille.

Gafisa expects to deliver a consolidated 2007 EBITDA margin of 15% to 16%. Gafisa's core business continues to increase its EBITDA margin, but the consolidated figure will be impacted by the costs associated with ramping up Fit Residencial, Bairro Novo, and AlphaVille.

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$2,000 to 2,800 per square meter.

AEL (Affordable Entry Level) - residential units targeted to the mid-low and low income segments with prices ranging from R$1,500 to 2,000 per square meter.

LOT (Urbanized Lots) - land subdivisions, or lots, with prices ranging from R$150 to R$800 per square meter

COM (Commercial buildings) - Commercial and corporate units developed only for sale with prices ranging from R$4,000 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.

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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 900 developments and constructed over 37 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.

Appendix

The following table sets forth detailed information of projects launched in 2007 by quarter:

Projects launched in 1Q07	Month of Launch	Segment	Location	Usable Area (s.q.m) (100%)	# of Units (100%)	Gafis Sta
Fit Jacana1	March	AEL	Sao Paulo - SP	9,181	184	10
Isla	March	Mid	Sao Caetano - SP	31,423	240	10
Grand Valley	March	Mid	Rio de Janeiro - RJ	16,908	240	10
Acqua Residence (Fase 1)	March	Mid	Nova Iguacu - RJ	28,400	380	10
Celebrare	March	Mid	Caxias - RJ	14,679	188	10
Reserva do Lago	March	Mid	Goiania - GO	16,800	96	5
Campo Grande I	March	Lot	Campo Grande - MS	225,269	489	6
Total				342,660	1,817	

Projects launched in 2Q07	Month of Launch	Segment	Location	Usable Area (s.q.m) (100%)	# of Units (100%)	Gafi Stak
CSF - Primula	June	Mid	Sao Paulo - SP	13,897	96	10
CSF - Dalia	June	Mid	Sao Paulo - SP	9,000	68	10
CSF - Acacia	June	Mid	Sao Paulo - SP	23,461	192	10
Jatiuca Trade Residence	June	Mid	Maceio - AL	32,651	500	5
Enseada das Orquideas	June	Mid-High	Santos - SP	52,589	475	8
London Green	June	Mid-High	Rio de Janeiro - RJ	28,998	300	5
Horizonte	May	Mid	Belem -PA	7,505	29	6
Secret Garden	May	Mid	Rio de Janeiro - RJ	15,344	252	10
Evidence	April	Mid	Sao Paulo - SP	23,487	144	5
Fit Maceio	April	AEL	Maceio - AL	4,207	54	5
Acquarelle	April	Mid	Manaus - AM	17,742	259	8
Palm Ville	April	Mid	Salvador - BA	13,582	112	5
Art Ville	April	Mid	Salvador - BA	16,157	263	5
Total				258,621	2,744	

Total YTD 2007				601,280	4,561	

Note: (1) As mentioned above, Fit Residencial recognizes sales only after the client has received the final approval by Caixa Economica Federal.

The following table sets forth the financial completion of the construction in progress in 2007 and 2006 and the related revenue recognized during those years:

Development	Month/Year launched	Total area (m(2))	Final Completion (%) 2Q07	Final Completion (%) 2Q06	Percentage sold-accumulated 2Q07	Percentage sold-accumulated 2Q06
Empresarial Pinheiros	nov-04	17,149	99.5%	49.4%	100.0%	11.0%
Arena	dez-05	29,256	59.7%	16.1%	100.0%	98.1%
Villagio Panamby - Jazz Duet	set-05	13,400	78.1%	22.2%	80.2%	38.1%
Sunspecial Resid. Service	mar-05	21,189	75.7%	21.2%	86.2%	73.3%
Sunplaza Personal Office	mar-06	6,328	60.6%	8.9%	87.4%	69.2%
Peninsula Fit	mar-06	24,080	34.5%	2.3%	55.5%	49.8%
Bem Querer	nov-05	11,136	70.0%	2.0%	100.0%	95.3%
Olimpic Resort	out-05	21,851	65.2%	12.7%	100.0%	99.2%
CSF - Saint Etienne	mai-05	11,261	66.0%	12.1%	96.3%	89.4%
Villagio Panamby - Agrias	nov-06	21,390	32.0%	0.0%	60.0%	0.0%
Palm D'Or	set-05	8,493	63.0%	25.5%	96.1%	36.4%
Beach Park Acqua	nov-05	9,770	55.7%	11.3%	86.2%	80.6%
Blue Land	ago-03	18,252	56.3%	36.4%	67.2%	22.4%
Lumiar	fev-05	7,193	89.6%	18.8%	96.8%	57.4%
Del Lago	mai-05	62,022	57.4%	19.2%	90.9%	48.6%
Olimpic - Chacara Sto Antonio	ago-06	24,988	27.1%	0.0%	91.9%	0.0%
Villagio Panamby - Domaine Du Soleil	set-05	8,225	82.2%	26.5%	84.0%	49.1%
Montenegro Boulevard	jun-05	174,862	92.7%	65.3%	100.0%	99.7%
Villagio Panamby- Mirabilis	mar-06	23,355	48.4%	0.0%	80.5%	58.0%
The Gold	dez-05	10,465	69.3%	0.0%	68.3%	38.7%
Icarai Corporate	dez-06	5,683	29.5%	0.0%	85.2%	0.0%
Celebrare	mar-07	14,679	15.3%	0.0%	67.0%	0.0%
Blue Vision - Sky e Infinity	jun-06	18,514	58.1%	37.4%	84.4%	42.0%
Grand Valley	mar-07	16,908	15.4%	0.0%	47.0%	0.0%
Riviera Ponta Negra - Cannes e Marseille	jan-04	22,332	100.0%	79.9%	73.3%	67.9%
Espaco Jardins	mai-06	28,926	22.1%	0.0%	95.3%	30.9%
Paco das Aguas	mai-06	24,080	45.2%	0.0%	69.6%	47.8%
Sundeck	nov-03	13,043	100.0%	65.9%	86.5%	72.8%
Villagio Panamby - Parides	nov-06	13,093	49.4%	0.0%	100.0%	0.0%
Weber Art	jun-05	5,812	69.8%	11.2%	91.2%	77.2%
Vistta Ibirapuera	mai-06	9,963	48.0%	32.3%	100.0%	100.0%
Isla	mar-07	31,423	12.6%	0.0%	68.1%	0.0%
Felicita - Evangelina 2	dez-06	11,323	14.5%	0.0%	55.1%	0.0%
Terras de Sao Francisco	jul-04	114,160	100.0%	97.1%	93.5%	85.7%
Collori	nov-06	39,462	24.0%	0.0%	38.4%	0.0%
Espacio Laguna	ago-06	16,364	24.4%	0.0%	28.9%	0.0%
Town Home	nov-05	8,319	41.9%	13.2%	55.0%	20.0%
Side Park - Ed. Style	jul-04	10,911	90.5%	37.5%	100.0%	96.5%
New Point	abr-03	12,034	100.0%	59.6%	98.5%	97.1%
CSF - Paradiso	mai-07	16,286	7.4%	0.0%	72.1%	0.0%
Sunprime	nov-03	11,802	100.0%	92.2%	100.0%	93.4%
La Place	mai-04	8,416	100.0%	68.0%	91.2%	69.0%

CSF - Santtorino	ago-06	14,979	11.9%	0.0%	100.0%	0.0%
Ville Du Soleil	out-06	8,920	29.4%	0.0%	29.4%	0.0%
Cuiaba	dez-05	11,775	44.6%	0.0%	27.9%	9.2%
Art Ville	abr-07	16,157	5.3%	0.0%	68.3%	0.0%
Quinta Imperial	jul-06	8,422	12.3%	0.0%	76.5%	0.0%
Reserva das Palmeiras	fev-03	16,912	100.0%	96.1%	100.0%	100.0%
Alphaville						
Others						
Total						

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Consolidated Statements of Income

R$ 000	2Q07	2Q06	1Q07
Gross Operating Revenue	280,121	158,701	246,053
Real State development and sales	264,319	139,602	242,727
Construction and services rendered	15,802	19,099	3,326
Deductions	-13,573	-6,550	-21,737
Net Operating Revenue	266,548	152,151	224,316
Operating Costs	-186,467	-113,027	-156,356
Gross profit	80,081	39,124	67,960
Operating Expenses	-41,665	-18,949	-31,749
Selling expenses	-17,330	-9,422	-12,006
General and administrative expenses	-27,146	-10,021	-19,134
Equity Income	-37	1,185	-259
Other Operating Revenues	2,848	-691	-350
EBITDA	38,416	20,175	36,211
Depreciation and Amortization	-5,517	-1,022	-5,061
Extraordinary expenses	0	-1,840	-30,174
EBIT	32,899	17,313	976
Financial Income	15,395	16,621	8,080
Financial Expenses	-18,340	-12,631	-16,765

Income before taxes on income	29,954	21,303	-7,710
Deffered Taxes	5,703	-881	-1,551
Income tax and social contribution	-1,774	-1,140	-1,591
Income after taxes on income	33,883	19,282	-10,852
Minority Shareholders	-1,743	0	-1,701
Net income	32,140	19,282	-12,553
Adjusted net income per thousand shares outstanding	0.25	0.21	0.18

Consolidated Statements of Income

R$ 000	1H07	1H0
Gross Operating Revenue	526,174	296,1
Real State development and sales	507,046	262,5
Construction and services rendered	19,128	33,6
Deductions	-35,310	-12,2
Net Operating Revenue	490,864	283,9
Operating Costs	-342,823	-209,9
Gross profit	148,041	74,0
Operating Expenses	-73,414	-33,4
Selling expenses	-29,336	-18,5
General and administrative expenses	-46,280	-16,6
Equity Income	-296	2,3
Other Operating Revenues	2,498	-6
EBITDA	74,627	40,5
Depreciation and Amortization	-10,578	-1,7
Extraordinary expenses	-30,174	-29,1
EBIT	33,875	9,6

Financial Income	23,475	27,3
Financial Expenses	-35,105	-30,2
Income before taxes on income	22,245	6,7
Deffered Taxes	4,152	-2
Income tax and social contribution	-3,365	-1,9
Income after taxes on income	23,032	4,5
Minority Shareholders	-3,444	
Net income	19,588	4,5
Adjusted net income per thousand shares outstanding	0.39	0.

Consolidated Balance Sheet

R$ 000	2Q07	2Q06	1Q07
ASSETS			
Current assets			
Cash and banks	21,328	13,090	34,049
Financial investments	474,688	409,689	587,203
Receivables from clients	435,887	311,648	392,634
Properties for sale	594,013	326,174	559,459
Other accounts receivable	119,417	103,680	117,856
Deferred selling expenses	25,259	48,054	18,972
Prepaid expenses	13,238	43,367	7,691
	1,683,830	1,255,702	1,717,864
Long-term assets			
Receivables from clients	316,057	72,763	236,576
Deferred taxes	73,913	41,446	59,921
Other	38,704	29,133	44,287
	428,674	143,342	340,784
Permanent assets			
Investments	167,709	554	171,602
Properties and equipment	15,169	7,014	11,507
	182,878	7,568	183,109
Total assets	2,295,382	1,406,612	2,241,757

LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Loans and financings	51,710	56,213	53,716
Debentures	10,481	28,691	2,663
Real estate development obligations	5,710	27,757	5,088
Obligations for purchase of land	108,913	61,282	127,846
Materials and service suppliers	75,638	25,209	62,144
Taxes and contributions	60,349	42,912	49,045
Taxes, payroll charges and profit sharing	21,141	6,830	19,587
Advances from clients - real state and services	50,181	45,828	62,833
Dividends	2,823	114	11,163
Other	15,359	14,499	22,558
	402,305	309,335	416,643
Long-term liabilities			
Loans and financings	68,566	37,950	59,469
Debentures	240,000	152,880	240,000
Obligations for purchase of land	13,501	14711	14,055
Deferred taxes	52,260	29,387	43,848
Unearned income from property sales	1,053	4,032	95
Other	51,365	36,457	51,535
	426,745	275,417	409,002
Deferred income			
Deferred income on acquisition of subsidiary	345	14,227	1,281
Minority Shareholders	3,616	0	-9,489
Shareholders' equity			
Capital	1,220,490	585,930	1,214,580
Treasury shares	-18,050	-47,026	-18,050
Capital reserves	167,276	167,276	167,276
Revenue reserves	92,655	101,453	60,516
	1,462,371	807,633	1,424,322
Total liabilities and shareholders' equity	2,295,382	1,406,612	2,241,757

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